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PROCEEDINGS AND DEBATES OF THE 100^{th} CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Monday, November 16, 1987*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We remember, gracious God, the ties that bind us together as a human family, the bonds that make us one people. As You have created each one of us and as we share a common heritage, so may we work and pray for the things that bring us together and the good works that make for peace. May Your good spirit that brought us into life inspire and encourage people of every background to express in their lives the unity and understanding that is your gift to us. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed a bill and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 1539. An act to amend the Federal Railroad Safety Act of 1970 and for other purposes; and

S.J. Res. 220. Joint resolution to provide for the extension of certain programs relating to housing and community development, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1451) "An act to amend the Older Americans Act of 1965 to authorize appropriations for the fiscal years 1988, 1989, 1990, and 1991; to amend the Native Americans Programs Act of 1974 to authorize appropriations for such fiscal years; and for other purposes."

The message also announced that pursuant to Public Law 94-201, the Chair on behalf of the President pro tempore, appoints Dr. Marta Weigle of New Mexico, from private life, as a member of the Board of Trustees of the American Folk Life Center.

CONSENT CALENDAR

The SPEAKER. This is the day for the call of the Consent Calendar. The Clerk will call the first bill on the Consent Calendar.

REPEALING THE BROWN-STEVENS ACT CONCERNING CERTAIN INDIAN TRIBES IN THE STATE OF NEBRASKA

The Clerk called the bill (H.R. 2639) to repeal the Brown-Stevens Act concerning certain Indian tribes in the State of Nebraska.

There being no objection, the Clerk read the bill, as follows:

H.R. 2639

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of December 30, 1916 (39 Stat. 865), is hereby repealed. Nothing in this Act shall affect any claim of an Indian tribe listed by the Secretary of the Interior pursuant to Public Law 97-394.

With the following committee amendment in the nature of a substitute:

Strike all after the enacting clause and insert:

That the Act of May 6, 1910 (36 Stat. 348) and the Act of December 30, 1916 (39 Stat. 865) are hereby repealed.

SEC. 2. Nothing in this Act shall affect any claim of an Indian tribe or individual arising out of the Acts repealed by the first section of this Act, including but not limited to those claims listed by the Secretary of the Interior pursuant to the Indian Claims Limitation Act of 1982 (Public Law 97-394; 28 U.S.C. 2415 note).

SEC. 3. For the purpose of any Federal payments made to the Macy, Walthill, and Winnebago school districts in Thurston County, Nebraska, because of the existence of nontaxable Indian lands located within such school districts, this Act shall be deemed to have been effective on January 1, 1951.

The committee amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CORRECTING HISTORICAL AND GEOGRAPHIC OVERSIGHTS RELATING TO THE UTAH COMPONENT OF CONFEDERATED TRIBES OF GOSHUTE RESERVATION

The Clerk called the bill (H.R. 2839) to correct historical and geographical oversights in the establishment and development of the Utah component of the Confederated Tribes of the Goshute Reservation, to unify the land base of the Goshute Reservation, to simplify the boundaries of the Goshute Reservation, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

H.R. 2839

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LANDS HELD IN TRUST FOR THE TRIBE PURSUANT TO EXECUTIVE ORDERS.

(a) LANDS HELD IN TRUST.—In recognition and confirmation of the actions of the President in Executive Order 1539 (May 29, 1912; IR 168) and Executive Order 1903 (March 23, 1914; IV K 1048), the lands in Utah described in such orders are hereby declared to be held in trust by the United States for the use and benefit of the Tribe.

(b) EFFECTIVE DATE FOR DETERMINING WATER RIGHTS AND PRIORITIES.—For purposes of determining water rights, and priorities related to such rights, in the lands held in trust for the Tribe under subsection (a), such lands shall be deemed to have been held in trust by the United States as of the dates of the respective executive orders referred to in subsection (a) or such earlier dates as may be indicated by any applicable order or law.

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

SEC. 2. IMPLEMENTATION; PROTECTION OF THE RIGHTS OF THIRD PARTIES; RIGHTS OF ACCESS.

(a) Valid Existing Rights.—Except as otherwise provided in this section, nothing in this Act shall be construed to deprive any person of any valid existing right or interest (including, but not limited to, a real property right or interest, water right or priority, right of ingress and egress, right of way, easement, license, grazing permit, oil and gas lease, mining claim, or other legal property or contract right or interest) which such person may have in the lands described in this Act on the date of enactment of this Act.

(b) Transfer of Rights to Tribe.—Upon the effective date of this Act, all valid rights of way, leases, permits, and other land use rights or authorizations, except mining claims, existing on the date of enactment of this Act in the lands described in this Act, including the right to receive compensation for use of the lands, shall cease to be the responsibility of, or inure to the benefit of, the United States, and shall become the responsibility of the Tribe. The Tribe or the Secretary as trustee shall succeed to the interests of the United States and shall continue to maintain those interests under the same terms and conditions, as they were maintained by the United States.

(c) Determination of Validity of Unpatented Mining Claims.—(1) Not later than two years after the date of enactment of this Act, the Secretary shall determine the validity of all mining claims existing on the date of enactment of this Act on the lands within the exterior boundaries of the Reservation. Those mining claims which the Secretary determines to be valid shall be maintained thereafter in compliance with the mining laws of the United States, but the holders of such claims shall not be entitled to a patent.

(2) Any such valid mining claim—

(A) shall carry all the rights incident to mining claims, including the right of ingress and egress over the land referred to in sections 3(a) and 3(f);

(B) shall carry the right to occupy and use so much of the surface of such land within its boundaries as is required for all purposes reasonably necessary to mine and remove the minerals; and

(C) shall terminate when it is determined by the Secretary to be invalid or is abandoned.

SEC. 3. ADDITION OF LANDS TO THE RESERVATION.

(a) Lands Unintentionally Omitted From Inclusion by Executive Order of 1914.—All right, title, and interest of the United States in and to the lands described in section 10(a) is hereby declared to be held by the United States in trust for the use and benefit of the Tribe and to be part of the Reservation.

(b) Federal But Non-Indian Lands Within the Boundaries of the 1912 and 1914 Executive Order Reservations.—All right, title, and interest of the United States in and to the lands described in section 10(b) is hereby declared to be held by the United States in trust for the use and benefit of the Tribe and to be part of the Reservation.

(c) Lands Held in Trust But Not Part of the Reservation.—All lands described in section 10(c), title to which is held by the United States in trust for the Tribe are hereby declared to be part of the Reservation.

(d) Unification of Subsurface Estates.—All right, title, and interest of the United States in and to the subsurface estates described in section 10(d) is hereby declared to be held by the United States in trust for the use and benefit of the Tribe and to be part of the Reservation.

(e) Lands Held by the Tribe as a Private Party.—The Secretary may accept a conveyance by the Tribe of all right, title, and interest of the Tribe in and to the lands described in section 10(e). Any such land accepted by the Secretary shall be held by the United States in trust for the use and benefit of the Tribe and shall become part of the Reservation.

(f) Federal Lands Surrounding Goshute Tribal Cemetery.—All right, title, and interest of the United States in and to the lands described in section 10(f) is hereby declared to be held by the United States in trust for the use and benefit of the Tribe and to be part of the Reservation.

(g) Maps and Legal Descriptions.—Within 90 days after the date of enactment of this Act, the Secretary shall publish a legal description in the Federal Register of the lands added by this Act to the Reservation. During such period, the Secretary is authorized to correct any technical errors in the legal descriptions contained in this Act. A map depicting the lands added to the Reservation by this Act shall be on file and available for public inspection in the Office of the Secretary, Department of the Interior.

SEC. 4. CONTINGENT ADDITION OF LANDS AND INTERESTS HELD BY THE STATE OF UTAH; CONTINGENT UNIFICATION OF SPLIT ESTATES.

(a) Lands Held by the State of Utah.—If any right, title, and interest in and to any or all portions of the tracts of land described in section 10(g)(1) ever vests in the United States, the United States shall hold all of its right, title, and interest in and to such tracts in trust for the use and benefit of the Tribe and such tracts shall become part of the Reservation.

(b) Unification of Split Estates.—If any right, title, and interest in and to any subsurface estate in any or all portions of the tracts of land described in section 10(g)(2) shall ever vest in the United States, the United States shall hold all of its right, title, and interest in and to the minerals in such tracts in trust for the use and benefit of the Tribe and such interests shall become part of the Reservation.

SEC. 5. AUTHORIZATION FOR THE PURCHASE OF LANDS WITHIN, ADJACENT TO, OR IN CLOSE PROXIMITY TO THE RESERVATION.

(a) Authority.—The Secretary is authorized to acquire by donation, exchange, purchase any lands or interests in lands within, adjacent to, or in close proximity to the boundaries of the Reservation for the use and benefit of the Tribe.

(b) Limitation on Exchanges.—Land may be exchanged under subsection (a) only if that land is within the State of Utah and is equal in value to the land being exchanged; except, that the Secretary may accept cash from, or pay cash to, the grantors in such exchanges in order to equalize the values of the properties exchanged.

(c) Funds for Purchase.—The Secretary is authorized to purchase, with funds made available by the Tribe for this purpose, any lands or interests in lands within, adjacent to, or in close proximity to the Reservation.

(d) Advice and Consent of Goshute Tribal Business Council.—Before entering into any transaction under this section, the Secretary shall obtain the advice and consent of the Goshute Tribal Business Council. The terms and conditions of any such transaction shall be mutually agreed upon by the Secretary, the Goshute Tribal Business Council, and the States or individuals concerned (as the case may be).

(e) Addition to Reservation.—Title to any land or interests in land acquired under this section shall be taken in the name of the United States in trust for the use and benefit of the Tribe and shall become part of the Reservation.

SEC. 6. RESTRICTION ON DISPOSAL OF CERTAIN FEDERAL LANDS ADJACENT TO THE GOSHUTE INDIAN RESERVATION.

Any right, title, or interest of the United States in and to the lands described in section 10(h) may not be conveyed, sold, or otherwise transferred by the Bureau of Land Management, or any other Federal agency, without the approval of the Secretary, after consideration of the desire and need of the Tribe for such lands.

SEC. 7. EXTINGUISHMENT OF RIGHT OF UNITED STATES TO CONSTRUCT DITCHES AND CANALS.

The reserved right of the United States to construct ditches and canals on the lands described in this Act, and any lands acquired pursuant to section 5, is hereby extinguished.

SEC. 8. APPLICATION OF UNITED STATES LAWS TO LANDS ADDED TO RESERVATION.

The lands which are declared to be held in trust for the Tribe and added to the Reservation under this Act shall be subject to the laws of the United States relating to Indian land to the same extent and in the same manner as the lands comprising the Reservation of the Tribe on the day of the enactment of this Act.

SEC. 9. DEFINITIONS.

For the purposes of this Act—

(1) the term "Reservation" means the reservation of the Tribe;

(2) the term "Secretary" means the Secretary of the Interior; and

(3) the term "Tribe" means the Confederated Tribes of the Goshute Reservation.

SEC. 10. LAND DESCRIPTIONS.

(a) Lands Unintentionally Omitted From Inclusion by Executive Order of 1914.—The lands referred to in section 3(a), comprising approximately 1753.51 acres of public domain lands, are described as follows:

Fractional Township 11 South, Range 20 West, Salt Lake Base and Meridian, Juab County, Utah

Section 1: All.

Section 12: Lots 1-4, the northeast ¼, and the northeast ¼ of the southeast ¼.

Section 13: Lots 1-4, the west ½ of the southeast ¼, and the southeast ¼ of the southeast ¼.

Section 24: All.

Section 25: All.

Fractional Township 12 South, Range 20 West, Salt Lake Base and Meridian, Juab County, Utah

Section 1: All.

Section 12: Lots 1 and 2.

(b) Federal but Non-Indian Lands Within the Boundaries of the 1912 and 1914 Executive Order Reservations.—The lands referred to in section 3(b), comprising approximately 80 acres, are described as follows:

1926 ALLOTMENT RECONVEYANCE

Township 11 South, Range 19 West; Salt Lake Base and Meridian, Juab County, Utah

Section 8: The southeast ¼ of the southeast ¼.

Section 9: The southeast ¼ of the southeast ¼.

(c) LANDS HELD IN TRUST BUT NOT PART OF THE RESERVATION.—The lands referred to in section 3(c), comprising approximately 5,075.69 acres, are described as follows:

(1) HEADQUARTERS UNIT

Township 9 South, Range 19 West, Salt Lake Base and Meridian; Tooele County, Utah

Section 33: The southeast ¼ of the northeast ¼, the southeast ¼, the southeast southwest ¼ of the southwest ¼.

Section 34: The southwest ¼ of the northwest ¼, the west ½ of the southwest ¼, the northeast ¼ of the southwest ¼, the southeast ¼ of the northwest ¼.

Township 10 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 3: Lot 4 and the southwest ¼ of the northwest ¼.

Section 4: Lot 1 and Lot 2, the south ½ of the northeast ¼, the southeast ¼.

(2) HALSTEAD PURCHASE

Township 9 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 22: The southeast ¼ of the southwest ¼.

Section 27: The east ½ of the west ½.

Section 34: The north ½ of the northwest ¼.

Township 10 South, Range 19 West, Salt Lake Base and Meridian Tooele County, Utah

Section 9: The northeast ¼ of the northwest ¼, the south ½ of the northwest ¼, the north ½ of the southwest ¼, the north ½ of the northeast ¼.

(3) VARIOUS PURCHASED INHOLDINGS IN 11 SOUTH, 19 WEST

Township 11 South, Range 19 West, Salt Lake Base and Meridian, Juab County, Utah

Section 19: The northeast ¼ of the southwest ¼.

Section 20: The east ½ of the west ½.

Section 22: The north ½ of the southeast ¼, the northeast ¼, the west ½, the south ½ of the southeast ¼.

(4) PURCHASED AND EXCHANGED LAND IN 12 SOUTH, 19 WEST

Township 12 South, Range 19 West, Salt Lake Base and Meridian, Juab County, Utah

Section 27: The southwest ¼ of the northwest ¼, the northwest ¼ of the southwest ¼.

Section 28: The east ½ of the northeast ¼, the east ½ of the northwest ¼, the northwest ¼ of the northwest ¼, the southeast ¼ of the southwest ¼.

Section 29: The southeast ¼, the southwest ¼ of the northeast ¼, the north ½ of the northeast ¼.

Section 30: The south ½ of the northeast ¼.

Section 33: The northeast ¼ of the northwest ¼, the northwest ¼ of the northeast ¼.

Section 34: The southeast ¼, the southeast ¼ of the northeast ¼, the north ½ of the northeast ¼, the northeast ¼ of the northwest ¼.

Section 27: The northwest ¼ of the northwest ¼, the southeast ¼ of the northwest ¼, the east ½ of the southwest ¼, the southwest ¼ of the southwest ¼.

Section 28: The west ½ of the northeast ¼, the southwest ¼ of the northwest ¼, the northeast ¼ of the southwest ¼, the southwest ¼ of the southeast ¼, the east ½ of the southeast ¼.

Section 29: The southeast ¼ of the northeast ¼.

Section 33: The northeast ¼ of the northeast ¼.

Section 34: The northwest ¼ of the northwest ¼.

Section 35: The northwest ¼ of the southwest ¼.

Section 28: The west ½ of the southwest ¼, the northwest ¼ of the southeast ¼.

Section 30: The north ½ of the northeast ¼, the northeast ¼ of the northwest ¼ and Lot 1.

Section 33: The south ½ of the northeast ¼.

Section 34: The southwest ¼ of the northeast ¼, the south ½ of the northwest ¼, the southeast ¼.

(5) PURCHASED AND EXCHANGE LAND IN 12 SOUTH, 20 WEST

Fractional Township 12 South, Range 20 West, Salt Lake Base and Meridian, Juab County, Utah

Section 12: Lots 3 and 4

Section 13: Lots 1, 2, 3 and 4.

Section 24: Lots 1, 2, 3 and 4.

(d) UNIFICATION OF SUBSURFACE ESTATES.—The lands referred to in section 3(d) are described as follows:

Township 9 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 22: The southeast ¼ of the southwest ¼. (oil and gas)

Section 34: The southeast ¼ of the northwest ¼, and the northeast ¼ of the southwest ¼. (all minerals)

Township 10 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 4: The south ½ of the southwest ¼ of the southeast ¼ of the northwest ¼. (oil and gas)

Township 12 South, Range 19 West, Salt Lake Base and Meridian, Juab County, Utah

Section 28: The north ½ of the northwest ¼ and the southeast ¼ of the northwest ¼. (all minerals)

Section 29: The west ½ of the east ½, the northeast ¼ of the northeast ¼, and the east ½ of the southeast ¼. (all minerals)

Section 30: The south ½ of the northeast ¼. (all minerals)

Township 12 South, Range 20 West, Salt Lake Base and Meridian, Juab County, Utah

Section 12: Lots 3 and 4. (all minerals)

Section 13: All. (all minerals)

Section 24: All. (all minerals)

(e) LANDS HELD BY THE GOSHUTE INDIAN TRIBE AS A PRIVATE PARTY.—The lands referred to in section 3(e), comprising approximately 5 acres, are described as follows:

GOSHUTE TRIBAL CEMETERY

Township 10 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 4: The south ½ of the southwest ¼ of the southeast ¼ of the northwest ¼.

(f) FEDERAL LANDS SURROUNDING GOSHUTE TRIBAL CEMETERY.—The lands referred to in section 3(f), comprising approximately 360 acres, are described as follows:

(1) Township 10 South, Range 19 West; Salt Lake Base and Meridian, Tooele County, Utah

Section 4: Lots 3 and 4, the southwest ¼ of the northwest ¼, the east ½ of the southeast ¼ of the northwest ¼, the northwest ¼ of the southeast ¼ of the northwest ¼, the north ½ of the southwest ¼ of the southeast ¼ of the northwest ¼, and the southwest ¼.

Section 9: The northwest ¼ of the northwest ¼.

(g) LANDS HELD BY THE STATE OF UTAH.—(1) The lands referred to in section 4(a), comprising approximately 860.16 acres and including the surface and subsurface estates, are described as follows:

Township 11 South, Range 19 West, Salt Lake Base and Meridian, Juab County, Utah

Section 16: The east ½ of the west ½ and the east ½.

Fractional Township 11 South, Range 20 West, Salt Lake Base and Meridian, Juab County, Utah

Section 36: All.

(2) The lands referred to in section 4(b), comprising approximately 1,275.91 acres and including only the subsurface estate, are described as follows:

Township 12 South, Range 19 West, Salt Lake Base and Meridian, Juab County, Utah

Section 30: Lot 1, the north ½ of the northeast ¼, the northeast ¼ of the northwest ¼.

Section 33: The south ½ of the northeast ¼.

Section 34: The southwest ¼ of the northeast ¼, the south ½ of the northwest ¼ and the southwest ¼.

Section 28: The southwest ¼ of the northwest ¼.

Section 29: The southeast ¼ of the northeast ¼.

Section 27: The southeast ¼ of the northwest ¼, the northeast ¼ of the southwest ¼, the southwest ¼ of the southwest ¼.

Section 28: The east ½ of the southeast ¼.

Section 27: The northwest ¼ of the northwest ¼.

Section 35: The northwest ¼ of the southwest ¼.

Section 27: The southeast ¼ of the southwest ¼.

Section 33: The northeast ¼ of the northeast ¼.

Section 34: The northwest ¼ of the northwest ¼.

Section 28: The west ½ of the northeast ¼, the northeast ¼ of the southwest ¼, the southwest ¼ of the southeast ¼.

Section 28: The west ½ of the southwest ¼, the northwest ¼ of the southeast ¼.

(h) CERTAIN FEDERAL LANDS ADJACENT TO THE GOSHUTE INDIAN RESERVATION.—The lands referred to in section 6, comprising approximately 640.00 acres, are described as follows:

Township 9 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 21: The southeast ¼ of the southeast ¼.

Section 27: The west ½ of the west ½.

Section 28: The east ½ of the east ½.

Section 33: The northeast ¼ of the northeast ¼.

Section 34: The southeast ¼ of the southwest ¼.

Township 10 South, Range 19 West, Salt Lake Base and Meridian, Tooele County, Utah

Section 9: The south ½ of the northeast ¼, the north ½ of the southeast ¼, the southeast ¼ of the southeast ¼, the east ½ of the southwest ¼ of the southeast ¼, east ½ of the northwest ¼ of the southwest ¼ of the southeast ¼.

With the following committee amendments:

Page 3, line 12, after "Tribe" insert "and the Secretary as trustee".

Page 3, line 13, before "shall" insert "or the Secretary as trustee".

Page 5, line 25, through page 6, line 3, change the last sentence in section 3(g) to read:

"A map depicting the lands added to the Reservation by this Act shall be on file and available for public inspection in the Bureau of Indian Affairs' Land Title Record Office having jurisdiction over these lands."

Page 8, after line 4, insert the following:

"(f) The provisions of this section are in addition to and not in derogation of any authority under any other Federal law."

Page 10, line 14 and 15, change the word "southeast" to "southwest" in each instance.

Page 13, line 13 change the word "southeast" to "southwest".

Page 14, line 9, insert the number "4" after the word "Section".

Page 15, line 18, strike "and the southwest ¼" and insert "the southwest ¼ and the southwest ¼ of the northwest ¼".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GORDON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the two bills just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

RESIGNATION AS MEMBER OF SELECT COMMITTEE ON HUNGER

The SPEAKER laid before the House the following resignation as a member of the Select Committee on Hunger:

HOUSE OF REPRESENTATIVES,
Washington, DC, November 6, 1987.

Hon. JIM WRIGHT,
Speaker of the House, H-204 Capitol, Washington, DC.

DEAR MR. SPEAKER: As I have recently been appointed to the Select Committee on Aging, I hereby formally resign from the Select Committee on Hunger.

Thank you for your assistance in this matter.

Sincerely,

JAMES H. BILBRAY,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

SPEAKER JIM WRIGHT'S LEADERSHIP FOR PEACE

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, I applaud our great Speaker, JIM WRIGHT, for his leadership in providing a forum for the American people to learn about the negotiations that are intended to bring stability and peace to the war-torn region of Central America. By conferring with both the Contras and the Nicaraguan Government, the Speaker has demonstrated his determination to take an even-handed approach in addressing the grievances of both sides.

The Speaker's initiative has focused the attention of millions of Americans on the Central American peace talks, which the Speaker and Nobel Laureate Oscar Arias were the driving forces in creating. Speaker WRIGHT cooperated with President Reagan in assisting this process in August, and instead of trying to replace the administration's foreign policy role as critics assert, he is aiding it by providing a forum for Americans to learn about the prospects for ending the strife in Central America.

We should commend the Speaker, President Arias, and Cardinal Miquel Obando y Bravo for their courageous initiatives in building a bridge toward peace in a region that has been the source of so much turmoil in recent world history.

The Speaker has aptly observed that he participated in the negotiations only at the invitation of the principal parties in the peace talks. "Whatever I've done has been by invitation. I do not aspire to any role except as a friend and someone who wants the peace proposal to work," he said.

Speaker WRIGHT worked closely with President Arias in the development of both the Wright-Reagan plan and the Arias plan. He was in close contact with the Costa Rican leader throughout the crucial period in August, when the historic advances toward peace were made. The bipartisan initiative announced by the Speaker and President Reagan on August 5 was used by Arias as leverage to pressure Nicaragua into joining its four neighbors into signing the peace agreement 2 days later.

The world has now recognized the Nobel Laureate President Arias' leadership in transforming the Central American peace idea into an agreement. Let us remember that our Speaker, as well, played a vital role in the noble effort for peace.

[From the Washington Post, Nov. 15, 1987]

NICARAGUA: AFTER THE REAGAN DOCTRINE

(By Philip Geyelin)

In Nicaragua (if nowhere else), the Reagan Doctrine is dead. Whatever replaces it will be crafted by Congress. In a display of lame-duck ineptitude that makes its handling of Supreme Court nominations look deft, the Reagan administration has allowed the conduct of U.S. policy in Central America to pass into congressional custody and, more specifically, into the hands of House Speaker Jim Wright.

That is the real message in Secretary of State George Shultz' announcement last week to the Organization of American States that the administration will put off until next year its once high-pitched plea for an 18-month, $270 million extension of military aid for the Nicaraguan resistance forces. That's also what's behind the largely phony fuss that the White House is making over Wright's "intrusion" in the "Guatemalan" peace process. Wright was invited in—by the president. By the administration's own default, he has emerged as the man in the U.S. power structure whom the Central American peace planners most trust and respect.

Some would argue that last August's disingenuous effort to rope the speaker into a "bipartisan" Wright-Reagan peace plan marked the beginning of the end of the administration's relevance. You could claim that the end was nigh in Congress a month or more ago, at least in the minds of those who (a) took the speaker's word for it or (b) could count—which the White House neither did nor could.

No matter. The end came last week for all of Shultz' tough talk: "This does not mean we will sit idly on the sidelines if the Sandinistas try to strike for a military victory. We will not abandon the resistance fighters . . . with their weapons exhausted. We will not permit the peace process to become a shield for the physical elimination of the Nicaraguan resistance."

Reading those words you might actually believe that the administration has choices. When Shultz goes on to say, "We will give peace every chance," you might believe, as well, that the United States won't be providing military aid to the contras for the rest of the year and beyond.

But then, if you had taken the administration at its word at any of several points along the way in the past six years, you would have believed that the original contra aid was designed only to interdict Nicaraguan support for rebels in El Salvador; that the president really thought he could make the Sandinistas say "uncle," abandon Marx and Lenin and take up democracy; that the administration was actually serious about the Wright-Reagan plan and not simply trying to show up the Sandinistas, at Wright's expense, as spoilers, by way of making the case for continuing military aid.

You might also have believed Ronald Reagan when he told the OAS on Oct. 7 that he would "fight for" the $270 million military aid package "as long as there's breath in this body," or Shultz when he told the House Foreign Affairs Committee on Oct. 13 that he would put that aid package on Congress' platter before Thanksgiving Day. You might even have taken seriously the administration's fallback proposal for $30 million in nonlethal aid, which has now been shelved along with the $270 million arms request.

What happened? The answer is simply that the administration's performance over the years has made disbelievers of a majority in both houses of Congress and, most intensely, of Speaker Wright and the Democratic leadership in the House. In the end, it took a face-to-face confrontation between Wright and White House officials to convince the administration that all it would get out of a fight would be a smashing defeat that would only serve to shatter contra morale.

When the administration tried to threaten the Democrats with the political implications of "abandoning" the "freedom fighters" in the field, Wright knew better. He and his cohorts knew what the administration also knew but didn't want to say out loud: there is enough military aid in the pipeline from last year's $100 million appropriation to keep the contras going at least through next January and perhaps longer.

What then? Nobody knows. It will depend on how Congress, in an election year, reads the progress of the Guatemalan peace plan agreed to by Nicaragua, together with El Salvador, Honduras, Guatemala and Costa Rica, whose Nobel Prize-winning president, Oscar Arias, took the lead. It will depend on events—how the Sandinistas play (or misplay) it, how their neighbors react, Moscow's role behind the scenes—that are beyond even Congress' capacity (never mind the administration's) to control.

Whatever happens, last week's capitulation by the administration makes it clear that, as far as U.S. policy is concerned, it won't be the administration's call. Congress will be taking the measure that matters of how much of a chance the peace process has earned by January. The test that will be applied will be a lot more realistic and reasonable than the test the Reagan administration would apply.

WASHINGTON POST CRITICAL OF FOREIGN POLICY MOVES IN CENTRAL AMERICA

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, just so you do not dismiss opposition to your intrusion in foreign policy as solely the sour grapes of the far right, I'd like to bring your attention to the lead editorial in this morning's Washington Post.

The Washington Post is not likely to be confused with First Monday or any other publication sympathetic or loyal to the Reagan administration. Yet, even the Post hastens to point out that your free-lance conduct of foreign policy is as dangerous as it is unprecedented.

Mr. Speaker, I must also bring your attention to the editorial's last paragraph, which suggests that your participation in this Sandinista propaganda campaign actually narrows the options for Nicaraguan dissenters.

Mr. Speaker, the writer of this editorial is correct when he also suggests you may have "gone way over the line that separates opposition from interference." And finally, Mr. Speaker, I beg you to place the good of this country over the desire to score partisan political points.

COMMENDING THE SPEAKER

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute.)

Mr. BONIOR of Michigan. Mr. Speaker, the announcement last Friday that Cardinal Obando y Bravo may be willing to serve as an intermediary between the Contras and the Nicaraguan Government should have been greeted with cheers by the Reagan administration. The fact that, for the first time in over 6 long years of war, the two sides are preparing concrete proposals to end the fighting, should have received the encouragement of every official in this Government.

Instead, the White House prefers to stand aside and snipe, with petty and unfounded criticisms of the Speaker of the House.

Speaker WRIGHT has done more in the last 3 months to promote peace and democracy in Nicaragua than this administration has done in 6 years.

The Arias peace agreement would never have been signed if it had not been for the courage of this speaker in responding to the administration's invitation to become involved in the peace process. The peace process would not have the momentum it has today, if the speaker had not expressed his unqualified support every step of the way.

Those who want war at any cost, can continue to stand on the sidelines and criticize. But the American people are crying out for leadership. We should commend the Speaker for the moral support he has provided in the search for peace in Central America.

YESTERDAY'S TRAGEDY AT THE DENVER AIRPORT

(Mr. CRAIG asked and was given permission to address the House for 1 minute.)

Mr. CRAIG. Mr. Speaker, yesterday afternoon, I left Boise to return to Washington. As my United flight held over the Denver Airport, however, we received word that we could not land; the airport had been closed. Continental flight 1713—ironically, on its way to Boise—had crashed on takeoff.

Today my thoughts are with the passengers of that flight and with their loved ones. My heart goes out, especially, to those still awaiting word, and my staff and I are doing what we can to see they get it.

In a State as small as ours, there is a saying that everyone knows everyone else. Yesterday, we found out—again—just how true that statement is. My staff and I know many people who were on that flight; one girl, an FFA member, had visited my office just this past July. It is a tragedy close to home, in every sense of the phrase.

Today I offer condolences to those who suffered loss, sympathy to those who suffered injury, and praise to those who worked so hard in the rescue.

I'm also calling for a thorough investigation and immediate report on the circumstances leading to this tragedy. There is so little we can do at a time like this; that is why we must do as much as we can. Our prayers are with the survivors and many critically injured in Denver hospitals.

□ 1210

SPEAKER WRIGHT'S BOLD INITIATIVE

(Mr. DOWNEY of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY of New York. Mr. Speaker, we face a problem in establishment Washington. The normal diplomatic apparatus has been paralyzed in dealing with Central America at the very time when we need it to be at its most responsive.

Earlier this year, President Reagan invited Speaker WRIGHT to join him in launching a new peace initiative in Central America. As my colleagues know, the Speaker took up this invitation and the result was the Reagan-Wright plan.

This plan, in turn, gave birth to the Central American peace plan developed by Costa Rican President Oscar Arias. After months of discussions and negotiations we are now at the critical moment when we must deal directly with the Sandinistas.

But the administration will not deal with the Sandinistas unless the Sandinistas invite the ghost of Somoza to the negotiations as well. We are at an impasse.

The Central Americans want peace. The world wants peace. But the administration is unable to take the steps that will lead to peace. Clearly this is a time for taking some risks in the hopes of achieving our goals in Central America. Speaker WRIGHT took that risk last week. And he took it for the right reason. He took it because the administration was letting the opportunity of concluding a peace agreement slip by.

Yes, the Speaker's actions were unusual. Yes, they were risky. But if we are ever to bring an end to the war in Central America that has caused so many deaths, then someone must be willing to stand up and exert some leadership. In the absence of administration leadership Speaker WRIGHT took a step that has invited much criticism, but it was a step that had to be taken in order to break the impasse we find ourselves in. I commend him for his actions and I urge my colleagues to support him.

THE TIE THAT BINDS

(Mr. HORTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HORTON. Mr. Speaker, I hope my colleagues today will notice the tie that I am wearing. In just looking at it, one might say it's a beautiful tie. It is but it has a special significance to me and to thousands of others.

The tie is known as The Tie That Binds. It was initially conceived by the Vietnam Veterans of America Chapter 20 in Rochester, NY, as a fundraiser idea for that organization. But, Mr. Speaker, it is beginning to gain national recognition as a show of support for our country's veterans of the Vietnam era.

"The Tie That Binds" holds many important messages. It is a symbol of national unity that is patterned after the British regimental ties of post World War I. It symbolizes the pride of being a Vietnam veteran and acknowledges all that those veterans went through. Most importantly, Mr. Speaker, it symbolizes a reconciliation between Vietnam veterans and the many different segments of American society, and a healing of the longstanding wounds that the Vietnam war created.

This project began as a small fundraiser for chapter 20 of the VVA. But it is gaining prominence because of the message that is sent by the wearing of one of these ties. As one of the VVA members said, "We don't want the people buying them to be motivated by pity or because it's trendy. We want people to buy the tie who are sincere in expressing 'thank you' and 'welcome home.'"

The design of the tie has universal appeal. The colors are symbolic and can be easily identified by Vietnam veterans. The tie has a dark bottle-green background, and the colors of the South Vietnamese flag, yellow with red stripes, run diagonally across the front of the tie. The Vietnamese flag design is used on both the men's ties and the women's bow ties.

Mr. Speaker, I want to personally congratulate Nelson Peck, the president of VVA Chapter 20, Michael Murphy, the project coordinator, Gary Beikrich, the executive director of the Veterans Outreach Center, Ron Trovato, and the many, many others who have contributed to this worthy project. It may look like just another tie, but the significance of "The Tie That Binds" gives it a very special place in my heart.

SPEAKER WRIGHT DESERVES OUR COMMENDATION

(Mr. LANTOS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANTOS. Mr. Speaker, I want to commend you, Mr. Speaker, for having the courage and the wisdom to seek to promote the peace process in Central America.

I only wish, Mr. Speaker, that you had the opportunity to do so in a different foreign policy context.

Tomorrow the report of the Iran-Contra hearing will be released. I wish the administration had consulted you before selling arms to the ayatollah, because the black eye this Nation received through that preposterous and outrageous action would never have taken place.

I find it ludicrous and pathetic that the very people who were the architects of the sale of arms to the ayatollah are now critizing you, Mr. Speaker, for promoting peace in Central America.

It is the duty and responsibility of the Congress to be an active participant in foreign policy. It is essential that Congress participate in foreign policy decisionmaking when the administration makes as many mistakes as this administration has.

VOTE "NO" ON CONSIDERING H.R. 3400 UNDER SUSPENSION

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, I hope that tomorrow when we get to vote on suspending the rules to change the Hatch Act, that all of the Members will vote no.

This bill is a controversial bill, and yet it is being brought up under suspension of the rules, which is wrong. It is just not fair.

Who opposes the bill? The Heritage Foundation, the U.S. Chamber of Commerce, the Wall Street Journal, the Washington Times, and Common Cause.

Let me read from a letter which is in all of the Members' offices today from Common Cause.

It says:

> In bringing this bill to the floor on suspension, there will be no opportunity for anyone to offer amendments. We believe that this expedited procedure will prevent a full and thorough deliberation of the major issues that are involved in removing the Hatch Act's protections.

It goes on to say many other things; but in closing, it says:

> H.R. 3400 represents a fundamental and dangerous change in the nature of partisan poliltical activities that could be undertaken by employees of the Federal Government. We strongly urge you to oppose H.R. 3400.

Some of the Members may be for changing the Hatch Act, and some Members may be against changing it, and some Members may not even care.

What I hope the Members will care about is protecting the rights of the minority and allowing the minority to have the opportunity to offer amendments which Common Cause and many other national groups support.

Mr. Speaker, I hope and I pray that we will allow amendments to be offered; and when this bill is brought up under suspension, we will all be united and vote no.

Mr. Speaker, I submit for the RECORD the November 13, 1987, letter from Common Cause, as follows:

COMMON CAUSE,
Washington, DC, November 13, 1987.

DEAR REPRESENTATIVE: On Tuesday, November 17, the House of Representatives is expected to vote on H.R. 3400, legislation which would fundamentally revise current Hatch Act restrictions against partisan political activity by federal workers. Common Cause strongly urges you to oppose this legislation.

H.R. 3400, furthermore, is a major substantive bill. In bringing this bill to the floor on suspension, there will be no opportunity for anyone to offer amendments. We believe that this expedited procedure will prevent a full and thorough deliberation of the major issues that are involved in removing the Hatch Act's protections.

H.R. 3400 would permit federal workers, for the first time in almost fifty years, to engage actively in partisan political activities during off-duty hours. Federal workers would, among other things, be permitted to run as candidates in partisan elections, serve as officers of a political party, raise partisan campaign contributions, and administer political action committees. In our view, H.R. 3400 as a result fails to provide adequate protection for either the government or for government workers against politicization of the civil service. Such protection is essential to maintaining citizen confidence and trust in government service.

It is important to recognize that under the current Hatch Act, federal workers are already permitted to engage in various political activities. For example, they may make partisan political contributions, serve as rank and file members of political parties, and engage in non-partisan political activities such as running for election to a non-partisan local school board. It is only the more active levels of partisan political activities which currently are barred. In drawing this line, we believe that the Hatch Act strikes an appropriate balance between the federal worker's ability to participate in partisan politics and the public's right to fair and impartial administration of government. Removing the Hatch Act's current restrictions against active partisan political activity, as H.R. 3400 would do, in our view would destroy this balance and lead to an undesirable politicization of the civil service.

The U.S. Supreme Court in United States Civil Service Commission v. the National Association of Letter Carriers upheld the constitutionality of the Hatch Act and wrote that "It is in the best interest of the country, indeed essential, that federal service should depend upon meritorious performance rather than political service." We agree. In our view, neither the impartial administration of the law, nor its appearance, could be achieved if the Hatch Act's restrictions on partisan political activity were removed. No procedural or other safeguards have been devised that would be sufficient to protect against subtle forms of political favoritism or coercion of federal workers.

H.R. 3400 represents a fundamental and dangerous change in the nature of partisan political activities that could be undertaken by employees of the federal government. We strongly urge you to oppose H.R. 3400.

Sincerely,

FRED WERTHEIMER,
President.

HOUSE OF REPRESENTATIVES,
Washington, DC, November 16, 1987.

VOTE "NO" ON CONSIDERING H.R. 3400 UNDER SUSPENSION

DEAR COLLEAGUE: H.R. 3400 to reform the Hatch Act is a major reform with far-reaching implications. Several members had amendments ready to offer to H.R. 3400 to provide more protections for the public and federal workers than H.R. 3400 includes.

Bringing up such a major reform on suspension without the opportunity for amendments is the wrong way to conduct public business. There is considerable concern about this bill as voiced by organizations including Common Cause, which has said in a telegram to members:

"Common Cause strongly urges you to oppose H.R. 3400 which represents a fundamental change in the Hatch Act. H.R. 3400 would lead to undesirable politicization of the civil service and would undermine critical protections all federal employees now have from political coercion.—Fred Wertheimer, President, Common Cause."

Other organizations opposed to H.R. 3400 include: Heritage Foundation, U.S. Chamber of Commerce, Wall Street Journal, and the Washington Times.

Whether you support or oppose H.R. 3400, the bill deserves to be considered under open debate and not under a gag rule.

I urge you to vote against H.R. 3400 on the suspension calendar.

Sincerely,

FRANK R. WOLF,
Member of Congress.

CONGRATULATIONS TO THE SPEAKER FOR ASSUMING PEACEMAKER ROLE

(Mr. DORGAN of North Dakota asked and was given permission to address the House for 1 minute and to revise and extend his remarks.

Mr. DORGAN of North Dakota. Mr. Speaker, in our history, the role of a peacemaker has never been an easy one, and never has that been demonstrated better than this past weekend.

The Speaker has met with both sides in the conflict in Central America; and for that, the Speaker has been roundly criticized.

Let me say that some of the Members feel very strongly that we need people with the courage and the nerve to stand up and seek peace in Central America.

We have been mired now for years in Central America in a policy that has not worked. Thousands and thousands of people have died in Central America. Hundreds of millions of dollars have been spent in Central America.

The Iran-Contra hearings have unwoven a web of deception and lies about policies that have failed. The Speaker has taken some action that I think required some nerve, and some Members have said the Speaker has done something wrong. I say the Speaker has done something right.

It takes courage to do that, but the role of the peacemaker among those of us in public office is an exalted role; and Mr. Speaker, I compliment you for assuming it.

CONGRESS MUST BE INVOLVED IN FOREIGN POLICY DECISION-MAKING

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, I rise to address the Speaker's participation in trying to bring peace in Nicaragua under terms that are acceptable to all sides.

I have had the great honor of being with the Speaker when he met with Secretary Gorbachev. At that time, one thing the Speaker made very clear is that he very well understood his constitutional position, and that indeed the primary responsibility for the negotiations with foreign nations lies with the Executive.

It has been rightly said, however, previously that this Congress is ultimately responsible for the policies of this Government, that this Congress is ultimately responsible for appropriating every nickel that is spent pursuant to that policy.

It would indeed be ironic, and in my opinion, wrong to preclude the Speaker or any other leader of this Congress from participating in discussions with, and learning the facts about policies of nations with which we deal.

Unfortunately and tragically, in this particular instance dealing with Nicaragua, we know by their own admission, that this administration, or at least some of its agents, have not been honest with this Congress, that they have not only secreted information, but they have given us incorrect information.

It is critical to sound policy for this Government that this Congress has representatives who meet with, talk to, and know firsthand what the facts are with respect to one of the most critical issues confronting this Congress.

Mr. Speaker, I commend you for the courage that you have shown, for the judgment that you have exercised and the forum that you have provided.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled joint resolution on Friday, November 13, 1987:

S.J. Res. 174. Joint resolution designating the week beginning November 15, 1987, as "African American Education Week."

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, November 17, 1987.

CALLING UPON THE SOVIET UNION TO PERMIT EMIGRATION OF CERTAIN SPOUSES

Mr. LANTOS. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 376) calling upon the Soviet Union to immediately grant permission to emigrate to all those who wish to join spouses in the United States.

The Clerk read as follows:

H.J. RES. 376

Whereas the Soviet Government has refused exit visas or has denied marriage permits to at least 15 longstanding cases involving United States and Soviet citizens, the longest of which is the case of Galina Goltzman Michelson, separated for over 30 years from her husband, United States citizen Anatoly Michelson;

Whereas the Soviet Union is a signatory of the Final Act of the Conference on Security and Cooperation in Europe which states that "The participating States will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family, with special attention being given to requests of an urgent character—such as requests submitted by persons who are ill or old.";

Whereas the Final Act further states that, "In dealing with requests from couples from different participating States, once married, to enable them and the minor children of their marriage to transfer their permanent residence to a State in which either one is normally a resident, the participating States will also apply the provisions accepted for family reunification.";

Whereas United States officials have brought these divided-spouse cases to the attention of Soviet diplomats on numerous occasions;

Whereas several similar long-term cases have been resolved within the last two years;

Whereas the Soviet Union has initiated a policy of "Democratizatsiya" which claims to give greater emphasis to basic human rights, including the right to live with one's family in the family's country of choice;

Whereas the Soviet Union and the United States are approaching the conclusion of a major arms reduction agreement;

Whereas the spirit of such an agreement should foster progress between the Soviet Union and the United States in successfully addressing human rights concerns; and

Whereas the Soviet Union, as a signatory of the Final Act of the Conference on Security and Cooperation in Europe, is obligated to comply with the Act's provisions regarding the reunification of divided families and marriage between citizens of different states: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States calls upon the Government of the Union of Soviet Socialist Republics—

(1) to immediately grant to all those who wish to join spouses in the United States (including Galina Goltzman Michelson, Yuri Balovlenkov, Victor Faermark, Yeugeni Grigorishin, Elena Kaplan, Vladislav Kostin, Victor Novikow, Pyatras Pakenas, Sergei Petrov, Leonid Scheiba, and Andrei Zhithov) permission to emigrate with their family members to the United States and be reunited with their spouses; and

(2) to give special consideration to cases that have remained unresolved for many years, the longest of which is the case of Galina Goltzman Michelson and her daughter and grandson.

SEC. 2. The Secretary of State shall transmit a copy of this joint resolution to the President of the Union of Soviet Socialist Republics.

The SPEAKER pro tempore (Mr. KILDEE). Pursuant to the rule, a second is not required on this motion.

The gentleman from California [Mr. LANTOS] will be recognized for 20 minutes and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. LANTOS].

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a resolution of great importance that we are about to consider. Before I deal with the substance of the resolution, I want to pay special tribute to the gentleman from Florida [Mr. MACK], my friend and colleague, and the gentleman from Florida [Mr. FASCELL], the chairman of our committee, and the gentleman from Pennsylvania [Mr. YATRON], the chairman of the subcommittee, and the gentleman from New York [Mr. SOLOMON], the ranking Republican, and the gentleman from Illinois [Mr. PORTER], my cochairman of the Congressional Human Rights Caucus.

The Soviet Union in all its human rights violations has perhaps in no substance displayed the degree of callousness as it has over the years in denying wives or husbands the right to join their spouses outside the Soviet Union.

It is true, of course, that the Helsinki accords make it mandatory that individuals who are divided because of political reasons, and minor children of such marriages, be allowed to rejoin their fathers or mothers or husbands and wives.

□ 1225

The final act of Helsinki specifically states, and I am quoting, Mr. Speaker:

> Whereas the Final Act further states that, "In dealing with requests from couples from different participating States, once married, to enable them and the minor children of their marriage to transfer their permanent residence to a State in which either one is normally a resident, the participating States will also apply the provisions accepted for family reunification.";

Now, Mr. President, the United States in countless ways, officially and unofficially, brought the issue of these divided spouse cases to the attention of Soviet diplomats. Several of these cases have been resolved within the last couple of years. There are indications that a few others may be resolved in the near future.

It is the purpose of this resolution to ask of the Soviet Union to delay no longer, to allow husbands and wives who have been separated from one another, in one instance, Mr. Speaker, for a period of over 30 years, three decades, a lifetime, that these husbands and wives be allowed at long last to be joined together.

It is particularly significant that the Soviet Union act on this matter immediately. Within a few days Mr. Mikhail Gorbachev, the head of the Soviet Government will be visiting here in the United States for a summit meeting with our own President. The climate must be cleared. The climate must be improved and no single step will be more important than achieving the improvement of the climate than finally allowing all of the divided spouses to join their husbands or wives living in the United States.

It is important at the same time, Mr. Speaker, to note that even if all of the divided spouses are allowed to leave the Soviet Union, this will still only be a symbolic gesture, because there are hundreds of thousands of others who have indicated their desire to leave, and who according to the Helsinki final accords, must be given that right.

So while we are calling on the Soviet Union to move on the case of divided families, we are serving notice on them that this alone is a long way from being sufficient in achieving the objective of the free movement of people.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first of all, I want to compliment the gentleman from Florida [Mr. MACK], who is a member of the Foreign Affairs Committee and the principal sponsor of this resolution we are considering at this time.

Mr. Speaker, at the beginning of November, I and many of our colleagues in the House and the Senate were pleased to welcome a new resident to the United States, Mrs. Svetlana Braun.

Svetlana is the wife of a young Southfield, MI, attorney, Mr. Keith Braun. Keith and Svetlana had been married since 1984. However, they were not able to live together as husband and wife should because the Soviet Government refused to abide by accepted international agreements and let Svetlana emigrate to the United States to join her husband.

With encouragement from the administration, several congressional delegations, one of which I participated in, to the Soviet Union, the news media and several other sources, the Soviet Government finally allowed Svetlana to emigrate.

However, while all of us were extremely happy to have Mrs. Braun with us in the United States, our joy was tempered by the knowledge of how difficult it was for her to emigrate, how difficult life was for her in the Soviet Union while she tried to come to the United States, and the fact that there are still many other divided spouses who are still separated because of Soviet emigration policy.

When Soviet officials denied Mrs. Braun and the many other divided spouses the opportunity to emigrate from the Soviet Union, they have ignored the 1975 Helsinki accords which the Soviet Union signed. That international agreement commits signatories to allow reunification of families and the right of binational couples to choose their country of residence.

Mr. Speaker, the Brauns and the other divided spouses should have been united years ago. House Joint Resolution 376, which is before us today, lets Soviet officials know that we do not take human rights lightly, and that we will hold the Soviet Government accountable to abide by the Helsinki accords. I hope that the President will raise the issue of compliance with the Helsinki accords with Secretary Gorbachev 3 weeks from now.

I urge my colleagues to support this resolution and send this important message to the Soviet Government at this opportune time as we prepare for the visit of General Secretary Gorbachev.

Mr. LANTOS. Mr. Speaker, I yield 5 minutes to the gentleman from Maryland [Mr. HOYER], the chairman of our Helsinki Commission and a preeminent fighter for human rights in his body.

Mr. HOYER. Mr. Speaker, I thank the distinguished chairman of the Human Rights Caucus, the gentleman from California [Mr. LANTOS], for those kind remarks. There is certainly no one on the floor of this House, or really in this country, who is any more in the leadership on human rights issues than is the distinguished gentleman from California.

Mr. Speaker, I rise today in strong support of House Joint Resolution 376, introduced by the distinguished chairman of the Foreign Affairs Committee, Mr. FASCELL, and his colleague from Florida, Mr. MACK, as well as others.

This resolution is really a statement about human decency. It calls upon the Soviet Government to end a practice which we in the United States cannot and will never understand. It says to Mr. Gorbachev: Allow your citizens who are involved in divided spouse and blocked marriage cases to join their loved ones abroad.

Two weeks ago, as the distinguished ranking minority member has pointed out, many of us in this body joined in celebration of the long-last reunification of Keith and Svetlana Braun of Michigan. A married couple separated by the Soviet Government since 1984, their reunification was a testament that the power of love was far greater than an ocean and, indeed, far greater than the government that had separated them.

And just this past weekend, and I do not know whether anyone on the floor knows this, word spread that Galina Michelson, separated from her husband, Anatoly, for more than 30 years; and Elena Kaplan, separated from her husband for almost 10 years will soon be able to join their American husbands in the near future.

But the same surreal barriers which the Kremlin used to keep Svetlana and Keith Braun and Anatoly and Galina Michelson apart remain in place in ten other divided spouse and blocked marriage cases. These prisoners of love are:

Yuri Balovlenkov, whose wife and two children live in Baltimore, MD; Sergei Petrov; Pyatras Pakenas; Victor Novikov; Andrei Zhitkov; Victor Faermark, whose wife, Andrea Wine, is a leader in this country and throughout the world in behalf of divided spouses; Leonid Sheiba; Vladislav Kostin; Yevgeny Grigorishin; and Tatiana Alexandrovich; people whose only crime has been to ask to live with their spouse, as was promised by the Soviet Union and 34 other signatories in signing the Helsinki Final Act in 1975.

Mr. Speaker, article 11 of the Soviet fundamental legislation on marriage and the family states—the Soviet Constitution—that "each spouse is free to select his or her place of residence." And so each of the spouses that I mentioned has applied to emigrate to the United States. Each has been denied at least once. So much for article 11 of the Soviet fundamental legislation on marriage and the family.

The Helsinki final act specifically states that, "in dealing with requests from couples from different participating States, once married, to enable them and the minor children of their marriage to transfer their permanent residence to a State in which either one is normally a resident, the participating States will also apply the provisions accepted for family reunification."

So, Mr. Speaker, what does it say about a government that continues to spend so much time, energy, and manpower denying a husband and wife the right to live together as one? And what does it say about a government that allows some members of a family to emigrate and not others? It says that this government is still unwilling to live up to the commitments it made in Helsinki in 1975.

Let us hope that through passage of this resolution that within the next few months, Victor Faermark is reunited with Andrea Wine; let us hope that Yuri Balovlenkov is at long last allowed to see his youngest daughter, a daughter he has never seen; and let us hope that Galina Vileshina, who only recently was allowed to visit her husband in the Soviet Union, is finally able to be with him forever.

And let us hope that in the spirit of signing a new Agreement between our two nations, that the Soviet Union will also begin to live up to its previously signed international commitments. We keep hearing about a new, more open Soviet Union. Well, living up to these commitments will show that Soviet promises equal Soviet actions—and it will have a profoundly positive impact on the degree of confidence between our two nations.

Let me conclude, Mr. Speaker, with the challenge I offered Mikhail Gorbachev last week—to take all the divided spouses with him and bring them to Washington on December 7. Then there would be no need for this resolution. In the meantime, however, I urge unanimous adoption of this resolution and again thank the gentlemen for their efforts.

Mr. BROOMFIELD. Mr. Speaker, I yield 4 minutes to the sponsor of the joint resolution, the gentleman from Florida [Mr. MACK].

Mr. MACK. Mr. Speaker, first of all, I want to thank so many of you for working with me and counseling me on this particular resolution, because there are lots of feelings, there are lots of individuals involved in this. Sometimes we want to heighten the awareness of one particular case over the other, so we were very careful in how we took the approach to get this resolution to the floor; so I thank my colleague, the gentleman from California [Mr. LANTOS], the gentleman from Florida [Mr. FASCELL] and the gentleman from Michigan [Mr. BROOMFIELD], the gentleman from New York [Mr. SOLOMON], the gentleman from New York [Mr. GILMAN], and others, for the work that they did in helping me get this to the floor.

As has already been said, this resolution basically says to the Soviet Union, "We want you to immediately give permission to those separated spouses the opportunity to leave the Soviet Union and rejoin their spouses in the United States."

The idea behind the resolution was to try to focus attention once again, an additional opportunity to focus the attention of the American people, of public opinion, if you will, around the world, as the two leaders of the two great powers meet that there is more than just a discussion about arms reduction. There is the need to continue the discussion and to heighten the awareness of human rights.

While I am going to take a couple of moments to talk about one of the individuals, one of the 11, I might mention, who are indicated in this resolution, I would hope that you get the sense or the feeling that I am referring to all of them in my heart, because what we do want to see happen is this opportunity for them to be reunited, and hopefully, as the gentleman from Maryland [Mr. HOYER] has indicated, that possibly Secretary Gorbachev would bring those families together with him.

The individual that I am referring to is Mr. Anatoly Michelson. I met Mr. Michelson some 4 years ago when he first came into my office down in Sarasota, FL. He, like many other people in this country, had migrated to Florida to retire. He is 67 years old. He has been separated from his wife for 31 years now. He left the Soviet Union in 1956. His daughter, Olga, was 7 years old when he last saw her.

□ 1240

He now has a grandson who he has never seen with the exception of a video tape that was brought here to the United States several months ago. I was with him the day that he viewed that video tape, and I wish my colleagues could have felt the emotion that came from a caring grandfather.

So I have been moved by the need or the desire, the wish to reunite that particular family, but as I said a minute ago, my words speak for all of those separated spouses. I have been reminded over and over again as I have worked with Anatoly about one enduring truth, and that is freedom is the core of all human progress. What can it be like to live in a society where one is not free to worship God, free to choose your own livelihood, free to read and speak the truth, and free to live for a dream of handing over a better life to your children and to your grandchildren?

I say to my colleagues I do have some good news here today. We were informed over the weekend that Galina is going to be given permission to leave the Soviet Union along with

Olga and with Anatoly the grandson. So I think maybe all of us should be proud here today that we are going to be playing a role in seeing that Anatoly Michelson, after all these years, will have the opportunity of seeing his family reunited, not only reunited but able to hand over that dream of his that his daughter and grandson will have the opportunity for a better life here in the United States reunited once again.

Mr. Speaker, I thank all of my colleagues for working on this particular resolution.

Mr. LANTOS. Mr. Speaker, I am delighted to yield 3 minutes to the distinguished gentleman from Michigan [Mr. Levin], who has been an indefatigable fighter for human rights.

Mr. LEVIN of Michigan. Mr. Speaker, I thank the distinguished gentleman from California for yielding me this time, and for his efforts. It was a couple of weeks ago that the gentleman from Michigan [Mr. Broomfield] and the gentleman from Maryland [Mr. Hoyer] and several of us from Michigan, my brother, Senator Levin, and others, greeted Svetlana Braun. Also at that meeting was Andrea Wine. We saw Svetlana with her husband Keith reunited, embodying the power of love, and Andrea there separated from her husband embodying the power of the state, the power of the state in the Soviet United to keep people apart who are married and who love one another.

So this resolution is so fitting. It is just now a few weeks before Secretary Gorbachev comes to the United States. There is going to be a rally there and I hope that this resolution will be a further boost, this resolution introduced by the distinguished gentleman from Florida [Mr. Mack] for all of us in early December to pay attention to human rights as a part, an irreplaceable part of the relationships between the United States and the Soviet Union, that this resolution will help focus attention on all of us and tell Secretary Gorbachev when he comes here that peace is absolutely critical between our nations within a framework of respect for human rights.

Let me just close by saying something about others who are married within the Soviet Union and who are equally imprisoned. Over the weekend my wife and I were talking about one family, Lev Shapiro.

He and his wife and children, they are there but they are not going to be able to freely express their love and their individuality and their aspirations unless they are granted an exit visa by the Soviet Union. There are tens of thousands like them. So we come together today to celebrate the freedom for Svetlana Braun and the ability of Svetlana and Keith to express their love. We also come together to note those who are still separated from each other and from freedom.

Mr. Speaker, I commend all of my colleagues who have brought this before us, and I am honored to be able to raise my voice and say let all who want to be free be free.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. Gilman].

Mr. GILMAN. Mr. Speaker, I rise in support of House Joint Resolution 376 which calls upon the Soviet Government to permit those Soviets citizens with spouses in the United States to emigrate with their family members to this country. It is cruel for any government which keeps families apart. If there is truly going to be a transformation in American-Soviet relations the U.S.S.R. must show in this era of glasnost that it has a new understanding for human rights.

Last week many of us attended a reception in the Capitol for Svetlana and Keith Braun, who were just reunited after years of waiting for the Soviet Union to grant them permission to live together in the same country. The distinguished chairman of the Foreign Affairs Committee, the gentleman from Florida [Mr. Fascell], and the distinguished ranking member, the congressman from Michigan [Mr. Broomfield] worked on this case personally and I commend them for their extensive efforts. Our joy at seeing this very happy couple united is a reminder of those who are still apart.

Mr. Speaker, this resolution, introduced by our colleague, the gentleman from Florida [Mr. Mack], makes special mention of those we know of who have been prevented from leaving for many years. The case of Galina Goltzman Michelson who has been kept apart from her husband, a United States citizen, for over 30 years is a vivid example of the suffering inflicted by the compassionless Soviet Government.

I commend the distinguished chairman of our Foreign Affairs Subcommittee on Human Rights Mr. Yatron and its ranking minority member, Mr. Solomon for their expeditious and favorable consideration.

This is an issue which the American people will not ignore and which will not just go away. Accordingly, I urge my colleagues to support this measure in order to send a crystal clear message to the Soviet leadership that our two nations cannot begin to come together until it stops keeping families apart; until it stops violating the basic human rights agreed to in the Helsinki accords.

Mr. LANTOS. Mr. Speaker, I reserve the balance of my time.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. Solomon], the ranking Republican on the Subcommittee on Human Rights and International Organizations of the Committee on Foreign Affairs.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, let me first commend, as the ranking Republican on the subcommittee, let me commend the gentleman from Pennsylvania [Mr. Yatron], the chairman of the Subcommittee on Human Rights and International Organizations, who could not be here this morning, and extend my commendations for his diligent work in this area, as well as commend the gentleman from California [Mr. Lantos] and the gentleman from Maryland [Mr. Hoyer] on that side of the aisle, and certainly commend the gentleman from New York [Mr. Gilman], and the gentleman from Michigan [Mr. Broomfield], and the distinguished gentleman from Florida [Mr. Mack], a member of the Committee on Foreign Affairs, who has brought this resolution before us today.

Mr. Speaker, I am in full support of this resolution, and I urge its support. Just several weeks ago, the House passed a resolution that called on the leaders of the Soviet Union to allow greater contacts between the Soviet people and their family members overseas. The resolution before us today addresses yet another implication of the Soviet Union's antifamily policies. The refusal of Soviet authorities to honor the commitments they made at Helsinki to allow for the reunification of families. In this particular resolution, we are concerned with the rights of Soviet men and women to emigrate in order to join their spouses who live in other countries.

There really isn't much that needs to be said: The resolution can speak for itself. And so I will just repeat today what I said several weeks ago when we considered that other resolution.

It is no accident that the Soviet Union has waged—for 70 years—such a relentless campaign against religion and the family. The Soviet Union demands absolute, total loyalty to the Soviet state. There are only two things which can successfully compete against such a demand: Faith in God and fidelity to one's family. It is these two things that meet the deepest needs of the human spirit. And so, it is these two things that the Soviets are compelled to crush.

Mr. Speaker, may this Congress never be silent on these issues. But let us speak out over and over again, for however, long is necessary, until the leaders of the Soviet Union abandon these policies that result in so much cruelty and suffering.

□ 1250

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from Washington [Mr. MILLER], a member of the Committee on Foreign Affairs.

Mr. MILLER of Washington. Mr. Speaker, recently we have read much about the new openness in the Soviet Union—about glasnost. We read that the Soviet Union under Mr. Gorbachev is making real reforms. Indeed, in a month Mr. Gorbachev will be traveling to the United States for a summit. However, when the House must still consider resolutions such as this one, bills which address such fundamental issues of human rights as allowing husbands and wives to be together, it is clear the Soviets have a long way to go in achieving real glasnost.

Mr. Speaker, ironically, we consider this bill on a day when I have learned that the Soviets may at this very moment be creating another divided spouse case. Mrs. Arkadi Beinus, who resides in my home State of Washington, has been separated for 13 years from her daughter, son-in-law, and grandson since she emigrated from the Soviet Union. The entire Washington State delegation has worked tirelessly to reunite this family. Now, over the weekend, we have received word that the Soviets may release the daughter, Elena Besprozvanny and grandson, Illya, but the son-in-law, Elena's husband, Edward Illich Besprozvanny will not be allowed to leave. We, of course, will welcome the release of the daughter and grandson, but in effect, the Soviets have ended a separation of family case only to create a separation of spouse case. To paraphrase the words of Lenin: They are taking two steps forward and one step backwards.

So I strongly support this bill which comes on a day of personal significance to me, Congressman from the State of Washington. And I promise to the Soviets, that we will not end our efforts until Edward Illich Besprozvanny and all the rest of the divided spouses are reunited.

Mr. BIAGGI. Mr. Speaker, I rise in full support of this resolution, House Joint Resolution 376, which calls upon the Soviet Union to immediately grant permission to emigrate to all of those persons in the Soviet Union who desire to join their spouses in the United States.

Mr. Speaker, the Helsinki accords, to which the Soviet Union is a signatory, full recognizes the basic right of family reunification and states that special consideration should be given to emigration applications filed by divided families. The Soviet Union has seemingly ignored this fact in the case of at least 15 couples, where they have refused to grant exit visas or marriage permits to Soviets who have a spouse in the United States. In fact, in one case, Galina Goltzman Michelson has been separated from her husband Anatoly Michelson, an American citizen, for more than 30 years. This resolution focuses special attention on this tragic injustice.

Clearly, we are getting mixed signals of late from the Soviet Union. On the one hand they preach glasnost and are anxious to focus world attention on the increased number of Soviet Jews who have been allowed to emigrate this year. On the other, we hear of threats of criminal penalties for Latvians who would dare celebrate their short-lived independence of long ago. We know of thousands of Soviet Jews who have been trying to leave the Soviet Union for years and are continually denied that right. We know of at least 15 couples who are denied the right to be reunited in total conflict of the Helsinki accords.

Mr. Speaker, as we near the historic United States-Soviet summit next month, we must commit ourselves to forcing the Soviet Union to reveal their true colors. They have an important opportunity next month to demonstrate just how far their human rights reforms are intended to go. Mere words are not enough, and mixed signals from the Soviet Union as we have been so often exposed to lately, will never make believers out of any of us. This resolution makes that very clear and I strongly urge its approval.

Mr. SMITH of New Jersey. Mr. Speaker, I want to commend my colleague, CONNIE MACK, for his work in introducing this resolution (H.J. Res. 376) which clearly states Congress' strong support for the right of individuals from different countries to marry and then be allowed to live together. Unfortunately, due to Soviet policy, there are a number of individuals who have been denied the right to join their spouses, or even impeded from marrying their fiances. One couple which I have been particularly concerned about is a friend of mine, a New Jerseyan, Andrea Wine, and her husband, a Soviet citizen, Victor Faermark.

Andrea and Victor first met in 1973 in the Soviet Union. Over the years the relationship developed and they were married in November 1985. That was 2 years ago this month. Despite the fact that repeated requests have been made to Soviet authorities in Moscow, in Washington, DC, and in Vienna by individuals, organizations, and government officials at every level, Mr. Faermark continues to be denied his pleas to join his wife.

In addition, I plan to offer an amendment to the International Security and Development Cooperation Act of 1987 which denounces the Soviet policy of denying the right to emigrate on grounds of "state secrets." Mr. Faermark is one of the longest standing refusenik cases, and has refused permission on the grounds of knowledge of "state secrets." Victor Faermark was working as a research scientist at a prestigious institute when he was denied his first application for emigration in 1971. Not only did he lose his job because of his desire to emigrate, access to "state secrets" has been the reason handed down every one of the dozen plus times he has applied. Frankly, Mr. Speaker, "possession of state secrets" is an obsolete excuse because Victor has not worked in any area which could possibly be regarded as threatening to the Soviet state of security since at least 1968—19 years ago.

It is a tragedy that this couple and others are forced to begin and maintain their marriages thousands of miles apart—and without the guarantee of a resolution—simply due to the whim of the Soviet Government. Mr. Speaker, I believe the coming 4 weeks should be viewed as a testing ground of General Secretary Gorbachev's earnest desire to build a better and more meaningful relationship with the United States. We have been assured that the substantive meeting which is scheduled to begin December 7 will address not only arms reductions, bilateral relations, and the settlement of regional conflicts, but will also cover human rights and humanitarian issues.

In preparation for the upcoming meeting, the Soviets have an outstanding opportunity to display their commitment to certain basic freedoms, if only they seize the moment. I believe this Congress and the administration are united on this issue of divided spouses and blocked marriages, Mr. Speaker, and the resolution before us will help present our clear and simple request that each of the divided families' cases be resolved.

Mr. SCHEUER. Mr. Speaker, today the United States House of Representatives again demonstrated its commitment to human rights and the plight of Soviet Jews by passing House Joint Resolution 376. As a cosponsor of the resolution, I am pleased to join my colleagues calling upon the Soviet Union to immediately grant permission to emigrate to all those who wish to join spouses in the United States.

Most notable among the 400,000 Jews who have expressed a desire to leave the Soviet Union are the divided spouses, separated from their loved ones. In addition to the struggle to emigrate, divided spouse flight loneliness of another sort; never knowing whether they will ever be able to reunite with each other.

The Soviet Union must not be allowed to have veto power over love and marriage. The sanctity of the family is recognized and respected in all modern societies and must be kept well above the political relations of the day. Separation of families due to societal restrictions is a violation of a basic human right and a violation of the Helsinki accords.

There is no logical reason for the Soviets to keep these families apart. As the Soviet Union blatantly violates human rights and its obligations under Helsinki accords it creates a great deal of unnecessary distrust in our relations.

As the summit between President Reagan and Secretary General Gorbachev nears, we all hope for progress in arms control and improved United States-Soviet relations. In addition we hope that glasnost will enable our countries to expand our cultural exchanges. Preventing families from reunifying will only serve as a mechanism of distrust.

As a Member of Congress dedicated to human rights and hopeful for a better climate of relations between the United States and the Soviet Union, I appeal to the Soviet Government to live up to its obligations under the Helsinki accords concerning divided spouses and all other issues of fundamental human rights.

Mr. PORTER. Mr. Speaker, I rise in strong support of House Joint Resolution 376, to allow immediate emigration of all Soviet divided spouses. I commend my colleague, Representative MACK for introducing this resolution and for exerting his personal efforts to reunite

Anatoly Michelson and the other Soviet-American divided spouses. I also want to recognize the many Members of Congress who work tirelessly on behalf of divided spouses and Soviet human rights: Barbara Boxer, William Broomfield, Ben Cardin, Bob Carr, Harris Fawell, Ben Gilman, Bill Green, Steny Hoyer, Tom Lantos, Sander Levin, Nicholas Mavroules, John Miller, Clay Shaw and Chris Smith, Gerald Solomon, and Gus Yatron. This list represents a small sample of the numerous Members of Congress committed to this cause.

It is encouraging that the spouses of Keith Braun, Elena Kaplan, and Anatoly Michelson recently received permission to emigrate. However, Elizabeth Zhitkov, Galina Valishina, Yuri Balovlenko, Sergei Petrov, Pyatras Pakenas, Victor Novikov, Victor Faermak, Leonid Sheba, Vladislav Kostin, Yevgeny Grigorishin, and Tatiana Alexandrovich continue to wait. Despite glasnost and the commitments made under the Final Act of the Conference on Security and Cooperation in Europe—the Helsinki accords, the Soviet Union continues to deny these citizens the right to emigrate and live with members of their family.

While discussing House Joint Resolution 376, I would like to draw my colleagues attention to an important group dedicated to the issue of divided spouses. The Committee of 21 was formed under the auspices of the Congressional Human Rights Caucus by Annette Lantos, wife of my distinguished cochairman of the Human Rights Caucus, Tom Lantos, and my wife Kathryn. The Committee of 21 is comprised of women—both congressional spouses and Members of Congress—devoted to addressing attention to human rights abuses in the Soviet Union. Originally, each member adopted a Soviet prisoner of conscience. This year, when all of these cases were thankfully resolved, the group took on the issue of divided spouses. I commend the Committee of 21 for their dedication to this issue and encourage them to continue their efforts. I also urge my colleagues to find out more about the Human Rights Caucus and the Committee of 21 by contacting my office.

At this time, I'd like to shed light on my wife's adoptee, Elizabeth Crewe Zhitkov. Elizabeth Crewe, an American citizen, married Andrei Aleksandrovich Zhitkov, on March 2, 1987. Due to unforseen circumstances, Elizabeth returned to the United States 2 days after their wedding and has not seen her husband since. For 7 months, Andrei has tried unsuccessfully to join his wife in the United States. He has encountered numerous difficulties, including losing his job and his legal right to live in Leningrad.

Mr. Speaker, Elizabeth and Andrei Zhitkov are only one of the many unresolved divided spouse cases. I hope the Soviet Union will quickly honor its pledge for glasnost by allowing all divided spouses to reunite with their families. I urge my colleagues to join me in voting favorably for House Joint Resolution 376.

Mr. ANNUNZIO. Mr. Speaker, I rise to express my strong support for House Joint Resolution 376, a bill to call upon the Soviet Union to grant permission for immediate immigration to all those who wish to join their spouses in the United States.

As President Reagan prepares for summit with General Secretary Gorbachev for an arms reduction agreement, this occasion presents an appropriate opportunity for us to reiterate our deep concerns about human rights violations by the Soviets as well as their brutality in keeping these families divided. The issue of divided spouses should be an especially high priority, since these family members most certainly should be reunited in accordance with the principles in the U.N. Universal Declaration of Human Rights and the Helsinki accords of which the Soviet Union is a signatory.

Mr. Speaker, House Joint Resolution 376 demonstrates the concern of Congress for the plight of these divided spouses and families, and as a cosponsor of this bill, I urge my colleagues in the House of Representatives to vote for this legislation, as we continue in our efforts to force the Soviet Union to abide by the principles of international law and begin to address the basic human right of family reunification.

Mr. YATRON. Mr. Speaker, I support House Joint Resolution 376, legislation calling upon the Soviet Union to immediately grant permission to emigrate to all those who wish to join spouses in the United States. The Soviet Union has steadfastly refused to resolve certain divided spouses cases, as well as other family reunification cases, resulting in the long-term suffering of the individuals involved. This measure asks the Soviet Union, as a signatory, to comply with the provisions regarding reunification in the final act of the Conference on Security and Cooperation in Europe. It asks further that special consideration be given to cases that have been unresolved for many years.

It is imperative that these divided spouses, some of whom have been separated for 30 years, not be lost in the glasnost shuffle. While our attention is focused by the Soviet Union on the high profile refusenik cases which have lately been resolved, these forgotten spouses continue to be victimized. This resolution asks Mr. Gorbachev to open that door out of the Soviet Union even more so that his policy of openess becomes plausible to us.

I commend the gentleman from Florida [Mr. Mack], for this resolution, as well as all of my other colleagues who sponsored House Joint Resolution 376.

Mr. SHAW. Mr. Speaker, I would like to take this opportunity to applaud the sponsors of House Joint Resolution 376 and to urge its passage. House Joint Resolution 376 asks the Soviet Union to resolve all the outstanding cases of divided spouses and blocked marriages. Eleven are specifically named in the resolution and one of my constituents is among those listed.

Her name is Dr. Galina Vileshina and she resides in Florida. Her husband is Pyatras Pakenas and he resides in Vilnius, Lithuania.

This is truly a heartbreaking case. Dr. Vileshina, a practicing neurologist, left the Soviet Union in 1980 and was promised that her husband would follow within 6 months. That was 7 long years ago.

Her husband has applied to leave 17 times in the past 7 years and has received 17 denials. No reason has ever been given for these refusals. Mr. Pakenas, once a successful lawyer, lost his job, and is now employed in a meat packing company. More tragic is the fact that Mr. Pakenas recently suffered a heart attack. His health is very precarious and he is in urgent need of bypass surgery, surgery which is not available where he resides.

Understandably, Dr. Vilehina, who has kept up a constant daily crusade for his release, is now near despair with additional worries over her husband's health.

Just last month, Dr. Vileshina was allowed, for the first time, to return to Lithuania to visit her husband. I know, from Dr. Vileshina's account, that it was a bittersweet reunion wonderful for the time they were together, tragic for the parting that came all too soon.

I can't help but be struck by the needless cruelty of the Soviet policy and by the apparent indifference to the suffering which it causes.

I implore the Soviet Union to stop using these innocent victims as political pawns. For the sake of human decency, these cases, including the one of Galina Vileshina and Pyatras Pakenas, should be resolved immediately.

Mr. BROOMFIELD. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LANTOS. Mr. Speaker, in conclusion I just would like to offer a personal word.

Last night my wife, Annette, and I had the privilege of having dinner with Keith and Svetlana Braun, and it was a joy to see this reunited couple enjoy not only each other but the opportunity of living in a free and open and democratic society.

It is imperative that all such divided spouse cases be resolved without any further delay and that the Soviet Union go beyond this and open the doors to all those who wish to leave.

Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. Kildee). The question is on the motion offered by the gentleman from California [Mr. Lantos] that the House suspend the rules and pass the joint resolution, H.J. Res. 376.

The question was taken.

Mr. SOLOMON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. LANTOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

REGARDING THE BERLIN WALL

Mr. LANTOS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 186) urging the German Democratic Chief of State Erich Honecker to permanently repeal the order directing East German border guards to shoot to kill anyone who, without authorization, attempts to cross the Berlin Wall and to issue an order to tear down the Berlin Wall.

The Clerk read as follows:

H. Con. Res. 186

Whereas the United States is committed to promoting freedom for people throughout the world and recognizes that respect for basic human rights is the cornerstone of freedom;

Whereas the Berlin Wall was erected in 1961, more than a quarter-century ago, and has since imprisoned more than 17,000,000 East Germans behind an artificial barrier that limits access to the free world;

Whereas the Berlin Wall continues to serve as a cruel barrier between people and remains a stark reminder that basic human rights are denied to East German citizens by the East German government;

Whereas the East German government has issued orders to border guards to shoot to kill anyone who, without authorization, attempts to cross the Berlin Wall;

Whereas East German guards have killed many East Germans in border incidents;

Whereas, in the year ending August 13, 1987, there were 63 attempted escapes from East Germany, 16 during which shots were fired, and 3 persons were possibly killed while attempting to escape;

Whereas these policies, which deny baisc human rights and limit personal freedoms, are unacceptable to the people of the United States; Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress urges the German Democratic chief of state Erich Honecker to permanently repeal the order directing East German border guards to shoot to kill anyone who, without authorization, attempts to cross the Berlin Wall and to issue an order to tear down the Berlin Wall.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California [Mr. LANTOS] will be recognized for 20 minutes and the gentleman from Michigan [Mr. BROOMFIELD] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. LANTOS].

Mr. LANTOS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first I would like to express my respect and admiration for the gentleman from Virginia [Mr. WOLF], as well as the distinguished gentleman from Michigan [Mr. BROOMFIELD], for bringing this resolution before the body.

Allow me to place this resolution in the perspective of recent history. This resolution calls on the Chief of State of East Germany, Mr. Erich Honecker, to permanently repeal the order directing East German border guards to shoot to kill anyone who without authorization attempts to cross the Berlin Wall. It also calls on Mr. Honecker to issue an order to tear down the Berlin Wall.

As my colleagues know, Mr. Speaker, the Berlin Wall was erected in 1961. It is the only wall ever built in history that is designed not to keep the enemy out but it is designed to keep the people living behind the wall from escaping. It is the most shameful edifice on the face of this Earth. For over a quarter of a century democratically oriented people throughout the globe have demanded that the Berlin Wall be torn down.

During his recent visit to Berlin the President of the United States called on Mr. Honecker to tear down the wall. A few years ago I had the privilege of leading a bipartisan congressional delegation which met at length with Mr. Honecker, and it was our distinguished Republican friend, the gentleman from Michigan [Mr. VANDER JAGT], who personally confronted Mr. Honecker and told him to tear down the wall if we are to move toward a more peaceful world.

This resolution calls for the tearing down of that wall. But it also calls for a much more modest move which is very much within Mr. Honecker's authority to implement; namely, to put an end to this outrageous, barbaric, inhuman order which he issued to East German border guards that anyone who attempts to cross the wall be shot without any warning. As my colleagues know, Mr. Speaker, several people have already been killed and additional numbers have been shot at during the course of their attempted escape from East Germany.

It seems a fundamental denial of basic human rights, an ultimate limit to personal freedom, and unacceptable to civilized people everywhere to have individuals shot at and possibly killed as they try to make their way to an open and free society.

It is my strong hope, Mr. Speaker, that the House will pass this resolution unanimously and Mr. Honecker, Chief of State of East Germany, will comply.

I reserve the balance of my time.

Mr. BROOMFIELD. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, first I would like to compliment the gentleman from California [Mr. LANTOS] for his efforts in bringing this resolution to the floor. I also want to pay tribute to the gentleman from Virginia, Mr. FRANK WOLF, the principal sponsor, and I am happy also to be a cosponsor of this resolution.

Mr. Speaker, for more than a quarter century the Berlin Wall has stood as a stark symbol of a repressive system of government that chooses to enslave and control its people, rather than to serve them.

In that wall, we have seen a cruel barrier that stands between people, and reminds us that basic human rights are being denied to the people of East Germany.

However, we have also seen acts of bravery and daring as East Germans seek to escape from behind the Berlin Wall. East German border guards have orders to shoot to kill anyone, who without authorization, attempts to cross the Berlin Wall.

Over the years, many East Germans have been killed in their attempt to be free. In the year ending August 13, 1987, there have been 63 escape attempts, 16 of which involved gunfire, with possibly 3 people killed.

Mr. Speaker, I urge my colleagues to support House Concurrent Resolution 186, before us today. This resolution calls on the East German Government to tear down the Berlin Wall and permanently repeal their border guards' shoot-to-kill order.

I am confident that someday the Berlin Wall will be reduced to rubble. Someday that wall of shame will be no more than a distant memory. With this resolution, we can help bring that day closer.

Mr. LANTOS. Mr. Speaker, I have no further requests for time.

Mr. BROOMFIELD. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia [Mr. WOLF], the principal sponsor of this resolution.

Mr. WOLF. Mr. Speaker, I rise today in support of House Concurrent Resolution 186 and I want to thank the leadership of the Foreign Affairs Committee, Chairmen, FASCELL and HAMILTON and Mr. BROOMFIELD and Mr. LANTOS and Mr. SOLOMON, Mr. YATRON, and others for their support in moving this legislation to the floor so quickly.

The people of the United States are committed to freedom for people throughout the world. Unfortunately, however, the East German Government routinely denies the basic human rights and personal freedoms of its citizens.

Many innocent East Germans have been killed seeking freedom by scaling the Berlin Wall because East German border guards have been instructed by their government to "shoot to kill" anyone who attempts to cross the wall without authorization. During the past year, there have been 63 escape attempts, 3 of which resulted in death.

These policies are unacceptable to the American people. They should be changed to protect the men, women and children of East Germany who are held captive against their will.

This resolution will put the United States House of Representatives on record in opposition to the policies of East Germany and hopefully will result in the East German Government tearing down the wall and lifting the "shoot to kill" order which will result in saving lives.

I encourage my colleagues to join me in supporting this important resolution.

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. Solomon], the ranking member of the Human Rights Subcommittee of the Committee on Foreign Affairs.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, again I want to commend my chairman of my Subcommittee on Human Rights, the gentleman from Pennsylvania, Mr. Gus Yatron, who could not be with us today for expediting this resolution, as well as the gentleman from California, Tom Lantos, and the gentleman from Michigan, Bill Broomfield, our ranking member on the full committee, but especially the gentleman from Virginia, Frank Wolf, who has really brought this issue before us.

Mr. Speaker, on August 13, 1961, the world witnessed an event that was unprecedented in human history: A wall was erected in broad daylight, the sole purpose of which was neither defensive nor to keep people out, but rather to keep people in. On that date the Soviet Union and its henchmen in the East German Government made visible with bricks and mortar and with barbed wire what had already come to pass in a political sense, the imprisonment of Eastern Europe.

Mr. Speaker, the United States is uniquely qualified to condemn the Berlin Wall because our country maintains the longest undefended national borders in the entire world.

The United States has 6,400 miles of undefended borders, without walls, minefields, tank traps, and guard towers. If you want to see freedom, look at the United States-Canadian border, or look at the United States-Mexican border. If you want to see the price to be paid for losing freedom, look at the Berlin Wall. Freedom makes the difference. And just as two democracies have never gone to war against each other, so democracies do not have to build walls to keep their people in.

Mr. Speaker, our Government should never have signed the Helsinki Final Act as long as the Berlin Wall was still standing. We cannot undo that mistake, but we can resolve, from here on out, to test the sincerity of the Soviets by looking at what they do with the Berlin Wall. One brick in that wall outweighs all of the propaganda and all of the blandishments about peace, security, and disarmament. That wall symbolizes a divided world. And as long as the Soviets hide behind it, they will never be at peace—with themselves or with any other country.

I urge strong support for this resolution.

□ 1305

Mr. BROOMFIELD. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. Gilman].

Mr. GILMAN. Mr. Speaker, the Berlin Wall is a cruel scar on the face of Europe, the continued existence of which is a constant reminder of the oppressive nature of Communist dictatorships. The existence of this wall at the foot of the Brandenburg Gate is made even uglier by the East German policy of shooting to kill those who wish to escape to freedom. Too many East Germans have lost their lives in attempts to scale the Berlin Wall. I earnestly join my colleagues in urging East Germany's leader, Chief of State Erich Honecker to abolish this practice and to tear down the Berlin Wall.

The gentleman from California [Mr. Lantos], who consistently fights for human rights has reminded us of our congressional delegation visit to East Germany with the distinguished Member from Michigan [Mr. Vander Jagt] called upon Mr. Henecker to remove the wall.

Most Americans, Mr. Speaker, desire improved relations between East and West. Recent progress on arms control and the reforms introduced by General Secretary Gorbachev have raised our hopes that one day there could be a transformation of relations and a more stable, peaceful and prosperous world. However such improvement is impossible unless steps are taken to end the worst human rights offenses of the Soviet bloc. Of the numerous human rights violations which the East is guilty of, the Berlin Wall is the very worst. The time has come for this symbol of hate and oppression to be removed.

I am pleased to join my colleagues in offering my full support for House Concurrent Resolution 186 and I commend the gentleman from Virginia [Mr. Wolf] for his work on this excellent measure and I commend the distinguished chairman of the House Foreign Affairs Subcommittee on Human Rights, the gentleman from Pennsylvania [Mr. Yatron], and the subcommittee's ranking minority member, the gentleman from New York [Mr. Solomon] for the expeditious and favorable consideration of this legislation.

Mr. GOODLING. Mr. Speaker, I rise in strong support of House Concurrent Resolution 186. For over 25 years, the Berlin Wall has stood between East and West Berlin, a symbol of oppression and denial of basic human rights. Despite "shoot to kill" orders that are in effect against persons attempting to cross to West Berlin, East Germans have continued attempts to escape to freedom over, under, and around the Wall.

It is indeed unfortunate that any nation should require a barrier such as the Berlin Wall to prevent the free movement of its citizens. In the new era of glasnost recently promulgated by General Secretary Gorbachev, I can see no better way to demonstrate this new policy than for the chief of state of the German Democratic Republic, Erich Honecker, to repeal the existing "shoot to kill" order and instead order the demolition of the wall.

The people of East Germany have for too long lived under the cruel shadow of the Berlin Wall. House Concurrent Resolution 186 will hopefully help to inspire positive action on the part of Mr. Honecker. Such a bold move would help to immeasurably improve the quality of life for all Germans, and will go a long way towards legitimizing the Soviet-inspired policy of glasnost. I urge my colleagues to join me in support of House Concurrent Resolution 186.

Mr. COMBEST. Mr. Speaker, I rise in support of this resolution. It is particularly timely that we are considering it just 3 weeks before Mr. Gorbachev comes to meet with the President. For while the resolution says it is directed to Mr. Honecker, in truth it is aimed squarely at the Kremlin, and it cuts to the heart of United States-Soviet relations.

We spend much time and energy discussing arms control in this country. But arms are only a symptom of the real problem between the United States and Soviet Union. Until we focus on the basic, inherent differences in our societies and political outlooks, we are only fooling ourselves.

President Reagan has challenged Secretary Gorbachev in a way that can make a real difference. Gorbachev can back up his glasnost rhetoric toward the West with action. He can prove his sincerity and take the first step in easing the tension and mistrust which has characterized the United States-Soviet relationship's since World War II. He can tear down the wall.

The wall dividing East and West Berlin is both a symbolic iron curtain and real, concrete evidence of the failure of totalitarian regimes. Not only has communism been afraid to allow its people to interact with the West, but it must build a wall with machine gun turrets to enslave its people. The wall is dramatic, chilling and powerful. It speaks volumes about why our Nation exists, about what it stands for, and about our responsibility to help freedom loving people around the globe.

President Kennedy said it so well in 1963, "There are many people in the world who really don't understand, or say they don't, what is the great issue between the free world and the Communist world. Let them come to Berlin. There are some who say that communism is the wave of the future. Let them come to Berlin. And there are some who say in Europe and elsewhere we can work with the Communists. Let them come to Berlin."

Mr. Speaker, the brave souls, living and dead, who have tried to scale the wall and make their way to freedom have known the value of liberty. They risked death to be free rather than live quietly in slavery under a totalitarian regime. In this, the world's citadel of freedom let us never forget the price of freedom.

Mr. SMITH of New Jersey. Mr. Speaker, I want to commend my good friend, FRANK WOLF, for introducing this resolution and bringing these timely issues to the attention of the House.

Following the lead made by President Reagan in June of this year during his memorable speech at the Brandenburg Gate, Mr. WOLF's resolution urges the German Democratic Republic Chief of State, Erich Honecker, to issue an order to tear down the Berlin Wall. Mr. Speaker, 1987 marks the 26th year since the construction of this wall which has managed to divide physically a people with identical culture, heritage, language, and aspirations. The wall serves as a constant and ugly reminder of the vast differences between freedom and repression. Unfortunately, the wall appropriately symbolizes the barriers to basic human rights and freedoms which Mr. Honecker and other authorities have instituted in East Germany.

Mr. Speaker, in addition to the appeal that the Berlin Wall be torn down, this resolution calls for a retraction of the order given to East German border guards to kill those attempting to cross the wall without authorization. In the last year—August 1986 to August 1987—63 individuals tried to escape their homeland, 16 of these had shots fired at them and sadly 3 were fatally wounded.

Mr. Speaker, this "shoot to kill" order is brutal and inhumane. While we have been informed that the order has been suspended, except for deserters or armed attackers, Mr. Honecker should take this opportunity to permanently repeal the order!

I thank the sponsor of the bill for his efforts to bring this matter to our attention. Mr. Speaker, these issues could not be more clear—the moral and acceptable position is straightforward. House Concurrent Resolution 186 deserves unanimous support and passage by this House.

Mr. BROOMFIELD. Mr. Speaker, I yield back the balance of my time.

Mr. LANTOS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. KILDEE). The question is on the motion offered by the gentleman from California [Mr. LANTOS] that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 186.

The question was taken.

Mr. SOLOMON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. LANTOS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

DEPARTMENT OF VETERANS AFFAIRS ACT

Mr. BROOKS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3471) to establish the Veterans' Administration as an executive department, as amended.

The Clerk read as follows:

H.R. 3471

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SEC. 1. SHORT TITLE.

This Act may be cited as the "Department of Veterans Affairs Act".

SEC. 2. ESTABLISHMENT OF VETERANS' ADMINISTRATION AS AN EXECUTIVE DEPARTMENT.

The Veterans' Administration is hereby redesignated as the Department of Veterans Affairs and shall be an executive department in the executive branch of the Government.

There shall be at the head of the Department a Secretary of Veterans Affairs, who shall be appointed by the President, by and with the advice and consent of the Senate. The Department shall be administered under the supervision and direction of the Secretary.

SEC. 3. PRINCIPAL OFFICERS.

(a) DEPUTY SECRETARY.—There shall be in the Department of Veterans Affairs a Deputy Secretary of Veterans Affairs, who shall be appointed by the President, by and with the advice and consent of the Senate. The Deputy Secretary shall act for and exercise the functions of the Secretary during the absence or disability of the Secretary or in the event the office of Secretary becomes vacant. The Secretary shall designate the order in which other officials of the Department shall act for and perform the functions of the Secretary during the absence or disability of both the Secretary and Deputy Secretary or in the event of vacancies in both of those offices.

(b) CHIEF MEDICAL DIRECTOR.—There shall be in the Department a Chief Medical Director, who shall be a doctor of medicine and shall, subject to subsection (e), be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in the medical profession. The Chief Medical Director shall be the head of, and shall be directly responsible to the Secretary for the operations of, the Veterans Health Services Administration. The Chief Medical Director shall be appointed for a period of four years, with reappointment permissible for successive like periods. If the President removes the Chief Medical Director before the expiration of that four-year term of office, the President shall communicate the reasons for such removal to both Houses of Congress.

(c) CHIEF BENEFITS DIRECTOR.—There shall be in the Department a Chief Benefits Director, who shall be appointed by the President, by and with the advice and consent of the Senate, without regard to political affiliation and solely on the basis of integrity and demonstrated ability in administering programs within the Veterans Benefits Administration or similar programs. The Chief Benefits Director shall be the head of, and shall be directly responsible to the Secretary for the operations of, the Veterans Benefits Administration. The Chief Benefits Director shall be appointed for a period of four years, with reappointment permissible for successive like periods. If the President removes the Chief Benefits Director before the expiration of that four-year term of office, the President shall communicate the reasons for such removal to both Houses of Congress.

(d) CONTINUATION OF SERVICE OF ADMINISTRATOR AND DEPUTY ADMINISTRATOR.—The individual serving as Administrator and Deputy Administrator of Veterans' Affairs on the date of enactment of this Act may act as Secretary and Deputy Secretary of the Department, respectively, until an individual is appointed under this Act to the office concerned.

(e) CONTINUATION OF SERVICE OF CHIEF MEDICAL DIRECTOR.—The individual serving on the date of enactment of this Act as Chief Medical Director may continue to serve in that capacity until the expiration of the term prescribed by section 4103(b)(1) of title 38, United States Code, unless removed by the Secretary of Veterans Affairs for cause in accordance with section 4103(b)(3) of such title.

(f) CONTINUATION OF SERVICE OF CHIEF BENEFITS DIRECTOR.—The individual serving on the date of enactment of this Act as Chief Benefits Director may continue to serve in that capacity until an individual is appointed to that office under this Act.

SEC. 4. ASSISTANT SECRETARIES.

(a) ESTABLISHMENT OF POSITIONS.—There shall be in the Department of Veterans Affairs eight Assistant Secretaries, each of whom—

(1) shall be appointed by the President by and with the advice and consent of the Senate; and

(2) shall perform such functions as the Secretary shall prescribe.

(b) ASSIGNMENT OF FUNCTIONS REGARDING NATIONAL CEMETERIES.—The Secretary shall assign to one of the Assistant Secretaries all functions regarding the National Cemetery System and State cemetery grant program authorized by chapter 24 of title 38, United States Code.

(c) FUNCTIONS OF OTHER ASSISTANT SECRETARIES.—The functions which the Secretary shall assign to the other Assistant Secretaries include (but are not limited to) the following:

(1) budgetary and financial functions;

(2) personnel management and labor relations functions;

(3) planning, studies and evaluations, and oversight functions;

(4) advisory functions regarding management, productivity, and logistic support;

(5) information management functions as required by section 3506 of title 44, United States Code;

(6) supervisory functions regarding capital facilities and real property programs;

(7) equal opportunity functions;

(8) functions regarding the investigation and adjudication of complaints of employment discrimination within the Department;

(9) functions regarding congressional, intergovernmental, public, and consumer information and affairs; and

(10) procurement functions.

(d) DESIGNATION OF FUNCTIONS PRIOR TO CONFIRMATION.—Whenever the President submits the name of an individual to the Senate for confirmation as an officer under this section, the President shall state the particular functions of the Department such individual will exercise upon taking office.

(e) Continuing Performance of Assistant Secretary Functions Pending Confirmation.—An individual performing, on the date of enactment of this Act, any of the functions required by this section to be performed by an Assistant Secretary of the Department may continue to perform such functions until such functions are assigned to an individual appointed as an Assistant Secretary of the Department under this Act.

SEC. 5. VETERANS HEALTH SERVICES ADMINISTRATION.

The establishment within the Veterans' Administration known as the Department of Medicine and Surgery is hereby redesignated as the Veterans Health Services Administration of the Department of Veterans Affairs.

SEC. 6. VETERANS BENEFITS ADMINISTRATION.

The establishment within the Veterans' Administration known as the Department of Veterans' Benefits is hereby redesignated as the Veterans Benefits Administration of the Department of Veterans Affairs. The primary function of the Veterans Benefits Administration shall be to administer nonmedical programs which provide assistance to veterans, their dependents, and their survivors. The Administration shall administer these benefit programs through a network of regional offices or regional office centers. These offices shall be located throughout the country with at least one office in every State and in the District of Columbia, Puerto Rico, and the Philippines.

SEC. 7. OFFICE OF THE GENERAL COUNSEL.

There shall be in the Department of Veterans Affairs the Office of the General Counsel. There shall be at the head of such office a General Counsel who shall be appointed by the President, by and with the advice and consent of the Senate. The General Counsel shall be the chief legal officer of the Department and shall provide legal assistance to the Secretary concerning the programs and policies of the Department.

SEC. 8. OFFICE OF THE INSPECTOR GENERAL.

The Office of Inspector General of the Veterans' Administration, established in accordance with the Inspector General Act of 1978, is hereby redesignated as the Office of Inspector General of the Department of Veterans Affairs.

SEC. 9. REFERENCE.

Reference in any other Federal law—

(1) to the Administrator of Veterans' Affairs shall be deemed to refer to the Secretary of Veterans Affairs;

(2) to the Veterans' Administration shall be deemed to refer to the Department of Veterans Affairs;

(3) to the Deputy Administrator of Veterans' Affairs shall be deemed to refer to the Deputy Secretary of Veterans Affairs;

(4) to the Chief Medical Director of the Veterans' Administration shall be deemed to refer to the Chief Medical Director of the Department of Veterans Affairs;

(5) to the Department of Medicine and Surgery of the Veterans' Administration shall be deemed to refer to the Veterans Health Services Administration of the Department of Veterans Affairs;

(6) to the Chief Benefits Director of the Veterans' Administration shall be deemed to refer to the Chief Benefits Director of the Department of Veterans Affairs; and

(7) to the Department of Veterans' Benefits of the Veterans' Administration shall be deemed to refer to the Veterans Benefits Administration of the Department of Veterans Affairs.

SEC. 10. SAVINGS PROVISIONS.

(A) Continuing Effect of Legal Documents.—All orders, determinations, rules, regulations, permits, grants, contracts, certificates, licenses, and privileges—

(1) which have been issued, made, granted, or allowed to become effective by the President, by the Administrator of Veterans' Affairs, or by a court of competent jurisdiction in the performance of functions of the Administrator or the Veterans' Administration, and

(2) which are in effect at the time this Act takes effect,

shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with the law by the President, the Secretary, or other authorized official, a court of competent jurisdiction, or by operation of law.

(b) Proceedings Not Affected.—The provisions of this Act shall not affect any proceedings or any application for any license, permit, certificate, or financial assistance pending before the Veterans' Administration at the time this Act takes effect, but such proceedings and applications shall be continued. Orders shall be issued in such proceedings, appeals shall be taken therefrom, and payments shall be made pursuant to such orders, as if this Act had not been enacted, and orders issued in any such proceedings shall continue in effect until modified, terminated, superseded, or revoked by a duly authorized official, by a court of competent jurisdiction, or by operation of law. Nothing in this subsection shall be deemed to prohibit the discontinuance or modification of any such proceeding under the same terms and conditions and to the same extent that such proceeding could have been discontinued or modified if this Act had not been enacted.

(c) Suits Not Affected.—The provisions of this Act shall not affect suits commenced before the date this Act takes effect, and in all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted.

(d) Nonabatement of Actions.—No suit, action, or other proceeding commenced by or against the Veterans' Administration, or by or against any individual in the official capacity of such individual as an officer of the Veterans' Administration, shall abate by reason of the enactment of this Act.

(e) Property and Resources.—The contracts, liabilities, records, property, and other assets and interests of the Veterans' Administration shall, after the effective date of this Act, be considered to be the contracts, liabilities, records, property, and other assets and interests of the Department of Veterans Affairs.

SEC. 11. CONFORMING AMENDMENTS.

(a) Presidential Succession.—Section 19(d)(1) of title 3, United States Code, is amended by inserting before the period at the end thereof the following: ", Secretary of Veterans Affairs".

(b) Definition of Department, Civil Service Laws.—Section 101 of title 5, United States Code, is amended by adding at the end thereof the following:

"The Department of Veterans Affairs.".

(c) Compensation, Level I.—Section 5312 of title 5, United States Code, is amended by adding at the end thereof the following:

"Secretary of Veterans Affairs.".

(d) Compensation, Level II.—Section 5313 of title 5, United States Code, is amended by striking out "Administrator of Veterans' Affairs" and inserting in lieu thereof "Deputy Secretary of Veterans Affairs".

(e) Compensation, Level III.—Section 5314 of title 5, United States Code, is amended—

(1) by striking out the following:

"Deputy Administrator of Veterans' Affairs."; and

(2) by adding at the end thereof the following:

"Chief Medical Director, Department of Veterans Affairs.

"Chief Benefits Director, Department of Veterans Affairs.

(f) Compensation, Level IV.—Section 5315 of title 5, United States Code, is amended—

(1) by striking out "Inspector General, Veterans' Administration" and inserting in lieu thereof "Inspector General, Department of Veteran Affairs"; and

(2) by adding at the end thereof the following:

"Assistant Secretaries of Veterans Affairs (8).

"General Counsel, Department of Veterans Affairs.".

(g) Compensation, Level V.—Section 5316 of title 5, United States Code, is amended—

(1) by striking out "Associate Deputy Administrator of Veterans' Affairs."; and

(2) by striking out "Chief Benefits Director, Veterans' Administration.";

(3) by striking out "General Counsel of the Veterans' Administration."; and

(4) by striking out "Director, National Cemetery Systems, Veterans' Administration.".

(h) Inspector General Act.—The Inspector General Act of 1978 is amended—

(1) in section 2(1)—

(A) by inserting "the Department of Veterans Affairs," and "Transportation,";

(B) by striking out "the Veterans' Administration,";

(2) in section 11(1)—

(A) by striking out "or Transportation" and inserting "Transportation, or Veterans Affairs,";

(B) by striking out "Small Business, or Veterans' Affairs" and inserting "or Small Business"; and

(3) in section 11(2)—

(A) by striking out "or Transportation" and inserting "Transportation, or Veterans Affairs,"; and

(B) by striking out "the United States Information Agency or the Veterans' Administration" and inserting "or the United States Information Agency".

SEC. 12. ADDITIONAL CONFORMING AMENDMENTS.

After consultation with the appropriate committees of the Congress, the Secretary of Veterans Affairs shall prepare and submit to the Congress proposed legislation containing technical and conforming amendments to title 38, United States Code, and to other provisions of law, to reflect the changes made by this Act. Such legislation shall be submitted not later than 6 months after the date of enactment of this Act.

SEC. 13. SPENDING AUTHORITY SUBJECT TO APPROPRIATIONS.

The authority to make payments or to enter into other obligations under this Act shall be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

SEC. 14. EFFECTIVE DATE.

(a) In General.—The provisions of this Act shall take effect on such date as the

President prescribes by Executive order, but such date may not be later than 6 months after the date of enactment of this Act.

(b) Appointments.—Notwithstanding subsection (a), any of the officers provided for in this Act may be nominated and appointed at any time after the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. HORTON. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Texas [Mr. Brooks] will be recognized for 20 minutes and the gentleman from New York [Mr. Horton] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Texas [Mr. Brooks].

Mr. BROOKS. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, the bill, H.R. 3471, would elevate the Veterans' Administration to Cabinet level.

By placing the head of the Department of Veterans' Affairs in the Cabinet, the bill would provide to veterans an opportunity to participate in the highest levels of Government and would assure that they have the best possible audience for their problems.

This bill was sponsored by myself and Congressman Frank Horton, the ranking minority member of the Government Operations Committee, along with Congressmen G.V. (Sonny) Montgomery and Gerald B. Solomon, chairman and ranking minority member, respectively, of the Committee on Veterans' Affairs. We have now been joined by 269 cosponsors. The Veterans' Administration was established as an independent agency by Executive order in 1930. It administers programs for veterans of the U.S. Armed Forces in the areas of disability compensation and pensions, medical care and research, education and training, home loan assistance, insurance, and cemetery and memorial benefits. The Veterans' Administration is the second largest agency in the executive branch in terms of staff, with about 253,000 people, and its budget is larger than over half of the existing departments, roughly $26 billion.

H.R. 3471 would assure that the new Department of Veterans Affairs is more accountable to Congress by requiring that its principal officers have Senate confirmation. Visibility of veterans' affairs and oversight by the Congress would be increased. This oversight is essential to assure that the programs passed by the Congress and approved by Presidents are implemented as was intended.

I have firsthand knowledge of one area where greater oversight will certainly be beneficial. The Veterans' Administration's failure to properly service its housing loans in economically depressed southeast Texas has led to unnecessary foreclosures on veterans' homes. These homes could have been saved for the veterans who owned them—and were paying for them—if the Veterans' Administration had used all the powers within their means.

Mr. Speaker, a bill to make the Veterans' Administration a Cabinet-level department has been introduced at least in the last 17 consecutive Congresses—that's every Congress since I've been here. There is strong support among veterans organizations across the country for elevating the Veterans' Administration to Cabinet-level status. Over half of the Members of the House of Representatives are cosponsors, and the President has now announced his intention to sign this bill when it reaches his desk.

I hope that all the Members will vote in favor of this bill in resounding tribute to those who fought to preserve the American way of life and the freedom we all enjoy.

Mr. HORTON. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the bill under consideration, H.R. 3471, was introduced on October 13 by Government Operations Committee Chairman Brooks, Veterans' Affairs Committee Chairman Montgomery, the ranking minority member of the Veterans' Affairs Committee, Mr. Solomon, and myself. The legislation would elevate the Veterans' Administration as currently structured to a Cabinet-level department.

Our Government Operations Subcommittee on Legislation and National Security held a hearing on H.R. 3471 on October 27. At that hearing, we heard testimony from our colleagues in the House, Sonny Montgomery, Jerry Solomon, and Doug Applegate, as well as Senator Strom Thurmond, and representatives from 10 veterans service organizations. They all endorsed the measure without exception. On November 10, the members of the Committee on Government Operations voted unanimously to report H.R. 3471 favorably to the House. Almost simultaneously, President Reagan signaled his intention to sign the bill when it reaches his desk.

Mr. Speaker, I wholeheartedly support this bill, H.R. 3471. Our Nation and Government exist today because of the contributions veterans have made throughout our history. Our veterans deserve a cohesive structure at the highest possible level to ensure the most effective and efficient operation of their critically important programs. H.R. 3471 would give our veterans that needed structure and stature. An executive Department of Veterans Affairs is in the best interest of veterans and of all Americans.

The Veterans' Administration ranks second only to the Department of Defense in work force size. The VA is larger than any one of the Departments of Commerce, Education, Energy, HUD, Interior, Justice, Labor, State, and Transportation. Nearly 80 million Americans—or one-third of the U.S. population—are potentially eligible for VA benefits and services.

Mr. Speaker, I believe that the establishment of the Veterans' Administration as an independent agency was appropriate in 1930. But today, the time has come for elevation of the VA to Cabinet-level status. It is more important than ever before that we make certain that the commitments this Government made to our veterans are carried out and accorded the highest priority.

My efforts on behalf of enactment of this measure are dedicated to all of the veterans of the 29th District of New York, and especially those from Monroe County. I am very proud to be an original cosponsor of H.R. 3471. It has been a pleasure for me to work with Chairman Brooks to move this measure through our Government Operations Committee. Certainly Chairman Brooks deserves our gratitude for expediting action on the bill.

I also want to publicly pay tribute to all of those who have been involved in building support for this legislation, most notably, my friends Sonny Montgomery and Jerry Solomon. It is my understanding that we now have almost 270 cosponsors for H.R. 3471.

Mr. Speaker, I strongly support this bill. It is important legislation that deserves the support of all House Members.

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Mr. BROOKS. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi [Mr. Montgomery], the chairman of the Committee on Veterans' Affairs.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in strong support of H.R. 3471 and I want to thank the distinguished chairman, Mr. Brooks, and the ranking minority member, Mr. Horton, of the Government Operations Committee for the leadership they have provided in moving this legislation to the floor of the House so quickly. This is a great day for veterans.

I have been around here long enough to know that when the distinguished gentleman from Texas and the distinguished gentleman from New York put their stamp of approval on a bill, its chances of being adopted in the House are greatly increased. I believe the folks at the White House know that also because about an hour later after the committee ordered the bill reported last Tuesday morning, the President announced his support of the bill.

Mr. Speaker, as many of our colleagues know, Chairman BROOKS and Mr. HORTON are combat veterans of World War II—Chairman BROOKS served in the Marine Corps and Mr. HORTON with the United States infantry in North Africa and Italy. Both have been firm in their commitment to our Nation's veterans.

I also want to thank another marine, JERRY SOLOMON, the ranking minority member of the Committee on Veterans' Affairs, for the work he has done to elevate the VA to Cabinet status. JERRY is a Korean war veteran. From the first day he assumed the position of ranking minority member of the committee, JERRY decided this legislation was going to be high on his priority list. He has done a lot of work on this proposal. I know he has spent many hours personally visiting with Members getting them to sign on as cosponsors. It has been a pleasure working with him on this legislation.

I strongly support H.R. 3471 and I do so for many reasons. The VA has the fifth largest budget among Federal departments and agencies. Its expenditures in fiscal year 1986 were greater than the Departments of Energy, Interior, Justice, State, and Commerce combined.

The agency employs about 240,000 people, second only to the Department of Defense.

The VA operates the largest hospital and health care system in the free world. Its 172 medical facilities are affiliated with more than 100 of the top medical, dental, and nursing schools throughout the country.

The VA has become an internationally recognized major contributor to medical science. Its research program is the second largest in the Federal Government.

The VA has a very comprehensive income maintenance program. Disability compensation and pension payments totaling almost $15 billion go out each year to more than 3 million veterans and eligible dependents.

The VA administers numerous education and training benefits for hundreds of thousands of veterans under the Vietnam era GI bill, the new GI bill for the All-Volunteer Force, and the vocational rehabilitation program for service-connected veterans.

Mr. Speaker, we are talking about an agency that is one of the largest in the Federal Government, overseeing benefits and services to millions of our citizens.

Some feel the VA is run by the Office of Management and Budget. This has been the perception for many years. Veterans programs are too important to be left to midlevel decision makers at OMB. Policy decisions affecting veterans should be made at the highest level. I believe granting Cabinet status to the agency will ensure that.

Some may view this worthwhile measure as an expansion of the Federal Government. Of course this isn't true. The Congressional Budget Office has stated that there will be insignificant costs involved in upgrading the VA. When I'm asked about the cost of this bill, I usually respond by saying that the major cost would be the amount GSA would have to pay to put another chair in the Cabinet room.

The bill only seeks to elevate the VA to a Cabinet-level department. There is no move to increase the Federal bureaucracy, but simply to afford veterans the dignity and deference they deserve. Veterans have earned the right to have a voice in the President's Cabinet.

Mr. Speaker, I want to express my appreciation to Chairman BROOKS for allowing the staffs of our two committees to work together in drafting H.R. 3471. I want to pay special tribute to Rick Barnes and Cynthia Meadow, who worked directly with our committee staff in putting the bill together. Of course, we acknowledge the leadership of Bill Jones, the very able general counsel of the Government Operations Committee, in coordinating the efforts of the two staffs.

It should be noted that we consulted with the VA general counsel and other members of the Administrator's staff in structuring the legislation. We decided to leave undisturbed the existing structure of the VA to the maximum degree possible. Currently the VA has three principal operating departments—the Department of Medicine and Surgery, the Department of Veterans Benefits, and the Department of Memorial Affairs. The Department of Medicine and Surgery has over 200,000 employees and a budget in excess of $10 billion. The Department of Veterans Benefits has approximately 13,000 employees and is responsible for supervising benefits for millions of disabled veterans, home-buying veterans, and veterans attending school. The Department of Memorial Affairs has approximately 1,200 employees and administers a budget of approximately $75 million. It is clear to me that the roles of the three departments, while vitally important, are not commensurate; the Department of Medicine and Surgery and the Department of Veterans Benefits have significantly more responsibility than the Department of Memorial Affairs. Therefore, we thought it appropriate that the heads of these two departments, which under the bill would become the Veterans Benefits Administration and the Veterans Health Services Administration, be the two principal operating officers of the department. They would report directly to the new Secretary and the Deputy Secretary.

With respect to the eight Assistant Secretaries provided for in the bill, it should be noted that this number conforms with the number of top management executives who report to the Administrator under the present organization of the VA. These officers are: The Chief Memorial Director, the Associate Deputy Administrator [ADA] for Management, the ADA for Logistics, the ADA for Congressional Affairs, the ADA for Public and Consumer Affairs, as well as the heads of the following three offices: Budget and Finance, Personnel and Labor Relations, and Equal Opportunity. The general counsel and the inspector general also report directly to the Administrator, as do the Chairmen of the Board of Veterans Appeals and the Board of Contract Appeals. These offices would be unaffected by this measure except that the Office of the General Counsel is formally recognized and the general counsel is made a coequal of the Assistant Secretaries with respect to salary.

I believe the committee has made a wise choice in not assigning particular functions to seven of the eight Assistant Secretaries. This was done to give future Secretaries the authority to reassign the functions for which a particular Assistant Secretary will be responsible. For instance, the Offices of Facilities, Procurement and Supply, and Administration presently report to the ADA for logistics. A future Secretary may decide to have the heads of one or more of these offices report directly to him or her. This would be permitted under the bill as long as the Secretary combined other functions so that the total number of Assistant Secretaries did not exceed eight. The one exception to the principle is the Assistant Secretary for Memorial Affairs. It is our belief that the functions presently performed by the Department of Memorial Affairs should be assigned exclusively to one Assistant Secretary, and that functions which are not closely related to the present functions of that Department should not be assigned to this Assistant Secretary.

Mr. Speaker, I feel compelled to express my strong views about the special requirements in the legislation for the appointment of the Chief Benefits Director and the Chief Medical Director. Under existing law, the Chief Medical Director is appointed by the Administrator for a term of 4 years and may be removed only for cause. No similar statutory provision applies to the Chief Benefits Director, although both of these officials have historically been selected on the basis of demonstrated ability and understanding of the vital roles played by their respective departments. I believe that the language of this legislation and the views expressed in the committee report demonstrate our concern that these two officials, given the significance of their offices, be appointed on the basis of ability. Political affiliation should not be considered in making the appointments. We want the best people we can get for these two jobs, and once they are appointed, we expected them to serve out their terms.

Mr. Speaker, we also considered whether to impose a restriction on the President's ability to remove these officers. I was in favor of such a provision because I think it would demonstrate even more strongly our intent to make these officials nonpartisan and to insulate them from the turmoil of partisan elections. However, I was advised that if these officers are appointed by the President with the advice and consent of the Senate, the courts have expressed concern about statutory limitations on the President's authority to remove such officials. The law on this issue does not appear to have been subject to recent examination, and I am not totally convinced that we should not have imposed some further limitation on the President's power to remove these two officers. In order to avoid controversy, however, the bill does not contain such a provision.

We believe the time has come to elevate the VA to Cabinet status. If enacted, this bill will accomplish this long-standing goal. I urge the adoption of the bill.

Mr. HORTON. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I wish to express my appreciation to the gentleman from Mississippi [Mr. MONTGOMERY], for his devotion to this concept and for his efforts and his action in making possible this effort today to create this new department.

We appreciate it very much, all that the gentleman has done.

Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I wish to begin by expressing my appreciation to Congressman BROOKS, for moving this bill to the House floor in such a timely manner. A bill elevating the Veterans' Administration to a Cabinet-level department has been introduced in every Congress for the past 25 years. Now, thanks to Chairman BROOKS, for the first time in history, this goal is within reach.

Also, I would thank my very good friend, the chairman of the House Veterans' Affairs Committee, SONNY MONTGOMERY, for his work on the bill. Without his strong support we would never have been able to obtain so many cosponsors on our bill. My friend and colleague from New York [Mr. HORTON] the ranking member of the Government Operations Committee, should be commended as well for his constant and long time support of this legislation. I also commend the fine work of Senator THURMOND for introducing the legislation in the Senate and who is responsible for much of the progress we have seen in the other body.

I am very pleased Senator GLENN, chairman of the Senate Governmental Affairs Committee, has agreed to hold hearings on the bill in early December of this year. Time and time again, JOHN GLENN has proven himself to be one of the strongest supporters of our Nations' veterans. He can reaffirm his support by moving this bill through the Senate before the end of the session.

Clearly, there is a very legitimate reason for the Senate Governmental Affairs Committee to act promptly on this legislation. Because last Tuesday, the President of the United States, Ronald Reagan, at a White House press conference, attended by Chairman SONNY MONTGOMERY and I, threw his full support behind our legislation.

Mr. Speaker, I would be remiss if I failed to recognize the leadership role played by all of the veterans' service organizations in this effort. The American Legion, the Veterans of Foreign Wars, Disabled American Veterans, AMVETS, Paralyzed Veterans of America, Blinded Veterans Association, Vietnam Veterans of America and many other have worked tirelessly in order to gain approval of this legislation. There has been united and overwhelming support.

Mr. Speaker, I wish to address for a moment the shameful editorial which appeared in the Washington Post the day after Veterans Day. The editorial in opposition to this measure was inaccurate, inconsistent and insulting to our Nations' veterans. The Washington Post's solution to curing the budget problems is to stop paying VA pension benefits to low-income, needy veterans. The Post instead would have them go to the county welfare office. Well, the U.S. Congress will never tolerate treating veterans' benefits as welfare!

The Washington Post also makes the claim that veterans who do not have service-connected disabilities are "piggybacking" on those who do. Just who are these men and women? Well, I'll tell you who they are, they are the hundreds of thousands who stormed the beaches of Normandy and Iwo Jima, who fought on Pork Chop Hill in Korea and who patrolled the rivers and jungles of Vietnam. And yet because they were fortunate enough to return home with physical evidence of their sacrifices the Post condemns them as piggybacking. The men and women who have served in our Armed Forces and who have risked their lives for our country deserve better.

When the VA was formed as a Federal agency in July of 1930, there were 4.5 million veterans in the United States. Today, the veterans' population is over 27 million. In response to this increase, the size and responsibilities of the Veterans' Administration have grown substantially.

Clearly, the time has come to elevate the Veterans' Administration to a Federal department. Programs administered by the VA touch virtually every family in America. Today, in addition to the over 27 million veterans, there are 51 million survivors and dependents. Among Federal departments, only DOD has more employees. The VA operates the largest health care system in the free world. The VA Home Loan Program is one of the largest housing endeavors in the country and the Montgomery GI Education Program interacts with virtually every college and university in America.

Although the size and importance of the VA justifies upgrading it to Cabinet level, there are even more compelling factors to consider. Benefits for veterans and their families have been earned through great pain and sacrifice, and oftentimes, by the loss of lives.

In recognition of the contributions to freedom made by the men and women who have served their country in uniform, Americans have placed a high priority on veterans. By authorizing Cabinet status for the Veterans' Administration, we would ensure that is chief executive officer fully participates in top level discussion and policy making on issues having a direct effect on America's veterans.

Veterans should be represented in one department where all of their needs are given the highest priority, not divided up and lost in a crowd of other interests. How many times have we heard other department heads even say the world "veteran?"

Mr. Speaker, there is no move to increase the Federal bureaucracy, but simply to afford veterans the dignity and deference they deserve.

Mr. Speaker, I will simply conclude by saying what I have said hundreds of times on this issue. I've said it to countless Members of Congress. I've said it to veterans across the country, I've said it to President Ronald Reagan, and I intend to keep right on saying it until this bill is signed into law. America's veterans have earned the right to be heard at the highest level of the American government.

Mr. BROOKS. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio [Mr. APPLEGATE], the distinguished chairman of the Subcommittee on Compensation, Pension, and Insurance.

Mr. APPLEGATE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I would like to join with the chairman of the House Veterans' Affairs Committee, Representative G.V. "SONNY" MONTGOMERY, and the ranking minority member, Representative JERRY SOLOMON, in expressing support for this measure elevating the Veterans' Administration to a Cabinet-level post. I would also like to extend my thanks to chairman JACK BROOKS of the Government Operations Committee and ranking minority member, FRANK HORTON, for introducing H.R. 3471.

Mr. Speaker, on October 27, I joined with SONNY MONTGOMERY, JERRY SOLOMON and the esteemed gentleman from South Carolina, Senator STROM THURMOND, in testifying before Chairman BROOKS' Subcommittee on Legislation and National Security in support of this legislation. I can think of few people who have been as thoroughly supportive of the veterans of America as these Members of the House and the Senate. I would like to reiterate here today the views that I expressed before JACK BROOKS' subcommittee 3 weeks ago in support of placing the VA within the President's Cabinet.

Mr. Speaker, going beyond the factual statistics about the size of the Veterans' Administration, the number of veterans in our Nation today, the operation of the massive VA medical system, and the more than one-quarter of a million employees of the VA, I would like to add some additional perspectives on the need for placing an additional chair in the Cabinet room of the White House, a chair for the Administrator of the VA.

I'm certain that most of us in this Chamber have heard, at one time or another, the views of one fairly high-ranking person in our Nation's Capital, someone who has often commented that the only real responsibility of the Federal Government, among some other duties, is to provide for the national defense of the United States. Well, I'm sure that not everyone here necessarily agrees with this narrow view, that we all know that there are many other responsibilities of our Government and that these duties can never be eliminated or transferred to the States and localities.

We have certainly witnessed during the current administration a tremendous building up of our national defense, an expansion of forces of the land, the sea and the air. Whether or not someone agrees with this policy, I want to emphasize to you today the need for our Nation not to waver from our obligation to the millions of men and women of our Nation who have served, and will be serving, in our Armed Forces.

Mr. Speaker, one of the most important chairs in the Cabinet Room is reserved for the Secretary of Defense, the one person who supervises the millions of soldiers, sailors, and airmen of the United States. But isn't it equally important that we continue to provide the same level of care and concern for these same individuals following their service to our Nation? I feel that it is important to do so and that, by placing the Veterans' Administration at the same level as the Defense Department and all other Departments, our Nation would be fulfilling, for once and for all, the full measure of dedication and commitment that is due the veterans of our Nation.

If we are truly committed to the millions of former servicemen and women of America; if we are to honestly fulfill our obligations to those who have guaranteed for the rest of us a nation with liberty and freedom, then the time has come to finally recognize the important role that the Veterans' Administration holds in the Federal Government.

Over a century ago, President Abraham Lincoln established the guiding principle that a grateful nation uses in conferring benefits, programs, and health care to the veterans of America. Let us agree this year, the year of the bicentennial of our Constitution, that the words of Abraham Lincoln, "To care for him who shall have borne the battle and for his widow, and his orphan," will always be impressed upon our President and the Cabinet.

We shall always have to defend our Nation and our interests throughout the world, and we should never forget our obligation to those who serve and defend. But we should never forget that, as we continue to consider the need for a larger Navy, an improved Air Force, and the latest in a modern and effective Army, the most important component of our defenses has been, and will continue to be, the men and women who will someday be veterans.

I urge the support of my colleagues on this important measure. As many of us know, President Reagan has come out in support of this move and I feel that the consensus of opinion throughout the Nation is totally behind this change. I want to thank you, Mr. Speaker, and my colleagues here today who have spoken in favor of H.R. 3471.

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Mr. HORTON. Mr. Speaker, I yield 3 minutes to the gentleman from Wisconsin [Mr. ROTH], a cosponsor of this legislation.

Mr. ROTH. Mr. Speaker, I thank my good friend, the gentleman from New York [Mr. HORTON], for yielding me this time.

Mr. Speaker, I rise in support of making the Veterans' Administration an executive department. This action is long overdue. With over 28 million veterans as well as their families, it is time we elevated the VA to reflect the important constituency that veterans represent.

The concerns of veterans must be reflected in policy created at the Cabinet level. Likewise, the effects of national policy on veterans should be taken into consideration whenever major decisions are made by the executive branch. With a new Department of Veterans' Affairs, we will be assured that veterans will have a more potent voice in Government.

The Department employs 253,715 people. The VA is the second largest Federal agency, in terms of work force, in the Federal Government. The wide range of VA responsibilities already include compensation, pension, education, hospital and medical care, home loan guarantees, and burial benefits. It is only fitting that VA be elevated to Cabinet level as a matter of principle, and as a demonstration of our commitment to veterans. It is a practical, long over due recognition of the size, scope, and importance of the activities of the VA.

Indeed, the VA is the largest independent Federal agency serving an estimated one-third of the American people. This bill will result in no significant costs to the Federal Government—but its pragmatic and symbolic meaning to veterans and the people who work so hard to serve them in VA hospitals and field offices around the country cannot be measured.

This legislation, has lingered before Congress for 20 years. The bill acknowledges the fact that there are six times as many veterans living now as there were in 1930, the year the Veterans' Administration was created. Finally, we are responding to the growth in the nature of our services and commitments to veterans.

As President Reagan said on November 10, at a meeting in the Cabinet room with representatives of veterans nationwide, "There is not a better time or a better way to salute (veterans) than to announce today my decision to support creation of a Cabinet level Department of Veterans' Affairs."

This legislation, which has tremendous bipartisan support, simply must be passed. Enactment of this bill will be a great day for veterans, their families, and our Nation as a whole. Finally, veterans' concerns will be at the forefront of national policy. That's right where they belong.

Mr. BROOKS. Mr. Speaker, I yield 1 minute to the distinguished gentleman form Montana, Mr. PAT WILLIAMS, a veteran of at least two wars that we know of.

Mr. WILLIAMS. Mr. Speaker, I thank the chairman for yielding me this time, even if the gentleman is not entirely accurate in the number of wars in which I have been involved.

Mr. Speaker, suspensions are usually reserved for bills which are not contentious or have a very small level of opposition, and obviously the Cabinet-level rank for veterans affairs fits that description, because I note that it is on the Suspension Calendar today and I see no one in the Chamber prepared to oppose it.

I do not oppose it. I do, however, find that it is somewhat bizarre that a few years ago when the Congress was being encouraged to create a special Cabinet-level status for the Department of Education, we wrangled over it not for hours, but for days. It was a very, very difficult vote and was done over the objection of some of the most powerful people in this Congress and in the Government.

The SPEAKER pro tempore. The time of the gentleman from Montana has expired.

Mr. BROOKS. Mr. Speaker, I will yield the gentleman 1 additional minute, if the gentleman will yield to me.

Mr. WILLIAMS. I yield to the gentleman from Texas.

Mr. BROOKS. Mr. Speaker, I remember that particular episode very well. We passed it by—what was it, one vote or three votes or four votes?

I always said the closer you work to the horns, the more applause you get; but if you miss, the horn gets you.

Mr. WILLIAMS. Well, Mr. Speaker, I appreciate the chairman's thoughts, obviously a Texas philosophy that we share in Montana as well.

I do want to note that it is additionally bizarre that the Department of Education, which took up so much of the time of this Congress a few years ago, spends six times less each year than will this new Department of Veterans' Affairs.

I do not mean to prejudice this matter. I am supportive of it, but it does seem to me that this Congress works in wonderous ways, and this is one of them.

Mr. HORTON. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. GILMAN], a cosponsor of this bill.

Mr. GILMAN. Mr. Speaker, I thank the gentleman for yielding this time.

Mr. Speaker, I rise in strong support of H.R. 3471, establishing the Veterans' Administration as an executive department and I would also like to commend my fellow colleague from New York, the ranking minority member of the Veterans' Affairs Committee, Mr. SOLOMON, for initiating this fine legislation, and the distinguished chairman, the gentleman from Mississippi, Mr. MONTGOMERY, for his dedication to our Nation's veterans and for his support of this legislation as well as the distinguished chairman of the Committee on Government Operations, Mr. BROOKS, and the ranking minority member, Mr. HORTON for bringing this measure to the floor in an expeditious fashion.

As a cosponsor of H.R. 3471, I believe there are a number of significant reasons why the VA should be elevated to Cabinet-level status. The VA is larger than the Departments of State, Interior, Treasury, Commerce, Education, Energy, HUD, or Justice, and ranks second to only the Department of Defense in number of personnel with over 244,000 employees. The Veterans' Administration serves almost one-third of the Nation's population through our veterans, their dependents and survivors. The VA also has one of the free world's largest health care delivery systems as well as one of the largest life insurance programs. But most of all, the Veterans' Administration represents the concerns and needs of the men and women who risked their lives in time of crisis for our Nation. They need and deserve direct access to the White House.

Mr. Speaker, this legislation has received the support of the majority of our colleagues, as well as most veterans organizations across the country. In this time of fiscal restraint, elevating the Veterans' Administration to a Cabinet-level Department will result in no significant cost to the Federal Government. H.R. 3471 deserves our immediate attention and support. Accordingly, I ask our colleagues to join in voting for the adoption of this measure.

Mr. BROOKS. Mr. Speaker, I yield 1 minute to the distinguished chairman of the Agriculture Committee, the gentleman from Texas [Mr. DE LA GARZA.

Mr. DE LA GARZA. Mr. Speaker, I thank the gentleman for yielding this time.

Mr. Speaker, I rise in support of the legislation. Certainly this is an idea whose time has come. I am certain that the invaluable contribution that a representative of the veterans in the President's Cabinet or on the President's Cabinet will be of great assistance, being how the constituency which he would represent is one of the most important that we have, since they have served and fought for our country. I am sure the input of Cabinet meetings would be of great assistance.

Also, we cannot forget the words of President Lincoln that we should not forget the veteran, his widow, or his orphan. This would be a final tribute to those words of President Lincoln and I am sure it would be a great tribute to all who have served, certainly to those who have died.

Mr. Speaker, I want to commend the chairman and all the members of the committee and everyone who has worked in this endeavor.

Mr. HORTON. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. MACK], a cosponsor of this legislation.

Mr. MACK. Mr. Speaker, I thank the gentleman for yielding this time.

Mr. Speaker, I rise in support of the bill. Imagine a section of the Federal Government that administers the largest health care system in the free world, ranks only second to the Department of Defense in the number of personnel, and whose size is larger than the Department of State, Interior, Labor, Commerce, Education, Transportation, Energy, Housing and Urban Development, and Justice.

Now let us add to the description an agency that represents 78.6 million people. That is almost one-third of the Nation's population. You have to admit the sheer size and scope warrants a commanding presence.

In addition to that, I represent the southwest coast of Florida which has the seventh largest population of veterans in the Nation. They are excited and pleased about what is happening here today and they are excited about the position that the President has taken.

What we are really doing, Mr. Speaker, is asking that the Veterans' Administration be raised to the Cabinet level so that they have an opportunity to argue for their priorities on an equal footing with all the other agencies. This is something I have supported. It is something that clearly the veterans in southwest Florida, and I might add throughout Florida, some 1,400,000 veterans support, so this is clearly a step in the right direction. It is one that is worthy of support from all our colleagues and I ask that it be passed overwhelmingly.

Mr. HORTON. Mr. Speaker, I yield 2 minutes to the gentleman from Ohio [Mr. MCEWEN], who is also a cosponsor of this legislation.

I might point out, Mr. Speaker, that the gentleman from Ohio testified before our committee on this legislation.

Mr. MCEWEN. Mr. Speaker, I thank the gentleman from New York for yielding me this time.

Mr. Speaker, as an original cosponsor of this legislation, it has been my privilege to support this idea and this bill in every term in which I have been privileged to serve in the Congress, and as a member of the Veterans' Affairs Committee.

I am delighted that today we have such strong support for H.R. 3471. In my view, there is no greater privilege nor responsibility of the Congress of the United States than the care and maintenance of our Nation's freedom and those who made it free.

The matter of upgrading the Veterans' Administration to a Cabinet level and placing them at the President's right hand is of a strategic importance not only to America's veterans, but to the symbol and to the message that we send to our Nation.

It is appropriate on occasions like this when we celebrate victories that we acknowledge those who made it possible.

Indeed, the chairman of the Veterans' Affairs Committee, the gentleman from Mississippi, Mr. MONTGOMERY, his ranking member, the gentleman from New York, Mr. SOLOMON, as well as the dedication of the gentleman from Ohio, Mr. APPLEGATE, who spoke earlier, and Congressman JOHN PAUL HAMMERSCHMIDT, as well as Congressman CHALMERS WYLIE, and, of course, the success especially today by the chairman and ranking member of the Government Operations Committee, the distinguished gentleman from Texas, Mr. BROOKS, and the gentleman from New York, Mr. HORTON, I am delighted that they have seen fit to bring about this day that we have longed for for so many years.

All the statistics have been given earlier, 171 hospitals, the largest health care system in the world. One person in three impacted by the decisions that are made here, a department now, a new department of Cabinet level that will be four times as large as the Department of State, because it is a commitment that this Nation holds and it should.

Now as the decisions are being made and as they are thrashed out in the presence of the President in the cabinet room, we will have a constant voice on behalf of America's veterans that has been so successful in the past, has been acknowledged by many, many successive Presidents, but now rather than turning to his advisor, he will be able to turn to his Secretary for Veterans' Affairs.

Indeed, Mr. Speaker, this is a welcome day for America's veterans. It is a great day for America, and congratulations to the leaders involved.

Mr. BIAGGI. Mr. Speaker, as a cosponsor of this legislation, I rise in strong support of H.R. 3471 to create a new and long overdue Department of Veterans' Affairs as part of the Cabinet. Passage of this legislation will represent a strong and sincere commitment on the part of Congress and the administration to ensuring that the quality of life for our Nation's 28 million veterans remains the highest it can be.

I was especially pleased to see that President Reagan on the eve of the Nation's observance of Veterans Day this past week gave his endorsement to the creation of this Cabinet-level Department for Veterans' Affairs. His support is critical to the enhancement of this legislation into law.

This new Cabinet-level Department will begin its work with an annual budget in excess of $27 billion and with a constituency both present and future that may exceed 80 million persons. The Department will administer to scores of vital programs all aimed at improving the quality of life for our veterans and their survivors and dependents. These would include pensions, educational benefits, and nursing home care to name only a few.

There is both symbolism and substance associated with this legislation. It is symbolic that after all these years, the agency responsible for the veterans of this Nation now enjoys the highest status it can attain, namely a Cabinet-level Department. It is substantive because it recognizes that the existing VA budget is the second largest budget we have next to the Pentagon and that the veteran population of this Nation is growing.

As an original member of the House Select Committee on Aging it is my fervent hope that this new Department of Veterans' Affairs will give appropriate and regular attention to the problems of the elderly veteran. At this point in history, the largest sector of our veterans population—the World War II veteran—their average age is now over 65. There must be a strong commitment to providing a variety of services for these veterans ranging from nursing home care to community-based care. The need for long-term care services among our Nation's older veterans in many ways mirrors our national need for such services. The new Department of Veterans' Affairs can give this matter early attention and working in concert with other agencies in the Cabinet together with the Congress can be in a position to advance a national long-term care policy for all our elderly.

I urge swift approval of this legislation so this new Department of Veterans' Affairs can become one of the legislative landmarks of this 100th Congress.

Mr. MCEWEN. Mr. Speaker, as an original cosponsor of legislation to establish the Veterans' Administration as an executive department, I rise today in strong support of H.R. 3471. In my view, the Federal Government has no greater priority or greater responsibility than the preservation of our country's freedom and to care for those who have sacrificed so much to keep our land free.

If we are to remain a strong secure republic, then we must always afford those who have ensures our strength and security complete and unhindered access to their government. The matter of upgrading the Veterans' Administration [VA] to a Cabinet-level department is of strategic importance to America's veterans and to the Nation.

Mr. Speaker, I want to express my deepest appreciation and gratitude to the distinguished chairman and ranking member of the Veterans' Affairs Committee, with whom I am privileged to serve, SONNY MONTGOMERY of Mississippi and JERRY SOLOMAN of New York. As my colleagues are aware, these two gentlemen, along with the Honorable JOHN PAUL HAMMERSCHMIDT of Arkansas, have fought long and hard to keep this issue alive and burning in the U.S. House of Representatives. In addition, I want to express my thanks to the chairman and ranking member of the Government Operations Committee, JACK BROOKS of Texas and FRANK HORTON of New York, for their efforts in this regard.

I know that my colleagues in the House are aware of the breadth and scope of the responsibilities of the Veterans' Administration. The Congressional Budget Office has indicated that there are no significant costs involved with upgrading the VA to an executive department. But it is the constituency, the veterans who will be better served by the enactment of this important legislation.

We have a lot to be thankful for in America. We have been richly blessed with individual and collective liberties. Whether or not these liberties continue depend largely on the manner in which we care for our defenders and protectors, those who have secured and nutured these blessings with sacrifice and blood and even their very lives. Nothing speaks more loudly nor more clearly about our integrity as a nation than what we do for our veterans.

Mr. Speaker, we in the Congress meet freely in our Nation's Capitol and carry on its business because of veterans. My remarks, as well as those of my colleagues, uninhibited by Government restraints and unedited by censors, will enter the record of this congressional debate because of veterans. Today and tomorrow, as we have for two centuries, our colleagues can participate in public debate on the floors of the House of Representatives and the Senate because of veterans. And I think it only fitting to note that in this, the 200th anniversary of our Constitution, the principles of freedom and justice for all people continue to strengthen largely because of what veterans have done and continue to do.

We sent them to Khe Sanh, the Argonne Forest, Anzio, Normandy, San Juan Hill, Inchon, Iwo Jima, Corregidor, Pork Chop Hill, and a thousand other places in which they have indelibly etched the course of liberty. Without veterans there would be no American dream and no heritage upon which to build a future "of life, liberty, and the pursuit of happiness." They deserve the dignity of complete access to that for which they have so selflessly devoted themselves.

Mr. Speaker, we will never do anything more right, more justifiable, nor more true to the integrity of this great Nation than to give veterans a seat at the Cabinet table, and our complete attention to their opinions about the future of this country. I urge my colleagues in the House to support this legislation.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in strong support of H.R. 3471, to establish the Veterans' Administration as an executive department, and I am pleased to be a cosponsor. For many years , the proponents of Cabinet-level status for the VA have labored, and, finally, we have a bill before this body for consideration. This action is long overdue. As former ranking member of the Veterans' Affairs Committee, I was an original cosponsor of similar bills in the 96th and 99th Congresses. I am delighted that H.R. 1707, introduced by my distinguished colleagues on the Veterans' Affairs Committee, JERRY SOLOMON, the ranking member, and SONNY MONTGOMERY, the chairman, has evolved into H.R. 3471, introduced by JACK BROOKS, chairman of the Government Operations Committee, and FRANK HORTON, its ranking member, along with Mr. SOLOMON and Mr. MONTGOMERY.

Thus, the leadership of the two directly concerned House committees has acted in tandem to bring forth a technically refined bill with the broadest imaginable bipartisan support. Each of these outstanding Members of Congress deserves the highest possible commendation for his initiative and effective leadership on this issue.

Mr. Speaker, the President has put his stamp of approval on this legislation, so this is not a situation in which the Congress would be forcing a new Cabinet officer on an unwilling President. Quite the contrary. Ronald Reagan personally and enthusiastically supports giving veterans a representative in the Cabinet. Ironically, his critics have tried to turn the tables on him because he did not favor two other already existing departments, education and energy, and because he is the declared enemy of big government.

Their implication seems to be that giving veterans a voice in the highest councils of Government is going to lead to more Federal bureaucracy or more Federal spending. Not so. The VA already exists, and making the VA a department will not add a single employee to its payroll. As far as Federal spending is concerned, veterans only ask for their fair share of the Federal budget, not for a larger one. Are the critics afraid that if veterans have an opportunity to make their case directly to the President, that their own budget favorites may not be able to compete? Doesn't it make you wonder?

Mr. Speaker, the estimates from the VA OMB, and CBO all agree that the cost of the change would be in significant, so the good news for veterans is also good news for the taxpayers.

With the number of sponsors on H.R. 1707 and H.R. 3471, and the administration's endorsement, the outcome of our vote on the VA Cabinet bill is not much in doubt, but I urge all of my House colleagues to very strongly support this measure, because the Senate companion bill has not attracted the same degree of support and our friends in the Senate may need some encouragement.

I believe that Senate support will grow quickly and that it only needs some nurturing. America's veterans deserve an executive department and it is now within reach.

Mr. DAUB. Mr. Speaker, I rise in support of H.R. 3471, the Department of Veterans Affairs Act, which is supported by every veterans' organization in the country. As a veteran myself, I am proud to be a cosponsor of this legislation.

Since the Revolutionary War, over 40 million veterans have served the United States and over 1 million have died. Today there are over 28 million veterans still alive that deserve a stronger voice in the Government.

By 1990, over one-half of all American men over the age of 65 will be veterans. This group will have many unique needs that must be included in top level policy decisions.

This bipartisan legislation will maintain the present structure of the Veterans' Administration; however, through the appointment of principal officers by the President, and confirmation by the Senate, the new Cabinet-level Veterans' Administration would be accountable to Congress.

Now is a time for us to recognize not only veterans' sacrifices to our country but also their importance to the United States.

Mr. YOUNG of Florida. Mr. Speaker, I rise in strong support of H.R. 3471, long overdue legislation I have cosponsored that would establish the Veterans' Administration as a Cabinet-level department.

Our Nation's veterans deserve to be represented within the Federal Government by a Cabinet-level Secretary who reports directly to the President on matters of concern to veterans and their families. It is estimated that more than 80 million veterans, their spouses, and survivors receive benefits through programs administered by the Veterans' Administration and they deserve a voice at the highest level of Government.

President Reagan has indicated his strong support for H.R. 3471, which redesignates the Veterans' Administration as the Department of Veterans Affairs. This change recognizes the breadth of programs administered by the Veterans' Administration for our Nation's veterans who served our Nation in its time of need. These include veterans compensation, pension, and education benefits programs. The Veterans' Administration also operates the world's largest hospital and medical care program by providing services to veterans at 172 hospitals, 117 nursing homes, and 230 outpatient clinics. Other veterans programs include burial benefits, the operation of 111 national cemeteries, and a home loan guaranty program to assist veterans and their families purchase their own homes.

Mr. Speaker, I want to commend my colleagues on the Veterans Affairs and Government Operations Committees for their expedient action on this important legislation and I would urge its adoption today.

Mr. BILIRAKIS. Mr. Speaker, as an original cosponsor of H.R. 3471, which would give the Veterans' Administration Cabinet rank, I urge all of my colleagues to lend their support to this vital bill.

Just last week on the eve of Veterans Day, President Reagan endorsed legislation to elevate the Administrator of the Veterans' Administration to a Cabinet post. As a Cabinet-level department, the VA will better represent, the 27.7 million veterans and their 66 million survivors and dependents. The VA was established as an independent agency when there were only 4.7 million veterans. Currently as an independent agency, much of the decisions regarding veterans benefits and services are made by the Office of Management and Budget. While I do not want to forsake the intentions of OMB, I am convinced that Cabinet-level representation will assure that veterans' needs are heard and addressed. In addition, this bill will make the VA more accountable to Congress.

As an executive department, the Administrator of the VA will have direct access to the President and be in a better position to advocate for veterans. The VA is the second largest Federal agency, second only to the Department of Defense. With over 200,000 employees, the VA administers a range of veterans programs and services ranging from compensation, pension and education benefits to hospital and medical care. In fact, the VA administers the world's most extensive health care system with over 12,000 doctors and 30,000 nurses.

As a member of the House Committee on Veterans' Affairs, I have worked with all the major veterans organizations on this important issue. Several months ago, I wrote President Reagan to urge his support for this legislation because of the overwhelming support exhibited by the veterans groups. All clearly view the elevation of the Veterans' Administration to the Cabinet level as a priority. Today, Mr. Speaker that priority is one step closer to reality.

And on one last important note, I wish to thank Chairman BROOKS of the Government Operations Committee for his leadership, and Chairman SONNY MONTGOMERY and the ranking Republican on the Veterans' Affairs Committee, Congressman GERRY SOLOMON for their combined efforts in bringing this measure before us today.

Mr. SKELTON. Mr. Speaker, I rise today to express my support for and urge my colleagues to vote for H.R. 3471, a bill to provide for a Cabinet-level Department of Veterans Affairs.

This bill is important because, for the first time, U.S. veterans will truly have the opportunity to participate in the highest levels of Government. Quite frankly, our Nation and Govenment exists here today because of the sacrifices made by our veterans. Providing for a Department of Veterans Affairs is a fitting tribute to those who have ably served under the Stars and Stripes.

With enactment of this legislation, veterans will not be forced to have their programs first considered by the Office of Management and Budget. What we are doing here today is allowing veterans to advocate their priorities on a footing equal to the other Federal departments. Veterans in Missouri have certainly earned this respect and right.

By establishing a Department of Veterans Affairs we not only honor the memory and accomplishments of our men and women in uniform, but we also pledge to keep their concerns at the forefront of the national agenda.

Mr. Speaker, I urge adoption of this legislation and urge the Senate to follow suit soon.

Mr. TALLON. Mr. Speaker, I rise today in strong support of H.R. 3471, legislation to upgrade the Veterans' Administration to a Department as well as elevate the agency's Administrator to a Cabinet-level position. Establishing the VA as a Department would guarantee American veterans the right to be heard at the highest levels of the American Government—a right they have more than earned.

H.R. 3471 would maintain the current internal structure of the Veterans' Administration, but by requiring the principle officers to the appointed by the President and confirmed by the Senate, it would improve the accountability of these officers to Congress. While these changes would substantially increase the responsiveness and efficiency of the Veterans' Administration, their costs would be minimal.

Many factors warrant upgrading the VA to a Cabinet-level position. The VA administers the largest health care system in the free world. It ranks second only to the Department of Defense in number of personnel. For the VA to meet its commitments requires a budget of over $27 billion, larger than that of over half of the existing departments. In these times of budgetary constraints, it is important that the VA be closely involved in Government planning at the highest level.

The most important consideration, however, is the honor and respect due our 28 million veterans. The programs administered by the VA touch virtually every family in America in some way. For our veterans, the VA administers disability compensation and pension programs, medical benefits, and cemetery and memorial benefits. And, in serving these veterans, we are protecting the freedoms and security enjoyed by every American.

Through nine major wars and countless conflicts, in adversity and peacetime, Americans have stepped forward to, as President Johnson said, "bend the world to the hopes of man."

For the freedom we enjoy today has not always existed and carries with it no guarantees. Our veterans know it must be earned and defended. A nation of freedom and peace such as ours requires the finest human qualities: idealism, dedication, and faith. Conviction that freedom must be nurtured and protected led our veterans to risk wounds, capture, torture and even death in order to quell threats to its existence.

America's veterans, their families and friends have demonstrated for two centuries the true meaning of patriotism. True patriotism is more than getting a lump in your throat when the flag passes by. It is the determination and sacrifice that it takes to see that America remains free. It is the willingness to put the best interest of the Nation ahead of self-interest.

Just as our veterans have put aside their selfish concerns, so too must we put first the needs of our veterans. When our veterans call upon their country for assistance, we must not fail them. Our future as a free nation depends on whether or not we meet that obligation. In health, education, housing and training we must not fail them. Elevating the Veterans' Administration to Cabinet level will make certain that we meet our responsibilities to those who have served this Nation so courageously. I urge all my colleagues to join me in support of H.R. 3471 and a better life for all veterans.

Mr. BOLAND. Mr. Speaker, as a cosponsor of H.R. 3471 I want to indicate my strong support for the creation of a cabinet level Department of Veterans Affairs.

It is especially appropriate that this legislation is being considered on our first business day after the national observance of Veterans Day. One of our great national commitments has been, in the words of Abraham Lincoln, "* * * to care for him who has borne the battle and for his widow and his orphan, * * *" That commitment is not discharged by a flourish of patriotic oratory once or twice a year. Rather, it requires the kind of constant attention embodied in carefully crafted programs which respond to, and if possible, anticipate, the special needs of those who have been willing to serve in the Armed Forces of this Nation. Our purpose today is to ensure that the administration of those programs is recognized as a national priority.

For 57 years, veterans and their families have received the benefits and services to which they are entitled through the auspices of the Veterans' Administration. No one who is familiar with the work of the VA and its employees, as I am, could help but be impressed with the dedicated service which has been the hallmark of this agency. H.R. 3471 should not be seen as an expression of dissatisfaction with the efforts of the VA. It should instead be seen as a recognition by Congress that our growing veterans population and their varied needs, deserve a higher profile in the halls of Government.

Today, more than 25 million Americans proudly bear the veterans status. We spend about $27 billion to provide them needed health care and other forms of assistance. More Federal employees are engaged in the provision of those benefits than are on the rolls of any other Federal agency except the Department of Defense. It is clear to me that that kind of commitment of resources argues strongly for the creation of a Cabinet level department which will place veterans issues on a par with those of housing, transportation, energy, and labor. This bill will accomplish that result. I urge its adoption, and I want to commend Chairman JACK BROOKS, ranking member FRANK HORTON, and the Government Operations Committee for the expeditious treatment they have accorded to it.

Mr. LIGHTFOOT. Mr. Speaker, I rise in support of legislation being considered by the House to elevate the Veterans' Administration [VA] to a cabinet-level department. As a cosponsor of this legislation, H.R. 3471, I would like to thank the chairman and ranking minority member of the Government Operations Committee, Mr. BROOKS and Mr. HORTON, for their fine work in promptly moving this legislation through the committee. In addition, without the diligent efforts of the chairman and ranking minority member of the Veterans' Affairs Committee, Mr. MONTGOMERY and Mr. SOLOMON, we would not be considering this legislation today. I am also pleased that President Reagan endorsed elevating the Veterans, Administration to a cabinet-level department last week. This bill also enjoys the strong support of the major veterans organizations.

Created in 1930 to administer Federal benefits to veterans and their dependents and survivors, the Veterans' Administration is now the largest independent agency in the Federal Government, and serves 79.3 million persons—veterans, dependents, and survivors of deceased veterans, which is almost one-third of the Nation's population. Currently, the VA is larger than any one of the Departments of State, Interior, Labor, Commerce, Education, Transportation, Energy, Housing and Urban Development, and Justice.

It is also interesting to note that the Veterans, Administration ranks only second to the Department of Defense in the number of employees. One out of every 10 employees of the Federal Government's full-time permanent work force is employed by the VA.

Furthermore, the VA administers the largest health care system in the free world. The VA health care system has grown from 54 hospitals in 1930 to today's 172 medical centers, 229 outpatient clinics, 117 nursing home care units, 16 domiciliaries, and 189 Vet Centers. One-half of all physicians in practice in the United States today have received some portion of their training in VA health facilities.

Another important, but sometimes forgotten, function of the Veterans' Administration is medical research. The VA conducts a variety of research activities, and has become an internationally recognized contributor to medical science. For instance, VA research helped to conquer tuberculosis; to develop the pacemaker; to perfect kidney transplants; to develop the concept of the CT scanner; and to develop the laser cane for the blind. VA medical research is also concentrating on the serious and debilitating diseases of AIDS and Alzheimers.

Other important programs administered by the VA are the home loan assistance program, GI education and training programs, the compensation and pension program, and life insurance programs. These are all very important programs which affect many hundreds of Americans. For example, the VA's home loan guaranty program has benefited over 12 million veterans and their dependents. Nearly 3 million veterans receive disability compensation or pension payments, with over 1 million widows and other survivors of veterans being paid survivor compensation or death pension benefits.

Elevating the VA to a cabinet-level agency sends a signal to our veterans and their families that we appreciate and recognize their service to our country. These individuals have faithfully served our country during a time of need, and we, as a government, have made a commitment to them that their sacrifices would not go unrewarded. By establishing a Department of Veterans, Affairs, our veterans will be assured that they will continue to have a strong voice in making sure that this commitment is kept.

Mr. Speaker, I urge my colleagues to join me in voting for this legislation. Our Nation's veterans deserve the representation and stature a cabinet-level agency would provide.

Mr. EMERSON. Mr. Speaker, I rise in strong support of H.R. 3471, which would establish the Veterans' Administration as an executive department.

Our Nation's veterans have made countless sacrifices in the name of their country. For those sacrifices, we owe our veterans far more than we can ever repay. Our ceremonies, our tributes, and even our attempts at compensation are all woefully inadequate when we consider what our veterans have done for us. Nevertheless, it is extremely important that we continue to make every effort to repay these brave men and women for all they have given their country. One way to do so is to give them the voice they deserve at the Cabinet level of our Government.

The VA is responsible for a portion of the Federal budget that far exceeds that of several Cabinet-level departments. Its programs directly impact the well-being of millions of Americans—very special Americans who have served in time of war. And Mr. Speaker, the problems and challenges faced by veterans are serious ones that deserve the attention of the highest levels of our Government. For these reasons, I believe this legislation not only merits our support, but is in fact long overdue.

Our veterans have left their homes and families to risk all in order to preserve our freedoms and our system of government. It is only fitting, then, that they be granted a seat at the table in the Cabinet Room, wherein so many of the Nation's critical decisions are made.

Ms. SLAUGHTER of New York. Mr. Speaker, I rise in strong support of H.R. 3471, the Department of Veterans Affairs Act. I am proud to be a cosponsor of this act to make the Administrator of Veterans' Affairs a member of the Cabinet. This legislation will give the veterans agency the structure and the stature it needs and deserves.

As a member of the Cabinet, the Secretary of Veterans' Affairs will have direct access to the President. The Secretary will be able to participate in formulating fundamental policy and directly advocate for the needs of the Nation's 28 million veterans and the 66 million survivors and dependents the Department also serves. In a time when each program and expenditure is coming under increasing scrutiny, these veterans deserve a champion at the highest level.

In addition, this restructuring will give the Senate a role in confirming the top 12 departmental Administrators. This will provide Congress an opportunity for better oversight of the Department. With over 244,000 employees, the Veterans' Administration is second only to the Defense Department in the number of Federal employees. It administers the largest health care system in the world, as well as giant housing and education programs.

Too often I hear complaints from the over 65,000 veterans in the 30th District of New York that the VA does not treat veterans fairly or with the respect and dignity they have earned. The creation of a Cabinet-level department demonstrates Congress' renewed determination to make sure the Department fulfills its primary role: serving our Nation's veterans effectively and efficiently while ensuring they receive the benefits they have earned.

In addition, this act is a symbolic tribute to our veterans, the men and women who have fought to keep our Nation strong and free. Through our votes today we reaffirm our appreciation for their sacrifices. We also demonstrate our commitment to fulfilling the promises we as a nation have made to veterans.

Our veterans deserve both the recognition and the voice in top decisionmaking that a Department of Veterans' Affairs will give them. I urge all my colleagues to join me in supporting this long overdue measure.

Mr. BONIOR of Michigan. Mr. Speaker, I rise today in support of H.R. 3471, legislation to elevate the position of Administrator of Veterans' Affairs to Cabinet level. The Veterans' Administration, with nearly 250,000 employees, has the second largest number of personnel in the Federal Government.

Veterans deserve to have a spokesperson on the President's Cabinet. There are over 28 million veterans in the United States today. Mr. Speaker, that constituency has earned the right to be heard at the highest levels of our Government.

I am pleased to see that this legislation has the broad support by Members on both sides of the aisle and by the President. I commend the chairman of the Committee on Government Operations for working diligently to get this legislation enacted this year.

However, it is important—as we give the VA a stronger voice—that we take a look at a major inequity that currently exists within the agency. I'm speaking of the inability of all veterans to seek independent judicial review of VA decisions.

Mr. Speaker, when we celebrated Veterans Day last week, many of us heralded the programs we have in place to serve our Nation's veterans. But we must also take note of the fact that veterans are currently denied a basic right enjoyed by almost every group of Federal beneficiaries.

Who could be more deserving of a fair hearing for their benefit claims than the men and women who have fought to keep our democracy intact? When they apply for the benefits entitled to them and are denied, what kind of model of democracy are we promoting when we refuse to give veterans independent review through the courts? The current appeals system within the VA is inadequate and must be changed.

Mr. Speaker, judicial review legislation has passed the other body of Congress in each of the last four Congresses. The body, however, has not been given the chance to vote on this issue, even though in the last Congress a majority of Members supported judicial review.

It has been suggested that veterans do not need or want judicial review. I believe that the opposite is true. I ask my fellow Members on both sides of the aisle to contact veterans in their districts and ask them individually whether they want judicial review. I am willing to bet that the answers they receive would amount to a resounding "yes."

Let's do the right thing for our veterans. In giving them a stronger voice in the Government by elevating the Administrator of Veterans' Affairs to a Cabinet-level position, let us also embrace the effort to enact judicial review legislation.

Mr. OXLEY. Mr. Speaker, as a cosponsor of this legislation, I rise in strong support of H.R. 3471. This measure, which would elevate the Veterans' Administration to its rightful place as a Cabinet-level department, is long overdue. For the past 20 years this legislation has lingered before Congress and I am pleased to see this overwhelming support this year.

Currently, the Veterans' Administration is the second largest Federal employer, ranking just behind the Department of Defense. It also enjoys the fifth largest budget among Federal departments. All of us would be hard pressed to find a family whose lives have not been touched by the VA.

Yet size alone does not necessitate a Cabinet-level VA department. Even more importantly, a Department of Veterans' Affairs is needed to recognize the many services and programs the VA administers on behalf of America's veterans. The responsibility of the Veterans' Administration is far reaching, including compensation, pension, and home-loan guarantees. In addition, the VA operates the largest hospital and health care system in the United States. With over 170 medical facilities throughout the country, the VA has become an internationally recognized contributor of medical research and service. The Veterans' Administration also plays a significant role in the education of our servicemen and women. Literally hundreds of thousands of veterans have benefited directly from the Vietnam-era GI bill, the Montgomery GI bill, and the numerous other education and training programs offered by the VA.

Yet even these services and programs do not fully demonstrate the need for the Department of Veterans' Affairs. The United States has a long-standing principle of honoring and serving those Americans who have kept the torch of freedom burning. In this world, there will always be the need to defend our freedom and our liberty. We, as a nation, must never forget the contributions and sacrifices made by our servicemen and women. Furthermore, we must ensure that high-quality service to these men and women remains a national priority. By creating a Department of Veterans' Affairs, we can guarantee that its chief executive officer will participate in top-level discussions and policymaking on issues directly affecting America's veterans.

Finally, Mr. Speaker, I would like to commend all of the veterans' service organizations that have worked so very hard to see this legislation gain the approval of the Congress. I sincerely believe we should heed their advice and, therefore, I urge my colleagues to demonstrate America's support for veterans by voting aye on H.R. 3471.

Mr. SCHUETTE. Mr. Speaker, I wish to express my strong support for H.R. 3471, which would establish the Veterans' Administration as an Executive Department with Cabinet-level status.

The great contributions made by our Nation's veterans deserve to be recognized and the passage of this legislation is long overdue. Creating a Department of Veterans' Affairs is an important step forward in ensuring that the needs of veterans are heard at the highest level of government.

The VA currently serves over 78.5 million veterans, their family members, and survivors. It currently has an annual budget of over $28 billion, and operates the largest health care delivery system in the free world and one of the largest life insurance programs in the world. In representing veterans and their dependents, the VA clearly deserves to have direct access to the President and be represented in the White House Cabinet.

Moreover, elevating the VA to Cabinet level status will not expand the size of the Federal Government, nor will it significantly increase costs to taxpayers.

At the present time, the VA often has little input into the major decisions that affect their own agency and the millions of veteran and dependents they represent. The Office of Management and Budget has been playing an increasingly large role in decisions that directly affect the VA, even though they do not have the fundamental understanding of the needs and concerns of veterans that the VA has. Staff at the OMB are not the ones with the expertise, knowledge, and concern for the well-being of America's veterans and their families. The officials at the VA are the ones who understand the needs of veterans and their families, and they deserve the opportunity to have direct input into the important decisions that affect the people they represent.

When not faced with threats to peace and our way of life, we sometimes lose sight of the important contributions and sacrifices our veterans have made. Keeping these efforts in the proper perspective, it becomes clear that veterans deserve to have a representative in the President's Cabinet and the recognition that comes with this elevated status.

Mr. Speaker, I urge all of my colleagues to join me in supporting H.R. 3471, to create a Department of Veterans' Affairs, and to grant our Nation's veterans the recognition and voice in decisionmaking they have earned.

Mr. HORTON. Mr. Speaker, again I urge my colleagues to support this legislation, and I yield back the balance of my time.

Mr. BROOKS. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. Brooks] that the House suspend the rules and pass the bill, H.R. 3471, as amended.

The question was taken.

Mr. BEILENSON. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

Mr. BEILENSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Pursuant to clause 4, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

The point of no quorum is considered withdrawn.

□ 1345

GENERAL LEAVE

Mr. BROOKS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

SENTENCING ACT OF 1987

Mr. CONYERS. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1822) to make certain amendments to the Sentencing Reform Act of 1984 and to improve certain provisions relating to imposition and collection of criminal fines, and for other purposes, as amended.

The Clerk read as follows:

S. 1822

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Sentencing Act of 1987".

SEC. 2. PROSPECTIVE APPLICATION OF SENTENCING REFORM ACT.

(a) Application.—Section 235(a)(1) of the Comprehensive Crime Control Act of 1984 is amended by inserting after "date of enactment" the first place it appears the following: "and shall apply only to offenses committed after the taking effect of this chapter".

(b) Conforming Amendments.—(1) Section 235(b)(1) of the Comprehensive Crime Control Act of 1984 is amended by striking out "convicted of an offense or adjudicated to be a juvenile delinquent" and inserting in lieu thereof "who committed an offense or an act of juvenile delinquency".

(2) Section 235(b)(3) of the Compehensive Crime Control Act of 1984 is amended by striking out "that is within the range that applies to the prisoner under the applicable parole guideline" and inserting in lieu thereof "pursuant to section 4206 of title 18, United States Code".

SEC. 3. STANDARD FOR DEPARTURE.

Section 3553(b) of title 18, United States Code, is amended—

(1) by striking out "an aggravating or mitigating circumstance exists that was" and inserting in lieu thereof "there exists an aggravating or mitigating circumstance of a kind, or to a degree,";

(2) by striking out "guidelines and" and inserting in lieu thereof "guidelines"; and

(3) by inserting after the first sentence the following: "In determining whether a circumstance was adequately taken into consideration, the court shall consider only the sentencing guidelines, policy statements, and official commentary of the Sentencing Commission.".

SEC. 4. PROCEDURE FOR APPEALING SENTENCE IMPOSED BY A MAGISTRATE.

Section 3742 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(f) Application to a Sentence by a Magistrate.—An appeal of an otherwise final sentence imposed by a United States magistrate may be taken to a judge of the district court, and this section shall apply as though the appeal were to a court of appeals from a sentence imposed by a district court.".

SEC. 5. REVIEW OF A SENTENCE FOR WHICH THERE IS NO APPLICABLE GUIDELINE.

Section 3742 of title 18, United States Code, is further amended—

(1) in subsection (a)(4), by inserting "plainly unreasonable or" before "greater than" and by striking out ", if any,";

(2) in subsection (b)(4), by inserting "plainly unreasonable or" before "less than" and by striking out ", if any,";

(3) in subsection (d)—

(A) by striking out "or" at the end of paragraph (2);

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(C) by inserting after paragraph (3) the following new paragraph:

"(4) was imposed for an offense for which there is no applicable sentencing guideline and is plainly unreasonable.";

(4) in subsection (e)(2), by inserting "or was imposed for an offense for which there is no applicable sentencing guideline and is plainly unreasonable" after "is outside the range of the applicable sentencing guideline and is unreasonable"; and

(5) in subsections (e)(2)(A) and (e)(2)(B), by striking out "the court shall" and inserting in lieu thereof "and".

SEC. 6. CLARIFICATION OF BASIS FOR AFFIRMING AN APPEAL.

Section 3742(e)(3) of title 18, United States Code, is amended to read as follows:

"(3) is not described in paragraph (1) or (2), it shall affirm the sentence.".

SEC. 7. CORRECTION OF PROBATION EXCLUSION FOR ORGANIZATIONS CONVICTED OF SERIOUS OFFENSES.

Section 3561(a)(1) of title 18, United States Code, is amended by inserting after "Class B felony" the following: "and the defendant is an individual".

SEC. 8. EXTENSION OF MAXIMUM TERMS OF SUPERVISED RELEASE.

Section 3583(b) of title 18, United States Code, is amended—

(1) in paragraph (1), by striking out "three years" and inserting in lieu thereof "five years";

(2) in paragraph (2), by striking out "two years" and inserting in lieu thereof "three years"; and

(3) in paragraph (3), by inserting after "misdemeanor" the following: "(other than a petty offense)".

SEC. 9. INCLUSION OF PROTECTION OF PUBLIC AS FACTOR IN DECIDING WHETHER TO IMPOSE SUPERVISED RELEASE.

Section 3583(c) of title 18, United States Code, is amended by inserting "(a)(2)(C)," after "(a)(2)(B),".

SEC. 10. CLARIFICATION OF PROCEDURE FOR MODIFYING CONDITIONS OF PROBATION.

Section 3563(c) of title 18, United States Code, is amended—

(1) by striking out "revocation or modification of probation" and inserting in lieu thereof "the modification of probation and"; and

(2) by striking out the comma after "may".

SEC. 11. CLARIFICATION OF PROCEDURE FOR EARLY TERMINATION OF PROBATION.

Section 3564(c) of title 18, United States Code, is amended by inserting after "may" the following: ", pursuant to the provisions of the Federal Rules of Criminal Procedure relating to the modification of probation,".

SEC. 12. CLARIFICATION OF PROCEDURE FOR EARLY TERMINATION OF SUPERVISED RELEASE.

Section 3583(e) of title 18, United States Code, is amended—

(1) in paragraph (1), by inserting "pursuant to the provisions of the Federal Rules of Criminal Procedure relating to the modification of probation," after "one year of supervised release,"; and

(2) in paragraph (2)—

(A) by striking out "after a hearing,"; and

(B) by inserting "the provisions of the Federal Rules of Criminal Procedure relating to the modification of probation and" after "pursuant to".

SEC. 13. REMEDIES FOR FAILURE TO PAY RESTITUTION.

Section 3663(g) of title 18, United States Code, is amended in each of the second and third sentences by inserting "or a term of supervised release" after "probation" and by inserting "probation or" after "conditions of".

SEC. 14. DETERMINATION OF GUIDELINE SENTENCE FOR PRISONERS TRANSFERRED PURSUANT TO TREATY FROM FOREIGN COUNTRIES.

Section 4106 of title 18, United States Code, is amended to read as follows:

"§ 4106. Transfer of offenders on parole; parole of offenders transferred

"(a) Upon the receipt of an offender who is on parole from the authorities of a foreign country, the Attorney General shall assign the offender to the United States Parole Commission for supervision.

"(b) The United States Parole Commission and the Chairman of the Commission shall have the same powers and duties with reference to an offender transferred to the United States to serve a sentence of imprisonment or who at the time of transfer is on parole as they have with reference to an offender convicted in a court of the United States except as otherwise provided in this chapter or in the pertinent treaty. Sections 4201 through 4204; 4205(d), (e), and (h); 4206 through 4216; and 4218 of this title shall be applicable.

"(c) An offender transferred to the United States to serve a sentence of imprisonment may be released on parole at such time as the Parole Commission may determine.

"(d) This section shall apply only to offenses committed before November 1, 1987, and the Parole Commission's performance of its responsibilities under this section shall be subject to section 235 of the Comprehensive Crime Control Act of 1984.".

SEC. 15. PROCEDURE FOR RELIEF OF LABOR DISABILITIES FOLLOWING CONVICTION.

(a) LMRDA AMENDMENT.—Section 504(a) of the Labor Management Reporting and Disclosure Act of 1959 (29 U.S.C. 504(a)) is amended—

(1) by striking out "the United States Parole Commission" and inserting in lieu thereof "if the offense is a Federal offense, the sentencing judge or, if the offense is a State or local offense, the United States district court for the district in which the offense was committed, pursuant to sentencing guidelines and policy statements under section 994(a) of title 28, United States Code,";

(2) by striking out "Commission" and "Commission's" and inserting in lieu thereof "court" and "court's", respectively; and

(3) by striking out "an administrative hearing" and inserting in lieu thereof "a hearing".

(b) ERISA AMENDMENT.—Section 411(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1111(a)) is amended—

(1) by striking out "the United States Parole Commission" and inserting in lieu thereof "if the offense is a Federal offense, the sentencing judge or, if the offense is a State or local offense, the United States district court for the district in which the offense was committed, pursuant to sentencing guidelines and policy statements under section 994(a) of title 28, United States Code,";

(2) by striking out "Commission shall" and inserting in lieu thereof "court shall";

(3) by striking out "Commission's" and inserting in lieu thereof "court's";

(4) by striking out "such Parole Commission" and inserting in lieu thereof "such court"; and

(5) by striking out "an administrative hearing" and inserting in lieu thereof "a hearing".

SEC. 16. PETTY OFFENSE.

(a) SENTENCE TO BE IMPOSED IN THE ABSENCE OF AN APPLICABLE SENTENCING GUIDELINE.—Section 3553(b) of title 18, United States Code, is amended by striking out the last sentence and inserting in lieu thereof the following: "In the absence of an applicable sentencing guideline, the court shall impose an appropriate sentence, having due regard for the purposes set forth in subsection (a)(2). In the absence of an applicable sentencing guideline in the case of an offense other than a petty offense, the court shall also have due regard for the relationship of the sentence imposed to sentences prescribed by guidelines applicable to similar offenses and offenders, and to the applicable policy statements of the Sentencing Commission.".

(b) CONFORMING AMENDMENT.—Section 994(w) of title 28, United States Code, is amended by inserting after "each sentence imposed" the following: (other than a sentence imposed for a petty offense, as defined in title 18, for which there is no applicable sentencing guideline)".

SEC. 17. MODIFICATION OF REQUIREMENT OF STATING REASONS FOR CHOOSING A POINT WITH THE PRESCRIBED SENTENCING RANGE.

Section 3553(c)(1) of title 18, United States Code, is amended by inserting after "in subsection (a)(4)," the following: "and that range exceeds 24 months,".

SEC. 18. CLARIFICATION OF AUTHORITY OF BUREAU OF PRISONS TO ACCEPT COMMITMENTS TO ITS COMMUNITY CORRECTIONS FACILITY AS CONDITION OF PROBATION OR SUPERVISED RELEASE.

Section 3536(b)(12) of title 18, United States Code, is amended by inserting after "community corrections facility" the following: "(including a facility maintained or under contract to the Bureau of Prisons)".

SEC. 19. APPOINTMENT OF COUNSEL IN RELATION TO SUPERVISED RELEASE.

Section 3006A(a)(1) of title 18, United States Code, is amended—

(1) by redesignating subparagraphs (E) through (H) as subparagraphs (F) through (I), respectively; and

(2) by inserting after subparagraph (D) the following new subparagraph:

"(E) is charged with a violation of supervised release or faces modification, reduction, or enlargement of a condition, or extension or revocation of a term of supervised release;".

SEC. 20. AUTHORITY OF DIRECTOR OF ADMINISTRATIVE OFFICE OF UNITED STATES COURTS TO CONTRACT FOR PSYCHIATRIC AFTERCARE.

Section 3672 of title 18, United States Code, is amended—

(1) by amending the seventh undesignated paragraph to read as follows:

"He shall have the authority to contract with any appropriate public or private agency or person for the detection of and care in the community of an offender who is an alcohol-dependent person, an addict or a drug-dependent person, or a person suffering from a psychiatric disorder within the meaning of section 2 of the Public Health Service Act. This authority shall include the authority to provide equipment and supplies; testing; medical, educational, social, psychological and vocational services; corrective and preventative guidance and training; and other rehabilitative services designed to protect the public and benefit the alcohol-dependent person, addict or drug-dependent person, or a person suffering from a psychiatric disorder by eliminating his dependence on alcohol or addicting drugs, by controlling his dependence and his susceptibility to addiction, or by treating his psychiatric disorder. He may negotiate and award such contracts without regard to section 3709 of the Revised Statutes of the United States."; and

(2) by adding at the end the following new undesignated paragraph:

"Whenever the court finds that funds are available for payment by or on behalf of a person furnished such services, training, or guidance, the court may direct that such funds be paid to the Director. Any moneys collected under this paragraph shall be used to reimburse the appropriations obligated and disbursed in payment for such services, training, or guidance.".

SEC. 21. EMERGENCY GUIDELINES PROMULGATION AUTHORITY.

(a) IN GENERAL.—In the case of—

(1) an invalidated sentencing guideline;

(2) the creation of a new offense or amendment of an existing offense; or

(3) any other reason relating to the application of a previously established sentencing guideline, and determined by the United States Sentencing Commission to be urgent and compelling;

the Commission, by affirmative vote of at least four members of the Commission, and pursuant to its rules and regulations and consistent with all pertinent provisions of title 28 and title 18, United States Code, shall promulgate and distribute to all courts of the United States and to the United States Probation System a temporary guideline or amendment to an existing guideline, to remain in effect until and during the pendency of the next report to Congress under section 994(p) of title 28, United States Code.

(b) EXPIRATION OF AUTHORITY.—The authority of the Commission under paragraphs (1) and (2) of subsection (a) shall expire on November 1, 1989. The authority of the Commission to promulgate and distribute guidelines under paragraph (3) of subsection (a) shall expire on May 1, 1988.

SEC. 22. APPLICATION OF RULE 35(b) TO CONDUCT OCCURRING BEFORE EFFECTIVE DATE OF SENTENCING GUIDELINES.

The amendment to rule 35(b) of the Federal Rules of Criminal Procedure made by the order of the Supreme Court on April 29, 1985, shall apply with respect to all offenses committed before the taking effect of section 215(b) of the Comprehensive Crime Control Act of 1984.

SEC. 23. GRADING OF OFFENSES AND DEFENDANT PETITIONS.

(a) POSTPONEMENT OF DEADLINE FOR COMMISSION REPORT MAKING RECOMMENDATIONS ON THE GRADING AND PENALITIES FOR OFFENSES.—Section 994(r) of title 28, United States Code, is amended by striking out "one year" and inserting in lieu thereof "two years".

(b) ELIMINATION OF REQUIREMENT THAT SENTENCING COMMISSION RESPOND TO DEFENDANT PETITIONS FOR GUIDELINES MODIFICATIONS.—Section 994(s) of title 28, United States Code, is amended by striking out the last three sentences.

SEC. 24. AUTHORITY TO LOWER A SENTENCE BELOW A STATUTORY MINIMUM FOR OLD OFFENSES.

Notwithstanding section 235 of the Comprehensive Crime Control Act of 1984—

(1) section 3553(e) of title 18, United States Code;

(2) rule 35(b) of the Federal Rules of Criminal Procedure as amended by section 215(b) of such Act; and

(3) rule 35(b) as in effect before the taking effect of the initial set of guidelines promulgated by the United States Sentencing Commission pursuant to chapter 58 of title 28, United States Code,

shall apply in the case of an offense committed before the taking effect of such guidelines.

SEC. 25. LIMITATION ON TERM TO BE SERVED FOR VIOLATION OF CONDITIONS OF SUPERVISED RELEASE.

Section 3583(e)(4) of title 18, United States Code, is amended by striking out "Commission." and inserting in lieu thereof "Commission, except that a person whose term is revoked under this paragraph may not be required to serve more than 3 years in prison if the offense for which the person was convicted was a Class B felony, or more than 2 years in prison if the offense was a Class C or D felony.".

SEC. 26. GENERAL EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to offenses committed after the enactment of this Act.

The SPEAKER pro tempore (Mr. Kildee). Is a second demanded?

Mr. FISH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. Conyers] will be recognized for 20 minutes and the gentleman from New York [Mr. Fish] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. Conyers].

Mr. CONYERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, on October 27, 1987, the House passed and sent to the other body H.R. 3483, a bill to improve the fine provisions of the Sentencing Reform Act of 1984 by carrying forward, with some modifications, the provisions of the Criminal Fine Enforcement Act of 1984. The next day the other body passed and sent to us S. 1822, a bill amending various provisions of the Sentencing Reform Act of 1984. Title II of that bill was identical, with several exceptions, to H.R. 3483 as passed by the House. On October 30, the other body returned H.R. 3483 with an amendment that modified the fine provisions to conform them to title II of S. 1822 and that added several other provisions derived from title I of S. 1822.

I had hoped that the other body and we would have been able to work out our differences on these two bills before November 1, 1987, when the bulk of the provisions of the Sentencing Reform Act of 1984 took effect. Had we been able to do that, we would have prevented considerable confusion and administrative headaches. That deadline, unfortunately, was not met.

We nevertheless continued our negotiations after November 1. The negotiations have led to a compromise that was worked out in conjunction with the U.S. Department of Justice, the U.S. Sentencing Commission, and the Judicial Conference of the United States. The compromise includes provisions of both H.R. 3483 and S. 1822 and is agreeable to all concerned.

The first part of the compromise calls for adoption of the House-passed version of H.R. 3483 with several amendments. The House will take up H.R. 3483 in a few moments. The second part of the compromise, which is embodied in the bill now before the House, incorporates provisions of S. 1822 and title II of H.R. 3483 as amended by the other body that amend the Sentencing Reform Act of 1984. The other body has agreed that some of the provisions be dropped, and we have agreed with the other body to adopt some of these provisions. For example, the compromise drops a provision amending the standard by which an appellate court reviews a district court's application of the guidelines to the fact of a case.

Of the provisions adopted, some are adopted as passed by the other body and some are adopted with amendment. For example, a provision adopted by the other body amends a section of current law that requires a Federal court to impose a sentence called for by the sentencing guidelines unless the court finds that there is present in the case an aggravating or mitigating circumstance "not adequately taken into consideration by the Sentencing Commission in formulating the [sentencing] guidelines." The other body proposed to require that the court, in deciding whether a circumstance was "adequately taken into consideration," consider only: First, the sentencing guidelines themselves; second, policy statements issued by the Sentencing Commission; and third, official Sentencing Commission commentary. The purpose of the amendment is to ensure that the members of the Sentencing Commission, as well as its records, are not subject to subpoena at the sentencing of a convicted defendant.

We proposed during the negotiations to add to the provision amending the departure standard some clarifying language based upon the legislative history of the Sentencing Reform Act. Our proposal clarifies that the court, in determining whether a circumstance present in the case was adequately considered, should consider whether the circumstance differs in kind or degree from the circumstance as accounted for by the sentencing guidelines. Our proposal was the subject of extensive discussions but was finally agreed to. The addition of kind or degree is intended to make explicit what was intended when the Sentencing Reform Act was passed and is not intended to enlarge the court's authority to depart from the guidelines.

The departure standard is an important part of the new sentencing system. We have amended it to address a specific problem and to clarify what the court looks at in deciding whether a circumstance was adequately considered. This action is not intended to foreclose further consideration of changes in the departure standard.

Let me repeat that the compromise has been worked out by the Members of the Judiciary Committees of the two Houses, in conjunction with the U.S. Department of Justice, U.S. Sentencing Commission, and the Judicial Conference of the United States. Assistant Attorney General Bolton has written a letter expressing the Justice Department's support for the compromise, and I submit for inclusion in the Record a copy of Mr. Bolton's letter.

Section-by-Section Analysis

SECTION 1

Section 1 of the bill provides that the short title of the legislation is the "Sentencing Act of 1987".

SECTION 2

Section 2 of the bill addresses several concerns about section 235(a)(1) of the Sentencing Reform Act of 1984, which provides that "This chapter shall take effect on the first day of the first calendar month beginning thirty-six months after the date of enactment," with some exceptions.[1] Section 2(a) of the bill amends section 235(a)(1) to solve the constitutional problem that would result from applying the sentencing guidelines mandated by the Sentencing Reform Act, and other provisions enacted by the Sentencing Reform Act, to conduct occurring before the taking effect of the Sentencing Reform Act on November 1, 1987.[2] Such application of the guidelines would violate the ex post facto clause of the Constitution [3] where the guidelines result in harsher punishment than prior law.[4] Because determining on a case-by-case basis when the guidelines would violate the ex post facto clause would lead to much litigation that can and should be avoided, section 101(a) of the bill establishes a bright-line rule that provisions enacted by the Sentencing Reform Act only apply to offenses committed after the taking effect of that Act.[5]

Section 2(b)(1) of the bill makes a conforming amendment to section 235(b)(1) of the Sentencing Reform Act. Section 235(b)(1) provides that certain provisions of law "in effect on the day before the effective date of this Act shall remain in effect for five years after the effective date *as to an individual convicted of an offense or adjudicated to be a juvenile delinquent before the effective date* * * *" (emphasis added). The italicized language raises the same ex post facto problems present in section 235(a)(1). Section 2(b)(1) therefore amends section 235(b)(1) to provide that the specified provisions of law remain in effect for five years after the taking effect of the Sentencing Reform Act as to individuals who "committed an offense or an act of juvenile delinquency" prior to the taking effect of the Sentencing Reform Act.[6]

Section 2(b)(2) of the bill amends section 235(b)(3) of the Sentencing Reform Act to delete the requirement that the release dates that the United States Parole Commission sets for offenders within its jurisdiction five years after the effective date of the Sentencing Reform Act be within the applicable parole guidelines range. The Parole Commission has expressed the concern that section 235(b)(3) as enacted by the Sentencing Reform Act creates an unjust "windfall" for the most serious offenders, some of whom the Parole Commission, by going outside of the range called for by the applicable parole guidelines, would require to serve longer than that period called for by those guidelines.[7] The change made by section 2(b)(2) will allow the Parole Commission to set a release date above or below the parole guideline range applicable to such an offender under the standard set forth in 18 U.S.C. 4206.[8]

SECTION 3

Section 3 of the bill amends 18 U.S.C. 3553(b), which requires a court to impose upon a convicted defendant a sentence called for by the sentencing guidelines, "unless the court finds that an aggravating or mitigating circumstance exists that was not adequately taken into consideration by the Sentencing Commission in formulating the guidelines and that should result in a sentence different from that described" in the guidelines. The phrase "adequately taken into consideration by the Sentencing Commission in formulating the guidelines" seems to focus the court's attention upon the nature and extent of the deliberative process in the Sentencing Commission, and makes the adequacy of that deliberative process the factor that determines whether the court can depart from the guidelines under section 3553(b).[9]

If the adequacy of the Sentencing Commission's deliberative process is the determining factor, then testimony from members of the Sentencing Commission, and its records, would be relevant to a court's determination of whether to depart under section 3553(b). The Sentencing Commission is concerned at that prospect, fearing that its members and records will frequently be subpoenaed.

To address that concern, the Sentencing Commission suggested an amendment to section 3553(b) providing that, "In determining whether a circumstance was adequately taken into consideration, the court shall consider only the sentencing guidelines, policy statements, and official commentary of the Sentencing Commisison." The other body adopted that suggestion,[10] and section 3(3) of the bill also adopts it.

If the concern of the Sentencing Commission and the other body is well-founded, section 3(3) of the bill, by restricting the matters that the court can consider, will necessarily enlarge the discretion of the court under section 3553(b). Even though minutes of Commisison meetings, other Commission records, or testimony of a member of the Commission might indicate that a circumstance was adequately considered in the formulation of the guidelines, the court cannot consider such minutes, records, or testimony. On the other hand, to the extent that section 3 of the bill simply states with greater precision what was intended when the Sentencing Reform Act was enacted, section 3(3) of the bill neither enlarges nor restricts the court's discretion under section 3553(b).

As amended by section 3(3) of the bill, section 3553(b) requires the court to make two determinations in order to depart from the guidelines. First, the court must conclude that the sentencing guidelines do not adequately take into account a circumstance present in the case before the court. Next, the court must conclude that that circumstance should result in a sentence other than the sentence called for by the guidelines.

The first determination requires the court to ascertain initially an objective matter—whether the guidelines take into account at all the circumstance in question. In so doing, the court can consider the guidelines themselves, the official commentary to the guidelines, and policy statements issued by the Sentencing Commission. If the court finds that the circumstance was not taken into account, the court must then determine whether that circumstance should result in a sentence different from that called for by the guidelines, since a circumstance not taken into account cannot, a fortiori, have been adequately considered.

If the court finds that the circumstance is taken into account by the guidelines, the court must then decide whether the guidelines "adequately" take the circumstance into account, a subjective determination. In making this determination, the court can consider only the guidelines themselves, the official commentary to the guidelines, and the policy statements of the Sentencing Commission.

Section 3(1) and (2) of the bill amend section 3553(b) to clarify that, in determining whether the guidelines adequately take the circumstance into account, the court looks to whether the circumstance in the case differs in kind or degree from the circumstance as accounted for by the guidelines. The term "of a kind, or to a degree" used in section 3(1) of the bill indicates that the court should look to the manner and extent of any difference, and simply clarifies, and is consistent with, the intent of the Sentencing Reform Act.[11]

The court is not bound by a statement in the sentencing guidelines, Sentencing Commission policy statements, or official commentary of the Sentencing Commission asserting that a circumstance was adequately considered, or that all circumstances were adequately considered. Thus, for example, a blanket statement in the official commentary that all relevant circumstances have been fully considered would not preclude a court from finding in a particular case that a circumstance was not adequately considered.[12]

If the court determines that a circumstance present in the case was not adequately considered in the sentencing guidelines, the court must then determine whether the presence of that circumstance should result in a sentence different from the sentence called for by the applicable sentencing guidelines, a subjective determination. If the court determines that the circumstance should result in a different sentence, the court can depart from the guidelines and impose a harsher or more lenient sentence.

Section 3553(b) may not be the only basis for departing from the guidelines. Section 3553(a) as enacted by the Sentencing Reform Act of 1984 requires that the court (1) consider several factors, including the purposes of sentencing, and (2) "impose a sentence sufficient, but not greater than necessary, to comply with" the purposes of sentencing. Thus, if the court finds that the sentence called for by the applicable sentencing guidelines is greater than necessary to comply with the purposes of sentencing, section 3553(a) would seem to require the court to impose a more lenient sentence.

Such an interpretation, it might be argued, is inconsistent with the Sentencing Reform Act's intention to limit judicial discretion in sentencing. That argument, however, is not convincing. The Sentencing Reform Act of 1984 limited, but did not eliminate, judicial sentencing discretion.[13] Section 3553(a) does not give the court unlimited discretion in sentencing, but rather authorizes the court to depart from the guidelines only if the court finds that the sentence called for by the guidelines is greater than necessary to serve the purposes of sentencing.

Moreover, the legislative history of the Sentencing Reform Act of 1984 supports the argument that section 3553(a) authorizes departures from the guidelines.[14] The phrase "sufficient, but not greater than necessary" in section 3553(a) as enacted by the Sentencing Reform Act of 1984, was not in the bill reported by the Senate Judiciary Committee or originally passed by the Senate. That phrase was added by the Senate when it adopted Amendment No. 7043, during Senate deliberation on the version of the bill passed by the House.[15]

The amendment adopted by the Senate was derived from language in another sentencing bill that had passed the House as part of a larger package.[16] The House language was intended to reduce reliance upon prison, and the rationale for it was that the court has a sufficient reason to depart by going below the guidelines if by so doing the court would impose the least severe punishment necessary to serve the purposes of sentencing.[17] There is no explanation of the Senate amendment in the legislative history of the Sentencing Reform Act, but since the Senate amendment adopted the House language, it must be concluded that the purpose of the Senate amendment was similar to the purpose of the House language.[18]

Thus, it would seem that the plain language and legislative history of section 3553(a) support the argument that section 3553(a) authorizes departures from the guidelines.

SECTION 4

Section 4 of the bill amends 18 U.S.C. 3742 ("Review of a sentence") by adding a new subsection providing a procedure for appealing a sentence imposed by a United States magistrate. New 18 U.S.C. 3742(f) provides that a party can appeal a sentence imposed by a magistrate to the district court as if the appeal were to an appellate court from a sentence imposed by a district court.

SECTION 5

Section 5 of the bill amends 18 U.S.C. 3742 ("Review of a sentence") to provide for appellate review of sentences imposed for offenses for which there is no applicable sentencing guideline. Section 5 authorizes the defendent or the Government to appeal such a sentence, and authorizes the court of appeals to set aside such a sentence if the appellate court finds the sentence to be "plainly unreasonably".[19]

SECTION 6

Section 6 of the bill amends 18 U.S.C. 3742(e)(3), which directs an appellate court to affirm a district court's sentence that was "not imposed in violation of law or imposed as a result of an incorrect application of the sentencing guidelines, and is not unreasonable." That formulation, undoubtedly inadvertently, does not cover all possible situations. It is ambiguous what an appellate court is to do if that court finds that a sentence imposed outside the range called for by the applicable sentencing guidelines is not unreasonable. Logic would call for the appellate court to affirm that sentence, but section 3742(e)(3) does not so authorize. Section 6 of the bill clarifies 18 U.S.C. 3742(e)(3) to require an appellate court to affirm a sentence if that court does not set aside the sentence under section 3742(e)(1) or (2).

SECTION 7

Section 7 of the bill amends 18 U.S.C. 3561(a)(1) to specify that an organization convicted of a Class A or Class B felony can be sentenced to a term of probation. Under current law probation is precluded for all defendents convicted of a Class A or Class B felony. An individual convicted of such a felony can be imprisoned, but an organization cannot. Allowing a court to sentence an organization convicted of a Class A or Class B felony to a term of probation thus expands the sanctions available for organizations committing serious offenses.

SECTION 8

Section 8(1) and (2) for the bill amend 18 U.S.C. 3583(b), which governs authorized terms of supervised release. Section 8(1) and (2) extend the maximum periods of supervised release for defendents convicted of Class A or Class B felonies from three to five years, and Class C or Class D felonies from two to three years.[20] Section 8(3) of the bill amends section 3583(b) to provide that section 3583(b) does not apply to petty offenses.

SECTION 9

Section 9 of the bill amends 18 U.S.C. 3583(c) to add protection of the public as a factor the court must consider in determining whether, for what period, and with what terms and conditions, a term of supervised release should be included in a sentence.

SECTION 10

Section 10(1) of the bill amends 18 U.S.C. 3563(c) to clarify that a court, in modifying the conditions of probation, must apply the Federal Rules of Criminal Procedure pertaining to the modifications of probation. Section 10(2) makes a technical correction in section 3563(c).

SECTION 11

Section 11 of the bill amends 18 U.S.C. 3564(c) to clarify that the Federal Rules of Criminal Procedure relating to the modification of probation apply to the early termination of probation.

SECTION 12

Section 12 of the bill amends 18 U.S.C. 3583(e) to clarify that the Federal Rules of Criminal Procedure relating to the modification of probation apply to the early termination or modification of a term of supervised release.

SECTION 13

Section 13 of the bill amends 18 U.S.C. 3663(g) to authorize a court to revoke or modify a term of probation or supervised release if a defendant fails to comply with an order of restitution. Under current section 3663(g) the court may only revoke probation or modify a term of supervised release.

SECTION 14

Section 14 of the bill, in effect, repeals current 18 U.S.C. 4106 (which took effect on November 1, 1987) and replaces it with section 4106 as that section existed on October 31, 1987, thereby reinstating the authority of the United States Parole Commission over offenders transferred from foreign countries pursuant to treaty for offenses committed prior to the taking effect of the Sentencing Reform Act. There were concerns that the involvement of courts in the release of transferred prisoners under the section 4106 that took effect on November 1, 1987 would violate certain treaty obligations of the United States.[21]

SECTION 15

Section 15 of the bill amends section 504(a) of the Labor Management Reporting and Disclosure Act of 1959 (29 U.S.C. 504(a)) and section 411(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1111(a)), which preclude persons convicted of certain labor-related offenses in state court from seeking relief in federal court from disabilities imposed by federal law, without the consent of the Department of Justice. A person convicted of such offenses in federal court does not need the consent of the Department of Justice. Section 15 of the bill allows state offenders to petition for relief without the Department of Justice's consent.

SECTION 16

Section 16 of the bill amends 18 U.S.C. 3553(b) ("Application of guidelines in imposing a sentence"). Under section 3553(b), a court must, where there is no applicable sentencing guideline, impose an appropriate sentence, having due regard for the purposes of sentencing set forth in section 3553(a)(2). In making that determination, the court must give "due regard" to "the relationship of the sentence imposed to sentences prescribed by guidelines applicable to similar offenses and offenders" and the policy statements of the Sentencing Commission. Section 16(a) of the bill amends section 3553(b) to provide that if the Sentencing Commission has not yet promulgated guidelines for a petty offense, a court is not required to consider guidelines for "similar offenses and offenders".[22] This policy, combined with the "clearly unreasonable" appellate review standard applicable to sentences for which there is no guideline,[23] will give substantial discretion to judges sentencing defendants convicted of petty offenses.

Section 16(b) of the bill makes a conforming amendment in 28 U.S.C. 994(w).

SECTION 17

Section 17 of the bill amends 18 U.S.C. 3553(c)(1), which requires the court to state its reasons for choosing a particular point within the applicable sentencing guideline range. The Judicial Conference of the United States and the United States Sentencing Commission have raised concerns with this requirement. It has been suggested that this requirement may be unduly burdensome. It has also been predicted that judges may resort to boilerplate statements of reasons that do not reflect serious consideration. Finally, some members of the Sentencing Commission have questioned whether the feedback generated by the statements of reasons would significantly assist the Commission in its work. Some of those raising these concerns have argued that the requirement of a statement of reasons for choosing a particular point within a guideline range be deleted entirely.[24]

A number of observers, on the other hand, believe that the requirement should be kept intact. They predict that the burden on the courts will be minimal. The statement of reasons, they argue, will help focus the judge's thinking and will promote respect for the guidelines. Further, particularly at the upper guideline levels, where the judge has a fairly wide range from which to choose, the statement of reasons may reduce the appearance of unwarranted disparity. Finally, it is argued, judges' statements of reasons will help the Sentencing Commission understand how judges are approaching and applying the guidelines.

Section 17 of the bill adopts a compromise approach and amends section 3553(c)(1) to require judges to state their reasons for choosing a particular point within the range called for by the applicable guidelines when the top of the range exceeds the bottom by more than twenty-four months. This change should reduce the burden on the courts, but will maintain the requirement of a statement of reasons for longer sentences, where it is likely to be of the most use to the Commission and to contribute to the fairness of the guideline system.

The amendment made by section 17 of the bill does not, of course, preclude a judge from giving reasons when the guideline range is 24 months or less, and it would be advisable for a judge to do so whenever the judge believes that stating a reason would be of assistance to the Sentencing Commission, would reduce the appearance of unwarranted disparity, or would serve any other appropriate purpose.

SECTION 18

Section 18 of the bill amends 18 U.S.C. 3563(b)(12) to clarify that the Bureau of Prisons has the authority to accept commitments to its community corrections facilities when commitment to such a facility is a condition of probation.

S. 1822 and H.R. 3483 as amended by the Senate would have allowed such commitments only when the Director of the Bureau of Prisons indicated "that adequate space and suitable programs for the defendant are available at the [community corrections] facility." Section 18 of the bill rejects that approach because such a requirement would introduce an element of unwarranted disparity into federal sentencing practices. If the court determines that the appropriate sentence for a defendant is probation, with the condition that the defendant reside at or participate in the programs of a community corrections facility, then it would be unjust to that defendant to impose harsher conditions simply because the Director of the Bureau of Prisons had not certified that adequate space and programs are available. It would be unjust to others sentenced to reside at or participate in a program of a community corrections facility to impose more lenient conditions on that defendant. If commitment to a community corrections facility is an appropriate condition of probation, the court should impose that condition, and the Bureau of Prisons should find adequate space.

SECTION 19

Section 19 of the bill authorizes the appointment of counsel, at government expense, for indigent offenders charged with violating supervised release, or faced with a proceeding to modify, extend, or revoke a term of supervised release.

SECTION 20

Section 20 of the bill amends 18 U.S.C. 3672 to give the Director of the Administrative Office of the United States Courts the authority to contract with public or private agencies for psychiatric aftercare for offenders.

SECTION 21

Section 21 of the bill authorizes the Sentencing Commission, under certain circumstances, to issue emergency temporary guidelines. Section 21 authorizes the Sentencing Commission to issue an emergency guideline (1) if an existing guideline has been invalidated; (2) if a new offense has been created, or an existing offense amended; or (3) for "any other reason relating to the application of a previously established sentencing guideline, and determined by the United States Sentencing Commission to be urgent and compelling". An emergency guideline so issued remains in effect until and during the pendency of the Commission's next report to Congress, unless the guideline is rejected by an Act of Congress. To become permanent, an emergency guideline must be submitted to Congress by the Commission in the manner prescribed in 28 U.S.C. 994(p).

Section 21(b) provides that the Commission's emergency guidelines authority will exist for a limited time period. The Commission's authority to issue emergency guidelines in the case of an invalidated guideline, or a new or amended offense, will expire on November 1, 1989. The Commission's authority to issue emergency guidelines for "urgent and compelling" reasons will expire on May 1, 1988.

It is expected that the Commission will use the authority to promulgate emergency guidelines only in truly emergency circumstances. If a guideline is invalidated, a new offense is created, or an existing offense is modified, an emergency guideline may be unnecessary because 18 U.S.C. 3553(b) may adequately address situations where there is no applicable guideline. In such circumstances, the Commission should submit a new or revised guideline to Congress in manner called for in 28 U.S.C. 994(p).

SECTION 22

Section 22 of the bill provides that the Supreme Court's April 29, 1985 amendment of Rule 35(b) of the Federal Rules of Criminal Procedure applies to all offenses committed[25] before the taking effect of the Sentencing Reform Act of 1984. Section 22 may be unnecessary,[26] but was included in the bill passed by the other body.

SECTION 23

Section 23(a) of the bill amends 28 U.S.C. 994(r) to postpone the deadline for the Sentencing Commission to make recommendations to Congress regarding the grading and penalties for offenses. New section 994(r) postpones the deadline from November 1, 1988 to November 1, 1989.

Section 23(b) of the bill amends 28 U.S.C. 994(s) to delete the requirement that the Sentencing Commission respond to petitions from defendants requesting the modifications of guidelines. Section 994(s) still requires the Commission to give due consideration to any such petition.

SECTION 24

Section 24 of the bill provides that as to offenses committed before the Sentencing Reform Act took effect, Rule 35(b) of the Federal Rules of Criminal Procedure, as in effect before the Sentencing Reform Act took effect, 18 U.S.C. 3553(e) and Rule 35(b) of the Federal Rules of Criminal Procedure as amended by the Sentencing Reform Act all apply.

SECTION 25

Section 25 of the bill amends 18 U.S.C. 3583(e)(4) to provide that, notwithstanding the increased periods of supervised release authorized by section 8 of this legislation, the maximum term of imprisonment to be served for a violation of supervised release remains as in current law—three years in the case of a Class B felony, and two years in the case of a Class C or Class D felony.

SECTION 26

Section 26 of the bill provides that the bill applies only to offenses committed[27] after the enactment of the bill.

FOOTNOTES

[1] Pub. L. No. 98-473, 98 Stat. 1987, as amended by Sentencing Reform Amendments Act of 1985, § 4, Pub. L. No. 99-217, 99 Stat. 1728. The term "This chapter" in section 235(a)(1) refers to chapter 2 of title II of the Sentencing Reform Act of 1984.

The date of enactment of the Sentencing Reform Act of 1984 was October 12, 1984, so section 235(a)(1) as amended calls for an effective date of November 1, 1987.

[2] *See Hearings on Sentencing Guidelines before the Subcomm. on Crim. Justice of the House Comm. on the Judiciary*, 100th Cong., 1st Sess. (statements of Judge Stephen G. Breyer; Benjamin F. Baer, Chairman, United States Parole Commission; and Peter Goldberger) [publication forthcoming] [hereinafter cited as "*Hearings*"].

[3] Art. I, § 9, cl. 3.

[4] There are other ex post facto problems with provisions enacted by the Sentencing Reform Act of 1984 that this legislation, because of time constraints, does not address. Section 3553(a)(4) requires judges to apply the guidelines in effect at the time of sentencing, rather than those in effect at the time the offense was committed. This provision cannot constitutionally be applied where the amended guideline is harsher than the previous guidelines. *See* Miller v. Florida, —— U.S. ——, 41 Cr. L. Rept. 3269 (1987).

Further, any function of the parole system that may benefit any offender must remain in effect, as to individuals imprisoned for offenses committed before the taking effect of the Sentencing Reform Act, after the scheduled phase-out of the Parole Commission. Failure to retain these functions would violate the post facto clause. Although these functions could be performed by a body other than the Parole Commission, the most efficient and least costly approach would be to continue the existence of the Parole Commission until there are no longer any individuals imprisoned for offenses committed before the taking effect of the Sentencing Reform Act. As the number of prisoners subject to Parole Commission jurisdiction declines, the size of the Parole Commission could be reduced and its procedures modified.

This legislation does not address either problem, but the Subcommittee on Criminal Justice intends to take up these matters.

[5] The phrase "offenses committed after the taking effect of the Sentencing Reform Act" added by this legislation means an offense begun and completed after the taking effect of the Sentencing Reform Act of 1984. Thus, the provisions of the Sentencing Reform Act of 1984 would not apply to an offense begun before November 1, 1987 and completed after that date. The policy considerations that constitute the rationale for section 2(a) of this legislation make a different approach unwise policy and constitutionally suspect. *See* H.R. Rep. No. 169, 100th Cong., 1st Sess. 17–18 (1987).

[6] As discussed above, see n. 5 *supra*, the term "committed" means that the provisions of the Sentencing Reform Act would not apply to an offense begun before November 1, 1987.

[7] *See Hearings* (statement of Benjamin F. Baer, Chairman, United States Parole Commission).

[8] Some experts have argued that an inmate affected by section 235(b)(3) of the Sentencing Reform Act has a vested right, as of the November 1, 1987 taking effect of that Act, not to receive a release date above the applicable parole guideline. *See Hearings* (statement of Peter Goldberger, Esq.). If this argument is correct, the ex post facto clause of the Constitution nullifies the attempt of section 2(b)(2) of this legislation to enable the Parole Commission to go above the parole guidelines.

[9] It would seem that the court's attention would better be directed to what the guidelines take, and do not take, account of, rather than to the length, scope, and "quality" of the Sentencing Commission's deliberations.

[10] *See* S. 1822, 100th Cong., 1st Sess., § 103,; H.R. 3483, 100th Cong., 1st Sess., § 103 (as amended by the Senate).

[11] *See* S. Rep. No. 225, 98th Cong., 1st Sess. 78–79 (1984); S. Rep. No. 223, 98th Cong., 1st Sess. 75–76 (1984).

[12] The Sentencing Commission has asserted that, "in principle, the Commission, by specifying that it had adequately considered a particular factor, could prevent a court from using it as grounds for departure." U.S. Sentencing Com'n, Sentencing Guidelines and Policy Statements at 1.6 (dated April 13, 1987, but "incorporating technical, clarifying, and conforming amendments submitted to Congress May 1, 1987). This assertion is not correct.

If the Sentencing Commission could, by asserting that it had adequately considered a circumstance, preclude the court from departing from the guidelines under section 3553(b), the Sentencing Commission would be empowered to divest federal courts of all discretion to depart under section 3553(b). Such a result is contrary to what is intended by the Sentencing Reform Act of 1984. *See, e.g.*, S. Rep. No. 225, 98th Cong., 1st Sess. 51 (1983) ("The sentencing guidelines system will not remove all of the judge's sentencing discretion. Instead, it will guide the judge in making his decision on the appropriate sentence."). *See also id.* at 78–78.

Like the second determination required by section 3553(b)—whether the circumstance should result in a sentence different from that called for by the guidelines—a determination whether the guidelines "adequately" take a circumstance into consideration is subjective. The term "adequately" in section 3553(b) is relative and requires that the court compare the circumstance as taken into account in the guidelines with the circumstance present in the case. Such a comparison cannot be made in the abstract by the Sentencing Commission, but can only be made by the court in the context of the particular case.

The Sentencing Commission's assertion may spring from its concern that section 3553(b) as enacted by the Sentencing Reform Act of 1984 might be interpreted to make Commission members and records subject to subpoena by a court at the time of sentencing. Since the purpose of section 3(1) and (2) of the bill is to ensure that section 3553(b) as enacted not be so interpreted, the Sentencing Commission's assertion would not be correct after the enactment of the bill.

[13] *Sec, e.g.*, S. Rep. No. 225, 98th Cong., 1st Sess. 51 (1983) ("The sentencing guidelines system will not remove all of the judge's sentencing discretion. Instead, it will guide the judge in making his decision on the appropriate sentence."). *See also id.* at 78–79; S. Rep. No. 223, 98th Cong., 1st Sess. 49, 75-76 (1983).

The addition of Senate Amendment No. 7043, discussed *infra* at text accompanying nn. 14–18, at the least underscores that the Sentencing Reform Act of 1984 did not intend to eliminate judicial discretion. Given a reading consistent with its plain language and legislative history, Senate Amendment No. 7043 enlarged judicial sentencing discretion over what had been provided in the legislation as reported by the Senate Judiciary Committee in 1983 and as passed by the Senate in early 1984.

[14] For the manner in which the Sentencing Reform Act of 1984 moved through Congress, see H.R. Rep. No. 390, 100th Cong., 1st Sess. 2–3 (1987). *See also* Conyers, *Unresolved Issues in the Federal Sentencing Reform Act*, 32 Fed. Bar News & J. 68, 69 (1985).

[15] 130 Cong. Record S13520 (daily ed. Oct. 4, 1984) (Thurmond and others) amendment no. 7043). *See also* Conyers, *Unresolved Issues in the Federal Sentencing Reform Act*, 32 Fed. Bar News & J. 68, 69 (1985).

[16] H.R. 5690, 98th Cong., 2d Sess., title III, § 302 (reprinted in 130 Cong. Record H10690 (daily ed. Oct. 2, 1984)); *id.* at H10859 (House adopts H.R. 5690).

[17] H.R. 6012, 98th Cong., 2d Sess. (1984), as reported by the Committee on the Judiciary, required the court to impose a sentence called for by sentencing guidelines unless the court found a departure warranted, on the basis of the circumstances of the offense or information about the defendant, under a provision requiring the court to "impose the least severe appropriate" punishment. H.R. 6012, 98th Cong., 2d Sess., § 2 (1984) (proposed 18 U.S.C. 3522(b), 3523(b)(2)), reprinted in H.R. Rep. No. 1017, 98th Cong., 2d Sess. 2 (1984). *See* H.R. Rep. No. 1017, 98th Cong., 2d Sess. 41–42, 43 (1984) ("that a sentence outside the guidelines is the least severe measure sufficient to serve the purposes of sentencing would be an adequate reason for departure from the guidelines.").

The Judiciary Committee did not take H.R. 6012 to the Floor, but included its provisions, in modified form, in an amendment to H.R. 5690. The House agreed to the amendment and passed H.R. 5690. 130 Cong. Record H10859 (daily ed. Oct. 2, 1984).

One of the provisions in H.R. 6012 that was modified before inclusion in H.R. 5690 was the departure standard. The modification changed the form but not the substance of the standard. Thus, H.R. 5690 required the court to "impose a sentence sufficient, but not greater than necessary, " to meet the purposes of sentencing. H.R. 5690, 98th Cong., 2d Sess., title III, § 302 (1984) (proposed 18 U.S.C. 3523(b)(2)), reprinted in 130 Cong. Record H10691 (daily ed. Oct. 2, 1984).

Senate Amendment No. 7043 adopted the language of the departure standard in H.R. 5690. 130 Cong. Record S13520 (daily ed. Oct. 4, 1984) (the court must "impose a sentence sufficient, but not greater than necessary, to comply with" the purposes of sentencing).

[18] See n. 17 *supra*.

[19] The "plainly unreasonable" standard differs from the "unreasonable" standard applicable to appellate review of a sentence outside the applicable

guideline range. *See* 18 U.S.C. 3742(e)(2). The House negotiators suggested that the "unreasonable" standard govern both situations, but in the end agreed to accept the other body's formulation of "plainly unreasonable".

"Plainly unreasonable" is a more rigorous test than "unreasonable", and consequently a sentence imposed where there is no applicable guideline will be harder to overturn on appeal than will a sentence departing from an applicable sentencing guideline. A district court, therefore, has greater discretion where there is no applicable guideline, which may result in greater disparity among sentences imposed where there is no applicable guideline. Under the law in effect before the Sentencing Reform Act of 1984 took effect, the Parole Commission could, and did, reduce such disparity. Since the Sentencing Reform Act of 1984 abolishes the Parole Commission and the parole function, current law provides no practicable way to minimize the disparity.

[20] This section should be read in conjunction with section 25 of the bill, which maintains at current levels the penalty for violating a condition of a term of supervised release.

[21] Section 14 of the bill leaves several important issues unresolved. First, there is no system in effect for the transfer of prisoners from foreign countries who commit offenses (see nn. 5, 6 *supra*) after the taking effect of the Sentencing Reform Act of 1984. Second, if, as is anticipated by section 235(b) of the Sentencing Reform Act of 1984, the United States Parole Commission goes out of existence on November 1, 1992, there will no longer be any system in effect for the transfer of prisioners from foreign countries who committed offenses prior to the taking effect of the Sentencing Reform Act of 1984. Legislation will be required to deal with both of these situations.

The House negotiators' preferred approach to the first problem is to give the Parole Commission authority to release offenders transferred from foreign countries for offenses committed after November 1, 1987, since the Parole Commission will already be performing this function as to transferees who committed offenses before November 1, 1987.

As to the second problem, the best solution is similar to that discussed above at note 4. The Parole Commission should remain in existence after November 1, 1992, and should continue to perform prisoner transfer functions, until such time as there are no longer any individuals under Parole Commission jurisdiction for offenses committed before the taking effect of the Sentencing Reform Act of 1984.

[22] Section 16 of the bill does not relieve the Sentencing Commission from its obligation to promulgate guidelines for petty offenses. *See* 28 U.S.C. 994(a)(1), (b).

[23] See discussion of section 5 of the bill, *supra*.

[24] There have been no objections raised to the requirement of 18 U.S.C. 3553(c)(2) that judges explain why a sentence *outside* the applicable guideline range was imposed.

[25] *See* nn. 5, 6 *supra*.

[26] *See* H. Rep. No. 169, 100th Cong., 1st Sess. 17-18.

[27] *See* nn. 5, 6 *supra*.

U.S. DEPARTMENT OF JUSTICE,
Washington, DC, November 9, 1987.

Hon. JOHN CONYERS,
Chairman, Subcommittee on Criminal Justice, Committee on the Judiciary, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is to confirm the support of the Department of Justice for the compromise package of sentencing reform and criminal fine amendments worked out last Friday. It is my understanding that the United States Sentencing Commission and the Judicial Conference endorse this compromise as well.

Let me take this opportunity to express our gratitude for your efforts as well as those of Congressman Gekas and Congressman Fish to arrive at an acceptable compromise on the issue of sentencing reform and criminal fine amendments. Given the fact that you were recently caught in a withering cross-fire between the Departments and the courts on the delay issue, I could have understood had you determined to be done with the issue of sentencing reform. The fact that you have persevered in seeking to process the important amendments set out in the compromise bill reflects great credit upon the Subcommittee and the Congress. On behalf of the law enforcement community, we deeply appreciate your leadership and stand ready to lend any possible assistance to you in securing action on this compromise legislation. We believe that these amendments are extremely important to the proper functioning of the new sentencing system.

In closing, I should add that your Subcommittee staff deserves commendation for their efforts in working out the myriad of issues which have made this compromise possible. They have displayed utmost professionalism in all of their work.

Sincerely,

JOHN R. BOLTON,
Assistant Attorney General.

Mr. FISH. Mr. Speaker, I yield myself such time as I may consume, and I rise in support of S. 1822.

Mr. Speaker, this legislation represents a compromise between both bodies on sentencing reform amendments. As the subcommittee chairman explained, the House passed the Criminal Fine Improvements Act (H.R. 3483) on October 27. On October 30, the Senate responded by adding an additional title to the House-passed bill which contained numerous amendments to the Sentencing Reform Act of 1984. Subsequent to that, negotiations ensued involving all the interested parties in the Congress along with the Department of Justice, the U.S. Sentencing Commission and the Judicial Conference of the United States.

What we are doing today is unraveling a somewhat complex parliamentary situation by passing two separate pieces of legislation that have been agreed to by all of the interested parties.

In S. 1822 we are considering separately the amendments made in the area of sentencing and agreeing to a compromise which has been developed by Members of the House and the Senate, and endorsed by the Department of Justice. In considering H.R. 3483, we are agreeing to the compromise worked out by these same parties concerning the criminal fines aspects which are essentially the same as the bill the House passed on October 27.

One significant sentencing amendment is in section 3. It deals with the standard which controls a trial judge's ability to depart from the new sentencing guidelines, when he finds present an aggravating or mitigating circumstance that was not adequately taken into consideration by the Commission in formulating those guidelines. A few words of explanation are helpful. The amendment contained in section 3 of S. 1822 is in essence a clarification of the existing standard, as the chairman has stated. It is not meant to make departure from the guidelines easier than it ought to be, but only to assist the sentencing judge when he finds a circumstance, be it mitigating or aggravating, which is present to a degree not adequately taken into account by the guidelines.

Also, the bill in section 2 would solve one of the major constitutional questions raised in connection with the guidelines—the ex post facto problem—by amending the 1984 law, so as to make it clear that the new guidelines will apply only to criminal conduct occurring after the guidelines are in effect.

Another important amendment to the Sentencing Reform Act contained in the bill, would give the Sentencing Commission the power to promulgate so-called emergency guidelines when one of its previously promulgated guidelines has been invalidated, or a new Federal offense has been created, or an existing one is amended. This emergency power would expire November 1, 1989, thus giving the Congress an opportunity to examine how well the Commission has used this authority. The bill would furthermore give the Commission a one-time authority for any other reason until May 1, 1988 to promulgate "urgent and compelling" guideline amendments. This latter catchall authority is meant to facilitate the operation of the first set of guidelines which nearly everyone recognizes will need quick technical and in some cases substantive amendments in order to succeed.

In recognition that the first year of guidelines operation will be hectic, section 23 postpones for an additional year a requirement that the Sentencing Commission report to Congress its recommendations on grading and penalities for Federal offenses. Under current law, the Commission has only 1 year to compile such a report.

Mr. Speaker, this legislation represents action that will help not only to make recently effective sentencing guidelines work, but also to continue important improvements made by the Criminal Fine Enforcement Act of 1984. I urge its adoption.

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Mr. CONYERS. Mr. Speaker, I rise only to state publicly and for the record that the cooperation of the gentleman from New York, HAMILTON FISH, ranking Republican member of the Judiciary Committee, was very important in reaching this accord. Also, the gentleman from Pennsylvania, Mr. GEORGE GEKAS, ranking Republican member of the Subcommittee on Criminal Justice, was as usual helpful in assisting us to work out these negotiations with our counterparts in the other body and with the Department of Justice. I express to them publicly our deep appreciation, as well as to our staffs, for the hard work that was entered into by many of them in reaching the accord we are now able to bring to the House without objection.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. CONYERS. I yield to the gentleman from New York.

Mr. FISH. Mr. Speaker, as the chairman of the subcommittee knows, we had one other member of our committee who wanted to engage in a colloquy with respect to the chairman's understanding as to the standard for departure. In his absence, I wonder if the chairman would answer this question. My question to you, Mr. Chairman, if you would care to give us the benefit of your understanding as to the standard for departure in S. 1822?

Mr. CONYERS. I will be happy to.

Let me reiterate that I view the phrase "kind or degree" as clarifying and not expanding the courts' authority to depart from the guidelines. A concern has been raised that without this phrase some courts might erroneously interpret the Sentencing Reform Act as limiting their ability to consider seriously aggravating or mitigating circumstances if those circumstances were mentioned at all by the guidelines, even if the case before the court was clearly different from what the Sentencing Commission had in mind in writing the guidelines.

Let me suggest an example that illustrates this point. Take the case of a bank robber who abducts a person to aid his escape. The guidelines say that the court should increase the punishment by four levels on the sentencing grid because of the abduction. Imagine, however, that in the case before the judge, the defendant abducted several children for an extended period of time and subjected them to physical or psychological abuse. This is clearly not the type of case the Sentencing Commission had in mind. Shouldn't the judge be able to increase the penalty by more than four levels? Similarly, there will be cases where a mitigating circumstance is present in the case to a degree not adequately considered by the Commission.

In such case, the phrase "kind or degree" will clarify that the judge can depart and give a harsher or more lenient sentence because the aggravating or mitigating circumstance is present to a degree not adequately taken into consideration by the Commission in formulating the guidelines. Without the addition of this phrase the judge might conclude that he is limited, in the bank robbery example, to the four level increase the guidelines specify for abduction. This is not what the Sentencing Reform Act intended and I therefore view this amendment as a clarification.

Mr. FISH. I thank the chairman very much for his statement, particularly emphasizing that this is in large part a clarifying amendment as contained in both our prepared statements.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. CONYERS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LUNGREN. Mr. Speaker, let me just say that I strongly support the technical amendments to the Sentencing Reform Act of 1984. These amendments have the support of the administration and represent a reasonable approach to implementing the guidelines.

However, there is one provision I would like to discuss—that of the departure standard in section 102. Specifically, I am interested in the addition of the words "of a kind or degree" to the departure standard.

It is my understanding that this is just a clarification of the "departure standard" and not an expansion. My understanding is that this legislation does not give greater rights to depart from the guidelines than the 1984 statute. It mirrors the language in the Senate committee report on the Comprehensive Crime Control Act of 1984 (C.F. Report No. 98-225, PPS. 78-79).

The **SPEAKER** pro tempore (Mr. Kildee). The question is on the motion offered by the gentleman from Michigan [Mr. Conyers] that the House suspend the rules and pass the Senate bill, S. 1822, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

The title of the Senate bill was amended so as to read: "An Act to amend title 18, United States Code, and other provisions of law relating to sentencing for criminal offenses."

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CONYERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1822, the Senate bill just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CRIMINAL FINE IMPROVEMENTS ACT OF 1987

Mr. CONYERS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3483) to amend title 18, United States Code, to improve certain provisions relating to imposition and collection of criminal fines, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the House amendment to the Senate amendment, as follows:

House amendment to Senate amendment: In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Criminal Fine Improvements Act of 1987".

SEC. 2. DUTIES OF THE DIRECTOR OF THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS IN RELATION TO FINES.

Section 604(a) of title 28, United States Code, is amended—

(1) by redesignating paragraph (17) as paragraph (18); and

(2) by inserting after paragraph (16) the following new paragraph:

"(17) Establish procedures and mechanisms within the judicial branch for processing fines, restitution, forfeitures of bail bonds or collateral, and assessments;".

SEC. 3. SPECIAL ASSESSMENTS.

Section 3013 of title 18, United States Code, is amended by adding at the end the following:

"(c) The obligation to pay an assessment ceases five years after the date of the judgment.

"(d) For the purposes of this section, an offense under section 13 of this title is an offense against the United States.".

SEC. 4. DEFINITION OF PETTY OFFENSE.

(a) In General.—Chapter 1 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 19. Petty offense defined

"As used in this title, the term 'petty offense' means a Class B misdemeanor, a Class C misdemeanor, or an infraction.".

(b) Technical Amendment.—The table of sections for chapter 1 of title 18, United States Code, is amended by adding at the end the following new item:

"19. Petty offense defined.".

(c) Clarifying Amendment to Earlier Technical Provision.—Section 38(a) of the Criminal Law and Procedure Technical Amendments Act of 1986 is amended by striking out "section 23" and inserting in lieu thereof "section 34(a).".

SEC. 5. ELIMINATION OF OBSOLETE PROVISION.

Subsection (b) of section 3559 of title 18, United States Code, is amended by striking out "except that:" and all that follows through the end of the subsection and inserting in lieu thereof ", except that the maximum term of imprisonment is the term authorized by the law describing the offense."

SEC. 6. AUTHORIZED FINES.

Section 3571 of title 18, United States Code, is amended to read as follows:

"§ 3571. Sentence of fine

"(a) In General.—A defendant who has been found guilty of an offense may be sentenced to pay a fine.

"(b) Fines for Individuals.—Except as provided in subsection (e) of this section, an individual who has been found guilty of an offense may be fined not more than the greatest of—

"(1) the amount specified in the law setting forth the offense;

"(2) the applicable amount under subsection (d) of this section;

"(3) for a felony, not more than $250,000;

"(4) for a misdemeanor resulting in death, not more than $250,000;

"(5) for a Class A misdemeanor that does not result in death; not more than $100,000;

"(6) for a Class B or C misdemeanor that does not result in death, not more than $5,000; or

"(7) for an infraction, not more than $5,000.

"(c) Fines for Organizations.—Except as provided in subsection (e) of this section, an individual who has been found guilty of an offense may be fined not more than the greatest of—

"(1) the amount specified in the law setting forth the offense;

"(2) the applicable amount under subsection (d) of this section;

"(3) for a felony, not more than $500,000;

"(4) for a misdemeanor resulting in death, not more than $500,000;

"(5) for a Class A misdemeanor that does not result in death, not more than $200,000;

"(6) for a Class B or C misdemeanor that does not result in death, not more than $10,000; and

"(7) for an infraction, not more than $10,000.

"(d) Alternative Fine Based on Gain or Loss.—If any person derives pecuniary gain from the offense, or if the offense results in pecuniary loss to a person other than the defendant, the defendant may be fined not more than the greater of twice the gross gain or twice the gross loss, unless imposition of a fine under this subsection would unduly compliance or prolong the sentencing process.

"(e) Special Rule for Lower Fine Specified in Substantive Provision.—If a law setting forth an offense specifies no fine or a fine that is lower than the fine otherwise applicable under this section and such law, by specific reference, exempts the offense from the applicability of the fine otherwise applicable under this section, the defendant may not be fined more than the amount specified in the law setting forth the offense.".

SEC. 7. IMPOSITION OF A SENTENCE OF FINE AND RELATED MATTERS.

Section 3572 of title 18, United States Code, is amended to read as follows:

"§ 3572. Imposition of a sentence of fine and related matters

"(a) Factors To Be Considered.—In determining whether to impose a fine, and the amount, time for payment, and method of payment of a fine, the court shall consider, in addition to the factors set forth in section 3553(a)—

"(1) the defendant's income, earning capacity, and financial resources;

"(2) the burden that the fine will impose upon the defendant, any person who is financially dependent on the defendant, or any other person (including a government) that would be responsible for the welfare of any person financially dependent on the defendant, relative to the burden that alternative punishments would impose;

"(3) any pecuniary loss inflicted upon others as a result of the offense;

"(4) whether restitution is ordered or made and the amount of such restitution;

"(5) the need to deprive the defendant of illegally obtained gains from the offense;

"(6) whether the defendant can pass on to consumers or other persons the expense of the fine; and

"(7) if the defendant is an organization, the size of the organization and any measure taken by the organization to discipline any officer, director, employee, or agent of the organization responsible for the offense and to prevent a recurrence of such an offense.

"(b) Fine Not to Impair Ability to Make Restitution.—If, as a result of a conviction, the defendant has the obligation to make restitution to a victim of the offense, the court shall impose a fine or other monetary penalty only to the extent that such fine or penalty will not impair the ability of the defendant to make restitution.

"(c) Effect of Finality of Judgment.—Notwithstanding the fact that a sentence to pay a fine can subsequently be—

"(1) modified or remitted under section 3573;

"(2) corrected under rule 35 and section 3742; or

"(3) appealed and modified under section 3742; a judgment that includes such a sentence is a final judgment for all other purposes.

"(d) Time, Method of Payment, and Related Items.—A person sentenced to pay a fine or other monetary penalty shall make such payment immediately, unless, in the interest of justice, the court provides for payment on a date certain or in installments. If the court provides for payment in installments, the installments shall be in equal monthly payments over the period provided by the court, unless the court establishes another schedule. If the judgment permits other than immediate payment, the period provided for shall not exceed five years, excluding any period served by the defendant as imprisonment for the offense.

"(e) Alternative Sentence Precluded.—At the time a defendant is sentenced to pay a fine, the court may not impose an alternative sentence to be carried out if the fine is not paid.

"(f) Responsibility for Payment of Monetary Obligation Relating to Organization.—If a sentence includes a fine, special assessment, or other monetary obligation (including interest) with respect to an organization, each individual authorized to make disbursements for the organization has a duty to pay the obligation from assets of the organization. If such an obligation is imposed on a director, officer, shareholder, employee, or agent of an organization, payments may not be made, directly or indirectly, from assets of the organization, unless the court finds that such payment is expressly permissible under applicable State law.

"(g) Security for Stayed Fine.—If a sentence imposing a fine is stayed, the court shall, absent exceptional circumstances (as determined by the court)—

"(1) require the defendant to deposit, in the registry of the district court, any amount of the fine that is due;

"(2) require the defendant to provide a bond or other security to ensure payment of the fine; or

"(3) restrain the defendant from transferring or dissipating assets.

"(h) delinquency.—A fine is delinquent if a payment is more than 30 days late.

"(i) Default.—A fine is in default if a payment is delinquent for more than 90 days. When a fine is in default, the entire amount of the fine is due within 30 days after notificiation of the default, notwithstanding any installment schedule.".

SEC. 8. REVISION OF MODIFICATION OR REMISSION PROVISION.

(a) Offense.—Section 3573 of title 18, United States Code, is amended to read as follows:

"§ 3573. Petition of the Government for Modification or Remission

"Upon petition of the Government showing that reasonable efforts to collect a fine or assessment are not likely to be effective, the court may, in the interest of justice—

"(1) remit all or part of the unpaid portion of the fine or special assessment, including interest and penalties;

"(2) defer payment of the fine or special assessment to a date certain or pursuant to an installment schedule; or

"(3) extend a date certain or an installment schedule previously ordered.

A petition under this subsection shall be filed in the court in which sentence was originally imposed, unless the court transfers jurisdiction to another court.".

"(b) Technical Amendment.—The table of sections for subchapter C of chapter 227 of title 18, United States Code, is amended by striking out the item for section 3573 and insert in lieu thereof the following:

"3573. Petition of the Government for Modification or Revision.".

SEC. 9. RECEIPT OF FINES—INTERIM PROVISIONS.

"(a) November 1, 1987 to April 30, 1988.—Notwithstanding section 3611 of title 18, United States Code, a person who, during the period beginning on November 1, 1987, and ending on April 30, 1988, is sentenced to pay a fine or assessment shall pay a fine or assessment (including any interest or penalty) to the clerk of the court, with respect to an offense committed on or before December 31, 1984, and to the Attorney General, with respect to an offense committed after December, 31, 1984.

(b) May 1, 1988, to October 31, 1988.—(1) Notwithstanding section 3611 of title 18, United States Code, a person who during the period beginning on May 1, 1988, and ending on October 31, 1988, is sentenced to pay a fine or assessment shall pay the fine or assessment in accordance with this subsection.

(2) In a case initiated by citation or violation notice, such person shall pay the fine or assessment (including any interest or penalty), as specified by the Director of the Administrative Office of the United States Courts. Such Director may specify that such payment be made to the clerk of the court or in the manner provided for under section 604(a)(17) of title 28, United States Code.

(3) In any other case, such person shall pay the fine or assessment (including any interest or penalty) to the clerk of the court, with respect to an offense committed on or before December 31, 1984, and to the Attorney General, with respect to an offense committed after December 31, 1984.

SEC. 10. RECEIPT OF FINES—PERMANENT PROVISION.

(a) In General.—Section 3611 of title 18, United States Code, is amended to read as follows:

"§ 3611. Payment of a fine

"A person who is sentenced to pay a fine or assessment shall pay the fine or assessment (including any interest or penalty), as specified by the Director of the Administrative Office of the United States Courts. Such Director may specify that such payment be made to the clerk of the court or in the manner provided for under section 604(a)(17) of title 28, United States Code.".

(b) Effective Date.—The amendment made by this section shall apply with respect to any fine imposed after October 31, 1988. Such amendment shall also apply with respect to any fine imposed on or before October 31, 1988, if the fine remains uncollected as of February 1, 1989, unless the Director of the Administrative Office of the United States Courts determines further delay is necessary. If the Director so determines, the amendment made by this section shall apply with respect to any such fine imposed on or before October 31, 1988, if the fine remains uncollected as of May 1, 1989.

SEC. 11. COLLECTION AMENDMENTS.

(a) NOTIFICATION OF RECEIPT AND RELATED MATTERS.—Section 3612(a) of title 18, United States Code, is amended to read as follows:

"(a) NOTIFICATION OF RECEIPT AND RELATED MATTERS.—The clerk or the person designated under section 604(a)(17) of title 28 shall notify the Attorney General of each receipt of a payment with respect to which a certification is made under subsection (b), together with other appropriate information relating to such payment. The notification shall be provided—

"(1) in such manner as may be agreed upon by the Attorney General and the Director of the Administrative Office of the United States Courts; and

"(2) within 15 days after the receipt or at such other time as may be determined jointly by the Attorney General and the director of the Administrative Office of the United States Courts.

If the fifteenth day under paragraph (2) is a Saturday, Sunday, or legal public holiday, the clerk, or the person designated under section 604(a)(17) of title 28, shall provide notification not later than the next day that is not a Saturday, Sunday, or legal public holiday.".

(b) INFORMATION TO BE INCLUDED IN JUDGMENT.—Section 3612(b) of title 18, United States Code, is amended to read as follows:

"(b) INFORMATION TO BE INCLUDED IN JUDGMENT; JUDGMENT TO BE TRANSMITTED TO ATTORNEY GENERAL.—(1) A judgment or order imposing, modifying, or remitting a fine of more than $100 shall include—

"(A) the name, social security account number, mailing address, and residence address of the defendant;

"(B) the docket number of the case;

"(C) the original amount of the fine and the amount that is due and unpaid;

"(D) the schedule of payments (if other than immediate payment is permitted under section 3572(d));

"(E) a description of any modification or remission; and

"(F) if other than immediate payment is permitted, a requirement that, until the fine is paid in full, the defendant notify the Attorney General of any change in the mailing address or residence address of the defendant not later than thirty days after the change occurs.

"(2) Not later than ten days after entry of the judgment or order, the court shall transmit a certified copy of the judgment or order to the Attorney General.".

(c) TECHNICAL AMENDMENTS.—

(1) Section 3612(d) of title 18, United States Code, is amended by striking out "section 3572(i)" and inserting in lieu thereof "section 3572(h)".

(2) Section 3612(e) of title 18, United States Code, is amended by striking out "section 3572(j)" and inserting in lieu thereof "section 3572(i)".

(d) INTEREST ON FINES.—Section 3612(f) of title 18, United States Code, is amended to read as follows:

"(f) INTEREST ON FINES.—

"(1) IN GENERAL.—The defendant shall pay interest on any fine of more than $2,500, unless the fine is paid in full before the fifteenth day after the date of the judgment. If that day is a Saturday, Sunday, or legal public holiday, the defendant shall be liable for interest beginning with the next day that is not a Saturday, Sunday, or legal public holiday.

"(2) COMPUTATION.—Interest on a fine shall be computed—

"(A) daily (from the first day on which the defendant is liable for interest under paragraph (1)); and

"(B) at a rate equal to the coupon issue yield equivalent (as determined by the Secretary of the Treasury) of the average accepted auction price for the last auction of fifty-two week United States Treasury bills settled before the first day on which the defendant is liable for interest under paragraph (1).

"(3) MODIFICATION OF INTEREST BY COURT.—If the court determines that the defendant does not have the ability to pay interest under this subsection, the court may—

"(A) waive the requirement for interest;

"(B) limit the total of interest payable to a specific dollar amount; or

"(C) limit the length of the period during which interest accrues.".

(e) PENALTY FOR DELINQUENT FINE; WAIVER OF INTEREST OR FINE BY ATTORNEY GENERAL.—Section 3612 of title 18, United States Code, is amended by adding at the end the following new subsections:

"(g) PENALTY FOR DELINQUENT FINE.—If a fine becomes delinquent, the defendant shall pay, as a penalty, an amount equal to 10 percent of the principal amount that is delinquent. If a fine becomes in default, the defendant shall pay, as a penalty, an additional amount equal to 15 percent of the principal amount that is in default.

"(h) WAIVER OF INTEREST OR PENALTY BY ATTORNEY GENERAL.—The Attorney General may waive all or part of any interest or penalty under this section if, as determined by the Attorney General, reasonable efforts to collect the interest or penalty are not likely to be effective.

"(i) APPLICATION OF PAYMENTS.—Payments relating to fines shall be applied in the following order: (1) to principal; (2) to costs; (3) to interest; and (4) to penalties.".

SEC. 12. RECEIPT OF RESTITUTION PAYMENTS BY COURTS.

Section 3663(f)(4) of title 18, United States Code, is amended by inserting "or the person designated under section 604(a)(17) of title 28" after "Attorney General".

SEC. 13. EFFECTIVE DATE.

This Act shall take effect on the date of the enactment of this Act, except that the amendment made by section 9 shall take effect as provided in such section and the amendments made by sections 3, 4, 5, 6, 7, 10, and 11 shall take effect on the date of the taking effect of section 12(a)(2) of the Sentencing Reform Act of 1984.

Mr. CONYERS (during the reading). Mr. Speaker, I ask unanimous consent that the House amendment to the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Michigan?

Mr. FISH. Mr. Speaker, reserving the right to object, I do not plan to object, but I reserve the right to object for the purpose of asking the chairman of the subcommittee if he would explain this legislation to us.

Mr. CONYERS. Mr. Speaker, if the gentleman will yield, this bill is identical, with one substantive change and minor technical corrections, to the bill, H.R. 3483, the Criminal Fine Improvements Act of 1987, passed by the House on October 27, 1987. As I stated at that time, the bill is intended to carry forward, with certain modifications agreed to by all of the interested parties, the criminal fine provisions that were in effect until the Sentencing Reform Act took effect on November 1, 1987. The bill is supported by the U.S. Department of Justice and the Administrative Office of the U.S. courts.

SECTION-BY-SECTION ANALYSIS

SECTION 1

Section 1 of the bill provides that the short title of the legislation is the "Criminal Fine Improvements Act of 1987."

SECTION 2

Section 2 of the bill is identical to section 2 of the bill passed by the House on October 27, 1987. See H.R. Rep. No. 390, 100th Cong., 1st Sess. 4 (1987).

SECTION 3

Section 3 of the bill is identical to section 3 of the bill passed by the House on October 27, 1987. See id. at 4.

SECTION 4

Section 4 of the bill is identical to section 4 of the bill passed by the House on October 27, 1987. See id. at 4-5.

SECTION 5

Section 5 of the bill is identical to section 5 of the bill passed by the House on October 27, 1987. See id. at 5.

SECTION 6

Section 6 of the bill is identical to section 6 of the bill passed by the House on October 27, 1987. See id. at 5-6.

SECTION 7

Section 7 of the bill is identical, with one addition, to section 7 of the bill passed by the House on October 27, 1987. See id. at 6-8. The addition is a new sentence in 18 U.S.C. 3572(d), which governs time and method of payment of fines, and provides that for a fine that is to be paid in installments, the "installments shall be in equal monthly payments over the period provided by the court, unless the court establishes some other schedule." This sentence was added to establish a rule in case the sentencing court's order did not specify the amount of each installment.

SECTION 8

Section 8 of the bill amends 18 U.S.C. 3573 ("Modification or remission of fine"). Under current law, which took effect November 1, 1987, only the defendant can petition a court for a modification or remission of a fine. Under the law in effect before November 1, 1987, the government could, in effect, modify or remit a fine by filing a satisfaction of judgment with the court. The Department of Justice originally proposed an amendment to section 3573 to allow the government, as well as the defendant, to petition the court for modification or remission of a fine. Department's proposal was based on its belief that rather than filing a satisfaction of judgment, it should be able to obtain a court order modifying or remitting an uncollectable fine. The House agreed with this proposal and included it as section 8 in the bill passed by the House on October 27, 1987.

The Senate, however, modified this provision to allow only the government to petition for modification or remission of a fine. The Senate apparently felt that allowing a defendant to petition for the modification of a fine is inconsistent with a determinant sentencing system. The House has agreed to accept the Senate version of section 3573 as part of an overall compromise on this bill and S. 1822, the "Sentencing Act of 1987", which the House will also take up today.

Under section 8 of the bill, the government may petition for modification or remission of a fine or assessment. The court is authorized to grant the government's request, in the interest of justice, if the government shows that "reasonable efforts to collect a fine or assessment are not likely to be effective".

SECTION 9

Section 9 of the bill is identical to section 9 of the bill passed by the House on October 27, 1987. See id. at 8-9.

SECTION 210

Section 210 of the bill is identical to section 10 of the bill passed by the House on October 27, 1987. See id. at 10.

SECTION 211

Section 211 of the bill is identical, with a technical correction, to section 11 of the bill passed by the House on October 27, 1987. See id at 10-11. Section 211 corrects a technical error in section 11 of the bill passed by the House on October 27, 1987 by deleting the final reference to "Attorney General" in new section 3612(a) and replacing it with "clerk or the person designated under section 604(a)(17) of title 28."

SECTION 212

Section 212 of the bill is identical to section 12 of the bill passed by the House on October 27, 1987. See id. at 11.

SECTION 213

Section 213 of the bill is identical to section 13 of the bill passed by the House on October 27, 1987. See id. at 11-12.

Mr. FISH. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Michigan?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. CONYERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3483.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EXTENSION OF CERTAIN HOUSING AND COMMUNITY DEVELOPMENT PROGRAMS

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate Joint Resolution (S.J. Res. 220) to provide for the extension of certain programs relating to housing and community development, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mrs. ROUKEMA. Mr. Speaker, reserving the right to object, under my reservation I yield to the gentleman from Texas [Mr. GONZALEZ], chairman of the Housing and Community Development Subcommittee, for an explanation of his unanimous-consent request.

Mr. GONZALEZ. Mr. Speaker, Senate Joint Resolution 220 provides for another temporary extension of the FHA insuring authorities which expired at midnight, November 15, 1987, until December 2, 1987. We must provide for this extension again because the Senate was unable to conclude its consideration on the conference report on S. 825, the housing authorization bill, last Friday. It is my understanding that the Senate will take up the conference report tomorrow afternoon and hopefully conclude their consideration at that time. The extension until December 2 will give the White House an opportunity to carefully consider whether or not they would sign this most important legislation.

Mr. Speaker, we do not want any shutdown on any FHA or Farmers Home programs so I urge my colleagues to promptly approach this temporary extender.

Mr. Speaker, I thank the gentlewoman from New Jersey [Mrs. ROUKEMA], as well as the gentleman from Ohio [Mr. WYLIE], ranking minority member of the full committee, for their perseverance in this matter. As a matter of fact, I will be the first to say they should be commended and congratulated for the permanent extension feature in what we hope will be the definite act for an extension of authorization of our housing programs.

Mrs. ROUKEMA. Mr. Speaker, further reserving the right to object, I wish to state that the minority fully supports Senate Joint Resolution 220, legislation to extend certain authorities relating to housing and community development programs that fall under the jurisdiction of the Banking Committee. These include authorization for FHA, and Farmers Home Administration.

These authorities expired yesterday, November 15, and this resolution would extend them through December 2 of this year.

The House approved a permanent authorization for FHA a week ago today when it voted virtually unanimously for the conference report on the housing bill. The Senate has not yet completed action on its conference report, and, consequently, this new temporary extension of authority is necessary.

I urge adoption of this resolution.

Mr. ROTH. Mr. Speaker, I rise in support of reauthorization of borrowing authority for the FHA until December 2, but I am disappointed that we must legislate from day-to-day, and week-to-week in a piecemeal fashion the funding of major Federal programs such as this. It is a waste of this body's time and the taxpayers' money for us to be extending agency reauthorization for a 2-week period.

We must send a strong message to the other body that we abhor the making of football out of an essential Federal program and will not be tolerated by conscientious House members. However, the FHA cannot be allowed to languish penniless—FHA has helped more than 15 million American families achieve the dream of homeownership in its 52-year history.

So, the substance of this bill is not the problem. The problem is that we are failing the American people in being so disorganized and politicized, that a conference report sent down by legislators in both Houses of Congress meets unexpected opposition in the other Chamber, forcing us to once again conduct the Nation's business week by week by week.

Last year we extended FHA reauthorization seven times. This is the third time this year we are called upon to repeat ourselves. There is permanent FHA authorization in the conference report, which was resoundingly endorsed by the House. We have got to stop playing games and get down to serious business in getting these authorization bills completed, in total, if they meet budget reduction targets. The conference report to H.R. 4 met such targets.

It is a sad commentary that we are reauthorizing FHA for 2 weeks after a conference report has been passed by the House. I hope this is not indicative of what is yet to come in the budget process. Let this be the last time we authorize FHA—or any other program—for 2 weeks.

□ 1410

Mrs. ROUKEMA. Mr. Speaker, I withdraw my reservation of objection, with sincere thanks to the chairman of the subcommittee.

The SPEAKER pro tempore (Mr. KILDEE). Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 220

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That each provision of law amended by Public Law 100-154 is amended by striking "November 15, 1987" and inserting "December 2, 1987".

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMUNICATION FROM THE HONORABLE BILL McCOLLUM, MEMBER OF CONGRESS

The SPEAKER pro tempore laid before the House the following communication from the Honorable BILL McCOLLUM:

HOUSE OF REPRESENTATIVES,
Washington, DC, November 12, 1987.

Clerk of the House,
House of Representatives,
The Capitol, Washington, DC.

Dear Sir: This is to notify you, pursuant to Rule L(50) of the Rules of the House of Representatives, that my Administrative Assistant, Vaughn Forrest, has been served with a deposition subpoena duces tecum issued by the United States District Court for the District of Columbia.

After consultation with the General Counsel of the Clerk, I will notify you of my determinations as required by the House Rule.

Sincerely,
BILL McCOLLUM,
Member of Congress.

PERSONAL EXPLANATION

Mr. GILMAN. Mr. Speaker, I was unavoidable detained on Tuesday, November 10, because I had important matters to attend to abroad, and as a result I was unable to cast my votes on rollcall 427, on agreeing to the McCollum amendment to the Uniform Poll Closing Act, and on Rollcall 428, on passage of the Uniform Poll Closing Act. Had I been present, I would have voted "nay" rollcalls 427 and 428.

IMPEACHMENT OF PRESIDENT RONALD WILSON REAGAN

The SPEAKER pro tempore. (Mr. OBERSTAR). Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, on March 5 of this year, I introduced House Resolution 111 which is an impeachment resolution directed toward the impeachment of President Ronald Wilson Reagan. It contains six sections of specific matters that I believe seriously merit the attention of the proper committee, plus a seventh general proviso which, under the precedents and the record under the impeachment provisions of the Constitution, are more than sufficient to bring about consideration of this very serious resolution.

It certainly is not a pleasant task and certainly, given the fact that I have not made any particular effort to lobby my colleagues with respect to this endeavor because I believe that the best and the most important thing that I could hope to receive would be serious consideration by the proper committee, subcommittee of the House of Representatives. That is all I ask.

And that, given the fact that we live in a time when it is considered sacrilegious to even so much as criticize a President or a high-ranking official of our Government it certainly was not something that was done because there was any motivation, but the absolute concern and commitment with upholding the oath of office that I have taken as a Member, duly elected Member of the U.S. House of Representatives. That is, to uphold the Constitution, to protect it against all enemies, domestic as well as foreign. This is part of the oath that is overlooked and that, incidentally, every single official of the Federal Government who is susceptible to taking an oath of office, must subscribe to.

Now it is easy to think of external enemies to our Constitution. It is more difficult and quite a different task to consider our domestic enemies of the Constitution.

For this reason, those men who assembled 200 years ago, plus a few months, and wrote the Constitution provided for these two very important sections. They provided for the required oath of office, simple but direct and comprehensive.

In the case of the Member of the House, we are also charged with doing no more than faithfully and well executing our offices; faithfully and well.

So given the constitutional requirements for eligibility, age 25 years or older, and as far as residence is concerned or citizenship, a citizen of the State. One does not necessarily have to live in the particular district that the particular office one seeks is anchored to. It is more or less a precedent established in the English parliamentary system where a person can stand for the House of Commons to represent a given district without necessarily living there.

So that it is possible for anybody in the State of Texas to run for this district that I have the honor to represent or any other district as long as he is 25 years of age or older and a citizen of that State. And that is it. There is no other qualification such as in the case of the President who must be a native-born American or, in the case of the Senate, 30 years or older and also a citizen of the State, of course, which he will represent. But other than that, the next thing is the oath of office that one takes and swears to, swears fidelity and loyalty to that oath. That is prescribed by the Constitution.

As I said, the main two tasks are, first, to defend the Constitution. This is the reason why it is very important that our fellow citizens throughout the country, not just in our individual districts, realize that we are in the midst of the greatest and severest constitutional crisis since the Civil War. This is no exaggeration.

The pathetic thing, the sad thing is that very few persons in or out of public office seem to consider it that way. Even the committees, such as the recently much-publicized Iran-Contra, so-called, joint committee, the House-Senate committee, a very cumbersome operation for that type of committee work; but nevertheless when the colonel, Colonel North testified he made a statement that frightened me, if that is not an exaggeration.

There are very few things that I get genuinely frightened at. But the one thing that frightens me more than anything else is the potential for the loss of our liberties and our way of being. I am a recipient, a beneficiary of the system.

My predecessors in this country made it possible for me, despite obstacles of prejudice, of discrimination, of economic disadvantage or what have you, made it possible for a person such as I to get elected to, from the lowest to the highest, legislative positions of representation. City council first, State senate second, and in the U.S. Congress now for 26 years as of November 4.

So these are the things that I consider to be holy, and to be protected at all costs. And without the Constitution no such thing could be possible.

Nothing frightens me except the fear, the peril that such can happen. And I do not think either my colleagues, or many of them as far as I can detect, or many of the constituents, and perhaps it is too much to expect an average citizen unless he is informed, unless he is truly led by the people that he and she have elected to represent them and their agents in this thing we call the management of our Government. America based on the Constitution is predicated on the fact and on the faith that we know how to govern ourselves. Now this is a radical doctrine.

Throughout the world, even since the writing of the Constitution, it is a most radical doctrine. Most of the governments of today and certainly in the time and in the world's time when the Constitution was written when it was inconceivable that it would be proclaimed that all power emanated from the people. The world then consisted of kingdoms and dukedoms and oligarchies and czardoms and all kinds of authoritarian, "divine right" principle type of world. So that when the upstart Americans said in the Constitution, "We the People of the United States," meaning we the people of the United States are the source of all power, the sovereign people, that is sovereignty, it was the most radical revolutionary concept ever pronounced by man.

□ 1420

The writers of the Constitution were deeply steeped in all of the philosophical tracts written by the great thinkers of the past. As a matter of fact, John Adams, as Ambassador to England, was the one who wrote almost daily missives relating the history of the Greek thinkers and philosophers and the democracies of ancient times, and even more modern times, such as the Florentine experience in the Middle Ages. They had all of this before them, and they came to the conclusion, mostly because of John Adams' constant, repetitive insistance, that the three main branches of Government be separate and coequal so that the danger of abuse of uncontrolled power by any one could be minimized. The so-called great American doctrine of counterveiling of power then arose.

This is what is at stake today at great peril for the American people. The Congresses have taken it for granted that a President can violate the Constitution, and that nothing will happen. This is a new and novel departure. Even as late as 1974, the Congresses, mostly reflecting the anxiety that they clearly saw emanating from their constituencies, were in the process of the impeachment procedures relieved only by the resignation of the President.

However, what has been overlooked was the concomitance that occurred which I claim and repeat is the main reason for our distress today, and that was the passage of the 25th amendment in 1965, which I not only talked against on this House floor but voted against. I was one of only 28 who voted no on the 25th amendment.

The words I said then are in the RECORD. They are not just what I say now; there are what I said then. They are in the RECORD, unfortunately. I say, "Unfortunately," because I never thought in my wildest nightmares that such things would happen in my own lifetime. But they did, and that was the liquidation of this delicate balance, through the adoption of the 25th amendment, which makes it possible, in Madison's words, for bold and willful men of power to arrogate to themselves improper power.

So we had Gen. Alexander Haig at that time as adviser and the National Security head and Secretary of State Henry Kissinger calling upon Mr. Nixon and saying, "If you don't resign, we're going to invoke the 25th amendment."

Now, what is the 25th amendment? Well, the 25th amendment was supposed to have been adopted to take care of an orderly succession, and there are those who say, "Well, we did have an orderly succession."

So Nixon resigned, and then under the fourth section of the 25th amendment, the President submitted the name of Gerald Ford to act as Vice President before that. This was when Spiro Agnew left, and what very few of my colleagues seem to know or remember, because I do not know how many of my colleagues of today were here at the time, is that Mr. Agnew, as Vice President of the United States, came to this very location, to the Speaker's office outside our Halls here one September day seeking refuge from what he said was going to be an unjust action on the part of the White House. One thing led to another, and he resigned. Then the President, under the 25th amendment, nominated Gerald Ford.

Now, another thing happened that I thought was significant but overlooked. President Nixon then invited the Speaker of the House, the Honorable Carl Albert, the leaders of the Senate, and the Chief Justice of the Supreme Court to come to the White House so he could unveil the nomination. To my dismay, the Speaker of the House went, the majority leader of the Senate went, but not the Chief Justice of the Supreme Court to his everlasting glory. He said, "No, because that imperils the separation of the powers, and I as the Chief Justice and the representative of the third branch of our Government, the Judiciary, may be called upon to decide some issues emanating as a result of this nomination to be disclosed."

It was that evening that President Nixon submitted the name of Gerald Ford. I did not vote for that when the vote came in the House. Then, subsequent to that, when Gerald Ford became President on the resignation of President Nixon, he submitted the name of Nelson Rockefeller in pretty much the same way. I did not vote for that either.

So for the first time in our history, that which is reflected in the deliberations of the Constitutional Convention, that which the men who wrote about it and feared the most, came about, and for the first time in our history we ended up with an unelected President and two unelected Vice Presidents. That happened only because of the 25th amendment.

Spiro Agnew wrote a book. The title of it was "Go Quietly or Else," in which he explained that those were the words he heard from Alexander Haig and the reason why he was compelled to resign. I think that is abominable. I think that should have been examined then and there by the Congress, but it has not been examined.

So we went on, and another thing happened then. The CIA, our so-called intelligence agency, was clearly out of control and violating the law, for in 1972, at about this time of the year, in the autumn, Secretary of State Kissinger became very fearful that somebody was leaking improper information from the White House. But he did not trust the intelligence agency and he did not trust the White House, so he asked the Navy intelligence department, to protect him from what he felt were the machinations of these "palace guards." In the meanwhile, the so-called plumbers group was formed by the White House. This was the White House security group, later known as the "plumbers." They attracted certain individuals, every one of them supposedly retired from the CIA but in reality not separated from the CIA.

Then the name of the journalist, Jack Anderson, for some reason or other became involved, and at an all-night meeting in the executive building across from the White House, this small coterie or group met to plan what to do about Jack Anderson and his supposed leaks of security information. Whatever came of that, it was proposed by G. Gordon Liddy that night that whatever they were thinking of doing was not harsh enough, and in his words, he wanted to know: "What are his habits? Does he jog around Georgetown where he lives? If so, a truck can always be found to come around at the right time."

Now, this is America. This is not over in South Vietnam where the CIA got accustomed to knocking off people by the dozens. This was not in the Congo where the CIA was accustomed to doing the same thing. This was not some Latin American country where the CIA was doing the same thing. This is in the United States of America, in the executive building in Washington, DC, and they were talking about an American citizen.

The CIA then detailed 12 of its agents to act, against the law, because the National Security Act of 1947 does not grant permission to the CIA to work domestically. So for 3 months, from January to March, 12 agents of the CIA had day and night surveillance of Jack Anderson's home.

Now, I say that got overlooked in the succeeding months with the developments of Watergate, but it never should have been. The Congress of the United States had a solemn obligation, under the oath of office we take, to have followthrough on that violation.

☐ 1435

With this percolating around, should we be either astonished, surprised or disappointed that this continues, and that we now find it ponderously great to figure out what to do to regain control of our own destiny, but more importantly, our own Constitution?

History is replete where free peoples lose their liberties, not by invasion, not by one fell swoop, but by increments. And this is happening in America.

If I was impelled to submit an impeachment resolution on March 5, it was because I had six separate, specific acts of violation of our statutes on the part of the President. These were six specific acts.

Half of them the President admitted to a year ago on November 11 on national television. Yet, no awareness in and out of Congress as to the gravity of this development. Certainly it needs examination.

In the meanwhile, of course, the creation of this joint committee has taken some attention away from it, and the fact that some people seem to think that this committee is some kind of investigative committee to establish some kind of culpability. Well, of course, it is not.

Legislative committees are limited by the Constitution, and they must have a legislative purpose.

What that purpose will be remains to be seen upon the issuance of the final report and recommendations by the committee. In the meanwhile, however, I spoke since then, I believe, a total of seven times in impeachment, and this would be the impeachment of Ronald W. Reagan, No. 8.

Other Americans, sensitive and intellectual leaders, and one of the most outstanding historians, if not the most outstanding historian, and I consider one of the most brilliant and limpidly clear intellects with a vast knowledge is our fellow American, Barbara Tuchman, the author of a number of books.

I recommend them to my colleagues, and one is "The Proud Tower," and it contains more history about this House of Representatives and certain phases of it, particularly since the turn of the century, than any other book that I could refer the Members to.

More recently she wrote a magnificent book entitled "The March of Folly," and she goes all the way back to the Trojan Wars and up to the modern time and the Vietnam war.

The question was, how is it that otherwise brilliant, able leaders charged with knowledge, knowing full well the circumstances, knowing full well the facts before them, can make such obviously foolish errors; and I recommend that book to the Members. I would make it a must.

In the New York Times Magazine on September 20, this year, they did a great service to us all by printing an article by Barbara Tuchman, Barbara W. Tuchman, entitled "A Nation in Decline."

I am going to read from the first paragraph or two and then two or three selectives.

> Decline of a nation or a society is a provocative historical problem. In Rome, it is associated with external pressure from the barbarians and the inability of empire's agricultural rim to offer firm resistance. In the ancient Greek cities of Asia Minor, it can be traced to the silting up of harbors, closing them to access by sea. In the Aztec empire of Mexico it was the invasion of ruthless Europeans. In China, it is a long story.
>
> In the United States, who knows? One certainly feels a deteriorating ethic in many spheres. Our Government is beset by incompetence; our officials display an inability to execute policy efficiently or within the law. The policy-making apparatus itself appears to have broken down, with the chain of command in the Government's executive branch reduced to a meangingless flow chart. Such incoherence and disarray in policy and its implementation result, in turn, from the public's unthinking acceptance of image over substance in its choice of Government officers.
>
> Incompetence is a companion of decline because decline has no goal; when people do not care and have no goal in view they do not function at their utmost. They grow lax and accept defeat.
>
> One of the members of the Congressional panel investigating the Iran-contra affair stated that the chief issue to emerge from the hearings was "incompetency in government." I entirely agree with him, and had been thinking the same thing myself. I define incompetence as sloppy and ragged performance that ends in unwanted result. Competence, the obverse, is the ability to do work expertly, neatly and correctly without foolish mistakes.

I might say by way of parentheses that having served in this great body and having observed six different Presidents of the United States, I think that I am due some credit for having formulated an appraisal formula of evaluation. For those who believe that the introduction of the impeachment resolution was partisan, let me say that I have introduced since 1982 three resolutions alleging that President Reagan has been in violation of the War Powers Limitation Act.

In the case of President Jimmy Carter, certainly belonging to the other party, he had not been in office 1 month before I made a statement in which I revealed my concern, and felt that his utterances and his actions up to then were revealing a disturbing incompetence.

In the case of Richard Nixon, 1969, how many of the Members were here then, and how many of the ones that were here remember that in 1969, on January 20, when President Nixon took his oath of office, he announced that he had no budget to present to the country, that he wanted not to present the leftover budget from the prior Johnson administration, but wanted to work his own.

I felt then that that was a pretty smart thing. If indeed he had been ambitioning this position for 8 years, certainly he would have a clear, limpid vision as to what he wanted to do, and the budget would be the sort of architectural design of what he wanted to do.

February went by, no budget message. March went by, no budget message. April went by, no budget message; and around May 12, he finally announced the budget.

What was the budget? It was the identical Lyndon Johnson budget which he could have presented in January.

I then became very concerned and expressed my concern to such people as the then chairman, and the gentleman from Texas of the Committee on Appropriations, the eminent George Edward Mahon of Texas.

I expressed my concern to the Speaker, then majority leader. Failing obviously in conveying the nature of my concern, I took to the House floor. I had a special order, if you please.

There was not any television at the time; and as now I was speaking for the record. I said that it was now up to the Congress to do something it had not been accustomed to doing since before Woodrow Wilson, and that was shaping, evolving, and initiating policy, and particularly since the thirties when we had the strong administrative leadership of Franklin Roosevelt, Congresses have become accustomed to reacting to the administration's programs.

I said, "What are you going to do now?" If anybody bothers to check, you will see that beginning that year was the year we began to go on the so-called temporary appropriations bills. They started meekly; but before 5 years were out, the whole business of the seven main departments of government were being transacted on a half-year to half-year basis. There can be no greater demoralization of a faithful and loyal and competent administrative staff than to have to deal with that instability.

What I am saying is that, I did not hesitate to speak then whether the President was Republican, because the way I feel about a President, and it is a job I would not wish on my worst enemy, is that once he is elected and takes his oath of office, I am going to do everything I know how to do to help, to cooperate, except where on matters of fundamental principle I find that I cannot.

I have found this to be true on some very important issues beginning with the very first President I served with, and the most intimate friend that I had as President, John Kennedy.

I did not vote for the first trade or the Kennedy round because of a proviso that was there, and it aroused some of his advisers, because they thought it was disloyalty.

I did not. The reason I am very much aware of the fact that the party which I am a 435th part of is separate, independent, and coequal.

□ 1450

It is not inferior, as so many Americans seem to think today, to any of the other two branches, including the Federal branch, and it was for a good reason that the people who wrote the Constitution put this branch in article 1, the first article, and the executive branch in the second article.

To continue with Barbara Tuchman, I am going to read just some portions here because she makes the perfect case for my impeachment resolution, the perfect case, and here is a woman who is a noted preeminent worldwide established historian, nonpartisan, nonpolitical. So I will place into the RECORD at this point this article in the New York Times Magazine by Barbara W. Tuchman.

The article follows:

A NATION IN DECLINE?

(By Barbara W. Tuchman)

Decline of a nation or a society is a provocative historical problem. In Rome, it is associated with external pressure from the barbarians and the inability of the empire's agricultural rim to offer firm resistance. In the ancient Greek cities of Asia Minor, it can be traced to the silting up of harbors, closing them to access by sea. In the Aztec empire of Mexico it was the invasion of ruthless Europeans. In China, it is a long story.

In the United States, who knows? One certainly feels a deteriorating ethic in many spheres. Our Government is beset by incompetence; our officials display an inability to execute policy efficiently or within the law. The policy-making apparatus itself appears to have broken down, with the chain of command in the Government's executive branch reduced to a meaningless flow chart. Such incoherence and disarray in policy and its implementation result, in turn, from the public's unthinking acceptance of image over substance in its choice of Government officers.

Incompetence is a companion of decline because decline has no goal; when people do not care and have no goal in view they do not function at their utmost. They grow lax and accept defeat. They will go on producing babies for an ever-increasing population because that is easy, but they will not control the poisoning of air and water for preservation of the national health.

One of the members of the Congressional panel investigating the Iran-contra affair stated that the chief issue to emerge from the hearings was "incompetency in government." I entirely agree with him, and had been thinking the same thing myself. I define incompetence as sloppy and ragged performance that ends in unwanted result. Competence, the obverse, is the ability to do work expertly, neatly and correctly without foolish mistakes.

Incompetence can be of two kinds: first, poor performance, the inability to accomplish a given task without making a mess of it, like a person who washes the dishes and leaves them greasy; and second, poor thinking—also known as stupidity—when a person adheres inflexibly to preconceived notions and fails to discern a meaningful pattern in facts or circumstances that stare him in the face, and hence fails to act sensibly in relation to them. This was the kind of incompetence that Neville Chamberlain took along with his umbrella to face Hitler at Munich. Both kinds will be present in a society in decline.

And massive incompetence of both kinds can be seen clearly in the case of the frigate Stark. After being warned, the ship could not manage (for reasons still not fully explained) to shoot at a hostile plane approaching it with intent to attack. The captain was not even on the bridge at the time of the attack, and the antimissile defense equipment was not in operation. This was an example of physical incompetence on the part of the Stark's commanders. But it was owed to the mental incompetence of the Defense Department staff at home, which dispatched to the Persian Gulf a frigate not designed for independent battle duty in waters where active self-defense could be expected, but as a component of a carrier force. Consequently, the Stark could not or did not defend itself.

In the case of the Stark, no one was tried by court-martial to establish a clear verdict of responsibility. In 1756, in an analagous situation, the British Navy sent an inadequate and poorly manned fleet to fight off a French attack on Minorca. When the commander, Adm. John Byng, lost the island through a half-hearted defense, he was tried and condemned for not doing his utmost, and then executed by firing squad. I am not advocating that we imitate the procedure—the exaggerated penalty did more to harm the Royal Navy than six Byngs on the bridge. Nevertheless, persons in positions of command, military or civil, must be held to standards of competent performance if our ships are to hold the sea and our policies not be held to ridicule.

In the Iran-contra affair, the most egregious case of incompetence, leaving us in shocked wonderment, is the sale and delivery of arms to Iran without obtaining fulfillment of their side of the bargain—which was, according to Rear Adm. John M. Poindexter, a straight trade of arms for hostages. At first, only one hostage was released, then two more trickled out; but then three more were seized and are still being held. Our arms bought us a total of one recovered hostage.

The mental incompetence of our self-appointed operators was clear. In a situation of their own creation, these agents of covert operations entered an antique land with no more serious thought than tourists off a cruise ship, with no knowledge of the language or the culture of the Levant, no acquaintance with the ancient skills of the bazaar, unprepared to do anything but botch the job. I quite understand and approve President Reagan's desire to bring the hostages out, for their sake and for his. But why on earth did his agents, knowing his urgency and informed that their intermediary, Manucher Ghorbanifar, was a liar and unreliable, not require some down payment, a hostage on the table, so to speak, or some evidence of good faith in the bargain, before delivering the arms?

Unaware or unconcerned, President Reagan benignly kept these off-the-reservation adventurers in position and sanctioned their exploits. With no one actively in charge, the National Security Council ran wild in support of the contras, in the name of "patriotism." They might just as well have been bombing abortion clinics and calling it "patriotism," because abortion was something the President was known to oppose.

Reagan was the security council's chief, but his interest in the position was lackadaisical, and he apparently was oblivious to its responsibilities. That may have been due to age. When a person reaches 70 or 75, consequences seem less important, and someone carrying heavy responsibilities will have a tendency to let things go, in the comfortable belief that they must end up in someone else's lap. The report of the Tower Commission concluding that Mr. Reagan is a hands-off President is widely accepted because it fits, and because of the statement let slip by Secretary of State George P. Shultz during the hearings that he obtained an interview with Reagan when the President "happened to be in Washington." This stays with me as the single most memorable remark of the hearings.

Reagan's attitude resembles to some extent the easygoing acceptance by the Aztec emperor Montezuma of the invasion of the Spanish conquistadors in 1519. He bestowed gifts on them, even received them in his court. His downfall and death soon followed at their hands.

Lawlessness often accompanies incompetence. When the President authorized the arms sale to Iran without informing Congress, he may have violated the Arms Export Control Act. According to that law, in a transaction involving the export of arms by a private manufacturer, the State Department has the authority to decide whether the release is advisable and politically suitable. If the arms have become part of United States stock in the possession of the Defense Department, as were the TOW missiles that found their way to Iran, the export requires an authorizing document signed by the Secretary of Defense or an officer of his department.

The act requires that Congress be notified of significant sales of arms abroad, and that arms not be sold to a customer for transfer to a third party. Thus, in authorizing the sale in his finding of Jan. 17, 1986, President Reagan twice ignored that law by failing to notify Congress and by using Israel for the transfer to Iran. This must have been done consciously—unless he is given to signing documents with his eyes closed.

Lawlessness appears again as a twin of incompetence in the Reagan Administration's mining of Nicaraguan waters in 1984, a belligerent act against a country with which we were not and are not at war, ordered by our Government as a whole, not by the outriders of the National Security Council. What was gained? A hash of our Good Neighbor policy and greater turmoil than before in Central America—hardly the record of a competent government.

Pundits talk about the need for legislation to tighten our rules of conduct within the Government, to prevent any recurrence of an aberration like the Iran-contra case. But all the rules are already in place. What is missing is compliance. You cannot pass a law, it has been said, to stop people from breaking the law.

Next we have the extraordinary spectacle of the American Government exerting diplomatic pressure on friendly nations not to sell arms to Iran while we were simultaneously sending official American envoys—Robert C. McFarlane and Oliver J. North—to Teheran to negotiate just such an arms sale by ourselves, for the sake of improved "dialogue" with Iran and for release of the hostages. Is this coherent government?

The open expression of divided opinion among citizens is the virtue of our democracy; the divided policy to which it may lead is the hazard. Because of the divisions, agents of Government take it upon themselves to act independently, with a quite astonishing inattention to ordinary lines of command, despite all their loyal readiness to do a headstand if ordered and salute smartly in response, an athletic trick when both hands are braced on the floor.

The saddest records in this affair, after the President's, seem to me to be those of the Secretaries of State and Defense. For Shultz and Caspar W. Weinberger to say that they strongly disapproved of the arms sale to Iran and to do nothing effective to restrain it, and then to claim they knew nothing about it (which I cannot believe) can only be labeled pathetic—for men in their position.

The most outspoken action the two could have taken would have been simply to refuse to give their departments' license for the sale of arms and, upon this refusal, to resign—as former Secretary of State Cyrus R. Vance did over the attempted rescue of the earlier hostages in Iran, as British Foreign Secretary Anthony Eden did in 1938 over Chamberlain's rapprochement to Fascist Italy.

Ministerial resignation, renouncing the important scream of a motorcycle police escort and accepting exile form the golden circle of insiders, is a difficult and infrequent choice. Secretary Shultz says he offered his resignation three times to the President, but in terms that could not have been very firm or convincing, for he is still here. He based his desire to quit not on any principle of policy, but because he was cutout of decision-making and kept uninformed, was being deceived by the White House staff and came to feel "a sense of estrangement" from the White House and from associates at the National Security Council. As the State Department's chief, knowing he was being mininformed, surely Shultz should have exerted a stronger hand to put an end to unauthorized initiatives. Otherwise, he would have been left presiding over a department of anarchy and futility.

The failure by Weinberger and Shultz to say anything public of their disapproval of Reagan's signed "finding" approving the arms sale seems to me a disillusioning indication of their indepedent judgment as Cabinet officers. They are, or should be, advisers to, not minions of the President. "My country right or wrong" has a certain nobility of sentiment, but "our President right or wrong" signals the collapse of constitutional government.

A disquieting result of the revelation of the bizarre disorder in American Government will be the effect it will have on the relationship to us of other nations, friendly and unfriendly, allies and foes. The former will find it difficult to know where to locate the source of American policy and how to identify the author of policy on whom they should rely. Uncertain what, or whom, to court on, allies will be less inclined to want attachment to us in a firm relationship. Uneasiness has shown itself already in the initial reluctance of states benefitting from our protection of their oil tankers in the Persian Gulf to aid us in mine sweeping.

Foes, on the other hand, seeking to take advantage of our internal disorders, will use them for whatever machinations and mischiefs they can employ.

To many Americans, the most disturbing revelation of the Iran-contra fiasco, I think, is the degree to which the occupants of important political office seem to be able to distract or divert policy in any direction they personally think it should go, even when contrary to Congressional prohibition. What assurance have we that some extremist from what is wistfully called the "intelligence community" will not one day veer off in a wild turn, of which his superiors will blandly tell us afterward they knew nothing?

This brings me to Oliver North and "Ollie mania." North is unquestionably the most striking public personality to take over television since the wonderful Sam Ervin, the Senator from North Carolina who chaired the Watergate hearings. But oh, the difference! Senator Ervin was the perfect elder statesman, inspiring confidence, expressing truth and integrity in every lift of his white eyebrows and murmur of his drawl. North, with his good looks, sharp military appearance, his poise, his excellent grammar and diction and his "can-do" spirit is, if perhaps a little too slick, the ideal young American activist. An attractive figure, he could not fail to conquer the viewers.

But the reality underneath North's heroic exterior is that of a meddlesome, overgrown Boy Scout with streaks of megalomania, whose activities, rather less than heroic, caused more trouble for his country than did all of Nixon's "creep." The "Olliemania" phenomenon—which now reaches from Oliver North T-shirts to clubs promoting North for President—demonstrates a distressing popular development that I consider the main point of the Iran affair, deeper than the issue of incompetence in government. It is the public's acceptance of the pictured image without regard to the reality underneath.

The problem is serious. It has caused us to put in the Presidency a person who appears likably and avuncular on the screen but is not otherwise equipped for the White House.

I need not say that this is the result of a visual—which is to say a nonthinking—culture, inculcated by the age of you-know-what. Television has been a great boon to the ill and lonely, but the degree to which it has impaired the brain cells of the general population has not been measured.

A visual culture has important implications for government. The subjects of the Bourbon monarchy were so overcome by the mystique of the court—curled wigs and elegancies—that they allowed the Bourbons to reign in decadence until revolution became inevitable. Today, television has become our monarch. It determines more and more our choice of candidates for office and the persons we now elect to exercise the government we live under.

As the world grows more complex and more in need of expert handling in foreign relations, we must not rest content with persons who merely look good on television. As we learned from the hearings, they and their appointees are not the most competent caretakers of national security.

The National Security Council officers' admitted lying to and misleading of Congress is somehow less shocking than their incompetence because, hateful though it is to say, falsehood and false dealing have become so much a part of American life that we almost take them for granted.

I recently saw on television a survey of airline delays and cancellations. Corporate officers, with the same nonchalant admission of lying shown by Poindexter and North, acknowledged that their companies issued false statements of flight times—showing a shorter time between given points than their competitors—so that they would appear more favorably on travel agents' timetables and would thus obtain the most bookings.

Though not horrendous in itself, the fact of its being acknowledged so frankly and openly, in the same insouciant tone as the National Security Council admissions, gives one the feeling that false dealing is now the prevailing element of American life and may account for the sense of decline we feel in the American condition. This condition was clearly exhibited in the Iran-contra hearings, and in every morning newspaper, which brings us (along with our orange juice and coffee) news of yet another municipal or Federal official indicated for, or charged with, wrongdoing of one kind or another, from the nation's highest judicial officer down to the cop on the block.

It does seem that the knowledge of a difference between right and wrong is absent from our society, as if it had floated away on a shadowy night after the last World War. So remote is the concept that even to speak of right and wrong marks one to the younger generation as old-fashioned, reactionary and out of touch.

I choose that war as the turning point in public morality. It is my belief that the Nazi years have been underrated as a milestone in history marking the onset of a continuing period of interpersonal violence in the 20th century. Comparable crimes have been known in other times, although not with quite the same deliberate, officially pursued purpose. So much evil was perpetrated by the Germans and callously accepted by our own and other nations that harm done to fellow human beings began to appear normal, and there was a consequent failure to regard wrongdoing in general as out of bounds and punishable. Killing and meaningless mass murder without affect, as the psychologists say, and brutality in unspeakable terms (like the man who cut off the arms of the woman he raped, and the other men who, for hire, slashed the face of a model) have become too frequent occurrences in contemporary life.

Whether a national decline has ever been initiated by a habit of violence would require a lifetime of study to obtain the evidence. I think a good case can be made for the Ottoman Turks, after their conquest of Constantinople in 1453. Some 400 years after that victory, the once-all-powerful Ottoman empire, mired in an orgy of atrocities in Bulgaria, had become the "Sick Man of Europe" and had earned Gladstone's famous peroration (from his 1876 pamphlet "The Bulgarian Horrors and the Question of the East") on "fell satanic orgies . . . gross and incurable misgovernment . . . unbridled and bestial lust . . . fiendish misuse of power of . . . loathsome tyranny. . . . There was not a criminal in a European gaol, not a cannibal in the South Sea Islands, whose indignation would not rise at a recital of Turkish crimes. . . . Let it be over. Let them clear out of Europe with . . . their Bimbashis and their Yuzbashis . . . one and all, bag and baggage . . . for nothing less can bring relief . . . to the overcharged emotion of a shuddering world."

One cannot resist such a gorgeous example of invective by a master of the art when "intoxicated," as Disraeli said, with "the exuberance of his own verbosity." Granted, a "specter at whom cannibals shuddered" is not a fate one necessarily foresees for the United States, but today's climate of bloody violence is not reassuring.

Our electoral choices now become crucial, and one hopes they will be founded next time on a basis more mature than the televised-TelePrompTer-artificial images packaged by professional fund-raisers and advertising companies.

Maturity and education are long, slow processes. Although our current disarray is urgent, we shall not achieve a more mature public opinion overnight, especially against worshippers of the populace who insist there is no cause for worry because the voice of the people is always right. That is nonsense. It is no more right than would be the voice of a herd of sheep—if it had one.

The re-election of Ronald Reagan by popular choice in 1984 was not right, but disastrous. "I do not understand," a foreign visitor said to me at the time. "Everywhere I go, everyone tells me how harmful and inadequate Mr. Reagan is as President and yet assures me he is certain to be re-elected. Why is that so?" All I could tell him was that the American people, in the era of television, with the heavy hand of advertising exerted upon them from the cradle, are not now very smart in their political understanding. What is needed—and God knows how it may be achieved—is more political sense in the American citizen.

One improvement would be to prohibit packaged 30-second spots on television by political candidates. We should permit only live, spontaneous appearances of a minimum duration of two minutes, to allow us more realistic ideas of the candidates.

This would be only a tiny beginning, and much more must be done to put sense into the electorate. We have to recognize that where the buck stops in this crazy Iran-contra affair is here on the doorstep of the American people. Somehow, we must learn to do better, if more and perhaps more dangerous mischief is not to revisit us.

A peculiar vacuum exists in American public opinion: not "where's the beef?" but where's the outrage? Where's the anger that ought to have met the deaths of 241 United States marines in the truck-bombing in Beirut through the failure by officers of the station to block the road? Where's the anger over the 37 deaths on the Stark? And now, where's the outrage over the disclosures of misconduct and incompetence in Government by public officials of the highest rank?

Those deaths and illegalities excited hardly a tremor, but the amorous peccadilloes of Gray Hart generated as much excitement (largely due to male jealousy, I suspect) as if Marilyn Monroe had returned to earth and was found living in the Taj Mahal. The passionate interest the Gary Hart episode aroused in the public, contrasted with the flaccid reaction to lost lives and broken laws, illustrates the shallowness and frivolity of popular opinion. If the American people do not grow angry when their sons' lives are sacrificed to official negligence, or when statutes are casually violated by the caretakers of the nation's security, one cannot expect any change to a steadier Government that commands more respect. Anger when anger is due is necessary for self respect and for the respect of our nation by others.

What has become of American wits? What has become of the America of Washington, Adams and Jefferson? what has become of national self respect, not to mention common decency? (Perhaps the last should be left out of the discussion, because common decency is not considered to be a necessary component of realpolitik in foreign affairs.)

To raise the level of public understanding from frivolity to a readiness to take serious things seriously will require a great and concerted national effort—if, like the problem of controlling AIDS, we figure out how it may be done. Until it is, we shall not soon retrieve coherent national policy or the rule of law.

Mr. Speaker, I want to conclude by saying that one of the most awesome experiences for me, one of the two most awesome experiences for me, were when Col. Oliver North told the committee that he would blindly support the President, that his oath was loyalty to the Commander in Chief. It disturbed me because it means he never even read his own oath, which is that he owes his loyalty to the Constitution of the United States, not the Commander in Chief. Only the oberlieutenants and colonels in the Wehrmacht of Adolf Hitler swore loyalty to the Fuhrer. In the United States, every single commissioned officer takes the identical oath, and it is to uphold the Constitution, defend it against all enemies, domestic and foreign. That to me was an excruciatingly awesome experience to see that on TV and very few people took note of it.

The other was in 1971 when we had before the Banking Committee, of which I have been a member for the 26 years I have been here, the so-called Economic Stabilization Act, which turned out to be called in common parlance the Wage and Price Control Act, and here was this huge legislative bit giving the President more constitutionally delegated power from the Congress than any President had ever received at any time in our history during peace or war, and to see sitting in the panel asking for us to pass the bill, in the words of the then Secretary of the Treasury, also my Texas colleague, John Connolly, "without changing a comma" were his words, and to see this array, the chairman of General Motors, the head of the AFL-CIO, George Meany, the head of the Automobile Workers, the head of General Foods Corp., and all cheek by jowl with the Secretary of the Treasury, John Connolly, saying, "We demand you pass this without any debate. Don't change a comma."

But when I said, "Gentlemen, do your realize that you are delegating to the President total complete power over every single economic activity in this country, if a President was wanting to, he could wreck or ruin any industy in the United States."

The Congress did not give this power to Franklin Roosevelt at the height of World War II.

I was looked upon as if I had lost my mind. The reason I was frightened was that this was exactly what had happened in Germany when the grand chamber of German economics met and the great industrialists of Germany all said, "We want a strong man. He is the only one who can save us here and we give him complete and total power," Which of course he did assume, but it was given to him. Adolf Hitler or any other like that cannot alone single-handedly do anything. It took this vast power structure of leaders to do it, just as in 1971 this Congress did with the so-called Economic Stabilization Act.

What was the big, big devil, as I called it then? In the words of Secretary of the Treasury, John Connolly, then, 5-percent inflation—and for this you are going to give this other? We did, and the results we are still paying for. It resulted in what was known as for the first time called stagflation.

I attribute this to that improper action, even if with the best of intentions. If it had been done during wartime it would have been almost impossible; but nevertheless, I did not feel that fear again until I heard on national television Colonel Oliver North say that his first, his prime, and his total loyalty, was to the Commander in Chief, not to the Constitution of the United States.

So I think that when we are blessed by having a free press, we have the New York Times Magazine now printing this very challenging article, very well informed, it could be taken by the partisan supporters of the President as an attack on him, but I believe any thinking American is going to want to read this and get a little bit concerned.

IN TRIBUTE TO CYRIL F. BRICKFIELD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. HAWKINS] is recognized for 60 minutes.

Mr. HAWKINS. Mr. Speaker, I rise today to pay tribute to Cyril F. Brickfield, former executive director of the American Association of Retired Persons [AARP], who retired from his post on Friday, October 16, 1987.

During his 12 years as executive director of the American Association of Retired Persons, he has demonstrated integrity, dedication, and a genuine commitment to making life better for older Americans.

In his own and unique way, Mr. Brickfield, along with an outstanding staff of more than 1,000 employees, worked to improve the legislative process and to preserve and expand the civil rights of our Nation's elderly.

He has been very effective in the legislative process. His legal expertise and professional abilities helped to pave the way on a variety of legislative victories, including the age discrimination amendments of the Older Americans Act, the revamping of Social Security, Mandatory Retirement Act, the catastrophic health bill, and the enactment of Medicare.

Prior to Mr. Brickfield joining AARP, he served in a number of key positions with the Veterans' Administration from 1961 to 1967, including general counsel, Chief Benefits Director, and Deputy Administrator.

He has also been very active in national programs aimed at improving the quality of life for all Americans over age 50. Mr. Brickfield was an official U.S. delegate to the 1982 United Nations World Assembly on Aging in Vienna. He was a member of the Advisory Council for the 1981 White House Conference on Aging, and president of the Corporation for Older Americans which helped raise funds for that conference.

Included among all of his outstanding accomplishments and achievements, are his advanced degrees of master of science, master of laws, and doctor of juridical science from George Washington University as well as a bachelor of laws degree from Fordham University.

In closing, we on the House Education and Labor Committee, and all of us who have had the opportunity to work with Cy on older American issues, have been fortunate to have a man of his stature associated with us. A debt of gratitude goes out to this great humanitarian and dedicated American. We wish him the best of luck on his future endeavors.

Mr. RODINO. Mr. Speaker, it is a great personal pleasure to join in this tribute to my good friend Cyril Brickfield on the occasion of his recent retirement as the executive director of the American Association of Retired Persons.

Cy Brickfield has dedicated his life to serving the public interest. I first met him when he joined the House Judiciary Committee as a counsel in 1951. During his 10 years with the committee, I came to know him as a knowledgable and caring individual.

Cy's tenure in the House was only the initial step in a long and distinguished career. He went on to serve in a number of key positions at the Veterans' Administration, including Deputy Administrator.

But Cy's true hallmark is his tireless devotion to improving the quality of life for all Americans over the age of 50. While still at the Veterans' Administration, he created programs to assist older veterans and was responsible for the establishment of the first VA nursing home system. He continued this commitment as a member of the Advisory Council for the 1981 White House Conference on Aging, as an official U.S. delegate to the 1982 United Nations World Assembly on Aging in Vienna, and in his many appearances at public forums and on radio and television on behalf of the older population.

As the champion of older Americans, Cy is closely identified with the outstanding organization he so ably served as executive director for 12 years—the American Association of Retired Persons, Under his leadership, the AARP became the world's largest nonprofit organization of persons over age 50. Significantly, Cy guided efforts to expand the volunteer forces of the organization and launched important initiatives like worker equity affairs, women's and health care initiatives, and the health care campaign.

Cy Brickfield's enduring legacy to the Nation is that he shined a bright light to illuminate the concerns of Americans over age 50. In doing so, he reminded us all that older Americans are one of this Nation's most valuable resources. They have earned the right to be heard and to continue to play a useful role in our society.

Those of us who have worked to improve the quality of life for older Americans value Cy Brickfield's expertise and guidance. I want to wish Cy and his wife Ann the very best wishes for a happy and healthy retirement. Although Cy's outstanding leadership will be missed, his commitment and compassion for helping others will continue to inspire us all.

Mrs. SCHROEDER. Mr. Speaker, I rise today for this special order honoring Cyril Brickfield who has been executive director for the American Association of Retired Persons [AARP] for the past 12 years.

Under Mr. Brickfield's leadership, AARP has become one of the most powerful proponents for senior citizens on Capitol Hill. Brickfield has led the way on many critical health issues including those aimed at closing the gap for older and midlife women.

Older women are at the greatest risk today. They are the least likely to have adequate health coverage or economic security through pensions or social security. These women need an organization like AARP to advocate on their behalf. I have welcomed the fine research and out reach AARP has devoted to this end in the last 12 years.

With 27 million Americans to speak for, AARP has been an outstanding leader on behalf of older Americans. Mr. Brickfield is to be commended for giving shape to such a remarkable group of Americans. His spirit of dedication is reflected in the efforts of his volunteers and the services AARP to million of Americans.

His retirement will not go unnoticed. But his fine work over the years leaves an organization that will be able to carry on his ideals and achievements far into the future.

Mr. DE LA GARZA. Mr. Speaker, anyone who has been working with the American Association of Retired Persons is familar with the name Cyril Brickfield. For 12 years the AARP has benefited from his keen leadership and astute voice on behalf of the Nation's senior citizens.

The AARP is saying goodby to a long-time friend and we wish to extend our own warm wishes on Mr. Brickfield's retirement. It is richly earned after his enormous efforts on behalf of AARP.

The number of legislative issues of concern to retired persons has been growing by leaps and bounds. And always Mr. Brickfield so ably and effectively represented the AARP members as their principal voice on Capitol Hill and in the halls of our Federal departments.

We congratulate Mr. Brickfield on his exemplary work for AARP, and we hope, as the Hebrew prophets once said, that his shadow may never grow short.

Mr. GOODLING. Mr. Speaker, I would like to take a moment to pay tribute to Cyril F. Brickfield, who retired from his post as executive director of the American Association of Retired Persons [AARP] on Friday, October 16.

I have a large number of AARP chapters in my congressional district and, I can assure you, their members are some of the best-informed senior citizens on legislative issues with whom I come in contact. This, in my mind, is a tribute to Mr. Brickfield and the AARP.

I receive the AARP newsletter and, in contrast with the publications of some other organizations representing senior citizens, they provide their members with accurate, up-to-date information on issues affecting their lives. Modern Maturity, the AARP monthly magazine, not only discusses up-to-date issues of interest to senior citizens, it provides mini-education courses and articles on other countries throughout the world which seniors may be interested in visiting.

What I am saying, Mr. Speaker, is that the AARP, under the guidance of Mr. Brickfield, has become a quality organization, producing quality materials for the benefit of senior citizens. Mr. Brickfield is to be commended on his accomplishments and I wish him the best in all of his future endeavors.

Mrs. MORELLA. Mr. Speaker, I am pleased to join many of my colleagues in honoring Cy Brickfield on his retirement from his post as executive director for the American Association of Retired Persons [AARP]. Cy has led AARP for 12 years, as well as actively working in other national programs dedicated to older Americans.

Under his leadership, AARP has grown to 23 million members, making it the largest senior organization in the country. Cy was an official U.S. delegate to the 1982 United Nations World Assembly on Aging in Vienna and served as a member of the advisory council for the 1981 White House Conference on Aging. He is chairman of the Leadership Council of Aging Organizations and served as president of the National Senior Citizens Law Center. These leadership roles represent only a few of his many achievements for seniors.

Mr. Speaker, his work on behalf of older Americans and our country has made a lasting contribution and he will be missed by so many people of all ages. I am pleased that Cy is one of my constituents, and I look forward to his continuing participation in local and national aging issues. I appreciate this opportunity to honor Cy today and to have joined his many friends at the recent dinner in his honor. Cy, we salute you!

Mr. MARTINEZ. Mr. Speaker, I rise today to pay tribute to Cyril F. Brickfield, the retiring head of the American Association of Retired Persons [AARP]. For the past 12 years he has served as executive director of the AARP, the world's largest nonprofit organization for persons over age 50.

In addition to his service to AARP, Mr. Brickfield has been active in many national programs aimed at improving the quality of life for all Americans over the age of 50. He was an official U.S. Delegate to the 1982 United Nations World Assembly on Aging in Vienna. He was a member of the Advisory Council for the 1981 White House Conference on Aging, and president of the Corporation for Older Americans which helped raise funds for that conference. He has also been an able and eloquent spokesperson for retired people in numerous public forums on television and radio.

Mr. Brickfield has also held key positions with the Veterans' Administration, and served as counsel to the U.S. House Committee on the Judiciary. An attorney by profession, he served his country during World War II as a pilot with the rank of major in the U.S. Air Force. He flew 53 combat missions over Nazi occupied Europe, and received the Air Medal with nine oak leaf clusters.

As a man with a long and brilliant career he can be sure that as he focuses his energy on other projects, his hard work and dedication has been appreciated by the more than 23 million members of AARP. His legacy of advocacy for the needs of retired persons, older workers, and older Americans will not be soon forgotten.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of this special order.

The SPEAKER pro tempore (Mr. OBERSTAR). Is there objection to the request of the gentleman from California?

There was no objection.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Member (at the request of Mrs. ROUKEMA) to revise and extend her remarks and include extraneous material:)

Mrs. MORELLA, for 60 minutes, on December 3.

(The following Members (at the request of Mr. GONZALEZ) to revise and extend their remarks and include extraneous material:)

Mr. OWENS of New York, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. RAY, for 5 minutes, today.

Mr. BONIOR of Michigan, for 60 minutes, today.

Mr. HAWKINS, for 60 minutes, today.

Mr. OWENS of New York, for 5 minutes, on November 17.

Mr. OWENS of New York, for 5 minutes, on November 18.

Mr. OWENS of New York, for 5 minutes, on November 19.

Mr. GAYDOS, for 60 minutes, on November 17.

Mr. GAYDOS, for 60 minutes, on November 18.

Mr. BONIOR of Michigan, for 60 minutes, on November 17.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mrs. ROUKEMA) and to include extraneous matter:)

Mr. DAUB.

Mr. BROOMFIELD.

Mr. GOODLING.

Mr. MCEWEN.

Mr. HOUGHTON.

Mr. GILMAN in two instances.

Mr. FAWELL.

Mr. GEKAS.

(The following Members (at the request of Mr. GONZALEZ) and to include extraneous matter:)

Mr. TRAFICANT in two instances.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. COELHO.

Mr. KANJORSKI.

Mr. MINETA.

Mr. EDWARDS of California.

Mr. MARTINEZ.

Mr. GARCIA.

Mr. ROYBAL.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1539. An act to amend the Federal Railroad Safety Act of 1970 and for other purposes; to the Committe on Energy and Commerce.

SENATE ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

The SPEAKER announced his signature to an enrolled bill and joint resolutions of the Senate of the following titles:

S. 247. An act to designate the Kern River as a national wild and scenic river;

S.J. Res. 53. Joint resolution to designate the period commencing November 22, 1987, and ending November 28, 1987, as "American Indian Week";

S.J. Res. 97. Joint resolution to designating the week beginning November 22, 1987, as "National Adoption Week";

S.J. Res. 174. Joint resolution designating the week beginning November 15, 1987, as "African American Education Week"; and

S.J. Res. 220. Joint resolution to provide for the extension of certain programs relating to housing and community development, and for other purposes.

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following days present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On November 10, 1987:

H.R. 3428. An act to provide for the distribution within the United States of the film entitled "America the Way I See It."

H.J. Res. 368. Joint resolution designating the week of November 8 through November 14, 1987, as "National Food Bank Week"; and

H.J. Res. 394. Joint resolution making further continuing appropriations for the fiscal year 1988, and for other purposes.

On November 13, 1987:

H.R. 3295. An act for the relief of Nancy L. Brady; and

H.R. 3457. An act to amend the Packers and Stockyards Act, 1921, to provide financial protection to poultry growers and sellers, and to clarify Federal jurisdiction under such act.

ADJOURNMENT

Mr. HAWKINS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock p.m.) the House adjourned until tomorrow, Tuesday, November 17, 1987, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2393. A letter from the Director, the Office of Management and Budget, transmitting the cumulative report on rescissions and deferrals of budget authority as of November 1, 1987, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 100-131); to the Committee on Appropriations and ordered to be printed.

2394. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a copy of the selected acquisition reports [SAR's] and summary tables for the quarter ending September 30, 1987, pursuant to 10 U.S.C. 2432; to the Committee on Armed Services.

2395. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-96, "Closing of Public Alleys in Square 377, S.O. 86-26, Act of 1987" and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

2396. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-97, "Elimination of the Building Restriction Line in Square 1661 on the West Side of 43rd Street, N.W., S.O. 86-261, Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

2397. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-99, "Citizen-Service Programs Amendment Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

2398. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-98, "Closing of Public Alleys in Square 698, S.O. 87-76, Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

2399. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-100, "Real Property Credit Line Deed of Trust Act of 1987," and report, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

2400. A letter from the Secretary of Education, transmitting a copy of final regulations for the Minority Science Improvement Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

2401. A letter from the Secretary of Education, transmitting a copy of final regulations for Research in Education of the Handicapped Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

2402. A letter from the Acting Chairman, National Graduate Fellows Program Fellowship Board, transmitting the first report on the Jacob K. Javits Fellows Program, pursuant to 20 U.S.C. 1134l; to the Committee on Education and Labor.

2403. A letter from the Acting General Counsel, Department of Energy, transmitting notification of a meeting related to the International Energy Program to be held on November 17 and 18, 1987, in Paris, France; to the Committee on Energy and Commerce.

2404. A letter from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend health professions loan authorities; to the Committee on Energy and Commerce.

2405. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting a report of political contributions by Henry Anatolo Grunwald, of New York, Ambassador Extraordinary and Plenipotentiary-designate to the Republic of Austria, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

2406. A letter from the Assistant Secretary of State for Legislative Affairs, transmitting a report of political contributions by Richard Huntington Melton, of Virginia, Ambassador Extraordinary and Plenipotentiary-designate to the Republic of Nicaragua, and members of his family, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

2407. A letter from the Chairman, National Labor Relations Board, transmitting a report of the Board's activities under the Government in the Sunshine Act during calendar year 1985, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

2408. A letter from the Secretary of the Interior, transmitting notification of his determination, after consultation with the Capital Memorial Commission, that the Korean War Memorial should be located in area I, Washington, DC, together with a draft of proposed legislation which, if enacted within 150 days, would have the effect of approving the location, pursuant to 40 U.S.C. 1006; to the Committee on Interior and Insular Affairs.

2409. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to redesignate units of the National Park System as National Battlefields; to the Committee on Interior and Insular Affairs.

2410. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Mineral Lands Leasing Act of 1920 to improve the administration of the Federal Coal Management Program, and for other purposes; to the Committee on Interior and Insular Affairs.

2411. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting a report from the Chief of Engineers, Department of the Army, on Hazard, KY, local protection project, together with other pertinent reports (H. Doc. No. 100-132); to the Committee on Public Works and Transportation and ordered to be printed.

2412. A letter from the Chairman, Nuclear Regulatory Commission, transmitting the Commission's report on abnormal occurrences at licensed nuclear facilities for the first calendar quarter of 1987, pursuant to 42 U.S.C. 5848; jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to H. Res. 294, the following report was filed on November 13, 1987]

Mr. HAMILTON: Select Committee. To Investigate Covert Arms Transactions With Iran. Report of the congressional committees investigating the Iran-Contra affairs (Rept. 100-433). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS. Committee on Government Operations. Report on State Department's management of nonexpendable personal property: Longstanding deficiencies remain uncorrected (Rept. 100-434). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS. Committee on Government Operations. H.R. 3471. A bill to establish the Veterans' Administration as an executive department (Rept. 100-435). Referred to the Committee of the Whole House on the State of the Union.

Mr. DINGELL. Committee on Energy and Commerce. Report on allocation of budget totals to subcommittees under the concurrent budget resolution for fiscal year 1988 (Rept. 100-436). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. FRANK: Committee on the Judiciary. H.R. 439. A bill for the relief of Thomas Wilson (Rept. 100-437). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. H.R. 1133. A bill for the relief of Thomas Nelson Flanagan (Rept. 100-438). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. H.R. 1491. A bill for the relief of Rodney E. Hoover (Rept. 100-439). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. H.R. 1671. A bill for the relief of the estate of Commodore Perry Miller (Rept. 100-440). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. H.R. 1672. A bill for the relief of Elizabeth Palansky Surak (Rept. 100-441). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. H.R. 2684. A bill for the relief of Cathleen S. O'Regan (Rept. 100-442). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. H.R. 2802. A bill for the relief of Fleurette Seidman; with an amendment (Rept. 100-443). Referred to the Committee of the Whole House.

Mr. FRANK: Committee on the Judiciary. H.R. 2973. A bill for the relief of Junior Achievement of Sacramento, Inc. (Rept. 100-444). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SWIFT:

H.R. 3643. A bill to facilitate the availability and affordability of insurance to American manufacturers, businesses, local units of government, and others by providing for the collection and analysis of certain insurance data, and for other purposes; to the Committee on Energy and Commerce.

By Mr. ROSTENKOWSKI (for himself, Mr. de la Garza, Mr. Downey of New York, and Mr. Panetta):

H.R. 3644. A bill to replace the existing AFDC program with a new family support program which emphasizes work, child support, and need-based family support supplements, to amend title IV of the Social Security Act to encourage and assist needy children and parents under the new program to obtain the education, training, and employment needed to avoid long-term welfare dependence, to make other necessary improvements to assure that the new program will be more effective in achieving its objectives, and for other purposes; jointly, to the Committee on Ways and Means, Education and Labor, and Agriculture.

MEMORIALS

Under clause 4 of rule XXII,

243. The SPEAKER presented a memorial of the House of Representatives of the State of Illinois, relative to a Free Trade Agreement with Canada; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 4 of rule XXII,

Mr. WYDEN introduced a bill (H.R. 3645) to provide relief to Columbia Sportswear Co. with respect to the tariff classification of certain wearing apparel, and for other purposes; which was referred to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 39: Mrs. Kennelly.

H.R. 111: Mr. Packard.

H.R. 469: Mr. Moorhead.

H.R. 637: Mr. Bosco and Ms. Slaughter of New York.

H.R. 1002: Ms. Oakar, Mr. Flake, and Mr. Mfume.

H.R. 1038: Mr. Schuette.

H.R. 1516: Mr. Bartlett.

H.R. 1600: Mr. Akaka, Mr. Anderson, Mr. Applegate, Mr. Archer, Mr. Armey, Mr. Baker, Mr. Bartlett, Mr. Barton of Texas, Mr. Ballenger, Mr. Bennett, Mr. Bereuter, Mr. Berman, Mr. Blaz, Mrs. Boggs, Mr. Broomfield, Mr. Bunning, Mrs. Byron, Mr. Callahan, Mr. Carper, Mr. Chandler, Mr. Cheney, Mr. Clinger, Mr. Conte, Mr. Courter, Mr. Craig, Mr. McDade, Mr. DeLay, Mr. Dellums, Mr. Dickinson, Mr. Dicks, Mr. Donnelly, Mr. Duncan, Mr. Edwards of Oklahoma, Mr. Emerson, Mr. English, Mr. Fawell, Mr. Fazio, Mr. Fields, Mr. Fish, Mr. Frenzel, Mr. Frost, Mr. Gallegly, Mr. Gallo, Mr. Gaydos, Mr. Gejdenson, Mr. Gekas, Mr. Gilman, Mr. Gingrich, Mr. Gradison, Mr. Grandy, Mr. Gray of Illinois, Mr. Gray of Pennsylvania, Mr. Gonzalez, Mr. Green, Mr. Gregg, Mr. Gunderson, Mr. Hammerschmidt, Mr. Hansen, Mr. Hastert, Mr. Herger, Mr. Henry, Mr. Hiler, Mr. Howard, Mr. Huckaby, Mr. Ireland, Mr. Jacobs, Mrs. Johnson of Connecticut, Mr. Kanjorski, Mr. Kasich, Mr. Kemp, Mr. Kolbe, Mr. Konnyu, Mr. Kyl, Mr. Latta, Mr. Leach of Iowa, Mr. Leland, Mr. Lent, Mr. Lewis of California, Mr. Lewis, of Georgia, Mr. Lott, Mr. Lowery of California, Mr. Lujan, Mr. Thomas A. Luken, Mr. Mack, Mr. Madigan, Mr. Manton, Mr. Marlenee, Mr. Martin of New York, Mrs. Martin of Illinois, Mr. Matsui, Mr. Mazzoli, Mr. McCandless, Mr. McCollum, Mr. McGrath, Mr. Mfume, Mr. Moorhead, Mrs. Morella, Mr. Morrison of Washington, Mr. Mrazek, Mr. Myers of Indiana, Mr. Natcher, Mr. Neal, Ms. Oakar, Mr. Owens of New York, Mr. Owens of Utah, Mr. Packard, Mr. Panetta, Mr. Parris, Mr. Pashayan, Mr. Petri, Mr. Pursell, Mr. Rangel, Mr. Ravenel, Mr. Ray, Mr. Rinaldo, Mr. Richardson, Mr. Ritter, Mr. Roberts, Mr. Rogers, Mrs. Roukema, Mr. Rose, Mrs. Saiki, Mr. Scheuer, Miss Schneider, Mr. Schuette, Mr. Schulze, Mr. Sensenbrenner, Mr. Shuster, Mr. Skeen, Mr. Slattery, Mr. Shaw, Mr. Robert F. Smith, Mr. Smith of Texas, Ms. Snowe, Mr. Stangeland, Mr. St Germain, Mr. Sundquist, Mr. Sweeney, Mr. Swift, Mr. Swindall, Mr. Tauke, Mr. Taylor, Mr. Thomas of California, Mr. Traxler, Mr. Vander Jagt, Mrs. Vucanovich, Mr. Walgren, Mr. Waxman, Mr. Whittaker, Mr. Whitten, Mr. Wolpe, and Mr. Wylie.

H.R. 1742: Mr. Smith of New Hampshire and Mr. Lancaster.

H.R. 1782: Mr. Evans, Mr. Gibbons, Mr. Green, Mr. Rowland of Connecticut, and Ms. Slaughter of New York.

H.R. 2168: Mr. Barnard.

H.R. 2248: Mr. Boulter.

H.R. 2474: Mr. Williams and Mr. Markey.

H.R. 2532: Mr. Downey of New York.

H.R. 2922: Mr. Frost.

H.R. 2943: Mr. Solarz, Mr. Parris, Mr. Gilman, Mr. Stark, Mrs. Boxer, and Mr. Horton.

H.R. 2944: Mr. Solarz, Mr. Dymally, Mr. Parris, Mr. Gilman, Mr. Myers of Indiana, Mr. Stark, Mrs. Boxer, and Mr. Horton.

H.R. 3065: Mr. Ford of Michigan, Mr. Ford of Tennessee, Mr. Kanjorski, Mr. Dellums, Mr. Olin, Mr. Mavroules, Mr. Smith of Iowa, Mr. Fazio, Mr. Buechner, Mr. Hatcher, Mr. Weber, Mr. Upton, and Mr. Skaggs.

H.R. 3193: Mr. Mfume, Mr. Smith of Florida, Mr. Hochbrueckner, Mr. Atkins, and Mr. Sensenbrenner.

H.R. 3199: Mr. Courter, Mr. Swindall, Mr. Ravenel, and Mr. Donald E. Lukens.

H.R. 3201: Mr. Donald E. Lukens.

H.R. 3332: Mr. Hochbrueckner, Mr. Hayes of Illinois, and Mr. Ridge.

H.R. 3340: Mr. Roth, Mrs. Morella, Mr. Owens of Utah, Mr. Thomas of Georgia, and Mr. Miller of Washington.

H.R. 3343: Mr. Martinez and Mr. Berman.

H.R. 3399: Mr. Jontz, Mr. Fish, and Mr. Lancaster.

H.R. 3432: Mr. Manton, Mr. Lipinski, Mr. Gejdenson, Mr. Coyne, Mr. Roe, Mr. Biaggi, Mr. Dwyer of New Jersey, Mr. Leland, Mr. Sikorski, and Mr. Dellums.

H.R. 3471: Mr. Barnard, Mrs. Bentley, Mr. Boland, Mr. Bonior of Michigan, Mr. Bosco, Mr. Brennan, Mr. Dorgan of North Dakota, Mr. Downey of New York, Mr. Dymally, Mr. Edwards of Oklahoma, Mr. Fish, Mr. Foglietta, Mr. Gekas, Mr. Goodling, Mr. Gordon, Mr. Grant, Mr. Guarini, Mr. Henry, Mr. Hopkins, Mr. Houghton, Mr. Hubbard, Mr. Hunter, Mr. Jenkins, Mr. Johnson of South Dakota, Mr. Kasich, Mr. Kennedy, Mrs. Kennelly, Mr. Kolbe, Mr. Leland, Mr. Lewis of Georgia, Mr. Lowery of California, Mr. Lowry of Washington, Mr. Mack, Mr. McCollum, Mr. McCurdy, Mr. McMillan of North Carolina, Mr. Mfume, Mr. Murtha, Mr. Oxley, Mr. Parris, Mr. Conyers, Mr. Pepper, Mr. Price of Illinois, Mr. Roybal, Mr. Scheuer, Mr. Sharp, Mr. Smith of Texas, Mr. Spence, Mr. Tauzin, Mr. Valentine, Mr. Vento, Mr. Watkins, Mr. Whitten, Mr. Moorhead, Mr. Flake, Mr. Darden, and Mr. Stokes.

H.R. 3478: Mr. Mrazek.

H.R. 3489: Mr. Anthony, Mr. Skeen, Mr. Gilman, Mr. Robinson, Mr. Stump, and Mr. Penny.

H.R. 3511: Mr. Kleczka, Mr. Mineta, and Mr. Mfume.

H.R. 3562: Mrs. Patterson, Mr. Miller of California, Mr. Bruce, Mr. Wortley, Mr. Hawkins, Mr. Lagomarsino, Mr. Smith of Florida, Mr. Fauntroy, Mr. Bevill, Mr. Matsui, and Mr. McGrath.

H.J. Res. 50: Mr. Bryant, Mr. Manton, Mr. Boehlert, Mr. Lehman of California, Ms. Slaughter of New York, and Mr. Spence.

H.J. Res. 332: Mr. Archer, Mr. Coleman of Texas, Mr. Gordon, Mr. Gregg, Mr. Lehman of Florida, Mr. Leland, Mr. Quillen, and Mr. Smith of New Hampshire.

H.J. Res. 373: Mr. Bevill, Mrs. Collins, Mr. Erdreich, Mr. Fauntroy, Mr. Fish, Mr. Lagomarsino, Mr. Lipinski, Mr. Smith of New Jersey, and Mr. Torres.

H.J. Res. 376: Mrs. Meyers of Kansas, Mr. Lehman of Florida, Mr. McDade, Mr. Boulter, and Mr. Donald E. Lukens.

H.J. Res. 383: Mr. Hertel, Mr. Wise, Mr. Rose, Mr. Gejdenson, Mr. Kanjorski, Mr. Carr, Mr. Wilson, Mr. Feighan, Mr. Rahall, Mrs. Boxer, Mr. Lehman of Florida, Mr. Mollohan, and Mr. Fascell.

H.J. Res. 386: Mr. Dwyer of New Jersey, Mr. Foglietta, Mr. Lancaster, Mrs. Lloyd, and Mr. Rostenkowski.

H.J. Res. 389: Mr. Bliley, Mr. Dornan of California, Mrs. Patterson, Mr. Solarz, Mr. Roe, Mr. Hochbrueckner, Mr. Horton, Mr. Matsui, Mr. Ford of Tennessee, Mr. Dixon, Mr. Hayes of Illinois, Mr. Owens of New York, Mr. Dymally, Mr. Dwyer of New Jersey, Mr. DeFazio, Mr. Wortley, Mr. Daub, Mr. Smith of Florida, Mr. Lagomarsino, Mr. Fauntroy, Mr. Kanjorski, Mr. Clay, Mr. Lewis of Georgia, Mr. Neal, Mr. Mrazek, Mr. Miller of Washington, Mr. Vento, Ms. Pelosi, Mr. Fazio, Mr. Crockett, and Mr. Henry.

H. Con. Res. 214: Mr. Davis of Michigan.

H. Res. 19: Mr. Packard.

H. Res. 254: Mr. Espy.

H. Res. 271: Mr. Ray, Mr. Sensenbrenner, Mr. Petri, Mr. Craig, Mr. Neal, Mr. Ritter, Mr. DeLay, Mr. Martin of New York, Mr. Quillen, Mr. Fish, Mr. Hyde, Mr. McGrath, and Mr. Molinari.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

98. By the SPEAKER: Petition of the New York State Board, Ancient Order of Hibernians, New York, NY, relative to allowing the immediate deportation of Mr. Joseph Doherty to Ireland; to the Committee on the Judiciary.

99. Also, petition of the City Council, New York, NY, relative to the conveyance of the Old U.S. Custom House to the Museum of the American Indian; jointly, to the Committees on Government Operations and Public Works and Transportation.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1720

By Mr. KANJORSKI:

After section 513, insert the following new section (and redesignate the succeeding section accordingly, with conforming changes in the table of contents):

SEC. 514. COLLECTION OF PAST-DUE CHILD SUPPORT AFTER CHILD ATTAINS MAJORITY.

(a) In General.—Section 464(c) of the Social Security Act is amended to read as follows:

(c) As used in this part the term past-due support means the amount of a delinquency, determined under a court order or an order of an administrative process established under State law, for support and maintenance of a child, or (in a case to which subsection (a)(1) applies) of a child and the parent with whom the child is living, without regard to whether or not the child involved is still a minor or is otherwise still currently entitled to such support from the noncustodial parent.".

(b) Effective Date.—The amendment made by subsection (a) shall apply on and after the date of the enactment of this Act, regardless of when the period for which the child support involved was due occurred.

EXTENSIONS OF REMARKS

THE 29TH MEETING OF MEMBERS OF THE EUROPEAN PARLIAMENT AND OF THE U.S. HOUSE OF REPRESENTATIVES

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. FASCELL. Mr. Speaker, the 29th meeting between Members of the House of Representatives and a delegation of the European Parliament was held in Seattle, WA on September 25-28, 1987. The U.S. delegation was chaired by the gentleman from California [Mr. LANTOS] and cochaired by the gentleman from Florida [Mr. GIBBONS] and New York [Mr. GILMAN]. The European delegation was chaired by Mr. Klaus Haensch, of West Germany; Mrs. Magdeleine Anglade of France served as cochairman.

Relations between the United States and Western Europe continue to be good. Nevertheless, this close political relationship has been confronted with a set of challenges which, if not addressed, could weaken the close bonds between us. Although the United States and European Community reached agreement earlier this year on the issue of EC enlargement and the citrus-pasta dispute, a number of outstanding trade issues still divide us. The U.S. trade deficit with the EC, which was $27.1 billion in 1986, continues to be a source of tensions in United States-European Community relations.

Another challenge the United States and Europe face is the situation in the Persian Gulf. Following the U.S. decision to increase its naval presence in the gulf, there was dismay in the United States over lack of cooperation from our European allies. The U.S. delegation explained this situation to their European colleagues and indicated that, while there was considerable displeasure with their initial response, the United States was pleased by recent European contributions in the gulf.

This series of meetings with the European Parliament is an important reminder of the many areas of common concern the United States and Europe share. Whether the question involves reaching agreement on trade policies or efforts to combat international terrorism, there is strong conviction on both sides that solutions must be found jointly.

Mr. Speaker, a report of the 29th meeting is printed below. The report provides a comprehensive portrait of the issues affecting United States-West European relations and I strongly commend it to my colleagues.

COMMITTEE ON FOREIGN AFFAIRS,
HOUSE OF REPRESENTATIVES,
Washington, DC., November 9, 1987.
Hon. DANTE B. FASCELL,
Chairman, Committee on Foreign Affairs, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We respectfully submit our report on the 29th meeting between a delegation from the United States Congress and a delegation from the European Parliament held in Seattle, Washington from September 25 to 28, 1987. Representative Tom Lantos (D-Calif) chaired the U.S. delegation; Representatives Sam Gibbons and Benjamin A. Gilman served as co-chairmen. Other Members of the U.S. Delegation included Representatives Don Bonker (D-Wash), Bill Frenzel (R-Minn), Don Pease (D-Ohio), Bill Clinger (R-Pa), Tom Coleman (R-Mo), Doug Bereuter (R-Neb), Bill Richardson (D-NM), Wayne Owens (D-Utah), and John Miller (R-Wash). The European delegation was chaired by Mr. Klaus Haensch of West Germany; Mrs. Magdeleine Anglade of France served as Vice Chairman.

The 29th meeting occurred at an important time in U.S.-EC relations. Progress at resolving disputes had been made since the two delegations' last meeting, but several challenges remain. Early in 1987 the U.S. and European Community reached agreement on the issue of EC enlargement; and in August 1987 the long running pasta-citrus dispute was settled. However, problems in the trade relationship, such as Airbus, telecommunications and the EC's proposed tax on fats and oil imports persisted. Members of the European delegation were particularly concerned with the rising protectionist trend in the United States and the trade bill, now being considered by a House-Senate conference committee. Recent developments in the Persian Gulf and in arms control underscored the importance of close U.S.-European cooperation and consultations on a broad range of issues and set the stage for our discussions.

U.S.-EC TRADE RELATIONS

The Trade Bill: The meeting with the European Parliament delegation began with a discussion of the trade bill before Congress. Representative Frenzel opened the trade discussion; also participating were Representative Bonker, and Mr. Erik Blumenfeld and Sir Fred Catherwood of the European delegation. Representative Frenzel noted that no less than 12 committees in the House and 7 committees in the Senate were involved in drafting the provisions of the two bills. Representative Frenzel noted that while the administration has threatened to veto the legislation, there were several provisions in the bill that the administration needed, including, Congressional extension of the Executive branch's negotiating authority for the Uruguay Round; a new harmonized custom code and revisions of various U.S. export licensing laws. It was noted that both the EC and Pacific Rim countries had several objections to the bill but that protectionist pressure in the Congress had been building for some time. A general feeling existed that the GATT had failed to address U.S. trade problems and was now obsolete. Representative Frenzel expressed the hope that a trade bill would be enacted by the end of the year.

Responding for the European delegation, Mr. Erik Blumenfeld stated several objections to the trade bill. He said that it:

Addressed trade problems unilaterally;

Escalated protectionism by pushing Pacific exports onto European markets; and

Set requirements for mandatory retaliation and thus tied the hands of the Executive branch in trade negotiations.

Mr. Blumenfeld stated that any unilateral U.S. action resulting from the trade bill would contradict GATT rules and severely undercut the Uruguay Round negotiations. He questioned what would happen if the trade bill was not passed by the end of the year. What were the chances of getting a bill through Congress in the midst of full swing Presidential campaign? He noted the role that trade was playing already in the preliminaries to the 1988 presidential race. Mr. Blumenfeld warned that passage of a protectionist U.S. trade bill would be likely to provoke a counter-response from the European Community.

Representative Bonker noted that persistent U.S. deficits seriously threatened the U.S. economic well-being of the United States. While the over-valued U.S. dollar was largely responsible for the initial trade deficit, there had been no significant drop in the deficit despite a drop in the value of the dollar. In January the Congressional leadership stated that trade would be the top priority for 1987. The trade bill is not a protectionist vehicle but rather aimed at unfair foreign trade practices which inhibit U.S. exports. Representative Bonker acknowledged that working through GATT would be the ideal way to proceed, but all confidence had been lost in GATT's ability to resolve these issues.

Sir Fred Catherwood suggested that the best short term solution to the U.S. deficit problem was a policy of restricted consumption, as provided for in IMF stabilization programs. The U.S. had been able to avoid this approach because others were willing to fund its deficits. Congress could most effectively influence the debate on the trade deficit by providing the administration with a clear list of trade objectives for the Uruguay Round. Unilateral U.S. actions would destroy GATT and the principle of multilateralism in trade negotiations.

Textile Bill: The delegation next turned its attention to the textile issue. Representative Gibbons presented a historical background of the U.S. textile industry and the provisions of the textile bill. The U.S. textile industry is in a state of transition—textiles have good prospects for being competitive, but the U.S. garment industry suffers from several structural problems he said. The textile bill would set limits on everyone's exports into the U.S. market, and freeze imports of shoes by the U.S. at their 1987 levels.

Mr. Seal, responding for the European delegation, expressed the Community's opposition to the bill. The previous textile bill in Congress in 1985, contained an exemption

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● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

on EC textile imports whereas the present legislation contains no such exemption. Mr. Seal underscored the need to renegotiate the Multifiber Agreement and to solve the textile issue within the GATT. He pointed out textiles were an area where U.S. tariff barriers were higher than EC ones. Passage of the U.S. bill would result in a flood of Pacific Rim goods to Europe and almost certainly force the EC to retaliate.

Agricultural Trade: the next issue of discussion was agricultural trade. Representative Coleman led off the discussion with a review of the U.S. proposal in the Uruguay Round to phase out all agricultural subsidies and trade restrictions within the next 10 years. Agreement must first be reached on a "producer subsidy-equivalent." Then, each country, within a Uruguay-agreed baseline, could develop its own plan to reduce national subsidies. Representative Coleman further discussed the option of providing non-production payments to farmers. Members expressed concern about the social impact of a widespread non-production payment program for farmers. Representative Bereuter underscored the need for agricultural subsidy reductions to occur together with our EC allies and not on a unilateral basis. Several European delegates questioned the usefulness of the non-production payment proposal and noted that European farmers were too independent-minded to accept a "form of dole."

Mr. Raftery outlined a number of steps the Community had taken recently to limit agricultural overproduction, including: quotas on dairy and sugar; restrictions on interventionist purchases of cereal; and increases in EC imports on "duty-free" corn gluten from the U.S. Mr. Raftery warned that there was pressure building to place a levy on U.S. corn gluten imports equal to that on the EC domestic product. He explained that the EC meat hormone issue was primarily a political one. The proposed hormone ban reflected European consumer health concerns and was not intended as a form of hidden protectionism. The U.S. delegation stated its strenuous objections to the EC ban on growth producing hormones, scheduled to take effect on January 1, 1988. This action would affect approximately $130 million in U.S. meat exports to the EC. The U.S. delegation called for the EC to postpone the January 1 implementation of the ban in order to allow more time for negotiations in the GATT.

Other topics discussed included: recent CAP reform, world agriculture surpluses, and the role of the farm policy debate in upcoming U.S. elections.

Worker Rights in the New GATT Round: Representative Pease raised the issue of worker rights and cited the provision in the House and Senate version of the trade bill. Over the past several months, the U.S. has sought support from other countries for tabling a formal proposal on protection of workers' rights at the GATT. These consultations are intended to reassure other countries that the U.S. does not seek to use workers' rights as a pretext for restricting trade. Representative Pease urged the European Parliamentarians to lobby their GATT representatives to vote in favor of the establishment of a working group on this issue when the motion in formally tabled at the GATT council.

Foreign Investment in the U.S.: Representative Clinger opened this discussion by pointing out that the hotel in which the delegations were meeting was Canadian owned and had recently been refurbished with Japanese capital. This was a good illustration of the recent rapid growth of foreign direct investment in the United States. Foreign investment had resulted in economic benefits and a dampening of protectionist sentiments in both the U.S. and Europe. Nevertheless, Congress views the escalation of foreign investment in this country with concern, and has included amendments in the trade bill to restrict, screen, and control foreign direct investment in the United States. European delegates contended that these amendments would have an adverse effect on U.S. interest rates and contribute to a general loss of jobs and production. The U.S. and the EC must recognize the increasing interdependence of their economies and work together to meet the challenges presented by the development of a truly global industrialization process. Representative Clinger cited a proposal by a University of Pittsburgh professor for a joint U.S.-EC program to consider the effect of global industrialization.

Airbus: Representative Bonker outlined the problems involved in the U.S.-EC dispute over Airbus. He warned that this issue was gaining new urgency due to the increasing likelihood that the U.S. industry would file a Section 301 trade action against Airbus. If the two sides do not resolve their differences soon, the Airbus issue could become a more divisive trade problem between the U.S. and EC than the pasta-citrus wars of earlier years. Mr. Brok pointed out that the U.S. has enjoyed an 80 percent share of the world aircraft market for quite some time. Special steps were now needed to permit the European Community to break into this area and become less dependent on U.S. producers. He noted that 50 percent of the components for Airbus came from the United States and encouraged the U.S. delegation to view this as a venture that benefitted everyone, rather than one against the other. These sentiments were echoed by other members of the European delegation. Mr. Blumenfeld stated that the real goal for the U.S. and the EC should be to reach early agreement on the terms that will guide future cross-Atlantic competition in this area.

U.S.-EC Relations with Japan and the Pacific Rim: Representative Bonker outlined the dramatic shift in U.S. trade over the last 20 years from the Atlantic to the Pacific. He pointed out that over half the U.S. trade deficit resulted from trade with three Pacific countries: Japan, Korea and Taiwan. Visible and invisible trade barriers, lack of intellectual property protection, and export financing are among the most contentious issues in U.S.-Pacific Rim relations. The U.S. continues to push for increased access to the Japanese market. The European delegation expressed agreement with the Representative Bonker's remarks. They noted that in 1984, the EC established a series of voluntary import restraints (including autos, machine tools and electronics) on Japanese imports which continue to be in force today. Distinctions were made between Pacific Rim countries such as Singapore and Hong Kong which had open markets and South Korea and Japan which restricted imports. Mr. Seal noted that the EC planned to wait until the end of the year to reassess Japanese trade practices and consider further community responses, if necessary.

COCOM/Toshiba-Kongsberg: In the context of the discussion on relations with Japan and the Pacific Rim, Representative Gibbons outlined the background to the Toshiba-Kongsberg diversion—a case in which COCOM controls had failed miserably. COCOM noncompliance was a widespread problem among member states. Participants agreed that a reassessment of COCOM rules was long overdue. It was pointed out that originally COCOM controls were exclusively based on security considerations but that it was now necessary to consider their trade ramifications as well. In the recent trade bill, Congress has proposed trade sanctions as a response to COCOM non-compliance. Representative Bonker pointed out that the trade bill contains provisions to loosen some COCOM restrictions, but in the present climate change could only be achieved if member countries strengthened their own domestic controls on a sensitive technology.

Mr. Didier Montchane reminded members that COCOM was an international organization. Excessive U.S. intervention into the domestic affairs of European countries under COCOM auspices had caused problems in the past. All countires must work to eliminate recurrence of such incidents in the future. A consensus emerged from the discussion that steps must be taken to restrict the COCOM list to truly sensitive items. COCOM reform could be expected to result in improved compliance across the board.

DISARMAMENT AND SECURITY ISSUES

Arms Control: Representative Richardson outlined the pros and cons of the impending INF agreement. He noted that an INF treaty would eliminate a whole class of weapons, represent a breakthrough in verification procedures and have important implications for U.S.-Soviet bilateral relations. The agreement also presented several dilemmas for the alliance, including persistance of the "decoupling" question, increased significance of Warsaw Pact conventional force advantages, implications for the doctrine of flexible response, and renewed alliance tensions over burdensharing. It was hoped that the agreement would provide political impetus for additional progress in strategic arms control.

Both delegations agreed it was important for the alliance to reach a common position on how to proceed after an INF agreement. Members of the European delegation pointed out several steps taken recently by the Europeans to improve their own defense coordination—particularly the previous day's announcement of a French-German Joint Military Council. There was considerable discussion on what the European public would demand in the wake of an INF treaty. Mr. Brok questioned whether the agreement would make the superpowers more secure, but not the Europeans. He noted the concern in West Germany that the prospect of fighting a war on German soil was now greater. The importance of maintaining U.S. troops in Europe in the wake of any INF agreement was voiced by several members. Differing views were expressed on whether or not recent changes the Soviet Union represented an opportunity or a threat to NATO.

Persian Gulf: Representative Gilman led off the discussion by outlining the importance of the Persian Gulf for the U.S. and the history of the U.S. decision to re-flag Kuwaiti vessels. He noted the struggles between the Congress and the Executive branch over the re-flagging policy and stated his view that while European contributions were appreciated, greater efforts were required. The Lord Bethell noted that France and Britain had long histories of involvement in this region. He expressed the view that Western cooperation in the most recent Gulf developments was a "test case" in good allied collaboration and suggested ways in which West Germany could also join in this effort.

A lively discussion followed, in which differing views were expressed on both sides regarding the success or lack thereof of burdensharing efforts in the Persian Gulf. Members of both delegations raised important questions over the open-ended nature of the western commitment to the Gulf and the need to further clarify policy objectives in the area. UN efforts to enforce a ceasefire in the Iran-Iraq war were also discussed. Several participants expressed the view that sanctions should be applied to both Iran and Iraq, instead of singling out one party to the conflict. The session concluded with a short debate over the desirability of permitting payment for the release of hostages by terrorists.

MISCELLANEOUS

While the following topics were not formally on the agenda for the 29th meeting of the U.S. Congressional and European parliamentary delegations, members were afforded the opportunity to raise issues of particular personal concern.

International Narcotics Trafficking: Representative Gilman led off the discussion with a report on international narcotics trafficking. He noted that since the last meeting in April of 1987, little change had taken place. One positive sign however, had been the growing awareness of the threat posed by continuing spread of drug production, trafficking and abuse. Representative Gilman cited the Comprehensive Multidisciplinary Outline of Future Activities (CMO)—a list of recommendations for present and future government actions in the control, production, trafficking, prevention and treatment of drugs—which was approved at the International Conference on Drug Abuse and Illicit Trafficking in July, 1987. He expressed his hope that the European Parliament would formulate a regional strategy to combat the drug menace.

Visa Reciprocity: For several years the European Parliament has urged the United States to end its visa requirement for EC citizens wishing to visit the U.S. for tourist or business purposes. In 1986 Congress passed and the President signed into law the Immigration and Reform Act, which provided for a three-year pilot visa waiver program. Difficulties in the completion of an INS computer system to monitor arrival and departure has delayed implementation of the program. Members of the European delegation expressed their hope that Congress would continue to pursue an early resolution of this issue.

The two delegations discussed a number of additional issues more briefly. Representative Gilman led a discussion on international terrorism, pointing to increasing cooperation on both sides of the Atlantic. He praised the efforts of European nations to assert the rule of law by placing suspected terrorists on trial, and convicting them.

Members from the European delegation discussed recent EP resolutions on Central America. Representatives Bereuter and Miller responded by discussing American attitudes toward the Guatemala/Arias peace plan. While there was some disagreement on the best vehicle for obtaining a settlement, both delegations supported the objective of freedom and democracy in the region.

Representative Lantos raised the issue of human rights violations in Tibet, referring to legislation passed in the House of Representatives on this subject. Chairman Haensch stated that he would raise the matter with the European Parliament's delegation to the People's Republic of China.

Finally, Representatives Lantos and Gilman discussed the desirability of an increase in EP contributions to the International Fund for Ireland. Representatives from the European delegation noted that the EP gave very considerable subsidies to Ireland via other mechanisms, but suggested that further discussions of the matter be held in the future.

Three days of discussions and consultation pointed out more areas of agreement than disagreement between the two delegations. This continuing dialogue with the European Parliament has created an open forum to explore potential areas of cooperation of problems affecting both U.S.-European relations, as well as on broader international issues. The U.S. delegation looks forward to meeting with its European colleagues again in January 1988 to continue discussions on various topics of Joint U.S.-European concern.

Sincerely yours,

Sam Gibbons,
Cochairman, U.S. Congressional Delegation.

Tom Lantos,
Chairman, U.S. Congressoinal Delegation.

Benjamin A. Gilman,
Cochairman, U.S. Congressional Delegation.

THE BAHA'IS ONLY REAL CHANCE OF SURVIVAL LIES WITH THE UNITED STATES

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. PORTER. Mr. Speaker, I want to bring to my colleagues attention an excellent editorial in last week's Wall Street Journal entitled "Persecuting the Baha'is." As many of you know, the Baha'is are a relatively small community who abide by their religion to seek universal peace for all humanity. Despite their humanitarian principles and peaceful policies, the Iranian Government continues to harass, persecute, and in many instances execute followers of the Baha'i religion. Recently, Egypt followed Iran's lead and sentenced 48 Baha'is to prison, merely for practicing their religion.

The United States has continually spoken out against these atrocities—for instance, in 1982 and 1984, the House passed concurrent resolutions condemning Iran's actions; and in 1985, numerous Members of the House and the Senate sent a special appeal urging the U.N. Human Rights Commission to favorably consider a resolution condemning Iran's human rights practices, with specific reference to the Baha'is.

I urge you to join me and my distinguished cochairman of the congressional human rights caucus, Representative Tom Lantos, in a special order at the end of legislative business on Tuesday November 17 to discuss the religious repression of the Baha'is. We must continue to speak out against these atrocities until government-sponsored persecution of the Baha'is is abolished.

The Wall Street Journal editorial follows:

PERSECUTING THE BAHA'IS

More than 200 members of his persecuted minority have been executed since 1979, with the two most recent state-sanctioned killings taking place two months ago. Several hundred languish in prison, without charge, often subject to torture and other atrocities. The state arbitrarily confiscates their property, they are systematically prevented from earning a decent living, their children are excluded from the educational system, and they are denied freedom to emigrate from the country.

These are the 300,000 adherents of the Baha'i faith in Iran, who are the targets of what can only be described as a genocide campaign by Iran's Moslem fundamentalist theocracy. Iranian religious fanatics act with impunity against the Baha'is, because members of the religious minority are considered "nonpersons" under Iran's constitution, and are therefore afforded no protection in Iranian courts. The Baha'is only real chance of survival lies with the U.S. and other sympathetic members of the international community.

Iran cares about its standing in the international community. Indeed, condemenation of Iran's gross human rights violations in United Nations resolutions succeeded in pressuring the government to curb some of its most egregious actions. Its persecution of the Baha'is abated, with fewer reported executions and the release last year of 500 members of the religious minority from Iran's prisons. But when the Untied Nations turned its sight from Iran, the fundamentalist government stepped up its persecution of the Baha'is.

Iran was merely biding its time, figuring that the U.S. and other concerned members of the international community had short attention spans; that they would not be vigilant in protesting its persecution of the Baha'is. This past May Egypt sentenced 48 Baha'is to prison for practicing their religion. The weak protests of the U.S. and other nations hardly discourages other Moslem nations from following suit.

That a peaceable community such as the Baha'is could come to this plight reveals the danger of Moslem fanaticism. The Baha'is faith is relatively small, with fewer than four million followers world-wide. Its teachings pose no threat to Iran's religious or government leaders. Its adherents are instructed to obey the laws of the governments under which they live and avoid partisan political involvement. Its religious dogma is certainly unoffensive; it seeks "universal peace" for all humanity.

This aspiration seems consonant with the peaceful, humanitarian principles espoused in Moslem teachings. That Iran's Moslem clergy are so intolerant of the Baha'is (whom they refer to as "misguided infidels"), and advocate their oppression, indicates an inherent hypocrisy in these ruling fanatics. That the government acts on this hypocrisy—jailing, torturing and killing Baha'is merely for adhering to their faith—underscores how important it is that the U.S. and other nations draw attention to Iran's persecuted religious minority.

A TRIBUTE TO SEAN O'NEAL

HON. CHARLES PASHAYAN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. PASHAYAN. Mr. Speaker, I should like to take a minute to commend a constituent in my district, Sean O'Neal, who is completing his term of office as chair of the board of directors for the Hospital Council of Central California.

Sean has served on the executive director of Delano Regional Medical Center, a 120-bed acute-care hospital located in Delano, CA, the heart of agriculture in the San Joaquin Valley. The hospital serves a high percentage of poor and low-income residents maintaining excellent service.

He has served on the board of directors of the Hospital Council of Central California for 3 years and was the chair of the board of directors during 1987.

The Hospital Council of Central California is an organization of 70 hospitals in 15 counties of central California, formed to advance the health care needs of the residents in central California and to articulate and advocate for the needs of the acute-care hospitals.

Under Mr. O'Neal's leadership, the members of the hospital council have become actively involved in developing health policy. Through these efforts, critical information has been provided to my office and those of my colleagues as we work on shaping legislation.

Mr. O'Neal's dedication and commitment are reflected in his service on the executive committee and board of directors of the California Association of Hospitals and Health Systems and his service as chair of the Corporation for Hospital Educational and Shared Services.

Mr. O'Neal has 13 years of tenure in hospital administration, including time spent in Arizona, Oklahoma, and California.

Mr. Speaker, I am pleased to have this opportunity to recognize the work and dedication of Mr. O'Neal and to thank him for his service to his community and to the health care industry.

A TRIBUTE TO THE KNIGHTS OF COLUMBUS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. TRAFICANT. Mr. Speaker, today I rise in order to pay tribute to the Youngstown Council of the Knights of Columbus, a very special organization in my 17th Congressional District. I am pleased to inform my fellow Members of the U.S. House of Representatives that the Youngstown Council 274 is celebrating their 90th anniversary as a vibrant and dynamic force in Mahoning County. The Knights of Columbus is a Roman Catholic organization that works exhaustively to assist the handicapped and tries through enormous effort to promote better understanding of Roman catholicism.

The Youngstown Council was the vital link as the Knights of Columbus spread throughout the Midwest. It was the first Council organized in the State of Ohio, and many of the founding members of Council 274 played an essential role in the formation of other councils throughout Chio. On the historic night of October 24, 1897, at St. Joseph's Church in Youngstown, 56 men were initiated as charter members of Council 274. William A Maline became the first grand knight, and Warren E. Mosher became the first territorial deputy.

The Youngstown Council has made an astounding contribution to the improvement of Mahoning County. They provided free night school to World War I veterans, promoted Catholic Summer School, and sponsored summer camps at Lake Milton and Lake Stafford. They also sponsored the Golden Gloves Tournaments, through which several Youngstowners became great professional boxers.

Today Council 274 continues its slavish efforts to promote the general welfare, and helps people regardless of their religious beliefs. The Youngstown Council's Measure Up Campaign gives financial assistance to the mentally retarded and handicapped, and other activities endow both the Ohio State Youth Campaign and the Diocesan Film and Slide Library. And in the spirit of ecumenicalism and religious understanding, each year Council 274 takes part in a brotherhood celebration both with B'nai B'rith and the Free Masons.

Literally thousands of people have seen their lives bettered by the Knights of Columbus. I am proud to say that the Youngstown Council is as strong as ever today, and continues to provide social and intellectual fellowship for Catholics of all ages. It is my most heartfelt desire that the Knights of Columbus becomes an even greater force in the Youngstown community in its next 90 years. Thus, it is with thanks and special pleasure that I join with the residents of the 17th Congressional District in honoring the Youngstown Council 274 of the Knights of Columbus on their 90th anniversary.

CONGRESSMAN MILLER PRAISES CAROL SPARKS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. MILLER. of California. Mr. Speaker I rise to pay tribute to an outstanding educator from Contra Costa County. Carol Sparks, a Spanish teacher at Foothill Middle School in my district, has recently been selected by the State of California as one of 12 outstanding educators who will receive an award in the first annual California Outstanding Educator Awards.

Ms. Sparks is well known at Foothill for her outstanding leadership abilities, professional achievements, and her deep commitment to excellence in education. Knowing of the many excellent teachers at Foothill and in the State of California overall, I recognize what a great honor this is for Ms. Sparks and know that it is well deserved.

Ms. Sparks was nominated for this award by the California Foreign Languages Teacher's Association in recognition for her work as a Spanish teacher. Furthering excellence in education, particularly foreign languge education, has long been a high priority for both Carol Sparks' and the Association. I applaud their dedication and commitment to such a worthy purpose.

Outstanding educators such as Ms. Sparks too often go unrecognized. I am very proud to commend her today and offer my congratulations for her achievements. In addition, I hope that she will serve as an inspiration to her fellow teachers and that they too will be recognized for their service to our community.

KILDEE HONORS COMMUNITY VOLUNTEERS

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. KILDEE. Mr. Speaker, I would like to bring to the attention of my colleagues the spirit of community and volunteer activism of three constituents from my hometown of Flint, MI.

As those of us in the Seventh Congressional District well know, the people of Flint are confronting profound changes that challenge all of us to excell as never before. Three who have made a difference are Rosanne and Stephen Heddy and Joey Taruntaev. Appropriately, these three people are being honored during Genesee County's Sesquicentennial Ball celebration on Saturday. All three embody the dedication and spirit of those who carved from wilderness a community that has not only endured but prevailed through good times and bad.

Ms. Taruntaev is well known for her activities on behalf of the Flint River Canoe Classic and the Genesee County and Michigan sesquicentennial committees. It is, in fact, her efforts that helped make possible Saturday's sesquicentennial celebration at the Hyatt Regency in Flint.

She will be joined in that celebration by the Heddys, whose volunteer activities are unsurpassed in our community. The FEAT Foundation, Bobby Crim Road Race, Flint Art Fair, and United Way are just a few of the agencies and events that have benefited from the involvement of this talented couple.

As we in Genesee County celebrate 150 years as a community, it is fitting and proper that we honor those among us who have given so much of themselves as volunteers. Mr. Speaker, I am pleased to pay tribute to Stephen and Rosanne Heddy and Joey Taruntaev. Their devotion to Flint and Genesee County reinforces my own dedication to serving the people of the Seventh Congressional District.

CUSTOMS SERVICE OVERSIGHT

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. WYDEN. Mr. Speaker, it is especially discouraging when an action of our own Government places a serious hardship on one of our businesses.

Unfortunately, that is what is happening in my congressional district today. The U.S. Customs Service failed to provide adequate notification of a tariff reclassification to an Oregon company, Columbia Sportswear. As a result, the company now faces hundreds of thousands of dollars in increased duty charges, which it has no way to recoup.

Despite extensive efforts to resolve the problem with the Customs Service administratively, the agency maintains it has no legal authority to provide relief without the enactment of legislation.

To address this situation, Senator HATFIELD and I are joining in introducing a private relief bill.

On rare occasions—when an action of our Government causes serious and unjust harm to a company or constituent—private relief legislation may become necessary. Mr. Speaker, I believe the case of Columbia Sportswear presents us with one of these occasions.

Columbia Sportswear is a family owned business based in Portland, OR. Since its founding in 1937 Paul Lamfrom, a German immigrant, the company has grown from a small regional distributor of hats and caps to a leader in the outdoor clothing industry in North America. Columbia Sportswear is still managed by Lamfrom's direct descendants.

The company employs approximately 200 people, many of whom work and live in my congressional district. In addition to its Portland operators, Columbia maintains a manufacturing and distribution center in Chaffee, MO. The company also contracts for production with companies in Washington, Oregon, and Tennessee; and imports products from Korea, Taiwan, Hong Kong, and Japan.

Because Columbia Sportswear is a creative designer of outdoor clothing, it works closely with the U.S. Customs Apparel Import Specialists at the Port of Portland to determine the proper classification of garments prior to their actual importation. In 1985, the company designed and introduced an innovative kind of sportswear consisting of an outer shell and an inner liner. In consultations with the local import specialist, the company was informed that the garments would be classified as one garment under the U.S. Tariff Schedules.

On repeated occasions since 1985, the company met with and provided samples to the local import specialist at the Port of Portland to confirm the proper classification of the merchandise. On each occasion, the garments were determined to be properly classified as one garment. In fact, the local import specialist at the Port of Portland has issued five written rulings advising Columbia Sportswear of the single garment classification.

Relying on those rulings, Columbia Sportswear imported more than 75,000 garments, comprising 18 entries and 13 liquidations, through the Port of Portland without any indication that the classification provided by the local import specialist was improper.

Then on May 20, 1987—1½ years after Columbia Sportswear first requested and received unequivocal classification advice—the local import specialist notified the company that it would ask the U.S. Customs Service office in New York to review the classification of these particular garments. The New York office has responsibility for local as well as national customs determinations.

On July 16, 1987, following an advisory opinion received from the New York office, the Port of Portland informed Columbia Sportswear that it would change the classification of the garments. Each garment, consisting of a shell and a liner, would now be treated as two separate garments for tariff classification and import quota purposes. As a result, Columbia Sportswear would have to obtain twice the amount of import quota and pay additional import duties, for committed and future factory bookings.

Through no fault of its own, Columbia Sportswear now faces extreme hardship as a result of this reclassification. The company must pay increased duty charges of $325,000 and additional quota costs of approximately $150,000 on garments subject to the new classification, yet it has no way to recoup these losses through price increases or other measures.

Columbia sold more than 90 percent of the garments in its fall 1987 line between the months of January and March 1987. As a result, the company cannot offset increased duty charges and quota costs on these garments by raising prices. Nor can Columbia cancel production, as firm factory orders have been placed to enable the factories to obtain fabric and start production.

The bill I join Senator HATFIELD in introducing would provide Columbia Sportswear with duty relief for committed factory bookings it made in reliance on written Customs Service advice and prior classification practice. No relief is requested for factory bookings made after May 20, 1987, the date that Columbia Sportswear was notified that the prior rulings and practices might be changed.

This bill simply allows Columbia Sportswear to import as one item specific garments ordered prior to the date the company was notified that a new ruling would be requested from New York. For those items already liquidated by the Customs Service as two garments, Columbia is entitled to receive the appropriate refund of any duty paid.

Mr. Speaker, I urge my colleagues in the House to consider this legislation, and to act to remedy this inequity.

U.S. SALINITY LABORATORY'S 50TH ANNIVERSARY

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. BROWN of California. Mr. Speaker, today a seminar is being held in recognition of the 50th anniversary of the U.S. Salinity Laboratory [USSL] located at Riverside, CA. I would like to add my voice to those honoring this research facility whose work is so vital to the continued prosperity of agriculture in the arid West.

The laboratory was started at its current site in 1928, at the base of Mount Rubidoux in the town of Riverside, CA. It was given a mission to conduct research relating to water quality with an emphasis on the toxicity to plants of chemicals found in arid lands soil. In 1937, the Federal laboratory was established at the same site and its mission was broadened to include "research on the problems connected with the success and permanence of agriculture on saline and alkali soils." In the intervening years, the facility has become a world-class institution and a center of excellence for the study of salinity problems which plague irrigated agriculture.

Last year, Congress recognized the USSL in its own way, passing legislation to relocate the laboratory in new facilities located on the campus of the University of California at Riverside. These new facilities will allow the U.S. Salinity Laboratory to continue its tradition of excellence for the next 50 years.

I regret that I cannot be at the seminar honoring the work of the USSL over the last 50 years. But as the representative of the congressional district in which the laboratory is located, and as chairman of the House agriculture subcommittee dealing with agricultural research, I want to thank those who are working at the laboratory for their efforts on behalf of agriculture. I want to recognize the laboratory's current director, Dr. Parker Pratt, and the former director, Dr. Jan van Schilfgaarde, both of whom are at the seminar today, and I want to thank them for their stewardship of the USSL. I also want to thank Dr. Terry Kinney, the Administrator of the U.S. Agricultural Research Service for his support of the efforts to modernize the laboratory. But mostly I want to commend the U.S. Salinity Laboratory on a job well done and pledge my efforts to see this fine research work continue.

IN HONOR OF JEAN RUNYON TOW

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. FAZIO. Mr. Speaker, I rise today to salute a dear friend of mine, Jean Runyon Tow, who will receive the Boy Scouts of America's Scouting's Person of the Year Award for her many years of dedicated public service. I have known and worked with this giving and talented woman for many years. I admire her very much and am proud to be her a friend. I would like to share a few of her many accomplishments with my colleagues in the U.S. House of Representatives.

Jean is indefatigable and has been a driving force in Sacramento for years. Her years of public service and her outstanding efforts in business communications have won her the respect and admiration of business leaders, State and local officials, clients, and the public alike. Jean is known for taking promising young people, on their way up, under her guidance and introducing them to the people who drive the Sacramento area.

Jean grew up in Berkeley where she later attended the University of California, majoring in dramatic arts. In the mid-1950's, she chose a career in advertising and public relations and has been much acclaimed since then. Her renowned creative talents help her oversee an award-winning staff of designers, writers, and media consultants. Jean directs advertising campaigns, public relations, and marketing for clients throughout California. By combining a vigorous advertising stance with extremely perceptive public relations talents, she conceives and organizes unique special events and spearheads many specialized advertising and marketing strategies.

Jean Runyon Tow was the first woman to be named the PR Man of the Year by the Sacramento Public Relations Round Table. She is nationally recognized through listings in "Who's Who of American Women" and has been named Woman of the Year by numerous local organizations, including the Sacramento Metropolitan Chamber of Commerce. In 1986, Jean was inducted into the Sacramento Junior Achievement Business Hall of Fame. In 1987, she was given the American Advertising Federation Silver Medalist Award by the Sacramento Advertising Club.

Her community involvement is very extensive. Despite her incredibly active schedule, Jean has given a great deal to many causes and organizations including the United Way, the Crocker Art Gallery, the Matsuyama Sister City Corp., the Metropolitan Arts Commission, the Sacramento Theater Co., the Sacramento Symphony, and the Make-A-Wish Foundation. Jean has long been a key part of fundraising efforts for the symphony, drama, and the opera. Her theatrical talents remain sharpened by her annual performance as a good Halloween witch, now a well-known Sacramento tradition.

She is a charter member of the Harry S. Truman Club and was the first woman to be asked to serve on the board of trustees for Sutter Hospital. In 1976, then-California Gov. Edmund G. Brown, Jr., appointed her to the Joint Commission on Fair Judicial Election Practices.

Jean continues to give so much of herself. By honoring her as the Scouting's Person of the Year, the Golden Empire Council of the Boy Scouts of America has acknowledged that Boy Scouts can learn a great deal from this woman. What scouts and all young people can learn from Jean Runyon Tow is loyalty, kindness, true friendship, and love for community and family.

Mr. Speaker, it is with great pride and pleasure that I pay tribute to my good friend Jean Runyon Tow. I am sure the other members of this body will join me in saluting this extraordinary woman.

U.N. RESOLUTION 3379

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. LEVIN of Michigan. Mr. Speaker, November 10 was the anniversary of two inauspicious and ignoble acts.

As most of us here are aware, 12 years ago last week the United Nations passed its Resolution 3379 equating zionism with racism. In an irony that could be described only as cruel, November 10 is also the anniversary of Kristallnacht, that infamous night of anti-Semitic violence in Nazi Germany that some would suggest was the true beginning of Hitler's final solution, the Holocaust.

To equate zionism with racism is to completely misunderstand and miscast zionism—it is in fact the very opposite of racism. Zionism is a movement of self-protection against racism. This movement for a Jewish national state was and is a direct and justified response to the murderous anti-Semitism that destroyed 6 million Jews in Nazi Europe.

The resolution equating zionism with racism gives legitimacy to a gross lie. It dishonors the United Nations to have passed it, and the honor of the United Nations demands that the resolution be overturned.

With the President of Israel visiting our country, the first-ever state visit by an Israeli President, we in the Congress can find no more earnest welcome than by passing our own resolution calling upon the administration to support all efforts to overturn this resolution.

IN HONOR OF "MR. SKOKIE," MAYOR ALBERT SMITH

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. PORTER. Mr. Speaker, when the phrase "living legend" is uttered, the names of sports heroes may come to mind more readily than those of public officials. However, the term aptly describes Albert J. Smith, who is retiring as mayor of Skokie, IL, after providing nearly a quarter-century of outstanding leadership to that community.

At the press conference where he announced his retirement, those who have been fortunate to work with Mayor Smith reviewed and praised his many accomplishments. Indeed, the walls of his office are covered with the awards and certificates he has won during his service. According to one press account, village employees tried to compile a list of Smith's activities and awards for the press conference, but gave up after two pages.

Mayor Smith attended Notre Dame University, where he studied commerce and graduated with honors. After completing his college education, Smith joined the Chicago Board of Trade, where he worked for 42 years before leaving to concentrate full time on his mayoral duties.

He helped found the Skokie Caucus Party in the late 1950's, to free local government from national party politics and gave Skokie residents independence in determining their own future. He was elected mayor in 1965 on the caucus ticket. As one reporter recently observed:

> Smith's political brilliance lay in the fact that Smith, heir to a staunchly Democratic, Roman Catholic background, listened to all his constituents and represented them equally, regardless of their political, religious, or ethnic affiliations.

Al Smith may be best known for his courageous leadership in 1978 and 1979, when he led the fight to prevent the Neo-Nazi Social Party of America from demonstrating in Skokie, home to many survivors of the Holocaust. However, his service to the village goes far beyond that infamous conflict.

Personal attention to individual problems and dedication to responsive government have been the hallmarks of Al Smith's career as Skokie's mayor. When he was first elected, he pledged to be accessible to any citizen, and he has kept that promise. Smith would not hesitate to look into any problem himself, whether it were checking out a pothole or an illegally parked car.

Under Smith's guidance, Skokie has grown and prospered and has been in the vanguard among Illinois communities. In 1967, Skokie became the first unit of local government to adopt a fair housing ordinance. This year, Smith himself cast the deciding vote to pass an ordinance restricting smoking in public places—the toughest smoking law in the State.

It is no wonder that following his retirement, Smith's biggest worry will be fulfilling his overbooked speaking schedule. His wise and eloquent manner has made him a favorite speaker for dozens of local organizations in and around the Skokie area.

As Al Smith said in his farewell press conference, when first elected he pledged to the people of Skokie a kind, concerned, and caring government, one that would fight against intolerance, bigotry, and injustice. As he assumed office 22 years ago, he said it was his hope that Skokie would become a leader and innovator, bringing needed progress and services to its citizens.

Mayor Smith has accomplished all that and more. He leaves a proud record of service to the village of Skokie, and has established a touchstone of excellence for all those who would lead and serve their fellow man.

A TRIBUTE TO THE GIRL SCOUTS

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. TRAFICANT. Mr. Speaker, today I rise in order to pay tribute to the Girl Scouts of America, a very special organization which has a chapter in my 17th Congressional District. I am honored and humbled to be able to inform my fellow Members of the U.S. House of Representatives that the Girl Scouts are celebrating their 75th anniversary this year. A spectacular gala dinner dance commemorating this glorious anniversary will be held on November 21, 1987, at the Saxon Club in Youngstown, OH.

Juliette Low founded the Girl Scouts 75 years ago. This hard-nosed and determined woman clawed and fought every inch of the way to insure that the Girl Scouts survived. At one crucial point when the Girl Scouts were on the precipice of oblivion, Ms. Low sold an extremely valuable string of pearls so that her organization would hang on. I am certain that Ms. Low would be shocked and amazed if she could see how the Girl Scouts have grown into a prosperous national organization that molds thousands of young girls into women of outstanding character.

The accomplished actress Tanya Griffith will have the supreme privilege of portraying Juliette Low at the gala dinner dance, and the excellent musicians in the "Rick Barber Orchestra" will provide countless songs for the celebrants to dance to. It is my sincerest and most heartfelt desire that the Girl Scouts of America become even more successful in its next 75 years, and that their chapters extend to every corner of the world. Thus, it is with thanks and special pleasure that I join with the residents of the 17th Congressional District in saluting the bright, energetic, and overachieving young women of the Girl Scouts of America on the occasion of their 75th anniversary.

KILDEE HONORS REV. ODIS FLOYD

HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. KILDEE. Mr. Speaker, I rise today to pay tribute to the Reverend Odis Floyd, a man of God whose name has been submitted by the Gospel Announcers Guild for consideration to receive a Grammy Award from the National Academy of Recording Arts and Sciences as the best traditional gospel male soloist.

Reverend Floyd is pastor of one of the Flint area's largest churches, the New Jerusalem Missionary Baptist Church. With his grandfather, the Reverend L.W. Owens, he was one of the founders of his church in 1965. He began as a choir director and has seen the participation of his congregation grow. Reverend Floyd sings with the 100-member Inspirational Voices. His influences has made music a major part of his church. In addition to his Inspirational Voices, there is also the 40-member Young Adult Choir and the 100-member Youth Mass Choir.

Reverend Floyd often accompanies the Inspirational Voices on concert tours, but his commitment to his church is such that he always returns to preach on Sundays. One outing took him to Toledo where he participated in a concert on the War Against Crack. He also reaches out to the community through radio broadcasts of his services and a daily 15-minute broadcast.

Reverend Floyd is also known as a community activist through his involvement as vice president of the Concerned Pastors for Social Action. He has reached out across the ocean, speaking at revivals in England. Reverend Floyd will know in December of this year whether he will be one of five or six finalists for the Grammy nomination.

Mr. Speaker, I am pleased and honored to have the opportunity to recognize the enormous talent and commitment of Rev. Odis Floyd. He is an inspiration to his congregation and to his community through his selfless deeds on behalf of others. His efforts to spread the word of God through gospel has touched thousands of people.

DR. VICTOR GRECO HONORED

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. KANJORSKI. Mr. Speaker, I am proud to rise today to pay tribute to Dr. Victor F. Greco of Drums, PA, who is being honored at a testimonial held by his friends and colleagues.

Dr. Greco, Pennsylvania's Deputy Secretary of Health, is a graduate of Hazleton High School, Scranton University, and Jefferson Medical College. He serves on the board of trustees of the Pennsylvania Medical Society, is a fellow of the American College of Surgeons, and is a member of the American Medical Association, the Pennsylvania Society of Thoracic Surgeons, and the American Society of Abdominal Surgeons. He serves on the advisory council to the director of the National Institute of Health. He is chairman of the Luzerne County Medical Society's Cancer Commission and principal investigator for the society's Cancer Detection Program.

Dr. Greco was on the operating team that performed the first successful open heart surgery in the world, and developed the first prototype clinic in the United States, presently funded by the National Cancer Institute. Dr. Greco is president of staff at Hazleton-St. Joseph Medical Center and medical director of the chronic pulmonary disease clinic at Hazleton General Hospital.

Dr. Greco has contributed greatly to the Greater Hazleton community by providing his leadership to many worthy civic causes. He has served as chairman of the Red Cross fund raising, Boy Scouts of America, Anthracite Council, and "Auction 44", for WVIA-TV public television. He has been honored as Jaycee's Outstanding Young Man of the Year, and Outstanding Italian-American by the Sons of Italy and the Columbus Club of Hazleton.

I have known Vic Greco for many years and am very familiar with his devotion to making the medical profession responsive to the needs of the people. His humanitarian efforts are well-known; in fact, the Lackawanna Community College established the Victor F. Greco, M.D., Humanitarian of the Year Award to the outstanding citizen who exemplifies deep community service and involvement. I am proud to join his friends and neighbors in honoring Dr. Greco for his many years of community service and professional excellence.

TEXTILE QUOTAS ARE ANTICONSUMER

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. FAWELL. Mr. Speaker, the textile and apparel industry is not on the brink of economic ruin. Yet, proponents of H.R. 1154 would have American consumers pay even more for the cost of protecting the textile and apparel industry.

The International Business and Economic Research Corp. [IBERC] estimates that this quota bill would add $10.4 billion annually to consumer costs at the retail level. According to the Institute for International Economics, this cost increase is on top of the $27 billion consumers already pay each year to protect the textile, apparel, and footwear industries.

The House committed a grave error when it approved H.R. 1154 in September. Hopefully, the Senate will not follow suit. If the Senate does approve similar legislation, the New York Times recently issued an editorial which outlines many reasons why the President should want to veto this legislation.

A copy of the editorial follows:

[From the New York Times, Oct. 26, 1987]

THE GREAT TEXTILE ROBBERY

It's already an outrage: Quotas and tariffs raise clothing and textile prices in America by a whopping $20 billion a year. That means the public currently pays $86,000 for every job protected.

Now Congress wants to make it worse. Last month, the House voted to allow imports to rise by only a small fraction of the expected growth in demand, and the Senate is expected to go along. According to estimates by William Cline, a researcher at the Institute for International Economics, the added restrictions would double the current consumer cost by the year 2000. The only consolation is that the bill is certain to be vetoed by President Reagan.

The protectionists' case is simple. Apparel and cloth manufacturers employ 1.8 million and generate some $100 billion in income. If imports aren't tightly checked, the industry says, American producers will be unable to compete with foreign companies that pay pennies a day for workers. Even the best-run domestic manufacturers will fail, devastating families and communities.

It's a simple argument but it's disingenuous. In spite of their labor cost disadvantage, highly automated U.S. textile mills have remained competitive in world markets. The mills are currently operating close to capacity, and imports account for only 10 percent of domestic consumption.

Apparel manufacturers who have invested very little in mechanization, have been pressed by imports. But foreign clothing still has only 30 percent of the American market. And thanks to rapid growth in total demand, domestic sales and profits have never been higher.

The House measure, restricting import growth to 1 percent annually, would check the slow decline in industry employment—but only at an incredible price to consumers. According to Mr. Cline, each of the 179,000 jobs saved would 10 years later add even more to Americans' clothing bills. And seen simply as a make-work program, it's far from clear that these jobs would be worth preserving at any price.

Apparel and textile wages average less than $7 an hour, $2 less than the average private sector wage. Moreover, with unemployment now below 6 percent and labor shortages forecast for the next decade, there is every reason to believe that workers laid off by the industry will be able to find jobs at comparable pay.

A plausible argument can be made for preventing high-tech industries from being overwhelmed by imports. Reasonable people can debate the merits of creating an effective safety net for workers and communities affected if any large employer collapses. But there is no basis for asking Americans to pay tens of billions more to save a relatively small number of poorly paid jobs in highly profitable industries.

Congressional eagerness to pander to the textile and apparel makers is sad evidence of the power of well-organized, big-money lobbying. It's hard to remember when legislation so richly deserved a veto.

SALUTE TO BOB AND SHIRLEY McCARTHY

HON. NORMAN Y. MINETA

OF CALIFORNIA

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. MINETA. Mr. Speaker, it is our great pleasure to take this opportunity to salute two great Americans, Bob and Shirley McCarthy. The McCarthys will be honored at a special community dinner in San Jose on November 20, 1987.

We join in commending the McCarthys for many reasons. And yet, Bob and Shirley have given so much of themselves to our community that it's difficult to single out their many worthwhile activities.

Shirley spent many years as a junior high school English teacher and was very active in the California Teachers Association. Currently, she continues her service to others as a member of the staff of Congressman EDWARDS. Bob devoted his professional career to the Lockheed Corp., but retired he is not: Bob remains extremely active in community affairs.

The McCarthys are model citizens. They understand the political system and they work continually to strengthen and improve it. They are involved, concerned, educated, thinking people. Perhaps most importantly, they are caring people. Bob and Shirley are always there and ready to help with whatever needs doing. No job is too big or too small.

Bob and Shirley work as a team—something that 49 years of marriage certainly has helped to perfect. Together they advise, provide good common sense (backed up with experience), and always have a positive outlook. They are ageless and are equally at ease with the young, middle-aged, and seniors.

Mr. Speaker, we are pleased to salute Bob and Shirley McCarthy on this occasion. We know that we are as proud of them as are their children, Dennis, Kathleen, and Colleen, and their grandchildren. We know of no finer honorees and extend our best wishes. We ask our colleagues in the House of Representatives to join us in commending Bob and Shirley McCarthy for their great contribution to our community.

A SALUTE TO THE NATIONAL CAUCUS AND CENTER ON BLACK AGED, INC., LIVING LEGACY AWARDS RECIPIENTS FOR 1987

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. ROYBAL. Mr. Speaker, the National Caucus and Center on Black Aged has been the leading force in our Nation in representing the interests of aged and aging blacks.

NCBA has compiled a distinguished record during its brief existence. It has grown from a relatively small agency to a leading national organization which has won the respect and admiration of Members of Congress, community leaders, and others. Quite clearly, NCBA speaks authoritatively and forcefully on behalf of the Nation's black elderly.

NCBA also administers a wide range of programs and conducts numerous initiatives to benefit older blacks. These include the Senior Employment Program, senior environmental employment projects, training activities in connection with the Job Training Partnership Act, section 202 housing programs for older Americans, the Minority Management and Training Program, and other activities.

NCBA has also undertaken several activities to improve public understanding about the problems and challenges confronting elderly blacks, as well as to recognize their achievements.

NCBA's recent report on "The Status of the Black Elderly in the United States" is truly a monumental work. It provides a comprehensive assessment of the state of affairs for older blacks, while debunking numerous myths. Additionally, it offers a soundly conceived blueprint for action to improve the well-being of aged blacks and other low-income older Americans.

Another important initiative is the NCBA Living Legacy Awards Banquet. President Jimmy Carter hosted the first ceremony in 1979. A major purpose of this ceremony is to identify and honor older blacks for their numerous contributions—often under extremely difficult, and, on occasion, life threatening circumstances—to our society.

Past honorees include Jesse Owens, sports; Dr. Martin Luther King, Sr., religion; Roy Wilkins, civil rights; Congressman August "Gus" Hawkins, politics; and A. Phillip Randolph, labor.

This year's Living Legacy Awards Banquet, which will be held on November 20 will be cohosted by Ahmad and Phylicia Rashad. Phylicia Rashad portrays Bill Cosby's wife on the top-rated "Bill Cosby Show." Ahmad Rashad is a former all-pro wide receiver for the Minnesota Vikings in the National Football League and now is a member of the NBC–TV sportcasting team.

NCBA has selected six Living Legacy Awardees, ranging in age from 63 to 93 years old, to be added to the growing list of honorees. Each recipient must be at least 60 years of age and must have made significant contributions to his or her community and/or our Nation. The following blacks have been selected for the 1987 Living Legacy Awards:

Charles I. Cassell, 63, of Washington, DC who developed a comprehensive plan in 1968 for redevelopment of the riot-torn areas in the Nation's Capital. He was recently named vice president of administrative services for the University of the District of Columbia. He is also a jazz entrepreneur who encourages D.C. youth to participate in music education and performance.

Dorothy L. Hollingsworth, 67, of Seattle, WA. She has achieved special praise for her 45 years of outstanding public service and community activities as an advocate, humanitarian, teacher, social worker, and administrator.

Marguerite Horton, 70, of Ogden, UT, who was the former director of social services for that city. She now serves as president of the YWCA board of directors.

Annie L. Johnson, 83, of Somerville, MA. She won acclaim for organizing domestic and food pantry workers on local, State, and national levels to help improve living conditions for these persons who have historically worked for low wages.

Annie B. Rose, 93, of Alexandria, VA, who is the daughter of an exslave. She had devoted approximately 79 years of her life to community and political activist causes. Her efforts have improved services for the elderly, provided housing opportunities for the poor, and educated minorities on the effective use of the ballot for political empowerment.

Ruth M. Tucker, 83, a senior advocate from Pittsburgh, PA, who has a distinguished record in voluntarism dating back to the early 1940's. In fact, she received a Presidential Award of Merit for Outstanding Service in 1943 from President Franklin D. Roosevelt. She also serves as a board member for the National Council of Senior Citizens.

Another purpose of NCBA's Living Legacy Awards ceremony is to provide role models for today's black youth. For example, oral histories are presented through the use of videotaped instructional and educational services for high school students.

The NCBA Living Legacy Awards ceremony is certainly an inspirational event. It is only appropriate that these individuals, who have contributed so generously and effectively to our society, should receive special praise. They are heroes and a national resource by any standard one would choose to use. It is altogether fitting and proper that they should be honored and recognized.

Mr. Speaker, I salute the six Living Legacy Awards recipients for 1987, and wish them the best throughout their lives.

TRIBUTE TO LT. JACOB KIEFER

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. COURTER. Mr. Speaker, today I rise to pay tribute to Lt. Jacob Kiefer on the occasion of his retirement as a corrections lieutenant at the Morris County corrections facility.

Throughout his 18-year period of service, Lieutenant Kiefer has earned the respect of his peers and fellow officers, many of whom join with me in recognizing his record of achievement. He is known as a dedicated husband and father, a veteran of the Korean war, a past commander of the VFW in Boonton, and a fine public servant.

Lieutenant Kiefer's past record is consistent with the best of our American traditions. By virtue of his brand of quiet leadership and service to the community, Jacob Kiefer is a citizen to whom we owe a special debt of gratitude. I congratulate him on a splendid career and wish him continued success in the future.

THE KILLING OF THE INNOCENT: ANOTHER TERRORIST ATTACK IN IRELAND

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. BROOMFIELD. Mr. Speaker, the recent Irish Republican Army terrorist attack in Northern Ireland is yet another example of the mindlessness and futility of terrorism.

The recent bombing of a community center in Enniskillen, Northern Ireland left 11 citizens dead, and 61 injured. The terrorist bomb detonated as the townspeople were assembling for a wreath-laying ceremony in honor of Britain's war dead.

If the IRA intended to kill police and soldiers, they missed their target. Only innocent civilians died in that terrible attack. If the IRA wanted to convince the British Government to change its policies toward that organization or toward Northern Ireland, that terrorist group clearly failed. Now more than ever, the British officials in London are determined to root out the IRA terrorists.

Terrorism is clearly not the way to solve problems. Mindless mayhem only creates hatred for those who engage in terrorist acts. While the terrorists in the IRA may see their cause as being just and believe that terrorism is their only weapon, the world is horrified and angered by such savagery. While spokesmen for the Sinn Fein expressed shock over that dastardly act, words cannot bring back the innocent who died in that senseless act of violence.

There is obviously no military solution to the "Irish problem." All of Colonel Qadhafi's explosives and arms will not help the IRA terrorists win their cause. Civilized men sit down and reason together in order to resolve problems. The IRA must choose this course. If not, they will be hunted down and eventually eliminated by security forces.

With these thoughts in mind, I commend the following New York Times article on the recent terrorist attack in Ireland to my colleagues in the House.

[From the New York Times, Nov. 10, 1987]

IN AN ULSTER CITY, GRIEF FOR 11 and Rage

(By Howell Raines)

ENNISKILLEN, NORTHERN IRELAND, November 9.—With 11 of its citizens dead from a bomb blast Sunday, this town turned today to the rituals of mourning and sectarian rage that are a commonplace part of life in this tortured province.

For James Mullan, a tall pharmacist with a faced reddened by grief, that meant contemplating a dreadful irony. Moments after a bomb estimated at 30 pounds ripped open the community center here, he located his 10-year-old son in a thick fog of dust. The boy was terrified but alive.

Unbeknown to Mr. Mullan, within a few yards of this joyous reunion, his 73-year-old parents, William and Agnes Mullan, lay under the rubble. Not until two hours later, when their bodies were in a makeshift morgue set up here by the British Army, did Mr. Mullan learn that his parents were among the victims of a bomb that seemed timed to explode just as the townspeople were gathering for a Remembrance Sunday wreath-laying in honor of Britain's war dead.

VICTIMS ARE ALL PROTESTANTS

Like many here today, Mr. Mullan condemned the outlawed Irish Republican Army for killings that he said were doubly vile for profaning a sacred occasion.

"In other words, you could say the terrorists could have well placed that bomb in a cathedral or church, as far as we are concerned," he said quietly as he sat in the dim living room of his home here. "They desecrated all that we know to be human. They bombed a religious service."

All 11 dead were members of the Protestant majority and six were members of the same Presbyterian church in this lakeside town of 13,000 residents in the western part of Northern Ireland. They are the latest victims of 17 years of violence in which 2,600 people have been killed in the province.

The bombing Sunday, 15 minutes before the commemorative ceremony for veterans, initially seemed to signal a shift in strategy by the I.R.A., which has previously picked military and law enforcement targets and apologized when its bombs hit civilians.

Today the I.R.A. issued statements that the bomb was aimed at security forces who were supposed to march by the community center. The I.R.A. said the civilians died when the device went off without being triggered.

Gerry Adams, leader of Sinn Fein, the I.R.A.'s political arm, expressed regret at the bombing, the worst in Northern Ireland since 1982, and extended his sympathy and condolences to the bereaved.

ANGER IS CLOSE TO SURFACE

But the disclaimers did nothing to drain the anger fro the scenes being played out on the streets of Enniskillen under a sullen, zinc-colored sky. "Murderers!" shouted a bystander as the Sinn Fein representatives on the local council entered the town hall this afternoon to meet with Ray Ferguson, leader of the Official Unionist Party here.

Mr. Ferguson, who had spent his morning comforting Mr. Mullan and others, emerged from the brief, private meeting in a mood to blame Sinn Fein politicians for I.R.A. atrocities.

"Why don't you interview Sinn Fein?" he demanded of reporters who pointed microphones at him. "We are fed up condemning this. Let's see the guilty men come down these steps and answer your questions. The whole world wants to see that."

Anger was close to the surface, too, when the Chamber of Commerce convened to discuss closing all businesses Tuesday for a day of mourning. Gerald Nicholas, a Scotsman living here since 1973 as manager of Woolworths, opposed the idea. "We're basically saying to the people who have done this, you've actually achieved something," he said. "You've actually made the whole community close down."

Cyril Johnston, a baker, immediately charged that as someone "not being born and bred in the community," Mr. Nicholas could not understand that the day of mourning was "a mark of respect for those people who have been cut down."

Later, Mr. Johnston described Enniskillen as a town frozen in silence with the Roman Catholic and Protestant communities fearful of expressing their feelings and political opinions.

SOLDIERS ON PATROL

Roadblocks and street patrols by young soldiers with automatic weapons served as visual reminders that any move toward a long-term solution for Northern Island, based on discussions between the dominant Protestant majority and the economically oppressed Catholics, seems at a standstill.

Along with the anger there were constant reminders of devastating grief. Gordon Wilson told of asking the youngest victim, his daughter, Marie, 20, how she was as rescuers tried to dig her out.

"She assured me she was all right, holding hands all the time," he said. "But between her replies she was shouting and screaming with what I took to be pain. And the last time I asked her she said, 'Daddy, I love you very much.' Those where her last words."

THE 15TH ANNIVERSARY OF THE KEYSTONE SERVICE SYSTEM

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. GEKAS. Mr. Speaker, on Thursday, November 19, 1987, Keystone Service Systems, Incorporated of Harrisburg, PA, will celebrate 15 years of service to people who are experiencing disabling conditions and to their families.

Keystone Service Systems, under the leadership of president Dennis W. Felty, has been assisting hundreds of persons to leave State mental retardation centers and State mental hospitals for 15 years. They have been providing support to hundreds of families so that they are able to care for their disabled sons and daughters at home.

Through Keystone's subsidiary, Early Intervention Programs Inc., they are able to help parents of children with special needs develop parenting skills that will decrease the need for future services. Another program, Gateway Placement Institute, assists persons with disabling conditions gain the skills necessary to achieve employment and economic success.

Mr. Speaker, I would like to extend my appreciation and congratulations to Keystone Service Systems, Inc., for 15 years of assisting our communities to be fuller and richer places to live and work through the inclusion and full participation of persons with disabling conditions as neighbors and coworkers. For 15 years, Keystone has strived to find service forms that better meet the human needs of persons that are severely challenged.

WELCOME TO THE NORTH ATLANTIC ASSEMBLY

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. GARCIA. Mr. Speaker, this week the North Atlantic Assembly's Civilian Affairs Committee's Subcommittee on Public Information on Defense and Security is visiting Washington and New York.

Since I have the honor of chairing the Civilian Affairs Committee, I want to officially welcome the delegation on behalf of myself and my colleagues. Subcommittee members who were able to make the trip include: Mrs. Brigitte Traupe of West Germany, chairperson of the subcommittee; Mrs. Inger-Lise Skarstein of Norway, the subcommittee's rapporteur; Mr. John Browne of Great Britain; Mr. Karl Steiner Gudnason of Iceland; Mrs. Carmen Pinedo of Spain; and Mr. Hans van Weezel of the Netherlands.

I would also like to take this opportunity to insert in the RECORD a copy of an interview taken from the September 28 edition of the International Herald Tribune with the Secretary General of the North Atlantic Assembly, Mr. Peter Corterier. In that interview Mr. Corterier discusses the European perspective on the pending INF agreement. I hope my colleagues will take a moment to read the interview. It offers us an important perspective on this issue.

[From The International Herald Tribune, Sept. 28, 1987]

DOUBLE-ZERO AGREEMENT: ONE EUROPEAN'S CAUTIOUS WELCOME

The security outlook for Western Europe, as the North Atlantic Treaty Organization and the Warsaw Pact move to eliminate intermediate-range nuclear arms, was in the forefront of discussion last week in Oslo at the annual meeting of the North Atlantic Assembly, a body grouping 200 members of parliament from all 16 NATO nations. Peter Corterier, secretary-general of the NAA and a former West German Social Democratic member of parliament and minister of state in the Foreign Ministry, spoke to the IHT's political correspondent, Joseph Fitchett, about European concerns:

Q. What is the main impact on Europeans of the proposed U.S.-Soviet plan to remove intermediate and shorter-range nuclear arms on both sides?

A. The Western alliance has lost some flexibility in its means and options to carry out our strategy of stopping and therefore deterring Soviet aggression in Europe. But for European leaders the military drawbacks are outweighed by the political advantages—momentum for more far-reaching arms control agreements. What concerns some of us is the dynamic, a risk that we could lose control of that process and find it exploited against our security interests.

Q. What is your main present concern in the aftermath of a double-zero agreement?

A. The process must not be allowed to get out of hand, taking Europe toward a triple zero, meaning the elimination of all nuclear arms. That would amount almost to denuclearizing Europe and leaving us faced with the overwhelming advantage in conventional forces that the Soviet Union has had since the end of the war.

Q. What do you expect to happen next?

A. Soviet leaders, for the first time, have started admitting that there are disparities in East-West troop strength in Europe, in other words, acknowledging their superiority instead of insisting that the two sides' forces are equal, so they might be open to the idea of asymmetrical cuts. This is encouraging for the West since we want conventional reductions. But the Soviet priority is nuclear disarmament. So they might link offers of conventional cuts to reductions in the remaining U.S. nuclear systems in Europe—for example, such battlefield weapons as atomic artillery, or nuclear-armed fighters or other airborne systems.

Q. What should European leaders do?

A. We have to make it clear to the Soviets and to our own public opinion that they have to withdraw many more troops than we do. At the same time, if they're looking for trade-offs, that's an encouraging new development. But we need to be imaginative in quickly formulating new disarmament ideas; and we have to remember that times have changed in the Soviet Union. We have a fast-moving partner there in Mr. Gorbachev, who can quickly exploit our mistakes. We have to be smarter.

Q. Wasn't there remarkably little transAtlantic lobbying between like-minded Americans and European politicians trying to support or undermine this accord?

A. Almost none at all compared to the intensive contacts—officials and parliamentarians, experts and journalists—during the debate over SALT-2 European opinion carried weight in that discussion and was used in Washington. But this time there is really much greater consensus, both in the United States and in Western Europe. But this is not nearly as controversial; there is lots of support for the agreement on both sides of the Atlantic. I don't expect it will heat up across the Atlantic during the Senate deliberations of any treaty they sign. Europeans do object to the Reagan administration's moves to broaden the interpretation of the anti-ballistic missile treaty to allow space-weapon experiments, because Europeans see any changes in that treaty as liable to undermine the arms control process.

Q. Do you object to the contents of the planned treaty?

A. No, I think it's balanced—we eliminate a category of weapons on both sides. True, some experts and conservative politicians thought we should have started with other disarmament steps, for example tackling the enormous Soviet advantage in conventional forces. But this proposal—zero SS-20s and zero Pershings, then the double zero eliminating shorter-range intermediate systems—was the only one on the table. We had to work with it; now we have to master the momentum.

Q. Why did European leaders say so little publicly about possible risks with the way the talks developed?

A. Some leaders had reservations about the way in which the agreement took shape, especially going to double zero, so rapidly. But European leaders had agreed to the zero option when we deployed missiles in the early '80s; they had urged it on the Reagan administration and sold it to their own public opinions. To keep their credibility they had to be consistent. And a majority in Europe still feel the effects of the debate on deploying U.S. missiles and believe, rightly or wrongly, that getting rid of nuclear weapons is the overriding issue. Notice that the agreement is supported not only on the left but also by many right of center politicians in Britain and in my own country, West Germany.

Q. Can NATO deploy some new nuclear systems to plug gaps in our forces or have we in effect given the Soviet Union a veto power over any unilateral military modernization in our alliance in Europe?

A. That's a tough question. Clearly, after claiming credit for progress in disarmament, it's going to be hard for politicians to ask for more weapons, conventional or nuclear. Perhaps NATO could quietly restore some nuclear options—for example, by putting some extra cruise missiles on submarines under the orders of the NATO SACEUR [supreme allied commander Europe]. Since this change is low profile, it might not be too sensitive politically. If we don't see a continuing improvement in the Soviet negotiating stance, we might have to consider it. But, in any case, for the moment, the United States still considers all its other nuclear weapons, including these sea-launched cruises, as part of the U.S. reserve to be used only if the United States is attacked.

Q. Do the European parliamentarians you see consider the missile agreement as the thin end of the wedge toward loosened U.S. commitment to defending Europe?

A. No, not unless it is followed by U.S. troop withdrawals. U.S. troops in Europe matter much more than weapons systems as a sign of U.S. determination. But troop cuts now would be very bad.

FAMILY LIFE WEEK

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. GILMAN. Mr. Speaker, I wish to call to the attention of all our colleagues Family Life Week, being celebrated by Scottish Rite Masonic chapters throughout our Nation from November 22 through November 28, 1987.

Our masonic lodges have dedicated themselves to underscoring the importance of the family in our society, the basic foundation upon which our very way of life rests. It is from the family that we learn the basic rules of our civilization; those basic tenent of society that keep us together as a civilized people.

Much publicity has been given in recent years on the increasing divorce rate. It has even been alleged that half of all marriages end in divorce. This has been proven to be a statistical sleight of hand. Although it may be true that the number of divorces in each recent calendar year equals one-half of all marriages performed that year, this statistic does not take into account the ongoing marriages which began in previous years. The message being sent to us by the masons during Family Life Week is that the family is alive and well, and remains the major linchpin of our society.

Mr. Speaker, as a Scottish Rite member, I am especially proud of the efforts being undertaken by my home lodge in Middletown, NY, in bringing the message of "Family Life Week" to every household in our region.

Finally, I invite all of our colleagues to unite with the Scottish Rite Masonic lodges throughout our Nation in underscoring the importance of American life. And I urge all of our colleagues to heed the motto of Family Life Week: "The Family: Make It No. 1 in Your Life."

THE INSURANCE DATA COLLECTION ACT OF 1987

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. SWIFT. Mr. Speaker, every letter my office has received from small businesses and manufacturers on the product liability crisis has been a variation on the theme of, "my liability insurance rates are going through the ceiling, pass tort reform to bring them down." But how direct is the correlation between insurance rates and liability litigation?

In the past 15 years, we have had two liability crises; one in the mid-1970's, one in the mid-1980's. Both were defined by severe availability and affordability problems with liability insurance.

Following the mid-1970's crisis, an interagency task force on liability insurance chaired by the Department of Commerce issued a report, April 6, 1978, stating:

> The task force found that the highly subjective methods by which product liability insurance rates and premiums were set during the 1974-76 period are a principal, but not the sole cause of the problem * * *. The task force also found that in the overwhelming majority of cases, insurance company sources did not rely on adequate data either in terms of the number or size of claims to support premium increases that occurred in the 1974-76 period. This factor along with uncertainties in insurer ratemaking practices, made it almost impossible to obtain an accurate profit and loss picture of product liability insurance.

In late 1980, at roughly the midpoint between the two liability crises, "Business Week," December 8, 1980, commented on insurance industry practices:

> Judging by this year's performance, a case can be made that executives of the nation's $100 billion property-casualty insurance industry have the shortest memories in corporate America. In the mid-1970's, when the industry came perilously close to collapse because casualty insurance was not priced to accomodate the sudden onset of double-digit inflation, most insurers vowed never again to engage in self-destructive competition. But as the insurers report their results for the third quarter of 1980, it appears that the lessons of the last downturn are being forgotten.

The "self-destructive competition" of the second liability crisis was not as bad as in the earlier crisis—it was worse. The insurance industry was burned by high interest rates in the mid-1970's. Determined not to fall into that trap again, the industry tried to leverage high interest rates through aggressive cash-flow underwriting—sacrificing premium income for market share and investment income. Mavis Walters, vice president of the industry's Insurance Services Office recounted the competitive ratecutting of the early 1980's in "Congressional Quarterly," January 25, 1986:

> Discounts of 50 percent from our advisory rates were not uncommon; some premiums were only 5 percent.

The recession and disinflation of the early 1980's should have forced a reconsideration within the insurance industry about the safety and soundness of their aggressive premium/investment policies. However, as the National Association of Insurance Brokers state in their recent October 1987, report on McCarran-Ferguson:

> Even when interest rates began to decline and companies could no longer count on making up the difference between underwriting losses and premium dollars with investment income, competition continued. Some carriers jeopardized their long-term stability in exchange for market share acquired by issuing policies at unrealistically low premiums.

When the second liability crisis hit in 1985 with huge rate increases and widespread cancellations, the insurance industry responded with an advertising campaign to alert the nation about "the lawsuit crisis." The Insurance Information Institute in a letter to state insurance commissioners, March 25, 1986, stated that:

> Over the next several months Americans will continue to be exposed to strong messages on the subject of civil justice from a number of sources. The Institute's campaign will be highly visible during this period and, with the support of many individual insurance companies, the three company trade insurance associations, the national and State producer organizations, as well as other insurance groups, the industry's story will be heard.

As a result of the second liability crisis, a number of States passed tort reform laws. Washington State passed on the toughest measures. In recounting that law's passage, the Washington State Insurance Commissioner stated in submitted testimony to the Commerce Subcommittee, October 7, 1987, that:

> The intense lobbying effort for and against the measure was conducted in an atmosphere of whispered promises of prompt insurance pricing and availability relief on one hand, and loud cries that the rights of innocent victims would be sacrificed along with passage of the measure on the other. Neither side presented significant statistical evidence of the likely impact of the measure upon insurance cost and availability.

This concern was echoed by the National Federation of Independent Business [NFIB]. In submitted testimony, October 7, 1987, the NFIB stated:

> Data are used by both sides to make their respective cases. Different assumptions and subjective economic views are interwoven in the respective analyses. But neither seems to have an overwhelming credibility in providing objective data. Insurance industry data is delivered to the Congress by the truckload, still no one individual can discern what price effects occur from tort reform. Yet we know that in our competitive economy there must be a connection for insurance firms between their cost of providing coverage and the amount they charge for the premium. NFIB believes that the opposing parties in this debate will not be able to resolve their statistical differences. And in order to resolve this debate on the effect of tort reform on premiums, we need to have better data and objective analysis of that data. That is the rationale for NFIB's support for data collection by the Department of Commerce.

The insurance industry responded to this question of the correlation between tort reform and liability rate-rollbacks in testimony submitted to the Commerce Subcommittee, October 7, 1987. Thomas O'Day, vice president for the Alliance of American Insurers stated that:

> The tort reform work of 1985-87 must continue. It will be years—maybe a decade—before you will see the real benefits of this reform. It will take this long because of the combination of legal challenges, legislative tinkering—and nonretroactive application that will characterize most of the changes enacted.

At the Commerce Subcommittee hearing on insurance affordability and availability, October 7, 1987, I inserted into the hearing record an article from the insurance industry journal, "Independent Agent." That article, February 1987, entitled "Where Data Fall Short," stated:

> All too often, insurance company or ISO data are not designed to reply to criticisms of pricing or underwriting decisions, nor shed light on the results of social changes as tort reform laws. . . . The question very simply is: What is the industry's data worth as a basis for business decisions, and along a slightly different line, how much use is it for finding solutions to the social problems which the industry says are causing a lack of availability? The answer appears to be: not much use.

I am today introducing a bill, the Insurance Data Collection Act of 1987, to address these concerns. We hear both anecdotal evidence and aggregate statistics about how the insurance industry either is or is not to blame for the liability crisis. I think this cacophony of evidence is symptomatic of the problem we have in this area; we don't have disinterested, expert sources of data to tell us the extent to which liability settlements have driven insurance rate increases; or the extent that the insurance industry is the creator of its own—and other's—misfortunes.

Liability insurance is a necessity for many if not most businesses today. And when those rates skyrocket—or you are so unlucky as to be in a business where no insurance is available at any price—you suffer. It's not right that businesspeople should be whipsawed like that; where there business is held hostage to economic decisions made beyond their control. And it's certainly not good for our economy when successful businesses are forced to close or drastically cut back, because they can't get insurance at a reasonable price, or any price.

My bill will have the Department of Commerce collect data from existing sources to track product liability insurance rates and to track the insurance business cycle. It will not ask for information now not available either individually to the 50 State insurance regulators, or to the industry's Insurance Services Office, or already available to the Federal Government. What it will do, that any one of the State regulators cannot do, is collect information for the entire industry on a level of national experience. This national data collection will give State regulators a national overview that they do not have now available to them. And the Department of Commerce's recognized expertise to track national economic statistics—as it does for example with trade statistics—will provide the State regulators with a valuable informational tool for assessing the adequacy of insurance rates in changing economic circumstances. Make no mistake about it, the Department of Commerce will act solely as a conduit for insurance information; ratemaking will continue to be done by the State insurance regulators. But the need for disinterested and expert data collection seems clear.

GIFT TAX LEGISLATION

HON. AMO HOUGHTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. HOUGHTON. Mr. Speaker, for several years prior to being elected to the House, I had supported legislation relative to the disclaimers of trust remainder interests for gift tax purposes.

I was involved in this effort because I felt an injustice had resulted to members of my family for an unwarranted change in the gift tax rules after we had made certain desclaimers in good faith.

Since becoming a Member of the House, I have ceased all activities in this regard. I have written to the chairman and ranking minority members of the House Committee on Standards of Official Conduct seeking the committee's views on this matter.

I attach as part of these remarks all correspondence which I have sent to Chairman DIXON and Mr. SPENCE, also their response.

AMORY HOUGHTON, Jr.,
Corning, NY, October 21, 1987.

Hon. JULIAN C. DIXON,
Chairman, House Committee on Standards of Official Conduct, House of Representatives, Washington, DC.

DEAR CHAIRMAN DIXON: I appreciate your note of September 21st which was in response to my letter of August 3rd.

The guidance you have provided here is most helpful since I want to be absolutely sure that my actions detailed in that letter are compatible with the highest standards of ethics expected of a Congressman.

If anything further develops which I should know about, please be in touch with me.

Very sincerely,
AMORY HOUGHTON.

AMORY HOUGHTON, Jr.,
Corning, NY, October 21, 1987.

Hon. FLOYD D. SPENCE,
Ranking Minority Member, House Committee on Standards of Official Conduct, House of Representatives, Washington, DC.

DEAR FLOYD: I appreciate your note of September 21st which was in response to my letter of August 3rd.

The guidance you have provided here is most helpful since I want to be absolutely sure that my actions detailed in that letter are compatible with the highest standards of ethics expected of a Congressman.

If anything further develops which I should know about, please be in touch with me.

Very sincerely,
AMO HOUGHTON.

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT,
Washington, DC, September 21, 1987.

Hon. AMORY HOUGHTON, Jr.,
U.S. House of Representatives, Longworth House Office Building, Washington, DC.

DEAR COLLEAGUE: This responds to your letter of August 3, 1987, requesting the views of this Committee respecting a matter with which you have been involved for a number of years prior to becoming a Member of Congress. You state that your question pertains to legislation which you have supported, first introduced by former Congressman Barber Conable, relative to the disclaimers of trust remainder interests for gift tax purposes. You did this because you felt that an injustice resulted to members of your family and yourself from an unwarranted change in the gift tax ground rules after you had made certain disclaimers.

Your support for this legislation, along with members of your family, took the form of personal conferences and communications with relevant members of both the executive and legislative branches of the federal government. Also, you financially participated in the retention of attorneys and other professional advisors who worked on this endeavor.

While you continue to believe strongly in the position you and your family have taken, your election to Congress changes any further involvement on your part. In this connection, you have taken the following steps:

a. You have ceased all efforts, either on your own behalf or on behalf of your family, to continue to support this legislation.

b. Since becoming a Member of Congress, you have not had, nor will you have, any contacts or discussions on these matters with any members of the executive branch or the Congress, including staff.

c. You no longer participate financially in the retention of attorneys or other professionals associated with this legislative undertaking.

d. Should this legislation be approved by the tax-writing committees of the Congress and come before the House for its consideration, you will again seek the guidance of this Committee as to your appropriate course of action as a Member of Congress.

e. You have advised all lobbyists, attorneys, and other professional advisors, that you in the past have retained in connection with this endeavor, of your decision.

The Code of Ethics for Government Service, consideration no. 5, states:

"Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not; and never accept, for himself or his family, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of his governmental duties."

Increasing the probabilities that this legislation, in which you have a personal monetary stake, will be approved by the tax-writing committees and come before the House for consideration could be conceived of as a benefit to you. The retaining of lobbists, attorneys, and other professional advisors in order to receive this benefit could constitute circumstances which might be construed by reasonable persons as influencing the performance of your governmental duties.

Therefore, to avoid even the appearance of inpropriety, the Committee feels you have taken a prudent course of action by disassociating yourself from promoting this cause in which you have a personal stake. Because you state in your letter that you will again seek the Committee's guidance if this legislation comes to the House for a vote on its passage, we do not address the legal and ethical considerations in the regard. However, the Committee strongly urges you to contact it in the event this should occur.

You also ask in your letter whether the refund of taxes paid by you in 1975, together with the interest accrued, would be includable in the income limitation requirements of the House. A refund of taxes taken by the Internal Revenue Service would not be considered income to you for purposes of filing your Financial Disclosure Statement. Therefore, if you do receive this money at some point in time, it would have no effect on the outside income limitation.

If you have any further questions concerning this matter, please contact the Committee staff at extension 5-7103.

Sincerely,
JULIAN C. DIXON,
Chairman.
FLOYD D. SPENCE,
Ranking Minority Member.

AMORY HOUGHTON, Jr.,
Corning, NY, August 3, 1987.

Hon. JULIAN C. DIXON,
Chairman, House Committee on Standards of Official Conduct, House of Representatives, Washington, DC.

DEAR CHAIRMAN DIXON: I write to request the views of your committee respecting a matter with which I have been involved for a number of years prior to my becoming a Member of Congress. I would greatly appreciate the Committee's guidance on this as it is of paramount importance to me that my activities as a Member be in absolute concert with the Standards of Official Conduct of the House.

My question pertains to legislation which I have supported, first introduced by former Congressman Barber Conable, relative to the disclaimers of trust remainder interests for gift tax purposes. I have done this because I generally have felt that an injustice resulted to members of my family and myself from an unwarranted change in the gift tax ground rules after we had made certain disclaimers.

My support for this legislation, along with members of my family, took the form of personal conferences and communications with relevant members of both the Executive and Legislative branches of the federal government. Also, I financially participated in the retention of attorneys and other professional advisors who worked on this endeavor.

I continue to believe strongly in the position we as a family have taken. At the same time, my election to Congress from the 34th District of New York clearly changes any further involvement on my part. In this connection, I have taken the following steps:

a. I consider it totally inappropriate for me to continue to support in any fashion the legislation in question either on my own behalf or on behalf of my family. I have ceased all efforts in this regard.

b. Since becoming a Member of Congress, I have not had nor will I have any contacts or discussions on these matters with any members of the Executive branch or the Congress, including staff.

c. I no longer participate financially in the retention of attorneys or other professionals associated with this legislative undertaking.

d. Furthermore, should this legislation be approved by the tax-writing committees of the Congress and come before the House for its consideration, I will again seek your guidance as to my appropriate course of action as a Member of Congress.

e. I have advised all lobbyists, attorneys and other professional advisors that we in the past have retained in connection with this endeavor of my decision.

f. In the event the legislation is adopted and enacted into law, there will be a refund of taxes which were paid by me in 1975 together with the interest accrued. I understand that neither these taxes paid over ten years prior to my election to Congress nor the accrued interest associated with those payments are includable in the income limitation requirements of the House. If my understanding is not correct, would you kindly advise me as to the rule of this point.

I would like to believe that these actions are in full compliance naturally with the letter and most importantly the spirit of the law. However, I ask for your guidance. It is important to me that there be nothing I do to put a black mark on my professional conduct as a Member of Congress. My actions must be entirely consistent with the Standards of Ethics of the House of Representatives.

Thank you for your assistance on this. If there is any other information you need or if you wish to see me personally, please let me know.

Very truly yours,
AMO HOUGHTON.

AMORY HOUGHTON, Jr.,
Corning, NY 14830, August 3, 1987.
Hon. FLOYD D. SPENCE,
Ranking Minority Member, House Committee on Standards of Official Conduct, House of Representatives, Washington, DC.

DEAR FLOYD: I write to request the views of your committee respecting a matter with which I have been involved for a number of years prior to my becoming a Member of Congress. I would greatly appreciate the Committee's guidance on this as it is of paramount importance to me that my activities as a Member be in absolute concert with the Standards of Official Conduct of the House.

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Thank you for your assistance on this. If there is any other information you need or if you wish to see me personally, please let me know.

Very truly yours,
AMO HOUGHTON.

A TRIBUTE TO JIM HUBBARD

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 16, 1987

Mr. COELHO. Mr. Speaker, I rise today to highlight the work of Jim Hubbard, a photojournalist who is currently working on a book which is sponsored by the Congressional Families for the Homeless and designed to focus attention on the plight of the homeless.

In 1982, this career photojournalist obtained one of the United Press International's [UPI] most coveted assignments—photographer on the Washington political circuit. As such, his time was spent shooting press conferences, social functions, and fundraisers. Clearly, he had reached a position which any photographer would envy.

Today, however, Jim Hubbard spends his time in our ghettos, poverty filled streets, and alleyways. He has relinquished his UPI post and instead chosen to work as a free-lance artist photographing the poor, impoverished and, in particular, the homeless. He does this to heighten the public's awareness of these problems and because, as he himself stated, "I do believe that showing this kind of pain and suffering is necessary. Maybe it can alter something * * * maybe some important people will see it. Maybe it will do some good."

Despite having a family to care for, he has given up financial security and a comfortable lifestyle in order to embark on a task which is, by its nature, difficult and rarely lucrative. Spending day after day watching, feeling, experiencing, photographing, and helping in whatever immediate way he can the underprivileged in our society must be mentally and emotionally draining. Yet, he does this willingly because he has selflessly dedicated his life to helping those less fortunate than himself. Certainly, we must all admire a man who has adopted this attitude.

Jim Hubbard should serve as an example to us all of what a single individual can do for others if he simply takes the initiative to do so. It is obviously not possible for all citizens to apply their chosen profession in the same way that Mr. Hubbard has, but I hope his unrelenting efforts in this area will inspire others to spend a portion of their time helping those in need of aid.

The following is the text of an excellent Washington Post magazine article titled "Shooting from the Heart," which will provide an in-depth portrait of Jim Hubbard.

SHOOTING FROM THE HEART

(By Peter Carlson)

When photographer Jim Hubbard arrives, the federal marshals are serving the young mother with eviction papers and the moving crew stands ready to haul her possessions out to the curb. Swearing that she's paid her rent, she scrambles around the small Northwest Washington apartment, looking for a receipt. Finding nothing, she starts to shake and cry, and that sight sets her children crying too. A neighbor tries to calm her: "Now don't go into one of those fits. * * *" But the soothing words fail. The woman runs outside, weeping, pulling at her hair, throwing her hands into the air, her face twisted in anguish.

The scene holds high drama for Jim Hubbard's camera, but for a moment he hesitates to use it. Even after 20 years of photographing human tragedy on three continents, he feels guilty aiming his Nikon at such agony. Do I really want to do this? he thinks. This is painful, this is really depressing.

He considers writing a check, paying the woman's rent. It would cost him only $635. But he knows he can't do that. He has already put his own kids in financial jeopardy by quitting his job as a UPI photographer to study divinity and photograph the destitute. Hubbard's life has been a long, agonized quest to find some way to serve God and man, and, at 44, he still lacerates his conscience with the kinds of question that most adults long ago ceased asking themselves. What do you do in a situation like this? he thinks.

He does what he always does: He hoists his camera to his eye and starts shooting. He photographs the crowd gawking, the mother weeping, the daughter's dismay as she watches movers carry pieces of her life-plants, books, a bicycle, an artificial Christmas tree—and dump them at the curb.

When the woman sees him shooting pictures, she explodes. "This is no joke!" she yells. "Everybody thinks this is funny but this hurts!"

The words hit Hubbard like a punch and resurrect painful memories of the day 15 years ago when he watched his daughter die. He recalls what he had thought at that moment: If somebody tried to take my picture now I'd kill him.

He considers, leaving, just popping on his lens cap and driving away, but he decides against it. Instead, he waits a few minutes, then speaks to the woman in a calm, gentle voice. He isn't a newspaper photographer, he tells her, he is shooting pictures for a group called Congressional Families for the Homeless. His pictures—and those of other photographers—will appear in a book and in exhibitions at the Corcoran Gallery of Art and around the country. He shares some information he's picked up shooting the homeless—phone numbers of a place where she can store her possessions for free and a group that can help her find shelter. Soon, she is apologizing for yelling at him.

Meanwhile, the movers keep coming, carrying toys, beds, bags of clothing, a pot holding corn left over from the family's last supper. When everything else is out, they wrestle the refrigerator down the steps and set it on the sidewalk. While the movers unscrew its door, the federal marshals, who police all evictions in the District, climb into their car. They are about to leave when a small miracle occurs: A friend summoned by phone arrives with a fistful of greenbacks and pays the rent. Grumbling, the movers begin lugging everything back into the apartment. The woman cries tears of joy. Hubbard captures them on film.

When the long, emotional ordeal is over, he takes the woman aside for a talk. A few minutes later, he emerges with signed permission to use her photograph. With sweat soaking his close-clipped beard, he sprawls on the driver's seat of his battered brown Volvo. Though he frequently exhibits a gallows humor in grim circumstances, Hubbard isn't joking now. For a long moment, he sits in his T-shirt, shorts and sneakers and stares silently out the windshield. Then he starts the car. "I felt like a ghoul out there," he says. "But I do believe that showing this kind of pain and suffering is necessary. Maybe it can alter something. If this is shown at the Capitol and the Corcoran, maybe some important people will see it. Maybe it will do some good."

He studies his copy of the marshals' daily list of evictions—there are 26 scheduled—and, with his left foot propped up on the dashboard, he drives off toward the next one.

When Jim Hubbard was growing up in Detroit in the '50s, his father would periodically pile the family—Jim, his two brothers and his mother—into the Chevy on Saturday nights and drive off. But not to a movie or a restaurant. Paul Hubbard—a teetotaling Baptist who worked in the auto plants during good times and drove a cab during layoffs—would park the car on skid row near Tiger Stadium so his family could watch the bums and winos, the human waste product of the mighty Motor City, stumbling down the sidewalks or sprawling in the gutters.

The idea was to teach the kids a lesson: This is what happens if you don't work hard or if you drink alcohol. Jim got the point, but he also saw the human beings behind the cautionary tale. How do they live? he wondered. Where do they sleep? Why aren't they taken care of? On those nights, his mother remembers, when Jim knelt down to say his prayers, he would ask God to heal those broken men.

Jim was a sensitive boy, drawn to religion at an early age. He planned to become a Baptist minister like his mother's father and grandfather had been. After church on Sundays, he'd pose in front of his mother's mirror, Bible in hand, imitating the preacher's sermon.

But the piety didn't last. When Jim was about 13, a preacher he admired was unmasked as a fraud who'd fabricated his credentials. Jim, just entering that sullen season of adolescence, was crushed. He drifted away from God and began to rebel against his father. By 16, he was drinking, skipping school, running with a gang. "I was," he says with a wry smile, "a juvenile delinquent."

He barely managed to escape Cody High school with a diploma, then drifted into various jobs—construction worker, machinist, clothing salesman. In the mid-'60s, he was hired as a copyboy at The Detroit News. There, he was drawn to the photographers, a wonderfully crass and colorful crew of rogues who packed pistols along with their cameras as they prowled the streets. "They got to see a lot of stuff and they were crazy and they raced to scenes and it was really magical for me."

It took a while, but Hubbard managed to join this illustrious group. He worked nights, which meant that he hung around the Anchor Bar with the bookies and the pols, boozing and joking and waiting for the call that would send him rocketing through the streets at death-defying speeds, chasing fires, car crashes, shootouts, stickups, murders, riots—the great sleaze and drama of a seething American city. His press card got him across the police lines, and then he'd step right up close, stare all that death and devastation in the eye, focus right in on it and snap his pictures. Then he'd barrel back to the Anchor to laugh it off over more drinks with the boys.

But some of it wasn't so easy to laugh off. One rainy night, Hubbard stood with other photographers outside the morgue in Ann Arbor and heard parents scream as they identified the body of their murdered daughter. When they emerged, sobbing, the photographers popped their flashbulbs and the father exploded, calling them bastards and animals. Hubbard had to admit that the epithets were accurate. Still, when he came across a motorcycle accident on the way back to Detroit, he dutifully stopped to check it out. The state trooper pulled the blanket off the grisly corpse, and Hubbard shot his picture. Driving back to town, he wondered what kind of gruesome trade he'd embraced.

He would remember that night years later, in 1972, in a hospital hallway in Nebraska. He was 30 then, married to Brininder Singh, a woman from India, and raising their 4-year-old daughter, Brijin Marie, while working for UPI in Omaha. Brijin had problems with her epigolottis, the cartilage that forms a lid over the windpipe, and one night she began to gasp for air. The Hubbards rushed her to the hospital. By the time they checked in, she'd stopped breathing. Then, while Jim watched helplessly, she died. Moments later, sitting in the hallway, he remembered that night in Ann Arbor and contemplated what he'd do to anyone ghoulish enough to snap his picture at this painful moment. "I started to hate myself," he says, "for having done that to other people."

A month later, covering a flood that killed 226 people in South Dakota, he stopped at the morgue to shoot some pictures of the victims for UPI's European clients—"They like that stuff"—and he saw, stashed in a corner like so much trash, a pile of dead children. "I almost went crazy on the spot," he recalls. "I took the pictures back and I said, 'I can't do this anymore,' and I went out and got drunk."

Hubbard was often drunk over the next several years. Filled with loathing for his profession and himself, he found the only way he could keep on working was to kill his pain with booze and Valium.

Jim Hubbard is cruising the streets of Washington once again, looking for evictions. For weeks, he has followed the marshals, shooting scores of pictures, searching for that one heartbreaking image that captures all the pain of a family driven from its home. Along the way, he has become an unofficial social worker to the people he has photographed—driving them in search of shelter, making phone calls for them, taking them shopping, giving them money, escorting them through the swamps of the social service bureaucracy. He is trying, he says, to go beyond photography, to enter—and perhaps alter—the lives of the people in his pictures.

"For years, I took a picture and then I left, and it always bothered me," he says. "I always had the yearning to interact more with the people, instead of just photographing the despair and the agony and then leaving and never knowing what happened to the people."

Today, though, the despair and the agony are eluding Hubbard. He arrives at several scheduled evictions only to find that the tenants are already gone or the marshals haven't arrived or the eviction has been postponed. He checks his list and keeps driving, sipping decaffeinated coffee and philosophizing while he maneuvers through traffic. "For me, the whole New Testament is wrapped up in Matthew 25, which is about feeding the hungry, clothing the naked, housing the homeless," he says. "'What you do unto the least of my brothers, this you do unto me.' From a theological perspective, that's enough for me to hang my hat on."

Though he is quick to launch into impromptu sermons, Hubbard is too earthy and ironic to remain on an ethereal plane for long. He possesses a sardonic, even cynical, sense of humor that his wife sees as his psychic defense against the agony he photographs. Now, as he travels to one nonexistent eviction after another, that mordant wit emerges. "Gee, I had this hypothesis that there was human misery all around out here," he says with an impish grin. "But I can't seem to find any today."

He laughs and keeps searching. Finally, he spots what he's looking for: stained mattresses, worn rugs, battered furniture—somebody's possessions piled at the curb. Hubbard stops his car, his eye caught by a pair of crutches that tops the pile. That, he thinks, might make a strong picture. As he reaches for his camera, a car pulls up at the curb and a man hops out. He grabs the crutches and sticks them into his back seat. Stealing crutches at an eviction? How low can you go?

Hubbard hustles across the street. "Is this an eviction?" he asks.

The crutch thief nods.

"Can you just take this stuff?" Hubbard asks.

"I guess so."

"Hey," yells a woman leaning from an apartment widow, "leave it alone!"

Though he's caught red-handed, the man remains unfazed. "Do you need the crutches?"

She says no. The man hops back into his car.

"What are you going to do with them?" Hubbard asks.

"You hear on the radio sometimes that somebody needs crutches," the man says.

"And you'll give them to him?"

"Yeah."

Hubbard doesn't believe that for a minute, but he decides to play along. "Boy," he says, totally deadpan, "you're really doing good works out here."

Back in his car, the man who was quoting Holy Writ only minutes ago is now grinning at humanity's astounding capacity for venality. "Don't you see the humor in that?" he asks. "I mean, in a kind of grim way."

In 1976, Jim Hubbard stood up in a meeting at St. Mary's Hospital in Minneapolis and said, "My name is Jim Hubbard and I'm an alcoholic." He hasn't swallowed a drink or a Valium since.

Slowly, he rebuilt a life devastated by his daughter's death and the divorce and drinking that followed it. While serving as UPI's Minneapolis bureau picture manager, he entered Hamline University and eventually earned a master's degree in liberal studies. He met Sherry Benson, a farmer's daughter who was working as a waitress. He handed her his UPI business card and said, "Gee, I'd love to take your picture." Thinking that was a pretty lame line, she brushed him off. But he persisted and she relented and he photographed her. The picture—one of those corny shots of a pretty girl feeding ducks on a nice day—appeared in the Minneapolis Tribune. They were married in 1977.

Hubbard has pulled his personal life together, but pictures of fires and crimes and politicians had ceased to thrill him. He longed to shoot something more meaningful than the usual wire-service fare. In December 1979, he took vacation time and flew to Thailand to photograph a Cambodian refugee camp for the American Refugee Committee. In a jungle hospital, he saw dying mothers nursing dying babies and he recalled again the pain of his own daughter's death. This time, he had to face it without alcohol. "I cried many times on that assignment," he says. "I swore when I left Thailand that I'd never be the same person again, that I'd never be interested only in making money and consumerism, that I would commit my life to social change."

That was a tough vow to keep. Hubbard returned home to a typically commercial American Christmas. As he watched his two daughters crawling under the tree, grabbing greedily for goodies, he began to weep, and Sherry wondered if he'd ever recover from what he'd seen in Thailand. But as months passed, he slipped back into the routines of daily life.

In 1982, he landed one of UPI's cushiest jobs—photographer on the Washington political beat. No more cops and corpses now. Hubbard was shooting the press conferences and the parties of the country's most powerful people. It wasn't exactly exciting—mostly pictures of middle-aged white guys in dark suits—but it had its moments. There were days in the White House and trips on Air Force One and weeks spent lounging around the Sheraton hotel pool in Santa Barbara, Calif., waiting to shoot a "photo op" of President Reagan cutting brush on his ranch.

Hubbard toasted his hide to a golden tan in Santa Barbara, but the life style of the rich and famous soon paled. He felt like a cog in a huge publicity machine designed to produce and distribute prepackaged images of the powerful. On the streets of Washington, he noticed other images—ones he recalled from his childhood trips to Detroit's skid row, only now they were set against the background of the capital's most famous symbols. He started photographing what he saw and his pictures caught the ironic juxtapositions of the Reagan era—a soup line in front of the White House, a ragged man encamped beneath a shop window displaying a book titled "Class." The images weren't subtle, but they were undeniably powerful. They were printed in newspapers as far away as Finland and collected in a show called "Portraits of the Powerless," which was displayed in the Capitol and the Washington Cathedral before it traveled to art galleries, grade schools, universities, churches, bars and homeless shelters around the country.

Still, something inside him, a spiritual side he'd stifled for decades, remained unfulfilled. Since his return from Thailand, he had pondered the meaning of all the pain he'd photographed. Searching for answers, he read Gandhi, Daniel Berrigan and theologians like Dietrich Bonhoeffer. In 1983, he began studying divinity parttime at Wesley Theological Seminary in Washington, and his studies resurrected his boyhood desire to become a minister. But ministers are not made by part-time study, and in 1966, Hubbard faced a dilemma: He had to choose between his job and his studies. Though his work at UPI bored him, he agonized over the decision. He'd worked as a photographer for two decades and spent almost that long at UPI. He wondered how he'd support his daughters, Priya 14, (from his first marriage) and Hanna, 8. He vacillated and waivered and discussed the issue over and over again with his wife. "Quit," Sherry told him. She had faith in his abilities and she figured that somehow, between her job as a waitress and whatever free-lance work he could find, they'd make it. "Just quit," she said.

In the summer of 1986, he did. He quit UPI to study at Wesley full time and to work as a drug counselor at the Community of Hope in Northwest Washington. And he found that Sherry was right: Though they weren't getting rich, somehow they got by. Much to his amazement, Hubbard found that there was a demand for the kind of photography he wanted to do. The Miriam de Soyza Learning Center in the South Bronx hired him to photograph the children of that ravaged neighborhood. The National Institute of Building Sciences sent him to several cities to photograph homeless people and the abandoned buildings that might be used to house them. World Vision, a philanthropic group based in California, hired him to photograph the poor in Chicago, Memphis and Mississippi. Best of all, Congressional Families for the Homeless—a high-powered group of political wives who are sponsoring a photo book and traveling exhibition to be titled "Homeless in America"—dispatched Hubbard to photograph evicted families.

Free of the constraints of daily journalism, Hubbard prowled mean streets in Washington and the South Bronx, and produced the most powerful work of his career, images eerily reminiscent of the famous photographs of the Depression. The man who'd left photojournalism in disillusionment to enter the ministry began to think that perhaps his real ministry was photojournalism. His pictures, he decided, could speak more eloquently than his sermons. Though he still plans to finish his divinity studies next spring, he doubts he'll seek ordination. "It is not really something I think I need to do," he says. Instead, he hopes to bring his pictures into the church, to let people see what he has seen, feel what he feels.

"I think the world can be changed through pictures," he says. "I'm changed by pictures. I'm changed by seeing the picture of that little napalmed girl running down the road in Vietnam . . ."

Hubbard Lugs a battered metal suitcase into the House of Ruth, a shelter for homeless women in Northeast Washington. It's "volunteer recognition day," and the management has invited him to exhibit his pictures. He extracts a pile of mounted photographs from the suitcase's chaotic collection of pins, tape, film cans and old coffee cups. Quickly, he tapes the pictures to a blackboard. Unlike almost any other photographer, he is utterly indifferent about the arrangement of the pictures. "I don't care about that," he says. "All I care about is the image. If I can throw them up on the wall and people say it captures some of the life on the street, that's all I want."

He stops hanging pictures and starts talking about his heroes—Gandhi, the Berrigans, Mother Teresa, religious people who dedicated their lives to the poor. "I'm not saying I'm one of those people, but I've left some comfort, some security to do this," he says. "It's a rough way for me and my family to live and it's a little scary, but it's working. Being in on dramatic and traumatic experiences like these evictions enriches my life. I've been changing very slowly, but I've been changing."

Then, as if embarrassed to catch himself pontificating, he grins and shrugs. "At least that's what I've concluded right now," he says, laughing at himself. "Stay tuned. There might be changes later."

People are beginning to wander in and study his pictures. "These are beautiful," says one young volunteer. "They really capture a spirit."

One of the residents, a middle-aged woman who looks as if she's seen everything at least twice, disagrees. "You don't know what it's like," she says. "You really don't. You know why? Because you haven't really lived it. Have you ever lost your house and your kids?"

"Not yet," Hubbard says.

"Well, I have," she tells him. Then she turns and walks away.

Another resident, a blond in a low-cut purple dress, sashays in and takes a cursory glance at these photographs of the wretched of the Earth. "Nobody cares about 'em except God, I guess," she says. "God and a few other people."

She begins telling Hubbard her life story. She's been a movie star and a recording star and an inventor and the wife of several famous people. But she has fallen on hard times since crooked lawyers and bankers cheated her out of $100 trillion. She's smiling so broadly that it's tough to tell if she's crazy or just kidding.

Hubbard plays along, listening patiently and nodding solemnly, as if every syllable of this tale is gospel. "Gee," he says, dead-pan, "you've really lived a full life."

The woman points at Hubbard's pictures. "This is horrible," she says. "This is ungodly." Fortunately, she has the solution to the problem: "I'm gonna drop a nuclear bomb. Clean 'em out. Tear it down to build it up. I'm gonna bring the Heavens down."

Hubbard listens for a while, then asks, "What country did you say you were going to drop the bomb on?"

"Africa," she says, "where the AIDs virus comes from."

"Oh," Hubbard replies, his face deadpan but his eyes twinkling. "You could really make a major contribution with that."

After a while, the woman drifts away. Hubbard grins mischievously. "I can just see your story now: 'Sensitive Photographer Urges Homeless Woman to Use Nuclear Weapons.'"

He laughs, then walks outside to the patio. Disco music blares from giant speakers, and crew of cooks is barbecuing huge quantities of food for the residents and the volunteers. Hubbard heaps a paper plate with chicken and hamburgers and sits down to eat. Gazing around, he smiles. "I'd rather be here," he says, "than at a State Department function shooting pictures of George Shultz shaking hands."

Then he chomps into a burger and watches four homeless women dance the jitterbug.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, November 17, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 18

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

10:00 a.m.

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee

To hold oversight hearings on home equity loans.

SD-538

Commerce, Science, and Transportation

To resume hearings on safety and re-regulation of the airline industry.

SR-253

Environment and Public Works
Nuclear Regulation Subcommittee

Business meeting, to consider proposed legislation to reorganize the functions of the Nuclear Regulatory Commission.

SD-406

Governmental Affairs

Business meeting, to consider the nominations of Arthur L. Burnett Sr., to be an Associate Judge of the Superior Court of the District of Columbia, Ira D. Hall Jr., of Connecticut, to be a Governor of the United States Postal Service, William H. Leblanc III, of Louisiana, to be a Commissioner of the Postal Rate Commission, Frank Q. Nebeker, of Virginia, to be Director of the Office of Government Ethics, Office of Personnel Management, and Don W. Wilson, of Michigan, to be Archivist of the United States, and to resume consideration of S. 552, to improve the efficiency of the Federal classification system and to promote equitable pay practices within the Federal Government.

SD-342

Judiciary
Courts and Administrative Practice Subcommittee

Business meeting, to mark up S. 1630, to provide for retirement and survivors' annuities for bankruptcy judges and magistrates, and S. 952, to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review.

SD-226

10:30 a.m.

Labor and Human Resources

To hold hearings on AID Federal policy.

SD-430

2:00 p.m.

Energy and Natural Resources

To hold hearings on S. 1567 and H.R. 2858, bills to provide for refunds pursuant to rate decreases under the Federal Power Act.

SD-366

Judiciary
Antitrust, Monopolies and Business Rights Subcommittee

Business meeting, to mark up S. 567, to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

SD-226

Rules and Administration

To resume joint hearings with the Select Committee on Indian Affairs on S. 1722, to establish the National Museum of the American Indian, Heye Foundation within the Smithsonian Institution, and to establish a memorial to the American Indian, and S. 1723, to establish certain regional exhibition facilities as part of the National Museum of the American Indian.

SR-301

Select on Indian Affairs

To resume joint hearings with the Committee on Rules and Administration on S. 1722, to establish the National Museum of the American Indian, Heye Foundation within the Smithsonian Institution, and to establish a memorial to the American Indian, and S. 1723, to establish certain regional exhibition facilities as part of the National Museum of the American Indian.

SR-301

NOVEMBER 19

9:30 a.m.

Commerce, Science, and Transportation

Business meeting, to consider pending calendar business.

SR-253

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Joint Economic
Education and Health Subcommittee

To resume hearings on the competitiveness and quality of the American workforce, focusing on retraining programs.

2359 Rayburn Building

10:00 a.m.

Foreign Relations

To hold hearings on the nominations of Kathleen C. Bailey, of California, to be an Assistant Director of the United States Arms Control and Disarmament Agency, and William Schneider, Jr., of New York, to be a Member of the General Advisory Committee of the United States Arms Control and Disarmament Agency.

SD-419

Judiciary

Business meeting, to consider pending calendar business.

SD-226

10:30 a.m.

Environment and Public Works

To hold hearings to review the administration of the Federal aid highway system.

SD-406

11:00 a.m.

Foreign Relations

Business meeting, to consider pending calendar business.

SD-419

1:00 p.m.

Conferees

On the education provisions of H.R. 3, Omnibus Trade and Competitiveness Act.

H-328, Capitol

2:00 p.m.

Select on Indian Affairs

To hold oversight hearings to review Federal agency actions related to the implementation of the Department of the Interior's Garrison Unit Joint Tribal Advisory Committee final report recommendations, and on proposed legislation to implement the report recommendations.

SR-485

NOVEMBER 20

9:30 a.m.
Environment and Public Works
Environmental and Protection Subcommittee
To hold hearings on S. 1629, to establish a national program to reduce contaminants in indoor air.
SD-406

10:00 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1811, Steel Retirement Benefits Funding Act.
SD-430

10:30 a.m.
Select on Intelligence
Closed hearings on intelligence matters.
SH-219

NOVEMBER 24

10:00 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to consider S. 1519 and H.R. 390, bills to provide for the awarding of gold medals to certain individuals for their humanitarian contributions, H.R. 2631, to authorize funds for fiscal year 1988 and 1989 for the United States Mint, proposed legislation to provide for more detailed and uniform disclosure by credit card issuers with respect to information on interest rates and other fees, and the nominations of Alfred A. Dellibovi, of New York, to be Urban Mass Transportation Administrator, and Cynthia J. G. Baker, of Colorado, to be Superintendent of the Mint of the United States at Denver.
SD-538

NOVEMBER 30

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To resume hearings on the effect of current tax laws on American competitiveness.
SD-215

DECEMBER 2

9:00 a.m.
Select on Indian Affairs
To hold hearings on S. Con. Res. 76, to acknowledge the contribution of the Iroquois Confederacy of Nations to the development of the United States Constitution and to reaffirm the continuing government-to-government relationship between Indian tribes and the United States established in the Constitution.
SR-485

9:30 a.m.
Small Business
Innovation, Technology and Productivity Subcommittee
To hold hearings to review problems confronting small manufacturing firms in automating their facilities.
SR-428A

DECEMBER 3

9:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1236, authorizing funds for certain programs of the Navajo-Hopi Relocation program.
SR-485

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 1600, to create an independent Federal Aviation Administration.
SR-253

DECEMBER 8

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 1600, to create an independent Federal Aviation Administration.
SR-253

DECEMBER 10

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings of the modified final judgment regarding AT&T divestiture.
SR-253

DECEMBER 11

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings of modified final judgment regarding AT&T divestiture.
SR-253

POSTPONED

NOVEMBER 17

10:00 a.m.
Conferees
On H.R. 1777, to authorize funds for fiscal year 1988 for the Department of State, United States Information Agency, Voice of America, and the Board of International Broadcasting.
S-116, Capitol

2:00 p.m.
Energy and Natural Resources
Public Lands, National Parks and Forests Subcommittee
To hold hearings on S. 1544, to provide for cooperation with State and local governments for the improved management of certain Federal lands.
SD-366

NOVEMBER 18

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 1516, the Federal Insecticide, Fungicide, and Rodenticide Act Reform of 1987.
SR-332

SENATE—*Tuesday, November 17, 1987*

(Legislative day of Thursday, November 12, 1987)

The Senate met at 9:30 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore [Mr. BREAUX].

The ACTING PRESIDENT pro tempore. The prayer this morning will be offered by Msgr. Charles DuBois, of Our Lady of the Lake in Lake Arthur, LA.

PRAYER

The Reverend Monsignor Charles DuBois, Our Lady of the Lake, Lake Arthur, LA, offered the following prayer:

O Lord, God, of our lives You are the source of goodness. We present ourselves at this hour before You as servants sincere and humble of heart. Protect us in our liberty, and in faith reveal Your spirit of truth to us as we pray.

Sustain Your preference within our hearts and give us courage to promote honor and justice among humankind; peace between nations and good will in the hearts of those we serve.

Lord God, do not abandon us as we consider the deliberations of this day. "The finest test of our purpose," O God, "is that it adds to our dignity, our integrity, and our appreciation of the good, the brave and the beautiful."

To this end we commit our lives and our country, for all belong to the mysteries of the Almighty. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The ACTING PRESIDENT pro tempore. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, November 17, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN BREAUX, a Senator from the State of Louisiana, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. BREAUX thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADERSHIP TIME

The PRESIDING OFFICER (Mr. GRAHAM). The majority leader.

Mr. BYRD. Mr. President, I ask unanimous consent that the time of both leaders be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for morning business to extend until the hour of 11:30 a.m.

The Senator from Wisconsin.

FORMER DEFENSE SECRETARIES RECOMMEND RATIFICATION OF INF TREATY

Mr. PROXMIRE. Mr. President, on December 7, President Reagan and Secretary Gorbachev will sign a historic arms control agreement. Early next year this body will be called on to ratify or reject that treaty. The treaty would eliminate intermediate and short-range nuclear weapons from Europe. It would not affect the larger intercontinental missiles. Both superpower would have to remove all presently deployed intermediate and short-term nuclear weapons. The Soviets presently have substantially more such weapons in Europe than the United States. So their European nuclear arsenal would be more sharply reduced. On the other hand, the Soviets and the Warsaw Pact would have remaining in place a numerically far superior conventional force than the United States and NATO forces. Some critics of this INF Treaty have contended that although the Soviets would remove more nuclear weapons, the United States and the NATO forces would suffer a relative weakening of their military strength. This is because the elimination of short-range and intermediate nuclear forces would leave inferior NATO conventional forces plus the massive strategic nuclear forces largely located in the continental United States standing in the way of a Soviet sweep to the channel with their superior conventional forces. These critics contend that the Soviets might calculate that an American President would not press the strategic nuclear button that would bring on strategic nuclear forces and surely incinerate the world. President Reagan himself has said that a nuclear war can never be won and must never be fought. He has contended that there would be only losers from such a total catastrophe.

Mr. President, it has been reported that there are a number of Senators who might oppose the proposed treaty. If so, the Senate would confront the first major controversial debate on an arms control treaty with the Soviet Union in a very long time. Because a major Senate challenge to the INF Treaty could involve such a serious threat to the whole process of arms control, because the debate over this treaty could color the prospect of future progress in arms control, this Senator calls to the attention of the Senate a discussion of a few weeks ago that involved seven of this country's former Secretaries of Defense. This was the so-called annual report of the Defense Secretaries. It was carried on the Public Broadcasting System on September 25 of this year.

Four of the Secretaries served Republican administrations. Three served Democratic administrations. All are, of course, now independent of any administration's obligations. Each can speak his mind freely and fully. And together these men represent the most seasoned and expert opinion on military policy and military security that could be assembled. These former Secretaries are fully informed on the problem of defending the free world and they have had the prime responsibility for doing exactly that over the 20 years between 1961 and 1981.

So where do these experts stand on the INF Treaty? What advice do they give to us in the Senate? When these former Secretaries appeared on September 25, the first question they were asked was whether they would recommend the INF agreement or oppose it. Their answers were almost unanimous. With one partial exception every one of these seven former Secretaries of Defense supported the treaty. The individual statements are instructive: In order of their service as Secretary of Defense here were their specific responses:

McNamara:

> It is militarily of little importance, but political very significant. It will lay the foundation for the major arms control agreements that lie ahead.

Clifford:

> I support it without qualification. This treaty applies to only three precent of the nuclear weapons that exist in the world. The big task lies ahead.

Laird:

> Yes, I would recommend this to the President * * * this is a first step towards a major breakthrough in arms reduction.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Richardson:

> I would certainly recommend going forward with it, and I think it should be seen as a significant step toward further arms control measures.

Schlesinger:

> Arms control is intended in the long run to increase strategic stability and discourage instability during a period of crisis. This arms control agreement does not do that. But one has to start someplace, and this is a place to start.

Rumsfeld:

> Possibly. Certainly within the four corners of the agreement it is a good agreement.

Brown:

> On balance this is certainly in the U.S. interest. * * * It certainly should be approved. It is much better than having no agreement.

Of the seven former Secretaries, only Rumsfeld did not make a flat recommendation in favor of the treaty. He told the panel he would "possibly" recommend it. In his full answer he raised the question of the instability the agreement might promote because of the imbalance of conventional forces.

All together these responses include every Defense Secretary who has served this country from 1961 to the present administration. They represent a resounding and impressive endorsement of the INF Treaty.

I hope colleagues in this body will keep in mind the views of these extraordinarily well-qualified experts. We should. These men have served on the front line of responsibility for the security of our country. It would be hard to find seven persons better qualified to advise the Senate on the national security consequences of the INF Treaty.

CONGRESS SHOULD REFUSE TO CUT SOCIAL SECURITY COLA'S

Mr. PROXMIRE. Mr. President, talk still persists that the grand summit compromise on reducing the budget deficit will include a reduction in Social Security cost-of-living adjustment benefits. Mr. President this is wrong, wrong, wrong. President Reagan was 100 percent right when he announced at the beginning of these negotiations that Social Security was off the table. It should be. Indeed, it must be. Reducing Social Security cost-of-living adjustment benefits makes absolutely no sense for the following reasons:

First, the Social Security system is not only in balance it is running a surplus and a very large one. This year that surplus will be and get this—$37 billion. I repeat the Social Security system is not only in balance. It is running a $37 billion surplus. There's even more. The Social Security surplus will swell to $50 billion by 1992. That isn't all. It will continue to grow for the next 25 years. Now get this. By 25 years from now in 2012 the Social Security reserve or surplus will total more than $5 trillion. That's right, $5 trillion. It will be two times larger than the present national debt. By the year 2030, it will exceed an astonishing $10 trillion. All of that reserve has been pledged for one purpose. It cannot and it certainly should not be used for anything except paying benefits to Social Security retirees. It cannot be used to pay for national defense, for environmental protection, for housing or for any other purpose. It can pay benefits to retirees. That's it.

Second, we should not tap the Social Security reserve for any purpose except retiree benefits because it is based on a regressive tax. That is this payroll tax hits low-income persons harder, and I mean far harder than high-income Americans. The Social Security tax is paid by employers and employees—all of it directly or indirectly comes out of wages and salaries. Every American earning less than $42,000 a year pays precisely the same percentage of his earned wage or salary income in Social Security taxes whether he makes $1,000, $10,000, or $42,000. But get this, after the worker earns $42,000 he pays nothing in Social Security taxes on his additional income above $42,000. Now consider what that means. That means that a Member of the Congress earning $89,500 will pay half as much in relation to his income as the great majority of his constituents who earn $42,000 or less. I repeat. We in the Congress pay only half as much in Social Security taxes in relation to our income as the great majority of our constituents. The $500,000 a year chief executive officer of a major corporation will pay only one-tenth as much in Social Security taxes as Americans who earn $42,000 or less. Again I repeat, the chief executive officer of a corporation who makes $500,000 a year will pay only one-tenth as much of his income in Social Security payroll taxes as the great majority of Americans who earn $42,000 per year or less. How do we justify hitting small earners harder than big earners? How do we justify hitting small earners harder than big earners? Here's how: The Social Security tax is unlike other taxes. It is segregated for one purpose: Paying benefits to retirees.

Third, for most Americans their Social Security payroll tax is their biggest tax. The heaviest tax they pay. This is true for all one-earner families making $30,000 per year or less. It is true for all two-earner families making less than $40,000 per year or less. In spite of this heavy contribution, the typical benefit today is modest, very modest. For millions of retired, elderly Americans, Social Security benefits provide the only or far an away the biggest share of their income benefits. For a husband and wife receiving Social Security, payments are about $10,000 on the average. The maximum is about $14,000. For those persons and families in which only one member—husband or wife—is eligible for Social Security, the average benefits are about $6,500. This means that for families with both husband and wife receiving Social Security benefits, the total is less than one-third above the poverty line. And for the families relying on one earner eligible for Social Security, the benefits are actually below the poverty line. This means that even if full cost-of-living benefits are paid millions of Social Security recipients—the great majority of them will be doing little better than making both ends meet. Most Social Security recipients—with full cost of living paid will live in dignity—but barely. Millions more won't make it even with full COLA's. Certainly if the Congress reduces the COLA even modestly, many Americans will be hurt and painfully hurt.

Fourth, we should not cut Social Security COLA's for another reason. A decision by the Congress to reduce the Social Security COLA at a time when the fund is running a massive surplus and on its way to a $10 trillion reserve would provide a terrible precedent. There is going to be an enormous temptation in the future as both the national debt and the Social Security reserve swells to dip into the Social Security account to pay for everything from national defense to interest on the national debt. Why not? It will be said that back in 1987 the Congress started the trend. It slashed the Social Security cost-of-living adjustment at a time when many social security recipients were living below the poverty line. Why did that Congress in 1987 do this? Did we do it to save the Social Security reserve? No way, the Social Security reserve was running a massive surplus, equal to more than one-fourth of the entire deficit. Congress cut Social Security COLA's although the refund was heading for a multi-trillion-dollar reserve. Future Senators will argue that obviously the Social Security COLA cut was not designed to provide benefits to Social Security recipients. So it must have been designed to provide funds to meet other responsibilities of Government otherwise the cut would be senseless.

Let me challenge any other Senator to state what purpose the billion or two or three we save in cutting Social Security COLA's serves when Social Security is running such a tremendous surplus.

I also challenge any Senator to tell me how he can justify denying a Social Security COLA payment that is necessary to keep millions of Social Security recipients at or just above the poverty line. Here is a Social Security payroll tax that can only be justified in its concentration on low and moderate income earners because the benefits are paid on a social insurance basis to those same earners. And the Congress is being asked to cut the COLA benefits necessary to maintain a poverty or near-poverty income. When this proposal comes to the floor, this Senator will vote against this proposal and do everything, and I mean everything, I can to defeat it.

Mr. BYRD. Mr. President, this period this morning has been programmed for morning business to give Senators an opportunity to speak on various subjects, the consent of the Senate having been given to speeches by Senators.

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. BYRD. Mr. President, rather than have the Senate in a quorum call awaiting speakers, I ask unanimous consent that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to, and at 9:38 a.m., the Senate recessed, subject to the call of the Chair.

The Senate reassembled at 9:47 a.m., when called to order by the Presiding Officer [Mr. GRAHAM].

(The remarks of Mr. LEAHY at this point relating to the introduction of legislation are printed later in today's RECORD under Statements on Introduced Bills and Joint Resolutions.)

RECESS SUBJECT TO THE CALL OF THE CHAIR

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess awaiting the call of the Chair.

There being no objection, at 10:08 a.m. the Senate recessed, subject to the call of the Chair.

The Senate reassembled at 10:16 a.m., when called to order by the Presiding Officer.

The **PRESIDING OFFICER.** The Senator from Oklahoma.

THE ECONOMIC CRISIS

Mr. BOREN. Mr. President, the distinguished Senator from Kansas [Mrs. KASSEBAUM] is on the floor, and at this time she controls the time on the other side of the aisle in this matter this morning.

At this time, I yield to the Senator from Kansas for her remarks about the budget crisis we now face in this country.

Mrs. KASSEBAUM. Mr. President, I appreciate the Senator from Oklahoma yielding to me, and I appreciate his valuable assistance with respect to our initiative this morning.

Many of us who will be speaking on the proposal for a 1-year budget freeze have advocated this since 1984.

I believe that we are faced not so much with an economic crisis as an opportunity to make a difference. Our concern is that this opportunity may be fast fading. A number of us are going to be speaking and are supportive of an initiative which we feel could help us address, in a significant manner, the economic challenge before us. Certainly, the message has come from around the world that other nations are looking to us at this time for leadership.

This effort is not in lieu of the negotiators who have been working very hard on the economic summit that has been meeting for a couple of weeks, but it is in support of the efforts of those negotiators, because we are running out of time.

In 1984, when what was called the KGB plan was first introduced, we were advocating a freeze across the board for 1 year, including everything. At that point, significant savings would have been realized, approximately $23 billion. But what was more important was that the cumulative effect of a 1-year freeze would have amounted, at this juncture, to $128 billion worth of savings over those 3 years—just from the 1 year. What we believed was important then was that this was an equitable way to address our budget problems. It could put everything on hold while we analyzed the current situation we were in and the priorities we need to address in our budget responsibilities.

If today we enact a 1-year freeze across the board, which we are advocating, the savings will be about $17 billion. Again, it is the cumulative savings in the outyears that will be important.

We are also in support of a $13 billion revenue increase, making it a $30 billion package. These are precise, definite savings and revenues. There is nothing about a phony increase or outyear savings. It is there and before us and clearcut.

Many have said that this is a simplistic approach to the budget. Many have said it is too politically sensitive because it does cap the cost-of-living adjustments on all of the pension programs, including Social Security.

Yes, it is sensitive and it is difficult. But if we do not take such action at this point, I am convinced that both the elderly and the young in our Nation are going to suffer in future years because we will not have the option available to us to do what will be necessary.

I do not think at this point it is either simplistic or insensitive. I think as a matter of fact it is responsible and the reason that we have to look to the entitlements as well as defense, as well as revenues, three sensitive areas of the budget, it has been politically determined that is where the money is. We simply cannot fence them off and ignore them and believe that we can waive a magic wand and accomplish what we would like to accomplish.

This is a bipartisan effort with the same number of Democrats as well as Republicans who believe the time has come for us to take a very firm and determined stand.

Our effort in 1984 was a bipartisan effort, and this is a bipartisan effort as well because what is at stake is more than a political issue between both of our parties. It is, I think, the ability to show we have confidence that we can govern and that is the larger issue which I think is of vital importance.

Thank you, Mr. President.

I yield the floor to the Senator from Oklahoma, Mr. BOREN, who supported this effort in 1984 and has been very supportive of our undertaking this opportunity at this particular point.

The **PRESIDING OFFICER.** The Senator from Oklahoma.

Mr. BOREN. I yield myself as much time as I might require.

Mr. President, I congratulate the Senator from Kansas for her leadership again in this critical area of doing something meaningful to reduce the budget deficits which are facing this country.

People out across the country, our constituents, the people who sent us here, the people who pay our salaries, are asking what in the world is it going to take to wake up the Members of Congress and the administration, our political leadership, our elective leadership in both political parties to the fact that something needs to be done. Is a 500-point drop in the stock market enough to wake us up, to make us realize that we have been living beyond our means long enough and pretending that it was not a problem for this country? They are saying what is it going to take? Days, even weeks, have gone by since we received that warning signal. And we have yet to come up with an agreement to meaningfully reduce those deficits.

Mr. President, instead we have been wrangling back and forth like children on the schoolground trying to cast blame from one political party to another, trying to cast the blame between the White House and the Congress. It is time we stopped arguing among ourselves. It is time that some leadership was exerted. It is time that we have the courage to face the American people with the fact that sacrifice is going to be demanded of all of us if we are going to turn things around in this country before it is too late.

Mr. President, as usual the people are ahead of the politicians. They know we cannot continue to live beyond our means. The people know that it is eroding the economic strength of this country, that it is diminishing opportunity for the next generation, that it is going to lead to an economic crisis in this country if we do not get together and do something. And the American people, when faced with a challenge, have always been willing to band together, unified as one people, get in the same boat together, pull together, and make common sacrifice to do whatever is necessary to help this country.

The American people are not a selfish self-centered people. This generation does not want to steal from the next generation. The American people are willing to make sacrifices, as long as all of the people join in it together and as long as it is fair, to turn the situation around.

It is not a failure of the American people. It is a failure of political leadership and political courage. The burden and responsibility is on the Senate of the United States and we must share our portion of the blame, and if we do not do something quickly, history is going to judge us harshly.

It will be like the person who suffers a serious warning signal of an impending heart attack and does nothing to change his ways in order to protect his health and future security.

How long are we going to wait, Mr. President? What is it going to take?

Several days ago I stood on this floor and urged the President of the United States to take the political leadership, for the Congress to take political leadership, to get in a room together and negotiate together until they reach an agreement. I believe that would work. Neither side would have wanted to leave without reaching agreement because they would have known what a failure to reach an agreement would have done to morale and confidence in the country. Neither side would have been able to interrupt the flow of meetings to go out and hold press conferences to try to follow negotiating strategy with the other side. One party would not have been able to play off the set of ideas against the other party. They would have had to work together as Americans, which is what this situation demands.

The time is wasting. It will be disgraceful if this Congress completes this week of business without an agreement being reached. What kind of agreement should it be? Should it be one that merely meets the minimum Gramm-Rudman deficit reduction of $23 billion? Should it be one that does it with falsified estimates and with smoke and mirrors, one which does not really call upon the American people to make the sacrifices necessary to solve the problem?

Mr. President, people will see through that. The economic markets will see through that, as well they should.

No, we must do better. We must come up with a plan in which each and every American contributes something to this country to help turn the situation around. The American people are willing to do that. Nothing should be ruled off limits and no group should be considered privileged when it comes to the necessary sacrifices that must be made to help the country.

I think it is an insult to the patriotism, for example, of our senior citizens when they are told, "Well, we want to rule off limits any sacrifice on your part." They are the people who built this country. Many of them went through the Depression. They know what happens when a country lives beyond its means economically. They of all people are willing to do their fair share. They should not be asked to do it alone. No, Mr. President, the congressional budgets, congressional salaries, should be a part of this agreement as well, and if we are going to freeze cost-of-living increases we ought to freeze congressional budgets and freeze every other element of spending. We cannot rule off limits defense spending which is approximately one-third of our budget and still say we have fairly apportioned the sacrifice across the board. We cannot rule off limits those in the upper incomes.

Therefore, the plan which has just been presented by the Senator from Kansas is one which asks all Americans to get into the same boat together. It exempts no spending program. Every person in this country who benefits from a Government program would sacrifice a little bit. Every person who is doing well economically in terms of additional revenues which would be paid would sacrifice a little bit.

No one sector would be called upon to bear more than their own fair share of the sacrifice.

Once again we can be one people united with a common purpose working together, sacrificing together for the future of our country. That is what the American people are willing to do. That is what the American people will do if we in the Congress and those in the White House band together and demonstrate the political courage to talk to the American people and tell the American people the truth. The American people are ready and willing to respond.

Mr. President, this package would not get us in the trap we have been in the past where additional revenues have merely been used to fuel additional Federal spending. Any revenues generated from this package could be used for one and only one purpose—deficit reduction. This Senator would never support, would never support, a revenue increase at this point if it were merely going to be used for additional Federal spending. It must be used, it must be used, to reduce the Federal deficit.

It is a balanced package. More of the cuts in the deficit would come from spending reductions than would come from revenue increases. And when all is said and done, we would have real deficit reduction, not something done by sleight of hand, not something done by manipulating the estimates, not something done by smoke and mirrors.

It would be a deficit reduction brought about not by the sacrifice of one group of Americans played on against another group of Americans, not paid for by one group of Americans while another group of Americans stayed on the sidelines. It would be a deficit reduction in which all Americans join in sharing.

Mr. President, the American people are concerned. There is an element of fear out across the country about where we are headed economically. It is not that the American people have lost confidence in themselves. It is not that the American people are afraid that the spirit of this country is not ready to respond to challenge.

Time and time and time again the American people have indicated the will to deal with the crisis. They have indicated the ability to be united in the face of adversity. Whether it was the Great Depression of the 1930's, the shock of Pearl Harbor, the challenge of World War I, whether it was the expansion of communism as reflected in the Korean conflict, time and time again the American people have responded courageously and unselfishly to challenges facing this country.

The American people do not lack confidence in themselves. They, in fact, are expressing a lack of confidence today because of concern about the failure of those in political office today to provide the leadership that is necessary. The people are ready to do something. The people are ready to sacrifice. They are waiting on the politicians to have the political courage and the political gumption to know what every single one of us who sit in the Senate of the United States knows needs to be done.

Let us not wait, Mr. President. Let us not continue these political games. Let us not continue to behave like children on the school ground. Let us not waste 1 more minute talking about who is to blame. Let us not hear one more speech on the Senate floor about who is to blame. Let us not hear one more word in a press conference from the White House about who is to blame. Let us not hear one more word in the House of Representatives down the hall about who is to blame.

We are all going to bear the collective responsibility. We are all going to be judged by history if we do not get together right now on a bipartisan, American basis and do something about this problem. And if we do not have the courage to put everything on the table and ask all Americans to join in the sacrifice, history will find us wanting at a critical time in our own history. We will be judged to have handed on a diminished heritage to the next generation.

Mr. President, as long as any of us here can do something about it, we need to exert what will influence each and every one of us to muster to try to turn the tide, to let our leaders know that if they will have the courage to lead and ask the American people to do what they are willing to do, we, each one of us in the Senate of the United States, will muster the courage to follow.

Mr. President, I yield the floor and reserve the balance of the time on this side.

Mrs. KASSEBAUM. Mr. President, I certainly commend the Senator from Oklahoma for a very stirring speech.

Senator EVANS from Washington on our side of the aisle has been a leader in sound and sensible fiscal policy ever since he came to the U.S. Senate and has spoken eloquently on the floor. I commend him again for providing such leadership on this side of the aisle, many times on difficult and unpopular issues. But he has certainly been a leader to be conmmended for thinking of the country as a whole and I am pleased to be associated with him in this endeavor this morning.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Thank you, Mr. President.

I thank my distinguished colleague from Kansas for those kind words.

I came as a brand new Senator in 1983 and wondered really what this Senate was going to be like. There were votes, large and small, in that hectic last few months of the 1983 session of Congress.

But it was in 1984 when one of the most dramatic and I think finest hours of this Senate occurred during the course of the last decade, when, by a narrow vote, the Senate was willing to stand up, at times much less difficult than those we face now, and say, "Enough is enough" in terms of spending. Well, if we were willing to do it then, we ought to be willing to do it overwhelmingly now, for these are not ordinary items.

I am dismayed to see just yesterday in the paper the notice that certain organizations had gathered to object to the Congress even considering any attempt to modify in any way the cost-of-living allowances or salary increases for public employees or for those who were drawing entitlements.

One group stood out. The various veterans' organizations of this country have announced and have said that if everyone else is willing, they, too, are willing to wait for a year, to freeze for a year any increase in benefits. And I cannot think of a group in the United States that has paid more, has paid more, in terms of their lives and their bodies for the benefits they receive than the veterans of this Nation. They are willing to stand up and others ought to be willing to stand up as well.

I think those organizations who say, "Well, we might have problems in this country, we may have budgetary difficulties, but, for heaven's sakes, don't look to us to help resolve those difficulties," they may be so-called leaders, they may be those who claim to represent the people. But I have talked to many of those people they claim to represent, at least in my State, and I am convinced from letters I have received, and people in other States as well, that they are willing to take their share of the burden necessary if it is a burden shared across the board.

Those who would say, "Don't look at me. Give me what I am supposed to get. Get your savings from someone else," ought to look at the alternative. If we fail this fall, we almost certainly will be assuring a major recession for this Nation over the next several years. And is a deep recession better for all of those who may temporarily have achieved a small increase in the cost of living only to find that a recession breeds bigger deficits and that those deficits breed higher interest rates?

And people at this point say, "Well, so what? I don't really know what a deficit does. I really don't know what higher interest rates do." But when you get to the next step, that is when it all comes home to roost, because those bigger deficits and those higher interest rates will ultimately mean higher rents for those very same people trying to get along with limited retirement benefits. It will mean a higher cost of food for those very same people trying to get along. It will mean a higher cost of medicine and a higher cost of clothing and a higher cost of everything that people need just to survive.

What good, what good, is a small cost-of-living allowance if the price you pay for it will be soaring inflation which far more than eats up any benefit of that cost-of-living allowance?

Never before, Mr. President, have our actions been so important as the actions we either will take or will fail to take in the next few days. The leadership committee, which has been put together to work with the White House on an appropriate postbudget-cutting measure, has struggled. They have struggled for weeks now. As my distinguished colleague from Oklahoma said, they have interrupted their struggles just for enough time to have press conferences and point the finger at one another: Those who they claim have failed to come together on a compromise.

Mr. President, in talking to my colleagues here in the Senate and in listening to what is going on in the leadership struggles, I believe that there may well be more support among the membership than there is leadership among the leadership. I believe we can and would take stronger and better steps, given the opportunity to do so, and I hope we will have that chance in the course of the next several days. It is not just Wall Street watching us. There are too many who believe that this whole market failure of the last month or two is something that is distant and irrelevant to our lives. But it is not just Wall Street, it is Main Street as well, watching what this Congress does or fails to do.

Will we act? Will we provide real savings? Will we move toward the kind of budget balance that every citizen of this Nation is required to face, every State in this Nation, every city in this Nation, every level and unit of government outside of the U.S. Government?

I believe that a true freeze at last year's level, across the board, is the simplest, best, fairest way we can achieve the savings that will capture the attention, not just of Wall Street, but of Main Street as well. That freeze guarantees that everyone will receive as much as they had last year. No cuts; nobody worse off than they were last year; everybody guaranteed to remain at the same level. That, in itself, is going to help keep inflation down. That, in itself, is going to help make sure that each dollar we have to spend, whether as an individual or a governmental agency, will be worth the maximum amount.

Mr. President, I would suggest one other thing before I sit down and that is that we not just talk about a freeze, but that we implement one. I believe that if the leadership cannot meet the deadlines of the end of this week, if we are on the eve of a sequester, we should not back away from the cliff by simply extending the date. Rather, I believe we ought to put forth an alternative, an alternative that would implement a freeze coupled with a reasonable amount of revenue increase to create a package of from $33 billion to $35 billion, and put it forward as an alternative. We would be saying: instead of a sequester going into effect, this freeze would be far fairer and better and more across the board and would include some element of revenue to go into effect unless leadership came forward with a package which they found to be sounder and better.

Then we would be protected, Mr. President. We would have spoken and spoken loudly and clearly. We would have in place an alternative far better than the sequester we would otherwise face. I suggest that that is far better than for us to simply dodge the bullet for another week or 2 weeks by extending the deadline at the end of this week until mid-December, giving ourselves just 1 more month to fuss and fume and negotiate and argue and blame and do everything under the Sun but the one thing we should do, and that is to solve the problem which we know exists. We know its magnitude. We know how to solve it. It is time for us to step up to the plate and do that job.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I yield time to the Senator from Idaho, [Mr. McClure].

The PRESIDING OFFICER. The Senator from Idaho.

Mr. McCLURE. Mr. President, I thank the distinguished Senator from Kansas for yielding this time, and I commend her for the leadership that she is exerting in coordinating the activities of many of us who are joining in an effort to focus on a solution to a problem that is far too serious for us to ignore.

Mr. President, I have been listening to the statements of the Senator from Washington, the Senator from Oklahoma, others who have spoken on this subject today, and I have very little I disagree with in anything that has been said. I think there is an absolute urgency to deal with the budgetary problems of this country in a way which is much more dramatic than I fear will come from the current negotiations under way. I very much fear that what is happening is that each person involved in the negotiation, each individual from a different perspective, has a veto power or exercises a negative influence upon any one of the collective judgments that otherwise might occur, and we will end up with the least common denominator, which will probably yield the least favorable results.

I say that with all due respect to the people that are negotiating because I have some idea of the difficulty of forming a consensus where there are such strongly held views about so many contentious issues. But, Mr. President, this is not an ordinary time. This is a time when the events demand solutions to very basic problems, and this is also a time when, happily, the events also compel agreement. It is in the presence of these kinds of events that large decisions can be made. There are much greater opportunities than is ordinarily the case in the legislative process.

What is it that we need? We need to recognize, first of all, the fundamental difficulty of dealing with a budget deficit that has become so thoroughly ingrained in our body politic that it is difficult to deal with its component parts individually. Everyone who looks at the budget, as many of us have had to do over the last several years, recognizes that, indeed, you cannot deal with the budget piecemeal. It is impossible, as the distinguished Senator from Mississippi knows. It is impossible to balance this budget by dealing with just one or two issues. They are all interrelated. They are all important.

I am one of those who believes that it is wrong for us to try to balance the budget by raising taxes, but I do know that there are people on the other side of that issue who are equally adamant in their opposition to slashing expenditures sufficiently to do it. When you have one irreconcilable position that says we must cut spending and not raise taxes and another that says we cannot cut spending enough, we must raise revenues, and neither side will budge, you have a budget deficit; and you have a national debt that now is well over $2 trillion, that within 5 years will be $3 trillion, unless we find something, some solution to that problem of burgeoning growth of Federal spending.

I focus from my perspective on the side of the growth of spending rather than the revenue side. But I have said for some time the deficit will destroy this country as surely as any enemy outside could destroy this country. If we do not solve the problem of excessive spending we will certainly fail in all other efforts.

There is not any way for us to provide all the money for defense that this country must have if, indeed, we have a deep recession, economic turmoil, and economic weakness for this country.

On the other hand, there is no way to solve the budget deficit by raising taxes alone because it will slow economic growth, it will slow the revenues to our country, and the growth of spending will outstrip the increased revenues under a higher tax rate.

But that is my own view and I know others around here do not necessarily share that. If we cannot find a consensus on one course or another, then we must find compromise between irreconcilable viewpoints lest this Nation fail. It is for that reason I have said that I will join with people who disagree with me. They insist on tax increases and I insist on spending cuts. I will join with them on a package that does some of both if, indeed, it is a genuine and honest effort by people on both sides to accommodate the different point of view.

Those of us who have served in this body or in the other body across the Capitol for some years know that we have differences between the Senate and the House occasionally on almost every bill, as a matter of fact, and those differences get resolved in a conference in which the people understand that there will be no legislation until there is a meeting of the minds somewhere between the two positions.

It is that attitude that we need today, a meeting of the minds somewhere between the two positions so that we can resolve the problem that wracks and will ruin this country if we do not solve it.

I am ashamed, Mr. President, of the inability of the political process to produce results that this Nation demands and must have. I am ashamed when I talk to high school groups or college young people when I have to look at them and tell them that I understand that my generation has built up a national debt of $2.3 trillion and heading toward $3 trillion and the consequences that it has for them.

We know today that half of all the personal income taxes paid, half of every payment that is made by every working man and woman, every businessman in this country in personal income taxes, that goes to the Federal Treasury of the United States, half of every such payment goes to pay the interest on the national debt. It is not current spending, not to spend for the future of this country, not to reduce the debt, just to pay the interest on the debt.

That means for all the young people that I may have the opportunity to speak with I have to tell them that for the rest of their lives half of all of their personal income taxes that they will pay will go to pay the interest on the debt that we create.

That is obscene. There are scarcely strong enough words to describe the revulsion that I have when I have to speak to young people and say, "Indeed, you are going to pay that kind of penalty for the indulgences that our generation have permitted ourselves in voting for spending that we cannot pay for."

Mr. President, some will say it is defense spending that is causing the problem. That is simply not true. As a matter of fact, 6 years ago the national defense budget was nearly one-third of the total budget of the Federal Government, about 33 percent. Today it is less than 27 percent of the total budget, which is not to say that defense spending has not risen in the last 6 years. It is to recognize that other spending has risen more rapidly and, therefore, the percentage of the Federal budget going to defense is less today than it was 6 years ago.

To put it another way in very simple terms, the budget deficit is a hard thing to catalog, but the United States has about a billion dollars a page, and it looks like an old Sears, Roebuck, catalog in thickness, and it is about a billion dollars a page.

In that budget, we deal with thousands of items, literally thousands of items. There is no way any one of us can go through that budget and look at it item by item and tell you exactly how we would solve the problem by pruning this little piece or that or adding here or subtracting there. But we can break it down into manageable terms if we will recognize that the budget is comprised of four major items, in general.

One is defense spending, now less than 27 percent of the total.

Another is the discretionary spending, which is about 15 percent of the total.

The third is the entitlement programs, now 43 percent of the total, or a little better.

And the final one is interest on the national debt, again about 15 percent of the total.

Those figures change a little from month to month as estimates vary, but that is the ball park division: defense, discretionary spending, entitlements, and interest on the debt.

Let us assume for the moment that we freeze defense, not 1 penny more. Make them get by with what they have today. Let us allow the entitlement programs to continue to grow as they have, as the laws call for them to do with automatic formulas, automatic cost-of-living adjustments, and all the rest of the devices by which entitlements are defined and grow.

Take interest on the national debt. There is not much you can do but pay it.

Let us look at all the discretionary programs of Government together and wipe them all out, not one penny more, nothing, zero.

Pay defense, no change in entitlements, pay interest on the national debt, and wipe out everything else and you would still have a budget deficit. It might just about balance in 1988. But you have to go back and raise taxes every year in the future in order to pay for the growth in the entitlements programs.

Everyone knows that is true. Some do not like to admit it, but it is true. It is a fact. If you look at the budget in that way, you must recognize that until we have the political courage to deal with the entitlements programs, we will never solve the budget deficit crisis. That is really where we are hung up today.

Those who will not touch entitlements, no, we will not touch them, COLA's are sacrosanct, we cannot touch that program, it is too politically sensitive. We cannot touch that program because there are too many people in need, and indeed there are, who are affected by it, and we cannot touch it.

We cannot raise taxes because people like myself think that is the wrong thing to do.

But when we take all of the negatives together it says we cannot solve our problem, and I refuse to accept that. I think we can solve the problem. We must solve the problem. It requires not leadership of a single person kind, who says, "Here is the answer and everybody else fall behind," but leadership of the collective kind that says any number of men and women in this body and in the other body together with the President of the United States can indeed put together a package that will solve the problem. A freeze across the board in my judgment is the easiest, fairest, most dramatic way, because it not only reaches each of the elements, but it also shares the sacrifice.

I believe, as the Senator from Washington said a few moments ago, Americans in every walk of life, in every station, in every area of the country, are willing to make a sacrifice for their fair share. I believe that that is possible for us to do.

So, again, Mr. President, I commend the Senator from Kansas for coordinating and providing a spark of leadership for those few of us, at least, who are willing to speak out in the hopes that those few of us become more and become many and become the majority in this body and in the other body, and, together, the Congress of the United States can persuade the administration that, indeed, the times demand that kind of action.

I yield the floor.

The **PRESIDING OFFICER** (Mr. HARKIN). The Senator from Delaware.

Mr. **BIDEN**. Mr. President, before I begin, let me apologize to my colleagues and to the Chair for my voice. I have a bad cold and I hope I can be heard.

Mr. President, there is a little bit of deja vu for the Senator from Kansas and I and several others this morning. From as far back as 1984, we proposed a budget freeze. We argued then that although freezing the budget did not totally solve the problem, it would bring this country up short and make us all face the dilemma that we were in and we all knew was going to get worse every year. I think our high watermark was convincing 30 or so of our colleagues to vote for the Kassebaum-Grassley-Biden-Baucus freeze that was dubbed by our opponents at the time as the KGB plan. But in hindsight—and I might note that I have not always been right. There are votes I have cast and initiatives I have suggested in the past that I would not necessarily want to be reminded of now, but this is not one of them—had we moved on freezing the budget in 1984, we would be a good deal further away from the problem we now face. But that is not an excuse not to come to the floor to try again.

We are all aware that the budget summit is occurring. It is interesting that we refer to it as a budget summit. This may be the first administration and Congress where the mere fact that they got together was referred to as a summit, as if they were warring factions of foreign governments sitting down to sign a peace treaty. We have a budget summit going on now, and there is an attempt to get all sides to recognize what we have known for a long, long time, that we have to do something about revenues, that we must address the COLA question, it is a requirement that we look at discretionary spending, and that defense be part of any package.

There is an old expression that politics make strange bedfellows. The fact that the Senator from Idaho and I would be speaking on the same measure, and we disagree on so much, does nonetheless not take away from the fact that all of us have to yield some to get under control what we all know if we fail to get under control may be the literal undoing of the economy of this country in the short term. Currently, we are experiencing some economic jitters, to say the least, and that is not at all surprising for America is deeply in debt. Our Government is deeply in debt. American consumers are deeply in debt. Business is in debt. and for the first time in a long, long time, even more than it was in 1984, when we made this proposal, the debt is not owed to ourselves. I used to hear when I came to the Senate 15 years ago, when someone would mention the national debt, "Why worry about it? We owe this money to ourselves."

Well, we no longer owe the money to ourselves. We owe the staggering amounts of money, which make up significant portions of our national debt, to foreigners. We no longer owe it to the banker in New York or California. We owe it to France, Germany, Japan, and other parts of the world.

Because we owe it to others, we are in a very delicate balancing act. In order to bring down the deficit, or at least gain control of it, we have to do it in such a way that we do not cause or contribute to an economic downturn or recession, thereby diminishing the inclination of foreigners to continue to invest in this country. We need their money to pay for our debt. So it is a very, very delicate balance.

When I have spoken to this issue in the past year or so, I have been asked by the press, as we all have, "What would your proposal be were you in charge of the budget?" I laid out in some great detail how I would not only stem the problem but I believe correct the problem. My way of doing it would be fundamentally different, for example, than the way the Senator from Idaho would do it. My way spoke to some massive changes in everything from the farm program to not only defense spending but defense programs, eliminating systems. You do not get a whole lot when you cut $2, $5, $20, or $30 billion from defense unless you cut programs. You have to take out chunks of that budget because it is systemic. If you delay building the aircraft carrier for 1 year, you save yourself $300 or $400 million. But you really save, if you eliminate the carrier, for one example, $1 billion the following year and $2.5 billion the third year, because by the time the carrier is completed and the planes and personnel are put on it, you are talking about several billions of dollars.

To merely go in and cut several hundred million dollars from the budget in a generalized way without eliminating the program is not doing much good. You are just delaying the inevitable and, as my friends who want to spend more on defense would point out, you are increasing the overall cost eventually because you are delaying the program.

I would also point out that the same can be said for our unwillingness to deal with other programs. The Senator who is presiding, Mr. HARKIN is a man who knows a great deal about what I am about to speak, the American farm program. We continue to subsidize farmers who, in fact, do not need our help, while those who desperately need our help are dying financially and some literally. Yet, if we go out and talk about cuts in the farm program without changing the program, we are not doing much good.

But the point that I want to make is this, and I will yield because my friend from South Dakota apparently has a problem with time. I have a plan. We all have a plan. We all know what we would do. I hope we all know what we would do were we sitting down at 1600 Pennsylvania Avenue submitting the budget. The budget plan that I proposed would cut the budget short term and long term even more than the freeze would. But, folks, we have to come together. We have to do something now. And the most equitable way to do it, the fairest way, the way that I believe the American people will accept is if everybody, every single, solitary program without exception is part of this package and if we also raise revenues. The proposal that we have suggested will reduce the deficit by $30 billion, about $13 billion of that in revenues, the rest in freezing the budget. But I would conclude by saying to you that it is an essential first step. Once we do that, we then have to reorder the priorities in the budget.

I will, in deference to my friend from South Dakota, yield the floor.

Mr. BOREN addressed the chair.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. BOREN. Mr. President, the Senator from South Dakota is getting ready to speak and I will not intrude upon his time but I congratulate the Senator from Delaware for his remarks and also thank again the Senator from Kansas, the Senator from Washington, and the Senator from Idaho, who have spoken on that side of the aisle. The Senator from Minnesota will speak very shortly. This demonstrates the very broad bipartisan support for meaningful action to do something about deficit reduction.

I have been asked by Senator HOLLINGS of South Carolina and Senator BAUCUS of Montana, who are both chairing committee meetings at this moment, to announce that they, too, strongly support this concept and were it not for the fact they have committee responsibilities, they would be on the floor speaking on and joining in this effort. They are hopeful that those hearings will end in time for them to arrive before the proceedings are completed.

So we have this morning a very strong bipartisan display of support for this kind of across-the-board shared-sacrifice approach for meaningful deficit reductions.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. DASCHLE. I want to be very brief. There are some speakers who are waiting to speak, and I want to thank my friend, the distinguished Senator from Minnesota, for allowing me to go at this time. We all have busy schedules, and his is just as busy as mine. And I am very grateful to him for allowing me a couple of minutes.

So in the order of brevity let me express my gratitude to him, and also to those who are sponsoring this colloquy this morning. It could not be better timed. The importance placed upon bipartisanship on this issue is critical. Sometimes I wish as we look over the desks here in the Senate that there would not be a Republican side and a Democratic side, that they would all be intermingled, that somehow we could put partisanship up on the shelf and deal with these issues not as Republicans or Democrats, but as American people interested in solving the problems we face. There cannot be a more critical problem than the one we are addressing this morning.

I am concerned for at least two reasons. First, as was stated by the Senator from Idaho and others, this is not just a budget issue, and it is not just a security issue. I do not care how many missiles we have, I do not care how many people we have in uniform, and I do not care how many airplanes we have. If we are indebted to four nations for more than half of the Federal debt accumulated we have a national security problem. So from the issue of national security this issue has to be addressed at least as effectively as any other issue dealing with defense. We are not doing that today.

The second concern I have with regard to this debt deals with the young people here on the floor, those in the galleries, and others who feel as we do the ominous threat that this poses to our future. In 1938, that part of the Federal debt on a per capita basis that each and every one of us owed was a mere 26 cents. That was 1938, 10 years prior to the time I was born. This year for someone born in the world today that share of the debt is more than $8,500. By the end of this decade it is expected to be $11,000; and by the year 2000 at this rate it is going to be $21,000 when in 1938 it was a mere 26 cents.

What kind of a legacy is that? What does that say about this generation and the responsibility that we have to solve the problems we face as we are confronted with them here on the floor? It really does not do any good for us to look back and deliberate about how it happened. History speaks for itself. We know how it happened. I suppose if there is one thing I could do in my 9 years in the Congress, if I could do it over, it would be to vote against that 1981 tax cut. But that is history.

If there is one thing I can do in the next 9 years or whatever time I have here in the U.S. Senate, it is to address this issue of national security. It is to say to the next generation we are going to come to grips with this issue because we recognize the importance of it. And let us understand that this debate over budget, one for which we have come up with every ingenious device structurally and bureaucratically to address, has failed thus far. In my view, we failed because every time we debate the budget, we debate the priorities. Conservatives want more in defense; liberals want more in entitlements; some people want taxes and some do not. But the bottom line is these debates have not been budget debates. They have been priority debates. We have to come to the conclusion here there is only one priority when it comes to our future and when it comes to the strength of our Nation. That is resolving this budget issue. That is why this colloquy is important. That is why what we are saying this morning is important. That is to me the importance of a freeze. We take away the priorities debate. The budget becomes the priority, and in that we are creating a freeze which provides us with a mechanism by which we can accomplish a fair resolution to the budget problems we are facing in 1987.

Once again, I thank my distinguished friend, the Senator from Minnesota, and I yield the floor.

Mr. EXON addressed the Chair.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. BOSCHWITZ addressed the Chair.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Will the Senator from Nebraska withhold just a moment, please?

Mr. EXON. Yes.

The PRESIDING OFFICER. The Senator from Nebraska sought recognition first.

Mr. BOSCHWITZ. I ask the Senator from Nebraska if he could yield to me. I have an appointment.

Mr. EXON. For one who has always tried to recognize the right to speak on the floor, I did seek recognition first. I agree with the Chair's recognizing me. I understand that the Senator from Minnesota had yielded to my friend from South Dakota. It so happens the Senator from Nebraska has time remaining. Also, may I ask about how long the Senator from Minnesota intends to talk?

Mr. BOSCHWITZ. Six or seven minutes.

Mr. EXON. I am happy to accommodate my friend from Minnesota. I hope the Chair will recognize him.

Mr. BOSCHWITZ. I appreciate that.

The PRESIDING OFFICER. The Senator from Minnesota is recognized.

Mr. BOSCHWITZ. Thank you very much, Mr. President. I thank the Senator from Nebraska for yielding.

I am going to go down to the White House, and I am going to talk to the President about the budget, and I am supposed to be there at 11:30. So I will indeed be brief. I have talked to about 8 or 10 Senators this morning just in the process of having breakfast. I went jogging and met a couple at the gym, and so forth. We all talked about the budget. All Senators that I talked to, Republicans and Democrats alike, said they prepared to vote for a larger package and they noted with great disdain the lack of progress of our so-called leaders at the summit, or whatever it is that is going on, and the lack of progress being made over there. Interestingly, as the Senator from South Dakota said, this is not so much a matter of Republican and Democrat because all Senators that I have talked to, no matter which side of the aisle, have said they are prepared to vote for a larger package and perhaps cast votes that would affect programs that they would otherwise not vote against if indeed we are voting against those programs in an effort to constrain the budget. I do not think we are.

I must say, Mr. President, I consider the summit to be a failure of leadership, that it is going up and down like a yo yo, that on Saturday I read in the paper they were about to cement an agreement, and then this morning after a few TV shows over the weekend and a few threatening calls from one association or another, a statement by one group or another, they are all backing off. We are starting another week again without any conclusion, without any package that we can vote on.

I agree with the statement of the Senator from Washington and my friend, Senator KASSEBAUM from Kansas, whose leadership in this matter I certainly must acknowledge. I agree we simply have to come up with our own package when it comes to a vote and cast the votes that must be made.

I did not support the freeze the Senator from Kansas put together with Senator BIDEN and Senator GRASSLEY. I am sorry that I did not. I thought we had a better plan at that time. I think I am going to just have to support every plan, every broad-based plan, that supports reductions in the budget. Senator KASSEBAUM stated earlier to me that in the event we had a budget freeze 3 years ago the cumulative savings would now be approximately $160 billion, even though the first year savings were not that great.

So I would indeed support a 1-year freeze at this time. I call upon our leaders who are gathered together in this conference, I call upon the President, I will speak with the President in just a few minutes, and I will say to him that we simply have to go forward. Apparently the Congress is unable to bring the kind of leadership to this problem that is needed. So it must be the President because here the Democrats and the Republicans or those people who are seeking to protect one constituency or another are simply unable to act. So the President has to take a broader view, call for a package, get the leadership together, and tell them that we simply have to come up with a package to address this deficit problem because, Mr. President, in my 9 years here this is only the second opportunity that I find that we really would be able to address the deficit.

The first opportunity was early 1981, and at that time we failed as well.

You know, a freeze does not really address the entire universe of spending.

This little chart points out that in 1987, total outlays were $1,002 billion and that in 1988, total outlays will probably be about $1,080 billion. The freeze would reduce the $1,080 billion only by $16 or $17 billion. So we are going to spend a good deal more. While at home or in our businesses, a freeze would mean we spend the same as last year, on Social Security and some of the other programs we do not need to exclude those people when we say freeze. That means that increases would be frozen and that, as a result, the budget is going to rise this year even if there is a freeze. The budget is going to rise; people will not be deprived.

As the Senator from Washington said, people will not get less than last year, and some of the programs will expand about $16 billion worth.

As for agriculture, when people say, "You can't do anything," there was recently a very interesting article in the Washington Post, written by Ward Sinclair, and it listed some of the pork in the agricultural appropriations. I would like to talk about a few of the items.

In Arizona, there is a biotechnology laboratory, $13.3 million. Certainly, that will be important, but it can be put off for a year.

In Georgia, there is a poultry lab addition for $2.5 million, and it should be put off.

In Hawaii, there is a study to control rat damage to sugarcane and macadamia nuts. Maybe we can delay that as well.

In Wisconsin, there is a study of beaver damage to trees, for $150,000. Maybe we can get Senator PROXMIRE to give that State one of the awards it probably deserves.

On it goes. In North Dakota, there is a study about the Chernobyl disaster impact, at $600,000. Let us put it off for a while.

In Minnesota, there is an organic agricultural and low-cost farming study, for $200,000. That takes place in my constituency, but let us put it off for a year, much as I think of organic farming and what the prospects of that are for the future.

I say to the leadership, lead. I say to the President that we simply have to demonstrate our mettle, that we have to take this opportunity, because this kind of opportunity comes very seldom.

If we do not get some leadership, we are going to go on to larger and larger deficits. We are going to impose them on our children. We can prevent that from happening. Now is the time to act. This is the only time to act.

I find that Senators will make the votes that are necessary, but present us with a package that is daring. Present us with a package that is going to impact the deficit, and I think you will find that the vast majority of Senators will vote for it and support a meaningful deficit reduction at this time.

I thank the Senator from Nebraska, and I yield the floor.

Mr. EXON. Mr. President, I am very pleased that Members of the U.S. Senate, on a bipartisan basis, have come to the floor of the U.S. Senate this morning to address an issue that is absolutely critical.

The record of the U.S. Senate for years is replete—and I will not try to enumerate them this morning—with times when this Senator has stood on the floor and proposed freezes, back at a time when a freeze would have cured the problem, had we had the courage to do it then.

Some have said that this is a failure of leadership. I do not just blame the President of the United States or the leaders of the House and Senate who are trying to get together now. It is a collective failure of leadership by the executive branch, by the House of

Representatives, and, last but not least, by the U.S. Senate.

For far too long, we have ignored this problem that was there for anyone who had basic understanding of economics and basic understanding of the situation that you cannot continue to spend more than you take in. Yet, we did little, if anything, about it.

I remember a vote several years ago when those of us who proposed freezes would not get more than 25 votes, or in that area, on the floor of the U.S. Senate. Finally, now, it has become the vogue, the "in" thing, and possibly that is for the good, late as it is. There still seems to be a lack of understanding and appreciation of this matter by some, including the President of the United States.

Just a few minutes ago, I looked at the wire services. The stock market is down 24 points, basically on the Dow, at this particular moment.

The stock market has been fluctuating all over the place, with absolutely no direction whatsoever. That does not mesmerize me, Mr. President, as it does some, because I think that the stock market, at best, is only an indirect signal, with many flashing, bright, red lights that have been blinking in our collective faces repeatedly for the last number of years. Indeed, when those red lights were blinking, the stock market was on its highest rise percentagewise and dollarwise that we can ever remember.

The stock market, that gambling den, is no more a reflection in the long term of the economy of the United States than is that other gambling den that we call the commodities exchange in Chicago, IL.

In fact, I think flashing red lights mean nothing to those people—those people who have invented such things as the commodity futures exchange market, the stock prices out of Chicago, that has been an excellent way of getting around the up to 50 percent margins that are required and have been required for a long time, since the 1929 crash, to eliminate some of the rank speculation for speculation's sake alone on the New York Stock Exchange.

I am not mesmerized by that, other than the fact that those red lights that have been flashing in everyone's eyes, including the money changers on Wall Street, seem to have been finally taken seriously. But I think it is interesting to note that that was not taken seriously by the stock exchanges until—boom!—they were hit right between the eyes with a 508-point drop in the market a month ago.

What has happened since then to correct the situation? Little, if anything, I suggest, from the standpoint of overall leadership in the Nation's Capital.

The President yesterday sent further shivers through that market that never notices blinking red lights until they are hit with a two-by-four between the eyes. The market now supposedly is upset by the fact that the President said yesterday that we are going to meet the $23 billion reduction before the Gramm-Rudman ax falls Friday of this week. That is hardly, Mr. President, what I think the markets in particular or the people of the United States in specifics expected. I think that everyone has pretty much discounted the fact or accepted the fact that we are going to have a $23 billion reduction in the budget. If that is not a real $23 billion attack on the budget as I think it will be regardless of what comes out of the President's economic summit between the leaders of Congress and the President of the United States, if it does not come to that, then further chaos is going to set in immediately.

But, of course, as I think many of my colleagues have indicated on the floor this morning that is not enough and that is only putting a Band-Aid, if you will, on the economic problems that confront this country.

Yes, a freeze should be placed in effect. It should have been placed in effect years ago when this Senator and a few others were suggesting that, but too late is better than not at all.

Understanding of the economic difficulties of America, I still suggest, is the No. 1 problem in America. I am not sure that the President of the United States fully understands or appreciates it or if he or others in top leadership positions do recognize that.

Mr. President, to understand where we are and where we are going we had better first understand what has been wrong with the process. I noticed that there have been many Senators on the floor today who are calling for a freeze, evidently an across-the-board freeze, which is what this Senator and others had proposed years ago. I notice that in some instances at least those same Senators were ones who voted to support the so-called Gramm-Rudman-Hollings bill. I also noted over the weekend at least 10 different times on the news media I heard newscasters say that unless there is an agreement between the leadership of the Congress and the President by Friday the Gramm-Rudman-Hollings bill will take over and there will be an across-the-board cut.

Mr. President, that is not true, and I would hope that the news media, who I think understands this, would not take shortcuts and misinform the people of the United States. I would have supported the Gramm-Rudman-Hollings bill, which I did not and which I dubbed as a phony when it came to the floor, had it been an across-the-board cut. But it was not. And it is wrong, it is misinforming the people of the United States, when they are told over and over again that with Gramm-Rudman-Hollings, automatic across-the-board cuts take place.

Mr. President, let me explain to all that if no agreement is worked out, the Gramm-Rudman-Hollings law will indeed be a cut of $23 billion, but it is not across the board.

In fact, under the Gramm-Rudman-Hollings faulty, phony formula that passed the House of Representatives and the U.S. Senate by a large majority, because I suggest not enough people looked into the heart of it, only 20 percent of the total outlays would be indeed cut across the board or 80 percent of the total budget of the United States would not be cut at all.

Some across-the-board cut, is it not, Mr. President?

I will give what the specific figures are if the Gramm-Rudman-Hollings chop comes, and I hope it does not because it would hurt three basic and important programs of our budget far and above everything else. Those are national defense, which I warned at the time the Gramm-Rudman-Hollings became law it would hurt. It hurts agriculture and it hurts education. These are the three big programs that would take an extremely disproportionate share of their cuts. Specifically if the Gramm-Rudman-Hollings law went into effect we would cut all of the $23 billion from only $216 billion or 20 percent of the total budget as opposed to 80 percent of the trillion-dollar budget that would not be touched.

Indeed, it might be a time to recognize that fault in Gramm-Rudman-Hollings to say that if we go to an automatic cut it should be across the board on all of the programs with the possible exception of interest on the national debt that we do not control.

This is a time for action, Mr. President. This is a time for hard choices free from political considerations that I think more than anything else unfortunately is driving the negotiators who are trying to come up with some kind of a reasonable approach.

Mr. President, I simply say Godspeed to the leadership of the House and the Senate and the President. I hope they can get together in some kind of a fair manner to straighten out the tremendous problem that we have here now which is not going to be solved with just a $23 billion reduction regardless where it comes from and how unfair it might be.

Mr. President, I thank my colleagues for their consideration, and I yield the floor.

(At this point, under the previous order the Senate proceeded to the considerations of the International Wheat Agreement. For purposes of continuity, the proceedings relating thereto are printed later in the RECORD, following the discussion of the economic crisis.)

Mr. PELL. Mr. President, when is the vote to take place on this matter?

The PRESIDING OFFICER. The vote will occur at 12 noon.

Mr. PELL. How is the division of time allocated?

The PRESIDING OFFICER. The time will be allocated evenly between the Senator from Rhode Island and the minority leader or his designee.

Mr. PELL. Mr. President, I yield 5 minutes to the Senator from Montana.

Mr. BAUCUS. Mr. President, I ask unanimous consent that my remarks not be in executive session but in morning business as part of the debate that preceded immediately before going into executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Mr. President, I thank the Senator from Rhode Island.

THE BUDGET DEFICIT

Mr. BAUCUS. Mr. President, the Federal budget deficit is one of the twin deficits eating away at America's economic security.

The source of the enormous deficits that we face today is no mystery. It is well understood.

In the early 1980's, we accepted the President's proposal to radically reduce the revenue base of the Federal Government. At the same time, we began an unprecedented defense buildup. And through it all, we allowed mandatory entitlement spending to carry on virtually unchecked.

Some called it "voodoo economics." Others called it a "riverboat gamble." But, whatever you call it, it has been a recipe for massive debt, with a capital D.

Today, we are running annual deficits that exceed the size of the entire Federal budget at the height of the Great Society programs.

We have piled up more unpaid IOU's to ourselves and foreign investors in 6 years than the accumulated debt of our Nation since the founding of the Republic.

And, almost overnight, we have seen our international trade picture shift from being a world powerhouse to the largest debtor nation in history.

That has been the legacy of the path we have chosen to follow.

Mr. President, we ought to heed the words of President Thomas Jefferson, who said:

> We should consider ourselves unauthorized to saddle posterity with our debts, and morally bound to pay them ourselves.

Jefferson was right.

We in America had better start responding to this admonition.

Each day, we are adding to the burden of our children and grandchildren instead of lessening it.

Each day, we are seeing a bit of our own future slip away, instead of building it.

That is just plain wrong.

We all know that we are heading down the wrong path. And it is high time that we changed direction.

In last month's Atlantic Monthly, there was an article called "The Morning After." It is about waking up to the new realities of the American economy.

Let me quote just one section of the article by author Peter Peterson:

> We cannot, of course, go on borrowing from foreigners indefinitely to finance our consumption. Soon we must stop and, at that point, decide whether to repay them the principal or forever commit ourselves (and our children) to pay annual interest to foreigners as the price for our 1980s binge.

Mr. President, the time to begin paying for our spending binge is now.

Let us put away the credit cards and start living within our means.

ACROSS-THE-BOARD FREEZE

Today, I join once again with Senator KASSEBAUM and a bipartisan group of Senators to call for a shared sacrifice from all Americans to help get these deficits under control.

It is a familiar concept by now. It's an across-the-board budget freeze.

A budget freeze is nobody's first choice for deficit reduction. But we no longer have the luxury of first choice solutions.

We are already nearly 2 months into the new fiscal year. And we still do not have the agreement on even the outline, never mind the specifics, of a deficit reduction plan.

That is simply an intolerable situation.

And that is why we need to consider a freeze again today, because the alternative is an across-the-board cut by the automatic sequester process at the end of this week.

A freeze sends the message that "we are all in this boat together."

We can pull together in one direction and together begin to make progress against the tide of ruinous budget deficits.

Or we can be pulled apart by those who are unwilling to shoulder their fair share of the burden.

One course leads us in the direction we want to go. The other takes us nowhere—or backward.

The freeze is a way to break the gridlock. It calls on farmers, the elderly, working families, government employees, defense contractors—everybody—to play a part in the solution to our deficit problem.

Is it a perfect solution? No, it is not. A freeze will not end the debate about our spending priorities. In a democracy, that debate will never end, nor should it.

But a freeze does help stop the hemorrhage of spending. It is a clear and unequivocal decision about the need to reassess our priorities.

And as a first step toward lasting deficit reduction, I think it is a step well worth taking and one that the American people will support.

REVENUES

I also support including additional revenues as part of the budget solution we are proposing. An across-the-board freeze is not enough on its own to generate meaningful deficit reduction.

We also need to restore the revenue side of the balance sheet to protect vital programs from unwarranted reductions.

Our proposal calls for a total of $13 billion in additional revenues this year. That's only about $1.5 billion more than what has already been approved by the Senate Finance Committee, which I believe we could make a compelling case that the President ought to accept.

I reject the notion that the American people will never under any circumstances accept revenue increases. What the average American cares most about is that the Tax Code is fair and does not impose unreasonable burdens.

No one, absolutely no one, is talking about adding unreasonable burdens for the average taxpayer.

But that does not mean that we should fail to close corporate loopholes or broaden the taxpaying base. We have options to raise revenues that are sensible and supportable, and we should include them in any reasonable deficit reduction plan.

Mr. President, I believe that the time has come, in fact is long overdue, for action on the budget deficit.

I have concluded that the best option we now have is a budget freeze, coupled with reasonable levels of new revenues.

I hope that our proposal sends a strong message to the budget summit negotiators that America needs a solution to the deficit.

We must be prepared to make the tough choices. And we must break the stalemate.

We can make those choices if we are willing to pull together as Americans. I believe that the proposal we are making today gives us that chance.

Mr. President, over the chair of the Presiding Officer are the words e pluribus unum, our national motto, one out of many.

We are a country of infinite varied interests, but we are also a national country.

There are times, Mr. President, when our country must respond to crisis. One of those crisis is now upon us. I submit it is as great, in some ways it may be greater than the other crises this country has faced, including World War II.

And that crisis is the tremendous legacy of debt that this country is building up. In the last 6 years, we have doubled our national debt to over

$2.3 trillion. We run an annual deficit of about $180 billion to $200 billion. We are a net debtor country. We owe much more to foreigners than they owe to us, the first time that that has happened in our country's history since about 1917. It is astounding the degree to which our country is in debt.

Mr. President, I say it is immoral, it is outrageous for this generation to pass on this legacy of debt to the next generations.

For the first time in our country's history, our children can look forward to a lower standard of living than they now enjoy. For the first time in our country's history, when they grow older, if the present trend continues, they will have a lower standard of living than they presently enjoy or that this generation, their parents, presently enjoys.

When the market nosedived on October 19, there was a silver lining in that cloud; namely, it jolted this Congress and the President to get together to begin to reduce the budget deficit that faces us. But I must say, in all due respect, in the last 15 or so days, while they have made some progress, they are too nervous, they are too concerned with committee jurisdiction, too concerned with inside baseball, inside the beltway, and not paying enough attention to the people of this country.

And I might say, Mr. President, most of the people in this country reside outside of the beltway, not inside. The people of this country want that budget deficit reduced. They want action. They know it is time for shared sacrifice.

I very strongly join with other Senators who have spoken today in advocating a freeze on Federal spending for 1 year. That is not a cut. It is a freeze. The freeze rises $17 billion and commensurate with that we can raise revenues by $13 billion; adding $1.5 billion to the $11.5 billion already approved by the Finance Committee, for a total of a $30 billion cut in the deficit, real cuts.

A freeze, Mr. President, would also be a structural solution. It would go at the structural budget deficit that faces us.

For those who say, "Oh, no, we can't have a freeze, can't freeze COLA's, can't freeze the cost-of-living indexes for Social Security," I say the American people will sacrifice together as long as it is a fair, across-the-board freeze in spending. I repeat, it is no cut in spending. We are just saying no increases in spending.

A few years ago, when I ran for reelection in my State of Montana, the cornerstone of my campaign for reelection was to freeze Federal spending. I went around my State saying we have got to get control of this budget deficit; we have to freeze Federal spending for a year. I found, very much to the credit of the folks in my State, that they sure were a little bit concerned. I would go to senior citizen centers and I would say we would have no increases in COLA's for 1 year.

They would get a little nervous. They would say, "Wait a minute; you say you are not going to increase our COLA's?" I would say, "That is right, because nobody is going to get increases, either."

I can remember vividly a little old lady looked up at me and said: "If you are sure no one else gets an increase I guess I can go along and agree to a freeze."

Mr. President, I also found that the newspapers in my State editorialized in favor of it. I was astounded at the degree to which people in my State thought it was a good idea. I was astounded that there was virtually no opposition to the idea. I think part of the problem the deficit negotiators now are having is some folks are going to get potentially a little more of a cut compared to some other folks. And that is why our summiteers are having such a difficult time putting a reasonable package together.

I suggest, along with other Senators who have spoken this morning, that if it is across the board, if it is level, and if everyone is treated the same way—just no increases for everyone for 1 year—then that is something people understand and they are willing to go along with because the other guy is not any better off than he otherwise would be.

I strongly suggest we move in this direction.

The **PRESIDING OFFICER.** The time of the Senator has expired.

Mr. **BAUCUS.** I thank the Chair and I thank the Senator from Rhode Island.

The **PRESIDING OFFICER.** Who yields time?

Mr. **PELL.** Mr. President, I believe the time is under the control of the Senator from Alaska and he will be asking to speak as if in legislative session and his remarks placed in the appropriate place.

Mr. **MURKOWSKI.** I thank my friend from Rhode Island. I ask unanimous consent to speak as in legislative session.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **MURKOWSKI.** Mr. President, first of all, let me thank my colleague, Senator KASSEBAUM, for displaying the leadership associated with the issue that is before us this morning. I think it is noteworthy that we have a bipartisan approach. My friend from Montana has just addressed this body on the continuing discussion that we have had this morning on the debt crisis, the economic summit, and what to do about it.

Mr. President, over the past few weeks, I have addressed this body on the significance of taking action—action now—to address indeed the merits of the extent of confidence erosion that has occurred in the United States since Black Monday; to draw attention that indeed time has run out in the game of borrow, borrow, borrow, spend, spend, spend. I called attention of this body to the economic illusion that we can pile unending deficits into a towering national debt forever without the consequences.

Well, Mr. President, the consequences are before us now. We have seen that debt grow at a rate that astounds anyone that will reflect on it.

I recall when I came into this body in 1981, the total accumulated debt of our Nation was $757 billion. Today, that figure is in excess of $1.3 trillion. It is evident that we are currently paying 15 to 16 cents out of every dollar on interest on that debt. It eats while we sleep; somewhat like a horse.

The realities are that interest on the debt does not provide for one worthwhile program. It does not provide for any of the social needs. It does not spur the economic vitality of our Nation.

So we are now faced with the reality of what we are going to do, what we are going to do now. Are we going to accept sequestration, which is the mandatory across-the-board, law-of-the-land cut, or are we going to take action?

Mr. President, earlier last week, I introduced legislation to take action. That legislation would provide an across-the-board freeze—not cut, but freeze—on COLA's. It was accompanied by another piece of legislation to encourage savings, to appoint a Presidential Commission to find ways to encourage savings. Because, obviously, with savings on the increase, our money supply would increase, our interest rates potentially would go down.

The facts of our Nation currently with regard to savings draws a very dismal picture. We have the lowest savings rate in 40 years. Our savings are below the estimated comparison of other nations by about $100 billion.

We need to encourage savings, Mr. President. We have a unique system in this country where we discourage, in effect, savings. If one contemplates his own savings, what happens? You are charged. You have to declare your interest that you earn on your savings. It becomes part of your income and you pay taxes on it. It is a negative. It discourages.

On the other hand, it seems like we reward debt. Your interest on your debt is chargeable off your income taxes. It seems to me, Mr. President, that serious consideration must be given to turning around rates of savings as we have seen other countries do. Japan has one of the highest rates of savings in the world because it encourages savings. I think this body needs to address the merits of having incentives to save.

So we are faced, now, with the reality, Mr. President, of what action we are going to take and I am very pleased that my colleagues are addressing this. The proposal for a freeze across the board is certainly an equitable one. It takes away some of the flexibility of this body in addressing which of the issues are more meritorious than others, but the fact that cannot be denied is it is expeditious. It is fair in the sense that everybody is treated equally to go back to last year's freeze. The application of my particular legislation fits in with the spirit of freeze, and I think it reflects on the merits of going into the entitlements.

There are those that will suggest that the entitlements are bound in a commitment that has been made and to go back on that commitment is a breach of trust. Well, I would remind those that reflect on the merits of previous commitments, that the system itself is very much at stake. One wonders, if we see an economic collapse, just what the state of our savings will be in.

The Senator from Montana indicated in his meetings with senior citizens that there was a willingness to take a freeze, if indeed it was equitable and across the board. We have already seen, as evidenced by various veterans organizations, statements made that they are willing to accept a freeze as long as it is across the board and everybody else makes the same sacrifice.

I think that is significant. I think it is timely. I think it is a voice that should be heard because our veterans have continually sacrificed for our liberties and here they are prepared to sacrifice again to save the system.

One reflects on those senior citizens and the obligation of just what Social Security means. Social Security was meant to supplement retirement, not necessarily provide for retirement. But I think most of the senior citizens in this country understand the reality of what happened on Black Monday. The $220 billion worth of losses on that day represented the investment from those that receive retirements that are invested in the market: Whether it be union pension trusts or individual employer trusts. What we are facing here is the reality that if we do not take our medicine now, if we do not make the sacrifice now, then one wonders how deep is it going to be the next time.

Next time are we going to be talking about the merits of a freeze or are we going to be talking about significant cuts in benefits? What we are talking about now is simply a freeze, not a cut. We are talking about a freeze on COLA's, not a cut.

Are we all willing to make a sacrifice to save the integrity of our financial system? I do not think, Mr. President, that this continued debt, unchecked, can result in anything but an utter catastrophe of our financial system as we know it in the United States.

Our financial system is a very fragile one. It is tied in with the other world markets. We observe that on Black Monday when the other markets throughout the world, whether it be Japan, Hong King, or the markets in Europe, all reacted. We are so intertied.

Mr. President, I commend my colleagues for addressing the necessity for taking action. When we get through the guise of what our alternatives are, it is really very simple. It is no more complicated, Mr. President, than you and I and our checkbook.

If we do not have the funds we either have to go out and find new funds or reduce our spending. It is extraordinary what the Federal Government has done over the years. We go through a budgetary process here to try and address the merits of where our priorities should be and then by the time we are through, whatever else that we feel we have to have and cannot afford and will not generate by increasing income, we simply add it to the deficit and the deficit grows.

You and I cannot do that, Mr. President. Why should Government be allowed to do it?

We go back to the merits of how we made adjustments to our system to try and ensure that a catastrophe such as we knew in 1929 would not happen again. So we put in restrictions on margin calls and various other appropriate actions. But one wonders if we would have put one more on where we would be today. Where would we be today if, in 1929, we had had a balanced budget amendment; a mandatory balanced budget? Well, we would have either changed the law, Mr. President, or we would not be looking at a $1.3 trillion indebtedness.

The **PRESIDING OFFICER**. The time allocated to the Senator by the minority leader has expired.

Mr. **MURKOWSKI**. I would thank the Chair and my colleagues and the leader. I am very grateful for the opportunity to join with my colleagues today to point out the crisis that we have at hand. I yield the floor.

EXECUTIVE SESSION

INTERNATIONAL WHEAT AGREEMENT

The **PRESIDING OFFICER**. Under the previous order, the hour of 11:30 having arrived, the Senate will now go into executive session and proceed to the consideration of treaty Calendar No. 5, which the clerk will report.

The legislative clerk read as follows:

A treaty, Calendar No. 5, treaty document 100-1, International Wheat Agreement, 1986.

The **PRESIDING OFFICER**. The treaty will be considered as having passed through its various parliamentary stages up to and including the presentation of the resolution of ratification, which the clerk will report.

The legislative clerk read as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of the International Wheat Agreement, 1986, which was open for signature at the United Nations headquarters, New York, from May 1, 1986, through June 30, 1986, and signed on behalf of the United States on June 26, 1986; consisting of (1) the Wheat Trade Convention, 1986; and (2) the Food Aid Convention, 1986.

Mr. **PELL**. Mr. President, today we have before us for consideration the International Wheat Agreement, 1986. This agreement replaces the International Wheat Agreement, 1971, and consists of two parts: the Wheat Trade Convention, 1986, and the Food Aid Convention, 1986.

The Wheat Trade Convention is a purely consultative agreement designed to facilitate the exchange of information about the world grain market. The convention is administered by the London-based International Wheat Council.

Unfortunately, despite the usefulness and modest cost of the United States of participation in the Wheat Trade Convention—our annual contribution being about $250,000—the United States is in arrears in its payments to the Wheat Council. Granting advice and consent to ratification of the treaty, will help greatly to resolve this situation.

The second convention before us today is the Food Aid Convention, 1986. The purpose of this convention is to secure 10 million tons of food aid annually for developing countries. Under the terms of the convention, the U.S. commitment is 4,470,000 metric tons. This amount falls well within authorized food aid programs under Public Law 480.

Mr. President, the International Wheat Agreement enjoys broad support, from the administration, from my colleagues on the Foreign Relations and Agriculture Committees, and from the wheat growers and traders of our Nation. I would urge my colleagues to vote in favor of granting the Senate's advice and consent to the ratification of this agreement and ask unanimous consent that the remainder of my statement which contains a description of the conventions be printed for the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

STATEMENT OF SENATOR CLAIBORNE PELL, NOVEMBER 17, 1987

BACKGROUND

The United States has been a party to international wheat agreements since 1949. The pending agreement will replace the International Wheat Agreement, 1971, which, having been extended by protocols, expired on June 30, 1986.

The International Wheat Agreement consists of two parts: The Wheat Trade Convention, 1986, and the Food Aid Convention, 1986. These conventions were signed for the United States by Ambassador Okun at the United Nations Headquarters on June 26, 1986, and submitted to the President on December 11, 1986. The conventions were transmitted to the Senate.

PURPOSE AND SUMMARY OF THE WHEAT TRADE CONVENTION

The Wheat Trade Convention is a purely consultative agreement designed to facilitate the exchange of information about the world grain market and to provide a forum for the discussion of grain trade issues. The principal function of the convention is to gather and disseminate information on grain market conditions, national policies and their effect on the international market, and developments concerning the improvement and expansion of trade, utilization, storage and transportation, especially in developing countries.

Part I, Articles 1 through 8 of the Convention, establishes the framework for cooperation in carrying out the functions outlined above. Part I includes a statement of objectives, definitions, and reporting and recording requirements. Part I also includes provisions relating to commercial and so-called special, or concessional, transactions. The convention requires members to conduct concessional grain transactions in such a way as to avoid harmful interference with the normal patterns of international commercial trade.

Article 2, subsection (e) of the Convention expands the scope of the agreement to cover wheat, wheat flour, rye, barley, oats, maize, millet and sorghum and such other and products as the Council may decide.

Part II, Articles 9 through 22, outlines the administrative provisions of the Convention. The Convention is Administered by the Internantional Wheat Council, a London based organization established in 1949 by the first International Wheat Agreement. All parties to the Convention are members of the Council. The Council has legal personality and thus has the capacity to enter contracts and to institute legal proceedings.

For voting purposes, nations on the Council are divided into two blocs: grain exporters and grain importers, each with a total of 1,000 votes. Any decision reached by the Council must be supported by a majority vote in each bloc.

Expenses necessary for the Administration of the Convention are met by assessed annual contributions from all members. Dues are calculated on a per vote basis; in crop year 1987-1988, each member was assessed 485 British Pounds Sterling (roughly $800) per vote.

Article 16 of the Agreement establishes the Subcommittee on Market Conditions which bears the principal responsibility for monitoring all matters affecting the world grain economy.

Article 22 of the Agreement states that, "the Council shall at an appropriate time examine the possibility of the negotiation of a new international agreement or convention with economic provisions."

Part III, Articles 23 through 34 set out the final provisions of the Agreement, including those articles dealing with signature, ratification, provisional application, and accession the treaty.

Article 33 subsection (2) gives the Wheat Council the authority to extend the agreement for successive periods not to exceed two years.

There are three notable differences between the Wheat Trade Convention, 1986 and its predecessor. First, as noted previously, the Convention has been expanded to cover certain non-wheat grains. Second, the tone of the new convention has been changed to deemphasize the ultimate necessity of reestablishment of price and economic provisions. Finally, the convention can be extended by a vote of the Council, extensions would no longer require the advice and consent of the Senate.

PURPOSE AND SUMMARY OF THE FOOD AID CONVENTION

As established in Part I of the Food Aid Convention, 1986 is designed to secure, "the achievement of the World Food Conference target of at least 10 million (metric) tonnes of food aid annually to developing countries in the form of grain suitable for human consumption(.)" A floor level of food aid assistance is established at 7.6 million tons per year.

The United States' commitment under this program is 4,470,000 metric tonnes, and is fulfilled by our authorized food aid programs under Public Law 480, the Agricultural Trade and Development Act of 1954, as amended.

Part I, Articles 1 and 2, of the Convention establishes the agreement's objective, as outlined above, as well as the definitions used in the agreement.

Part II, Articles 3 through 15, contains the main provisions of the Convention, including the establishment of each member's minimum annual contribution as well as the terms of food aid contributions and the methods of channeling these contributions to recipients.

The Convention is administered by the Food Aid Committee, based in London. All decisions by the Committee are reached by consensus.

Article 8 of the Convention gives the Committee the ability to respond to food shortage emergencies by making recommendations that members increase the amount of food aid available.

Part III, Articles 16 through 26, of the Convention lays out the final provisions, including those articles dealing with signature, ratification, provisional application, and accession the treaty.

Article 22 subsection (2) gives the Food Aid Committee the authority to extend the Convention for successive periods not to exceed two years as long as the Wheat Trade Convention remained in force during the period of the extension.

Mrs. KASSEBAUM. Mr. President, I urge the Senate to ratify the International Wheat Agreement of 1986. This agreement is the latest in a series of wheat agreements into which the United States has entered. It consists of two parts, the Wheat Trade Convention and the Food Aid Convention.

The Wheat Trade Convention is a purely consultative agreement. It provides a valuable forum for international discussion of grain trade issues. Statistics compiled by the International Wheat Council, which administers the agreement, are used regularly by the U.S. Department of Agriculture, the U.S. Trade Representative, and other agencies, as well as by other nations. These statistics are often the only accurate information available on world wheat supply, demand, trade, and prices.

An important change in the 1986 Wheat Trade Convention is that it broadens coverage of the International Wheat Agreement to include coarse grains as well as wheat. This will enhance the role of the council in helping to collect, analyze, and disseminate information on world grain trade.

The second part of the International Wheat Agreement is the Food Aid Convention of 1986. This section of the agreement maintains previous commitments of providing minimum annual quantities of cereal food aid to developing countries. The United States' commitment under this agreement is 4,470,000 metric tons, an amount well within our authorized food aid programs under Public Law 480. I might add that the United States has consistently donated amounts well in excess of this requirement.

The new Food Aid Convention also provides for regular consultations among members to review pledge levels and to respond to regional food production shortfalls.

Ratification of the International Wheat Agreement will result in payment of back dues which the United States owes. Due to delayed ratification of the agreement, funding for U.S. obligations under the International Wheat Agreement was put into an account which did not contain adequate amounts to meet our commitment. When ratified, funding for the International Wheat Agreement will be switched into an account which contains funding to fulfill our obligations.

The technical expertise of permanent staff members of the International Wheat Council, with a membership of about 50 nations, is recognized worldwide. The council has worked closely in the past with the General Agreement on Trade and Tariffs [GATT] in assisting with multilateral trade negotiations affecting grains. This function has taken on increased importance in light of recent GATT proposals by major grain exporting nations. In addition, there are several important grain trading countries that are members of the International Wheat Council, but not members of the GATT.

A hearing was held in September by the Committee on Foreign Relations at which testimony was heard on the International Wheat Agreement. Support for the agreement was unanimous. There is no opposition to ratification. For the above-mentioned reasons, I wholeheartedly endorse the agreement and urge its immediate ratification.

WHEAT AGREEMENT CAN LEAD TO BENEFITS HERE AND ABROAD

Mr. MELCHER. We are finally proceeding with ratification of the International Wheat Agreement, 1986. I believe this agreement to be a good one that will be useful in helping maintain a framework for international cooperation in wheat trade matters, particularly by attempting to provide statistical, analytical, and forecasting data.

But there is a second component to this agreement that is more important. Linked to the wheat agreement is a renewal of the Food Aid Convention.

Under the terms of this convention, a floor level of food aid assistance to developing countries is established at 7.6 million tons per year. That is too low. As the traditional residual supplier, the U.S. commitment under this program is 4,470,000 metric tons—an amount already fulfilled under existing levels of aid provided through Public Law 480, the Food for Peace Program. That 4½ million tons is too low. These amounts are unchanged from the 1980 convention. We have great quantities of surplus wheat that should be used, not stored. Developing countries need it and we need to dispose of it to stabilize the world price of wheat, lessen the Federal outlays to wheat farmers for deficiency payments, and develop foreign markets.

While we can take some satisfaction in the fact that we are doing far more than others to use our God-given bounty of agricultural production to assist developing countries, we are not doing enough. So, the suggested floor of 4½ million tons is far too low.

I recognize that we cannot renegotiate this convention here on the floor of the Senate. However, I also hope that this will not be treated as the final action in our efforts to be of assistance by using our agricultural commodities where needed around the world.

It is true that the United States and a number of other countries tend to exceed the minimum contributions required under this convention. I hope that we will continue to do so.

We have many tools like food for peace, section 416, section 108 and other surplus disposal statutory authority if the administration is willing to use them. It is in our best interest to do so for any number of reasons. Certainly, our agricultural industry benefits from the disposal of surplus stocks that would depress the marketplace. Hungry people benefit from having their nutritional needs more adequately met. We, as a nation, benefit from setting an example to the world in seeking ways to truly use food for peace and develop fruitful, lasting new markets.

I support this treaty. I also support the concept of doing far more to assure that the productive genius of American farmers and ranchers is used in the wisest possible way—feeding hungry people here and abroad.

SUPPORT OF THE INTERNATIONAL WHEAT AGREEMENT

Mr. LEAHY. Mr. President, I rise in support of the participation of the United States in the International Wheat Agreement. This agreement, like its predecessors, will provide a useful forum and framework for the exchange of information and ideas about the international grain trade.

It is through a ready exchange of information that we learn about the problems and pressures facing other countries. And it will only be through continued and thorough discussions that we are able to ultimately forge new and effective rules governing international trade in all commodities.

The two conventions that comprise the agreement, the Wheat Convention and the Food Aid Convention, provide for the continuation of many of the information sharing and food aid goals of their predecessors. The International Wheat Council serves as the focal point for the gathering and dissemination of information concerning the international wheat trade and food aid needs of countries. Its work is important given the world market that currently exists and the ever growing need for emergency food aid.

These conventions also break some new ground, primarily with an expanded commodity coverage, simpler extension mechanisms, and strengthened provisions designed to better enable the conventions to meet emergency food aid needs.

The agreement calls for a small cash contribution and certain food aid commitments from signatory nations. The food aid programs established in the Agricultural Trade Development and Assistance Act of 1954 are adequate to fulfill our food aid commitments under the new agreement.

I urge my colleagues to support this agreement.

Mr. PRESSLER. Mr. President, I rise in support of ratification of the International Wheat Convention. The International Wheat Convention plays an important role in exchanging information on wheat production and could play a key role in resolving agricultural trade disputes.

This convention provides a framework for international cooperation in wheat production and trade. It consists of 58 wheat exporting and importing nations. The meetings and discussions provide a format for discussing wheat production, trade, supplies and many other factors.

For many years I have supported expanding the framework of the International Wheat Convention to allow it to more aggressively address the surplus wheat situation. It is estimated that storage of surplus grain will cost U.S. taxpayers over $1.2 billion this year. Taxpayers also will pay farmers not to produce grain. However, the U.S. efforts to control production are not very effective because other nations often increase production in response to U.S. acreage set-aside programs. On a worldwide basis, over $100 billion were spent last year on agricultural programs. The United States and other nations cannot afford to continue such costly farm programs. The International Wheat Convention could play an important role in coordinating worldwide production controls and reducing global farm program costs. I have proposed and advocated the negotiation of an international conservation reserve program to reduce agricultural surpluses, control soil erosion and reduce farm program costs. The International Wheat Convention could play a key role in the development of such an agreement.

The convention also can play a key role in the elimination of export subsidies for wheat and other unfair trade policies. The elimination of unfair trade policies is a primary goal in ongoing GATT negotiations. The International Wheat Convention could facilitate these GATT talks.

Mr. President, I urge my colleagues to join in support of the International Wheat Convention and in urging the administration to use the convention to address world wheat trade and wheat surplus issues.

INTERNATIONAL WHEAT AGREEMENT

Mr. BIDEN. It is no news to the Senate that the world's agricultural market is in terrible shape. Export subsidies have destroyed any relationship between supply and demand, the supposed advantage of efficient production is relegated to economic theory books, and taxpayers around the world are watching billions of dollars frittered away for no real gain.

American farmers also suffer under these market conditions. Market prices for surplus crops are battered. Set-aside requirements become increasingly onerous as our Nation's tremendous agricultural system loses outlets for its production. Surpluses are piled up on Main Streets and parking lots around rural America. I note that storage costs are expected to total over $1 billion this year.

The President has called for an international agreement to eliminate all agricultural subsidies. The chosen forum for these talks is the General Agreement on Tariffs and Trade [GATT] negotiations. Mr. President, the aggressiveness of this proposal is undeniable, but I am concerned that concentrating solely on the elimination of all subsidies at the exclusion of other goals is a risky policy, one that bets the rural economy on achieving what many view as a most difficult goal.

A better approach is to assess all the opportunities for progress and follow up on those that show promise for results. As part of this process, we must also look at existing opportunities to pursue those issues. Reducing the surpluses that overhang many agricultural markets is a shorter-term goal that we must address. That is why the Foreign Relations Committee included report language that I proposed urging the administration to use the Wheat Convention as more than crop statistic exchange.

The International Wheat Agreement brings together top level agricultural representatives of the world's major exporters and importers. It should be viewed as a valuable adjunct to the GATT efforts, not as a replacement to those talks, but as another opportunity for the United States to make clear its determination to battle the unfair export subsidies and policies that exacerbate global surplus problems.

Mr. President, we can bring about greater cooperation in reducing surpluses. We have the tools in hand and through a demonstrated willingness to use them have gained the attention of our competitors. But we should not be content to talk about agricultural trade problems only in the context of GATT reform and with the single goal of eliminating all subsidies.

At this point, the administration should not shy away from using the Wheat Conventions to its best advantage, hiding behind the GATT negotiations as an excuse for inaction. Reduction of global surpluses and the burden American farmers and taxpayers bear in trying to balance the global supply/demand equation is a goal well worth pursuing. It is not a goal we should set aside through the end of the century in exclusive pursuit of a subsidy-free world.

I urge the administration to use the expertise and facilities of the International Wheat Convention as a ready made structure to work toward improved prices for our farmers and a reduction of global surpluses that have become so damaging to the agricultural economy.

Mr. PELL. Mr. President, I would also point out that this treaty passed our committee by a 19-to-0 vote.

Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator has 2 minutes remaining.

Mr. PELL. Mr. President, I suggest the absence of a quorum, the time to be equally divided.

The PRESIDING OFFICER. Without objection, the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the hour of 12 noon having arrived, the question is on agreeing to the resolution of ratification of the International Wheat Agreement, 1986, Treaty Document 100-1. On this question, the yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Maryland [Ms. MIKULSKI], the Senator from Illinois [Mr. SIMON], and the Senator from Colorado [Mr. WIRTH] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from South Carolina [Mr. THURMOND] is necessarily absent.

The PRESIDING OFFICER (Mr. ADAMS). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 94, nays 0, as follows:

[Rollcall Vote No. 378 Ex.]

YEAS—94

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Trible
Wallop
Warner
Weicker
Wilson

NOT VOTING—6

Dodd
Gore
Mikulski
Simon
Thurmond
Wirth

The PRESIDING OFFICER. On this vote, the yeas are 94, the nays are zero. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

Mr. THURMOND. Mr. President, I have just returned from the White House where I was attending a meeting with the President on the housing bill. I arrived 1 minute after the vote was over.

Had I been present for the vote I would have voted "aye."

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will be a period for the transaction of morning business for not to exceed 15 minutes or the hour of 12:45 p.m., whichever shall come the earlier, with Senators permitted to speak therein for not to exceed 5 minutes.

Who seeks recognition?

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

SOCIAL SECURITY SHOULD BE KEPT OFF THE DEFICIT REDUCTION TABLE

Mr. SANFORD. Mr. President, I rise today to join those who oppose any plan to reduce the deficit by confiscating the cost-of-living adjustment due our senior citizens and disabled Americans who depend on Social Security or Federal retirement annuities to shield them from poverty.

The President is right. Social Security and the Federal Retirement Program should be left alone.

We say everyone should give their fair share. And so they should. But the millions of Social Security beneficiaries have already given the fullest measure of sacrifice. Seniors who are better off now pay taxes on their benefits. Far too many others have endured staggering medical costs, while we have held up badly needed health care initiatives in the name of fiscal austerity. They have anted up their meager savings for higher copayments, suffered spousal impoverishment for long-term care costs, tightened their personal budgets, and watched as the deficit mounted still higher due to increased expenditures in other areas of the budget.

The elderly and the disabled are not the culprits. Nor should they again be the victims as this current drama unfolds.

Social Security is a mainstay of American life. It is synonymous with our family traditions. As a matter of fact, Social Security has become a part of the fabric of family unity—an intergenerational compact. Workers, employers, and the self-employed contribute to the Social Security System with the simple expectation that our Government trustees will do their part and protect the system against abuse and misuse. They pay into the System during their work lives and rightly feel entitled to old age, disability and survivor benefits when the need arises. And they also rely upon the promise made to them that their monthly checks will not be eroded through inflation.

That is what the System was designed to do. That is what it must do. Anything less is a breach of faith with the American people.

Social Security allows families to know that there will be an income when their economic status abruptly changes due to retirement, death, or disability. It is the pillar that holds the roof over their heads and keeps disaster from crashing down upon them.

How, then, can we cast covetous eyes on our neighbor's retirement allowance? How can we justly seize that which is not ours to take?

The COLA is part and parcel of our commitment to all Social Security beneficiaries—and, indeed, to all workers of this and future generations. It is not as if we have been overly generous to the widows, orphans, disabled, and aged in our Nation. On the contrary, the average Social Security retired and disabled worker benefit is about $490 a month. Approximately 10.5 million retired workers and another 1.4 million disabled persons get this amount or less. That is hardly enough to live a life of luxury.

A full COLA increase of 4.2 percent averages out to about $20.50 a month for most beneficiaries. But this amount would be offset by a $6.90 increase in the part B Medicare premium, even without enactment of the catastrophic insurance plan. The net gain to beneficiaries is only $13.

But if we cut the COLA by 2 percent, the net gain drops to only $3 per month on the average. And, of course, for those receiving less than the average benefit, the increase would be even smaller. In fact, preliminary estimates indicate that 9 to 10 million Americans would receive no increase at all if the COLA were reduced by 2 percent. And the Senate Catastrophic Health Insurance Program, if enacted, would add another 6 to 7 million people who would see no increase in their monthly check. In other words, no beneficiary with an average benefit or less would get an increase when you combine the part B premium increase, a COLA reduction of 2 percent, and a catastrophic premium of $4 a month. If the part B premium were not increased, it would cost almost $2 billion. Thus, the savings from a 2-percent reduction in the COLA would be only $1.1 billion.

If we seek to reduce the deficit by tinkering with the COLA, we will, in effect, be squeezing nickels and dimes from the pockets of the poorest of the elderly. It will be the governmental equivalent of sending a Mother's Day card with postage due.

No, Mr. President, it will really be worse than that. Because the deficit will not be reduced in any tangible way by this penny-pinching. The Social Security funds are part of a trust fund that is reserved exclusively for beneficiaries. It is a fund that is running a surplus and the COLA would be paid out of the fund.

But the deficit is not part of the trust fund. It is part of the debt we owe for public expenditures outside of the Social Security System. If the COLA is reduced or delayed, the American people will not realize any drop in the national debt. We will still be spending more than we take in to pay for the general expenses of government. The only result is that the trust fund will show a larger surplus—a surplus which cannot be used to pay off our general purpose indebtedness. It is totally misleading to suggest that the budget or the deficit are helped in any way by holding back Social Security payments.

The gain from the strategy of delaying or reducing the COLA is only a paper gain, made by accounting on ledger sheets but having no more reality than pencil transactions on Wall Street. Every one of us will still owe as much as before on a per capita basis. In fact, we will owe more, because the true deficit figure will be hidden behind a smaller, phony figure based on manipulated ledger accounts.

But if there is no real gain for our Nation in the battle for a balanced budget, there is a real loss for those millions of poorer Social Security beneficiaries who thought we were as good as our word. They need the COLA—as small as it is—simply to maintain their marginal standard of living. And there, is a real loss to our personal sense of integrity as caretakers of the system that rose from the ashes of depression and desperation to become one of the crowning achievements of our democratic society.

We must put the trust back into the trust funds and preserve the security in Social Security.

Unlike the soft drink, this particular un-COLA is a bitter drink to swallow. I urge my colleagues to join those who oppose efforts to cut the deficit by denying Social Security beneficiaries the full adjustment they are due. As the seasons of Thanksgiving, Hanukkah, and Christmas approach, let us remember our promise to the aged, disabled, widows, and children of our Nation—our pledge to the working men and women of America—that Social Security will remain inviolate. The President took it off the table at the beginning of the budget negotiations, and that is where it should stay.

RULES COMMITTEE STUDY OF THE OPERATIONS OF THE SENATE

Mr. FORD. Mr. President, earlier today at a business meeting of the Committee on Rules and Administration, I made an announcement which I believe will be of interest to every Senator.

During the first session of the 100th Congress there were several measures introduced which address various organizational and procedural aspects of the operation of the Senate. Without attempting to explain the provisions of these resolutions. I shall mention that the following Members have introduced such measures: the majority leader, Mr. BYRD; the ranking minority member of the Rules Committee, Mr. STEVENS; the junior Senator from Kansas, Mrs. KASSEBAUM; the senior Senator from Hawaii, Mr. INOUYE; the junior Senator from Washington, Mr. EVANS; the senior Senator from New York, Mr. MOYNIHAN; the junior Senator from Arkansas, Mr. PRYOR; and the senior Senator from Missouri, Mr. DANFORTH—all have sponsored measures which are worthy of careful study and review.

It is scarcely necessary. I suspect, to mention that several of us, including myself, have for many years tried to focus attention on the desirability—indeed the necessity—of establishing a 2-year budget and appropriation cycle for the Federal Government.

The Nation is facing fiscal, economic, and other domestic and international issues of great concern requiring timely and effective consideration by the Senate. Each Senator's time has become increasingly consumed by repetitive consideration of the same issues during a single session of Congress. The number and size of Senate committees and subcommittees have placed excessively high demands on a legislative body of 100 Members.

Under rule XXV of the Standing Rules of the Senate, the Committee on Rules and Administration is responsible for "congressional organization relative to rules and procedures, and Senate rules and regulations * * *" and is charged with the responsibility for "recommending improvements in such organization and operation with a view toward strengthening the Congress, simplifying its operations * * * and enable it better to meet its responsibilities under the Constitution of the United States."

Within that provision, early in the next session, the Committee on Rules and Administration will undertake a comprehensive study of proposals to improve the operations of the Senate. The objective of the study will be to enhance the Senate's ability to fulfill its responsibilities in an efficient and timely manner. The study will include, but not be limited to, the following:

First, proposals to improve the Senate committee system; and

Second, proposals to revise the Rules of the Senate.

I anticipate that the study will be completed and a report submitted to the Senate by June 30, 1988.

RULES COMMITTEE'S PLANS TO REVIEW THE SENATE COMMITTEE SYSTEM AND SENATE RULES

Mr. STEVENS. Mr. President, I want to commend the chairman of the Rules Committee, my good friend from Kentucky, Senator FORD, for announcing a comprehensive review of the Senate's committee system and rules.

I share the chairman's conviction that the time has come to address the frustration of many Senators with our repetitive consideration of the same issues during a single session of Congress.

An example of this repetition is the Senate's consideration of our national defense budget. In this year alone, the defense level for fiscal year 1988 has been considered five different times: during debate on a budget resolution; during consideration of the Department of Defense authorization bill; in the Appropriations Subcommittee on which I serve; during consideration of the Gramm-Rudman-Hollings amendments; and now in the budget summit negotiations between the White House and Congress.

This frustrating and time-consuming duplication has not been limited to defense issues; it affects every function of government.

Together with Senators' numerous committee and subcommittee assignments, this time-consuming duplication has resulted in an increasingly inefficient and ineffective legislative process.

The need to remedy this duplication has been formally addressed by our colleagues several different times in recent years. In 1983, former Senators Pearson and Ribicoff presented to the Senate a comprehensive report on reforming Senate practices and procedures. A major component of that report was a group of proposals on how to restructure our Senate committee system to make it more effective.

The next year, extensive consideration was given to reforming the Senate committee system by the Temporary Select Committee to study the committee system, chaired by Senator QUAYLE. Our former Republican leader, Senator Howard Baker, lead off those hearings by expressing his hope that the Senate could find a way to consolidate the functions of its committees, or coordinate them more efficiently.

In the current Congress, Senator KASSEBAUM—with the cosponsorship of Senator INOUYE—has introduced Senate Resolution 260, which proposes a major streamlining of our Senate committee structure. Their proposal reflects a great deal of thought about the many difficulties and frustrations we face under our current organizational structure.

Our committee system and rules have lead to other problems. We ought to be concerned about losing the talents of experienced Senators, as well as others who might aspire to Senate seats. The demands of our Senate schedules have become overwhelming to the point that Senators retire out of frustration, and others who might have run for Senate seats, decide not to become candidates. This is the quality of life issue which many of our colleagues have been discussing during the past couple of years.

Another concern we ought to have is what effect our committee system and rules is having on the confidence of the American public. When the public sees the Senate taking up the same issues over and over again—often without resolution—this has got to have a negative effect on their confidence in the Senate's ability to deal decisively and effectively with our Nation's business.

Mr. President, it remains to be seen what proposals our Rules Committee hearings will generate. The proposals I've mentioned, and others offered in recent years, have varied greatly in their approach to reforming our committee system and rules. However, one thing they have all had in common, is their recognition that our current committee system and rules of procedure are deficient; and that our processes are not allowing the Senate to serve the American people to the best of our abilities.

I look forward to working with the Chairman, members of the Rules Committee, and all our colleagues in this important endeavor.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the hour of 12:45 having arrived, the Senate will now stand in recess until the hour of 2 p.m.

Thereupon, the Senate, at 12:47 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DODD].

The PRESIDING OFFICER. The Senate will come to order. The Chair, acting in its capacity as the Senator from Connecticut, will note the absence of a quorum.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

The Senator from Illinois addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, I yield myself 5 minutes for remarks concerning the subject matter at hand.

TRIBUTE TO JOE McMAHON

Mr. DIXON. Mr. President, the Democratic Party and all residents of Illinois lost a political leader and patriot with the death of Joseph P. McMahon in July 1987. A month ago the Senate of the 85th General Assembly of the State of Illinois adopted a resolution paying tribute to his distinguished career of service to our State. I will submit it for inclusion in the RECORD.

To this official documentation, I add my deep admiration and affection for the man I knew and worked with for 25 years. When I served as State treasurer, he was there; when I served as secretary of state, he was there; and when I was elected to the Senate, he was there—in Illinois running my Chicago office.

My debt to him is incalculable, not just because his dedication and support made those of us around him better than we were alone, but because he and I had a friendship I enjoyed and cherished.

I miss him, and I should like to have him remembered here for the RECORD.

Mr. President, I ask unanimous consent that the resolution adopted by the 85th General Assembly of the State of Illinois be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION No. 548

Offered by Senator Lechowicz and Senator Rock, President of the Senate; and Senators Alexander, Berman, Brookins, Carroll, Collins, D'Arco, Degnan, del Valle, Demuzio, Thomas Dunn, Hall, Holmberg, Jacobs, Jones, Jeremiah Joyce, Jerome Joyce, Kelly, Luft, Marovitz, Netsch, Newhouse, O'Daniel, Poshard, Savickas, Severns, Smith, Vadalabene, Welch and Zito.

Whereas the Illinois Senate was deeply saddened to learn of the death of Joseph P. McMahon on July 15, 1987; and

Whereas Joseph P. McMahon was a stalwart of the Democratic Party for decades, serving as Past President of the Young Democrats of Illinois, and as Democratic Committeeman of the 8th Ward of Chicago; and

Whereas Joseph P. McMahon was a dedicated county and State governmental official, serving as Clerk of the Circuit Court of Cook County from 1960 to 1964, Assistant Secretary of State from 1964 to 1971, First Assistant State Treasurer from 1971 to 1974, First Assistant Secretary of State from 1974 to 1977, and Director of the Chicago Office of United States Senator Alan Dixon from 1978 to 1985; and

Whereas Joseph P. McMahon served in his official capacities with dedication, competence and grace throughout his public career; and

Whereas Joseph P. McMahon, besides his many official duties, was a successful businessman, founding the McMahon Florist Company on Chicago's Southeast Side; and

Whereas Joseph P. McMahon proved to be a leader of men while serving as a Captain of the Third Tank Battalion of General Patton's Third Army in World War II; and

Whereas Joseph P. McMahon, because of his gallant service in World War II, was a decorated hero, receiving the Purple Heart and Bronze Star with Oak Leaf Cluster for Heroic Action; and

Whereas Joseph P. McMahon's life exemplified one of public service and accomplishment; therefore, be it

Resolved by the Senate of the Eighty-Fifth General Assembly of the State of Illinois, that this Body expresses its deep sorrow at the death of Joseph P. McMahon, and its sincere condolences to his lovely wife, Rose, and the rest of his family; and be it further

Resolved, That suitable copies of this preamble and resolution be presented to the family members of Joseph P. McMahon.

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1987—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now resume consideration of the conference report on S. 825, which the clerk will report.

The legislative clerk read as follows:

The conference report on S. 825, an act to amend and extend certain laws relating to housing, and for other purposes.

The Senate resumed consideration of the conference report.

THE ADMINISTRATION'S FAILING HOUSING POLICIES

Mr. DIXON. Mr. President, I call to the attention of my colleagues a most timely article which appeared in the Chicago Tribune on November 16, 1987.

The article highlights the findings of a recent study, "The Reagan Approach To Housing: An Examination of Local Impact," which was conducted by the Chicago Urban League.

As this body considers the Conference Committee Report on the "Housing and Community Development Act of 1987," S. 825, I trust that each of my colleagues will give serious consideration to the findings in this study. It represents a serious national problem which is of great concern to me—a reduction in the Federal funding of social programs without a balanced increase in State and local government and private sector expenditures.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Chicago Tribune, Nov. 16, 1987]

NO ONE MAKING UP FOR HOUSING-AID CUTS

(By Stanley Ziemba)

Federal funding for low-income housing by Illinois has been cut by 87 percent since 1980, and neither the private sector, the state nor local government has come close to making up the difference, according to a new Chicago Urban League study.

Moreover, the reduction in federal housing funds is being felt most by Illinois' neediest families, those whose incomes fall below 80 percent of the median income for the area in which they live. They constitute 40 percent of the state's population, yet no one is producing new housing for them, the study concludes.

"According to President Reagan's New Federalism policy, cutbacks in social services are supposed to be balanced by increased expenditures by state and local governments and by private sector initiatives," said James W. Compton, the league's president. "This, however, has not been the case.

"What this study does is document the failure of the Reagan administration's policy regarding social needs, particularly the failure to address the shelter needs of our citizens."

According to the study, "The Reagan Approach to Housing: An Examination of Local Impact," Illinois as of this year was receiving $249.8 million a year less in federal funds for all low-income housing programs than it got at the start of the Reagan administration in 1981.

Most of the federal cuts have been in the area of public housing, government-owned housing designed to shelter the poorest of the poor, the study found.

In 1987, federal spending to rehabilitate the state's existing public housing units and to help cover the operating expenses of the state's housing authorities has been nearly $202.4 million less than the yearly average for the period between 1980 and 1984, the study determined.

Although the state was expected by the budget cutters in the Reagan administration to bridge the gap left by withdrawn federal funds, the Illinois Housing Development Authority (IHDA), the agency primarily responsible for funding housing programs in the state, has spent a total of only $26.2 million on low-income housing in the last two years, 1985 and 1986, the study estimated. That figure doesn't even come close to replacing the money the state is losing in federal dollars annually for low-income housing, the report notes.

Furthermore, none of IHDA's funding is used to fund public housing, and, few, if any, of the state's housing dollars are used to provide private sector housing units for the poorest of the poor, those whose incomes fall below 80 percent of the local median, the study determined.

In fact, because of the formula IHDA uses to sell bonds to raise money for housing development and establish rents in the units it finances, the only "low-income" units being built with the agency's assistance are those that only households at the very top of the poverty scale can afford, the study pointed out.

Under IHDA's guidelines, "low-income' is defined as 80 percent of the median income of the local area," the study notes. "Rents are set to be affordable to households at this income level." Consequently, "for those households whose income is less than 80 percent of the median, IHDA-defined 'low-income' rents are difficult or impossible to afford," the study adds.

Local governments also have not made up for the withdrawal of federal housing funds, the league report contends. The City of Chicago, for example, has spent only $36.7 million on low-income housing since 1982, it determined.

The city, like IHDA, also uses restrictive guidelines to finance housing developments that most of Chicago's neediest families can't afford, the report notes.

"The State of Illinois and the City of Chicago have together poured over $900 million into the housing market since 1981," the study states. "However, almost all of these resources have been targeted to households that are substantially middle class or at the very top of the poverty scale."

The study notes that under the Reagan administration's philosophy, "the private sector is expected to be able to take care of the state's housing needs better than any governmental agency."

In reality, however, the study says, the private housing sector, at least in Chicago, has probably done little to make up for the reduction in federal low-income housing funds.

Although 21,953 new housing units have been built in the city between 1981 and 1986, "we can assume that few, if any, of these units were at rentals affordable to a low-income population," the study says.

"Most authorities agree that it is next to impossible [for the private sector] to build new low-income housing without some form of subsidy," the report says.

The "most dramatic and most visible manifestation" of the lack of available and affordable low-income housing units in the state, according to the study, is the rise in the number of homeless.

Unless the nation's housing policies are reversed, the report concludes, "Illinois and Chicago, as well as other areas, will bear the brunt of the [low-income housing] crash."

Mr. DIXON. I just want to read the opening paragraph of the article, "No One Making Up For Housing-Aid Cuts," Chicago Tribune, Monday, November 16.

Federal funding for low-income housing in Illinois has been cut by 87 percent since 1980, and neither the private sector, the state nor local government has come close to making up the difference, according to a new Chicago Urban League study.

The entire article, Mr. President, sheds light on the discussion of Federal funding of assisted housing. I think it points out very eloquently that the housing policies of this administration have been a total failure. That is the subject matter at hand in the vote that will shortly be before us.

Mr. President, this is not a colloquy but an effort to clarify a concern raised by some of my constituents regarding the issue of employing residents of public housing projects under a resident management contract.

I'd like to ask my friend from California, Mr. CRANSTON, a question.

Mr. CRANSTON, would you please inform me whether there is any provision in this conference report which would reduce the ability of a resident management corporation operating a public housing project to employ, define the responsibilities of, or establish the terms of employment for residents of such project?

Mr. CRANSTON. I can assure the Senator that the conference report contains no provision that would have that effect. The Senator from Illinois has shown great leadership on the issue of public housing resident management, and he deserves great credit for it.

During the conference negotiations, much debate was devoted to the need to provide resident management corporations with sufficient flexibility in employing residents, defining their responsibilities and determining the terms of their employment. Conferees wanted to provide that flexibility and nothing in the conference report reduces the ability of resident management corporations to employ project tenants.

Mr. DIXON. I am especially pleased that the Conference report maintains provisions of S. 243, the "Public Housing Resident Management Act of 1987", which, on January 6, 1987, I introduced with the cosponsorship of Senators GLENN, DANFORTH, and KENNEDY. The provisions are also similar to those in S. 2242, the tenant management bill which along with Senator GLENN, I introduced on March 26, 1986.

The conference report authorizes an alternative to residents of public housing to manage their own housing conditions. It is intended to offer improvements in their overall living conditions, while providing a valuable return on investment for taxpayers.

Under contract with the local public housing agency, a resident management corporation is authorized to manage the housing project and to retain profits from improved rent collections so that the corporation may, first, establish business enterprises that employ tenants, second, provide better project maintenance and operation, or third, acquire additional dwelling units for low-income families.

As an incentive to increase flexibility for tenant-managed projects, corporations may be provided with comprehensive improvement assistance for project renovations and improvements. In addition, the Secretary of HUD would be required to evaluate the resident management program and to submit a report to Congress after 3 years.

Since the 1970's—on an experimental basis—tenants have managed at least one public housing project in each of the cities of Boston, Rochester, St. Louis, Louisville, Jersey city, New Orleans, and Washington, DC. Just recently, residents at LeClaire Courts in the city of Chicago negotiated a contract with the Chicago Housing Authority and formed the city's first tenant management corporation. Residents are preparing to manage their 615-unit public housing development.

Many of the existing experimental projects have created jobs and health clinics, formed day care centers, served as a catalyst for other business ventures, and overall, aided in developing safer and more stable communities. I look forward to seeing many of these innovations at LeClaire Courts in the near future.

Although I realize that tenant management is not a solution for all public housing projects, it is intended to increase the flexibility of the residents of those housing projects that choose tenant management. It is also intended to help improve housing conditions for the residents, while wisely investing our scarce tax dollars.

This is a good provision and I am pleased for the support from the conferees.

Mr. President, I solicit the support of my colleagues for approval of the conference report on S. 825, the Housing and Community Development Act of 1987. Although some of its provisions are not crafted exactly as this Senator would have liked, the conference report is a compromise which I can endorse.

I am particularly pleased to support the conference report because it has been 4 years since the House and Senate were able to agree on a major housing bill. However, this is the first major free-standing housing bill to be approved by Congress in 7 years.

In the meantime, assisted housing programs have taken more than their fair share of budget reductions—a 70 percent reduction, Mr. President. This has contributed to the lack of available and affordable housing for low- and moderate-income families. It has also contributed to an increase in the number of homeless individuals and families, and the long waiting lists throughout this Nation for public housing and section 8 assistance units.

I believe that this conference report concurs with the current political and fiscal restraints that this body supports. It authorizes appropriations for $15 billion for housing and community development programs for fiscal year 1988, and provides an adjustment for inflation for fiscal year 1989.

Additionally, the report makes permanent the FHA Mortgage Insurance Program, and authorizes for 2 years the HUD and Farmers Home Administration assisted housing programs and the community development block grant and urban development action grant programs.

The conference report also authorizes a demonstration program to assist public housing agencies in providing child care services for low-income residents, and establishes a lead-based paint poisioning prevention program in section 8 and public housing projects. It extends the Flood and Crime Insurance Programs for 2 years, authorizes 12,000 new housing units for the elderly and handicapped, and prohibits user fees on mortgage insurance and secondary mortgage market programs.

This report temporarily addresses a priority housing issue, prepayments on HUD assisted low-income rental housing. It establishes a 2-year solution to this complex problem which, if not reformed, would cause the Nation to lose as many as 950,000 low-income units.

These are all provisions which are needed for my constitutents in the State of Illinois, and I believe are also good for the people throughout this Nation.

Mr. President, I want to compliment the distinguished chairman and ranking minority member of the Housing and Urban Affairs Subcommittee for their leadership and perseverance in seeing that we have a housing authorization bill this year. I look forward to working with Senator CRANSTON during the next 2 years as the subcommittee attempts to develop Federal housing and community development policies.

Mr. President, I urge immediate approval of this conference report on S. 825.

Mr. President, I yield back whatever time remains.

The PRESIDING OFFICER. Who yields time?

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ARMSTRONG. I wonder if we can check signals on the ground rules and where we are. Is the housing conference report before us?

The PRESIDING OFFICER. That is the pending business.

Mr. ARMSTRONG. Could the Chair remind us of the time agreement that has been entered into and the schedule for votes through the afternoon?

The PRESIDING OFFICER. At 3 o'clock under a previous agreement there will be a vote on the motion to reconsider. The time between now and 3 o'clock is equally divided between the managers of the bill.

Mr. ARMSTRONG. The time is divided between who?

The PRESIDING OFFICER. The managers of the bill, equally divided.

Mr. ARMSTRONG. Mr. President, if that is the case, it is an oversight. I believe it was intended, perhaps, that I would manage the time of the opponents. Both managers of the bill happen to favor the report. I guess we can work that out some way.

Mr. D'AMATO. Mr. President, will the Senator yield?

Mr. ARMSTRONG. Certainly.

Mr. D'AMATO. In the interest of fairness, the Senator from Colorado can certainly manage the time in opposition. He would have the time otherwise allocated to the manager of the bill on the Republican side.

The PRESIDING OFFICER. The Senator from Colorado will be designated as the manager of opposition.

Mr. ARMSTRONG. I thank the Chair. I particularly thank my friend from New York for his courtesy. That is most helpful.

Mr. President, in a moment I will yield to my colleague from Utah and then the Senator from Texas [Mr. GRAMM], and some others. Before I do, I would like to make this suggestion for our schedule this afternoon.

I propound it as a thought at this point for the consideration of the managers. In order to save time, I would think a voice vote on the motion to reconsider would be in order. I know of no one who intends to vote against the motion to reconsider at 3 o'clock. That would then leave us time to debate the merits of the issue and we would have then, as I would see it, two rollcall votes in the afternoon, if that is agreeable, one on the question of whether or not to waive the Budget Act or the point of order and if the Budget Act is waived then a vote on final passage of the conference report. I do not pose that as a unanimous-consent request at this time but to suggest it as an idea that the Senator from New York and the Senator from California might reflect upon in an effort to save time of the Senators.

Mr. President, as I entered the Chamber, someone whispered in my ear that the stock market is down: about 40 to 50 points again. I do not know whether it will close on that kind of a loss for the day, and whether it does or not really is irrelevant to the point I want to make. The stock market is nervous, the country is nervous, the international currency markets are nervous, the real estate markets are nervous, and I think most Senators are getting a little nervous about the precarious state of the Nation's finances.

This morning, according to the newspaper reports, the conferees, the majority and minority leaders and chairmen and ranking members of the Appropriations, Budget, and Finance Committees who have been meeting down the hall about 50 yards from here trying to work out some kind of a budget package, seem to be at loggerheads again.

It is like the Perils of Pauline. One day we hear they are close to an agreement and then they are not close to agreement.

This morning I heard that Mrs. KASSEBAUM and others came to the floor to say, "For heaven's sake, get off it. Do not bring us a little package but bring us a big package. Do not bring us a pusillanimous budget fix but a big fix and let us vote on it."

I am convinced that here in the Senate a broad, bold package that puts everything on the table would have a good chance to succeed.

The distinguished Senator from Kansas, the minority leader, put it so well a few days ago in a public statement in which he said, "The country is ready to take the medicine but we cannot find anybody who is willing to hold the spoon."

I think Senators ought to be willing to hold the spoon, ought to be willing to say that there is a time for tough, hard decisions even if the result is temporarily unpopular. It is that important to the future of the country that we somehow balance Federal spending with revenues at least over a period of time.

What has that to do with the conference report on housing? It has everything to do with it because this is a massive budget buster.

We were down to talk to the President this morning and he said in unequivocal terms he will veto this bill. The question is here today whether or not we are going to find that there are at least 34 Senators who will vote against it, letting the world know that we will sustain his veto. He is going to veto the bill. That is not a doubt. You are not going to see, if you go down to the well to vote, the cryptic message that we sometimes get that the President's senior advisers will recommend the veto. The President says he is going to veto it. Unless he is struck by lightning between now and the time the bill gets to his desk, he is going to veto it. There is no doubt about it.

The question is whether or not accompanying the bill as it goes to his desk, if it does, there will be the dissenting votes of at least 34 Senators which will send a powerful signal to those who are watching us in Zurich, Tokyo, London, and on Wall Street and most important on Main Street, that there are enough votes in this Chamber to defeat the bill when the President vetoes it, that is, to sustain Mr. Reagan's veto.

Why should we do so? For five reasons:

First, because it is a massive budget buster.

Second, because it renews and reauthorizes programs which have outlived their usefulness and which are extravagant, programs like UDAG and the others.

Third, because it continues programs which have failed, which by their own definition are not succeeding. I am thinking of the low-income rent programs which end up costing about three times as much per unit as other available programs to help low-income people.

Fourth, because the conference report contains some ambitious and novel new programs which were never considered by the Senate, the impact of which is not fully understood, which were never even the subject of hearings. I am speaking specifically of the new antidisplacement program which says if you get displaced as a low-income person by a CDGB project or a UDAG project, then you can apply for and get up to 10 years of subsidy for your rent.

Maybe there is some justification for this, but there is a quiet generous provision in present law that gets people relocated, and to just drop it into the conference report without any real understanding of its implications, that kind of a legislative proposal, is really breathtaking under the circumstances.

Fifth, most important of all, the reason to vote against this conference report is because it is absolutely the least timely piece of legislation one can imagine at a time when we are trying to get the budget deficit under control.

Mr. President, how much time do I have left? I desire to yield to several of my colleagues and I would like to be sure that each of them gets recognized.

The PRESIDING OFFICER. The Senator has 20 minutes and 30 seconds.

Mr. ARMSTRONG. I would like to yield to my colleague from Utah 5 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

Mr. GARN. I thank the Senator from Colorado. As the ranking Republican of the Senate Agriculture Committee, I would like to thank both the Senator from Colorado, Senator ARMSTRONG, and the Senator from Texas, Senator GRAMM, for their work in trying to defeat this incredibly expensive and poorly timed housing bill. They have worked tirelessly, and without those two Senators we simply would not be at the point where we are now, particularly in light of the overwhelming House vote.

I go from sadness to anger on this bill and the summit negotiations. One day I am very angry at my colleagues because they do not have the courage to do what is right. They are more concerned about next year's election and about what the various special-interest groups are saying today. And then I go from anger to pity and think how sad it is that we have people elected to public office to represent constituents who are demanding that we do something fiscally responsible in this body, but will not do it. I have seen this body change in the 13 years I have been here. A lot of statesmen in both parties have put partisan differences aside to make difficult decisions. There is very little of that anymore. It seems to get more partisan each year, each month, and each day. If we have not seen proof of that in the last few weeks, we probably never will.

Here we are once again with an issue that if you are against this bill, you are against housing; if you are for it, you are for housing. We are often confronted with those choices in this body on various issues. They have simply made a litmus test of whether you are for or against something. I resent those kinds of characterizations because, supposedly, if we vote against this bill, we are antihousing, without regard to the content. To put it mildly, this is a lousy bill.

I am for housing, I suppose, as much as anybody in this body. I can prove that because 20 years ago when I was elected to the Salt Lake City Commission one of the first things I became aware of as a local government official was the need for housing for low- and moderate-income people. I think the record will show that I was interested in building housing, to the extent that when I was mayor of Salt Lake City, I got so disgusted with the waste and inefficiency of Federal housing programs, in dealing with the Department of Housing and Urban Development and the long delays while people were homeless and we could not build housing that finally I rejected Federal housing funds and said I did not care to participate in them anymore. I went to the Utah State Legislature and said, "We have people that need housing before winter. I can't deal with the waste and inefficiency of the Federal Government. If you will appropriate half a million dollars, we will match it out of local funds." And we had people in housing in a very short period of months.

So I am not going to sit back and listen to the rhetoric and the baloney about if you are opposed to this bill you are antihousing. I am one of the people in this body who has put people in housing—not theorize about it, not stand back here and beat yourself on the chest saying how great I am because I voted for billions and billions of dollars for housing without ever examining the programs, without ever finding how wasteful section 8 and many of the other subsidized programs are and looking at mile after mile and story after story of vacant HUD housing that has been repossessed, that has been vandalized, which is unusable, and at a tremendous cost.

Yet here we are faced with a bill that opens the door for unlimited spending in the future. We are playing games, as I said last Thursday night, with the numbers. We are being told that this is a $15 billion bill and it has $600 million less than the original Senate bill. That is true and a statement of fact, but entirely misleading. It does not matter what the total amount is that you put on this authorization bill as long as you have provisions in there that say "such sums as may be appropriated". That is a blank check. CBO sits there and says $15 billion because in those areas where it does not name a specific figure they score it at zero. The administration says it is $19 billion. I will guarantee you they are wrong, too. They underestimate because in the 20 years I have been in public office, I do not care which housing bill you want to take or any of them before I was here, you will simply find out that in the debate on the floor of this Senate, in the House, and in the committees the estimates of what the bill would cost have been under every single time.

So after two or three decades, I think it is logical to assume—the Senator from Colorado is not on the floor.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GARN. I ask the Senator from Colorado for 2 more minutes.

The PRESIDING OFFICER. Is there objection? The Senator from Utah has requested 2 additional minutes of the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I would be pleased to do so.

The PRESIDING OFFICER. The Senator from Utah is recognized for 2 additional minutes.

Mr. GARN. The comment I was making when I ran out of time is I think it is absolutely a guaranteed statement that 5 years down the road I will be able to look back and say, "I told every Member of this body that that housing bill was not only going to cost more than $15 billion, but it would cost more than the administration's estimate of $19 billion." That is what we want to do in light of this budget crisis and the stock market crash.

We want to authorize new programs, and that is the major fault I have with this bill—the authorization of new spending programs. I am perfectly willing to work for a bill that continues existing programs, funds them at a proper level but this is not the time to start new programs that will authorize various sums of billions of dollars in the future. This is the time for this body to stand up, stop the rhetoric before the press, stop the rhetoric before your home folks, stop becoming fiscal conservatives and born again converts to balanced budgets, and then coming on this floor and continuing to vote for vast new sums. That is the way the American people ought to judge this vote.

This bill is a budget buster. Being for or against it is not being for or against housing. If you are against it, you are for fiscal responsibility. You are doing something about the stock market. And the homebuilders and realtors ought to recognize that they cannot come and ask us for assistance in balancing the budget, lowering interest rates, lowering mortgage rates and then sell themselves in this bill for FHA provisions. I am for those provisions as well. But the special interest groups on this bill have been outrageous, even in some cases linking votes on this bill to whether those groups will give further PAC contributions for next year's election. I happen to think that is illegal under FEC regulations. None of those offers better come to this Senator or they will be reported. Let us look at this as a vote for fiscal responsibility and not whether you are for or against housing.

I thank the Senator from Colorado.

The PRESIDING OFFICER. The time of the Senator from Utah has expired.

Who yields time?

Mr. CRANSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from California.

Mr. CRANSTON. Mr. President, I want to stress once again the conferees on the housing bill were very sensitive to the budgetary pressures and therefore with great reluctance on the part of some members the conferees decided to reduce the authorizations in the housing bill below the amounts in either the Senate or the House-passed bill and below the amount the Appropriations Committee were expected to approve.

So as most Senators are well aware this conference report reduces spending for programs within it. The conferees were determined to comply with the congressional budget. They did. The problem that has confronted us with this point of order is that since September 30 any bill with direct spending to even a dollar in outlays has technically been exposed to a point of order under section 311 of the Budget Act. That situation has been created by the mechanics of congressional bookkeeping. It was created by two items. First, the continuing resolution was counted as if it extended for the full year rather than just through December 16. So it was recorded as a $336 billion bill. Second, savings that are expected from the Reconciliation Act are not yet shown. As a result, until Congress takes final action on appropriation bills, and the reconciliation bill, the recorded budget totals will exceed the anticipated levels by over $5 billion. In that situation, that has nothing to do with the housing bill. It does not do that itself. In that situation, section 311 of the Budget Act provides for a point of order against any bill that involves any spending, even $1, even if that spending were to involve program reductions. The housing bill is exposed to the point of order because it includes three provisions that according to CBO involve the total of $47 million in direct spending. All of these items were in the Senate-passed bill. However, to enhance the prospect that the Senate can act on the housing bill, which is urgently needed, we believe the direct spending impact of these provisions should be removed from the bill.

I would like to ask for the attention of the Senator from Colorado because I want to make a unanimous-consent request.

The point of order is technically correct because, due to circumstances beyond our control a spending bill would be subject to a point of order—anything that has even a dollar of expenditures. That has been the basis of the point of order raised by the Senator from Colorado. However, to enhance the prospect that the Senate can act on the housing bill, which is urgently needed, I believe and the Senator from New York and others believe that we should remove from the bill the direct spending impact of these provisions.

So I will now suggest that we proceed to correct this essentially technical problem with the bill. There is, I repeat, a technically proper basis for the point of order, even though substantially I do not believe it is correct.

Senator D'AMATO and I have prepared, and I will now offer, if I can—it takes unanimous consent for that—a concurrent resolution to correct the enrollment, so that we will remove all elements of the bill that make it subject to points of order under the Budget Act.

Under the unanimous-consent agreement, the Senate will be able to pass these changes because the enrollment bill is part of the unanimous-consent request. It comes later rather than before we conduct the votes that are scheduled. We are assured that the House will accept these changes.

Mr. President, with the explanation, on behalf of the Senator from New York and myself and others, I ask unanimous consent that the Senate immediately proceed to consider and to act upon, prior to the scheduled 3 o'clock vote, the correcting resolution referenced in the time agreement reached on Friday, November 13. That will cure the $47 million problem. It will remove those items from the bill.

The **PRESIDING OFFICER.** Is there objection?

Mr. **ARMSTRONG.** Mr. President, reserving the right to object, it is no wonder that the Senator from California is regarded as a skillful legislator and parliamentarian. His suggestion is an ingenious one. But let me point out that if we were to follow the procedure he has recommended, the effect would be to have a resolution relating to the enrollment of a bill which had not yet been passed.

Even if we were to follow that procedure and then pass the housing bill, both the bill and the resolution would go forward separately.

I am going to object to this request. But I point out to my friend that if he wants to amend the bill, it is not hard to do it. The way to do it is to forgo the budget waiver, which causes the Chair to then rule on the point of order, the conference report would follow, and we would have before us the Senate bill with the House amendment. It would then be in order for the Senator from California or any other Senator to move to concur in the House amendment with an amendment.

That would mean that we would really be amending the bill, not sending forward a separate resolution.

I have been down this line about assurances from the other body about agreeing to adopt a postenrollment resolution; and on at least one critical occasion which comes to my mind when I had been assured that was going to happen, it did not happen.

So, for these reasons, Mr. President, I must respectfully object.

The **PRESIDING OFFICER.** Objection is heard.

Mr. **CRANSTON.** Mr. President, I can understand the refusal of the Senator from Colorado to permit the unanimous-consent agreement to be adopted, because it would remove the reasons for the point of order—and it has now been made clear by the Senator's objection—which is obviously a move to prevent a housing bill from going through.

They have been claiming that this $47 million in the bill is their problem. I propose to remove that problem, remove the basis of the point of order, and they refuse to let that be done.

I will state to the Senator from Colorado that I suggest another way we can achieve the same result; and, if need be, we will resort to that other way later on. I do not want to open up the measure to amendment now; but if we do not prevail on the point of order—we should prevail logically and in view of this latest development—then we will resort later to the other method proposed by the Senator from Colorado.

In one way or another, we will remove the $47 million. I, therefore, urge all Senators to recognize that they might as well now agree to waiving the point of order.

The **PRESIDING OFFICER.** Who yields time?

Mr. **ARMSTRONG.** Mr. President, I was conferring with staff and did not hear everything that was said by the Senator from California, but I think I heard again those fateful words—the words that have been used repeatedly to sort of gloss over the true character of this bill. I refer, of course, to the words "technical deficiency."

What we are talking about here is not a technicality: it is billions and billions of dollars. I will come back to that, but first let me ask how much time I have, because I want to yield to the Senator from Texas.

The **PRESIDING OFFICER.** The Senator from Colorado has just under 12 minutes.

Mr. **ARMSTRONG.** I yield 5 minutes to the Senator from Texas.

Mr. **GRAMM.** I thank the Senator from Colorado for yielding.

Mr. President, I would like to address the issue of $15 billion versus $19 billion.

The issue, basically, is that this Housing Subcommittee, Banking Committee people, here on the floor, supporting this bill, say, "What is all the fuss about? After all, when we voted on this bill the first time in the Senate it was $15.6 billion and passed. We reduced it to $15 billion, and now everybody is screaming about its cost."

I remind my colleagues about something that I am sure supporters of the bill would like to forget. There are 175 provisions in the conference report before us today that were not present in the bill we adopted so long ago, back in the springtime—175 new provisions. Let me go over some of them and refresh the memory of those who may have forgotten.

You may remember that wonderful program, the Nehemiah program—Nehemiah being that wonderful figure from the Bible who saw people and took them in. We had amended that provision to try to focus it in on poor people being taken in. To be sure rich people were not taken in, and therefore the taxpayer was not taken in. But I think my colleagues will be astounded to find that the conference report before us allows us to give interest-free, and therefore highly subsidized loans, to people in Washington, DC, who make $48,000 a year so they can buy townhouses.

I am from Texas, and there are no people in Texas making $48,000 a year who are considered poor people. In fact, there are a lot of hard-working people in Texas who make a lot less than that. The idea of giving interest-free, highly subsidized loans to people in Washington, DC, making $48,000 a year, does not sound to people out doing the work in the country as if we are taking care of poor people. That new figure is a new provision in this bill.

Let us look at another new provision in this bill. Say that you have poor people living in a neighborhood. You spend money for UDAG and CDBG and all these other Government programs. You succeed in raising the quality of the neighborhood and rents go up—something that the Housing

Program is trying to produce. This bill requires that you pay moving expenses to all the poor people who may be displaced and that you give them rent subsidies for 10 years. That is a totally new provision in this bill.

As the Senator from Colorado pointed out the other day, so far as we are aware, there has never been a hearing on that program. It is a totally new program, the expense of which nobody can ascertain, and all of a sudden it is in this bill.

Let me give you another provision in this bill. I remind my colleagues that we basically are working for a bankrupt organization here; that we are in the midst, as we speak, of the so-called high-level budget negotiations; that out of the more than $1 trillion of Government spending, they are haggling over whether we can come up with $26 billion in savings, hardly heady toting where I come from.

But in this bill we require that we have people go around to the Government housing projects and test the paint on the wall. If the paint has a lead content above a level that cannot even be tested save for one company in the whole country, which interestingly enough is in Austin, TX, if in fact this paint is found to contain that level of lead, someone has to scrape it off the wall. That provision alone costs $914 million.

Now, I would say to my colleagues, at a time when the Government is broke, at a time when the economy is reacting to deficits, why are we adopting a law that requires $914 million be spent to scrape paint off the wall in Government housing projects?

Interestingly enough none of our colleagues who are so strong for this bill have even explained this provision. I am going to give them an opportunity though, if we vote to reconsider this budget point of order. Not only are we required to spend $914 million to scrape lead-based paint off Government housing projects——

The **PRESIDING OFFICER.** The time of the Senator from Texas has expired.

Mr. **GRAMM.** Mr. President, lacking our colleague here, I ask unanimous consent that I may act as his standin and yield myself 2 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **GRAMM.** Perhaps I should have asked, Mr. President, that we simply withdraw the bill. Everyone was so accommodating.

Now, there is a provision of this bill, however, which has received no debate and I suspect no analysis. That provision says that HUD has to do a study of every house that has a loan guaranteed by the Federal Government and has to come up with a plan for lead-based paint removal. If they refuse to come up with a plan, then private households will have to come up with $200 to have their house inspected for lead-based paint and come up with an average of $8,000 to scrape it off the walls.

Now, that is interesting. We have people all over the country who are having trouble paying their bills. Now we are getting ready to mandate that they spend $200 to have someone come in with a magnifying glass and scrape paint off their wall, looking for lead. If lead is found, then they will have to spend $8,000 to scrape paint off their wall even if no one has demonstrated that this paint does you any harm.

I could go on and on about other provisions, but I will just conclude with one. As you know, we happily eliminated the CETA Program in 1982. This bill, interestingly enough, says that the salaries of former CETA workers will be added to the list of costs eligible for Federal operating subsidies paid to public housing authorities.

Think about that. A program that we eliminated in the 1981 budget now all of a sudden reappears here in 1987. This is a new provision that was not in the bill, by the way, that our colleagues in this body voted for back in the springtime. Now all of a sudden we are going to go back in figuring out operating subsidies and pretend as if CETA was never eliminated, and we are going to give people the money.

Now, I could go on and on and on and on. Here is a provision paying people for flood damage before it occurs. That is interesting.

The point is that this bill is a dog, and the people who are supporting this bill ought to be ashamed of it. We ought to vote this bill down. I assure you if we sustain the budget point of order, you are going to get a chance to vote on each one of these provisions and let people know whether you want to impose an $8,000 cost on every household in America to scrape paint.

The **PRESIDING OFFICER.** The time has expired.

Who yields time?

Mr. **D'AMATO.** Mr. President, I ask for 7 minutes.

The **PRESIDING OFFICER.** The Senator from New York is recognized for 7 minutes.

Mr. **D'AMATO.** Mr. President, we have just heard a rather frightening presentation of the dire budget consequences if indeed what was stated was accurate. The fact is it is not accurate.

I refer to the comments addressed by the Senator from Texas as it relates to lead-based paint inspections. OMB says $900 million more, that is what it is going to cost. That is part and parcel of their disinformation. It is absolutely hogwash, to borrow the phrase that the Senator from Texas so often uses, and I am getting tired of having these dead cats and dead dogs dragged across the Chamber repeatedly when he talks about special interests.

We need decent affordable housing to give our young people an opportunity to live in dignity with a hope of owning their own home and give senior citizens an opportunity not to live in a hovel, that they can have a house or, yes, a home that is clean and decent even if they have just Social Security. I think it is disgraceful we only provide 11,202, that is, housing for senior citizens in this bill. That is what we came to in an attempt to accommodate the administration.

What about this $900 million? Mr. President, we have already eliminated some 450,000 units that had lead paint base on the walls that were dangerous to youngsters. There now exists some 350,000 units and it is estimated over a period of some 5 years, it will take $700 million to $900 million to correct this and those dollars are ready and will be provided over the next 5 years from the Comprehensive Improvement Assistance Program, without 1 penny of additional cost added on this bill.

If you want to hear about hogwash, it is hogwash to attempt to add another cost on something that is already provided for and will be funded. That is the hogwash we have been hearing, and I am kind of tired of the same Senators who come here when it is not their special interest or special needs. The Agriculture Assistance Program ballooned from $8 billion in 1980 to over $30 billion now. Let us take a look at housing programs in the same period of time.

All housing programs in 1980, $29 billion; 1987, $11.5 billion, a reduction of 70 percent. Agriculture went from $8 billion to $30 billion, an increase. Assisted housing went from $26 billion down to $7.5 billion, again better than a 70-percent reduction.

Mr. President, I would like to refer to some remarks from the distinguished colleague in the Congress in the House of Representatives, Congressman BARTLETT. Let me tell you what he said. He rose in support of this conference report and he said, "This legislation is much improved legislation over the status quo of housing."

He said that we would be stuck with the status quo, which consigns our people to the public housing units without hope of homeownership, without hope of tenant management, without an opportunity to improve, without moving forward so that people have an opportunity, and these provisions that make a difference and will provide an opportunity for decent, safe and, yes, someday affordable housing opportunities are contained in this bill.

As a matter of fact, Mr. BARTLETT goes on to say "I emphasize we should pass this bill, because it saves $300 million in comparison to legislation that we had last year."

He notes that he voted twice against the previous bills.

I note that this bill is some $600 million under that which we have authorized here in the Senate.

Let us talk about this straw man of those who would support this budget buster.

This passed 399 to 1 in the House of Representatives, this very same bill. If we are going to talk about the big spending, the big fancy liberals, look at some of the people who voted for it. Congressman DORNAN from California. How did he vote? Mr. President, he voted for the bill. Congressman HYDE, a big spending liberal. He voted for the bill. Congressman CHENEY. He voted for this housing bill. Congressman GINGRICH. Oh, he must be a big spender. Yes, he is for getting into everybody's house and everybody's life. He has been spending lots and lots of money. He did not know what he was doing. Oh, no, he was wrong. He voted for this bill.

My gosh, what about TRENT LOTT? We know he likes to spend a lot of money. We know he is a big budget buster. Can you imagine, Mr. President, he voted for this bill?

I have to tell you Congressman VANDER JAGT, he did not want what was in this bill. Absolutely not. He is for busting the budget. That is if you would believe the nonsense that we hear here today.

Of course, they must have been captives of the special interest groups. Oh, they were worried. They were worried the people are not going to support them. VANDER JAGT is worried. Some group is going to oppose him if he did not vote for this bill; I guess all 399 Members.

I want to tell you I am sick and tired of hearing the kind of nonsense that if you do not fall into step with the idealogs here somehow the special interests have got you; they have captivated you.

I can take a look at special interest legislation. The Hoover Dam legislation. Sell cheap power. Give it away. Do not sell it at market rates. You want to save some money—$6 billion.

The same people down here on the floor talking about giveaways, they could not wait to get out there. Agricultural subsidies, they cannot wait to get out there and to put it through.

This is no budget buster. Let me tell you something. The financial marketplaces are not looking at what is happening with this bill because if other bills were treated like this bill we would not have these deficits today. They would be cut.

I am kind of tired of that demagogic nonsense and rhetoric that we hear. It is not truthful. It is filled with distortions.

Lord knows there are many programs in the public housing area that we could improve, and this bill makes an attempt to do just that, Mr. President.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Mr. D'AMATO. I yield the floor.

Mr. GRAMM. Would the Senator yield me 1 minute?

Mr. ARMSTRONG. How much time remains?

The PRESIDING OFFICER. The Senator from Colorado has 3 minutes and 23 seconds.

Mr. ARMSTRONG. Mr. President, I will be happy to yield a minute to the Senator from Texas.

Mr. GRAMM. I would like to ask the Senator from New York to show me in his $15 billion cost figure on this bill where the money is to scrape the lead-base paint off the walls. I would like to see where they are on the adding up of figures for $15 billion.

Mr. D'AMATO. Mr. President, those moneys come from the Comprehensive Improvement Assistance Program. These are presently being funded and it is estimated that over the next 5 years approximately $2.2 billion will be made available. No new funding will be required. We have already, pursuant to that program, eliminated 450,000 of the units that the Senator talks about that constitute a danger.

Mr. GRAMM. Will the Senator tell me from where the money is being made available?

Mr. D'AMATO. Well, if you look at page 7 of the Housing and Community Development Act of 1987, it says, for comprehensive improvement assistance grants, under section 14, $1.7 billion. That is the community improvement assistance grants under section 14, page 7.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Mr. ARMSTRONG. Mr. President, I would yield 1 additional minute.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. First of all, I would like to point out that the distinguished Senator from New York voted for the farm bill. The distinguished Senator from Texas voted against it.

If you look at your CBO scoring on the lead-based paint, you will find that the Congressional Budget Office recognizes that there are costs, but since no figure was provided in the bill, CBO counts it as zero costs in coming up with its $15 billion total for the bill.

OMB, in consultation with HUD, the agency that will carry out the program, came up with a cost of $914 million overall and $200 million in this year.

So it is great to stand up and rant and rave and accuse people of demagoguery, but the fact is the $15 billion does not provide any funding for the lead-base paint removal program. And again, this is not a case of my voting for one spending bill and opposing another. The distinguished Senator from New York voted for the farm program. The distinguished Senator from Texas voted against it.

The PRESIDING OFFICER. The time of the Senator from Texas has expired.

Who yields time?

Mr. D'AMATO. Mr. President, might I have 30 seconds?

The PRESIDING OFFICER. The Senator from New York is recognized for 30 seconds.

Mr. D'AMATO. The fact of the matter is the Comprehensive Improvement Assistance Program contains and clearly the conferees intended for the money that has been appropriated for use on lead paint removal.

In terms of indicating where the disproportionate cuts have taken place, the Senator does not yield on that position. As it relates to agriculture it goes from $8 billion to $30 billion. There have been these increases. But just the opposite in terms of housing, going from $30 billion down to $7 billion.

The PRESIDING OFFICER. The time of the Senator from New York has expired.

Who yields time?

Mr. ARMSTRONG. Mr. President, have the yeas and nays been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered on the motion to reconsider.

Mr. ARMSTRONG. Mr. President, it was my suggestion to the managers that we dispense with the yeas and nays on the motion to reconsider. I think it is unnecessary, but I understand there would be some objection on the other side to doing so. In due course, I guess in 4 or 5 minutes, then, we will have a vote on that motion. I am going to vote for it. I expect the motion, in fact, will carry 100 to nothing.

But, as I understand it, it serves the purpose of bringing Members back to the floor and it is the feeling on the other side that that is a good purpose.

After that, as I understand it, we will have an hour of debate on the motion to waive the Budget Act. At that time, I will address some of the issues that have been raised by the Senator from New York and others. I will present my view of what happened in the House of Representatives. I will read into the RECORD for the entertainment of Senators the views of the chamber of commerce, the National Taxpayers Union, and some of the Nation's newspapers.

I gather I am about out of time. I thank the Chair for his courtesy and I am ready to go to the vote on this and then debate the bill on its merits.

The PRESIDING OFFICER. The time of the Senator from Colorado has expired.

Who yields time?

Mr. DIXON. Mr. President, how much time do we have left on this side?

The PRESIDING OFFICER. The Senator has 4 minutes and 25 seconds.

Mr. DIXON. Mr. President, I yield myself whatever portion of that time will be required for a brief closing. I would say to my colleagues that we do object to dispensing with the rollcall in view of the fact that several of our colleagues have returned here prepared to vote on this issue at approximately 3 o'clock.

My friend from Colorado made some eloquent remarks earlier on about the necessity for doing the appropriate things to address the budgetary deficit problem by indicating that he is prepared to vote for a substantial package that will meet our concerns over the next couple years. I hope that the Senator from Colorado knows that there are a good many other Senators on this side who are prepared to do that, as well. This Senator is certainly prepared to support whatever product might ensue as a result of the discussion concerning the budget deficit right down the hallway in which the legislative leaders of the two Houses and the administration are involved.

I simply want to say in conclusion that I think that the opponents to this housing bill are picking on the wrong piece of legislation. When we talk about housing, we are talking about one significant sector of the budget where cuts have taken place every year since the Presiding Officer in that chair and this Senator came here in the 1980 election, cuts of 70 percent, Mr. President, in housing during the Reagan administration from January 1981 until this date.

Earlier, this Senator put into the RECORD a front page article from the Chicago Tribune—a newspaper, incidentally, which endorsed President Reagan in both of his Presidential campaigns—showing that, in my own State of Illinois, Mr. President, housing assistance from the Federal Government has been cut 87 percent in the 6½ years of this administration's tenure here in Washington, DC—87 percent.

I suggest to my colleagues who are here speaking so eloquently and so movingly in opposition to this legislation, yes, cuts should take place. There are plenty of programs where cuts ought to take place. But housing is the one program that repeatedly, year after year after interminable year, has taken deep cuts under the administration here in power in Washington, DC. We have cut money for the hungry and homeless, we have cut the WIC Program that addresses the problem of infant mortality, and we have cut housing for the poor in America every year since this Senator has been in the U.S. Senate—now my colleagues on the other side want to cut housing programs again.

I would suggest there are plenty of places to cut. This Senator is prepared to make those cuts. However, housing is not the place to cut.

I am delighted to yield the remainder of my time, whatever it might be, and I assume it is a minute or two, to my colleague from New York.

The PRESIDING OFFICER. The Senator from New York.

Mr. D'AMATO. Mr. President, let me just compliment my colleague for his eloquence and the passion and the truthfulness of his observations.

Let me also remind my colleague from Illinois that, indeed, this bill cuts $300 million from the figure of last year.

Mr. DIXON. And it is $600 million under budgeted this year.

Mr. D'AMATO. Still cutting.

And that is why we have come with the passion that we have is because we have taken the cuts. We have attempted to work out the differences.

Mr. DIXON. Would my colleague from New York State yield?

Mr. D'AMATO. Yes.

Mr. DIXON. Is it not true we are $600 billion under the budget authority originally granted?

Mr. D'AMATO. That is correct; $600 million under the budget authority, $900 million under the authority of the House, and $300 million under last year's appropriation.

Mr. SARBANES. Will the Senator yield?

Mr. D'AMATO. Yes.

Mr. SARBANES. Just to sharpen that up, actually the conference report is less than what was either in the House or Senate-passed bill; is that not correct?

Mr. D'AMATO. That is correct.

Mr. SARBANES. So the conferees, in an abundance of sensitivity to this issue, brought back a figure below either bill that had passed the Senate or the House.

Mr. D'AMATO. And that is the tragedy. Those who attempt to say if we support this, we are budget busters when, indeed, if others had done the kind of work we attempted to do here they would be meeting fiscal responsibility.

Mr. SARBANES. The Senator is absolutely correct.

Mr. CONRAD. Would the Senator yield for a question?

Mr. D'AMATO. Yes.

Mr. CONRAD. Let me just say that this is one Senator who has not made up his mind on voting for the budget waiver. I voted for it the other day. I voted for it with the understanding that had been given to me by my staff that it was not over budget. Not over budget.

I would like to get resolved right here, right now, if possible, what the facts are.

The PRESIDING OFFICER. The Chair will inform the distinguished Senator that all time has expired.

Mr. CONRAD. I ask unanimous consent for an additional 5 minutes so that we can get this matter straightened out on the record so that Senators would be able to know: Is this over budget or is it not over budget?

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Mr. ARMSTRONG. Reserving the right to object, I will not object if the Senator insists upon his unanimous consent request, but I would point out that following this vote, which we expect to be a unanimous-consent, 100 to 0 vote, we are going to have an hour of debate on exactly that point, so perhaps he could be recognized at that time.

Mr. CONRAD. Perhaps I could just inform the Senator, I will be in the Chair and that is why I tried to take this opportunity. I would very much like to know the facts before I vote.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Mr. ARMSTRONG. Under the circumstances, I have no objection.

The PRESIDING OFFICER. We will continue for 5 additional mintues. Who yields time?

Mr. DIXON. May I say to my friend from North Dakota that we have a representative of the Budget Committee here who advises that this bill is in fact $600 million under the original freeze which was the budget authority for this year.

Mr. CONRAD. Could I get a response from the Senator from Texas as well, who has a different view?

Mr. GRAMM. I would be happy to respond if the Senator would yield and if he would take that piece of paper that a page is handing him.

What you have on the left is a list of the CBO-stated costs. What you have on the right are OMB costs. Let me just go down what is missing.

The first item is additional appropriations needed to fund existing FMHA obligations from past losses. This is a required annual appropriation, and it is $1 billion. It is not included in the $15 billion that we are told that this program costs, but it is, in fact, a required appropriation.

If you go down the list further you will find items such as increased administrative fees for public housing authorities, annual fair market rent increases, replacement vouchers for public housing that is demolished. And you have also the so-called lead-based paint provision that I discussed.

It is true that there is some funding in CIAP, but those funds are already being used to replace boilers, and to make other improvements. We are looking at $200 million needed the first year for lead-based paint removal. No further funds are counted for that purpose.

If you continue to go down the list you find CETA employees being provided subsidies. That is an additional $280 million. Nowhere in the stated costs for the conference report is that included.

And look at the last item. This conference report diverts unobligated funds back into expenditures. The current level of those funds are $1 billion. That is $1 billion that is spent under this provision but is not counted.

So, if you add all of these things up, the total comes to approximately $19 billion rather than $15 billion.

Mr. CONRAD. If I might further question those who are in possession of the facts, I have heard three different numbers for 1988. I have been told that we are $47 million over budget allocations for fiscal 1988. I have also heard that we are $300 million under, or $600 million under.

Is there someone here who could straighten this out so that when Senators vote they would know?

Mr. GRAMM. Would the distinguished Senator yield on that?

Mr. CONRAD. Yes.

Mr. GRAMM. If we were not, in this bill, raising the deficit by $47 million, there would have been no point of order against the bill and we would not be voting on the point of order.

This bill provides $47 million in direct expenditures. Since we are already over budget, that is a further increase in expenditure over the amount set out in the budget that was adopted in the Congress. Therefore, the deficit is directly raised by $47 million as a result of the adoption of this conference report.

That is why there was a budget point of order. That is the vehicle that the distinguished Senator from Colorado used in raising the budget point of order against the bill.

Were it not so, there might have been no budget point of order.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. We have already agreed to remove that $47 million, as the Senator from Texas knows, and I have six points here that will refute every argument of theirs that indicates that there is any budget violation here. I am again prepared to say on the basis of everything that we have at hand that this is $600 million under the budget, may I say to my friend from North Dakota, and at the appropriate time after this vote, in the next discussion, we will itemize six points to refute what the Senator from Texas has suggested.

Mr. SARBANES. Will the Senator yield on that point? I would say to my distinguished colleague from North Dakota, the Senator from Texas has just said that the point of order rests on $47 million. He has made that statement himself.

The Senator from Illinois has said there will be a resolution to address that very limited amendment; about which there has been a technical problem.

The chart that was given to the Senator contrasts $19 billion as against $15 billion. And by the admissions made right here on the floor, that is not the issue. The items in that chart are not applicable and they will be explained away to you in the longer debate. They were done by the Senator from California, the manager of the bill, in the previous discussion when he took apart the OMB analysis of this bill.

So, by this statement right here on the floor you are back to the $47 million. And, even that is technical and that is to be addressed on the chart that has been handed to you. That is in the billions, and that completely obfuscates the issue, I say to the Senator.

Mr. DODD. Mr. President, I rise in strong support of the conference agreement on the Housing and Community Development Act of 1987. I must particularly commend my colleague, Senator CRANSTON, who as chairman of the Senate Subcommittee on Housing and Urban Affairs and as chairman of this housing conference, has skillfully brought this critical legislation to the Senate floor. It was through the hard fought efforts of Senator CRANSTON, Senator D'AMATO and the other conferees and their staffs that we were able to achieve the necessary, and at times, difficult, compromise with our colleagues in the House that will allow the passage of this bipartisan and important legislation.

This legislation marks the end of a 7-year assault on Federal housing policy. Its passage here today, I hope, will signal the beginning of an era—one in which we in Congress will see to it that housing regains its rightful place on the agenda of national priorities.

No one on either side of the aisle, Democrat or Republican alike, denies the difficult reality of our time—that arduous and painful budgetary decisions constrain every area of policy debate. One need only look to the bipartisan budget summit presently underway to understand how desperately we need to slash our present budget deficit and how difficult it is to decide how we do that.

But where housing is concerned, the administration and Congress have gone beyond the bounds of reason. In the last 7 years, HUD's budget has been slashed by more than two-thirds and these were not just Democratic programs; many of these programs were developed during Republican administrations.

This has not been fiscal austerity. This has been the administration and Congress telling us that the Federal Government has no role to play in providing housing assistance for poor and middle income Americans. This has been the administration and a majority in the Congress telling us to forget any timeworn notions of a Federal housing policy—that as far as they are concerned, there are neither the resources, inclination or time to care whether the wealthiest nation on Earth provides clean, safe, affordable housing for its citizens.

This conference agreement on the Housing and Community Development Act would hold the line on this 7-year assault and begin the process of renewing the Government's 50-year-old bipartisan commitment to the housing needs of all Americans.

The bill freezes authorization for housing and community development programs for fiscal years 1988 and 1989 at fiscal 1987 year levels ($15 billion in fiscal year 1987; $15.6 billion in fiscal year 1989)—70 percent less than those at the time the Reagan administration took office in 1981.

I would have preferred not to see a freeze. Housing programs have already carried a disproportionate burden of the budget cuts over the last 7 years and a powerful case can be made for increased funding levels. But, we have chosen, instead, to make sure that we pass a housing bill this year. Freezing authorization levels seems the best way to assure that that will happen.

The bill makes permanent the insuring authority of the Federal Housing Administration [FHA]. This measure, which I introduced earlier this year, eliminates the periodic lapses in authority that have plagued the program. FHA insuring authority lapsed six times in fiscal year 1986 alone, generating widespread uncertainty among middle and lower income buyers. Over the years, with Congress forced to continually reauthorize the program, the temptation to play politics and interrupt the program was too great. This legislation now takes the FHA out of the political arena and removes that temptation.

The bill prohibits the imposition of administration "user fees" on FHA, Fannie Mae, Freddie Mac, and Ginnie Mae. A "tax" by any other name, such user fees serve only to drive up mortgage costs to homebuyers.

The issue of the preservation of our Nation's low-income housing stock is importantly addressed in this legislation. Over the next few years, as many as 950,000 of the Nation's low-income housing units could be lost because of mortgage prepayments and the expiration of section 8 rental housing assistance. The conference agreement establishes a 2-year, interim solution to the preservation puzzle with the intention of developing permanent legislation during that 2-year period with the help of Federal, State and local task forces already reviewing this staggering problem. The intent of the preservation provision is threefold: to preserve low-income housing, to minimize the displacement of tenants, and to continue the public/private partnership in low-income housing.

Mr. President, as you well know, this conference agreement was passed overwhelmingly by the other body; only one vote was cast against it. It should be so passed by this body so that we can send an unequivocal and bipartisan signal that the administration and Congress are committed to improving the availability and affordability of housing for all Americans.

This legislation hardly solves the crises of housing and homelessness in our Nation; but its passage will signal the beginning of a renewed process toward the establishment of a Federal housing policy—one, of course, tempered by budgetary reality, but driven by our commitment to meet the shelter needs of our citizens.

The passage of this legislation will allow us to move forward, to plan for the future of housing policy in our Nation. In fact, I commend Chairman Cranston for the work he has already undertaken with the National Housing Task Force, bringing together the Nation's best housing minds in a nonpartisan effort to outline the future of housing policy.

As I assess the constructive dialog emerging from the national task force and from other quarters, it occurs to me that a housing policy which heeds the oftentimes difficult lessons of the past and which anticipates the emerging needs of the future, must rest on a number of basic principles which: First, recognize the central role that State and local governments must play in the establishment of an effective national housing policy; second, use limited Federal resources to leverage substantial private investment; third, target limited Federal resources based on need; and fourth, better coordinate tax and spending policies.

In light of these principles and in hopes of contributing to Senator Cranston's effort to pass comprehensive housing legislation in the second session of the 100th Congress, I plan to introduce legislation to establish a housing block grant or "challenge grant" program as a way of involving all three levels of government and the private sector in maximizing the resources necessary to establish effective Federal housing policy. I look forward to working on this legislation with my colleagues on both sides of the aisle.

Today, however, I urge my colleagues to vote for this conference report so that we can, at long last, move on to the challenges that the future of housing policy in this Nation demand of us.

Mr. President, one further point, if I may. Last Friday, as you well know, the motion to waive section 311 of the Budget Act with regard to this legislation, was rejected. It was, in my view, regrettable that that happened. It was regrettable not only because that action further delayed the passage of this legislation on which so many Americans depend, but also because the arguments employed to justify rejecting the waiver were spurious and bombastic—driven by ideologies unalterably opposed to any Federal commitment to housing policy, but cloaked in the alluring rhetoric of budget-speak.

As my colleagues from California and New York have both so articulately stated, the authorization levels agreed to by the conferees on this housing bill are well within the amounts assumed in the congressional budget resolution. They are about $600 million below the freeze level that was approved by this body by a vote of 71 yeas to 27 nays on March 31 of this year. And the conference agreement is below the House-passed authorization level by about $900 million. In remarkable bipartisan spirit and in response to intense budgetary pressures, the conferees decided to reduce the authorizations in the housing bill below amounts that the Appropriations Committees were expected to provide.

I needn't remind my colleagues of the whole story, here. They are well aware that since September 30 of this year, any bill with direct spending of even a penny in outlays has been, as my friend of California has already stated, technically exposed to a point of order under section 311 of the Budget Act.

And here we have a housing bill at levels well below that agreed to in the budget resolution; here we have a housing bill at levels 70 percent slashed since 1981; and here it is that we choose the field on which to play out our budget battles. It's preposterous.

I know that Senators Cranston and D'Amato will move to correct the enrollment in the bill so as to remove all elements that make it subject to points of order under the Budget Act. The items to be removed were all part of the Senate-passed housing bill and are, in my view, important provisions consistent with the spirit of the legislation already approved by this body.

But we need a housing bill now. We needed a housing bill 6 years ago. And so I will support removing the provisions in the bill which make it subject to a point of order so as to secure the passage of this long-awaited housing legislation.

The **PRESIDING OFFICER.** The Chair will inform the Chamber that under the previous agreement, the hour of 3 o'clock having arrived, the question is on agreeing to the motion to reconsider the vote by which the motion to waive the Budget Act failed. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

The **PRESIDING OFFICER** (Mr. Conrad). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 99, nays 1, as follows:

[Rollcall Vote No. 379 Leg.]

YEAS—99

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Gore
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Helms
Hollings
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Wirth

NAYS—1

Humphrey

So the motion to reconsider was agreed to.

The **PRESIDING OFFICER.** There is now 1 hour of debate on the motion to waive the Budget Act.

Mr. ARMSTRONG. Mr. President, the Senate is not in order.

Mr. CRANSTON addressed the Chair.

The **PRESIDING OFFICER.** The Senate will be in order. Please clear the aisles and stop conversations so we can hear Senators who are seeking recognition.

The Senator from California.

Mr. CRANSTON. I would like the attention of all Senators just for 1 moment. The point of order that was made against this measure was based upon a $47 million total of three items that were technically off budget even though they represented a reduction in spending. This conference report represents a reduction under the Senate bill that was passed, and under the House bill that was passed under expected appropriations. It is fiscally very responsible. But for technical reasons, it is possible now to make a point of order against any measure that comes before us that has any spending in it until Congress takes final action on appropriations bills and the reconciliation bill because the recorded budget totals will exceed the anticipated levels by over $5 billion. That means that any bill that has $1 of spending in it can be subject to this point of order.

So technically it was an appropriate point of order. But it related to $47 million. We are going to take that $47 million out of this conference report before we adopt the enrollment corrections that are part of the unanimous-consent request.

In order to try to clear this up before the vote on the waiver and before the vote on reconsideration which we just had, I ask unanimous consent to remove the $47 million right now by acting on the enrollment before the vote we just conducted.

Mr. ARMSTRONG. Mr. President, will the Senator yield?

Mr. CRANSTON. In just 1 moment and I will be glad to yield. The Senator from Colorado objected to our removing the $47 million as a basis of the point of order. We are going to remove it. We could not then because of the objection. We will shortly. So there is no reason now to support the point of order. We should be granted the waiver since we are committed to removing and we will remove the $47 million that has been objected to for technical reasons.

I am glad to yield to the Senator from Colorado.

Mr. ARMSTRONG. Mr. President, perhaps it would be better if I wait until the Senator completes his statement, and I would seek the floor. I am going to observe that the Senator is apparently inadvertently misstating the information. I believe it was the unanimous-consent request of the Senator that he be permitted to offer a separate resolution which would travel a separate course as a separate legislative vehicle instructing the enrolling clerk to change the bill after third reading. That is not the same as offering an amendment to the bill itself. While it has potentially a similar effect, it is not inevitably so.

I reminded the Senator at the time he offered this unanimous-consent request, if I understood it correctly, of an occasion when I had agreed of such a request upon the assurance that the House would also agree to the enrolling resolution. In fact, they did not come through on their agreement. But rather than debate that at this point and bog down on that particular issue, I would like to wait and seek recognition when the Senator has completed his statement.

Mr. CRANSTON. Let me state there are two ways to do this. This would have had the practical effect of removing the $47 million. We received assurances from the key people in the House saying they would accept this. If that could have been done, we would not have resolved the $47 million item. But there was objection to doing it that way, and the Senator from Colorado has restated his reasons.

If by any chance the waiver fails—I do not think it will now—but suppose it fails, we will then have before the Senate at that time the pending business, which will be the housing amendments to the Senate bill, S. 825, and at that point will amend that bill and take out the $47 million. So we are going to get rid of the $47 million one way or the other. The simplest way to do it is the way I have suggested.

If we waive the Budget Act, I then am absolutely committed to seeing to it that we get rid of that $47 million.

I would like now to state some of the other reasons.

Mr. President, a large majority of the Senate wants to move without further delay to act on the conference report on the Housing and Community Development Act.

Most Senators want to vote for the conference report because they know it is sound legislation. This bill makes modest reforms in housing law that are important and long overdue.

Most Senators know the conference report is fiscally responsible—even fiscally conservative. This bill has authorization levels significantly below what Congress has provided in recent years for housing. It holds funding well within the congressional budget. It includes funding levels that are $600 million below the Senate-passed bill and $900 million below the House-passed bill.

Most Senators know that the housing bill is important to the American people. This bill would make home mortgage credit available on a more reliable and more affordable basis in every region of the country. This bill would help keep the dream of homeownership from drifting beyond the reach of American families who are willing to work for it. This bill would prevent thousands of poor people—many of them elderly—from being forced out of their apartments in the next few months with little chance to find decent, affordable housing. This bill would help preserve what is left of the country's housing that is affordable to low- and moderate-income people. This bill would make it more certain that vital housing assistance goes to those who really need it—in cities, in suburban communities, and in rural areas. This bill would strengthen the ability of States and local governments to improve the quality of neighborhoods and attract good jobs.

Most Senators know that this is bipartisan legislation that has been hammered out over many months in a serious effort to meet the legitimate needs of different parts of the country. It passed the House by a vote of 391 to 1, with the leadership of both parties for it.

Most Senators know that this is a good bill that deserves to be enacted promptly.

Unfortunately, Mr. President, a small minority of Senators is determined to do all they can to frustrate Senate consideration of any housing legislation.

They have been able to keep housing legislation off the Senate floor for the past 3 years with threats of filibuster and other parliamentary obstacles. We have not passed a significant bill on housing for 7 years.

Now these Senators have been joined by ideologues in the Reagan administration who want to make a last-gasp effort to follow through on their New Right agenda to eradicate a long established national commitment of Federal support for affordable housing.

Administration tactics are interesting. They laid low when the housing bill was in committee, where their extremist views would have been rejected by a bipartisan majority. They held back when the housing bill came to the Senate floor, where their amendments would have been defeated—again by a bipartisan majority. They did not participate during conference, even when leading Republicans worked hard to find a common ground. For months, the administration spokespeople tried to sabotage a housing bill by passive resistance.

But we have made fine progress despite them. Congress has stood up to a number of difficult housing problems and developed a sound piece of housing legislation that has broad support across the country. We have a conference report that won near unanimous support in the other body, from members of both parties, all regions of the country, and a wide variety of political philosophies. Even some very conservative Republican conferees have told me that we now have a bill that the President should sign—and, if he does not they would vote to override a veto.

But now that the housing bill is at long last ready for final passage, the opponents of housing are trying to spring an ambush on the Senate floor with false charges about the bill's contents, with outrageously misleading OMB estimates of the bill's costs, and with inappropriate parliamentary maneuvering.

They found a way in which to raise a point of order under the Budget Act to throw up a roadblock that can be used against virtually any bill with any spending coming to the Senate floor at this time, even if it is on spending reduction, under current circumstances.

Now the Senate is in the uncomfortable position of having to vote to waive the Budget Act so that it can consider the housing bill on its merits.

I tried to get rid of the $47 million problem by unanimous consent, and that was blocked. We will do that later. There will not be a $47 million problem when we are done.

I want to stress once again that conferees on the housing bill were very sensitive to the budgetary pressures and therefore, with great reluctance on the part of some Members, the conferees decided to reduce the authorizations in the housing bill even below amounts that the Appropriations Committees were expected to provide.

So, as most Senators are well aware, this conference report reduces spending for programs within it. The conferees were determined to comply with the congressional budget.

The problem is that, since September 30, any bill with direct spending of even a dollar in outlays has technically been exposed to a point of order under section 311 of the Budget Act. That situation has been created by the mechanics of congressional bookkeeping. It was created by two items. First, the continuing resolution was counted as if it extended for the full year rather than just through December 16—so it was recorded as a $336 billion bill. Second, savings that are expected from the Reconciliation Act are not yet shown.

As a result, until Congress takes final action on appropriations bills and the reconciliation bill, the recorded budget totals will exceed the anticipated levels by over $5 billion. In that situation, section 311 of the Budget Act provides for a point of order against any bill that involves any spending, even if that spending would involve program reductions.

The housing bill is exposed to the point of order because it includes three provisions that, according to CBO, involve a total of $47 million in direct spending. All of these items were in the Senate-passed bill.

Let me describe these items briefly that have caused this problem, the total of $47 million. These provisions are, I believe, sound public policy and consistent with earlier actions of Congress, and I am willing to get rid of them.

One of these provisions would provide adequate resources for the administration of the housing voucher and certificate program to ensure that assistance is going to those who need it.

What is a voucher program? That is the No. 1 pet of the Reagan administration, their proposed solution to housing problems. The Reagan administration has advocated sole reliance on housing vouchers but has cut the funds available to administer the program well. This provision was included to support sound management and to reduce the likelihood of fraud, abuse and frustration for those who most need housing assistance. Funding would come from amounts appropriated for housing vouchers and certificates. But it creates direct spending in the bill because funds are spent faster for administration. So when we get to that point, I will move to make the change in fees subject to approval in appropriations acts. So it will not be there, unless it is appropriated.

A second of these provisions would instruct HUD to comply with its written agreements with several States and close out funding that was appropriated in the early 1970's for this purpose. Conferees believed that the Federal Government should live up to its commitments and instructed HUD to close out this activity promptly and rescind remaining funds for those to whom they are obligated. But that close out was judged by CBO to involve direct spending. We will move to subject this provision to appropriations action.

The third of these provisions would permit certain cities to retain proceeds from the sale of land purchased years ago with urban renewal assistance. Development activities of these cities have helped increase the value of the land and they wanted to use the proceeds in compliance with the Community Development Block Grant Program. In earlier years, Congress has permitted three other cities—including Denver, CO—to retain their funds in this way. Our motion would strike this provision from the enrolled bill.

After consulting with CBO and the Budget Committee, we are certain that our proposal removes any legitimate budgetary reason for the point of order that has been raised against the housing bill.

I feel strongly that the Budget Act should not be used as a parliamentary obstruction to responsible legislative action. And permitting this point of order would set a dangerous precedent.

Since the action to remove the $47 million items that are at issue will remove any justification for a point of order under the Budget Act, I urge my colleagues to join me in waiving this point of order.

Mr. President, allegations have repeatedly been made by opponents that this housing bill serves the needs of powerful interests in this country. That is nonsense. What makes this and every other housing bill such a tempting target for the ideologs of the right is that it primarily addresses the needs of those who are not powerful—the poor and those with modest incomes who are struggling to find decent, affordable housing for their families. What makes this and every other housing bill so vulnerable is that there is so very little pork in it—the funding levels have been cut very deeply, also.

But, I think the opponents of housing have gone too far.

Yes, mortgage bankers and realtors and homebuilders and mayors and Governors and advocates of the poor and—according to polling data—millions of Americans want sound housing legislation such as the bill that is now before the Senate.

They want it not out of narrow self interest. For many months now, many people who care about decent, affordable housing in this country have come to me and urged me to help move housing back up to the place it belongs on the national agenda. They have included mortgage bankers and realtors and homebuilders who get little if anything from Federal housing programs but are concerned about the country and about the ability of the next generation to afford decent places to live.

And, yes, I have sensed increasing frustration and anger at Members of Congress who smile and profess support for housing and then vote to kill housing legislation again and again.

Well, this is the time for those who share a concern about housing in this country to stand up and say to the opponents of housing, "No more of this obstructionism."

Therefore, I will vote to waive the Budget Act and then remove all legitimate reason for this point of order. I urge my colleagues to join me.

We believe the Senate should be allowed to consider the housing bill on its merits. That is why we hope you will join us in waiving the Budget Act and approving the technical corrections to the enrollment of the bill.

Opponents of this housing bill have made it clear through their tactics that they don't want any adequate housing program.

The **PRESIDING OFFICER**. Who yields time?

Mr. **GARN**. Mr. President, will the Senator from Colorado yield time?

The **PRESIDING OFFICER**. If we could clarify who controls time on both sides at this point, it will be helpful to the Chair.

Mr. **D'AMATO**. Mr. President, with respect to the opposition as it relates to this bill, the Senator from Colorado would control the opposition. As I am the manager, I will yield to him that time which otherwise would be his.

The **PRESIDING OFFICER**. The Senator from Colorado.

Mr. **ARMSTRONG**. Mr. President, I again thank my friend from New York. I believe I have 30 minutes, and I am pleased to yield 5 minutes to the Senator from Utah.

Mr. GARN. I thank the Senator from Colorado.

Mr. President, I believe the Senator from California entirely misses the point. I have listened to this debate and have been on the floor for a couple of days.

The $47 million is obviously relatively a small amount compared to the entire bill.

That is not the real issue. Let us face it. Everyone in this body chooses what parliamentary issues they have available to them, and that is the right of any Senator, but the proponents of this bill have been unwilling for the couple of days of debate to even address the points some of us have been making about the substance of the bill and the new starts and the open ended spending. I do not oppose it frankly because of $47 million one way or another.

I frankly say to the Senator from California I am offended by the rhetoric that—when at a loss for substantive argument or unwillingness to debate on the basis of the comments some of us have made over here—we are rightwing extremists who are opponents of housing. I resent that personally and my record proves quite differently. The Senator from California knows that working with me for 6 years as chairman of the Senate Banking Committee. And he and Senator D'AMATO know that on this bill, over and over I made the same comments for a period of weeks in trying to negotiate a bill between the conferees and the administration that the total number was a myth. Whether it is $15 billion or $15.7 billion or $19 billion will be proven to be unreliable because of the open ended authorizations.

The important thing is what is inside of the bill and the housing provisions. I recommended to the administration and the conferees that they try to work those substantive provisions out so that we could have a housing bill. Those of us who oppose do not oppose blindly. We would like to have a housing bill.

My colleague from Illinois, Senator DIXON, said earlier the housing policies of this administration would fail. I submit the entire time I have been in public office the housing programs of every administration have failed, proven by the waste, the inefficiency, the fraud, and the abuse in many of the housing authorities of this country and the waste of hundreds and hundreds of millions and billions of dollars and people still homeless.

Now that should result in housing legislation. The result should be to put lower and moderate-income people into housing. That is the test. Are we putting people in housing or just exercising our manhood out here on the floor by saying we are for or against the housing bill. Why do we not stop the rhetoric? Why do we not have the debate on the substance? Why do we not get proponents to debate the substance within that $15 billion and talk about the wasteful programs of the past.

The response of this Senate should be to pass housing bills that put people in houses, not to issue press releases that say "I voted for a bill that has X number of dollars in it." That is the real issue here. That is the issue we should be addressing.

If this point of order is not sustained, the issue becomes this conference report, and it should be defeated and sent back to the conferees to come up with a bill that will put needy people into housing.

That is my concern, not just making a record on the Senate floor to say we are for housing.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I yield myself 10 minutes.

I share the sense of frustration that the Senator from Utah has expressed at the direction the debate has taken. In this Chamber we are not all expected to go along with one another, but I think some are going too far to engage in name calling and it is not a substitute, may I suggest to my colleagues, for a thoughtful discussion of the facts.

I want to focus the attention of our colleagues on the facts. It is a fact that Congress has already authorized and appropriated over $250 billion which has yet to be spent. That is in the pipeline. Now it is important to understand this because part of the problem we are having in coming to grips with this and the public at home is having trouble in understanding is why some Senators rise to say housing has been cut while others of us come to the floor to say that the cost of public housing in this country has doubled within the last 5 or 6 years. I would like to explain that once and for all.

Mr. President, when Congress authorizes and then appropriates money for these programs, it appropriates spending over a long period of time. Unlike most Federal programs which spend out in the year for which they are appropriated, commitments in the housing area go for 10, 20, sometimes as much as 40 years. In other words, the spending for any particular year is not just what is appropriated in that year, but it is the cumulative total of that year and everything that has been previously appropriated to be spent in that year.

That means if we never pass this bill and we never pass another housing bill, ever, $250 billion in additional spending would occur as a result of decisions already made, laws already enacted and signed by the President.

In that context, I would like to talk about outlays. Outlays is what most people think we mean when we talk about Federal spending. That is the actual money that changes hands. Those are the actual warrants drawn on the Federal Treasury. They are the actual expenditures which require in this case borrowing of money in the capital market in order to fund Federal programs. In terms of budget outlays, not authorizations, not appropriations, but outlays, what is actually spent? This program represented by the authorization herein has increased from less than $6 billion in 1981 to about $13 billion. It has more than doubled. And that, Mr. President, is a fact.

During the last 5 or 6 years we have added approximately 1 million units of subsidized housing. The notion that somehow that is a declining quotient that we are spending less on housing for the poor people of this country is simply not borne out by the facts.

If I could just put it in very simple terms: If I went out and bought 6 years ago a new car and paid for it on time, agreed to, say, a 6-year contract, to pay for the car, as many do these days, and then 5 years ago I bought another new car and paid for it on time, and then 4 years ago bought another new car and agreed to pay for it over 6 years and each year did that, then when I got to this year having already bought six cars and still paying on every one of them I said I am only going to buy one car this year, in some kind of twisted sense that would be maintaining last year's level, and that is what people talk about when they say this bill is at or below last year's level.

It means we are going to keep paying for up to four decades for previous commitments and the question they want to frame is how much are we going to add to that.

Shall we add at the same rate as last year or should we slow down the rate of increase?

Now, it is pointed out that this bill passed by a very, very lopsided margin in the House and there was little effective opposition to it. That is the reason why there was a lopsided vote, because nobody cared enough at that particular moment in the life of the House of Representatives to come to the floor and bear the burden of arguing and putting the facts before the Chamber, as the Senator from Texas has done, and the Senator from Utah, Mr. GARN, has done, and others who have come to the floor and pointed out what the flaws are in this legislation.

If there had been an organized effort in opposition to it, if the President had announced prior to the House vote that he was going to veto it, as he has announced prior to the Senate vote, then I presume the outcome would have been quite different.

We are told, in response to the facts, that this is the wrong program to cut. Mr. President, everybody always says it is the wrong program to cut. Over at the Pentagon, they say, whenever you want to cut defense spending, that is the wrong program to cut. After all, it is the future of our country to defend America. We have to have defense for that.

If you want to cut a program for education, that is our children you are talking about. If you want to do something to control the cost of Medicare, they say that is our parents and grandparents. If you want to do something about agriculture, they say, you cannot cut agriculture because, remember, we have got to eat in this country and it is the farmers who produce the food. There is a reason, often, in isolation, a compelling reason, to say you cannot cut anything.

That is really the issue here. We are not trying to say the whole national financial mess we are in is the result of housing. Somebody stood up the other day and said, "Well, you can't blame the whole budget crisis on housing." Of course not. Nobody is trying to do that. What we are saying is that that is the part of the budget crisis we are voting on today.

Mr. President, there is a disagreement about the costs. Some people say that the estimates of CBO are correct and that this is only going to cost $15 billion. Others think the OMB estimates are correct and it is going to cost $19 billion. But I just want to ask Senators to recall when the most optimistic cost estimates for anything have ever proven to be correct.

Mr. President, it is suggested that the point of order which we have raised is frivolous or inappropriate or merely technical in nature and that it can be corrected.

While the proposal of the Senator from California to correct it by a post-enrollment motion is ingenious, it does not really respond even to the problem of the point of order, because it would go forward as a separate measure which might or might not be passed by the other House.

But let me point out that even if his proposal worked out just as he suggested it would, it does not give the Senate a chance to vote on other provisions of the conference report which were not in the bill when it went through this Chamber. For example, the new antidisplacement legislation. That is the provision which says that is a person of low income is displaced by a CDBG or UDAG grant, that they would then gain the right to a rent subsidy for up to 10 years.

Now, the Senator from California wants to fix one problem by his resolution, but he is not even going to give us a chance to vote on how to fix the antidisplacement provision or the new lead paint provision or the fact which I am told—and I believe I am correct in this—that the conference committee undermined, indeed devastated, the targeting provision in the homeownership program.

I am led to believe that that was changed in conference. I have not had a chance to verify it. But if that is the case, I want to know why that important reform adopted by the Senate has been undermined. I want to know why the 30-percent requirement which the Senate voted to put in which, in fact, was enacted into law, which simply says poor people ought to pay at least 30 percent of their income toward housing since that is about the average of what others do, why that change which was voted in conference is not going to be subject to amendment and further debate.

Mr. President, it is of course up to each Senator to decide how he or she wants to vote. But I do think the Senate would like to know that thoughtful observers beyond this Chamber have looked carefully at this matter and are calling for defeat of the conference report.

The National Taxpayers Union says as follows: NTU opposes the conference report.

This authorization bill is a quintessential example of why the U.S. Budget is and will continue to run out of control. Smoke and mirror accounting and failure to project for future program costs make it virtually impossible for all but the most skilled expert to discern what is and is not true about federal housing programs.

But the NTU goes on after their analysis to point out these two points:

The bill does nothing to terminate any of the identified wasteful programs.

Furthermore, the bill imposes costly regulatory requirements.

Mr. President, I ask unanimous consent that the entirety of this letter be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

National Taxpayers Union,
Washington, DC, November 11, 1987.

Dear Senator: The National Taxpayer Union opposes the Conference Report on the Housing and Community Development Act of 1987.

This authorization bill is a quintessential example of why the U.S. Budget is and will continue to run out of control. Smoke and mirror accounting and failure to project for future program costs make it virtually impossible for all but the most skilled expert to discern what is and is not true about federal housing programs.

NTU believes there already is around $211 billion in the pipeline to fund federal subsidized housing. In addition, the federal government still has not learned to control and preserve the housing that it has already built. And creating new budget authority for additional programs when the old ones are not completed or are out of control is irresponsible in a period of crushing federal budget deficits.

The bill would create several ill-timed and ill-conceived new programs: one to subsidize middle class home ownership, the interest free Neamiah loans; and, another that would subsidize non-profit organization buyouts of Farmers Home Administration projects, the "Hiler-Lehman" grant program. This is not a time to start up a new middle class subsidy program nor is it the time to perpetuate an earlier subsidy with another subsidy.

There are a number of HUD-controlled projects that have been identified as wasteful such as HoDAG's Section 8 moderate rehabilitation and public housing new construction program. The bill does nothing to terminate any of the identified wasteful programs.

Furthermore, the bill imposes costly regulatory requirements beyond the bounds of common sense including removal of lead-based paints when there is not a safety concern and exceptionally expensive anti-displacement requirements that would last for 10 years.

NTU also believes that expected costs of ongoing and new programs are not properly accounted for in the conference report and will exceed the expected cost of the bill by $3.0 to $4.0 billion dollars.

For the foregoing reasons NTU believes the Conference Report on S. 285 should be rejected and sent back to the drawing boards. If the federal government is going to support housing programs it should be done in a cost efficient and effective manner.

Sincerely,

Sheila Macdonald,
Director, Government Relations.

Mr. ARMSTRONG. Mr. President, the U.S. Chamber of Commerce says:

The U.S. Chamber of Commerce, on behalf of its 180,000 members, strongly urges you to vote against the conference report on S. 825, the housing authorization bill. . . .

A fair and reasonable calculation of the cost of this bill clearly shows that it exceeds the compromise authorization levels recommended by Members of Congress and the Chamber.

Mr. President, I ask unanimous consent that the text of the letter from the U.S. Chamber of Commerce be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Chamber of Commerce,
Washington, DC, November 17, 1987.

Members of the United States Senate:

The U.S. Chamber of Commerce, on behalf of its 180,000 members, strongly urges you to vote against the conference report on S. 825, the housing authorization bill. At the same time, the Chamber commends the Senate's vote for fiscal responsibility by refusing to waive the budget requirements related to this bill.

A fair and reasonable calculation of the cost of this bill clearly shows that it exceeds the compromise authorization levels recommended by many members of Congress and the Chamber and establishes new programs at a time when we should eliminate—or scale down—expenditures. No amount of rhetoric will hide from American investors and foreign markets that this bill is too costly at this time.

The Chamber's Board, which represents the largest cross section of the American business community of any business organization, voted unanimously at its November 11 meeting to support a veto of this bill. The Chamber urges you to vote against S. 825 and, if passed, to vote to sustain the promised presidential veto of this legislation.

Sincerely,

ALBERT D. BOURLAND.

Mr. ARMSTRONG. Then I would like to have printed in the RECORD at this point and ask unanimous consent to have printed a joint letter by Chamber, by Citizens Against Government Waste, Citizens for a Sound Economy, the National Association of Wholesaler-Distributors, and the National Taxpayers' Union also opposing this legislation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NOVEMBER 16, 1987.

DEAR SENATOR: The undersigned organizations have been working with the Administration and Members of the House and Senate on S. 825, the Housing and Community Development Act of 1987. Recently, the Office of Management and Budget advised us that the true cost of this legislation will be $19 billion in FY 1988. We are currently studying the OMB figures.

If the OMB numbers are accurate, we would have grave concerns about the wisdom of enacting this legislation. We believe that the cost would have a serious negative impact on the current budget summit, as well as on the Gramm-Rudman-Hollings budget targets. Such a development would have an immediate negative impact on the confidence of the financial markets.

We certainly urge that the Senate pause and study this legislation while there is still time for reflection.

Thanking you in advance for your consideration, we are,

Chamber of Commerce of the United States, Citizens Against Government Waste, Citizens for a Sound Economy, National Association of Wholesaler-Distributors, National Taxpayers Union.

Mr. ARMSTRONG. Mr. President, I want to place in the RECORD a few editorials that have come forward and note with interest that it was about 5 o'clock Friday afternoon that the President announced that he would veto this legislation. In just 1 working day, a number of the most important newspapers in this country have come out with editorials calling for defeat of this conference report.

One of them makes the point—and I think it is perhaps a central issue—that in this vote we distill almost the essence of congressional willpower and courage to do something about the deficit, not because housing is the only issue, but because it is the issue which is under debate, under consideration to be the subject of a Presidential veto at the very moment when the high-level negotiations for a deficit reduction package are underway.

The Wall Street Journal put it this way:

> With the whole wide world reportedly transfixed by the great American budget summit, the Senate, with a straight face, will vote today on a conference bill that increases the spending on Federal housing programs.

The Journal goes on and calls for defeat of this legislation.

In Los Angeles, the Los Angeles Daily News makes the same point and sums up its editorial as follows:

> The housing bill comes up for a Senate vote today. President Reagan has vowed to veto it, and it appears that the Senate will unfortunately, pass the bill and give him his opportunity. For the sake of the Senate's own credibility in fiscal matters, it would be far better if the bill never even gets that far.

The Pueblo, Colorado Chieftan calls this: "The first test of the U.S. Senate's commitment to reduce Federal spending since last month's stock market crash."

Another Western newspaper makes the point that "The House, in fey disregard of the Nation's fiscal crisis, voted * * * to spend $30.6 billion for new housing and urban development programs," and goes on to point out why such a bill should be vetoed and the veto sustained.

Still another newspaper out in the West made the observation that the bill came back from conference heavily marbled with fat. Another newspaper called it obese.

Mr. President, I ask unanimous consent that the text of the editorials I referred to be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Rocky Mountain News, Nov. 17, 1987]

HOUSING BILL NEEDS A KNOCKOUT PUNCH

Colorado Sen. Bill Armstrong tied the U.S. Senate in parlimentary knots for several hours last week for a crucial cause—fiscal responsibility in housing policy. His maneuvering braked, for the moment at least, the momentum of the outrageously costly 1988 housing bill.

Another key vote is scheduled today. Says Armstrong: "We will find out who the big spenders really are."

As it emerged from conference committee, the housing measure is thickly marbled with fat. According to the Office of Management and Budget, it would authorize $19 billion in new spending, $7.1 billion more than the White House requested. Over five years, it would outspend administration targets by $71 billion.

Though $211 billion in housing-budget authority has already been appropriated but not yet spent, the bill authorizes another $14.5 billion for subsidized housing.

Yuppie-welfare provisions abound as well.

For instance, $450 million is authorized for the Urban Development Action Grant (UDAG) fund, a program that has mainly subsidized hotel and commercial projects. Another $150 million would go into Housing Development Action grants. that means more money for luxury apartments, only 20% of which go to low-income families.

Another pamper-the-prosperous program would offer interest-free loans to certain homeowners with incomes of $40,000 or more.

On Friday Bill Armstrong stopped the bill in its tracks by formally noting that the measure exceeds the current congressional budget plan. It takes 60 votes to "waive" such a "point of order" maneuver. The bill's backers mustered only 53.

That 40 senators voted the other way suggests the bill couldn't survive a presidential veto. It doesn't deserve to get that far. Proponents will try again today to get this pork barrel rolling. We hope all those lawmakers who sided with Armstrong last week—including Colorado's Tim Wirth—will stand firm.

Armstrong correctly frames the issue as one of institutional integrity: "This is the first test of the Senate's willpower since the stock market crash. Markets and governments around the world are watching to see if the U.S. Congress has the guts to get spending under control."

The Senate owes it to the rest of us to give those observers cause for applause.

[From the Wall Street Journal, Nov. 17, 1987]

CONGRESS' HOUSING CAVE

With the whole wide world reportedly transfixed by the great American budget summit, the Senate, with a straight face, will vote today on a conference bill that increases spending on federal housing programs. Of course this anomalous act in the midst of a "fiscal crisis" is but a day's diversion. Tomorrow all will return to blaming the world's troubles on Ronald Reagan's economic policies.

The housing bill before the Senate authorizes up to $15 billion in new spending for each of the next two years (OMB) says the figure is closer to $19 billion). No matter that over the past seven years outlays for subsidized housing programs have increased 130%, from $5.6 billion in 1980 to $13 billion in 1987; this new bill authorizes an additional $14.5 billion for housing subsidies. (Currently, more than $210 billion of previously appropriated housing budget authority sits unspent.)

Last Friday, Senator William Armstrong pointed out that the conference report violates Congress' Budget Control Act because its spending level exceeds the amount set in Congress' previously voted budget resolution. Today the bill's supporters will attempt to steamroller Senator Armstrong's point of order. California Democrat Alan Cranston and New York Republican Alfonse D'Amato insist that the bill is vital to the needs of the disadvantaged and that an insignificant matter such as the Budget Act shouldn't stand in its way. To make the bill "veto-proof," worthwhile programs—such as an experiment designed to encourage resident management of public-housing program—are embedded in the bill alongside all the boondoggles.

For instance, there's the old UDAG-HoDAG hustle. The Urban Development Action Grants (UDAG) subsidize construction of hotels, shopping malls, office complexes and so forth for developers. It will get $450 million over the next two fiscal years. Housing Development Action Grants (HoDAG) subsidize construction of luxury apartments (only 20% of which go to low-income families). It's in line for $150 million. This has a lot to do with builders, unions and campaign contributions and very little to do with the poor.

Several new schemes make their federal debut in the bill. The Nehemiah Grant program would provide interest-free loans of up to $15,000 to help families earning as much as $48,000 to purchase property. A Rural Housing Grant program would provide funds to nonprofit groups to buy out owners of apartment buildings financed by the Farmers Home Administration.

American taxpayers have demonstrated their willingness to assist those most in need. However, we hardly see how this bill measurably improves the housing situation of the poor, in whose name these vast federal housing expenditures are made. Like the previously enacted clean-water and highway bills the housing bill amounts to little more than a patronage vehicle for senators more amenable to appeasing special interests than to facing up to the responsibility of reducing federal spending.

The hyprocrisy of voting this bill's spending increases is very much in the Senate air. North Dakota Democrat Kent Conrad wailed. "One vote does not tell the story on whether a Senator is committed to deficit reduction or not." Senator Cranston was reassuring: "This is a technical matter. It has nothing to do with the views of senators on the overall effort to deal with the budget deficit which we are committed to doing."

The housing bill is precisely the kind of problem the line-item veto is designed to solve. Under the threat of such item vetoes, the President and Congress would seriously bargain over the bill and make the tough, precise political choices that don't get made now. Instead we have an indefensible system that makes the President either sign or veto an entire, complex $19 billion bill.

This bill is obviously no mere blip or "technicality." Its spending imperatives more accurately reflect political reality in Washington now that all the tough decisions the budget-summit players claim to be making. The budget summit is talk. Today's housing vote is the way it is.

[From the Los Angeles Daily News, Nov. 17, 1987]

PLAY MONEY

Those bipartisan negotiations on cutting the federal deficit would really be worth the public's attention if the public could be sure that the conferees were dealing with real money, not just political promissory notes. But the truth is that a deficit-cutting promise is too easy to make and too easy to circumvent. It would not be big news if the negotiations end with an agreement to cut the deficit by, say, $80 billion over the next two years. It would be big news only if the promise is actually kept.

Congress doesn't seem ready to do that. As late as last week, long after the Black Monday stock market crash of Oct. 19 was supposed to have scared Washington into fiscal repentance at last, Congress was up to its old tricks. On Thursday, Sen. William Armstrong, R-Colo., managed to stall the authorization bill for federal housing programs after the measure was found to be loaded with hidden expenditures.

At its nominal figure of roughly $15 billion in each of its first two years, the bill would have been bad enough from the Reagan administration's point of view. But the administration's Office of Management and Budget figured out that the bill actually authorizes about $19 billion annually, or $7.1 billion over the administration's budget request.

It does this in many indirect but expensive ways. New requirements are set down (such as the elimination of all lead-based paints in federally subsidized housing, even when the paint is not causing a health hazard) without any money being allocated to carry them out. No provision is made for cost overruns that force the federal government to increase payments to landlords. Local governments receiving development funds would be forced to provide 10 years of rental subsidies or comparable assistance (compared to 3½ years under current law) for tenants displaced by new, federally assisted projects.

Someone will have to pay for that extra assistance, and most likely Washington will end up footing the rent-relief bills for the local governments. After all, cities can only spend what they take in through taxes, fees and federal or state grants, while the federal government can always make money the modern way, by borrowing it.

The housing bill comes up for a Senate vote today. President Reagan has vowed to veto it, and it appears that the Senate will, unfortunately, pass the bill and give him his opportunity. For the sake of the Senate's own credibility in fiscal matters, it would be far better if the bill never even gets that far.

[From the Pueblo Chieftain, Nov. 17, 1987]

WIRTH CAN HELP HOLD LINE IN HOUSING BILL VOTE TODAY

The first test of the U.S. Senate's commitment to reduce federal spending since last month's stock market plunges will come today when the Senate votes on the 1988 housing bill.

The bill is opposed by conservatives in the Senate as a "budget-buster" since it spends more than has been appropriated in the budget bill. The bill would add $19 billion in new spending to federal housing programs. Over five years, it would overspend Reagan administration projections by $71 billion.

If liberal Democrats can gain 60 votes or more in today's vote, the inflated housing bill will be sent to President Reagan, who has vowed to veto the legislation.

Not surprisingly, Coloardo Sen. Bill Armstrong has organized the Senate's conservative members to defeat the housing bill. Friday, the conservatives showed enough strength in a procedural vote to sustain a presidential veto even though he could not defeat the housing bill. The vote was 53-40 in favor of waiving budget restraints leaving seven senators undecided. Six of the missing votes belong to Democrats.

An encouraging sign was seen, however, when several Democrats broke ranks and sided with conservative Republicans in Friday's vote. And one of those was Colorado's other senator, Tim Wirth.

Sen. Wirth is no doubt under pressure from Democratic leaders to change his vote. We hope he votes his conscience, however, and shows that he is willing to begin trimming the fat from the federal budget.

[From the Denver Post, Nov. 17, 1987]

ARMSTRONG, WIRTH VS. DEFICIT

We hope the full U.S. Senate musters the same bipartisan backbone today that Colorado Sens. Bill Armstrong and Tim Wirth did Friday in trying to derail a budget-busting housing bill.

The House, in fey disregard of the nation's fiscal crisis, voted 391-1 last week to spend $30.6 billion for new housing and urban development programs in the next two years. That's more than $5 billion above the administration's request—and well in excess of budget limitations already adopted by Congress.

Because the bill was so obese, its backers needed 60 votes to waive the spending limit set in the original Gramm-Rudman law. They didn't get them—thanks to Armstrong, Wirth and 38 other senators who put national solvency above pork-barrel politics.

Armstrong led the fight against the runaway subsidies. He was joined by Wirth, who is much more supportive of federal housing programs than Armstrong—but who also recognizes that America has to start dealing with its runaway deficits.

In the end, the bill passed 53-40—well short of the 60 votes it needs today for final approval. If all seven senators who were absent Friday vote today to ignore the budget law, the housing bill will head to President Reagan—who has promised to veto it.

The 40 votes mustered against the bill Friday would easily sustain such a veto. But it would be far better for the Senate to adopt a responsible housing bill on its own. Veto battles paint economic policy in partisan hues, with the GOP cast as heartless ogres and the Democrats as big spenders.

Such bombast ignores the need to restore public confidence in the U.S. economy by a bipartisan budget agreement. As a confidence-builder, such bipartisan resolve is more important than whether the deficit is cut by $23 billion next year, as required by Gramm-Rudman, or $30 to $40 billion, as may be proposed by the budget negotiators Thursday. The message that the financial markets—and the American people—want to hear is simply that someone is in charge of the U.S. economy.

Colorado can be proud that its own senators put aside their party differences to stand together to send that message.

Mr. ARMSTRONG. Mr. President, these are just some of the reasons why this legislation deserves to be defeated. But the largest question and the question which Senators very properly are asking is: Well, what happens if the conference report is defeated? What happens in the first instance if the Budget Act waiver is not agreed to? And that is going to be a very close vote. I do not know if we have 40 votes or not, but if we can get 41 Senators to stand up and be counted on this, the waiver will not be granted and the parliamentary situation will be as follows:

The conference report will fall. The bill itself, with the House amendment, will be before us. At that time, it would be in order for the Senator from California to offer his amendment to cure the point of order and it would also be in order for the Senator from Colorado and others to offer an amendment to correct the antidisplacement provision, the lead paint provision, the provisions of this bill which undo previous housing reforms. Indeed, it would be in order—and this is my expectation—to offer a substitute bill.

If we should be fortunate enough to prevent the adoption of a budget waiver, it would be my suggestion to the leadership that we lay the bill over a day or two while we prepare that kind of comprehensive alternative.

On the other hand, if the budget waiver is agreed to, undoubtedly, after an hour's debate, the bill will pass and the crucial question at that point is whether there will be 34 Senators who will stand up to be counted against this bill, thus signaling to the markets and the world that the President's veto will be sustained.

So that is the battle plan. That is where we are. There are lots of people who are trying to scramble around and put different interpretations on this. I think it is pretty simple. Are we serious about reduction or are we not? Do we think the stock market crash is reason enough to be concerned, or do we need another 500-point drop? Are we really going to say words of encouragement to our budget negotiators, or are we going to say, while they are out there struggling to find a place to save some money, that we are going to just go on with business as usual?

I hope Senators will vote against the motion to waive the point of order to waive the Budget Act.

Mr. CRANSTON. Mr. President, I yield 5 minutes to the distinguished Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I thank the distinguished Senator from California.

Mr. President, if everybody has been listening carefully to the debate, they understand that in just a few minutes, the Senator from California is going to offer an amendment that would reduce the spending under this bill by some $47 million out of a total of $15 billion. It is a de minimis change, but had that change been made earlier, a point of order which we are about to vote on would not have lain against this bill under section 311.

So, Mr. President, the key question before the Senate is not whether or not the budget ceilings should be waived to accommodate this housing bill. The question is whether or not this body is going to have any housing policy at all.

It has been 6 years since the policy setting committees in the House and Senate have produced comprehensive legislation reauthorizing Federal housing programs. For 6 years, we have had a housing policy driven by others—the Budget Committee, the Appropriations Committee, and even the Finance Committee through the Tax Reform Act.

During this period, the Banking, Housing, and Urban Affairs Committee on which I am privileged to serve, has produced real savings for the Federal Government. Budget authority for assisted housing has been cut by more than 75 percent over the last 6 years from $30 billion to $7 billion. That is $23 billion less than what we were spending in 1980; more than any other authorizing committee has done on the spending side.

In this bill, the committee is setting authorization levels that are, I submit, in fact below last year's appropriations levels.

In this bill, and in bills developed by this committee in previous years under the distinguished leadership of our former chairman, the senior Senator from Utah, our committee has sought to shift the emphasis of the Federal role from expensive new construction to more economical rehabilitation and modernization of existing housing stock. In addition, we have sought the development of new and innovative programs to make each Federal dollar go a little farther in providing safe, decent, and affordable shelter for low income families. I think that is the correct approach in an era of budget restraint.

There comes a point however, Mr. President, when further spending cuts will undermine and halt any Federal housing policy.

I would say we are at that point, Mr. President. There are more than 1 million people on waiting lists for public housing in this country. They cannot find housing; if they find housing, they can't afford it. Many of those living in public housing are right now in substandard and aging units. These are the poorest people in this Nation that we are talking about. The average annual household income of a family living in public housing is between $5,000 and $6,000; that is 50 percent below the poverty threshold for a family of four.

The best evidence will soon be before the American people as television news crews once again begin the body count of the homeless during the winter season. Mr. President, I am privileged to represent the Commonwealth of Pennsylvania, a State with more than 11.5 million people that we have as residents.

As each year passes, more and more of those homeless are not single adults but poverty-stricken mothers with poverty-stricken children. We all know the statistics. Twenty-one percent of the children in this country, one out of five, and that is 12½ million children—more than all the residents of my home State—are living in families below the poverty line. Those 12.5 million children are America's future.

In the absence of Federal housing support, they do become homeless. And, then the Federal response is to put them up in communal dorms through some meager seed money to local agencies.

That is not an environment where children are going to be able to learn and grow. Is it any wonder that low income children drop out of school at the rate of 1 every 45 seconds. Just while I have been speaking, here on the floor of the Senate, seven more children have dropped out of school.

Mr. President, the real question here is whether we can agree on a national housing policy. Each one of us on the committee although we have many points of view has spent many long hours working to produce a realistic policy given existing budget constraints. In my view, we are either going to address the issues or we are not going to.

This marks the first free-standing housing bill that the Congress has produced since 1981. It is truly a landmark achievement. I would like to commend the managers on the Senate side, Senators **Cranston** and **D'Amato**, who have done a tremendous job in leading the conference through long, painstaking negotiations that have resulted in this product. As one who participated in the conference, I can attest to the superb job they have done in resolving the differences between the House and Senate versions of the bill.

The conference report contains a number of important provisions relating to our Federal housing and community development programs. It reauthorizes all major HUD and Farmers Home Administration programs, including the FHA Mortgage Insurance Program, our various assisted housing programs, community development block grants, and a host of others. It makes a number of important program reforms that shift the emphasis of Federal Housing policy away from the expensive construction programs of the past toward the more prudent and economical approach of preserving our existing federally-assisted housing stock so that it remains available to and livable for the millions of low and moderate income Americans. Most of all, it reaffirms the Federal commitment to provide affordable housing and promote community development efforts across the Nation.

The conference report accomplishes these important purposes within severe budget constraints imposed by our current fiscal situation. It authorizes $15 billion in new budget authority for fiscal year 1988, which is slightly below current levels, and $15.6 billion for fiscal year 1989. I would like to dwell on these authorization levels for a moment.

It has come to my attention that this $15 billion figure has been called into question by some in the administration. In fact, the Office of Management and Budget has developed a table that estimates total spending under the conference report at $18.7 billion.

I would like to spend briefly about the fallacies inherent in this $18.7-million estimate, which I fear may cause some confusion among our colleagues as to the actual dollar impact of the conference report.

First of all the OMB estimate includes $2.1 billion in budget authority that represents cost adjustments resulting from previous contracts entered into by HUD and FmHA. This is not new budget authority, and does not relate in any way to the conference report. Rather, it represents amounts that appropriations bills provide to HUD and FmHA to cover the difference between orginal cost estimates of section 8 contracts and Farmers Home Administration loans and the actual cost of these commitments. This is an annual function of the Appropriations Committee that would occur whether or not Congress enacts an authorization bill.

Second, OMB estimates the reuse of nearly $1 billion in recaptured budget authority from the proceeds of repayments and sales of loans from housing projects owned by GNMA (Ginnie Mae) or authorized under HUD's homeownership program. This is inaccurate for two reasons. First, these funds should not be construed as an add on because they were previously authorized and appropriated, and the conference report would only authorize that they be recycled for other housing assistance use. Second, any such recycling would only occur upon approval in an appropriations act.

Finally, the remaining $600 million difference between the OMB estimate and the $15 billion authorized in the conference report is made up of a variety of programs and program reforms that will not be implemented or appropriated in fiscal year 1988. In sum, the OMB estimate reflects not what the conference report authorizes, but rather the total budget authority that could possibly be appropriated in fiscal year 1988 if there were no budget resolution that imposes limits on spending and if HUD could immediately implement a number of reforms authorized by the bill. As my colleagues are aware, neither of these "ifs" are going to happen in this fiscal year.

Mr. President, the conference report is a prudent, responsible, and much-needed piece of legislation. I urge the Senate to approve the waiver and approve the conference committee report.

Mr. ARMSTRONG. Mr. President, I yield 5 minutes to the silver-tongued orator from Texas.

Mr. GRAMM. Mr. President, I thank the distinguished Senator from Colorado for yielding.

Mr. President, I would like to begin by giving the Senate our report card that came out last Friday on the deficit. You might be interested to know how we are doing.

The Congressional Budget Office says that we claimed in our budget that we were going to spend $1,034,700,000,000 and that we are currently spending $1,040,100,000,000. So we are $5,361,000,000 over the targets we set out in our own budget.

Interestingly enough, on the revenues we said we were going to have, we are $22.7 billion short. So the deficit as of right now is running about $28 billion above the level that we claimed when the budget which was before us was adopted.

It is higher than what we claim by $28 billion because, No. 1, we are spending $5 billion more and, No. 2, those who supported the tax increase have yet to adopt it.

I would like my colleagues to note that there is a budget point of order against this bill because we are already $5.4 billion over budget. That was a budget that contained $21 billion worth of new taxes, and who here believes that we are going to raise taxes by $21 billion? I had not heard anybody propose that in months.

A point of order lies against this bill because we are already $5.4 billion over our own budget, and this bill would raise spending by another $46 million in direct outlays now. That violates the most basic point of the Budget Act, the 311 point of order which, under the Gramm-Rudman-Hollings law requires 60 votes to override.

When we voted on this matter last week, those who wanted to waive the Budget Act had 53 votes. The distinguished majority leader changed his vote in order to move to reconsider. That is 54.

We are going to find out today whether or not some of those who were born-again fiscal conservatives who voted last week to uphold the budget, whether they have changed their minds over the weekend or not. I hope they have not. In fact, I hope there has been a new conversion and that the number of those who are voting against waiving the Budget Act will increase rather than diminish.

Second, Mr. President, I want to respond to these statements about these massive cuts in housing programs. The American people must be constantly confused to hear us talk about spending cuts and yet see spending always go up. Please remember that Government does not use the same language that everybody else uses. When we talk about cutting spending, we are talking about cutting relative to what we would have spent, not what we actually did spend. And that is part of the mystery here on this housing bill.

We have reduced the built-in growth in housing programs. Since we moved to a voucher program, however, Federal support for housing, including credit subsidies and tax breaks, has increased by 40 percent since Ronald Reagan has been President. That is up from $50 billion to $70 billion, and, in fact, the number of families receiving housing subsidies has increased from 3.1 million to 4.1 million.

But, you know, that is not something that represents our greatest contribution to housing, the fact that a million more Americans today than in 1981 are receiving housing subsidies. That was a small donation to housing in America.

Do you know what we have done that has had a bigger impact on housing than anything else? We have brought down interest rates.

On a $60,000 mortgage, the monthly payments on that mortgage today are $275 less than they were in 1981. That is our contribution to the housing program, progress we made in bringing down interest rates, creating 13 million new jobs so that people can go to work, save their money, build up a nest egg, and build and buy their own home. On a very modest home, a $60,000 home, they are paying $275 less today per month on their mortgage because interest rates are lower than they were in 1981.

Will the distinguished Senator yield 1 additional minute?

Mr. ARMSTRONG. Do I have 6½ minutes left?

The **PRESIDING OFFICER.** The Senator has 6 minutes remaining.

Mr. ARMSTRONG. May I yield 30 seconds? I promised the Senator from New Mexico 5 minutes and I need 30 seconds myself.

Mr. GRAMM. The point is that our greatest contribution in housing has been bringing down interest rates. We imperil that progress today if we vote to waive the Budget Act. We imperil that progress if we vote to raise the deficit and to move on to a housing bill that increases spending. This bill contributes to the very problem of deficits and high-interest rates that we have made so much progress in fighting during the last 6 years.

The **PRESIDING OFFICER.** Who yields time?

Mr. D'AMATO. Mr. President, it is not easy for this Senator to oppose the administration. I have attempted to support it when I can. More often than not, I have done exactly that.

But let me tell you, this is not a matter of high principle, that the marketplaces are going to respond because the deficits are going to be increased. Indeed, if we pass this bill, the deficit, as it relates to the housing component of our legislation, will be decreased, $300 million less than was appropriated and spent last year.

In addition to whatever figures the budget negotiators are going to come up with, we will absorb our fair share. That is part and parcel of the process.

For those who say somehow if you pass this bill you are contributing to the deficit, that is hogwash.

Let me quote the Commerce Department before the House of Representatives that passed this bill 399 to 1, when they said if we pass this legislation and it is signed into law, we will spend fewer dollars, if the President signs it, we will spend $300 million less.

Then it goes on to talk about home ownership, getting people out of public housing authorities and giving the people the opportunity to own a piece of America.

It is very much like that which Margaret Thatcher successfully undertook. We have opponents to that in this bill.

Mr. President, I am sorry that on the matter of high principles, the fact is that OMB determined that, yes, they had the votes to override a veto. That is a high matter of principle. That was no honest and sincere effort to deal with programs that may have been costly. Indeed, the OMB list is pandering the fear, concocted, out of whack, and it is just simply devoid of facts as they relate to the $4 billion bust claim in the budget. It just is not the case.

The **PRESIDING OFFICER.** Who yields time?

Mr. **CRANSTON.** Mr. President, I am prepared to yield back our time if the other side is.

Mr. **ARMSTRONG.** Mr. President, I have 5½ minutes left. The Senator from New Mexico is nearby and I would like to yield him 5 minutes.

Mr. **CRANSTON.** I yield 2 minutes to the Senator from Maryland.

Mr. **SARBANES.** While we are waiting for the Senator from New Mexico, let me say very briefly I strongly support the budget waiver that is before us.

We need to separate this issue. If there is a legitimate point to the budget waiver, it will be addressed by the resolution which the Senator from California will offer immediately subsequent to completing action on this measure before us.

To the extent people differ with the substance in the bill, I simply submit to them that this has been a carefully worked out compromise, and in an effort to reach an agreement in conference, we scaled back in every area. That was sufficient for the House Republicans to support this bill overwhelmingly. In fact, it passed the House with just one dissenting vote. It was sufficient so that a majority of the conferees in the Senate, and a majority of the conferees on both sides of the aisle in the Senate, supported the conference report.

The difficulty was with OMB and the administration.

OMB has given us, as the Senator from California and the Senator from New York have pointed out, dummy figures. That is what it amounts to. That is putting it mildly, if I may say so. That was in an effort to scuttle this housing legislation. They do not want any housing legislation at all.

I submit to you this Nation has gone too long without proper legislation in this area to deal with a pressing problem. I urge Members to vote for the budget waiver and then to strongly support the conference report.

The **PRESIDING OFFICER.** Who yields time?

Mr. **ARMSTRONG.** Mr. President, I yield 5 minutes to the Senator from New Mexico.

The **PRESIDING OFFICER.** The Senator from New Mexico.

Mr. **DOMENICI.** Mr. President, let me first say to the Senate I obviously have not been on the floor for this entire debate. While this debate is going on about this housing bill, a number of us are off the floor in another room, as a matter of fact, at this point not more than a couple hundred feet from the Senate floor, and we are talking about avoiding a $23 billion sequester. We are talking about putting together a deficit reduction package that exceeds $23 billion, that has bipartisan support and Presidential support.

I assume everyone in the U.S. Senate thinks that ought to be done. I believe the American people think it ought to be done.

We are not doing that because we take a great deal of joy in addressing overexpenditures by the U.S. Government and the need for reform in various entitlement programs, and looking at the tax base of the country to see if we ought to raise some taxes. I do not think we are doing that out of sheer joy. We are doing it because we have a crisis in this country.

Now there are those who are talking about this housing bill and saying because there is a budget point of order—one that is just as legitimate as points of order that have been upheld in the U.S. Senate for years—now they are down here talking about phony figures. They are talking about OMB rigging things.

Well, I used to be Budget Committee chairman. I know the numbers. And I know when things are technical and when they are not.

I assure the Members of the Senate that if this Senator was not positive that this bill is an absolute budget buster in everyday language, I would not be here. It is that in spades.

Anyone who wants to read this bill has to wonder what is it going to cost, when the bill is filled with provisions like this: "Here is a brand new program; it is going to put pressure on the rest of the housing programs for the poor and it is authorized at such sums as you want to appropriate; score that zero for a brand-new program" I note that the distinguished occupant of the Chair used to be a Governor. Would he not love to have a bill like that? There are a number of those in this bill and they score it zero. Why did you put them in? Because they are pretty words or do you intend to spend money? I would assume they are put in so we can herald across this country that we have a new housing bill. It has Nehemiah grants in it. It is going to take care of slum areas by letting people move in and get a $15,000 loan with no interest. Then we look and it is not supposed to cost anything. Well, it is going to cost. You are darned right it is, or else it will not work.

In addition, it is not even for the poor. That is why the Nehemiah provision has been criticized here on the floor of the Senate.

As I look through this bill I find provision after provision of the type I have just described. It is no mystery as to why you cannot score this bill and say what it will cost. That is because everybody worked on it with the idea that we will make this a low-cost bill by putting in provisions that you know are going to cost money and putting zero on it.

Lead paint removal: A brand new program for HUD housing. How are we going to do that? A whole new bureaucracy is going to have to be hired. But the cost is zero, and, of course, it does not bust the budget.

You are assuming you are going to get that out of the air? We will think it will cost $200 million.

And for the realtors of America who want this bill, let them just take a good look at that. They are going to have lead paint inspections of private dwellings within the next 5 years under some plan we do not even understand.

Let the mayors and Governors look at the provisions in this bill. We do not cost them out either. We are going to pay for them some way. Five years of rental assistance for anyone that is displaced by a CDBG grant because of enhanced property value and all kinds of other relocation costs, and they are zero in this bill.

The **PRESIDING OFFICER.** The 5 minutes has expired.

Mr. **DOMENICI.** I conclude and tell the Senate with no question, you can talk about technicalities but you cannot get around the fact that this is an absolute budget buster in the midst of a budget crisis in the name of housing reform.

I yield the floor.

Mr. **CRANSTON** addressed the Chair.

The **PRESIDING OFFICER.** Who yields time?

The Senator form California.

Mr. **CRANSTON.** It is sad it is no longer possible to accept OMB analyses with any sense that they are honest and accurate.

Fortunately, we have the CBO that we can rely on.

RESPONSE TO OMB COST ESTIMATE

Mr. CRANSTON. We have seen the cost estimate prepared by OMB and staff has carefully analyzed it. Frankly, it is so misleading and shot through with errors that I am surprised the table is being introduced here on the Senate floor.

The conference agreement reflects a clear decision to reduce fiscal year 1988 spending below the current levels. That was a very difficult decision. Most conferees made it very reluctantly. But they did so because enactment of this housing bill is so important.

The CBO analysis of the bill—which is free of the political shenanigans of OMB—shows that the bill, if fully funded, would provide budget authority of about $15 billion in fiscal 1988, and would result in outlays of about $600 million. As every Senator knows, this bill provides authorization ceilings only. Funding for programs in this bill would have to be accommodated within the overall totals available to the Appropriations Committee.

It is no secret that officials in OMB do not want Congress to take any action on housing legislation. They have fought bitterly to prevent Congress from passing any housing bill. For the past 3 years they have generated cost estimates that proved to be baseless. As far back as last January OMB officials were talking publicly about their strategy for getting a veto on a housing bill—that was long before the details of a housing bill had been decided. After the Senate passed a 2-year funding freeze, OMB staff gave President Reagan a cost estimate claiming the bill was a $131 billion spending blowout.

OMB's position on the housing bill has long since been discredited. Most Members on both sides of the aisle know that OMB can no longer be taken seriously on this issue.

Now someone at OMB is circulating a padded cost estimate in an effort to make this bill appear to be something other than the prudent bill it is. OMB's figures are phony.

First, they throw in over $1 billion for "contract amendments." These amounts do not apply to this housing authorization. These are amounts that the Appropriations Committee may have to provide to correct for shortfalls in appropriations estimates that were made in prior years. They would have to occur anyway. They would be provided out of the totals available to the Appropriations Committee—they are not new spending created by this bill.

Second, they throw in an extra $1 billion for farmers home programs. Again, these amounts are not relevant to passage of this housing bill—they reflect losses incurred in the rural housing insurance fund in prior years. This bill actually reduces new spending for rural housing.

Third, OMB's table suggests that "reuse of recaptures" would create almost $1 billion in additional spending. This is simply false. The bill only affects the use of funds that have already been appropriated, not new funding. Any funds that are recaptured but not rescinded could be made available only upon action by the Appropriations Committee. Conferees do not expect any additional spending would result from this provision.

Fourth, the table falsely shows $281 million in additional spending as a result of the public housing operating subsidies "CETA provision." This provision of the bill simply establishes a formal process for reviewing out-of-date expense levels for public housing authorities. That review process can have absolutely no impact on fiscal 1988 spending. And in later years it would have an impact not on spending totals but on the distribution of funds available within the program. Moreover, this provision expands costs that can be considered for reimbursement. The reimbursement would have to come out of authorizations for operating subsidies and would involve no additional spending.

Fifth, the table includes $100 million for the Nehemiah Program and $30 million for emergency homeownership counseling. In fact, the bill authorizes only "such sums as may be appropriated" in 1988 for these programs. To date, no appropriations have been included for either program. Under current budget circumstances, the OMB estimate is not based on reality.

Sixth, the table includes $50 million for "troubled projects" and "capital improvement loans" and smaller amounts for several other programs. Again, these are inappropriate because the bill makes it clear that these funds are to be provided out of other amounts available.

In conclusion, the OMB table is more an effort of disinformation rather than a responsible cost estimate.

CBO's estimate would make it clear to all Senators that we have here a modest bill that provides funding levels slightly below the current levels for this year.

Mr. SASSER. Mr. President, I rise in support of the motion to waive the technical point of order raised against the conference report on the housing bill.

The arguments that have been raised here by those that seek to derail this bill are, to say the least, deceptive and misleading. This conference report is being attacked as a budget buster. There is an implication in such arguments that Congress is simply pouring money into housing programs. That is not the case.

Since 1980, in the face of increasing affordability problems, housing programs have been cut by 70 percent. If other Government spending programs had been cut by a like amount I am sure that we would be running an enormous budget surplus today.

And what about this particular conference report before us today? Again, the budget buster label doesn't apply. This conference report is now $600 million below the 1987 freeze level that was approved in the Senate-passed housing bill in March. It is below the House-passed level by about $900 million. CBO and the Budget Committees say this is a $15 billion authorization and they are right.

Now, those who have raised the budget point of order do have a technical basis for doing so. The housing bill was exposed to the point of order because it included three minor provisions that, according to the CBO, involved a total of $47 million in direct spending. Indeed, since September 30, any bill with even $1 of direct spending has technically been exposed to a point of order under the Budget Act. This minor problem can be rectified. And it is my understanding that before we complete action on this matter today, Senators CRANSTON and D'AMATO will move to excise these three provisions from the bill to remove any justification for a point of order.

What makes this situation even more troubling is the fact that those who oppose this bill are relying on erroneous figures provided by the Office of Management and Budget. OMB has a cost estimate on this conference report that is nearly $4 billion higher than that provided by the Congressional Budget Office. This difference is explained by OMB's double counting funding. OMB has put dollar amounts on programs for which no money will be appropriated. They have generated cost estimates that are baseless. In short, they are cooking the numbers to suit their arguments.

So, Mr. President, I hope my colleagues will not be fooled by what is taking place today. We are not arguing about a "massive budget buster." We are talking about what role the Federal Government should play in the housing area. Those who are hiding behind budget arguments are in fact ideologically opposed to the Federal Government providing the bare minimum of assistance in meeting a critical housing shortage nationwide.

Let me reiterate, housing programs have been cut by more than 70 percent over the past 7 years. How can programs that have taken such cuts be attacked as budget busters?

No, Mr. President, this is not a deficit argument. It's an argument about housing policy pure and simple. I for one think this is a prudently crafted bill. It is below last year's spending figures and it addresses critical housing needs.

Mr. President, this conference report was approved by the House of Representatives by a vote of 391 to 1. There is obviously broad and bipartisan support for the legislation over there. The House is telling us something: that they think housing should be a national priority.

Mr. President, let's move beyond these technical and misleading points of order, and phony budgetary numbers, and debate the substance of this important bill. I yield the floor.

Mr. GORE. Mr. President, the Housing and Community Development Act of 1987 ranks among the most important bills to come before this Congress. Its adoption will overcome years of stalemate and confrontation between the Congress and the administration determined virtually to eliminate the Federal role in housing and community development. We have the opportunity to support the first comprehensive housing and community development bill in 6 years. More importantly, we will reassert our commitment to a national housing policy that, since 1949, has aimed for a decent home and suitable living environment for every American family.

There are three matters of concern that we should consider during this debate. The first is the matter of fiscal responsibility, as reflected in a vote on a waiver of the Congressional Budget Act. The second is the question of the need and merits of the bill itself. Finally, we must reflect on the national commitment to housing and where that commitment figures in our set of priorities.

THE BUDGET WAIVER

This legislation is a responsible approach to housing at a modest cost. I have reviewed the cost estimates of both the Congressional Budget Office and the Office of Management and Budget. As my colleagues know, the conclusions of those two agencies differ significantly. Frankly, Mr. President, it is clear to me that OMB has padded its cost estimate to coincide with the administration's thinly disguised political goal of getting the Federal Government out of housing altogether.

There are numerous examples of OMB's disinformation on the cost of this bill. For instance, while this legislation actually reduces new spending for rural housing by $360 million, OMB attempts to show an increase of $1 billion, not because of new spending, but because of losses in the rural housing insurance fund in prior years. OMB's estimate of $1 billion in new spending for the reuse of recaptured funds is a complete fabrication, since those funds had already been appropriated.

Mr. President, the fact of the matter is that this bill will not only not cost more, it will provide funding at a level below that of this year. Beyond that, we should understand that if this bill becomes law, we will spend less in Federal dollars—as much as $300 million less—than will be spent if the bill is defeated. So the opposition to a budget waiver is a technicality reflecting a philosophic opposition to Federal housing programs, not a concern for austerity in the budget.

THE HOUSING ACT

Earlier this year, the Housing and Community Development Act passed the Senate by a vote of 71 to 27. The House of Representatives recently passed the conference report by a vote of 391 to 1. That overwhelming bipartisan vote demonstrates the need for a comprehensive housing bill and the responsibility of the approach we have taken.

In the face of a critical nationwide housing shortage, this legislation reauthorizes and improves HUD's assisted housing programs and the Rental Rehabilitation Program. It increases the efficiency and flexibility of the Comprehensive Improvement Assistance Program. Rural housing programs are reauthorized and made more efficient. It encourages the preservation of privately owned subsidized housing for low-income tenants. Of great importance are provisions which will assist public housing tenants in making a transition to public housing.

A central feature of the bill is a permanent authorization of the insurance authority of the Federal Housing Administration. This is a major step forward, and it will prevent the use of FHA as a political football as it was last year, when we had to vote on an extension a half dozen times. The legislation increases the maximum mortgage amount in high cost areas from $90,000 to $101,250, and it limits the mortgage premium to 3.8 percent. Generally, it improves dramatically the operation of FHA in the secondary market.

The CDBG Program is reauthorized for 2 years, better targets benefits to low-income areas, and extends the uses of CDBG to rehabilitation and economic development. UDAG is also reauthorized for 2 years with a more equitable distribution formula. The bill establishes Nehemiah housing opportunity grants and a Fair Housing Initiatives Program.

Mr. President, this is not a perfect bill. But taken as a whole, this is a badly needed, fiscally responsible bill, and I urge its adoption.

A NATIONAL HOUSING POLICY

Finally, Mr. President, this is an appropriate time to consider the national commitment to housing. By 2000, the Urban Institute estimates that a third of all households, and two-thirds of low-income households, will be unable to find adequate housing they can afford. According to the U.S. Conference of Mayors, the homeless population is growing as much as 25 percent per year.

Now is not the time to retreat from a Federal housing program of subsidized assistance and incentives for homeownership. Yet, that is exactly what this administration has done. In the Reagan years, housing programs have been cut by more than two-thirds, and a dogmatic pursuit of privatization and deregulation have undercut Federal efforts to encourage homeownership. This trend must be reversed, and the legislation we consider today is an important step toward an adequate, responsible national housing policy.

Mr. SIMON. Mr. President, at the outset I would like to state my appreciation to my good friend and colleague, Senator CRANSTON, for his efforts in bringing to the Senate the first major housing bill in 6 years.

I am also most grateful to my friend and colleague, Senator D'AMATO for his many efforts on behalf of the Housing and Community Development Act of 1987.

It is appropriate to point out that, though 6 years have passed, both the housing and community development portions of the bill remain at the same funding levels that have prevailed for the last 3 years.

The Community Development Block Grant Program will continue to provide $3 billion to the Nation's hard pressed local governments to help them meet the needs of low and moderate income residents: Needs that include housing rehabilitation, streets, adequate water and sewer systems, and funds to aid in the creation of or the preservation of jobs and local economic development.

The CDBG Program and the $225 million provided for the Urban Development Action Grant Program constitute the major source of Federal assistance to our urban governments. With the loss of general revenue sharing and the $6 billion it provided annually to local governments, we have sharply reduced aid to cities and towns that now more than at one time in recent memory are called upon to provide high cost services with reduced local resources.

Overall, HUD budget authority is less than half of what it was in 1978. While accounting for 7.4 percent of the total budget then, it will be less than 1 percent in 1988.

Mr. President, I would like to say a few words about the UDAG Program. From an initial funding level of $675 million in 1978 the program has received no more than $225 million annually since 1982. Contrary to the perceptions of some, this program has, in fact, done much in aid of economic development in our distressed cities and towns.

The UDAG Program has directly contributed to the development of numerous new industries in southern Illinois—an area having a long history of high unemployment and poverty.

The UDAG Program has provided the funds for the water lines that brought the printing industry to Salem and Mount Vernon, Illinois. It provided the funds for the infrastructure that was needed by Flora, IL, to bring an automotive parts manufacturer and 200 new, full-time jobs to the community.

Since 1979 the UDAG Program has been instrumental in bringing approximately 3,000 jobs to southern Illinois and served as an incentive for millions in private sector investment and improved local tax base.

In short, this program, based on my experience, has done exactly what was hoped for and intended by Congress upon its enactment in 1978.

This reauthorization continues our commitment to assist our Nation's elderly and handicapped and the poor by providing a combination of programs: public housing, direct loan authority for construction, vouchers and rental rehabilitation funds for low income households.

Both decent, safe, and sanitary housing as well as decent, safe, and viable communities are a worthy goal of government at all levels and a shared responsibility that has been recognized as such since the Presidency of Franklin Roosevelt.

Mr. WALLOP. I rise today to join the distinguished Senator from Colorado [Mr. ARMSTRONG] in opposing the housing conference report. I find it incredibly ironic that while the "budget summit" members struggle to meet the $23 billion target in spending cuts, in the week in which the Gramm-Rudman sequester looms large, we are here today voting on a bill that authorizes $15 billion in spending and which OMB has scored as actually coming in at somewhere in the neighborhood of $19 billion.

The housing conferees hailed this legislation as a great example of fiscal austerity. They have heartily patted themselves on the back for forging a compromise that they assert saves more money than either the Senate or House version of the bill. But the $15 billion figure is only a sleight of hand deftly accomplished by underestimating the costs of a number of programs such as rural housing construction, and just plain failing to account for new housing schemes like the Nehemiah Grant Program and the Rural Housing Preservation Grant Program. OMB asserts that when the cost of all items in this bill are totaled up, funding will actually be nearly $4 billion in excess of the level authorized in the conference report. Moreover, programs that have been of dubious merit for years are slated for continued funding—UDAG, in particular, is authorized to receive another $450 million next year.

With each "budget buster"—the Clean Water Act, the highway bill, and now the housing bill—Senators seem to be performing the same song and dance: They can talk about cutting the deficit but making those tough decisions to vote against excessive spending is more than they can muster. As the Wall Street Journal noted this morning in an editorial: The housing bill's "spending imperatives more accurately reflect political reality in Washington now than all the tough decisions the budget-summit players claim to be making." It is time, right now, for the Senate to do something about the deficit. I urge my colleagues to vote for against waiving the Budget Act for this bill and vote against the conference report.

Mr. LEAHY. Mr. President, I speak out today in strong support of the Housing and Community Development Act of 1987. This piece of legislation, the first free-standing housing and community development authorizing bill since 1980, is long overdue, well-crafted, and addresses the undeniable needs of a growing number of Americans.

This is a bill developed by Members of Congress who recognize that the 50-year Federal commitment to providing decent, safe, sanitary, and affordable housing for our least fortunate citizens must not be abandoned. It is also founded on the recognition that as funding for housing and community development has fallen dramatically since 1980, the number of homeless people living on America's streets has risen just as dramatically; that the size of our low-income elderly population is growing; and that in much of our Nation, the rise in the price of decent housing is far outstripping the rise in income of our most needy citizens.

The Housing and Community Development Act of 1987 includes basic, necessary authorization levels for assisted housing and community development programs. The bill includes technical provisions which improve the targeting of housing and community development benefits to the truly needy. It permanently authorizes the Federal Housing Administration and the Home Mortgage Disclosure Act. It extends the life of programs which preserve and improve affordable housing stock in both urban and rural areas.

This is not a budget-busting bill, as its opponents have charged on the floor of the Senate. Since 1980, housing and community development programs have been cut by more than 70 percent—more than any other Federal program area. This bill incorporates those cuts. But this is enough. Fairness dictates that further cuts come from other areas of the budget. This is a bill that addresses real human needs that are not disappearing, not being solved by the trickling down of prosperity from the private sector, but rather are growing in magnitude.

This is also not a bill advanced strictly by the home builders, the realtors, and the mortgage bankers, as its opponents have also charged on the Senate floor. In my home State of Vermont, 11 nonprofit organizations—public and private—which advocate, finance, and build affordable housing for low-income people have expressed their strong support for this new housing authorization effort.

In my home State of Vermont, the need for affordable housing that this bill addresses at a basic level has never been greater. A recent study by the new joint legislative committee on housing of the Vermont Legislature has found that the average monthly rent of a 2-bedroom apartment, statewide, has doubled from $200 to $400 in the 6 years from 1980 to 1986. Incomes there have certainly not doubled.

The rental vacancy rate in Burlington, by far Vermont's largest city, hovers around 1 percent. A vacancy rate below 5 percent is considered to be dangerously low by housing professionals.

The average median income for a Vermont household is approximately $21,500. This income level will buy a mortgage in the $43,000 range. Unfortunately, the average price of a two-bedroom house in Vermont rose almost 30 percent from $51,000 in 1980 to $64,000 in 1985, and is still climbing. The great majority of Vermonters are locked into the status of renters, or owners of mobile homes.

Very low income people unable to make the transition from institutions to the mainstream aren't the only homeless Vermonters. Increasingly, families are appearing at homeless shelters. Low-paying service jobs will not sustain them on the expensive housing market. They are having great difficulty finding, and keeping, affordable housing.

The Federal Government alone cannot solve this Nation's pressing housing problem. There is an increasingly large role for the State and local governments, and for the private sector. But the national record of the past 6 years shows that without a balanced, targeted Federal funding program to supplement local and State efforts, housing that low-income people can afford is seldom produced.

This is an unacceptable situation, in light of the proven need. It is time to pass the Housing and Community Development Act of 1987 and to reaffirm in a basic way the Federal commitment to a basic human need first enacted in the U.S. Housing Act of 1937.

Mr. CRANSTON. Mr. President, I yield back all remaining time on this side.

The PRESIDING OFFICER. The Senator from Colorado has 15 seconds.

Mr. ARMSTRONG. Mr. President, I yield back all time as well.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive section 311 of the Budget Act. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

The result was announced—yeas 57, nays 43, as follows:

[Rollcall Vote No. 380 Leg.]

YEAS—57

Adams
Baucus
Bentsen
Biden
Boren
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cohen
Cranston
D'Amato
Daschle
DeConcini
Dixon
Dodd
Durenberger
Ford
Fowler
Glenn
Gore
Graham
Harkin
Heflin
Heinz
Hollings
Inouye
Johnston
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Nunn
Pell
Pryor
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Shelby
Simon
Specter
Stafford
Stennis
Weicker

NAYS—43

Armstrong
Bingaman
Bond
Boschwitz
Cochran
Conrad
Danforth
Dole
Domenici
Evans
Exon
Garn
Gramm
Grassley
Hatch
Hatfield
Hecht
Helms
Humphrey
Karnes
Kassebaum
Kasten
Lugar
McCain
McClure
McConnell
Murkowski
Nickles
Packwood
Pressler
Proxmire
Quayle
Roth
Rudman
Simpson
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Wilson
Wirth

The PRESIDING OFFICER. On this vote, the yeas are 57; the nays are 43. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion to waive the Budget Act upon reconsideration is not agreed to.

The conference report on S. 825 violates section 311 of the Budget Act. The point is well taken. The conference report falls.

The Senator from California.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the Senate recede from its disagreement to the amendment from the House.

The PRESIDING OFFICER. Is there objection?

Mr. ARMSTRONG. Mr. President, reserving the right to object, first the Senate is not in order. It is unfortunate. All Senators here need to understand our parliamentary situation.

The PRESIDING OFFICER. The Senate will be in order.

Mr. ARMSTRONG. Mr. President, now could we ask that the Senator from California or the Chair put before us again the unanimous-consent request so that we know what it is and then perhaps we could respond.

Mr. CRANSTON. I ask unanimous consent that the Senate recede from its disagreement to the amendment from the House.

That has the effect of removing the conference report that has been rejected and getting us to the House bill which would then be before the Senate and open for amendment.

Mr. ARMSTRONG. Mr. President, reserving the right to object, I want to be sure I understand the actual import of the request. The effect of this then would be to put the Senate bill before us with the House amendment to it. At that stage, if I understand it correctly, the House amendment would be subject to further amendment.

Mr. CRANSTON. That is correct.

The PRESIDING OFFICER. The Senator is correct.

Mr. ARMSTRONG. Mr. President, unless the Republican leader or others on our side of the aisle have an objection to that, I see no objection to that procedure, assuming that we have a chance then to offer amendments to correct what we see as the defects of the bill or better yet to present it in a package.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

Mr. DOLE. Mr. President, reserving the right to object, I wonder if I might have a brief quorum call.

Mr. BYRD. With the understanding that Mr. CRANSTON does not lose his right to the floor.

Mr. CRANSTON. I suggest the absence of a quorum, reserving my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. CRANSTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CRANSTON. I yield for the majority leader.

I yield the floor.

Mr. BYRD. Mr. President, I have consulted with the distinguished Repubilcan leader.

ENERGY AND WATER DEVELOPMENT APPROPRIATION ACT, 1988

Mr. BYRD. Mr. President, I ask that the Chair lay before the Senate H.R. 2700. That is the bill making appropriations for energy and water development. Then it will be my plan to go out for the day.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 2700) making appropriations for energy and water development for the fiscal year ending September 30, 1988, and for other purposes.

The Senate resumed consideration of the bill.

AMENDMENTS TO THE NUCLEAR WASTE POLICY ACT

Mr. JOHNSTON. Mr. President, tomorrow the Senate will be asked to vote on a motion to recommit H.R. 2700, the energy and water development appropriations bill, and to vote on final passage. A decision to recommit the appropriations bill, with instructions to substantially weaken the nuclear waste provisions, would be a giant step backward.

The Senate has been considering H.R. 2700 since November 4, with most of this time devoted to nuclear waste. After lengthy debate, the Senate last week voted 63 to 30 to proceed with the redirection of the Nation's Nuclear Waste Program embodied in H.R. 2700. To turn away from that position now would be a travesty.

Much of last week's debate focused on the status of the Department of Energy Nuclear Waste Program. Critics of the program told the Senate that we must stop all progress in the Nuclear Waste Program, that we must relook at everything that has been accomplished, so far, and that what we need is more study of nuclear waste disposal. Others, such as myself and my colleague from Idaho, Senator McCLURE, told the Senate that we have studied enough, that significant progress has been made, and that it is time to move forward with the Nation's Nuclear Waste Program. At the end of that debate, the Senate voted overwhelming in favor of continuing on with the program and in favor of redirecting the program according to the approach in H.R. 2700. The Senate overwhelmingly agreed that this legislation is essential to keep our Nation's Nuclear Waste Program moving forward to accomplish the goal of safe, permanent disposal of spent nuclear fuel and high-level radioactive waste.

The legislation approved by the Senate last week will streamline the process for finding suitable sites for a repository and a monitored retrievable storage facility. It will build on the foundation laid by the Nuclear Waste Policy Act of 1982, making refinements in the existing program but keeping it moving forward. This approach is vastly preferable to alternatives that would merely put the program on hold and postpone difficult, but essential, decisions. It is vastly preferable to alternatives that would stretch out the decision process by adding unnecessary and complicated procedural hurdles. It is vastly preferable to the alternatives of a two repository system that is embodied in existing law.

There are four principal elements to the waste legislation approved by the Senate last week. These four points are:

Sequential characterization of candidate sites for a first repository, with selection by January 1, 1989, of a preferred site from among the three sites already determined to be suitable for characterization;

Authorization of a monitored, retrievable storage facility to provide insurance that the first repository program can meet contractual commitments to accept spent nuclear fuel, to establish a capability for safe and uniform packaging and handling of fuel, and ensure that backup storage for the repository program will be available if needed;

Benefits payments for States, Indian tribes, and units of local government where the repository and MRS are located; and

Suspension of further site-specific work on a second repository until the need is fully evaluated in 2010.

In addition, several amendments were adopted last week that will improve this legislation. One of these amendments will establish a permanent National Academy of Sciences oversight board to review the Nuclear Waste Program. This is a constructive amendment, which I believe will ensure that the program continues on course toward a final repository. Other amendments adopted by the Senate last week will ensure that the need for an MRS is evaluated prior to construction of such a facility, will ensure that the private landowners surrounding the candidate repository site in Texas are adequately compensated for any land acquired for site characterization, and will phase out unnecessary research on crystalline rock.

The Senate spent many hours of its valuable time on this nuclear waste legislation last week. It is clear from the quality of the debate, and the extent of Member's involvement, that this is an issue of the critical importance. It is clear that now is the time to make these important decisions on nuclear waste. It is clear that this is the legislative vehicle for getting the job done.

Mr. President, tomorrow, prior to the vote on final passage, there will be a motion to recommit H.R. 2700 with instructions on nuclear waste. I urge my colleagues to vote against this motion to recommit the bill. Approval of this motion would amount to a total rejection of the Senate's hard work on this legislation. That would be a giant step back.

I have not seen the language of the motion to recommit H.R. 2700 to be offered by Senator BREAUX. It is likely, however, that it will resemble the Breaux-Simpson proposal that was included as part of the budget reconciliation package reported by the Committee on Environment and Public Works.

I have heard my colleagues on the Environment and Public Works Committee describe the differences between their proposed amendments to the Nuclear Waste Policy Act of 1982 and the pending legislation as minor. On their face, perhaps these differences seem minor. But, make no mistakes, these differences are significant. They are subtle, but they are significant. The proposals put forth by my colleagues, Mr. BREAUX and Mr. SIMPSON, would be what I would call killer amendments to the pending legislation.

Let me explain why I believe these differences are really killer amendments.

First, the Breaux-Simpson proposal would delay selection of a preferred site for characterization until 1991 or beyond. Between now and that selection date, the Breaux-Simpson proposal would require surface-based testing at all three of the candidate sites—in Washington, Nevada, and Texas. In addition to delaying the selection unnecessarily, it would also minimize substantially the benefits to be gained from selecting a preferred site and concentrating technical expertise on that one site. According to the Department of Energy, such a surface-based testing program could take as long as 3 to 5 years and would be in addition to the 5- to 7-year test program already envisioned that would involve the drilling of an exploratory shaft for at-depth characterization.

Furthermore, this surface-based testing is not likely to reveal the so-called fatal flaws that would disqualify any of these three sites. At the end of that 3- to 5-year period, the selection of a preferred site would be made based on available information. The Department would then proceed to conduct 5 to 7 years of detailed testing in an exploratory shaft facility. It is during that period of at-depth testing that the suitability of the site for a repository can be determined. The real test of site suitability will only be satisfied by exploration at the proposed depth of a repository.

The Breaux-Simpson approach establishes an artificial distinction between surface-based testing and at-depth testing, with the implication that surface-based testing must always precede at-depth characterization. This simply has no basis in fact. Site characterization, by definition, involves surface-based testing, drilling of near-surface boreholes, laboratory testing, and testing in an exploratory shaft facility at the proposed depth of the repository. There is simply no basis for the assertion that one part of this testing must precede the other part. Some data can be obtained strictly through surface-based testing, but essential information on the suitability of a site for development as a repository must be collected below the surface. All parts of this testing program must be allowed to proceed in parallel.

But it makes no sense, from a fiscal standpoint, to spend as much as $2 billion per site to conduct this entire site characterization program, including testing in an exploratory shaft facility, at each of three sites. It is for that reason that we proposed a program of sequential site characterization in the pending legislation.

The Breaux-Simpson proposal purports to support the concept of sequential characterization, but it would essentially eliminate the benefits to be gained by sequential characterization. By proposing a period of surface-based testing prior to the selection of preferred site, the Breaux-Simpson proposal would virtually eliminate the estimated $3.9 billion savings from the pending legislation. According to the Department of Energy, a period of surface-based testing at three sites prior to the selection of a preferred site would cost over $1 billion. This $1 billion would be in addition to the costs that would result simply from the 3- to 5-year delay in the opening of a repository.

Second, the Breaux-Simpson proposal would require the Department of Energy to prepare a full-scale environmental impact statement at the point of selection of preferred site. The Breaux-Simpson provision states simply that the requirements of the National Environmental Policy Act will apply, leaving it up to the Department of Energy—and ultimately the courts—to determine whether this decision point is a major Federal action requiring preparation of an EIS. An EIS at this point will simply cause delay and new opportunities for extended litigation.

I do not believe that an EIS should be required at the time of selection of a preferred site. The NEPA roadmap contained in the Nuclear Waste Policy Act of 1982 required preparation of environmental assessments at the time that candidate sites were selected for characterization. These environmental assessments were completed in May 1986. Under existing provisions of the 1982 act, and the NEPA roadmap incorporated in it, preparation of an EIS is required after site characterization is successfully completed, at the time a license application is submitted to NRC. It is at that point that the major decision is made, when a site is found suitable by DOE and it is then subject to the NRC's rigorous licensing process.

An EIS at the time of selection of a preferred site would be premature. Let me emphasize that all three of the candidate sites—in Washington, in Nevada, and in Texas—have already been selected for site characterization. We can already go ahead with detailed testing at all three sites. That testing—without the pending amendments—will lead to the drilling of exploratory shafts at all three sites. That activity is already contemplated and anticipated under the provisions of current law. The nuclear waste provisions incorporated in H.R. 2700 would simply direct the Secretary to select only one of the three candidate sites at which this work would be conducted.

The application of NEPA proposed by the Breaux-Simpson approach would essentially duplicate the environmental assessment process completed in 1986, at the time the candidate sites were selected for characterization. There is nothing new contemplated by the selection of a preferred site for characterization that would require preparation of an EIS at this decision point.

Now is the time for making these essential decisions on nuclear waste. We have the information now to make the selection of a preferred site for characterization. All three of these sites have already been found suitable for characterization, and technical experts from the Nuclear Regulatory Commission and the National Academy of Sciences have affirmed that adequate technical preparation has been done to proceed at these sites.

I have heard the critics of this legislation state that the Department of Energy has not done adequate technical preparation. I have heard these critics say that the Department does not have enough information to make a selection of a preferred site for characterization. I have heard these critics state that the Nuclear Regulatory Commission opposes this pending legislation.

Let me state to my colleagues, as I have stated before, that this is simply not true. I have asked the Nuclear Regulatory Commission this question myself on more than one occasion. Let me quote from an October 2 letter from NRC Chairman Lando Zech:

> The Commission does not oppose legislation that would require that only one site undergo at-depth characterization. The Commission does not believe that simultaneous characterization of three sites is necessary to ensure the public health and safety. . . . The staff has not identified any technical reason to preclude sequential site characterization.

While the NRC staff suggested in August that a period of surface-based testing should be conducted prior to the selection of a preferred site, the NRC Commissioners specifically rejected this suggestion in their position as stated in this October 2 letter.

Chairman Zech reiterated this position to me in a letter just last week. Let me quote from his November 10 letter:

> The Commission's views continue to be those that we expressed in an October 2, 1987 letter to you. Simply put, the Commission does not oppose legislation that would require the Secretary of Energy to select one site for at-depth characterization. Simultaneous characterization of three sites is not necessary to protect the public health and safety. The Commission takes no position concerning the date for selecting a preferred site for characterization.

Let me state again what I said at the outset. There are more than just slight differences between the pending legislation and the Breaux-Simpson approach. The provisions included in the Breaux-Simpson proposal—delay in selection of a preferred site until 1991, required surface-based testing prior to that selection, and required preparation of an EIS at the time of selection of a preferred site—are killer amendments. Instead of streamlining the process along a course of sequential characterization, the provisions of the Breaux-Simpson proposal would impose new burdens and create additional delays that are unnecessary.

I urge my colleagues to reject the Breaux motion to recommit H.R. 2700 to the Appropriations Committee with instructions on nuclear waste. After lengthy debate last week, the Senate voted, by a margin of two to one, to move forward with the nuclear waste program. A decision to recommit would simply undo what has already been accomplished.

I ask unanimous consent that the next of NRC Chairman Lando Zech's November 10 letter to me be printed in the RECORD. I also ask unanimous consent that an October 28 letter from Secretary of Energy John Herrington to Quentin Burdick, chairman of the Committee on Environment and Public works, concerning the Breaux-Simpson proposal be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF ENERGY,
Washington, DC, October 28, 1987.

Hon. Quentin N. Burdick
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC

DEAR MR. CHAIRMAN: I have been following the actions of the Senate Environment Committee regarding the nuclear waste issue and wanted to discuss with you some particular concerns that have arisen in response to the Committee's proposal.

The various House and Senate committees have invested substantial time to address key issues in the nuclear waste area and the Department continues to stand ready to assist these efforts in any way possible. We remain convinced that an established program for the safe and effective disposal of nuclear waste is essential not only for the public interest but also for the future viability of the nuclear industry in this country. It is crucial that we move forward with the program and do so with a minimum amount of delay.

The proposal drafted recently by the Senate Environment Committee as part of its reconciliation package addresses several critical aspects of the program. I am concerned, however, that the approach set forth in the proposal may impose new burdens and create additional delays in the management of the waste program which are not necessary to ensure that the program is conducted in a safe and effective manner.

Specifically, we are concerned that the proposal would require a minimum two-year delay in the program prior to selection of a preferred site and create other scheduling requirements which could further push back the date when waste could be accepted at a repository site. Under this proposal, the Department would be unable to accept spent fuel by 1998, leaving unfulfilled the Department's established commitment to begin accepting waste by that date.

In addition, we believe the Environment Committee's proposal would fundamentally change the program in a way that would entail substantially greater costs and burdens for the program's operation. By requiring intermediate findings as part of the site characterization process, the proposal would inject into the program an entirely new source of uncertainty with respect to overall program costs and scheduling. This requirement, including a mandate for surface-based testing of three sites, would impose new costs and delays in an effort to obtain information and data which can be acquired more accurately and efficiently through full characterization.

Further, we are concerned that the proposal may refashion the program in a manner requiring the consideration of potential repository sites in 23 states. By incorporating into the proposal the National Environmental Policy Act and its requirement of reasonable alternatives, the proposal could effectively repeal current numerical limits on such alternative sites. We are concerned that this requirement, along with several other provisions, such as the imposition of surface-based testing and the preservation of pending Court challenges to the program, may constitute, in the aggregate, rejection by the Congress of the bases for major decisions previously made in this program. Such retrenchment, embodying new ground rules for analyzing potential sites, inevitably risks the consequence of the Department being required to examine anew all locations whose geology, based upon our knowledge to date, renders them potential candidates for a repository. For your review, I have enclosed a list of the potentially affected states.

Finally, I believe it is important to express the Department's concern not only with respect to what the Environmental Committee proposal would require, but also what the proposal would not require. Specifically, it would leave out incentives for the host state and would fail to authorize a Monitored Retrievable Storage facility. In our view, provisions in these areas would contribute significantly to the fulfillment of the program's objectives and enable them to be accomplished on a more efficient and reliable schedule. As you know, we have supported efforts to establish these provisions and have specifically voiced our support for S. 1668, sponsored by Senators Johnston and McClure, which contains them. It is our hope that the Senate will fashion a legislative package that will incorporate such features and place the program on a track that will minimize delays. In our view, the continued implementation of the current Act would be preferable to legislation that falls short of these objectives.

Again, I appreciate the work of the Environment Committee with respect to the waste issue, and look forward to continued cooperation with the Congress toward the development of a final legislative package.

Yours truly,

JOHN S. HERRINGTON.

POTENTIALLY AFFECTED STATES

Washington, Nevada, Texas, Utah, Mississippi, Louisiana, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Maryland, Virginia, North Carolina, South Carolina, Georgia, Michigan, Wisconsin, and Minnesota.

NUCLEAR REGULATORY COMMISSION,
Washington, DC, November 10, 1987.
Hon. J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: This responds to your letter of November 9, 1987, in which you requested the Nuclear Regulatory Commission's views on legislation that would require the Secretary of Energy to select by January 1, 1989, a single preferred site for characterization as a repository from among the three current candidate sites.

The Commission's views continue to be those that we expressed in an October 2, 1987 letter to you. Simply put, the Commission does not oppose legislation that would require the Secretary of Energy to select one site for at depth characterization. Simultaneous characterization of three sites is not necessary to protect the public health and safety. The Commission takes no position concerning the date for selecting a preferred site for characterization. However, it should be recognized that sequential site characterization could delay the schedule for opening a repository if the preferred site is subsequently found to be unlicensable. To mitigate this concern we have suggested that surface-based testing continue at the two sites not selected for at-depth characterization. This is the approach reflected in your amendment to S. 1668. Please contact me if we can be of further assistance.

Sincerely,

LANDO W. ZECH, JR.

ORDER OF PROCEDURE

Mr. ARMSTRONG. Mr. President, the Senate is not in order.

The **PRESIDING OFFICER.** The Senate will please be in order.

Mr. ARMSTRONG. It is difficult for the Senate to be able to hear the leader's game plan.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Colorado and I thank the Chair.

Mr. President, the Senate is now back on the energy and water bill which, for the time being, displaces the conference report on the housing bill. I am amenable to having morning business if Senators would like to.

Mr. ARMSTRONG. Will the leader yield for a question?

Mr. BYRD. Yes.

Mr. ARMSTRONG. As I understand it, you have displaced further action on the housing bill.

Mr. BYRD. Yes.

Mr. ARMSTRONG. It is actually not the housing conference report, because the conference report, as I understand it, has fallen. But, because the conference report itself has been removed by the point of order, I am not exactly clear on the status of the housing bill with the House amendment and how we would get back to it. Would we get back to it upon the motion of the leader? Is it still a privileged matter, or where are we on that?

Mr. BYRD. Mr. President, I yield for the purpose of the parliamentary inquiry.

The **PRESIDING OFFICER.** S. 825 is a message from the House and it is privileged for the Senate to proceed to its consideration by a majority vote.

Mr. ARMSTRONG. Mr. President, if the leader would yield for a moment further, I understand the Chair's advise is that it would take either unanimous consent or a majority vote to proceed to the consideration of it. I only ask that not because I have intention of delaying our return to the matter, but simply to clarify what the ground rules are.

May I, with the indulgence of the leader, say that I have consulted with the Senator from California and other Senators and it is my hope, indeed my expectation, that this matter will simply be laid aside for a few days while we can see if either we can work out a package that would be agreeable to the Senator from California or, failing that, that Senators on this side of the aisle would propose an alternative or substitute which would be hopefully good enough to attract the interest and support of the majority. Failing that, I guess we would offer individual amendments addressed to the specific areas of our concern.

So, I thank the Chair and I thank all Senators for giving us the opportunity to proceed in this way.

Mr. BYRD. Mr. President, I am amenable to Senators if they wish to speak. I will be happy to put the Senate into morning business if Senators would like to talk.

If not I would suggest that we do our housekeeping, unanimous-consent requests, and go out.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for morning business not to extend beyond 10 minutes, Senators to speak therein for not to exceed 5 minutes each.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. BYRD. There will be no more votes today. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The legislative clerk proceeded to call the roll.

HOUSING LEGISLATION

Mr. ARMSTRONG. I ask unanimous consent that the quorum call be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. ARMSTRONG. I would like to revisit the issue of what happens to the housing bill. Because there was some noise in the Chamber, I do not think I heard the ruling of the Chair correctly, and then I think I proceeded to inaccurately restate the situation.

Would the Chair state again how the housing bill will get before us?

The **PRESIDING OFFICER.** In order for the bill to be considered, a Senator may request that it be laid before the Senate and if the Senate acquiesces, then—if the Chair acquiesces, then the Senate will proceed.

Second is majority vote on a nondebatable motion to proceed. The third is by unanimous consent.

Mr. ARMSTRONG. Mr. President, I thank the Chair for that explanation, and I would observe that my understanding of that ruling is simply that it will be called up upon the decision of the majority leader. That would, I think, be the tradition; that the leader would be the one who would ask the Chair to lay it before the body and that if any other Senator were to do so, then the Chair probably would not acquiesce. That would be up to the Chair, I guess, to decide. But I assume that that would be the case.

I only wanted to clarify that because I think I inadvertently misstated the situation a moment ago.

In any event, the underlying real situation, as opposed to the parliamentary situation, remains the same. We are going to try to put together a package that a majority of Senators would like to vote for, and we will be back in touch shortly about that.

VITIATION OF ACTION ON H.R. 278

Mr. BYRD. Mr. President, I ask unanimous consent that the action taken by the Senate on October 29 in insisting on its amendment and requesting a conference with the House on H.R. 278, the Alaska Native Claims Act, be vitiated.

The **PRESIDING OFFICER.** Is there objection? If not, it is so ordered.

VITIATION OF ACTION ON S. 1360

Mr. BYRD. Mr. President, I ask unanimous consent to vitiate the action of the Senate in passing S. 1360, a bill to amend the Indian Financing Act of 1974.

The **PRESIDING OFFICER.** Is there objection? If not, it is so ordered.

INDIAN FINANCING ACT OF 1974

Mr. **BYRD.** Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of S. 1360.

The **PRESIDING OFFICER.** Is there objection? Without objection, it is so ordered.

The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 1360) to amend the Indian Financing Act of 1974, and for other purposes.

AMENDMENT NO. 1195

(Purpose: To permit certain surety bond guarantees)

Mr. **BYRD.** Mr. President, on behalf of Mr. INOUYE, I send an amendment to the desk.

The **PRESIDING OFFICER.** The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD], for Mr. INOUYE, proposes an amendment numbered 1195.

Mr. **BYRD.** Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The amendment is as follows:

At the end of the Committee amendment, add the following:

SURETY BOND GUARANTEES

SEC. 5. The Indian Financing Act of 1974 is amended by inserting the following new section 217A after section 217:

"SEC. 217A. (a) The Secretary may guarantee and enter into commitments to guarantee a surety against loss as the result of a breach by a principal of the terms of a bid bond, payment bond, or bonds ancillary and coterminous therewith, if:

"(1) the principal is an Indian tribe, an Indian, or an economic enterprise as defined in section 3;

"(2) the contract involved does not exceed $1,250,000;

"(3) the bond is required if the principal is to be a qualified bidder on a contract or a prime contractor or subcontractor on the contract;

"(4) the principal cannot obtain the bond on reasonable terms and conditions without the guarantee;

"(5) there is a reasonable expectation that the principal will perform the conditions of the contract;

"(6) the contract meets requirements established by the Secretary for feasibility of successful completion and reasonableness of cost;

"(7) the terms and conditions of the bond are reasonable in light of the risks involved and the extent of the surety's participation; and

"(8) the guarantee or commitment limits the obligation of the Secretary to 90 percent or less of the loss incurred and paid by the surety as the result of the principal's breach of the contract and includes such terms and conditions as the Secretary may prescribe in general or as the Secretary determines on the basis of the Secretary's experience with the particular surety or, in the case of an application for a guarantee on behalf of an enterprise that is less than 100 percent Indian owned, the guarantee or commitment limits the obligation of the Secretary to not to exceed 90 percent of the contract amount that is proportionate to the percentage of Indian ownership of the economic enterprise.

"(b) The terms, conditions, and procedure prescribed by the Secretary for reimbursing a surety for the losses paid by the surety may include monthly billing by the surety to the Secretary for losses paid by the surety and payment by the Secretary based upon prior monthly payments to the surety, with subsequent adjustments by the Secretary as may be appropriate.

"(c) The Secretary may audit in the surety's office the documents, files, books, records, and other material relevant to a guarantee or commitment to guarantee under this section.

"(d) The Secretary shall establish reasonable fees to be paid by principals and premiums to be paid by sureties and shall deposit them in the Loan Guarantee and Insurance Fund under section 217 of this Act. A guarantee or commitment to guarantee under this section is a guaranteed loan for purposes of section 217 of this Act.

"(e) In this section—

"(1) 'bid bond' means a bond conditioned on the bidder on a contract entering into the contract if the bidder receives the award and furnishes the prescribed payment and performance bonds;

"(2) 'payment bond' means a bond conditioned on the payment by the principal of money to persons under a contract;

"(3) 'performance bond' means a bond conditioned on the completion by the principal of a contract in accordance with its terms;

"(4) 'surety' means the person who (A) under the terms of a bid bond, undertakes to pay a sum of money to the obligee in the event the principal breaches the conditions of the bond, (B) under the terms of a performance bond, undertakes to incur the cost of fulfilling the terms of a contract in the event the principal breaches the conditions of the contract, (C) under the terms of a payment bond, undertakes to make payment to all persons supplying labor and materials in carrying out the work under the contract if the principal fails to make prompt payment, or (D) is an agent, underwriter, or any other company or individual authorized to act for such person;

"(5) 'obligee' means (A) in the case of a bid bond, the person requesting bids for the performance of a contract, or (B) in the case of a payment bond or a performance bond, the person who has contracted with a principal for the completion of the contract and to whom the obligation of the surety runs in the event of a breach by the principal of the conditions of a payment or performance bond;

"(6) 'principal' means (A) in the case of a bid bond, a person bidding for the award of a contract, or (B) the person primarily liable to complete a contract for the obligee, or to make payments to other persons in connection with the contract, and for whose performance the surety is bound under the payment or performance bond. A principal may be a prime contractor or a subcontractor;

"(7) 'prime contractor' means the person with whom the obligee has contracted to perform the contract; and

"(8) 'subcontractor' means a person who has contracted with a prime contractor or with another subcontractor to perform a contract.

"(f) The Secretary, within the 180-day period following the date of the enactment of this section, shall promulgate such regulations as may be necessary to implement this section.".

The **ACTING PRESIDENT** pro tempore. If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 1195) was agreed to.

Mr. **BYRD.** Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. **DOLE.** Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The **ACTING PRESIDENT** pro tempore. Is there further amendment? Without objection, the committee amendment, as amended, is agreed to.

The question is on the engrossment of the committee amendment and third reading of the bill.

The committee amendment, as amended, was ordered to be engrossed for a third reading, and was read a third time.

The bill (S. 1360), as amended, was passed, as follows:

S. 1360

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

LIMITATIONS ON AMOUNTS OF LOANS TO INDIVIDUAL INDIANS OR ECONOMIC ENTERPRISES

SECTION 1. Section 204 of the Indian Financing Act of 1974 (25 U.S.C. 1484) is amended by striking out "$350,000" and inserting in lieu thereof "$500,000".

ASSIGNMENT OF LOANS

SEC. 2. Section 205 of the Indian Financing Act of 1974 (25 U.S.C. 1485) is amended to read as follows:

SEC. 205. Any loan guaranteed under this title, including the security given for such loan, may be sold or assigned by the lender to any person.".

AGGREGATE LOANS LIMITATION

SEC. 3. Section 217 of the Indian Financing Act of 1974 (25 U.S.C. 1497) is amended by striking out "$200,000,000" in subsection (b) and inserting in lieu thereof "$500,000,000".

AUTHORIZATION OF APPROPRIATIONS

SEC. 4. (a) The last sentence of subsection (e) of section 217 of the Indian Financing Act of 1974 (25 U.S.C. 1497(e)) is amended to read as follows: "All collections and all moneys appropriated pursuant to the authority of this subsection shall remain available until expended.

(b) Section 217 of the Indian Financing Act of 1974 is amended by adding at the end thereof the following new subsection:

"(f) In the event that the amount in the fund is not sufficient to maintain an adequate level of reserves, as determined by the Secretary of the Interior, necessary to meet the responsibilities of the fund in connection with losses on loans guaranteed or insured under this title, the Secretary shall promptly notify the President of that fact, and within the 30-day period following such notification, the President shall submit to the Congress a proposed supplemental appropriation request in an amount necessary to assure an adequate level of reserves.".

(c) Any new credit authority (as defined in section 3 of the Congressional Budget and Impoundment Control Act of 1974) which is provided by amendments made by this Act shall be effective only to such extent and in such amounts as may be approved in advance in appropriation Acts.

SURETY BOND GUARANTEES

SEC. 5. The Indian Financing Act of 1974 is amended by inserting the following new section 217A after section 217:

SEC. 217A. (a) The Secretary may guarantee and enter into commitments to guarantee a surety against loss as the result of a breach by a principal of the terms of a bid bond, payment bond, or bonds ancillary and coterminous therewith, if:

"(1) the principal is an Indian tribe, an Indian, or an economic enterprise as defined in section 3;

"(2) the contract involved does not exceed $1,250,000;

"(3) the bond is required if the principal is to be a qualified bidder on a contract or a prime contractor or subcontractor on the contract;

"(4) the principal cannot obtain the bond on reasonable terms and conditions without the guarantee;

"(5) there is a reasonable expectation that the principal will perform the conditions of the contract;

"(6) the contract meets requirements established by the Secretary for feasibility of successful completion and reasonableness of cost;

"(7) the terms and conditions of the bond are reasonable in light of the risks involved and the extent of the surety's participation; and

"(8) the guarantee or commitment limits the obligation of the Secretary to 90 percent or less of the loss incurred and paid by the surety as the result of the principal's breach of the contract and includes such terms and conditions as the Secretary may prescribe in general or as the Secretary determines on the basis of the Secretary's experience with the particular surety or, in the case of an application for a guarantee on behalf of an enterprise that is less than 100 percent Indian owned, the guarantee or commitment limits the obligation of the Secretary to not to exceed 90 percent of the contract amount that is proportionate to the percentage of Indian ownership of the economic enterprise.

"(b) The terms, conditions, and procedure prescribed by the Secretary for reimbursing a surety for the losses paid by the surety may include monthly billing by the surety to the Secretary for losses paid by the surety and payment by the Secretary based upon prior monthly payments to the surety, with subsequent adjustments by the Secretary as may be appropriate.

"(c) The Secretary may audit in the surety's office the documents, files, books, records, and other material relevant to a guarantee or commitment to guarantee under this section.

"(d) The Secretary shall establish reasonable fees to be paid by principals and premiums to be paid by sureties and shall deposit them in the Loan Guarantee and Insurance Fund under section 217 of this Act. A guarantee or commitment to guarantee under this section is a guaranteed loan for purposes of section 217 of this Act.

"(e) In this section—

"(1) 'bid bond' means a bond conditioned on the bidder on a contract entering into the contract if the bidder receives the award and furnishes the prescribed payment and performance bonds;

"(2) 'payment bond' means a bond conditioned on the payment by the principal of money to persons under a contract;

"(3) 'performance bond' means a bond conditioned on the completion by the principal of a contract in accordance with its terms;

"(4) 'surety' means the person who (A) under the terms of a bid bond, undertakes to pay a sum of money to the obligee in the event the principal breaches the conditions of the bond, (B) under the terms of a performance bond, undertakes to incur the cost of fulfilling the terms of a contract in the event the principal breaches the conditions of the contract, (C) under the terms of a payment bond, undertakes to make payment to all persons supplying labor and materials in carrying out the work under the contract if the principal fails to make prompt payment, or (D) is an agent, underwriter, or any other company or individual authorized to act for such person;

"(5) 'obligee' means (A) in the case of a bid bond, the person requesting bids for the performance of a contract, or (B) in the case of a payment bond or a performance bond, the person who has contracted with a principal for the completion of the contract and to whom the obligation of the surety runs in the event of a breach by the principal of the conditions of a payment or performance bond;

"(6) 'principal' means (A) in the case of a bid bond, a person bidding for the award of a contract, or (B) the person primarily liable to complete a contract for the obligee, or to make payments to other persons in connection with the contract, and for whose performance the surety is bound under the payment or performance bond. A principal may be a prime contractor or a subcontractor;

"(7) 'prime contractor' means the person with whom the obligee has contracted to perform the contract; and

"(8) 'subcontractor' means a person who has contracted with a prime contractor or with another subcontractor to perform a contract.

"(f) The Secretary, within the 180-day period following the date of the enactment of this section, shall promulgate such regulations as may be necessary to implement this section.".

TO AUTHORIZE RELEASE OF A DOCUMENT BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. BYRD. Mr. President, on behalf of Mr. DOLE and myself, I send to the desk a Senate resolution and ask for its immediate consideration.

The **ACTING PRESIDENT** pro tempore. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 324) to authorize release of a document by the Committee on Foreign Relations.

Mr. BYRD. Mr. President, has the Senate proceeded?

The **ACTING PRESIDENT** pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BYRD. Mr. President, on October 30, 1987, two subcommittees of the Committee on Foreign Relations—the Subcommittee on International Economic Policy, Trade, Oceans and Environment and the Subcommittee on Terrorism, Narcotics and International Operations—jointly heard testimony from William Crone. Mr. Crone is a United States citizen who has resided in Costa Rica, and he testified to the subcommittees about operations to supply the Nicaraguan Contras.

After he testified at that open hearing, Mr. Crone gave further testimony at a closed session, responding to questions of a special counsel to the Committee on Foreign Relations. The independent counsel appointed to investigate the arms sales to Iran and the provision of assistance to the Nicaraguan opposition has now requested the Committee on Foreign Relations to provide him with a copy of Mr. Crone's closed-session testimony. By Senate Resolution 180, agreed to earlier in this Congress, the Senate granted a related request by the independent counsel for transcripts of closed hearings of the Select Committee on Intelligence.

This resolution will authorize the Committee on Foreign Relations to provide to the independent counsel a copy of the transcript of Mr. Crone's closed-session testimony for use in the independent counsel's investigation. The committee will retain control over any decision to release to the public all or portions of such closed-session testimony.

The **PRESIDING OFFICER.** Is there further debate on the resolution? If not, the question is on agreeing to the resolution.

The resolution (S. Res. 324) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 324

Whereas, on October 30, 1987, the Subcommittee on International Economic Policy, Trade, Oceans and Environment and the Subcommittee on Terrorism, Narcotics and International Operations of the Committee on Foreign Relations received in open and closed sessions the testimony of William Crone;

Whereas, the Independent Counsel appointed by the court in *In re Oliver L. North, et al.* (D.C. Cir. Div. No. 86-6, Dec. 19, 1986), has requested a transcript of the witness's closed session testimony in furtherance of the Independent Counsel's investigation;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that documents, papers, and records under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

Resolved, That the Chairman and Ranking Minority Member of the Committee on Foreign Relations, acting jointly, are authorized to provide to the Independent Counsel a transcript of the closed session testimony of William Crone, subject to the Independent Counsel's agreement to abide by confidentiality and other requirements established by the Committee.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. CRANSTON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOUSE CONCURRENT RESOLUTION 209 INDEFINITELY POSTPONED

Mr. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 433, House Concurrent Resolution 209, be indefinitely postponed.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VLADIMIR AND MARIA SLEPAK WELCOMED TO THE UNITED STATES

Mr. HEINZ. Mr. President, on behalf of myself, Mr. BOSCHWITZ, Mr. BRADLEY, Mr. COHEN, Mr. DOLE, Mr. DURENBERGER, Mr. LAUTENBERG, Mr. LEVIN, Mr. MOYNIHAN, Mr. PELL, Mr. SARBANES, and Mr. SPECTER, I send a concurrent resolution to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 90) welcoming Vladimir and Maria Slepak to the United States.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the concurrent resolution.

WELCOMING SLEPAKS TO WASHINGTON

Mr. HEINZ. Mr. President, today Washington welcomes two great fighters for human rights, Vladimir and Maria Slepak. For the past 17 years, the Slepaks have inspired, guided, supported, and sustained the Soviet Jewry emigration movement from their apartment in Moscow and their Siberian exile.

The concurrent resolution I have sponsored welcomes the Slepaks to Washington and salutes their inspiring courage in confronting totalitarian power to advance basic human rights. I am proud to have as cosponsors on this resolution Senators BOSCHWITZ, BRADLEY, COHEN, DOLE, DURENBERGER, LAUTENBERG, LEVIN, MOYNIHAN, PELL, SARBANES, and SPECTER. Several of these Senators have served with me and several members of the House on the U.S. Committee to Free Vladimir Slepak.

When the Slepaks arrived in freedom in Vienna several weeks ago, I had the privilege of greeting them. And Vladimir Slepak's words at that time were sound guidance for all of us as we celebrate the liberation of one of the Founding Fathers of the Soviet emigration movement. He said that Soviet policy will have really changed when, and I quote, "every Soviet Jew, every human being in the Soviet Union, has the right to leave his country when he wants and where he wants." That is the standard we must apply—a tough one, that makes a maximum commitment to principles we hold dear.

Vladimir Slepak said something upon arrival in Israel as well. He told the crowd that gathered there to give him a hero's welcome that, and again I quote, "I am not an outstanding person. I'm a simple Jew with a simple strength, a holy strength." Here is one thing said by Vladimir Slepak that we might all take issue with. The strength of Vladimir and Maria Slepak may be a simple one, but it is not a common one. It is a strength, a depth of perseverance, an indifference to totalitarian intimidation, that serves as an example to us all.

This resolution salutes the Slepaks as it welcomes them to the capital of our country. But it also salutes all those Americans, both private citizens and public officials, who have helped keep up the pressure on Moscow to set them free.

The Soviets may think they are just clearing the decks of embarrassing issues before a summit. But they have done much more. They have rewarded those of us in the West who fight for human rights in the Soviet Union. They have shown our efforts to be worthwhile. They have given us more reason to fight on. The Slepaks' liberation is not an end-point—it is just a step along the way. The Kremlin may still underestimate American commitment to principles of human rights. Our continuing task is to educate them once and for all.

When the Slepaks left Moscow, the KGB committed one last act of harassment. They kept the Slepaks' luggage. Vladimir and Maria can part with a few possessions, if they are never returned. But something far more precious still under the KGB's boot—the souls of thousands of Soviets who seek to emigrate—continues to claim our strongest commitment.

I thank the Senate leadership for their help in passing this resolution. And I thank the American people for their support in fighting for the freedom of Soviet Jewry and others denied their basic human rights. As we welcome Vladimir and Maria Slepak today, let us rejoice in their release and rededicate ourselves to the task that Vladimir Slepak has helped set—the struggle to ensure that "every human being in the Soviet Union has the right to leave his country when he wants and where he wants."

The ACTING PRESIDENT pro tempore. Is there further debate on the concurrent resolution?

If not, the question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 90) was agreed to, as follows:

S. CON. RES. 90

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. FINDINGS.

The Congress finds that:

(1) Vladimir and Maria Slepak were among the first to apply for an emigration visa from the Soviet Union, and are rightfully considered among the founders of the Soviet Jewish emigration movement; and

(2) The Slepaks campaigned tirelessly for the right of Soviet Jews and other Soviet citizens to emigrate, and these efforts were supported by successive U.S. Administrations, the U.S. Congress, and the American people; and

(3) For their activism on behalf of internationally recognized human rights, the Slepaks suffered police harassment, internal exile, imprisonment, and loss of employment; and

(4) Despite this severe persecution, the Slepaks persevered in their efforts and, in October 1987, the Slepaks were permitted to emigrate to Israel; and

(5) Untold thousands of Jews and other citizens of the Soviet Union seek to emigrate from that country, but the Soviet Government continues to restrict such emigration in violation of solemn international legal commitments of the Soviet Union; and

(6) The American people and the Congress continue to give their strong and unflagging support to the right of all Soviet citizens to emigrate to a country of their choice.

SEC. 2. CONGRESSIONAL WELCOME.

(1) The Congress welcomes Vladimir and Maria Slepak to the United States and to the Nation's Capital, and salutes their inspiring courage and that of all Soviet human rights activists in fighting for human rights in the Soviet Union.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

Mr. HEINZ. Mr. President, will the Senator withhold?

Mr. BYRD. I withhold.

Mr. HEINZ. Mr. President, I ask unanimous consent that I may proceed for 2 minutes as in morning business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FRAUD OF THE DAY—PART 15

Mr. HEINZ. Mr. President, on previous occasions I have taken the floor to identify various cases of customs fraud. My purpose in doing so was to demonstrate the pervasiveness of such fraud in our economy and to explain some new ways we might deal with it, beginning with the private right of action amendment adopted by the Senate as part of the trade bill.

Today I want to address a different kind of fraud which is nonetheless relevant to the Senate provision. That is lawyer's fraud—the filing of frivolous, baseless complaints in order to harass importers. I raise this kind of fraud because one of the concerns expressed about the Senate amendment is that it might lead to the filing of just such frivolous cases.

Looking into that concern further, and examining current legal literature on the subject has convinced me that that concern is without foundation. In fact, the evidence indicates that recent changes in the Federal Rules of Civil Procedure have provided such an aggressive means of attacking frivolous cases that some in the legal community are concerned about the opposite problem—a chilling effect on litigation, rather than a chilling effect on importing.

When the Senate considered my private right of action amendment on July 15, Senator PACKWOOD raised a concern about possible use of the provision to harass importers, and I responded at that time with a discussion of rule 11 of the Federal Rules of Civil Procedure, which was extensively revised in 1983 and which, I believe, will preclude frivolous proceedings in cases that could arise due to the Senate amendment. I have subsequently agreed, with the support of the Treasury Department, on a further amendment to the Senate provision, if the conferees wish to adopt it, that would place rule 11 sanctions explicitly within the private right of action provision. That would make even more clear our intent that such sanctions be applied in these cases.

Fortunately, there has been extensive research done on this point with respect to the applicability of rule 11. In my subsequent remarks I will be referring to and quoting from an article entitled, "Sanctions Under Amended Federal Rule 11—Some 'Chilling' Problems in the Struggle Between Compensation and Punishment," that appeared in the June 1986, edition of the Georgetown Law Journal by Melissa Nelken, an associate professor at Hasting college of the Law, University of California.

Rule 11, which provides for mandatory sanctions in frivolous cases, was, as I mentioned, extensively revised in 1983 amid mounting concern that the litigation process was being abused. Prior to 1983 the rule required a lawyer to sign a pleading and to certify that he or she had read it and that to the best of his or her knowledge, "there is a good ground to support it and it is not interposed for delay." A violation of the rule could result in the pleading being stricken and/or the attorney being disciplined.

For a variety of reasons, this was not a particularly effective rule. In the 45 years from its promulgation in 1938 to its revision in 1983, researchers identified only 19 "genuine adversary rule 11 motions," although others may not have been reported. As a result, substantial revisions were made in 1983, which research suggests have been quite effective in increasing the use of rule 11, possibly to the point where it is having a chilling effect on litigation.

The first change was to extend the application of the rule to cover not just pleadings but motions and other papers filed in court as well. This was an important step designed to "discourage dilatory or abusive tactics and help to streamline the litigation process," according to the Advisory Committee notes to the 1983 amendments.

The second important change was to add to the subjective standard of good faith an additional objective standard of "reasonable inquiry." Most judges had interpreted the earlier rule as requiring a determination that the lawyer had not acted in good faith before sanctions could be imposed. Now, "a lawyer's failure to make the required inquiry will result in sanctions, regardless of her subjective good faith. The language of the rule no longer restricts sanctions to 'willful' violations. Thus, sanctions have been imposed under the rule * * * for bringing claims lacking an adequate factual basis," according to Professor Nelkin.

The third change in the rule was the decision to make the imposition of sanctions for a violation mandatory. Despite this change, the rule still leaves to the court a good measure of discretion, since it remains to the judge to decide whether the rule has been violated and whether to impose a sanction on the lawyer, the client, or both. In addition, while the rule now suggests that the sanction imposed be an order to pay the reasonable costs of the opposing party which are associated with the filing, it is still within the judge's power to fashion some other appropriate sanction, which could include disallowing evidence, precluding an issue or a claim, or even entering a judgment against the offending party.

In my view, and in the view of Professor Nelken, the clear effect of these changes has been to give the rule some real teeth which have encouraged its use and application. Her article evaluated use of the rule in the 2 years following its implementation in August 1983. During that period there were 233 cases in which district courts reported sanctions were considered 240 times. Of that total, sanctions were ordered in 100 cases, denied in 85; and warnings were issued in 42. There were nine postponements of a decision on sanctions, and in four cases motions for sanctions were invited. This is obviously a far greater use of the rule than what had occured in the entire 45 years preceding its revision. To add further weight to that count is an article that appeared in the New York Times in October 1986, indicating that the total had grown to more than 300 reported district court opinions on rule 11 by that time. Furthermore, these figures could represent only the tip of the iceberg, since most rule 11 opinions are not reported in the first place.

While the rule 11 revisions have had their critics, it is interesting that the criticism seems to have come from both sides at once. Some have argued that the rule is not strictly enforced and that judges have tended to be too soft on bad lawyering. Others claim that mandatory sanctions are too harsh and have had a chilling effect on lawyers, discouraging them from vigorous pursuit of honest claims.

In my experience with the working of legislation, I have learned that if both sides criticize something it is probably working pretty well, and I believe that is the case with rule 11. One of the rule's original drafters, Harvard Law School Professor Arthur Miller, made the same point: "I think rule 11 is a useful weapon against unnecessary litigation, and most judges think that, too. Overall, I'd say rule 11 is working exactly the way it was supposed to."

It seems to me, Mr. President, that these facts refute suggestions that the private right of action amendment will lead to frivolous or harassing cases. I do not believe that would happen in any event for reasons I plan to discuss on another occasion. But even if domestic parties were tempted to pursue complaints with no basis, it is clear that a remedy already exists, and it is equally clear that the remedy—rule 11—is presently being used quite effectively exactly as was intended—to prevent frivolous filings.

Mr. President, I yield the floor.

Mr. McCONNELL addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky is recognized.

Mr. BYRD. Mr. President, will the Senator yield to me?

Mr. McCONNELL. Yes.

EXTENSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that morning business be extended for 30 minutes so that Senators may speak therein.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, if the Senator will yield 30 seconds, I ask the distinguished Senator from New Hampshire if he will put me on his joint resolution as a cosponsor. May I say, that joint resolution has been cleared on this side of the aisle for action today with the understanding that there will be no amendments to it, or motions in relation thereto if it is agreeable to take it up and pass it today.

I thank the distinguished Senator for yielding.

The ACTING PRESIDENT pro tempore. The Senator from Kentucky is recognized.

PROTECTION OF U.S. SHIPPING IN THE GULF

Mr. McCONNELL. Mr. President, on Friday, November 6, a U.S.-operated ship, the *Grand Wisdom*, was struck by rocket propelled grenades presumably fired by Iranians. Following that incident, I came to the Senate floor to call my colleagues' attention to a problem that I thought would only get worse. Now it has.

Mr. President, the problem is quite simple. The U.S. Navy only protects American-flagged vessels that transit the gulf. Ships that are controlled by American companies, but are not American flagged, are not protected.

As could be expected, the Iranians have figured out this loophole in the Navy's plans. Yesterday, they struck again. According to oil industry officials, the *Esso Freeport* was attacked by two Iranian boats which fired eight grenades. Fortunately, there were no injuries or damage done to the tanker. The *Esso Freeport* is owned by Exxon, an American company, but flies the Bahamian flag. Exxon pays American taxes and the *Freeport* is subject to requisition by the U.S. Government in time of emergency. Yet, the *Freeport* is not eligible for U.S. naval protection.

Mr. President, if there were hundreds of ships that fell into the category of effective U.S. control that were seeking protection, I might be sympathetic to the Defense Department's arguments that the task is too large and expensive. But, we are actually only talking about adding, at the most, three to five ships a week to the Navy's convoy schedule. I qualify my point by saying at most, because it is possible that some of these ships may prefer to take the risk of traveling the gulf alone rather than meet the Navy's timetable.

Moreover, I asked my staff to determine just how costly this additional burden of ships would be to the Defense Department. Staff was advised that the Defense Department has not evaluated costs on a per tanker per convoy basis. The Pentagon could only tell me that in the past it cost $1 million a day to operate in the gulf, and it now averages $1.5 million.

What this tells me is cost is not the only issue to the Pentagon when crucial American interests are at stake. Mr. President, I couldn't agree more, however, I think American interests include American-controlled tankers as well as those flying the American flag.

As I mentioned last week, effective U.S.-controlled ships meet international safety standards, pay American taxes, and are subject to U.S. Government requisition in time of emergency. And, many of them actually bring crude oil to the United States. In fact, the *Esso Freeport* attacked yesterday was heading for Texas. Not one Kuwaiti reflagged tanker brings oil to the United States. I am a little puzzled by a policy that protects Kuwaiti reflagged vessels transporting oil and gas to Europe and the Far East while leaving American-owned and American-bound tankers vulnerable.

I would like to make one final point before I close. The reason American companies choose not to reflag American is cost. American flags mean American crews which can cost as much as $4.5 million per ship a year. Compared with the $700,100 to $800,000 average for a foreign crew, I think the companies are making the cost-effective decision that keep gasoline prices within reason for my farmers and constituents.

Some of you might argue the issue is not cost to the oil companies but American maritime jobs. I would only point out that the Kuwaiti reflagged tankers currently being offered U.S. Naval protection are exempt from the requirement to have entirely American crews. While they have an American captain and radio operator, the crews are foreign. I should add that this exemption is perfectly legal. Maritime regulations only require American crews on American-flag vessels which dock in the United States. Since the Kuwaiti reflagged ships do not bring oil to the United States there is no need for them to have American crews.

Mr. President, last week I asked my colleagues whether current policy was drawing an arbitrary line of defense which essentially invited Iranian attack of American controlled shipping. Given the attacks on the *Grand Wisdom*—and the *Esso Freeport* I think the Iranians have given us their answer.

When we said we would only protect American flags on the high seas, the Iranian hit an oil platform within Kuwaiti territorial waters to test the limits for our interests and commitment. Now that Secretary Weinberger has said only American-flagged ships are eligible for protection, the Iranians are once again probing the limits of our interests by striking at American-controlled ships.

Mr. President, I believe that the sphere of American interests includes effective U.S.-controlled ships. When news broadcasts show the Texas bound *Esso Freeport* under fire and the captain pleading for help, the American public can only think one thing: American interests are under fire.

I raised this concern with Secretary Weinberger when he appeared before the Senate Foreign Relations Committee in October. I discussed this matter again on the Senate floor last week. I will now bring the issue to the attention of Secretary-designate Carlucci in a letter that I will send today. I am hopeful that the Defense Department and the administration will reconsider their goals and plans for the gulf and reach the conclusion that all American ships deserve American protection.

Mr. President, I yield the floor.

WELCOMING THE AFGHAN RESISTANCE ALLIANCE

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from New Hampshire, Senator HUMPHREY.

Mr. HUMPHREY. Mr. President, I send a joint resolution to the desk and ask for its consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The legislative clerk read as follows:

> A joint resolution (S.J. Res. 221) welcoming the President Yunis Khalis and the delegation of the Islamic Unity of Afghanistan.

There being no objection, the Senate proceeded to the immediate consideration of the joint resolution.

Mr. HUMPHREY. Mr. President, I offer this joint resolution on behalf of Mr. PELL, Mr. DOLE, Mr. BYRD, Mr. MOYNIHAN, Mr. HELMS, and on my own behalf.

Mr. President, today I ask that the Senate pay tribute to the people of Afghanistan by warmly welcoming the president of the Afghan Resistance Alliance, Muhammad Yunis Khalis, and his associates, who are the leaders of several of the parties which make up the alliance.

Mr. President, this week we were visited here in Washington, both on the Hill and at the White House, by a delegation of Afghan freedom fighters. Just recently the Alliance of Afghan freedom fighters elected their very first president. The Alliance came into being 3 years ago. And until just recently their mode of leadership was the rotation of the chairmanship on a quarterly basis among the leaders of the seven parties which make up the Alliance of Afghan freedom fighters. Needless to say that mode of leadership left some things to be desired.

So this selection of the permanent president in the person of Yunis Khalis, one of the political leaders of the alliance, is a major step forward for the Afghan freedom fighters in their effort to oust the Soviets from their homeland.

For 8 years now the Afghans have been fighting courageously and at very great cost to win back Afghanistan for the Afghan people, to oust the Soviet occupier. This struggle has been waged at very great human costs indeed. Something very close to or perhaps exceeding 1 million Afghans have perished in this struggle against the Soviet Army—1 million combatants and noncombatants alike, mostly the latter, men, women, and children alike, and young and old alike. Indeed children are a special target incredibly of the Soviet Army which has designed mines in the form of toys, in the shape of toys, the appearance of toys, which are strewn around and sown by Soviet forces and by their puppet agents, the agents of the puppet government in Afghanistan, toys which blow off children's hands when picked up, blow up and disfigure horribly their faces, and blinding them. It has been a terrible struggle.

Yet the Afghans fight on against incredible odds. And they are winning slowly but surely. This struggle has more than a military element. Of course it has a political element as well. That is why it is important that the alliance selected at long last a president. That is a major step forward in the political realm. The purpose of the resolution is to congratulate the alliance upon the selection of its first president and to welcome the President Yunis Khalis and his associates, the political leaders of the alliance to Washington. They are departing today.

For almost 8 years, the Mujahideen have courageously fought back against the brutal occupation of Afghanistan by the Soviet Army. Theirs is a fight not only for their own freedom, but a fight for the concept of freedom everywhere. They must not fail. The Soviets must not be permitted to succeed in forcefully dragging her neighbors into the Soviet empire. Justice is at stake in Afghanistan. And great geopolitical consequences likewise are at stake.

That is why the meeting at the White House last week between President Reagan and President Khalis and his party was so important. It is vital the United States do all it reasonably can to help the Afghan cause. Part of what we can do is political. The President's meeting helped in a political sense, because it raised the visibility and credibility of the alliance, and because it highlighted the significance of the selection by the Afghan alliance of its first president. Prior to that, a chairmanship was rotated quarterly among the heads of the political parties.

In recognition of the important step forward of selecting a president, I offer this joint resolution reaffirming our support for the Afghan Resistance Alliance as the representatives of the Afghan people in their struggle for freedom, and welcoming the delegation of the Islamic unity of Afghan Mujahideen led by President Mohammad Yunis Khalis.

Mr. President, last week, the United Nations voted overwhelmingly for the immediate withdrawal of all Soviet troops from Afghanistan. With the largest margin ever, 123 members of the General Assembly called for the complete withdrawal of all foreign troops from Afghanistan. Tragically, since the people of Afghanistan have no voice at the United Nations, one of the votes against the United Nations resolution was cast by the Soviet PDPA puppet regime that occupies the seat of Afghanistan.

That seat, Mr. President, should be occupied by the very people that we are honoring with this resolution—the Afghan Resistance Alliance. That is not just my view. Last year, in an important editorial, the New York Times called for the seating of the alliance at the United Nations. Their editorial of November 19, 1986, stated:

> There's a powerful case in logic, justice and precedent for seating the Afghan resistance. The editorial went on to state: "Although Kabul controls the cities, the insurgents rule most of the countryside. And no less important, despite lopsided United Nations votes condemning the invasion, the Soviet Union still refuses to fix a reasonable timetable on withdrawing its troops. . . . an appropriate way to hold Kabul accountable for its crimes is to award Afghanistan's United Nations seat to the legitimate resistance claimants. The prospect of a vote on that may powerfully concentrate Soviet attention on ending a barbarous occupation.

Mr. President, the Kabul puppet regime that occupies the Afghan seat at the United Nations, is guilty of nothing less than the cooperation with the Soviet Army in the genocide of the Afghan people. A United Nations Report on Human Rights in Afghanistan, issued in February 1986, described the situation in Afghanistan as: "approaching genocide." Last month, the Congressional Task Force on Afghanistan held a hearing focusing on human rights in Afghanistan, in light of the so-called policy of national reconciliation. The conclusion of all of our witnesses was that the situation of human rights continues to deteriorate. One of the witnesses, Mr. Charles Norchi and a team of five international lawyers spent the past 14 months thoroughly researching the human rights situation in Afghanistan and interviewing victims of the PDPA regime. Their compelling report—due to be released in its entirety tomorrow—concludes that:

> In the view of the independent counsel on international human rights, there is considerable evidence that genocide has been committed against the Afghan people by the combined forces of the DRA and the Soviet Union.

Mr. President, more than 1 million people have died as a result of Soviet atrocities in Afghanistan. That figure, if applied to the population of the United States, would equal 16 million dead Americans. One-third of the Afghan people have been driven into exile. Again, if applied to the American population, there would be 80 million Americans in exile.

Despite the overwhelming cost to the people of Afghanistan, the Afghan resistance continues its courageous struggle. In May 1985, the Afghan resistance took an historic step by forming the Islamic Unity of Afghan Mujahideen, representing a unified coalition of the major Afghan organizations dedicated to ending the Soviet occupation. Since that time, the alliance has made significant progress.

Last month, for the first time in the history of the alliance, the seven leaders selected Mohammad Yunis Khalis as President of the resistance alliance. President Khalis met at the White House with President Reagan last Thursday.

President Reagan paid tribute to the recent selection and the increased unity by stating:

> This new political milestone demonstrates that the people of Afghanistan speak with one voice in their opposition to the Soviet invasion and occupation of their homeland. This increasing unity has already made itself felt on the battlefield. During the past 18 months, the Mujahideen fighting inside the country have improved their weapons, tactics, and coordination, the result has been a string of serious defeats for the Soviet elite units as well as many divisions from the Kabul army.

Mr. President, when the leaders of the alliance met with the President in 1986, they pressed for formal recognition by the U.S. Government. At that time, their request was rebuffed as being "premature." However, a statement released by the White House the following day outlined several criteria that needed to be met for formal recognition. The statement, as reported in the New York Times of June 18, 1987, called for: greater cooperation among the alliance, greater control over Afghan territory, greater international visibility, and a greater effort at the United Nations and at the Islamic conferences to "cultivate nonaligned nations that might be sympathetic to their cause."

Mr. President, what is this administration waiting for? In the absence of formally recognizing the alliance, the United States continues to maintain an embassy in Soviet-controlled Kabul, and the genocidal Kabul regime maintains an embassy here in Washington! We are long overdue in according formal recognition to the Afghan Resistance Alliance—and I call, once again, upon this administration to formally recognize the Afghan Resistance Alliance.

Mr. President, this is an important resolution. It honors the Afghan Alliance, and rightly credits them for the remarkable progress they have made in recent years. I ask my colleagues to support it.

The ACTING PRESIDENT pro tempore. Is there further debate? If not, the question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution (S.J. Res. 221) with its preamble, reads as follows:

S.J. Res. 221

Whereas more than one hundred and twenty thousand Soviet troops are presently waging war against the Afghan people;

Whereas the United Nations General Assembly by increasing majorities has in nine annual resolutions called for the "Immediate withdrawal of foreign troops from Afghanistan";

Whereas Public Law 99-399, expresses the sense of Congress that the United States should support the efforts of the people of Afghanistan to regain the sovereignty of their nation through: "vigorous efforts to impress upon the Soviet leadership the penalty that continued military action in Afghanistan imposes upon the building of a long-term constructive relationship with the United States";

Whereas the Afghan Resistance continues to control more than seventy-five percent of the territory of Afghanistan, despite more than seven years of brutal warfare by the Soviet Union;

Whereas on May 16, 1985, the Afghan Resistance took an historic step by forming the Islamic unity of Afghan Mujahideen, representing a unified coalition of the major Afghan organizations dedicated to ending the Soviet occupation;

Whereas Public Law 99-354, welcomed to the United States the Afghan Resistance Alliance on the occasion of their first official visit and reaffirmed the support of the United States for the valiant struggle of the Afghan people;

Whereas Alliance plans, as enunciated in their January 17, 1987, proclamation to set up an interim government under which free elections are to be held, are welcome steps toward achieving Afghan self-determination and unity among the members of the Alliance;

Whereas in a proclamation marking Afghanistan Day 1987, the President stated: "On the political front, the Resistance Alliance has grown more cohesive and more effective. One major step in this direction occured January 17, when the seven Alliance leaders put forward their own comprehensive plan for a free Afghanistan";

Whereas the President also noted on Afghanistan Day 1987 that "The Alliance has also become the focal point for the distribution of social services and humanitarian resources inside the country, thereby helping to stem the outflow of refugees and laying the basis for reestablishing a free Afghanistan";

Whereas the presence at the United Nations of the Afghan Resistance Alliance for the third consecutive year, and visits by Alliance representatives at capitals around the world represent substantially increased international visibility for the Afghan Resistance Alliance;

Whereas in October 1987 Mohammad Yunis Khalis, in the first such selection in the history of the Alliance, was selected by the Alliance as President of the Afghan Resistance Alliance;

Whereas during the week of November 12, 1987, the President of the Alliance travel to Washington on behalf of the Afghan people to meet with the President, Congressional leaders, and senior American officials: Now, therefore, be it

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled, That the United States—

(1) Reaffirms its support for the Afghan Resistance Alliance as the representatives of the Afghan people in their struggle for freedom; and

(2) Welcomes the delegation of the Islamic Unity of Afghan Mujahideen led by President Mohammad Yunis Khalis.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the joint resolution was passed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SENATE CONFEREES—ACT TO AMEND THE AIRPORT AND AIRWAY IMPROVEMENT ACT OF 1982

The ACTING PRESIDENT pro tempore. Pursuant to prior authority of the Senate to appoint conferees to the conference on the bill (H.R. 2310) entitled "An Act to amend the Airport and Airway Improvement Act of 1982 for the purpose of extending the authorization of appropriations for airport and airway improvements, and for other purposes," the Chair appoints the following conferees on the part of the Senate; which the clerk will report.

The legislative clerk read as follow:

From the Committee on Commerce, Science, and Transportation: Senators HOLLINGS, FORD, EXON, DANFORTH, KASSEBAUM.

From the Committee on Finance, solely for the consideration of title II, entitled the "Airport and Airway Revenue Act of 1987": Senators BENTSEN, MATSUNAGA, and PACKWOOD.

BICENTENNIAL MINUTE

NOVEMBER 17, 1954: OLD SENATE GAVEL REPLACED

Mr. DOLE. Mr. President, 33 years ago today, on November 17, 1954, one of the Senate's oldest relics was retired and replaced with a new artifact that continues in use today. I refer to the Senate gavel.

The old ivory gavel was one of the most revered articles in this Chamber. According to tradition, it was the same small, handleless piece of ivory with which the Nation's first Vice President, John Adams, called to order the first Senate session in New York City in the spring of 1789.

In 1947, the old gavel began to splinter. Silver disks were added to each face to try to preserve it, but during a late night session in 1954, while the Senate was engaged in a heated discussion on atomic energy, the yellowed ivory began to disintegrate. The old gavel had made its last demand for order. When no commercial source of ivory for a new gavel could be found in the United States, the sergeant at arms turned to the Indian Embassy for assistance. The Government of India not only furnished a piece of ivory but had a new gavel carved from a model of the old one. The Vice President of India even came to the United States to present it in person to the Senate.

On November 17, 1954, the formal presentation was made in this Chamber. Vice President Richard Nixon accepted the gift on behalf of the Senate, and promised, "We shall place the old gavel in a box which will be kept on the Senate rostrum, while the Senate is in session. We shall use in its place the gavel of solid ivory, which has been presented to us, it seems to me quite significantly and appropriately, by the largest democracy in the world." And that is just what was done. Before each Senate session, a page secures from the sergeant at arms the gavel case, which contains both gavels, carries it into the Chamber, and places it on the rostrum. At the close of the session, the new gavel is returned to its place beside the old, and entrusted to the sergeant at arms for safe keeping.

50TH ANNIVERSARY BOYS HARBOR, INC.

Mr. PELL. Mr. President, 50 years ago a young man with a dream found a way to take a group of poor youths out of the streets of the Lower East Side of New York and expose them to the beauty of the country, the promise of a better life and the possibilities within them.

The young man was Tony Duke, a youthful idealist who was too young at the time to sign the rent papers for the old hunting lodge they used on that first trip. His dream, however, has continued to grow and prosper.

Boys Harbor today, is the result of decades of work by many active, committed, caring people, but we should all remember that it started as a young man's dream.

I am confident that I speak for all who know him, when I express our thanks to Tony Duke for his vision and for the 50 years of good work done by him and his Boys Harbor.

The Boys Harbor Camp in East Hampton has become a model for similar programs throughout the country and the center in Harlem has provided education and training for its boys and girls that schools often fail to do.

The results have been remarkable as thousands of young men and women have been strengthened and motivated by their experiences at Boys Harbor. Many have gone on to succeed at Harvard, Cornell, Georgetown, MIT, Yale, Duke, and other leading universities.

This year, I am happy to say, Boys Harbor, Inc. is celebrating its 50th anniversary. Almost 25,000 alumni, including nearly 7,000 women, have been touched and their lives have been enriched by Tony Duke's vision.

I well remember being fortunate enough to be a counselor in one of the early years of Boys Harbor and seeing there the precursor of Outward Bound, Gordonstoun and the various schools that were set up in the years to come that focused on developing the qualities of character, integrity, intelligence, leadership and physical stamina. Kurk Hahn, the great educator and founder of Gordonstoun, and Tony Duke, while not knowing each other, had the same idea in developing youngsters.

According, it is with the greatest of pleasure that I wish Happy 50th Birthday to Boys Harbor and its successful leader, Tony Duke.

BENJAMIN CHARNY

Mr. GLENN. Mr. President, there have been many interesting developments in the Soviet Union during recent months. The new leadership of that country has been credited with possessing a willingness to consider positive change in their society. There is one area, however, in which change has been painfully slow, and that is in the area of Jewish emigration.

The Soviet record on emigration remains unacceptable. Thousands of Jews have applied for exit visas only to be refused with little or no explanation. Increasingly Soviet authorities have denied immigration petitions claiming that state secrecy would be compromised by honoring certain individuals' rights to emigrate. Adding to the problem, Soviet authorities regularly deny emigration applications to persons who are merely related to an individual who may have had access to sensitive materials.

One such case in which Soviet authorities have used the "state secrecy" excuse is that of Dr. Benjamin Charny, the Soviet mathematician. During the 1960's Dr. Charney was involved in some of the early computer work in support of the Soviet space program. Since 1979, the Soviets have repeatedly cited that work when denying his numerous emigration requests. I do not find this a credible explanation. My own experience with our country's space program tells me that very little technology remains sensitive for 20 years. Furthermore Dr. Charny's work has been published in the open scientific press and several of his research colleagues have been permitted to emigrate.

It is an unfortunate fact that many Soviet Jews continue to be denied their right to emigrate, however, Dr Charney's situation is particularly tragic because he suffers from both heart disease and cancer. His only hope rests with medical treatment available in the West, a fact which is known to Soviet authorities but about which they appear to have little concern.

Dr. Charney and thousands of other Soviet Jews continue to seek to exercise their right to emigrate. The Helsinki final act, an international human rights document to which the Soviet Union is a signatory, declares that emigration is a fundamental human right. Yet the Soviet leadership continues to ignore its obligations under this agreement and to deny the emigration rights of its people. I find this unconscionable.

In this critical pre-summit period I urge the Soviets to demonstrate a genuine recognition of their people's fundamental human rights, including the right to emigrate. An excellent place to start would be to expeditiously reconsider and approve Benjamin Charny's emigration petition.

SOCIAL SECURITY SHOULD NOT BE CUT

Mr. RIEGLE. Mr. President, I rise to restate my firm conviction that Social Security should be off limits during negotiations over deficit reduction. The latest proposal under discussion by some of the negotiators at the budget summit is to delay for 3 months, in effect to cut, the coming year's cost of living increase [COLA]. Mr. President, this in my view an entirely unacceptable means of addressing the real and pressing need to achieve deficit reduction.

It is not proper to reduce the deficit the expense of our 37 million Social Security beneficiaries because Social Security is not part of the deficit problem. It is accounted for in separate trust funds and is prohibited from running a deficit. If there are insufficient funds in the Social Security trust funds, we don't increase the deficit, we stop the benefit checks. To prevent this from happening, we reached an historic agreement in 1983, putting Social Security back on a sound financial footing—in fact, as a result of that critical action in 1983, Social Security, according to the latest report of the actuaries, is financially sound for the next 75 years, which is as far out as they looked.

Mr. President, in fact, Social Security is in surplus. In order to fund the huge demand on the Social Security system that will result when millions of "baby-boomers" reach retirement age around the turn of the century, the trust funds are currently building up massive surpluses. Under the Gramm-Rudman law, these surpluses are already helping us meet our deficit reduction target, for the Gramm-Rudman law counts part of this surplus in order to meet our deficit reduction targets and to avoid a sequester. Those amounts that count toward deficit reduction are $19 billion in fiscal year 1987, $38 billion in 1988, $44 billion in 1989, $54 billion in 1990, $63 billion in 1991, and $69 billion in 1992, for a total 6-year deficit reduction of $287 billion.

The surplus in Social Security under today's bookkeeping system established by Gramm-Rudman can, in effect, be used to hide spending in other parts of the Government. The more that Social Security benefits might be cut in order to increase the surplus in the Social Security trust fund, the more that would allow the Government to do other spending in totally unrelated areas of the Government.

That is why the President was exactly right on October 22, when he said Social Security should not be on the table in these negotiations over the deficit. I applaud the President for having said that, because Social Security is not part of the deficit problem.

Another reason why considering Social Security cuts at this time would be bad policy is that seniors are already going to be hit with the largest increase in Medicare premiums in history—taken right out of their Social Security check. In January 1988, just 6 weeks away, seniors will see their Medicare premiums increase 38.5 percent—increasing from the current $17.90 per month to $24.80 per month. That doesn't even include the increase resulting from the catastrophic health care bill, which just passed the Senate, of another $4 per month. Since we are asking Social Security beneficiaries to pay an additional $10.90 in Medicare premiums, the average retiree will already have his COLA for next year effectively cut in half.

Seniors and Social Security beneficiaries have already made their contribution toward deficit reduction. The Social Security system has already been subject to significant budget cuts in the 1980's. In 1981, budgetary pressures led to the reduction or elimination of various categories of benefits. Again in 1983, when persistent financing problems made clear that changes were necessary to keep Social Security on an even financial keel, even more significant reductions were enacted. This rescue package, in the following 7 years, was projected to improve the funding of the system by $165 billion.

As much as one-third of this $165 billion is attributable to benefit cuts, much of which resulted from a delay of the 1983 COLA.

Mr. President, seniors have also given up a great deal over the past 7 years in the name of deficit reductions through deep cuts in the Medicare Program. Dramatic cuts in Medicare have sent out-of-pocket health costs skyrocketing. No other Federal Government program has been cut more deeply over the past 6 years than Medicare. Provisions for cuts in the Medicare Program have been included in every budget reconciliation bill since 1981.

The Congressional Budget Office [CBO] estimated that legislative changes enacted from January 1981 through July 1983, reduced Medicare outlays over what would otherwise have been expended over the fiscal year 1982-fiscal year 1985 period by $13.2 billion or 5 percent of program outlays. CBO later estimated that Medicare Program outlays have been reduced by $8.6 billion in fiscal year 1986, $10.5 billion in fiscal year 1987, and $12.5 billion in 1988.

Mr. President, it is important to look at the effect that a reduction in Social Security would have on beneficiaries. According to recent independent research commissioned by the American Association of Retired Persons [AARP], 331,000 Social Security beneficiaries—including seniors, children, disabled, and widows—would be pushed below the poverty line if this year's COLA were to be eliminated next year. 272,500 would be those over 62 years of age. Even if we were to provide a partial COLA of 2.1 percent, still hundreds of thousands of beneficiaries, including 126,000 seniors would be pushed below poverty.

Mr. President, it is critical in maintaining public confidence in the Social Security system that the Social Security trust funds not be tampered with in any way, shape, or form. Those surpluses I talked about have to go in now and earn interest over the years so that the money is there in the future to pay the claims of those who are now working but who will retire in the future.

In fact, starting in January 1988, workers will see their Social Security tax rate increase from the current 7.15 to 7.51 percent. To increase taxes on workers while cutting benefits to seniors can only further erode confidence young people have in Social Security being there when they retire. On top of the tax increase, already in law scheduled to take place, the Senate Finance Committee lifted the income cap on the Medicare payroll tax—again taking more from workers while eroding the benefits to seniors.

Mr. President, as part of the Gramm-Rudman law we took Social Security out of the unified Federal budget immediately, 8 years ahead of schedule. We did that for all of the reasons I mentioned earlier:

Social Security is self-financing, it has dedicated trust funds, it cannot run a deficit, it is actually reducing the deficit.

But we did even more in Gramm-Rudman than simply take it off budget—we made it illegal to use the budget process to tamper with the Social Security System. The Budget Act now states that any budget reconciliation bill or resolution that contains changes in Social Security benefits is subject to a point of order. That means we would actually be violating our own rules if we included cuts in Social Security as part of the budget agreement.

In addition, although cutting Social Security benefits will affect the calculation of our deficit targets under Gramm-Rudman, it will have no impact on our national debt, a much more meaningful measure of the Federal Government's financial health. Cutting Social Security benefits simply increases the excess in the Social Security trust funds which the general fund must borrow to meet other obligations. This borrowing, although internal to the Government, is still counted against the national debt, and is still calculated as Government borrowing. So cutting Social Security benefits and thereby increasing trust fund surpluses will not reduce the national debt as would deficit reduction in other Government programs.

Mr. President, I strongly support the effort to reach a budget compromise to reduce the deficit and send a strong positive message to the financial markets. However, cuts in Social Security do not have to be and should not be part of that agreement.

Social Security trust funds ought to be kept separate and apart. I believe the work force is entitled to know that their money is going into a fund that is being used only for Social Security and is not being diverted through a bookkeeping device or anything else to help finance or hide the costs of other parts of the Government. An arbitrary scaling back of Social Security is not in any direct, honest fashion helping us financially confront the Federal budget deficit nor containing Government borrowing.

There are many other straightforward means of achieving real deficit reduction without resorting to what amounts to a raid on the Social Security System. With a combination of spending cuts in the budget itself, and some combination of revenues, I think we can get a package that will do the job.

Mr. President, let us leave Social Security alone. It did not cause the deficit problem and cannot solve it. And it should not be asked to solve it.

THE CONTRIBUTION OF EMIL WEITZEL TO UNITED STATES-LUXEMBOURG FRIENDSHIP

Mr. PELL. Mr. President, I am very pleased today to pay tribute to the contribution of Mr. Emil Weitzel, an esteemed citizen of Luxembourg, for his long and valuable service to the cause of sound and cordial relations between that nation and our own.

The American Luxembourg Society was founded in 1882 as an institutional bridge facilitating friendship between the two nations, and 5 years ago held its centennial celebration under the patronage of His Royal Highness the Grand-Duke Jean of Luxembourg. Through the Society's first 67 years—until 1949—Luxembourg and the United States were friends, but in that year, with the founding of the Atlantic Alliance, the two nations became formal allies. It was also in that year that Emil Weitzel began his sustained and remarkable role as an agent of understanding between the newly allied nations.

From 1949 until 1969, Emil Weitzel served as secretary general of the American Luxembourg Society; from 1969 until 1976 as vice president; and from 1977 until 1984 as president. Since then, Emil Weitzel has served as the society's honorary president, a role he continues to perform with energy and relish.

Today, the American Luxembourg Society counts 867 Luxembourgeois members. This means that, in a population of some 272,000 Luxembourgers, there is roughly one member of the American Luxembourg Society for each 300 citizens—an astonishing level of participation for which Emil Weitzel's efforts must be accorded ample credit.

Although Emil Weitzel has now delivered the leadership of the American Luxembourg Society into the hands of younger countrymen, his contribution and dedication will be remembered with gratitude on this side of the Atlantic and will, I trust, continue to be reflected in the efforts of both Americans and Luxembourgers to maintain the bonds of friendship that Emil Weitzel so admirably helped to build.

THE ANNIVERSARY OF THE ANGLO-IRISH AGREEMENT

Mr. BIDEN. Mr. President, this past Sunday, November 15, marked the second anniversary of the Anglo-Irish Agreement, a treaty between the United Kingdom and the Republic of Ireland which gives the Dublin government a consultative role in the daily affairs of Northern Ireland.

The Anglo-Irish Agreement is perhaps the most significant development in the affairs of Northern Ireland since its creation in 1920. When the accord was signed 2 years ago by Margaret Thatcher and Garret FitzGerald, many skeptics doubted that it would last 2 months, let alone 2 years. Such skepticism was not unfounded, as many previous attempts to resolve the troubles in Northern Ireland through peaceful means had met with failure. Happily, though, the skeptics have been proven wrong, and the accord remains in force today.

Understandably, the road during the past 2 years has been a bumpy one. Memories in Northern Ireland are too long and distrust runs too deep to expect that the path to peace will be a smooth one. And, regretfully, the mindless violence has not subsided. But progress has been made, and to quote a voice from a generation ago, the winds of change are beginning to blow across the province.

One clear sign of this change came in the June 1987 general election, when the voters of the north rejected those opposed to the treaty. Parties of both traditions which had based their platforms on opposition to the accord lost ground to the voices of harmony. It was a significant turning point, and signaled that the northern electorate has tired of politicians who refuse to entertain notions of reconciliation.

In addition, increasing attention has been paid to the lack of equality of opportunity, a very real problem in a region where the unemployment rate for Catholics is more than twice that of Protestants. The British Government's Standing Advisory Commission on Human Rights recently issued a report calling for employers to monitor the religious affiliation of its work force and to promote affirmative action where feasible. The commission also urged the government to strengthen the current regulating body, which now lacks the teeth to enforce the laws on the books. While it remains to be seen whether these recommendations will be implemented, I am hopeful that this report is an indication of things to come.

Progress has also been made on improved cooperation between the security forces of the north and south, making life more difficult for terrorists operating across the border. Furthermore, a new code of regulations has been issued to the Royal Ulster Constabulary [RUC], the Northern Ireland police forces. Anyone familiar with the troubles in the north is well aware that the Protestant-dominated RUC has not always been eager about discharging its duties evenhandedly and with equal respect for the two traditions.

Unfortunately, many in the north continue to belittle the accord and dismiss it as another failed attempt to solve an impossible problem. Admittedly, the pace of change has been slow. And unresolved questions, such as the failure to reform the Diplock courts (the non-jury, one judge courts which try terrorist cases) are disappointing and have lowered expectations about the long-term future of the agreement.

However, I remain hopeful that the Anglo-Irish accord is here to stay. It is no small achievement that the agreement has lasted this long in the face of continued intransigence on the part of unionist and nationalist extremists. The Dublin and London governments should be commended for pressing on in the face of this resistance. I applaud them for their achievements thus far, and strongly urge them to continue to work within this framework.

Mr. President, no one believes that a solution to the Irish problem is imminent. Indeed, the recent IRA bombing in Enniskillen which claimed 11 lives, and the subsequent shooting of five Catholic youths in Belfast, should remind us of the obstacles blocking a solution to the centuries-old conflict. However, I continue to believe that the Anglo-Irish Agreements signed 2 years ago remains the best hope for peace and reconciliation for Northern Ireland in generations. It provides a crucial framework for resolving the Irish question. To allow the treaty to lapse would represent a severe setback to the prospects of peace, and reinforce the timeworn ideologies of the extremists. We must not let that happen.

THE GREAT AMERICAN SMOKEOUT

Mr. PELL. Mr. President, on November 19, 1987, the 11th annual Great American Smokeout will begin under the sponsorship of the American Cancer Society. The smokeout is a positive effort to educate Americans of all ages about the perils of smoking. The goal of the 1987 smokeout is for at least 1 in every 5 smokers to give up smoking for at least 24 hours.

This year the American Cancer Society has joined hands with a Rhode Island manufacturer, Hasbro, Inc., of Pawtucket, to use children's toys as a means of educating younger children. To help drive home the message of the smokeout, Hasbro and its Playskool Division have undertaken to modify the image of "Mr. Potato Head", a popular children's learning toy for more than 35 years.

Today, "Mr. Potato Head", portrayed in life size by a costumed actor, met with Surgeon General C. Everett Koop to surrender the pipe with which he has been associated since 1952. Hasbro has announced that the pipe will no longer be produced and will disappear from store shelves as current stocks run down. Symbolically, the message to children across the land is that smoking is not a necessary aspect of adult life.

On Thursday, "Mr. Potato Head" is scheduled to receive an award from the Kennedy School of Government/Institute on Smoking Policy and Behavior in Boston. He will cap his smokeout activities in Providence where Mayor Joseph Paolino will present him with the key to the city.

I am particularly impressed with the fact that the American Cancer Society emphasizes education as the path to modifying and indeed ending smoking behavior. As chairman of the Senate Subcommittee on Education, Arts and Humanities, I applaud the American Cancer Society for its recognition of the role which education can play in making the public aware of the danger of smoking.

Mr. President, I commend Hasbro, Inc., and Playskool for their contribution to this educational effort and I urge all Americans to join in a positive response to the American Cancer Society's Great American Smokeout for 1987.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

PROPOSED AMENDMENTS TO GOVERNING INTERNATIONAL FISHERIES AGREEMENT BETWEEN THE UNITED STATES AND JAPAN—MESSAGE FROM THE PRESIDENT—PM 87

The **PRESIDING OFFICER** laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to Public Law 94-265, was referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Foreign Relations:

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (MFCMA), as amended, (Public Law 94-265; 16 U.S.C. 1801 *et seq.*), I transmit herewith a Governing International Fishery Agreement (GIFA) consisting of an Agreement Amending the Agreement Between the Government of the

United States of America and the Government of Japan Concerning Fisheries Off the Coasts of the United States of America of September 10, 1982 (the "Agreement"), signed at Washington on November 10, 1987. This Agreement amends to conform to U.S. law and extends for the period of two years from December 31, 1987, until December 31, 1989, the existing GIFA with Japan. The exchange of an Agreement, together with the present GIFA, constitutes a GIFA within the requirements of Section 201(c) of the Act.

This GIFA is one of a series negotiated in accordance with the MFCMA since 1976. The amendment and extension of the GIFA would ensure the continuation of mutually beneficial joint ventures between the U.S. and Japanese fishing industries in the U.S. exclusive economic zone. Unless the GIFA is extended, these operations will cease, causing significant financial hardship to U.S. fishermen.

I recommend that the Congress give favorable consideration to this Agreement at an early date, so that it can enter into force before the present GIFA expires on December 31.

RONALD REAGAN.

THE WHITE HOUSE, *November 17, 1987.*

STIKINE RIVER REGION ACCESS STUDY—MESSAGE FROM THE PRESIDENT—PM 88

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

Pursuant to the provisions of section 1113 of the Alaska National Interest Lands Conservation Act (P.L. 96-487; 16 U.S.C. 3173), I herewith transmit the Stikine River Region Access Study. The study was conducted through the Alaska Land Use Council with the Forest Service and the State of Alaska, Department of Transportation and Public Facilities as co-chairs. The study was done in consultation with the Government of Canada through the U.S. Department of State.

RONALD REAGAN.

THE WHITE HOUSE, *November 17, 1987.*

PRESIDENTIAL APPROVALS

A message from the President of the United States announced that he had approved and signed the following joint resolutions:

On November 12, 1987:

S.J. Res. 154. Joint resolution to designate the period commencing on November 15, 1987, and ending on November 22, 1987, as "National Arts Week."

On November 13, 1987:

S.J. Res. 66. Joint resolution to designate the week of November 22, 1987, through November 28, 1987, as "National Family Week."

MESSAGES FROM THE HOUSE RECEIVED DURING RECESS

Under the authority of the order of the Senate of February 3, 1987, the Secretary of the Senate, on November 16, 1987, during the recess of the Senate, received a message from the House of Representatives announcing that the House has passed the following joint resolution, without amendment:

S.J. Res. 220. Joint resolution to provide for the extension of certain programs relating to housing and community development, and for other purposes.

ENROLLED BILL AND JOINT RESOLUTIONS SIGNED

The message also announced that the Speaker has signed the following enrolled bill and joint resolutions:

S. 247. An act to designate the Kern River as a national wild and scenic river;

S.J. Res. 53. Joint resolution to designate the period commencing November 22, 1987, and ending November 28, 1987, as "American Indian Week";

S.J. Res. 97. Joint resolution to designate the week beginning November 22, 1987, as "National Adoption Week";

S.J. Res. 174. Joint resolution designating the week beginning November 15, 1987, as "African American Heritage Week"; and

S.J. Res. 220. Joint resolution to provide for the extension of certain programs relating to housing and community development, and for other purposes.

Under the authority of the order of the Senate of February 3, 1987, the enrolled bill and joint resolutions were signed on November 16, 1987, during the recess of the Senate, by the President pro tempore [Mr. STENNIS].

MESSAGES FROM THE HOUSE

At 11:44 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 2598. An Act entitled the "Commercial Fishing Industry Vessel Anti-Reflagging Act of 1987"; and

H.R. 2639. An Act to repeal the Brown-Stevens Act concerning certain Indian tribes in the State of Nebraska.

At 5:43 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolution, without amendment:

S.J. Res. 98. Joint resolution to designate the week of November 29, 1987, through December 5, 1987, as "National Home Health Care Week".

The message also announced that the House agrees to the amendments of the Senate to the bill (H.R. 2672) to amend title 38, United States Code, for the purpose of improving veterans' Housing programs; with amendments, in which it requests the concurrence of the Senate.

The message further announced that the House disagrees to the amendment of the Senate to the bill (H.R. 1900) to amend the Child Abuse Prevention and Treatment Act, the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and the Family Violence Prevention and Services Act to extend through fiscal year 1991 the authorities established in such acts; it asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. HAWKINS, Mr. FORD of Michigan, Mr. OWENS of New York, Mr. WILLIAMS, Mr. JEFFORDS, and Mr. BARTLETT as managers of the conference on the part of the House.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 3483) to amend title 18, United States Code, to improve certain provisions relating to imposition and collection of criminal fines, and for other purposes; with an amendment, in which it requests the concurrence of the Senate.

The message further announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 1451) to amend the Older Americans Act of 1965 to authorize appropriations for the fiscal years 1988, 1989, 1990, and 1991; to amend the Native Americans Programs Act of 1974 to authorize appropriations for such fiscal years, and for other purposes.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2112) to authorize appropriations for fiscal year 1988 for intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The message further announced that the House has passed the following bill, with amendments, in which it requests the concurrence of the Senate:

S. 1822. An act to make certain amendments to the Sentencing Reform Act of 1984 and to improve certain provisions relating to imposition and collection of criminal fines, and for other purposes.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2839. An act to correct historical and geographical oversights in the establishment and development of the Utah component of the Confederated Tribes of the Goshute Reservation, to unify the land base of the Goshute Reservation, to simplify the boundaries of the Goshute Reservation, and for other purposes.

MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 2839. An act to correct historical and geographical oversights in the establishment and development of the Utah component of the Confederated Tribes of the Goshute Reservation, to unify the land base of the Goshute Reservation, to simplify the boundaries of the Goshute Reservation, and for other purposes; to the Select Committee on Indian Affairs.

ENROLLED BILL AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on November 16, 1987, he had presented to the President of the United States the following enrolled bill and joint resolutions:

S. 247. An act to designate the Kern River as a national wild and scenic river;

S.J. Res. 53. Joint resolution to designate the period commencing November 22, 1987, and ending November 28, 1987, as "American Indian Week";

S.J. Res. 97. Joint resolution to designate the week beginning November 22, 1987, as "National Adoption Week";

S.J. Res. 174. Joint resolution designating the week beginning November 15, 1987, as "African American Heritage Week"; and

S.J. Res. 220. Joint resolution to provide for the extension of certain programs relating to housing and community development, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2141. A communication from the Secretary of the United States Senate, transmitting, pursuant to law, a report on the receipts and expenditures of the Senate from April 1, 1987 through September 30, 1987; ordered to lie on the table.

EC-2142. A communication from the President of the Export-Import Bank of the United States, transmitting, pursuant to law, a report concerning the value of capital stock and retained earnings of the Bank; to the Committee on Banking, Housing, and Urban Affairs.

EC-2143. A communication from the Acting General Counsel, Department of Energy, transmitting, pursuant to law, notification of a meeting relative to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-2144. A communication from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting, pursuant to law, a report regarding the refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-2145. A communication from the Deputy Director for Collection and Disbursement, Department of the Interior, transmitting, pursuant to law, a report regarding the refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-2146. A communication from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting, pursuant to law, a report regarding the refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-2147. A communication from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting, pursuant to law, a report regarding the refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-2148. A communication from the Deputy Associate Director for Collection and Disbursement, Department of the Interior, transmitting, pursuant to law, a report regarding the refunds of offshore lease revenues where a refund or recoupment is appropriate; to the Committee on Energy and Natural Resources.

EC-2149. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on a project negotiated under the Department of Energy's [DOE] Clean Coal Technology Demonstration Program entitled "UCG/Clean Fuels Proof-of-Concept Project;" to the Committee on Energy and Natural Resources.

EC-2150. A communication from the Secretary of the Interior, transmitting, a draft of proposed legislation approving the location of a memorial to honor the Black Revolutionary War Patriots; to the Committee on Energy and Natural Resources.

EC-2151. A communication from the Secretary of the Interior, transmitting, a draft of proposed legislation approving the location of a memorial to honor members of the Armed Forces of the United States who served in the Korean War; to the Committee on Energy and Natural Resources.

EC-2152. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a report on the National Water Quality Inventory for 1986; to the Committee on Energy and Natural Resources.

EC-2153. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report on various aspects of the Superfund program and related issues; to the Committee on Environment and Public Works.

EC-2154. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, a report entitled "Hazardous Waste Sites on Indian Lands;" to the Committee on Environment and Public Works.

EC-2155. A communication from the Acting General Counsel, Department of the Treasury, transmitting, a draft of proposed legislation entitled "To amend the Tariff Act of 1930, and for other purposes; to the Committee on Finance.

EC-2156. A communication from the Chairman of the National Labor Relations Board, transmitting, pursuant to law, a report regarding the activities of the NLRB concerning the implementation of the Government in Sunshine Act during the calendar year 1985; to the Committee on Governmental Affairs.

EC-2157. A communication from the Director, Office of Workers Compensation Programs, Department of Labor, transmitting, pursuant to law, notice of a proposed computer matching program; to the Committee on Governmental Affairs.

EC-2158. A communication from the Secretary of Health and Human Services, transmitting, a report entitled "Aids: A Public Health Challenge;" to the Committee on Labor and Human Resources.

EC-2159. A communication from the Secretary of Health and Human Services, transmitting, an Annotated Bibliography of Scientific Articles on Aids for Policymakers; to the Committee on Labor and Human Resources.

EC-2160. A communication from the Secretary of Education, transmitting, pursuant to law, a report on the Nature and Effectiveness of the Federal, State, and Local Prevention/Education Programs; to the Committee on Labor and Human Resources.

EC-2161. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report entitled "Identifying Individuals at Risk of Institutionalization;" to the Committee on Labor and Human Resources.

EC-2162. A communication from the Acting Chairman, United States Department of Education, transmitting, pursuant to law, a report on the progress of its mission and recommendations for a more effective program; to the Committee on Labor and Human Resources.

EC-2163. A communication from the Secretary of Health and Human Services, transmitting, a draft of proposed legislation entitled "To amend health professions loan authorities;" to the Committee on Labor and Human Resources.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. Res. 290. A resolution authorizing the printing of the report entitled "Highway Bridge Replacement and Rehabilitation Program, Eighth Annual Report to Congress" as a Senate document.

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. Res. 323: An original resolution to pay a gratuity to Kate Lee; Paula Ray; James Owens; Nayomie Flood; Janice Sullivan; Dorothy White; Charles Sullivan; Bobby Sullivan; Andre Sullivan; Johnny Sullivan; Billy Sullivan; Patricia Crawley.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. LEAHY:

S. 1869. A bill to amend the Agricultural Act of 1949 to protect the family dairy farm by establishing a regional dairy production stabilization program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PROXMIRE:

S. 1870. A bill to provide for the use and distribution of funds awarded the Wisconsin Band of Potawatomi in docket 28 of the U.S. Claims Court; to the Select Committee on Indian Affairs.

By Mr. SPECTER:

S. 1871. A bill to amend the Public Health Service Act to require the Secretary of Health and Human Services to make grants for the establishment of pediatric acquired immunodeficiency resource centers; to the Committee on Labor and Human Resources.

By Mr. SPECTER:

S. 1872. A bill to amend the Public Health Service Act to provide for minority populations outreach, education, counseling, prevention, and research activities relating to acquired immunodeficiency syndrome, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. LEVIN:

S. 1873. A bill for the relief of Miroslaw Adam Janinski; to the Committee on the Judiciary.

By Mr. HEINZ (for himself and Mr. Heflin):

S. 1874. A bill to amend title 38, United States Code, to redefine the term "former prisoner of war"; to the Committee on Veterans' Affairs.

By Mr. FOWLER:

S. 1875. A bill for the relief of Nisme Gonzalez; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself, Mr. Cranston, Mr. Murkowski, Mr. Rockefeller, and Mr. Graham):

S. 1876. A bill to amend title 38, United States Code, to require the establishment of child care centers at Veterans' Administration facilities; to the Committee on Veterans' Affairs.

By Mr. BRADLEY (for himself, Mr. Roth, Mr. Chafee, Mr. McCain, Mr. Pell, Mr. Lautenberg, and Mr. Stafford):

S. 1877. A bill to restore balance among sources of supply for the Nation's sweetener needs, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HUMPHREY (for himself, Mr. Pell, Mr. Dole, and Mr. Byrd):

S.J. Res. 221. A joint resolution welcoming President Yunis Khalis and the delegation of the Islamic Unity of Afghan; considered and passed.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FORD, from the Committee on Rules and Administration:

S. Res. 323. An original resolution to pay a gratuity to Kate Lee, Paula Ray, James Owens, Nayomie Flood, Janice Sullivan, Dorothy White, Charles Sullivan, Bobby Sullivan, Andre Sullivan, Johnny Sullivan, Billy Sullivan, and Patricia Crawley; placed on the calendar.

By Mr. BYRD (for himself and Mr. Dole):

S. Res. 324. A resolution to authorize release or a document by the Committee on Foreign Relations; considered and agreed to.

By Mr. HEINZ (for himself, Mr. Boschwitz, Mr. Bradley, Mr. Cohen, Mr. Dole, Mr. Durenberger, Mr. Lautenberg, Mr. Levin, Mr. Moynihan, Mr. Pell, Mr. Sarbanes, and Mr. Specter):

S. Con. Res. 90. A concurrent resolution welcoming Vladimir and Maria Slepak to the United States; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LEAHY:

S. 1869. A bill to amend the Agricultural Act of 1949 to protect the family dairy farm by establishing a regional dairy production stabilization program, and for other purposes; referred to the Committee on Agriculture, Nutrition, and Forestry.

DAIRY FARM PROTECTION ACT

Mr. LEAHY. Mr. President, it is not often that a legislator can point to a policy which worked exactly as intended. But there is good news in agriculture. The dairy provision of the 1985 farm bill has worked, and worked well.

Production is down, demand is up, surplus stocks are slashed and the cost of this program for the American taxpayer has been cut in half. All of the dairy industry can be proud of this record.

Through the use of the whole herd buy out, the dairy program is under control. As chairman of the Senate Agriculture Committee, and I want to keep it there.

But, like an irrepressible force, dairy production is coming back. But, not everywhere.

For most of our States, milk production this year has either been down or flat. But a few States are distorting the whole program because they are dramatically increasing their production.

California, for example, increased its production by 12 percent in the month of September. This figure is notable because California's high participation in the whole herd buy out should have resulted in a 10-percent cut in production, not a 12-percent increase.

These high growth areas are, as I said before, distorting the operation of the farm bill and I believe we need a new direction in dairy policy if we are to preserve the family dairy farm in the rural America.

The challenges ahead of us cannot be ignored:

We have to hold down the cost of the dairy program.

We want to protect family dairy farming across this country.

We want a program that is fair.

Here is the problem facing the dairy industry now. Under the farm bill, the Government is committed to buying 5 billion pounds of milk product. In addition to its price support role, this purchase is a type of "national milk security reserve" to meet the needs of our school lunch and other nutrition programs.

If the Government buys more than 5 billion pounds of milk products, the Secretary of Agriculture must lower the price support level by 50 cents a year.

This 5 billion pound trigger for the price cut was intended to send a signal to the dairy industry to hold down production. But the signal is not getting through everywhere.

I hear from my own farmers in Vermont a great sense of frustration.

They know their own production is stable, yet they are facing price cuts over the next 2 years, which would mean $9.60 milk in a couple of years. But why? Our New England dairymen are not wildly expanding. In fact, New England actually is short of milk.

Why are they facing price cuts? Because a dairyman, in some other part of the country, is expanding. Our Vermont dairymen cannot control his decision. They can only suffer the consequences.

This is not fair, and I want to do something about it.

Every dairy farmer in Vermont wants to help reduce the budget deficit. Everybody wants to make sure that we are all treated fairly. Our Vermont dairy farmers have done what the Congress has asked them to do: They have limited their production; they have brought it into line with demand. Yet, they are suffering the consequences because dairy farmers in other parts of the country have not done what Vermont farmers have done. Dairy farmers in other parts of the country have not brought production in line with demand.

So, today I am offering the "Dairy Farm Protection Act" and that is what this bill is all about. Without some new approach in dairy, given the trends over the past 2 years, many of our smaller dairy farmers are going to be driven out of business.

Here is an outline of this proposal.

The basic structure and trigger under the farm bill will remain intact. The Government will continue to buy 5 billion pounds of product as part of the price support program. But instead of using continuing price outs to keep government costs in line, I want to move in a new direction.

We need more local control over dairy policy, so I am proposing that we divide the Nation into basic dairy regions. Each region would have a board and each region would have a CCC base. That is, each region would be assigned an amount of allowable CCC sales, based on the average of what that region sold to the government over the past 2 years.

If the region does not increase its sales to the Government, the price support would be frozen and nothing would change. However, if the region sold more to the Government next year, then the producers would have to pay an assessment on the increase.

Under this plan we would no longer use across-the-board price cuts to achieve control over production. We would give more control to the local producers.

My bill would allow some experimentation within regions if the producers wanted to hold down Government sales, and thus avoid paying an assessment. The producer board could poll local dairymen on various program alternatives, from product promotion to production control proposals.

There would be more autonomy and accountability for each region. No longer would the whole country be held responsible for one region's actions.

The region itself would decide how costs would be kept under control. If they went above the CCC base for their region, then they would pay the cost. The incentive would be there. Region by region, they would have the incentive to keep production down and keep costs in line.

There would be more autonomy and accountability for each region. No longer would the whole country be held accountable and responsible for one region's action.

The Federal Government should protect agriculture—but as a safety net, not as a booster shot for some regions which, frankly, do not need the help.

This bill sets out the outlines of a new policy. I hope it sparks a debate within the dairy industry. I rather suspect it will. We need to take a hard look at where the dairy industry is going and what kind of long-term policy we need to protect the family dairy farmer.

The legislation I introduce today will be referred to the Senate Agriculture Committee. As chairman of that committee, I intend to hold hearings next spring on this bill and on other approaches which address the growing imbalance in dairy production in this country.

Mr. President, I do this from a national and parochial interest. My national interest is as chairman of the Senate Agriculture Committee. We know that we must keep agriculture costs in line. Dairy is only one of our farm programs. This bill is responsive to the budget.

I also have this interest as a Vermonter. It is a true parochial interest in the best sense of the word. I come from one of the most rural States in this country and, like all rural States, farming is an integral part of our life, of everything there is in our State. In Vermont that farming is primarily dairy. It is what keeps the land open; it is what creates stability for small towns and cities throughout the State of Vermont. It is also part of the history of our State—generation after generation passing on to their sons and daughters a love of the land, a sense of husbandry, a study really, almost from the time a child is able to walk, in what are the best environmental procedures, how do you create food and fiber, how do you create life. This is part of the heritage we have in farming and in our towns and cities in Vermont. It is very much the same throughout all of this country.

We have some fine colleges of agriculture throughout this country. But they offer only a few years of learning. Our best farmers have had a lifetime of living what they did not only learn in school. They learned it from the time they were little boys and girls straight through until they took over the family farm.

If we lose this, we lose so much of what is the character of rural America. My State is changing but still needs that farm heritage.

My bill says that they can do that; they can compete; they can stay in business if they are good farmers. They are not going to have a crutch from the Federal Government, but they are not going to be damaged by a policy which is distorted by another part of the country, and which could wipe them out of business.

That is all I ask in this legislation. I think we are going to have some fascinating hearings. One of the things I announced when I became chairman of the committee was that finally we would face up to this question of a regional dairy program.

Mr. President, I send to the desk a bill cited as the Dairy Protection Act and a section-by-section analysis and ask that it be appropriately referred.

The **PRESIDING OFFICER**. The bill will be received and appropriately referred.

Mr. **LEAHY**. Mr. President, as I understand the rules, this legislation will be referred to the Senate Agriculture Committee. I assure my colleagues that it will move its way rapidly to the top of the committee's hearing agenda. I will have hearings here in Washington. I suspect we will have hearings in Vermont and a number of other affected States.

Mr. President, I urge the dairy industry to look very carefully at this legislation and all dairy legislation because times are changing. The basic rules in dairy, in fact, the basic rules in many of the commodities cannot remain the same at a time when we are facing such huge budget deficits. We need new programs. Farmers are not afraid of that. They just want to know what the rules are going to be, and they want the rules to be fair. I hope that we can set out rules that will allow them to stay in business, allow them to be competitive, but also allow them to tell their sons and daughters that farming is a worthwhile existence, go on into the next generation and leave that heritage to our Nation.

Mr. President, I ask unanimous consent that a section-by-section analysis of the bill be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS: THE DAIRY FARM POTECTION ACT

The purpose of the bill is to establish a program whereby the stabilization of dairy production would be made the primary responsibility of specific regions of the United States. The bill is necessary because while recent production stabilization programs have had the effect of decreasing dairy production in some areas of the United States, other areas continue to increase dairy production. The rising production in some areas of the United States has a destabilizing effect on the dairy industry as a whole.

SEC. 2. REGIONAL DAIRY PRODUCTION STABILIZATION PROGRAM.

Section 2 of the bill amends the Agricultural Act of 1949 as follows:

For the calendar years 1989 through 1995, the Secretary of Agriculture is to support the price of milk through the purchase of milk and the products of milk at a level equal to the level of support in effect on December 31, 1988. The actual level of support in effect on December 31, 1988, is dependent upon the amount of milk and milk products the Secretary of Agriculture estimates will be purchased by the government in 1988. Current productions indicate that the dairy price support level in effect on December 31, 1988, will be $10.60 per hundredweight.

If for any of the calendar years 1989 through 1995, the level of purchases of milk and the products of milk under the price support program, as estimated by the Secretary of Agriculture on January 1 of such calendar year, will not exceed 2,500,000,000 pounds (milk equivalent), the Secretary shall increase by 50 cents the rate of price support for milk in effect on such date.

During the period beginning on January 1, 1989, and ending on December 31, 1995, the Secretary shall establish and carry out a regional dairy production stabilization program. Under this program, the Secretary shall establish at least 6, but not more than 10, dairy production regions in the United States. The regions shall be established based upon, among other things, existing milk marketing order regions and historical transportation and distribution patterns of fluid milk and milk products.

Each region shall be given an authorized purchase level for milk products purchased by the government under the milk price support program. A total authorized national purchase level of 5,000,000,000 pounds (milk equivalent) is established. This total level will be apportioned to each region based upon the average of the proportion of total purchases of milk and milk products by the government during 1986 and 1987 attributable to that region.

If, for any of the calendar years 1989 through 1995, the level of purchases of milk and the products of milk under the price support program (less sales under section 407 for unrestricted use) from any region exceeds the authorized purchase level established for such region, the producers of milk in such region shall pay an assessment designed to offset the cost associated with the purchase of any milk or milk product produced in the region in excess of the authorized purchase level established for the region. The assessment shall only be for such time and in such amounts as is necessary to offset such excess costs.

The assessment shall be collected and remitted to the Commodity Credit Corporation, at such time and in such manner as prescribed by the Secretary, by each person in the region making payment to a producer for milk produced in the region and purchased from the producer, except that in the case of a producer who markets milk of the producer's own production directly to consumers, the assessment shall be remitted directly to the Corporation. The assessment shall be levied upon the quantity of milk sold in the region for commercial use during an assessment period.

If the Secretary determines that purchases of milk and milk products in a specific region in excess of the authorized purchase level were caused by the shipment into such region of milk and milk products produced in another region, the Secretary may allocate any portion of such purchases determined appropriate to the region in which such milk and milk products were produced.

The bill requires the Secretary to establish Regional Dairy Production Boards that shall consist of not less than 5, nor more than 11, members. These Regional Boards shall investigate and report to the Secretary allegations concerning the shipment of milk and milk products from one region to another and evaluate the impact of such shipments on the level of purchases of milk and milk products in the region; and may develop and recommend to the Secretary alternative programs designed to reduce surplus milk production in the region or to ensure that costs associated with the purchase of quantities of milk or milk products in excess of the region's authorized purchase level are not borne by the Commodity Credit Corporation.

The Secretary may implement on a regional basis any such alternative dairy production stablization program recommended by the Regional Board and approved by a majority of the milk producers in the region through a referendum. Such altenative dairy production stabilization program must be designed to carry out the purposes of this paragraph, including the reduction of purchases of milk by the Corporation to levels not in excess of 5,000,000 pounds milk equivalent units. The Secretary is authorized to issue such rules and regulations as may be necessary to implement such regional program.

The members of each Regional Board shall be elected by a referendum conducted by the Secretary of all milk producers in the region. Prospective Regional Board members shall be nominated by eligible organizations certified under section 114 of the Dairy Production Stabilization Act of 1983, or, if the Secretary determines that a substantial number of milk producers in a region are not members, of, or their interests are not represented by, any such eligible organization, then by such milk producers in the manner authorized by the Secretary Regional Board members shall be appointed for 2 year terms, not to exceed two consecutive terms. However, initial appointments shall be proportionately for one-year and two-year terms. Regional Board members shall serve without compensation, but shall be reimbursed for their reasonable expenses incurred in performing their duties as members of the Regional Board including a per diem allowance as recommended by the Regional Board and approved by the Secretary.

In carrying out its responsibilities under this paragraph, the Regional Board may consult with, and obtain information from, the Administrator of the Agricultural Stabilization and Conservation Service, and Administrator of the Agricultural Marketing Service, and other available sources of information.

SEC. 3. RECORDS AND REPORTS.

This section provides that each producer who markets milk, each person who sells milk or milk products to the Commodity Credit Corporation, and each person required to make payment to the Corporation or collect assessments under the milk price support program must keep such records and make such reports, in such manner, as the Secretary determines necessary to carry out the milk price support program and the regional production stabilization program.

SEC. 4. MARKETING PENALTIES.

This section provides that each person who fails to remit to the Corporation the assessments required to be collected under the regional dairy stabilization program shall be liable, in addition to any amount due, for a marketing penalty at a rate equal to the support price for milk in effect at the time the failure occurs on the quantity of milk as to which the failure applies.

SEC. 5. REGULATIONS.

This section authorizes the Secretary of Agriculture to issue such regulations as are determined necessary to implement the provisions of this Act.

SEC. 6. EFFECTIVE DATE.

This Act shall be effective as of January 1, 1989.

By Mr. PROXMIRE:

S. 1870. A bill to provide for the use and distribution of funds awarded the Wisconsin Band of Potawatomi in docket 28 of the United States Claims Court; to the Select Committee on Indian Affairs.

USE AND DISTRIBUTION OF WISCONSIN BAND OF POTAWATOMI JUDGMENT FUNDS

Mr. PROXMIRE. Mr. President, the Forest County Potawatomi Community is a small tribe in Crandon, WI which was granted a judgment fund in Docket No. 28 before the U.S. Claims Court on May 17, 1983. These funds were appropriated by Congress on April 2, 1985 and are currently being held by the Bureau of Indian Affairs.

The Judgment Distribution Act of 1973 provides for distribution of such judgment funds without legislation if a plan for the use of the funds is submitted within 1 year and a hearing is held. Unfortunately, the hearing scheduled in Minneapolis was cancelled due to a severe snow storm and the deadline was missed. Therefore, legislation must now be enacted to distribute the funds to the Potawatomi Tribe of Wisconsin and the Hannaville Tribe of Michigan.

This bill will make it possible for the tribes to receive their judgment funds. The two tribes have agreed on the division of the funds between themselves and the Secretary of the Interior has approved the use of the funds for social and economic development. I am, therefore, pleased to introduce this bill which will release the judgment funds and assist these two tribes in their social and economic development.

By Mr. SPECTER:

S. 1871. A bill to amend the Public Health Service Act to require the Secretary of Health and Human Services to make grants for the establishment of pediatric acquired immunodeficiency syndrome resource centers; to the Committee on Labor and Human Resources.

PEDIATRIC ACQUIRED IMMUNODEFICIENCY SYNDROME (AIDS) RESOURCE CENTERS ACT

Mr. SPECTER. Mr. President, today I introduce the Pediatric Acquired Immunodeficiency Syndrome Resource Centers Act to address the growing crisis of providing care for children suffering from the acquired immunodeficiency syndrome [AIDS].

More than 3,000 infants may become infected with the human immunodeficiency virus each year during the next 3 years. As of November 9, 1987, a total of 641 youngsters under 13 years of age had contracted the disease; 398 have died. These children, who usually become infected through their mothers during pregnancy, at the time of delivery, or after birth through breast feeding, have become the new "throw-away" children.

Orphaned or abandoned by parents and other family members, many of these children lie in hospital wards from birth through at least their 15th month, when test results can show whether they have actually contracted AIDS. For those youths found to have contracted the disease, foster care and adoption frequently are not options. Because potential foster parents fear contracting the disease or being ostracized for caring for an AIDS patient, few foster homes will accept these youngsters. Babies who test negative often fare no better, when their medical histories indicate that they even were suspected of having AIDS. Thus, we have developed within our society "boarder babies"—children whose homes become a hospital ward and whose only care, nurturing, affection, or stimulation is provided by their nurses and other hospital staff.

Mr. President, most of these children are in hospitals because they are homeless—there is no place else for them to go. Many cities and communities are not providing foster care or facilitating at-home care for these children—and this failure carries an exorbitant monetary penalty. For example, caring for an HIV-infected child at Harlem Hospital costs $600 per day, as compared to an expected $161 per day at Hale's Cradle, a foster facility which will open in Harlem this fall to provide care to AIDS babies. Indeed, a pediatric AIDS cost study at Harlem Hospital indicated that the cost of caring for 37 AIDS children, ages 10 months to 5½ years, totaled $3.3 million.

My legislation, the Pediatric Acquired Immunodeficiency Syndrome Resource Centers Act, provides $25 million in fiscal year 1988 and with appropriations for 1989 and 1990 to be determined later. Funds are to be used by hospitals for costs associated with the care of pediatric AIDS patients, including staffing, research, acquisition of equipment, renovation of facilities, and education, training, and services related to providing foster care and home care.

Mr. President, according to experts at the Children's Hospital of Philadelphia, there will be approximately 10,000 cases of pediatric AIDS in this country by 1991. Currently, Pennsylvania ranks 9th of 37 States with pediatric AIDS cases. In my State, the Children's Hospital of Philadelphia is developing a comprehensive plan for education, patient care, and research relating to pediatric AIDS. Our hospitals, social service agencies, and communities desperately need help in addressing this particularly sad aspect of the AIDS problem. The Federal investment we make in aiding them will improve the quality of life for sick children by more effectively utilizing our limited health care dollars.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1871

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Pediatric Acquired Immunodeficiency Syndrome (AIDS) Resource Centers Act of 1987".

SEC. 2. PEDIATRIC ACQUIRED IMMUNODEFICIENCY SYNDROME RESOURCE CENTERS.

Part B of title III of the Public Health Service Act is amended by adding at the end thereof the following new section:

"SEC. 319A. PEDIATRIC ACQUIRED IMMUNODEFICIENCY SYNDROME RESOURCE CENTERS.

"(a) GRANTS.—The Secretary shall make grants to hospitals to support the development and establishment in hospitals of pediatric acquired immunodeficiency syndrome resource centers. Such centers shall provide care and treatment for children infected with the human immunodeficiency virus and who have contracted acquired immunodeficiency syndrome and shall conduct research relating to the provision of such care and treatment. In making grants under this section, the Secretary shall give priority funding to hospitals that have a history of providing care and treatment for such children and that have established relationships with community-based resources for the provision of foster care and home care for such children.

"(b) USES.—Payments under a grant under this section may be used by a hospital to pay the costs of—

"(1) salaries for staff for pediatric acquired immunodeficiency syndrome resource centers;

"(2) the acquisition of equipment for such centers;

"(3) the renovation of facilities for such centers; and

"(4) other items and services necessary to provide care and treatment for children infected with the human immunodeficiency virus.

"(c) APPLICATION.—No grant may be made under this section unless an application therefor is submitted to the Secretary in such form at such time, and containing such information, as the Secretary may by regulation prescribe.

"(d) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated $25,000,000 for fiscal year 1988 and such sums as may be necessary for each of the fiscal years 1989 and 1990.".

By Mr. SPECTER:

S. 1872. A bill to amend the Public Health Service Act to provide for minority populations outreach, education, counseling, prevention, and research activities relating to acquired immunodeficiency syndrome, and for other purposes; to the Committee on Labor and Human Resources.

MINORITY ACQUIRED IMMUNODEFICIENCY SYNDROME [AIDS] AWARENESS AND PREVENTION PROJECTS ACT

Mr. SPECTER. Mr. President, today I am introducing the Minority Acquired Immunodeficiency Syndrome Awareness and Prevention Projects Act, legislation to provide for a targeted outreach and risk reduction program to help prevent the further spread of the deadly acquired immunodeficiency syndrome [AIDS] among minority populations in the United States. This bill responds to minority community concerns regarding the distribution of AIDS funding and recognizes the critical importance of stimulating prevention activities at the grassroots level and increasing public awareness of AIDS as a minority health issue. Of over 44,000 reported AIDS cases in this country, over 17,000 involve minorities, primarily black and Hispanic.

In the recent efforts to increase public awareness about the incidence of AIDS, one key factor has had minimal attention—the disproportionate representation of minorities in the AIDS caseload. Although blacks and Hispanics represent only 11 percent and 8 percent, respectively, of the U.S. population, 25 percent of AIDS patients have been black and 14 percent have been Hispanic. AIDS cases are occurring nearly three times more frequently among black and Hispanic men than among white men, as measured by reported cases per million population. Among women and children with AIDS, blacks and Hispanics predominate: 71 percent of the women and 80 percent of the children with AIDS are black or Hispanic. Compared to the number of AIDS cases among white women, AIDS cases are occurring 14 times more frequently among black women and 9 times more frequently among Hispanic women. The incidence rates among black and Hispanic children are 14.3 and 7.4 times the rates for white children.

The U.S. Public Health Service projects that there will be 270,000 AIDS cases by 1991. If minorities continue to represent 40 percent of AIDS patients, the toll will amount to 108,000 minority persons, primarily blacks and Hispanics.

AIDS is caused by a virus called the human immunodeficiency virus [HIV]. The human immunodeficiency virus permanently suppresses the body's immune system, rendering it ineffective. This virus is transmitted through: One, sexual contact; two, intravenous [IV] exposure to blood or blood products—for example, sharing needles used to inject illicit drugs or through blood transfusions; and three, infected mothers to their infants during pregnancy, at the time of delivery, or after birth through breast feeding.

According to medical epidemiologists at the Centers for Disease Control, AIDS is expected to spread much faster in the future among blacks and Hispanics than among whites. Patients with AIDS represent only a small portion of the population infected with HIV. An estimated 1.5 to 2 million persons are infected; experts predict that 25 to 50 percent of the infected population will develop AIDS within 5 to 10 years of infection. Of the 44,000 Americans who have contracted AIDS, more than 25,000 have died. Most infected persons are asymptomatic or only mildly symptomatic. They often are unaware of their infection and, therefore, take no precautions to prevent transmission to others.

Minority leaders are working to focus public attention on the threat AIDS poses to their communities. The AIDS epidemic with its disporportionate impact on the black community, was a major topic at the 77th annual convention of the National Urban League, which was held in Houston, TX, in July. According to Mr. John Jacob, president and chief executive officer of the National Urban League, the black community's previous indifference to the spread of AIDS is changing. Mr. Jacob noted that black AIDS victims are likely to be sicker and to die sooner, because they have poorer health than the general population and have less access to health care. Dr. Beny J. Primm, cofounder and executive director of the Addiction Research and Treatment Corp. of New York and a member of the Presidential AIDS Commission, believes that a massive and sustained prevention and education effort is needed for minority populations and I agree.

My sensitivity to the disproportionate representation of blacks and Hispanics in the AIDS caseload is based, in part, on the involvement of my office in a National Coinference on AIDS and the Black Community sponsored by the Southern Christian Leadership Conference [SCLC] at Howard University, May 29-30, 1987. Noted civil rights leader and SCLC president, Rev. Joseph Lowery, and his wife, Mrs. Evelyn Lowery, national convenor of SCLC/Women, are playing key leadership roles in advocating strong church and community involvement in AIDS education and risk reduction activities. The willingness of national minority community leaders to speak out and help educate others about the AIDS epidemic must be supported and encouraged. Without the leadership and strong involvement of black, Hispanic, and other minority community leaders, Government and private-sector efforts will have minimal impact. Moreover, efforts which do not have strong and active support from the clergy will not reach significant portions of the black and Hispanic communities.

In my home city of Philadelphia, a community group—Blacks Educating Blacks About Sexual Health Issues [BEBASHI]—is taking the lead in providing information and education activities aimed at stopping the spread of AIDS within the Philadelphia black community. In a recent letter to my office, BEBASHI executive director Rashidah Hassan wrote:

> As our community education about AIDS prevention becomes better known in the community, the demand for our program increases—and soon will greatly outstrip our capacity to respond if we aren't able to raise the necessary funds.

My legislation will enable BEBASHI or similar organizations to obtain the funds necessary to continue this vital work.

In developing the Minority Acquired Immunodeficiency Syndrome Awareness and Prevention Projects Act, I sought to respond to concerns raised by Mr. Carl Holman and the National Urban Coalition, the National Coalition of Hispanic Health and Human Services Organizations, the National Urban League, SCLC, the National Minority AIDS Council, and experts like Dr. Beny J. Primm. All have emphasized the need to target resources directly to minority organizations to meet education and risk reduction needs. Accordingly, my legislation amends the Public Health Service Act to provide $190 million in grants over a 3-year period through the Office of Minority Health to community-based organizations for outreach, education and counseling, prevention and research activities related to acquired immunodeficiency syndrome.

From this amount, $10 million is annually provided for grants to national minority organizations for national coordination, technical assistance and promotion activities. These funds can assist organizations like the National Urban Coalition, National Urban League, SCLC, the National Minority AIDS Council, and the National Coalition of Hispanic Health and Human Services Organizations in providing national leadership to combat the AIDS crisis in minority communities.

In addition, the bill creates a National Minority Acquired Immunodeficiency Syndrome Advisory Committee to monitor programs and activities, and advise the Secretary of the Department of Health and Human Services concerning Federal efforts to combat the AIDS epidemic in minority communities.

Mr. President, AIDS does not discriminate—it is an equal opportunity killer. In our efforts to stop the further spread of this disease we must make sure that we do not over look our vulnerable minority communities.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1872

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Minority Acquired Immunodeficiency Syndrome (AIDS) Awareness and Prevention Projects Act of 1987".

SEC. 2. PURPOSE.

It is the purpose of this Act to provide, through grants to community-based organizations, a program of outreach, education, counseling, prevention, and research activities to assist in reducing the risk of contracting acquired immunodeficiency syndrome among minority populations.

SEC. 3. GRANT PROGRAM.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end thereof the following new title:

"TITLE XXIV—PREVENTION AND PUBLIC AWARENESS OF ACQUIRED IMMUNODEFICIENCY SYNDROME AMONG MINORITY POPULATIONS

"SEC. 2401. GRANTS TO COMMUNITY-BASED ORGANIZATIONS.

"(a) IN GENERAL.—The Secretary, through the Director of the Office of Minority Health, shall make grants to community-based organizations for projects for the development and implementation of activities to increase the awareness among minority populations of information relating to, and methods of prevention of, acquired immunodeficiency syndrome (AIDS). Community-based organizations may form partnerships or cooperative agreements with colleges, universities, or other education or training institutions to provide technical assistance, or provide services, necessary to carry out this title.

"(b) APPLICATIONS.—No grant may be made under this section for a project unless an application therefor is submitted to the Secretary in such form and at such time as the Secretary may by regulation prescribe. Each such application shall contain—

"(1) information demonstrating that the applicant for the grant is a community-based organization, or is a coalition of community-based organizations, that is located in or has extensive access to the community to be served by the project and that has developed, and that will implement, the project to be supported with the grant;

"(2) information demonstrating that the project has been designed to consider the culture and life style of the minority population to be served by the project;

"(3) an identification and assessment of resources in the community to be served by the project that are available to assist the applicant in the implementation of the project;

"(4) a description of existing and potential relationships of the applicant with the community to be served by the project that can be used by the applicant to support and carry out the project;

"(5) a description of—

"(A) the manner in which the applicant has involved the community resource panel required under subsection (c) in the development of the project; and

"(B) the manner in which the applicant will involve such panel in the implementation of the project;

"(6) a statement of the methods by which the applicant will evaluate the effectiveness of the project; and

"(7) such other information as the Secretary may by regulation prescribe.

"(c) COMMUNITY RESOURCE PANEL.—Each applicant for a grant for a project under this section shall, prior to applying for such grant, establish a community resource panel to assist such organization in the development and implementation of the project. Such panel shall be composed of not less than 9 and not more than 15 individuals, and shall include—

"(1) at least one physician who lives or practices in the community to be served by the project;

"(2) at least one nurse or other health professional (other than a physician) who lives or practices in such community;

"(3) at least one private sector employer located in such community;

"(4) at least one representative of the local educational agency for the school district for such community;

"(5) at least one member of the clergy who serves in such community;

"(6) at least one representative of a local health care facility serving such community; and

"(7) at least one individual who resides in such community.

"(d) COMMUNITY REPORT.—Each recipient of a grant for a project under this section shall report to the community served by the project on the progress of the efforts of the recipient in carrying out the project for each year that the recipient receives such grant. Any such report may be provided in conjunction with a workshop, seminar, health fair, or other activity carried out by the recipient in the community.

"(e) NATIONAL COORDINATION, TECHNICAL ASSISTANCE, AND PROMOTION.—

"(1) GRANTS.—The Office of Minority Health shall make grants to national minority organizations with local chapters or affiliates to—

"(A) provide coordination, technical assistance, training, and development of educational materials and promotional strategies; and

"(B) conduct national meetings and conferences and utilize other strategies to mobilize the constituencies of the organizations to operate education and prevention programs relating to acquired immunodeficiency syndrome.

"(2) Amount.—A grant under this subsection shall be in an amount of not less than $250,000 and not more than $1,000,000.

"(3) Allocation.—Of the amounts made available under subsection (g), at least $10,000,000 shall be made available to carry out this subsection.

"(f) Definition.—For purposes of this section, the term 'community-based organization' includes (but is not limited to) religious organizations, community health centers, and community-based education and training organizations that serve the disadvantaged persons at risk of contracting acquired immunodeficiency syndrome, and community-based programs serving intravenous drug abusers.

"(g) Authorization of Appropriation.—To carry out this section, there are authorized to be appropriated $50,000,000 for fiscal year 1988, $65,000,000 for fiscal year 1989, and $75,000,000 for fiscal year 1990.

"SEC. 2402. STRATEGY RELATING TO ACQUIRED IMMUNODEFICIENCY SYNDROME AND MINORITIES.

"(a) Strategy.—For each fiscal year, the Secretary shall prepare and transmit to the Congress a written strategy for education, counseling, prevention, training, treatment, research, and service delivery activities relating to acquired immunodeficiency syndrome that are specifically directed toward Blacks, Hispanics, and other minority populations.

"(b) Evaluation.—The plan shall specify and evaluate, with respect to the fiscal year preceding the fiscal year for which the plan is transmitted, the activities implemented under the plan prepared under this section for such preceding fiscal year.

"(c) First Plan.—The first plan for the fiscal year following the effective date of this title shall be prepared no later than 90 days after the effective date of this title.

"SEC. 2403. ADVISORY COMMITTEE AND CLEARINGHOUSE.

"(a) Advisory Committee.—

"(1) Establishment.—The Secretary shall establish a National Minority Acquired Immunodeficiency Syndrome Advisory Committee, which shall monitor and advise the Secretary with respect to efforts by Federal agencies to combat the epidemic of acquired immunodeficiency syndrome in minority communities.

"(2) Recommendations.—The Committee shall report directly to the Secretary any recommendations with respect to legislative and administrative actions, including requests for appropriations, such Committee considers appropriate to combat such epidemic in minority communities.

"(3) Meetings.—The committee shall meet no more than four times each year.

"(4) Travel expenses.—The members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Committee.

"(b) Clearinghouse.—The Secretary, through the Director of the Office of Minority Health, shall establish a minority acquired immunodeficiency syndrome clearinghouse to provide primarily to minority communities and minority individuals access to information relating to—

"(1) the prevention and treatment of acquired immunodeficiency syndrome;

"(2) the financing of such treatment;

"(3) available education, counseling, and training concerning such syndrome;

"(4) the results of research relating to such syndrome; and

"(5) other available information concerning such syndrome.".

SEC. 4. OFFICE OF MINORITY HEALTH.

(a) General Authority.—Section 1701 of the Public Health Service Act (42 U.S.C. 300u) is amended—

(1) in the first sentence of subsection (a)—

(A) by striking out "and" at the end of paragraph (9);

(B) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

(C) by inserting after paragraph (10) the following new paragraph:

"(11) establish, in the Office of the Assistant Secretary for Health, an Office of Minority Health that shall—

"(A) establish plans, including specific short- and long-range objectives, and coordinate all activities within the Department, that relate to minority health care education, prevention, and service delivery with respect to the appropriate use of health care;

"(B) coordinate efforts to promote minority health care programs and policies in voluntary organizations and in the private sector with respect to minority health;

"(C) establish a national minority health care resource center to promote the exchange of, and access to, information concerning minority health care, and to provide for analyses of issues and problems regarding minority health;

"(D) support projects, conduct research, demonstrations, and evaluations, and disseminate information and findings relative to minority health care;

"(E) make grants to support efforts to increase knowledge and awareness in minority communities of the urgency of acquired immunodeficiency syndrome, including efforts such as public meetings, public speaking bureaus, training programs, and regional, State, and local conferences; and

"(F) make grants to support studies and demonstration projects to—

"(i) test new and innovative approaches to information, education, prevention, and treatment activities relating to acquired immunodeficiency syndrome;

"(ii) examine the impact of acquired immunodeficiency syndrome on minority communities;

"(iii) determine more cost-effective methods of delivering health care to individuals with acquired immunodeficiency syndrome; and

"(iv) evaluate efforts in minority communities to prevent and treat acquired immunodeficiency syndrome.";

(2) in subsection (a), by inserting after the second sentence the following new sentence: "The Secretary shall appoint a Director for the Office of Minority Health established pursuant to paragraph (11), who shall be a member of the Public Health Service corps at the 07 level or its civil service equivalent.";

(3) in the last sentence of subsection (a)—

(A) by inserting after "agencies" the following: "(including minority health care organizations, providers, and historically black colleges and universities (HBCUs))"; and

(B) by inserting ", including minority communities" before the period at the end thereof; and

(4) by striking out subsection (b) and inserting in lieu thereof the following new subsection:

"(b) To carry out this title, there are authorized to be appropriated $30,000,000 for fiscal year 1988, $35,000,000 for fiscal year 1989, and $40,000,000 for fiscal year 1990.".

(b) Research Programs.—Section 1702 of such Act (42 U.S.C. 300u-1) is amended—

(1) in the first sentence of subsection (a)—

(A) by striking out "health information" and inserting in lieu thereof "health and minority health information"; and

(B) by inserting "health care delivery, access, and financing," after "health services,"; and

(2) in the first sentence of subsection (b), by inserting ", including minorities," after "public".

(c) Community Programs.—Section 1703 of such Act (42 U.S.C. 300u-2) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1), by inserting "health risk factor reduction," after "programs in";

(B) in paragraph (1)(A), by inserting "in minority communities," after "(A) are";

(C) in paragraph (3), by inserting after "teaching programs" the following: "that are culturally sensitive to the diverse and unique needs of many minority citizens"; and

(D) in paragraph (4), by inserting after "hypertension," the following: "cancer, cardiovascular disease, infant mortality, substance abuse, homicide, unintentional injuries,"; and

(2) in the last sentence of subsection (c), by striking out "1978" and inserting in lieu thereof "1988".

(d) Information Programs.—Section 1704 of such Act (42 U.S.C. 300u-3) is amended—

(1) by inserting after the first sentence the following new sentence: "Such activities shall include special priority to minority individuals, providers, educators, and other persons in minority communities who are or should be informed respecting such matters.";

(2) in paragraph (1) of the last sentence—

(A) by inserting "culturally sensitive and relevant" after "publication of"; and

(B) by inserting "homicide and suicide," after "accident prevention,"; and

(3) in paragraph (2) of the last sentence, by inserting "minority communities," after "cooperation of".

(e) Report.—Section 1705 of such Act (42 U.S.C. 300u-4) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) by inserting after subsection (a) the following new subsection:

"(b) Not later than 2 years after the date of enactment of this subsection and annually thereafter, the Secretary shall submit to the President for transmittal to Congress a report on the status of minority health care efforts in health information and health promotion, preventive health services, and education in the appropriate use of health care. The report shall include—

"(1) a statement of the activities carried out under this title since the last report was submitted and the extent to which each such activity achieves the purposes of this title;

"(2) an assessment of the manpower resources needed to carry out programs relating to health information and health promotion, preventive health services, and education in the appropriate use of health care;

"(3) a statement of the goals and strategy formulated pursuant to section 1701(a)(1), the models and standards developed under this title, and the results of any study conducted to carry out this subsection; and

"(4) such recommendations as the Secretary considers appropriate for legislation respecting health information and health promotion, preventive health services, and education in the appropriate use of health care, including recommendations for the extension and revision of this title.".

By Mr. HEINZ (for himself and Mr. HEFLIN):

S. 1874. A bill to amend title 38, United States Code, to redefine the term "former prisoner of war;" to the Committee on Veterans' Affairs.

BENEFITS FOR SERVICEMEN HELD IN THE SOVIET UNION DURING WORLD WAR II

● Mr. HEINZ. Mr. President, today I am introducing legislation to assist some of our most valorous servicemen. At present, despite the services they rendered to our Nation, these men cannot secure the benefits which I believe they deserve.

During the Second World War, approximately 335 American airmen landed in the Soviet Union after raids on Japanese territory. The Soviets, seeking to avoid bad relations with the Japanese, interned these servicemen as was their obligation under international law. Stalin eventually allowed for staged "escapes" of some of these men, yet great care was taken to avoid any violation of Soviet neutrality.

Today, those veterans, who flew dangerous missions over enemy territory and survived, find themselves unable to claim benefits available to former prisoners of war. Though many of the hardships they had to endure are similar to those endured by prisoners of the Germans or the Japanese, such as frostbite, malnutrition, and prolonged exposure to cold, they are not treated in the same way simply because the Soviet Union was a neutral country at that time.

The legislation I am introducing today will bring these veterans into the fold. My bill quite simply designates this small number of former servicemen—those detained by the Soviets during the Second World War—to the same benefits as other prisoners of war.

Former prisoners of war receive a presumption of service connection for specific illnesses common to their wartime experience. They receive priorities, under special circumstances, for VA health care.

Those who spent months or years in Soviet-controlled camps are entitled to adequate health care as the years go by. That is what my legislation is about.

Those veterans interned by the Soviets, though few in number, have been passed over when it comes to benefits. The time has come to recognize that their sacrifices have not been forgotten.

Mr. President, I ask unanimous consent that the text of my bill and a newspaper article on Doolittle's raiders appear at the conclusion of my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1874

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 101 (32) of title 38, United States Code, is amended—

(1) by striking out "or" at the end of clause (A);

(2) by striking out the period at the end of clause (B) and inserting in lieu thereof a semicolon and "or"; and

(3) by adding at the end the following new clause (C):

"(C) by the government of the Union of Soviet Socialist Republics, during World War II, under circumstances which the Administrator finds to have been comparable to the circumstances under which persons have generally been forcibly detained or interned by enemy governments during periods of war.".

[December 1944]

DOOLITTLE TOKYO BOMBERS WHO LANDED IN RUSSIA MAKE "ESCAPE"

(By Henry C. Cassidy)

WASHINGTON.—Latest of Lt. Gen. James H. Doolittle's Tokyo raiders to be heard from, the five who landed in Russia, have "escaped" across one of the world's best guarded borders and returned safely to the United States.

The inside story of their adventure was learned today from an authoritative source.

The five formed the crew of one of the 16 B25 bombers which hit Tokyo April 18, 1942. This one made a forced landing in the Russian maritime province while the others flew on to China.

This crew was interned in the Soviet Union, and left a year later.

The fliers almost escaped internment when they first came down without gasoline at an airport near Vladivostock.

They told the Russians their plane should be accorded the privilege of belligerent ships in distress to put into a neutral port, refuel and proceed.

The Russians seemed willing and put the Americans up for the night. Next morning, however, the fliers found they had been interned under international law, and were not permitted to return to the plane.

The United States embassy, then headed by Adm. William H. Standley, was notified by the Soviet diplomatic agent in the Far East, and undertook to make contact with the men.

They turned up in the central Russian town of Penza, between Moscow and Kuibyshev, where they were given a country house.

The United States military attache, Col. Joseph A. Michela, and Edward Page, second secretary of embassy, were permitted to visit them.

When the German advance to Stalingrad that summer threatened central Russia, the fliers were moved east to Ohansk, on the Kama river near Molotov, where they were given a large house.

Adm. Standley visited them Sept. 12, 1942, and took them for a boat excursion on the Kama, complete with caterers, musicians and an English-speaking hostess.

The fliers had comfortable rooms, plenty of food, servants and an interpreter-guard who taught them Russian. They had the freedom of the river-port town, went swimming and were promised hunting in the fall.

But they were chafing at inactivity. They told Adm. Standley they wanted to get back into action.

That winter they were transferred to Ashkhabad where, as the Russians put it, they would be warmer and could be "usefully employed." Ashkhabad is on the Soviet-Iranian border, just east of the Caspian sea.

One day they drove across the border in a truck to the Iranian city of Meshed, and never returned.

Soviet officials never drew the attention of the United States embassy to the "escape," and the Americans never mentioned it to the Russians.●

By Mr. FOWLER:

S. 1875. A bill for the relief of Nisme Gonzalez; referred to the Committee on the Judiciary.

RELIEF OF NISME GONZALEZ

● Mr. FOWLER. Mr. President, today, I am introducing a bill to provide for the relief of Nisme Gonzalez. I ask unanimous consent that various materials related to the bill be printed in the RECORD.

There being no objection, the materials were ordered to be printed in the RECORD, as follows:

PRIVATE BILL—CASTANEDA

Name: Nisme Gonzalez-Rubio Castaneda.

Date and Place of Birth: November 8, 1958, Rubio Castaneda, Colombia, South America.

Present Residence: Atlanta, Georgia.

SPECIAL NEED FOR PERMANENT RESIDENCY IN THE UNITED STATES

Nisme Gonzalez is the mother of Angelica Maria Ahumada Gonzalez. Angelica was born on April 6, 1984, as one of a pair of Siamese twins, attached at the pelvis. Upon separation, the other twin died, but Angelica remained alive with severe medical problems and deformities, such as no pelvic bone and an external bladder.

Ms. Gonzalez previously worked for an American multinational company in Colombia, and it was through a co-worker that she found medical help for her child. This gentleman contacted Scottish Rite Children's Hospital in Atlanta and made arrangements for Angelica to receive the necessary surgery. The surgery is being funded by the Shriners, but she will require Ms. Gonzalez to remain in the United States until all of the procedures are complete. This could take several years.

Angelica has undergone four successful surgeries since February 1985. However, more surgeries will be needed which cannot be performed in Colombia, as it lacks adequate medical facilities.

VISAS USED TO ENTER THIS COUNTRY

Ms. Gonzalez has a B-2 visa which is valid through February 25, 1990. Her visa was obtained on February 26, 1985 at Barranquilla, Colombia, and the visa number is 570563. Nisme and Angelica arrived in February of 1985 to begin the series of needed surgeries.

TIME LIMITATIONS

Ms. Gonzalez's medical permit ends in three months. She needs to acquire permanent residency and in order to stay in the U.S. to work. She no longer has a job in Colombia, and she does not have the funds to travel between Colombia and the U.S. for her daughter's treatment. Southern Bell would like to hire her as a translator, but the company is concerned about the status of her residency.

EXHAUSTION OF ALL OTHER REMEDIES

Currently, Ms. Gonzalez has a tourist visa which will not allow her to work in the U.S. She is not eligible to apply for an immigrant or non-immigrant visa for the following reasons:

(1) She does not have a close relative in the U.S. who could petition for her permanent residence, and

(2) There is no company which would petition on her behalf, because she is not a professor, artist, researcher, or the like who would be indispensable to such a company.

In essence, she does not fit into any of the categories established by the Bureau of Immigration and would need special consideration for permanent residence.

PRESENT STATUS

Ms. Gonzalez awaits special review of her situation.

SCOTTISH RITE CHILDREN'S HOSPITAL,
Atlanta, GA, November 10, 1986.

Re: medical visa for Nizme Gonzalez Rubio Castaneda.

To Whom It May Concern:

Angelica Maria Gonzalez Rubio Anhumada has been a patient at Scottish Rite for the past two years. She was sent here for special treatment which was not available in her homeland of Colombia, South America.

Please see attached information on her medical history diagnosis and prognosis for the future.

The baby and her mother have been traveling back and forth to date, which has become prohibitive.

It is the consensus of all the attending physicians for this child that we could best serve her as our patient if she could remain here and available to be seen more regularly at Scottish Rite. At this time, medically speaking, it is not predictable exactly when the pelvic osteotomy can be performed or for that matter other future surgeries.

We are asking that you consider granting both the mother and child a more extended visa so that we may adequately attend her medical needs.

Thank you for your cooperation.

Sincerely,

THOMAS S. PARROTT, MD.

DISCHARGE SUMMARY

Name: Ahumada, Angelica.

Date of Admission: 5-19-86.

Discharge Date: 5-26-86.

Reason for Hospitalization: Here for closure of sigmoid loop colostomy.

BASIC HISTORY

This is a 2-year-old Colombian female who was born a Siamese twin, joined at the pelvis and lower abdomen. This is the only survivor of the twin set. This patient was noted to have a cloacal deformity, involving 1 bilateral hemibladder, each with a single urethra from the bilateral kidneys, a single rectal opening, separate vaginas and separate uteri. The patient has undergone multiple surgeries including:

(1) 9-3-85—Sagittal anorectoplasty with vaginoplasty, cystoplasty and urethroplasty.

(2) 1-24-86—Bladder reconstruction with fusion of her bilobate bladder, vagina reconstruction and urethra construction.

(3) 5-19-86—Closure of sigmoid loop colostomy and operative cystoscopy with vaginoscopy by Dr. Parrott.

OPERATION

(1) 5-21-86—Cystoscopy and vaginoscopy by Dr. Parrott.

Post operative diagnosis: Vesicovaginal fistula with incompetent bladder neck. The patient was noted to have 100cc. bladder capacity, and at this point, a leakage was visualized coming through the vagina approximately 2 cm. from the vaginal introitus. As per Dr. Parrott's interpretation, this vesicovaginal fistula will be amenable to primary repair through a vaginal approach and he recommended that this be done at a later date.

(2) The patient also underwent takedown of sigmoid loop colostomy on 5-21-86 with primary end to end anastomosis done by Dr. Naffis. There were no complications of the surgery post op.

HOSPITAL COURSE AND TREATMENT

Was essentially uncomplicated. The patient remained afebrile. She was placed on triple antibiotics pre op and remained on them post op x 5 days. The cultures of the anastomotic site post op prior to closure of the skin remained negative at 72 hours. The incisions are healing well prior to discharge. The patient was stooling—the stools were numbering 4-6 in number Q day and were fairly liquidy and as the patient was not toilet trained prior to this procedure, she was at the time incontinent of stool, however, her sphincter control at this point is difficult to access. On rectal exam, she does have good sphincter tone.●

By Mr. DECONCINI (for himself, Mr. CRANSTON, Mr. MURKOWSKI, Mr. ROCKEFELLER, and Mr. GRAHAM):

S. 1876. A bill to amend title 38, United States Code, to require the establishment of child care centers at Veterans' Administration facilities; to the Committee on Veterans' Affairs.

VETERANS' ADMINISTRATION CHILD CARE ACT

● Mr. DECONCINI. Mr. President, today, along with the distinguished chairman of the Senate Committee on Veterans Affairs, Senator CRANSTON, the ranking member Senator MURKOWSKI, Senator ROCKEFELLER, and Senator GRAHAM, I am introducing important legislation to require the establishment of onsite child care centers at all Veterans' Administration facilities.

Mr. President, nearly half of all infants in America have mothers working outside the home. That figure has doubled since 1970, and there is no sign that this trend is reversing. Almost two-thirds of all American mothers are now in the workforce, and no less than 93 percent of all women working outside the home will become pregnant during their child-bearing years. As a result, child care is the fastest growing, most expensive form of supplemental care in this country.

These percentages translate into a total today of 24 million children under age 13 with mothers working outside the home. Over the next 5 years, this figure will swell to nearly 30 million, and experts believe most of these children will not receive the basic attention necessary for the development of healthy minds and bodies. As parents continue to struggle with families and work responsibilities, the availability of high quality and affordable child care services will play an increasingly important role in employment decisions.

For several years now, Congress has been attempting to convince private industry that legislation which would alleviate some of the burden being placed upon America's families is good business. This policy has been premised upon a philosophy that a healthy and happy family is the underpinning of a better society, and a healthy and happy employee is the underpinning of a successful business. Obviously, onsite child care, where a parent can be close to and monitor the care of his or her child is the preferable option for any employee. However, if we are to succeed in convincing the private sector of the merits of progressive child care policies, the Federal Government must take the lead.

It is both exciting and encouraging to find several VA medical centers establishing child care centers for the children of their employees. Unfortunately, only 14 of these centers exist to date. With the extraordinary recruitment and retention problems the VA is experiencing with respect to health care personnel, it is in our best interest to require the establishment of child care centers at all VA facilities. It is my firm belief that onsite child care is not only good for the child and the parent, but is good for the Veterans' Administration.

Mr. President, perhaps nowhere in the Federal work force is child care needed more than among Veterans' Administration health care workers. If the VA is to compete with private facilities for health care professionals, it will have to provide services that make it attractive to health care providers. National shortages of nursing and other skilled medical personnel have created an extremely competitive labor market. In response, private hospitals and other medical care institutions have led the Nation in the development of child care options in order to recruit and retain skilled medical care personnel. As a result, the Veterans' Administration medical centers are suffering acute nursing shortages. In Arizona, medical wards in VA facilities have had to close on an increasingly frequent basis because they have been unable to recruit and retain sufficient nurses.

While child care centers are of immediate concern, such centers should, in my view, be available for all VA employees. For this reason, I am introducing legislation to require the establishment of onsite child care centers at Veterans' Administration facilities for the care of children of VA employees, and to the extent space is available, other Federal employees and non-Federal employees. Under this legislation, the Administrator shall furnish space in existing VA facilities as well as utilities and other amenities for the health and safety of the children associated with such care. Any other facilities or services provided by the Administrator for the child care centers will be provided on a reimbursable basis. Fees to cover the cost of the operation of the center will be based on a sliding scale according to the income and assets of the children's parents. Further, the bill requires that a parental advisory committee be created which will incorporate parent participation in establishing policies concerning the center as well as overseeing operations of the child care center. In addition, it requires the development of a process to determine the fitness and suitability of prospective employees. Finally, the bill also requires that the centers be in compliance with State and local laws.

The VA Administrator may exercise several options in order to carry out the provisions of this bill. The administrator may: First, enter into contracts with nonprofit organizations that are comprised of parents who would receive child care services in these centers; second, contract with other nonprofit organizations for the operation of the centers which have a demonstrated expertise in running child care centers; or third, provide for the direct management of the centers by the Veterans' canteen service created by chapter 75 of this title. In those instances where the Administrator chooses to provide direct management or contract with nonprofit organizations, other than those comprised of parents who would receive the services, such management shall include a provision for a parent advisory committee.

Mr. President, quality child care is both vital to improving the work environment for VA employees and to providing the highest level of health care for our veterans. The Veterans' Administration Child Care Act of 1987 offers a viable solution to such a dilemma.●

By Mr. BRADLEY (for himself, Mr. Roth, Mr. Chafee, Mr. McCain, Mr. Pell, Mr. Lautenberg, and Mr. Stafford):

S. 1877. a bill to restore balance among sources of supply for the Nation's sweetener needs, and for other purposes; referred to the Committee on Agriculture, Nutrition, and Forestry.

SUGAR SUPPLY STABILIZATION ACT

● Mr. BRADLEY. Mr. President, today I am pleased to introduce the Sugar Supply Stabilization Act of 1987, along with my colleagues Senators Roth, Chafee, McCain, Pell, Lautenberg, and Stafford. This legislation will reform the Government's price support program for domestic sugar production. although this program is hailed by sugar producers as a success, the so-called "no-cost" sugar program is anything but no-cost, and it is certainly no success.

Today's sugar program was designed to provide a "safety net" for farmers. Instead, it has guaranteed all U.S. sugar and corn sweetener producers extraordinary profits. Raw sugar is currently selling at about 22 cents a pound in the United States, over three times the current world price. The guaranteed higher price for sugar translates into an average annual subsidy of approximately $170,000 per sugar grower. In the case of some growers, this subsidy totals millions of dollars. The sugar program has also caused higher prices for high fructose corn syrup [HFCS], thereby adding an additional $1.2 billion per year in profits to a handful of domestic corn sweetener producers.

The artificially high price of sugar costs American consumers an extra $3 billion a year solely to benefit some 10,000 sugar growers and a few corn sweetener producers. This excess cost for sugar is a burden on all Americans. But the burden weighs most heavily on the poor, since they spend much of their income for basic foods. Our "no-cost" sugar program clearly costs consumers billions of dollars in higher food prices.

U.S workers also do not escape the adverse effects of this program. Since 1981, eight U.S. sugar refineries, which are dependent on imported raw sugar, have closed their doors; more than 2,000 American workers in those companies have lost their jobs. These refiners couldn't compete with foreign competitors who have access to sugar at far lower prices. Dock workers have also suffered as sugar imports dropped 80 percent over the last 5 years—the direct result of a 400 percent cut in the sugar quota.

The U.S. food and beverage manufacturing industries employ hundreds of thousands of people—the chocolate and confectioners industries alone employ more than 60,000 workers. These jobs are threatened by competition from foreign manufacturers which have access to competitively priced sugar. More and more domestic food companies are relocating their plants outside this country so that they, too, can have access to world market prices. The "no-cost" U.S. sugar program is costing many American workers their very livelihoods.

But U.S. consumers and workers are not the only ones who suffer from our sugar policy. This policy directly endangers our national security interests. Important strategic allies and neighbors, such as the Philippines and the Caribbean and Latin American nations, have also been harmed by our misguided sugar program. Since 1981, the amount of sugar allowed in the United States has dropped from 5 million tons to 1 million tons. Recent figures released by the U.S. Department of Agriculture indicate that domestic sugar producers will reap a record harvest this year. USDA officials estimate that sugar import quotas may reach zero within a few years. Our no-cost sugar program keeps impoverished some of our most needy allies, who even now are unable to bear the burden of excessive foreign debt.

Mr. President, the Sugar Supply Stabilization Act of 1987 will create a more competitive market for sugar in America. This new market—and lower prices—will help consumers, labor, and domestic industry. The act will reduce the sugar support price from 18 cents to 12 cents by 1991. At the same time, the annual import quota is increased by 500,000 tons each year from 1989 to 1992.

This gradual transition will facilitate adjustment in the domestic sugar-producing industry. The final price support level is sufficient to serve as a safety net for efficient producers. Likewise, this legislation will slowly and steadily increase the domestic sugar quotas from the current annual rate of approximately 1 million tons to an annual rate of at least 3 million tons in the early 1990's, which is approximately the same level that prevailed in 1982 when quotas were first imposed.

The decrease in the sugar support price—and the expectation of future price reductions—should lead to less domestic sweetener production and sufficient demand to absorb quota increases. The goal, clearly, is to maintain a sugar program that truly does not burden the American taxpayer. In contrast, the current sugar program depends on quota reductions to prevent loan forfeitures and cost to the Government. As I've stated, imports are now 1 million tons, down from 5 million tons in 1981. We're soon to be, as Secretary of Agriculture Lyng has said, "self-sufficient" in sugar supply. Once this quota goes to zero—which seems inevitable within a year or two—the no-cost veil of today's program will vanish.

The current sugar program has failed. Congress must face up to this fact and take the necessary actions to reform this program. Sugar is a minor crop in the United States. That is why it is ludicrous to benefit 10,000 growers at the expense of U.S. strategic interests, hundreds of thousands of American workers, and hundreds of millions of American consumers.

Mr. President, I ask unanimous consent that the text of the bill be printed in full at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1877

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Sugar Supply Stabilization Act of 1987".

SEC. 2. SUGAR PRICE SUPPORT.

(a) Amendment to the Food Security Act of 1985.—Section 901 of the Food Security Act of 1985 (Public Law 99-198; 99 Stat. 1443) is amended by striking out "Effective only for the 1986 through 1990 crops of sugar beets and sugarcane, section" and by inserting in lieu thereof "Section".

(b) Amendment to the Agricultural Act of 1949.—Section 201(j) of the Agricultural Act of 1949 (7 U.S.C. 1446(j)) is amended—

(1) in paragraph (1), by striking out "of the 1986 through 1990 crops" and inserting in lieu thereof "crop";

(2) by striking out paragraph (2) and inserting in lieu thereof the following new paragraph:

"(2) The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate, but not less than—

"(A) in the case of each of the 1986 and 1987 crops, 18 cents per pound;

"(B) in the case of the 1988 crop, 16.5 cents per pound;

"(C) in the case of the 1989 crop, 15.0 cents per pound;

"(D) in the case of the 1990 crop, 13.5 cents per pound; and

"(E) in the case of the 1991 and subsequent crops, 12.0 cents per pound."; and

(3) by striking out paragraph (4) and redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively.

SEC. 3. SUGAR IMPORT QUOTAS.

(a) In General.—Notwithstanding any other provision of law, any limitation imposed under any other provision of Federal law on the total quantity of sugars, syrups, and molasses provided for in item 155.20 or 155.30 of the Tariff Schedules of the United States that may be entered during calendar year 1989, 1990, 1991 or 1992, shall equal or exceed the sum of—

(1) the amount of such limitation for the calendar year preceding such calendar year, plus

(2) 500,000 short tons, raw value.

(b) Conforming Amendment.—Subdivision (a) of headnote 3 to subpart A of part 10 of schedule 1 of the Tariff Schedules of the United States is amended—

(1) by inserting "(i)" after "(a)", and

(2) by adding at the end thereof the following:

"(ii) Notwithstanding any other provision of this headnote, any limitation imposed under this headnote on the total quantity of sugars, syrups, and molasses provided for in item 155.20 or 155.30 that may be entered during calendar year 1989, 1990, 1991, or 1992, shall equal or exceed the sum of—

"(A) the amount of such limitation for the calendar year preceding such calendar year, plus

"(B) 500,000 short tons, raw value.".

(c) Entered.—For purposes of this section, the term "entered" means entered, or withdrawn from warehouse, for consumption into the customs territory of the United States.

SEC. 2. GENERAL AMENDMENTS.

(a) Sugar Loan Forfeitures.—Section 902 of the Food Security Act of 1985 (7 U.S.C. 1446 note) is amended by striking out subsections (a) and (b) and by striking out the subsection designation "(c)".

(b) Resale Authority.—The second proviso of the third sentence of section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended by inserting before the colon the following: "except that this restriction shall not apply to sugar during the 1988 through 1991 crop years:".

(c) Study.—

(1) In General.—The Secretary of Agriculture shall study means of reducing the difference between the loan rate and the market stabilization price by using alternative methods for determining transportation differentials, regional loan rates, and the market stabilization price of sugar.

(2) Report.—Not later than 90 days after the date of enactment of this Act, the Secretary shall submit a report describing the results of the study conducted under paragraph (1) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.●

● Mr. LAUTENBERG. Mr. President, I am very pleased to join as an original cosponsor of this important legislation.

Mr. President, the sugar program needs reform. The current program is hurting consumers, producers of products containing sugar, the domestic sugar refining industry, and many of our sugar-producing allies and neighbors.

American consumers are now paying about 22 cents for a pound of raw sugar. That is over three times the world price. It adds up to an additional $3 to $4 billion a year for American consumers, or $100 a year for a family of four.

Manufacturers of candy, chocolate, and other sugar-containing products also are paying a heavy price for the sugar program. Some have fled to Canada to avoid the inflated United States prices, leaving their American workers behind. Those who have remained are being placed at a competitive disadvantage because foreign competitors are producing their products with cheaper sugar. The result again is lost American jobs and lost American manufacturing capacity.

Another casualty of our misguided sugar program is the domestic sugar refining industry. Choked by inadequate supplies of sugar caused by U.S. import quotas, a large number of refiners have been forced out of business. Many others are on the financial brink. As refiners fail, chocolate and candy manufcturers who depend on them for supplies also suffer.

The harmful effects of the Nation's sugar program do not stop at the border. By limiting imports of sugar, we are hurting many of the poorest countries in the world that depend heavily on sugar exports—countries like the Phillipines, El Salvador, Costa Rica, and several Caribbean and African countries. Many of these countries are struggling to maintain democracy and improve their economies. Their people are struggling with desperate poverty.

The United States has strong interests in supporting these countries: political interests and moral interests. Yet while we often uphold these interests in our rhetoric, we undermine them with our sugar program, a program that can only be labeled as protectionist.

For all the costs the sugar program imposes, it benefits only a small number of producers: less than 12,000 growers and a few corn sweetener producers. But the few that benefit do so in a big way. The program's effective annual subsidy works out to about $170,000 per sugar grower. For some, the program means millions of dollars in government-created income.

Mr. President, our sugar program has been a sweet deal for sugar producers, but has soured our relations with many in the Third World. Millions of people around the world are suffering so that a narrow special interest can reap a large and unjustified windfall. That is fundamentally wrong.

This bill will begin to correct that wrong. I commend my colleague from New Jersey, Senator Bradley, for his leadership in this area, and I look forward to working with him to help ensure that the bill receives prompt, favorable consideration in the Senate.●

ADDITIONAL COSPONSORS

S. 373

At the request of Mr. Pell, the name of the Senator from North Dakota [Mr. Burdick] was added as a cosponsor of S. 373, a bill to reauthorize the program of finance assistance to meet special education needs of disadvantaged children, and to reauthorize chapter 2 of the Education Consolidation and Improvement Act of 1981, through fiscal year 1993.

S. 430

At the request of Mr. Metzenbaum, the name of the Senator from Michigan [Mr. Levin] was added as a cosponsor of S. 430, a bill to amend the Sherman Act regarding retail competition.

S. 533

At the request of Mr. Thurmond, the names of the Senator from Missouri [Mr. Bond], and the Senator from Massachusetts [Mr. Kennedy] were added as cosponsors of S. 533, a bill to establish the Veterans' Administration as an executive department.

S. 762

At the request of Mr. **Pell**, the name of the Senator from Hawaii [Mr. **Matsunaga**] was added as a cosponsor of S. 762, a bill to provide for a Voluntary National Service and Education Demonstration Program, and for other purposes.

S. 840

At the request of Mr. **Thurmond**, the names of the Senator from Wisconsin [Mr. **Kasten**], the Senator from Maryland [Ms. **Mikulski**] and the Senator from West Virginia [Mr. **Rockefeller**] were added as cosponsors of S. 840, a bill to recognize the organization known as the 82d Airborne Division Association, Incorporated.

S. 952

At the request of Mr. **Heflin**, the name of the Senator from Iowa [Mr. **Grassley**] was added as a cosponsor of S. 952, a bill to improve the administration of justice by providing greater discretion to the Supreme Court in selecting the cases it will review, and for other purposes.

S. 1085

At the request of Mr. **Glenn**, the name of the Senator from Nevada [Mr. **Reid**] was added as a cosponsor of S. 1085, a bill to create an independent oversight board to ensure the safety of U.S. Government nuclear facilities, to apply the provisions of OSHA to certain Department of Energy nuclear facilities, to clarify the jurisdiction and powers of Government agencies dealing with nuclear wastes, to ensure independent research on the effects of radiation on human beings, and for other purposes.

S. 1346

At the request of Mr. **Matsunaga**, the name of the Senator from New Jersey [Mr. **Bradley**] was added as a cosponsor of S. 1346, a bill to amend the National Labor Relations Act to give employers and performers in the performing arts rights given by section 8(e) of such Act to employers and employees in similarly situated industries, to give employers and performers in the performing arts the same rights given by section 8(f) of such Act to employers and employees in the construction industry, and for other purposes.

S. 1347

At the request of Mr. **Simon**, the name of the Senator from Minnesota [Mr. **Boschwitz**] was added as a cosponsor of S. 1347, a bill to facilitate implementation of the 1980 Hague Convention on the Civil Aspects of International Child Abduction, and for other purposes.

S. 1378

At the request of Mr. **Thurmond**, the name of the Senator from Alabama [Mr. **Heflin**] was added as a cosponsor of S. 1378, a bill to provide for setting aside the first Thursday in May as the date on which the National Day of Prayer is celebrated.

S. 1424

At the request of Mr. **Simon**, the name of the Senator from Pennsylvania [Mr. **Specter**] was added as a cosponsor of S. 1424, a bill to amend title 8, United States Code, to provide for adjustment of status of certain Polish nationals who arrived in the United States before July 21, 1984, and who have continuously resided in the United States since that date.

S. 1522

At the request of Mr. **Riegle**, the name of the Senator from New Jersey [Mr. **Bradley**] was added as a cosponsor of S. 1522, a bill to amend the Internal Revenue Code of 1986 to extend through 1992 the period during which qualified mortgage bonds and mortgage certificates may be issued.

S. 1541

At the request of Mr. **Reid**, the name of the Senator from Maryland [Mr. **Sarbanes**] was added as a cosponsor of S. 1541, a bill to provide veterans' benefits to persons who served as seamen in the U.S. merchant marine during World War II.

S. 1625

At the request of Mr. **Sanford**, the name of the Senator from Montana [Mr. **Melcher**] was added as a cosponsor of S. 1625, a bill to enhance the effectiveness and independence of the U.S. Court of Military Appeals.

S. 1630

At the request of Mr. **Heflin**, the name of the Senator from Hawaii [Mr. **Inouye**] was added as a cosponsor of S. 1630, a bill to provide for retirement and survivors' annuities for bankruptcy judges and magistrates, and for other purposes.

S. 1673

At the request of Mr. **Chafee**, the name of the Senator from New Jersey [Mr. **Lautenberg**] was added as a cosponsor of S. 1673, a bill to amend title XIX of the Social Security Act to assist individuals with a severe disability in attaining or maintaining their maximum potential for independence and capacity to participate in community and family life, and for other purposes.

S. 1712

At the request of Mr. **Boschwitz**, the name of the Senator from North Dakota [Mr. **Burdick**] was added as a cosponsor of S. 1712, a bill to amend the Agricultural Act of 1949 to require the Secretary of Agriculture, under certain circumstances, to make established price payments for the 1988 crop of a commodity.

S. 1717

At the request of Mr. **Grassley**, the name of the Senator from Virginia [Mr. **Warner**] was added as a cosponsor of S. 1717, a bill to assure uniformity in the exercise of regulatory jurisdiction pertaining to the transportation of natural gas and to clarify that the local transportation of natural gas by a distribution company is a matter within State jurisdiction and subject to regulation by State commissions, and for other purposes.

S. 1731

At the request of Mr. **Specter**, the name of the Senator from Minnesota [Mr. **Durenberger**] was added as a cosponsor of S. 1731, a bill to amend the Job Training Partnership Act to establish a demonstration program employment opportunities for severely disadvantaged youth, and for other purposes.

S. 1733

At the request of Mr. **Hatch**, the name of the Senator from Minnesota [Mr. **Boschwitz**] was added as a cosponsor of S. 1733, a bill to amend the Internal Revenue Code to allow for deduction of qualified adoption expenses, and for other purposes.

S. 1786

At the request of Mr. **Dixon**, the name of the Senator from Oklahoma [Mr. **Boren**] was added as a cosponsor of S. 1786, a bill to establish a series of six Presidential primaries at which the public may express its preference for the nomination of an individual for election to the office of President of the United States.

S. 1830

At the request of Mr. **Sanford**, the name of the Senator from Iowa [Mr. **Harkin**] was added as a cosponsor of S. 1830, a bill to amend title II of the Social Security Act to provide for a more gradual period of transition (and a new alternative formula with respect to such transition) to the changes in benefit computation rules enacted in the Social Security amendments of 1977 as they apply to workers born in years after 1916 and before 1930—and related beneficiaries—and to provide for increases on their benefits accordingly, and for other purposes.

S. 1833

At the request of Mr. **Durenberger**, the name of the Senator from North Dakota [Mr. **Burdick**] was added as a cosponsor of S. 1833, a bill to make grants from amounts appropriated from the Federal Hospital Insurance Trust Fund under title XVIII of the Social Security Act to test the cost effectiveness of innovative nursing practice models under the Medicare program.

S. 1844

At the request of Mr. **Karnes**, the name of the Senator from North Dakota [Mr. **Conrad**] was added as a cosponsor of S. 1844, a bill to provide for the orderly implementation of Environmental Protection Agency programs established to comply with the Endangered Species Act of 1973.

S. 1851

At the request of Mr. Biden, the name of the Senator from Connecticut [Mr. Dodd] was added as a cosponsor of S. 1851, a bill to implement the International Convention on the Prevention and Punishment of Genocide.

S. 1861

At the request of Mr. DeConcini, the name of the Senator from Texas [Mr. Bentsen] was added as a cosponsor of S. 1861, a bill to amend the Controlled Substances Act to suppress the diversion and trafficking of precursor chemicals and essential chemicals utilized in the illicit manufacture of controlled substances.

SENATE JOINT RESOLUTION 156

At the request of Mr. Grassley, the name of the Senator from Massachusetts [Mr. Kerry] was added as a cosponsor of Senate Joint Resolution 156, joint resolution to establish a U.S. Commission on Improving the Effectiveness of the United Nations.

SENATE JOINT RESOLUTION 178

At the request of Mr. Kennedy, the name of the Senator from Massachusetts [Mr. Kerry] was added as a cosponsor of Senate Joint Resolution 178, joint resolution designating the first day of August as "National Day of Peace."

SENATE JOINT RESOLUTION 181

At the request of Mr. Wilson, the name of the Senator from Maryland [Ms. Mikulski] was added as a cosponsor of Senate Joint Resolution 181, joint resolution designating the week beginning February 1, 1988, as "National VITA Week."

SENATE JOINT RESOLUTION 203

At the request of Mr. D'Amato, the names of the Senator from South Carolina [Mr. Hollings], the Senator from North Dakota [Mr. Burdick], the Senator from Tennessee [Mr. Sasser], and the Senator from Kentucky [Mr. McConnell] were added as cosponsors of Senate Joint Resolution 203, joint resolution calling upon the Soviet Union immediately to grant permission to emigrate to all those who wish to join spouses in the United States.

SENATE JOINT RESOLUTION 215

At the request of Ms. Mikulski, the name of the Senator from Florida [Mr. Chiles] was added as a cosponsor of Senate Joint Resolution 215, a joint resolution to authorize the Vietnam Women's Memorial Project, Inc., to establish a memorial to women of the Armed Forces of the United States who served in the Vietnam war.

SENATE CONCURRENT RESOLUTION 32

At the request of Mr. Grassley, the name of the Senator from Illinois [Mr. Simon] was added as a cosponsor of Senate Concurrent Resolution 32, a concurrent resolution to express the sense of Congress that volunteer work should be taken into account by employers in the consideration of applicants for employment and that provision should be made for a listing and description of volunteer work on employment application forms.

SENATE CONCURRENT RESOLUTION 82

At the request of Mr. Lugar, the names of the Senator from Maryland [Ms. Mikulski], the Senator from Mississippi [Mr. Cochran], and the Senator from Michigan [Mr. Levin] were added as cosponsors of Senate Concurrent Resolution 82, a concurrent resolution urging the German Democratic chief of state Erich Honecker to repeal permanently the order directing East German border guards to shoot to kill anyone who, without authorization, attempts to cross the Berlin Wall, and to issue an order to tear down the Berlin Wall.

SENATE CONCURRENT RESOLUTION 87

At the request of Mr. Riegle, the names of the Senator from South Dakota [Mr. Daschle] and the Senator from New Jersey [Mr. Bradley] were added as cosponsors of Senate Concurrent Resolution 87, a concurrent resolution expressing the sense of the Congress with respect to demonstrations in Latvia commemorating Latvian Independence Day.

SENATE RESOLUTION 176

At the request of Ms. Mikulski, the name of the Senator from Arizona [Mr. DeConcini] was added as a cosponsor of Senate Resolution 176, a resolution calling for the immediate release of all children detained under the state of emergency regulations in South Africa.

SENATE RESOLUTION 270

At the request of Mr. Lautenberg, the names of the Senator from New Jersey [Mr. Bradley] and the Senator from Pennsylvania [Mr. Specter] were added as cosponsors of Senate Resolution 270, a resolution paying special tribute to Portuguese diplomat Dr. de Sousa Mendes for his extraordinary acts of mercy and justice during World War II.

SENATE CONCURRENT RESOLUTION 90—WELCOMING VLADIMIR AND MARIA SLEPAK TO THE UNITED STATES

Mr. HEINZ (for himself, Mr. Boschwitz, Mr. Bradley, Mr. Cohen, Mr. Dole, Mr. Durenberger, Mr. Lautenberg, Mr. Levin, Mr. Moynihan, Mr. Pell, Mr. Sarbanes, and Mr. Specter) submitted the following concurrent resolution; which was considered and agreed to:

S. Con. Res. 90

Resolved by the Senate (the House of Representatives concurring),

SECTION 1. FINDINGS.

The Congress finds that:

(1) Vladimir and Maria Slepak were among the first to apply for an emigration visa from the Soviet Union and are rightfully considered among the founders of the Soviet Jewish emigration movement; and

(2) The Slepaks campaigned tirelessly for the right of Soviet Jews and other Soviet citizens to emigrate, and these efforts were supported by successive U.S. Administrations, the U.S. Congress, and the American people; and

(3) For their activism on behalf of internationally recognized human rights, the Slepaks suffered police harassment, internal exile, imprisonment, and loss of employment; and

(4) Despite this severe persecution, the Slepaks persevered in their efforts and, in October 1987, the Slepaks were permitted to emigrate to Israel; and

(5) Untold thousands of Jews and other citizens of the Soviet Union seek to emigrate from that country, but the Soviet Government continues to restrict such emigration in violation of solemn international legal commitment of the Soviet Union; and

(6) The American people and the Congress continue to give their strong and unflagging support to the right of all Soviet citizens to emigrate to a country of their choice.

SECTION 2. CONGRESSIONAL WELCOME.

(1) The Congress welcomes Vladimir and Maria Slepak to the United States and to the Nation's Capital, and salutes their inspiring courage and that of all Soviet human rights activists in fighting for human rights in the Soviet Union.

SENATE RESOLUTION 323—ORIGINAL RESOLUTION REPORTED TO PAY A GRATUITY TO THE FAMILY OF CLARA V. RAY

Mr. FORD, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. Res. 323

Resolved, that the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Kate Lee, Paula Ray, James Owens, Nayomie Flood, Janice Sullivan, Dorothy White, Charles Sullivan, Bobby Sullivan, Andre Sullivan, Johhny Sullivan, Billy Sullivan and Patricia Crawley, children of Clara V. Ray, an employee of the Architect of the Capitol assigned to duty on the Senate side at the time of her death, a sum to each equal to one-twelfth of six months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

SENATE RESOLUTION 324—AUTHORIZING RELEASE OF A DOCUMENT BY THE COMMITTEE ON FOREIGN RELATIONS

Mr. BYRD (for himself and Mr. Dole) submitted the following resolution; which was considered and agreed to:

S. Res. 324

Whereas, on October 30, 1987, the Subcommittee on International Economic Policy, Trade, Oceans and Environment and the Subcommittee on Terrorism, Narcotics and International Operations of the Committee on Foreign Relations received in open and closed sessions the testimony of William Crone;

Whereas, the Independent Counsel appointed by the court in *In re Oliver L. North, et al.* (D.C. Cir. Div. No. 86-6, Dec. 19, 1986), has requested a transcript of the witness's closed session testimony in furtherance of the Independent Counsel's investigation;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possesssion but by permission of the Senate;

Whereas, when it appears that documents, papers, and records under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

Resolved, That the Chairman and Ranking Minority Member of the Committee on Foreign Relations, acting jointly, are authorized to provide to the Independent Counsel a transcript of the closed session testimony of William Crone, subject to the Independent Counsel's agreement to abide by confidentiality and other requirements established by the Committee.

AMENDMENTS SUBMITTED

ELIMINATION OF COST-OF-LIVING INCREASES FOR FISCAL YEAR 1988

MURKOWSKI AMENDMENT NO. 1194

(Ordered referred to the Committee on Governmental Affairs.)

Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill (S. 1859) to eliminate cost-of-living increases for Federal programs in fiscal year 1988; as follows:

At the end of the bill, add the following new section:

SEC. 2. FREEZE ON FEDERAL PAY AND COMPENSATION.

(a) RATES OF PAY OF OFFICERS AND EMPLOYEES OF THE FEDERAL GOVERNMENT.—(1) No adjustment of rates of pay of officers and employees of the Federal Government may be made under the following provisions of law in fiscal year 1988:

(A) Section 5305 of title 5, United States Code, relating to rates of pay under certain statutory pay systems.

(B) Section 5307 of title 5, United States Code, relating to pay fixed by administrative action.

(C) Section 5318 of title 5, United States Code, relating to rates of pay for positions of the Executive Schedule.

(D) Section 5343 of title 5, United States Code, relating to the pay of prevailing rate employees.

(E) Section 5348 of title 5, United States Code, relating to the pay of officers and members of crews of vessels.

(F) Section 5382 of title 5, United States Code, relating to rates of basic pay for the Senior Executive Service.

(G) Section 5402 of title 5, United States Code, relating to rates of pay under the performance management and recognition system.

(H) Section 1009 of title 37, United States Code, relating to monthly basic pay, basic allowance for subsistence, and basic allowance for quarters of members of the uniformed services.

(I) Section 601(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 31).

(J) Section 403 of the Foreign Service Act of 1980 (94 Stat. 2088; 22 U.S.C. 3963), relating to salary rates under the Foreign Service Schedule.

(K) Any other provision of law that provides for the adjustment of rates of pay by reference to any provision of subchapter I of chapter 53 of title 5, United States Code.

(2) Paragraph (1) shall not apply to any increase in a wage schedule or rate which is required by the terms of any contract referred to in section 9(b) of Public Law 92-392 (86 Stat. 574).

(b) VETERANS COMPENSATION.—It is the sense of Congress that the rates of compensation of veterans under chapter 11 of title 38, United States Code, and the rates of dependency and indemnity compensation under chapter 13 of such title should not be increased in fiscal year 1988.

● Mr. MURKOWSKI. Mr. President, I rise to offer a technical amendment to S. 1859, a bill I introduced Tuesday, November 10.

The purpose of S. 1859 is to freeze increases in Federal salaries and benefit payments where those increases are based on the change in an index—for example, the Consumer Price Index. Upon further review, it appears that the bill, as drafted, could be construed to affect only automatic increases, that is, increases which result from a preexisting statute which requires a particular increase in payment based on a particular increase in an index.

In order to clarify this situation, I submit this amendment which will leave no doubt that all Federal salary and benefit payments—including the salaries of the Members of Congress—are to be frozen at their current levels. The result of this bill, Mr. President, is to reduce the Federal deficit more than $12 billion in fiscal 1988 and at more than $40 billion over the next 3 years.

I again urge my colleagues to face these hard issues squarely. We cannot ignore our responsibilities here because there is an economic summit somewhere else. The voters did not send us here to wait. They sent us here to act.

This is a fair measure which will effect meaningful change. We owe our constituents no less.●

INDIAN FINANCING ACT AMENDMENTS

INOUYE AMENDMENT NO. 1195

Mr. BYRD (for Mr. INOUYE) proposed an amendment to the bill (S. 1360) to amend the Indian Financing Act of 1974, and for other purposes; as follows:

At the end of the committee amendment, add the following:

SURETY BOND GUARANTEES

SEC. 5. The Indian Financing Act of 1974 is amended by inserting the following new section 217A after section 217:

"SEC. 217A. (a) The Secretary may guarantee and enter into commitments to guarantee a surety against loss as the result of a breach by a principal of the terms of a bid bond, payment bond, or bonds ancillary and coterminous therewith, if:

"(1) the principal is an Indian tribe, an Indian, or an economic enterprise as defined in section 3;

"(2) the contract involved does not exceed $1,250,000;

"(3) the bond is required if the principal is to be a qualified bidder on a contract or a prime contractor or subcontractor on the contract;

"(4) the principal cannot obtain the bond on reasonable terms and conditions without the guarantee;

"(5) there is a reasonable expectation that the principal will perform the conditions of the contract;

"(6) the contract meets requirements established by the Secretary for feasibility of successful completion and reasonableness of cost;

"(7) the terms and conditions of the bond are reasonable in light of the risks involved and the extent of the surety's participation; and

"(8) the guarantee or commitment limits the obligation of the Secretary to 90 percent or less of the loss incurred and paid by the surety as the result of the principal's breach of the contract and includes such terms and conditions as the Secretary may prescribe in general or as the Secretary determines on the basis of the Secretary's experience with the particular surety or, in the case of an application for a guarantee on behalf of an enterprise that is less than 100 percent Indian owned, the guarantee or commitment limits the obligation of the Secretary to not to exceed 90 percent of the contract amount that is proportionate to the percentage of Indian ownership of the economic enterprise.

"(b) The terms, conditions, and procedure prescribed by the Secretary for reimbursing a surety for the losses paid by the surety may include monthly billing by the surety to the Secretary for losses paid by the surety and payment by the Secretary based upon prior monthly payments to the surety, with subsequent adjustments by the Secretary as may be appropriate.

"(c) The Secretary may audit in the surety's office the documents, files, books, records, and other material relevant to a guarantee or commitment to guarantee under this section.

"(d) The Secretary shall establish reasonable fees to be paid by principals and premiums to be paid by sureties and shall deposit them in the Loan Guarantee and Insurance Fund under section 217 of this Act. A guarantee or commitment to guarantee under this section is a guaranteed loan for purposes of section 217 of this Act.

"(e) In this section—

"(1) 'bid bond' means a bond conditioned on the bidder on a contract entering into the contract if the bidder receives the award and furnishes the prescribed payment and performance bonds;

"(2) 'payment bond' means a bond conditioned on the payment by the principal of money to persons under a contract;

"(3) 'performance bond' means a bond conditioned on the completion by the principal of a contract in accordance with its terms;

"(4) 'surety' means the person who (A) under the terms of a bid bond, undertakes to pay a sum of money to the obligee in the event the principal breaches the conditions of the bond, (B) under the terms of a performance bond, undertakes to incur the cost of fulfilling the terms of a contract in the event the principal breaches the conditions of the contract, (C) under the terms of a payment bond, undertakes to make payment to all persons supplying labor and materials in carrying out the work under the contract if the principal fails to make prompt payment, or (D) is an agent, underwriter, or any other company or individual authorized to act for such person;

"(5) 'obligee' means (A) in the case of a bid bond, the person requesting bids for the performance of a contract, or (B) in the case of a payment bond or a performance bond, the person who has contracted with a principal for the completion of the contract and to whom the obligation of the surety runs in the event of a breach by the principal of the conditions of a payment or performance bond;

"(6) 'principal' means (A) in the case of a bid bond, a person bidding for the award of a contract, or (B) the person primarily liable to complete a contract for the obligee, or to make payments to other persons in connection with the contract, and for whose performance the surety is bound under the payment or performance bond. A principal may be a prime contractor or a subcontractor;

"(7) 'prime contractor' means the person with whom the obligee has contracted to perform the contract; and

"(8) 'subcontractor' means a person who has contracted with a prime contractor or with another subcontractor to perform a contract.

"(f) The Secretary, within the 180-day period following the date of the enactment of this section, shall promulgate such regulations as may be necessary to implement this section.".

NOTICES OF HEARING

GOVERNMENTAL AFFAIRS COMMITTEE

Mr. GLENN. Mr. President, I would like to announce that the Governmental Affairs Committee will hold a field hearing on Saturday, November 21, 1987, at 10 a.m., at the City Council Building, at 101 West Third Street, in the City Commissioner Chamber, on the second floor. For further information, please call Len Weiss, staff director, on 224-4751.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON THE JUDICIARY

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on November 17, 1987 to hold a hearing on judicial nominations.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

SUBCOMMITTEE ON MINERAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Mineral Resources Development and Production be authorized to meet during the session of the Senate on Tuesday, November 17, 1987. To receive testimony concerning S. 1120, the "Federal Coal Leasing and Utilization Act of 1987."

The **PRESIDING OFFICER.** Without objection, it is so ordered.

LABOR SUBCOMMITTEE

Mr. BYRD. Mr. President, I ask unanimous consent that the Labor Subcommittee of the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Tuesday, November 17, 1987 to conduct a hearing on "employment of women in nontraditional work."

The **PRESIDING OFFICER.** Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, November 17, 1987 at 2 p.m. in executive session to mark up title I of S. 1085, the Nuclear Protections and Safety Act of 1987.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

SUBCOMMITTEE ON CONVENTIONAL FORCES AND ALLIANCE DEFENSE

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Conventional Forces and Alliance Defense of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, November 17, 1987, in open session to receive testimony on deficiencies and remedies in NATO's conventional defenses.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Rules and Administration be authorized to meet during the session of the Senate on Tuesday, November 17, 1987, to mark up pending legislative business items—Senate Resolution 290, printing resolution for Environment and Public Works Committee; original resolution to pay a gratuity to family of deceased Senate employee; and requests by Senate committees for supplemental funding—Senate Resolutions: 304, Agriculture; 306, Armed Services; 311, Finance; 319, Veterans' Affairs; 321, Indian Affairs; 322, Appropriations; and original resolution, Rules.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on November 17, 1987, to hold hearings on the nomination of James H. Burnley IV, of North Carolina, to be Secretary of the Department of Transportation and immediately thereafter the nomination of Mary Ann Weyforth Dawson, of the District of Columbia, to be Deputy Secretary of the Department of Transportation.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

SUBCOMMITTEE ON RURAL ECONOMY AND FAMILY FARMING

Mr. BYRD. Mr. President, I ask unanimous consent that the Small Business Committee's Subcommittee on Rural Economy and Family Farming be authorized to meet during the session of the Senate on Tuesday, November 17, 1987, to examine the impact of land diversion programs on agricultural support industries.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on Tuesday, November 17, 1987, to hold a hearing on intelligence matters.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ADDITIONAL STATEMENTS

IMPLEMENTATION OF IMMIGRATION REFORM

● **Mr. KENNEDY.** Mr. President, under the terms of an amendment I offered during the Senate's consideration in the last Congress of the Immigration Reform and Control Act—known better as the Simpson-Rodino bill—the General Accounting Office is required to make annual reports to Congress on the implementation of employer sanctions under the new law.

The purpose of my amendment was to insure that an objective, independent review would be undertaken on the implementation of the new law to assure that some of the worst fears of those who opposed it would not, in fact, occur without Congress being forced to deal with them. Those fears were that widespread job discrimination might develop because of employer sanctions, or that a major new paperwork burden would be imposed upon employers across this Nation.

The first annual report of the GAO is now available, and while they do not make any recommendations because the new law has not yet been fully implemented, they do note that "in GAO's opinion, the general approach followed during the first year to implement the law has been satisfactory."

Mr. President, I would like to share with any colleagues and readers of the

RECORD the executive summary of the GAO report, and ask that it be printed at this point in the RECORD.

The summary follows:

U.S. GENERAL ACCOUNTING OFFICE,
Washington, DC, November 5, 1987.

President of the Senate and Speaker of the House of Representatives.

This is the first of three annual GAO reports required by section 101(a) of the Immigration Reform and Control Act of 1986. The act prohibits employers from knowingly hiring unauthorized workers. Noncompliance can result in penalties (sanctions). Our report describes the initial efforts to implement and enforce the employer sanctions provisions of the act.

The act requires us to review the implementation and enforcement of employer sanctions for the purpose of determining if such provisions (1) have been carried out satisfactorily, (2) have caused a pattern of discrimination against U.S. citizens or other eligible workers, and (3) have caused an unnecessary regulatory burden on employers. Since the act has not yet been fully implemented, this report presents information on actions to date and describes our plans to address these questions in our future work. In addition, we discuss several methodological problems that may preclude us from making conclusive determinations on these matters in our two subsequent reports.

Copies of this report are being sent to the Attorney General; the Secretary, Department of Labor; the Chairman, Equal Employment Opportunity Commission; the Chairman, U.S. Commission on Civil Rights; the Director, Office of Management and Budget; and other interested parties.

CHARLES A. BOWSHER,
Comptroller General.

EXECUTIVE SUMMARY

PURPOSE

To reduce the flow of aliens illegally entering the United States to find work, Congress passed a law in 1986 prohibiting employers from hiring any alien not authorized to work. Employers who violate this law can be fined and/or imprisoned. The law requires GAO to issue three annual reports to Congress on its implementation and establishes procedures for Congress to repeal provisions of the act based on GAO's third report. This is the first report.

BACKGROUND

During the past 15 years, Congress has been increasingly concerned that aliens not authorized to work were taking jobs away from authorized workers and adversely affecting the U.S. economy. In recent years the Immigration and Naturalization Service (INS) has been arresting thousands of aliens who were working in the country illegally. However, federal law did not provide penalties for employers who knowingly hired unauthorized aliens. GAO reported in 1985 that most countries that had enacted laws penalizing employers of unauthorized aliens believed that these sanctions were a deterrent to unauthorized alien employment.

On November 6, 1986, the Immigration Reform and Control Act of 1986 became law. This law (1) contains civil and criminal penalties for employers of unauthorized aliens and (2) requires all employers in the nation to complete an employment eligibility verification form (I-9) for each new employee.

Because of concern that employers—to avoid being sanctioned—would not hire "foreign-looking" U.S. citizens or legal aliens, Congress added a provision to the law that prohibits employers with four or more employees from discriminating on the basis of a person's national origin or citizenship status. This provision expanded the percentage of the nation's employers who could be charged with discrimination under federal law from about 13 to 48 percent. Employers who violate this provision can be fined.

The law and implementing regulations establish timetables for enforcement and related penalties. The implementation has three phases: a 6-month education period; a 1-year period during which warnings will be issued to first-time violators; and full enforcement of sanctions without a warning against those who violate the law.

The law requires that each of GAO's annual reports review the implementation and enforcement of the employer sanctions law for the purpose of determining whether (1) the law has been carried out satisfactorily, (2) a pattern of discrimination has resulted against authorized workers, and (3) an unnecessary regulatory burden has been created for employers. GAO will also attempt to determine if the anti-discrimination provision creates an unreasonable burden for employers.

The law states that Congress may use expedited procedures to repeal both the employer sanction and anti-discrimination provisions if GAO's third annual report finds a "widespread pattern" of discrimination caused "solely" by the sanctions provision. If GAO's third annual report finds "no significant discrimination," or alternatively finds an unreasonable burden for employers, the law provides expedited procedures for Congress to repeal the anti-discrimination provision.

RESULTS IN BRIEF

In GAO's opinion, the general approach followed during the first year to implement the law has been satisfactory. So far, the data on discrimination related to the law has not shown a pattern of discrimination or unreasonable burden on employers. However, because of the many factors involved, GAO may not be able to isolate and measure the effects of employer sanctions on any identified discrimination. Insufficient data exist for GAO to determine if the act's regulatory burden on employers is unnecessary and it is unlikely such data will be available.

PRINCIPAL FINDINGS

Satisfactory Progress In Educational Phase of Implementing New Employer Sanctions Law During First Year: INS efforts to implement the law have primarily focused on educating the public about the law to help assure voluntary compliance. Handbooks explaining the law have been mailed to the nation's estimated 7 million employers and INS has begun a national media campaign to educate the public.

Planned Enforcement Approach: INS plans to allocate about $60 million during fiscal year 1988 to implement the law's employer sanctions provision. With this amount, INS plans to target about 20,000 employers for compliance investigations. In addition, Department of Labor employees, who visit 60,000 employers annually to enforce various labor laws, began on September 1, 1987, to also inspect employers' I-9 forms for compliance.

As of October 7, 1987, two employers have been served notices under the law for knowingly hiring unauthorized aliens.

No Pattern of Discrimination: As of September 1987, 67 alleged employer violations of the law's anti-discrimination provisions have been filed with federal agencies—44 are in process and 23 were closed.

The Equal Employment Opportunity Commission—the agency that administers title VII of the Civil Rights Act of 1964 prohibiting national origin discrimination—had received 52 charges related to employer sanctions. Most of these charges were still in process as of September 1987.

The Office of Special Counsel in Justice—responsible under the law for prosecuting discrimination charges—had received 15 charges related to employer sanctions. Two have been dismissed, one withdrawn, and the rest are under investigation. An additional 34 charges have been filed with four state and local government agencies.

The discrimination charges under investigation do not, in GAO's opinion, constitute (1) a pattern of discrimination or (2) an unreasonable regulatory burden for employers. INS has just begun to enforce the law's sanction provision. Thus, until now, employers have had little reason to not hire "foreign-looking" citizens or legal aliens to avoid being sanctioned.

Once full enforcement begins, GAO may still not be able to determine if any discrimination that does occur is caused "solely" by employers' fear of sanctions. Various federal officials with experience in discrimination cases said that normally judges' decisions in cases of discrimination do not specify what caused the discriminatory act. Furthermore, no data exist on the number of persons who applied for the estimated 67.5 million jobs filled each year who are not hired because of employers' fear of sanctions. Without this information, it may not be possible for GAO to determine what is a "widespread pattern" of discrimination versus "no significant" discrimination.

Data Limitations May Preclude Determining If An Unnecessary Regulatory Burden Exists: GAO believes that the ultimate test of whether the burden imposed on employers is worth the costs involved is the extent to which these activities are accompanied by and contribute to desired reductions in unauthorized alien employment and illegal immigration. Unfortunately, it will be extremely difficult, if not impossible, to conclusively establish such a cause/effect relationship. Further, even if no progress is realized, the employer requirements may still be a necessary part of a revised strategy.

GAO has selected three indicators of the law's effect on illegal immigration and will use these and other data in its subsequent annual reports. Although these indicators are the best available, they are difficult to measure and may be influenced by many factors other than employer sanctions. Therefore, it is likely that the results of GAO's future analysis of the law's effect on illegal immigration may be inconclusive.

Based on public comments, INS revised its regulations to reduce the burden on employers and placement agencies who recruit or refer job applicants to employers for a fee.

RECOMMENDATIONS

Because the act has not been fully implemented, and limited data is available on many of its key features, GAO is not making recommendations in this report.

AGENCY COMMENTS

To meet the mandated reporting date in the act, GAO did not obtain agency comments on the draft report. However, GAO discussed the contents of the report with officials from INS, Office of Special Counsel, Department of Labor, and the Equal Employment Opportunity Commission and included their comments where appropriate. These officials generally concurred with the report.●

PASCAL DILDAY

● Mr. WILSON. Mr. President, California has recently lost a dear friend, a man who during his lifetime gave so freely of himself to enrich his San Diego community, and whose countless good works reached beyond city boundaries to be felt throughout the entire State.

Pascal Dilday was a consummate San Diegan, passionate about his community and compassionate when that community called upon him to lend his good name, his leadership, his foresight to so many worthy causes. It is not every man who can generate the admiration, respect, and sheer affection of an entire city, but it was certainly Pascal Dilday who did.

His legacy lies in his positive spirit which enveloped us all, and in the breadth of his friendship which he bestowed generously and willingly. Pascal's legacy rests with the University of Southern California and its Trojans, for he was the school's quintessential booster (and its star quarterback in 1932), and with the innovative automobile dealership which enriched San Diego's business sector for so many years.

We will never forget how Pascal loved California and how California loved him in return. I take great pride in honoring his memory in this Chamber of the U.S. Senate on behalf of all Californians.●

NATIONAL ARTS WEEK

● Mr. DOMENICI. Mr. President, as the Senator from a State that is home to some of the most talented artists in our Nation, I am pleased and honored to join my colleagues in celebrating "National Arts Week."

The first National Arts Week opened, appropriately, on September 23, 1985, the 20th anniversary of the founding of the National Endowment for the Arts. On that day, the Federal Government, national arts groups, State arts agencies, and over 800 local arts groups initiated a cooperated effort to support the many talented individual artists and companies.

During the past 2 years, National Arts Week has enjoyed tremendous success and growth.

This week I would like to focus on the need to continue this cooperative effort. Each year when we celebrate National Arts Week we bring new opportunity to set and achieve new goals for the arts in this country.

With the help of many, we can make National Arts Week 1987 the most successful yet. The combination of public and private commitment guarantees this.

From the dawn of civilization, men and women have used music, dance, and the visual arts to transmit their heritage and express human joys and sorrows. Our first record of man's perception of the world around him was through art scratched on cave walls, carved in stone, or modeled in clay.

Mankind's need to make, experience, and comprehend art seems almost as deep as our need to speak. It is through art that we understand ourselves and our potential.

More importantly, perhaps, it is through art that we will be understood and remembered by future generations.

Our country's love for the arts is a real cause for celebration. Art teaches us about our rich and diverse cultural heritage. To understand fully our history, we must understand fully each available component. To omit the arts would deprive us of a significant part of our history.

The arts offer an expression of our national identity. They add to our fundamental strength by inspiring and stimulating. The arts contribute to the positive mental attitudes among the citizens of our Nation, providing an escape from the everyday realities of life.

Additionally they provide an alternative means of expression, which helps us to better understand each other. Through our knowledge of the arts, we can further benefit from our own differences.

In 1984, the Department of Education's "Commission on Excellence in Education" conducted a study on the place of the arts in our school's curriculum. The Commission pointed out that a problem currently lies in the balance in the curriculum in our schools. We as a nation focus too much on technical and occupational skills, leaving too little time for studying the arts. It would be appropriate for us to spend a part of this week to reconsider our priorities.

The knowledge we have in the areas of science and technology must be spiced by the knowledge of the humanities. The arts challenge and extend human experience, providing a distinctive way to understand human beings—a complex system of expression providing an informed insight enabling us to understand life's deeper meaning. Art is both the inspiration and consequence of human thought; a product of the mind.

In a nation based upon our commitment to freedom of imagination, thought and expression, we are obligated to continue to support our many aesthetic and cultural traditions.

I encourage my colleagues to join me in commemorating National Arts Week.

Mr. President, the first major exhibit of the works of Georgia O'Keeffe are currently on display at the National Gallery of Art. I ask to have printed two articles about the New Mexican artist, one which appeared in the November issue of Museum and Arts magazine, and another that was in the New Mexican.

The material follows:

GEORGIA O'KEEFFE—PIONEER

(By Nancy G. Heller)

This story has everything—sex, power, money, fame, exotic locales, and impassioned court battles. Young midwestern art student, highly intelligent and strikingly attractive, comes to the Big City and meets worldly, successful, much older man. He promotes her work; they fall in love and become one of the New York art world's most famous couples. Later she moves to a New Mexico ranch where she cultivates a reputation as an eccentric hermit, continuing to paint and to enjoy tremendous critical and commercial success.

At the age of eighty-six, she hires a twenty-seven-year-old man as her business manager-assistant, adding considerable grist to the gossip mill. When she dies, relatives contest her will, which names him as sole executor.

It sounds like a Harlequin Romance: no wonder countless writers (and readers) have been fascinated with the live and times of painter Georgia O'Keeffe, and her relationships with her husband, the photographer, editor, and art dealer Alfred Stieglitz, and her companion, artist Juan Hamilton.

She was, by all accounts, a remarkable woman. The most remarkable thing about her was not her personality, however, but her painting. Art writers have long acknowledged the seminal role her work has played in American art history. Judith Zilczer, Historian of the Hirshhorn Museum and Sculpture Garden, calls O'Keeffe "one of the most important American artists of the twentieth century," and critic John Russell commented: "It would be difficult to imagine American painting in the first half of the twentieth century without the presence of Georgia O'Keeffe." The ultimate proof of her professional stature lies in the placement of her *New York Times* obituary—on the front page of the first (news) section rather than "Arts & Leisure."

O'Keeffe deserves this kind of star treatment, as a pioneer American Modernist—one of the very first artists in this country to explore the possibilities inherent in abstraction. While she is best known today for her dramatic pictures of sun-bleached animal bones and gigantic flowers, O'Keeffe's earliest work was bold and influential enough to assure her place in art history, even if she had never painted anything again.

As early as 1916 Georgia O'Keeffe was producing remarkably advanced work—totally abstract watercolors and charcoal drawings that considered of just a few, spare, curving marks in one or two colors against a white background. To understand what was so radical about these works, and why art historians make such a fuss over them, they have to be viewed in a larger context. By 1916 even the most avant-garde French and German artists were just beginning to deal with pure abstraction, and the most significant modernist movements were still in their infancy—Fauve and Expressionist art had only been recognized for a decade, Analytic Cubism was just five years old.

Moreover, O'Keeffe was not working in Paris or Munich; she was living, at that point, in rural west Texas. And the American art world—even in New York—was far more conservative than its European counterparts. The American tradition of realism—essentially unswerving since colonial days—remained strong. In 1908 John Sloan and his fellow painters of the so-called Ash Can School had provoked U.S. gallerygoers and critics by exhibiting in New York's Macbeth Galleries a collection of pictures representing the seamier side of everyday urban life (cats picking through the garbage cans in deserted alleys, and women having their hair dyed in full view of passersby on the crowded streets of the lower east side). Reviewers despaired at what they perceived as vulgar, even disgusting subject matter and sloppy technique—and, mind you, these were still realistic pictures, describing all too clearly identifiable situations.

It is therefore not surprising that New York art viewers reacted with even greater alarm to the International Exhibition of Modern Art (better known as the Armory Show) held in 1913. This exhibition included more than two thousand artworks and marked New York's first largescale exposure to European Modernism, including audacious canvases by the likes of Henri Matisse and Wassily Kandinsky, plus—most notoroiously—Marcel Duchamp's *Nude Descending a Staircase #2* (1912), which most onlookers thought had no subject. And, in 1913, a painting with no identifiable subject simply was not considered art.

How extraordinary it was, then, for Georgia O'Keeffe—a Wisconsin-born woman who had been supporting herself as a schoolteacher in Amarillo—to start experimenting with completely nonrepresentational art just a few years after the Armory Show. Of course, O'Keeffe did not emerge from a cultural vacuum. By 1916 she had already spent several years studying in New York with a number of vanguard teachers, and after her now-legendary first encounter with Stieglitz (whom she scolded for hanging several of her works without her knowledge), O'Keeffe became part of his stable (along with John Marin, Marsden Hartley, Max Weber, and Arthur Dove, now labeled first-generation Modernists), and exhibited regularly at "291" and his other pioneering galleries.

But O'Keeffe stood out—even in the company of these influential artists. In addition to being the only woman in the group, she produced its most consistently radical, and most individualistic art. Whereas most of Stieglitz's other protégés were clearly influenced by particular aspects of European Modernism (Weber, for example, went through a lengthy Cubist period, and Marin's work shows obvious references to Futurism), O'Keeffe's pictures cannot be labeled. Certainly, they contain elements of Surrealism (as in the juxtaposition of unrelated objects—such as a cow skull and a pink rose) and of the American movement known as Precisionism (seen in the tightly controlled brushwork and the clear edges of her forms). But neither her works nor the artist herself can be made to fit comfortably within any one artistic category.

O'Keeffe's paintings are unlike anyone else's—her representational pictures and her pure abstractions are original. Just as O'Keeffe's letters (a selection of which have been published—for the first time—in the National Gallery of Art's catalogue) reveal her to have been a far more complex person than indicated by her public persona, so her art is intriguing on many levels.

Take, for example, O'Keeffe's approach to subject matter. Even though her single most significant art-historical contribution lay in the early, pure abstractions, O'Keeffe continued producing art for seventy years thereafter—some of it non-representational, but most featuring clearly recognizable subjects. Interestingly, neither the people nor the other animals, such as her chow dogs, to whom O'Keeffe was closest, show up in her pictures. Instead she painted the objects and the land around her: New York City sky-scrapers, Lake George barns, and the New Mexico desert, plus loving portraits of individual seashells and stones, and one of the subjects with which she is most closely identified, flowers.

O'Keeffe's oversized blossoms can serve as a sort of compendium of the principal aesthetic issues raised by her art: varying degrees of abstraction, especially as seen in her use of the series format; the presence or absence of erotic and other symbols; the significance of scale; and paintings that were meant to be hung in more than one position.

O'Keeffe's pictures are almost never completely abstract. Like other early Modernists such as Alexander Calder, Arthur Dove, and Wassily Kandinsky, O'Keeffe created stylized images based on nature, and even her most abstract paintings retain a sense of the organic, relating to some sort of landscape view or growing thing. Although her subjects may seem conventional, O'Keeffe's treatment of her flower pictures is anything but. One of the best illustrations of this phenomenon is her six canvas series called Jack-in-the-Pulpit (1930). O'Keeffe's first picture is an iconic image of a single large flower surrounded by a mass of curving leaves. The second painting repeats the same image, simplified: here, the artist is experimenting with the positive-negative effects of the spaces around the flower, each of which has become an important part of the overall design. By this point the flower itself has become a design element, and lost its literal identity as a flower. Each subsequent Jack becomes more spare, more generalized, and less recognizable—No. 6 is a sensuous study of purplish, green, and white curving shapes that fill up the entire canvas, but are no longer identifiable as either blossoms or leaves.

It is clear from O'Keeffe's flowers—painted from a vantage point so close that the subject typically extends beyond the canvas—that she is attracted by the abstract, formal quality of these blossoms as much as their scents, or any other aspects. O'Keeffe's flowers exhibit none of the botanically precise details of plant studies by da Vinci or Dürer; nor do their textures mimic those of the actual plants, as do fifteenth-century Flemish flower paintings or twentieth-century photo-realist ones. And the same point can be gathered from her other subjects. For example, New York skyscrapers, which look fairly realistic and detailed at first glance, turn out to be highly stylized, flat compositions that simply suggest huge monoliths with their billowing smoke and multicolored lights. This approach to subject matter is further demonstrated by the way O'Keeffe paints her series of animal bones. While she made numerous relatively straightforward depictions of pelvises and whole cow skulls, she was clearly drawn to particular design elements within the bones—usually an opening of some sort. In her pelvic bone structure, for instance, O'Keeffe begins with a long view of the structure, coming progressively nearer, focusing in more and more specifically on one hole and the pattern of blue sky as framed by that hole. In the same way she will focus on a single doorway or window in a building's wall.

Ever since her earliest one-woman shows, critics have been debating the presence—or absence—of symbolic content in O'Keeffe's work. The artist herself consistently denied that it was there, but many viewers find symbolism, particularly in her paintings of flowers. When her two-and-one-half-by-three-foot flower pictures were first exhibited in the twenties, critics had a field day interpreting the plants' oversized reproductive systems in light of Freudian theories, which were in vogue then. One reviewer referred to O'Keeffe's blossoms as "primordially libidinous," and many gallerygoers were shocked at their explicitness. Some writers saw a relationship between the emphasis on curvilinear, multiple-layered floral forms and O'Keeffe's own sexual identity as a woman—a relationship she also denied. And others said that flowers were traditionally a "feminine" subject, forgetting that some of the most notable flower painters in the Western world—such as the seventeenth-century Dutch and Flemish artists who devoted themselves exclusively to flower still lifes—were men, and that such prominent nineteenth-century male artists as Vincent Van Gohg and Claude Monet have become strongly identified with floral subjects.

Even if she may have had some subconscious interest in symbolic content, it seems clear that she was interested in painting flowers for the same reason she chose her other subjects: because she was intrigued by their colors and shapes. In a similar vein, O'Keeffe steadfastly maintained that she painted so many animal skeletons because she saw many of them around her desert home, and because she became fascinated by their formal qualities—not as some sort of musing about death. Certainly, O'Keeffe was aware of the tradition of vanitas painting, in which various symbols, including skulls, appear as reminders of mortality. But her bone paintings are not about death; they are about observation.

Moreover, O'Keeffe's position as a woman artist has been the subject of some considerable debate. She was certainly not the only woman to play a major part in the development of Modernism. Sonia Delaunay, Natalia Goncharova, and Paula Modersohn-Becker come to mind as important innovators working in the styles known as Orphic Cubism, Rayonism, and German Expressionism, respectively. And there had been celebrated professional female artists serving Western popes and monarchs at least since the sixteenth century. But O'Keeffe was one of the first American women to achieve the kind of success she did, setting sales records and winning major critical attention from the start of her public career. It should be noted that O'Keeffe did not like being referred to in terms of her gender rather than her work. In 1943 she said, "The men like to put me down as the best woman painter. I think I'm one of the best painters."

The question of scale is another important aspect of O'Keeffe's art. Many of her pictures are quite large—such as the astonishing eight-by-twenty-four-foot Sky Above Clouds IV (1965). But everything she painted seems enormous. Even the so-called small-format still lifes (a plate of purple grapes or a single clamshell, many of the canvases only seven-by-nine inches) give the impression of grandeur. Here again, the flower paintings are instructive.

Earlier examples of flower paintings were not generally as large as O'Keeffe's. When asked why she exaggerated their size to such a degree, the artist explained that actual flowers are so small that people don't bother to look at them closely, and that if she painted flowers on a small scale, nobody would notice them either. Instead she made her flowers very large, to attract the viewer's attention and force them to take a second look. In this way, O'Keeffe said, "I will make even busy New Yorkers take time to see what I see of flowers."

Several writers have also suggested that O'Keeffe's scale may have been influenced by the photographic enlargements made by Stieglitz and his colleagues. But in some respects O'Keeffe's giant blooms have more in common with the late water lily panels by Monet, which are so large that they literally surround the viewer, creating an entirely new visual environment. O'Keeffe's pictures aren't as big, but their sheer size both shocks observers and entices them into spending additional time looking at the paintings in order to get a sense of the whole.

One other issue that arises in terms of O'Keeffe's art is the matter of which end is up. Since she lived ninety-eight years, and was hardly shy about making her opinions known, it seems odd that there could be questions about the physical orientation of her art. And in most cases, it is clear how O'Keeffe wanted her paintings displayed. However, there are some instances where there may be no single, correct way to hang her work. In the voice-over for Perry Miller Adato's superb film celebrating the artist's ninetieth birthday, O'Keeffe mentions that one of her floral pictures, *Black Hollyhock, Blue Larkspur* (1930), was designed to be an effective composition when seen with any of its four sides on top. To complicate matters further, Jack Coward, the National Gallery of Art's Curator of Twentieth-Century Art and, with Juan Hamilton, cocurator of its O'Keeffe centennial show, notes that, while preparing for this exhibition, he and his colleagues came across documentary evidence, such as old installation photographs of O'Keeffe's shows at the Stieglitz galleries, indicating that in several cases the presumed tops of various pictures were not originally so designated. Even more surprisingly, other documents (including letters) demonstrate that the orientations chosen for the illustrations in the artist's 1976 autobiography are not always the ones she had selected initially. For example, *The Lawrence Tree* (1929), a wonderfully offbeat composition with a Japanese-inspired sense of flatness to the bark and a magical view of the stars overhead, is reproduced so that the treetop points toward the picture's upper left-hand corner. But one of her letters clearly states that *The Lawrence Tree* should look "as thought it were standing on its head"—hence its orientation in the National Gallery's show.

As this exhibition makes abundantly clear, Georgia O'Keeffe was a painter who produced challenging, powerful works of art for seven decades, but whose greatest contributions occurred between roughly 1916 and 1950. Unlike the paintings of Rembrandt and Monet, who produced major masterpieces well into old age, O'Keeffe's work was significantly diminished by a series of physical ailments, most notably the severe deterioration of her eyesight during the later years. But as Juan Hamilton has pointed out, she never stopped working; until the end, when she had an idea, she pursued it, in whatever ways she could manage. It is this sense of tremendous physical and emotional vigor, an almost willful refusal to accept the infirmities of age, and her intense affection for the beauty of the world around her, that makes O'Keeffe seem like such a heroic, almost mythic figure. The quintessential rugged individualist, she followed in the footsteps of American painters like Winslow Homer and Thomas Eakins, by living and working in precisely the way she preferred, ignoring societal pressures to the contrary. Asked to explain the basis for her considerable achievements in a 1963 interview, O'Keeffe said, simply: "I've always known what I've wanted—and most people don't."

O'KEEFFE—NATIONAL EXHIBITION PROVES ARTIST PAINTED MORE THAN JUST FLOWERS

(By Gaynelle Evans)

Georgia O'Keeffe saw the world in big, bold stokes. Her most frequently exhibited works show flowers, bleached animal bones, desert landscapes and flowing abstractions, poised on canvas, as if waiting to explode.

A new O'Keeffe exhibition, however, seeks to prove that the artist saw and painted a world with more variety than that.

O'Keeffe was a feisty, independent woman, credited with having helped legitimize abstraction in art. The artist, who died in 1986 at the age of 98, would have been 100 years old on Nov. 15.

"One of the stereotypes of O'Keeffe is that she was a flower painter," says Jack Cowart, a curator of 20th century art for the National Gallery of Art in Washington, D.C. "However, there is a fresh, unexpected side to her art as well. People don't think of her as having painted miniatures, nudes or towering cityscapes, with streets that recede like the bottom of a Southwestern canyon. But she did."

The Centennial Exhibition of Georgia O'Keeffe opened Nov. 1 at the National Gallery and runs through Feb. 21, 1988, before traveling to other cities. The exhibition features 120 O'Keeffe works, completed between 1915 and 1965.

On March 5, 1988, the exhibition will travel to the Art Institute of Chicago, where it will remain through June 19. The exhibit then will hang at the Dallas Museum of Art, from July 31 to Oct. 16 and at the Metropolitan Museum of Art, in New York, from Nov. 19 to Feb. 5, 1989.

"Until abstraction, it was not possible for women artists to paint as women," says artist Judy Chicago, whose room-sized sculpture, *The Dinner Party*, pays tribute to O'Keeffe and other famous women. "O'Keeffe was one of the first to understand that. The power of her paintings comes from their content. Their persuasiveness comes from her passion and personal vision."

Her fame began to spread shortly after she met Alfred Stieglitz, a New York photographer and impresario, who first exhibited her work in 1916. They married in 1924. Stieglitz introduced the woman and her art to New York's inner circle of progressive artists.

O'Keeffe painted as she lived: largely to please herself. Her independent and original life frequently is celebrated more than her art.

After Stieglitz's death in 1946, O'Keeffe moved to Abiquiu, N.M., permanently, where she lived and worked almost until her death. Despite her annual exhibitions, she was viewed by many as a desert recluse; a coward who refused to fight the battles raging at the forefront of the art world.

"I think that O'Keeffe's stature as an artist has not yet been fully recognized," says Chicago. "There has been more emphasis on the myth than her output. The myth was not anywhere as important as the nature of her work."

In 1985, Cowart and Juan Hamilton, co-curators for the new exhibition, began plans to mount an exhibit to dispell the myths surrounding O'Keeffe and emphasize her talent and contributions to art.

The centennial exhibit is the first important retrospective on the artist mounted since 1970. However, Cowart and Hamilton note, the exhibition is by no means a complete retrospective. In fact, excluded from the exhibition are O'Keeffe's works completed after 1965, when she began to lose her sight.

"She painted oils, watercolors and pastels, after 1965," Hamilton says. "They are not the major works of her career. They are subjects for another exhibition."

While the exhibit features some of O'Keeffe's well-known pieces, including *Two Calla Lillies on Pink* (1927) and *Cow's Skull with Calico Roses* (1931), it also includes surprises, Cowart says, a collection of her rarely exhibited pastels, charcoals, pencil drawings and watercolors on paper.

Other surprises in the show, he says, are her nearly two dozen miniature paintings on canvas, all approximately the size of a sheet of typing paper.

The artist is known for large-scale works, such as *Sky Above the Clouds,* a 96-by 288-inch painting

"We haven't discovered a new Georgia O'Keeffe," says Cowart. "But we should be able to consolidate her position in the center of the wheel, not just a part of the rim."

As if to prove that point, the exhibition catalog, *Georgia O'Keeffe, Art and Letters,* (Little, Brown and Company Inc., hardcover, $50; soft-cover, $22) features the artist's works and a collection of 150 letters written by her to such people as Eleanor Roosevelt, Frank Lloyd Wright and Joseph H. Hirshhorn.

"The letters demystify her, show the person behind the myth," says Sarah Greenough, a research curator for the National Gallery. "The same strong, haunting images she created with her palette, she also created with words. The letters are as much works of art as the paintings hanging in the gallery."

"MOST SPIRITUAL AND INNOVATIVE" OF 20TH CENTURY

From a small garage framing a dramatic view of flat-topped Cerro Pedernal in Santa Fe, N.M., sculptor Una Hanbury chipped away at a portrait of Georgia O'Keeffe. It was 1968.

"I hope you understand I don't want to see this portrait until it's finished," O'Keeffe told Hanbury.

Hanbury obliged by concealing her work at the end of each day with a shopping bag. When the portrait was complete, O'Keeffe snatched the wrapper off and inspected her likeness.

"I didn't know you were going to do such a personal portrait of me," O'Keeffe told the sculptor, adding, "I'm very, very flattered."

O'Keeffe died on March 6, 1986, in Santa Fe. At 98, she came close to achieving her dream of living to be 100. She left behind memories of an iron-willed pioneer with an artistic vision as sharp as the Southwestern light by which she painted.

"All of her work is significant," says Anne Imelda Radiche, director of the National Museum for Women in the Arts, in Washington, D.C. "She is one of the most spiritual and innovative painters of the 20th century."

O'Keeffe, who began exhibiting in 1917, achieved a remarkable career for a woman at that time.

"Women can only create babies, say the scientists, but I say they can produce art, and Georgia O'Keeffe is the proof of it," Alfred Stieglitz declared at her 1923 show.

Stieglitz, the pioneer of fine art photography, launched O'Keeffe's career and married her on a cold day in December 1924.

O'Keeffe was born on Nov. 15, 1887, near Sun Prairie, Wisc. She attended a local school near Madison, then completed junior and senior high school in Chatham, Va. She studied art at the Art Institute of Chicago in 1905 and 1906, and by 1909, worked as a commercial artist in Chicago.

In the fall of 1912, she began a two-year tenure as supervisor of art in public schools in Amarillo. Texas. Her teaching career later took her to the University of Virginia, and Columbia College in Columbia, S.C.

O'Keeffe made her first trip to New Mexico in 1929; she returned every summer thereafter and first visited Ghost Ranch, near Abiquiu, in 1934.

Six years later, she bought the three-wing adobe hacienda at Ghost Ranch that would become her home base and inspiration for more than four decades. Sandstone cliffs towered above the house, and Cerro Pedernal stands like a sentinel to the south.

In 1971, at age 84, O'Keeffe was shocked to realize that the world she saw through blue-green eyes was turning into a blur. Doctors diagnosed an irreversible vision loss, and she stopped painting. She then used young man's vision to recapture her will to create.

One autumn day in 1972, a tall man with a pony tail and mustache knocked on her door. The man was Juan Hamilton, a recently divorced potter and sculptor searching for a fresh start. He was in his 20s; she was 85.

O'Keeffe hired Hamilton to do odd jobs around the hacienda, but required him to take up his art work again. Hamilton built asymmetrical pots on her kitchen table, and O'Keeffe, who had previously shown little interest in ceramics, started experimenting with coiled clay pots.

Her success in clay gradually led her back to painting, and she and Hamilton became inseparably close friends.

"Georgia O'Keeffe lived a very long time," says Radiche. "Because she was an exceptional artist, a woman who was known to be strong and strong-willed, her life and her style can only serve to inspire aspiring artists, both male and female."

MYTHS OF HER LIFE ALMOST OBSCURE POWER OF HER ART

(By Penelope Bass Cope)

When Georgia O'Keeffe died in 1986, the legend surrounding the reclusive 98-year-old artist almost obscured her contribution to 20th century American art.

As a young woman, O'Keeffe had been the mistress of the much older, married photographer and gallery owner Alfred Stieglitz, whom she later married. He championed her art, and she becamse the subject of many of his most famous photographs.

In the eyes of the avant-garde intellectual Stieglitz, O'Keeffe represented the perfect woman—sensual, stunning, independent and serious—qualities that came through in her art.

Indeed, a disturbing strength and sensibility permeate many of the 100 or so paintings and drawings on view at the National Gallery in Washington, D.C., in "Georgia O'Keeffe 1887-1986," an exhibition continuing through Feb. 21.

O'Keeffe zeroed in on the female essence; not the lace and lipstick of societally approved femininity, but the uniquely creative power of women.

When O'Keeffe first discovered her artistic message in a series of black-and-white charcoal drawings in 1915, she wrote to a friend, "It is essentially a woman's feeling. . . . There are things we want to say—but saying them is pretty nervy."

The vigor of this early abstract series (O'Keeffe worked in series throughout her lifetime, exploring one subject thoroughly until it did no more for her) so impressed Stieglitz that he made it the subject of O'Keeffe's first show in his Gallery 291 in New York.

Some critics resented O'Keeffe's independence and accused her of being masculine. They commented on her arrogance, her will, her ambition and her total absorption in work.

Such words couldn't hinder her drive for self-realization. Each year she left her husband in New York for up to six months to go to New Mexico and bury herself in her art.

"A woman who has lived many things and who sees lines and colors as an expression of living might say something that a man can't," she wrote to a friend about 1925. "I feel there is something unexplored about women that only a woman can explore."

Some of O'Keeffe's comments sound surprisingly familiar. Many of the women who have followed her echo her words. They still complain of a lack of appropriate female role models in the traditionally male-dominated world of fine arts. While O'Keeffe's imagery, which is often abstract, might not always be directly female or sexual, it's hard not to read these qualities into its content.

The flowers in her well-known pictures of white calla lillies, black irises, red poppies and jack-of-the-pulpits are so big the whole blossom can't be confined within the limited space of the canvas. This close-up view draws attention to the sensuous waves of the petals emanating from the flower's mysterious center.

Such pictures, often copied by the artists who succeeded her, have become almost trite, but when O'Keeffe made those pictures they were startlingly sensual and new.

Sometimes her imagery is completely abstract, other times it's representational. Always, though, the artist tries to keep her personality out of the picture.

She refused to sign the front of her canvases, reasoning that her style was signature enough. Nor could she be seduced by declarations of artistic ego, fancy brushwork and bold impasto. For O'Keeffe, form and color say it all.

"IT ALL CAME TO LIFE" AS WASHINGTON SHOW TOOK SHAPE

(By Melissa Adams)

When Juan Hamilton and the National Gallery of Art staff finished the two-week process of hanging Georgia O'Keeffe's paintings for the show that opened eight days ago, the artist's friend saw something magical.

"It was the culmination of 15 years of work with Miss O'Keeffe," the Santa Fe sculptor said after his return from preview ceremonies Oct. 29. "I was there for two weeks installing the show. At first, the lights weren't set and the paintings just sat there. It seemed cold and gray. But after 10 days, it was magic. It all came to life."

Once the show opened, "everybody seemed to be thrilled. The reviews have been great and there is so much interest," he said.

To Hamilton, the exhibit of 70 years of the late artist's drawings, watercolors and paintings is a memorial to O'Keeffe.

"There is nothing that could say more about her than to see her works on the wall," Hamilton said.

Hamilton, a sculptor, had been a friend and companion to O'Keeffe since 1972. He also is the executor of her estate.

The exhibit has been a complicated but coordinated effort between Hamilton and the National Gallery staff, particularly Jack Cowart, a curator of 20th-century art for the museum.

Hamilton is co-curator of the show and has been a major influence in selecting paintings, installing the art and supervising the production of the impressive catalog from the show.

Because the estate is in New Mexico, the National Gallery staff did much of its preliminary work here.

Hamilton said he started working with art from the estate.

"We had all these wonderful major things, but we wanted to make a conscious effort not to duplicate works that had been in the Whitney Retrospective (Whitney Museum of Art in New York, 1970) or what had been in the Viking book, (*Georgia O'Keeffe*, Viking Press)."

While Hamilton sorted through the paintings from the estate, Cowart traveled around the country selecting pieces from museums and private collections. The two then joined forces and made their choices.

"We wanted an overall view; strong examples of the different pieces of her creative life." Because of this, there aren't as many of her famous flowers or Southwestern landscapes as some art patrons might like.

"We really tried to get other strong images that represented her in different ways and presented fresh aspects of her work."

The eight gallery rooms used for the show were built specifically for the exhibit, which starts with some of the artist's early charcoal drawings and water colors and concludes with her *Cloud* series, including the 24-foot canvas she did when she was 78.

The elaborate setting didn't stop with the eight rooms. Nearly 60 percent of the pieces were reframed for the show, a substantial undertaking.

"A lot of the frames that went out in the 20's and 30's were damaged or changed, and we wanted a consistent look in keeping with the original integrity," Hamilton said.

So he had two or three of her original frames duplicated.

"This was a major undertaking, and the National Gallery has made it a first-class product. Every detail was handled carefully," he said.

The catalog produced for the show was underwritten by Southwestern Bell in St. Louis. *Georgia O'Keeffe Art and Letters* is 320 pages filled with 120 color reproductions, several black and white photographs and 125 of her personal letters written to friends and fellow artists.

The hardback book published by the museum will sell for about $50 in bookstores. The soft cover will be available at the museums where the exhibit is shown.

Among other Santa Feans who attended preview festivities were Judge Oliver and Jean Seth, former owner of Jean Seth's Canyon Road Gallery.

"Marvelous" was the word she used to describe the preview night, which included a black tie sit-down dinner for about 350 invited guests.

The Seths considered themselves friends of O'Keeffe. "She was a marvelous person in her own right, very different and very interesting," Jean Seth said.

Seth was O'Keeffe's attorney before he was selected as a U.S. Court of Appeals judge by President John Kennedy. O'Keeffe had attended the opening of Jean Seth's Canyon Road Gallery, and the Seths attended the opening of the Whitney Retrospective.

The Washington, D.C., show was impressive, Jean Seth said.

"I think it was a tribute to 70 years as a successful artist. I don't think there could have been a much better tribute. I think more people now will see her as sort of a goddess of the art world."●

WATER POLLUTION FROM ABANDONED MINE RUNOFF

● Mr. SASSER. Mr. President, last week the Environmental Protection Agency released the final draft of the 1986 national water quality inventory. This report to the Congress is made biennially and reviews the quality of lakes, streams, and ground water around the country.

While the report shows some improvement of water quality overall, I was most distressed by the assessment of streams in Tennessee. I would like to read a portion of that summary:

> The largest single cause of nonsupport (streams which are moderately or severely impaired) in Tennessee streams is surface mining, both active and abandoned sites. Major pollutants emitted by surface mines include acidity, sediment, and toxic materials. In certain areas of the State, water quality in entire watersheds has been destroyed. Most aquatic degradation caused by surface mining is concentrated in the Cumberland Plateau region on the State.

After contacting officials in Tennessee's Department of Health and Environment, I found that the majority of this pollution can be linked specifically to abandoned mine sites in Tennessee. Figures from the study show that of the 5,748 miles of streams assessed, 1,965 were moderately or severely impaired. Of the impaired streams, 915 miles, almost 50 percent, were polluted by the runoff from abandoned mine sites. We can see a clearly defined cause and effect in terms of poor water quality in streams in Tennessee.

I find this cause and effect very unsettling. It points to a shocking failure of the Office of Surface Mining to carry out its statutory mandate.

Now, I know what OSM will say about the situation in Tennessee. They will argue that since the State lacks primacy, OSM cannot do any mine reclamation. Mr. President, I have grown weary of government bureaucrats hiding behind legal arguments to justify their failure to do their job.

Certainly, Tennessee has a problem with primacy. However, I find little in the law that means this problem should preclude any Federal mine reclamation in Tennessee. What I see in the law is a clear directive to protect the public health and safety from the dangers posed by abandoned mines. As the EPA report makes plainly clear, OSM has failed miserably in this task in Tennessee.

I would further suggest that the link between poor water quality and abandoned mines is not restricted to Tennessee. I strongly encourage my colleagues to review EPA's report and note the problems in their own States. I believe that many Senators whose States have abandoned mines will find that these mines are contributing greatly to poor water quality in their States.

My colleagues will recall that Congress called for quick action in reclaiming abandoned mine sites in the Surface Mining Control and Reclamation Act of 1977. The Office of Surface Mining is charged with carrying out such reclamation efforts. Yet, the situation in Tennessee clearly indicates the Office of Surface Mining is not overly enthusiastic about this task. Indeed, in recent hearings before the Senate Subcommittee on Government Efficiency, the Director of the Office of Surface Mining, Jed Christensen, noted that his office is holding in reserve some $400 million of the abandoned mine land fund. This is money which is supposed to be used in the field for mine reclamation.

Clearly, Mr. President, it is time that OSM gets on with the job of reclaiming hazardous abandoned mine sites. We cannot afford to see OSM hide behind the legal niceties in an effort to ignore reclamation needs in Tennessee and elsewhere. While there is a valid argument on the question of primacy, there is no excuse for the lack of a Federal presence in mine reclamation in States like Tennessee.

Last Friday, I wrote to Mr. Christensen, and called on him to begin addressing the health and safety problems generated by his policy of neglect in Tennessee. The time for muddying the waters with legal arguments has passed. EPA has made clear to all the grave threats posed by abandoned mines in Tennessee. It is OSM's duty to tackle this problem. To date OSM has failed to live up to this duty. It is my intention to bring an end to this policy of neglect so we can once again have safe, clean rivers and streams in our country.●

THE VETERANS' HOME LOAN PROGRAM IMPROVEMENTS AND PROPERTY REHABILITATION ACT OF 1987

● Mr. MURKOWSKI. Mr. President, I am pleased to rise to ask my colleagues to join me in supporting the Veterans' Home Loan Program Improvements and Property Rehabilitation Act of 1987. Earlier this year, the Senate amended H.R. 2672 by substituting for it the language of S. 1801, the Senate-passed Veterans' Home Loan Program Improvements Act of 1987. The bill before us today would implement a compromise agreement reached between the members of the Senate and House Committees on Veterans' Affairs which resolves the differences between H.R. 2672 as first passed by the House and H.R. 2672 as amended by the Senate.

It is hardly necessary to restate the importance of the Home Loan Guaranty Program to America's veterans or to America's housing and housing finance industries. All Americans, not just veterans, have at least an indirect stake in the health of this program. And, as I have previously noted, there is substantial evidence that the Veterans' Home Loan Guaranty Program is in poor economic and policy health. The symptoms include:

Repeated appropriations to replenish the loan guaranty revolving fund;

The VA's inability to reduce the record-sized inventory of VA-owned homes;

Continuing high levels of foreclosures, even during an economic expansion of record duration and unemployment rates at a low level compared to the last decade; and

Continued high average losses to the VA for each foreclosure.

It was in recognition of the vital importance of the VA Home Loan Guaranty Program, and the necessity for reforming the problems which are draining the health of the program, that I began working toward reform legislation in 1985. I am pleased that my concerns and efforts were shared by other members of the committee and the Senate. I have been privileged to work on this issue with the distinguished Senator from California, first when I was chairman of the committee and later as ranking minority member. Together we devised a reform package, many provisions of which are reflected in the legislation before the Senate today. Chairman CRANSTON's and my concerns for the health and importance of the program are shared by our colleagues in the House of Representatives; and the bill before us has the benefit of the insight and the initiative of Chairman MONTGOMERY and Representatives SOLOMON, KAPTUR, and BURTON, and other Members of the House. I commend all of the Members of both bodies and both parties who have worked so hard to bring this necessary bill to fruition.

I am particularly pleased the bill contains provisions which will protect the financial integrity of this important program. For example:

The VA loss on a foreclosed home is frequently increased because the market value of the home is not equal to the loan amount which was based on an appraised value. The compromise agreement contains a provision establishing qualification standards for appraisers.

The VA loss on a foreclosed home is frequently increased because the property remains in the VA inventory for an inordinately long period of time. The compromise agreement contains a provision which will direct the VA to better utilize the talents and energy of the private sector real estate industry.

The VA frequently loses money when a veteran buyer sells his or her home through an assumption if the assuming buyer subsequently defaults on the loan. Amazingly, although the VA is still required to honor the guaranty on the loan, current law provides no mechanism for the VA to protect itself by ensuring that the new buyer, who need not be a veteran, is creditworthy. The compromise agreement requires the VA, or an approved lender, to determine that the assuming buyer is creditworthy. The agreement also includes a provision to deal with those rare instances where it may actually be in the veteran's and the VA's interest to permit an assumption by a buyer who cannot meet creditworthiness standards. For example, a veteran may be irremediably in default and unsuccessful in finding a creditworthy buyer. In such a case it is conceivable that a buyer with an unsound credit history may offer a higher probability of making his or her payments than the defaulting veteran homebuyer.

The compromise agreement increases the maximum amount of the VA Home Loan Guaranty from $27,500 to $36,000. The increased guaranty amount will reflect increases in housing costs by making no- or low-downpayment VA-guaranteed loans available for the purchase of more expensive homes. This provision will be particularly important in areas of the country, such as Alaska, with a high cost of housing.

I am particularly pleased that the increase in the maximum guaranty amount is linked to a reduction, from 60 percent to as low as 40 percent in the percentage of the loan guaranteed by the VA. This reduction will provide a more equitable distribution, between lenders and the VA, of the risk in loans guaranteed by the VA. The free market is most efficient in allocating resources only when all parties to a transaction share in the risks of that transaction. If lenders share some of the risk, they are more likely to take steps to ensure the loans are sound. I note that a 40-percent guaranty still provides lenders with double the coverage of the 20-percent downpayment and thus provides ample protection for a sound loan.

The compromise agreement contains a provision giving the VA discretionary authority to sell VA-acquired homes for use in sheltering homeless veterans and their families. Such sales must not adversely impact the solvency of the loan guaranty revolving fund, and the VA must determine there is no significant likelihood the property could be sold for a price which would reduce the defaulting veteran's debt to the VA. These conditions are important because they make it clear that this provision provides a mechanism for making shelter available to the homeless without having the costs borne by the defaulting veteran or the home-buying veterans who depend upon a healthy loan guaranty revolving fund. This provision will allow the VA to sell homes for use in sheltering veterans if the home's condition or surroundings have reduced the market value to a nominal level. It allows the VA to assist the homeless without compromising the sound business standards which are necessary for the long-term stability of the Home Loan Guaranty Program.

Section 6(b) of the compromise agreement includes a provision allowing the VA to include in VA financing of the sale of a VA acquired property—so-called vendee loans—an amount to be used to restore the property to a habitable state. Regrettably, some VA-owned properties have been allowed to deteriorate to a condition in which they do not meet basic standards of habitability. By providing buyers with financing for the rehabilitation work needed to restore habitability, this provision should provide the VA with another tool it can use in marketing the home if it determines a house is so deteriorated it is not otherwise salable. The goal of increasing the salability of these deteriorated homes is further encouraged by a provision which would allow the Va to waive, in the case of deteriorated properties for which financing includes an additional amount for rehabilitation, the requirement of a 5-percent downpayment. I believe the 5-percent downpayment requirement for vendee loans, which originated in the Senate-passed S. 1801, will be an important step in reducing losses to the loan guaranty revolving fund. Vendee loans are made to veterans and nonveterans alike and have the same favorable interest rate and terms as VA-guaranteed loans for veterans. The default rate on vendee loans is inordinately high and therefore causes inordinate losses to the loan guaranty revolving fund. I believe it is appropriate for buyers of VA-acquired properties, who finance their purchase by means of a VA-made vendee loan, to make a small downpayment. This equity should reduce defaults and VA's loss when defaults occur. A 5-percent downpayment and a VA interest rate would still represent very favorable financial terms for a buyer.

I am pleased the compromise agreement contains a provision directing the VA to give appropriate consideration to available state economic data, when such data is available, for establishing standards of residual income for potential homebuyers. The use of State economic data, rather than regional data, should help make VA underwriting standards more equitable between high cost-of-living States and low cost-of-living States in the same region.

I am also pleased the compromise agreement includes a provision relaxing the occupancy requirement for veterans or service members who seek to refinance their VA guaranteed loan. Homeowners whose careers subject them to frequent moves may be temporarily living away from their homes at a time when interest rates go down. This provision will allow these individuals to refinance their homes if they certify they previously occupied the home. In the case of those homeowners who are on active duty, the requirement can also be met by a certification from the service member's spouse that the spouse previously occupied the property. While this provision applies to everyone, it should be particularly important to the members of our Armed Forces. A similar provision allows the occupancy requirement to be satisfied for service members seeking an original loan if the service member's spouse occupies the home. I am particularly pleased with these provisions because they accommodate the frequent moves and temporary, but sometimes lengthy, absences from home imposed on those to whom we look for our national security.

Mr. President, in summary, the legislation before us improves the VA Home Loan Guaranty Program by making the program more useful to the homebuying veteran or service member. At the same time, it makes historic reforms in the operation of the program which should serve to ensure that the program will be as healthy and useful for veterans of the next 44 years as it has been for veterans of the last 44 years.

Before the Senate considers this legislation, I would like to express my appreciation to the staff members whose hard work was essential in drafting legislation from the ideas and concepts developed by the committee. Anthony Principi, Chris Yoder, Tom Roberts, Susan Theroux, and Annie Rothgeb are now with the committee minority

staff and will see the fruits of their labor. Cathy McTighe and Brian Bonnet, while no longer on the committee staff, played an essential role in developing, nurturing, and perfecting the information and ideas upon which this legislation is based.

We are also indebted to Jon Steinberg, Ed Scott, Jane Wasman, Jennifer Loporcaro, Ingrid Post, Charlotte Hughes, and Loretta McMillan, of the committee majority staff, for their efforts on this bill.

I urge my colleagues to join me in support of this legislation.●

KENTUCKY FRIED CHICKEN IN CHINA

● Mr. MITCHELL. Mr. President, I rise today to insert two articles into the RECORD, both of which appeared last Friday; one in the Lexington (KY) Herald-Leader and the other in the Washington Times.

As the articles point out, capitalism is finding its way into the economy of even the largest communist state with Kentucky Fried Chicken opening a three-story outlet in the shadow of Chairman Mao's mausoleum.

This franchise not only represents a triumph of our economic philosophy but also is indicative of the success and popularity of the Kentucky Fried Chicken chain. In remote corners of the world, the Kentucky Fried Chicken outlet is often the most recognized symbol, not only of my State, but of the United States. I applaud the efforts of this corporation and wish it every success in its future endeavors.

I am inserting these articles so that other Senators may learn of the uniquely broadening appeal of Colonel Sanders' "finger licken' good" approach to food service.

The articles follow:

[From the Lexington Herald-Leader, Nov. 13, 1987]

COLONEL'S LARGEST EATERY HAS OPENED IN PEKING

(By Michael Browning)

"In a suitable temperature, an egg changes into a chicken."—Mao Tse-tung

PEKING.—Some chicken: This is no wing-and-a-fryer operation.

With a price tag of just more than $1 million, the world's largest Kentucky Fried Chicken restaurant staged its grand opening yesterday, scarcely more than a stone's throw from the mausoleum of Chairman Mao Tse-tung.

Col. Harland Sanders, whom the Chinese call lao tou ("old head"), has set up shop in the very heart of China's capital.

The eatery is three stories tall, seats 500 and has 12,000 square feet of floor space. It stands right next to the historic hearthstone of Peking, with a grand view of the Square of Heavenly Peace, the golden roofs of the Forbidden City, the columned facade of the Great Hall of the People and the white and gold monument to heroes of the Communist revolution.

"We must never relax our vigilance against the frenzied plots for revenge by the imperialists and their running dogs."—Mao

Things were relaxed yesterday. Chinese acrobats led a traditional lion dance with bells jingling beside an enormous model balloon of a take-away bucket of Colonel Sanders' best. The cheapest meal here, the three-piece dinner, costs just more than $2. The average Chinese rarely spends more than 50 cents for lunch, which usually is a bowl of dumplings or noodles.

The manager, Tony Wang of Singapore, said: "This is the best location in the world, so it had to be the largest restaurant. It's a fast-food operator's dream come true.

"I don't see us competing with Peking duck, but we're here to supply a strong need."

Wang said there were plans to open further branches in other Chinese cities.

He said the whole restaurant—all three floors—would be open to all comers, both Chinese and foreigners. Customers may pay either a local currency or foreign exchange certificates. The prices are identical.

How much is a bucket of chicken? 50 yuan. That's about $13.

"We should pay close attention to the well-being of the masses, from the problems of land and labor to those of fuel, rice, cooking oil and salt."—Mao

The 11 secret herbs and spices come from America, but the chickens themselves are Chinese, Wang emphasized. The birds are taken off their standard fish meal diet several weeks before they cluck their last, to improve their flavor. The deep frying vats at the new restaurant can handle 2,300 pieces an hour.

There are 180 beige uniformed Chinese working in the store under foreign trained managers. Most know basic English, but the most common way to order is to point to the photographs on the menu. The workers get a base salary of about $37 a month, but if they work hard they can double it, one said.

"Waiting leads to great loss."—Mao

The contract for the restaurant was signed with astonishing rapidity, just 10 months ago. The profits will be split 60-40 in favor of the Americans.

The Kentucky Fried Chicken outlet plans to handle between 2,000 and 3,000 customers a day. It is situated on one of the busiest intersections in Beijing, where 150,000 passers-by stream past daily. The largest figure is 45,000 meals a week.

This is a lightning time warp, compared with the average wait in a Chinese restaurant. Formal meals here last two or more hours and even in mass restaurants the lineup can last as long as an hour.

"It has been proved that the enemy cannot conquer by force of arms. However, the flattery of the bourgeoisie may conquer the weak willed in our ranks."—Mao

"I don't feel offended by it," said Weng Min, 67, standing outside the restaurant yesterday. "After all, we are supposed to be opening to the outside world, aren't we?"

Four policemen diving into the carton of chicken, mashed potatoes and cole slaw said, with some surprise, "It tastes not bad." But some other Chinese found the secret blend of 11 herbs and spices somewhat less than fingerlickin' good.

"I felt sick at the smell of it," one said.

[From the Washington Times, Nov. 13, 1987]

COL. SANDERS JOINS MAO AS ATTRACTION IN BEIJING

(By Edward Nielan)

BEIJING.—One hundred yards from the tomb of the Great Helmsman, Mao Tsetung, in Tiananmen Square and two blocks behind the Great Hall of the People, two life-size plastic likenesses of Col. Sanders stand guard irreverently in front of the world's largest Kentucky Fried Chicken fast-food restaurant.

Two pieces of finger-lickin' good chicken, a soft drink and a roll sell for nine yuan, or $2.50. Despite that comparatively high price, there is a line waiting to be served and to take trays of food to seats on the first, second and third floors. Young female attendants wearing beige miniskirts and caps show the way.

It is China's first fast-food restaurant, opened formally yesterday with an official ceremony. Thousands of curious Chinese, many of them tourists from outside Beijing, milled around the edges, but the festivities were by invitation only.

The 500-seat restaurant opened on a limited basis early last month and has been serving 2,000 to 3,000 people a day, with daily sales of 10,000 yuan ($2,700), said Xia Jue, chairman of Beijing Kentucky Co.

Another 50 yards down the block, in the shadow of Qianmen Street (Front Gate of Beijing's old Walled City), stalls offer stiff competition. A Styrofoam plate with fold-over cover full of rice with a beef and vegetable topping costs two yuan (55 cents); if you have brought your rice coupon, it costs only one yuan and 20 fen (33 cents).

A bicycle parking lot next to a nearby bus station charges two fen (1½ cents) for "all-day parking of your bicycle suitcase."

A man in a blue Mao jacket and cap pedals by slowly on his bicycle carrying a live, squealing pig strapped to the back rack. A younger man in a tweed sportcoat, Reebok running shoes and jeans pedals his bike in the opposite direction, a box labeled "Toshiba color television" strapped to its rack.

A Toyota taxicab honks at passersby, including teen-agers in sweatshirts with slogans "Go Trojans" and "Macao Grand Prix" on their fronts.

The 10 million residents of this capital city, like their 1 billion fellow citizens of the rest of China, are being buffeted by unprecedented change and trapping from the outside world, and they seem to like it. There is no shock of crashing stock markets to try men's souls, but "future shock" is everywhere.

Episodes of "Donald Duck" cartoons run on Sunday morning television in the time slot once reserved for "The East is Red" revolutionary opera.

Speaking of change: It is now possible to direct-dial to South Korea from a Beijing hotel room telephone, even though the two countries have no formal diplomatic relations and communist China is supposed to be a close ally of communist North Korea.

In the lobbies of Beijing's hotels, new and old, reunions are the order of the day, nearly outnumbering Princess Cruise and Lindblad tour groups.

Chinese from Kansas City and Taipei greet and hug friends and relatives from Beijing whom they haven't seen in 30 or 40 years, as China continues its open-door policy.

A reporter who first visited China in 1973 finds increased traffic and increased construction the two most immediately identifiable differences.

Who will be the first composer to set "The Bicycles of Beijing" to music? The literally millions of two-wheelers provide the world's most quiet rush hour. Now the bicycles are joined by automobiles of every nation.

With all the change that official policies of modernization have brought, the inevitable uninvited guest—inflation—has crashed the party and caused confusion. A two-tiered pricing system for residents and foreigners has created a black market.

A Shanghai-produced Volkswagen Santana—similar to the Quantum sold in the United States—costs $22,000.

At least six Beijing hotels held Halloween costume parties last month. Now, instead of taking a walk through the Forbidden Palace grounds, visiting executives who eat too much at the No. 1 Beijing Duck Restaurant can work it off at the Clark Hatch Health Club in the Great Wall Hotel.

Today, an English-language news nightly broadcast on television is among the best in Asia.●

INFORMED CONSENT: MAINE

● Mr. HUMPHREY. Mr. President, thousands of women across the country have been joining local support groups called Women Exploited By Abortion. These WEBA groups, as they are called, help women who have encountered devastating effects from their abortions, whether they be emotional or physical. Today, I present a letter from a woman who has started a WEBA group in Maine, and I ask unanimous consent that the letter be entered into the RECORD at the conclusion of my remarks.

The existence of these WEBA groups demonstrates the fact that abortion can and very often does have significant and traumatic effects. Unfortunately, women considering abortion are not always told about the risks, effects, and alternatives of the procedure. I urge my colleagues to support my informed consent legislation, S. 272 and S. 273, which would require medical personnel to properly inform women facing a decision about abortion. Any less is not enough.

The letter follows:

NOVEMBER 1987.

DEAR SENATOR: My name is Jackie Chalmers and at present I am the beginning of a WEBA (Women Exploited by Abortion) group in Maine. I have a phone line into my home that is available to women who need help in dealing with their abortion experiences. The women who call me have in most cases been traumatized. Their abortion experiences may or may not have been recent, but their abortions have obviously scarred their lives and in many cases have left them emotionally handicapped. Their experiences are related to me in tears as they have come to know they have made a wrong decision.

I am responsible for the murder of my 13-week-old baby, when I had an abortion in 1975. I was 23 years old, old enough to make an educated, rational decision. The problem is, that doctors are not required to tell the truth, people don't know the truth, don't want to believe the truth, and don't realize the emotional trauma that is left to scar the second victim of abortion. The human conscience is a mighty thing. We are taught that those who take the life of another should be punished. When you take life from the womb, natural maternal instinct knows that all life is gone. Grief, mourning and most of all shame and guilt creep into the life of the mother, manifesting itself in nightmares, maternal instincts being smothered, a sense of loss, withdrawal, loss of confidence, lowered self-esteem and self-destructive behaviors. These behaviors are a result in our consciences being taught that we deserve to be punished. I am a witness of these things.

Each abortion performed increases the risk of abnormal pregnancies. I had only one abortion and had both my children prematurely. If only I had known! I tell the school kids I talk to, that a year out of school would have been a better alternative to the pain and remorse I will have for the rest of my life.

There is no way to justify abortion except at the risk of physical life to the mother. The quality of life is the responsibility of the living, to love and care for one another no matter what hand is dealt to us. It has become a matter of convenience to rid ourselves of burdens. We live selfishly and inconsiderate of one another and it is obvious we are paying the price.

Respectfully,

JACKIE CHALMERS,
WEBA, Maine●

PERSECUTION OF BAHA'IS

● Mr. SIMON. Mr. President, I would like to call attention to the plight of 12 members of the Baha'i faith who face imminent execution in Iran solely due to their religious faith. At least 5 Baha'is have already been executed this year in Iran and more than 200 are currently in prison. All have been persecuted solely for their religious beliefs.

These executions must stop; Iran's policies against the Baha'i must end. I ask the Islamic government in Teheran to reject its current policy of intolerance against the Baha'is and to adhere to the tenets of tolerance and compassion contained in the holy Koran.

According to the National Spirit Assembly of the Baha'is of the United States, following are the names of the 12 Baha'is in immediate danger of execution in Iran:

Mr. Ehsanullah Ayadi.
Mr. Farajullah Saadati.
Mr. Sohrab Dustdar.
Mr. Ramezan-Ali Amui.
Mr. Behnam Pashai.
Mr. Muhammad Dehqani.
Mr. Ezzatullah Khorram.
Mr. Mehran Tashakkor.
Mr. Farid Zkiri.
Mr. Vahid Qodrat.
Mr. Shahroukh Hoveydai.
Mrs. Parvin Fanaiyan-Edilkhani.

I call on the administration, the United Nations, and other organizations to do their utmost on behalf of these 12 individuals and on behalf of their fellow Baha'is who are also being persecuted throughout Iran.

The media has begun to focus on this issue. I commend the Wall Street Journal for discussing the plight of the Baha'is in an editorial on November 12. I ask that it be printed in the RECORD in full.

The editorial follows:

PERSECUTING THE BAHA'IS

More than 200 members of this persecuted minority have been executed since 1979, with the two most recent state-sanctioned killings taking place two months ago. Several hundred languish in prison, without charge, often subject to torture and other atrocities. The state arbitrarily confiscates their property, they are systematically prevented from earning a decent living, their children are excluded from the educational system, and they are denied freedom to emigrate from the country.

These are the 300,000 adherents of the Baha'i faith in Iran, who are the targets of what can only be described as a genocide campaign by Iran's Moslem fundamentalist theocracy. Iranian religious fanatics act with impunity against the Baha'is, because members of the religious minority are considered "nonpersons" under Iran's constitution, and are therefore afforded no protection in Iranian courts. The Baha'is' only real chance of survival lies with the U.S. and other sympathetic members of the international community.

Iran cares about its standing in the international community. Indeed, condemnation of Iran's gross human-rights violations in United Nations resolutions succeeded in pressuring the government to curb some of its most egregious actions. Its persecution of the Baha'is abated, with fewer reported executions and the release last year of 500 members of the religious minority from Iran's prisons. But when the United Nations turned its sight from Iran, the fundamentalist government stepped up its persecution of the Baha'is.

Iran was merely biding its time, figuring that the U.S. and other concerned members of the international community had short attention spans; that they would not be vigilant in protesting its persecution of the Baha'is. This past May Egypt sentenced 48 Baha'is to prison for practicing their religion. The weak protests of the U.S. and other nations hardly discourages other Moslem nations from following suit.

That a peaceable community such as the Baha'is could come to this plight reveals the danger of Moslem fanaticism. The Baha'i faith is relatively small, with fewer than four million followers world-wide. Its teachings pose no threat to Iran's religious or government leaders. Its adherents are instructed to obey the laws of the governments under which they live and to avoid partisan political involvement. Its religous dogma is certainly unoffensive; it seeks "universal peace" for all humanity.

This aspiration seems consonant with the peaceful, humanitarian principles espoused in Moslem teachings. That Iran's Moslem clergy are so intolerant of the Baha'is (whom they refer to as "misguided infidels"), and advocate their oppression, indicates an inherent hypocrisy in these ruling fanatics. That the government acts on this hyprocrisy—jailing, torturing and killing Baha'is merely for adhering to their faith—underscores how important it is that the U.S. and other nations draw attention to Iran's persecuted religious minority.●

NAUM MEIMAN

● Mr. SIMON. Mr. President, Naum Meiman continues to wait for permission to leave the Soviet Union and emigrate to Israel. Naum is a courageous man, who has suffered for too long. And why has he suffered? Merely because he wishes to leave the Soviet Union and make a home in the West.

An old man, Naum sits in his Moscow apartment and lives out his last years hoping that permission to be re-united with his daughter will be granted. Great efforts must be made immediately to bring some happiness to the remaining years of Naum's life. His health is poor, and time is running out.

I strongly encourage Soviet officials to allow Naum Meiman to emigrate to Israel.●

AN OBSCENE CELEBRATION

● Mr. SIMON. Mr. President, the Chicago Tribune reported that on the night marking the 49th anniversary of Kristallnacht, the infamous night Nazis destroyed Jewish-owned store fronts and burned synagogues in Germany, several synagogues and Jewish-owned stores in the Chicago suburbs were vandalized. This reminds us only too well that violence motivated by religious and racial hatred still exists in the United States, and that we as a nation must do all we can to help find solutions.

I have long been concerned about the occurrence of religiously and racially motivated crime. It is my firm belief that in order to combat these crimes, we need to collect data to identify the problems, determine trends, and target solutions. That is why I have introduced a bill in this Congress, S. 702, the Hate Crime Statistics Act. The bill directs the Justice Department to collect statistics on serious crimes which manifest racial, religious or ethnic hatred.

This bill will not erase the blight of religious or racial violence from our Nation. But I believe it will help officials to identify and combat these ugly incidents. It will demonstrate to the Nation that we are committed to the eradication of crimes of bigotry.

I ask that the Chicago Tribune editorial on this incident be printed in full in the RECORD.

The editorial follows:

[From the Chicago Tribune, Nov. 13, 1987]

AN OBSCENE CELEBRATION

Vandals assaulted synagogues and Jewish-owned stores, painting swastikas and breaking windows, in the Rogers Park and Albany Park neighborhoods early Tuesday in a manner that appeared too well-coordinated to be spontaneous or random. Rather, the acts looked like an obscene celebration of an obscene event in human history.

The night would have marked the 49th anniversary of *Kristallnacht*, the "night of glass" when Nazis broke the windows of thousands of Jewish-owned businesses in Germany and set fire to most of the country's synagogues. Horrible as it was, it offered only a bitter taste of the murderous horror that was to come, an ominous sign of an impending escalation of anti-Semitism. The Holocaust had begun.

It is tempting to offer the mental defectives who commit such vile acts no more public attention than that which is necessary to catch them and bring them to trial. But that would not be wise. Vandalism aimed at religious and racial minorities is intended to send a message. Society should send a message right back.

The Anti-Defamation League of B'nai B'rith, on the occasion of its 75th anniversary two weeks ago, cited evidence of growing anti-Semitic youth groups around the country. Such movements are born of ignorance and a host of socio-psychological disorders. Their right to free expression is guaranteed by the Constitution, even when they set out to undermine what the Constitution stands for. But the right of minorities to be protected from acts of racial and religious violence, and the right of all people to be secure in their property, is essential if a free society is to survive.

The thugs who showed their contempt for common sense and decency by breaking the windows of innocent Chicagoans may, in the long run, have done society a favor. They reminded everyone of how the horrors of genocide begin. All it takes is for good people to fail to pay attention.●

QUORUM CALL

The ACTING PRESIDENT pro tempore. The Chair, in his capacity as a Senator from Louisiana, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDERS FOR TOMORROW

ADJOURNMENT UNTIL 8:45 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 8:45 tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order on tomorrow, there be a period for the transaction of morning business not to extend beyond 9:15 a.m. and that Senators may speak for not to exceed 3 minutes therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTIONS AND MOTIONS OVER, UNDER THE RULE

Mr. BYRD. Mr. President, I ask unanimous consent that no motions or resolutions over, under the rule, come over on tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

WAIVER OF CALL OF CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that the call of the calendar be waived on tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RESUMPTION OF ENERGY-WATER APPROPRIATIONS BILL

Mr. BYRD. Mr. President, I ask unanimous consent that morning business be closed at 9:15 a.m. tomorrow and that the Senate resume consideration of the energy-water appropriation bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROLLCALL VOTE

Mr. BYRD. Mr. President, I will suggest the absence of a quorum at that time and it will be a live quorum, and it will be a 30-minute rollcall vote. I ask unanimous consent that the call for the regular order occur at the end of 30 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. This way, Mr. President, Senators will reach the Chamber early and the Senate can get an early start on acting on the energy-water appropriations bill and amendments thereto, and the earlier final action is reached on that bill the earlier action will begin on the defense conference report.

PROGRAM

Mr. BYRD. Mr. President, there will be rollcall votes on tomorrow. There is a time agreement on the energy-water appropriation bill and I would anticipate that final passage will be reached on tomorrow and that it will be my intent to proceed to the conference report on the defense authorization bill, and there may very well be rollcall votes in relation thereto.

ADJOURNMENT UNTIL 8:45 A.M. TOMORROW

Mr. BYRD. Mr. President, if there be no further business to come before the Senate I move, in accordance with the order previously entered, that the Senate stand in adjournment until the hour of 8:45 tomorrow morning.

The motion was agreed to, and at 5:48 p.m., the Senate adjourned until tomorrow, Wednesday, November 18, 1987, at 8:45 a.m.

NOMINATIONS

Executive nominations received by the Senate November 17, 1987:

IN THE ARMY

THE FOLLOWING-NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601(A), IN CONJUNCTION WITH ASSIGNMENT TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601(A):

To be lieutenant general

LT. GEN. COLIN L. POWELL, [redacted], U.S. ARMY.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR PERMANENT PROMOTION IN THE U.S. AIR FORCE, UNDER THE PROVISIONS OF SECTION 628, TITLE 10, UNITED STATES CODE, AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE.

LINE OF THE AIR FORCE

To be colonel

THOMAS E. KOSS, [redacted]

To be major

GEORGE A. CALDWELL, [redacted]
LARRY B. CLARK, [redacted]
JOHN W. DAVIS, [redacted]
JOSEPH L. HEALY III, [redacted]
WALTER S. MOHN, [redacted]
EDDIE W. SHELTON, [redacted]
JOHN C. TWIDDY II, [redacted]

JUDGE ADVOCATE

To be colonel

PETER N. ROGERS, [redacted]

BIOMEDICAL SCIENCES CORPS

To be major

NICHOLAS D. BOLEY, [redacted]

IN THE AIR FORCE

THE FOLLOWING AIR NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR PROMOTION IN THE RESERVE OF THE AIR FORCE UNDER THE PROVISIONS OF SECTIONS 593 AND 8379, TITLE 10 OF THE UNITED STATES CODE. PROMOTIONS MADE UNDER SECTION 8379 AND CONFIRMED BY THE SENATE UNDER SECTION 593 SHALL BEAR AN EFFECTIVE DATE ESTABLISHED IN ACCORDANCE WITH SECTION 8374, TITLE 10 OF THE UNITED STATES CODE. (EFFECTIVE DATES AS SHOWN)

LINE OF THE AIR FORCE

To be lieutenant colonel

MAJ. DENNIS C. DALY, [redacted] 7/12/87
MAJ. THORNE A. DAVIS, [redacted] 7/1/87
MAJ. ROBERT A. DAWES, [redacted] 6/23/87
MAJ. JON B. DICKIE, [redacted] 6/27/87
MAJ. JAMES A. EVANS, [redacted] 7/12/87
MAJ. WILLIAM R. HECKMAN, JR., [redacted] 6/9/87
MAJ. MARTIN J. INGRAM, [redacted] 6/14/87
MAJ. JON D. JACOBS, [redacted] 7/11/87
MAJ. HAROLD O. KOLB, [redacted] 5/1/87
MAJ. RONALD G. MEHAN, [redacted] 7/9/87
MAJ. RICHARD L. TESTA, [redacted] 7/1/87
MAJ. WALTER T. THILLY, [redacted] 7/2/87
MAJ. DALTON I. WILLIAMS, [redacted] 7/6/87

LEGAL CORPS

To be lieutenant colonel

MAJ. JAMES E. WILSON, [redacted] 7/1/87

NURSE CORPS

To be lieutenant colonel

MAJ. BONEE B. ERICKSON, [redacted] 3/8/87

IN THE AIR FORCE

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH GRADE AND DATE OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE PROVIDED THAT IN NO CASE SHALL THE OFFICERS BE APPOINTED IN A GRADE HIGHER THAN THAT INDICATED.

LINE OF THE AIR FORCE

To be major

WALTER S. MOHN, [redacted]
LARRY B. CLARK, [redacted]

To be captain

JAMES D. RUSSELL, JR., [redacted]

IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

ARMY

To be major

JAMES W. ABBOTT, [redacted]
JERRY L. *. ACHESON, [redacted]
ROBERT H. ACKER, [redacted]
FRANCIS H. *. ADAMS, [redacted]
GREGORY A. ADAMS, [redacted]
JAMES R. ADAMS, JR, [redacted]
JEANNE C. ADAMS, [redacted]
JEFFREY A. *. ADAMS, [redacted]
JOHN C. ADAMS, [redacted]
MICHAEL W. ADAMSON, [redacted]
DANIEL J. ADELSTEIN, [redacted]
ROBERT H. *. ADKINS, [redacted]
MICHAEL L. *. AGOGINO, II, [redacted]
PAUL P. AGOSTA, JR, [redacted]
DAVID A. AHRENS, [redacted]
DANIEL K. ALBERICO, [redacted]
FREDERICK K. ALDERSON, JR, [redacted]
MIGUEL *. ALFARO, JR [redacted]
JOSE L. *. ALICEA, [redacted]
CHARLES B. ALLEN, [redacted]
ROBERT E. *. ALLEN, [redacted]
VIRGINIA A. *. ALLEN, [redacted]
RALPH E. ALLISON, JR, [redacted]
BRUCE *. ALSUP, [redacted]
JAMES M. *. ALTHOUSE, III, [redacted]
NICHOLAS F. ALTOMARE, [redacted]
JAMES *. AMBROGI [redacted]
REX A. *. AMEIGH, [redacted]
PETER A. AMICO, [redacted]
BERNARD *. ANDERSON, [redacted]
BRUCE W. *. ANDERSON, [redacted]
EUGENE F. *. ANDERSON, [redacted]
LEVON *. ANDERSON, [redacted]
MELISSA A. ANDERSON, [redacted]
KURT A. ANDREWS, [redacted]
MICHAEL R. *. ANDRIANI, JR, [redacted]
JOSEPH A. ANDRZEJEWSKI, [redacted]
JESSE L. ANGELL, [redacted]
JOHN R. ANGEVINE, [redacted]
ARTHUR L. *. ANKLIN, III, [redacted]
DAVID E. ANSELMI, [redacted]
JOHN F. ANTAL, [redacted]
RAOUL *. ARCHAMBAULT, III, [redacted]
BRADLEY R. ARDNER, [redacted]
SCOTT L. *. ARMBRISTER, [redacted]
DONALD E. *. ARNOLD, [redacted]
COLLIN E. ARRINGTON, [redacted]
RICHARD J. *. ARTHUR, [redacted]
TIMOTHY R. ASCANI, [redacted]
STEPHEN A. *. ASHBY, [redacted]
KENTON L. ASHWORTH, II, [redacted]
JERRY A. ASLINGER, [redacted]
GLORIA A. ATKINSON, [redacted]
BASIL W. ATWOOD, JR, [redacted]
DONALD R. *. AUGUSTINE, [redacted]
MELVIN C. *. AUSTIN, [redacted]
WILLIAM T. AUTRY, [redacted]
REGINALD T. AVERY, [redacted]
CHARLES L. *. AYCOCK, [redacted]
ROBERT H. AYCOCK, [redacted]
CHARLES S. BABB, JR, [redacted]
BYRON S. BAGBY, [redacted]
CHRISTOPHER L. BAGGOTT, [redacted]
ALFRED T. *. BAILEY, [redacted]
CARL D. *. BAILEY, JR, [redacted]
GILBERT L. *. BAILEY, [redacted]
JUNIOR C. *. BAILEY, [redacted]
RAYMOND E. *. BAILEY, [redacted]
ROBERT C. *. BAILEY, JR, [redacted]
JOHN A. BAILIE, [redacted]
JOHN BAILLIE, III, [redacted]
BRUCE K. *. BAKER, [redacted]
JAMES H. BAKER, [redacted]
ROBERT B. *. BALDERSTON, [redacted]
JANET V. *. BALDI, [redacted]
MARIE L. *. BALDO, [redacted]
DONALD J. BALL, [redacted]
ROBERT L. BALL, [redacted]
WILLIAM C. BALL, [redacted]
JOHN L. BALLANTYNE, IV, [redacted]
JAMES B. BALLARD, [redacted]
ERNEST G. *. BANASAU, JR, [redacted]
CORNELIUS A. BANISTER, [redacted]
ROBERT M. BANKEY, [redacted]
GLENDA A. *. BANKS, [redacted]
SAMUEL I. BANKS, [redacted]
RANDALL G. BANKY, [redacted]
PATTY S. *. BARBOUR, [redacted]
WESLEY E. BARBOUR, JR, [redacted]
DONNA A. *. BARBUSCHAK, [redacted]
MICHAEL R. *. BAREFIELD, [redacted]
CHARMAINE E. *. BARKER, [redacted]
ROBERT S. BARNES, [redacted]
LUKE J. BARNETT, III, [redacted]
VAUGHN D. BARNETT, [redacted]
HAZEN L. BARON, [redacted]
RICARDO S. BARRERA, [redacted]
STEVEN E. BARRETT, [redacted]
MICHAEL C. *. BARRON, [redacted]
STEVEN A. BARROWS, [redacted]
CRAIG D. *. BARTA, [redacted]
ARTHUR M. BARTELL, [redacted]
CHARLES J. *. BARTHEL, JR, [redacted]
DONNA J. *. BARTHLE, [redacted]
JILL A. *. BARTHOLOMEW, [redacted]
PHILLIP G. *. BASINGER, [redacted]
ROBERT C. *. BASINGER, JR, [redacted]
ROGER S. BASS, II, [redacted]
CHRISTOPHER C. BATCHELDER, [redacted]
FREDERIC M. BATCHELOR, [redacted]
GERALD *. BATES, JR, [redacted]
KEVIN C. BATTEN, [redacted]
WILLIAM C. *. BATTEY, [redacted]
JAMES H. BATTLE, JR, [redacted]
HOWARD W. BAUM, III, [redacted]
AIVARS Z. BAUMANIS, [redacted]
ROBERT S. BAUTISTA, [redacted]
WILLIAM J. BAYLES, [redacted]
RONALD R. *. BAYNES, [redacted]
JAMES M. *. BEAGLES, [redacted]
THOMAS M. *. BEAIRD, [redacted]
HAROLD G. *. BEAL, III, [redacted]
VICKI L. *. BEARD, [redacted]
ROLAND E. *. BEASLEY, [redacted]
RONALD E. *. BEASLEY, [redacted]
MICHAEL K. BEASOCK, [redacted]
MARK A. BEATTIE, [redacted]
ARLENE L. *. BEATTY, [redacted]
ROBERT L. BEAVER, JR, [redacted]
GARRY J. BEAVERS, [redacted]
LEE J. BEAVERS, [redacted]
PATRICIA N. *. BEAVERS, [redacted]
RICKY L. BECKHAM, [redacted]
JOHN C. *. BEDNAR, [redacted]
THOMAS J. BEGINES, [redacted]
WILLIAM E. BEIL, JR, [redacted]
JAMES D. *. BEIRNE [redacted]
GERALD J. BELCHER, [redacted]
ALAN W. *. BELL, [redacted]
ANTHONY C. *. BELL, [redacted]
FRANCES L. *. BELL, [redacted]
HIRAM *. BELL, JR, [redacted]
ROBERT L. *. BELLAMY, [redacted]
BILLY D. *. BELTER, [redacted]
CHERYL L. *. BELZ, [redacted]
JEFFERY C. *. BEMIS, [redacted]
JOHN C. *. BENDYK [redacted]
RAY L. *. BENEDICKTUS, JR, [redacted]
BARRY T. *. BENHAM, [redacted]
DAVID B. BENNETT, [redacted]
DAVID J. *. BENNETT, [redacted]
LEE J. *. BENNETT, JR [redacted]
PAUL D. BENNETT, [redacted]
KEVIN C. BENSON, [redacted]
RONALD G. BENTON, [redacted]
DIANE L. *. BERARD, [redacted]
DAVID G. *. BERGE, [redacted]
LOWELL J. BERRY, [redacted]
RONALD L. BERTHA, [redacted]
JOHN A. *. BESTER, [redacted]
LANCE A. BETROS, [redacted]
CHARLES A. *. BETTERSON, [redacted]
SAMUEL J. *. BETTERSON [redacted]
RAYMOND M. BEVERLEY, [redacted]
DWAINE P. *. BEYER, [redacted]
MICHAEL C. BIBBY, [redacted]
JAMES H. BICKFORD, [redacted]
NANCY A. *. BICKFORD, [redacted]
JAMES G. BIERWIRTH, [redacted]
WILLIAM E. *. BIGGS, [redacted]
DONALD J. *. BILLONI, [redacted]
DENIS P. BILODEAU, [redacted]
ROBERT T. BILODEAU, [redacted]
CRAIG J. *. BISHOP, [redacted]
JOSEPH P. BITTO, [redacted]
MICHAEL A. BLACK, [redacted]
HUNTER L. BLACKMON, [redacted]
PETER J. *. BLAKNEY, JR, [redacted]
WILLIAM T. *. BLANCHARD, [redacted]
ERNEST *. BLAYLOCK, JR, [redacted]
LEONARD C. BLEVINS, [redacted]
BONITA D. *. BLOCKETT, [redacted]
WILLIAM A. *. BLUE, IV, [redacted]
STEVEN R. *. BLUNCK, [redacted]
DEWEY L. BLYTH, [redacted]
JAMES G. BOATNER, JR, [redacted]
BRIAN E. BODE, [redacted]
DENNIS W. BOHEN, [redacted]
DANIEL P. BOLGER, [redacted]
DAVID L. BOLTE, [redacted]
DEWEY R. BOLTON, [redacted]
KEITH D. BOMBAUGH, [redacted]
BARRY D. BOMIER, [redacted]
ROOSEVELT *. BONAPARTE, JR, [redacted]
VICTOR J. *. BOND, [redacted]
DEBORAH A. *. BOONE, [redacted]
WAYNE A. BOOR, [redacted]
DAVID B. *. BOOTH, [redacted]
JONATHAN W. *. BOOTH, [redacted]
DOYLE O. *. BOOTLE, JR, [redacted]
RONALD E. *. BORDEN, [redacted]
CLARK E. *. BORDNER, JR, [redacted]
CHARLES M. *. BORG, [redacted]
DAVID M. *. BORJA, [redacted]
LON *. BORJAS, [redacted]
CHRISTOPHER BORN, [redacted]
ALAN E. *. BOSAK, [redacted]
MARK W. BOSANCO, [redacted]
MICHAEL L. BOSON, [redacted]
HOWARD L. *. BOSS, [redacted]
JOSEPH W. *. BOST, JR, [redacted]
THOMAS P. BOSTICK, [redacted]
RONALD M. BOUCHARD, [redacted]
DENNIS M. BOUCHER, [redacted]
GRANT G. BOURQUIN, [redacted]
FRANCIS A. BOWERS, III, [redacted]
DAVID M. *. BOWMAN, [redacted]
MARK S. *. BOWMAN, [redacted]

ROBERT L. BOWMAN, [redacted]
ERNEST E. *. BOYD, [redacted]
JOSEPH C. BOZEMAN, [redacted]
JAMES M. BRADBURY, [redacted]
BENJAMIN L. *. BRADLEY, [redacted]
CHARLES B. *. BRADLEY, [redacted]
RONALD F. *. BRADSTREET [redacted]
JON V. *. BRADY, [redacted]
ROBERT G. *. BRADY, [redacted]
FREDA R. BRAME, [redacted]
FRANK J. *. BRANCH, [redacted]
JOHN S. BRANNIS, [redacted]
BENNY L. *. BRASBY, [redacted]
RUBYE A. *. BRAYE, [redacted]
CHARLES S. *. BRECKENRIDGE [redacted]
JAMES G. *. BRECKENRIDGE, [redacted]
HARRY M. *. BREEDEN, III, [redacted]
RICHARD H. *. BREEN, JR, [redacted]
CHARLES B. BRENNER, [redacted]
ROBERT BRESCIA, [redacted]
JAMES B. BREWER, [redacted]
WILLIAM J. *. BREYFOGLE, [redacted]
GEORGE E. BRICKER, [redacted]
PERRY L. *. BRIDGES, JR, [redacted]
JOSEPH M. *. BRITO [redacted]
HOWARD B. BROMBERG, [redacted]
GREGORY F. *. BRONSON [redacted]
DAVID R. BROOKS, [redacted]
ELIZABETH E. *. BROOKS, [redacted]
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STEPHEN W. *. BROOKS [redacted]
WILLIAM D. *. BROOKS [redacted]
JAMIE P. BROTHERTON, [redacted]
STEPHEN E. BROUGHALL, JR, [redacted]
ANTHONY W. BROUSSARD, [redacted]
PAUL A. *. BROUSSARD, [redacted]
ARTHUR A. BROWN, [redacted]
BARBARA A. *. BROWN [redacted]
CAREY W. *. BROWN [redacted]
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HORACE S. *. BROWN, JR, [redacted]
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SCOTT L. *. BRUBAKER [redacted]
GEORGE R. BRUCE, [redacted]
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JOHN W. *. BRYANT, JR, [redacted]
MARY M. *. BRYANT, [redacted]
WILLIAM L. BRYSON, [redacted]
STEVEN P. BUCCI, [redacted]
DAVID P. BUCHANAN, II, [redacted]
PAUL L. *. BUCK, [redacted]
ERIC W. BUCKLAND, [redacted]
RUSSELL A. *. BUCY, [redacted]
JOSEPH K. BUGAJ, [redacted]
ANNE H. *. BUHLS [redacted]
ERNO H. *. BUKY, [redacted]
JAY M. *. BURCHAM, [redacted]
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JEANNE M. BURDEN, [redacted]
JAMES R. *. BURGESS, [redacted]
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DAVID P. *. BURKART, [redacted]
LARRY R. *. BURKHART, [redacted]
BRYAN E. *. BURKS, [redacted]
SHARON K. *. BURLESON, [redacted]
MARION L. BURN, III, [redacted]
THOMAS R. BURNETT, [redacted]
HAROLD J. BURNS, JR, [redacted]
TERRANCE T. *. BURNS, [redacted]
ROBERT E. *. BURNSIDE, [redacted]
DONALD J. BURTON, [redacted]
CHARLES P. BUSBEY, [redacted]
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CHARLES N. BUSICK, [redacted]
WILLIAM J. *. BUSTETTER, [redacted]
PETER F. *. BUSTRUM, [redacted]
BRUCE E. BUTLER, [redacted]
CRANSON A. BUTLER, [redacted]
SHAWN A. BUTLER, [redacted]
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DAVID N. *. BUTTERY, [redacted]
BRUCE E. *. BUTTS [redacted]
MICHAEL F. BYERS, [redacted]
LAWRENCE L. *. BYLICKI [redacted]
SEAN J. BYRNE, [redacted]
VALERIAN I. CABANATAN, [redacted]
CARLOS A. CALDERON, [redacted]
SCOTT D. CALLENDER, [redacted]
DONALD F. CAMDEN, [redacted]
DUNCAN S. CAMERON, [redacted]
GEORGE M. CAMP, JR, [redacted]
ANTHONY D. *. CAMPBELL, [redacted]
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DOUGLAS G. *. CAMPBELL, [redacted]
IRVIN W. *. CAMPBELL, [redacted]
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RAY A. CAMPBELL, [redacted]
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BENJAMIN E. *. CANADY, [redacted]
RUSSELL J. *. CANCILLA, [redacted]
RICHARD R. CANIGLIA, [redacted]
SAMUEL M. CANNON, [redacted]
JAMES J. CARAFANO, [redacted]
DIANE C. CARDELL, [redacted]
JOHN N. *. CAREY, JR [redacted]
LLOYD D. CARMACK, JR, [redacted]
RICHARD A. *. CARNES, [redacted]
DALE A. CARR, [redacted]
KATHLEEN A. *. CARR, [redacted]
HAROLD T. CARRICO, [redacted]
MARIO A. CARRILLO, [redacted]
WILLIAM A. CARRINGTON, [redacted]
LELON W. *. CARROLL, [redacted]
THOMAS R. CARROLL, [redacted]
JEFFERY L. *. CARSON, [redacted]
ROY *. CARSWELL, [redacted]
DONALD A. CARTER, [redacted]
HOWARD K. *. CARTER, JR, [redacted]
VICKEY L. *. CARTER [redacted]
WILLIAM M. *. CARTER, JR, [redacted]
JOE C. CARVAJAL, [redacted]
JOSE L. *. CASABLANCA, [redacted]
GAIL M. *. CASALE, [redacted]
BRIAN J. *. CASE, [redacted]
STANLEY V. CASH, [redacted]
GEORGE *. CASSI [redacted]
LOUIS J. *. CASSI, [redacted]
DAVID R. CATHELL, [redacted]
THOMAS I. *. CAVENDER, [redacted]
LEO B. *. CAYTON, [redacted]
HAROLD B. *. CECIL, JR [redacted]
PAUL J. CELOTTO, [redacted]
JAMES A. CERRONE, [redacted]
ROBERT L. CHADWICK, [redacted]
STEPHEN J. *. CHADWICK, [redacted]
DAVID R. *. CHAMPION, [redacted]
MARGARET R. *. CHAMPLEY, [redacted]
JOHN R. CHAPMAN, [redacted]
KIM T. CHAPMAN, [redacted]
RONALD E. *. CHAPMAN, [redacted]
WARREN P. CHAPPEE, JR, [redacted]
HORACE R. CHARLES, [redacted]
ALBERT S. *. CHASTAIN, JR, [redacted]
BRUCE A. *. CHEADLE, [redacted]
TEDDY M. *. CHEATHAM, [redacted]
WARREN C. CHELLMAN, [redacted]
DAVID R. CHEPAUSKAS, [redacted]
ROBERT D. *. CHILDRE, JR, [redacted]
CAREY A. *. CHIN, [redacted]
WAYNE M. CHIUSANO, [redacted]
THOMAS S. CHIVERS, JR, [redacted]
ALLAN CHONG, [redacted]
DEE C. *. CHRISTENSEN, [redacted]
PAUL A. CHRISTIAN, [redacted]
JEFFERY T. CHRISTIANSEN, [redacted]
MICHAEL P. *. CHRISTIE [redacted]
MARK S. *. CHRISTOPHERSON, [redacted]
FREDERICK L. CLAPP, JR, [redacted]
EDWARD D. CLARK, [redacted]
GEOFFREY A. CLARK, [redacted]
JULIUS E. CLARK, III, [redacted]
MARY S. CLARK, [redacted]
ROBERT D. *. CLARK, [redacted]
THOMAS M. *. CLARK, [redacted]
EDWARD C. *. CLARKE, [redacted]
DENNIS D. CLAYTON, [redacted]
WILLIAM E. *. CLEGHORN, [redacted]
KEVIN M. CLEMENT, [redacted]
STANLEY B. CLEMONS, [redacted]
WILLIAM F. *. CLEWE, III [redacted]
GARY B. *. CLINE [redacted]
VIRGINIA M. CLOSS, [redacted]
BRUCE D. *. CLYNE, [redacted]
WILLIAM J. COCHRAN, JR, [redacted]
CLYDE W. COCKE, [redacted]
TERRY L. *. COCKMAN [redacted]
MICHAEL H. CODY, [redacted]
EWALD H. COET, [redacted]
BRUCE R. COGOSSI, [redacted]
TERRY D. *. COKER [redacted]
AILEEN *. COLBERT, [redacted]
ROBERT E. *. COLE, [redacted]
JOHN K. *. COLLIGAN, [redacted]
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GILBERT R. COLLINS, III, [redacted]
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JAMES R. COLLINS, JR, [redacted]
MARC K. COLLINS, [redacted]
MARK E. COLLINS, [redacted]
JOSEPH N. COLOMBO, JR, [redacted]
PERRY A. *. COLVIN, [redacted]
JERRY D. *. COMBASS, [redacted]
RICHARD D. *. COMPTON, [redacted]
JOHN D. *. CONGER, [redacted]
MICHAEL D. CONLEY, [redacted]
MICHAEL P. *. CONLEY, [redacted]
JAMES G. CONNELLY, JR, [redacted]
BILLY E. CONNER, [redacted]
CHRISTY H. *. CONNER, [redacted]
JOHN W. CONNORS, [redacted]
ROBERT E. CONNORS, JR, [redacted]
TIMOTHY P. CONSIDINE, [redacted]
BARTHOLOMEW W. *. CONTI, [redacted]
DAVID L. COOK, [redacted]
EDWARD M. COOK, III, [redacted]
JOHNIE R. COOK, [redacted]
CHARLES E. COOKS, [redacted]
ROBERT F. *. COOPER [redacted]
MICHAEL S. *. COPPER [redacted]
CAROL A. *. CORBIN [redacted]
RANDALL D. *. CORBIN, [redacted]
RICHARD C. CORBIN, [redacted]
TERESA C. *. CORBIN [redacted]
DAVID H. *. COREY, [redacted]
CHARLES D. CORNWELL, [redacted]
JOSE *. CORREA, JR [redacted]
TIMOTHY J. CORY, [redacted]
ARMANDO A. COSTALES, JR, [redacted]
JAMES P. *. COSTAS, [redacted]
RALPH H. *. COSTELLO [redacted]
ROBERT F. *. COTHRAN, [redacted]
WILLIAM J. *. COUGHLIN, [redacted]
CARLA K. *. COULSON, [redacted]
BLANE O. *. COX, [redacted]
JAMES A. *. COX [redacted]
STEPHEN M. COX, [redacted]
RICKTER J. *. COYLE, [redacted]
THOMAS A. *. COYLE, JR, [redacted]
CLAUDE E. *. CRABTREE, [redacted]
RUSSELL W. *. CRAGO, [redacted]
ROGER A. CRAIG, [redacted]
JACK R. *. CRANCE, II, [redacted]
WILLIAM J. CRANE, [redacted]
MARILYN L. *. CRAWFORD, [redacted]
MARK W. CREIGHTON, [redacted]
RICHARD T. CROCKER, [redacted]
MARK E. CROOKS, [redacted]
KRISTI L. *. CROSBY, [redacted]
LON C. CROSS, [redacted]
STEPHEN L. *. CROSSON, [redacted]
JAMES R. CROUCH, SR, [redacted]
KELVIN D. *. CROW, [redacted]
MARSHALL R. *. CROWTHERS, [redacted]
LOUIS D. *. CRUZ, [redacted]
WILLIAM R. CULLINANE, [redacted]
JOE C. CULP, [redacted]
STEVEN A. CURLEE, [redacted]
DAVID W. *. CURRID [redacted]
JOSEPH M. *. CURRO, JR, [redacted]
JOHN J. CURRY, [redacted]
TIMOTHY C. *. CURTIS, [redacted]
JOHN M. *. CUSTER, III [redacted]
KENT CUTHBERTSON, [redacted]
RONALD C. DADE, [redacted]
DAVID J. DAHL, [redacted]
RANDY A. *. DAHLBERG, [redacted]
PAUL M. DAILY, [redacted]
CARL C. *. DALE, [redacted]
FRANK D. *. DALE, JR, [redacted]
JAMES T. DALY, [redacted]
EDWARD A. DAMES, [redacted]
JOHN M. DAMICO, [redacted]
JOHN A. DAMOTH, [redacted]
CLEMENT *. DANIEL, II, [redacted]
JESSE E. DANIELS, [redacted]
MARK A. DANIELS, [redacted]
JAMES W. DANLEY, [redacted]
WILLIAM M. DARLEY, [redacted]
STEVEN C. *. DARNALL, [redacted]
DANNY W. DAVIS, [redacted]
DAVID A. DAVIS, [redacted]
DAVID J. *. DAVIS, [redacted]
GREGORY A. DAVIS, [redacted]
GREGORY D. DAVIS, [redacted]
HAL M. DAVIS, [redacted]
JIMMY G. *. DAVIS [redacted]
MICHAEL A. *. DAVIS, [redacted]
MICHEAL E. *. DAVIS, [redacted]
NATHANIEL J. DAVIS, IV, [redacted]
PATRICK J. *. DAVIS [redacted]
RICHARD F. DAVIS, II, [redacted]
STEVEN C. *. DAVIS, [redacted]
WILLIAM M. *. DAVIS, [redacted]
ALAN D. DAVISON, [redacted]
JOHN W. DEAL, [redacted]
BARTON D. *. DEAN, [redacted]
DAVID E. DEAN, [redacted]
DELMARSHAE D. *. DEANS, [redacted]
MICHAEL C. DEARBORN, [redacted]
NATHANIEL M. *. DEBRUIN, III, [redacted]
BRYANT A. *. DEBRUYNE, [redacted]
JOHN E. DECKER, [redacted]
ARTHUR A. *. DECKERT, JR, [redacted]
DAVID H. *. DEITRICK, JR [redacted]
RICHARD S. DELAUTER, [redacted]
DIANE G. *. DELONG, [redacted]
STEPHEN A. *. DELORENZI, [redacted]
DONALD C. *. DENMARK, [redacted]
KATHLEEN R. *. DENNIS, [redacted]
EZEKIEL DENNISON, JR, [redacted]
MICHAEL P. *. DENZEL, [redacted]
JOHN E. DEPLITCH, JR, [redacted]
LAWRENCE A. DEREN, [redacted]
ROBERT R. DERRICK, [redacted]
MAXIMO T. DESOSA, [redacted]
GLENN M. DESOTO, [redacted]
ROBERT M. DEVENS, [redacted]
MARK R. DEVITA, [redacted]
GLEN K. DEWEESE, [redacted]
BILL L. *. DEWITT, [redacted]
KELLY E. DEWITT, [redacted]
TONY M. DEWITT, [redacted]

JAMIE J. *. DIAZ, [redacted]
JOSUE *. DIAZ, [redacted]
RODOLFO R. DIAZPONS, [redacted]
CHRISTOPHER B. *. DICKEY, [redacted]
NICK I. DIENER, [redacted]
WILLIAM M. *. DIETRICK, [redacted]
MARY E. *. DILLS, [redacted]
DENNIS W. DINGLE, [redacted]
JOHN S. DINNELL, [redacted]
JEROME J. DITTMAN, [redacted]
JAMES F. DITTRICH, [redacted]
ANDREW M. *. DIXON, [redacted]
ORLANDO *. DIXON, [redacted]
ANN E. *. DJUPMAN, [redacted]
MICHAEL F. DOBLE, [redacted]
RANDY G. DODDS, [redacted]
ALAN F. DODSON, [redacted]
JEFFREY L. DOERR, [redacted]
MICHAEL C. DOLDER, [redacted]
BILL D. *. DONAHO, [redacted]
RICHARD E. *. DONAHUE, JR, [redacted]
WAYNE I. DONAWAY, [redacted]
DONALD H. DORAZIO, [redacted]
JEFFREY J. DORKO, [redacted]
DAVID M. DORMAN, JR, [redacted]
SCOTT D. DORNEY, [redacted]
MARK R. *. DORSEY, [redacted]
OLIN E. *. DOSS, JR, [redacted]
MICHAEL D. DOUBLER, [redacted]
JOHN F. *. DOUGLAS, [redacted]
RICHARD K. DOUGLAS, [redacted]
ROBERT A. DOW, JR, [redacted]
RAY M. DOWE, III, [redacted]
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RONALD V. *. DOWNING, [redacted]
WALLACE T. DOWNS, [redacted]
CHRISTOPHER X. *. DRESSMAN, [redacted]
MARSHALL S. *. DREW, [redacted]
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MARLIN E. DUBETZ, [redacted]
LARRY D. *. DUBOIS, [redacted]
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GEORGE T. *. DUEFRENE, JR, [redacted]
EDWARD T. *. DUFFY, JR, [redacted]
JOHN *. DUNMYER, III, [redacted]
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JAMES M. DUNN, [redacted]
KEVIN J. *. DUNN, [redacted]
MARK J. *. DUNN, [redacted]
MICHAEL L. *. DURAND, [redacted]
JOSEPH A. DURSO, [redacted]
ROYCE L. EAVES, JR, [redacted]
PATRICIA P. *. EBERT, [redacted]
TIM E. *. ECKBERG, [redacted]
DONALD C. ECKLIN, [redacted]
EUGENE N. ECON, [redacted]
SAMUEL L. *. EDELMAN, [redacted]
FREDDIE M. *. EDENFIELD, [redacted]
JEFFREY L. *. EDGELL, [redacted]
HOWARD W. EDMISTON, III, [redacted]
RODNEY EDMOND, [redacted]
BARNEY *. EDWARDS, JR, [redacted]
JAMES F. EDWARDS, [redacted]
MICHAEL T. *. EDWARDS, [redacted]
VIRGIL L. ELKINS, [redacted]
ROBERT M. ELLIOTT, [redacted]
CHRISTOPHER L. ELLIS, [redacted]
CLYDE W. *. ELLIS, JR, [redacted]
KENNIETH W. ELLIS, [redacted]
PATRICIA S. *. EMERSON, [redacted]
GREGORY R. *. EMMONS, SR, [redacted]
GARY A. *. EMORY, [redacted]
RANDY M. *. EMORY, [redacted]
CARL F. ENGELHARDT, I, [redacted]
LACY *. ENGLISH, JR, [redacted]
DAVID R. ENGSTROM, [redacted]
RICHARD A. *. ERDMANN, [redacted]
HOLLY S. *. ERWINHARDING, [redacted]
CARLOS R. *. ESPARZA, [redacted]
DELANE B. ESPLIN, [redacted]
CONSUELO C. *. EVANS, [redacted]
DONALD W. *. EVANS, [redacted]
JANICE M. *. EVANS, [redacted]
ROBERT M. EVANS, [redacted]
VICTOR L. EVANS, [redacted]
ROGER L. *. EVERETT, [redacted]
HILARY H. *. EVERS, III, [redacted]
GARY L. *. EVINS, [redacted]
DONALD V. *. EWING, [redacted]
MORRIS T. EXUM, [redacted]
MICHAEL R. EZZO, [redacted]
BILL E. *. FABIAN, JR, [redacted]
GEORGE A. FAHLSING, [redacted]
MATTHEW J. FAIR, [redacted]
JACK E. FAIRES, [redacted]
DANIEL H. FARLEY, [redacted]
DEAN A. *. FARR, [redacted]
PAUL A. FAST, [redacted]
DAVID F. *. FAULKNER, [redacted]
PATRICK R. FAURE, [redacted]
JAMES P. *. FAUST, [redacted]
DAVID T. *. FAUTUA, [redacted]
MARY L. FAY, [redacted]
WERNER S. FEDAKO, [redacted]
PELHAM L. *. FELDER, IV, [redacted]
PAUL B. FENOGLIO, [redacted]
DEBRA S. *. FENRICH, [redacted]
CYRIL M. *. FERENCHAK, [redacted]
JOHN R. FERGUSON, [redacted]
ROBERT E. FERRAND, JR, [redacted]
MARSHALL R. *. FERRELL, [redacted]
PAUL R. *. FIL, [redacted]
GEORGE P. FILBECK, [redacted]
BRIAN J. *. FINAN, [redacted]
STEPHEN G. FINDLAY, [redacted]
ARTHUR W. *. FINEHOUT, JR, [redacted]
GEORGE B. FINK, JR, [redacted]
RICHARD P. *. FINK, [redacted]
ALAN V. *. FISHER, [redacted]
JAMES R. *. FISHER, [redacted]
GERALD L. *. FISKE, [redacted]
JAMES A. FITCH, JR, [redacted]
ROBERT P. FITZGERALD, [redacted]
KEVIN B. FITZPATRICK, [redacted]
JACKSON L. FLAKE, III, [redacted]
JAMES P. *. FLANIGAN, [redacted]
LOUIS J. *. FLANIGAN, [redacted]
ALLEN L. *. FLEMING, [redacted]
EDWARD S. *. FLEMING, [redacted]
JAMES F. *. FLEMING, JR, [redacted]
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ANN G. *. FLETCHER, [redacted]
DOUGLAS L. FLETCHER, [redacted]
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TERRE L. *. FLOMER, [redacted]
ALEX *. FLORES, [redacted]
MARGARET C. *. FLOTT, [redacted]
MARI S. *. FLOYD, [redacted]
FRED V. FLYNN, JR, [redacted]
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DENNIS M. *. FOLEY, [redacted]
JEFFREY W. FOLEY, [redacted]
TIMOTHY A. FONG, [redacted]
ALFRED R. FORBES, III, [redacted]
STANFORD E. *. FORD, [redacted]
GRAYLING D. *. FOREHAND, [redacted]
RICHARD P. FORMICA, [redacted]
ROBERT A. *. FORSYTH, [redacted]
WILLIAM S. *. FOSTER, [redacted]
CHESTER D. FOWLER, [redacted]
TIMOTHY F. FOX, [redacted]
KAREN K. *. FRAHM, [redacted]
ROGER A. FRAITES, [redacted]
THOMAS G. FRANCIS, III, [redacted]
ROBERT D. FRANDSEN, [redacted]
GEORGE R. FRANK, JR, [redacted]
RICHARD F. *. FRANK, [redacted]
UWE W. *. FRANK, [redacted]
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WALTER L. FRANKLAND, III, [redacted]
LEATRICE L. *. FRASIER, [redacted]
ROBIN A. *. FRASURE, [redacted]
TIMOTHY C. FRAZIER, [redacted]
ROBERT D. *. FREEMAN, [redacted]
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ALLEN *. FRENZEL, [redacted]
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BILLIE L. *. FRIEDMAN, [redacted]
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GARY R. *. FULLER, [redacted]
JAMES A. *. FULLER, [redacted]
MARY *. FULLER, [redacted]
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CRAIG A. GAETZKE, [redacted]
BRUCE E. *. GAGE, [redacted]
JOHN A. GAGNON, [redacted]
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ALLAN J. GAINOK, [redacted]
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ALBERTO L. GARCIA, [redacted]
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DOUGLAS R. GAULT, [redacted]
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CHARLES T. *. GENDRON, [redacted]
HOA GENERAZIO, [redacted]
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GENE E. GILBERTSON, [redacted]
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MARK F. GILLESPIE, [redacted]
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MARK R. GILMORE, [redacted]
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DEBORAH R. *. GODWIN, [redacted]
WILLIAM *. GOFF, [redacted]
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COREY D. *. GRUBER, [redacted]
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MARTHA E. *. HAHN, [redacted]
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CARL B. *. HALL, [redacted]
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DEBRA K. HARPER, [redacted]
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ANTHONY W. HARRIMAN, [redacted]
BRENDA L. *. HARRIS, [redacted]
DON E. *. HARRIS, SR, [redacted]
JONATHAN M. HARRIS, [redacted]
RAYMOND E. *. HARRIS, [redacted]
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GERHARD B. HARTIG, [redacted]
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CURTIS R. *. HARTVIGSEN, [redacted]
SAMUEL F. HARTZOG, JR, [redacted]

JAMES B. *. HARVILLE, [redacted]
MICHAEL J. HARWOOD, [redacted]
ODUS E. HARWOOD, [redacted]
MARK A. HASELTON, [redacted]
CHARLES J. *. HATHAWAY, [redacted]
WILLIAM R. *. HAUGH, JR, [redacted]
LARRY J. *. HAUSSER, [redacted]
ROBERT E. *. HAVICON, [redacted]
JEFFREY D. *. HAWKINS [redacted]
STEPHEN C. HAWKINS, [redacted]
JAE D. *. HAWKSWORTH, [redacted]
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BETTY J. *. HAYNES, [redacted]
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JACK S. HEACOCK, [redacted]
ROY G. *. HEAD, [redacted]
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JOHN R. HEALY, [redacted]
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FORREST W. *. HEARD, [redacted]
WILFRED T. *. HEBERT, JR, [redacted]
SHERYL L. *. HEGGS, [redacted]
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WILLIE J. *. HENCE [redacted]
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TOM W. *. HENDRIX [redacted]
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PETER A. HENRY, [redacted]
LAWRENCE *. HENSON, JR [redacted]
ROBERT J. *. HEPP [redacted]
KEVIN M. HERINA, [redacted]
JULIE A. HERRMANN, [redacted]
JIM E. *. HERSHEY, [redacted]
JON R. *. HERTZOG, [redacted]
SPENCER W. HERVEY, [redacted]
JEROME C. *. HESBY [redacted]
JOHN S. *. HETTINGER, [redacted]
RONALD R. HEULER, [redacted]
DAWN S. *. HEVERLY, [redacted]
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PAUL F. *. HEYARD, JR, [redacted]
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CARL *. HICKS, JR [redacted]
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SIDNEY N. *. HICKS [redacted]
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STACEY K. HIRATA, [redacted]
JAMES E. *. HIXSON, JR, [redacted]
SYLVESTER *. HODGE, JR [redacted]
ALEXANDER G. HODGES, [redacted]
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FLOYD T. *. HOFFMAN, [redacted]
STANLEY E. *. HOFFMAN [redacted]
JOHN W. HOLBERT, [redacted]
LEWIS G. *. HOLBROOK [redacted]
RICHARD G. HOLCOMBE, [redacted]
OSCAR L. HOLLAND, JR, [redacted]
RICHARD B. HOLLAR, JR, [redacted]
EMMET E. *. HOLLEY, [redacted]
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JUDITH A. HOLLOWAY, [redacted]
GARY L. *. HOLM, [redacted]
MATTHEW M. HOLM, [redacted]
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STEVEN D. HOLTMAN, [redacted]
JOHN A. *. HOMERIN, [redacted]
FRANKLIN J. *. HON, [redacted]
LYNN M. *. HONEYCUTT, [redacted]
STEVEN J. HOOGLAND, [redacted]
RONALD *. HOOKER [redacted]
ROBERT S. HOOVER, [redacted]
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ALPHONZO *. HORTON, JR [redacted]
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GARY W. *. HOSKET, [redacted]
DONELLA R. *. HOUGHTON, [redacted]
TIMOTHY J. HOURIGAN, [redacted]
KEVIN A. *. HOUSE, [redacted]
JAMES A. *. HOUSTON, III [redacted]
CHARLES C. HOWARD, [redacted]
MITCHELL A. HOWELL, [redacted]
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ZACHARY P. HUBBARD, [redacted]
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JANICE E. *. HUDLEY, [redacted]
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GLENN C. HUGHES, II, [redacted]
MILTON D. *. HUGHES, [redacted]
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JOSEPH R. *. HUMMEL, JR, [redacted]
JOHN H. *. HUMPTON, III [redacted]
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CLAUDE E. *. HUNTER, [redacted]
IAN H. *. HUNTER, [redacted]
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DAVID B. *. HUST [redacted]
JUNE C. *. HUST [redacted]
PAMELA A. *. HUSTON, [redacted]
LEON W. *. HUTTON, III, [redacted]
JOHN HYBRIDGE, [redacted]
LARRY H. HYSELL, [redacted]
ROBERT S. *. INGRAM, [redacted]
HERMAN N. IORIO, JR, [redacted]
ROBERT P. *. ISAACS, [redacted]
KENNETH E. *. ISENBERG [redacted]
JACK J. ISLER, [redacted]
CHRISTOPHER K. IVES, [redacted]
MICHAEL E. IVY, [redacted]
MICHAEL H. *. IWEN, [redacted]
DAVID R. *. JACKMAN, [redacted]
JOHNEL *. JACKSON [redacted]
RUTHIA J. JACKSON, [redacted]
CHARLES H. JACOBY, JR, [redacted]
MARK L. JAGO, [redacted]
JEFFREY M. JANCEK, [redacted]
EUGENE B. *. JANGULA, [redacted]
KAREN M. *. JANSEN, [redacted]
STEVEN J. *. JARVIS, [redacted]
MARY L. JEFFERSON, [redacted]
DONALD W. JENKINS, [redacted]
DAVID L. *. JIMENEZ [redacted]
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ELISE M. JOHN, [redacted]
CARL E. *. JOHNSON, [redacted]
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PAMELA V. *. JOHNSON, [redacted]
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JEFFREY D. *. JORE, [redacted]
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LAWRENCE J. JOUSTRA, [redacted]
LUIS E. *. JULIA, JR, [redacted]
FREDRIC W. JUST, [redacted]
NICKOLAS G. *. JUSTICE, [redacted]
KIM R. KADESCH, [redacted]
JON P. KALAFIAN, [redacted]
JOSEPH N. *. KAMIDE, [redacted]
JIMMY W. *. KANE, [redacted]
RONALD L. *. KANE, [redacted]
JOHN A. *. KAPPEL, [redacted]
ANDRAS V. *. KARADI, [redacted]
MARY A. KAURA, [redacted]
JOE W. KAUTZ, [redacted]
LESLIE F. KAYANAN, [redacted]
JONATHAN P. *. KEEFER, JR, [redacted]
JESSE C. KEELING, [redacted]
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WILLIAM A. *. KEY, [redacted]
WILLIAM E. *. KIDDER, JR, [redacted]
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RONALD *. KILLINS, [redacted]
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JEFF R. *. KINDLE, [redacted]
SCOTT L. *. KINDRED, [redacted]
MARVIN K. *. KING, [redacted]
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HOWARD J. KINGS, JR, [redacted]
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FRANCIS X. KINNEY, [redacted]
STUART P. *. KINNIBURGH, [redacted]
TED A. *. KIRKPATRICK, [redacted]
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DEBORAH A. KISSEL, [redacted]
ROBERT O. KISSEL, [redacted]
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JOHN T. KLAUCK, [redacted]
MARTIN L. KLEIN [redacted]
JOHN V. KLEMENCIC, [redacted]
KEENAN J. KLINE, [redacted]
VERNON W. KLINE, [redacted]
JACK M. KLOEBER, JR, [redacted]
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ANDRI A. *. KNIGHT, [redacted]
GARY L. KNIGHT, [redacted]
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CAROLYN E. KNOWLES, [redacted]
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GARY W. KRAHN, [redacted]
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WALTER E. *. KRETCHIK, [redacted]
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WILLIAM J. *. KUHN, III, [redacted]
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GEORGE J. KUK, [redacted]
THOMAS KUKLISH, [redacted]
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JAMES P. *. KUMP, [redacted]
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CHRISTOPHER F. KUREK, [redacted]
MICHAEL KWAN, [redacted]
CONNIE S. *. LABADIE, [redacted]
MEL C. LABRADOR, [redacted]
JOSE *. LABRADOZAMBRANO, [redacted]
DAVID B. LACQUEMENT, [redacted]
JAMES A. LAFLEUR, [redacted]
GARY J. LAKE, [redacted]
GARY F. *. LAMB, [redacted]
LARRY N. *. LAMBERT, [redacted]
MICHAEL W. *. LAMBRECHT, [redacted]
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STEVEN L. *. LANG, [redacted]
JOHN K. LANGHAUSER, [redacted]
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NORRELL E. LANTZER, [redacted]
EDMUND V. *. LARKIN, [redacted]
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THERESA K. *. LAVERENZ, [redacted]
MARK J. *. LAVIN, [redacted]
JOHN N. LAWLESS, JR, [redacted]
GEOFFREY S. LAWRENCE, [redacted]
THOMAS A. LAZZARO, III, [redacted]
JAMES A. *. LEACH, [redacted]
JAMES B. *. LEAHY, JR, [redacted]
RODNEY N. LEARY, JR, [redacted]
JOSEPH M. *. LEATHERWOOD, [redacted]
GEORGE P. LECHLER, III, [redacted]
MARILOU S. *. LECKIE, [redacted]
CHARLES K. LEDEBUHR, [redacted]
CORBIN R. LEE, [redacted]
FREDDIE A. LEE, [redacted]
GARY A. LEE, [redacted]
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ROBERT B. *. LEES, JR, [redacted]
STEVEN A. *. LEGG, [redacted]
BRUCE R. *. LEGRAND, [redacted]
DAVID L. *. LEHMAN, JR, [redacted]
FREDRICK J. *. LEHMAN, [redacted]
WALTER W. *. LEMASTER, JR, [redacted]
GARY J. LEMONS, [redacted]
GEORGE D. LENNON, [redacted]

ALVIN J. LEONARD, [redacted]
MELANIE R. *. LEONARD, [redacted]
STEVEN R. LEONARD, [redacted]
JEFFREY W. LESER, [redacted]
MICHAEL J. *. LESLEY, [redacted]
GARRY D. *. LEVIN, [redacted]
RICHARD A. *. LEVY, [redacted]
ALLEN D. LEWIS, JR, [redacted]
CARL E. LEWIS, JR, [redacted]
DAVID V. *. LEWIS, [redacted]
HENRY L. LEWIS, JR, [redacted]
MICHAEL A. LEWIS, [redacted]
ROBERT D. LEWIS, [redacted]
ROGER L. LEWIS, [redacted]
SANDRA J. *. LEWIS, [redacted]
STEPHEN G. *. LEWIS, [redacted]
WILLIAM D. *. LEWIS, [redacted]
TIMOTHY J. LEYES, [redacted]
MARK R. LIEBENOW, [redacted]
JAMES M. LIEDLE, [redacted]
ANTHONY S. LIETO, [redacted]
ALLEN J. LIGHT, [redacted]
HOWARD S. *. LILLEY, [redacted]
STANLEY H. *. LILLIE, [redacted]
WILLIE C. LINDSEY, JR, [redacted]
JOE M. LINEBERGER, [redacted]
PATRICK D. LINEHAN, [redacted]
REZELL *. LINEN, [redacted]
DENNIS E. LINN, [redacted]
CHRISTOPHER J. LITTEL, [redacted]
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TIMOTHY D. LIVSEY, [redacted]
KAREN D. LLOYD, [redacted]
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HERBERT M. LOCKETT, [redacted]
SCOTT T. LOFGREN, [redacted]
DEETTE A. *. LOMBARD, [redacted]
JEFFERY W. LONG, [redacted]
JOHN F. *. LONG, [redacted]
DONALD W. *. LONGFELLOW, [redacted]
ERNESTO LONGORIA, JR, [redacted]
HARRY G. LOONEY, JR, [redacted]
STEVEN P. LOPEZ, [redacted]
RICHARD M. *. LOPSHIRE, [redacted]
KENNETH L. *. LOUDNER, [redacted]
CHARLES A. *. LOVE, [redacted]
JERRY G. LOVE, [redacted]
JEFFREY W. *. LOVELL, [redacted]
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LOWELL B. LOVIN, JR, [redacted]
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STEPHEN E. *. LOWE, [redacted]
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E. P. LUKERT, III, [redacted]
JESSIE G. *. LUNA, [redacted]
JON G. *. LUNDEEN, [redacted]
LEROY LUNDGREN, [redacted]
JOSEPH M. LUNSFORD, [redacted]
JOHN J. LUTHER, JR, [redacted]
GREGORY J. LYNCH, [redacted]
JOSEPH P. LYNEM, [redacted]
ROBERT W. *. MABRY, [redacted]
DOUGLAS K. MACADAMS, [redacted]
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JOHN *. MACIK, JR, [redacted]
BARBARA J. *. MACMILLAN, [redacted]
TOMMY M. *. MACON, [redacted]
DALE A. *. MACPHERSON, [redacted]
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JAMES C. *. MADIGAN, [redacted]
MISIUAITA A. *. MAGA, [redacted]
DEBORAH A. *. MAGEE, [redacted]
RONALD C. *. MAGEE, [redacted]
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EDDIE A. *. MAKIN, [redacted]
JOHN T. *. MALARCHIK, [redacted]
MARIA *. MALDONADO, [redacted]
DONALD G. MALERK, [redacted]
TIMOTHY R. *. MALLETTE, [redacted]
RICHARD J. MALLY, [redacted]
HAROLD G. *. MALONE, [redacted]
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ROLAND K. *. MANBECK, JR, [redacted]
ROBERT B. MANION, [redacted]
CORY S. MANKA, [redacted]
DAVID R. *. MANKI, [redacted]
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SCOTT MAPLE, [redacted]
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LORENZO E. *. MARES, [redacted]
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KIM R. *. MARR, [redacted]
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CAREY H. *. MARTIN, [redacted]
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DWIGHT W. *. MARTIN, [redacted]
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WILLIAM G. MASON, [redacted]
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BILLY R. MATHEWS, [redacted]
MICHAEL P. MATHEWS, [redacted]
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FRANK H. *. MATHIS, JR, [redacted]
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BERND MATTHEIS, [redacted]
PHILIP J. *. MATTSON, [redacted]
JAMES G. *. MAY, [redacted]
DAVID *. MAYFIELD, [redacted]
BARBARA E. *. MAYS, [redacted]
JOHN H. MCARDLE, [redacted]
ABRAHAM *. MCCALL, JR, [redacted]
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JOEL W. MCCART, [redacted]
PAUL A. *. MCCARTHY, [redacted]
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JOHN J. *. MCCLAIRE, JR, [redacted]
O. G. *. MCCLINTON, JR, [redacted]
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GARY L. MCCORKINDALE, [redacted]
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SANDRA S. *. MCCOY, [redacted]
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STEPHEN A. *. MCDAVID, [redacted]
CURTIS *. MCDONALD, JR, [redacted]
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MAX E. MCDONALD, [redacted]
NANCY B. *. MCDONALD, [redacted]
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JERRY N. *. MCGUIRE, [redacted]
MARK A. MCGUIRE, [redacted]
TIM R. MCKAIG, [redacted]
THOMAS MCKAY, [redacted]
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WENDELL B. *. MCKEOWN, [redacted]
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AMPARO T. *. MCKISSACK, [redacted]
ROY *. MCLEOD, JR, [redacted]
DOUGLAS A. MCLIVERTY, [redacted]
JOHN R. *. MCMAHON, [redacted]
STEVEN G. MCMANUS, [redacted]
CHARLES F. MCMASTER, [redacted]
LARRY D. MCMILLIAN, [redacted]
GEORGE H. *. MCNAIR, JR, [redacted]
MICHAEL R. *. MCNAMARA, [redacted]
MILES R. *. MCNAMEE, [redacted]
THOMAS M. *. MCNEAR, [redacted]
HUGH A. *. MCPHERSON, II, [redacted]
RONALD A. MCPHERSON, [redacted]
MARVIN N. *. MCQUITTY, [redacted]
ROBERT W. *. MCWETHY, [redacted]
KEVIN J. *. MEADE, [redacted]
DAVID E. MECHTLY, [redacted]
PAUL M. MEDINA, JR, [redacted]
KATHLEEN *. MEEHAN, [redacted]
CARL D. *. MEINKE, [redacted]
PAUL E. MELODY, [redacted]
PEDRO MENDEZ, [redacted]
ROBERT A. *. MEREDITH, [redacted]
BART N. *. MERKLEY, [redacted]
JOHN A. MERKWAN, [redacted]
WILLIE C. *. MERRELL, [redacted]
LISA M. *. MERRILL, [redacted]
ROBERT J. MERRITT [redacted]
SUSAN E. *. MESCH, [redacted]
ROY O. *. MESSERSMITH, [redacted]
EDWIN J. MESSINGER, JR, [redacted]
RICHARD A. METRO, [redacted]
TIMOTHY R. *. METTLEN, [redacted]
LAWRENCE J. *. METTS, [redacted]
FREDERICK M. *. MEWHINNEY, [redacted]
HERBERT H. *. MEYER, JR, [redacted]
JEFFREY A. MEYER, [redacted]
SUSAN M. *. MEYER, [redacted]
RAYMOND E. *. MICHALAK, JR, [redacted]
LEON J. *. MICHEL, III, [redacted]
JOHN R. *. MIDDLETON, JR, [redacted]
GARY D. *. MIELKE, [redacted]
MARK A. MILIA, [redacted]
DAVID S. *. MILLER, [redacted]
HARRY L. *. MILLER, [redacted]
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LLOYD M. MINERICH, [redacted]
DAVID V. *. MINTUS, [redacted]
WILLIAM W. MISIAK, [redacted]
DEBORAH A. MITCHELL, [redacted]
PAMELA S. MITCHELL, [redacted]
PAUL G. *. MITCHELL, [redacted]
GEORGE D. MITROKA, [redacted]
JAMES M. MODLIN, [redacted]
JILL M. *. MOHRORCONARD, [redacted]
MICHAEL T. MOKRYCKI, [redacted]
JOHN D. *. MONAHAN, [redacted]
JUDITH P. *. MONGELLUZZO, [redacted]
DIANNE M. MONJE, [redacted]
FRANKLIN *. MONTALVO, [redacted]
RIZIERO F. MONTANARI, [redacted]
MICHAEL MONTELONGO, JR, [redacted]
JAMES M. MOON, [redacted]
CHARLES L. *. MOORE, JR, [redacted]
CLAUDE A. *. MOORE, JR, [redacted]
JOHANN E. *. MOORE, [redacted]
JOHN K. *. MOORE, III, [redacted]
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CATHERINE R. MOOREHEAD, [redacted]
ARMANDO F. *. MORALES, [redacted]
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EDWIN C. MOREHEAD, [redacted]
EVELYN M. *. MOREIRA, [redacted]
DANIEL E. *. MORGAN, [redacted]
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JOHN *. MORIN, [redacted]
MICHAEL F. *. MORITZ, [redacted]
JAMES M. MORRIS, IV, [redacted]
ROMEO H. *. MORRISEY, [redacted]
MICHAEL R. MORROW, [redacted]
STEPHEN K. MORROW, [redacted]
GLENN L. MORTON, [redacted]
JAMES N. *. MOSLEY, [redacted]
MARIAN E. *. MOSSER, [redacted]
STEVEN L. MOURAS, [redacted]
WAYLAND D. *. MOUSER, [redacted]
JAMES P. MOYE, [redacted]
WILLIAM D. MUECKE, [redacted]
FREDERICK W. *. MUELLER, [redacted]
KURT G. *. MUELLER, [redacted]
LLOYD E. MUES, [redacted]
GARY D. *. MUGLESTON, [redacted]
DAVID M. MULAY, [redacted]
JEROME T. MULDOWNEY, [redacted]
JOHN C. MULHALL, [redacted]
LAWRENCE P. MULHALL, [redacted]
ARTHUR T. *. MULKINS, [redacted]
ROBERT F. MULL, [redacted]
LISA A. *. MULLIN, [redacted]
ROGER H. MUNNS, [redacted]
MYRON H. MURLEY, III, [redacted]
KEVIN A. MURPHY, [redacted]
SAMUEL E. MURPHY, [redacted]
THOMAS M. MURPHY, [redacted]
JOHN D. *. MURRAY, II, [redacted]
JOSEPH W. MURRAY, JR, [redacted]
SPENCER J. MURRAY, [redacted]
JAMES *. MUSICK, [redacted]
JOHN B. MUSSER, II, [redacted]
DON A. MYER, [redacted]
CARLTON M. *. MYERS, [redacted]
BRAD R. NAEGLE, [redacted]
ARTHUR J. *. NAGEL, II, [redacted]
RICHARD H. NAIGLE, [redacted]
JOHN C. NAPOLI, JR, [redacted]
JAMES C. NAUDAIN, [redacted]
RICHARD NAZARIO, [redacted]
HAROLD E. NEAL, JR, [redacted]
JOHN A. *. NEAL, [redacted]
NANCY E. *. NEAL, [redacted]
PAUL B. NEAL, III, [redacted]
MICHAEL C. NEEDHAM, [redacted]
NELSON B. *. NEFF, II, [redacted]
PATRICK L. NEKY, [redacted]
GEORGE W. NELSEN, [redacted]
DENNIS S. *. NELSON, [redacted]
RONALD J. *. NELSON, [redacted]
DARELL L. NEPIL, [redacted]
JOHNNIE M. NESMITH, [redacted]
RICHARD H. *. NETTLETON, [redacted]
JERRY *. NEW, [redacted]
TOMMIE E. *. NEWBERRY, [redacted]
ROY D. NEWCOMB, [redacted]
BLAKE L. NEWMAN, [redacted]
WILLIE L. *. NEWSON, [redacted]
GREGORY P. NICHOLLS, [redacted]
MARK E. NICHOLSON, [redacted]
ROBERT L. *. NICHOLSON, JR, [redacted]
RICHARD H. *. NIELEN, [redacted]
HAROLD K. NIELSEN, [redacted]
FREDERICK G. *. NIESS, JR, [redacted]
ALBERT D. NIGGLES, [redacted]
JENNA L. *. NOBLE, [redacted]
DENNIS A. *. NORDGAARD, [redacted]
PHILIP B. *. NORTH, [redacted]
EUGENE F. NOSCO, JR, [redacted]
MARY L. *. NOSCO, [redacted]
ROBERT D. NOSSOV, [redacted]
ARTUR *. NOTARFRANCISCO, [redacted]
ALEXANDER M. *. NOVOTNY, [redacted]
JOSEPH R. NUNEZ, [redacted]
HAL R. NYANDER, [redacted]
SIDNEY G. OAKSMITH, [redacted]
JOHN J. OBRIEN, III, [redacted]

JOHNNY *. OCASIO, [redacted]
JOSEPH W. OCCHIUZZO, [redacted]
MARK H. *. OCHSENBEIN, [redacted]
JAMES J. *. ODONNELL, JR, [redacted]
DENNIS J. ODRISCOLL, [redacted]
RONALD D. OFFUTT, [redacted]
PETER A. *. OHARA, [redacted]
DENIS L. OKEEFE, [redacted]
JOHN B. *. OLIVAR, [redacted]
JOHN W. *. OLIVER, III, [redacted]
ERIC C. *. OLSEN [redacted]
JANET M. OLSON, [redacted]
MARK E. ONEILL, [redacted]
SCOTT L. *. OPLINGER, [redacted]
PATRICK J. OREILLY, [redacted]
WILLIAM K. ORRIS, [redacted]
EDWIN *. ORTEGA [redacted]
MIGUEL A. *. ORTIZ, [redacted]
JOHN F. OSHAUGHNESSY, JR, [redacted]
DONALD A. *. OSTERBERG [redacted]
JOEL M. OSWALT, [redacted]
DAVID T. OUGHTON, [redacted]
MICHAEL L. *. OVERFELT [redacted]
JOHN D. *. OVERTON [redacted]
THOMAS A. OWEN, [redacted]
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CARL D. OWENS, [redacted]
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PATRICK W. *. OYABE, [redacted]
MAX F. *. PADILLA [redacted]
MICHAEL W. PAGE, [redacted]
JAMES A. PAIGE, JR, [redacted]
JOHNATHAN W. *. PAINTER, [redacted]
ANTHONY G. PAINTON, [redacted]
MARK W. PALEN, [redacted]
EUGENE J. PALKA, [redacted]
CHRISTOPHER S. *. PALMER, [redacted]
DOUGLAS C. PALMER, [redacted]
PETER J. PALMER, [redacted]
DOUGLAS C. *. PALZER, [redacted]
RODNEY A. PANKEY, [redacted]
LELAND D. *. PANTER, [redacted]
GEORGE J. *. PAPPAS [redacted]
ANTHONY F. *. PARKER, [redacted]
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DANA H. PARRY, [redacted]
WILLIAM *. PARRY, III, [redacted]
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DONALD G. PATCHELL, [redacted]
JAMES K. *. PATE [redacted]
MICHAEL L. *. PATIERNO [redacted]
PAUL B. PATRICK, [redacted]
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LUTHER W. *. PATTESON, JR, [redacted]
WILLIAM R. *. PAUL, [redacted]
WILLIAM V. PAUL, [redacted]
ANTHONY L. PAULO, [redacted]
ERIC E. *. PAULSON, [redacted]
MARK S. PAUN, [redacted]
JOSEPH A. *. PAYNE, [redacted]
JOHN E. PEELER, [redacted]
ANDREW E. PEHONSKY, [redacted]
ROBERT P. PELLEGRINI, [redacted]
MICHAEL L. PELOZA, [redacted]
RICHARD L. *. PENA, [redacted]
RICHARD *. PENN [redacted]
LARRY A. PEPPINS, [redacted]
GILBERTO R. *. PEREZ, [redacted]
STEVEN T. PERRENOT, [redacted]
DAVID E. PERRY, [redacted]
JOHN W. *. PESKA [redacted]
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GREGG E. PETERSEN, [redacted]
ANN M. PETERSON, [redacted]
LEO S. PETERSON, [redacted]
GLENN R. PETREE, [redacted]
NEAL C. PETREE, III, [redacted]
GARY P. PETROLE, [redacted]
ROBERT F. PETRONE, [redacted]
HAYWOOD M. PETTIGREW, [redacted]
PAUL A. PETZRICK, JR, [redacted]
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DAVID J. PFLEEGER, [redacted]
DONNA A. PHELAN, [redacted]
MARK V. PHELAN, [redacted]
CLYDE B. *. PHELPS, JR, [redacted]
ALAN D. PHILLIPS, [redacted]
GLORIA J. *. PHILLIPS [redacted]
JOHN S. *. PHILLIPS, [redacted]
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GEORGE J. PICCIRILLI, [redacted]
GARY E. PICKENS, [redacted]
HAROLD D. *. PIERCE [redacted]
LYNN M. *. PIERCE, [redacted]
RICHARD L. *. PIERCE, [redacted]
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KEVIN H. PILGRIM, [redacted]
RICHARD L. *. PIMLEY [redacted]
LUIS A. *. PINA [redacted]
DONALD F. PINCOMBE, [redacted]
RONALD W. PINKARD, [redacted]
ROGER W. *. PISHA, [redacted]
JULIA M. PITTENGER, [redacted]
DAN *. PLAIR, JR [redacted]
DAVID R. PLAZA, [redacted]
JASON D. *. PLOEN, [redacted]
JUANITA K. *. PLYLER, [redacted]
ALLAN W. POIKONEN, [redacted]
DAVID W. POINTON, [redacted]
MICHAEL C. *. POMA [redacted]
ROBERT C. *. PONCIN, [redacted]
KURT P. PONTING, [redacted]
RICHARD A. *. PONTIUS, [redacted]
JAMES M. POOLE, [redacted]
PHILLIP T. *. POPE [redacted]
BRIAN W. *. POPKEN, [redacted]
RONALD R. PORTER, [redacted]
JUSTIN E. PORTO, [redacted]
WILLIAM C. POST, JR, [redacted]
PATRICIA A. *. POULSON, [redacted]
CHARLES *. POWELL, II, [redacted]
EDWARD S. POWERS, [redacted]
JERRY D. *. POWNALL, [redacted]
JOHN S. PRALL, JR, [redacted]
STEPHEN C. PRANGLEY, [redacted]
ROBERT J. PRATT, JR, [redacted]
FRANK R. PRAUTZSCH, [redacted]
RICHARD A. *. PRESCOTT [redacted]
TOMMY R. *. PRESTON [redacted]
WILLIAM R. *. PREUIT [redacted]
DANNY P. PRICE, [redacted]
WALLACE A. PRICE, [redacted]
CHRISTOPHER S. PRITCHETT, [redacted]
MICHAEL S. PROAPS, [redacted]
EDWARD M. *. PROSKIE [redacted]
TIMM F. *. PROUTY, [redacted]
JOHN G. PROVOST, [redacted]
PAULETTE B. *. PROVOST, [redacted]
JOHN N. PRUETT, [redacted]
GERALD R. PRY, [redacted]
CHARLES A. PUCHON, JR, [redacted]
TIMOTHY R. PUCKETT, [redacted]
JESSE L. PUGH, [redacted]
THOMAS A. *. PURSLEY, [redacted]
SUSAN M. *. PUSKA, [redacted]
MICHAEL D. *. PYATT, [redacted]
JOHN E. QUACKENBUSH, [redacted]
WENDELL K. QUASH, [redacted]
DAVID E. QUIMBY, [redacted]
RANDALL G. *. QUIMBY, [redacted]
HARRY M. *. QUINN [redacted]
MICHAEL M. QUINN, [redacted]
RONALD D. *. QUINN [redacted]
ROBIN D. *. QUINTRELL [redacted]
RUSSELL E. QUIRICI, [redacted]
RICHARD L. *. RADTKE, [redacted]
MAURICE RAEFORD, [redacted]
PAUL A. RAGGIO, [redacted]
TONY B. *. RAGLAND, [redacted]
PATRICIA D. *. RAINEY, [redacted]
JOSEPH M. *. RAKOSKY [redacted]
CALVIN W. *. RALLS, [redacted]
MARK E. *. RAMBIS [redacted]
ANTHONY J. *. RAMIENSKI, [redacted]
FRANCISCO *. RAMOS, [redacted]
EUGENE N. RAMSEY, JR, [redacted]
DIANE K. RAND, [redacted]
CONNIE J. *. RANDOLPH, [redacted]
JAMES C. RANSICK, [redacted]
WILLIAM K. *. RASMUSSEN, [redacted]
JEAN M. *. RAUBOLT, [redacted]
CLARK K. RAY, JR, [redacted]
BOBBY E. RAYBORN, [redacted]
JAMES W. RAYBORN, [redacted]
SUSAN T. REA, [redacted]
FRANCIS M. *. REAL, [redacted]
STEVEN P. *. REARICH, [redacted]
OSBORNE M. *. REAVES, [redacted]
ROBERT L. *. REEVES, [redacted]
JACK D. REGAN, [redacted]
DEBORAH D. *. REIDT, [redacted]
JEFFREY M. REILLY, [redacted]
ROBERT *. REINKE, JR [redacted]
JACK A. *. REISIG [redacted]
BRUCE N. REITER, [redacted]
THOMAS H. RENDALL, [redacted]
PAUL G. REPCIK, [redacted]
EUGENE K. RESSLER, [redacted]
DAVID L. REVELL, [redacted]
JESSE R. *. REYES, [redacted]
DANIEL A. REYNOLDS, [redacted]
DOUGLAS V. *. REYNOLDS, [redacted]
FRED B. *. REYNOLDS, JR, [redacted]
JERRY REYNOLDS, [redacted]
MICHAEL B. RHEA, [redacted]
SHELTON P. RHODES, [redacted]
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WILLIAM E. *. RICE, JR, [redacted]
DAVID F. RICH, [redacted]
WAYNE J. RICHARDS, [redacted]
JAMES D. *. RICHARDSON [redacted]
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HECTOR L. RIVERA, [redacted]
JOSE O. *. RIVERA [redacted]
WILLIAM *. RIVERA [redacted]
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PAUL F. ROCK, [redacted]
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SHARON A. *. ROTHWELL, [redacted]
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EDGAR C. *. ROWLAND, III, [redacted]
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ROSEMARY *. SALAK, [redacted]
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RAUL SALINAS, JR, [redacted]
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JOSEPH R. *. SCHWAB, [redacted]
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NOBLE R. *. SOUTHERLAND, [redacted]
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VERSAL *. SPALDING, III, [redacted]
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DEBBE J. *. STALLCUP, [redacted]
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MORGAN G. *. STANGLE, [redacted]
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L. C. *. STEWART, [redacted]
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NORMAN J. *. STILES, [redacted]
MICHAEL J. *. STINE, [redacted]
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RICHARD W. STOCKER, [redacted]
CHRISTOPHER O. *. STOECKLIN, [redacted]
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LEON *. STORY, [redacted]
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JAMES P. *. STOVERINK, [redacted]
LACY E. STRADER, [redacted]
KIRK L. *. STRAIN, [redacted]
RONALD J. *. STRAND, [redacted]
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ROLAND E. *. STRICKLAND, [redacted]
CONRAD J. *. STRIEGL, JR, [redacted]
JOHN L. STRONG, [redacted]
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ROBERT W. STULL, [redacted]
WARREN B. STURRUP, [redacted]
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LARRY A. SUAREZ, [redacted]
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NANCY B. SULLIVAN, [redacted]
RANDALL D. SULLIVAN, [redacted]
JOHN L. *. SUNDET, [redacted]
DEXTER A. *. SUTHERLAND, [redacted]
EARL SUTTON, [redacted]
WILLIAM L. SUTTON, JR, [redacted]
DANIEL J. SWACINA, [redacted]
THOMAS E. SWACKHAMER, [redacted]
STEPHEN R. *. SWAN, [redacted]
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MARK A. SWARINGEN, [redacted]
BRENT M. *. SWART, [redacted]
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SIMON J. TAFLAN, [redacted]
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RICHARD E. *. TALLEY, [redacted]
FREDERICK A. TARANTINO, [redacted]
JOHN W. *. TARVER, JR, [redacted]
GREGORY S. TATE, [redacted]
ALLEN B. TAYLOR, JR, [redacted]
ANTHONY D. *. TAYLOR, [redacted]
SAMUEL T. TAYLOR, III, [redacted]
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ROGER N. *. TEEL, [redacted]
JOSEPH M. *. TEEPLES, [redacted]
TIMOTHY T. *. TEIXEIRA, [redacted]
JEFFREY E. TENSFELDT, [redacted]
DAVID C. *. TERMIN, [redacted]
DAVID *. TERRELL, JR, [redacted]
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WILLIAM R. TERRY, [redacted]
KENT D. *. THEW, [redacted]
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TIM *. TIMMONS, [redacted]
CHARLES L. *. TINNELL, [redacted]
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VICTOR TISE, [redacted]
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NANCY S. *. TOPIC, [redacted]
JOSE A. *. TORO, [redacted]
RICHARD G. *. TORRELLI, [redacted]
AMADIO J. TOSI, [redacted]
MARY P. TOSKI, [redacted]
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TERRY E. *. TROUT, [redacted]
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JACK L. *. TYLER, JR, [redacted]
JACQUELINE J. *. TYLER, [redacted]
JOHN C. UNANGST, [redacted]
CHARLES E. UNDERWOOD, [redacted]
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GARY W. UTTERBACK, [redacted]
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JACK R. VANDENBELDT, [redacted]
THEODORE J. *. VANDERKAMP, [redacted]
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JOSEPH B. VANN, [redacted]
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NANCY J. *. VERDE, [redacted]
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GERALD N. VEVON, JR, [redacted]
MARCO E. *. VIALPANDO, [redacted]
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PAUL R. VILLARE, [redacted]
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KEVIN D. VOIGTS, [redacted]
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JEANETTE *. WADE, [redacted]
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BRUCE R. *. WEST, [redacted]
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TED *. WILLIAMS, [redacted]
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BERNARD J. *. WITTEN, [redacted]
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DICKIE WONG, [redacted]
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EDWARD A. *. WOZNIAK, [redacted]
JOHN C. *. WOZNICK, [redacted]
CURTIS L. WRENN, JR, [redacted]
GEORGE B. WRIGHT, JR, [redacted]
VERIA J. *. WRIGHT, [redacted]
PAUL J. *. WYPIJEWSKI, [redacted]
JOYCE A. YANICHKO, [redacted]
DOUGLAS R. YATES, [redacted]
JOSEPH S. YAVORSKY, [redacted]
BARBARA A. YAWN, [redacted]
GEORGE A. *. YEARWOOD, [redacted]
JOHN H. *. YEOMAN, II, [redacted]
DALE B. *. YORK, [redacted]
JAMES A. *. YOUMANS, [redacted]
HARRY D. YOUNG, [redacted]
HAZEL L. YOUNG, [redacted]
RAYMOND S. YOUNG, [redacted]
VICTOR J. YOUNG, [redacted]
RAYMOND R. YOUNGS, [redacted]
MICHAEL J. YURK, [redacted]
PATRICK H. ZAISS, JR, [redacted]
DAVID C. ZAMECNIK, [redacted]
JOHN G. ZELLMER, [redacted]
BRIAN J. *. ZERINGUE, [redacted]
LOUIS J. ZIB, JR, [redacted]
DAVID H. *. ZOOK, III, [redacted]
CHARLES W. *. ZVARICH, [redacted]
RODNEY R. *. ZWAINZ, [redacted]
ANDREW T. *. ZYGMUNTOWICZ, [redacted]

HOUSE OF REPRESENTATIVES—*Tuesday, November 17, 1987*

The House met at 12 noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We pray before you, O God, our personal concerns that we hold from all else—our secret petitions and prayers, our private fears and hopes. Forgive us, gracious God, for ways that lead us from the brightness of Your light, cleanse us from selfishness or greed. Cause our lives, O God, to be filled by acts of concern for others and by good thoughts for ourselves and those we love. Amen.

THE JOURNAL

The **SPEAKER**. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. **ROWLAND** of Connecticut. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The **SPEAKER**. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. **ROWLAND** of Connecticut. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER**. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 264, nays 124, not voting 45, as follows:

[Roll No. 429]

YEAS—264

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Barnard
Bartlett
Bateman
Bates
Beilenson
Bennett
Berman
Bevill
Bilbray
Boggs
Bonior
Bonker
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bryant
Bustamante
Byron
Campbell
Cardin
Carper
Carr
Chappell
Clarke
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coyne
Crockett
Daniel
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Fish
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Grant
Gray (IL)
Gray (PA)
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Hertel
Hochbrueckner
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Livingston
Lowry (WA)
Lujan
Luken, Thomas
Lungren
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCurdy
McDade
McEwen
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (WA)
Mineta
Moakley
Mollohan
Moody
Morella
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Panetta
Patterson
Pease
Pepper
Perkins
Petri
Pickett
Pickle
Price (IL)
Quillen
Rahall
Rangel
Ray
Richardson
Rinaldo
Robinson
Rodino
Roe
Rose
Rostenkowski
Rowland (GA)
Roybal
Savage
Sawyer
Scheuer
Schneider
Schulze
Schumer
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith, Denny (OR)
Solarz
Spratt
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wortley
Wyden
Yates
Yatron

NAYS—124

Armey
Baker
Ballenger
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Brown (CO)
Buechner
Bunning
Burton
Callahan
Chandler
Cheney
Clay
Clinger
Coats
Coble
Coleman (MO)
Coughlin
Craig
Crane
Dannemeyer
Daub
Davis (IL)
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Duncan
Edwards (OK)
Emerson
Fields
Frenzel
Gallegly
Gekas
Gingrich
Goodling
Gradison
Grandy
Hastert
Henry
Herger
Hiler
Hopkins
Houghton
Hunter
Hyde
Inhofe
Jacobs
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lloyd
Lott
Lowery (CA)
Lukens, Donald
Mack
Madigan
Marlenee
Martin (IL)
McCandless
McCollum
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Molinari
Moorhead
Parris
Pashayan
Penny
Pursell
Ravenel
Regula
Rhodes
Ridge
Rogers
Roth
Roukema
Rowland (CT)
Saiki
Saxton
Schaefer
Schroeder
Schuette
Sensenbrenner
Shays
Sikorski
Skeen
Slaughter (VA)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stangeland
Stump
Sundquist
Sweeney
Swindall
Tauke
Upton
Vander Jagt
Vucanovich
Walker
Weber
Weldon
Wolf
Young (AK)
Young (FL)

NOT VOTING—45

Akaka
Badham
Biaggi
Boland
Borski
Bruce
Chapman
Coelho
Courter
Dicks
Dowdy
Feighan
Flake
Flippo
Gallo
Gephardt
Gordon
Green
Gregg
Holloway
Ireland
Jones (TN)
Kasich
Kemp
Leland
Lipinski
MacKay
Manton
McCloskey
Montgomery
Morrison (CT)
Oxley
Pelosi
Porter
Price (NC)
Ritter
Roberts
Roemer
Russo
Sabo
St Germain
Thomas (CA)
Watkins
Whittaker
Wylie

□ 1210

So the Journal was approved.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. BRUCE. Mr. Speaker, because I was unfortunately delayed in my travel from Illinois to Washington today, I was unable to vote on House rollcall 429.

If I had been present: On rollcall No. 429, on voting to approve the Journal, I would have voted "yea."

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mrs. Emery, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On October 30, 1987:

H.R. 2782. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development; space flight, control and data communications; construction of facilities; and research and program management; and for other purposes.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

On November 2, 1987:

H.R. 317. An act to amend the Wild and Scenic Rivers Act by designating a segment of the Merced River in California as a component of the National Wild and Scenic Rivers System.

On November 3, 1987:

H.R. 799. An act to designate a segment of the Kings River in California as a wild and scenic river, and for other purposes;

H.R. 2893. An act to reauthorize the Fishermen's Protective Act; and

H.R. 3325. An act to designate the segment of Corridor V in the State of Alabama as the Robert E. (Bob) Jones, Jr. Highway.

On November 5, 1987:

H.R. 2937. An act to make miscellaneous technical and minor amendments to laws relating to Indians, and for other purposes.

On November 9, 1987:

H.J. Res. 309. Joint resolution providing support for the Civic Achievement Award Program in Honor of the Office of Speaker of the House of Representatives;

H.R. 307. An act to designate the Federal Building and United States Post Office located at 315 West Allegan Street in Lansing, Michigan, as the "Charles E. Chamberlain Federal Building and United States Post Office"; and

H.R. 1366. An act to provide for the transfer of certain lands in the State of Arizona, and for other purposes.

On November 10, 1987:

H.J. Res. 368. Joint resolution designating the week of November 8 through November 14, 1987, as "National Food Bank Week";

H.J. Res. 394. Joint resolution making further continuing appropriations for the fiscal year 1988, and for other purposes; and

H.R. 614. An act to designate the new U.S. courthouse in Birmingham, AL, as the "Hugo L. Black United States Courthouse."

On November 13, 1987:

H.J. Res. 97. Joint resolution to recognize the Disabled American Veterans Vietnam Veterans National Memorial as a memorial of national significance; and

H.J. Res. 130. Joint resolution to designate the week beginning November 22, 1987, as "National Family Caregivers Week."

APPOINTMENT OF CONFEREES ON H.R. 1900, CHILD ABUSE PREVENTION ADOPTION, AND FAMILY SERVICES ACT OF 1987

Mr. OWENS of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 1900) to amend the Child Abuse Prevention and Treatment Act, the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and the Family Violence Prevention and Services Act to extend through fiscal year 1991 the authorities established in such acts, with Senate amendments thereto, disagree to the Senate amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from New York? The Chair hears none, and appoints the following conferees: Messrs. HAWKINS, FORD of Michigan, OWENS of New York, WILLIAMS, JEFFORDS, and BARTLETT.

PRIVATE CALENDAR

The SPEAKER. This is the day for the call of the Private Calendar.

The Clerk will call the first individual bill on the Private Calendar.

CHUN WEI WONG, ET AL.

The Clerk called the bill (H.R. 2108) for the relief of Chun Wei Wong, Bic Ya Ma Wong, Wing Sing Wong, Wing Yum Wong, and Man Yee Wong.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EMILIE SANTOS

The Clerk called the Senate bill (S. 393) for the relief of Emilie Santos.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the Senate bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PAULETTE MENDES-SILVA

The Clerk called the bill (H.R. 1574) for the relief of Paulette Mendes-Silva.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. SENSENBRENNER. Mr. Speaker, I object.

Mr. DEWINE. Mr. Speaker, I object.

The SPEAKER. Two objections are heard. Under the rule, the bill is recommitted to the Committee on the Judiciary.

□ 1225

SAMUEL O. JOHNSON

The Clerk called the bill (H.R. 2358) for the relief of Samuel O. Johnson.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that further reading of the Private Calendar be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

PERMISSION FOR SUBCOMMITTEE ON SELECT EDUCATION OF COMMITTEE ON EDUCATION AND LABOR TO SIT DURING THE 5-MINUTE RULE ON WEDNESDAY, NOVEMBER 18, 1987

Mr. OWENS of New York. Mr. Speaker, I ask unanimous consent that the Subcommittee on Select Education of the Committee on Education and Labor be allowed to sit for a hearing while the House is proceeding under the 5-minute rule on Wednesday, November 18, 1987.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PEACE IN CENTRAL AMERICA

(Mr. DYMALLY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DYMALLY. Mr. Speaker, for approximately 7 years, this administration has had an opportunity to bring peace to Central America.

They failed.

First, they secretly funded the Contras. Then they undermined the Contradora process. Not satisfied with this strategy, they almost plunged this Nation into a crisis with Contragate.

Now they are reluctant to support the Arias peace plan. That is why Speaker WRIGHT's effort to expedite the peace process in Central America is so commendable.

The Speaker ought to be congratulated for doing whatever is necessary to save lives and bring peace to Central America.

Speaker WRIGHT, congratulations to you for your courage and commitment to the peace process in Central America.

THE HATCH ACT

(Mr. KONNYU asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KONNYU. Mr. Speaker, together with other Members of the House I plan to work against passage of the so-called reform of the Hatch Act under suspension of the rules. The Suspension Calendar is no place for such a far-reaching piece of legislation which has been on the books for decades. The House must take a closer look at the negative impact H.R. 3400 will have on the performance of our Nation's civil service.

H.R. 3400 is nothing more than a free hand to monopoly Government unions to coerce all civil servants into supporting the political positions of those Government unions. Hatch Act reform is supposed to give political freedom to civil servants. Instead as revised it gives new meaning to the term civil servants that is so because through H.R. 3400 Government employees will be nothing more than servants of their union's political position.

I have an amendment which would go a long way in protecting the first amendment rights of Government employees. I think it is the right of the minority to offer amendments to controversial legislation such as H.R. 3400. And there is no doubt H.R. 3400 is controversial. The administration in a strong statement is opposed to the bill and the Director of the Office of Personnel Management has written an editorial strongly opposing these so-called reforms of the Hatch Act. I'd say there was plenty of controversy surrounding H.R. 3400.

A vote against H.R. 3400 today when it comes up under suspension of the rules will be a vote to protect my right to offer my amendment and it will be a vote to protect the rights of Government employees against union abuses.

THE SPEAKER OF STATE

(Mr. EDWARDS of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. EDWARDS of California. Mr. Speaker, the lead editorial in today's New York Times puts a proper perspective on the meetings the Speaker has had with Nicaraguan President Ortega and Cardinal Obando y Bravo.

The editorial points out that President Reagan, after years of insisting on a military solution in Nicaragua, is faced with an opportunity for ceasefire and reconciliation.

In spite of President Reagan's "relentless resistance to diplomacy," the Arias peace plan seems to be moving along.

Instead of welcoming the progress and welcoming encouragement by American political leaders, the editorial points out that "all the administration can muster is grudging talk of fatal flaws—and intemperate assaults on the Speaker."

Come now, Mr. President, let's give up this fantasy of military victory and give peace a chance.

The Speaker of State

Diplomacy abhors a vacuum, which is just what the Reagan Administration has left concerning Central America—and just why there's such a hollow ring to its complaints about freelance diplomacy by Speaker of the House Jim Wright. Diplomatic involvement by members of Congress raises truly troubling questions. But in this case, the Administration asked for it.

After years of insisting on a military solution in Nicaragua, President Reagan and his Latin advisers are faced with a regional groundswell for ceasefires and reconciliation. That puts them in a quandary of their own making. They can't say they oppose peace; yet they don't want anyone important in Washington to give it a helping hand.

The Speaker met last week with Nicaragua's Sandinista President, Daniel Ortega, and Miguel Cardinal Obando y Bravo, and apparently helped work out an 11-point cease-fire proposal. That prompted a senior Administration official to sputter to The Washington Post: "Unbelievable melodrama . . . [an] exercise in guerrilla theater . . . a serious setback." The sputtering continued yesterday when Mr. Wright failed to placate an irate President.

There's a serious point inside these hysterics. Speaker Wright, a Democrat, isn't a diplomat; he can't speak for the White House or State Department, charged with conducting foreign policy. Those inclined to cheer such trespass need to ponder how they might feel if roles were reversed and a conservative lawmaker tried to undermine State Department policy in say, Mozambique, by entering into private negotiations with a right-wing insurgency. But objections to trespassing into foreign policy would carry greater weight if, even now, there were a sensible policy to trespass on.

In his Saturday radio talk, Mr. Reagan continued to suggest that the United States has no role in "a Nicaraguan conflict that should be resolved by Nicaraguans," which is worse than nonsense—it's insulting nonsense.

For seven years the Reagan Administration has been engaged in an undeclared war against leftist Nicaragua. The C.I.A. recruited, trained and armed a rebel army. American operatives planted mines in Nicaraguan harbors. A Marine colonel working in the White House basement orchestrated air drops into Nicaragua, and funneled money to the contras, including profits from illicit arms sales to Iran.

Now, in spite of all that relentless resistance to diplomacy, the peace plan pressed by President Oscar Arias of Costa Rica seems to be moving forward. Yet all the Administration can muster is grudging talk of fatal flaws—and intemperate assaults on the Speaker.

It would be better all around if the Speaker, who is not shy about claiming co-equal authority in foreign affairs, could leave Latin American policy to the executive branch. It would be better still if the executive branch had one that is realistic. As it is, Mr. Reagan risks being outmarched by events. Even Honduras, for all its dependence on U.S. aid, seems ready to talk with Managua about closing contra camps. If the Administration's aim is to strike the best possible deal for the rebels, it needs to fill the policy vacuum—or someone else will.

VETERANS DESERVE THE POST

(Mr. MILLER of Ohio asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Ohio. Mr. Speaker, throughout the long, proud history of this Nation, few others have served this country more honorably than those who have protected democracy in wartime and preserved our principles in peace. The word "veteran" comes from the Latin word for "experience." The experience of those who have represented us in keeping peace is unique, and deserves appropriate recognition.

As such, I support the measure before us making the Veterans' Administration a Cabinet-level executive department. When the VA was created in 1930, there were 4.5 million veterans in the United States. Today, there are 27 million. The VA is responsible for administering important programs for veterans and their dependents—everything from housing, to educational assistance, to health care and pension programs. The bill I'm supporting will not make changes in VA organizational structure, but it will elevate the agency to a level long overdue and certainly justified. The bill is an appropriate congressional response to those who have suffered all, dared all, given all.

I commend the President for backing the measure and the House for its action on the bill and I am pleased to be associated with this key legislation.

CHEAP SHOTS FROM ELLIOTT ABRAMS

(Mr. COLEMAN of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN of Texas. Mr. Speaker, I note with interest that our esteemed Secretary of State Elliott Abrams, not as some thought, George Shultz, has decided to round out a résumé that already includes deliberate lying to Congress by adding the title of chief administration undisclosed source of cheap shots.

Stricken more than most at the thought that the peace epidemic might spread, Abrams has lobbed one pot shot after another at the Speaker of the House for his courageous initiatives to promote peace in Central America.

This time, however, Abrams hasn't even had the dignity to do it in public. Let me remind you that this is the same man who anointed himself as the administration's "point man" on Central America. The one who tried to involve the United States in Mexico's election over their Contra nonsupport. And the same man who, as a key member of the secret Contra resupply operation, routinely assured the Congress that he was not involved.

Let's face it, Elliott, the Nobel Peace Prize probably isn't within your grasp, but surely the courage to stand behind your accusations is. The peace process would not be alive today if it weren't for the Speaker of the House, who accomplished more in a few days than you did in your entire career.

It seems to me that far from disrupting the peace process, as Elliott and his fellow travelers have been whining, the Speaker has strengthened it, and I stand with the millions of grateful

Americans who applaud his courage and his vision.

LET THE PEOPLE BE HEARD

(Mr. WELDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON. Mr. Speaker, on March 19 of this year I rose to introduce a balanced budget amendment to the Constitution. Now, 8 months later I rise to commend my colleague, Mr. RODINO, the distinguished chairman of the Judiciary Committee, and the other members of the committee for holding a second day of hearings on a constitutional amendment to balance the Federal budget.

In a survey conducted in my district, 78 percent of respondents favored a constitutional amendment to force Congress to balance the Federal budget. That figure rose to 85 percent in a New York Times poll of the American people.

Balanced budget legislation deserves an impartial hearing in Congress. The bill before the committee has 236 cosponsors, representing more than half of the Members of the House of Representatives. More than 170 Members have signed a discharge petition to bring this legislation to the floor of the House for an immediate up or down vote. No less than 35 Members of this body have indicated a desire to testify or submit testimony for today's hearing.

The events of Black Monday have made consideration of balanced budget legislation that much more imperative. From Wall Street to Main Street, America is waiting for a signal from Washington that we can put our fiscal house in order. Let the voice of the American people be heard.

INTRODUCTION OF DOWNEY SUGAR BILL

(Mr. DOWNEY of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. DOWNEY of New York. Mr. Speaker, today I am introducing a bill that will bring a much needed correction to this Nation's sugar program. "Why the sugar program?" some might ask. The answer is simple. Every day, innocent consumers contentedly wheeling their shopping baskets along miles of supermarket aisles are ambushed by artificially high costs for products which contain sugar.

Because we are all consumers, and because we all pay this price, I, along with many of my House colleagues have been fighting the unjustifiable sugar price support program; a program that imposes tremendous costs on the American consumer and our trading partners, all in the name of protecting a limited number of domestic sugar beet and sugarcane growers. As has been said on many occasions, this is a sugar deal that has gone sour.

The bill we are introducing today employs a sensible and gradual approach to the restructuring of the domestic sugar program. The bill mandates a gradual phase down of the current nonrecourse loan rate of 18 cents per pound. The loan rate will reach 12 cents per pound in 1991. While the loan rate is gradually decreasing, the import quotas will be seeing a gradual increase. While this increase in the quota is small enough to maintain domestic demand, it will be large enough to provide at least partial relief to our friends who have traditionally been sugar exporters.

The time has come to breathe some sense into this landscape. This program, which has the American consumer paying in excess of $3 billion a year to subsidize the domestic sugar grower, has to change. The American consumer deserves that much. This bill, with much hard work, will enable us to make that change. I urge my colleagues to join with me in this work.

THE SPEAKER'S FORAY INTO FOREIGN AFFAIRS

(Mr. COATS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COATS. Mr. Speaker, your recent foray into foreign affairs has met with criticism from many quarters. I, too, am deeply troubled by the implications of your actions; but rather than comment myself, for fear of being dismissed as a mere partisan, allow me to quote from the editorial pages of two of our Nation's publications.

Today's New York Times, in an editorial headlined "The Speaker of State" opines:

> Speaker Wright, a Democrat, isn't a diplomat; he can't speak for the White House or the State Department.

Sunday's Washington Post with an editorial titled "What Is Jim Wright Doing?" said:

> During Daniel Ortega's visit to Washington last week, the Speaker made an intervention into the day-to-day running of foreign policy. By inserting himself into a negotiation in a way that keeps the President out, he overreaches recklessly.

Mr. Speaker, given the difficulties we are having keeping this House in order, with a budget crisis looming large and the financial markets looking to Washington for reassurance, I trust you will find the work of this Congress, rather than the work of the administration, to be your priority.

HOUSE MEMBERS STRESS EDUCATION IN UNIQUE WAY

(Mr. STAGGERS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STAGGERS. Mr. Speaker, this week is American Education Week, an opportunity to focus on the importance of education for the future of our young people and our Nation.

Yesterday in my district I was joined by other House Members in stressing the importance of education in a very unique way.

Congressman TOM MCMILLEN, Congressman MARTIN SABO, Congressman TOM DOWNEY, House Sergeant at Arms Jack Russ and I matched our basketball skills against the coaches and teachers of Jefferson High School.

While the loosely named "Congressional All-Stars" were victorious on the court by a score of 52 to 49, it was the some 400 students on hand who clearly won. Not only did they get some laughs at my expense, but they did see a real pro in Congressman TOM MCMILLEN; and they also received the opportunity to benefit from the advice of my colleagues.

In speaking to the student body, Congressman MCMILLEN spoke of his many achievements in sports, but he singled out education as the most important achievement in his life.

Congressman TOM DOWNEY spoke of the potential of each student, and Congressman MARTY SABO spoke of his high school years where he graduated with two other Members.

I would like to thank Congressmen MCMILLEN, SABO and DOWNEY, for devoting their time and talents to promoting education in my district. I am sure the students will long remember the experience and your encouraging words.

LET US NOT DISMANTLE A U.S. SUGAR PROGRAM WHICH IS WORKING

(Mr. SCHAEFER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHAEFER. Mr. Speaker, before anyone considers dismantling the current U.S. sugar program it is important to take a serious look at international sugar trade and the role that the European Economic Community plays in it.

Since 1977, the EEC has adopted policies which have changed its position of a net importer to that of a major exporter of sugar. In addition, price supports have increased for European sugar products by approximately 70 percent. This results in excess production which is then dumped on the world market at prices well below any country's cost of production. This practice has drawn criticism from many agricultural experts including the Secretary of Agriculture who has labeled this move as—predatory action against some of the world's weakest economies.

Those who criticize the present U.S. sugar program continually use as an argument the price of sugar in the world market place—which is the dumping price. As I have emphasized before, no producer in the world could be expected to successfully compete at prices well below the cost of production. When determining fair and equitable sugar policy let's not try to dismantle a U.S. sugar program which is working. Instead, let us take a good look at the European Community and its attempts to destabilize international sugar trade.

□ 1240

While determining fair and equitable sugar policy, we should not dismantle the U.S. sugar program which is now working. Instead, let us look at it and at the European Community and its attempts to destabilize international sugar trade.

AMNESTY DEFINITIONS OF DUARTE GOVERNMENT ARE TOO BROAD AND SHOULD BE SCALED BACK

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, the decision on the Government of El Salvador to include in its amnesty program the leftwing killers of American marines and the rightwing perpetrators of the Los Hajas massacre is outrageous.

There is no need for the Salvadoran Government to define its amnesty so broadly that it includes the killers of American citizens or the perpetrators of the most sickening atrocities against civilian populations.

It is my concern that the government's decision is a cynical attempt to use amnesty as an excuse to end investigations of blatantly brutal atrocities by Salvadoran military rightwingers—investigations pressed by the Congress and resisted by Salvadorans within the military. My hunch is they are using the inclusion of the leftist assassins of U.S. marines to gain political cover for dropping their investigations against rightists in the military.

The amnesty definitions of the Duarte government are too broad and should be scaled back to cover only truly political prisoners before they do irreparable damage to United States-Salvadoran relations. I urge the Salvadoran Government to heed this warning.

Mr. Speaker, I also congratulate you on your efforts to try to help to bring peace to Central America. I am glad that the Speaker has had the guts to do what the administration itself should have been doing for 5 years; namely, to serve as a facilitator of and not as an obstacle to peace in the region.

TRADE BARRIERS IN FOREIGN COUNTRIES CALLED PROTECTIONISM FOR THE UNITED STATES

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, recently I received a copy of this report from the U.S. Trade Representative's Office—entitled "Foreign Trade Barriers." It is a large book containing many citations of trade barriers in the laws of other nations. It does not begin to address the many stalling actions carried on by some of these countries when U.S. automobiles are disassembled for extensive "inspection" and then "rebuilt" before distribution or U.S. drugs are kept off foreign markets for an additional 5 years of tests after certification by the Federal Drug Administration.

I urge all of our colleagues to look over this report and note: The four countries with the largest amount of trade barriers listed—Japan, Taiwan, South Korea, and Brazil—are the countries which export the most goods into the United States.

We are told that if we raise equal trade barriers we will precipitate a trade war. I suggest to this House that the Trade Representative's report documents trade hostilities toward U.S. products which amount to warfare against American manufacturers. Evidently peace in the international markets has been bought at the price of sacrificing chunks of our manufacturing base to foreign producers.

I predict that it is a "phony peace." And as is the case with our abortive effort to police the Japanese chip manufacturers—it will last only until foreign nations control our source of supply and then, by coercive actions, control our national policy. Then, Mr. Speaker, we may be in a real war to regain our sovereignty.

SALUTING SPEAKER WRIGHT FOR HIS EFFORTS IN CENTRAL AMERICA

(Mr. FAUNTROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAUNTROY. Mr. Speaker, when I came to Capitol Hill a little over 16 years ago, I had the good fortune of acquiring a book of short writings entitled "Of Swords and Plowshares." The book obviously takes its title from the biblical admonition that we beat our swords into plowshares and our spears into pruning hooks and study war no more.

The author of that book is Congressman JIM WRIGHT, now our Speaker. He entitled one writing in the book, "Walls and Bridges," and he made the point that everything we do in society either builds walls that separate us or builds bridges that connect us.

I simply want to rise to thank Speaker WRIGHT for what he has done to build a bridge over waters troubled by 7 years of seeking military solutions to the problems in Nicaragua. I want to thank the Speaker because there is no question but that we have this opportunity at the threshold of peace in Nicaragua and in Latin America because of his initiatives, and I want to thank him as future generations will thank him that we have spared him what 12,000 people in Nicaragua have endured and this is death, what 6,000 people have been subjected to, maiming; and what 178,000 have had to do, that is to flee.

We salute you, Speaker WRIGHT, for your sense of conscience, your response to duty, for what you think of yourself, your God and your fellow man, and for not just talking that talk but walking the walk about seeking peace.

LEAVE THE HATCH ACT ALONE

Mr. INHOFE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INHOFE. Mr. Speaker, I request unanimous consent to revise and extend my remarks on H.R. 3400, the Hatch Act reform bill.

Some weeks ago I agreed to cosponsor with the understanding that a full debate with amendments would be in order. In fact, I was prepared to offer an amendment to change section 7322 to define "representative" as any person who is an official or employee of an organization which represents employees in their employment relationship. This week I found out that a full debate would not be heard on H.R. 3400 nor would amendments be in order. This is regrettable because this legislation is very complex and controversial. Passage of the bill could have serious consequences for many Federal employees. For this reason I join the gentleman from California in opposing H.R. 3400.

I cannot support passage of H.R. 3400 because I fear it will not uphold a key provision of the act. That provision states:

That it is the policy of Congress that employees should be encouraged to fully exercise their right to participate or not participate in the political processes of the Nation. The exercise of this right should be free and without fear of reprisal or penalty.

This is exactly why I cosponsored this measure. However, it was not my intention to threaten the integrity of the Federal employees or to jeopardize their position in the workplace. I'm afraid passage of this bill will rollback the protections and subject Federal employees to the old "spoils system" where Government jobs and factors are awarded on a partisan basis. This action may inadvertently lead employee unions and activist Government officials to exert disproportionate influence on Federal elections.

As currently written, the bill provides no safeguards against coercion by management or other safeguards for Federal workers. It does not protect Federal employees nor will it allow them to remain free from political pressures in the workplace.

We must not allow partisan politics to rush this bill through the normal legislative process without a full debate. It is critical that more time be given to review this bill and study its possible effects on Federal workers. It removes many of the traditional prohibitions on Federal employees allowing them to do the following:

Run for elected office;

Publicly endorse candidates and solicit votes;

Work in political campaigns;

Raise funds for candidates and political parties; and

Hold office in political parties.

It is my view that these provisions violate some key provisions of the Hatch Act. Specifically, a guideline established by Thomas Jefferson when he was President said:

> Participation in active and organized forms of electoral politics must be restricted.

The reforms in H.R. 3400 also conflict with provisions that President Franklin Roosevelt signed into law in 1939. One important provision specifically prohibited Federal workers from taking an active part in political campaigns. Back then, it was believed that as long as employees were allowed to participate in politics it would be inevitable that many would be coerced in their participation.

Now is not the time to reform the Hatch Act and H.R. 3400 is not the legislative vehicle to accomplish it. The traditional prohibitions on Federal employees were well founded and have been in effect for more than 50 years. They assure that Federal employees will not be exposed to any undue political pressures. These assurances are necessary and should not be rejected. That is why I will vote against H.R. 3400.

APPRECIATION FOR SPEAKER WRIGHT'S WORK TO BRING PEACE TO CENTRAL AMERICA

(Mrs. BOXER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BOXER. Mr. Speaker, I am proud to rise to thank you on behalf of my constituents for your work to bring peace to Central America. When the White House invited our Speaker to help with the peace plan in Central America, it certainly was a turning point and our Speaker responded with all his heart, and with all his conviction.

It seems to me a very sad turn of events that having invited our Speaker to the table to help bring peace, the White House now seems determined to muzzle him from this important mission.

Mr. Speaker, do not be muzzled. Do not be deterred. America needs you, and the people in Central America whose lives will be spared by your efforts will never forget your contribution to peace.

OPPOSITION TO HATCH ACT REVISION

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, on Monday a letter came into all of our offices from Common Cause with regard to the repeal of the Hatch Act.

Mr. Speaker, some of my colleagues may be for repeal of the Hatch Act, others may be against it, and others yet may not even care. But I would hope that my colleagues would care to at least give the minority the right to offer some amendments. Common Cause says that they strongly urge Members to oppose this legislation. They say in bringing this bill to the floor on suspension there will be no opportunity for anyone to offer amendments.

We believe that this expedited procedure will prevent a full and fair deliberation of the major issues that are involved in removing the protections of the Hatch Act. No procedural or other safeguards have been devised that would be sufficient to protect against subtle forms of political favoritism or coercion of Federal workers.

Mr. Speaker, I would hope that all of my colleagues in the sense of fairness, both Republicans and Democrats, would not allow us to rush to judgment on something as important which has the opposition of Common Cause, the chamber of commerce, the Wall Street Journal, the administration, and many other newspapers in this country.

Please, Mr. Speaker, in the sense of fairness give us the opportunity to offer amendments.

Under this bill as currently drafted, the Chairman of the Federal Elections Commission could run for Congress and keep his job. That is not appropriate.

Under this bill as currently drafted the Merit System Protection Board gets to enforce it, which commission is a very weak one. It ought to be the Criminal Division of the Department of Justice.

Mr. Speaker, please give us a chance in the sense of fairness to offer amendments.

□ 1250

PEACE IN CENTRAL AMERICA

(Mr. BONIOR of Michigan asked and was given permission to address the House for 1 minute.)

Mr. BONIOR of Michigan. Mr. Speaker, peace is happening in Central America. The cowardly attacks launched against the Speaker are the last gasp of an administration that knows its policy is dying.

For the administration to now accuse the Speaker of meddling in foreign policy is ludicrous. Speaker WRIGHT has done more in the last 3 months to promote peace and democracy in Central America than this administration has done in 6 long years of war.

For the administration to now admonish the Speaker to let the Nicaraguans themselves resolve this conflict is cynical and shameful. It is this administration that has spent 6 years and over $1 billion of U.S. taxpayers' money to fund an invading force in Nicaragua.

The choice in Central America comes down to simply this—do you want to continue war or to begin the peace? Clearly there are those in the administration who are afraid that the countries of the region really will succeed in making a lasting peace. They have tried to divert attention with scurrilous attacks on the Speaker. But, the American people know—if such a peace is attained, it will be thanks to the vision of leaders like President Arias of Costa Rica, and to the courage of our own Speaker of the House.

SPEAKER WRIGHT'S INTERFERENCE WITH THE PEACE PROCESS IN CENTRAL AMERICA

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, your secret meeting with the Communist dictator on Veterans' Day was the most destructive undermining of U.S. foreign policy by a Speaker in our country's history. Ortega, direct from Moscow, was under pressure to release 9,000 political prisoners, to end censorship in Nicaragua, to negotiate with the freedom fighters.

The U.S. Government was putting pressure on Ortega to meet the requirements of the Arias peace plan. As Susan Kaufman Purcell, director of the Latin American Project at the Council on Foreign Relations wrote, you helped rehabilitate the Communist dictator. Under the U.S. Constitution, you have clearly interfered in the President's responsibility to execute foreign policy, and you risk crippling the United States.

HELPING AMERICANS FIRST

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, my district was once the third leading producer of steel in the whole world. Not any more. In fact, last week, LTV Steel announced they will phase out their Warren mill; 2,200 families are hanging in the balance.

They feel that our Government has failed them. To tell you the truth, I do too. The only thing Washington has sent us in the form of help has been rustproof paint.

But when the bombs were flying in World War II we made record amounts of steel to help save the necks of Americans.

What do we get for it? Our 1940 workers are now notch babies. Their kids are now unemployed. Their mills are now closed. Their jobs are now overseas. Their pensions are underfunded. Their medical benefits are no longer guaranteed.

Do my colleagues know what is really sick? I come down here this week and try to ask for some help, but do they know what this is? This is Foreign Aid Week in Washington. This is Foreign Aid Week. How dare I ask for some help for Americans.

We should expect this. After all, we are only Americans that live in Youngstown, OH.

URGING THE SPEAKER TO LISTEN TO WHAT IS REALLY HAPPENING IN CENTRAL AMERICA

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, you have been here for 32 years and you have received the ultimate honor of your colleagues in this House, to make you the Speaker of the people's Chamber. And yet you are elected by one-four-hundred and thirty-fifth of this country, and I do not even think you get as many popular votes, even when you are unopposed, as most of us in California. I have had losers against me that got more popular votes than you got last year. You got 84,831 votes.

But let us compare you to the President's vote in 1984. The President received in the popular vote, while taking 49 States and embarrassing his opponent, Mr. Mondale, by almost taking Mondale's home State, the President got 54,455,000 votes while you, sir, unopposed, got only 106,299.

Obviously, with all of the powers of the Speaker, you are not the Secretary of State. But I like you, Mr. Speaker. You know that.

At 3 o'clock, six Congressmen who have been down to Central America and talked to the mothers and the sons and the daughters of the political prisoners, these six Congressmen are meeting with President Reagan in the Oval Office at 3 o'clock. I would like to request of you, sir, in front of the whole Chamber, that those same six Congressmen, as I have discussed with you in the Speaker's lobby, be received by you in your office right here off the Chamber where you have received the Communist ambassador of the junta government, Mr. Tunnerman, representing Ortega, that you receive us and let us tell you about what is happening in Central America with these suffering political prisoners.

To see this Communist dictator standing at the wall of the Vietnam Memorial, smirking in his peculiarly arrogant way at the names of 58,146 Americans who died in combat, fighting a Communist just like Ortega, to see that scene on the eve of Veterans Day was a disgrace.

I would like to report to you what we see in Central America, and will you please, Mr. Speaker, as I used one of the Beatitudes with you sitting right at my right arm when I was the prayer speaker a couple of months ago, I said, blessed are the peacemakers, they too shall be called the children of God. I like you, JIM, and I want to give you a report of what is happening in Central America, because I do not believe you have the foggiest idea what is going on down there. Please let us come and see you after we see the President at 3 o'clock.

IN SUPPORT OF THE SPEAKER'S EFFORTS TOWARD PEACE IN CENTRAL AMERICA

(Mr. MILLER of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, it is outrageous that the Reagan administration would criticize your open and public efforts to bring peace and democracy to Central America. This is the same administration that secretly and illegally turned over the foreign policy of this country in Iran and Central America to gunrunners, thieves, and liars.

For Secretary Shultz to suggest that he has not been adequately informed is laughable. I suspect he has been better informed by you already on your efforts, Mr. Speaker, than he has been informed in the last several years by the President of the United States on the efforts and the gun sales from Iran to the Contras.

Just last Sunday our distinguished minority leader stated that Mr. WRIGHT's actions fly right in the face of what our administration has been attempting to do. I believe that that statement is more accurate than the distinguished minority leader intended. The Speaker's efforts to foster peace in Central America, and then support to our allies in the region who are signatories to the Arias peace plan are contrary to the record of the Reagan administration to sabotage the peace process at every turn.

IN SUPPORT OF THE SPEAKER'S EFFORTS

(Mr. DEFAZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEFAZIO. Mr. Speaker, several of the previous speakers have criticized the Speaker for his efforts to promote peace in Central America. I would like to speak up in support of the Speaker's leadership on this issue and urge him to carry on.

It would not be necessary for the Speaker of the House to be so directly involved in this process if we had a President and a Secretary of State who were sincere in their support for a negotiated peace. Sadly, that is not the case.

This administration's track record is abysmal. They created the Contras. They started this dirty little war. They have scuttled negotiations whenever they showed promise. They continued their support of the Contras when it was illegal to do so, and then they lied about it and now they are in a panic. Despite their best efforts, it looks like peace may actually break out in Central America.

The SPEAKER. Would the gentleman kindly desist for a moment and let the Chair remind the gentleman the rules of comity between the branches of Government would proscribe any of us characterizing the President as having lied about a matter.

Mr. DEFAZIO. Mr. Speaker, I would certainly bow to the Speaker in that and say that, shall we say, it was difficult to find the truth in these matters.

And make no mistake about it, a great deal of the credit for this goes to the Speaker of the House, JIM WRIGHT, and I congratulate him on his efforts to bring peace to Latin America.

WELFARE REFORM BILL

(Mr. BROWN of Colorado asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Colorado. Mr. Speaker, the Rules Committee will be meeting in the next hour to fashion a rule dealing with welfare reform. This is a vital area, one I believe this country can make enormous progress in.

I would hope that that Rules Committee will allow this Chamber some flexibility. I say that because I am convinced major aspects of the bill that came out of the Ways and Means Committee are not in tune with the American people's thinking.

A vast new open-ended entitlement program that, when fully phased in, could exceed $10 billion over a 5-year period, and is recognized in its first 5 years to cost well over $5 billion to $6 billion, that is not in tune with our effort. Three major restructures referring people to jobs is not in tune with this Chamber's efforts. Requiring or restricting a grandmother's ability to stay with her own grandchildren in their own home is not in tune with this Chamber's feelings.

It is important that this Chamber have flexibility. We can fashion a working welfare reform bill that helps all Americans, but to do it under handcuffs, to do it without the right to vote, to do it clammed up I think will hurt all Americans, both Democrats and Republicans.

This Chamber deserves an opportunity to fashion a bill, not simply rubberstamp one.

SUPPORT FOR CONFERENCE REPORT ON OLDER AMERICANS ACT

(Ms. SLAUGHTER of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Ms. SLAUGHTER of New York. Mr. Speaker, later today, the House will consider the conference report to reauthorize the Older Americans Act. I ask my colleagues to join me in supporting passage of this bill.

I am especially pleased that a bill I introduced in Congress earlier this year is included in the conference report. The Older Americans Act now contains a modest new program of health prevention and education services. This program will offer such services as routine health screening and also will provide seniors with health insurance reviews and counseling. Many of the senior citizens in my district tell me it is difficult to get information about what exactly their Medicare and supplementary health policies cover. Often times they buy expensive policies advertised on late-night television that end up duplicating services they already have—while at the same time leaving them unprotected and vulnerable to other costly medical expenses. The new services contained in this bill will help them untangle what is often a confusing and costly subject.

I want to especially thank the Livingston County, NY, Department of Social Services Advisory Council for their fine work. After telling me about some very real problems facing seniors in my district we crafted legislation that will help older Americans not only in the 30th Congressional District but across the Nation.

Mr. Speaker, I applaud the work of the House and Senate conferees in bringing this conference report to the floor. For 22 years, the Older Americans Act has served this Nation's senior citizens well. Action taken later today will reaffirm our congressional commitment to improving the lives of elder Americans.

□ 1305

DEMOCRACY REQUIRES A BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

(Mr. DAVIS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAVIS of Illinois. Mr. Speaker, I appear today as an original cosponsor and strong advocate of House Joint Resolution 321—the balanced budget amendment. I commend the honorable chairman of this subcommittee, Mr. RODINO, for holding this hearing as the time for action is long overdue. In light of recent events—the stock market decline, tax increase proposals, the failing budget summit, and the American people calling the deficit the "biggest problem facing our country today"—I would say it is time for Congress to take some definitive action.

House Joint Resolution 321 was introduced on June 17, 1987, and now has 236 cosponsors. It seems to me that a resolution which has the bipartisan support of over half of the Members of this body should be brought to the House floor for a vote. A recorded vote so that the American people can see who is serious about permanent deficit reduction and who is not. Because I believe that an amendment to the Constitution is the only way to force Congress to take spending seriously. A statutory fix can always be circumvented and Congress will always find a way to do that, but even Congress cannot ignore the Constitution.

Now, I have already stated that over half of the Members of this body support a balanced budget amendment. In addition, 32 of the necessary 34 States have called for a constitutional convention to address this issue and 42 States have constitutional constraints on Federal spending. Finally, a recent New York Times poll found that 85 percent of the American public favors an amendment to the U.S. Constitution requiring a balanced Federal Budget.

A majority of the Representatives in this Congress want a balanced budget amendment, a majority of the States want a balanced budget amendment and a majority of the American people want a balanced budget amendment. Then I must ask—why don't we have a balanced budget to the Constitution?

I do not think I can make a stronger argument for House Joint Resolution 321 than this: Since we live in a country where democracy prevails and democracy is defined as the "rule of the majority", then democracy requires that the balanced budget amendment be heard and voted on in this Congress.

IN SUPPORT OF H.R. 1720, THE FAMILY WELFARE REFORM ACT

(Mr. FORD of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FORD of Tennessee. Mr. Speaker, I stand here today in support of a bill I introduced some months ago, H.R. 1720, the Family Welfare Reform Act. There has been much discussion about this bill—so much so that misconceptions about what the bill actually does have arisen at an alarming rate.

I think if you take a minute to look at the facts surrounding this bill, you will see the benefits it has to offer. Unlike previous bills, this bill is the first to stress work, education and training.

What this bill does is guarantee Federal funds for a work, education and training program targeted to AFDC recipients who are likely to be long-term dependents: teenage parent families, those without a high school education, and those who have been on welfare for some time. It provides work incentives assuring that a family on welfare that works will be better off than one that doesn't. This bill mandates education services and training for welfare recipients as part of an individualized plan tailored to the needs of each participant.

This bill is a real work bill and the only one that guarantees day care support for parents of young children who are working, in training or attending school. It is the only bill that is profamily—it assures that intact families get financial help during hard times. No longer will a parent—usually the father—have to leave the home in order to qualify for financial assistance.

This bill is not the panacea to the problems facing our welfare system, however, it is an approach to reforming the inequities of our present system. H.R. 1720 addresses the importance of enabling those caught in the quicksand of welfare dependency to take control of their own lives.

What's good about this bill is that it is paid for and does not increase the deficit over time—but will save us money. But failing to make the investment now will produce higher costs later.

The money spent in this bill will be used for requiring work; educating and training welfare recipients to work; and helping welfare recipients who do work to pay their health insurance and day care costs, so they can continue working.

Mr. Speaker, this bill is nothing more than an investment in our Nation's future productivity. I therefore ask my colleagues who are committed to a productive America—a self-sufficient America, to support H.R. 1720 the Family Welfare Act of 1987.

THE SEARCH FOR PEACE IN CENTRAL AMERICA

(Mr. McHUGH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McHUGH. Mr. Speaker, in recent days there has been some criticism of your role in the Central America peace process. Much of that criticism has been emanating from the White House. Frankly, this has come as some surprise, since it was the White House that first invited you to join with the President in proposing a bipartisan initiative for the region. As Speaker you responded positively to that invitation despite reservations expressed by some members of our own party. You did so because of your strong belief that peace and stability in Central America will best serve the interests of the United States and our neighbors.

When that bipartisan initiative was overtaken by the Arias peace proposal, you raised your voice as Speaker to support it wholeheartedly. While members of the administration argued among themselves about the merits of the Arias proposal, thereby sending signals of ambivalence if not antagonism, yours has been the one strong voice in our Government expressing encouragement and support. In doing so, you have not sought to negotiate for anyone, but rather you have sought to make clear for yourself and for most Americans that we support peace in Central America. For that you deserve our commendation, not our criticism.

THE SPEAKER'S ROLE IN THE CENTRAL AMERICAN PEACE PROCESS

(Mr. RICHARDSON asked and was given permission to address the House for 1 minute.)

Mr. RICHARDSON. Mr. Speaker, recently Speaker WRIGHT has come under attack by the administration and others for "interfering" in foreign policy by simply setting up a meeting that might lead to peace. Let us examine the record.

Without Speaker WRIGHT, there would be no Arias peace plan, and we would at this time be hopelessly divided, debating Contra aid, which would not pass. Without Speaker WRIGHT, there would be no Reagan-Wright peace plan, which was the initial impetus for this peace process. Without Speaker WRIGHT, the negotiating process between the Sandinistas and Cardinal Obando representing the Contras would not have started.

Now, as I recall, it was the White House that asked the Speaker to get involved on a bipartisan basis in Central America in the first place. Let us face it, this administration wants to roll the Sandinistas and impose a military victory, and with that any steps toward peace will be stifled.

Mr. Speaker, when you step forward for peace, you have my support and the support of the rest of the country.

AN OIL IMPORT FEE VERSUS A GASOLINE EXCISE TAX

(Mr. BARTON of Texas asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BARTON of Texas. Mr. Speaker, this Friday is November 20. It is the "drop dead" date for the budget summit that is going on between Members of this body, the other body, and the executive branch of Government. In this budget summit, there has been much discussion about revenue enhancers to help reduce the deficit, and some of that discussion has centered on a gasoline excise tax.

Mr. Speaker, let me offer as a substitute, if there must be a revenue enhancer, on oil import fee. I would much prefer that there be an oil import fee rather than a gasoline excise tax. An oil import fee would generate in the neighborhood of $12 billion, it would lower our dependence on imported oil, and it would create domestic jobs in our oil and gas economy.

THE SPEAKER'S POSITION IN PEACE-SEEKING EFFORTS IN CENTRAL AMERICA

(Mr. LEVIN of Michigan asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVIN of Michigan. Mr. Speaker, what are the critics of JIM WRIGHT's Central American efforts really objecting to? Is it that the Speaker, as a Member of Congress, is involved at all? But it was the White House that invited his participation in the first place.

Are they saying that JIM WRIGHT is somehow taking sides in the peace talks between the Sandinistas and the Contras? But the Speaker has not endorsed anybody's negotiating position except for that of Cardinal Obando y Bravo as mediator.

Are they saying that the Speaker gives the Sandinistas greater credibility by encouraging the cardinal's mediation effort? The Speaker's presence has lent credibility to the Arias peace process, not to the Sandinistas. The Speaker has given his support to the cardinal, not to Daniel Ortega.

The Arias peace process may not work. There remains good reason to doubt whether the Sandinistas will make the basic changes necessary to let democracy operate in Nicaragua.

At this critical juncture, what the Speaker has done is throw his weight behind the central role by the cardinal, and all those who have spoken for him know that he will never be led down any promises path by the Sandinistas.

Unlike the administration, the Speaker is not frozen by ambivalence or antagonism toward the prospect of a negotiated settlement. JIM WRIGHT did move to fill a leadership vacuum. It was a vacuum left by the administration itself. It now would like to invite him out of the process. It would do better to seek a bipartisan effort to see if the Arias peace plan can be made to bring true peace and democracy to Central America.

THE SPEAKER'S ROLE IN THE CENTRAL AMERICAN PEACE PROCESS

(Mr. EVANS of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. EVANS of Illinois. Mr. Speaker, for the past few months, we in Congress have been greatly encouraged by what appears to be a good-faith effort on the part of Central American leadership to bring about a peaceful resolution to the conflicts in the region. Since the peace plan was signed in August, dramatic progress has been made by all five Central American nations.

That progress, however, would not have been nearly as substantial had it not been for the courageous efforts of the Speaker, JIM WRIGHT.

When President Reagan called upon JIM WRIGHT to help craft a U.S. proposal for a regional peace initiative in

August, the Speaker was there; when various Central American leaders have called on Mr. Wright to help resolve problems with the implementation of the accord over the past few months, the Speaker has been there; and last week, when leadership was needed to help get the peace process back on track, the Speaker, again, was there.

Now the Speaker is faced with a barrage of unwarranted criticism for his sincere attempt to help facilitate the peace process. If we want peace to have a chance in Central America we have to give Jim Wright a chance.

COMMENDING THE SPEAKER FOR HIS SHOW OF COURAGE AND LEADERSHIP

(Mr. MRAZEK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MRAZEK. Mr. Speaker, what is at the heart of the greatness of our Nation? What is the source of our character and strength?

I submit that it is the principle that all of us have value in this society. No man is forced to bow, no one is born to royalty in the United States of America.

I would submit that the highest purpose we have in this, the greatest and most powerful democracy that has ever existed on this planet, is to help build a world where children, not only in our country but everywhere, can grow up without fear of violence or hunger.

That is why I have unbounded admiration for the Speaker of this House of Representatives right now, because for the first time in history, the possibility exists to stop the killing in Central America, and this is due in large part to the Speaker's courage and leadership. I submit that it is also terribly ironic that he is being criticized by an administration that broke the laws of this Congress.

□ 1315

We are, after all, a nation of laws; and we have proved again and again that no one is above the law.

The Speaker is not acting above the law here. He is simply opening his ear and his heart to the mediator of the conflict, Cardinal Obando y Bravo. It is ironic that the administration that broke the laws of Congress in furtherance of what it considered a higher purpose, is now criticizing the Speaker for attempting to help bring peace in Central America.

COMMENDING THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

(Mr. MINETA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MINETA. Mr. Speaker, earlier this year, President Reagan asked the Speaker of the House of Representatives to join in a bipartisan effort to forge a new peace proposal for Central America. To his credit, the Speaker accepted that challenge, and the resulting Wright-Reagan peace initiative became the catalyst that helped create the current regional peace plan.

Today, prospects for a lasting peace in Central America undeniably are greater than they have been at any time in this decade. Under the framework of the Guatemala plan, the region's countries have begun to make real progress toward reconciliation and stability. And let us make no mistake—without the Speaker's leadership and involvement, this would not be the case.

With this in mind, I rise today to commend our esteemed Speaker of this House for his vision, his leadership, and his perseverance in the quest for peace in Central America. I have no doubt but that history will remember Jim Wright as the leader who had the courage to step forward and set us firmly on the road to peace.

COMMENDING THE SPEAKER FOR HIS EFFORTS IN THE PEACE PROCESS

(Mr. LEVINE of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEVINE of California. Mr. Speaker, I would like to add my voice to those of the Members who have been commending our Speaker for the leadership that he has shown with regard to his efforts to move toward a bipartisan solution in Central America, and a solution which has the support of the Central American people.

Mr. Speaker, I have been astonished as I have read in the newspapers over the past few days the criticism that our Speaker has had to undergo simply because he extended his hand, both in terms of bipartisanship and in terms of leadership, in trying to move us off dead center in Central America, and in trying to work toward a peaceable resolution of that intractable problem.

President Arias of Costa Rica has made enormous progress. That progress was made possible in large part by the willingness and the courage of the Speaker of the House of Representatives to join in seeking peace in Central America.

Rather than be criticized for that effort, Mr. Speaker, he should be commended.

THE PEACE PROCESS IS WORKING

(Mr. DURBIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DURBIN. Mr. Speaker, over the last several days, there has been criticism of the Speaker of the House of Representatives for the active role he is playing in seeking peace in Central America.

Spokesmen for the administration have said that the Speaker has failed to follow the orderly process, the traditional rules, if you will, when it comes to negotiating. But is it not interesting to note that when this same administration wanted to perpetuate the violence in Central America through the efforts of the Contras, that the first casualties were the orderly rules and the traditional processes that are followed in this Nation?

This same administration turned quickly to find any volunteer with a dollar to spend to support the Contras, and in so doing invited violations of laws, profiteering, soldiers of fortune, and the dragooning of our allies into this effort to the shame and embarrassment of our Nation.

Today the Speaker of the House of Representatives has taken an initiative to find peace, and the first critic to stand says that the Speaker is not following the rules. What the administration does not like about this peace process is that they do not control it; and furthermore, it is homegrown and genuine. In addition, the Central American leaders who used to dance like puppets on a string and wait for the signals from the State Department are now acting on their own, and even worse, this peace process is working. The administration is having a difficult time accepting it.

Mr. Speaker, the American people and all who seek peace in Central America owe you a debt of gratitude for being willing to run the risk of serving as a peacemaker.

SUPPORT FOR H.R. 3471, ESTABLISHING THE VETERANS' ADMINISTRATION AS AN EXECUTIVE DEPARTMENT

(Mr. ROWLAND of Georgia asked and was given permission to address the Houses for 1 minute and to revise and extend his remarks.

Mr. ROWLAND of Georgia. Mr. Speaker, I rise in strong support of H.R. 3471, a bill to establish the Veterans' Administration as a Cabinet-level position.

Before I speak to the merits of the legislation, I want to commend my committee chairman, Sonny Montgomery, and the ranking minority member, Gerald Solomon, for spearheading this effort. I also want to express my appreciation to the chairman and ranking member of the Committee on Government Operations, JACK BROOKS and FRANK HORTON, for the expeditious manner in which they have brought this bill to the floor.

H.R. 3471 represents our acknowledgement of the magnitude of the Veterans' Administration in relation to the other departments of our Government and our concern that the issues and programs affecting our veterans have direct access to the White House.

The Veterans' Administration is one of the largest agencies in the Federal Government. It has more than 240,000 employees and has an annual budget approaching $28 billion. In health care alone the Veterans' Administration represents the largest health care delivery system in our country. Additionally, it is second only to the National Institutes of Health in terms of research funding. With the passage of this legislation, the VA would be the second largest Cabinet-level department, just behind the Defense Department.

Mr. Speaker, this bill emphasizes the high honor due to those veterans who have given their lives for our freedom and for the over 27 million veterans living today. President Reagan has indicated that he will sign this bill when it reaches his desk. Let's pass this legislation and give the President his opportunity. I urge my colleagues to vote in favor of H.R. 3471.

SPEAKER SHOULD WORK WITH ADMINISTRATION

(Mr. HUNTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNTER. Mr. Speaker, a previous Member gave many accolades to the Speaker, Mr. WRIGHT, for his participation in the so-called peace process, and for his adoption of the peace process that the Central American Presidents have engaged in as being something that is good and something we should support.

Mr. Speaker, it has come to my attention that Lieutenant Commander Schaufelberger was murdered by terrorists in El Salvador, and a number of marines were massacred in El Salvador while eating at a civilian restaurant.

Under this peace process, these suspected murderers are being released, the so-called peace plan that the Speaker, Mr. WRIGHT, seems to be so obsessed with.

When we rush head-on in support of anything that is labeled peace, it does not always accrue to the benefit of the American people or to our foreign policymaking apparatus; and I think that the Speaker would be well advised to work in concert with the administration, not on his own, in this very sensitive area.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. MURTHA) laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
November 16, 1987.

Hon. JIM WRIGHT,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule L(50) of the Rules of the House of Representatives, that I have been served with a subpoena issued by the United States District Court for the Southern District of New York. After consultation with my General Counsel, I will notify you of my determinations as required by the House Rule.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 1748, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1988 AND 1989

Mr. ASPIN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight, Tuesday, November 17, 1987, to file a conference report on the bill, H.R. 1748, to authorize appropriations for fiscal year 1988 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for fiscal year 1988 for the Armed Forces, to authorize appropriations for fiscal year 1989 for certain specified activities of the Department of Defense, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

Mr. ROWLAND of Connecticut. Mr. Speaker, reserving the right to object, would the gentleman from Wisconsin [Mr. ASPIN], the chairman of the Committee on Armed Services, please explain the timing for filing and consideration on the floor.

Mr. ASPIN. Mr. Speaker, will the gentleman yield?

Mr. ROWLAND of Connecticut. I yield to the gentleman from Wisconsin.

Mr. ASPIN. Mr. Speaker, I thank the gentleman for yielding.

We have a bill here that we hope to file today and to consider the conference report later this week.

I am making this request to accommodate members of the conference who have not been in town, and many have arrived just this morning, in order for the session to begin at noon today; and we want to give members of the conference the opportunity to sign the conference report before the conference report is filed.

The conference report and the statement of managers are ready to be signed at this time.

I might add that copies of the report are available here at each desk on the minority and the majority side, and in the Speaker's lobby, for Members' inspection.

Also I would urge that the few conferees who have not signed would do their best to sign no later than 2:30 this afternoon.

There are signature sheets available in the Speaker's lobby and, of course, in the committee rooms.

Mr. ROWLAND of Connecticut. Mr. Speaker, I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5, rule I, the Chair announces that he will postpone further proceedings today on the motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall vote, if postponed, will be taken at the conclusion of legislative business and following the votes postponed yesterday.

FEDERAL EMPLOYEES' POLITICAL ACTIVITIES ACT OF 1987

Mrs. SCHROEDER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3400) to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes.

The Clerk read as follows:

H.R. 3400

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Employees' Political Activities Act of 1987".

SEC. 2. POLITICAL ACTIVITIES.

(a) IN GENERAL.—Subchapter III of chapter 73 of title 5, United States Code, is amended to read as follows:

"SUBCHAPTER III—POLITICAL ACTIVITIES

"§ 7321. Political participation

"It is the policy of the Congress that employees should be encouraged to exercise fully, freely, and without fear of penalty or reprisal, and to the extent not expressly prohibited by law, their right to participate or to refrain from participating in the political processes of our Nation.

"§ 7322. Definitions

"For the purpose of this subchapter—

"(1) 'employee' means any individual, other than the President and the Vice President, employed or holding office in—

"(A) an Executive agency other than the General Accounting Office; or

"(B) a position within the competitive service which is not in an Executive agency; but does not include a member of the uniformed services;

"(2) 'candidate' means any individual who seeks nomination for election, or election, to any elective office, whether or not the individual is elected, and, for the purpose of this paragraph, an individual shall be considered to seek nomination for election, or election, to an elective office, if the individual has—

"(A) taken the action required to qualify for nomination for election, or election; or

"(B) received any political contribution (other than any personal services described in paragraph (3)(D)) or made any expenditure, or has given consent for any other person to receive any political contribution (other than any such personal services) or make any expenditure, with a view to bringing about the individual's nomination for election, or election, to that office;

"(3) 'political contribution'—

"(A) means any gift, subscription, loan, advance, or deposit of money or anything of value, made for any political purpose;

"(B) includes any contract, promise, or agreement, express or implied, whether or not legally enforceable, to make a contribution for any political purpose;

"(C) includes any payment by any person, other than a candidate or a political party or affiliated organization, of compensation for the personal services of another person which are rendered to any candidate or political party or affiliated organization without charge for any political purpose; and

"(D) includes the provision of personal services for any political purpose;

"(4) 'superior' means any employee who exercises supervision of, or control or administrative direction over, another employee;

"(5) 'elective office' means any elective public office and any elective office of any political party or affiliated organization;

"(6) 'person' includes any individual, corporation, trust, association, any State, local, or foreign government, any territory or possession of the United States, or any agency or instrumentality of any of the foregoing; and

"(7) 'Special Counsel' means the Special Counsel of the Merit Systems Protection Board, appointed under section 1204 of this title.

"§ 7323. Use of official influence or official information; prohibition

"(a) An employee may not directly or indirectly use or attempt to use the official authority or influence of the employee for the purpose of—

"(1) interfering with or affecting the result of any election; or

"(2) intimidating, threatening, coercing, commanding, influencing, or attempting to intimidate, threaten, coerce, command, or influence—

"(A) any individual for the purpose of interfering with the right of any individual to vote as the individual may choose, or of causing any individual to vote, or not to vote, for any candidate or measure in any election;

"(B) any person to give or withhold any political contribution; or

"(C) any person to engage, or not to engage, in any form of political activity.

"(b) An employee may not directly or indirectly use or attempt to use, or permit the use of, any official information obtained through or in connection with his employment for any political purpose, unless the official information is available to the general public.

"(c) For the purpose of subsection (a) of this section, 'use of official authority or influence' includes—

"(1) promising to confer or conferring any benefit (such as any compensation, grant, contract, license, or ruling) or effecting or threatening to effect any reprisal (such as deprivation of any compensation, grant, contract, license, or ruling); or

"(2) taking, directing others to take, recommending, processing, or approving any personnel action.

"(d) Nothing in this section shall be considered to apply with respect to any actions if, or to the extent that, such actions are taken in order to carry out the duties and responsibilities of one's position.

"§ 7324. Solicitation; prohibition

"(a) An employee may not—

"(1) give or offer to give a political contribution to any individual either to vote or refrain from voting, or to vote for or against any candidate or measure, in any election;

"(2) solicit, accept, or receive a political contribution to vote or refrain from voting, or to vote for or against any candidate or measure, in any election;

"(3) knowingly give or hand over a political contribution to a superior of the employee; or

"(4) knowingly solicit, accept, or receive, or be in any manner concerned with soliciting, accepting, or receiving, a political contribution—

"(A) from another employee (or a member of another employee's immediate family) with respect to whom the employee is a superior; or

"(B) in any room or building occupied in the discharge of official duties by—

"(i) an individual employed or holding office in the Government of the United States; or

"(ii) an individual receiving any salary or compensation for services from money derived from the Treasury of the United States.

"(b)(1) In addition to the prohibitions of subsection (a) of this section, an employee may not knowingly solicit, accept, or receive a political contribution from, or give a political contribution to, any person who—

"(A) has, or is seeking to obtain, contractual or other business or financial relations with the agency in which the employee is employed;

"(B) conducts operations or activities which are regulated by that agency; or

"(C) has interests which may be substantially affected by the performance or nonperformance of the employee's official duties.

"(2) The Special Counsel shall prescribe regulations which exempt an employee from the application of paragraph (1) of this subsection with respect to any political contribution to or from an individual who has a familiar or personal relationship with the employee if the employee complies with such requirements as the Special Counsel shall so prescribe which relate to the disqualification of the employee from engaging in any official activity involving the individual.

"(3) The Special Counsel shall prescribe regulations under which paragraph (1) of this subsection shall not apply with respect to any political contribution from a person in situations in which the facts and circumstances indicate there would not be any adverse effect on the integrity of the Government or the public's confidence in the integrity of the Government.

"§ 7325. Political activities on duty, etc.; prohibition

"(a) An employee may not engage in political activity—

"(1) while the employee is on duty;

"(2) in any room or building occupied in the discharge of official duties by an individual employed or holding office in the Government of the United States or any agency or instrumentality thereof;

"(3) while wearing a uniform or official insignia identifying the office or position of the employee; or

"(4) using any vehicle owned or leased by the Government of the United States or any agency or instrumentality thereof.

"(b)(1) An employee described in paragraph (2) of this subsection may engage in political activity otherwise prohibited by subsection (a) if the costs associated with that political activity are not paid for by money derived from the Treasury of the United States.

"(2) Paragraph (1) applies to an employee—

"(A) the duties and responsibilities of whose position continue outside normal duty hours and while away from the normal duty post; and

"(B) who is—

"(i) an employee paid from an appropriation for the Executive Office of the President; or

"(ii) an employee appointed by the President, by and with the advice and consent of the Senate, whose position is located within the United States, who determines policies to be pursued by the United States in its relations with foreign powers or in the nationwide administration of Federal laws.

"§ 7326. Candidates for elective office; leave

"(a) Except as provided in subsection (c) of this section, an employee who is a candidate shall, upon the request of the employee, be granted leave without pay for the purpose of allowing the employee to engage in activities relating to that candidacy.

"(b) Notwithstanding section 6302(d) of this title, and except as provided in subsection (c) of this section, an employee who is a candidate shall, upon the request of the employee, be granted accrued annual leave for the purpose of allowing the employee to engage in activities relating to that candidacy. Leave under this subsection shall be in addition to leave without pay to which the employee may be entitled under subsection (a) of this section.

"(c) A request for leave submitted under subsection (a) or (b) of this section may be denied if the exigencies of the public business so require. Any such denial shall be in writing and shall be accompanied by a statement of the reasons why the request is being denied.

"(d) An employee may not be required to take leave without pay under subsection (a), or accrued annual leave under subsection (b), in order to be a candidate, unless the activities relating to the candidacy interfere with the employee's performance of the duties of the position.

"§ 7327. Regulations

"The Special Counsel shall prescribe any rules and regulations necessary to carry out this subchapter.".

(b) Technical and Conforming Amendments.—(1) Section 3302(2) of title 5, United States Code, is amended by striking out "7203, 7321, and 7322" and inserting in lieu thereof "and 7203".

(2)(A) Sections 8332(k)(1), 8706(c), and 8906(e)(2) of title 5, United States Code, are each amended by inserting immediately after "who enters on" the following: "leave without pay granted under section 7326(a) of this title, or who enters on".

(B) Section 8411(e) of title 5, United States Code, is amended by inserting immediately before "approved leave without pay" the following: "leave without pay granted under section 7326(a) of this title, or".

(3) The section analysis for subchapter III of chapter 73 of title 5, United States Code, is amended to read as follows:

"SUBCHAPTER III—POLITICAL ACTIVITIES

"7321. Political participation.
"7322. Definitions.
"7323. Use of official influence or official information; prohibition.
"7324. Solicitation; prohibition.
"7325. Political activities on duty, etc.; prohibition.
"7326. Candidates for elective office; leave.
"7327. Regulations.".

(c) Amendments to Title 18.—(1) Section 602 of title 18, United States Code, relating to solicitation of political contributions, is amended—

(A) by inserting "(a)" before "It";

(B) by striking out all that follows "Treasury of the United States" and inserting in lieu thereof a semicolon and the following:

"to knowingly solicit any contribution within the meaning of section 301(8) of the Federal Election Campaign Act of 1971 from any other such officer, employee, or person. Any person who violates this section shall be fined under this title or imprisoned not more than three years, or both."; and

(C) by adding at the end thereof the following new subsection:

"(b) The prohibition in subsection (a) shall not apply to any activity of an employee (as defined in section 7322(1) of title 5) or any individual employed in or under the United States Postal Service or the Postal Rate Commission, unless that activity is prohibited by section 7323 or 7324 of that title.".

(2) Section 603 of title 18, United States Code, relating to making political contributions, is amended by adding at the end thereof the following new subsection:

"(c) The prohibition in subsection (a) shall not apply to any activity of an employee (as defined in section 7322(1) of title 5) or any individual employed in or under the United States Postal Service or the Postal Rate Commission, unless that activity is prohibited by section 7324 of that title.".

(d) Amendments to the Voting Rights Act of 1965.—Section 6 of the Voting Rights Act of 1965 (42 U.S.C. 1973d) is amended by striking out "the provisions of section 9 of the Act of August 2, 1939, as amended (5 U.S.C. 118i), prohibiting partisan political activity" and by inserting in lieu thereof "the provisions of subchapter III of chapter 73 of title 5, United States Code, relating to political activities".

(e) Applicability to Postal Employees.—

(1) In general.—The amendments made by this section, and any regulations thereunder, shall apply with respect to employees of the United States Postal Service and the Postal Rate Commission, pursuant to sections 410(b) and 3604(e) of title 39, United States Code.

(2) Investigative and enforcement authority.—The Special Counsel of the Merit Systems Protection Board may conduct investigations and seek disciplinary action with respect to any employee referred to in paragraph (1) in accordance with applicable provisions of chapter 12 of title 5, United States Code.

SEC. 3. EFFECTIVE DATE.

(a) In General.—The amendments made by this Act shall take effect 120 days after the date of the enactment of this Act, except that the authority to prescribe regulations granted under section 7327 of title 5, United States Code (as added by section 2 of this Act), shall take effect on the date of the enactment of this Act.

(b) Penalties Not Affected.—Any repeal or amendment made by this Act of any provision of law shall not release or extinguish any penalty, forfeiture, or liability incurred under that provision, and that provision shall be treated as remaining in force for the purpose of sustaining any proper proceeding or action for the enforcement of that penalty, forfeiture, or liability.

(c) Pending Proceedings Not Affected.—No provision of this Act shall affect any proceedings with respect to which the charges were filed on or before the effective date of the amendments made by this Act. Orders shall be issued in such proceedings and appeals shall be taken therefrom as if this Act had not been enacted.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentlewoman from Colorado [Mrs. Schroeder] will be recognized for 20 minutes and the gentleman from Missouri [Mr. Taylor] will be recognized for 20 minutes.

Mr. TAYLOR. Mr. Speaker, I ask unanimous consent that debate on H.R. 3400 be extended an additional 20 minutes, with the additional time being allocated to the gentleman from Virginia [Mr. Wolf].

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Colorado [Mrs. Schroeder].

Mrs. SCHROEDER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we have a unique opportunity to empower a group of citizens who have been denied one of the precious rights we have as citizens—the right to freely participate in the political process of this great Nation.

H.R. 3400 would give to Federal employees the same rights that other citizens enjoy, while maintaining the protections necessary to ensure an impartial Federal work force.

There are some in this Chamber who will say you cannot do both. They will say by freeing Federal employees you will unleash a battalion of campaign workers who will easily be enslaved by their supervisors or by unions.

What a low view of civil servants these people have. Federal employees are not puppets: They have wills of their own. They have survived for decades in a system where top level jobs are filled with political appointees and they will continue to survive in a system that allows them to take part in the political process.

H.R. 3400 makes a clear distinction: The bill prohibits any political activity whatsoever on the job while permitting Federal employees to utilize all their rights as citizens off the job. It also prohibits any campaign solicitation by supervisors as well as any coercion or intimidation by or of Federal employees.

By loosening the political restriction on Federal employees, is it really true we will compromise the integrity of the Federal work force? One "Dear Colleague" letter raised the specter of IRS, Farmers Home Administration, and Social Security agents engaging in political shakedowns. The fact of the matter is that each of these agencies are now headed by political appointees. If that has not undermined the integrity of Government, permitting lower level employees to engage in politics certainly will not.

On the one hand, opponents insult Federal workers by saying they will be coerced by their supervisors or their unions. Then, the opponents insult civil servants by saying they will abuse their political freedom to engage in Mafia style extortion and intimidation. We have no reason to assume that Federal workers are anything but honest, hard-working citizens who will use political freedom responsibly. If a few do not, H.R. 3400 contains harsh penalties, including firing, fines and jail, for violations.

In 1974 Congress lifted most of the restrictions on political activity by State and local government employees. Thirteen States eased their State statutory restrictions as a result. In a survey by the subcommittee of the attorneys general of those States, none reported any significant adverse effects resulting from the changes in restrictions.

This is an appropriate bill for the Suspension Calendar. The Subcommittee on Civil Service held 2 days of hearings on the bill on May 21 and June 3. We invited Common Cause to testify. They declined, saying they had no position on the bill. I ask that a copy of my letter to Common Cause be printed in the Record at the end of my statement.

I told my staff to call Congressman Wolf's office. His staff person told us he did not want to testify. These people can hardly now claim they were cut out of the process.

The bill was ordered reported on October 6 by a unanimous vote of the Committee on Post Office and Civil Service. The top ranking Republicans on the committee—Gene Taylor, Frank Horton, Chip Pashayan, and others—opened discussions with the Republican leadership and the White House. These discussions went on for 6 weeks. Only after this period was the decision made to place the bill on the Suspension Calendar.

Remarkably, during this 6-week period, not a single amendment was placed in the record, no member presented anyone on the committee with the copy of an amendment, and no opponent indicated that the passage of an amendment would make the bill acceptable to them. Indeed, the White House explicitly stated that no amendment would make the bill palatable.

We did not schedule the bill on suspension to cut off amendments because we did not know of any amendments. We did schedule the bill on suspension because it was the only way to get the bill passed this year, given the fact that the session ends in a month. With 292 cosponsors, we believed that we could pass the bill on suspension. Moreover, the bill reflects a delicate compromise between Republicans and Democrats. We were concerned about that compromise unraveling. And, we scheduled the bill on suspension because Republicans and Democrats on the committee thought it a prudent way to go.

The decision to schedule the bill on suspension was made after an extended, open process. The most vocal opponents of the bill were intimately involved in that process. No member's rights have been harmed in this process.

The history of the Hatch Act provides no justification for its continuation. History, like beauty, is in the eye of the beholder. Both Theodore Roosevelt's advocacy of political restrictions on civil servants and Senator Carl Hatch's championing of the legislation were tactical maneuvers in major political power struggles of the day. The history of the turn of the century can be read as a fight for political power between the old-monied WASP establishment, represented by Roosevelt, and the new influx of urban ethnics. In a parallel way, the passage of the Hatch Act in 1939 was part of an effort by a coalition of southern Democrats and Republicans, led by Vice President John Nance Garner, to deprive Franklin Roosevelt of a third term. What history shows is that Federal employees were cannon fodder in somebody else's political wars. I ask that a copy of a CRS analysis of the history of the Hatch Act be included in the record at the end of my statement.

The Hatch Act really contains two parts. One part, a direct outgrowth of scandal, explicitly prohibits coercion, intimidation, and other improper activity. The other part, which had scant historical basis, prevents Federal employees from actively engaging in partisan politics. H.R. 3400 strengthens the first part and amends the second part. The key fact is that all the scandals which led to the passage of the Hatch Act continue to be outlawed by H.R. 3400. In many cases, the prohibitions are clearer, stronger, more enforceable.

My own favorite for the most ludicrous argument against the bill is that H.R. 3400 is an attempt by union bosses to gain power. Such a concern is a triumph of ideology over reality. There are no union bosses in the Federal Government. Indeed, there are scarcely anything recognizable as unions in the Federal Government. The largest civil service union is bankrupt. The other unions represent less than 10 percent of the work force each. And Federal unions, outside the Postal Service, are forbidden from negotiating over anything of importance.

Moreover, the last 7 years have demonstrated just how politically weak Federal employees are. Their wages have not kept pace with the private sector. Whenever deficit reduction comes up, cuts in civil service pay adjustments, reductions in health benefits, and delays in civil service retirement COLA's are the first things to be placed on the table. Permitting Federal employees to participate in politics might make politicians think twice before going after them for more budget cuts.

There will always be those opposed to expanding the rights of a particular group of people. Our history is replete with examples. But our history is also replete with examples of people who were once disenfranchised and who are now active, valuable citizens.

One of the most basic beliefs we hold is that citizens have the power to change their government in meaningful ways. The right to vote is hardly unique: Soviet citizens vote. The difference is that Americans can select candidates or run themselves. No stifling party apparatus preselects candidates. If an individual can raise the money and say things which appeal to the voters, that individual can get elected.

H.R. 3400 balances the need for a nonpartisan civil service with the inalienable right of American citizens to freely participate in the political process.

At this point in the Record I include the following material:

Committee on Post Office
and Civil Service,
Subcommittee on Civil Service,
Washington, DC, April 31, 1987.

Fred Wertheimer,
President, Common Cause, Washington, DC.

Dear Mr. Wertheimer: The Subcommittee on Civil Service has scheduled hearings May 21 and on June 3, 1987, on H.R. 20 and H.R. 21, the Federal Employees' Political Activities Act of 1987 and the Postal Service Employees' Political Activities Act of 1987. These bills substantially modify the Hatch Act, which currently limits political activity by Federal employees and postal workers. They are intended to expand the right of government workers to participate, as other citizens may participate, in partisan politics. A copy of the bill is included with this letter.

The hearings will begin at 9:30 a.m. on Thursday, May 21, in Room 311 of the Cannon House Office Building and at 9:30 a.m. on Wednesday, June 3, in room 311 of the Cannon House Office Building.

The Subcommittee would be pleased to receive your views on these bills. You may present your views either in live testimony before the Subcommittee at one of these two hearings or by submitting a written statement which will be included in the hearing record.

Please let me know as soon as possible if you will be able to participate. You may contact Andy Feinstein or Douglas Nelson, of the Subcommittee staff, at 225-4025, with any questions concerning the hearing. If you plan to testify, sixty copies of your written statement must be filed with the subcommittee office no later than 12:00 noon on Tuesday May 19.

There is no page limit on your written statement and other materials you may wish to submit for the record. I request that you limit your oral statement to five minutes so that there will be ample time for questions and answers.

With kind regards,

Sincerely,

Patricia Schroeder,
Chairwoman.

Committee on Post Office and
Civil Service,
Subcommittee on Civil Service,
Washington, DC, November 16, 1987.

Mr. Fred Wertheimer,
President, Common Cause, Washington, DC.

Dear Mr. Wertheimer: I am in receipt of your letter of November 13 in opposition to H.R. 3400, legislation to permit federal workers to engage in off duty political activities.

I am not writing to respond to the arguments in your letter. Rather, I am writing because I cannot understand your sudden shift in position. As Chairwoman of the Subcommittee on Civil Service, I wrote you on April 31, 1987, to invite Common Cause to testify at our May hearings. Kathleen Sheeky told the subcommittee staff that Common Cause would not testify and had no position on the issue.

At no time during the hearing or mark-up process did Common Cause comment. At no time did Common Cause propose amendments. Yet, now you complain about floor procedures limiting amendments.

Frankly, I had come to expect better of Common Cause.

With kind regards,

Sincerely yours,

Pat Schroeder,
Chairwoman.

[CRS Report for Congress]

Federal Employees and Political Activity: A Brief Overview of the Evolution of the Neutrality Concept

(By Barbara L. Schwemle, Analyst in American National Government, Government Division, November 16, 1987)

ABSTRACT

This report provides an overview of the evolution of the concept of political neutrality—the idea that the bureaucracy should be nonpartisan. The development of neutrality as a legacy of the Civil Service Reform movement is discussed.

SUMMARY

In 1939 Congress passed a prohibition on the partisan political activities of most Federal employees. The 100th Congress is currently reconsidering the merits of retaining this prohibition into the 21st Century.

An examination of the evolution of this concept reveals that it is a legacy of the Civil Service reform movement that sought to abolish the spoils system and resulted in passage of the Pendleton Act of 1883. There are at least two different schools of thought about the movement's objectives which frame the background against which neutrality developed. One focuses on the establishment of effective personnel management as the reform goal while another emphasizes that the reformers wanted not only an effective personnel system but a readjustment of their role in the political system.

The reformers aims, aided by historical and political events of the time, were translated into legislation, first with the Pendleton Act and later with the Hatch Act. Each of these perspectives emphasizes different roles for the Civil Service and its future direction. A managerial role stresses efficiency and economy in the bureaucracy and preservation of nonpartisanship. Political and legal roles emphasize responsiveness of the Civil Service to the citizenry and respect for individual rights and liberties.

INTRODUCTION

For more than a century, the idea that Federal employees should not be involved in partisan politics has been a fundamental Civil Service feature. This concept of neutrality was formalized in the Hatch Act which was passed in 1939.[1] Despite the fact that the Supreme Court has consistently upheld the Hatch Act, the evolution of our Federal Civil Service from an administrative to a policymaking body has increasingly prompted concerns by Federal Civil Service unions and some Members of Congress about whether that nonpartisanship is still relevant.[2]

The most serious attempt to amend the Hatch Act took place in 1976 when a bill which would have liberalized the restrictions on Federal employee political participation passed both the House and Senate. That legislation was vetoed by President Gerald Ford.[3] Now, more than a decade later, the House of Representatives is expected to again consider, during the first session of the 100th Congress, legislation which would liberalize the constraints that statute places on the political activities of Federal employees.[4]

The debate over whether Federal civil servants need to be or should be politically neutral is as old as the Constitution itself. That idea, however, was not formalized through law until passage of the Pendleton Act of 1883 which contained prohibitions against political assessments, removals, and coercion.[5] With the passage of time, this statutory remedy proved ineffective and other attempt at constraining such activity was embodied by an Executive order signed by President Theodore Roosevelt in 1907, amending Civil Service Rule I, a regulation promulgated by the Civil Service Commission. This rule served as the foundation for the wide-ranging prohibition on political participation which would culminate in the passage of the Hatch Act.

"Political neutrality followed acceptance of the belief that a depoliticized public personnel administration was desirable," [6] and "it was only successfully instituted after the adoption of the merit system." [7] The merit Civil Service system of today can be said to be the legacy of those reformers in the 19th Century who helped bring about passage of the Pendleton Act; the reformers themselves wrote the Act. Because "many of the concepts of reform [including that of political neutrality] became political norms which are still accepted" today, it is appropriate to examine the history of the reform movement to understand the background which preceeded passage of the Hatch Act.[8]

The Civil Service reform movement developed after the Civil War at a time when political patronage was supreme. Although historians are in general agreement that the outlawing of the spoils system served as the means of substituting "merit" or "training" for party allegiance, there are at least two divergent schools of thought regarding the movement's objectives.[9] Many believe that the objectives of the movement were of a moral and professional nature and focused on establishing effective personnel management. Others view the objectives of the movement not only as moral, but political as well. Those espousing this latter view emphasize that the reformers wanted not only to establish an effective personnel system but to reconfigure the political landscape.

This report presents an overview of the evolution of the concept of political neutrality against the background of the historical viewpoints surrounding the various perceptions of the reform movement. The political and historical events which, coupled with the reformers aims, contributed to passage of the Pendleton and Hatch Acts are also detailed. The importance of the neutrality concept for the Civil Service and its future direction are also discussed.[10]

THE CIVIL SERVICE REFORMERS

Civil service reform began at the city level, moved rapidly to the state level and then finally to the Federal level. It was not until May 1877, and the creation of the New York Civil Service Reform Association, that a formal organization was in place. A National Civil Service Reform League, which comprised reform groups throughout the country, was organized in August 1881.

"Civil Service reform in its earliest stages was strictly an Eastern device," according to Paul Van Riper.[11] In his book "The Outlawing of the Spoils System," Ari Hoogenboom tells us that most of the reformers were:

"lawyers, editors, clergymen, professors, and businessmen, whose interests were mercantile and financial rather than industrial. The typical reformer came from an old established New England family and was a descendent of merchants, clergymen, and public servants. He inherited wealth and consequently deplored the creas materialism of the new rich whose prominence, based on vast fortunes, eclipsed his own. The typical reformer was either an Episcopalian or a Unitarian and was a Harvard graduate. Proud of his Anglo-Saxon heritage, he patterned his thoughts and actions after English models." [12]

George William Curtis, a President and founder of the National Civil Service Reform League; Carl Schurz, who succeeded Curtis as President of the League; and Dorman Eaton, first chairman of the permanent Civil Service Commission, were among the most well known and widely quoted of the reformers.[13] The viewpoints of these three men have been frequently used to support the different schools of thought that have developed over the years regarding the merits of the movement.

Two broad categories of argument encompass the perceptions of these reformers. One body of opinion portrays the 19th century reformers as altruistic and idealistic gentlemen. Paul P. Van Riper, in his book "The United States Civil Service System," stressed that they "were all deeply concerned with the maintenance of liberty. Though they possessed a type of social consciousness, they held strongly to that individualistic orientation which characterized the political and economic elite of their day." [14] They regarded their demand [for civil service reform] "as a second emancipation." [15] In the words of Carl Schurz, "they wanted to restore ability, high character, and true public spirit once more to their legitimate spheres in our public life, and to make active politics once more attractive to men of self-respect and high patriotic aspirations." [16] These thoughts have been termed the "good government" argument.

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[1] 53 U.S. Statutes at Large, 1147-1149.

[2] *United Public Workers* v. *Mitchell* [330 U.S. 75 (1947) and *National Association of Letter Carriers* v. *United States Civil Service Commission* [413 U.S. 548 (1973)]. A discussion of factors behind the current Hatch Act debate, including the opinions of the Federal employee unions, the Administration, and the professional organizations, is contained in Hatch Act Amendments: Impetus for Change by Barbara L. Schwemle, CRS Report 87-675, August 10, 1987.

[3] U.S. President, 1974-1977 (Ford). Veto of the Hatch Act Amendments Bill, April 12, 1976. Public Papers of the Presidents of the United States: Garald R. Ford, 1976-1977 (Book II). Washington, U.S. Govt Print Off, 1979, p. 1114-1116.

[4] H.R. 3400, introduced by Rep. William Clay, was reported to the House by the Committee on Post Office and Civil Service on October 15, 1987. House Report No. 100-376. A discussion of the legislation and the pros and cons of the current issues before Congress including the appropriate role for Federal employees are addressed in a CRS issue brief entitled Hatch Act Amendments: Political Activity and the Civil Service (IB87153), by Barbara L. Schwemle.

[5] U.S. Statutes at Large, Chapter 27. 47th Cong, 2d Session, 1883.

[6] Rosenbloom, David H. Federal Service and the Constitution. Ithaca, New York: Cornell University, 1971. p. 233.

[7] Ibid. p. 95.

[8] Ibid. p. 70.

[9] Historians generally date the spoils system from 1829 and the Administration of Andrew Jackson. Simply stated, it embodied the idea that the election victor should be able to appoint supporters loyal to his program to positions in the Federal Government. The concept has become identified with President Jackson because he sought to justify its use. According to Jackson, a spoils system, among other things "could destroy the concept of property in office and reduce the importance of the upper social classes in American politics."

[10] For a more extensive discussion of this period see Leonard White, The Republican Era, 1869-1900. New York: MacMillan Company, 1958.

[11] Van Riper, Paul P. History of the United States Civil Service. Westport, Connecticut: Greenwood Press Publishers, 1958. p. 79.

[12] Hoogenboom, Ari. Outlawing the Spoils; A History of the Civil Service Reform Movement. Urbana, Illinois: University of Illinois Press, 1961. p. 21.

[13] Van Riper, History of the United States Civil Service, pp. 78-79.

[14] Van Riper, History of the United States Civil Service, pp. 80-81.

A second perspective regards these men as possessing a self-interested and pragmatic character. Jay Shafritz, professor of public administration at the University of Colorado at Denver, characterizes "the leaders of the 19th Century Civil Service reform movement as representing a socioeconomic class that [had been removed from] power and decidedly antagonistic to those elements of society [that] were in power." [17] He adds that, "in simplistic terms it was the WASP patricians versus the ethnic plebians." [18] Richard Hofstadter, in his book entitled "The Age of Reform," capsulized their predicament:

"In their personal careers, as in their community activities, they found themselves checked, hampered, and overridden by the agents of the new corporations, the corrupters of legislatures, the buyers of franchises, the allies of the political bosses. In this uneven struggle they found themselves limited by their own scruples, their regard for reputation, their social standing itself. To be sure, the America they knew did not lack opportunities, but it did seem to lack opportunities of the highest sort for men of the highest standards. In a strictly economic sense these men were not growing poorer as a class, but their wealth and power were being dwarfed by comparison with the new eminences of wealth and power. They were less important and they knew it." [19]

As we have seen, latter-day scholars have interpreted the motives of the reformers differently. Some academics have ascribed moral motives to the reformers, while others prefer to interpret the motives of the reformers through the prism of economic class.

REFORM OBJECTIVES

Historians and public administrators who present the altruistic outlook emphasize the moral and business objectives of the reformers. They focus on effective personnel management as the primary goal of the reformers and the reformers portrayal of the spoils system as inhibiting this effort. Integrity, skill, competence, and loyalty of the Federal workforce are also stressed. In this vein, the opinion of reformer Carl Schurz on the requirements of Government service is often quoted. According to Schurz:

"There are certain propositions so self evident and so easily understood that it would appear like discourtesy to argue them before persons of intelligence. Such a one it is, that as the functions of Government grow in extent, importance and complexity, the necessity grows of their being administered not only with honesty, but also with trained ability and knowledge." [20]

Professor David Rosenbloom emphasizes that the reformers "wanted to disassociate the civil service from politics and politics from the civil service and by so doing sought a relatively permanent and competent service which would serve all administrations equally well." [21]

Conversely, other historians and public administrators stress the element of self-interest as the political objective of the reformers. They focus on a reconfiguring of the political landscape as the reform objective and cite the reformers view that spoils denied men like themselves a place in Government service. Professor Rosenbloom contends that "the overall goals of the reformers were related less to the condition of the Civil Service than to that of the nation and to the role of men like themselves in the political system." [22] Rosenbloom as well as others who focus on the political aspect, frequently quote Carl Schurz' statement that "the question whether the Departments at Washington are managed well or badly [was] in proportion to the whole problem, an insignificant question." [23]

Those who emphasize political motivations as the primary concern of the reformers argued that the quality of Government service was deteriorating. Reformer Dorman Eaton wrote: "we have seen a class of politicians become powerful in high places, who have not taken (and who by nature are not qualified to take) any large part in the social and educational life of the people. Politics have tended more and more to become a trade, or separate occupation. High character and capacity have become disassociated from public life in the popular mind." [24]

Both major political parties, in the opinion of reformer George William Curtis, had been captured by "a mercenary political class, an oligarchy of stipendiaries, a bureaucracy of the worst kind." [25] It controlled "parties with relentless despotism, imposing upon them at election issues which are prescribed not by the actual feeling and interest of the country by solely by the necessities and profit of the oligarchy." [26] Carl Schurz asserted that many of these men "whose whole statesmanship consists in the low arts of office mongering * * * would never have risen to power had not the spoils system furnished them the means and opportunity for organizing gangs of political followers as mercenary as themselves." [27]

PASSAGE OF THE PENDLETON AND HATCH ACTS

The moral and political aims of the 19th century Civil Service reformers were translated into legislation with the help of historical and political events of the time. Historians generally agree that the assassination of President James Garfield by Charles Guiteau, a disappointed office seeker, and the Republican party losses in the election of 1882 contributed to the climate within which the Pendleton Act was passed.[28]

An examination of the debate leading to the enactment reveals that the "argument frequently revolved around a strictly partisan quarrel over responsibility for the system which was to be reformed." [29] Carl Fish in his 1905 work "The Civil Service and the Patronage," decried the legislative discussions. According to Fish, the debate in Congress "was entirely unworthy of the occasion, hardly touching any of the serious considerations involved; and in this fact as well as in its subject matter it was characteristic of nearly all congressional discussions of the civil service." [30] Far too much "time was taken up in making predictions as to the effect of the bill on the two parties." [31]

Three decades later, A. Bower Sageser in his study of The First Two Decades of the Pendleton Act commented that when the political assessments question arose, several Senators challenged the civil service reformers views of what needed to be corrected.[32] That exchange illustrates the partisan nature of the debate with respect to that issue. Senator Eugene Hale of Maine asserted that the Civil Service reformers had "mistaken the evil threatening * * * more than anything else to debauch our elections." [33] Hale continued:

"There never will be any danger to this Republic from the contributions of men holding office and the little sums that they give-never; but the time may speedily come when every man in each branch of Congress, and when every public-spirited man and when every philanthropist will find himself confronted with an evil that stalks colossal compared with that; and it is the use of money directly applied to the debauchery of the franchise by individuals and associations. It is getting to be too well known and believed that in organizing a campaign candidates are nominated who have funds that shall help to elect them. It is getting to be well known that there are associations representing certain kinds of business that have a semialliance with one party and an opposition to another; that can be depended upon to put their hands into their pockets, and not that tens and fifties and hundreds of dollars, but that thousands and tens of thousands and hundreds of thousands of dollars, if need be, shall be produced that shall be applied directly to the vote; and many an election has been so influenced." [34]

In rebuttal, Senator Daniel Voorhees of Indiana told his Senate colleagues that he took exception to Senator Hale's perception. Senator Voorhees said, "to listen to the Senator from Maine: one would have thought that the Democratic party was backed up by all the great solid compact corporations of the country. To listen to the Senator from Maine, Gould and Vanderbilt and the 2,200 and 2,300 national banks, and the thousands of miles of great railroads were all exerting their sinews, straining themselves, opening their purses to help the Democratic party; and the Senator said that the spectacle of the great corporation wealth of the country massing itself and assailing the ballot box reduced the contribution of clerks of Department's to mere leather and prunella. I think perhaps that is true; but who before has found out that the corporation wealth of this country, railroads, banks, millionaires, and all, was an adjunct to the Democratic party? That is news to me, and I think it will be news to the country."[35]

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[15] Ibid.

[16] Carl Schurz, editorial in Harper's Weekly, v. 37, July 1, 1893, p. 614.

[17] Shafritz, Jay M. Public Personnel Management, The Heritage of Civil Service Reform. New York: Praeger, 1975, p. 26.

[18] Ibid. p. 26.

[19] Hofstadter, Richard. The Age of Reform. New York: Vintage Books, 1955. p. 137.

[20] Schurz, Carl. Congress and the Spoils System. New York: George G. Peck, 1896. p. 4.

[21] Rosenbloom, Federal Service and the Constitution, p. 95.

[22] Ibid. p. 71.

[23] Bancroft, Frederick. Speeches, Correspondence, and Political Papers of Carl Schurz. New York: Putnam, 1913. p. 123.

[24] Eaton, Dorman B. The Civil Service in Great Britain. New York: Harper, 1880. p. 392.

[25] Quoted in Rosenbloom, Federal Service and the Constitution, pp. 72-73.

[26] Ibid.

[27] Carl Schurz, Harper's Weekly, v. 37, p. 614.

[28] Van Riper, History of the United States Civil Service, p. 98.

[29] Ibid. p. 97.

[30] Fish, Carl R. The Civil Service and the Patronage. New York: Longmans, Green, and Co., 1905, p. 218.

[31] Ibid.

[32] Sageser, A. Bower. The First Two Decades of the Pendleton Act; A Study of Civil Service Reform. Lincoln, Nebraska: University of Nebraska, 1935. p. 56.

[33] U.S. Congress. Senate, 47th Cong. 2d Session, 8 December 1882, Congressional Record 59: 104.

[34] Ibid.

While the Pendleton Act is widely recognized as establishing the principle of civil service appointment based on merit and without regard to political considerations, it also contained prohibitions against political assessments. It mandated that public servants could not be obligated to contribute to any political fund or to render any political service. They could not be removed from their job or subject to other adverse actions because they refused to engage in political activities. Supervisors were prohibited from using their positions to coerce political activity. Political solicitations, assessments, subscriptions, or other contributions were outlawed and political activity was barred from Government premises. Federal employees were barred from giving political contributions to a fellow Government employee. Those who violated these prescriptions were subject to removal from office, three years' imprisonment, and the possibility of a $5,000 fine.[36]

Despite these prohibitions, appointments to the Civil Service based on political affiliation and contributions continued to be widely practiced.

The next substantial attempt to address this problem occurred in 1907 when President Theodore Roosevelt issued an Executive order which amended Civil Service Rule I. That directive mandated that an "active part in political management or in political campaigns" would be denied to Federal employees in the competitive service.[37] The Civil Service Commission, created by the Pendleton Act, was responsible for administering the regulation and in doing so issued some 3,000 administrative decisions regarding permitted and prohibited activities.

Several factors combined to foster another effort to reform the Civil Service. During the Administration of President Franklin D. Roosevelt, the Federal bureaucracy became "more powerful and more central to the political life of the nation."[38] By the end of 1934, more than 60 new Federal agencies had been created, but only five had been placed under the jurisdiction of the Civil Service Commission. According to Paul Van Riper, these exemptions resulted from Roosevelt's desire to staff the agencies through patronage rather than merit.[39]

Additional factors contributed to the reform effort. The salaries or employees in the Works Progress Administration were being illegally assessed to fund the political parties. This procedure became widely publicized through the release of an investigatory report by the Special Committee to Investigate Senatorial Campaign Expenditures and use of Government Funds. Paul Van Riper writes that, "perhaps even more important was the Congressional reaction to the presidential patronage manipulations during F.D.R.'s attempted purge of Congress in 1938. Irritated at the lack of legislative support for many of his proposals, the President had decided to work actively for the defeat of a number of recalcitrant Democrats during the mid-term elections" and "patronage was again a principal weapon."[40] A third impetus was that some perceived as the desire of Vice President James Nance Garner to prevent President Roosevelt from controlling the 1940 Democratic National Convention with the support of Federal employees beholden to him.[41]

An examination of the debate leading to passage of the Hatch Act reveals that the legislators' focus encompassed several concerns. At the outset of the debate in the House, it appeared that the issue of Federal employee contributions to the parties might be predominant. One member, Representative Claude Parsons, even went so far as to suggest that since the House was "about to witness the demise of the political parties in this country," he thought "a quorum should be present at the embalming."[42]

The legislative debate, however, also illustrates that the Members were concerned about the Works Progress Administration abuses and the deterioration of the American political process. With regard to the first concern, the statement of Representative J. Will Taylor of Tennessee is representative:

"This measure commonly known as the Hatch bill, is an outgrowth of the scandalous political manipulations of Federal relief appropriations, as well as intimidation of relief workers during the primary and general elections of 1936 and 1938, as revealed by the Shepherd investigating committee of the Senate. No one in this country ever dreamed, Mr. Chairman, that the time would come in the United States when public money, appropriated for the alleviation of human distress, could be sabotaged and prostituted as it was . . . . to a greater or less degree in every State in the Union."[43]

Two additional viewpoints which were related to the abuse question were also expressed. One, offered by Rep. Emanuel Cellar of New York, held that, "it would have been better if we had limited ourselves to a bill which would have protected the relief workers and those on home relief."[44] Another, expressed by Representative Hamilton Fish of New York, asserted that "the main purpose of this bill, the one that we are all primarily interested in, is preserving a free ballot."[45]

A third concern for the legislators debating the Hatch Act bill focused on the political process. Typical of the debate is the following statement by Representative John Gwynne of Iowa:

"The present situation undoubtedly makes necessary such legislation as this bill. It should be remembered, however, that the pernicious political activities which we all deplore are but symbols of a disorder which is rapidly sapping the strength of our free institutions. We should begin an immediate return to the fundamentals of American Govenment and American life as charted in the Constitution—simple Government with widely distributed political power and equality of opportunity and individual responsibility on the part of citizen. When we do that, these pernicious political activities will rapidly disappear."[46]

In 1939, Congress legislated a prohibition on political activity which incorporated the language of Civil Service Rule I through passage of the Hatch Act. Section 9(a), widely acknowledged as the heart of the Act, specifies that "it should be unlawful for any person employed in the Executive Branch of the Federal Government, or any agency or department thereof, to use his official authority or influence for the purpose of interfering with an election or affecting the result thereof." It further mandates that, "no officer or employee in the Executive Branch of the Federal Government, or in any agency or department thereof, shall take any part in political management or in political campaigns."[47]

IMPORTANCE OF THE NEUTRALITY CONCEPT

"While the Civil Service [Pendleton] Act sought to keep political workers out of the Government service, the Hatch Act operated to keep Government workers out of the parties," according to Herbert Kaufman.[48] What is the importance of these statutes for the future direction of the Civil Service?

"Political neutrality or restrictions on political activity have been one of the most important controls on the gross chracteristics of the Federal bureaucracy."[49] The purpose of these restrictions has been "to insure its partisan impartiality, and to eliminate the possibility that the Civil Service, either voluntarily or under coercion, could use political activity to subvert the democratic process."[50]

There are opposing views, however, as to whether such nonpartisanship is relevant for today's bureaucracy—a Federal Civil Service which performs many functions of a policy-making nature. Those observers who emphasize the moral and business side of the reform effort believe the predominant bureaucratic role to be managerial. They emphasize that it should be concerned with performing its tasks in an efficient and economical manner.

The case against statutory preservation of political neutrality holds that the restoration of the rights of civil servants would not result in the feared adverse consequences because existing provisions of law afford Federal employees adequate protection.

Congress will have an opportunity to consider anew the place that the Civil Service will occupy in the American political system when it considers H.R. 3400, a bill to restore to Federal civilian and Postal Service employees their right to be politically active.

□ 1330

Mr. TAYLOR. Mr. Speaker, I yield myself such time as I may consume.

The legislation we have before us today represents a historic step in restoring to our Federal work force the first amendment guarantees of political activity and political freedom.

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[35] U.S., Congress. Senate, 47th Cong, 2d Session, 9 December 1882, Congressional Record 59: 140.

[36] U.S. Senate at Large, Chapter 27. 47th Cong, 2sd Session, 1883.

[37] U.S., Civil Service Commission, Annual Report, v. XXIV, 1907. p. 9.

[38] Rosenbloom, Federal Service and the Constitution, p. 103.

[39] Ibid.

[40] Van Riper, History of the United States Civil Service, p. 340.

[41] Lubell, Samuel. The Future of American Politics. New York: Harper and Row, 1965. p. 31.

[42] U.S. Congress. House. 76th Congress 1st Session, 20 July 1939, Congressional Record 84: 9594.

[43] Ibid.

[44] Ibid. P. 9597.

[45] Ibid. p. 9601.

[46] Ibid. p. 9606.

[47] U.S. Statutes at Large, Chapter 410. 76th Cong., 1st Session, 1939.

[48] Kaufman, Herbert. The Growth of the Federal Personnel System in The Federal Government Service, ed. by Wallace Sayre. Englewood Cliffs, New Jersey: Prentice-Hall, 1965. p. 55.

[49] Rosenbloom, Federal Service and the Constitution, p. 94.

[50] Ibid.

It is appropriate in this year as we celebrate the bicentennial of our Constitution that we extend those rights and privileges as guaranteed by that document to the men and women who carry out this Nation's work.

H.R. 3400 represents the first realistic opportunity in more than 50 years to substantially amend the laws prohibiting political activity on the part of Federal and postal employees. The Committee on Post Office and Civil Service has passed this out by a unanimous vote. There was complete bipartisan support.

Mr. Speaker, I would like to commend the chairman of the full committee, the gentleman from Michigan [Mr. FORD] for his work, and the gentleman from Missouri [Mr. CLAY], the chairman of the subcommittee, for his diligent work on this.

There has been a great deal of controversy over the years in our committee on the reform of the Hatch Act. I have opposed most of the legislation that has been proposed in the past.

Mr. Speaker, I believe this is legislation whose time has come. I do not believe that we can any longer in this country urge those aliens who come here and are bestowed the right of citizenship and urge them to participate in the political process being allowed to do that and at the same time saying to millions of Americans who are loyal Americans who serve this country in their everyday lives not having the opportunity to exercise their rights as citizens.

Mr. Speaker, I think this is a good bill. I am for it because it is right and because it is fair. As the gentlewoman from Colorado pointed out, there are protections in this bill against harassment, coercion and intimidation. The employees of this country under this bill have the same protection not to participate as they have to participate. What can be more fair than that?

H.R. 3400 takes a straightforward approach in defining the extent of permissible activity. No political activities are permitted on the job. Any otherwise legal activities are permitted off the job.

I believe that Federal and postal workers will happily trade that token political activity so they can presently participate and for the opportunity to freely exercise off the job their political rights the same as any other citizen.

Consensus is the key to seeing these reforms implemented. Any law reforming the Hatch Act must strike that delicate balance between the employees' free exercise of their rights to political participation and the public's expectation of a work force free of undue political coercion and influence. H.R. 3400 embodies both these ideals.

The bill contains strong prohibitions against coercion and intimidation. Employees may not use official information obtained by virtue of their positions for partisan purposes unless such information is readily available to the general public.

Mr. Speaker, I think this is a good bill. It is one that I am happy to wholeheartedly support. I am happy that the Republican members of the Post Office and Civil Service Committee have joined in unanimously supporting this legislation. We have given a lot of thought to it. We think it is fair. We think it is in the best interests of this Nation. It grants freedom to these people who have served this Nation so well and at the same time it protects them from being intimidated or coerced into doing something that they otherwise would not want to do.

I think it is good legislation. I urge the Members on our side of the aisle and on the other side of the aisle to join together in this, the year of our bicentennial of our Constitution, in taking this giant step forward and freeing these great Americans who have a deep-seated concern for our community life, for our Nation, for our educational system, for our national defense and all the other concerns that all Americans have, and grant them the right and the opportunity to be a participant in the decisionmaking processes.

Mr. HAMMERSCHMIDT. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR. I am happy to yield to the gentleman from Arkansas.

Mr. HAMMERSCHMIDT. Mr. Speaker, I want to highly commend the distinguished gentleman from Missouri, the ranking member of the Post Office and Civil Service Committee, for being very instrumental in bringing this bill to the floor, and certainly the chairman of the committee, Congressman BILL FORD, for his leadership as well. I strongly support H.R. 3400.

The debate that we are engaged in here today is hardly a new one. Discussions over the proper role of Government employees in the political process extends all the way back to the Constitutional Convention in 1787. However, it was not until 1939 that Congress saw fit to completely prohibit Federal employees from participating in the political process.

The original Hatch Act was passed as a reaction to a specific incident in the Works Progress Administration [WPA]. In 1938 a special Senate committee was established to investigate charges of coercion of Federal employees by their supervisors in the WPA. As a result of that investigation, Senator Carl Hatch introduced legislation which codified the recommendations of the committee.

Because of this stringent and broad encompassing legislation, postal and Federal employees have been denied political rights that most of us take for granted. For almost 40 years postal and Federal civilian employees have been prohibited from the opportunity to take part in political activities. It is time for this outdated law to be reconsidered by Congress.

H.R. 3400 permits Federal employees and postal workers to become involved in political activities during off-duty hours and further expresses the "sense of Congress" that these employees should be encouraged to participate in the political process. Additionally, H.R. 3400 clarifies many confusing and contradictory regulations by eliminating all on-the-job political activities and establishes stricter penalties for violators of the law.

It is time to open the door to greater citizen participation in our national political process. I commend the Post Office and Civil Service Committee for its prompt attention to this bill and I would encourage my colleagues to support enactment of this measure.

Mr. TAYLOR. Mr. Speaker, I yield 5 minutes to the gentleman from New York [Mr. HORTON], a member of the committee.

Mr. HORTON. Mr. Speaker, I rise in strong support of H.R. 3400, legislation to revise the Hatch Act of 1939, which was enacted 48 years ago.

Before I get into what the bill does, Mr. Speaker, I want to take the time to commend the gentleman from Missouri, the Post Office and Civil Service Committee's ranking minority member, Congressman GENE TAYLOR, for his exemplary work on this issue.

Some time ago our colleague, the gentleman from Missouri, became convinced that the time was right for the de-Hatching of Federal employees. He initiated bipartisan negotiations on the matter in an attempt to clarify the many misunderstandings and ambiguities of the current Hatch Act. I know personally, because I worked right with the gentleman during those months leading up to the bill which was introduced and which is now before us.

Mr. Speaker, the bill before us today is the successful result of those bipartisan efforts. H.R. 3400 is consponsored by every member, Democrat and Republican, of the Post Office and Civil Service Committee. It was reported out of that committee on a unanimous vote.

After nearly five decades under the Hatch Act, the law is riddled with inconsistencies as to what a Federal employee can and cannot do. The legislation we are considering today makes employee restrictions very clear and it emphasizes what remains the cornerstone of the Hatch Act. There will be no on-the-job political activity.

It also prohibits use of taxpayer money for political purposes, contributions to superiors, misuse of information and other activities that could prevent a conflict of interest.

H.R. 3400, compared to current law, is crystal clear.

Mr. Speaker, it is about time that Federal employees were allowed to participate more fully in our political system. Some have claimed that this legislation could lead to greater abuses, but I believe that if Federal employees are intimidated or if they knowingly violate the new provisions, the clear remedies by this bill are provided and its problems can be resolved effectively and fairly.

Mr. Speaker, I would also like to read a letter from the Republican leader, the gentleman from Illinois [Mr. MICHEL], to Vince Sombrotto, the president of the National Association of Letter Carriers, to indicate the support of the Republican leader on this legislation. He replies to the letter from Mr. Sombrotto, and I am quoting from the letter of the gentleman from Illinois [Mr. MICHEL]:

> I am hopeful we can achieve House passage of the reform legislation this year, preferably something the President will sign. I believe the time has come to allow Federal employees to exercise their political rights, with certain protections built in, and I will continue to assist in moving the legislation through the process.

Mr. Speaker, this legislation is very clear. It is a bipartisan compromise, supported by all of the members, Republicans and Democrats, on the House Post Office and Civil Service Committee. It prohibits all partisan political activity on the job. It does permit Federal employees to be normal citizens off the job. They can participate in the political process, which they cannot do today. They are the only class that I know of that cannot participate in the political process.

We cleaned it up for the District of Columbia some years ago to permit them to have the right to vote.

I think it is important for us to give Federal employees now the right to act as normal citizens to participate in the political process.

It strengthens prohibitions against misuse of official authority, against employees soliciting from their subordinates or the contractors or against coercion and intimidation. It clarifies the ambiguous and selectively enforced restrictions on political activities; and moreover, it is supported by every Federal employee organization, including management groups.

Mr. Speaker, I urge an "aye" vote on H.R. 3400 so that we can give Federal employees the same rights that other people enjoy; namely, to contribute and participate in the political process.

Mr. TAYLOR. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RIDGE].

Mr. RIDGE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, today we have the opportunity to win a victory for freedom of speech in this country by passing this reform of a 1939 law that is clearly excessive, clearly intrusive, not to mention outdated. We have the opportunity to approve a compromise that is truly bipartisan, with 55 Republican cosponsors, that has safeguards against and penalties for any abuse that might occur.

Reform of the Hatch Act would restore full freedom of speech to 3 million Americans who care deeply about this country and its Government and would enliven the public policy debate in this country.

Postal and Federal workers currently must comply with more than 3,000 separate regulatory rulings about political activity on and off the job. A Federal worker cannot host a reception after hours in his home for a political candidate. A Federal worker may attend a political rally, but is forbidden to carry a sign. A Federal employee may write a letter to the editor, but not more than five. Bumper stickers and yard signs must comply with size restrictions. These restrictions are clearly excessive and limit the constitutional rights of those who are employed by our own Government.

I think we all fully support the concept that political work should not and cannot be allowed on the taxpayer's time. It cannot be done on Federal Government time, with Federal information or equipment. That distinction must remain. However, dictating what Federal and postal workers do with their spare time is really going beyond what is acceptable in a free society.

Under the Hatch Act reform we are considering today, it would still be illegal to do political work on the Federal Government's time. It would still be illegal to try to force or coerce a Federal employee into political work or to discriminate against those who refrain from political involvement. The bill would more effectively protect the rights of those who choose to remain uninvolved. Anyone who misuses official authority or Federal information could be fined, jailed, or fired.

We all know Federal workers, and I think it is only fair to say that they have been diligent in their efforts to comply with the letter and the spirit of the Hatch Act. We can expect the same response from Federal workers if this reform measure is enacted.

There has been a great deal of speculation that public employees unions are out to control the Government. However, Federal and postal workers are not sheep who may be led around by some imaginary "big brother." They are individuals. They are patriotic and articulate citizens who are knowledgeable about many aspects of the U.S. Government. They deserve a political voice equal to that of all other Americans, and I, for one, would like to hear what they have to say.

I urge my colleagues to support H.R. 3400.

Mr. WOLF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in opposition to H.R. 3400 which will repeal the Hatch Act. I am particularly opposed to bringing this controversial, major reform legislation before this body under suspension of the rules. I, and several of my colleagues, had prepared significant amendments to this legislation, but under suspension, we are prohibited from offering them.

Whether you support or oppose reforming the Hatch Act, I hope you will agree that to consider such a major bill without the opportunity for full debate and amendments is the wrong way to conduct public business. A gag rule is unfair to Members who have firsthand knowledge of the political environment in which Federal employees work, who consult daily with the individuals whose protections are being tampered with under H.R. 3400, and who had legitimate concerns to be raised before this body.

This Nation's taxpayers enjoy the finest civil service work force in the world and I can't say enough good things about Federal employees. As many of my colleagues know, I have one of the largest constituencies of Federal employees of any Member in the House. I am a strong supporter of legislation that benefits the Federal employee. I worked hard to lift the pay cap on Federal salaries. It was my legislation that established relocation services for Federal workers, and reformed the merit pay system, and set up parameters for introducing child care into Federal office space. I have also held annual health benefit seminars for active and retired civil servants and am working diligently to set up leave sharing among Federal employees and many, many other initiatives to benefit Government employees.

It is because of my continuing interest in the welfare of our civil service, however, that I am asking for a closer look at Hatch Act reform.

The Federal employee must be free of political coercion and involuntary partisan activities and the public must be assured of a nonpartisan Government work force. The public's confidence in the integrity of its civil service must be absolute. I am not convinced that H.R. 3400 adequately addresses these concerns.

As you might know, the House and Senate passed a Hatch Act repeal bill in 1976. It was vetoed by President Ford who believed that "pressures could be brought to bear on Federal employees in extremely subtle ways beyond the reach of any anticoercion statute so that they would inevitably feel compelled to engage in partisan political activity. This would be bad for the employee, bad for the Government, and bad for the public." I will insert, for the RECORD, a copy of the full veto message.

The nonpartisan General Accounting Office also issued a report in 1979 on Hatch Act reform concerns. Those concerns continue to exist today, including the fact that there has not been a comprehensive national poll of Federal employee or public opinion on this issue.

Before making changes in the Hatch Act, I believe we need extensive discussion and review. I believe the basic protections of the Hatch Act work well, but I recognize that the act may not be perfect and some modifications could be made. I would like to see either a review panel set up to thoroughly examine the Hatch Act and make recommendations or a GAO study initiated to investigate Hatch Act changes, including a survey of both Federal employees and the public.

Mr. Speaker, I had planned to offer an amendment today to establish a Hatch Act Reform Panel, but this rule does not allow for consideration of such an amendment. I had also planned to offer an amendment to H.R. 3400 to sunset its liberalized provisions after 3 years so that we could review how the legislation had affected the civil service and consider if it was necessary to reinstate the Hatch Act or permanently repeal the protections for Federal employees and the public in providing nonpartisan Government services.

Other Members also had planned to offer amendments to H.R. 3400 which would give the Justice Department authority over violations of the Hatch Act rather than the Office of Special Counsel. The Merit Systems Protection Board may not be the best agency to adequately investigate Hatch Act violations.

In its 1979 report, GAO also raised some legitimate and serious concerns about politicizing certain sensitive positions such as law enforcement personnel, contract and grant officers, intelligence and auditing officials. The administration's concerns about officials at the Federal Elections Commission being able to run for partisan political office are equally valid and deserve careful thought and review. It is concern about such provisions in H.R. 3400 that has prompted a veto on this bill. In addition, in the last serious push for Hatch Act reform in 1976, law enforcement and IRS officers remained under the act's provisions, and yet H.R. 3400 would allow the head of the FEC to run for political office or chair one of the major political parties.

Reasonable people may differ on who should and who should not be involved in partisan political activity. Considering Hatch Act legislation under suspension of the rules, however, does not take into consideration those intricacies and implications for the public.

For the record, I am also including with my statements a copy of a recent letter from Common Cause in opposition to H.R. 3400, and editorials from the Wall Street Journal, and the Richmond Times-Dispatch. I might also note that the U.S. Chamber of Commerce is opposed to H.R. 3400.

Mr. Speaker, I also want to clarify a misconception of many of my colleagues, particularly on this side of the aisle. Many Members believe, as I do, that it is time the Congress acts to do something positive for Federal employees. We could increase Federal workers' pay, provide better benefits and improved working conditions, and offer other improvements for the civil service. But, my colleagues, if you think that H.R. 3400 is a benefit for Federal employees, you're kidding yourselves. Federal employees want the protections allowed by the Hatch Act. The preliminary results of a poll conducted last month by the Senior Executives Association showed that 71 percent of the respondents opposed reforming the Hatch Act as proposed by H.R. 3400. This is consistent with my 1983 legislative survey of constituents in the 10th District of Virginia which showed that 66 percent of the 23,000 respondents favored the Hatch Act. Nearly one-third of the respondents were Federal employees.

H.R. 3400 is bad public policy and I urge a vote against H.R. 3400 on the suspension calendar.

Mr. Speaker, I include the following material on this subject.

COMMON CAUSE, WASHINGTON, DC,
November 13, 1987.

DEAR REPRESENTATIVE: On Tuesday, November 17, the House of Representatives is expected to vote on H.R. 3400, legislation which would fundamentally revise current Hatch Act restrictions against partisan political activity by federal workers. Common Cause strongly urges you to oppose this legislation.

H.R. 3400, furthermore, is a major substantive bill. In bringing this bill to the floor on suspension, there will be no opportunity for anyone to offer amendments. We believe that this expedited procedure will prevent a full and thorough deliberation of the major issues that are involved in removing the Hatch Act's protections.

H.R. 3400 would permit federal workers, for the first time in almost fifty years, to engage actively in partisan political activities during off-duty hours. Federal workers would, among other things, be permitted to run as candidates in partisan elections, serve as officers of a political party, raise partisan campaign contributions, and administer political action committees. In our view, H.R. 3400 as a result fails to provide adequate protection for either the government or for government workers against politicization of the civil service. Such protection is essential to maintaining citizen confidence and trust in government service.

It is important to recognize that under the current Hatch Act, federal workers are already permitted to engage in various political activities. For example, they may make partisan political contributions, serve as rank and file members of political parties, and engage in non-partisan political activities such as running for election to a non-partisan local school board. It is only the more active levels of partisan political activities which currently are barred. In drawing this line, we believe that the Hatch Act strikes an appropriate balance between the federal worker's ability to participate in partisan politics and the public's right to fair and impartial administration of government. Removing the Hatch Act's current restrictions against active partisan political activity, as H.R. 3400 would do, in our view would destroy this balance and lead to an undesirable politicization of the civil service.

The U.S. Supreme Court in *United States Civil Service Commission* v. *the National Association of Letter Carriers* upheld the constitutionality of the Hatch Act and wrote that "It is in the best interest of the country, indeed essential, that federal service should depend upon meritorious performance rather than political service." We agree. In our view, neither the impartial administration of the law, nor its appearance, could be achieved if the Hatch Act's restrictions on partisan political activity were removed. No procedural or other safeguards have been devised that would be sufficient to protect against subtle forms of political favoritism or coercion of federal workers.

H.R. 3400 represents a fundamental and dangerous change in the nature of partisan political activities that could be undertaken by employees of the federal government. We strongly urge you to oppose H.R. 3400.

Sincerely,

FRED WERTHEIMER,
President.

VETO OF HATCH ACT REPEAL

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

To the House of Representatives: I am today returning, without my approval, H.R. 8617, a bill that would essentially repeal the Federal law commonly known as the Hatch Act, which prohibits Federal employees from taking an active part in partisan politics.

The public expects that government service will be provided in a neutral, nonpartisan fashion. This bill would produce an opposite result.

Thomas Jefferson foresaw the dangers of Federal employees electioneering, and some of the explicit Hatch Act rules were first applied in 1907 by President Theodore Roosevelt. In 1939, as an outgrowth of concern over political coercion of Federal employees, the Hatch Act itself was enacted.

The amendments which this bill make to the Hatch Act would deny the lessons of history. If, as contemplated by H.R. 8617, the prohibitions against political campaigning were removed, we would be endangering the entire concept of employee independence and freedom from coercion which has been largely successful in preventing undue political influence in Government programs or personnel management. If this bill were to become law, I believe pressures could be brought to bear on Federal employees in extremely subtle ways beyond the reach of any anti-coercion statute so that they would inevitably feel compelled to engage in partisan political activity. This would be bad for the employee, bad for the government, and bad for the public.

Proponents of this bill argue that the Hatch Act limits the rights of Federal employees. The Hatch Act does in fact restrict the right of employees to fully engage in partisan politics. It was intended, for good reason, to do precisely that. Most people, including most Federal employees, not only understand the reasons for these restrictions, but support them.

However, present law does not bar all political activity on the part of Federal employees. They may register and vote in any election, express opinions on political issues or candidates, be members of and make contributions to political parties, and attend political rallies and conventions, and engage in a variety of other political activites. What they may not—and, in my view, should not—do is attempt to be partisan political activists and impartial Government employees at the same time.

The U.S. Supreme Court in 1973 in affirming the validity of the Hatch Act, noted that it represented—

"A judgment made by this country over the last century that it is in the best interest of the country, indeed essential, that federal service should depend upon meritorious performance rather than political service, and that the political influence of federal employees on others and on the electoral process should be limited."

The Hatch Act is intended to strike a delicate balance between fair and effective government and the First Amendment rights of individual employees. It has been successful, in my opinion, in striking that balance.

H.R. 8617 is bad law in other respects. The bill's provisions for the exercise of a Congressional right of disapproval of executive agency regulations are constitutionally objectionable. In addition, it would shift the responsibility for adjudicating Hatch Act violations from the Civil Service Commission to a new Board composed of Federal employees. No convincing evidence exists to justify this shift. However, the fundamental objection to this bill is that politicizing the Civil Service is intolerable.

I, therefore, must veto the measure.

GERALD R. FORD.

[From the Wall Street Journal, Nov. 10, 1987]

POLITICS UN-HATCHED

Watching any number of bad old ideas resurface in Washington these days, we've sometimes had to stop and recall what decade this is. The latest corpse to rise from the 1970s is an attempt to revise the Hatch Act so that employees of the federal government would be able to engage in partisan politics. President Ford vetoed a similar bill in 1976, but this year the powerful public employee unions have made sure it's back on the agenda and sprinting through Congress.

A House Committee has already whooped the bill through on a "fast track," with the Democratic leadership all behind it. The Reagan administration is opposing the bill, but a public-union spokesman claims it's already "veto-proof" in the House and gaining support in the Senate. Before this bill is bulldozed into law, both sides might want to stop and ask if Americans really want the three million people who deliver their mail or audit their taxes to be able to hit them up for campaign contributions too.

The bill's supporters claim, of course, that it would simply "restore" to federal workers the constitutional rights that all Americans have, say, to pass out campaign leaflets or run for office. (They can already vote as they choose, of course.) This has a nice civil-libertarian ring to it, but anyone who knows how the civil service works understands that the opposite is more nearly true. The only way to protect civil servants from harassment is to shield them from partisan politics altogether. Only a total ban gives employees a plausible excuse for not participating in politics; without such a ban, an employee will always feel pressure, even if only subtle, to favor the boss's, or the union's, cause.

Hatch Act opponents respond that their bill has a provision to protect employees against pressure, but in fact this is a boon mainly to lawyers. It offers no more effective protection than current law. Moreover, any employee reprimanded or not promoted, for whatever reason, will be encouraged to sue on grounds of political stress. Lawyers will have a field day, but government managers only another headache.

Merits aside, what's really going on here is a display of power politics by the public-employee unions, which understand that Hatch restrictions limit their political clout. Indeed, the presidents of three major unions were suspended from federal employment for 60 days under the Hatch Act for blatantly supporting the Mondale campaign in 1984. It's doubtful, in any case, that union leaders even speak for federal workers on this issue. Rep. Frank Wolf, a former civil servant whose Virginia district probably contains more federal workers than any other, is opposing this bill because he says most of his constituents like the Hatch protections.

We ourselves must admit to some nostalgia for the old "spoils system" that predated the civil service. At least voters could decide to throw the rascals out every four years. As long as the U.S. has a permanent civil service with virtually lifetime tenure, however, Americans need to be confident that it can't become anyone's partisan army.

[From the Richmond Times Dispatch, Oct. 16, 1987]

HATCHETING THE HATCH ACT

Nearly 50 years ago, Congress wisely decided that federal employees should be prohibited from participating in partisan politics. Since then, they have been forbidden by the Hatch Act to run for office, manage political campaigns, solicit contributions and engage in other activities to promote a particular party or its candidate. Of course, they have the right to vote and to express their views on public issues.

The premise of the Hatch Act was sound: that the public has the right to expect government employees to be as free as possible from political motives and political pressures in performing their duties. In a Supreme Court decision upholding the law in 1973, Justice White asserted that government employment should be based on competency, not on political considerations.

It has been a good law. Allowing government workers to participate in partisan politics to the same extent other citizens may do so poses the risk that the millions of federal employees would become, voluntarily or under pressure, crusaders for causes that would promote their own interests to the detriment of the public welfare. It is highly unlikely, for example, that the vast majority of them could be persuaded to campaign for a reduction in the scope and power of government. Or against escalating salaries, fringe benefits and other costs of employment.

Now, however, a House of Representatives committee has approved a measure that would hatchet the Hatch act. This new law would permit federal civil servants to seek public office, work in campaigns and do all the other many political jobs that non-government workers may perform. As a gesture to good government, the bill would prohibit any political activity on the job.

Liberal politicians are already smacking their lips over the prospect of new hordes of highly motivated activists becoming available to ring doorbells, circulate campaign literature, operate telephone banks and so forth. Government employee unions are dizzy with delight over the certain increase in power they would receive from the bill.

Government workers would be especially influential in congressional races, some experts say, because their chief interest is in the policies and operations of the federal government. Since a large number of the Washington metropolitan area's 357,000 federal and postal workers live in Northern Virginia, removal of Hatch Act strictures surely would have a major political impact on federal, state and local political campaigns in that area.

A House Democratic leader has been quoted by The Washington Post as saying "everybody is for this bill." Republican Minority Leader Robert H. Michel says he is "trying to look at the bill affirmatively, not negatively, not to look for problems."

Well, that is precisely the wrong approach. Congress has an obligation to look for the negatives in the bill. It contains more than enough to justify its rejection.

□ 1345

Mrs. SCHROEDER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Ohio [Ms. OAKAR], a distinguished Member and subcommittee chairman.

Ms. OAKAR. Mr. Speaker, I want to compliment the 292 cosponsors of this bill, bipartisan cosponsors of this bill, and I want to compliment our chairman, compliment the subcommittee chairwoman, and certainly the primary authority of the bill as well.

When I came to Congress 11 years ago, one of the things on the agenda was the Hatch Act, and I was frankly astounded to learn of the prohibition on Federal employees and postal workers relative to their participation in our country's political process. We know we live in the greatest country in the world. It is the freest country in the world. One of the reasons it is so heralded as a democracy is that its citizens are allowed to participate fully in its democracy, and indeed, that certainly includes its political process. It is amazing to me that 11 years have gone by and we have still not passed a repeal of what I think is one of the more insidious acts passed in the country, that is the act that allowed for the lack of engagement in political processes of Federal and Government workers and letter carriers and postal workers as well.

If we believe that having the right to have grassroots people elect our people is one our hallmarks, then we ought to really support this bill.

I am frankly amazed at Common Cause not being for this kind of a bill because they want us to put a cap on what people are allowed to give to political campaigns in the form of political action committees. Yet, they do not apparently want all people in a grassroots way to participate in the political process.

Mr. Speaker, I hope we pass the bill. I hope that we finally say to Federal workers and to postal workers that, yes, they are American citizens in the fullest sense of the word, as well as everyone else.

Mr. WOLF. Mr. Speaker, I yield such time as he may consume to the gentleman from Iowa [Mr. LEACH].

Mr. LEACH of Iowa. Mr. Speaker, at issue today is the question of reform. The Hatch Act was passed 50 years ago to protect the Civil Service from abuse and coercion. The reform of the reform which this Congress is asked to vote on without amendment is regression, a return to the playing field which led to the reform that has been accepted by the courts and the American people for five decades.

People today criticize the Civil Service from time to time for a host of reasons but seldom for being politicized, seldom for being partisan. At risk, with passage of this bill, is coercion of the work force; also the perception that the Civil Service is politically neutral.

Interestingly, the political science studies that have been done over the years reveal that the majority of civil servants do not want to be removed from Hatch Act protection. Union stewards want change; workers do not. Neither do citizen interest groups like Common Cause.

If this bombshell of a bill is passed, it is ineluctable that when Civil Service promotions are dealt out in the future, references will be made to who gave to which party and, more subtly, who gave to which candidate at what time.

For the sake of the country, the integrity of the Civil Service and the civil servant, Franklin Delano Roosevelt's reform should be maintained. The Civil Service of the United States may be imperfect, but from a political perspective current rules and regulations are fair; they are impartial. If the system ain't broke, don't fix it.

Mrs. SCHROEDER. Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois [Mr. EVANS].

Mr. EVANS. Mr. Speaker, I rise in strong support of H.R. 3400 to give Federal and postal employees in this bicentennial year of our Constitution the fundamental first amendment rights of political involvement.

Mr. Speaker, I rise in support of H.R. 3400, legislation which permits employees covered by the Hatch Act to participate in partisan political activities as long as they do so on their own time and not on the job. I strongly believe that postal workers and Federal civilian employees are entitled to the same rights as every other citizen of the United States, and I am a sponsor of this measure because the right to participate in the political process should be restored for these citizens.

The Hatch Act has denied Federal employees political rights for 48 years and it is now time to change this outdated notion. We must give the 2.5 million Federal and postal employees the right to participate in the political processes of the Government that employs them.

Of particular concern to me as a Member of the House Veterans' Affairs Committee is the fact that many of our Federal and postal employees are veterans who have well served our country in its time of need. I am acutely aware of the sacrifices and patriotism displayed by this Nation's veterans and we must ensure that our veterans are not deprived of the rights they have fought to protect and that we not forget them in their time of need.

I have been a strong supporter of our Nation's Federal and postal workers and certainly recognize their importance to the well-being and strength of this Nation. As a nation we need and should demand a quality Federal work force but if we continue to deny the basic rights of one of our country's most cherished resources, we will not continue to attract and retain the quality civil servants we need.

Again, I strongly support passage of H.R. 3400 and encourage my colleagues to do the same.

Mrs. SCHROEDER. Mr. Speaker, I yield such time as he may consume to the gentleman from California [Mr. EDWARDS].

Mr. EDWARDS of California. Mr. Speaker, I rise in support of H.R. 3400, the Federal Employees' Political Activities Act of 1987. As the chairman of the Judiciary Committee's Subcommittee on Civil and Constitutional Rights, I have long been troubled by the Hatch Act.

The act was originally intended to shield Government employees from political pressures. However, over the years, it has been used, not to protect, but to harass and intimidate them.

The Hatch Act is complicated and confusing by nature. It has been enforced in ways that are contradictory and often incomprehensible to the average worker. Its application has resulted too many times in unnecessary restrictions on the political activity of Government employees.

Inherent in the act is the proposition that, if you work for the Federal Government, you must give up your first amendment rights of freedom of speech, freedom of association, and freedom to petition the Government for the redress of grievances.

H.R. 3400 resurrects and clarifies the rights of Government employees to participate in the political process while strengthening protections against the politicization of the civil service. We need not sacrifice the first amendment rights of Government employees in order to guarantee the neutrality and efficiency of the Government bureaucracy.

There must be safeguards against the corruption and coercion of Government employees, but we can surely retain these safeguards without trampling on civil rights.

H.R. 3400 strikes that needed balance, and I urge my colleagues to support it.

Mrs. SCHROEDER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. ACKERMAN].

Mr. ACKERMAN. Mr. Speaker, the issue presented by H.R. 3400 is one of simple fairness: Should 2.8 million Americans lose their right to participate in America's electoral process, simply because they work for our country?

For 48 years, Federal and postal employees have been subjected to the confusing, and often contradictory, restrictions of the Hatch Act.

H.R. 3400 removes the confusion by applying a fair and simple principle. Federal employees would be permitted to participate in partisan activities, but only on their own time, and not while on the job. Off the job, Federal and postal workers would be allowed to exercise the full rights of American citizenship, including raising funds and running for office. This is the same principle which governs public workers in 41 States.

There are presently more than 3,000 regulations which enforce that act, some confusing, others silly. The present regulations permit Federal employees to support a candidate and wear a campaign button on the job, but forbid them from hosting a meet-the-candidate forum in their own homes. Federal employees can attend a political rally and yell out their positions, but they can't wave a banner or flag. They can put a lawn sign in front of their homes, but it must be smaller than a bumper sticker on their car. The list goes on and on.

The bill also strengthens the safeguards against political coercion by banning all on-the-job political activities, even those which are presently permitted. Employees who abuse their official positions would be subject to severe penalties.

It makes eminent sense.

Mr. Speaker, I urge my colleagues to vote for this historic, and long overdue, reform.

□ 1355

Mr. WOLF. Mr. Speaker, I yield 1 minute to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES. Mr. Speaker, I rise in opposition to suspension of the rules and passage of H.R. 3400. The fact of the matter is, I am in favor of the provisions of H.R. 3400. I am in favor of restoring to Federal employees the same rights enjoyed by citizens who are not employed by the Federal Government.

I agree with the gentlewoman from Colorado that H.R. 3400 strengthens democracy and encourages participation in our process. But I cannot support consideration of this bill under suspension of the rules.

There are Members who oppose this bill in its present form. There are Members who would like to amend it, to debate it, and some who would like to defeat it. These Members who appear to be in a minority are having their rights to attempt to amend, to debate and to attempt to defeat this bill denied to them.

How ironic that a bill under which democracy is extended and participation is encouraged is considered under a procedure which denies democracy and participation by a minority of Members of this House. As a Member of this House who finds himself most frequently in a minority, and most frequently subject to rules which limit or forbid our participation in legislation in this House, I cannot support and will not support and will not vote to suspend the rules for the consideration of this bill. If it is brought to the floor of this House under normal procedures, with an open rule, I will be most happy to support H.R. 3400.

Mr. TAYLOR. Mr. Speaker, I yield 3 minutes to the gentleman from Virginia [Mr. PARRIS].

Mr. PARRIS. Mr. Speaker, with some reluctance I rise in support of H.R. 3400, the Hatch Act reform measure presently before Congress. The Hatch Act was enacted in 1939 to protect Federal workers from partisan political activities. The act was adopted in response to actual coercion of Federal employees during the Franklin Roosevelt administration and abuses of the merit system during the 1930's. The purpose of the act was to protect Government employees from such coercion and abuse.

In today's society, however, the Hatch Act goes too far and simply serves to restrict Federal workers unnecessarily in exercising their fundamental rights to participate fully and freely in the political process. The Hatch Act is no longer required as the sole guardian against Federal employee abuses due to the strength of Government employee unions and the press. It is difficult to believe that a supervisor who attempts to use his influence to coerce a subordinate to vote a certain way or contribute money to a particular candidate would survive the wrath of that subordinate's union or public exposure from the press, and it is likely that the political issue or candidate involved also would suffer as a result of the union or press exposure. The risk of exposure for the supervisor would be too great and would serve as a strong deterrent to employee coercion or abuse.

Additionally, H.R. 3400 does not strip Federal workers of a Federal law remedy against coercion and patronage. The measure would tighten Hatch Act prohibitions against such coercion and patronage by simplifying current Hatch Act language and rulings.

Hatch Act restrictions currently are very unclear and complicated. Federal workers often distance themselves from even permitted political activities out of fear of violating the act. Rather than serve as a benefit to Federal employees, the Hatch Act as presently drafted serves to silence these workers and keep them out of the political process altogether. H.R. 3400 would rectify this situation simply by prohibiting all on-the-job political activity while permitting participation in any otherwise legal political activity during the Federal employees' own time. The need for the Hatch Act's cumbersome and numerous rulings would be eliminated under H.R. 3400.

It is time for Congress to recognize the right of the Federal work force to fully participate in the political process, just as other citizens do, and to further recognize that Federal workers, just as workers in the private sector, can deal with partisan pressures without jeopardizing the integrity of their work product. I do caution, however, that the provisions of H.R. 3400 that would permit a Federal worker to take a leave of absence from his job to run for public office go a step beyond granting Federal workers the same rights of political freedom as private sector employees, place at risk the public's continued confidence in the Federal Government, and must be strenuously monitored.

As an example, consider the Federal worker, John Doe, who under the provisions of H.R. 3400 takes a leave of absence from his job and runs for a local public office. Assume that Mr. Doe is defeated, and, as permitted under the bill, returns to his Federal job. Further assume that Mr. Doe learns that of the six subordinates who work under him and live in his district, only one worked on his campaign. If Mr. Doe has the opportunity to promote this subordinate over the others, and does, based upon the subordinate's campaign effort, then the Federal Government would have taken a giant step backward.

Now assume that Mr. Doe has no knowledge of his subordinate's campaign contribution, but that the public is aware of the subordinate's campaign participation, and, finally, that the subordinate is promoted. The appearance of bias alone would most likely undermine the public's confidence in that particular Government office.

This perception of wrongdoing must be guarded against with scrupulous rigor.

My decision on this legislation has been a very difficult one to make. I simply am not certain that the majority of active Federal workers favor Hatch Act reform. Relatively few of my constituents have contacted me to give me their views on H.R. 3400. Although I know of several polls that have been taken on this issue, including an informal poll of my own, they show neither conclusive support for nor conclusive opposition to reform.

Furthermore, I am sensitive to the abuses of Federal employees that can follow relaxation of Hatch Act restrictions and I am particularly sensitive to the fact that coercion can be, and most often is, subtle. A boss need not threaten his subordinate with dismissal or denial of an earned promotion to coerce the subordinate to engage in political activities that further the interests of his superior. Instead, the boss may rely upon unspoken assumptions and innuendo that conformity with the politics of the office is the way to advancement and job security within the organization, resulting in subtle pressure on workers to conform to the political philosophy of the office, which leads to greater job security. I am hopeful that the enforcement provisions of H.R. 3400 are strong enough, and that the Merit Systems Protection Board will be diligent enough in carrying out its enforcement duties under the measure, to effectively eliminate even subtle pressures to conform to office politics. The enforcement mechanisms under H.R. 3400 must be closely monitored to ensure that coercion and patronage are truly guarded against.

Much of the opposition to H.R. 3400 stems from the belief that it would repeal the prohibitions against partisan political activity now contained in the Hatch Act. This argument, however, is simply incorrect and ignores the fact that this legislation would clear up the existing ambiguities in the existing act by eliminating and prohibiting all on-the-job political activities instead of continuing the current patch work of regulations, which are confusing and often contradictory.

The bill contains harsher penalties and stronger prohibitions, which would act as deterrents against violation of the measure and should encourage and ensure nonpartisan administration of the Government, which is clearly the desired goal.

For these reasons, I will, albeit with some trepidation, vote for H.R. 3400.

Mr. WOLF. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. KONNYU].

Mr. KONNYU. Mr. Speaker, as I said, earlier today during 1 minute I do not think the reform of the Hatch Act (H.R. 3400) should be dispensed with under suspension of the rules. I hope Members of my party and Members on the other side of the aisle will protect my right to offer an amendment on civil service bill of rights.

Only by rejecting H.R. 3400 will I have the chance to offer my amendment.

A bill which changes the rules which govern the actions of millions of Federal employees should not be dealt with in the same manner in which a commemorative is dealt with. This bill has serious long-term ramifications and in its present form the administration will veto it. A veto threat should not prohibit the House from bringing a bill to the floor. It should, however, make the leadership think twice about bringing a bill to the floor under the disguise of no controversy.

There is plenty of controversy surrounding this legislation. The boss of the Federal work force is opposed to it. In an editorial this Sunday Connie Horner of OPM pleaded with Congress not to change the Hatch Act, an act which has been with us for decades.

Further, I have some concerns about how Government unions will translate H.R. 3400. I think we need to strengthen the protections given employees in this reform bill to further protect their first amendment rights.

So, controversy is all around when it comes to this Hatch Act reform. All I ask is for my day in front of the Rules Committee and with the supporters of H.R. 3400 to make my amendment germane and let the House work its will. In the end an open and fair process will make H.R. 3400 a better piece of legislation for all concerned.

I have consistantly supported other Members in their efforts to get fair hearings in the House Chamber. I think it is something Democrats owe to Republicans and Republicans owe to Democrats.

I think it is ironic this debate is about political rights for Americans and yet we may be stepping on political rights in passing this bill and if the bill becomes law it may not give the rights to Government employees which its advocates say it does.

Whether or not you support these Hatch Act revisions please support some basic rights and freedoms and oppose passage under suspension of the rules. There is time to bring this bill back to the floor as early as this week for an opportunity for a real open debate. Give my amendment a chance by voting "no" on H.R. 3400.

Mr. WOLF. Mr. Speaker, how much time do the three parties have remaining?

The SPEAKER pro tempore (Mr. Murtha). The gentleman from Virginia [Mr. Wolf] has 11 minutes remaining, the gentleman from Missouri [Mr. Taylor] has 5 minutes remaining, and the gentlewoman from Colorado [Mrs. Schroeder] has 11 minutes remaining.

Mrs. SCHROEDER. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Indiana [Mr. McCloskey].

Mr. McCLOSKEY. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, I rise in staunch support of H.R. 3400, to allow increased participation by postal and Federal employees in the electoral process.

The original Hatch Act was a counteraction to abuses which occurred in the system during the thirties. The Hatch Act is long overdue for revision because today the vast majority of the Federal and postal work force are professionals who are brought into service through the merit system. The Hatch Act has deprived Federal and postal workers of basic democratic rights.

H.R. 3400 is a reasonable and responsible approach to this problem. It allows Federal and postal employees to participate in political activities during their own free time. No political activities are allowed while on duty or on the job. This bill also contains mechanisms to guard against official coercion. It strengthens the penalties to protect Government employees from intimidation and coercive behavior.

I believe that the bill reported by the Post Office and Civil Service Committee provides a proper balance of basic political rights and protections against abuse.

H.R. 3400 is a truly bipartisan effort to restore the rights of the Federal work force in voluntarily participating in the democratic process of elections.

I want to commend Chairman Ford of my committee, and my colleagues, Mr. Clay, Mrs. Schroeder, Mr. Taylor, and Mr. Horton for their leadership in bringing this bill to the floor. It is a vital piece of legislation.

Mr. WOLF. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. Barton].

Mr. BARTON of Texas. Mr. Speaker, I rise in opposition to H.R. 3400. There are several reasons for this.

No. 1, this is not the proper method in which to debate this bill. It is very controversial. It should not be considered under the Suspension Calendar. Under suspension, there are no opportunities to offer any amendments to this legislation.

Mr. Speaker, I had an amendment to offer that would have been offered if it had been on the regular calendar. My amendment would have exempted certain employees in certain branches of Government from this new act because of the positions they are in with the American public. Let me give an example.

Suppose that you are to be audited by the local IRS office the next day or the next week, and one evening at home, as you are preparing for your audit, you get a phone call. The caller acknowledges himself and says he understands that you are going to be coming down to his office tomorrow for the audit, but he is not calling you about that. He is a candidate for Congress, and he would like to know if you would be willing to make a campaign donation of $250. How are you going to react to that?

You are probably going to get your checkbook out and say whom do I make the check out to. Under this act, you are probably going to feel a little coerced by that.

There are several other examples like that, but we are not going to have an opportunity to offer amendments to exempt such employees as that because of the nature by which the bill is being debated.

Let me give another indication why we should vote against this bill. The enforcement mechanism is very weak. It is going to be enforced by the Office of the General Counsel.

I went back and checked how many enforcement actions there have been under the current Hatch Act. They number in the neighborhood of 40 to 50 a year.

They actually have convictions or disciplinary actions in maybe a handful, maybe a dozen. Enforcement would not get any better under this act, while opportunities for abuse would literally explode.

Much has been said about the need to restore constitutional rights to our Federal work force. They already have constitutional rights, and Federal employees today under the existing Hatch Act can register and vote as they choose, display a political button, badge, or bumper sticker; assist in voter registration drives; publicly and privately express opinions about candidates and issues; take an active part in nonpartisan elections; contribute money to political parties and candidates. They can attend political fundraisers, they can attend political conventions, rallies, and meetings. They can join political clubs or parties, they can sign nominating petitions. They can actively campaign for or against referendum questions, constitutional amendments, and municipal ordinances. They can hold public office in certain circumstances.

They cannot engage in partisan politics. That is what the Hatch Act was designed to prohibit in 1939, and again when amended in 1940.

So I would urge my colleagues to vote against this bill when given the opportunity, and ask them to also review the article by Constance Horner, Director of the Office of Personnel Management.

Leave the Hatch Act Alone

(By Constance Horner)

Today's debate over political activity in the civil service has not changed much since the turn of the century. In 1892, Theodore Roosevelt was civil service commissioner, and civil service participation in partisan politics had been forbidden for a decade. The commissioner, nonetheless, encountered what his biographer described as "enough evidence of wanton illegality by Federal employees to fill a fleet of police wagons." Though TR's own party was the beneficiary, he still urged that the government worker "must be taught in one way or another that his duty is to do the work of the government for the whole people, and not to pervert his office for the use of any party or faction."

About a dozen years later, another New Yorker, who was not destined for the presidency, cursed the civil service reforms. George Washington Plunkitt was boss of Tammany Hall and, though a fervent partisan, sought common cause with the other side of the aisle. "All leaders of the two parties should get together and make an open, nonpartisan fight against the civil service, their common enemy. The time is fast coming when civil service or the politicians will have to go," he said.

Three generations have since passed, and both groups are still with us. But Plunkitt's plea for the politicians to unite against what was then known as "good government" has taken on a new form. This time, the alliance is between the politicians and the public employee unions, with the larger public unrepresented. There is, making its way through Congress, a bipartisan effort to repeal the Hatch Act, the statute passed in 1939 that prohibits partisan politicking by nearly 3 million federal workers and hundreds of thousands of others employed by state and local governments. The repeal of the Hatch Act would alter fundamentally the relationships among citizens, civil servants and the nation's political leadership in ways so important that the proposal deserves more than the cursory examination it has received thus far.

Why are some in Congress trying to do this? In the first place, they are under pressure from people who know the Hatch Act works. Last February, the presidents of three large federal employee unions were suspended for two months from their federal jobs because of illegal endorsements of the 1984 presidental campaign of Vice President Mondale. But they want more than retroactive pardons. They and their associates want to become the dominant power over the $76 billion federal payroll, and acting through politicians whom they think they will neutralize with campaign contributions and political "volunteers," they want to acquire decisive power over what the federal government does and how it goes about doing it. At a time when they protest growing public criticism of the "bureaucrat," they are prepared to forfeit even more public regard by demanding that the federal work force, whatever else it might become, must also be an army of foot soldiers in partisan political campaigns.

If they succeed, they will have destroyed an important balance in our system. The civil service is one of those things, like the political parties themselves, that are not mentioned in the Constitution, but which nevertheless contribute to stable constitutional government. Our democratic system requires a sense among citizens that once policies are made through the normal political processes, those policies will then be implemented in an impartial way. If it were politicized to the degree sought by the pending "reform," the bureaucracy would turn into something approaching a fourth branch of government in its own right, disdainful both of an executive branch inevitably more circumscribed in dealing with it and of a legislative branch even more unwilling to restrain it.

What is more, relations within the bureaucracy would begin to deteriorate. Federal managers do not welcome the intrusion of purely political criteria and opinions into their work places. Today, an employee's political opinions are not particularly relevant to his peers, his superiors or his subordinates. But the free-for-all of political campaigning and fund raising would add a new opportunity for poisonous divisiveness. Even if "political retaliation" is not often directed one against the other, workers would certainly believe that it is. And no one should believe that standards of integrity, efficiency and productivity would have an easy way in such an environment.

Like so many other "reforms," the proposed repeal of the Hatch Act is proffered as a defense of someone's "rights." But in truth, and as everyone knows, civil servants are protected in the political rights that matter most. The restrictions on other political activities are in fact part of the bargain they make with a public that gives them permanent tenure, generous support, substantial respect, and real power. It is not a bad bargain. It has worked well for decades. The sense of partnership and good faith that allows it to continue is more important than the political ambitions of the people who want to undo it.

Mrs. SCHROEDER. Mr. Speaker, I yield 2½ minutes to the distinguished gentleman from Maryland [Mr. HOYER].

Mr. HOYER. Mr. Speaker, I thank the gentlewoman from Colorado for yielding me this time.

Mr. Speaker, I rise today in support of amending the Hatch Act to allow Federal employees a greater opportunity to participate in the political process in this country.

Of the 375,000 people living in my district who are of voting age, 63,000 are Federal employees and thus do not have the choice of whether to participate fully in the political process.

While Federal employees do have some rights to express their partisan political preferences, widespread fear of Hatch Act inspired reprisals has had a chilling effect on even the limited participation now allowed. Furthermore, in families where one individual is a Federal employee, participation by a nonfederally employed person is often restricted for fear that such action would reflect on the Federal employee.

Some people would have us oppose this legislation because of fear of coercion. I believe that the safeguards in the bill against political activity on the job, against giving political contributions to a superior, and against using one's own office for partisan political purposes, are strong and will provide protection to both the employee and the public. Penalties for violating these prohibitions remain the same as in the old Hatch Act, ranging from a simple reprimand, to a limited time without pay, to permanent separation from the Federal service.

Still with those penalties in place, violations will occur and coercion will happen. The question that faces us is whether our fear of isolated incidents of coercion should override the inherent right of American citizens to participate in the partisan political process. I believe strict oversight and swift action against those who violate the prohibitions can meet many of those fears.

Federal employees are among the most intelligent and knowledgeable citizens in the Washington area. Our political system in this region is weakened by their inability to participate fully. If we pass this legislation today, we open the door to their taking part in campaigns for county, State, and Federal offices. Who knows, I may be voting to enable a Federal employee to challenge me in the next election. I think the bill is worth that risk.

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Mr. WOLF. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, this is a pretty complicated field. I suspect that most Members do not fully understand the Hatch Act and yet most of us are quite nervous about it. It therefore comes as a very strange procedure that we should make this wholesale revision, this sweeping change in the Hatch Act without having full debate and amendment on the floor of the House. And as one Member who believes that sort of thing is necessary, I would not vote for this bill even if I thought it were a good one because of the procedure under which it is being handled. But I do know something about the Hatch Act because I serve on a committee that has jurisdiction over the Federal Elections Commission. This bill is going to allow the employees of the Federal Election Commission, a Commission which is created to supervise Federal elections, to participate in an unrestricted way in political and partisan campaigns.

In my judgment, Mr. Speaker, this is madness, to have the people that regulate the game be full-scale players in the game. And I cannot believe that this House of Congress would have brought this bill to the floor without exempting that rather small group of Government employees from the full force of this act.

In the past, there have been other problems, one with the union at the Federal Election Commission, I believe the Treasury Employees Union, making contributions and endorsing candidates. That was unseemly and bad enough. I think that we are opening up the door to some real scandals in the future.

I myself shall vote against the act.

Mr. Speaker the following letter from OMB Director Miller expresses the administration's opposition to H.R. 3400, as does the following Department of Justice analysis:

Executive Office
of the President,
Office of Management and Budget,
Washington, DC, October 26, 1987.
Hon. Robert H. Michel,
Minority Leader, U.S. House of Representatives, Washington, DC.

Dear Mr. Leader: The Administration has thoroughly reexamined its position opposing repeal of the Hatch Act's prohibitions on partisan political activity by Federal employees in light of the strong interest that you and other Republican members of the House have expressed in reversing that policy.

For reasons set forth more fully below and in the attached analysis we have concluded that we must maintain our opposition to this bill. We believe that H.R. 3400 would lead to the unprecedented politicization of the Federal workforce to the detriment of the public's interest in the fair and impartial administration of the Government.

H.R. 3400 would:

Repeal restrictions on partisan political activity by all Federal employees in all occupations including every level of sensitivity, so long as the employees are off duty, out of uniform, and not engaged in their official duties in a Federal building or car. However, employees could engage in partisan political activities—even run for office—while still on the Federal payroll.

Retain existing prohibitions on the abuse of official authority and solicitation of political contributions in the workplace. However, exceptions in the bill would permit employees to solicit funds in other offices, as well as from "personal friends" in the same office—or even from government contractors with whom they are friends.

Require agencies to grant employees annual leave or leave without pay, on request and without notice, to allow them to become candidates for public office, except when the agency denies such request in writing, stating the reasons for such denial. However, the bill would permit employees who are denied leave to sue their supervisors for an illegal act of "political reprisal" if they believe their request was wrongfully denied.

Nothing in the Executive branch review of this proposed legislation persuades us that the policy which has served this country so well for over 80 years should now be changed. The Administration remains unalterably opposed to the repeal of the Hatch Act restrictions for the following reasons:

Although H.R. 3400 is presented as a bill to "restore" political rights to Federal employees, the Hatch Act has by no means disenfranchised these citizens. Existing restrictions are limited to partisan political activities and direct involvement with political parties. This reflects the long-standing, historical necessity to balance the rights of Federal employees as citizens with the overwhelming need of Government and the public for an impartial, politically neutral, and independent civil service.

Public identification of Federal employees with party politics would, without question, erode public confidence in the Government. The American public clearly will not accept an overtly politicized workforce to administer Government programs that include law enforcement, collection of taxes, the awarding of contracts, payment of benefits, and many other activities similarly vital to the public.

The elimination of restrictions on partisan political activity would make Federal employees vulnerable to direct, open political abuse as well as indirect, subtle pressure to curry favor with one political party or the other. An absolute ban on party electioneering and politicking is the only genuine protection employees have against the subtle political pressures that are outside the reach of any anti-coercion provision. The anti-coercion provisions in H.R. 3400 add nothing to the safeguards in existing law.

H.R. 3400 extends restrictions on political activity by senior political appointees and presidential aides far beyond the current Hatch Act. If this provision were construed to restrict the President's ability to rely on his aides and appointees to implement his programs, it would violate Article II of the Constitution. In any event, it would certainly hamper the President's authority to carry out the policies he was elected to conduct.

For these reasons, H.R. 3400 is unacceptable. We are convinced that politicizing Federal civil servants would destroy public trust in the integrity of the Government. No compromise, no "fix", can overcome this bill's direct challenge to employee independence and freedom from political coercion, and to the long-standing tradition of a nonpartisan Federal workforce.

Accordingly, if H.R. 3400 were to reach the President's desk, his senior advisers would recommend its disapproval.

Sincerely yours,

James C. Miller III,
Director.

Department of Justice Analysis of H.R. 3400

H.R. 3400 would repeal substantial portions of the Hatch Act, 5 U.S.C. § 7324 ("the Act"),[1] which forbids federal employees (and certain state employees whose positions are funded by federal grants) to engage in certain partisan political activities. While current law permits Federal employees to vote, express their views within certain limits, and contribute to campaigns, H.R. 3400 would authorize Federal employees to run for office in partisan elections, work in campaigns or in party organizations, endorse partisan candidates, and solicit funds.

Although the bill includes a number of provisions intended to ensure that any political activity is conducted off the job, and to prevent conflicts between official duties and political activities, we believe that, despite efforts of the bill's sponsors to guard against abuse, this legislation would almost certainly result in the unprecedented politicization of the federal civil service. This, in turn, would seriously jeopardize public confidence in government and increase demands on limited prosecutorial resources.

Of particular concern are provisions of H.R. 3400 which would restrict the ability of senior political appointees and presidential aides to engage in political activity. With respect to these individuals, the bill would impose far greater restrictions than currently apply under the Hatch Act. This would raise serious constitutional issues under Article II as well as the first amendment.

THE HATCH ACT

The Hatch Act forbids Federal employees to engage in certain partisan political activities. In brief, the Act prohibits employees to:

Run as a partisan candidate in an election for public office,

Hold an office in a political club or party,

Solicit or handle political contributions or organize partisan fund raising activities,

Make speeches or engage in other campaign activities to elect partisan candidates,

Circulate partisan nominating petitions, and

Distribute campaign material in a partisan election.

The Hatch Act currently *permits* employees to:

Register to vote and vote,

Contribute money to campaigns,

Express their views in private and in public (though not in a concerted way to elicit support for a candidate or party),

Run as an independent candidate in certain partisan contests in designated areas with a high concentration of federal employees,

Attend political conventions and rallies as a spectator,

Assist in nonpartisan voter registration drives,

Campaign for or against political referendum questions,

Participate as a nonpartisan poll-watcher or election judge,

Attend political fundraising functions,

Wear political buttons (off duty or, subject to certain agency restrictions, on duty), and

Participate in nonpartisan campaigns.

The Act applies to federal employees, employees of the District of Columbia, and certain employees of state and local governments who administer programs primarily funded directly by the federal government. Before 1979, the Act was enforced by the United States Civil Service Commission. By the Civil Service Reform Act of 1978, the Commission's investigative and prosecutorial authority was transferred to the Office of the Special Counsel of the Merit Systems Protection Board. That office currently bears the responsibility of adjudicating formal disciplinary actions filed by the Special Counsel against alleged violators of the Act.

H.R. 3400

H.R. 3400, in effect, would repeal the Hatch Act.[2] It would *permit* an employee (subject to certain qualifications to prevent abuse of office or conflict of interest) to:

Run for office in a partisan election,

Hold office in a political party,

Distribute partisan campaign literature and solicit votes,

Organize and participate in political meetings,

Publicly endorse partisan candidates and urge others to support them, and

Raise funds for partisan campaigns and parties.

All of these activities could be engaged in individually or collectively. Employees of an agency could form off-duty, off-premises political clubs and work together toward political ends. Federal unions also could engage in politics, though they would probably be subject to the same sort of restrictions on the use of members' dues as apply in the private sector.

SECTION-BY-SECTION ANALYSIS

Hereinafter, references to amendments that would be made by H.R. 3400 will be made not to sections of the bill but only to the provision of law that would be amended.

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[1] The current text of the Act and relevant regulations are attached at Tab 1.

[2] The text of H.R. 3400 is attached at Tab 2.

§ 7321. Political Participation

H.R. 3400 ignores the teaching of history. Section 7321 expresses the sense of Congress that employees should be encouraged to participate fully in the political process. This statement of policy is precisely the reverse of the spirit of the Hatch Act, which is premised on the notion that active partisan political participation by federal employees is inimical to the interest of the public in effective and impartial administration of the laws.

The Hatch Act was passed in 1939, but its roots are even deeper. Thomas Jefferson was disturbed by the political activities of some of those in the Executive Branch of the Government, and caused an order to be issued stating in part that "[t]he right of any officer to give his vote at elections as a qualified citizen is not meant to be restrained, nor, however, given, shall it have any effect to his prejudice, but it is expected that he will not attempt to influence the votes of others nor take any part in the business of electioneering, that being deemed inconsistent with the spirit of the Constitution and his duties to it."[3]

In spite of Jefferson's concerns about mixing partisan politics and routine federal service, the political spoils system was the rule until after the Civil War. In 1871, Congress authorized the President to establish a civil service of federal employees.[4] This was followed by the Civil Service Act of 1883, known as the Pendleton Act,[5] which in Rule 1 declared that "no person in the public service is for that reason under any obligations to contribute to any political fund, or to render any political service" and that "no person in said service has any right to use his official authority or influence to coerce the political action of any person or body."[6]

Problems with political activity continued, and the Civil Service Rules were frequently revised. Finally, the experience of the 1936 and 1938 elections convinced Congress that the prohibition against taking an active part in political management and campaigns should be extended to the entire federal service.[7] The bill introduced to remedy this problem became the Hatch Act, named for its main proponent, Senator Carl Hatch (D-NM).[8] It has been amended on several occasions, but not substantially changed.

The purpose of this brief history of the Act is simply to underscore the long-standing view that partisan politics is inappropriate and indeed harmful to the fair and impartial administration of the laws. Given this history, it is hard to view H.R. 3400 as the "restoration" of political rights its sponsors claim it to be.

§ 7322. Definitions

The bill covers all federal employees, including those appointed by the President and confirmed by the Senate, whose political activities traditionally have been less restricted.[9] "Employees" covered by the act are defined to include all those employed or holding office in an Executive agency. Exceptions are made for the President, Vice President, employees of the General Accounting Office (GAO), and members of the uniformed service.

Through what may be a flaw in drafting, it is unclear whether this exception means that the President, Vice President, GAO employees, and members of the uniformed services are free to engage in any sort of political activity they choose, unrestricted by any of the prohibitions in this bill such as those against abuse of official position or on-the-job solicitation, whether they would be covered by the provisions of the current Hatch Act, or whether they would have no political "rights" at all—not even those, such as the right to run in nonpartisan elections, presently guaranteed by the Act. Assuming that the intent of the bill's sponsors is to continue to restrict the political activities of these groups, these exceptions could be construed as a tacit admission that really important activities, such as those performed by the GAO and the military, would be jeopardized by permitting unrestrained political activity, and therefore that there are dangers of abuse inherent in the new, unrestrained scheme proposed in H.R. 3400.

This section is all the more confusing because, whatever is meant by the exemption, it apparently applies equally to the President and Vice President, in addition to GAO and the military. It is hard to imagine Congress forbidding the President to engage in all forms of partisan political activity: an incumbent would be forbidden to run for a second term, or the Vice President to run for President. On the other hand, it is equally difficult to consider a U.S. Army General in charge of NATO forces being visibly affiliated with, perhaps even an important official of, the opposite political party of his commander-in-chief. While these arguments may seem extreme, they are simply the product of a literal reading of the language in the proposed legislation, and are here set forth to illustrate some of the problems posed by this bill.

Another disturbing aspect of the bill is the extremely broad definition of "candidate" in § 7322(2). A "candidate" is defined as any individual who seeks nomination for election, or election, to any elective office, whether or not the individual is elected. An individual shall be considered to seek nomination or election if he has taken the action required to qualify for nomination or election, or received any political contribution other than personal services, or made any campaign expenditure or consented to another receiving any political contribution or making any expenditure in his behalf.[10] Since a number of privileges, such as the right to take leave without pay or use accrued annual leave, or even to conduct campaign activities in government offices under certain conditions, attach once an individual is deemed a candidate, this broad definition could permit individuals without much effort or commitment to invoke the special privileges and protections of this law.

§ 7323. Use of Official Influence or Official Information: Prohibition

Federal employee would continue to be prohibited to abuse official influence or information or to use coercion for political purposes, and would be subject to penalties for violations.[11] This section is intended to give the impression that any undesirable conduct which might result from allowing employees to engage in partisan politics can effectively be prevented by statutes and regulations specifically tailored to forbid those acts.

However, this section is marked by ambiguity, and, as written, would be virtually impossible to enforce. "Official authority or influence" is nowhere defined, although its exercise for the purpose of "interfering with or affecting the results of any election" or actual or attempted "intimidating, threatening, coercing, commanding, [or] influencing" is forbidden in § 7323(a)(1), (2). This type of conduct would run the gamut from informal political commentary during coffee breaks to outright pressure on subordinates to "volunteer" to help in a campaign. Whether or not such conduct amounted to an illegal act would depend on the subjective assessment of the employee who brings the charge, and would be difficult to prove in a court or administrative hearing.

The abuse of "official information" is forbidden in subsection (b), but an exception may be invoked if the "official information" in question "is available to the general public." "Official information" is nowhere defined. Moreover, there may be circumstances in which the government official has access to relevant, "public" information collected in a more manageable format for government use. Although it is unclear whether H.R. 3400 would permit the use of public information compiled for government use and at government expense, access to such information could be a clear advantage to a candidate. For example, an official at the Bureau of the Census running for office, or managing another's campaign, could enhance his (or his candidate's) chances at the polls through his easy access to relevant statistics which, although available to the public, are not easy to collect and analyze independently or are very costly to acquire. This individual also might be inclined to devote his energies to those projects in which he is officially involved which might be helpful or useful to his political ends.

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[3] 10 J. Richardson, Messages and Papers of the Presidents 98 (1899), quoted in United States Civil Service Commission v. National Association of Letter Carriers, 413 U.S. 548, 557 (1973) (hereinafter "Letter Carriers"). In his opinion, which dismissed a constitutional challenge to the Act as a violation of the first amendment, Justice White presented a concise history of the Act, Id., at pages 557-63, from which this discussion is largely drawn.

[4] 16 Stat. 514.

[5] 22 Stat. 403.

[6] 22 Stat. 404.

[7] Earlier Civil Service Rules has been confined to the competitive classified service. *See* Twenty-fourth Annual Report of the Civil Service Commission 104 (1908), cited in Letter Carriers, supra, 413 U.S. at 559.

[8] 53 Stat. 1147.

[9] Presidential appointees are subject to the Hatch Act, but the rules are slightly different. See discussion of constitutional questions, pages 12-15 infra.

Agencies and departments within the Executive Branch may adopt more stringent rules for their own employees. The Department of Justice, for example, holds even its presidential appointees to the standards which apply to the rank-and-file, reasoning that the public's faith in fair and impartial law enforcement requires them to shun every appearance of partisan politics. See Memorandum from Attorney General William French Smith to all Department of Justice Offices, Boards, Divisions, and Bureaus, February 13, 1984 (advising all Department of Justice employees, even those exempt from the Act, to refrain from participating in partisan politics).

[10] This definition of "candidate" conflicts with the definition in the Federal Election Campaign Act, 2 U.S.C. § 431(2). Among other things, H.R. 3400 omits the $5000 threshold on contributions, which would make it substantially easier for an employee to invoke a candidate's privileges and protections under H.R. 3400 than under current law.

[11] These provisions would add nothing to the current body of federal law which criminalizes the political abuse of federal personnel and programs. *See, e.g.,* 18 U.S.C. §§ 595, 598, 600, 601, 602, 603, 606, and 607. In fact, certain activities which are federal crimes under current law would be decriminalized if H.R. 3400 were enacted. For example, 18 U.S.C. § 602 makes it a crime to solicit, and 18 U.S.C. § 607 makes it a crime to make, any prohibited political contribution. This dual provision is intended to assure that employees are doubly shielded from this type of abuse. The exceptions to the prohibition against solicitation in § 7324 would make enforcement of these criminal statutes, most particularly proof of intent, extremely difficult. This conflict could not easily be remedied through conforming amendments since it goes to the very heart of H.R. 3400.

Employees also might be subject to pressure from others involved in campaigns to divulge useful information. Although the rules are intended to prohibit such activities, most people are not capable of compartmentalizing their lives to the extent that they would be able, for example, to seal off their extensive knowledge of foreign trade negotiations during the hours that they are actively involved in campaign strategy for a candidate interested in trade issues.

Section 7323(c) forbids either promising to confer or conferring any benefit, or threatening to effect or effecting any reprisal, or taking or recommending any personnel action through exercise of official authority or influence. This section could open the floodgates to endless litigation both by disgruntled federal employees and disappointed contractors or grant applicants. For example, any employee who is passed over for promotion by a supervisor allied with a political party different from his own could allege that it was an illegal political "reprisal." In the case of those outside government, subsection (c)(1), by specifically including the "deprivation of any compensation, grant, contract, license, or ruling" under the heading of reprisals would invite every disappointed contractor, grant applicant, radio station owner, exporter, or anyone else outside the government with a colorable claim of "political discrimination" to come into court. The opportunities for making such claims would presumably be boundless, since any number of the federal officials and employees with whom these private contractors or applicants dealt could be avowed activists in their chosen political parties. Further, it is unclear in either case whether the officials or employees would be sued in their individual capacity or in their official capacity, or both, and whether the government would stand ready to indemnify them for damages assessed against them, or carry the expense of their defense.

Not only could those who failed to receive the desired government benefit sue, but those who alleged that another contractor or applicant received the contract, grant, or license as a political benefit would wind up in court. Proving or refuting such claims not only would be difficult, but would so expose the politicized nature of the federal bureaucracy as to erode any confidence remaining in the general public. Subparagraph (d), which asserts that "[n]othing in this section shall be considered to apply with respect to any actions if, or to the extent that, such actions are taken in order to carry out the duties and responsibilities of one's position," would do nothing but compound the problem of proof of political intent in these lawsuits, since the language of that section does nothing more than outline the defense of counterclaim that each federal defendant would assert when sued.

§ 7324. Solicitation: Prohibition

Solicitation of political contributions or votes in the workplace or with government contractors would still be forbidden. However, § 7324 is curiously limited to prevent only solicitation by supervisors of their subordinates, and arguably would permit employees to solicit funds on the job from their supervisors, their peers, or employees of other offices or divisions within their agency. Coercion is not dependent on hierarchy, and it is entirely conceivable that an employee who is a candidate in a state election might "suggest" that his supervisor, who resides in the same area, contribute to his campaign in order to preserve other interests in his neighborhood. The prohibition against solicitation does not apply outside government rooms or buildings, so presumably solicitation for campaign funds could take place over lunch outside the building. As presently drafted, the prohibitions against solicitation of either votes or money would not apply at all to individuals in government service who do not receive their salary from Treasury funds. There are entities in the federal bureaucracy, such as the Board of Governors of the Federal Reserve System, whose employees are compensated from other sources. They presumably would be free to solicit political contributions or votes on the job.

The prohibition against solicitation likewise extends to government contractors, entities regulated by the agency in question, or others who have "interests which may be substantially affected by the performance or nonperformance of the employee's official duties." § 7324(b). However, the following provision would require the Special Counsel of the Merit Systems Protection Board to prescribe regulations that would exempt friends and family from the statute, on condition that the employee recuse himself from official activities which involve the donors. This could lead to situations which would have every appearance of impropriety. For example, an employee at NASA could accept a contribution from a "good friend" who happens to work for an aerospace contractor on the sole condition that he recuse himself from official activities involving that contractor. Given the extremely broad definition of "candidate" in § 7322(2)(b), the bare acceptance of the "contribution," without more, could mean that the NASA employee qualifies as a candidate. Nothing would prevent that employee from passing good words along to his colleagues about the contractor—the bill requires only that he recuse himself from official activities. For a Congress which only recently passed strict new rules under the Ethics in Government Act, and proposes to expand postemployment prohibitions for former government employees, to consider authorizing activity that is hard to distinguish from outright bribes and kickbacks is truly astonishing.

§ 7325. Political Activities on Duty, etc.; Prohibition

Section 7325 of the bill would prohibit political activities while employees are engaged in official duties, but it, too, is riddled with exceptions. The prohibition would apply only within federal buildings, so employees at lunch outside the building would be unrestricted. A far more disturbing exception appears in subsection (b)(1), which provides that "(a)n employee * * * may engage in political activity otherwise prohibited * * * if the costs associated with that political activity are not paid for by money derived from the Treasury of the United States." Applied literally, this would permit a member of the Board of Governors of the Federal Reserve System to conduct a Senate campaign from his Washington office, since the Treasury does not pay the bills for the Federal Reserve. Depending on how strictly associated costs are defined, one could conceive of candidates for political office holding rallies in auditoriums like the one in the Commerce Department. Because this bill would include associations of employees as well as individuals, this section leaves open the possibility that an agency-affiliated political action committee (PAC) would be free to hold a partisan meeting in the agency's auditorium if the PAC reimburses the Treasury for the use of the room.

Curiously, subsection (b)(2) of § 7325 provides that the prohibition against engaging in political activity during working hours would be extended to employees on government-related travel or working beyond normal hours, and would apply to employees of the Executive Office of the President and to senior officials in the Executive Branch who are subject to Senate confirmation, and to most policy-makers. This, in effect, would restrict the political activities of senior Administration officials even more than the present Hatch Act, since under existing rules, many of those officials may travel and accept speaking engagements that might be considered political in nature incidental to official travel in behalf of the Administration they serve. The opposition would be freer to engage in political activity than the party currently occupying the White House.

§ 7326. Candidates for Elective Office: Leave

Section 7326, which provides for leave for employees who wish to run for office, is unduly generous at taxpayer expense. Employees who wish to present themselves as candidates in partisan elections are entitled to leave without pay during their candidacy, and also may use accrued, paid annual leave for that purpose. This would permit an employee to retain certain benefits, such as job security, pension, and insurance benefits, which he enjoys as a member of the federal payroll. The only condition upon which grant of leave may be denied is "if the exigencies of the public business so require." § 7326(c). A denial could surely be challenged as a political reprisal under § 7323(c). Similarly, employees may not be required to take leave and may continue with their federal jobs "unless the activities relating to the candidacy interfere with the employee's performance of the duties of the position." § 7326(d). A finding by a supervisor that an employee's campaign is adversely affecting his work could trigger a political reprisal case just as surely.[12]

An employee who is granted leave without pay for an extended period, or who takes accrued annual leave, may not be replaced by another worker and has the right to return to his former employment. Under the bill, in theory, an entire workforce could choose to engage in a campaign, leaving the business of the agency or department unattended. The prohibitions in § 7323 would make it very difficult for supervisors to deny requests for leave, and the absent workers could not be replaced. No distinction is made between essential and nonessential personnel. A large contingent of the local park rangers could take leave in order to work on a campaign and neglect the operation of a national park. A politically active local U.S. Attorney's office could cease to prosecute criminals for the duration of an election. Any attempt to grant leave to one employee but deny it to another would invite a political reprisal suit. Even more problems could result from candidates refusing to take leave during a campaign. Having an FBI special agent or the director of the local IRS audit office as the campaign manager for one party's candidate might cause genuine concern to that candidate's opponents and to the general public.

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[12] One could argue that the supervisor would even be forbidden, by the terms of the Act, from even discussing the matter with the employee. Section 7323(a) forbids not only "intimidating, threatening, coercing, and commanding" but also "influencing." If a supervisor were to suggest to an employee that his campaign was taking too much time away from the job, the employee could assert that the supervisor was "attempting to influence" him not to engage in a form of political activity. Even if the supervisor discovers that the employee is engaging in political activity which is proscribed under the bill—for example, using an office photocopy machine to copy campaign literature—any attempt to bring that infraction to the attention of the employee might be viewed as a violation.

Moreover, an agency would have no ability to restrict the political activities of even the most sensitive of its employees. For example, the Department of Justice has adopted an agency policy requiring all employees, even presidential appointees, to observe all of the requirements of the Hatch Act. Under H.R. 3400, the Department would have no means to prevent, for example, the head of the Criminal Division or a Deputy Solicitor General from running for the Senate or serving as a party national committeeman, or as a national party officer. Other agencies, such as the Central Intelligence Agency and the Departments of State and the Treasury, would surely have similar concerns.

Application of H.R. 3400 to Senior Presidential Appointees: Constitutional Issues

Those provisions of the bill which would limit the ability of senior political appointees and presidential aides to engage in political activity pose grave constitutional problems. H.R. 3400 virtually erases the important distinction between political appointees and other federal employees that has long been recognized in the Hatch Act. Under current law, senior presidential appointees and presidential aides are excepted from the Act's prohibition against taking an active part in political management or political campaigns.[13] New § 7323(a) would extend to all employees, including these officials,[14] a prohibition on using their official authority or influence to affect the result of an election. § 7323(b) would prohibit them from using official information for any "political purpose," unless the information is available to the public. While these limitations are at least arguably narrowed by subsequent provisions of this section,[15] they nonetheless appear to place substantial new limitations and intolerable legal limits on the permissible political activity of presidential appointees.

Of perhaps even greater concern, § 7325 would place a sweeping restriction on the ability of senior presidential aides to engage in "political activity" while "on duty." The term "political activity" is nowhere defined in the bill.[16] This provision purports to apply equally to all employees, but since senior political appointees are "on duty" twenty-four hours a day, the restriction would have a far greater impact on them than it would have on employees whose duty hours are limited.[17] Here, too, the bill's restrictions on senior presidential aides are unprecedented.

The bill's attempt to restrict the President's ability to rely upon his aides and appointees to implement his political program raises the gravest questions under Article II of the Constitution. Depending upon how the vague term "political activity" is defined, the bill would to a greater or lesser extent impede such aides and appointees in their ability to carry out the decisions for which the President, as the politically accountable head of the executive branch, is alone responsible.

These restrictions may interfere with the ability of executive branch officials to communicate with the people on behalf of the President. Article II of the Constitution necessarily restricts Congress from interfering with the President's ability to explain the decisions which are entrusted to him by the Constitution, even if these explanations involve an activity commonly understood to be "political."[18] Accordingly, Congress may not constitutionally restrict the President's ability to communicate with the people he represents[19] through those he has chosen to assist him in this regard.[20]

Moreover, the several purposes underlying the Hatch Act, which have sustained this statute against First Amendment attacks, simply do not apply to close presidential aides and high level political appointees. See, *e.g., Letter Carriers, supra,* 413 U.S. at 565–66 (Congress was justified in concluding that "substantial barriers should be raised against the party in power—or the party out of power, for that matter—using the thousands or hundreds of thousands of federal employees, paid for at public expense, to man its political structure and political campaigns"); *United Public Workers of America* v. *Mitchell,* 330 U.S. 75, 98 (1947) ("Congress recognizes danger to the service in that political rather than official effort may earn advancement and to the public in that governmental favor may be channeled through political connections"). Accordingly, we believe that a serious First Amendment question would be raised by application of the restrictions proposed in H.R. 3400 to such appointees.

Finally, in addition to our constitutional objections, we believe that the bill's virtual eradication of the longstanding distinction between career civil servants and political appointees is seriously in error as a matter of policy. Since the first major steps in the civil service reform movement during the mid-nineteeth century, we have developed a stable system of bifurcated responsibility for the administration of the laws. On the one hand, we have the President, the Vice President, and a handful of federal employees, serving solely at the pleasure of the President, who are chosen to help him carry out his constitutional responsibilities and policy goals. On the other hand, we have a large, more or less permanent, corps of civil servants whose duty it is to offer impartial and professional service to whatever administration is in power at a given time. While there always has been, and always will be, some friction between policy-oriented political appointees and the standing bureaucracy, this bifurcated or composite system has worked remarkably well for a very long time. The distinction between policy decisions and professional judgment is well understood both within the government and by the public at large, as well as by the individuals who accept political as opposed to career positions.

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[13] See 5 U.S.C. § 7324(a). Under this section, an executive branch employee may not "use his official authority or influence for the purpose of interfering with or affecting the result of an election," and may not "take an active part in political management or in political campaigns." Excepted from this ban on participation in partisan political activity are employees paid from the appropriation for the Office of the President, the head or assistant heads of executive and military departments, and presidential appointees who "determine[] policies to be pursued by the United States in its relations with foreign powers or in the nationwide administration of Federal laws." 5 U.S.C. § 7324(d) (1)–(3). The President, however, enjoys broad discretion to prohibit activities of these employees which he deems improper. See 5 U.S.C. § 7322. We believe that such discretion, at least in the absence of an extremely detailed statutory code of conduct, is both necessary and appropriate, for all use of governmental influence is "political" in some sense.

[14] See discussion of § 7322, pages 5–6 supra. The term "employee" is defined to include "any individual, other than the President and the Vice President, employed or holding office in" an executive agency, but not members of the uniformed services. That the term "employee" is intended to include presidential aides and high level political appointees is made clear in proposed § 7325, which qualifies that section's general prohibition on engaging in political activity while on duty for presidential aides and high level political officials.

[15] Section 7323(c) defines "use of official authority or influence" to "include" the promise to confer a benefit or the taking of any personnel action, by inference indicating that it means more than this. On the other hand, § 7323(d) provides that the sanction shall not apply to actions taken "in order to carry out the duties and responsibilities of one's position," which, if construed with the requirements of Article II in mind, could swallow up the prohibition entirely.

[16] Under current law, employees are barred from "tak(ing) an active part in political management or in political campaigns." See 5 U.S.C. § 7324(a)(2). We construe this formulation as limiting prohibited activities to those directly related to partisan election campaigns, or the organizations whose business it is to secure the election of their party's candidates. By contrast, the term "political activity" is susceptible to a much broader interpretation, and could be extended well beyond the campaign context to include any matter that is, at the moment, deemed to have some "political" ramifications.

[17] We take little comfort from the fact that this prohibition does not apply in the case of high level appointees and presidential aides if "the costs associated with that activity are not paid for by money derived from the Treasury of the United States." See § 7325(b)(1). This qualification is of very uncertain value given that appointees salaries are paid by the Treasury, and given that a wide variety of official activity of these appointees might be regarded as "political." There is, for example, no suggestion in the statute that this term was intended to include only the kinds of partisan campaign activities for which appropriated funds may be unavailable under existing law.

[18] Under Article II, the President is constitutionally required to "take care that the laws be faithfully executed." U.S. Const. Art. II, § 3. It would be impossible for the President to perform this task if he could not communicate with those whose actions are governed by the laws. Moreover, the President is required by Article II to "give the Congress information on the State of the Union, and recommend to their Consideration such measures as he shall judge necessary and expedient." U.S. Const. Art. II, § 3. The President obviously could not give effect to recommendations unless he and his senior aides could explain them to the people.

[19] Supreme Court precedent establishes that Congress may not interfere with the President's ability to carry out his constitutional responsibility to execute the laws. See, e.g., *Hart* v. *United States,* 118 U.S. 62 (1886); *United States* v. *Klein,* 79 U.S. (13 Wall.) 128 (1872), holding unconstitutional congressional attempts to interfere with the President's pardon power. Even when Congress acts pursuant to its appropriations power, its authority is not absolute. Congress may not, for example, use its appropriations power to establish a religion, *Flast* v. *Cohen,* 392 U.S. 83, 104–105 (1968), or to diminish the compensation of federal judges. *United States* v. *Will,* 449 U.S. 200 (1980). By the same token, Congress' appropriations authority may not be used to intrude upon the President's Article II powers.

[20] The President, of course, "is a representative of the people, just as the members of the Senate and of the House are." *Myers* v. *United States,* 272 U.S. 52, 123 (1927). Indeed, "on some subjects . . . the President, elected by all the people, is rather more representative of them all than are the members of either body of the Legislature, whose constituencies are local and not country wide." *Id.* Because of his unique position as the only elected official with a truly " 'national' perspective," *INS* v. *Chadha,* 462 U.S. 919, 948 (1983), it is necessary to the independent power of the executive branch that the President be able to engage in a dialogue with the citizens of the United States. As a practical matter, however, the President would be unable to fulfill many of his constitutional duties if he were required to act personally in each and every case. Accordingly, in order to effectuate his constitutionally protected ability to communicate with his constituency, he must be permitted freely to employ the services of his senior appointees and aides.

CONCLUSION

In sum, this bill could lead to the unprecedented politicalization of the federal workforce. In addition to the specific concerns outlined above, the overall effect on the general public's confidence in the fair and impartial administration of the laws should not be overlooked. If it appears that a candidate of Party A has misappropriated funds, it will not inspire confidence to learn that the local U.S. attorney's office charged with investigating the allegation is headed by that candidate's campaign manager. If a federal agency's employees' PAC endorses a presidential candidate, and he loses the election, the public will wonder how faithfully that department will carry out the new President's programs. If an agency manager goes on record supporting a candidate who proves successful at the polls, and subsequently that agency manager receives a big promotion, it will make the public cynical. The head of the Federal Election Commission could be the National Chairman of one political party or the other. The list could go on and on. As the foregoing examination of its specific provisions demonstrates, the proposed safeguards against abuse will be inadequate and largely unenforceable. H.R. 3400 is an invitation to political corruption on an unprecedented scale. Although this is but a cursory analysis of the impact this bill could have on the federal civil service, the number and magnitude of the problems it reveals warrant serious consideration.

This discussion has exposed only the most obvious implications of H.R. 3400. If enacted, the bill could permit employees to run for office in partisan campaigns from the security of their federal jobs. It could open the door wide to the unprecedented politicalization of the federal workforce, and invite torrents of "political reprisal" litigation by employees, government contractors, and grant applicants. Two principles central to the operation of the executive branch—the nonpartisan administration and enforcement of federal laws, and the advancement in federal service based solely on merit—would be extinguished. Safeguards against real abuse would be virtually unenforceable. The public's confidence in the impartial administration of federal laws and programs would surely fall.

Finally, the bill's extension of restrictions on the activity of senior political appointees and presidential aides raises grave constitutional concerns.

Mrs. SCHROEDER. Mr. Speaker, I yield myself 30 seconds.

I only want to respond to the gentleman from Texas' question earlier on that the full committee chairman, Mr. Ford of Michigan, was trying to respond to and was not yielded to.

If that type of situation occurred, that would be a criminal violation and immediately you would get ahold of the U.S. attorney and put the guy in jail. That is a criminal act and that has nothing to do with this, per se. It is also illegal under this, but that would be the civil part of it. So those things are illegal and they are clearly labeled such in the bill. That is why we have such strong support of it and I am sorry that the gentleman did not so understand it.

The SPEAKER pro tempore (Mr. Murtha). The gentleman from Virginia [Mr. Wolf] has 6 minutes remaining.

Mr. WOLF. Mr. Speaker, how much time do the other parties have remaining?

The SPEAKER pro tempore. The gentleman from Missouri [Mr. Taylor] has 5 minutes remaining, and the gentlewoman from Colorado [Mrs. Schroeder] has 7 minutes remaining.

Mrs. SCHROEDER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. Gilman].

Mr. GILMAN. Mr. Speaker, I rise in strong support of H.R. 3400 and commend our distinguished chairman of the Committee on Post Office and Civil Service, the gentleman from Michigan [Mr. Ford], and our ranking committee Democrat, the gentleman from Missouri [Mr. Clay], and the distinguished subcommittee chairwoman, the gentlewoman from Colorado [Mrs. Schroeder], and the ranking minority member, the gentleman from Missouri [Mr. Taylor], the gentleman from New York [Mr. Horton], and the gentleman from California [Mr. Pashayan] for their outstanding job in accomplishing this unprecedented, unanimous endorsement of the bill. The passage of this legislation will finally grant Postal and Federal employees the political civil rights they so much deserve.

H.R. 3400 makes it clear to these workers that they may engage in any legal political activity off the job but not while on duty. The measure also enables employees to seek elective office and increases protection for employees who have no desire to become politically active.

Although H.R. 3400 does restrict Postal/Federal employees from wearing political buttons while on the clock or on Government property, other than these restrictions, Postal and Federal employees could engage in any legal political activity off the job. Employees may run for office without taking leave, as long as the campaigning does not interfere with the performance of their duties. And an employee who requests leave without pay for the purpose of running for office can only be denied such leave by management based on the exigencies of the public business.

Mr. Speaker, H.R. 3400 rectifies years of ambiguities, inaccuracies, and misunderstandings. With the passage of this bill Federal workers will finally know just what they can or cannot do with regard to political activity.

H.R. 3400 is a long overdue, most welcome development. Accordingly, I strongly urge my colleagues to support this bill.

Mr. WOLF. Mr. Speaker, I yield 1½ minutes to the gentleman from Kansas [Mr. Roberts].

Mr. ROBERTS. Mr. Speaker, I rise in opposition to the procedure that we are using today. Once again we are in the business of limiting debate and prohibiting amendments to one of the most important bills in our Nation's history, the Hatch Act.

Now in every Congress for 50 years there have been efforts to revise and repeal this act and none have become law.

Why has this act finally withstood so-called reform—and I hasten to add I always worry about what lurks under the banner of reform—and a constitutional challenge for five decades? It is not because we want to deny Federal employees the basic right to take part in the political process. That is not it. We want to safeguard their interests. Politics is not beanbag. We went through this in the thirties and forties. It is not a pristine environment now. One person's right to participate is another person's not-so-friendly twist of the arm. It is because after an election or two we are going to be right back here and we will be considering the amendments offered by Mr. Wolf, who is the best friend the Federal employee has ever had. It could be that we should de-Hatch, I do not know. I doubt it. But maybe that is the case. But in doing so we at least owe it to the Federal work force appropriate debate and the opportunity for amendments to protect their interests. To suspend the rules and pass such an important bill, my colleagues, is a grave mistake.

Mrs. SCHROEDER. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. Wolpe].

Mr. WOLPE. Mr. Speaker, I rise in very strong support of H.R. 3400, the de-Hatch Act reform.

Mr. Speaker, I rise in strong support of the Federal Employees' Political Activities Act, legislation for which a more apt title might be the civil servants' bill of rights. Federal employees have labored for close to 50 years under the unnecessarily broad restrictions of the Hatch Act, and from where I sit, that's 50 years too long.

In 1939, Congress passed the Hatch Act as a means of protecting Federal employees from the coercion, manipulation, and political bullying of their superiors; it was a noble and well-intentioned effort to bring machine politics to an end.

But over the years, key elements of the Hatch Act have been rendered unnecessary by the professionalization of the Federal work force. Today, a firmly established merit system protects Federal employees from political abuse by their bosses, and a sophisticated network of professional organizations now protects Federal employees from the abusive actions of their managers. What this means is that there is simply no longer any justification for denying Federal employees the rights of political expression and participation enjoyed by all other American citizens.

For today's Federal employees, being "Hatched" means being prohibited from actively supporting the political candidates of their choice on their own time. It means they can't circulate nominating petitions, distribute campaign material, or participate in partisan political activity during their off hours. In short, to be "Hatched" is to be disenfranchised from our political system.

Over 10 years ago, as a member of the Michigan State Legislature, I authored the legislation that repealed the State counterpart to the Hatch Act, thus availing State employees of their constitutional right to take part in the election process. I believed then, and believe even more firmly today, that government service should not prohibit the exercise of one's constitutional right to political expression.

Under the provisions of H.R. 3400, such a prohibition is not necessary. This act retains its predecessor's most worthwhile stipulations: Federal employees are specifically prohibited from engaging in political activities on the job, and Federal officials are forbidden to use their authority to coerce their subordinates for political ends.

Perhaps the most obvious indication of this legislation's strength is the overwhelming bipartisan support it has garnered here in the House. H.R. 3400 has the endorsement of every member of the Post Office and Civil Service Committee, Democrat and Republican alike. Moreover, it is supported by every major civil service organization in the country.

Mr. Speaker, I urge my colleagues to support this important and long-overdue legislation.

Mr. TAYLOR. Mr. Speaker, I ask unanimous consent that all three sides have an additional 5 minutes.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. TAYLOR. Mr. Speaker, I yield 1 minute to the gentleman from South Carolina [Mr. Ravenel].

Mr. RAVENEL. Mr. Speaker, all of us are aware of the reasons for which the Hatch Act was passed in 1939. But much time has passed and conditions have changed. What was mete and right then is wrong now, and the Hatch Act today makes nothing more than second-class political citizens out of millions of Americans.

I will therefore enthusiastically vote for H.R. 3400.

Mr. TAYLOR. Mr. Speaker, I yield 5 minutes to the gentlewoman from Maryland [Mrs. Morella].

Mrs. MORELLA. Mr. Speaker, I rise in support of H.R 3400 and I commend the chairman of the Post Office and Civil Service Committee, Mr. Ford of Michigan; the ranking minority member, Mr. Taylor; Mr. Clay, and Mrs. Schroeder for this bipartisan compromise legislation.

Now, a Cabinet Secretary can host a fundraiser for a candidate but the clerical secretary in that agency cannot address envelopes on his/her own time for a candidate.

At this point I include the following editorial in the Record:

[From the Washington Post, Oct. 20, 1987]

Un-Hatch Federal Workers

(By Constance A. Morella)

According to the law, a federal or postal employee may wear, on the job, a campaign button for his or her favorite presidential candidate.

But it is against the law for that same federal employee, or any other federal employee, to host a meet-the-candidate coffee at home after hours.

A federal employee may attend political rallies or meetings as a spectator, but may not participate in the rallies by carrying banners or placards.

A federal employee's family car may sport a political advertisement no larger than 15 inches by 30 inches, but a political advertisement posted on a federal worker's lawn may be no larger than 14 by 22 inches.

A federal employee may write a letter to the editor expressing an opinion on a partisan issue. But a federal employee may not seek to have copies of such a letter distributed to five or more newspapers, nor may that employee write five or more consecutive such letters to one newspaper.

The set of rules governing federal employee participation in politics is complicated, inconsistent and unduly restrictive of federal employees in their free time. Known as the Hatch Act, the law is so confusing that many federal employees find it difficult to exercise their political rights even to the extent permissible. They are confused as to what the limits are, so they play it safe by staying entirely, or almost entirely, uninvolved.

These Hatch Act restrictions, which are based on a conglomeration of more than 3,000 separate regulatory rulings issued before 1940, deprive 3 million American citizens who work for the federal government of the political voice that is their right.

In doing so, the Hatch Act deprives the rest of us of the political input of many members of our community. Federal and postal employees include some of the most knowledgeable and articulate citizens we have.

It has been a loss to the country that scientists from the National Institutes of Health, inspectors from the Department of Agriculture, and statisticians from the Census Bureau have not been permitted to participate in politics over the 48 years since the Hatch Act was passed. The loss to them and to their communities is particularly strongly felt in the Washington area, the home of some 350,000 federal employees. In Maryland's Eighth Congressional District, which I represent, there are some 60,000 federal employees, about 20 percent of registered voters, who are restricted by the Hatch Act.

The House will soon be voting on legislation to correct the Hatch Act. The Hatch Act reform bill, H.R. 3400, is a carefully crafted bipartisan compromise. It recently passed the Post Office and Civil Service Committee by a vote of 22 to 0. The more than 280 cosponsors of the bill include all eight members of Congress from Maryland.

This legislation would ban absolutely all politicking in the federal workplace, including the wearing of political campaign buttons. But it would allow federal employees on their own time to engage in the full range of political activities open to other citizens.

By taking this black-and-white approach—no partisan political activities on the job, any otherwise legal activities off the job—the Hatch Act reform bill would clear up the ambiguity and vagueness surrounding partisan political involvement by federal employees.

In broadening the range of activity permitted U.S. government workers in their free time, the new bill would allow them to become active on behalf of political causes they believe in, or even to run for office themselves.

Some say that one side effect of this increased participation would be to engender new respect for the federal employee, particularly among those politicians who previously have found it all too easy to engage in federal employee "bashing."

That will be true to some extent. But I do not believe that the proposed legislation will have a revolutionary effect even on the partisan politics of the Washington area, with its many thousands of federal workers. Those who get really excited about politics, who want to get involved in stuffing envelopes, working on phone banks, knocking on doors, are a small minority of the population even in an area as politically focused as this one.

In fact, it has been argued that many federal employees like the present restrictions because the rules provide a convenient excuse for avoiding political involvement. If that is true of some federal employees, then it is particularly important to note that the reformed Hatch Act would even more effectively protect these workers' right to remain uninvolved.

It would do so through the ban on all on-the-job political activities, including those that were previously legal. It would do so through a prohibition on contributions to the campaign of a supervisor.

The new legislation would also toughen penalties for misuse of official authority or information and prohibit employees from soliciting, accepting or receiving a contribution from a person who has or is seeking a contract with the employee's agency, is regulated by the agency or has interests that may be affected by the performance of the employee's duties. Penalties for violation of these rules include fines, suspension, demotion, removal from specific job and disqualification from any federal employment for a period not to exceed five years.

These administrative penalties for actions that could be construed as involving political coercion are backed up by criminal penalties for acts of coercion themselves.

Working with the Congressional Research Service, I have determined that public employees of some 4 states, including Maryland and Virginia are already allowed leisure-time political freedom comparable to that permitted by the Hatch Act reform bill.

I contacted the Virginia Department of Personnel and Training and the Division of Employer-Employee Relations of the Maryland Department of Personnel, both of which have been enforcing these regulations for years. Neither could remember a single complaint of political coercion involving government employees.

Our Constitution begins, "We the people . . .," not "We the people except those in federal service." The balance contained in the Hatch Act reform bill is right and is long overdue.

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Because I represent Maryland, I contacted the Maryland Department of Personnel which enforces the regulation. There have been no complaints registered about political coercion involving Government employees. Because my sister State is Virginia, I contacted the Virginia Department of Personnel and Training and found also no complaints had been lodged.

I also want to point out that in 1966 an independent commission was established to look into the Hatch Act. It came out with recommendations that the Hatch Act be revised. Those recommendations were not followed, but a bipartisan commission was established then, and even then it pointed out the need for change.

Recently, I spoke to new citizens of the United States. Ninety-nine of them took the pledge to the United States and said they would not hold any allegiance to their previous country. They were told by the judge, "Welcome to the great United States. Register to vote and get involved. Let your voice be heard in politics."

All I could think of is that we, the people of the United States, are celebrating this great year of the 200th anniversary of the Constitution, but it sounds like, unless we pass this bill, it is "We, the people of the United States, except Federal employees."

Mr. Speaker, I urge the House to pass H.R. 3400.

Mr. WOLF. Mr. Speaker, I yield 2 minutes to the gentleman from Alabama [Mr. DICKINSON].

Mr. DICKINSON. Mr. Speaker, on two counts I oppose this pending legislation. One is the fact that we cannot amend it, and I think anything this important should be subject to being hammered out on the anvil of experience and fashioned according to the majority of the people, and we should not have to consider it on a take-it-or-leave-it basis.

Second, let me say that we are probably doing a disservice to our Federal employees. I am not sure that all of them want this bill to be passed as it is. I can recall several years ago in my State an instance where the head of the Agriculture, Soil and Conservation Service had a bunch of posters in support of a candidate, and he traveled all throughout the State; he went to each one of his offices, off-loaded posters and handbills in each place, with the suggestion that this was the best candidate. He was subsequently found out. This is the type of thing that the Hatch Act is intended to correct, to see that it does not happen.

I can just see any number of abuses, whether it be subtle coercion or whether it be just flagrant coercion. When the boss says, "This is the guy we like, so get out and get him elected," they will do it. I just think that tampering with the law as it is presently written is the wrong thing to do. I think it is beneficial, I think it is in the best interest of both Federal employees and the public in general, and for a change I find myself on the same side with Common Cause. We both feel that this is not the right piece of legislation to be passed at this time, and I urge my colleagues to vote against it.

Mr. Speaker, today, I rise in opposition to H.R. 3400, the Federal Employees Political Activities Act of 1987, or the Hatch Act Reform bill. Not only do I oppose this particular piece of legislation, but I oppose its consideration under the suspension of rules. A controversial bill of this nature should be debated under normal House procedures that would allow for amendments.

In 1939, the Hatch Act was enacted into law to protect Federal employees from political coercion, by prohibiting their participation in partisan political activities.

With partisan politics off limits to Federal workers, the merit system remains intact, and the integrity and independence of our Federal bureaucracy goes unscathed.

With the protection of the Hatch Act lifted, political corruption would begin with subtle political pressures in the form of volunteer work or campaign contributions. These subtle abuses would quickly lead to major political corruption, where the entire Federal work force would become a huge political machine motivated by the party in power.

Beyond the abuses of the Federal workers themselves, with the Hatch Act reformed, the potential for "conflict of interest" between Federal employees and citizens is staggering.

Each time a Federal inspector goes out on the job, the opportunity for political extortion or blackmail becomes unlimited.

What happens when an official of the Federal Election Commission runs for Congress? Are his campaign contributions and expenditures going to be monitored like all other candidates?

In the almost—50 years that the Hatch Act has been in place, its legality has only been questioned twice by the U.S. Supreme Court. In both cases, the High Court upheld the constitutionality of the law, ruling that, "This law maintains proper discipline in the public service" and, "that it is in the best interest of this country that Federal Service should depend on meritorious performance, rather than political service."

This measure is opposed by Common Cause and the Public Service Research Council, two well-known watchdogs of Congress, and is adamantly opposed by the administration.

Mr. Speaker, let's maintain the integrity of the nonpartisan civil service, and keep it nonpartisan.

Oppose this bill.

Mrs. SCHROEDER. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota [Mr. VENTO].

Mr. VENTO. Mr. Speaker, I rise in support of the legislation before us, and I congratulate the sponsors of the bill.

Mr. Speaker, I rise in strong support of H.R. 3400, the Federal Employees Political Activities Act of 1987.

This bill has the bipartisan support of every member of the Committee on Post Office and Civil Service as well as the cosponsorship of 292 House Members. I commend my colleague, WILLIAM CLAY, chairman of the Post Office and Civil Service Committee, whose tenacious efforts on this coalition and on behalf of Hatch Act reform over the years have resulted in the consideration of this bill on the House floor today.

Mr. Speaker, today we have a historic opportunity to expand the democratic political rights of millions of Americans. For 48 years, millions of Federal civilian and postal employees have been unable to participate fully in the political process because of prohibitions on their activities contained in the Hatch Act. We are the less for this prohibition. We need the expertise and know-how of all Americans in the political process. By voting for Hatch Act reform, we can stop the unfair silencing of Federal workers and restore full political rights denied these workers for nearly half a century. This law has made millions of national workers second-class citizens unfairly excluding them from the role of participation in self-government that is promised in our Constitution and Bill of Rights.

The Hatch Act, a complex codification of over 3,000 administrative rulings, many contradictory, which were originally intended to protect Federal employees from being coerced into partisan campaign work have had a much different effect today. While it is widely recognized that Federal employees do need protection from coercion, the Hatch Act restrictions currently in place have had, and continue to have, chilling side effects. Due to the extremely complex nature of the statutes, many Federal employees are not sure of what constitutes permissible political activity. Rather than risk the penalties which could result from violating the law, many employees refrain from engaging in any political activity at all. In addition, the law has been used to harass and silence union leaders, not because of any coercive activity they engaged in but because of political views they held which were unpopular with the acting administration.

Many political activities which we associate with first amendment rights of free speech and association are barred under the Hatch Act. Federal employees are barred from speaking at local party meetings or caucuses, from endorsing partisan candidates, or from becoming delegates to political conventions. Under H.R. 3400, Federal employees would be able to engage in these and a full range of other political activities on their own time, off the job.

Mr. Speaker, I would not support this bill if it did not retain the safeguards and protections against coercion which are necessary to keep a nonpoliticized Federal work force. By prohibiting all on-duty political activities, and by stiffening penalties for the misuse of authority, this bill actually strengthens the protections against coercion of the original act. Among other provisions, this bill prohibits the making or soliciting of political contributions in Government buildings, and the solicitation of contributions by supervisory officials.

Mr. Speaker, this bill represents a delicate balance between the need for protection against coercion and the need to restore political rights to Federal employees denied to them since the passage of the Hatch Act 48 years ago. I urge my colleagues to vote for the passage of this historic bill.

Mrs. SCHROEDER. Mr. Speaker, I yield 5 minutes to the very distinguished chairman of the Committee on Post Office and Civil Service, the gentleman from Michigan [Mr. FORD].

Mr. FORD of Michigan. Mr. Speaker, I want to tell the Members how pleased I am to hear all of these compliments on this fine piece of legislation. I wish I could claim credit for the product we have before us. It has been my privilege to stand with the gentleman from Missouri [Mr. CLAY] on this issue for a good many years in the committee. But actually the work that was done to put together the compromise that is brought to us in that spirit today was done so well that it could be supported unanimously by the Members of both parties on the committee. This all took place, and then they came in and said to me, "Mr. Chairman, we have done all the work, and don't get in the way." I have tried the best I can not to get in the way and not to make anybody mad while I am down here and mess it up.

I think the job that the gentlewoman from Colorado [Mrs. SCHROEDER], the gentleman from Missouri [Mr. CLAY], my friend, the gentleman from Missouri [Mr. TAYLOR], and the gentleman from New York [Mr. HORTON] have done is to be commended, not only in being able to put together a bill that does the right thing but a bill that is so simple that Members, I noticed, who have been trying to find a way to talk about it or talk against it have had to construe the most extraordinary kind of things.

One young Member came in the well and said, "What if I am called by somebody and told that I am going to have an audit next week by an agency of the Federal Government and he says, 'Before I come in next week, I would like to tell you I want 250 bucks for my campaign for Congress' "?

He said, "What will I do?"

I wanted to have an opportunity to advise the young gentleman, and I asked him if he would yield. So I said, "The answer to that is very simple. You call your friendly FBI office as quickly as possible and say, 'Somebody just tried to extort money from me.' Forget about the Hatch Act. That is extortion."

It is extortion, I am sure, in the gentleman's State, as it is in mine, and it is clearly extortion if a Federal or State employee with any power over you seeks to get money.

Mr. BARTON of Texas. Mr. Speaker, will the gentleman yield?

Mr. FORD of Michigan. I am happy to yield to the gentleman from Texas.

Mr. BARTON of Texas. Mr. Speaker, I thank the gentleman for yielding.

I do not want to take much time from the gentleman, but after the debate I would be happy to discuss that with him because I do not see how that would be a violation under this new act.

Mr. FORD of Michigan. Mr. Speaker, the gentleman is much more forgiving of a professional extortionist than I am. I am a former prosecutor and judge, and in my day we put scoundrels and jaybirds like that in jail.

Mr. BARTON of Texas. But, Mr. Speaker, let me ask the chairman, is it not correct that under the bill that is currently before us, if enacted, the Internal Revenue Service agents could run for Congress and solicit political contributions?

Mr. FORD of Michigan. Yes, they could, but the minute tney mentioned their job or anything connected with their job, they are guilty of committing not just an offense that gets a spank on the hand, but under this bill it is a criminal offense.

Mr. BARTON of Texas. But is it my understanding that so long as they constrain those activities to off-the-job premises and time off, they could do anything they want.

Mr. FORD of Michigan. Off the job means off the job. You do not walk around wearing your mailman's uniform and say, "I guess you don't know I am a mailman and that I won't deliver your mail on time if you don't support my candidate." He goes to the clink.

Mr. BARTON of Texas. In my example I indicated that a phone call was made.

Mr. FORD of Michigan. Mr. Speaker, let me reassure the gentleman that the ghosts and goblins are like in the cartoon strip, they are in the closet. Put them back in the closet and have a glass of milk. Just go to bed, and they will not wake you up and bother you because they are only ghosts and goblins. They are not real fears.

Mr. BARTON of Texas. Mr. Speaker, I thank the gentleman.

Mr. FORD of Michigan. Mr. Speaker, I rise to support H.R. 3400, long overdue legislation that would restore to Federal and postal employees their right to participate in the Nation's political process.

For far too long Federal employees have suffered under the yoke of the Hatch Act, which was written for a different time and for far, far different circumstances. No longer should those who serve their Federal Government be denied basic rights enjoyed by other Americans.

As lawmakers it is our duty to ensure that Federal laws fit the times. Clearly we have an obligation to Federal employees in this regard.

It is important to understand here that H.R. 3400 is a bipartisan compromise and is the product of extensive negotiations between Democrats and Republicans. It is supported by every single member of the Committee on Post Office and Civil Service, which I have the honor of chairing. It is, as well, supported by every major Federal employee organization, including organizations of managers.

At the outset, let me tell you that this legislation continues to forbid partisan political activity while on duty. It will not, as critics have suggested, turn the Federal work place into a political arena. Quite the contrary. The language is crystal clear. Federal employees may not engage in any political activity at work.

Federal employees will, however, be restored to full citizenship away from a job. In short the bill simply says full citizenship off the job and no political activity on the job. This, I might point out, is a system that works well for many States and many foreign governments.

The bill contains strong, clear prohibitions for misuse of official influence. It provides that employees can be fined, fired, or suspended for misusing their authority as Federal employees to coerce others for political ends.

I think it would be beneficial for all of us to recall the words of President Reagan when he spoke to commemorate the bicentennial of the U.S. Constitution last September on the steps of this very Capitol: "Active and informed citizens are vital to the effective functioning of our constitutional system," he said.

> All of us have an obligation to study the Constitution and participate actively in the system of self-government that it establishes. This is an obligation that we owe not only to ourselves, but to our children and their children.

What the President seemed to be saying is that it is vital in a democracy to have citizen participation. And that should include all citizens, not all citizens except those who work for the Federal Establishment. American democracy does not force any group to participate, neither should it exclude any particular group.

Since it was passed in 1939, the cost of the Hatch Act to our democracy has been great. For nearly five decades we have denied ourselves the benefit of some of our best informed citizens in the governmental process. And we have paid dearly.

We must remember that the Hatch Act was passed during a period of rapid expansion of the Federal Government, especially during that long and painful decade of the Great Depression when we learned the importance of the Federal Government's role in shortening the peaks and filling in the valleys of business cycles.

During this period there was deep and justifiable fear that Federal workers could be manipulated by those to whom they felt they owed their jobs. In a very real sense the Hatch Act was created to protect Federal workers from the political system and to protect the system from Federal workers.

There are striking differences today from the time the Hatch Act was enacted into law. For one thing, we have a firmly established merit system that protects both the employees and the public from political abuse as a result of employment.

And on top of this we have a sophisticated system of organizations today that protect employees and their rights. There were far fewer organizations, and with much less influence, when the Hatch Act became law.

At that time less than 32 percent of the Federal work force was under the merit system, compared to 78.6 percent today.

It is patently obvious that the differences today are enormous. And clearly the law that may have been necessary nearly 50 years ago is no longer appropriate today. To understand this we need only examine how different the civil service is today from that time nearly half a century ago.

The arguments presented in this Chamber then for passage of the act simply are not valid today.

To believe otherwise we would have to believe that the spoils system, under which the winner won the right to name most of the work force, still exists. The fact is that when the guard changes at the White House today, the incoming President has precious little opportunity to place his supporters and cronies in Federal jobs.

The Hatch Act as it exists today in truth protects almost no one while working a terrible burden on those it was designed to protect by excluding them from the political process.

H.R. 3400 has as its primary premise the belief that Federal employees should be free to engage in any political activity on their own time but should not engage in any political activity on the job.

It would give Federal employees the right to manage campaigns, solicit contributions, work on phone banks, or even run for office while off the job and away from the work place.

This is something that should have been done years ago. It is something that cannot be put off any longer.

Mrs. SLAUGHTER of New York. Mr. Speaker, today I rise in support of H.R. 3400, the Federal Employees' Political Activities Act of 1987. Mr. Speaker, we know that participation in the political process forms the bedrock of our democracy. It is self-evident that our pluralistic society is strengthened by the direct involvement of its diverse elements in formulating the policies that move us ahead as a nation.

But, Mr. Speaker, Federal and postal workers are inhibited in their efforts to engage in political activities that the rest of us take for granted. They are hindered in the exercise of fundamental rights which we enjoy and for which Americans have died all over the world to protect and preserve.

These prohibitions were enacted in 1939 in what is known as the Hatch Act. At that time, Government was rapidly expanding. The act was passed in large part because many were concerned that a sitting President would have an army of campaign workers in the civil service, or that Federal employees could use the power of their positions to force others to support the incumbent.

These concerns remain important today and H.R. 3400 continues to protect the integrity of the civil service and the political process in these areas. However, the overly restrictive provisions of the Hatch Act are no longer necessary or desirable. Today, the Federal work force is almost entirely covered by the merit system. Both employees and the public are adequately protected from political influence and abuse. It remains, then, to reform the Hatch Act to maintain its protections while making the act more responsive to present day conditions.

Mr. Speaker, the Federal Employees' Political Activities Act of 1987 does just that, and I am proud to support its passage today. This legislation is based on the principle that Federal and postal employees may not engage in any sort of partisan political activity on the job but may exercise all the rights of citizenship off duty.

The bill specifies that Federal workers may not engage in political activity while on duty, in a Federal building, while in uniform, or while using a Federal vehicle. The bill contains strong prohibitions against the use of official authority to influence any other individual to engage or not engage in political activity and against the use of official authority to solicit political contributions.

At the same time, postal and Federal employees are now permitted under the measure to speak at political gatherings, attend political conventions as delegates, and circulate nominating petitions. They may manage campaigns, raise funds, and even run for elective office. of course, these activities must take place on the employees' own time.

Mr. Speaker, I feel it is important that we act today to end the "second class" status that has been imposed on Federal and postal employees through the Hatch Act. H.R. 3400 simplifies and clarifies the restrictions on political activity so that civil servants may have a clear understanding of the activities which are appropriate and those which are not. Most importantly, it restores the treasured right of participation in the political process of the United States to 3 million Americans. Mr. Speaker, I urge my colleagues to join me in a resounding "yes" vote for this responsible, well-crafted, welcome piece of legislation.

Mr. COLEMAN of Texas. Mr. Speaker, this legislation permits Federal workers to participate actively in the democratic process—a right cherished by all Americans—while still shielding them from political influence or coercion. The authors of this bill performed an admirable service by achieving that necessary balance, and I congratulate them for their success.

Giving Federal employees the right to participate in partisan politics does not mean that the Federal work force will be politicized. Employees will still get and hold their jobs based on merit, not political connections or loyalties. A strong and independent civil service based on merit is the backbone of our Government, and this legislation preserves that tradition. In fact, the bill clarifies and strengthens current prohibitions on using a Federal position for political purposes.

Employees would not fear pressure from superiors to contribute to any political campaign because the bill explictly bars any political solicitations of Federal employees by their superiors.

Other safeguards exist as well. It prohibits the use of official authority or influence to interfere with the result of an election or to intimidate an individual to vote or not to vote, to give or withhold a contribution, or to engage or not engage in any political activity. Furthermore, prohibitions on the use of official authority would include promises or threats of certain actions, including the provision or withholding of compensation, grants, contracts, licenses, and rulings.

Mr. Speaker, the Federal civil service will remain free of political manipulation and at the same time, basic constitutional rights such as free speech and the ability to participate in the American system of democracy will be extended to Federal employees. They should no longer be treated as second-class citizens, and I urge its adoption by my colleagues.

Mr. GRAY of Pennsylvania. Mr. Speaker, I rise in strong support of H.R. 3400, a bill introduced by my colleague from Missouri to restore the freedom of Federal and postal employees to participate in the political process.

When Congress passed the Hatch Act in 1939, it was responding to legitimate concerns about the exercise of political pressure on Federal employees by their supervisors, the misuse of patronage, and the efficiency and effectiveness of the civil service. Today, however, the Hatch Act is woefully outdated, and denies 3 million American citizens their rightful political voice.

From the beginning, the Hatch Act was confusing in nature and inconsistent in application. Over nearly five decades this situation has worsened to the point that many Federal workers now restrict their political activities even beyond legal requirements for fear that they will run afoul of the law.

The concerns that led to the Hatch Act have not disappeared entirely. But H.R. 3400 strikes an appropriate balance between preventing political abuses and promoting political freedom. The bill maintains and even tightens the restrictions necessary to safeguard civil servants and the public from political coercion, and stiffens the penalties for violators. At the same time, it allows Federal and postal employees to participate more fully in our modern political system, and clarifies potential confusion by simplifying the separation between acceptable and unacceptable activity.

Mr. Speaker, the unanimous vote to report H.R. 3400 out of committee and the bill's broad bipartisan cosponsorship on the floor demonstrate that this is not a partisan issue. I urge my colleagues to support political freedom by voting for this measure.

Mr. RAHALL. Mr. Speaker, as a cosponsor of H.R. 3400, the Federal Employees Political Activities Act of 1987, I rise today in strong support of the passage of this measure.

The Hatch Act was passed in 1939 to relieve political pressures suffered by civil servants. Today, the Hatch Act serves only to prevent Federal workers from participating in the political process. Other Americans can stuff envelopes or collect signatures for a campaign. Federal workers cannot. The Hatch Act is so confusing in its present form that few Federal workers understand what is allowed and what is not. Because of this understandable confusion, many have dropped out of any involvement in the election of their representatives.

H.R. 3400 was drafted as a bipartisan effort to resolve this unfair prohibition. This measure embodies the concept that Federal employees should enjoy the same constitutional rights as other employees during nonwork hours. The bill maintains, and in many instances increases, restrictions and penalties against employee or supervisor abuses while clearing up the more than 3,000 vague and often arbitrary rules and regulations embodied in the current Hatch Act.

To replace the current Hatch Act, H.R. 3400 takes a straight forward approach. The fundamental concept behind H.R. 3400 is that Federal employees can fully participate in the political process on their own time, but cannot engage in political activities on the job. Civil servants are allowed to manage campaigns, raise money, and even run for elective office, but these activities must take place on the employee's own time.

The bill prohibits political activity on duty including partisan voter registration drives and the wearing of partisan buttons and pins. H.R. 3400 spells out, with specificity, prohibitions against misuse of official authority; misuse of official information; political pay-offs; contributions to superiors; solicitations to government contractors, regulated industries, and others over which the Federal Government has control; on-the-job political activities; and use of taxpayer money for political activities. The bill represents a significant breakthrough in bringing about consensus legislation to protect the political rights of Federal and postal employees.

I applaud the efforts of the chairman of the Post Office and Civil Service Committee, the chairwoman of the Subcommittee on Civil Service and the ranking minority members from Missouri and California respectively. This truly bipartisan effort deserves our support, and I urge my colleagues to join me in supporting the passage of H.R. 3400.

Mrs. MEYERS of Kansas. Mr. Speaker, here we go again. The leadership of the House is taking a bill that deserves serious consideration and trying to slip it through on the Suspension Calendar. The House should not be trying to change the 48-year-old policy of a nonpolitical civil service under suspension of the rules.

There are problems with the Hatch Act. The regulations enforcing it are often confusing, and some of the restrictions on the political activities of Federal employees are too strict. But H.R. 3400 is not perfect either; and the House should be able to discuss it, and propose amendments to make it a better piece of legislation. The last time the House considered reforming the Hatch Act, it took over 5 hours of debate. And even then, the bill could not survive a Presidential veto.

Mr. Speaker, if you want a piece of legislation that will actually become law, this is not the way to go about it. I ask my colleagues to vote "no" on the motion to suspend the rules and pass H.R. 3400. Let's give this important issue the time and consideration it deserves, under an open rule.

Mr. DAUB, Mr. Speaker, I support H.R. 3400, the Federal Employees Political Activities Act of 1987.

Do we want to treat Federal employees like second-class citizens? The answer is clearly "no"; however, since 1939, when the Hatch Act was passed, Federal employees have not been allowed to participate in the political process like all other citizens. Now is the time for Congress to allow Federal workers to exercise their first amendment rights of free speech, free assembly, and free association.

H.R. 3400 will return Federal employees back to the status of equal citizenship.

This legislation will also tighten restrictions at work and clarifies already banned activities such as political payoffs and coercion.

This bill will prohibit employees from "giving, offering, soliciting, accepting, or receiving a political contribution as a means of influencing an individual's vote in general or against a specific candidate or measure." Further, an employee would not be allowed to give a contribution from a subordinate.

The Federal Employees Political Activities Act of 1987 will also prohibit the use of "official authority or influence" to interfere with election results or to "intimidate, threaten, coerce, command, or influence" an individual's vote, political contribution, or political activity.

Government workers must be aware of what political activities they can't participate in while on the job. The clarification of the Hatch Act will reduce political abuse in the workplace.

As a long-time supporter of Hatch Act reform, I welcome the opportunity to vote in favor of this important legislation.

Mr. McCANDLESS. Mr. Speaker, the Hatch Act, passed in 1939, protects about 3 million Federal and postal workers from political pressures, and helps to ensure a nonpartisan civil service work force. Limiting political activity of Government workers has allowed a merit-promotion program to operate, and has helped to keep Government offices almost completely free from corruption.

We do not need to lose this advantage now.

The bill to revise the Hatch Act, H.R. 3400, would be a step in the wrong direction. It could better be called a backward slip down a dangerous slope and a loss of the high ground gained by civil servants less than 50 years ago.

The Hatch Act was passed to cure the serious problem of political coercion in the Federal work force. It has been upheld as constitutional by the Supreme Court. It provides two very significant protections. The first is to protect Government workers from threats, both real and perceived, if they fail to adopt or endorse a particular partisan political view. In passing the act, Congress recognized that subtle pressures on Government employees are often extremely difficult to document.

The second protection is to shield the public from threats, both real and perceived, from Government workers. Those threats could include the use of Government positions to coerce contractors to contribute to certain candidates; possible pressure on people dealing with the Internal Revenue Service; or undue influence over applicants from agencies dispensing grants or loans. Again, subtle pressures would be difficult to document.

The job of Government workers is the efficient operation of the Federal Government with equal treatment of all taxpayers, regardless of political persuasion. The best way for Federal agencies to maintain efficient service is to be nonpartisan. H.R. 3400 would drastically alter the present delicate balance of protection for both civil servants and the general public.

As President Ford noted when he vetoed a similar Hatch Act reform in 1976,

> Present law does not bar all political activity on the part of federal employees. They may register and vote in any election, express opinions on political issues or candidates, be members of and make contributions to political parties, attend political rallies and conventions, and engage in a variety of other political activities. What they may not—and, in my view, should not—do is attempt to be partisan political activists and impartial Government employees at the same time.

Mr. Speaker, those members of Federal workers' unions who are supporting H.R. 3400 should remember that the current law provides important protection when the worker is evaluated for job performance. The only true way to protect civil service from partisan political harassment is to shield it from partisan politics altogether. Only a total ban gives employees a plausible excuse from not participating in politics. Without such a ban, an employee will always feel pressure to favor the boss's or the union's cause.

Moreover, at the expense of Federal employees, lawyers will reap a bonanza. Any Federal employee reprimanded or not promoted, for whatever reason, will be encouraged to sue on grounds of political bias.

The so-called safeguards in the legislation are not strong enough, and could not be made strong enough, to hold back the potential tide of abuse inherent in this bill. Let's not return to the old spoils system that predated civil service. Let's reject H.R. 3400.

Mr. MYERS of Indiana. Mr. Speaker, I rise in strong support of the bill H.R. 3400. I believe that Hatch Act reform legislation is long overdue and urge my colleagues to support this measure.

Critics of Hatch Act reform legislation claim that revising the 48-year-old law will, in effect, politicize the Federal work force and turn the bureaucracy into a giant political machine. This is simply nothing more than a far-fetched scenario that lends little credibility to Federal employees.

I do not believe that because an individual works for the Federal Government that his or her personal freedoms should be restricted. Federal employees are taxpayers and should enjoy the same rights and privileges that every American is guaranteed by the Constitution of the United States.

Some of my colleagues quote Thomas Jefferson in an attempt to outline historical arguments against the Hatch Act reform proposal. Jefferson's concerns may have been justified in the early 1800's for the few hundred civil servants that existed then. And there could have been just reason in the 1930's for the Hatch Act when only a few hundred thousand people worked for the Federal Government. Today, with almost 3 million individuals on Uncle Sam's payroll, Hatch Act provisions interfere more with personal liberties rather than protect the Federal work force.

The fate of any democracy is dependent upon the active participation of those who live under the system. Unfortunately, recent figures from the U.S. Census Bureau reveal that only 46.6 percent of all Americans bothered to vote in the 1986 general election.

Greater participation by U.S. citizens in the electoral process ensures the high quality of those seeking public office. Good, honest, and responsive government is dependent upon all Americans exercising their right to participate and vote in each election.

The sad fact is that because of the ambiguity surrounding the Hatch Act, most Federal employees choose not to participate in State, local, and Federal elections because of fear of crossing the fine Hatch Act line. Citizens of our country should be encouraged to get involved in helping select our leaders; we should not restrict the rights of some of 3 million Americans.

For those who fear partisan politics will enter the Federal work place, H.R. 3400 adequately addresses these concerns. It permits no political activities on the work site and guarantees full rights to participate while off-duty. It strengthens criminal penalties for coercion and intimidation of employees.

H.R. 3400 contains strong, clear prohibitions on misuse of official influence. Employees can be fined, dismissed, or jailed for misusing their authority as Federal employees to coerce or intimidate others for political purposes. As in the original Hatch Act, Federal employees are not permitted to solicit money from subordinates or from agency contractors. In addition, Federal employees are not permitted to use nonpublic official information for political purposes. They are not allowed to take any action or promise any action in exchange for political activity.

The Hatch Act reform legislation will maintain a bipartisan government that our citizens expect and demand and ensure the Federal employees' right to participate in the election process. H.R. 3400 will not change the nature and role of the Federal bureaucracy nor will it turn the Federal work force, as some have suggested, into a giant political machine.

Mr. Speaker, I believe that the time is right for Federal employees to enjoy the privileges of political freedom and urge my colleagues to join with me in support of Hatch Act reform legislation.

Mr. PASHAYAN. Mr. Speaker, I rise in strong support of the bipartisan legislation to reform the Hatch Act. H.R. 3400, the Federal Employees Political Activities Act of 1987, is the product of lengthy negotiations between the minority and majority members of the House Committee on Post Office and Civil Service. I commend the ranking member GENE TAYLOR, as well as Chairman BILL FORD, PAT SCHROEDER, and the sponsor of the legislaton, BILL CLAY.

I should like to emphasize to all my colleagues that Hatch Act reform is no longer a partisan issue. My colleagues on the Post Office and Civil Service Committee reported this legislation to the floor by a unanimous vote of 22 to 0.

I am proud to have been able to participate in the drafting of this historic legislation. I believe that the bill represents a worthy compromise between allowing Federal and postal employees to exercise the same political rights as all other Americans and at the same time retaining and strengthening safeguards against coercion and patronage as originally embodied in the Hatch Act of 1939. The bill includes clear prohibitions against the misuse of official authority. If Federal employees attempt politically to coerce or intimidate his or her colleagues, they can be fined or fired.

The bill clearly delineates political activities on-the-job and those off. Under the bill, Federal employees may not engage in any sort of partisan political activity on the job, including those that were previously legal, but may exercise all the rights of citizenship off duty. The bill is a fair balance between the right to free expression and the need to insulate the Federal work force from politicalization. The bill will clear up the ambiguity and vagueness presently regulating political activity by Federal employees. It is not a repeal of the Hatch Act.

Mr. Speaker, I urge all of my colleagues to take this important step to restore the constitutional rights to all Federal employees embodied in this historic legislation.

Mr. GRANDY. Mr. Speaker, the Hatch Act governing Federal employees is 50 years old. It contains restrictions that were necessary at that time. The reasons which triggered those restrictions cannot be disputed. When the Hatch Act is examined in the context of the Federal environment and economic conditions of 50 years ago, it makes a great deal of sense. However, this is not the depression of the thirties. There are protections for Federal workers within the civil service that did not exist 50 years ago, or even 30 years ago. The Federal work environment has changed since then, almost beyond recognition.

The Hatch Act needs to be reformed in many ways, it is not perfect. However, I am opposed to the manner in which it is now being discussed on the House floor. When there is a controversial bill such as this, wherein it can be implied that Members of Congress may directly benefit from the changes, it must be brought out onto the floor for open debate.

I realize that when a bill has the large number of cosponsors that H.R. 3400 has, it would appear to be an efficient use of time to put it on the suspension calendar. There are arguments that valuable floor time should be used on issues that do not have the degree of bipartisan support H.R. 3400 enjoys. These arguments sound compelling until you examine the impact that H.R. 3400 will have on millions of Federal workers. This is not an issue that should have any shadows surrounding it.

H.R. 3400 is not a perfect bill and it does not address all of the problems of the Hatch Act. It has a number of questionable components that should be clarified. It could be improved with a few judicious amendments. Federal workers and the public they serve would mutually benefit from a close examination of the bill on the floor. Members are charged with this responsibility by the public at whose pleasure we serve. H.R. 3400 must be discussed openly and freely on the House floor in order that we meet this responsibility.

Mr. BIAGGI. Mr. Speaker, I rise as a cosponsor and strong supporter of this bill, H.R. 3400, the Federal Employees' Political Activities Act of 1987.

Simply put, this legislation would restore the political rights of some 3 million American workers—namely, those Federal and Postal Service employees who have been denied by the Hatch Act from participating voluntarily, as private citizens, in the political process of our Nation.

For too long, the Hatch Act has imposed vague and often arbitrarily enforced restrictions on the political rights of Federal executive branch employees and U.S. Postal Service employees. As a result, we have deprived millions of Americans of a cherished right to participate in all phases of our democratic society, and we have deprived the world's greatest democracy of the vital contributions these people could otherwise make.

This legislation before us offers a very reasonable approach to this injustice. It states, in very straightforward fashion, that Federal employees can fully participate in the political process on their own time, but that they cannot engage in political activities on the job. That is fair and that is the way it should be.

I want to emphasize that H.R. 3400 does contain very specific prohibitions against the type of activity that could pose a conflict between a Federal employee's job responsibilities and that same individual's political activities. These prohibitions include: misuse of official authority; misuse of official information; political pay offs; contributions to superiors; solicitations to government contractors, regulated industries, and others over which the Federal Government has control; on-the-job political activities; and use of taxpayer money for political activities.

On the other hand, H.R. 3400 would allow civil servants to manage campaigns, raise money, and even run for elective office, so long as they conduct these activities on their own time outside of working hours.

Mr. Speaker, too long and too often, we have asked our Nation's Federal work force to make sacrifices above and beyond what we ask of all other citizens. In many cases, these sacrifices are unnecessary and unfair. The Hatch Act is a perfect example of this injustice and I strongly urge my colleagues to join me in supporting H.R. 3400 in an effort to correct this injustice.

Mr. ACKERMAN. Mr. Speaker, I rise today in strong support of H.R. 3400, legislation to restore to Federal and Postal employees their right to participate fully in the democratic process.

At the present time, 41 States either expressly permit, or at least do not prohibit, public employee participation in most general campaign and partisan political activities during their off-duty hours.

The political activities of Federal employees, however, are restricted by more than 3,000 regulations which enforce the Hatch Act. H.R. 3400, which was unanimously approved by the Committee on Post Office and Civil Service, clears up all the confusing, and often contradictory, limitations which are now placed on political participation by civil servants.

H.R. 3400 gives Federal employees the option of participating in partisan election campaigns as well as allowing them to raise funds or even run for office. But the bill also strengthens the safeguards which are needed in order to protect workers from political coercion by banning all on-the-job political activities, even those which are now permitted.

The bill effectively protects any worker who chooses not to be involved in politics by providing an array of penalties for an abuse of official authority by a Federal employee including fines, job termination, or jail.

Mr. Speaker, H.R. 3400 is a bipartisan compromise supported by 292 cosponsors. I urge my colleagues to support this historic, and long-overdue, reform.

Mr. HOUGHTON. Mr. Speaker, my vote today on the Hatch Act is based on the way in which it is being presented. H.R. 3400 has been brought to the House floor under a procedure usually reserved for noncontroversial bills. What this does is limit debate to 40 minutes, allows no amendments, and requires a two-thirds vote for passage; 292 of my colleagues are listed as cosponsors of the bill. As a result, the leadership has decided to move this legislation in a way that forbids those with concerns about the bill to make it better. I have concerns.

For example, several exemptions from change which should be debated and considered separately focus on federal workers with sensitive jobs, such as Internal Revenue Service auditors and Justice Department employees. Another amendment would exempt all federal employees in policymaking positions.

I am not alone in my feelings. Others aside from the committee members who have reported the bill have ideas on how to improve it. Why shouldn't they, like myself, have an opportunity to express those ideas. Sadly this will not be permitted under the "gag rule" we have before us today.

Mr. BONKER. Mr. Speaker, as a cosponsor of H.R. 3400, legislation to restore the right to Federal employees to participate in the political process, I am pleased to rise in strong support of it today.

The current restrictions of the Hatch Act have denied this fundamental right to Federal employees since it was enacted by Congress in 1939. Despite the clear rules of the Civil Service Commission, Congress passed the Hatch Act out of concern for the immense popularity of President Franklin Roosevelt during a period of rapid growth in the Federal Government. There was a belief that the many new employees of the Federal Government would be coerced into supporting the Roosevelt administration.

Certainly, this is a potential concern about every administration, and since the establishment of the Civil Service Commission, rules have been put in place to protect Federal workers from political pressures. The replacement of the politically appointed Civil Service Commission with the Merit Systems Protection Board, was a key step away from politically motivated rulings in favor of a merit based employment system. The legislation being considered today keeps those protections in place. Specifically, it prohibits on-the-job political activity, official coercion, job required political activity or campaign contributions. It also prohibits Federal employees from soliciting, accepting or receiving contributions from individuals who either have or are seeking a contract with the employee's agency.

The legislation also clarifies the political activities in which Federal employees may participate. Generally, Federal employees would be able to participate in the full range of political activities which are fundamental to our democratic government, as long these activities take place on employee's personal time. Furthermore, they would be able to request leave of absence to run for office without being denied leave for reasons other than public business reasons.

Under current law there are many uncertainties and unfair circumstances regarding the participation of Federal employees in political campaigns. Many of the current Hatch Act restrictions are contradictory and confusing. In an effort to protect the integrity of Federal employees, we have erected barriers that intrude on their private lives and deny fundamental constitutional rights.

Mr. Speaker, I strongly believe that this legislation corrects many of these injustices and should be adopted by the House today. The protections guaranteed by the Merit Systems Protection Board and a much more active media will ensure that the abuses we all fear will not occur. This legislation frees Federal employees from the unfair restrictions on their rights to participate in the political process without compromising the integrity of our civil service. I urge my colleagues to vote in favor of H.R. 3400.

Mr. DYMALLY. Mr. Speaker, I rise to express my support for H.R. 3400, the Hatch Act reform bill. This is perhaps the most important and overriding issue affecting civil service employees we will consider this Congress.

We need not indulge in a debate on the reasons for the current Hatch Act. It was necessary then as it is now for the Federal Government to guard against partisan politicking by its labor force.

H.R. 3400 maintains this protection. In fact, by clarifying accepted and unaccepted practices, this measure eliminates the confusion which has marked the inadequacy and ineffectiveness of the current Hatch Act.

It has been argued that H.R. 3400 is an empowerment of labor unions, a destruction of the balance in our democratic system and a deterioration of relations within the bureaucracy.

This is not an issue of labor versus management. It is an issue of free speech. And H.R. 3400 recognizes the necessity of separating such civil practices from the regular business of Government.

Forty-one States permit or do not prohibit participation by their employees in political and campaign activities during their off-duty and nonworking hours. Once again, the Federal Government is following the lead of the States.

Mr. Speaker, what we are doing today is restoring a constitutional right which has been in limbo for nearly 60 years, reaffirming our commitment to nonpartisanship in the bureaucracy and recognizing the value placed on free speech by the majority of our State governments and Members of this body.

I commend the authors of H.R. 3400 for offering this necessary reform, and I urge my colleagues to join me in supporting its passage.

Mr. FIELDS. Mr. Speaker, I rise in opposition to H.R. 3400, the Federal Employees Political Activities Act of 1987, or, what is more commonly referred to as the Hatch Act reform bill.

Mr. Speaker, the primary reason that I must oppose H.R. 3400 today is because of the parliamentary procedure under which the Members of the House will have the opportunity to debate the legislation. Or, what I really should say is I oppose H.R. 3400 because of the parliamentary procedure under which the Members of the House will not have the opportunity to debate the legislation.

I say this, Mr. Speaker, because allowing H.R. 3400 to come to the floor without any opportunity for amendment or meaningful debate on the controversial issues is a travesty against the legislative process and those of us in the minority.

I strenuously object to the use of this parliamentary procedure which normally is reserved for those issues universally considered to be noncontroversial. H.R. 3400 is not universally considered to be noncontroversial.

Mr. Speaker, now I would like to tell you and my colleagues just why H.R. 3400 is controversial. It is a serious matter which should receive a full review by all Members because it cuts to the heart of the integrity of the Federal work force.

The proponents of H.R. 3400 claim that while the legislation allows Federal employees to participate voluntarily in off-duty political activities, it protects them from coercion and protects the Federal work force in the aggregate from divisiveness and politicization.

I do not believe that H.R. 3400 contains adequate safeguards against these very real and potentially devastating threats to the public trust which has been vested in our Federal work force.

Proponents of H.R. 3400 also claim that Federal employees have been disenfranchised from the political process. In some cases and to some degree that may be true. However, I strongly believe that without a

Federal work force of unquestioned integrity, we may find ourselves with political processes that mean absolutely nothing. This is the greater danger.

Let me just share with you some of the political activities that are allowed under the current Hatch Act. Federal employees may: register and vote as they choose; display a political button, badge, or bumper sticker; assist in voter registration drives; publicly and privately express opinions about candidates and issues; take an active part in nonpartisan elections; contribute money to political parties and candidates; attend political fundraisers; attend political conventions, rallies and meetings; join political clubs or parties; sign nominating petitions; actively campaign for or against referenda, constitutional amendments and municipal ordinances; and hold public office in certain circumstances.

I would hardly call the above list of allowable activities as evidence of "disenfranchisement."

Now let me describe a situation which might occur where the above allowable activities expanded as envisioned by H.R. 3400.

For example: A Federal worker whose supervisor is an active member of a political party and whose colleagues participate in political activities of that party, may find himself or herself under pressure from that supervisor and from peers to participate—against his or her will. The Federal worker could never prove that an adverse personnel action was the result of political inactivity.

Mr. Speaker, again I must state my opposition to the consideration of H.R. 3400 under this particular parliamentary procedure. We have no opportunity to even attempt to modify the bill to ensure the continued integrity of the Federal work force. I do not want to be responsible for stripping Federal employees of their protections against coercion, thereby leaving threadbare the integrity which is the heart of good government.

Mr. ANTHONY. Mr. Speaker, I rise in support of H.R. 3400. In the greatest democracy in the world an entire class, over 3 million members of the Federal work force, are denied the most basic right to actively campaign for or against their elected representatives. The current law is offensive to anyone who wants to make a real and personal impact on the political process. The ability to do this is what America is all about.

The current Hatch Act must be reformed in order to restore these civil rights. This legislation, H.R. 3400 would clear up ambiguous and confusing regulations that have occurred under present law, and it would finally make clear exactly what is allowed and what is prohibited.

The new bill would ban absolutely all politicking in the Federal workplace, but would allow Federal employees on their own time to engage in the full range of political activities open to other citizens.

The bill provides explicit protections against coercion or the misuse of official authority by a Federal employee who attempts to force anyone into assisting candidates that they choose not to support.

This law will finally bring these interests into balance.

The time is long overdue when Federal employees should be able to openly and actively choose to play a role in the political process. Hatch Act reform is necessary in order to provide Federal employees with the same rights to be involved in the political system that are given unquestionably to all other Americans who choose to live and work within our Nation's Democratic framework.

Mr. SMITH of Texas. Mr. Speaker, it is unfortunate that the House leadership has not afforded the House an opportunity for full debate on reform of the Hatch Act—an important issue which goes to the heart of how this Nation is governed and represented.

I support expanding the rights of Federal employees in order to allow them the fullest possible participation in the political arena. But the House will not be able to fully address this issue because we have been prevented from offering perfecting amendments under the floor procedure mandated today.

The procedure of suspending the rules has always been reserved for the most uncontroversial measures, and those on which further debate and modification is not desired. Considering the Hatch Act reform bill under suspension prevents us from considering an important amendment crafted by my colleagues, Mr. FRENZEL and Mr. BARTON. This amendment would have modified the application of the reform bill to Federal employees who hold policymaking, contracting, and grant powers. It would have gone far toward alleviating the discomfort of many Members who remain concerned about the need to clearly separate partisan activity from official Government duties.

Therefore, while I support expanded political participation rights for Federal employees, I must cast a nay vote based on procedural objections. Mr. Speaker, it is time the House leadership quite trying to rope and tie the membership of this body and let us engage in free and open debate.

Mr. WOLF. Mr. Speaker, may I inquire how much time remains to the three parties?

The SPEAKER pro tempore (Mr. MURTHA). The gentleman from Virginia [Mr. WOLF] has 7½ minutes remaining, the gentleman from Missouri [Mr. TAYLOR] has 4 minutes remaining, and the gentlewoman from Colorado [Mrs. SCHROEDER] has 5 minutes remaining.

Mr. WOLF. Mr. Speaker, I understand that each side has one speaker remaining, so I yield myself the balance of my time to close debate.

The SPEAKER pro tempore. The gentleman from Virginia is recognized for 7½ minutes.

(Mr. WOLF asked and was given permission to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, the gentlewoman from Maryland [Mrs. MORELLA] said that there have been no complaints under the Hatch Act. She said she called the State of Virginia to inquire.

Since 1979 there have been 759 complaints under the Hatch Act itself.

It was also said that all the Federal employees support this. That is just not accurate. The Senior Executive Association took a poll of its members just the other day, and 67 percent favored keeping the Hatch Act and 24 percent favored changing it. I had a districtwide questionnaire in 1983, and 66 percent of the 23,000 constituents responding wanted to keep it and 19 percent wanted to change it. The Members should know that this bill is opposed by most Federal employees.

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We can list all the groups, but the Federal employees oppose this legislation. They oppose it, because they are afraid of it.

I was a Federal employee before I left to join this body. I ran for Congress in 1976 leaving the Department of the Interior.

I will tell the Members, the Federal employee believes that the Hatch Act is the best protection that they have. What is permitted under this law will be what is expected, and is bad, bad, bad public policy.

We will be in this body in years to come if this passes investigating corruption and abuse, because political appointees will put pressure on the Federal employee.

When the Reagan administration came in, one of the first moves of the Administrator of GSA was to transfer a husband and wife, one to Philadelphia and one to New York, because they had been involved in the Carter administration.

The gentlewoman from Colorado knows of that case of the husband and wife, one to New York and one to Philadelphia, so do not tell me that there will be no harassment, and that the Federal employee has no reason to be concerned.

I would not object to some changes in the Hatch Act. We can make some substantive changes. That is not the issue today.

The issue is fairness. One Member said this is not the American way. Another Member said it is not fair. Another Member said it is a question of democracy and the right to speak, and that is what we are asking, the right to amend.

Mr. Speaker, procedures like this can be used to bring up bills under suspension of the rules, and they radicalize Members. Members feel abused, because they do not have the opportunity to offer legitimate amendments.

Common Cause made the case when they said, "No opportunity for any Member to offer amendments. We believe this expedited procedure will prevent a full and thorough deliberation of the major issues that are involved removing the Hatch Act's protection."

I say to the Members on both sides of the aisle, what harm would there be to give the Members an opportunity to offer some perfecting amendments to improve this legislation? The answer is clearly none.

As I said earlier, some of the Members may be in support of changing the Hatch Act. Some of the Members may be opposed; and some of the Members who do not have any Federal employees in their districts may not care at all.

The Members ought to care about allowing amendments to be offered that will protect and keep the Federal agencies and our good Federal work force from being politicized.

I hope the Members will care about democracy, the American way and free speech; and I hope the Members will defeat this bill under suspension and give a number of the Members the opportunity to offer amendments.

Mr. Speaker, I ask for a no vote on suspension, and I yield back the balance of my time.

Mr. TAYLOR. Mr. Speaker, I yield myself 4 minutes.

Mr. Speaker, we have had a long debate on this. No Member can quibble about the shutting off of debate.

Even though this bill has come under suspension, we have had a free flow of arguments and discussion, and I think that that is good.

I am a little bit intrigued by some of the Members who say we are flouting the rules of the House or the procedure by not having this under a rule. Some of the Members here today who have been making those statements talked to me about this bill, and indicated that they would like to offer amendments.

I asked those Members, what amendments they would like to offer. The responses ranged from everything like doing away with harassment, doing away with protection on harassment, intimidation on employees, letting unions handle voter registration. That has already been taken care of in the bill.

Also there was the union checkoff of dues for political purposes, and we said that we have taken care of that in the bill.

The Members talked about campaigning on Government time. That has been prohibited in this bill.

Wearing campaign buttons while you are on the job, that has been prohibited in the bill.

When we get done talking about it, the Members say, "Well, I really do not guess we have got any amendments to offer."

The fact is, this bipartisan committee cleaned this bill up before we brought it to the floor.

There is not a lot that can be done to improve this bill other than to defeat it, if you want to deny the Federal employees of this country a chance to participate in the political process that they work for.

I do not want to go home to my district and tell my Federal employees, and I do not have all that many of them, that I denied you the right to participate in the political process on your own time, when you go home at night to lick envelopes or go door to door, whatever you want to do.

I do not want to do that, and I do not think that there are very many Members on either side in this House that want to go home and tell their Federal employees that we have denied them their constitutional right to exercise their political influence on their own time, their own clock, when they go home at night.

There are prohibitions against solicitation of funds from superiors. There is as much protection in here for the Federal employee who does not want to participate in the political process as there is the ones that do. Nothing could be more fair than this.

I will say to the Members, I am a conservative Republican. Maybe there are more Democrat Federal employees than there are Republicans, but I do not know. I doubt if there are.

I think that Federal employees are just as concerned about the future of this country, about our education, about our defense, about fiscal responsibility as anyone else. They are good taxpaying citizens.

They have a right to participate, and I hope that we on the Republican side will give a resounding vote to restoring to them the rights that are theirs as citizens to participate on their own time freely and voluntarily in this great process that we have called democracy.

Mrs. SCHROEDER. Mr. Speaker, I yield the remainder of my time to the gentleman from Missouri [Mr. CLAY], who has been the father of this bill and has been walking this bill through all sorts of briar patches for a long time, and has really put in so many hours.

Mr. CLAY. Mr. Speaker, I thank the gentlewoman for yielding me this time.

Mr. Speaker, we, have waited a long time to consider reforming the Hatch Act. Ten years ago this House passed a similar measure which was vetoed. H.R. 3400, the Federal Employees' Political Activities Act of 1987, would not be before us today receiving such serious consideration were it not for the efforts of the distinguished minority leader, BOB MICHEL, the ranking Republican on the Post Office Committee GENE TAYLOR, and all the Republican members of the Post Office and Civil Service Committee who have joined this effort. What we now bring before the House is a bill which was arrived at through a true bipartisan effort. I certainly appreciate and commend my colleagues on the other side of the aisle for their time, patience, and hard work in reaching this significant breakthrough. Mr. Speaker, I am also grateful to the chairman of the Post Office and Civil Service Committee, BILL FORD, the chairwoman of the Civil Service Subcommittee, PAT SCHROEDER, and all my fellow Democrats in making this legislation a priority issue.

When I testified earlier this year before the Subcommittee on Civil Service, I presented a historical perspective of the Hatch Act as well as relating my personal opinions concerning the devastating effect it has had on Federal employees by limiting their right to freely participate in the political process. I will not repeat that earlier testimony, I prefer to highlight some of the comments.

Enactment of the Hatch Act in 1939 was clearly a congressional overreaction to fear of the growing influence of President Franklin D. Roosevelt during a period of rapid growth of the Federal bureaucracy. It was an overreaction by Congress to abuses, not of voluntary political activity, but to coercion and kickbacks by employees and recipients in Federal relief programs. At that time, less than 32 percent of the Federal work force of 950,000 was under the classified merit system. Today's Federal work force has approximately 3 million employees of which 78.6 percent are covered and protected by the merit system. Today, we have a well-entrenched merit system that shields both employees and the public from political influence and coercion.

Without public hearings or extensive debate, enactment of the Hatch Act put into law over 3,000 administrative rulings of the Civil Service Commission. These 3,000 administrative rulings still govern today. The law is confusing and overly broad. The administrative rulings are not understood by either the public or the Federal and postal employees to whom the rulings apply.

There is no evidence that enactment of Hatch Act reform legislation would politicize the Federal civil service. There is no evidence that voluntary political activity in any way diminishes the ability to maintain good government. Instead what the Hatch Act has done for almost 50 years is to infringe on the constitutional rights of freedom of speech and freedom of assembly of 3 million dedicated Government workers. Allowing public employees only the exercise of the vote is not synonymous with political freedom. Rather, Mr. Speaker, it is a charade, a farce, a disgrace. Voting is merely the bottom line of the complex political process. Voting is the last event to take place in that tedious, long effort of successful campaigning. Participation at every level of the process is necessary to decide who will be candidates on the final ticket. Months of expressing opinions, persuading friends, relatives, neighbors—making telephone calls, hosting teas—are required to select one's choice. Only if the right to exercise these legally permissible functions is afforded—can a citizen enjoy political equality. Such activity determines who will speak for voters in a truly representative government. This intrusive political "gag order" imposed on Federal employees should be lifted.

H.R. 3400 will restore to Federal employees the right to participate in the political process the same as all other persons. It prohibits political activity while on duty, in a Federal facility, in the uniform of a Federal job, or while using any vehicle owned or leased by the Government.

The bill has stronger prohibitions against official coercion than existing law. Federal employees cannot use official authority or influence to interfere with the result of elections or to intimidate any individual to vote or not to vote, to give or withhold a contribution, or to engage or not to engage in any political function. It makes it illegal for Federal employees to use official information for any political purpose, unless the information is also readily available to the public.

The bill prohibits solicitations of political contributions by superiors and Federal employees may not give, receive, or solicit a political contribution in a Government building. Employees may not solicit, accept, or receive a contribution from or give a political contribution to, a person who has or is seeking a contract with the employee's agency, if regulated by the agency, or has interests which may be affected by the performance of the employee's duties.

H.R. 3400 provides that Federal employees, on their own time, would be as free as any other American to engage in lawful political activity. They may run for partisan political office, as long as the campaigning does not interfere with the performance of their duties. Requests for leave without pay or annual leave to run for office may be denied by agency management based on the justified needs of the public business.

Mr. Speaker, H.R. 3400 authorizes the special counsel of the MSPB to issue regulations and to enforce the administrative prohibitions concerning political activity. Actions brought by the special counsel would be brought under the general disciplinary action procedures of section 1207 of title V. The MSPB could impose any penalty provided by that section.

This bill has widespread support as indicated by the fact that 292 Members of the House have cosponsored it. As the Post Office and Civil Service Committee stated in its report, American democracy flourishes when its citizens are actively involved in the Political System." The House today has a unique opportunity to permit 3 million educated men and women to participate fully in this process. Passage of this legislation will end an era of misguided and paternalistic treatment of Federal workers and demonstrate the high regard and respect this body has for their judgments.

I urge my colleagues to vote for passage of H.R. 3400.

Mr. Speaker, debate on this important legislation has come to a close. The arguments have been scholarly and informative. Proponents, in my opinion, have effectively and persuasively rebuffed the fears and speculations of those who predict chaos if the bill is enacted.

Passsage of this legislation will in no way impair the effectiveness or impartially of government. Protections provided for under the merit system will not only remain intact but will be strengthened. Allegations of politicizing the Government work force are unfounded and unrealistic. The integrity of the men and women working in the Federal system should not be compromised or disparaged by innuendo or insinuation.

Mr. Speaker, this bill is based on something much more fundamental—the concept of liberty and justice. The impetus for passage of this legislation is so eloquently voiced in the first amendment to our constitution when stated: Congress shall make no law, abridging the freedom of speech, or the right of the people peaceably to assembly, and to petition the government for a redress of grievances.

Mr. Speaker, the issue before us is clear and precise. You either believe that the constitutional framers intended to guarantee freedom of speech to all Americans, including Federal workers, or you do not. You either believe Federal workers are just as honest, just as law abiding, just as responsible as their counterparts in the private sector, or you do not.

I believe its time to lift this onerous yoke from the necks of our employees. I urge my colleagues to vote yes.

Mr. McCURDY. Mr. Speaker, will the gentleman yield?

Mr. CLAY. I yield to the gentleman from Oklahoma.

Mr. McCURDY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 3400, the Federal Employees' Political Activities Act of 1987.

The Hatch Act was enacted nearly 50 years ago to correct alleged abuses in the civil service system. It has long since served its original purpose. It now precludes Federal employees from engaging in almost all political activities, thereby denying them the fundamental right to participate in our Nation's political process. With subsequent laws enacted by the Congress to protect Federal employees from political coercion, the time has come for us to remove these outdated restrictions and allow our dedicated Federal workers to exercise their full rights of citizenship.

H.R. 3400 would permit Federal employees to run for political office, work for or manage political campaigns, and raise money on behalf of political candidates. At the same time, it strictly prohibits an employee from participating in any of these partisan activities while on the job, or if these activities should interfere with the employee's job performance. It also explicitly forbids political solicitations of Federal employees by their superiors.

This bill is supported by all Federal employee unions and has bipartisan support in the Congress. H.R. 3400 will preserve the integrity of the civil service and I urge my colleagues to vote in favor of this legislation.

The SPEAKER pro tempore (Mr. MURTHA). The question is on the motion offered by the gentlewoman from Colorado [Mrs. SCHROEDER] that the House suspend the rules and pass the bill, H.R. 3400.

The question was taken.

Mr. WOLF. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mrs. SCHROEDER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on H.R. 3400, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from Colorado?

There was no objection.

STIKINE RIVER REGION ACCESS STUDY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-134)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Interior and Insular Affairs and ordered to be printed.

(For message, see proceedings of the Senate of today, Tuesday, November 17, 1987.)

□ 1450

GOVERNING INTERNATIONAL FISHERY AGREEMENT AMENDING AGREEMENT BETWEEN UNITED STATES AND JAPAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-135)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read, and together with the accompanying papers, without objection, referred to the Committee on Merchant Marine and Fisheries, and ordered to be printed.

(For message, see proceedings of the Senate of today, Tuesday, November 17, 1987.)

CONFERENCE REPORT ON H.R. 1451, OLDER AMERICANS ACT AMENDMENTS OF 1987

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 308 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 308

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (H.R. 1451) to amend the Older Americans Act of 1965 to authorize appropriations for the fiscal years 1988, 1989, 1990, and 1991; to amend the Native Americans Programs Act of 1974 to authorize appropriations for such fiscal years; and for other purposes. All points of order against the conference report and against its consideration are hereby waived.

The SPEAKER pro tempore (Mr. MURTHA). The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentleman from Mississippi [Mr. LOTT], pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 308 is a rule which waives all points of order against the conference report on H.R. 1451 and against its consideration. H.R. 1451 is the Older Americans Act Amendments of 1987. At the outset, Mr. Speaker, I wish to offer my commendation to the members of the conference committee for their diligent and complete efforts in reporting a bill to the House which has garnered bipartisan support and is sure to be signed by the President. The bill includes authorizations for fiscal years 1988 through 1991 for the important and effective programs which are operated under the authority of the Older Americans Act. These programs include grants for the provision of supportive services to needy and homebound senior citizens; for the provision of home-delivered and congregate meals; and for the provision of surplus agricultural commodities to nutrition agencies that serve the elderly. The bill would also reauthorize the Native Americans Programs Act for 4 years.

Mr. Speaker, conferees retained provisions contained in the House-passed bill that will enable States to establish programs for the prevention of the abuse of older individuals. Elder abuse is a growing problem in our Nation and it is time for the Federal Government to respond by assisting States in their efforts to deal with its occurrence. H.R. 1451 would also establish a new program under which nonmedical assistance would be provided to frail older individuals. This program is expected to be especially helpful to the growing number of victims of Alzheimer's disease. I would commend the gentleman from Michigan [Mr. KILDEE], for his initiative in authoring this new program.

The conference committee's bill also includes a new program for research in the treatment of Alzheimer's disease and a program of grants to States for demonstration projects in the provision of home health care assistance to low income individuals.

Mr. Speaker, the programs of the Older Americans Act are very popular and have proved to be uniquely effective in improving the lives of older Americans. During Rules Committee consideration of this conference report, Members from both sides of the aisle testified in favor of a rule which would make possible its consideration by the full House. I urge adoption of the rule and of the conference report.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the gentleman for yielding me the customary time.

Mr. Speaker, House Resolution 308 waives points of order against the conference report on H.R. 1451, to amend and extend the Older Americans Act Amendments of 1965, and against consideration of the report.

As the distinguished gentleman from Massachusetts [Mr. MOAKLEY] has just described, the rule provides that the conference report shall be considered as having been read when called up for consideration.

Mr. Speaker, I'd like to take just a moment now to point out some of the provisions the conferees included in this conference report that I think are important.

The legislation made in order by this rule reauthorizes the Older American Act for 4 years, through fiscal year 1992, and in general increases authorizations levels for each program by 5 percent each year.

It authorizes about $1.6 billion in fiscal year 1988 for State and local agencies for adult day care centers, legal services and transportation services, and the Meals on Wheels Program.

The conference report authorizes five new programs: in-home services to the frail elderly; State grant assistance to meet special needs; preventive health education and promotion; prevention of abuse of older individuals; and outreach to food stamps, SSI, and Medicaid recipients.

The conference report expands title VI, Grants for Indian Tribes, repeals title VII, the unfunded Older Americans Personal Health Education and Training Program, and authorizes a 1991 White House Conference on Aging.

It also reauthorizes the Native American Programs Act through fiscal year 1991, which includes provisions to make Native Samoans eligible for the program and authorizes a new $3 million demonstration project for a revolving loan fund for native Hawaiians to promote economic development.

The report made in order by this rule is the result of the months of hard work of the conference.

It is certainly a very important program, and while I might make some changes in the emphasis, I think that many of the parts of this older Americans law have been very helpful to our elderly, and if there is any segment in America that we should be particularly concerned about, it is our elderly poor. I think this Older Americans Act does that, so I would support this rule and the conference report.

Mr. LENT. Mr. Speaker, will the gentleman yield?

Mr. LOTT. I am glad to yield to the gentleman from New York.

Mr. LENT. Mr. Speaker, as a member of the committee on conference, I urge passage of this rule and will join my colleagues in supporting the conference report on the Older Americans Act amendments. The conference agreement on H.R. 1451 contains several provisions under the jurisdiction of the Committee on Energy and Commerce. These provisions which focus on the health and medical needs of our elderly citizens compliment the other social, legal, and support services authorized in the bill.

The health provisions included in the conference agreement are modest demonstration programs to further our understanding of the medical service treatment and educational needs of individuals afflicted with Alzheimer's disease and those low income individuals who would benefit from medical services provided in the home. The conference agreement authorizes $5 million for grants to States for demonstration projects to identify and pay for home health services for elderly and nonelderly individuals in an effort to reduce costly institutionalization. The bill also authorizes $5 million for grants to States for demonstration projects to coordinate and develop programs for treatment, legal counseling, and educational services for Alzheimer's disease patients and their families. I believe these programs will enable States to develop innovative methods for caring for Alzheimer's disease patients and other individuals outside the hospital and nursing home settings. The conferees expect that these pilot projects will provide the information and guidance necessary to better direct Federal spending through Medicare, Medicaid, and other public health service programs.

I urge my colleagues to join me in supporting this bipartisan legislation. H.R. 1451 will provide worthwhile services to our Nation's older Americans.

Mr. MOAKLEY. Mr. Speaker, for purposes of debate only, I yield 1 minute to the gentlewoman from Ohio [Ms. OAKAR], who is the author of the first Elderly Abuse Act.

Ms. OAKAR. Mr. Speaker, I thank the gentleman for yielding me this time.

I want first of all to compliment the gentleman from Michigan for shepherding through this very important act.

You know, when you think of the fact that we have 37 million Americans that this act serves and that the cost is $1.6 billion, which is a very, very small amount by way of comparison, considering the fact that we have increased the Pentagon spending in the last 6 years by $200 billion, I think it puts everything in perspective.

This is a very important act. It is an act that was begun in the sixties. We still have not fulfilled the commitment of what the Older Americans Conference at the White House in the sixties said that we should do. People are living a lot longer, but this certainly is a step in the right direction. I am delighted that the elder abuse portion is finally within the framework of the Older Americans Act, because that is a critical problem. Most people do not want to talk about the fact that there are an awful lot of abused children, there are a lot of abused older Americans as well, and we really ought to address that problem, so I want to thank my friend, the gentleman from Michigan, for including that and all the other great areas that mean so much to our elderly.

Mr. MOAKLEY. Mr. Speaker, I thank the gentlewoman from Ohio for her great contribution.

Mr. LOTT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. KILDEE. Mr. Speaker, pursuant to House Resolution 308, I call up the conference report on the bill (H.R. 1451) to amend the Older Americans Act of 1965 to authorize appropriations for the fiscal years 1988, 1989, 1990, and 1991; to amend the Native Americans Programs Act of 1974 to authorize appropriations for such fiscal years; and for other purposes.

The Clerk read the title of the bill.

The **SPEAKER** pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of November 9, 1987.)

The **SPEAKER** pro tempore. The gentleman from Michigan [Mr. KILDEE] will be recognized for 30 minutes and the gentleman from Vermont [Mr. JEFFORDS] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to be able to bring to the floor the conference agreement on H.R. 1451, the Older Americans Act Amendments of 1987.

This bill reflects the concern and cooperation of a number of Members on both sides of the aisle and in both the House and Senate who are recognized for their leadership and advocacy on behalf of the elderly.

Mr. Speaker, more than 25 years ago Congress had the foresight to pass legislation creating the Older Americans Act.

Through the years, the act has evolved into a series of programs that have responsibly and consistently addressed the needs of older Americans.

Whether it be transportation services, homemaker services, congregate or home-delivered meals, participating in senior center activities, or finding employment through the community service employment program, the Older Americans Act provides the lifeline that enables the elderly in America to remain independent in their own communities.

The conference report on H.R. 1451 reauthorizes these vital programs for four additional years and includes several important new efforts intended to address the needs of the elderly.

These include—

New provisions to significantly strengthen the long-term care Ombudsman Program;

Language which will expand services provided through titles III and VI to older Indians;

A new authorization for States to conduct programs related to the prevention of abuse, neglect, and exploitation of the elderly;

Funding for outreach to locate low-income elderly individuals who are eligible, but not receiving SSI, Medicaid, or food stamps and to assist them in obtaining such benefits;

And a program to authorize a White House Conference on Aging in 1991.

Mr. Speaker, I am particularly pleased that the conference agreement contains a new initiative, which I sponsored, to authorize additional funds for certain nonmedical, in-home services to the frail elderly.

These nonmedical services would be available for those who require assistance with activities of daily living but who do not have a medical condition which would meet the eligibility or coverage standards for Medicare.

These in-service programs for the frail elderly are morally responsible because they help frail older Americans stay in their homes and maintain their independence and their dignity.

But, Mr. Speaker, they are also fiscally sound to support these community-based services as an alternative to more expensive institutionalization.

My colleagues have heard me say many times that the role of Government is to promote, protect, defend, and enhance human dignity, and I try to be guided by that on every bill that comes before the House.

I can think of no better way to promote and protect human dignity than to provide those kinds of services that make it possible for frail individuals to remain independent in their own homes.

Mr. Speaker, the House-passed reauthorization bill contained two provisions intended to provide additional guidance on how the advocacy responsibilities of the act are to be carried out. Because there were no similar provisions in the Senate bill, the advocacy language was an item of disagreement to be resolved by the conferees.

Careful review of the two provisions, including consultation with attorneys of the American Law Division of the Congressional Research Service, lead to the conclusion that instead of making things more clear, the combined effect of these amendments could lead to further confusion.

So with the approval of the major senior citizen interest groups, the conferees agreed to return to existing law.

Since 1978, Mr. Speaker, advocacy provisions have been an important part of this act, and I want to emphasize that these provisions cannot be administratively overriden.

The Senate bill contained two amendments which were not in the House bill dealing with in-home services and testing of certain Alzheimer's drugs. The conference agreement contains a modified version of the Alzheimer's drug testing provision and two demonstration projects for in-home services.

Mr. Speaker, H.R. 1451 also provides for the reauthorization of a second program which, like the Older Americans Act, is administered by the Department of Health and Human Services.

The Native American Programs Act seeks to promote the economic and social self-sufficiency of reservation and nonreservation based Indian tribes and organizations, native Hawaiians, and Alaskan Natives.

H.R. 1451 would extend this program for 4 additional years at such sums as may be necessary.

There are two provisions included in the agreement concerning this program, and we have two new programs included; one would make native American Pacific islanders, who have not been included before, eligible for services under the Native American Programs Act. The other would create a demonstration revolving loan fund to benefit native Hawaiians with economic development.

Once again, I want to thank those Members who offered their valuable input and assistance during consideration of the act. I would particularly like to thank the gentleman from Vermont [Mr. JEFFORDS], who has worked so hard and so long on this bill, with great insight and great sensitivity; the gentleman from California [Mr. HAWKINS], the chairman of the full committee; the gentleman from Iowa [Mr. TAUKE], the ranking minority member on the subcommittee, who has been just so helpful with his sensitivity and his insight into these programs.

I would like to thank all the members of the subcommittee, both Democrats and Republicans. I would like to thank the gentleman from California [Mr. ROYBAL], and the gentleman from New York [Mr. BIAGGI], and the gentleman from Florida [Mr. PEPPER] for their input on this legislation.

I also want to extend my thanks to Senator MATSUNAGA and his fine staff for their hard work and cooperation, and for my staff, the staff on the majority and the minority, for their work on this bill.

Mr. Speaker, H.R. 1451 was originally approved by the House on May 28 by a vote of 379 to 8 and just last week the Senate voted 93 to 0 to approve the conference agreement.

I urge my colleagues to join me again in supporting the conference agreement for this important legislation.

Mr. Speaker, I reserve the balance of my time.

□ 1505

Mr. JEFFORDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the conference report on H.R. 1451, the Older Americans Act Amendments of 1987.

Programs authorized under the Older Americans Act are, in my judgment, among the most needed, cost-effective and successful programs which we as a Congress have enacted. The conference report under consideration this afternoon extends, through fiscal year 1992, the statutory authority for all of the major activities conducted under the act of 1965.

Authorization levels for expiring Older Americans Act titles include an annual increase of 5 percent. In reality, these funding levels reflect adjustments for inflation and should ensure that all Older Americans Act programs continue to operate at the current services levels.

In the development of the 1987 amendments, the Subcommittee on Human Resources heard from expert witnesses who appeared before us here in Washington. Another invaluable source was the testimony heard in the course of field hearings held in Vermont, Michigan, and Iowa. At these hearings, we had candid and informative exchanges of ideas with State and local officials who are in the front lines daily in operating programs to meet their senior citizens' special needs. And, perhaps, most importantly, we had an opportunity to hear directly from seniors who are participating in programs made possible through the Older Americans Act.

It was my privilege and pleasure to invite the subcommittee to visit my State of Vermont and to learn first hand of our successes and the special challenges confronting rural areas in providing services to their elderly residents. On March 28, the subcommittee traveled to Montpelier. During the course of that hearing, we received some data that should give all of us a better idea of who is being served by some of our most successful Older Americans Act programs.

Looking first at the title III congregate meals programs: 73 percent of Vermonters who participate are women; 59 percent are over the age of 70; 62 percent live alone; and 51 percent of these folks live on less than $500 a month.

With regard to our State's home delivered meals programs, approximately 50 percent of home delivered meals are served to frail, isolated people in their homes; women account for 81 percent of the home delivered meals recipients; 56 percent over the age of 80; 59 percent live alone; and 63 percent live on less than $500 monthly.

Statistics rarely give us the "human" picture. Testifying on behalf of the Central Vermont Council on Aging, Mr. Marty Levin cited several examples that illustrate just how important the older Americans nutrition programs are in our State. Let me share one of these examples with you. On one very frigid morning, workers at a congregate meal site in one of our smaller towns called a 76-year-old woman to inform her that the car scheduled to take her to the (congregate) meal site would not start. Rather than missing her site day, she walked three-quarters of a mile in 15 below zero (weather) in order to get there.

I would like to make brief mention of another item in the conference report that will provide meal assistance under the Child Care Food Program to certain adult day care centers. Federal support for two meals and one snack or supplement per participant per day is provided under the Child Care Food Program.

Adult day care centers generally provide less than 24-hour-a-day services to frail elderly and disabled persons, thereby enabling them to remain in their communities. The services provided under an individualized plan of care include medical assistance, rehabilitation services, meals, transportation, and, of course, respite care. Currently, there are approximately 1,300 centers nationwide serving an average of 19 impaired adults daily. The average age of persons served by these centers is 72; over two-thirds of the participants are women whose average annual income is below the poverty line—averaging $458 per month. It should be further noted that adult day care centers determined to be eligible to participate in the Child Care Food Program may also receive cash or commodity assistance under the nutrition programs authorized under title III of the Older Americans Act. They cannot, however, receive benefits or reimbursements from both programs for the same meal served. As the original author of this change, it was my intent to improve the quality of—as well as to increase the number of meals that may be offered to the frail elderly, the chronically disabled, and to persons suffering from Alzheimer's disease who spend full days in this type of care-giving setting.

We were privileged to have several ladies appear before us who participate in our Title V Community Service Employment Program. One of these was Ms. Joyce Ryder, who has been able, thanks to title V funding and the support of Vermont Associates—one of our title V contractors—to complete an educational program that has prepared her for employment with a nonprofit human services agency. She did this while in her mid-fifties. I believe that Ms. Ryder spoke for title V participants everywhere when she said (and I quote):

> Many other people are not aware of what it is like to be fifty-five or older and be without employment or enough financial security to pay the necessary costs of living. We want to work and we want a satisfactory wage.* * *
>
> Certainly the Great American Dream is not a reality for many of us. The opportunity to work and train for a job through the Older Americans Act is providing dignity and hope.* * *

> Living at a time in history where every place you turn emphasis is on youth, the problems of the older person are not generally considered. More and more people are living longer and the need to have meaningful jobs with sufficient pay will be mandatory for the American economy. * * *
>
> Certainly the chance to work and train through the Older Americans Act * * * is one worthwhile method to empower people in this age bracket to reach for a more secure future which will include high self esteem, dignity, and a better quality of life.

In a word, the conference report that has been hammered out reaffirms our support for and commitment to a number of programs that have improved the quality of life for millions and millions of senior citizens in communities throughout the Nation.

All too often, we find that participation in one federally assisted program, such as title V, deprives a person of other needed services. Such is the case with title V. Title V participants have been forced to chose between affordable, federally assisted housing, and the opportunity for education and training that will make them self-sufficient. Similarly, many title V workers have found that their modest title V earnings may deny them Food Stamp Program benefits.

To eliminate these unconscionable choices, the conference agreement precludes the consideration of any wages received from title V employment in determining their eligibility for or level of benefits received under any federally assisted housing programs or the Food Stamp Program.

What new initiatives are incorporated in the conference agreement?

Authored by our distinguished subcommittee chairman, the gentleman from Michigan [Mr. KILDEE], a new part D has been added to title III which authorizes in-home services for frail older individuals, including in-home supportive services for elderly who are victims of Alzheimer's disease and related disorders. Families of these victims are also eligible for similar services. Annual authorizations of appropriations for Part D are $25 million.

In recognition of the need to assist the States in better meeting the needs of older persons who are in long-term care facilities, the conferees have agreed to a series of changes which clarify and expand on the nature of complaints which are to be investigated by ombudsmen. Moreover, States must now ensure that no representative of the State ombudsman office will be liable under State law for good faith performance of official duties. States must further ensure that willful interference with the performance of duties of ombudsmen personnel are unlawful and that retaliation or reprisals against residents of long-term care facilities or employees of such facilities are prohibited.

For the specific purposes of the State Ombudsman Program, the conference report authorizes $20 million annually.

Another new authority is contained in part E of title III. Under the terms of the newly added part E, the Commissioner on Aging shall make grants to the States for the purpose of satisfying special unmet needs unique to their elderly populations. Allowable activities include, but are not limited to: Transportation associated with services provided under title III; outreach regarding such services; and targeting to senior citizens who are in the greatest economic or social need for such services. States would have maximum flexibility in the use of their special needs grants in tailoring programs and services which they can demonstrate are compatible with the objectives of the Older Americans Act. Over the years, in our desire to ensure that States are investing adequate resources in an ever-growing list of specific supportive services, we have earmarked Older Americans Act dollars. In so doing, States may be hampered in their efforts to respond to emerging needs that are unique to their own aging community's special unmet needs.

I offered this amendment during the Education and Labor Committee's markup of H.R. 1451 and I am pleased to report that it was incorporated in the final conference committee report. Authorization levels for the Assistance for Special Needs Program are $25 million each for fiscal years 1988 and 1989 and "such sums" for fiscal years 1990 and 1991.

Mr. Speaker, historically the Older Americans Act has enjoyed strong bipartisan support. The conference committee report reaffirms our support for programs that—in the words of the distinguishd subcommittee chairman—"promote, protect, defend and enhance the human dignity" of our senior citizens. Mr. Speaker, I strongly urge my colleagues on both sides of the aisle to adopt the conference report on the reauthorization of the Older Americans Act.

Mr. KILDEE. Mr. Speaker, I have no further requests for time at this moment, but I will reserve the balance of my time.

Mr. JEFFORDS. Mr. Speaker, I am happy to yield 6 minutes to the gentleman from Iowa [Mr. TAUKE].

Mr. TAUKE. Mr. Speaker, nearly 9 months ago, the distinguished gentleman from Michigan [Mr. KILDEE] introduced H.R. 1451, a bill to reauthorize the Older Americans Act of 1965. This bill has been carefully nurtured and has grown considerably since that time, and today, we deliver to the House the final product of several months of labor.

H.R. 1451 has received a great deal of attention this year, and it has traveled extensively since its conception. It has been to Montpelier, VT; Flint, MI; and Algona, IA; where testimony was heard on its development. Additionally, dozens of experts appeared in Washington to offer suggestions and advise on the proper formation of this legislation.

The primary subject of all of this scrutiny is the Older Americans Act of 1965. The fundamental structure of this act survived these months of inspection intact, and the underlying framework of the act has emerged undamaged in the conference report we have before us. The popular and effective congregate and home-delivered meals programs will continue to serve millions of elderly nationwide. Supportive services will continue to be provided and senior centers will continue to receive funding upon enactment of this conference report.

Mr. Speaker, as the ranking Republican on the subcommittee which considered this legislation, I support this conference report. Iowa's over-65 population currently represents 14.3 percent of the State's population, which places it third among all States in its percentage of elderly residents. In the over-75 age group, Iowa has an exceptionally high number of citizens. There are 128,000 Iowans between the ages of 75 and 84, and an additional 45,000 Iowans over the age of 85. Iowa, in fact, leads the Nation in the percent of its population age 85 and over. I am particularly concerned about the ability of the Older Americans Act programs to meet the needs of these older individuals.

I am especially supportive, therefore, of the provision in this conference report which expands in-home services to the frail elderly. I believe this provision appropriately emphasizes and directs funds to this highly vulnerable population. Many of the frail elderly would be forced into long-term care institutions if it weren't for the assistance they receive under the Older Americans Act. Enabling these individuals to remain independent in their own homes is therefore not only humane, but very cost-effective.

Unfortunately, the act has also gained some new wrinkles as a result of this reauthorization that are not as attractive. The act will carry some added weight and potential expense over the next 4 years that may not be effective. Although well-intentioned, I am concerned that some of these changes and additions will overburden the aging network and unnecessarily limit the flexibility of the network to meet local needs.

Nine months ago I noted that the Older Americans Act network will be faced with new challenges and greater demands in the 1990's and beyond. The number of elderly in this country is increasing rapidly, traditional caregivers are becoming scarce, and the elderly population is becoming more and more diverse. Moreover, as the baby boom ages, a larger and larger percentage of our population will be old. Services provided through the Older Americans Act must be able to adapt to meet these dramatic demographic changes—the so-called graying of America.

Rather than taking a comprehensive approach to these challenges, however, this conference report offers a piecemeal solution to a wide variety of needs. This report includes a total of 18 separately authorized, individual programs, doubling the number of programs authorized in the act prior to this reauthorization. This is not a constructive way to legislate, nor is it an effective way to distribute funds.

I am concerned that we have not only fragmented the funding for Older Americans Act services in this legislation, but that in the process we have also diluted the mission of the agencies that carry out these programs. I believe that this dilution of mission may severely hamper the effectiveness of and weaken support for the Older Americans Act. Thus, while I support this conference report, I caution those who will carry out its mandates to be wary of overextending their resources and diluting their mission to the detriment of older individuals.

Mr. Speaker, this conference report is not a perfect document, but it will ensure the continuation of important services to our Nation's elderly. The Older Americans Act provides nutrition and support services that are an integral part of the daily routine of millions of elderly Americans. I urge my colleagues to join me in supporting this conference report and the vital services that it represents.

☐ 1515

Mr. JEFFORDS. Mr. Speaker, I yield such time as she may consume to the gentlewoman from Nebraska [Mrs. SMITH].

Mrs. SMITH of Nebraska. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise today in strong support of the conference report on the reauthorization of the Older Americans Act. The social services authorized by this legislation help ensure that older Americans have a greater opportunity to live with increased independence, dignity, and have greater opportunities for growth and fulfillment in their mature years.

Because of the Older Americans Act, many more of our Nation's elderly are able to live independently in their own homes. This increased independence is made possible through a wide variety of support services administered at the community level, and such as home-delivered meals, home medical care, and shopping assistance.

My home State of Nebraska has an enormous senior citizen population. Out of the 435 congressional districts in this country, mine ranks 33d in both the number and percentage of persons 65 and older.

There are 107,000 people over age 60 in my district, and 16,000—or 15 percent—receive continual and intensive services under the Older Americans Act. From July of last year to March of this year, 40,000 service hours were spent in my district assisting the elderly in a wide variety of handyman and housekeeper services, ranging from electrical and plumbing work to help with cleaning.

For over 20 years now, the Older Americans Act has been an invaluable source of community support for our Nation's senior citizens. All of this at a minimal Federal investment. This Congress can do no greater service to our country's older population than by strongly supporting reauthorization of the Older Americans Act. I urge my colleagues to support this legislation.

Mr. JEFFORDS. Mr. Speaker, I just want to close by again commending the gentleman from Michigan [Mr. KILDEE] and all of the staffs, as well as the gentleman from Iowa [Mr. TAUKE], for their tremendous cooperation all through this process.

Mr. Speaker, I yield back the balance of my time.

Mr. KILDEE. Mr. Speaker, I yield 3 minutes to the gentleman from Indiana [Mr. VISCLOSKY].

Mr. VISCLOSKY. Mr. Speaker, I would first like to commend Mr. KILDEE, chairman of the Human Resources Subcommittee, and Mr. TAUKE, ranking minority member, for their leadership and the outstanding manner in which they have conducted all the proceedings concerning this legislation.

With the passage of the Older Americans Act in 1965, Congress created a new Federal program specifically designed to meet the social needs of senior citizens. Although they may receive services under many other Federal programs, the Older Americans Act is the primary vehicle for the organization and delivery of social services to our senior citizens.

Today, the Older Americans Act is even more important in light of the growing size of our senior population. In 1986, 16.6 percent of our population was 60 years of age or older; by 2020, this portion of our population is projected to be 24 percent. The number of people older than 60 will rise by 77 percent in the next 30 years.

The legislation before us retains the basic structure of the act, but makes several important adjustments. I am particularly pleased that two amendments I offered have been retained in the conference agreement. The two amendments deal with minority participation and client-attorney privileges for those seeking legal assistance.

The purpose of the minority participation measure is to reemphasize to the State and area agencies that Congress originally intended minority participation to be an important component of the act. It requires area aging agencies to write provisions into contracts that detail how the provider will "satisfy the service needs of low-income and minority senior citizens." Furthermore, these plans must identify the number of low-income and minorities in the service area and describe the methods to be used to satisfy their needs.

Despite the fact that the act requires services to be targeted to low-income and minority individuals, minority participation in some Older Americans Act programs has dropped as much as 25 percent during the 1980's. This provision addresses this concern.

The second amendment assures that the client-attorney privilege is extended to those providing legal assistance and their clients under the Older Americans Act. Some area agencies, in order to evaluate the use of title III-B funds, have required that contracted legal assistance providers make available the names and addresses of the clients served. I fear that many senior citizens might avoid seeking legal assistance if they believe others would discover that they used publicly funded legal services. This legislation greatly diminishes this possibility.

Overall, this measure addresses the needs of our country's senior citizens and does so in a fiscally responsible manner. I urge my colleagues to join me in supporting this important measure.

Mr. KILDEE. Mr. Speaker, I thank the gentleman from Indiana. He has been a very effective and very diligent member of the subcommittee.

Mr. DAUB. Mr. Speaker, I support H.R. 1451, the Older Americans Act of 1987. Since coming to Congress, I have labored on behalf of our elderly population in a number of causes and recognize the importance of this legislation.

The authorization of the conference report will continue many necessary programs and establish new programs which are farsighted and will soon become an integral part of the older American community.

Among the new programs in this bill are the following: In-home services to the frail elderly, State grant assistance to meet special needs of older individuals, prevention of older individual abuse programs, and preventive health education and promotion.

Supportive services and senior center, congregate nutrition services, community service employment for older Americans, USDA surplus commodities, home-delivery nutrition services, and research, training, and discretionary programs are the major service programs authorized under this bill in fiscal year 1988.

I wholeheartedly endorse the reauthorization of the Older Americans Act and commend all those who support this legislation.

Mr. AKAKA. Mr. Speaker, I rise today in order to commend the Committee on Education and Labor for bringing forth a magnificent piece of legislation in the conference report on H.R. 1451, the Older Americans Act amendments.

Under the able leadership of the chairman of the Subcommittee on Human Resources, Representative KILDEE, the conference committee determined that the programs which have proven to be so vital to the welfare of our senior citizens will be reauthorized for another 4 years.

As a cosponsor of H.R. 1451, I am pleased to render anew my wholehearted support for the measure as it has emerged from conference consideration. The final agreement, in my opinion, is sincere, prudent, and effective in its efforts to meet the social service needs of our elderly Americans, and I believe that it is only fitting for us to thank Mr. KILDEE, as well as his able staff, for the fine work that has been done in conference with the other body.

The conference report includes a number of provisions that I have advocated and encouraged. First, it reauthorizes through fiscal year 1991 all current major Older Americans Act programs—including supportive services, congregate and home-delivered meals, community service employment programs, as well as research and demonstration grants programs.

Second, the agreement includes authorizations for new programs: home services for the frail elderly, informational services on the availability of benefits under other Federal programs, a long-term care ombudsman program, and a program to prevent abuse of the elderly. Likewise, the measure addresses the needs of our native American elderly, of our adult day care participants, and of those who suffer from the devastating disease known as Alzheimer's. I know that the elderly population of my State, Hawaii, and the country as a whole will benefit greatly from these programs, and I think we have every reason to be proud of them.

Third and finally, the conference agreement includes authorization for programs of specific benefit to native Hawaiians, and I would be remiss if I did not point out the value and wisdom of their inclusion. Historically, Congress has possessed, and exercised, the authority to enact legislation specifically for the benefit of native Hawaiians. As in the case of Indians and Alaskan Natives, it has, in the case of native Hawaiians, done so because it felt confident that the Government purpose in such programs is rationally tied to the U.S. trust obligation to such native Hawaiians.

H.R. 1451, in my belief, rightfully promotes this recognition in a manner that is both specifically sensitive and generally accommodating. Native Hawaiians, quite clearly, are in desperate need of the attention to be afforded under this bill. An April 1987, Office of Technology Assessment staff paper, for example, determined the following: a greater part of the native Hawaiian population is 55 years or older, and they die at a rate 146 percent higher than the U.S. all races population. In addition, it has been widely reported that native Hawaiians lack sufficient and accessible health care assistance, and for primarily financial reasons, are not likely to seek medical assistance until their ailments have reached the very latest and critical stages.

H.R. 1451, therefore, represents a dramatic, significant, and positive step toward addressing the needs of our country's elderly native Hawaiians, and I again commend the committee and most particularly, Chairman KILDEE, for their sensitivity.

I urge my colleagues to render their wholehearted support for this necessary measure.

Mr. ROYBAL. Mr. Speaker, as an original cosponsor of H.R. 1451, I rise in strong support of the conference report to reauthorize the Older Americans Act for another 4 years. Although this legislation is the product of a lot of hard work from my colleagues on both sides of the aisle, I want to particularly commend the efforts of the gentleman from Michigan [Mr. KILDEE], chairman of the Subcommittee on Human Resources, for his strong leadership in developing and shaping this important legislation, the gentleman from New York [Mr. BIAGGI], a member of both the authorizing committee and the Select Committee on Aging, who has worked tirelessly on behalf of concerns raised by older individuals throughout the country, and the gentleman from California [Mr. WAXMAN] for his continued support on behalf of victims of Alzheimer's disease. I would also like to commend Senator MATSUNAGA, chairman of the Senate Subcommittee on Aging of the Committee on Labor and Human Resources, for this continued excellent efforts on behalf of programs for older Americans.

Hearings before my Select Committee on Aging attest to the vital role which these programs play in helping hundreds of thousands of older individuals to remain independent and productive in their communities. While I would have liked to have seen substantial increases in authorization levels and a commitment of resources which more accurately reflect the rapidly growing numbers of older Americans, this legislation responds in a responsible manner to the difficult budget constraints of this Congress while making significant improvements in a number of important areas.

In particular, at the very least, we must maintain an inflation increase for these vital programs which include nutrition assistance, senior centers, transportation, in-home services, legal assistance, employment, ombudsman protections, and other supportive services. This bill reflects this notion by providing for approximately a 5-percent increase for existing programs over each of the next 4 years.

One of the key components of H.R. 1451 is a provision which creates a new part D under title III, authorizing funds for nonmedical in-home services for frail older persons. If there was perhaps one overriding issue which was raised in community after community during the reauthorization process, it was that there is a critical need for more in-home nonmedical services which can help the frail and vulnerable elderly to live independently and with dignity in their familiar neighborhoods. This bill makes an important first step in this area by providing a specific authorization for such services as homemaker and home health aides, visiting and telephone reassurance programs, help with home maintenance, in-home respite care for families, including adult day care, and other important services for the frail elderly.

Another key component of the bill is a strengthening of the long-term care ombudsman program. Hearings before my Select Committee on Aging indicated that the ombudsmen lack the resources and authority to adequately perform their duties under the act. While this bill perhaps does not go as far as I would have liked, it does provide a critically needed authorization increase, as well as some retaliation protections, a maintenance of effort provision, and increased access to patient records.

In addition, H.R. 1451 includes some important provisions to better ensure that the act is more responsive to those elderly Americans who because of race, gender, poverty, frailties, a lack of available family supports, or physical and mental impairments are still isolated from essential assistance. These provisions include: increased targeting to low-income minority elderly persons, more in proportion to their need; a home care demonstration project to protect the rights and well-being of home-care consumers; greater sensitivity and coordination between agencies which serve persons with developmental disabilities or mental health needs; initiatives to prevent and assist victims of elder abuse; increased focus and resources to address the needs of Indian elders; a demonstration project to test whether the Older Americans Act system can effectively reach and assist eligible individuals who are not currently receiving SSI, Medicaid, and food stamps; and the funding of long-term care gerontology centers. The combination of these strengthening amendments should help to provide more targeted assistance to those older individuals who are most vulnerable and in need of support.

I am disappointed, however, that the bill was not able to further clarify the rights of advocacy provided under the act. Too often, confusion surrounding which advocacy activities are permissible under the Older Americans Act inhibits the flow of important information to elderly individuals and infringes on their rights as citizens. It is unfortunate that many of these issues could not be resolved in this bill.

In addition, I believe much more still needs to be done to strengthen the delivery of legal services to older Americans. Complicated programs such as Social Security, Supplemental Security Income, Medicare, Medicaid, and others require detailed and sophisticated information regarding eligibility rights. Legal services under the Older Americans Act are often the only option available to senior citizens who need information and protection concerning these rights. Data indicate that funding for legal services has decreased substantially over the past few years.

Despite these problems, however, H.R. 1451 established a much stronger Older Americans Act and deserves the support of the Members on both sides of the aisle. This bill strongly reaffirms the present network of

State and area agencies on aging, and is a real victory for those who wish to maintain the independence and dignity of older Americans and their families. I strongly urge my colleagues to support this important legislation.

Mr. HAWKINS. Mr. Speaker, I rise in support of the conference report on H.R. 1451, the Older Americans Act Amendments of 1987. I want to commend Chairman KILDEE and the other members of the Subcommittee on Human Resources for their diligent work in shepherding this reauthorization through the Congress.

The Older Americans Act amendments reauthorize for 4 years the important programs under this act which provide nutritional and supportive services, transportation, and employment for millions of the Nation's elderly. The act also strengthens a number of the provisions of current law. For example, during the course of the hearings on the reauthorization, the committee heard testimony about the lack of effective targeting of services to low-income and minority older individuals. Consequently, amendments were incorporated in both House and Senate bills to increase services to low-income minority individuals.

I am pleased that the conference agreement requires providers to specify how they intend to satisfy the service needs of low-income minority individuals. However, low-income minority individuals must receive a level of services that is at least equal to their proportion of the area's total older population. This provision insures minorities that their needs will not be ignored.

The act also authorizes a new part D for in-home services for frail older individuals. Nonmedical in-home services such as homemaker and home health aides, visiting and telephone reassurance and in-home respite care for families are authorized under this part. In many instances, the provision of these services will enable frail elderly individuals to continue to live in their own homes, rather than in nursing homes.

I am also pleased that the conference report continues the title V program which provides part-time employment and income in community services activities for unemployed, low-income older Americans.

For more than two decades, the Older Americans Act has provided essential services to the Nation's elderly. The act has been reauthorized on numerous occasions with strong bipartisan support. Last week, the Senate passed the older Americans conference report by a vote of 93 to 0. I urge my colleagues to support the reauthorization of these essential programs which enable millions of elderly Americans to live productive, independent lives.

Mr. BILIRAKIS. Mr. Speaker, last May the House passed H.R. 1451, the Older Americans Act Amendments of 1987, by a vote of 379 to 8. The Senate later unanimously passed its version as well. Mr. Speaker, I am happy to be one of the Members to have cast an affirmative vote for this important measure, and I would like to urge all my colleagues to give the conference report on the Older Americans Act amendments, which is now before us, their full-hearted support as well.

Mr. Speaker, we, as a body, certainly consider much landmark legislation. There's no doubt in my mind, however, but that few bills, if any, are as important as the reauthorization for the Older Americans Act.

Created in 1965, the Older Americans Act is the primary vehicle for the organization and delivery of social and nutritional services to senior citizens—one of our country's greatest assets. The sums we authorize will go to fund, among many others, support services and senior citizen centers, congregate nutrition services, home-delivered nutrition services, and so forth.

Furthermore, I am particularly pleased to see that the conference report includes provisions authorizing funds to require the National Institute on Aging to conduct clinical trials on the use of therapeutic agents to treat individuals with Alzheimer's disease. Any steps toward combatting this devastating dementia are certainly most needed and welcome!

Mr. Speaker, our passage of this conference report will allow hundreds of thousands of frail, elderly citizens, individuals who have contributed to this society in numerous ways throughout their lives, to receive the care and assistance they need—in many cases just to survive. I would, again, therefore, request all my colleagues to grant this conference report their support. This is an important one, Mr. Speaker. Let's not let our senior citizens down.

Mr. MFUME. Mr. Speaker, I rise in support of the conference report to accompany H.R. 1451, the Older Americans Act Amendments of 1987. I am pleased that the Senate adopted the conference report by unanimous vote and I hope that the House will act accordingly.

I commend the work of the conference committee for reaching an agreement that speaks directly to the social and economic needs of America's elderly. This is a population which amounted to approximately 51.4 million people in 1986 and a population in which 1 in every 6 persons will be hospitalized during the next year. This is a population whose major problems include housing, crime, and a lack of adequate human service programs and yet these are the people that have made America what we know it to be today.

I have stated before that it has been a mystery to me that older citizens are not accorded the highest levels of service and respect in the United States; that after years of working, and making contributions to America and to their communities, our senior citizens are too often pushed aside, ignored, and even discriminated against.

The Older Americans Act, as we all know, has come to be recognized as the major vehicle for providing social services to the elderly. This conference agreement reauthorizes, through fiscal year 1991, all current major Older Americans Act programs. These programs include supportive services, congregate and home-delivered meals, community service employment programs, and training, research and demonstration grants programs. In addition, the agreement includes authorization for new programs to provide services at home for the frail elderly and to demonstrate how the elderly could be informed of the availability of benefits under other Federal programs and I applaud this much needed dimension to the Older Americans Act.

Still, while I am so happy to see the Older Americans Act reauthorization come to fruition, I am saddened when faced with the degree of deprivation among aged blacks and I know that we must work to spur the Nation to devote greater resources in aiding black and other minority elderly.

With this in mind, I must praise the work of the National Caucus and Center on the Black Aged. This is an organization that, this week, will be hosting its annual living legacy program where they honor older black Americans who have made a contribution to their communities. This organization has worked in conjunction with the House Select Committee on Aging and has obtained data on the economic status of the black elderly. In a report entitled, "The Status of the Black Elderly in the United States," the disporportionate problems with reference to the health and well-being of many of the black elderly is documented and it is noted in this report that minorities and blacks, while having a greater need for supportive services, are underrepresented in Older Americans Act services and programs.

Mr. Speaker, it will take the best efforts of us all to adequately address the concerns raised in this report, but the reauthorization and expansion of the Older Americans Act is certainly a step in the right direction.

Thank you.

Mr. RAHALL. Mr. Speaker, I rise today in support of a very important piece of legislation, H.R. 1451, the Older Americans Act amendments.

H.R. 1451 authorizes appropriations for the Older Americans Act of 1965 for fiscal years 1988 through 1991. The conference agreement retains the House provision creating a new part D in title III authorizing funds for nonmedical in-home services to the frail elderly and a new part E authorizing funds for special needs. Also retained is a separate authorization for a long-term care ombudsman program. Additionally, the bill authorizes a White House Conference on Aging in 1991 and demonstration projects for in-home services to assist victims of Alzheimer's disease.

Mr. Speaker, I would like to commend the conferees on this conference report for their efforts in bringing this agreement on the bill before us today. As Hubert Humphrey once said, ". . . the moral test of government is how that govenment treat those who are in the dawn of life, the children; those who are in the twilight of life, the elderly, and those who are in the shadows of life, the sick, the needy, and the handicapped." This legislation continues those programs under the Older Americans Act—and improves on those programs—to reaffirm our national commitment to independence and dignity for all our senior citizens. On behalf of my fellow West Virginians, it is with pleasure that I rise in support of this bill which provides much needed assistance to America's elderly.

Mr. PURSELL. Mr. Speaker, as a member of the Appropriations Subcommittee which funds the programs under the Older Americans Act, I would like to pledge my strong support for the reauthorization as agreed to by the Senate and House conferees.

This legislation continues funding for a number of vital service programs for the elderly, including nutrition services, senior centers, Department of Agriculture surplus commodities, Community Service Employment for Older Americans, and Home-Delivery Nutrition Services.

I am particularly pleased that the authorizing committees also established a number of new programs for in-home services to frail elderly, prevention of abuse for older Americans, and preventive health and promotion activities.

Each of these programs attempt to address a serious problem faced by older Americans. I am hopeful that these new services will go a long way toward assisting the home bound, preventing elderly neglect, exploitation and abuse, and educating and promoting the health of our seniors.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of the conference report for the Older Americans Act Amendments of 1987, H.R. 1451. I believe that the 1987 amendments will make substantial improvements in the law. The nonmedical in-home services, the strengthening of the ombudsman provision, and the targeting of services toward persons with the greatest social and economic need are among the outstanding amendments.

I would like to add my special appreciation to the chairman of the Human Resources Subcommittee, Mr. KILDEE, and the ranking minority member, Mr. TAUKE, for their efforts in behalf of the amendment which I authored.

My amendment is based on a survey commissioned by the commonwealth fund and conducted by Lou Harris which was released in January 1987. It revealed that only half of all older persons eligible for SSI participated in the program. A unique aspect of the survey was that it asked those who appeared eligible why they were not enrolled in the SSI Program. Almost half said that they had never heard of the program or believed that they were not eligible. Additional research revealed that only one-third of the noninstitutionalized low-income elderly participate in the Medicaid Program and that only half of the low-income elderly are enrolled in the Food Stamp Program. These very low-participation rates in the programs designed to lift the elderly out of poverty became the motivating factors behind this amendment.

My original proposal would have provided $25 million to the State and area agencies on aging so that they could locate older persons living below the poverty line and assist them in applying for supplemental security income [SSI], Medicaid, and food stamps. Since I do not serve on the authorizing committee, Mr. WISE offered my amendment at full committee markup and worked with the committee to achieve its passage.

The Senate bill authorized only $3 million for outreach demonstration projects. I am so pleased that the compromise reached by the conference committee authorizes $20 million—$10 million in fiscal 1989 and $10 million in fiscal year 1990—to locate and assist low-income older persons in obtaining the benefits to which they are entitled. I would also like to express my appreciation to Congressman SOLARZ for representing my amendment in the conference committee negotiations.

The aging groups were also very supportive of my amendment and I would like to thank the legislative staff members of: the National Council of Senior Citizens, the National Senior Citizens Law Center, the American Association of Retired Persons, the National Caucus and Center on Black Aged, the National Association of State Units on Aging, and the National Association of Area Agencies on Aging for their efforts.

Mr. BIAGGI. Mr. Speaker, as an original cosponsor of the 1987 Older Americans Act reauthorization, I urge the House take the final step in a very successful process and pass the conference report today and send this measure on to the President for his signature. By doing so, we will be enacting one of the most important pieces of legislation to benefit the elderly in this historic 100th Congress.

I wish to take this occasion to pay tribute to the driving force behind this legislation, my friend, DALE KILDEE from Michigan. As chairman of the Subcommittee on Human Resources, he demonstrated a total commitment to this important legislation and his leadership has helped to produce one of the finest reauthorizations of this highly successful act. Let me also commend Mr. TAUKE for his leadership as well as full committee chairman, Mr. HAWKINS, and ranking minority committee member, Mr. JEFFORDS, of the Education and Labor Committee. Further I wish to acknowledge and pay tribute to the excellent leadership provided by the House Select Committee on Aging to this legislation. I am especially proud to note that all of the subcommittee chairmen of the Aging Committee, including full committee Chairman ED ROYBAL, Chairman PEPPER, and Chairman BONKER all made significant contributions to this legislation mostly in title III of the act. Finally, let me also salute the ranking minority member of the Human Services Subcommittee Ms. SNOWE for her work on behalf of this legislation.

When the process of reauthorizing the Older Americans Act began more than 1 year ago, a basic determination had to be made about the direction it was to take. Should it be a simple extension, a major reauthorization or more of a fine tuning process. At this final stage in the process and after measuring all of the various provisions in this conference report, it is safe to say that we have achieved a fine tuning type of reauthorization, one that will ensure that the act adapts to the changing needs and growing demand of the elderly who depend on the services provided by the Older Americans Act.

It is also important to note at this juncture the fact that the conference report does not contain a number of proposals that were offered at the early stages of the process by the administration which, if approved, would have radically altered the act. Most prominent among these changes was a proposed increase in the eligibility age from the current 60—for title III programs—to first 70 then 65. This was proposed as a means of improving the ability of the Older Americans Act to reach the most vulnerable elderly. The idea was rejected for a number of reasons but primarily because vulnerability is not solely measured on the basis of age, there are a number of other factors that must be taken into account. Furthermore, any increase in the eligibility age would have impacted negatively on the minority elderly of our Nation whose life expectancies are less than nonminorities.

This conference report also rejects the idea of any further consolidation or "block granting" of the programs under the Older Americans Act. The existing six titles of the act are retained and the various subtitles within title III have been retained and expanded.

One of the first issues to be dealt with in the reauthorization process was the status of the Administration on Aging, the entity within the Federal Government responsible for the Older Americans Act. For years, those of us closely involved with the Older Americans Act watched with increasing concern the dilution of AOA by other offices within the Department of Health and Human Services. This included actions which violated at least the spirit if not the letter of the existing Older Americans Act which barred the usurption of responsiblity from AOA.

Over the past several years, we heard reports from Administration on Aging personnel in the field and in Washington about staff reductions in their offices, denial of legitimate travel requests, comingling of research and training funds once reserved for AOA with other units within the Department of Health and Human Services. It was determined that the solution to the problem might well rest in the elimination of three little words in the law. The existing law says that the Commissioner on Aging reports to the Office of the Secretary of HHS. The new Older Americans Act changes that to read that the Commissioner shall report directly to the Secretary of HHS. We are confident that this modification will lead to greater autonomy for not only the Commissioner on Aging but also the entire Administration on Aging and their various regional offices around the Nation. It is also my intention as a member both of the Human Resources Subcommittee and Select Committee on Aging to closely monitor the implementation of this new language.

The reauthorization provided for in this conference report is for 4 years or through fiscal year 1991. This is 1 year more than most of the previous reauthorizations of the Older Americans Act. This additional year is vitally important for the aging network, State agencies on aging, area agencies on aging and nutrition service providers and other related providers in terms of being able to adequately plan for their needs on a longer term basis. I also wish to strongly support the modest but highly realistic funding levels provided for as part of this reauthorization. The Older Americans Act historically has used its funds most effectively. Furthermore the increases in authorizations provided for in this bill will help to ensure that the act continues to serve those elderly in its programs but also allow it to expand to increase its commitment to serving those elderly with the greatest economic or social need with special attention to the low-income minority.

I was especially pleased that amendments I sponsored during committee consideration of this bill in the House were retained in the final conference report. The first of these that I would mention will increase the available administrative allowance for our Nation's 667 area agencies on aging from the current 8.5

percent to up to 10 percent under the terms of section 304(d)(1)(A). My intent in sponsoring this amendment is for this increase to be used in such a way by area agencies to improve their outreach abilities, as well as to improve coordination at the local level and to help leverage additional support from both public and private sources to supplement programs. The effective management of administrative allowances can represent a sound investment of the Federal dollar. On another point related to area agencies, I was pleased to see that the conference retained language clarifying that area agencies are to be single organizational units.

I was proud to have authored a series of amendments to this legislation which have been retained in this conference report dealing with the all important long-term care ombudsman program under the Older Americans Act. This program has been a success but has been tremendously hindered by a lack of resources and some unintended restrictions in current law which serve to impede the ability of long-term care ombudsman to do their jobs. A major report issued last year by the Institute of Medicine entitled "Quality of Care in Nursing Homes" pointed to the need to make significant improvements in this program for the future. A reauthorization of this type covering 4 years provides the appropriate vehicle to make changes.

Under the conference agreement, the ombudsman will have greater access to records of those persons in long-term care facilities to respond to complaints filed by or on behalf of residents.

In addition the conference agreement makes it clear that all representatives of the Office of the Ombudsman in the various States, meaning the substate or local programs as well as the main State programs are assured of: Immunity for good faith performance of their responsibilities, are provided with legal advice as well as counsel for representation when needed. The conference agreement actually bolsters another of my amendments pertaining to the ombudsman program. Specifically the conference agreement requires that each State ensure that any willful interference with the performance of the duties of the ombudsman is unlawful and that retaliation or reprisals against residents or employees who complain or who cooperate with ombudsmen are prohibited. The conference agreement also makes it clear that the ombudsman may investigate a broad type of complaints that involve actions, inactions, or decisions of providers of long-term care services that may adversely impact the "health safety welfare or rights of such residents."

The conference agreement also retains the emphasis in both bills on training of all personnel associated with the ombudsman program, one of the more critical elements in the future of this program. Finally the conference agreement essentially retains the commitment that the ombudsman program have a maintenance of effort requirement based on fiscal year 1987 funding levels and that an additional authorization of $20 million for fiscal year 1988 and such sums for the out years be provided for the ombudsman program once the trigger that authorizations for the existing act and certain new programs reach 105 percent of the previous year level.

One of the more important mandates that needed to be addressed in this reauthorization, I believe was in fact accomplished with the language dealing with improved targeting and outreach under the Older Americans Act. Under the existing law, it is stated in several places that States and area agencies on aging are to give a preference to the elderly "with the greatest economic or social need with particular attention to low-income minority individuals." Yet this preference was not stated in all the sections of the law where it should have been to ensure that the preference was actually achieved. As a result and under the best estimates, only about one out of two persons presently being served by the Older Americans Act are from the preference group. This was heightened by the fact that participation by minorities in title III programs, especially those under title III B had showed a disturbing 27 percent decline since 1981.

The conference agreement on the Older Americans Act reauthorization retains language I authored in an amendment that adds the preference in the remaining portions of the act that deal with the providing of services at the State and local level including the establishment of planning and service areas by the States. There is no more important priority for those involved in the Older Americans Act than to see to it that those in the greatest economic or social need are in fact located, reached and to the extent possible served by Older Americans Act programs. It is also important to note that this conference agreement places new emphasis on the important function of outreach at the State and local level as a means of ensuring that those needy elderly are located and served. To that extent I wish to lend my particular support to the new title III, part E of the Older Americans Act which will help determine whether the existing Older Americans Act network can effectively reach and assist individuals who are eligible for, but are currently not receiving SSI, Medicaid, and food stamps to begin receiving such benefits.

I strongly support the conference agreement provision dealing with older individuals with disabilities. The agreement calls upon the Commissioner on Aging to consult with national organizations representing the interests of individuals with severe disabilities, including developmental disabilities to provide improved technical assistance to State and area agencies on aging in the provision of services to older individuals with disabilities. The conference agreement also calls for improved planning and multiagency consultation again all aimed at locating the elderly disabled population and begin to provide some meaningful assistance in terms of community service.

I am especially strong in my support of the new title III, part D of the Older Americans Act authored by the distinguished chairman of the subcommittee, Mr. KILDEE. Title III D is a program that provides grants to States for the provision of nonmedical in-home services for the frail elderly to avoid institutionalization. This amendment more than any other single provision in this reauthorization represents the wave of the future for the Older Americans Act and aging policy in general. From the outset, the Older Americans Act has always had as its primary mandate to provide those social and human services that will maintain both the dignity and independence of senior citizens some of whom might be considered at risk. If one could measure the success of the older Americans over the years, it has been through its provision of services that in fact have kept older people out of institutions. One need only look as far as the various nutrition program under the act. In them we find older people who have been in the program for 10 years or longer. This means that they have not been forced to leave their homes or their communities to enter institutions due to a lack of services.

Title III D seeks to build on this element of the success of the Older Americans Act by providing for a variety of nonmedical, primarily in-home services for frail elderly individuals. These in-home services are intended as a preventive measure to enable these older individuals who have functional difficulties to remain in their homes and out of institutions. The conference agreement provides for a broad range of eligible services that could be funded under the new part D. This would include but not be limited to respite care, emergency response services, and minor home repair. In addition other daily activities such as bathing, shopping, and cooking are included.

Funds under title III D are to be awarded under the existing Older Americans Act formula but at the State level special consideration is to be given to factors other than age including economic and social factors which contribute to frailty. One of the more important features of III D which will help to ensure its success is the fact that III D funds are to be used to supplement efforts already underway or that would be underway relative to programs to provide these types of services.

Included in the title III D eligibility would be in-home services for victims of Alzheimer's disease and their families. I am especially gratified that under this legislation and specifically under section 344, maintenance of effort provision that a program such as the New York City Alzheimer's Resource Center, operated by the Department for the Aging which is an area agency on aging would be eligible for additional assistance. Their specific inclusion can be found in section 344 in the language which reads—including area agencies on aging which have in their planning and services area, existing services which primarily serve older individuals who are victims of Alzheimer's disease and related disorders with neurological and organic brain dysfunction and the families of such victims. For the past several years, the city of New York through its Department for the Aging has had the first and only municipally funded center exclusively for Alzheimer disease victims and their families. This highly successful program which is funded by the city as well as the highly innovative and responsive Brookdale Foundation has reached hundreds of victims and their families and provided them with important services including information and referral, legal assistance, and other supportive services. This is the prototype of the kind of program that title III D can and should help.

As one who has been deeply concerned with the problem of elder abuse and been actively involved in legislation during this decade aimed at prevention and services to its victims, I with so point to the important provisions which exist in this conference report dealing with elder abuse prevention. Specifically the agreement contains the House provision authored by our illustrious colleague, Claude Pepper, that authorized $5 million in fiscal year 1988 and such sums in the future years for programs at the State level aimed at preventing abuse of elderly individuals and it includes a requirement that States which are receiving Older Americans Act funds have such programs. This compliments provisions first passed in the 1984 reauthorization which made services for victims of elderly abuse eligible for funding under title III B of the act.

The conference agreement also retains several important provisions pertaining to the title V Community Service Employment for Older Americans Program. The first is a freeze in the cap on administrative expenditures of 13.5 percent for the various States and national contractors. Under existing law that allowance ceiling could have been lowered to 12 percent. Testimony that had been presented in various hearings by certain national contractors suggested that this might have led to reductions in services beyond administration including job slots for older workers. It should also be noted for the record that there are also national contractors including the national council of senior citizens who have traditionally operated with administrative allowances well below the 13.5-percent and even the 12-percent contemplated in existing law. An allowance for administrative costs of 13.5 percent is most generous but efforts should be continued by all involved in the title V program to keep these costs to a minimum so that the bulk of funds under title V go to providing meaningful part-time employment opportunities for low-income seniors.

In addition to the freeze on administrative allowances, the conference agreement also provides for a urgently needed income disregard for those participants in the title V program when determining their eligibility for food stamps and Federal housing programs.

Let me briefly indicate my support for several other provisions included in this conference agreement. I strongly endorse the provision which will require the Labor Department to develop an index which may lead to a new consumer price index for the elderly aged 62 years and over. Such an index is long overdue to say the least. The existing CPI which is the index used to determine the annual cost-of-living increase under Social Security has long been an inaccurate measure as far as seniors are concerned. Those items that seniors commit most of their funds to rise at a far higher rate than the standard CPI would indicate. All one has to do is compart the upcoming 1988 Social Security COLA of 4.2 percent based on the CPI and the projected 38 percent increase in the Medicare part B premium said by millions of seniors. This index which the Labor Department is required to develop under this conference report will most certainly be an important first step in determining the need for a new CPI for the elderly.

I am pleased that the conference agreement reflects the House language relative to the USDA Commodity Food Program which supplements the Nutrition Program under title III. Under the terms of the House-passed bill, the authorization level for the program will result in a constant reimbursement rate of at least 56.76 cents per meal no matter how many meals are served. This is a far cry in terms of improvement over the existing situation that has befallen this program in recent years. Under past law the reimbursement rate could and often was readjusted—usually downward—and meals were often threatened. This legislation will eliminate this problem and bring some needed stability to the program which is so important to millions of Americans.

I support the provision in this legislation which will make adult day care centers eligible for Agriculture Department Food Assistance. Adult day care centers are an integral part of a present and future policy of providing community-based services to our elderly population., If we are to ever develop a national policy to provide long-term care for our seniors, it must in order to be fully responsive, include a community based component for the 5 to 6 million elderly presently in the community who need some form of long-term care service. Adult day care will be one of the more critical ones for certain.

I strongly endorse the provision in this legislation which calls for our Nation's Fourth White House Conference on the Aging to be held in 1991. At that time in our history, we will be in the third decade of explosive growth in our elderly population, most especially the frail elderly who are in most need of our assistance now and in the future. I hope that the 1991 conference will focus more on policy so it may lead to improved legislation in the future in the last critical decade of the 20th century.

Let me comment on some areas of the legislation where I am not as supportive with the conference report. I am especially disturbed over the failure of the conference report to strengthen the advocacy responsibilities of the Older Americans Act and those in the aging network. During committee consideration of this legislation I sponsored an amendment spelling out in full detail what advocacy included with respect to the aging network. It included the ability to comment, evaluate, monitor, and offer changes to any Federal, State, or local policy, regulation, budget, or other governmental action that affects or may affect older people. Furthermore my original amendment made it clear that no other directive issued by any other Federal agency should be denied to in any way supersede the advocacy responsibilities provided for in the Older Americans Act. This amendment gained approval in the subcommittee and full Committee on Education and Labor and was well received in the aging network. On the floor an amendment was offered which in my judgment weakened the original language of my amendment by seeking through defining what advocacy was not to limit what advocacy was. The obvious points made in the amendment that advocacy did not include partisan political activity and contributing to political action committees and working to defeat candidates were in many ways a smokescreen to obfuscate the real issue which was to keep advocacy out of the Older Americans Act. The amendment did pass, and even with its flaws, it was workable and was an improvement over the silence in the existing statute relative to advocacy.

In the conference, the determination was made by Chairman Kildee and the conferees that no specific statutory language was needed in this area. The statement of the conferees also "calls attention to the fact that provisions of law cannot be superceded by rule or executive order." I regret the decision of the conference to abandon entirely the advocacy language. I believe from the outset that it was critically important from a number of perspectives not the least of which was for the ability of those in the aging network to have the freedom and flexibility to work for those programs that could compliment the work of the Older Americans Act. Furthermore, I strongly believed that we did not need to repeat the OMB A-122 experience with the Older Americans Act. This attempt at censorship on the part of the administration has had a chilling effect in scores of recipients of Federal funds and has served to inhibit those with legitimate advocacy interests. In an otherwise excellent and progressive bill, this omission, this abdication stands as an unsightly blemish that mars the appearance of this measure.

I also must express my disagreement with the decision of the conference to delete another of my amendments that I offered during committee consideration. This amendment would have required the Secretary of HHS together with the Health Care Financing Administration and the Commissioner on Aging to undertake a study to determine what the impact of the prospective payment system was on community-based programs such as the Older Americans Act. We know the problem exists; we have heard it in testimony from people in the field of aging in the field. We know most certainly that the impact has been to increase demand on these programs. My study would have evaluated the impact of this program on these programs, especially the Older Americans Act. The conference agreement deletes this study and made the following statement "the conferees reaffirm their concern about the impact of the prospective payment system on the demand for services provided by the Older Americans Act and intend to pursue this issue." It is my hope that this will be an active interest area in the coming years because the problem will only get more acute in the years ahead.

I also suggest that the final conference agreement weakened the commitment to legal services below that contained in the House-passed bill in the following way. Under the House-passed bill and through amendments that I was proud to offer, those legal service providers and individuals who stood to be deprived of the service if a waiver to eliminate the service were to be approved, had the right to a hearing before the waiver could take effect. The final conference report modifies this hearing requirement to the extent that this hearing "may be conducted as part of other hearings being held by the State agency." The reason that this language for a hearing was inserted in the first place was in large part due to reports we had received that upward of 18 percent of area agencies on aging were spending no funds on legal assistance and services despite the fact that it was considered as a priority service under the act. Waivers were in large measure responsible for this and the need to build in additional protections for those who stand to lose the most under a waiver seemed to be needed.

One final area of disagreement I have with the final conference report deals with the so-called transfer issue under title III. Under current law, the amount involved in the transfer between titles III B and C could be up to 30 percent. I had offered an amendment to the House-passed bill on the floor limiting this level to 25, 26, 27, and 28 percent by fiscal year 1991. The conference agreement retained the existing 30-percent level for each of the 4 years. My concern when I offered this amendment to limit the transfer was that so far the transfer has been a one-way street. All of the money is coming from one program the Congregate Nutrition Program under title III C1. Some has gone to title III B; the rest to title III C2. All told some $46 million came out of III C1. This at the time when the transfer rate was around 18 percent. If the amount were raised to 30 percent, it could result in as much as $1 out of every $4 appropriated by Congress for congregate meals going for a service other than congregate meals. The conference agreement does recognize the issue and in the statement of managers, it is important to note the following "the conferees note the lack of information detailing why transfers between title III B C1 and C2 are being made and request that such information be included as part of the Commissioner's annual report under section 207."

Finally let me add a word about the significant improvements made to the title VI program, services for older Indians. I was again proud to have sponsored the amendments to title VI which were adopted by the House. These amendments had as their objective to improve access to services as well as the quality of services for older Indians. Specifically, my amendment which is included in the final conference report would direct area agencies on aging and State agencies to consider the distribution of older Indians residing in an area when they develop State and area plans. It directs special outreach efforts to be made in these areas with significant Indian populations. In addition my amendment directs the Commissioner on Aging to provide Training and Technical Assistance to improve services to older Indians.

My amendments also called for the establishment of minority centers on gerontology and training opportunities for tribes and calls for the establishment of a future new national contractor under title V for older Indians. Finally my amendment established an office of tribal programs within the Administration on Aging.

I was especially pleased over the fact that most of the provisions contained in my original title VI amendments are in the conference report. We will be setting the framework for a genuine new and substantive commitment to our older Indians served by the Older Americans Act. It is long overdue, and this is the right step to take.

The Older Americans Act today serves more than 9 million of our elderly. Over its 22 years of history, it has been an unqualified success story for seniors. It is a program that works best because it allows for the trickle down effect on decentralization, meaning that the decisions that are made the best are made at the level closest to the people. The Older Americans Act and its programs and services are felt in virtually every community of this Nation. If you visit a senior center, see a meal being delivered to a homebound older person, see an older person working in a library or park, or visit an area agency on aging, chances are the funds that established each of these came from the Older Americans Act. Our approval of this multiyear authorization will ensure that the success story is continued for the next 4 years. This is a sound bill, one that represents a sound investment of Federal funds with the good return being a commitment to the quality of life for our elderly.

Mr. BONKER. Mr. Speaker, it is with great pleasure that I join my colleagues today in support of the conference report on H.R. 1451, the Older American Act Amendments of 1987. This legislation will reauthorize the Older Americans Act of 1965 [OAA] through fiscal year 1991. I believe that Congress should be very proud of this bill and its efforts during the past year to improve this important program.

I would like to take this opportunity to congratulate the members of the Education and Labor Committee who worked so hard in behalf of older Americans to develop this legislation. In particular, Mr. KILDEE, Mr. HAWKINS, and Mr. BIAGGI provided strong leadership in obtaining the improvements which are included in H.R. 1451. Also, I commend Mr. ROYBAL, chairman of the select committee on aging, and Mr. PEPPER, chairman of the Subcommittee on Health and Long-Term Care, for their steadfast commitment to improving the lives of all older Americans. I have enjoyed working closely with these members during the past year.

Since its enactment in 1965, the OAA has been one of the most popular and effective programs enacted to assist the elderly. Under the act, a series of programs have evolved to meet the many needs of this diverse population. The OAA has been instrumental in the development of such crucial services as congregate and home-delivered meals, transportation, and legal assistance—especially with public entitlement problems. Furthermore, the OAA has developed a network of programs at both the State and local levels that are flexible and responsive to the needs of their particular jurisdictions.

The OAA is the major vehicle for the organization and delivery of social and nutrition services to older adults, and for the development of community service employment opportunities for low-income elderly. The 1987 reauthorization has provided the opportunity to make improvements in the OAA needed to reflect the changing needs of older Americans. First, the authorization funding levels needed to be increased to respond to the significant growth in the numbers of people reaching their elderly years. This is especially dramatic for those who are 85 years of age and older. Second, because of this rapid growth, the OAA must more effectively address the increased frailty, vulnerability, and poverty that characterizes this segment of the aging population.

Mr. Speaker, as chairman of the Select Committee on Aging's Subcommittee on Housing and Consumer Interests, I have had the honor to be active in the reauthorization process. Hearings were held at the full committee and subcommittee levels of the Aging Committee and in the authorizing Subcommittee on Human Resources. I am pleased to say that throughout this past year we spent a great deal of time considering the many viewpoints presented to us from constituents and aging organizations. Today, I believe that the conference report on H.R. 1451, which reflects subcommittee, committee, and floor amendments, and many hours of negotiation during the conference committee, is an excellent piece of legislation. It is more than a fine tuning of the act because it adds several new programs, but as many of the aging advocates stated many months ago, we do not need to radically change the OAA, and we have not.

Before I comment on some of the significant improvements that have been made to the act during reauthorization, I would like to mention several provisions that we fortunately did not change which are very important to the future of the act. First, Congress had the wisdom to reject several administration proposals which could have changed the OAAs' effectiveness dramatically. We chose not to create a "block grant" approach to the act, and not to raise the age used in the formula to award State grants from age 60 to age 70. This would have been the first step down a path of restricting persons age 60 to age 69 from using OAA services. In addition, Congress rejected other proposals by the Administration that would have allowed far too many services to be waived regardless of the demand for those services in the communities. I congratulate those of my colleagues who joined together to defeat attempts by some Republicans to implement means testing and or sliding-fee scales for services provided by the OAA. We were also successful in fighting off attempts to reduce the bill's authorization levels and attempts to weaken the ability of the "aging network" to be vigorous advocates for the elderly.

Mr. Speaker, I would now like to comment on some of the exceptional improvements that we have incorporated into H.R. 1451. I am pleased that the conference agreement includes a number of provisions which will have a very beneficial impact on the very vulnerable segment of our Nation's elderly who reside in nursing homes and other long-term care facilities. Earlier this year, I introduced H.R. 2042, the "State Long-Term Care Ombudsman Advocacy Improvement Act of 1987," to strengthen the OAA's system of ombudsmen to investigate problems of residents of these facilities. The many ombudsman-related provisions in H.R. 1451 are from my legislation and will clearly strengthen this critical program. I would like to congratulate Senator GLENN who authored the ombudsman legislation in the Senate.

The Ombudsman Program was added to the act in 1978 and demonstrated its importance in advocating for and protecting the rights of elderly long-term care facility residents. The program was examined by the Institute of Medicine (IOM) in their congressionally mandated study of nursing home quality as well as by the House and Senate aging committees. These studies showed that the effectiveness of the program was uneven from State to State and that many programs lacked much needed tools and resources to effectively serve nursing home and board and care facility residents. These amendments, based on recommendations from the various studies, will greatly enhance the ability of ombudsmen to investigate and resolve complaints and advocate for the needs of long-term care residents.

The Nation's network of State and local ombudsmen will be strengthened by requiring States to provide: access to facilities and to records; immunity for good faith performance of duties; adequate legal counsel and representation; prohibitions against willful interference with the official duties of ombudsmen and retaliation against facility residents and others who provide information to ombudsmen. These amendments would also improve training requirements, strengthen advocacy responsibilities of ombudsmen. And improve AOA's support for the program. And, for the first time, we would establish a separate authorization of funds for this program, which will be $20 million in fiscal year 1988.

I am also enthusiastic, Mr. Speaker, about the new provisions in H.R. 1451 to improve the quality of, and access to, services for older Indians. Despite the tremendous successes of the OAA, there are still many older Americans who are not receiving needed services. One of the most disturbing gaps exists in the provision of services to aged minorities. I have been especially concerned about Native Americans, many of whom reside in my home State of Washington. Far too many older Indians go without needed services from the OAA, including services provided through title VI, the section of the act specifically addressing the needs of Native American elders.

To at least partially address these needs, I was pleased to join with Mr. BIAGGI and Mr. ROYBAL in sponsoring legislation addressing the plight of Native American elders. I am happy to note that almost all of the provisions from this bill, H.R. 2163, were included in the legislation that we will pass today. First, H.R. 1451 establishes a new office for American Indian, Alaskan Native and Hawaiian Native aging to be headed by an associate commissioner, who will be responsible for programs operated under title VI and for chairing an interagency task force related to older Indians.

Second, it eliminates the current barrier that prohibits Indians from participating in both title VI and title III programs. This has meant that many older Indians have been denied needed services based on the inaccurate assumption that they are receiving adequate services under title VI. This bill eliminates that problem, ensuring that all Indian elders are eligible for services where they are available.

Third, we have added provisions which allow older Indians better opportunities to benefit from titles IV and V of the act. Language was added to provide for a national grant or contract with national Indian aging organizations to provide employment services to older Indians. Add, title IV was modified to ensure appropriate consideration of research, training, and demonstration activities for older Indians.

Fourth, area agencies on aging [AAA's] in localities with significant Indian populations will be required to identify the Indian elderly in their service areas and to inform these elders about the services that are available. Fifth, this bill includes a modest increase in the authorization for title VI to provide for increased availability of services and to meet the needs of the growing numbers of eligible Indian tribes. This small amount of money—$13 million in fiscal year 1988—will go a long way in serving some of America's most needy citizens. Finally, with regard to older Indians, I believe that we must back up the convictions of this authorizing language with the necessary appropriations levels to really make a difference in the quality of their lives.

Mr. Speaker, I am very pleased that the Congress has shown the wisdom to once again emphasize in statutory language the need to focus the resources of the OAA on the most economically and socially needy, with particular attention to low-income minority persons. It is tragic that minority participation has actually declined over the past several years. We must reverse this trend. H.R. 1451 requires States and area agencies to specify how they will provide service needs to those with the greatest needs and to evaluate such efforts. It is essential that the aging network strive to identify and serve older adults whose needs are most severe; this has been the intent of the law for years and our efforts this year will simply reemphasize and strengthen Congress' commitment to this goal.

I would also like to take this opportunity to congratulate Mr. PEPPER for his amendment to provide $5 million in fiscal year 1988 for programs to address the important issue of elder abuse. CLAUDE PEPPER has been a long time advocate of Federal support for elder abuse prevention and I was honored to have joined him in successfully amending the bill to include this key provision.

Mr. Speaker, I must also mention several other important improvements in the OAA reauthorization. The act includes an amendment that I offered to ensure that the Nation's system of over 600 local area agencies on aging are distinct identifiable units that citizens can easily reach rather than see area agency responsibilities spread throughout general purpose organizations. I also supported the following changes in the current law: (1) a new national program to provide $25 million for in-home services for the frail elderly such as victims of Alzheimer's disease; (2) authorizations for the Department of Agriculture to reimburse nutrition programs with commodities or cash—at sufficient levels to ensure that no future shortfalls in funding occur; (3) elevating the status of the Administration on Aging within the Federal Government by requiring that the Commissioner report to the Secretary of the Department of Health and Human Services; and (4) a new program to provide outreach to ensure that more low-income elderly have an opportunity to receive the supplemental security income (SSI), Medicaid or food stamp benefits for which they are eligible.

In conclusion Mr. Speaker, I am pleased that this bill will enable us to do an even better job next time that we reauthorize the Older Americans Act. This is true because we have expanded the data collection functions of the Commissioner to include information on the types of services being provided, the amount of funds being spent for each service, the number of individuals being served, and an assessment of the unsatisfied demand for services such as those provided through senior centers. In addition, this authorization provides us the opportunity to test different approaches to resolving complaints and problems of consumers of home care services. This will be done with a demonstration program which this bill includes.

Mr. Speaker, once again Congress can be proud of its commitment to the Older Americans Act which remains one of the most successful Federal efforts to meet the social service needs of older Americans. This is a bill we can be proud of. It reinforces our commitment to serving the frail and vulnerable, the low-income and minorities. We must now commit ourselves to providing the necessary appropriations levels to meet the important goals of this excellent program for older adults. I urge my colleagues to support the conference report on H.R. 1451.

Mrs. MEYERS of Kansas. Mr. Speaker, I rise in support of the reauthorization of the Older Americans Act. We often hear of Government programs that do not work, are mismanaged, or that are costly. Well, this is a program that works and Americans can be proud of its success. It's a cost-effective program because the services provided, such as transportation, nutrition and in-home services for the elderly enable older people to stay in their own homes, and to stay well and healthy.

When Congress first enacted the Older Americans Act in 1965 it created a Federal program specifically designed to meet the social services needs of older people. While there are many programs under which older Americans can receive assistance, the Older Americans Act is the major vehicle for the organization and delivery of social and nutrition services to this group, and for the development of community service employment opportunities for low-income elderly.

The legislation before us today reauthorizes the Older Americans Act for 4 years, through fiscal year 1992, and increases authorization levels for each program by 5 percent each year.

Significantly, it also authorizes several new programs:

In-home services to the frail elderly;

State grant assistance to meet special needs;

Preventive health education and promotion;

Prevention of abuse of older individuals; and

Outreach to food stamps, SSI, and Medicaid recipients.

Mr. Speaker, the Older Americans Act and its programs provide opportunities that enable the elderly to continue to be independent, active participants in their communities.

Mr. GUNDERSON. Mr. Speaker, I rise to speak in favor of the conference report on the reauthorization of the Older Americans Act.

First, I would like to commend the efforts of my friends the distinguished chairman [Mr. KILDEE] and vice chairman [Mr. TAUKE] of the Human Resources Subcommittee and their staff for their fine work on this legislation. The time and energy committed to this 4-year reauthorization is evident throughout this measure, which includes a number of new provisions responding to our changing demographic trends.

I am pleased that the House of Representatives is acting at this time to adopt the conference report to accompany H.R. 1451, the reauthorization of the Older Americans Act. As we near the season of Thanksgiving with its focus on the family, it is symbolic that our actions today on this conference report reflect our commitment, responsibility, and sensitivity to the needs of the older members of our family.

Our Older Americans Act of 1965, as amended, is a good example of how the Federal Government can work in a cooperative partnership with State and local area agencies on aging [AAA's] to provide a variety of successful programs and services that contribute to improving the quality of life for millions of older individuals across the United States. Without a doubt, the many activities funded through our Older Americans Act are helping older individuals to live their lives with the fullest degree of dignity and independence.

Our Older Americans Act programs currently enhance this independent spirit and will continue to play an important role in the population of older individuals. Such Older American Act services as Meals-on-Wheels, home health care, respite and adult day care, are options that contribute to the well-being of older Americans in a cost-effective manner. Now, it is important that we begin to respond and prepare for these future needs, and I believe this reauthorization legislation takes appropriate and responsible steps to meet today's needs as well as laying the ground work for the future.

Representing western Wisconsin with 13.1 percent of the district population age 65 and older, the extension and revision of our Older Americans Act is vitally important. This Member is pleased to have had the opportunity to play a small role in shaping specific portions of this legislation.

With the adoption of this conference report to accompany H.R. 1451, the reauthorization of our Older Americans Act, there are a number of improvements in this act that respond to our growing population of older Americans over the next 4 years. These initiatives include, but certainly are not limited to, the clarification that title V educational services includes literacy tutoring in an effort to utilize the skills and talents of our older Americans in addressing America's illiteracy problem. Activities such as this also promote intergenerational enrichment for both older individuals and their younger counterparts. Providing greater opportunities for older individuals to volunteer their time and energy to work with educationally disadvantaged persons is a resourceful way to share their knowledge and enrich the lives of other individuals.

An initiative which was a cooperative effort between the gentlewoman from Maine [Ms. SNOWE] and myself was included in the conference report calls on the States to provide information to the Administration on Aging [AOA] that delineates between services in rural and nonrural areas. Currently, there is a lack of information regarding financial and service needs of our older rural residents as their urban counterparts. This new State provision will assist in providing the necessary data regarding rural/urban differentials so that in the future, we can properly respond to those older Americans most in need. Serving a district that is 70 percent rural this is an important provision to get a handle on the services provided to older residents of our rural communities.

The authorization of a White House Conference on Aging in 1991 is a significant project as we look toward the service and program needs of older individuals in the 1990's and beyond. This White House conference, in the tradition of previous aging conferences will outline a blueprint for the future, shaping the Federal aging agenda as we head into the 21st century with our growing population of individuals age 60 and above.

These improvements represent a small sample of the increasing importance of our Older Americans Act programs and services in responding to the needs of older individuals and to our society as a whole.

I wholeheartedly endorse the adoption of this conference report of the Older Americans Act Amendments of 1987. Revisions to our Older Americans Act, as outlined in this reauthorization legislation, positively respond to our steadily increasing need for health, social, and nutritional services to our growing population of older individuals. This conference report maintains and creates new opportunities for older individuals to continue to volunteer or work and contribute their unique skills and talents to their community if that is their choice. It also makes sure that those in need of special assistance are able to receive it.

Passage of this conference report will let us continue our Federal partnership with State, local governments, and communities reflecting our commitment of providing quality services and preserving the dignity, independence, and greater opportunities for our older Americans, and therefore, I support it and urge its adoption.

Mr. BOEHLERT. Mr. Speaker, I rise in support of the conference report of H.R. 1451, the Older Americans Act of 1987. Since its inception in 1965, it has provided access for millions of seniors to a variety of Federal programs through agencies on the State and local levels. Among those projects receiving funding are adult day care centers, legal services for the elderly, and the Meals on Wheels programs. New programs are included as well, including $25 million for in-home services as an alternative to institutionalization and an ombudsman program to investigate complaints of patient abuse in nursing homes and other long-term care facilities.

In addition, H.R. 1451 includes two important provisions which will be especially helpful to the elderly from central New York. One of the biggest concerns of seniors from my district is inadequate public transportation. In rural areas, seniors may be miles from a hospital, town, or nutrition site. Those seniors who are unable to drive or left without some form of transportation are virtually isolated. Under H.R. 1451, however, it's possible to use money in combination with funds earmarked for rural transportation systems under the Mass Transportation Act to develop alternative transportation systems. To address this problem, the bill requires a study to determine if OAA funds are being used to provide transportation systems. Once we know more about how money from H.R. 1451 is being used to provide transportation, we may be able to identify changes that Congress can make to improve the system.

Another provision in this legislation that will help older Americans from central New York requires the Commissoner on Aging to collect data on the amount of money spent on providing services to seniors in rural areas. At present, there is no distinction made between money spent on services for the elderly in rural or urban areas, and it's difficult to assess whether or not spending in rural areas is adequate. Collecting data over the next few years will give us the information we need to make changes in the future to better serve those seniors living in rural areas.

The Older Americans Act and the programs it authorizes are among the most successful of any Federal programs currently operating. The increased longevity of older Americans has caused our older population to grow steadily. The 65 and over age group now represents 12 percent of our population and these programs will play an even more important role in the future, as today's baby boomers become tomorrow's seniors. With the passage of H.R. 1451, we will ensure that the programs under the Older Americans Act will continue to meet senior's changing needs and provide them with the assistance they deserve.

Mr. SCHUETTE. Mr. Speaker, I rise today in strong support of passage of the conference agreement on the Older Americans Act Amendments of 1987. The 4-year reauthorization provided for in H.R. 1451, reaffirms the commitment of the Congress to our Nation's senior citizens.

Many popular existing programs will be continued under this conference agreement, including the very effective Meals on Wheels Program. In addition, congregate nutrition services, adult day-care centers, respite care, legal services, transportation services, and other essential assistance programs will be continued.

Several important new programs have been added which deserve special mention, the largest of which, in-home services for the frail elderly, will provide direct benefits to the elderly. These services are important in helping to preserve the independence and dignity of senior citizens by enabling many of them to remain in their own homes rather than being forced to enter a nursing home. Other important home health care services are also approved by this measure, including a $5 million demonstration program for services to victims of Alzheimer's disease.

Funding for elder abuse prevention has been included in the final legislation resulting from amendment offered to the original House bill by my distinguished colleague from Florida, Congressman PEPPER. I supported this amendment when Congressman PEPPER offered it in the House, and I am pleased to see that it has been included in the final legislation.

Several other very important new provisions include, health education promotion, expanded volunteer opportunities, a White House Conference on Aging, Alzheimer's disease research, and a program to meet special needs of the elderly.

The Older Americans Act is the single most important piece of federal legislation affecting the elderly. The many programs available under the act contribute to a higher quality of life and well-being for senior citizens, and H.R. 1451 further strengthens these vital programs. Although this act has been very successful in providing services to our Nation's elderly, many who are eligible for these services do not take advantage of them. In many cases, people are simply not aware that these kinds of services are available. In my own State of Michigan, 20 percent of our entire senior population is serviced by these programs. Many more members of our aging population eligible for services need to be reached. I am pleased that the bill to be approved today addresses this inadequacy by establishing a one-time outreach program designed to ensure that more low-income elderly have an opportunity to receive the services for which they are eligible.

Finally, the bill before us today clarifies that native Americans are eligible for services under the act. This provision corrects an unintended effect of existing law which could result in making older Indians ineligible for certain services.

Mr. Speaker, I urge my colleagues to support this very successful and important legislation. Our commitment to our Nation's senior citizens must be unwavering and passage of this conference agreement on the Older Americans Act reaffirms this strong and continued commitment.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MURTHA). Without objection, the previous question is ordered on the conference report.

There was no objection.

The SPEAKER pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. JEFFORDS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 404, nays 7, not voting 22, as follows:

[Roll No. 430]

YEAS—404

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Baker
Ballenger
Bartlett
Barton
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Bunning
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Chandler
Chapman
Chappell
Clarke
Clay
Clinger
Coats
Coble
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Coyne
Craig
Crockett
Daniel
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NAYS—7

Armey
Cheney
Crane
Dannemeyer
DeLay
Nielson
Stump

NOT VOTING—22

Akaka
Badham
Barnard
Bateman
Biaggi
Buechner
Burton
Carr
Coelho
Courter
Dornan (CA)
Dowdy
Dreier
Flippo
Gephardt
Holloway
Jones (TN)
Kemp
Kyl
Roemer
Schneider
Thomas (CA)

☐ 1530

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the conference report on the bill, H.R. 1451, just agreed to.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Michigan?

There was no objection.

PERSONAL EXPLANATION

Miss SCHNEIDER. Mr. Speaker, this afternoon, due to an unavoidable scheduling conflict, I missed the vote on H.R. 1451, the conference report for the Older Americans Act authorization. I would like the record to show that I voted for the bill when it was considered by the House earlier this year, and had I been present today I would have voted for the conference report.

PERSONAL EXPLANATION

Mr. BURTON of Indiana. Mr. Speaker, I missed rollcall vote No. 430 this afternoon because I was at the White House meeting with the President. This vote was to approve the conference report on H.R. 1451, the Older Americans Act amendments. Had I been present, I would have voted "yes."

PERSONAL EXPLANATION

Mr. BUECHNER. Mr. Speaker, I rise today to explain my absence for rollcall No. 430, the Older Americans Act amendments. I was unable to register my support for the Older Americans Act amendments due to my being called to the White House to meet with President Reagan.

I strongly support the Older Americans Act amendments. The Older Americans Act has enjoyed broad bipartisan support since its inception, and deserves continued funding. This measure serves our Nation's senior citizens through a variety of worthy programs such as Meals-on-Wheels, outreach programs for food stamps and supplemental security income [SSI], and preventive health education programs. H.R. 1451 will continue adequate funding of programs which assist those elderly citizens that are truly needy.

CONFERENCE REPORT ON H.R. 2112, INTELLIGENCE AUTHORIZATION ACT, FISCAL YEAR 1988

Mr. STOKES. Mr. Speaker, I call up the conference report on the bill (H.R. 2112), to authorize appropriations for fiscal year 1988 for intelligence and intelligence-related activities of the U.S. Government, for the intelligence community staff, for the Central Intelligence Agency retirement and disability system, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of November 10, 1987.)

The SPEAKER pro tempore. The gentleman from Ohio [Mr. STOKES] will be recognized for 30 minutes and the gentleman from Illinois [Mr. HYDE] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Ohio [Mr. STOKES].

□ 1545

Mr. STOKES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of the conference report on H.R. 2112, the fiscal year 1988 Intelligence Authorization Act. This conference report is long overdue. The House and Senate versions of this bill were committed to conference in July, but the conferees have been unable to set appropriate levels of authorization because of the uncertainty associated with the overall defense budget in which the great bulk of intelligence funding is subsumed. The numbers that have been agreed on are pegged to alternate budget possibilities—either that the defense budget will be authorized at a level above $289 billion or that it will be authorized below that figure. Unless there is a future budget agreement which authorizes defense appropriations at a level in excess of $289 billion, the lower figure will apply. This approach is identical to that employed for the fiscal year 1988 National Defense Authorization Act.

As in the past, the actual figures at either level and the full details of the conference committee's recommendation are contained in the classified schedule of authorizations and the classified annex to the statement of managers, both of which are available to all Members of the House in the Offices of the Intelligence Committee.

The conference agreement reached on the fiscal year 1988 Intelligence Authorization Act is a very satisfactory one. House and Senate conferees had little difficulty in resolving the differences between the two bills. The conference report provides no real growth at the $289 billion defense level and less than 1 percent at the $289 billion level. This situation is more severe than in recent years but is more favorable than the national security function overall and is an adequate level of funding.

As in the past, the intelligence conference report corresponds with the amounts agreed upon in the defense authorization conference. Members of the Intelligence and Armed Services Committees serve on both conference committees and worked closely together to ensure full congruence between the two bills.

In terms of legislative language, the conference report is essentially the House bill with several Senate amendments. Specifically, the conference report contains new provisions which require annual notification of the Intelligence Committees of Soviets nationals admitted to the United States over the objections of the FBI; requires a study by the FBI and OPM of the effects of high cost of living on the FBI field office in New York and a plan to alleviate this burden; and allows DIA to withhold from internal executive branch reports certain organizational and personnel data.

Mr. Speaker, I would like to recognize the work of the gentleman from Illinois, Mr. HYDE, the ranking minority member of the committee, and the gentleman from Wyoming, Mr. CHENEY, the ranking minority member of the Subcommittee on Program and Budget Authorization, for their timeless efforts on behalf of this bill. My thanks also to all of the members of the subcommittee who have worked hard to produce this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. HYDE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I wish to join my colleague and friend, the distinguished chairman of the Permanent Select Committee on Intelligence, in urging the adoption of this conference report. May I say what a genuine pleasure it is to work with Mr. STOKES, a gentleman and a patriot. As the chairman indicated, the conference report authorizes funds for intelligence and intelligence-related activities for fiscal year 1988, consistent with the budget levels established for the defense function in the concurrent resolution on the budget for fiscal year 1988, House Concurrent Resolution 93.

The conference report leaves in place the status quo on the issue of aid to the democratic resistance in Nicaragua as that program stands under the short-term continuing resolutions for fiscal year 1988. This position acknowledges that the matter of aid to the resistance will be addressed during consideration of the final continuing resolution for fiscal year 1988 and, possibly, in other separate legislation which may be considered after the first of the year. Naturally, the unfolding status of compliance with the peace plan signed by the Central American countries can be expected to bear substantially on the need for any further legislative action on this issue.

Among other significant provisions, the conference report retains the language from the House-passed bill regarding the Mount Alto site of the new Soviet Embassy. As my colleagues may recall, that provision requires the Secretary of Defense to review and assess the electronic intercept capabilities, actual and potential, of the Soviets from that site against United States diplomatic, military, and intelligence communications and report to Congress on that review and assessment, within 90 days after enactment. The unclassified version of the report must include a determination by the Secretary as to whether the Soviet presence in their facilities on Mount Alto is consistent with U.S. national security.

As in the House bill, the conference report calls for a classified, comprehensive review and comparative analysis of civilian personnel management and compensation systems of the various organizations within the intelligence community and of their adequacy in furthering the ability of those agencies to perform their intelligence missions. The conference report differs from the original House provision primarily by having the Director of Central Intelligence contract with the prestigious National Academy of Public Administration [NAPA] to perform the study. The original House language called for appointment of a probably more time-consuming and cumbersome, hybrid commission with members who would have been appointed by the President, and the leadership of the two Houses of Congress. We expect to receive interim reports during the study which will help us decide whether some personnel system reforms already being considered by some intelligence agencies should, perhaps, be initiated before completion of the full study.

In a modification of a Senate provision, the conference report requires a study by the FBI Director and the Director of the Office of Personnel Management to determine the effect on recruitment, retention, and operations of the FBI's important New York field division of the unusual living expenses of FBI employees assigned there. A report is required to Congress, within 60 days after enactment, on the results of the study and any appropriate recommendations for dealing with problems associated with those high cost of living expenses.

There are several minor adjustments in routine retirement and death-in-service benefits of former spouses of CIA personnel and in other routine personnel management matters from the House-passed bill which are included in the conference report. Lastly, the Senate bill called for a 2-year authorization for intelligence activities, the House bill had a 1-year authorization. The conference report follows the House bill.

In conclusion, I wish to thank and commend Chairman Stokes for his effective role in shepherding this legislation through the legislative process. I urge my colleagues to adopt the conference report on H.R. 2112.

I also wish to salute: Marty Faga, Duane Andrews, Bob Surrette, Bob Fitch, Mike O'Neill, Bernie Raimo, and Steve Nelson, the indispensible staff which worked so hard and so well on this conference report.

Mr. STOKES. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. Ackerman].

□ 1555

Mr. ACKERMAN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I want to commend the chairman of the Intelligence Committee for the provisions which the conferees have included regarding problems faced by the Federal Bureau of Investigation because of the high cost-of-living in the New York area.

Section 502 of the conference report requires the Director of the FBI and the Director of the Office of Personnel Management to conduct a study of the effects that New York's cost-of-living has on recruitment, retention, and performance of employees at the FBI's New York field division office.

Within 2 months of enactment of this bill, the Directors of those two agencies are to submit to Congress a report outlining these problems as well as suggesting appropriate remedies.

As chairman of the Subcommittee on Compensation and Employee Benefits—and as a New York City resident myself—I am keenly aware of the serious problems confronting Federal agencies, and employees, in high-cost-of-living areas of the country.

Our subcommittee is actively looking for solutions to those problems, and the upcoming report and recommendations regarding the FBI's New York field office will be a significant contribution to that effort.

Mr. STOKES. Mr. Speaker, I have no further requests for time.

Mr. HYDE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. Murtha). Without objection, the previous question is ordered on the conference report. There was no objection. The conference report was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. STOKES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

VETERANS' HOUSING REHABILITATION AND PROGRAM IMPROVEMENT ACT OF 1987

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2672) to amend title 38, United States Code, for the purpose of improving veterans' housing programs, with Senate amendments thereto, and occur in the Senate amendments with amendments.

The Clerk read the title of the bill.

The Clerk read the House amendments to the Senate amendments, as follows:

House amendments to the Senate amendments:

In lieu of the matter proposed to be inserted by the Senate amendment to the text of H.R. 2672, insert the following:

SECTION 1. SHORT TITLE; REFERENCE.

(a) Short Title.—This Act may be cited as the "Veterans' Home Loan Program Improvements and Property Rehabilitation Act of 1987".

(b) Reference.—Whenever in this Act an amendment, repeal, or redesignation is expressed in terms of an amendment to, or repeal or redesignation of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code, unless otherwise specified.

SEC. 2. LOAN FEE.

(a) Extension.—Section 1829(c) is amended by striking out "1987" and inserting in lieu thereof "1989".

(b) Waiver.—Section 1829(b) is amended by striking out "described in section 1801(b)(2) of this title" and inserting in lieu thereof "of any veteran (including a person who died in the active military, naval, or air service) who died from a service-connected disability".

SEC. 3. GUARANTY AMOUNT.

(a) Purchase or Construction of Homes.—(1) Section 1803(a)(1) is amended to read as follows:

"(a)(1) Any loan to a veteran eligible for benefits under this chapter, if made for any of the purposes specified in section 1810 of this title and in compliance with the provisions of this chapter, is automatically guaranteed by the United States in an amount not to exceed—

"(A) in the case of any loan of not more than $45,000, 50 percent of the loan; or

"(B) in the case of any loan of more than $45,000, 40 percent of the loan or $36,000, whichever is less, except that the amount of such guaranty for any such loan shall not be less than $22,500;

reduced by the amount of entitlement previously used by the veteran under this chapter and not restored as a result of the exclusion in section 1802(b) of this title."

(2) Section 1810(c) is repealed.

(b) Manufactured Homes.—Section 1819(c) is amended—

(1) in paragraph (3), by striking out the first sentence and inserting in lieu thereof the following: "The Administrator's guaranty may not exceed 40 percent of the loan, or $20,000, whichever is less, reduced by the amount of entitlement previously used by the veteran under this chapter and not restored as a result of the exclusion in section 1802(b) of this title."; and

(2) in paragraph (4), by striking out the first sentence and inserting in lieu thereof "The amount of any loan guaranteed under this section shall not exceed an amount equal to 95 percent of the purchase price of the property securing such loan.".

(c) Direct Loans.—Section 1811(d)(2)(A) is amended by striking out "$27,500" each place it appears and inserting in lieu thereof "$36,000".

(d) Effective Date.—The amendments made by this section shall apply to loans which are closed on or after February 1, 1988, except that they shall not apply to any loan for which a guaranty commitment is made on or before December 31, 1987.

SEC. 4. FINANCIAL INFORMATION AND COUNSELING ASSISTANCE FOR VETERANS.

(a) Assistance to Veterans.—Section 1816(a) is amended by adding at the end the following new paragraph:

"(4)(A) Upon receiving a notice pursuant to paragraph (1) of this subsection, the Administrator shall—

"(i) provide the veteran with information and, to the extent feasible, counseling regarding—

"(I) alternatives to foreclosure, as appropriate in light of the veteran's particular circumstances, including possible methods of curing the default, conveyance of the property to the Administrator by means of a deed in lieu of foreclosure, and the actions authorized by section 1816(a)(2) of this title; and

"(II) what the Veterans' Administration's and the veteran's liabilities would be with respect to the loan in the event of foreclosure; and

"(ii) advise the veteran regarding the availability of such counseling;

except with respect to loans made by a lender which the Administrator has determined has a demonstrated record of consistently providing timely and accurate information to veterans with respect to such matters.

"(B) The Administrator shall, to the extent of the availability of appropriations, ensure that sufficient personnel are available to administer subparagraph (A) of this paragraph effectively and efficiently.

"(C) The authority to carry out this paragraph shall terminate on March 1, 1991.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on March 1, 1988.

SEC. 5. ACTIONS WITH RESPECT TO DEFAULTED LOANS.

(a) DETERMINATION OF TOTAL INDEBTEDNESS.—Section 1816(c) is amended—

(1) in paragraph (1)(D), by striking out "The" and inserting in lieu thereof "Except as provided in subparagraph (D) of paragraph (10) of this subsection, the";

(2) in clause (ii) of paragraph (1)(D), by striking out "of the liquidation sale" and all that follows in such clause and inserting in lieu thereof the following: "applicable under paragraph (10) of this subsection, and";

(3) in clause (iii) of paragraph (1)(D), by striking out "such regulations" and inserting in lieu thereof "regulations prescribed by the Administrator to implement this subsection"; and

(4) by adding at the end the following new paragraphs:

"(10)(A) Except as provided in subparagraphs (B) and (C) of this paragraph, the date referred to in paragraph (1)(D)(ii) of this subsection shall be the date of the liquidation sale of the property securing the loan.

"(B)(i) Subject to division (ii) of this subparagraph, in any case in which there is a substantial delay in such sale caused by the holder of the loan exercising forbearance at the request of the Administrator, the date referred to in paragraph (1)(D)(ii) of this subsection shall be such date, on or after the date on which forbearance was requested and prior to the date of such sale, as the Administrator specifies pursuant to regulations which the Administrator shall prescribe to implement this paragraph.

"(ii) The Administrator may specify a date under subdivision (i) of this subparagraph only if, based on the use of a date so specified for the purposes of such paragraph (1)(D)(ii), the Administrator is authorized, under paragraph (7)(A) of this subsection, to accept conveyance of the property.

"(C) In any case in which there is an excessive delay in such liquidation sale caused—

"(i) by the Veterans' Administration (including any delay caused by its failure to provide bidding instructions in a timely fashion); or

"(ii) by a voluntary case commenced under title 11, United States Code (relating to bankruptcy);

the date referred to in paragraph (1)(D)(ii) of this subsection shall be a date, earlier than the date of such liquidation sale, which the Administrator specifies pursuant to regulations which the Administrator shall prescribe to implement this paragraph.

"(D) For the purpose of determining the liability of the United States under a loan guaranty under clause (B) of paragraphs (5), (6), (7), and (8) of this subsection, the amount of the total indebtedness with respect to such loan guaranty shall include, in any case in which there was an excessive delay caused by the Veterans' Administration in the liquidation sale of the property securing such loan, any interest which had accrued as of the date of such sale and which would not be included, except for this subparagraph, in the calculation of such total indebtedness as a result of the specification of an earlier date under subparagraph (C)(i) of this paragraph.

"(11) This subsection shall cease to have effect on October 1, 1989.".

(b) REPEAL.—Paragraph (2) of section 2512(c) of the Deficit Reduction Act of 1984 (Public Law 98-369; 98 Stat. 1117) is repealed.

(c) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to defaults which occur more than 60 days after the date of the enactment of this Act.

SEC. 6. CASH SALES OF PROPERTIES ACQUIRED THROUGH FORECLOSURES.

(a) NUMBER OF VENDEE LOANS.—(1) Section 1816(d)(1) is amended by striking out "not more than 75 percent, nor less than 60 percent," in the first sentence and inserting in lieu thereof "not more than 65 percent, nor less than 50 percent,".

(2) The amendment made by paragraph (1) shall take effect as of October 1, 1987.

(b) MAXIMUM AMOUNT AND REHABILITATION LOANS.—(1) Section 1816(d) is amended by adding at the end the following new paragraphs:

"(4)(A) Except as provided in subparagraph (B) of this paragraph, the amount of a loan made by the Administrator to finance the purchase of real property from the Administrator described in paragraph (1) of this subsection may not exceed an amount equal to 95 percent of the purchase price of such real property.

"(B) The Administrator may waive the provisions of subparagraph (A) of this paragraph in the case of any loan described in paragraph (5) of this subsection.

"(5) The Administrator may include, as part of a loan to finance a purchase of real property from the Administrator described in paragraph (1) of this subsection, an amount to be used only for the purpose of rehabilitating such property. Such amount may not exceed the amount necessary to rehabilitate the property to a habitable state, and payments shall be made available periodically as such rehabilitation is completed.

"(6) This subsection shall cease to have effect on October 1, 1990."

(2) The amendment made by this subsection shall apply to loans made more than 30 days after the date of the enactment of this Act.

(c) REPORT.—The Administrator of Veterans' Affairs shall, by March 1, 1990, transmit to the Congress a report of the activities carried out, through December 31, 1989, under paragraphs (4) and (5) of section 1816(d) of title 38, United States Code, as added by subsection (b) of this section.

SEC. 7. REFINANCING HOME LOANS.

(a) LOANS GUARANTEED OR INSURED BY THE VETERANS' ADMINISTRATION.—Section 1810(e)(1) is amended—

(1) in clause (B), by striking out "and such" and all that follows through "home"; and

(2) in clause (D), by striking out "and";

(3) in clause (E), by striking out the period and inserting in lieu thereof "by more than 10 years; and"; and

(4) by adding at the end the following new clause:

"(F) the veteran must own the dwelling or farm residence securing the loan and—

"(i) must occupy such dwelling or residence as such veteran's home;

"(ii) must have previously occupied such dwelling or residence as such veteran's home and must certify, in such form as the Administrator shall require, that the veteran has previously so occupied such dwelling or residence; or

"(iii) in any case in which a veteran is in active duty status as a member of the Armed Forces and is unable to occupy such residence or dwelling as a home because of such status, the spouse of the veteran must occupy, or must have previously occupied, such dwelling or residence as such spouse's home and must certify such occupancy in such form as the Administrator shall require.".

(b) MANUFACTURED HOUSING LOANS.—Section 1819(a)(4)(A) is amended—

(1) in clause (ii), by striking out "and such" and all that follows through "veteran's home";

(2) in clause (iv), by striking out "and";

(3) in clause (v), by striking out the period at the end and inserting in lieu thereof a semicolon; and

(4) by adding at the end the following new clause:

"(vi) the veteran must own the manufactured home, or the manufactured-home lot, or the manufactured home and the manufactured-home lot, securing the loan and—

"(I) must occupy the home, a manufactured home on the lot, or the home and the lot, securing the loan;

"(II) must have previously occupied the home, a manufactured home on the lot, or the home and the lot, securing the loan as the veteran's home and must certify, in such form as the Administrator shall require, that the veteran has previously so occupied the home (or such a home on the lot); or

"(III) in any case in which a veteran is in active duty status as a member of the Armed Forces and is unable to occupy the home, a manufactured home on the lot, or the home and the lot, as a home because of such status, the spouse of the veteran must occupy, or must have previously occupied, the manufactured home on the lot, or the home and the lot, as such spouse's home and must certify such occupancy in such form as the Administrator shall require.".

(c) AMOUNTS OF OTHER REFINANCING LOANS.—Section 1810 is amended by adding at the end the following new subsection:

"(h) The amount of a loan guaranteed for the purpose specified in subsection (a)(5) of this section may not exceed the amount equal to 90 percent of the appraised value of the dwelling or farm residence which will secure the loan, as determined by the Administrator.".

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) of this section apply to loans made more than 30 days after the date of the enactment of this Act.

(2) The amendment made by subsection (c) of this section shall apply to loans for which commitments are made more than 60 days after the date of the enactment of this Act.

SEC. 8. OCCUPANCY REQUIREMENTS.

(a) ORIGINAL LOANS.—(1) Section 1804(c) is amended—

(A) by striking out "(c) No" and inserting in lieu thereof "(c)(1) Except as provided in paragraph (2) of this subsection, no";

(B) by striking out "No loan" in the second sentence and inserting in lieu thereof "Except as provided in paragraph (2) of this subsection, no loan"; and

(C) by adding at the end the following new paragraph:

"(2) In any case in which a veteran is in active duty status as a member of the Armed Forces and is unable to occupy a property because of such status, the occupancy requirements of—

"(A) paragraph (1) of this subsection;

"(B) paragraphs (1) through (5) and paragraph (7) of section 1810(a) of this title;

"(C) section 1819(a)(5)(A)(i) of this title; and

"(D) section 1819(e)(5) of this title;

shall be considered to be satisfied if the spouse of the veteran occupies the property as the spouse's home and the spouse makes the certification required by paragraph (1) of this subsection.".

(2) Section 1810(a) is amended by striking out "(a) Any" and inserting in lieu thereof "(a) Except as provided in section 1804(c)(2) of this title, any".

(b) MANUFACTURED HOUSING LOANS.—(1) Section 1819(a)(5)(A)(i) is amended by inserting "(except as provided in section 1804(c)(2) of this title)" after "by the veteran".

(2) Section 1819(e)(5) is amended by inserting before the semicolon the following: "; except that the requirement of this clause shall not apply (A) in the case of a guaranteed loan that is for the purpose described in paragraph (1)(F) of subsection (a), or (B) in the case described in section 1804(c)(2)".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to loans made more than 30 days after the date of the enactment of this Act.

SEC. 9. PROPERTY MANAGEMENT.

(a) HOMELESS PROGRAM.—(1) To assist homeless veterans and their families acquire shelter, the Administrator of Veterans' Affairs may enter into agreements described in paragraph (2) of this subsection with—

(A) nonprofit organizations, with preference being given to any organization named in, or approved by the Administrator under, section 3402 of title 38, United States Code; or

(B) any State, as defined in section 101(20) of such title, or any political subdivision thereof.

(2) To carry out paragraph (1) of this subsection, the Administrator may enter into agreements to sell real property, and improvements thereon, acquired by the Administrator as the result of a default on a loan made or guaranteed under chapter 37 of title 38, United States Code. Such sale shall be for such consideration as the Administrator determines is in the best interests of homeless veterans and the Federal Government.

(3) The Administrator may enter into an agreement under paragraph (1) only if—

(A) the Administrator determines that such an action will not adversely affect the Veterans' Administration's ability—

(i) to fulfill its statutory missions with respect to the Veterans' Administration loan guaranty program and the short- and long-term solvency of the Loan Guaranty Revolving Fund under such chapter 37; or

(ii) to carry out other functions and administer other programs authorized by law;

(B) the entity to which the property is sold agrees to (i) utilize the property solely as a shelter primarily for homeless veterans and their families, (ii) comply with all zoning laws relating to the property, (iii) make no use of the property that is not compatible with the area where the property is located, and (iv) take such other actions as the Administrator determines are necessary or appropriate in the best interests of homeless veterans and the Federal Government; and

(C) the Administrator determines that there is no significant likelihood of the property being sold for a price sufficient to reduce the liability of the Veterans' Administration or the veteran who had defaulted on the loan guaranteed under such chapter 37.

(4) Any agreement, deed, or other instrument executed by the Administrator under this subsection shall be on such terms and conditions as the Administrator determines to be appropriate and necessary to carry out the purpose of such agreement.

(b) JOB TRAINING PROGRAM.—(1) To assist veterans to obtain training pursuant to the Veterans' Job Training Act (29 U.S.C. 1721 note), the Administrator of Veterans' Affairs may convey to persons described in paragraph (2) of this subsection real property and improvements described in subsection (a)(2) of this section for an amount not less than 75 percent of the fair market value of such real property and improvements.

(2) The Administrator may convey such property to persons who enter into an agreement with the Administrator to—

(A) use veterans in a program of job training under the Veterans' Job Training Act in the rehabilitation of residences on such real property; and

(B) provide a priority to veterans in the sale of such rehabilitated residences.

(3) The Administrator may include appropriate enforcement provisions in any agreement described in paragraph (2), including provision for reasonable liquidated damages.

(4) The Administrator shall reduce the amount of any liability that a veteran has with respect to any property conveyed under this section by an amount equal to the reduction in the sale price of the property below the fair market value of the property.

(c) TERMINATION.—The authority provided in subsections (a) and (b) shall terminate on October 1, 1990.

(d) REPORT.—The Administrator of Veterans' Affairs shall, by March 1, 1990, transmit to the Congress a report of the activities carried out, through December 31, 1989, under this section.

SEC. 10. LOAN ASSUMPTIONS.

(a) IN GENERAL.—(1) Chapter 37 is amended by inserting after section 1817 the following new section:

"§ 1817A. Assumptions; release from liability

"(a)(1) If a veteran or any other person disposes of residential property securing a guaranteed, insured, or direct housing loan obtained by a veteran under this chapter and the veteran or other person notifies the holder of the loan in writing before the property is disposed of, the veteran or other person, as the case may be, shall be relieved of all further liability to the Administrator with respect to the loan (including liability for any loss resulting from any default of the purchaser or any subsequent owner of the property) and the application for assumption shall be approved if the holder determines that—

"(A) the loan is current; and

"(B) the purchaser of the property from such veteran or other person—

"(i) is obligated by contract to purchase such property and to assume full liability for the repayment of the balance of the loan remaining unpaid and assumed by contract all of the obligations of the veteran under the terms of the instruments creating and securing the loan; and

"(ii) qualifies from a credit standpoint, to the same extent as if the purchaser were a veteran eligible under section 1810 of this title, for a guaranteed or insured or direct loan in an amount equal to the unpaid balance of the obligation for which the purchaser is to assume liability.

"(2) For the purposes of paragraph (1), paragraph (3), and paragraph (4)(C)(ii) of this subsection, the Administrator shall be considered to be the holder of the loan if the actual holder is not an approved lender described in section 1802.

"(3) If the holder of the loan determines that the loan is not current or that the purchaser of the property does not meet the requirements of paragraph (1)(B) of this subsection, the holder shall—

"(A) notify the transferor and the Administrator of such determination; and

"(B) notify the transferor that the transferor may appeal the determination to the Administrator.

"(4)(A) Upon the appeal of the transferor after a determination described in paragraph (3) is made, the Administrator shall, in a timely manner, review and make a determination (or a redetermination in any case in which the Administrator made the determination described in such paragraph) with respect to whether the loan is current and whether the purchaser of the property meets the requirements of paragraph (1)(B) of this subsection. The Administrator shall transmit, in writing, a notice of the nature of such determination to the transferor and the holder and shall inform them of the action that shall or may be taken under subparagraph (B) of this paragraph as a result of the determination of the Administrator.

"(B)(i) If the Administrator determines under subparagraph (A) of this paragraph that the loan is current and that the purchaser meets the requirements of paragraph (1)(B) of this subsection, the holder shall approve the assumption of the loan, and the transferor shall be relieved of all liability to the Administrator with respect to such loan.

"(ii) If the Administrator determines under subparagraph (A) of this paragraph that the purchaser does not meet the requirements of paragraph (1)(B) of this subsection, the Administrator may direct the holder to approve the assumption of the loan if—

"(I) the Administrator determines that the transferor of the property is unable to make payments on the loan and has made reasonable efforts to find a buyer who meets the requirements of paragraph (1)(B) of this subsection and that, as a result, the proposed transfer is in the best interests of the Veterans' Administration and the transferor;

"(II) the transferor has requested, within 15 days after receiving the notice referred to in subparagraph (A) of this paragraph, that the Administrator approve the assumption; and

"(III) the transferor will, upon assumption of the loan by the purchaser, be secondarily liable on the loan.

"(C) If—

"(i) the loan is not approved for assumption under subparagraph (B) of this paragraph or paragraph (1) of this subsection; or

"(ii) no appeal is made by the transferor under subparagraph (A) of this paragraph within 30 days after the holder informs the transferor of its determination under paragraph (3) of this subsection,

the holder may demand immediate, full payment of the principal, and all interest earned thereon, of such loan if the transferor disposes of the property.

"(b) If a person disposes of residential property described in subsection (a)(1) of this section and the person fails to notify the holder of the loan before the property is disposed of, the holder, upon learning of such action by the person, may demand immediate and full payment of the principal, interest, and all other amounts owing under the terms of the loan.

"(c)(1) In any case in which the holder of a loan described in subsection (a)(1) of this section has knowledge of a person's disposing of residential property securing the loan, the holder shall notify the Administrator of such action.

"(2) If the holder fails to notify the Administrator in such a case, the holder shall be liable to the Administrator for any damage sustained by the Administrator as a result of the holder's failure, as determined at the time the Administrator is required to make payments in accordance with any insurance or guaranty provided by the Administrator with respect to the loan concerned.

"(d) The Administrator shall provide that the mortgage or deed of trust and any other instrument evidencing the loan entered into by a person with respect to a loan guaranteed, insured, or made under this chapter shall contain provisions, in such form as the Administrator shall specify, implementing the requirements of this section, and shall bear in conspicuous position in capital letters on the first page of the document in type at least 2 and ½ times larger than the regular type on such page the following following:[1] This loan is not assumable without the approval of the Veterans' Administration or its authorized agent.[1]

"(e) The Administrator shall establish in regulations a reasonable amount as the maximum amount that a lender may charge for processing an application for a creditworthiness determination and assumption of a loan pursuant to this section. Such regulations shall establish requirements for the timely processing of applications for acceptance of assumptions.

"(f) This section shall apply only to loans for which commitments are made on or after March 1, 1988.".

(2) Section 1817 is amended by adding at the end the following new subsection:

"(c) This section shall apply only to loans for which commitments are made before March 1, 1988.".

(3) The table of sections for chapter 37 is amended by inserting after the item for section 1817 the following new item:

"1817A. Assumptions; release from liability."

(b) PROTECTION AGAINST TRANSFERS TO PERSONS NOT CREDITWORTHY.—Section 1804 is amended by adding at the end the following new subsection:

"(f) Any housing loan which is financed through the assistance of this chapter and to which section 1817A of this chapter applies shall include a provision that the loan is immediately due and payable upon transfer of the property securing such loan to any transferee unless the acceptability of the assumpiton of the loan is established pursuant to such section 1817A.".

(c) LOAN FEE.—Section 1829 is amended by adding at the end the following new subsection:

"(d) Except as provided in subsection (b) of this section, a fee shall be collected from a person assuming a loan to which section 1817A of this chapter applies. The amount of the fee shall be equal to one-half of one percent of the balance of such loan on the date of the transfer of the property.".

SEC. 11. APPRAISALS.

(a) QUALIFICATIONS OF APPRAISERS.—(1) Section 1831(a)(1) is amended—

(A) by striking out "(1)" and inserting in lieu thereof "(1) subject to subsection (b)(2) and"; and

(B) by inserting before the semicolon at the end the following: ", including the successful completion of a written test, submission of a sample appraisal, certification of an appropriate number of years of experience as an appraiser, and submission of recommendations from other appraisers".

(2) Section 1831(b) is amended—

(A) by striking out "(b)" and inserting in lieu thereof "(b)(1)"; and

(B) by adding at the end the following new paragraph:

"(2) If uniform qualifications become applicable for appraisers who perform appraisals for or in connection with the Federal Government, the qualifications required by subsection (a)(1) of this section may be more stringent than such uniform qualifications, but the Administrator may use no written test in determining the qualifications of appraisers other than the test prescribed to implement such uniform qualifications.".

(b) REVIEW OF APPRAISALS.—Section 1831 is amended—

(1) in subsection (c), by striking out "The Administrator shall, upon request," and inserting in lieu thereof, "Except as provided in subsection (f) of this section, the appraiser shall forward an appraisal report to the Administrator for review. Upon receipt of such report, the Administrator shall determine the reasonable value of the property, construction, repairs, or alterations for purposes of this chapter, and notify the veteran of such determination. Upon request, the Administrator shall";

(2) in subsection (d), by inserting "(other than a lender authorized under subsection (f) of this section to determine reasonable value)" after "lender"; and

(3) by adding at the end the following new subsection:

"(f)(1) Subject to the provisions of paragraphs (2) and (3) of this subsection, the Administrator may, in accordance with standards and the procedures established in regulations prescribed by the Administrator, authorize a lender to determine the reasonable value of property for the purposes of this chapter if the lender is authorized to make loans which are automatically guaranteed under section 1802(d) of this title. In such a case, the appraiser selected by the Administrator pursuant to subsection (b) of this section shall submit the appraisal report directly to the lender for review, and the lender shall, as soon as possible thereafter, furnish a copy of the appraisal to the veteran who is applying for the loan concerned and to the Administrator.

"(2) In exercising the authority provided in paragraph (1) of this subsection, the Administrator shall assign a sufficient number of personnel to carry out an appraisal-review system to monitor, on at least a random-sampling basis, the making of appraisals by appraisers and the effectiveness and the efficiency of the determination of reasonable value of property by lenders.

"(3) The authority provided in this subsection shall terminate on October 1, 1990.".

(b) CONFORMING AMENDMENT.—Section 1810(b) is amended—

(1) in paragraph (5), by striking out "by the Administrator" and inserting in lieu thereof "pursuant to section 1831 of this title"; and

(2) by striking out the final sentence.

SEC. 12. SEQUESTRATION EXEMPTION.

(a) IN GENERAL.—Section 113 is amended—

(1) in subsection (a), by adding at the end the following new clause:

"(6) Benefits under subchapters I, II, and III of chapter 37 of this title, relating to housing loans for certain veterans and for the spouses and surviving spouses of certain veterans.";

(2)(A) by striking out subsection (e); and

(B) by redesignating subsections (f) and (g) as (e) and (f), respectively; and

(3) in subsection (c)(2), by striking out "34, or 36" and inserting in lieu thereof "31, 34, 35, or 36".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on November 19, 1987.

SEC. 13. DETERMINATION OF MINIMUM RESIDUAL INCOME.

Paragraph (3) of section 1810(g) is amended by adding at the end the following new sentence: "If the procedures described in clause (C) of this paragraph include standards for evaluating residual income, the Administrator shall, in establishing such standards, give appropriate consideration to State statistics (in States as to which the Administrator determines that such statistics are reliable) pertinent to residual income and the cost of living in the State in question rather than in a larger region.".

SEC. 14. MARKETING VETERANS' ADMINISTRATION-ACQUIRED PROPERTIES.

Section 1832 is amended—

(1) by inserting "(a)" before "The"; and

(2) by adding at the end the following new subsection:

"(b) For the purpose of facilitating the most expeditious sale, at the highest possible price, of real property acquired by the Administrator as the result of a default on a loan guaranteed, insured, or made under this chapter, the Administrator shall list all such property with real estate brokers under such arrangements as the Administrator determines to be most appropriate and cost effective.".

Amend the title so as to read: "An Act to amend title 38, United States Code, to modify the amount of the Veterans' Administration home loan guaranty and to make other improvements in the loan guaranty program, and for other purposes."

Mr. MONTGOMERY (during the reading). Mr. Speaker, I ask unanimous consent that the House amendments to the Senate amendments be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Mississippi?

Mr. SOLOMON. Mr. Speaker, reserving the right to object, I will not object.

Mr. Speaker, I rise as ranking member of the Veterans' Affairs Committee in support of the House amendment to H.R. 2672, as amended by the Senate. This legislation to improve the Veterans Administration's Home Loan Guarantee Program is the result of an excellent compromise between a House bill, H.R. 2672, and a Senate bill, S. 1801, both of which were intended to help the VA's Home Loan Guarantee Program out of some of its red ink.

Until just a couple of years ago, the program ran smoothly, financed through a self-sustaining revolving fund. Then came an unexpected and sudden wave of foreclosures which was largely related to regional economic problems. Hardest hit was Houston, TX, with an overbuilt housing market and the collapse in oil prices.

Losses to the VA on its guaranteed loans have run into the hundreds of millions of dollars, and the Congress has had to appropriate money for fiscal years 1987 and 1988 to keep the program going. We must help this program get back on its feet. It has enabled more than 12 million veterans to realize the dream of owning a home and cannot be allowed to fail financially after it has done so much good for veterans.

Mr. Speaker, I do not want the brevity of my remarks to belie the importance of this bipartisan legislation, which has been so ably explained by the distinguished chairman of the Housing and Memorial Affairs Subcommittee, Marcy Kaptur. Her efforts and those of Dan Burton, ranking member of the subcommittee have largely shaped the House's contributions to this legislation. And, of course, all this was with the careful leadership of Sonny Montgomery, the highly respected chairman of our full committee.

Our Senate colleagues as well deserve commendation. Alan Cranston, chairman of the Senate Veterans' Affairs Committee, and Frank Murkowski, the ranking member and former chairman, both contributed to this compromise, and I believe that between the House and the Senate we have forged a bill better than either body's original effort.

In addition, the measure enables the committee to meet reconciliation requirements, and for a fiscal conservative like myself, that is very important. Finally, the bill extends the 1-percent origination fee for 2 years, and while I have explained in previous statements why I don't like the fee one bit, at this point the program can't get along without it.

Mr. Speaker, passage of the House amendment to H.R. 2672, as amended, is essential to the VA Home Loan Guarantee Program, and I urge its passage.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Mississippi [Mr. Montgomery], the very distinguished chairman of the Committee on Veterans' Affairs.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding. I want to thank my friend, the very able ranking minority member of the full committee, Jerry Solomon, for his leadership in helping to reach a compromise with the other body on this veterans' housing reform bill. The gentleman from New York has played a major role in getting this agreement worked out and I appreciate his good work.

The chairwoman of our Housing and Memorial Affairs Subcommittee, Marcy Kaptur, is on the floor and I would ask the gentleman to yield to her for an explanation of the proposed amendments. Before doing so, I would like to commend the gentlelady from Ohio for the dynamic leadership she has provided in working out differences with the other body on this legislation.

It is an excellent compromise and she and the ranking minority member of the subcommittee, the distinguished gentleman from Indiana, Dan Burton, have both devoted a lot of time in hearings in Washington and in other areas throughout the country relating to veterans housing issues.

I fully support the proposed House amendments.

Ms. KAPTUR. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentlewoman from Ohio.

Ms. KAPTUR. Mr. Speaker, I thank the gentleman for yielding to me.

Mr. Speaker, I want to commend the gentleman from Mississippi [Mr. Montgomery], the chairman of the full committee, for his leadership in moving the compromise measure through so expeditiously, and in addition, I want to thank the gentleman from New York [Mr. Solomon], the ranking minority member of the subcommittee, and the gentleman from Indiana [Mr. Burton], and all of the Members for their favorable support.

Mr. Speaker, the proposed amendments to the Senate amendments contain most of the provisions passed by the House. The agreement we have reached with the other body is a reasonable compromise. Let me explain what we have agreed to do.

We would extend the 1-percent origination fee for 2 years to September 30, 1989. I do not like this fee and plan to examine alternatives.

I am pleased that the Senate accepted our provision correcting an inequity in the application of this user fee to a veteran who is also the surviving spouse of a deceased veteran whose death was service connected. A surviving spouse is exempt under current law; but due to a technicality, the exemption does not apply in cases where the surviving spouse is also a veteran with eligibility in his or her own right.

The compromise changes the loan guaranty formula from 60 to 50-percent on loans under $45,000 and from 60 to 40-percent on loans over $45,000 with a maximum guaranty of $36,000 and a minimum guaranty of $22,500. This proposed formula will help veterans purchase housing in higher priced markets and at the same time it will limit unnecessary risks to both the borrower and the revolving fund. In addition, the guaranty for manufactured housing will be changed from 50 to 40-percent with a 5-percent downpayment requirement.

Mr. Speaker, the compromise measure would increase the VA's efforts for loan servicing. Veterans using the VA Home Loan Guaranty Program have an excellent repayment record. However, the number of foreclosures has been increasing in recent years. While the VA's experience is comparable to FHA and conventional lenders, there is serious concern about the solvency of the revolving fund which must pay claims arising from foreclosures; and above all, about the devastating effect of foreclosure on veterans who have defaulted on their obligation to repay a loan. The VA does have servicing procedures in place. However; the timeliness in this aspect of the program has deteriorated. Both bodies recognized this problem in their respective measures. Therefore the compromise agreement addresses this problem by requiring the VA to provide more effective servicing when a loan goes into default, to the extent that resources are available for the next 3 years. At a minimum, veterans are to be advised of the alternatives to foreclosure in light of their particular circumstances, including possible methods of curing the default, the veteran's and the VA's liabilities in the event of foreclosure and the availability of counseling.

The House bill had originally contained a mortgage foreclosure relief program targeted to veterans who have experienced default through no fault of their own. In essence, the bill would have authorized the Administrator to make loans for the purpose of providing mortgage assistance, and thereby preventing foreclosures, up to a maximum of $8,400 to veterans or their surviving spouses, if they were unemployed, and had suffered a substantial reduction in household income and had previously guaranteed VA housing loans which are at least 6 months delinquent. I am sorry that this provision had to be dropped. This new program would have helped keep veterans in their homes and should have proven cost effective to the U.S. Government by substituting this mortgage payment advance for the high expenses currently incurred by the Veterans' Administration in paying claims of lenders, instituting the foreclosure procedures and reselling acquired properties. The subcommittee may revisit this issue next year.

Mr. Speaker, the Deficit Reduction Act of 1984 required the VA to analyze defaulted loans on a case-by-case basis and to stop acquiring property where it would be less costly to pay the guaranty. It was the Congress' understanding that this practice benefited veterans as well as lenders by permitting the orderly disposal of the property securing a VA guaranteed loan. This restriction of the VA's authority was a 3-year proposal and is now scheduled to expire on November 15. The House bill extended the property acquisition guideline for 2 years until September 30, 1989, with three modifications to the calculation which the VA makes when determining whether a property will be treated as a no-bid case. The Senate extended the formula for 1 year and added one modification. Under the compromise agreement, we accepted the Senate provision relating to not calculating interest resulting from exercise of lender forebearance at the VA's request. The House provision regarding the delays in the foreclosure process caused by the VA, or bankruptcy were adopted and will not be calculated in the VA's property acquisition formula. This formula will be in effect for the next 2 years. We will also be requiring a report from the VA on lenders' and the VA's costs resulting from all foreclosure transactions in order to see if this formula is truly effective and whether it should again be modified.

Mr. Speaker, prior to 1984, the VA financed approximately 92 percent of all foreclosed properties. By offering financing on properties which it holds for sale, the VA is able to dispose of many properties in a timely manner at the appraised value. The Deficit Reduction Act of 1984 reduced the number of properties on which VA financing could be offered. Current law requires the VA to sell at least 60 percent but no more than 75 percent of its acquired properties with vendee financing. This provision was also scheduled to expire on November 15. As a part of the Congress' efforts to meet its reconciliation target, the House changed these percentages to a range of 50 to 65 percent. The Senate bill modified their percentages to 40 to 60 percent respectively. The House provision was adopted. This provision is estimated to save $42 million in fiscal year 1988, $24 million in fiscal year 1989, and $10 million in fiscal year 1990. It should be emphasized, however, that while this proposal will temporarily produce a net reduction in outlays, it will cost the Government more in the outyears if a permanent change were authorized. The Veterans' Affairs Committee will continue to seek alternatives that will meet long-term program requirements.

Mr. Speaker, although a relatively high proportion of the population of American Samoa serves in the U.S. military, the loan guaranty benefit is not viable there due to a lack of a secondary mortgage market. In addition, there is a problem with land ownership. The House bill would have authorized a direct loan program up to $33,000 to the extent that matching funds were made available by the Government of American Samoa. American Samoa already qualified as an area where the Administrator is authorized to make direct loans, because it is difficult for veterans to obtain housing loans in this area. The Senate would not accept this provision; however, our joint explanatory language urges the Veterans' Administration to undertake the development of creative solutions to these problems. As an example, it urges consideration along the same basis as it has done in the case of the Navajo Indians with long-term leases.

Mr. Speaker, both the House bill and the Senate bill would have liberalized occupancy requirements for refinancing purposes. Under current law and implementing regulations, a veteran or service member must physically occupy the property in order to be eligible for refinancing a VA home loan. This has resulted in hardship and inequity for many homeowners'; such as active duty military and foreign service personnel, who might be residing abroad temporarily, but who still regard the property as their home. These veterans are ineligible to refinance when interest rates decrease. The result is clearly inequitable. Therefore, the compromise agreement would permit veterans or their spouses to refinance their home loans regardless of personal occupancy, upon certification of previous residency. In addition, occupancy requirements for loan origination purposes would be satisfied in the case of an active duty service member if the spouse occupies the home and certifies same. The compromise agreement would also eliminate the restriction limiting the maximum term of an interest-rate reduction conventional housing refinancing loan to the remaining term of the loan being refinanced plus 10 years. Equity payout refinancing loans under section 1810(a)(5) would be limited to 90 percent of appraised property value.

Mr. Speaker both the House and the Senate passed legislation encouraging veterans organizations and political subdivisions to acquire hard-to-sell VA foreclosed properties in order to provide shelter to homeless veterans and their families. Under our compromise, the VA is authorized to discount such properties to these and other nonprofit organizations working in behalf of homeless veterans, provided that the interest of the VA Home Loan Guaranty Program as a whole and the defaulting veteran are protected, the local zoning laws are respected, and that intended use of the property is compatible with the area where it is located. This will give legislative sanction to the concept of working with local groups to assist homeless veterans, and at the same time avoid adversarial situations between the VA and either the defaulting veteran or the community.

Mr. Speaker, some of the VA's foreclosed homes have fallen into a state of disrepair. They in turn have become a blight on the neighborhood, and may be difficult to sell. Although the VA may use money from the loan guaranty revolving fund to institute repairs, the property may still be subject to vandalism and deterioration while left unoccupied, and funds invested in repairs may never be recaptured when the property is eventually disposed of.

I am pleased to say that the Senate has accepted two of our proposals to dispose of the VA's inventory in a very productive way. One of these would provide up to a 25 percent discount on houses sold to organizations which agree to use veteran employees in a program of job training under the Veterans Jobs Training Act to rehabilitate the properties and who give preference to veterans in selling the rehabilitated property. In order to protect the interest of veterans whose foreclosed properties are disposed of in this manner, the liability of the former veteran homeowner will be reduced commensurate with the discount given.

The Administrator would also be authorized to make additional loans to prospective purchasers for the purpose of restoring such properties to a habitable state. Funds would be released to the purchaser in increments, as rehabilitation progresses. It is believed that rehabilitation loans will be a good investment for the loan guaranty revolving fund; that they will make previously hard-to-sell properties more attractive and affordable to prospective buyers; and that they will help resolve some of the legitimate community concerns expressed over the maintenance of VA-owned properties. These 3-year programs will be monitored carefully by the committee to gauge their effect upon the VA's inventory.

Mr. Speaker, one of the perceived advantages to the VA Home Loan Guaranty Program is easy assumability of such loans when a veteran decides to dispose of the property; however, there have been aspects to this feature which have led to abuse and even fraud. Time and again, we have heard from veterans whose loans were assumed, but became liable for the debt of the new occupant when the house went into foreclosure. We have also received very disturbing reports of certain frauds such as "equity skimming" being perpetrated against veterans. Unscrupulous "investors" assume a veteran's loan, rent the property to make a quick profit, and meanwhile allow the loan to go into default. When they disappear with the rental revenues, the veteran is left with liability for the intervening home payments, and the loan usually is foreclosed.

Both bodies were concerned about these assumability abuses. Therefore, the compromise keeps the assumability feature in place but provides better protection for the veteran by requiring new credit underwriting on prospective purchasers who wish to assume the original loan. It further provides the veterans with automatic release from liability so long as the lender is advised, and the properly qualified purchaser agrees by contract to assume responsibility for the loan. It the lender determines that the loan is not current or that the purchaser is not creditworthy, the lender will notify the veteran and the VA. The veteran may appeal the determination to the VA. Should the Administrator determine that the sale meets the requirements, the lender shall approve the transfer and the veteran shall be relieved of all liability.

In addition, the Administrator, at the request of the veteran, may approve assumption even through the creditworthiness is not approved in those instances where the veteran agrees to be secondarily liable on the loan and only in those cases where the Administrator has made a determination that the veteran is: First, in financial difficulty; second, has made reasonable efforts to find a creditworthy purchaser; and third, the sale is in the bests interests of the veteran and the VA.

The compromise also provides that the lender may demand termination of the loan if the sale occurs and the purchaser does not meet the requirements if the veteran fails to notify the lender of the sale. If the lender knowingly fails to notify the Administrator of a sale transaction, the lender will be liable for any damage sustained. The compromise agreement would impose a one-half percent fee on those who assume loans. This provision is limited to 2 years so that the Congress may review the effectiveness of this provision.

Two additional opportunities for improving the VA appraisal process have been incorporated into this compromise measure. First, since there are no uniform industry procedures for licensing real estate appraisers, the agreement outlines specific qualifications for VA fee-basis appraisers. These include successful completion of a written test, submission of a simple appraisal, evidence of an appropriate level of experience as an appraiser, and submission of recommendations from other appraisers. By applying a more stringent and consistent set of professional standards to its fee-basis appraisers, the VA should be able to achieve overall improvements in the quality of appraisals on prospective veteran loans.

As it is our understanding that the government may establish national standards at some later date, therefore, our measure stipulates that the VA's criteria shall be no less stringent.

In addition, the agreement also authorizes appraisal reports to be sent directly to certain lenders for expedited review and reasonable value determination. Under current procedures, the appraisal must first be sent to the VA for review and certification, and then forwarded to the lender. The bill would authorize appraisal reports to be sent directly to certain lenders for expedited review and reasonable value determination. Since 75 percent of all VA guaranteed loans are underwritten by automatic lenders, the new procedure will reduce the paperwork and processing time for a significant number of loans, will allow faster loan processing and with less frustration, and should free up VA personnel who presently review such appraisals and issue CRV's for other critical activities, such as servicing on delinquent loans. We expect to establish an appraisal review system to monitor this procedure on at least a random sampling basis. We plan to review this administration requested procedure again before its 3-year expiration date.

Mr. Speaker, the House receded to a provision in our bill which would have established a 2-year demonstration program for adjustable rate mortgages in one VA regional office. Interest rates have risen from 8½ to 11 percent this year. Interest rates for an adjustable rate mortgage are typically 1 to 2 percent lower than a fixed rate loan. The National Association of Home Builders estimates that this results in a savings of as much as $100 in monthly mortgage payments on a $70,000 loan. This demonstration project was to be carried out in a manner similar to FHA's adjustable rate mortgage program, which allows interest rates to escalate no more than 1 percent per year with a cap of 5 percent over the life of the loan. I regret that we will be unable to carry out this program which could have proven to be helpful to our Nation's veterans.

Last, Mr. Speaker, we agreed to three Senate provisions. The first would require the Veterans' Administration to list properties with real estate brokers. Frankly, I have been appalled by the way the Veterans' Administration has been marketing some of its properties. An individual passing by one of these foreclosed properties would not necessarily know that it was for sale. I believe that listing these properties through realtors on a rotating basis will help move the Government's inventory more expeditiously.

Second, we will require the VA to give appropriate consideration to state economic data, if available, rather than regional for VA credit underwriting purposes.

Third, we will exempt the program from sequestration. The committees believe that the sequestration process should not apply to the VA home loan programs since loan guarantees require no direct Federal outlays. A reduction in the number of loans will not result in any deficit savings. A reduction in the number of loans guaranteed will result in less funding fee income collected on such loans, thus increasing the deficit in the current year.

Mr. Speaker, the compromise agreement to H.R. 2672 is a responsible measure which reaffirms that the VA Home Loan Guaranty Program is a veteran's benefit. It carefully preserves the program's basic intent, offers creative approaches to some of its present-day problems, and sets it on a sound footing for meeting veterans' future needs.

Mr. Speaker, I wish to point out that these important reforms won't cost our American taxpayers anything. Quite the contrary. This bill will save $56 million in fiscal year 1988, $49 million in fiscal year 1989, and $37 million in outlays in fiscal year 1990. It actually exceeds our reconciliation targets.

I want to commend the chairman of the full committee, the distinguished gentleman from Mississippi, G.V. (SONNY) MONTGOMERY, for his leadership in moving this compromise measure through so expeditiously, the ranking minority member of the committee, Mr. SOLOMON of New York, the ranking minority member of the subcommittee, Mr. BURTON of Indiana and all of the members of the committee for their support.

Mr. Speaker, I submit for the RECORD a joint explanatory statement which outlines in further details the differences between the House- and Senate-passed measures and the compromise agreement reached between the two bodies, as follows:

EXPLANATORY STATEMENT OF HOUSE BILL (H.R. 2672), SENATE AMENDMENT (S. 1801), AND COMPROMISE AGREEMENT ON THE VETERANS' HOME LOAN PROGRAM IMPROVEMENTS AND PROPERTY REHABILITATION ACT OF 1987

This document explains the provisions of H.R. 2672 as passed by the House of Representatives on August 3, 1987 (hereinafter referred to as the "House bill"), the provisions of the bill as passed by the Senate on October 30, 1987 (hereinafter referred to as the "Senate amendment"), with an amendment incorporating the provisions of S. 1801 as reported and a floor amendment, the provisions of section 101 of S. 477 as passed by the Senate on March 31, 1987 (hereinafter referred to as "S. 477"), relating to the sale of certain VA-acquired foreclosed properties for use as shelters for homeless veterans, and the provisions of a compromise agreed to by the House and Senate Committees on Veterans' Affairs. The differences between the House bill, the Senate amendment, and the compromise agreement are noted below, except for clerical corrections, conforming changes made necessary by agreements reached between the Committees, and minor drafting, technical, and clarifying changes.

NON-RECOURSE VENDEE LOAN SALES

The House bill (section 2), but not the Senate amendment, would state certain findings regarding adverse effects resulting from the Office of Management and Budget's and the Congressional Budget Office's (CBO) recent change in accounting for loans sold with recourse by the Veterans' Administration (VA) and express the sense of the Congress that the CBO should reverse its decision and that any change in the assets sales policy of the VA should not be considered in future budget resolutions as a means of achieving deficit reduction.

The compromise agreement does not contain this provision.

The Senate amendment (section 16), but not the House bill, would repeal section 2 of Public Law 100-136, which prohibits the sale of vendee loans without recourse unless an amount equal to the unpaid balance of the loan is obtained.

The compromise agreement does not contain this provision.

LOAN FEE

Both the House bill (section 3(a)) and the Senate amendment (section 13) would amend section 1829(c) of title 38, relating to the imposition of a fee equal to 1-percent of the total loan amount on all persons, except those excluded under section 1829(b), who obtain a loan guaranteed, insured, or made by the VA, to extend the loan fee through September 30, 1989.

The compromise agreement (section 2(a)) contains this provision.

The House bill (section 3(b)), but not the Senate amendment, would amend section 1829(b) of title 38, relating to the exemption from the loan fee for a veteran receiving or entitled to receive VA compensation and for the surviving spouse of a veteran who died from a service-connected disability, to clarify that the exemption includes the surviving spouses of veterans who died from service-connected causes and who themselves are veterans.

The compromise agreement (section 2(b)) contains this provision.

GUARANTY AMOUNT

A. Purchase or construction of homes

Both the House bill (section 4(a)) and the Senate amendment (section 2(a)) would amend section 1803(a)(1) of title 38, relating to the maximum VA loan guaranty amount for conventional homes. The House bill would change the current-law maximum of 60 percent of the amount of the loan or $27,500, whichever is less, to 40 percent of the amount of the loan or $40,000, whichever is less. The Senate amendment, effective for a fiscal year only to such extent as is or in such amounts as are provided in appropriation Acts, would increase the dollar maximum to $36,000 and make no change in the 60-percent figure.

The compromise agreement (section 3(a)) would, effective with respect to loans approved by the VA for which guaranty commitments—i.e., a commitment to issue a certificate of guaranty—are issued after December 31, 1987, and loans for which settlement occurs after January 31, 1988, change the maximum VA loan guaranty amount for conventional homes (a) to 50 percent of the amount of the loan for loans of $45,000 or less, and (b) to 40 percent of the amount of the loan or $36,000, whichever is less, with a minimum guaranty of $22,500, for loans greater than $45,000.

B. Manufactured homes

The House bill (section 4(b)), but not the Senate amendment, would amend section 1819(c) of title 38, relating to the maximum VA loan guaranty amount for manufactured homes, manufactured-home lots, or manufactured homes and lots, to change the current-law maximum of 50 percent of the amount of the loan or $20,000, whichever is less, by reducing the 50-percent figure to 30 percent and making no change in the $20,000 figure.

The compromise agreement (section 3(b)) contains the House provision with an amendment changing the 30-percent figure to 40 percent, effective with respect to loans approved by the VA for which guaranty commitments are issued after December 31, 1987, and loans for which settlement occurs after January 31, 1988.

MANUFACTURED HOMES DOWNPAYMENT

The Senate amendment (section 11), but not the House bill, would amend section 1819(e)(4) of title 38, relating to restrictions on and requirements for manufactured housing loans, to limit the amount of such loans to 95 percent of the purchase price of the property securing the loan. The effect of this provision would be to require a 5-percent downpayment.

The compromise agreement (section 3(b)(2)) contains this provision, effective with respect to loans approved by the VA for which guaranty commitments are issued after December 31, 1987, and loans for which settlement occurs after January 31, 1988.

FINANCIAL INFORMATION AND COUNSELING ASSISTANCE FOR VETERANS

Both the House bill (section 5) and the Senate amendment (section 5) would amend section 1816(a) of title 38, relating to procedures on default of VA-guaranteed loans. The House bill would require the VA, upon receipt of a 90-day default notice from the lender, to provide the veteran with information regarding alternatives to foreclosure, including possible methods of curing the default, and, in the case of foreclosure, the VA's and the veteran's liabilities and ways to reduce the veteran's liability, unless the VA has received satisfactory assurances that the lender had adequately advised the veteran with respect to such matters. The Senate amendment would require the VA, for a 2-year trial period ending December 30, 1989, within a reasonable time after receipt of a 90-day default notice from the lender, to provide the veteran with information regarding alternatives to foreclosure appropriate in light of the veteran's particular circumstances, including possible methods of curing the default, the veteran's and the VA's liabilities in the event of foreclosure, and the availability of counseling, and, to the extent feasible, counseling.

The compromise agreement (section 4), would require the VA upon receipt of a 90-day default notice from the lender, to provide the veteran with information regarding alternatives to foreclosure appropriate in light of the veteran's particular circumstances, such as the availability of counseling, the liabilities of the VA and the veteran in the event of foreclosure, and possible methods of curing the default, and, to the extent feasible, with counseling. This requirement would not apply in the case of a lender which the Administrator has found to have demonstrated a record of consistently providing veterans the above information on a timely and accurate basis. This provision would be effective for a 3-year trial period beginning March 1, 1988.

The House bill (section 5) would require the VA, to the extent of available appropriations, to provide sufficient personnel to implement the above-described notification requirement effectively. The Senate amendment (section 5) would require the VA, subject to the availability of appropriations and funds made available from the Loan Guaranty Revolving Fund (LGRF) pursuant to the proposed expanded authority to pay for supplementary contractual services from the LGRF, proposed in the Senate amendment, section 12 (discussed below under "CONTRACT SERVICES PAID FROM THE LGRF"), to provide sufficient personnel to implement this provision effectively.

The compromise agreement (section 4) contains the House provision.

ACTIONS WITH RESPECT TO DEFAULTED LOANS

Both the House bill (section 6 (a) and (c)) and the Senate amendment (section 6) would extend the sunset date of and modify section 1816(c) of title 38, relating to the formula for determining whether, at the liquidation sale of property securing a VA-guaranteed loan, the VA acquires the property or pays the guaranty (the so-called "no-bid formula").

The House bill (section 6(c)) would extend the no-bid formula until September 30, 1989. The Senate amendment (section 6) would extend the no-bid formula until September 30, 1988.

The compromise agreement (section 5) contains the House provision.

The House bill (section 6(a)) would exclude from the no-bid formula interest accruing after unreasonable delay in the liquidation sale of the property caused by (1) the VA, (2) a voluntary bankruptcy case commended under title 11 of the United States Code, or (3) VA-requested forbearance. Such interest would be included in the VA's payment to the lender under the guaranty in cases of VA-caused delay, but not in cases of voluntary bankruptcy or VA-requested forbearance. The Senate amendment (section 6) would exclude interest accruing after substantial delay in the liquidation sale caused by VA-requested forbearance from the no-bid calculation and, if based on that calculation the VA may acquire the property, from payment to the lender.

The compromise agreement (section 5) contains the Senate provision with respect to VA-requested forbearance. The compromise agreement also contains the House provision with respect to VA-caused delay, with an amendment describing such delay as "excessive delay in [the] * * * liquidation sale, * * * caused by the Veterans' Administration (including any delay caused by its failure to provide bidding instructions in a timely fashion)" and the House provision with respect to delay caused by voluntary bankruptcy cases, with an amendment describing such delay as "excessive delay in [the] * * * liquidation sale". The Administrator would be required to prescribe regulations to implement all three provisions. All three provisions would be effective with respect to defaults which occur more than 60 days after enactment.

The Committees intend that the Administrator define in regulations the term "excessive delay" as used in the provisions pertaining to VA-caused and bankruptcy-caused delay. With respect to VA-caused delay, the Committees intend that the Administrator include in the definition of "timely" a requirement that the VA issue bidding instructions at least 48 hours in advance of the sale if the lender has fulfilled all of its obligations, including returning a completed loan-status form to the VA in a timely fashion. The Committees do not intend that all VA-caused delays be deemed "excessive". With respect to delay resulting from cases of voluntary bankruptcy, the Committees intend that the Administrator provide in the definition of "excessive delay" that a period of delay would not necessarily be excluded from being considered "excessive" merely because the period of delay approximated the average time for the property to become available for a liquidation sale following the initiation of such a bankruptcy proceeding.

The Committees note that, in the report on the Senate amendment (S. Rept. No. 100-204, page 29), the Senate Committee directed the VA, by February 1, 1988, to report to both Committees data for fiscal years 1986 and 1987 regarding the average loss to lenders on foreclosed properties when the VA pays the guaranty instead of bidding on the property and on the average loss to the VA when it acquires such properties, together with any recommendations by the Administrator for administrative or legislative action regarding the no-bid formula, with such data to include statistics indicating, for both the cases where the VA pays the guaranty and where it acquires the property, the average amount paid, the number of loans in each of those two categories broken down by price intervals of $5,000, and the different types of costs which the VA and the lender each incur upon acquisition and disposition of such properties.

In lieu of the direction to provide such data for fiscal years 1986 and 1987, the Committees direct the VA to collect and provide such data for each fiscal year beginning in fiscal year 1988. The VA should also include data regarding such losses to lenders and the VA on a property-by-property basis for at least 5 percent of such properties selected on a random-sampling basis in addition to the average losses. In those instances where the VA acquires property, there should be an indication of the property disposal method, such as VA-financed or cash sale, and whether the cash sale was made through the auction process. The Committees further expect this information to be broken down by regional offices. The Committees expect the first report to include data for October 1, 1987, through April 30, 1988, and to be submitted to the Committees by June 30, 1988, and each report thereafter by each February 1 for the prior fiscal year.

CASH SALES OF PROPERTIES ACQUIRED THROUGH FORECLOSURES

A. Number of vendee loans

Both the House bill (section 6(b) and (c)) and the Senate amendment (section 8(b)) would extend the sunset date of section 1816(d) of title 38, relating to the proportions of properties acquired as the result of defaults on VA-guaranteed loans which can be sold for cash and by means of loans made by the VA (so-called "vendee loans"), the House bill (section 6(c)) until September 30, 1989, and the Senate amendment (section 8(b)) until September 30, 1990.

The compromise agreement (section 6(b)) contains the Senate provision.

The House bill (section 6(b)) would amend section 1916(d) to increase, for fiscal years 1988, 1989, and 1990, the current-law proportion of acquired properties which the VA is required to sell on a cash rather than vendee-loan basis from a minimum of 25 percent and a maximum of 40 percent to a minimum of 35 percent and a maximum of 50 percent. The Senate amendment section 8(a)) would increase the required proportion of cash sales to a minimum of 40 percent and a maximum of 60 percent.

The compromise agreement (section 6(a)) contains the House provision, effective as of October 1, 1987.

The Senate amendment (section 8(a)), but not the House bill, would reduce from 80 percent to 70 percent the level to which the Administrator may, when necessary for the effective functioning of the LGRF, increase the proportion of acquired foreclosed properties which are sold on a vendee-loan basis.

The compromise agreement does not contain this provision.

B. Maximum amount and rehabilitation loans

Both the House bill (section 10) and the Senate amendment (section 7) would change certain requirements with respect to loans made to purchasers of VA-acquired foreclosed properties, known as "vendee loans".

The House bill, but not the Senate amendment, would amend section 1816(d), relating to vendee loans, to allow the Administrator to include as part of a vendee loan an amount to be used only to rehabilitate the property to be purchased with the loan. That amount would be limited to the amount necessary to rehabilitate the property to a habitable state, and would be made available periodically as the rehabilitation is completed.

The compromise agreement (section 6(b)) contains the House provision, effective with respect to loans made more than 30 days after the date of enactment, with amendments terminating it at the end of fiscal year 1990 and requiring the Administrator to submit a report on the program to the Committees by March 1, 1990.

The Committees intend that VA regional offices would be delegated authority to include in a vendee loan a total amount not to exceed $10,000 for such rehabilitation. In the case of an application for a rehabilitation loan in excess of $10,000, the Committees intend the VA Central Office to determine whether and in what amount such a rehabilitation loan should be made.

The Senate amendment (section 7(a)), but not the House bill, would amend section 1816(d) to limit the amount of a vendee loan to 90 percent of the purchase price of the property.

The compromise agreement (section 6(b)) contains the Senate provision, effective with respect to loans made more than 30 days after enactment, with amendments changing the 90-percent figure to 95 percent, terminating the restriction at the end of fiscal year 1990, and permitting the Administrator to waive this 5-percent downpayment requirement where the vendee loan includes an amount for rehabilitation of the property (as described above).

The Senate amendment (section 7(b)), but not the House bill, would amend section 1829(a), relating to the 1-percent fee (discussed above under "Loan Fee"), to increase the fee imposed on persons receiving vendee loans to 2.5 percent.

The compromise agreement does not contain this provision.

DIRECT LOANS IN AMERICAN SAMOA

The House bill (section 7), but not the Senate amendment, would amend section 1811 of title 38, relating to direct VA loans to eligible veterans for the purposes for which VA-guaranteed loans can be made as provided in sections 1810 or 1819 of title 38, to require the Administrator to make direct loans to eligible veterans in American Samoa in an amount equal to the amount provided to the veteran by the American Samoa government.

The compromise agreement does not contain this provision.

The Committees urge the VA to undertake the development of creative solutions to the land ownership situation in American Samoa that would permit veterans living there to use their home loan guaranty entitlements, as the VA has done in the case of the Navajo Indians with long-term leases.

REFINANCING HOME LOANS

Both the House bill (section 8(a)) and the Senate amendment (section 3) contain provisions relating to the requirements for refinancing VA-guaranteed loans. The House bill (section 8(a)) would amend section 1810(e)(1) of title 38, relating to the requirements for obtaining VA-guaranteed interest-rate-reduction conventional housing refinancing loans, and section 1819, relating to such VA-guaranteed manufactured housing loans, to eliminate for both types of refinancing loans the requirement that the veteran occupy the home securing the loan at the time of refinancing. The Senate amendment (section 3(a) and (c)) would modify that requirement for both types of refinancing loans by providing that the veteran could certify that he or she previously occupied the home as an alternative to meeting the requirement for current occupancy.

The compromise agreement (section 7(a) and (b)) contains the Senate provision, effective with respect to loans made more than 30 days after enactment, with an amendment allowing the occupancy requirement to be satisfied also in the case of an active-duty military service member who is unable to occupy the home because of such status, by the spouse of the service member occupying or certifying that the spouse previously occupied the home.

The Senate amendment (section 3(a)), but not the House bill, would eliminate the restriction limiting the maximum term of an interest-rate-reduction conventional housing refinancing loan to the remaining term of the loan being refinanced.

The compromise agreement (section 7(a)(3)) contains this provision, effective with respect to loans made more than 30 days after enactment, with an amendment limiting the maximum term of such a loan to the remaining term of the loan being refinanced plus 10 years.

The Senate amendment (section 3(b)), but not the House bill, would amend section 1810 of title 38, relating to restrictions and requirements for VA loans for the purchase or construction of conventional housing, to add a requirement that the amount of equity-payout refinancing loans under section 1810(a)(5) be limited to 90 percent of appraised property value.

The compromise agreement (section 7(c)) contains this provision, effective with respect to loans as to which commitments are made more than 60 days after enactment.

OCCUPANCY REQUIREMENTS

The House bill (section 8(b)), but not the Senate amendment, would amend section 1804(c) of title 38, relating to occupancy requirements with respect to obtaining a loan guaranteed, insured, or made under chapter 37 of title 38, to provide that the requirement that the veteran occupy the home which would secure the VA loan to be satisfied also in the case of an active-duty service member who is unable to occupy the home because of such status, by the spouse of the service member occupying the home and certifying same.

The compromise agreement (section 8(a)) contains this provision, effective with respect to loans made more than 30 days after enactment.

HOMELESS PROGRAM

Both the House bill (section 9(a)) and S. 477 (section 101) would authorize the sale of VA-acquired foreclosed properties for use as shelters primarily for homeless veterans and their families under certain circumstances.

The House bill, in a freestanding provision, would authorize the VA to sell such foreclosed properties to any organizations named in or approved under section 3402 of title 38, any political subdivision of any State, or the District of Columbia, for such consideration as the Administrator determines to be in the best interests of homeless veterans and the Federal Government.

Such a sale would be permitted only if (1) the Administrator determines the sale would not adversely affect the solvency of the LGRF or the VA's ability to fulfill its statutory missions with respect to the VA loan guaranty program and to carry out other VA functions and administer other VA programs; (2) the purchaser agrees to utilize the property solely as a shelter as described above, to comply with applicable zoning requirements, and to make no use of the property incompatible with the area where it is located; and (3) the Administrator determines there is little likelihood that the property could be sold for a price sufficient to reduce the defaulting veteran's debt to the VA.

S. 477 (section 101) in a freestanding provision, would authorize the VA, during fiscal years 1987, 1988, and 1989, to sell VA-acquired foreclosed properties for use as shelters primarily for homeless veterans and their families to any organizations named in or approved under section 3402 of title 38 as recognized by the Administrator, or any other governmental, public, or nonprofit organization or entity working on behalf of homeless individuals.

Such sales would be permitted only if (1) the Administrator determines the sale would not adversely affect the VA's ability to fulfill its statutory missions or carry out other VA functions and administer other VA programs; (2) the entity to which the property is to be transferred demonstrates an intention to utilize the property solely as a shelter as described above, to comply with applicable zoning requirements, and to make no use of the property incompatible with the area where it is located; (3) the Administrator determines there is no likelihood the property could be sold for a price sufficient to reduce the defaulting veteran's debt to the VA; and (4) the transferee satisfies such other terms and conditions set by the Administrator.

The Administrator would be required to accord preferences, in transferring foreclosed properties, to entities which either have a demonstrated commitment to working on behalf of homeless individuals and a demonstrated ability to operate shelters for homeless individuals or are recognized by the Administrator under section 3402, and which have plans for using homeless individuals to rehabilitate transferred properties and for using the volunteer services of VA employees, members of veterans' service organizations, homeless individuals, or others in operating the shelter.

The Administrator would be required within 30 days to evaluate all VA-acquired foreclosed properties which are located in geographic areas in which there are significant numbers of homeless veterans and which have been held by the VA for at least 12 months in order to determine which of these properties are appropriate for sale. Finally, the Administrator would be required to submit to the Committees by February 1, 1988, a report on the results of the evaluations and inventory and on property transferred, including information as to each property regarding the price for which the VA acquired it, the VA's cost in maintaining it, the name of the buyer, and the price paid by the buyer. The Administrator would be required to submit an updated report by February 1, 1989.

The compromise agreement (section 9(a)) would authorize the VA, during fiscal years 1988, 1989, and 1990, to sell VA-acquired foreclosed properties for use as shelters primarily for homeless veterans and their families to any nonprofit organizations or any State (as defined in section 101(20) of title 38) or political subdivision thereof, for such consideration as the Administrator determines to be in the best interests of homeless veterans and the Federal Government. Veterans' service organizations (i.e., organizations named in or approved under section 3402 of title 38) would be accorded a preference in such property sales. Such sales would be permitted only if (1) the Administrator determines the sale would not adversely affect the solvency of the LGRF or the VA's ability to fulfill its statutory missions with respect to the VA loan guaranty program and to carry out other VA functions and administer other VA programs; (2) the purchaser agrees to utilize the property solely as a shelter as described above, to comply with applicable zoning requirements, to make no use that is incompatible with the area in which the property is located, and to take such other actions as the Administrator determines to be necessary and appropriate in the best interests of homeless veterans and the Federal Government; and (3) the Administrator determines there is no significant likelihood the property could be sold for a price sufficient to reduce the defaulting veterans' debt to the VA. Any agreement or other instrument executed under this provision would be on such terms and conditions as the Administrator determines to be necessary and appropriate.

The Administrator would be required to submit a report on this program to the Committees by March 1, 1990.

The House bill (section 9(b)), but not the Senate amendment, would permit the sale of VA-acquired foreclosed properties under certain circumstances related to the Veterans' Job Training Act (VJTA) (29 U.S.C. 1721 note) program.

The House bill, in a freestanding provision, would allow the sale of such properties for a minium of 75 percent of the fair market value of the property and improvements where the purchaser agrees to use veterans in a VJTA training program to rehabilitate the homes and to give veterans a preference in the resale of the rehabilitated properties. The administrator would be required to reduce the former veteran-owner's liability to the VA by the amount of the reduction in the property sales price below fair market value.

The compromise agreement (section 9 (b), (c), and (d)) contains this provision with amendments limiting the program to fiscal years 1988, 1989, and 1990, authorizing the Administrator to include in the agreements with the purchasers appropriate enforcement provisions, and requiring the Administrator to submit a report to the Committees on this program by March 1, 1990.

LOAN ASSUMPTIONS

Both the House bill (section 11) and the Senate amendment (section 10) would amend section 1817 of title 38, relating to the release of the veteran from liability to the VA under a loan guaranteed, insured, or made by the VA in connection with the veteran's disposal of the property securing the loan. The House bill would provide that, if a veteran disposing of property securing a VA-guaranteed loan notifies the holder of the loan before disposing of the property, the veteran would be released from liability to the VA if the loan is current and the purchaser (1) is obligated by contract to purchase the property and to assume full liability for repayment of the loan and has assumed the obligations of the veteran regarding the loan and (2) qualifies from credit standpoint, using the same standards as are used to evaluate the creditworthiness, the assumption could proceed. If the loan is not current or the creditworthiness of a veteran applying for a guaranteed loan.

Under the House bill, if the holder determines that the loan is not current or that the purchaser does not meet the creditworthiness standards, the veteran could appeal to the VA. If the VA finds that the loan is current and approves the purchaser's creditworthiness the assumption could proceed. If the loan is not current or the creditworthiness of the buyer is not approved, the loan would become due and payable in full upon sale of the property.

The Senate amendment would provide that, if a veteran disposing of property securing a VA-guaranteed loan notifies the holder of the loan in writing prior to the proposed assumption and the acceptability of the assumption is established, the veteran would be released from liability to the VA. Acceptability would be established if the loan is current and the purchaser (1) is obligated by contract to purchase the property and to assume full liability for repayment of the loan and has assumed the obligations of the veteran regarding the loan and (2) qualifies from a credit standpoint, using the same standards as are used to evaluate the creditworthiness of a veteran applying for a guaranteed loan. If the purchaser is found creditworthy, the veteran—or subsequent purchaser of the property, if the veteran has transferred it (hereinafter referred to as the "obligor")—automatically would be released from his or her liability to the VA, unless the Administrator determines that this would not be in the interest of the solvency or stability of the LGRF.

Alternatively, under the Senate amendment, the veteran or obligor and the purchaser could request that, instead of the credit check, the veteran or obligor and the purchaser be made jointly and severally liable for the loan. If, after 5 years, a foreclosure proceeding had not been initiated (or had been initiated and withdrawn), the veteran or obligor automatically would be released from liability to the VA. The VA or approved lender would be required to explain in writing the veteran's or obligor's rights and liabilities, including the joint-and-several-liability alternative, before a credit check could be instituted, and the veteran or obligor would have to certify that he or she was so advised.

Under the Senate amendment, if the acceptability of the assumption is not established by either a creditworthiness determination or by the joint-and-several-liability alternative, the loan would become due and payable in full upon sale of the property.

The compromise agreement (section 10) would require in a new section 1817A, effective with respect to loans for which commitments are made on or after March 1, 1988, that, before a VA loan could be assumed by the purchaser of the home, the VA or the holder of the loan (when the holder is a lender approved under section 1802(d) of title 38 to make automatically-guaranteed loans) would evaluate the creditworthiness of the purchaser, using the same standards as are used to evaluate the creditworthiness of a veteran applying for a guaranteed loan. If the loan is current and the purchaser is found creditworthy, the veteran or other person selling the home automatically would be released from liability to the VA.

Under the compromise agreement, when the evaluation of the proposed assumption is performed by an approved lender and the assumption is not approved, the veteran or other seller could appeal that determination to the VA. In the event that the Administrator made the determination regarding the assumption, a redetermination by the VA would be required upon the request of the veteran or other seller.

When the loan is current and the purchaser meets the required creditworthiness standards, the VA or holder would be required to approve the assumption. If the creditworthiness of the purchaser is not approved, the Administrator, at the request of the veteran or other seller, would have discretion to approve the assumption if the veteran or other seller expressly agrees to be secondarily liable on the loan, as long as the Administrator finds that (1) the veteran or other seller is unable to make the payments in light of his or her overall economic situation, (2) the veteran or other seller has made reasonable efforts to find a creditworthy purchaser and has been unable to do so, and (3) as a result, the sale would be in the best interest of the VA and the veteran or other seller. The Administrator would be required to notify the veteran or other seller of this option at the time the veteran or other seller is notified of the Administrator's determination regarding the disapproval of the assumption based on the creditworthiness of the purchaser and the status of the loan.

If the assumption is not approved under either option, the loan would become due and payable in full upon sale of the property.

The Committees note with approval the VA's existing practice of releasing veterans from liability to the VA under section 1817(a) of title 38 in cases where the purchaser, as part of the sales agreement, agrees to make the loan current at the time of the settlement and does so. (See VA Manual M-26-3, paragraphs 2.50(f) and 2.51(f), Feb. 1979.) The Committees fully expect that this interpretation of the requirement that a loan be "current", as that term is used in existing law and in the compromise agreement, will be followed by the VA and approved lenders in making determinations as to the acceptability of assumptions.

Both the House bill and the Senate amendment would amend section 1817 to require the holder to notify the VA when it obtains knowledge of a transfer of the property securing a VA loan. If the holder fails to notify the VA when it has such knowledge, it would be liable for any damages the VA sustains as a result of such failure.

The compromise agreement contains this provision in a new section 1817A, effective with respect to loans for which commitments are made on or after March 1, 1988.

The House bill would require that the Administrator provide that contracts for VA loans contain provisions implementing the requirements of this section. The Senate amendment would require that the instruments evidencing a VA loan, including the mortgage, contain provisions to be specified by the Administrator to implement the requirements of this section and language in conspicuous position specified in the provision regarding the non-assumability of the loan without approval.

The compromise agreement contains the Senate provision, effective with respect to loans for which commitments are made on or after March 1, 1988.

The Senate amendment (section 10(c)), but not the House bill, would amend section 1929 of title 38, relating to the 1-percent fee on VA guaranteed, insured, or made loans (discussed above under "LOAN FEE") to impose on a buyer assuming a VA loan a fee equal to one-half-percent of the loan balance, for deposit in the LGRF.

The compromise agreement (section 11(c)) contains this provision, effective with respect to loans for which commitments are made on or after March 1, 1988, with an amendment limiting it to fiscal years 1988 and 1989.

The Senate amendment (section 10(c)), but not the House bill, would require the Administrator to establish in regulations (a) reasonable limits not to exceed $500 on the fee a lender may charge for determining the creditworthiness of a purchaser assuming a VA loan and not to exceed expenses of up to $50 for processing an application for an assumption where the veterans or obligor and the purchaser accepted joint and several liability and no credit check was performed, and (b) requirements for the timely processing of applications for acceptance of assumptions.

The compromise agreement (section 10(c)) contains the Senate provision, effective with respect to loans for which commitments are made on or after March 1, 1988, with amendments eliminating the $500 permissible maximum on fees charged for performing credit check and deleting the provision concerning processing an assumption where the veteran or obligor and the purchaser agree to accept joint and several liability.

In eliminating the $500 ceiling on credit-check fees—which is the Federal Housing Administration maximum—the Committees do not intend that the VA establish a maximum higher than $500.

MORTGAGE PAYMENT ASSISTANCE

The House bill (section 12), but not the Senate amendment, would, for a 2-year period from the date of enactment, add a new section to title 38 to allow the VA to provide mortgage payment assistance for the purpose of avoiding foreclosure to veterans in default on VA-guaranteed loans. The Administrator would be permitted to make an interest-bearing loan or series of loans in a total amount not exceeding $8,400 to a veteran when the veteran (a) currently occupies the home securing the loan, (b) is at least 6 months delinquent in payments on the loan, (c) is unemployed or has had a substantial reduction in household income through no fault of the veteran, and (d) the Administrator determines there is a reasonable prospect the veteran will be able to resume payment on the primary loan within 6 months. The Administrator's decisions regarding assistance under this provision would not be subject to court or other review.

Loans made under this provision would be advanced to the holder of the primary loan to be applied first to the amount delinquent on that loan, including taxes and other required payments, with any remaining amount to be retained by the holder and applied to future required payments as they became due.

The veteran would be required to execute an agreement to pay back the mortgage-payment-assistance loan within a reasonable period of time not to exceed 15 years from the date of the loan. The Administrator, upon determining that the veteran had sufficient income or other resources to do so, could require the veteran to make partial payments on the primary loan during the period when the holder of the loan was applying the amount of the mortgage-payment-assistance loan to payments due on the primary loan.

The Administrator would be permitted to employ attorneys to bring suit to collect amounts due on a defaulted loan made under this provision.

The compromise agreement does not contain this provision.

QUALIFICATIONS OF APPRAISERS

The House bill (section 13(a)), but not the Senate amendment, would amend section 1831(a)(1) of title 38, relating to the establishment of uniform qualifications for appraisers approved by the VA to make appraisals in connection with loans guaranteed, insured, or made by the VA, to add as qualification requirements for VA appraisers that they must pass a written test, submit a sample appraisal, certify to an appropriate number of years of experience, and submit recommendations from other appraisers.

The compromise agreement (section 11(a)) contains the House provision with amendments providing that, if government-wide appraiser standards are established, the VA's qualification requirements may be more stringent that those standards but that, if such standards prescribe a written test, the VA shall use only that test.

REVIEW OF APPRAISALS

Both the House (section 13(b)) and the Senate amendment (section 14) would amend section 1831 of title 38, relating to appraisals performed in connection with loans guaranteed, insured, or made by the VA. The House bill would permit the Administrator to authorize certain lenders to review appraisals and made determinations of the reasonable value of property for purposes of determining the amount of VA loans.

The Senate amendment would provide, for the period ending September 30, 1989, for the direct review by those lenders approved to make automatically-guaranteed loans under section 1802 of title 38 of appraisals and determinations of reasonable value of property for purposes of determining the amount of VA loans. The Administrator's discretion to authorize lender review of appraisals would be tied to the VA establishing, through the proposed expanded authority to pay for supplemental contractual services from the LGRF (proposed in Senate amendment section 12, discussed below under "CONTRACT SERVICES PAID FROM THE LGRF"), an appraisal review system on at least a random-sampling basis to monitor the making of appraisals by appraisers and the determinations of reasonable value of properties by lenders.

The compromise agreement (section 11(b)) contains the Senate provision with amendments extending it through fiscal year 1990, deleting the reference to the proposed Senate amendment section 12 authority, and tying the discretion to authorize lender review of appraisals to the VA's assigning sufficient personnel to monitor the review process effectively.

DEEDS IN LIEU OF FORECLOSURE

Both the House bill (section 14) and the Senate amendment (section 9) would amend title 38 to add requirements with respect to an offer by a veteran whose VA-guaranteed loan is in default to convey the property securing the loan by a deed in lieu of foreclosure. The House bill would add a new section to title 38 to exclude from the veteran's liability to the VA interest and other charges, including foreclosure costs, incurred beginning 30 days after the veteran offered to convey the property to the VA.

The Senate amendment would amend section 1816 of title 38, relating to procedures on default of VA-guaranteed loans, to exclude from the veteran's liability to the VA foreclosure costs if the veteran timely offers to convey the property to the VA by a deed in lieu of foreclosure (if the VA could accept the deed under section 1816(c) if this were a liquidation sale) without being released from his or her debt to the VA, and if the VA refused to accept the conveyance.

Under the Senate amendment, where the veteran has offered to convey the property to the VA by a deed in lieu of foreclosure and has agreed to remain liable for any remaining debt after the VA's acceptance of the deed, state "anti-deficiency" statutes eliminating the mortgagor's remaining indebtedness after a non-judicial foreclosure would be overridden to the extent necessary to preserve the veteran's remaining debt to the VA after the deed is accepted.

The compromise agreement does not contain either provision.

Although the Committees have not adopted a provision with respect to the VA's use of deeds in lieu of foreclosure, the Committees favor and encourage the increased use of such deeds by the VA as an alternative to foreclosure in appropriate cases.

ARMS DEMONSTRATION PROGRAM

The House bill (section 15), but not the Senate amendment, would require the Administrator to carry out a 2-year demonstration project at one regional office for the purpose of guaranteeing loans in a manner similar to the manner in which the Secretary of Housing and Urban Development insures adjustable rate mortgages under section 251 of the National Housing Act (12 U.S.C. 1701 et seq.). The Administrator would be required to submit to the Congress a report on the results of the project and to continue to make annual reports with respect to the default rate and other information concerning loans guaranteed under this section.

The compromise agreement does not contain this provision.

SEQUESTRATION EXEMPTION

The Senate amendment (section 2(b)), but not the House bill, would amend section 113 of title 38, relating to treatment of certain VA programs under a Gramm-Rudman-Hollings sequestration. Under the Senate amendment, effective on November 19, 1987—i.e., beginning with respect to fiscal year 1988—benefits under subchapters I, II, and III of chapter 37 of title 38, relating to housing loans for certain veterans and for the spouses and surviving spouses of certain service-disabled veterans, would be exempted from sequestration under the Balanced Budget Act and Emergency Deficit Reduction Control Act of 1985 (Public Law 99-177) as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119), commonly referred to as Gramm-Rudman-Hollings, as that Act may be amended, or under any other sequestration law which may be enacted.

The compromise agreement (section 12) contains this provision with a technical amendment relating to the implementation of any sequestration of benefits under chapters 31 (rehabilitation for service-disabled veterans) and 35 (educational assistance for the survivors and dependents of service-disabled veterans) of title 38.

DETERMINATION OF MINIMUM RESIDUAL INCOME

The Senate amendment (section 4), but not the House bill, would amend section 1810(g) of title 38, relating to credit-underwriting requirements for VA loans, to require the VA to use state rather than regional statistics in evaluating the sufficiency of residual income—income remaining for the necessities of life after fixed obligations, including the proposed mortgage payment, have been satisfied—used in determining whether a veteran meets the credit-underwriting standards for VA loans, when the Administrator finds there are reliable data available for the particular state.

The compromise agreement (section 13) contains the Senate provision with an amendment requiring the VA to give appropriate consideration to such state data when it is available.

CONTRACT SERVICES PAID FROM THE LGRF

The Senate amendment (section 12), but not the House bill, would amend section 1824 of title 38, relating to the LGRF and the use of LGRF funds, to provide that, to such extent as is or in such amounts as are provided for in appropriation Acts, the Administrator's authority to pay from the LGRF for certain loan guaranty program administrative expenses would be expanded to include supplementary contractual services and equipment not otherwise authorized to be paid for from the LGRF when the Administrator makes a finding that it would be in the best interest of the long-term stability and solvency of the LGRF to use the LGRF for such purposes. "Supplementary" services and equipment would include services and equipment which were not available during, or are to be provided at a level in excess of what was provided, for fiscal year 1987. In each fiscal year, there would be available for such contracting the additional amounts collected as a result of increasing from 1 to 2.5 percent the fee on vendee loans and imposing a one-half-percent fee on assumptions, as proposed by sections 7 and 10, respectively, of the Senate amendment, plus $2 million in fiscal years 1988 and 1989, but not to exceed a total of $15 million in any fiscal year.

The compromise agreement does not contain this provision.

MARKETING VETERANS' ADMINISTRATION—ACQUIRED PROPERTIES

The Senate amendment (section 15), but not the House bill, would amend section 1832 of title 38, relating to furnishing information to real estate brokers to facilitate the disposition of foreclosed properties acquired by the VA as the result of defaults on VA loans, to require the VA to list all of its acquired properties with real estate brokers under arrangements which the Administrator determines to be the most appropriate and cost effective.

The compromise agreement (section 14) contains the Senate provision.

The Committees expect the VA to select the real estate brokers to list these properties from a rotating list. The Committees urge the VA to develop innovative solutions to facilitate property disposal in the most cost-effective manner possible and to take such steps as are necessary to market its property inventory more aggressively.

Further, the Committees believe that the auctioning of VA-acquired properties should be used by the VA only as a last resort after all creative marketing approaches have been tried and proven unsuccessful.

TECHNICAL AMENDMENTS

The House bill (section 16), but not the Senate amendment, contained a series of technical amendments to chapter 37 of title 38.

The compromise agreement does not contain these technical amendments.

The Committees will consider this matter further in the context of H.R. 2945/S. 9, veterans' compensation legislation.

Mr. Speaker, I strongly urge favorable consideration of this measure by my colleagues.

Mr. HAMMERSCHMIDT. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Arkansas, the former ranking member of the Committee on Veterans' Affairs.

(Mr. HAMMERSCHMIDT asked and was given permission to revise and extend his remarks.)

Mr. HAMMERSCHMIDT. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, as an original sponsor of H.R. 2672, I rise in strong support of the Veterans' Home Loan Improvements Act of 1987. I am pleased we have moved forward with this comprehensive VA housing bill in such a timely manner.

This legislation reflects the continuing efforts of Congress to ensure our Nation's veterans will be able to achieve the American dream of home ownership.

The chairwoman of the Housing and Memorial Affairs Subcommittee, MARCY KAPTUR, and the ranking member, DAN BURTON, have worked tirelessly in forwarding an initiative that will both make it easier for veterans to afford housing and strengthen the solvency of the VA Home Loan Program. Chairman SONNY MONTGOMERY and ranking member, JERRY SOLOMON, of the full committee should also be commended for their fine work on this major housing bill.

This legislation addresses some of the concerns raised about the solvency of the VA Housing Program. While I would have preferred that we adopt the position advocated by those who make such loans to veterans and have a solid understanding of what the need is, I do feel the loan guaranty provisions contained in the compromise—which ensure a 50-percent guaranty for loans under $45,000 and 40 percent for loans over $45,000, with a $36,000 maximum guaranty—are a big improvement over the limits contained in our House bill.

The bill also would, in a 3-year trial period, attempt to help those veterans affected by the high foreclosure rate of today's market by improving financial counseling assistance for many veterans who are facing default on their home loans.

We observed Veterans Day last week. Let's keep in mind that if it were not for this VA Program, many millions of America's veterans and their families would not be in their homes today.

I urge my colleagues to support this most important legislation.

Mr. MONTGOMERY. Mr. Speaker, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, under the budget resolution for fiscal year 1988, our committee was instructed to save $90 million in outlays during the next 3 fiscal years—$50 million in fiscal year 1988, $30 million in fiscal year 1989, and $10 million in fiscal year 1990.

The proposed House amendments contain cost savings of $56 million in outlays in fiscal year 1988, $49 million in outlays in fiscal year 1989, and $37 million in outlays in fiscal year 1990. Should the proposed House amendments be adopted and signed into law, our committee will have exceeded its 3-year target by $52 million.

I want to commend the gentlewoman from Ohio and the gentleman from Indiana for helping achieve the savings mandated for our committee by the Congress.

Mr. SOLOMON. Mr. Speaker, further reserving the right to object, the chairman is absolutely right; and we want to take off our hats to the committee and to the subcommittee, and to the gentlewoman from Ohio [Ms. KAPTUR], and especially to the staffs of both the majority and the minority who spent such great time in working out this bill.

It is actually a better bill now than when it was in the other body, and we owe a great deal of credit to those Members, because they brought it in under budget; and this committee has done everything in its power to live up to our obligations to the veterans of this Nation, but also under the fiscal restraints that we have to deal with today, which are not easy.

Mr. Speaker, I want to thank the gentlewoman from Ohio [Ms. KAPTUR], the gentleman from Mississippi [Mr. MONTGOMERY], and the gentleman from Indiana [Mr. BURTON], for their work.

Mr. BURTON of Indiana. Mr. Speaker, as ranking Republican of the Veterans' Subcommittee on Housing and Memorial Affairs and as cosponsor of H.R. 2672, I rise in support of the Veterans' Home Loan Improvements Act of 1987, as amended by the Senate. As a participant in the subcommittee hearings on this bill, I am aware of the great efforts which have resulted in a comprehensive review of the Veterans' Home Loan Program. This program has guaranteed over 12 million veterans' loans since the program's inception just after World War II. The improvements contained in H.R. 2672 will ensure the programs continued success.

I praise the work of Chairwoman MARCY KAPTUR of the Housing and Memorial Affairs Subcommittee and the guidance of the distinguished Veterans' Affairs Chairman SONNY MONTGOMERY, and the ranking member JERRY SOLOMON. The support of the full committee was invaluable to the completion of this worthy task.

The VA Home Loan Guarantee Program has operated until recently on a solvent revolving fund. The foreclosure increases in the past few years have placed a severe strain on this program. Congress has appropriated funds to keep the loan program available to our veterans and the fund solvent. However, the loan program was designed and has worked for decades on a self-sustaining basis. While millions of American veterans have purchased homes since this program began, millions more will be counting on this body to keep the loan program steady.

This legislation addresses key problems which have arisen with the change in the economy and the housing market. The loan guarantee compromise allows veterans to finance homes in today's higher priced home market, while reducing the risk to the Government fund.

For those veterans facing default or experiencing difficulty, this bill will also provide for counseling assistance in an effort to avoid foreclosure and keep VA financed homes with the proper people, our veterans.

H.R. 2672 also extends for 2 years the 1-percent loan user fee which is now vital to sustaining the Home Loan Program. This fee has expired and the result has been the loss of millions of dollars, which will further strain the system.

In an era of budget restraint and current deficit reduction efforts it is important to note that this legislation allows the Veterans' Committee to meet reconciliation requirements.

Mr. Speaker, under the budget resolution for fiscal year 1988, our committee was instructed to save $90 million in outlays during the next 3 fiscal years—$50 million in fiscal year 1988, $30 million in fiscal year 1989, and $10 million in fiscal year 1990.

The proposed House amendments contain cost savings of $56 million in outlays in fiscal year 1988, $49 million in outlays in fiscal year 1989, and $37 million in outlays in fiscal year 1990. Should the proposed House amendments be adopted and signed into law, our committee will have exceeded its 3-year target by $52 million.

Mr. Speaker, this bill will improve a program which has proven itself successful and needed by our Nation's veterans. The improvements contained in this bill will provide for its continued success and efficiency. Mr. Speaker, I ask my colleagues to vote for H.R. 2672, as amended by the Senate, and urge its passage.

Mr. SOLOMON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Mississippi?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on H.R. 2672, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to the provisions of clause 5 of rule I, the Chair will now put the question on each motion to suspend the rules which further proceedings were postponed on Monday, November 16, 1987, and on H.R. 3400, postponed earlier today.

Votes will be taken in the following order:

House Joint Resolution 376, by the yeas and nays; House Concurrent Resolution 186 by the yeas and nays; H.R.

3471 de novo; and H.R. 3400 by the yeas and nays.

The Chair will reduce to a minimum of 5 minutes the time for each additional vote after the first such vote in this series.

CALLING UPON THE SOVIET UNION TO PERMIT EMIGRATION OF CERTAIN SPOUSES

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the joint resolution, House Joint Resolution 376.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. LANTOS] that the House suspend the rules and pass the joint resolution, House Joint Resolution 376, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 414, nays 0, not voting 19, as follows:

[Roll No. 431]

YEAS—414

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
Baker
Ballenger
Bartlett
Barton
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Chandler
Chapman
Chappell
Cheney
Clarke
Clay
Clinger
Coats
Coble
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Coyne
Craig
Crane
Crockett
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—19

Akaka
AuCoin
Badham
Barnard
Biaggi
Carr
Coelho
Courter
Dowdy
Gephardt
Holloway
Jones (TN)
Kemp
Nichols
Owens (NY)
Ridge
Roemer
Thomas (CA)
Weldon

□ 1610

So (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

□ 1625

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. MURTHA). Pursuant to the provisions of clause 5, rule I, the Chair announces that he will reduce to a minimum of 5 minutes the time within which a vote by electronic device may be taken on all the additional motions to suspend the rules on which the Chair has postponed further proceedings.

REGARDING THE BERLIN WALL

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and agreeing to the concurrent resolution, House Concurrent Resolution 186.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. LANTOS] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 186, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 413, nays 0, not voting 20, as follows:

[Roll No. 432]

YEAS—413

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Armey
Aspin
Atkins
AuCoin
Baker
Ballenger
Bartlett
Barton
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Chandler
Chapman
Chappell
Cheney
Clarke
Clay
Clinger
Coats
Coble
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Coyne
Craig
Crane
Crockett
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)

Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—20

Akaka
Badham
Barnard
Biaggi
Carr
Coelho
Courter
Dowdy
Gephardt
Holloway
Ireland
Jones (TN)
Kemp
McEwen
Nichols
Ridge
Roemer
Taylor
Thomas (CA)
Weldon

Mr. FRANK changed his vote from "nay" to "yea."

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DEPARTMENT OF VETERANS AFFAIRS ACT

The SPEAKER pro tempore. The unfinished business is the question of suspending the rules and passing the bill, H.R. 3471, as amended.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Texas [Mr. BROOKS] that the House suspend the rules and pass the bill, H.R. 3471, as amended.

The question was taken.

RECORDED VOTE

Mr. BEILENSON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 399, noes 17, not voting 17, as follows:

[Roll No. 433]

AYES—399

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Atkins
AuCoin
Baker
Ballenger
Barton
Bateman
Bates
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Chandler
Chapman
Chappell
Cheney
Clarke
Clay
Clinger
Coats
Coble
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Courter
Coyne
Craig
Crockett
Daniel
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins

Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yatron
Young (AK)
Young (FL)

NOES—17

Armey
Aspin
Bartlett
Beilenson
Brown (CO)
Coughlin
Crane
Dannemeyer
Early
Hansen
Jacobs
Michel
Nielson
Porter
Shumway
Udall
Yates

NOT VOTING—17

Akaka
Badham
Barnard
Biaggi
Carr
Coelho
Dowdy
Gephardt
Gibbons
Holloway
Jones (TN)
Kemp
McEwen
Miller (OH)
Nichols
Roemer
Thomas (CA)

□ 1635

The Clerk announced the following pair:

On this vote:

Mr. Akaka and Mr. Barnard for, with Mr. Thomas of California against.

Mr. NIELSON of Utah and Mr. JACOBS changed their votes from "yea" to "nay."

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FEDERAL EMPLOYEES' POLITICAL ACTIVITIES ACT OF 1987

The SPEAKER pro tempore (Mr. MURTHA). The pending business is the question of suspending the rules and passing the bill, H.R. 3400.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Colorado [Mrs. SCHROEDER] that the House suspend the rules and pass the bill, H.R. 3400, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 305, nays 112, not voting 16, as follows:

[Roll No. 434]

YEAS—305

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Bates
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell
Cardin
Carper
Chapman
Chappell
Clarke
Clay
Clinger
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Courter
Coyne
Crockett
Daniel
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Grant
Gray (IL)
Gray (PA)
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Luken
MacKay
Manton
Markey
Martin (IL)
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McGrath
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Richardson
Ridge
Rinaldo
Robinson
Rodino
Roe
Rose
Rostenkowski
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schumer
Sharp
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith, Robert (OR)
Solarz
Solomon
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Sundquist
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NAYS—112

Archer
Armey
Baker
Ballenger
Bartlett
Barton
Bateman
Beilenson
Bennett
Bliley
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Callahan
Chandler
Cheney
Coats
Coble
Coleman (MO)
Combest
Craig
Crane
Dannemeyer
DeLay
Dickinson
Dornan (CA)
Dreier
Edwards (OK)
Fawell
Fields
Frenzel
Gallegly
Gekas
Gingrich
Gradison
Grandy
Green
Gregg
Hansen
Hefley
Henry
Herger
Hiler
Hopkins
Houghton
Hunter
Hyde
Inhofe
Ireland
Kasich
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leach (IA)
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lujan
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
McCandless
McCollum
McMillan (NC)
Meyers
Michel
Moorhead
Nielson
Oxley
Packard
Petri
Porter
Regula
Rhodes
Ritter
Roberts
Rogers
Roth
Roukema
Schulze
Sensenbrenner
Shaw
Shumway
Skeen
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Snowe
Spence
Stangeland
Stenholm
Stump
Sweeney
Swindall
Tauke
Vander Jagt
Walker
Weber
Whittaker
Wolf
Wortley
Wylie

NOT VOTING—16

Akaka
Badham
Barnard
Biaggi
Carr
Coelho
Dowdy
Gephardt
Holloway
Jones (TN)
Kemp
McEwen
Moakley
Nichols
Roemer
Thomas (CA)

The Clerk announced the following pairs:

On this vote:

Mr. Akaka and Mr. Barnard for, with Mr. McEwen against.

Mr. Carr and Mr. Moakley for, with Mr. Thomas of California against.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUR OF MEETING ON TOMORROW

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 a.m.

The SPEAKER pro tempore (Mr. PICKETT). Is there objection to the request of the gentleman from Washington?

There was no objection.

□ 1650

NATIONAL HOME HEALTH CARE WEEK

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 98) to designate the week of November 29, 1987 through December 5, 1987, as "National Home Health Care Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore (Mr. PICKETT). Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I yield to the gentleman from California [Mr. PANETTA] who is the chief sponsor of House Joint Resolution 257 to designate the week beginning November 29, 1987 through December 5, 1987, as "National Home Health Care Week."

Mr. DYMALLY. Mr. Speaker, will the gentlewoman yield to me?

Mrs. MORELLA. I yield to the gentleman from California.

Mr. DYMALLY. I thank the gentlewoman for yielding.

Mr. Speaker, this bill was introduced by the gentleman from California [Mr. PANETTA]. I know he wanted very much to be here, and in his absence I want to urge Members to vote "aye" on this measure.

Mr. PANETTA. Mr. Speaker, I rise today in support of Senate Joint Resolution 98, a measure that would designate the week beginning November 29, 1987, as "National Home Care Week." I am pleased to be joined by Representatives CLAUDE PEPPER, MATTHEW RINALDO, and 221 colleagues in all in sponsoring this resolution. Congress has approved similar resolutions the past 5 years to recognize the valuable services of home care programs and personnel. The Senate has already passed a Home Care Week resolution this year, and I sincerely hope that the House will take similar action today.

As you all know, thousands of home care agencies around the Nation have responded to the need to offer effective alternatives to our health care delivery system. By providing skilled medical assistance to those who can be properly treated outside the hospital or nursing home setting, these agencies recognize the demand for new health care options, and conserve tax dollars currently expended on needless placement in these institutions. This valuable concept of care provides a serviceable answer to the needs of our health care system, and offers a comforting, dignified environment for patients. Alternatives to our health care programs must be offered, and home care agencies have proven very effective in answering that need.

Mr. Speaker, as you know, one of the most critical issues to face our Nation today centers around our health care system. While the growing elderly population, expected to total well over 30 million by the year 2000, places greater demand on our current system, home care agencies have helped many of the elderly remain at home and in their communities rather than enter long-term care institutions. This creates an atmosphere of greater independence and dignity and promotes an easeful recovery. For this service, home care agencies and persons employed in the home care industry should be properly recognized and commended.

As we reevaluate and reform our Nation's health care programs, it is essential for us to take full notice of the benefits of home care and to act to encourage its use. I thank my colleagues for their past support in cosponsoring this important resolution, and urge your support again for the opportunity to again recognize this cost-effective and humane health care alternative the week of November 29, 1987.

Mrs. MORELLA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the Senate joint resolution, as follows:

S.J. RES. 98

Whereas organized home health care services to the elderly and disabled have existed in this country since the last quarter of the eighteenth century;

Whereas home health care, including skilled nursing services, physical therapy, speech therapy, social services, occupational therapy, health counseling and education, and home-maker-home health aide services, is recognized as an effective and economical alternative to unnecessary institutionalization;

Whereas caring for the ill and disabled in their homes places emphasis on the dignity and independence of the individual receiving such services;

Whereas the Federal Government has supported home health services since the enactment of the medicare program, with the number of home health agencies providing services increasing from less than five hundred to more than five thousand; and

Whereas many private, public, and charitable organizations provide these and similar services to millions of patients each year preventing, postponing, and limiting the need for institutionalization and enabling such patients to remain independent: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of November 29, 1987 through December 5, 1987, is designated as "National Home Health Care Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe the week with appropriate programs, ceremonies, and activities.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONGRESSIONAL MEDAL OF HONOR DAY

Mr. DYMALLY. Mr. Speaker, I ask unanimous consent that the Committee on Post Office and Civil Service be discharged from further consideration of the joint resolution (H.J. Res. 384) designating November 14, 1987, as "Congressional Medal of Honor Day," and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mrs. MORELLA. Mr. Speaker, reserving the right to object, I yield to the gentleman from California [Mr. DORNAN], who is the chief sponsor of the joint resolution.

Mr. DORNAN of California. Mr. Speaker, this weekend I had the honor of hosting in my district about 150 of the 231 living recipients of the Congressional Medal of Honor. A gentleman from the other body, the junior Member of that Chamber from the great State of California, said the following day the same things I said and neither one of us was aware of what the other would say, that it was a humbling and terribly moving experience to be in a room of recipients of a medal where most people receive it posthumously. Most people die who win the Medal of Honor. I think to have had dinner with these men, hear their stories, and feel their appreciation for country and for their God that they are even alive is something that I will remember the rest of my life. I appreciate the members of this committee expediting this, moving it to Abraham Lincoln's birthday next year, also Mrs. MORELLA's birthday, the very day that Abraham Lincoln signed into law the Medal of Honor in 1862. And wherever they meet years from now, and they only meet every 2 years, another 10 to 12 will probably be dead. Eighteen went to their maker since the last meeting.

I just wish that every Member could have the opportunity and the honor to have these distinguished and courageous Americans meet in their district and get to know them on a personal level.

I thank this Chamber and all of my colleagues for doing honor to our Medal of Honor winners by establishing February 12 next as Medal of Honor Day.

Mrs. MORELLA. Mr. Speaker, further reserving the right to object, I am proud to be one of the many cosponsors on this very important resolution. I appreciate its taking place on February 12, Lincoln's birthday.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 384

Whereas, on December 9, 1861, Senator James W. Grimes of Iowa, Chairman of the Committee on Naval Affairs, proposed that "medals of honor" be prepared to commemorate acts of military bravery performed above and beyond the call of duty;

Whereas, President Abraham Lincoln signed the public resolution into law on February 12, 1862;

Whereas, there is no greater military award of valor for actions of personal bravery, clearly above and beyond the call of duty;

Whereas, there have been three thousand three hundred ninety-three men and women who have been honored with the Congressional Medal of Honor;

Whereas, there are approximately two hundred-thirty living recipients of the Congressional Medal of Honor from World War I, World War II, the Korean War, and the Vietnam War; and

Whereas, the Congressional Medal of Honor Society will be gathering for their biennial conference from November 12-15, 1987 in Orange County, California: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That November 14, 1987 is designated as "Congressional Medal of Honor Day", and the President is requested to issue a proclamation calling upon the people of the United States and foreign nations to observe such day with appropriate ceremonies and activities.

AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DYMALLY: Page 2, line 3, strike "November 14, 1987" and insert "February 12, 1988".

The SPEAKER pro tempore. The question is on the amendment offered by the gentleman from California [Mr. DYMALLY].

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment of the joint resolution.

The joint resolution was ordered to be engrossed.

AMENDMENTS TO THE PREAMBLE OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer amendments to the preamble.

The Clerk read as follows:

Amendments to the preamble offered by Mr. DYMALLY: Page 2, in the fourth clause of the preamble, add "and" after the semicolon.

Page 2, in the fifth clause of the preamble, strike "; and" and insert ": Now, therefore, be it".

Page 2, strike the last clause of the preamble.

The SPEAKER pro tempore. The question is on the amendments to the preamble offered by the gentleman from California [Mr. DYMALLY].

The amendments to the preamble were agreed to.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

TITLE AMENDMENT OFFERED BY MR. DYMALLY

Mr. DYMALLY. Mr. Speaker, I offer an amendment to the title.

The Clerk read as follows:

Title amendment offered by Mr. DYMALLY: Amend the title to read as follows: "Joint Resolution designating February 12, 1988, as 'Congressional Medal of Honor Day'."

The title amendment was agreed to.

A motion to reconsider was laid on the table.

REPORT ON RESOLUTION WAIVING CERTAIN POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 1748, NATIONAL DEFENSE AUTHORIZATION ACT, FISCAL YEARS 1988 AND 1989

Mr. WHEAT, from the Committee on Rules, submitted a privileged report (Rept. No. 100-447) on the resolution (H. Res. 309) waiving certain points of order against the consideration of the conference report on the bill (H.R. 1748) to authorize appropriations for fiscal year 1988 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for fiscal year 1988 for the Armed Forces, to authorize appropriations for fiscal year 1989 for certain specified activities of the Department of Defense, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 1720, FAMILY WELFARE REFORM ACT OF 1987

Mr. WHEAT, from the Committee on Rules, submitted a privileged report (Rept. No. 100-448) on the resolution (H. Res. 310) providing for the consideration of the bill (H.R. 1720) to replace the existing AFDC program with a new Family Support Program which emphasizes work, child support, and need-based family support supplements, to amend title IV of the Social Security Act to encourage and assist needy children and parents under the new program to obtain the education, training, and employment needed to avoid long-term welfare dependence, and to make other necessary improvements to assure that the new program will be more effective in achieving its objectives, which was referred to the House Calendar and ordered to be printed.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. BARTON] is recognized for 5 minutes.

[Mr. BARTON of Texas addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

THE ELECTIONS IN HAITI ARE ONLY DAYS AWAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

Mr. OWENS of New York. Mr. Speaker, Haiti's elections for President and for Congress are now 13 days away. They are scheduled for November 29. The island nation's local and regional elections previously scheduled for December 15, are now set for December 20, are 34 days away.

I would like to submit for the CONGRESSIONAL RECORD an op-ed article on Haiti, published in yesterday's New York Times.

The article referred to is as follows:

[From the New York Times, Nov. 16, 1987]

THE U.S. ROLE IN HAITI'S DEBACLE

(By Michael S. Hooper and Anne Manuel)

As Jean-Claude Duvalier headed for exile in a United States Air Force jet on Feb. 7, 1986, the world rejoiced at Haiti's sudden opportunity to escape from tyranny and to embark on democracy. Hopes that elections scheduled for this month would fulfill that dream grew when a powerful coalition of grassroots organizations joined the Roman Catholic Church to support the process. This strong, united opposition is precisely what has caused the Duvalierists to react so violently in recent weeks.

Now Haiti is a country at war. On one side is the majority of Haiti's long-suffering population, which enthusiastically set the stage for democracy by drawing up and approving a new Constitution that established, among other things, the ground rules for elections.

On the other side are the associates of the Duvalier family, who fear elections will rob them of their obscene privileges. Haiti's military dominated "transition" Government clearly sides with the latter. Haitians have every reason to believe the United States does as well.

Tragically, violence has all but dashed the democrats' hopes. The Reagan Administration, despite an early insistence that elections proceed fairly, has silently watched the military re-establish a stranglehold on the country (all the while pouring in huge amounts of aid) and bears a good deal of the blame for the debacle.

The promise of a fair election may have been immolated along with the provisional electoral council's headquarters in a fire that followed a break-in on Nov. 2. A regional election bureau was also torched, as was a commercial building that belonged to an electoral council member.

On Nov. 5, arsonists ignited a major printing plant, destroying thousands of tons of ballots and ballot paper. In response to repeated requests for protection in a two-month period, the Government has finally assigned a small group of policemen to guard the temporary election headquarters. It has not acceded to requests to protect election council members.

These actions are clearly retaliation for the Nov. 2 ruling by the electoral council that the most infamous Duvalierist candidates could not run for president under Haiti's new Constitution. The constitutional provision barring Duvalierists from running for office for 10 years has been seen by most people as a crucial democratic protection. Yet it has elicited threats of violence from would-be candidates; one, Clovis Desinor, threatened to unlease a civil war if his candidacy was not accepted.

The current crisis has been building ever since the last days of the dictatorship. Before heading off for the French Riviera, Mr. Duvalier hand-picked the military dominated regime that was intended to guide the nation's "transition" to democracy. Mr. Duvalier's notorious Tonton Macoutes, which

> had terrorized Haitians for decades, was not disarmed.
>
> Despite these alarming developments, the United States sent hundreds of millions of dollars in aid, including funds for the military and police.
>
> The months preceding the elections have been marked by an official lawlessness akin to the worst offenses of the Duvalier years. Last summer, the military and security forces killed more than 50 Haitians in unprovoked attacks.
>
> In July, more than 300 members of a peasant cooperative were massacred by paramilitary forces linked to the Tonton Macoutes and peasants organized by landowners in the northwestern village of Jean-Rabel. More recently, death squads have sprung up in the capital's squalid slums. On Oct. 13, plainclothes police assassinated a presidential candidate, Yves Volel, in front of the Port-au-Prince police station as journalists helplessly looked on.
>
> Simply by virtue of its $100 million-plus aid program, the United States wields considerable influence with Haiti's rulers. Yet the Reagan Administration has yet to utter a disparaging remark about their conduct and, in fact, certified progress on Haiti's human rights record in August.
>
> About the cold-blooded murder of Mr. Volel by American-trained police forces, Charles Redman, the State Department spokesman, offered only the stock lines: Administration officials "deplore political violence of any kind," and they "stand firmly behind Haiti in its transition to democracy." Mr. Redman uttered similar statements after the latest violence.
>
> This is not the time to invent excuses for the Haitian Government. After 30 years of dictatorship, many Haitians still cling to the hope that the elections will be partly salvaged.
>
> This is impossible unless the United States denounces the terror campaign and demands at the very least that Haiti's rulers provide security for the electoral council, the candidates and, above all, Haiti's voters.

The article, written by Michael S. Hooper, who is the executive director of the National Coalition for Haitian Refugees, and Anne Manuel, consultant to the human rights organization Americas Watch, is entitled "The U.S. Role in Haiti's Debacle." It chronicles the recent violence in Haiti, and notes that developments such as the assassination of Presidential candidate Yves Volel and the arson which destroyed the provisional electoral council's headquarters, regional office, and printing plant, constitute "an official lawlessness akin to the worst offenses of the Duvalier years." The article indicates that in spite of such alarming developments, "the U.S. sent hundreds of millions of dollars in aid to Haiti, including funds for the military and the police" who are said to be implicated in the violence. It adds:

> Simply by virtue of its $100 million aid program, the United States wields considerable influence with Haiti's rulers. Yet the Reagan administration has yet to utter a disparaging remark about their conduct and, in fact, certified progress on Haiti's human rights record in August. * * * This is not the time to invent excuses for the Haitian Government. After 30 years of dictatorship, many Haitians still cling to the hope that the elections will be partly salvaged. This is impossible and will be impossible unless the United States denounces the terror campaign.
>
> The United States should demand at the very least that Haiti's rulers provide security for the electoral council, the candidates, and, above all, Haiti's voters.

Such concerns are echoed in a letter I received yesterday from the human rights monitoring group Amnesty International. The letter reads in part:

> Recent trends in human rights (in Haiti) have been particularly alarming and have led Amnesty International to the conclusion that despite a number of positive developments, no effective safeguards have been introduced by the National Council of Government to protect the population against violations of basic human rights. * * * Arrests continue to be carried out routinely without warrant and are frequently not acknowledged for weeks or months afterwards. "Disappearances" continue. Torture and ill-treatment of both political and common prisoners is widespread.
>
> According to one recent testimony received by Amnesty International, as many as 48 people are said to have died at the Recherches Criminelles, the police headquarters in Port-au-Prince, during a 6-week period between September and October of this year. Arbitrary killings continue with alarming regularity. * * *

Amnesty International is conducting a letter-writing campaign to the Haitian military junta, to tell its members that incidents of violence seem not to have been investigated thoroughly by the junta or by themselves. Amnesty asks that an independent and impartial body be created to investigate the violence and make the results of the probe known to the public. Amnesty International is also asking the junta to guarantee the safety of the nine members of the electoral council.

□ 1705

A new terror tactic in 1980 comes in the form of rogue taxis and jitney cabs. People get into the cabs and jitnies, and they think they have commerical transportation, but they suddently find they are caught up in a trap by the Tonton Macoutes, and the people never arrive at their destination. The people just simply disappear.

One Haitian man quoted in a Sunday, November 15, Washington Post article, said that he almost got into one such jitney van until he noticed that the four men who were already inside, including the driver, were wearing dark glasses, and it was nighttime. The Duvalier secret police, Tonton Macoutes, are famous for their dark glasses as part of their uniform.

In a recent interview with the Associated Press, Andre Belance, the public relations director for the provisional electoral council, claimed that the Haitian finance ministry had held up the nearly $5 million which the United States Government had earmarked to assist with the election. However, as a result of his protest and some of the protestations in this country this weekend, the bulk of the money for the electoral council was released.

LATVIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, November 18 marks the 69th anniversary of Latvian Independence Day. Sixty-nine years ago, on November 18, 1918, the courageous people of Latvia gained their independence from Russian domination, and were able to assume their rightful place in the community of free nations.

In 1920 the Soviet Union signed a treaty which recognized Latvia as a sovereign nation "forever," but only 20-short years later, in 1940, Stalin broke this false promise, and the Red army marched into Latvia and began its brutal occupation. This action was accompanied by the forced deportation of Latvians to Siberia and other remote parts of Russia, as well as the imprisonment and execution of Latvian patriots, cultural and government leaders, and others who would not capitulate to the tyranny of the Communists.

Today, although Latvia continues its existence under the brutality of the Communists, the spirit of freedom has remained strong, and the Communists have been unable to extinguish the determination of the Latvian people to obtain self-determination and control over their own destinies.

This year, HELSINKI 86, the Latvian human rights group, has organized two large demonstrations at the Monument of Liberty in Riga to protest the treatment which the Latvians have received at the hands of the Communists. In June, about 5,000 Latvians gathered at the monument to honor the memory of the victims of Stalin's deportations in the 1940's, and in August, the crowd at the monument doubled in size to protest the signing of the 1939 Molotov-Ribbentrop Pact which put the Baltic States under Soviet rule.

The Latvian Communist Party has already issued warnings that a November 18 Independence Day demonstration at the Monument of Liberty would be dealt with harshly. Because of this situation, I was glad to add my name as a cosponsor to House Concurrent Resolution 209, a bill approved on November 9 by the full House of Representatives with my strong support which urges the President to express to Soviet officials the concern of Congress that any demonstrations which occur in Latvia to mark Latvian Independence Day should be allowed to proceed peacefully and that there should be no reprisals for this participation. The text of this legislation follows:

H. CON. RES. 209

Whereas the United States, since its inception, has been committed to the principle of self determination;

Whereas this essential moral principle is also affirmed in the Charter of the United Nations;

Whereas the Union of Soviet Socialist Republics is, according to its constitution, a voluntary federation of autonomous republics;

Whereas the Republic of Latvia did not become a member republic of the Union of Soviet Socialist Republics voluntarily, but rather was occupied militarily by the Soviet armed forces in the early days of World War II and subsequently incorporated by force into the Union of Soviet Socialist Republics, and has since been governed by a government approved by, and subservient to, the Government of the Union of Soviet Socialist Republics;

Whereas the United States has consistently refused to recognize the unlawful Soviet occupation of Latvia and continues to recognize the diplomatic representatives of the last independent government of the Republic of Latvia;

Whereas November 18, 1987, marks the 69th anniversary of the founding of the independent Republic of Latvia;

Whereas the United States Government has traditionally recognized November 18th as Latvian Independence Day, and the Congress has passed resolutions calling for special commemoration of that date;

Whereas November 18, 1987, also marks the 52nd anniversary of the dedication of the Latvian Monument of Freedom, completed in Riga, Latvia in 1935, to honor the Latvian people and their nation;

Whereas since the Soviet occupation of Latvia, the people of Latvia have been prevented from publicly commemorating this important day in their national history;

Whereas a peaceful noncommunist demonstration was allowed to occur on June 14, 1987, as 5000 Latvian people gathered in Riga to honor the victims of Soviet deportations which occurred between 1940 and 1949;

Whereas credible western news sources have indicated that Latvian nationalists are planning to hold their third mass demonstration of the year on November 18 at the Latvian Monument of Freedom in downtown Riga;

Whereas Anatolijs Gorbunovs, Secretary of the Latvian Communist Party Central Committee, has stated that participation in such a demonstration in Riga on November 18 will be construed as an anti-Soviet act; and

Whereas A. Drizulis, Vice President, of the Latvian Soviet Socialist Republic Academy of Sciences, echoing the new Soviet policies of openness, democratization, and restructuring, has stated that "it is necessary to cleanse history of various distortions and deformations, to return civic spirit, honesty and courage to it": Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) prior to November 18, 1987, the Secretary of State should inform the Government of the Soviet Union that the United States Government supports the right of the Latvian people to peaceably assemble to commemorate important dates in their history, and should urge the Soviet Government to—

(A) apply its new policy of openness and democratization to the people of Latvia;

(B) allow the people of Latvia to publicly commemorate November 18 in whatever peaceful manner they may choose, without fear of arrest, harassment, or other reprisals;

(C) allow the Western media access to Riga, Latvia, on November 18, 1987, to observe and report on events of that day;

(D) halt immediately the harassment of the members of all Latvian human rights groups, including HELSINKI 86 and the Latvian Christian Movement for Rebirth and Renewal; and

(E) release, prior to November 18, 1987, all Latvian prisoners of conscience from internal exile, prison, and labor camps in the Soviet Union, including Latvian human rights activists Linards Grantins and Gunars Astra;

(2) the President should direct all appropriate United States Government agencies to monitor closely the events of November 18, 1987, in Riga, Latvia, and should send an appropriate United States Government representative to Latvia on November 18, 1987, to observe personally the events of that day; and

(3) the President and the Secretary of State should raise the issue of human rights and self-determination in the Baltic states during the next United States-Soviet summit.

Mr. Speaker, the 69th anniversary of Latvian Independence Day is a most appropriate occasion for the Congress and all freedom-loving people throughout the world to renew their commitment to the aspirations of the Latvian people to reestablish a free and independent Latvian state. I am privileged to join with Latvian-Americans in the 11th Congressional District of Illinois, which I am honored to represent, and Americans of Latvian descent throughout this country, in observing this anniversary of Latvian's independence.

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. LELAND] is recognized for 5 minutes.

Mr. LELAND. Mr. Speaker, on Monday, November 9, I was not in attendance in the House because of a death in my family and missed several recorded votes.

Had I been present and voting, I would have voted "aye" on the following votes: rollcall 417 (S. 825), agreeing to housing authorization conference report; rollcall 418 (H.R. 2752), crop acreage habitat use; rollcall 419 (S. 247), Kern River; rollcall 420 (H.R. 2167), railroad unemployment and retirement benefits; rollcall 421 (H.R. 519), Idaho Water Rights Agreement; rollcall 422 (S.J. Res. 205), overturn United Nations Zionism resolution; rollcall 423 (H. Con. Res. 209), Latvian Independence Day demonstrations; and rollcall 424 (H.R. 2598), commercial fishing vessel anti-reflagging.

PERSECUTION OF THE IRANIAN BAHA'IS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. PORTER] is recognized for 60 minutes.

Mr. PORTER. Mr. Speaker, this is a special order on the Iran Baha'is, and first I wish to yield to the gentlewoman from Maryland [Mrs. MORELLA] for her remarks.

Mrs. MORELLA. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, this is an important time for the members of the persecuted Baha'i faith. The American Baha'i community recently announced the names of 12 Iranian Baha'i prisoners who are in imminent danger of execution. This unprecedented step was taken in the hope that publicity will help save the lives of these individuals who are being punished for their religious beliefs and activity. Within the next 2 weeks, the U.N. General Assembly will consider a resolution condemning Iran's human rights abuses, with specific mention of the persecution of the Baha'is. And Egypt and Morocco are expected, within the next month, to consider appeals by Baha'is convicted in those countries on religious charges.

It is now as important as ever to bring attention to the persecution of the Baha'is in Iran and elsewhere in the Moslem world. I commend the gentleman from Illinois for his work in organizing this special order. It will send a signal both to the persecutors and to the persecuted that we will not stand idly by while innocent Bah'i men, women, and children are discriminated against, tortured, and killed for merely expressing their religious beliefs.

Mr. PORTER. Mr. Speaker, I called today's special order to focus attention on Iranian Baha'is. Thousands of Iranian citizens have been killed, tortured or denied their basic rights by the Islamic Republic of Iran. The Baha'i community has been singled out for special persecution. On this graphic are listed the names of Baha'is executed after torture, Baha'is who died in prison under suspicious circumstances, and executed Baha'is whose bodies bore evidence of heavy torture. Next it states:

> Many executed Baha'is whose names are not included here were buried by the authorities without notice to relatives or friends. It is presumed that burials were secret to cover evidence of torture.

The information on this graphic was compiled from eyewitness accounts and direct communications in June 1984. Since 1979, 188 Iranian Baha'is have been killed for religious reasons, while 15 others have disappeared and are presumed dead. Most recently, two Baha'is were executed in Tehran on September 28, bringing the total number of Baha'i deaths in 1987 to five.

The members of the National Spiritual Assembly of the Baha'is of the United States, headquartered in Wilmette, IL, work tirelessly, Mr. Speaker, to secure and preserve fundamental freedoms for Baha'is worldwide. The outstanding work of Firuz Kazemzadeh, vice chairman of the 100,000 member U.S. Baha'i religious organization, and of Richard Henderson, Kit Bigelow and Marjorie Sonnenfeldt, deserve particularly high praise. I have gained substantial knowledge on the situation facing the Baha'i community during many meetings I have had with them.

As an editorial in last week's Wall Street Journal points out, it is up to the United States and other sympathetic nations to oppose Iran's actions. Recent events indicate that Iran is sensative to their reputation in the international community. In response to condemnation by Congress, the President, the U.N. Human Rights Commission and others, less Baha'is are being executed and fewer imprisoned now than in the 1982–83 period.

We in the United States have continually supported the Baha'i cause. In 1982 and 1984, Congress unanimously adopted concurrent resolutions condemning Iran's actions. In 1985, numerous Members of the House and the Senate sent a special appeal to the U.N. Human Rights Commission urging them to vote favorably for a resolution condemning Iran's human rights practices. And, most recently, Congress adopted legislation urging the President to take all necessary steps to focus international attention on the plight of the Baha'i community.

Later this month, the U.N. General Assembly will consider a resolution condemning Iran's human rights practices, with specific reference to the Baha'is. Over the last 3 years, the U.N. Human Rights Commission and the U.N. General Assembly have adopted a series of similar resolutions. However, last March, the proposed 1987 Commission resolution on Iran barely survived. A Pakistani motion to defer action on this resolution failed by one vote, on a 16 to 16 tie, with 10 nations abstaining.

I urge the 16 countries who supported the Pakistani motion and the 10 countries who abstained to reconsider their position. As members of the international community, we plead for the Baha'is, a relatively small community who abide by their religion to seek "universal peace" for all humanity. They are a threat to no one, are among the most educated in the communities in which they are found, and have never challenged civic authority. Their only crime in Iran is that this religion post-dates Islam and thus, cannot be legitimate or tolerated.

On October 29, the American Baha'i community publicly announced the names of 12 Baha'is in imminent danger of death in Iranian prisons. These 12 individuals are the most seriously endangered amongst a group of more than 200 Baha'is currently languishing in Iranian jails. They have been tortured and are threatened with execution, although they have not been formally tried. This is a distinct violation of basic human rights and due process as stated in numerous international documents. These are the names of these 12 individuals: Mrs. Parvin Fanaiyan-Edilkanhani; Ehsanullah Ayadi; Farajullah Saadati; Sohrab Dustdar; Ramezan-Ali Amui; Behnam Pashai; Muhammad Dehqani; Ezzatullah Khorram; Mehran Tashakkor; Farid Zkiri; Vahid Qodrat; and Shahroukh Hoveydai.

I strongly urge the Iranian authorities to stay their hand and immediately release these 12 individuals.

There is also disturbing evidence of Baha'i persecution spreading to other Muslim nations, including Egypt. Forty-eight Egyptian Baha'is, who had been arrested on February 24, 1985, were convicted in Cairo on May 11 and sentenced to 3 years in prison for allegedly violating a 1960 edict banning Baha'i activities. I have written the Egyptian Ambassador three times concerning these cases, but have yet to receive any response. Two others originally charged were acquitted after proving they were Muslims not Baha'is, confirming the belief that they were arrested solely for their religious practices.

The congressional human rights caucus believes that human rights are indivisible. Whether a Tibetan in China, a Jew or Christian in the Soviet Union, a black in South Africa, or a Baha'i in Iran, basic human rights extend to all individuals. This is the 20th century and in Iran, human beings are being tortured and executed solely for their religious beliefs.

I urge my colleagues to continue speaking out and tell the world what is happening. Our voices must be heard by the international community and by the Iranian Government.

Mr. LEACH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. PORTER. I yield to the gentleman from Iowa.

Mr. LEACH of Iowa. Mr. Speaker, I want to express my appreciation to the gentleman from Illinois [Mr. PORTER] for leading this special order and to join my colleagues today in drawing special attention to the plight of the Baha'is in Iran. An immediate end to the government-sanctioned and-directed campaign of persecution against the members of the Baha'i faith in that country must be wrought.

Of immediate concern is the plight of 12 Iranian Baha'is who have been tortured and face possible execution. These 12 individuals, like many of their coreligionists, have endured enormous suffering for their faith. It is appropriate today that we note in particular the names of the 12 who face imminent harm: Mr. Ehsanullah Ayadi, Mr. Farajullah Saadati, Mr. Sohrab Dustdar, Mr. Ramezan-Ali Amui, Mr. Behnam Pashai, Mr. Muhammad Dehqani, Mr. Ezzatullah Khorram, Mr. Mehran Tashakkor, Mr. Farid Zkiri, Mr. Vahid Qodrat, Mr. Shahroukh Hoveydai, and Mrs. Parvin Fanaiyan-Edilkhani.

A generation ago, in her seminal book, the "Origins of Totalitarianism," Hannah Arendt noted that one of the hallmarks to totalitarian regimes was that they caused enormous and anonymous deaths.

It is imperative that the international community not allow individuals to disappear unnoted from the face of the Earth. Their worth and their model must be marked. That is why it is so crucial that names be named, that their fates be recorded.

Over the last several years, over 200 Baha'is have perished for their faith and thousands have been cast into prison. The leadership of the Baha'i community in Iran has been decimated and religious places destroyed.

The President and this body have been outspoken in condemning these egregious human rights abuses which constitute nothing less than the systematic effort to exterminate the members of a religious faith.

I urge the American people and the international community at the United Nations to make clear that there will be no silence to our outrage until this horror ends.

□ 1715

Mr. PORTER. Mr. Speaker, I particularly thank the gentleman from Iowa for the gentleman's continuous leadership in all of his service in the Congress in behalf of human rights for individuals all across the world.

I might say to the gentleman that his reference to missing persons is a very, very well-placed reference, that the congressional human rights caucus will be having a major briefing on missing persons, not only those missing in Iran, but those missing in Cyprus, those missing in Argentina, those missing in some countries around the world where human rights have been abused.

In late 1988 there will be a large conference on missing persons sponsored jointly by the congressional human rights caucus and the International Rights Foundation where we will focus on these cases.

Mr. LANTOS. Mr. Speaker, I am pleased today to join with my distinguished colleague from Illinois and my fellow cochairman of the Congressional Human Rights Caucus, JOHN PORTER, in calling to the attention of the American people the continued Iranian persecution of the Baha'is. I commend my colleague for taking the lead on this critical human rights issue, and I commend him for his eloquent plea in support of religious liberty.

Mr. Speaker, as I have said on many occasions in the past, of all the human rights violations on the face of this planet, the most appalling and outrageous is the persecution directed against the Iranian Baha'is.

Three and a half years ago, I chaired a hearing of the Foreign Affairs Subcommittee on Human Rights which examined the situation of the Baha'is in Iran. The testimony of the leaders of the American Baha'i community and the moving statement of one of the survivors of that persecution quite literally brought tears to the eyes of every member participating in that hearing.

The matter of the Iranian Baha'i is at the top of the agenda of the Congressional Human Rights Caucus, as my distinguished colleague Mr. PORTER has already affirmed.

More than 200 Baha'is—including women and teenagers—have been executed since the mullahs came to power in 1979. The only crime of these people was their religious belief, and their refusal to recant that faith.

It is of some relief to hear that fewer Baha'is have been executed in recent months than in earlier years under the regime of the Ayatolla Khomeini. But the fact remains that many Baha'is remain imprisoned, and many continue to be subject to torture and pressure to force them to recant their religion.

The Baha'is have only recently announced the names of 12 more prisoners who are in imminent danger of execution. In response to the release of this list, Amnesty International has issued an urgent action bulletin on behalf of these prisoners.

What is much harder to dramatize—but in the long run is perhaps just as serious and threatening to the survival of this peaceful, law-abiding community—is the fact that the Iranian Government is systematically depriving the Baha'is of the means to earn a livelihood and the opportunity to educate their children.

Mr. Speaker, we must never forget these innocent victims of religious fanaticism and intolerance. We in the Congress must speak out. We must do all in our power to prevent the continuation of these atrocities. We must continue to call to the attention of the world, the attention of our colleagues in parliaments of free nations, these egregious abuses against these gentle, religious people.

We must not yield to Iranian threats, but must continue to press the Government of Iran to grant these innocent Baha'is the right to live, worship, and educate their children in peace according to their religious beliefs.

Mr. MILLER of Washington. Mr. Speaker, I applaud my colleagues, Representatives PORTER and LANTOS, the two cochairmen of the congressional human rights caucus, for organizing this special order on an issue of such vital importance. Religious liberty is perhaps the most fundamental of all human rights. It is also a human right that is all too often trampled by the forces of tyranny. As Members of Congress in a free nation, it is our special responsibility to speak out against abuse of human rights wherever they occur in the world. Today, we are here to speak out in protest on behalf of a persecuted people, Baha'is of Iran, a religious group that wants only to be free of the constant oppression from the Iranian Government.

Over the last 3 years, my colleagues and I have spoken out against the persecution of the Baha'is. There is some hope that the concerted outcry of the international community has restrained the hand of the oppressor—the Iranian Government. The number of executions of Baha'is and of incarcerated Baha'is has been reduced in the past 3 years. However, today, I express a concern, a caution, an appeal to conscience lest we relax in our resolve to speak up for those who have no official council in which to plead their case. It is clear that the international pressure placed on the Iranian Government was the reason for the reduction in oppression. But if we have learned anything on the issue of human rights over the years, it is that more pressure not less, brings positive results. It is indifference, silence, apathy which would allow the Government of Iran to regress in their actions.

As I speak before you, 12 of the Baha'is currently in prison in Iran are in imminent danger of execution and there is grave concern for the destiny of another 5 who were arrested recently. It would be easy as Americans to forget about these people in this far off land. Yet the fortitude the Baha'is display under such dire circumstances creates ties that bind the shackled with the free. The silence in which they suffer and the unyielding resolve with which they maintain their faith and bear the repression of their government evidence a universally compelling valor.

Mr. SOLARZ. Mr. Speaker, I rise today to add my voice to the chorus of other Members of the House outraged by the brutal religious persecution of Baha'is by the Government of Iran.

Baha'is constitute the largest religious minority group in Iran, where they represent 1 percent, or 300,000, of Iran's population. Five Baha'i believers have already been executed by the Government so far this year; last year three Baha'i were executed and another three killed by mobs. This small religious community has been declared "unprotected infidels" in recent rulings of the Iranian judiciary, rulings which seem to chillingly indicate that Baha'is are not entitled to the most fundamental human right, the very right to life itself. Many fear that such rulings will convince some Iranian Muslims that they may kill Baha'is with impunity. Previous actions by the Iranian authorities in failing to bring to justice those Iranians known to have murdered other Baha'is all too clearly confirms that the Government of Iran will not protect this peaceloving religious group.

It is hard to stand here and describe the acts of terror against individuals whose only crime is their belief in their religion, and whose very lives are at stake because of the madness of Iranian prejudice and bigotry. Baha'i in Iran not only face the confiscation of their personal and business property, the denial of education to their children, the constant fear of arrest and detention, even the denial of the right to earn a living, but above all the constant pressure to recant what they hold most dear, namely their religious beliefs.

Those of us privileged enough to live in a free nation, where the right to freedom of religious worship is a cornerstone of our democracy, must do whatever we can to call attention to the pernicious problem of religious persecution wherever it rears its ugly head. Later this month, the U.N. General Assembly will consider a resolution condemning Iran's human rights practices which will specifically mention the persecution of the Baha'i. Our representatives at the United Nations are strongly supporting this resolution, and I call on the representatives of other responsible nations to also strongly support this resolution and join us in condemning Iran's persecution of the Baha'i.

The Wall Street Journal carried an outstanding editorial on this problem, and I ask permission that it be reprinted in today's CONGRESSIONAL RECORD.

[From the Wall Street Journal, Nov. 12, 1987]

PERSECUTING THE BAHA'IS

More than 200 members of this persecuted minority have been executed since 1979, with the two most recent state-sanctioned killings taking place two months ago. Several hundred languish in prison, without charge, often subject to torture and other atrocities. The state arbitrarily confiscates their property, they are systematically prevented from earning a decent living, their children are excluded from the educational system, and they are denied freedom to emigrate from the country.

These are the 300,000 adherents of the Bahn'i faith in Iran, who are the targets of what can only be described as a genocide campaign by Iran's Moslem fundamentalist theocracy. Iranian religious fanatics act with impunity against the Baha'is, because members of the religious minority are considered "nonpersons" under Iran's constitution, and are therefore afforded no protection in Iranian courts. The Baha'is only real chance of survival lies with the U.S. and other sympathetic members of the international community.

Iran cares about its standing in the international community. Indeed, condemnation of Iran's gross human-rights violations in United Nations resolutions succeeded in pressuring the government to curb some of its most egregious actions. Its persecution of the Baha'is abated, with fewer reported executions and the release last year of 500 members of the religious minority from Iran's prisons. But when the United Nations turned its sight from Iran, the fundamentalist government stepped up its persecution of the Baha'is.

Iran was merely biding its time, figuring that the U.S. and other concerned members of the international community had short attention spans; that they would not be vigilant in protesting its persecution of the Baha'is. This past May, Egypt sentenced 48 Baha'is to prison for practicing their religion. The weak protests of the U.S. and other nations hardly discourages other Moslem nations from following suit.

That a peaceable community such as the Baha'is could come to this plight reveals the danger of Moslem fanaticism. The Baha'i faith is relatively small, with fewer than four million followers world-wide. It teachings pose no threat to Iran's religious or government leaders. Its adherents are instructed to obey the laws of the governments under which they live and to avoid partisan political involvement. Its religious dogma is certainly unoffensive; it seeks "universal peace" for all humanity.

This aspiration seems consonant with the peaceful, humanitarian principles espoused in Moslem teachings. That Iran's Moslem clergy are so intolerant of the Baha'is (whom they refer to as "misguided infidels"), and advocate their oppression, indicates an inherent hypocrisy in these ruling fanatics. That the government acts on this hypocrisy—jailing, torturing and killing Baha'is merely for adhering to their faith—underscores how important it is that the U.S. and other nations draw attention to Iran's persecuted religious minority.

Mr. HYDE. Mr. Speaker. I am glad to join with my colleagues in focusing new attention on the crimes committed by the Government of Iran against the Baha'is, a religious minority group which seeks nothing more than the freedom to observe its faith in peace.

I participated in the hearings held by the House Subcommittee on Human Rights in 1982, when spokesmen for the American Baha'i community came to Congress to describe the tragic persecution launched against the Baha'is by the Islamic revolutionary regime.

Those of us who took part in that hearing found it hard to believe that a government in this day and age would imprison, torture and kill men, women, and even teenage girls—on account of their religious beliefs. But that is what has been happening under the current regime in Iran. Since 1979, more than 200 Bahai's have been killed.

The Iranian Government claimed that those Bahai's were political conspirators, agents of the CIA or tools of the Zionist movement—but they offered virtually every one of those so-called spies their freedom, if only they would give up the Baha'i faith.

Now, we hear that fewer Baha'is are being executed in formal proceedings conducted by the government. But the State Department has reported several instances over the past year in which Baha'is have been killed by mobs who were stirred up by fanatical Islamic clergymen—and the Iranian Government has just looked the other way. In fact, in one of those cases, when the mother of a teenage boy who had been brutally murdered registered a compaint with the authorities, the mother herself was thrown into prison, and held in solitary confinement.

I am proud that President Reagan has spoken out forcefully in support of the Iranian Baha'is, and I have supported the administration's efforts to provide refuge in this country for those victims of religious persecution who manage to escape from Iran.

I am proud that the Congress of the United States has adopted two resolutions in support of religious freedom for the Baha'is of Iran. But we have to do more.

We must continue to seek every possible way to get the message to the Iranian Government, that their actions against Baha'is are intolerable.

I urge Members of Congress who attend meetings of the InterParlimentary Union or other international gatherings to raise the Baha'i case. Tell the world about Iran's brutal actions, and get others to join us in seeking an end to this vicious persecution.

Mr. SUNDQUIST. Mr. Speaker, I appreciate the efforts today of the gentleman from California [Mr. LANTOS] and the gentleman from Illinois [Mr. PORTER] in bringing the religious persecution of Baha'is in Iran to the attention of the American public. One can only hope that our expression of outrage toward this repression will be heard by the international community.

By now, virtually every member of the civilized world has been made aware of the serious human rights violations which have been systematically imposed upon the people of Iran. As members of a society that cherishes religious liberty as the most precious of human rights, we cannot ignore these abuses or allow our attention to be deferred. The hundreds of thousands of Baha'is in Iran seek only to exercise their religion, and pose no threat to Iran's religious or Government leaders. Hundreds have been executed, and more have been imprisoned and tortured. In the eyes of the Khomeini regime, their crime apparently is their quest for universal peace for all humanity. The radical madmen who govern Iran cannot countenance such peaceful beliefs.

Iran is ruled today by men of religion. But what religion is it, Mr. Speaker, which requires persecution to sustain its power?

Our expression of contempt today for the repression of Baha'is is an important step in focusing world outrage on the Government of Iran. With continued efforts such as those of the congressional human rights caucus, we may one day help fulfill George Washington's vision of a world "which gives bigotry no sanction and persecution no assistance."

Mr. STARK. Mr. Speaker, there are multiple reasons for condemning the current Iranian Government. These range from Iran being a rogue state in the international community to the brutal war they are engaged in with Iraq.

One of the most compelling reasons for condemning the Iranian regime is their unrelenting persecution of members of the Baha'is faith. Baha'is teach peace and respect for the world's great religious leaders. They are law-abiding citizens who do not engage in public demonstrations. They believe in and work for world peace and unity.

How are the Baha'is rewarded in Iran for their activities? The Baha'is receive the most punishing treatment in their pursuit of peace. Baha'is property is routinely looted and confiscated. Education and jobs are denied to members of the faith. Many members of the Baha'is religion are in prison. There they face cruel, medieval tortures. Many of the Baha'is leaders have been killed in prison.

I am proud to join today, Mr. Speaker, with other Members of Congress in bringing to light the plight of these brave people. I strongly support actions by the United States Government to bring an end to the suffering of the Baha'is in Iran.

Mr. SENSENBRENNER. Mr. Speaker, I am not a Baha'i, but I am a religious man who worships freely in the church of my choice. As an American I am very lucky. I have never been persecuted because of my religious beliefs. In the United States, the way a man chooses to worship and his relationship to God is a very personal and sacred affair. Most of all, the way a man chooses to worship in the United States is a legal right protected by a splendid document: the Bill of Rights.

Unfortunately, Mr. Speaker, many nations do not afford such freedoms or protection. In fact, some nations have gone to the extreme of deliberately denying the natural right to worship one's own God, and have singled out various denominations for persecution and outright elimination. The Islamic Republic of Iran under the domination of the Ayatollah Khomeini has become one such nation. We are all too familar with political persecution in Iran. That's what makes the persecution of the Baha'is unique.

The 300,000 Baha'is which make up Iran's largest religious minority are forbidden by their faith from participating in political activities. They obey the laws of Iran and are of no political threat to the Ayatollah. Nevertheless, they are persecuted, imprisoned, and killed with a vengeance unmatched in Iran. In fact, as "nonpersons" under Iran's Islamic fundamentalist constitution, they are afforded no protection by the courts. Since 1979, nearly 200 Baha'is, including women, children, and many elected members of the national leadership have been executed.

Mr. Speaker, I stand in support of this special order today because I believe the Baha'is of Iran are at a critical nexus. Recent events indicate that the government of Iran has responded to condemnation by Congress, President Reagan, the U.N. Human Rights Commission and the international community regarding their treatment of the Baha'is.

However, 12 prominent Baha'is currently stand condemned to death unless they convert to Islam. The U.S. Congress can do something today to save these innocent lives by sending a signal of how important our belief is in religious freedom. We must raise our voice in public outcry against these atrocities which amount to genocide.

The Baha'is single aspiration is to create "universal peace for all humanity." Certainly this parallels the peaceful and humanitarian principles espoused in Islamic writings and teachings. That Iran's Moslem hierarchy are so intolerant of the Baha'is, that they refer to these peaceful non-Moslems as misguided infidels, and advocate their oppression, only indicates the inherent hypocrisy of the Ayatollah's regime.

We must focus attention on Iran's persecuted religious minority and, as a nation dedicated to freedom and peace, oppose this type of atrocity forever.

Mr. GREEN. Mr. Speaker, I would like to thank the distinguished cochairmen of the Congressional Human Rights Caucus for organizing this important special order on the dire situation facing the Baha'i community in Iran today.

For the first time since the Islamic revolution in that country, the Baha'is have released the names of 17 Baha'i leaders threatened with imminent execution. This is a threat which must not be taken lightly since, in September of this year, two Baha'is were executed in Tehran.

Of the 17 names on the list, 12 have been jailed for several years. Five were arrested recently while visiting together in a home. The same evening a Baha'i woman in another town was arrested, searched, and then released after several days. To be best of my knowledge, none of the 17 has been charged, tried, or convicted. Their only known crime is their faith.

It is incumbent upon all Americans to speak out against these gross violations of religious freedom and human dignity and defend, as we have for years, the principle of religious freedom upon which our Nation was founded. Within 2 weeks, we will be able to add our voice to those voting for the Iran resolution at the United Nations, and I strongly urge the administration to speak out forcefully.

We know that holding up the mirror to these Iranian deeds for international observation does indeed restrain their hand. Moreover, we have reason to believe that international actions such as ours here today are transmitted immediately to Iran and are a source of great comfort to this suffering community of faith, which is today defenseless in the land of its birth. When the voice of worldwide outrage is their only hope, we cannot remain silent.

Mr. YATRON. Mr. Speaker, the eyes of the entire world focused on Iran in February 1979, as a new era in history paraded boldly before us. We saw that Shah deposed and the emergence of the Ayatollah Khomeini. Many looked to find a new religious and political tolerance, but instead discovered vicious religious fanaticism.

For those who have been forced to live in Iran during the past years, the view has been an ugly one. It has been particularly ugly, as well as frightening, for the Baha'i community. The Baha'i faith is not recognized by the Government of Iran as a religion, and the Baha'is are deprived of basic human rights. Members of this peace-loving community are the principal targets of the current regime. Hundreds of prominent Baha'is have been executed since Khomeini came into power. Their places of worship have been destroyed, their possessions have been confiscated, and their religion has been banned. The Baha'is have no one in the Iranian Government who hears their appeal. They have no place to go to escape persecution. Instead of the clergy, the courts, and the authorities providing protection for the Baha'is, they are in the forefront of the propaganda against the Baha'is and the official persecution of the Baha'is.

The Baha'is in Iran are, once again, being slaughtered by the Khomeini regime for adherence to their faith. Two Iranian Baha'i leaders were executed in Tehran on September 28, and 12 others are in danger of being murdered by Iranian authorities.

During my tenure as chairman of the Subcommittee on Human Rights and International Organizations, the subcommittee held a hearing to address the plight of the Baha'is. I believe that through hearings, resolutions, speeches, letters, and continued congressional interest, we can save Baha'is from the tragic destiny planned for them by a brutal government. It is time once again to look closely at the gruesome picture that Khomeini is painting for the world in Iran. We must not only watch; we must denounce and condemn this savagery.

This Nation was founded on the principle of religious freedom, so the Baha'i issue is very relevant to use. The whole fabric of American society is built on the notion of rejecting religious persecution and discrimination. For this reason, I commend the cosponors of the Congressional Human Rights Caucus, Mr. Lantos and Mr. Porter, for bringing the struggle of the Iranian Baha'i community to our attention.

Mr. FEIGHAN. Mr. Speaker, I want to commend the cochairmen of the Congressional Human Rights Caucus, the gentleman from California [Mr. Lantos] and the gentleman from Illinois [Mr. Porter], for leading this special order today and helping to focus attention on the tragic plight of the Baha'i communities living in Iran, Morocco, and Egypt.

The situation in Iran is especially troubling. The Baha'is constitute the largest religious minority in Iran. Yet they have been denied their social rights. They have been denied their legal rights. They have been denied their human rights. And they have been denied their right to life itself.

Thousands of Iranian Baha'is have been imprisoned—many of whom have been tortured. Hundreds of thousands have been denied employment and education. And more than 200 Baha'is, including women and teenage girls, have been executed for their religious beliefs.

Now we learn that another 17 Baha'i leaders in Iran are in prison, under imminent threat of execution. We must not permit these dark deeds to be consummated in silence. Instead we must speak out, as we are today, and appeal to the nations of the world to condemn this continuing persecution.

There is also disturbing evidence that intolerant attitudes toward Baha'is are spreading to nations like Morocco and Egypt. This month, courts in both countries will be considering appeals of Baha'is who were convicted solely on religious charges. As we see repression of the Baha'is spreading elsewhere, it is even more urgent that we speak out against the persecution in Iran.

Later this month, a resolution will come before the United Nations condemning human rights violations by the Government of Iran. This resolution makes specific mention of the Baha'i community. It offers the American people an opportunity to show how close we hold the principle of religious freedom and how deeply we abhor Iran's actions. I urge our Government to be in the forefront of those urging adoption of the United Nations resolution. Only through such actions can we hope to help end this continuing persecution of the Baha'i people.

Mr. WEISS. Mr. Speaker, I join with my distinguished colleagues in expressing my deep concern about the continued repression of the Baha'i community in Iran. I would especially like to commend my colleagues, Congressman Porter and Congressman Lantos, for organizing this special order to focus attention on the intolerable human rights violations committed by the Khomeini government.

Although Iran's 300,000 Baha'is worship a total intolerance for the Baha'i community racial harmony, they are subjected to ongoing violent and inhumane persecution by the Iranian Government. For the 8 years it has ruled Iran, the Khomeini government has displayed total intolerance for the Bahai community, which constitutes the largest religious minority in Iran.

According to the State Department's Country Reports on Human Rights, in August 1983 the Iranian Government "issued an order that effectively bans all Baha'i religious activity and provides the legal foundation on which virtually all members of the faith can be charged with crimes." The edict bears a sinister similarity to the Nuremberg laws of the 1930's which deprived German Jews of many of their religious and civil rights.

Since 1979, almost 200 Iranian Baha'is have been executed for their religious beliefs. This year alone, there have been five executions. Most recently, on September 28, 1987, two members of the last elected Baha'i National Assembly, which was disbanded in 1983, were executed in Tehran.

Although the number of executions is far below the levels of 1983 and 1984, countless Baha'is are daily subjected to the physical, social, and economic intimidation of Iranian officials who seek to compel them to recant their faith. They have regularly been detained without trial, tortured, deprived of the means to earn a livelihood and obtain an education, and completely denied the right to practice their religion freely.

Most of the world's attention has tended to be focused on Iran's actions toward its neighbors, and little has been paid to the deplorable internal political situation within Iran. We must not ignore the atrocities which are committed daily by the Khomeini regime. The United Nations General Assembly is soon expected to consider a resolution condemning Iran's human rights practices. The passage of such resolutions in the past have undoubtedly deterred Iranian actions against Baha'is.

I urge the United States Permanent Representative to the United Nations to work for the successful adoption of the resolution. For the sake of the 200 Baha'is executed since the Iranian revolution, for the sake of the nearly 800 Baha'is who now languish in the Ayatollah's prisons, and for the future of the entire Iranian Baha'i community, we must not forget their plight.

GENERAL LEAVE

Mr. PORTER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my special order tonight.

The SPEAKER pro tempore (Mr. Pickett). Is there objection to the request of the gentleman from Illinois?

There was no objection.

ROLE OF EXECUTIVE AND LEGISLATIVE BRANCHES IN FOREIGN POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. Gingrich] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, I want to talk this evening a little bit about the role of the executive and legislative branches in foreign policy, and about the recent activities of the Speaker, and to a remarkable degree undermining American foreign policy.

I think as a former history teacher that it is an unprecedented act.

It is something that we have not seen not only in our lifetime, but I do not think we have ever in American history seen a Speaker of the House undermine the foreign policy of the United States in the way that Speaker Wright in the last week or so has done.

Let me start by putting in the Record a series of editorials and columns which I think give a pretty good flavor of why Speaker Wright has been wrong in the last week, and why what he is doing is destructive of the foreign policy of the United States.

Let me start with the Washington Post, Monday, November 16, an editorial entitled "What Is Jim Wright Doing?"

> You don't have to be an admirer of the Reagan administration's Central American policy to wonder what Jim Wright is doing in the Nicaragua negotiations. During Daniel Ortega's visit to Washington last week, the speaker made an intervention into the day-to-day running of foreign policy that was breathtaking in its scope and whose like is hard to recall. Mr. Wright took the play away from the administration on a key issue, and does not seem even to have informed the White House or State Department of what he was doing.
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> It is true that back in August, Mr. Reagan invited Mr. Wright into a Central America partnership; it was overtaken within days by the Arias plan. Then Mr. Reagan created a huge political opening for Daniel Ortega by refusing to receive him while he was in Washington; Mr. Ortega saw the opening and sped up to Capitol Hill. Mr. Reagan, who meets with Mr. Ortega's opposition and arms it, finances it and keeps it alive, could hardly have been surprised at the Sandinista leader's reach for the comforts and favors of the American opposition.
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> However, we are not talking about Daniel Ortega but about Jim Wright, who knows how the American system should operate. Political circumstances put the contra-aid card in his hands; that is the basis of the special power he wields in this situation. But the properties of the American system come under heavy assault when the speaker uses such power as though the actual conduct of diplomacy in this delicate passage were his responsibility. By inserting himself into a negotiation in a way that keeps the president out, he overreaches recklessly.
>
> Is he also lending himself to a charade at which Daniel Ortega may be more clever than he is? Certainly it would be a disgrace if he were simply helping Mr. Ortega arrange a prompt cease-fire on terms that allow the contras and the democratic elements of their constituency as little political space as possible in the new Nicaragua. For an American opposition leader to end up *narrowing* the field for the Nicaraguan opposition would be a bitter outcome. Our misgivings, however, do not center now on the substance but on the procedure. Mr. Wright appears to have gone way over the line that separates opposition from interference.

That is an editorial in Monday's Washington Post.

The Washington Post is normally a relatively liberal newspaper. Yet, it draws clearly the distinction between opposing a policy, which is the right of any American, and interfering with the legitimate policies of the Government of the United States.

There is a long tradition going back to the Founding Fathers, to the writing of the Constitution, going back to the very process of writing the Federalist Papers by which the Founding Fathers drew a line and said, some things can be done by the legislature, but on foreign policy Americans must stand together in executing it overseas, even if they want to argue about it here at home.

It is clear that Speaker WRIGHT has in fact violated that basic policy.

That violation, I think, has very serious consequences. They were spelled out in part in an article in the Washington Post today by Susan Kaufman Purcell, who is the director of the Latin American project at the Council on Foreign Relations.

She made the following argument in an article entitled, "JIM WRIGHT Has Made a Mess of Things:"

> Until House Speaker Jim Wright decided to play an active role in the cease-fire negotiations between the Sandinistas and the contras, the Sandinistas had been on the defensive, which had forced them to make important concessions.
>
> Now, thanks to the behavior of the speaker, the focus of attention has shifted from the conflict inside Nicaragua to the conflict within the U.S. Government. The result may well be the destruction of the contras, the undermining of the Central American peace plan and the eventual consolidation of the Sandinista dictatorship in Nicaragua.
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> The Sandinistas had made few concessions as the peace plan's original Nov. 5 deadline drew near. They had allowed one privately owned newspaper, La Prensa, to reopen and one radio station, Radio Catolica, to resume broadcasting religious, but not political, information. This is far from the complete freedom of the press and access to the media called for in Oscar Arias' peace plan.
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> The Sandinistas had also refused to enter into direct negotiations with the contras to establish a cease-fire, in contrast to Presidents Jose Napoleon Duarte of El Salvador and Vinicio Cerezo of Guatemala, both of whom had met face to face with their countries' respective armed guerrilla movements.
>
> The Sandinistas' intransigence had caused international public opinion to turn against them. More important, it had increased the chances that the U.S. Congress would approve a new request from the Reagan administration for $270 million in aid for the contras. This was something the Sandinistas wanted to avoid at all costs. The $100 million in U.S. aid that the contras began receiving in early 1987 has allowed 12,000 contras to operate with growing success in two-thirds of Nicaraguan territory and to shoot down Soviet-supplied helicopters with increasing frequency. The contras' stepped-up military activity had also caused the Sandinistas to consume greater amounts of Soviet-supplied oil, obliging them to ask Soviet patrons for more.
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> This is what led the Sandinistas to reverse their longstanding position that they would never negotiate with the contras and agreed instead to indirect negotiations mediated by Cardinal Miguel Obando y Bravo.
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> As the Reagan administration was too quick to point out, the Sandinistas' willingness to negotiate even indirectly with the contras gave the rebels increased legitimacy as a belligerent force. President Daniel Ortega obviously agreed. He tried to undo the damage by immediately insisting again on bilateral negotiations with the U.S. Government, so as to revive the old image of the contras as dependent "puppets" of the United States.
>
> The White House recognized the trap. It agreed to bilateral talks, but only in a regional context and only after some progress toward a cease-fire agreement had been made in indirect talks between the Sandinistas and the contras.
>
> Having failed to achieve his goal with the Reagan administration, Ortega tried to enlist Wright to his cause. He succeeded. With the speaker's help, the Nicaraguan president managed to cast himself as a man of peace, to eclipse the mediating role of Cardinal Obando y Bravo, to relocate the cease-fire negotiations from Nicaragua—where they belong—to Washington and to reinstate the United States as the key player in what had until then been a Central American peace process.
>
> By undermining the contras, the House speaker removes the only real incentive the Sandinistas have to negotiate a cease-fire that is a meaningful first step toward a democratic opening, and not a contra surrender.
>
> Ortega's current proposal is the latter. It asks the rebels to disarm and to accept a vague amnesty *prior* to cease-fire negotiations and on terms dictated by the Sandinistas. These provisions violate a key principle of the Central American peace plan: "simultaneity," or the requirement that all the elements of the plan—including the establishment of democratic freedoms, the end of cross-border support for rebel movements, the granting of amnesty and the implementation of cease-fire agreements—go into effect at the same time.
>
> No doubt Wright believes that his active involvement will help bring peace to the troubled Central American region. But "giving peace a chance" does not mean weakening the contras and eventually sending them to Miami. It means supporting their efforts to negotiate a meaningful cease-fire that will allow them to exchange their bullets for ballots in a democratic Nicaragua.

☐ 1730

Now, as I said, this is an article by Susan Kaufman Purcell, an article entitled, "Jim Wright Has Made A Mess Of Things." She is the director of the Latin American project at the Council on Foreign Relations, and for those of our friends on the left who were down here today so proudly talking about how glad they are that JIM WRIGHT was willing to have secret meetings with Communist dictators, let me quote once again the key paragraph, because I think every Democrat who supports the Speaker needs to bear the moral burden of this paragraph. This is again by Susan Purcell of the Foreign Relations Council, not by a conservative like GINGRICH. Purcell says:

> Now, thanks to the behavior of the speaker, the focus of attention has shifted from the conflict inside Nicaragua to the conflict within the U.S. government. The result may well be the destruction of the contras, the undermining of the Central American peace plan and the eventual consolidation of the Sandinista dictatorship in Nicaragua.

In other words, according to Miss Purcell, Speaker WRIGHT may by his secret meeting last week with a Communist dictator in fact be giving us precisely the Communist dictatorship of Central America that for 7 years we have been trying to avoid.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am glad to yield to my friend, the gentleman from California.

Mr. DORNAN of California. What is to become of us? Things are happening so quickly around here that appear to this Congressman to be unconstitutional that it is hard to keep up with everything.

Now, is the gentleman aware, I ask this rhetorically, because not much goes on here that the gentleman is not aware of—is the gentleman aware that the latest hottest rumor is that General Secretary Gorbachev is going to be invited to speak to a joint session of Congress?

Mr. GINGRICH. Well, I would simply say that would at least be a public meeting. If Gorbachev has to come to Capitol Hill, I would much rather have him talk in public than have him meet secretly for 1½ hours with Speaker Wright with no one present.

Mr. DORNAN of California. So it will be a Communist dictator in this chamber standing right up there where all our Presidents have stood, the spot where Franklin Delano Roosevelt asked for a declaration of war against Japan and Germany after Pearl Harbor, the day after, where Douglas McArthur said goodbye, where Winston Churchill stood?

I did not know when I first came here that every little country in the world and Communist dictators would get a chance to address a joint session of Congress.

Well, let us go back to the meetings that have already been had with Communist dictators. Is the gentleman aware that Secretary of State Shultz and Jim Wright had a meeting in his office about 3 o'clock this afternoon and that they both signed an agreement, a six-point agreement, that appears to me on reading it that Shultz has kind of gotten our Speaker out of some constitutional trouble that he appears to have boxed himself into. Has the gentleman read this six-point agreement?

Mr. GINGRICH. I am not at all surprised by the willingness of the State Department to appease the Speaker. It seems to me that appeasing the Speaker would fit the general behavior pattern of the State Department. I think it is perfectly appropriate behavior for Mr. Shultz to come up here and basically give Mr. Wright a blank check for whatever Mr. Shultz thinks whereby a brief moment of positive relationship before the next outrage.

Mr. DORNAN of California. Well, for the record, because after all, the people that follow the proceedings in this chamber that pay all the bills, the good old American taxpayer, Joe Sixpack and Jane Workinglady and Housewife, here is what point one says. Now, Wright and Shultz affixed their signatures to this between 3:00 and 4:00 o'clock this afternoon.

"Point one. We want a Guatemala City agreement to succeed in bringing peace and freedom and democracy to Central America."

Now, is that not sort of a breakthrough—I started to say for our side, so I am going to go ahead and say it—is that not sort of a breakthrough for our side, because I have not heard the Speaker saying to give peace and freedom and democracy a chance. He just keeps saying give peace a chance. Peace is breaking out, that there are people in the administration who are terrorized—that is his word—that peace is breaking out.

Well, peace broke out in Vietnam, did it not? They have peace in the Soviet Union and peace in Vietnam, and in Vietnam it is a peace of death in concentration camps. What kind of peace is there in Siberia in those gulag camps?

So honestly, I say to the gentleman from Georgia [Mr. Gingrich], is it not a little breakthrough to get Mr. Wright, our great Speaker, to sign off on peace and freedom and democracy instead of just peace, a Communist peace?

Mr. GINGRICH. Well, I think again what I would like to know is what did Mr. Wright in his 1½-hour meeting on Veterans Day with the Communist dictator agree to? How far did we get toward peace and freedom and democracy in the series of secret meetings that Mr. Wright had with the Communist dictator?

Mr. DORNAN of California. Let me tell the gentleman why I am here. I am supposed to be in the Speaker's office meeting with the Speaker. Did the gentleman know that?

Mr. GINGRICH. So the gentleman ranks at least as high as the Nicaraguan Contras.

Mr. DORNAN of California. Bob Dornan and five other Members have arranged, after I made my 1-minute speech this morning saying that he did not have the foggiest idea of what was happening in Central America and, "I like you, Jim. May I please meet with you after I meet with the President?"

He called me up and said, "Fine, Bob." We picked a time. There was a big hole in his schedule at 5:00 o'clock.

Now, I know he has problems. He is meeting with the Democratic study group, which is the furthest left elected institutional group in the United States of America, elected by the people in normal general elections.

Mr. WALKER. He had an appointment with the gentleman from California?

Mr. DORNAN of California. He had an appointment with five of us—six of us—and all six of us were there. We waited a half hour while he is with the Democratic study group. That is all right. We will set up an appointment with Jim Wright tomorrow.

I was going to go down these six points with him, so let me do that. I would like to have the gentleman's comments. The gentleman is our resident historian.

No. 2. We believe that efforts toward the objective—peace, freedom and democracy—should be concentrated in Central America and continue to be guided primarily by Central Americans.

So no longer would the Ambassador from the Communist junta government down there, Tunnerman, in Wright's office, no longer meeting with Daniel Ortega, the Communist dictator, together with his brother, Umberto, who controls the guns down there. Now it should be concentrated in Central America.

But had our Secretary of State and Mr. Wright been reading a newspaper, Ortega does not want anything to take place in Central America. His fallback position is to meet up here with Wright and the good cardinal. He does not want to meet in Costa Rica, in Managua or anywhere down there. He wants to meet here.

Mr. WRIGHT. Will the gentleman yield?

Mr. GINGRICH. I am glad to yield to the Speaker.

Mr. WRIGHT. I am very, very sorry. I was tied up. I had given the gentleman from California an appointment to come by with some people at 5 o'clock. I was late getting started on the meeting before that due to votes on the House floor, which I am sorry none of us could control, and I apologize to my friend that I was not able to be in the office, but I am going back there right now and if it is convenient to him and to his colleagues, I will just wait right there until they would like to come, or if it would be more convenient tomorrow, I will be delighted to reschedule it and talk with my colleagues any time they wish.

Mr. GINGRICH. Since the Speaker has graced us with his presence, I would like to ask just two brief questions, if I might, and if the gentleman feels appropriately, we have been discussing the six-point agreement the Speaker and Mr. Shultz seemed to have reached.

In the question on the first, on No. 2 where it says that we believe efforts toward that objective should be concentrated in Central America and continue to be guided primarily by Central Americans, does that mean that the offer of four Americans that the Speaker made on Friday is no longer relevant, that that is withdrawn?

Mr. WRIGHT. If the gentleman will yield.

Mr. GINGRICH. I am glad to yield to the Speaker.

Mr. WRIGHT. I am pleased that the gentleman asked that question, because there has been some confusion about that. I did not offer 4 Americans or 10 Americans or 2 Americans or any Americans.

I had been informed, and I think perhaps incorrectly, that Cardinal Obando might need or might feel the need of some additional technical assistance on the part of the U.S. people.

The question has been asked, did I know any people who are experienced in negotiating that would be able to help him. I thought of three people. I thought first of Paul Warnke and Philip Habib. Then I thought also of Tommy Loeffler. Tom is not an experienced negotiator, but he is someone who would be available and I thought perhaps if they had someone like Paul Warnke, I was not able to get hold of Philip Habib, but I was able to get hold of Paul Warnke. If they were asking for somebody, Mr. Warnke who has negotiated a number of treaties and is recognized as a Democrat might be offset and complemented, in a sense, by someone like Mr. Loeffler, who would be possibly available and could serve, but when we were in this meeting with the cardinal, I reinforced the cardinal's position that whoever was employed or engaged to assist in the effort should be people of the cardinal's choice, and that I had no desire of any kind to force anyone upon him, nor did I suppose anyone in the United States wanted to force himself or herself upon that process, and I made that very clear in the presence of Cardinal Obando and Mr. Ortega.

In addition to that, the cardinal who then had not fully made up his mind whether he would undertake this task, and he may not yet, wanted to have some expression on two or three other subjects relating to the nature of his work.

First he said, "What is expected of me? Am I just the intermediary in the sense of passing messages back and forth, or is it expected that I should be a mediator?"

The second question was, "To what degree are political questions to be considered in the context of these cease-fire talks?"

So I say, "Look, let me just express what I think to be correct in that regard. In the first place—" and I am saying this to Daniel Ortega and to the cardinal—"it seems to me," I said, "that if the cardinal is to do this and to undertake this task, he must be empowered with moral authority quite considerably greater than merely a glorified messenger boy running back and forth between two armed camps carrying messages. He must be robed with the power to make recommendations, to come with creative thoughts, with suggestions for a solution if he is to be effective."

Those suggestions are of the cardinal, those recommendations of the cardinal, have to carry respect on both sides.

The second thing I wanted to suggest, and I said, was that with regard to political discussions, I had been talking with four of the Contra leaders the day before, Mr. Calero, Mr. Robelo, Mr. Cesar, and Mr. Sanchez. I had in my pockets some notes I had made in that conversation. The cardinal was interested in whether the talks would involve political discussions. I had raised this question with the Contra leadership and they had assured me that they were not in the slightest degree interested in discussing any bartering of power sharing. They did not want to use these talks to insist that they would come back into the country if the existing government were to appoint one of their number to be Secretary of the Interior, for example, or one of them to be Secretary of Defense or something of that kind. They said they were not interested in that. They did not want to ask for any of that at all.

They said they only wanted democratic conditions, similar opportunities and similar rights to compete in elections.

I read from those notes in that meeting and then I interpolated this. In my opinion, their request and demand for similar opportunities and similar rights should be read as equal opportunities and fully equal rights to compete in elections with total guarantees of freedom of speech, freedom of press, access to the media, freedom of assembly and guarantees of all rights that should appertain to a free and fair election.

Now, those were the two points that I tried to make. Then I encouraged the cardinal to the degree that I felt that I could, and that was really my purpose in going to the meeting. I went at the cardinal's invitation and request. He is a man whom I very greatly admire. I encouraged him to undertake the mission, because I said, "I believe this is the highest calling that a person could aspire to," and, "Your Eminence," I said, "I honestly believe you are the only person in the hemisphere who ideally qualifies for it."

That was my purpose for being there. That is what I said and I hope it did some good. I am hopeful that peace will ensue.

Mr. GINGRICH. If I might ask one more question, and I want to say to the Speaker that I think on our side it is helpful to have this explanation and I think as the Speaker will remember, a number of us came to the meeting with Arias which the Speaker had originally arranged and hosted and which I think had a significant amount to do with that movement which has occurred so far.

The other concern on our side, I guess, as the Speaker's comments or agreements today with Secretary Shultz suggest, the cardinal is now beginning what the Speaker calls serious negotiations. Our concern is that we not cut off nonlethal aid to the freedom fighters during the period that they are legitimately negotiating. It would be totally unfair to put them at a disadvantage where they must surrender or be wiped out because they literally run out of resources.

As you know, a continuing resolution is coming up and a number of other opportunities. The Speaker has been very helpful in the last few weeks in maintaining the capacity of the freedom fighters to survive during the negotiations.

I did not know whether the Speaker and the Secretary were able to discuss that, but on our side, of course, a great deal of our attitude toward this whole process would be affected by the possibilities of maintaining nonlethal aid to the freedom fighters during the period of negotiations that the cardinal would be undertaking. I wonder if the Speaker might be able to comment on that?

□ 1745

Mr. WRIGHT. If the gentleman will yield, we did not discuss that subject today and I think that will be a matter for determination by the House. I do not want to think that these talks will continue for a very long time. I would like to believe that they would move swiftly and expeditiously toward a conclusion, but I would be glad to discuss that and any other matter with the gentleman from Georgia [Mr. GINGRICH] and the other gentlemen.

I do have to get back to my office now for some appointment, but I assure my colleagues that if they would like to come forward tomorrow or at any time, I would be more than happy to have them in for a meeting.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. Mr. Speaker, I yield to the gentleman from California.

Mr. DORNAN of California. In all honesty, I say to the Speaker, your schedule is such that I would like to come now and not back up your schedule more, and I would just say that I want us all to be going in the same direction, and that is as peace makers, as children of God, but if in January these Communists act like Communists and are failing, and the prisoners are still locked up, and there is only one newspaper, and there is only one little radio station broadcasting a Catholic mass and music and nothing else, and they have completely hornswoggled us, then I do not want to see Mr. Warnke or my good friend Tommy Loeffler, who I think blew it in this whole thing, and I do not want to see Mr. Habib, who is a Middle East specialist, and when we went down to Arias' swearing in on the Vice President's airplane together, he admitted to me that he knew nothing about the area, could not speak Spanish, and was having fun coming up to speed on a whole area of the world that he was totally ignorant of.

So your first three choices are choices that you struck out on, in all respect, and I would like to come back on that. I would like to have Ollie North instead of Habib, even with all his scars.

But, let us go back to your office, Mr. BURTON and myself, and the gentleman from California [Mr. DREIER], so we have three out of the six.

Let me say to my friend, the gentleman from Georgia [Mr. GINGRICH], that he throws great special orders.

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. Mr. Speaker, I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Speaker, I am going to go with my colleague from California [Mr. DORNAN] and visit with the Speaker about this issue, but I would just like to say that Phil Habib about 1½ or 2 years ago was convinced that we should abandon the Contras, and he was heading us in that direction.

I draw to the attention of the leadership, including the gentleman from New York [Mr. KEMP], who is now a candidate for President, this issue. We held kind of a summit meeting with Mr. Habib about his attitude toward the Central American problem and the Communists down there and the Contras, and Mr. Habib much to the chagrin of all assembled made some statements that we thought were inconsistent with the Reagan doctrine.

As a result, Mr. Habib was removed from his position of influence in negotiations and in the negotiation process in Central America.

I would just like to say after having Mr. Habib removed from those positions in the past, it seems like an ill-conceived idea to once again reintroduce him as a possible mediator in these very important problems and discussions that are taking place right now down there.

So I for one would just like to say that as far as Mr. Habib and Mr. Warnke are concerned, that they certainly would not be my first, second, or even my last choice as far as mediation is concerned.

Mr. GINGRICH. Reclaiming my time, I have one more thing that I was going to ask the Speaker, and I say to the gentleman from Indiana [Mr. BURTON] that as he goes to the meeting I would like to give him a document, concerning the Logan Act and private correspondence with foreign governments.

This is a text that begins,

> Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled:
>
> Any citizen of the United States, wherever he may be, who, without authority of the United States, directly or indirectly commences or carries on any correspondence or intercourse with any foreign government or any officer or agent thereof, with intent to influence the measures or conduct of any foreign government or of any officer or agent thereof, in relation to any disputes or controversies with the United States, or to defeat the measures of the United States, shall be fined not more than $5,000 or imprisoned not more than three years, or both.

This act was passed by the Founding Fathers in the 1790's and it is still law. It seems to me it was clearly violated last week.

I would say to the gentleman from Indiana [Mr. BURTON] that he might pass it to the Speaker and ask him one question which I meant to ask him, but he had to leave. The question is, Did he in discussing with the Secretary of State what happened last week, did they agree that in future meetings with Communist dictators that a member of the executive branch, as provided under the Constitution, will be in the room? Will there be some knowledge by the executive branch of the Government of the United States of what politicians are doing with Communist dictators?

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Speaker, I will take that to the Speaker and convey your sentiments, and I will ask him that question.

Mr. GINGRICH. Mr. Speaker, let me go on to say on the Logan Act, that I went back to May 1984 when the Speaker, who was then majority leader, was involved in a period of public debate over what was called the "dear comandante" letter which was the letter that 10 Members of the House had signed to Comandante Ortega back then.

The Atlanta Journal in what was a very pressing editorial on April 26 entitled "Crime and Punishment" said:

> The letter presents a dangerous trend toward self-negotiation by U.S. officials, a trend that undermines the adopted policies of the U.S. Government and further fragments American leadership. The Nation needs new stringent laws to prevent Congressmen from molding their own foreign policies. We need to reaffirm the principle that only the executive branch has the power to negotiate with foreign governments and need laws to make it a crime to intentionally undercut a policy that has been democratically adopted by the administration and the Congress.

The point I would make is that just because Secretary Shultz and this administration were not tough enough and aggressive enough during the Comandante Ortega letter, we now have the total fiasco of the Communist dictator spending Veterans Day in secret meetings with the Speaker of the House for 90 minutes with no one from the executive branch present, a second meeting the following day with no one from the executive branch present, and then the Speaker acting as he himself just said, in effect as a mediator between the cardinal and the dictator on American soil with no one from the executive branch present.

With all respect to the Speaker, he just admitted that he was in effect explaining and mediating and helping the cardinal talk to the Communist dictator.

This is madness.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. Mr. Speaker, I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding to me because the fact is that what he has just said and what he read out of the Atlanta Journal, there is a fellow who in 1960 agreed with him very much. That fellow wrote a book in 1960 called "Of Swords and Plowshares." That man was Congressman JIM WRIGHT of Texas. He wrote in that book, and I am going to quote directly because I think the gentleman will find this absolutely astounding, he wrote:

> We have one President at a time. That is all. In the councils of the world he speaks for all of us. That is his job. It is the role of the Constitution assigned him and to that task he was chosen by the American public. When he speaks to the world for America, he speaks for me. Although I did not personally vote for this President, I want every man in this House to know that he is my President. If he is embarrassed in the eyes of the world, then I am embarrassed because my country is embarrassed.

The fact is that Congressman JIM WRIGHT writing in 1960 was absolutely correct. Congressman JIM WRIGHT understood that the role of the President was defined by the Constitution and that it is a role for which the President was chosen by the American people.

It is very, very different from the role assigned to the Members of Congress, and the fact is that Speaker JIM WRIGHT has abandoned that which Congressman JIM WRIGHT said and has gone out and begun negotiations with a foreign government. As the gentleman said, that makes a mockery of the standing law of the land, the Logan Act. If in fact we want to start violating the Logan Act, maybe we ought to bring it out here and bring it up for repeal, because as long as it is the law of the land, it should be obeyed as the law of the land.

We have had an awful lot of talk by Members of this House over the last several months about how members of the executive branch thought they were above the law and did things that violated the law.

□ 1755

And yet, what we see on almost a daily basis on this floor is an attitude by Members of Congress that we, too, are above the law, we are above our own rules, we are above the law of the land. And now we even have it moving into our foreign policy and the conducting of foreign policy where we have decided that the law of the land does not apply to individual Members of Congress.

I think that the Speaker ought to go back and reread his own book, "Of Swords and Plowshares" where he said very correctly what the true posture of Members of Congress should be with regard to the conduct of foreign policy. Let me say it again. He wrote:

> We have one President at a time. That's all. In the councils of the world he speaks for all of us. That is his job. It is the role of the Constitution assigned him and to that task he was chosen by the American public.

I thank the gentleman for yielding.

Mr. GINGRICH. I want to reinforce what Congressman WRIGHT understood in the 1960's and tragically lost and forgot by the 1980's, again, part of the general decay of the House of Representatives in the last 20 years in terms of understanding the rules of the game and being effective in obeying the rules of the game. If you go back and study the act as passed in the 1790's by the Founding Fathers and you look carefully at the Logan Act and listen to the Founding Fathers it is very clear. Let me cite just a part of it.

Mr. Pinckney stated at one point in the debate:

> All power with respect to negotiations with foreign governments is placed in the hands of the Executive by the Constitution and no act of Congress can alter the Constitution.

In other words, Mr. Pinckney, who was one of the Founding Fathers, knew that the Founding Fathers had deliberately placed in the Presidency the power to deal with foreign governments. And in effect what the Speaker did last week was unconstitutional, and in my judgment clearly illegal.

Mr. Bayard, another Member of the Congress in that period, went on to say:

> The object of this law is to prevent these private interferences altogether since the Constitution has placed the power of negotiation in the hands of the Executive only. An individual may do good, but he may also do evil; and it cannot be supposed that any private person has more wisdom, or a greater desire to serve his country than the Executive of the United States.

It is very important to think about that. What the Founding Fathers were saying was precisely that no one person, not even the Speaker of the House, can arrogate to himself greater understanding of the needs of the United States than the President.

Let me reread that one part:

> It cannot be supposed that any private person has more wisdom or a greater desire to serve his country than the Executive of the United States.

Yet I would say to my colleagues, if you read the statements of Speaker WRIGHT in the last several days, his defense is that he knows better than Ronald Reagan what the President of the United States should be doing in foreign policy.

If he believes that, he has a simple remedy. He could run for President.

Mr. WALKER. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

Mr. GINGRICH. I am glad to yield to the gentleman from Pennsylvania.

PARLIAMENTARY INQUIRY

Mr. WALKER. Mr. Speaker, I have a parliamentary inquiry.

Mr. Speaker, as the gentleman from Georgia has just read, the law of the land in fact states a certain condition. Is that law under the precedents and tradition of the House binding upon the Members of the House?

The SPEAKER pro tempore (Mr. PICKETT). The Chair does not believe that is a proper parliamentary inquiry, asking for an interpretation of an existing criminal statute.

Mr. WALKER. Further parliamentary inquiry, Mr. Speaker. Is it not appropriate to ask in the House about the conduct of the House of Representatives, and does not the parliamentary body have a need to understand that which is before it in ways as to how it directly affects the Members?

The SPEAKER pro tempore. The Chair would state to the gentleman that parliamentary inquiries deal with the business of the House and the issue the gentleman raised may indeed be one for the body of the House, but not for the Chair.

Mr. WALKER. Further parliamentary inquiry, Mr. Speaker. The business of the House presently is a discussion by the gentleman from Georgia [Mr. GINGRICH] with regard to the law of the land; namely, the Logan Act. The gentleman from Georgia has cited previous debate in the House of Representatives backing up his point. The business of the House is such then that it seems to me that the obligation of Members under the law cited by the gentleman from Georgia is in fact business before the House that can be interpreted by the Chair, and all this gentleman is asking is, given what the gentleman from Georgia has told us in debate, the business before the House at the present time, this gentleman is simply making a parliamentary inquiry of whether or not the material as raised by the gentleman from Georgia is in fact binding upon the Members of the House?

The SPEAKER pro tempore. The Chair will state to the gentleman this is not a proper parliamentary inquiry for Chair to try to answer.

Mr. WALKER. I thank the gentleman from Georgia for yielding.

Mr. GINGRICH. Mr. Speaker, let me go on and develop this question because it is a very important issue, because my essential assertion is that what the Speaker has done in the last 2 weeks is clearly unconstitutional, almost certainly illegal and needs to be confronted by the House.

But let me quote the Founding Fathers in the debate on the Logan Act. Mr. Dayton, again one of the Founding Fathers, a member of that generation, came in and said:

> There may be instances of persons carrying on a correspondence with a foreign government, without saying anything relative to any dispute which may exist between the two governments, and yet influence the conduct of the foreign government toward us. He might report, for instance, that the people of the United States are divided among themselves; that they are disarmed or disorganized.

Let me suggest, as the Speaker explained, as I understood it yesterday, that he understood Central Americans better than the President; therefore, he rather than Ronald Reagan should be negotiating. That was clearly precisely what the Founding Fathers were trying to stop with the Logan Act. Who is he, never having carried a single State for President, to tell the country that he understands a Communist dictatorship better than the President of the United States? No Speaker of the House has ever in the history of this country prior to this last week ever taken it upon himself to claim that they had authority to better understand America's foreign policy than any President. And I find it certainly unconstitutional, as I said, and almost certainly illegal.

Mr. Claiborne, again a Member of the Congress during this period, said, and I quote:

> In every country, the laws of which breathe humanity and justice, the intention of an act almost always constitutes its criminality or its innocence. Our foreign relations ought doubtless to be managed by the executive department, and if any other character attempts to interfere in this business * * *.

In other words, anyone who interferes in foreign policy without the approval of the executive branch. Notice the difference that the Washington Post drew. Any American citizen can be opposed to a policy inside the United States. Any Member of Congress can be opposed to the policy in the House. But once a bill has passed the House and passed the Senate and been signed by the President, it is the foreign policy of the United States, and we do not have the right to interfere with that foreign policy, although we have every right to oppose it. And the Logan Act was an attempt in the 1790's to block precisely what Speaker WRIGHT has done in the last week.

Mr. Bayard went on:

> In order to establish a crime by this bill, what is to be proved? First, that there are disputes subsisting between the United States and the foreign nation with whom the correspondence is said to have taken place; that this intercourse has really existed; and that it was carried on with a view to influence the measures or conduct of the foreign government in relation to any disputes or controversies with the United States; and, unless all these facts are proven, the crime is not made out.

Was a crime committed? First, is there disputes between the United States and the Communist dictatorship of Nicaragua? Yes.

Second, did a correspondence or discussion take place between the Speaker of the House and a Communist dictator? Yes.

Was it carried on with a view to influencing the measures or conduct of the foreign policy? Absolutely. The Speaker personally has testified to that.

So the three standards set by Bayard for deciding whether or not the law has been broken Speaker WRIGHT has broken the law clearly, according to Mr. Bayard.

Mr. Pinckney, again a Founding Father, went on to say:

> Can it be proper, * * * when any gentleman of this country may conceive himself better informed, better instructed, or better delegated, than the President of the United States, for him to league himself with others to oppose the measures of the Government of the United States, and by this means usurp, in some degree, the powers of the Government?

Yet I would say by Mr. Pinckney's standards, one of the Founding Fathers, it is clear that Speaker WRIGHT usurped to himself the power of the U.S. Government from the President, and it is clear, without any instructions, without any coordination, without anyone from the State Department involved, that Speaker WRIGHT directly did precisely what Mr. Pinckney says, and let me quote it again:

> Conceive himself better informed, better instructed or better delegated than the President of the United States.

Imagine, Ronald Reagan carries 49 States, but Speaker WRIGHT now speaks for America. And I do not say this because I am for or against Ronald Reagan. I say this because any President in order to have a safe country has to be our leader in foreign policy.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am glad to yield to my friend, the gentleman from Pennsylvania.

Mr. WALKER. The gentleman has quoted from legislative precedents. Were those in fact the interpretations that were accepted as a part of the passage of the Logan Act?

Mr. GINGRICH. These are, as I understand it, the exact words spoken in the U.S. House of Representatives in 1799 by people who voted for the bill.

Mr. WALKER. So they are in fact the interpretations of the people who passed the bill, so therefore are the legislative history, the relevant legislative history for the bill; and the dissenters, if there were any, were in fact not people who ultimately prevailed upon passage?

Mr. GINGRICH. Exactly.

Mr. WALKER. So that the legislative history would indicate that the Logan Act means that which Mr. Pinckney and others said that it meant? Is that what the gentleman is conveying to the House?

Mr. GINGRICH. Exactly. Exactly.

Mr. WALKER. And that those who then take actions in violation of the Logan Act that also do not meet the tests put forward by Mr. Pinckney have in fact knowingly violated the law?

Mr. GINGRICH. Precisely.

Let me go on and explain for just a minute why, how strongly Pinckney felt. He went on to say:

> Whenever a person transgresses the laws of his country, he certainly does a criminal act. He would agree with gentlemen, that to procure peace for a country is generally a laudable thing; but to procure even peace, by taking the power of negotiating out of the hands of the Executive, is a usurpation of power, and therefore criminal. And when a law is passed to prevent this kind of interference, it becomes doubly criminal. He mentioned this circumstance, because the gentleman from Virginia had charged the authors of this bill with creating a new crime. It does not create a crime, but provides for the punishment of one.

Pinckney, who was a Founding Father, was saying the Constitution by itself made it a criminal act to do what Speaker WRIGHT did last week, but in fact the Logan Act was then passed to state what the penalty would be for violating that constitutional provision.

Mr. WALKER. Will the gentleman yield?

Mr. GINGRICH. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. It sounds to me as though this is something probably at least as serious, and even perhaps more serious, than violating the Boland amendment.

Mr. GINGRICH. It is very clear that compared to violating the Boland amendment this is a major crime. This is a fundamental violation of the President's ability and the Constitution to be engaged in the process of foreign policy.

Mr. WALKER. And under the Boland Act, for example, there were no penalties under the Boland Act. We simply made a statement of policy. There were no penalties in that particular case. In this particular case what we are saying is that the violation is unconstitutional and that the Logan Act provides for specific penalties against those who would take such a large step as violating the Constitution; is that the gentleman's understanding?

Mr. GINGRICH. My understanding, and I gave my copy of the bill to the gentleman from Indiana [Mr. BURTON] to take to the Speaker, but my understanding is that the Logan Act provides for 3 years in jail as a criminal penalty. That is the Logan Act passed in 1799 provides for imprisonment.

Mr. WALKER. So it is a serious violation. It is under that provision then a felony that would be committed by somebody who would violate its provisions?

Mr. GINGRICH. Let me go on and explain why they felt so strongly. Mr. Bayard said:

> A law of this kind if necessary as a barrier to guard against an arrogation of power in public factions.

Again, Mr. Bayard goes on to say:

> For anyone else to negotiate for the United States starts with an assumption that the President of the United States has failed.

And finally Mr. Bayard said:

> There could be no doubt that these ministers possessed a sincere desire to settle the existing disputes between the two countries if it could be done with honor. This was found impossible, and yet after all of this a single individual, not appointed by the administration, thinks he can accomplish what the whole Government could not do and goes to France under this idea. Can it be right that an individual should go and offer terms of peace which could have no other effect than to incite that clamor at home which the gentleman from Virginia has been pleased to say is the object of this bill, by making it appear that there is an unwillingness in the Government to make peace?
>
> But suppose a treaty of peace was negotiated by an individual thus situated and Government should not approve of it. It would be thrown out to the people as a bone of contention, the consequences of which would be that one party in the United States would say that the terms ought to be accepted and the other that they ought not. So that a rash step of this kind might involve the country in a civil war.

☐ 1810

In other words, the Founding Fathers were truly terrified, and they were dealing with revolutionary France as we were dealing with the Communist empire of the Soviet Union in Cuba and Nicaragua and the Founding Fathers were terrified that precisely by allowing random politicians to choose for themselves to become their own foreign ministers that we would so divide the country, we would so cripple the Government, we would so weaken the President that as Mr. Bayard says, "A rash step of this kind might involve this country in a civil war."

Let me say one other thing which is that our friends on the left who got up today and so piously talked about their concern for peace should read the Logan Act debate. The Founding Fathers were precisely talking about impetuous citizens who rushed off to create peace and the process may well have even crippled or even destroyed the United States of America.

I yield to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. I thank the gentleman for yielding.

PARLIAMENTARY INQUIRIES

I asked the gentleman to yield for further parliamentary inquiry.

Mr. Speaker, if it is improper for the Chair to rule on matters and interpret matters with regard to the conduct of individual Members, could the Chair tell us what the appropriate courses of action are for the House if, in fact, there is reason to believe that one of its Members and one of its officers has committed a felony?

The SPEAKER pro tempore (Mr. PICKETT). The appropriate remedy could be to proceed with the committee having jurisdiction over conduct governed by that act and request action by them concerning the Member's conduct.

In addition, you could also proceed with the committee that has jurisdiction over the official conduct of Members.

Mr. WALKER. Further parliamentary inquiry: Is there not a remedy available to the House as a whole rather than going to the individual committees?

The SPEAKER pro tempore. The House rules make appropriate provision for dealing with conduct of Members. If the gentleman is speaking of enforcement of the statute that can only be taken by appropriate authorities outside the legislative branch.

Mr. WALKER. A further parliamentary inquiry: Is the Chair telling us that if Members here have a reason to believe that a felonious act has been committed and that it has been done in violation of the Constitution, that there is no remedy available to the House of Representatives as a whole about that? That we have to depend upon the executive branch to take appropriate action?

The SPEAKER pro tempore. Rule XLIII is the rule that deals with the official conduct of Members and the House does have the authority to deal with the conduct of its Members.

Mr. WALKER. That is this gentleman's understanding.

Further parliamentary inquiry: And if it is this gentleman's understanding and perhaps this gentleman is misinformed that there are remedies available to the House as a whole beyond just the committee structures, is that not correct?

The SPEAKER pro tempore. The gentleman is correct, that the House itself would be the ultimate decisionmaker on the conduct of the Members but following normal procedure, the committees would first act on the issue before it is presented to the House as a whole.

Mr. WALKER. Well, further parliamentary inquiry: The Chair is saying under normal procedure. But this gentleman is asking whether or not there are not procedures whereby the normal procedure would be put aside and that the House as a whole would act upon the matter.

The SPEAKER pro tempore. The Chair can only respond to issues that are currently before it for decision and trying to give prospective advice is not within the province of the Chair.

Mr. WALKER. I thank the Chair. I thank the gentleman for yielding.

Mr. GINGRICH. Let me go on to quote one last statement from Mr. Bayard who played a very major role in this. He said, and I think it applies so totally here to the situation with Speaker WRIGHT and the Nicaraguan Communists that it is worth every Member of the House reading it and thinking about it. The Founding Fathers were often very wise in their thinking about how America should survive.

I quote Mr. Bayard:

> Is it possible that the gentleman from Virginia can seriously avow a belief that an individual has a right to assume this power to negotiate? For what purpose have we an executive, and foreign ministers? If any unauthorized individual may assume the power placed in them? As to this object of negotiation for peace, as he had already stated, it might be purchased at too great a price. With respect to the individual alluded to, we are in a state of darkness. Whether his object was honorable or not, we cannot tell. How far he was connected with other persons is uncertain. It must be clear to every reasonable man that a law of this kind is necessary as a barrier to guard against an arrogation of power and public factions. Is the offense proposed to be punished by this bill of crime or not? If it is, it is in the intention of Congress to define it better than it stands upon common law principles. If it is not a crime, it is the intention of Congress to make it one, since the most deplorable consequences may be prevented by it.

Let me go back to one quote that fits so perfectly with last week's secret meetings between the Communist dictator and the Speaker of the House:

> As to this object of negotiation for peace, it might be purchased at too great a price. With respect to the individual alluded to, we are in a state of darkness.

And let us be honest and candid: No member of the executive branch of the United States, of the Government of the United States, the State Department, the National Security Council, the Defense Department or of the White House in general, not a single member of the executive branch has any idea what the Speaker and the Communist dictator talked about, has any record of it, has any understanding of it. We were witnessed on Veterans Day with the extraordinary spectacle, while across America people celebrated freedom and the price paid to be free, of the Speaker of the House meeting for 90 minutes with the Communist dictator direct from Moscow in his visit with Gorbachev and Castro. And to think that the Speaker or any other single American politician could outsmart all of the senior strategists for the Soviet empire I think is an act which in itself tells us how much trouble we are in.

I yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman for yielding, just to help emphasize the gentleman's point: There is a wire story from today filed late this afternoon which makes the gentleman's point precisely. The peace plan that the Speaker talked about with Dictator Ortega was termed by a State Department official as "terms for surrender for the freedom fighters in that country." That official said, and I quote:

> It is a dictated term of surrender both in substance and in tone. Neither side is going to negotiate away its existence. That is what the Sandinista proposal does.

In another place he terms the ceasefire zones that were in that plan as traps for the rebel force. That is what was being discussed. It was a one-sided proposal designed to totally obliterate the freedom fighters in Nicaragua. And that hardly goes down the road toward peace. The Speaker's good intentions notwithstanding, and it is obvious from what he told us on the floor here earlier that he did have good intentions, the fact is that what he helped do was promote a plan that amounts to terms of surrender for the people who are fighting for their freedom in Nicaragua.

Mr. GINGRICH. Well, I think Neville Chamberlain proved for every student of history that in trying to deal with Adolf Hitler he simply did not understand what he was doing and the result was the disaster, the collapse of Czechoslovakia and World War II. I think the Speaker clearly, whether he intended to or not, violated the Logan Act, that he clearly violated the Constitution of the United States, that he clearly engaged in negotiations involving a Communist dictatorship without anyone from the executive branch being involved. I think it is a very serious matter and I think it is the obligation of this House to investigate it, to insist on a full and thorough report of all of those meetings and any other conversations and phone calls that have been going on. This House and the people of the United States have a right to know what has the Speaker of the House been saying to Communist

dictatorships. What has the Speaker of the House been saying to their Communist ambassadors in Washington? And exactly what has been going on in the secret meetings in which I think clearly the fate of the United States and the fate of our allies is threatened by having two foreign policies, one constitutional under the President and one unconstitutional under the Speaker?

CONFERENCE REPORT ON H.R. 1748

Mr. ASPIN submitted the following conference report and statement on the bill (H.R. 1748) to authorize appropriations for fiscal year 1988 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for fiscal year 1988 for the Armed Forces, to authorize appropriations for fiscal year 1989 for certain specified activities of the Department of Defense, and for other purposes:

CONFERENCE REPORT (H. REPT. 100-446)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1748) to authorize appropriations for fiscal year 1988 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for fiscal year 1988 for the Armed Forces, to authorize appropriations for fiscal year 1989 for certain specified activities of the Department of Defense, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. SHORT TITLE

This Act may be cited as the "National Defense Authorization Act for Fiscal Years 1988 and 1989".

SEC. 2. ORGANIZATION OF ACT INTO DIVISIONS

This Act is divided into three divisions as follows:

(1) Division A—Department of Defense Authorizations.

(2) Division B—Military Construction Authorizations.

(3) Division C—Other National Defense Authorizations.

SEC. 3. ALTERNATIVE AUTHORIZATION LEVELS FOR FISCAL YEAR 1988

(a) GENERAL EXPLANATION.—(1) This Act authorizes funds for national defense functions of the Government (budget function 050) for fiscal year 1988 based upon two alternative levels of new budget authority provided for those functions through congressional budget procedures. In section 3(b)(1) of the concurrent resolution on the budget for fiscal year 1988 (House Concurrent Resolution 93 of the One Hundredth Congress), Congress determined and declared that the appropriate level of new budget authority for national defense for fiscal year 1988 is $296,000,000,000. This Act authorizes funds based upon that determination and declaration and the assumption that that level of budget authority is available to be appropriated.

(2) Section 5(a)(1) of the concurrent resolution reserved $7,000,000,000 of that amount for subsequent allocation upon enactment of a reconciliation bill, leaving a level of $289,000,000,000 immediately available for appropriation. This Act authorizes alternative levels of funds based upon that budget authority amount.

(b) PRESENTATION OF ALTERNATIVE LEVELS.—Whenever a dollar amount specified in this Act is to be provided in a different amount based upon which level of new budget authority described in subsection (a) is applicable, two different dollar amounts are shown, the second being set forth in parentheses immediately after the first. The first amount is based upon the budget authority level of $296,000,000,000; the second (in parentheses) is based upon the budget authority level of $289,000,000,000.

(c) RULE FOR DETERMINATION.—The dollar amounts specified in this Act that are to be effective are those based upon the budget authority level of $296,000,000,000. However, if as of the date of the enactment of this Act there has not been enacted a reconciliation bill or other legislation that results in the availability of a level of new budget authority for national defense functions of the Government (budget function 050) for fiscal year 1988 in any amount greater than $289,000,000,000, then until such legislation is enacted the dollar amounts specified in this Act that are to be effective are those based upon the budget authority level of $289,000,000,000.

SEC. 4. COMPLIANCE WITH BUDGET RESOLUTION

Amounts appropriated pursuant to authorizations of appropriations in this Act for fiscal year 1988—

(1) may not exceed an aggregate amount of $295,943,600,000 ($288,943,600,000); and

(2) may not exceed such aggregate amount as results in new outlays during fiscal year 1988 that are attributable to authorizations contained in this Act for national defense functions of the Government (budget function 050) in an aggregate amount of $172,948,400,000 ($167,048,500,000).

SEC. 5. EXPIRATION OF AUTHORIZATIONS FOR FISCAL YEAR 1989

Authorizations of appropriations and of personnel strength levels in this Act for fiscal year 1989 are effective only with respect to appropriations made during the first session of the One Hundredth Congress.

SEC. 6. TABLE OF CONTENTS

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Organization of Act into divisions.
Sec. 3. Alternative authorization levels for fiscal year 1988.
Sec. 4. Compliance with budget resolution.
Sec. 5. Expiration of authorizations for fiscal year 1989.
Sec. 6. Table of contents.

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

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Sec. 102. Navy and Marine Corps.
Sec. 103. Air Force.
Sec. 104. Defense agencies.
Sec. 105. Reserve components.
Sec. 106. Milestone authorizations for procurement programs.
Sec. 107. Authorization of funds for chemical demilitarization program.
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Sec. 109. Extension of authority provided Secretary of Defense in connection with the NATO AWACS program.

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Sec. 111. Army programs.
Sec. 112. Navy provisions.
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Sec. 121. Advanced Technology Bomber program.
Sec. 122. Report on condition of certain C-130 aircraft.
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Sec. 126. Withdrawal of European chemical stockpile.
Sec. 127. Selected Acquisition Reports for certain programs.
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TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

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Sec. 201. Authorization of appropriations.
Sec. 202. Limitation of funds for the Army.
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Sec. 208. One-year United States moratorium on testing antisatellite weapons.

PART B—PROGRAM POLICIES

Sec. 211. Navy attack submarine program.
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Sec. 216. Milestone authorizations.
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Sec. 218. High-temperature superconductivity program.
Sec. 219. Training in advanced manufacturing technologies.
Sec. 220. Sense of Congress on strategic missile modernization programs.

PART C—STRATEGIC DEFENSE INITIATIVE

SUBPART 1—SDI FUNDING AND PROGRAM LIMITATIONS AND REQUIREMENTS

Sec. 221. Fiscal year 1988 funding level for the Strategic Defense Initiative.
Sec. 222. Prohibition of certain contracts with foreign entities.
Sec. 223. Limitation on transfer of SDI technology to Soviet Union.
Sec. 224. SDI architecture to require human decision making.
Sec. 225. Development and testing of anti-ballistic missile systems or components.

Sec. 226. Prohibition on deployment of antiballistic missile system unless authorized by law.
Sec. 227. Establishment of a federally funded research and development center to support the Strategic Defense Initiative program.

SUBPART 2—REPORT REQUIREMENTS

Sec. 231. Annual report on SDI programs.
Sec. 232. Report on SDI development plans and costs.
Sec. 233. Report on how absence of the ABM Treaty would affect strategic offensive and defensive programs.
Sec. 234. Report on allocation of FY88 funding.

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Sec. 241. Fiscal year 1988 funding limitation.
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Sec. 252. Lincoln Laboratory improvement project.
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DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

PART A—FUNDING AUTHORIZATIONS

SEC. 101. ARMY

(a) AIRCRAFT.—Funds are hereby authorized to be appropriated for procurement of aircraft for the Army as follows:

(1) $2,864,667,000 ($2,786,582,000) for fiscal year 1988.

(2) $2,422,642,000 for fiscal year 1989.

(b) MISSILES.—Funds are hereby authorized to be appropriated for procurement of missiles for the Army as follows:

(1) $2,425,875,000 ($2,355,875,000) for fiscal year 1988.

(2) $2,231,368,000 for fiscal year 1989.

(c) WEAPONS AND TRACKED COMBAT VEHICLES.—Funds are hereby authorized to be appropriated for procurement of weapons and tracked combat vehicles for the Army as follows:

(1) $3,435,137,000 for fiscal year 1988.

(2) $1,846,250,000 for fiscal year 1989.

(d) AMMUNITION.—Funds are hereby authorized to be appropriated for procurement of ammunition for the Army as follows:

(1) $2,397,938,000 ($2,215,638,000) for fiscal year 1988.

(2) $2,104,649 for fiscal year 1989.

(e) OTHER PROCUREMENT.—Funds are hereby authorized to be appropriated for other procurement for the Army as follows:

(1) $5,494,504,000 ($5,478,204,000) for fiscal year 1988 as follows:

For tactical and support vehicles, $942,560,000.

For communications and electronics equipment, $3,353,166,000 ($3,345,166,000).

For other support equipment, $1,183,478,000.

(2) $2,794,389,000 for fiscal year 1989.

SEC. 102. NAVY AND MARINE CORPS

(a) AIRCRAFT.—(1) Funds are hereby authorized to be appropriated for procurement of aircraft for the Navy as follows:

(A) $9,604,987,000 ($8,610,118,000) for fiscal year 1988.

(B) $5,591,525,000 for fiscal year 1989.

(2) Of the funds appropriated or otherwise made available for procurement of aircraft for the Navy for fiscal year 1988:

(A) $5,387,322,000 ($4,956,739,000) is available only for combat aircraft programs as follows:

For the A-6E program, $376,610,000 ($0).

For the EA-6B program, $521,571,000.

For the F-14A/D program, $873,848,000.

For the FA-18 program, $2,580,222,000.

For the SH-60B program, $197,614,000 ($143,641,000).

For the SH-60F program, $329,961,000.

For the long-range air ASW capable aircraft program, $80,200,000.

For the E-2C program, $427,296,000.

(B) $833,193,000 ($800,493,000) is available only for modification of aircraft programs as follows:

For the A-6 series, $219,651,000.

For the H-2 series, $45,108,000.

For the P-3 series, $172,865,000.

For the S-3 series, $142,522,000.

For the ES-3 series, $115,200,000.

For the E2 series, $71,139,000 ($38,439,000).

For common electronic countermeasures (ECM) equipment, $66,708,000.

(b) WEAPONS.—(1) Funds are hereby authorized to be appropriated for fiscal year 1988 in the total amount of $5,989,023,000 ($5,857,023,000) for procurement of weapons (including missiles and torpedoes) for the Navy as follows:

(A) For missile programs, $5,372,891,000 ($5,240,891,000).

(B)(i) For torpedo programs, $462,864,000, as follows:

For the MK-48 torpedo program, $243,444,000.

For the MK-50 Advanced Lightweight Torpedo program, $108,402,000.

For the MK-30 mobile target program, $31,495,000.

For the antisubmarine rocket (ASROC) program, $9,522,000.

For the modification of torpedoes and related equipment, $16,015,000.

For the torpedo support equipment program, $33,348,000.

For the antisubmarine warfare range support program, $20,638,000.

(ii) The sum of the amounts authorized for torpedo programs under this subparagraph is reduced by $78,000,000 in order to meet the total amount authorized to be appropriated set forth at the beginning of this subparagraph.

(C) For other weapons, $101,540,000, of which $28,023,000 is for the MK-15 close-in weapon system program.

(D) For spares and repair parts, $129,728,000.

(2) Funds are hereby authorized to be appropriated for fiscal year 1989 in the amount of $3,261,068,000 for procurement of weapons (including missiles and torpedoes) for the Navy.

(c) SHIPBUILDING AND CONVERSION.—(1) Funds are hereby authorized to be appropriated for shipbuilding and conversion for the Navy as follows:

(A) $9,530,427,000 for fiscal year 1988.

(B) $8,529,700,000 for fiscal year 1989.

(2) Amounts authorized under paragraph (1) are available for shipbuilding and conversion programs as follows:

For the Trident submarine program, $1,290,800,000 for fiscal year 1988 and $1,398,300,000 for fiscal year 1989.

For the CVN aircraft carrier program, $644,000,000 for fiscal year 1988 and $797,000,000 for fiscal year 1989.

For the SSN-688 nuclear attack submarine program, $1,676,900,000 for fiscal year 1988 and $1,527,800,000 for fiscal year 1989.

For the SSN-21 nuclear attack submarine program, $257,600,000 for fiscal year 1988.

For the aircraft carrier service life extension program (SLEP), $729,755,000 for fiscal year 1988.

For the CG-47 Aegis cruiser program, $3,328,900,000 for fiscal year 1988 and $825,000,000 for fiscal year 1989.

For the DDG-51 guided missile destroyer program, $5,500,000 for fiscal year 1988 and $2,929,100,000 for fiscal year 1989.

For the LHD-1 amphibious assault ship program, $752,900,000 for fiscal year 1988 and $741,100,000 for fiscal year 1989.

For the LSD-41 cargo variant program, $324,200,000 for fiscal year 1988.

For the TAO-187 fleet oiler program, $279,100,000 for fiscal year 1988 and $256,400,000 for fiscal year 1989.

For the strategic sealift program, $43,400,000 for fiscal year 1988.

For the TAGOS-SWATH Ocean Surveillance Ship program, $96,500,000 for fiscal year 1988.

For the AO (Jumbo) conversion program, $44,100,000 for fiscal year 1988.

For the landing craft, air cushion program, $33,700,000 for fiscal year 1988.

For the TACS auxiliary crane ship program, $53,100,000 for fiscal year 1988 and $55,000,000 for fiscal year 1989.

For service craft, $12,500,000 for fiscal year 1988.

For outfitting and post delivery, $328,800,000 for fiscal year 1988.

The sum of the amounts authorized for programs under this subsection for fiscal year 1988 is reduced by $371,328,000 in order to meet the total amount authorized to be appropriated for that fiscal year in paragraph (1).

(3) There are hereby authorized to be transferred to shipbuilding and conversion programs for the Navy for fiscal year 1988 pursuant to the authorizations of appropriations in paragraph (1), to the extent provided in appropriation Acts and without extension of the period of the availability of such amounts for obligation, amounts appropriated for fiscal years before fiscal year 1988 for shipbuilding and conversion for the Navy and remaining available for obligation in the total amount of $371,328,000 as follows:

From the Trident submarine program for fiscal year 1984, $58,879,000.

From the Trident submarine program for fiscal year 1985, $19,383,000.

From the Trident submarine program for fiscal year 1987, $68,060,000.

From the TAK cargo ship program for fiscal year 1984, $784,000.

From the SSN-688 attack submarine program for fiscal year 1987, $30,000,000.

From the aircraft carrier service life extension program for fiscal year 1985, $48,000,000.

From the battleship reactivation program for fiscal year 1984, $5,000,000.

From the CG-47 Aegis carrier program for fiscal year 1984, $6,500,000.

From the CG-47 Aegis carrier program for fiscal year 1987, $52,400,000.

From the LSD-41 amphibious assault ship program for fiscal year 1985, $4,000,000.

From the LSD-41 amphibious assault ship program for fiscal year 1986, $1,300,000.

From the LHD-1 amphibious assault ship program for fiscal year 1986, $3,100,000.

From the TAO fleet oiler program for fiscal year 1984, $5,943,000.

From the AOE fast combat support ship program for fiscal year 1987, $1,900,000.

From the TAKR program for fiscal year 1984, $1,596,000.

From the TACS crane ship conversion program for fiscal year 1985, $2,009,000.

From the TACS crane ship conversion program for fiscal year 1987, $7,703,000.

From the service craft program for fiscal year 1984, $10,397,000.

From the service craft program for fiscal year 1986, $5,100,000.

From the service craft program for fiscal year 1987, $13,900,000.

From the landing craft program for fiscal year 1987, $19,000,000.

From outfitting and post delivery for fiscal year 1984, $6,374,000.

(d) Other Procurement, Navy.—(1) Funds are hereby authorized to be appropriated for other procurement for the Navy as follows:

(A) $5,321,592,000 ($5,207,103,000) for fiscal year 1988.

(B) $1,082,048,000 for fiscal year 1989.

(2) Amounts appropriated pursuant to paragraph (1) for fiscal year 1988 shall be available for as follows:

For the ship support equipment program, $869,716,000.

For the communications and electronics equipment program, $1,809,417,000.

For aviation support equipment, $815,315,000 ($734,815,000).

For the ordnance support equipment program, $894,542,000.

For programs for civil engineering support equipment, supply support equipment, and personnel/command support equipment, a total of $623,776,000 ($589,787,000).

For spares and repair parts, $308,826,000.

(3) There are hereby authorized to be transferred to other procurement programs for the Navy for fiscal year 1988 pursuant to the authorizations of appropriations in paragraph (1), to the extent provided in appropriation Acts and without extension of obligational availability, amounts appropriated for fiscal years before fiscal year 1988 for other procurement for the Navy and remaining available for obligation in the total amount of $36,541,000 as follows:

From the electronically suspended gyro navigation program for fiscal year 1986, $1,410,000.

From the vertical launch system (surface) program for fiscal year 1986, $907,000.

From the quick strike program for fiscal year 1986, $1,851,000.

From the amphibious equipment program for fiscal year 1986, $864,000.

From the production support facility program for fiscal year 1987, $11,095,000.

From the crush/MIX/patch/pave equipment program for fiscal year 1987, $1,225,000.

From the drill/blast equipment program for fiscal year 1987, $109,000.

From the miscellaneous construction/maintenance equipment program for fiscal year 1987, $2,085,000.

From the weight handling equipment program for fiscal year 1987, $2,113,000.

From the computer acquisition program for fiscal year 1987, $14,882,000.

(4) Of the amounts appropriated pursuant to paragraph (1) for fiscal year 1989, $89,064,000 shall be available for the communications and electronics equipment program.

(e) Procurement, Marine Corps.—Funds are hereby authorized to be appropriated for procurement (including missiles, tracked combat vehicles, and other weapons) for the Marine Corps in amounts as follows:

(1) $1,333,575,000 ($1,330,546,000) for fiscal year 1988.

(2) $451,415,000 for fiscal year 1989.

SEC. 103. AIR FORCE

Funds are hereby authorized to be appropriated for procurement for the Air Force as follows:

(1) For aircraft:

(A) $13,224,331,000 ($12,689,331,000) for fiscal year 1988.

(B) $7,577,436,000 for fiscal year 1989.

(2) For missiles:

(A) $7,513,544,000 ($7,229,862,000) for fiscal year 1988.

(B) $2,214,719,000 for fiscal year 1989.

(3) For other procurement for fiscal year 1988, $8,422,866,000 ($8,243,504,000), of which—

(A) $687,647,000 ($656,347,000) is for munitions and associated support equipment;

(B) $239,074,000 is for vehicular equipment;

(C) $2,190,221,000 ($2,071,559,000) is for electronics and telecommunications equipment; and

(D) $5,316,924,000 ($5,287,524,000) is for other base maintenance and support equipment.

(4) For other procurement, $2,742,725,000 for fiscal year 1989, of which—

(A) $627,006,000 is for munitions and associated support equipment;

(B) $219,198,000 is for vehicle equipment;

(C) $1,314,782,000 is for electronics and communications; and

(D) $581,739,000 is for other base maintenance and support equipment.

SEC. 104. DEFENSE AGENCIES

Funds are hereby authorized to be appropriated for fiscal year 1988 for the Defense Agencies in the amount of $1,293,312,000 ($1,288,371,000).

SEC. 105. RESERVE COMPONENTS

(a) Authorization of Appropriations.—Funds are hereby authorized to be appropriated for fiscal year 1988 for procurement of aircraft, vehicles, communications equipment, and other miscellaneous equipment for the reserve components of the Armed Forces as follows:

For the Army National Guard, $125,000,000 ($60,000,000).

For the Air National Guard, $258,000,000.

For the Army Reserve, $90,000,000.

For the Air Force Reserve, $165,000,000.

For the Navy Reserve, $25,000,000.

For the Marine Corps Reserve, $40,000,000.

(b) Authorizations in Addition to Other Amounts.—The authorizations of appropriations contained in subsection (a) are in addition to any other amount authorized to be appropriated by this or any other Act.

SEC. 106. MILESTONE AUTHORIZATIONS FOR PROCUREMENT PROGRAMS

(a) Mobile Subscriber Equipment.—(1) Of the amounts appropriated for other procurement for the Army for fiscal years 1988 and 1989 for communications and electronic equipment, $1,019,800,000 of the amount appropriated for fiscal year 1988 and $995,700,000 of the amount appropriated for fiscal year 1989 may be obligated only for the Mobile Subscriber Equipment program.

(2) Funds are hereby authorized to be appropriated for other procurement for the Army for the Mobile Subscriber Equipment program as follows:

(A) $976,200,000 for fiscal year 1990.

(B) $360,000,000 for fiscal year 1991.

(b) Army Tactical Missile System.—(1) Of the amounts appropriated for procurement of missiles for the Army for fiscal years 1988 and 1989, $16,925,000 of the amount appropriated for fiscal year 1988 and $81,300,000 of the amount appropriated for fiscal year 1989 may be obligated only for the Army Tactical Missile System.

(2) Funds are hereby authorized to be appropriated for procurement of missiles for the Army for the Army Tactical Missile System as follows:

(A) $158,200,000 for fiscal year 1990.

(B) $209,000,000 for fiscal year 1991.

(C) $88,200,000 for fiscal year 1992.

(c) Trident II Missile.—(1) Of the amounts appropriated for procurement of weapons for the Navy for fiscal years 1988 and 1989, $2,251,331,000 of the amount appropriated for fiscal year 1988 and $2,227,100,000 of the amount appropriated for fiscal year 1989 may be obligated only for the Trident II missile program. In achieving any undistributed reduction required to be made in programs, projects, or activities for which funds have been appropriated to the Department of Defense for fiscal year 1988, no reduction may be made

in the amount of funds available for the Trident II missile program.

(2) Funds are hereby authorized to be appropriated for procurement of weapons for the Navy for the Trident II missile as follows:

(A) $2,215,000,000 for fiscal year 1990.

(B) $2,090,500,000 for fiscal year 1991.

(C) $1,977,000,000 for fiscal year 1992.

(d) T-45 Training System.—(1) Of the amounts appropriated for procurement of aircraft for the Navy for fiscal years 1988 and 1989 $358,210,000 of the amount appropriated for fiscal year 1988 and $403,466,000 of the amount appropriated for fiscal year 1989 may be obligated only for the T-45 Training System.

(2) Funds are hereby authorized to be appropriated for procurement of aircraft for the Navy for the T-45 Training System as follows:

(A) $437,700,000 for fiscal year 1990.

(B) $596,300,000 for fiscal year 1991.

(C) $652,300,000 for fiscal year 1992.

(e) Application of Section 2437 of Title 10.—Programs referred to in subsections (a) through (d) are defense enterprise programs for the purpose of section 2437 of title 10, United States Code.

SEC. 107. AUTHORIZATION OF FUNDS FOR CHEMICAL DEMILITARIZATION PROGRAM

Funds are hereby authorized to be appropriated to the Secretary of Defense for fiscal year 1988 for the destruction of lethal chemical agents and munitions in accordance with section 1412 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 747), in the amount of $125,100,000, of which—

(1) $94,100,000 shall be for operation and maintenance;

(2) $11,500,000 shall be for research, development, test and evaluation; and

(3) $19,500,000 shall be for procurement.

SEC. 108. AUTHORIZED MULTIYEAR CONTRACTS

(a) Army.—Subject to subsection (d)(1), the Secretary of the Army may enter into multiyear contracts in accordance with section 2306(h) of title 10, United States Code, for procurement of the following:

(1) High-Mobility Multipurpose Wheeled Vehicle program.

(2) AN/ALQ-136 jammer.

(3) TOW 2 Missile (for the Army and Marine Corps).

(b) Navy.—(1) Subject to subsection (d)(2), the Secretary of the Navy may enter into a multiyear contract under section 2306(h) of title 10, United States Code, for the Hawk Missile System.

(2) If by January 1, 1988, legislation described in section 3(c) has not been enacted, the Secretary of the Navy shall enter into a five-year multiyear contract under section 2306(h) of title 10, United States Code, for procurement of 420 FA-18 aircraft.

(c) Air Force.—Subject to subsection (d)(1), the Secretary of the Air Force may enter into a multiyear contract under section 2306(h) of title 10, United States Code, for the Defense Meteorological Satellite Program.

(d) Conditions.—(1) A multiyear contract authorized by subsection (a), (b)(2), or (c) may not be entered into unless the anticipated cost over the period of the contract is no more than 88 percent of the anticipated cost of carrying out the same program through annual contracts.

(2) A multiyear contract authorized by subsection (b)(1) may not be entered into unless the anticipated cost over the period of the contract is no more than 88 percent of the average cost incurred for the same system procured with funds appropriated for fiscal year 1986 and fiscal year 1987. For purposes of this paragraph, the average cost for the system in those fiscal years may be increased by the average percentage inflation increase for missile procurement during those fiscal years.

SEC. 109. EXTENSION OF AUTHORITY PROVIDED SECRETARY OF DEFENSE IN CONNECTION WITH THE NATO AWACS PROGRAM

Effective as of October 1, 1987, section 103(a) of the Department of Defense Authorization Act, 1982 (Public Law 97-86; 95 Stat. 1100), is amended by striking out "fiscal year 1987" both places it appears and inserting in lieu thereof "fiscal years 1988 and 1989".

Part B—Program Requirements, Restrictions, and Limitations

SEC. 111. ARMY PROGRAMS

(a) AHIP Scout Helicopter.—Funds appropriated or otherwise made available for fiscal year 1988 for advance procurement of AHIP aircraft may not be obligated unless the Secretary of Defense, based on operational test results, determines that the AHIP aircraft is the most cost-effective scout helicopter available to the Army and certifies that determination to the Committees on Armed Services of the Senate and House of Representatives.

(b) Stinger Missile.—Section 107(e) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3827) is repealed.

(c) RDX Facility.—The Secretary of the Army may award one or more contracts, in advance of appropriations therefor, for the design and construction of an RDX manufacturing plant if each such contract limits the amount of payments that the United States is obligated to make under such contract to the amount of appropriations available, at the time such contract is awarded, for obligation under such contract. Such design and construction may be accomplished by using one-step turn-key selection procedures, or other competitive contracting methods.

(d) Forward Area Air Defense Heavy System.—(1) Funds appropriated or otherwise made available for the Army for procurement may not be obligated or expended for the procurement of any air defense system submitted to the Army for evaluation in response to any Army request for proposal for the Forward Area Air Defense Line-of-Sight Forward-Heavy (LOS-F-H) system unless the Secretary of Defense certifies to Congress that the system has met or exceeded full system requirements.

(2) For purposes of paragraph (1), the term "full system requirements" means the most stringent system requirements specified by any request for proposal for accuracy, range (detection, tracking and engagement), reaction time, and operations in the presence of electronic countermeasures.

(3) The Secretary of the Army may not obligate funds for advance procurement of the system referred to in paragraph (1) until—

(A) the operational tests of the system are completed and the Secretary of Defense reports to the Committees on Armed Services of the Senate and the House of Representatives on the results of such testing and the evaluation of such testing;

(B) the Secretary of Defense certifies to those committees that the system satisfactorily demonstrates that it meets or exceeds all of the operational performance criteria established for the system;

(C) the Director of Operational Test and Evaluation of the Department of Defense submits to the Secretary of Defense and those committees a report giving the Director's evaluation of the results of such testing and evaluation; and

(D) the Comptroller General submits a report to those committees giving his assessment of the operational tests and the system performance.

(e) A-6 Aircraft Configuration.—None of the funds appropriated for the procurement of aircraft for the Navy for fiscal year 1988 or 1989 may be obligated or expended for procurement of any A-6 aircraft configured in the F model configuration (as described in connection with the A-6E/A-6F aircraft program in the Selected Acquisition Report submitted to Congress for the quarter ending December 31, 1986).

SEC. 112. NAVY PROVISIONS

(a) H-53 Super Stallion Helicopter Aircraft.—(1) Of the amount appropriated for procurement of aircraft for the Navy for fiscal year 1988, $25,000,000 shall be available only for safety-related modifications of the H-53 series aircraft.

(2) Of the amount appropriated for the Navy for fiscal year 1988 for the procurement of H-53 aircraft, not more than 30 percent of such funds may be obligated until the Secretary of the Navy submits to Congress a report containing the preliminary results of dynamic structural tests on the H-53 aircraft and the recommendations of the Secretary regarding the advisability of continuing procurement of such aircraft.

(3) The Secretary of the Navy may not accept delivery of any Super Stallion C/MH-53E helicopter contracted for using funds appropriated for a fiscal year after fiscal year 1987 unless the helicopter incorporates design changes to improve flight stability that are approved by the Secretary of the Navy based upon recommendations resulting from the flight stability deficiency correction program for such helicopter being carried out as of May 18, 1987.

(b) P-3 Aircraft.—From funds appropriated or otherwise made available for procurement of aircraft for the Navy or for procurement for the reserve components for fiscal year 1988, the Secretary of the Navy may not obligate more than a total of $207,011,000 for—

(1) procurement of P-3C aircraft; and

(2) modifications to existing P-3 aircraft.

(c) Land-Based Tankers.—Funds appropriated or otherwise made available for the Navy may not be obligated or expended for the purpose of acquiring or operating land-based tanker aircraft unless the Secretary of Defense certifies to Congress that the Department of the Air Force cannot support the requirements of the Navy for land-based tanker aircraft. For the purposes of this section, the KC-130T aircraft operated by the Marine Corps is not considered a land-based tanker aircraft.

(d) OBOGS System.—Any aircraft procured under the F-14D aircraft program using funds made available for fiscal year 1988, and any aircraft procured under the FA-18 aircraft program using funds made available for fiscal year 1989, shall be configured to incorporate an On Board Oxygen Generating System (OBOGS).

(e) Lease or Charter of New Tankers.—Subject to section 2401 of title 10, United States Code, the Secretary of the Navy may enter into long-term leases and charters for military useful tanker vessels constructed in the United States.

SEC. 113. AIR FORCE PROVISIONS

(a) T-46 Funds.—(1) Funds appropriated for procurement of aircraft for the Air Force that were originally provided for the terminated T-46 program (as such funds are described in paragraph (2)) shall, to the extent provided in appropriation Acts, be made available for aircraft programs of the Navy as described in paragraph (3) and may not be used for any other purpose.

(2) Funds to be made available for the purposes described in paragraph (3) are as follows:

(A) $149,000,000 appropriated for fiscal year 1986.

(B) $151,000,000 appropriated for fiscal year 1987.

(3) Funds provided for Navy aircraft programs under this subsection shall be used as follows:

(A) $146,700,000 for procurement of EA6-B Prowler aircraft.

(B) $4,900,000 for advance procurement of EA-6B Prowler aircraft.

(C) $12,600,000 for EA-6B spares.

(D) $42,400,000 for A-6 aircraft modifications.

(E) $48,700,000 ($38,439,000) for E-2 aircraft modifications.

(4) Funds appropriated or otherwise made available for the Air Force for fiscal years 1986 and 1987 may not be obligated or expended for procurement of the T-46 aircraft (other than those aircraft under contract on the date of the enactment of this Act for lot one aircraft) or in connection with a competition for trainer aircraft.

(b) Transfer of Other Procurement Air Force Funds.—Of funds appropriated for other procurement for the Air Force for fiscal year 1987 that are available for the BDU-50 practice bomb, $8,000,000 shall, to the extent provided in appropriations Acts, be made available for other procurement for the Navy for fiscal year 1988 and shall be used only for procurement of BDU-45 practice bombs.

(c) PAVE Tiger System.—The amount of $95,800,000 authorized for research, development, test, and evaluation for the Air Force for fiscal year 1985 for which funds were appropriated is hereby reauthorized for procurement of the PAVE Tiger System, and such funds may not be used for any other purpose.

(d) Ground Collision Avoidance Systems for Transport Aircraft.—(1) Except as provided by paragraph (2), any transport aircraft purchased or modified using funds provided to the Department of Defense for fiscal year 1988 for procurement of aircraft shall, as acquired or modified, be equipped with ground collision avoidance systems.

(2) The limitation in paragraph (1) does not apply to the following cases:

(A) The modification of aircraft for Special Operations Forces.

(B) The purchase or modification of aircraft already equipped with ground collision avoidance capabilities comparable or superior to those required under paragraph (1).

(C) The purchase or modification of aircraft undergoing modifications on the date of the enactment of this Act if, in a given case, the interruption of the modification schedule would result in either increased costs or production breaks.

(3) Not later than February 1, 1988, the Secretary of the Air Force shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report setting forth the Secretary's plan for the purchase or modification of transport aircraft equipped with ground collision avoidance systems as required by paragraph (1).

(e) A-7 Close Air Support Aircraft.—(1) Funds appropriated or otherwise made available to the Air Force for fiscal year 1988 for procurement of aircraft may not be obligated for the procurement of equipment, facilities, or services for the modification of A-7 aircraft under the A-7 Plus program in excess of $10,000,000 until—

(A) the Secretary of Defense certifies to Congress, in writing, that—

(i) obligation of funds for such procurement will not adversely affect full and open competition in the A-7 close air support program; and

(ii) the A-7 plus aircraft is the most cost-effective alternative for modernizing existing close air support and battlefield air interdiction assets of the Department of Defense and contributing to meeting the requirements relating to close air support and battlefield air interdiction established by the Secretary of Defense;

(B) the results of the vulnerability study required by the Secretary of Defense with respect to that aircraft demonstrate that the upgraded A-7 plus aircraft meets the vulnerability requirements for that aircraft established by the Secretary;

(C) the Secretary of Defense submits the report required by paragraph (2); and

(D) a period of 10 calendar days expires after the date on which that report is received.

(2) Not later than October 1, 1988, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report containing a master plan for meeting the requirements established by the Secretary relating to close air support and battlefield air interdiction. The master plan submitted—

(A) must have been approved by the Under Secretary of Defense for Acquisition; and

(B) shall specify the requirements with respect to equipment, costs, schedule, and acquisition strategy and the roles for active and reserve forces in each of the Armed Forces under the jurisdiction of the Secretary for meeting those requirements.

(f) T-37 Modification.—(1) Funds appropriated or otherwise made available to the Air Force for fiscal year 1988 for procurement of aircraft may not (except as provided under paragraph (3)) be obligated for the T-37 modification program until—

(A) the Secretary of Defense submits the report required by paragraph (2); and

(B) a period of 10 calendar days expires after the date on which that report is received.

(2) Not later than February 1, 1988, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report containing a master plan for meeting the requirements of the Air Force for undergraduate pilot training. The master plan submitted—

(A) must have been approved by the Under Secretary of Defense for Acquisition;

(B) shall specify the requirements with respect to equipment, costs, schedule, and acquisition strategy for meeting those requirements of the Air Force; and

(C) shall address the most cost-effective means for meeting those requirements, including the feasibility of joint service programs.

(3) The limitation in paragraph (1) does not apply with respect to the obligation of funds for a modification solely related to flight safety purposes, but such funds may not be obligated for such a modification until the Secretary of Defense submits a certification in writing to the committees named in paragraph (2) that the modification for which the funds are to be obligated is a modification solely related to flight safety purposes.

Part C—Miscellaneous Provisions

SEC. 121. ADVANCED TECHNOLOGY BOMBER PROGRAM

(a) Establishment of Cost, Performance, and Management Initiative.—The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, shall establish an initiative for maintaining cost discipline, contractor performance discipline, and management discipline within the Advanced Technology Bomber program.

(b) Required Elements of Initiative.—The initiative under subsection (a) shall include the following elements:

(1) The creation of a management plan for the program under which decisions to commit to specified levels of production are linked to progress in meeting specified program milestones, including testing milestones.

(2) The creation of a program for promoting greater interaction on management and performance issues between the prime contractor and major program subcontractors.

(3) The establishment of a senior management review group to report directly to the Under Secretary of Defense for Acquisition on the status of aircraft capability, program management, schedule, and cost.

(4) The use of competition on an ongoing basis.

(c) Report on Initiative.—Not later than April 1, 1988, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the initiative required by subsection (a). The report shall include a description of the measures taken to that time to implement the initiative, including actions taken with respect to each of the elements specified in subsection (b), and a description of the criteria and milestones to be used in evaluating actual program performance against specified program performance.

(d) Restriction on Funds.—(1) The Secretary of the Air Force shall transfer to the Under Secretary of Defense for Acquisition an amount specified by the Under Secretary not to exceed $10,000,000 to be available only for the purposes of subsection (a). Such amount shall be derived from funds provided for procurement of aircraft for the Air Force for fiscal year 1988.

(2) If the initiative required by subsection (a) is not implemented by October 1, 1988, funds may not be obligated after that date for the Advanced Technology Bomber program until the initiative is implemented.

(e) Report on IOC Capabilities.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the expected capabilities of the Advanced Technology Bomber when it achieves initial operational capability. The report shall be prepared in consultation with the Under Secretary of Defense for Acquisition.

(2) The report shall include a description of—

(A) the performance of the aircraft and its subsystems;

(B) expected mission capability;

(C) required maintenance and logistical standards;

(D) expected levels of crew training and performance; and

(E) product improvements that are planned before the initial operational capability of the aircraft to be made after the initial operational capability of the aircraft.

SEC. 122. REPORT ON CONDITION OF CERTAIN C-130 AIRCRAFT

(a) INSPECTION.—The Secretary of the Air Force shall inspect the eight C-130H aircraft stored since 1974 at Air Force Plant No. 6 in Marietta, Georgia, in order to determine the current condition of such aircraft and the work required to return such aircraft to operating status.

(b) REPORT.—The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the inspection under subsection (a). The report shall include the Secretary's estimate of the amount it would cost to put such aircraft in useful service for the Air National Guard. The report shall be submitted not later than 60 days after the date of the enactment of this Act.

SEC. 123. BRADLEY FIGHTING VEHICLE

(a) LIMITATION OF FUNDS AND PLAN TO IMPROVE SURVIVABILITY AND OPERATIONAL PERFORMANCE.—Funds appropriated for fiscal year 1988 may not be obligated or expended to procure any Bradley Fighting Vehicles until a period of 15 days of continuous session of Congress has passed after the last of the following occurs:

(1) The tests of the Bradley Fighting Vehicle required by section 121(d) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3829) are completed and the Secretary of Defense submits to Congress the report on the results of such tests required by section 121(f)(1) of such Act.

(2) The Secretary of Defense certifies to Congress in writing that the survivability modifications selected by the Secretary for the Bradley Fighting Vehicle maximize casualty reductions while considering fiscal concerns and without jeopardizing operational effectiveness.

(3) The Secretary of Defense submits to Congress a report containing—

(A) a plan for the incorporation of the survivability modifications selected into all Bradley Fighting Vehicles intended for use in combat and a further plan for the incorporation of such modifications into the maximum number of Bradley Fighting Vehicles for which such incorporation is operationally warranted and feasible;

(B) a plan for initiation of production or development efforts, as appropriate, for such modifications not later than May 1, 1988; and

(C) a description of each survivability modification considered by the Secretary (including those not selected) and the relative costs (including logistics and storage) and the schedules of each such modification, a schedule for completion of the modifications selected, and the rationale for not selecting those modifications that were considered but not selected.

(4) The Secretary of Defense submits to Congress a report—

(A) identifying those instances (including deficient swim capability, transmission failures, electrical problems with the vehicle and turret distribution boxes, and inadequacies in the Integrated Sight Unit and TOW missile launchers) in which—

(i) there are reliability, quality, or operational problems;

(ii) the vehicle does not meet the military requirements specified for the vehicle in a program contract; or

(iii) the performance of a Government contractor under a program contract is deficient; and

(B) setting forth a plan to correct each instance identified under subparagraph (A).

(b) REVIEW BY COMPTROLLER GENERAL.—The Comptroller General shall—

(1) review all materials of the Department of Defense used to develop the certification submitted under subsection (a)(2) and the reports submitted under subsections (a)(3) and (a)(4); and

(2) not later than 30 days after the date on which the last of such certification and reports is submitted, submit to Congress a report giving the assessment of the Comptroller General as to the conclusions and recommendations of the Secretary of Defense in the reports and certifications submitted pursuant to subsection (a).

(c) CONTINUITY OF SESSION.—For purposes of determining the period of 15 days of continuous session of Congress specified in subsection (a)—

(1) the continuity of a session of Congress is broken only by an adjournment of the Congress sine die; and

(2) days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of such period.

SEC. 124. LIMITATION ON PROCUREMENT OF CERTAIN CHEMICAL WEAPONS ANTIDOTE

(a) LIMITATION.—Section 2400 of title 10, United States Code, is amended—

(1) by inserting "(a) BUSES.—" before "Funds appropriated"; and

(2) by adding at the end the following:

"(b) CHEMICAL WEAPONS ANTIDOTE MANUFACTURED OVERSEAS.—Funds appropriated to the Department of Defense may not be used for the procurement of chemical weapons antidote contained in automatic injectors (or for the procurement of the components for such injectors) determined to be critical under the Industrial Preparedness Planning Program of the Department of Defense unless—

"(1) such injector or component is manufactured in the United States by a company which is an existing producer under the industrial preparedness program at the time the contract is awarded and which—

"(A) has received all required regulatory approvals; and

"(B) has the plant, equipment, and personnel to perform the contract in existence in the United States at the time the contract is awarded; or

"(2) the Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, determines that such procurement from a source in addition to a source described in paragraph (1) is critical to the national security.".

(b) CLERICAL AMENDMENTS.—(1) The heading of such section is amended to read as follows:

"§ 2400. Miscellaneous procurement limitations".

(2) The item relating to that section in the table of sections at the beginning of chapter 141 of such title is amended to read as follows:

"2400. Miscellaneous procurement limitations.".

SEC. 125. REVISION OF CHEMICAL DEMILITARIZATION PROGRAM

(a) DEFINITION.—For purposes of this section, the term "chemical stockpile demilitarization program" means the program established by section 1412 of the Department of Defense Authorization Act, 1986 (50 U.S.C. 1521), to provide for the destruction of the United States' stockpile of lethal chemical agents and munitions.

(b) ENVIRONMENTAL IMPACT STATEMENT.—The Secretary of Defense shall issue the final Programmatic Environmental Impact Statement on the chemical stockpile demilitarization program by January 1, 1988. The Environmental Impact Statement shall be prepared in accordance with all applicable laws.

(c) DISPOSAL TECHNOLOGIES.—(1) Funds appropriated pursuant to this Act or otherwise made available for fiscal year 1988 for the chemical stockpile demilitarization program may not be obligated for procurement or for an Army military construction project at a military installation or facility inside the continental United States until the Secretary of Defense certifies to Congress in writing that the concept plan under the program includes the following:

(A) Evaluation of alternate technologies for disposal of the existing stockpile and selection of the technology or technologies to be used for such purpose.

(B) Full-scale operational verification of the technology or technologies selected for such disposal.

(C) Maximum protection for public health and the environment.

(2) The limitation in paragraph (1) shall not apply with respect to the obligation of funds for the technology evaluation or development program.

(d) ALTERNATIVE CONCEPT PLAN.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives an alternative concept plan for the chemical stockpile demilitarization program. The alternative concept plan shall—

(1) incorporate the requirements of subsections (b) and (c); and

(2) specify any revised schedule or revised funding requirement necessary to enable the Secretary to meet the requirements of subsections (b) and (c).

The alternative concept plan shall be submitted by March 15, 1988.

(e) SURVEILLANCE AND ASSESSMENT PROGRAM.—The Secretary of Defense shall conduct an ongoing comprehensive program of—

(1) surveillance of the existing United States stockpile of chemical weapons; and

(2) assessment of the condition of the stockpile.

SEC. 126. WITHDRAWAL OF EUROPEAN CHEMICAL STOCKPILE

Chemical munitions of the United States stored in Europe on the date of the enactment of this Act should not be removed from Europe unless such munitions are replaced contemporaneously with binary chemical munitions stationed on the soil of at least one European member nation of the North Atlantic Treaty Organization.

SEC. 127. SELECTED ACQUISITION REPORTS FOR CERTAIN PROGRAMS

(a) SAR COVERAGE FOR ATB, ACM, AND ATA PROGRAMS.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives at the end of each fiscal year quarter a Selected Acquisition Report with respect to each program referred to in subsection (b), notwithstanding that such a report would not otherwise be required under section 2432 of title 10, United States Code.

(b) COVERED PROGRAMS.—Subsection (a) applies to the Advanced Technology Bomber program, the Advanced Cruise Missile pro-

gram, and the Advanced Tactical Aircraft program.

(c) Selected Acquisition Report Defined.—As used in subsection (a), the term "Selected Acquisition Report" means a report containing the information referred to in section 2432 of title 10, United States Code.

SEC. 128. REPORT ON STRATEGIC BOMBER FORCE COMPOSITION

(a) Report Requirement.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report updating the 1986 Strategic Bomber Force Study. The report shall include—

(1) the total number of advanced technology bombers required for the strategic bomber force;

(2) the Secretary's assessment of the effect of potential arms control developments on the bomber force;

(3) a description of any current plans for the use of the B-1B aircraft as a dedicated stand-off mission aircraft;

(4) a description of plans for retirement of the current B-52 and FB-111 fleets; and

(5) an assessment as to the potential for changes in the Soviet threat and other factors that may affect the capabilities of the strategic bomber force to penetrate Soviet air defenses.

(b) Deadline for Report.—The report required by subsection (a) shall be submitted not later than April 1, 1988.

SEC. 129. HEMTT TRUCK PROGRAM

(a) Program Authorization.—Beginning in fiscal year 1988, the Secretary of the Army shall procure not less than 4,737 trucks under the Heavy Expanded Mobility Tactical Truck (HEMTT) program. Such procurement shall be carried out using multiyear contracts in accordance with section 2306(h) of title 10, United States Code.

(b) Funding.—Of amounts appropriated for each of fiscal years 1988 and 1989 for other procurement for the Army for tactical vehicles, $239,300,000 shall be available only for procurement under subsection (a).

TITLE II—RESEARCH, DEVELOPMENT, TEST, AND EVALUATION

Part A—Authorizations and Program Limitations

SEC. 201. AUTHORIZATION OF APPROPRIATIONS

Funds are hereby authorized to be appropriated for fiscal year 1988 and for fiscal year 1989 for the use of the Armed Forces for research, development, test, and evaluation as follows:

(1) For the Army:

(A) $5,281,008,000 ($5,204,338,000) for fiscal year 1988.

(B) $2,763,326,000 for fiscal year 1989.

(2) For the Navy (including the Marine Corps):

(A) $9,947,151,000 ($9,638,995,000) for fiscal year 1988.

(B) $2,896,358,000 for fiscal year 1989.

(3) For the Air Force:

(A) $16,861,976,000 ($15,114,635,000) for fiscal year 1988.

(B) $3,464,376,000 for fiscal year 1989.

(4) For the Defense Agencies:

(A) $8,145,176,000 ($8,060,558,000) for fiscal year 1988.

(B) $1,881,428,000 for fiscal year 1989.

(5) For testing activities:

(A) For the activities of the Deputy Under Secretary of Defense, Test and Evaluation:

(i) $184,693,000 ($173,479,000) for fiscal year 1988.

(ii) $175,244,000 for fiscal year 1989.

(B) For the Director of Operational Test and Evaluation:

(i) $91,221,000 for fiscal year 1988.

(ii) $104,221,000 for fiscal year 1989.

SEC. 202. LIMITATION OF FUNDS FOR THE ARMY

(a) AAWS-M and Milan II Programs.—(1) Of the funds appropriated pursuant to section 201 for the Army for fiscal year 1988, not more than $18,000,000 may be obligated for the Advanced Anti-Tank Weapon System-Medium (AAWS-M) program until the Secretary of the Army certifies to the Committees on Armed Services of the Senate and the House of Representatives that the Army has completed the Milan II evaluation.

(2) For purposes of paragraph (1), the term "Milan II evaluation" means evaluation of the Milan II system as an interim alternative medium-range anti-tank weapons system, as directed in the joint explanatory statement of the committee of conference accompanying the conference report on House Joint Resolution 738 (House Report 99-1005, page 555). Such evaluation shall be based on full operational testing of the Milan II system.

(b) Anti-Tactical Missile Systems.—Of the funds appropriated pursuant to section 201 for the Army for fiscal year 1988, $26,501,000 shall be available for the anti-tactical missile system program, of which $10,000,000 shall be available only for the development of a capability to enable the Patriot and Hawk air defense systems for the anti-tactical missile role to exchange data and to otherwise communicate.

(c) Chemical Weapons Convention Compliance Monitoring Program.—Of the funds appropriated for the Army for fiscal year 1988 for research, development, test, and evaluation, $6,800,000 shall be available only to conduct a program to develop and demonstrate compliance monitoring capabilities in support of the Convention on the Prohibition of Chemical Weapons proposed by the United States in the Conference on Disarmament.

(d) Stinger Electronic Security System.—Of the funds appropriated for the Army for fiscal year 1988 for research, development, test, and evaluation, $3,000,000 shall be available only for purposes of demonstrating and testing alternative electronic safety devices that can be installed or retrofitted on Stinger air defense missiles in both the basic Stinger configuration and the reprogrammable microprocessor configuration. The Secretary of the Army shall summarize the results of the demonstration and testing on the basic Stinger configuration and submit a report to Congress on such summary not later than July 1, 1988, and shall summarize the results of the demonstration and testing on the reprogrammable microprocessor configuration and submit a report to Congress on such summary not later than January 1, 1989.

(e) Rifle-Launched Munitions.—Of the funds appropriated to the Army pursuant to section 201 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661), $11,827,000 may be obligated only for a lighweight rifle-launched anti-armor munitions program approved by the Assistant Secretary of Defense for Special Forces and Low Intensity Conflict.

SEC. 203. LIMITATION ON FUNDS FOR THE NAVY

(a) A-6 Aircraft Configuration.—None of the funds appropriated pursuant to section 201 for research, development, test, and evaluation for the Navy may be obligated or expended for the purpose of configuring the A-6 aircraft in the F model configuration (as described in connection with the A-6E/A-6F aircraft program in the Selected Acquisition Report submitted to Congress for the quarter ending December 31, 1986).

(b) Prohibition on Testing Electromagnetic Pulse in Chesapeake Bay.—During fiscal year 1988, the Secretary of the Navy may not carry out an electromagnetic pulse program in the Chesapeake Bay area in connection with the Electromagnetic Pulse Radiation Environment Simulator Program for ships (EMPRESS).

SEC. 204. LIMITATION ON FUNDS FOR THE AIR FORCE

(a) Miscellaneous Limitations.—Of the funds appropriated pursuant to section 201 for the Air Force for fiscal year 1988—

(1) $15,000,000 shall be available only for Non-Acoustic Anti-Submarine Warfare related activity;

(2) $50,000,000 shall be available only for the Pave Tiger program; and

(3) $94,967,000 shall be available only for the Manufacturing Technology (MANTECH) program, of which $10,000,000 shall be available only for programs associated with the revitalization of the United States machine tool industry.

(b) F-4D Air Defense Aircraft.—The Secretary of the Air Force may spend not more than $30,000,000 to complete development of a derivative of the F-4D aircraft for the air defense mission. Funds to be used for such purpose are funds appropriated to the Air Force for fiscal year 1985 for research, development, test, and evaluation but not authorized.

SEC. 205. LIMITATION ON FUNDS FOR DEFENSE AGENCIES

(a) Specified Activities.—Of the funds appropriated pursuant to section 201 for the Defense Agencies for fiscal year 1988—

(1) $288,000,000 shall be available only to the Defense Advanced Research Projects Agency for Strategic Technology, of which—

(A) $5,500,000 shall be available only for optical processor research,

(B) $50,000,000 shall be available only for the Light Sat program, and

(C) $4,000,000 shall be available only for the Amos Large Optical System program;

(2) $15,000,000 shall be available only for X-Ray lithography research; and

(3) $5,000,000 shall be available only for the Rankine Cycle Energy Recovery (RACER) system.

(b) LANDSAT Program.—Of the funds appropriated or otherwise made available to the Defense Agencies for research, development, test, and evaluation for fiscal years 1988 and 1989, funds shall be provided to the Assistant Secretary of Defense for Command, Control, Communications, and Intelligence to be used for LANDSAT data acquisition and for development of LANDSAT satellites numbers 6 and 7 (including launch costs) as follows:

(1) For fiscal year 1988, $15,000,000.

(2) For fiscal year 1989, $45,000,000.

(c) University Research Initiatives.—Of the funds appropriated pursuant to section 201 for the Defense Agencies—

(1) $190,000,000 ($185,000,000) shall be available only for the University Research Initiatives (URI) program in fiscal year 1988, of which $25,000,000 is for the Defense Agencies for the Defense University Instrumentation Program; and

(2) $210,000,000 shall be available only for that program in fiscal year 1989.

(d) Bioenvironmental Hazards Research.—Of the funds appropriated pursuant to section 201, not more than $33,000,000 ($25,000,000) may be obligated through the Office of the Under Secretary of Defense for Acquisition for bioenvironmen-

tal hazards research activities at universities (including amounts for associated facilities and other related purposes).

SEC. 206. FUNDING FOR TECHNOLOGY BASE PROGRAMS FOR FISCAL YEAR 1988

Of the funds appropriated pursuant to section 201, the following amounts are available only for technology base programs:

(1) For the Army:

(A) $764,862,000 of funds authorized for fiscal year 1988.

(B) $839,852,000 of funds authorized for fiscal year 1989.

(2) For the Navy:

(A) $748,781,000 of funds authorized for fiscal year 1988.

(B) $832,587,000 of funds authorized for fiscal year 1989.

(3) For the Air Force:

(A) $773,220,000 ($761,992,000) of funds authorized for fiscal year 1988.

(B) $839,444,000 of funds authorized for fiscal year 1989.

(4) For the Defense Agencies:

(A) $1,186,430,000 ($1,181,430,000) of funds authorized for fiscal year 1988.

(B) $838,918,000 of funds authorized for fiscal year 1989.

SEC. 207. FUNDS FOR COOPERATIVE PROJECTS WITH MAJOR NON-NATO ALLIES.

Of the funds appropriated pursuant to the authorizations of appropriations for fiscal year 1988 in section 201, up to $40,000,000 shall be available for cooperative research and development projects with major non-NATO allies under section 1105 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-961).

SEC. 208. ONE-YEAR UNITED STATES MORATORIUM ON TESTING ANTISATELLITE WEAPONS

(a) Testing Moratorium.—The Secretary of Defense may not carry out a test of the Space Defense System (antisatellite weapon) involving the F-15 launched miniature homing vehicle against an object in space until the President certifies to Congress that the Soviet Union has conducted, after the date of the enactment of this Act, a test against an object in space of a dedicated antisatellite weapon.

(b) Expiration.—The prohibition in subsection (a) expires on October 1, 1988.

Part B—Program Policies

SEC. 211. NAVY ATTACK SUBMARINE PROGRAM

(a) Advanced Submarine Technology.—(1) There is hereby established an Advanced Submarine Technology Program to be carried out by the Secretary of Defense through the Director, Defense Advanced Research Projects Agency. In carrying out the program, the Director shall conduct research, development, test, and evaluation of advanced submarine technology that may be applied to submarines of the SSN-688 class, SSN-21 class, or other classes of submarines. Technology to be examined through the program includes technology relating to polymers, compliant coating, propulsion, techniques for hull drag reduction, materials, weapon control systems, acoustic and nonacoustic signature reduction, and sensors.

(2) The objective of the program shall be to obtain prototype hardware of promising submarine technologies in the shortest possible time.

(3) Of the funds appropriated or otherwise made available to the Navy for fiscal year 1988 for research, development, test, and evaluation, $100,000,000 shall be made available to the Director, Defense Advanced Research Projects Agency for the advanced submarine technology program. The Secretary of Defense shall make such amount available to the Director within 30 days after enactment of a law making appropriations for fiscal year 1988 for research, development, test, and evaluation for the Navy.

(b) Report Requirement.—(1) Not later than 90 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report setting forth a detailed plan for the conduct of the program. The report shall include—

(A) information on the technologies to be studied and developed,

(B) milestones for significant achievements,

(C) plans for prototype hardware development, and

(D) a description of anticipated costs.

(2) Not later than six months after the submission of the report required by paragraph (1), the Secretary of Defense shall submit a report updating the information in the initial report, including any additional information the Secretary considers appropriate to the conduct of the program.

(c) Limitation on Funds.—None of the funds appropriated pursuant to this or any other Act for the research and development of the SSN-21 Seawolf Attack Submarine program may be obligated or expended during any period of time in which a report required by subsection (b) is overdue.

(d) Concept Studies for SSN-688 Improvement.—Of the funds appropriated pursuant to section 201 for the Navy for fiscal year 1988, $13,000,000 shall be available only for concept and design studies, together with cost estimates, for accomplishing the following on SSN-688 Los Angeles class submarines:

(1) Providing greater operational/tactical and maximum speed than the present SSN-688 class submarine.

(2) Using HY-100 steel to permit greater operational depths.

(3) Providing greater acoustic and nonacoustic quieting.

(4) Providing greater weapons carrying capacity than either the SSN-688 submarine or the proposed SSN-21 submarine.

(e) Independent Studies.—The Secretary of Defense shall obtain an independent concept study in accordance with subsection (d) from two qualified independent shipbuilders and shall provide the results of the Navy concept study and of the shipbuilders' studies, together with development and deployment schedules and cost estimates under each, to the Committees on Armed Services of the Senate and House of Representatives not later than March 1, 1988.

SEC. 212. ADVANCED TACTICAL FIGHTER AIRCRAFT

None of the funds appropriated for fiscal year 1988 or otherwise made available may be obligated for development of the Advanced Tactical Fighter aircraft program until—

(1) the Secretary of the Navy certifies to the Secretary of Defense that the prototype aircraft designs are capable of accepting all physical and structural modifications necessary to satisfy fully the requirements of the Navy concerning carrier catapults and arresting gear, and

(2) the Secretary of Defense submits to the Committees on Armed Services and Appropriations of the Senate and House of Representatives a copy of the certification under paragraph (1) and certifies that a major source selection criteria for full scale development and production will be the extent to which the contractor's proposals for the Navy-variant of the advanced tactical fighter meets fully the requirements of the Navy.

SEC. 213. ELECTRONIC WARFARE PROGRAMS

(a) Funding.—Of the funds appropriated or otherwise made available to the Department of Defense for research, development, test, and evaluation for fiscal year 1988, not more than $539,235,000 ($482,472,000) may be used for electronic warfare programs as provided in subsection (b).

(b) Allocation of Funds.—The Secretary of Defense shall allocate among the military departments funds appropriated for fiscal year 1988 for electronic warfare programs as follows:

(1) For the Department of the Army, $103,804,000 ($92,877,000).

(2) For the Department of the Navy, $235,946,000 ($211,109,000).

(3) For the Department of the Air Force, $199,485,000 ($178,486,000).

(c) Submission of Master Plan.—Not later than March 1, 1988, the Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, shall submit to the Committees on Armed Services of the Senate and House of Representatives a report setting forth a detailed master plan for electronic warfare programs. Such plan shall—

(1) describe joint service electronic warfare programs that will satisfy electronic warfare requirements against the current and future threat; and

(2) identify those electronic warfare systems that will be terminated.

SEC. 214. CONVENTIONAL DEFENSE INITIATIVE

(a) In General.—In this Act, Congress continues the program of Conventional Defense Initiatives begun in the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661) for the purposes stated in section 221 of that Act (100 Stat. 3845).

(b) Army.—Of the funds appropriated pursuant to section 201 for the Army for fiscal year 1988, $48,100,000 shall be available only for the Conventional Defense Initiative.

(c) Navy.—Of the funds appropriated pursuant to section 201 for the Navy for fiscal year 1988, $51,100,000 ($46,100,000) shall be available only for the Conventional Defense Initiative.

(d) Air Force.—Of the funds appropriated pursuant to section 201 for the Air Force for fiscal year 1988, $9,600,000 shall be available only for the Conventional Defense Initiative.

SEC. 215. BALANCED TECHNOLOGY INITIATIVE

(a) Purpose.—It is the purpose of this section to authorize funds for the Balanced Technology Initiative program.

(b) Program Focus.—The focus of the Balanced Technology Initiative program shall be on the development of innovative concepts and methods of enhancing conventional defense capabilities, including the development of concepts and methods to take full advantage of the technological superiority of the United States and its allies as a means of increasing the rate of obsolescence of equipment, doctrine, and tactics the Soviet Union and other Warsaw Pact countries. Such development shall give particular emphasis to the following:

(1) Armor/anti-armor initiatives.

(2) Defenses against armed helicopters.

(3) Hypervelocity missiles for ground combat use.

(4) Defense against anti-ship missiles, including those with "stealth" characteristics.

(5) "Smart" mines for both land and ocean warfare.

(6) Lightweight, air transportable vehicles with anti-armor capabilities for rapid transport to remote areas.

(7) Improved conventional anti-submarine warfare munitions.

(8) "Smart" standoff munitions and submunitions for delivery outside of lethal air defense ranges.

(c) Amounts Authorized.—(1) Of the amounts appropriated pursuant to section 201 for fiscal year 1988—

(A) not less than $300,000,000 ($275,000,000) shall be obligated only for research and development in connection with those programs, projects, and activities initiated pursuant to section 222 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3845); and

(B) not less than $200,000,000 shall be obligated only for research and development under the Balanced Technology Initiative and shall be used only for new and innovative programs, projects, and activities that have not been designated for funding under that section.

(2) Of the amounts appropriated pursuant to section 201 for fiscal year 1989, not less than $300,000,000 shall be obligated for research and development in connection with the Balanced Technology Initiative.

(d) Relationship to Conventional Defense Initiative.—The Conventional Defense Initiative provided for in section 221 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3845) and for which funds are authorized by section 214 is not an element of the Balanced Technology Initiative. Funds made available for the purpose of this section may not be obligated for any program, project, or activity of the Conventional Defense Initiative.

SEC. 216. MILESTONE AUTHORIZATIONS

(a) Army Tactical Missile System.—(1) Of the amounts appropriated for the Army for research, development, test, and evaluation for fiscal years 1988 and 1989, $112,208,000 ($102,208,000) of the amount appropriated for fiscal year 1988 and $86,618,000 of the amount appropriated for fiscal year 1989 may be obligated only for the Army Tactical Missile System program.

(2) The sum of $49,000,000 is hereby authorized to be appropriated for the Army for fiscal year 1990 for research, development, test, and evaluation in connection with the Army Tactical Missile System program.

(b) Trident II Missile.—(1) Of the amounts appropriated for the Navy for research, development, test, and evaluation for fiscal years 1988 and 1989, $1,073,463,000 ($1,048,463,000) of the amount appropriated for fiscal year 1988 and $581,740,000 of the amount appropriated for fiscal year 1989 may be obligated only for the Trident II missile program. In achieving any undistributed reduction required to be made in programs, projects, or activities for which funds have been appropriated to the Department of Defense for fiscal year 1988, no reduction may be made in the amount of funds available for the program described in the preceding sentence.

(2) Funds are hereby authorized to be appropriated for the Navy for research, development, test, and evaluation of the Trident II missile program as follows:

(A) For fiscal year 1990, $338,300,000.

(B) For fiscal year 1991, $164,700,000.

(C) For fiscal year 1992, $103,000,000.

(c) T-45 Training System.—(1) Of the amounts appropriated for the Navy for research, development, test, and evaluation for fiscal years 1988 and 1989, $96,015,000 of the amount appropriated for fiscal year 1988 and $87,822,000 of the amount appropriated for fiscal year 1989 may be obligated only for the T-45 Training System program.

(2) Funds are hereby authorized to be appropriated for the Navy for research, development, test, and evaluation of the T-45 Training System program as follows:

(A) For fiscal year 1990, $23,700,000.

(B) For fiscal year 1991, $24,000,000.

(d) Application of Section 2437 of Title 10.—Programs referred to in subsections (a) through (c) are defense enterprise programs for the purpose of section 2437 of title 10, United States Code.

SEC. 217. ANTI-TACTICAL BALLISTIC MISSILE SYSTEMS AND EXTENDED AIR DEFENSE

(a) Demonstration Projects Under SDI Program.—(1) Of the funds appropriated or otherwise made available to the Department of Defense for the Strategic Defense Initiative program for fiscal year 1988, $50,000,000 shall be available only for experiments, demonstration projects, and development relating to antitactical ballistic missile (ATBM) systems.

(2) Such projects shall be conducted on a matching fund cooperative program basis with United States allies that have signed Memoranda of Understanding (MOU's) for participation in the Strategic Defense Initiative program.

(3) Any system developed under this subsection shall be designed to be no less capable than the SA-X-12 system of the Soviet Union.

(b) Extended Air Defense.—(1) Of the funds appropriated to the Army pursuant to section 201, $25,000,000 may be obligated only upon approval by the Director of Defense Research and Engineering for the purpose of research and development in connection with anti-tactical missile systems or extended air defense systems.

(2) If any such funds are made available to a firm in an allied country, such funds shall be available for obligation only after the Secretary of Defense enters into a cooperative program with that country for that purpose.

SEC. 218. HIGH-TEMPERATURE SUPERCONDUCTIVITY PROGRAM

(a) Authorization.—(1) Of the funds appropriated or otherwise made available to the Department of Defense pursuant to section 201 for research, development, test, and evaluation, $60,520,000 of the amount appropriated for fiscal year 1988 and $60,520,000 of the amount appropriated for fiscal year 1989 may be obligated only for research and development relating to superconductivity at high critical temperatures.

(2) Of the amount that may be obligated under paragraph (1), $10,520,000 in the case of fiscal year 1988, and $10,520,000 in the case of fiscal year 1989, may be obligated only for support of research and development activities that—

(A) are conducted under the superconductor program of the Defense Advanced Research Projects Agency of the Department of Defense or under the superconductor program of any other entity involved in superconductor research and development; and

(B) accelerate advanced development of superconductor technology to support the Electric Drive program of the Department of Defense.

(b) Administrative Provisions.—(1) The Secretary of Defense shall determine, with respect to the amounts appropriated or otherwise made available to the Army, Navy, Air Force, and Defense Agencies pursuant to section 201 for research, development, test, and evaluation for each of fiscal years 1988 and 1989, the amount to be derived from the Army, Navy, Air Force, and each of the Defense Agencies in each such fiscal year to carry out the high-temperature superconductivity research and development activities of the Department of Defense under this section.

(2) The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, shall—

(A) coordinate the research and development activities of the Department of Defense relating to high-temperature superconductivity; and

(B) ensure that such research and development—

(i) is carried out in coordination with the high-temperature superconductivity research and development activities of the Department of Energy (including the national laboratories of the Department of Energy), the National Science Foundation, the National Bureau of Standards, and the National Aeronautics and Space Administration; and

(ii) complements rather than duplicates such activities.

(c) Technology Transfer to Private Sector.—(1) The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, shall take appropriate action to ensure that high-temperature superconductivity technology resulting from the research activities of the Department of Defense is transferred to the private sector. Such transfer shall be made in accordance with section 10(e) of the Stevenson-Wydler Technology Innovation Act of 1980 (15 U.S.C. 3710(e)), other applicable provisions of law, and Executive Order Number 12591, dated April 10, 1987.

(2) The Secretary of Energy, in consultation with the Under Secretary of Defense for Acquisition, shall ensure that the national laboratories of the Department of Energy participate, to the maximum appropriate extent, in the transfer to the private sector of technology developed under the Department of Defense superconductivity program in the national laboratories.

SEC. 219. TRAINING IN ADVANCED MANUFACTURING TECHNOLOGIES

(a) Funds for Purchase and Installation of Equipment.—Of the funds appropriated pursuant to section 201, not more than $31,000,000 ($25,000,000) of the amount appropriated for fiscal year 1988, and not more than $31,000,000 of the amount appropriated for fiscal year 1989, may be obligated for the purchase of high technology manufacturing equipment and the installation of such equipment in a private, nonprofit center for advanced technologies for the purpose of training, in a production facility, machine tool operators in skills critical to the defense technology base to build, operate, and maintain such equipment.

(b) Requirements.—Funds may not be obligated for the purpose described in subsection (a) until—

(1) the Secretary of Defense, the Secretary of Commerce, the Secretary of Labor, and the Secretary of Education enter into a memorandum of understanding concerning the participation of their respective departments in a project to demonstrate the training of machine technicians in a production facility;

(2) the Secretary of Defense approves the obligation of such funds for such purpose; and

(3) a period of 60 days elapses after the Secretary of Defense submits to the Committees on Armed Services of the Senate and the

House of Representatives a report that sets forth a detailed explanation of proposed Federal expenditures, a description of the cost-sharing arrangements between the Government agencies concerned and the private sector, and a description of how the proposed program furthers the industrial and technological goals of the Department of Defense.

SEC. 220. SENSE OF CONGRESS ON STRATEGIC MISSILE MODERNIZATION PROGRAMS

(a) FINDINGS.—The Congress makes the following findings:

(1) It is essential that the nation's defense priorities be carefully analyzed so as to properly fund the Armed Forces.

(2) The capabilities of the conventional forces of the United States and its allies will become more important if an agreement with respect to intermediate-range nuclear forces (INF) is concluded between the United States and the Soviet Union.

(3) It is both desirable and possible to reduce the reliance of the North Atlantic Treaty Organization on nuclear weapons for the defense of all members of the alliance if the member nations of the alliance assert the political will to reduce such reliance and establish sound defense priorities.

(4) The United States is currently procuring and deploying one land-based intercontinental ballistic missile system (the MX system) at significant cost while developing another such system (the so-called Midgetman system) at significant additional cost.

(5) Efforts to reduce the Federal budget deficit, which are imperative for the economic well being of the United States, will continue for the foreseeable future to require limits on all discretionary Federal spending, including defense spending.

(b) SENSE OF CONGRESS.—In light of the findings in subsection (a), it is the sense of Congress that the authorization of funds in this Act for research and development for both the new small mobile intercontinental ballistic missile (commonly known as the "Midgetman" missile) and the proposed rail-mobile basing mode for the MX missile does not constitute a commitment or express an intent by Congress to provide funds to procure and deploy the Midgetman missile or to deploy any MX missiles in a rail-mobile basing mode or both.

PART C—STRATEGIC DEFENSE INITIATIVE

Subpart 1—SDI Funding and Program Limitations and Requirements

SEC. 221. FISCAL YEAR 1988 FUNDING LEVEL FOR THE STRATEGIC DEFENSE INITIATIVE

(a) AMOUNT AUTHORIZED.—Of the amounts appropriated pursuant to section 201 or otherwise made available to the Department of Defense for research, development, test, and evaluation for fiscal year 1988, not more than $3,621,000,000 may be obligated for the Strategic Defense Initiative.

(b) SPECIFIED ACTIVITIES.—Of the funds available for the Strategic Defense Initiative program under subsection (a)—

(1) $27,000,000 shall be available only for a classified laser program;

(2) $15,000,000 shall be available only for medical applications of the free electron laser program for medical research and material; and

(3) $17,000,000 is available for defense-wide mission support for the Strategic Defense Initiative.

(c) DEFENSE-WIDE MISSION SUPPORT.—Of the amount appropriated for Defense Agencies for fiscal year 1987, $16,000,000 may be used for defense-wide mission support for the Strategic Defense Initiative.

SEC. 222. PROHIBITION OF CERTAIN CONTRACTS WITH FOREIGN ENTITIES

(a) SDI CONTRACTS WITH FOREIGN ENTITIES.—Funds appropriated to or for the use of the Department of Defense may not be used for the purpose of entering into or carrying out any contract with a foreign government or a foreign firm if the contract provides for the conduct of research, development, test, or evaluation in connection with the Strategic Defense Initiative program.

(b) TEMPORARY SUSPENSION OF PROHIBITION UPON CERTIFICATION OF THE SECRETARY OF DEFENSE.—The prohibition in subsection (a) shall not apply to a contract in any fiscal year if the Secretary of Defense certifies to Congress in writing at any time during such fiscal year that the research, development, testing, or evaluation to be performed under such contract cannot be competently performed by a United States firm at a price equal to or lesss than the price at which the research, development, testing, or evaluation would be performed by a foreign firm.

(c) EXCEPTIONS FOR CERTAIN CONTRACTS.—The prohibition in subsection (a) shall not apply to a contract awarded to a foreign government or foreign firm if—

(1) the contract is to be performed within the United States;

(2) the contract is exclusively for research, development, test, or evaluation in connection with antitactical ballistic missile systems; or

(3) that foreign government or foreign firm agrees to share a substantial portion of the total contract cost.

(d) DEFINITIONS.—In this section:

(1) The term "foreign firm" means a business entity owned or controlled by one or more foreign nationals or a business entity in which more than 50 percent of the stock is owned or controlled by one or more foreign nationals.

(2) The term "United States firm" means a business entity other than a foreign firm.

(e) TRANSITION.—The prohibition in subsection (a) shall not apply to a contract entered into before the date of the enactment of this Act.

SEC. 223. LIMITATION ON TRANSFER OF SDI TECHNOLOGY TO SOVIET UNION

Military technology developed with funds appropriated or otherwise made available for the Strategic Defense Initiative may not be transferred, or made available for transfer, to the Soviet Union by the United States (or with the consent of the United States) unless—

(1) the President determines, and certifies to Congress, that the transfer is in the national interest of the United States and is to be made for the purpose of maintaining peace; and

(2) Congress approves that determination by a joint resolution.

SEC. 224. SDI ARCHITECTURE TO REQUIRE HUMAN DECISION MAKING

No agency of the Federal Government may plan for, fund, or otherwise support the development of command and control systems for strategic defense in the boost or post-boost phase against ballistic missile threats that would permit such strategic defenses to initiate the directing of damaging or lethal fire except by affirmative human decision at an appropriate level of authority.

SEC. 225. DEVELOPMENT AND TESTING OF ANTI-BALLISTIC MISSILE SYSTEMS OR COMPONENTS

(a) USE OF FUNDS.—(1) Funds appropriated to the Department of Defense for fiscal year 1988, or otherwise made available to the Department of Defense from any funds appropriated for fiscal year 1988 or for any fiscal year before fiscal year 1988, shall be subject to the limitations prescribed in paragraph (2).

(2) The funds described in paragraph (1) may not be obligated or expended—

(A) for any development or testing of anti-ballistic missile systems or components except for development and testing consistent with the development and testing described in the April 1987 SDIO Report; or

(B) for the acquisition of any material or equipment (including any long lead materials, components, piece parts, test equipment, or any modified space launch vehicle) required or to be used for the development or testing of anti-ballistic missile systems or components, except for material or equipment required for development or testing consistent with the development and testing described in the April 1987 SDIO Report.

(3) The limitation under paragraph (2) shall not apply to funds transferred to or for the use of the Strategic Defense Initiative for fiscal year 1988 if the transfer is made in accordance with section 1201 of this Act and any comparable provision in legislation appropriating funds for military functions of the Department of Defense for fiscal year 1988.

(b) DEFINITION.—As used in this section, the term "April 1987 SDIO Report" means the report entitled "Report to Congress on the Strategic Defense Initiative", dated April 1987, prepared by the Strategic Defense Initiative Organization and submitted to certain committees of the Senate and House of Representatives pursuant to section 1102 of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 10 U.S.C. 2431 note).

SEC. 226. PROHIBITION ON DEPLOYMENT OF ANTI-BALLISTIC MISSILE SYSTEM UNLESS AUTHORIZED BY LAW

The Secretary of Defense may not deploy any anti-ballistic missile system unless such deployment is specifically authorized by law after the date of the enactment of this Act.

SEC. 227. ESTABLISHMENT OF A FEDERALLY FUNDED RESEARCH AND DEVELOPMENT CENTER TO SUPPORT THE STRATEGIC DEFENSE INITIATIVE PROGRAM

(a) FINDINGS.—The Congress makes the following findings:

(1) The Department of Defense requires technical support for issues of system integration related to the Strategic Defense Initiative program.

(2) The Strategic Defense Initiative Organization, after assessing alternative types of organizations for the provision of such technical support to the Strategic Defense Initiative program (including Government organizations, profit and nonprofit entities (including existing federally funded research and development centers), a new division within an existing federally funded research and development center, a new federally funded research and development center, colleges and universities, and private nonprofit laboratories), determined that a new federally funded research and development center (hereinafter in this section referred to as an "FFRDC") would be the type of organization most appropriate for the provision of such technical support to the Strategic Defense Initiative program.

(3) In providing such technical support to the SDI program, the new FFRDC should provide critical evaluation and rigorous and objective analysis of technologies, systems, and architectures that are candidates for use in the SDI program.

(4) Competitive selection of a contractor to establish and operate such an FFRDC to support the Strategic Defense Initiative program is one way to enhance the prospects for independent and objective evaluation of system integration issues within the Strategic Defense Initiative program.

(b) AUTHORITY TO CONTRACT FOR FFRDC.—The Secretary of Defense, using funds appropriated to the Department of Defense for the Strategic Defense Initiative program, may enter into a contract to provide for the establishment and operation of a federally funded research and development center to provide independent and objective technical support to the Strategic Defense Initiative program. Such a contract may not be awarded before October 1, 1989.

(c) CONTRACT AWARD REQUIREMENTS.—(1) A contract under subsection (b) shall be awarded using competitive procedures which emphasize cost considerations.

(2) The Secretary of Defense shall solicit proposals for such contract from existing federally funded research and development centers, from universities, from commercial entities, and from appropriate new organizations and shall make maximum efforts to obtain more than one proposal for such contract.

(3) The Secretary shall submit the three best contract proposals (as determined by the Secretary), together with a copy of the proposed sponsoring agreement for the new FFRDC, for review by three persons designated by the Defense Science Board from a list of six or more persons submitted by the National Academy of Sciences. The persons performing the review—

(A) shall evaluate the extent to which each proposal and the proposed sponsoring agreement would foster competent and objective technical advice for the Strategic Defense Initiative Program; and

(B) shall report their evaluation of each such proposal and of the proposed sponsoring agreement to the Secretary.

(4) Before awarding a contract under subsection (b), and not sooner than March 30, 1989, the Secretary shall submit to Congress—

(A) a copy of the proposed final contract; and

(B) a copy of the proposed final sponsoring agreement relating to the operation of the new FFRDC.

(5)(A) The Secretary shall then withhold the award of such contract and the approval of such sponsoring agreement for a period of at least 30 days of continuous session of Congress beginning on the day after the date on which Congress receives the copies referred to in paragraph (4).

(B) For purposes of subparagraph (A), the continuity of a session of Congress is broken only by an adjournment sine die at the end of the second regular session of that Congress. In computing the 30-day period for such purposes, days on which either House of Congress is not in session because of an adjournment of more than three days to a day certain shall be excluded.

(d) REQUIREMENTS APPLICABLE TO FFRDC.—The Secretary of Defense shall—

(1) require that the contract referred to in subsection (b) include a provision stating that no officer or employee of the Department of Defense shall have the authority to veto the employment of any person selected to serve as an officer or employee of the new FFRDC;

(2) require that at least 5 percent of the total amount of funds available for the new FFRDC shall be set aside for independent research to be performed by the staff of the new FFRDC under the direction of the chief executive officer of the new FFRDC;

(3) impose a limitation on the compensation payable to each senior executive of the new FFRDC for services performed for the new FFRDC so that such compensation shall be comparable to the amount of compensation payable to senior executives of comparable federally funded research and development centers for similar services;

(4) require that the new FFRDC publicly disclose the salary of its chief executive officer;

(5) prohibit current or former members of the Strategic Defense Initiative Advisory Committee from serving as members of the Board of Trustees of the FFRDC if such members constitute 10 or more percent of the Board of Trustees or from serving as officers of the new FFRDC;

(6) require that the contract referred to in subsection (b) include a provision prohibiting members of such Board of Trustees from serving as officers of the new FFRDC, except that a Board member may serve as the President of the new FFRDC if the Board is comprised of 10 or more members;

(7) require that the contract referred to in subsection (b) include a provision prohibiting the new FFRDC from employing any person who, as a Federal employee or member of the Armed Forces, served in the Strategic Defense Initiative Organization within two years before the date on which such person is to be employed by the new FFRDC; and

(8) require that any contract referred to in subsection (b) require that the Board of Trustees of the new FFRDC be comprised of individuals who represent a reasonable cross-section of views on the engineering and scientific issues associated with the Strategic Defense Initiative Program.

(e) FUNDING.—The Secretary of Defense shall provide that all funds for the new FFRDC within the Department of Defense budget for any fiscal year shall be separately identified and set forth in the budget presentation materials submitted to Congress for that fiscal year.

(f) SUNSET PROVISION.—No Federal funds may be provided to the new FFRDC after the end of the five-year period beginning on the date of the award of the first contract awarded to the FFRDC under this section.

Subpart 2—Report Requirements

SEC. 231. ANNUAL REPORT ON SDI PROGRAMS

(a) IN GENERAL.—Not later than March 15, 1988, and March 15, 1989, the Secretary of Defense shall transmit to Congress a report (in both an unclassified and a classified form) on the programs that constitute the Strategic Defense Initiative and on any other program relating to defense against ballistic missiles. Each such report shall include the following:

(1) A detailed description of each program or project included in the Strategic Defense Initiative (SDI) or which otherwise relates to defense against strategic ballistic missiles, including a technical evaluation of each such program or project and an assessment as to when each can be brought to the stage of full-scale engineering development (assuming funding as requested or programmed).

(2) A clear definition of the objectives of each phase of the Strategic Defense Initiative Organization plan approved by the Defense Acquisition Board.

(3) An explanation of the relationship between each such objective and each program and project associated with the Strategic Defense Initiative or defense against strategic ballistic missiles.

(4) The status of consultations with other member nations of the North Atlantic Treaty Organization, Japan, and other appropriate allies concerning research being conducted in the Strategic Defense Initiative program.

(5) A statement of the compliance of the planned SDI development and testing programs with existing arms control agreements, including the Antiballistic Missile Treaty.

(6) A review of possible countermeasures of the Soviet Union to specific SDI programs, an estimate of the time and cost required for the Soviet Union to develop each such countermeasure, and an evaluation of the adequacy of the SDI programs described in the report to respond to such countermeasures.

(7) Details regarding funding of programs and projects for the Strategic Defense Initiative, including—

(A) the level of funding provided for the current fiscal year and for previous fiscal years for each program and project in the Strategic Defense Initiative budgetary presentation materials provided to Congress;

(B) the amount requested to be appropriated for each such program and project for the next fiscal year;

(C) the amount programmed to be requested for each such program and project for the following fiscal year; and

(D) the amount required to reach the next significant milestone for each demonstration program and each major technology program.

(8) Details on what Strategic Defense Initiative technologies can be developed or deployed within the next 5 to 10 years to defend against significant military threats and help accomplish critical military missions. The missions to be considered include—

(A) defending elements of the Armed Forces abroad and United States allies against tactical ballistic missiles, particularly new and highly accurate Soviet shorter range ballistic missiles armed with conventional, chemical, or nuclear warheads;

(B) defending against an accidental launch of strategic ballistic missiles against the United States;

(C) defending against a limited but militarily effective Soviet attack aimed at disrupting the National Command Authority or other valuable military assets;

(D) providing sufficient warning and tracking information to defend or effectively evade possible Soviet attacks against military satellites, including those in high orbits;

(E) providing early warning and attack assessment information and the necessary survivable command, control, and communications to facilitate the use of United States military forces in defense against possible Soviet conventional or strategic attacks;

(F) providing protection of United States population from a Soviet nuclear attack; and

(G) any other significant near-term military mission that the application of SDI technologies might help to accomplish.

(9) For each of the near-term military missions listed in paragraph (8), the report shall include—

(A) a list of specific program elements of the Strategic Defense Initiative that are pertinent to these applications;

(B) the Secretary's estimate of the initial operating capability dates for the architectures or systems to accomplish such missions;

(C) the Secretary's estimate of the level of funding necessary for each program to reach those operating capability dates; and

(D) the Secretary's estimate of the survivability and cost effectiveness at the margin of such architectures or systems against current and projected Soviet threats.

(b) REPEALS.—Section 1102 of the Department of Defense Authorization Act, 1985 (10 U.S.C. 2431 note), and section 215 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3843) are repealed.

SEC. 232. REPORT ON SDI DEVELOPMENT PLANS AND COSTS

(a) REPORT REQUIREMENT.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the total cost to develop, produce, deploy, operate, and maintain the ballistic missile defense system that would incorporate the technologies approved by the Secretary of Defense in authorizing proceeding into the demonstration/validation phase of the acquisition process. Should this system not be sufficiently defined, the system described in the 1987 report entitled "Report of the Technical Panel on Missile Defense in the 1990s", prepared by the George C. Marshall Institute, should be used as a basis for determining cost.

(b) DEADLINE FOR REPORT; CLASSIFICATION.—The report under subsection (a) shall be submitted no later than six months after the date of the enactment of this Act and shall be submitted in unclassified form.

SEC. 233. REPORT ON HOW ABSENCE OF THE ABM TREATY WOULD AFFECT STRATEGIC OFFENSIVE AND DEFENSIVE PROGRAMS

(a) REPORT ON NO ABM TREATY LIMITATIONS.—The Secretary of Defense shall submit to Congress a report concerning what the effect would be on strategic offensive and defensive programs of the United States if there were no limitations on strategic defensive systems in force under the 1972 ABM Treaty.

(b) MATTERS TO BE INCLUDED.—The report shall include the following:

(1) An analysis of the ramifications of there being no limitation in force under the 1972 ABM Treaty on development under the Strategic Defense Initiative (SDI) program of strategic defenses, including comprehensive strategic defense systems and more limited defenses designed to protect vital military and command and control assets of the United States.

(2) A comparison (based on the analysis made under paragraph (1)) of the research and development programs that could be pursued under the SDI program under the limitations applicable under the restrictive interpretation of the 1972 ABM Treaty, under the less restrictive interpretation of such treaty, and under a case in which there were no such limitations, including a comparative analysis of—

(A) the overall cost of such research and development programs;

(B) the schedule of such research and development programs; and

(C) the level of confidence attained in such research and development programs with respect to supporting a decision to commence full-scale engineering development under such programs in the early-to-mid 1990s.

(3) A list of options for the SDI program, assuming that there are no limitations in force under the 1972 ABM Treaty, that meet one or more of the following objectives:

(A) Reduction of overall development cost.

(B) Advancement of the schedule for making a decision to commence full-scale engineering development.

(C) Increase in the level of confidence in the results of the research by the original scheduled date for the commencement of full-scale development.

(4) An analysis of how rapidly, in the absence of limitations under the 1972 ABM Treaty, the Soviet Union could deploy a nationwide anti-ballistic missile defense of military and nonmilitary targets and the consequences of such a deployment. The analysis should include an assessment of the following:

(A) The effect of such deployment on the confidence of the United States that, should deterrence that depends increasingly on defensive forces fail, the planned strategic nuclear forces of the United States would be sufficient to hold assets that the leaders of the Soviet Union value at risk following a first strike by the Soviet Union against the United States.

(B) The changes that must be made to the strategic offensive forces of the United States to hold assets that the leaders of the Soviet Union value at risk in the presence of strategic defenses. The analysis should include both the cost of those changes and the time period scale over which they could be accomplished.

(C) The consistency of the required changes to United States strategic offensive forces of the United States described under subparagraph (B) with the current United States negotiating position in the Strategic Arms Reduction (START) negotiations.

(D) The degree to which crisis stability would be affected during the transition period between the appearance of nationwide anti-ballistic missile defenses by both the United States and the Soviet Union and the completion of the changes that the United States would make to its strategic offensive forces in response to such defenses by the Soviet Union.

(5) An analysis of the effect on deterrence of nuclear conflict if both the United States and Soviet Union deploy strategic defenses of comparable capability, considering both less capable and highly capable strategic defenses, as well as appropriate transition issues (including the effect on deterrence of the potential vulnerability of strategic defenses).

(c) DEADLINE FOR REPORT.—The report under subsection (a) shall be submitted not later than March 1, 1988.

(d) REPORT CLASSIFICATION.—The report under subsection (a) shall be submitted in both classified and unclassified versions.

(e) 1972 ABM TREATY DEFINED.—In this section, the term "1972 ABM Treaty" means the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missiles, signed at Moscow on May 26, 1972.

SEC. 234. REPORT ON ALLOCATION OF FY88 FUNDING

(a) IN GENERAL.—The Secretary of Defense shall submit to the Committees on Armed Services and on Appropriations of the Senate and the House of Representatives a report on the allocation of funds appropriated for the Strategic Defense Initiative for fiscal year 1988. The report shall set out the amount of such funds allocated for each program, project, or activity of the Strategic Defense Initiative within each appropriation account.

(b) DEADLINE FOR REPORT.—The report required by subsection (a) shall be submitted not later than 90 days after the date of the enactment of legislation appropriating funds for the Strategic Defense Initiative for fiscal year 1988.

PART D—B-1B BOMBER PROGRAM

SEC. 241. FISCAL YEAR 1988 FUNDING LIMITATION

Of the funds appropriated pursuant to section 201 for fiscal year 1988, not more than $375,672,000 shall be available for research, development, test, and evaluation for the B-1B bomber program.

SEC. 242. DEFENSIVE AVIONICS TEST AND EVALUATION PROGRAM

(a) REQUIREMENT FOR PROGRAM.—(1) During fiscal years 1988 and 1989, the Secretary of Defense shall develop and conduct a comprehensive program for the systematic testing of the defensive avionics system of the B-1B aircraft.

(2) Not later than 30 days after the date of the enactment of this Act, the Secretary shall submit to the congressional defense committees a detailed plan for such testing during fiscal years 1988 and 1989. Such plan shall include—

(A) the planned test schedule for each of the various components of the defensive avionics system, tested singly and in combination with other components of the defensive and offensive avionics systems;

(B) the objectives of each of the planned tests and the criteria that will be used to determine whether each such test is successful, partially-successful, or unsuccessful; and

(C) how those scheduled tests can be used to estimate the capability of the B-1B to penetrate Soviet air defenses, including both single and multiple threats.

(b) LIMITATION ON OBLIGATION OF FUNDS.—If the report required under subsection (a)(2) is not submitted to the congressional defense committees by the deadline stated in that subsection for the submission of such report, then none of the funds referred to in section 241 may be expended for the B-1B bomber program until the report is received by those committees.

(c) BIMONTHLY STATUS REPORTS.—Beginning on February 1, 1988, and every two months thereafter until October 1, 1989, the Secretary of Defense shall submit to the congressional defense committees a report on whether the tests scheduled during the period since the preceding report were carried out when and as planned, and whether each of those tests was successful, partially successful, or unsuccessful. Each such report shall address the capability of the B-1B aircraft to meet—

(1) performance objectives;

(2) technical and fiscal objectives; and

(3) significant milestones.

(d) CONGRESSIONAL DEFENSE COMMITTEES DEFINED.—For purposes of this section, the term "congressional defense committees" means the Committees on Armed Services and Appropriations of the Senate and House of Representatives.

SEC. 243. ASSESSMENT OF CAPABILITIES OF B-1B TO PENETRATE ENEMY AIR DEFENSES

(a) INDEPENDENT ASSESSMENT.—The Secretary of Defense shall provide for an independent assessment of the capabilities of the B-1B aircraft to penetrate air defenses of potential enemies. The Secretary shall appoint a panel of experts from the private sector to conduct the assessment and shall provide the panel such resources as are necessary, including technical assistance by private contractors, to assist the panel in conducting the assessment. Individuals ap-

pointed to the panel shall be independent of the Air Force and shall have no arrangements with the Air Force that would constitute a conflict of interest.

(b) CONFIGURATIONS TO BE CONSIDERED.—The panel shall estimate the air defense penetration capabilities of the B-1B aircraft in all of its mission profiles as the aircraft is estimated to be configured at each of the following times:

(1) Initial operational capability.

(2) The time the assessment is conducted.

(3) The completion of the developmental test and evaluation/initial operational test and evaluation period during fiscal year 1989.

(4) The completion of the baseline modifications program during fiscal year 1991.

(c) THREATS TO BE CONSIDERED.—The panel shall estimate the air defense penetration capabilities of the B-1B aircraft against the threats described—

(1) in the 1981 joint Office of the Secretary of Defense/Air Force Bomber Alternatives Study;

(2) in the 1986 Strategic Bomber Force Study; and

(3) in the most current threat baseline established by the intelligence community.

(d) COOPERATION WITH PANEL.—The Secretary of Defense shall ensure that individuals serving on the panel receive the full cooperation of all components of the Department of Defense in carrying out the functions of the panel under this section.

(e) REPORTS.—The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives—

(1) an initial report on the assumptions that are to be used by the panel in making the assessment described in subsection (a);

(2) periodic reports on the development and progress of the assessment; and

(3) the final report of the panel (together with such comments as the Secretary considers appropriate) not later than March 1, 1988.

(f) FUNDING.—Of the amount appropriated for research, development, test, and evaluation for the Air Force for fiscal year 1988, up to $1,000,000 of the amount available for the B-1B aircraft program shall be available only for the conduct of the assessment under this section.

SEC. 244. LIMITATIONS ON AIRCRAFT ENHANCEMENT AND MODERNIZATION

(a) MODERNIZATION RESTRICTED.—Funds described in section 241 may not be used for modernization of the B-1B bomber aircraft.

(b) CONDITIONS FOR ENHANCEMENTS.—The Secretary of Defense may not carry out an enhancement of the B-1B aircraft unless the enhancement is specifically authorized by law and funds are specifically appropriated for that purpose. If the Secretary submits a request for any such authorization and funds, the Secretary shall include with the request—

(1) a description of the requested aircraft enhancement;

(2) full justification for the enhancement;

(3) the total program costs of the enhancement; and

(4) the planned schedule for incorporating the enhancement into the aircraft.

SEC. 245. EVALUATION OF FLIGHT TEST PROGRAM

In order to ensure the adequacy of the proposed flight test program for the B-1B aircraft, the Director of Operational Test and Evaluation of the Department of Defense shall assume the responsibilities and exercise the authorities of the Director under section 138 of title 10, United States Code, with respect to the use of funds provided for fiscal year 1988 for such flight test program insofar as the use of such funds involves operational test and evaluation functions (as defined in such section).

PART E—MISCELLANEOUS

SEC. 251. COOPERATIVE MEDICAL RESEARCH WITH THE VETERANS' ADMINISTRATION

Of the amount appropriated pursuant to section 201 for the Defense Agencies for fiscal year 1988, $20,000,000 shall be available only for a cooperative medical research program to be carried out by the Secretary of Defense and the Administrator of Veterans' Affairs.

SEC. 252. LINCOLN LABORATORY IMPROVEMENT PROJECT

(a) MODERNIZATION AND EXPANSION PROJECT.—The Secretary of the Air Force is authorized to enter into a contract with the Massachusetts Institute of Technology for a modernization and expansion project at the Lincoln Laboratory complex at Hanscom Air Force Base, Massachusetts. The project includes construction of, and additions and modifications to, research offices, laboratory spaces, and supporting facilities necessary to carry out the activities of the Lincoln Laboratory.

(b) PROJECT COST AND DURATION.—The amount obligated under the contract for the modernization and expansion project may not exceed $135,000,000. The project shall be completed in not more than 12 years. Costs incurred under the contract may include costs of financing charges (including financing charges on amounts provided by the Massachusetts Institute of Technology for the project), but may not include a fee or profit for the Massachusetts Institute of Technology or for Lincoln Laboratory.

(c) FUNDING.—Payments under a contract under subsection (a) for any fiscal year shall be made from appropriations for research and development made to the Air Force or to any other Federal agency.

(d) TITLE.—Title to the facilities, and to associated equipment, funded by such contract shall be conveyed to the United States upon completion of the project and acceptance of the facilities by the Secretary.

(e) USE OF FACILITIES.—The right of the Massachusetts Institute of Technology to use such facilities and equipment shall be as provided by contracts with the United States.

(f) BUDGET ACT.—The authority of the Secretary of the Air Force to enter into a contract under subsection (a) shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 253. EVALUATION OF NEW HIGH-SPEED PATROL BOAT

The Secretary of the Navy is encouraged to (1) evaluate a new 80-foot reconnaissance assault and missile boat that has been designed to project power in coastal, harbor, river, and island waterways and on closed seas, and (2) consider procuring a prototype of such boat for extensive testing and evaluation. The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives any report on the evaluation of any such boat.

SEC. 254. PEGASUS ENGINE

Section 203(b) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3838) is repealed.

SEC. 255. REPORT ON MILITARY USE OF NASA MANNED SPACE STATION

(a) REPORT REQUIREMENT.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the activities planned by the Department of Defense to be conducted on or in conjunction with the permanently manned space station to be developed and operated by the National Aeronautics and Space Administration. The report shall include a description of—

(1) those planned activities, including research projects the Department intends to conduct from the space station;

(2) the eventual applications for which the Department intends such research to be used; and

(3) the relationship of those planned activities to activities of the Department of Defense for which funds are authorized by this Act (including offensive and defensive weapons systems) and how such activities will be coordinated.

(b) DEADLINE FOR REPORT.—The report required by subsection (a) shall be submitted not later than March 1, 1988.

SEC. 256. ADVANCED LAUNCH SYSTEM

(a) REQUIRED PROGRAM PLANS.—The Secretary of Defense may not obligate or expend more than $50,000,000 for research, development, test, and evaluation for any activity associated directly or indirectly with the Advanced Launch System/Heavy Lift Launch Vehicle (hereinafter in this section referred to as the "ALS") program until—

(1) the Secretary of Defense and the Administrator of the National Aeronautics and Space Administration enter into an interagency agreement (A) on the most cost-effective design approach for the ALS, and (B) on a joint management plan to implement the ALS program so as to make maximum use of the expertise and the unique testing facilities of the National Aeronautics and Space Administration, especially with respect to rocket propulsion systems;

(2) the Secretary of Defense develops a management plan for the ALS program, including identification of the specific roles and responsibilities—

(A) to be filled by the Defense Agencies, the Department of the Air Force, and other appropriate elements of the Department of Defense; and

(B) as provided in the interagency agreement described in paragraph (1), to be filled by the National Aeronautics and Space Administration;

(3) all participants in the ALS program enter into a formal cost-sharing agreement with respect to that program which—

(A) identifies the total costs of the program (stated in both current and constant dollars); and

(B) includes the budgetary resources intended to be dedicated by each participant in the program for each of the fiscal years 1988 through 1992; and

(4) the Secretary of Defense, with the concurrence of the Administrator of the National Aeronautics and Space Administration, submits to the Committees on Armed Services and Appropriations of the Senate and House of Representatives a report on the ALS program that includes—

(A) a copy of the agreement described in paragraph (1);

(B) a detailed description of the management plan described in paragraph (2); and

(C) a copy of the cost-sharing agreement described in paragraph (3).

(b) PAYLOAD COST GOAL.—Any request for proposals issued by the Department of Defense for the ALS program—

(1) shall include as a goal a cost per pound of payload placed in low earth orbit of $300

or less (in constant fiscal year 1987 dollars); and

(2) may not include a request for bids or proposals for an interim capability that would have a higher cost per pound of payload than specified under paragraph (1).

SEC. 257. SPACE LAUNCH RECOVERY

(a) TRANSFER OF FUNDS.—Of the funds appropriated pursuant to section 201 for research, development, test, and evaluation, a total of up to $50,000,000 may be transferred from the Army and the Navy to the Air Force for activities related to space launch recovery.

(b) NOTICE TO CONGRESS.—No transfer of funds may be made under subsection (a) until the Secretary of Defense has notified Congress of the proposed transfer and a period of 30 days has elapsed after the date on which notice of the proposed transfer is received by Congress.

SEC. 258. STUDIES OF NUCLEAR WARHEAD FOR ARMY TACTICAL MISSILE SYSTEM

(a) Funds available to the Department of Defense or to the Department of Energy may be obligated or expended for studies and analyses of the military utility and cost of a nuclear warhead option for the Army Tactical System (ATACMS).

(b) No funds may be obligated or expended for the purpose of developing, testing, producing, or integrating nuclear warheads for the Army Tactical Missile System (ATACMS) unless—

(1) the Secretary of Defense certifies to the Committees on Armed Services of the Senate and the House of Representatives that the Army Tactical Missile System has achieved an initial operational capability with United States Army units permanently stationed in the Federal Republic of Germany;

(2) such development, testing, production, or integration has been specifically authorized by legislation enacted after the date of the enactment of this Act; and

(3) the Secretary of Defense has submitted to the Committees on Armed Services and Appropriations of the Senate and House of Representatives the comprehensive analysis required by section 1001 of the options available to the United States to preserve an adequate theater nuclear capability in Europe if a treaty with respect to intermediate-range nuclear forces (INF) is concluded between the United States and the Soviet Union.

SEC. 259. SELECTION OF HEAVY TRUCK SYSTEM CONFIGURED WITH PALLETIZED LOADING SYSTEM

(a) COMPETITIVE EVALUATION.—The Secretary of Defense shall carry out a competitive evaluation for a heavy truck system configured with a palletized loading system. The evaluation shall be based on performance specifications for nondevelopmental systems.

(b) SOURCE SELECTION.—After the evaluation under subsection (a) is completed, and not later than 24 months after the enactment of this Act, the Secretary shall select a heavy truck system configured with a palletized loading system. The Under Secretary of Defense for Acquisition shall be the source selection authority with respect to the selection, and the selection shall be based on a hardware competition. The evaluation criteria for such source selection shall provide for equitable consideration of total life-cycle costs, including costs of facilitization.

(c) SITE OF MANUFACTURE AND ASSEMBLY LIMITED.—The heavy truck system configured with the palletized loading system selected under this section (if procured) shall be manufactured and assembled in the United States.

PART F—SEMICONDUCTOR COOPERATIVE RESEARCH PROGRAM

SEC. 271. FINDINGS, PURPOSES, AND DEFINITIONS

(a) FINDINGS.—The Congress finds that it is in the national economic and security interests of the United States for the Department of Defense to provide financial assistance to the industry consortium known as Sematech for research and development activities in the field of semiconductor manufacturing technology.

(b) PURPOSES.—The purposes of this part are—

(1) to encourage the semiconductor industry in the United States—

(A) to conduct research on advanced semiconductor manufacturing techniques; and

(B) to develop techniques to use manufacturing expertise for the manufacture of a variety of semiconductor products; and

(2) in order to achieve the purpose set out in paragraph (1), to provide a grant program for the financial support of semiconductor research activities conducted by Sematech.

(c) DEFINITIONS.—In this part:

(1) The terms "Advisory Council on Federal Participation in Sematech" and "Council" mean the advisory council established by section 273.

(2) The term "Sematech" means a consortium of firms in the United States semiconductor industry established for the purposes of (A) conducting research concerning advanced semiconductor manufacturing techniques, and (B) developing techniques to adapt manufacturing expertise to a variety of semiconductor products.

SEC. 272. GRANTS TO SEMATECH

(a) AUTHORITY TO MAKE GRANTS.—The Secretary of Defense shall make grants, in accordance with section 6304 of title 31, United States Code, to Sematech in order to defray expenses incurred by Sematech in conducting research on and development of semiconductor manufacturing technology. The grants shall be made in accordance with a memorandum of understanding entered into under subsection (b).

(b) MEMORANDUM OF UNDERSTANDING.—The Secretary of Defense shall enter into a memorandum of understanding with Sematech for the purposes of this part. The memorandum of understanding shall require the following:

(1) That Sematech have—

(A) a charter agreed to by all representatives of the semiconductor industry that are participating members of Sematech; and

(B) an annual operating plan that is developed in consultation with the Secretary of Defense and the Advisory Council on Federal Participation in Sematech.

(2) That the total amount of funds made available to Sematech by Federal, State, and local government agencies for any fiscal year for the support of research and development activities of Sematech under this section may not exceed 50 percent of the total cost of such activities.

(3) That Sematech, in conducting research and development activities pursuant to the memorandum of understanding, cooperate with and draw on the expertise of the national laboratories of the Department of Energy and of colleges and universities in the United States in the field of semiconductor manufacturing technology.

(4) That an independent, commercial auditor be retained (A) to determine the extent to which the funds made available to Sematech by the United States for the research and development activities of Sematech have been expended in a manner that is consistent with the purposes of this part, the charter of Sematech, and the annual operating plan of Sematech, and (B) to submit to the Secretary of Defense, Sematech, and the Comptroller General of the United States an annual report containing the findings and determinations of such auditor.

(5) That (A) the Secretary of Defense be permitted to use intellectual property, trade secrets, and technical data owned and developed by Sematech in the same manner as a participant in Sematech and to transfer such intellectual property, trade secrets, and technical data to Department of Defense contractors for use in connection with Department of Defense requirements, and (B) the Secretary not be permitted to transfer such property to any person for commercial use.

(6) That Sematech take all steps necessary to maximize the expeditious and timely transfer of technology developed and owned by Sematech to the participants in Sematech in accordance with the agreement between Sematech and those participants and for the purpose of improving manufacturing productivity of United States semiconductor firms.

(c) CONSTRUCTION OF MEMORANDUM OF UNDERSTANDING.—The memorandum of understanding entered into under subsection (b) shall not be considered to be a contract for the purpose of any law or regulation relating to the formation, content, and administration of contracts awarded by the Federal Government and subcontracts under such contracts, including section 2306a of title 10, United States Code, section 719 of the Defense Production Act of 1950 (50 U.S.C. App. 2168), and the Federal Acquisition Regulations, and such provisions of law and regulation shall not apply with respect to the memorandum of understanding.

(d) FUNDING FOR FY88.—Of the amounts appropriated to the Defense Agencies for fiscal year 1988 for research, development, test, and evaluation, $100,000,000 may be obligated only to make grants under this section.

SEC. 273. ADVISORY COUNCIL

(a) ESTABLISHMENT.—There is established the Advisory Council on Federal Participation in Sematech.

(b) FUNCTIONS.—(1) The Council shall advise Sematech and the Secretary of Defense on appropriate technology goals for the research and development activities of Sematech and a plan to achieve those goals. The plan shall provide for the development of high-quality, high-yield semiconductor manufacturing technologies that meet the national security and commercial needs of the United States.

(2) The Council shall—

(A) conduct an annual review of the activities of Sematech for the purpose of determining the extent of the progress made by Sematech in carrying out the plan referred to in paragraph (1); and

(B) on the basis of its determinations under subparagraph (A), submit to Sematech any recommendations for modification of the plan or the technological goals in the plan considered appropriate by the Council.

(3) The Council shall review the research activities of Sematech and shall submit to the Secretary of Defense and the Committees on Armed Services of the Senate and the House of Representatives an annual report containing a description of the extent to which Sematech is achieving its research and development goals.

(c) Membership.—The Council shall be composed of 12 members as follows:

(1) The Under Secretary of Defense for Acquisition, who shall be Chairman of the Council.

(2) The Director of Energy Research of the Department of Energy.

(3) The Director of the National Science Foundation.

(4) The Undersecretary of Commerce for Economic Affairs.

(5) The Chairman of the Federal Laboratory Consortium for Technology Transfer.

(6) Seven members appointed by the President as follows:

(A) Four members who are eminent individuals in the semiconductor industry and related industries.

(B) Two members who are eminent individuals in the fields of technology and defense.

(C) One member who represents small businesses.

(d) Terms of Membership.—Each member of the Council appointed under subsection (c)(6) shall be appointed for a term of three years, except that of the members first appointed, two shall be appointed for a term of one year, two shall be appointed for a term of two years, and three shall be appointed for a term of three years, as designated by the President at the time of appointment. A member of the Council may serve after the expiration of the member's term until a successor has taken office.

(e) Vacancies.—A vacancy in the Council shall not affect its powers but, in the case of a member appointed under subsection (c)(6), shall be filled in the same manner as the original appointment was made. Any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term.

(f) Quorum.—Seven members of the Council shall constitute a quorum.

(g) Meetings.—The Council shall meet at the call of the Chairman or a majority of its members.

(h) Compensation.—(1) Each member of the Council shall serve without compensation.

(2) While away from their homes or regular places of business in the performance of duties for the Council, members of the Council shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under sections 5702 and 5703 of title 5, United States Code.

(i) Federal Advisory Committee Act.—Section 14 of the Federal Advisory Committee Act (5 U.S.C. App. 2) shall not apply to the Council.

SEC. 274. RESPONSIBILITIES OF THE COMPTROLLER GENERAL

The Comptroller General of the United States shall—

(1) review the annual reports of the auditor submitted to the Comptroller General in accordance with section 272(b)(4); and

(2) transmit to the Committees on Armed Services of the Senate and the House of Representatives his comments of the accuracy and completeness of the reports and any additional comments on the report that the Comptroller General considers appropriate.

SEC. 275. EXPORT OF SEMICONDUCTOR MANUFACTURING

Any export of materials, equipment, and technology developed by Sematech in whole or in part with financial assistance provided under section 272(a) shall be subject to the Export Administration Act of 1979 (50 U.S.C. App. 2401 et seq.) and shall not be subject to the Arms Export Control Act.

SEC. 276. PROTECTION OF INFORMATION

(a) Freedom of Information Act.—Section 552 of title 5, United States Code, shall not apply to information obtained by the Federal Government on a confidential basis under section 272(b)(5).

(b) Intellectual Property.—Notwithstanding any other provision of law, intellectual property, trade secrets, and technical data owned and developed by Sematech or any of the participants in Sematech may not be disclosed by any officer or employee of the Department of Defense except as provided in the provision included in the memorandum of understanding pursuant to section 272(b)(5).

TITLE III—OPERATION AND MAINTENANCE

Part A—Authorizations of Appropriations

SEC. 301. OPERATION AND MAINTENANCE FUNDING

(a) In General.—(1) Funds are hereby authorized to be appropriated for fiscal year 1988 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance in amounts as follows:

For the Army, $21,540,728,000 ($21,367,928,000).

For the Navy, $24,864,027,000 ($24,620,427,000).

For the Marine Corps, $1,887,466,000 ($1,875,066,000).

For the Air Force, $20,730,084,000 ($20,452,384,000).

For the Defense Agencies, $7,424,906,000 ($7,387,475,000).

For the Army Reserve, $862,161,000 ($862,161,000).

For the Naval Reserve, $947,559,000 ($940,754,000).

For the Marine Corps Reserve, $70,254,000 ($68,984,000).

For the Air Force Reserve, $1,014,058,000 ($1,013,858,000).

For the Army National Guard, $1,883,609,000 ($1,868,570,000).

For the Air National Guard, $1,980,151,000 ($1,977,414,000).

For the National Board for the Promotion of Rifle Practice, $4,099,000.

For Defense Claims, $193,574,000.

For the Court of Military Appeals, $3,461,000.

For Environmental Restoration, Defense, $392,800,000.

(2) Funds are hereby authorized to be appropriated for fiscal year 1989 for the use of the Armed Forces and other activities and agencies of the Department of Defense for expenses, not otherwise provided for, for operation and maintenance in amounts as follows:

For the Army, $21,540,728,000.

For the Navy, $24,864,027,000.

For the Marine Corps, $1,887,466,000.

For the Air Force, $20,730,084,000.

For the Defense Agencies, $7,424,906,000.

For the Army Reserve, $862,161,000.

For the Naval Reserve, $947,559,000.

For the Marine Corps Reserve, $70,254,000.

For the Air Force Reserve, $1,014,058,000.

For the Army National Guard, $1,883,609,000.

For the Air National Guard, $1,980,151,000.

For the National Board for the Promotion of Rifle Practice, $4,099,000.

For Defense Claims, $193,574,000.

For the Court of Military Appeals, $3,461,000.

For Environmental Restoration, Defense, $392,800,000.

(b) General Authorization for Contingencies.—There are authorized to be appropriated for each of fiscal years 1988 and 1989, in addition to the amounts authorized to be appropriated in subsection (a), such sums as may be necessary—

(1) for unbudgeted increases in fuel costs; and

(2) for unbudgeted increases as the result of inflation in the cost of activities authorized by subsection (a).

SEC. 302. WORKING CAPITAL FUNDS

(a) Fiscal Year 1988.—Funds are hereby authorized to be appropriated for fiscal year 1988 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working-capital funds in amounts as follows:

For the Army Stock Fund, $215,057,000 ($193,207,000).

For the Navy Stock Fund, $346,700,000 ($329,400,000).

For the Air Force Stock Fund, $259,707,000 ($226,007,000).

For the Defense Stock Fund, $159,750,000 ($132,600,000).

(b) Fiscal Year 1989.—Funds are hereby authorized to be appropriated for fiscal year 1989 for the use of the Armed Forces and other activities and agencies of the Department of Defense for providing capital for working-capital funds in amounts as follows:

For the Army Stock Fund, $215,057,000.

For the Navy Stock Fund, $346,700,000.

For the Air Force Stock Fund, $259,707,000.

For the Defense Stock Fund, $159,750,000.

SEC. 303. LIMITATION ON THE USE OF OPERATION AND MAINTENANCE FUNDS TO PURCHASE INVESTMENT ITEMS

(a) In General.—Purchases of an item during fiscal year 1988, 1989, or 1990 with a unit cost equal to or in excess of the investment item unit cost (as defined in subsection (b)) for such fiscal year may not be charged to appropriations made to the Department of Defense for operation and maintenance if purchases of such item during the previous fiscal year were chargeable to appropriations made to the Department of Defense for procurement.

(b) Investment Item Unit Cost.—For purposes of subsection (a), the term "investment item unit cost" means—

(1) with respect to fiscal year 1988 or 1989, $15,000; and

(2) with respect to fiscal year 1990, $5,000.

Part B—Program Changes, Requirements, and Limitations

SEC. 311. AVAILABILITY OF UNITED STATES PRODUCTS AT DEFENSE PACKAGE STORES OVERSEAS

(a) Treatment of Wines.—(1) Chapter 147 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2489. Overseas package stores: treatment of United States wines

"The Secretary of Defense shall ensure that each nonappropriated-fund activity engaged principally in selling alcoholic beverage products in a packaged form (commonly referred to as a 'package store') that is located at a military installation outside the United States shall give appropriate treatment with respect to wines produced in the United States to ensure that such wines are given, in general, an equitable distribution, selection, and price when compared with wines produced by the host nation.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2489. Overseas package stores: treatment of United States wines.".

(b) REGULATIONS DEADLINE.—The Secretary of Defense shall prescribe regulations to implement section 2489 of title 10, United States Code, as added by subsection (a), not later than 90 days after the date of the enactment of this Act.

SEC. 312. NONAPPROPRIATED-FUND BEER AND WINE PURCHASES

(a) PURCHASES FROM SOURCES WITHIN STATE.—Section 2488(a)(2) of title 10, United States Code, is amended by striking out "purchased for resale on a military installation located in the contiguous States".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to purchases of malt beverages and wine after the end of the 60-day period beginning on the date of the enactment of this Act.

SEC. 313. PRICING AT COMMISSARY STORES

(a) IN GENERAL.—(1) Section 2486 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(d) The Secretary of Defense shall prescribe regulations establishing uniform pricing policies for merchandise authorized for sale by this section. The policies in the regulations shall—

"(1) require the establishment of a sales price of each item of merchandise at a level which will recoup the actual product cost of the item (consistent with this section and sections 2484 and 2685 of this title); and

"(2) promote the lowest practical price of merchandise sold at commissary stores.".

(2) The heading for section 2486 of such title is amended to read as follows:

"§ 2486. Commissary stores: merchandise that may be sold; uniform surcharges and pricing".

(3) The item relating to section 2486 in the table of sections at the beginning of chapter 147 of such title is amended to read as follows:

"2486. Commissary stores: merchandise that may be sold; uniform surcharges and pricing.".

(b) REGULATIONS DEADLINE.—The Secretary of Defense shall prescribe the regulations required by section 2486(d) of title 10, United States Code, as added by subsection (a), not later than 90 days after the date of the enactment of this Act.

(c) CONFORMING AMENDMENTS.—(1) Sections 4621 and 9621 of such title are each amended—

(A) by striking out subsection (b); and

(B) by redesignating subsections (c), (d), (e), (f), (g), (h), and (i) as subsections (b), (c), (d), (e), (f), (g), and (h), respectively.

SEC. 314. LIMITATION ON ARMY DEPOT MAINTENANCE FUNDING

(a) FUNDING REQUIRED FOR ARMY DEPOT MAINTENANCE.—Of the funds appropriated or otherwise made available to the Department of the Army for fiscal year 1988 for depot maintenance functions, not less than 60 percent shall be available for performance of depot maintenance functions performed by military and civilian personnel of the Department of Defense.

(b) DEVIATION AND REPORT.—(1) If the Secretary of the Army determines that the requirement of subsection (a) cannot be met, the Secretary may authorize a deviation from such requirement. If such a deviation is authorized, the Secretary shall promptly submit to the Committees on Armed Services of the Senate and the House of Representatives a report that—

(A) fully describes and justifies the deviation from such requirement;

(B) states the level of spending that will be achieved in lieu of the 60 percent required under subsection (a); and

(C) includes a plan for meeting the same requirement with respect to funds appropriated or otherwise made available to the Department of the Army for fiscal year 1989.

(2) The report shall be submitted as soon as possible after the Secretary authorizes a deviation under paragraph (1).

SEC. 315. CIVILIAN PERSONNEL MANAGEMENT

(a) PROHIBITION ON MANAGEMENT BY END-STRENGTH.—During fiscal year 1988, the civilian personnel of the Department of Defense may not be managed on the basis of any constraint or limitation (known as an "end-strength") and the management of such personnel during that fiscal year shall not be subject to any end-strength on the number of such personnel who may be employed on the last day of such fiscal year.

(b) WAIVER OF CIVILIAN PERSONNEL CEILINGS.—Section 115(b)(2) of title 10, United States Code, shall not apply with respect to fiscal year 1988 or with respect to the appropriation of funds for that year.

(c) REPORTS.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives quarterly reports on the obligation of funds appropriated for civilian personnel of the Department of Defense for fiscal year 1988. Each report shall include—

(1) for each appropriation account, the amounts authorized and appropriated for such personnel for fiscal year 1988; and

(2) for each appropriation account and for the entire Department—

(A) the actual number of such personnel employed, and the amount of funds obligated for such personnel, as of the end of each fiscal year quarter described in the report; and

(B) the projected number of such personnel to be employed, and the amount of funds that will be obligated for such personnel, as of the end of fiscal year 1988.

SEC. 316. REPORT ON OPERATING AND SUPPORT COSTS OF MAJOR WEAPONS SYSTEMS

(a) REPORT REQUIREMENT.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the operating and support costs of major weapons systems of the Department of Defense.

(b) MATTERS TO BE INCLUDED IN REPORT.—The Secretary shall include in the report required by subsection (a) the following:

(1) An explanation of the reasons why there is a positive correlation between the increase in dollar value of major weapons systems of the Department of Defense and the increase in operating and support costs of the Department, including—

(A) how or whether the programming and budget process has contributed to the relationship; and

(B) how the relationship applies at more detailed levels.

(2) An examination of the link between operating and support costs and readiness of the Department of Defense.

(3) An examination of the feasibility of providing Congress an annual report on the operating and support costs of each major weapon system.

(4) Identification of the specific budget accounts and appropriations which cover the operation and support costs for the major weapons systems.

(5) An examination of the feasibility of treating the operation and support costs of each major weapon system as overhead of the weapon system, to be automatically included in the budget and appropriation for such weapon system.

(c) DEADLINE.—The report required by subsection (a) shall be submitted no later than February 1, 1988.

SEC. 317. REPORT ON EFFORTS TO MEASURE READINESS

(a) REPORT REQUIREMENT.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the status of Department of Defense efforts to—

(1) identify and measure readiness of the Department of Defense; and

(2) relate such identification and measurement to the budget process.

(b) DEADLINE.—The report required by subsection (a) shall be submitted no later than February 1, 1988.

SEC. 318. AUTHORITY TO PROVIDE FREE SHUTTLE SERVICE FOR MEMBERS AND FAMILIES IN ISOLATED AREAS

(a) AUTHORITY FOR TRANSPORTATION.—Subsection (a) of section 2632 of title 10, United States Code, is amended to read as follows:

"(a)(1) Whenever the Secretary of the military department concerned determines that it is necessary for the effective conduct of the affairs of his department, the Secretary may provide the transportation described in paragraph (2).

"(2) Transportation that may be provided under this subsection is assured and adequate transportation by motor vehicle or water carrier as follows:

"(A) Transportation among places on a military installation (including any subinstallation of a military installation).

"(B) Transportation to and from their places of duty or employment on a military installation for persons covered by this subsection.

"(C) Transportation to and from a military installation for persons covered by this subsection and their dependents, in the case of a military installation located in an area determined by the Secretary concerned not to be adequately served by regularly scheduled, and timely, commercial or municipal mass transit services.

"(D) Transportation to and from their places of employment for persons attached to, or employed in, a private plant that is manufacturing material for that department, but only during a war or a national emergency declared by Congress or the President.

"(3) Except as provided under subsection (b)(3), transportation under this subsection shall be provided at reasonable rates of fare under regulations prescribed by the Secretary of Defense.

"(4) Persons covered by this subsection, in the case of any military installation, are members of the armed forces, employees of the military department concerned, and other persons attached to that department who are assigned to or employed at that installation.".

(b) WAIVER OF FARE REQUIREMENT.—Subsection (b) of such section is amended—

(1) by striking out "(2)(A)" and inserting in lieu thereof "(2)";

(2) by striking out subparagraph (B) of paragraph (2) and inserting in lieu thereof the following:

"(3) In providing transportation described in subsection (a)(2)(A) at any military installation, the Secretary concerned may not require a fare for the transportation of members of the armed forces if the transportation is incident to the performance of duty. In providing transportation described in subsection (a)(2)(C) to and from any military installation, the Secretary concerned (under regulations prescribed under subsection (a)(3)) may waive any requirement for a fare."; and

(3) by redesignating subparagraph (C) at the end of such subsection as paragraph (4).

(c) TECHNICAL AND CONFORMING AMENDMENTS.—Subsection (b) of such section is further amended—

(1) in paragraph (1), by striking out "Transportation may not be provided under subsection (a)(2)" and inserting in lieu thereof "Transportation described in subparagraphs (B), (C), and (D) of subsection (a)(2) may not be provided";

(2) in paragraph (2) (as designated by subsection (b)(1)), by striking out "transportation at any military installation under subsection (a)(1)" and inserting in lieu thereof "transportation described in subsection (a)(2)(A) at any military installation"; and

(3) in paragraph (4) (as designated by subsection (b)(3)), by striking out "subsection (a)(1)" and inserting in lieu thereof "subsection (a)".

(d) DEADLINE FOR REGULATIONS.—Regulations to implement the amendments to section 2632 of title 10, United States Code, made by this section shall be prescribed not later than 90 days after the date of the enactment of this Act.

SEC. 319. OPERATION OF UNITED STATES ARMY SCHOOL OF THE AMERICAS

(a) IN GENERAL.—(1) Chapter 407 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 4415. United States Army School of the Americas

"(a) The Secretary of the Army may operate the military education and training facility known as the United States Army School of the Americas.

"(b) The School for the Americas shall be operated for the purpose of providing military education and training to military personnel of Central and South American countries and Caribbean countries.

"(c) The fixed costs of operating and maintaining the School for the Americas may be paid from funds available for operation and maintenance of the Army.

"(d) Tuition fees charged for personnel receiving military education and training from the school may not include the fixed costs of operating and maintaining the school.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"4415. United States Army School of the Americas.".

(b) EFFECTIVE DATE.—Section 4415 of title 10, United States Code, as added by subsection (a), shall take effect as of October 1, 1987.

SEC. 320. AUTHORITY TO REPAIR AND MAINTAIN CERTAIN MEMORIALS AND HISTORIC SITES ON THE ISLAND OF CORREGIDOR

(a) AUTHORITY.—The Secretary of Defense may repair and maintain memorial monuments and historic sites on the Island of Corregidor in the Republic of the Philippines which relate to involvement of the Armed Forces of the United States in the Philippines.

(b) FY88 AUTHORIZATION.—For the purpose described in subsection (a), the Secretary may use not more than $100,000 of the funds appropriated under section 301 for operation and maintenance of the Navy.

SEC. 321. COMPTROLLER GENERAL STUDY OF CENSORSHIP OF STARS AND STRIPES NEWSPAPER

(a) STUDY.—The Comptroller General of the United States shall conduct a study of allegations of censorship by military commanders of the Department of Defense newspaper, Stars and Stripes.

(b) REPORT.—The Comptroller General shall transmit to Congress a report on the results of such study not later than 90 days after the date of the enactment of this Act. Such report shall include the findings of the Comptroller General regarding the validity of the allegations and any recommendation concerning those allegations which the Comptroller General considers to be appropriate.

SEC. 322. LIMITATION ON OPERATION OF EXISTING POSEIDON-CLASS SUBMARINE USS ANDREW JACKSON

Effective as of March 1, 1988, no funds appropriated to the Department of Defense for fiscal year 1988 or a prior year may be obligated or expended to overhaul, operate, maintain, or deploy the USS Andrew Jackson (SSBN 619).

PART C—HUMANITARIAN AND OTHER ASSISTANCE

SEC. 331. EXTENSION OF AUTHORIZATION FOR HUMANITARIAN ASSISTANCE

(a) AUTHORIZATION OF FUNDS.—There is authorized to be appropriated to the Department of Defense for fiscal year 1988 the sum of $13,000,000 for the purpose of providing transportation for humanitarian relief for persons displaced or who are refugees because of the invasion of Afghanistan by the Soviet Union. Of this sum, not more than $3,000,000 is authorized to be used for distribution of humanitarian relief supplies to the non-Communist resistance organizations at or near the border between Thailand and Cambodia.

(b) AUTHORITY TO TRANSFER FUNDS.—The Secretary of Defense is authorized to transfer to the Secretary of State not more than $3,000,000 of the funds appropriated pursuant to the authorization in this section to provide for (1) paying for administrative costs of providing the transportation described in subsection (a), and (2) the purchase or other acquisition of transportation assets for the distribution of relief supplies in the country of destination.

(c) TRANSPORTATION UNDER DIRECTION OF THE SECRETARY OF STATE.—Transportation provided with funds appropriated pursuant to the authorization in this section shall be under the direction of the Secretary of State.

(d) MEANS OF TRANSPORTATION TO BE USED.—Transportation for humanitarian relief provided with funds appropriated pursuant to the authorization in this section shall be by the most economical commercial or military means available, unless the Secretary of State determines that it is in the national interest of the United States to use means other than the most economical available. Such means may include the use of aircraft and personnel of the reserve components of the Armed Forces.

(e) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to the authorization in subsection (a) shall remain available until expended, to the extent provided in appropriations Acts.

(f) REPORTS.—The Secretary of Defense shall submit to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and Foreign Affairs of the House of Representatives two reports, one of which shall be submitted not later than 60 days after the date of the enactment of this Act and the other not later than June 1, 1988. Each such report shall contain (as of the date on which the report is submitted) the following information:

(1) The total amount of funds obligated for humanitarian relief under this section and section 331 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3856).

(2) The number of scheduled and completed flights for purposes of providing humanitarian relief under this section and section 331 of such Act.

(3) A description of any transfer (including to whom the transfer is made) of excess nonlethal supplies of the Department of Defense made available for humanitarian relief purposes under section 2547 of title 10, United States Code.

SEC. 332. EXTENSION AND CODIFICATION OF AUTHORITY OF SECRETARY OF DEFENSE TO TRANSPORT HUMANITARIAN RELIEF SUPPLIES TO FOREIGN COUNTRIES

(a) IN GENERAL.—Chapter 20 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 402. Transportation of humanitarian relief supplies to foreign countries

"(a) Notwithstanding any other provision of law, and subject to subsection (b), the Secretary of Defense may transport to any country, without charge, supplies which have been furnished by a nongovernmental source and which are intended for humanitarian assistance. Such supplies may be transported only on a space available basis.

"(b)(1) The Secretary may not transport supplies under subsection (a) unless the Secretary determines that—

"(A) the transportation of such supplies is consistent with the foreign policy of the United States;

"(B) the supplies to be transported are suitable for humanitarian purposes and are in usable condition;

"(C) there is a legitimate humanitarian need for such supplies by the people for whom they are intended;

"(D) the supplies will in fact be used for humanitarian purposes; and

"(E) adequate arrangements have been made for the distribution of such supplies in the destination country.

"(2) The President shall establish procedures for making the determinations required under paragraph (1). Such procedures shall include inspection of supplies before acceptance for transport.

"(3) It shall be the responsibility of the donor to ensure that supplies to be transported under this section are suitable for transport.

"(c)(1) Supplies transported under this section may be distributed by an agency of the United States Government, a foreign government, an international organization, or a private nonprofit relief organization.

"(2) Supplies transported under this section may not be distributed, directly or indirectly, to any individual, group, or organization engaged in a military or paramilitary activity.

"(d) At the end of each six-month period, the Secretary of State shall submit to the Committees on Armed Services and Foreign Relations of the Senate and the Committees on Armed Services and Foreign Affairs of the House of Representatives a report identifying the origin, contents, destination, and disposition of all supplies transported under this section during such six-month period.".

(b) CONFORMING AMENDMENTS.—(1) Section 401 of such title is amended—

(A) by striking out the section heading and inserting in lieu thereof the following:

"§ 401. Humanitarian and civic assistance provided in conjunction with military operations";

(B) in subsection (a)—

(i) by inserting "(1)" after "(a)"; and

(ii) by redesignating clauses (1) and (2) as clauses (A) and (B); and

(C) by redesignating subsections (b) and (c) as paragraphs (2) and (3), respectively.

(2) Section 402 of such title (as in effect on the day before the date of the enactment of this section) is amended—

(A) by striking out the section heading; and

(B) by designating the text following such heading as subsection (b).

(3) Section 403 of such title is amended—

(A) by striking out the section heading;

(B) by redesignating subsection (a) as subsection (c)(1); and

(C) by redesignating subsection (b) as paragraph (2).

(4) Sections 404, 405, and 406 of such title are amended—

(A) by striking out the section headings; and

(B) by designating the text following such headings as subsections (d), (e), and (f), respectively.

(5) Section 401 of such title (as amended by this subsection) is further amended by striking out "chapter" each place it appears and inserting in lieu thereof "section".

(6) The chapter heading and table of sections at the beginning of such chapter are amended to read as follows:

"CHAPTER 20—HUMANITARIAN AND OTHER ASSISTANCE

"Sec.

"401. Humanitarian and civic assistance provided in conjunction with military operations.

"402. Transportation of humanitarian relief supplies to foreign countries.".

(c) CLERICAL AMENDMENTS.—The tables of chapters at the beginning of subtitle A of title 10, United States Code, and at the beginning of part I of such subtitle are each amended by striking out the item relating to chapter 20 and inserting in lieu thereof the following:

"20. Humanitarian and Other Assistance.........401".

(d) FIRST REPORT DEADLINE.—The first report under section 402(d) of title 10, United States Code, as added by subsection (a), shall be submitted not more than six months after the date on which the most recent report was submitted under section 1540(e) of the Department of Defense Authorization Act, 1985 (Public Law 98-525; 98 Stat. 2638).

TITLE IV—PERSONNEL AUTHORIZATIONS FOR FISCAL YEARS 1988 AND 1989

PART A—ACTIVE FORCES

SEC. 401. END STRENGTHS FOR ACTIVE FORCES

(a) FISCAL YEAR 1988.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 1988, as follows:

(1) The Army, 780,900.

(2) The Navy, 593,200.

(3) The Marine Corps, 199,600.

(4) The Air Force, 598,700.

(b) FISCAL YEAR 1989.—The Armed Forces are authorized strengths for active duty personnel as of September 30, 1989, in the same numbers as specified in subsection (a).

SEC. 402. STRENGTH OF ACTIVE-DUTY OFFICER CORPS

(a) AUTHORITY TO INCREASE FOR FISCAL YEAR 1988.—Subject to subsection (b), the Secretary of Defense may increase by not more than 1 percentage point (to not more than 98 percent) the percentage limitation prescribed in section 403(a) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3859) applicable to the total number of commissioned officers of the Army, Navy, Air Force, and Marine Corps that may be serving on active duty as of September 30, 1988.

(b) CERTIFICATION AND REPORT.—The Secretary may exercise the authority under subsection (a) only if—

(1) the Secretary makes a determination that such increase is necessary in order to avoid severe personnel management problems in the Army, Navy, Air Force, and Marine Corps during fiscal year 1988 and certifies such determination to the Committees on Armed Services of the Senate and the House of Representatives; and

(2) the Secretary submits to those Committees with such certification a report providing legislative recommendations for temporary changes in chapter 36 of title 10, United States Code, and other provisions of law enacted by the Defense Officer Personnel Management Act (Public Law 96-513) that the Secretary considers necessary in order to implement the required officer reductions under such section 403 with the least possible adverse effect on the Armed Forces.

(c) REALLOCATION OF REDUCTIONS.—(1) If the Secretary exercises the authority under subsection (a)—

(A) in lieu of the total number of commissioned officers serving on active duty as prescribed in the table in section 403(a) of the National Defense Authorization Act for Fiscal Year 1987, the total number of commissioned officers serving on active duty in the Army, Navy, Air Force, and Marine Corps as of September 30, 1989, may not exceed the number equal to 96 percent of the total number of such officers serving on active duty as of September 30, 1986; and

(B) the total number of commissioned officers serving on active duty in the Army, Navy, Air Force, and Marine Corps as of September 30, 1990, may not exceed the number equal to 94 percent of the total number of such officers serving on active duty as of September 30, 1986.

(2) In computing the authorized strength of commissioned officers under paragraph (1), officers in the categories described in section 403(b) of the National Defense Authorization Act for Fiscal Year 1987 shall be excluded.

SEC. 403. REDUCTION IN AUTHORIZATION BASED ON SAVINGS

Amounts authorized to be appropriated for fiscal year 1988 for military personnel of the Department of Defense are reduced, by reason of savings attributable to reductions during fiscal year 1987 in the number of commissioned officers on active duty required by section 403(a) of National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661), as follows:

(1) For "Military Personnel, Army", $49,438,000.

(2) For "Military Personnel, Navy", $46,461,000.

(3) For "Military Personnel, Air Force", $50,057,000.

(4) For "Military Personnel, Marine Corps", $9,080,000.

PART B—RESERVE FORCES

SEC. 411. END STRENGTHS FOR SELECTED RESERVE

(a) FISCAL YEAR 1988.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1988, as follows:

(1) The Army National Guard of the United States, 457,270.

(2) The Army Reserve, 324,300.

(3) The Naval Reserve, 152,600.

(4) The Marine Corps Reserve, 43,600.

(5) The Air National Guard of the United States, 115,900.

(6) The Air Force Reserve, 82,400.

(7) The Coast Guard Reserve, 14,000.

(b) FISCAL YEAR 1989.—The Armed Forces are authorized strengths for Selected Reserve personnel of the reserve components as of September 30, 1989, in the same numbers as specified in subsection (a).

(c) WAIVER AUTHORITY.—The Secretary of Defense may vary an end strength prescribed by subsection (a) or subsection (b) by not more than 4 percent.

(d) ADJUSTMENTS.—The end strengths prescribed by subsections (a) and (b) for the Selected Reserve of any reserve component shall be proportionately reduced by—

(1) the total authorized strength of units organized to serve as units of the Selected Reserve of such component which are on active duty (other than for training) at the end of the fiscal year; and

(2) the total number of individual members not in units organized to serve as units of the Selected Reserve of such component who are on active duty (other than for training or for unsatisfactory participation in training) without their consent at the end of the fiscal year.

Whenever such units or such individual members are released from active duty during any fiscal year, the end strength prescribed for such fiscal year for the Selected Reserve of such reserve component shall be proportionately increased by the total authorized strength of such units and by the total number of such individual members.

SEC. 412. END STRENGTHS FOR RESERVES ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

Within the strengths prescribed in section 411, the reserve components of the Armed Forces are authorized, as of September 30, 1988, and as of September 30, 1989, the following number of Reserves to be serving on full-time active duty or, in the case of members of the National Guard, full-time National Guard duty for the purpose of organizing, administering, recruiting, instructing, or training the reserve components:

(1) The Army National Guard of the United States, 25,725.

(2) The Army Reserve, 13,329.

(3) The Naval Reserve, 21,991.

(4) The Marine Corps Reserve, 1,945.

(5) The Air National Guard of the United States, 7,836.

(6) The Air Force Reserve, 669.

SEC. 413. INCREASE IN NUMBER OF MEMBERS IN CERTAIN GRADES AUTHORIZED TO BE ON ACTIVE DUTY IN SUPPORT OF THE RESERVES

(a) SENIOR ENLISTED MEMBERS.—(1) The table in section 517(b) of title 10, United States Code, is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E-9........................	517	175	125	13
E-8........................	2,295	390	425	74".

(2) Effective on October 1, 1988, that table is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
E-9	529	180	150	13
E-8	2,350	400	425	74".

(b) OFFICERS.—(1) The table in section 524(a) of such title is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander.	2,550	850	575	105
Lieutenant Colonel or Commander.	1,152	520	322	70
Colonel or Navy Captain.	348	185	184	25".

(2) Effective on October 1, 1988, that table is amended to read as follows:

"Grade	Army	Navy	Air Force	Marine Corps
Major or Lieutenant Commander.	2,600	875	575	110
Lieutenant Colonel or Commander.	1,250	520	322	75
Colonel or Navy Captain.	348	185	190	25".

PART C—MILITARY TRAINING STUDENT LOADS

SEC. 421. AUTHORIZATION OF TRAINING STUDENT LOADS

(a) IN GENERAL.—The components of the Armed Forces are authorized average military training student loads as follows:

(1) The Army:

(A) 82,503, for fiscal year 1988.

(B) 81,320, for fiscal year 1989.

(2) The Navy:

(A) 68,993, for fiscal year 1988.

(B) 70,044, for fiscal year 1989.

(3) The Marine Corps:

(A) 20,341, for fiscal year 1988.

(B) 19,873, for fiscal year 1989.

(4) The Air Force:

(A) 38,574, for fiscal year 1988.

(B) 39,972, for fiscal year 1989.

(5) The Army National Guard of the United States:

(A) 18,501, for fiscal year 1988.

(B) 19,707, for fiscal year 1989.

(6) The Army Reserve:

(A) 15,075, for fiscal year 1988.

(B) 15,950, for fiscal year 1989.

(7) The Naval Reserve:

(A) 2,841, for fiscal year 1988.

(B) 2,841, for fiscal year 1989.

(8) The Marine Corps Reserve:

(A) 3,970, for fiscal year 1988.

(B) 3,977, for fiscal year 1989.

(9) The Air National Guard of the United States:

(A) 2,508, for fiscal year 1988.

(B) 2,366, for fiscal year 1989.

(10) The Air Force Reserve:

(A) 1,968, for fiscal year 1988.

(B) 1,965, for fiscal year 1989.

(b) ADJUSTMENTS.—The average military student loads authorized in subsection (a) shall be adjusted consistent with the end strengths authorized in parts A and B. The Secretary of Defense shall prescribe the manner in which such adjustment shall be apportioned.

PART D—APPROPRIATION LIMITATION

SEC. 431. LIMITATION ON APPROPRIATIONS FOR MILITARY PERSONNEL FOR FISCAL YEAR 1988

The total amount appropriated for military personnel of the Department of Defense for fiscal year 1988 may not exceed $77,491,000,000 ($77,109,000,000).

TITLE V—MILITARY PERSONNEL

SEC. 501. EXTENSION OF AUTHORITY TO MAKE TEMPORARY PROMOTIONS OF CERTAIN NAVY LIEUTENANTS

(a) TWO-YEAR EXTENSION.—Section 5721(f) of title 10, United States Code, is amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1989".

(b) SAVINGS PROVISION.—(1) The Secretary of the Navy shall provide, in the case of an officer appointed to the grade of lieutenant commander on or after the date of the enactment of this Act under an appointment described in paragraph (2), that the date of rank of such officer under that appointment shall be the date of rank that would have applied to the appointment had the authority referred to in that paragraph not lapsed.

(2) An appointment referred to in paragraph (1) is an appointment under section 5721 of title 10, United States Code, that (as determined by the Secretary of the Navy) would have been made during the period beginning on October 1, 1987, and ending on the date of the enactment of this Act had the authority to make appointments under that section not lapsed during such period.

SEC. 502. EXTENSION OF CERTAIN RESERVE OFFICER MANAGEMENT PROGRAMS

(a) GRADE DETERMINATION AUTHORITY FOR RESERVE MEDICAL OFFICERS.—Sections 3359(b) and 8359(b) of title 10, United States Code, are amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1989".

(b) PROMOTION AUTHORITY FOR CERTAIN RESERVE OFFICERS SERVING ON ACTIVE DUTY.—(1) Sections 3380(d) and 8380(d) of such title are amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1989".

(2) The Secretary of the Army or the Secretary of the Air Force, as appropriate, shall provide, in the case of a Reserve officer appointed to a higher reserve grade on or after the date of the enactment of this Act under an appointment described in paragraph (3), that the date of rank of such officer under that appointment shall be the date of rank that would have applied to the appointment had the authority referred to in that paragraph not lapsed.

(3) An appointment referred to in paragraph (2) is an appointment under section 3380 or 8380 of title 10, United States Code, that (as determined by the Secretary concerned) would have been made during the period beginning on October 1, 1987, and ending on the date of the enactment of this Act had the authority to make appointments under that section not lapsed during such period.

(c) YEARS OF SERVICE FOR MANDATORY TRANSFER TO THE RETIRED RESERVE.—Effective as of October 1, 1987, section 1016(d) of the Department of Defense Authorization Act, 1984 (10 U.S.C. 3360 note), is amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1989".

SEC. 503. EXTENSION OF SINGLE-PARENT ENLISTMENT AUTHORITY IN RESERVE COMPONENTS

Section 523(d) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3871) is amended by striking out "September 30, 1988" and inserting in lieu thereof "September 30, 1989".

SEC. 504. AUTHORITY TO AWARD DEGREE OF MASTER OF LAWS IN MILITARY LAW

(a) ARMY JUDGE ADVOCATE GENERAL'S SCHOOL.—Chapter 401 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 4315. The Judge Advocate General's School: master of laws in military law

"Under regulations prescribed by the Secretary of the Army, the Commandant of the Judge Advocate General's School of the Army may, upon recommendation by the faculty of such school, confer the degree of master of laws (LL.M.) in military law upon graduates of the school who have fulfilled the requirements for that degree.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"4315. The Judge Advocate General's School: master of laws in military law.".

SEC. 505. WITHHOLDING OF STATE AND LOCAL INCOME TAXES FOR NATIONAL GUARD AND RESERVE DRILL PAY

Subchapter II of chapter 55 of title 5, United States Code, is amended—

(1) by striking out "do not" in section 5517(d); and

(2) by inserting "(other than service described in section 5517(d) of this title)" in the third sentence of section 5520(a) after "Armed Forces".

SEC. 506. ONE-YEAR DELAY IN MINIMUM PERCENTAGE OF AIR FORCE ENLISTEES REQUIRED TO BE WOMEN

Section 551(a) of the Department of Defense Authorization Act, 1985 (10 U.S.C. 8251 note), is amended by striking out "fiscal year 1988" and inserting in lieu thereof "fiscal year 1989".

SEC. 507. STUDY OF WARTIME MOBILIZATION REQUIREMENTS OF THE COAST GUARD

(a) 10-YEAR PLAN.—The Secretary of Transportation shall submit to Congress a plan to enable the Coast Guard to meet 95 percent of its wartime mobilization requirements by September 30, 1998. Such plan shall include recommendations with respect to—

(1) annual increases in authorized end strengths for Coast Guard Selected Reserve personnel;

(2) recruiting and training resources; and

(3) equipment and other logistic support necessary to enable the Coast Guard to meet that requirement.

(b) DEADLINE.—The plan required by subsection (a) shall be submitted not later than 60 days after the date of the enactment of this Act.

SEC. 508. WEARING OF RELIGIOUS APPAREL BY MEMBERS OF THE ARMED FORCES WHILE IN UNIFORM

(a) IN GENERAL.—Chapter 45 of title 10, United States Code, is amended—

(1) by redesignating section 774 as section 775; and

(2) by inserting after section 773 the following new section 774:

"§ 774. Religious apparel: wearing while in uniform

"(a) GENERAL RULE.—Except as provided under subsection (b), a member of the armed forces may wear an item of religious apparel while wearing the uniform of the member's armed force.

"(b) EXCEPTIONS.—The Secretary concerned may prohibit the wearing of an item of religious apparel—

"(1) in circumstances with respect to which the Secretary determines that the wearing of the item would interfere with the performance of the member's military duties; or

"(2) if the Secretary determines, under regulations under subsection (c), that the item of apparel is not neat and conservative.

"(c) REGULATIONS.—The Secretary concerned shall prescribe regulations concerning the wearing of religious apparel by members of the armed forces under the Secretary's jurisdiction while the members are wearing the uniform. Such regulations shall be consistent with subsections (a) and (b).

"(d) RELIGIOUS APPAREL DEFINED.—In this section, the term 'religious apparel' means apparel the wearing of which is part of the observance of the religious faith practiced by the member.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by striking out the item relating to section 774 and inserting in lieu thereof the following:

"774. Religious apparel: wearing while in uniform.
"775. Applicability of chapter.".

(c) REGULATIONS.—The Secretary concerned shall prescribe the regulations required by section 774(c) of title 10, United States Code, as added by subsection (a), not later than the end of the 120-day period beginning on the date of the enactment of this Act.

SEC. 509. MILITARY EDUCATION PROGRAM FOR ARMY NATIONAL GUARD CIVILIAN TECHNICIANS

(a) RELATIONSHIP TO MILITARY PROMOTIONS.—A civilian technician of the Army National Guard who is unable to complete required training under the Military Education Program for civilian technicians of the Army National Guard established on August 1, 1985, may not be denied a military promotion solely by reason of the failure to complete such training if the reason for such failure was solely lack of availability of training spaces.

(b) REPORT.—Not later than February 15, 1988, the Comptroller General shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the Military Education Program referred to in subsection (a). The report shall describe—

(1) the cost effectiveness of the program;

(2) the effect of the program on readiness; and

(3) the effect of the program on the sick leave, annual leave, and other benefits of civilian technicians of the Army National Guard and any resulting effect on their morale.

SEC. 510. REMOVAL OF STATUTORY MILITARY DEPARTMENT CEILINGS ON NUMBER OF ROTC SCHOLARSHIPS

Subsection (h) of section 2107 of title 10, United States Code, is amended to read as follows:

"(h) Not more than 29,500 cadets and midshipmen appointed under this section may be in the financial assistance programs at any one time. The Secretary of Defense shall determine the number of cadets and midshipmen appointed under this section who may be in the financial assistance programs at any one time in each military department.".

SEC. 511. LIMITED AUTHORITY TO TRANSFER AMONG SERVICES GRADES ABOVE MAJOR GENERAL AND REAR ADMIRAL

(a) IN GENERAL.—Section 525 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) Subject to paragraph (3), the President—

"(A) may make appointments in the Army, Air Force, and Marine Corps in the grade of lieutenant general and in the Army and Air Force in the grade of general in excess of the applicable numbers determined under subsection (b)(1), and may make appointments in the Marine Corps in the grade of general in addition to the Commandant and Assistant Commandant, if each such appointment is made in conjunction with an offsetting reduction under paragraph (2); and

"(B) may make appointments in the Navy in the grades of vice admiral and admiral in excess of the applicable numbers determined under subsection (b)(2) if each such appointment is made in conjunction with an offsetting reduction under paragraph (2).

"(2) For each appointment made under the authority of paragraph (1) in the Army, Air Force, or Marine Corps in the grade of lieutenant general or general or in the Navy in the grade of vice admiral or admiral, the number of appointments that may be made in the equivalent grade in one of the other armed forces (other than the Coast Guard) shall be reduced by one. When such an appointment is made, the President shall specify the armed force in which the reduction required by this paragraph is to be made.

"(3)(A) The number of officers that may be serving on active duty in the grades of lieutenant general and vice admiral by reason of appointments made under the authority of paragraph (1) may not exceed the number equal to 10 percent of the total number of officers that may be serving on active duty in those grades in the Army, Navy, Air Force, and Marine Corps under subsection (b).

"(B) The number of officers that may be serving on active duty in the grades of general and admiral by reason of appointments made under the authority of paragraph (1) may not exceed the number equal to 15 percent of the total number of general officers and flag officers that may be serving on active duty in those grades in the Army, Navy, Air Force, and Marine Corps.

"(4) Upon the termination of the appointment of an officer in the grade of lieutenant general or vice admiral or general or admiral that was made in connection with an increase under paragraph (1) in the number of officers that may be serving on active duty in that armed force in that grade, the reduction made under paragraph (2) in the number of appointments permitted in such grade in another armed force by reason of that increase shall no longer be in effect.".

(b) SAVINGS PROVISION.—An officer of the Armed Forces on active duty holding an appointment in the grade of lieutenant general or vice admiral or general or admiral on September 30, 1987, shall not have that appointment terminated by reason of the numerical limitations determined under section 525(b) of title 10, United States Code. In the case of an officer of the Marine Corps serving in the grade of general by reason of an appointment authorized by section 511(3) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3869), that appointment shall not be terminated except as provided in section 601 of title 10, United States Code.

SEC. 512. ADVANCE IN RETIRED GRADE AFTER 30 YEARS OF SERVICE FOR CERTAIN MEMBERS

(a) ARMY.—Section 3964 of title 10, United States Code, is amended to read as follows:

"§ 3964. Higher grade after 30 years of service: warrant officers and enlisted members

"(a) Each retired member of the Army covered by subsection (b) who is retired with less than 30 years of active service is entitled, when his active service plus his service on the retired list totals 30 years, to be advanced on the retired list to the highest grade in which he served on active duty satisfactorily (or, in the case of a member of the National Guard, in which he served on full-time duty satisfactorily), as determined by the Secretary of the Army.

"(b) This section applies to—

"(1) warrant officers of the Army;

"(2) enlisted members of the Regular Army; and

"(3) reserve enlisted members of the Army who, at the time of retirement, are serving on active duty (or, in the case of members of the National Guard, on full-time National Guard duty).".

(b) NAVY AND MARINE CORPS.—Chapter 571 of such title is amended by adding at the end the following new sections:

"§ 6334. Higher grade after 30 years of service: warrant officers and enlisted members

"(a) Each member of the naval service covered by subsection (b) who, after the date of the enactment of this section, is retired with less than 30 years of active service or is transferred to the Fleet Reserve or Fleet Marine Corps Reserve is entitled, when his active service plus his service on the retired list or his service in the Fleet Reserve or the Fleet Marine Corps Reserve totals 30 years, to be advanced on the retired list to the highest grade in which he served on active duty satisfactorily, as determined by the Secretary of the Navy.

"(b) This section applies to—

"(1) warrant officers of the naval service;

"(2) enlisted members of the Regular Navy and Regular Marine Corps; and

"(3) reserve enlisted members of the Navy and Marine Corps who, at the time of retirement or transfer to the Fleet Reserve or Fleet Marine Corps Reserve, are serving on active duty.

"(c) An enlisted member of the naval service who is advanced on the retired list under this section is entitled to recompute his retired or retainer pay under formula A of the following table, and a warrant officer of the naval service so advanced is entitled to recompute his retired pay under formula B of that table. The amount recomputed, if not a multiple of $1, shall be rounded to the next lower multiple of $1.

"Formula	Column 1 Take	Column 2 Multiply by
A	Retired pay base as computed under section 1406(d) or 1407 of this title.	The retired pay multiplier prescribed in section 1409 of this title for the number of years creditable for his retainer or retired pay at the time of retirement.[1]
B	Retired pay base as computed under section 1406(d) of this title.	The retired pay multiplier prescribed in section 1409 of this title for the number of years credited to him under section 1405 of this title.

"[1] In determining the retired pay multiplier, credit each full month of service that is in addition to the number of full years of service creditable to *the member as 1/12 of a year and disregard any remaining fractional part of a month.*

"§ 6335. Restoration to former grade: warrant officers and enlisted members

"Each retired warrant officer or enlisted member of the naval service who has been advanced on the retired list to a higher commissioned grade under section 6334 of this title, and who applies to the Secretary of the Navy within three months after his advancement, shall, if the Secretary approves, be restored on the retired list to his former warrant officer or enlisted status, as the case may be.".

(c) AIR FORCE.—Section 8964 of title 10, United States Code, is amended to read as follows:

"§ 8964. Higher grade after 30 years of service: warrant officers and enlisted members

"(a) Each retired member of the Air Force covered by subsection (b) who is retired with less than 30 years of active service is entitled, when his active service plus his service on the retired list totals 30 years, to be advanced on the retired list to the highest grade in which he served on active duty satisfactorily (or, in the case of a member of the National Guard, in which he served on full-time duty satisfactorily), as determined by the Secretary of the Air Force.

"(b) This section applies to—

"(1) warrant officers of the Air Force;

"(2) enlisted members of the Regular Air Force; and

"(3) reserve enlisted members of the Air Force who, at the time of retirement, are serving on active duty (or, in the case of members of the National Guard, on full-time duty).".

(d) CONFORMING AMENDMENTS.—(1) Sections 3965 and 3966(b)(2) of such title are amended by striking out "Regular".

(2) Section 1406(d) of such title is amended—

(A) by inserting "or 6334" after "6151"; and

(B) by adding at the end of the table in such section the following:

"6334	*Basic pay of the grade to which the number is advanced under section 6334.".*

(3) Sections 8965 and 8966(b)(2) of such title are amended by striking out "Regular".

(e) CLERICAL AMENDMENTS.—(1) The item relating to section 3964 in the table of sections at the beginning of chapter 369 of such title is amended to read as follows:

"3964. Higher grade after 30 years of service: warrant officers and enlisted members.".

(2) The table of sections at the beginning of chapter 571 of such title is amended by adding at the end the following new items:

"6334. Higher grade after 30 years of service: warrant officers and enlisted members.

"6335. Restoration to former grade: warrant officers and enlisted members.".

(3) The item relating to section 8964 in the table of sections at the beginning of chapter 869 of such title is amended to read as follows:

"8964. Higher grade after 30 years of service: warrant officers and enlisted members.".

(f) EFFECTIVE DATE.—The amendments made by subsections (a) and (c) shall apply to any reserve enlisted member who completes 30 years of service in the Armed Forces before, on, or after the date of the enactment of this Act. No person may be paid retired pay at a higher rate by reason of the enactment of this Act for any period before the date of the enactment of this Act.

SEC. 513. TESTING FOR DRUG, CHEMICAL, AND ALCOHOL USE AND DEPENDENCY BEFORE ENTRY INTO THE ARMED FORCES

(a) MANDATORY TESTING.—(1) Section 978 of title 10, United States Code, is amended to read as follows:

"§ 978. Mandatory testing for drug, chemical, and alcohol abuse

"(a) Before a person becomes a member of the armed forces, such person shall be required to undergo testing for drug, chemical, and alcohol use and dependency.

"(b) A person who refuses to consent to testing required by subsection (a) may not be accepted for an original enlistment in the armed forces or given an original appointment as an officer in the armed forces unless that person consents to such testing.

"(c) A person determined, as the result of testing conducted under subsection (a), to be dependent on drugs, chemicals, or alcohol shall be—

"(1) denied entrance into the armed forces; and

"(2) referred to a civilian treatment facility.

"(d) The testing required by subsection (a) shall be carried out under regulations prescribed by the Secretary of Defense in consultation with the Secretary of Transportation. Those regulations shall apply uniformly throughout the armed forces.".

(2) The item relating to that section in the table of sections at the beginning of chapter 49 of such title is amended to read as follows:

"978. Mandatory testing for drug, chemical, and alcohol abuse.".

(b) IMPLEMENTATION.—(1) The Secretary of Defense shall prescribe regulations for the implementation of section 978 of title 10, United States Code, as amended by subsection (a), not later than 45 days after the date of the enactment of this Act.

(2) The effective date for initation of the testing program prescribed by that section shall be no later than 180 days after the date of the enactment of this Act.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

PART A—PAY AND ALLOWANCES

SEC. 601. MILITARY PAY RAISE FOR FISCAL YEAR 1988

(a) WAIVER OF SECTION 1009 ADJUSTMENT.—Any adjustment required by section 1009 of title 37, United States Code, in elements of compensation of members of the uniformed services to become effective during fiscal year 1988 shall not be made.

(b) THREE PERCENT INCREASE IN BASIC PAY AND BAS.—The rates of basic pay and basic allowance for subsistence of members of the uniformed services are increased by 3 percent effective on January 1, 1988.

(c) INCREASE IN BAQ.—(1) The rates of basic allowance for quarters for members of the uniformed services are increased by 6 percent effective on January 1, 1988.

(2) If as of January 1, 1988, there has not been enacted legislation as described in section 3(c), then the percentage increase in the rates of basic allowance for quarters for members of the uniformed services to take effect on that date under paragraph (1) shall be 3 percent (rather than the percentage specified in that paragraph).

(d) THREE PERCENT INCREASE IN CADET AND MIDSHIPMAN PAY.—Effective January 1, 1988, section 203(c)(1) of title 37, United States Code, is amended by striking out "$494.40" and inserting in lieu thereof "$509.10".

SEC. 602. GAO REPORT ON FAIRNESS OF MILITARY HOUSING ALLOWANCES

(a) GAO REVIEW.—The Comptroller General shall review the following:

(1) The military housing allowance system as it pertains to dual-service couples and divorced members of the uniformed services. For purposes of the review, a dual-service couple is a married couple of which both spouses are members of a uniformed service serving on active duty.

(2) All studies previously conducted by the Department of Defense on the military housing allowance system, including the legislative history of the existing provisions of law providing for the basic allowance for quarters and the variable housing allowance (37 U.S.C. 403 and 403a).

(b) REPORT.—The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the review conducted under subsection (a). The report shall include recommendations for appropriate changes in legislation and regulations to promote fairness in—

(1) the compensation for military housing of a dual-service couple in comparison to the compensation for military housing of a married couple of which one spouse is a member of a uniformed service serving on active duty and the other spouse is a civilian; and

(2) the compensation for military housing of divorced members of the uniformed services in comparison to the compensation for military housing of other unmarried members of the uniformed services.

(c) DEADLINE.—The report required by subsection (b) shall be submitted by March 1, 1988.

PART B—TRAVEL AND TRANSPORTATION

SEC. 611. ALLOWANCE FOR CIVILIAN CLOTHING

(a) IN GENERAL.—(1) Chapter 7 of title 37, United States Code, is amended—

(A) by redesignating sections 419 and 420 as sections 420 and 421, respectively; and

(B) by inserting after section 418 the following new section:

"§ 419. Civilian clothing allowance

"Under regulations prescribed by the Secretary of Defense, a member of an armed force who is assigned to a permanent duty station at a location outside the United States is entitled to a civilian clothing allowance in such amount as the Secretary shall determine under regulations if such member is required to wear civilian clothing all or a substantial portion of the time in the performance of the member's official duties. A clothing allowance under this section is in addition to any uniform allowance to which a member is otherwise entitled under this title.".

(2) The table of sections at the beginning of such chapter is amended by striking out the items relating to sections 419 and 420 and inserting in lieu thereof the following:

"419. Civilian clothing allowance.

"420. Allowances while participating in international sports.

"421. Allowances: no increase while dependent is entitled to basic pay.".

(b) EFFECTIVE DATE.—Section 419 of title 37, United States Code, as added by subsec-

tion (a), shall take effect on the date of the enactment of this Act. No member may be paid a clothing allowance under such section for any period before such date.

SEC. 612. REIMBURSEMENT FOR ACTUAL LODGING EXPENSES PLUS PER DIEM FOR MEMBERS ENTITLED TO TRAVEL ALLOWANCES

(a) REPEAL.—Section 614(b) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3879) is repealed.

(b) NEW EFFECTIVE DATE.—(1) The amendments made by section 614(a) of the National Defense Authorization Act for Fiscal Year 1987 shall be implemented by the Secretaries concerned (as defined in section 101(5) of title 37, United States Code) not later than 90 days after the date of the enactment of this Act and shall apply with respect to travel performed on or after the date of implementation.

(2) Section 8(a) of the Defense Technical Corrections Act of 1987 (Public Law 100-26; 101 Stat. 284) is amended by striking out ", and such amendments shall be effective as provided in section 614(b) of the Defense Authorization Act".

SEC. 613. AUTHORIZATION TO PAY DISLOCATION ALLOWANCE IN ADVANCE

Section 407 of title 37, United States Code, is amended by adding at the end the following new subsection:

"(f) An allowance payable under this section may be paid in advance.".

SEC. 614. TRANSPORTATION ALLOWANCE TO ENCOURAGE VOLUNTARY EXTENSIONS OF TOURS OF DUTY IN FOREIGN COUNTRIES

(a) IN GENERAL.—(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 411f the following new section:

"§ 411g. Travel and transportation allowances: transportation incident to voluntary extensions of overseas tours of duty

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who—

"(1) is stationed outside the United States; and

"(2) voluntarily agrees to extend his overseas tour of duty for a period equal to at least one-half of the overseas tour prescribed for his permanent duty station;

is entitled to the transportation allowance described in subsection (b) for himself and each dependent who is authorized to, and does, accompany him.

"(b) The transportation allowance authorized by subsection (a) is an allowance provided—

"(1) in connection with authorized leave; and

"(2) for the cost of transportation—

"(A) from a member's permanent duty station to a place approved by the Secretary concerned and from that place to his permanent duty station; or

"(B) from a member's permanent duty station to a place no farther distant than his home of record (if he is a member without dependents) and from that place to his permanent duty station.

"(c) The transportation allowance authorized by subsection (a) may not be provided to an enlisted member who, with respect to an extension of duty described in subsection (a)—

"(1) elects to receive special pay under section 314 of this title for duty performed during such extension of duty; or

"(2) elects to receive rest and recuperative absence or transportation at Government expense, or any combination thereof, under section 705 of title 10 for such extension of duty.

"(d) The authority under this section shall expire on October 1, 1989.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 411f the following new item:

"411g. Travel and transportation allowances: transportation incident to voluntary extensions of overseas tours of duty.".

(b) EFFECTIVE DATE.—Section 411g of title 37, United States Code, as added by subsection (a), shall apply with respect to agreements to extend overseas tours of duty made after the date of the enactment of this Act.

(c) GAO REVIEW AND REPORT.—(1) The Comptroller General shall review implementation of section 411g of such title after such section has been in effect for one year, for the purpose of comparing—

(A) the total cost to the Department of Defense of the transportation allowance allowed under such section; with

(B) the total cost that would have been incurred by the Department of Defense over such period if such section had not been in effect, including the costs of more frequent moves by members in connection with permanent station changes.

(2) The Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on such review no later than March 1, 1989.

(d) CLARIFICATION OF TYPE OF LEAVE FOR WHICH CERTAIN TRANSPORTATION ALLOWANCE IS GRANTED.—(1) Subsection (a)(2) of section 411b of such title is amended by striking out "the first time the member is granted leave." and inserting in lieu thereof the following: "the time the member is first granted leave—

"(A) which is to be taken away from the member's permanent duty station; and

"(B) for which a travel and transportation allowance is not otherwise authorized.".

(2) The heading of such section is amended to read as follows:

"§ 411b. Travel and transportation allowances: travel performed in connection with leave between consecutive overseas tours".

(3) The item relating to such section in the table of sections at the beginning of chapter 7 of such title is amended to read as follows:

"411b. Travel and transportation allowances: travel performed in connection with leave between consecutive overseas tours.".

SEC. 615. TRANSPORTATION OF FAMILY MEMBERS OF SERIOUSLY ILL OR INJURED MEMBER

(a) IN GENERAL.—(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 411g, as added by section 614, the following new section:

"§ 411h. Travel and transportation allowances: transportation of family members incident to the serious illness or injury of members

"(a)(1) Under uniform regulations prescribed by the Secretaries concerned, transportation described in subsection (c) may be provided for not more than two family members of a member described in paragraph (2) if the attending physician or surgeon and the commander or head of the military medical facility exercising military control over the member determine that the presence of the family member is necessary for the member's health and welfare.

"(2) A member referred to in paragraph (1) is a member of the uniformed services who—

"(A) is serving on active duty;

"(B) is seriously ill or seriously injured; and

"(C) is hospitalized in a medical facility in or outside the United States.

"(b)(1) In this section, the term 'family member', with respect to a member, means—

"(A) the member's spouse;

"(B) children of the member (including stepchildren, adopted children, and illegitimate children);

"(C) parents of the member or persons in loco parentis to the member, as provided in paragraph (2); and

"(D) siblings of the member.

"(2) Parents of a member or persons in loco parentis to a member include fathers and mothers through adoption and persons who stood in loco parentis to the member for a period not less than one year immediately before the member entered the uniformed service. However, only one father and one mother or their counterparts in loco parentis may be recognized in any one case.

"(c) The transportation authorized by subsection (a) is round-trip transportation between the home of the family member and the location of the medical facility in which the member is hospitalized.

"(d)(1) The transportation authorized by subsection (a) may be provided by any of the following means:

"(A) Transportation in-kind.

"(B) A monetary allowance in place of transportation in-kind at a rate to be prescribed by the Secretaries concerned.

"(C) Reimbursement for the commercial cost of transportation.

"(2) An allowance payable under this subsection may be paid in advance.

"(3) Reimbursement payable under this subsection may not exceed the cost of government-procured commercial round-trip air travel.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 411g (as added by section 614) the following new item:

"411h. Travel and transportation allowances: transportation of family members incident to the serious illness or injury of members.".

(b) EFFECTIVE DATE.—The authority to provide transportation or to pay transportation expenses under section 411h of title 37, United States Code, as added by subsection (a), shall be effective only with respect to travel that occurs on or after the effective date of regulations prescribed under such section.

SEC. 616. AUTHORITY TO TRANSPORT VEHICLES LEASED BY MEMBERS OF THE ARMED FORCES

(a) PCS MOVES.—Section 2634 of title 10, United States Code, is amended—

(1) by inserting "or leased" after "owned" both places it appears in the matter in subsection (a) preceding paragraph (1); and

(2) by adding at the end the following new subsection:

"(e) The Secretary of Defense (and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy) may prescribe regulations limiting those leased motor vehicles that may be transported pursuant to this section based upon the length of the lease and other terms and conditions of the lease that the Secretary considers appropriate.".

(b) OTHER MOVES.—Section 406(h)(1)(B) of title 37, United States Code, is amended by inserting "or leased' after "owned".

SEC. 617. REIMBURSEMENT FOR TRAVEL AND TRANSPORTATION EXPENSES WHEN ACCOMPANYING MEMBERS OF CONGRESS

(a) MEMBERS OF THE ARMED FORCES.—Section 404 of title 37, United States Code, is amended by adding at the end the following new subsection:

"(h)(1) Subject to paragraph (2), a member of the armed forces accompanying a Member of Congress or a congressional employee on official travel may be authorized reimbursement for actual travel and transportation expenses incurred for such travel.

"(2) The reimbursement authorized in paragraph (1) may be paid—

"(A) at a rate that does not exceed the rate approved for official Congressional travel; and

"(B) only when the travel of the member is directed or approved by the Secretary of Defense or the Secretary concerned.

"(3) In this subsection:

"(A) The term 'Member of Congress' means a member of the Senate or the House of Representatives, a Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico.

"(B) The term 'congressional employee' means an employee of a Member of Congress or an employee of Congress.".

(b) CIVILIAN EMPLOYEES.—(1) Chapter 81 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1591. Reimbursement for travel and transportation expenses when accompanying Members of Congress

"(a) Subject to subsection (b), the Secretary concerned may authorize reimbursement to a civilian employee who is accompanying a Member of Congress or a congressional employee on official travel for actual travel and transportation expenses incurred for such travel.

"(b) The allowance provided in subsection (a) may be paid—

"(1) at a rate that does not exceed the rate approved for official Congressional travel; and

"(2) only when the travel of the member is directed or approved by the Secretary concerned.

"(c) In this section:

"(1) The term 'Member of Congress' means a member of the Senate or the House of Representatives, a Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico.

"(2) The term 'congressional employee' means an employee of a Member of Congress or an employee of Congress.

"(3) The term 'Secretary concerned' includes the Secretary of Defense with respect to civilian employees of the Department of Defense other than a military department.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"1591. Reimbursement for travel and transportation expenses when accompanying Members of Congress.".

(c) EFFECTIVE DATES.—Subsection (h) of section 404 of title 37, United States Code (as added by subsection (a)), and section 1591 of title 10, United States Code (as added by subsection (b)), shall apply with respect to travel performed after the date of the enactment of this Act.

PART C—BONUSES AND SPECIAL AND INCENTIVE PAYS

SEC. 621. RESTRUCTURING OF CAREER SEA PAY

(a) RATES.—Subsection (b) of section 305a of title 37, United States Code, is amended to read as follows:

"(b) The monthly rates for special pay under subsection (a) are as follows:

"ENLISTED MEMBERS

"Pay grade	"Years of sea duty																
	1 or less	Over 1	Over 2	Over 3	Over 4	Over 5	Over 6	Over 7	Over 8	Over 9	Over 10	Over 11	Over 12	Over 13	Over 14	Over 16	Over 18
E-4	$50	$60	$120	$150	$160	$160	$160	$60	$160	$160	$160	$160	$160	$160	$160	$160	$160
E-5	50	60	120	150	170	315	325	350	350	350	350	350	350	350	350	350	350
E-6	100	100	120	150	170	315	325	350	350	365	365	365	380	395	410	425	450
E-7	100	100	120	175	190	350	350	375	390	400	400	410	420	450	475	500	500
E-8	100	100	120	175	190	350	350	375	390	400	400	410	420	450	475	500	520
E-9	100	100	120	175	190	350	350	375	390	400	400	410	420	450	475	520	520

"WARRANT OFFICERS

"Pay grade	"Years of sea duty																
	1 or less	Over 1	Over 2	Over 3	Over 4	Over 5	Over 6	Over 7	Over 8	Over 9	Over 10	Over 11	Over 12	Over 13	Over 16	Over 18	Over 20
W-1	$130	$135	$140	$150	$170	$175	$200	$250	$270	$300	$325	$325	$340	$360	$375	$375	$375
W-2	150	150	150	150	170	260	265	265	270	310	340	340	375	400	400	400	400
W-3	150	150	150	150	170	270	280	285	290	310	350	375	400	425	425	450	450
W-4	150	150	150	150	170	290	310	310	310	310	350	375	400	450	450	500	500

"OFFICERS

"Pay grade	"Years of sea duty													
	Over 3	Over 4	Over 5	Over 6	Over 7	Over 8	Over 9	Over 10	Over 11	Over 12	Over 14	Over 16	Over 18	Over 20
O-1	$150	$160	$185	$190	$195	$205	$215	$225	$225	$240	$250	$260	$270	$280
O-2	150	160	185	190	195	205	215	225	225	240	250	260	270	280
O-3	150	160	185	190	195	205	215	225	225	240	260	270	280	290
O-4	185	190	200	205	215	220	220	225	225	240	270	280	290	300
O-5	225	225	225	225	230	245	250	260	265	265	285	300	315	340
O-6	225	230	230	240	255	265	280	290	300	310	325	340	355	380".

(b) CAREER SEA PAY PREMIUM.—Subsection (c) of such section is amended by inserting "(other than an enlisted member in a pay grade above E-4 with more than five years of sea duty)" after "sea duty" the first place it appears.

(c) DEFINITION OF SEA DUTY.—Subsection (d) of such section is amended to read as follows:

"(d)(1) In this section, the term 'sea duty' means duty performed by a member—

"(A) while permanently or temporarily assigned to a ship, ship-based staff, or ship-based aviation unit and while serving on a ship the primary mission of which is accomplished while under way or while serving as a member of the off-crew of a two-crewed submarine; or

"(B) while permanently or temporarily assigned to a ship or ship-based staff and while serving on a ship the primary mission of which is normally accomplished while in port, but only during a period that the ship is away from its homeport.

"(2) For the purpose of determining the years of sea duty with which a member may be credited for purposes of this section, the term 'sea duty' also includes duty performed on or after the effective date specified in section 621(e)(1) of the National Defense Authorization Act for Fiscal Year 1988 by a member while permanently or temporarily assigned to a ship or ship-based staff and while serving on a ship on which the member would be entitled, during a period that the ship is away from its homeport, to receive sea pay by reason of paragraph (1)(B).

"(3) A ship shall be considered to be away from its homeport for purposes of this subsection when it is—

"(A) at sea; or

"(B) in a port that is more than 50 miles from its homeport.".

(d) SAVE PAY.—A member of the uniformed services who at any time during the three-month period ending on the day before the effective date applicable to that member under subsection (e) for the new rates of career sea pay is entitled to career sea pay *at a rate that is higher than the rate established under such new rates for the member's pay grade and years of sea duty shall be paid such special pay, when entitled to receive it, at such higher rate until the member is permanently reassigned to duty for which the member is not entitled to such special pay. In the case of a member covered by the preceding sentence who is reduced in grade under the Uniform Code of Military Justice (chapter 47 of title 10, United States Code), the old rate of career sea pay applicable to such member under the preceding sentence which may be paid in lieu of the rate applicable to the member under the new rates of career sea pay shall be the rate under the old rates of career sea pay for the member's pay grade as so reduced and the member's years of sea duty.*

(e) EFFECTIVE DATE.—(1) Except as provided under paragraph (2), the amendments made by this section shall take effect on the first day of the first month beginning after the date of the enactment of this Act and shall apply with respect to duty performed on or after that date.

(2) The new rates of career sea pay that are applicable to enlisted members in pay grades above pay grade E-4 who have five or more years of sea duty and the amendment made by subsection (b) shall take effect on the first day of the fourth month beginning after the effective date specified under paragraph (1). In the case of such members, the old rates of career sea pay shall remain in effect until the new rates take effect under the preceding sentence.

(f) DEFINITIONS.—For purposes of subsections (d) and (e):

(1) The term "career sea pay" means special pay under section 305a of title 37, United States Code.

(2) The term "old rates", with respect to career sea pay, means the rates of such pay in effect on the date of the enactment of this Act.

(3) The term "new rates", with respect to career sea pay, means the rates of such pay provided by the amendment made by subsection (a).

SEC. 622. SPECIAL PAY FOR AVIATION CAREER OFFICERS

(a) IN GENERAL.—(1) Subsection (a) of section 301b of title 37, United States Code, is amended by striking out clause (5) of the first sentence and all that follows through the second sentence and inserting in lieu thereof the following:

"(5) has not previously been paid special pay authorized by this section;

"(6) executes a written agreement to remain on active duty in aviation service for at least one year; and

"(7) is in an aviation specialty designated as critical,

may, upon the acceptance of the written agreement by the Secretary of Defense or the Secretary of Transportation, as appropriate, be paid an amount not to exceed $4,000 for each year covered by the agreement if the officer agrees to remain on active duty for one year, two years, or three years, or an amount not to exceed $6,000 for each year covered by the agreement if the officer agrees to remain on active duty for four years.".

(2) Subsection (e) of such section is amended to read as follows:

"(e)(1) During the period beginning on October 1, 1987, and ending on September 30, 1989, an agreement under this section may be accepted only—

"(A) from an officer of the Navy who meets the conditions set forth in subsection (a) and who has completed fewer than 11 years of active duty; and

"(B) if the agreement requires the officer to remain on active duty in aviation service for three years or for four years.

"(2) An agreement that requires an officer to remain on active duty in aviation service for six years may also be accepted during such period if the officer meets the conditions set forth in subsection (a) and has completed fewer than eight years of active duty. An officer from whom such an agreement is accepted may be paid an amount not to exceed $6,000 for each year covered by the agreement.".

(3) Subsection (f) of such section is amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1989".

(b) EFFECTIVE DATE.—(1) The amendments made by subsection (a) to subsections (a), (e), and (f) of section 301b of title 37, United States Code, shall apply to agreements entered into on or after October 1, 1987, and special pay may be paid as if such amendments were in effect on such date.

(2) Such amendments shall not affect an agreement entered into under such section as in effect on September 30, 1987, and the provisions of such section as in effect on such day shall continue to apply with respect to such agreement.

SEC. 623. SUBMARINE DUTY INCENTIVE PAY

(a) MARINE CORPS COVERAGE.—Subsection (a) of section 301c of title 37, United States Code, is amended by striking out "Navy" and inserting in lieu thereof "naval service".

(b) INCREASED RATES.—Subsection (b) of such section is amended to read as follows:

"(b) A member who meets the requirements prescribed in subsection (a) is entitled to monthly submarine duty incentive pay as follows:

"ENLISTED MEMBERS

"Pay grade	*"Years of service computed under section 205*													
	2 or less	*Over 2*	*Over 3*	*Over 4*	*Over 6*	*Over 8*	*Over 10*	*Over 12*	*Over 14*	*Over 16*	*Over 18*	*Over 20*	*Over 22*	*Over 26*
E-9	*$225*	*$225*	*$225*	*$270*	*$295*	*$310*	*$315*	*$330*	*$345*	*$355*	*$355*	*$355*	*$355*	*$355*
E-8	*225*	*225*	*225*	*250*	*270*	*295*	*310*	*315*	*330*	*330*	*345*	*345*	*345*	*345*
E-7	*225*	*225*	*225*	*250*	*255*	*265*	*275*	*295*	*310*	*310*	*310*	*310*	*310*	*310*
E-6	*155*	*170*	*175*	*215*	*230*	*245*	*255*	*265*	*265*	*265*	*265*	*265*	*265*	*265*
E-5	*140*	*155*	*155*	*175*	*190*	*195*	*195*	*195*	*195*	*195*	*195*	*195*	*195*	*195*
E-4	*80*	*95*	*100*	*170*	*175*	*175*	*175*	*175*	*175*	*175*	*175*	*175*	*175*	*175*
E-3	*80*	*90*	*95*	*95*	*140*	*90*	*90*	*90*	*90*	*90*	*90*	*90*	*90*	*90*
E-2	*75*	*90*	*90*	*90*	*90*	*90*	*90*	*90*	*90*	*90*	*90*	*90*	*90*	*90*
E-1	*75*	*75*	*75*	*75*	*75*	*75*	*75*	*75*	*75*	*75*	*75*	*75*	*75*	*75*

"COMMISSIONED OFFICERS

"Pay grade	*"Years of service computed under section 205*													
	2 or less	*Over 2*	*Over 3*	*Over 4*	*Over 6*	*Over 8*	*Over 10*	*Over 12*	*Over 14*	*Over 16*	*Over 18*	*Over 20*	*Over 22*	*Over 26*
O-10	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*
O-9	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*
O-8	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*
O-7	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*540*	*535*	*535*	*410*	*355*
O-6	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*
O-5	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*
O-4	*365*	*365*	*365*	*405*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*
O-3	*355*	*355*	*355*	*390*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*	*595*
O-2	*235*	*235*	*235*	*235*	*235*	*235*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*
O-1	*175*	*175*	*175*	*175*	*175*	*175*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*

"WARRANT OFFICERS

"Pay grade	*"Years of service computed under section 205*													
	2 or less	*Over 2*	*Over 3*	*Over 4*	*Over 6*	*Over 8*	*Over 10*	*Over 12*	*Over 14*	*Over 16*	*Over 18*	*Over 20*	*Over 22*	*Over 26*
W-4	*$235*	*$310*	*$310*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*	*$355*
W-3	*235*	*310*	*310*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*
W-2	*235*	*310*	*310*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*
W-1	*235*	*310*	*310*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355*	*355".*

(c) EFFECTIVE DATE.—(1) Subject to paragraph (2), the amendments made by this section shall take effect on the first day of the first month beginning after the date of the enactment of this Act and shall apply only with respect to duty performed on or after that date.

(2) The amendments made by this section shall take effect only if legislation as described in section 3(c) is enacted.

SEC. 624. DIVING PAY FOR MEMBERS OF RESERVE COMPONENTS

(a) IN GENERAL.—Section 304 of title 37, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (e); and

(2) by inserting after subsection (c) the following new subsection (d):

"(d)(1) Under regulations prescribed by the Secretary concerned and to the extent provided for by appropriations, when a member of the National Guard or a reserve component of a uniformed service who is entitled to compensation under section 206 of this title performs diving duty, pursuant to orders, such member is entitled to an increase in compensation equal to 1/30 of the monthly special pay prescribed by the Secretary concerned for the performance of diving duty by a member of comparable diving classification who is entitled to basic pay under section 204 of this title. Such member is entitled to the increase—

"(A) for each regular period of instruction, or period of appropriate duty, at which the member is engaged for at least two hours, including that performed on a Sunday or holiday; or

"(B) for the performance of such other equivalent training, instruction, duty, or appropriate duties, as the Secretary may prescribe under section 206(a) of this title.

"(2) This subsection does not apply to a member who is entitled to basic pay under section 204 of this title.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the first day of the fourth calendar month following the month in which this Act is enacted and shall apply only with respect to diving duty performed on or after that date.

SEC. 625. SELECTIVE REENLISTMENT BONUSES

(a) IN GENERAL.—Paragraph (1) of section 308(b) of title 37, United States Code, is amended to read as follows:

"(1) Bonus payments authorized under this section may be paid in either a lump sum or in installments. If the bonus is paid in installments, the initial payment shall be not less than 50 percent of the total bonus amount.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to bonuses paid for reenlistment or extension of enlistment agreements entered into after September 30, 1987.

SEC. 626. EXTENSION OF ENLISTMENT AND REENLISTMENT BONUS AUTHORITIES

(a) FIVE-YEAR EXTENSION OF ACTIVE-DUTY BONUSES.—Sections 308(g), 308a(c), and 308f(c) of title 37, United States Code, are amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1992".

(b) THREE-YEAR EXTENSION OF RESERVE COMPONENT BONUSES.—Sections 308b(g), 308c(f), 308e(e), 308g(h), 308h(g), and 308i(i) of such title are amended by striking out "September 30, 1987" and inserting in lieu thereof "September 30, 1990".

(c) COVERAGE OF PERIOD OF LAPSED AUTHORITY.—(1) The Secretary concerned, in the case of any person who during the period beginning on October 1, 1987, and ending on the date of the enactment of this Act would have qualified for an agreement with the Secretary described in paragraph (2) but for the fact that the authority for the payment of bonuses provided by that section had lapsed, shall pay to that person a bonus under the terms of the appropriate section specified in that paragraph (and related regulations) as in effect on September 30, 1987.

(2) An agreement referred to in paragraph (1) is an agreement with the Secretary for the payment of a bonus under section 308, 308a, 308b, 308c, 308e, 308f, 308g, 308h, or 308i of title 37, United States Code.

PART D—MISCELLANEOUS

SEC. 631. AUTHORITY FOR CERTAIN REMARRIED SURVIVOR BENEFIT PLAN PARTICIPANTS TO WITHDRAW FROM PLAN

(a) AUTHORITY TO WITHDRAW.—(1) An individual who is a participant in the Survivor Benefit Plan under subchapter II of chapter 73 of title 10, United States Code, and is described in paragraph (2) may, with the consent of such individual's spouse, withdraw from participation in the Plan.

(2) An individual referred to in paragraph (1) is an individual who—

(A) is providing coverage for a spouse or for a spouse and child under the Plan; and

(B) remarried before March 1, 1986, and at a time when such individual was a participant in the Plan but did not have an eligible spouse beneficiary under the Plan.

(b) APPLICABLE PROVISIONS.—An election under subsection (a) shall be subject to subparagraphs (B) and (D) of section 1448(a)(6) of title 10, United States Code, except that in applying such subparagraph (B) to subsection (a), the one-year period referred to in clause (ii) of such subparagraph shall extend until the end of the one-year period beginning 90 days after the date of the enactment of this Act.

(c) TREATMENT OF PRIOR CONTRIBUTIONS.—No refund of amounts by which the retired pay of a participant in the Survivor Benefit Plan has been reduced by reason of section 1452 of title 10, United States Code, may be made to an individual who withdraws from the Survivor Benefit Plan under subsection (a).

SEC. 632. LAW APPLICABLE TO OCCUPANCY BY COAST GUARD PERSONNEL OF SUBSTANDARD FAMILY HOUSING UNITS

(a) IN GENERAL.—Section 2830 of title 10, United States Code, is amended—

(1) by striking out "the Secretary of a military department" in subsection (a) and inserting in lieu thereof "the Secretary concerned";

(2) by striking out "Subject to" in subsection (b) and all that follows through "military department" and inserting in lieu thereof "(1) The Secretary concerned"; and

(3) by adding at the end of subsection (b) the following new paragraph:

"(2) The authority to enter into leases under paragraph (1) shall be exercised—

"(A) in the case of a lease by the Secretary of a military department, subject to regulations prescribed by the Secretary of Defense; and

"(B) in the case of a lease by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, subject to regulations prescribed by that Secretary.".

(b) CONFORMING AMENDMENTS.—(1) Section 2801(d) of such title is amended by inserting "(other than section 2830)" after "This chapter".

(2) Section 475 of title 14, United States Code, is amended—

(A) by striking out subsection (b); and

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

SEC. 633. COLLECTION OF AMOUNTS OWED TO SERVICE RELIEF SOCIETIES FROM FINAL PAY OF MEMBERS

(a) COLLECTION OF AMOUNTS OWED RELIEF SOCIETIES.—Section 1007 of title 37, United States Code, is amended by adding at the end the following new subsection:

"(h)(1) Upon request by a service relief society and subject to paragraph (2), an amount owed by a member of the uniformed services to the relief society may be deducted from the pay on final statement of such member and paid to that relief society.

"(2) An amount may not be deducted under paragraph (1) from the pay of a member unless the Secretary concerned makes a determination of the amount owed in accordance with the regulations prescribed under subsection (c). Any amount determined to be owed to a service relief society under this paragraph shall be considered an amount that the member is administratively determined to owe the United States under subsection (c) and shall be collectible in accordance with such subsection.

"(3) The Secretaries concerned shall prescribe regulations to carry out this subsection.

"(4) In this subsection, the term 'service relief society' means the Army Emergency Relief, the Air Force Aid Society, the Navy Relief Society, or the Coast Guard Mutual Assistance.".

(b) EFFECTIVE DATE.—Subsection (h) of section 1007 of title 37, United States Code (as added by subsection (a)), shall apply with respect to debts incurred by members of the uniformed services after the date of the enactment of this Act.

SEC. 634. LIMITATION ON RESERVE UNIT AND INDIVIDUAL TRAINING FUNDING FOR FISCAL YEAR 1988

During fiscal year 1988, the amount appropriated for reserve unit and individual training may not exceed $4,644,582,000.

SEC. 635. EXPANSION OF MILITARY SPOUSE EMPLOYMENT PREFERENCE

Section 806(b)(2) of the Military Family Act of 1985 (10 U.S.C. 113 note), is amended by striking out "GS-4" and inserting in lieu thereof "GS-1".

SEC. 636. REDUCTION IN AGE FOR NONTERMINATION OF SBP SURVIVING SPOUSE ANNUITY AFTER REMARRIAGE

(a) RESUMPTION OF ANNUITY UPON TERMINATION OF DIC FOR REMARRIAGE.—Section 1450(k)(1) of title 10, United States Code, is amended by striking out "60" and inserting in lieu thereof "55".

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply as if included in the amendments made by section 643(a) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3886).

SEC. 637. REGULATIONS REGARDING EMPLOYMENT AND VOLUNTEER WORK OF SPOUSES OF MILITARY PERSONNEL

Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall prescribe regulations to establish the policy that—

(1) the decision by a spouse of a member of the Armed Forces to be employed or to voluntarily participate in activities relating to the Armed Forces should not be influenced by the preferences or requirements of the Armed Forces; and

(2) neither such decision nor the marital status of a member of the Armed Forces should have an effect on the assignment or promotion opportunities of the member.

SEC. 638. TEST PROGRAM FOR REIMBURSEMENT FOR ADOPTION EXPENSES

(a) TEST PROGRAM.—The Secretary of Defense shall establish a test program under which a member of the Armed Forces may be reimbursed, as provided in this section, for qualifying adoption expenses incurred by the member in the adoption of a child under 18 years of age.

(b) ADOPTIONS COVERED.—An adoption for which expenses may be reimbursed under this section includes an adoption by a single person, an infant adoption, an intercountry adoption, and an adoption of a child with special needs (as defined in section 473(c) of the Social Security Act (42 U.S.C. 673(c)).

(c) BENEFITS PAID AFTER ADOPTION IS FINAL.—Benefits paid under this section in the case of an adoption may be paid only after the adoption is final.

(d) TREATMENT OF OTHER BENEFITS.—A benefit may not be paid under this section for any expense paid to or for a member of the Armed Forces under any other adoption benefits program administered by the Federal Government or under any such program administered by a State or local government.

(e) LIMITATIONS.—(1) Not more than $2,000 may be paid to a member of the Armed Forces under this section for expenses incurred in the adoption of a child.

(2) Not more than $5,000 may be paid to a member of the Armed Forces under this section for adoptions by such member in any calendar year.

(f) REGULATIONS.—The Secretary shall prescribe regulations to carry out this section.

(g) DEFINITIONS.—In this section:

(1) The term "qualifying adoption expenses" means reasonable and necessary expenses that are directly related to the legal adoption of a child, but only if such adoption is arranged—

(A) by a State or local government agency which has responsibility under State or local law for child placement through adoption;

(B) by a nonprofit, voluntary adoption agency which is authorized by State or local law to place children for adoption; or

(C) through a private placement.

(2) The term "qualifying adoption expenses" does not include any expense incurred—

(A) for any travel performed outside the United States by an adopting parent, unless such travel—

(i) is required by law as a condition of a legal adoption in the country of the child's origin, or is otherwise necessary for the purpose of qualifying for the adoption of a child;

(ii) is necessary for the purpose of assessing the health and status of the child to be adopted; or

(iii) is necessary for the purpose of escorting the child to be adopted to the United States or the place where the adopting member of the Armed Forces is stationed; or

(B) in connection with an adoption arranged in violation of Federal, State, or local law.

(3) The term "reasonable and necessary expenses" includes—

(A) public and private agency fees, including adoption fees charged by an agency in a foreign country;

(B) placement fees, including fees charged adoptive parents for counseling;

(C) legal fees, including court costs;

(D) medical expenses, including hospital expenses of a newborn infant, for medical care furnished the adopted child before the adoption, and for physical examinations for the adopting parents;

(E) expenses relating to pregnancy and childbirth for the biological mother, including counseling, transportation, and maternity home costs;

(F) temporary foster care charges when payment of such charges is required to be made immediately before the child's placement; and

(G) except as provided in paragraph (2)(A), transportation expenses relating to the adoption.

(h) EFFECTIVE DATE AND DURATION OF TEST PROGRAM.—The test program required under this section shall apply with respect to qualifying adoption expenses incurred for adoption proceedings initiated after September 30, 1987, and before October 1, 1989.

TITLE VII—HEALTH CARE PROVISIONS

SEC. 701. SHORT TITLE

This title may be cited as the "Military Health Care Amendments of 1987".

PART A—MEDICAL READINESS

SEC. 711. REVISION OF RESERVE FORCES HEALTH PROFESSIONS FINANCIAL ASSISTANCE PROGRAM

(a) IN GENERAL.—Chapter 105 of title 10, United States Code, is amended—

(1) by striking out the chapter heading and inserting in lieu thereof the following:

"CHAPTER 105—ARMED FORCES HEALTH PROFESSIONS FINANCIAL ASSISTANCE PROGRAMS

"Subchapter	Sec.
I. Health Professions Scholarship Program for Active Service	2120
II. Health Professions Stipend Program for Reserve Service	2128

"SUBCHAPTER I—HEALTH PROFESSIONS SCHOLARSHIP PROGRAM FOR ACTIVE SERVICE";

(2) by striking out "chapter" each place it appears in sections 2120, 2123, 2124, and 2127 and inserting in lieu thereof "subchapter"; and

(3) by adding at the end the following new subchapter:

"SUBCHAPTER II—HEALTH PROFESSIONS STIPEND PROGRAM FOR RESERVE SERVICE

"Sec.

"2128. Financial assistance: health-care professionals in reserve components.

"2129. Reserve service: required active duty for training.

"2130. Penalties, limitations, and other administrative provisions.

"§ 2128. Financial assistance: health-care professionals in reserve components

"(a) ESTABLISHMENT OF PROGRAM.—For the purpose of obtaining adequate numbers of commissioned officers in the reserve components who are qualified in health professions specialties critically needed in wartime, the Secretary of each military department may establish and maintain a program to provide financial assistance under this subchapter to persons engaged in training in such specialties. Under such a program, the Secretary concerned may agree to pay a financial stipend to persons engaged in training in certain health care specialties in return for a commitment to subsequent service in the Ready Reserve.

"(b) PHYSICIANS IN CRITICAL SPECIALTIES.—(1) Under the stipend program under this subchapter, the Secretary of the military department concerned may enter into an agreement with a person who—

"(A) is a graduate of a medical school;

"(B) is eligible for appointment, designation, or assignment as a medical officer in the Reserve of the armed force concerned; and

"(C) is enrolled or has been accepted for enrollment in a residency program for physicians in a medical specialty designated by the Secretary concerned as a specialty critically needed by that military department in wartime.

"(2) Under the agreement—

"(A) the Secretary shall agree to pay the participant a stipend, in an amount determined under subsection (e), for the period or the remainder of the period of the residency program in which the participant enrolls or is enrolled;

"(B) the participant shall not be eligible to receive such stipend before appointment, designation, or assignment as a medical officer for service in the Ready Reserve;

"(C) the participant shall be subject to such active duty requirements as may be specified in the agreement and to active duty in time of war or national emergency as provided by law for members of the Ready Reserve; and

"(D) the participant shall agree to serve, upon successful completion of the program, two years in the Ready Reserve for each year, or part thereof, for which the stipend is provided, to be served in the Selected Reserve or in the Individual Ready Reserve as specified in the agreement.

"(c) REGISTERED NURSES IN CRITICAL SPECIALTIES.—(1) Under the stipend program under this subchapter, the Secretary of the military department concerned may enter into an agreement with a person who—

"(A) is a registered nurse;

"(B) is eligible for appointment as—

"(i) a Reserve officer for service in the Army Reserve in the Army Nurse Corps;

"(ii) a Reserve officer for service in the Naval Reserve in the Navy Nurse Corps; or

"(iii) a Reserve officer for service in the Air Force Reserve with a view to designation as an Air Force nurse under section 8067(e) of this title; and

"(C) is enrolled or has been accepted for enrollment in an accredited program in nursing in a specialty designated by the Secretary concerned as a specialty critically needed by that military department in wartime.

"(2) Under the agreement—

"(A) the Secretary shall agree to pay the participant a stipend, in an amount determined under subsection (e), for the period or the remainder of the period of the nursing program in which the participant enrolls or is enrolled;

"(B) the participant shall not be eligible to receive such stipend before being appointed as a Reserve officer for service in the Ready Reserve—

"(i) in the Nurse Corps of the Army or Navy; or

"(ii) as an Air Force nurse of the Air Force;

"(C) the participant shall be subject to such active duty requirements as may be specified in the agreement and to active duty in time of war or national emergency as provided by law for members of the Ready Reserve; and

"(D) the participant shall agree to serve, upon successful completion of the program, two years in the Ready Reserve for each year, or part thereof, for which the stipend is provided, to be served in the Selected Reserve or in the Individual Ready Reserve as specified in the agreement.

"(d) BACCALAUREATE STUDENTS IN NURSING OR OTHER HEALTH PROFESSIONS.—(1) Under the stipend program under this subchapter, the Secretary of the military department concerned may enter into an agreement with a person who—

"(A) will, upon completion of the program, be eligible to be appointed, designated, or assigned as a Reserve officer for duty as a nurse or other health professional; and

"(B) is enrolled, or has been accepted for enrollment in the third or fourth year of—

"(i) an accredited baccalaureate nursing program; or

"(ii) any other accredited baccalaureate program leading to a degree in a health-care profession designated by the Secretary concerned as a profession critically needed by that military department in wartime.

"(2) Under the agreement—

"(A) the Secretary shall agree to pay the participant a stipend of $100 per month for the period or the remainder of the period of the baccalaureate program in which the participant enrolls or is enrolled;

"(B) the participant shall not be eligible to receive such stipend before enlistment in the Ready Reserve;

"(C) the participant shall be subject to such active duty requirements as may be specified in the agreement and to active duty in time of war or national emergency as provided by law for members of the Ready Reserve; and

"(D) the participant shall agree to serve, upon graduation from the baccalaureate program, one year in the Ready Reserve for each year, or part thereof, for which the stipend is paid.

"(e) AMOUNT OF STIPEND.—The amount of a stipend under an agreement under subsection (b) or (c) shall be—

"(1) the stipend rate in effect for participants in the Armed Forces Health Professions Scholarship Program under section 2121(d) of this title, if the participant has agreed to serve in the Selected Reserve; or

"(2) one-half of that rate, if the participant has agreed to serve in the Individual Ready Reserve.

"(f) INDIVIDUAL READY RESERVE DEFINED.—In this subchapter, the term 'Individual Ready Reserve' means that element of the Ready Reserve of an armed force other than the Selected Reserve.

"§ 2129. Reserve service: required active duty for training

"(a) SELECTED RESERVE.—A person who is required under an agreement under section 2128 of this title to serve in the Selected Reserve shall serve not less than 12 days of active duty for training each year during the period of service required by the agreement.

"(b) IRR SERVICE.—A person who is required under an agreement under section 2128 of this title to serve in the Individual Ready Reserve shall serve—

"(1) not less than 30 days of initial active duty for training; and

"(2) not less than five days of active duty for training each year during the period of service required by the agreement.

"§ 2130. Penalties, limitations, and other administrative provisions

"(a) FAILURE TO COMPLETE PROGRAM OF TRAINING.—(1) A member of the program who, under regulations prescribed by the Secretary of Defense, is dropped from the program for deficiency in training, or for other reasons, shall be required, at the discretion of the Secretary concerned—

"(A) to perform one year of active duty for each year (or part thereof) for which such person was provided financial assistance under this section; or

"(B) to repay the United States an amount equal to the total amount paid to such person under the program.

"(2) The Secretary of a military department, under regulations prescribed by the Secretary of Defense, may relieve a member participating in the program who is dropped from the program from any requirement that may be imposed under paragraph (1), but such relief shall not relieve him from any military obligation imposed by any other law.

"(b) PROHIBITIONS OF DUPLICATE BENEFITS.—Financial assistance may not be provided under this section to a member receiving financial assistance under section 2107 of this title.

"(c) REGULATIONS.—This subchapter shall be administered under regulations prescribed by the Secretary of Defense.".

(b) CLERICAL AMENDMENTS.—The tables of chapters at the beginning of subtitle A, and at the beginning of part III of subtitle A, of title 10, United States Code, are amended by striking out the item relating to chapter 105 and inserting in lieu thereof the following:

"105. Armed Forces Health Professions Financial Assistance Programs........ 2120".

(c) REPEAL OF PRIOR PROGRAM.—(1) Section 672 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 663), is repealed.

(2) The repeal of section 672 of the Department of Defense Authorization Act, 1986, by paragraph (1) does not affect an agreement entered into under that section before such repeal, and the provisions of such section as in effect before such repeal shall continue to apply with respect to such agreement.

(d) FUNDING LIMIT FOR FISCAL YEAR 1988.—The total amount obligated during fiscal year 1988 under agreements under section 2128 of title 10, United States Code, as added by subsection (a), may not exceed $9,000,000.

(e) EFFECTIVE DATES.—(1) The repeal made by subsection (c) shall take effect on the date of the enactment of this Act.

(2) An agreement entered into by the Secretary of a military department under section 2128 of title 10, United States Code, as added by subsection (a), may not obligate the United States to make a payment for any period before the date of the enactment of this Act.

SEC. 712. ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

(a) CRITICALLY NEEDED WARTIME SKILLS RESIDENCY REQUIREMENT PERMITTED.—Section 2122 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "To be eligible"; and

(2) by adding at the end the following new subsection:

"(b) The Secretary of Defense may require, as part of the agreement under subsection (a)(2), that a person must agree to accept, if offered, residency training in a health profession skill which has been designated by the Secretary as a critically needed wartime skill.".

(b) 2,500 SCHOLARSHIPS TARGETED FOR CRITICALLY NEEDED WARTIME SKILLS.—

(1) IN GENERAL.—Section 2124 of title 10, United States Code, is amended by striking out "except that" and all that follows through the end of the section and inserting in lieu thereof the following: "except that—

"(1) the total number of persons so designated in all of the programs authorized by this subchapter shall not, at any time, exceed 6,000; and

"(2) of the total number of persons so designated, at least 2,500 shall be persons—

"(A) who are in the final two years of their course of study; and

"(B) who have agreed to accept, if offered, residency training in a health profession skill which has been designated by the Secretary as a critically needed wartime skill.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall take effect on October 1, 1989.

SEC. 713. EDUCATION LOAN REPAYMENT PROGRAM FOR HEALTH PROFESSIONALS WHO SERVE IN THE SELECTED RESERVE

(a) COVERAGE OF CERTAIN LOANS TO NURSES.—Subsection (a)(3) of section 2172 of title 10, United States Code, is amended by inserting "or under part B of title VIII of such Act (42 U.S.C. 297 et seq.)" after "seq.)".

(b) EXTENSION OF DATE FOR INITIAL APPOINTMENT.—Subsection (d) of such section is amended by striking out "October 1, 1988" and inserting in lieu thereof "October 1, 1990".

SEC. 714. CONSTRUCTIVE SERVICE CREDIT FOR OFFICERS APPOINTED WITH HEALTH PROFESSIONS EXPERIENCE

(a) REGULAR COMPONENTS.—Section 533(b)(1)(B) of title 10, United States Code, is amended—

(1) by inserting "(i)" after "(B)"; and

(2) by adding at the end the following:

"(ii) Credit for experience in a health profession (other than medicine or dentistry), if such experience will be directly used by the armed force concerned.".

(b) ARMY RESERVE.—Section 3353(b)(1)(B) of such title is amended—

(1) by inserting "(i)" after "(B)"; and

(2) by adding at the end the following:

"(ii) Credit for experience in a health profession (other than medicine or dentistry), if such experience will be directly used by the Army.".

(c) NAVAL RESERVE AND MARINE CORPS RESERVE.—Section 5600(b)(1)(B) of such title is amended—

(1) by inserting "(i)" after "(B)"; and

(2) by adding at the end the following:

"(ii) Credit for experience in a health profession (other than medicine or dentistry), if such experience will be directly used by the Navy or Marine Corps, as appropriate.".

(d) Air Force Reserve.—Section 8353(b)(1)(B) of such title is amended—

(1) by inserting "(i)" after "(B)"; and

(2) by adding at the end the following:

"(ii) Credit for experience in a health profession (other than medicine or dentistry), if such experience will be directly used by the Air Force.".

SEC. 715. STANDBY CAPABILITY FOR SELECTIVE SERVICE REGISTRATION OF HEALTH CARE PERSONNEL

Section 10(h) of the Military Selective Service Act (50 U.S.C. App. 460(h)) is amended—

(1) by striking out "If at" and all that follows through "nevertheless," and inserting in lieu thereof "The Selective Service system shall"; and

(2) by inserting "(including a structure for registration and classification of persons qualified for practice or employment in a health care occupation essential to the maintenance of the Armed Forces)" after "national emergency".

SEC. 716. LIMITED CEILING REMOVAL ON SPECIAL PAY FOR MEDICAL OFFICERS

(a) Limited Ceiling Removal.—Section 302(b) of title 37, United States Code, is amended—

(1) by striking out "in an amount not to exceed $8,000" in paragraph (1);

(2) by adding at the end of paragraph (1) the following: "No payment to an officer under this subsection may exceed $8,000 for any twelve-month period unless the Secretary concerned determines that the officer is qualified and serving in a health profession skill which has been designated by the Secretary concerned as a critically needed wartime skill."; and

(3) by striking out paragraph (3).

(b) Limit on Obligations.—The Secretary concerned may not obligate funds during fiscal year 1988 for incentive special pay under section 302(b) of such title in an amount which is more than the amount proposed to be available for such purpose in the budget presentation materials submitted to Congress for fiscal year 1988.

SEC. 717. AUTHORITY TO RETAIN IN ACTIVE STATUS UNTIL AGE 67 RESERVE OFFICERS IN MEDICAL SPECIALTIES

(a) Army Personnel.—Section 3855 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "Notwithstanding";

(2) by striking out ", but not later than the date on which he becomes 60 years of age";

(3) by designating the second sentence as subsection (b); and

(4) by adding at the end the following:

"(c) An officer may not be retained in an active status under this section later than the date on which the officer becomes 67 years of age (or, in the case of an officer in the Chaplains, 60 years of age).".

(b) Naval Personnel.—(1) Chapter 573 of title 10, United States Code, is amended by inserting after section 6391 the following new section:

"§ 6392. Retention in active status of certain officers.

"(a) Notwithstanding any other section of this chapter except subsections (b), (d), and (e) of section 6383, the Secretary of the Navy may, with the officer's consent, retain in an active status any reserve officer of the Navy who is designated as a medical officer, dental officer, veterinary officer, optometrist, podiatrist, chaplain, nurse, or biomedical sciences officer.

"(b) An officer may be retained in an active status under this section only to fill a mission-based requirement.

"(c) An officer may not be retained in an active status under this section later than the date on which the officer becomes 67 years of age (or, in the case of an officer in the Chaplain Corps, 60 years of age).".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 6391 the following new item:

"6392. Retention in active status of certain officers.".

(c) Air Force Personnel.—Section 8855 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "Notwithstanding";

(2) by striking out ", but not later than the date on which he becomes 60 years of age";

(3) by designating the second sentence as subsection (b); and

(4) by adding at the end the following:

"(c) An officer may not be retained in an active status under this section later than the date on which the officer becomes 67 years of age (or, in the case of an officer who is designated as a chaplain, 60 years of age).".

(d) Clerical Amendments.—(1)(A) The heading of section 3855 of such title is amended to read as follows:

"§ 3855. Retention in active status of certain officers".

(B) The item relating to that section in the table of sections at the beginning of chapter 363 of such title is amended to read as follows:

"3855. Retention in active status of certain officers.".

(2)(A) The heading of section 8855 of such title is amended to read as follows:

"§ 8855. Retention in active status of certain officers".

(B) The item relating to that section in the table of sections at the beginning of chapter 863 of such title is amended to read as follows:

"8855. Retention in active status of certain officers.".

SEC. 718. AGE FOR INITIAL APPOINTMENT OF RESERVE OFFICERS IN CRITICAL MEDICAL SPECIALTIES

(a) Maximum Age To Be Not Less Than 47.—Section 591 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(e) In prescribing age qualifications under subsection (b) for the appointment of persons as Reserves of the armed forces under his jurisdiction, the Secretary concerned may not prescribe a maximum age qualification of less than 47 years of age for the initial appointment of a person as a Reserve to serve in a health profession specialty which has been designated by the Secretary concerned as a specialty critically needed in wartime.".

(b) Deadline for Regulations.—The Secretary concerned shall prescribe regulations implementing subsection (e) of section 591 of title 10, United States Code, as added by subsection (a), not later than 90 days after the date of the enactment of this Act.

SEC. 719. AUTHORITY TO DEFER MANDATORY RETIREMENT FOR AGE OF MEDICAL OFFICERS

Section 1251 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(c)(1) The Secretary concerned may defer the retirement under subsection (a) of a health professions officer if during the period of the deferment the officer will be performing duties consisting primarily of providing patient care or performing other clinical duties.

"(2) A deferment under this subsection may not extend beyond the first day of the month following the month in which the officer becomes 67 years of age.

"(3) For purposes of this subsection, a health professions officer is—

"(A) a medical officer;

"(B) a dental officer; or

"(C) an officer in the Army Nurse Corps, an officer in the Navy Nurse Corps, or an officer in the Air Force designated as a nurse.".

Part B—Peacetime Health Care

SEC. 721. CATASTROPHIC LOSS PROTECTION UNDER CHAMPUS

(a) Active Duty Dependents.—Section 1079(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(5) An individual or family group of two or more persons covered by this section may not be required by reason of this subsection to pay a total of more than $1,000 for health care received during any fiscal year under a plan under subsection (a).".

(b) Retirees and Dependents.—Section 1086(b) of such title is amended by adding at the end the following new paragraph:

"(4) A member or former member of a uniformed service covered by this section by reason of section 1074(b) of this title, or an individual or family group of two or more persons covered by this section, may not be required to pay a total of more than $10,000 for health care received during any fiscal year under a plan contracted for under section 1079(a) of this title.".

(c) Effective Date.—Paragraph (5) of section 1079(b) of title 10, United States Code, as added by subsection (a), and paragraph (4) of section 1086(b) of such title, as added by subsection (b), shall apply with respect to fiscal years beginning after September 30, 1987.

SEC. 722. TWO-YEAR PROHIBITION ON FEE FOR OUTPATIENT CARE AT MILITARY MEDICAL TREATMENT FACILITIES

During fiscal years 1988 and 1989, the Secretary of Defense may not impose a fee for the receipt of outpatient medical or dental care at a military medical treatment facility.

SEC. 723. ALLOCATION TO HEALTH PROFESSIONS OF SPECIFIED PORTION OF NAVY OFFICER ACCESSIONS AND GROWTH IN END STRENGTHS

The Secretary of the Navy shall ensure that—

(1) not less than 25 percent of the number of original appointments made in officer grades in the Navy during each of fiscal years 1989 and 1990 shall be made in health profession specialties (or with a view to assignment of the officer to a health profession specialty); and

(2) not less than 15 percent of any increase in authorized end strength for the Navy for each of fiscal years 1989 and 1990 over the end strength of the Navy authorized for fiscal year 1988 shall be dedicated to personnel to be assigned to duty in the health professions.

SEC. 724. REVISED DEADLINES FOR THE USE OF DIAGNOSIS-RELATED GROUPS

Section 701(d)(4) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 10 U.S.C. 1101 note) is amended—

(1) in subparagraph (A), by striking out "after September 30, 1987" and inserting in lieu thereof "not later than October 1, 1988"; and

(2) in subparagraph (B), by striking out "after September 30, 1988" and inserting in lieu thereof "not later than October 1, 1989".

SEC. 725. FEDERAL PREEMPTION REGARDING CONTRACTS FOR MEDICAL AND DENTAL CARE

(a) IN GENERAL.—(1) Chapter 55 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 1103. Contracts for medical and dental care: State and local preemption

"(a) The provisions of any contract under this chapter which relate to the nature and extent of coverage of benefits (including payments with respect to benefits) shall preempt any law of a State or local government, or any regulation issued under such a law, which relates to health insurance or plans to the extent that such law or regulation is inconsistent with such contractual provisions.

"(b) In this section, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and each territory and possession of the United States.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following:

"1103. Contracts for medical and dental care: State and local preemption.".

(b) APPLICABILITY.—Section 1103 of such title, as added by subsection (a), shall apply with respect to any contract entered into after October 1, 1987.

SEC. 726. CHAMPUS COVERAGE FOR SUDDEN INFANT DEATH SYNDROME MONITORING EQUIPMENT

(a) CHAMPUS COVERAGE ALLOWED.—Section 1079(a) of title 10, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (13);

(2) by striking out the period at the end of paragraph (14) and inserting in lieu thereof "; and"; and

(3) by adding at the end the following:

"(15) electronic cardio-respiratory home monitoring equipment (apnea monitors) for home use may be provided if a physician prescribes and supervises the use of the monitor for an infant—

"(A) who has had an apparent life-threatening event,

"(B) who is a subsequent sibling of a victim of sudden infant death syndrome,

"(C) whose birth weight was 1,500 grams or less, or

"(D) who is a pre-term infant with pathologic apnea,

in which case the coverage may include the cost of the equipment, hard copy analysis of physiological alarms, professional visits, diagnostic testing, family training on how to respond to apparent life threatening events, and assistance necessary for proper use of the equipment.".

(b) EFFECTIVE DATE.—Paragraph (15) of section 1079(a) of such title, as added by subsection (a), shall apply with respect to costs incurred for home monitoring equipment after the date of the enactment of this Act.

PART C—HEALTH CARE MANAGEMENT

SEC. 731. DEMONSTRATION PROJECT ON MANAGEMENT OF HEALTH CARE IN CATCHMENT AREAS AND OTHER DEMONSTRATION PROJECTS

(a) DEMONSTRATION PROJECTS.—The Secretary of Defense shall conduct projects designed to demonstrate the alternative health care delivery system described in subsection (b). Each military department shall carry out at least one such project. The projects—

(1) shall begin during fiscal year 1988, if feasible, and continue for not less than two years;

(2) shall each include all covered beneficiaries within one catchment area of a medical facility of the uniformed services; and

(3) shall be designed, with respect to the number and location of demonstration sites and otherwise, to ensure that the results of such projects will likely be representative of the results of a nationwide implementation.

(b) ALTERNATIVE HEALTH CARE DELIVERY SYSTEM.—The alternative health care delivery system referred to in subsection (a) that the projects shall demonstrate is a system under which the commander of a medical facility of the uniformed services is responsible for all funding and all medical care of the covered beneficiaries in the catchment area of the facility. The commander may use any type of health care delivery system, for any scope of coverage, he considers appropriate.

(c) ADDITIONAL DEMONSTRATION PROJECTS REQUIRED.—(1) The Secretary of Defense also shall conduct the projects described in paragraph (2) for the purpose of demonstrating alternatives to providing health care under the military health care system. The demonstration projects shall be carried out in accordance with this subsection.

(2) The demonstration projects are as follows:

(A) The Tidewater mental health demonstration project (Solicitation No. MDA906-86-C-0001).

(B) The Fort Drum demonstration project.

(C) The civilian-run primary care clinics known as PRIMUS and NAVCARE.

(D) The New Orleans demonstration project, if a contract is awarded as a result of the solicitation issued in fiscal year 1987 (Solicitation No. MDA903-87-R-0047).

(E) A fiscal intermediary demonstration project, to be implemented by amending one or more existing Department of Defense contracts with fiscal intermediaries in a State or region to require the intermediary to demonstrate a managed health care network with cost-containment initiatives, such as utilization review, pre-admission screening, second surgical opinions, contracting for care on a discounted basis, and other methods.

(F) Catchment area management demonstration projects described in subsection (a).

(G) A demonstration project for nonactive duty beneficiaries in the catchment area of the Philadelphia Naval Hospital that demonstrates a managed health care network.

(3) Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report that provides an outline and discussion of the manner in which the Secretary intends to structure and conduct each demonstration project required under this subsection.

(4) The Secretary of Defense shall develop a methodology to be used in evaluating the results of the demonstration projects required under this subsection. The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on such methodology no later than 30 days after the development of the methodology is completed.

(5) Each project required under this subsection shall begin during fiscal year 1988 (or shall continue in the case of a project begun before fiscal year 1988).

(6) The Secretary of Defense shall evaluate the demonstration projects required under this subsection, using the methodology developed under paragraph (4), as alternatives to methods of providing health care under the military health care system.

(d) AUTHORITY.—For purposes of carrying out this section, the Secretary of Defense may delegate the authority given in sections 1079, 1086, 1092, 1097, 1098, and 1099 of title 10, United States Code.

(e) REPORTS.—(1) The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives—

(A) an interim report on each demonstration project described in this section after such project has been in effect for at least 12 months; and

(B) a final report on each such project when each project is completed.

(2) Each report shall include—

(1) a description of any results of the demonstration project;

(2) a comparison of the costs of providing health care under the system used in the demonstration project with the costs of providing health care under CHAMPUS and under other alternative health care delivery systems; and

(3) an analysis and evaluation of the benefits of incorporating the health care management techniques demonstrated by the project into the military health care system as it exists at the time of the report or into such health care system in conjunction with any other health care delivery systems which have been or are being studied under another demonstration project.

(f) DEFINITIONS.—In this section:

(1) The term "catchment area" means the area within approximately 40 miles of a medical facility of the uniformed services.

(2) The term "CHAMPUS" has the meaning given such term by section 1072(4) of title 10, United States Code.

(3) The term "covered beneficiary" means a beneficiary under chapter 55 of title 10, United States Code.

SEC. 732. ADDITIONAL REQUIREMENTS FOR CHAMPUS REFORM INITIATIVE

(a) EVALUATION METHODOLOGY REQUIRED FOR DEMONSTRATION PHASE OF CHAMPUS REFORM INITIATIVE.—(1) Section 702(a) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3899) is amended by adding at the end the following new paragraph:

"(4) The Secretary of Defense shall develop a methodology to be used in evaluating the results of the demonstration project required by paragraph (1) and shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on such methodology.".

(2) Clause (i) of section 702(c)(1)(C) of such Act is amended by inserting before the semicolon the following: ", evaluated in accordance with the methodology developed under subsection (a)(4)".

(b) ONE CONTRACT PER CONTRACTOR ALLOWED UNDER SOLICITATION FOR DEMONSTRATION PHASE OF CHAMPUS REFORM INITIA-

TIVE.—No contractor may be awarded more than one contract for subregions I, II, and III under Solicitation No. MDA903-87-R-0047 (issued for the CHAMPUS reform initiative demonstration project required by section 702(a) of the National Defense Authorization Act for Fiscal Year 1987).

(c) LIMITATIONS ON ISSUANCE OF REQUESTS FOR PROPOSALS.—Section 702(c) of the National Defense Authorization Act for Fiscal Year 1987 is amended by adding at the end the following new paragraph:

"(2) The Secretary may not issue a request for proposals with respect to the second (or any subsequent) phase of the CHAMPUS reform initiative until—

"(A) all principal features of the demonstration project, including networks of providers of health care, have been in operation for not less than one year; and

"(B) the expiration of 60 days after the date on which the report described in paragraph (1)(C) has been received by the committees referred to in such paragraph.".

(d) REPORT ON RISK ASSUMPTION.—No later than 30 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on—

(1) the level of risk, as of the date of the report, to be assumed by contractors under the request for proposals for the CHAMPUS reform initiative demonstration project required by section 702(a) of the National Defense Authorization Act for Fiscal Year 1987; and

(2) whether any alteration in that level of risk has been made from the time that the original request for proposals was issued.

(e) REQUIREMENT FOR AVAILABILITY OF ADDITIONAL INSURANCE COVERAGE.—(1) The Secretary of Defense shall make every effort to enter into an agreement, similar to the one being negotiated with a private insurer on the date of the enactment of this Act, that would provide an insurance plan that meets the requirements described in paragraph (3).

(2) If an agreement referred to in paragraph (1) is not entered into before a request for proposals with respect to the second phase of the CHAMPUS reform initiative is issued, the Secretary shall provide for an insurance plan which meets the requirements described in paragraph (3) through either of the following means:

(A) By including, in any request for proposals with respect to the second (and any subsequent) phase of the CHAMPUS reform initiative, a requirement for the contractor to offer an option to elect an insurance plan which meets the requirements described in paragraph (3).

(B) By including, in any request for proposals for a contract to process claims for CHAMPUS, a requirement for the contractor (known as a fiscal intermediary) to offer an option to elect an insurance plan which meets the requirements described in paragraph (3).

(3) The insurance plan requirements referred to in paragraphs (1) and (2) are the following:

(A) At the election of the individual, the plan shall be available to an individual losing eligibility (by reason of discharge, release from active duty, a change in family status (including divorce or annulment, or, in the case of a child, reaching age 22), or other similar reason) to be a covered beneficiary under chapter 55 of title 10, United States Code.

(B) The plan shall provide for coverage of benefits similar to the coverage of benefits available to the individual under CHAMPUS, regardless of any pre-existing condition.

(C) The plan shall provide that enrollees in the plan shall pay the full periodic charges for the benefit coverage.

(f) FUNDING LIMITATIONS.—(1) None of the funds appropriated or otherwise made available to the Department of Defense may be obligated or expended for the purpose of entering into a contract for the demonstration phase of the CHAMPUS reform initiative required by section 702(a)(1) of the National Defense Authorization Act for Fiscal Year 1987 until the requirements of section 702(a)(4) of such Act (as added by subsection (a)) are met.

(2) None of the funds appropriated or otherwise made available to the Department of Defense may be obligated or expended for the purpose of requesting a proposal for the second (or any subsequent) phase of the CHAMPUS reform initiative as described in section 702(c) of the National Defense Authorization Act for Fiscal Year 1987 until the requirements of paragraph (2) of section 702(c) of such Act (as added by subsection (c)) are met.

(g) CHAMPUS DEFINED.—In this section, the term "CHAMPUS" has the meaning given such term by section 1072(4) of title 10, United States Code.

SEC. 733. MEDICAL INFORMATION SYSTEMS ACQUISITION AMENDMENTS

(a) TEST AND EVALUATION PHASE LIMITATIONS.—Subsection (a) of section 704 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3900) is amended to read as follows:

"(a) LIMITATION ON TEST AND EVALUATION PHASE OF COMPOSITE HEALTH CARE SYSTEM.—With respect to the acquisition of a Department of Defense medical information system for use in all military medical treatment facilities, the Secretary may not award any contract for the operational test and evaluation phase for the Composite Health Care System referred to in subsection (b) until—

"(1) the testing required by paragraphs (1) and (2) of that subsection is completed;

"(2) the Armed Services Committees receive—

"(A) the report submitted by the Secretary under subsection (b)(3); and

"(B) the report submitted by the Comptroller General under subsection (b)(4).".

(b) REPORTS ON TESTING.—Subsection (b) of such section is amended by striking out paragraph (3) and inserting in lieu thereof the following new paragraphs:

"(3) Not later than the end of the 30-day period beginning on the date that the testing required by paragraphs (1) and (2) is completed, the Secretary shall—

"(A) evaluate the competing medical information systems, based on the results of the testing; and

"(B) submit to the Armed Services Committees a report on such evaluation.

"(4) Not later than the end of the 30-day period beginning on the date that the Armed Services Committees receive the report submitted by the Secretary under paragraph (3), the Comptroller General shall submit to the Armed Services Committees a report describing—

"(A) the results of the testing required by paragraphs (1) and (2); and

"(B) the competitive acquistion process that the Secretary is following in selecting vendors for the operational test and evaluation phase of the Composite Health Care System.".

(c) VA COMPUTER PROGRAM AMENDMENTS.—(1) Subsection (c) of such section is amended by striking out "not later than October 1, 1987" and inserting in lieu thereof "on the same date as the date on which the operational test and evaluation phase of the Composite Health Care System described in subsection (d) is completed".

(2) Section 1203 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 718), is amended—

(A) in subsection (c), by striking out "that are available" and all that follows through "expected to be completed" and inserting in lieu thereof "that are available and delivered in a form suitable for testing on the date on which the Secretary approves and accepts the software for the operational test and evaluation phase of the Composite Health Care System"; and

(B) in subsection (e), by striking out ", and by the Secretary of each military department,".

(d) CONDUCT OF TEST AND EVALUATION PHASE.—Section 704 of the National Defense Authorization Act for Fiscal Year 1987 is further amended—

(1) by redesignating subsection (e) as subsection (h); and

(2) by striking out subsection (d) and inserting in lieu thereof the following new subsections:

"(d) CONDUCT OF TEST AND EVALUATION PHASE OF COMPOSITE HEALTH CARE SYSTEM.—(1) The Secretary shall conduct the operational test and evaluation phase of the Composite Health Care System at no fewer than six sites.

"(2) Of the amounts authorized to be appropriated to the Department of Defense for fiscal years 1988 and 1989 by the National Defense Authorization Act for Fiscal Years 1988 and 1989, the amounts authorized to be appropriated to carry out such operational test and evaluation phase are $92,000,000 for fiscal year 1988 and $88,500,000 for fiscal year 1989.

"(e) REPORT BY SECRETARY.—After the operational test and evaluation phase referred to in subsection (d) is completed, the Secretary shall submit to the Armed Services Committees a report which—

"(1) analyzes the results of the operational test and evaluation phase;

"(2) analyzes the results of the Veterans' Administration demonstration project referred to in subsection (c);

"(3) analyzes the costs and benefits of the Composite Health Care System for Levels I, II, and IID in combination and for Level III on a module by module basis, based on operational experience at the sites at which the operational test and evaluation phase is carried out; and

"(4) contains a plan for full production of a medical information system for use in all military medical treatment facilities, based on an analysis of costs and benefits within any cost limitations that may be applicable to the program at the time the report is submitted.

"(f) REPORT BY COMPTROLLER GENERAL.—The Comptroller General shall monitor the conduct of the operational test and evaluation phase referred to in subsection (d) and related Composite Health Care System acquisition activities. Not later than the end of the 30-day period beginning on the date that the Armed Services Committees receive the report submitted by the Secretary under subsection (e), the Comptroller General shall submit to the Armed Services Committees a report evaluating—

"(1) the results of the operational test and evaluation phase; and

"(2) the competitive acquisition process the Secretary is following in awarding a contract for full production of a medical information system for use in all military medical treatment facilities.

"(g) LIMITATION ON AWARDING CONTRACT FOR FULL PRODUCTION OF MEDICAL INFORMATION SYSTEM.—The Secretary may not award a contract for full production of a medical information system for use in all military medical treatment facilities until—

"(1) the Armed Services Committees receive the report submitted by the Secretary under subsection (e); and

"(2) 30 days elapse after the Armed Services Committees receive the report submitted by the Comptroller General under subsection (f).".

(e) DEFINITIONS.—Subsection (h) of such section, as redesignated by subsection (d)(1), is amended by adding at the end the following:

"(5) The term 'Armed Services Committees' means the Committees on Armed Services of the Senate and the House of Representatives.".

SEC. 734. GAO REPORT ON PAYMENT OF CERTAIN MEDICAL EXPENSES

(a) REVIEW.—The Comptroller General shall review and evaluate the practices under various insurance plans with respect to payments to hospitals for charges for medical services in cases in which the hospital does not impose a legal obligation on patients to pay for such services. In the review, the Comptroller General shall—

(1) review the practices with respect to such payments of private sector insurance plans, including self-insured plans, as well as federally sponsored or funded programs, including Medicare, Medicaid, and the Federal Employees' Health Benefit Plan; and

(2) provide an assessment and comparison of the practices with respect to such payments under regulations of the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), together with such recommendations for changing such practices as the Comptroller General considers appropriate and an estimate of the costs involved in carrying out such recommendations.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing the results of the review and evaluation required under subsection (a).

TITLE VIII—ACQUISITION POLICY

PART A—ACQUISITION PROCESS

SEC. 801. FUNCTIONS OF DIRECTOR OF OPERATIONAL TEST AND EVALUATION

Section 138(d) of title 10, United States Code, is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end the following:

"(2) The Director may not be assigned any responsibility for developmental test and evaluation, other than the provision of advice to officials responsible for such testing.".

SEC. 802. SURVIVABILITY AND LETHALITY TESTING OF MAJOR SYSTEMS

(a) INCLUSION OF SIGNIFICANT PRODUCT IMPROVEMENT PROGRAMS.—(1) Subsection (a) of section 2366 of title 10, United States Code, is amended—

(A) by inserting "(1)" after "REQUIREMENTS.—";

(B) by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively; and

(C) by adding at the end the following:

"(2) The Secretary of Defense shall provide that a covered product improvement program may not proceed beyond low-rate initial production until—

"(A) in the case of a product improvement to a covered system, realistic survivability testing is completed in accordance with this section; and

"(B) in the case of a product improvement to a major munitions program or a missile program, realistic lethality testing is completed in accordance with this section.

(2) Subsection (b)(1) of such section is amended—

(1) by inserting "(including a covered product improvement program)" after "system or program"; and

(2) by inserting "(or in the product modification or upgrade to the system, munition, or missile)" after "or missile".

(3) Subsection (c) of such section is amended by striking out "or missile program" and inserting in lieu thereof "missile program, or covered product improvement program".

(4) Subsection (e) of such section is amended—

(A) by inserting "(or a covered product improvement program for a covered system)" in paragraph (4) after "in the case of a covered system";

(B) by inserting "(or a covered product improvement program for such a program)" in paragraph (5) after "missile program"; and

(C) by adding at the end the following new paragraph:

"(8) The term 'covered product improvement program' means a program under which—

"(A) a modification or upgrade will be made to a covered system which (as determined by the Secretary of Defense) is likely to affect significantly the survivability of such system; or

"(B) a modification or upgrade will be made to a major munitions program or a missile program which (as determined by the Secretary of Defense) is likely to affect significantly the lethality of the munition or missile produced under the program.".

(b) USE OF CONTRACTOR PERSONNEL IN OPERATIONAL TEST AND EVALUATION.—Subsection (b)(2) of such section is amended by adding at the end the following new sentence: "The limitation in the preceding sentence does not apply to the extent that the Secretary of Defense plans for persons employed by that contractor to be involved in the operation, maintenance, and support of the system being tested when the system is deployed in combat.".

(c) EXPLANATION FOR WAIVERS BY SECRETARY OF DEFENSE.—Subsection (c) of such section is amended by adding at the end the following new sentence: "The Secretary shall include with any such certification a report explaining how the Secretary plans to evaluate the survivability or the lethality of the system or program and assessing possible alternatives to realistic survivability testing of the system or program.".

(d) REPORTING TO CONGRESS.—Such section is further amended—

(1) by inserting "(1)" in subsection (c) before "The Secretary";

(2) by striking out "(d)" and all that follows through "In time of war" and inserting in lieu thereof "(2) In time of war"; and

(3) by inserting before subsection (e) the following new subsection (d):

"(d) REPORTING TO CONGRESS.—At the conclusion of survivability or lethality testing under subsection (a), the Secretary of Defense shall submit a report on the testing to the defense committees of Congress (as defined in section 2362(e)(3) of this title).".

(e) DEFINITION OF REALISTIC SURVIVABILITY TESTING.—Subsection (e)(4) of such section is amended—

(1) by striking out "and survivability"; and

(2) by striking out "operational requirements" and inserting in lieu thereof "susceptibility to attack".

SEC. 803. OVERSIGHT OF COST OR SCHEDULE VARIANCES IN CERTAIN MAJOR ACQUISITION PROGRAMS

(a) ENHANCED PROGRAM STABILITY.—Section 2435(b)(2) of title 10, United States Code, is amended by striking out "under paragraph (1)" and inserting in lieu thereof the following: "under paragraph (1), and for which the total cost of completion of the stage will exceed by 15 percent or more, in the case of a development stage, or by 5 percent or more, in the case of a production stage, the amount specified in the baseline description established under subsection (a) for such stage; or any milestone specified in such baseline description will be missed by more than 90 days".

(b) MILESTONE AUTHORIZATION.—Section 2437 of such title is amended by redesignating paragraph (1) as paragraph (1)(A) and by adding at the end of such paragraph the following new subparagraph:

"(B) Notwithstanding the Secretary's failure to designate a program to be considered for milestone authorization under subparagraph (A), the Committees on Armed Services of the Senate and the House of Representatives may consider such program to have been designated as a defense enterprise program under this section. If the Secretary of Defense is not otherwise required to submit a baseline description for the program, the Secretary shall submit such a baseline description upon the written request of either such Committee."

(c) DEFENSE ENTERPRISE PROGRAM.—Section 2436(d)(1) of such title is amended by inserting after "concerned" the following: "with the approval of the Under Secretary of Defense for Acquisition".

SEC. 804. TRUTH-IN-NEGOTIATIONS ACT AMENDMENTS

(a) DEFINITION OF COST OR PRICING DATA.—Subsection (g) of section 2306a of title 10, United States Code, is amended to read as follows:

"(g) COST OR PRICING DATA DEFINED.—In this section, the term 'cost or pricing data' means all facts that, as of the date of agreement on the price of a contract (or the price of a contract modification), a prudent buyer or seller would reasonably expect to affect price negotiations significantly. Such term does not include information that is judgmental, but does include the factual information from which a judgment was derived.".

(b) TECHNICAL AMENDMENTS.—(1) Subsection (a)(5) of such section is amended—

(A) by striking out the first sentence; and

(B) by striking out "such a waiver" and inserting in lieu thereof "a waiver under subsection (b)(2)".

(2) Subsection (e)(2) of such section is amended to read as follows:

"(2) Any liability under this subsection of a contractor that submits cost or pricing data but refuses to submit the certification required by subsection (a)(2) with respect to the cost or pricing data shall not be affected by the refusal to submit such certification.".

(c) Effective Dates.—(1) Subsection (a) shall apply to any contract, or modification of a contract, entered into after the end of the 30-day period beginning on the date of the enactment of this Act.

(2) The amendments made by subsection (b) shall apply with respect to contracts, or modifications of contracts, entered into after the end of the 120-day period beginning on October 18, 1986.

SEC. 805. ALLOWABLE COSTS NOT TO INCLUDE GOLDEN PARACHUTE PAYMENTS

(a) In General.—Section 2324(e)(1) of title 10, United States Code, is amended by adding at the end the following new subparagraph:

"(K) Costs incurred in making any payment (commonly known as a 'golden parachute payment') which is—

"(i) in an amount in excess of the normal severance pay paid by the contractor to an employee upon termination of employment; and

"(ii) is paid to the employee contingent upon, and following, a change in management control over, or ownership of, the contractor or a substantial portion of the contractor's assets.".

(b) Effective Date.—Subparagraph (K) of section 2324(e)(1) of title 10, United States Code, as added by subsection (a), shall apply to any contract entered into after the end of the 120-day period beginning on the date of the enactment of this Act.

SEC. 806. REQUIREMENT FOR SUBSTANTIAL PROGRESS ON MINORITY AND SMALL BUSINESS CONTRACT AWARDS

(a) Requirement for Substantial Progress.—The Secretary of Defense shall ensure that substantial progress is made in increasing awards of Department of Defense contracts to section 1207(a) entities.

(b) Regulations.—The Secretary shall carry out the requirement of subsection (a) through the issuance of regulations which provide for the following:

(1) Guidance to contracting officers for making advance payments to section 1207(a) entities under section 2307 of title 10, United States Code.

(2) Procedures or guidelines for contracting officers to—

(A) set goals which Department of Defense prime contractors that are required to submit subcontracting plans under section 8(d)(4)(B) of the Small Business Act (15 U.S.C. 637(d)(4)(B)) in furtherance of the Department's program to meet the 5 percent goal established under section 1207 of the National Defense Authorization Act for Fiscal Year 1987 should meet in awarding subcontracts, including subcontracts to minority-owned media, to section 1207(a) entities; and

(B) provide incentives for such prime contractors to increase subcontractor awards to section 1207(a) entities.

(3) A requirement that contracting officers emphasize the award of contracts to section 1207(a) entities in all industry categories, including those categories in which section 1207(a) entities have not traditionally dominated.

(4) Guidance to Department of Defense personnel on the relationship among the following programs:

(A) The program implementing section 1207 of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3973).

(B) The program established under section 8(a) of the Small Business Act (15 U.S.C. 637(a)).

(C) The small business set-aside program established under section 15(a) of the Small Business Act (15 U.S.C. 644(a)).

(5) A requirement that a business which represents itself as a section 1207(a) entity and is seeking a Department of Defense contract maintain its status as such an entity at the time of contract award.

(6) With respect to a Department of Defense procurement which is reasonably likely to be set aside for section 1207(a) entities, a requirement that (to the maximum extent practicable) the procurement be designated as such a set-aside before the solicitation for the procurement is issued.

(7) Policies and procedures which, to the maximum extent practicable, will ensure that current levels in the number or dollar value of contracts awarded under the program established under section 8(a) of the Small Business Act and under the small business set-aside program established under section 15(a) of the Small Business Act are maintained and that every effort is made to provide new opportunities for contract awards to eligible entities, in order to meet the goal of section 1207 of the National Defense Authorization Act for Fiscal Year 1987.

(8) Implementation of section 1207 of the National Defense Authorization Act for Fiscal Year 1987 in a manner which will not alter the procurement process under the program established under section 8(a) of the Small Business Act.

(9) A requirement that one factor used in evaluating the performance of contracting officers be the ability of the officer to increase contract awards to section 1207(a) entities.

(10) Partial set-asides for section 1207(a) entities.

(11) Increased technical assistance to section 1207(a) entities.

(12) A prohibition of the award of a contract under section 1207 of the National Defense Authorization Act for Fiscal Year 1987 to a section 1207(a) entity unless the entity agrees to comply with the requirements of section 15(o)(1) of the Small Business Act.

(c) Definition of Section 1207(a) Entities.—For purposes of this section, the term "section 1207(a) entities" means the small business concerns, historically Black colleges and universities, and minority institutions described in section 1207(a) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3973), as amended by subsection (d).

(d) Clarification of Coverage of Section 1207(a) Entities.—Section 1207(a) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661; 100 Stat. 3973) is amended—

(1) by striking out "or" at the end of paragraph (2) and inserting in lieu thereof "and";

(2) by striking out "(as defined by the Secretary of Education pursuant to the General Education Provisions Act (20 U.S.C. 1221 et seq.))" in paragraph (3) and inserting in lieu thereof "(as defined in paragraphs (3), (4), and (5) of section 312(b) of the Higher Education Act of 1965 (20 U.S.C. 1058))"; and

(3) by striking out the period at the end of paragraph (3) and inserting in lieu thereof ", including any nonprofit research institution that was an integral part of a historically Black college or university before November 14, 1986.".

SEC. 807. AMENDMENTS TO PROCUREMENT TECHNICAL ASSISTANCE COOPERATIVE AGREEMENT PROGRAM

(a) Funding.—(1) Of the amounts appropriated for operation and maintenance for the Defense Agencies, $7,000,000 is available for each of fiscal years 1988 and 1989 only for the purpose of carrying out cooperative agreements entered into by the Secretary of Defense under chapter 142 of title 10, United States Code, to furnish procurement technical assistance to business entities.

(2) Of the amount provided under paragraph (1) for fiscal year 1988, $500,000 shall be available only for the purpose of carrying out programs sponsored by eligible entities defined in subparagraph (D) of section 2411(1) of title 10, United States Code (as amended by subsection (b)), that provide procurement technical assistance in distressed areas as defined in subparagraph (B) of section 2411(2) of such title (as amended by subsection (b)). If there is an insufficient number of satisfactory proposals for cooperative agreements in such distressed areas to allow effective use of the funds authorized under this paragraph in such areas, the funds shall be allocated among the Defense Contract Administration Services regions in accordance with section 2415(c) of such title.

(b) Amendments to Definitions of Eligible Entity and Distressed Area.—(1) Paragraph (1) of section 2411 of title 10, United States Code, is amended by adding at the end the following new subparagraph:

"(D) A tribal organization, as defined in section 4(c) of the Indian Self-Determination and Education Assistance Act (Public Law 93-638; 25 U.S.C. 450(c)), or an economic enterprise, as defined in section 3(e) of the Indian Financing Act of 1974 (Public Law 93-262; 25 U.S.C. 1452(e).".

(2) Paragraph (2) of such section is amended—

(A) by striking out "means" and inserting in lieu thereof "means—";

(B) by designating the text beginning with "the area of a unit" as subparagraph (A) and indenting such text two additional ems;

(C) by redesignating subparagraphs (A) and (B) in such text as clauses (i) and (ii) and indenting such clauses (as redesignated) two additional ems;

(D) by striking out the period at the end of such subparagraph (A) (as redesignated) and inserting in lieu thereof "; or"; and

(E) by adding at the end the following new subparagraph:

"(B) a reservation, as defined in section 3(d) of the Indian Financing Act of 1974 (Public Law 93-262; 25 U.S.C. 1452(d)).".

(c) Technical Revision of Fund Distribution Method.—Section 2415 of title 10, United States Code, is amended—

(1) by striking out subsections (a) and (b); and

(2) by striking out "(c) For any amount" and all that follows through "$3,000,000, the" and inserting in lieu thereof "The".

SEC. 808. RIGHTS IN TECHNICAL DATA

(a) In General.—(1) Section 2320(a) of title 10, United States Code, is amended by adding at the end of paragraph (1) the following: "Such regulations also may not impair the right of a contractor or subcontractor to receive from a third party a fee or royalty for the use of technical data pertaining to an item or process developed exclusively at private expense by the contractor or subcontractor, except as otherwise specifically provided by law.".

(2) Paragraph (2)(E) of such section is amended—

(A) by striking out "agreed upon" and inserting in lieu thereof "established";

(B) by striking out the comma after "negotiations)" and inserting in lieu thereof the following: "and shall be based upon negotiations between the United States and the contractor, except in any case in which the Secretary of Defense determines, on the basis of criteria established in the regulations, that negotiations would not be practicable. The establishment of such rights shall be"; and

(C) by adding at the end the following new clause:

"(iv) Such other factors as the Secretary of Defense may prescribe.".

(3) Paragraph (2)(F) of such section is amended to read as follows:

"(F) A contractor or subcontractor (or a prospective contractor or subcontractor) may not be required, as a condition of being responsive to a solicitation or as a condition for the award of a contract—

"(i) to sell or otherwise relinquish to the United States any rights in technical data except—

"(I) rights in technical data described in subparagraph (C); or

"(II) under the conditions described in subparagraph (D); or

"(ii) to refrain from offering to use, or from using, an item or process to which the contractor is entitled to restrict rights in data under subparagraph (B).".

(4) Paragraph (2)(G) of such section is amended—

(A) in clause (i)—

(i) by striking out "pertaining" and all that follows through "private expense" and inserting in lieu thereof "not otherwise provided under subparagraph (C) or (D),"; and

(ii) by striking out "or" at the end of such clause;

(B) in clause (ii)—

(i) by striking out "such regulations" and inserting in lieu thereof "this section"; and

(ii) by striking out the period at the end and inserting in lieu thereof "; or"; and

(C) by adding at the end of such paragraph the following new clause:

"(iii) permit a contractor or subcontractor to license directly to a third party the use of technical data which the contractor is otherwise allowed to restrict, if necessary to develop alternative sources of supply and manufacture.".

(5) Paragraph (3) of such section is amended—

(A) by striking out "and 'private expense' " and inserting in lieu thereof ", 'exclusively with Federal funds', and 'exclusively at private expense' "; and

(B) by adding at the end the following: "In defining such terms, the Secretary shall specify the manner in which indirect costs shall be treated and shall specify that amounts spent for independent research and development and bid and proposal costs shall not be considered to be Federal funds for the purposes of definitions under this paragraph.".

(b) Conduct of Negotiations.—Section 2320(c) of such title is amended—

(1) by striking out "from" and inserting in lieu thereof "from—";

(2) by designating the text beginning with "prescribing standards" as paragraph (1) and indenting such text two ems;

(3) by striking out the period at the end of such paragraph and inserting in lieu thereof "; or"; and

(4) by adding at the end the following new paragraph:

"(2) prescribing reasonable and flexible guidelines, including negotiation objectives, for the conduct of negotiations regarding the respective rights in technical data of the United States and the contractor.".

(c) Effective Date.—The amendments made by this section shall take effect on the earlier of—

(1) the last day of the 120-day period beginning on the date of the enactment of this Act; or

(2) the date on which regulations are prescribed and made effective to implement such amendments.

SEC. 809. SMALL BUSINESS SET-ASIDE PROGRAM AMENDMENTS

(a) Small Business Small Purchase Reserve Excluded From Annual Goals.—(1) Section 15(g) of the Small Business Act (15 U.S.C 644(g)) is amended by inserting "having a value of $25,000 or more" after "procurement contracts of such agency" in the first sentence. Such amendment shall be in effect until September 30, 1988.

(2) Such section is amended, effective October 1, 1988, by striking out "having a value of $25,000 or more" after "procurement contracts of such agency".

(b) Subcontracting Limitations.—(1) Section 15(o) of the Small Business Act (15 U.S.C. 644(o)) is amended by striking out "this subsection" and inserting in lieu thereof "subsection (a)".

(c) Repeal.—Section 15(p) of the Small Business Act (15 U.S.C. 644(p)) is repealed.

(d) Initial Review of Size Standards.—Paragraph (3) of section 921(h) of the Defense Acquisition Improvement Act of 1986 (as contained in title IX of Public Law 99-661) is amended by striking out the second and third sentences and inserting in lieu thereof the following: "The Administrator shall publish proposed regulations, including any revised size standards, in the Federal Register by November 30, 1987, or the date of enactment of the National Defense Authorization Act for Fiscal Years 1988 and 1989, whichever is later. The proposed regulations shall provide not less than 60 days for public comment. The Administrator shall issue final regulations not later than May 31, 1988.".

SEC. 810. CONTRACT TERMS AND CONDITIONS RELATING TO CONTRACTOR COSTS FOR PRODUCTION SPECIAL TOOLING AND PRODUCTION SPECIAL TEST EQUIPMENT

(a) In General.—(1) Chapter 137 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2329. Production special tooling and production special test equipment: contract terms and conditions

"(a) Regulations.—The Secretary of Defense (acting through the Under Secretary of Defense for Acquisition) shall prescribe regulations providing for payment to contractors for production special tooling and production special test equipment acquired or fabricated in the performance of contracts described in subsection (b). Such regulations shall establish a uniform policy for the Department of Defense.

"(b) Contracts To Which Regulations Apply.—(1) Except as provided in paragraph (2), regulations under this section shall apply in the case of any contract for production of an item that is awarded by the Secretary of a military department and under which the contractor, in order to perform the contract, is required to acquire or fabricate items of production special tooling or items of production special test equipment.

"(2) Such regulation shall not apply to a contract in which the cost to the contractor of the special production tooling and special production test equipment used in the performance of the contract is less than $1,000,000.

"(c) Requirements.—Regulations under subsection (a) shall include the following:

"(1) A requirement that the terms and conditions for the acquisition or fabrication of production special test equipment and production special tooling by a contractor under a contract described in subsection (b) (including specification of the maximum amount for which the contractor may be paid for such tooling and equipment)—

"(A) shall be specified in the contract, and

"(B) shall be determined by the Secretary concerned and the contractor through negotiations.

"(2) A requirement that if the Secretary concerned, at the time a contract described in subsection (b) is entered into, reasonably anticipates that the United States will later contract with the same contractor for the same or similar items for which the contractor would be able to use the special production tooling or special production test equipment that the contractor was required to acquire or fabricate for performance of the contract, and if that tooling and equipment will not be used by the contractor solely for final production acceptance testing under the contract, the contractor—

"(A) shall be paid for such tooling and equipment in accordance with the terms and conditions of the contract, but in a total amount not less than a percentage (determined under paragraph (3)) of the maximum amount for such payment agreed to under paragraph (1); and

"(B) shall be paid for the balance of such amount subject to the availability of appropriations and in accordance with an amortization schedule determined by the Secretary concerned and the contractor through negotiations.

"(3) The percentage to be used under paragraph (2)(A) shall be specified in the contract based upon negotiations between the Secretary concerned and the contractor and may not be less than 50 percent, except that a lower percentage may be specified in the case of any contract if the Secretary concerned, before the contract is entered into, approves the use of that lower percentage with respect to that contract. Any such approval by the Secretary concerned shall be made under criteria established by the Secretary of Defense, acting through the Under Secretary of Defense for Acquisition.

"(4) A requirement that a contract described in subsection (b) include provisions, determined on the basis of negotiations between the Secretary concerned and the contractor, which ensure that if the contract, or the program with respect to which such contract is awarded, is terminated before the maximum amount specified under paragraph (1) has been paid to the contractor, and the termination is not for a reason that reflects a failure of the contractor to perform the contract, the Secretary concerned, subject to the availability of appropriations, shall pay the contractor the balance of such maximum amount in accordance with the terms and conditions of the contract.

"(5) A requirement that, except as provided in paragraph (2), a contractor under a contract described in subsection (b) shall be paid for the special production tooling or special production test equipment that the contractor was required to acquire or fabricate for performance under the contract in the maximum amount provided in the contract and in accordance with the terms and conditions of the contract.

"(d) Costs incurred by a contractor under a contract described in subsection (b) for the acquisition and fabrication of production special tooling and production special test equipment for which reimbursement is made under this section shall be considered to be direct costs incurred by the contractor.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2329. Production special tooling and production special test equipment: contract terms and conditions.".

(b) EFFECTIVE DATE.—Section 2329 of title 10, United States Code, as added by subsection (a), shall apply with respect to contracts entered into pursuant to solicitations issued after the end of the 120-day period beginning on the date of the enactment of this Act.

PART B—OTHER ACQUISITION MATTERS

SEC. 821. CONFLICT OF INTEREST IN DEFENSE PROCUREMENT

Section 2397b(a)(1)(C) of title 10, United States Code, is amended by striking out "acted as a primary representative" and inserting in lieu thereof "acted as one of the primary representatives".

SEC. 822. RESTATEMENT AND MODIFICATION OF RESTRICTIONS ON RETIRED MILITARY OFFICERS REGARDING CERTAIN MATTERS AFFECTING THE GOVERNMENT

(a) REPEAL OF PRIOR LAW.—Sections 281 and 283 of title 18, United States Code, to the extent that such sections were not repealed by section 2 of Public Law 87-849 (76 Stat. 1126; approved October 23, 1962), are repealed.

(b) RESTATEMENT AND MODIFICATION OF LAW.—(1) Chapter 15 of title 18, United States Code, is amended by inserting after the table of sections the following new section:

"§ 281. Restrictions on retired military officers regarding certain matters affecting the Government

"(a)(1) A retired officer of the Armed Forces who, while not on active duty and within two years after release from active duty, directly or indirectly receives (or agrees to receive) any compensation for representation of any person in the sale of anything to the United States through the military department in which the officer is retired (in the case of an officer of the Army, Navy, Air Force, or Marine Corps) or through the Department of Transportation (in the case of an officer of the Coast Guard) shall be fined under this title or imprisoned not more than two years, or both.

"(2) Any person convicted under paragraph (1) shall be incapable of holding any office of honor, trust, or profit under the United States.

"(b) A retired officer of the Armed Forces who, while not on active duty and within two years after release from active duty, acts as agent or attorney for prosecuting or assisting in the prosecution of any claim against the United States—

"(1) involving the military department in which the officer is retired (in the case of an officer of the Army, Navy, Air Force, or Marine Corps) or the Department of Transportation (in the case of an officer of the Coast Guard); or

"(2) involving any subject matter with which the officer was directly connected while in an active-duty status;

shall be fined under this title or imprisoned not more than one year, or both.

"(c) This section does not apply—

"(1) to any person because of the person's membership in the National Guard of the District of Columbia; or

"(2) to any person specifically excepted by law.".

(2) The table of sections at the beginning of such chapter is amended by striking out the items relating to sections 281 through 284 and inserting in lieu thereof the following new item:

"281. Restrictions on retired military officers regarding certain matters affecting the Government.".

SEC. 823. RESTRICTION ON PURCHASE OF FOREIGN-MADE ADMINISTRATIVE MOTOR VEHICLES

(a) VEHICLES FOR USE INSIDE THE UNITED STATES.—Neither the Secretary of Defense nor the Secretary of a military department may enter into a contract during the period beginning on the date of the enactment of this Act and ending on September 30, 1989, for the procurement of administrative motor vehicles that are manufactured in a country other than the United States or Canada and are for use inside the United States unless the type of motor vehicle proposed to be procured is not available in sufficient and reasonably available quantities and satisfactory quality from a manufacturer in the United States or Canada.

(b) VEHICLES FOR USE OVERSEAS.—(1) Neither the Secretary of Defense nor the Secretary of a military department may enter into a contract during the period beginning on the date of the enactment of this Act and ending on September 30, 1989, for the procurement of administrative motor vehicles that are manufactured in a country other than the United States or Canada and are for use outside the United States (other than motor vehicles intended for use in security, intelligence, and criminal investigative operations) unless firms which manufacture similar vehicles in the United States or Canada are afforded a fair opportunity to compete for the contract.

(2) In awarding any contract subject to paragraph (1), the Secretary of Defense or the Secretary of the military department concerned may take into consideration the cost and availability of maintenance and other logistic services and supplies required for the operation of such vehicles.

(c) EXCEPTIONS.—This section shall not apply to the procurement of administrative motor vehicles in the case of a contract—

(1) for an amount less than $50,000; or

(2) that is specifically authorized by law.

(d) APPLICABILITY.—(1) Except as provided in paragraph (2)(B), subsection (b) shall not apply in the case of a contract authorized or required to be entered into as provided under the terms of a country-to-country agreement for the support of United States Armed Forces in Europe if the agreement is in existence on the date of the enactment of this Act.

(2)(A) After the date of the enactment of this Act, the Secretary of Defense may not enter into a country-to-country agreement for the support of United States Armed Forces in Europe that is inconsistent with the limitations on the procurement of administrative motor vehicles under this section applicable during the period beginning on the date of the enactment of this Act and ending on September 30, 1989.

(B) If an agreement described in paragraph (1) is renewed or extended after the date of the enactment of this Act, the Secretary shall ensure that such agreement, as renewed or extended, is not inconsistent with the limitations on the procurement of administrative motor vehicles under this section applicable during the period beginning on the date of the enactment of this Act and ending on September 30, 1989.

SEC. 824. PROCUREMENT OF MANUAL TYPEWRITERS FROM WARSAW PACT COUNTRIES

(a) MOST-FAVORED-NATION COUNTRIES.—Section 2400 of title 10, United States Code, as amended by section 124, is amended by adding at the end the following:

"(c) MANUAL TYPEWRITERS FROM WARSAW PACT COUNTRIES.—Funds appropriated to or for the use of the Department of Defense may not be used for the procurement of manual typewriters which contain one or more components manufactured in a country which is a member of the Warsaw Pact unless the products of that country are accorded nondiscriminatory treatment (most-favored-nation treatment).".

(b) CONFORMING REPEAL.—Section 1262 of the Department of Defense Authorization Act, 1984 (Public Law 98-94; 97 Stat. 703), is repealed.

SEC. 825. SENSE OF CONGRESS ON PREPARATION OF CERTAIN ECONOMIC IMPACT AND EMPLOYMENT INFORMATION CONCERNING NEW ACQUISITION PROGRAMS

It is the sense of Congress that the Secretary of Defense should not, before an acquisition program is approved to proceed into full-scale development, prepare any material, report, list, or analysis with respect to economic benefits or the employment impact of that program in a particular State or congressional district.

TITLE IX—MATTERS RELATING TO ARMS CONTROL

SEC. 901. MISSILE TECHNOLOGY CONTROL REGIME

(a) FINDINGS.—The Congress finds that—

(1) the proliferation of nuclear weapons and of missiles capable of the delivery of nuclear weapons is a threat to international peace and security;

(2) in the early 1980's, the danger of the proliferation of such weapons and missiles was formally recognized in discussions among the governments of the United States, Canada, France, the Federal Republic of Germany, Italy, Japan, and the United Kingdom; and

(3) these seven governments, after four years of negotiations, on April 7, 1987, concluded an agreement known as the Missile Technology Control Regime, for the purpose of limiting the proliferation of missiles capable of the delivery of nuclear weapons (and hardware and technology related to such missiles) throughout the world.

(b) EXPRESSIONS OF CONGRESS.—The Congress—

(1) expresses its firm support for the Missile Technology Control Regime as a means of enhancing international peace and security;

(2) expresses its strong hope that all nations of the world will adhere to the Guidelines of the Missile Technology Control Regime; and

(3) expresses its expectation that all relevant agencies of the United States Government will ensure the fully effective implementation of this regime.

(c) REPORT ON MANPOWER REQUIRED TO IMPLEMENT THE MISSILE TECHNOLOGY CONTROL REGIME.—(1) Not later than February 1, 1988, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives a report—

(A) identifying the functional responsibilities of the Department of Defense for imple-

menting the Missile Technology Control Regime;

(B) describing the number and skills of personnel currently available in the Department of Defense to perform these functions; and

(C) assessing the adequacy of these resources for the effective performance of these responsibilities.

(2) The report required by paragraph (1) shall identify the total number of current Department of Defense full-time employees or military personnel and the grades of such personnel and the special knowledge, experience, and expertise of such personnel, required to carry out each of the following responsibilities of the Department under the regime:

(A) Review of private-sector export license applications and government-to-government cooperative activities.

(B) Intelligence analysis and activities.

(C) Policy coordination.

(D) International liaison activity.

(E) Enforcement and technology security operations.

(F) Technical review.

(3) The report shall include the Secretary's assessment of the adequacy of staffing in each of the categories specified in subparagraphs (A) through (F) of paragraph (2) and shall make recommendations concerning measures, including legislation if necessary, to eliminate any identified staffing deficiencies and to improve interagency coordination with respect to the regime.

SEC. 902. SENSE OF CONGRESS ON THE KRASNOYARSK RADAR

(a) Findings.—The Congress finds the following:

(1) The 1972 Anti-Ballistic Missile Treaty prohibits each party to the Treaty from deploying ballistic missile early warning radars except at locations along the periphery of its national territory and oriented outward.

(2) The 1972 Anti-Ballistic Missile Treaty prohibits each party to the Treaty from deploying an anti-ballistic missile system to defend its national territory and from providing a base for any such nationwide defense.

(3) Large phased-array radars were recognized during negotiation of the 1972 Anti-Ballistic Missile Treaty as the critical long lead-time element of a nationwide defense against ballistic missiles.

(4) In 1983 the United States discovered the construction, in the interior of the Soviet Union near the town of Krasnoyarsk, of a large phased-array radar that has subsequently been judged to be for ballistic missile early warning and tracking.

(5) The Krasnoyarsk radar is more than 700 kilometers from the Soviet-Mongolian border and is not directed outward but instead, faces the northeast Soviet border more than 4,500 kilometers away.

(6) The Krasnoyarsk radar is identical to other Soviet ballistic missile early warning radars and is ideally situated to fill the gap that would otherwise exist in a nationwide Soviet ballistic missile early warning radar network.

(7) The President has certified that the Krasnoyarsk radar is an unequivocal violation of the 1972 Anti-Ballistic Missile Treaty.

(b) Sense of Congress.—It is the sense of the Congress that the Soviet Union is in violation of its legal obligation under the 1972 Anti-Ballistic Missile Treaty.

SEC. 903. REPORT ON COMPLIANCE BY THE SOVIET UNION WITH THRESHOLD TEST BAN TREATY

(a) In General.—The President shall submit to Congress, not later than 30 days after the date of the enactment of this Act, a report discussing the use of the current official United States method of estimating the yield of Soviet underground nuclear tests to determine the extent to which the Soviet Union is complying with the 150 kiloton limit on underground nuclear tests contained in the Threshold Test Ban Treaty.

(b) Form and Content of Report.—The report shall be submitted in both classified form and (if possible) unclassified form and shall include the following matters:

(1) A discussion of whether past assessments made by the United States of the extent of Soviet compliance with the 150 kiloton limit contained in the Threshold Test Ban Treaty would have been different if the United States, in making those assessments, had used the current official United States method of estimating the yield of underground nuclear tests conducted by the Soviet Union.

(2) The number of nuclear tests conducted by the Soviet Union after March 31, 1976, that have a central value exceeding 150 kilotons yield (estimated on the basis of the current official method used by the United States in estimating underground nuclear test yields), the central value of those tests (estimated on such basis), and the dates on which those tests were conducted.

(3) The number, dates, and estimated central values of tests, if any, conducted by the United States after March 31, 1976, which, if measured on the basis of the current official method used by the United States in estimating Soviet underground nuclear test yields (taking into account the differences between the United States and Soviet test sites), would have an indicated central value exceeding 150 kilotons yield.

(4) The number of tests conducted by the United States after March 31, 1976, if any, which actually had yields exceeding 150 kilotons, the estimated central value of each such test, and the date on which each such test was conducted.

(5) A description of all nuclear testing activities of the Soviet Union which the President has found to be likely violations of the legal obligations under the Threshold Test Ban Treaty, the dates on which those activities took place, and the specific legal obligations under the Threshold Test Ban Treaty likely to have been violated by the Soviet Union in conducting such activities.

(6) A discussion of whether and, if so, the extent to which, the President, in arriving at his finding that several nuclear tests conducted by the Soviet Union constituted a likely violation of legal obligations under the Threshold Test Ban Treaty, considered the mutual agreement contained in the Threshold Test Ban Treaty which permits one or two minor, unintended breaches of the 150 kiloton limit per year to be considered nonviolations of the Treaty.

(7) A detailed comparison of the current official method used by the United States Government in estimating Soviet underground nuclear test yields with the method replaced by the current method, and the date on which the current official method was adopted by the United States.

SEC. 904. CONGRESSIONAL FINDINGS AND DECLARATIONS CONCERNING ARMS CONTROL NEGOTIATIONS

(a) Congressional Findings.—The Congress makes the following findings:

(1) The United States and the Soviet Union are currently engaged in negotiations to conclude a treaty on intermediate-range nuclear forces (INF) and are continuing serious negotiations on other issues of vital importance to the national security of the United States.

(2) The current negotiations, which reflect delicate compromises on both sides, are a culmination of years of detailed and complex negotiations in which the negotiators for the United States have been pursuing a policy consistently advocated by the past two Presidents regarding nuclear arms control in the European theater.

(3) While recognizing fully that the President, under clause 2, section 2, article II of the Constitution, has the power, by and with the advice and consent of the Senate, to make treaties, the Congress also recognizes the special responsibility conferred by the Founding Fathers on the Senate in requiring that it give its advice and consent before a treaty may be ratified by the United States and that in carrying out this responsibility the Senate is accountable to the people of the United States and has a duty to ensure that no treaty is ratified which would be detrimental to the welfare and security of the United States.

(4) In recognition of this responsibility, the Senate has established a special continuing oversight body, the Arms Control Observer Group, which over the last two and one-half years has functioned to provide advice and counsel to the President and his negotiators, when appropriate, on a continuing basis during the course of the negotiations to achieve an INF treaty.

(5) The Senate and the President both have a role under the Constitution in the making of treaties and Congress as a whole has a role under the Constitution in the regulating of expenditures, including expenditures for weapons systems that may be the subject of treaty negotiations.

(b) Congressional Declarations.—In light of the findings in subsection (a), Congress—

(1) fully supports the efforts of the President to negotiate stabilizing, equitable, and verifiable arms reduction treaties with the Soviet Union;

(2) endorses the principle of mutuality and reciprocity in arms control negotiations with the Soviet Union and cautions that neither the Congress nor the President should take actions which are unilateral concessions to the Soviet Union; and

(3) urges the President to take care that no provision is agreed to in those negotiations that would be harmful to the security of the United States or its allies and friends.

(c) Declaration of the Senate.—The Senate declares that it will reserve judgment regarding the approval of any arms control treaty until it has conducted a thorough examination of the provisions of the treaty and has assured itself that those provisions—

(1) are effectively verifiable; and

(2) serve to enhance the strength and security of the United States and its allies and friends.

SEC. 905. REPORT ON MILITARY CONSEQUENCES OF THE ELIMINATION OF BALLISTIC MISSILES

(a) Report Requirement.—Not later than 30 days after the date of the enactment of this Act, the Chairman of the Joint Chiefs of Staff shall submit to the Committees on Armed Services of the Senate and House of Representatives a report examining the military consequences of any arms control agreement between the United States and the Soviet Union that would provide for the

elimination of all strategic ballistic missiles of the United States and the Soviet Union.

(b) Matters To Be Discussed.—Such report shall be submitted in both classified and unclassified form and shall include a discussion of the strategic, budgetary, and force structure implications of an agreement described in subsection (a) for—

(1) conventional defenses of the United States and its allies in Europe, the Far East, and other regions vital to the national security of the United States;

(2) tactical nuclear deterrence by the United States in those regions;

(3) strategic offensive retaliatory systems of the United States that would not be affected by such an agreement, including bomber forces and cruise missiles;

(4) air defenses of the United States needed to counter bomber forces and cruise missiles of the Soviet Union;

(5) Strategic Defense Initiative programs designed to provide possible defenses against strategic ballistic missiles; and

(6) any new programs which the Chairman of the Joint Chiefs of Staff may consider necessary in order for the United States to protect its national security interests in light of the relative advantage conferred by such an agreement on other nations possessing nuclear weapons whose strategic ballistic missile forces would not be affected by the agreement.

SEC. 906. REPORT ON IMPLICATIONS OF CERTAIN ARMS CONTROL POSITIONS

Not later than June 30, 1988, the Secretary of Defense shall submit to Congress a report, in both classified and unclassified versions, containing the following:

(1) A description of the quantitative and qualitative implications for the strategic modernization program of the United States of the publicly-announced position of the United States at the Strategic Arms Reduction Talks in Geneva, giving special, but not exclusive, attention to the implications of such position for the Trident SSBN program, the rail-garrison Peacekeeper program, and the small intercontinental ballistic missile ("Midgetman") program.

(2) A description of the advantages and drawbacks of following the recommendations made in 1983 in the report of the President's Commission on Strategic Forces with regard to research on smaller ballistic-missile carrying submarines, each carrying fewer missiles than the Trident, as a potential follow-on to the Trident submarine force.

(3) The recommendations of the Secretary of Defense with regard to paragraphs (1) and (2) on United States force modernization policy and arms control policy.

SEC. 907. SUPPORT FOR NUCLEAR RISK REDUCTION CENTERS

(a) Congress applauds the recent signing of an agreement between the United States and the Soviet Union on the establishment of nuclear risk reduction centers. Congress regards this agreement as an important and practical first step in reducing the threat of nuclear war due to accident, misinterpretation, or miscalculation. Congress notes that the agreement calls for centers to be established in each nation's respective capital for the routine exchange of information and advanced notification of nuclear and missile testing.

(b) It is the hope of Congress that this first step in nuclear risk reduction will increase the confidence and mutual trust of both parties to the agreement and lead to an expansion in functions to reduce further the chances of accidental war. Such functions may include joint discussions on crisis prevention and the development of strategies to deal with incidents or threats of nuclear terrorism, nuclear proliferation, or other mutually agreed upon issues of concern in reducing nuclear risk.

TITLE X—MATTERS RELATING TO NATO COUNTRIES AND OTHER ALLIES

Part A—NATO Deterrence

SEC. 1001. REPORT ON REQUIREMENTS FOR MAINTAINING NATO'S STRATEGY OF DETERRENCE

(a) Requirement.—The Secretary of Defense shall submit to Congress a report regarding the ability of the North Atlantic Treaty Organization (NATO) to maintain its strategy of deterrence through the 1990s. The report shall include a specific discussion of the implications for such deterrence if the United States and the Soviet Union agree to a treaty which requires the elimination of all intermediate-range nuclear force (INF) missiles having a range between 500 and 5,500 kilometers. The report shall be prepared in consultation with the Supreme Allied Commander, Europe, and the Chairman of the Joint Chiefs of Staff.

(b) Form and Content of Report.—The Secretary shall submit the report required by subsection (a) in both classified and unclassified forms and shall include in the report the following:

(1) A discussion of the effect that the elimination under an INF treaty of intermediate range missiles deployed by the United States and the Soviet Union would likely have on the ability of NATO to maintain an effective flexible response strategy and credible deterrence.

(2) The appropriate numbers and types of nuclear weapons and nuclear-capable delivery systems of the United States not limited by the proposed INF treaty which the Secretary of Defense recommends for deployment in or redeployment to the European theater if an INF treaty is ratified and enters into force, including a description of any nuclear modernization program the Secretary has recommended or proposes to recommend as necessary to ensure that NATO will be able to maintain a credible and effective military strategy.

(3) A discussion of the balance between the nonnuclear forces of NATO and the Warsaw Pact in the European theater, the likelihood of NATO making significant improvements in that balance over the next few years, the potential effect of conventional force balance alternatives currently under consideration by the United States Government, and the likelihood and potential effect of a new agreement between NATO and the Warsaw Pact limiting nonnuclear forces on that balance.

(4) A discussion of the feasibility and cost effectiveness of substituting advanced conventional munitions for nuclear weapons currently deployed by NATO, including a discussion of the costs of such weapons and prospects for sharing such costs among NATO allies.

(5) A description of nonnuclear forces that would be needed to support the operational concept of Follow-on Forces Attack (FOFA).

(6) The status of improvements being made in the air defenses of NATO in Europe.

(7) A discussion of the views of the leaders of member nations of NATO (other than the United States) and of the Supreme Allied Commander, Europe (SACEUR), on the matters described in paragraphs (1) through (5).

(c) Deadline of Report.—The report required by subsection (a) shall be submitted not later than the earlier of—

(1) 90 days after the date of the enactment of this Act; or

(2) the date on which the President submits to the Senate for its advice and consent a treaty described in subsection (a).

SEC. 1002. SENSE OF CONGRESS ON LEVEL OF UNITED STATES FORCES PERMANENTLY STATIONED IN EUROPE IN SUPPORT OF NATO

(a) Findings.—The Congress makes the following findings with respect to the level of United States military forces permanently stationed in Europe:

(1) The agreement in principle between the United States and the Soviet Union to eliminate all intermediate-range nuclear missiles (INF) has important implications for the defense posture of the North Atlantic Treaty Organization alliance.

(2) The presence of United States forces in Europe constitutes the most visible and meaningful evidence of the continuing strong commitment of the United States to the integrity of the alliance.

(3) NATO Defense Ministers stated in May 1987 that the "continued presence of United States forces at existing levels in Europe plays an irreplaceable role in the defense of North America as well as Europe".

(b) Sense of Congress.—(1) In light of the findings in subsection (a), it is the sense of Congress that—

(A) the stationing in Europe of United States military forces in support of NATO at the level of military personnel permanently stationed in Europe in support of NATO on the date of the enactment of this Act plays an indispensable role for peace and deterrence; and

(B) the commitment of United States forces should be continued at that level (assuming all existing basing agreements remain in effect).

(2) It is further the sense of Congress that it would not be inconsistent with the sense of Congress expressed in paragraph (1) if the actual number of United States military personnel permanently stationed in Europe in support of NATO at any time falls below the level of such personnel on the date of the enactment of this Act because of administrative fluctuations or if such level is reduced following a determination by the President that national security considerations require such a reduction.

SEC. 1003. STUDY OF FUTURE OF NATO

The Secretary of Defense shall contribute, from funds appropriated for fiscal year 1988 for operation and maintenance of Defense Agencies, the amount of $50,000 to the North Atlantic Assembly for a study on the future of the North Atlantic Treaty Organization.

Part B—Burden Sharing

SEC. 1011. STUDY OF DEFENSE EXPENDITURES IN JAPAN

(a) In General.—The Secretary of Defense shall conduct a study of the ways in which the United States may further its national security interests in the Far East.

(b) Report.—Within 90 days after the date of the enactment of this Act, the Secretary shall transmit to Congress a report on such study. The report shall contain—

(1) the plans of the Department of Defense in the current five-year defense plan for defense expenditures for each fiscal year covered by the plan to be made in support of United States security interests in the Far East and, of such planned expenditures in each such fiscal year, how much is attributable to projected increases in defense outlays for that fiscal year;

(2) the projections for national defense expenditures by Japan for each such fiscal year;

(3) the projections for national defense expenditures by the United States directly in support of United States forces, facilities, and equipment stationed or located in Japan for each such fiscal year; and

(4) the projections for national defense expenditures by Japan directly in support of United States forces stationed in Japan for each such fiscal year.

SEC. 1012. SENSE OF CONGRESS REGARDING JAPAN'S CONTRIBUTIONS TO GLOBAL STABILITY

(a) FINDINGS.—The Congress makes the following findings:

(1) The alliance of the United States and Japan is the foundation for the security of Japan and peace in the Far East and is a major contributing factor to the democratic freedoms and economic prosperity enjoyed by both the United States and Japan.

(2) Threats to the security of both the United States and Japan have increased significantly since 1976, principally as the result of—

(A) the occupation of Afghanistan by the Soviet Union;

(B) the continued expansion and buildup of military forces of the Soviet Union (particularly the expansionist efforts by the Soviet Union in the South Pacific and the buildup of the Soviet Pacific fleet);

(C) the occupation of Cambodia by Vietnam; and

(D) instability in the Persian Gulf region (from which Japan receives 60 percent of its petroleum and one-third of its total energy requirements).

(3) In keeping with the declaration made at the 1983 meeting in Williamsburg, Virginia, of the leaders of the leading industrialized democracies that "the security of our countries is indivisible and must be approached on a global basis", the government of Japan—

(A) has raised its defense spending by an average of 5 percent per year since 1981;

(B) has rescinded a limit on annual expenditures for defense of 1 percent of the gross national product of Japan; and

(C) is fulfilling the pledge of Prime Minister Suzuki to defend the territory, airspace, and sea lanes of Japan to a distance of 1,000 miles by 1990.

(4) While recognizing and applauding the actions by the government of Japan referred to in paragraph (3), Congress notes that Japan has the second largest gross national product in the world, is a major creditor nation, and has a large private savings rate, but nevertheless lags far behind other industrialized democracies in terms of the percentage of its gross national product that it spends for national defense and programs to promote global security and stability.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the United States would welcome an initiative by Japan to assume a politically acceptable and significant global security role consistent with its economic status by taking the following actions:

(1) Increasing spending for its Official Development Assistance program and its defense programs so that, by 1992, the level of spending by Japan on those programs (stated as a percentage of gross national product) will approximate the average of the levels of spending by the member nations of the North Atlantic Treaty Organization on official development assistance and defense programs (stated as a percentage of their respective gross national products).

(2) Devoting increased spending for its Official Development Assistance program primarily to the Republic of the Philippines and regions of importance to global stability outside of East Asia, particularly Oceania, Latin America, and the Caribbean and Mediterranean nations.

(3) Devoting any increase in spending for that program primarily to concessional, untied grants and increasing the portion of total expenditures made for that program for those multilateral financial institutions of which Japan is a member.

(4) Designating those nations that are to be recipients of increased development assistance as described in paragraphs (1) through (3) through consultation with its security partners.

(5) Completing its five-year defense program for fiscal years 1986 through 1990 and, at the earliest possible date after the completion of that program, further enhancing the fulfillment of the pledge of Prime Minister Suzuki referred to in subsection (a)(3).

PART C—PROCUREMENT MATTERS

SEC. 1021. OVERSEAS WORKLOAD PROGRAM

(a) IN GENERAL.—A firm of any member nation of the North Atlantic Treaty Organization (NATO) or of any major non-NATO ally shall be eligible to bid on any contract for the maintenance, repair, or overhaul of equipment of the Department of Defense to be awarded under competitive procedures as part of the program of the Department of Defense known as the Overseas Workload Program.

(b) SITE FOR PERFORMANCE OF WORK.—A contract awarded during fiscal year 1988 or 1989 to a firm described in subsection (a) may be performed in the theater in which the equipment is normally located or in the country in which the firm is located.

(c) EXCEPTIONS.—The Secretary of a military department may restrict the geographic region in which a contract referred to in subsection (a) may be performed if the Secretary determines that performance of the contract outside that specific region—

(1) could adversely affect the military preparedness of the Armed Forces of the United States; or

(2) would violate the terms of an international agreement to which the United States is a party.

(d) REPORT REQUIREMENT.—(1) Not later than December 1, 1988, the Secretary of Defense shall submit to Congress a report on the nature of the maintenance, repair, and overhaul work of the Department of Defense performed under the program of the Department of Defense known as the Overseas Workload Program.

(2) The report shall include the following:

(A) A description of the categories of work performed under that program and the costs associated with those categories of work.

(B) A description of the capabilities of facilities that United States firms have established in Europe to perform work under that program.

(C) A description of the capabilities to perform work under that program by firms in the United States, Canada, and countries that are major non-NATO allies of the United States.

(D) A description of the maintenance, repair, and overhaul work under that program that could be performed in the United States or Canada, or in a country that is a major non-NATO ally, on a cost-effective basis and without a significant adverse effect on the readiness of the Armed Forces of the United States.

(E) A list and detailed explanation of each of the instances, through October 31, 1988, in which the Secretary of a military department exercised the authority provided in subsection (c).

(e) DEFINITION.—For purposes of this section, the term "major non-NATO ally" has the meaning given that term by section 1105(g)(1) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661).

SEC. 1022. NATO COOPERATIVE PROJECT AGREEMENTS

Clause (C) of section 27(b)(1) of the Arms Export Control Act (22 U.S.C. 2767(b)(1)(C)) is amended by inserting "or for procurement by the United States of munitions from the North Atlantic Treaty Organization or a subsidiary of such organization" after "member country".

SEC. 1023. REPORT ON CO-PRODUCTION OR CO-ASSEMBLY OF M1A1 TANK

(a) IN GENERAL.—The Secretary of Defense shall submit to Congress a detailed report on any plans of the Department of Defense as of the time of the submission of the report regarding co-production or co-assembly of the M1 or M1A1 Abrams tank with a foreign country. The Secretary shall include in such report the following:

(1) The status of any current negotiations by the Secretary of Defense with any foreign country regarding the co-production or co-assembly of the M1 or M1A1 tank by the United States and that country.

(2) A comparison of the long-term effects on the United States mobilization base of production of such tank under a co-production or co-assembly arrangement with a foreign country.

(3) The effect an arrangement with a foreign country for the co-production or co-assembly of such tank would have on the national security of the United States.

(b) DEADLINE FOR REPORT.—The Secretary shall submit the report required under subsection (a) not later than 90 days after the date of the enactment of this Act.

(c) CLASSIFICATION OF REPORT.—The Secretary shall submit the report required under subsection (a) in both classified and unclassified form.

SEC. 1024. WEAPONS STORAGE AND SECURITY SYSTEMS

(a) LIMITATION ON INSTALLATION.—Funds appropriated or otherwise made available to the Department of Defense for fiscal years 1988 and 1989 may not be expended for installation of Weapons Storage and Security Systems (WSSS) in the territory of any European member nation of the North Atlantic Treaty Organization until the Secretary of Defense certifies to Congress that the construction program with respect to such systems is eligible for common financing under the NATO Infrastructure program.

(b) EFFECT OF INF TREATY.—If a treaty on Intermediate Range Nuclear Forces (INF) is ratified before the certification under subsection (a) is made, the Secretary shall submit with the certification a plan for revising the installation of those systems in order to reflect any additional requirements resulting from that treaty.

(c) MILESTONES.—The Secretary shall submit with the certification under subsection (a) a description of the key milestones for entering into contracts under the program and for reaching an agreement concerning NATO financing and shall include a certification that all available steps are being taken to accelerate agreement with NATO on a final plan for recoupment of advance funding by the United States for the installation of such systems.

TITLE XI—DEPARTMENT OF DEFENSE MANAGEMENT

PART A—CONSTRUCTION AND MAINTENANCE OF NAVAL VESSELS

SEC. 1101. CLARIFICATION OF LIMITATION ON CONTRACTING FOR SHORT-TERM NAVAL VESSEL REPAIR WORK

Subsection (d) of section 7299a of title 10, United States Code, is amended to read as follows:

"(d)(1) Before issuing a solicitation for a contract for short-term work for the overhaul, repair, or maintenance of a naval vessel, the Secretary of the Navy shall determine if there is adequate competition available among firms able to perform the work at the homeport of the vessel. If the Secretary determines that there is adequate competition among such firms, the Secretary—

"(A) shall issue such a solicitation only to firms able to perform the work at the homeport of the vessel; and

"(B) may not award such contract to a firm other than a firm that will perform the work at the homeport of the vessel.

"(2) Paragraph (1) applies notwithstanding subsection (b) or any other provision of law.

"(3) Paragraph (1) does not apply—

"(A) in the case of voyage repairs; or

"(B) in the case of a vessel that is assigned to the Naval Reserve force and homeported on the West Coast of the United States.

"(4) In this subsection, the term 'short-term work' means work that will be for a period of six months or less.".

SEC. 1102. RATES FOR PROGRESS PAYMENTS ON CERTAIN NAVAL SHIP REPAIR CONTRACTS

(a) IN GENERAL.—(1) Chapter 633 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 7312. Repair or maintenance of naval vessels: progress payments under certain contracts

"(a) The Secretary of the Navy shall provide that the rate for progress payments on naval ship contracts to which this section applies shall be—

"(1) 90 percent, in the case of firms considered to be small businesses, and

"(2) 85 percent, in the case of all other firms.

"(b) This section applies to any contract awarded by the Secretary of the Navy for repair, maintenance, or overhaul of a naval vessel (other than a nuclear-powered vessel) for work required to be performed in one year or less.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"7312. Repair or maintenance of naval vessels: progress payments under certain contracts.".

(b) TRANSITION.—The amendment made by subsection (a) does not apply to a contract awarded pursuant to a solicitation issued before the date of the enactment of this Act.

SEC. 1103. DOMESTIC CONSTRUCTION OF CERTAIN VESSELS

Section 7309(a) of title 10, United States Code, is amended by striking out "no naval vessel, and no vessel of any other military department," and inserting in lieu thereof "no vessel to be constructed for any of the armed forces".

SEC. 1104. CONTRACTS FOR THE OVERHAUL, REPAIR, AND MAINTENANCE OF NAVAL VESSELS

Funds appropriated pursuant to authorizations in this Act may not be obligated or expended for the overhaul, repair, or maintenance of any naval vessel unless, in the evaluation of bids or proposals for such activity, the Secretary of the Navy complies with the requirement of section 7299a of title 10, United States Code.

PART B—CONTRACTING OUT

SEC. 1111. AUTHORITY OF BASE COMMANDERS OVER CONTRACTING FOR COMMERCIAL ACTIVITIES

(a) AUTHORITY.—The Secretary of Defense shall direct that the commander of each military installation (under regulations prescribed by the Secretary of Defense and subject to the authority, direction, and control of the Secretary) shall have the authority and the responsibility to carry out the following:

(1) Prepare an inventory each fiscal year of commercial activities carried out by Government personnel on the military installation.

(2) Decide which commercial activities shall be reviewed under the procedures and requirements of Office of Management and Budget Circular A-76 (or any successor administrative regulation or policy).

(3) Conduct a solicitation for contracts for those commercial activities selected for conversion to contractor performance under the Circular A-76 process.

(4) To the maximum extent practicable, assist in finding suitable employment for any employee of the Department of Defense who is displaced because of a contract entered into with a contractor for performance of a commercial activity on the military installation.

(b) DEADLINE FOR REGULATIONS.—The Secretary shall prescribe the regulations required by subsection (a) no later than 60 days after the date of the enactment of this Act.

(c) DEFINITION.—In this section, the term "military installation" means a base, camp, post, station, yard, center, or other activity under the jurisdiction of the Secretary of a military department which is located within any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or Guam.

(d) TERMINATION OF AUTHORITY.—The authority provided for commanders of military installations by subsection (a) shall terminate on October 1, 1989.

SEC. 1112. PROHIBITION ON CONTRACTS FOR PERFORMANCE OF SECURITY-GUARD FUNCTIONS

(a) IN GENERAL.—Subsection (a) of section 2693 of title 10, United States Code, is amended by inserting "or security-guard" after "firefighting".

(b) CLERICAL AND CONFORMING AMENDMENTS.—

(1) Subsection (b) of such section is amended by striking out "the function" and inserting in lieu thereof "a function".

(2) The heading for such section is amended to read as follows:

"§ 2693. Prohibition on contracts for performance of firefighting or security-guard functions".

(3) The item relating to section 2693 in the table of sections at the beginning of chapter 159 of such title is amended to read as follows:

"2693. Prohibition on contracts for performance of firefighting or security-guard functions.".

PART C—SECURITY AND COUNTERINTELLIGENCE MATTERS

SEC. 1121. COUNTERINTELLIGENCE POLYGRAPH PROGRAM

(a) AUTHORITY FOR PROGRAM.—The Secretary of Defense may carry out a program for the administration of counterintelligence polygraph examinations to persons described in subsection (b). The program shall be based on Department of Defense Directive 5210.48, dated December 24, 1984.

(b) PERSONS COVERED.—Except as provided in subsection (d), the following persons whose duties involve access to information that has been classified at the level of top secret or designated as being within a special access program under section 4.2(a) of Executive order 12356 (or a successor Executive Order) are subject to this section:

(1) Military and civilian personnel of the Department of Defense.

(2) Personnel of defense contractors.

(c) LIMITATION ON NUMBER OF EXAMINATIONS.—The number of counterintelligence polygraph examinations that may be administered under this section—

(1) may not exceed 10,000 during each of fiscal years 1988, 1989, and 1990; and

(2) may not exceed 5,000 during any fiscal year after fiscal year 1990 for which a specific number is not otherwise provided by law.

(d) EXCEPTIONS FROM COVERAGE FOR CERTAIN INTELLIGENCE AGENCIES AND FUNCTIONS.—This section does not apply—

(1) to a person assigned or detailed to the Central Intelligence Agency or to an expert or consultant under a contract with the Central Intelligence Agency;

(2) to (A) a person employed by or assigned or detailed to the National Security Agency, (B) an expert or consultant under contract to the National Security Agency, (C) an employee of a contractor of the National Security Agency, or (D) a person applying for a position in the National Security Agency;

(3) to a person assigned to a space where sensitive cryptographic information is produced, processed, or stored; or

(4) to a person employed by, or assigned or detailed to, an office within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs or a contractor of such an office.

(e) POLYGRAPH RESEARCH PROGRAM.—The Secretary of Defense shall carry out a continuing research program to support the polygraph activities of the Department of Defense. The program shall include—

(1) an on-going evaluation of the validity of polygraph techniques used by the Department;

(2) research on polygraph countermeasures and anti-countermeasures; and

(3) developmental research on polygraph techniques, instrumentation, and analytic methods.

(f) ANNUAL REPORT ON POLYGRAPH PROGRAMS.—(1) Not later than January 15 of each year, the Secretary of Defense shall submit to Congress a report on polygraph examinations administered by or for the Department of Defense during the previous fiscal year (whether administered under this section or any other authority).

(2) Each such report shall include the following with regard to the program authorized by subsection (a):

(A) A statement of the number of polygraph examinations administered by or for the Department of Defense during such fiscal year.

(B) A description of the purposes and results of such examinations.

(C) A description of the criteria used for selecting programs and persons for such examination.

(D) A statement of the number of persons who refused to submit to such an examination and a description of the actions taken as a result of the refusals.

(E) A statement of the number of persons for which such an examination indicated deception and the action taken as a result of the examinations.

(F) A detailed accounting of those cases in which more than two such examinations were needed to attempt to resolve discrepancies and those cases in which the examination of a person extended over more than one day.

(3) Each such report shall also include the following:

(A) A description of any plans to expand the use of polygraph examinations in the Department of Defense.

(B) A discussion of any plans of the Secretary for recruiting and training additional polygraph operators together with statistical data on the employment turnover of Department of Defense polygraph operators.

(C) A description of the results during the preceding fiscal year of the research program under subsection (e).

(D) A statement of the number of polygraph examinations administered to persons described in subsection (d) (which number may be set forth in a classified annex to the report).

(g) REPEAL.—Section 1221 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 726), is repealed.

(h) EFFECTIVE DATE.—This section shall take effect as of October 1, 1987.

SEC. 1122. ASSESSMENT OF SOVIET ELECTRONIC ESPIONAGE CAPABILITY FROM MOUNT ALTO EMBASSY SITE

(a) REVIEW AND ASSESSMENT.—The Secretary of Defense shall review and assess the present and potential capabilities of the Government of the Soviet Union to intercept United States communications involving diplomatic, military, and intelligence matters from facilities on Mount Alto in the District of Columbia. The Secretary shall submit to Congress a report on such review and assessment not later than 90 days after the date of the enactment of this Act.

(b) DETERMINATION OF CONSISTENCY WITH NATIONAL SECURITY.—The report required by subsection (a) shall include a determination by the Secretary of Defense as to whether or not the present and proposed occupation of facilities on Mount Alto by the Government of the Soviet Union is consistent with the national security of the United States.

(c) CLASSIFICATION OF REPORT.—The report required by subsection (a) shall be submitted in both a classified and unclassified form, except that the determination required by subsection (b) shall be submitted in an unclassified form.

(d) LIMITATION ON DELEGATION.—The Secretary of Defense may not delegate the duty to make the determination required by subsection (b).

SEC. 1123. DISSEMINATION OF UNCLASSIFIED INFORMATION CONCERNING PHYSICAL PROTECTION OF SPECIAL NUCLEAR MATERIAL

(a) IN GENERAL.—Chapter 3 of title 10, United States Code, is amended by inserting after section 127 the following new section:

"§ 128. Physical protection of special nuclear material: limitation on dissemination of unclassified information

"(a)(1) In addition to any other authority or requirement regarding protection from dissemination of information, and subject to section 552(b)(3) of title 5, the Secretary of Defense, with respect to special nuclear materials, shall prescribe such regulations, after notice and opportunity for public comment thereon, or issue such orders as may be necessary to prohibit the unauthorized dissemination of unclassified information pertaining to security measures, including security plans, procedures, and equipment for the physical protection of special nuclear material.

"(2) The Secretary may prescribe regulations or issue orders under paragraph (1) to prohibit the dissemination of any information described in such paragraph only if and to the extent that the Secretary determines that the unauthorized dissemination of such information could reasonably be expected to have a significant adverse effect on the health and safety of the public or the common defense and security by significantly increasing the likelihood of—

"(A) illegal production of nuclear weapons, or

"(B) theft, diversion, or sabotage of special nuclear materials, equipment, or facilities.

"(3) In making a determination under paragraph (2), the Secretary may consider what the likelihood of an illegal production, theft, diversion, or sabotage referred to in such paragraph would be if the information proposed to be prohibited from dissemination under this section were at no time available for dissemination.

"(4) The Secretary shall exercise his authority under this subsection to prohibit the dissemination of any information described in paragraph (1)—

"(A) so as to apply the minimum restrictions needed to protect the health and safety of the public or the common defense and security; and

"(B) upon a determination that the unauthorized dissemination of such information could reasonably be expected to result in a significant adverse effect on the health and safety of the public or the common defense and security by significantly increasing the likelihood of—

"(i) illegal production of nuclear weapons, or

"(ii) theft, diversion, or sabotage of nuclear materials, equipment, or facilities.

"(b) Nothing in this section shall be construed to authorize the Secretary to withhold, or to authorize the withholding of, information from the appropriate committees of the Congress.

"(c) Any determination by the Secretary concerning the applicability of this section shall be subject to judicial review pursuant to section 552(a)(4)(B) of title 5.

"(d) The Secretary shall prepare on a quarterly basis a report to be made available upon the request of any interested person, detailing the Secretary's application during that period of each regulation or order prescribed or issued under this section. In particular, such report shall—

"(1) identify any information protected from disclosure pursuant to such regulation or order;

"(2) specifically state the Secretary's justification for determining that unauthorized dissemination of the information protected from disclosure under such regulation or order could reasonably be expected to have a significant adverse effect on the health and safety of the public or the common defense and security by significantly increasing the likelihood of illegal production of nuclear weapons or the theft, diversion, or sabotage of special nuclear materials, equipment, or facilities, as specified under subsection (a); and

"(3) provide justification that the Secretary has applied such regulation or order so as to protect from disclosure only the minimum amount of information necessary to protect the health and safety of the public or the common defense and security.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 127 the following new item:

"128. Physical protection of special nuclear material: limitation on dissemination of unclassified information.".

PART D—SPECIAL ACCESS PROGRAMS

SEC. 1131. SENSE OF CONGRESS WITH RESPECT TO DISCLOSURE OF CERTAIN BUDGET AND SCHEDULE INFORMATION ABOUT SPECIFIED SPECIAL ACCESS PROGRAMS

It is the sense of Congress that—

(1) the Advanced Technology Bomber program, the Advanced Cruise Missile program, and the Advanced Tactical Aircraft program involve the development and production of new advanced technologies that are critical to United States national security;

(2) it is appropriate and necessary that certain information involving the technological characteristics and performance of the systems referred to in paragraph (1) remain appropriately classified in conjunction with the national security interest; and

(3) it would be consistent with the public interest and would not jeopardize the national security for the Secretary of Defense to disclose, in a nonclassified form, information about each of the systems referred to in paragraph (1) with respect to total program cost, the amount of the annual program budget request, and a general description of program schedule.

SEC. 1132. CONGRESSIONAL OVERSIGHT OF SPECIAL ACCESS PROGRAMS

(a) SUBMISSION OF CERTAIN BUDGET INFORMATION TO CONGRESS.—(1) Chapter 2 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 119. Special access programs: congressional oversight

"(a)(1) Not later than February 1 of each year, the Secretary of Defense shall submit to the defense committees a report on special access programs.

"(2) Each such report shall set forth—

"(A) the total amount requested for special access programs of the Department of Defense in the President's budget for the next fiscal year submitted under section 1105 of title 31; and

"(B) for each program in that budget that is a special access program—

"(i) a brief description of the program;

"(ii) a brief discussion of the major milestones established for the program;

"(iii) the actual cost of the program for each fiscal year during which the program has been conducted before the fiscal year during which that budget is submitted; and

"(iv) the estimated total cost of the program and the estimated cost of the program for (I) the current fiscal year, (II) the fiscal year for which the budget is submitted, and (III) each of the four succeeding fiscal years during which the program is expected to be conducted.

"(3) In the case of a report under paragraph (1) submitted in a year during which the President's budget for the next fiscal year, because of multiyear budgeting for the Department of Defense, does not include a full budget request for the Department of Defense, the report required by paragraph (1) shall set forth—

"(A) the total amount already appropriated for the next fiscal year for special access programs of the Department of De-

fense and any additional amount requested in that budget for such programs for such fiscal year; and

"(B) for each program of the Department of Defense that is a special access program, the information specified in paragraph (2)(B).

"(b)(1) Not later than February 1 of each year, the Secretary of Defense shall submit to the defense committees a report that, with respect to each new special access program, provides—

"(A) notice of the designation of the program as a special access program; and

"(B) justification for such designation.

"(2) A report under paragraph (1) with respect to a program shall include—

"(A) the current estimate of the total program cost for the program; and

"(B) an identification of existing programs or technologies that are similar to the technology, or that have a mission similar to the mission, of the program that is the subject of the notice.

"(3) In this subsection, the term 'new special access program' means a special access program that has not previously been covered in a notice and justification under this subsection.

"(c) Whenever a change is made in the status of a program of the Department of Defense as a special access program, the Secretary of Defense shall submit to the defense committees a report describing the change. Any such report shall be submitted not later than 30 days after the date on which the change takes effect.

"(d) Whenever there is a modification or termination of the policy and criteria used for designating a program of the Department of Defense as a special access program, the Secretary of Defense shall promptly notify the defense committees of such modification or termination. Any such notification shall contain the reasons for the modification or termination and, in the case of a modification, the provisions of the policy as modified.

"(e)(1) The Secretary of Defense may waive any requirement under subsection (a), (b), or (c) that certain information be included in a report under that subsection if the Secretary determines that inclusion of that information in the report would adversely affect the national security. Any such waiver shall be made on a case-by-case basis.

"(2) If the Secretary exercises the authority provided under paragraph (1), the Secretary shall provide the information described in that subsection with respect to the special access program concerned, and the justification for the waiver, jointly to the chairman and ranking minority member of each of the defense committees.

"(f) In this section, the term 'defense committees' means—

"(1) the Committees on Armed Services of the Senate and House of Representatives; and

"(2) the Defense Subcommittees of the Committees on Appropriations of the Senate and House of Representatives.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"119. Special access programs: congressional oversight.".

(b) FIVE-YEAR REFERENCE AMOUNTS.—The first report under subsection (a) of section 119 of title 10, United States Code (as added by subsection (a)), shall set forth—

(1) the total amount requested in the President's budget for each of the five previous fiscal years for special access programs of the Department of Defense that were included in the budget; and

(2) the total amount appropriated for each such year for such programs.

(c) INITIAL REPORT ON SPECIAL ACCESS PROGRAM DESIGNATIONS.—The first report under subsection (b) of section 119 of title 10, United States Code (as added by subsection (a)), shall cover each existing special access program.

SEC. 1133. REPORTS ON CRITERIA FOR DESIGNATING SPECIAL ACCESS PROGRAMS

(a) DOD REPORT.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Defense shall submit to the defense committees a report on the management of special access programs, including the policy and criteria used for designating a program of the Department of Defense as a special access program.

(b) GAO REPORT.—The Comptroller General of the United States shall study the criteria used by the Secretary of Defense in determining whether to designate a program as a special access program, as set forth in the report under subsection (a), and shall submit to the defense committees a report on the results of that study not later than April 1, 1988.

(c) DEFINITION.—In this section, the term "defense committees" has the meaning given that term in section 119(f) of title 10, United States Code (as added by section 1132(a)).

TITLE XII—GENERAL PROVISIONS

PART A—FINANCIAL AND BUDGET MATTERS

SEC. 1201. TRANSFER AUTHORITY

(a) AUTHORITY TO TRANSFER AUTHORIZATIONS.—(1) Upon determination by the Secretary of Defense that such action is necessary in the national interest, the Secretary may transfer amounts of authorizations made available to the Department of Defense in title I, II, or III for any fiscal year between any such authorizations for that fiscal year (or any subdivisions thereof). Amounts of authorizations so transferred shall be merged with and be available for the same purposes as the authorization to which transferred.

(2) The total amount of authorizations for any fiscal year that the Secretary of Defense may transfer under the authority of this section may not exceed $2,000,000,000.

(b) LIMITATIONS.—The authority provided by this section to transfer authorizations—

(1) may only be used to provide authority for items that have a higher priority than the items from which authority is transferred; and

(2) may not be used to provide authority for an item that has been denied authorization by Congress.

(c) EFFECT ON OBLIGATION LIMITATIONS.—A transfer made under the authority of this section increases by the amount of the transfer the obligation limitation provided on the account (or other amount) to which the transfer is made.

(d) NOTICE TO CONGRESS.—The Secretary of Defense shall promptly notify Congress of transfers made under the authority of this section.

SEC. 1202. LIMITATION ON AVAILABILITY OF FUNDS

Section 2202 of title 10, United States Code, is amended—

(1) by inserting "(a)" before "Notwithstanding"; and

(2) by adding at the end the following:

"(b) Except as otherwise provided by law, the availability for obligation of funds appropriated for any program, project, or activity of the Department of Defense expires at the end of the three-year period beginning on the date that such funds initially become available for obligation unless before the end of such period the Secretary of Defense enters into a contract for such program, project, or activity.".

SEC. 1203. REQUIREMENT FOR CONSISTENCY IN THE BUDGET PRESENTATIONS OF THE DEPARTMENT OF DEFENSE

Section 114 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(f) The amounts of the estimated expenditures and proposed appropriations necessary to support programs, projects, and activities of the Department of Defense included pursuant to paragraph (5) of section 1105(a) of title 31 in the budget submitted to Congress by the President under such section for any fiscal year or years and the amounts specified in all program and budget information submitted to Congress by the Department of Defense in support of such estimates and proposed appropriations shall be mutually consistent unless, in the case of each inconsistency, there is included detailed reasons for the inconsistency.

"(g) The Secretary of Defense shall submit to Congress not later than April 1 of each year, the five-year defense program (including associated annexes) used by the Secretary in formulating the estimated expenditures and proposed appropriations included in such budget to support programs, projects, and activities of the Department of Defense.".

PART B—FORCE STRUCTURE AND POLICY

SEC. 1211. IMPLEMENTATION OF SPECIAL OPERATIONS FORCES REORGANIZATION

(a) ASSISTANT SECRETARY OF DEFENSE.—(1) Section 136(b)(4) of title 10, United States Code, is amended by adding at the end the following new sentence: "The Assistant Secretary is the principal civilian adviser to the Secretary of Defense on special operations and low intensity conflict matters and (after the Secretary and Deputy Secretary) is the principal special operations and low intensity conflict official within the senior management of the Department of Defense.".

(2) The Secretary of Defense shall publish a directive setting forth the charter of the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict not later than 30 days after the date of the enactment of this Act. The directive shall set forth—

(A) the duties and responsibilities of the Assistant Secretary;

(B) the relationships between the Assistant Secretary and other Department of Defense officials;

(C) any delegation of authority from the Secretary of Defense to the Assistant Secretary; and

(D) such other matters as the Secretary considers appropriate.

(3) On the date that such directive is published, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives—

(A) a copy of the directive; and

(B) a report explaining how the charter of the Assistant Secretary fulfills the provisions of section 136(b)(4) of title 10, United States Code (as amended by paragraph (1)), that provide that the Assistant Secretary—

(i) exercises overall supervision of special operations activities and low intensity conflict activities of the Department of Defense;

(ii) is the principal civilian adviser to the Secretary of Defense on special operations and low intensity conflict matters; and

(iii) is the principal special operations and low intensity conflict official (after the Secretary and Deputy Secretary) within the senior management of the Department of Defense.

(4)(A) Until the office of Assistant Secretary of Defense for Special Operations and Low Intensity Conflict is filled for the first time by a person appointed from civilian life by the President, by and with the advice and consent of the Senate, the Secretary of the Army shall carry out the duties and responsibilities of that office.

(B) Throughout the period of time during which the Secretary of the Army is carrying out the duties and responsibilities of that office, he shall submit to the Committees on Armed Services of the Senate and House of Representatives a monthly report on the administrative actions that he has taken and the policy guidance that he has issued to carry out such duties and responsibilities. Each such report shall also describe the actions that he intends to take and the guidance that he intends to issue to fulfill the provisions of section 136(b)(4) of title 10, United States Code (as amended by paragraph (1)), along with a timetable for completion of such actions and issuance of such guidance. The first such report shall be submitted not later than 30 days after the date of the enactment of this Act.

(5) Until the first individual appointed to the position of Assistant Secretary of Defense for Special Operations and Low Intensity Conflict by the President, by and with the advice and consent of the Senate, leaves that office, that Assistant Secretary (and the Secretary of the Army when carrying out the duties and responsibilities of the Assistant Secretary) shall, with respect to the duties and responsibilities of that office, report directly, without intervening review or approval, to the Secretary of Defense personally or, as designated by the Secretary, to the Deputy Secretary of Defense personally.

(b) RESOURCES FOR CINCSOF.—The Secretary of Defense shall provide sufficient resources for the commander of the unified combatant command for special operations forces established pursuant to section 167 of title 10, United States Code, to carry out his duties and responsibilities, including particularly his duties and responsibilities relating to the following functions:

(1) Developing and acquiring special operations-peculiar equipment and acquiring special operations-peculiar material, supplies, and services.

(2) Providing advice and assistance to the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict in the Assistant Secretary's overall supervision of the preparation and justification of the program recommendations and budget proposals for special operations forces.

(3) Managing assigned resources from the major force program category for special operations forces of the Five-Year Defense Plan of the Department of Defense (as required to be created pursuant to subsection (e)).

(c) PERSONNEL ASSIGNED TO COMBATANT COMMAND STAFF.—(1) On September 30, 1988, the total number of members of the Armed Forces and civilian employees of the Department of Defense assigned or detailed to permanent duty on the staff of the unified combatant command for special operations forces may not be less than 450.

(2) Of the personnel assigned or detailed pursuant to paragraph (1), the number of civilian employees shall be 111 unless otherwise directed by the commander of the command or the Secretary of Defense.

(d) ACQUISITION AUTHORITY.—Subsection (e) of section 167 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) Subject to the authority, direction, and control of the Secretary of Defense, the commander of the command, in carrying out his functions under paragraph (1)(G), shall have authority to exercise the functions of the head of an agency under chapter 137 of this title. The staff of the commander shall include an inspector general who shall conduct internal audits and inspections of purchasing and contracting actions through the special operations command and such other inspector general functions as may be assigned.".

(e) RESOURCES AND PROGRAMMING.—(1) The major force program category for special operations forces of the Five-Year Defense Plan of the Department of Defense, to be created pursuant to section 1311(c) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661), shall be created not later than 30 days after the date of the enactment of this Act.

(2) On the date that such major force program category is created, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives—

(A) a certification that all program recommendations and budget proposals for special operations forces are included in such category; and

(B) a report explaining the program recommendations and budget proposals that have been included in such category.

SEC. 1212. CONVENTIONAL DEFENSE ADVISORY BOARD

(a) CONVENTIONAL DEFENSE ADVISORY BOARD.—(1) The Secretary of Defense shall appoint within the Department of Defense a Conventional Defense Advisory Board for the purpose of reviewing the report of the Conventional Defense Study Group submitted to the Secretary under subsection (b). The advisory board shall submit to the Secretary of Defense a report on such review, including any recommendations for the implementation of the report of the study group, not later than 75 days after the date on which that report is received by the Secretary.

(2) Not later than 90 days after the date on which the report of the study group is received by the Secretary, the Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a copy of the report of the advisory board under paragraph (1), together with any comments the Secretary has on such report. The report of the advisory board shall be submitted to the committees in exactly the same form and with the same content as submitted to the Secretary under paragraph (1).

(b) CONVENTIONAL DEFENSE STUDY GROUP.—The Comptroller General of the United States shall convene and chair a Conventional Defense Study Group composed of representatives of the Library of Congress, the Office of Technology Assessment, and the Congressional Budget Office. The study group shall assess the balance of conventional forces in Europe between forces of the North Atlantic Treaty Organization and forces of the Warsaw Pact and shall submit a report on such assessment to the Secretary of Defense and the Committees on Armed Services of the Senate and House of Representatives. The report shall be submitted not later than April 15, 1988, and shall provide—

(1) the study group's assessment of that balance of forces; and

(2) recommendations for improving that balance so as to provide for a more adequate conventional defense for NATO.

SEC. 1213. REPORT ON COMPETITIVE STRATEGIES

(a) IN GENERAL.—The Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report on Competitive Strategies. Such report shall be provided in classified and unclassified versions and shall include the following:

(1) A discussion of the Competitive Strategy concept.

(2) An assessment of Soviet and Warsaw Pact weaknesses, including military, political, and systemic weaknesses that could be candidates for exploitation through competitive strategies.

(3) A discussion of the initial areas selected for examination in the Competitive Strategy initiative, including a discussion of the rationale for the areas selected.

(4) A discussion of the initial findings resulting from the Competitive Strategy process.

(b) DEADLINE FOR REPORT.—The report described in subsection (a) shall be submitted not later than January 15, 1988.

SEC. 1214. PUBLICATION OF ANNUAL UNITED STATES-SOVIET NET ASSESSMENT

Section 113 of title 10, United States Code, is amended by adding at the end the following new subsection:

"(j) The Secretary of Defense shall transmit to Congress each year a report that contains a comprehensive net assessment of the defense capabilities and programs of the armed forces of the United States and its allies as compared with those of their potential adversaries. Each such report shall be transmitted in both a classified and an unclassified form.".

PART C—MISCELLANEOUS REPORTS

SEC. 1221. STUDY OF SPACE OPERATIONS CENTER, COLORADO

(a) IN GENERAL.—The Secretary of Defense shall carry out a study of the requirements necessary to establish and conduct a centralized manned and unmanned military space operation which would be part of the Consolidated Space Operations Center near Colorado Springs, Colorado.

(b) REPORT.—Within 60 days after the date of the enactment of this Act, the Secretary shall transmit to the Committee on Armed Services of the Senate and House of Representatives a report containing the findings and conclusions of the study carried out under subsection (a).

SEC. 1222. REPORT ON CONTINGENCY PLANS TO DEAL WITH DISRUPTIONS IN PERSIAN GULF CRUDE OIL SUPPLY

(a) REPORT REQUIREMENT.—(1) Not later than 120 days after the date of the enactment of this Act, the Secretary of Defense and the Secretary of Energy shall submit to Congress a joint report on contingency plans of the Department of Defense and the Department of Energy for dealing with significant disruptions in the supply to the United States of crude oil produced by the nations of the Persian Gulf region. The report shall be prepared with the assistance of the Secretary of State.

(2) If the Secretary of Defense and the Secretary of Energy find it necessary to classify the report (or any portion of the report), a nonclassified version containing all energy policy recommendations made by the two Secretaries shall be transmitted with the report.

(b) MATTERS TO BE STUDIED.—In preparing the report required by this section, and any periodic update to that report, the Secretaries shall—

(1) ascertain the extent to which the Armed Forces of the United States, the civilian economy of the United States, and the nations of the free world (with specific reference to the NATO allies and to other strategic allies of the United States) currently depend on crude oil produced in the Persian Gulf region;

(2) prepare a range of estimates on the types of disruptions that could occur in the supply of crude oil from the Persian Gulf region and the effect of each such disruption (including duration) on reduced availability of crude oil supply from the oil producing nations of the Persian Gulf;

(3) develop a range of plans for dealing with supply disruptions and shortages of crude oil from the Persian Gulf region, including—

(A) the role and use of existing domestic crude oil production, other non-Persian Gulf sources of the world supply of crude oil, and the Strategic Petroleum Reserve; and

(B) the use of any emergency power or authority provided for by existing law; and

(4) identify and review any bilateral or multilateral agreement (including the International Energy Agreement) which commits or obligates the United States to furnish crude oil or petroleum products to other nations.

(c) RECOMMENDATIONS.—The report under subsection (a) shall set forth the policy and legislative recommendations of the Secretaries for improving the ability of the United States to respond effectively to problems created by significant disruptions in the production, transportation, and supply of crude oil in the Persian Gulf region.

(d) COST ESTIMATES.—The report under subsection (a) shall include estimates of the total annual and per barrel cost of Persian Gulf crude oil to the world economy and to the United States economy.

SEC. 1223. STUDY OF EARLY DECOMMISSIONING OF TWO AIRCRAFT CARRIERS

(a) REQUIREMENT FOR STUDY.—The Secretary of Defense shall conduct a comprehensive study comparing—

(1) the current plan of the Department of Defense under which one existing aircraft carrier would be decommissioned when the U.S.S. George Washington (CVN73) is commissioned in fiscal year 1992 and a second existing aircraft carrier would be decommissioned when the next aircraft carrier (CVN74) is commissioned in fiscal year 1997, with

(2) an alternative plan under which one existing aircraft carrier would be decommissioned and one existing Navy air wing would be deactivated when the aircraft carrier U.S.S. Abraham Lincoln (CVN72) is commissioned in fiscal year 1990 and a second existing aircraft carrier would be decommissioned when the aircraft carrier U.S.S. George Washington (CVN73) is commissioned in fiscal year 1992.

(b) MATTERS TO BE INCLUDED.—In conducting the study under subsection (a), the Secretary of Defense shall determine the implications of adopting the alternative plan described in subsection (a)(2) for aircraft carrier retirements, as compared to the implications of the current plan described in subsection (a)(1), with respect to each of the following:

(1) Total direct and indirect costs in outlays and in budget authority (stated in constant fiscal year 1988 dollars) through fiscal year 1997.

(2) Requirements of the Navy for naval aircraft through fiscal year 1997 (assuming that the aircraft from the deactivated naval air wing are reassigned in the active force).

(3) Requirements of the Navy for active-duty and Reserve personnel (stated in terms of fiscal year end strengths) through fiscal year 1997.

(4) Requirements for naval surface ship combatants and support ships through fiscal year 1997.

(5) The cost and feasibility of making available to the active fleet for operation during a time of national emergency—

(A) an aircraft carrier that is in the Service Life Extension Program (SLEP); and

(B) an aircraft carrier that has been decommissioned but is still under the jurisdiction of the Navy.

(c) PEACETIME DEPLOYMENT COMMITMENTS.—(1) The Secretary of Defense shall direct the Chairman of the Joint Chief of Staff to assess the implications that accelerated aircraft carrier retirements in accordance with the alternative plan described in subsection (a)(2) would have on the ability of the United States to meet both peacetime aircraft carrier deployment commitments and the wartime requirements for aircraft carriers set forth by the commanders of the unified combatant commands and to report to the Secretary the results of that assessment.

(2) Insofar as the report required by paragraph (1) notes a deficiency between peacetime aircraft carrier deployment requirements and the number of deployable aircraft carriers, the report shall also include an assessment regarding—

(A) how aircraft carrier deployment strategies could be adjusted or changed to cover commitments while maintaining an equitable distant deployment rotation for personnel and equipment considerations;

(B) what alternative combinations of ships and aircraft might be deployed to substitute for an aircraft carrier, either permanently or temporarily, in all situations in which aircraft carriers are currently deployed; and

(C) what special considerations will accompany the eventual removal of the U.S.S. Midway from her homeport in Japan.

(d) REPORT.—The Secretary shall submit to the Committees on Armed Services of the Senate and House of Representatives a report containing the results of the study conducted by the Secretary under subsection (a) and a copy of the report submitted to the Secretary under subsection (c). The Secretary's report shall include such comments and recommendations as the Secretary considers appropriate and shall be submitted not later than 30 days after the date of the enactment of this Act.

PART D—TECHNICAL AND CLERICAL AMENDMENTS

SEC. 1231. AMENDMENTS TO TITLE 10, UNITED STATES CODE

Title 10, United States Code, is amended as follows:

(1) Section 101(14) is amended by inserting "a" after "means"

(2) Section 179 is amended by realigning subsection (e) so as to appear flush to the left margin.

(3) The table of sections at the beginning of chapter 21 is amended by striking out the item relating to section 423 and inserting in lieu thereof the following:

"423. Authority to use proceeds from counterintelligence operations of the military departments.".

(4) The table of sections at the beginning of chapter 39 is amended by transferring the item relating to section 686 from the end of such table to appear immediately below the item relating to section 685.

(5) Section 1102(c)(2) is amended by striking out ", United States Code" in the second sentence.

(6) Section 2321 is amended—

(A) in subsection (d)(4)(A), by striking out "paragraph" and inserting in lieu thereof "subsection"; and

(B) in subsection (i), by inserting "or subcontractor" after "contractor".

(7) Section 2322(b) is amended by inserting a period at the end.

(8) Section 2327(d) is amended by inserting "(1)" after "APPLICABILITY.—".

(9) The heading of section 2342 is amended by inserting a hyphen between the first and second words.

(10)(A) Section 2364 is amended by striking out "milestone O, I, and II decisions" in subsection (b)(5) and inserting in lieu thereof "milestone O, milestone I, and milestone II decisions".

(B) The heading of such section is amended by revising the fifth word so that the first letter is lower case.

(C) The item relating to that section in the table of sections at the beginning of chapter 139 is amended to conform to the amendment made by subparagraph (B).

(11) Section 2366(e)(1)(B) is amended by striking out "section 2303(5)" and inserting in lieu thereof "section 2302(5)".

(12) The item relating to section 2367 in the table of sections at the beginning of chapter 139 is amended so that the initial letter of the third word is lower case.

(13) Section 2406(f)(2)(A) is amended by inserting "section" after "is defined in".

(14) Section 2436(c)(5) is amended by inserting "law," after "auditing,".

(15) Section 2801(c)(3) is amended by striking out "defense agencies" and inserting in lieu thereof "Defense Agencies".

(16) Section 3723 is amended by striking out the comma after "disease".

(17) Sections 801, 1447, 2005(e), 2101, 2147(d), 2393(c), 2687(e), and 9511 are amended—

(A) by inserting "The term" in each paragraph (other than paragraph (2) of section 801) after the paragraph designation; and

(B) by revising the first word after the first quotation marks in each paragraph (other than paragraph (2) of section 801, paragraph (1) of section 1447, and paragraphs (7) and (11) of section 9511) so that the initial letter of such word is lower case.

(18)(A) Sections 1089(g), 2002(b), 2141(c), 2143(c), and 2145(b) are amended by inserting "the term" after "In this section,".

(B) Section 2356(b) is amended by inserting ", the term" after "In this section".

(19)(A) Sections 3251 and 8251 are amended by inserting ", the term" after "In this chapter".

(B) Sections 4801, 8368(a), and 9801 are amended by inserting "the term" after "In this chapter,".

(20) Section 101(20) is amended by striking out " 'Rate" at the beginning of the second sentence and inserting in lieu thereof "The term 'rate".

(21) Section 1401a(a) is amended by striking out "pay" after "retired pay".

SEC. 1232. AMENDMENTS TO TITLE 37, UNITED STATES CODE

Section 303(2) of title 37, United States Code, is amended—

(1) by striking out the comma at the end of subparagraph (A) and inserting in lieu thereof a semicolon; and

(2) by striking out ", or" at the end of subparagraph (B) and inserting in lieu thereof "; or".

SEC. 1233. MISCELLANEOUS AMENDMENTS

(a) AMENDMENTS TO PUBLIC LAW 100-26.—Public Law 100-26 is amended—

(1) in section 7(b)(3)(A), by inserting "in subsection (a)," before "by";

(2) in section 7(k)(1)(C), by inserting "(2)" after "paragraphs (1),"; and

(3) in section 8(d)(7), by striking out "Section 406" and inserting in lieu thereof "Section 406b".

(b) CORRECTION OF AMBIGUOUS REFERENCE.—Section 956(b)(1) of the Defense Acquisition Improvement Act of 1986 (as contained in title IX of Public Law 99-661 and in title X of section 101(c) of Public Laws 99-500 and 99-591) is amended by inserting "the first place it appears" before the semicolon.

(c) EFFECTIVE DATES.—The amendments made by subsection (a) shall apply as if included in the enactment of the Defense Technical Corrections Act of 1987 (Public Law 100-26).

(2) The amendment made by subsection (b) shall apply as if included in the enactment of Public Laws 99-500, 99-591, and 99-661.

PART E—MISCELLANEOUS MATTERS

SEC. 1241. GAO STUDY OF THE CAPABILITIES OF THE UNITED STATES TO CONTROL DRUG SMUGGLING INTO THE UNITED STATES

(a) STUDY REQUIREMENT.—The Comptroller General of the United States shall conduct a comprehensive study regarding smuggling of illegal drugs into the United States and the current capabilities of the United States to deter such smuggling. In carrying out such study, the Comptroller General shall—

(1) assess the national security implications of the smuggling of illegal drugs into the United States;

(2) assess the magnitude, nature, and operational impact that current resource limitations have on the drug smuggling interdiction efforts of Federal law enforcement agencies and the capability of the Department of Defense to respond to requests for assistance from those law enforcement agencies;

(3) assess the effect on military readiness, the costs that would be incurred, the operational effects on military and civilian agencies, the potential for improving drug interdiction operations, and the methods for implementing increased drug law enforcement assistance by the Department of Defense under section 825 of H.R. 1748 as passed the House of Representatives on May 20, 1987, as if such section were enacted into law and were to become effective on January 1, 1988;

(4) assess results of a cooperative drug enforcement operation between the United States Customs Service and National Guard units from the States of Arizona, Utah, Missouri, and Wisconsin conducted along the United States-Mexico border beginning on August 29, 1987, and include in the assessment information relating to the cost of conducting the operation, the personnel and equipment used in such operation, the command and control relationships in such operation, and the legal issues involved in such operation;

(5) determine whether giving the Armed Forces a more direct, active role in drug interdiction activities would enhance the morale and readiness of the Armed Forces;

(6) determine what assets are currently available to and under consideration for the Department of Defense, the Department of Transportation, the Department of Justice, and the Department of the Treasury for the detection of airborne drug smugglers;

(7) assess the current plan of the Customs Service for the coordinated use of such assets;

(8) determine the cost effectiveness and the capability of the Customs Service to use effectively the information generated by the systems employed by or planned for the Department of Defense, the Coast Guard, and the Customs Service, respectively, to detect airborne drug smugglers;

(9) determine the availability of current and anticipated tracking, pursuit, and apprehension resources to use the capabilities of such systems; and

(10) at a minimum, assess the detection capabilities of the Over-the-Horizon Backscatter radar (OTH-B), ROTHR, aerostats, airships, and the E-3A, E-2C, P-3, and P-3 Airborne Early Warning aircraft (including any variant of the P-3 Airborne Early Warning aircraft).

(b) REPORTS.—(1) Not later than April 30, 1988, the Comptroller General shall, as provided in paragraph (3), submit a report on the results of the study required by subsection (a) with respect to the elements of the study specified in paragraphs (1) through (5) of that subsection.

(2) As soon as practicable after the report under paragraph (1) is submitted, and not later than March 31, 1989, the Comptroller General shall, as provided in paragraph (3), submit a report on the results of the study required by subsection (a) with respect to the elements of the study specified in paragraphs (6) through (10) of that subsection.

(3) The reports under paragraphs (1) and (2) shall be submitted to—

(A) the Committees on Armed Services, the Judiciary, Foreign Relations, and Appropriations of the Senate;

(B) the Committees on Armed Services, the Judiciary, Foreign Affairs, and Appropriations of the House of Representatives;

(C) the members of the Senate Caucus on International Narcotics Control; and

(D) the Select Committee on Narcotics Abuse and Control of the House of Representatives.

(4) The reports under this subsection shall be submitted in both classified and unclassified forms and shall include such comments and recommendations as the Comptroller General considers appropriate.

SEC. 1242. TRANSFER OF FUNDS TO THE COAST GUARD

Of the amounts appropriated to the Department of Defense for fiscal years 1988 and 1989, the Secretary of Defense shall transfer to the Secretary of Transportation funds to assist in providing for the Law Enforcement Detachment program of the Coast Guard as follows:

(1) $3,000,000 from amounts appropriated for fiscal year 1988.

(2) $6,000,000 from amounts appropriated for fiscal year 1989.

SEC. 1243. ANNUAL PLAN ON DEPARTMENT OF DEFENSE ASSISTANCE FOR CIVILIAN DRUG LAW ENFORCEMENT

(a) IN GENERAL.—Chapter 18 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 380. Department of Defense drug law enforcement assistance: annual plan

"(a)(1) At the same time as the President submits the budget to Congress each year under section 1105(a) of title 31, the Secretary of Defense shall submit to Congress a report containing the following:

"(A) A detailed list of all forms of assistance under this chapter that is proposed to be made available by the Department of Defense to civilian drug law enforcement and drug interdiction agencies (including the United States Customs Service, the Coast Guard, the Drug Enforcement Administration, and the Immigration and Naturalization Service) during the fiscal year for which the budget is submitted.

"(B) A detailed plan for lending equipment and rendering other drug interdiction-related assistance included on such list during such fiscal year.

"(2) The list required by paragraph (1)(A) shall include a description of the following:

"(A) Surveillance equipment suitable for detecting drug smuggling activities by air, by land, and by sea.

"(B) Communications equipment, including secure communications.

"(C) Support available from the reserve components for drug interdiction operations of civilian drug law enforcement agencies.

"(D) Intelligence on the production, processing, and shipment of drugs in countries that are the source of illegal drugs in the United States and the transshipment of drugs between those countries and the United States.

"(E) Support from the Southern Command and other unified and specified commands that is available to assist in drug interdiction.

"(F) Aircraft suitable for use in air-to-air detection, interception, tracking, and seizure by civilian drug interdiction agencies.

"(G) Vessels suitable for use in maritime detection, interception, tracking, and seizure by civilian drug interdiction agencies.

"(H) Such land vehicles as may be appropriate for support activities relating to drug interdiction operations by civilian drug law enforcement agencies.

"(b) The Secretary of Defense, not earlier than 30 days and not later than 45 days after the date on which Congress receives a report submitted under subsection (a), shall convene a conference of the heads of all Federal law enforcement agencies having jurisdiction over drug law enforcement (including the Customs Service, the Coast Guard, and the Drug Enforcement Administration) and of the Secretary of State to determine the appropriate distribution of the assets, items of support, and other assistance to be made available by the Department of Defense under this chapter to those agencies during the fiscal year for which the report is submitted. Not later than 60 days after the date on which such conference convenes, the Secretary of Defense and the heads of such agencies shall enter into appropriate memoranda of agreement specifying the distribution of such assistance.

"(c) The Comptroller General of the United States shall monitor the compliance of the Department of Defense with subsections (a) and (b). Not later than 90 days after the date on which a conference is convened under subsection (b), the Comptroller General shall transmit to Congress a written report containing the Comptroller General's findings regarding the compliance of the Department of Defense with such subsections. The report shall include a review of the memoranda of agreement entered into under subsection (b).".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by adding at the end the following:

"380. Department of Defense drug law enforcement assistance: annual plan .".

SEC. 1244. PROVISION OF COMMAND AND CONTROL DATA FROM TYNDALL AIR FORCE BASE FOR DRUG INTERDICTION ASSISTANCE

Whenever the Secretary of the Air Force provides assistance to a civilian law enforcement agency for drug interdiction purposes as authorized by chapter 18 of title 10, United States Code, through the provision of command and control data (including voice and digital information) from the Sector Operations Control Center at Tyndall Air Force Base, Florida, to the civilian agency, reimbursement that is otherwise required under that chapter shall not be required to the extent that such data are provided to a facility of the civilian law enforcement agency that is located adjacent to such Sector Operations Control Center.

SEC. 1245. ASSISTANT TO THE SECRETARY OF DEFENSE FOR ATOMIC ENERGY

(a) STATUTORY ESTABLISHMENT OF POSITION OF ASSISTANT TO THE SECRETARY OF DEFENSE FOR ATOMIC ENERGY.—(1) Chapter 4 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 141. Assistant to the Secretary of Defense for Atomic Energy

"(a) There is an Assistant to the Secretary of Defense for Atomic Energy, appointed by the President, by and with the advice and consent of the Senate.

"(b) The Assistant to the Secretary shall advise the Secretary of Defense and the Nuclear Weapons Council on nuclear energy and nuclear weapons matters.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"141. Assistant to the Secretary of Defense for Atomic Energy.".

(b) EXCEPTION TO SENATE CONFIRMATION.—The person serving as Chairman of the Military Liaison Committee, Department of Defense, under section 27 of the Atomic Energy Act of 1946 (42 U.S.C. 2037) on October 16, 1986, may be appointed as the Assistant to the Secretary of Defense for Atomic Energy under section 141 of title 10, United States Code (as added by subsection (a)), without the advice and consent of the Senate.

(c) AMENDMENT TO TITLE 5, UNITED STATES CODE.—Section 5316 of title 5, United States Code, is amended by striking out "Chairman of the Military Liaison Committee to the Atomic Energy Commission, Department of Defense" and inserting in lieu thereof "Assistant to the Secretary of Defense for Atomic Energy, Department of Defense".

SEC. 1246. OIL SHIPMENTS FOR USE BY MILITARY FACILITIES OVERSEAS

Section 7 of the Export Administration Act of 1979 (50 U.S.C. App. 2406) is amended by adding at the end the following:

"(k) OIL EXPORTS FOR USE BY UNITED STATES MILITARY FACILITIES.—For purposes of subsection (d) of this section, and for purposes of any export controls imposed under this Act, shipments of crude oil, refined petroleum products, or partially refined petroleum products from the United States for use by the Department of Defense or United States-supported installations or facilities shall not be considered to be exports.".

SEC. 1247. PAYMENT OF CLAIM

(a) PAYMENT OF CLAIM.—The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, the sum of $809,609, to the Merchants National Bank of Mobile, Alabama, for compensation for losses sustained during the period beginning on January 1, 1976, and ending on December 31, 1978, concerning the issuance and cancellation of a Government loan guarantee and the subsequent issuance of a second loan guarantee on reduced terms, resulting from actions of the Defense Logistics Agency of the Department of Defense and its fiscal agent, the Federal Reserve Bank of Atlanta.

(b) FULL SETTLEMENT OF CLAIM.—The payment made pursuant to subsection (a) shall constitute full settlement of the legal and equitable claims by the Merchants National Bank of Mobile, Alabama, against the United States, covered by that subsection.

(c) LIMITATION ON ATTORNEYS' FEES.—No part of the amount appropriated in this section in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Violation of the provisions of this subsection is a misdemeanor punishable by a fine not to exceed $1,000.

SEC. 1248. PROCEDURES FOR FORENSIC EXAMINATION OF CERTAIN PHYSIOLOGICAL EVIDENCE

(a) ESTABLISHMENT OF PROCEDURES.—The Secretary of Defense shall establish procedures to ensure that whenever, in connection with a criminal investigation conducted by or for a military department, a physiological specimen is obtained from a person for the purpose of determining whether that person has used a controlled substance—

(1) the specimen is in a condition that is suitable for forensic examination when delivered to a forensic laboratory; and

(2) the investigative agency that submits the specimen to the laboratory receives a written statement of the results of the forensic examination from the laboratory within such period as is necessary to use such results in a court-martial or other criminal proceeding resulting from the investigation.

(b) TRANSPORTATION OF SPECIMENS.—The procedures prescribed under subsection (a)—

(1) shall ensure that physiological specimens are preserved and transported in accordance with valid medical and forensic practices; and

(2) insofar as practicable, shall require transportation of the specimen to an appropriate laboratory by the most expeditious means necessary to carry out the requirement in subsection (a)(1).

(c) TESTS FOR USE OF LSD.—Procedures established under subsection (a) shall ensure that whenever the controlled substance with respect to which a physiological specimen is to be examined is lysergic acid diethylamide (LSD), the specimen is submitted to a forensic laboratory that is capable of determining with a reasonable degree of scientific certainty, on the basis of the examination of that specimen, whether the person providing the specimen has used lysergic acid diethylamide (LSD).

(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed as providing a basis, that is not otherwise available in law, for a defense to a charge or a motion for exclusion of evidence or other appropriate relief in any criminal or administrative proceeding.

(e) CONTROLLED SUBSTANCES COVERED.—For purposes of this section, a controlled substance is a substance described in section 912a(b) of title 10, United States Code.

(f) REPORT.—Not later than March 1, 1988, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and the House of Representatives, a report describing the procedures established under this section.

SEC. 1249. ADJUDICATION OF INELIGIBILITY FOR A JOB WITH THE FEDERAL GOVERNMENT ON THE BASIS OF FAILURE TO REGISTER UNDER THE MILITARY SELECTIVE SERVICE ACT

Section 3328(b) of title 5, United States Code, is amended—

(1) by striking out "within the Office" in the second sentence; and

(2) by inserting after the third sentence the following: "Such procedures may provide that determinations of eligibility under the requirements of this section shall be adjudicated by the Executive agency making the appointment for which the eligibility is determined.".

SEC. 1250. TRANSPORTATION ON DEPARTMENT OF DEFENSE AEROMEDICAL EVACUATION AIRCRAFT OF CERTAIN VETERANS' ADMINISTRATION BENEFICIARIES

(a) IN GENERAL.—(1) Chapter 157 of title 10, United States Code, is amended by adding at the end the following new section:

"§ 2641. Transportation of certain veterans on Department of Defense aeromedical evacuation aircraft

"(a) The Secretary of Defense may provide transportation on an aircraft operating under the aeromedical evacuation system of the Department of Defense for the purpose of transporting a veteran to or from a Veterans' Administration medical facility.

"(b) Transportation under this section shall be provided in accordance with an agreement entered into between the Secretary of Defense and the Administrator of Veterans' Affairs. Such an agreement shall provide that transportation may be furnished to a veteran on an aircraft referred to in subsection (a) only if—

"(1) the Administrator of Veterans' Affairs notifies the Secretary of Defense that the veteran needs or has been furnished medical care or services in a Veterans' Administration facility and the Administrator requests such transportation in connection with the travel of such veteran to or from the Veterans' Administration facility where the care or services are to be furnished or were furnished to such veteran;

"(2) there is space available for the veteran on the aircraft; and

"(3) there is an adequate number of medical and other service attendants to care for all persons being transported on the aircraft.

"(c) A veteran is not eligible for transportation under this section unless the veteran is a primary beneficiary within the meaning of clause (A) of section 5011(g)(5) of title 38.

"(d)(1) A charge may not be imposed on a veteran for transportation provided to the veteran under this section.

"(2) An agreement under subsection (b) shall provide that the Veterans' Administration shall reimburse the Department of Defense for any costs incurred in providing transportation to veterans under this section that would not otherwise have been incurred by the Department of Defense.

"(e) In this section, the term 'veteran' has the meaning given that term in section 101(2) of title 38.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end the following new item:

"2641. Transportation of certain veterans on Department of Defense aeromedical evacuation aircraft.".

(b) IMPLEMENTATION DEADLINE.—The Secretary of Defense and the Administrator of Veterans' Affairs shall enter into an agreement required by section 2641 of title 10, United States Code (as added by subsection (a)), not later than 60 days after the date of the enactment of this Act.

TITLE XIII—AMENDMENTS RELATED TO GOLDWATER-NICHOLS REORGANIZATION ACT

PART A—JOINT OFFICER PERSONNEL POLICY

SEC. 1301. NOMINATION AND SELECTION OF OFFICERS FOR THE JOINT SPECIALTY

(a) SELECTION AUTHORITY.—(1) Subsection (b) of section 661 of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(3) The authority of the Secretary of Defense under paragraph (2) to select officers for the joint specialty may be delegated only to the Deputy Secretary of Defense.".

(b) EDUCATION AND EXPERIENCE REQUIREMENTS.—Subsection (c) of such section is amended—

(1) in paragraph (1)(B), by inserting "(as described in section 664(f)(1) or (f)(3) of this title)" after "joint duty assignment";

(2) in paragraph (2)—

(A) by striking out "An officer who has" and inserting in lieu thereof "(A) An officer (other than a general or flag officer) who has a military occupational specialty that is";

(B) by striking out "joint duty assignment of not less than two years" and inserting in lieu thereof "full tour of duty in a joint duty assignment (as described in section 664(f)(2) of this title)";

(C) by striking out the second sentence; and

(D) by adding at the end the following:

"(B) The Secretary may not for the purposes of this paragraph designate a military occupational specialty as a critical occupational specialty involving combat operations unless that occupational specialty is within the combat arms, in the case of the Army, or the equivalent, in the case of the Navy, Air Force, and Marine Corps. In determining for the purposes of this paragraph what military occupational specialties within the combat arms (or the equivalent) are critical, the Secretary shall designate as critical any military occupational specialty experiencing severe shortages of trained officers."; and

(3) by adding at the end the following new paragraph:

"(3)(A) In the case of an officer who has completed both a program of education referred to in paragraph (1)(A) and a full tour of duty in a joint duty assignment (as described in section 664(f)(1) or (f)(3) of this title) and is subsequently nominated for the joint specialty, the Secretary of Defense may waive the requirement in paragraph (1)(B) that the tour of duty in a joint duty assignment be performed after the officer completes the program of education if the Secretary determines that the waiver is necessary in the interests of sound personnel management.

"(B) In the case of an officer who has completed two full tours of duty in a joint duty assignment (as described in section 664(f) of this title) and is subsequently nominated for the joint specialty, the Secretary may waive the requirement that the officer have successfully completed a program of education referred to in paragraph (1)(A) if the Secretary determines that—

"(i) it would be impractical to require the officer to complete such a program at the current stage of the officer's career; and

"(ii) the types of joint duty assignments completed by the officer have been of sufficient breadth to prepare the officer adequately for the joint specialty.

"(C) A waiver under subparagraph (A) or (B) may be made only under unusual circumstances justifying deviation from the conditions established in paragraph (1) for selection of an officer for the joint specialty.

"(D) The authority of the Secretary of Defense to grant a waiver under this paragraph may be delegated only to the Deputy Secretary of Defense. Such a waiver may be granted only on a case-by-case basis in the case of an individual officer and in the case of a general or flag officer only under exceptional circumstances in which the waiver is necessary to meet a critical need of the armed forces, as determined by the Chairman of the Joint Chiefs of Staff. The total number of waivers granted under this paragraph during any fiscal year may not exceed 5 percent of the total number of officers selected for the joint specialty during that fiscal year.".

SEC. 1302. JOINT DUTY ASSIGNMENT POSITIONS

(a) MINIMUM ASSIGNMENT REQUIREMENTS.—Paragraph (1) of section 661(d) of title 10, United States Code, is amended—

(1) by striking out "by officers who have" and all that follows and inserting in lieu thereof "by officers who—

"(A) have the joint specialty; or

"(B) have been nominated for the joint specialty and—

"(i) have successfully completed a program of education referred to in subsection (c)(1)(A); or

"(ii) have a military occupational specialty that is designated under subsection (c)(2)(A) as a critical occupational specialty involving combat operations.".

(b) DESIGNATION OF CRITICAL JOINT DUTY ASSIGNMENT POSITIONS.—Section 661(d) of such title is further amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) The Secretary shall designate not fewer than 1,000 joint duty assignment positions as critical joint duty assignment positions. Such designation shall be made by examining each joint duty assignment position and designating under the preceding sentence those positions for which, considering the duties and responsibilites of the position, it is highly important that the occupant be particularly trained in, and oriented toward, joint matters. Each position so designated may be held only by an officer who has the joint specialty.

"(3)(A) The Secretary shall ensure that, of those joint duty assignment positions that are filled by general or flag officers, a substantial portion are among those positions that are designated under paragraph (2) as critical joint duty assignment positions.

"(B) The Secretary shall ensure that, of those positions designated under paragraph (2) as critical joint duty assignment positions, an appropriate portion are filled by officers with the joint specialty who were selected for the joint specialty under subsection (c)(2).

"(4) Of the officers serving in joint duty assignment positions covered by paragraph (1) who are described in subparagraph (A) or (B) of that paragraph, not more than one-third at any time may be officers described in subparagraph (B)(ii) of that paragraph.".

(c) REVISION OF JDA LIST.—(1) Section 668(b)(2) of such title is amended by inserting "and, of those positions, those that are positions held by general or flag officers and the number of such positions" immediately before the semicolon in subparagraph (A) and immediately before the period in subparagraph (B).

(2) The Secretary of Defense shall publish a revised list under section 668(b)(2) of title 10, United States Code, taking into account the amendments made by this section, not later than six months after the date of the enactment of this Act.

SEC. 1303. LENGTH OF JOINT DUTY ASSIGNMENTS

(a) REVISION AND CLARIFICATION.—Section 664 of title 10, United States Code, is amended by striking out subsections (b), (c), and (d) and inserting in lieu thereof the following:

"(b) WAIVER AUTHORITY.—The Secretary of Defense may waive subsection (a) in the case of any officer.

"(c) INITIAL ASSIGNMENT OF OFFICERS WITH CRITICAL OCCUPATIONAL SPECIALTIES.—The Secretary may for purposes of section 661(c)(2) of this title authorize a joint duty assignment of less than the period prescribed by subsection (a), but not less than two years, without the requirement for a waiver under subsection (b) in the case of an officer—

"(1) who has been nominated for the joint specialty before such assignment begins;

"(2) who has a military occupational specialty designated under section 661(c)(2) of this title as a critical occupational specialty; and

"(3) for whom such joint duty assignment is the initial joint duty assignment.

"(d) EXCLUSIONS FROM TOUR LENGTH.—The Secretary of Defense may exclude the following service from the standards prescribed in subsection (a):

"(1) Service in a joint duty assignment in which the full tour of duty in the assignment is not completed by the officer because of—

"(A) retirement;

"(B) release from active duty;

"(C) suspension from duty under section 155(f)(2) or 164(g) of this title; or

"(D) a qualifying reassignment (as described in subsection (g)(4)).

"(2) Service in a joint duty assignment outside the United States or in Alaska or Hawaii.

"(3) Service in a joint duty assignment in a case in which—

"(A) the officer's tour of duty in that assignment brings the officer's cumulative service for purposes of subsection (f)(3) to the applicable standard prescribed in subsection (a); and

"(B) the length of time served in that assignment (in any case other than an assignment which is described in subsection (g)(4)(B)) was not less than two years.

"(e) AVERAGE TOUR LENGTHS.—(1) The Secretary shall ensure that the average length of joint duty assignments during any fiscal year (after fiscal year 1990), measured by the lengths of the joint duty assignments ending during that fiscal year, meets the standards prescribed in subsection (a).

"(2) In computing the average length of joint duty assignments for purposes of paragraph (1), the Secretary may exclude the following service:

"(A) Service described in subsection (c), except that not more than 10 percent of all joint duty assignments shown on the list published pursuant to section 668(b)(2)(A) of this title may be so excluded in any year.

"(B) Service described in subsection (d).

"(f) FULL TOUR OF DUTY.—An officer shall be considered to have completed a full tour of duty in a joint duty assignment upon completion of—

"(1) a joint duty assignment that meets the standards prescribed in subsection (a);

"(2) a joint duty assignment under the circumstances described in subsection (c); or

"(3) cumulative service in joint duty assignments as described in subsection (g).

"(g) CUMULATIVE CREDIT.—(1) Cumulative service for purposes of subsection (f)(3) is service in joint duty assignments which totals in length not less than the applicable standard prescribed in subsection (a) and which includes at least one tour of duty in a joint duty assignment that—

"(A) was performed outside the United States or in Alaska or Hawaii; or

"(B) was terminated because of a qualifying reassignment (as described in paragraph (4)).

"(2) In computing cumulative service of an officer in joint duty assignments for purposes of paragraph (1), a tour of duty of the officer in a joint duty assignment other than a tour of duty specified in subparagraph (A) or (B) of paragraph (1) may not be counted unless the officer served at least two years in the assignment. The prohibition on counting certain tours of duty in the preceding sentence does not apply to a joint duty assignment which follows a reassignment described in paragraph (4)(B).

"(3) In computing the cumulative service of an officer in joint duty assignments for purposes of paragraph (1), a tour of duty in a joint duty assignment shall be excluded—

"(A) if the officer served less than 10 months in that assignment; and

"(B) to the extent that the assignment was served more than eight years before the date of computation of the cumulative service.

"(4) For purposes of paragraph (1)(B), a qualifying reassignment is a reassignment of an officer from a joint duty assignment—

"(A) for unusual personal reasons (including extreme hardship and medical conditions) beyond the control of the officer or the armed forces; or

"(B) to another joint duty assignment immediately after—

"(i) the officer was promoted to a higher grade if the reassignment was made because no joint duty assignment was available within the same organization that was commensurate with the officer's new grade; or

"(ii) the officer's position was eliminated in a reorganization.".

(b) CONSECUTIVE ASSIGNMENTS WITHIN SAME ORGANIZATION.—Section 668 of such title is amended by adding at the end the following new subsection:

"(f) CLARIFICATION OF 'TOUR OF DUTY'.—For purposes of this chapter, a tour of duty in which an officer serves in more than one joint duty assignment within the same organization without a break between such assignments shall be considered to be a single tour of duty in a joint duty assignment.".

SEC. 1304. NOTICE TO CONGRESS OF USE OF WAIVER AUTHORITIES AND EXCLUSIONS WITH RESPECT TO OFFICER MANAGEMENT

(a) ADDITIONS TO ANNUAL JOINT OFFICER REPORT.—Section 667 of title 10, United States Code, is amended—

(1) by redesignating paragraphs (2) through (10) as paragraphs (5), (6), (7), (8), (10), (11), (13), (14), and (16), respectively;

(2) by inserting after paragraph (1) the following new paragraphs (2), (3), and (4):

"(2) The military occupational specialties within each of the armed forces that have been designated as critical occupational specialties under section 661(c)(2) of this title, separately identifying those specialties for which there is a severe shortage of trained officers, together with an explanation of how those specialties meet the criteria for that designation in section 661(c)(2)(B) of this title.

"(3) The number of officers on the active-duty list with a military occupational specialty designated under section 661(c)(2) of this title as a critical occupational specialty who—

"(A) have been nominated for the joint specialty;

"(B) have been nominated for the joint specialty and are serving in a joint duty assignment;

"(C) have completed a joint duty assignment and are attending an appropriate program at a joint professional military education school;

"(D) have completed an appropriate program at a joint professional military education school;

"(E) have been selected for the joint specialty; and

"(F) have served, or are serving in, a second joint duty assignment after being selected for the joint specialty, with the number of such officers who have served, or are serving, in a critical joint duty assignment shown separately for general and flag officers, and for all other officers.

"(4) For each fiscal year—

"(A) the number of officers nominated for the joint specialty and, of those, the number who have a military occupational specialty designated as a critical occupational specialty; and

"(B) a comparison of the number of officers who have the joint specialty who qualified for the joint specialty under section 661(c)(1) of this title with the number of officers who have the joint specialty who were selected for the joint specialty under section 661(c)(2) of this title.";

(3) by striking out "paragraph (2)" in paragraphs (6), (7), and (8) (as redesignated by paragraph (1)) and inserting in lieu thereof "paragraph (5)";

(4) by inserting after paragraph (8) (as redesignated by paragraph (1)) the following new paragraph:

"(9) The promotion rate for officers considered for promotion from above the promotion zone, shown for officers serving on the Joint Staff, officers with the joint specialty, and other officers serving in joint duty assignments, compared in the same manner as specified in paragraph (5).";

(5) by inserting after paragraph (11) (as redesignated by paragraph (1)) the following new paragraph:

"(12) The number of times, in the case of each category of exclusion, that service in a joint duty assignment was excluded in computing the average length of joint duty assignments.";

(6) by striking out "paragraphs (2) through (5)" in paragraph (13) (as redesignated by paragraph (1)) and inserting in lieu thereof "paragraphs (5) through (9)"; and

(7) by inserting after paragraph (14) (as redesignated by paragraph (1)) the following new paragraph:

"(15) The number of times a waiver authority was exercised under this chapter (or under any other provision of law which permits the waiver of any requirement relating to joint duty assignments) and in the case of each such authority—

"(A) whether the authority was exercised for a general or flag officer;

"(B) an analysis of the reasons for exercising the authority; and

"(C) the number of times in which action was taken without exercise of the waiver authority compared with the number of times waiver authority was exercised (in the case of each waiver authority under this chapter or under any other provision of law which permits the waiver of any requirement relating to joint duty assignments).".

(b) APPLICABILITY.—Paragraphs (3) and (4) of section 667 of title 10, United States Code, as added by subsection (a), shall apply with respect to fiscal years after fiscal year 1987.

SEC. 1305. SPECIAL TRANSITION RULES FOR NUCLEAR PROPULSION OFFICERS

(a) JOINT DUTY ASSIGNMENT REQUIREMENT FOR PROMOTION TO FLAG RANK.—Paragraph (1) of section 619(e) of title 10, United States Code, is amended to read as follows:

"(1) An officer may not be appointed to the grade of brigadier general or rear admiral (lower half) unless the officer has completed a full tour of duty in a joint duty assignment (as described in section 664(f) of this title). Before January 1, 1992, an officer of the Navy designated as a qualified nuclear propulsion officer may be appointed to the grade of rear admiral (lower half) without regard to the preceding sentence, but an officer so appointed may not be appointed to the grade of rear admiral until the officer completes a full tour of duty in a joint duty assignment.".

(b) TRANSITION PLAN.—(1) The Secretary of Defense, after consultation with the Chairman of the Joint Chiefs of Staff, shall develop and carry out a plan for ensuring that—

(A) during the period before January 1, 1992, the maximum practicable number of officers of the Navy who are qualified nuclear propulsion officers serve in joint duty assignments and otherwise fulfill the provisions of chapter 38 of title 10, United States Code; and

(B) by January 1, 1992, the maximum practicable number of qualified nuclear propulsion officers in the grade of captain have qualified for appointment to the grade of rear admiral (lower half) by completing a full tour of duty in a joint duty assignment.

(2) The plan shall include milestones for each calendar year beginning with 1989 requiring that a progressively greater proportion of qualified nuclear propulsion officers fulfill the various requirements of chapter 38 of title 10, United States Code, and other provisions of law enacted by title IV of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433) so that after January 1, 1992, the nuclear propulsion community will be capable of complying with the requirements of that chapter without undue reliance on waivers granted by the Secretary of Defense.

(c) IMPLEMENTATION.—The plan required to be developed under subsection (b) shall be implemented at the earliest practicable date, but in no event later than six months after the date of enactment of this Act. The Chairman of the Joint Chiefs of Staff shall monitor the implementation of such plan.

(d) REPORT.—On the date on which the plan required to be developed under subsection (b) is implemented, the Secretary of Defense shall submit to the Committees on Armed Services of the Senate and House of Representatives—

(1) a copy of the plan; and

(2) a report explaining how the plan fulfills the objectives prescribed in subsection (b).

PART B—OTHER MATTERS

SEC. 1311. TEMPORARY INCREASE IN NUMBER OF ASSISTANT SECRETARIES OF DEFENSE

Until January 20, 1989, the number of Assistant Secretaries of Defense authorized under section 136(a) of title 10, United States Code, and the number of positions at level IV of the Executive Schedule author-

ized under section 5315 of title 5, United States Code, for Assistant Secretaries of Defense, are each increased by one (to a total of 12).

SEC. 1312. REDUCTION IN PERSONNEL ASSIGNED TO MANAGEMENT HEADQUARTERS ACTIVITIES AND CERTAIN OTHER ACTIVITIES

Section 601 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (10 U.S.C. 194 note) is amended—

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following new subsection (f):

"(f) EXCLUSION.—In computing and making reductions under this section, there shall be excluded not more than 1,600 personnel transferred during fiscal year 1988 from the General Services Administration to the Department of Defense for the purpose of having the Department of Defense assume responsibility for the management, operation, and administration of certain real property under the jurisdiction of that Department.".

SEC. 1313. CLARIFICATION OF FORCES NOT REQUIRED TO BE ASSIGNED TO COMBATANT COMMANDS

Section 162(a)(2) of title 10, United States Code, is amended by striking out the period at the end and inserting in lieu thereof "or forces assigned to multinational peacekeeping organizations.".

SEC. 1314. TECHNICAL AMENDMENTS

(a) AMENDMENTS TO PUBLIC LAW 99-433.—(1) The table contained in section 101(a)(5) of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433; 100 Stat. 995) is amended by striking out "chapter 3" above the right hand column and inserting in lieu thereof "chapter 144".

(2) Section 202(b)(2) of such Act (100 Stat. 1011) is amended by inserting "the first place it appears" immediately before the semicolon.

(3) Section 532(c)(1) of such Act (100 Stat. 1063) is amended by striking out "section" and inserting in lieu thereof "sections".

(4) Section 602(e)(3)(B) of such Act (100 Stat. 1067) is amended by striking out "and strength" and inserting in lieu thereof "end strength".

(b) AMENDMENTS TO TITLE 10.—Title 10, United States Code, is amended as follows:

(1)(A) Section 152 is amended by striking out the section heading and inserting in lieu thereof the following:

"§ 152. Chairman: appointment; grade and rank".

(B) The table of sections at the beginning of chapter 5 is amended by striking out the item relating to section 152 and inserting in lieu thereof the following:

"152. Chairman: appointment; grade and rank.".

(2) Section 155 is amended—

(A) in subsection (f)(4)(B), by inserting "or Congress" after "the President"; and

(B) in subsection (g)(2), by inserting "the President or" after "declared by".

(3) Section 194(e)(2) is amended by inserting "the President or" after "declared by".

(4) Section 619(e)(2)(D) is amended by striking out "the date of the enactment of this subsection" and inserting in lieu thereof "October 1, 1986,".

*(5)(A) The heading for section 743 is amended by adding at the end "; **Commandant of the Marine Corps**".*

(B) The table of sections at the beginning of chapter 43 is amended by inserting "; Commandant of the Marine Corps" after "Air Force" in the item relating to section 743.

(6) Section 1406(i) is amended—

(A) by inserting "AND VICE CHAIRMEN" after "CHAIRMEN" in the subsection heading; and

(B) by inserting "or Vice Chairman" after "Chairman" in paragraph (1).

(7) Sections 3014(f)(4), 5014(f)(4), and 8014(f)(4) are each amended by inserting "the President or" after "declared by".

(8) The table of sections at the beginning of chapter 549 is amended by striking out the item relating to section 5898 and inserting in lieu thereof the following:

"5898. Action on reports of selection boards.".

(9) Section 8062(e) is amended by striking out "section 114" and inserting in lieu thereof "section 115".

(c) AMENDMENTS TO TITLE 37.—(1) Section 413 of title 37, United States Code, is amended to read as follows:

"§ 413. Chairman and Vice Chairman of the Joint Chiefs of Staff

"The Chairman and Vice Chairman of the Joint Chiefs of Staff are entitled to the allowances provided by law for the Chief of Staff of the Army.".

(2) The table of sections at the beginning of chapter 7 of such title is amended by striking out the item relating to section 413 and inserting in lieu thereof the following:

"413. Chairman and Vice Chairman of the Joint Chiefs of Staff.".

(d) MISCELLANEOUS AMENDMENTS.—Footnote 2 in the table in section 411(a) of title 38, United States Code, is amended by inserting "or Vice Chairman" after "Chairman".

(2) Section 1344(b)(4) of title 31, United States Code, is amended by inserting "the members and Vice Chairman of" before "the Joint Chiefs of Staff".

(3) Footnote 2 of the table entitled "COMMISSIONED OFFICERS" in section 101(b)(1) of the Uniformed Services Pay Act of 1981 (37 U.S.C. 1009 note) is amended by inserting "or Vice Chairman" after "Chairman".

(4) Section 1302(b)(3) of the Department of Defense Authorization Act, 1986 (37 U.S.C. 431 note), is amended by striking out "section 133(d)" and inserting in lieu thereof "section 113(d)".

(e) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall apply as if included in the enactment of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433).

(2) The amendments made by subsections (c)(1), (d)(3), and (d)(4) shall take effect as of October 1, 1986.

TITLE XIV—FOREIGN RELATIONS MATTERS

SEC. 1401. COMMENDATION OF ARMED FORCES IN PERSIAN GULF FOR SUCCESS OF CERTAIN OPERATIONS

(a) FINDINGS.—Congress makes the following findings:

(1) The Armed Forces of the United States are currently engaged in operations in the Persian Gulf, including operations to escort United States flag vessels moving through the Gulf, in order to protect national security interests of the United States and the principle of freedom of navigation in international waters.

(2) The government of Iran, through the use of its armed forces and revolutionary guards, is engaging in ongoing activities, including the laying of mines in international waters, to disrupt shipping in the Persian Gulf.

(3) During the night of September 21-22, 1987, Army and Naval forces of the United States detected an Iranian mine-laying activity underway in international waters in the Persian Gulf and, in an outstanding instance of joint military operations, tracked and neutralized the boat carrying out the mine laying.

(4) On October 8, 1987, elements of the Armed Forces of the United States, acting jointly, successfully defended themselves against an attack by Iranian forces in the Persian Gulf.

(5) The success of those joint operations (A) serves notice to Iran that the United States will react decisively and effectively to such hostile activities, and (B) may result in reduced risk to United States interests in the Persian Gulf.

(6) There is precedent throughout the history of the United States for Congress to recognize and commend similar operations by the Armed Forces of the United States, including Congressional praise on February 3, 1802, of "the gallant conduct" of certain members of a United States Naval force in the Wars with the Barbary Powers.

(b) CONGRESSIONAL COMMENDATIONS.—The Congress hereby—

(1) declares that those members of the Armed Forces who participated in the joint operations of September 21-22, 1987, and October 8, 1987, in the Persian Gulf acted in the finest military and naval traditions of the United States and displayed exemplary professionalism, skill, and dedication; and

(2) commends those members, and all members of the Armed Forces who acted in support of those operations, for their participation in those important and successful operations.

SEC. 1402. SENSE OF THE SENATE REGARDING JUSTIFICATION FOR SINKING IRANIAN VESSELS

It is the sense of the Senate that the Armed Forces of the United States are fully justified in sinking any Iranian vessel which threatens the safe passage of (1) any warship of the United States, or (2) any other vessel known to have on board any citizen of the United States. This section shall not in itself be construed as legislative authority for any specific military operation.

SEC. 1403. UNITED STATES POLICY TOWARD PANAMA

(a) FINDINGS.—The Congress makes the following findings:

(1) The executive, judicial, and legislative branches of the Government of Panama are now under the influence and control of the Panamanian Defense Forces.

(2) A broad coalition of church, business, labor, civic, and political groups in Panama has called for an objective and thorough investigation of allegations concerning serious violations of law by certain officials of the Government of Panama and the Panamanian Defense Forces and has insisted that General Noriega and others involved relinquish their official positions until such an investigation has been completed.

(3) The Panamanian people continue to be denied the full rights and protections guaranteed by their constitution, as evidenced by continuing censorship and the closure of the independent media, arrests without due process, and instances of the use of excessive force by the Panamanian Defense Forces.

(4) Political unrest and social turmoil in Panama can only be resolved if the Government of Panama begins to demonstrate respect for and adherence to all provisions of the Panamanian constitution.

(b) POLICY.—Therefore, it is the sense of Congress that, subject to the condition expressed in subsection (c), the United States should take the following actions:

(1) Cease all economic and military assistance provided to the Government of

Panama under the Foreign Assistance Act of 1961 and the Arms Export Control Act, other than assistance to meet immediate humanitarian concerns.

(2) Suspend all shipments of military equipment (including spare parts for military equipment) to the Government of Panama or to any of its agencies or institutions.

(3) Reassess whether the United States should terminate the importation into the United States of sugar, syrup, and molasses produced in Panama and reallocate among other foreign countries the quantities of such products that otherwise would be imported from Panama.

(c) CONDITIONS.—It is further the sense of Congress that the United States should take the actions described in subsection (b) unless, within 45 days after the date of the enactment of this Act—

(1) the Government of Panama has demonstrated substantial progress in the effort to assure civilian control of the armed forces and that the Panama Defense Forces and its leaders have been removed from nonmilitary activities and institutions;

(2) the Government of Panama has established an independent investigation into allegations of illegal actions by members of the Panama Defense Forces;

(3) a nonmilitary transitional government is in power; and

(4) all constitutional guarantees, including freedom of the press, have been restored to the people of Panama.

SEC. 1404. CONGRESSIONAL STATEMENTS CONCERNING VIETNAMESE OCCUPATION OF CAMBODIA AND JAPANESE TRADE WITH VIETNAM

(a) FINDINGS.—The Congress finds that—

(1) during the nine years since Vietnam invaded Cambodia in late 1978, most Western countries have pledged to maintain an embargo on trade with and developmental aid to Vietnam until Vietnamese troops are withdrawn from Cambodia;

(2) Japan joined in this embargo by freezing approximately $135,000,000 in grants and concessionary loans to Vietnam and reducing trade levels with Vietnam from $220,000,000 in 1978 to $120,000,000 the following year;

(3) despite the fact that 140,000 Vietnamese troops continue to occupy Cambodia, Japan's economic ties with Vietnam have grown steadily since 1982, reaching a current annual trade level of $230,000,000;

(4) this trade has included trade in goods and technology which enhances the productive capacity and the infrastructure base of Vietnam; and

(5) the 65,000,000 people of Vietnam are a tempting lure for investors seeking low wages and for traders seeking new markets.

(b) CONDEMNATION OF VIETNAMESE OCCUPATION OF CAMBODIA.—The Congress hereby—

(1) reaffirms its condemnation of the continued Vietnamese occupation of the sovereign State of Cambodia, an activity which violates all standards of conduct befitting a responsible nation and contravenes all recognized principles of international law; and

(2) reaffirms its call for Vietnam to withdraw from Cambodia as the only way Vietnam can expect to end its self-induced economic isolation.

(c) STATEMENT ON JAPANESE TRADE WITH VIETNAM.—The Congress hereby strongly urges the Government of Japan to—

(1) continue to refrain from granting to Vietnam any official economic assistance;

(2) refrain from granting to Vietnam any form of trade financing, including export credits, trade-related credit insurance, and extended loans for infrastructure development;

(3) continue to discourage its private business sector from exporting to Vietnam goods and technology which enhance the productive capacity and the infrastructure base of Vietnam, including in particular equipment for—

(A) oil exploration and development,

(B) forestry and fishery production,

(C) development of raw materials for light industries, and

(D) the upgrading of export productive capacities; and

(4) strongly discourage the private business sector of Japan from providing financing which in any way facilitates trade with Vietnam.

SEC. 1405. SENSE OF CONGRESS ON INTRODUCTION OF ARMED FORCES INTO NICARAGUA FOR COMBAT

Congress hereby reaffirms the sense of Congress expressed in the first session of the 99th Congress (in section 1451 of the Department of Defense Authorization Act, 1986 (Public Law 99-145; 99 Stat. 760)), that United States Armed Forces should not be introduced into or over Nicaragua for combat. However, nothing in this section shall be construed as affecting the authority and responsibility of the President or Congress under the Constitution, statutes, or treaties of the United States in force.

DIVISION B—MILITARY CONSTRUCTION AUTHORIZATIONS

SEC. 2001. SHORT TITLE

This division may be cited as the "Military Construction Authorization Act, 1988 and 1989".

SEC. 2002. EXPLANATION OF ALTERNATIVE LEVELS

In this division the dollar amount authorized for projects at certain military installations and the dollar amount authorized to be appropriated for certain purposes are shown in two different amounts, the second amount being set forth in parentheses immediately after the first. An explanation of the reasons for the two amounts and the rule for determining which dollar amount is to be effective appears in section 3 of this Act.

Subdivision 1—Fiscal Year 1988

TITLE I—ARMY

SEC. 2101. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

UNITED STATES ARMY FORCES COMMAND

Fort Bragg, North Carolina, $54,790,000 ($41,990,000).

Fort Campbell, $12,410,000.

Fort Carson, Colorado, $2,050,000.

Fort Devens, Massachusetts, $1,840,000.

Fort Greely, Alaska, $6,400,000.

Fort Hood, Texas, $31,500,000.

Fort Hunter Liggett, California, $1,000,000.

Fort Irwin, California, $4,450,000.

Fort Lewis, Washington, $960,000.

Fort McCoy, Wisconsin, $720,000.

Fort McPherson, Georgia, $1,400,000.

Fort Ord, California, $6,890,000.

Fort Pickett, Virginia, $390,000.

Fort Polk, Louisiana, $490,000.

Fort Riley, Kansas, $4,850,000.

Fort Sam Houston, Texas, $3,300,000.

Fort Stewart, Georgia, $13,570,000.

Fort Wainwright, Alaska, $54,100,000.

Presidio of San Francisco, California, $1,550,000.

UNITED STATES ARMY WESTERN COMMAND

Aliamanu Military Reservation, Hawaii, $5,000,000.

Hawaii Various, $12,300,000.

Schofield Barracks, Hawaii, $38,850,000 ($18,850,000).

UNITED STATES ARMY TRAINING AND DOCTRINE COMMAND

Fort Belvoir, Virginia, $15,610,000.

Fort Benjamin Harrison, Indiana, $6,900,000 ($0)

Fort Benning, Georgia, $11,700,000.

Fort Bliss, Texas, $13,040,000.

Fort Dix, New Jersey, $1,650,000.

Fort Knox, Kentucky, $3,400,000.

Fort Hamilton, New York, $960,000.

Fort Lee, Virginia, $14,350,000.

Fort Leonard Wood, Missouri, $10,000,000.

Fort McClellan, Alabama, $4,700,000.

Fort Rucker, Alabama, $5,700,000.

MILITARY DISTRICT OF WASHINGTON

Cameron Station, Virginia, $400,000.

UNITED STATES ARMY MATERIEL COMMAND

Aberdeen Proving Ground, Maryland, $7,160,000.

Army Material Research Command, Massachusetts, $15,000,000.

Anniston Army Depot, Alabama, $2,100,000.

Corpus Christi Army Depot, Texas, $2,950,000.

Dugway Proving Ground, Utah, $9,200,000 ($5,250,000).

Fort Wingate, New Mexico, $370,000.

Hawthorne Army Ammunition Plant, Nevada, $6,500,000.

Lake City Army Ammunition Plant, Missouri, $21,000,000.

Letterkenny Army Depot, Pennsylvania, $2,000,000.

Lexington-Blue Grass Depot Activity, Kentucky, $570,000.

Navajo Depot Activity, Arizona, $4,000,000.

Pine Bluff Arsenal, Arkansas, $2,000,000.

Pueblo Depot Activity, Colorado, $620,000.

Red River Army Depot, Texas, $7,950,000.

Redstone Arsenal, Alabama, $21,000,000.

Savanna Army Depot, Illinois, $2,550,000.

Seneca Army Depot, New York, $1,250,000.

Sierra Army Depot, California, $2,600,000.

Tooele Army Depot, Utah, $6,700,000.

Umatilla Depot Activity, Oregon, $1,050,000.

UNITED STATES ARMY INFORMATION SYSTEMS COMMAND

Fort Huachuca, Arizona, $1,250,000.

Fort Ritchie, Maryland, $16,500,000.

UNITED STATES MILITARY ACADEMY

United States Military Academy, New York, $26,200,000 ($11,400,000).

UNITED STATES ARMY HEALTH SERVICES COMMAND

Walter Reed Army Medical Center, District of Columbia, $1,300,000.

MILITARY TRAFFIC MANAGEMENT COMMAND

Bayonne Military Ocean Terminal, New Jersey, $2,010,000.

Sunny Point Military Ocean Terminal, North Carolina, $2,190,000.

ASSISTANT CHIEF OF ENGINEERS

Classified, United States, $4,000,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Army may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

UNITED STATES ARMY, JAPAN

Japan Various, $11,250,000.

EIGHTH UNITED STATES ARMY

Camp Casey, Korea, $28,000,000.

Camp Castle, Korea, $3,200,000.

Camp Hovey, Korea, $11,800,000.

Camp Howze, Korea, $4,150,000.

Camp Jackson, Korea, $4,350,000.

Camp Kyle, Korea, $2,750,000.

Camp Mercer, Korea, $720,000.

Camp Nimble, Korea, $2,200,000.

Camp Page, Korea, $5,900,000.

Camp Red Cloud, Korea, $8,500,000.

Korea, Various, $4,850,000.

Yongsan, Korea, $3,750,000.

BALLISTIC MISSILE DEFENSE SYSTEMS COMMAND

Kwajalein, $26,560,000.

UNITED STATES ARMY SOUTH

Honduras, $4,150,000.

UNITED STATES ARMY EUROPE AND SEVENTH ARMY

Bad Kreuznach, Germany, $10,200,000.

Baumholder, Germany, $10,800,000.

Einsiedlerhof, Germany, $5,900,000.

Giessen, Germany, $1,250,000.

Grafenwoehr, Germany, $5,700,000.

Hanau, Germany, $1,300,000.

Hohenfels, Germany, $15,500,000.

Mainz, Germany, $1,100,000.

Rheinberg, Germany, $16,950,000.

Stuttgart, Germany, $14,200,000.

Various, Germany, $19,500,000.

Vilseck, Germany, $60,400,000.

Wiesbaden, Germany, $38,900,000.

Wildflecken, Germany, $16,100,000.

Zweibruecken, Germany, $1,900,000.

SEC. 2102. FAMILY HOUSING

(a) CONSTRUCTION AND ACQUISITION.—The Secretary of the Army may construct or acquire family housing units (including land acquisition), using amounts appropriated pursuant to section 2104(a)(6)(A), at the following installations in the number of units shown, and in the amount shown, for each installation:

Fort Rucker, Alabama, seven manufactured home spaces, $110,000.

Fort Wainwright, Alaska, fifty-nine units, $10,800,000.

Fort Irwin, California, two hundred and seventy units (two hundred and twenty-five units), $30,000,000 ($24,000,000).

Fort Ord, California, two hundred and eleven units, $19,000,000, of which not more than twenty-four units may be constructed at Fort Hunter Liggett, California.

Bamberg, Germany, one hundred and six units, $11,200,000.

Baumholder, Germany, one hundred and fifty-two units, $12,600,000.

Various Locations, Germany, two hundred and twenty-eight units, funded under section 2103.

Vilseck, Germany, one hundred and eighty-eight units, $17,000,000.

Helemano, Hawaii, two hundred units, $21,000,000.

Pearl City, Hawaii, sixty units, $6,700,000.

Schofield Barracks, Hawaii, one hundred units, $11,200,000.

Saint Louis Support Center, Illinois, one hundred units, $9,700,000.

Fort Polk, Louisiana, three hundred and fifty units, $27,000,000.

Fort Hood, Texas, one hundred and fifty units, $9,400,000.

Fort A.P. Hill, Virginia, twenty-five units, $2,200,000.

Fort Eustis, Virginia, thirty-two manufactured home spaces, $480,000.

(b) PLANNING AND DESIGN.—The Secretary of the Army may carry out architectural and engineering services and construction design activities, using amounts appropriated pursuant to section 2104(a)(6)(A), with respect to the construction or improvement of military family housing units in an amount not to exceed $21,900,000.

SEC. 2103. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) IN GENERAL.—Subject to section 2825 of title 10, United States Code, the Secretary of the Army may improve, using amounts appropriated pursuant to section 2104(a)(6)(A), existing military family housing units in an amount not to exceed $108,000,000 ($100,000,000), of which $9,223,000 is available only for energy conservation projects.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Army may carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:

Sharpe Army Depot, California, thirty units $1,300,000.

Fort McNair, District of Columbia, four units $220,000.

Fort Riley, Kansas, one hundred and twenty-eight units, $5,100,000.

Fort Leonard Wood, Missouri, fifteen units $600,000.

Fort Belvoir, Virginia, one hundred and ninety-eight units, $8,800,000.

Various locations, Germany, convert unused attic space and upgrade one hundred and two units into three hundred and thirty adequate units, $24,388,000.

(c) WAIVER OF SPACE LIMITATION.—(1) Of the military family housing units to be constructed at the St. Louis Support Center, Illinois, two of those units shall, subject to paragraph (3), be constructed for assignment to general officers who hold positions as commanders or who hold special command positions (as designated by the Secretary of Defense) and, notwithstanding section 2826(a) of title 10, United States Code, each such unit may be constructed with a maximum net floor area of 3,000 square feet.

(2) For purposes of this subsection, the term "net floor area" has the meaning given that term by section 2826(f) of title 10, United State Code.

(3) The provisions of this subsection and of section 2133(c) shall become effective on the date that the report regarding space limitations for senior military officer housing which was requested in the joint statement of the conferees accompanying the conference report filed with respect to the bill S. 2638 of the Ninety-ninth Congress is received by the Committees on Armed Services of the Senate and House of Representatives.

SEC. 2104. AUTHORIZATION OF APPROPRIATIONS, ARMY

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1987, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $2,609,063,000 ($2,536,613,000) as follows:

(1) For military construction projects inside the United States authorized by section 2101(a), $517,240,000 ($458,790,000).

(2) For military construction projects outside the United States authorized by section 2101(b), $341,830,000.

(3) For military construction projects inside the United States at New Cumberland Army Depot, Pennsylvania, authorized by section 101 of the Military Construction Authorization Act, 1986, $30,000,000.

(4) For unspecified minor construction projects under section 2805 of title 10, United States Code, $15,600,000.

(5) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $128,120,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $318,290,000 ($304,290,000);

(B) for support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,255,183,000, of which not more than $46,498,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $163,842,000 may be obligated or expended for the leasing of military family housing units in foreign countries; and

(C) for the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, $2,800,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2101 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) PLANNING ASSISTANCE.—Of the amount appropriated pursuant to subsection (a)(5), the Secretary of the Army shall use at least $250,000 for community planning assistance for communities located near the newly established Light Infantry Division Post at Fort Drum, New York.

SEC. 2105. EXTENSION OF CERTAIN PRIOR YEAR AUTHORIZATIONS

(a) EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1985 PROJECTS.—Notwithstanding the provisions of section 607(a) of the Military Construction Authorization Act, 1985 (Public Law 98-407, 98 Stat. 1515), authorizations for the following projects authorized in section 101 of that Act, as extended by section 2107(a) of the National Defense Authorization Act, 1987 (Public Law 99-661), shall remain in effect until October 1, 1988, or the date of enactment of the Military Construction Authorization Act for fiscal year 1989, whichever is later:

(1) Barracks with dining facility in the amount of $11,400,000 at Presidio of San Francisco, California.

(2) Barracks modernization in the amount of $660,000 at Argyroupolis, Greece.

(3) Barracks modernization in the amount of $660,000 at Perivolaki, Greece.

(4) Barracks with dining facility in the amount of $2,350,000 at Elefsis, Greece.

(b) EXTENSION OF AUTHORIZATION OF CERTAIN FISCAL YEAR 1986 PROJECTS.—Notwithstanding the provisions of section 603(a) of the Military Construction Authorization Act, 1986 (Public Law 99-167), authorizations for the following projects authorized in sections 101 and 102 of that Act shall remain in effect until October 1, 1988, or the date of the enactment of a Military Construction Authorization Act for fiscal year 1989, whichever is later:

(1) Family housing, new construction, fifty manufactured home spaces in the amount of $712,000 at Fort Carson, Colorado.

(2) Ammunition storage in the amount of $850,000 at Bamberg, Germany.

(3) Tactical equipment shop in the amount of $3,350,000 at Hanau, Germany.

(4) Child care center in the amount of $470,000 at Karlsruhe, Germany.

(5) Modified record fire range in the amount of $2,850,000 at Nuernberg, Germany.

(6) Flight simulator building in the amount of $2,900,000 at Weisbaden, Germany.

(7) Multi-purpose training ranges in the amount of $20,000,000 at Wildflecken, Germany.

(8) Air conditioning upgrade in the amount of $5,900,000 at Schofield Barracks, Hawaii.

(9) Child care center in the amount of $1,350,000 at Camp Darby, Italy.

(10) Dining facility modernization in the amount of $4,350,000 at Fort Leavenworth, Kansas.

(11) Family housing, new construction, fifty manufactured home spaces in the amount of $700,000 at Fort Riley, Kansas.

(12) Family housing, new construction, fifty manufactured home spaces in the amount of $689,000 at Fort Campbell, Kentucky.

(13) Water pollution abatement in the amount of $770,000 at Army Materials and Mechanics Research Center, Massachusetts.

(14) Family housing, new construction, twenty manufactured home spaces in the amount of $317,000 at Fort Devens, Massachusetts.

(15) Family housing, new construction, fifty manufactured home spaces in the amount of $637,000 at Fort Bragg, North Carolina.

(16) Family housing, new construction, twenty-four manufactured home spaces in the amount of $351,000 at Dugway Proving Ground, Utah.

(17) Family housing, new construction, 6 units, in the amount of $596,000 at Fort Myer, Virginia.

(18) Museum site preparation and utilities in the amount of $2,500,000 at Fort Rucker, Alabama.

TITLE II—NAVY

SEC. 2121. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

UNITED STATES MARINE CORPS

Marine Corps Logistics Base, Albany, Georgia, $1,530,000.

Marine Corps Logistics Base, Barstow, California, $3,230,000.

Marine Corps Base, Camp Lejeune, North Carolina, $38,705,000.

Marine Corps Air Station, Camp Pendleton, California, $5,810,000.

Marine Corps Base, Camp Pendleton, California, $31,470,000.

Marine Corps Air Station, Cherry Point, North Carolina, $28,500,000.

Marine Corps Air Station, El Toro, California, $3,160,000.

Marine Corps Air Station, Kaneohe Bay, Hawaii, $24,153,000.

Marine Corps Air Station, New River, North Carolina, $6,530,000.

Marine Corps Development and Education Command, Quantico, Virginia $4,900,000.

Marine Corps Air Station, Tustin, California, $5,110,000.

Marine Corps Air-Ground Combat Center, Twentynine Palms, California, $25,900,000.

Marine Corps Air Station, Yuma, Arizona, $9,280,000.

SPACE AND NAVAL WARFARE SYSTEMS COMMAND

Naval Surface Weapons Center, Dahlgren, Virginia, $30,620,000.

Naval Underwater Systems Center, New London, Connecticut, $11,230,000 ($0).

Naval Underwater System Center, Newport, Rhode Island, $750,000.

Naval Coastal Systems Center, Panama City, Florida, $5,400,000.

Naval Air Development Center, Warminster, Pennsylvania, $300,000.

CHIEF OF NAVAL OPERATIONS

Naval Space Surveillance Field Station, Hawkinsville, Georgia, $2,890,000.

Naval Tactical Interoperability Support Activity Detachment Six, Mayport, Florida, $500,000.

Naval Forces Central Command, Pearl Harbor, Hawaii, $2,260,000 ($0).

Naval Air Detachment, Tinker Air Force Base, Oklahoma, $11,800,000.

Commandant, Naval District, Washington, District of Columbia, $21,700,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Station, Galveston, Texas, $28,300,000.

Naval Station, Ingleside, Texas, $88,800,000.

Naval Air Station, Jacksonville, Florida, $4,630,000.

Naval Air Station, Key West, Florida, $15,580,000.

Naval Station, Lake Charles, Louisiana, $15,300,000.

Naval Amphibious Base, Little Creek, Virginia, $23,320,000.

Naval Station, Mayport, Florida, $1,480,000.

Naval Station, Mobile, Alabama, $40,700,000.

Naval Submarine Base, New London, Connecticut, $5,200,000 ($2,900,000).

Naval Station, New York, New York, $16,200,000.

Naval Air Station, Norfolk, Virginia, $4,970,000.

Naval Air Station, Oceana, Virginia, $4,540,000.

Naval Station, Pascagoula, Mississippi, $42,100,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Air Station, Adak, Alaska, $56,200,000.

Naval Air Station, Alameda, California, $11,400,000.

Trident Refit Facility, Bangor, Washington, $1,080,000.

Naval Amphibious Base, Coronado, California, $2,760,000.

Naval Station, Everett, Washington, $37,500,000.

Naval Air Station, Lemoore, California, $2,560,000.

Naval Station, Long Beach, California, $5,120,000 ($0).

Naval Magazine, Lualualei, Hawaii, $5,310,000.

Naval Air Station, Miramar, California, $6,500,000.

Naval Air Station, North Island, California, $25,270,000.

Commander, Oceanographic System, Pacific, Pearl Harbor, Hawaii, $1,280,000.

Fleet Intelligence Center, Pacific, Pearl Harbor, Hawaii, $13,097,000.

Naval Station, Pearl Harbor, Hawaii, $430,000.

Naval Submarine Base, Pearl Harbor, Hawaii, $7,180,000.

Naval Station, San Diego, California, $36,680,000.

Naval Submarine Base, San Diego, California, $4,120,000.

Naval Station, Treasure Island, San Francisco, California, $4,430,000.

Naval Air Station, Whidbey Island, Washington, $12,650,000.

CHIEF OF NAVAL EDUCATION AND TRAINING

Surface Warfare Officers School Command District, Coronado, California, $4,130,000 ($0).

Naval Air Station, Corpus Christi, Texas, $1,180,000.

Fleet Combat Training Center, Atlantic, Dam Neck, Virginia, $450,000.

Naval Guided Missiles School, Dam Neck, Virginia, $550,000.

Naval Training Center, Great Lakes, Illinois, $6,910,000.

Naval Air Station, Kingsville, Texas, $10,000,000.

Naval Technical Training Center Detachment, Lackland Air Force Base, Texas, $10,800,000.

Naval Air Station, Memphis, Tennessee, $11,220,000.

Naval Education and Training Center, Newport, Rhode Island, $3,640,000.

Naval Training Center, Orlando, Florida, $3,050,000.

Naval Air Station, Pensacola, Florida, $28,200,000.

Naval Technical Training Center, Pensacola, Florida, $8,170,000.

Fleet Anti-Submarine Warfare Training Center, Pacific, San Diego, California, $5,020,000.

Naval Technical Training Center, San Francisco, California, $10,100,000.

NAVAL MEDICAL COMMAND

Naval Hospital Branch, Adak, Alaska $700,000.

NAVAL OCEANOGRAPHY COMMAND

Naval Oceanography Command, Bay St. Louis, Massachusetts, $1,600,000.

Naval Eastern Oceanography Center, Norfolk, Virginia, $600,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station, Atlantic, Norfolk, Virginia, $8,400,000.

Naval Communication Station, Stockton, California, $2,800,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Adak, Alaska, $2,860,000.

Naval Security Group Activity, Northwest, Chesapeake, Virginia, $4,530,000.

Naval Security Station, Washington, District of Columbia, $3,000,000.

Naval Security Group Activity, Winter Harbor, Maine, $1,550,000.

NAVAL INTELLIGENCE COMMAND

Atlantic Fleet Headquarters Support Activity, Norfolk, Virginia, $5,070,000.

NAVAL SUPPLY SYSTEMS COMMAND

Naval Supply Center, Charleston, South Carolina, $8,170,000.

Naval Supply Center, Jacksonville, Florida, $4,720,000.

Navy Clothing and Textile Research Facility, Natick, Massachusetts, $1,870,000.

Naval Supply Center, Norfolk, Virginia, $7,210,000.

Naval Supply Center, Pearl Harbor, Hawaii, $3,280,000.

Naval Supply Center, Pensacola, Florida, $1,000,000.

NAVAL AIR SYSTEMS COMMAND

Naval Air Rework Facility, Alameda, California, $16,000,000.

Naval Air Rework Facility, Cherry Point, North Carolina, $500,000.

Naval Air Rework Facility, Jacksonville, Florida, $5,000,000.

Naval Air Test Center, Patuxent River, Maryland, $6,500,000.

Pacific Missile Test Center, Point Mugu, California, $650,000.

NAVAL FACILITIES ENGINEERING COMMAND

Naval Construction Battalion Center, Gulfport, Mississippi, $10,450,000.

Navy Public Works Center, Norfolk, Virginia, $6,100,000.

Navy Public Works Center, Pearl Harbor, Hawaii, $11,203,000.

Navy Public Works Center, Pensacola, Florida, $4,150,000.

Naval Construction Battalion Center, Port Hueneme, California, $5,870,000.

Navy Public Works Center, San Diego, California, $5,700,000.

Navy Public Works Center, San Francisco, California, $11,700,000.

NAVAL SEA SYSTEMS COMMAND

Charleston Naval Shipyard, Charleston, South Carolina, $1,400,000.

Naval Weapons Station, Charleston, South Carolina, $1,670,000.

Naval Weapons Station, Concord, California, $4,640,000.

Naval Weapons Support Center, Crane, Indiana, $8,290,000.

Naval Weapons Station, Earle, New Jersey, $3,540,000.

Naval Ordnance Station, Indian Head, Maryland, $6,860,000.

Naval Undersea Warfare Engineering Station, Keyport, Washington, $8,170,000.

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $5,800,000.

Naval Weapons Station, Seal Beach, California, $15,970,000.

Mare Island Naval Shipyard, Vallejo, California, $4,040,000.

Naval Weapons Station, Yorktown, Virginia, $30,850,000 ($22,880,000).

STRATEGIC SYSTEMS PROJECT OFFICE

Naval Submarine Base, Kings Bay, Georgia, $95,025,000.

VARIOUS LOCATIONS

Land Acquisition, $8,091,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

UNITED STATES MARINE CORPS

Marine Corps Air Station, Futenma, Okinawa, Japan, $1,000,000.

Marine Corps Air Station, Iwakuni, Japan, $1,080,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Support Activity, Antigua, West Indies, $3,250,000 ($0).

Naval Facility, Brawdy Wales, United Kingdom, $850,000.

Naval Station, Guantanamo Bay, Cuba, $917,000.

Naval Air Station, Guantanamo Bay, Cuba, $1,770,000.

Naval Air Station, Keflavik, Iceland, $4,870,000.

Atlantic Fleet Weapons Training Facility, Roosevelt Roads, Puerto Rico, $2,020,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Mobile Construction Battalion, Camp Covington, Guam, $14,700,000.

Naval Air Station, Cubi Point, Republic of the Philippines, $1,490,000.

Naval Support Facility, Diego Garcia, Indian Ocean, $1,000,000.

Naval Facility, Guam, $650,000.

Naval Magazine, Guam, $10,800,000.

Naval Supply Depot, Guam, $14,160,000.

Naval Ship Repair Facility, Guam, $5,100,000.

COMMANDER IN CHIEF, UNITED STATES NAVAL FORCES EUROPE

Naval Support Office, La Maddalena, Italy, $7,480,000.

Naval Activities, London, United Kingdom, $600,000.

Naval Support Activity, Naples, Italy, $20,150,000.

Naval Air Station, Sigonella, Italy, $2,460,000.

NAVAL TELECOMMUNICATIONS COMMAND

Naval Communication Area Master Station, Mediterranean, Naples, Italy, $5,300,000.

NAVAL SECURITY GROUP COMMAND

Naval Security Group Activity, Edzell, Scotland, $4,970,000 ($770,000).

Naval Security Group Activity, Sabana Seca, Puerto Rico, $400,000.

Naval Security Group Activity, Terceira Island, Azores, $700,000.

NAVAL FACILITIES ENGINEERING COMMAND

Navy Public Works Center, Guam, $2,360,000.

Navy Public Works Center, Subic Bay, Republic of the Philippines, $7,680,000.

SEC. 2122. FAMILY HOUSING

(a) CONSTRUCTION AND ACQUISITION.—The Secretary of the Navy may construct or acquire family housing units (including land acquisition), using amounts appropriated pursuant to section 2125(a)(8)(A), at the following installations in the number of units shown, and in the amount shown, for each installation:

Navy Public Works Center, San Diego, California, five hundred and eighty units (three hundred units), $52,840,000 ($27,840,000).

Navy Public Works Center, San Francisco, California, four hundred and forty-four units, $38,380,000.

Nuclear Power Training Unit, Ballston Spa, New York, one hundred units, $8,810,000.

Naval Station, New York, New York, two hundred and fifty units, $25,490,000.

Marine Corps Base, Camp Pendleton, California, two hundred and sixty-eight units (two hundred units), $25,760,000 ($17,760,000).

Marine Corps Air Station, El Toro, California, one hundred units, $8,660,000.

Marine Corps Air-Ground Combat Center, Twentynine Palms, California, one hundred units, $11,530,000.

Marine Corps Air Station, Beaufort, South Carolina, thirty-seven mobile home spaces, $540,000.

Marine Corps Recruit Dépot, Parris Island, South Carolina, twenty-five mobile home spaces, $370,000.

Marine Corps Development and Education Command, Quantico, Virginia, ten mobile home spaces, $166,000.

Marine Corps Finance Center, Kansas City, Missouri, eight mobile home spaces, $120,000.

Naval Station, Keflavik, Iceland, two hundred fifty units, $20,000,000.

(b) PLANNING AND DESIGN.—The Secretary of the Navy may carry out architectural and engineering services and construction design activities, using amounts appropriated pursuant to section 2125(a)(8)(A), with respect to the construction or improvement of military family housing units in an amount not to exceed $6,248,000.

SEC. 2123. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) IN GENERAL.—Subject to section 2825 of title 10, United States Code, the Secretary of the Navy may improve, using amounts appropriated pursuant to section 2125(a)(8)(A), existing military family housing units in the amount of $39,943,000.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Navy may carry out projects to improve existing military family housing units at the following installations in the number of units shown and in the amount shown, for each installation:

Naval Station, Long Beach, California, two hundred forty-five units, $16,237,000.

Naval Air Station, Whidbey Island, Seattle, Washington, seventy-one units, $2,937,700.

Navy Public Works Center, San Francisco, California, thirty-six units, $2,331,600.

Navy Public Works Center, San Fransisco, California, twenty-four units, $1,004,700.

Naval Air Station, Brunswick, Maine, two hundred thirty-one units, $9,799,000.

Marine Corps Development and Education Command, Quantico, Virginia, one hundred forty-eight units, $8,079,500.

Navy Public Works Center, Guam, eighty-two units, $6,838,700.

Naval Station, New York, New York, one hundred twenty units, $12,500,000.

SEC. 2124. DEFENSE ACCESS ROADS

The Secretary of the Navy may, using funds appropriated pursuant to section 2125(a)(7), make advances to the Secretary of Transportation for the construction of defense access roads under section 210 of title 23, United States Code, at the following locations and in the following amounts:

Naval Construction Battalion Center, Huenneme, California, $800,000.

Naval Air Station, Moffett Field, California, $400,000.

Naval Station, San Diego, California, $350,000.

Naval Station, Norfolk, Virginia, $1,200,000.

Naval Submarine Base, Groton, Connecticut, $1,250,000.

Naval Station, Everett, Washington, phase I, $10,000,000.

SEC. 2125. AUTHORIZATION OF APPROPRIATIONS, NAVY

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1987, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $2,217,120,000 ($2,143,660,000) as follows:

(1) For military construction projects inside the United States authorized by section 2121(a), $1,109,364,000 ($1,076,354,000).

(2) For military construction projects outside the United States authorized by section 2121(b), $115,757,000 ($108,307,000).

(3) For military construction projects at Kings Bay, Georgia, authorized by section 201(a) of the Military Construction Authorization Act, 1986, $28,675,000.

(4) For military construction projects at Naval Weapons Station, Earle, New Jersey, authorized by section 2201(a) of the Military Construction Authorization Act, 1987, $19,500,000.

(5) For unspecified minor construction projects under section 2805 of title 10, United States Code, $16,500,000.

(6) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $143,655,000.

(7) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $14,000,000.

(8) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $238,857,000 ($205,857,000); and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), $530,812,000 of which not more than $14,347,000 may be obligated or expended for the leasing of military family housing in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $22,220,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) Limitation on Total Cost of Construction Projects—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2121 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2126. AUTHORIZATION OF PROJECTS FOR WHICH FUNDS HAVE BEEN APPROPRIATED

(a) Projects.—(1) In addition to the military construction projects authorized under title II of the Military Construction Authorization Act, 1987 (Public Law 99-661), the Secretary of the Navy may acquire real property and may carry out the following military construction projects in the following amounts which have been appropriated for such projects before the date of the enactment of this Act:

Naval Supply Center, Pearl Harbor, Hawaii, Cold Storage Facility, $11,500,000.

Naval Air Station, Memphis, Tennessee, Road Improvements, $1,570,000.

Cubi Point, Republic of the Philippines, Bachelor Officers' Quarters, $5,300,000.

(2) Notwithstanding the provisions of section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of the projects authorized by paragraph (1) may not exceed the total amount authorized for such projects by such paragraph.

(b) Family Housing.—In addition to the expenditures for improvements to military family housing authorized by section 2203 of the Military Construction Authorization Act, 1987 (Public Law 99-661), the Secretary of the Navy may make expenditures, out of funds appropriated before the date of the enactment of this Act, to improve existing family housing units, pursuant to section 2825 of title 10, United States Code, in an amount not to exceed $22,000,000.

SEC. 2127. EXTENSION OF CERTAIN PRIOR YEAR AUTHORIZATIONS

(a) Extension of Authorization of Certain Fiscal Year 1984 Projects.—Notwithstanding the provisions of section 607(a) of the Military Construction Authorization Act, 1984 (Public Law 98-115), authorizations for the following projects authorized in section 201 of that Act, as extended by section 2209(b) of the Military Construction Authorization Act, 1987 (Public Law 99-661), shall remain in effect until October 1, 1988, or the date of enactment of the Military Construction Authorization Act for fiscal year 1989, whichever is later:

(1) Unaccompanied enlisted personnel housing in the amount of $10,000,000 at the Naval Air Station, Jacksonville, Florida.

(2) Electrical distribution lines in the amount of $7,200,000 at the Mare Island Naval Shipyard, Vallejo, California.

(3) Heating, Ventilation and Air Conditioning System, in the amount of $4,540,000 at the Naval Air Station, Alameda, California.

(4) Land acquisition in the amount of $830,000 at the Naval Weapons Station, Concord, California.

(b) Extension of Authorization of Certain Fiscal Year 1986 Projects.—Notwithstanding the provisions of section 606(a) of the Military Construction Authorization Act, 1986 (Public Law 99-167), authorizations for the following projects authorized in section 201 of that Act shall remain in effect until October 1, 1988, or the date of enactment of a Military Construction Authorization Act for fiscal year 1989, whichever is later:

(1) Plating shop modernization in the amount of $12,740,000 at the Naval Ordnance Station, Louisville, Kentucky.

(2) Bachelors enlisted quarters and mess hall in the amount of $4,700,000 at the Naval Magazine, Guam.

(3) Physical fitness center in the amount of $5,380,000 at the Marine Corps Air-Ground Combat Center, Twentynine Palms, California.

(4) Dredging in the amount of $6,570,000 at the Naval Supply Center, Oakland, California.

(5) Dredging in the amount of $8,650,000 at the Naval Air Station, Alameda, California.

(6) Paint and finishing hangar in the amount of $22,000,000 at the Naval Air Rework Facility, Alameda, California.

(7) Combat swimmer trainer facility in the amount of $3,000,000 at the Naval Amphibious Base, Coronado, California.

(8) Communications facilities in the amount of $2,750,000 at the Naval Station, Guantanamo Bay, Cuba.

(9) Seabee material transit facility in the amount of $6,960,000 at the Naval Construction Battalion Center, Port Hueneme, California.

SEC. 2128. NAVAL WEAPONS STATION, EARLE, NEW JERSEY

Section 2201(a) of the Military Construction Authorization Act, 1987 (division B of Public Law 99-661) is amended by striking out "Naval Weapons Station, Earle, New Jersey, $34,760,000" and inserting in lieu thereof "Naval Weapons Station, Earle, New Jersey, $54,760,000".

TITLE III—AIR FORCE

SEC. 2131. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) Inside the United States.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $46,600,000 ($34,100,000).

Kelly Air Force Base, Texas, $30,650,000.

McClellan Air Force Base, California, $24,500,000.

Newark Air Force Base, Ohio, $580,000.

Robins Air Force Base, Georgia, $15,500,000.

Tinker Air Force Base, Oklahoma, $11,500,000.

Wright-Patterson Air Force Base, Ohio, $22,750,000.

AIR FORCE SYSTEMS COMMAND

Arnold Engineering Development Center, Tennessee, $17,500,000.

Edwards Air Force Base, California, $5,750,000.

Eglin Air Force Base, Florida, $23,050,000.

AIR NATIONAL GUARD

Buckley Air National Guard Base, Colorado, $16,900,000.

AIR TRAINING COMMAND

Chanute Air Force Base, Illinois, $8,350,000.

Columbus Air Force Base, Mississippi, $5,450,000.

Goodfellow Air Force Base, Texas, $5,500,000.

Keesler Air Force Base, Mississippi, $6,300,000.

Lackland Air Force Base, Texas, $13,900,000.

Laughlin Air Force Base, Texas, $1,872,000.

Lowry Air Force Base, Colorado, $7,050,000.

Mather Air Force Base, California, $4,800,000.

Randolph Air Force Base, Texas, $8,100,000 ($5,800,000).

Reese Air Force Base, Texas, $610,000.

Sheppard Air Force Base, Texas, $13,700,000.

Vance Air Force Base, Oklahoma, $3,190,000.

Williams Air Force Base, Arizona, $3,350,000.

AIR UNIVERSITY

Gunter Air Force Station, Alabama, $8,800,000.

Maxwell Air Force Base, Alabama, $24,200,000.

ALASKAN AIR COMMAND

Eielson Air Force Base, Alaska, $10,165,000.

Elmendorf Air Force Base, Alaska, $11,000,000 ($4,300,000).

Shemya Air Force Base, Alaska, $38,350,000.

Various Locations, $15,800,000.

MILITARY AIRLIFT COMMAND

Altus Air Force Base, Oklahoma, $14,600,000.

Andrews Air Force Base, Maryland, $20,000,000.

Dover Air Force Base, Delaware, $5,050,000 ($2,300,000).

Kirtland Air Force Base, New Mexico, $53,400,000.

Little Rock Air Force Base, Arkansas, $400,000.

McGuire Air Force Base, New Jersey, $1,640,000.

Pope Air Force Base, North Carolina, $11,000,000.

Scott Air Force Base, Illinois, $7,080,000.

Travis Air Force Base, California, $1,500,000.

PACIFIC AIR FORCES

Bellows Air Force Base, Hawaii, $460,000.

Hickam Air Force Base, Hawaii, $900,000.

Kaena Point, Hawaii, $3,400,000.

SPACE COMMAND

Cape Cod Air Force Station, Massachusetts, $2,150,000.

Cavalier Air Force Station, North Dakota, $3,750,000.

Clear Air Force Base, Alaska, $4,000,000.

Falcon Air Force Station, Colorado, $2,150,000 ($0).

Peterson Air Force Base, Colorado, $12,150,000 ($1,650,000).

SPECIAL PROJECT

Various Locations, CONUS, $19,073,000.

STRATEGIC AIR COMMAND

Barksdale Air Force Base, Louisiana, $3,700,000.

Beale Air Force Base, California, $7,180,000 ($2,180,000).

Blytheville Air Force Base, Arkansas, $6,500,000.

Carswell Air Force Base, Texas, $5,010,000.

Castle Air Force Base, California, $10,650,000.

Dyess Air Force Base, Texas, $3,600,000.

Ellsworth Air Force Base, South Dakota, $11,550,000.

Fairchild Air Force Base, Washington, $6,000,000.

F.E. Warren Air Force Base, Wyoming, $308,000.

Grand Forks Air Force Base, North Dakota, $1,600,000.

Griffiss Air Force Base, New York, $14,830,000.

Holbrook Radar Bomb Score Site, Arizona, $1,890,000.

K.I. Sawyer Air Force Base, Michigan, $3,030,000.

Loring Air Force Base, Maine, $17,480,000 ($4,380,000).

Malmstrom Air Force Base, Montana, $18,760,000.

McConnell Air Force Base, Kansas, $4,750,000 ($2,550,000).

Minot Air Force Base, North Dakota, $8,600,000.

Offutt Air Force Base, Nebraska, $10,660,000.

Plattsburgh Air Force Base, New York, $2,900,000.

Vandenberg Air Force Base, California, $1,300,000.

Whiteman Air Force Base, Missouri, $89,300,000.

Wilder, Idaho, $2,350,000.

Wurtsmith Air Force Base, Michigan, $13,620,000.

TACTICAL AIR COMMAND

Bangor International Airport, Maine, $1,500,000.

Base 51, $610,000.

Base 52, $600,000.

Bergstrom Air Force Base, Texas, $9,190,000.

Cannon Air Force Base, New Mexico, $7,000,000.

Davis-Monthan Air Force Base, Arizona, $8,000,000 ($1,000,000).

England Air Force Base, Louisiana, $2,300,000.

George Air Force Base, California, $210,000.

Holloman Air Force Base, New Mexico, $7,750,000.

Indian Springs Auxiliary Air Field, Nevada, $4,400,000.

Langley Air Force Base, Virginia, $9,150,000.

Luke Air Force Base, Arizona, $5,400,000 ($2,800,000).

MacDill Air Force Base, Florida, $3,741,000.

Mountain Home Air Force Base, Idaho, $1,900,000.

Nellis Air Force Base, Nevada, $14,050,000.

Seymour-Johnson Air Force Base, North Carolina, $11,950,000.

Shaw Air Force Base, South Carolina, $4,980,000.

Tyndall Air Force Base, Florida, $2,000,000.

UNITED STATES AIR FORCE ACADEMY

Air Force Academy, Colorado, $2,680,000.

VARIOUS LOCATIONS

Classified Location, $1,500,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

MILITARY AIRLIFT COMMAND

Lajes Field, Portugal, $4,600,000.

Rhein-Main Air Base, Germany, $11,450,000.

PACIFIC AIR FORCES

Camp Humphreys, Korea, $5,550,000.

Clark Air Base, Republic of the Philippines, $9,540,000.

Diego Garcia Air Base, Indian Ocean, $18,600,000.

Kadena Air Base, Japan, $5,000,000.

Kunsan Air Base, Korea, $5,750,000.

Osan Air Base, Korea, $16,640,000.

Suwon Air Base, Korea, $3,650,000.

SPACE COMMAND

Thule Air Base, Greenland, $3,000,000.

STRATEGIC AIR COMMAND

Andersen Air Force Base, Guam, $8,700,000 ($5,100,000).

TACTICAL AIR COMMAND

Howard Air Force Base, Panama, $11,000,000 ($310,000).

Masirah, Oman, $3,325,000.

Seeb, Oman, $8,260,000.

Thumrait, Oman, $5,010,000.

UNITED STATES AIR FORCES IN EUROPE

RAF Alconbury, United Kingdom, $2,150,000.

Ankara Air Station, Turkey, $2,250,000.

Aviano Air Base, Italy, $1,450,000.

RAF Bentwaters, United Kingdom, $9,900,000.

Bitburg Air Base, Germany, $4,690,000.

Buchel Air Base, Germany, $2,000,000.

Camp New Amsterdam, The Netherlands, $2,600,000.

RAF Chicksands, United Kingdom, $1,250,000.

RAF Croughton, United Kingdom, $900,000.

RAF Fairford, United Kingdom, $11,550,000.

Hahn Air Base, Germany, $5,770,000.

Incirlik Air Base, Turkey, $6,750,000 ($3,750,000).

RAF Lakenheath, United Kingdom, $3,620,000.

Memmingen Air Base, Germany, $2,000,000.

Pruem Air Station, Germany, $2,000,000.

Ramstein Air Base, Germany, $13,360,000.

San Vito Air Station, Italy, $390,000.

Sembach Air Base, Germany, $1,100,000.

Spangdahlem Air Base, Germany, $5,050,000.

RAF Welford, United Kingdom, $1,200,000.

Wenigerath Storage Site, Germany, $1,750,000.

RAF Wethersfield, United Kingdom, $1,300,000.

Zweibrucken Air Base, Germany, $4,500,000.

VARIOUS LOCATIONS

Base 89, $4,300,000.

SEC. 2132. FAMILY HOUSING

(a) CONSTRUCTION AND ACQUISITION.—The Secretary of the Air Force may construct or acquire family housing units (including land acquisition), using amounts appropriated pursuant to section 2135(a)(6)(A), at the following installations in the number of units shown, and in the amount shown, for each installation:

Holbrook, Arizona, thirty-four units, $2,530,000.

Clark Air Base, Philippines, three hundred units, $23,260,000.

RAF Bentwaters, United Kingdom, Family Housing Management Office, $330,000.

(b) PLANNING AND DESIGN.—The Secretary of the Air Force may carry out architectural and engineering services and construction design activities, using amounts appropriated pursuant to section 2135(a)(6)(A), with respect to the construction or improvement of military family housing units in an amount not to exceed $7,000,000.

SEC. 2133. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) IN GENERAL.—Subject to section 2825 of title 10, United States Code, the Secretary of the Air Force may improve, using amounts appropriated pursuant to section 2135(a)(6)(A), existing military family housing units in an amount not to exceed $132,800,000 ($110,000,000).

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Air Force may carry out projects to improve existing military family housing units at the following installations, in the number of units shown, and in the amount shown, for each installation:

Maxwell Air Force Base, Alabama, twenty units, $758,000; fifty-six units, $2,710,000.

Elmendorf Air Force Base, Alaska, sixty-four units, $4,669,000.

Lowry Air Force Base, Colorado, one unit, $74,000.

Peterson Air Force Base, Colorado, six units, $363,000.

Eglin Auxiliary Airfield No. 9, Florida, one hundred and sixty-four units, $3,177,000.

MacDill Air Force Base, Florida, seven units, $556,000; one unit, $110,000.

Scott Air Force Base, Illinois, three units, $239,000.

Barksdale Air Force Base, Louisiana, one hundred and fourteen units, $5,342,000.

England Air Force Base, Louisiana, one hundred and six units, $3,465,000.

Andrews Air Force Base, Maryland, five units, $325,000.

Offutt Air Force Base, Nebraska, two hundred units, $8,122,000.

Pease Air Force Base, New Hampshire, two hundred units, $12,361,000.

McGuire Air Force Base, New Jersey, one hundred units, $4,263,000.

Plattsburgh Air Force Base, New York, twenty-nine units, $2,800,000.

Shaw Air Force Base, South Carolina, one hundred and twenty-five units, $4,385,000; one hundred and thirty-one units, $4,702,000.

Carswell Air Force Base, Texas, one hundred and thirty-six units, $7,904,000; one hundred fifty-five units, $9,100,000.

Kelly Air Force Base, Texas, eighteen units, $1,356,000.

Lackland Air Force Base, Texas, one unit, $46,000.

Randolph Air Force Base, Texas, five units, $400,000.

Langley Air Force Base, Virginia, seven units, $540,000.

Fairchild Air Force Base, Washington, two hundred and two units, $10,121,000.

Ramstein Air Base, Germany, eight units, $536,000; two hundred and forty units, $11,202,000; two hundred and eighty units, $16,990,000.

Kadena Air Base, Japan, eighty-two units, $4,143,000; four units, $407,000; one hundred and ninety-nine units, $12,177,000.

Yokota Air Base, Japan, ninety-five units, $5,061,000.

RAF Mildenhall, United Kingdom, two units, $183,000.

(c) Waiver of Space Limitation for General Officer's Quarters.—(1) To support the United States Central Command (USCENTCOM), the Tactical Air Command (TAC), and the United States Transportation Command, the Secretary of the Air Force may, subject to the requirement of section 2103(c)(3), carry out family housing improvement projects to add to and alter existing family housing units and (notwithstanding section 2826(a) of title 10, United States Code) increase the net floor area of one family housing unit at Shaw Air Force Base, South Carolina, to not more than 2,600 square feet, and increase the net floor area of one family housing unit at McDill Air Force Base, Florida, and three converted family housing units at Scott Air Force Base, Illinois, to not more than 3,000 square feet.

(2) For purposes of this subsection the term "net floor area" has the same meaning given that term by section 2826(f) of title 10, United States Code.

SEC. 2134. DEFENSE ACCESS ROADS

The Secretary of the Air Force may, using funds appropriated pursuant to section 2135(a)(5), make advances to the Secretary of Transportation for the construction of defense access roads under section 210 of title 23, United States Code, at Havre Air Force Station, Montana, in an amount not to exceed $4,100,000.

SEC. 2135. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1987, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $2,109,703,000 ($2,002,813,000) as follows:

(1) For military construction projects inside the United States authorized by section 2131(a), $912,949,000 ($846,149,000).

(2) For military construction projects outside the United States authorized by section 2131(b), $198,005,000 ($180,715,000).

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $16,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $120,336,000.

(5) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $4,100,000.

(6) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $165,920,000 ($143,120,000); and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), $692,393,000 of which not more than $8,818,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $68,024,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) Limitation on Total Cost of Construction Projects.—Notwithstanding the cost variations authorized by section 2353 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2131 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

SEC. 2136. AUTHORIZATION OF PROJECTS FOR WHICH FUNDS HAVE BEEN APPROPRIATED

(a) In General.—In addition to the military construction projects authorized under title III of the Military Construction Authorization Act, 1987 (Public Law 99-661), the Secretary of the Air Force may acquire real property and may carry out the following military construction projects in the following amounts which have been appropriated for such projects before the date of the enactment of this Act:

Goodfellow Air Force Base, Texas, Unaccompanied Officer Personnel Housing, $10,000,000.

Clark Air Base, Republic of Philippines, as follows:

(1) Aerospace systems branch, $1,050,000.

(2) Alter unaccompanied enlisted personnel housing, $1,850,000.

(3) Alter unaccompanied enlisted personnel housing, $3,150,000.

(4) Child care center, $2,000,000.

(5) COPE THUNDER operations facility, $4,650,000.

(6) Essential maintenance facility, phase II, $4,650,000.

(G) Fire station, $760,000.

(H) Petroleum operations facility, $1,600,000.

(I) Portomod warehouse, $460,000.

Blytheville Air Force Base, Arkansas, Gymnasium, $2,750,000.

(b) Limitation.—Notwithstanding the provisions of section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of the projects authorized by subsection (a) may not exceed the total amount authorized for such projects by such subsection.

SEC. 2137. EXTENSION OF CERTAIN PREVIOUS AUTHORIZATIONS

Notwithstanding the provisions of section 603(a) of the Military Construction Authorization Act, 1986, (Public Law 99-167), authorizations for the following projects authorized in sections 301 and 302 of that Act shall remain in effect until October 1, 1988, or the date of the enactment of a Military Construction Authorization Act for fiscal year 1989, whichever is later:

(1) Cold Storage Facility, in the amount of $3,350,000 at Lowry Air Force Base, Colorado.

(2) Portomod Support in the amount of $300,000 at Kunsan Air Base, Korea.

(3) Portomod Support in the amount of $260,000 at Kwang-Ju Air Base, Korea.

(4) Portomod Support in the amount of $860,000 at Osan Air Base, Korea.

(5) TR-1 Ground Station in the amount of $4,500,000 at Base 30, at a location overseas.

(6) Chemical Warfare Protection—Avionics Shop in the amount of $1,450,000 at Camp New Amsterdam, The Netherlands.

(7) GEODSS—Composite Support Facility in the amount of $2,250,000 and a Spacetrack Observation Facility in the amount of $12,400,000 at GEODDS Site 5 in Portugal.

TITLE IV—DEFENSE AGENCIES

SEC. 2141. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) Inside the United States.—The Secretary of Defense may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

DEFENSE COMMUNICATION AGENCY

Naval Station, Anacostia, District of Columbia, $30,170,000 ($5,000,000).

DEFENSE INTELLIGENCE AGENCY

Bolling Air Force Base, District of Columbia, $805,000.

DEFENSE LOGISTICS AGENCY

Defense Fuel Support Point, Key West, Florida, $9,400,000.

Defense Depot, Memphis, Tennessee, $11,361,000.

Defense General Supply Center, Richmond, Virginia, $22,300,000.

DEFENSE MEDICAL FACILITIES OFFICE

Fort Wainwright, Alaska, $9,100,000.

Kings Bay, Georgia, $6,600,000.

Malmstrom Air Force Base, Montana, $16,500,000.

McGuire Air Force Base, New Jersey, $550,000.

Lackland Air Force Base, Texas, $1,350,000.

Langley Air Force Base, Virginia, $1,500,000.

Naval Station, Whidbey Island, Washington, $16,500,000 ($0).

DEFENSE NUCLEAR AGENCY

Field Command, Kirtland Air Force Base, New Mexico, $1,127,000.

DEPARTMENT OF DEFENSE DEPENDENTS SCHOOL

Hanscom Air Force Base, Massachusetts, $4,432,000.

NATIONAL DEFENSE UNIVERSITY

Fort McNair, District of Columbia, $5,000,000.

NATIONAL SECURITY AGENCY

Fort Meade, Maryland, $8,450,000.

OFFICE OF THE SECRETARY OF DEFENSE

Classified Location, $25,386,000.

Classified Location, $43,148,000.

STRATEGIC DEFENSE INITIATIVE

Fort Monmouth, New Jersey, $3,450,000.

White Sands Missile Range, New Mexico, $3,180,000.

(b) Outside the United States.—The Secretary of Defense may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

DEFENSE COMMUNICATIONS AGENCY

Patch Barracks, Stuttgart, Germany, $1,030,000.

RAF Croughton, United Kingdom, $500,000.

DEFENSE MEDICAL FACILITIES OFFICE

Classified, $6,400,000.

Classified, $7,000,000.

Rheinberg, Germany, $2,250,000.

Iraklion Air Station, Greece, $340,000.

Naval Air Station, Sigonella, Italy, $20,000,000.

San Vito Air Station, Italy, $670,000.

Camp Lester, Japan, $1,400,000.

Misawa Air Base, Japan, $4,700,000.

Woensdrecht, The Netherlands, $360,000.

Subic Bay, Republic of the Philippines, $3,500,000.

Incirlik Air Base, Turkey, $15,260,000.

RAF Fairford, United Kingdom, $7,300,000.

RAF Weathersfield, United Kingdom, $740,000.

RAF Bentwaters, United Kingdom, $1,300,000.

DEFENSE NUCLEAR AGENCY

Johnston Island, $4,100,000.

DEPARTMENT OF DEFENSE DEPENDENT SCHOOLS

Bitberg, Germany, $2,413,000.

Schweinfurt, Germany, $5,320,000.

Sembach, Germany, $2,930,000.
Spangdahlem, Germany, $7,300,000.
Stuttgart, Germany, $3,030,000.
Wuerzburg, Germany, $3,153,000.
San Miguel, Republic of the Philippines, $2,960,000.
Fort Buchanan, Puerto Rico, $1,200,000.
Incirlik Air Base, Turkey, $7,746,000.

NATIONAL SECURITY AGENCY

Classified, $15,000,000.

STRATEGIC DEFENSE INITIATIVE

Pacific Missile Range, Kwajalein, $16,565,000.

SEC. 2142. FAMILY HOUSING

The Secretary of Defense may construct or acquire four family housing units (including land acquisition), using amounts appropriated pursuant to section 2145(a)(10)(A), at classified locations in the total amount of $1,000,000.

SEC. 2143. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

Subject to section 2825 of title 10, United States Code, the Secretary of Defense may improve, using amounts appropriated pursuant to section 2145(a)(10)(A), existing military family housing units in an amount not to exceed $186,000.

SEC. 2144. DEFENSE ACCESS ROADS

The Secretary of Defense may, using funds appropriated pursuant to section 2145(a)(8), make advances to the Secretary of Transportation for the construction of defense access roads under section 210 of title 23, United States Code, at Brooke Army Medical Center, San Antonio, Texas, in an amount not to exceed $8,600,000.

SEC. 2145. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1987, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $577,076,000 ($530,406,000) as follows:

(1) For military construction projects inside the United States authorized by section 2141(a), $220,309,000 ($178,639,000).

(2) For military construction projects outside the United States authorized by section 2141(b), $144,467,000.

(3) For military construction projects at Fort Meade, Maryland, authorized by section 101(a) of the Military Construction Authorization Act, 1986, $15,000,000.

(4) For military construction projects at Fort Lewis, Washington, authorized by section 101(a) of the Military Construction Authorization Act, 1985, $86,000,000.

(5) For unspecified minor construction projects under section 2805 of title 10, United States Code, $9,200,000 ($6,000,000).

(6) For contingency construction projects of the Secretary of Defense under section 2804 of title 10, United States Code, $10,000,000.

(7) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $57,800,000 ($56,000,000).

(8) For advances to the Secretary of Transportation for construction of defense access roads under section 210 of title 23, United States Code, $8,600,000.

(9) For conforming storage facilities constructed under the authority of section 2404 of the Military Construction Authorization Act, 1987 (division B of Public Law 99-661), $5,000,000.

(10) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $1,186,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), $19,514,000, of which not more than $15,188,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) Limitation on Total Cost of Construction Projects.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variations authorized by law, the total cost of all projects carried out under section 2141 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

(c) Project.—Of the amount appropriated pursuant to the authorization in subsection (a)(7), at least $2,000,000 shall be used for the planning and design of a bridge for route 32 over the Gladys Spellman Memorial Parkway providing access to the National Security Agency.

SEC. 2146. AUTHORIZATION OF PROJECT FOR WHICH APPROPRIATIONS HAVE BEEN MADE

In addition to the military construction projects authorized under title IV of the Military Construction Authorization Act, 1987 (Public Law 99-661), the Secretary of Defense may acquire real property and may carry out a military construction project for a medical center clinic annex addition/alteration at Vandenberg Air Force Base, California, in the amount of $1,900,000 which has been appropriated for such project before the date of the enactment of this Act.

SEC. 2147. EXTENSION OF CERTAIN PRIOR YEAR AUTHORIZATIONS

(a) Extension of Authorization of a Fiscal Year 1985 Project.—Notwithstanding the provisions of section 607(a) of the Military Construction Authorization Act, 1985 (Public Law 98-407), authorization for a Conforming Storage Facility in the amount of $1,950,000 at the Defense Property Disposal Office, Pearl Harbor Naval Shipyard, Hawaii, authorized in section 401 of that Act, and extended by section 2406 of the Military Construction Authorization Act, 1987 (Public Law 99-661), shall remain in effect until October 1, 1988, or the date of enactment of the Military Construction Authorization Act for fiscal year 1989, whichever is later.

(b) Extension of Authorization of Certain Fiscal Year 1986 Projects.—(1) Notwithstanding the provisions of section 606(a) of the Military Construction Authorization Act, 1986 (Public Law 99-167), authorizations for the following projects authorized in section 401 of that Act shall remain in effect until October 1, 1988, or the date of enactment of the Military Construction Authorization Act for fiscal year 1989, whichever is later:

(A) Conforming Storage Facility in the amount of $1,390,000 at Defense Property Disposal Office, Anchorage, Alaska.

(B) Facility Rehabilitation in the amount of $1,320,000 at Defense Property Disposal Office, Alameda, California.

(C) Conforming Storage Facility in the amount of $825,000 at Defense Property Disposal Office, Barstow, California.

(D) Conforming Storage Facility in the amount of $625,000 at Defense Property Disposal Office, Groton, Connecticut.

(E) Fire Protection in the amount of $1,040,000 at Defense Fuel Support Point, Newington, New Hampshire.

(F) Steam Distribution System in the amount of $510,000 at Defense Depot, Ogden, Utah.

(G) Covered Storage in the amount of $1,020,000 at F.E. Warren Air Force Base, Cheyenne, Wyoming.

(2) Notwithstanding the provisions of section 606(a) of the Military Construction Authorization Act, 1986 (Public Law 99-167), the authorization for the Elementary and High School in the amount of $7,080,000 at Florennes, Belgium, authorized in section 402 of such Act shall remain in effect until October 1, 1988, or the date of enactment of a Military Construction Authorization Act for fiscal year 1989, whichever is later.

SEC. 2148. BROOKE ARMY MEDICAL CENTER

(a) Increase in Project Amount.—(1) Section 2401(a) of the Military Construction Authorization Act, 1987 (division B of Public Law 99-661; 100 Stat. 4034), is amended by striking out "$135,000,000" in the item relating to Fort Sam Houston, Texas under the heading relating to Defense Medical Facilities Office and inserting in lieu thereof "$241,000,000".

(2) The limitation on the total cost of projects carried out under section 2401 of such Act shall be increased by $106,000,000.

(b) Report.—Not later than March 1, 1988, the Secretary of Defense shall, transmit to the Committees on Armed Services of the Senate and the House of Representatives a report containing—

(1) a cost estimate for the construction of the medical facility at Brooke Army Medical Center, San Antonio, Texas, authorized by section 2401 of the Military Construction Authorization Act, 1987 (division B of Public Law 99-661), with space for 450 beds;

(2) a cost estimate for the construction of such medical facility with space for 200 beds and an estimate of the costs likely to be incurred as a result of the transfer of services from Brooke Army Medical Center to Wilford Hall Air Force Hospital; and

(3) a cost estimate of the expansion of such medical facility from 200 to 450 beds.

SEC. 2149. CONFORMING STORAGE FACILITIES

Subsection (a) of section 2404(a) of the Military Construction Authorization Act, 1987 (division B of Public Law 99-661), is amended to read as follows:

"(a) Authority to Construct.—The Secretary of Defense may, using not more than $10,000,000 appropriated for fiscal year 1987 pursuant to the authorization in section 2405(a) of this Act and not more than $5,000,000 appropriated for fiscal year 1988 pursuant to the authorization in section 2145(a) of the Military Construction Authorization Act, 1988 and 1989, carry out military construction projects not otherwise authorized by law for the construction of conforming storage facilities.".

SEC. 2150. CONSTRUCTION OF A NATIONAL TEST FACILITY FOR THE STRATEGIC DEFENSE INITIATIVE

Of the funds appropriated to the Department of Defense pursuant to section 201 for research, development, test, and evaluation for fiscal year 1988 in connection with the Strategic Defense Initiative program, not more than $70,000,000 may be used for the planning and construction of a National Test Facility for the Strategic Defense Initiative at Falcon Air Force Base, Colorado.

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 2151. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS

The Secretary of Defense may make contributions for the North Atlantic Treaty Orga-

nization Infrastructure Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2152 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2152. AUTHORIZATION OF APPROPRIATIONS, NATO

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1987, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Infrastructure Program as authorized by section 2151, in the amount of $386,000,000.

TITLE VI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2161. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS

There are authorized to be appropriated for fiscal years beginning after September 30, 1987, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $177,289,000; and

(B) for the Army Reserve, $88,100,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserves, $68,737,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $141,091,000; and

(B) for the Air Force Reserve, $74,300,000.

TITLE VII—EXPIRATION OF AUTHORIZATIONS

SEC. 2171. EXPIRATION OF AUTHORIZATIONS

(a) EXPIRATION OF AUTHORIZATIONS AFTER TWO YEARS.—Except as provided in subsection (b), all authorizations contained in titles I through V of this subdivision for military construction projects, land acquisition, family housing projects and facilities, and contributions to the NATO Infrastructure Program (and authorizations of appropriations therefor) shall expire on October 1, 1989, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1990, whichever is later.

(b) EXCEPTION.—The provisions of subsection (a) do not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, and contributions to the NATO Infrastructure Program (and authorizations of appropriations therefor), for which appropriated funds have been obligated before October 1, 1989, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1990, whichever is later, for construction contracts, land acquisition, family housing projects and facilities, or contributions to the NATO Infrastructure Program.

Subdivision 2—Fiscal Year 1989

TITLE I—ARMY

SEC. 2201. AUTHORIZED ARMY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of the Army may acquire real property and may carry out military construction projects at Fort Wainwright, Alaska, in the amount of $28,100,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Army may acquire real property and may carry out military construction projects at Vilseck, Germany, in the amount of $13,000,000.

SEC. 2202. FAMILY HOUSING

(a) IN GENERAL.—The Secretary of the Army may construct or acquire one hundred and twenty-eight family housing units (including land acquisition) at Fort Drum, New York, in the amount of $10,000,000.

(b) PLANNING AND DESIGN.—The Secretary of the Army may carry out architectural and engineering services and construction design activities, using amounts appropriated pursuant to section 2204(a)(5)(A), with respect to the construction or improvement of military family housing units not to exceed $20,000,000.

SEC. 2203. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) IN GENERAL.—Subject to section 2825 of title 10, United States Code, the Secretary of the Army may improve, using amounts appropriated pursuant to section 2204(a)(5)(A), existing military family housing units in an amount not to exceed $145,968,000 of which $1,916,000 is available only for energy conservation projects.

(b) WAIVER OF MAXIMUM PER UNIT COST FOR CERTAIN IMPROVEMENT PROJECTS.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Army may carry out projects to improve existing military family housing units at the following installations in the number of units shown, and in the amount shown, for each installation:

Pearl Harbor, Hawaii, eight units, $550,000.

Giessen, Germany, seventy-two units, $3,314,000.

Various Locations, Germany, convert unused attic space and upgrade two hundred forty-two units into six hundred twenty-one adequate units, $44,026,000.

SEC. 2204. AUTHORIZATION OF APPROPRIATIONS, ARMY

(a) IN GENERAL.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1988, for military construction, land acquisition, and military family housing functions of the Department of the Army in the total amount of $1,733,069,000 as follows:

(1) For military construction projects inside the United States authorized by section 2201(a), $28,100,000.

(2) For military construction projects outside the United States authorized by section 2201(b), $13,000,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $16,200,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $126,710,000.

(5) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $175,968,000;

(B) for support of military family housing (including the functions described in section 2833 of title 10, United States Code), $1,371,091,000, of which not more than $46,498,000 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $163,842,000 may be obligated or expended for the leasing of military family housing units in foreign countries; and

(C) for the Homeowners Assistance Program as authorized by section 2832 of title 10, United States Code, $2,000,000.

(b) LIMITATION ON TOTAL COST OF CONSTRUCTION PROJECTS.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2201 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE II—NAVY

SEC. 2221. AUTHORIZED NAVY CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) INSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

CHIEF OF NAVAL OPERATIONS

Commandant, Naval District Washington, District of Columbia, $21,000,000.

Naval Air Detachment, Tinker Air Force Base, Oklahoma, $38,080,000.

COMMANDER IN CHIEF, ATLANTIC FLEET

Naval Station, Galveston, Texas, $10,390,000.

Naval Station, Ingleside, Texas, $31,850,000.

Naval Station, Lake Charles, Louisiana, $5,000,000.

Naval Station, Mobile, Alabama, $19,700,000.

Naval Station, New York, New York, $10,480,000.

Naval Station, Pascagoula, Mississippi, $25,700,000.

Naval Air Station, Pensacola, Florida, $14,320,000.

COMMANDER IN CHIEF, PACIFIC FLEET

Naval Air Station, Adak, Alaska, $20,000,000.

Naval Station, Everett, Washington, $52,950,000.

Naval Station, Long Beach, California, $5,460,000.

NAVAL SEA SYSTEMS COMMAND

Philadelphia Naval Shipyard, Philadelphia, Pennsylvania, $8,200,000.

Naval Weapons Station, Earle, New Jersey, $18,600,000.

STRATEGIC SYSTEMS PROJECT OFFICE

Naval Submarine Base, Kings Bay, Georgia, $57,730,000.

(b) OUTSIDE THE UNITED STATES.—The Secretary of the Navy may acquire real property and may carry out military construction projects at the Naval Station, Guam, in an amount not to exceed $2,820,000.

SEC. 2222. FAMILY HOUSING

(a) CONSTRUCTION AND ACQUISITION.—The Secretary of the Navy may construct or acquire 300 family housing units (including land acquisition), using amounts appropriated pursuant to section 2224(a)(5)(A), at the Public Works Center, San Diego, California.

(b) PLANNING AND DESIGN.—The Secretary of the Navy may carry out architectural and engineering services and construction design activities, using amounts appropriated pursuant to section 2224(a)(5)(A), with respect to the construction or improvement of military family housing units not to exceed $6,315,000.

SEC. 2223. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) In General.—Subject to section 2825 of title 10, United States Code, the Secretary of the Navy may improve, using amounts appropriated pursuant to section 2224(a)(5)(A), existing military family housing units in the amount of $59,689,000.

(b) Waiver of Maximum Per Unit Cost for Certain Improvement Projects.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Navy may carry out projects to improve existing military family housing units at the following installations in the number of units shown and in the amount shown, for each installation:

Navy Public Works Center, San Diego, California, six units, $284,400.

Navy Public Works Center, Great Lakes, Illinois, three hundred fifty-six units, $14,207,800.

Navy Public Works Center, Great Lakes, Illinois, one hundred two units, $4,725,500.

Naval Air Station, Brunswick, Maine, two hundred twenty-four units, $8,130,500.

Naval Security Group Activity, Winter Harbor, Maine, thirty-two units, $2,251,700.

Naval Security Group Activity, Winter Harbor, Maine, thirty units, $2,920,600.

Naval Security Group Activity, Winter Harbor, Maine, twenty units, $920,000.

Naval Air Station, Fallon, Nevada, one hundred six units, $8,129,300.

Naval Air Engineering Center, Lakehurst, New Jersey, four units, $190,000.

Marine Corps Air Station, Cherry Point, North Carolina, two units, $94,300.

Marine Corps Air Station, Cherry Point, North Carolina, two hundred eighty-two units, $11,957,200.

Naval Ships Part Control Center, Mechanicsburg, Pennsylvania, seventy-five units, $3,398,400.

Naval Air Station, Whidbey Island, Seattle, Washington, eleven units, $632,600.

Navy Public Works Center, Guam, two hundred twelve units, $18,473,800.

SEC. 2224. AUTHORIZATION OF APPROPRIATIONS, NAVY

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1988, for military construction, land acquisition, and military family housing functions of the Department of the Navy in the total amount of $1,144,984,000 as follows:

(1) For military construction projects inside the United States authorized by section 2221(a), $339,460,000.

(2) For military construction projects outside the United States authorized by section 2221(b), $2,820,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $16,300,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $147,333,000.

(5) For military housing functions—

(A) for construction and acquisition of military family housing and facilities, $91,004,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), $548,067,000 of which not more than $18,434,000 may be obligated or expended for the leasing of military family housing in the United States, the Commonwealth of Puerto Rico, and Guam; and not more than $23,982,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) Limitation on Total Cost of Construction Projects.—Notwithstanding the cost variations authorized by section 2853 of title 10, United States Code, and any other cost variation authorized by law, the total cost of all projects carried out under section 2221 of this Act may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE III—AIR FORCE

SEC. 2231. AUTHORIZED AIR FORCE CONSTRUCTION AND LAND ACQUISITION PROJECTS

(a) Inside the United States.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations inside the United States:

AIR FORCE LOGISTICS COMMAND

Hill Air Force Base, Utah, $6,500,000.

ALASKAN AIR COMMAND

Elmendorf Air Force Base, Alaska, $18,000,000.

STRATEGIC AIR COMMAND

Base 61, $10,450,000.

Dyess Air Force Base, Texas, $1,410,000.

Ellsworth Air Force Base, South Dakota, $1,300,000.

Fairchild Air Force Base, Washington, $4,700,000.

Grand Forks Air Force Base, North Dakota, $3,400,000.

Malstrom Air Force Base, Montana, $8,550,000.

McConnell Air Force Base, Kansas, $3,050,000.

Whiteman Air Force Base, Missouri, $106,000,000.

(b) Outside the United States.—The Secretary of the Air Force may acquire real property and may carry out military construction projects in the amounts shown for each of the following installations and locations outside the United States:

PACIFIC AIR FORCES

Clark Air Base, Philippines, $2,450,000.

Kunsan Air Base, Korea, $3,000,000.

TACTICAL AIR COMMAND

Masirah, Oman, $2,850,000.

Seeb, Oman, $7,300,000.

SEC. 2232. FAMILY HOUSING

The Secretary of the Air Force may carry out architectural and engineering services and construction design activities, using amounts appropriated pursuant to section 2234(a)(5)(A), with respect to the construction or improvement of military family housing units not to exceed $7,000,000.

SEC. 2233. IMPROVEMENTS TO MILITARY FAMILY HOUSING UNITS

(a) In General.—Subject to section 2825 of title 10, United States Code, the Secretary of the Air Force may improve, using amounts appropriated pursuant to section 2234(a)(5)(A), existing military family housing units in an amount not to exceed $165,280,000.

(b) Waiver of Maximum Per Unit Cost for Certain Improvement Projects.—Notwithstanding the maximum amount per unit for an improvement project under section 2825(b) of title 10, United States Code, the Secretary of the Air Force may carry out projects to improve existing military family housing units at the following installations, in the number of units shown, and in the amount shown, for each installation:

Gunter Air Force Station, Alabama, twenty-three units, $1,111,000.

Maxwell Air Force Base, Alabama, fifty units, $2,475,000.

Elmendorf Air Force Base, Alaska, forty-eight units, $3,624,000.

Davis-Monthan Air Force Base, Arizona, one unit, $60,000.

MacDill Air Force Base, Florida, four units, $279,000.

Barksdale Air Force Base, Louisiana, two units, $170,000; one hundred and seventy-four units, $8,435,000.

Andrews Air Force Base, Maryland, five units, $338,000.

Pease Air Force Base, New Hampshire, one unit, $56,000.

Kirtland Air Force Base, New Mexico, four units, $215,000.

Shaw Air Force Base, South Carolina, one hundred and twenty-five units, $4,710,000.

Dyess Air Force Base, Texas, one unit, $64,000.

Ramstein Air Base, Germany, two hundred and forty units, $11,829,000.

Andersen Air Force Base, Guam, one unit, $167,000.

Misawa Air Base, Japan, one hundred and eighty units, $7,125,000.

Yokota Air Base, Japan, ninety-seven units, $5,200,000.

Clark Air Base, Philippines, eighty-two units, $1,739,000.

SEC. 2234. AUTHORIZATION OF APPROPRIATIONS, AIR FORCE

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1988, for military construction, land acquisition, and military family housing functions of the Department of the Air Force in the total amount of $1,231,213,000 as follows:

(1) For military construction projects inside the United States authorized by section 2231(a), $163,360,000.

(2) For military construction projects outside the United States authorized by section 2231(b), $15,600,000.

(3) For unspecified minor construction projects under section 2805 of title 10, United States Code, $16,500,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $135,733,000.

(5) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $172,280,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), $727,740,000 of which not more than $21,795,100 may be obligated or expended for the leasing of military family housing units in the United States, the Commonwealth of Puerto Rico, and Guam, and not more than $85,747,900 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) Limitation on Total Cost of Construction Projects.—Notwithstanding the cost variations authorized by section 2858 of title 10, United States Code, or any other cost variations authorized by law, the total cost of all projects carried out under section 2231 may not exceed the total amount authorized to be appropriated under paragraphs (1) and (2) of subsection (a).

TITLE IV—DEFENSE AGENCIES

SEC. 2241. AUTHORIZED DEFENSE AGENCIES CONSTRUCTION AND LAND ACQUISITION PROJECTS

The Secretary of Defense may acquire real property and may carry out military construction projects at Kirtland Air Force

Base, New Mexico, in the amount of $2,550,000.

SEC. 2242. IMPROVEMENTS TO MILITARY HOUSING UNITS

Subject to section 2825 of title 10, United States Code, the Secretary of Defense may improve, using amounts appropriated pursuant to section 2243(a)(5)(A), existing military family housing units in an amount not to exceed $112,000.

SEC. 2243. AUTHORIZATION OF APPROPRIATIONS, DEFENSE AGENCIES

(a) In General.—Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1988, for military construction, land acquisition, and military family housing functions of the Department of Defense (other than the military departments), in the total amount of $169,250,000 as follows:

(1) For military construction projects inside the United States authorized by section 2241, $2,550,000.

(2) For military construction projects at Fort Sam Houston, Texas, authorized by section 2403(a) of the Military Construction Authorization Act, 1987, $23,000,000.

(3) For military construction projects at Fort Lewis, Washington, authorized by section 101(a) of the Military Construction Authorization Act, 1985, $59,000,000.

(4) For architectural and engineering services and construction design under section 2807 of title 10, United States Code, $65,100,000.

(5) For military family housing functions—

(A) for construction and acquisition of military family housing and facilities, $112,000; and

(B) for support of military housing (including functions described in section 2833 of title 10, United States Code), $19,488,000, of which not more than $14,027,000 may be obligated or expended for the leasing of military family housing units in foreign countries.

(b) Limitation on Total Cost of Construction Projects.—Notwithstanding the cost variations authorized by section 2858 of title 10, United States Code, or any other cost variations authorized by law, the total cost of all projects carried out under section 2241 may not exceed the total amount authorized to be appropriated under paragraph (1) of subsection (a).

TITLE V—NORTH ATLANTIC TREATY ORGANIZATION INFRASTRUCTURE

SEC. 2251. AUTHORIZED NATO CONSTRUCTION AND LAND ACQUISITION PROJECTS

The Secretary of Defense may make contributions for the North Atlantic Treaty Organization Infrastructure Program as provided in section 2806 of title 10, United States Code, in an amount not to exceed the sum of the amount authorized to be appropriated for this purpose in section 2252 and the amount collected from the North Atlantic Treaty Organization as a result of construction previously financed by the United States.

SEC. 2252. AUTHORIZATION OF APPROPRIATIONS, NATO

Funds are hereby authorized to be appropriated for fiscal years beginning after September 30, 1988, for contributions by the Secretary of Defense under section 2806 of title 10, United States Code, for the share of the United States of the cost of projects for the North Atlantic Treaty Organization Infrastructure Program as authorized by section 2251, in the amount of $402,100,000.

TITLE VI—GUARD AND RESERVE FORCES FACILITIES

SEC. 2261. AUTHORIZED GUARD AND RESERVE CONSTRUCTION AND LAND ACQUISITION PROJECTS

There are authorized to be appropriated for fiscal years beginning after September 30, 1988, for the costs of acquisition, architectural and engineering services, and construction of facilities for the Guard and Reserve Forces, and for contributions therefor, under chapter 133 of title 10, United States Code (including the cost of acquisition of land for those facilities), the following amounts:

(1) For the Department of the Army—

(A) for the Army National Guard of the United States, $168,672,000; and

(B) for the Army Reserve, $100,000,000.

(2) For the Department of the Navy, for the Naval and Marine Corps Reserves, $52,923,000.

(3) For the Department of the Air Force—

(A) for the Air National Guard of the United States, $134,550,000; and

(B) for the Air Force Reserve, $55,900,000.

TITLE VII—EXPIRATION OF AUTHORIZATIONS AND EFFECTIVE DATE

SEC. 2271. EXPIRATION OF AUTHORIZATIONS OF PROJECTS AND APPROPRIATIONS FOR FISCAL YEARS AFTER FISCAL YEAR 1988

(a) In General.—Authorizations of military construction projects, land acquisition, family housing projects and facilities, contributions to the NATO infrastructure program, and Guard and Reserve projects in titles I, II, III, IV, V, and VI of this subdivision (and authorizations of appropriations therefor) shall be effective only to the extent that appropriations are made for such projects, acquisition, facilities, and contributions during the first session of the One Hundredth Congress.

(b) Expiration of Authorizations After Two Years in Certain Cases.—(1) Except as provided in subsection (a) and paragraph (2), authorizations contained in titles I, II, III, IV, and V of this subdivision for military construction projects, land acquisition, family housing projects and facilities, contributions to the NATO Infrastructure program, and Guard and Reserve projects shall remain in effect (to the extent that appropriations are made for such projects, acquisitions, facilities, and contributions during the first session of the One Hundredth Congress) until October 1, 1990, or the date of the enactment of a Military Construction Authorization Act for fiscal year 1991, whichever is later.

(2) The provisions of paragraph (1) do not apply to authorizations for military construction projects, land acquisition, family housing projects and facilities, contributions to the NATO Infrastructure Program, and Guard and Reserve projects for which appropriated funds have been obligated before October 1, 1990, or the date of the enactment of the Military Construction Authorization Act for fiscal year 1991, whichever is later.

SEC. 2272. EFFECTIVE DATE

This subdivision shall take effect on October 1, 1988, except that the authorizations of appropriations contained therein shall take effect on the date of the enactment of this Act.

Subdivision 3—General Provisions

TITLE I—MILITARY CONSTRUCTION PROGRAM CHANGES

SEC. 2301. TURN-KEY SELECTION PROCEDURES FOR DEFENSE AGENCIES

Section 2862 of title 10, United States Code, is amended—

(1) in subsection (a)(1)—

(A) by striking out "The Secretaries of the military departments, with the approval of the Secretary of Defense," and inserting in lieu thereof "The Secretary concerned", and

(B) by adding at the end the following new sentence: "Such procedures may be used by the Secretary of a military department only with the approval of the Secretary of Defense."; and

(2) in subsection (b), by inserting after "The" the following: "Secretary of Defense, with respect to any Defense Agency, or the".

SEC. 2302. LONG-TERM FACILITIES CONTRACTS

(a) New Coverage.—Section 2809(a)(1)(B) of title 10, United States Code, is amended—

(1) by redesignating clause (vi) as clause (vii); and

(2) by adding after clause (v) the following new clause:

"(vi) Hospital or medical facilities.".

(b) Extension.—Section 2809(c) of such title is amended by striking out "1987" and inserting in lieu thereof "1989".

(c) Report.—Each Secretary who has entered into a contract under section 2809 of title 10, United States Code, shall submit a report to the Committees on Armed Services of the Senate and the House of Representatives by February 15, 1989, containing—

(1) the date and duration of, the other party to, and the nature of the activities carried out under each contract entered into by the Secretary under such section; and

(2) recommendations, and the reasons therefor, concerning whether the authority to enter into contracts under such section should be extended.

SEC. 2303. SETTLEMENT OF CONTRACTOR CLAIMS

(a) In General.—Chapter 169 of title 10, United States Code, is amended by adding at the end of subchapter III the following new section:

"§ 2863. Payment of contractor claims

"Notwithstanding any other provision of law, the Secretary concerned may pay meritorious contractor claims that arise under military construction contracts or family housing contracts. The Secretary of Defense, with respect to a Defense Agency, or the Secretary of a military department may use for such purpose any unobligated funds appropriated to such department and available for military construction or family housing construction, as the case may be.".

(b) Clerical Amendment.—The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

"2863. Payment of contractor claims.".

SEC. 2304. GUARD AND RESERVE MINOR CONSTRUCTION

(a) In General.—Section 2233a(b) of title 10, United States Code, is amended by striking out "$100,000" and inserting in lieu thereof "$200,000".

(b) Effective Date.—The amendment made by subsection (a) shall apply to projects authorized under section 2233(a) of title 10, United States Code, for which contracts are entered into on or after the date of the enactment of this Act.

SEC. 2305. FAMILY HOUSING IMPROVEMENT THRESHOLD

Section 2825(b)(1) of title 10, United States Code, is amended by striking out "$30,000" and inserting in lieu thereof "$40,000".

SEC. 2306. FAMILY HOUSING LEASING WITHIN THE UNITED STATES

(a) In General.—Section 2828(g) of title 10, United States Code, is amended—

(1) in paragraph (1)—

(A) by inserting after "military department" the following: ", or the Secretary of Transportation with respect to the Coast Guard,"; and

(B) by inserting "or rehabilitated to residential use" after "constructed";

(2) in paragraph (7), by inserting after "military department" the following: ", or the Secretary of Transportation with respect to the Coast Guard,"; and

(3) by adding at the end of paragraph (8) the following new subparagraph:

"(C) In addition to the contracts authorized by paragraph (7) and subparagraphs (A) and (B) of this paragraph—

"(i) the Secretary of the Army may enter into one or more contracts under this subsection for not more than a total of 3,500 family housing units;

"(ii) the Secretary of the Navy may enter into one or more contracts under this subsection for not more than a total of 2,000 family housing units;

"(iii) the Secretary of the Air Force may enter into one or more contracts under this subsection for not more than a total of 2,100 family housing units; and

"(iv) the Secretary of Transportation, for the Coast Guard, may enter into one or more contracts under this subsection for not more than a total of 300 family housing units."; and

(4) in paragraph (9), by striking out "September 30, 1988." and inserting in lieu thereof "September 30, 1989.".

(b) Conforming Amendment.—Section 2801(d) of such title, as amended by section 632(b)(i) of this Act, is amended by striking out "section" after "other than" and inserting in lieu thereof "sections 2828(g) and".

SEC. 2307. FAMILY HOUSING RENTAL GUARANTEE PROGRAM

Section 802 of the Military Construction Authorization Act, 1984 (10 U.S.C. 2821 note), is amended—

(1) in subsection (a)—

(A) by inserting after "military department," the following: "or the Secretary of Transportation with respect to the Coast Guard,"; and

(B) by inserting after "constructed" the following: "or rehabilitated to residential use";

(2) in subsection (b)(3), by striking out "not";

(3) in subsection (b)(6), by inserting before the semicolon "unless the project is located on government owned land, in which case the renewal period may not exceed the original contract term"; and

(4) in subsection (b)(11), by inserting after "military department concerned," the following: "or the Secretary of Transportation with respect to the Coast Guard,".

SEC. 2308. NO-COST ACQUISITION OF FAMILY HOUSING

Section 2822(b) of title 10, United States Code, is amended by adding at the end the following new paragraph:

"(4) Housing units acquired without consideration, if—

"(A) the Secretary concerned provides to the appropriate committees of Congress written notification of the facts concerning the proposed acquisition; and

"(B) a period of 21 days elapses after the notification is received by those committees.".

SEC. 2309. COST THRESHOLD FOR INDIVIDUAL UNITS AND MAXIMUM NUMBER OF UNITS LEASED IN FOREIGN COUNTRIES

(a) In General.—Section 2828(e) of title 10, United States Code, is amended—

(1) in paragraph (1), by striking out "$16,800" and inserting in lieu thereof "$20,000 per unit per annum"; and

(2) in paragraph (2), by striking out "32,000" and inserting in lieu thereof "36,000".

(b) Technical Amendments.—Section 2828(b) of such title is amended—

(1) by inserting "per unit per annum" in paragraph (2) before the period; and

(2) by striking out "$10,000" and "$12,000" in paragraph (3)(A) and inserting in lieu thereof "$10,000 per unit per annum" and "$12,000 per unit per annum", respectively.

SEC. 2310. MINOR CONSTRUCTION OUTSIDE THE UNITED STATES

(a) In General.—Section 2805(c) of title 10, United States Code, is amended—

(1) by striking out "The" and inserting in lieu thereof "(1) Except as provided in paragraph (2), the"; and

(2) by adding at the end the following new paragraph:

"(2) The authority provided in paragraph (1) may not be used with respect to any exercise-related unspecified military construction project coordinated or directed by the Joint Chiefs of Staff outside the United States.".

(b) Additional Limitation.—Section 2805(a) of such title is amended—

(1) by striking out "Within" and inserting in lieu thereof "(1) Except as provided in paragraph (2), within"; and

(2) by adding at the end the following new paragraph:

"(2) A Secretary may not use more than $5,000,000 for exercise-related unspecified minor military construction projects coordinated or directed by the Joint Chiefs of Staff outside the United States during any fiscal year.".

SEC. 2311. COST THRESHOLD FOR MULTIPLE UNITS

Section 2828(f) of title 10, United States Code, is amended by striking out "$250,000" and inserting in lieu thereof "$500,000".

SEC. 2312. COST VARIATIONS

Paragraph (1) of section 2853(a) of title 10, United States Code, is amended by striking out "Except as" and all that follows through "appropriated for the project" and inserting in lieu thereof the following: "Except as provided in paragraph (2), the total cost authorized for military construction projects at an installation (including each project the cost of which is included in such total authorized cost and is less than the minor project ceiling) may be increased by not more than 25 percent of the total amount appropriated for such projects".

SEC. 2313. FAMILY HOUSING IMPROVEMENTS

Section 2853(c) of title 10, United States Code, is amended by striking out "construction" and inserting in lieu thereof "construction, improvement,".

TITLE II—MISCELLANEOUS PROVISIONS

SEC. 2321. PILOT PROGRAM FOR MILITARY FAMILY HOUSING

(a) In General.—(1) The Secretary of Defense shall, using $1,000,000 of the funds appropriated pursuant to the authorization in subsection (a)(10)(B) of section 2145, establish and carry out, during fiscal years 1988, 1989, and 1990, a pilot program for the purpose of assisting units of general local government to increase the amount of affordable family housing available to military personnel.

(2) In establishing and carrying out such program, the Secretary shall select at least five units of general local government which are severely impacted by the presence of military bases and personnel and which meet the criteria in subsection (b).

(b) Selection Criteria.—The Secretary shall select such local governments on the basis of the following criteria:

(1) The extent, or the potential extent, of a joint civilian-military effort to increase, or prevent the decrease of, affordable housing units in the community served by the local government.

(2) The extent of willingness, or potential extent of willingness, of private corporations to contribute or loan money for the purpose of assisting in the effort described in paragraph (1).

(3) A commitment by the local government to assure that a reasonable proportion, taking into consideration the extent of Federal funding, of the housing units provided as a result of the effort described in paragraph (1) will be made available to military personnel.

(c) Types of Assistance.—In carrying out this section, the Secretary may make grants, enter into cooperative agreements, and supplement funds made available under Federal programs administered by agencies other than the Department of Defense in order to assist units of general local government and housing and redevelopment authorities and nonprofit housing corporations authorized by such local governments.

(d) Use of Funding.—To expand the supply or prevent the loss of affordable family housing, funds made available under this section may be used for—

(1) funding a revolving housing loan fund established and administered by a government, authority, or corporation described in subsection (c);

(2) funding a housing loan guarantee fund established and administered by such a government, authority, or corporation to ensure repayment of housing loans made by a private lender;

(3) funding feasibility studies of potential housing programs;

(4) funding one-time start-up costs of housing programs;

(5) funding joint community-military technical advisory organizations; and

(6) other similar and related activities.

(e) Report.—The Secretary of Defense shall submit a report to the Committee on Armed Services of the Senate and the House of Representatives no later than March 15 of 1988, 1989, 1990, and 1991 with respect to activities carried out under this section.

SEC. 2322. RESTRICTIONS ON USE OF CERTAIN FUNDING

(a) Nellis Air Force Base, Nevada.—None of the funds available for use by the Department of Defense in fiscal year 1988 may be used, directly or indirectly, to deactivate, convert, transfer, or otherwise diminish any part of the 474th Tactical Fighter Wing stationed at Nellis Air Force Base, Nevada.

(b) Fort Monmouth, New Jersey.—None of the funds available for use by the Department of Defense in fiscal year 1988 may be used, directly or indirectly, to relocate the headquarters element and the elements of the several directorates of the Joint Tactical

Command, Control, and Communications Agency at Fort Monmouth, New Jersey.

(c) Strategic Homeporting.—(1) Funds appropriated pursuant to the authorizations in section 2208 of the Military Construction Authorization Act, 1987 (division B of Public Law 99-661), and in section 2125 of this Act for Naval Station Everett, Washington, may not be obligated or expended for such purpose until—

(A) all Federal, State, and local permits required for the dredging activities to be carried out with respect to homeporting at Everett, Washington, have been issued, including all permits required pursuant to, or otherwise in connection with, the Federal Water Pollution Control Act; and

(B) the State of Washington has appropriated in fiscal year 1987 its share of funds for fiscal years 1988 and 1989 for all projects agreed with by the Department of the Navy for homeporting at Everett, Washington.

(2) The provisions of this subsection shall apply to any activity carried out after November 14, 1986.

(d) Port Chicago Highway.—None of the funds available for use by the Department of Defense in fiscal year 1988 may be used by the Department of Defense, directly or indirectly, before January 1, 1988, to take, or condemn, or close, any portion of the Port Chicago Highway which lies within the Concord Naval Weapons Station in Concord, California.

(e) Air Defense Radar Stations.—None of the funds available for use by the Department of Defense in fiscal year 1988 (other than funds made available by the Office of Economic Adjustment) may be used, directly or indirectly, to deactivate, convert, transfer, or otherwise diminish the air defense radar stations located at Calumet Air Force Station, Michigan, or Port Austin Air Force Station, Michigan.

SEC. 2323. PROHIBITION OF FUNDING FOR CERTAIN MILITARY CONSTRUCTION CONTRACTS ON GUAM

(a) In General.—Except as provided in subsection (b), funds appropriated pursuant to any authorization made by this division may not be expended with respect to any contract for a military construction project on Guam if any work is carried out on such project by any person who is a nonimmigrant described in section 101(a)(15)(H)(ii) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(H)(ii)).

(b) Exception.—In any case in which there is no acceptable bid made in response to a solicitation by the Secretary of a military department for bids on a contract for a military construction project on Guam and the Secretary concerned makes a determination that the prohibition contained in subsection (a) is a significant deterrent to obtaining bids on such contract, the Secretary concerned may make another solicitation for bids on such contract and the prohibition contained in subsection (a) shall not apply to such contract after the end of the 21-day period beginning on the date on which the Secretary concerned transmits a report concerning such contract to the Committees on Armed Services of the Senate and the House of Representatives.

(c) Effective Date.—This section shall apply only to contracts entered into, amended, or otherwise modified on or after the date of the enactment of this Act.

SEC. 2324. COMMUNITY PLANNING ASSISTANCE

The Secretary of Defense may use the following amounts to provide planning assistance to local communities located near the following homeports proposed under the Naval Strategic Dispersal Program if the Secretary determines that the financial resources available to the community (by grant or otherwise) are inadequate:

(1) not more than $250,000 from funds appropriated to the Department of Defense for fiscal year 1988 for local communities located near the homeport at Everett, Washington; and

(2) not more than $300,000 from funds appropriated to the Department of Defense for fiscal year 1988 and not more than $300,000 from funds appropriated to the Department of Defense for fiscal year 1989 pursuant to authorizations contained in this division for local communities located near Gulf Coast homeports.

SEC. 2325. DISPOSITION OF REAL PROPERTY AT AIR FORCE MISSILE SITES

(a) In General.—Chapter 949 of title 10, United States Code, is amended by adding at the end the following:

"§ 9781. Disposition of real property at missile sites

"(a)(1) The Secretary of the Air Force shall dispose of the interest of the United States in any tract of real property described in paragraph (2) or in any easement held in connection with any such tract of real property only as provided in this section.

"(2) The real property referred to in paragraph (1) is any tract of land (including improvements thereon) owned by the Air Force that—

"(A) is not required for the needs of the Air Force and the discharge of the responsibilities of the Air Force, as determined by the Secretary of the Air Force;

"(B) does not exceed 25 acres;

"(C) was used by the Air Force as a site for one or more missile launch facilities, missile launch control buildings, or other facilities to support missile launch operations; and

"(D) is surrounded by lands that are adjacent to such tract and that are owned in fee simple by one owner or by more than one owner jointly, in common, or by the entirety.

"(b) The Secretary shall convey, for fair market value, the interest of the United States in any tract of land referred to in subsection (a) or in any easement in connection with any such tract of land to any person or persons who, with respect to such tract of land, own lands referred to in paragraph (2)(D) of such subsection and are ready, willing, and able to purchase such interest for the fair market value of such interest. Whenever such interest of the United States is available for purchase under this section, the Secretary shall transmit a notice of the availability of such interest to each such person.

"(c) The Secretary shall determine the fair market value of the interest of the United States to be conveyed under this section.

"(d) The requirement to determine whether any tract of land described in subsection (a)(2) is excess property or surplus property under title II of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 481 et seq.) before disposing of such tract shall not be applicable to the disposition of such tract under this section.

"(e) The disposition of a tract of land under this section to any person shall be subject to (1) any easement retained by the Secretary with respect to such tract, and (2) such additional terms and conditions as the Secretary considers necessary or appropriate to protect the interests of the United States.

"(f) The exact acreage and legal description of any tract of land to be conveyed under this section shall be determined in any manner that is satisfactory to the Secretary. The cost of any survey conducted for the purpose of this subsection in the case of any tract of land shall be borne by the person or persons to whom the conveyance of such tract of land is made.

"(g) If any real property interest of the United States described in subsection (a) is not purchased under the procedures provided in subsections (a) through (f), such tract may be disposed of only in accordance with the Federal Property and Administrative Services Act of 1949.".

(b) Clerical Amendment.—The table of sections at the beginning of chapter 949 of such title is amended by adding at the end the following:

"9781. Disposition of real property at missile sites.".

SEC. 2326. TULALIP TRIBES, WASHINGTON

(a) In General.—(1) The Secretary of the Navy may pay, as provided in this section, to the Tulalip Indian Tribes of the State of Washington the sum of $3,400,000. Any payment made under this section shall be made out of funds appropriated to or for the use of the Navy pursuant to section 2125(a)(1).

(2) Payment under this section shall be made in accordance with the Memorandum of Agreement dated July 22, 1987, between the United States and the Tulalip Tribes of Washington, and shall be in full settlement of the claims of such tribes for loss of access to and displacement from usual and accustomed fishing grounds and stations resulting from the construction and operation of Navy homeport facilities at Everett, Washington, and to support tribal resource enhancement efforts.

(b) Condition of Settlement.—(1) Payment in final settlement of the tribal claims may not be made until the Secretary of the Navy has obtained from the Tulalip Tribes a release under which the tribes waive all claims against the United States—

(A) for displacement from the homeport site during any period the site is owned by the United States; and

(B) for additional displacement resulting from homeport construction-related activities at Port Gardner, Washington, as provided in the Memorandum of Agreement referred to in subsection (a)(2).

(2) The release referred to in paragraph (1) shall also waive any claims the Tulalip Tribes may have against the United States or any successor in interest for loss of access resulting from the construction of permanent structures in connection with homeport facilities at Everett, Washington.

(c) Protection of Reserved Rights.—Nothing in this section shall be construed to diminish any rights reserved to the Tulalip Tribes in the Memorandum of Understanding referred to in subsection (a)(2) with respect to claims that may arise from Navy-induced damages to fish habitat and other resources.

TITLE III—REAL PROPERTY TRANSACTIONS

SEC. 2331. LEASE OF PROPERTY, SAN FRANCISCO, CALIFORNIA

(a) In General.—Subject to subsections (b) through (d), the Secretary of the Army shall lease, without consideration, the former Public Health Service facility located on the Presidio of San Francisco, California, to the City and County of San Francisco for use as a facility for the care and treatment of persons with acquired immune deficiency syndrome (AIDS) or acquired immune deficiency syndrome related complex (ARC).

(b) Terms of Lease.—In entering into the lease under this section, the Secretary—

(1) shall provide for a term of ten years beginning no later than January 1, 1989;

(2) shall provide that, in the event that the facility described in subsection (a) ceases to be used by the City and County of San Francisco for the purpose described in such subsection, the Secretary shall have the right of immediate reentry and the lease shall be automatically terminated; and

(3) may require other terms and conditions necessary to protect the interests of the United States.

(c) Authorization.—The Secretary may use not more than $1,900,000 of funds available to the Department of the Army for operation and maintenance during fiscal year 1988 for the purpose of leasing space and otherwise relocating personnel and equipment related to the activities being carried out at the facility on the date of the enactment of this Act.

(d) Reports.—(1) The Secretary shall transmit, by March 1, 1988, to the Committees on Armed Services of the Senate and House of Representatives a report containing—

(A) an analysis of the reasonable options available for the relocation of activities necessary as a result of the lease of the facility under this section, including the impact of each such option on the operations and resources of the Department of the Army; and

(B) a detailed description of the preferred relocation plan, including a resource profile for all associated expenses and, in the case of any construction project associated with such relocation plan, a description of each such project and the anticipated timing of the obligation of funds for each such project.

(2)(A) The City and County of San Francisco is requested to transmit, before March 1, 1988, a report to the committees described in paragraph (1) containing—

(i) projections of the anticipated number of patients with AIDS or ARC who will need nursing care in the City and County of San Francisco over the period of the lease entered into under this section;

(ii) different approaches to meeting this need for nursing care;

(iii) the rationale for using the facility described in subsection (a) to meet this need; and

(iv) its financial plan for renovating and operating such facility.

(B) The Secretary may not enter into a lease under this section before the report described in subparagraph (A) has been received by the committees described in paragraph (1).

SEC. 2332. SALE OF LAND AND REPLACEMENT OF CERTAIN FACILITIES, KAPALAMA MILITARY RESERVATION, HAWAII

(a) In General.—Subject to subsections (b) through (g), the Secretary of the Army may convey approximately 43.72 acres of real property, together with improvements thereon, at Kapalama Military Reservation, Hawaii, and may replace and relocate facilities located on such property.

(b) Consideration.—In consideration for the real property described in subsection (a), the purchasers of such property shall pay the United States—

(1) in a manner determined by the Secretary, for the cost of the design and construction of suitable replacement facilities to be constructed at Fort Shafter, Fort Kamehameha, Tripler Army Medical Center, and Schofield Barracks, Hawaii;

(2) for any cost incurred by the Department of the Army under this section with respect to the relocation of facilities; and

(3) the amount of any difference referred to in subsection (d).

(c) Sale and Replacement Activities.—The Secretary may use any amount received from the purchaser as described in paragraphs (1) and (2) of subsection (b) for the purpose of carrying out this section.

(d) Payment of Excess Into Treasury.—If the fair market value of the real property and improvements described in subsection (a) exceeds the costs described in paragraphs (1) and (2) of subsection (b), as determined by the Secretary, the purchaser shall pay the amount of such difference to the Secretary, and the Secretary shall deposit such amount into the Treasury as miscellaneous receipts.

(e) Competitive Bid Procedures.—The conveyance described in subsection (a) shall be carried out under competitive bid procedures.

(f) Legal Description of Real Property.—The exact acreage and legal description of the real property described in subsection (a) shall be determined by a survey which is satisfactory to the Secretary. The cost of the survey shall be borne by the purchaser.

(g) Additional Terms.—The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2333. LAND CONVEYANCE, LAWRENCE TOWNSHIP, INDIANA

(a) Authority To Sell.—Subject to subsections (b) through (e), the Secretary of the Army may sell and convey to Lawrence Township, Marion County, Indiana all right, title, and interest of the United States in and to a parcel of land, consisting of approximately 3.23 acres, comprising a portion of Fort Benjamin Harrison, Indiana.

(b) Conditions of Sale.—(1) In consideration for the sale and conveyance, the Township shall pay to the United States the fair market value, as determined by the Secretary, of the property to be conveyed by the United States under subsection (a).

(2) The Township shall execute and file the deed of conveyance in the appropriate registry.

(c) Recapture Rights.—The Secretary shall include in the deed of conveyance a condition that the United States may reenter and use the property without compensation in the event of a national emergency or declaration of war.

(d) Legal Description of Lands.—The exact acreage and legal description of the property to be conveyed under subsection (a) shall be determined by surveys that are satisfactory to the Secretary. The cost of any such survey shall be borne by the Township.

(e) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2334. LAND TRANSFERS: ROCK ISLAND, ILLINOIS, AND FORT SAM HOUSTON, TEXAS

(a) Authority to Transfer.—Subject to subsections (b) through (d), the Secretary of the Army may transfer, without consideration, to the administrative jurisdiction of the Administrator of Veterans' Affairs—

(1) two parcels of real property, and improvements thereon, totaling approximately 17.17 acres, comprising a portion of the Rock Island Arsenal, Rock Island, Illinois; and

(2) a parcel of real property, and improvements thereon, totaling approximately 8.5 acres, comprising a portion of Fort Sam Houston, Texas.

(b) Conditions on Conveyance.—The Administrator shall—

(1) use the real property described in subsection (a) for cemeteries which are to be part of the National Cemetery System;

(2) transfer any portion of such property back to the administrative jurisdiction of the Secretary of the Army, if such portion is not used for such a cemetery; and

(3) enter into an agreement with the Secretary to carry out the purposes of this section.

(c) Legal Description and Surveys.—The exact acreage and legal description of the real property to be conveyed under subsection (a) shall be determined by surveys that are satisfactory to the Secretary. The cost of such surveys shall be borne by the Administrator.

(d) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2335. PROPERTY TRANSFER, BROOKLYN, NEW YORK

In accordance with the provisions of section 202 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483) governing transfers of excess property, the Administrator of General Services shall transfer, without reimbursement, to the Secretary of the Navy the excess six story building and associated land, known as Dayton Manor, located near Fort Hamilton, Brooklyn, New York, for rehabilitation and use as military family housing.

SEC. 2336. LAND EXCHANGE, ORANGE COUNTY, CALIFORNIA

(a) Transfer.—Subject to subsections (b) through (e), the Secretary of the Navy may convey to Orange County, California, all right, title, and interest of the United States in and to a parcel of real property, with improvements thereon, consisting of approximately 137 acres located in the center of Mile Square Regional Park, Orange County, California.

(b) Consideration.—In consideration for the conveyance by the Secretary under subsection (a), Orange County shall convey to the United States parcels of real property, with improvements thereon, consisting of approximately 41 total acres located adjacent to the Marine Corps Air Station, Tustin, California.

(c) Payment by County.—If the fair market value of the real property and improvements conveyed by the Secretary under subsection (a) exceeds the fair market value of the real property conveyed by Orange County under subsection (b), the county shall pay the difference to the United States. Any such payment shall be covered into the Treasury as miscellaneous receipts.

(d) Obligations of Parties.—The exact acreages and legal descriptions of the real property to be conveyed under this section shall be determined by surveys which are satisfactory to the Secretary. The cost of any such survey shall be borne by Orange County.

(e) Additional Terms and Conditions.—The Secretary may require such additional terms and conditions in connection with the transaction authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2337. TRANSFER OF LAND, JOLIET ARMY AMMUNITION PLANT, ILLINOIS

(a) Authority To Convey.—Subject to subsections (b) through (d), the Secretary of the Army shall transfer to the Administrator of Veterans' Affairs not less than 200 acres of real property, including improvements

thereon, located on the Joliet Army Ammunition Plant, Illinois, and with access to State Route 53.

(b) USE OF LAND.—(1) The Administrator shall use the real property transferred under subsection (a) for a national cemetery.

(2) A national cemetery established on such real property shall become part of the National Cemetery System and shall be administered under chapter 24 of title 38, United States Code.

(c) RESTORATION.—(1) The Secretary of the Army shall carry out appropriate environmental restoration activities pursuant to chapter 160 of title 10, United States Code, with respect to such real property before transferring it under this section.

(2) The Secretary may not transfer such property under this section unless the Administrator of Veterans' Affairs has determined that contamination that would prevent the property from being used as a national cemetery has been removed and that the land has been restored so that it is appropriate for such use.

(d) LEGAL DESCRIPTION.—The exact acreage and legal descriptions of any property transferred under this section shall be based on surveys that are satisfactory to the Secretary. The Administrator shall bear the cost of such surveys.

SEC. 2338. LEASE OF PROPERTY AT THE NAVAL SUPPLY CENTER, OAKLAND, CALIFORNIA

(a) IN GENERAL.—Subject to subsections (b) through (g), the Secretary of the Navy may lease, at fair market rental value, to the Port of Oakland, California, not more than 195 acres of real property, together with improvements thereon, at the Naval Supply Center, Oakland, California.

(b) TERM OF LEASE.—The lease entered into under subsection (a) may be for such term as the Secretary determines appropriate, with an initial term not to exceed 25 years and an option to extend for a term not to exceed 25 years.

(c) REPLACEMENT AND RELOCATION PAYMENTS.—The Secretary may, under the terms of the lease, require the Port of Oakland to pay the Secretary—

(1) a negotiated amount for the structures on the leased property that require replacement at a new location; and

(2) a negotiated amount for expenses to be incurred by the Navy with respect to vacating the leased property and relocating to other facilities.

(d) USE OF FUNDS.—(1) Funds received by the Secretary under subsection (c) may be used by the Secretary to pay for relocation expenses and constructing new facilities or making modifications to existing facilities which are necessary to replace facilities on the leased premises.

(2)(A) Funds received by the Secretary for the fair market rental value of the real property may be used to pay for relocation and replacement costs incurred by the Navy in excess of the amount received by the Secretary under subsection (c).

(B) Funds received by the Secretary for such fair market rental value in excess of the amount used under subparagraph (A) shall be deposited into the miscellaneous receipts of the Treasury.

(e) AUTHORITY TO DEMOLISH AND CONSTRUCT FACILITIES.—The Secretary may, under the terms of the lease, authorize the Port of Oakland to demolish existing facilities on the leased land and to provide for construction of new facilities on such land for the use of the Port of Oakland.

(f) REPORT.—The Secretary may not enter into a lease under this section until—

(1) the Secretary has transmitted to the Committee on Armed Services of the Senate and of the House of Representatives a report containing an explanation of the terms of the lease, especially with respect to the amount the Secretary is to receive under subsection (c) and the amount that is expected to be used under subsection (d)(2); and

(2) a period of 21 days has expired after the date on which such report is received by such Committees.

(g) ADDITIONAL TERMS.—The Secretary may require such additional terms and conditions in connection with the lease authorized by this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2339. AUTHORITY TO RELEASE CERTAIN RIGHTS

(a) IN GENERAL.—Subject to subsection (b), the Secretary of the Army may release, discharge, waive, and quitclaim all right, title, and interest which the United States may have by virtue of the quitclaim deed dated November 22, 1957, in and to approximately 46.1186 acres of real property, with improvements thereon, in Tarrant County, Texas.

(b) CONDITION.—The Secretary may carry out subsection (a) only after obtaining satisfactory assurances that the State of Texas shall obtain, in exchange for the real property referred to in subsection (a), a tract of real property—

(1) which is at least equal in value to the real property referred to in subsection (a); and

(2) which shall be, on the date on which the State obtains it, subject to the same restrictions and covenants with respect to the Federal Government as are applicable on the date of the enactment of this Act to the real property referred to in subsection (a).

(c) LEGAL DESCRIPTION OF REAL PROPERTY.—The exact acreage and legal descriptions of the real property referred to in subsection (a) shall be based upon surveys that are satisfactory to the Secretary.

SEC. 2340. MINERAL INTERESTS AT WHITE SANDS MISSILE RANGE, NEW MEXICO

(a) AUTHORITY TO GRANT INTEREST.—The Secretary of the Army may grant to the State of New Mexico an interest in the minerals in or on the land described in subsection (d).

(b) INTEREST, TERMS, AND CONDITIONS OF GRANT.—The extent of the interest granted to the State of New Mexico pursuant to subsection (a), and the other terms and conditions of such grant, shall be those prescribed by the Attorney General, after consultation with the Secretary of the Army and the Secretary of the Interior.

(c) SETTLEMENT OF CLAIMS.—The acceptance by the State of New Mexico of any interest in minerals made to such State pursuant to this section shall be in full settlement of the claims of such State against the United States as set forth in the case of Humphries v. United States, United States Claims Court (case number 94-79L).

(d) DESCRIPTION OF LAND.—The land referred to in subsection (a) is land located within the boundaries of the White Sands Missile Range, New Mexico, which was owned by the State of New Mexico and which was found by the Court of Claims to have been taken by the United States by inverse condemnation.

(e) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army may require such additional terms and conditions as the Secretary, in consultation with the Attorney General, considers appropriate to protect the interests of the United States.

SEC. 2341. LAND CONVEYANCE, FORT JACKSON, SOUTH CAROLINA

Subsection (e)(1) of section 840 of the Military Construction Authorization Act, 1986 (Public Law 99-167), is amended—

(1) by striking "and" at the end of subparagraph (B);

(2) by striking the period at the end of subparagraph (C) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(D) for a water systems improvement project at Fort Jackson at an estimated cost of $2,300,000, and for family housing improvement projects at Fort Jackson at an estimated cost not to exceed $6,400,000.".

SEC. 2342. LAND EXCHANGE, HAMILTON AIR FORCE BASE, CALIFORNIA

(a) IN GENERAL.—Subject to subsections (b) through (d), the Secretary of the Army and the Secretary of the Navy may, jointly or separately, enter into an agreement for the exchange of lands and interest in lands under their respective jurisdictions at Hamilton Air Force Base, California, with the purchaser of other lands at such air force base which, before the date of the enactment of this Act, were declared excess to the needs of the United States.

(b) CONDITIONS ON EXCHANGES.—Exchanges of land and interests in real property under this section shall be made on condition that the United States receive land or interests in real property at least equal in value (as determined by the Secretary of the Army or the Secretary of the Navy, as the case may be) to the land and interests in real property conveyed by the United States.

(c) LEGAL DESCRIPTION AND SURVEYS.—The exact acreage and legal description of the real property to be exchanged under this section shall be determined by surveys that are satisfactory to the Secretary of the Army or the Secretary of the Navy, as the case may be. The cost of such surveys shall be borne by the purchaser referred to in subsection (a).

(d) ADDITIONAL TERMS AND CONDITIONS.—The Secretary of the Army and the Secretary of the Navy may require such additional terms and conditions under this section as each such Secretary considers appropriate to protect the interests of the United States.

SEC. 2343. LAND CONVEYANCE, CHANUTE AIR FORCE BASE, ILLINOIS

(a) AUTHORITY TO SELL.—Subject to subsections (b) through (g), the Secretary of the Air Force may sell all or any portion of that tract of land (together with any improvements thereon) which compromises the Chapman Court Housing Annex, a housing complex near Chanute Air Force Base, Illinois, consisting of 49 acres, more or less.

(b) CONDITIONS OF SALE.—The Secretary shall require the buyer, as a condition of any sale of any of the property referred to in subsection (a), to carry out the following projects at Chanute Air Force Base in accordance with specifications mutually agreed upon by the Secretary and the prospective purchaser:

(1) Widen and extend Heritage Drive.

(2) Construct a new entrance gate (including a gate guardhouse) to serve as the main entrance from U.S. Route 45.

(3) Construct a visitor reception center and parking lot to serve such center.

(4) Construct new streets or alter existing streets in order to effectively reroute automobile traffic (on the Air Force Base) to and from the proposed new gate.

(c) COMPETITIVE BID REQUIREMENT AND MINIMUM SALE PRICE.—(1) The sale of any of the

land referred to in subsection (a) shall be carried out under publicly advertised, competitive bid, or competitively negotiated contracting procedures.

(2) In no event may any of the land referred to in subsection (a) be sold for less than its fair market value, as determined by the Secretary.

(d) Report Requirements.—(1) The Secretary may not enter into any contract for the sale of any or all of the land referred to in subsection (a) unless—

(A) the Secretary has submitted to the Committees on Armed Services of the Senate and House of Representatives a report containing the details of the contract proposed to be entered into by the Secretary under this section; and

(B) a period of 21 days has expired following the date on which the report referred to in clause (A) is received by such committees.

(2) Any report submitted under paragraph (1) shall include—

(A) a description of the price and terms of the proposed sale;

(B) a description of the procedures used in selecting a buyer for the land; and

(C) all pertinent information regarding the base development proposal selected by the Secretary.

(e) Use of Excess Funds.—If the fair market value of the property conveyed to a buyer under this section is greater than the fair market value of the facilities constructed by the buyer for the United States, as determined by the Secretary, the buyer shall pay the difference to the United States. Any such amount paid to the Secretary shall be deposited into the general fund of the Treasury.

(f) Legal Description of Land.—The exact acreage and legal description of any land conveyed under this section shall be determined by a survey which is satisfactory to the Secretary. The cost of such survey shall be borne by the buyer.

(g) Additional Terms.—The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interests of the United States.

SEC. 2344. LAND EXCHANGE, SAN DIEGO, CALIFORNIA

(a) Authority To Exchange.—Subject to subsections (b) through (f), the Secretary of the Air Force may convey certain real property (and improvements thereon) adjacent to Air Force Plant 19 in San Diego, California, to the County of San Diego, California, in exchange for certain real property (and improvements thereon) located in San Diego County, California.

(b) Condition.—If the fair market value of the real property and improvements conveyed to the County of San Diego under subsection (a) exceeds the fair market value of the real property and improvements conveyed to the United States by the County of San Diego, the County shall pay to the United States an amount equal to the difference. The Secretary shall deposit any funds received under this subsection as miscellaneous receipts in the Treasury.

(c) Legal Description of Real Property.—The exact acreage and legal description of the real property exchanged under this section shall be in accordance with surveys that are satisfactory to the Secretary. The costs of such surveys shall be borne by the County.

(d) Additional Terms.—The Secretary may require such additional terms and conditions under this section as the Secretary considers appropriate to protect the interests of the United States.

(e) Report.—Before the Secretary enters into an agreement authorized under subsection (a) for an exchange of real property with the County, the Secretary shall submit to the Committees on Armed Services of the Senate and the House of Representatives a report containing the details of such proposed agreement. The report shall also include an assessment of the impact of the proposed exchange on—

(1) current activities of the Department of Defense at Plant 19;

(2) the potential disposal of Plant 19 to a private concern;

(3) the potential transfer of Plant 19 to another military department; and

(4) the ability of Plant 19 to support potential or programmed future missions of the Department of Defense.

(f) Waiting Period.—An agreement for an exchange authorized by subsection (a) may not be entered into by the Secretary for a period of 30 days after the date on which the report referred to in subsection (e) has been received by the committees named in such subsection.

SEC. 2345. PROPERTY TRANSACTION, BARLING, ARKANSAS

(a) In General.—Subject to subsections (b) through (e), the Secretary of the Army shall lease to the City of Barling, Arkansas, for use by that City in the treatment of sewage, the following tracts of land at Fort Chaffee, Arkansas:

(1) A tract consisting of 320 acres and more particularly described as the NE¼ and the NW¼ of section 34, Township 8 North, Range 31 West.

(2) A tract 40 feet wide running from the northern boundary of the tract described in paragraph (1) to the Arkansas River, as may be agreed upon by the Secretary and the City of Barling.

(b) Lease Requirements.—(1) The lease entered into under subsection (a) shall authorize the City to construct and maintain a wastewater treatment facility on the land leased under subsection (a). Upon termination of the lease, the United States shall have all right, title, and interest in and to any improvements on the land.

(2) The lease shall be for such period, not less than 55 years, as may be agreed upon by the Secretary and the City.

(3) The lease shall require the City to pay rent for the use of the land in an amount to be agreed upon by the Secretary and the City, but not exceeding $1,600 per year.

(c) Alternative Lease.—(1) In lieu of leasing to the City of Barling the lands described in subsection (a), the Secretary may lease to the City other lands under the jurisdiction of the Secretary adjacent to existing lagoons at Fort Chaffee, Arkansas, for use by the City in the treatment of sewage.

(2) Land leased to the city pursuant to paragraph (1) shall be leased at an annual rate of not more than $5 per acre.

(3) Any lease entered into pursuant to paragraph (1) shall be subject to paragraphs (1) and (2) of subsection (b).

(4) If a lease is entered into under this subsection, the Secretary may permit the City to use the sewage treatment facilities of Fort Chaffee under an agreement which would require the City to pay a reasonable cost for the use of such facilities and any reasonable costs incurred by the Army in increasing the capacity of the sewage treatment facilities at Fort Chaffee to accommodate the use of such facilities by the City.

(d) Legal Description of Lands.—The exact acreage and legal description of any land to be leased under this section shall be determined by surveys that are satisfactory to the Secretary. The cost of such surveys shall be borne by the City.

(e) Additional Terms and Conditions.—Any lease or other agreement entered into under this section shall be subject to such other terms and conditions as the Secretary of the Army determines necessary or appropriate to protect the interests of the United States.

DIVISION C—OTHER NATIONAL DEFENSE AUTHORIZATIONS

TITLE I—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

SEC. 3101. SHORT TITLE

This title may be cited as the "Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1988".

Part A—National Security Programs Authorizations

SEC. 3111. OPERATING EXPENSES

Funds are authorized to be appropriated to the Department of Energy for fiscal year 1988 for operating expenses incurred in carrying out national security programs (including scientific research and development in support of the Armed Forces, strategic and critical materials necessary for the common defense, and military applications of nuclear energy and related management and support activities) as follows:

(1) For weapons activities, $3,483,225,000, to be allocated as follows:

(A) For research and development, $769,019,000.

(B) For weapons testing, $396,550,000.

(C) For production and surveillance, $1,853,830,000.

(D) For nuclear directed energy weapons research, development, and testing, $240,000,000.

(E) For the defense inertial confinement fusion program, $149,000,000.

(F) For program direction, $74,826,000.

(2) For defense nuclear materials production, $1,419,521,000 to be allocated as follows:

(A) For uranium enrichment for naval reactors, $141,500,000.

(B) For other uranium enrichment, $11,500,000.

(C) For production reactor operations, $550,035,000.

(D) For processing of defense nuclear materials, including naval reactors fuel, $470,700,000, of which $65,000,000 shall be used for special isotope separation.

(E) For supporting services, $221,747,000.

(F) For program direction, $24,039,000.

(3) For environmental restoration and management of defense waste and transportation, $578,519,000, to be allocated as follows:

(A) For environmental restoration, $97,798,000. Such funds may also be used for plant and capital equipment.

(B) For waste operation and projects, $411,597,000.

(C) For waste research and development, $51,082,000.

(D) For hazardous waste process planning, $7,112,000.

(E) For transportation management, $8,400,000.

(F) For program direction, $2,530,000.

(4) For verification and control technology, $120,500,000.

(5) For nuclear materials safeguards and security technology development program, $73,200,000.

(6) For security investigations, $32,000,000.

(7) For naval reactors development, $544,100,000.

SEC. 3112. PLANT AND CAPITAL EQUIPMENT

Funds are authorized to be appropriated to the Department of Energy for fiscal year 1988 for plant and capital equipment (including maintenance, restoration, planning, construction, acquisition, modification of facilities, and the continuation of projects authorized in prior years, land acquisition related thereto, and acquisition and fabrication of capital equipment not related to construction) necessary for national security programs as follows:

(1) For weapons activities:

Project 88-D-101, general plant projects, various locations, $30,200,000.

Project 88-D-102, sanitary wastewater systems consolidation, Los Alamos National Laboratory, Los Alamos, New Mexico, $1,000,000.

Project-D-103, seismic upgrade, Building 111, Lawrence Livermore National Laboratory, Livermore, California, $1,100,000.

Project 88-D-104, safeguards and security upgrade, Phase II, Los Alamos National Laboratory, Los Alamos, New Mexico, $3,500,000.

Project 88-D-105, special nuclear materials research and development laboratory replacement, Los Alamos National Laboratory, Los Alamos, New Mexico, $10,000,000.

Project 88-D-106, nuclear weapons research, development, and testing facilities revitalization, Phase II, various locations, $28,962,000.

Project 88-D-121, general plant projects, various locations, $33,000,000.

Project 88-D-122, facilities capability assurance program, various locations, $19,200,000.

Project 88-D-123, security enhancement, Pantex Plant, Amarillo, Texas, $5,700,000.

Project 88-D-124, fire protection upgrade, various locations, $1,700,000.

Project 88-D-125, high explosive machining facility, Pantex Plant, Amarillo, Texas $2,700,000.

Project 88-D-126, personnel radiological monitoring laboratories, various locations, $1,000,000.

Project 88-D-129, small intercontinental ballistic missile (SICBM) warhead production facilities, various locations, $20,000,000.

Project 87-D-104, safeguards and security enhancements, Phase II, Lawrence Livermore National Laboratory, Livermore, California, $7,000,000.

Project 87-D-122, short-range attack missile II (SRAM II) warhead production facilities, various locations, $37,016,000, subject to section 3113(c).

Project 87-D-123, protective clothing decontamination facility, Rocky Flats Plant, Golden, Colorado, $4,608,000.

Project 87-D-127, environmental, safety, and health upgrade, Mound Plant, Miamisburg, Ohio, $1,737,000.

Project 87-D-130, receiving and shipping facility, Pinellas Plant, St. Petersburg, Florida, $2,400,000.

Project 86-D-103, decontamination and waste treatment facility, Lawrence Livermore National Laboratory, Livermore, California, $12,000,000.

Project 86-D-104, strategic defenses facility, Sandia National Laboratories, Albuquerque, New Mexico, $15,000,000.

Project 86-D-105, instrumentation systems laboratory, Sandia National Laboratories, Albuquerque, New Mexico, $8,000,000.

Project 86-D-106, laboratory data communications center, Los Alamos National Laboratory, Los Alamos, New Mexico, $12,200,000.

Project 86-D-122, structural upgrade of existing plutonium facilities, Rocky Flats Plant, Golden, Colorado, $221,000.

Project 86-D-123, environmental hazards elimination, various locations, $13,289,000.

Project 86-D-125, safeguards and site security upgrade, Phase II, Pantex Plant, Amarillo, Texas, $2,000,000.

Project 86-D-130, tritium loading facility replacement, Savannah River Plant, Aiken, South Carolina, $46,773,000.

Project 85-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase I, various locations, $33,500,000.

Project 85-D-103, safeguards and security enhancements, Lawrence Livermore National Laboratory and Sandia National Laboratories, Livermore, California, $9,200,000.

Project 85-D-105, combined device assembly facility, Nevada Test Site, Las Vegas, Nevada, $28,000,000.

Project 85-D-106, hardened engineering test building, Lawrence Livermore National Laboratory, Livermore, California, $100,000.

Project 85-D-112, enriched uranium recovery improvements, Y-12 Plant, Oak Ridge, Tennessee, $12,544,000.

Project 85-D-113, power plant and steam distribution system, Pantex Plant, Amarillo, Texas, $2,000,000.

Project 85-D-115, renovate plutonium building utility systems, Rocky Flats Plant, Golden, Colorado, $1,060,000.

Project 85-D-121, air and water pollution control facilities, Y-12 Plant, Oak Ridge, Tennessee, $998,000.

Project 84-D-107, nuclear testing facilities revitalization, various locations, $5,458,000.

Project 84-D-112, Trident II warhead production facilities, various locations, $3,300,000.

Project 84-D-124, environmental improvements, Y-12 Plant, Oak Ridge, Tennessee, $5,878,000.

Project 84-D-211, safeguards and site security upgrading, Y-12 Plant, Oak Ridge, Tennessee, $18,253,000.

Project 82-D-107, utilities and equipment restoration, replacement, and upgrade, Phase III, various locations, $96,129,000.

(2) For materials production:

New production reactor, location to be determined, $10,000,000.

Project 88-D-146, general plant projects, various locations, $39,030,000.

Project 88-D-153, additional reactor safeguards, Savannah River, South Carolina, $2,900,000.

Project 87-D-150, radioactive liquid effluent treatment facility, Richland, Washington, $5,000,000.

Project 87-D-152, environmental protection, plantwide, Savannah River, South Carolina, $2,800,000.

Project 87-D-159, environmental, health, and safety improvements, Phases I and II, Feed Materials Production Center, Fernald, Ohio, $35,000,000.

Project 86-D-148, special isotope separation project, Idaho Falls, Idaho, $20,000,000.

Project 86-D-149, productivity retention program, Phases I, II, and III, various locations, $68,860,000.

Project 86-D-151, PUREX electrical system upgrade, Richland, Washington, $1,900,000.

Project 86-D-152, reactor electrical distribution system, Savannah River, South Carolina, $4,500,000.

Project 86-D-154, effluent treatment facility, Savannah River, South Carolina, $19,175,000.

Project 86-D-156, plantwide safeguards systems, Savannah River, South Carolina, $13,000,000.

Project 85-D-139, fuel processing restoration, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho, $28,000,000.

Project 85-D-140, productivity and radiological improvements, Feed Materials Production Center, Fernald, Ohio, $7,831,000.

Project 85-D-145, fuel production facility, Savannah River, South Carolina, $21,100,000.

Project 84-D-134, safeguards and security improvements, plantwide, Savannah River, South Carolina, $9,685,000.

Project 83-D-148, non-radioactive hazardous waste management, $4,200,000.

Project 82-D-124, restoration of production capabilities, Phases II, III, IV, and V, various locations, $13,200,000.

(3) For defense waste and transportation management:

Project 88-D-171, general plant projects, various locations, $25,636,000.

Project 88-D-173, Hanford waste vitrification plant, Richland, Washington, $7,500,000.

Project 87-D-172, WESF K-3 filter upgrade, Richland, Washington, $2,800,000.

Project 87-D-173, 242-A evaporator crystallizer upgrade, Richland, Washington, $7,200,000.

Project 87-D-174, 241-AQ tank farm, Richland, Washington, $22,300,000.

Project 87-D-175, steam system rehabilitation, Phase I, Richland, Washington, $12,600,000.

Project 87-D-177, test reactor area liquid radioactive waste cleanup system, Phase III, Idaho National Engineering Laboratory, Idaho, $3,900,000.

Project 87-D-180, burial ground expansion, Savannah River, South Carolina, $8,200,000.

Project 87-D-181, diversion box and pump pit containment buildings, Savannah River, South Carolina, $6,800,000.

Project 86-D-174, low-level waste processing and shipping system, Feed Materials Production Center, Fernald, Ohio, $4,628,000.

Project 86-D-175, Idaho National Engineering Laboratory security upgrade, Idaho National Engineering Laboratory, Idaho, $742,000.

Project 85-D-157, seventh calcined solids storage facility, Idaho National Engineering Laboratory, Idaho, $2,181,000.

Project 85-D-158, central warehouse upgrade, Richland, Washington, $56,000.

Project 85-D-159, new waste transfer facilities, H-area, Savannah River, South Carolina, $13,682,000.

Project 81-T-105, defense waste processing facility, Savannah River, South Carolina, $120,000,000.

Project 77-13-f, waste isolation pilot plant, Delaware Basin, Southeast New Mexico, $35,901,000.

(4) For naval reactors development:

Project 88-N-101, general plant projects, various locations, $6,000,000.

Project 88-N-102, expanded core facility receiving station, Naval Reactors Facility, Idaho, $2,100,000.

Project 88-N-103, material handling and storage modifications, Knolls Atomic Power Laboratory, Niskayuna, New York, $400,000.

Project 88-N-104, prototype availability facilities, Kesselring site, Knolls Atomic

Power Laboratory, West Milton, New York, $1,000,000.

Project 87-N-102, Kesselring site facilities upgrade, Knolls Atomic Power Laboratory, West Milton, New York, $8,400,000.

(5) For capital equipment not related to construction:

(A) For weapons activities, $266,230,000, of which $17,000,000 shall be allocated for nuclear directed energy weapons and $10,000,000 shall be allocated for the defense inertial confinement fusion program.

(B) For materials production, $91,285,000.

(C) For defense waste and transportation management, $43,687,000.

(D) For verification and control technology, $5,100,000.

(E) For nuclear safeguards and security, $4,600,000.

(F) For naval reactors development, $45,000,000.

SEC. 3113. FUNDING LIMITATIONS

(a) Programs, Projects, and Activities of the Department of Energy Relating to the Strategic Defense Initiative.—Of the funds appropriated to the Department of Energy for fiscal year 1988 for operating expenses and plant and capital equipment, not more than $279,000,000 may be obligated or expended for programs, projects, and activities of the Department of Energy relating to the Strategic Defense Initiative.

(b) Inertial Confinement Fusion.—Of the funds appropriated to the Department of Energy for fiscal year 1988 for operating expenses and plant and capital equipment, not less than $159,000,000 shall be used for the defense inertial confinement fusion program.

(c) SRAM II.—Funds appropriated to the Department of Energy for fiscal year 1988 for facilities for production of the warhead for the short-range attack missile II (SRAM II) (project 87-D-122) may be obligated only—

(1) for facilities which are suitable for production of a warhead compatible with both the SRAM-A and the SRAM II; and

(2) after the Nuclear Weapons Council certifies that the design of the warhead is compatible with both the SRAM-A and the SRAM II.

SEC. 3114. UNDISTRIBUTED REDUCTIONS

(a) Total Authorization.—Notwithstanding sections 3111 and 3112, the total amount authorized to be appropriated to the Department of Energy in this title for fiscal year 1988 for national security programs is $7,826,900,000.

(b) Requirement for Project Reductions.—The Secretary of Energy shall reduce the amounts authorized for the projects listed in sections 3111 and 3112 in such amounts as he determines appropriate to achieve a total reduction of $15,000,000.

Part B—Recurring General Provisions

SEC. 3121. REPROGRAMMING

(a) Notice to Congress.—(1) Except as otherwise provided in this title—

(A) no amount appropriated pursuant to this title may be used for any program in excess of the lesser of—

(i) 105 percent of the amount authorized for that program by this title; or

(ii) $10,000,000 more than the amount authorized for that program by this title; and

(B) no amount appropriated pursuant to this title may be used for any program which has not been presented to, or requested of, the Congress.

(2) An action described in paragraph (1) may be taken after a period of 30 calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the Committees on Armed Services and Appropriations of the Senate and House of Representatives of notice from the Secretary of Energy (in this title referred to as the "Secretary") containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(b) Limitation on Amount Obligated.—In no event may the total amount of funds obligated pursuant to this title exceed the total amount authorized to be appropriated by this title.

SEC. 3122. LIMITS ON GENERAL PLANT PROJECTS

(a) In General.—The Secretary may carry out any construction project under the general plant projects provisions authorized by this title if the total estimated cost of the construction project does not exceed $1,200,000.

(b) Report to Congress.—If at any time during the construction of any general plant project authorized by this title, the estimated cost of the project is revised because of unforeseen cost variations and the revised cost of the project exceeds $1,200,000, the Secretary shall immediately furnish a complete report to the Committees on Armed Services and Appropriations of the Senate and House of Representatives explaining the reasons for the cost variation.

SEC. 3123. LIMITS ON CONSTRUCTION PROJECTS

(a) In General.—(1) Except as provided in paragraph (3), construction on a construction project described in paragraph (2) may not be started, and additional obligations may not be incurred in connection with the project, above the total estimated cost of the construction project whenever the current estimated cost of the project exceeds by more than 25 percent the higher of—

(A) the amount authorized for the project; or

(B) the amount of the total estimated cost for the project as shown in the most recent budget justification data submitted to the Congress.

(2) Paragraph (1) applies to any construction project which is authorized by section 3112 of this title or which is in support of national security programs of the Department of Energy and was authorized by any previous Act.

(3) An action described in paragraph (1) may be taken after a period of 30 calendar days (not including any day on which either House of Congress is not in session because of adjournment of more than three calendar days to a day certain) has passed after receipt by the Committees on Armed Services and Appropriations of the Senate and House of Representatives of notice from the Secretary containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action.

(b) Exception.—Subsection (a) shall not apply to any construction project which has a current estimated cost of less than $5,000,000.

SEC. 3124. FUND TRANSFER AUTHORITY

(a) In General.—Funds appropriated pursuant to this title may be transferred to other agencies of the Government, but only for the performance of the work for which the funds were authorized and appropriated. Funds so transferred may be merged with the appropriations of the agency to which the funds are transferred.

(b) Specific Transfer.—The Secretary of Defense may transfer to the Secretary of Energy not more than $100,000,000 of the funds appropriated for fiscal year 1988 to the Department of Defense for research, development, test, and evaluation for the Defense Agencies for the performance of work on the Strategic Defense Initiative. Funds so transferred—

(1) may be used only for research, development, and testing for nuclear directed energy weapons, including plant and capital equipment related thereto;

(2) shall be merged with the appropriations of the Department of Energy; and

(3) may not be included in calculating the amount of funds obligated or expended for purposes of the funding limitation in section 3113(a).

SEC. 3125. AUTHORITY FOR CONSTRUCTION DESIGN

(a) In General.—(1) Within the amounts authorized by this title for plant engineering and design, the Secretary may carry out advance planning and construction designs (including architectural and engineering services) in connection with any proposed construction project if the total estimated cost for such planning and design does not exceed $2,000,000.

(2) In any case in which the total estimated cost for such planning and design exceeds $300,000, the Secretary shall notify the Committees on Armed Services and Appropriations of the Senate and House of Representatives in writing of the details of such project at least 30 days before any funds are obligated for design services for such project.

(b) Specific Authority Required.—In any case in which the total estimated cost for advance planning and construction design in connection with any construction project exceeds $2,000,000, funds for such design must be specifically authorized by law.

SEC. 3126. AUTHORITY FOR EMERGENCY CONSTRUCTION DESIGN

In addition to the advance planning and construction design authorized by section 3112, the Secretary may perform planning and design using available funds for any Department of Energy defense activity construction project whenever the Secretary determines that the design must proceed expeditiously in order to meet the needs of national defense or to protect property or human life.

SEC. 3127. FUNDS AVAILABLE FOR ALL NATIONAL SECURITY PROGRAMS OF THE DEPARTMENT OF ENERGY

Subject to the provisions of appropriation Acts and section 3121, amounts appropriated pursuant to this title for operating expenses and plant and capital equipment are available for use, when necessary, in connection with all national security programs of the Department of Energy.

SEC. 3128. ADJUSTMENTS FOR PAY INCREASES

Appropriations authorized by this title for salary, pay, retirement, or other benefits for Federal employees may be increased by such amounts as may be necessary for increases in such benefits authorized by law.

SEC. 3129. AVAILABILITY OF FUNDS

When so specified in an appropriation Act, amounts appropriated pursuant to this title for operating expenses or for plant and capital equipment may remain available until expended.

Part C—Miscellaneous Provisions

SEC. 3131. ALLOWABLE COSTS TO INCLUDE CERTAIN INFORMATION PROVIDED TO CONGRESS AND STATE LEGISLATURES

(a) Allowable Costs.—Section 1534(b) of the Department of Energy National Security and Military Applications of Nuclear

Energy Authorization Act of 1986 (title XV of Public Law 99-145; 42 U.S.C. 7256a(b)) is amended—

(1) by inserting "(1)" before "Not later than"; and

(2) by adding at the end the following new paragraph:

"(2) In any regulations implementing subsection (a)(2), the Secretary may not treat as not allowable (by reason of such subsection) the following costs of a contractor:

"(A) Costs of providing to Congress or a State legislature, in response to a request from Congress or a State legislature, information of a factual, technical, or scientific nature, or advice of experts, with respect to topics directly related to the performance of the contract.

"(B) Costs for transportation, lodging, or meals incurred for the purpose of providing such information or advice.".

(b) EFFECTIVE DATE.—Regulations to implement paragraph (2) of section 1534(b) of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1986 (as added by subsection (a)) shall be prescribed not later than 90 days after the date of the enactment of this Act. Such regulations shall apply as if included in the original regulations prescribed under such section.

SEC. 3132. MODERNIZATION OF NUCLEAR WEAPONS COMPLEX

(a) STUDY.—The President shall conduct a study, in consultation with experts in both the Federal Government and the private sector, on the nuclear weapons complex for the purpose of determining the overall size and productive capacity necessary to support national security objectives.

(b) PLAN.—The President shall formulate a plan, based on the study conducted under subsection (a), to modernize the nuclear weapons complex by achieving the necessary size and capacity determined under the study. Such plan shall include—

(1) actions necessary to ensure operation of facilities in the nuclear weapons complex in a safe and environmentally acceptable manner;

(2) a schedule for implementation of the plan; and

(3) the estimated costs of implementation of the plan.

(c) REPORT.—The President shall submit a report to the Committees on Armed Services and Appropriations of the Senate and the House of Representatives containing recommendations resulting from the study required by subsection (a) and a description of the plan required by subsection (b). The report shall be submitted by December 15, 1988.

(d) NUCLEAR WEAPONS COMPLEX DEFINITION.—In this section, the term "nuclear weapons complex" includes facilities for nuclear weapons research, development, and testing, nuclear materials production, nuclear weapons components manufacture, and assembly of nuclear weapons.

SEC. 3133. REQUIREMENTS TO ENSURE SAFE OPERATION OF N REACTOR

(a) REPORT BY NATIONAL ACADEMY OF SCIENCES.—The Secretary of Energy shall request the National Academy of Sciences to submit by December 1, 1987, a report summarizing its findings, conclusions, and recommendations relating to the safety of operation of the N Reactor at the Hanford Reservation, Washington (hereafter in this section referred to as the "N Reactor"). Such report shall be prepared from the Academy's current assessment of safety and technical issues at Department of Energy class A reactors being conducted pursuant to section 3136 of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1987 (division C of Public Law 99-661; 100 Stat. 4064). The report may include a review of the reports and recommendations of the so-called Roddis panel and shall be in addition to any other report submitted by the Academy on the N Reactor to the Department of Energy. The report shall be submitted to—

(1) the Secretary of Energy; and

(2) the Committee on Armed Services and the Committee on Energy and Commerce of the House of Representatives and the Committee on Armed Services of the Senate.

(b) RESTRICTION ON OPERATION OF N REACTOR.—The Secretary of Energy—

(1) may not operate the N Reactor before January 1, 1988; and

(2) may not operate the N Reactor until the Secretary submits to the Committees specified in subsection (a) a certification that the N Reactor is safe to operate.

(c) EFFECT ON ENVIRONMENTAL IMPACT STATEMENT.—No requirement or restriction in this section (including the delay in operation of the N Reactor until at least December 31, 1987) shall affect or be considered in the application or interpretation of the National Environmental Policy Act (42 U.S.C. 4321 et seq.) to the N Reactor.

(d) OPERATION DEFINED.—For purposes of this section, the term "operation" with respect to the N Reactor means any activity carried out for the purpose of producing special nuclear materials by achieving a state of criticality.

SEC. 3134. INTERIM OVERSIGHT OF SAFETY OF THE NUCLEAR WEAPONS COMPLEX

(a) REQUIREMENT FOR REVIEW AND REPORT.—(1) The Secretary of Energy shall request the National Academy of Sciences to conduct two reviews on the status of the nuclear weapons complex and submit a report on each review. Each such report shall include—

(A) a consideration of safety and technical issues at current facilities and a discussion of steps that would enhance the safety of operation of those facilities;

(B) a consideration of the environmental impact of the operation of those facilities;

(C) an estimation of the approximate useful lifetime of existing reactors; and

(D) findings and recommendations.

(2) The reports shall be submitted concurrently to the Committees on Armed Services of the Senate and House of Representatives and the Secretary not later than December 1, 1988, and December 1, 1989.

(b) REVIEW AND COMMENT BY SECRETARY.—(1) The Secretary shall review the findings and recommendations contained in each report under subsection (a) and shall separately provide to the Committees on Armed Services of the Senate and House of Representatives a report containing—

(A) the Secretary's comments on such findings and recommendations; and

(B) a description (including cost assessments) of plans of the Secretary to correct any technical problems described in the report or to carry out recommendations set forth in the report.

(2) The Secretary shall submit the report required by paragraph (1) no later than 30 days after receipt of each report required by subsection (a).

SEC. 3135. TIMELY DETERMINATION OF PROPERTY RIGHTS IN INVENTIONS AND DISCOVERIES

(a) DEADLINE FOR WAIVER DECISION.—Section 3131(a) of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1987 (title I of division C of Public Law 99-661; 100 Stat. 4061) is amended—

(1) by inserting "(1)" before "Whenever any contractor";

(2) by striking out the last sentence; and

(3) by adding at the end the following new paragraphs:

"(2) Such decision shall be made within 150 days after the date on which a complete request for waiver of such rights has been submitted to the Secretary by the contractor. For purposes of this paragraph, a complete request includes such information, in such detail and form, as the Secretary by regulation prescribes as necessary to allow the Secretary to take into consideration the matters described in subsection (b) in making the decision.

"(3) If the Secretary fails to make the decision within such 150-day period, the Secretary shall submit to the Committees on Armed Services of the House of Representatives and the Senate, within 10 days after the end of the 150-day period, a report on the reasons for such failure. The submission of such report shall not relieve the Secretary of the requirement to make the decision under this section. The Secretary shall, at the end of each 30-day period after submission of the first report during which the Secretary continues to fail to make the decision required by this section, submit another report on the reasons for such failure to the committees listed in this paragraph.".

(b EFFECTIVE DATE.—Paragraphs (2) and (3) of section 3131(a) of the Department of Energy National Security and Military Applications of Nuclear Energy Authorization Act of 1987 (as added by subsection (a)) shall apply with respect to waiver requests submitted by contractors under that section after March 1, 1988.

SEC. 3136. PRODUCTION REACTOR ACQUISITION STRATEGY

(a) REPORT.—The Secretary of Energy shall submit to the Committees on Armed Services of the Senate and House of Representatives a report describing the strategy of the Secretary for acquiring new reactor capacity for the production of nuclear materials. The report shall include the following:

(1) An evaluation, including a discussion of all safety features considered, of the alternative sites and technologies for acquiring new reactor capacity for the production of nuclear materials.

(2) The associated costs and schedules of such alternative sites and technologies, including annual funding requirements.

(3) The recommendations of the Secretary of Energy with respect to—

(A) the preferred sites and technologies for acquiring new reactor capacity for the production of nuclear materials; and

(B) an acquisition strategy for eventual procurement, either in a phased approach or concurrently, of two reactors with different technologies in different locations.

(b) DEADLINE.—The report required by subsection (a) shall be submitted as soon as possible after the date of the enactment of this Act, but no later than February 1, 1988.

PART D—DEPARTMENT OF ENERGY SEMICONDUCTOR TECHNOLOGY RESEARCH EXCELLENCE INITIATIVE

SEC. 3141. FINDINGS

Congress makes the following findings:

(1) Semiconductors and related microelectronic devices are key components in computers, telecommunications equipment, ad-

vanced defense systems, and other equipment.

(2) Aggregate sales of such equipment, in excess of $230,000,000,000 annually, comprise a significant portion of the gross national product of the United States.

(3) The leadership position of the United States in advanced technology is threatened by (A) competition from foreign businesses which is promoted and facilitated by the increasingly active involvement of foreign governments, and (B) other changes in the nature of foreign competition.

(4) The principal cause of the relative shift in strength of the United States and its semiconductor competitors is the establishment of a long-term goal by a major foreign competitor to achieve world superiority in semiconductor research and manufacturing technology and the pursuit of such goal by that competitor by effectively marshalling all of the government, industry, and academic resources needed to achieve that goal.

(5) Although the United States semiconductor industry leads all other principal United States industries in terms of its reinvestment in research and development, that has been insufficient by worldwide standards.

(6) Electronic equipment is essential to protect the national security of the United States, as is evidenced by the allocation of approximately 35 percent of the total research, development, and procurement budgets of the Department of Defense to electronics research.

(7) The Armed Forces of the United States will eventually depend extensively on foreign semiconductor technology unless significant steps are taken, and taken at an early date, to retain United States leadership in semiconductor technology research.

(8) It is in the interests of the national security and national economy of the United States for the United States to regain its traditional world leadership in the field of semiconductors.

(9) The most effective means of regaining that leadership is through a joint research effort of the Federal Government and private industry of the United States to improve semiconductor manufacturing technology and to develop practical uses for such technology.

(10) In order to meet the national defense needs of the United States and to insure the continued vitality of a commercial manufacturing base in the United States, it is essential that priority be given to the development, demonstration, and advancement of the semiconductor technology base in the United States.

(11) The national laboratories of the Department of Energy are a major national research resource, and the extensive involvement of such laboratories in the semiconductor research initiatives of the Federal Government and private industry would be an effective use of such laboratories and would help insure the success of such initiatives.

SEC. 3142. ESTABLISHMENT OF THE SEMICONDUCTOR MANUFACTURING TECHNOLOGY RESEARCH INITIATIVE

The Secretary of Energy shall initiate and carry out a program (hereinafter in this subtitle referred to as the "Initiative") of research on semiconductor manufacturing technology and on the practical applications of such technology. The Secretary may carry out the Initiative in a way that complements the activities of a consortium of United States semiconductor manufacturers, materials manufacturers, and equipment manufacturers, established for the purpose of conducting research concerning advanced semiconductor manufacturing techniques and developing techniques to adopt manufacturing expertise to a variety of semiconductor products.

SEC. 3143. PARTICIPATION OF NATIONAL LABORATORIES OF THE DEPARTMENT OF ENERGY

(a) Mission of National Laboratories.—Each national laboratory of the Department of Energy may participate in research and development projects under the Initiative in conjunction with the Department of Defense or with any consortium, college, or university carrying out any project for or in cooperation with any consortium referred to in section 3142, to the extent that such participation is consistent with the missions of the national laboratory.

(b) Agreements.—The Secretary of Energy may enter into such agreements with the Secretary of Defense, with any consortium referred to in section 3142, and with any college or university as may be necessary to provide for the active participation of the national laboratories of the Department of Energy in the Initiative.

(c) Research and Development.—One or more national laboratories of the Department of Energy shall participate in the Initiative by conducting research and development activities relating to research on the development of semiconductor manufacturing technologies. Such activities may include research and development relating to materials fabrication, materials characterization, design and modeling of devices, and new processing equipment.

SEC. 3144. PERSONNEL EXCHANGES

The Secretary of Energy may authorize temporary exchanges of personnel between the national laboratories of the Department of Energy and any domestic firm or any consortium referred to in section 3142 that is participating in the Initiative. The exchange of personnel shall be subject to such restrictions, limitations, terms, and conditions that the Secretary of Energy considers necessary in the interest of national security.

SEC. 3145. OTHER DEPARTMENT OF ENERGY RESOURCES

(a) Availability of Resources—Subject to subsection (b), the Secretary of Energy may make available to the Department of Defense, to any other department or agency of the Federal Government, and to any consortium that has entered into an agreement in furtherance of the Initiative any facilities, personnel, equipment, services, and other resources of the Department of Energy for the purpose of conducting research and development projects under the Initiative consistent with section 3143(a).

(b) Reimbursement.—The Secretary may make facilities available under this section only to the extent that the cost of the use of such facilities is reimbursed by the user.

SEC. 3146. BUDGETING FOR SEMICONDUCTOR MANUFACTURING TECHNOLOGY RESEARCH

(a) Budget Submission.—To the extent the Secretary considers appropriate and necessary, the Secretary of Energy, in preparing the research and development budget of the Department of Energy to be included in the annual budget submitted to the Congress by the President under section 1105(a) of title 31, United States Code, shall provide for programs, projects, and activities that encourage the development of new technology in the field of semiconductors.

(b) Budget Categories.—The programs, projects, and activities described in subsection (a) shall be included in the budget for general science and research activities of the Department of Energy, except that any programs, projects, and activities that directly support and directly benefit the defense activities of the Department shall be included in the budget for atomic energy defense activities of the Department of Energy.

SEC. 3147. COST-SHARING AGREEMENTS

(a) Permitted Provisions.—The director of each national laboratory of the Department of Energy that is participating in the Initiative or the contractor operating any such national laboratory, in carrying out programs under a contract with the Department of Energy, may include in any research and development agreement entered into with a domestic firm in connection with such Initiative a cooperative provision for the domestic firm to pay a portion of the cost of the research and development activities.

(b) Limitations.—(1) Not more than an amount equal to 1 percent of any national laboratory's annual budget shall be received from nonappropriated funds derived from contracts entered into under the Initiative in any fiscal year, except to the extent approved in advance by the Secretary of Energy.

(2) No Department of Energy national laboratory may receive more than $10,000,000 of nonappropriated funds under any cooperative research and development agreement entered into under this subsection in connection with the Initiative, except to the extent approved in advance by the Secretary of Energy.

SEC. 3148. DEPARTMENT OF ENERGY OVERSIGHT OF COOPERATIVE AGREEMENTS RELATING TO THE INITIATIVE

(a) Provisions Relating to Disapproval and Modification of Agreements.—If the Secretary of Energy desires an opportunity to disapprove or require the modification of any agreement under section 3147, the agreement shall provide a 90-day period within which such action may be taken, beginning on the date the agreement is submitted to the Secretary.

(b) Record of Agreements.—Each national laboratory shall maintain a record of all agreements entered into under this section.

SEC. 3149. AVOIDANCE OF DUPLICATION

In carrying out the Initiative, the Secretary of Energy shall ensure that unnecessary duplicative research is not performed at the research facilities (including the national laboratories of the Department of Energy) that are participating in the Initiative.

SEC. 3150. AUTHORIZATION OF APPROPRIATIONS

There is authorized to be appropriated to the Department of Energy for fiscal year 1988 the sum of $25,000,000 for general science and research activities of the Department of Energy under the Initiative.

SEC. 3151. TECHNOLOGY TRANSFER

(a) In General—The Secretary of Energy shall adopt procedures to provide for timely and efficient transfer of semiconductor technology developed under the Initiative pursuant to applicable laws, executive orders, and regulations.

(b) Plan for Commercialization Enhancement.—(1) Not later than one year after the date on which funds are first appropriated to conduct the Initiative, the Secretary of Energy shall transmit to the committees of Congress named in paragraph (2) a plan for the transfer of semiconductor technology and information generated by the Initiative.

(2) The committees of Congress referred to in paragraph (1) are the Committees on Armed Services of the Senate and House of

Representatives, the Committee on Energy and Natural Resources of the Senate, and the Committee on Science and Technology of the House of Representatives.

TITLE II—NATIONAL DEFENSE STOCKPILE

SEC. 3201. SHORT TITLE

This title may be cited as the "National Defense Stockpile Amendments of 1987".

SEC. 3202. STOCKPILE REQUIREMENTS

(a) PROCEDURE FOR REVISIONS OF STOCKPILE REQUIREMENTS.—Section 3 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98b) is amended—

(1) in subsection (a), by striking out "The" in the first sentence and inserting in lieu thereof "Subject to subsection (c), the";

(2) in subsection (b), by striking out "the following principles" and all that follows and inserting in lieu thereof "the principles stated in section 2(c)."; and

(3) by striking out subsection (c) and inserting in lieu thereof the following:

"(c)(1) The quantity of any material to be stockpiled under this Act, as in effect on September 30, 1987, may be changed only as provided in this subsection or as otherwise provided by law enacted after the date of the enactment of the National Defense Stockpile Amendments of 1987.

"(2) If the President proposes to change the quantity of any material to be stockpiled under this Act, the President shall include a full explanation and justification for the change in the next annual material plan submitted to Congress under section 11(b).

"(3) If the proposed change in the case of any material would result in a new requirement for the quantity of such material different from the requirement for that material in effect on September 30, 1987, by less than 10 percent, the change may be made by the President effective on or after the first day of the first fiscal year beginning after the explanation and justification for the proposed change is submitted pursuant to paragraph (2).

"(4) In the case of a proposed change not covered by paragraph (3), the proposed change may be made only to the extent expressly authorized by law.

"(5) If in any year the reports required by sections 11(b) and 14 are not submitted to Congress as required by law (including the time for such submission), then during the next fiscal year no change under paragraph (3) may be made in the quantity of any material to be stockpiled under this Act.".

(b) PURPOSE OF STOCKPILE.—Section 2 of such Act (50 U.S.C. 98a) is amended by adding at the end the following new subsection:

"(c) In providing for the National Defense Stockpile under this Act, Congress establishes the following principles:

"(1) The purpose of the National Defense Stockpile is to serve the interest of national defense only. The National Defense Stockpile is not to be used for economic or budgetary purposes.

"(2) The quantities of materials stockpiled under this Act should be sufficient to sustain the United States for a period of not less than three years during a national emergency situation that would necessitate total mobilization of the economy of the United States for a sustained conventional global war of indefinite duration.".

(c) ANNUAL RECOMMENDATION OF STOCKPILE REQUIREMENTS BY SECRETARY OF DEFENSE.—The Strategic and Critical Materials Stock Piling Act is amended by adding at the end the following new section:

"ANNUAL REPORT ON STOCKPILE REQUIREMENTS

"SEC. 14. (a) The Secretary of Defense shall submit to Congress an annual report on stockpile requirements. Each such report shall be submitted with the annual report submitted under section 11(b) and shall include—

"(1) the Secretary's recommendations with respect to stockpile requirements; and

"(2) the matters required under subsection (b).

"(b) Each report under this section shall set forth the national emergency planning assumptions used in determining the stockpile requirements recommended by the Secretary, based upon total mobilization of the economy of the United States for a sustained conventional global war for a period of not less than three years. Assumptions to be set forth include assumptions relating to each of the following:

"(1) Length and intensity of the assumed emergency.

"(2) The military force structure to be mobilized.

"(3) Losses from enemy action.

"(4) Military, industrial, and essential civilian requirements to support the national emergency.

"(5) Budget authority necessary to meet the requirements of total mobilization for the military, industrial, and essential civilian sectors.

"(6) The availability of supplies of strategic and critical materials from foreign sources, taking into consideration possible shipping losses.

"(7) Domestic production of strategic and critical materials.

"(8) Civilian austerity measures.

"(c) The President shall submit with each report under this section a statement of the plans of the President for meeting the recommendations of the Secretary set forth in the report.".

SEC. 3203. STOCKPILE MANAGER

(a) CLARIFICATION OF CHARTER OF STOCKPILE MANAGER.—Section 6A of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e-1) is amended to read as follows:

"NATIONAL DEFENSE STOCKPILE MANAGER

"NATIONAL DEFENSE STOCKPILE MANAGER"

"SEC. 6A. (a) The President shall designate a single Federal office to have responsibility for performing the functions of the President under this Act, other than under sections 7, 8, and 13. The office designated shall be one to which appointment is made by the President, by and with the advice and consent of the Senate.

"(b) The individual holding the office designated by the President under subsection (a) shall be known for purposes of functions under this Act as the 'National Defense Stockpile Manager'.

"(c) The President may delegate functions of the President under this Act (other than under sections 7, 8, and 13) only to the National Defense Stockpile Manager. Any such delegation made by the President shall remain in effect until specifically revoked by law or Executive order.

"(d) During any period during which there is no officer appointed by the President, by and with the advice and consent of the Senate, serving in the position designated by the President under subsection (a) or during which the authority of the President under this Act (other than under sections 7, 8, and 13) has not been delegated to that position, no action may be taken under section 6(b) or 6(d).".

(b) REVOCATION OF EXISTING DELEGATION.—Effective 30 days after the date of the enactment of this Act, Executive order 12155 is revoked and shall be of no further force and effect.

(c) SAVINGS PROVISION.—Unless otherwise directed by the President under section 6A of the Strategic and Critical Materials Stock Piling Act, as amended by subsection (a), the designation of a National Defense Stockpile Manager in effect on the day before the date of the enactment of this Act shall remain in effect until the individual so designated ceases to hold the office held by the individual at the time of the designation.

SEC. 3204. AUTHORIZED USES OF STOCKPILE TRANSACTION FUND

Section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h(b)(2)) is amended by striking out subparagraph (F).

SEC. 3205. DEADLINE FOR ANNUAL MATERIALS PLAN

Section 11(b) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98h-2(b)) is amended—

(1) by striking out "The President" and inserting in lieu thereof "Not later than February 15 of each year, the President"; and

(2) by striking out "each year, at the time that the Budget is submitted to Congress pursuant to section 1105 of title 31, United States Code, for the next fiscal year,".

SEC. 3206. TECHNICAL AMENDMENTS

(a) CONGRESSIONAL COMMITTEE ACTION.—Section 5(a)(2) of the Strategic and Critical Materials Stockpiling Act (50 U.S.C. 98d(a)(2)) is amended by striking out "or until" in the first sentence and all that follows through "proposed transaction".

(b) SECTION HEADING.—Such Act is amended by inserting before section 13 (50 U.S.C. 98h-4) the following:

"IMPORTATION OF STRATEGIC AND CRITICAL MATERIALS"

(c) SURPLUS WORDS.—Section 13 of such Act is amended by striking out "Notwithstanding any other provision of law, on and after January 1, 1972, the" and inserting in lieu thereof "The".

TITLE III—CIVIL DEFENSE

SEC. 3301. AUTHORIZATION OF APPROPRIATION

There is hereby authorized to be appropriated $134,806,000 for fiscal year 1988 for the purpose of carrying out the Federal Civil Defense Act of 1950 (50 U.S.C. App 2251 et seq.).

SEC. 3302. WITHHOLDING OF FUNDS FOR FAILURE OR REFUSAL TO PARTICIPATE IN SIMULATED NUCLEAR ATTACK EXERCISE

Funds available to the Federal Emergency Management Agency for fiscal years 1987 and 1988 for obligation under the Federal Civil Defense Act of 1950 may not be withheld or withdrawn on or after the date of the enactment of this Act from any State or any other entity on the basis of the failure or refusal of such State or other entity to participate in a simulated nuclear attack exercise. Any such funds withheld from payment to a State or other entity before the date of the enactment of this Act on such basis shall be paid to such State or other entity, as the case may be, at the earliest practicable date after the date of the enactment of this Act.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

From the Committee on Armed Services, for consideration of the entire House bill and Senate amendment, and modifications committed to conference, unless otherwise restricted:

LES ASPIN,
MELVIN PRICE,

Samuel Stratton,
Bill Nichols,
Dan Daniel,
G.V. Montgomery,
Pat Schroeder,
Beverly Byron,
Nicholas Mavroules,
Earl Hutto,
Ike Skelton,
Marvin Leath,
Dave McCurdy,
Roy Dyson,
D.M. Hertel,
Richard Ray,
John M. Spratt, Jr.,
Frank McCloskey,
George (Buddy) Darden,
Tommy F. Robinson,
William L. Dickinson,
Floyd Spence,
Robert E. Badham,
Bob Davis,
David O'B. Martin,
John Kasich,
Mac Sweeney,
Ben Blaz,

As additional conferees from the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII:

Louis Stokes,
Robert W. Kastenmeier,
Dick Cheney,

As additional conferees from the Committee on Ways and Means, for consideration of secs. 828, 856, 857, 858, and 2818 of the Senate amendment and modifications committed to conference:

Dan Rostenkowski,
Sam M. Gibbons,
Ed Jenkins,
Thomas J. Downey,
Donald J. Pease,
Marty Russo,
Richard A. Gephardt,
Frank Guarini,
Robert T. Matsui,
John J. Duncan,
Phil Crane,
Bill Frenzel,
Richard T. Schulze,
Rod Chandler,

As additional conferees from the Committee on Foreign Affairs, for consideration of sec. 833 of the House bill, and secs. 234, 801, 811, 817, 849, 852, 854, and 863 of the Senate amendment, and modifications committed to conference:

Dante B. Fascell,
Lee H. Hamilton,
Gus Yatron,
Steve Solarz,
Howard L. Berman,

As additional conferees from the Committee on Foreign Affairs, for consideration of secs. 321, 331, 332, 333, 728, 820, 826, 828, 829, 831, 835, 841, 842, 850, 851, 855, and 856 of the Senate amendment, and modifications committed to conference:

Dante B. Fascell,
Lee H. Hamilton,
Gus Yatron,
Steven Solarz,
Bill Broomfield,
Benjamin A. Gilman,

As additional conferees from the Committee on Foreign Affairs, for consideration of secs. 827, 833, and 862 of the Senate amendment, and modifications committed to conference:

Dante B. Fascell,
Lee H. Hamilton,
Gus Yatron,
Dan Mica,
Bill Broomfield,
Olympia Snowe,

As additional conferees from the Committee on the Judiciary, for consideration of sec. 825 of the House bill, and secs. 835 and 841 of the Senate amendment, and modifications committed to conference:

Peter W. Rodino,
William J. Hughes,
Harley O. Staggers, Jr.,
Bill McCollum,
Clay Shaw,

As additional conferees from the Committee on Small Business, for consideration of sec. 840 of the Senate amendment, and modifications committed to conference:

John J. LaFalce,
Joseph M. McDade,

As exclusive conferees, solely for considerations of secs. 117, 206(e)(2), 206(e)(13), 221(a), 224, 247, 812, 3113(a), and 3135 of the House bill, and secs. 231, 233, 235, 864, 865, and 3114 of the Senate amendment, and modifications committed to conference:

Les Aspin,
Nicholas Mavroules,
Dave McCurdy,
D.M. Hertel,
John M. Spratt, Jr.,
Frank McCloskey,
Dante B. Fascell,
Joseph J. Solarz,
Howard L. Berman,
George E. Brown, Jr.,
Norm Dicks,
Thomas J. Downey,
Les AuCoin,
Ed Markey,
William L. Dickinson,
Managers on the Part of the House.

Sam Nunn,
J.J. Exon,
Carl Levin,
Edward M. Kennedy,
Jeff Bingaman,
Alan J. Dixon,
John Glenn,
John Warner,
Bill Cohen,
Dan Quayle,
Pete Wilson,
Phil Gramm,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1748) to authorize appropriations for fiscal year 1988 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for fiscal year 1988 for the Armed Forces, to authorize appropriations for fiscal year 1989 for certain specified activities of the Department of Defense, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SUMMARY STATEMENT OF CONFERENCE ACTION

The conferees recommend authorizations for the National defense functions of the Government (budget function 050) for fiscal year 1988 based upon two alternative levels of new budget authority as contained in the Budget Resolution. In providing $296 billion for National Defense, the budget resolution reserved $7 billion for National Defense, the budget resolution reserved $7 billion of that sum from availability for appropriation pending enactment of certain deficit reduction legislation, leaving a level of $289 billion available for appropriation.

The "conference agreement" characterized in this statement of managers is based upon an overall level of $296 billion, and the "contingent level" is based on an overall level of $289 billion.

As provided in section 3, the "conference agreement" figures apply unless, as of the date of the enactment of the conference report, legislation has not been enacted that causes the Congress to provide for new budget authority for the national defense function in an amount greater than $289 billion. For example, under the Budget Resolution, enactment of certain tax and reconciliation legislation would cause the new budget authority to be increased to $296 billion. At the time for the conferees completed action it was not clear if an agreement would be reached, and whether that agreement would include tax and reconciliation legislation, that would cause the Congress to provide for a level for defense greater than $289 billion. However, the conferees intend that any agreement that is reached and is subsequently enacted in any form will result in the "conference agreement" level of authorization applying. However, until such legislation is enacted, the "contingent level" would be in effect.

CONFERENCE AGREEMENT

The conferees recommend authorization for the Department of Defense for procurement, research and development, test and evaluation, operation and maintenance, working capital funds, military construction, family housing, and for civil defense that total $213.7 billion. This figure is $11.7 billion below the President's request, $3.9 billion below the Senate amendment, and $9.2 billion above the House bill.

The conferees have agreed to authorizations for the Department of Energy National Security programs that total $7.827 billion. This figure is $223 million below the President's budget request, $23 million below the Senate amendment, and $9 million below the House bill.

CONTINGENT LEVEL

At the contingent level the conferees recomment authorizations for the Department of Defense for procurement, research and development, test and evaluation, operation and maintenance, working capital funds, military construction, family housing, and for civil defense that total $207.6 billion. This figure is $17.8 billion below the President's request, $10 billion below the Senate amendment, and $3.1 billion above the House bill.

The conferees have agreed to authorizations for the Department of Energy National Security programs that total $7.827 billion. This figure is $223 million below the President's budget request, $23 million below the Senate amendment, and $9 billion below the House bill.

CONFORMING TO THE BUDGET RESOLUTION

The conferees have included a provision (sec. 4) that would limit appropriations made pursuant to authorizations in the bill so that the total for new budget authority and for outlays for the national defense function (function 050) do not exceed the levels specified in the Budget Resolution for fiscal year 1988. (The budget resolution provides for budget authority of $296 billion and outlays of $289.5 billion—the "conference agreement"—and for budget authority of $289 billion and outlays of $283.6 billion—the "contingent level".) Specifically at the "conference agreement" appropriations would be limited to $295.9 billion or to such lessor amount necessary to limit new outlays to $172.9 billion, and at the "contingent level" appropriations would be limited to $288.9 billion or to such lessor amount necessary to limit new outlays to $167 billion. (These figures differ from those in the budget resolution only because there are a few accounts in the defense function not authorized in this bill and because a large portion of the outlays in the defense function result from appropriations made in prior years.)

EXPIRATION OF FISCAL YEAR 1989 AUTHORIZATIONS

The House bill contained a provision (sec. 802) that would provide that authorizations for appropriations in the bill would be effective only with respect to appropriations made during the current session of Congress. The Senate amendment contained no similar provision.

The conferees recommend direct authorizations for fiscal year 1989, under both the "conference agreement" and the "contingent level", totaling $144.1 billion and have included a provision (sec. 5) that would provide that authorizations for fiscal year 1989 expire at the end of the current session of Congress unless appropriations are enacted during this session of Congress.

SUMMARY TABLE OF AUTHORIZATIONS

The defense authorization bill provides authorizations for appropriations but does not provide budget authority. Budget authority is provided in appropriations bills.

In order to relate the conference recommendation to the budget resolution, matters in addition to the dollar authorizations contained in the bill must be taken into account. A number of programs in the defense function are authorized permanently, or in certain instances, authorized in other annual legislation. In addition the authorization bill establishes personnel levels and includes a number of legislative provisions affecting military compensation.

The table below summarizes authorizations included in the bill for fiscal year 1988 and, in addition, summarizes the implication of the conference action for the budget totals for National Defense (Budget Function 050).

	1988 President's Request Authorization	House Passed Authorization	Senate Passed Authorization	Authorization Conference Agreement	BA Implication of Conference Agreement	Authorization Contingent Level	BA Implication of Contingent Level
Department of Defense, Military (subfunction 051)							
Total, Military Personnel					77,490.0		77,109.0
Procurement							
Army:							
Aircraft	2,474.0	2,703.1	2,805.9	2,864.7	2,864.7	2,786.6	2,786.6
Missiles	2,458.5	2,270.2	2,412.9	2,425.9	2,425.9	2,355.9	2,355.9
Weapons and tracked combat vehicles	3,152.5	3,345.7	3,410.4	3,435.1	3,435.1	3,435.1	3,435.1
Ammunition	2,194.3	2,238.8	2,131.2	2,397.9	2,397.9	2,215.6	2,215.6
Other procurement	5,870.9	5,071.9	5,522.2	5,494.5	5,494.5	5,478.2	5,478.2
Total, Army	16,150.1	15,629.8	16,282.6	16,618.1	16,618.1	16,271.4	16,271.4
Navy:							
Aircraft	9,924.9	9,253.2	9,562.6	9,605.0	9,605.0	8,610.1	8,610.1
Weapons procurement	6,502.3	5,815.8	6,219.5	5,989.0	5,989.0	5,857.0	5,857.0
Shipbuilding and conversion	11,065.4	9,924.0	10,081.5	9,530.4	9,530.4	9,530.4	9,530.4
Other procurement	4,983.8	4,901.8	4,967.6	5,321.6	5,321.6	5,207.1	5,207.1
Procurement, Marine Corps	1,402.4	1,286.2	1,378.4	1,333.6	1,333.6	1,330.5	1,330.5
Total, Navy	33,878.8	31,180.9	32,209.7	31,779.6	31,779.6	30,535.2	30,535.2
Air Force:							
Aircraft	14,191.4	11,557.8	13,754.9	13,224.3	13,224.3	12,689.3	12,689.3
Missiles	9,772.7	7,296.3	9,137.5	7,513.5	7,513.5	7,229.9	7,229.9
Other procurement	8,570.5	8,350.9	8,210.8	8,422.9	8,422.9	8,243.5	8,243.5
Section 110(c) PAVE TIGER		95.8		95.8	95.8	50.0	50.0
Total, Air Force	32,534.5	27,300.8	31,103.2	29,256.5	29,256.5	28,212.7	28,212.7
National Guard and Reserve Equipment	0.0	596.5	300.0	703.0	703.0	638.0	638.0
Defense agencies	1,292.4	1,240.3	1,276.9	1,293.3	1,293.3	1,288.4	1,288.4
Defense Production Act		0.0			30.8		30.8
DoD Chemical Demilitarization Program	87.4	389.1	87.4	125.1	125.1	125.1	125.1
Total, procurement	83,943.3	76,337.3	81,259.8	79,775.7	79,806.5	77,070.8	77,101.6
Research, Development, Test and Evaluation							
Army	5,511.2	4,556.5	5,474.5	5,281.0	5,281.0	5,204.3	5,204.3
Navy (and Marine Corps)	10,490.4	7,857.2	10,268.7	9,947.2	9,947.2	9,639.0	9,639.0
Air Force	18,623.4	15,810.2	16,346.6	16,862.0	16,862.0	15,114.6	15,114.6
Defense agencies	8,811.5	7,372.8	8,417.0	8,145.2	8,145.2	8,060.6	8,060.6
Director, Test and Evaluation	178.2	193.6	178.2	184.7	184.7	173.5	173.5
Director, Operational Test and Eval	104.2	91.2	104.2	91.2	91.2	91.2	91.2
Lincoln Laboratory Improvements		135.0	135.0	0.0	0.0	0.0	0.0
Total, R.D.T.&E	43,718.9	36,016.6	40,924.2	40,511.2	40,511.2	38,283.2	38,283.2

	1988 President's Request Authorization	House Passed Authorization	Senate Passed Authorization	Authorization Conference Agreement	BA Implication of Conference Agreement	Authorization Contingent Level	BA Implication of Contingent Level
Operation and Maintenance							
Army	22,120.4	20,662.0	21,691.3	21,540.7	21,540.7	21,367.9	21,367.9
Navy	25,652.8	23,787.2	25,088.2	24,864.0	24,864.0	24,620.4	24,620.4
Marine Corps	1,918.4	1,875.1	1,900.0	1,887.5	1,887.5	1,875.1	1,875.1
Air Force	21,325.3	19,894.5	20,979.7	20,730.1	20,730.1	20,452.4	20,452.4
Defense agencies	7,602.9	7,330.3	7,393.6	7,424.9	7,424.9	7,387.5	7,387.5
Army Reserve	879.1	855.8	872.2	862.2	862.2	862.2	862.2
Navy Reserve	957.1	951.2	940.8	947.6	947.6	940.8	940.8
Marine Corps Reserve	71.4	70.3	69.0	70.3	70.3	69.0	69.0
Air Force Reserve	1,018.3	1,020.5	1,010.4	1,014.1	1,014.1	1,013.9	1,013.9
Army National Guard	1,862.2	1,896.6	1,849.7	1,883.6	1,883.6	1,868.6	1,868.6
Air Force National Guard	1,973.0	1,984.2	1,969.0	1,980.2	1,980.2	1,977.4	1,977.4
National Board for the promotion of rifle practice	4.1	4.1	4.1	4.1	0.0 4.1	4.1	0.0 4.1
Claims, Defense	273.6	193.6	198.6	193.6	193.6	193.6	193.6
Court of Military Appeals	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Pan American Games	0.0	0.0			0.0		0.0
Foreign Currency Fluctuations, Defense		0.0			0.0		0.0
Other legislation	20.0	0.0			0.0		0.0
Envirnmental restoration	402.8	392.8	402.8	392.8	392.8	392.8	392.8
Military Health Care		2,116.8			0.0		0.0
CHAMPUS Catastrophic Cap for Retirees					0.0		0.0
Humanitarian Assistance	0.0	10.0	13.0	13.0	13.0	13.0	13.0
Total, O&M	86,084.7	83,048.3	84,385.6	83,811.9	83,811.9	83,042.0	83,042.0
Working Capital Funds							
Army stock fund	263.2	193.2	236.9	215.1	215.1	193.2	193.2
Navy stock fund	404.4	329.4	364.0	346.7	346.7	329.4	329.4
Air Force stock fund	326.0	226.0	293.4	259.7	259.7	226.0	226.0
Defense stock fund	207.6	132.6	186.9	159.8	159.8	132.6	132.6
Total, Working Capital Funds	1,201.2	881.2	1,081.2	981.2	981.2	881.2	881.2
Other							
Sec. 4-Compliance with Budget Resolution				(3,036.6)	(3,036.6)	(3,553.3)	(3,553.3)
Appropriation to pay claim		0.8			0.0		0.0
Procurement Technical Assistance		7.0	7.5		0.0		0.0
Allowance for civilian pay	504.6	0.0	756.9		0.0		0.0
Subtotal, Other	504.6	7.8	764.4	(3,036.6)	(3,036.6)	(3,553.3)	(3,553.3)

	1988 President's Request Authorization	House Passed Authorization	Senate Passed Authorization	Authorization Conference Agreement	BA Implication of Conference Agreement	Authorization Contingent Level	BA Implication of Contingent Level
Military Construction							
Army	1,182.1	914.9	1,004.2	1,032.8	1,263.4	974.3	1,204.9
Navy/Marine Corps	1,810.1	1,340.7	1,665.5	1,447.5	1,481.4	1,407.0	1,440.9
Air Force	1,485.9	1,143.9	1,288.6	1,251.4	1,266.4	1,167.3	1,182.4
Defense agencies	851.7	502.6	756.8	556.4	563.9	509.7	517.2
Army National Guard	170.4	164.3	165.0	177.3	177.3	177.3	177.3
Air National Guard	160.8	126.5	153.2	141.1	141.1	141.1	141.1
Army Reserve	95.1	95.1	88.1	88.1	88.1	88.1	88.1
Naval Reserve	73.7	67.6	68.7	68.7	68.7	68.7	68.7
Air Force Reserve	79.3	67.4	74.3	74.3	74.3	74.3	74.3
NATO infrastructure	396.0	396.0	386.0	386.0	386.0	386.0	386.0
Total, military construction	6,305.1	4,819.0	5,650.4	5,223.5	5,510.6	4,993.9	5,280.9
Family Housing							
Army	1,738.7	1,590.7	1,669.7	1,573.5	1,570.7	1,559.5	1,556.7
Navy	799.0	778.7	733.0	769.7	767.9	736.7	734.9
Air Force	926.5	846.5	912.5	858.3	856.9	835.5	834.1
Defense agencies	19.7	20.7	19.7	20.7	20.7	20.7	20.7
Homeowners Assistance Fund, Defense	2.8	2.8	2.8	2.8	5.8	2.8	5.8
Total, family housing	3,486.7	3,239.4	3,337.7	3,225.0	3,222.0	3,155.2	3,152.2
Total, MILCON and Family Housing	9,791.9	8,058.4	8,988.2	8,448.5	8,732.6	8,149.0	8,433.1
Enacted in prior years		0.0			(725.8)		(725.8)
Total, Department of Defense, Military	225,244.6	204,349.6	217,403.4	210,491.9	287,571.0	203,872.9	280,571.0
Total, Department of Energy National Security Programs	8,050.0	7,836.1	7,849.4	7,826.9	7,826.9	7,826.9	7,826.9
Other Defense Related Activities (subfunction 054)							
Intelligence Community Staff		0.0			24.3		24.3
Civil Defense (FEMA)	154.8	134.8	134.8	134.8	311.6	134.8	311.6
CIA Retirement Fund		0.0			134.7		134.7
Selective Service		0.0			26.5		26.5
Aid to the Contras		0.0			105.0		105.0
Total, Other Defense Related Activities	154.8	134.8	134.8	134.8	602.1	134.8	602.1
Grand total	233,449.4	212,320.4	225,387.6	218,453.6	296,000.0	211,834.6	289,000.0
Total outlay implication					289,500.0		283,600.0

DIVISION A—DEPARTMENT OF DEFENSE AUTHORIZATIONS

TITLE I—PROCUREMENT

DEFENSE WIDE ISSUES

CHEMICAL DETERRENT PROGRAM

Chemical demilitarization

The budget request contained authorization of $87.4 million, including operations and maintenance, and research and development for the chemical demilitarization program. Further, the fiscal year 1987 supplemental request included $250 million for procurement and $250 million for military construction.

The House bill would authorize $389.1 million for the chemical demilitarization program for fiscal year 1988. The Senate amendment would authorize $87.4 million for the program.

The House bill contains a provision (sec. 112) that would require the Secretary of Defense by February, 1988 to issue the final Programmatic Environmental Impact Statement. Obligation of the fiscal year 1988 funds would be restricted until the Secretary of Defense certifies that the demilitarization plan has been revised to include (1) a program for the evaluation of alternate disposal technologies and selection of such technology, (2) full-scale operational verification of the technology or technologies selected after the evaluation program, and (3) maximum protection for the public. The Secretary of Defense would be required by March, 1988 to submit an alternate demilitarization plan incorporating these criteria, and to specify any revised schedule or funding requirements necessary to meet these requirements. This, however, should not restrict parallel or concurrent development of competing technologies. Finally, the Secretary of Defense would be directed to conduct an ongoing program of surveillance and assessment of the condition of the existing chemical weapons stockpile.

The Senate amendment contained a similar provision (sec. 142) with only minor technical differences.

The House recedes with an amendment.

Consistent with this provision and existing law, the conferees agreed to authorize funds for fiscal year 1988 that would not prejudice or predetermine the Secretary's decision prior to the submission of an alternate demilitarization plan. The conferees encourage the Secretary of Defense to request a reprogramming if necessary at the time of submission of such plan. As a result, the conferees agreed to authorize $125.1 million for the chemical demilitarization program.

Binary chemical munitions

The budget request contained a total of $25 million, $14.8 million in Air Force Other Procurement and $10.2 million in Navy Other Procurement, to complete low-rate initial production of a small quantity of the Bigeye bomb in fiscal year 1988.

The House bill would delete all funds for Bigeye in fiscal year 1988. The Senate amendment would authorize $5 million for initial production of the Bigeye.

The Senate recedes.

The conferees were advised that the interruption in the Bigeye operational testing program will delay certification of the Bigeye in accordance with previous congressional direction. Therefore, the conferees agreed to the deletion of the production funds in the expectation that the money will not be required in fiscal year 1988. The conferees take this action without prejudice towards the Bigeye program or any future decision concerning production of the Bigeye bomb.

The conferees agreed to the importance of a long-range delivery capability for binary munitions and agreed to transfer the $5 million deleted from the Bigeye program to the Secretary of Defense to pursue research and development of long-range stand-off chemical delivery systems.

The following table summarizes the conferees' recommendations with respect to the binary munitions production program.

BINARY MUNITIONS PROCUREMENT SUMMARY

[In millions of dollars]

Item	FY 1988 request	H.R. 1748 as passed	S. 1174 as passed	Conference agreement	Contingent authorization
155mm artillery production	59.3	59.3	59.3	59.3	59.3
Bigeye bomb production	25.0	0	5.0	[1] 0	[1] 0
Total	84.3	59.3	64.3	59.3	59.3

[1] $5.0 million transferred to RDT&E for study of long range standoff alternatives.

The House bill contained a provision (sec. 117) that would prohibit the removal of existing U.S. chemical munitions currently stored in Europe unless they are replaced with binary chemical munitions stored on the soil of at least one European member nation of the North Atlantic Treaty Organization.

The Senate amendment contained no similar provision.

The conferees agreed to include a provision (sec. 126) that would modify the House language. Specifically, section 126 would reflect congressional support for policy that would link the removal and replacement of existing chemical munitions in Europe with binary chemical weapons.

This revision would not require such replacement. Nonetheless, it is the judgment of the conferees that it is essential to maintain an adequate and modern chemical weapon deterrent in NATO. Absent a treaty banning chemical weapons, it should, therefore, be the policy of the United States government that removal of the existing chemical deterrent in NATO should be accompanied by the stationing of binary chemical weapons in the least one European member nation of NATO.

The conferees further agreed that such policy should not apply to the removal of the existing unitary chemical weapons from Europe in a national security emergency involving contingencies outside NATO, or to the removal of unitary chemical weapons from Europe to protect public health and safety.

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	CHEM AGENTS AND MUNITIONS DESTRUCTION, DEF																
0	OPERATION AND MAINTENANCE	--	83,900	--	94,100	--	83,900		10,200	--	94,100		10,200	--	94,100		
1	RESEARCH AND DEVELOPMENT	--	3,500	--	3,500	--	3,500		8,000	--	11,500		8,000	--	11,500		
2	PROCUREMENT	--	---	--	144,500	--	---		19,500	--	19,500		19,500	--	19,500		
3	MILITARY CONSTRUCTION	--	---	--	147,000	--	---			--	0			--	0		
	TOTAL, CHEM AGENTS AND MUNITIONS DESTRUCTIO		87,400		389,100		87,400		37,700		125,100		37,700		125,100		0

AUTHORIZATION QUANTITIES

The conferees understand that in certain instances favorable contract prices would have allowed the services to buy more of an item than authorized in the report tables accompanying the Defense authorization bill. The conferees were requested to consider removing such constraints when appropriate to do so.

The conferees agree that if certain criteria are met, the services should be permitted to procure greater quantities of an item as long as those quantities can be acquired within the dollar authorization established in the report for that line item. Accordingly, numerical ceilings established in the report may be exceeded and additional quantities of an item procured if:

(1) the additional items can be procured without exceeding the line dollar authorization established for that item;

(2) funding is derived from savings from that line item;

(3) the purchase of additional items would not exceed established inventory objectives;

(4) the program for the item is stable and mature; and

(5) no provision in law or report language states to the contrary.

FMU-139 ELECTRONIC FUZE

The conferees support efforts to provide fair competition for procurement of defense articles wherever feasible. However, in an era of shrinking defense budgets, the conferees are concerned about the creation of production capacity beyond that required for adequate competition. In the case of the FMU-139 electronic bomb fuze, for example, some question exists as to whether future procurements will approach the combined production capacity of the producers in place and competing for contracts. Therefore, the conferees direct that the Secretary of Defense present rationale and supporting analysis to the Committees on Armed Services of the Senate and House of Representatives before contracting for additional capacity for the production of FMU-139 fuzes.

REMOTELY PILOTED VEHICLES (RPV)

The budget request contained $38.8 million for Navy short range systems and $49.3 million for an Army Intelligence/Electronic Warfare RPV.

The House bill would deny the requested amounts by each of the services and would authorize $45.4 million in a Procurement, Defense Agencies account for the procurement of a non-developmental item (NDI) system to meet the requirements of all services. The Senate bill authorized the requested programs.

The conferees agree that there is a lack of focused management within the Department of Defense for Remotely Piloted Vehicles and that the services are pursuing programs and technologies which should be merged to avoid duplication and ensure cost effective approaches to fielding expeditiously a needed capability for the conventional forces.

The conferees agreed to authorize $45.4 million for procurement of a short-range RPV system to meet all service needs. The conferees authorize the funds in the Procurement, Defense Agencies account and expect the Assistant Secretary of Defense for Command, Control, Communications and Intelligence to provide the management oversight for a DOD family of non-lethal RPVs.

T-700 ENGINE COMPETITION

The Army and Navy both have expressed their intention to procure future buys of T-700 Class helicopter engines competitively. Both the House bill and the Senate amendment would support the services' commitment to full and fair competition and include directions to that effect.

The conferees direct that the acquisition program for the T-700 engine be structured such that not less than 50 percent of the aggregate cost of engines procured over the life of the program subsequent to the first two years be manufactured in the United States. In order to protect defense preparedness, every part in the selected engine must be capable of being manufactured in the United States. In evaluating the competitive options for selecting the engine, the department should consider the total cost of introducing the engine into DOD inventories, not just the initial unit prices of the engines.

The House recedes.

LONG-RANGE ARMY ACQUISITION PLANS

Last year, the conferees directed the Secretary of the Army to undertake a comprehensive review of its acquisition plans for major combat weapons. The Committees on Armed Services of the Senate and House of Representatives examined the Army's road map for major combat systems and objected to the Army's plan to terminate or reduce significantly most of the production of their major combat systems several years before the next generation of follow-on equipment would be entering production. As a result, the conferees chose to provide additional funds above the requested levels for procurement of five primary combat systems.

In light of the continued need to improve U.S. conventional defenses, the conferees expect the Department of Defense to ensure that sufficient resources are provided for continued production of U.S. Army combat equipment beyond fiscal year 1988.

To ensure that production is sustained, the conferees agreed to authorize funds for several Army programs in fiscal year 1989. The Senate committee report (S. Rept. 100-57) contained a recommendation that the department provide sufficient resources to the Army to attain certain force modernization objectives. The conferees support this guidance.

Because these actions redirect the Army's present priorities, the conferees direct the Secretary of the Army to re-evaluate the Army's total requirements and submit a revised master plan at the time of submission of fiscal year 1989 request.

DEPLETED URANIUM PENETRATORS

In report language (H. Rept. 100-58) accompanying H.R. 1748, the fiscal year 1988 Defense authorization bill, the House Armed Services Committee addressed the requirement for break out of procurement of depleted uranium penetrators for ammunition. The committee recommended that procurement of the penetrator should be broken out, procured competitively from at least two sources and furnished to the contractors directly by the United States government.

Certain restrictions would apply, however. The breakout acquisition plan would be applicable only if the Secretary of Defense certified that such action (1) would not result in any increased costs to the government for the ammunition round in question and (2) the manufacturer of the round warrants the performance of the full up round.

The Senate report (S. Rept. 100-57) accompanying S. 1174, the fiscal year 1988 defense authorization bill, did not address the issue.

Subsequent to the issuance of both the House and Senate reports the Department of the Army, as single manager for ammunition, issued a policy statement on August 17, 1987 regarding the acquisition of depleted uranium penetrators. The conferees endorse the Army's decision to maintain two producers in the production base for all rounds containing depleted uranium penetrators.

[AMOUNTS IN THOUSANDS OF DOLLARS]

ITEM	FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
PROCUREMENT SUMMARY TABLE																
ARMY:																
AIRCRAFT		2,473,959		2,703,124		2,805,859		390,708		2,864,667		312,623		2,786,582		(78,085)
MISSILES		2,458,466		2,270,175		2,412,928		(32,591)		2,425,875		(102,591)		2,355,875		(70,000)
WEAPONS, TRACKED COMBAT VEHICLES		3,152,537		3,345,737		3,410,437		282,600		3,435,137		282,600		3,435,137		0
AMMUNITION		2,194,275		2,238,808		2,131,239		203,663		2,397,938		21,363		2,215,638		(182,300)
OTHER		5,870,860		5,071,920		5,522,163		(376,356)		5,494,504		(392,656)		5,478,204		(16,300)
TOTAL, ARMY		16,150,097		15,629,764		16,282,626		468,024		16,618,121		121,339		16,271,436		(346,685)
NAVY:																
AIRCRAFT		9,924,883		9,253,177		9,562,607		(319,896)		9,604,987		(1,314,765)		8,610,118		(994,869)
WEAPONS		6,502,332		5,815,815		6,219,532		(513,309)		5,989,023		(645,309)		5,857,023		(132,000)
SHIPS		11,065,355		9,923,955		10,081,455		(1,534,928)		9,530,427		(1,534,928)		9,530,427		0
OTHER		4,983,827		4,901,766		4,967,626		337,765		5,321,592		223,276		5,207,103		(114,489)
MARINE CORPS		1,402,440		1,286,195		1,378,440		(68,865)		1,333,575		(71,894)		1,330,546		(3,029)
TOTAL, NAVY		33,878,837		31,180,908		32,209,660		(2,099,233)		31,779,604		(3,343,620)		30,535,217		(1,244,387)
AIR FORCE:																
AIRCRAFT		14,191,371		11,557,844		13,754,873		(967,040)		13,224,331		(1,502,040)		12,689,331		(535,000)
MISSILES		9,772,693		7,296,259		9,137,539		(2,259,149)		7,513,544		(2,542,831)		7,229,862		(283,682)
OTHER		8,570,482		8,350,872		8,210,782		(147,616)		8,422,866		(326,978)		8,243,504		(179,362)
SEC. 110(C)--PAVE TIGER SYSTEM		---		95,800		---		95,800		95,800		50,000		50,000		(45,800)
TOTAL, AIR FORCE		32,534,546		27,300,775		31,103,194		(3,278,005)		29,256,541		(4,321,849)		28,212,697		(1,043,844)
NATIONAL GUARD AND RESERVE EQUIPMENT		---		596,500		300,000		703,000		703,000		638,000		638,000		(65,000)
DEFENSE AGENCIES		1,292,391		1,240,269		1,276,891		921		1,293,312		(4,020)		1,288,371		(4,941)
CHEMICAL AGENTS AND MUNITIONS DESTRUCTION		87,400		389,100		87,400		37,700		125,100		37,700		125,100		0
TOTAL PROCUREMENT		83,943,271		76,337,316		81,259,771		(4,167,593)		79,775,678		(6,872,450)		77,070,821		(2,704,857)

AIRCRAFT, ARMY

OVERVIEW

The budget request contained $2,474.0 million for procurement of Army aircraft in fiscal year 1988. The House bill would authorize $2,703.1 million for Army aircraft. The Senate amendment would authorize $2,805.9 million for Army aircraft.

The conferees agreed to authorize $2,864.7 million for procurement of Army aircraft in fiscal year 1988.

The conferees recommend a total authorization of $2,786.6 million for procurement of aircraft in fiscal year 1988 at the contingent level.

Specific program authorizations are detailed in the following table.

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	ARMY PROCUREMENT																
	AIRCRAFT PROCUREMENT, ARMY																
	AIRCRAFT																
	FIXED WING																
1	GOLDEN KNIGHTS REPLACEMENT AIRCRAFT..........	2	13,599	2	13,599	2	13,599			2	13,599			2	13,599		
2	C-20 AIRCRAFT................................	--	---	--	---	--	---			--	---			--	---		
0	GUARDRAIL/COMMON SENSOR ROLL.................	--	---	--	---	--	---			--	---			--	---		
3	C-12 CARGO AIRPLANE..........................	--	---	--	---	--	---			--	---			--	---		
4	CESSNA SKYLANE...............................	2	194	0	0	2	194			2	194			2	194		
5	RC-12D RECON AIRPLANE........................	3	45,452	3	45,452	3	45,452			3	45,452			3	45,452		
	ROTARY																
6	EH-60A HELICOPTER (QUICKFIX) (MYP)...........	--	20,706	--	20,706	--	20,706			--	20,706			--	20,706		
7	EH-60A HELICOPTER (QUICKFIX) (MYP) (AP-CY)...	--	9,600	--	9,600	--	9,600			--	9,600			--	9,600		
8	AH-64 ATTACK HELICOPTER (APACHE).............	67	654,585	77	752,785	90	880,185	13	181,500	80	836,085	10	145,415	77	800,000	(3)	(36,085)
9	AH-64 ATTACK HELICOPTER (APACHE) (AP-CY).....	--	---	--	36,000	--	40,000	0	36,000	--	36,000		36,000	--	36,000		
10	UH-60 (BLACKHAWK) (MYP)......................	61	245,020	72	318,740	72	297,820	11	52,800	72	297,820	11	52,800	72	297,820		
11	UH-60 (BLACKHAWK) (MYP) (AP-CY)..............	--	208,400	--	208,400	--	208,400			--	208,400			--	208,400		
	TOTAL, AIRCRAFT..............................		1,197,556		1,405,282		1,515,956		270,300		1,467,856		234,215		1,431,771		(36,085)
	MODIFICATION OF AIRCRAFT																
12	OV-1 SURVEILLANCE AIRPLANE (MOHAWK)..........	--	17,484	--	6,184	--	17,484			--	17,484		(5,500)	--	11,984		(5,500)
13	AIRPLANE, RECON, RU-21H (GR MOD).............	--	3,174	--	3,174	--	3,174			--	3,174			--	3,174		
14	RV-1 RECON AIRPLANE..........................	--	---	--	---	--	---			--	---			--	---		
15	AH1S ATTACK HELICOPTER (COBRA-TOW)...........	--	---	--	---	--	---			--	---			--	---		
16	AH-64 MODS...................................	--	78,751	--	78,751	--	78,751			--	78,751			--	78,751		
17	CH-47 CARGO HELICOPTER MODS (MYP)............	--	168,317	--	168,317	--	148,317		(5,000)	--	163,317		(5,000)	--	163,317		
18	CH-47 CARGO HELICOPTER MODS (MYP) (AP-CY)....	--	63,600	--	63,600	--	63,600			--	63,600			--	63,600		
19	CH-54 CARGO HELICOPTER (TARHE)...............	--	---	--	---	--	---			--	---			--	---		
20	OH-58 OBSERVATION HELICOPTER (KIOWA).........	--	37,011	--	27,011	--	37,011			--	37,011			--	37,011		
21	UH-1 UTILITY HELICOPTER (IROQUOIS)...........	--	9,416	--	9,416	--	9,416			--	9,416			--	9,416		
22	UH-60 (BLACKHAWK) MODS.......................	--	33,798	--	33,798	--	33,798			--	33,798			--	33,798		
23	ARMY HELICOPTER IMPROVEMENT PROG (AHIP)......	--	48,100	[36]	149,100	--	48,100		90,000		138,100		90,000		138,100		
24	ARMY HELICOPTER IMPROVEMENT PROG (AHIP) (AP-C	--	---	--	22,000	--	---		22,000	--	22,000		22,000	--	22,000		
0	AIR TO AIR STINGER ACFT MOD..................	--	---	--	---	--	---			--	---			--	---		
25	AIRBORNE AVIONICS............................	--	972	--	972	--	972			--	972			--	972		
26	ASE MODIFICATIONS CLOSE COMBAT...............	--	96	--	96	--	96			--	96			--	96		
27	MODIFICATIONS UNDER $2.0M (AIRCRAFT).........	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
28	ACFT 9WW	--	25,797	--	25,797	--	25,797			--	25,797			--	25,797		
29	SOF AIRCRAFT MODIFICATIONS	--	121,792	--	79,792	--	121,792		(20,092)	--	101,700		(20,092)	--	101,700		
0	GROUND PROXIMITY WARNING SYS	--	---	--	---	--	---			--	---			--	---		
	TOTAL, MODIFICATION OF AIRCRAFT		608,308		668,008		588,308		86,908		695,216		81,408		689,716		(5,500)
30	SPARES AND REPAIR PARTS	--	512,122	--	477,122		512,122		0	--	512,122		0	--	512,122		0
	SUPPORT EQUIPMENT AND FACILITIES																
	GROUND SUPPORT AVIONICS																
31	AIRCRAFT SURVIVABILITY EQUIP (MYP)	--	68,692	--	65,692	--	65,692		(3,000)	--	65,692		(3,000)	--	65,692		
32	AIRCRAFT SURVIVABILITY EQUIP (MYP) (AP-CY)	--	12,000	--	12,000	--	12,000			--	12,000			--	12,000		
	OTHER SUPPORT																
33	AVIONICS SUPPORT EQUIPMENT	--	23,563	--	23,563	--	60,063		36,500	--	60,063			--	23,563		(36,500)
0	HELIBORNE C2 CONSOLE	--	---	--	---	--	---			--	---			--	---		
0	MLS AVIONICS	--	---	--	---	--	---			--	---			--	---		
34	COMMON GROUND EQUIPMENT	--	28,125	--	28,125	--	28,125			--	28,125			--	28,125		
35	AIR TRAFFIC CONTROL	--	2,885	--	2,885	--	2,885			--	2,885			--	2,885		
0	SYNTHETIC FLIGHT TRAINING SYSTEMS	--	---	--	---	--	---			--	---			--	---		
37	INDUSTRIAL FACILITIES	--	17,640	--	17,640	--	17,640			--	17,640			--	17,640		
38	WAR CONSUMABLES	--	3,068	--	3,068	--	3,068			--	3,068			--	3,068		
	TOTAL, SUPPORT EQUIPMENT AND FACILITIES		155,973		152,973		489,473		33,500		189,473		(3,000)		152,973		(36,500)
0	INFLATION SAVINGS, FY87	--	---	--	---	--	---			--	---			--	---		
0	PROFIT POLICY CHANGE	--	---	--	---	--	---			--	---			--	---		
0	DRUG SUPPLEMENTAL/HELICOPTERS	--	---	--	---	--	---			--	---			--	---		
	TOTAL, AIRCRAFT PROCUREMENT, ARMY		2,473,959		2,703,124		2,805,859		390,708		2,864,667		312,623		2,786,582		(78,085)
	TRANSFER FROM OTHER ACCOUNTS		---				---										
	TOTAL FUNDING AVAILABLE		2,473,959		2,703,124		2,805,859		390,708		2,864,667		312,623		2,786,582		(78,085)

ITEMS OF SPECIAL INTEREST

AH-64 (Apache)

The budget request contained $654.6 million for procurement of 67 AH-64 Apache helicopters and no authorization for fiscal year 1989 advance procurement.

The House bill would authorize $752.8 million for 77 AH-64 helicopters and $36.0 million for advance procurement. The Senate amendment would authorize $880.2 million for 90 AH-64 helicopters and $40.0 million for advance procurement.

The House bill contained a provision (sec. 108(a)) that would direct that one battalion of Apache helicopters be designated for the Army National Guard as part of the continued modernization initiative. The Senate amendment contained no similar provision.

The conferees recommend authorization of $836.1 million for the procurement of 80 AH-64 (Apache) helicopters and $36.0 million for advance procurement for fiscal year 1989. The conferees direct the Secretary of the Army to designate one battalion for the Army National Guard.

The conferees recommend a total authorization of $800.0 million for procurement of 77 AH-64 helicopters at the contingent level.

The House recedes with an amendment.

OV-1 surveillance aircraft (Mohawk)

The budget request contained $17.484 million for modification of the OV-1 surveillance aircraft, of which $11.3 million was to upgrade the UPD-7 radar system of the OV-1D aircraft. The House bill authorized $6.184 million for the modification program and denied the request of $11.3 million for the UPD-7 radar upgrade for the OV-1D. The Senate amendment authorized the full amount requested.

The conferees agreed to authorize a total of $17.5 million. The conferees recommend an authorization of $11.984 million at the contingency level, of which $5.8 million is to initiate the upgrade of the UPD-7 radar. The conferees believe that an upgrade for all of the requested aircraft may be unwarranted in light of the proposed E-8A Joint STARS program and the authorized moving target indicator upgrade of the TR-1 Advanced Synthetic Aperture Radar System.

The conferees are concerned that the OV-1 aircraft is experiencing a high accident rate, due in part to the aircraft's age, and believe that alternatives to the OV-1 should be considered.

The conferees request the Army review the accident record of the aircraft, assess the OV-1's peacetime and wartime capabilities and present to the Congress a restructured aircraft modification schedule which reflects an accelerated phase out of the older aircraft. The conferees expect the results of the review be provided to Congress prior to the obligation of fiscal year 1988 funds for the radar upgrade.

Army Helicopter Improvement Program (AHIP)

The budget contained no request for continuation of the AHIP modification program for the OH-58 scout helicopters and $48.1 million to terminate the program.

The House bill would authorize $149.1 million for 36 modifications and $22 million for advance procurement of fiscal year 1989 production. The Senate amendment would authorize $48.1 million to terminate the program.

The House bill contained a provision (sec. 108(b)) that would restrict obligation of the advance procurement funds until the Secretary certifies that operational test results indicate the AHIP aircraft is the most cost-effective scout helicopter available to the Army. The Senate amendment contained no similar provision.

The conferees recommend authorization of $138.1 million for the AHIP and $22.0 million for advance procurement. The conferees agreed to provision (sec. 111(a)), that would restrict obligation of the advance procurement funds until a certification is provided.

The Senate recedes.

Special Operations Forces (SOF) aircraft modifications

The budget request contained $121.8 million for the Special Operations Forces (SOF) aircraft modification program.

The House bill would authorize $79.8 million for the program. The Senate amendment would authorize the amounts requested.

The conferees strongly support the acquisition of aircraft to perform the long-range penetration mission for the special operations forces. But, the conferees are concerned that the Army's program, as structured, is too highly concurrent. Thus, the conferees direct that of the $101.1 million authorized, not more than $43.7 million be obligated prior to completion of final assembly of the prototype.

Avionics support equipment

The budget request contained $23.56 million to purchase aviation night vision goggles.

The House bill would authorize the amounts requested. The Senate amendment would authorize $60.06 million to accelerate by two years the procurement of aviation night vision goggles.

The conferees agreed to authorize $60.06 million to accelerate the procurement of aviation night vision goggles in fiscal year 1988.

The conferees recommend a total authorization of $23.56 million at the contingent level.

MISSILES, ARMY

OVERVIEW

The budget request contained $2,458.5 million for procurement of Army missiles in fiscal year 1988. The House bill would authorize $2,270.2 million for Army missiles. The Senate amendment would authorize $2,412.9 million for Army missiles.

The conferees agreed to authorize $2,425.9 million for procurement of Army missiles in fiscal year 1988.

The conferees recommend a total authorization of $2,355.9 million at the contingent level for procurement of missiles in fiscal year 1988.

Specific program authorizations are detailed in the following table.

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	MISSILE PROCUREMENT, ARMY																
	OTHER MISSILES																
	SURFACE-TO-AIR MISSILE SYSTEM																
1	CHAPARRAL	122	34,189	122	30,189	122	34,189		(4,000)	122	30,189		(4,000)	122	30,189		
2	NON LINE OF SIGHT AIR DEFENSE SYSTEM	--	---	--	---	--	---			--	---			--	---		
3	NON LINE OF SIGHT AIR DEFENSE SYSTEM (AP-CY)	--	---	--	---	--	---			--	---			--	---		
4	AIR DEFENSE SYS HEAVY	245	59,391	0	5,000	0	16,891	(245)	(59,391)	--	0	(245)	(59,391)	--	0		
4a	AIR DEFENSE SYS HEAVY (AP-CY)								33,500	--	33,500		33,500	--	33,500		
6	OTHER MISSILE SUPPORT	--	4,505	--	4,505	--	4,505			--	4,505			--	4,505		
7	PATRIOT(MYP)	715	851,442	715	836,442	715	851,442		(15,000)	715	836,442		(15,000)	715	836,442		
8	PATRIOT(MYP) (AP-CY)	--	40,100	--	40,100	--	40,100			--	40,100			--	40,100		
9	STINGER(MYP)	4,200	154,153	4,200	154,153	4,200	154,153			4,200	154,153			4,200	154,153		
10	STINGER(MYP) (AP-CY)	--	45,500	--	45,500	--	45,500			--	45,500			--	45,500		
11	STINGER PEDESTAL MOUNT	--	55,833	--	55,833	--	55,833			--	55,833			--	55,833		
	AIR-TO-SURFACE MISSILE SYSTEM																
12	LASER HELLFIRE SYSTEM	5,000	168,358	5,000	168,358	5,000	168,358			5,000	168,358			5,000	168,358		
	ANTI-TANK/ASSAULT MISSILE SYSTEM																
13	TOW 2 (MYP)	9,416	131,239	9,320	109,039	9,416	131,239			9,416	131,239			9,416	131,239		
16	MULTIPLE LAUNCH ROCKET SYSTEM (MYP)	72,000	424,429	72,000	424,429	72,000	436,729		35,000	72,000	459,429			72,000	424,429		(35,000)
17	MULTIPLE LAUNCH ROCKET SYSTEM (MYP) (AP-CY)	--	22,700	--	0	--	22,700		(22,700)	--	0		(22,700)	--	0		
18	ARMY TACTICAL MISSILE SYSTEM (ATACMS)	--	15,125	--	15,125	--	15,125			--	15,125			--	15,125		
19	ARMY TACTICAL MISSILE SYSTEM (ATACMS) (AP-CY	--	1,800	--	1,800	--	1,800			--	1,800			--	1,800		
5	CLASSIFIED PROGRAM	--	---	--	---	--	---			--	---			--	---		
	TOTAL, OTHER MISSILES		2,008,764		1,890,473		1,978,564		(32,591)		1,976,173		(67,591)		1,941,173		(35,000)
	MODIFICATION OF MISSILES																
	MODIFICATIONS																
20	PATRIOT	--	40,000	--	40,000	--	40,000			--	40,000			--	40,000		
21	CHAPARRAL	--	31,228	--	31,228	--	31,228			--	31,228			--	31,228		
22	HAWK	--	35,671	--	35,671	--	35,671			--	35,671			--	35,671		
23	TOW	--	18,021	--	18,021	--	18,021			--	18,021			--	18,021		
24	DRAGON	--	7,258	--	7,258	--	7,258			--	7,258			--	7,258		
25	LANCE	--	15,338	--	15,338	--	0			--	15,338			--	15,338		
26	PERSHING	--	9,293	--	9,293	--	9,293			--	9,293			--	9,293		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1 LINE	ITEM	FY 1988 BUDGET REQUEST QTY	FY 1988 BUDGET REQUEST AMOUNT	FY 1988 HOUSE PASSED QTY	FY 1988 HOUSE PASSED AMOUNT	FY 1988 SENATE PASSED QTY	FY 1988 SENATE PASSED AMOUNT	CONFERENCE AGREEMENT CHANGE FROM REQUEST QTY	CONFERENCE AGREEMENT CHANGE FROM REQUEST AMOUNT	CONFERENCE AGREEMENT RECOMMENDATION QTY	CONFERENCE AGREEMENT RECOMMENDATION AMOUNT	CONTINGENT LEVEL CHANGE FROM REQUEST QTY	CONTINGENT LEVEL CHANGE FROM REQUEST AMOUNT	CONTINGENT LEVEL RECOMMENDATION QTY	CONTINGENT LEVEL RECOMMENDATION AMOUNT	DIFFERENCE QTY	DIFFERENCE AMOUNT
27	MLRS	--	4,506	--	4,506	--	4,506			--	4,506			--	4,506		
28	AN/TSQ-73	--	---	--	---	--	---			--	---			--	---		
	TOTAL, MODIFICATION OF MISSILES		161,315		161,315		145,977		0		161,315		0		161,315		0
29	SPARES AND REPAIR PARTS	--	246,600	--	176,600	--	246,600		0	--	246,600		(35,000)	--	211,600		(35,000)
	SUPPORT EQUIPMENT AND FACILITIES																
30	AIR DEFENSE TARGETS	--	21,363	--	21,363	--	21,363			--	21,363			--	21,363		
31	ITEMS LESS THAN $2.0M (MISSILES)	--	2,140	--	2,140	--	2,140			--	2,140			--	2,140		
32	PRODUCTION BASE SUPPORT	--	11,574	--	11,574	--	11,574			--	11,574			--	11,574		
999	CLASSIFIED PROGRAMS	--	6,710	--	6,710	--	6,710			--	6,710			--	6,710		
	TOTAL, SUPPORT EQUIPMENT AND FACILITIES		41,787		41,787		41,787		0		41,787		0		41,787		0
0	INFLATION SAVINGS, FY87	--	---	--	---	--	---			--	---			--	---		
0	PROFIT POLICY CHANGE	--	---	--	---	--	---			--	---			--	---		
	TOTAL, MISSILE PROCUREMENT, ARMY		2,458,466		2,270,175		2,412,928		(32,591)		2,425,875		(102,591)		2,355,875		(70,000)
	TRANSFER FROM OTHER ACCOUNTS		---		---		---				---				---		
	TOTAL FUNDING AVAILABLE		2,458,466		2,270,175		2,412,928		(32,591)		2,425,875		(102,591)		2,355,875		(70,000)

ITEMS OF SPECIAL INTEREST

Forward area air defense system, line-of-sight forward-heavy

The budget request contained $59.4 million to initiate procurement of a non-development item for the Air Defense System, Heavy.

The House bill would authorize $5.0 million for the program. The Senate amendment would authorize $16.9 million for the program.

The Senate amendment contained a provision (sec. 121(a)) that would prohibit the Army from procuring any forward area air defense system (line-of-sight-heavy) unless the Secretary of the Army certifies that the system selected for procurement can satisfy full system requirements. The House bill contained no similar provision.

The conferees are concerned that the acquisition plan specified for the forward area air defense line-of-sight forward-heavy system repeats the mistakes of the DIVAD program. The Army's plan envisions procurement of systems before the results of any comprehensive operational testing are available. The conferees support the need to proceed with an air defense program but do not intend to permit procurement of any system that does not meet Army requirements.

The conferees recommend authorization of $33.5 million in advance procurement for this system in fiscal year 1988. The conferees agreed to a provision (sec. 111(d)) that would restrict the obligation of these funds until (1) the operational tests are completed; (2) the Secretary of Defense certifies that the system meets or exceeds all of the operational requirements and the performance specifications for the system; and (3) both the Director of Operational Test and Evaluation and the Comptroller General provide to the Committees on Armed Services of the Senate and the House of Representatives their assessment of the testing and system preformance.

The House recedes with an amendment.

Multiple Launch Rocket System (MLRS)

The budget request contained $424.4 million for procurement of 72,000 rockets and 24 self-propelled launcher loaders.

The House bill would authorize $424.4 million for procurement of 72,000 rockets and 24 launchers. The Senate amendment would authorize $459.4 million for procurement of 72,000 rockets and 44 MLRS launchers.

The conferees recommend authorizations of $459.4 million for procurement of 72,000 rockets and 44 MLRS launchers. The conferees recommend a total authorization of $424.4 million at a contingent level for procurement of 72,000 rockets and 24 launchers.

Missile procurement spares and repair parts

The budget request contained $246.6 million for procurement of spares and repair parts for missiles.

The House bill would authorize $176.6 million for procurement of spares. The Senate amendment would authorize the amounts requested.

The conferees agreed to authorize $246.6 million for procurement of spares and repair parts.

The conferees recommend a total authorization of $211.6 million at a contingent level for spares.

WEAPONS AND TRACKED COMBAT VEHICLES, ARMY

OVERVIEW

The budget request contained $3,152.5 million for procurement of weapons and tracked combat vehicles for the Army. The House bill would authorize $3,345.7 million for fiscal year 1988. The Senate amendment would authorize $3,410.4 million.

The conferees agreed to authorize $3,435.1 million for procurement of weapons and tracked combat vehicles for the Army in fiscal year 1988.

Specific program authorizations are detailed in the following table.

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	PROCUREMENT OF W&TCV, ARMY																
	TRACKED COMBAT VEHICLES																
1	CARRIER, COMMAND POST LIGHT, FT, M577A2	--	---	--	---	--	---			--	---			--	---		
0	CARRIER, PERSONNEL, FT, ARM, M113A3	--	---	--	---	--	---			--	---			--	---		
3	BRADLEY FIGHTING VEHICLES (MYP)	616	699,400	616	684,400	616	699,400			616	699,400			616	699,400		
4	BRADLEY FIGHTING VEHICLES (MYP) (AP-CY)	--	37,100	--	47,100	--	37,100		10,000	--	47,100		10,000	--	47,100		
5	BRADLEY FVS TRAINING DEVICES	--	---	--	---	--	---			--	---			--	---		
6	BRADLEY FVS TRAINING DEVICES (MOD)	--	5,900	--	5,900	--	5,900			--	5,900			--	5,900		
7	FIELD ARTILLERY AMMUNITION SUPPORT VEH	65	28,700	65	28,700	65	28,700			65	28,700			65	28,700		
8	RECOVERY VEHICLE, MED, FT, M88A1	--	---	--	---	--	---			--	---			--	---		
9	RECOVERY VEHICLE, MED, FT, M88A1 (AP-CY)	--	24,100	--	24,100	--	24,100			--	24,100			--	24,100		
10	ABRAMS TANK SERIES ROLL (MYP)	600	1,354,700	720	1,533,200	720	1,626,700	120	252,900	720	1,607,600	120	252,900	720	1,607,600		
11	ABRAMS TANK SERIES ROLL (MYP) (AP-CY)	--	156,000	--	166,000	--	161,000		10,000	--	166,000		10,000	--	166,000		
12	M60 SERIES TANK TRAINING DEVICES	--	---	--	---	--	---			--	---			--	---		
13	M1 SERIES TANK TRAINING DEVICES	--	4,700	--	4,700	--	4,700			--	4,700			--	4,700		
	MODIFICATION OF TRACKED COMBAT VEHICLES																
14	CARRIER, MOD	--	42,600	--	42,600	--	42,600			--	42,600			--	42,600		
15	FIST VEHICLE (MOD)	--	---	--	---	--	---			--	---			--	---		
16	BFVS SERIES (MOD)	--	52,100	--	52,100	--	52,100			--	52,100			--	52,100		
17	HOWITZER, MED SP FT 155MM M109 SER(MOD)	--	28,200	--	42,200	--	28,200		14,000	--	42,200		14,000	--	42,200		
19	TANK, COMBAT, FT, 105MM GUN, M60SER (MOD)(MYP)	--	23,300	--	23,300	--	23,300			--	23,300			--	23,300		
20	TANK, M1 SERIES (MOD)	--	37,500	--	37,500	--	37,500			--	37,500			--	37,500		
21	9WW	--	700	--	700	--	700			--	700			--	700		
23	MOB TNG BASE EQUIP	--	---	--	---	--	---			--	---			--	---		
24	HOST NATION SUPPORT	--	29,700	--	29,700	--	29,700			--	29,700			--	29,700		
	SUPPORT EQUIPMENT AND FACILITIES																
25	SPARES AND REPAIR PARTS	--	398,400	--	418,400	--	398,400		20,000	--	418,400		20,000	--	418,400		
26	ITEMS LESS THAN $2.0M (TCV-WTCV)	--	1,900	--	1,900	--	1,900			--	1,900			--	1,900		
27	PRODUCTION BASE SUPPORT (TCV-WTCV)	--	28,731	--	28,731	--	28,731			--	28,731			--	28,731		
28	REGIONAL MAINTENANCE TRAINING SITES-EQUIP	--	17,100	--	17,100	--	17,100			--	17,100			--	17,100		
	TOTAL, TRACKED COMBAT VEHICLES		2,970,831		3,188,331		3,247,831		306,900		3,277,731		306,900		3,277,731		0
	WEAPONS AND OTHER COMBAT VEHICLES																
29	HOWITZER, LIGT, TOWED, 105MM, M119	113	29,900	113	29,900	113	29,900			113	29,900			113	29,900		
30	HOWITZER, MED, TOWED, 155MM, M198	--	---	--	---	--	---			--	---			--	---		
31	MACHINE GUN, 7.62MM, M60	--	---	--	---	--	---			--	---			--	---		
0	ARMOR MACHINE GUN, 7.62MM M240	--	---	--	---	--	---			--	---			--	---		
0	MOUNT MACH GUN CAL 50 M3	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
34	SQUAD AUTOMATIC WEAPON (SAW) 5.56MM..........	5,400	12,100	5,400	12,100	5,400	12,100			5,400	12,100			5,400	12,100		
35	GRENADE LAUNCHER, AUTO, 40MM, MK19-3.........	1,408	13,800	1,408	13,800	1,408	13,800			1,408	13,800			1,408	13,800		
36	LAUNCHER, SMOKE GRENADE......................	3,628	1,900	3,628	1,900	3,628	1,900			3,628	1,900			3,628	1,900		
37	MORTAR, 81MM, M252...........................	--	---	--	---	--	---			--	---			--	---		
38	MORTAR 120 MM................................	332	20,900	0	0	83	5,200	(332)	(20,900)	0	0	(332)	(20,900)	0	0		
39	M16 RIFLE....................................	60,000	26,100	60,000	26,100	60,000	26,100			60,000	26,100			60,000	26,100		
40	SNIPER WEAPON SYSTEM.........................	500	1,900	500	1,900	500	1,900			500	1,900			500	1,900		
41	PERSONAL DEFENSE WEAPON, 9MM.................	23,418	5,300	23,418	5,300	23,418	5,300			23,418	5,300			23,418	5,300		
0	9MM HANDGUN COMPETITION......................	--	---	--	---	--	---			--	---			--	---		
42	VEH RAPID FIRE WPN SYS-BUSHMASTER (MYP)......	947	25,800	947	22,400	947	22,400		(3,400)	947	22,400		(3,400)	947	22,400		
43	VEH RAPID FIRE WPN SYS-BUSHMASTER (MYP) (AP-C	--	2,100	--	2,100	--	2,100			--	2,100			--	2,100		
	MODIFICATION OF WEAPONS AND OTHER COMBA																
47	M16A1 RIFLE MODS.............................	--	5,400	--	5,400	--	5,400			--	5,400			--	5,400		
48	MODIFICATIONS UNDER $2.0M (WOCV-WTCV)........	--	4,500	--	4,500	--	4,500			--	4,500			--	4,500		
	SUPPORT EQUIPMENT AND FACILITIES																
49	SPARES AND REPAIR PARTS......................	--	12,000	--	12,000	--	12,000			--	12,000			--	12,000		
50	ITEMS LESS THAN $2.0M (WOCV-WTCV)............	--	3,300	--	3,300	--	3,300			--	3,300			--	3,300		
51	PRODUCTION BASE SUPPORT (WOCV-WTCV)..........	--	16,706	--	16,706	--	16,706			--	16,706			--	16,706		
	TOTAL, WEAPONS AND OTHER COMBAT VEHICLES...		181,706		157,406		162,606		(24,300)		157,406		(24,300)		157,406		0
0	INFLATION SAVINGS, FY87......................	--	---	--	---	--	---			--	---			--	---		
0	PROFIT POLICY CHANGE.........................	--	---	--	---	--	---			--	---			--	---		
	TOTAL, PROCUREMENT OF W&TCV,ARMY...........		3,152,537		3,345,737		3,410,437		282,600		3,435,137		282,600		3,435,137		0
	TRANSFER FROM OTHER ACCOUNTS.........		---		---		---				---				---		
	TOTAL FUNDING AVAILABLE.............		3,152,537		3,345,737		3,410,437		282,600		3,435,137		282,600		3,435,137		0

ITEMS OF SPECIAL INTEREST

Bradley Fighting Vehicle

The budget request contained $699.4 million for the procurement of 616 Bradley Fighting Vehicles in fiscal year 1988 and $37.1 million for advance procurement for fiscal year 1989.

The House bill would authorize $684.4 million for procurement of 616 Bradleys and $47.1 million for fiscal year 1989 advance procurement. The House bill contained a provision (sec. 108(c)) that would restrict obligation of $10 million in advance procurement funds to support fiscal year 1989 production until the Secretary of Defense certifies that the production of components for the Bradley vehicle is consistent with the production schedule for the vehicle.

Also, section 116 of the House bill would restrict fiscal year 1988 production funds until the Secretary of Defense submits reports on survivability enhancements and corrections to outstanding problems. Further, the Secretary would have to certify that the survivability modifications maximize casualty reductions, and consider fiscal constraints without jeopardizing operational effectiveness.

The Senate amendment would authorize the requested figures and contained no similar provisions.

The conferees agreed to authorize $699.4 million for procurement of 616 Bradley Fighting Vehicles for fiscal year 1988 and $47.1 million for advance procurement for fiscal year 1989.

The conferees direct that obligation of $10 million in advance procurement funds to support fiscal year 1989 production be restricted until the Secretary of Defense certifies that the production of components for the Bradley vehicle is consistent with the production schedule for the vehicle.

Finally, the conferees agreed to a provision (sec. 123) that would restrict fiscal year 1988 production funds until after the Secretary of Defense (1) submits reports on survivability enhancements for the Bradley vehicle; and (2) certifies that the survivability modifications selected for the vehicle maximize casualty reductions in light of fiscal concerns, without jeopardizing operational effectiveness; and (3) submits a report concerning any outstanding reliability, performance or operational problems.

The Senate recedes with an amendment.

M88 recovery vehicle

The conferees agreed to authorize $24.1 million for procurement of long-lead items for the new recovery vehicle. Consistent with the recommendations in title II of the statement of managers, the conferees direct that none of these funds be obligated until the cost and effectiveness analysis is provided to the Committees on Armed Services of the Senate and the House of Representatives.

M1 Abrams tank

The budget request contained $1,354.7 million to procure 600 M1 Abrams tanks and $156.0 million for advance procurement for fiscal year 1989.

The House bill would authorize $3,533.2 million for procurement of 720 M1 tanks and $166.0 million for advance procurement for fiscal year 1989.

The Senate amendment would authorize $1,626.7 million for procurement of 720 M1 tanks and $161.0 million for advance procurement for fiscal year 1989.

The conferees agreed to authorize $1,607.6 million for procurement of 720 M1 tanks and $166.0 million for fiscal year 1989 advance procurement.

M109 155mm self propelled howitzer modifications (HIP)

The budget request contained $28.2 million for modifications to the M109 155mm self propelled howitzer. The House bill would authorize $42.2 million for the Howitzer Improvement Program. The Senate amendment would authorize the requested amount.

The conferees recommend authorization of $42.2 million for the Howitzer Improvement Program. Within the authorized level, the conferees direct that the amount authorized also provide for the application of the Modified Armament System to 737 howitzers in the National Guard and Reserves.

122 mm mortar

The budget request contained $20.9 million for procurement of 332 120 mm mortars for fiscal year 1988. The House bill contained no authorization for 120 mm mortars due to delays in the execution of the program. The Senate amendment would authorize $5.2 million for procurement of 83 120 mm mortars.

The conferees agreed to recommend no authorization for procurement of 120 mm mortars and of 120 mm mortar ammunition. This action is taken in recognition of potential schedule slippage and the availability of prior-year funds that have not yet been obligated for this program. The conferees continue to support procurement of 120mm mortars, so long as the winning system satisfies Army requirements.

AMMUNITION, ARMY

OVERVIEW

The budget request contained $2,194.3 million for procurement of Army ammunition in fiscal year 1988. The House bill would authorize $2,238.8 million for procurement of Army ammunition. The Senate amendment would authorize $2,131.2 million for the same purpose.

The conferees agreed to authorize $2,397.9 million for the procurement of Army ammunition in fiscal year 1988.

The conferees recommend a total authorization of $2,215.6 million as a contingent level for procurement of ammunition in fiscal year 1988.

Specific program authorizations are detailed in the following table.

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	PROCUREMENT OF AMMUNITION, ARMY																
	AMMUNITION																
	ATOMIC MATERIEL																
1	NUCLEAR WEAPONS SUPPORT MATERIEL.............	--	2,366	--	2,366	--	2,366			--	2,366			--	2,366		
2	PROJ, NUCLEAR, 155MM.........................	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]			[ ]	[ ]			[ ]	[ ]		
	CONTROLLED ITEMS																
3	CTG, 5.56MM, BALL M193......................	58,208	8,181	58,208	8,181	58,208	8,181			58,208	8,181			58,208	8,181		
4	CTG, 5.56MM, TRACER.........................	--	---	6,000	2,200	--	---	6,000	2,200	6,000	2,200	6,000	2,200	6,000	2,200		
5	CTG, 5.56MM, TRACER CLIP....................	4,589	1,182	4,589	1,182	4,589	1,182			4,589	1,182			4,589	1,182		
6	CTG, 5.56MM, BLANK M200.....................	155,915	16,263	155,915	16,263	155,915	16,263			155,915	16,263			155,915	16,263		
7	CTG, 5.56MM, BLK M200, LKD F/SAW............	30,212	5,914	30,212	5,914	30,212	5,914			30,212	5,914			30,212	5,914		
8	CTG, 5.56MM, 4 BALL M855/1 TRCR M856 LKD.....	--	---	--	---	--	---			--	---			--	---		
9	CTG, 5.56MM BALL M16-A2......................	37,490	8,082	37,490	8,082	37,490	8,082			37,490	8,082			37,490	8,082		
10	CTG, 5.56MM, PLASTIC M862....................	8,000	2,661	8,000	2,661	8,000	2,661			8,000	2,661			8,000	2,661		
11	CTG, 5.56MM TRACER M16-A2....................	19,821	4,929	19,821	4,929	19,821	4,929			19,821	4,929			19,821	4,929		
12	CTG, 7.62MM, 4 BALL M80/1 TRCR M62 LKD.......	53,343	14,291	53,343	14,291	53,343	14,291			53,343	14,291			53,343	14,291		
13	CTG, 7.62MM, BALL M80 LKD/M13................	--	---	--	---	--	---			--	---			--	---		
14	CTG, 7.62MM, LKD 4 BALL ITRACER OHF..........	--	---	--	---	--	---			--	---			--	---		
15	CTG, 7.62MM, BLANK M82 LKD/M13...............	57,922	13,010	57,922	13,010	57,922	13,010			57,922	13,010			57,922	13,010		
16	CTG, CAL .22, BALL LR........................	--	---	--	---	--	---			--	---			--	---		
17	CTG, CAL .45, BALL M1911.....................	11,391	1,281	11,391	1,281	11,391	1,281			11,391	1,281			11,391	1,281		
18	CTG, CAL .50, PLASTIC LKD 4 BALL/1 TRACER....	1,810	2,267	1,810	2,267	1,810	2,267			1,810	2,267			1,810	2,267		
19	CTG, CAL .50, LKD 4 BALL/1 TRCR W/M15A2LK....	--	---	--	---	--	---			--	---			--	---		
20	CTG, CAL .50, APIT, M20 LKD..................	--	---	--	---	--	---			--	---			--	---		
21	CTG, CAL .50, BALL LKD.......................	--	---	--	---	--	---			--	---			--	---		
0	CTG, CAL .50, BLK, M1A1, W/M9 LK, F/M2 MG....	--	---	--	---	--	---			--	---			--	---		
0	CTG, CAL .50, BLANK, M1A1, LKD F/M85 MG (MYP)	--	---	--	---	--	---			--	---			--	---		
22	CTG, CAL .50, BLANK T928 W/M9 LK.............	--	---	--	---	--	---			--	---			--	---		
23	CTG, CAL .50, LKD 4 BALL/1 TRACER W/M9 LK....	--	---	--	---	--	---			--	---			--	---		
0	NATIONAL BOARD FOR RIFLE PRACTICE............	--	---	--	---	--	---			--	---			--	---		
24	CTG, 20MM, LKD TP-T M220 SERIES MLB M14A2....	3,497	12,616	3,497	12,616	3,497	12,616			3,497	12,616			3,497	12,616		
25	CTG, 20MM, LKD 4 TP M55A2/1TP-T M220.........	1,324	4,041	1,324	4,041	1,324	4,041			1,324	4,041			1,324	4,041		
26	CTG, 25MM, HEI-T M792 W/F....................	296	6,899	755	17,599	296	6,899	459	10,700	755	17,599	459	10,700	755	17,599		
28	CTG, 25MM, TPT LKD M793 MLB M28..............	1,070	11,039	1,070	11,039	1,070	11,039			1,070	11,039			1,070	11,039		
29	CTG,25MM,AP TRAINING RD......................	--	---	556	15,000	--	---	556	15,000	556	15,000	556	15,000	556	15,000		
31	CTG, 30MM, LKD TP M788.......................	--	---	--	---	--	---			--	---			--	---		
33	CTG, 40MM, HEDP M430.........................	948	9,856	508	4,856	948	9,856	(440)	(5,000)	508	4,856	(440)	(5,000)	508	4,856		
34	CTG 40MM TP F/MK19...........................	2,375	28,485	2,375	28,485	2,375	28,485			2,375	28,485			2,375	28,485		
35	CTG,40MM, GREEN STAR PARACHUTE...............	123	2,267	123	2,267	123	2,267			123	2,267			123	2,267		
36	CTG, 40MM, PRAC M781.........................	1,807	3,154	1,807	3,154	1,807	3,154			1,807	3,154			1,807	3,154		
0	CTG,40MM, RED SMOKE MARKER...................	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
0	CTG,40MM, GREEN SMOKE MARKER................	--	---	--	---	--	---			--	---			--	---		
0	CTG,40MM, YELLOW SMOKE MARKER...............	--	---	--	---	--	---			--	---			--	---		
37	CTG,40MM WHITE STAR CLUSTER M585 F/LCHR M7...	277	6,505	277	6,505	277	6,505			277	6,505			277	6,505		
38	CTG,40MM, RED STAR, PARACHUTE...............	88	1,675	88	1,675	88	1,675			88	1,675			88	1,675		
39	CTG 40MM CS M651............................	142	2,563	142	2,563	142	2,563			142	2,563			142	2,563		
40	CTG, 60MM, ILLUM LWCMS XM721................	48	7,787	48	7,787	48	7,787			48	7,787			48	7,787		
41	CTG, 60MM, SMK WPLWCMS XM722................	48	4,533	48	4,533	48	4,533			48	4,533			48	4,533		
42	CTG, 60MM,HE M720W/M734 MOF.................	304	26,809	304	26,809	304	26,809		9,600	304	36,409		9,600	304	36,409		
44	CTG, 81MM: ILLUM XM853......................	--	---	--	---	--	---			--	---			--	---		
45	CTG, 81MM: HE, M821 W/FUZE M734 MO..........	274	60,222	274	60,222	274	60,222			274	60,222			274	60,222		
46	CTG, 81MM: SMOKE, RP, XM819.................	--	---	--	---	--	---			--	---			--	---		
47	CTG, 81MM: 1/10 RNG, PRAC,M880..............	34	4,830	0	0	34	4,830			34	4,830			34	4,830		
48	CTG, 4.2-IN HE M329A2 W/O FUZE..............	180	19,712	315	33,412	180	19,712	135	13,700	315	33,412	135	13,700	315	33,412		
49	CTG, 120MM: HE, XM933, W/FUZE M734 MO........	34	12,222	0	0	34	12,222	(34)	(12,222)	0	0	(34)	(12,222)	0	0		
50	CTG,120MM,HE W/PD FUZE......................	14	4,435	0	0	0	0	(14)	(4,435)	0	0	(14)	(4,435)	0	0		
51	CTG,120MM: ILLUM, XM930.....................	39	19,023	0	0	7	3,523	(39)	(19,023)	0	0	(39)	(19,023)	0	0		
52	CTG,120MM: SMOKE, XM929.....................	20	9,856	0	0	15	7,256	(20)	(9,856)	0	0	(20)	(9,856)	0	0		
53	CTG, 120MM TNG 1/10.........................	16	2,070	0	0	0	0	(16)	(2,070)	0	0	(16)	(2,070)	0	0		
54	CTG, 105MM, BLANK M395......................	127	3,154	127	3,154	127	3,154			127	3,154			127	3,154		
55	CTG, 105MM, ILLUM, F/105, M314..............	85	18,530	85	18,530	85	18,530			85	18,530			85	18,530		
57	CTG, 105MM, TP-T, M490......................	41	4,928	41	4,928	41	4,928			41	4,928			41	4,928		
58	TG, 105MM, DS-TP M724.......................	241	37,848	241	37,848	241	37,848			241	37,848			241	37,848		
59	CTG, 105MM, APFSDS-T M833...................	51	32,526	51	32,526	51	32,526			51	32,526			51	32,526		
60	CTG, 105MM, APFSDS-T, (XM900E1).............	--	---	--	---	--	---			--	---			--	---		
61	CTG, 120MM APFSDS-T M829....................	79	77,273	79	77,273	79	77,273			79	77,273			79	77,273		
62	CTG, 120MM HEAT-MP-T,M830(MYP)..............	31	53,026	31	53,026	31	53,026			31	53,026			31	53,026		
63	CTG, 120MM TP-T M831 (MYP)..................	68	63,573	68	63,573	68	63,573			68	63,573			68	63,573		
64	CTG, 120MM TPCSDS-T, M865(MYP)..............	114	83,680	114	83,680	114	83,680			114	83,680			114	83,680		
65	CTG, SUBCAL 35MM F/TANK.....................	40	1,971	40	1,971	40	1,971			40	1,971			40	1,971		
66	PROJ,155MM,HE,ICM M483......................	235	98,735	235	98,735	235	98,735		13,300	235	112,035		13,300	235	112,035		
67	PROVE-OUT M483..............................	--	---	--	---	--	---			--	---			--	---		
68	PROJ, 155MM, ILLUM M485.....................	190	43,565	190	43,565	190	43,565			190	43,565			190	43,565		
69	PROJ, 155MM, SMK, WP, M825..................	90	34,004	90	34,004	90	34,004			90	34,004			90	34,004		
70	PROJ,155MM,HE,ADAM M731.....................	11	45,438	11	45,438	11	45,438			11	45,438			11	45,438		
71	PROJ, 155MM, HE, RAAMS M718.................	17	31,653	17	31,653	17	31,653			17	31,653			17	31,653		
72	PROJ, 155MM, HE, RAAMS M741.................	--	---	--	---	--	---			--	---			--	---		
73	PROJ, 155MM, BASEBLEED, XM864...............	104	70,125	104	70,125	104	70,125			104	70,125			104	70,125		
74	PROJ, 155MM, HE, COPPERHEAD (EA)............	2,771	100,560	2,771	128,460	2,771	100,560		27,900	2,771	128,460		27,900	2,771	128,460		
75	PROJ, 155MM, CHEM GB-2......................	[ ]	[ ]	[ ]	[ ]	[ ]	[ ]			[ ]	[ ]			[ ]	[ ]		
76	PROJ, 155MM, TRAINING, M804.................	101	14,489	101	14,489	101	14,489			101	14,489			101	14,489		
77	CHARGE, PROPELLING, M155MM, GREEN BAG M3.....	--	---	--	---	--	---			--	---			--	---		
78	CHARGE, PROPELLING, M155MM, RED BAG M203.....	242	108,911	242	108,911	242	108,911			242	108,911			242	108,911		
79	CHARGE, PROPELLING, M155MM, RED BAG M119.....	199	19,713	399	39,413	199	19,713	200	19,700	399	39,413			199	19,713	(200)	(19,700)
80	CTG, 165MM, TP M623.........................	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1 LINE ITEM	FY 1988 BUDGET REQUEST QTY	FY 1988 BUDGET REQUEST AMOUNT	FY 1988 HOUSE PASSED QTY	FY 1988 HOUSE PASSED AMOUNT	FY 1988 SENATE PASSED QTY	FY 1988 SENATE PASSED AMOUNT	CONFERENCE AGREEMENT CHANGE FROM REQUEST QTY	CONFERENCE AGREEMENT CHANGE FROM REQUEST AMOUNT	CONFERENCE AGREEMENT RECOMMENDATION QTY	CONFERENCE AGREEMENT RECOMMENDATION AMOUNT	CONTINGENT LEVEL CHANGE FROM REQUEST QTY	CONTINGENT LEVEL CHANGE FROM REQUEST AMOUNT	CONTINGENT LEVEL RECOMMENDATION QTY	CONTINGENT LEVEL RECOMMENDATION AMOUNT	DIFFERENCE QTY	DIFFERENCE AMOUNT
81 PROJ, 8-INCH, ANTI-ARMOR (SADARM) XM836......	--	---	--	---	--	---			--	---			--	---		
82 PROJ, 8-INCH, HE, ICM (DP), M509............	--	---	--	---	--	---			--	---			--	---		
83 PROJ, 8-INCH, HE, RAP, M650.................	43	42,382	43	42,382	43	42,382			43	42,382			43	42,382		
84 FUZE, PROXIMITY, M732.......................	136	24,246	0	0	58	0	(136)	(24,246)	0	0	(136)	(24,246)	0	0		
85 FUZE, PD M739/M739A1........................	--	---	580	9,700	--	---		9,700	580	9,700			0	0		(9,700)
86 FUZE, MTSQ M577/M577A1......................	755	43,171	755	43,171	755	43,171			755	43,171			755	43,171		
87 FUZE, MTSQ M582/M582A1......................	196	11,729	196	11,729	196	11,729			196	11,729			196	11,729		
88 FUZE, ET XM762..............................	--	---	--	---	--	---			--	---			--	---		
89 PRIMER, PERC, M82...........................	1,506	2,562	1,506	2,562	1,506	2,562			1,506	2,562			1,506	2,562		
90 TRAINING DEVICE, MINE SYSTEM................	--	5,026	--	5,026	--	5,026			--	5,026			--	5,026		
91 GROUND IMP MINE SCAT SYS AP M74(MYP).........	19	6,505	19	6,505	19	6,505			19	6,505			19	6,505		
92 GROUND IMP MINE SCAT SYS AT M75(MYP).........	27	5,323	212	42,523	27	5,323	185	37,200	212	42,523			27	5,323	(185)	(37,200)
93 CANISTER MINE PRACTICE XM88 (VOLCANO)........	5	1,577	5	1,577	5	1,577			5	1,577			5	1,577		
94 CANISTER MINE (VOLCANO) XM87................	23	34,497	23	34,497	23	34,497			23	34,497			23	34,497		
95 MTR RKT 5 IN MK22 MOD4......................	3,592	13,700	4,592	17,700	3,592	13,700	1,000	4,000	4,592	17,700			3,592	13,700	(1,000)	(4,000)
96 LINE CHARGE M58A3 (MICLIC)..................	2,810	29,273	2,810	29,273	2,810	29,273			2,810	29,273			2,810	29,273		
97 MINE AT XM84................................	--	---	--	---	--	---			--	---			--	---		
98 MODUALAR PACK MINE SYSTEM...................	6,498	62,489	6,498	62,489	6,498	62,489			6,498	62,489			6,498	62,489		
99 PURSUIT DETERRENT MUNITION..................	53	12,123	53	12,123	53	12,123			53	12,123			53	12,123		
100 DEMOLITION MUNITIONS & OTHER...............	--	28,485	--	28,485	0	28,185		(300)	--	28,185		(300)	--	28,185		
102 CTG, 105MM HERA XM913......................	15	7,885	0	0	0	0	(15)	(7,885)	0	0	(15)	(7,885)	0	0		
103 LIGHTWEIGHT MULTI-PURPOSE WEAPON............	82	66,136	74	60,136	79	60,136	(8)	(6,000)	74	60,136	(8)	(6,000)	74	60,136		
104 LIGHT WGT MULTI PURPOSE SYSTEM TRNR.........	1,007	3,154	1,007	3,154	1,007	3,154			1,007	3,154			1,007	3,154		
106 HYDRA 70 RKT HE/RS (M151/M433)..............	16	7,786	16	7,786	16	7,786			16	7,786			16	7,786		
107 HYDRA 70 RKT ILLUM M257 WHD................	--	---	--	---	--	---			--	---			--	---		
108 HYDRA 70 RKT, SMOKE, XM264..................	13	7,096	13	7,096	13	7,096			13	7,096			13	7,096		
109 HYDRA 70 RKT, MPSM PRAC M267 WHD............	24	14,095	24	14,095	24	14,095			24	14,095			24	14,095		
110 HYDRA 70 RKT, HE/PD (M151/M423/MK66).........	21	6,899	21	6,899	21	6,899			21	6,899			21	6,899		
0 HYDRA 70 SMOKE...............................	--	---	--	---	--	---			--	---			--	---		
111 HYDRA 70 ROCKET XM274 SIG PRACTICE..........	128	38,243	128	38,243	128	38,243			128	38,243			128	38,243		
112 GRENADE, HAND, ALL TYPES....................	--	1,675	--	1,675	--	1,675			--	1,675			--	1,675		
113 GREN SMK SCREENING RP L8A1/L8A3.............	--	---	--	---	--	---			--	---			--	---		
114 GRENADE, SMOKE SCREENING IR M76.............	216	11,138	216	11,138	216	11,138			216	11,138			216	11,138		
115 SIGNALS, ALL TYPES..........................	--	15,967	--	15,967	--	15,967			--	15,967			--	15,967		
116 SIMULATORS, ALL TYPES.......................	--	6,406	--	6,406	--	6,406			--	6,406			--	6,406		
MISCELLANEOUS																
117 AMMO COMPONENTS/SUPPORT, ALL TYPES...........	--	21,684	--	21,684	--	21,684			--	21,684			--	21,684		
118 CAD/PAD.....................................	--	4,731	--	4,731	--	4,731			--	4,731			--	4,731		
119 ITEMS LESS THAN $2.0M (MISC-AMMO)............	--	7,295	--	7,295	--	7,295			--	7,295			--	7,295		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
120	SPARES AND REPAIR PARTS....................	--	986	--	986	--	986			--	986			--	986		
121	AMMUNITION PECULIAR EQUIPMENT................	--	8,870	--	8,870	--	8,870			--	8,870			--	8,870		
122	NITROGUANIDINE (LB).........................	--	12,814	--	12,814	--	12,814			--	12,814			--	12,814		
0	COMP A-5....................................	--	---	--	---	--	---			--	---			--	---		
0	COMP C-4....................................	--	---	--	---	--	---			--	---			--	---		
0	PBX 0280....................................	--	---	--	---	--	---			--	---			--	---		
0	COMP LX-14..................................	--	---	--	---	--	---			--	---			--	---		
0	HMX EXPL-805................................	--	---	--	---	--	---			--	---			--	---		
123	WAR RESERVE STOCKPILING(EXPL/PROPELLANTS)....	--	35,000	--	35,000	--	0		(35,000)		0		(35,000)		0		
123a	RDX - LOUISIANA.............................	--	---	--	0	--	35,000		146,700		146,700		35,000		35,000		(111,700)
124	AMMO 9WW/ELT................................	--	2,858	--	2,858	--	2,858			--	2,858			--	2,858		
125	HOST NATION SUPPORT (AMMO)..................	--	---	--	---	--	---			--	---			--	---		
0	GENERAL INCREASE, AMMUNITION................	--	---	--	---	--	---			--	---			--	---		
0	CLASSIFIED PROGRAMS.........................	--	137,199	--	137,199	--	137,199			--	137,199			--	137,199		
	TOTAL, AMMUNITION...........................		2,025,733		2,070,266		1,962,697		183,663		2,209,396		1,363		2,027,096		(182,300)
	AMMUNITION PRODUCTION BASE SUPPORT																
	PRODUCTION BASE SUPPORT																
126	PROVISION OF INDUSTRIAL FACILITIES...........	--	132,961	--	132,961	--	132,961		20,000	--	152,961		20,000	--	152,961		
127	COMPONENTS FOR PROVE-OUT....................	--	16,164	--	16,164	--	16,164			--	16,164			--	16,164		
128	LAYAWAY OF INDUSTRIAL FACILITIES.............	--	19,417	--	19,417	--	19,417			--	19,417			--	19,417		
129	JEFFERSON PROVING GROUND MODERNIZATION.......	--	---	--	---	--	---			--	---			--	---		
131	MODERNIZATION PROJECTS......................	--	---	--	---	--	---			--	---			--	---		
0	GENERAL INCREASE, PRODUCTION BASE............	--	---	--	---	--	---			--	---			--	---		
	TOTAL, AMMUNITION PRODUCTION BASE SUPPORT..		168,542		168,542		168,542		20,000		188,542		20,000		188,542		0
0	INFLATION SAVINGS, FY87......................	--	---	--	---	--	---			--	---			--	---		
0	PROFIT POLICY CHANGE........................	--	---	--	---	--	---			--	---			--	---		
	TOTAL, PROCUREMENT OF AMMUNITION, ARMY.....		2,194,275		2,238,808		2,131,239		203,663		2,397,938		21,363		2,215,638		(182,300)
	TRANSFER FROM OTHER ACCOUNTS.........		---		---		---				---				---		
	TOTAL FUNDING AVAILABLE..............		2,194,275		2,238,808		2,131,239		203,663		2,397,938		21,363		2,215,638		(182,300)

ITEMS OF SPECIAL INTEREST

M772 fuze

The conferees direct that, within the funds authorized for the procurement of ammunition, the Secretary of the Army is to complete the conversion of the technical data package (TDP) to American engineering standards for the M772 fuze.

Copperhead

The budget request contained $100.6 million for the procurement of 2,771 Copperhead projectiles. The Copperhead projectile is the Army's only laser-guided artillery projectile. The House bill would authorize $128.5 million for Copperhead projectiles. The Senate bill would authorize the amount requested.

Last year the statement of managers accompanying the conference report (H. Rept. 99-1001) on the fiscal year 1987 Defense Authorization Act directed the evaluation of a second source for the Copperhead projectile. The fiscal year 1988 budget request, however, contained no funds for the second source. The conferees recommend authorization of $128.5 million in order to provide a second source for production if the Secretary of Defense determines that this is the most cost-effective approach.

Production base modernization

The Senate amendment would direct the Army to proceed with the execution of the fiscal year 1986 and fiscal year 1987 production base modernization projects at the Chamberlain Manufacturing Corporation (PEP-422) for which funds were authorized and appropriated by the Congress in fiscal years 1986 and 1987. The House bill contains no similar provision.

The conferees direct the Army to proceed with the modernization projects. The House recedes.

Research Department Explosive (RDX) modernization and stockpiling

The budget request contained no funds for construction of a Research Department Explosive (RDX) manufacturing plant, but did contain $35 million to stockpile these explosives. The House bill would not authorize any funds for construction of a new plant but would authorize the requested amount for stockpiling. The Senate amendment would authorize $35 million for the design and construction of a manufacturing plant but would provide no authorization for stockpiling.

The Senate amendment contained a provision (sec. 121(c)) that would allow for the design and construction of an RDX manufacturing plant using one-step turn-key selection procedures or other competitive measures. The House bill contained no similar provision.

The conferees agreed to the Senate provision (sec. 111(c)) that would provide authorization for the design and construction of an RDX manufacturing plant using one-step turn-key selection procedures or other competitive measures. The conferees agreed to authorize $146.7 million for this purpose in fiscal year 1988. The conferees recommend a total authorization of $35 million at the contingent level. The budget request of $35 million for stockpiling was deleted.

The House recedes with an amendment.

Riverbank Army Ammunition Plant

The House bill contained a provision (sec. 809) that would direct the Secretary of the Army to activate Riverbank Ammunition Plant.

The Senate amendment contained no similar provision.

The conferees agreed to authorize $13.3 million above the budget request for the 155mm, HE, ICM 483 round to stockpile M42/46 grenades, and $9.6 million above the budget request for the 60mm H720W/M734 MOF round to stockpile mortar parts, in fiscal year 1988 and fiscal year 1989. The conferees direct the Secretary of the Army to use these funds to maintain current workload levels for producers of these items in the mobilization base at the inactive Army ammunition plants.

The conferees also agreed to authorize $20 million in fiscal year 1988 for Provision of Industrial Facilities for facilitization projects at the Riverbank Army Ammunition Plant to expand the production capability at this inactive Army ammunition plant.

Finally, the conferees direct that $2.0 million shall also be provided from Title III for maintenance of Riverbank Army ammunition plant.

The House recedes.

OTHER PROCUREMENT, ARMY

OVERVIEW

The budget request contained $5,870.9 million for other procurement, Army accounts. The House bill would authorize $5,071.9 million for other procurement. The Senate amendment would authorize $5,522.2 million.

The conferees agreed to authorize $5,494.5 million for other procurement accounts for fiscal year 1988.

The conferees recommend a total authorization of $5,478.2 million at the contingent level for other procurement accounts for fiscal year 1988.

Specific program authorizations are detailed in the following table.

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1 LINE	ITEM	FY 1988 BUDGET REQUEST QTY	FY 1988 BUDGET REQUEST AMOUNT	FY 1988 HOUSE PASSED QTY	FY 1988 HOUSE PASSED AMOUNT	FY 1988 SENATE PASSED QTY	FY 1988 SENATE PASSED AMOUNT	CONFERENCE AGREEMENT CHANGE FROM REQUEST QTY	CONFERENCE AGREEMENT CHANGE FROM REQUEST AMOUNT	CONFERENCE AGREEMENT RECOMMENDATION QTY	CONFERENCE AGREEMENT RECOMMENDATION AMOUNT	CONTINGENT LEVEL CHANGE FROM REQUEST QTY	CONTINGENT LEVEL CHANGE FROM REQUEST AMOUNT	CONTINGENT LEVEL RECOMMENDATION QTY	CONTINGENT LEVEL RECOMMENDATION AMOUNT	DIFFERENCE QTY	DIFFERENCE AMOUNT
	OTHER PROCUREMENT, ARMY																
	TACTICAL AND SUPPORT VEHICLES																
	TACTICAL VEHICLES																
0	CHASSIS TRAILER GEN 2 1/2 TON 2W M200A1......	--	---	--	---	--	---			--	---			--	---		
0	DOLLY SET, TRANS SHELTER 2 1/2T, M720........	--	---	--	---	--	---			--	---			--	---		
0	DOLLY SET, TRANS SHELTER 5 1/4T, M832........	--	---	--	---	--	---			--	---			--	---		
0	DOLLY SET, TRANS SHELTER, 7 1/2T, M1022......	--	---	--	---	--	---			--	---			--	---		
1	TACTICAL TRAILERS/DOLLY SETS.................	--	42,399	--	26,399	--	42,399		(16,000)	--	26,399		(16,000)	--	26,399		
2	MOTORCYCLE, GED, 2W, ROUGH TERRAIN...........	2,934	7,648	2,934	7,648	2,934	7,648			2,934	7,648			2,934	7,648		
3	SEMITRAILER BB/CONT 22 1/2T M871 C/S.........	770	10,296	770	10,296	770	10,296			770	10,296			770	10,296		
4	SEMITRAILER BB/CONT 34T M872 C/S.............	--	---	--	---	--	---			--	---			--	---		
6	SEMITRAILER, LOW BED, 40T M870A1 (C/S).......	323	6,766	323	6,766	323	6,766			323	6,766			323	6,766		
7	SEMITRAILER, LOW BED HET, XM1000.............	80	7,943	80	7,943	80	7,943			80	7,943			80	7,943		
8	SEMITRAILER, TANK, 5000G.....................	100	6,373	100	6,373	100	6,373			100	6,373			100	6,373		
9	SEMITRAILER, TANK, 7500G, BULKHAUL...........	365	10,983	365	10,983	365	10,983			365	10,983			365	10,983		
0	TRAILER, CARGO 3/4T, 2W, M101A2 W/E..........	--	---	--	---	--	---			--	---			--	---		
0	TRAILER, CARGO, 1 1/2T, 2W, M105A2...........	--	---	--	---	--	---			--	---			--	---		
0	TRAILER, HEAVY, EXPANDED MOBILITY............	--	---	--	---	--	---			--	---			--	---		
0	TRAILER TANK WATER 400G 1 1/2T 2W M149A1.....	--	---	--	---	--	---			--	---			--	---		
10	SEMITRAILER VAN ELECTRONIC 6T 2W M373A2......	--	---	--	---	--	---			--	---			--	---		
11	SEMITRAILER VAN SUPPLY 12T,2WHL,M129A2C......	--	---	--	---	--	---			--	---			--	---		
12	HI MOB MULTI-PURP WHLD VEH (HMMWV)(MYP)......	3,674	109,333	3,674	109,333	3,674	109,333			3,674	109,333			3,674	109,333		
13	SMALL UNIT SUPPORT VEHICLE (SUSV)............	352	38,046	352	18,046	352	38,046		(20,000)	352	18,046		(20,000)	352	18,046		
14	TRUCK, 5T, 6X6, ABT (MYP)....................	4,240	280,360	4,240	280,360	4,240	280,360			4,240	280,360			4,240	280,360		
15	TRUCK, 10T, 8X8, ABT (MYP)...................	888	131,297	1,388	239,297	0	0	500	108,000	1,388	239,297	500	108,000	1,388	239,297		
16	TRUCK, TRACTOR, LINE HAUL, M915A1............	618	40,693	618	40,693	618	40,693			618	40,693			618	40,693		
17	TRUCK, TRACTOR, HET, (C/S)...................	76	13,238	76	13,238	76	13,238			76	13,238			76	13,238		
18	MODIFICATION OF IN-SERVICE EQUIPMENT.........	--	1,961	--	1,961	--	1,961			--	1,961			--	1,961		
19	SHOP EQUIPMENT, AUTO MAINT & REP.............	144	1,176	144	1,176	144	1,176			144	1,17'			144	1,176		
20	ITEMS LESS THAN $2.0M (TAC VEH)..............	--	1,908	--	1,908	--	1,908			--	1,908			--	1,908		
20a	MISSION ESSENTIAL EQUIPMENT..................	--	---	--	---	--	---			--	---			--	---		
	NON-TACTICAL VEHICLES																
21	PASSENGER CARRYING VEHICLES..................	398	11,570	398	11,570	398	11,570			398	11,570			398	11,570		
22	GENERAL PURPOSE VEHICLES.....................	660	13,434	660	13,434	660	13,434			660	13,434			660	13,434		
23	TRUCK, CARGO, PICKUP, 4X2....................	454	4,021	454	4,021	454	4,021			454	4,021			454	4,021		
24	TRUCK, CARRYALL..............................	264	3,628	264	3,628	264	3,628			264	3,628			264	3,628		
25	SPECIAL PURPOSE VEHICLES.....................	158	7,157	158	7,157	158	7,157			158	7,157			158	7,157		

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	SUPPORT EQUIPMENT AND FACILITIES																
26	SPARES AND REPAIR PARTS	--	118,565	--	118,565	--	118,565			--	118,565			--	118,565		
27	PRODUCTION BASE SUPPORT (TAC)	--	1,765	--	1,765	--	1,765			--	1,765			--	1,765		
	TOTAL, TACTICAL AND SUPPORT VEHICLES		870,560		942,560		739,263		72,000		942,560		72,000		942,560		0
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT																
	TELECOMM EQUIP - READ CMD COMM																
28	JCSE EQUIPMENT (USREDCOM)	--	3,689	--	3,689	--	3,689			--	3,689			--	3,689		
0	CINCS INITIATIVE	--	---	--	---	--	---			--	---			--	---		
29	CLASSIFIED PROJECT 9WW	--	9,709	--	9,709	--	9,709			--	9,709			--	9,709		
0	MOD RCRD TFC TERM (MRTT)	--	---	--	---	--	---			--	---			--	---		
0	DIG GROUP MULTIIPLEXER (DGM)	--	---	--	---	--	---			--	---			--	---		
	TELECOMM EQUIP - JOINT TACTICAL COMM PR																
30	TRI-TAC EQUIPMENT	--	183,532	--	108,532	--	183,532		(58,000)	--	125,532		(58,000)	--	125,532		
33	RPTR/TERM ASSMBLGS	--	---	--	---	--	---			--	---			--	---		
34	RADIO TERMINALS AN/TRC-170	--	---	--	---	--	---			--	---			--	---		
35	MAINTENANCE SYSTEM AN/ARM-164	--	---	--	---	--	---			--	---			--	---		
0	UNIT LEVEL SWITCHES	--	---	--	---	--	---			--	---			--	---		
37	COM SYS CON EL AN/TYQ-16	--	---	--	---	--	---			--	---			--	---		
0	DIG NSEC VTER TA-954	--	---	--	---	--	---			--	---			--	---		
39	ANDVT-TAC TERM, CV-3591	--	---	--	---	--	---			--	---			--	---		
0	LIGHTWEIGHT DIGITAL FACSIMILE	--	---	--	---	--	---			--	---			--	---		
40	MOB SUBSCRIBER EQUIP	--	1,019,800	--	991,800	--	1,019,800			--	1,019,800			--	1,019,800		
41	MOD OF IN-SVC EQ (TRI-TAC)	--	12,426	--	12,426	--	12,426			--	12,426			--	12,426		
0	SINCGARS	--	---	--	---	--	---			--	---			--	---		
	TELECOMM EQUIP-COMBAT SUPPORT COMM																
43	SINCGARS FAMILY	--	23,499	--	23,499	--	23,499			--	23,499			--	23,499		
44	HAND CRANK GENERATOR, G-76	--	---	--	---	--	---			--	---			--	---		
0	INF RADIO MODS	--	---	--	---	--	---			--	---			--	---		
45	IMP HF RADIO FAMILY	--	11,651	--	11,651	--	11,651			--	11,651			--	11,651		
46	OPTICAL LONG HAUL TRAN SYS	1,250	9,906	1,250	9,906	1,250	9,906			1,250	9,906			1,250	9,906		
47	PWR SUPPLY PP-6148/U	430	2,160	430	2,160	430	2,160			430	2,160			430	2,160		
49	SOF MOD RADIOS	--	2,485	--	2,485	--	2,485			--	2,485			--	2,485		
50	ANTENNA GROUP OE-254	10,209	5,049	10,209	5,049	10,209	5,049			10,209	5,049			10,209	5,049		
52	SMALL UNIT TRANSCEIVER	2,917	4,660	2,917	4,660	2,917	4,660			2,917	4,660			2,917	4,660		
0	VEHICULAR INTERCOM SYSTEM	--	---	--	---	--	---			--	---			--	---		
54	MOD OF IN-SVC EQUIP (CSC)	--	955	--	955	--	955			--	955			--	955		
55	SWASIA COMM INFRASTRUCTURE	--	31,455	--	14,455	--	31,455			--	31,455			--	31,455		
56	ITEMS LESS THAN $2.0M (CSC-C-E)	--	6,517	--	6,517	--	6,517			--	6,517			--	6,517		
57	SPEC OPS COMM SUP ELMT	--	---	--	---	--	---			--	---			--	---		
0	SECURE CONFERENCING PROJECT	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1 LINE	ITEM	FY 1988 BUDGET REQUEST QTY	FY 1988 BUDGET REQUEST AMOUNT	FY 1988 HOUSE PASSED QTY	FY 1988 HOUSE PASSED AMOUNT	FY 1988 SENATE PASSED QTY	FY 1988 SENATE PASSED AMOUNT	CONFERENCE AGREEMENT CHANGE FROM REQUEST QTY	CONFERENCE AGREEMENT CHANGE FROM REQUEST AMOUNT	CONFERENCE AGREEMENT RECOMMENDATION QTY	CONFERENCE AGREEMENT RECOMMENDATION AMOUNT	CONTINGENT LEVEL CHANGE FROM REQUEST QTY	CONTINGENT LEVEL CHANGE FROM REQUEST AMOUNT	CONTINGENT LEVEL RECOMMENDATION QTY	CONTINGENT LEVEL RECOMMENDATION AMOUNT	DIFFERENCE QTY	DIFFERENCE AMOUNT
	TELECOMM EQUIP - STARCOM NON-DCS																
58	AR TELECOM AUTO PR (ATCAP)	--	5,436	--	5,436	--	5,436			--	5,436			--	5,436		
59	C-E FACILITIES/PROJECTS	--	4,660	--	4,660	--	4,660			--	4,660			--	4,660		
60	SOUTHCOM C3 UPGRADE	--	8,107	--	8,107	--	8,107			--	8,107			--	8,107		
61	ELECTROMAG COMP PROG(EMCP)	--	---	--	---	--	---			--	---			--	---		
	LONG-HAUL COM (DCS)																
64	TRANSMISSION MEDIA (EUCOM)	--	---	--	---	--	---			--	---			--	---		
65	TRANSMISSION MEDIA (PACOM)	--	---	--	---	--	---			--	---			--	---		
66	WW TECH CON IMP PR(WWTCIP)	--	---	--	---	--	---			--	---			--	---		
	TELECOMM EQUIP - SATCOM-GRD ENVIRON																
67	DIGITAL EQUIPMENT (DSCS)	--	14,271	--	14,271	--	14,271			--	14,271			--	14,271		
68	INTERCONNECT FACILITY (DSCS)	--	3,787	--	3,787	--	3,787			--	3,787			--	3,787		
69	JAM RESISTANT SECURE COM (JRSC)	--	8,931	--	8,931	--	8,931			--	8,931			--	8,931		
72	DSCS OPERATIONS CONTROL SYS (DOCS)	--	63,299	--	63,299	--	63,299			--	63,299			--	63,299		
73	MOD IN-SVC EQUIP (DSCS)	--	1,262	--	1,262	--	1,262			--	1,262			--	1,262		
74	MPK SAT UHF TERM, AN/PSC-3	115	4,078	115	4,078	115	4,078			115	4,078			115	4,078		
75	VEH SAT UHF TERM, AN/VSC-7	30	1,128	30	1,128	30	1,128			30	1,128			30	1,128		
76	SINGLE CHANNEL OBJECT TACT TERM (SCOTT)	--	1,165	--	1,165	--	1,165			--	1,165			--	1,165		
77	MOD IN-SVC EQUIP (TAC SAT)	--	3,398	--	3,398	--	3,398			--	3,398			--	3,398		
	TELECOMM EQUIP - EUCOM C3 SYSTEM																
78	EUCOM C3 (NWS)	--	16,213	--	16,213	--	16,213			--	16,213			--	16,213		
79	PACOM C3(NWS)	--	19,417	--	19,417	--	19,417			--	19,417			--	19,417		
80	EUCOM ALTERNATE SPT HQ (ASH)	--	---	--	---	--	---			--	---			--	---		
81	USAREUR TACTICAL COMD & CONTROL SYS(UTACCS)	--	9,126	--	9,126	--	9,126			--	9,126			--	9,126		
	TELECOMM EQUIP - COMSEC EQUIPMENT																
82	IFF COMSEC	--	4,466	--	4,466	--	4,466			--	4,466			--	4,466		
83	TRUNK ENCRYPTION DEVICES (TED)	--	9,999	--	9,999	--	9,999			--	9,999			--	9,999		
84	MINTERM KY-99	--	---	--	---	--	---			--	---			--	---		
85	BTFLD ELEC COEI SYS (BECS)	--	---	--	---	--	---			--	---			--	---		
86	AUTO KEY DC KGX-93/TSEC	--	1,068	--	1,068	--	1,068			--	1,068			--	1,068		
87	SEC VO IMPRV PRG (COMSEC)	--	19,029	--	19,029	--	19,029			--	19,029			--	19,029		
89	DED LOOP ENCRYP DEV KG-84	--	16,407	--	16,407	--	16,407			--	16,407			--	16,407		
90	TNK ENCRP DEV TSEC/KG-93	--	---	--	---	--	---			--	---			--	---		
91	TSEC/KG-94	--	---	--	---	--	---			--	---			--	---		
93	ADDS COMSEC KEY GENERATOR (KG-87)	--	680	--	680	--	680			--	680			--	680		
94	COMSEC MODULE, TSEC/KGV-13	--	17,766	--	17,766	--	17,766			--	17,766			--	17,766		
95	FREQ MODULE, KGV-10/TSEC	19,477	6,505	19,477	6,505	19,477	6,505			19,477	6,505			19,477	6,505		
0	TSEC/KYV-5 (VACTOR) SECURE EQUIP	--	---	--	---	--	---			--	---			--	---		
97	TEMPEST (COMSEC)	--	1,165	--	1,165	--	1,165			--	1,165			--	1,165		
0	KOK-13/TSEC (KDC)	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
98	ADDS COMSEC SECURE MODULE (THORNTON KGV-8)...	--	---	--	---	--	---			--	---			--	---		
99	TSEC/KGV-11/SECURE MODULE....................	--	388	--	388	--	388			--	388			--	388		
101	ITEMS LESS THAN $2.0M (COMSEC)...............	--	4,256	--	4,256	--	4,256			--	4,256			--	4,256		
	TELECOMM EQUIP - BASE COMM																
102	INFO SYSTEMS CONUS/WESTERN HEMISPHERE........	--	27,669	--	0	--	27,669			--	27,669			--	27,669		
103	LOCAL AREA NETWORK (LAN).....................	--	---	--	---	--	---			--	---			--	---		
104	INFORMATION SYSTEMS (EUCOM)..................	--	8,738	--	8,738	--	8,738			--	8,738			--	8,738		
105	INFORMATION SYSTEMS (PACOM)..................	--	7,961	--	7,961	--	7,961			--	7,961			--	7,961		
107	ARMY OPNS CTR................................	--	---	--	---	--	---			--	---			--	---		
108	PENTAGON TELECOM CTR (PTC)...................	--	---	--	---	--	---			--	---			--	---		
	TMDE FOR TELECOMM																
109	CALIBRATION SETS EQUIPMENT...................	--	21,261	--	21,261	--	21,261			--	21,261			--	21,261		
110	TMDE MODERNIZATION...........................	--	14,951	--	14,951	--	14,951			--	14,951			--	14,951		
	OTHER ELECT SYS/EQUIP - INTELLIGENCE SU																
111	4TH PSYOP GROUP..............................	--	12,136	--	12,136	--	12,136			--	12,136			--	12,136		
112	ALL SOURCE ANALYSIS SYSTEM (ASAS)-TIARA......	--	53,794	--	0	--	53,794		(53,794)	--	0		(53,794)	--	0		
113	SINGLE SOURCE PROCESSOR - SIGINT.............	--	3,810	--	3,810	--	3,810			--	3,810			--	3,810		
114	REAR ECHELON COMINT SYSTEM (RECS)............	1	27,669	0	0	1	27,669	(1)	(27,669)	0	0	(1)	(27,669)	0	0		
115	COMMANDERS TACTICAL TERMINAL.................	38	20,388	--	12,388	38	20,388	(38)	(8,000)	--	12,388	(38)	(8,000)	--	12,388		
116	TRAILBLAZER..................................	--	---	--	---	--	---			--	---			--	---		
117	TAC ELEC SURV SYS............................	--	3,397	--	3,397	--	3,397			--	3,397			--	3,397		
118	MANPACK RADIO DF SYSTEM (MRDFS)..............	14	5,243	14	5,243	14	5,243			14	5,243			14	5,243		
120	MOD IN SER EQ (INT SPT) TIARA................	--	29,066	--	23,966	--	29,066		(2,566)	--	26,500		(2,566)	--	26,500		
121	ITEMS LESS THAN $2.0M (INT SPT-C-E)..........	--	5,932	--	5,932	--	5,932			--	5,932			--	5,932		
122	FT DEVENS TRAINING SUPPORT...................	--	485	--	485	--	485			--	485			--	485		
123	TROJAN.......................................	--	25,436		0	--	25,436			--	25,436			--	25,436		
	OTHER ELECT SYS/EQUIP - GEN DEF INTEL P																
124	INTELLIGENCE DATA HANDLING SYS (IDHS)........	--	24,978	--	22,477		14,478		(6,781)	--	18,197		(14,781)	--	10,197		(8,000)
125	TECHNICAL RECON AND SURV SYS (TECRAS)........	--	4,696	--	4,696	--	4,696			--	4,696			--	4,696		
126	ITEMS LESS THAN $2.0m (FCI/S&IA-C-E).........	--	1,792	--	1,792	--	1,792			--	1,792			--	1,792		
127	ITEMS LESS THAN $2.0M (GDIP-C-E).............	--	11,133	--	11,133	--	11,133			--	11,133			--	11,133		
	OTHER ELECT SYS/EQUIP - AUTO DATA PROCE																
128	STARNET/VIABLE...............................	--	---	--	---	--	---			--	---			--	---		
129	BATTERY COMPUTER SYSTEM......................	--	---	--	---	--	---			--	---			--	---		
130	AMC INFORMATION PROCESSING EQUIPMENT (IPE)...	--	18,543	--	18,543	--	18,543			--	18,543			--	18,543		
131	ADV FIELD ARTILLERY TACT DATA SYS............	--	77,668	--	0	--	77,668		(77,668)	--	0		(77,668)	--	0		
132	ARMY DATA DISTRIBUTION SYSTEM-ADDS...........	--	116,600	--	0	--	116,600		(16,600)	--	100,000		(16,600)	--	100,000		
133	TRADOC AUTOMATION............................	--	2,342	--	2,342	--	2,342			--	2,342			--	2,342		
134	USAREUR TACTICAL AUTOMATION..................	--	---	--	---	--	---			--	---			--	---		
135	LIFE CYCLE SOFTWARE SUP. (LCSS)..............	--	9,174	--	9,174	--	9,174			--	9,174			--	9,174		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
136	ADPE FOR NON TAC MGT INFO SYS................	--	---	--	---	--	---			--	---			--	---		
137	SUPERCOMPUTERS................................	--	27,378	--	0	--	27,378			--	27,378			--	27,378		
0	ARMY CORPORATE DATABASE.......................	--	---	--	---	--	---			--	---			--	---		
0	SOLDIER DATA TAG..............................	--	---	--	---	--	---			--	---			--	---		
138	PROJECT 8OX PHASE II..........................	--	---	--	---	--	---			--	---			--	---		
139	TRANS OF PERS PROP............................	--	---	--	---	--	---			--	---			--	---		
140	EUSA-C3I INITIATIVES..........................	--	---	--	---	--	---			--	---			--	---		
141	STD ARMY AUTO CONTRACT SY.....................	--	---	--	---	--	---			--	---			--	---		
0	FIRE SUPPORT TEAM DIGITAL MESSAGE............	--	---	--	---	--	---			--	---			--	---		
142	HQ AUTOMATION SYSTEMS.........................	--	20,389	--	10,089	--	20,389			--	20,389			--	20,389		
143	IPE STAIRS....................................	--	---	--	---	--	---			--	---			--	---		
144	MEDICAL AUTOMATION SYSTEMS....................	--	2,233	--	2,233	--	2,233			--	2,233			--	2,233		
145	PERSONNEL AUTOMATION SYSTEMS..................	--	24,582	--	1,482	--	24,582		(14,582)	--	10,000		(14,582)	--	10,000		
146	TRAINING AUTOMATION SYSTEMS...................	--	2,427	--	0	--	2,427			--	2,427			--	2,427		
147	LOGISTICS AUTOMATION SYSTEMS..................	--	9,529	--	0	--	9,529			--	9,529			--	9,529		
148	RESERVE COMPONENT AUTOMATION SYSTEMS.........	--	23,100	--	23,100	--	23,100			--	23,100			--	23,100		
150	FORWARD ENTRY DEVICE..........................	--	22,815	--	22,815	--	22,815			--	22,815			--	22,815		
152	MANUEVER CONTROL SYS..........................	--	96,113	--	0	--	96,113		(96,113)	--	0		(96,113)	--	0		
154	CORPS/THEATER ADP SVC CTR (CTASC)............	--	17,475	--	9,475	--	17,475		(8,000)	--	9,475		(8,000)	--	9,475		
155	TACT ARMY CMBT COMPT SY(TACCS)...............	1,881	30,781	0	0	1,881	30,781			1,881	30,781			1,881	30,781		
156	FWD AREA AIR DEFENSE CMD & CTL (FAAD C2).....	--	76,300	--	0	--	76,300		(76,300)	--	0		(76,300)	--	0		
157	POSITIVE HOSTILE ID...........................	--	---	--	---	--	---			--	---			--	---		
159	CSS LOG APPLC AUTO MARK/READ SYMBS(LOG MAR)..	--	21,222	--	21,222	--	21,222			--	21,222			--	21,222		
160	WWMCCS INFORMATION SYSTEM (WIS)...............	--	23,272	--	23,272	--	23,272			--	23,272			--	23,272		
160a	ARMY COMMAND AND CONTROL SYSTEM (ACCS).......	--	---	--	270,481	--	---		237,700	--	237,700		237,700	--	237,700		
	AUDIO VISUAL																
162	AFRTS (AUDIO VISUAL)..........................	--	5,049	--	5,049	--	5,049			--	5,049			--	5,049		
164	ITEMS LESS THAN $2 MILLION (A/V-C-E).........	--	9,126	--	9,126	--	9,126			--	9,126			--	9,126		
165	TACTICAL ELEC NEWS GATHERING EQUIP...........	--	2,955	--	2,955	--	2,955			--	2,955			--	2,955		
	OTHER ELECT SYS/EQUIP - ELECTRONIC WARF																
167	TACJAM, AN/MLQ-34.............................	--	---	--	---	--	---			--	---			--	---		
168	TACTICAL DECEPTION (TAC-D)....................	--	4,602	--	4,602	--	4,602			--	4,602			--	4,602		
169	MOD IN-SVC EQUIP (EW).........................	--	2,815	--	2,815	--	2,815			--	2,815			--	2,815		
170	ITEMS LESS THAN $2.0M (EW-C-E)...............	--	777	--	777	--	777			--	777			--	777		
	OTHER ELECT SYS/EQUIP - TACTICAL ELECTR																
171	BATTERY CHARGER PP-7286/U.....................	497	1,941	497	1,941	497	1,941			497	1,941			497	1,941		
172	POWER SUPPLY, PP-6224.........................	2,400	3,200	2,400	3,200	2,400	3,200			2,400	3,200			2,400	3,200		
173	COMPUTER/INDICATOR, CP-696/PD.................	986	3,800	986	3,800	986	3,800			986	3,800			986	3,800		
174	METEROLOGICAL DATA SYS (FAMAS)................	7	1,068	7	1,068	7	1,068			7	1,068			7	1,068		
176	HAND HELD LASER RANGEFINDER AN/GVS-5.........	--	---	--	---	--	---			--	---			--	---		
177	PHYSICAL SECURITY EQUIPMENT...................	--	5,817	--	5,817	--	5,817			--	5,817			--	5,817		

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
178	FACILITY INTRUSION DETECTION SYSTEM..........	1	5,339	1	5,339	1	5,339			1	5,339			1	5,339		
179	NAVSTAR USER EQUIPMENT.......................	--	23,787	--	23,787	--	23,787			--	23,787			--	23,787		
180	POSITION/AZIMUTH DETERMINING SYS (PADS)......	68	21,650	68	21,650	68	21,650			68	21,650			68	21,650		
0	NIGHT OBS DEVICE LONG RANGE AN/TAS-6.........	--	---	--	---	--	---			--	---			--	---		
181	NIGHT VISION GOGGLES.........................	--	138,100	--	90,800	--	138,100			--	138,100			--	138,100		
182	AIMING LIGHT INFRARED, AN/PAQ-4..............	--	1,456	--	1,456	--	1,456			--	1,456			--	1,456		
183	NIGHT VISION SIGHT INDIV WPN AN/PVS-4........	5,563	14,500	5,563	14,500	5,563	14,500			5,563	14,500			5,563	14,500		
185	RADIAC SET AN/VDR-2..........................	3,294	5,145	3,294	5,145	3,294	5,145			3,294	5,145			3,294	5,145		
187	RPV TA/DESIGN AERIAL RECON SYS (TADARS)......	--	179,448	--	0	--	179,448		(179,448)	--	0		(179,448)	--	0		
188	UNMANNED AERIAL VEHICLE FAMILY...............	--	42,426	--	0	--	42,426		(42,426)	--	0		(42,426)	--	0		
189	MULTIFUNCTION RADAR TRANSPONDER BEACON.......	48	4,660	48	4,660	48	4,660			48	4,660			48	4,660		
190	JOINT STARS (ARMY)...........................	--	36,892	--	36,892	--	36,892			--	36,892			--	36,892		
0	SHOP SHELTER MTD ASM-189.....................	--	---	--	---	--	---			--	---			--	---		
0	SHOP SHELTER MTD (STOR) AN/ASM-190...........	--	---	--	---	--	---			--	---			--	---		
0	TEST SET, RADAR, AN/TPM-25...................	--	---	--	---	--	---			--	---			--	---		
0	SHOP SHELTER MDT-REP AN/ASM-146..............	--	---	--	---	--	---			--	---			--	---		
191	ELECTRONIC MAINTENANCE SHOPS.................	--	11,553	--	11,553	--	11,553			--	11,553			--	11,553		
192	TEST SET, RADAR, AN/TPM-25...................	78	2,524	78	2,524	78	2,524			78	2,524			78	2,524		
193	MODIFICATION OF IN-SERVICE EQ (TAC EL).......	--	32,500	--	32,500	--	32,500			--	32,500			--	32,500		
194	ITEMS LESS THAN $2 MILLION (TACT ELEC-C-E)...	--	6,408	--	6,408	--	6,408			--	6,408			--	6,408		
	TMDE FOR TACTICAL ELECTRONICS																
196	INTERMEDIATE FORWARD TEST EQUIP..............	--	27,572	--	27,572	--	27,572			--	27,572			--	27,572		
0	BASE SHOP TEST FACILITY......................	--	---	--	---	--	---			--	---			--	---		
0	CONTACT TEST SET.............................	--	---	--	---	--	---			--	---			--	---		
197	TMDE FOR STE/ICE.............................	2,118	2,233	2,118	2,233	2,118	2,233			2,118	2,233			2,118	2,233		
198	CORE ELECTRONIC AUTO TEST (STE-X)............	26	2,039	26	2,039	26	2,039			26	2,039			26	2,039		
	OTHER ELECT SYS/EQUIP - SUP EQUIP AND F																
199	SPARES AND REPAIR PARTS......................	--	162,403	--	142,403	--	162,403		(20,000)	--	142,403		(20,000)	--	142,403		
200	SPARES AND REPAIR PARTS......................	--	9,306	--	9,306	--	9,306			--	9,306			--	9,306		
201	SPARES AND REPAIR PARTS......................	--	315,864	--	275,964	--	315,864		(39,900)	--	275,964		(39,900)	--	275,964		
203	SPECIAL PROGRAMS.............................	--	209,200	--	209,200	--	209,200			--	209,200			--	209,200		
205	PRODUCTIVITY INVESTMENT FUNDING..............	--	27,166	--	27,166	--	27,166			--	27,166			--	27,166		
206	PR ENH CAP INV PR/QWK RT INV PR(PECIP/QRIP...	--	8,771	--	8,771	--	8,771			--	8,771			--	8,771		
207	PRODUCTION BASE SUPPORT (C-E)................	--	5,243	--	5,243	--	5,243			--	5,243			--	5,243		
207a	MISSION ESSENTIAL EQUIPMENT..................	--	---	--	---	--	---										
999	CLASSIFIED PROGRAMS..........................										---				---		
	TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIP		3,843,313		3,036,355		3,832,813		(490,147)		3,353,166		(498,147)		3,345,166		(8,000)

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	OTHER SUPPORT EQUIPMENT																
	CHEMICAL DEFENSIVE EQUIPMENT																
208	REMOTE SENSING CHEMICAL ALARM (XM21).........	--	---	--	---	--	---			--	---			--	---		
210	DECONTAMINATE APP PWR DR LT WT XM17..........	277	3,949	277	3,949	277	3,949			277	3,949			277	3,949		
211	NONAQUEOUS EQUIP DECON SYSTEM(NAEDS).........	--	---	--	---	--	---			--	---			--	---		
212	MASK, PROTECTIVE, NBC........................	--	51,036	--	51,036	--	51,036			--	51,036			--	51,036		
213	CHEMICAL AGENT MONITOR.......................	3,374	19,348	3,374	19,348	3,374	19,348			3,374	19,348			3,374	19,348		
214	SIMP COLL PROT EQUIP XM20....................	812	4,245	812	4,245	812	4,245			812	4,245			812	4,245		
0	MODULAR/COLL PROT EQUIP FOR VV AND S.........	--	---	--	---	--	---			--	---			--	---		
0	AUTO CHEMICAL AGENT ALARM (ACADA), XM22......	--	---	--	---	--	---			--	---			--	---		
216	GEN SET, SMOKE, MECH: PUL JET,XM157..........	--	---	--	---	--	---			--	---			--	---		
	BRIDGING EQUIPMENT																
217	RIBBON BRIDGE ERECTION BOAT..................	--	588	--	588	144	18,888	144	18,300	144	18,888	144	18,300	144	18,888		
218	BRIDGE, FLOAT-RIBBON, INTERIOR BAY...........	--	202	--	202	--	202			--	202			--	202		
219	BRIDGE, FLOAT-RIBBON, RAMP...................	--	197	--	197	--	197			--	197			--	197		
220	BRIDGE, FLOAT-RIBBON, TRANSPORTER............	110	10,879	110	10,879	110	10,879			110	10,879			110	10,879		
221	LAUNCHER, LIGHT ASSAULT BRIDGE...............	--	---	--	---	--	---			--	---			--	---		
222	LIGHT ASSAULT BRIDGE.........................	--	---	--	---	--	---			--	---			--	---		
223	ITEMS LESS THAN $2.0M(BRIDGING)..............	--	105	--	105	--	105			--	105			--	105		
	ENGINEER (NON-CONSTRUCTION) EQUIPMENT																
224	GEMSS AUX MINE DISPNSR XM138 (FLIPPER).......	--	---	--	---	--	---			--	---			--	---		
225	DISPENSER MINE XM139.........................	--	---	--	---	--	---			--	---			--	---		
226	MIXER/PUMPER UNIT (MPU) TEXS.................	48	8,884	48	8,884	48	8,884			48	8,884			48	8,884		
227	MARKING SYS, CLEAR LANE......................	40	1,283	40	1,283	40	1,283			40	1,283			40	1,283		
0	E DET SET, MINE, MET/NON-MET, AN/PRS-8.......	--	---	--	---	--	---			--	---			--	---		
228	DETECTING SET, MINE, AN/PSS-12...............	3,132	4,837	3,132	4,837	3,132	4,837			3,132	4,837			3,132	4,837		
229	MINE PLOW(BLADE).............................	180	10,859	180	10,859	180	10,859			180	10,859			180	10,859		
230	MINE CLEARING ROLLER.........................	42	3,060	42	3,060	42	3,060			42	3,060			42	3,060		
231	REMOTE CONTROL UNIT(MOPMS)...................	1,560	9,280	1,560	9,280	1,560	9,280			1,560	9,280			1,560	9,280		
232	SURVEY SET DISTANCE MEASURING INFRARED.......	--	---	--	---	--	---			--	---			--	---		
233	M-9 ARMORED COMBAT EARTHMOVER (ACE)..........	127	65,954	127	53,954	127	54,654		(12,000)	127	53,954		(12,000)	127	53,954		
234	ITEMS LESS THAN $2.0M(ENG NON-CONST).........	--	1,743	--	1,743	--	1,743			--	1,743			--	1,743		
	COMBAT SERVICE SUPPORT EQUIPMENT																
235	AIR CONDITIONERS VARIOUS SIZE/CAPACITIES.....	--	15,004	--	15,004	--	15,004			--	15,004			--	15,004		
236	FIELD KITCHEN,MOBILE, TRL MTD................	969	15,499	969	15,499	969	15,499			969	15,499			969	15,499		
237	MODULAR FIELD KITCHEN........................	160	4,151	160	4,151	160	4,151			160	4,151			160	4,151		
238	DIVING EQUIPMENT.............................	--	3,751	--	3,751	--	3,751			--	3,751			--	3,751		
239	FIRETRUCKS...................................	--	13,228	--	13,228	--	13,228			--	13,228			--	13,228		
240	HEATER DUCT TYPE.............................	400	2,962	670	4,962	400	2,962			400	2,962			400	2,962		
241	LAUNDRY UNIT/TRL MTD.........................	89	5,824	89	5,824	89	5,824			89	5,824			89	5,824		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1 LINE	ITEM	FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
242	TAG PRINTING AND BINDING EQUIPMENT	--	4,640	--	0	--	4,640		(4,640)	--	0		(4,640)	--	0		
243	PRINT PLANT, SW TRANSPORTABLE	5	2,369	0	0	5	2,369	(5)	(2,369)	0	0	(5)	(2,369)	0	0		
244	ITEMS LESS THAN S2.0M (CSS-EQ)	--	6,872	--	6,872	--	6,872			--	6,872			--	6,872		
245	MODIFICATIONS OF IN SERVICE EQUIP (CSE)	--	4,936	--	4,936	--	4,936			--	4,936			--	4,936		
	PETROLEUM EQUIPMENT																
246	TANK ASSEMBLY FAB COLL POL 50000 G	382	6,022	382	6,022	382	6,022			382	6,022			382	6,022		
247	FORWARD AREA REFUELING EQUIPMENT (FARE)	--	---	--	---	--	---			--	---			--	---		
248	TANK ASSEMBLY FAB COLLAPSIBLE POL 10000G	462	4,235	462	4,235	462	4,235			462	4,235			462	4,235		
249	TANK ASSY, FAB COLLAPS, 20,000 GAL POL	--	---	--	---	--	---			--	---			--	---		
250	TANK/PUMP UNIT LIQ DISP F/TRK MOUNTING	478	4,412	478	4,412	478	4,412			478	4,412			478	4,412		
251	LABORATORY, PETROLEUM, SEMI-TRLR MTD	2	1,679	2	1,679	2	1,679			2	1,679			2	1,679		
252	PUMP ASSY LIQ GAS WHL 4 IN OUT 350 GPM	259	2,764	259	2,764	259	2,764			259	2,764			259	2,764		
253	SWA PETROLEUM DISTRIBUTION SYSTEM	--	41,771	--	41,771	--	41,771			--	41,771			--	41,771		
254	ITEMS LESS THAN S2.0M (POL)	--	5,035	--	5,035	--	5,035			--	5,035			--	5,035		
254a	POL MISSION ESSENTIAL EQUIPMENT	--	---		8,000	--	---				0				0		
	WATER EQUIPMENT																
255	WTR PUR UNIT REV OS 3000 GPH (ROWPU)	50	20,336	50	20,336	50	20,336			50	20,336			50	20,336		
256	WATER PUR UNIT, REV OSMOSIS, 600GPH (ROW	101	11,451	101	11,451	101	11,451			101	11,451			101	11,451		
257	TACTICAL WATER DISTR SYS	18	9,180	18	9,180	18	9,180			18	9,180			18	9,180		
258	TANK, FAB COLLAPS, 3000 GAL, WATER (ONION)	--	---	--	---	--	---			--	---			--	---		
259	SMALL MOBILE WATER CHILLER (SMWC)	--	---	--	---	--	---			--	---			--	---		
260	PUMP CENTRIFUGAL, 65GPM	899	1,580	899	1,580	899	1,580			899	1,580			899	1,580		
261	ITEMS LESS THAN S2.0M (WATER EQ)	--	3,850	--	3,850	--	3,850			--	3,850			--	3,850		
	MEDICAL EQUIPMENT																
262	DEPLOYABLE MEDICAL SYSTEM (DMS)	--	82,823	--	82,823	--	82,823			--	82,823			--	82,823		
263	CBT SUP EQUIP MEDICAL	--	44,980	--	44,980	--	44,980			--	44,980			--	44,980		
264	MEDICAL SUPPORT EQUIPMENT	--	60,004	--	60,004	--	60,004			--	60,004			--	60,004		
	MAINTENANCE EQUIPMENT																
265	SHOP EQ CONTACT MAINTENACE TRK MTD (MYP)	--	---	--	---	--	---			--	---			--	---		
266	WELDING SHOP, TRAILER MTD	--	---	--	---	--	---			--	---			--	---		
267	CLOTHING REPAIR SHOP TRL MTD	--	---	--	---	--	---			--	---			--	---		
268	SHOP EQ ELECTRICAL RPR SEMI-TRL MTD	66	9,600	66	9,600	66	9,600			66	9,600			66	9,600		
269	STEAM CLEANER	188	1,974	188	1,974	188	1,974			188	1,974			188	1,974		
270	SHOP EQUIP, CANVAS AND GLASS SHELTER MTD	57	5,232	57	5,232	57	5,232			57	5,232			57	5,232		
271	WELDING MACHINE ELECTARC 350 AMP (CC-C)	--	---	--	---	--	---			--	---			--	---		
0	BUILDING, PRE-FAB, RELOCATABLE	--	---	--	---	--	---			--	---			--	---		
272	CALIBRATION SET SUPPORT	--	---	--	---	--	---			--	---			--	---		
273	ITEMS LESS THAN 82.0M (MAINT EQ)	--	2,764	--	2,764	--	2,764			--	2,764			--	2,764		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	CONSTRUCTION EQUIPMENT																
274	DISTRIBUTER, WATER SP MIN 2500G SEC/NON-SE...	22	5,627	22	5,627	22	5,627			22	5,627			22	5,627		
275	DIST, WATER, 6000G, SEMI-TRL MTD (CCE).......	49	3,356	49	3,356	49	3,356			49	3,356			49	3,356		
276	TRACTOR FULL TRACKED LOW SPEED DD MED........	--	---	--	---	--	---			--	---			--	---		
277	TRACTOR CRAWLER T-11 SIZE W/RIPPER (CCE).....	36	7,009	0	0	36	7,009	(36)	(7,009)	0	0	(36)	(7,009)	0	0		
278	SMALL EMPLACEMENT EXCAVATOR (SEE)...........	422	38,598	422	38,598	422	38,598			422	38,598			422	38,598		
279	CRANE, WHEEL MTD, 25T, 3/4 CU YD, RT.........	--	---	--	---	--	---			--	---			--	---		
0	CRANE, WHL MTD, HYDRAULIC 7 1/2 TON..........	--	---	--	---	--	---			--	---			--	---		
280	MODS OF IN SERVICE EQUIP (CONST EQUIP).......	--	198	--	198	--	198			--	198			--	198		
281	ITEMS LESS THAN $2.0M (CONST EQUIP)..........	--	12,768	--	6,768	--	12,768		(3,000)	--	9,768		(3,000)	--	9,768		
	RAIL FLOAT CONTAINERIZATION EQUIPMENT																
282	LANDING, CRAFT, UTILITY......................	6	24,600	6	24,600	6	24,600			6	24,600			6	24,600		
283	TUG, HARBOR, INLAND WATERWAYS................	1	8,391	1	2,391	1	8,391		(2,991)	1	5,400		(2,991)	1	5,400		
284	TUG INLAND AND COASTAL WATERWAYS.............	1	11,057	1	11,057	1	11,057			1	11,057			1	11,057		
0	LOGISTIC SUPPORT VESSEL (LSV)................	--	---	--	---	--	---			--	---			--	---		
286	CAUSEWAY STSTEMS.............................	--	22,013	--	22,013	--	22,013			--	22,013			--	22,013		
288	RAILWAY CAR, TANK, POL, 20000G...............	--	---	--	---	--	---			--	---			--	---		
289	MODIFICATIONS OF IN-SERV EQ (FLOAT/RAIL).....	--	4,344	--	4,344	--	4,344			--	4,344			--	4,344		
290	ITEMS LESS THAN $2.0M (FLOAT/RAIL)...........	--	3,356	--	3,356	--	3,356			--	3,356			--	3,356		
	GENERATORS																
291	GEN AND ASSOCIATED EQUIP.....................	--	44,248	--	44,248	--	44,248			--	44,248			--	44,248		
	MATERIEL HANDLING EQUIPMENT																
292	TRUCK, FORK LIFT, CBD, PT, 4000 LB...........	423	8,391	423	8,391	423	8,391			423	8,391			423	8,391		
293	TRUCK, FORK LIFT, CBD, PT, 6000 LB...........	--	---	--	---	--	---			--	---			--	---		
0	TRUCK, FORK LIFT, DE, PT, RT, 10000 LB.......	--	---	--	---	--	---			--	---			--	---		
294	TRUCK, FORK LIFT, DE, PT, RT, 6000 LB........	240	18,164	0	0	240	18,164			240	18,164			240	18,164		
296	TRUCK, FORK LIFT, DE, PT, RT, 4000 LB........	159	3,751	159	3,751	159	3,751			159	3,751			159	3,751		
297	TRUCK, FORK LIFT, ELEC, SRT, 4000 LB.........	--	---	--	---	--	---			--	---			--	---		
298	65 TON CRANE.................................	118	34,649	118	24,849	118	25,449		(9,800)	118	24,849		(9,800)	118	24,849		
299	ITEMS LESS THAN $2.0M (MHE)..................	--	2,666	--	2,666	--	2,666			--	2,666			--	2,666		
300	SPARES AND REPAIR PARTS......................	--	48,272	--	48,272	--	48,272			--	48,272			--	48,272		
302	VALUE ENGINEERING (VE).......................	--	---	--	---	--	---			--	---			--	---		
304	PRODUCTION BASE SUPPORT (OTH)................	--	6,992	--	6,992	--	6,992			--	6,992			--	6,992		
305	OSD PRODUCTIVITY INVESTMENT FUNDING..........	--	3,353	--	3,353	--	3,353			--	3,353			--	3,353		
306	SPECIAL EQUIPMENT FOR USER TESTING...........	--	17,177	--	17,177	--	17,177			--	17,177			--	17,177		
0	ITEMS LESS THAN $2.0M (OTH SPT EQ)...........	--	---	--	---	--	---			--	---			--	---		
307	HOST NATION SUPPORT - EUROPE.................	--	40,276	--	40,276	--	40,276			--	40,276			--	40,276		
308	NATIONAL TRAINING CTR SUP....................	--	34,649	--	34,649	--	34,649			--	34,649			--	34,649		
0	SWA STAGING BASES............................	--	---	--	---	--	---			--	---			--	---		
310	TRAINING DEVICES, NONSYSTEM..................	--	137,882	--	137,882	--	137,882			--	137,882			--	137,882		
0	SPECIAL PROGRAMS.............................	--	---	--	---	--	---			--	---			--	---		
0	BCE (NCMI)...................................	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
O	PECIP (NCMI)..	--	---	--	---	--	---			--	---			--	---		
O	QRIP (NCMI)..	--	---	--	---	--	---			--	---			--	---		
311	NON-CENTRALLY MANAGED ITEMS..................	--	19,823	--	19,823	--	19,823			--	19,823			--	19,823		
311a	MISSION ESSENTIAL EQUIPMENT..................	--	---	--	50,000	--	---		50,000	--	50,000		50,000	--	50,000		
	TOTAL, OTHER SUPPORT EQUIPMENT............		1,156,987		1,151,005		1,154,787		26,491		1,183,478		26,491		1,183,478		0
O	USSOC FORCES COMMUNICATIONS..................	--	---	--	---		15,300		15,300	--	15,300		7,000	--	7,000		(8,300)
O	UNDISTRIBUTED REDUCTION........................	--	---	--	(58,000)		(220,000)				0				0		
O	INFLATION SAVINGS, FY87........................	--	---	--	---	--	---			--	---			--	---		
O	PROFIT POLICY CHANGE............................	--	---	--	---	--	---			--	---			--	---		
	TOTAL, OTHER PROCUREMENT, ARMY............		5,870,860		5,071,920		5,522,163		(376,356)		5,494,504		(392,656)		5,478,204		(16,300)
	TRANSFER FROM OTHER ACCOUNTS.........		---		---		---				---				---		
	TOTAL FUNDING AVAILABLE..............		5,870,860		5,071,920		5,522,163		(376,356)		5,494,504		(392,656)		5,478,204		(16,300)

ITEMS OF SPECIAL INTEREST

10-ton trucks

The budget request contained $131.3 million for procurement of 888 Heavy Expanded Mobility Tactical Trucks (HEMTT) for fiscal year 1988. The Budget request also contained $14.2 million in Title II (RDT&E) to initiate a competition for a heavy truck program that incorporates a Palletized Loading System.

The House bill would authorize $293.3 million for procurement of 1,388 HEMTT trucks. The Senate amendment would authorize no funds for procurement of the HEMTT.

The House bill contained no funds in Title II for the initiation of a new truck program. The House bill contained a provision (section 108(d)) that would require the Secretary of the Army to compete the technical data package for the existing HEMTT to meet Army requirements beyond fiscal year 1988. The provision would also require the Secretary of the Army to re-examine requirements and provide for an option for PLS-configured HEMTT vehicles on future solictations.

The Senate amendment provided funds in Title II for a follow-on truck and contained a provision (sec. 121(d)) that would prohibit obligation of any funds for procurement of trucks unless the trucks are acquired through competitive procedures based on performance specifications.

The conferees agreed to authorize $239.3 million for procurement of 1,388 10-ton trucks in fiscal year 1988 and $239.3 million for procurement in fiscal year 1989.

The conferees believe that the process for establishing total Army requirements for equipment ought to provide for stability and efficiency in acquisition. This has not been the case, however, in the heavy truck program and confusion continues to persist as to total Army requirements.

To resolve the annual struggle, the conferees agreed to a provision (sec. 129) that would direct multiyear procurement for not less than 4,737 HEMTT trucks beginning in fiscal year 1988. The conferees expect a fair price for the trucks purchased under this multiyear contract.

The conferees also agree to authorize $17 million in Title II for the competitive evaluation of a heavy truck configured with a Palletized Loading System based on performance specifications. The conferees agreed to a provision (sec. 259) that would direct the Department of Defense to proceed with this evaluation subject to the following: (1) source selection within twenty-four months based on a hardware competition; (2) source selection to be made by the Under Secretary of Defense for Acquisition; (3) source selection to equitably consider total life-cycle costs including facilitization; and (4) the manufacture and assembly of the winning system to be in the United States.

Supercomputers

The budget request contained $27.4 million to procure supercomputers for the Army.

The House bill contained no authorization for this program. The Senate amendment recommended authorization of the amount requested.

Last year, the conference report (H. Rept. 99-1001) accompanying the fiscal year 1987 Defense Authorization Act (Public Law 99-661) directed the Secretary of the Army to submit a master plan concerning the acquisition and deployment of supercomputers over the next five years. The conferees are concerned, however, that the report that has been provided to date does not represent a five-year roadmap.

The conferees agreed to authorize $27.4 million for procurement of supercomputers but direct that none of the funds authorized for procurement of supercomputers be obligated until the Secretary of the Army submits a roadmap to the Committees on Armed Services of the Senate and the House of Representatives concerning the requirements, acquisition strategies and deployments of supercomputers over the next five years.

Army Command and Control System (ACCS)

The budget request contained $420.5 million to procure five separate elements of the Army's command, control and communications systems. These elements of the Army's battlefield system include: fire support, maneuver, air defense, data distribution, and intelligence.

The House bill would authorize $270.5 million for an integrated ACCS program. The Senate amendment would authorize $420.5 million for the five individual elements.

The report accompanying the House bill (H. Rept. 100-58) directs the Secretary of the Army to provide the Committees on Armed Services of the Senate and the House of Representatives a master plan for the ACCS program, including a detailed break-out of all of the elements included in the program. The plan is to provide total program funding requirements, as well as testing and deployment schedules. The Senate report contained no similar language.

The conferees agreed to authorize $237.7 million for procurement of the ACCS program. This authorization is provided for an integrated budget line to include: All-Source Analysis System; Maneuver Control System; Advance Field Artillery Tactical Data System; and Forward Area Air Defense Command, Control and Intelligence System. Consistent with recent Army decisions to restructure the management of the ACCS program, the conferees agreed to provide separate authorization of $100.0 million for the Army Data Distribution System. Further, the conferees agreed to require a master plan for the ACCS program.

The Senate recedes with an amendment.

Aquila remotely piloted vehicle

The budget request contained $179.4 million for procurement of the Aquila remotely piloted vehicle (RPV) system consisting of unmanned air vehicles, ground stations, launcher and recovery subsystems, and maintenance shelters.

The House bill would deny authorization for procurement of Aquila remotely piloted vehicle. The Senate amendment would authorize the amounts requested.

The conferees have been informed that a production decision regarding the Aquila is premature during fiscal year 1988 due to problems discovered during the operational test. As a result, the Army intends to conduct further test of the system to evaluate the operational concept. Upon completion of the tests, the Secretary of the Army is directed to provide, to the Committees on Armed Services of the Senate and the House of Representatives, a report on this evaluation.

The conferees agreed to authorize $10 million in Title II for this purpose. The conferees further agreed to deny authorization for procurement of the Aquila remotely piloted vehicle for fiscal year 1988.

The Senate recedes with an amendment.

SINCGARS radios

The budget request contained $23.5 million to purchase the Single Channel Ground and Airborne Radio Systems (SINCGARS). The House bill and the Senate amendment both authorized the requested amount.

The conferees have been informed that the Army intends to select a second source to produce the SINCGARS radio that can meet the "form, fit and function" requirements of the present SINCGARS radio. The Army claims that this strategy may provide increased radio reliability. Although this approach may increase reliability, the conferees are concerned that this approach may also increase logistics costs. Therefore, the conferees direct the Secretary of Defense to submit to the Committees on Armed Services of the Senate and House of Representatives an analysis identifying any increase in operating and supply costs which result from second source radios built to form, fit and function.

Further, prior to obligation of fiscal year 1988 procurement funds, the Secretary of Defense is required to certify to the Committees on Armed Services of the Senate and House of Representatives that the proposed life-cycle support strategy for SINCGARS radios purchased from the second source is consistent with a maintenance concept for all SINCGARS radios.

Command, control and communications (C^3) equipment for Special Operations Forces (SOF) units

The budget request made no specific authorization for the procurement of command, control and communications (C^3) equipment for the Special Operations Forces (SOF). The House bill would provide no authorization for SOFC^3 equipment. The Senate amendment, however, would authorize $15.3 million to be made available to the Commander in Chief of the U.S. Special Operations Command (CINCUSSOC) for procurement of SOF C^3 equipment.

The conferees agreed to authorize $15.3 million for the procurement of command, control and communications equipment for the Special Operations Forces (SOF) units. The conferees further direct the Department of Defense to report to the progress not later than December 1, 1987 on the costs of procuring the required C^3 equipment for USSOC, its subordinate elements, and the SOC's of the unified combatant commands.

The conferees recommend a total authorization of $7.0 million at the contingent level for procurement of command, control and communications equipment for SOF units.

The House recedes.

Mission essential equipment

The House bill would provide an authorization of $50 million to produce mission essential equipment throughout the Army's other procurement accounts. This initiative was intended to allow the Army to procure equipment that will improve the combat readiness of early deploying active and reserve combat support and combat service support units in concert with the priority requirements of the CINCS.

The Senate amendment provided no authorization for this purpose.

The conferees agreed to authorize $50 million for mission essential equipment and direct the Secretary of the Army to submit a report to the Committees on Armed Services of the Senate and the House of Representatives that provides the listing of the

items of equipment that would be procured with these funds prior to obligation of these funds.

The Senate recedes.

AIRCRAFT, NAVY

OVERVIEW

The budget request contained $9,924.9 million for procurement of Navy aircraft in fiscal year 1988. The House bill would authorize $9,253.2 million for Navy aircraft programs. The Senate amendment would authorize $9,562.6 million for Navy aircraft.

The conferees recommend authorization of $9,605.0 million for Navy aircraft procurement in fiscal year 1988.

The conferees recommend a total authorization of $8,610.1 million at the contingent level for Navy aircraft procurement in fiscal year 1988.

Specific program authorizations are detailed in the following table.

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT				CONTINGENT LEVEL				DIFFERENCE	
								CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION			
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	COMBAT AIRCRAFT																
	BA-1 COMBAT AIRCRAFT																
1	A-6E/F (ATTACK) INTRUDER (MYP)..............	12	702,244	12	702,244	0	0	(12)	(702,244)	0	0	(12)	(702,244)	0	0		
2	A-6E/F (ATTACK) INTRUDER (MYP) (AP-CY).......	--	109,917	--	109,917	0	0		(109,917)		0		(109,917)		0		
2a	A-6E/E UPGRADE RETROFIT.....................		---		---		---	11	376,610	11	376,610			0	0	(11)	(376,610)
3	EA-6B (ELECTRONIC WARFARE) PROWLER...........	6	336,062	12	482,772	12	482,762	6	146,710	12	482,772	6	146,710	12	482,772		
4	EA-6B (ELECTRONIC WARFARE) PROWLER (AP-CY)...	--	17,826		22,713	--	17,826		4,887		22,713		4,887		22,713		
5	AV-8B (V/STOL) HARRIER......................	32	564,159	0	0	32	591,659	(8)	(136,407)	24	427,752	(32)	(564,159)		0	(24)	(427,752)
6	AV-8B (V/STOL) HARRIER (AP-CY)..............	--	64,040	--	0	--	64,040		(16,010)		48,030		(64,040)		0		(48,030)
7	F-14A/D (FIGHTER) TOMCAT....................	12	676,764	12	676,764	12	676,764			12	676,764			12	676,764		
8	F-14A/D (FIGHTER) TOMCAT (AP-CY)............	--	84,289	--	129,103	--	84,289			--	84,289			--	84,289		
9	F/A-18 (FIGHTER) HORNET (MYP)...............	84	2,316,610	84	2,316,610	84	2,316,610			84	2,316,610			84	2,316,610		
10	F/A-18 (FIGHTER) HORNET (MYP) (AP-CY)........	--	155,982	--	155,982	--	155,982			[84]	155,982			[84]	155,982		
11	CH/MH-53E (HELO) SUPER STALLION (MYP)........	14	210,687	14	210,687	14	210,687			14	210,687			14	210,687		
12	CH/MH-53E (HELO) SUPER STALLION (MYP) (AP-CY)	--	21,799	--	21,799	--	21,799			--	21,799			--	21,799		
13	V-22 OSPREY.................................	--	---	--	---	--	---			--	---			--	---		
14	AH-1W (HELICOPTER) SEA COBRA................	22	172,663	12	100,000	22	172,663	(5)	(37,663)	17	135,000	(5)	(37,663)	17	135,000		
15	AH-1W (HELICOPTER) SEA COBRA (AP-CY).........	--	---	--	---	--	---			--	---			--	---		
16	SH-60B (ASW HELO) SEAHAWK....................	6	98,727	6	98,727	9	144,827	3	46,100	9	144,827			6	98,727	(3)	(46,100)
17	SH-60B (ASW HELO) SEAHAWK (AP-CY)............	--	26,273	--	26,273	--	26,273			--	26,273			--	26,273		
18	SH-60F (CV ASW HELO).........................	18	279,733	18	279,733	18	279,733			18	279,733			18	279,733		
19	SH-60F (CV ASW HELO) (AP-CY)................	--	29,646	--	29,646	--	29,646			--	29,646			--	29,646		
20	P-3C/G (PATROL) ORION.......................	--	146	--	34,146	--	146		34,000	--	34,146		34,000	--	34,146		
21	P-3C/G (PATROL) ORION (AP-CY)...............	--	---	--	---	--	---			--	---			--	---		
21a	LONG RANGE AIR ASW CAPABLE AIRCRAFT..........	--	---	--	---		34,100		80,200	--	80,200		80,200	--	80,200		
22	EX COMPETITION..............................	8	179,815	0	0	0	0	(8)	(179,815)	0	0	(8)	(179,815)	0	0		
23	E-2C (EARLY WARNING) HAWKEYE................	6	370,160	6	370,160	6	370,160			6	370,160			6	370,160		
24	E-2C (EARLY WARNING) HAWKEYE (AP-CY).........	--	30,035	--	30,035	--	30,035			--	30,035			--	30,035		
25	SH-2F (ASW HELO) SEASPRITE..................	--	1,649	--	0	--	1,649		(1,649)	--	0		(1,649)	--	0		
	TOTAL, COMBAT AIRCRAFT.....................		6,449,226		5,797,311		5,711,650		(495,198)		5,954,028		(1,393,690)		5,055,536		(898,492)
	AIRLIFT AIRCRAFT																
	BA-2 AIRLIFT AIRCRAFT																
29	C-2 (MYP)...................................	--	5,776	--	0	--	5,776		(5,776)	--	0		(5,776)	--	0		0

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	TRAINER AIRCRAFT																
	BA-3 TRAINER AIRCRAFT																
33	T-45TS GOSHAWK	12	328,758	12	328,758	12	328,758			12	328,758			12	328,758		
34	T-45TS GOSHAWK (AP-CY)	--	29,452	--	29,452	--	29,452			--	29,452			--	29,452		
	TOTAL, TRAINER AIRCRAFT		358,210		358,210		358,210		0		358,210		0		358,210		0
	OTHER AIRCRAFT																
	BA-4 OTHER AIRCRAFT																
35	E-6A	3	189,202	2	126,135	3	189,202	(1)	(63,067)	2	126,135	(1)	(63,067)	2	126,135		
36	E-6A (AP-CY)	--	137,716	--	0	--	137,716			--	137,716			--	137,716		
37	UH-60A	3	42,525	3	42,525	3	42,525			3	42,525			3	42,525		
38	VH-60	--	---	--	---	--	---			--	---			--	---		
	TOTAL, OTHER AIRCRAFT		369,443		168,660		369,443		(63,067)		306,376		(63,067)		306,376		0
	MODIFICATION OF AIRCRAFT																
	BA-5 MODIFICATION OF AIRCRAFT																
39	A-3 SERIES	--	969	--	969	--	969			--	969			--	969		
40	A-4 SERIES	--	6,149	--	6,149	--	6,149			--	6,149			--	6,149		
41	A-6 SERIES (MYP)	--	132,978	--	219,651	--	219,478		86,673	--	219,651		86,673	--	219,651		
42	EA-6 SERIES	--	21,274	--	21,274	--	21,274			--	21,274			--	21,274		
43	A-7 SERIES	--	97	--	97	--	97			--	97			--	97		
44	AV-8 SERIES	--	97	--	97	--	97			--	97			--	97		
45	F-4 SERIES	--	97	--	97	--	97			--	97			--	97		
46	RF-4 SERIES	--	97	--	97	--	97			--	97			--	97		
47	F-14 SERIES	--	83,334	--	83,334	--	83,334			--	83,334			--	83,334		
48	F-8 SERIES	--	---	--	---	--	---			--	---			--	---		
49	F-5 SERIES	--	97	--	97	--	97			--	97			--	97		
50	OV-10 SERIES	--	1,974	--	1,974	--	1,974			--	1,974			--	1,974		
51	F-18 MODS	--	1,995	--	1,995	--	1,995			--	1,995			--	1,995		
52	H-46 SERIES	--	29,801	--	29,801	--	47,901		18,100	--	47,901			--	29,801		(18,100)
53	H-53 SERIES	--	22,737	--	47,737	--	47,737		25,000	--	47,737		25,000	--	47,737		
54	SH-60 SERIES	--	1,058	--	1,058	--	1,058			--	1,058			--	1,058		
55	VH-60	--	---	--	---	--	---			--	---			--	---		
56	H-1 SERIES	--	6,826	--	6,826	--	47,326		40,500	--	47,326			--	6,826		(40,500)
57	H-2 SERIES	--	19,608	--	45,108	--	19,608		25,500	--	45,108		25,500	--	45,108		
58	H-3 SERIES	--	26,229	--	37,529	--	26,229			--	26,229			--	26,229		

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
59	EP-3 SERIES	--	47,003	--	47,003	--	47,003			--	47,003			--	47,003		
60	P-3 SERIES	--	127,365	--	172,865	--	172,365		45,500	--	172,865		45,500	--	172,865		
61	S-3 SERIES	--	74,772	--	142,522	--	142,672		67,750	--	142,522		67,750	--	142,522		
61a	ES-3 SERIES	--	---	--	115,200	--	115,200		115,200	--	115,200		115,200	--	115,200		
62	E-2 SERIES	--	22,439	--	71,139	--	38,439		48,700	--	71,139		16,000	--	38,439		(32,700)
63	TRAINER A/C SERIES	--	1,635	--	1,635	--	1,635			--	1,635			--	1,635		
64	EC-130 SERIES	--	7,367	--	7,367	--	7,367			--	7,367			--	7,367		
65	C-130 SERIES	--	4,550	--	4,550	--	4,550			--	4,550			--	4,550		
66	FEWSG	--	3,380	--	3,380	--	3,380			--	3,380			--	3,380		
67	CARGO/TRANSPORT A/C SERIES	--	2,163	--	2,163	--	2,163			--	2,163			--	2,163		
68	VARIOUS	--	1,004	--	1,004	--	1,004			--	1,004			--	1,004		
69	POWER PLANT CHANGES	--	3,163	--	3,163	--	3,163			--	3,163			--	3,163		
70	MISC FLIGHT SAFETY CHANGES	--	823	--	823	--	823			--	823			--	823		
71	COMMON ECM EQUIPMENT	--	16,708	--	66,708	--	16,708		50,000	--	66,708		50,000	--	66,708		
72	COMMON AVIONICS CHANGES	--	765	--	765	--	765			--	765			--	765		
73	RADARS	--	---	--	---	--	---			--	---			--	---		
73a	F-16N SERIES	--	---	--	---		5,000		5,000	--	5,000		5,000	--	5,000		
	TOTAL, MODIFICATION OF AIRCRAFT		668,554		1,144,177		1,087,754		527,923		1,196,477		436,623		1,105,177		(91,300)
	AIRCRAFT SPARES AND REPAIR PARTS																
	BA-6 AIRCRAFT SPARES																
74	SPARES AND REPAIR PARTS	--	1,511,913	--	1,532,113	--	1,511,913		20,200	--	1,532,113		20,200	--	1,532,113		
74a	EA-6B SPARES		[3,486]		[16,086]		[3,486]				[16,086]				[16,086]		
74b	F/A-18 SPARES		[107,630]		[107,630]		[107,630]										
74c	ES-3 SPARES		[--]		[7,600]		[--]				[7,600]				[7,600]		
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIES																
	BA-7 AIRCRAFT SUPPORT EQUIPMENT AND FAC																
75	COMMON GROUND EQUIPMENT	--	436,106	--	436,106	--	436,106			--	436,106			--	436,106		
76	AIRCRAFT INDUSTRIAL FACILITIES	--	25,998	--	25,998	--	25,998			--	25,998			--	25,998		
77	WAR CONSUMABLES	--	43,978	--	34,923	--	43,978		(3,978)	--	40,000		(9,055)	--	34,923		(5,077)
78	OTHER PRODUCTION CHARGES	--	29,567	--	29,567	--	29,567			--	29,567			--	29,567		
79	SPECIAL SUPPORT EQUIPMENT	--	26,112	--	26,112	--	26,112			--	26,112			--	26,112		
	TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACIL		561,761		552,706		561,761		(3,978)		557,783		(9,055)		552,706		(5,077)

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	O INFLATION SAVINGS, FY87	--	---	--	---	--	---			--	---			--	---		
	O PROFIT POLICY CHANGE	--	---	--	---	--	---			--	---			--	---		
	O DRUG SUPPLEMENTAL	--	---	--	---	--	---			--	---			--	---		
	O UNDISTRIBUTED REDUCTION						(43,900)				0				0		
	TOTAL, AIRCRAFT PROCUREMENT, NAVY		9,924,883		9,553,177		9,562,607		(19,896)		9,904,987		(1,014,765)		8,910,118		(994,869)
	O TRANSFER FROM OTHER ACCOUNTS		---		(300,000)		---		(300,000)		(300,000)		(300,000)		(300,000)		
	TOTAL FUNDING AVAILABLE		9,924,883		9,253,177		9,562,607		(319,896)		9,604,987		(1,314,765)		8,610,118		(994,869)

ITEMS OF SPECIAL INTEREST

Navy aviation

The conferees reviewed the Navy's plans in aviation modernization in considerable detail. The conferees note that there are serious affordability problems in Naval aviation both in near and long term. Despite the fact the Navy decided to accelerate the procurement of aircraft carriers in fiscal year 1988, it chose to reduce the procurement of combat aircraft. Compared to last year's five year plan, this year's five year plan removed a third of all planned procurement of combat aircraft. The Navy has many combat aircraft in production at inefficient production rates. While this situation is serious in its own right, it is disasterous in the face of impending budget reductions.

The House and Senate took substantially different approaches to solving these problems. The Senate reviewed all programs and determined that there were insufficient funds to support both an Advanced Technical Aircraft (ATA) and a block upgrade version of the A-6, the A-6F. The Senate fully funded the ATA and terminated the A-6F, primarily because the A-6F is vulnerable due to its large radar cross section. The ATA will be a survivable aircraft designed to accomplish the same missions as the A-6.

The House determined that the A-6F should be fully funded because the A-6 series aircraft is the Navy's only all weather medium attack aircraft and is required over the next five years to outfit air wings for expanded carrier force structure. The House effectively terminated the ATA because it determined that a major new program is not affordable in the present budget situation, and because a delay in the program might help resolve several technical uncertainties.

The House also terminated further procurement of the Marine Corps's AV-8B light attack aircraft. The House questioned whether the AV-8B offered sufficient military value to justify the cost of continued procurement in an era of shrinking defense budgets. The House concluded that its limited payload, high maintenance requirements and lack of radar, limit its combat utility. Further, the House noted the Administration's plans to stretch out the production rate starting in fiscal year 1990 adds four years to the program and increases unit costs by as much as 80 percent toward the end of the program.

After considerable negotiation, the conferees adopted the following outline for the future of Navy aviation. First, the conferees recommend full authorization for the Advanced Tactical Aircraft. Second, the conferees terminated further development or procurement of the F model of the A-6. The conferees included a provision (sec. 112(f)) which prohibits the Secretary of the Navy from obligating any funds for purposes of developing or procuring an F model A-6.

In its place, the conferees recommend an authorization of $376.6 million that is available at the discretion of the Secretary of the Navy either to procure 11 E models of the A-6, or to initiate a retrofit program for the existing fleet of A-6s. The conferees emphasize that the Navy must at some time initiate a program for upgrading the existing fleet of A-6s, since those aircraft will have to remain in active Navy inventories for the next twenty years. The funds provided this year, however, are available at the discretion of the Secretary of the Navy either to initiate that upgrade program or to procure E model A-6s. The conferees also recommend an authorization of $475.5 million for 24 AV-8B aircraft, including advance procurement for fiscal year 1989.

The conferees also direct the Navy to initiate a program to develop a two-seat, all weather ground attack variant of the F/A-18s, and provided $40 million to initiate that upgrade program. The primary initial emphasis of this program should go to improving the radar on the F/A-18s. The Navy also should consider growth versions of the existing engine that will enable it to meet the threat of the 1990s and beyond. Once the two-seat F/A-18 becomes available, it should be fielded with the Marine Corps initially, so that the A-6s in the Marine Corps shall be freed for transfer to Navy medium attack squadrons.

These programs figured prominently in the conferees deliberations for funding at the contingency level. At the contingent level, the conferees recommend termination of both the A-6 program and the AV-8B program.

The conferees note that the Navy is facing long-term serious financial constraints. It has too many combat aircraft in production at inefficient production rates. Further, several major new programs—such as the F-14D, the V-22, the Long Range ASW Capable Aircraft (LRACA), and the ATA will require substantial increases in funding in upcoming years. In light of these financial constraints and the need to preserve modernization, the conferees determined that the A-6 and the AV-8B programs should be terminated at the contingent funding level.

In order to maintain modernization at the contingent funding level, the conferees direct the Navy to negotiate a multiyear contract for purposes of procuring F/A-18 aircraft, at a rate of 84 aircraft per year. The conferees note that section 2306 of title 10, United States Code, requires stable configuration as a prerequisite for entering into multiyear contracts. The conferees believe that the Secretary of the Navy should enter into a multiyear contract for the F/A-18s even though the contract may cover both the current version and the upgraded ground attack version. The conferees note that the multiyear contract for F-16s involves both single seat and two-seat variants.

A-6E/F attack aircraft (Intruder)

The budget request contained $702.2 million for procurement of 12 A-6F aircraft in fiscal year 1988, $109.9 million for advance procurement of 18 A-6F aircraft in fiscal year 1989, and $41.1 million for procurement of initial spares.

The House bill would authorize the amounts requested. The Senate amendment would deny authorization for the A-6F.

The conferees are concerned that new start procurement of the A-6F, at the same time a significantly more capable successor aircraft (Advanced Tactical Aircraft (ATA)) is under development, is both unaffordable and inconsistent with a declining defense budget.

Further, the conferees believe the Navy should consider extending the service life and upgrading existing A-6 aircraft in lieu of continued A-6 procurement to more cost-effectively satisfy mid-term force level requirements.

Accordingly, authorization for A-6F aircraft is denied. Instead, the conferees recommend authorization of $376.6 million to procure 11 A-6E aircraft in fiscal year 1988 and $41.1 million for initial spares, or, $376.6 million to begin a service life extension and upgrade program for existing A-6 aircraft, whichever the Navy decides is most beneficial.

EA-6B electronic warfare aircraft (Prowler)

The budget request contained $336.1 million for procurement of 6 EA-6B aircraft in fiscal year 1988, $17.8 million for advance procurement of 9 EA-6 aircraft in fiscal year 1989, and $3.5 million for procurement of initial spares.

The House bill would authorize $482.8 million for procurement of 12 aircraft in fiscal year 1988, $22.7 million for advance procurement of 12 aircraft in fiscal year 1989, and $16.1 million for initial spares, an increase of six aircraft. The Senate amendment would authorize $482.8 million for procurement of 12 aircraft in fiscal year 1988, $17.8 million for procurement of 6 aircraft in fiscal year 1989, and the request amount for procurement of initial spares.

The conferees recommend authorization of $482.8 million for procurement of 12 aircraft in fiscal year 1988, $22.7 million for advance procurement of 12 aircraft for fiscal year 1989, and $16.1 million for procurement of initial spares.

The Senate recedes.

AV-8B attack aircraft (Harrier)

The budget request contained $564.2 million to procure 32 Harrier aircraft in fiscal year 1988, $64 million for advance procurement of 32 aircraft in fiscal year 1989 and $71.5 million for initial spares.

The House bill would deny authorization for procurement of Harrier aircraft. The Senate amendment would authorize $591.7 million for the Harrier in fiscal year 1988 and $64 million for advance procurement in fiscal year 1989 and $71.5 million for initial spares.

The conferees recommend authorization of $427.8 million for procurement of 24 Harrier aircraft in fiscal year 1988, $48.0 million for advance procurement for fiscal year 1989 and $71.5 million for initial spares.

The conferees note that the current budget plan would reduce future procurements to 15 aircraft a year. This would add 4 years to the program and increase procurement unit costs by as much as 80 percent. According to Marine Corps testimony, this action was driven by affordability constraints. However, the same budget would fully fund the planned transition to production for the Marine Corps V-22 Osprey program now in development.

The message is clear. In an era of declining defense budgets, the unique capabilities offered by the AV-8B became unaffordable as a matter of priority within the Department. Reasonable alternatives exist, and the F/A-18 should be considered to supplant the AV-8B for the balance of the Marine Corps light attack requirements.

Consistent with efforts to promote commonality and efficient production rates, the conferees recommend no authorization for procurement of AV-8B aircraft at the contingent level for fiscal year 1988 with the intent of terminating production.

FA-18 fighter attack aircraft (Hornet)

The budget request contained $2,316.6 million to procure 84 aircraft in fiscal year 1988, $156.0 million to support the procurement of 72 aircraft in fiscal year 1989 and $104.4 million for initial spares.

The House bill and the Senate amendment would authorize the requested amounts.

The conferees recommend authorization of $2,316.6 million to procure 84 aircraft in fiscal year 1988, $156.0 million to support procurement of 84 aircraft in fiscal year 1989 and $104.4 million for initial spares.

At the contingent level, the conferees recommend authorization of the amounts above. However, to protect efficient production rates in an era of declining budgets, the conferees agreed to a provision (sec. 108(b)) that directs multiyear procurement of the FA-18 aircraft.

CH/MH-53E aircraft (Super Stallion)

The budget request contained $210.7 million for procurement of 14 aircraft in fiscal year 1988 and $21.8 million for advance procurement for fiscal year 1989.

The House bill and the Senate amendment would provide authorization for the amounts requested.

The conferees recommend authorization of the amounts requested. Section 112(a) would restrict the obligation of funds for the H-53E helicopters until flight stability test results are reported and would limit delivery of H-53E helicopters to those incorporating appropriate modifications.

AH-1W attack helicopter (Sea Cobra)

The budget request contained $172.7 million for procurement of 22 helicopters to restart Cobra production in fiscal year 1988.

The House bill would authorize $100 million for procurement of 12 helicopters in fiscal year 1988. The Senate amendment would authorize the amounts requested.

The conferees recommend authorization of $135.0 million for procurement of 17 helicopters in fiscal year 1988.

SH-60B antisubmarine assault aircraft (Seahawk)

The budget request contained $98.7 million for procurement of 6 Seahawk aircraft in fiscal year 1988 and $26.3 million for advance procurement for fiscal year 1989.

The House bill would authorize the requested amounts. The Senate amendment would authorize $144.8 million for procurement of 9 aircraft in fiscal year 1988 and the amount requested for advance procurement.

The conferees recommend authorization of $144.8 million for procurement of 9 Seahawk aircraft in fiscal year 1988 and $26.3 million for advance procurement for fiscal year 1989.

The conferees recommend a total authorization of $98.7 million at the contingent level for procurement of six Seahawk aircraft.

P-3C (Orion)

The budget request contained $146,000 for the P-3C program for fiscal year 1988.

The House bill would authorize $34.1 million for the P-3 program for fiscal year 1988. The Senate amendment would authorize the amount requested.

The conferees understand that the Navy is openly competing a long-range airborne ASW capable aircraft (LRAACA) as a successor to the current P-3C that would incorporate an advanced Update IV mission avionics suite. In addition, the conferees were informed that the current P-3C airframe or a variant may be a viable candidate for any airframe competition.

In view of the above, the conferees believe that termination of the P-3C airframe production capability as long as a P-3C type airframe remains a candidate would not be cost effective. Accordingly, the conferees recommend authorization of $34.1 million for the P-3 program for fiscal year 1988 to preserve the integrity of the P-3C airframe production capability until it is selected or rejected as the LRAACA airframe through fair and open competition. The conferees would consider a reprogramming request to transfer remaining P-3C funds to LRAACA if appropriate. Section 112(b) would limit obligations for the fiscal year 1988 P-3 program to those authorized in this bill.

Long range airborne antisubmarine warfare capable aircraft (LRAACA)

The budget request contained no funds for a long range airborne antisubmarine warfare capable aircraft (LRAACA). The House bill would provide no authorization. The Senate amendment would authorize $34.1 million for advance procurement for a LRAACA in fiscal year 1989.

Supporting competition in the Navy's antisubmarine warfare (ASW) program, the conferees recommend authorization of $80.2 million in fiscal year 1988 for advance procurement of the long range airborne ASW aircraft using competitive procedures.

Funds may not be obligated until program justification, source selection and supporting rationale, and the planned use of the funds has been reported to the Committees on Armed Services of the Senate and House of Representatives.

E-6A electronic communications aircraft (Hermes/TACAMO)

The budget request contained $189.2 million for procurement of three E-6A TACAMO aircraft in fiscal year 1988, $137.7 million for advance procurement for seven aircraft in fiscal year 1989 and $19.9 million for initial spares.

The House bill would authorize $126.1 million for two aircraft in fiscal year 1988, no authorization for advance procurement for fiscal year 1989 and $19.9 million for initial spares pending satisfactory resolution of the basing plan. The Senate amendment would authorize the amounts requested.

The conferees recommend authorization of $126.1 million for procurement of two aircraft in fiscal year 1988, $137.7 million for advance procurement, and $19.9 million for initial spares.

Modification of aircraft

P-3C series modifications

The budget request contained $127.4 million for modifications to the P-3C series aircraft. The House bill would authorize $172.9 million for P-3C modifications. The Senate amendment would authorize $172.4 million for modifications.

The conferees agreed to authorize $172.9 million for modifications to the P-3C series.

WEAPONS, NAVY

OVERVIEW

The budget request contained $6,502.3 million for Navy weapons procurement in fiscal year 1988. The House bill would authorize $5,815.8 million for Navy programs. The Senate amendemnt would authorize $6,219.5 million for Navy weapons.

The conferees recommend authorization of $5,989.0 million for Navy Weapons procurement in fiscal year 1988.

The conferees recommend a total authorization of $5,857.0 million at the contingent level for Navy weapons procurement in fiscal year 1988.

Specific program authorizations are detailed in the following table.

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	WEAPONS PROCUREMENT, NAVY																
	BALLISTIC MISSILES																
1	POSEIDON	--	181	--	181	--	181			--	181			--	181		
2	TRIDENT I	--	6,986	--	6,986	--	6,986			--	6,986			--	6,986		
3	TRIDENT II	66	1,931,344	72	1,931,344	66	1,931,344	6		72	1,931,344	6		72	1,931,344		
4	TRIDENT II (AP-CY)	--	319,987	--	319,987	--	319,987			--	319,987			--	319,987		
	MODIFICATION OF MISSILES																
5	UGM-73A (C-3) POSEIDON MODS	--	---	--	---	--	---			--	---			--	---		
	SUPPORT EQUIPMENT AND FACILITIES																
6	MISSILE INDUSTRIAL FACILITIES	--	194	--	194	--	194			--	194			--	194		
	TOTAL, BALLISTIC MISSILES		2,258,692		2,258,692		2,258,692		0		2,258,692		0		2,258,692		0
	OTHER MISSILES																
	STRATEGIC MISSILES																
8	BGM-109 TOMAHAWK	475	915,936	475	787,211	475	835,936		(128,725)	475	787,211		(128,725)	475	787,211		
9	BGM-109 TOMAHAWK (AP-CY)	--	78,006	--	78,006	--	78,006			--	78,006			--	78,006		
	TACTICAL MISSILES																
10	AIM/RIM-7 F/M SPARROW	--	---	600	99,100	600	99,800	600	99,100	600	99,100	600	99,100	600	99,100		
11	AMRAAM	--	---	--	---	--	---			--	---			--	---		
0	AMRAAM (AP-CY)	--	---	--	---	--	---			--	---			--	---		
12	AIM-9L/M SIDEWINDER	288	43,320	288	25,833	288	43,320		(17,487)	288	25,833		(17,487)	288	25,833		
13	AIM-54A/C (PHOENIX)	430	397,996	430	359,897	430	358,396		(39,600)	430	358,396		(39,600)	430	358,396		
14	AIM-54A/C (PHOENIX) (AP-CY)	--	---	--	---	--	---			--	---			--	---		
15	SGM-84A HARPOON (MYP)	124	110,660	124	110,660	124	110,660			124	110,660			124	110,660		
16	SGM-84A HARPOON (MYP) (AP-CY)	--	51,034	--	0	--	51,034		(51,034)	--	0		(51,034)	--	0		
17	AGM-88A HARM (MYP)	766	194,728	766	194,728	766	194,728			766	194,728			766	194,728		
19	SM-2 MR	1,150	583,098	1,150	583,098	1,500	715,098	350	132,000	1,500	715,098			1,150	583,098	(350)	(132,000)
20	SM-2 ER	--	---	--	---	--	---			--	---			--	---		
21	RAM	240	44,931	120	24,931	240	44,931			240	44,931			240	44,931		
22	STINGER	425	21,072	425	17,765	425	21,072		(3,307)	425	17,765		(3,307)	425	17,765		
23	SIDEARM	276	25,381	276	25,381	276	25,381			276	25,381			276	25,381		
24	HELLFIRE	1,393	44,154	1,393	44,154	1,393	44,154			1,393	44,154			1,393	44,154		
25	LASER MAVERICK	1,099	111,807	0	10,000	99	9,307	(1,000)	(102,500)	99	9,307	(1,000)	(102,500)	99	9,307		
26	IIR MAVERICK (MYP)	601	103,458	425	65,790	601	103,458	(176)	(37,668)	425	65,790	(176)	(37,668)	425	65,790		
27	IIR MAVERICK (MYP) (AP-CY)	--	---	--	---	--	---			--	---			--	---		
28	PENGUIN	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
29	PENGUIN (AP-CY)	--	3,455	--	3,455	--	3,455			--	3,455			--	3,455		
30	AERIAL TARGETS	--	92,804	--	104,104	--	92,804		11,300		104,104		11,300		104,104		
31	DRONES AND DECOYS	--	63,634	--	24,767	--	63,634		(38,867)	--	24,767		(38,867)	--	24,767		
32	OTHER MISSILE SUPPORT	--	19,157	--	19,157	--	19,157			--	19,157			--	19,157		
	MODIFICATION OF MISSILES																
33	TOMAHAWK MODS	--	6,458	--	6,458	--	6,458			--	6,458			--	6,458		
34	AIM/RIM-7E/F SPARROW MOD	--	---	--	---	--	---			--	---			--	---		
35	AIM-9 SIDEWINDER MOD	--	773	--	773	--	773			--	773			--	773		
36	AIM-54A/C PHOENIX MOD	--	584	--	584	--	584			--	584			--	584		
37	AGM-84A HARPOON MOD	--	3,865	--	3,865	--	3,865			--	3,865			--	3,865		
38	STANDARD MISSILES MOD	--	3,833	--	3,833	--	3,833			--	3,833			--	3,833		
	SUPPORT EQUIPMENT AND FACILITIES																
39	WEAPONS INDUSTRIAL FACILITIES	--	6,216	--	6,216		9,216		3,000	--	9,216		3,000	--	9,216		
40	FLEET SATELLITE COMMUNICATIONS	--	213,858	--	123,858	--	213,858		(90,000)	--	123,858		(90,000)	--	123,858		
41	FLEET SATELLITE COMMUNICATIONS (AP-CY)	--	---	--	---	--	---			--	---			--	---		
42	DEFENSE METEOROLOGICAL SATELLITE PROGRAM	--	19,333	--	19,333	--	19,333			--	19,333			--	19,333		
	ORDNANCE SUPPORT EQUIPMENT																
43	ORDNANCE SUPPORT EQUIPMENT	--	218,436	--	228,436	--	218,436			--	218,436			--	218,436		
	TOTAL, OTHER MISSILES		3,377,987		2,971,393		3,390,687		(263,788)		3,114,199		(395,788)		2,982,199		(132,000)
	TORPEDOES AND RELATED EQUIPMENT																
44	TORPEDO MK-48 ADCAP	100	243,444	100	243,444	100	243,444			100	243,444			100	243,444		
0	ASUW TORPEDO	--	---	--	---	--	---			--	---			--	---		
45	TORPEDO MK-46 (MYP)	--	---	--	---	--	---			--	---			--	---		
0	TORPEDO MK-46 (MYP) (AP-CY)	--	---	--	---	--	---			--	---			--	---		
47	ADV LIGHTWEIGHT TORPEDO	153	222,402	0	0	153	108,402	(93)	(114,000)	60	108,402	(93)	(114,000)	60	108,402		
49	MOBILE TARGET MK-30 (MYP)	12	31,495	12	31,495	12	31,495			12	31,495			12	31,495		
51	ASROC	--	9,522	--	9,522	--	9,522			--	9,522			--	9,522		
52	VERTICAL LAUNCHED ASROC	260	57,521	0	0	0	521	(260)	(57,521)	0	0	(260)	(57,521)	0	0		
	MOD OF TORPEDOES AND RELATED EQUIP																
53	MOBILE MINE MK-67	--	2,858	--	2,858	--	2,858			--	2,858			--	2,858		
54	TORPEDO MK-46 MODS	--	---	--	---	--	---			--	---			--	---		
0	TORPEDO MK-46 MODS (AP-CY)	--	---	--	---	--	---			--	---			--	---		
56	CAPTOR MODS	--	11,825	--	11,825	--	11,825			--	11,825			--	11,825		
57	SWIMMER WEAPON SYSTEM	--	1,332	--	1,332	--	1,332			--	1,332			--	1,332		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	SUPPORT EQUIPMENT																
58	TORPEDO SUPPORT EQUIPMENT	--	33,348	--	33,348	--	33,348			--	33,348			--	33,348		
59	ASW RANGE SUPPORT	--	20,638	--	20,638	--	20,638			--	20,638			--	20,638		
	TOTAL, TORPEDOES AND RELATED EQUIPMENT		634,385		354,462		463,385		(171,521)		462,864		(171,521)		462,864		0
	OTHER WEAPONS																
	GUNS AND GUN MOUNTS																
60	MK-15 CLOSE IN WEAPONS SYSTEM	5	28,023	5	28,023	5	28,023			5	28,023			5	28,023		
61	MK-75 76MM GUN MOUNT	--	---	--	---	--	---			--	---			--	---		
62	MK-19/40MM MACHINE GUN	64	1,201	64	1,201	64	1,201			64	1,201			64	1,201		
63	25MM GUN MOUNT	22	4,091	22	4,091	22	4,091			22	4,091			22	4,091		
64	SMALL ARMS AND WEAPONS	--	9,568	--	9,568	--	9,568			--	9,568			--	9,568		
	MODIFICATION OF GUNS AND GUN MOUNTS																
65	CIWS MODS	--	45,186	--	45,186	--	45,186			--	45,186			--	45,186		
66	5 /54 GUN MOUNT MODS	--	6,414	--	6,414	--	6,414			--	6,414			--	6,414		
67	3)/50 GUN MOUNT MODS	--	275	--	275	--	275			--	275			--	275		
68	MK 75 76MM GUN MOUNT MODS	--	4,060	--	4,060	--	4,060			--	4,060			--	4,060		
69	MODS UNDER $2,000,000	--	1,654	--	1,654	--	1,654			--	1,654			--	1,654		
	SUPPORT EQUIPMENT																
70	GUN SUPPORT EQUIPMENT	--	1,068	--	1,068	--	1,068			--	1,068			--	1,068		
	TOTAL, OTHER WEAPONS		101,540		101,540		101,540		0		101,540		0		101,540		0
71	SPARES AND REPAIR PARTS	--	129,728	--	129,728	--	129,728		0	--	129,728		0	--	129,728		0
0	INFLATION SAVINGS, FY87	--	---	--	---	--	---			--	---			--	---		
0	PROFIT POLICY CHANGE	--	---	--	---	--	---			--	---			--	---		
0	PRIOR YEAR TRANSFER	--	---	--	---		(78,000)		(78,000)	--	(78,000)		(78,000)	--	(78,000)		
	ADV LIGHTWEIGHT TORPEDO, FY 1987						[-45,900]				[-45,900]				[-45,900]		
	VERTICAL LAUNCHED ASROC, FY 1987						[-32,100]				[-32,100]				[-32,100]		
0	UNDISTRIBUTED REDUCTION	--	---	--	---		(46,500)				0				0		
	TOTAL, WEAPONS PROCUREMENT, NAVY		6,502,332		5,815,815		6,219,532		(513,309)		5,989,023		(645,309)		5,857,023		(132,000)
	TRANSFER FROM OTHER ACCOUNTS		---		---		---										
	TOTAL FUNDING AVAILABLE		6,502,332		5,815,815		6,219,532		(513,309)		5,989,023		(645,309)		5,857,023		(132,000)

ITEMS OF SPECIAL INTEREST

Trident II missiles

The budget request contained $1,931.3 million to procure 66 D-5 missiles in fiscal year 1988, $320.0 million for advance procurement of 66 missiles in fiscal year 1989 and $2.9 million for initial spares.

The House bill would authorize $1.931.3 million to procure 72 missiles, $320 million for advance procurement of 72 missiles in fiscal year 1989, and $2.9 million for initial spares, an increase of 6 missiles in anticipation of potential contract savings. The Senate amendment would authorize the amount requested.

The conferees recommend authorization of $1,931.3 million to procure 72 Trident II D-5 missiles in fiscal year 1988, $320.0 million for advance procurement of 72 missiles in fiscal year 1989 and $2.9 million for initial spares.

The Senate recedes.

BGM-109 Tomahawk missile

The budget request contained $915.9 million for procurement of 475 Tomahawk missiles in fiscal year 1988.

The House bill would authorize $787.2 million for 475 missiles in recognition of contract savings. The Senate amendment would authorize $835.9 million for 475 missiles.

The conferees recommend authorization of $787.2 million for 475 missiles in fiscal year 1988.

The Senate recedes.

AIM-54A/C Phoenix missile

The budget request contained $398.0 million for procurement of 430 Phoenix missiles in fiscal year 1988.

The House bill would authorize $359.9 million for 430 Phoenix missiles in recognition of contract savings. The Senate amendment would authorize $358.4 million for procurement of 430 missiles.

The conferees are concerned that deployment of Phoenix missiles to operational commanders in the fleet is not receiving adequate emphasis. Though supportive of Navy efforts to establish a second source and compete production of the Phoenix missile, the conferees note that past production has been reduced to provide resoures to a second producer and that current production output is being stored at the contractor's facility for lack of government furnished components. Accordingly, the Navy is directed to take actions necessary to expedite deployment of stored missiles and to procure no fewer than 430 missiles in fiscal year 1988.

The conferees recommends authorization of $358.4 million to procure 430 Phoenix missiles in fiscal year 1988.

The House recedes with an amendment.

AGM-84A Harpoon missile

The budget request contains $110.7 million for procurement of 124 harpoon missiles in fiscal year 1988 and $51.0 million for advance procurement for fiscal year 1989.

The House bill would provide authorization of the requested amount for procurement for fiscal year 1989 but no authorization for advance procurement for the Harpoon missile. The Senate amendment would authorize the amount requested.

The conferees recommend authorization of $110.7 million for procurement of 124 missiles in fiscal year 1988 and no authorization for advance procurement for fiscal year 1989. The conferees did not agree to multiyear procurement of the Harpoon missile.

The Senate recedes.

Aerial Targets

The budget request contained $92.8 million for procurement of aerial targets.

The House bill would authorize $104.1 million for aerial targets, an increase of $11.3 million from the budget request. The Senate amendment would authorize the amount requested.

The conferees recommend authorization of $104.1 million for procurement of aerial targets in fiscal year 1988.

The Senate recedes.

MK-50 advanced lightweight torpedo

The budget request contained $222.4 million for 153 MK-50 advanced lightweight torpedoes. The House bill contained no authorization for this program. The Senate amendment would authorize $108.4 million for 153 torpedoes.

The conferees recommend authorization of $108.4 million for 60 torpedoes, plus long-lead funds for torpedo procurement in fiscal year 1989. The conferees direct the Navy to use $45.9 million appropriated in fiscal year 1987 for the MK-50 torpedo program for procurement in fiscal year 1988. The conferees further direct and authorize the transfer to the MK-50 torpedo program of $32.1 million in unobligated funds appropriated in fiscal year 1987 for the Vertical Launched ASROC program.

The House recedes with an amendment.

SHIPBUILDING AND CONVERSION, NAVY

OVERVIEW

The budget request contained $11,065.4 million for the construction, conversion, service life extension, and acquisition of 20 naval vessels for fiscal year 1988. The House bill would authorize $9,924.0 million for 15 ships. The Senate amendment would authorize $10,081.5 million for 17 ships.

The conferees recommend authorization of $9,530.3 million for 19 ships for fiscal year 1988 and transfers of $371.3 million.

The budget request contained $11,858.4 million for 23 ships for fiscal year 1989. The House bill would authorize $7,832.9 million for 12 ships. The Senate amendment would authorize $2,936.4 million for 2 ships.

The conferees recommend authorization of $8,529.7 million for 13 ships for fiscal year 1989.

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1 LINE	ITEM	FY 1988 BUDGET REQUEST QTY	AMOUNT	FY 1988 HOUSE PASSED QTY	AMOUNT	FY 1988 SENATE PASSED QTY	AMOUNT	CONFERENCE AGREEMENT CHANGE FROM REQUEST QTY	AMOUNT	RECOMMENDATION QTY	AMOUNT	CONTINGENT LEVEL CHANGE FROM REQUEST QTY	AMOUNT	RECOMMENDATION QTY	AMOUNT	DIFFERENCE QTY	AMOUNT
	SHIPBUILDING AND CONVERSION, NAVY																
	FLEET BALLISTIC MISSILE SHIPS																
	BA-1 FLEET BALLISTIC MISSILE SHIPS																
1	TRIDENT (NUCLEAR)................................	1	1,193,700	1	1,193,700	1	1,153,700		(40,000)	1	1,153,700		(40,000)	1	1,153,700		
2	TRIDENT (NUCLEAR) (AP-CY)....................	--	137,100	--	137,100	--	137,100			--	137,100			--	137,100		
	TOTAL, FLEET BALLISTIC MISSILE SHIPS.......		1,330,800		1,330,800		1,290,800		(40,000)		1,290,800		(40,000)		1,290,800		0
	OTHER WARSHIPS																
	BA-2 OTHER WARSHIPS																
3	CVN AIRCRAFT CARRIER (NUCLEAR) (AP-CY)	--	644,000	--	644,000	--	644,000			--	644,000			--	644,000		
4	SSN-688 CLASS SUBMARINE (NUCLEAR)............	3	1,519,400	3	1,519,400	3	1,519,400		(60,000)	3	1,459,400		(60,000)	3	1,459,400		
5	SSN-688 CLASS SUBMARINE (NUCLEAR) (AP-CY)....	--	217,500	--	217,500	--	217,500			--	217,500			--	217,500		
0	SSN-21..	--	---	--	---	--	---			--	---			--	---		
7	SSN-21 (AP-CY)..................................	--	257,600	--	257,600	--	257,600			--	257,600			--	257,600		
9	CV SLEP..	1	685,655	1	685,655	1	685,655			1	685,655			1	685,655		
10	CV SLEP (AP-CY)................................	--	44,100	--	44,100	--	44,100			--	44,100			--	44,100		
11	CG-47 AEGIS CRUISER (MYP)......................	2	1,926,500	4	3,328,900	5	4,127,000	3	1,402,400	5	3,328,900	3	1,402,400	5	3,328,900		
12	CG-47 AEGIS CRUISER (MYP) (AP-CY)............	--	11,000	--	0	--	11,000		(11,000)	--	0		(11,000)	--	0		
13	DDG-51 (MYP)....................................	3	2,122,300	0	0	0	0	(3)	(2,122,300)	0	0	(3)	(2,122,300)	0	0		
14	DDG-51 (MYP) (AP-CY)..........................	--	74,600	--	5,500	--	74,600		(69,100)	--	5,500		(69,100)	--	5,500		
	TOTAL, OTHER WARSHIPS........................		7,502,655		6,702,655		7,580,855		(860,000)		6,642,655		(860,000)		6,642,655		0
	AMPHIBIOUS SHIPS																
	BA-3 AMPHIBIOUS SHIPS																
16	LHD-1 AMPHIBIOUS ASSAULT SHIP................	1	740,700	1	740,700	1	685,300		(20,000)	1	720,700		(20,000)	1	720,700		
17	LHD-1 AMPHIBIOUS ASSAULT SHIP (AP-CY)........	--	32,200	--	32,200	--	32,200			--	32,200			--	32,200		
0	LPD-4 SLEP......................................	--	---	--	---	--	---			--	---			--	---		
18	LSD-41 (CARGO VARIANT)........................	1	324,200	1	324,200	0	0			1	324,200			1	324,200		
	TOTAL, AMPHIBIOUS SHIPS......................		1,097,100		1,097,100		717,500		(20,000)		1,077,100		(20,000)		1,077,100		0

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1 LINE	ITEM	FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	MINE WARFARE AND PATROL SHIPS																
	BA-4 MINE WARFARE + PATROL SHIPS																
19	MCM MINE COUNTERMEASURES SHIP	3	297,300	0	0	0	0	(3)	(297,300)	0	0	(3)	(297,300)	0	0		
0	MSH-1 COASTAL MINE HUNTER	--	---	--	---	--	---			--	---			--	---		
20	MHC COASTAL MINE HUNTER	--	---	--	---	--	---			--	---			--	---		
	TOTAL, MINE WARFARE AND PATROL SHIPS		297,300		0		0		(297,300)		0		(297,300)		0		0
	AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGR																
	BA-5 AUXILIARIES, CRAFT + PY PROG COSTS																
21	TAO FLEET OILER	2	279,100	2	279,100	1	150,000			2	279,100			2	279,100		
22	AO (JUMBO)	1	44,100	0	0	1	44,100	0	0	1	44,100	0	0	1	44,100		
23	TAGOS SURTASS SHIPS	--	---	--	---	2	110,800	2	96,500	2	96,500	2	96,500	2	96,500		
0	AE AMMUNITION SHIP	--	---	--	---	--	---			--	---			--	---		
25	AOE	--	---	--	---	--	---			--	---			--	---		
27	OCEANOGRAPHIC RESEARCH SHIP	--	---	--	---	--	---			--	---			--	---		
29	SERVICE CRAFT	--	12,500	--	12,500	--	12,500			--	12,500			--	12,500		
30	LANDING CRAFT	--	---	--	---	--	---			--	---			--	---		
31	STRATEGIC SEALIFT	--	43,400	--	43,400	--	43,400			--	43,400			--	43,400		
32	LCAC LANDING CRAFT	--	---	--	---	--	---			--	---			--	---		
33	LCAC LANDING CRAFT (AP-CY)	--	43,700	--	43,700	--	43,700		(10,000)	--	33,700		(10,000)	--	33,700		
34	SEALIFT ENHANCEMENT	--	17,800	--	17,800	--	0		(17,800)	--	0		(17,800)	--	0		
35	OUTFITTING	--	202,900	--	202,900	--	202,900		(7,000)	--	195,900		(7,000)	--	195,900		
36	POST DELIVERY	--	140,900	--	140,900	--	140,900		(8,000)	--	132,900		(8,000)	--	132,900		
0	SHIP CONTRACT DESIGN	--	---	--	---	--	---			--	---			--	---		
38	TACS CRANE SHIP	2	53,100	2	53,100	2	53,100			2	53,100			2	53,100		
38a	FAST SEALIFT INITIATIVE	--	---	--	---	--	10,000		0	--	0		0	--	0		
	TOTAL, AUXILIARIES, CRAFT, AND PRIOR-YEAR P		837,500		793,400		811,400		53,700		891,200		53,700		891,200		0
0	INFLATION SAVINGS, FY87	--	---	--	---	--	---			--	---			--	---		
0	UNDISTRIBUTED REDUCTION	--	---	--	---		(240,900)			--	0			--	0		

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
0	DDG-51 (MYP) LESS AP (PY)......................	--	---	--	---		(78,200)			--	0			--	0		
0	PRIOR YEAR TRANSFERS (FY 1984-FY 1987).......	--	---	--	---	--	---		(371,328)	--	(371,328)		(371,328)	--	(371,328)		
	TOTAL, SHIPBUILDING AND CONVERSION, NAVY...		11,065,355		9,923,955		10,081,455		(1,534,928)		9,530,427		(1,534,928)		9,530,427		0
	TRANSFER FROM OTHER ACCOUNTS.........		---				---										
	TOTAL FUNDING AVAILABLE.............		11,065,355		9,923,955		10,081,455		(1,534,928)		9,530,427		(1,534,928)		9,530,427		0

ITEMS OF SPECIAL INTEREST

Trident ballistic missile submarine (SSBN)

The budget request contained $1,330.8 million for the Trident submarine program, including $137.1 million for advance procurement. The House bill would authorize the amount requested. The Senate amendment would authorize $1,290.8 million.

The House recedes.

Aegis ships

The budget request contained $1,937.5 million for 2 CG-47 class Aegis cruisers, including $11 million for advance procurement. The request also contained $2,196.9 million for 3 DDG-51 class guided missile destroyers, including $74.6 million for advance procurement.

The House bill would authorize $3,328.9 million for 4 Aegis cruisers and $5.5 million for advance procurement for the DDG-51 program. The Senate amendment would authorize $4,127 million for 5 Aegis cruisers, as well as $11 million in advance procurement for the CG-47 program and $74.6 million for advance procurement for the DDG-51 program. The Senate amendment would also apply, by transfer, $78.2 million of fiscal year 1987 funds for DDG-51 advance procurement to the fiscal year 1988 program.

The House bill would also authorize $825 million for one Aegis cruiser and $2,196.9 million for 3 DDG-51 guided missile destroyers for fiscal year 1989. The Senate amendment would provide no authorizations for Aegis-equipped ships for fiscal year 1989.

The conferees recommend authorization for fiscal year 1988 of $3,328.9 million for 5 Aegis cruisers and $5.5 million for advance procurement for the DDG-51 guided missile destroyer program. The conferees recognize that the dollar authorization for the Aegis cruiser program is insufficient to fully fund 5 ships in fiscal year 1988. The conferees recommend authorization for the fifth ship contingent on the availability from savings or offsets of such additional sums as are necessary to fully fund the ship in fiscal year 1988.

For fiscal year 1989 the conferees recommend authorization of $825 million for one Aegis cruiser and $2,929.1 million for four DDG-51 guided missile destroyers. The conferees have provided authorization for one Aegis cruiser for fiscal year 1989 in the event that sufficient funding cannot be identified to allow a fifth Aegis cruiser to be fully funded in fiscal year 1988. Should the fifth Aegis cruiser authorized for fiscal year 1988 be fully funded as described above, the conferees intend that the fiscal year 1989 authorization for one cruiser be vacated.

The conferees also welcome the Department of the Navy to request an additional DDG-51 guided missile destroyer for fiscal year 1989 as program status and budget constraints permit.

Amphibious assault ship (LHD-1)

The budget request contained $772.9 million for one *Wasp*-class amphibious assault ship, including $32.2 million for advance procurement. This would be the second ship of a four ship multiyear procurement. The House bill would authorize the amount requested. The Senate amendment would authorize $685.3 million plus $32.2 million for advance procurement, a reduction of $55.4 million from the budget request.

The conferees recommend authorization of $752.9 million for one LHD-1 class ship, including $32.2 million for advance procurement.

Dock landing ship (cargo variant) (LSD-41)

The budget request contained $324.2 million for the lead ship of the LSD-41 cargo variant class. The House bill would authorize the amount requested. The Senate amendment contained no authorization for this ship.

The conferees recommend authorization of $324.2 million for the LSD-41 cargo variant program.

Fleet oiler (TAO-187)

The budget request contained $279.1 million for two fleet oilers. The House bill would authorize the amount requested. The Senate amendment would authorize $150 million for one ship.

The Senate recedes.

Fleet oiler (conversion) (AO-177)

The budget request contained $44.1 million for the second conversion of a fleet oiler of the AO-177 class. The House bill would provide no authorization for this program. The Senate amendment would authorize the amount requested.

The House recedes.

Ocean surveillance ship (TAGOS-SWATH)

The budget requested no authorization for an ocean surveillance ship using the small waterplane area twin hull (SWATH) configuration. Similarly, the House bill would provide no authorization. The Senate amendment would authorize $110.8 million for two TAGOS-SWATH ships.

The conferees note the importance of the ocean surveillance program to the antisubmarine warfare effort of the United States. Incorporation of the SWATH hull technology with the already proven surveillance system will enable operation of this system over a broader range of ocean areas than now possible.

Although the SWATH effort was initiated only recently, the combination of success in the program to date, availability of favorable contract options, and the need for additional ocean surveillance capability argue in favor of proceeding at this time.

The conferees agree to authorizations of $96.5 million for two TAGOS-SWATH ships.

Sealift enhancement

The budget request contained $17.8 million for the sealift enhancement program. The House bill would authorize the amount requested. The Senate amendment would provide no authorizaiton for the program.

The House recedes.

Fast sealift initiative

The budget request contained no authorization for a fast sealift initiative. Similarly, the House bill would provide no authorization. The Senate amendment would authorize $10 million for this program.

The conferees note that a fast sealift initiative can be a highly leveraged investment in the rapid deployment capability of U.S. forces. Because this is a research-oriented effort, however, the conferees agree to include authorization for this initiative in the research and development section of this report.

Undistributed reduction

The Senate amendment would provide for an undistributed reduction in the shipbuilding and conversion account of $240.9 million. The House bill would provide for no similar reduction.

The Senate recedes.

Prior-year transfers

The conferees agree to authorization of transfers of funds from savings realized in shipbuilding programs totaling $371.3 million, as shown in the accompanying table.

Pricing adjustments

Based on demonstrated contract savings achieved on government-furnished equipment, the conferees agree on the following adjustments in the fiscal year 1988 shipbuilding program approved by both the Senate and House of Representatives: SSN-688—$60 million; Landing Craft, Air Cushion (advance procurement)—$10 million; Outfitting—$7 million; and post Delivery—$8 million.

AUTHORIZATION FOR TRANSFERS OF PRIOR-YEAR SHIPBUILDING FUNDS

[In millions of dollars]

Program	Fiscal year—				Total
	1984	1985	1986	1987	
Trident	58.879	19.383		68.060	146.322
TAK (AP)	.784				.784
SSN-688				30.0	30.0
CV-SLEP		48.0			48.0
BB	5.0				5.0
CG-47	6.5			52.4	58.9
LSD-41		4.0	1.3		5.3
LHD-1			3.1		3.1
TAO	5.943				5.943
AOE-6				1.9	1.9
TAKR	1.596				1.596
TACS		2.009		7.703	9.712
Service craft	10.397		5.1	13.9	29.397
Landing craft				19.0	19.0
Outfitting	1.316				1.316
Post delivery	5.058				5.058
Total	95.473	73.392	9.5	192.963	371.328

OTHER PROCUREMENT, NAVY

OVERVIEW

The budget request contained $4,983.8 million for Navy other procurement in fiscal year 1988. The House bill would authorize $4,901.8 million for other procurement programs. The Senate amendment would authorize $4,967.6 million for other procurement.

The conferees recommend authorization of $5,321.6 million for Navy other procurement in fiscal year 1988.

The conferees recommend a total authorization of $5,207.1 million at the contingent level for Navy other procurement in fiscal year 1988.

Specific program authorizations are detailed in the following table.

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1 LINE	ITEM	FY 1988 BUDGET REQUEST QTY	FY 1988 BUDGET REQUEST AMOUNT	FY 1988 HOUSE PASSED QTY	FY 1988 HOUSE PASSED AMOUNT	FY 1988 SENATE PASSED QTY	FY 1988 SENATE PASSED AMOUNT	CONFERENCE AGREEMENT CHANGE FROM REQUEST QTY	CONFERENCE AGREEMENT CHANGE FROM REQUEST AMOUNT	CONFERENCE AGREEMENT RECOMMENDATION QTY	CONFERENCE AGREEMENT RECOMMENDATION AMOUNT	CONTINGENT LEVEL CHANGE FROM REQUEST QTY	CONTINGENT LEVEL CHANGE FROM REQUEST AMOUNT	CONTINGENT LEVEL RECOMMENDATION QTY	CONTINGENT LEVEL RECOMMENDATION AMOUNT	DIFFERENCE QTY	DIFFERENCE AMOUNT
	OTHER PROCUREMENT, NAVY																
	SHIPS SUPPORT EQUIPMENT																
	SHIP PROPULSION EQUIPMENT																
1	LM-2500 GAS TURBINE	--	11,852	--	11,852	--	11,852			--	11,852			--	11,852		
2	ALLISON 501K GAS TURBINE	1	2,426	1	2,426	1	2,426			1	2,426			1	2,426		
3	LM2500 SPECIAL SUPPORT EQUIPMENT	--	973	--	973	--	973			--	973			--	973		
4	STEAM PROPULSION IMPROVEMENT PROGRAM	--	11,147	--	11,147	--	11,147			--	11,147			--	11,147		
5	OTHER PROPULSION EQUIPMENT	--	9,864	--	9,864	--	9,864			--	9,864			--	9,864		
	GENERATORS																
6	OTHER GENERATORS	--	4,328	--	4,328	--	4,328			--	4,328			--	4,328		
	PUMPS																
7	OTHER PUMPS	--	9,195	--	9,195	--	9,195			--	9,195			--	9,195		
	AIR COMPRESSORS																
8	HIGH PRESSURE AIR COMPRESSOR	13	3,229	13	3,229	13	3,229			13	3,229			13	3,229		
9	OTHER AIR COMPRESSORS	2	255	2	255	2	255			2	255			2	255		
	PROPELLERS																
10	SUBMARINE PROPELLERS	16	3,773	16	3,773	16	3,773			16	3,773			16	3,773		
11	OTHER PROPELLERS AND SHAFTS	--	8,666	--	8,666	--	8,666			--	8,666			--	8,666		
	NAVIGATION EQUIPMENT																
12	ELECTRICALLY SUSPENDED GYRO NAVIGATOR	5	14,701	5	14,701	5	14,701			5	14,701			5	14,701		
13	CARRIER NAVIGATION SYSTEM	--	4,873	--	4,873	--	4,873			--	4,873			--	4,873		
14	OTHER NAVIGATION EQUIPMENT	--	5,143	--	5,143	--	5,143			--	5,143			--	5,143		
	UNDERWAY REPLENISH EQUIP																
15	UNDERWAY REPLENISHMENT EQUIPMENT	--	6,132	--	6,132	--	6,132			--	6,132			--	6,132		
	PERISCOPES																
16	TYPE 18 PERISCOPE	--	2,272	--	2,272	--	2,272			--	2,272			--	2,272		
17	TYPE 8 PERISCOPES	--	7,626	--	7,626	--	7,626			--	7,626			--	7,626		
18	PERISCOPES AND ACCESSORIES	--	859	--	859	--	859			--	859			--	859		
	OTHER SHIPBOARD EQUIPMENT																
19	FIREFIGHTING EQUIPMENT	--	14,563	--	14,563	--	14,563			--	14,563			--	14,563		
20	COMMAND AND CONTROL SWITCHBOARDS	2	2,230	2	2,230	2	2,230			2	2,230			2	2,230		
21	POLLUTION CONTROL EQUIPMENT	--	4,237	--	4,237	--	4,237			--	4,237			--	4,237		
22	SUBMARINE SILENCING EQUIPMENT	--	1,240	--	1,240	--	1,240			--	1,240			--	1,240		
23	SURFACE SHIP SILENCING EQUIPMENT	--	8,855	--	8,855	--	8,855			--	8,855			--	8,855		
24	SUBMARINE BATTERIES	56	13,276	56	13,276	56	13,276			56	13,276			56	13,276		

[AMOUNTS IN THOUSANDS OF DOLLARS]

	FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1	BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
25 STRATEGIC PLATFORM SUPPORT EQUIPMENT.........	--	85,297	--	85,297	--	85,297			--	85,297			--	85,297		
26 DSSP EQUIPMENT............................	--	7,879	--	7,879	--	7,879			--	7,879			--	7,879		
27 SEALIFT SUPPORT EQUIPMENT....................	--	51,791	--	51,791	--	63,791		12,000	--	63,791		12,000	--	63,791		
28 AIR CONDITIONERS............................	--	2,152	--	2,152	--	2,152			--	2,152			--	2,152		
29 MINESWEEPING CABLE..........................	--	737	--	737	--	737			--	737			--	737		
30 HM&E ITEMS UNDER $2 MILLION..................	--	35,810	--	35,810	--	35,810			--	35,810			--	35,810		
31 SURFACE IMA................................	--	15,529	--	15,529	--	15,529			--	15,529			--	15,529		
32 DEGAUSSING EQUIPMENT........................	--	1,353	--	1,353	--	1,353			--	1,353			--	1,353		
33 RADIOLOGICAL CONTROLS.......................	--	314	--	314	--	314			--	314			--	314		
34 MINI/MICROMINI ELECTRONIC REPAIR............	--	1,002	--	1,002	--	1,002			--	1,002			--	1,002		
35 CHEMICAL WARFARE DETECTORS..................	120	9,347	120	9,347	120	9,347			120	9,347			120	9,347		
36 SUBMARINE LIFE SUPPORT SYSTEM...............	3	2,643	3	2,643	3	2,643			3	2,643			3	2,643		
37 HM&E ENGINEERED MAINTENANCE.................	--	391	--	391	--	391			--	391			--	391		
38 SHIPBOARD ENERGY CONSERVATION...............	--	903	--	903	--	903			--	903			--	903		
REACTOR PLANT EQUIPMENT																
39 REACTOR POWER UNITS.........................	2	82,035	2	82,035	2	82,035			2	82,035			2	82,035		
40 REACTOR COMPONENTS..........................	--	232,039	--	232,039	--	232,039			--	232,039			--	232,039		
OCEAN ENGINEERING																
41 DIVING AND SALVAGE EQUIPMENT................	--	18,208	--	18,208	--	18,208			--	18,208			--	18,208		
42 NAVAL SPECIAL WARFARE EQUIPMENT.............	--	30,653	--	30,653	--	30,653			--	30,653			--	30,653		
SMALL BOATS																
43 SMALL BOATS.................................	221	17,213	221	27,213	221	17,213		10,000	221	27,213		10,000	221	27,213		
TRAINING EQUIPMENT																
44 NEW SHIP TRAINING EQUIP.....................	--	---	--	---	--	---			--	---			--	---		
45 OTHER SHIPS TRAINING EQUIPMENT..............	--	2,404	--	2,404	--	2,404			--	2,404			--	2,404		
PRODUCTION FACILITIES EQUIPMENT																
46 CALIBRATION EQUIPMENT.......................	--	576	--	576	--	576			--	576			--	576		
47 PRODUCTION SUPPORT FACILITIES...............	--	29,105	--	29,105	--	29,105			--	29,105			--	29,105		
48 OPERATING FORCES IPE........................	--	4,620	--	4,620	--	4,620			--	4,620			--	4,620		
48a REDUCTION IN SHIP SUPPORT EQUIPMENT........	--	---	--	(33,936)	--	---		0	--	0		0	--	0		
48b SHIP SURVIVABILITY INITIATIVE..............	--	---			--	---		64,000		64,000		64,000		64,000		
TOTAL, SHIPS SUPPORT EQUIPMENT............		783,716		759,780		795,716		86,000		869,716		86,000		869,716		0
COMMUNICATIONS AND ELECTRONICS EQUIPMENT																
SHIP RADARS																
49 AN/SPS-67...................................	24	7,753	24	7,753	24	7,753			24	7,753			24	7,753		
50 AN/SPS-40...................................	--	26,108	--	26,108	--	26,108			--	26,108			--	26,108		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1 LINE ITEM	FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
51 AN/SPS-48....................................	--	47,714	--	47,714	--	47,714			--	47,714			--	47,714		
52 AN/SPS-49....................................	--	18,249	--	18,249	--	18,249			--	18,249			--	18,249		
53 AN/SYS-().....................................	6	8,661	6	8,661	6	8,661			6	8,661			6	8,661		
54 MK 23 TARGET ACQUISITION SYSTEM.............	4	26,347	4	26,347	4	26,347			4	26,347			4	26,347		
55 RADAR SUPPORT................................	--	12,707	--	12,707	--	12,707			--	12,707			--	12,707		
SHIP SONARS																
56 AN/SQS-26/53/53A.............................	--	10,901	--	10,901	--	10,901			--	10,901			--	10,901		
57 AN/SQS-53B...................................	--	---	--	---	--	---			--	---			--	---		
58 AN/SQS-53C...................................	--	---	--	---	--	---			--	---			--	---		
59 AN/SQQ-89 SURFACE ASW COMBAT SYS.............	8	154,644	8	154,644	12	234,644		80,000	12	234,644	4	80,000	12	234,644		
60 AN/BQQ-5.....................................	--	25,865	--	25,865	--	25,865			--	25,865			--	25,865		
61 TB-16 TOWED ARRAY (MYP)......................	14	5,665	14	5,665	14	5,665			14	5,665			14	5,665		
62 SURF SONAR WINDOWS AND DOMES.................	--	6,068	--	6,068	--	6,068			--	6,068			--	6,068		
63 SONAR SUPPORT EQUIPMENT......................	--	5,158	--	5,158	--	5,158			--	5,158			--	5,158		
64 SONAR SWITCHES AND TRANSDUCERS...............	--	30,415	--	30,415	--	30,415			--	30,415			--	30,415		
65 FBM SYSTEM SONARS............................	--	4,337	--	4,337	--	4,337			--	4,337			--	4,337		
ASW ELECTRONIC EQUIPMENT																
66 SUBMARINE ACOUSTIC WARFARE SYSTEMS...........	--	29,318	--	29,318	--	29,318			--	29,318			--	29,318		
67 SURFACE SHIP TORPEDO DEFENSE.................	--	10,038	--	10,038	--	10,038			--	10,038			--	10,038		
68 ACOUSTIC COMMUNICATIONS......................	--	367	--	367	--	367			--	367			--	367		
69 AN/BSY-1.....................................	1	42,755	1	42,755	1	42,755			1	42,755			1	42,755		
70 SOSUS..	--	54,332	--	54,332	--	54,332			--	54,332			--	54,332		
71 AN/SQR-17 ACOUSTIC PROCESSOR.................	--	12,823	--	12,823	--	12,823			--	12,823			--	12,823		
71a IMPROVED ACOUSTIC PROCESSOR..................	0	0	2	12,000	0	0			0	0			0	0		
0 USNR ASW FRIGATE MODERNIZATION................	--	---	--	---	--	---			--	---			--	---		
72 AN/SQR-18 TOWED ARRAY SONAR..................	--	10,891	--	10,891	--	10,891			--	10,891			--	10,891		
73 AN/SQR-15 TOWED ARRAY SONAR..................	--	699	--	699	--	699			--	699			--	699		
74 AN/SQR-19 TOWED ARRAY SONAR..................	--	---	--	---	--	---			--	---			--	---		
75 SURTASS......................................	--	18,337	--	18,337	--	18,337			--	18,337			--	18,337		
76 ASW OPERATIONS CENTER........................	--	3,870	--	3,870	--	3,870			--	3,870			--	3,870		
77 CARRIER ASW MODULE...........................	--	16,983	--	16,983	--	16,983			--	16,983			--	16,983		
ELECTRONIC WARFARE EQUIPMENT																
78 AN/SLQ-32....................................	--	75,108	--	75,108	--	75,108			--	75,108			--	75,108		
79 AN/SLQ-17....................................	--	---	--	---	--	---			--	---			--	---		
80 AN/WLR-1.....................................	--	5,540	--	5,540	--	5,540			--	5,540			--	5,540		
81 AN/WLR-8.....................................	--	6,338	--	6,338	--	6,338			--	6,338			--	6,338		
82 ICAD SYSTEMS.................................	--	---	--	---	--	---			--	---			--	---		
83 OFFBOARD DECEPTION DEVICES...................	--	26,988	--	26,988	--	26,988			--	26,988			--	26,988		
84 EW SUPPORT EQUIPMENT.........................	--	4,896	--	4,896	--	4,896			--	4,896			--	4,896		
85 FLEET EW SUPPORT GROUP.......................	--	3,438	--	3,438	--	3,438			--	3,438			--	3,438		
86 C3 COUNTERMEASURES...........................	--	7,424	--	7,424	--	7,424			--	7,424			--	7,424		

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	RECONNAISSANCE EQUIPMENT																
87	COMBAT CRYPTOLOGIC SUPPORT CONSOLE	--	9,457	--	9,457	--	9,457			--	9,457			--	9,457		
88	COMBAT DF	--	52,720	--	52,720	--	52,720			--	52,720			--	52,720		
89	OUTBOARD	--	27,801	--	27,801	--	27,801			--	27,801			--	27,801		
90	NAVAL INTELLIGENCE PROCESSING SYSTEM	--	10,078	--	10,078	--	10,078			--	10,078			--	10,078		
91	BATTLE GROUP PASSIVE HORIZON EXT SYS	--	---	--	---	--	---			--	---			--	---		
	SUBMARINE SURVEILLANCE EQUIPMENT																
92	AN/WLQ-4 DEPOT	--	9,924	--	9,924	--	9,924			--	9,924			--	9,924		
93	AN/WLQ-4 IMPROVEMENTS	--	18,831	--	18,831	--	18,831			--	18,831			--	18,831		
0	AN/BRD-7/8/9	--	---	--	---	--	---			--	---			--	---		
94	AN/BLD-1 (INTERFEROMETER)	6	6,718	9	22,500	6	6,718	3	15,782	9	22,500	3	15,782	9	22,500		
95	SUBMARINE SUPPORT EQUIPMENT PROGRAM	--	2,877	--	2,877	--	2,877			--	2,877			--	2,877		
	OTHER SHIP ELECTRONIC EQUIPMENT																
96	NAVY TACTICAL DATA SYSTEM	--	93,199	--	93,199	--	93,199			--	93,199			--	93,199		
97	TACTICAL FLAG COMMAND CENTER	3	12,975	3	12,975	3	12,975			3	12,975			3	12,975		
98	COMMAND AND CONTROL PROCESSOR	--	---	--	---	--	---			--	---			--	---		
99	MINESWEEPING SYSTEM REPLACEMENT	--	4,927	--	4,927	--	4,927			--	4,927			--	4,927		
100	OMEGA SHIPBOARD EQUIPMENT	106	3,299	106	3,299	106	3,299			106	3,299			106	3,299		
101	NAVSTAR GPS RECEIVERS	132	13,212	132	13,212	132	13,212			132	13,212			132	13,212		
102	HF LINK-11 DATA TERMINALS	--	1,944	--	1,944	--	1,944			--	1,944			--	1,944		
103	ARMED FORCES RADIO AND TV	--	5,311	--	5,311	--	5,311			--	5,311			--	5,311		
104	STRATEGIC PLATFORM SUPPORT EQUIPMENT	--	77,704	--	77,704	--	77,704			--	77,704			--	77,704		
	TRAINING EQUIPMENT																
105	OTHER NAVELEX TRAINING EQUIPMENT	--	1,706	--	1,706	--	1,706			--	1,706			--	1,706		
106	OTHER NAVSEA TRAINING EQUIPMENT	--	1,193	--	1,193	--	1,193			--	1,193			--	1,193		
	AVIATION ELECTRONIC EQUIPMENT																
107	MATCALS	--	22,806	--	22,806	--	22,806			--	22,806			--	22,806		
108	SHIPBOARD AIR TRAFFIC CONTROL	--	10,577	--	10,577	--	10,577			--	10,577			--	10,577		
109	AUTOMATIC CARRIER LANDING SYSTEMS	--	15,567	--	15,567	--	15,567			--	15,567			--	15,567		
110	TACAN	--	4,821	--	4,821	--	4,821			--	4,821			--	4,821		
111	AIR STATION SUPPORT EQUIPMENT	--	7,619	--	7,619	--	7,619			--	7,619			--	7,619		
112	MICROWAVE LANDING SYSTEM	13	6,327	13	6,327	13	6,327			13	6,327			13	6,327		
113	FACSFAC	--	41,429	--	41,429	--	41,429			--	41,429			--	41,429		
114	RADAR AIR TRAFFIC CONTROL	12	1,235	12	1,235	12	1,235			12	1,235			12	1,235		
115	MK XII AIMS IFF	--	12,908	--	12,908	--	12,908			--	12,908			--	12,908		
	OTHER SHORE ELECTRONIC EQUIPMENT																
116	NAVAL SPACE SURVEILLANCE SYSTEM	--	8,956	--	8,956	--	8,956			--	8,956			--	8,956		
117	SPACE SYSTEM PROCESSING	--	2,152	--	2,152	--	2,152			--	2,152			--	2,152		
118	MULTOTS	--	---	--	---	--	---			--	---			--	---		
119	NCCS ASHORE	--	17,058	--	17,058	--	17,058			--	17,058			--	17,058		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1 LINE	ITEM	FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
120	RADIAC	--	7,437	--	7,437	--	7,437			--	7,437			--	7,437		
121	OVER THE HORIZON RADAR	1	88,059	1	88,059	1	88,059			1	88,059			1	88,059		
123	GPETE	--	19,027	--	19,027	--	19,027			--	19,027			--	19,027		
124	INTEG COMBAT SYS TEST FACILITY	--	5,778	--	5,778	--	5,778			--	5,778			--	5,778		
125	CALIBRATION STANDARDS	--	7,041	--	7,041	--	7,041			--	7,041			--	7,041		
126	EMI CONTROL INSTRUMENTATION	--	8,556	--	8,556	--	8,556			--	8,556			--	8,556		
127	SHORE ELEC ITEMS UNDER $900K	--	14,172	--	14,172	--	14,172			--	14,172			--	14,172		
	SHIPBOARD COMMUNICATIONS																
128	SHIPBOARD HF COMMUNICATIONS	--	3,818	--	3,818	--	3,818			--	3,818			--	3,818		
129	SHIPBOARD UHF COMMUNICATIONS	--	6,853	--	6,853	--	6,853			--	6,853			--	6,853		
130	FLIGHT DECK COMMUNICATIONS	--	---	--	---	--	---			--	---			--	---		
131	PORTABLE RADIOS	724	7,320	724	7,320	724	7,320			724	7,320			724	7,320		
132	SHIP COMMUNICATIONS AUTOMATION	--	9,368	--	9,368	--	9,368			--	9,368			--	9,368		
133	SHIP COMM ITEMS UNDER $900K	--	5,313	--	5,313	--	5,313			--	5,313			--	5,313		
134	SEALIFT SHIP COMMUNICATIONS	--	3,754	--	3,754	--	3,754			--	3,754			--	3,754		
	SUBMARINE COMMUNICATIONS																
135	ELF COMMUNICATIONS	--	---	--	---	--	---			--	---			--	---		
136	SHORE LF/VLF COMMUNICATIONS	--	1,122	--	1,122	--	1,122			--	1,122			--	1,122		
137	VERDIN	--	820	--	820	--	820			--	820			--	820		
138	SSN INTEGRATED COMMUNICATIONS	--	1,237	--	1,237	--	1,237			--	1,237			--	1,237		
139	SUBMARINE COMMUNICATION ANTENNAS	--	13,269	--	13,269	--	13,269			--	13,269			--	13,269		
140	DATA COLLECTION AND RECORD SYS	--	---	--	---	--	---			--	---			--	---		
141	COMPACT VLF RECEIVER	--	---	--	---	--	---			--	---			--	---		
	SATELLITE COMMUNICATIONS																
143	SATCOM SHIP TERMINALS	--	31,212	--	31,212	--	31,212			--	31,212			--	31,212		
144	SATCOM SHORE TERMINALS	--	4,910	--	4,910	--	4,910			--	4,910			--	4,910		
	SHORE COMMUNICATIONS																
145	JCS COMMUNICATIONS EQUIPMENT	--	4,468	--	4,468	--	4,468			--	4,468			--	4,468		
146	ELECTRICAL POWER SYSTEMS	--	1,063	--	1,063	--	1,063			--	1,063			--	1,063		
147	SHORE HF COMMUNICATIONS	--	10,311	--	10,311	--	10,311			--	10,311			--	10,311		
148	JOINT TACTICAL COMM (TRI-TAC)	--	---	--	---	--	---			--	---			--	---		
149	DCS TECH CONTROL IMPROVEMENTS	--	1,342	--	1,342	--	1,342			--	1,342			--	1,342		
150	VOICE FREQ CARRIER TELEGRAPH	200	1,883	200	1,883	200	1,883			200	1,883			200	1,883		
0	ASHORE MOBILE COMM VANS	--	---	--	---	--	---			--	---			--	---		
152	WORLDWIDE WIDEBAND COMM	--	2,338	--	2,338	--	2,338			--	2,338			--	2,338		
154	WWMCCS COMMUNICATIONS EQUIPMENT	--	1,594	--	1,594	--	1,594			--	1,594			--	1,594		
155	SHORE COMMUNICATIONS AUTOMATION	--	10,201	--	10,201	--	10,201			--	10,201			--	10,201		
156	SHORE COMM ITEMS UNDER $900K	--	1,745	--	1,745	--	1,745			--	1,745			--	1,745		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	CRYPTOGRAPHIC EQUIPMENT																
157	SINGLE AUDIO SYSTEM	--	10,072	--	10,072	--	10,072			--	10,072			--	10,072		
158	TSEC/KY-71/72 (STU-II/STU-IIM)	--	39,019	--	39,019	--	39,019			--	39,019			--	39,019		
159	TSEC/KG-84	--	52,070	--	52,070	--	52,070			--	52,070			--	52,070		
160	TSEC/KY-57/58 (VINSON)	--	15,587	--	15,587	--	15,587			--	15,587			--	15,587		
161	TSEC/KYV-5 (ANDVT)	--	38,366	--	38,366	--	38,366			--	38,366			--	38,366		
162	TSEC/KW-46	--	---	--	---	--	---			--	---			--	---		
164	TSEC/KG-81 (WALBURN)	--	1,453	--	1,453	--	1,453			--	1,453			--	1,453		
0	TSEC/KG-44 (DMSP)	--	---	--	---	--	---			--	---			--	---		
166	TSEC/KGR-96 (ITSS)	--	---	--	---	--	---			--	---			--	---		
167	BLACKER CRYPTO	--	---	--	---	--	---			--	---			--	---		
168	TSEC/KG-58/KGV-6 (PLRS)	--	---	--	---	--	---			--	---			--	---		
169	TRITAC CRYPTO	--	23,125	--	23,125	--	23,125			--	23,125			--	23,125		
171	TSEC/KGV-11	207	4,585	207	4,585	207	4,585			207	4,585			207	4,585		
172	COMMON FILL DEVICES	--	589	--	589	--	589			--	589			--	589		
173	SIGNAL SECURITY	--	369	--	369	--	369			--	369			--	369		
174	CRYPTOGRAPHIC ITEMS UNDER $2 MILLION	--	12,392	--	12,392	--	12,392			--	12,392			--	12,392		
0	TSEC/KGV-8	--	---	--	---	--	---			--	---			--	---		
	CRYPTOLOGIC EQUIPMENT																
175	CRYPTOLOGIC COMMUNICATIONS EQUIP	--	1,153	--	1,153	--	1,153			--	1,153			--	1,153		
176	SHIPS SIGNAL EXPLOITATION SPACE	--	4,074	--	4,074	--	4,074			--	4,074			--	4,074		
177	CRYPTOLOGIC ITEMS UNDER $2 MILLION	--	3,901	--	3,901	--	3,901			--	3,901			--	3,901		
178	CRYPTOLOGIC RESERVES EQUIPMENT	--	1,265	--	1,265	--	1,265			--	1,265			--	1,265		
179	CRYPTOLOGIC FIELD TRAINING EQUIP	--	435	--	435	--	435			--	435			--	435		
180	SHORE CRYPTOLOGIC SUPPORT SYSTEM	--	1,264	--	1,264	--	1,264			--	1,264			--	1,264		
	OTHER ELECTRONIC SUPPORT																
181	WAR RESERVE	--	746	--	746	--	746			--	746			--	746		
182	ELEC ENGINEERED MAINT (NAVSEA)	--	531	--	531	--	531			--	531			--	531		
183	ELEC ENGINEERED MAINT (NAVELEX)	--	1,560	--	1,560	--	1,560			--	1,560			--	1,560		
183a	LARGE SCREEN DISPLAY	--	---	1	1,000	--	---	1	1,000	1	1,000	1	1,000	1	1,000		
183b	REDUCTION IN COMMUNICATIONS AND ELECTRONICS	--	---	--	(75,094)	--	---		0	--	0		0	--	0		
	TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIP		1,712,635		1,666,323		1,792,635		96,782		1,809,417		96,782		1,809,417		0
	AVIATION SUPPORT EQUIPMENT																
	SONOBUOYS																
184	AN/SSQ-36 (BT)	28,231	4,098	28,231	4,098	28,231	4,098			28,231	4,098			28,231	4,098		
185	AN/SSQ-53 (DIFAR)	150,816	58,713	150,816	58,713	150,816	58,713			150,816	58,713			150,816	58,713		
186	AN/SSQ-57 (SPECIAL PURPOSE)	11,947	2,786	11,947	2,786	11,947	2,786			11,947	2,786			11,947	2,786		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
187	AN/SSQ-62 (DICASS)	12,229	18,685	12,229	18,685	12,229	18,685			12,229	18,685			12,229	18,685		
0	AN/SSQ-75 (ERAPS)	--	---	--	---	--	---			--	---			--	---		
188	AN/SSQ-77 (VLAD)	51,663	33,364	51,663	33,364	51,663	33,364			51,663	33,364			51,663	33,364		
0	AN/SSQ-86 (DLC)	--	---	--	---	--	---			--	---			--	---		
190	SIGNAL UNDERWATER SOUND (SUS)	--	---	--	---	--	---			--	---			--	---		
191	LOW COST SONOBOUY	--	---	--	---	--	---			--	---			--	---		
0	SONOBUOYS, GENERAL INCREASE	--	---	--	---		100,000		100,000	--	100,000		50,000	--	50,000		(50,000)
	AIR LAUNCHED ORDNANCE																
192	SKIPPER	1,520	36,973	1,520	36,973	1,520	36,973			1,520	36,973			1,520	36,973		
193	GENERAL PURPOSE BOMBS	--	80,338	--	105,338	--	80,338		25,000	--	105,338			--	80,338		(25,000)
194	LASER GUIDED BOMB KITS	286	4,428	650	9,928	286	4,428	364	5,500	650	9,928			286	4,428	(364)	(5,500)
195	WALLEYE	--	10,729	--	10,729	--	10,729			--	10,729			--	10,729		
196	ROCKEYE	1,341	6,783	1,341	8,283	1,341	6,783		1,500	1,341	8,283		1,500	1,341	8,283		
197	ZUNI ROCKET	--	29,457	--	29,457	--	29,457			--	29,457			--	29,457		
198	2.75 INCH ROCKET	--	19,133	--	19,133	--	19,133			--	19,133			--	19,133		
199	PARACHUTE FLARES	44	731	44	731	44	731			44	731			44	731		
200	MACHINE GUN AMMUNITION	--	15,435	--	15,435	--	15,435			--	15,435			--	15,435		
201	PRACTICE BOMBS	--	50,425	--	58,425	--	50,425		8,000	--	58,425		8,000	--	58,425		
202	CARTRIDGES + CARTRIDGE ACTUATED DEVICES	--	7,705	--	7,705	--	7,705			--	7,705			--	7,705		
203	AIRCRAFT ESCAPE ROCKETS	--	4,717	--	4,717	--	4,717			--	4,717			--	4,717		
204	AIRBORNE EXPENDABLE COUNTERMEASURES	--	25,535	--	24,035	--	25,535			--	25,535			--	25,535		
205	MARINE LOCATION MARKERS	--	6,567	--	6,567	--	6,567			--	6,567			--	6,567		
206	DEFENSE NUCLEAR AGENCY MATERIAL	--	1,477	--	1,477	--	1,477			--	1,477			--	1,477		
207	BIGEYE CHEMICAL WEAPON	--	10,209	--	0	--	2,049		(10,209)	--	0		(10,209)	--	0		
208	JATOS	--	4,149	--	4,149	--	4,149			--	4,149			--	4,149		
209	GATOR	775	19,751	0	0	775	19,751	(275)	(7,008)	500	12,743	(275)	(7,008)	500	12,743		
210	MISC AIR LAUNCHED ORDNANCE	--	1,618	--	1,618	--	1,618			--	1,618			--	1,618		
	AIRCRAFT SUPPORT EQUIPMENT																
211	WEAPONS RANGE SUPPORT EQUIPMENT	--	46,829	--	46,829	--	46,829			--	46,829			--	46,829		
212	EXPEDITIONARY AIRFIELDS	--	15,709	--	15,709	--	15,709			--	15,709			--	15,709		
213	AIRCRAFT REARMING EQUIPMENT	--	35,277	--	35,277	--	35,277			--	35,277			--	35,277		
214	CATAPULTS AND ARRESTING GEAR	--	47,022	--	34,287	--	47,022			--	47,022			--	47,022		
215	METEOROLOGICAL EQUIPMENT	--	26,071	--	26,071	--	26,071			--	26,071			--	26,071		
216	OTHER PHOTOGRAPHIC EQUIPMENT	--	1,841	--	1,841	--	1,841			--	1,841			--	1,841		
217	MISC SURVIVAL EQUIPMENT	--	9,602	--	9,602	--	9,602			--	9,602			--	9,602		
218	AIRBORNE MINE COUNTERMEASURES	--	15,940	--	15,940	--	15,940			--	15,940			--	15,940		
219	LAMPS MK III SHIPBOARD EQUIPMENT	--	23,327	--	23,327	--	23,327			--	23,327			--	23,327		
220	REWSON PHOTOGRAPHIC EQUIPMENT	--	37	--	37	--	37			--	37			--	37		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
221	STOCK SURVEILLANCE EQUIPMENT	--	3,207	--	3,207	--	3,207			--	3,207			--	3,207		
222	OTHER AVIATION SUPPORT EQUIPMENT	--	13,864	--	13,864	--	13,864			--	13,864			--	13,864		
	TOTAL, AVIATION SUPPORT EQUIPMENT		692,532		688,337		784,372		122,783		815,315		42,283		734,815		(80,500)
	ORDNANCE SUPPORT EQUIPMENT																
	SHIP GUN AMMUNITION																
223	3 /50 GUN AMMUNITION	--	3,207	--	3,207	--	3,207			--	3,207			--	3,207		
224	5 /38 GUN AMMUNITION	--	6,100	--	6,100	--	6,100			--	6,100			--	6,100		
225	5 /54 GUN AMMUNITION	--	53,401	--	53,401	--	53,401			--	53,401			--	53,401		
225a	5 INCH GUIDED PROJECTILE	--	---	--	47,000	--	---		47,000	--	47,000		47,000	--	47,000		
227	16 INCH GUN AMMUNITION	--	16,531	--	16,531	--	16,531			--	16,531			--	16,531		
228	CIWS AMMUNITION	--	41,119	--	41,119	--	41,119			--	41,119			--	41,119		
229	76MM GUN AMMUNITION	--	5,912	--	5,912	--	5,912			--	5,912			--	5,912		
230	OTHER SHIP GUN AMMUNITION	--	21,847	--	21,847	--	21,847			--	21,847			--	21,847		
	SHIP GUN SYSTEM EQUIPMENT																
231	GUN FIRE CONTROL EQUIPMENT	--	13,914	--	13,914	--	13,914			--	13,914			--	13,914		
232	COAST GUARD GUN SYSTEM	--	---	--	---	--	---			--	---			--	---		
	SHIP MISSILE SYSTEMS EQUIPMENT																
233	MK 92 FIRE CONTROL SYSTEM	--	7,038	--	7,038	--	7,038			--	7,038			--	7,038		
233a	MK-92 CORT	--	---	6	78,000	--	---	6	78,000	6	78,000	6	78,000	6	78,000		
234	HARPOON SUPPORT EQUIPMENT	--	38,021	--	38,021	--	38,021			--	38,021			--	38,021		
235	TERRIER SUPPORT EQUIPMENT	--	48,535	--	48,535	--	48,535			--	48,535			--	48,535		
236	TARTAR SUPPORT EQUIPMENT	--	64,226	--	64,226	--	64,226			--	64,226			--	64,226		
237	POINT DEFENSE SUPPORT EQUIPMENT (MYP)	--	14,117	--	14,117	--	14,117			--	14,117			--	14,117		
238	AIRBORNE ECM/ECCM	--	1,045	--	1,045	--	1,045			--	1,045			--	1,045		
239	AEGIS SUPPORT EQUIPMENT	--	4,233	--	4,233	--	4,233			--	4,233			--	4,233		
240	SURFACE TOMAHAWK SUPPORT EQUIPMENT	--	50,937	--	50,937	--	50,937			--	50,937			--	50,937		
241	SUBMARINE TOMAHAWK SUPPORT EQUIPMENT	--	5,521	--	5,521	--	5,521			--	5,521			--	5,521		
242	VERTICAL LAUNCH SYSTEM	2	56,029	2	56,029	2	56,029			2	56,029			2	56,029		
	FBM SUPPORT EQUIPMENT																
243	STRATEGIC PLATFORM SUPPORT EQUIPMENT	--	66,745	--	66,745	--	66,745			--	66,745			--	66,745		
	ASW SUPPORT EQUIPMENT																
244	MK 117 FIRE CONTROL SYSTEM	--	68,405	--	68,405	--	68,405			--	68,405			--	68,405		
245	SUBMARINE ASW SUPPORT EQUIPMENT	--	1,003	--	1,003	--	1,003			--	1,003			--	1,003		
246	SURFACE ASW SUPPORT EQUIPMENT	--	15,543	--	15,543	--	15,543			--	15,543			--	15,543		
247	MK 116 FIRE CONTROL SYSTEM	--	---	--	---	--	---			--	---			--	---		
248	ASW RANGE SUPPORT EQUIPMENT	--	5,714	--	5,714	--	5,714			--	5,714			--	5,714		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	OTHER ORDNANCE SUPPORT EQUIPMENT																
249	EXPLOSIVE ORDNANCE DISPOSAL EQUIP............	--	12,752	--	12,752	--	12,752			--	12,752			--	12,752		
250	SWIMMER WEAPONS SYSTEMS......................	--	4,096	--	4,096	--	4,096			--	4,096			--	4,096		
251	UNMANNED SEABORNE TARGET.....................	--	2,003	--	2,003	--	2,003			--	2,003			--	2,003		
252	ANTI-SHIP MISSILE DECOY SYSTEMS..............	6	7,575	6	7,575	6	7,575			6	7,575			6	7,575		
253	CALIBRATION EQUIPMENT........................	--	3,563	--	3,563	--	3,563			--	3,563			--	3,563		
254	STOCK SURVEILLANCE EQUIPMENT.................	--	1,780	--	1,780	--	1,780			--	1,780			--	1,780		
255	OTHER ORDNANCE TRAINING EQUIPMENT............	--	2,339	--	2,339	--	2,339			--	2,339			--	2,339		
	OTHER EXPENDABLE ORDNANCE																
256	SMALL ARMS AND LANDING PARTY AMMO............	--	35,680	--	35,680	--	35,680			--	35,680			--	35,680		
257	PYROTECHNIC AND DEMOLITION MATERIAL..........	--	25,463	--	25,463	--	25,463			--	25,463			--	25,463		
258	QUICKSTRIKE..................................	--	13,129	--	13,129	--	13,129			--	13,129			--	13,129		
259	FLEET MINE SUPPORT EQUIPMENT.................	--	18,022	--	18,022	--	18,022			--	18,022			--	18,022		
260	MINE NEUTRALIZATION DEVICES..................	--	3,329	--	3,329	--	3,329			--	3,329			--	3,329		
261	DEFENSE NUCLEAR AGENCY MATERIAL..............	--	9,594	--	9,594	--	9,594			--	9,594			--	9,594		
262	SHIPBOARD EXPENDABLE COUNTERMEASURES.........	--	21,074	--	21,074	--	21,074			--	21,074			--	21,074		
262a	REDUCTION IN ORDNANCE SUPPORT EQUIPMENT......	--	---		(33,370)	--	---		0		0		0		0		
	TOTAL, ORDNANCE SUPPORT EQUIPMENT..........		769,542		861,172		769,542		125,000		894,542		125,000		894,542		0
	CIVIL ENGINEERING SUPPORT EQUIPMENT																
263	PASSENGER CARRYING VEHICLES..................	593	10,226	425	5,060	593	10,226	(168)	(5,166)	425	5,060	(168)	(5,166)	425	5,060		
264	ARMORED SEDANS...............................	2	185	2	185	2	185			2	185			2	185		
265	TRUCKS.......................................	1,647	31,120	730	19,312	1,647	31,120	(647)	(4,620)	1,000	26,500	(917)	(11,808)	730	19,312	(270)	(7,188)
266	TRAILERS.....................................	183	2,135	183	2,135	183	2,135			183	2,135			183	2,135		
267	CRUSH, MIX, BATCH, PAVE EQUIPMENT............	--	2,645	--	2,645	--	2,645			--	2,645			--	2,645		
268	DRILLING AND BLASTING EQUIPMENT..............	--	2,377	--	2,377	--	2,377			--	2,377			--	2,377		
269	EARTH MOVING EQUIPMENT.......................	120	6,939	120	6,939	120	6,939			120	6,939			120	6,939		
270	LIGHTING AND POWER GENERATING EQUIP..........	--	1,642	--	1,642	--	1,642			--	1,642			--	1,642		
271	MISC CONSTRUCTION AND MAINTENANCE EQUIP......	--	4,709	--	4,709	--	4,709			--	4,709			--	4,709		
272	FIRE FIGHTING EQUIPMENT......................	65	8,430	65	8,430	65	8,430			65	8,430			65	8,430		
273	WEIGHT HANDLING EQUIPMENT....................	42	8,020	42	8,020	42	8,020			42	8,020			42	8,020		
274	AMPHIBIOUS EQUIPMENT.........................	--	9,923	--	9,923	--	9,923			--	9,923			--	9,923		
275	COMBAT CONSTRUCTION SUPPORT EQUIPMENT........	--	8,539	--	8,539	--	8,539			--	8,539			--	8,539		
276	MOBILE UTILITIES SUPPORT EQUIPMENT...........	--	7,646	--	7,646	--	7,646			--	7,646			--	7,646		
277	COLLATERAL EQUIPMENT.........................	--	1,571	--	1,571	--	1,571			--	1,571			--	1,571		
278	OCEAN CONSTRUCTION EQUIPMENT.................	--	2,184	--	2,184	--	2,184			--	2,184			--	2,184		
279	FLEET MOORINGS...............................	--	4,528	--	4,528	--	4,528			--	4,528			--	4,528		
280	POLLUTION CONTROL EQUIPMENT..................	--	1,914	--	1,914	--	1,914			--	1,914			--	1,914		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1	FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
	BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
281 OTHER CIVIL ENG SUPPORT EQUIPMENT............	--	2,067	--	2,067	--	2,067			--	2,067			--	2,067		
282 FLEET HOSPITALS..............................	--	---	--	---	--	---			--	---			--	---		
TOTAL, CIVIL ENGINEERING SUPPORT EQUIPMENT.		116,800		99,826		116,800		(9,786)		107,014		(16,974)		99,826		(7,188)
SUPPLY SUPPORT EQUIPMENT																
283 FORKLIFT TRUCKS..............................	571	19,519	400	9,708	571	19,519	(171)	(9,811)	400	9,708	(171)	(9,811)	400	9,708		
284 OTHER MATERIALS HANDLING EQUIPMENT...........	--	1,571	--	1,571	--	1,571			--	1,571			--	1,571		
285 AUTOMATED MATERIALS HANDLING SYSTEMS.........	--	11,513	--	11,513	--	11,513			--	11,513			--	11,513		
286 OTHER SUPPLY SUPPORT EQUIPMENT...............	--	13,056	--	13,056	--	13,056			--	13,056			--	13,056		
287 POLLUTION CONTROL EQUIPMENT..................	--	---	--	---	--	---			--	---			--	---		
288 SPECIAL PURPOSE SUPPLY SYSTEMS...............	--	76,346	--	76,346	--	76,346			--	76,346			--	76,346		
TOTAL, SUPPLY SUPPORT EQUIPMENT............		122,005		112,194		122,005		(9,811)		112,194		(9,811)		112,194		0
PERSONNEL AND COMMAND SUPPORT EQUIPMENT																
TRAINING DEVICES																
289 SURFACE SONAR TRAINERS.......................	--	---	--	---	--	---			--	---			--	---		
290 SUBMARINE SONAR TRAINERS.....................	--	1,212	--	1,212	--	1,212			--	1,212			--	1,212		
291 SURFACE COMBAT SYSTEM TRAINERS...............	--	18,910	--	18,910	--	18,910			--	18,910			--	18,910		
292 SUBMARINE COMBAT SYSTEM TRAINERS.............	--	20,511	--	20,511	--	20,511			--	20,511			--	20,511		
293 SHIP SYSTEM TRAINERS.........................	--	15,011	--	15,011	--	15,011			--	15,011			--	15,011		
294 TRAINING SUPPORT EQUIP.......................	--	2,636	--	2,636	--	2,636			--	2,636			--	2,636		
295 TRAINING DEVICE MODIFICATIONS................	--	3,088	--	3,088	--	3,088			--	3,088			--	3,088		
COMMAND SUPPORT EQUIPMENT																
296 COMMAND SUPPORT EQUIPMENT....................	--	8,927	--	8,927	--	8,927			--	8,927			--	8,927		
297 EDUCATION SUPPORT EQUIPMENT..................	--	1,228	--	1,228	--	1,228			--	1,228			--	1,228		
298 MEDICAL SUPPORT EQUIPMENT....................	--	15,020	--	15,020	--	15,020			--	15,020			--	15,020		
299 INTELLIGENCE SUPPORT EQUIPMENT...............	--	73,275	--	72,175		72,275		(2,100)	--	71,175		(2,100)	--	71,175		
300 ITEMS UNDER $2 MILLION.......................	--	1,508	--	1,508		2,808			--	1,508			--	1,508		
301 OPERATING FORCES SUPPORT EQUIPMENT...........	--	14,586	--	14,586	--	14,586			--	14,586			--	14,586		
302 NAVAL RESERVE SUPPORT EQUIPMENT..............	--	162	--	162	--	162			--	162			--	162		
303 OCEANOGRAPHIC SUPPORT EQUIPMENT..............	--	15,774	--	15,774		25,774		10,000	--	25,774		10,000	--	25,774		
304 PHYSICAL SECURITY EQUIPMENT..................	--	47,238	--	31,912	--	47,238		(7,238)	--	40,000		(15,326)	--	31,912		(8,088)

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	COMPUTER ACQUISITION PROGRAM																
305	COMPUTER ACQUISITION PROGRAM.................	--	229,324	--	181,287	--	229,324		(29,324)	--	200,000		(48,037)	--	181,287		(18,713)
	PRODUCTIVITY PROGRAMS																
307	PRODUCTIVITY INVESTMENT FUND (PIF)...........	--	1,990	--	1,990	--	1,990			--	1,990			--	1,990		
308	PROD ENHANCING INCENTIVE FUND (PEIF).........	--	7,371	--	7,371	--	7,371			--	7,371			--	7,371		
	TOTAL, PERSONNEL AND COMMAND SUPPORT EQUIPM		477,771		413,308		488,071		(28,662)		449,109		(55,463)		422,308		(26,801)
	SPARES & REPAIR PARTS																
309	SPARES AND REPAIR PARTS......................	--	308,826	--	308,826	--	308,826		0	--	308,826		0	--	308,826		0
0	PROFIT POLICY CHANGE.........................	--	---	--	---	--	---			--	---			--	---		
0	INFLATION SAVINGS, FY87......................	--	---	--	---	--	---			--	---			--	---		
0	UNDISTRIBUTED REDUCTION......................	--	---	--	---		(173,800)				0				0		
0	PRIOR YEAR TRANSFERS.........................						(36,541)		(36,541)		(36,541)		(36,541)		(36,541)		
	ELECT SUS GYRO NAV PROG, FY 1986........						[-1,410]				[-1,410]				[-1,410]		
	VERT LAUNCH SYS (SURFA), FY 1986........						[-907]				[-907]				[-907]		
	QUICKSTRIKE PROGRAM, FY 1986............						[-1,851]				[-1,851]				[-1,851]		
	AMPHIBIOUS EQUIPMENT, FY 1986...........						[-864]				[-864]				[-864]		
	PRODUCTION SUP FAC PROG, FY 1987........						[-11,095]				[-11,095]				[-11,095]		
	CRUSH/MIX/PATCH/PAVE EQU, FY 1987.......						[-1,225]				[-1,225]				[-1,225]		
	DRILL/BLAST EQUIP PROG, FY 1987.........						[-109]				[-109]				[-109]		
	MISC CONST/MAINT EQUIP, FY 1987.........						[-2,085]				[-2,085]				[-2,085]		
	WEIGHT HANDLING EQUIP, FY 1987..........						[-2,113]				[-2,113]				[-2,113]		
	COMPUTER ACQUIS PROG, FY 1987...........						[-14,882]				[-14,882]				[-14,882]		
	TOTAL, OTHER PROCUREMENT, NAVY.............		4,983,827		4,909,766		4,967,626		345,765		5,329,592		231,276		5,215,103		(114,489)
0	TRANSFER FROM OTHER ACCOUNTS.........		---		(8,000)		---		(8,000)		(8,000)		(8,000)		(8,000)		
	TOTAL FUNDING AVAILABLE.............		4,983,827		4,901,766		4,967,626		337,765		5,321,592		223,276		5,207,103		(114,489)

ITEMS OF SPECIAL INTEREST

Sonobuoys

The budget request contained $254.9 million for procurement of all types of sonobuoys for fiscal year 1988.

The House bill would authorize the amounts requested. The Senate amendment would authorize the amounts requested and provide a general increase of $100.0 million for all types of sonobuoys for fiscal year 1988.

In light of recent Soviet advances in submarine quieting, the conferees are concerned that established Navy sonobuoy requirements are not adequately funded.

Accordingly, the conferees recommend authorization of the amounts requested and a general increase of $100.0 million for sonobuoys for fiscal year 1988.

At the contingent level, the conferees recommend a total authorization of the amounts requested and of a general increase of $50 million for sonobuoys for fiscal year 1988.

The House recedes with an amendment.

Sealift support equipment

The budget request contained $51.8 million for sealift support equipment, most of which is for seasheds and adapters. The House bill would authorize the amount requested. The Senate amendment would authorize $63.8 million, an increase of $12 million for seasheds and adapters.

The House recedes.

The conferees remain very supportive of the use of seasheds and adapters and their continued procurement from small businesses by competitive dual-sourcing through the existing small business program under a stable production plan.

Small boats

The budget request contained $17.2 million for small boats. The House bill would authorize $27.2 million, an increase of $10 million for the purchase of enclosed lifeboats for use on Military Sealift Command ships. The Senate amendment would authorize the amount requested.

The Senate recedes.

Ship survivability initiative

The conferees agree to an additional authorization of $64 million to the Other Procurement, Navy account for a ship survivability initiative. The recent and tragic attack on U.S.S. *Stark* in the Persian Gulf in May 1987 highlighted a number of deficiencies in the ability of our ships to fight fires and combat damage of major proportions. The Navy's recent report of its Blue Ribbon Panel on ship survivability highlighted a number of these deficiencies, along with recommendations for corrective actions.

Because this is such an important matter, affecting the lives of the men and women who serve in ships, the conferees recommend this additional authorization to hasten the process of bringing much needed improvements to Navy ships.

The conferees direct that the Navy apply this authorization in the areas of firefighting, damage control, and personnel protection equipment. Among the items to be procurred, all of which were noted for accelerated or additional procurement by the Blue Ribbon Panel, are additional oxygen breathing apparatus and their canisters, thermal imagers, wire-free damage control communications, smoke curtains, exothermic cutters, helmet lights, firefighter overboots, high-capacity fans, and non-sparking mechanical emergency extraction equipment.

The conferees direct the Secretary of the Navy to report to the Committees on Armed Services of the Senate and House of Representatives by March 15, 1988 on the allocation and obligation of funds appropriated pursuant to this authorization.

Surface ASW combat system (AN/SQQ-89)

The budget request contained $154.6 million for 8 AN/SQQ-89 surface antisubmarine warfare combat systems. The House bill would authorize the amount requested. The Senate amendment would authorize $234.6 million for 12 systems.

The House recedes.

Improved acoustic processor

The budget request contained no authorization for an improved acoustic processor for use on ships equipped with the LAMPS MK-I antisubmarine warfare system. The House bill would authorize $12 million for this purpose. The Senate amendment would provide no authorization for an improved acoustic processor.

The conferees note that one of the areas of improvement most needed by surface ships is torpedo defense. The first steps in any torpedo defensive system are detection and classification of the threat weapon. The conferees note that one of the possible ways of providing this detection and classification capability in the near term is through modification of equipment currently installed on ships.

Accordingly, the conferees agree to provide authorization in the research and development section of this report for an evaluation of a surface ship torpedo defense modification to the AN/SQR-17A acoustic processor. The conferees further agree that any follow-on procurements that might arise from this effort are to be by competitive means.

The conferees recommend no authorization in the other procurement account for an improved acoustic processor.

AN/BLD-1 interferometer

The budget request contained $6.7 million for 6 AN/BLD-1 interferometers for installation on *Los Angeles*-class submarines. The House bill would authorize $22.5 million for 9 units plus their ancillary equipment. The Senate amendment would authorize the amount requested.

The Senate recedes.

Large screen display

The budget request contained no authorization for a large screen plasma display unit for use on board Navy ships. The House bill would authorize $1 million for this purpose. The Senate amendment would provide no authorization.

The Senate recedes.

Five-inch guided projectile

The budget request contained no authorization for the five-inch semi-active laser guided projectile. The House bill would authorize $47 million for the continuation, by competitive dual-source procurement, of this program. The Senate amendment would provide no authorization for this purpose.

The Senate recedes.

MK-92 coherent receiver transmitter (CORT) production kits

The budget request contained no authorization for the coherent receiver transmitter (CORT) modification to the MK-92 fire control system installed on board the FFG-7 class frigates. The House bill would authorize $78 million for 6 systems. The Senate amendment would provide no authorization for this purpose.

The conferees recommend authorization of $78 million for 6 CORT systems. The conferees note a considerable need to upgrade the antiair warfare system on the more than 50 FFG-7 class ships in the fleet today. Information available to the conferees suggests that the only realistic alternative presently available for accomplishing this upgrade is the CORT system. Nonetheless, the conferees are concerned that the unit cost of CORT will make fielding the system throughout the FFG-7 class in a timely manner difficult.

Accordingly, the conferees direct that the Secretary of the Navy provide a report no later than March 15, 1988 to the Committees on Armed Services of the Senate and House of Representatives on ways to reduce the unit cost of the CORT upgrade.

As a related matter, the conferees also direct the Navy to examine promptly other changes to the FFG-7 class frigates that may improve their ability to detect and engage sea-skimming missiles. For example, shipboard radar systems like the SPS-55 surface search radar should be examined to determine if it can be made to detect low, fast-flying cruise missiles.

The Senate recedes.

Reductions and transfers in the other procurement, Navy account

The House bill would provide for reductions of $33.9 million in ship support equipment, $75.1 million in communications and electronics equipment, and $33.4 million in ordnance support equipment. The Senate amendment would provide for undistributed reduction of $173.8 million to the other procurement, Navy account and provide for prior-year transfers of $36.5 million as shown in the accompanying table.

The conferees recommend reductions and transfers as shown in the accompanying table.

MARINE CORPS PROCUREMENT

OVERVIEW

The budget request contained $1,402.4 million for Marine Corps procurement in fiscal year 1988. The House bill would authorize $1,286.2 million for Marine Corps procurement. The Senate amendment would authorize $1,378.4 million.

The conferees recommend authorization of $1,333.6 million for Navy Marine Corps procurement in fiscal year 1988.

The conferees recommend a total authorization of $1,330.5 million at the contingent level for Navy Marine Corps procurement in fiscal year 1988.

Specific program authorizations are detailed in the following table.

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	PROCUREMENT, MARINE CORPS																
	AMMUNITION																
	LINEAR CHARGES:																
1	LINEAR CHARGE (TRLR MT)....................	--	---	--	---	--	---			--	---			--	---		
	SMALL ARMS AMMO:																
0	CTG 5.56MM BALL M855......................	106,465	21,589	106,465	21,589	106,465	21,589			106,465	21,589			106,465	21,589		
0	CTG 9MM BALL M882.........................	59,368	6,762	59,368	6,762	59,368	6,762			59,368	6,762			59,368	6,762		
0	CTG 40MM HE DP M433.......................	510,032	4,329	510,032	4,329	510,032	4,329			510,032	4,329			510,032	4,329		
	MACHINE GUN AMMO:																
0	CTG 5.56MM LINKED (SAW)....................	21,252	6,311	21,252	6,311	21,252	6,311			21,252	6,311			21,252	6,311		
0	CTG CAL 50 LINKED..........................	970,814	1,156	970,814	1,156	970,814	1,156			970,814	1,156			970,814	1,156		
0	CTG 25MM APDS-T M791.......................	--	---	--	---	--	---			--	---			--	---		
0	CTG 25MM HEI-T M792........................	--	---	--	---	--	---			--	---			--	---		
0	CTG 40MM LINKED M430 HE DP.................	1,788	19,866	1,788	19,866	1,788	19,866			1,788	19,866			1,788	19,866		
0	CTG 7.62MM LINKED M80......................	15,581	4,195	15,581	4,195	15,581	4,195			15,581	4,195			15,581	4,195		
	MORTAR AMMO:																
0	CTG 60MM HE M888...........................	82,894	4,116	82,894	4,116	82,894	4,116			82,894	4,116			82,894	4,116		
0	CTG 60MM SMOKE WP M302 A1..................	--	---	--	---	--	---			--	---			--	---		
0	CTG 81MM HE M821...........................	164,588	36,197	164,588	36,197	164,588	36,197			164,588	36,197			164,588	36,197		
0	CTG 81MM HE M889...........................	372,075	62,017	372,075	62,017	372,075	62,017			372,075	62,017			372,075	62,017		
0	CTG 81MM SMK M819..........................	52,590	11,474	52,590	11,474	52,590	11,474			52,590	11,474			52,590	11,474		
0	CTG 81MM ILLUM M853........................	4,858	1,001	4,858	1,001	4,858	1,001			4,858	1,001			4,858	1,001		
0	CTG 60MM SMOKE WP XM722....................	41,800	4,041	41,800	4,041	41,800	4,041			41,800	4,041			41,800	4,041		
0	CTG 60MM ILLUM XM721.......................	24,510	4,000	24,510	4,000	24,510	4,000			24,510	4,000			24,510	4,000		
	GRENADES:																
0	GRENADE SMOKE SCREEN (IR)..................	99,039	5,000	99,039	5,000	99,039	5,000			99,039	5,000			99,039	5,000		
0	GRENADE SMOKE SCREEN (RP)..................	11,290	548	11,290	548	11,290	548			11,290	548			11,290	548		
0	SIGNAL ILLUM WSP...........................	129,866	3,015	129,866	3,015	129,866	3,015			129,866	3,015			129,866	3,015		
0	CTG 40MM WS PARA...........................	82,353	1,897	82,353	1,897	82,353	1,897			82,353	1,897			82,353	1,897		
0	GRENADE HAND FRAG..........................	710,728	6,729	710,728	6,729	710,728	6,729			710,728	6,729			710,728	6,729		
0	GRENADE HAND SMOKE GREEN...................	111,342	1,294	111,342	1,294	111,342	1,294			111,342	1,294			111,342	1,294		
0	GRENADE HAND SMOKE YELLOW..................	141,099	1,742	141,099	1,742	141,099	1,742			141,099	1,742			141,099	1,742		
0	SIGNAL ILLUM GRD GRN.......................	56,476	1,365	56,476	1,365	56,476	1,365			56,476	1,365			56,476	1,365		
0	SIGNAL SMOKE GRD GREEN PARA................	71,583	2,108	71,583	2,108	71,583	2,108			71,583	2,108			71,583	2,108		
0	FLARE SURFACE TRIP.........................	85,655	1,712	85,655	1,712	85,655	1,712			85,655	1,712			85,655	1,712		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	ROCKETS:																
0	ROCKET 83MM (SMAW)	--	---	--	---	--	---			--	---			--	---		
0	ROCKET 5 INCH MOTOR	301	1,148	301	1,148	301	1,148			301	1,148			301	1,148		
0	LIGHT ANTI ARMOR WEAPON AT-4	16,026	12,981	16,026	12,981	16,026	12,981			16,026	12,981			16,026	12,981		
0	ROCKET 83MM HEAA	3,355	12,315	3,355	12,315	3,355	12,315			3,355	12,315			3,355	12,315		
	TRAINING AMMO:																
0	CTG 40MM TP F/MK19	789,991	9,985	789,991	9,985	789,991	9,985			789,991	9,985			789,991	9,985		
0	CTG 40MM PRAC M781	733,966	1,259	733,966	1,259	733,966	1,259			733,966	1,259			733,966	1,259		
0	CTG 81MM TP XM879	49,169	3,517	49,169	3,517	49,169	3,517			49,169	3,517			49,169	3,517		
0	LINE CHARGE PRAC (TRLR) MTD	217	2,166	217	2,166	217	2,166			217	2,166			217	2,166		
0	LINE CHARGE PRAC LVT MTD	217	2,131	217	2,131	217	2,131			217	2,131			217	2,131		
0	CTG 25MM TP-T M793	--	---	--	---	--	---			--	---			--	---		
0	ROCKET 83MM PRACTICE	--	---	--	---	--	---			--	---			--	---		
0	CTG 5.56MM BLANK LKD (SAW)	19,587	3,902	19,587	3,902	19,587	3,902			19,587	3,902			19,587	3,902		
0	CTG 5.56MM BLANK M200	73,068	7,305	73,068	7,305	73,068	7,305			73,068	7,305			73,068	7,305		
0	CTG 7.62MM BLANK LINKED	10,442	2,480	10,442	2,480	10,442	2,480			10,442	2,480			10,442	2,480		
0	CTG 60MM TP FULL RANGE XM816	--	---	--	---	--	---			--	---			--	---		
0	CTG 120MM TP-T M831	4,557	4,261	0	0	4,557	4,261	(4,557)	(4,261)	0	0	(4,557)	(4,261)	0	0		
0	CTG 120MM TPCSDS-T M865	3,339	2,451	0	0	3,339	2,451	(3,339)	(2,451)	0	0	(3,339)	(2,451)	0	0		
0	ROCKET 83MM PRACTICE F/HEAA	610	1,120	610	1,120	610	1,120			610	1,120			610	1,120		
	155MM AMMO:																
0	CHG SPOTTING PROJ	--	---	--	---	--	---			--	---			--	---		
0	CHG PROP RB M203A1	--	---	--	---	--	---			--	---			--	---		
0	PROJ 155MM ADAM-L M692	466	2,001	466	2,001	466	2,001			466	2,001			466	2,001		
0	PROJ 155 ILLUM	--	---	--	---	--	---			--	---			--	---		
0	PROJ 155MM ADAM-S M731	466	2,001	466	2,001	466	2,001			466	2,001			466	2,001		
0	PROJ 155MM RAAMS-L M718	11,540	14,698	11,540	14,698	11,540	14,698			11,540	14,698			11,540	14,698		
0	PROJ 155MM RAAMS-S M741	27,503	35,028	27,503	35,028	27,503	35,028			27,503	35,028			27,503	35,028		
0	PROJ 155MM HE ICM (DP)M483	4,764	2,004	4,764	2,004	4,764	2,004			4,764	2,004			4,764	2,004		
0	PROJ 155MM HE	--	---	--	---	--	---			--	---			--	---		
0	CHARGE PROP 155MM WHITE BAG M4A2	182,681	12,963	182,681	12,963	182,681	12,963			182,681	12,963			182,681	12,963		
0	CHARGE PROP 155MM GREEN BAG M3A1	--	---	--	---	--	---			--	---			--	---		
0	CHARGE PROP 155MM RED BAG M119A2	--	---	--	---	--	---			--	---			--	---		
	ANTI-ARMOR AMMO:																
0	CTG 120MM APFSDS-T M829	7,958	7,784	0	0	7,958	7,784	(7,958)	(7,784)	0	0	(7,958)	(7,784)	0	0		
0	CTG 120MM HEAT M830	16,962	29,014	0	0	16,962	29,014	(16,962)	(29,014)	0	0	(16,962)	(29,014)	0	0		
10	155MM PROJ COPPERHEAD	--	---	--	---	--	---			--	---			--	---		
	8 INCH AMMO:																
0	PROJ HE M106	--	---	--	---	--	---			--	---			--	---		
0	PROJ HEDP (ICM)	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	FUZES:																
0	FUZE MECHANICAL TIME (MT)	--	---	--	---	--	---			--	---			--	---		
0	POINT DETONATING (PD)	--	---	--	---	--	---			--	---			--	---		
0	PRIMER PERCUSSION M82	421,021	733	421,021	733	421,021	733			421,021	733			421,021	733		
0	PROXIMITY M732A1	25,599	4,513	25,599	4,513	25,599	4,513			25,599	4,513			25,599	4,513		
13	AMMO MODERNIZATION	--	14,775	--	14,775	--	14,775			--	14,775			--	14,775		
	OTHER SUPPORT																
14	ITEMS LESS THAN $2 MILLION	--	5,886	--	5,886	--	5,886			--	5,886			--	5,886		
0	GENERAL INCREASE, AMMUNITION	--	---	--	---	--	---			--	---			--	---		
	TOTAL, AMMUNITION		410,885		367,375		410,885		(43,510)		367,375		(43,510)		367,375		0
	WEAPONS AND COMBAT VEHICLES																
	TRACKED COMBAT VEHICLES																
15	AAV7A1 PIP	--	21,702	--	21,702	--	21,702			--	21,702			--	21,702		
16	MODIFICATION KITS (TRKD VEH)	--	490	--	490	--	490			--	490			--	490		
17	M-1 MAIN BATTLE TANK (MYP)	--	1,144	--	1,144	--	1,144			--	1,144			--	1,144		
18	M-1 MAIN BATTLE TANK (MYP) (AP-CY)	--	24,441	--	24,441	--	24,441			--	24,441			--	24,441		
20	BRIDGE, ARMORED VEH LAUNCHED	--	---	--	---	--	---			--	---			--	---		
21	M1 TANK TRAINER	4	8,947	4	8,947	4	8,947			4	8,947			4	8,947		
22	ITEMS LESS THAN $2 MILLION (TRKD VEH)	--	75	--	75	--	75			--	75			--	75		
	ARTILLERY AND OTHER WEAPONS																
23	POS AZIMUTH DETERM SYS (PADS)	34	9,637	34	9,637	34	9,637			34	9,637			34	9,637		
25	M198 155MM HOWITZER	--	---	--	---	--	---			--	---			--	---		
26	ITEMS LESS THAN $2 MILLION (ATL-CTH)	--	1,077	--	1,077	--	1,077			--	1,077			--	1,077		
	WEAPONS																
27	9MM HANDGUN	22,182	5,191	22,182	5,191	22,182	5,191			22,182	5,191			22,182	5,191		
28	MACHINE GUN, AUTO SAW 5.56MM	1,039	3,029	0	0	1,039	3,029			1,039	3,029	(1,039)	(3,029)	0	0	(1,039)	(3,029)
29	M-16 5.56MM RIFLE	16,652	8,859	16,652	8,859	16,652	8,859			16,652	8,859			16,652	8,859		
30	XM-4 CARBINE	1,500	1,005	0	0	1,500	1,005	(1,500)	(1,005)	0	0	(1,500)	(1,005)	0	0		
31	MK-19 40MM MACHINE GUN	415	3,583	415	3,583	415	3,583			415	3,583			415	3,583		
32	MORTAR, MED, EXTENDED RANGE	264	5,262	264	5,262	264	5,262			264	5,262			264	5,262		
	TOTAL, WEAPONS AND COMBAT VEHICLES		94,442		90,408		94,442		(1,005)		93,437		(4,034)		90,408		(3,029)

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	GUIDED MISSILES AND EQUIPMENT																
	GUIDED MISSILES																
34	HAWK (MYP)	525	136,974	525	136,974	525	136,974		(14,000)	525	122,974		(14,000)	525	122,974		
35	HAWK (MYP) (AP-CY)	--	24,350	--	0	--	24,350		(10,350)	--	14,000		(10,350)	--	14,000		
36	HAWK MOD	--	30,129	--	30,129	--	30,129			--	30,129			--	30,129		
37	STINGER (MYP)	3,067	137,356	2,225	93,005	3,067	137,356			3,067	137,356			3,067	137,356		
38	DRAGON MISSILE SYSTEM	4,259	7,890	4,259	7,890	4,259	7,890			4,259	7,890			4,259	7,890		
39	TOW (MYP)	2,680	26,940	2,680	26,940	2,680	26,940			2,680	26,940			2,680	26,940		
	OTHER SUPPORT																
40	MODIFICATION KITS	--	761	--	761	--	761			--	761			--	761		
	TOTAL, GUIDED MISSILES AND EQUIPMENT		364,400		295,699		364,400		(24,350)		340,050		(24,350)		340,050		0
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT																
	MANPACK RADIOS																
41	MANPACK RADIOS AND EQUIP	--	---	--	---	--	---			--	---			--	---		
	VEHICLE MOUNTED RADIOS AND EQUIPMENT																
42	VEHICLE MTD RADIOS & EQUIPMENT	--	3,224	--	3,224	--	3,224			--	3,224			--	3,224		
	TELEPHONE AND TELETYPE EQUIPMENT																
43	UNIT LEVEL CIRCUIT SWITCH (ULCS)	--	64,549	--	64,549	--	64,549			--	64,549			--	64,549		
0	ULCS LIFE CYCLE SUPPORT	--	---	--	---	--	---			--	---			--	---		
44	TACT COMM CENTER EQUIP	--	9,887	--	9,887	--	9,887			--	9,887			--	9,887		
45	AN/PSG( ) DIGITAL COMM TERMINAL	581	17,316	581	17,316	581	17,316			581	17,316			581	17,316		
	REPAIR AND TEST EQUIPMENT																
0	PP-6224/4 POWER SUPPLY	--	---	--	---	--	---			--	---			--	---		
47	AUTO TEST EQUIP SYS	--	---	--	---	--	---			--	---			--	---		
48	CALIBRATION FACILITY ELECTRONIC	9	8,740	9	8,740	9	8,740			9	8,740			9	8,740		
49	MAINTENANCE COMPLEX, ELECTRONIC	--	---	--	---	--	---			--	---			--	---		
50	ELECTRONIC TEST EQUIP (TEL)	--	2,169	--	2,169	--	2,169			--	2,169			--	2,169		
51	AN/GRM-114A TEST SET, RADIO	135	850	135	850	135	850			135	850			135	850		
	OTHER COMM/ELEC EQUIPMENT																
52	AN/TSQ-T9(V) TACT WARFARE SIM EVAL AND ANAL	--	---	--	---	--	---			--	---			--	---		
55	ANDVT/TACTERM	75	2,420	75	2,420	75	2,420			75	2,420			75	2,420		
0	HAVE QUICK TIMING DISTR SYSTEM	--	---	--	---	--	---			--	---			--	---		
0	SINGLE CHAN GRD & AIR RADIO	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	OTHER SUPPORT (TEL)																
56	TEST CALIB + MAINT SPT	--	97	--	97	--	97			--	97			--	97		
57	MODIFICATION KITS (TEL)	--	1,948	--	1,948	--	1,948			--	1,948			--	1,948		
58	ITEMS LESS THAN $2 MILLION (TEL)	--	1,966	--	1,966	--	1,966			--	1,966			--	1,966		
	COMMAND + CONTROL SYSTEMS (NON-TEL)																
59	POS LOCATING RPTG SYSTEM (PLRS)	--	---	--	---	--	---			--	---			--	---		
60	MIFASS (NONTEL)	--	---	--	---	--	---			--	---			--	---		
61	TACTICAL AIR OPER MODULE (TAOM)	9	71,623	9	71,623	9	71,623			9	71,623			9	71,623		
62	TACTICAL RECIEVER EQUIPMENT SET	--	---	--	---	--	---			--	---			--	---		
63	AN/UYQ 4 SEMI AUTO,DIRECT AIR SUPPORT CENTRAL	5	5,747	5	5,747	5	5,747			5	5,747			5	5,747		
	RADAR + EQUIPMENT (NON-TEL)																
66	AN/TPS-32 DECOY	--	---	--	---	--	---			--	---			--	---		
	INTELL/COMM EQUIPMENT (NON-TEL)																
68	INTELLIGENCE SUPPORT EQUIPMENT	--	4,420	--	4,420	--	4,420			--	4,420			--	4,420		
69	MOBILE EW SUP SYS (MEWSS)	--	---	--	---	--	---			--	---			--	---		
0	AIRBORNE RADIO DIRECTION FINDER	--	---	--	---	--	---			--	---			--	---		
0	JINTACS/JAMS	--	---	--	---	--	---			--	---			--	---		
0	GRD BASED ELECT INTELL SPT SYS	--	---	--	---	--	---			--	---			--	---		
	REPAIR + TEST EQUIPMENT (NON-TEL)																
70	ELECTRONIC TDME REPAIR FACILITY	2	1,749	2	1,749	2	1,749			2	1,749			2	1,749		
71	CALIBRATION FACILITY	12	5,600	12	5,600	12	5,600			12	5,600			12	5,600		
72	STE/ICE SIMPL TEST EQ	285	1,423	285	1,423	285	1,423			285	1,423			285	1,423		
73	MECH TEST TMDE	--	97	--	97	--	97			--	97			--	97		
74	AN/UPM-() TEST SET, RADAR	--	---	--	---	--	---			--	---			--	---		
75	ELECTRONIC TEST EQUIP (NONTEL)	--	97	--	97	--	97			--	97			--	97		
	OTHER COMM/ELEC EQUIPMENT (NON-TEL)																
76	CAMPS	--	---	--	---	--	---			--	---			--	---		
77	NIGHT VISION EQUIPMENT	--	16,686	--	16,686	--	16,686			--	16,686			--	16,686		
79	ADP EQUIPMENT	--	41,015	--	41,015	--	41,015			--	41,015			--	41,015		
0	CP-696()/PD RADIAC INDIC COMPUTER	--	---	--	---	--	---			--	---			--	---		
	OTHER SUPPORT (NON-TEL)																
80	TEST CALIB & MAINT SPT (NON-TEL)	--	97	--	97	--	97			--	97			--	97		
81	MODIFICATION KITS (NONTEL)	--	12,614	--	12,614	--	12,614			--	12,614			--	12,614		
82	ITEMS LESS THAN $2 MILLION (NONTEL)	--	1,401	--	1,401	--	1,401			--	1,401			--	1,401		
	TOTAL, COMMUNICATIONS AND ELECTRONICS EQUIP		275,735		275,735		275,735		0		275,735		0		275,735		0

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	SUPPORT VEHICLES																
	ADMINISTRATIVE VEHICLES																
83	COMMERCIAL PASSENGER VEHICLES	153	2,464	153	2,464	153	2,464			153	2,464			153	2,464		
84	COMMERCIAL CARGO VEHICLES	--	9,599	--	9,599	--	9,599			--	9,599			--	9,599		
	TACTICAL VEHICLES																
0	UTILITY MOTORCYCLE	--	---	--	---	--	---			--	---			--	---		
85	5/4T TRUCK HMMWV	136	2,881	136	2,881	136	2,881			136	2,881			136	2,881		
88	5 TON RETROFIT	--	---	--	---	--	---			--	---			--	---		
89	LOGISTICS VEHICLE SYSTEM	359	17,661	359	17,661	359	17,661			359	17,661			359	17,661		
90	TRAILERS, ALL TYPES	--	2,881	--	2,881	--	2,881			--	2,881			--	2,881		
91	LUBE AND SERVICE UNIT 15CFM	--	---	--	---	--	---			--	---			--	---		
	OTHER SUPPORT																
92	MODIFICATION KITS	--	3,168	--	3,168	--	3,168			--	3,168			--	3,168		
93	ITEMS LESS THAN $2 MILLION	--	862	--	862	--	862			--	862			--	862		
	TOTAL, SUPPORT VEHICLES		39,516		39,516		39,516		0		39,516		0		39,516		0
	ENGINEER AND OTHER EQUIPMENT																
	ENGINEER AND EQUIPMENT																
94	ENVIRONMENTAL CONTROL EQ ASSORT	--	2,834	--	2,834	--	2,834			--	2,834			--	2,834		
95	HEAVY RT CRANE	146	34,976	146	34,976	146	34,976			146	34,976			146	34,976		
96	LIGHT RT CRANE	200	11,625	200	11,625	200	11,625			200	11,625			200	11,625		
97	GRADER ROAD MOTORIZED	--	---	--	---	--	---			--	---			--	---		
98	TRACTORS, ALL TYPES	--	28,785	--	28,785	--	28,785			--	28,785			--	28,785		
101	CONTAINER HNDLR, ROUGH TERR	35	8,118	35	8,118	35	8,118			35	8,118			35	8,118		
102	FORKLIFTS, ALL TYPES	--	27,839	--	27,839	--	27,839			--	27,839			--	27,839		
103	LAUNDRY UNIT, FIELD	--	3,240	--	3,240	--	3,240			--	3,240			--	3,240		
104	FIELD SUPPORT EQUIPMENT	--	---	--	---	--	---			--	---			--	---		
105	FIELD BATH SHOWER UNIT	100	2,255	100	2,255	100	2,255			100	2,255			100	2,255		
106	REFRIGERATION UNIT	--	---	--	---	--	---			--	---			--	---		
0	REFRIGERATION BOX	--	---	--	---	--	---			--	---			--	---		
0	REV OSMOSIS/WATER PUR 600 GL	--	---	--	---	--	---			--	---			--	---		
0	M-33 ICE CREAM PLANT THOMPSON	--	---	--	---	--	---			--	---			--	---		
109	FIELD WIRING HARNESS	677	4,351	677	4,351	677	4,351			677	4,351			677	4,351		
110	FUEL & WATER PUMP & STORAGE MODULE	--	10,572	--	10,572	--	10,572			--	10,572			--	10,572		
111	AMPHIBIOUS ASSAULT FUEL SYSTEM	--	2,346	--	2,346	--	2,346			--	2,346			--	2,346		
112	TACT AIRFIELD FUEL DISP SYS	--	1,899	--	1,899	--	1,899			--	1,899			--	1,899		
113	TOPOGRAPHIC-SURVEY EQUIPMENT	--	908	--	908	--	908			--	908			--	908		

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
0	TOPOGRAPHIC REPRODUCTION EQUIP................	--	---	--	---	--	---			--	---			--	---		
114	WET GAP BRIDGE SYSTEM........................	168	5,628	168	5,628	168	5,628			168	5,628			168	5,628		
115	BOAT BRIDGE..................................	--	---	--	---	--	---			--	---			--	---		
117	POWER EQUIPMENT ASSORTED.....................	--	1,272	--	1,272	--	1,272			--	1,272			--	1,272		
118	MOB ELECT POWER DIST SYS (MEPDIS)............	--	---	--	---	--	---			--	---			--	---		
0	CONVENTIONAL MINE LAYING SYSTEM..............	--	---	--	---	--	---			--	---			--	---		
0	CLEARED LANE MARKING SYSTEM..................	--	---	--	---	--	---			--	---			--	---		
119	MINING SYSTEMS...............................	--	---	--	---	--	---			--	---			--	---		
	MATERIALS HANDLING EQUIPMENT																
120	COMMAND SUPPORT EQUIPMENT....................	--	6,792	--	6,792	--	6,792			--	6,792			--	6,792		
121	HQ SPT EQ....................................	--	3,374	--	3,374	--	3,374			--	3,374			--	3,374		
122	GARRISON MOBILE ENGR EQUIP...................	--	3,838	--	3,838	--	3,838			--	3,838			--	3,838		
123	TELEPHONE SYSTEM.............................	--	---	--	---	--	---			--	---			--	---		
124	AUTO MAT HANDLING EQUIP......................	--	959	--	959	--	959			--	959			--	959		
125	HQMC ITEMS...................................	--	327	--	327	--	327			--	327			--	327		
126	MATERIEL HANDLING EQUIP......................	--	2,290	--	2,290	--	2,290			--	2,290			--	2,290		
	GENERAL PROPERTY																
127	LTWT DECONTAMINAION SYSTEM...................	276	3,409	276	3,409	276	3,409			276	3,409			276	3,409		
128	TRN DEVICES (AUDIO VISUAL)...................	--	1,440	--	1,440	--	1,440			--	1,440			--	1,440		
129	TRN DEVICES (SIMULATORS).....................	--	9,862	--	9,862	--	9,862			--	9,862			--	9,862		
130	SHELTER FAMILY...............................	--	---	--	---	--	---			--	---			--	---		
131	CONTAINER FAMILY.............................	1,859	3,002	1,859	3,002	1,859	3,002			1,859	3,002			1,859	3,002		
132	CHEMICAL ALARM SYSTEM........................	386	916	386	916	386	916			386	916			386	916		
133	CHEMICAL PROTECTION EQUIPMENT................	--	---	--	---	--	---			--	---			--	---		
134	DECON APPARATUS PWR DRIVEN...................	--	---	--	---	--	---			--	---			--	---		
	OTHER SUPPORT																
135	MODIFICATION KITS............................	--	---	--	---	--	---			--	---			--	---		
136	ITEMS LESS THAN $2 MILLION...................	--	4,913	--	4,913	--	4,913			--	4,913			--	4,913		
	TOTAL, ENGINEER AND OTHER EQUIPMENT........		187,770		187,770		187,770		0		187,770		0		187,770		0
	SPARES & REPAIR PARTS																
137	SPARES AND REPAIR PARTS......................	--	29,692	--	29,692	--	29,692			--	29,692			--	29,692		
0	REPLENISHMENT SPARES.........................	--	---	--	---	--	---			--	---			--	---		
	TOTAL, SPARES AND REPAIR PARTS.............		29,692		29,692		29,692		0		29,692		0		29,692		0

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1 LINE	ITEM	FY 1988 BUDGET REQUEST QTY	FY 1988 BUDGET REQUEST AMOUNT	FY 1988 HOUSE PASSED QTY	FY 1988 HOUSE PASSED AMOUNT	FY 1988 SENATE PASSED QTY	FY 1988 SENATE PASSED AMOUNT	CONFERENCE AGREEMENT CHANGE FROM REQUEST QTY	CONFERENCE AGREEMENT CHANGE FROM REQUEST AMOUNT	CONFERENCE AGREEMENT RECOMMENDATION QTY	CONFERENCE AGREEMENT RECOMMENDATION AMOUNT	CONTINGENT LEVEL CHANGE FROM REQUEST QTY	CONTINGENT LEVEL CHANGE FROM REQUEST AMOUNT	CONTINGENT LEVEL RECOMMENDATION QTY	CONTINGENT LEVEL RECOMMENDATION AMOUNT	DIFFERENCE QTY	DIFFERENCE AMOUNT
O	INFLATION SAVINGS, FY87	--	---	--	---	--	---			--	---			--	---		
O	PROFIT POLICY CHANGE	--	---	--	---	--	---			--	---			--	---		
O	UNDISTRIBUTED REDUCTION						(24,000)				0				0		
	TOTAL, PROCUREMENT, MARINE CORPS		1,402,440		1,286,195		1,378,440		(68,865)		1,333,575		(71,894)		1,330,546		(3,029)
	TRANSFER FROM OTHER ACCOUNTS		---		---		---				---				---		
	TOTAL FUNDING AVAILABLE		1,402,440		1,286,195		1,378,440		(68,865)		1,333,575		(71,894)		1,330,546		(3,029)

ITEM OF SPECIAL INTEREST

Hawk guided missile

The budget request contained $137.0 million for 525 Hawk missiles for fiscal year 1988 and $24.4 million for advance procurement for fiscal year 1989.

The House bill would authorize the amounts requested for fiscal year 1988, provide no authorization for advance procurement for fiscal year 1989 and deny a multiyear procurement request. The Senate amendment would authorize the amounts requested and approve multiyear procurement.

The conferees reviewed the proposal for multiyear procurement of Hawk missiles and found that the averge cost of the Hawk missiles under a projected multiyear procurement contract exceeds the prices paid for similar missiles on an annual contract during the past two years. The conferees question the plausibility of the Department's projections of the cost of the missile under future annual contracts against which savings under a multiyear contract are projected. Therefore, the conferees included a provision (sec. 108(b)) which permits multiyear contracts for Hawk missiles only if the multiyear contract provides savings of 12 percent from the average of the missiles costs in the previous two fiscal years, adjusted for inflation and quantity. The conferees take this action based on the poor quality of the annual contract projections contained in the Marine Corps' request for multiyear spending authority.

The conferees recommend authorization of $123.0 million for procurement of 525 Hawks in fiscal year 1988, and $14.0 million for advance procurement of Hawk missiles for fiscal year 1989.

AIRCRAFT PROCUREMENT, AIR FORCE

OVERVIEW

The budget request for fiscal year 1988 contained authorization of $14,191.4 million for Air Force aircraft procurement. The House bill authorized $11,557.8 million for such procurement. The Senate amendment authorized $13,754.9 million.

The conferees recommend authorization of $13,224.3 million for Air Force aircraft procurement in fiscal year 1988. The conferees recommend a total authorization of $12,689.3 million at the contingent level.

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	AIR FORCE PROCUREMENT																
	AIRCRAFT PROCUREMENT, AIR FORCE																
	COMBAT AIRCRAFT																
	STRATEGIC OFFENSIVE																
	TACTICAL FORCES																
3	AIR DEFENSE COMPETITION	--	---	--	---	--	---			--	---			--	---		
0	AIR DEFENSE COMPETITION (AP-CY)	--	---	--	---	--	---			--	---			--	---		
4	F-15 D/E	42	1,384,200	42	1,334,200	42	1,334,200		(50,000)	42	1,334,200		(50,000)	42	1,334,200		
5	F-15 D/E (AP-CY)	--	154,200		154,200		154,200				154,200				154,200		
6	F-16 C/D (MYP)	180	2,223,668	180	2,123,668	180	2,173,668		(50,000)	180	2,173,668		(50,000)	180	2,173,668		
7	F-16 C/D (MYP) (AP-CY)	--	475,900		475,900		475,900				475,900				475,900		
7a	A-7 PLUS PRODUCT IMPROVED CLOSE AIR SUPPORT	--	---	--	---		10,000		10,000		10,000		10,000		10,000		
	OTHER COMBAT AIRCRAFT																
8	KC-10A (ATCA) (MYP)	--	---	--	---	--	---			--	---			--	---		
0	AC-130H GUNSHIP	--	---	--	---	--	---			--	---			--	---		
0	AC-130H GUNSHIP (AP-CY)	--	---	--	---	--	---			--	---			--	---		
10	MC-130H	7	356,500	6	309,500	7	329,000		(27,500)	7	329,000		(27,500)	7	329,000		
11	MC-130H (AP-CY)	--	15,800		15,800		15,800				15,800				15,800		
12	AC-130U GUNSHIP	5	217,800	0	0	5	236,000			5	217,800	(4)	(107,500)	1	110,300	(4)	(107,500)
13	AC-130U GUNSHIP (AP-CY)	--	59,200		18,201		59,200		(23,900)		35,300		(23,900)		35,300		
	TOTAL, COMBAT AIRCRAFT		4,887,268		4,431,469		4,787,968		(141,400)		4,745,868		(248,900)		4,638,368		(107,500)
	AIRLIFT AIRCRAFT																
	STRATEGIC AIRLIFT																
14	C-5B	--	---	--	---	--	---			--	---			--	---		
	TACTICAL AIRLIFT																
16	C-17	2	617,900	2	600,000	2	617,900			2	617,900		(17,900)	2	600,000		(17,900)
17	C-17 (AP-CY)	--	66,300		66,300		66,300				66,300				66,300		
	OTHER AIRLIFT																
0	C-12J	--	---	--	---	--	---			--	---			--	---		
19	C-27	5	65,900	0	0	5	65,900	(5)	(65,900)	0	0	(5)	(65,900)	0	0		
	TOTAL, AIRLIFT AIRCRAFT		750,100		666,300		750,100		(65,900)		684,200		(83,800)		666,300		(17,900)

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	TRAINER AIRCRAFT																
	UPT TRAINERS																
0	T-46A (NGT)	--	---	--	---	--	---			--	---			--	---		
0	T-46A (NGT) (AF-CY)	--	---	--	---	--	---			--	---			--	---		
	TOTAL, TRAINER AIRCRAFT		---		---		---		0		---		0		---		0
	OTHER AIRCRAFT																
	HELICOPTERS																
	MISSION SUPPORT AIRCRAFT																
24	CIVIL AIR PATROL A/C	38	600	38	600	38	600			38	600			38	600		
26	TR-1/U-2	--	10,700		10,700		10,700				10,700				10,700		
	TOTAL, OTHER AIRCRAFT		11,300		11,300		11,300		0		11,300		0		11,300		0
	MODIFICATION OF INSERVICE AIRCRAFT																
	STRATEGIC AIRCRAFT																
28	B-52	--	270,700	--	238,700	--	270,700		(16,800)	--	253,900		(20,000)	--	250,700		(3,200)
29	FB-111	--	800	--	800	--	800			--	800			--	800		
30	B-1B	--	4,600	--	4,600	--	4,600			--	4,600			--	4,600		
	TACTICAL AIRCRAFT																
31	A-7	--	700	--	700	--	700			--	700			--	700		
32	A-10	--	13,600	--	12,240	--	13,600		(1,360)	--	12,240		(1,360)	--	12,240		
33	F/RF-4	--	10,400	--	10,400	--	10,400			--	10,400			--	10,400		
34	F-5	--	4,300	--	4,300	--	4,300			--	4,300			--	4,300		
35	F-15	--	161,200	--	155,400	--	167,300		6,100	--	167,300			--	161,200		(6,100)
36	F-16	--	76,300	--	76,300	--	76,300			--	76,300			--	76,300		
37	F-111	--	253,100	--	253,100	--	253,100			--	253,100			--	253,100		
38	EF-111	--	---	--		--				--				--			
39	TR-1A	--	10,900	--	9,867	--	10,900		(1,033)	--	9,867		(1,033)	--	9,867		
40	T/AT-37	--	12,400	--	0	--	12,400				12,400				12,400		
	AIRLIFT AIRCRAFT																
41	C-5	--	16,900	--	16,900	--	16,900			--	16,900			--	16,900		
42	C-9	--	2,700	--	2,700	--	2,700			--	2,700			--	2,700		
43	C-22	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
44	C-137	--	1,800	--	1,800	--	1,800			--	1,800			--	1,800		
45	C-141	--	17,100	--	11,565	--	22,600		5,500	--	22,600		5,500	--	22,600		
	TRAINER AIRCRAFT																
46	T-38	--	13,800	--	13,800	--	13,800			--	13,800			--	13,800		
47	T-43	--	400	--	400	--	400			--	400			--	400		
	OTHER AIRCRAFT																
48	KC-10A (ATCA)	--	13,200	--	7,109	--	13,200			--	13,200			--	13,200		
50	C-130	--	217,500	--	197,877	--	250,400		32,900	--	250,400			--	217,500		(32,900)
51	C-135	--	629,500	50	793,100	--	793,500	50	164,000	50	793,500	50	164,000	50	793,500		
52	E-3	--	27,700		27,700	--	27,700				27,700				27,700		
53	E-4	--	---		---	--	---				---				---		
54	H-1	--	1,700		1,700	--	1,700				1,700				1,700		
55	H-3 AIRCRAFT SYSTEM	--	200		200	--	200				200				200		
56	HH-53 AIRCRAFT	--	400		79,800	--	83,400			--	400			--	400		
57	OTHER AIRCRAFT	--	62,000		62,000	--	62,000				62,000				62,000		
0	OV-10	--	---		---	--	---				---				---		
	OTHER MODIFICATIONS																
58	CLASSIFIED PROJECTS	--	83,728		37,728	--	75,728		(30,000)		53,728		(30,000)		53,728		
58a	CLASSIFIED PROJECTS MODIFICATION				[-25,800]		[---]				[-25,800]				[-25,800]		
58b	CLASSIFIED PROJECTS MODIFICATION				[-19,200]		[---]				[-4,200]				[-4,200]		
58c	CLASSIFIED PROJECTS MODIFICATION				[-1,000]		[---]				[---]				[---]		
58d	CLASSIFIED PROJECTS MODIFICATION				[---]		[-8,000]				[---]				[---]		
0	GROUND PROXIMITY WARNING SYS	--	---		---	--	---				---				---		
	TOTAL, MODIFICATION OF INSERVICE AIRCRAFT		1,907,628		2,020,786		2,191,128		159,307		2,066,935		117,107		2,024,735		(42,200)
	AIRCRAFT SPARES AND REPAIR PARTS																
60	SPARES AND REPAIR PARTS	--	2,965,967	--	2,566,462	--	3,025,067		(311,500)	--	2,654,467		(318,800)	--	2,647,167		(7,300)
60a	SOF AIRLIFT SPARES				[---]		[59,100]				[59,100]				[59,100]		
60b	B-1B REPLENISHMENT SPARES				[-258,000]		[---]				[-258,000]				[-258,000]		
60c	AC-130U SPARES				[-9,100]		[---]				[---]				[-7,300]		
60d	MC-130H SPARES				[-4,400]		[---]				[---]				[---]		
60e	C-27 SPARES				[-4,600]		[---]				[-4,600]				[-4,600]		
60f	CLASSIFIED SPARES				[-15,405]		[---]				[---]				[---]		
60g	PROGRAM EXECUTION				[-108,000]		[---]				[-108,000]				[-108,000]		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1 LINE	ITEM	FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIE																
61	COMMON GROUND EQUIPMENT	--	221,275	--	221,275	--	221,275			--	221,275			--	221,275		
62	INDUSTRIAL RESPONSIVENESS	--	40,000	--	40,000	--	40,000			--	40,000			--	40,000		
63	WAR CONSUMABLES	--	50,000	--	50,000	--	50,000			--	50,000			--	50,000		
64	OTHER PRODUCTION CHARGES	--	3,135,933	--	2,329,795	--	3,365,633		188,753	--	3,324,686		(149,447)	--	2,986,486		(338,200)
64a	CLASSIFIED PROGRAM				[-679,500]		[---]				[---]				[-70,200]		
64b	CLASSIFIED PROGRAM				[-11,500]		[---]				[-11,500]				[-11,500]		
64c	CLASSIFIED PROGRAM				[-19,191]		[---]				[-7,000]				[-7,000]		
64d	CLASSIFIED PROGRAM				[-12,847]		[---]				[-12,847]				[-12,847]		
64e	CLASSIFIED PROGRAM				[-24,400]		[---]				[-24,400]				[-24,400]		
64f	NAVSTAR GPS				[-53,500]		[---]				[-25,200]				[-53,500]		
64g	AME				[-5,200]		[---]				[---]				[---]		
64h	CLASSIFIED PROGRAM				[---]		[229,700]				[229,700]				[---]		
64i	TR-1 ENGINES				[---]		[---]				[10,000]				[10,000]		
64j	TR-1 ASARS MODIFICATION				[---]'		[---]				[30,000]				[20,000]		
65	COMMON ECM EQUIPMENT	--	221,900	--	185,357	--	221,900			--	221,900		(21,900)	--	200,000		(21,900)
	TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND FACIL		3,669,108		2,826,427		3,898,808		188,753		3,857,861		(171,347)		3,497,761		(360,100)
O	INFLATION SAVINGS, FY87	--	---	--	---	--	---			--	---			--	---		
O	PROFIT POLICY CHANGE	--	---	--	---	--	---			--	---			--	---		
O	PRIOR YEAR SAVINGS																
O	C-5B, FY 87 AND PRIOR				(323,300)		(284,398)		(323,300)		(323,300)		(323,300)		(323,300)		
O	F-100 ENGINES, FY 87 AND PRIOR				(34,000)		(34,000)		(34,000)		(34,000)		(34,000)		(34,000)		
O	T-46A				(320,000)		(360,000)		(360,000)		(360,000)		(360,000)		(360,000)		
O	ASPJ, FY 87 AND PRIOR				(90,000)				(5,000)		(5,000)		(5,000)		(5,000)		
O	CLASSIFIED MODS, FY 1986 AND PRIOR				(132,600)				(74,000)		(74,000)		(74,000)		(74,000)		
O	OTHER PRODUCTION CHARGES, F-111 AVIONICS																
O	UPGRADE, FY 1987 AND PRIOR				(65,000)						0				0		
O	UNDISTRIBUTED REDUCTION						(231,100)				0				0		
	TOTAL, AIRCRAFT PROCUREMENT, AIR FORCE		14,191,371		11,557,844		13,754,873		(967,040)		13,224,331		(1,502,040)		12,689,331		(535,000)
O	TRANSFER FROM OTHER ACCOUNTS		---				---										
	TOTAL FUNDING AVAILABLE		14,191,371		11,557,844		13,754,873		(967,040)		13,224,331		(1,502,040)		12,689,331		(535,000)

ITEMS OF SPECIAL INTEREST

F-16 fighter aircraft (Falcon)

The budget request contained $2,223.7 million for procurement of 180 aircraft in fiscal year 1988 and $475.9 million for advance procurement in fiscal year 1989. The House bill would authorize $2,123.7 million for procurement of 180 aircraft in fiscal year 1988 and $475.9 million for advance procurement in fiscal year 1989. The Senate amendment would authorize $2,173.7 million for procurement of 180 aircraft in fiscal year 1988 and $475.9 million for advance procurement in fiscal year 1989.

The conferees recommend authorization of $2,173.7 million for procurement of 180 aircraft in fiscal year 1988 and $475.9 million for advance procurement of 180 aircraft in fiscal year 1989.

MC-130H (Combat Talon)

The budget request contained $356.5 million for procurement of 7 aircraft in fiscal year 1988 and $15.8 million for advance procurement in fiscal year 1989. The House bill would authorize $309.5 million for procurement of 6 aircraft in fiscal year 1988 and $15.8 million in advance procurement in fiscal year 1989. The Senate amendment would authorize $329.0 million for procurement of 7 aircraft in fiscal year 1988 and $15.8 million in advance procurement in fiscal year 1989.

The conferees recommend authorization of $329.0 million for 7 aircraft in fiscal year 1988 and $15.8 million in advance procurement for 4 aircraft in fiscal year 1989.

AC-130U gunship

The budget request contained $217.8 million for procurement of 5 AC-130U gunship combat aircraft fiscal year 1988. The House bill did not authorize the AC-130U aircraft in fiscal year 1988 but recommended $18.2 million for advance procurement in fiscal year 1989. The Senate amendment would authorize $236.0 million for 5 AC-130U aircraft in fiscal year 1988 and $59.2 million in advance procurement in fiscal year 1989.

The conferees recommend $277.0 million for 5 AC-130U aircraft in fiscal year 1988 and $35.3 million in advance procurement for 6 aircraft in fiscal year 1989.

The conferees recommend a total authorization of $110.3 million for 1 AC-130U aircraft in fiscal year 1988 and $35.3 million in advance procurement for 6 aircraft in fiscal year 1989 at the contingent level.

C-17 tactical airlift aircraft

The budget request contained $617.9 million for procurement of 2 C-17 aircraft in fiscal year 1988 and $66.3 million for advance procurement in fiscal year 1989. The House bill would authorize $600.0 million in fiscal year 1988 for 2 aircraft and $66.3 million for advance procurement in fiscal year 1989. The Senate amendment would authorize $617.9 million for 2 C-17 aircraft in fiscal year 1988 and $66.3 million for advance procurement in fiscal year 1989.

The conferees recommend authorization of $617.9 million in fiscal year 1988 for 2 aircraft and $66.3 million for advance procurement of 4 aircraft in fiscal year 1989.

The conferees recommend a total authorization of $600.0 million for 2 aircraft in fiscal year 1988 and $66.3 million for advance procurement of 4 aircraft in fiscal year 1989 at the contingent level.

C-27 transport aircraft

The budget request contained $65.9 million for procurement of 5 C-27 aircraft in fiscal year 1988. The House bill did not authorize the C-27 transport aircraft in fiscal year 1988. The Senate amendment would authorize $65.9 million for 5 C-27 in fiscal year 1988.

The conferees recommend no authorization at this time. This action is without prejudice and is taken because the requirements for the program are not firm.

The conferees understand that several studies are underway that are designed to finalize the program requirements. Once these studies are completed and the requirements are stabilized, the Air Force would be expected to submit a reprogramming request for the C-27.

TR-1 squadron propulsion upgrade

The House bill authorized $10.0 million above the budget request for the test of new engine for the TR-1/U-2 aircraft. The Senate amendment did not provide similar authorization. The conferees agreed to authorize $10 million for exploratory tests only and do not commit to an engine-replacement program at this time. The conferees understand that the funding for the tests is estimated to be approximately $18.0 million and that the Air Force will submit a reprogramming prior to intitiating the program in fiscal year 1988.

Modification of Air Force aircraft

The budget request contained $1,907.6 million for modification of various Air Force aircraft in fiscal year 1988. The House bill would authorize $2,202.8 million for Air Force aircraft modifications. The Senate amendment would authorize $2,191.1 million for Air Force aircraft modifications.

The conferees recommend authorization of $2,066.9 million for modification of Air Force aircraft in fiscal year 1988 as detailed in the preceding table.

The conferees recommend a total authorization of $2,024.7 million for modification of Air Force aircraft in fiscal year 1988 at the contingent level.

TR-1 advanced synthetic aperture radar (ASARS) modification

The conferees agree to authorize $20.0 million for the modification to the existing TR-1 ASARS radars to give the system a moving target indicators (MTI) capability. The conferees believe that the ASARS MTI effort will complement the Joint Surveillance and Target Attack Radar System (JSTARS) and should be available in the near term. The conferees once again stress that the ASARS MTI development is not a substitute for the E-8A Joint STARS.

T/AT-37 aircraft modification

The budget request contained authorization of $12.4 million for modification of the T/AT-37 aircraft. The T-37 is used for undergraduate pilot training. The House bill did not provide authorization. The Senate amendment authorized the requested amount.

The conferees recommend authorization of $12.4 million. Funds may not be obligated, however, before the Secretary of Defense certifies that the modifications are for flight safety purposes.

Also, the Secretary of Defense is required to approve and to submit to the committees on Armed Services of the Senate and House of Representatives a master plan that details the requirements, equipment, costs, schedule and acquisition plans for meeting the undergraduate pilot training requirements for the Department of the Air Force. Also, the resource management plan should address the most cost effective means, including the feasibility of the joint service programs, for meeting the requirements. The plan is to be submitted by February 1, 1988 and should contain the same level of detail as the Air Force fighter roadmap.

KC-135R conversions

The report accompanying the Senate amendment (S. Rept. 100-57) directs the Air Force to examine the savings that would result from a multiyear procurement at a rate of 50 KC-135R conversions per year to the completion of the conversion program. If the potential savings warrant, the Air Force should submit the appropriate legislative request for a multiyear contract for the balance of the program.

The conferees endorse this language.

Close air support aircraft

The Senate amendment contained a provision (sec. 123(b)) that would designate $10 million of fiscal year 1988 funds authorized for Air Force aircraft procurement for the procurement of equipment, facilities and services for the modification of A-7 aircraft under the A-7 plus program. Such funds could not be obligated before the Secretary of Defense certifies to the Congress, in writing, that the A-7 plus program is a cost-effective approach to modernizing close air support and battlefield air interdiction squadrons in the Air Force and the Air National Guard. The House bill contained no similar provision.

The conferees recommend authorization of $10 million. Funds may not be obligated in excess of $10 million until the Secretary of Defense certifies that (1) obligation of funds will not adversely affect full and open competition on the A-7 upgrade program and (2) the upgraded A-7 aircraft is the most cost-effective alternative for modernizing existing close air support assets and battlefield air interdiction and contributing to meeting the requirements relating to close air support established by the Secretary of Defense.

Also, funds may not be obligated unless the required Department of Defense vulnerability study demonstrates that the upgraded A-7 aircraft meets the vulnerability requirements for the aircraft established by the Secretary of Defense.

Finally, funds in excess of $10 million may not be obligated until the Secretary provides a close air support/battlefield air interdiction master plan. That master plan should contain the same level of detail as the Air Force Fighter Roadmap. It is to be submitted not later than October 1, 1988.

Air Force aircraft spares and repair parts

The budget request contained $2,966 million for Air Force aircraft spares and repair parts in fiscal year 1988. The House bill would authorize $2,566.5 million for Air Force aircraft spares and repair parts. The Senate amendment would authorize $3,025.1 million for procurement of Air Force aircraft spares and repair parts.

The conferees recommend authorization of $2,654.5 million for Air Force aircraft spares and repair parts in fiscal year 1988 as detailed in the preceding table.

The conferees recommend a total authorization of $2,647.2 for Air Force aircraft spares and repair parts in fiscal year 1988 at the contingent level.

Air Force aircraft support equipment and facilities

The budget request contained $3,669.1 million for procurement of Air Force aircraft support equipment and facilities in fiscal year 1988. The House bill would authorize $2,826.4 million for this purpose. The Senate amendment would authorize

$3,898.8 million for Air Force aircraft support equipment and facilities in fiscal year 1988.

The conferees recommend authorization of $3,857.9 million for such purposes in fiscal year 1988 as detailed in the preceding table.

The conferees recommend a total authorization of $3,497.8 million for Air Force aircraft support equipment and facilities at the contingent level.

Common ground equipment

The budget request for fiscal year 1988 contained authorization of $221.3 million for common ground equipment. Included in this amount is $53.3 million for the procurement of 122 ground power generator systems that provide electrical power, compressed air and air conditioning to tactical and strategic aircraft during maintenance and operational functions.

Both the House bill and the Senate amendment authorized the requested amount. The conferees have learned that the Air Force intends to conduct a study of the proper mix of various ground power generator systems, including the potential use of a single multi-purpose unit that combines power and cooling capabilities for flight line maintenance. The conferees endorse the study.

Air Force aircraft procurement, prior year savings

The House bill included prior year adjustments of $964.9 million to the Air Force aircraft procurement budget request for fiscal year 1988. The Senate amendment provided adjustments of $678.4 million.

The conferees recommend prior year adjustments totaling $796.3 million to fiscal year 1988 Air Force aircraft procurement accounts.

Air Force aircraft procurement, undistributed reduction

The House bill did not include undistributed reductions against the Air Force aircraft procurement account in fiscal year 1988. The Senate amendment provided for such reductions in the amount of $231.1 million.

The Senate recedes.

MISSILE PROCUREMENT, AIR FORCE

OVERVIEW

The budget request for fiscal year 1988 contained authorization of $9,772.7 million for Air Force missile procurement. The House bill would authorize $7,296.3 million for such procurement. The Senate amendment would authorize $9,137.5 million.

The conferees recommended authorization of $7,513.5 million for Air Force missile procurement in fiscal year 1988. The conferees recommend total authorization of $7,229.9 million for Air Force missile procurement in fiscal year 1988 at the contingent level.

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	MISSILE PROCUREMENT, AIR FORCE																
	BALLISTIC MISSILES																
	STRATEGIC																
1	PEACEKEEPER (M-X)	21	1,259,949	12	864,000	21	1,159,949	(9)	(395,949)	12	864,000	(9)	(395,949)	12	864,000		
2	SMALL ICBM	--	---	--	---	--	---			--	---			--	---		
	MISSILE REPLACEMENT EQUIPMENT - BALLIST																
3	MISSILE REPLACEMENT EQ-BALLISTIC	--	54,559	--	54,559	--	54,559			--	54,559			--	54,559		
	TOTAL, BALLISTIC MISSILES		1,314,508		918,559		1,214,508		(395,949)		918,559		(395,949)		918,559		0
	OTHER MISSILES																
	STRATEGIC																
0	SRAM II	--	---	--	---	--	---			--	---			--	---		
8	AIR LAUNCH CRUISE MISSILE	--	2,347	--	2,347		2,347			--	2,347			--	2,347		
	TACTICAL																
9	AIM-7F/M SPARROW	558	99,462	758	134,462	558	99,462	200	35,000	758	134,462	100	17,500	658	116,962	(100)	(17,500)
10	AIM-9L/M SIDEWINDER	956	53,051	1,256	69,051	956	53,051	300	16,000	1,256	69,051			956	53,051	(300)	(16,000)
11	AGM-130 POWERED GBU-15	121	43,754	73	26,397	0	0	(121)	(43,754)	0	0	(121)	(43,754)	0	0	0	0
12	AGM-65D MAVERICK (MYP)	2,100	354,605	2,100	325,000	2,100	325,005		(29,605)	2,100	325,000		(29,605)	2,100	325,000		
13	AGM-65D MAVERICK (MYP) (AP-CY)	--	---			--	---										
14	AGM-88A HARM	1,748	422,945	1,748	402,654	1,748	402,745		(20,291)	1,748	402,654		(20,291)	1,748	402,654		
15	RAPIER	--	31,200	--	31,200	--	31,200			--	31,200			--	31,200		
16	AMRAAM	630	832,882	500	680,800	630	832,882	(130)	(89,782)	500	743,100	(130)	(89,782)	500	743,100		
17	AMRAAM (AP-CY)	--	---	--	---	--	---			--	---			--	---		
18	GRD LAUNCH CRUISE MISSILE	37	70,792	0	0	37	70,792	(37)	(70,792)	0	0	(37)	(70,792)	0	0		
19	GRD LAUNCH CRUISE MISSILE (AP-CY)	--	---	--	---	--	---			--	---			--	---		
20	STINGER	--	---	--	---	--	---			--	---			--	---		
	TARGET DRONES																
21	TARGET DRONES	48	11,040	48	11,040	48	11,040			48	11,040			48	11,040		
	INDUSTRIAL FACILITIES																
22	INDUSTRIAL FACILITIES	--	13,517	--	13,517	--	13,517			--	13,517			--	13,517		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
INE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	MISSILE REPLACEMENT EQUIPMENT - OTHER																
23	MISSILE REPLACEMENT EQ-OTHER	--	7,610	--	7,610	--	7,610			--	7,610			--	7,610		
	TOTAL, OTHER MISSILES		1,943,205		1,704,078		1,849,651		(203,224)		1,739,981		(236,724)		1,706,481		(33,500)
	MODIFICATION OF INSERVICE MISSILES																
	CLASS IV																
0	CLASS IV	--	---	--	---	--	---			--	---			--	---		
26	MM II/III MODIFICATIONS	--	119,223	--	103,700	--	119,223		(15,523)	--	103,700		(15,523)	--	103,700		
27	AGM-88A HARM	--	2,245	--	2,245	--	2,245			--	2,245			--	2,245		
28	AIR LAUNCH CRUISE MISSILE	--	7,381	--	7,381	--	7,381			--	7,381			--	7,381		
29	GRD LAUNCH CRUISE MISSILE	--	15,400	--	0	--	15,400		(15,400)		0		(15,400)		0		
30	PEACEKEEPER (M-X)	--	1,311	--	1,311	--	1,311			--	1,311			--	1,311		
31	MODIFICATIONS UNDER $2.0M	--	232	--	232	--	232			--	232			--	232		
	TOTAL, MODIFICATION OF INSERVICE MISSILES		145,792		114,869		145,792		(30,923)		114,869		(30,923)		114,869		0
	MISSILE SPARES + REPAIR PARTS																
32	SPARES AND REPAIR PARTS	--	224,116		155,248	--	224,116		(1,197)		222,919		(44,068)		180,048		(42,871)
32a	CLASSIFIED PROGRAM SPARES				[-9,000]		[---]				[---]				[---]		
32b	AGM-130 POWERED GBU-15 SPARES				[-403]		[---]				[-403]				[-403]		
32c	AGM-65D MAVERICK SPARES				[-756]		[---]				[-756]				[-756]		
32d	AMRAAM SPARES				[-997]		[---]				[-997]				[-997]		
32e	AGM-88A HARM SPARES				[-445]		[---]				[-445]				[-445]		
32f	REPLENISHMENT SPARES				[-42,871]		[---]				[---]				[-42,871]		
32g	GRD LAUNCH CRUISE MISSILE SPARES				[-6,514]		[---]				[-6,514]				[-6,514]		
32h	CLASSIFIED PROGRAM SPARES				[-600]		[---]				[15,200]				[15,200]		
32i	PEACEKEEPER (M-X) SPARES				[-7,282]		[---]				[-7,282]				[-7,282]		
	OTHER SUPPORT																
	SPACE PROGRAMS																
33	SPACEBORNE EQUIP (COMSEC)	--	23,682	--	23,682	--	23,682			--	23,682			--	23,682		
34	GLOBAL POSITIONING (MYP)	4	92,605	4	92,605	4	92,605			4	92,605			4	92,605		
0	GLOBAL POSITIONING (MYP) (AP-CY)	--	---	--		--	---			--				--			
35	SPACE SHUTTLE OPERATIONS (MYP)	--	108,051	--	86,486	--	108,051		(15,565)	--	92,486		(21,565)	--	86,486		(6,000)
36	SPACE SHUTTLE OPERATIONS (MYP) (AP-CY)	--	---	--		--	---			--				--			
37	DEF METEOROLOGICAL SAT PROG (MYP)	--	5,746	--	5,746	--	5,746			--	5,746			--	5,746		
38	DEF METEOROLOGICAL SAT PROG (MYP) (AP-CY)	--	91,700	--	83,879	--	91,700		(7,821)	--	83,879		(7,821)	--	83,879		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
39	DEFENSE SUPPORT PROGRAM (MYP)	1	328,743	1	328,743	1	328,743			1	328,743			1	328,743		
40	DEFENSE SUPPORT PROGRAM (MYP) (AP-CY)	--	63,100	--	63,100	--	63,100			--	63,100			--	63,100		
41	DEFENSE SATELLITE COMM SYSTEM (MYP)	1	75,870	1	65,389	1	75,870		(3,970)	1	71,900		(10,481)	1	65,389		(6,511)
42	DEFENSE SATELLITE COMM SYSTEM (MYP) (AP-CY)	--	---	--	---	--	---			--	---			--	---		
44	SPACE BOOSTERS (MYP)	9	306,412	9	306,412	9	306,412			9	306,412			9	306,412		
45	SPACE BOOSTERS (MYP) (AP-CY)	--	168,000	--	168,000	--	168,000			--	168,000			--	168,000		
0	SPACE DEFENSE SYSTEM	--	---	--	---	--	---			--	---			--	---		
0	SPACE DEFENSE SYSTEM (AP-CY)	--	21,800	--	0		0		(21,800)	--	0		(21,800)	--	0		
48	MEDIUM LAUNCH VEHICLE	4	197,900	4	197,900	4	197,900			4	197,900			4	197,900		
	SPECIAL PROGRAMS																
50	OTHER PROGRAMS	--	24	--	24	--	24			--	24			--	24		
51	FOREST GREEN	--	---	--	---	--	---			--	---			--	---		
52	IONDS (MYP)	--	22,483	--	22,483	--	22,483			--	22,483			--	22,483		
53	SPECIAL PROGRAMS	--	2,273,465	--	2,217,965	--	2,218,665		(54,800)	--	2,218,665		(54,800)	--	2,218,665		
54	SPECIAL UPDATE PROGRAMS	--	1,236,200	--	736,200	--	1,236,200		(833,000)		403,200		(1,027,800)		208,400		
999	CLASSIFIED PROGRAMS	--	1,129,291	--	204,891	--	929,291		(525,900)	--	603,391		(525,900)	--	603,391		
999a	CLASSIFIED PROGRAM				[-898,800]		[-200,000]				[-525,900]				[-525,900]		
999b	CLASSIFIED PROGRAM				[-25,600]						[---]				[---]		
	TOTAL, OTHER SUPPORT		6,145,072		4,603,505		5,868,472		(1,462,856)		4,682,216		(1,670,167)		4,474,905		(207,311)
0	INFLATION SAVINGS, FY87	--	---			--	---										
0	PROFIT POLICY CHANGE	--	---			--	---										
0	PRIOR YEAR SAVINGS																
0	MX, FY 1987 AND PRIOR YEARS				(200,000)				(165,000)		(165,000)		(165,000)		(165,000)		
0	UNDISTRIBUTED REDUCTION						(165,000)				0				0		
0																	
	TOTAL, MISSILE PROCUREMENT, AIR FORCE		9,772,693		7,296,259		9,137,539		(2,259,149)		7,513,544		(2,542,831)		7,229,862		(283,682)
	TRANSFER FROM OTHER ACCOUNTS		---				---										
	TOTAL FUNDING AVAILABLE		9,772,693		7,296,259		9,137,539		(2,259,149)		7,513,544		(2,542,831)		7,229,862		(283,682)

ITEMS OF SPECIAL INTEREST

MX advanced intercontinental ballistic missile system

The budget request contained $1,259.9 million for procurement of 21 MX missiles in fiscal year 1988. The House bill would authorize $864.0 million for procurement of 12 MX missiles. The Senate amendment would authorize $1,159.9 million for procurement of 21 MX missiles in fiscal year 1988.

The conferees recommend authorization of $864.0 million for procurement of 12 MX missiles.

The House bill included prior year adjustments of $200 million to the MX missile program. The Senate amendment included $165 million in undistributed adjustments to the Air Force missile procurement budget request for fiscal year 1988.

The conferees recommend prior year adjustments of $165 million to the MX missile program.

Advanced cruise missile

The budget request contained a classified amount for the procurement of the advanced cruise missile (ACM). The House bill reduced the requested amount by $899.4 million. The Senate amendment reduced the budget request by $200 million.

The conferees recommend authorization for the ACM program that is $510.7 million below the requested amount. The conferees' action reflects the anticipated restructuring of the program because of slower than expected completion of important testing milestones.

The conferees continue to support strongly the advanced cruise missile program. The conferees agreed, however, that the performance of the development program to date cannot justify the planned pace of the program, and therefore agreed to funding levels that would slow the program. They further agreed to measures designed to increase the leverage of the government in achieving the desired level of system and schedule performance. These measures include a provision whereby certain test milestones must be achieved by a date certain or the government must contract with a second source. Should the test milestones be achieved, the government could either award an incentive option to the existing contractor, or contract with a second source, depending on the government's evaluation of the existing contractor's ability to meet program objectives.

Further details of the conferees actions are contained in the classified statement of managers.

AIM-7F/M Sparrow

The budget request contained $99.5 million for procurement of 558 Sparrow missiles in fiscal year 1988. The House bill would authorize $134.5 million for procurement of 758 Sparrow missiles in fiscal year 1988. The Senate amendment would authorize the amount requested for 558 Sparrow missiles.

The conferees recommend authorization of $134.5 million for procurement of 758 AIM-7F/M Sparrow missiles in fiscal year 1988.

The conferees recommend total authorization of $117.0 million for 658 AIM-7F/M Sparrow missiles in fiscal year 1988 at the contingent level.

AIM-9L-M Sidewinder

The budget request contained $53.1 million for procurement of 956 AIM-9L/M Sidewinder missiles in fiscal year 1988. The House bill would authorize $69.1 million for procurement of 1,256 Sparrow missiles in fiscal year 1988. The Senate amendment would authorize the amount requested for procurement of 596 missiles.

The conferees recommend $69.1 million for procurement of 1256 missiles in fiscal year 1988.

The conferees recommend total authorization of $53.1 million for procurement of 956 missiles in fiscal year 1988 at the contingent level.

AGM-130 Powered GBU-15

The budget request contained $43.8 million for procurement of 121 AGM powered GBU-15 missiles in fiscal year 1988. The House bill would authorize $26.4 million for procurement of 73 AGM powered GBU-15 missiles. The Senate amendment did not authorize the program in fiscal year 1988.

The conferees recommend no authorization in fiscal year 1988 for the AGM-130 powered GBU-15 missile program.

AGM-65D Maverick

The budget request contained $354.6 million for procurement of 2,100 AGM-65D Maverick missiles in fiscal year 1988. The House bill would authorize $325.0 million for procurement of 2,100 Maverick missiles in fiscal year 1988. The Senate amendment would authorize $325.0 million for procurement of 2,100 Maverick missiles in fiscal year 1988.

The conferees recommend authorization of $325.0 million for procurement of 2,100 Maverick missiles in fiscal year 1988.

AGM-88A HARM

The budget request contained $422.9 million for procurement of 1,738 AGM-88A HARM missiles in fiscal year 1988. The House bill would authorize $402.7 million for procurement of 1,748 HARM missiles in fiscal year 1988. The Senate amendment would authorize $402.7 million for procurement of 1,748 HARM missiles in fiscal year 1988.

The conferees recommend authorization of $402.7 million for procurement of 1,748 AGM-88A HARM missiles in fiscal year 1988.

Advanced medium range air-to-air missile (AMRAAM)

The budget request contained $832.9 million for procurement of 630 AMRAAM missiles in fiscal year 1988.

The House bill would authorize $680.8 million for procurement of 500 AMRAAM missiles in fiscal year 1988. The Senate amendment would authorize $832.9 million for procurement of 630 AMRAAM missiles in fiscal year 1988.

The conferees recommend authorization of $743.1 million for procurement of 500 AMRAAM missiles in fiscal year 1988.

Ground launched cruise missile

The budget request contained $70.8 million for procurement of 37 ground launched cruise missiles and $15.4 million for GLCM modifications in fiscal year 1988. The House bill did not authorize the ground launched cruise missile program in fiscal year 1988. The Senate amendment would authorize $70.8 for procurement of 37 ground launched cruise missiles and $15.4 million for GLCM mods in fiscal year 1988.

The conferees agreed to provide no authorization for ground launched cruise missile procurement. This action was *not* taken in anticipation of an arms control agreement to eliminate this class of missiles, but rather in recognition of the fact that all missiles required to support planned GLCM deployments have already been procured. The requested missiles were pipeline spares that would be part of the maintenance float. The conferees believe that support requirements, in the absence of a treaty, could be provided for in subsequent budget submissions.

Air Force other missile support

The budget request contained $6,145.1 million in authorization for other support in fiscal year 1988. The House bill would authorize $4,603.5 million. The Senate amendment would authorize $5,868.5 million.

The conferees recommend authorization of $4,682.2 million for Air Force other support in fiscal year 1988 as detailed in the foregoing table. The following programs are contained within the authorization:

[In millions of dollars]

Space shuttle operations	$92.5
Defense meteorological satellite program	83.9
Defense satellite communications system	71.9
Special programs	2,218.7
Special update programs	403.2
Classified programs	603.4

The conferees recommend total authorization of $4,474.9 million as detailed in the following table at the contingent level. The following programs are contained within the authorization:

[In millions of dollars]

Space shuttle operations	$86.5
Defense meteorological satellite program	83.9
Defense satellite communications system	65.4
Special programs	2,218.7
Special update programs	208.4
Classified programs	603.4

Modification of missiles

The budget request contained $145.8 million for the modification of missiles in fiscal year 1988. The House bill would authorize $114.9 million. The Senate bill would authorize $145.7 million for missile modifications in fiscal year 1988.

The conferees recommend authorization of $114.9 million for missile modification in fiscal year 1988.

Missile spares and repair parts

The budget request contained authorization of $224.1 million for missile spares and repair parts in fiscal year 1988. The House bill would authorize $155.2 million. The Senate amendment would authorize $224.1 million.

The conferees recommend authorization of $222.9 million for missile spares and repair parts as detailed in the preceding table.

The conferees recommend total authorization of $180.0 million for missile spares and repair parts in fiscal year 1988 at the contingent level.

OTHER PROCUREMENT, AIR FORCE

OVERVIEW

The fiscal year 1988 budget request contained authorization of $8,570.5 million for other procurement.

The House bill would authorize $8,350.9 million for other procurement. The Senate amendment would provide $8,210.8 million in authorization.

The conferees recommend authorization of $8,422.9 million for other procurement in the following manner:

[In millions of dollars]

Munitions and associated equipment	$687.6

Vehicular equipment	239.1
Electronics and telecommunications equipment	2,190.2
Other base maintenance and support equipment	5,316.9

Specific program authorization are detailed in the following table.

The conferees recommend authorization of $8,243.5 million for other procurement at the contingent level in the following manner:

[In millions of dollars]

Munitions and associated equipment.	$656.3
Vehicular equipment	239.1
Electronics and telecommunications equipment	2,071.6
Other base maintenance and support equipment	5,287.5

Specific program authorization are detailed in the following table.

(AMOUNTS IN THOUSANDS OF DOLLARS)

P-1 LINE ITEM	FY 1988 BUDGET REQUEST QTY	AMOUNT	FY 1988 HOUSE PASSED QTY	AMOUNT	FY 1988 SENATE PASSED QTY	AMOUNT	CONFERENCE AGREEMENT CHANGE FROM REQUEST QTY	AMOUNT	CONFERENCE AGREEMENT RECOMMENDATION QTY	AMOUNT	CONTINGENT LEVEL CHANGE FROM REQUEST QTY	AMOUNT	CONTINGENT LEVEL RECOMMENDATION QTY	AMOUNT	DIFFERENCE QTY	AMOUNT
OTHER PROCUREMENT, AIR FORCE																
MUNITIONS AND ASSOCIATED EQUIPMENT																
ROCKETS + LAUNCHERS																
1 2.75 INCH ROCKET MOTOR	74,135	17,305	74,135	17,305	74,135	17,305			74,135	17,305			74,135	17,305		
2 2.75 INCH ROCKET HEAD - WP	93,888	7,234	93,888	7,234	93,888	7,234			93,888	7,234			93,888	7,234		
4 LIGHT ANTI-TANK TACTICAL AT-4	2,500	1,961	2,500	1,961	2,500	1,961			2,500	1,961			2,500	1,961		
6 ITEMS LESS THAN $2,000,000	--	3,519	--	3,519	--	3,519			--	3,519			--	3,519		
CARTRIDGES (THOUSANDS)																
7 9MM PARABELLUM	4,310	591	4,310	591	4,310	591			4,310	591			4,310	591		
8 7.62 MM BLANK, LINKED	--	---	--	---	--	---			--	---			--	---		
9 5.56 MM	20,491	2,915	30,491	4,315	20,491	2,915	10,000	1,400	30,491	4,315			20,491	2,915	(10,000)	(1,400)
10 20 MM COMBAT	2,854	12,369	3,854	16,669	2,854	12,369	1,000	4,300	3,854	16,669			2,854	12,369	(1,000)	(4,300)
11 20 MM TRAINING	4,477	13,986	5,477	17,086	4,477	13,986	1,000	3,100	5,477	17,086			4,477	13,986	(1,000)	(3,100)
12 30 MM TRAINING	9,732	81,705	9,732	81,705	9,732	81,705			9,732	81,705			9,732	81,705		
13 30 MM API	--	---	--	---	--	---			--	---			--	---		
14 81 MM	--	---	--	---	--	---			--	---			--	---		
15 40MM TP GRENADES	--	---	--	---	--	---			--	---			--	---		
16 40MM HE GRENADES	191	2,002	191	2,002	191	2,002			191	2,002			191	2,002		
17 CART CHAFF RR-170	--	3,354	--	3,354	--	3,354			--	3,354			--	3,354		
19 SIGNAL MK-4 MOD 3	1,274	1,362	1,274	1,362	1,274	1,362			1,274	1,362			1,274	1,362		
20 MXU-4A/A ENGINE STARTER	72	7,694	72	7,694	72	7,694			72	7,694			72	7,694		
21 CART IMP 3000 FT/LBS	1,586	3,780	1,586	3,780	1,586	3,780			1,586	3,780			1,586	3,780		
22 ITEMS LESS THAN $2,000,000	--	9,195	--	11,695	--	9,195		2,500	--	11,695			--	9,195		(2,500)
BOMBS																
23 MK-82 INERT/BDU-50	--	---	--	---	--	---			--	---			--	---		
24 DURANDAL	--	---	--	---	--	---			--	---			--	---		
25 TIMER ACTUATOR FIN FUZE	14,000	3,988	14,000	3,988	14,000	3,988			14,000	3,988			14,000	3,988		
26 BSU-49 INFLATABLE RETARDER	26,196	9,322	26,196	9,322	26,196	9,322			26,196	9,322			26,196	9,322		
27 BSU-50 INFLATABLE RETARDER	3,704	4,252	3,704	4,252	3,704	4,252			3,704	4,252			3,704	4,252		
28 BOMB 2000 LB HIGH EXPLOSIVE	2,500	5,775	2,500	5,775	2,500	5,775			2,500	5,775			2,500	5,775		
29 BOMB HARD TARGET 2000LB	2,340	32,567	3,780	52,567	2,340	32,567	1,440	20,000	3,780	52,567			2,340	32,567	(1,440)	(20,000)
0 DAACM	--	---	--	---	--	---			--	---			--	---		
31 LASER BOMB GUIDANCE KIT	--	---	--	---	--	---			--	---			--	---		
32 GBU-15	--	---	--	---	--	---			--	---			--	---		
33 BOMB PRACTICE 25 POUND	1,274,000	16,393	1,274,000	16,393	1,274,000	16,393			1,274,000	16,393			1,274,000	16,393		
34 BOMB PRACTICE BDU-38	--	---	--	---	--	---			--	---			--	---		
36 MK-84 BOMB-EMPTY	1,279	2,157	1,279	2,157	1,279	2,157			1,279	2,157			1,279	2,157		
37 SKEET/SENSOR FUZED WEAPON	--	---	--	---	--	---			--	---			--	---		
38 CBU-89(TMD/GATOR)	--	---	--	---	--	---			--	---			--	---		
39 MECHANICAL DIVERTERS	2,800	9,807	0	0	2,800	9,807	(2,800)	(9,807)	0	0	(2,800)	(9,807)	0	0		
40 CBU-87(COMBINED EFFECTS MUNITION)	14,840	277,120	18,501	342,805	14,840	277,120			14,840	277,120			14,840	277,120		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1	FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
	BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
0 BIGEYE	--	14,753	--	0	--	2,953		(14,753)		0		(14,753)		0		
42 ITEMS LESS THAN $2,000,000	--	25	--	25	--	25			--	25			--	25		
TARGETS																
43 AERIAL TOW TARGET	--	---	--	---	--	---			--	---			--	---		
44 ITEMS LESS THAN $2,000,000	--	1,248	--	1,248	--	1,248			--	1,248			--	1,248		
OTHER ITEMS																
45 FLARE, IR MJU-7B	563,280	9,013	563,280	9,013	563,280	9,013			563,280	9,013			563,280	9,013		
46 PARACHUTE FLARE LUU-2 B/B	10,000	3,702	10,000	3,702	10,000	3,702			10,000	3,702			10,000	3,702		
48 FLARE, IR MJU-2	--	---	--	---	--	---			--	---			--	---		
49 FLARE IR (B1B)	2,000	1,962	0	0	2,000	1,962	(2,000)	(1,962)	0	0	(2,000)	(1,962)	0	0		
50 MJU-10B	396,000	18,642	396,000	18,642	396,000	18,642			396,000	18,642			396,000	18,642		
0 SIGNAL SMOKE AND ILLUMINATING	--	---	--	---	--	---			--	---			--	---		
55 CHAFF PACKAGE RR-141A/L	--	---	--	---	--	---			--	---			--	---		
56 SPARES AND REPAIR PARTS	--	4,234	--	4,234	--	4,234			--	4,234			--	4,234		
57 MODIFICATIONS	--	587		34,587	--	587		34,000		34,587		34,000	--	34,587		
58 ITEMS LESS THAN $2,000,000	--	18,700	--	18,700	--	18,700			--	18,700			--	18,700		
FUZES																
59 FMU-139	47,566	39,967	47,566	39,967	47,566	39,967			47,566	39,967			47,566	39,967		
60 ITEMS LESS THAN $2,000,000	--	7	--	7	--	7			--	7			--	7		
OTHER WEAPONS																
61 M-203 GRENADE LAUNCHER	40	24	40	24	40	24			40	24			40	24		
62 MACHINE GUN, 7.62MM, M-60	18	61	18	61	18	61			18	61			18	61		
65 9MM HANDGUN	20,000	4,146	20,000	4,146	20,000	4,146			20,000	4,146			20,000	4,146		
66 SHOTGUN - 12 GAGE	--	---	--	---	--	---			--	---			--	---		
67 NATIONAL RIFLE - M14	--	---	--	---	--	---			--	---			--	---		
68 HOST NATION SUPPORT WEAPONS	700	1,445	700	1,445	700	1,445			700	1,445			700	1,445		
TOTAL, MUNITIONS AND ASSOCIATED EQUIPMENT		648,869		753,332		637,069		38,778		687,647		7,478		656,347		(31,300)
VEHICULAR EQUIPMENT																
PASSENGER CARRYING VEHICLES																
69 SEDAN, 4 DR 4X2	454	3,355	415	3,073	454	3,355			454	3,355			454	3,355		
70 STATION WAGON, 4X2	236	1,961	236	1,961	236	1,961			236	1,961			236	1,961		
71 BUS, 28 PASSENGER	124	4,195	124	4,195	124	4,195			124	4,195			124	4,195		
72 BUS INTERCITY	7	1,230	7	1,230	7	1,230			7	1,230			7	1,230		
73 BUS, 44 PASSENGER	91	4,320	40	1,894	91	4,320	(91)	(4,320)	0	0	(91)	(4,320)	0	0		
74 AMBULANCE, BUS	31	2,596	31	2,596	31	2,596			31	2,596			31	2,596		

[AMOUNTS IN THOUSANDS OF DOLLARS]

	FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1	BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
75 MODULAR AMBULANCE	112	3,925	112	3,925	112	3,925			112	3,925			112	3,925		
76 14-20 PASSENGER BUS	17	474	17	474	17	474			17	474			17	474		
77 LAW ENFORCEMENT VEHICLE	241	1,918	241	1,918	241	1,918			241	1,918			241	1,918		
CARGO • UTILITY VEHICLES																
78 TRUCK, STAKE/PLATFORM	629	10,361	516	8,521	629	10,361			629	10,361			629	10,361		
79 TRUCK, CARGO-UTILITY, 3/4T, 4X4	617	7,544	265	3,230	617	7,544			617	7,544			617	7,544		
80 TRUCK, CARGO-UTILITY, 1/2T, 4X2	419	4,265	304	3,102	419	4,265			419	4,265			419	4,265		
81 TRUCK, PICKUP, 1/2T, 4X2	885	6,693	885	6,693	885	6,693			885	6,693			885	6,693		
82 TRUCK, PICKUP, COMPACT	622	3,562	622	3,562	622	3,562			622	3,562			622	3,562		
83 TRUCK MULTI-STOP 1 TON 4X2	486	7,285	486	7,285	486	7,285			486	7,285			486	7,285		
84 TRUCK, PANEL, 4X2	338	2,865	338	2,865	338	2,865			338	2,865			338	2,865		
86 TRUCK CARRYALL	543	6,951	543	6,951	543	6,951			543	6,951			543	6,951		
88 TRUCK, CARGO, 2 1/2T, 6X6, M-35	335	17,651	286	15,083	335	17,651			335	17,651			335	17,651		
89 TRUCK CARGO 5T M-923.M-925	75	4,670	75	4,670	75	4,670			75	4,670			75	4,670		
91 TRUCK, CARGO, 2 1/2T	--	---	--	---	--	---			--	---			--	---		
92 HIGH MOBILITY VEHICLE (MYP)	139	3,414	139	3,414	139	3,414			139	3,414			139	3,414		
93 TRUCK, TRACTOR, 5T	--	---	--	---	--	---			--	---			--	---		
94 TRUCK TRACTOR 5T M-932 (MYP)	--	---	--	---	--	---			--	---			--	---		
95 TRUCK TRACTOR, OVER 5T	245	11,121	97	4,424	245	11,121	(148)	(6,697)	97	4,424	(148)	(6,697)	97	4,424		
97 TRUCK WRECKER 5T M936 (MYP)	--	---	--	---	--	---			--	---			--	---		
98 TRUCK, DUMP 5 TON	139	6,450	139	6,450	139	6,450			139	6,450			139	6,450		
99 TRUCK, UTILITY	346	3,694	346	3,694	346	3,694			346	3,694			346	3,694		
100 ITEMS LESS THAN $2,000,000	--	14,683	--	14,683	--	14,683			--	14,683			--	14,683		
SPECIAL PURPOSE VEHICLES																
101 TRUCK MAINT 4X2	385	3,932	320	3,267	385	3,932	(65)	(665)	320	3,267	(65)	(665)	320	3,267		
103 TRUCK, MAINT, HI-REACH	--	---	--	---	--	---			--	---			--	---		
104 TRUCK, TELEPHONE MAINTENANCE	31	4,998	15	2,448	31	4,998	(16)	(2,550)	15	2,448	(16)	(2,550)	15	2,448		
105 TRUCK, TANK, 1200 GAL	73	2,678	56	2,040	73	2,678	(17)	(638)	56	2,040	(17)	(638)	56	2,040		
106 TRUCK TANK FUEL R-9	--	---	--	---	--	---			--	---			--	---		
107 TRUCK, TANK, FUEL, M-49	48	4,135	31	2,644	48	4,135			48	4,135			48	4,135		
0 TRACTOR, A/C TOW, MB-2	--	---	--	---	--	---			--	---			--	---		
109 TRACTOR, A/C TOW, MB-4	118	3,196	118	3,196	118	3,196			118	3,196			118	3,196		
110 TRACTOR, TOW, FLIGHTLINE	50	800	50	800	50	800			50	800			50	800		
112 TRACTOR, DOZER	82	5,523	82	5,523	82	5,523			82	5,523			82	5,523		
114 TRUCK, DEMINERAL WATER, 2600 GAL	--	---	--	---	--	---			--	---			--	---		
0 TRANSPORTABLE MAINT UNIT	--	---	--	---	--	---			--	---			--	---		
119 MISSILE MAINT UNIT	4	2,450	0	0	4	2,450	(4)	(2,450)	0	0	(4)	(2,450)	0	0		
123 SEMI TRAILER COMPRESSED GAS	--	---	--	---	--	---			--	---			--	---		
126 MOBILE ARM RECON VEHICLE	45	21,970	0	0	45	21,970	(45)	(16,970)		5,000	(45)	(16,970)		5,000		
0 POLYMER PLACEMENT TRUCK	--	---	--	---	--	---			--	---			--	---		
0 RESIN TANK TRUCK	--	---	--	---	--	---			--	---			--	---		
0 SCAB VEHICLE REPAIR	--	---	--	---	--	---			--	---			--	---		
0 M-113 ARM PERS CARRIER	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
127	MOS MARKING VEHICLE	--	---	--	---	--	---			--	---			--	---		
128	ITEMS LESS THAN $2,000,000	--	18,275	--	18,275	--	18,275			--	18,275			--	18,275		
	FIRE FIGHTING EQUIPMENT																
130	TRUCK CRASH P-15	--	---	--	---	--	---			--	---			--	---		
131	TRUCK CRASH P-2	--	---	--	---	--	---			--	---			--	---		
132	TRUCK WATER P-18	57	6,335	57	6,335	57	6,335			57	6,335			57	6,335		
133	TRUCK,PUMPER, P-8	--	---	--	---	--	---			--	---			--	---		
134	TRUCK, PUMPER, P-12	--	---	--	---	--	---			--	---			--	---		
137	ITEMS LESS THAN $2,000,000	--	3,741	--	3,741	--	3,741			--	3,741			--	3,741		
	MATERIALS HANDLING EQUIPMENT																
138	TRUCK F/L 4000 LB GED/DED 144 INCH	186	3,120	186	3,120	186	3,120			186	3,120			186	3,120		
139	TRUCK, F/L 6000 LB	190	3,505	171	3,156	190	3,505			190	3,505			190	3,505		
140	TRUCK, F/L 10,000 LB	89	5,005	89	5,005	89	5,005			89	5,005			89	5,005		
0	TACTICAL CARGO LOADER	--	---	--	---	--	---			--	---			--	---		
143	LARGE CAPACITY LOADER	10	4,357	10	4,357	10	4,357			10	4,357			10	4,357		
144	25K A/C LOADER	--	---	--	---	--	---			--	---			--	---		
146	CONTAINER, LIFT, TRUCK	15	3,570	15	3,570	15	3,570			15	3,570			15	3,570		
147	ITEMS LESS THAN $2,000,000	--	3,812	--	3,812	--	3,812			--	3,812			--	3,812		
	BASE MAINTENANCE SUPPORT																
148	LOADER, SCOOP	93	4,882	93	4,882	93	4,882			93	4,882			93	4,882		
150	DISTRIBUTOR, WATER 1500 GALLON	35	1,814	35	1,814	35	1,814			35	1,814			35	1,814		
151	CLEANER, RUNWAY/STREET	162	17,626	162	17,626	162	17,626			162	17,626			162	17,626		
154	GRADER, ROAD, MOTORIZED	--	---	--	---	--	---			--	---			--	---		
155	CRANE, 7-50 TON	14	796	14	796	14	796			14	796			14	796		
156	EXCAVATOR, DED, PT	--	---	--	---	--	---			--	---			--	---		
157	WATERCRAFT	--	---	--	---	--	---			--	---			--	---		
158	SPARES AND REPAIR PARTS	--	3,262	--	3,262	--	3,262			--	3,262			--	3,262		
159	MODIFICATIONS	--	382	--	382	--	382			--	382			--	382		
160	ITEMS LESS THAN $2,000,000	--	8,017	--	8,017	--	8,017			--	8,017			--	8,017		
0	GENERAL REDUCTION	--	---	--	---	--	---			--	---			--	---		
	TOTAL, VEHICULAR EQUIPMENT		273,364		223,961		273,364		(34,290)		239,074		(34,290)		239,074		0
	ELECTRONICS AND TELECOMMUNICATIONS EQUIP																
	COMM SECURITY EQUIPMENT(COMSEC)																
161	SPACE SYSTEMS (COMSEC)	--	9,051	--	9,051	--	9,051			--	9,051			--	9,051		
162	TEMPEST EQUIPMENT	--	562	--	562	--	562			--	562			--	562		
163	TAC SECURE VOICE	--	10,866	--	10,866	--	10,866			--	10,866			--	10,866		
164	DCS SECURE VOICE (COMSEC)	--	24,728	--	13,391	--	24,728		(11,337)	--	13,391		(11,337)	--	13,391		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
165	SECURE DATA....................................	--	37,249	--	28,055	--	37,249		(9,194)	--	28,055		(9,194)	--	28,055		
166	TRI-TAC (COMSEC)..............................	--	14,690	--	14,690	--	14,690			--	14,690			--	14,690		
167	SPARES AND REPAIR PARTS.......................	--	6,548	--	6,548	--	6,548			--	6,548			--	6,548		
168	MODIFICATIONS (COMSEC)........................	--	304	--	304	--	304			--	304			--	304		
	INTELLIGENCE PROGRAMS																
169	INTELLIGENCE DATA HANDLING SYS...............	--	20,934	--	20,934	--	20,934			--	20,934			--	20,934		
170	INTELLIGENCE TRAINING EQUIPMENT..............	--	8,867	--	8,867	--	8,867			--	8,867			--	8,867		
171	INTELLIGENCE COMM EQUIP.......................	--	17,051	--	17,051	--	51,251		24,990	--	42,041		21,408	--	38,459		(3,582)
172	COBRA JUDY....................................	--	488	--	488	--	488			--	488			--	488		
173	COBRA SHOE....................................	--	3,151	--	3,151	--	3,151			--	3,151			--	3,151		
174	ITEMS LESS THAN $2,000,000....................	--	7,195	--	7,195	--	7,195			--	7,195			--	7,195		
	ELECTRONICS PROGRAMS																
175	TACAN...	--	---	--	---	--	---			--	---			--	---		
176	TRAFFIC CONTROL/LANDING.......................	--	15,444	--	15,444	--	15,444			--	15,444			--	15,444		
177	TACTICAL AIR CONTROL SYS IMPROVE.............	--	119,881	--	204,481	--	119,881		84,600	--	204,481			--	119,881		(84,600)
178	WEATHER OBSERV/FORCAST........................	--	60,758	--	53,700	--	60,758			--	60,758			--	60,758		
179	DEFENSE SUPPORT PROGRAM.......................	--	18,418	--	18,418	--	18,418			--	18,418			--	18,418		
180	OTH-B RADAR...................................	--	121,769	--	121,769	--	121,769			--	121,769			--	121,769		
182	SAC COMMAND AND CONTROL.......................	--	18,528		11,310	--	18,528		(4,218)		14,310		(7,218)		11,310		(3,000)
183	LAUNCH CONTROL CENTER COMMUNICATIONS.........	--	12,292		6,194	--	12,292		(6,098)	--	6,194		(6,098)	--	6,194		
184	CHEYENNE MOUNTAIN COMPLEX (ASAT).............	--	18,198	--	9,698	--	18,198		(8,500)	--	9,698		(8,500)	--	9,698		
185	PAVE PAWS/SLBM WARNING SYSTEMS...............	--	1,582	--	1,582	--	1,582			--	1,582			--	1,582		
186	BMEWS MODERNIZATION...........................	--	1,441	--	1,441	--	1,441			--	1,441			--	1,441		
187	SPACETRACK....................................	--	914	--	914	--	914			--	914			--	914		
188	NAVSTAR GPS...................................	--	16,559	--	11,802	--	16,559			--	16,559		(4,757)	--	11,802		(4,757)
189	USAFE COMMAND/CONTROL SYSTEM.................	--	1,941	--	1,941	--	1,941			--	1,941			--	1,941		
190	PACAF COMMAND/CONTROL.........................	--	3,190		1,157	--	3,190		(2,033)	--	1,157		(2,033)	--	1,157		
191	DEFENSE METEOROLOGICAL SAT PROG..............	--	10,176	--	10,176	--	10,176			--	10,176			--	10,176		
192	ENSCE...	--	---	--	---	--	---			--	---			--	---		
193	CARIBBEAN BASIN RADAR NETWORK................	--	4,722	--	4,722	--	4,722			--	4,722			--	4,722		
194	MARS/USAF-FAA RADAR UPGRADE..................	--	26,422	--	26,422	--	26,422			--	26,422			--	26,422		
195	TAC SIGINT SUPPORT............................	--	29,783	--	29,783	--	29,783			--	29,783			--	29,783		
196	AEROSTAT RADARS...............................	--	---	--	---	--	---			--	---			--	---		
197	DIST ERLY WARNING RDR/NORTH WARNING..........	--	2,812	--	2,812	--	2,812			--	2,812			--	2,812		
198	TACTICAL GROUND INTERCEPT FACILITY...........	--	2,274	--	0	--	2,274			--	2,274		(2,274)	--	0		(2,274)
199	TR-1 GROUND STATIONS..........................	--	4,954		0	--	4,954			--	4,954			--	4,954		
200	AIR BASE OPERABILITY..........................	--	5,240	--	2,007	--	5,240		(3,233)	--	2,007		(3,233)	--	2,007		
201	CMDR'S TACTICAL TERMINALS(CTT)/TEREC.........	--	3,963	--	3,963	--	3,963			--	3,963			--	3,963		
202	IMAGERY TRANS.................................	--	---	--	---	--	---			--	---			--	---		
203	NUDET DETECTION SYSTEM (NDS).................	--	12,391	--	12,391	--	12,391			--	12,391			--	12,391		
204	TACTICAL WARNING SYSTEMS SUPPORT.............	--	4,723	--	4,723	--	4,723			--	4,723			--	4,723		
205	NORTH ATLANTIC DEFENSE C3.....................	--	32,663	--	32,663	--	32,663			--	32,663			--	32,663		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988 BUDGET REQUEST		FY 1988 HOUSE PASSED		FY 1988 SENATE PASSED		CONFERENCE AGREEMENT CHANGE FROM REQUEST		CONFERENCE AGREEMENT RECOMMENDATION		CONTINGENT LEVEL CHANGE FROM REQUEST		CONTINGENT LEVEL RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	SPECIAL COMM-ELECTRONICS PROJECTS																
206	AUTOMATIC DATA PROCESSING EQUIP	--	120,380	--	120,380	--	120,380			--	120,380			--	120,380		
207	WWMCCS/WIS ADPE	--	25,719	--	20,172	--	25,719		(5,547)	--	20,172		(5,547)	--	20,172		
208	MAC COMMAND AND CONTROL SUPPORT	--	42,444	--	42,444	--	42,444			--	42,444			--	42,444		
209	GLCM COMMUNICATIONS	--	2,705	--	2,705	--	2,705			--	2,705			--	2,705		
210	AIR FORCE PHYSICAL SECURITY SYSTEM	--	23,018	--	17,018	--	23,018		(6,000)	--	17,018		(6,000)	--	17,018		
211	WEAPONS STORAGE/SECURITY	--	25,259		0	--	25,259				25,259				25,259		
212	RANGE IMPROVEMENTS	--	141,331	--	151,331	--	141,331		10,000	--	151,331		10,000	--	151,331		
213	RADAR BOMB SCORER	--	---	--	---	--	---			--	---			--	---		
0	PLSS	--	---	--	---	--	---			--	---			--	---		
214	C3 COUNTERMEASURES	--	4,626		4,312	--	4,626		(314)	--	4,312		(314)	--	4,312		
215	JOINT SURVEILLANCE SYSTEM	--	4,045	--	4,045	--	4,045			--	4,045			--	4,045		
216	SPACE SHUTTLE	--	163	--	163	--	163			--	163			--	163		
217	BASE LEVEL DATA AUTO PROGRAM	--	29,709	--	29,709	--	29,709			--	29,709			--	29,709		
218	SATELLITE CONTROL FACILITY	--	113,679		103,376	--	113,679		(5,151)	--	108,528		(5,151)	--	108,528		
219	CONSTANT WATCH	--	17,105	--	17,105	--	17,105			--	17,105			--	17,105		
220	CONSOLIDATED SPACE OPS CENTER	--	8,124	--	8,124	--	8,124			--	8,124			--	8,124		
221	CMD CENTER PROCESSING/DISPLAY SYS	--	1,095	--	1,095	--	1,095			--	1,095			--	1,095		
222	HAMMER ACE	--	720	--	720	--	720			--	720			--	720		
223	SAMTO TEST RANGES I&M	--	65,048		61,601	--	65,048		(3,447)	--	61,601		(3,447)	--	61,601		
224	EMP HARDENING	--	---	--	---	--	---			--	---			--	---		
	AIR FORCE COMMUNICATIONS																
225	PROGRAM 698AJ	--	1,714	--	1,714	--	1,714			--	1,714			--	1,714		
226	INFORMATION TRANSMISSION SYSTEMS	--	11,854	--	11,854	--	11,854			--	11,854			--	11,854		
227	TELEPHONE EXCHANGE	--	30,987	--	30,987	--	30,987			--	30,987			--	30,987		
228	JOINT TACTICAL COMM PROGRAM	--	176,766	--	156,317	--	176,766			--	176,766		(20,449)	--	156,317		(20,449)
229	USREDCOM	--	4,453	--	4,453	--	4,453			--	4,453			--	4,453		
230	USCENTCOM	--	22,733	--	22,733	--	22,733			--	22,733			--	22,733		
231	AUTOMATED TELECOMMUNICATIONS PRG	--	12,693	--	12,693	--	12,693			--	12,693			--	12,693		
232	CINC MOBILE COMMAND CENTER	--	---	--	---	--	---			--	---			--	---		
233	MILSTAR	--	---	--	---	--	---			--	---			--	---		
235	SATELLITE TERMINALS	--	19,564	--	11,021	--	19,564		(8,543)	--	11,021		(8,543)	--	11,021		
	DCA PROGRAMS																
236	WIDEBAND SYSTEMS UPGRADE	--	41,844	--	41,844	--	41,844			--	41,844			--	41,844		
237	MINIMUM ESSENTIAL EMER COMM NET	--	52,226		32,092	--	52,226		(16,126)	--	36,100		(16,126)	--	36,100		
238	DCS SECURE VOICE EQUIPMENT	--	4,630	--	4,630	--	4,630			--	4,630			--	4,630		
	ORGANIZATION AND BASE																
239	TACTICAL C-E EQUIPMENT	--	55,156		51,687	--	55,156		(3,469)	--	51,687		(3,469)	--	51,687		
240	PRODUCTIVITY INV TELECOM	--	---	--	---	--	---			--	---			--	---		
241	RADIO EQUIPMENT	--	45,447		44,762	--	45,447		(685)	--	44,762		(685)	--	44,762		
242	PRODUCTIVITY ENH TELECOMM	--	---	--	---	--	---			--	---			--	---		
243	FIBER OPTICS	--	3,374		2,066	--	3,374		(1,308)	--	2,066		(1,308)	--	2,066		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
244	TV EQUIPMENT (AFRTV).........................	--	4,486	--	4,486	--	4,486			--	4,486			--	4,486		
245	CCTV/AUDIOVISUAL EQUIPMENT..................	--	4,180	--	4,180	--	4,180			--	4,180			--	4,180		
246	E + I REQUIREMENTS..........................	--	1,242	--	1,242	--	1,242			--	1,242			--	1,242		
247	SPARES AND REPAIR PARTS.....................	--	268,684	--	268,684	--	268,684			--	268,684			--	268,684		
248	ITEMS LESS THAN $2,000,000..................	--	8,905	--	8,905	--	8,905			--	8,905			--	8,905		
	MODIFICATIONS																
249	COMM-ELECTRONICS CLASS IV...................	--	27,865	--	27,865	--	27,865			--	27,865			--	27,865		
251	TACTICAL EQUIPMENT..........................	--	32,716		22,120	--	32,716		(10,596)	--	22,120		(10,596)	--	22,120		
252	ANTIJAM VOICE...............................	--	7,019	--	7,019	--	7,019			--	7,019			--	7,019		
	TOTAL, ELECTRONICS AND TELECOMMUNICATIONS E		2,176,430		2,088,320		2,210,630		13,791		2,190,221		(104,871)		2,071,559		(118,662)
	OTHER BASE MAINTENANCE AND SUPPORT EQUIP																
	TEST EQUIPMENT																
253	BASE/ALC CALIBRATION PACKAGE................	--	55,032	--	55,032	--	55,032			--	55,032			--	55,032		
254	NEWARK AFS CALIBRATION PACKAGE..............	--	2,927	--	2,927	--	2,927			--	2,927			--	2,927		
255	TEST EQUIPMENT-GEN PURP.....................	--	4,560	--	4,560	--	4,560			--	4,560			--	4,560		
256	ITEMS LESS THAN $2,000,000..................	--	36,411	--	36,411	--	36,411			--	36,411			--	36,411		
	PERSONAL SAFETY AND RESCUE EQUIP																
258	AUTOMATIC LIFE PERSERVER....................	3,373	3,953	3,373	3,953	3,373	3,953			3,373	3,953			3,373	3,953		
259	NIGHT VISION GOGGLES........................	1,634	15,622	1,634	15,622	1,634	15,622			1,634	15,622			1,634	15,622		
260	BREATHING APPARATUS TWO HOUR................	1,530	2,391	1,530	2,391	1,530	2,391			1,530	2,391			1,530	2,391		
261	CHEMICAL/BIOLOGICAL DEF PROG................	--	115,444	--	115,444	--	115,444			--	115,444			--	115,444		
262	ITEMS LESS THAN $2,000,000..................	--	3,807	--	3,807	--	3,807			--	3,807			--	3,807		
	DEPOT PLANT + MATERIALS HANDLING EQ																
263	BASE MECHANIZATION EQUIPMENT................	--	30,860	--	30,860	--	30,860			--	30,860			--	30,860		
264	AIR TERMINAL MECHANIZATION EQUIP............	--	7,198	--	7,198	--	7,198			--	7,198			--	7,198		
265	ITEMS LESS THAN $2,000,000..................	--	10,083	--	10,083	--	10,083			--	10,083			--	10,083		
	ELECTRICAL EQUIPMENT																
266	GENERATORS-MOBILE ELECTRIC..................	--	12,776	--	12,776	--	12,776			--	12,776			--	12,776		
267	FLOOD LIGHTS................................	950	11,559	950	11,559	950	11,559			950	11,559			950	11,559		
268	ITEMS LESS THAN $2,000,000..................	--	8,431		4,295	--	8,431		(4,136)	--	4,295		(4,136)	--	4,295		
	BASE SUPPORT EQUIPMENT																
269	BASE PROCURED EQUIPMENT.....................	--	21,510	--	21,510	--	21,510			--	21,510			--	21,510		
270	MEDICAL/DENTAL EQUIPMENT....................	--	110,980	--	110,980	--	110,980			--	110,980			--	110,980		
271	AIR BASE OPERABILITY........................	--	6,185	--	6,185	--	6,185			--	6,185			--	6,185		

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
0	COB ESSENTIAL FACILITIES........................	--	---	--	---	--	---			--	---			--	---		
274	PALLET, AIR CARGO, 108)X88)..................	2,000	2,059	2,000	2,059	2,000	2,059			2,000	2,059			2,000	2,059		
275	NET ASSEMBLY, 108)X88)........................	--	---	--	---	--	---			--	---			--	---		
278	BLADDERS FUEL..................................	200	2,555	200	2,555	200	2,555			200	2,555			200	2,555		
279	TACTICAL SHELTER...............................	--	---	--	---	--	---			--	---			--	---		
280	PHOTOGRAPHIC EQUIPMENT.........................	--	5,284	--	5,284	--	5,284			--	5,284			--	5,284		
281	PRODUCTIVITY ENHANCEMENT.......................	--	10,661		9,797	--	10,661		(864)	--	9,797		(864)	--	9,797		
282	PRODUCTIVITY INVESTMENTS.......................	--	1,911	--	1,911	--	1,911			--	1,911			--	1,911		
0	ANTI-TERRORISM EQUIP...........................	--	---	--	---	--	---			--	---			--	---		
283	MOBILITY EQUIPMENT.............................	--	42,994		41,405	--	42,994		(1,589)	--	41,405		(1,589)	--	41,405		
284	WARTIME HOST NATION SUPPORT....................	--	7,950	--	7,950	--	7,950			--	7,950			--	7,950		
285	SPARES AND REPAIR PARTS........................	--	9,901	--	9,901	--	9,901			--	9,901			--	9,901		
286	ITEMS LESS THAN $2,000,000.....................	--	16,578		15,348	--	16,578		(1,230)	--	15,348		(1,230)	--	15,348		
	SPECIAL SUPPORT PROJECTS																
287	INTELLIGENCE PRODUCTION ACTIVITY.............	--	24,532	--	24,532	--	24,532			--	24,532			--	24,532		
288	SCIENTIFIC/TECHNICAL INTELLIGENCE............	--	7,693	--	7,693	--	7,693			--	7,693			--	7,693		
289	TECH SURV COUNTERMEASURES EQ.................	--	2,068	--	2,068	--	2,068			--	2,068			--	2,068		
290	DEFENSE DISSEMINATION SYSTEM.................	--	8,617	--	1,401	--	8,617		(2,216)		6,401		(2,216)		6,401		
291	AF TECHNICAL APPLICATION CENTER..............	--	15,667	--	15,667	--	15,667			--	15,667			--	15,667		
292	PHOTO PROC/INTERPRET SYS.....................	--	898	--	898	--	898			--	898			--	898		
293	SELECTED ACTIVITIES..........................	--	4,675,854	--	4,552,907	--	4,613,754		(107,282)	--	4,568,572		(136,682)	--	4,539,172		(29,400)
294	SPECIAL UPDATE PROGRAM.......................	--	142,033	--	120,633	--	142,033		(21,400)	--	120,633		(21,400)	--	120,633		
295	SPECIAL APPLICATION PROGRAM..................	--	239	--	239	--	239			--	239			--	239		
296	INDUSTRIAL PREPAREDNESS......................	--	5,107		4,373	--	5,107		(734)	--	4,373		(734)	--	4,373		
297	MISC EQUIPMENT...............................	--	18,468		6,604	--	18,468		(11,864)	--	6,604		(11,864)	--	6,604		
298	MODIFICATIONS................................	--	11,021		7,441	--	11,021		(3,580)	--	7,441		(3,580)	--	7,441		
	TOTAL, OTHER BASE MAINTENANCE AND SUPPORT E		5,471,819		5,296,259		5,409,719		(154,895)		5,316,924		(184,295)		5,287,524		(29,400)
0	INFLATION SAVINGS, FY87......................	--	---			--	---										
0	PROFIT POLICY CHANGE.........................	--	---			--	---										
0	TRANSFER FROM OTHER ACCOUNTS.................		---				---										
0	PRIOR YEAR SAVINGS																
0	9MM, FY87....................................				(3,000)				(3,000)		(3,000)		(3,000)		(3,000)		
0	BDU-50 PRACTICE BOMB, FY87...................				(8,000)				(8,000)		(8,000)		(8,000)		(8,000)		
0	UNDISTRIBUTED REDUCTION......................						(320,000)				0				0		
	TOTAL, OTHER PROCUREMENT, AIR FORCE........		8,570,482		8,350,872		8,210,782		(147,616)		8,422,866		(326,978)		8,243,504		(179,362)
	TOTAL FUNDING AVAILABLE..............		8,570,482		8,350,872		8,210,782		(147,616)		8,422,866		(326,978)		8,243,504		(179,362)

Flare IR (B-1B)

The budget request contained authorization of $2.0 million in fiscal year 1988 for the procurement of flares for the B-1B bomber. The House bill did not provide authorization. The Senate amendment contained the requested amount.

The conferees recommend no authorization at this time. The action is taken without prejudice. Once the remaining qualification tests are completed and the flare ejector/dispenser problems are resolved, the conferees would invite the Air Force to initiate a reprogramming action.

Mobile armored reconnaissance vehicle

The budget request contained authorization of $22.0 million for the procurement of 45 mobile armored reconnaissance vehicles (MARV). The House bill did not authorize the program. The Senate amendment would authorize the requested amount.

The conferees support this high priority item for air base operability and recommend authorization of $5.0 million for the MARV program for fiscal year 1988 with the remaining $17.0 million authorized in fiscal year 1989. Based on the Air Force development and acquisition plans, the recommended authorization for fiscal year 1988 will provide sufficient funding to initiate procurement of long lead items consistent with the current MARV production schedule.

Cheyenne mountain complex

The budget request contained authorization of $18.2 million in fiscal year 1988 for the Cheyenne Mountain Complex communications electronics procurement program. Included in this amount is $8.5 million to procure a base security system for the space defense system (ASAT) facilities at Langley Air Force Base, Virginia and computers for the mission control system.

The House bill did not authorize the space defense system related funding request of $8.5 million. The Senate amendment authorized the requested amount.

The conferees recommend no authorization at this time for the ASAT facilities. The action is taken without prejudice, pending resolution of a decision to restructure the space defense system program. The conferees would expect the Air Force to submit a reprogramming request to initiate procurement if the required equipment is consistent with the restructured program.

Weapons storage and security systems

The Senate amendment contained $25.3 million in procurement and $13.9 million in military construction associated with installation of weapons storage and security systems (WSSS) at three locations. The House bill contained no authorization for this purpose because of a concern for recoupment from the North Atlantic Treaty Organization (NATO) of U.S. prefinancing of these systems.

The conferees agreed to provide the full amount requested under conditions set for the in section 1024 of the bill. These conditions include a prohibition on the expenditure of funds to install WSS systems until the Secretary of Defense certifies that the program has accomplished the NATO eligibility milestone. At the time of the above certification, the Secretary must also provide a plan for the installation of WSS systems that reflects the additional requirements, if any, resulting from an intermediate range nuclear forces treaty. The Secretary must also provide the key milestones for WSS system contracting and NATO financing and certify that all available steps are being taken to accelerate NATO agreement on a final recoupment plan.

Air Force other procurement, undistributed reduction

The House bill did not include undistributed reductions against the Air Force other procurement account in fiscal year 1988. The Senate amendment provided for such reductions in the amount of $320.0 million.

The conferees recommend no undistributed reductions in fiscal year 1988 against the other procurement account.

PROCUREMENT, DEFENSE AGENCIES

OVERVIEW

The budget request contained $1,292.4 million for Defense Agencies procurement in fiscal year 1988. The House bill would authorize $1,240.3 million for Defense Agencies. The Senate amendment would authorize $1,276.9 million for Defense Agencies.

The conferees recommend authorization of $1,293.3 million for Defense Agencies in fiscal year 1988.

The conferees recommend a total authorization of $1,288.4 million at the contingent level for Defense Agencies in fiscal year 1988.

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL				DIFFERENCE	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION			
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	DEFENSE AGENCIES PROCUREMENT																
	PROCUREMENT, DEFENSE AGENCIES																
	MAJOR EQUIPMENT, OSD																
1	MOTOR VEHICLES	--	320	--	320	--	320			--	320			--	320		
1a	REMOTELY PILOTED VEHICLES (RPVS)				45,400				45,400		45,400		45,400		45,400		
1b	ATB COMPETITION				[100,000]				[100,000]		[10,000]		[100,000]		[10,000]		
2	MAJOR EQUIPMENT, OSD/WHS	--	138,124	--	138,124	--	138,124			--	138,124			--	138,124		
	MAJOR EQUIPMENT, NSA																
3	CLASSIFIED EQUIPMENT		[ ]		[ ]		[ ]		[-28,050]		[ ]		[-32,591]		[ ]		
	MAJOR EQUIPMENT, DNA																
4	VEHICLES	--	249	--	249	--	249			--	249			--	249		
5	OTHER CAPITAL EQUIPMENT	--	4,088	--	4,088	--	4,088			--	4,088			--	4,088		
	MAJOR EQUIPMENT, DCA																
6	WWMCCS ADP SYSTEMS	--	22,151	--	14,194	--	22,151		(7,957)		14,194		(7,957)		14,194		
8	ITEMS LESS THAN $2 MILLION	--	25,463	--	25,463	--	25,463			-	25,463			--	25,463		
	MAJOR EQUIPMENT, DIA																
9	INTELLIGENCE AND COMMUNICATIONS		[ ]		[ ]		[ ]		[-1,400]		[ ]		[-1,800]		[ ]		
	MAJOR EQUIPMENT, DLA																
10	MATERIALS HANDLING EQUIPMENT	--	8,587	--	8,587	--	8,587			--	8,587			--	8,587		
11	VEHICLES	--	1,060	--	1,060	--	1,060			--	1,060			--	1,060		
12	MECHANIZED MATERIALS HANDLING SYS	--	14,351	--	14,351	--	14,351			--	14,351			--	14,351		
13	ADP EQUIPMENT	--	45,032	--	34,791	--	45,032		(10,241)	--	34,791		(10,241)	--	34,791		
14	TELECOMMUNICATIONS EQUIPMENT	--	20,213	--	12,182	--	20,213		(8,031)		12,182		(8,031)		12,182		
15	OTHER MAJOR EQUIPMENT	--	5,514	--	5,514	--	5,514			--	5,514			--	5,514		
16	ITEMS LESS THAN $2 MILLION	--	2,399	--	2,399	--	2,399			--	2,399			--	2,399		
0	AUTOMATED MARKING/READING SYSTEM(LOGMARS)	--	---	--	---	--	---			--	---			--	---		
	MAJOR EQUIPMENT, DMA																
19	VEHICLES	--	368	--	368	--	368			--	368			--	368		
20	OTHER CAPITAL EQUIPMENT	--	15,310	--	15,310	--	15,310			--	15,310			--	15,310		
0	2 COLOR OFFSET PRINTING PRESS	--	---	--	---	--	---			--	---			--	---		
0	DIRECT PRINTING SYSTEM	--	---	--	---	--	---			--	---			--	---		
0	RASTER SCAN EDIT STATION	--	---	--	---	--	---			--	---			--	---		
	MAJOR EQUIPMENT, DIS																
21	VEHICLES	--	3,119	--	3,119	--	3,119			--	3,119			--	3,119		
22	OTHER CAPITAL EQUIPMENT	--	---	--	---	--	---			--	---			--	---		

[AMOUNTS IN THOUSANDS OF DOLLARS]

P-1		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGr FROM REQUEST		RECOMMENDATION		DIFFERENCE	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	MAJOR EQUIPMENT, USUHS																
23	ITEMS LESS THAN $2 MILLION..................	--	834	--	834	--	834			--	834			--	834		
	MAJOR EQUIPMENT, DCAA																
24	ITEMS LESS THAN $2 MILLION..................	--	8,072	--	8,072	--	8,072			--	8,072			--	8,072		
	MAJOR EQUIPMENT, DRSP																
25	ITEMS LESS THAN $2 MILLION..................	--	352,481		317,881	--	352,481		(34,600)		317,881		(34,600)		317,881		
5a	AIRBORNE RECONNAISSANCE SUPPORT PROG (ARSP)..	--	[ ]	--	[ ]	--	[ ]		[45,800]		[ ]		[45,800]		[ ]		
	MAJOR EQUIPMENT, DIG																
26	ITEMS LESS THAN $2 MILLION..................	--	7,263	--	7,263	--	7,263			--	7,263			--	7,263		
99	CLASSIFIED PROGRAMS..........................	--	617,393	--	580,700	--	601,893		16,350		633,743		11,409	--	628,802		(4,941)
0	INFLATION SAVINGS, FY87......................	--	---	--	---	--	---			--	---			--	---		
0	PROFIT POLICY CHANGE.........................	--	---	--	---	--	---			--	---			--	---		
	TOTAL, PROCUREMENT, DEFENSE AGENCIES.......		1,292,391		1,240,269		1,276,891		921		1,293,312		(4,020)		1,288,371		(4,941)
	TRANSFER FROM OTHER ACCOUNTS.........		---				---										
	TOTAL FUNDING AVAILABLE..............		1,292,391		1,240,269		1,276,891		921		1,293,312		(4,020)		1,288,371		(4,941)

ITEM OF SPECIAL INTEREST

Reverse engineering of Warsaw Pact components

The conferees have learned that several third world countries which previously had close relations with the Soviet Union are required to procure spare parts from the Warsaw Pact, even though they procure those replacement parts from other parties. The conferees understand that United States companies have the ability to "reverse engineer" those components and manufacture replacement parts that can be sold to third world countries operating Warsaw Pact equipment. The conferees direct the Secretary of Defense to provide an assessment, not later than April 1, 1988, of the prospect for a program of reverse engineering for purposes of manufacturing replacement components for Warsaw Pact equipment.

NATIONAL GUARD AND RESERVE FORCES

OVERVIEW

The House bill would authorize $596.5 million above the requested amount of $2.2 billion for procurement of equipment for the National Guard and Reserve forces. The Senate amendment would authorize $300 million above the request for the same purpose.

The conferees agreed to authorize $703 million above the amounts requested for procurement of equipment for the National Guard and Reserves.

The conferees recommend a total authorization of $638 million at the contingent level for procurement of equipment in fiscal year 1988.

The following table summarizes the conferees' recommendation reflecting the continuing commitment to the Guard and Reserve forces modernization.

[AMOUNTS IN THOUSANDS OF DOLLARS]

		FY 1988		FY 1988		FY 1988		CONFERENCE AGREEMENT				CONTINGENT LEVEL					
P-1		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		CHANGE FROM REQUEST		RECOMMENDATION		CHANGE FROM REQUEST		RECOMMENDATION		DIFFERENCE	
.INE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	NATIONAL GUARD AND RESERVE EQUIPMENT, DEFENSE																
	RESERVE, ARMY																
1	MISCELLANEOUS EQUIPMENT........................		---		90,000		30,000		90,000		90,000		90,000		90,000		
	RESERVE, NAVY																
2	MISCELLANEOUS EQUIPMENT........................		---		---		25,000		25,000		25,000		25,000		25,000		
0	CSAR HELICOPTERS..............................	--	---	--	---	--	---			--	---			--	---		
0	AIRBORNE MINE COUNTERMEASURES................	--	---	--	---	--	---			--	---			--	---		
0	SEABEES.......................................	--	---	--	---	--	---			--	---			--	---		
	RESERVE, MARINE CORPS																
3	MISCELLANEOUS EQUIPMENT........................		---		---		---				---				---		
0	KC-130 T AIRCRAFT............................	--	---	2	40,000	--	---	2	40,000	2	40,000	2	40,000	2	40,000		
	RESERVE, AF																
4	MISCELLANEOUS EQUIPMENT........................		---		---		15,000		15,000		15,000		15,000		15,000		
0	C-130H AIRCRAFT..............................	--	---	8	150,000	--	---	8	150,000	8	150,000	8	150,000	8	150,000		
0	ECM EQUIPMENT (TAC AIRCRAFT)..................				12,000	--	---				0				0		
0	ECM EQUIPMENT (RESCUE AIRCRAFT)...............				1,500	--	---				0				0		
	NATIONAL GUARD EQUIPMENT																
5	MISCELLANEOUS EQUIPMENT........................				---		60,000		60,000		60,000		60,000		60,000		
0	M113 APC.....................................	--	---	300	65,000			300	65,000	300	65,000			0	0	(300)	(65,000)
	GUARD, AF																
6	MISCELLANEOUS EQUIPMENT........................		---		---		20,000		20,000		20,000		20,000		20,000		
0	C-130H AIRCRAFT..............................	--	---	8	150,000	8	150,000	8	150,000	8	150,000	8	150,000	8	150,000		
0	MH-60G HELICOPTERS AND SUPPORT EQUIPMENT.....	--	---	12	88,000	--	---	12	88,000	12	88,000	12	88,000	12	88,000		
	TOTAL, NATIONAL GUARD AND RESERVE EQUIPMENT		---		596,500		300,000		703,000		703,000		638,000		638,000		(65,000)

FISCAL YEAR 1989 AUTHORIZATION

As part of its initiative to stabilize the defense acquisition process, the conferees recommend two-year authorization for selected programs. The following table displays authorization of these programs for fiscal year 1989.

The conferees recommend authorization of these programs because of a demonstrated requirement, their stability and their maturity.

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	ARMY PROCUREMENT										
	AIRCRAFT PROCUREMENT, ARMY										
	AIRCRAFT										
	FIXED WING										
1	GOLDEN KNIGHTS REPLACEMENT AIRCRAFT	--	---								
2	C-20 AIRCRAFT	--	---								
0	GUARDRAIL/COMMON SENSOR ROLL	--	---								
3	C-12 CARGO AIRPLANE	--	---								
4	CESSNA SKYLANE	--	---								
5	RC-12D RECON AIRPLANE	6	97,294			6	97,294	(6)	(97,294)	6	--
	ROTARY										
6	EH-60A HELICOPTER (QUICKFIX) (MYP)	5	51,223			5	51,223	(5)	(51,223)	5	51,223
7	EH-60A HELICOPTER (QUICKFIX) (MYP) (AP-C	--	---								
8	AH-64 ATTACK HELICOPTER (APACHE)	--	77,705			72	812,505	(72)	(812,505)	72	812,505
9	AH-64 ATTACK HELICOPTER (APACHE) (AP-CY)	--	---				42,000		(42,000)		42,000
10	UH-60 (BLACKHAWK) (MYP)	72	297,268			72	297,268	(72)	(297,268)	72	297,268
11	UH-60 (BLACKHAWK) (MYP) (AP-CY)	--	189,200			--	189,200		(189,200)	--	189,200
	TOTAL, AIRCRAFT		712,690				1,489,490		(1,489,490)		1,392,196
	MODIFICATION OF AIRCRAFT										
12	OV-1 SURVEILLANCE AIRPLANE (MOHAWK)	--	31,612								
13	AIRPLANE, RECON, RU-21H (GR MOD)	--	7,508								
14	RV-1 RECON AIRPLANE	--	12,489								
15	AH1S ATTACK HELICOPTER (COBRA-TOW)	--	29,271								
16	AH-64 MODS	--	44,030								44,030
17	CH-47 CARGO HELICOPTER MODS (MYP)	--	181,587			--	181,587		(181,587)	--	181,587
18	CH-47 CARGO HELICOPTER MODS (MYP) (AP-CY	--	83,800			--	83,800		(83,800)	--	83,800
19	CH-54 CARGO HELICOPTER (TARHE)	--	---								
20	OH-58 OBSERVATION HELICOPTER (KIOWA)	--	80,428								
21	UH-1 UTILITY HELICOPTER (IROQUOIS)	--	8,347								
22	UH-60 (BLACKHAWK) MODS	--	33,612								
23	ARMY HELICOPTER IMPROVEMENT PROG (AHIP).	--	---							36	145,000
24	ARMY HELICOPTER IMPROVEMENT PROG (AHIP)	--	---							36	23,000
0	AIR TO AIR STINGER ACFT MOD	--	---								
25	AIRBORNE AVIONICS	--	2,732								
26	ASE MODIFICATIONS CLOSE COMBAT	--	13,050								
27	MODIFICATIONS UNDER $2.0M (AIRCRAFT)	--	---								
28	ACFT 9WW	--	23,978								
29	SOF AIRCRAFT MODIFICATIONS	--	237,209			--	237,209		(237,209)	--	--
0	GROUND PROXIMITY WARNING SYS	--	---								
	TOTAL, MODIFICATION OF AIRCRAFT		789,653				502,596		(502,596)		477,417
30	SPARES AND REPAIR PARTS	--	553,029			--	553,029		(553,029)	--	553,029
30a	RC-12 AIRCRAFT SPARES										

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	SUPPORT EQUIPMENT AND FACILITIES										
	GROUND SUPPORT AVIONICS										
31	AIRCRAFT SURVIVABILITY EQUIP (MYP)......	--	97,968			--	97,968		(97,968)	--	--
32	AIRCRAFT SURVIVABILITY EQUIP (MYP) (AP-C	--	---								
	OTHER SUPPORT										
33	AVIONICS SUPPORT EQUIPMENT.............	--	22,230								
0	HELIBORNE C2 CONSOLE...................	--	---								
0	MLS AVIONICS...........................	--	---								
34	COMMON GROUND EQUIPMENT................	--	38,723								
35	AIR TRAFFIC CONTROL....................	--	---								
0	SYNTHETIC FLIGHT TRAINING SYSTEMS......	--	---								
37	INDUSTRIAL FACILITIES..................	--	12,179								
38	WAR CONSUMABLES........................	--	3,067								
	TOTAL, SUPPORT EQUIPMENT AND FACILITIE		174,167				97,968		(97,968)		0
0	INFLATION SAVINGS, FY87................	--	---								
0	PROFIT POLICY CHANGE...................	--	---								
0	DRUG SUPPLEMENTAL/HELICOPTERS..........	--	---								
	TOTAL, AIRCRAFT PROCUREMENT, ARMY.....		2,229,539				2,643,083		(2,643,083)		2,422,642
	TRANSFER FROM OTHER ACCOUNTS....		---				---				---
	TOTAL FUNDING AVAILABLE........		2,229,539				2,643,083		(2,643,083)		2,422,642
	MISSILE PROCUREMENT, ARMY										
	OTHER MISSILES										
	SURFACE-TO-AIR MISSILE SYSTEM										
1	CHAPARRAL..............................	368	58,407			368	58,407	(368)	(58,407)	368	--
2	NON LINE OF SIGHT AIR DEFENSE SYSTEM....	--	9,823			--	9,823		(9,823)	--	--
3	NON LINE OF SIGHT AIR DEFENSE SYSTEM (AP	--	56,100			--	56,100		(56,100)	--	--
4	AIR DEFENSE SYS HEAVY..................	709	263,988								
6	OTHER MISSILE SUPPORT..................	--	5,540			--	5,540		(5,540)	--	--
7	PATRIOT(MYP)...........................	815	804,135	815	804,135	815	804,135			815	804,135
8	PATRIOT(MYP) (AP-CY)...................	--	37,400			--	37,400		(37,400)	--	37,400
9	STINGER(MYP)...........................	5,000	200,268			5,000	200,268	(5,000)	(200,268)	5,000	200,268
10	STINGER(MYP) (AP-CY)...................	--	44,000			--	44,000		(44,000)	--	44,000
11	STINGER PEDESTAL MOUNT.................	--	115,242			--	115,242		(115,242)	--	115,242
	AIR-TO-SURFACE MISSILE SYSTEM										
12	LASER HELLFIRE SYSTEM..................	4,000	146,802			4,000	146,802	(4,000)	(146,802)	5,000	168,358

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	ANTI-TANK/ASSAULT MISSILE SYSTEM										
13	TOW 2 (MYP)............................	8,719	117,034			8,719	117,034	(8,719)	(117,034)	8,719	117,034
16	MULTIPLE LAUNCH ROCKET SYSTEM (MYP).....		417,031	36,000	417,031		417,031	36,000	0		417,031
17	MULTIPLE LAUNCH ROCKET SYSTEM (MYP) (AP-	--	---			--	---			--	---
18	ARMY TACTICAL MISSILE SYSTEM (ATACMS)..	66	77,000			66	77,000	(66)	(77,000)	66	77,000
19	ARMY TACTICAL MISSILE SYSTEM (ATACMS) (	--	4,300			--	4,300		(4,300)	--	4,300
5	CLASSIFIED PROGRAM......................	--	8,106			--	8,106		(8,106)	--	--
	TOTAL, OTHER MISSILES.................		2,365,176		1,221,166		2,101,188		(880,022)		1,984,768
	MODIFICATION OF MISSILES										
	MODIFICATIONS										
20	PATRIOT................................	--	40,385								
21	CHAPARRAL..............................	--	65,129								
22	HAWK...................................	--	51,912								
23	TOW....................................	--	26,077								
24	DRAGON.................................	--	17,481								
25	LANCE..................................	--	5,159								
26	PERSHING...............................	--	8,980			--	8,980		(8,980)	--	--
27	MLRS...................................	--	33,860								
28	AN/TSQ-73..............................	--	1,289								
	TOTAL, MODIFICATION OF MISSILES.......		250,272		0		8,980		(8,980)		0
29	SPARES AND REPAIR PARTS................	--	250,702			--	250,702		(250,702)	--	246,600
	SUPPORT EQUIPMENT AND FACILITIES										
30	AIR DEFENSE TARGETS....................	--	39,276								
31	ITEMS LESS THAN $2.0M (MISSILES)........	--	2,148								
32	PRODUCTION BASE SUPPORT................	--	9,035								
999	CLASSIFIED PROGRAMS....................	--	6,591			--	6,591		(6,591)	--	--
	TOTAL, SUPPORT EQUIPMENT AND FACILITIE		57,050		0		6,591		(6,591)		0
0	INFLATION SAVINGS, FY87.................	--	---		---						
0	PROFIT POLICY CHANGE...................	--	---		---						
	TOTAL, MISSILE PROCUREMENT, ARMY......		2,923,200		1,221,166		2,367,461		(1,146,295)		2,231,368
	TRANSFER FROM OTHER ACCOUNTS....		---				---				---
	TOTAL FUNDING AVAILABLE.........		2,923,200		1,221,166		2,367,461		(1,146,295)		2,231,368
	PROCUREMENT OF W&TCV,ARMY										
	TRACKED COMBAT VEHICLES										
1	CARRIER, COMMAND POST LIGHT, FT, M577A2.	--	---								
0	CARRIER, PERSONNEL, FT, ARM, M113A3.....	--	---								
3	BRADLEY FIGHTING VEHICLES (MYP).........	618	671,200			618	671,200	(618)	(671,200)	618	--

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	AMOUNT	FY 1989 HOUSE PASSED QTY	AMOUNT	FY 1989 SENATE PASSED QTY	AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	AMOUNT
4	BRADLEY FIGHTING VEHICLES (MYP) (AP-CY).	--	42,800			--	42,800		(42,800)	--	--
5	BRADLEY FVS TRAINING DEVICES...........	--	---								
6	BRADLEY FVS TRAINING DEVICES (MOD)......	--	3,800			--	3,800		(3,800)	--	5,900
7	FIELD ARTILLERY AMMUNITION SUPPORT VEH..	--	---								
8	RECOVERY VEHICLE, MED, FT, M88A1........	80	83,800								
9	RECOVERY VEHICLE, MED, FT, M88A1 (AP-CY)	--	22,300								
10	ABRAMS TANK SERIES ROLL (MYP)...........	534	1,215,200			720	1,643,400	(720)	(1,643,400)	720	1,643,400
11	ABRAMS TANK SERIES ROLL (MYP) (AP-CY)...	--	146,100				196,950		(196,950)		196,950
12	M60 SERIES TANK TRAINING DEVICES........	--	30,000								
13	M1 SERIES TANK TRAINING DEVICES.........	--	10,500								
	MODIFICATION OF TRACKED COMBAT VEHICLES										
14	CARRIER,MOD.............................	--	52,500								
15	FIST VEHICLE (MOD)......................	--	---								
16	BFVS SERIES (MOD).......................	--	62,900								
17	HOWITZER, MED SP FT 155MM M109 SER(MOD).	--	38,700								
19	TANK,COMBAT,FT,105MM GUN,M60SER (MOD))MY	--	35,600								
20	TANK, M1 SERIES (MOD)...................	--	46,400								
21	9WW.....................................		600								
23	MOB TNG BASE EQUIP......................	--	---								
24	HOST NATION SUPPORT.....................	--	5,000								
	SUPPORT EQUIPMENT AND FACILITIES										
25	SPARES AND REPAIR PARTS.................	--	500,600			--	500,600		(500,600)	--	--
26	ITEMS LESS THAN $2.0M (TCV-WTCV)........	--	1,700			--	1,700		(1,700)	--	--
27	PRODUCTION BASE SUPPORT (TCV-WTCV)......	--	36,829			--	36,829		(36,829)	--	--
28	REGIONAL MAINTENANCE TRAINING SITES-EQUI	--	16,200			--	16,200		(16,200)	--	--
	TOTAL, TRACKED COMBAT VEHICLES........		3,022,729				3,113,479		(3,113,479)		1,846,250
	WEAPONS AND OTHER COMBAT VEHICLES										
29	HOWITZER, LIGT,TOWED, 105MM, M119.......	103	28,800								
30	HOWITZER, MED. TOWED, 155MM, M198.......	42	19,900								
31	MACHINE GUN, 7.62MM, M60................	--	---								
0	ARMOR MACHINE GUN, 7.62MM M240..........	--	---								
0	MOUNT MACH GUN CAL 50 M3................	--	---								
34	SQUAD AUTOMATIC WEAPON (SAW) 5.56MM.....	5,670	12,500								
35	GRENADE LAUNCHER, AUTO, 40MM, MK19-3....	1,326	12,000								
36	LAUNCHER, SMOKE GRENADE.................	2,949	1,600								
37	MORTAR, 81MM, M252......................	--	---								
38	MORTAR 120 MM...........................	350	23,800								
39	M16 RIFLE...............................	60,000	26,100								
40	SNIPER WEAPON SYSTEM....................	500	1,900								
41	PERSONAL DEFENSE WEAPON, 9MM............	33,078	7,000								
0	9MM HANDGUN COMPETITION.................	--	---								
42	VEH RAPID FIRE WPN SYS-BUSHMASTER (MYP).	948	32,500								
43	VEH RAPID FIRE WPN SYS-BUSHMASTER (MYP)	--	2,400								
	MODIFICATION OF WEAPONS AND OTHER COMBA										
47	M16A1 RIFLE MODS........................	--	5,800								
48	MODIFICATIONS UNDER $2.0M (WOCV-WTCV)...	--	---								
	SUPPORT EQUIPMENT AND FACILITIES										
49	SPARES AND REPAIR PARTS.................	--	18,700			--	18,700		(18,700)	--	--

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
50	ITEMS LESS THAN $2.0M (WOCV-WTCV)........	--	2,200			--	2,200		(2,200)	--	--
51	PRODUCTION BASE SUPPORT (WOCV-WTCV).....	--	9,833			--	9,833		(9,833)	--	--
	TOTAL, WEAPONS AND OTHER COMBAT VEHICL		205,033				30,733		(30,733)		0
0	INFLATION SAVINGS, FY87.................	--	---								
0	PROFIT POLICY CHANGE....................	--	---								
	TOTAL, PROCUREMENT OF W&TCV,ARMY......		3,227,762				3,144,212		(3,144,212)		1,846,250
	TRANSFER FROM OTHER ACCOUNTS....		---				---				
	TOTAL FUNDING AVAILABLE.........		3,227,762				3,144,212		(3,144,212)		1,846,250
	PROCUREMENT OF AMMUNITION, ARMY										
	AMMUNITION										
	ATOMIC MATERIEL										
1	NUCLEAR WEAPONS SUPPORT MATERIEL.......	--	3,856			--	3,856		(3,856)	--	--
2	PROJ, NUCLEAR, 155MM....................	[ ]	[ ]			[ ]	[ ]	[ ]	[ ]	[ ]	[ ]
	CONTROLLED ITEMS										
3	CTG, 5.56MM, BALL M193..................	56,642	8,206			56,642	8,206	(56,642)	(8,206)	56,642	8,206
4	CTG, 5.56MM, TRACER.....................	--	---			--	---			--	---
5	CTG, 5.56MM, TRACER CLIP................	9,623	2,570			9,623	2,570	(9,623)	(2,570)	9,623	2,570
6	CTG, 5.56MM, BLANK M200.................	158,985	15,611			158,985	15,611	(158,985)	(15,611)	158,985	15,611
7	CTG, 5.56MM, BLK M200, LKD F/SAW........	--	---			--	---			--	---
8	CTG, 5.56MM, 4 BALL M855/1 TRCR M856 LKD	--	---			--	---			--	---
9	CTG, 5.56MM BALL M16-A2.................	104,753	22,344			104,753	22,344	(104,753)	(22,344)	104,753	22,344
10	CTG, 5.56MM, PLASTIC M862...............	8,000	2,176			8,000	2,176	(8,000)	(2,176)	8,000	2,176
11	CTG, 5.56MM TRACER M16-A2...............	19,181	4,943			19,181	4,943	(19,181)	(4,943)	19,181	4,943
12	CTG, 7.62MM, 4 BALL M80/1 TRCR M62 LKD..	45,098	12,557			45,098	12,557	(45,098)	(12,557)	45,098	12,557
13	CTG, 7.62MM, BALL M80 LKD/M13...........	9,777	2,570			9,777	2,570	(9,777)	(2,570)	9,777	2,570
14	CTG, 7.62MM, LKD 4 BALL ITRACER OHF.....	6,194	2,076			6,194	2,076	(6,194)	(2,076)	6,194	2,076
15	CTG, 7.62MM, BLANK M82 LKD/M13..........	53,166	12,051			53,166	12,051	(53,166)	(12,051)	53,166	12,051
16	CTG, CAL .22, BALL LR...................	--	---			--	---			--	---
17	CTG, CAL .45, BALL M1911................	12,549	1,484			12,549	1,484	(12,549)	(1,484)	12,549	1,484
18	CTG, CAL .50, PLASTIC LKD 4 BALL/1 TRACE	2,900	2,966			2,900	2,966	(2,900)	(2,966)	2,900	2,966
19	CTG, CAL .50, LKD 4 BALL/1 TRCR W/M15A2L	877	1,483			877	1,483	(877)	(1,483)	877	1,483
20	CTG, CAL .50, APIT, M20 LKD.............	--	---			--	---			--	---
21	CTG, CAL .50, BALL LKD..................	--	---			--	---			--	---
0	CTG, CAL .50, BLK, M1A1, W/M9 LK, F/M2 M	--	---			--	---			--	---
0	CTG, CAL .50, BLANK, M1A1, LKD F/M85 MG	--	---			--	---			--	---
22	CTG, CAL .50, BLANK T928 W/M9 LK........	321	198			321	198	(321)	(198)	321	198
23	CTG, CAL .50, LKD 4 BALL/1 TRACER W/M9 L	--	---			--	---			--	---
0	NATIONAL BOARD FOR RIFLE PRACTICE.......	--	---			--	---			--	---
24	CTG, 20MM, LKD TP-T M220 SERIES MLB M14A	3,517	13,149			3,517	13,149	(3,517)	(13,149)	3,517	13,149
25	CTG, 20MM, LKD 4 TP M55A2/1TP-T M220....	1,288	4,153			1,288	4,153	(1,288)	(4,153)	1,288	4,153
26	CTG, 25MM, HEI-T M792 W/F...............	805	19,452			805	19,452	(805)	(19,452)	805	19,452
28	CTG, 25MM, TPT LKD M793 MLB M28.........	1,388	14,839			1,388	14,839	(1,388)	(14,839)	1,388	14,839

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
29	CTG,25MM,AP TRAINING RD	804	36,152			804	36,152	(804)	(36,152)	804	36,152
31	CTG, 30MM, LKD TP M788	409	4,503			409	4,503	(409)	(4,503)	409	4,503
33	CTG, 40MM, HEDP M430	2,324	25,000			2,324	25,000	(2,324)	(25,000)	2,324	25,000
34	CTG 40MM TP F/MK19	2,292	26,300			2,292	26,300	(2,292)	(26,300)	2,292	26,300
35	CTG,40MM, GREEN STAR PARACHUTE	67	1,285			67	1,285	(67)	(1,285)	67	1,285
36	CTG, 40MM, PRAC M781	2,127	3,856			2,127	3,856	(2,127)	(3,856)	2,127	3,856
0	CTG,40MM, RED SMOKE MARKER	--	---			--	---			--	---
0	CTG,40MM, GREEN SMOKE MARKER	--	---			--	---			--	---
0	CTG,40MM, YELLOW SMOKE MARKER	--	---			--	---			--	---
37	CTG,40MM WHITE STAR CLUSTER M585 F/LCHR	110	2,669			110	2,669	(110)	(2,669)	110	2,669
38	CTG,40MM, RED STAR, PARACHUTE	86	1,681			86	1,681	(86)	(1,681)	86	1,681
39	CTG 40MM CS M651	232	4,350			232	4,350	(232)	(4,350)	232	4,350
40	CTG, 60MM, ILLUM LWCMS XM721	--	---			--	---			--	---
41	CTG, 60MM, SMK WPLWCMS XM722	48	4,548			48	4,548	(48)	(4,548)	48	4,548
42	CTG, 60MM,HE M720W/M734 MOF	--	---			--	---			--	9,600
44	CTG, 81MM: ILLUM XM853	--	---			--	---			--	---
45	CTG, 81MM: HE, M821 W/FUZE M734 MO	--	---			--	---			--	---
46	CTG, 81MM: SMOKE, RP, XM819	--	---			--	---			--	---
47	CTG, 81MM: 1/10 RNG, PRAC,M880	31	4,450			31	4,450	(31)	(4,450)	31	4,450
48	CTG, 4.2-IN HE M329A2 W/O FUZE	--	---			--	---			--	--
49	CTG, 120MM: HE, XM933, W/FUZE M734 MO...	39	13,598			39	13,598	(39)	(13,598)	39	--
50	CTG,120MM,HE W/PD FUZE	22	6,625			22	6,625	(22)	(6,625)	22	--
51	CTG,120MM: ILLUM, XM930	25	11,073			25	11,073	(25)	(11,073)	25	--
52	CTG,120MM: SMOKE, XM929	29	13,545			29	13,545	(29)	(13,545)	29	--
53	CTG, 120MM TNG 1/10	9	1,286			9	1,286	(9)	(1,286)	9	--
54	CTG, 105MM, BLANK M395	--	---			--	---			--	--
55	CTG, 105MM, ILLUM, F/105, M314	--	---			--	---			--	--
57	CTG, 105MM, TP-T, M490	132	17,543			132	17,543	(132)	(17,543)	132	17,543
58	TG, 105MM, DS-TP M724	172	28,856			172	28,856	(172)	(28,856)	172	28,856
59	CTG, 105MM, APFSDS-T M833	--	---			--	---			--	---
60	CTG, 105MM, APFSDS-T, (XM900E1)	16	30,906			16	30,906	(16)	(30,906)	16	30,906
61	CTG, 120MM APFSDS-T M829	79	85,621			79	85,621	(79)	(85,621)	79	85,621
62	CTG, 120MM HEAT-MP-T,M830(MYP)	16	25,198			16	25,198	(16)	(25,198)	16	25,198
63	CTG, 120MM TP-T M831 (MYP)	51	45,423			51	45,423	(51)	(45,423)	51	45,423
64	CTG, 120MM TPCSDS-T, M865(MYP)	129	76,328			129	76,328	(129)	(76,328)	129	76,328
65	CTG, SUBCAL 35MM F/TANK	40	1,879			40	1,879	(40)	(1,879)	40	1,879
66	PROJ,155MM,HE,ICM M483	229	103,076			229	103,076	(229)	(103,076)	229	116,376
67	PROVE-OUT M483	--	---			--	---			--	---
68	PROJ, 155MM, ILLUM M485	--	---			--	---			--	---
69	PROJ, 155MM, SMK, WP, M825	32	12,557			32	12,557	(32)	(12,557)	32	12,557
70	PROJ,155MM,HE,ADAM M731	13	61,101			13	61,101	(13)	(61,101)	13	61,101
71	PROJ, 155MM, HE, RAAMS M718	--	---			--	---			--	--
72	PROJ, 155MM, HE, RAAMS M741	--	---			--	---			--	--
73	PROJ, 155MM, BASEBLEED, XM864	153	107,373			153	107,373	(153)	(107,373)	153	107,373
74	PROJ, 155MM, HE, COPPERHEAD (EA)	2,959	105,599			2,959	105,599	(2,959)	(105,599)	2,959	105,599
75	PROJ, 155MM, CHEM GB-2	[ ]	[ ]			[ ]	[ ]	[ ]	[ ]	[ ]	--
76	PROJ, 155MM, TRAINING, M804	98	14,435			98	14,435	(98)	(14,435)	98	14,435
77	CHARGE, PROPELLING, M155MM, GREEN BAG M3	--	---			--	---			--	---
78	CHARGE, PROPELLING, M155MM, RED BAG M203	310	115,975			310	115,975	(310)	(115,975)	310	115,975
79	CHARGE, PROPELLING, M155MM, RED BAG M119	--	---			--	---			--	---
80	CTG, 165MM, TP M623	20	7,712			20	7,712	(20)	(7,712)	20	7,712
81	PROJ, 8-INCH, ANTI-ARMOR (SADARM) XM836.	--	19,774			--	19,774		(19,774)	--	19,774
82	PROJ, 8-INCH, HE, ICM (DP), M509	--	---			--	---			--	---
83	PROJ, 8-INCH, HE, RAP, M650	108	41,440			108	41,440	(108)	(41,440)	108	41,440
84	FUZE, PROXIMITY, M732	51	6,328			51	6,328	(51)	(6,328)	51	6,328
85	FUZE, PD M739/M739A1	--	---			--	---			--	---

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
86	FUZE, MTSQ M577/M577A1	170	19,280			170	19,280	(170)	(19,280)	170	19,280
87	FUZE, MTSQ M582/M582A1	145	11,567			145	11,567	(145)	(11,567)	145	11,567
88	FUZE, ET XM762	146	18,348			146	18,348	(146)	(18,348)	146	18,348
89	PRIMER, PERC, M82	448	791			448	791	(448)	(791)	448	791
90	TRAINING DEVICE, MINE SYSTEM	--	198			--	198		(198)	--	198
91	GROUND IMP MINE SCAT SYS AP M74(MYP)	--	---			--	---			--	---
92	GROUND IMP MINE SCAT SYS AT M75(MYP)	--	---			--	---			--	---
93	CANISTER MINE PRACTICE XM88 (VOLCANO)	28	7,712			28	2,712	(28)	(2,712)	28	2,712
94	CANISTER MINE (VOLCANO) XM87	20	45,579			20	45,579	(20)	(45,579)	20	45,579
95	MTR RKT 5 IN MK22 MOD4	1,808	7,316			1,808	7,316	(1,808)	(7,316)	1,808	7,316
96	LINE CHARGE M58A3 (MICLIC)	2,836	30,946			2,836	30,946	(2,836)	(30,946)	2,836	30,946
97	MINE AT XM84	3	6,723			0	0			0	0
98	MODUALAR PACK MINE SYSTEM	6,000	52,896			6,000	52,896	(6,000)	(52,896)	6,000	52,896
99	PURSUIT DETERRENT MUNITION	--	---			--	---			--	---
100	DEMOLITION MUNITIONS & OTHER	--	23,332			--	23,332		(23,332)	--	23,332
102	CTG, 105MM HERA XM913	24	11,469			15	8,169	(15)	(8,169)	15	8,169
103	LIGHTWEIGHT MULTI-PURPOSE WEAPON	114	75,551			96	62,551	(96)	(62,551)	96	62,551
104	LIGHT WGT MULTI PURPOSE SYSTEM TRNR	1,400	3,164			1,400	3,164	(1,400)	(3,164)	1,400	3,164
106	HYDRA 70 RKT HE/RS (M151/M433)	14	7,218			14	7,218	(14)	(7,218)	14	7,218
107	HYDRA 70 RKT ILLUM M257 WHD	--	---			--	---			--	---
108	HYDRA 70 RKT, SMOKE, XM264	42	15,536			42	15,536	(42)	(15,536)	42	15,536
109	HYDRA 70 RKT, MPSM PRAC M267 WHD	23	14,040			23	14,040	(23)	(14,040)	23	14,040
110	HYDRA 70 RKT, HE/PD (M151/M423/MK66)	76	26,200			76	26,200	(76)	(26,200)	76	26,200
0	HYDRA 70 SMOKE	--	---			--	---			--	---
111	HYDRA 70 ROCKET XM274 SIG PRACTICE	77	23,913			77	23,913	(77)	(23,913)	77	23,913
112	GRENADE, HAND, ALL TYPES	--	8,700			--	8,700		(8,700)	--	8,700
113	GREN SMK SCREENING RP L8A1/L8A3	--	---			--	---			--	---
114	GRENADE, SMOKE SCREENING IR M76	107	5,537			107	5,537	(107)	(5,537)	107	5,537
115	SIGNALS, ALL TYPES	--	10,438			--	10,438		(10,438)	--	10,438
116	SIMULATORS, ALL TYPES	--	11,963			--	11,963		(11,963)	--	11,963
	MISCELLANEOUS										
117	AMMO COMPONENTS/SUPPORT, ALL TYPES	--	21,257			--	21,257		(21,257)	--	21,257
118	CAD/PAD	--	4,746			--	4,746		(4,746)	--	4,746
119	ITEMS LESS THAN $2.0M (MISC-AMMO)	--	9,788			--	9,788		(9,788)	--	9,788
120	SPARES AND REPAIR PARTS	--	2,472			--	2,472		(2,472)	--	2,472
121	AMMUNITION PECULIAR EQUIPMENT	--	8,898			--	8,898		(8,898)	--	8,898
122	NITROGUANIDINE (LB)	--	9,195			--	9,195		(9,195)	--	9,195
0	COMP A-5	--	---			--	---			--	---
0	COMP C-4	--	---			--	---			--	---
0	PBX 0280	--	---			--	---			--	---
0	COMP LX-14	--	---			--	---			--	---
0	HMX EXPL-805	--	---			--	---			--	---
123	WAR RESERVE STOCKPILING(EXPL/PROPELLANTS	--	35,000			--	35,000		(35,000)	--	---
123a	RDX/HMX	--	---			--	---			--	---
124	AMMO 9WW/ELT	--	2,768			--	2,768		(2,768)	--	2,768
125	HOST NATION SUPPORT (AMMO)	--	28,969			--	28,969		(28,969)	--	28,969
0	GENERAL INCREASE, AMMUNITION	--	---			--	---			--	---
0	CLASSIFIED PROGRAMS	--	137,824			--	137,824		(137,824)	--	137,824
	TOTAL, AMMUNITION		1,914,063				1,886,040		(1,886,040)		1,823,957

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	AMMUNITION PRODUCTION BASE SUPPORT										
	PRODUCTION BASE SUPPORT										
126	PROVISION OF INDUSTRIAL FACILITIES......	--	245,989			--	245,989		(245,989)	--	245,989
127	COMPONENTS FOR PROVE-OUT................	--	14,336			--	14,336		(14,336)	--	14,336
128	LAYAWAY OF INDUSTRIAL FACILITIES........	--	19,378			--	19,378		(19,378)	--	19,378
129	JEFFERSON PROVING GROUND MODERNIZATION..	--	989			--	989		(989)	--	989
131	MODERNIZATION PROJECTS..................	--	---			--	---			--	---
0	GENERAL INCREASE, PRODUCTION BASE.......	--	---			--	---			--	---
	TOTAL, AMMUNITION PRODUCTION BASE SUPP		280,692				280,692		(280,692)		280,692
0	INFLATION SAVINGS, FY87.................	--	---			--	---			--	---
0	PROFIT POLICY CHANGE....................	--	---			--	---			--	---
	TOTAL, PROCUREMENT OF AMMUNITION, ARMY		2,194,755				2,166,732		(2,166,732)		2,104,649
	TRANSFER FROM OTHER ACCOUNTS....		---				---				---
	TOTAL FUNDING AVAILABLE.........		2,194,755				2,166,732		(2,166,732)		2,104,649
	OTHER PROCUREMENT, ARMY										
	TACTICAL AND SUPPORT VEHICLES										
	TACTICAL VEHICLES										
0	CHASSIS TRAILER GEN 2 1/2 TON 2W M200A1.	--	---			--	---				---
0	DOLLY SET, TRANS SHELTER 2 1/2T, M720...	--	---			--	---			--	---
0	DOLLY SET, TRANS SHELTER 5 1/4T, M832...	--	---			--	---			--	---
0	DOLLY SET, TRANS SHELTER, 7 1/2T, M1022.	--	---			--	---			--	---
1	TACTICAL TRAILERS/DOLLY SETS............	--	43,097			--	43,097		(43,097)	--	26,399
2	MOTORCYCLE, GED, 2W, ROUGH TERRAIN......	617	1,971			617	1,971	(617)	(1,971)	2,934	7,648
3	SEMITRAILER BB/CONT 22 1/2T M871 C/S....	1,924	25,764			1,924	25,764	(1,924)	(25,764)	770	10,296
4	SEMITRAILER BB/CONT 34T M872 C/S........	73	2,069			73	2,069	(73)	(2,069)	--	--
6	SEMITRAILER, LOW BED, 40T M870A1 (C/S)..	318	6,601			318	6,601	(318)	(6,601)	323	6,766
7	SEMITRAILER, LOW BED HET, XM1000........	261	25,516			261	25,516	(261)	(25,516)	80	7,943
8	SEMITRAILER, TANK, 5000G................	341	21,477			341	21,477	(341)	(21,477)	100	6,373
9	SEMITRAILER, TANK, 7500G, BULKHAUL......	329	10,246			329	10,246	(329)	(10,246)	365	10,983
0	TRAILER, CARGO 3/4T, 2W, M101A2 W/E.....	--	---			--	---			--	---
0	TRAILER, CARGO, 1 1/2T, 2W, M105A2......	--	---			--	---			--	---
0	TRAILER, HEAVY, EXPANDED MOBILITY.......	--	---			--	---			--	---

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
0	TRAILER TANK WATER 400G 1 1/2T 2W M149A1	--	---			--	---			--	---
10	SEMITRAILER VAN ELECTRONIC 6T 2W M373A2.	209	6,009			209	6,009	(209)	(6,009)	209	6,009
11	SEMITRAILER VAN SUPPLY 12T,2WHL,M129A2C.	--	---			--	---			--	---
12	HI MOB MULTI-PURP WHLD VEH (HMMWV)(MYP).	6,177	158,415	6,177	156,900	6,177	158,415		(1,515)	6,177	158,415
13	SMALL UNIT SUPPORT VEHICLE (SUSV).......	60	7,094			60	7,094	(60)	(7,094)	60	--
14	TRUCK, 5T, 6X6, ABT (MYP)..............	4,330	281,354			4,330	281,354	(4,330)	(281,354)	4,330	--
15	TRUCK, 10T, 8X8, ABT (MYP)..............	--	---			--	---			1,350	239,297
16	TRUCK, TRACTOR, LINE HAUL, M915A1.......	356	23,151			356	23,151	(356)	(23,151)	618	40,693
17	TRUCK, TRACTOR, HET, (C/S)..............	309	54,973			309	54,973	(309)	(54,973)	76	13,238
18	MODIFICATION OF IN-SERVICE EQUIPMENT....	--	100			--	100		(100)	--	1,961
19	SHOP EQUIPMENT, AUTO MAINT & REP........	211	1,872			211	1,872	(211)	(1,872)	144	1,176
20	ITEMS LESS THAN $2.0M (TAC VEH).........	--	569			--	569		(569)	--	1,908
20a	MISSION ESSENTIAL EQUIPMENT.............	--	---			--	---			--	--
	NON-TACTICAL VEHICLES										
21	PASSENGER CARRYING VEHICLES.............	788	10,147			788	10,147	(788)	(10,147)	--	--
22	GENERAL PURPOSE VEHICLES................	870	15,861			870	15,861	(870)	(15,861)	--	--
23	TRUCK, CARGO, PICKUP, 4X2...............	640	5,911			640	5,911	(640)	(5,911)	--	--
24	TRUCK, CARRYALL.........................	604	7,094			604	7,094	(604)	(7,094)	--	--
25	SPECIAL PURPOSE VEHICLES................	793	15,960			793	15,960	(793)	(15,960)	--	--
	SUPPORT EQUIPMENT AND FACILITIES										
26	SPARES AND REPAIR PARTS.................	--	126,496			--	126,496		(126,496)	--	118,565
27	PRODUCTION BASE SUPPORT (TAC)...........	--	690			--	690		(690)	--	1,765
	TOTAL, TACTICAL AND SUPPORT VEHICLES..		852,437		156,900		852,437		(695,537)		659,435
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
	TELECOMM EQUIP - READ CMD COMM										
28	JCSE EQUIPMENT (USREDCOM)...............	--	3,129			--	3,129		(3,129)	--	--
0	CINCS INITIATIVE........................	--	---			--	---			--	--
29	CLASSIFIED PROJECT 9WW..................	--	7,627			--	7,627		(7,627)	--	--
0	MOD RCRD TPC TERM (MRTT)................	--	---			--	---			--	--
0	DIG GROUP MULTIIPLEXER (DGM)............	--	---			--	---			--	--
	TELECOMM EQUIP - JOINT TACTICAL COMM PR										
30	TRI-TAC EQUIPMENT.......................	--	156,356			--	156,356		(156,356)	--	--
33	RPTR/TERM ASSMBLGS......................	--	---			--	---			--	--
34	RADIO TERMINALS AN/TRC-170..............	--	---			--	---			--	--
35	MAINTENANCE SYSTEM AN/ARM-164...........	--	---				---			--	--
0	UNIT LEVEL SWITCHES.....................	--	---			--	---			--	--
37	COM SYS CON EL AN/TYQ-16................	--	---			--	---			--	--
0	DIG NSEC VTER TA-954....................	--	---			--	---			--	--
39	ANDVT-TAC TERM, CV-3591.................	--	---			--	---			--	--
0	LIGHTWEIGHT DIGITAL FACSIMILE...........	--	---			--	---			--	--
40	MOB SUBSCRIBER EQUIP....................	--	995,700			--	995,700		(995,700)	--	995,700
41	MOD OF IN-SVC EQ (TRI-TAC)..............	--	23,077			--	23,077		(23,077)	--	--
0	SINCGARS................................	--	---			--	---			--	--
	TELECOMM EQUIP-COMBAT SUPPORT COMM										
43	SINCGARS FAMILY.........................	--	343,519			--	343,519		(343,519)	--	--
44	HAND CRANK GENERATOR, G-76..............	--	---			--	---			--	--
0	IHF RADIO MODS..........................	--	---			--	---			--	--

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
45	IMP HF RADIO FAMILY......................	--	---			--	---			--	--
46	OPTICAL LONG HAUL TRAN SYS...............	1,330	10,365			1,330	10,365	(1,330)	(10,365)	1,330	--
47	PWR SUPPLY PP-6148/U.....................	--	---			--	---			--	--
49	SOF MOD RADIOS...........................	--	7,334			--	7,334		(7,334)	--	--
50	ANTENNA GROUP OE-254.....................	--	---			--	---			--	--
52	SMALL UNIT TRANSCEIVER...................	3,028	4,791			3,028	4,791	(3,028)	(4,791)	3,028	--
0	VEHICULAR INTERCOM SYSTEM................	--	---			--	---			--	--
54	MOD OF IN-SVC EQUIP (CSC)................	--	6,303			--	6,303		(6,303)	--	--
55	SWASIA COMM INFRASTRUCTURE...............	--	21,513			--	21,513		(21,513)	--	--
56	ITEMS LESS THAN $2.0M (CSC-C-E)..........	--	4,239			--	4,239		(4,239)	--	--
57	SPEC OPS COMM SUP ELMT...................	--	---			--	---			--	--
0	SECURE CONFERENCING PROJECT..............	--	---			--	---			--	--
	TELECOMM EQUIP - STARCOM NON-DCS										
58	AR TELECOM AUTO PR (ATCAP)...............	--	5,573			--	5,573		(5,573)	--	--
59	C-E FACILITIES/PROJECTS..................	--	3,912			--	3,912		(3,912)	--	--
60	SOUTHCOM C3 UPGRADE......................	--	---			--	---			--	--
61	ELECTROMAG COMP PROG(EMCP)...............	--	---			--	---			--	--
	LONG-HAUL COM (DCS)										
64	TRANSMISSION MEDIA (EUCOM)...............	--	---			--	---			--	--
65	TRANSMISSION MEDIA (PACOM)...............	--	---			--	---			--	--
66	WW TECH CON IMP PR(WWTCIP)...............	--	---			--	---			--	--
	TELECOMM EQUIP - SATCOM-GRD ENVIRON										
67	DIGITAL EQUIPMENT (DSCS).................	--	13,103			--	13,103		(13,103)	--	--
68	INTERCONNECT FACILITY (DSCS).............	--	3,813			--	3,813		(3,813)	--	--
69	JAM RESISTANT SECURE COM (JRSC)..........	--	6,650			--	6,650		(6,650)	--	--
72	DSCS OPERATIONS CONTROL SYS (DOCS).......	--	57,887			--	57,887		(57,887)	--	--
73	MOD IN-SVC EQUIP (DSCS)..................	--	6,552			--	6,552		(6,552)	--	--
74	MPK SAT UHF TERM, AN/PSC-3...............	34	1,291			34	1,291	(34)	(1,291)	34	--
75	VEH SAT UHF TERM, AN/VSC-7...............	19	588			19	588	(19)	(588)	19	--
76	SINGLE CHANNEL OBJECT TACT TERM (SCOTT).	18	55,100			18	55,100	(18)	(55,100)	18	--
77	MOD IN-SVC EQUIP (TAC SAT)...............	--	3,422			--	3,422		(3,422)	--	--
	TELECOMM EQUIP - EUCOM C3 SYSTEM										
78	EUCOM C3 (NWS)...........................	--	---			--	---			--	--
79	PACOM C3(NWS)............................	--	---			--	---			--	--
80	EUCOM ALTERNATE SPT HQ (ASH).............	--	---			--	---			--	--
81	USAREUR TACTICAL COMD & CONTROL SYS(UTAC	--	6,845			--	6,845		(6,845)	--	--
	TELECOMM EQUIP - COMSEC EQUIPMENT										
82	IFF COMSEC...............................	--	4,791			--	4,791		(4,791)	--	--
83	TRUNK ENCRYPTION DEVICES (TED)...........	--	12,126			--	12,126		(12,126)	--	--
84	MINTERM KY-99............................	--	2,249			--	2,249		(2,249)	--	--
85	BTFLD ELEC COEI SYS (BECS)...............	--	26,303			--	26,303		(26,303)	--	--
86	AUTO KEY DC KGX-93/TSEC..................	--	978			--	978		(978)	--	--
87	SEC VO IMPRV PRG (COMSEC)................	--	29,922			--	29,922		(29,922)	--	--
89	DED LOOP ENCRYP DEV KG-84................	--	21,321			--	21,321		(21,321)	--	--
90	TNK ENCRP DEV TSEC/KG-93.................	--	---			--	---			--	--
91	TSEC/KG-94...............................	--	---			--	---			--	--
93	ADDS COMSEC KEY GENERATOR (KG-87)........	--	294			--	294		(294)	--	--
94	COMSEC MODULE, TSEC/KGV-13...............	--	6,160			--	6,160		(6,160)	--	--
95	FREQ MODULE, KGV-10/TSEC.................	48,028	16,437			48,028	16,437	(48,028)	(16,437)	48,028	--

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
0	TSEC/KYV-5 (VACTOR) SECURE EQUIP........	--	---			--	---			--	--
97	TEMPEST (COMSEC)........................	--	1,663			--	1,663		(1,663)	--	--
0	KOK-13/TSEC (KDC).......................	--	---			--	---			--	--
98	ADDS COMSEC SECURE MODULE (THORNTON KGV-	--	1,857			--	1,857		(1,857)	--	--
99	TSEC/KGV-11/SECURE MODULE...............	--	1,358			--	1,358		(1,358)	--	--
101	ITEMS LESS THAN $2.0M (COMSEC)..........	--	3,423			--	3,423		(3,423)	--	--
	TELECOMM EQUIP - BASE COMM										
102	INFO SYSTEMS CONUS/WESTERN HEMISPHERE...	--	15,058			--	15,058		(15,058)	--	--
103	LOCAL AREA NETWORK (LAN)................	--	---			--	---			--	--
104	INFORMATION SYSTEMS (EUCOM).............	--	4,890			--	4,890		(4,890)	--	--
105	INFORMATION SYSTEMS (PACOM).............	--	8,018			--	8,018		(8,018)	--	--
107	ARMY OPNS CTR...........................	--	---			--	---			--	--
108	PENTAGON TELECOM CTR (PTC)..............	--	---			--	---			--	--
	TMDE FOR TELECOMM										
109	CALIBRATION SETS EQUIPMENT..............	--	24,152			--	24,152		(24,152)	--	--
110	TMDE MODERNIZATION......................	--	20,926			--	20,926		(20,926)	--	--
	OTHER ELECT SYS/EQUIP - INTELLIGENCE SU										
111	4TH PSYOP GROUP.........................	--	11,245			--	11,245		(11,245)	--	--
112	ALL SOURCE ANALYSIS SYSTEM (ASAS)-TIARA......		[ ]				[ ]		[ ]		--
113	SINGLE SOURCE PROCESSOR - SIGINT............		[ ]				[ ]		[ ]		--
114	REAR ECHELON COMINT SYSTEM (RECS).......	1	[ ]			1	[ ]	(1)	[ ]	1	--
115	COMMANDERS TACTICAL TERMINAL............	[ ]	[ ]			[ ]	[.]	[ ]	[ ]	[ ]	--
116	TRAILBLAZER.............................	--	---			--	---			--	--
117	TAC ELEC SURV SYS.......................	--	4,693			--	4,693		(4,693)	--	--
118	MANPACK RADIO DF SYSTEM (MRDFS).........	[ ]	[ ]			[ ]	[ ]	[ ]	[ ]	[ ]	--
120	MOD IN SER EQ (INT SPT) TIARA...........	--	41,723			--	41,723		(41,723)	--	--
121	ITEMS LESS THAN $2.0M (INT SPT-C-E).....	--	675			--	675		(675)	--	--
122	FT DEVENS TRAINING SUPPORT..............	--	489			--	489		(489)	--	--
123	TROJAN..................................	--	[ ]			--	[ ]		[ ]	--	--
	OTHER ELECT SYS/EQUIP - GEN DEF INTEL P										
124	INTELLIGENCE DATA HANDLING SYS (IDHS)...	--	[ ]			--	[ ]		[ ]	--	--
125	TECHNICAL RECON AND SURV SYS (TECRAS)...	--	[ ]			--	[ ]		[ ]	--	--
126	ITEMS LESS THAN $2.0m (FCI/S&IA-C-E)....	--	[ ]			--	[ ]		[ ]	--	--
127	ITEMS LESS THAN $2.0M (GDIP-C-E)........	--	[ ]			--	[ ]		[ ]	--	--
	OTHER ELECT SYS/EQUIP - AUTO DATA PROCE										
128	STARNET/VIABLE..........................	--	29,041			--	29,041		(29,041)	--	--
129	BATTERY COMPUTER SYSTEM.................	--	---			--	---			--	--
130	AMC INFORMATION PROCESSING EQUIPMENT (IP	--	38,723			--	38,723		(38,723)	--	--
131	ADV FIELD ARTILLERY TACT DATA SYS.......	--	78,715			--	78,715		(78,715)	--	--
132	ARMY DATA DISTRIBUTION SYSTEM-ADDS......	--	158,991			--	158,991		(158,991)	--	--
133	TRADOC AUTOMATION.......................	--	467			--	467		(467)	--	--
134	USAREUR TACTICAL AUTOMATION.............	--	---			--	---			--	--
135	LIFE CYCLE SOFTWARE SUP. (LCSS).........	--	9,240			--	9,240		(9,240)	--	--
136	ADPE FOR NON TAC MGT INFO SYS...........	--	---			--	---			--	--
137	SUPERCOMPUTERS..........................	--	---			--	---			--	--
0	ARMY CORPORATE DATABASE.................	--	---			--	---			--	--
0	SOLDIER DATA TAG........................	--	---			--	---			--	--
138	PROJECT 80X PHASE II....................	--	---			--	---			--	--
139	TRANS OF PERS PROP......................	--	---			--	---			--	--
140	EUSA-C3I INITIATIVES....................	--	8,605			--	8,605		(8,605)	--	--
141	STD ARMY AUTO CONTRACT SY...............	--	---			--	---			--	--

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
0	FIRE SUPPORT TEAM DIGITAL MESSAGE.......	--	---			--	---			--	--
142	HQ AUTOMATION SYSTEMS....................	--	20,206			--	20,206		(20,206)	--	--
143	IPE STAIRS...............................	--	8,312			--	8,312		(8,312)	--	--
144	MEDICAL AUTOMATION SYSTEMS...............	--	1,564			--	1,564		(1,564)	--	--
145	PERSONNEL AUTOMATION SYSTEMS............	--	18,188			--	18,188		(18,188)	--	--
146	TRAINING AUTOMATION SYSTEMS.............	--	---			--	---			--	--
147	LOGISTICS AUTOMATION SYSTEMS............	--	14,433			--	14,433		(14,433)	--	--
148	RESERVE COMPONENT AUTOMATION SYSTEMS....	--	34,700			--	34,700		(34,700)	--	--
150	FORWARD ENTRY DEVICE.....................	--	22,881			--	22,881		(22,881)	--	--
152	MANUEVER CONTROL SYS.....................	--	9,681			--	9,681		(9,681)	--	--
154	CORPS/THEATER ADP SVC CTR (CTASC).......	--	17,601			--	17,601		(17,601)	--	--
155	TACT ARMY CMBT COMPT SY(TACCS)..........	67	1,349			67	1,349	(67)	(1,349)	67	--
156	FWD AREA AIR DEFENSE CMD & CTL (FAAD C2)	--	63,064			--	63,064		(63,064)	--	--
157	POSITIVE HOSTILE ID......................	--	14,503			--	14,503		(14,503)	--	--
159	CSS LOG APPLC AUTO MARK/READ SYMBS(LOG M	--	19,533			--	19,533		(19,533)	--	--
160	WWMCCS INFORMATION SYSTEM (WIS).........	--	33,729			--	33,729		(33,729)	--	--
160a	ARMY COMMAND AND CONTROL SYSTEM (ACCS)..	--	---			--	---			--	--
	AUDIO VISUAL										
162	AFRTS (AUDIO VISUAL).....................	--	6,258			--	6,258		(6,258)	--	--
164	ITEMS LESS THAN $2 MILLION (A/V-C-E)....	--	10,169			--	10,169		(10,169)	--	--
165	TACTICAL ELEC NEWS GATHERING EQUIP......	--	1,956			--	1,956		(1,956)	--	--
	OTHER ELECT SYS/EQUIP - ELECTRONIC WARF										
167	TACJAM, AN/MLQ-34........................	--	---			--	---			--	--
168	TACTICAL DECEPTION (TAC-D)..............	--	[ ]			--	[ ]		[ ]	--	--
169	MOD IN-SVC EQUIP (EW)....................	--	11,343			--	11,343		(11,343)	--	--
170	ITEMS LESS THAN $2.0M (EW-C-E)..........	--	880			--	880		(880)	--	--
	OTHER ELECT SYS/EQUIP - TACTICAL ELECTR										
171	BATTERY CHARGER PP-7286/U...............	--	---			--	---				--
172	POWER SUPPLY, PP-6224....................	2,400	3,200			2,400	3,200	(2,400)	(3,200)	2,400	--
173	COMPUTER/INDICATOR, CP-696/PD...........	1,847	6,400			1,847	6,400	(1,847)	(6,400)	1,847	--
174	METEROLOGICAL DATA SYS (FAMAS)..........	12	8,410			12	8,410	(12)	(8,410)	12	--
176	HAND HELD LASER RANGEFINDER AN/GVS-5....	--	---			--	---			--	--
177	PHYSICAL SECURITY EQUIPMENT.............	--	16,272			--	16,272		(16,272)	--	--
178	FACILITY INTRUSION DETECTION SYSTEM.....	6	10,316			6	10,316	(6)	(10,316)	6	--
179	NAVSTAR USER EQUIPMENT..................	--	29,783			--	29,783		(29,783)	--	--
180	POSITION/AZIMUTH DETERMINING SYS (PADS).	60	19,068			60	19,068	(60)	(19,068)	60	--
0	NIGHT OBS DEVICE LONG RANGE AN/TAS-6....	--	---			--	---			--	--
181	NIGHT VISION GOGGLES.....................	--	138,100			--	138,100		(138,100)	--	--
182	AIMING LIGHT INFRARED, AN/PAQ-4.........	--	1,956			--	1,956		(1,956)	--	--
183	NIGHT VISION SIGHT INDIV WPN AN/PVS-4...	5,397	14,100			5,397	14,100	(5,397)	(14,100)	5,397	--
185	RADIAC SET AN/VDR-2......................	4,129	6,062			4,129	6,062	(4,129)	(6,062)	4,129	--
187	RPV TA/DESIGN AERIAL RECON SYS (TADARS).	--	196,317			--	196,317		(196,317)	--	--
188	UNMANNED AERIAL VEHICLE FAMILY..........	--	45,958			--	45,958		(45,958)	--	--
189	MULTIFUNCTION RADAR TRANSPONDER BEACON..	57	4,401			57	4,401	(57)	(4,401)	57	--
190	JOINT STARS (ARMY).......................	--	81,160			--	81,160		(81,160)	--	--
0	SHOP SHELTER MTD ASM-189................	--	---			--	---			--	--
0	SHOP SHELTER MTD (STOR) AN/ASM-190......	--	---			--	---			--	--
0	TEST SET, RADAR, AN/TPM-25..............	--	---			--	---			--	--
0	SHOP SHELTER MDT-REP AN/ASM-146.........	--	---			--	---			--	--
191	ELECTRONIC MAINTENANCE SHOPS............	--	3,716			--	3,716		(3,716)	--	--
192	TEST SET, RADAR, AN/TPM-25..............	--	---			--	---			--	--
193	MODIFICATION OF IN-SERVICE EQ (TAC EL)..	--	31,900			--	31,900		(31,900)	--	--
194	ITEMS LESS THAN $2 MILLION (TACT ELEC-C-	--	6,356			--	6,356		(6,356)	--	--

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
	TMDE FOR TACTICAL ELECTRONICS										
196	INTERMEDIATE FORWARD TEST EQUIP.........	--	57,105			--	57,105		(57,105)	--	--
0	BASE SHOP TEST FACILITY..................	--	---			--	---			--	--
0	CONTACT TEST SET.........................	--	---			--	---			--	--
197	TMDE FOR STE/ICE.........................	1,852	1,761			1,852	1,761	(1,852)	(1,761)	1,852	--
198	CORE ELECTRONIC AUTO TEST (STE-X)........	39	2,737			39	2,737	(39)	(2,737)	39	--
	OTHER ELECT SYS/EQUIP - SUP EQUIP AND F										
199	SPARES AND REPAIR PARTS..................	--	132,631			--	132,631		(132,631)	--	--
200	SPARES AND REPAIR PARTS..................	--	8,629			--	8,629		(8,629)	--	--
201	SPARES AND REPAIR PARTS..................	--	301,723			--	301,723		(301,723)	--	--
201a	TROJAN...................................										
201b	UAV......................................										
201c	RECS.....................................										
203	SPECIAL PROGRAMS.........................	--	81,277			--	81,277		(81,277)	--	--
205	PRODUCTIVITY INVESTMENT FUNDING..........	--	19,749			--	19,749		(19,749)	--	--
206	PR ENH CAP INV PR/QWK RT INV PR(PECIP/QR	--	8,623			--	8,623		(8,623)	--	--
207	PRODUCTION BASE SUPPORT (C-E)............	--	9,583			--	9,583		(9,583)	--	--
207a	MISSION ESSENTIAL EQUIPMENT..............	--	---			--	---			--	--
999	CLASSIFIED PROGRAMS......................		147,395				147,395		(147,395)		--
	TOTAL, COMMUNICATIONS AND ELECTRONICS		4,038,260				4,038,260		(4,038,260)		995,700
	OTHER SUPPORT EQUIPMENT										
	CHEMICAL DEFENSIVE EQUIPMENT										
208	REMOTE SENSING CHEMICAL ALARM (XM21)....	14	4,252			14	4,252	(14)	(4,252)	--	--
210	DECONTAMINATE APP PWR DR LT WT XM17.....	496	7,417			496	7,417	(496)	(7,417)	277	3,949
211	NONAQUEOUS EQUIP DECON SYSTEM(NAEDS)....	9	1,977			9	1,977	(9)	(1,977)	--	--
212	MASK, PROTECTIVE, NBC....................	--	50,729			--	50,729		(50,729)	--	51,036
213	CHEMICAL AGENT MONITOR...................	1,880	9,779			1,880	9,779	(1,880)	(9,779)	3,374	19,348
214	SIMP COLL PROT EQUIP XM20................	875	4,747			875	4,747	(875)	(4,747)	812	4,245
0	MODULAR/COLL PROT EQUIP FOR VV AND S....	--	---			--	---			--	---
0	AUTO CHEMICAL AGENT ALARM (ACADA), XM22.	--	---			--	---			--	---
216	GEN SET, SMOKE, MECH: PUL JET,XM157.....	--	---			--	---			--	---
	BRIDGING EQUIPMENT										
217	RIBBON BRIDGE ERECTION BOAT.............	--	---			--	---			--	---
218	BRIDGE, FLOAT-RIBBON, INTERIOR BAY......	--	---			--	---			--	---
219	BRIDGE, FLOAT-RIBBON, RAMP..............	--	---			--	---			--	---
220	BRIDGE, FLOAT-RIBBON, TRANSPORTER.......	--	---			--	---			--	---
221	LAUNCHER, LIGHT ASSAULT BRIDGE..........	5	3,164			5	3,164	(5)	(3,164)	5	3,164
222	LIGHT ASSAULT BRIDGE....................	5	3,164			5	3,164	(5)	(3,164)	5	3,164
223	ITEMS LESS THAN $2.0M(BRIDGING).........	--	693			--	693		(693)	--	693
	ENGINEER (NON-CONSTRUCTION) EQUIPMENT										
224	GEMSS AUX MINE DISPNSR XM138 (FLIPPER)..	--	---			--	---			--	---
225	DISPENSER MINE XM139....................	64	5,043			64	5,043	(64)	(5,043)	64	5,043
226	MIXER/PUMPER UNIT (MPU) TEXS............	81	12,756			81	12,756	(81)	(12,756)	81	12,756
227	MARKING SYS, CLEAR LANE.................	100	2,868			100	2,868	(100)	(2,868)	100	2,868
0	E DET SET, MINE, MET/NON-MET, AN/PRS-8..	--	---			--	---			--	---
228	DETECTING SET, MINE, AN/PSS-12..........	2,452	3,758			2,452	3,758	(2,452)	(3,758)	2,452	3,758

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
229	MINE PLOW(BLADE)........................	300	18,393			300	18,393	(300)	(18,393)	300	18,393
230	MINE CLEARING ROLLER....................	128	7,713			128	7,713	(128)	(7,713)	128	7,713
231	REMOTE CONTROL UNIT(MOPMS)..............	--	---			--	---			--	---
232	SURVEY SET DISTANCE MEASURING INFRARED..	--	---			--	---			--	---
233	M-9 ARMORED COMBAT EARTHMOVER (ACE).....	132	61,982			132	61,982	(132)	(61,982)	132	61,982
234	ITEMS LESS THAN $2.0M(ENG NON-CONST)....	--	1,323			--	1,323		(1,323)	--	1,323
	COMBAT SERVICE SUPPORT EQUIPMENT										
235	AIR CONDITIONERS VARIOUS SIZE/CAPACITIES	--	18,822			--	18,822		(18,822)	--	18,822
236	FIELD KITCHEN,MOBILE, TRL MTD...........	952	15,822			952	15,822	(952)	(15,822)	952	15,822
237	MODULAR FIELD KITCHEN...................	269	6,960			269	6,960	(269)	(6,960)	269	6,960
238	DIVING EQUIPMENT........................	--	2,868			--	2,868		(2,868)	--	2,868
239	FIRETRUCKS..............................	--	13,646			--	13,646		(13,646)	--	13,646
240	HEATER DUCT TYPE........................	424	1,978			424	1,978	(424)	(1,978)	424	1,978
241	LAUNDRY UNIT/TRL MTD....................	87	5,933			87	5,933	(87)	(5,933)	87	5,933
242	TAG PRINTING AND BINDING EQUIPMENT......	--	989			--	989		(989)	--	989
243	PRINT PLANT, SW TRANSPORTABLE...........	--	---			--	---			--	---
244	ITEMS LESS THAN $2.0M (CSS-EQ)..........	--	20,375			--	20,375		(20,375)	--	20,375
245	MODIFICATIONS OF IN SERVICE EQUIP (CSE).	--	3,164			--	3,164		(3,164)	--	3,164
	PETROLEUM EQUIPMENT										
246	TANK ASSEMBLY FAB COLL POL 50000 G......	220	3,659			220	3,659	(220)	'3,659)	220	3,659
247	FORWARD AREA REFUELING EQUIPMENT (FARE).	--	---			--	---			--	---
248	TANK ASSEMBLY FAB COLLAPSIBLE POL 10000G	634	5,636			634	5,636	(634)	(5,636)	634	5,636
249	TANK ASSY, FAB COLLAPS, 20,000 GAL POL..	--	---			--	---			--	---
250	TANK/PUMP UNIT LIQ DISP F/TRK MOUNTING..	537	5,143			537	5,143	(537)	(5,143)	537	5,143
251	LABORATORY,PETROLEUM,SEMI-TRLR MTO......	2	1,582			2	1,582	(2)	(1,562)	2	1,582
252	PUMP ASSY LIQ GAS WHL 4 IN OUT 350 GPM..	--	---			--	---			--	---
253	SWA PETROLEUM DISTRIBUTION SYSTEM.......	--	39,322			--	39,322		(39,322)	--	39,322
254	ITEMS LESS THAN $2.0M (POL).............	--	1,285			--	1,285		(1,285)	--	1,285
254a	POL MISSION ESSENTIAL EQUIPMENT.........	--	---			--	---			--	---
	WATER EQUIPMENT										
255	WTR PUR UNIT REV OS 3000 GPH (ROWPU)....	50	19,975			50	19,975	(50)	(19,975)	50	19,975
256	WATER PUR UNIT, REV OSMOSIS, 600GPH (ROW	--	---			--	---			--	---
257	TACTICAL WATER DISTR SYS................	8	4,549			8	4,549	(8)	(4,549)	8	4,549
258	TANK,FAB COLLAPS,3000 GAL,WATER(ONION)..	940	2,373			940	2,373	(940)	(2,373)	940	2,373
259	SMALL MOBILE WATER CHILLER (SMWC).......	--	---			--	---			--	---
260	PUMP CENTRIFUGAL, 65GPM.................	856	1,582			856	1,582	(856)	(1,582)	856	1,582
261	ITEMS LESS THAN $2.0M (WATER EQ)........	--	3,066			--	3,066		(3,066)	--	3,066
	MEDICAL EQUIPMENT										
262	DEPLOYABLE MEDICAL SYSTEM (DMS).........	--	78,220			--	78,220		(78,220)	--	78,220
263	CBT SUP EQUIP MEDICAL...................	--	38,585			--	38,585		(38,585)	--	38,585
264	MEDICAL SUPPORT EQUIPMENT...............	--	65,187			--	65,187		(65,187)	--	65,187
	MAINTENANCE EQUIPMENT										
265	SHOP EQ CONTACT MAINTENACE TRK MTD (MYP)	--	---			--	---			--	---
266	WELDING SHOP, TRAILER MTD...............	158	4,351			158	4,351	(158)	(4,351)	158	4,351
267	CLOTHING REPAIR SHOP TRL MTD............	105	2,966			105	2,966	(105)	(2,966)	105	2,966
268	SHOP EQ ELECTRICAL RPR SEMI-TRL MTD.....	72	10,700			72	10,700	(72)	(10,700)	72	10,700

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
269	STEAM CLEANER.........................	--	---			--	---			--	---
270	SHOP EQUIP, CANVAS AND GLASS SHELTER MTD	--	---			--	---			--	---
271	WELDING MACHINE ELECTARC 350 AMP (CC-C).	--	---			--	---			--	---
0	BUILDING, PRE-FAB, RELOCATABLE..........	--	---			--	---			--	---
272	CALIBRATION SET SUPPORT.................	--	---			--	---			--	---
273	ITEMS LESS THAN $2.0M (MAINT EQ)........	--	1,286			--	1,286		(1,286)	--	1,286
	CONSTRUCTION EQUIPMENT										
274	DISTRIBUTER, WATER SP MIN 2500G SEC/NON-	--	---			--	---			--	---
275	DIST, WATER, 6000G, SEMI-TRL MTD (CCE)..	--	---			--	---			--	---
276	TRACTOR FULL TRACKED LOW SPEED DD MED...	--	---			--	---			--	---
277	TRACTOR CRAWLER T-11 SIZE W/RIPPER (CCE)	--	---			--	---			--	---
278	SMALL EMPLACEMENT EXCAVATOR (SEE).......	462	36,588			462	36,588	(462)	(36,588)	462	36,588
279	CRANE, WHEEL MTD, 25T, 3/4 CU YD, RT....	68	13,844			68	13,844	(68)	(13,844)	68	13,844
0	CRANE, WHL MTD, HYDRAULIC 7 1/2 TON.....	--	---			--	---			--	---
280	MODS OF IN SERVICE EQUIP (CONST EQUIP)..	--	198			--	198		(198)	--	198
281	ITEMS LESS THAN $2.0M (CONST EQUIP).....	--	15,290			--	15,290		(15,290)	--	15,290
	RAIL FLOAT CONTAINERIZATION EQUIPMENT										
282	LANDING, CRAFT, UTILITY.................	12	46,700			12	46,700	(12)	(46,700)	12	46,700
283	TUG, HARBOR, INLAND WATERWAYS...........	2	4,944			2	4,944	(2)	(4,944)	2	4,944
284	TUG INLAND AND COASTAL WATERWAYS........	1	10,878			1	10,878	(1)	(10,878)	1	10,878
0	LOGISTIC SUPPORT VESSEL (LSV)...........	--	---			--	---			--	---
286	CAUSEWAY STSTEMS........................	--	2,966			--	2,866		(2,966)	--	2,966
288	RAILWAY CAR, TANK, POL, 20000G..........	--	---			--	---			--	---
289	MODIFICATIONS OF IN-SERV EQ (FLOAT/RAIL)	--	4,154			--	4,154		(4,154)	--	4,154
290	ITEMS LESS THAN $2.0M (FLOAT/RAIL)......	--	2,966			--	2,966		(2,966)	--	2,966
	GENERATORS										
291	GEN AND ASSOCIATED EQUIP................	--	42,837			--	42,837		(42,837)	--	42,837
	MATERIEL HANDLING EQUIPMENT										
292	TRUCK, FORK LIFT, CBD, PT, 4000 LB......	--	---			--	---			--	---
293	TRUCK, FORK LIFT, CBD, PT, 6000 LB......	--	---			--	---			--	---
0	TRUCK, FORK LIFT, DE, PT, RT, 10000 LB..	--	---			--	---			--	---
294	TRUCK, FORK LIFT, DE, PT, RT, 6000 LB...	276	21,459			276	21,459	(276)	(21,459)	276	21,459
296	TRUCK, FORK LIFT, DE, PT, RT, 4000 LB...	--	---			--	---			--	---
297	TRUCK, FORK LIFT, ELEC, SRT, 4000 LB....	--	---			--	---			--	---
298	65 TON CRANE............................	30	10,976			30	10,976	(30)	(10,976)	30	10,976
299	ITEMS LESS THAN $2.0M (MHE).............	--	1,187			--	1,187		(1,187)	--	1,187
300	SPARES AND REPAIR PARTS.................	--	54,091			--	54,091		(54,091)	--	54,091
302	VALUE ENGINEERING (VE)..................	--	---			--	---			--	---
304	PRODUCTION BASE SUPPORT (OTH)...........	--	8,020			--	8,020		(8,020)	--	8,020
305	OSD PRODUCTIVITY INVESTMENT FUNDING.....	--	7,206			--	7,206		(7,206)	--	7,206
306	SPECIAL EQUIPMENT FOR USER TESTING......	--	14,833			--	14,833		(14,833)	--	14,833
0	ITEMS LESS THAN $2.0M (OTH SPT EQ)......	--	---			--	---			--	---
307	HOST NATION SUPPORT - EUROPE............	--	57,354			--	57,354		(57,354)	--	57,354
308	NATIONAL TRAINING CTR SUP...............	--	25,687			--	25,687		(25,687)	--	25,687
0	SWA STAGING BASES.......................	--	---			--	---			--	---
310	TRAINING DEVICES, NONSYSTEM.............	--	157,087			--	157,087		(157,087)	--	157,087
0	SPECIAL PROGRAMS........................	--	---			--	---			--	---

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
0	BCE (NCMI)...............................	--	---			--	---				
0	PECIP (NCMI).............................	--	---			--	---				
0	QRIP (NCMI)..............................	--	---			--	---				
311	NON-CENTRALLY MANAGED ITEMS..............	--	20,530			--	20,530		(20,530)	--	20,530
311a	MISSION ESSENTIAL EQUIPMENT..............	--	---			--	---			--	---
	TOTAL, OTHER SUPPORT EQUIPMENT........		1,139,577		0		1,139,577		(1,139,577)		1,139,254
0	USSOC FORCES COMMUNICATIONS..........................										
0	UNDISTRIBUTED REDUCTION..............................										
0	INFLATION SAVINGS, FY87..................	--	---			--	---			--	---
0	PROFIT POLICY CHANGE.....................	--	---			--	---			--	---
	TOTAL, OTHER PROCUREMENT, ARMY........		6,030,274		156,900		6,030,274		(5,873,374)		2,794,389
	TRANSFER FROM OTHER ACCOUNTS....		---				---				---
	TOTAL FUNDING AVAILABLE.........		6,030,274		156,900		6,030,274		(5,873,374)		2,794,389
	NAVY PROCUREMENT										
	AIRCRAFT PROCUREMENT, NAVY										
	COMBAT AIRCRAFT										
	BA-1 COMBAT AIRCRAFT										
1	A-6E/F (ATTACK) INTRUDER (MYP)..........	18	702,666			0	0	0	0	0	0
2	A-6E/F (ATTACK) INTRUDER (MYP) (AP-CY)..	--	137,027				0		0		0
3	EA-6B (ELECTRONIC WARFARE) PROWLER......	9	470,833							12	502,008
4	EA-6B (ELECTRONIC WARFARE) PROWLER (AP-C	--	18,222								23,608
5	AV-8B (V/STOL) HARRIER..................	32	655,940								
6	AV-8B (V/STOL) HARRIER (AP-CY)..........	--	33,457								
7	F-14A/D (FIGHTER) TOMCAT................	12	790,298								
8	F-14A/D (FIGHTER) TOMCAT (AP-CY)........	--	137,179								
9	F/A-18 (FIGHTER) HORNET (MYP)...........	72	2,134,512	84	2,388.425	72	2,134,512	12	253,913	84	2,388,425
10	F/A-18 (FIGHTER) HORNET (MYP) (AP-CY)...	--	138,553		160,817	--	138,553		22,264	--	160,817
11	CH/MH-53E (HELO) SUPER STALLION (MYP)...	14	193,826								
12	CH/MH-53E (HELO) SUPER STALLION (MYP) (A	--	9,642				9,642		(9,642)		
13	V-22 OSPREY.............................	--	338,182								
14	AH-1W (HELICOPTER) SEA COBRA............	12	86,819								
15	AH-1W (HELICOPTER) SEA COBRA (AP-CY)....	--	---								
16	SH-60B (ASW HELO) SEAHAWK...............	6	92,015								
17	SH-60B (ASW HELO) SEAHAWK (AP-CY).......	--	20,906								
18	SH-60F (CV ASW HELO)....................	18	312,588			18	312,588	(18)	(312,588)	18	
19	SH-60F (CV ASW HELO) (AP-CY)............	--	30,611			--	30,611		(30,611)	--	
20	P-3C/G (PATROL) ORION...................	--	29,763								
21	P-3C/G (PATROL) ORION (AP-CY)..........:.	--	14,679								
22	EX COMPETITION..........................	8	234,528	0	0	0	0	0	0	0	0

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
23	E-2C (EARLY WARNING) HAWKEYE............	6	305,320							6	305,320
24	E-2C (EARLY WARNING) HAWKEYE (AP-CY)....	--	30,697								30,697
25	SH-2F (ASW HELO) SEASPRITE.............	--	4,339								
	TOTAL, COMBAT AIRCRAFT................		6,922,602		2,549,242		2,625,906		(76,664)		3,410,875
	AIRLIFT AIRCRAFT										
	BA-2 AIRLIFT AIRCRAFT										
29	C-2 (MYP)...............................	--	7,781			--	7,781		(7,781)	--	--
	TRAINER AIRCRAFT										
	BA-3 TRAINER AIRCRAFT										
33	T-45TS GOSHAWK..........................	24	362,889			24	362,889	(24)	(362,889)	24	362,889
34	T-45TS GOSHAWK (AP-CY)..................	--	40,577			--	40,577		(40,577)	--	40,577
	TOTAL, TRAINER AIRCRAFT...............		403,466				403,466		(403,466)		403,466
	OTHER AIRCRAFT										
	BA-4 OTHER AIRCRAFT										
35	E-6A....................................	7	332,484			7	332,484	(7)	(332,484)	--	--
36	E-6A (AP-CY)............................	--	---								
37	UH-60A..................................	3	38,358								
38	VH-60...................................	--	---								
	TOTAL, OTHER AIRCRAFT.................		370,842				332,484		(332,484)		0
	MODIFICATION OF AIRCRAFT										
	BA-5 MODIFICATION OF AIRCRAFT										
39	A-3 SERIES..............................	--	817								
40	A-4 SERIES..............................	--	3,918								
41	A-6 SERIES (MYP)........................	--	108,232			--	190,432		(190,432)	--	190,432
42	EA-6 SERIES.............................	--	53,712								
43	A-7 SERIES..............................	--	82								
44	AV-8 SERIES.............................	--	1,231								
45	F-4 SERIES..............................	--	88								
46	RF-4 SERIES.............................	--	---								
47	F-14 SERIES.............................	--	60,430								
48	F-8 SERIES..............................	--	---								
49	F-5 SERIES..............................	--	82								
50	OV-10 SERIES............................	--	42,898								
51	F-18 MODS...............................	--	1,700								
52	H-46 SERIES.............................	--	21,300								
53	H-53 SERIES.............................	--	19,769								
54	SH-60 SERIES............................	--	655								
55	VH-60...................................	--	1,552								
56	H-1 SERIES..............................	--	35,297								
57	H-2 SERIES..............................	--	9,927		43,527				43,527		

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
58	H-3 SERIES..............................	--	33,212								
59	EP-3 SERIES..............................	--	26,340								
60	P-3 SERIES..............................	--	99,112								
61	S-3 SERIES..............................	--	73,857	--	147,657	--	147,657		0	--	147,657
61a	ES-3 SERIES..............................	--	---	--	145,500	--	145,500		0	--	145,500
62	E-2 SERIES..............................	--	6,638			--	22,638		(22,638)	--	22,638
63	TRAINER A/C SERIES......................	--	1,353								
64	EC-130 SERIES..............................	--	13,459			--	13,459		(13,459)	--	--
65	C-130 SERIES..............................	--	3,528								
66	FEWSG..............................	--	1,806								
67	CARGO/TRANSPORT A/C SERIES..............	--	2,234								
68	VARIOUS..............................	--	1,065								
69	POWER PLANT CHANGES......................	--	4,589								
70	MISC FLIGHT SAFETY CHANGES..............	--	546								
	MODIFICATION OF AIRCRAFT										
	BA-5 MODIFICATION OF AIRCRAFT										
39	A-3 SERIES..............................	--	817								
40	A-4 SERIES..............................	--	3,918								
41	A-6 SERIES (MYP)........................	--	108,232			--	190,432		(190,432)	--	190,432
42	EA-6 SERIES..............................	--	53,712								
43	A-7 SERIES..............................	--	82								
44	AV-8 SERIES..............................	--	1,231								
45	F-4 SERIES..............................	--	88								
46	RF-4 SERIES..............................	--	---								
47	F-14 SERIES..............................	--	60,430								
48	F-8 SERIES..............................	--	---								
49	F-5 SERIES..............................	--	82								
50	OV-10 SERIES..............................	--	42,898								
51	F-18 MODS..............................	--	1,700								
52	H-46 SERIES..............................	--	21,300								
53	H-53 SERIES..............................	--	19,769								
54	SH-60 SERIES..............................	--	655								
55	VH-60..............................	--	1,552								
56	H-1 SERIES..............................	--	35,297								
57	H-2 SERIES..............................	--	9,927		43,527				43,527		
58	H-3 SERIES..............................	--	33,212								
59	EP-3 SERIES..............................	--	26,340								
60	P-3 SERIES..............................	--	99,112								
61	S-3 SERIES..............................	--	73,857	--	147,657	--	147,657		0	--	147,657
61a	ES-3 SERIES..............................	--	---	--	145,500	--	145,500		0	--	145,500
62	E-2 SERIES..............................	--	6,638			--	22,638		(22,638)	--	22,638
63	TRAINER A/C SERIES......................	--	1,353								
64	EC-130 SERIES..............................	--	13,459			--	13,459		(13,459)	--	--
65	C-130 SERIES..............................	--	3,528								
66	FEWSG..............................	--	1,806								
67	CARGO/TRANSPORT A/C SERIES..............	--	2,234								
68	VARIOUS..............................	--	1,065								
69	POWER PLANT CHANGES......................	--	4,589								
70	MISC FLIGHT SAFETY CHANGES..............	--	546								

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
71	COMMON ECM EQUIPMENT....................	--	35,822								
72	COMMON AVIONICS CHANGES.................	--	1,766								
73	RADARS..................................	--	---								
73a	F-16N SERIES..										
73b	LONG RANGE AIR ASW CAPABLE AIRCRAFT..................										
	TOTAL, MODIFICATION OF AIRCRAFT.......		667,017		336,684		519,686		(183,002)		506,227
	AIRCRAFT SPARES AND REPAIR PARTS										
	BA-6 AIRCRAFT SPARES										
74	SPARES AND REPAIR PARTS.................	--	1,270,957		94,452	--	1,270,957		(1,176,505)	--	1,270,957
74a	EA-6B SPARES................................		[18,256]								
74b	F/A-18 SPARES...............................		[67,416]		[78,652]		[67,416]		[11,236]		[67,416]
74c	ES-3 SPARES.................................		(--)		[15,800]		(--)		[15,800]		(--)
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIE										
	BA-7 AIRCRAFT SUPPORT EQUIPMENT AND FAC										
75	COMMON GROUND EQUIPMENT.................	--	443,524								
76	AIRCRAFT INDUSTRIAL FACILITIES..........	--	27,442								
77	WAR CONSUMABLES.........................	--	12,209								
78	OTHER PRODUCTION CHARGES................	--	43,327								
79	SPECIAL SUPPORT EQUIPMENT...............	--	81,103								
	TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND		607,605								
0	INFLATION SAVINGS, FY87.................	--	---								
0	PROFIT POLICY CHANGE....................	--	---								
0	DRUG SUPPLEMENTAL.......................	--	---								
0	UNDISTRIBUTED REDUCTION..............................										
	TOTAL, AIRCRAFT PROCUREMENT, NAVY.....		10,250,270		2,980,378		5,160,280		(2,179,902)		5,591,525
0	TRANSFER FROM OTHER ACCOUNTS............		---								
	TOTAL FUNDING AVAILABLE.........		10,250,270		2,980,378		5,160,280		(2,179,902)		5,591,525
	WEAPONS PROCUREMENT, NAVY										
	BALLISTIC MISSILES										
1	POSEIDON................................	--	187				187		(187)		187
2	TRIDENT I...............................	--	7,564				7,564		(7,564)		7,564
3	TRIDENT II..............................	66	1,966,858			66	1,966,858	(66)	(1,966,858)	66	1,966,858
4	TRIDENT II (AP-CY)......................	--	260,240			--	260,240		(260,240)	--	260,240

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
	MODIFICATION OF MISSILES										
5	UGM-73A (C-3) POSEIDON MODS............	--	---								
	SUPPORT EQUIPMENT AND FACILITIES										
6	MISSILE INDUSTRIAL FACILITIES...........	--	2,624			--	2,624		(2,624)	--	2,624
	TOTAL, BALLISTIC MISSILES.............		2,237,473				2,237,473		(2,237,473)		2,237,473
	OTHER MISSILES										
	STRATEGIC MISSILES										
8	BGM-109 TOMAHAWK.........................	510	941,078								
9	BGM-109 TOMAHAWK (AP-CY).................	--	88,608								
	TACTICAL MISSILES										
10	AIM/RIM-7 F/M SPARROW....................	--	---								
11	AMRAAM...................................	50	118,364								
0	AMRAAM (AP-CY)...........................	--	---								
12	AIM-9L/M SIDEWINDER......................	--	---								
13	AIM-54A/C (PHOENIX)......................	560	464,969								
14	AIM-54A/C (PHOENIX) (AP-CY)..............	--	---								
15	SGM-84A HARPOON (MYP)....................	138	133,288								
16	SGM-84A HARPOON (MYP) (AP-CY)............	--	---								
17	AGM-88A HARM (MYP).......................	1,766	404,926			1,766	404,926	(1,766)	(404,926)	--	--
19	SM-2 MR..................................	1,635	816,422							1,635	816,422
20	SM-2 ER..................................	--	---								
21	RAM......................................	260	51,825								
22	STINGER..................................	--	---								
23	SIDEARM..................................	269	24,982								
24	HELLFIRE.................................	1,410	47,559							1,410	47,559
25	LASER MAVERICK...........................	--	---								
26	IIR MAVERICK (MYP).......................	731	106,158			731	106,158	(731)	(106,158)	731	106,158
27	IIR MAVERICK (MYP) (AP-CY)...............	--	24,814			--	24,814		(24,814)	--	24,814
28	PENGUIN..................................	64	33,430								
29	PENGUIN (AP-CY)..........................	--	3,518								
30	AERIAL TARGETS...........................	--	135,630								
31	DRONES AND DECOYS........................	--	125,463								
32	OTHER MISSILE SUPPORT....................	--	28,344								
	MODIFICATION OF MISSILES										
33	TOMAHAWK MODS............................	--	7,179			--	7,179		(7,179)	--	7,179
34	AIM/RIM-7E/F SPARROW MOD.................	--	44,119								
35	AIM-9 SIDEWINDER MOD.....................	--	2,397								
36	AIM-54A/C PHOENIX MOD....................	--	197								
37	AGM-84A HARPOON MOD......................	--	9,552								
38	STANDARD MISSILES MOD....................	--	27,467								

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	SUPPORT EQUIPMENT AND FACILITIES										
39	WEAPONS INDUSTRIAL FACILITIES...........	--	10,694								
40	FLEET SATELLITE COMMUNICATIONS..........	--	98,719			--	98,719		(98,719)		--
41	FLEET SATELLITE COMMUNICATIONS (AP-CY)..	--	125,000								
42	DEFENSE METEOROLOGICAL SATELLITE PROGRAM	--	21,463			--	21,463		(21,463)	--	21,463
	ORDNANCE SUPPORT EQUIPMENT										
43	ORDNANCE SUPPORT EQUIPMENT..............	--	501,556								
	TOTAL, OTHER MISSILES................		4,397,721				663,259		(663,259)		1,023,595
	TORPEDOES AND RELATED EQUIPMENT										
44	TORPEDO MK-48 ADCAP.....................	350	541,794								
0	ASUW TORPEDO............................	--	---								
45	TORPEDO MK-46 (MYP).....................	--	---								
0	TORPEDO MK-46 (MYP) (AP-CY).............	--	---								
47	ADV LIGHTWEIGHT TORPEDO.................	224	277,551								
49	MOBILE TARGET MK-30 (MYP)...............	--	---								
51	ASROC...................................	--	14,886								
52	VERTICAL LAUNCHED ASROC.................	340	70,461								
	MOD OF TORPEDOES AND RELATED EQUIP										
53	MOBILE MINE MK-67.......................	--	1,325								
54	TORPEDO MK-46 MODS......................	--	---								
0	TORPEDO MK-46 MODS (AP-CY)..............	--	---								
56	CAPTOR MODS.............................	--	12,275								
57	SWIMMER WEAPON SYSTEM...................	--	1,947								
	SUPPORT EQUIPMENT										
58	TORPEDO SUPPORT EQUIPMENT...............	--	27,555								
59	ASW RANGE SUPPORT.......................	--	22,547								
	TOTAL, TORPEDOES AND RELATED EQUIPMENT		970,341								
	OTHER WEAPONS										
	GUNS AND GUN MOUNTS										
60	MK-15 CLOSE IN WEAPONS SYSTEM...........	5	19,345								
61	MK-75 76MM GUN MOUNT....................	--	---								
62	MK-19/40MM MACHINE GUN..................	25	492								
63	25MM GUN MOUNT..........................	22	4,318								
64	SMALL ARMS AND WEAPONS..................	--	9,760								
	MODIFICATION OF GUNS AND GUN MOUNTS										
65	CIWS MODS...............................	--	54,575								
66	5 /54 GUN MOUNT MODS....................	--	8,400								
67	3)/50 GUN MOUNT MODS....................	--	259								

P-1 LINE ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
68 MK 75 76MM GUN MOUNT MODS...............	--	4,076								
69 MODS UNDER $2,000,000....................	--	1,610								
SUPPORT EQUIPMENT										
70 GUN SUPPORT EQUIPMENT....................	--	834								
TOTAL, OTHER WEAPONS..................		103,669								
71 SPARES AND REPAIR PARTS.................	--	143,727			--	143,727		(143,727)	--	0
0 INFLATION SAVINGS, FY87.................	--	---								
0 PROFIT POLICY CHANGE....................	--	---								
0 PRIOR YEAR TRANSFER.....................................										
ADV LIGHTWEIGHT TORPEDO, FY 1987.................										
VERTICAL LAUNCHED ASROC, FY 1987.................										
0 UNDISTRIBUTED REDUCTION...............................										
TOTAL, WEAPONS PROCUREMENT, NAVY......		7,852,931				3,044,459		(3,044,459)		3,261,068
TRANSFER FROM OTHER ACCOUNTS....		---								
TOTAL FUNDING AVAILABLE.........		7,852,931				3,044,459		(3,044,459)		3,261,068
SHIPBUILDING AND CONVERSION, NAVY										
FLEET BALLISTIC MISSILE SHIPS										
BA-1 FLEET BALLISTIC MISSILE SHIPS										
1 TRIDENT (NUCLEAR).......................	1	1,254,200	1	1,254,200	1	1,254,200	0	0	1	1,254,200
2 TRIDENT (NUCLEAR) (AP-CY)...............	--	144,100		144,100	--	144,100		0	--	144,100
TOTAL, FLEET BALLISTIC MISSILE SHIPS..		1,398,300		1,398,300		1,398,300		0		1,398,300
OTHER WARSHIPS										
BA-2 OTHER WARSHIPS										
3 CVN AIRCRAFT CARRIER (NUCLEAR) (AP-CY)	--	797,000	--	797,000	--	797,000		0	--	797,000
4 SSN-688 CLASS SUBMARINE (NUCLEAR).......	2	1,201,400	2	1,201,400			2	1,201,400	2	1,201,400
5 SSN-688 CLASS SUBMARINE (NUCLEAR) (AP-CY	--	326,400	--	326,400				326,400	--	326,400
0 SSN-21.................................	1	1,087,962								
7 SSN-21 (AP-CY)..........................	--	393,000								
9 CV SLEP.................................	--	---								
10 CV SLEP (AP-CY).........................	--	62,743								
11 CG-47 AEGIS CRUISER (MYP)...............	2	1,763,195	1	825,000			1	825,000	1	825,000
12 CG-47 AEGIS CRUISER (MYP) (AP-CY).......	--	5,600								
13 DDG-51 (MYP)............................	3	2,131,500	3	2,196,900			3	2,196,900	4	2,929,100
14 DDG-51 (MYP) (AP-CY)....................	--	73,000								
TOTAL, OTHER WARSHIPS.................		7,841,800		5,346,700		797,000		4,549,700		6,078,900

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	AMPHIBIOUS SHIPS										
	BA-3 AMPHIBIOUS SHIPS										
16	LHD-1 AMPHIBIOUS ASSAULT SHIP	1	741,100	1	741,100	1	741,100	0	0	1	741,100
17	LHD-1 AMPHIBIOUS ASSAULT SHIP (AP-CY)	--	---								
18	LSD-41 (CARGO VARIANT)	--	---								
	TOTAL, AMPHIBIOUS SHIPS		741,100		741,100		741,100		0		741,100
	MINE WARFARE AND PATROL SHIPS										
	BA-4 MINE WARFARE + PATROL SHIPS										
19	MCM MINE COUNTERMEASURES SHIP	--	---								
0	MSH-1 COASTAL MINE HUNTER	--	---								
20	MHC COASTAL MINE HUNTER	2	199,000								
	TOTAL, MINE WARFARE AND PATROL SHIPS		199,000								
	AUXILIARIES, CRAFT, AND PRIOR-YEAR PROGR										
	BA-5 AUXILIARIES, CRAFT + PY PROG COSTS										
21	TAO FLEET OILER	2	256,400	2	256,400			2	256,400		256,400
22	AO (JUMBO)	2	84,900								
23	TAGOS SURTASS SHIPS	3	169,200								
0	AE AMMUNITION SHIP	--	---								
25	AOE	1	425,400								
27	OCEANOGRAPHIC RESEARCH SHIP	1	49,000								
29	SERVICE CRAFT	--	---								
30	LANDING CRAFT	--	---								
31	STRATEGIC SEALIFT	--	35,400	--	35,400				35,400		0
32	LCAC LANDING CRAFT	9	165,400								
33	LCAC LANDING CRAFT (AP-CY)	--	63,800								
34	SEALIFT ENHANCEMENT	--	21,500								
35	OUTFITTING	--	240,200								
36	POST DELIVERY	--	112,000								
0	SHIP CONTRACT DESIGN	--	---								
38	TACS CRANE SHIP	2	55,000	2	55,000			2	55,000		55,000
38a	FAST SEALIFT INITIATIVE										
	TOTAL, AUXILIARIES, CRAFT, AND PRIOR-Y		1,678,200		346,800				346,800		311,400
0	INFLATION SAVINGS, FY87	--	---								
0	UNDISTRIBUTED REDUCTION										
0	DDG-51 (MYP) LESS AP (PY)										
	TOTAL, SHIPBUILDING AND CONVERSION, NA		11,858,400		7,832,900		2,936,400		4,896,500		8,529,700
	TRANSFER FROM OTHER ACCOUNTS		---								
	TOTAL FUNDING AVAILABLE		11,858,400		7,832,900		2,936,400		4,896,500		8,529,700

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	OTHER PROCUREMENT, NAVY										
	SHIPS SUPPORT EQUIPMENT										
	SHIP PROPULSION EQUIPMENT										
1	LM-2500 GAS TURBINE....................	--	11,319								
2	ALLISON 501K GAS TURBINE................	1	8,608								
3	LM2500 SPECIAL SUPPORT EQUIPMENT........	--	1,008								
4	STEAM PROPULSION IMPROVEMENT PROGRAM....	--	11,578								
5	OTHER PROPULSION EQUIPMENT..............	--	9,507								
	GENERATORS										
6	OTHER GENERATORS........................	--	5,686								
	PUMPS										
7	OTHER PUMPS.............................	--	10,051								
	AIR COMPRESSORS										
8	HIGH PRESSURE AIR COMPRESSOR............	8	1,938								
9	OTHER AIR COMPRESSORS...................	--	---								
	PROPELLERS										
10	SUBMARINE PROPELLERS....................	8	3,611								
11	OTHER PROPELLERS AND SHAFTS.............	--	6,590								
	NAVIGATION EQUIPMENT										
12	ELECTRICALLY SUSPENDED GYRO NAVIGATOR...	5	7,601								
13	CARRIER NAVIGATION SYSTEM...............	--	854								
14	OTHER NAVIGATION EQUIPMENT..............	--	5,550								
	UNDERWAY REPLENISH EQUIP										
15	UNDERWAY REPLENISHMENT EQUIPMENT........	--	7,743								
	PERISCOPES										
16	TYPE 18 PERISCOPE.......................	--	8,133								
17	TYPE 8 PERISCOPES.......................	--	15,798								
18	PERISCOPES AND ACCESSORIES..............	--	1,021								
	OTHER SHIPBOARD EQUIPMENT										
19	FIREFIGHTING EQUIPMENT..................	--	16,265								
20	COMMAND AND CONTROL SWITCHBOARDS........	3	9,057								
21	POLLUTION CONTROL EQUIPMENT.............	--	7,481								
22	SUBMARINE SILENCING EQUIPMENT...........	--	12,182								
23	SURFACE SHIP SILENCING EQUIPMENT........	--	13,951								
24	SUBMARINE BATTERIES.....................	41	14,359								
25	STRATEGIC PLATFORM SUPPORT EQUIPMENT....	--	86,068								
26	DSSP EQUIPMENT..........................	--	8,648								
27	SEALIFT SUPPORT EQUIPMENT...............	--	45,817								
28	AIR CONDITIONERS........................	--	2,221								
29	MINESWEEPING CABLE......................	--	4,286								
30	HM&E ITEMS UNDER 82 MILLION.............	--	37,580								
31	SURFACE IMA.............................	--	14,741								
32	DEGAUSSING EQUIPMENT....................	--	4,806								
33	RADIOLOGICAL CONTROLS...................	--	407								
34	MINI/MICROMINI ELECTRONIC REPAIR........	--	1,040								
35	CHEMICAL WARFARE DETECTORS..............	140	11,460								

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
36	SUBMARINE LIFE SUPPORT SYSTEM...........	2	1,975								
37	HM&E ENGINEERED MAINTENANCE.............	--	357								
38	SHIPBOARD ENERGY CONSERVATION...........	--	936								
	REACTOR PLANT EQUIPMENT										
39	REACTOR POWER UNITS.....................	6	124,766								
40	REACTOR COMPONENTS......................	--	272,891								272,891
	OCEAN ENGINEERING										
41	DIVING AND SALVAGE EQUIPMENT............	--	16,624								
42	NAVAL SPECIAL WARFARE EQUIPMENT.........	--	48,288								
	SMALL BOATS										
43	SMALL BOATS.............................	119	17,649								
	TRAINING EQUIPMENT										
44	NEW SHIP TRAINING EQUIP.................	--	---								
45	OTHER SHIPS TRAINING EQUIPMENT..........	--	18,159								
	PRODUCTION FACILITIES EQUIPMENT										
46	CALIBRATION EQUIPMENT...................	--	643								
47	PRODUCTION SUPPORT FACILITIES...........	--	27,193								
48	OPERATING FORCES IPE....................	--	5,120								
48a	REDUCTION IN SHIP SUPPORT EQUIPMENT...................										
	TOTAL, SHIPS SUPPORT EQUIPMENT........		941,566								272,891
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
	SHIP RADARS										
49	AN/SPS-67...............................	28	9,264								
50	AN/SPS-40...............................	--	18,291								
51	AN/SPS-48...............................	--	56,868								
52	AN/SPS-49...............................	--	17,995								
53	AN/SYS-()...............................	11	14,180								
54	MK 23 TARGET ACQUISITION SYSTEM.........	3	23,013								
55	RADAR SUPPORT...........................	--	25,008								
	SHIP SONARS										
56	AN/SQS-26/53/53A........................	--	12,634								
57	AN/SQS-53B..............................	--	---								
58	AN/SQS-53C..............................	--	---								
59	AN/SQQ-89 SURFACE ASW COMBAT SYS........	7	220,681								
60	AN/BQQ-5................................	--	91,330								
61	TB-16 TOWED ARRAY (MYP).................	21	8,774			21	8,774	(21)	(8,774)		
62	SURF SONAR WINDOWS AND DOMES............	--	12,420								
63	SONAR SUPPORT EQUIPMENT.................	--	6,764								
64	SONAR SWITCHES AND TRANSDUCERS..........	--	30,254								
65	FBM SYSTEM SONARS.......................	--	7,157				7,157		(7,157)		

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	AMOUNT	FY 1989 HOUSE PASSED QTY	AMOUNT	FY 1989 SENATE PASSED QTY	AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	AMOUNT
	ASW ELECTRONIC EQUIPMENT										
66	SUBMARINE ACOUSTIC WARFARE SYSTEMS......	--	27,618								
67	SURFACE SHIP TORPEDO DEFENSE...........	--	8,037								
68	ACOUSTIC COMMUNICATIONS................	--	384								
69	AN/BSY-1...............................	--	100,734								
70	SOSUS..................................	--	34,659								
71	AN/SQR-17 ACOUSTIC PROCESSOR...........	--	10,158								
'1a	IMPROVED ACOUSTIC PROCESSOR...........		0								
0	USNR ASW FRIGATE MODERNIZATION.........	--	---								
72	AN/SQR-18 TOWED ARRAY SONAR............	--	14,214								
73	AN/SQR-15 TOWED ARRAY SONAR............	--	887								
74	AN/SQR-19 TOWED ARRAY SONAR............	--	---								
75	SURTASS................................	--	18,130								
76	ASW OPERATIONS CENTER..................	--	25,933								
77	CARRIER ASW MODULE.....................	--	9,563								
	ELECTRONIC WARFARE EQUIPMENT										
78	AN/SLQ-32..............................	--	91,692								
79	AN/SLQ-17..............................	--	---								
80	AN/WLR-1...............................	--	5,128								
81	AN/WLR-8...............................	--	7,868								
82	ICAD SYSTEMS...........................	--	4,757								
83	OFFBOARD DECEPTION DEVICES.............	--	22,162								
84	EW SUPPORT EQUIPMENT...................	--	4,788								
85	FLEET EW SUPPORT GROUP.................	--	4,002								
86	C3 COUNTERMEASURES.....................	--	64,061								
	RECONNAISSANCE EQUIPMENT										
87	COMBAT CRYPTOLOGIC SUPPORT CONSOLE.....	--	5,901								
88	COMBAT DF..............................	--	43,977								
89	OUTBOARD...............................	--	21,173								
90	NAVAL INTELLIGENCE PROCESSING SYSTEM....	--	10,820								
91	BATTLE GROUP PASSIVE HORIZON EXT SYS....	2	39,923								
	SUBMARINE SURVEILLANCE EQUIPMENT										
92	AN/WLQ-4 DEPOT.........................	--	665								
93	AN/WLQ-4 IMPROVEMENTS..................	--	32,748								
0	AN/BRD-7/8/9...........................	--	---								
94	AN/BLD-1 (INTERFEROMETER)..............	--	2,448								
95	SUBMARINE SUPPORT EQUIPMENT PROGRAM.....	--	2,698								
	OTHER SHIP ELECTRONIC EQUIPMENT										
96	NAVY TACTICAL DATA SYSTEM..............	--	117,541								
97	TACTICAL FLAG COMMAND CENTER...........	1	5,397								
98	COMMAND AND CONTROL PROCESSOR..........	--	---								
99	MINESWEEPING SYSTEM REPLACEMENT........	--	6,496								
100	OMEGA SHIPBOARD EQUIPMENT..............	44	1,323								
101	NAVSTAR GPS RECEIVERS..................	195	19,403			195	19,403	(195)	(19,403)	195	19,403
102	HF LINK-11 DATA TERMINALS..............	--	2,489								
103	ARMED FORCES RADIO AND TV..............	--	7,533								
104	STRATEGIC PLATFORM SUPPORT EQUIPMENT....	--	143,247								
	TRAINING EQUIPMENT										
105	OTHER NAVELEX TRAINING EQUIPMENT........	--	---								
106	OTHER NAVSEA TRAINING EQUIPMENT.........	--	444								

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	AVIATION ELECTRONIC EQUIPMENT										
107	MATCALS..................................	--	12,055								
108	SHIPBOARD AIR TRAFFIC CONTROL...........	--	15,956								
109	AUTOMATIC CARRIER LANDING SYSTEMS.......	--	17,613								
110	TACAN....................................	--	3,742								
111	AIR STATION SUPPORT EQUIPMENT...........	--	9,818								
112	MICROWAVE LANDING SYSTEM................	15	7,449								
113	PACSFAC..................................	--	3,252								
114	RADAR AIR TRAFFIC CONTROL...............	5	1,387								
115	MK XII AIMS IFF.........................	--	14,181								
	OTHER SHORE ELECTRONIC EQUIPMENT										
116	NAVAL SPACE SURVEILLANCE SYSTEM.........	--	11,398				11,398		(11,398)		11,398
117	SPACE SYSTEM PROCESSING.................	--	1,975								
118	MULTOTS..................................	--	1,549								
119	NCCS ASHORE..............................	--	27,361								
120	RADIAC...................................	--	6,237								
121	OVER THE HORIZON RADAR..................	2	187,392								
123	GPETE....................................	--	29,000								
124	INTEG COMBAT SYS TEST FACILITY..........	--	5,730								
125	CALIBRATION STANDARDS...................	--	7,548								
126	EMI CONTROL INSTRUMENTATION.............	--	12,113								
127	SHORE ELEC ITEMS UNDER $900K............	--	24,477								
	SHIPBOARD COMMUNICATIONS										
128	SHIPBOARD HF COMMUNICATIONS.............	--	943								
129	SHIPBOARD UHF COMMUNICATIONS............	--	2,987								
130	FLIGHT DECK COMMUNICATIONS..............	--	---								
131	PORTABLE RADIOS.........................	742	8,945								
132	SHIP COMMUNICATIONS AUTOMATION..........	--	10,737								
133	SHIP COMM ITEMS UNDER $900K.............	--	4,320								
134	SEALIFT SHIP COMMUNICATIONS.............	--	3,906								
	SUBMARINE COMMUNICATIONS										
135	ELF COMMUNICATIONS......................	--	---								
136	SHORE LF/VLF COMMUNICATIONS.............	--	4,300				4,300		(4,300)		4,300
137	VERDIN..................................	--	4,535				4,535		(4,535)		4,535
138	SSN INTEGRATED COMMUNICATIONS...........	--	5,460								
139	SUBMARINE COMMUNICATION ANTENNAS........	--	12,901								
140	DATA COLLECTION AND RECORD SYS..........	--	---								
141	COMPACT VLF RECEIVER....................	740	33,497			740	33,497	(740)	(33,497)	740	33,497
	SATELLITE COMMUNICATIONS										
143	SATCOM SHIP TERMINALS...................	--	39,261								
144	SATCOM SHORE TERMINALS..................	--	12,286								
	SHORE COMMUNICATIONS										
145	JCS COMMUNICATIONS EQUIPMENT............	--	3,560								
146	ELECTRICAL POWER SYSTEMS................	--	684								
147	SHORE HF COMMUNICATIONS.................	--	7,772								
148	JOINT TACTICAL COMM (TRI-TAC)...........	--	---								
149	DCS TECH CONTROL IMPROVEMENTS...........	--	1,272								
150	VOICE FREQ CARRIER TELEGRAPH............	400	2,934								

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
0	ASHORE MOBILE COMM VANS	--	---								
152	WORLDWIDE WIDEBAND COMM	--	2,896								
154	WWMCCS COMMUNICATIONS EQUIPMENT	--	2,029								
155	SHORE COMMUNICATIONS AUTOMATION	--	16,199								
156	SHORE COMM ITEMS UNDER $900K	--	2,041								
	CRYPTOGRAPHIC EQUIPMENT										
157	SINGLE AUDIO SYSTEM	--	11,603								
158	TSEC/KY-71/72 (STU-II/STU-IIM)	--	26,443								
159	TSEC/KG-84	--	35,966								
160	TSEC/KY-57/58 (VINSON)	--	20,473								
161	TSEC/KYV-5 (ANDVT)	--	47,193								
162	TSEC/KW-46	--	---								
164	TSEC/KG-81 (WALBURN)	--	2,042								
0	TSEC/KG-44 (DMSP)	--	---								
166	TSEC/KGR-96 (ITSS)	--	---								
167	BLACKER CRYPTO	--	1,003								
168	TSEC/KG-58/KGV-6 (PLRS)	--	8,603								
169	TRITAC CRYPTO	--	20,352								
171	TSEC/KGV-11	660	10,991								
172	COMMON FILL DEVICES	--	508								
173	SIGNAL SECURITY	--	387								
174	CRYPTOGRAPHIC ITEMS UNDER $2 MILLION	--	14,185								
0	TSEC/KGV-8	--	---								
	CRYPTOLOGIC EQUIPMENT										
175	CRYPTOLOGIC COMMUNICATIONS EQUIP	--	1,919								
176	SHIPS SIGNAL EXPLOITATION SPACE	--	5,485								
177	CRYPTOLOGIC ITEMS UNDER $2 MILLION	--	5,486								
178	CRYPTOLOGIC RESERVES EQUIPMENT	--	2,742								
179	CRYPTOLOGIC FIELD TRAINING EQUIP	--	1,360								
180	SHORE CRYPTOLOGIC SUPPORT SYSTEM	--	1,315								
	OTHER ELECTRONIC SUPPORT										
181	WAR RESERVE	--	578								
182	ELEC ENGINEERED MAINT (NAVSEA)	--	647								
183	ELEC ENGINEERED MAINT (NAVELEX)	--	1,725								
183a	LARGE SCREEN DISPLAY										
183b	REDUCTION IN COMMUNICATIONS AND ELECTRONICS										
	TOTAL, COMMUNICATIONS AND ELECTRONICS		2,279,338				89,064		(89,064)		73,133
	AVIATION SUPPORT EQUIPMENT										
	SONOBUOYS										
184	AN/SSQ-36 (BT)	36,303	5,062							36,303	5,062
185	AN/SSQ-53 (DIFAR)	120,708	50,770							120,708	50,770
186	AN/SSQ-57 (SPECIAL PURPOSE)	12,378	2,987							12,378	2,987
187	AN/SSQ-62 (DICASS)	17,464	25,955							17,464	25,955
0	AN/SSQ-75 (ERAPS)	--	---							--	---
188	AN/SSQ-77 (VLAD)	34,874	24,471							34,874	24,471

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
0	AN/SSQ-86 (DLC)	--	---							--	---
190	SIGNAL UNDERWATER SOUND (SUS)	4,881	1,845							4,881	1,845
191	LOW COST SONOBOUY	310,000	27,265							310,000	27,265
0	UNDISTRIBUTED PLUS-UP SONOBUOYS										
	AIR LAUNCHED ORDNANCE										
192	SKIPPER	1,550	37,444			1,550	37,444	(1,550)	(37,444)	1,520	36,973
193	GENERAL PURPOSE BOMBS	--	88,967				88,967		(88,967)		105,338
194	LASER GUIDED BOMB KITS	540	6,254			540	6,254	(540)	(6,254)	650	9,928
195	WALLEYE	--	5,900				5,900		(5,900)		10,729
196	ROCKEYE	992	5,493			992	5,493	(992)	(5,493)	1,341	8,283
197	ZUNI ROCKET	--	29,160				29,160		(29,160)		29,457
198	2.75 INCH ROCKET	--	20,864				20,864		(20,864)		19,133
199	PARACHUTE FLARES	50	765			50	765	(50)	(765)	44	731
200	MACHINE GUN AMMUNITION	--	17,368				17,368		(17,368)		15,435
201	PRACTICE BOMBS	--	49,418				49,418		(49,418)		58,425
202	CARTRIDGES + CARTRIDGE ACTUATED DEVICES.	--	9,587				9,587		(9,587)		7,705
203	AIRCRAFT ESCAPE ROCKETS	--	4,640				4,640		(4,640)		4,717
204	AIRBORNE EXPENDABLE COUNTERMEASURES	--	18,146				18,146		(18,146)		25,535
205	MARINE LOCATION MARKERS	--	7,366				7,366		(7,366)		6,567
206	DEFENSE NUCLEAR AGENCY MATERIAL	--	1,722				1,722		(1,722)		1,477
207	BIGEYE CHEMICAL WEAPON	--	9,937				9,937		(9,937)		0
208	JATOS	--	5,241				5,241		(5,241)		4,149
209	GATOR	1,091	20,869			1,091	20,869	(1,091)	(20,869)	1,091	12,743
210	MISC AIR LAUNCHED ORDNANCE	--	2,163				2,163		(2,163)		1,618
	AIRCRAFT SUPPORT EQUIPMENT										
211	WEAPONS RANGE SUPPORT EQUIPMENT	--	69,740				69,740		(69,740)		46,829
212	EXPEDITIONARY AIRFIELDS	--	14,817				14,817		(14,817)		15,709
213	AIRCRAFT REARMING EQUIPMENT	--	18,440				18,440		(18,440)		35,277
214	CATAPULTS AND ARRESTING GEAR	--	21,297				21,297		(21,297)		47,022
215	METEOROLOGICAL EQUIPMENT	--	33,343				33,343		(33,343)		26,071
216	OTHER PHOTOGRAPHIC EQUIPMENT	--	1,891				1,891		(1,891)		1,841
217	MISC SURVIVAL EQUIPMENT	--	12,645				12,645		(12,645)		9,602
218	AIRBORNE MINE COUNTERMEASURES	--	26,020				26,020		(26,020)		15,940
219	LAMPS MK III SHIPBOARD EQUIPMENT	--	15,225								23,327
220	REWSON PHOTOGRAPHIC EQUIPMENT	--	4,417								37
221	STOCK SURVEILLANCE EQUIPMENT	--	3,162				3,162		(3,162)		3,207
222	OTHER AVIATION SUPPORT EQUIPMENT	--	39,139				39,139		(39,139)		13,864
	TOTAL, AVIATION SUPPORT EQUIPMENT		739,795				581,798		(581,798)		736,024
	ORDNANCE SUPPORT EQUIPMENT										
	SHIP GUN AMMUNITION										
223	3 /50 GUN AMMUNITION	--	986								
224	5 /38 GUN AMMUNITION	--	6,596								
225	5 /54 GUN AMMUNITION	--	51,701								
225a	5 INCH GUIDED PROJECTILE	--	---								
227	16 INCH GUN AMMUNITION	--	29,564								
228	CIWS AMMUNITION	--	47,893								
229	76MM GUN AMMUNITION	--	13,509								

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
230	OTHER SHIP GUN AMMUNITION...............	--	27,052								
	SHIP GUN SYSTEM EQUIPMENT										
231	GUN FIRE CONTROL EQUIPMENT..............	--	16,800								
232	COAST GUARD GUN SYSTEM..................	--	---								
	SHIP MISSILE SYSTEMS EQUIPMENT										
233	MK 92 FIRE CONTROL SYSTEM...............	1	14,400								
233a	MK-92 CORT..............................	--	---								
234	HARPOON SUPPORT EQUIPMENT...............	--	48,559								
235	TERRIER SUPPORT EQUIPMENT...............	--	50,914								
236	TARTAR SUPPORT EQUIPMENT................	--	60,963								
237	POINT DEFENSE SUPPORT EQUIPMENT (MYP)...	--	17,244				17,244		(17,244)		0
238	AIRBORNE ECM/ECCM.......................	--	1,071								
239	AEGIS SUPPORT EQUIPMENT.................	--	45,918								
240	SURFACE TOMAHAWK SUPPORT EQUIPMENT......	--	37,435								
241	SUBMARINE TOMAHAWK SUPPORT EQUIPMENT....	--	2,610								
242	VERTICAL LAUNCH SYSTEM..................	3	75,489								
	FBM SUPPORT EQUIPMENT										
243	STRATEGIC PLATFORM SUPPORT EQUIPMENT....	--	471,032								
	ASW SUPPORT EQUIPMENT										
244	MK 117 FIRE CONTROL SYSTEM..............	--	84,329								
245	SUBMARINE ASW SUPPORT EQUIPMENT.........	--	10,473								
246	SURFACE ASW SUPPORT EQUIPMENT...........	--	30,345								
247	MK 116 FIRE CONTROL SYSTEM..............	--	---								
248	ASW RANGE SUPPORT EQUIPMENT.............	--	7,072								
	OTHER ORDNANCE SUPPORT EQUIPMENT										
249	EXPLOSIVE ORDNANCE DISPOSAL EQUIP.......	--	11,767								
250	SWIMMER WEAPONS SYSTEMS.................	--	4,233								
251	UNMANNED SEABORNE TARGET................	--	4,562								
252	ANTI-SHIP MISSILE DECOY SYSTEMS.........	6	7,933								
253	CALIBRATION EQUIPMENT...................	--	6,269								
254	STOCK SURVEILLANCE EQUIPMENT............	--	2,105								
255	OTHER ORDNANCE TRAINING EQUIPMENT.......	--	2,319								
	OTHER EXPENDABLE ORDNANCE										
256	SMALL ARMS AND LANDING PARTY AMMO.......	--	40,322								
257	PYROTECHNIC AND DEMOLITION MATERIAL.....	--	25,450								
258	QUICKSTRIKE.............................	--	41,607								
259	FLEET MINE SUPPORT EQUIPMENT............	--	27,062								
260	MINE NEUTRALIZATION DEVICES.............	--	4,003								
261	DEFENSE NUCLEAR AGENCY MATERIAL.........	--	9,254								
262	SHIPBOARD EXPENDABLE COUNTERMEASURES....	--	33,991								
262a	REDUCTION IN ORDNANCY SUPPORT EQUIPMENT										
	TOTAL, ORDNANCE SUPPORT EQUIPMENT.....		1,372,832				17,244		(17,244)		0

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	CIVIL ENGINEERING SUPPORT EQUIPMENT										
263	PASSENGER CARRYING VEHICLES............	627	10,235								
264	ARMORED SEDANS.........................	2	190								
265	TRUCKS.................................	2,596	41,555								
266	TRAILERS...............................	207	2,781								
267	CRUSH, MIX, BATCH, PAVE EQUIPMENT.......	--	3,363								
268	DRILLING AND BLASTING EQUIPMENT.........	--	2,245								
269	EARTH MOVING EQUIPMENT..................	182	12,883								
270	LIGHTING AND POWER GENERATING EQUIP.....	--	1,596								
271	MISC CONSTRUCTION AND MAINTENANCE EQUIP.	--	4,977								
272	FIRE FIGHTING EQUIPMENT.................	72	12,665								
273	WEIGHT HANDLING EQUIPMENT...............	46	9,810								
274	AMPHIBIOUS EQUIPMENT....................	--	25,918								
275	COMBAT CONSTRUCTION SUPPORT EQUIPMENT...	--	11,798								
276	MOBILE UTILITIES SUPPORT EQUIPMENT......	--	3,577								
277	COLLATERAL EQUIPMENT....................	--	1,888								
278	OCEAN CONSTRUCTION EQUIPMENT............	--	2,139								
279	FLEET MOORINGS..........................	--	4,854								
280	POLLUTION CONTROL EQUIPMENT.............	--	2,064								
281	OTHER CIVIL ENG SUPPORT EQUIPMENT.......	--	2,274								
282	FLEET HOSPITALS.........................	--	---								
	TOTAL, CIVIL ENGINEERING SUPPORT EQUIP		156,812								0
	SUPPLY SUPPORT EQUIPMENT										
283	FORKLIFT TRUCKS.........................	460	15,623								
284	OTHER MATERIALS HANDLING EQUIPMENT......	--	4,438								
285	AUTOMATED MATERIALS HANDLING SYSTEMS....	--	16,729								
286	OTHER SUPPLY SUPPORT EQUIPMENT..........	--	10,296								
287	POLLUTION CONTROL EQUIPMENT.............	--	762								
288	SPECIAL PURPOSE SUPPLY SYSTEMS..........	--	148,686								
	TOTAL, SUPPLY SUPPORT EQUIPMENT.......		196,534								0
	PERSONNEL AND COMMAND SUPPORT EQUIPMENT										
	TRAINING DEVICES										
289	SURFACE SONAR TRAINERS..................	--	39,979								
290	SUBMARINE SONAR TRAINERS................	--	8,101								
291	SURFACE COMBAT SYSTEM TRAINERS..........	--	23,806								
292	SUBMARINE COMBAT SYSTEM TRAINERS........	--	19,130								
293	SHIP SYSTEM TRAINERS....................	--	11,058								
294	TRAINING SUPPORT EQUIP..................	--	4,590								
295	TRAINING DEVICE MODIFICATIONS...........	--	3,746								

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
	COMMAND SUPPORT EQUIPMENT										
296	COMMAND SUPPORT EQUIPMENT...............	--	13,557								
297	EDUCATION SUPPORT EQUIPMENT.............	--	3,424								
298	MEDICAL SUPPORT EQUIPMENT...............	--	48,284								
299	INTELLIGENCE SUPPORT EQUIPMENT..........	--	75,204				76,004		(76,004)		
300	ITEMS UNDER $2 MILLION..................	--	1,009								
301	OPERATING FORCES SUPPORT EQUIPMENT......	--	15,096								
302	NAVAL RESERVE SUPPORT EQUIPMENT.........	--	3,910								
303	OCEANOGRAPHIC SUPPORT EQUIPMENT.........	--	18,874								
304	PHYSICAL SECURITY EQUIPMENT.............	--	35,206								
	COMPUTER ACQUISITION PROGRAM										
305	COMPUTER ACQUISITION PROGRAM............	--	219,279								
	PRODUCTIVITY PROGRAMS										
307	PRODUCTIVITY INVESTMENT FUND (PIF)......	--	7,533								
308	PROD ENHANCING INCENTIVE FUND (PEIF)....	--	8,776								
	TOTAL, PERSONNEL AND COMMAND SUPPORT E		560,562				76,004		(76,004)		0
	SPARES & REPAIR PARTS										
309	SPARES AND REPAIR PARTS.................	--	330,091				330,091		(330,091)		0
0	PROFIT POLICY CHANGE....................	--	---								
0	INFLATION SAVINGS, FY87.................	--	---								
0	UNDISTRIBUTED REDUCTION.................	--	---								
0	PRIOR YEAR TRANSFERS..................................										
	ELECT SUS GYRO NAV PROG, FY 1986.................										
	VERT LAUNCH SYS (SURFA), FY 1986.................										
	QUICKSTRIKE PROGRAM, FY 1986.....................										
	AMPHIBIOUS EQUIPMENT, FY 1986....................										
	PRODUCTION SUP FAC PROG, FY 1987.................										
	CRUSH/MIX/PATCH/PAVE EQU, FY 1987................										
	DRILL/BLAST EQUIP PROG, FY 1987..................										
	MISC CONST/MAINT EQUIP, FY 1987..................										
	WEIGHT HANDLING EQUIP, FY 1987...................										
	COMPUTER ACQUIS PROG, FY 1987....................										
	TOTAL, OTHER PROCUREMENT, NAVY........		6,577,530				1,094,201		(1,094,201)		1,082,048
0	TRANSFER FROM OTHER ACCOUNTS....		---								
	TOTAL FUNDING AVAILABLE.........		6,577,530				1,094,201		(1,094,201)		1,082,048

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	PROCUREMENT, MARINE CORPS										
	AMMUNITION										
	LINEAR CHARGES:										
1	LINEAR CHARGE (TRLR MT)...............	223	2,362			223	2,362	(223)	(2,362)	223	2,362
2	SMALL ARMS AMMO:										
0	CTG 5.56MM BALL M855..................	84,043	17,987			84,043	17,987	(84,043)	(17,987)	84,043	17,987
0	CTG 9MM BALL M882.....................	24,754	2,918			24,754	2,918	(24,754)	(2,918)	24,754	2,918
0	CTG 40MM HE DP M433...................	324,670	3,014			324,670	3,014	(324,670)	(3,014)	324,670	3,014
3	MACHINE GUN AMMO:										
0	CTG 5.56MM LINKED (SAW)...............	17,453	5,367			17,453	5,367	(17,453)	(5,367)	17,453	5,367
0	CTG CAL 50 LINKED.....................	3,118	3,846			3,118	3,846	(3,118)	(3,846)	3,118	3,846
0	CTG 25MM APDS-T M791..................	92,829	1,871			92,829	1,871	(92,829)	(1,871)	92,829	1,871
0	CTG 25MM HEI-T M792...................	--	---								
0	CTG 40MM LINKED M430 HE DP............	1,608	18,471			1,608	18,471	(1,608)	(18,471)	1,608	18,471
0	CTG 7.62MM LINKED M80.................	16,277	4,538			16,277	4,538	(16,277)	(4,538)	16,277	4,538
4	MORTAR AMMO:										
0	CTG 60MM HE M888......................	246,034	12,652			246,034	12,652	(246,034)	(12,652)	246,034	12,652
0	CTG 60MM SMOKE WP M302 A1.............	--	---								
0	CTG 81MM HE M821......................	43,443	9,823			43,443	9,823	(43,443)	(9,823)	43,443	9,823
0	CTG 81MM HE M889......................	149,124	25,687			149,124	25,687	(149,124)	(25,687)	149,124	25,687
0	CTG 81MM SMK M819.....................	58,576	13,081			58,576	13,081	(58,576)	(13,081)	58,576	13,081
0	CTG 81MM ILLUM M853...................	19,570	4,231			19,570	4,231	(19,570)	(4,231)	19,570	4,231
0	CTG 60MM SMOKE WP XM722...............	31,690	3,094			31,690	3,094	(31,690)	(3,094)	31,690	3,094
0	CTG 60MM ILLUM XM721..................	66,637	10,660			66,637	10,660	(66,637)	(10,660)	66,637	10,660
5	GRENADES:										
0	GRENADE SMOKE SCREEN (IR).............	76,592	4,009			76,592	4,009	(76,592)	(4,009)	76,592	4,009
0	GRENADE SMOKE SCREEN (RP).............	24,975	1,255			24,975	1,255	(24,975)	(1,255)	24,975	1,255
0	SIGNAL ILLUM WSP......................	51,878	1,247			51,878	1,247	(51,878)	(1,247)	51,878	1,247
0	CTG 40MM WS PARA......................	--	---								
0	GRENADE HAND FRAG.....................	--	---								
0	GRENADE HAND SMOKE GREEN..............	34,543	416			34,543	416	(34,543)	(416)	34,543	416
0	GRENADE HAND SMOKE YELLOW.............	32,390	414			32,390	414	(32,390)	(414)	32,390	414
0	SIGNAL ILLUM GRD GRN..................	24,143	604			24,143	604	(24,143)	(604)	24,143	604
0	SIGNAL SMOKE GRD GREEN PARA...........	6,766	206			6,766	206	(6,766)	(206)	6,766	206
0	FLARE SURFACE TRIP....................	41,060	850			41,060	850	(41,060)	(850)	41,060	850
6	ROCKETS:										
0	ROCKET 83MM (SMAW)....................	--	---								
0	ROCKET 5 INCH MOTOR...................	1,336	5,279			1,336	5,279	(1,336)	(5,279)	1,336	5,279
0	LIGHT ANTI ARMOR WEAPON AT-4..........	18,268	13,345			18,268	13,345	(18,268)	(13,345)	18,268	13,345
0	ROCKET 83MM HEAA......................	9,326	22,586			9,326	22,586	(9,326)	(22,586)	9,326	22,586
7	TRAINING AMMO:										
0	CTG 40MM TP F/MK19....................	601,845	7,312			601,845	7,312	(601,845)	(7,312)	601,845	7,312
0	CTG 40MM PRAC M781....................	62,365	105			62,365	105	(62,365)	(105)	62,365	105
0	CTG 81MM TP XM879.....................	121,687	8,915			121,687	8,915	(121,687)	(8,915)	121,687	8,915
0	LINE CHARGE PRAC (TRLR) MTD...........	289	2,990			289	2,990	(289)	(2,990)	289	2,990

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
0	LINE CHARGE PRAC LVT MTD.............	236	2,400			236	2,400	(236)	(2,400)	236	2,400
0	CTG 25MM TP-T M793....................	--	---								
0	ROCKET 83MM PRACTICE..................	3,052	2,913			3,052	2,913	(3,052)	(2,913)	3,052	2,913
0	CTG 5.56MM BLANK LKD (SAW)............	11,827	2,440			11,827	2,440	(11,827)	(2,440)	11,827	2,440
0	CTG 5.56MM BLANK M200.................	50,883	5,266			50,883	5,266	(50,883)	(5,266)	50,883	5,266
0	CTG 7.62MM BLANK LINKED...............	5,336	1,312			5,336	1,312	(5,336)	(1,312)	5,336	1,312
0	CTG 60MM TP FULL RANGE XM816..........	--	---								
0	CTG 120MM TP-T M831...................	18,654	16,947			18,654	16,947	(18,654)	(16,947)	18,654	16,947
0	CTG 120MM TPCSDS-T M865...............	13,820	9,951			13,820	9,951	(13,820)	(9,951)	13,820	9,951
0	ROCKET 83MM PRACTICE F/HEAA...........	1,870	2,343			1,870	2,343	(1,870)	(2,343)	1,870	2,343
8	155MM AMMO:										
0	CHG SPOTTING PROJ.....................	--	---								
0	CHG PROP RB M203A1....................	12,709	5,905			12,709	5,905	(12,709)	(5,905)	12,709	5,905
0	PROJ 155MM ADAM-L M692................	1,225	5,447			1,225	5,447	(1,225)	(5,447)	1,225	5,447
0	PROJ 155 ILLUM.........................	--	---								
0	PROJ 155MM ADAM-S M731................	1,447	6,434			1,447	6,434	(1,447)	(6,434)	1,447	6,434
0	PROJ 155MM RAAMS-L M718...............	4,718	6,223			4,718	6,223	(4,718)	(6,223)	4,718	6,223
0	PROJ 155MM RAAMS-S M741...............	10,774	14,210			10,774	14,210	(10,774)	(14,210)	10,774	14,210
0	PROJ 155MM HE ICM (DP)M483............	11,496	5,004			11,496	5,004	(11,496)	(5,004)	11,496	5,004
0	PROJ 155MM HE.........................	--	---								
0	CHARGE PROP 155MM WHITE BAG M4A2......	176,557	12,974			176,557	12,974	(176,557)	(12,974)	176,557	12,974
0	CHARGE PROP 155MM GREEN BAG M3A1......	--	---								
0	CHARGE PROP 155MM RED BAG M119A2......	--	---								
9	ANTI-ARMOR AMMO:										
0	CTG 120MM APFSDS-T M829...............	15,524	14,769			15,524	14,769	(15,524)	(14,769)	15,524	14,769
0	CTG 120MM HEAT M830...................	29,763	49,998			29,763	49,998	(29,763)	(49,998)	29,763	49,998
10	155MM PROJ COPPERHEAD..................	--	---								
11	8 INCH AMMO:										
0	PROJ HE M106..........................	--	---								
0	PROJ HEDP (ICM).......................	--	---								
12	FUZES:										
0	FUZE MECHANICAL TIME (MT).............	--	---								
0	POINT DETONATING (PD).................	--	---								
0	PRIMER PERCUSSION M82.................	420,789	758			420,789	758	(420,789)	(758)	420,789	758
0	PROXIMITY M732A1......................	53,833	6,486			53,833	6,486	(53,833)	(6,486)	53,833	6,486
13	AMMO MODERNIZATION.....................	--	19,656			--	19,656		(19,656)	--	19,656
	OTHER SUPPORT										
14	ITEMS LESS THAN $2 MILLION.............	--	3,016			--	3,016		(3,016)	--	3,016
0	GENERAL INCREASE, AMMUNITION...........	--	---			--	---			--	---
	TOTAL, AMMUNITION.....................		403,587				403,587		(403,587)		403,587

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	WEAPONS AND COMBAT VEHICLES										
	TRACKED COMBAT VEHICLES										
15	AAV7A1 PIP..............................	--	47,828								47,828
16	MODIFICATION KITS (TRKD VEH)...........	--	---								
17	M-1 MAIN BATTLE TANK (MYP).............	66	159,295								
18	M-1 MAIN BATTLE TANK (MYP) (AP-CY)......	--	37,230								
20	BRIDGE, ARMORED VEH LAUNCHED............	--	---								
21	M1 TANK TRAINER.........................	--	---								
22	ITEMS LESS THAN $2 MILLION (TRKD VEH)...	--	295								
	ARTILLERY AND OTHER WEAPONS										
23	POS AZIMUTH DETERM SYS (PADS)...........	--	---								
25	M198 155MM HOWITZER.....................	--	---								
26	ITEMS LESS THAN $2 MILLION (ATL-CTH)....	--	735								
	WEAPONS										
27	9MM HANDGUN.............................	13,589	3,230								
28	MACHINE GUN, AUTO SAW 5.56MM............	572	1,769								
29	M-16 5.56MM RIFLE.......................	9,427	5,119								
30	XM-4 CARBINE............................	5,000	2,989								
31	MK-19 40MM MACHINE GUN..................	497	4,675								
32	MORTAR, MED. EXTENDED RANGE.............	--	---								
	TOTAL, WEAPONS AND COMBAT VEHICLES....		263,165								47,828
	GUIDED MISSILES AND EQUIPMENT										
	GUIDED MISSILES										
34	HAWK (MYP)..............................	526	118,022			526	118,022	(526)	(118,022)	526	--
35	HAWK (MYP) (AP-CY)......................	--	34,205			--	34,205		(34,205)	--	--
36	HAWK MOD................................	--	4,128								
37	STINGER (MYP)...........................	3,115	173,125			3,115	173,125	(3,115)	(173,125)	3,115	--
38	DRAGON MISSILE SYSTEM...................	5,258	9,748								
39	TOW (MYP)...............................	2,585	28,357			2,585	28,357	(2,585)	(28,357)	2,585	--
	OTHER SUPPORT										
40	MODIFICATION KITS.......................	--	1,890								
	TOTAL, GUIDED MISSILES AND EQUIPMENT..		369,475				353,709		(353,709)		0
	COMMUNICATIONS AND ELECTRONICS EQUIPMENT										
	MANPACK RADIOS										
41	MANPACK RADIOS AND EQUIP................	--	---								
	VEHICLE MOUNTED RADIOS AND EQUIPMENT										
42	VEHICLE MTD RADIOS & EQUIPMENT..........	--	431								

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	TELEPHONE AND TELETYPE EQUIPMENT										
43	UNIT LEVEL CIRCUIT SWITCH (ULCS)........	--	74,040								
0	ULCS LIFE CYCLE SUPPORT.................	--	---								
44	TACT COMM CENTER EQUIP..................	--	10,167								
45	AN/PSG( ) DIGITAL COMM TERMINAL.........	873	24,201								
	REPAIR AND TEST EQUIPMENT										
0	PP-6224/4 POWER SUPPLY..................	--	---								
47	AUTO TEST EQUIP SYS.....................	--	8,020								
48	CALIBRATION FACILITY ELECTRONIC.........	--	---								
49	MAINTENANCE COMPLEX, ELECTRONIC.........	14	9,731								
50	ELECTRONIC TEST EQUIP (TEL).............	--	3,748								
71	CALIBRATION FACILITY....................	--	---								
72	STE/ICE SIMPL TEST EQ...................	150	772								
73	MECH TEST TMDE..........................	--	946								
74	AN/UPM-() TEST SET, RADAR...............	62	4,263								
75	ELECTRONIC TEST EQUIP (NONTEL).........	--	1,879								
51	AN/GRM-114A TEST SET, RADIO.............	135	875								
	OTHER COMM/ELEC EQUIPMENT										
52	AN/TSQ-T9(V) TACT WARFARE SIM EVAL AND A	4	6,554								
55	ANDVT/TACTERM...........................	75	2,691								
0	HAVE QUICK TIMING DISTR SYSTEM..........	--	---								
0	SINGLE CHAN GRD & AIR RADIO.............	--	---								
	OTHER SUPPORT (TEL)										
56	TEST CALIB + MAINT SPT..................	--	1,448								
57	MODIFICATION KITS (TEL).................	--	9,964								
58	ITEMS LESS THAN $2 MILLION (TEL)........	--	577								
	COMMAND + CONTROL SYSTEMS (NON-TEL)										
59	POS LOCATING RPTG SYSTEM (PLRS).........	2	31,613								
60	MIFASS (NONTEL).........................	--	40,000								
61	TACTICAL AIR OPER MODULE (TAOM).........	8	65,683								
62	TACTICAL RECIEVER EQUIPMENT SET.........	12	3,793								
63	AN/UYQ 4 SEMI AUTO,DIRECT AIR SUPPORT CE	--	---								
	RADAR + EQUIPMENT (NON-TEL)										
66	AN/TPS-32 DECOY.........................	--	8,230								
	INTELL/COMM EQUIPMENT (NON-TEL)										
68	INTELLIGENCE SUPPORT EQUIPMENT..........	--	6,800								
69	MOBILE EW SUP SYS (MEWSS)...............	--	---								
0	AIRBORNE RADIO DIRECTION FINDER.........	--	---								
0	JINTACS/JAMS............................	--	---								
0	GRD BASED ELECT INTELL SPT SYS..........	--	---								
	REPAIR + TEST EQUIPMENT (NON-TEL)										
70	ELECTRONIC TDME REPAIR FACILITY.........	--	---								

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	OTHER COMM/ELEC EQUIPMENT (NON-TEL)										
76	CAMPS..................................	12	3,603								
77	NIGHT VISION EQUIPMENT..................	--	16,382								
79	ADP EQUIPMENT...........................	--	34,924								
0	CP-696()/PD RADIAC INDIC COMPUTER.......	--	---								
	OTHER SUPPORT (NON-TEL)										
80	TEST CALIB & MAINT SPT (NON-TEL)........	--	1,448								
81	MODIFICATION KITS (NONTEL).............	--	8,920								
82	ITEMS LESS THAN $2 MILLION (NONTEL).....	--	131								
	TOTAL, COMMUNICATIONS AND ELECTRONICS		381,834								0
	SUPPORT VEHICLES										
	ADMINISTRATIVE VEHICLES										
83	COMMERCIAL PASSENGER VEHICLES...........	153	2,259								
84	COMMERCIAL CARGO VEHICLES...............	--	12,719								
	TACTICAL VEHICLES										
0	UTILITY MOTORCYCLE......................	--	---								
85	5/4T TRUCK HMMWV........................	--	---								
88	5 TON RETROFIT..........................	--	---								
89	LOGISTICS VEHICLE SYSTEM................	--	4,098								
90	TRAILERS, ALL TYPES.....................	--	2,364								
91	LUBE AND SERVICE UNIT 15CFM.............	18	365								
	OTHER SUPPORT										
92	MODIFICATION KITS.......................	--	7,194								
93	ITEMS LESS THAN $2 MILLION..............	--	---								
	TOTAL, SUPPORT VEHICLES...............		28,999								0
	ENGINEER AND OTHER EQUIPMENT										
	ENGINEER AND EQUIPMENT										
94	ENVIRONMENTAL CONTROL EQ ASSORT.........	--	2,658								
95	HEAVY RT CRANE..........................	19	4,921								
96	LIGHT RT CRANE..........................	142	8,040								
97	GRADER ROAD MOTORIZED...................	--	---								
98	TRACTORS, ALL TYPES.....................	--	11,716								
101	CONTAINER HNDLR, ROUGH TERR.............	--	---								
102	FORKLIFTS, ALL TYPES....................	--	27,751								
103	LAUNDRY UNIT, FIELD.....................	--	---								
104	FIELD SUPPORT EQUIPMENT.................	--	1,613								
105	FIELD BATH SHOWER UNIT..................	108	2,517								
106	REFRIGERATION UNIT......................	--	---								
0	REFRIGERATION BOX.......................	--	---								
0	REV OSMOSIS/WATER PUR 600 GL............	--	---								
0	M-33 ICE CREAM PLANT THOMPSON...........	--	---								

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
109	FIELD WIRING HARNESS....................	--	---								
110	FUEL & WATER PUMP & STORAGE MODULE......	--	2,771								
111	AMPHIBIOUS ASSAULT FUEL SYSTEM..........	--	---								
112	TACT AIRFIELD FUEL DISP SYS.............	--	---								
113	TOPOGRAPHIC-SURVEY EQUIPMENT............	--	4,882								
0	TOPOGRAPHIC REPRODUCTION EQUIP..........	--	---								
114	WET GAP BRIDGE SYSTEM...................	--	---								
115	BOAT BRIDGE.............................	--	---								
117	POWER EQUIPMENT ASSORTED................	--	1,082								
118	MOB ELECT POWER DIST SYS (MEPDIS).......	--	---								
0	CONVENTIONAL MINE LAYING SYSTEM.........	--	---								
0	CLEARED LANE MARKING SYSTEM.............	--	---								
119	MINING SYSTEMS..........................	--	3,027								
	MATERIALS HANDLING EQUIPMENT										
120	COMMAND SUPPORT EQUIPMENT...............	--	13,041								
121	HQ SPT EQ...............................	--	1,955								
122	GARRISON MOBILE ENGR EQUIP..............	--	6,719								
123	TELEPHONE SYSTEM........................	--	2,932								
124	AUTO MAT HANDLING EQUIP.................	--	946								
125	HQMC ITEMS..............................	--	429								
126	MATERIEL HANDLING EQUIP.................	--	2,199								
	GENERAL PROPERTY										
127	LTWT DECONTAMINAION SYSTEM..............	282	3,630								
128	TRN DEVICES (AUDIO VISUAL)..............	--	1,418								
129	TRN DEVICES (SIMULATORS)................	--	9,467								
130	SHELTER FAMILY..........................	599	14,413								
131	CONTAINER FAMILY........................	13,559	14,982								
132	CHEMICAL ALARM SYSTEM...................	607	1,444			607	1,444	(607)	(1,444)		--
133	CHEMICAL PROTECTION EQUIPMENT...........	38	204			38	204	(38)	(204)		--
134	DECON APPARATUS PWR DRIVEN..............	--	---								
	OTHER SUPPORT										
135	MODIFICATION KITS.......................	--	---								
136	ITEMS LESS THAN $2 MILLION..............	--	3,596								
	TOTAL, ENGINEER AND OTHER EQUIPMENT...		148,353				1,648		(1,648)		0
	SPARES & REPAIR PARTS										
137	SPARES AND REPAIR PARTS.................	--	51,062			--	51,062		(51,062)	--	--
0	REPLENISHMENT SPARES....................	--	---								
	TOTAL, SPARES AND REPAIR PARTS........		51,062				51,062		(51,062)		0
0	INFLATION SAVINGS, FY87.................	--	---								
0	PROFIT POLICY CHANGE....................	--	---								
0	UNDISTRIBUTED REDUCTION.................										
	TOTAL, PROCUREMENT, MARINE CORPS......		1,646,475				810,006		(810,006)		451,415
	TRANSFER FROM OTHER ACCOUNTS....		---								
	TOTAL FUNDING AVAILABLE.........		1,646,475				810,006		(810,006)		451,415

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
	AIR FORCE PROCUREMENT										
	AIRCRAFT PROCUREMENT, AIR FORCE										
	COMBAT AIRCRAFT										
	STRATEGIC OFFENSIVE										
	TACTICAL FORCES										
3	AIR DEFENSE COMPETITION..................	--	---								
0	AIR DEFENSE COMPETITION (AP-CY).........	--	---								
4	F-15 D/E................................	42	1,468,100								
5	F-15 D/E (AP-CY)........................	--	152,300								
6	F-16 C/D (MYP)..........................	180	2,568,677	180	2,468,677	180	2,568,677		(100,000)	180	2,518,677
7	F-16 C/D (MYP) (AP-CY)..................	--	584,600		584,600	--	584,600			--	584,600
	OTHER COMBAT AIRCRAFT										
	A-7 PLUS		0								
8	KC-10A (ATCA) (MYP).....................	--	---								
0	AC-130H GUNSHIP.........................	--	---								
0	AC-130H GUNSHIP (AP-CY).................	--	---								
10	MC-130H.................................	4	208,000			4	284,000	(4)	(284,000)	4	284,000
11	MC-130H (AP-CY).........................	--	---								
12	AC-130U GUNSHIP.........................	6	245,200								
13	AC-130U GUNSHIP (AP-CY).................	--	---								
	TOTAL, COMBAT AIRCRAFT................		5,226,877		3,053,277		3,437,277		(384,000)		3,387,277
	AIRLIFT AIRCRAFT										
	STRATEGIC AIRLIFT										
14	C-5B....................................	--	---								
	TACTICAL AIRLIFT										
16	C-17....................................	4	900,600			4	900,600	(4)	(900,600)		--
17	C-17 (AP-CY)............................	--	99,400				99,400		(99,400)		--
	OTHER AIRLIFT										
0	C-12J...................................	--	---								
19	C-27....................................	5	65,100								
	TOTAL, AIRLIFT AIRCRAFT...............		1,065,100				1,000,000		(1,000,000)		0
	TRAINER AIRCRAFT										
	UPT TRAINERS										
20	T-46A (NGT).............................	--	---								
21	T-46A (NGT) (AF-CY).....................	--	---								
	TOTAL, TRAINER AIRCRAFT...............		---				---				0

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
	OTHER AIRCRAFT										
	HELICOPTERS										
	MISSION SUPPORT AIRCRAFT										
24	CIVIL AIR PATROL A/C....................	38	500								
26	TR-1/U-2................................	--	12,600				12,600		(12,600)		--
	TOTAL, OTHER AIRCRAFT.................		13,100				12,600		(12,600)		0
	MODIFICATION OF INSERVICE AIRCRAFT										
	STRATEGIC AIRCRAFT										
28	B-52....................................	--	194,500				194,500		(194,500)		--
29	FB-111..................................	--	8,200				8,200		(8,200)		--
30	B-1B....................................	--	106,100								
	TACTICAL AIRCRAFT										
31	A-7.....................................	--	21,000								
32	A-10....................................	--	20,100								
33	F/RF-4..................................	--	21,800								
34	F-5.....................................	--	4,900								
35	F-15....................................	--	272,400				287,400		(287,400)		--
36	F-16....................................	--	109,100								
37	F-111...................................	--	169,600								
38	EF-111..................................	--	26,400								
39	TR-1A...................................	--	20,300				20,300		(20,300)		--
40	T/AT-37.................................	--	13,600								
	AIRLIFT AIRCRAFT										
41	C-5.....................................	--	108,300								
42	C-9.....................................	--	8,400								
43	C-22....................................	--	1,000								
44	C-137...................................	--	2,700								
45	C-141...................................	--	41,700								
	TRAINER AIRCRAFT										
46	T-38....................................	--	34,900								
47	T-43....................................	--	10,000								
	OTHER AIRCRAFT										
48	KC-10A (ATCA)...........................	--	26,200								
50	C-130...................................	--	232,800								
51	C-135...................................	--	672,900				865,900		(865,900)		865,900
52	E-3.....................................	--	40,700								
53	E-4.....................................	--	28,700				28,700		(28,700)		28,700
54	H-1.....................................	--	6,100								
55	H-3 AIRCRAFT SYSTEM.....................	--	---								
56	HH-53 AIRCRAFT..........................	--	32,700								
57	OTHER AIRCRAFT..........................	--	101,900								
0	OV-10...................................	--	---								

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	OTHER MODIFICATIONS										
58	CLASSIFIED PROJECTS.....................	--	133,611				121,611				
58a	CLASSIFIED PROJECTS MODIFICATION........................										
58b	CLASSIFIED PROJECTS MODIFICATION..................................										
58c	CLASSIFIED PROJECTS MODIFICATION..................................										
58c	CLASSIFIED PROJECTS MODIFICATION..................................										
0	GROUND PROXIMITY WARNING SYS............	--	---								
	TOTAL, MODIFICATION OF INSERVICE AIRCR		2,470,611				1,526,611		(1,526,611)		894,600
	AIRCRAFT SPARES AND REPAIR PARTS										
60	SPARES AND REPAIR PARTS.................	--	3,293,159				3,295,559		(3,295,559)		3,295,559
60a	SOF AIRLIFT SPARES....................										
60b	B-1B REPLENISHMENT SPARES...................										
60c	AC-130U SPARES....................										
60d	MC-130H SPARES....................										
60e	C-27 SPARES....................										
60f	CLASSIFIED SPARES....................										
60g	PROGRAM EXECUTION....................										
	AIRCRAFT SUPPORT EQUIPMENT AND FACILITIE										
61	COMMON GROUND EQUIPMENT.................	--	234,809								
62	INDUSTRIAL RESPONSIVENESS...............	--	36,500								
63	WAR CONSUMABLES.........................	--	49,400								
64	OTHER PRODUCTION CHARGES................	--	4,565,270								
64a	CLASSIFIED PROGRAM..........										
64b	CLASSIFIED PROGRAM..........										
64c	CLASSIFIED PROGRAM..........										
64d	CLASSIFIED PROGRAM..........										
64e	CLASSIFIED PROGRAM..........										
64f	NAVSTAR GPS.............................										
64g	AME............................										
64h	CLASSIFIED PROGRAM..........										
64i	TR-1 ENGINES.........................										
64j	TR-1 ASARS MODIFICATION..................										
65	COMMON ECM EQUIPMENT....................	--	266,600								
	TOTAL, AIRCRAFT SUPPORT EQUIPMENT AND		5,152,579								0
0	INFLATION SAVINGS, FY87.................	--	---								
0	PROFIT POLICY CHANGE....................	--	---								
0	PRIOR YEAR SAVINGS										
0	C-5B, FY 87 AND PRIOR.................										
0	F-100 ENGINES, FY 87 AND PRIOR........										
0	T-46A.................................										
0	ASPJ, FY 87 AND PRIOR.................										

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
0	CLASSIFIED MODS, FY 1986 AND PRIOR....										
0	OTHER PRODUCTION CHARGES, F-111 AVIONICS										
0	UPGRADE, FY 1987 AND PRIOR..........										
0	CLASSIFIED PROGRAM, FY 1987										
0	UNDISTRIBUTED REDUCTION....................										
	TOTAL, AIRCRAFT PROCUREMENT, AIR FORCE		17,221,426		3,053,277		9,272,047		(6,218,770)		7,577,436
0	TRANSFER FROM OTHER ACCOUNTS............		---				---				---
	TOTAL FUNDING AVAILABLE.........		17,221,426		3,053,277		9,272,047		(6,218,770)		7,577,436
	MISSILE PROCUREMENT, AIR FORCE										
	BALLISTIC MISSILES										
	STRATEGIC										
1	PEACEKEEPER (M-X)........................	21	1,359,422								
2	SMALL ICBM...............................	--	121,600								
	MISSILE REPLACEMENT EQUIPMENT - BALLIST										
3	MISSILE REPLACEMENT EQ-BALLISTIC........	--	59,221				59,221		(59,221)		59,221
	TOTAL, BALLISTIC MISSILES.............		1,540,243				59,221		(59,221)		59,221
	OTHER MISSILES										
	STRATEGIC										
0	SRAM II..................................	--	---								
8	AIR LAUNCH CRUISE MISSILE...............	--	1,186				1,186		(1,186)		--
	TACTICAL										
9	AIM-7F/M SPARROW.........................	--	---								
10	AIM-9L/M SIDEWINDER......................	760	48,046							760	48,046
11	AGM-130 POWERED GBU-15...................	235	92,301								
12	AGM-65D MAVERICK (MYP)...................	1,900	250,539			1,900	250,539	(1,900)	(250,539)	1,900	250,539
13	AGM-65D MAVERICK (MYP) (AP-CY)..........	--	108,600								
14	AGM-88A HARM.............................	893	214,914							893	214,914
15	RAPIER...................................	--	11,000								
16	AMRAAM...................................	1,750	875,036								
17	AMRAAM (AP-CY)...........................	--	---								
18	GRD LAUNCH CRUISE MISSILE...............	--	10,900								
19	GRD LAUNCH CRUISE MISSILE (AP-CY).......	--	---								
20	STINGER..................................	--	---								
	TARGET DRONES										
21	TARGET DRONES...........................	58	26,842								
	INDUSTRIAL FACILITIES										
22	INDUSTRIAL FACILITIES...................	--	15,998								

P-1		FY 1989		FY 1989		FY 1989		FY 1989 DIFFERENCE		FY 1989	
		BUDGET REQUEST		HOUSE PASSED		SENATE PASSED		[HOUSE +/- TO SENATE]		CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	MISSILE REPLACEMENT EQUIPMENT - OTHER										
23	MISSILE REPLACEMENT EQ-OTHER............	--	13,058								
	TOTAL, OTHER MISSILES................		1,668,420				251,725		(251,725)		513,499
	MODIFICATION OF INSERVICE MISSILES										
	CLASS IV										
0	CLASS IV................................	--	---								
26	MM II/III MODIFICATIONS.................	--	77,746								
27	AGM-88A HARM............................	--	2,200								
28	AIR LAUNCH CRUISE MISSILE...............	--	11,355				11,355		(11,355)		11,355
29	GRD LAUNCH CRUISE MISSILE...............	--	17,136				17,136		(17,136)		--
30	PEACEKEEPER (M-X).......................	--	1,733				1,733		(1,733)		--
31	MODIFICATIONS UNDER $2.0M...............	--	198				198		(198)		198
	TOTAL, MODIFICATION OF INSERVICE MISSI		110,368				30,422		(30,422)		11,553
	MISSILE SPARES + REPAIR PARTS										
32	SPARES AND REPAIR PARTS.................	--	305,331				305,331		(305,331)		305,331
32a	CLASSIFIED PROGRAM SPARES..........										
32b	AGM-130 POWERED GBU-15 SPARES..................										
32c	AGM-65D MAVERICK SPARES..................										
32d	AMRAAM SPARES......................										
32e	AGM-88A HARM SPARES........................										
32f	REPLENISHMENT SPARES.................										
32g	GRD LAUNCH CRUISE MISSILE SPARES.........										
32h	CLASSIFIED PROGRAM SPARES..........										
32i	PEACEKEEPER (M-X) SPARES.....................										
	OTHER SUPPORT										
	SPACE PROGRAMS										
33	SPACEBORNE EQUIP (COMSEC)...............	--	37,035				37,035		(37,035)		--
34	GLOBAL POSITIONING (MYP)................	--	61,217		61,217		61,217		0		61,217
0	GLOBAL POSITIONING (MYP) (AP-CY)........	--	---								
35	SPACE SHUTTLE OPERATIONS (MYP)..........	--	39,587		39,587		39,587		0		39,587
36	SPACE SHUTTLE OPERATIONS (MYP) (AP-CY)..	--	44,300				44,300		(44,300)		44,300
37	DEF METEOROLOGICAL SAT PROG (MYP).......	2	159,113	2	159,113	2	159,113	0	0	2	159,113
38	DEF METEOROLOGICAL SAT PROG (MYP) (AP-CY	--	53,000		53,000		53,000		0		53,000
39	DEFENSE SUPPORT PROGRAM (MYP)...........	2	452,387	2	452,387	2	452,387	0	0	2	452,387
40	DEFENSE SUPPORT PROGRAM (MYP) (AP-CY)...	--	36,400		36,400		36,400		0		36,400
41	DEFENSE SATELLITE COMM SYSTEM (MYP).....	--	21,105		21,105		21,105		0		21,105
42	DEFENSE SATELLITE COMM SYSTEM (MYP) (AP-	--	---								
44	SPACE BOOSTERS (MYP)....................	3	150,906	3	150,906	3	150,906	0	0	3	150,906
45	SPACE BOOSTERS (MYP) (AP-CY)............	--	103,000		103,000		103,000		0		103,000
0	SPACE DEFENSE SYSTEM....................	--	331,542								
0	SPACE DEFENSE SYSTEM (AP-CY)............	--	33,000								
48	MEDIUM LAUNCH VEHICLE...................	4	204,100	4	204,100	4	204,100	0	0	4	204,100

P-1 , LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
	SPECIAL PROGRAMS										
50	OTHER PROGRAMS..........................	--	---								
51	FOREST GREEN............................	--	---								
52	IONDS (MYP).............................	--	---				300		(300)		--
53	SPECIAL PROGRAMS........................	--	2,753,893				3,011,693		(3,011,693)		--
54	SPECIAL UPDATE PROGRAMS.................	--	1,744,354				1,744,354		(1,744,354)		--
999	CLASSIFIED PROGRAMS.....................	--	1,186,801				399,243		(399,243)		--
	TOTAL, OTHER SUPPORT..................		7,411,740		1,280,815		6,517,740		(5,236,925)		1,325,115
0	INFLATION SAVINGS, FY87.................	--	---								
0	PROFIT POLICY CHANGE....................	--	---								
0	PRIOR YEAR SAVINGS										
0	MX, FY 1987 AND PRIOR YEARS...........										
0	UNDISTRIBUTED REDUCTION..................										
0											
	TOTAL, MISSILE PROCUREMENT, AIR FORCE.		11,036,102		1,280,815		7,164,439		(5,883,624)		2,214,719
	TRANSFER FROM OTHER ACCOUNTS....		---				---				---
	TOTAL FUNDING AVAILABLE.........		11,036,102		1,280,815		7,164,439		(5,883,624)		2,214,719
	OTHER PROCUREMENT, AIR FORCE										
	MUNITIONS AND ASSOCIATED EQUIPMENT										
	ROCKETS + LAUNCHERS										
1	2.75 INCH ROCKET MOTOR..................	90,000	22,008			90,000	22,008	(90,000)	(22,008)	90,000	22,008
2	2.75 INCH ROCKET HEAD - WP..............	72,688	5,815			72,688	5,815	(72,688)	(5,815)	72,688	5,815
4	LIGHT ANTI-TANK TACTICAL AT-4...........	3,800	2,902			3,800	2,902	(3,800)	(2,902)	3,800	2,902
6	ITEMS LESS THAN $2,000,000..............	--	5,523			--	5,523		(5,523)	--	5,523
	CARTRIDGES (THOUSANDS)										
7	9MM PARABELLUM..........................	14,932	2,208			14,932	2,208	(14,932)	(2,208)	14,932	2,208
8	7.62 MM BLANK, LINKED...................	--	---			--	---			--	---
9	5.56 MM.................................	30,000	4,645			30,000	4,645	(30,000)	(4,645)	30,000	4,645
10	20 MM COMBAT............................	2,658	11,971			2,658	11,971	(2,658)	(11,971)	2,658	11,971
11	20 MM TRAINING..........................	6,009	19,247			6,009	19,247	(6,009)	(19,247)	6,009	19,247
12	30 MM TRAINING..........................	9,732	84,403			9,732	84,403	(9,732)	(84,403)	9,732	84,403
13	30 MM API...............................	--	---			--	---			--	---
14	81 MM...................................	--	---			--	---			--	---
15	40MM TP GRENADES........................	580	1,051			580	1,051	(580)	(1,051)	580	1,051
16	40MM HE GRENADES........................	179	2,078			179	2,078	(179)	(2,078)	179	2,078
17	CART CHAFF RR-170.......................	1,700	3,853			1,700	3,853	(1,700)	(3,853)	1,700	3,853
19	SIGNAL MK-4 MOD 3.......................	1,069	1,189			1,069	1,189	(1,069)	(1,189)	1,069	1,189
20	MXU-4A/A ENGINE STARTER.................	46	5,438			46	5,438	(46)	(5,438)	46	5,438
21	CART IMP 3000 FT/LBS....................	1,586	3,907			1,586	3,907	(1,586)	(3,907)	1,586	3,907
22	ITEMS LESS THAN $2,000,000..............	--	15,494			--	15,494		(15,494)	--	15,494

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	AMOUNT	FY 1989 HOUSE PASSED QTY	AMOUNT	FY 1989 SENATE PASSED QTY	AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	AMOUNT
	BOMBS										
23	MK-82 INERT/BDU-50......................	--	---			--	---			--	---
24	DURANDAL................................	--	---			--	---			--	---
25	TIMER ACTUATOR FIN FUZE.................	13,067	3,334			13,067	3,334	(13,067)	(3,334)	13,067	3,334
26	BSU-49 INFLATABLE RETARDER..............	16,128	5,940			16,128	5,940	(16,128)	(5,940)	16,128	5,940
27	BSU-50 INFLATABLE RETARDER..............	4,000	4,809			4,000	4,809	(4,000)	(4,809)	4,000	4,809
28	BOMB 2000 LB HIGH EXPLOSIVE.............	2,500	5,953			2,500	5,953	(2,500)	(5,953)	2,500	5,953
29	BOMB HARD TARGET 2000LB.................	2,360	31,877			2,360	31,877	(2,360)	(31,877)	2,360	31,877
0	DAACM...................................	--	---			--	---			--	---
31	LASER BOMB GUIDANCE KIT.................	--	---			--	---			--	---
32	GBU-15..................................	--	---			--	---			--	---
33	BOMB PRACTICE 25 POUND..................	1,068,208	15,697			1,068,208	15,697	-1068208	(15,697)	1,068,208	15,697
34	BOMB PRACTICE BDU-38....................	756	4,155			756	4,155	(756)	(4,155)	756	4,155
36	MK-84 BOMB-EMPTY........................	1,279	2,217			1,279	2,217	(1,279)	(2,217)	1,279	2,217
37	SKEET/SENSOR FUZED WEAPON...............	370	111,196			370	111,196	(370)	(111,196)	370	---
38	CBU-89(TMD/GATOR).......................	--	---			--	---			--	---
39	MECHANICAL DIVERTERS....................	11,250	14,783			11,250	14,783	(11,250)	(14,783)	11,250	---
40	CBU-87(COMBINED EFFECTS MUNITION).......	13,696	252,893			13,696	252,893	(13,696)	(252,893)	13,696	252,893
41	BIGEYE..................................	[ ]	89,487			[ ]	89,487	[ ]	(89,487)	[ ]	--
42	ITEMS LESS THAN $2,000,000..............	--	41			--	41		(41)	--	--
	TARGETS										
43	AERIAL TOW TARGET.......................	--	---			--	---			--	---
44	ITEMS LESS THAN $2,000,000..............	--	1,286			--	1,286		(1,286)	--	1,286
	OTHER ITEMS										
45	FLARE, IR MJU-7B........................	563,400	9,325			563,400	9,325	(563,400)	(9,325)	563,400	9,325
46	PARACHUTE FLARE LUU-2 B/B...............	10,000	4,082			10,000	4,082	(10,000)	(4,082)	10,000	4,082
48	FLARE, IR MJU-2.........................	--	---			--	---			--	---
49	FLARE IR (B1B)..........................	6,000	5,912			6,000	5,912	(6,000)	(5,912)	6,000	5,912
50	MJU-10B.................................	396,000	17,952			396,000	17,952	(396,000)	(17,952)	396,000	17,952
0	SIGNAL SMOKE AND ILLUMINATING...........	--	---			--	---			--	---
55	CHAFF PACKAGE RR-141A/L.................	--	---			--	---			--	---
56	SPARES AND REPAIR PARTS.................	--	4,166			--	4,166		(4,166)	--	4,166
57	MODIFICATIONS...........................	--	809			--	809		(809)	--	809
58	ITEMS LESS THAN $2,000,000..............	--	21,809			--	21,809		(21,809)	--	21,809
	FUZES										
59	FMU-139.................................	52,852	41,127			52,852	41,127	(52,852)	(41,127)	52,852	41,127
60	ITEMS LESS THAN $2,000,000..............	--	18			--	18		(18)	--	18
	OTHER WEAPONS										
61	M-203 GRENADE LAUNCHER..................	27	17			27	17	(27)	(17)	27	17
62	MACHINE GUN, 7.62MM, M-60...............	--	---			--	---			--	---
65	9MM HANDGUN.............................	9,000	1,896			9,000	1,896	(9,000)	(1,896)	9,000	1,896
66	SHOTGUN - 12 GAGE.......................	--	---			--	---			--	---
67	NATIONAL RIFLE - M14....................	--	---			--	---			--	---
68	HOST NATION SUPPORT WEAPONS.............	--	---			--	---			--	---
	TOTAL, MUNITIONS AND ASSOCIATED EQUIPM		842,513				842,513		(842,513)		627,006

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	VEHICULAR EQUIPMENT										
	PASSENGER CARRYING VEHICLES										
69	SEDAN, 4 DR 4X2	296	2,199			296	2,199	(296)	(2,199)	296	---
70	STATION WAGON, 4X2	148	1,270			148	1,270	(148)	(1,270)	148	---
71	BUS, 28 PASSENGER	45	1,820			45	1,820	(45)	(1,820)	45	---
72	BUS INTERCITY	--	---			--	---			--	---
73	BUS, 44 PASSENGER	37	2,597			37	2,597	(37)	(2,597)	37	---
74	AMBULANCE, BUS	31	2,681			31	2,681	(31)	(2,681)	31	---
75	MODULAR AMBULANCE	46	1,665			46	1,665	(46)	(1,665)	46	---
76	14-20 PASSENGER BUS	--	---			--	---			--	---
77	LAW ENFORCEMENT VEHICLE	237	1,947			237	1,947	(237)	(1,947)	237	---
	CARGO + UTILITY VEHICLES										
78	TRUCK, STAKE/PLATFORM	645	9,723			645	9,723	(645)	(9,723)	645	--
79	TRUCK, CARGO-UTILITY, 3/4T, 4X4	352	4,411			352	4,411	(352)	(4,411)	352	--
80	TRUCK, CARGO-UTILITY, 1/2T, 4X2	357	3,756			357	3,756	(357)	(3,756)	357	--
81	TRUCK, PICKUP, 1/2T, 4X2	732	6,310			732	6,310	(732)	(6,310)	732	--
82	TRUCK, PICKUP, COMPACT	510	3,042			510	3,042	(510)	(3,042)	510	--
83	TRUCK MULTI-STOP 1 TON 4X2	372	5,692			372	5,692	(372)	(5,692)	372	--
84	TRUCK, PANEL, 4X2	214	2,064			214	2,064	(214)	(2,064)	214	--
86	TRUCK CARRYALL	427	5,431			427	5,431	(427)	(5,431)	427	--
88	TRUCK, CARGO, 2 1/2T, 6X6, M-35	279	15,280			279	15,280	(279)	(15,280)	279	--
89	TRUCK CARGO 5T M-923.M-925	51	3,020			51	3,020	(51)	(3,020)	51	--
91	TRUCK, CARGO, 2 1/2T	--	---			--	---			--	--
92	HIGH MOBILITY VEHICLE (MYP)	29	791			29	791	(29)	(791)	29	--
93	TRUCK, TRACTOR, 5T	--	---			--	---			--	--
94	TRUCK TRACTOR 5T M-932 (MYP)	--	---			--	---			--	--
95	TRUCK TRACTOR, OVER 5T	95	4,700			95	4,700	(95)	(4,700)	95	--
97	TRUCK WRECKER 5T M936 (MYP)	--	---			--	---			--	--
98	TRUCK, DUMP 5 TON	112	4,536			112	4,536	(112)	(4,536)	112	--
99	TRUCK, UTILITY	100	1,082			100	1,082	(100)	(1,082)	100	--
100	ITEMS LESS THAN $2,000,000	--	8,769			--	8,769		(8,769)	--	--
	SPECIAL PURPOSE VEHICLES										
101	TRUCK MAINT 4X2	257	2,710			257	2,710	(257)	(2,710)	257	2,710
103	TRUCK, MAINT, HI-REACH	--	---			--	---			--	---
104	TRUCK, TELEPHONE MAINTENANCE	19	3,403			19	3,403	(19)	(3,403)	19	3,403
105	TRUCK, TANK, 1200 GAL	73	3,034			73	3,034	(73)	(3,034)	73	3,034
106	TRUCK TANK FUEL R-9	567	53,373			567	53,373	(567)	(53,373)	567	53,373
107	TRUCK, TANK, FUEL, M-49	24	2,137			24	2,137	(24)	(2,137)	24	2,137
0	TRACTOR, A/C TOW, MB-2	--	---			--	---			--	---
109	TRACTOR, A/C TOW, MB-4	71	1,983			71	1,983	(71)	(1,983)	71	1,983
110	TRACTOR, TOW, FLIGHTLINE	392	6,480			392	6,480	(392)	(6,480)	392	6,480
112	TRACTOR, DOZER	24	1,720			24	1,720	(24)	(1,720)	24	1,720
114	TRUCK, DEMINERAL WATER, 2600 GAL	--	---			--	---			--	---
0	TRANSPORTABLE MAINT UNIT	--	---			--	---			--	---
119	MISSILE MAINT UNIT	11	6,957			11	6,957	(11)	(6,957)	11	6,957
123	SEMI TRAILER COMPRESSED GAS	--	---			--	---			--	---
126	MOBILE ARM RECON VEHICLE	108	54,452			108	54,452	(108)	(54,452)	108	16,971
0	POLYMER PLACEMENT TRUCK	--	---			--	---			--	---
0	RESIN TANK TRUCK	--	---			--	---			--	---
0	SCAB VEHICLE REPAIR	--	---			--	---			--	---
0	M-113 ARM PERS CARRIER	--	---			--	---			--	---
127	MOS MARKING VEHICLE	36	2,679			36	2,679	(36)	(2,679)	36	2,679
128	ITEMS LESS THAN $2,000,000	--	14,532			--	14,532		(14,532)	--	14,532

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	AMOUNT	FY 1989 HOUSE PASSED QTY	AMOUNT	FY 1989 SENATE PASSED QTY	AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	AMOUNT
	FIRE FIGHTING EQUIPMENT										
130	TRUCK CRASH P-15........................	--	---			--	---			--	---
131	TRUCK CRASH P-2.........................	18	8,834			18	8,834	(18)	(8,834)	18	8,834
132	TRUCK WATER P-18........................	37	4,133			37	4,133	(37)	(4,133)	37	4,133
133	TRUCK,PUMPER, P-8.......................	30	3,613			30	3,613	(30)	(3,613)	30	3,613
134	TRUCK, PUMPER, P-12.....................	26	2,557			26	2,557	(26)	(2,557)	26	2,557
137	ITEMS LESS THAN $2,000,000..............	--	2,945			--	2,945		(2,945)	--	2,945
	MATERIALS HANDLING EQUIPMENT										
138	TRUCK F/L 4000 LB GED/DED 144 INCH......	255	5,674			255	5,674	(255)	(5,674)	255	5,674
139	TRUCK, F/L 6000 LB......................	94	3,166			94	3,166	(94)	(3,166)	94	3,166
140	TRUCK, F/L 10,000 LB....................	126	6,191			126	6,191	(126)	(6,191)	126	6,191
0	TACTICAL CARGO LOADER...................	--	---			--	---			--	---
143	LARGE CAPACITY LOADER...................	--	---			--	---			--	---
144	25K A/C LOADER..........................	--	---			--	---			--	---
146	CONTAINER, LIFT, TRUCK..................	5	1,137			5	1,137	(5)	(1,137)	5	1,137
147	ITEMS LESS THAN $2,000,000..............	--	4,519			--	4,519		(4,519)	--	4,519
	BASE MAINTENANCE SUPPORT										
148	LOADER, SCOOP...........................	143	8,611			143	8,611	(143)	(8,611)	143	8,611
150	DISTRIBUTOR, WATER 1500 GALLON..........	36	1,924			36	1,924	(36)	(1,924)	36	1,924
151	CLEANER, RUNWAY/STREET..................	335	33,132			335	33,132	(335)	(33,132)	335	33,132
154	GRADER, ROAD, MOTORIZED.................	--	---			--	---			--	---
155	CRANE, 7-50 TON.........................	18	2,975			18	2,975	(18)	(2,975)	18	2,975
156	EXCAVATOR, DED, PT......................	--	---			--	---			--	---
157	WATERCRAFT..............................	--	---			--	---			--	---
158	SPARES AND REPAIR PARTS.................	--	4,075			--	4,075		(4,075)	--	4,075
159	MODIFICATIONS...........................	--	1,072			--	1,072		(1,072)	--	1,072
160	ITEMS LESS THAN $2,000,000..............	--	8,661			--	8,661		(8,661)	--	8,661
0	GENERAL REDUCTION.......................	--	---			--	---			--	---
	TOTAL, VEHICULAR EQUIPMENT............		349,465				349,465		(349,465)		219,198
	ELECTRONICS AND TELECOMMUNICATIONS EQUIP										
	COMM SECURITY EQUIPMENT(COMSEC)										
161	SPACE SYSTEMS (COMSEC)..................	--	23,599			--	23,599		(23,599)	--	--
162	TEMPEST EQUIPMENT.......................	--	1,206			--	1,206		(1,206)	--	--
163	TAC SECURE VOICE........................	--	9,813			--	9,813		(9,813)	--	--
164	DCS SECURE VOICE (COMSEC)...............	--	32,168			--	32,168		(32,168)	--	--
165	SECURE DATA.............................	--	45,295			--	45,295		(45,295)	--	--
166	TRI-TAC (COMSEC)........................	--	11,926			--	11,926		(11,926)	--	--
167	SPARES AND REPAIR PARTS.................	--	14,912			--	14,912		(14,912)	--	--
168	MODIFICATIONS (COMSEC)..................	--	724			--	724		(724)	--	--
	INTELLIGENCE PROGRAMS										
169	INTELLIGENCE DATA HANDLING SYS..........	--	12,618			--	12,618		(12,618)	--	--
170	INTELLIGENCE TRAINING EQUIPMENT.........	--	8,945			--	8,945		(8,945)	--	--
171	INTELLIGENCE COMM EQUIP.................	--	25,061				72,861		(72,861)	--	--
172	COBRA JUDY..............................	--	2,747			--	2,747		(2,747)	--	--
173	COBRA SHOE..............................	--	3,253			--	3,253		(3,253)	--	--
174	ITEMS LESS THAN $2,000,000..............	--	4,712			--	4,712		(4,712)	--	--

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	ELECTRONICS PROGRAMS										
175	TACAN	--	---			--	---			--	---
176	TRAFFIC CONTROL/LANDING	--	15,927			--	15,927		(15,927)	--	15,927
177	TACTICAL AIR CONTROL SYS IMPROVE	--	124,526			--	124,526		(124,526)	--	124,526
178	WEATHER OBSERV/FORCAST	--	72,663			--	72,663		(72,663)	--	72,663
179	DEFENSE SUPPORT PROGRAM	--	5,906			--	5,906		(5,906)	--	5,906
180	OTH-B RADAR	--	214,738			--				--	
182	SAC COMMAND AND CONTROL	--	2,410			--	2,410		(2,410)	--	2,410
183	LAUNCH CONTROL CENTER COMMUNICATIONS	--	8,729			--	8,729		(8,729)	--	8,729
184	CHEYENNE MOUNTAIN COMPLEX (ASAT)	--	28,975			--				--	
185	PAVE PAWS/SLBM WARNING SYSTEMS	--	755			--	755		(755)	--	--
186	BMEWS MODERNIZATION	--	1,621			--	1,621		(1,621)	--	--
187	SPACETRACK	--	---			--	---			--	--
188	NAVSTAR GPS	--	19,574			--	19,574		(19,574)	--	19,574
189	USAFE COMMAND/CONTROL SYSTEM	--	2,872			--	2,872		(2,872)	--	2,872
190	PACAF COMMAND/CONTROL	--	3,964			--	3,964		(3,964)	--	3,964
191	DEFENSE METEOROLOGICAL SAT PROG	--	20,773			--				--	
192	ENSCE	--	3,672			--				--	
193	CARIBBEAN BASIN RADAR NETWORK	--	26,763			--				--	
194	MARS/USAF-FAA RADAR UPGRADE	--	21,741			--	21,741		(21,741)	--	21,741
195	TAC SIGINT SUPPORT	--	25,373			--	25,373		(25,373)	--	--
196	AEROSTAT RADARS	--	---			--	---			--	--
197	DIST ERLY WARNING RDR/NORTH WARNING	--	187,873			--				--	
198	TACTICAL GROUND INTERCEPT FACILITY	--	3,366			--	3,366		(3,366)	--	--
199	TR-1 GROUND STATIONS	--	---			--	---			--	--
200	AIR BASE OPERABILITY	--	5,478			--	5,478		(5,478)	--	5,478
201	CMDR'S TACTICAL TERMINALS(CTT)/TEREC	--	4,219			--	4,219		(4,219)	--	4,219
202	IMAGERY TRANS	--	2,036			--					
203	NUDET DETECTION SYSTEM (NDS)	--	12,725			--	12,725		(12,725)	--	--
204	TACTICAL WARNING SYSTEMS SUPPORT	--	2,969			--	2,969		(2,969)	--	--
205	NORTH ATLANTIC DEFENSE C3	--	---			--	---			--	--
	SPECIAL COMM-ELECTRONICS PROJECTS										
206	AUTOMATIC DATA PROCESSING EQUIP	--	121,271			--				--	
207	WWMCCS/WIS ADPE	--	34,810			--	34,810		(34,810)	--	--
208	MAC COMMAND AND CONTROL SUPPORT	--	48,140			--	48,140		(48,140)	--	48,140
209	GLCM COMMUNICATIONS	--	2,610			--	2,610		(2,610)	--	--
210	AIR FORCE PHYSICAL SECURITY SYSTEM	--	20,634			--	20,634		(20,634)	--	20,634
211	WEAPONS STORAGE/SECURITY	--	46,047			--	46,047		(46,047)	--	--
212	RANGE IMPROVEMENTS	--	179,852			--				--	
213	RADAR BOMB SCORER	--	---			--	---			--	---
0	PLSS	--	---			--	---			--	---
214	C3 COUNTERMEASURES	--	7,287			--	7,287		(7,287)	--	7,287
215	JOINT SURVEILLANCE SYSTEM	--	867			--	,7		(867)	--	867
216	SPACE SHUTTLE	--	203			--	203		(203)	--	203
217	BASE LEVEL DATA AUTO PROGRAM	--	18,836			--	18,836		(18,836)	--	18,836
218	SATELLITE CONTROL FACILITY	--	74,951			--				--	
219	CONSTANT WATCH	--	10,286			--	10,286		(10,286)	--	10,286
220	CONSOLIDATED SPACE OPS CENTER	--	1,972			--	1,972		(1,972)	--	1,972
221	CMD CENTER PROCESSING/DISPLAY SYS	--	23,553			--				--	
222	HAMMER ACE	--	1,381			--	1,381		(1,381)	--	1,381
223	SAMTO TEST RANGES I&M	--	37,352			--	37,352		(37,352)	--	37,352
224	EMP HARDENING	--	---			--	---			--	---

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
		QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	AIR FORCE COMMUNICATIONS										
225	PROGRAM 698AJ..........................	--	1,704			--	1,704		(1,704)	--	1,704
226	INFORMATION TRANSMISSION SYSTEMS........	--	25,120			--	25,120		(25,120)	--	25,120
227	TELEPHONE EXCHANGE......................	--	37,977			--	37,977		(37,977)	--	37,977
228	JOINT TACTICAL COMM PROGRAM..............	--	222,137			--	222,137		(222,137)	--	222,137
229	USREDCOM................................	--	11,113			--	11,113		(11,113)	--	11,113
230	USCENTCOM...............................	--	10			--	10		(10)	--	10
231	AUTOMATED TELECOMMUNICATIONS PRG........	--	30,263			--	30,263		(30,263)	--	30,263
232	CINC MOBILE COMMAND CENTER..............	--	39,862			--	39,862		(39,862)	--	39,862
233	MILSTAR.................................	--	45,438			--	45,438		(45,438)	--	--
235	SATELLITE TERMINALS.....................	--	32,755			--	32,755		(32,755)	--	--
	DCA PROGRAMS										
236	WIDEBAND SYSTEMS UPGRADE................	--	52,318			--	52,318		(52,318)	--	52,318
237	MINIMUM ESSENTIAL EMER COMM NET.........	--	40,957			--	40,957		(40,957)	--	--
238	DCS SECURE VOICE EQUIPMENT..............	--	3,762			--	3,762		(3,762)	--	3,762
	ORGANIZATION AND BASE										
239	TACTICAL C-E EQUIPMENT..................	--	64,886			--	64,886		(64,886)	--	64,886
240	PRODUCTIVITY INV TELECOM................	--	---			--	---			--	---
241	RADIO EQUIPMENT.........................	--	30,382			--	30,382		(30,382)	--	30,382
242	PRODUCTIVITY ENH TELECOMM...............	--	---			--	---			--	---
243	FIBER OPTICS............................	--	1,920			--	1,920		(1,920)	--	1,920
244	TV EQUIPMENT (AFRTV)....................	--	4,628			--	4,628		(4,628)	--	4,628
245	CCTV/AUDIOVISUAL EQUIPMENT..............	--	4,944			--	4,944		(4,944)	--	4,944
246	E + I REQUIREMENTS......................	--	1,761			--	1,761		(1,761)	--	1,761
247	SPARES AND REPAIR PARTS.................	--	331,861			--	331,861		(331,861)	--	268,684
248	ITEMS LESS THAN $2,000,000..............	--	10,828			--	10,828		(10,828)	--	10,828
	MODIFICATIONS										
249	COMM-ELECTRONICS CLASS IV...............	--	25,098			--	25,098		(25,098)	--	25,098
251	TACTICAL EQUIPMENT......................	--	32,141			--	32,141		(32,141)	--	32,141
252	ANTIJAM VOICE...........................	--	10,277			--	10,277		(10,277)	--	10,277
	TOTAL, ELECTRONICS AND TELECOMMUNICATI		2,708,821				1,872,164		(1,872,164)		1,314,782
	OTHER BASE MAINTENANCE AND SUPPORT EQUIP										
	TEST EQUIPMENT										
253	BASE/ALC CALIBRATION PACKAGE............	--	56,333			--	56,333		(56,333)	--	56,333
254	NEWARK AFS CALIBRATION PACKAGE..........	--	2,939			--	2,939		(2,939)	--	2,939
255	TEST EQUIPMENT-GEN PURP.................	--	5,778			--	5,778		(5,778)	--	5,778
256	ITEMS LESS THAN $2,000,000..............	--	35,461			--	35,461		(35,461)	--	35,461
	PERSONAL SAFETY AND RESCUE EQUIP										
258	AUTOMATIC LIFE PERSERVER................	--	---			--	---			--	---
259	NIGHT VISION GOGGLES....................	1,510	11,331			1,510	11,331	(1,510)	(11,331)	1,510	11,331
260	BREATHING APPARATUS TWO HOUR............	2,720	4,388			2,720	4,388	(2,720)	(4,388)	2,720	4,388
261	CHEMICAL/BIOLOGICAL DEF PROG............	--	211,915			--				--	

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
262	ITEMS LESS THAN $2,000,000.............	--	4,970			--	4,970		(4,970)	--	4,970
	DEPOT PLANT + MATERIALS HANDLING EQ										
263	BASE MECHANIZATION EQUIPMENT............	--	37,039			--	37,039		(37,039)	--	37,039
264	AIR TERMINAL MECHANIZATION EQUIP........	--	4,064			--	4,064		(4,064)	--	4,064
265	ITEMS LESS THAN $2,000,000..............	--	7,814			--	7,814		(7,814)	--	7,814
	ELECTRICAL EQUIPMENT										
266	GENERATORS-MOBILE ELECTRIC..............	--	27,593			--	27,593		(27,593)	--	27,593
267	FLOOD LIGHTS............................	950	11,938			950	11,938	(950)	(11,938)	950	11,938
268	ITEMS LESS THAN $2,000,000..............	--	7,197			--	7,197		(7,197)	--	7,197
	BASE SUPPORT EQUIPMENT										
269	BASE PROCURED EQUIPMENT.................	--	22,178			--	22,178		(22,178)	--	22,178
270	MEDICAL/DENTAL EQUIPMENT................	--	150,199			--	150,199		(150,199)	--	150,199
271	AIR BASE OPERABILITY....................	--	43,586			--	43,586		(43,586)	--	43,586
0	COB ESSENTIAL FACILITIES................	--	---			--	---			--	---
274	PALLET, AIR CARGO, 108)X88)............	2,000	2,125			2,000	2,125	(2,000)	(2,125)	2,000	2,125
275	NET ASSEMBLY, 108)X88).................	--	---			--	---			--	---
278	BLADDERS FUEL...........................	200	2,638			200	2,638	(200)	(2,638)	200	2,638
279	TACTICAL SHELTER........................	--	---			--	---				
280	PHOTOGRAPHIC EQUIPMENT..................	--	3,888			--	3,888		(3,888)	--	3,888
281	PRODUCTIVITY ENHANCEMENT................	--	11,020			--	11,020		(11,020)	--	11,020
282	PRODUCTIVITY INVESTMENTS................	--	8,925			--	8,925		(8,925)	--	8,925
0	ANTI-TERRORISM EQUIP....................	--	---			--	---			--	---
283	MOBILITY EQUIPMENT......................	--	61,268			--	61,268		(61,268)	--	61,268
284	WARTIME HOST NATION SUPPORT.............	--	4,522			--	4,522		(4,522)	--	4,522
285	SPARES AND REPAIR PARTS.................	--	14,647			--	14,647		(14,647)	--	14,647
286	ITEMS LESS THAN $2,000,000..............	--	16,331			--	16,331		(16,331)	--	16,331
	SPECIAL SUPPORT PROJECTS										
287	INTELLIGENCE PRODUCTION ACTIVITY........	--	32,493			--				--	
288	SCIENTIFIC/TECHNICAL INTELLIGENCE.......	--	9,069			--	9,069		(9,069)	--	--
289	TECH SURV COUNTERMEASURES EQ............	--	954			--	954		(954)	--	--
290	DEFENSE DISSEMINATION SYSTEM............	--	6,516			--	6,516		(6,516)	--	--
291	AF TECHNICAL APPLICATION CENTER.........	--	---				21,400		(21,400)		--
292	PHOTO PROC/INTERPRET SYS................	--	257			--	257		(257)	--	--
293	SELECTED ACTIVITIES.....................	--	4,940,526				4,633,126		(4,633,126)		--
294	SPECIAL UPDATE PROGRAM..................	--	135,968			--	135,968		(135,968)	--	--
295	SPECIAL APPLICATION PROGRAM.............	--	4,415			--	4,415		(4,415)	--	4,415
296	INDUSTRIAL PREPAREDNESS.................	--	5,198			--	5,198		(5,198)	--	5,198
297	MISC EQUIPMENT..........................	--	8,358			--	8,358		(8,358)	--	8,358
298	MODIFICATIONS...........................	--	5,596			--	5,596		(5,596)	--	5,596
	TOTAL, OTHER BASE MAINTENANCE AND SUPP		5,919,437				5,389,029		(5,389,029)		581,739

P-1 LINE	ITEM	FY 1989 BUDGET REQUEST QTY	FY 1989 BUDGET REQUEST AMOUNT	FY 1989 HOUSE PASSED QTY	FY 1989 HOUSE PASSED AMOUNT	FY 1989 SENATE PASSED QTY	FY 1989 SENATE PASSED AMOUNT	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] QTY	FY 1989 DIFFERENCE [HOUSE +/- TO SENATE] AMOUNT	FY 1989 CONFERENCE AGREEMENT QTY	FY 1989 CONFERENCE AGREEMENT AMOUNT
0	INFLATION SAVINGS, FY87	--	---			--	---			--	---
0	PROFIT POLICY CHANGE	--	---			--	---			--	---
0	TRANSFER FROM OTHER ACCOUNTS		---				---				---
0	PRIOR YEAR SAVINGS										
0	9MM, FY87										
0	BDU-50 PRACTICE BOMB, FY87										
0	UNDISTRIBUTED REDUCTION										
	TOTAL, OTHER PROCUREMENT, AIR FORCE		9,820,236				8,453,171		(8,453,171)		2,742,725
	TOTAL FUNDING AVAILABLE		9,820,236				8,453,171		(8,453,171)		2,742,725
	DEFENSE AGENCIES PROCUREMENT										
	PROCUREMENT, DEFENSE AGENCIES										
	MAJOR EQUIPMENT, OSD										
1	MOTOR VEHICLES	--	---			--	---				
1a	REMOTELY PILOTED VEHICLES (RPVS)										
1b	ATB COMPETITION										
2	MAJOR EQUIPMENT, OSD/WHS	--	124,120								
	MAJOR EQUIPMENT, NSA										
3	CLASSIFIED EQUIPMENT		[ ]				[ ]		[ ]		
	MAJOR EQUIPMENT, DNA										
4	VEHICLES	--	785								
5	OTHER CAPITAL EQUIPMENT	--	2,673			--	2,673		(2,673)		
	MAJOR EQUIPMENT, DCA										
6	WWMCCS ADP SYSTEMS	--	20,619			--	20,619		(20,619)		
8	ITEMS LESS THAN $2 MILLION	--	30,506			--	30,506		(30,506)		
	MAJOR EQUIPMENT, DIA										
9	INTELLIGENCE AND COMMUNICATIONS		[ ]				[ ]		[ ]		
	MAJOR EQUIPMENT, DLA										
10	MATERIALS HANDLING EQUIPMENT	--	7,091			--	7,091		(7,091)		
11	VEHICLES	--	1,680			--	1,680		(1,680)		
12	MECHANIZED MATERIALS HANDLING SYS	--	14,944			--	14,944		(14,944)		
13	ADP EQUIPMENT	--	66,240			--	66,240		(66,240)		
14	TELECOMMUNICATIONS EQUIPMENT	--	21,888			--	21,888		(21,888)		
15	OTHER MAJOR EQUIPMENT	--	5,403			--	5,403		(5,403)		
16	ITEMS LESS THAN $2 MILLION	--	2,384			--	2,384		(2,384)		
0	AUTOMATED MARKING/READING SYSTEM(LOGMARS)	--	---			--	---				
	MAJOR EQUIPMENT, DMA										
19	VEHICLES	--	185			--	185		(185)		
20	OTHER CAPITAL EQUIPMENT	--	73,063								
0	2 COLOR OFFSET PRINTING PRESS	--	---			--	---				
0	DIRECT PRINTING SYSTEM	--	---			--	---				
0	RASTER SCAN EDIT STATION	--	---			--	---				

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	MAJOR EQUIPMENT, DIS										
21	VEHICLES	--	3,041			--	3,041		(3,041)		
22	OTHER CAPITAL EQUIPMENT	--	324			--	324		(324)		
	MAJOR EQUIPMENT, USUHS										
23	ITEMS LESS THAN $2 MILLION	--	956			--	956		(956)		
	MAJOR EQUIPMENT, DCAA										
24	ITEMS LESS THAN $2 MILLION	--	11,624			--	11,624		(11,624)		
	MAJOR EQUIPMENT, DRSP										
25	ITEMS LESS THAN $2 MILLION	--	530,661			--					
25a	AIRBORNE RECONNAISSANCE SUPPORT PROG (ARSP)										
	MAJOR EQUIPMENT, DIG										
26	ITEMS LESS THAN $2 MILLION	--	953			--	953		(953)		
999	CLASSIFIED PROGRAMS	--	591,911			--	673,111		(673,111)		
0	INFLATION SAVINGS, FY87	--	---			--	---				
0	PROFIT POLICY CHANGE	--	---			--	---				
	TOTAL, PROCUREMENT, DEFENSE AGENCIES		1,511,051				863,622		(863,622)		0
	TRANSFER FROM OTHER ACCOUNTS		---				---				
	TOTAL FUNDING AVAILABLE		1,511,051				863,622		(863,622)		0
	NATIONAL GUARD AND RESERVE EQUIPMENT, DEFENSE										
	RESERVE, ARMY										
1	MISCELLANEOUS EQUIPMENT	--	---								
	RESERVE, NAVY										
2	MISCELLANEOUS EQUIPMENT	--	---								
0	CSAR HELICOPTERS	--	---								
0	AIRBORNE MINE COUNTERMEASURES	--	---								
0	SEABEES	--	---								
	RESERVE, MARINE CORPS										
3	MISCELLANEOUS EQUIPMENT	--	---								
0	KC-130 T AIRCRAFT	--	---								
	RESERVE, AF										
4	MISCELLANEOUS EQUIPMENT	--	---								
0	C-130H AIRCRAFT	--	---								
0	ECM EQUIPMENT (TAC AIRCRAFT)										
0	ECM EQUIPMENT (RESCUE AIRCRAFT)										
	NATIONAL GUARD EQUIPMENT										
5	MISCELLANEOUS EQUIPMENT										
0	M113 APC	--	---								

P-1		FY 1989 BUDGET REQUEST		FY 1989 HOUSE PASSED		FY 1989 SENATE PASSED		FY 1989 DIFFERENCE [HOUSE +/- TO SENATE]		FY 1989 CONFERENCE AGREEMENT	
LINE	ITEM	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT	QTY	AMOUNT
	GUARD.AF										
6	MISCELLANEOUS EQUIPMENT............................	--	---								
0	C-130H AIRCRAFT...............................	--	---								
0	MH-60G HELICOPTERS AND SUPPORT EQUIPMENT.....	--	---								
	TOTAL, NATIONAL GUARD AND RESERVE EQUIPMENT		---		0				0		0
	CHEM AGENTS AND MUNITIONS DESTRUCTION, DEF										
0	OPERATION AND MAINTENANCE........................	--	88,200								
1	RESEARCH AND DEVELOPMENT.........................	--	700								
2	PROCUREMENT....................................	--	123,000								
3	MILITARY CONSTRUCTION............................	--	---								
	TOTAL, CHEM AGENTS AND MUNITIONS DESTRUCTIO		211,900						0		0

Legislative Provisions

LEGISLATIVE PROVISIONS ADOPTED

Milestone authorizations for procurement (sec. 106)

The Senate amendment contained a provision (sec. 131) that would establish milestone authorizations for five major acquisition systems: the Army's Mobile Subscriber Equipment system and the Tactical Missile System; the Navy's Trident II Missile and T-45 aircraft training system; and the Air Force's Medium Launch Vehicle program. In each instance where appropriate, authorization would be provided to complete development. Procurement authorization would be provided for up to five years.

The House bill contained no similar provision.

The conferees agreed to designate the following systems for milestone authorization:

Service	System
Army	Mobile Subscriber Equipment System. Tactical Missile System.
Navy	T-45 Aircraft Training System. Trident II (D-5) Missile Program.

Multiyear provisions for the Army (sec. 108(a))

The House bill contained a provision (sec. 101(b)) that would provide the authority for the Secretary of the Army to enter into multiyear contracts for the High Mobility Multipurpose Wheeled Vehicle (HMMWV) and the AN/ALQ-136 jammer only if the multiyear contract provides not less than 12 percent savings as compared to the same program executed with annual contracts.

The Senate amendment contained a provision (sec. 132(a)) that would provide the authority for the Secretary of the Army to enter into multiyear contracts for the High Mobility Multipurpose Wheeled Vehicle, the TOW 2 missile, and the AN/ALQ-136 jammer. The Senate amendment would also restrict this authority unless such a contract provides not less than 12 percent savings.

The conferees agreed to provide the authority for the Secretary of the Army to enter into multiyear contracts for the following: the High Mobility Multipurpose Wheeled Vehicle; the TOW 2 missile; and the AN/ALQ-136 jammer. This authority would be provided only if such a contract provides not less than 12 percent savings as compared to the same program executed with annual contracts.

The House recedes.

Extension of authority provided secretary of defense in connection with the NATO AWACS program (sec. 109)

The House bill contained a provision (sec. 107) that would extend to fiscal year 1988 the provisions of section 103(a) of the fiscal year 1982 Defense Authorization Act (Public Law 97-86) to provide certain waiver authority in carrying out Multilateral Memoranda of Understanding between the North Atlantic Treaty Organization (NATO) Ministers of Defense on the NATO E-3A early warning aircraft cooperative program. The Senate amendment contained a similar provision (sec. 106) that would provide permanent extension of such authority.

The Senate recedes.

Stinger multiyear procurement (sec. 111(b))

The fiscal year 1987 Defense Authorization Act (Public Law 99-661) contained a provision (sec. 107(e)) prohibiting the Army from entering into a multiyear contract to procure Stinger air defense missiles until the Secretary of the Army had solicited proposals for competitive procurement of Stinger missiles and found the multiyear contract approach to result in lower overall costs. The Army has requested permission to proceed with a three-year multiyear contract for Stinger missiles and intends to open the program to competition starting in fiscal year 1990.

The Senate amendment contained a provision (sec. 121(b)) that would repeal section 107(e) of the fiscal year 1987 Defense Authorization Act because the Army's acquisition approach achieved the advantages sought in the original provision for both multiyear contracting and competitive procurement. The House bill contained no similar provision.

The conferees agreed to repeal section 107(e) of the fiscal year 1987 Defense Authorization Act. The House recedes.

Land-based tankers (sec. 112(c))

The Senate amendment contained a provision (sec. 122(b)) that would prohibit procurement of land-based tanker aircraft for the Navy unless the Secretary of Defense certifies to Congress that the Department of the Air Force and the Department of the Navy will not enter into a memorandum of agreement regarding Air Force support of Navy land-based tanker requirements.

The House bill contained no similar provision.

The conferees agreed to include a provision (sec. 112) that would prohibit land-based tanker aircraft for the Navy unless the Secretary of Defense certifies that the Air Force cannot support the land-based tanker requirements of the Navy.

The House recedes with an amendment.

On-board oxygen generating systems (OBOGS) (sec. 112(d))

The House bill contained a provision (sec. 110) that would restrict authorization for procurement of the A-6F, F-14D and FA-18 aircraft to those fitted with an on-board oxygen generating system.

The Senate amendment contained no similar provision.

The conferees agreed to include a provision (sec. 112) that would limit procurement of F-14D and FA-18 aircraft to those configured to incorporate an on-board oxygen generating system.

The Senate recedes with an amendment.

Lease or charter of new tankers (sec. 112(e))

The Senate amendment contained a provision (sec. 122(c)) that would authorize the Secretary of the Navy to enter into long-term leases and charters for militarily useful tanker vessels constructed in the United States, subject to section 2401 of title 10, United States Code. The provision would neither modify nor satisfy the requirements set forth in existing law relating to entry into contracts for long-term leases and charters of naval vessels.

The House bill contained no similar provision.

The House recedes.

The conferees believe that, for the purposes of this provision, the term "constructed in the United States" should be construed to mean that—

(1) all major components of the hull and superstructure of the vessel are fabricated in the United States;

(2) the vessel is assembled entirely in the United States; and

(3) at least 50 percent of the total cost of all major items of machinery (including propulsion) and components which are not an integral part of the hull or superstructure of the vessel is of United States origin.

T-46 trainer aircraft (sec. 113(a))

The House bill contained a provision (sec. 110(a)) that would authorize the transfer of prior year funds in the amount of $300.0 million for naval aviation programs that were previously available for the now terminated T-46A trainer aircraft program. The Senate amendment contained no similar provision.

The conferees agreed to authorize the transfer of $300 million in prior year funds for naval aviation programs that were previously available for the terminated T-46A trainer aircraft program.

The Senate amendment contained a provision (sec. 123) that would release the Air Force from having to comply with any statutory requirements to conduct a competition for trainer aircraft. The House bill contained no similar provision.

The conferees agreed to include a provision (sec. 113(a)(4)) that prohibits the obligation of fiscal year 1986 and 1987 funds for additional T-46 trainer aircraft beyond those contracted for on the date of enactment of the fiscal year 1988 National Defense Authorization Act or in connection with a competition for trainer aircraft.

Transfer of Other Procurement, Air Force, prior year funds to Navy Other Procurement (sec. 113(b))

The House bill contained a provision (sec. 110(b)) that would authorize transfer of prior year funds in the amount of $8.0 million for Navy munitions that were previously available for the Air Force BDU-50 practice bombs. The funds authorized to be transferred to the Navy would be for the procurement of the BDU-45 practice bomb. The Senate amendment contained no similar provision.

The Senate recedes.

Reauthorization of fiscal year 1985 research, development and engineering funds, Air Force, for procurement of the PAVE Tiger system (sec. 113(c))

The House bill contained a provision (sec. 110(c)) that would authorize the transfer and use of fiscal year 1985 research, development and engineering funds, Air Force, in the amount of $95.8 million for the procurement of the PAVE Tiger system. The Senate amendment contained no similar provision.

The conferees recommend authorization of $95.8 million for the PAVE Tiger system. The conferees recommend authorization of $45.8 million for the PAVE Tiger system at the contingent level.

Limitation on obligation of funds for certain transport aircraft without ground collision avoidance systems (sec. 113(d))

The House bill contained a provision (sec. 110(e)) that would require the incorporation of the ground collision avoidance system in transport aircraft procured or modified with fiscal year 1988 funds. The Senate amendment contained no similar provision.

Certain aircraft would be excluded from the requirements of section 113(d). Specifically, aircraft for special operations forces, aircraft that are equipped with comparable or superior collision avoidance capabilities, or aircraft currently undergoing modifications where interruption of schedule would result in either increased costs or production breaks would be excluded.

The conferees direct the Secretary of the Air Force to submit to the Committees on Armed Services of the Senate and House of Representatives a plan to comply with the requirements in section 113(d). The plan should be submitted no later than February 1, 1988.

Cost, performance and management initiative for the Advanced Technology Bomber (sec. 121)

The House bill contained a provision (sec. 114) that would direct the Secretary of Defense acting through the Under Secretary of Defense (Acquisition) to establish ongoing competition within the Advanced Technology Bomber (ATB) program, require reports on the expected capabilities of the Advanced Technology Bomber at its initial operational capability and annual developmental and operational testing, establish selected acquisition reports, and other purposes.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish a cost, performance and management initiative for the Advanced Technology Bomber program. The conferees carefully reviewed the House initiative focusing on a competition initiative to maintain cost and management discipline within the ATB program. Additionally, the conferees had the opportunity to review data on the competition initiative prepared by the office of the Under Secretary of Defense (Acquisition). On the basis of that review, the conferees strongly agreed that an initiative directed toward maintaining cost, performance and management discipline within the ATB program was justified. In developing the cost, performance and management initiative, the USD(A) is directed to establish a program management plan for evaluating and supporting program production decisions. The program management plan should be linked to progress in meeting specified program milestones, including testing. In addition to the program management plan, the USD(A) is directed to stimulate greater interaction between the program prine contractor and major subcontractors on management and system performance issues. The conferees are concerned that the capability and talent of the major subcontractors are not being fully utilized on critical development and production issues. The initiative further requires the USD(A) to establish a senior management review group, utilize ongoing competition, prepare a statement on the expected capability of the ATB at its IOC, and require selected acquisition reports for the program. The conferees further agree that up to $10,000,000 in funds available in fiscal year 1988 for Air Force aircraft procurement are to be made available to the USD(A) to implement the cost, performance and management initiative. No later than April 1, 1988, the Secretary of Defense, in conjunction with the USD(A) shall submit a report on the cost, performance and management initiative to the appropriate defense committees. No funds may be obligated for the ATB program after October 1, 1988 unless the cost, performance and management initiative is implemented.

Report on condition of certain C-130 aircraft (sec. 122)

The House bill contained a provision (sec. 111) that would authorize the Secretary of the Air Force to (1) inspect the eight C-130E aircraft stored since 1974 at Air Force Plant No. 6 in Marietta, Georgia, in order to determine the current conditions and the work required to return such aircraft to operating status and (2) report his findings, including cost estimates, to the Committees on Armed Services of the Senate and House of Representatives within 60 days after enactment of the fiscal year 1988 Defense Authorization Act. The Senate contained no similar provision.

The Senate recedes.

Procurement of automatic injectors for chemical weapons antidote (sec. 124)

The House bill contained a provision (sec. 115) that would restrict the procurement of automatic injectors for chemical weapons antidote to domestic sources unless the Secretary of Defense determines that procurement from additional sources is critical to U.S. national security.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would clarify that the Secretary of Defense, through the Under Secretary of Defense for Acquisition, determines the critical nature of the second source requirement and would eliminate the requirement that a company must have executed a Department of Defense Form 1519 to be eligible as a supplier.

LEGISLATIVE PROVISIONS NOT ADOPTED

Prohibition of funding for the mechanical diverters program

The House bill contained a provision (sec. 103(b)) that would prohibit the Air Force from obligating funds in the amount of $9.8 million of other procurement funds, Air Force, for the procurement of mechanical diverters, a conventional weapons storage program. The Senate amendment contained no similar provision.

The conferees agreed to not include such a provision in the conference agreement. However, the conferees agreed that fiscal year 1988 funding for the mechanical diverters program is not required. The tables detailing the Air Force other procurement accounts have been adjusted to reflect this action.

Lightweight Tacfire/Advanced Field Artillery Tactical Data System (AFATDS)

The Senate amendment contained a provision (sec. 121(e)) that would prohibit obligation of funds for the acquisition of the Lightweight TACFIRE field artillery system. The House bill contained no similar provision.

The Senate recedes.

The conferees affirm their support for the Army's current approach for providing fire support automation that meets the Army's requirements for both light and heavy forces. The conferees understand that the Army's current approach is to proceed with the Advanced Field Artillery Tactical Data System (AFATDS) as the only system that can meet current automation requirements with the growth potential to accommodate future fire support systems. Furthermore, the AFATDS is part of the Army Command and Control System (ACCS) which will fully automate the battlefield command and control functions on an integrated basis. The conferees support the Army's AFATDS and ACCS programs which will use a common hardware and software combination with a controlled, DoD standard, programming language (Ada) as a way to reduce dependence on costly, dedicated computer and software solutions.

TITLE II—RESEARCH, DEVELOPMENT, TEST AND EVALUATION (RDT&E)

GENERAL

The Administration requested a total authorization of $43,718.937 milion for fiscal year 1988 and $44,202.684 million for fical year 1989 Research, Development, Test and Evaluation (RDT&E) appropriations. The conferees agreed on a total authorization of $40,511.225 million for fiscal year 1988 and $11,284.953 million for fiscal year 1989 RDT&E program, a reduction of $3,207.712 million in fiscal year 1988 and $32,917.731 million in fiscal year 1989 from the Administration's request.

The conferees recommend a total authorization of $38,283.226 million at the contingent level.

The folllowing tables summarize the conference actions:

CONFERENCE SUMMARY -- FISCAL YEAR 1988 RESEARCH, DEVELOPMENT, TEST AND EVALUATION AUTHORIZATION

[In thousands of dollars]

Program	FY 1988	Senate amendment		House bill		Contingent Level		Conference Agreement	
	Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
TOTAL, RDT&E, ARMY	5,511,172	(36,712)	5,474,460	(954,655)	4,556,517	(306,834)	5,204,338	(230,164)	5,281,008
TOTAL, RDT&E, NAVY	10,490,412	(221,675)	10,268,737	(2,633,244)	7,857,168	(851,417)	9,638,995	(543,261)	9,947,151
TOTAL, RDT&E, AIR FORCE	18,623,383	(2,276,785)	16,346,598	(2,813,149)	15,810,234	(3,508,748)	15,114,635	(1,761,407)	16,861,976
TOTAL, RDT&E, DEFENSE AGENCIES	8,811,532	(394,518)	8,417,014	(1,431,152)	7,380,380	(750,974)	8,060,558	(666,356)	8,145,176
TOTAL, RDT&E, DEVELOPMENTAL TEST & EVALUATION	178,217	0	178,217	15,432	193,649	(4,738)	173,479	6,476	184,693
TOTAL, OPERATIONAL TEST AND EVALUATION	104,221	0	104,221	(13,000)	91,221	(13,000)	91,221	(13,000)	91,221
TOTAL, RDT&E	43,718,937	(2,929,690)	40,789,247	(7,829,768)	35,889,169	(5,435,711)	38,283,226	(3,207,712)	40,511,225

ARMY RDT&E Fiscal Year 1988

(dollars in thousands)

SUB Technology Base									
1 61101A In-House Laboratory Independent Research	---		0	0	0	0	0	0	0
2 61102A Defense Research Sciences	114,411		114,411	80,000	194,411	70,000	184,411	70,000	184,411
3 61103A University Research Initiatives	84,554		84,554	(84,554)	0	(84,554)	0	(84,554)	0
4 62105A Materials	11,715		11,715	0	11,715	0	11,715	0	11,715
5 62120A Electronic Survivability and Fuzing Technology	51,746		51,746	0	51,746	(4,746)	47,000	(4,746)	47,000
8 62303A Missile Technology	28,878		28,878	0	28,878	0	28,878	0	28,878
9 62307A Laser Weapons Technology	11,167		11,167	0	11,167	0	11,167	0	11,167
10 62601A Tank and Automotive Technology	23,363		23,363	0	23,363	0	23,363	0	23,363
11 62618A Ballistics Technology	30,948		30,948	(4,000)	26,948	(4,000)	26,948	(4,000)	26,948
12 62622A Chemical and Smoke Munitions	45,444		45,444	0	45,444	0	45,444	0	45,444
13 62623A Joint Service Small Arms Program	13,593		13,593	0	13,593	0	13,593	0	13,593
14 62624A Weapons and Munitions Technology	24,931		24,931	0	24,931	0	24,931	0	24,931
15 62705A Electronics and Electronic Devices	21,775		21,775	0	21,775	0	21,775	0	21,775
16 62709A Night Vision Investigations	22,584		22,584	0	22,584	5,000	27,584	5,000	27,584
18 62716A Human Factors Engineering in Systems Development.	15,372		15,372	0	15,372	0	15,372	0	15,372
19 62720A Environmental Quality Technology	9,923		9,923	0	9,923	0	9,923	0	9,923
20 62727A Non-System Training Devices	4,011		4,011	0	4,011	0	4,011	0	4,011
21 62770A Military Disease Hazards Technology	49,435		49,435	0	49,435	0	49,435	0	49,435
22 62782A Command, Control and Communications Technology	16,792		16,792	(6,792)	10,000	(6,792)	10,000	(6,792)	10,000
23 62783A Computer and Software Technology	8,227		8,227	0	8,227	0	8,227	0	8,227
24 62784A Military Engineering Technology	42,426		42,426	(2,500)	39,926	(4,926)	37,500	(4,926)	37,500
25 62785A Manpower/Personnel/Training Technology	15,581		15,581	0	15,581	0	15,581	0	15,581
26 62786A Logistics Technology	42,603		42,603	0	42,603	(4,603)	38,000	(4,603)	38,000
27 62787A Medical Technology	60,762		60,762	0	60,762	(5,762)	55,000	(5,762)	55,000
Common Module Tunable Laser	0		0	6,000	6,000	3,000	3,000	3,000	3,000
0 99CP Classified Programs	73,932	0	73,932	(21,928)	52,004	(21,928)	52,004	(21,928)	52,004
Total, Technology Base	824,173	0	824,173	(33,774)	790,399	(59,311)	764,862	(59,311)	764,862
SUB Advance Technology Development									
28 63001A Logistics Advanced Technology	16,475		16,475	(6,475)	10,000	(6,475)	10,000	(6,475)	10,000
29 63002A Medical Advanced Technology	39,164		39,164	0	39,164	(4,164)	35,000	(4,164)	35,000
30 63003A Aviation Advanced Technology	48,708		48,708	(8,708)	40,000	(8,708)	40,000	(8,708)	40,000
31 63004A Weapons and Munitions Advanced Technology	24,914		24,914	0	24,914	0	24,914	0	24,914
32 63005A Combat Vehicle and Automotive Advanced Technology	48,774		48,774	(4,000)	44,774	(4,000)	44,774	(4,000)	44,774
33 63006A Command, Control and Communications Technology	7,485		7,485	0	7,485	0	7,485	0	7,485
34 63007A Human Factors/Personnel/Training Advanced Technol	38,164		38,164	0	38,164	(4,164)	34,000	(4,164)	34,000
36 63102A Materiels and Structures	8,185		8,185	0	8,185	0	8,185	0	8,185
37 63105A Acquired Immune Deficiency Syndrome (AIDS) Resear	5,000		5,000	0	5,000	0	5,000	0	5,000
38 63255A Operational Enhancements	7,757		7,757	0	7,757	0	7,757	0	7,757
39 63313A Missile and Rocket Components	20,321		20,321	0	20,321	(2,321)	18,000	(2,321)	18,000
40 63314A High Energy Laser and Directed Energy Components.	7,831		7,831	(1,000)	6,831	0	7,831	0	7,831
42 63324A Army Development and Employment Activity	11,936		11,936	(1,000)	10,936	(1,000)	10,936	(1,000)	10,936
43 63606A Landmine Warfare & Barrier Developments	10,675		10,675	0	10,675	0	10,675	0	10,675

Program	FY 1988	Senate amendment		House bill		Contingent Level		Conference Agreement	
	Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
44 63607A Joint Service Small Arms Program	10,820		10,820	0	10,820	0	10,820	0	10,820
45 63710A Night Vision Advanced Development	23,653		23,653	0	23,653	0	23,653	0	23,653
46 63734A Engineering Systems	4,699		4,699	0	4,699	0	4,699	0	4,699
47 63742A Advanced Electronic Devices	7,089		7,089	0	7,089	0	7,089	0	7,089
50 63758A Army Battlefield Technology Integration	12,221		12,221	0	12,221	0	12,221	0	12,221
51 63759A CB Defense/Smoke Advanced Technology Demonstratio	4,734		4,734	(1,170)	3,564	(1,170)	3,564	(1,170)	3,564
52 63772A Advanced Tactical Computer Science Technology	6,117		6,117	0	6,117	0	6,117	0	6,117
0 99CP Classified Programs	35,989	0	35,989	(35,989)	0	(35,989)	0	(35,989)	0
Total, Advance Technology Development	400,711	0	400,711	(58,342)	342,369	(67,991)	332,720	(67,991)	332,720
SUB Strategic Programs									
0 99CP Classified Programs	98,136	0	98,136	0	98,136	(2,000)	96,136	(2,000)	96,136
Total, Strategic Programs	98,136	0	98,136	0	98,136	(2,000)	96,136	(2,000)	96,136
SUB Tactical Programs									
57 63302A Antitactical Missile System	29,501		29,501	(24,258)	5,243	(3,000)	26,501	(3,000)	26,501
58 63303A Surface-to-Surface Missile Rocket System	29,560		29,560	(9,560)	20,000	(5,560)	24,000	0	29,560
59 63323A Lightweight Air Defense System	---		0	0	0	0	0	0	0
61 63612A Advanced Anti-Tank Weapon System	59,146		59,146	0	59,146	(4,146)	55,000	(4,146)	55,000
62 63619A Landmine and Barrier Systems	15,797		15,797	0	15,797	0	15,797	0	15,797
63 63627A Smoke Munitions & Materiel Concepts	9,707		9,707	0	9,707	0	9,707	0	9,707
66 63642A Evolutionary Surface-to-Air Missile	---		0	0	0	0	0	0	0
67 63645A Armored Family of Vehicles - Advanced Development	9,814	11,400	21,214	(9,814)	0	0	9,814	0	9,814
68 63705A Physical Security	---		0	0	0	0	0	0	0
69 63706A Identification-Friend or Foe Developments	18,270		18,270	(8,270)	10,000	(3,270)	15,000	(3,270)	15,000
70 63711A Aircraft Survivability Equipment	6,767		6,767	(6,767)	0	(6,767)	0	(6,767)	0
71 63713A Army Data Distribution System	33,855		33,855	(5,855)	28,000	(5,855)	28,000	(5,855)	28,000
72 63718A Electronic Warfare Vulnerability/Susceptibility	15,464		15,464	(15,464)	0	(15,464)	0	(15,464)	0
73 63725A Remotely Piloted Vehicles and Drones	11,546		11,546	(6,000)	5,546	(6,000)	5,546	(6,000)	5,546
75 63738A Non-System Training Devices	---		0	0	0	0	0	0	0
76 63740A Air Defense Command, Control and Intelligence - A	4,337		4,337	0	4,337	0	4,337	0	4,337
79 63747A Soldier Support and Survivability	3,864		3,864	0	3,864	0	3,864	0	3,864
80 63751A Medical Defense Against Chemical Warfare	27,112		27,112	0	27,112	0	27,112	0	27,112
83 63757A Forward Area Air Defense Systems	131,608	42,500	174,108	(21,608)	110,000	33,392	165,000	33,392	165,000
84 63760A SOF Equipment Advanced Development	20,421		20,421	(5,421)	15,000	(5,421)	15,000	(5,421)	15,000
86 63774A Night Vision Systems Advanced Development	4,944		4,944	0	4,944	0	4,944	0	4,944
88 63776A Airborne Adverse Weather Weapons System	97,726		97,726	(67,726)	30,000	(27,726)	70,000	0	97,726
89 63801A Aviation Advanced Development	3,041		3,041	0	3,041	0	3,041	0	3,041
90 63802A Weapons and Munitions Advanced Development	10,785		10,785	(7,386)	3,399	(7,386)	3,399	(7,386)	3,399
91 63803A Chemical Systems Advanced Development	15,325		15,325	0	15,325	0	15,325	0	15,325
92 63804A Logistics and Engineer Equipment Advanced Develop	20,505		20,505	0	20,505	(3,505)	17,000	(3,505)	17,000
93 63805A Combat Service Support Computer System Evaluation	1,195		1,195	0	1,195	0	1,195	0	1,195
94 63806A Chemical/Biological Defense Equipment Advanced De	6,485		6,485	0	6,485	0	6,485	0	6,485
95 63807A Medical Systems Advanced Development	21,863		21,863	0	21,863	0	21,863	0	21,863
96 64202A Aircraft Weapons	9,789		9,789	0	9,789	0	9,789	0	9,789
97 64206A UH-60 BLACKHAWK	0	25,000	25,000	0	0	23,000	23,000	23,000	23,000
98 64216A Aircraft Propulsion System	135,073		135,073	(10,073)	125,000	(10,073)	125,000	(10,073)	125,000
100 64223A Advanced Technology Light Helicopter Series	267,212	(97,212)	170,000	(257,212)	10,000	(97,212)	170,000	(97,212)	170,000
101 64306A STINGER	4,820		4,820	0	4,820	0	4,820	0	4,820
104 64313A GRASS BLADE	12,798		12,798	(12,798)	0	(2,798)	10,000	(2,798)	10,000
106 64324A Army Tactical Missile System (Army TACMS)	112,208		112,208	(10,000)	102,208	(10,000)	102,208	0	112,208
108 64604A Mobility	35,267		35,267	(25,267)	10,000	0	35,267	0	35,267
109 64609A Smoke Munitions & Materiel	10,072		10,072	0	10,072	0	10,072	0	10,072
110 64611A Advanced Anti-Tank Weapon Systems - Eng Dev	---		0	0	0	0	0	0	0
113 64702A Joint Tactical Information Distribution System	4,307		4,307	0	4,307	0	4,307	0	4,307
115 64709A Identification Friend or Foe (IFF) Equipment Deve	19,073		19,073	0	19,073	(2,073)	17,000	(2,073)	17,000
116 64710A Night Vision Devices	15,271		15,271	0	15,271	0	15,271	0	15,271
117 64711A Aircraft Survivability Equipment	8,001		8,001	(8,001)	0	(8,001)	0	(8,001)	0
118 64713A Combat Feeding, Clothing, and Equipment	1,333		1,333	0	1,333	0	1,333	0	1,333

Program	FY 1988	Senate amendment		House bill		Contingent Level		Conference Agreement	
	Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
119 64715A Nonsystem Training Devices Engineering	32,539		32,539	(10,539)	22,000	(10,539)	22,000	(10,539)	22,000
120 64718A Physical Security	6,784		6,784	0	6,784	0	6,784	0	6,784
121 64722A Education and Training Systems Development	5,447		5,447	0	5,447	0	5,447	0	5,447
122 64723A Special Purpose Detectors	1,430		1,430	0	1,430	0	1,430	0	1,430
123 64726A Meteorological Equipment and Systems	1,339		1,339	0	1,339	0	1,339	0	1,339
124 64730A Remotely Piloted Vehicles	32,620		32,620	(32,620)	0	(22,620)	10,000	(22,620)	10,000
126 64737A Unmanned Aerial Vehicles - Eng Dev	8,284		8,284	0	8,284	0	8,284	0	8,284
128 64741A Air Defense Command, Control and Intelligence - E	108,016		108,016	0	108,016	(5,000)	103,016	(5,000)	103,016
129 64746A Automatic Test Equipment Development	8,884		8,884	0	8,884	(1,884)	7,000	(1,884)	7,000
132 64757A Medical Chemical Defense Life Support Material	7,705		7,705	0	7,705	0	7,705	0	7,705
134 64770A Joint Surveillance/Target Attack Radar System	23,396		23,396	(5,000)	18,396	(5,000)	18,396	(5,000)	18,396
135 64779A Joint Interoperability of Tactical Command & Cont	18,360		18,360	0	18,360	(3,360)	15,000	(3,360)	15,000
136 64801A Aviation Engineering Development	12,165		12,165	0	12,165	(2,165)	10,000	(2,165)	10,000
137 64802A Weapons and Munitions Engineering Development	111,904		111,904	(2,351)	109,553	(2,351)	109,553	(2,351)	109,553
138 64803A Chemical Systems Engineering Development	15,325		15,325	0	15,325	(1,000)	14,325	(1,000)	14,325
139 64804A Logistics and Engineer Equipment Engineering Deve	14,830		14,830	0	14,830	(2,830)	12,000	(2,830)	12,000
140 64805A Command, Control, Communications Systems Engineer	15,851		15,851	0	15,851	(1,851)	14,000	(1,851)	14,000
141 64806A Chemical/Biological Defense Equipment Engineering	24,122		24,122	0	24,122	(1,000)	23,122	(1,000)	23,122
142 64807A Medical Materiel/Medical Biological Defense Equip	13,453		13,453	0	13,453	0	13,453	0	13,453
143 64808A Landmine Warfare/Barrier Engineering Development	7,343		7,343	7,500	14,843	4,657	12,000	4,657	12,000
144 65710A Joint CB Point of Contact, Test and Assessment	6,403		6,403	0	6,403	0	6,403	0	6,403
145 23726A Adv Field Artillery Tactical Data System	40,857		40,857	(5,857)	35,000	(5,857)	35,000	(5,857)	35,000
147 23735A Combat Vehicle Improvement Program (D280)	103,968	5,000	108,968	(6,617)	97,351	0	103,968	0	103,968
148 23739A Air Defense C2I Mods	14,637		14,637	(4,637)	10,000	0	14,637	0	14,637
149 23740A Maneuver Control System	13,973		13,973	0	13,973	0	13,973	0	13,973
150 23743A 155mm Self-Propelled Howitzer Improvements	46,978		46,978	(16,978)	30,000	(16,978)	30,000	(6,978)	40,000
151 23744A Aircraft Modifications	18,429		18,429	0	18,429	(3,429)	15,000	(3,429)	15,000
152 23745A Equipment Upgrade	15,137		15,137	0	15,137	0	15,137	0	15,137
153 23751A Special Operations Forces Equipment	95,472		95,472	(45,472)	50,000	0	95,472	0	95,472
154 23752A Aircraft Engine Component Improvement Program	6,144		6,144	0	6,144	0	6,144	0	6,144
155 23801A Missile/Air Defense Product Improvement Program	60,527		60,527	(43,620)	16,907	(25,527)	35,000	(25,527)	35,000
156 23802A Other Missile Product Improvement Program	43,250		43,250	0	43,250	(3,250)	40,000	(3,250)	40,000
157 28010A Joint Tactical Communications Program (TRI-TAC)	15,102		15,102	0	15,102	(2,102)	13,000	(2,102)	13,000
158 33145A EUCOM C3 Systems	1,289		1,289	0	1,289	0	1,289	0	1,289
Polymer and Process Technologies	0		0	200	200	200	200	200	200
Rotary Wing Study	0		0	5,000	5,000	0	0	0	0
Composite Helicopter Rotor System	0		0	10,000	10,000	0	0	0	0
Extended Air Defense	0		0	50,000	50,000	25,000	25,000	25,000	25,000
Chem Wpns Convention Compliance Monitor Pgm	0	6,800	6,800	6,800	6,800	6,800	6,800	6,800	6,800
AH-64 Upgrade	0	50,000	50,000	0	0	23,000	23,000	23,000	23,000
M-60 Prototype Program	0	38,000	38,000	0	0	20,000	20,000	22,000	22,000
20mm PIVAD Ammuntion	0	1,800	1,800	0	0	1,000	1,000	1,000	1,000
Electronic Warfare	[109,267]					92,877	92,877	103,804	103,804
0 99CP Classified Programs	686,410	0	686,410	(287,786)	398,624	(50,118)	636,292	(50,118)	636,292
Total, Tactical Programs	2,882,235	83,288	2,965,523	(893,457)	1,988,778	(161,192)	2,721,043	(94,979)	2,787,256
SUB Intelligence & Communications									
168 33126A Long-Haul Communications (DCS)	---		0	0	0	0	0	0	0
169 33142A SATCOM Ground Environment	86,725		86,725	(6,725)	80,000	(11,725)	75,000	(5,000)	81,725
170 33401A Communications Security (COMSEC)	5,217		5,217	0	5,217	0	5,217	0	5,217
160 64201A Aircraft Avionics	---		0	0	0	0	0	0	0
161 64716A Mapping and Geodesy	7,459		7,459	(1,000)	6,459	(1,000)	6,459	(1,000)	6,459
162 64778A NAVSTAR Global Positioning System (User Equipment	13,732		13,732	(3,732)	10,000	(3,732)	10,000	0	13,732
0 99CP Classified Programs	11,081	0	11,081	0	11,081	0	11,081	0	11,081
Total, Intelligence & Communications	124,214	0	124,214	(11,457)	112,757	(16,457)	107,757	(6,000)	118,214
SUB Defensewide Mission Support									
172 65301A Kwajalein Missile Range	170,374		170,374	(22,000)	148,374	(10,374)	160,000	(10,374)	160,000
174 65601A Army Test Ranges and Facilities	199,864		199,864	(9,864)	190,000	(4,864)	195,000	(4,864)	195,000
175 65602A Army Technical Test Instrumentation and Targets	84,939		84,939	(4,939)	80,000	(2,939)	82,000	(2,939)	82,000

Program	FY 1988 Request	Senate amendment Change from request	Senate amendment Recommend	House bill Change from request	House bill Recommend	Contingent Level Change from request	Contingent Level Recommend	Conference Agreement Change from request	Conference Agreement Recommend
176 65603A Army User Test Instrumentation and Threat Simulat	78,332		78,332	(8,332)	70,000	(4,332)	74,000	(4,332)	74,000
177 65702A Support of Development Testing..................	19,309		19,309	0	19,309	0	19,309	0	19,309
178 65706A Materiel Systems Analysis........................	25,179		25,179	(5,179)	20,000	0	25,179	0	25,179
179 65709A Exploitation of Foreign Items....................	4,392		4,392	0	4,392	0	4,392	0	4,392
180 65712A Support of Operational Testing..................	54,016		54,016	0	54,016	(4,016)	50,000	(4,016)	50,000
181 65801A Programwide Activities..........................	88,514		88,514	0	88,514	(5,514)	83,000	(5,514)	83,000
182 65802A International Cooperative Research and Developmen	1,093		1,093	0	1,093	0	1,093	0	1,093
183 65803A Technical Information Activities................	6,285		6,285	0	6,285	0	6,285	0	6,285
184 65805A Munitions Standardization, Effectiveness and Safe	14,334		14,334	0	14,334	0	14,334	0	14,334
185 65810A RDT&E Support for Nondevelopmental Items.........	7,842		7,842	0	7,842	0	7,842	0	7,842
186 65872A Productivity Investments........................	38,382		38,382	0	38,382	0	38,382	0	38,382
187 65894A Real Property Maintenance - RDT&E...............	168,485		168,485	(13,485)	155,000	(8,485)	160,000	(8,485)	160,000
188 65896A Base Operations - RDT&E.........................	186,087		186,087	(11,087)	175,000	(6,087)	180,000	(6,087)	180,000
189 65898A Management Headquarters (Research and Development	13,372		13,372	(5,372)	8,000	(1,372)	12,000	(1,372)	12,000
190 78011A Industrial Preparedness.........................	20,904		20,904	(1,000)	19,904	0	20,904	0	20,904
Total, Defensewide Mission Support............	1,181,703	0	1,181,703	(81,258)	1,100,445	(47,983)	1,133,720	(47,983)	1,133,720
SUB Conventional Defense Initiative									
Ammunition Containerization.......................	0		0	500	500	500	500	500	500
Ground Surveillance Vehicle.......................	0		0	0	0	0	0	0	0
AHIP Upgrade......................................	0		0	60,000	60,000	0	0	0	0
Guard/Reserve Unique R&D..........................	0		0	5,000	5,000	4,000	4,000	4,000	4,000
Combat Vehicle Support Systems....................	0		0	8,000	8,000	8,000	8,000	8,000	8,000
Milan II & Bofas Bill Evaluation..................	0		0	20,000	20,000	5,000	5,000	5,000	5,000
Chemical Mask Improved Drinking Sys...............	0	600	600	600	600	600	600	600	600
Stinger Lockout...................................	0	4,000	4,000	0	0	3,000	3,000	3,000	3,000
Multipurpose Individual Muntion Evaluation.......	0		0	10,000	10,000	10,000	10,000	10,000	10,000
High Explosive Anti-tank Round Evaluation........	0		0	3,000	3,000	3,000	3,000	3,000	3,000
Combat Diesel Engine..............................	0		0	9,000	9,000	5,000	5,000	5,000	5,000
Wiesel Evaluation.................................	0		0	3,000	3,000	1,000	1,000	1,000	1,000
ARDVARK/LVS Integration...........................	0		0	5,000	5,000	3,000	3,000	3,000	3,000
Ground Launch Hellfire............................	0	5,000	5,000	2,000	2,000	3,000	3,000	3,000	3,000
Recovery Vehicle ARV-90...........................	0		0	10,000	10,000	2,000	2,000	2,000	2,000
Total, Conventional Defense Initiative.........	0	9,600	9,600	136,100	136,100	48,100	48,100	48,100	48,100
Civilian Pay Raise................................	0		0	14,533	14,533	0	0	0	0
Other Special Access..............................			0	(20,000)	(20,000)	0	0	0	0
Undistributed Reduction...........................		(129,600)	(129,600)	(7,000)	(7,000)	0	0	0	0
Total, RDT&E Army.............................	5,511,172	(36,712)	5,474,460	(954,655)	4,556,517	(306,834)	5,204,338	(230,164)	5,281,008
ARMY CLASSIFIED									
6 62122A Survivability Enhancement........................	( )		( )	0	( )		( )		( )
7 62211A Aviation Technology..............................	( )		( )	0	( )		( )		( )
17 62715A Tactical Elec. WF Technology.....................	( )		( )	(21,928)	(21,928)	(21,928)	(21,928)	(21,928)	(21,928)
Subtotal Tech Base..............................	73,932	0	73,932	(21,928)	52,004	(21,928)	52,004	(21,928)	52,004
35 63008A Elec. WF Advanced Technology.....................	( )		( )	( )	( )		-( )		-( )
41 63321A Target Acq. and Counter/Countermeasures..........	( )		( )	( )	( )		-( )		-( )
Subtotal Adv Tech...............................	35,989	0	35,989	(35,989)	0	(35,989)	0	(35,989)	0
53 12814A Special Programs.................................	( )		( )		( )		( )		( )
54 12821A Classified Program...............................	( )		( )		( )		( )		( )
55 33152A World-Wide Command/Control (WWMCCS)..............	( )		( )		( )	(2,000)	(2,000)	(2,000)	(2,000)
Subtotal Strategic..............................	98,136	0	98,136	0	98,136	(2,000)	96,136	(2,000)	96,136
60 63604A Nuclear Munitions and Radiacs....................	( )		( )		( )	(3,000)	(3,000)	(3,000)	(3,000)
65 63639A Armament Enhancement Initiative..................	( )		( )	(31,168)	(31,168)		( )		( )
74 63730A Tactical Surveillance System.....................	( )		( )	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
77 63745A Tactical Electronic Support Meas. System.........	( )		( )		( )		( )		( )
81 63754A Classified Program (Adv).........................	( )		( )	(28,800)	(28,800)	(5,000)	(5,000)	(5,000)	(5,000)

Program	FY 1988 Request	Senate amendment		House bill		Contingent Level		Conference Agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
82 63755A Tactical Elec. Countermeasures System............	( )		( )	(10,594)	(10,594)	(10,594)	(10,594)	(10,594)	(10,594)
85 63766A Tactical Elec. Surveillance Systems.............	( )		( )	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)	(1,000)
105 64321A Joint Tactical Fusion Program..................	( )		( )		( )		( )		( )
107 64603A Nuclear Munitions..............................	( )		( )		( )		( )		( )
125 64736A Project SIERRA.................................	( )		( )		( )		( )		( )
127 64740A Tactical Surveillance System...................	( )		( )		( )		( )		( )
130 64750A Tactical Electronic Countermeasures System.......	( )		( )	(10,524)	(10,524)	(10,524)	(10,524)	(10,524)	(10,524)
131 64754A Classified Program (Eng).......................	( )		( )	(192,700)	(192,700)	(10,000)	(10,000)	(10,000)	(10,000)
133 64766A Tactical Electronic Surveillance System..........	( )		( )	(3,000)	(3,000)		( )		( )
Subtotal Tactical...............................	686,410	0	686,410	(287,786)	398,624	(50,118)	636,292	(50,118)	636,292
163 31307A Foreign Science and Technology Center...........	( )		( )		( )		( )		( )
164 31318A HUMINT (Controlled)............................	( )		( )		( )		( )		( )
165 31327A Technical Reconnaissance and Surveillance........	( )		( )		( )		( )		( )
166 31334A Other Command GDIP Activites	( )		( )		( )		( )		( )
167 31359A Special Army Program...........................	( )		( )		( )		( )		( )
Subtotal Intell&Com.............................	11,081	0	11,081	0	11,081	0	11,081	0	11,081
Subtotal Army RDT&E Classified..................	905,548	0	905,548	(345,703)	559,845	(110,035)	795,513	(110,035)	795,513
NAVY RDT&E Fiscal Year 1988									
(dollars in thousands)									
SUB Technology Base									
1 61103N University Research Initiatives..................	24,572		24,572	(24,572)	0	(24,572)	0	(24,572)	0
2 61152N In-House Independent Laboratory Research.........	22,627		22,627	0	22,627	0	22,627	0	22,627
3 61153N Defense Research Sciences........................	333,602		333,602	0	333,602	(10,000)	323,602	(10,000)	323,602
4 62111N Anti-Air Warfare/Anti-Surface Warfare Technology.	66,273		66,273	(12,000)	54,273	(12,000)	54,273	(12,000)	54,273
5 62113N Electronic Warfare Technology....................	14,454		14,454	(14,454)	0	(14,454)	0	(14,454)	0
6 62121N Surface Ship Technology..........................	13,624		13,624	0	13,624	0	13,624	0	13,624
7 62122N Aircraft Technology..............................	21,318		21,318	0	21,318	0	21,318	0	21,318
8 62131M Marine Corps Landing Force Technology............	15,915		15,915	0	15,915	0	15,915	0	15,915
9 62232N Command, Control, and Communications Technology..	20,352		20,352	0	20,352	(4,352)	16,000	(4,352)	16,000
10 62233N Mission Support Technology......................	32,290		32,290	0	32,290	(4,290)	28,000	(4,290)	28,000
11 62234N Systems Support Technology......................	65,601		65,601	(5,000)	60,601	(9,601)	56,000	(9,601)	56,000
12 62314N ASW Technology..................................	92,569		92,569	0	92,569	(10,569)	82,000	(10,569)	82,000
13 62315N Mine and Special Warfare Technology.............	14,909		14,909	0	14,909	0	14,909	0	14,909
14 62323N Submarine Technology............................	14,123		14,123	0	14,123	0	14,123	0	14,123
15 62324N Nuclear Propulsion..............................	47,600		47,600	0	47,600	(4,600)	43,000	(4,600)	43,000
16 62435N Ocean and Atmospheric Support Technology........	25,727		25,727	0	25,727	(2,727)	23,000	(2,727)	23,000
17 62936N Independent Exploratory Development.............	15,390		15,390	0	15,390	0	15,390	0	15,390
Naval Oceanographic Program.....................	0	3,000	3,000	0	0	3,000	3,000	3,000	3,000
Woods Hole Ctr for Ocean and Meteoro Inst........	0	2,000	2,000	0	0	2,000	2,000	2,000	2,000
Total, Technology Base.........................	840,946	5,000	845,946	(56,026)	784,920	(92,165)	748,781	(92,165)	748,781
SUB Advance Technology Development									
18 63202N Avionics..	3,755		3,755	0	3,755	0	3,755	0	3,755
19 63210N Aircraft Propulsion.............................	5,886		5,886	0	5,886	0	5,886	0	5,886
20 63217N Advanced Aircraft Subsystems....................	11,807		11,807	0	11,807	0	11,807	0	11,807
21 63268N Naval Airship...................................	45,189		45,189	(25,189)	20,000	(10,189)	35,000	(5,189)	40,000
22 63303N Electromagnetic Radiation Source Elimination Tech	5,865		5,865	0	5,865	0	5,865	0	5,865
23 63508N Ship Propulsion System..........................	11,022		11,022	0	11,022	0	11,022	0	11,022
25 63573N Electric Drive..................................	14,480	10,520	25,000	0	14,480	10,520	25,000	10,520	25,000
26 63701N Human Factors Engineering.......................	4,794		4,794	0	4,794	0	4,794	0	4,794
27 63706N Medical Development.............................	17,445		17,445	0	17,445	0	17,445	0	17,445
28 63707N Manpower and Personnel Systems..................	4,019		4,019	0	4,019	0	4,019	0	4,019
29 63712N Generic Logistics R&D Technology Demonstrations..	29,400		29,400	(2,000)	27,400	0	29,400	0	29,400
30 63720N Education and Training..........................	7,699		7,699	0	7,699	0	7,699	0	7,699
31 63732M Marine Corps Advanced Manpower/Training Systems..	3,214		3,214	0	3,214	0	3,214	0	3,214
32 63733N Simulation and Training Devices.................	8,457		8,457	0	8,457	0	8,457	0	8,457
33 63739N Navy Logistic Productivity......................	981		981	0	981	0	981	0	981

		Senate amendment		House bill		Contingent Level		Conference Agreement	
Program	FY 1988 Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
34 63743N ARIADNE	11,062		11,062	0	11,062	0	11,062	0	11,062
35 63747N Advanced Anti-Submarine Warfare Technology	22,759		22,759	0	22,759	(2,759)	20,000	(2,759)	20,000
36 63792N Advanced Technology Transition	50,638		50,638	0	50,638	(2,638)	48,000	(2,638)	48,000
Total, Advance Technology Development	258,472	10,520	268,992	(27,189)	231,283	(5,066)	253,406	(66)	258,406
SUB Strategic Programs									
37 63311N Air Defense Initiative	47,200		47,200	(17,200)	30,000	(17,200)	30,000	(17,200)	30,000
38 63451N Tactical Space Operations	3,470		3,470	0	3,470	(1,470)	2,000	(1,470)	2,000
39 63588N SSBN Survivability	7,089		7,089	0	7,089	0	7,089	0	7,089
40 63735N WWMCCS Architecture Support	---		0	0	0	0	0	0	0
41 64363N TRIDENT II	1,098,463		1,098,463	(98,463)	1,000,000	(50,000)	1,048,463	(25,000)	1,073,463
42 65856N Strategic Technical Support	3,506		3,506	0	3,506	0	3,506	0	3,506
43 11221N Fleet Ballistic Missile System	39,565		39,565	0	39,565	(11,000)	28,565	(11,000)	28,565
44 11224N SSBN Security Technology Program	39,680		39,680	0	39,680	0	39,680	0	39,680
45 11228N Trident	31,595		31,595	0	31,595	(5,000)	26,595	(5,000)	26,595
46 11401N Extremely Low Frequency (ELF) Communications	3,233		3,233	0	3,233	0	3,233	0	3,233
47 11402N Navy Strategic Communications	86,445		86,445	0	86,445	0	86,445	0	86,445
48 12427N Naval Space Surveillance	693		693	0	693	0	693	0	693
49 33131N Minimum Essential Emergency Communications Networ	1,048		1,048	0	1,048	0	1,048	0	1,048
50 33152N World-Wide Military Command and Control Systems	8,127		8,127	0	8,127	0	8,127	0	8,127
Total, Strategic Programs	1,370,114	0	1,370,114	(115,663)	1,254,451	(84,670)	1,285,444	(59,670)	1,310,444
SUB Tactical Programs									
51 63109N Integrated Aircraft Avionics	2,375		2,375	26,000	28,375	6,625	9,000	6,625	9,000
52 63206N Electronic Warfare Advanced Development	62,350		62,350	(62,350)	0	(62,350)	0	(62,350)	0
53 63207N Air/Ocean Tactical Applications	13,971		13,971	0	13,971	(3,971)	10,000	(3,971)	10,000
54 63208N T-45 Training System	96,015		96,015	0	96,015	0	96,015	0	96,015
55 63216N Aviation Life Support Systems (Adv)	3,621		3,621	0	3,621	0	3,621	0	3,621
57 63220N Lift Fan Development	---		0	0	0	0	0	0	0
58 63228N CV ASW Module	5,115		5,115	(5,115)	0	(5,115)	0	(5,115)	0
60 63254N Air ASW	8,523		8,523	0	8,523	0	8,523	0	8,523
61 63256N V-22A	3,988		3,988	10,000	13,988	4,012	8,000	6,012	10,000
62 63257N A-6F	124,023	(124,023)	0	(10,023)	114,000	(124,023)	0	(124,023)	0
63 63260N Airborne Mine Countermeasurers	8,975		8,975	0	8,975	0	8,975	0	8,975
64 63261N Tactical Airborne Reconnaissance	8,570	7,800	16,370	0	8,570	0	8,570	0	8,570
65 63262N Aircraft Survivability and Vulnerability	15,342		15,342	0	15,342	(5,342)	10,000	(5,342)	10,000
66 63306N Advanced A/L Air-to-Surface Missile System	37,446	10,000	47,446	(30,446)	7,000	10,000	47,446	10,000	47,446
67 63313N IRR Maverick	482		482	(482)	0	(482)	0	(482)	0
69 63318N Advanced Air-to-Air/Surface-to-Air Missile	76,131		76,131	0	76,131	(11,131)	65,000	(11,131)	65,000
70 63319N NATO AAW Systems	10,199		10,199	(10,199)	0	(2,199)	8,000	(2,199)	8,000
71 63320N Low Cost Anti-Radiation Seeker	14,642		14,642	10,000	24,642	0	14,642	0	14,642
72 63321N Advanced Air-to-Air Missile (AAAM)	34,619		34,619	(34,619)	0	(17,619)	17,000	(4,619)	30,000
74 63382N Battle Group AAW Coordination	11,476		11,476	(5,000)	6,476	(3,476)	8,000	(1,476)	10,000
75 63502N Surface Mine Countermeasures	15,339		15,339	0	15,339	0	15,339	4,000	19,339
76 63504N Advanced Submarine ASW Development	8,298		8,298	0	8,298	0	8,298	0	8,298
77 63506N Surface Ship Torpedo Defense	27,339		27,339	0	27,339	(2,339)	25,000	(2,339)	25,000
78 63509N Shipboard Information Transfer System	---		0	0	0	0	0	0	0
79 63512N Catapults	7,357		7,357	(7,357)	0	(2,357)	5,000	(2,357)	5,000
80 63513N Shipboard System Component Development	13,966		13,966	0	13,966	(3,966)	10,000	(3,966)	10,000
81 63514N Ship Combat Survivability	29,426		29,426	(9,426)	20,000	0	29,426	0	29,426
82 63522N Submarine Arctic Warfare Support Equipment Progra	2,008		2,008	0	2,008	0	2,008	0	2,008
83 63525N PILOT FISH	74,459		74,459	0	74,459	0	74,459	0	74,459
84 63527N RETRACT LARCH	92,886		92,886	(92,886)	0	0	92,886	0	92,886
85 63528N Non-Acoustic Anti-Submarine Warfare (ASW)	20,397		20,397	(10,379)	10,018	(10,379)	10,018	(2,397)	18,000
86 63529N Advanced ASW Target	13,670		13,670	0	13,670	0	13,670	0	13,670
88 63536N RETRACT JUNIPER	30,672		30,672	(3,000)	27,672	(3,000)	27,672	0	30,672
89 63542N Radiological Control	2,925		2,925	0	2,925	0	2,925	0	2,925
91 63553N Surface ASW	21,073		21,073	0	21,073	27,279	48,352	27,279	48,352
92 63560N Submarine Hull Array Development (Adv)	---		0	0	0	0	0	0	0

Program	FY 1988	Senate amendment		House bill		Contingent Level		Conference Agreement	
	Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
94 63562N Submarine Tactical Warfare Systems	9,035		9,035	0	9,035	(3,035)	6,000	(3,035)	6,000
95 63564N Ship Development	10,379		10,379	(10,379)	0	7,621	18,000	7,621	18,000
96 63565N Surface Ship Navigation System	---		0	0	0	0	0	0	0
97 63569N Attack Submarine Development	12,899		12,899	100,000	112,899	87,101	100,000	87,101	100,000
98 63570N Advanced Nuclear Reactor Components System Develo	91,360		91,360	0	91,360	(6,360)	85,000	(6,360)	85,000
99 63571N Physical Security	8,699		8,699	0	8,699	0	8,699	0	8,699
100 63576N CHALK EAGLE	89,451		89,451	0	89,451	0	89,451	0	89,451
101 63577N Shipboard Laser Weapon	1,432		1,432	(1,432)	0	(1,432)	0	(1,432)	0
102 63578N A4W/A1G Nuclear Propulsion Plant	---		0	0	0	0	0	0	0
103 63582N Combat System Integration	10,109		10,109	0	10,109	0	10,109	0	10,109
104 63591N Joint Advanced Systems	231,550		231,550	(231,550)	0	(5,000)	226,550	(5,000)	226,550
105 63601N Mine Development	17,382	6,654	24,036	0	17,382	0	17,382	6,618	24,000
106 63602N CHALK PINE	189,495		189,495	(189,495)	0	0	189,495	0	189,495
107 63609N Conventional Munitions	34,014		34,014	0	34,014	(14,014)	20,000	(12,614)	21,400
108 63610N Advanced Warhead Development	---		0	0	0	0	0	0	0
109 63611M Marine Corps Assault Vehicles	12,206		12,206	0	12,206	0	12,206	0	12,206
110 63634N Tactical Nuclear Weapons Development	11,499		11,499	0	11,499	(6,000)	5,499	(6,000)	5,499
111 63635M Marine Corps Ground Combat/Support System	7,926		7,926	0	7,926	(1,926)	6,000	(1,926)	6,000
112 63654N Joint Service Explosive Ordnance Development	11,643		11,643	0	11,643	0	11,643	0	11,643
113 63702N Ocean Engineering Systems Development	1,503		1,503	0	1,503	0	1,503	0	1,503
114 63704N ASW Oceanography	7,430		7,430	0	7,430	0	7,430	0	7,430
115 63708N ASW Signal Processing	18,431		18,431	0	18,431	(2,431)	16,000	(2,431)	16,000
116 63709N Advanced Marine Biological System	5,711		5,711	0	5,711	0	5,711	0	5,711
117 63711N Fleet Tactical Development and Evaluation Program	4,800		4,800	0	4,800	0	4,800	0	4,800
118 63713N Ocean Engineering Technology Developments	13,661		13,661	0	13,661	0	13,661	0	13,661
120 63719N Container Off-Loading and Transfer System (COTS).	1,528		1,528	0	1,528	0	1,528	0	1,528
121 63722N Naval Special Warfare	19,943		19,943	0	19,943	0	19,943	0	19,943
122 63724N Navy Energy Program	7,721		7,721	0	7,721	0	7,721	0	7,721
123 63725N Facilities Improvement	9,957		9,957	0	9,957	(2,457)	7,500	(1,957)	8,000
124 63726N Merchant Ship Naval Augmentation Program	3,006		3,006	(3,006)	0	(3,006)	0	(2,000)	1,006
125 63729M Marine Corps Combat Services Support	13,373		13,373	(3,523)	9,850	(3,523)	9,850	(3,523)	9,850
126 63734N Defense Suppression	4,546		4,546	0	4,546	0	4,546	0	4,546
127 63737N LINK HAZEL	11,500		11,500	0	11,500	0	11,500	0	11,500
128 63740N LINK LAUREL	53,843		53,843	0	53,843	0	53,843	0	53,843
130 63744N LINK SPRUCE	283,855		283,855	(283,855)	0	0	283,855	0	283,855
131 63746N RETRACT MAPLE	65,028		65,028	(65,028)	0	0	65,028	0	65,028
132 63748N LINK PLUMERIA	14,080		14,080	(14,080)	0	(7,080)	7,000	(7,080)	7,000
133 63750N CHALK WEED	8,819		8,819	(2,495)	6,324	(2,495)	6,324	(2,495)	6,324
134 63751N RETRACT ELM	39,041		39,041	(10,041)	29,000	0	39,041	0	39,041
135 63752N CHALK POINSETTIA	15,000		15,000	(15,000)	0	0	15,000	0	15,000
136 63763N Warfare Systems Architecture and Engineering	---		0	0	0	0	0	0	0
137 63764N LINK EVERGREEN	74,228		74,228	(74,228)	0	0	74,228	0	74,228
138 63784N Fixed Distribution Systems	75,997		75,997	0	75,997	(6,000)	69,997	(5,000)	70,997
139 63785N Anti-Submarine Warfare Environmental Acoustic Sup	13,495		13,495	0	13,495	0	13,495	0	13,495
140 63787N Special Processes	40,423		40,423	(10,775)	29,648	0	40,423	0	40,423
141 64203N Standard Avionics Development	16,836		16,836	(13,148)	3,688	(8,836)	8,000	(8,836)	8,000
142 64211N IFF System Development	36,201		36,201	(16,201)	20,000	(10,201)	26,000	(10,201)	26,000
143 64212N LAMPS	16,920		16,920	(6,920)	10,000	0	16,920	0	16,920
144 64213N Helicopter Development	11,226	6,000	17,226	(11,226)	0	6,000	17,226	6,000	17,226
145 64214N AV-8B Aircraft (Engineering)	13,052		13,052	0	13,052	0	13,052	0	13,052
146 64215N Support Equipment	72,942		72,942	(68,513)	4,429	(22,942)	50,000	(7,942)	65,000
148 64219N Airborne ASW Developments	---		0	0	0	0	0	0	0
149 64221N P-3 Modernization Program	126,902		126,902	(26,902)	100,000	(26,902)	100,000	(6,902)	120,000
150 64224N Airborne Electronic Warfare - Eng	32,010		32,010	(32,010)	0	(32,010)	0	(32,010)	0
151 64226N Advanced Self-Protection System	16,427		16,427	(16,427)	0	(16,427)	0	(16,427)	0
152 64229N Carrier Inner Zone ASW Helicopter	581		581	(581)	0	(581)	0	(581)	0
153 64252N Aircraft Propulsion	289		289	(289)	0	(289)	0	(289)	0
154 64255N Electronic Warfare Simulator Development	41,103		41,103	0	41,103	(6,103)	35,000	(6,103)	35,000
155 64260N C/MH-53E	20,124		20,124	(15,321)	4,803	(5,000)	15,124	(5,000)	15,124
156 64261N Acoustic Search Sensors	47,859		47,859	0	47,859	0	47,859	0	47,859

Program	FY 1988	Senate amendment		House bill		Contingent Level		Conference Agreement	
		Change from		Change from		Change from		Change from	
	Request	request	Recommend	request	Recommend	request	Recommend	request	Recommend
157 64262N V-22	465,662	10,000	475,662	0	465,662	5,000	470,662	5,000	470,662
158 64264N Aviation Life Support Systems (Eng)	22,308		22,308	0	22,308	(2,308)	20,000	(2,308)	20,000
159 64268N Aircraft Engine Component Improvement Program	35,832		35,832	0	35,832	(3,832)	32,000	(3,832)	32,000
160 64301N MK 92 Fire Control System Upgrade	3,516		3,516	0	3,516	0	3,516	0	3,516
161 64303N AEGIS Area Air Defense	7,384		7,384	0	7,384	0	7,384	0	7,384
162 64307N AEGIS Combat System Engineering	90,420		90,420	(20,420)	70,000	14,000	104,420	14,000	104,420
163 64308N LINK ASH	---		0	0	0	0	0	0	0
164 64309N SEA LANCE	114,341		114,341	(24,341)	90,000	(6,341)	108,000	(6,341)	108,000
165 64314N Advanced Medium Range Air-to-Air Missile	27,191		27,191	(17,191)	10,000	0	27,191	0	27,191
166 64353N Vertical Launching System	---		0	0	0	0	0	0	0
167 64354N Air-to-Air Missile Systems Engineering	22,197		22,197	(2,197)	20,000	(2,197)	20,000	(2,197)	20,000
168 64355N Vertical Launch ASROC	18,475	26,500	44,975	0	18,475	26,500	44,975	26,500	44,975
169 64358N Close-In Weapon System (PHALANX)	7,648		7,648	(4,648)	3,000	0	7,648	0	7,648
170 64361N NATO SEA SPARROW	4,707		4,707	(3,707)	1,000	(1,707)	3,000	(1,000)	3,707
172 64366N Standard Missile Improvements	40,416		40,416	(15,416)	25,000	(5,416)	35,000	0	40,416
173 64367N TOMAHAWK	47,436		47,436	(27,436)	20,000	(2,436)	45,000	17,564	65,000
174 64369N 5" Rolling Air Frame Missile	14,172		14,172	(5,172)	9,000	(1,172)	13,000	(1,172)	13,000
175 64370N SSN-688 Class Vertical Launch System	21,395		21,395	(6,395)	15,000	0	21,395	0	21,395
176 64372N New Threat Upgrade	29,945		29,945	(9,945)	20,000	(9,945)	20,000	(9,945)	20,000
177 64502N Submarine Communications	3,451		3,451	0	3,451	0	3,451	0	3,451
178 64503N Submarine Sonar Development	34,518		34,518	0	34,518	0	34,518	0	34,518
179 64504N Air Control	17,314		17,314	0	17,314	(3,314)	14,000	(3,314)	14,000
180 64506N Chemical Warfare Countermeasures	5,839		5,839	0	5,839	0	5,839	0	5,839
181 64507N EMSP	69,467		69,467	(29,467)	40,000	(14,467)	55,000	(3,467)	66,000
182 64508N Radar Surveillance Equipment	8,419		8,419	0	8,419	(1,419)	7,000	(1,419)	7,000
184 64511N Intelligence Systems	31,114		31,114	(21,114)	10,000	(21,114)	10,000	(21,114)	10,000
185 64515N Submarine Support Equipment Program	20,633		20,633	(10,633)	10,000	(5,633)	15,000	(5,633)	15,000
186 64516N Ship Survivability	7,892		7,892	0	7,892	0	7,892	0	7,892
187 64518N Combat Information Center Conversion	27,824		27,824	(9,824)	18,000	(17,824)	10,000	(17,824)	10,000
189 64524N Submarine Combat System	342,532		342,532	(32,639)	309,893	(16,000)	326,532	(16,000)	326,532
190 64561N SSN-21 Developments	213,242		213,242	0	213,242	(3,242)	210,000	(3,242)	210,000
191 64562N Submarine Tactical Warfare System	43,300		43,300	(8,300)	35,000	0	43,300	0	43,300
192 64563N Physical Security (Engineering)	11,154		11,154	0	11,154	0	11,154	0	11,154
193 64567N Ship Subsystem Development/Land Based Test Site	70,414		70,414	(20,414)	50,000	(20,414)	50,000	(20,414)	50,000
195 64573N Shipboard Electronic Warfare Improvements	40,193		40,193	(40,193)	0	(40,193)	0	(40,193)	0
196 64574N Standard Embedded Computer Resources	29,397		29,397	(28,287)	1,110	(28,287)	1,110	(28,287)	1,110
197 64575N AN/SQS-53C	11,427		11,427	0	11,427	0	11,427	0	11,427
198 64578N Link Birch	5,296		5,296	(2,810)	2,486	(2,296)	3,000	(2,296)	3,000
199 64601N Mine Development	10,587	4,000	14,587	0	10,587	0	10,587	0	10,587
200 64602N Gun Ammunition Improvement	10,266		10,266	0	10,266	(1,000)	9,266	(1,000)	9,266
201 64603N Unguided Conventional Air-Launched Weapons	3,183		3,183	0	3,183	0	3,183	0	3,183
203 64608N Surface Electro-Optical Systems	14,311		14,311	(14,311)	0	(2,311)	12,000	(2,311)	12,000
204 64609N Bomb Fuze Improvement	8,781		8,781	0	8,781	0	8,781	0	8,781
205 64610N Advanced Lightweight Torpedo (ENG)	85,172	69,000	154,172	(85,172)	0	55,428	140,600	64,000	149,172
206 64654N Joint Service Explosive Ordnance Development	5,432		5,432	0	5,432	0	5,432	0	5,432
207 64656M Marine Corps Assault Vehicles	16,035		16,035	10,000	26,035	8,000	24,035	8,000	24,035
208 64657M Marine Corps Ground Combat/Supporting Arms System	4,648		4,648	0	4,648	0	4,648	0	4,648
209 64675N MK 48 ADCAP (Engineering)	32,238		32,238	(16,238)	16,000	(9,838)	22,400	(2,238)	30,000
210 64704N Anti-Submarine Warfare Oceanographic Equipment	1,146		1,146	0	1,146	0	1,146	0	1,146
211 64705N CHALK BANYAN	28,613		28,613	(15,613)	13,000	(15,613)	13,000	(15,613)	13,000
212 64707N Theatre Mission Planning Center	28,342		28,342	(23,342)	5,000	(28,342)	0	(28,342)	0
213 64708N Initial Trainer Acquisition	112,030		112,030	(52,030)	60,000	(37,030)	75,000	(37,030)	75,000
214 64710N Navy Energy Program	4,398		4,398	0	4,398	0	4,398	0	4,398
216 64713N Surface ASW System Improvement	27,279		27,279	(18,430)	8,849	(27,279)	0	(27,279)	0
217 64714N Air Warfare Training Devices	1,927		1,927	(1,927)	0	(1,427)	500	(1,427)	500
218 64715N Surface Warfare Training Devices	17,198		17,198	0	17,198	0	17,198	0	17,198
219 64717M Marine Corps Combat Services Support	19,836		19,836	3,523	23,359	3,523	23,359	3,523	23,359
220 64718M Marine Corps Intelligence/Electronics Warfare Sys	13,306		13,306	(2,000)	11,306	0	13,306	0	13,306
221 64719M Marine Corps Command/Control/Communications Syste	20,037		20,037	0	20,037	0	20,037	0	20,037
222 64721N Battle Group Passive Horizon Extension System Tra	17,230		17,230	(17,230)	0	(17,230)	0	(17,230)	0

Program	FY 1988	Senate amendment		House bill		Contingent Level		Conference Agreement	
	Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
224 64761N Intelligence	3,953		3,953	0	3,953	0	3,953	0	3,953
225 64763N LINK CYPRESS	169,217		169,217	(169,217)	0	0	169,217	0	169,217
226 64771N Medical Developments	3,544		3,544	0	3,544	0	3,544	0	3,544
228 64780M JINTACCS MC	2,015		2,015	0	2,015	0	2,015	0	2,015
229 65803N Electro-Magnetic Spectrum Management	6,593		6,593	(4,593)	2,000	(4,593)	2,000	(4,593)	2,000
230 65853N Management and Technical Support	12,329		12,329	(5,329)	7,000	(5,329)	7,000	(5,329)	7,000
231 65867N C2 Surveillance/Reconnaissance Support	6,456		6,456	0	6,456	0	6,456	0	6,456
232 24134N A-6 Squadrons	2,773		2,773	(2,771)	2	(1,773)	1,000	(1,773)	1,000
233 24136N F/A-18 Squadrons	17,316		17,316	(7,316)	10,000	(5,316)	12,000	(5,316)	12,000
F/A-18 Radar Upgrade						40,000	40,000	40,000	40,000
234 24152N Early Warning Aircraft Squadrons	33,369		33,369	(5,369)	28,000	(12,000)	21,369	(12,000)	21,369
235 24161N Aviation Support CVW	7,303		7,303	0	7,303	0	7,303	0	7,303
236 24163N Fleet Telecommunications (Tactical)	8,219		8,219	(2,219)	6,000	(2,219)	6,000	(2,219)	6,000
237 24311N Undersea Surveillance Systems	30,576		30,576	0	30,576	0	30,576	0	30,576
238 24313N Ship-Towed Array Surveillance Systems	6,226		6,226	0	6,226	0	6,226	0	6,226
239 24571N Special Projects	13,978		13,978	(3,978)	10,000	(3,978)	10,000	(3,978)	10,000
240 24573N Navy Cover and Deception Program	6,762		6,762	(6,762)	0	(6,762)	0	(6,762)	0
241 24575N Electronic Warfare (EW) Readiness Support	6,458		6,458	(6,458)	0	(6,458)	0	(6,458)	0
242 24576N Counter C3 Development	9,797		9,797	(9,797)	0	(9,797)	0	(9,797)	0
243 25601N HARM Improvement	---	3,800	3,800	0	0	3,800	3,800	3,800	3,800
244 25620N ASW Combat Systems Integration	14,399		14,399	0	14,399	0	14,399	0	14,399
245 25633N Aircraft Equipment Reliability/Maintenance Progre	2,032		2,032	0	2,032	0	2,032	0	2,032
247 25658N Laboratory Fleet Support	5,511		5,511	0	5,511	0	5,511	0	5,511
248 25667N F-14 Upgrade	184,770		184,770	(40,770)	144,000	(770)	184,000	(770)	184,000
249 25670N Tactical Intelligence Processing	2,081		2,081	0	2,081	0	2,081	0	2,081
250 25674N Electronic Warfare Counter Response	54,613		54,613	(54,613)	0	(54,613)	0	(54,613)	0
251 25675N Operational Reactor Development	35,497		35,497	(15,497)	20,000	(4,497)	31,000	(2,497)	33,000
252 26313M Marine Corps Telecommunications	8,306		8,306	0	8,306	0	8,306	0	8,306
253 26623M Marine Corps Ground Combat/Supporting Arms System	56,485		56,485	0	56,485	(10,000)	46,485	(10,000)	46,485
254 26624M Marine Corps Combat Services Support	4,996		4,996	0	4,996	0	4,996	0	4,996
255 26625M Marine Corps Intelligence/Electronics Warfare Sys	15,299		15,299	(5,300)	9,999	(5,300)	9,999	(5,300)	9,999
256 26626M Marine Corps Command/Control/Communications Syste	25,164	(4,754)	20,410	(8,785)	16,379	(8,785)	16,379	(8,785)	16,379
257 26627M Marine Corps Technical Support Command and Contro	---		0	0	0	0	0	0	0
258 27316N TACIT RAINBOW	14,689		14,689	(12,689)	2,000	0	14,689	0	14,689
259 28010N Joint Tactical Communications Program (TRI-TAC)	4,601		4,601	0	4,601	0	4,601	0	4,601
Acoustic Processor/Torpedo Defense(AN/SQR-17A)						12,000	12,000	12,000	12,000
SSN-688 Upgrade	0		0	15,000	15,000	13,000	13,000	13,000	13,000
Advanced Deep Water ASW Mine Development	0	1,900	1,900	0	0	1,900	1,900	1,900	1,900
Point Defense Integration	0				0	4,000	4,000	4,000	4,000
Electronic Warfare	[248,364]					211,109	211,109	235,946	235,946
Quick Reaction Surveillance System	0		0	15,000	15,000	13,000	13,000	13,000	13,000
Total, Tactical Programs	6,129,941	16,877	6,146,818	(2,162,489)	3,967,452	(383,718)	5,746,223	(226,080)	5,903,861
SUB Intelligence & Communications									
262 64230N Warfare Support Systems	46,517		46,517	(16,371)	30,146	(16,371)	30,146	0	46,517
263 64231N Tactical Command Systems	42,337		42,337	(27,337)	15,000	(17,337)	25,000	0	42,337
264 64232N Transfer Support Systems	384,206		384,206	(109,206)	275,000	(84,206)	300,000	(84,206)	300,000
265 64514N Navigation Systems	2,645		2,645	(2,645)	0	(2,645)	0	(2,645)	0
267 64777N NAVSTAR GPS	79,891		79,891	(29,891)	50,000	(26,391)	53,500	(9,891)	70,000
268 65866N Navy Command and Control Top Level Warfare Requir	4,720		4,720	0	4,720	(500)	4,220	0	4,720
274 33603N Milstar Satellite Communications System	4,600		4,600	0	4,600	0	4,600	0	4,600
999 1319N9 Classified Programs	563,145	(31,000)	532,145	(115,000)	448,145	(90,000)	473,145	(60,000)	503,145
Total. Intelligence & Communications	1,128,061	(31,000)	1,097,061	(300,450)	827,611	(237,450)	890,611	(156,742)	971,319
SUB Defensewide Mission Support									
276 63721N Environmental Protection	8,882		8,882	0	8,882	0	8,882	0	8,882
278 64208N Range Instrumentation Systems Development (RISD)	8,893		8,893	0	8,893	0	8,893	0	8,893
279 64218N Air/Ocean Equipment Engineering	2,156		2,156	0	2,156	0	2,156	0	2,156
280 64258N Target Systems Development	95,644		95,644	(25,644)	70,000	(25,644)	70,000	(20,644)	75,000

Program	FY 1988 Request	Senate amendment Change from request	Senate amendment Recommend	House bill Change from request	House bill Recommend	Contingent Level Change from request	Contingent Level Recommend	Conference Agreement Change from request	Conference Agreement Recommend
281 64703N Personnel, Training, Simulation, and Human Factor	3,107		3,107	(2,107)	1,000	(2,107)	1,000	(2,107)	1,000
282 65151M Studies and Analysis Support - MC	1,929		1,929	0	1,929	0	1,929	0	1,929
283 65152N Studies and Analysis Support - Navy	5,410		5,410	(1,000)	4,410	(1,000)	4,410	(1,000)	4,410
284 65153M Marine Corps Operations Analysis Group, CNA	4,454		4,454	0	4,454	0	4,454	0	4,454
285 65154N Center for Naval Analyses	19,880		19,880	0	19,880	(2,880)	17,000	(2,880)	17,000
286 65155N Fleet Tactical Development and Evaluation	16,885		16,885	(6,885)	10,000	(4,885)	12,000	(2,885)	14,000
287 65156M Marine Corps Operational Test and Evaluation	1,311		1,311	0	1,311	0	1,311	0	1,311
289 65804N Technical Information Services	2,697		2,697	0	2,697	0	2,697	0	2,697
291 65854M Marine Corps Development Center Support	13,145		13,145	(8,145)	5,000	(5,145)	8,000	0	13,145
292 65857N International RDT&E	4,014		4,014	0	4,014	0	4,014	0	4,014
294 65861N RDT&E Laboratory and Facilities Management Suppor	52,665		52,665	(12,665)	40,000	(7,665)	45,000	0	52,665
295 65862N RDT&E Instrumentation and Materiel Support	41,835		41,835	(16,835)	25,000	(16,835)	25,000	(6,835)	35,000
296 65863N RDT&E Ship and Aircraft Support	92,944		92,944	(12,944)	80,000	(12,944)	80,000	(7,944)	85,000
297 65864N Test and Evaluation Support	325,343		325,343	(15,343)	310,000	(15,343)	310,000	(15,343)	310,000
298 65865N Operational Test and Evaluation Capability	8,953		8,953	0	8,953	0	8,953	0	8,953
299 65871M Marine Corps Tactical Exploitation of National Ca	979		979	0	979	0	979	0	979
300 65872N Productivity Investments	3,283		3,283	0	3,283	0	3,283	0	3,283
301 35111N Weather Service	969		969	0	969	0	969	0	969
302 35160N Defense Meteorological Satellite Program (DMSP)	4,107		4,107	0	4,107	0	4,107	0	4,107
303 78011N Industrial Preparedness	43,393		43,393	0	43,393	0	43,393	0	43,393
Total, Defensewide Mission Support	762,878	0	762,878	(101,568)	661,310	(94,448)	668,430	(59,638)	703,240
Special Program			0	100,000	100,000	0	0	0	0
SUB Conventional Defense Initiative									
Laser Communication	0		0	50,000	50,000	15,000	15,000	20,000	20,000
Electro Magnetic Catapult	0		0	6,000	6,000	3,500	3,500	3,500	3,500
Autonomous Piloted Aircraft	0		0	8,000	8,000	8,000	8,000	8,000	8,000
Acoustic Video Processor/ADA Implementation	0		0	8,600	8,600	14,600	14,600	14,600	14,600
Ring Laser Gyro	0		0	5,000	5,000	4,000	4,000	4,000	4,000
Small Rotary Engine RPV	0		0	1,000	1,000	1,000	1,000	1,000	1,000
Total, Conventional Defense Initiative	0	0	0	78,600	78,600	46,100	46,100	51,100	51,100
Civilian Pay Raise	0		0	1,541	1,541	0	0	0	0
Other Special Access			0	(50,000)	(50,000)	0	0	0	0
Undistributed Reduction		(223,072)	(223,072)	0	0	0	0	0	0
Total, RDT&E Navy	10,490,412	(221,675)	10,268,737	(2,633,244)	7,857,168	(851,417)	9,638,995	(543,261)	9,947,151
NAVY CLASSIFIED									
269 31303N Field Operational Intelligence Office	( )	0	( )	0	( )		( )	0	( )
270 31326N PRAIRIE SCHOONER	( )	(6,000)	(6,000)	(15,000)	(15,000)	(15,000)	(15,000)	(10,000)	(10,000)
271 31327N Technical Reconnaissance & Surveillance	( )	0	( )	0	( )		( )	0	( )
273 33401N Communications Security (COMSEC)	( )	0	( )	0	( )		( )	0	( )
275 34111N Special Activities	( )	(25,000)	(25,000)	(100,000)	(100,000)	(75,000)	(75,000)	(50,000)	(50,000)
Subtotal Intell&Com	563,145	(31,000)	532,145	(115,000)	448,145	(90,000)	473,145	(60,000)	503,145
Subtotal Navy RDT&E Classified	563,145	(31,000)	532,145	(115,000)	448,145	(90,000)	473,145	(60,000)	503,145

AIR FORCE RDT&E Fiscal Year 1988

(dollars in thousands)

Program	FY 1988 Request	Senate amendment Change from request	Senate amendment Recommend	House bill Change from request	House bill Recommend	Contingent Level Change from request	Contingent Level Recommend	Conference Agreement Change from request	Conference Agreement Recommend
SUB Technology Base									
1 61101F In-House Laboratory Independent Research	15,653		15,653	0	15,653	0	15,653	0	15,653
2 61102F Defense Research Sciences	191,762		191,762	0	191,762	(6,762)	185,000	(6,762)	185,000
3 61103F University Research Initiatives	19,536		19,536	(19,536)	0	(19,536)	0	(19,536)	0
4 62101F Geophysics	39,523		39,523	0	39,523	(3,523)	36,000	(3,523)	36,000
5 62102F Materials	62,676		62,676	(9,676)	53,000	(5,676)	57,000	0	62,676
6 62201F Aerospace Flight Dynamics	70,087		70,087	(2,087)	68,000	(2,087)	68,000	(2,087)	68,000
7 62202F Aerospace Biotechnology	47,939		47,939	0	47,939	0	47,939	0	47,939

		Senate amendment		House bill		Contingent Level		Conference Agreement	
Program	FY 1988 Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
8 62203F Aerospace Propulsion	71,233		71,233	(6,233)	65,000	(6,233)	65,000	(3,000)	68,233
9 62204F Aerospace Avionics	65,975		65,975	0	65,975	(5,975)	60,000	(5,975)	60,000
10 62205F Training and Simulation Technology	35,937		35,937	0	35,937	(3,937)	32,000	(3,937)	32,000
11 62206F Civil Engineering and Environmental Quality	5,678		5,678	0	5,678	0	5,678	0	5,678
12 62302F Rocket Propulsion	43,339		43,339	(3,339)	40,000	(5,339)	38,000	(5,339)	38,000
13 62601F Advanced Weapons	37,027		37,027	0	37,027	(2,027)	35,000	(2,027)	35,000
14 62602F Conventional Munitions	43,041		43,041	(2,319)	40,722	(2,319)	40,722	0	43,041
15 62702F Command Control and Communications	82,260		82,260	(2,260)	80,000	(6,260)	76,000	(6,260)	76,000
Total, Technology Base	831,666	0	831,666	(45,450)	786,216	(69,674)	761,992	(58,446)	773,220
SUB Advance Technology Development									
16 63106F Logistics Systems Technology	12,747		12,747	(3,173)	9,574	(3,173)	9,574	(3,173)	9,574
17 63109F INEWS/ICNIA	83,300		83,300	0	83,300	1,700	85,000	1,700	85,000
18 63202F Aircraft Propulsion Subsystem Integration	23,646		23,646	0	23,646	(3,646)	20,000	(3,646)	20,000
19 63203F Advanced Avionics for Aerospace Vehicles	36,635		36,635	(31,335)	5,300	(9,185)	27,450	(9,185)	27,450
20 63205F Flight Vehicle Technology	27,220		27,220	(6,618)	20,602	(6,618)	20,602	(6,618)	20,602
21 63211F Aerospace Structure and Materials	28,068		28,068	(2,068)	26,000	(2,068)	26,000	(2,068)	26,000
22 63216F Advanced Turbine Engine Gas Generator	33,719		33,719	(3,719)	30,000	(3,719)	30,000	(2,000)	31,719
23 63226F DoD Common Programming Language (Ada) Advanced De	15,673		15,673	0	15,673	0	15,673	0	15,673
24 63227F Advanced Simulator Technology	10,902		10,902	0	10,902	0	10,902	0	10,902
25 63231F Crew Systems Technolgy	23,252		23,252	0	23,252	0	23,252	0	23,252
26 63245F Advanced Fighter Technology Integration	29,734		29,734	(7,382)	22,352	(7,382)	22,352	(7,382)	22,352
27 63248F Concept Development	4,785		4,785	(4,785)	0	(3,785)	1,000	(1,785)	3,000
28 63250F Lincoln Laboratory	24,760		24,760	(4,760)	20,000	0	24,760	0	24,760
29 63253F Advanced Integration Avionics	16,676		16,676	(16,676)	0	(2,501)	14,175	(834)	15,842
30 63269F National Aero Space Plane Technology Program	236,039	(36,000)	200,039	(25,000)	211,039	(61,039)	175,000	(46,039)	190,000
31 63302F Space and Missile Rocket Propulsion	8,973		8,973	0	8,973	2,500	11,473	2,500	11,473
33 63363F Hypervelocity Missile	11,626		11,626	0	11,626	0	11,626	0	11,626
34 63401F Advanced Spacecraft Technology	8,433		8,433	(8,433)	0	(4,433)	4,000	(2,433)	6,000
35 63410F Space Systems Environmental Interactions Technolo	3,825		3,825	0	3,825	0	3,825	0	3,825
36 63452F Very High Speed Integrated Circuits	101,413		101,413	0	101,413	(1,413)	100,000	(1,413)	100,000
37 63601F Conventional Weapons	25,021		25,021	0	25,021	0	25,021	0	25,021
38 63605F Advanced Radiation Technology	29,076		29,076	(4,076)	25,000	(4,076)	25,000	(4,076)	25,000
Excimer and Related Technologies	0	46,600	46,600	46,650	46,650	46,650	46,650	46,650	46,650
39 63707F Weather Systems - Adv Dev	5,276		5,276	0	5,276	0	5,276	0	5,276
40 63723F Civil and Environmental Engineering Technology	11,342		11,342	0	11,342	0	11,342	0	11,342
41 63726F Fiber Optics Development	8,608		8,608	0	8,608	(1,608)	7,000	(1,608)	7,000
42 63728F Advanced Computer Technology	5,128		5,128	0	5,128	0	5,128	0	5,128
43 63743F Electronic Combat Technology	41,288		41,288	(41,288)	0	(41,288)	0	(41,288)	0
44 63751F Training Systems Technology	276		276	0	276	0	276	0	276
45 63752F DoD Software Engineering Institute	18,929		18,929	0	18,929	0	18,929	0	18,929
46 63789F Command Control and Communications	42,809		42,809	(15,000)	27,809	(15,809)	27,000	(10,809)	32,000
Total, Advance Technology Development	929,179	10,600	939,779	(127,663)	801,516	(120,893)	808,286	(93,507)	835,672
SUB Strategic Programs									
49 63311F Advanced Strategic Missile Systems	134,162		134,162	20,000	154,162	(4,000)	130,162	0	134,162
51 63364F Short Range Attack Missile II (SRAM II)	220,386	(30,400)	189,986	(220,386)	0	(150,386)	70,000	(30,386)	190,000
52 63367F Strategic Relocatable Target Capability	16,495		16,495	(16,495)	0	(6,495)	10,000	(6,495)	10,000
53 63368F Air Defense Battle Management Technology	17,139	(10,000)	7,139	(8,000)	9,139	(17,139)	0	(17,139)	0
54 63369F Cruise Missile Engagement Systems Technology	13,222	(10,000)	3,222	(10,222)	3,000	(13,222)	0	(13,222)	0
55 63424F Cruise Missile Surveillance Technology	---		0	0	0	0	0	0	0
56 63716F Atmospheric Surveillance Technology	8,695		8,695	0	8,695	(8,695)	0	(8,695)	0
57 63717F Technical On-site Inspection Program	3,819		3,819	0	3,819	0	3,819	0	3,819
58 63735F WWMCCS Architecture	282		282	0	282	0	282	0	282
60 64216F WWABNCP System Replacement	13,695		13,695	0	13,695	0	13,695	0	13,695
61 64226F B-1B	415,511	(39,800)	375,711	(39,839)	375,672	(39,839)	375,672	(39,839)	375,672
62 64234F Common Strategic Rotary Launcher	5,715		5,715	(3,715)	2,000	0	5,715	0	5,715

Program	FY 1988 Request	Senate amendment: Change from request	Senate amendment: Recommend	House bill: Change from request	House bill: Recommend	Contingent Level: Change from request	Contingent Level: Recommend	Conference Agreement: Change from request	Conference Agreement: Recommend
63 64312F ICBM Modernization	2,875,728	(1,724,537)	1,151,191	(531,356)	2,344,372	(2,024,537)	851,191	(1,024,537)	1,851,191
Peacekeeper	51,191		51,191	(20,000)	31,191	0	51,191	0	51,191
Small ICBM	2,233,181	(1,533,181)	700,000	(170,000)	2,063,181	(1,533,181)	700,000	(733,181)	1,500,000
Rail Mobile MX	591,356	(191,356)	400,000	(341,356)	250,000	(491,356)	100,000	(291,356)	300,000
65 64361F Air Launched Cruise Missile (ALCM)	3,591		3,591	0	3,591	0	3,591	0	3,591
66 64406F Space Defense System	402,358	(195,950)	206,408	(352,358)	50,000	(227,358)	175,000	(202,358)	200,000
67 64711F Systems Survivability (Nuclear Effects)	12,976		12,976	0	12,976	0	12,976	0	12,976
71 11142F KC-135 Squadrons	4,035		4,035	0	4,035	0	4,035	0	4,035
72 11213F Minuteman Squadrons	107,672	(20,000)	87,672	(20,000)	87,672	(20,000)	87,672	(20,000)	87,672
73 11312F PACCS and WWABNCP System EC-135 Class V Mods	943		943	0	943	0	943	0	943
75 12310F NCMC - TW/AA Systems	57,849		57,849	0	57,849	0	57,849	0	57,849
76 12311F NCMC - Space Defense Systems	26,371		26,371	0	26,371	(16,371)	10,000	(16,371)	10,000
77 12313F Ballistic Missile Tactical Warning/Attack Assessm	2,265		2,265	0	2,265	0	2,265	0	2,265
79 12325F Joint Surveillance System	2,156		2,156	0	2,156	0	2,156	0	2,156
80 12411F Surveillance Radar Stations/Sites	5,224		5,224	0	5,224	0	5,224	0	5,224
81 12412F Distant Early Warning (DEW) Radar Stations	8,477		8,477	0	8,477	0	8,477	0	8,477
82 12417F Over-the-Horizon Backscatter Radar	38,396		38,396	(10,000)	28,396	(10,000)	28,396	(3,896)	34,500
83 12423F Ballistic Missile Early Warning System (BMEWS)	19,247		19,247	(10,000)	9,247	0	19,247	0	19,247
84 12424F SPACETRACK	9,630		9,630	(2,000)	7,630	(2,000)	7,630	0	9,630
85 12431F Defense Support Program (3625)	103,807		103,807		103,807	(15,000)	88,807	(15,000)	88,807
Boost Surveillance Tracking Satellite	0		0	150,000	150,000	0	0	0	0
86 12432F Submarine-Launched Ballistic Missile (SLBM) Radar	20,313		20,313	(3,000)	17,313	(3,000)	17,313	(3,000)	17,313
87 12433F NUDET Detection System	10,397		10,397	0	10,397	0	10,397	0	10,397
88 12436F Command Center Processing and Display System	32,052		32,052	0	32,052	(2,000)	30,052	(2,000)	30,052
90 33131F Minimum Essential Emergency Communications Networ	55,598		55,598	(5,000)	50,598	(5,000)	50,598	(5,000)	50,598
91 33152F World-Wide Military Command and Control Systems,	5,107		5,107	0	5,107	0	5,107	0	5,107
92 33154F WWMCCS Information System Joint Program Managemen	82,089		82,089	0	82,089	0	82,089	0	82,089
93 33601F Milstar Satellite Communications System (AF Termi	229,229		229,229	(40,229)	189,000	(20,229)	209,000	(20,229)	209,000
99 41123F Military Airlift Group (IF)	12,415		12,415	(2,424)	9,991	(2,424)	9,991	(2,424)	9,991
Air Defense Initiative						35,000	35,000	66,700	66,700
0 99CP Classified Programs	3,458,357	(15,000)	3,443,357	(212,779)	3,245,578	197,221	3,655,578	197,221	3,655,578
Total, Strategic Programs	8,435,403	(2,045,687)	6,389,716	(1,317,803)	7,117,600	(2,355,474)	6,079,929	(1,166,670)	7,268,733
SUB Tactical Programs									
100 63230F Advanced Tactical Fighter	536,826		536,826	(56,826)	480,000	(28,826)	508,000	(826)	536,000
101 63239F Unmanned Air Reconnaissance System	8,812		8,812	0	8,812	0	8,812	0	8,812
102 63256F CV-22A	32,025	6,700	38,725	(16,025)	16,000	(2,025)	30,000	(2,025)	30,000
103 63260F Intelligence Advanced Development	5,074		5,074	0	5,074	0	5,074	0	5,074
105 63307F Airbase Survivability and Recovery	4,426		4,426	0	4,426	(1,426)	3,000	(1,426)	3,000
106 63320F Low Cost Anti-Radiation Seeker	13,586		13,586	0	13,586	0	13,586	0	13,586
109 63609F Millimeter Wave Seekers	---		0	0	0	0	0	0	0
110 63714F DoD Physical Security Equipment - Exterior	912		912	0	912	0	912	0	912
112 63742F Combat Identification Technology	1,457		1,457	(1,457)	0	(1,457)	0	(1,457)	0
113 63749F C3CM Advanced Systems	1,386		1,386	(1,386)	0	(1,386)	0	(1,386)	0
116 64201F Aircraft Avionics Equipment Development	19,685		19,685	0	19,685	(2,685)	17,000	(2,685)	17,000
118 64212F Aircraft Equipment Development	1,939		1,939	0	1,939	0	1,939	0	1,939
119 64218F Engine Model Derivative Program (EMDP)	979		979	0	979	0	979	0	979
120 64219F Integrated Digital Avionics	270		270	0	270	0	270	0	270
121 64220F EW Counter Response	13,654		13,654	(13,654)	0	(13,654)	0	(13,654)	0
122 64222F Nuclear Weapons Support	4,444		4,444	0	4,444	0	4,444	0	4,444
123 64223F Alternate Fighter Engine	86,915		86,915	(5,000)	81,915	(10,000)	76,915	(10,000)	76,915
124 64231F C-17 Program	1,219,904	(24,398)	1,195,506	(240,000)	979,904	(340,000)	879,904	(49,904)	1,170,000
126 64236F Infrared Search and Track System	14,055		14,055	0	14,055	0	14,055	0	14,055
127 64237F Variable Stability In-Flight Simulator Test Aircr	6,249		6,249	0	6,249	0	6,249	0	6,249
128 64247F Modular Automatic Test Equipment	18,373		18,373	0	18,373	(3,373)	15,000	(3,373)	15,000
129 64248F Modular Standoff Weapons	39,175		39,175	(39,175)	0	(9,175)	30,000	(9,175)	30,000
130 64249F Night/Precision Attack	19,851		19,851	(19,851)	0	0	19,851	0	19,851
131 64250F Integrated EW/CNI Development	5,714		5,714	5,000	10,714	2,000	7,714	2,000	7,714
132 64268F Aircraft Engine Component Improvement Program	101,012		101,012	0	101,012	(10,000)	91,012	(10,000)	91,012
133 64313F T-46A	---		0	0	0	0	0	0	0

Program	FY 1988 Request	Senate amendment		House bill		Contingent Level		Conference Agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
134 64314F Advanced Medium-Range, Air-to-Air Missile (AMRAAM	28,194		28,194	(14,194)	14,000	0	28,194	0	28,194
135 64315F Advanced Short Range Air-to-Air Missile (ASRAAM).	3,001		3,001	(2,001)	1,000	(2,001)	1,000	0	3,001
137 64327F Hardened Target Munitions	7,690		7,690	(7,690)	0	(4,690)	3,000	0	7,690
138 64362F Ground-Launched Cruise Missile (GLCM)	5,299		5,299	(5,299)	0	(5,299)	0	0	5,299
139 64601F Chemical/Biological Defense Equipment	14,600		14,600	0	14,600	0	14,600	0	14,600
140 64602F Armament/Ordnance Development	25,629		25,629	(10,000)	15,629	(5,629)	20,000	(5,629)	20,000
141 64604F Submunitions	4,668		4,668	0	4,668	0	4,668	0	4,668
142 64607F Wide-Area, Anti-Armor Munitions	17,607		17,607	10,000	27,607	0	17,607	5,000	22,607
143 64617F Air Base Survivability and Recovery	14,532		14,532	0	14,532	(2,532)	12,000	(2,532)	12,000
144 64703F Aeromedical Systems Development	6,730		6,730	0	6,730	0	6,730	0	6,730
145 64704F Common Support Equipment Development	1,645		1,645	0	1,645	0	1,645	0	1,645
146 64706F Life Support Systems	12,617		12,617	0	12,617	(2,617)	10,000	(2,617)	10,000
147 64708F Other Operational Equipment	6,987		6,987	0	6,987	0	6,987	0	6,987
148 64710F Reconnaissance Equipment	195		195	0	195	0	195	0	195
149 64715F DoD Physical Security Equipment - Exterior	11,332		11,332	0	11,332	0	11,332	0	11,332
150 64724F Tactical C3 Countermeasures	12,761		12,761	(12,761)	0	(12,761)	0	(12,761)	0
151 64725F Combat Identification Systems	44,930		44,930	(24,930)	20,000	(9,930)	35,000	(9,930)	35,000
152 64733F Surface Defense Suppression	40,775		40,775	(10,775)	30,000	(40,775)	0	(30,775)	10,000
153 64737F Airborne Self-Protection Jammer	21,545		21,545	(21,545)	0	(21,545)	0	(21,545)	0
154 64738F Protective Systems(5615)	52,410	(19,500)	32,910	(19,545)	32,865	(19,545)	32,865	(19,545)	32,865
155 64739F Tactical Protective Systems	49,077		49,077	(49,077)	0	(49,077)	0	(49,077)	0
156 64740F Computer Resources Management Technology	20,367		20,367	(5,367)	15,000	(10,367)	10,000	(10,367)	10,000
157 64742F Precision Location Strike System	---		0	15,000	15,000	15,000	15,000	15,000	15,000
158 64750F Intelligence Equipment	5,928		5,928	0	5,928	0	5,928	0	5,928
160 64754F Joint Tactical Information Distribution System (J	44,072		44,072	(34,072)	10,000	(24,072)	20,000	(19,072)	25,000
161 64756F Side Looking Airborne Radar	11,117		11,117	30,000	41,117	0	11,117	0	11,117
162 64770F Joint Surveillance/Target Attack Radar System (JS	337,912	39,000	376,912	(137,912)	200,000	10,000	347,912	39,000	376,912
163 64779F Joint Interoperability of Tactical Command & Cont	6,040		6,040	0	6,040	0	6,040	0	6,040
165 21131F U.S. Readiness Command - Communications	4,015		4,015	0	4,015	0	4,015	0	4,015
166 27129F F-111 Squadrons	25,656		25,656	(25,656)	0	(6,656)	19,000	(3,956)	21,700
167 27130F F-15 Squadrons	118,564		118,564	(118,564)	0	(12,564)	106,000	(2,964)	115,600
169 27133F F-16 Squadrons	36,486		36,486	(36,486)	0	(10,986)	25,500	(2,986)	33,500
170 27136F F-4G WILD WEASEL Squadrons	17,762		17,762	(17,762)	0	(1,962)	15,800	(52)	17,710
172 27139F Competitive Fighter Procurement	3,525		3,525	(3,525)	0	(3,525)	0	(3,525)	0
173 27162F Tactical AGM Missiles	2,348		2,348	(2,348)	0	0	2,348	0	2,348
174 27168F F-111 Self Protection Systems	58,007		58,007	(58,007)	0	(38,807)	19,200	(38,807)	19,200
176 27215F TR-1 Squadron	74,923		74,923	0	74,923	(4,923)	70,000	(4,923)	70,000
TR-1 Propulsion Upgrade	0		0	10,000	10,000	0	0	0	0
177 27217F Follow-On Tactical Reconnaissance System	55,561		55,561	(15,000)	40,561	(8,561)	47,000	(8,561)	47,000
178 27247F AF TENCAP	313		313	0	313	0	313	0	313
180 27411F Overseas Air Weapon Control System	6,947		6,947	8,000	14,947	2,053	9,000	2,053	9,000
181 27412F Tactical Air Control Systems	20,995		20,995	0	20,995	(2,995)	18,000	(2,995)	18,000
182 27417F Airborne Warning and Control System (AWACS)	110,737		110,737	(25,737)	85,000	(25,737)	85,000	(5,737)	105,000
184 27423F Advanced Communications Systems	34,549		34,549	0	34,549	(4,549)	30,000	(4,549)	30,000
185 27431F Tactical Air Intelligence System Activities	1,950		1,950	0	1,950	0	1,950	0	1,950
187 27435F Tactical Reconnaissance Imagery and Exploitation	1,142		1,142	0	1,142	0	1,142	0	1,142
193 27595F Base Communications - Tactical Air Forces	---		0	0	0	0	0	0	0
194 28010F Joint Tactical Communications Program (TRI-TAC)	15,872		15,872	(5,872)	10,000	(5,872)	10,000	(5,872)	10,000
197 33605F Satellite Communications Terminals	23,783		23,783	(9,783)	14,000	(9,783)	14,000	(3,387)	20,396
198 35887F Electronic Combat Intelligence Support	1,622		1,622	(1,622)	0	(1,622)	0	(1,622)	0
200 41840F MAC Command and Control System	10,002		10,002	0	10,002	(2,002)	8,000	(2,002)	8,000
201 44011F Special Operations Forces	109,487	6,900	116,387	(29,847)	79,640	(19,487)	90,000	6,900	116,387
202 52610F A-7 Squadrons (ANG)	63,220		63,220	(63,220)	0	(7,020)	56,200	(3,020)	60,200
Tactical Aircraft	[261,688]		0	196,264	196,264	0	0	0	0
F-4 Air Defense (authorized in FY 1985)			0	0	[+30,000]	0	[+30,000	0	[+30,000]
Electronic Warfare	[209,984]					178,486	178,486	199,485	199,485
0 99CF Classified Programs	785,305	60,000	845,305	(172,423)	612,882	(18,064)	767,241	(18,064)	767,241
Total, Tactical Programs	4,547,154	68,702	4,615,856	(1,060,130)	3,487,024	(612,423)	3,934,731	(133,345)	4,413,809

Program	FY 1988 Request	Senate amendment		House bill		Contingent Level		Conference Agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
SUB Intelligence & Communications									
203 63431F Space Communications	---		0	0	0	0	0	0	0
212 33110F Defense Satellite Communications System	21,398		21,398	0	21,398	0	21,398	0	21,398
213 33126F Long-Haul Communications (DCS)	5,154		5,154	0	5,154	0	5,154	0	5,154
214 33128F Inter-Service/Agency Automated Message Processing	1,296		1,296	0	1,296	0	1,296	0	1,296
215 33144F Electromagnetic Compatibility Analysis Center (EC	8,132		8,132	0	8,132	0	8,132	0	8,132
218 35114F Traffic Control, Approach, and Landing System (TR	12,095		12,095	13,900	25,995	10,905	23,000	10,905	23,000
220 35164F NAVSTAR Global Positioning System (User Equipment	45,801		45,801	(10,801)	35,000	(5,401)	40,400	(5,401)	40,400
221 35165F NAVSTAR Global Positioning System (Space and Cont	26,309		26,309	0	26,309	0	26,309	0	26,309
222 84733F General Intelligence Skill Training	---		0	0	0	0	0	0	0
0 Classified Programs	2,157,227	(115,000)	2,042,227	(252,200)	1,905,027	(199,900)	1,957,327	(171,400)	1,985,827
Total, Intelligence & Communications	2,277,412	(115,000)	2,162,412	(249,101)	2,028,311	(194,396)	2,083,016	(165,896)	2,111,516
SUB Defensewide Mission Support									
223 63402F Space Test Program	90,197		90,197	(40,000)	50,197	(20,000)	70,197	(20,000)	70,197
224 63438F Satellite Systems Survivability	3,277		3,277	0	3,277	0	3,277	0	3,277
226 64211F Advanced Aerial Target Development	9,886		9,886	0	9,886	0	9,886	0	9,886
227 64227F Flight Simulator Development	61,701		61,701	0	61,701	(4,701)	57,000	(4,701)	57,000
229 64609F R&M Maturation/Technology Insertion	20,365		20,365	(5,365)	15,000	(5,365)	15,000	0	20,365
230 64707F Weather Systems - Eng Dev	12,537		12,537	0	12,537	0	12,537	0	12,537
231 64735F Range Improvement	69,560	(5,000)	64,560	(5,560)	64,000	(5,560)	64,000	(5,560)	64,000
232 64747F Electromagnetic Radiation Test Facilities	5,942		5,942	0	5,942	0	5,942	0	5,942
233 64755F Improved Capability for Development Test & Evalua	64,663		64,663	(14,663)	50,000	(9,663)	55,000	(9,663)	55,000
234 65101F Project Air Force	19,106	3,000	22,106	0	19,106	3,000	22,106	3,000	22,106
235 65304F Acquisition & Command Support (ACS) - Telecommuni	---		0	0	0	0	0	0	0
236 65306F Ranch Hand II Epidemiology Study	5,777		5,777	0	5,777	0	5,777	0	5,777
238 65708F Navigation/Radar/Sled Track Test Support	24,194		24,194	0	24,194	0	24,194	0	24,194
239 65806F Acquisition and Command Support	---		0	0	0	0	0	0	0
240 65807F Test and Evaluation Support	304,839		304,839	(4,839)	300,000	(8,839)	296,000	(8,839)	296,000
241 65808F Advanced Systems Engineering/Planning	25,376		25,376	(10,376)	15,000	(10,376)	15,000	(10,376)	15,000
242 65809F DYCOMS	12,340		12,340	(12,340)	0	(2,340)	10,000	(2,340)	10,000
243 65863F RDT&E Aircraft Support	59,034		59,034	(14,034)	45,000	(9,034)	50,000	(9,034)	50,000
245 65874F Product Performance Agreement Center	---		0	0	0	0	0	0	0
246 65894F Real Property Maintenance - RDT&E	79,702		79,702	(5,000)	74,702	(5,000)	74,702	(5,000)	74,702
247 65896F Base Operations - RDT&E	62,152		62,152	(5,000)	57,152	(5,000)	57,152	(5,000)	57,152
248 35110F Satellite Control Facility	109,531		109,531	(19,531)	90,000	(19,531)	90,000	(19,531)	90,000
249 35119F Space Boosters	246,641		246,641	0	246,641	0	246,641	0	246,641
250 35130F Consolidated Space Operations Center	50,020		50,020	(10,000)	40,020	(10,000)	40,020	(6,020)	44,000
251 35160F Defense Meteorological Satellite Program (DMSP)	56,181		56,181	(5,181)	51,000	(5,181)	51,000	(2,181)	54,000
252 35171F Space Shuttle Operations	86,554		86,554	0	86,554	0	86,554	0	86,554
253 71112F Inventory Control Point Operations	4,346		4,346	0	4,346	0	4,346	0	4,346
254 72207F Depot Maintenance (Non-IF)	998		998	(998)	0	(998)	0	(998)	0
255 78011F Industrial Preparedness	94,967		94,967	0	94,967	0	94,967	0	94,967
256 78026F Productivity, Reliability, Availability, Maintain	19,560		19,560	0	19,560	0	19,560	0	19,560
258 01004F International Activities	3,123		3,123	0	3,123	0	3,123	0	3,123
Total, Defensewide Mission Support	1,602,569	(2,000)	1,600,569	(152,887)	1,449,682	(118,588)	1,483,981	(106,243)	1,496,326
Advanced Launch System	[289,000]		0	150,000	150,000	0	0	0	0
Non Acoustic ASW	0		0	15,000	15,000	15,000	15,000	15,000	15,000
								0	
SUB Conventional Defense Initiative								0	
Classified Aircraft Program	0		0	70,000	70,000	0	0	0	0
Advanced Tactical Transport	0		0	4,000	4,000	1,000	1,000	1,000	1,000
Popeye	0		0	8,000	8,000	8,000	8,000	8,000	8,000
Activated Metals	0		0	2,000	2,000	600	600	600	600
Total, Conventional Defense Initiative	0	0	0	84,000	84,000	9,600	9,600	9,600	9,600
Civilian Pay Raise	0		0	11,485	11,485	0	0	0	0
Other Special Access			0	(75,000)	(75,000)	0	0	0	0

Program	FY 1988 Request	Senate amendment		House bill		Contingent Level		Conference Agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
Other Classified			0	(45,600)	(45,600)	(45,600)	(45,600)	(45,600)	(45,600)
Undistributed Reduction	0	(177,100)	(177,100)		0	0	0	0	0
Prior Year Savings		(16,300)	(16,300)		0	(16,300)	(16,300)	(16,300)	(16,300)
Total, RDT&E Air Force	18,623,383	(2,276,785)	16,346,598	(2,813,149)	15,810,234	(3,508,748)	15,114,635	(1,761,407)	16,861,976
AIR FORCE CLASSIFIED									
47 63110F Special Evaluation Program	( )		( )	0	( )		( )	0	( )
48 63111F Meridan	( )		( )	0	( )		( )	0	( )
50 63312F Advanced Concepts	( )		( )	0	( )	300,000	300,000	300,000	300,000
59 63738F ADI Surveillance Technology	( )	(15,000)	(15,000)	(85,679)	(85,679)	(85,679)	(85,679)	(85,679)	(85,679)
69 11120F Advanced Cruise Missile	( )		( )	(110,000)	(110,000)		( )	0	( )
89 12822F LEO	( )		( )	0	( )		( )	0	( )
94 33603F Milstar Satellite Communications System	( )		( )	0	( )		( )	0	( )
95 35124F Special Applications Program	( )		( )	0	( )		( )	0	( )
97 35172F BERNIE	( )		( )	0	( )	(31,000)	(31,000)	(31,000)	(31,000)
98 35892F Special Analysis Activities	( )		( )	(17,100)	(17,100)	13,900	13,900	13,900	13,900
Subtotal Strategic	3,458,357	(15,000)	3,443,357	(212,779)	3,245,578	197,221	3,655,578	197,221	3,655,578
104 63261F PAVE RUNNER Advanced Development	( )		( )	(8,775)	(8,775)	(8,775)	(8,775)	(8,775)	(8,775)
107 63437F HAVE DJINN	( )		( )	0	( )		( )	0	( )
115 63801F Special Programs	( )		( )	(75,400)	(75,400)	(15,000)	(15,000)	(15,000)	(15,000)
125 64232F PAVE RUNNER	( )		( )	(32,689)	(32,689)	(32,689)	(32,689)	(32,689)	(32,689)
136 64321F Joint Tactical Fusion Program	( )		( )	0	( )		( )	0	( )
164 11133F SR-171 Squadrons	( )		( )	0	( )		( )	0	( )
171 27137F CONSTANT HELP	( )		( )	0	( )		( )	0	( )
175 27169F SEEK CLOCK	( )		( )	(3,600)	(3,600)	(3,600)	(3,600)	(3,600)	(3,600)
179 27316F TACIT RAINBOW	( )		( )	(14,359)	(14,359)	(81,900)	(81,900)	(81,900)	(81,900)
186 27433F Tactical Improvement Program	( )	60,000	60,000	(23,000)	(23,000)		( )	0	( )
188 27579F Advanced Systems Improvements	( )		( )	0	( )		( )	0	( )
189 27582F Have Trump	( )		( )	0	( )		( )	0	( )
190 27584F SEEK AXLE	( )		( )	0	( )		( )	0	( )
191 27585F SEEK SPINNER/PAVE TIGER	( )		( )	50,000	50,000	50,000	50,000	50,000	50,000
192 27591F OMEGA	( )		( )	0	( )	81,900	81,900	81,900	81,900
195 28042F HAVE FLAG	( )		( )	(58,600)	(58,600)	(5,000)	(5,000)	(5,000)	(5,000)
199 41129F THEME CASTLE	( )		( )	(6,000)	(6,000)	(3,000)	(3,000)	(3,000)	(3,000)
Subtotal Tactical	785,305	60,000	845,305	(172,423)	612,882	(18,064)	767,241	(18,064)	767,241
204 64238F Constant Pisces	( )	(115,000)	(115,000)	(115,000)	(115,000)	(115,000)	(115,000)	(115,000)	(115,000)
205 31305F Intelligence Production Activities	( )		( )	0	( )		( )	0	( )
206 31310F Foreign Technology Division	( )		( )	0	( )		( )	0	( )
207 31314F Infrared/EO/DE Wpns Processing & Exploit	( )		( )	0	( )		( )	0	( )
208 31315F Missile and Space Technical Collection	( )		( )	0	( )		( )	0	( )
209 31317F SENIOR YEAR Operations	( )		( )	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
210 31324F FOREST GREEN	( )		( )	0	( )		( )	0	( )
211 31357F NUDET Detection System	( )		( )	0	( )		( )	0	( )
216 33401F Communications Security (COMSEC)	( )		( )	0	( )		( )	0	( )
217 34111F Special Activities	( )		( )	(90,800)	(90,800)	(38,500)	(38,500)	(10,000)	(10,000)
219 35159F Defense Reconnaissance Support Activities	( )		( )	(44,400)	(44,400)	(44,400)	(44,400)	(44,400)	(44,400)
Subtotal Intell&Comm	2,157,227	(115,000)	2,042,227	(252,200)	1,905,027	(199,900)	1,957,327	(171,400)	1,985,827
Subtotal Air Force RDT&E Classified	6,400,889	(70,000)	6,330,889	(637,402)	5,763,487	(20,743)	6,380,146	7,757	6,408,646
DEFENSE AGENCIES RDT&E Fiscal Year 1988									
(dollars in thousands)									
SUB Technology Base									
1 61101E Defense Research Sciences	84,150		84,150	0	84,150	0	84,150	0	84,150
2 61101W In-House Laboratory Independent Research	2,532		2,532	0	2,532	0	2,532	0	2,532
4 61103E University Research Initiatives	24,570		24,570	(24,570)	0	(24,570)	0	(24,570)	0
61103D University Research Initiatives	0	50,000	50,000	170,000	170,000	160,000	160,000	165,000	165,000
University Research Instrumentation Program			0	30,000	30,000	25,000	25,000	25,000	25,000

Program	FY 1988 Request	Senate amendment		House bill		Contingent Level		Conference Agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
5 62101E Technical Studies	1,700		1,700	0	1,700	0	1,700	0	1,700
6 62301E Strategic Technology	233,950		233,950	59,500	293,450	54,050	288,000	54,050	288,000
7 62702E Tactical Technolgy	114,536		114,536	7,600	122,136	0	114,536	0	114,536
8 62707E Particle Beam Technology	14,000		14,000	0	14,000	0	14,000	0	14,000
9 62708E Integrated Command and Control Technology	36,435		36,435	0	36,435	(4,435)	32,000	(4,435)	32,000
10 62712E Materials and Electronics Technology	27,606		27,606	0	27,606	(2,606)	25,000	(2,606)	25,000
11 62714E Nuclear Monitoring	20,363	4,637	25,000	0	20,363	4,637	25,000	4,637	25,000
12 62715H Defense Nuclear Agency	363,032		363,032	(15,000)	348,032	(25,000)	338,032	(25,000)	338,032
13 62716B Mapping, Charting and Geodesy	980		980	0	980	0	980	0	980
Center for Advanced Technologies	0	31,000	31,000			25,000	25,000	31,000	31,000
Environmental Hazards Research	0	33,000	33,000			25,000	25,000	33,000	33,000
Reduction for CAT & EHR		(64,000)	(64,000)			(50,000)	(50,000)	(64,000)	(64,000)
Vector Thrust	0		0	7,600	7,600	3,000	3,000	3,000	3,000
Metallurgy Research(DARPA)	0		0	2,000	2,000	500	500	500	500
Personnel Radiation Protection	0		0	2,000	2,000	2,000	2,000	2,000	2,000
Xray Lithography	0		0	20,000	20,000	15,000	15,000	15,000	15,000
FEL for Medical Research	0		0	15,000	15,000	0	0	0	0
Superconductivity	0	50,000	50,000		0	50,000	50,000	50,000	50,000
Total, Technology Base	923,854	104,637	1,028,491	274,130	1,197,984	257,576	1,181,430	262,576	1,186,430
SUB Advance Technology Development									
Strategic Defense Initiative, Total	5,198,793	(1,078,793)	4,120,000	(2,652,793)	2,546,000	(1,594,793)	3,604,000	(1,594,793)	3,604,000
SDI-General Reduction		(1,078,793)	(1,078,793)	(574,000)	(574,000)				
SDI-Air Force(BSTS,ALS)	0	0	0	[+300,000]	[+300,000]	0	0	0	0
14 63220C SDI-Surveillance, Acquisition, Tracking and Kill	1,492,680		1,492,680	(595,680)	897,000				
15 63221C SDI-Directed Energy Weapons	1,103,680		1,103,680	(462,680)	641,000				
16 63222C SDI-Kinetic Energy Weapons	1,074,730		1,074,730	(323,730)	751,000				
17 63223C SDI-Systems Concepts and Battle Management/C3	627,340		627,340	(155,340)	472,000				
18 63224C SDI-Survivability, Lethality, and Key Support Tec	900,363		900,363	(541,363)	359,000				
19 63225D Joint DoD-DoE Munitions Technology Development	8,617	16,400	25,017	(1,000)	7,617	11,383	20,000	11,383	20,000
20 63226E Experimental Evaluation of Major Innovative Techn	245,624		245,624	(23,000)	222,624	(23,000)	222,624	(23,000)	222,624
21 63227E Strategic Relocatable Targets	6,700		6,700	0	6,700	(1,700)	5,000	(1,700)	5,000
22 63269E National Aero Space Plane Technology Program	---		0	0	0	0	0	0	0
23 63702D Special Operations, Special Technology Office	11,354		11,354	(3,000)	8,354	(3,000)	8,354	(3,000)	8,354
24 63703D Counter-Insurgency and Special Technology	10,997		10,997	0	10,997	0	10,997	0	10,997
25 63706D Microwave/Millimeter Wave Monolithic Integrated C	49,181		49,181	(3,000)	46,181	(3,000)	46,181	(3,000)	46,181
26 63736D Computer Aided Logistics Support	12,978		12,978	0	12,978	(2,978)	10,000	(2,978)	10,000
27 63737D Balanced Technology Inititative		300,000	300,000	0	0	275,000	275,000	300,000	300,000
28 63756D DoD Software Initiatives (STARS)	27,953		27,953	(3,000)	24,953	(3,000)	24,953	(3,000)	24,953
29 35108K Command and Control Research	2,611		2,611	0	2,611	0	2,611	0	2,611
Deep Strike Capability	0					5,000	5,000	5,000	5,000
Extended Air Defense	0	100,000	100,000		0	0	0	0	0
Cruise Missile Guidance Missile Program	0	20,000	20,000		0	5,000	5,000	5,000	5,000
RACER	0		0	5,000	5,000	5,000	5,000	5,000	5,000
RPV Competition	0		0	25,000	25,000	32,000	32,000	32,000	32,000
Advanced Torpedo Program	0		0	10,000	10,000	5,000	5,000	10,000	10,000
Hypersonic Technology			0	25,000	25,000	25,000	25,000	25,000	25,000
Total, Advance Technology Development	5,574,808	(642,393)	4,932,415	(2,620,793)	2,954,015	(1,268,088)	4,306,720	(1,238,088)	4,336,720
SUB Strategic Programs									
30 63734K Island Sun	50,826		50,826	0	50,826	0	50,826	0	50,826
31 32016K National Military Command System-Wide Support	10,910		10,910	0	10,910	0	10,910	0	10,910
32 32019K WWMCCS Systems Engineer	16,004		16,004	0	16,004	0	16,004	0	16,004
33 33131K Minimum Essential Emergency Communications Networ	8,605		8,605	0	8,605	0	8,605	0	8,605
Total, Strategic Programs	86,345	0	86,345	0	86,345	0	86,345	0	86,345
SUB Tactical Programs									
35 64771D Joint Tactical Information Distribution S\A	91,226		91,226	0	91,226	(6,226)	85,000	(6,226)	85,000
37 21135K CINC C2 Initiatives	2,124		2,124	0	2,124	0	2,124	0	2,124
38 28045Q C3 Interoperability (Joint Tactical C3 Agency)	67,715		67,715	(6,000)	61,715	(6,000)	61,715	(6,000)	61,715

Program	FY 1988 Request	Senate amendment		House bill		Contingent Level		Conference Agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
39 28298Q Management Headquarters (Joint Tactical C3 Agency	6,250		6,250	0	6,250	(1,250)	5,000	(1,250)	5,000
Standoff Missile..............................								0	
Electronic Warfare..............................	[591,129]		0	443,347	443,347	0	0	0	0
Total, Tactical Programs..............................	167,315	0	167,315	437,347	604,662	(13,476)	153,839	(13,476)	153,839
SUB Intelligence & Communications									
40 63701B Mapping, Charting, Geodesy Investigations, and Pr	12,168		12,168	0	12,168	0	12,168	0	12,168
41 64701B Mapping, Charting, and Geodesy Engineering Develo	3,782		3,782	0	3,782	0	3,782	0	3,782
44 33126K Long-Haul Communications (DCS)..............................	16,969		16,969	0	16,969	0	16,969	0	16,969
45 33127K Support of the National Communications System....	3,673		3,673	0	3,673	0	3,673	0	3,673
47 35139B DMA Exploitation Modernization Program..............	293,661		293,661	0	293,661	0	293,661	0	293,661
48 35159B Defense Reconnaissance Support Activities........	4,814		4,814	0	4,814	0	4,814	0	4,814
50 35159I Defense Reconnaissance Support Activities........	143,371		143,371	75,100	218,471	0	143,371	0	143,371
ARSP..............................	0					87,100	87,100	87,100	87,100
Landsat..............................	0		0	25,000	25,000	15,000	15,000	15,000	15,000
0 0400D9 Classified Programs..............................	1,253,945	(37,500)	1,216,445	(54,100)	1,199,845	(59,600)	1,194,345	(34,982)	1,218,963
Total, Intelligence & Communications..............	1,732,383	(37,500)	1,694,883	46,000	1,778,383	42,500	1,774,883	67,118	1,799,501
SUB Defensewide Mission Support									
54 63739D Semiconductor Manufacturing Technology..............	50,000	50,000	100,000	(25,000)	25,000	50,000	100,000	50,000	100,000
55 63790D NATO Research and Development..............................	58,825	141,175	200,000	0	58,825	116,175	175,000	141,175	200,000
56 65104D Technical Support to USDR&E..............................	25,767	(2,000)	23,767	(8,300)	17,467	(8,200)	17,567	(8,200)	17,567
57 65106D General Support for PA&E..............................	3,213	(400)	2,813	(1,000)	2,213	(1,000)	2,213	(1,000)	2,213
58 65107D General Support for Policy..............................	7,369	(800)	6,569	(1,100)	6,269	(1,100)	6,269	(1,100)	6,269
59 65108D General Support for Net Assessment..............	4,420	(400)	4,020	(850)	3,570	(850)	3,570	(850)	3,570
60 65109D General Support for FM&P..............................	2,105		2,105	(550)	1,555	(550)	1,555	(550)	1,555
61 65110D Technical Support to USDRE--Critical Technology..	3,824	(400)	3,424	(600)	3,224	(600)	3,224	(600)	3,224
62 65112D Rand Research Center for OSD and JCS..............	16,515		16,515	0	16,515	0	16,515	0	16,515
63 65114E BLACK LIGHT..............................	4,000		4,000	0	4,000	0	4,000	0	4,000
64 65116D General Support to C3I..............................	2,691	(300)	2,391	(100)	2,591	(300)	2,391	(300)	2,391
65 65117D Foreign Material Acquisition and Exploitation....	13,911		13,911	(3,911)	10,000	(3,911)	10,000	(3,911)	10,000
66 65119D General Support for A&L..............................	3,248		3,248	(650)	2,598	(650)	2,598	(650)	2,598
68 65711S Critical Technology Analysis..............................	4,200	1,000	5,200	(1,000)	3,200	1,000	5,200	1,000	5,200
69 65801S Defense Technical Information Center..............	28,085		28,085	(3,000)	25,085	(3,000)	25,085	(3,000)	25,085
70 65802S Information Analysis Centers..............................	6,786		6,786	0	6,786	0	6,786	0	6,786
71 65872E Productivity Investments..............................	2,000		2,000	0	2,000	0	2,000	0	2,000
72 65898C Management Headquarters (Strategic Defense Initia	22,000	(2,500)	19,500	(5,000)	17,000	(5,000)	17,000	(5,000)	17,000
73 65898E Management Headquarters (Research and Development	14,558		14,558	(1,000)	13,558	0	14,558	0	14,558
74 72807D IR Focal Plane Array..............................	44,119		44,119	0	44,119	(30,000)	14,119	(30,000)	14,119
75 78011S Industrial Preparedness..............................	8,700		8,700	0	8,700	0	8,700	0	8,700
76 01015D Technology Transfer Functions..............................	491		491	0	491	0	491	0	491
Man Tech - Guided Ordnance..............................	0		0	8,000	8,000	2,500	2,500	2,500	2,500
DOD/VA Medical Research..............................	0		0	25,000	25,000	20,000	20,000	20,000	20,000
Computer Mirocircuit Testing..............................	0		0	10,000	10,000	1,000	1,000	1,000	1,000
Manufacturing Technology Inititative..............	0	100,000	100,000		0	95,000	95,000	95,000	95,000
Total, Defensewide Mission Support..............	326,827	285,375	612,202	(9,061)	317,766	230,514	557,341	255,514	582,341
Undistributed	0	(104,637)	(104,637)	439,000	439,000	0	0	0	0
Civilian Pay Raise..............................	0		0	2,225	2,225	0	0	0	0
Total, RDT&E Defense Agencies..............................	8,811,532	(394,518)	8,417,014	(1,431,152)	7,380,380	(750,974)	8,060,558	(666,356)	8,145,176
DEFENSE AGENCIES CLASSIFIED									
42 31011G Cryptologic Activities..............................	( )	(36,000)	(36,000)	(35,700)	(35,700)	(42,700)	(42,700)	(25,565)	(25,565)
43 31301L General Defense Intelligence Program..............	( )	(1,500)	(1,500)	(9,900)	(9,900)	(8,400)	(8,400)	(9,417)	(9,417)
46 33401G Communications Security (COMSEC)..............	( )		( )	(8,500)	(8,500)	(8,500)	(8,500)	0	( )
49 35159G Defense Reconnaissance Support Activities........	( )		( )		( )		( )	0	( )
51 35167G Computer Security..............................	( )		( )		( )		( )	0	( )
52 35884L Intelligence Planning & Review Activities........	( )		( )		( )		( )	0	( )

Program	FY 1988	Senate amendment		House bill		Contingent Level		Conference Agreement	
	Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
53 35885G Tactical Cryptologic Activities	( )		( )		( )		( )	0	( )
Subtotal Intell&Comm	1,253,945	(37,500)	1,216,445	(54,100)	1,199,845	(59,600)	1,194,345	(34,982)	1,218,963
Subtotal Defense Agencies RDT&E Classified	1,253,945	(37,500)	1,216,445	(54,100)	1,199,845	(59,600)	1,194,345	(34,982)	1,218,963
DEVELOPMENTAL TEST & EVALUATION, DEFENSE RDT&E Fiscal Year 1988 (dollars in thousands)									
SUB Developmental Test & Eval, Defense									
1 64940D Test Instrumentation Development	30,100		30,100	0	30,100	0	30,100	0	30,100
2 64941D Space System Test Capabilities	2,000		2,000	(500)	1,500	(500)	1,500	(500)	1,500
3 65111D Foreign Weapons Evaluation	13,889		13,889	0	13,889	0	13,889	0	13,889
4 65130D NATO Cooperative Development Testing	49,204		49,204	0	49,204	0	49,204	0	49,204
5 65131D Live Fire Testing	6,700		6,700	4,100	10,800	0	6,700	1,300	8,000
6 65132D Joint Technical Coordinating Group for A/C Surviv	7,086		7,086	5,842	12,928	0	7,086	3,914	11,000
7 65804D Development Test and Evaluation	69,238		69,230	6,000	75,230	(4,230)	65,000	1,782	71,000
General Reduction				(10)	(10)	0	0	0	0
Total, Developmental Test & Eval, Defense	178,217	0	178,217	15,432	193,649	(4,738)	173,479	6,476	184,693
SUB Operational Test & Evaluation, Defense									
1 64340D OT&E Capability Improvement	93,000		93,000	(13,000)	80,000	(13,000)	80,000	(13,000)	80,000
2 65118D Operational Test and Evaluation	11,221		11,221		11,221	0	11,221	0	11,221
Total, Operational Test & Eval, Defense	104,221	0	104,221	(13,000)	91,221	(13,000)	91,221	(13,000)	91,221
SUB Developmental Test & Eval, Defense									
1 64940D Test Instrumentation Development	30,100		30,100	0	30,100	0	30,100	0	30,100
2 64941D Space System Test Capabilities	2,000		2,000	(500)	1,500	(500)	1,500	(500)	1,500
3 65111D Foreign Weapons Evaluation	13,889		13,889	0	13,889	0	13,889	0	13,889
4 65130D NATO Cooperative Development Testing	49,204		49,204	0	49,204	0	49,204	0	49,204
5 65131D Live Fire Testing	6,700		6,700	4,100	10,800	0	6,700	1,300	8,000
6 65132D Joint Technical Coordinating Group for A/C Surviv	7,086		7,086	5,842	12,928	0	7,086	3,914	11,000
7 65804D Development Test and Evaluation	69,238		69,238	6,000	75,238	(4,238)	65,000	1,762	71,000
General Reduction				(10)	(10)	0	0	0	0
Total, Developmental Test & Eval, Defense	178,217	0	178,217	15,432	193,649	(4,738)	173,479	6,476	184,693
OPERATIONAL TEST & EVALUATION, DEFENSE RDT&E Fiscal Year 1988 (dollars in thousands)									
SUB Operational Test & Evaluation, Defense									
1 64340D OT&E Capability Improvement	93,000		93,000	(13,000)	80,000	(13,000)	80,000	(13,000)	80,000
2 65118D Operational Test and Evaluation	11,221		11,221		11,221	0	11,221	0	11,221
Total, Operational Test & Eval, Defense	104,221	0	104,221	(13,000)	91,221	(13,000)	91,221	(13,000)	91,221
TOTAL, RDT&E, ARMY	5,972,845	(3,112,247)	2,860,598	(5,122,545)	850,300			(3,209,519)	2,763,326
TOTAL, RDT&E, NAVY	10,044,819	(6,862,449)	3,182,370	(9,102,430)	942,389			(7,148,461)	2,896,358
TOTAL, RDT&E, AIR FORCE	17,728,571	(9,760,791)	7,967,780	(16,852,338)	876,233			(14,264,195)	3,464,376
TOTAL, RDT&E, DEFENSE AGENCIES	10,120,664	(6,578,769)	3,541,895	(9,865,664)	255,000			(8,239,236)	1,881,428
TOTAL, RDT&E, DEVELOPMENTAL TEST & EVALUATION	186,128	0	186,128	(186,128)	0			(10,884)	175,244
TOTAL, OPERATIONAL TEST AND EVALUATION	149,657	0	149,657	(149,657)	0			(45,436)	104,221
TOTAL, RDT&E	44,202,684	(26,314,256)	17,888,428	(41,278,762)	2,923,922			(32,917,731)	11,284,953

Program	FY 1989 Request	Senate amendment Change from request	Senate amendment Recommend	House bill Change from request	House bill Recommend	Conference agreement Change from request	Conference agreement Recommend
ARMY RDT&E Fiscal Year 1989 (dollars in thousands)							
SUB Technology Base							
1 61101A In-House Laboratory Independent Research............	---	0	0	--	--	0	---
2 61102A Defense Research Sciences..........................	117,369	0	117,369	--	--	67,042	184,411
3 61103A University Research Initiatives.....................	80,273	0	80,273	--	--	(80,273)	0
4 62105A Materials...	13,141	0	13,141	--	--	0	13,141
5 62120A Electronic Survivability and Fuzing Technology.......	42,157	0	42,157	--	--	0	42,157
8 62303A Missile Technology..................................	24,158	0	24,158	--	--	0	24,158
9 62307A Laser Weapons Technology............................	12,871	0	12,871	--	--	0	12,871
10 62601A Tank and Automotive Technology......................	21,908	0	21,908	--	--	0	21,908
11 62618A Ballistics Technology...............................	34,909	0	34,909	--	--	0	34,909
12 62622A Chemical and Smoke Munitions........................	42,387	0	42,387	--	--	0	42,387
13 62623A Joint Service Small Arms Program....................	15,553	0	15,553	--	--	0	15,553
14 62624A Weapons and Munitions Technology....................	30,997	0	30,997	--	--	0	30,997
15 62705A Electronics and Electronic Devices..................	22,499	0	22,499	--	--	0	22,499
16 62709A Night Vision Investigations.........................	24,817	0	24,817	--	--	2,783	27,600
18 62716A Human Factors Engineering in Systems Development.....	15,071	0	15,071	--	--	0	15,071
19 62720A Environmental Quality Technology....................	9,581	0	9,581	--	--	0	9,581
20 62727A Non-System Training Devices.........................	3,429	0	3,429	--	--	0	3,429
21 62770A Military Disease Hazards Technology.................	49,635	0	49,635	--	--	0	49,635
22 62782A Command, Control and Communications Technology.......	29,578	0	29,578	--	--	0	29,578
23 62783A Computer and Software Technology....................	6,461	0	6,461	--	--	0	6,461
24 62784A Military Engineering Technology.....................	49,552	0	49,552	--	--	0	49,552
25 62785A Manpower/Personnel/Training Technology...............	17,981	0	17,981	--	--	0	17,981
26 62786A Logistics Technology................................	45,182	0	45,182	--	--	0	45,182
27 62787A Medical Technology..................................	63,310	0	63,310	--	--	0	63,310
Common Module Tunable Laser...........................		0	0	--	--	0	0
0 99CP Classified Programs...................................	77,481	0	77,481	--	--	0	77,481
Total, Technology Base..............................	850,300	0	850,300	--	850,300	(10,448)	839,852
SUB Advance Technology Development							
28 63001A Logistics Advanced Technology.......................	19,343	0	19,343	--	--	(4,343)	15,000
29 63002A Medical Advanced Technology.........................	51,772	0	51,772	--	--	(16,772)	35,000
30 63003A Aviation Advanced Technology........................	40,810	0	40,810	--	--	0	40,810
31 63004A Weapons and Munitions Advanced Technology...........	41,562	0	41,562	--	--	0	41,562
32 63005A Combat Vehicle and Automotive Advanced Technology....	54,262	0	54,262	--	--	0	54,262
33 63006A Command, Control and Communications Technology.......	9,759	0	9,759	--	--	0	9,759
34 63007A Human Factors/Personnel/Training Advanced Technology.	46,677	0	46,677	--	--	(6,677)	40,000
36 63102A Materiels and Structures............................	9,206	0	9,206	--	--	0	9,206
37 63105A Acquired Immune Deficiency Syndrome (AIDS) Research..	12,000	0	12,000	--	--	0	12,000
38 63255A Operational Enhancements............................	14,228	0	14,228	--	--	0	14,228
39 63313A Missile and Rocket Components.......................	16,363	0	16,363	--	--	0	16,363
40 63314A High Energy Laser and Directed Energy Components.....	32,387	0	32,387	--	--	(7,387)	25,000
42 63324A Army Development and Employment Activity............	17,288	0	17,288	--	--	0	17,288
43 63606A Landmine Warfare & Barrier Developments.............	11,579	0	11,579	--	--	0	11,579
44 63607A Joint Service Small Arms Program....................	9,564	--	--	--	--	--	--
45 63710A Night Vision Advanced Development....................	26,169	0	26,169	--	--	0	26,169
46 63734A Engineering Systems.................................	2,338	0	2,338	--	--	0	2,338
47 63742A Advanced Electronic Devices.........................	7,924	0	7,924	--	--	0	7,924
50 63758A Army Battlefield Technology Integration.............	9,601	0	9,601	--	--	0	9,601
51 63759A CB Defense/Smoke Advanced Technology Demonstration...	3,450	0	3,450	--	--	0	3,450

Program	FY 1989 Request	Senate amendment		House bill		Conference agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
52 63772A Advanced Tactical Computer Science Technology	8,501	0	8,501	--	--	0	8,501
0 99CP Classified Programs	43,999	--	--	--	--	(43,999)	--
Total, Advance Technology Development	488,782	0	435,219	--	--	(88,742)	400,040
SUB Strategic Programs							
0 99CP Classified Programs	87,233	0	87,233	--	--	0	87,233
Total, Strategic Programs	87,233	0	87,233	--	--	0	87,233
SUB Tactical Programs							
57 63302A Antitactical Missile System	85,853	--	--	--	--	--	
58 63303A Surface-to-Surface Missile Rocket System	37,071	--	--	--	--	--	
59 63323A Lightweight Air Defense System	---	--	--	--	--	--	
61 63612A Advanced Anti-Tank Weapon System	117,446	--	--	--	--	--	
62 63619A Landmine and Barrier Systems	16,845	--	--	--	--	--	
63 63627A Smoke Munitions & Materiel Concepts	8,518	--	--	--	--	--	
66 63642A Evolutionary Surface-to-Air Missile	3,061	--	--	--	--	--	
67 63645A Armored Family of Vehicles - Advanced Development	44,970	24,100	69,070	--	--	--	
68 63705A Physical Security	2,907	--	--	--	--	--	
69 63706A Identification-Friend or Foe Developments	14,940	--	--	--	--	--	
70 63711A Aircraft Survivability Equipment	12,548	--	--	--	--	--	
71 63713A Army Data Distribution System	25,500	--	--	--	--	--	
72 63718A Electronic Warfare Vulnerability/Susceptibility	16,546	--	--	--	--	--	
73 63725A Remotely Piloted Vehicles and Drones	6,598	--	--	--	--	--	
75 63738A Non-System Training Devices	862	--	--	--	--	--	
76 63740A Air Defense Command, Control and Intelligence - Adv D	---	--	--	--	--	--	
79 63747A Soldier Support and Survivability	4,553	--	--	--	--	--	
80 63751A Medical Defense Against Chemical Warfare	28,997	--	--	--	--	--	
83 63757A Forward Area Air Defense Systems	166,461	--	--	--	--	--	
84 63760A SOF Equipment Advanced Development	21,579	0	21,579	--	--	--	
86 63774A Night Vision Systems Advanced Development	3,932	--	--	--	--	--	
88 63776A Airborne Adverse Weather Weapons System	87,339	--	--	--	--	--	
89 63801A Aviation Advanced Development	4,362	--	--	--	--	--	
90 63802A Weapons and Munitions Advanced Development	12,288	--	--	--	--	--	
91 63803A Chemical Systems Advanced Development	---	--	--	--	--	--	
92 63804A Logistics and Engineer Equipment Advanced Development	18,987	--	--	--	--	--	
93 63805A Combat Service Support Computer System Evaluation and	1,426	--	--	--	--	--	
94 63806A Chemical/Biological Defense Equipment Advanced Develo	5,513	0	5,513	--	--	--	
95 63807A Medical Systems Advanced Development	24,379	--	--	--	--	--	
96 64202A Aircraft Weapons	12,500	--	--	--	--	--	
97 64206A UH-60 BLACKHAWK	0	--	--	--	--	--	
98 64216A Aircraft Propulsion System	65,938	--	--	--	--	--	
100 64223A Advanced Technology Light Helicopter Series	532,064	--	--	--	--	--	
101 64306A STINGER	---	--	--	--	--	--	
104 64313A GRASS BLADE	14,615	--	--	--	--	--	
106 64324A Army Tactical Missile System (Army TACMS)	86,618	--	--	--	--	0	86,618
108 64604A Mobility	23,555	--	--	--	--	--	
109 64609A Smoke Munitions & Materiel	13,229	--	--	--	--	--	
110 64611A Advanced Anti-Tank Weapon Systems - Eng Dev	114,239	--	--	--	--	--	
113 64702A Joint Tactical Information Distribution System	---	--	--	--	--	--	
115 64709A Identification Friend or Foe (IFF) Equipment Developm	33,181	--	--	--	--	--	
116 64710A Night Vision Devices	22,630	--	--	--	--	--	
117 64711A Aircraft Survivability Equipment	18,283	--	--	--	--	--	
118 64713A Combat Feeding, Clothing, and Equipment	3,244	--	--	--	--	--	

Program	FY 1989 Request	Senate amendment		House bill		Conference agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
119 64715A Nonsystem Training Devices Engineering...............	24,867	--	--	--	--		--
120 64718A Physical Security.....................................	4,894	--	--	--	--		--
121 64722A Education and Training Systems Development...........	6,889	--	--	--	--		--
122 64723A Special Purpose Detectors.............................	484	--	--	--	--		--
123 64726A Meteorological Equipment and Systems.................	1,615	--	--	--	--		--
124 64730A Remotely Piloted Vehicles.............................	29,600	--	--	--	--		--
126 64737A Unmanned Aerial Vehicles - Eng Dev....................	11,138	--	--	--	--		--
128 64741A Air Defense Command, Control and Intelligence - Eng D	167,254	--	--	--	--		--
129 64746A Automatic Test Equipment Development.................	14,408	--	--	--	--		--
132 64757A Medical Chemical Defense Life Support Material.......	8,529	0	8,529	--	--	0	8,529
134 64770A Joint Surveillance/Target Attack Radar System........	15,430	--	--	--	--		--
135 64779A Joint Interoperability of Tactical Command & Control	17,828	--	--	--	--		--
136 64801A Aviation Engineering Development.....................	13,089	--	--	--	--		--
137 64802A Weapons and Munitions Engineering Development........	133,919	--	--	--	--		--
138 64803A Chemical Systems Engineering Development.............	29,370	0	29,370	--	--	0	29,370
139 64804A Logistics and Engineer Equipment Engineering Developm	18,150	--	--	--	--		--
140 64805A Command, Control, Communications Systems Engineering	10,356	--	--	--	--		--
141 64806A Chemical/Biological Defense Equipment Engineering Dev	20,205	0	20,205	--	--	0	20,205
142 64807A Medical Materiel/Medical Biological Defense Equipment	17,998	--	--	--	--		--
143 64808A Landmine Warfare/Barrier Engineering Development.....	14,969	--	--	--	--		--
144 65710A Joint CB Point of Contact, Test and Assessment.......	6,531	--	--	--	--		--
145 23726A Adv Field Artillery Tactical Data System.............	25,753	--	--	--	--		--
147 23735A Combat Vehicle Improvement Program (D280)............	81,170	--	--	--	--		--
148 23739A Air Defense C2I Mods..................................	18,833	--	--	--	--		--
149 23740A Maneuver Control System...............................	12,004	--	--	--	--		--
150 23743A 155mm Self-Propelled Howitzer Improvements...........	24,513	--	--	--	--		--
151 23744A Aircraft Modifications................................	4,832	--	--	--	--		--
152 23745A Equipment Upgrade.....................................	4,845	--	--	--	--		--
153 23751A Special Operations Forces Equipment..................	29,829	0	29,829	--	--	0	29,829
154 23752A Aircraft Engine Component Improvement Program........	7,744	--	--	--	--		--
155 23801A Missile/Air Defense Product Improvement Program......	64,359	--	--	--	--		--
156 23802A Other Missile Product Improvement Program...........	25,454	--	--	--	--		--
157 28010A Joint Tactical Communications Program (TRI-TAC)......	13,958	--	--	--	--		--
158 33145A EUCOM C3 Systems......................................	636	--	--	--	--		--
Rotary Wing Study..	0	--	--	--	--		--
Composite Helicopter Rotor System........................	0	--	--	--	--		--
ATBM	0	--	--	--	--		--
0 99CP Classified Programs......................................	669,338	(628,347)	40,991	--	--	(628,347)	40,991
Total, Tactical Programs..............................	3,264,368	(604,247)	225,086	--	--	(3,048,826)	215,542
SUB Intelligence & Communications							
168 33126A Long-Haul Communications (DCS).......................	---	0	0	--	--		0
169 33142A SATCOM Ground Environment.............................	46,694	0	46,694	--	--	0	46,694
170 33401A Communications Security (COMSEC).....................	5,126	--	--	--	--		--
160 64201A Aircraft Avionics......................................	---	--	--	--	--		--
161 64716A Mapping and Geodesy...................................	6,488	--	--	--	--		--
162 64778A NAVSTAR Global Positioning System (User Equipment)...	8,803	0	8,803	--	--	0	8,803
0 99CP Classified Programs......................................	7,788	--	--	--	--	(7,788)	--
Total, Intelligence & Communications...............	74,899	0	55,497	--	--	(19,402)	55,497
SUB Defensewide Mission Support							
172 65301A Kwajalein Missile Range...............................	184,957	0	184,957	--	--	(14,786)	170,171

Program	FY 1989	Senate amendment		House bill		Conference agreement	
	Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
174 65601A Army Test Ranges and Facilities	209,732	0	209,732	--	--	(9,870)	199,862
175 65602A Army Technical Test Instrumentation and Targets	79,182	0	79,182	--	--	0	79,182
176 65603A Army User Test Instrumentation and Threat Simulators.	73,188	0	73,188	--	--	0	73,188
177 65702A Support of Development Testing	20,155	0	20,155	--	--	0	20,155
178 65706A Materiel Systems Analysis	26,413	0	26,413	--	--	0	26,413
179 65709A Exploitation of Foreign Items	4,362	0	4,362	--	--	0	4,362
180 65712A Support of Operational Testing	61,484	0	61,484	--	--	(7,468)	54,016
181 65801A Programwide Activities	87,835	0	87,835	--	--	0	87,835
182 65802A International Cooperative Research and Development	1,136	0	1,136	--	--	(43)	1,093
183 65803A Technical Information Activities	6,403	0	6,403	--	--	(118)	6,285
184 65805A Munitions Standardization, Effectiveness and Safety	16,185	0	16,185	--	--	(1,851)	14,334
185 65810A RDT&E Support for Nondevelopmental Items	8,283	0	8,283	--	--	(441)	7,842
186 65872A Productivity Investments	31,576	0	31,576	--	--	0	31,576
187 65894A Real Property Maintenance - RDT&E	171,106	0	171,106	--	--	(2,621)	168,485
188 65896A Base Operations - RDT&E	189,524	0	189,524	--	--	(3,437)	186,087
189 65898A Management Headquarters (Research and Development)	13,727	0	13,727	--	--	(355)	13,372
190 78011A Industrial Preparedness	22,015	0	22,015	--	--	(1,111)	20,904
Total, Defensewide Mission Support	1,207,263	0	1,207,263	--	--	(42,101)	1,165,162
SUB Conventional Defense Initiative							
Ammunition Containerization	0	0	0	--	--		0
Ground Surveillance Vehicle	0	0	0	--	--		0
Apache, Blackhawk & AHIP Upgrade	0	0	0	--	--		0
Guard/Reserve Unique R&D	0	0	0	--	--		0
Combat Vehicle Support Systems	0	0	0	--	--		0
Milan II & Bofors BILL Evaluation	0	0	0	--	--		0
Chemical Mask Improved Drinking Sys	0	0	0	--	--		0
Multipurpose Individual Muntion Evaluation	0	0	0	--	--		0
Combat Diesel Engine	0	0	0	--	--		0
Weasel Evaluation	0	0	0	--	--		0
ARDVARK/LVS Integration	0	0	0	--	--		0
Ground Launch Hellfire	0	0	0	--	--		0
Recovery Vehicle ARV-90	0	0	0	--	--		0
Total, Conventional Defense Initiative	0	0	0	--	--	0	0
Civilian Pay Raise	0	0	0	--	--		0
Other Special Access	0	0	0	--	crr		0
Chem Wpns Convention Compliance Monitor Pgm	0	0	0	--	--		0
AH-64 Upgrade	0	0	0	--	--		0
M-60 Prototype Program	0	0	0	--	--		0
20mm PIVAD Ammuntion	0	0	0	--	--		0
Undistributed Reduction	0	0	0	--	--		0
Total, RDT&E Army	5,972,845	(604,247)	2,860,598	0	850,300	(3,209,519)	2,763,326
ARMY CLASSIFIED							
6 62122A Survivability Enhancement	( )	0	( )	--	--	0	( )
7 62211A Aviation Technology	( )	0	( )	--	--	0	( )
17 62715A Tactical Elec. WF Technology	( )	0	( )	--	--	0	( )
Subtotal Tech Base	77,481	0	77,481	--	--	0	77,481
35 63008A Elec. WF Advanced Technology	( )	--	--	--	--	--	--
41 63321A Target Acq. and Counter/Countermeasures	( )	--	--	--	--	--	--
Subtotal Adv Tech	43,999	--	--	--	--	(43,999)	--

		Senate amendment		House bill		Conference agreement	
Program	FY 1989 Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
53 12814A Special Programs	( )	0	( )	--	--	0	( )
54 12821A Classified Program	( )	0	( )	--	--	0	( )
55 33152A World-Wide Command/Control (WWMCCS)	( )	0	( )	--	--	0	( )
Subtotal Strategic	87,233	0	87,233	--	--	0	87,233
60 63604A Nuclear Munitions and Radiacs:	( )	0	( )	--	--	0	( )
65 63639A Armament Enhancement Initiative	( )	--	--	--	--	--	--
74 63730A Tactical Surveillance System	( )	--	--	--	--	--	--
77 63745A Tactical Electronic Support Meas. System	( )	--	--	--	--	--	--
81 63754A Classified Program (Adv)	( )	--	--	--	--	--	--
82 63755A Tactical Elec. Countermeasures System	( )	--	--	--	--	--	--
85 63766A Tactical Elec. Surveillance Systems	( )	--	--	--	--	--	--
105 64321A Joint Tactical Fusion Program	( )	--	--	--	--	--	--
107 64603A Nuclear Munitions	( )	0	( )	--	--	0	( )
125 64736A Project SIERRA	( )	0	( )	--	--	0	( )
127 64740A Tactical Surveillance System	( )	--	--	--	--	--	--
130 64750A Tactical Electronic Countermeasures System	( )	--	--	--	--	--	--
131 64754A Classified Program (Eng)	( )	--	--	--	--	--	--
133 64766A Tactical Electronic Surveillance System	( )	--	--	--	--	--	--
Subtotal Tactical	669,338	(628,347)	40,991	--	--	(628,347)	40,991
163 31307A Foreign Science and Technology Center	( )	--	--	--	--	--	--
164 31318A HUMINT (Controlled)	( )	--	--	--	--	--	--
165 31327A Technical Reconnaissance and Surveillance	( )	--	--	--	--	--	--
166 31334A Other Command GDIP Activites	( )	--	--	--	--	--	--
167 31359A Special Army Program	( )	--	--	--	--	--	--
Subtotal Intell&Com	7,788	--	--	--	--	(7,788)	--
Subtotal RDT&E Army Classified	885,839	(628,347)	205,705	--	--	(680,134)	205,705
NAVY RDT&E Fiscal Year 1989							
(dollars in thousands)							
SUB Technology Base							
1 61103N University Research Initiatives	24,603	0	24,603	--	--	(24,603)	0
2 61152N In-House Independent Laboratory Research	23,763	0	23,763	--	--	0	23,763
3 61153N Defense Research Sciences	368,911	0	368,911	--	--	(25,911)	343,000
4 62111N Anti-Air Warfare/Anti-Surface Warfare Technology	69,100	0	69,100	--	--	0	69,100
5 62113N Electronic Warfare Technology	15,098	0	15,098	--	--	0	15,098
6 62121N Surface Ship Technology	13,976	0	13,976	--	--	0	13,976
7 62122N Aircraft Technology	19,558	0	19,558	--	--	0	19,558
8 62131M Marine Corps Landing Force Technology	16,283	0	16,283	--	--	0	16,283
9 62232N Command, Control, and Communications Technology	21,734	0	21,734	--	--	0	21,734
10 62233N Mission Support Technology	30,595	0	30,595	--	--	0	30,595
11 62234N Systems Support Technology	71,325	0	71,325	--	--	(11,325)	60,000
12 62314N ASW Technology	94,276	0	94,276	--	--	0	94,276
13 62315N Mine and Special Warfare Technology	15,381	0	15,381	--	--	0	15,381
14 62323N Submarine Technology	15,477	0	15,477	--	--	0	15,477
15 62324N Nuclear Propulsion	50,372	0	50,372	--	--	0	50,372
16 62435N Ocean and Atmospheric Support Technology	26,995	0	26,995	--	--	0	26,995
17 62936N Independent Exploratory Development	16,979	0	16,979	--	--	0	16,979
Total, Technology Base	894,426	0	894,426	0	894,426	(61,839)	832,587

Program	FY 1989 Request	Senate amendment		House bill		Conference agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
SUB Advance Technology Development							
18 63202N Avionics	3,708	0	3,708	--	--	0	3,708
19 63210N Aircraft Propulsion	7,283	--	--	--	--		--
20 63217N Advanced Aircraft Subsystems	21,709	0	21,709	--	--	0	21,709
21 63268N Naval Airship	62,376	--	--	--	--		--
22 63303N Electromagnetic Radiation Source Elimination Technolo	12,884	0	12,884	--	--	0	12,884
23 63508N Ship Propulsion System	24,525	--	--	--	--	--	--
25 63573N Electric Drive	14,264	--	--	--	--	25,736	40,000
26 63701N Human Factors Engineering	4,912	--	--	--	--		--
27 63706N Medical Development	18,743	0	18,743	--	--	0	18,743
28 63707N Manpower and Personnel Systems	5,518	0	5,518	--	--	0	5,518
29 63712N Generic Logistics R&D Technology Demonstrations	24,169	0	24,169	--	--	0	24,169
30 63720N Education and Training	8,722	0	8,722	--	--	0	8,722
31 63732M Marine Corps Advanced Manpower/Training Systems	5,149	0	5,149	--	--	0	5,149
32 63733N Simulation and Training Devices	9,532	0	9,532	--	--	0	9,532
33 63739N Navy Logistic Productivity	1,476	0	1,476	--	--	0	1,476
34 63743N ARIADNE	11,844	--	--	--	--		--
35 63747N Advanced Anti-Submarine Warfare Technology	2,458	--	--	--	--		--
36 63792N Advanced Technology Transition	58,473	0	58,473	--	--	0	58,473
Total, Advance Technology Development	297,745	0	170,083	--	--	(87,662)	210,083
SUB Strategic Programs							
37 63311N Air Defense Initiative	67,400	--	--	--	--		--
38 63451N Tactical Space Operations	5,859	0	5,859	--	--	0	5,859
39 63588N SSBN Survivability	13,926	0	13,926	--	--	0	13,926
40 63735N WWMCCS Architecture Support	4,915	--	--	--	--		--
41 64363N TRIDENT II	581,740	--	--	--	--	0	581,740
42 65856N Strategic Technical Support	3,508	0	3,508	--	--	0	3,508
43 11221N Fleet Ballistic Missile System	54,470	0	54,470	--	--	0	54,470
44 11224N SSBN Security Technology Program	42,476	0	42,476	--	--	0	42,476
45 11228N Trident	43,938	0	43,938	--	--	0	43,938
46 11401N Extremely Low Frequency (ELF) Communications	3,342	0	3,342	--	--	0	3,342
47 11402N Navy Strategic Communications	65,799	0	65,799	--	--		--
48 12427N Naval Space Surveillance	711	0	711	--	--	(711)	--
49 33131N Minimum Essential Emergency Communications Network	1,054	0	1,054	--	--	0	1,054
50 33152N World-Wide Military Command and Control Systems	5,253	0	5,253	--	--	0	5,253
Total, Strategic Programs	894,391	0	240,336	--	--	(138,825)	755,566
SUB Tactical Programs							
51 63109N Integrated Aircraft Avionics	2,093	--	--	20,000	22,093	7,907	10,000
52 63206N Electronic Warfare Advanced Development	46,821	--	--	--	--		--
53 63207N Air/Ocean Tactical Applications	15,909	--	--	--	--		--
54 63208N T-45 Training System	87,822	--	--	--	--		--
55 63216N Aviation Life Support Systems (Adv)	8,683	--	--	--	--		--
57 63220N Lift Fan Development	2,856	--	--	--	--		--
58 63228N CV ASW Module	5,175	--	--	--	--		--
60 63254N Air ASW	9,717	--	--	--	--		--
61 63256N V-22A	17,909	--	--	--	--		--
62 63257N A-6F	78,097	--	--	--	--		--
63 63260N Airborne Mine Countermeasurers	12,322	--	--	--	--		--
64 63261N Tactical Airborne Reconnaissance	8,631	--	--	--	--		--
65 63262N Aircraft Survivability and Vulnerability	18,569	--	--	--	--		--
66 63306N Advanced A/L Air-to-Surface Missile System	26,724	--	--	--	--		--

Program	FY 1989 Request	Senate amendment		House bill		Conference agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
67 63313N IRR Maverick	---	--	--	--	--		--
69 63318N Advanced Air-to-Air/Surface-to-Air Missile	102,183	--	--	--	--		--
70 63319N NATO AAW Systems	8,216	--	--	--	--		--
71 63320N Low Cost Anti-Radiation Seeker	16,870	--	--	9,000	25,870	0	16,870
72 63321N Advanced Air-to-Air Missile (AAAM)	87,592	--	--	--	--		--
74 63382N Battle Group AAW Coordination	11,665	--	--	--	--		--
75 63502N Surface Mine Countermeasures	11,876	--	--	--	--		--
76 63504N Advanced Submarine ASW Development	14,775	--	--	--	--		--
77 63506N Surface Ship Torpedo Defense	36,518	--	--	--	--		--
78 63509N Shipboard Information Transfer System	4,017	--	--	--	--		--
79 63512N Catapults	11,809	--	--	--	--		--
80 63513N Shipboard System Component Development	16,802	--	--	--	--		--
81 63514N Ship Combat Survivability	36,298	--	--	--	--		--
82 63522N Submarine Arctic Warfare Support Equipment Program	3,474	--	--	--	--		--
83 63525N PILOT FISH	59,851	0	59,851	--	--	0	59,851
84 63527N RETRACT LARCH	228,905	--	--	--	--		--
85 63528N Non-Acoustic Anti-Submarine Warfare (ASW)	20,818	--	--	--	--		--
86 63529N Advanced ASW Target	11,529	--	--	--	--		--
88 63536N RETRACT JUNIPER	38,322	0	38,322	--	--		--
89 63542N Radiological Control	3,341	--	--	--	--		--
91 63553N Surface ASW	31,100	--	--	--	--		--
92 63560N Submarine Hull Array Development (Adv)	---	--	--	--	--		--
94 63562N Submarine Tactical Warfare Systems	9,410	--	--	--	--		--
95 63564N Ship Development	11,266	--	--	--	--		--
96 63565N Surface Ship Navigation System	---	--	--	--	--		--
97 63569N Attack Submarine Development	24,028	--	--	--	--		--
98 63570N Advanced Nuclear Reactor Components System Developmen	87,617	--	--	--	--		--
99 63571N Physical Security	6,479	--	--	--	--		--
100 63576N CHALK EAGLE	99,631	0	99,631	--	--	0	99,631
101 63577N Shipboard Laser Weapon	2,874	--	--	--	--		--
102 63578N A4W/A1G Nuclear Propulsion Plant	---	--	--	--	--		--
103 63582N Combat System Integration	10,467	--	--	--	--		--
104 63591N Joint Advanced Systems	236,620	--	--	--	--		--
105 63601N Mine Development	29,523	--	--	--	--		--
106 63602N CHALK PINE	273,744	--	--	--	--		--
107 63609N Conventional Munitions	36,902	--	--	--	--		--
108 63610N Advanced Warhead Development	7,686	--	--	--	--		--
109 63611M Marine Corps Assault Vehicles	13,497	--	--	--	--		--
110 63634N Tactical Nuclear Weapons Development	19,375	--	--	--	--		--
111 63635M Marine Corps Ground Combat/Support System	9,410	--	--	--	--		--
112 63654N Joint Service Explosive Ordnance Development	12,412	--	--	--	--		--
113 63702N Ocean Engineering Systems Development	1,901	--	--	--	--		--
114 63704N ASW Oceanography	10,120	--	--	--	--		--
115 63708N ASW Signal Processing	13,851	--	--	--	--		--
116 63709N Advanced Marine Biological System	6,286	--	--	--	--		--
117 63711N Fleet Tactical Development and Evaluation Program	6,127	--	--	--	--		--
118 63713N Ocean Engineering Technology Developments	16,108	--	--	--	--		--
120 63719N Container Off-Loading and Transfer System (COTS)	---	--	--	--	--		--
121 63722N Naval Special Warfare	20,706	--	--	--	--		--
122 63724N Navy Energy Program	8,839	--	--	--	--		--
123 63725N Facilities Improvement	4,185	--	--	--	--		--
124 63726N Merchant Ship Naval Augmentation Program	3,530	--	--	--	--		--
125 63729M Marine Corps Combat Services Support	24,418	--	--	--	--		--

Program	FY 1989 Request	Senate amendment		House bill		Conference agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
126 63734N Defense Suppression	4,524	--	--	--	--		--
127 63737N LINK HAZEL	6,800	--	--	--	--		--
128 63740N LINK LAUREL	59,672	0	59,672	--	--	0	59,672
130 63744N LINK SPRUCE	311,707	--	--	--	--		--
131 63746N RETRACT MAPLE	50,897	0	50,897	--	--	0	50,897
132 63748N LINK PLUMERIA	11,529	0	11,529	--	--	0	11,529
133 63750N CHALK WEED	10,014	--	--	--	--		--
134 63751N RETRACT ELM	41,039	0	41,039	--	--		--
135 63752N CHALK POINSETTIA	25,000	--	--	--	--		--
136 63763N Warfare Systems Architecture and Engineering	---	--	--	--	--		--
137 63764N LINK EVERGREEN	118,338	--	--	--	--		--
138 63784N Fixed Distribution Systems	112,039	--	--	--	--		--
139 63785N Anti-Submarine Warfare Environmental Acoustic Support	13,920	--	--	--	--		--
140 63787N Special Processes	38,173	0	38,173	--	--	0	38,173
141 64203N Standard Avionics Development	17,445	--	--	--	--		--
142 64211N IFF System Development	33,866	--	--	--	--		--
143 64212N LAMPS	6,171	--	--	--	--		--
144 64213N Helicopter Development	12,595	--	--	--	--		--
145 64214N AV-8B Aircraft (Engineering)	11,404	--	--	--	--		--
146 64215N Support Equipment	64,307	--	--	--	--		--
148 64219N Airborne ASW Developments	---	--	--	--	--		--
149 64221N P-3 Modernization Program	152,145	--	--	--	--		--
150 64224N Airborne Electronic Warfare - Eng	37,384	--	--	--	--		--
151 64226N Advanced Self-Protection System	6,324	--	--	--	--		--
152 64229N Carrier Inner Zone ASW Helicopter	---	--	--	--	--		--
153 64252N Aircraft Propulsion	1,999	--	--	--	--		--
154 64255N Electronic Warfare Simulator Development	43,401	--	--	--	--		--
155 64260N C/MH-53E	9,228	--	--	--	--		--
156 64261N Acoustic Search Sensors	55,385	--	--	--	--		--
157 64262N V-22	306,677	--	--	--	--		--
158 64264N Aviation Life Support Systems (Eng)	18,905	--	--	--	--		--
159 64268N Aircraft Engine Component Improvement Program	37,267	--	--	--	--		--
160 64301N MK 92 Fire Control System Upgrade	2,974	--	--	--	--		--
161 64303N AEGIS Area Air Defense	9,267	--	--	--	--		--
162 64307N AEGIS Combat System Engineering	46,162	--	--	--	--		--
163 64308N LINK ASH	---	--	--	--	--		--
164 64309N SEA LANCE	113,518	--	--	--	--		--
165 64314N Advanced Medium Range Air-to-Air Missile	13,960	--	--	--	--		--
166 64353N Vertical Launching System	---	--	--	--	--		--
167 64354N Air-to-Air Missile Systems Engineering	23,954	--	--	--	--		--
168 64355N Vertical Launch ASROC	5,670	--	--	--	--		--
169 64358N Close-In Weapon System (PHALANX)	11,416	--	--	--	--		--
170 64361N NATO SEA SPARROW	6,020	--	--	--	--		--
172 64366N Standard Missile Improvements	45,007	--	--	--	--		--
173 64367N TOMAHAWK	46,699	--	--	--	--		--
174 64369N 5" Rolling Air Frame Missile	10,047	--	--	--	--		--
175 64370N SSN-688 Class Vertical Launch System	14,388	--	--	--	--		--
176 64372N New Threat Upgrade	13,196	--	--	--	--		--
177 64502N Submarine Communications	4,476	--	--	--	--		--
178 64503N Submarine Sonar Development	37,084	--	--	--	--		--
179 64504N Air Control	19,663	--	--	--	--		--
180 64506N Chemical Warfare Countermeasures	8,702	0	8,702	--	--	0	8,702

Program	FY 1989 Request	Senate amendment		House bill		Conference agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
181 64507N EMSP	29,367	--	--	--	--		--
182 64508N Radar Surveillance Equipment	10,702	--	--	--	--		--
184 64511N Intelligence Systems	21,916	--	--	--	--		--
185 64515N Submarine Support Equipment Program	15,728	--	--	--	--		--
186 64516N Ship Survivability	6,445	--	--	--	--		--
187 64518N Combat Information Center Conversion	30,822	--	--	--	--		--
189 64524N Submarine Combat System	392,584	--	--	--	--		--
190 64561N SSN-21 Developments	195,080	--	--	--	--		--
191 64562N Submarine Tactical Warfare System	45,165	--	--	--	--		--
192 64563N Physical Security (Engineering)	12,486	--	--	--	--		--
193 64567N Ship Subsystem Development/Land Based Test Site	74,089	--	--	--	--		--
195 64573N Shipboard Electronic Warfare Improvements	48,529	--	--	--	--		--
196 64574N Standard Embedded Computer Resources	35,412	--	--	--	--		--
197 64575N AN/SQS-53C	8,418	--	--	--	--		--
198 64578N Link Birch	1,922	--	--	--	--	0	1,922
199 64601N Mine Development	10,937	--	--	--	--		--
200 64602N Gun Ammunition Improvement	14,016	--	--	--	--		--
201 64603N Unguided Conventional Air-Launched Weapons	6,367	--	--	--	--		--
203 64608N Surface Electro-Optical Systems	5,860	--	--	--	--		--
204 64609N Bomb Fuze Improvement	4,844	--	--	--	--		--
205 64610N Advanced Lightweight Torpedo (ENG)	12,622	--	--	--	--		--
206 64654N Joint Service Explosive Ordnance Development	5,379	--	--	--	--		--
207 64656M Marine Corps Assault Vehicles	15,267	--	--	--	--		--
208 64657M Marine Corps Ground Combat/Supporting Arms Systems	4,939	--	--	--	--		--
209 64675N MK 48 ADCAP (Engineering)	30,300	--	--	--	--		--
210 64704N Anti-Submarine Warfare Oceanographic Equipment	1,245	--	--	--	--		--
211 64705N CHALK BANYAN	7,861	--	--	--	--		--
212 64707N Theatre Mission Planning Center	16,778	0	16,778	--	--		--
213 64708N Initial Trainer Acquisition	70,507	--	--	--	--		--
214 64710N Navy Energy Program	4,929	--	--	--	--		--
216 64713N Surface ASW System Improvement	48,674	--	--	--	--		--
217 64714N Air Warfare Training Devices	1,919	--	--	--	--		--
218 64715N Surface Warfare Training Devices	22,441	--	--	--	--		--
219 64717M Marine Corps Combat Services Support	22,599	--	--	--	--		--
220 64718M Marine Corps Intelligence/Electronics Warfare System.	1,093	--	--	--	--		--
221 64719M Marine Corps Command/Control/Communications Systems	20,645	--	--	--	--		--
222 64721N Battle Group Passive Horizon Extension System Trainer	13,171	--	--	--	--		--
224 64761N Intelligence	4,842	--	--	--	--		--
225 64763N LINK CYPRESS	243,498	--	--	--	--		--
226 64771N Medical Developments	3,075	--	--	--	--		--
228 64780M JINTACCS MC	1,878	--	--	--	--		--
229 65803N Electro-Magnetic Spectrum Management	6,465	--	--	--	--		--
230 65853N Management and Technical Support	14,157	--	--	--	--		--
231 65867N C2 Surveillance/Reconnaissance Support	7,867	--	--	--	--		--
232 24134N A-6 Squadrons	8,500	--	--	--	--		--
233 24136N F/A-18 Squadrons	19,897	--	--	--	--		--
234 24152N Early Warning Aircraft Squadrons	24,852	--	--	--	--		--
235 24161N Aviation Support CVW	9,999	--	--	--	--		--
236 24163N Fleet Telecommunications (Tactical)	1,405	--	--	--	--		--
237 24311N Undersea Surveillance Systems	43,412	--	--	--	--		--
238 24313N Ship-Towed Array Surveillance Systems	4,447	--	--	--	--		--
239 24571N Special Projects	7,465	--	--	--	--		--

		Senate amendment		House bill		Conference agreement	
Program	FY 1989 Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
240 24573N Navy Cover and Deception Program....................	5,392	--	--	--	--		--
241 24575N Electronic Warfare (EW) Readiness Support............	6,168	--	--	--	--		--
242 24576N Counter C3 Development...............................	12,847	--	--	--	--		--
243 25601N HARM Improvement.....................................	---	--	--	--	--		--
244 25620N ASW Combat Systems Integration.......................	14,931	--	--	--	--		--
245 25633N Aircraft Equipment Reliability/Maintenance Program...	458	--	--	--	--		--
247 25658N Laboratory Fleet Support.............................	5,877	--	--	--	--		--
248 25667N F-14 Upgrade...	143,904	--	--	--	--		--
249 25670N Tactical Intelligence Processing.....................	2,155	--	--	--	--		--
250 25674N Electronic Warfare Counter Response..................	26,523	--	--	--	--		--
251 25675N Operational Reactor Development......................	39,587	0	39,587	--	--		--
252 26313M Marine Corps Telecommunications......................	8,895	--	--	--	--		--
253 26623M Marine Corps Ground Combat/Supporting Arms Systems...	44,136	--	--	--	--		--
254 26624M Marine Corps Combat Services Support.................	2,559	--	--	--	--		--
255 26625M Marine Corps Intelligence/Electronics Warfare Systems	32,725	--	--	--	--		--
256 26626M Marine Corps Command/Control/Communications Systems..	25,063	--	--	--	--		--
257 26627M Marine Corps Technical Support Command and Control Su	---	--	--	--	--		--
258 27316N TACIT RAINBOW..	5,896	--	--	--	--		--
259 28010M Joint Tactical Communications Program (TRI-TAC)......	2,850	--	--	--	--		--
SSN-688 Upgrade..		--	--	--	--		--
Quick Reaction Surveillance System...........................		--	--	--	--		--
Total, Tactical Programs.....................................	6,207,442	0	464,181	29,000	47,963	(5,850,195)	357,247
SUB Intelligence & Communications							
262 64230N Warfare Support Systems..............................	35,786	--	--	--	--		--
263 64231N Tactical Command Systems.............................	29,728	--	--	--	--		--
264 64232N Transfer Support Systems.............................	305,748	--	--	--	--		--
265 64514N Navigation Systems...................................	2,850	0	2,850	--	--	0	2,850
267 64777N NAVSTAR GPS..	75,578	0	75,578	--	--	(75,578)	--
268 65866N Navy Command and Control Top Level Warfare Requiremen	4,806	--	--	--	--		--
274 33603N Milstar Satellite Communications System..............	4,800	0	4,800	--	--	0	4,800
999 1319N9 Classified Programs..................................	517,943	46,000	563,943	--	--	(517,943)	--
Total, Intelligence & Communications.............	977,239	46,000	647,171	--	--	(969,589)	7,650
SUB Defensewide Mission Support							
276 63721N Environmental Protection.............................	7,403	--	--	--	--		--
278 64208N Range Instrumentation Systems Development (RISD).....	7,529	0	7,529	--	--	0	7,529
279 64218N Air/Ocean Equipment Engineering......................	2,904	0	2,904	--	--	(748)	2,156
280 64258N Target Systems Development...........................	103,201	0	103,201	--	--	(7,557)	95,644
281 64703N Personnel, Training, Simulation, and Human Factors...	3,980	0	3,980	--	--	(873)	3,107
282 65151M Studies and Analysis Support - MC....................	2,101	0	2,101	--	--	(172)	1,929
283 65152N Studies and Analysis Support - Navy..................	5,896	0	5,896	--	--	(486)	5,410
284 65153M Marine Corps Operations Analysis Group, CNA..........	4,517	0	4,517	--	--	(63)	4,454
285 65154N Center for Naval Analyses............................	21,532	0	21,532	--	--	(1,652)	19,880
286 65155N Fleet Tactical Development and Evaluation............	16,484	0	16,484	--	--	0	16,484
287 65156M Marine Corps Operational Test and Evaluation.........	1,490	0	1,490	--	--	(179)	1,311
289 65804N Technical Information Services.......................	3,362	0	3,362	--	--	(665)	2,697
291 65854M Marine Corps Development Center Support..............	13,484	0	13,484	--	--	(339)	13,145
292 65857N International RDT&E..................................	3,974	0	3,974	--	--	0	3,974
294 65861N RDT&E Laboratory and Facilities Management Support...	55,529	0	55,529	--	--	(2,864)	52,665
295 65862N RDT&E Instrumentation and Materiel Support...........	30,241	0	30,241	--	--	0	30,241
296 65863N RDT&E Ship and Aircraft Support......................	94,171	0	94,171	--	--	(1,227)	92,944
297 65864N Test and Evaluation Support..........................	336,526	0	336,526	--	--	(11,183)	325,343
298 65865N Operational Test and Evaluation Capability...........	8,791	0	8,791	--	--	0	8,791

Program	FY 1989	Senate amendment		House bill		Conference agreement	
	Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
299 65871M Marine Corps Tactical Exploitation of National Capabi	1,080	0	1,080	--	--	(101)	979
300 65872N Productivity Investments	263	0	263	--	--	0	263
301 35111N Weather Service	886	0	886	--	--	0	886
302 35160N Defense Meteorological Satellite Program (DMSP)	2,280	0	2,280	--	--		--
303 78011N Industrial Preparedness	45,952	0	45,952	--	--	(2,559)	43,393
Total, Defensewide Mission Support	773,576	0	766,173	--	--	(40,351)	733,225
Special Program	0	--	--	--	--		--
SUB Conventional Defense Initiative							
Laser Communication	0	--	--	--	--		--
Electro Magnetic Catapult	0	--	--	--	--		--
Autonomous Piloted Aircraft	0	--	--	--	--		--
Acoustic Video Processor	0	--	--	--	--		--
Ring Laser Gyro	0	--	--	--	--		--
Small Rotary Engine RPV	0	--	--	--	--		--
Total, Conventional Defense Initiative		--	--	--	--	0	--
Civilian Pay Raise	0	--	--	--	--		--
Other Special Access	0	--	--	--	--		--
Undistributed Reduction	0	--	--	--	--		--
Naval Oceanographic Program	0	--	--	--	--		--
Advanced Deep Water ASW Mine Development	0	--	--	--	--		--
Woods Hole Ctr for Ocean and Meteoro Inst	0	--	--	--	--		--
Total, RDT&E Navy	10,044,819	46,000	3,182,370	29,000	942,389	(7,148,461)	2,896,358
NAVY CLASSIFIED							
269 31303N Field Operational Intelligence Office	( )	0	( )	--	--	--	--
270 31326N PRAIRIE SCHOONER	( )	6,300	6,300	--	--	--	--
271 31327N Technical Reconnaissance & Surveillance	( )	0	( )	--	--	--	--
273 33401N Communications Security (COMSEC)	( )	0	( )	--	--	--	--
275 34111N Special Activities	( )	39,700	39,700	--	--	--	--
Subtotal Intell&Com	517,943	46,000	563,943	--	--	(517,943)	--
Subtotal RDT&E Navy Classified	517,943	46,000	563,943	--	--	(517,943)	--
AIR FORCE RDT&E Fiscal Year 1989 (dollars in thousands)							
SUB Technology Base							
1 61101F In-House Laboratory Independent Research	16,733	0	16,733	--	--	0	16,733
2 61102F Defense Research Sciences	204,196	0	204,196	--	--	(12,196)	192,000
3 61103F University Research Initiatives	24,593	0	24,593	--	--	(24,593)	0
4 62101F Geophysics	42,436	0	42,436	--	--	0	42,436
5 62102F Materials	63,064	0	63,064	--	--	0	63,064
6 62201F Aerospace Flight Dynamics	72,059	0	72,059	--	--	0	72,059
7 62202F Aerospace Biotechnology	54,996	0	54,996	--	--	0	54,996
8 62203F Aerospace Propulsion	69,733	0	69,733	--	--	0	69,733
9 62204F Aerospace Avionics	73,073	0	73,073	--	--	0	73,073
10 62205F Training and Simulation Technology	36,810	0	36,810	--	--	0	36,810
11 62206F Civil Engineering and Environmental Quality	6,046	0	6,046	--	--	0	6,046
12 62302F Rocket Propulsion	44,283	0	44,283	--	--	0	44,283

Program	FY 1989 Request	Senate amendment		House bill		Conference agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
13 62601F Advanced Weapons	37,304	0	37,304	--	--	0	37,304
14 62602F Conventional Munitions	46,846	0	46,846	--	--	0	46,846
15 62702F Command Control and Communications	84,061	0	84,061	--	--	0	84,061
Total, Technology Base	876,233	0	876,233	0	876,233	(36,789)	839,444
SUB Advance Technology Development							
16 63106F Logistics Systems Technology	19,645	0	19,645	--	--	0	19,645
17 63109F INEWS/ICNIA	40,958	--	--	--	--		--
18 63202F Aircraft Propulsion Subsystem Integration	27,825	--	--	--	--		--
19 63203F Advanced Avionics for Aerospace Vehicles	41,643	0	41,643	--	--	0	41,643
20 63205F Flight Vehicle Technology	28,260	0	28,260	--	--	0	28,260
21 63211F Aerospace Structure and Materials	33,348	0	33,348	--	--	0	33,348
22 63216F Advanced Turbine Engine Gas Generator	37,823	0	37,823	--	--	0	37,823
23 63226F DoD Common Programming Language (Ada) Advanced Develo	20,552	0	20,552	--	--	0	20,552
24 63227F Advanced Simulator Technology	12,743	0	12,743	--	--	0	12,743
25 63231F Crew Systems Technolgy	24,780	0	24,780	--	--	0	24,780
26 63245F Advanced Fighter Technology Integration	32,904	--	--	--	--		--
27 63248F Concept Development	6,259	0	6,259	--	--		--
28 63250F Lincoln Laboratory	26,655	0	26,655	--	--	0	26,655
29 63253F Advanced Integration Avionics	15,042	0	15,042	--	--	0	15,042
30 63269F National Aero Space Plane Technology Program	306,288	--	--	--	--		--
31 63302F Space and Missile Rocket Propulsion	12,208	0	12,208	--	--	0	12,208
33 63363F Hypervelocity Missile	7,783	--	--	--	--		--
34 63401F Advanced Spacecraft Technology	10,103	0	10,103	--	--	0	10,103
35 63410F Space Systems Environmental Interactions Technology	3,934	0	3,934	--	--	0	3,934
36 63452F Very High Speed Integrated Circuits	58,127	0	58,127	--	--	0	58,127
37 63601F Conventional Weapons	31,519	--	--	--	--		--
38 63605F Advanced Radiation Technology	34,766	0	34,766	--	--	0	34,766
Excimer Mid Range Laser Development(EMRLD)	0	0	0	--	--		0
39 63707F Weather Systems - Adv Dev	5,838	0	5,838	--	--	0	5,838
40 63723F Civil and Environmental Engineering Technology	11,324	0	11,324	--	--	0	11,324
41 63726F Fiber Optics Development	9,634	0	9,634	--	--	0	9,634
42 63728F Advanced Computer Technology	12,249	0	12,249	--	--	0	12,249
43 63743F Electronic Combat Technology	47,600	0	47,600	--	--	0	47,600
44 63751F Training Systems Technology	471	0	471	--	--	0	471
45 63752F DoD Software Engineering Institute	18,794	0	18,794	--	--	0	18,794
46 63789F Command Control and Communications	47,696	0	47,696	--	--	0	47,696
Total, Advance Technology Development	986,771	0	539,494	--	--	(453,536)	533,235
SUB Strategic Programs							
49 63311F Advanced Strategic Missile Systems	151,979	0	151,979	--	--	0	151,979
51 63364F Short Range Attack Missile II (SRAM II)	231,589	--	--	--	--		--
52 63367F Strategic Relocatable Target Capability	23,723	0	23,723	--	--		--
53 63368F Air Defense Battle Management Technology	35,820	--	--	--	--		--
54 63369F Cruise Missile Engagement Systems Technology	35,035	--	--	--	--		--
55 63424F Cruise Missile Surveillance Technology	---	0	0	--	--		0
56 63716F Atmospheric Surveillance Technology	1,604	0	1,604	--	--		--
57 63717F Technical On-site Inspection Program	3,813	0	3,813	--	--	0	3,813
58 63735F WWMCCS Architecture	289	0	289	--	--	0	289
60 64216F WWABNCP System Replacement	13,796	--	--	--	--		--
61 64226F B-1B	386,726	--	--	--	--		--
62 64234F Common Strategic Rotary Launcher	947	0	947	--	--		--

Program	FY 1989 Request	Senate amendment Change from request	Senate amendment Recommend	House bill Change from request	House bill Recommend	Conference agreement Change from request	Conference agreement Recommend
63 64312F ICBM Modernization	3,461,672	--	--	--	--	0	--
Peacekeeper	39,979	--	--	--	--		--
Small ICBM	2,228,791	--	--	--	--		--
Rail Mobile MX	1,192,902	--	--	--	--		--
65 64361F Air Launched Cruise Missile (ALCM)	958	0	958	--	--	0	958
66 64406F Space Defense System	385,812	--	--	--	--		--
67 64711F Systems Survivability (Nuclear Effects)	11,340	0	11,340	--	--	0	11,340
71 11142F KC-135 Squadrons	4,179	0	4,179	--	--	0	4,179
72 11213F Minuteman Squadrons	199,615	--	--	--	--		--
73 11312F PACCS and WWABNCP System EC-135 Class V Mods	1,203	0	1,203	--	--	0	1,203
75 12310F NCMC - TW/AA Systems	52,582	0	52,582	--	--	0	52,582
76 12311F NCMC - Space Defense Systems	24,004	0	24,004	--	--	0	24,004
77 12313F Ballistic Missile Tactical Warning/Attack Assessment	2,536	0	2,536	--	--	0	2,536
79 12325F Joint Surveillance System	1,754	0	1,754	--	--	0	1,754
80 12411F Surveillance Radar Stations/Sites	1,671	0	1,671	--	--		--
81 12412F Distant Early Warning (DEW) Radar Stations	---	0	0	--	--		0
82 12417F Over-the-Horizon Backscatter Radar	19,218	0	19,218	--	--		--
83 12423F Ballistic Missile Early Warning System (BMEWS)	27,007	--	--	--	--		--
84 12424F SPACETRACK	10,966	0	10,966	--	--		--
85 12431F Defense Support Program (3625)	95,214	--	--	--	--		--
86 12432F Submarine-Launched Ballistic Missile (SLBM) Radar War	10,175	0	10,175	--	--		--
87 12433F NUDET Detection System	10,932	0	10,932	--	--		--
88 12436F Command Center Processing and Display System	38,064	0	38,064	--	--	0	38,064
90 33131F Minimum Essential Emergency Communications Network (M	34,231	0	34,231	--	--	0	34,231
91 33152F World-Wide Military Command and Control Systems, Info	5,319	--	--	--	--		--
92 33154F WWMCCS Information System Joint Program Management Of	91,425	--	--	--	--		--
93 33601F Milstar Satellite Communications System (AF Terminals	310,353	--	--	--	--		--
99 41123F Military Airlift Group (IF)	192	--	--	--	--		--
0 99CP Classified Programs	2,451,326	(176,435)	2,274,891	--	--	(1,777,211)	674,115
Total, Strategic Programs	8,137,069	(176,435)	2,681,059	--	--	(7,136,022)	1,001,047
SUB Tactical Programs							
100 63230F Advanced Tactical Fighter	702,995	--	--	--	--		--
101 63239F Unmanned Air Reconnaissance System	8,831	--	--	--	--		--
102 63256F CV-22A	25,584	--	--	--	--		--
103 63260F Intelligence Advanced Development	5,796	--	--	--	--		--
105 63307F Airbase Survivability and Recovery	5,132	--	--	--	--		--
106 63320F Low Cost Anti-Radiation Seeker	12,465	--	--	--	--		--
109 63609F Millimeter Wave Seekers	---	--	--	--	--		--
110 63714F DoD Physical Security Equipment - Exterior	937	--	--	--	--		--
112 63742F Combat Identification Technology	1,951	--	--	--	--		--
113 63749F C3CM Advanced Systems	1,872	--	--	--	--		--
116 64201F Aircraft Avionics Equipment Development	22,648	--	--	--	--		--
118 64212F Aircraft Equipment Development	2,139	--	--	--	--		--
119 64218F Engine Model Derivative Program (EMDP)	982	--	--	--	--		--
120 64219F Integrated Digital Avionics	653	--	--	--	--		--
121 64220F EW Counter Response	2,634	--	--	--	--		--
122 64222F Nuclear Weapons Support	2,179	--	--	--	--		--
123 64223F Alternate Fighter Engine	28,078	--	--	--	--		--
124 64231F C-17 Program	981,977	0	981,977	--	--		--
126 64236F Infrared Search and Track System	4,876	--	--	--	--		--
127 64237F Variable Stability In-Flight Simulator Test Aircraft.	14,380	--	--	--	--		--
128 64247F Modular Automatic Test Equipment	16,302	--	--	--	--		--

Program	FY 1989 Request	Senate amendment		House bill		Conference agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
129 64248F Modular Standoff Weapons	39,255	--	--	--	--		--
130 64249F Night/Precision Attack	4,689	--	--	--	--		--
131 64250F Integrated EW/CNI Development	36,081	--	--	--	--		--
132 64268F Aircraft Engine Component Improvement Program	128,737	--	--	--	--		--
133 64313F T-46A	---	--	--	--	--		--
134 64314F Advanced Medium-Range, Air-to-Air Missile (AMRAAM)	---	--	--	--	--		--
135 64315F Advanced Short Range Air-to-Air Missile (ASRAAM)	9,576	--	--	--	--		--
137 64327F Hardened Target Munitions	14,085	--	--	--	--		--
138 64362F Ground-Launched Cruise Missile (GLCM)	958	0	958	--	--		--
139 64601F Chemical/Biological Defense Equipment	17,678	0	17,678	--	--	0	17,678
140 64602F Armament/Ordnance Development	19,176	--	--	--	--		--
141 64604F Submunitions	7,333	--	--	--	--		--
142 64607F Wide-Area, Anti-Armor Munitions	13,278	--	--	--	--		--
143 64617F Air Base Survivability and Recovery	17,034	--	--	--	--		--
144 64703F Aeromedical Systems Development	8,103	--	--	--	--		--
145 64704F Common Support Equipment Development	2,237	--	--	--	--		--
146 64706F Life Support Systems	15,730	--	--	--	--		--
147 64708F Other Operational Equipment	6,748	--	--	--	--		--
148 64710F Reconnaissance Equipment	203	--	--	--	--		--
149 64715F DoD Physical Security Equipment - Exterior	5,148	--	--	--	--		--
150 64724F Tactical C3 Countermeasures	8,915	--	--	--	--		--
151 64725F Combat Identification Systems	127,599	--	--	--	--		--
152 64733F Surface Defense Suppression	28,137	--	--	--	--		--
153 64737F Airborne Self-Protection Jammer	8,047	--	--	--	--		--
154 64738F Protective Systems(5615)	81,974	--	--	--	--		--
155 64739F Tactical Protective Systems	55,994	--	--	--	--		--
156 64740F Computer Resources Management Technology	21,667	--	--	--	--		--
157 64742F Precision Location Strike System	---	--	--	--	--		--
158 64750F Intelligence Equipment	4,880	--	--	--	--		--
160 64754F Joint Tactical Information Distribution System (JTIDS	64,772	--	--	--	--		--
161 64756F Side Looking Airborne Radar	5,254	--	--	--	--		--
162 64770F Joint Surveillance/Target Attack Radar System (JSTARS	238,296	--	--	--	--		--
163 64779F Joint Interoperability of Tactical Command & Control	6,085	--	--	--	--		--
165 21131F U.S. Readiness Command - Communications	1,276	--	--	--	--		--
167 27130F F-15 Squadrons	69,340	--	--	--	--		--
169 27133F F-16 Squadrons	23,640	--	--	--	--		--
170 27136F F-4G WILD WEASEL Squadrons	17,001	--	--	--	--		--
172 27139F Competitive Fighter Procurement	2,846	--	--	--	--		--
173 27162F Tactical AGM Missiles	---	--	--	--	--		--
174 27168F F-111 Self Protection Systems	52,869	--	--	--	--		--
176 27215F TR-1 Squadron	102,307	--	--	--	--		--
TR-1 Propulsion Upgrade		--	--	--	--		--
177 27217F Follow-On Tactical Reconnaissance System	54,084	--	--	--	--		--
178 27247F AF TENCAP	324	--	--	--	--		--
180 27411F Overseas Air Weapon Control System	6,075	--	--	--	--		--
181 27412F Tactical Air Control Systems	14,370	--	--	--	--		--
182 27417F Airborne Warning and Control System (AWACS)	88,419	--	--	--	--		--
184 27423F Advanced Communications Systems	11,089	--	--	--	--		--
185 27431F Tactical Air Intelligence System Activities	---	--	--	--	--		--
187 27435F Tactical Reconnaissance Imagery and Exploitation	1,534	--	--	--	--		--
193 27595F Base Communications - Tactical Air Forces	---	--	--	--	--		--

				Senate amendment		House bill		Conference agreement	
		Program	FY 1989 Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
194	28010F	Joint Tactical Communications Program (TRI-TAC)	8,102	--	--	--	--	--	--
197	33605F	Satellite Communications Terminals	22,760	0	22,760	--	--	0	22,760
198	35887F	Electronic Combat Intelligence Support	1,682	--	--	--	--	--	--
200	41840F	MAC Command and Control System	11,015	--	--	--	--	--	--
201	44011F	Special Operations Forces	113,461	--	--	--	--	--	--
202	52610F	A-7 Squadrons (ANG)	83,367	--	--	--	--	--	--
		Tactical Aircraft	[213,984]	--	--	--	--	--	--
		F-4 Air Defense (authorized in FY 1985)		--	--	--	--	--	--
0	99CP	Classified Programs	664,917	--	--	--	--	(664,917)	--
		Total, Tactical Programs	4,210,694	0	1,023,373	--	--	(4,170,256)	40,438
	SUB	Intelligence & Communications							
203	63431F	Space Communications	---	0	0	--	--		0
212	33110F	Defense Satellite Communications System	53,596	--	--	--	--	--	--
213	33126F	Long-Haul Communications (DCS)	4,756	0	4,756	--	--	0	4,756
214	33128F	Inter-Service/Agency Automated Message Processing Exc	13,240	--	--	--	--	--	--
215	33144F	Electromagnetic Compatibility Analysis Center (ECAC)	8,618	0	8,618	--	--	0	8,618
218	35114F	Traffic Control, Approach, and Landing System (TRACAL	25,139	--	--	--	--	--	--
220	35164F	NAVSTAR Global Positioning System (User Equipment)	61,697	--	--	--	--	--	--
221	35165F	NAVSTAR Global Positioning System (Space and Control	61,257	--	--	--	--	--	--
222	84733F	General Intelligence Skill Training	---	--	--	--	--	--	--
0		Classified Programs	1,796,331	(34,900)	1,761,431	--	--	(1,796,331)	--
		Total, Intelligence & Communications	2,024,634	(34,900)	1,774,805	--	--	(2,011,260)	13,374
	SUB	Defensewide Mission Support							
223	63402F	Space Test Program	130,664	--	--	--	--	--	--
224	63438F	Satellite Systems Survivability	3,787	0	3,787	--	--	(510)	3,277
226	64211F	Advanced Aerial Target Development	3,714	--	--	--	--	--	--
227	64227F	Flight Simulator Development	64,467	--	--	--	--	--	--
229	64609F	R&M Maturation/Technology Insertion	26,279	0	26,279	--	--	(5,914)	20,365
230	64707F	Weather Systems - Eng Dev	11,769	0	11,769	--	--	0	11,769
231	64735F	Range Improvement	46,603	0	46,603	--	--	0	46,603
232	64747F	Electromagnetic Radiation Test Facilities	6,238	0	6,238	--	--	(296)	5,942
233	64755F	Improved Capability for Development Test & Evaluation	71,257	0	71,257	--	--	(6,594)	64,663
234	65101F	Project Air Force	20,011	3,100	23,111	--	--	(905)	19,106
235	65304F	Acquisition & Command Support (ACS) - Telecommunicati	---	0	0	--	--		0
236	65306F	Ranch Hand II Epidemiology Study	1,757	0	1,757	--	--	0	1,757
238	65708F	Navigation/Radar/Sled Track Test Support	24,959	0	24,959	--	--	(765)	24,194
239	65806F	Acquisition and Command Support	---	0	0	--	--		0
240	65807F	Test and Evaluation Support	316,669	0	316,669	--	--	(11,830)	304,839
241	65808F	Advanced Systems Engineering/Planning	27,445	0	27,445	--	--	(2,069)	25,376
242	65809F	DYCOMS	9,224	0	9,224	--	--	0	9,224
243	65863F	RDT&E Aircraft Support	60,862	0	60,862	--	--	(1,828)	59,034
245	65874F	Product Performance Agreement Center	---	0	0	--	--		0
246	65894F	Real Property Maintenance - RDT&E	80,843	0	80,843	--	--	(1,141)	79,702
247	65896F	Base Operations - RDT&E	56,146	0	56,146	--	--	0	56,146
248	35110F	Satellite Control Facility	126,898	0	126,898	--	--	0	126,898
249	35119F	Space Boosters	15,847	0	15,847	--	--	0	15,847
250	35130F	Consolidated Space Operations Center	39,126	0	39,126	--	--	0	39,126
251	35160F	Defense Meteorological Satellite Program (DMSP)	68,539	--	--	--	--	--	--
252	35171F	Space Shuttle Operations	156,070	--	--	--	--	--	--
253	71112F	Inventory Control Point Operations	4,480	0	4,480	--	--	(134)	4,346
254	72207F	Depot Maintenance (Non-IF)	974	0	974	--	--	0	974

Program	FY 1989 Request	Senate amendment Change from request	Senate amendment Recommend	House bill Change from request	House bill Recommend	Conference agreement Change from request	Conference agreement Recommend
255 78011F Industrial Preparedness	94,973	0	94,973	--	--	(6)	94,967
256 78026F Productivity, Reliability, Availability, Maintain. Pr	20,413	0	20,413	--	--	(853)	19,560
258 01004F International Activities	3,156	0	3,156	--	--	(33)	3,123
Total, Defensewide Mission Support	1,493,170	3,100	1,072,816	--	--	(456,332)	1,036,838
Advanced Launch System	0		0	--	--		0
Non Acoustic ASW	0		0	--	--		0
SUB Conventional Defense Initiative							
Classified Aircraft Program	0		0	--	--		0
Advanced Tactical Transport	0		0	--	--		0
Popeye	0		0	--	--		0
Activated Metals	0		0	--	--		0
Total, Conventional Defense Initiative		0	0	--	--	0	0
Civilian Pay Raise	0		0	--	--		0
Other Special Access	0		0	--	--		0
Other Classified	0		0	--	--		0
Undistributed Reduction		--	--	--	--		--
Prior Year Savings		--	--	--	--		--
Total, RDT&E Air Force	17,728,571	(208,235)	7,967,780	0	876,233	(14,264,195)	3,464,376

AIR FORCE RDT&E Fiscal Year 1989

(dollars in thousands)

AIR FORCE CLASSIFIED

47 63110F Special Evaluation Program	( )	0	( )	--	--	0	( )
48 63111F Meridan	( )	0	( )	--	--	0	( )
50 63312F Advanced Concepts	( )	0	( )	--	--		--
59 63738F ADI Surveillance Technology	( )	--	--	--	--		--
69 11120F Advanced Cruise Missile	( )	--	--	--	--		--
89 12822F LEO	( )	--	--	--	--		--
94 33603F Milstar Satellite Communications System	( )	0	( )	--	--	0	( )
95 35124F Special Applications Program	( )	0	( )	--	--	0	( )
97 35172F BERNIE	( )	0	( )	--	--		--
98 35892F Special Analysis Activities	( )	0	( )	--	--		--
Subtotal Strategic	2,451,326	(176,435)	2,274,891	--	--	(1,777,211)	674,115
104 63261F PAVE RUNNER Advanced Development	( )	--	--	--	--		--
107 63437F HAVE DJINN	( )	--	--	--	--		--
115 63801F Special Programs	( )	--	--	--	--		--
125 64232F PAVE RUNNER	( )	--	--	--	--		--
136 64321F Joint Tactical Fusion Program	( )	--	--	--	--		--
164·11133F SR-171 Squadrons	( )	--	--	--	--		--
171 27137F CONSTANT HELP	( )	--	--	--	--		--
175 27169F SEEK CLOCK	( )	--	--	--	--		--
179 27316F TACIT RAINBOW	( )	--	--	--	--		--
186 27433F Tactical Improvement Program	( )	--	--	--	--		--
188 27579F Advanced Systems Improvements	( )	--	--	--	--		--
189 27582F Have Trump	( )	--	--	--	--		--
190 27584F SEEK AXLE	( )	--	--	--	--		--

Program	FY 1989 Request	Senate amendment Change from request	Senate amendment Recommend	House bill Change from request	House bill Recommend	Conference agreement Change from request	Conference agreement Recommend
191 27585F SEEK SPINNER/PAVE TIGER	( )	--	--	--	--		--
192 27591F OMEGA	( )	--	--	--	--		--
195 28042F HAVE FLAG	( )	--	--	--	--		--
199 41129F THEME CASTLE	( )	--	--	--	--		--
Subtotal Tactical	664,917	--	--	--	--	(664,917)	--
204 64238F Constant Pisces	( )	--	--	--	--		--
Classified Program	( )	--	--	--	--		--
205 31305F Intelligence Production Activities	( )	0	( )	--	--		--
206 31310F Foreign Technology Division	( )	0	( )	--	--		--
207 31314F Infrared/EO/DE Wpns Processing & Exploit	( )	0	( )	--	--		--
208 31315F Missile and Space Technical Collection	( )	0	( )	--	--		--
209 31317F SENIOR YEAR Operations	( )	3,500	3,500	--	--		--
210 31324F FOREST GREEN	( )	34,800	34,800	--	--		--
211 31357F NUDET Detection System	( )	0	( )	--	--		--
216 33401F Communications Security (COMSEC)	( )	0	( )	--	--		--
217 34111F Special Activities	( )	106,800	106,800	--	--		--
219 35159F Defense Reconnaissance Support Activities	( )	0	( )	--	--		--
Subtotal Intell&Comm	1,796,331	(34,900)	1,761,431	--	--	(1,796,331)	--
Subtotal RDT&E Air Force Classified	4,912,574	(211,335)	4,036,322	0	0	(4,238,459)	674,115
DEFENSE AGENCIES RDT&E Fiscal Year 1989							
(dollars in thousands)							
SUB Technology Base							
1 61101E Defense Research Sciences	97,535	0	97,535	--	--	0	97,535
2 61101W In-House Laboratory Independent Research	2,832	0	2,832	--	--	0	2,832
4 61103E University Research Initiatives	25,000	0	25,000	--	--	0	25,000
61103D University Research Initiatives	0	70,000	70,000	210,000	210,000	210,000	210,000
University Research Instrumentation Program		0	0	--	--		0
5 62101E Technical Studies	1,800	0	1,800	--	--	0	1,800.
6 62301E Strategic Technology	256,400	0	256,400	--	--	0	256,400
7 62702E Tactical Technolgy	142,551	0	142,551	--	--	0	142,551
8 62707E Particle Beam Technology	14,000	0	14,000	--	--	0	14,000
9 62708E Integrated Command and Control Technology	38,400	0	38,400	--	--	0	38,400
10 62712E Materials and Electronics Technology	26,700	0	26,700	--	--	0	26,700
11 62714E Nuclear Monitoring	22,600	0	22,600	--	--	0	22,600
12 62715H Defense Nuclear Agency	393,446	--	--	--	--		--
13 62716B Mapping, Charting and Geodesy	1,100	0	1,100	--	--	0	1,100
Superconductivity	0	50,000	50,000			50,000	50,000
Center for Advanced Technology	0	31,000	31,000			31,000	31,000
Total, Technology Base	1,022,364	151,000	779,918	210,000	210,000	(102,446)	919,918
SUB Advance Technology Development							
Strategic Defense Initiative	6,254,699	--	--	--	--		--
SDI-General		--	--	--	--		--
14 63220C SDI-Surveillance, Acquisition, Tracking and Kill Asse	1,859,530	--	--	--	--		--
15 63221C SDI-Directed Energy Weapons	1,245,820	--	--	--	--		--
16 63222C SDI-Kinetic Energy Weapons	1,199,650	--	--	--	--		--
17 63223C SDI-Systems Concepts and Battle Management/C3	787,510	--	--	--	--		--

Program	FY 1989 Request	Senate amendment		House bill		Conference agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
18 63224C SDI-Survivability, Lethality, and Key Support Technol	1,162,189	--	--	--	--		--
19 63225D Joint DoD-DoE Munitions Technology Development.......	8,614	17,386	26,000	--	--	11,386	20,000
20 63226E Experimental Evaluation of Major Innovative Technolog	272,246	--	--	--	--		--
21 63227E Strategic Relocatable Targets..........................	17,400	0	17,400	--	--		--
22 63269E National Aero Space Plane Technology Program.........	---	0	0	--	--		0
23 63702D Special Operations, Special Technology Office........	8,836	0	8,836	--	--	0	8,836
24 63703D Counter-Insurgency and Special Technology............	10,375	0	10,375	--	--	0	10,375
25 63706D Microwave/Millimeter Wave Monolithic Integrated Circu	86,038	--	--	--	--		--
26 63736D Computer Aided Logistics Support.....................	12,932	--	--	--	--		--
27 63737D Balanced Technology Inititative......................	0	400,000	400,000	--	--	300,000	300,000
28 63756D DoD Software Initiatives (STARS).....................	30,726	0	30,726	--	--		--
29 35108K Command and Control Research.........................	2,657	0	2,657	--	--	0	2,657
Advanced Torpedo Program......................................		0	0	--	--		0
Hypersonic Weapon Technology		0	0	--	--		0
Total, Advance Technology Development.............	6,704,523	417,386	495,994	--	--	(6,362,655)	341,868
SUB Strategic Programs							
30 63734K Island Sun..	63,898	--	--	--	--		--
31 32016K National Military Command System-Wide Support........	12,405	0	12,405	--	--	0	12,405
32 32019K WWMCCS Systems Engineer..............................	17,193	0	17,193	--	--	0	17,193
33 33131K Minimum Essential Emergency Communications Network (M	10,732	0	10,732	--	--	0	10,732
Total, Strategic Programs..........................	104,228	0	40,330	--	--	(63,898)	40,330
SUB Tactical Programs							
35 64771D Joint Tactical Information Distribution Syste\A	69,304	--	--	--	--		--
37 21135K CINC C2 Initiatives.................................	2,110	--	--	--	--		--
38 28045Q C3 Interoperability (Joint Tactical C3 Agency).......	65,419	--	--	--	--		--
39 28298Q Management Headquarters (Joint Tactical C3 Agency)...	7,179	--	--	--	--		--
Total, Tactical Programs..........................	144,012	0	0	--	--	(144,012)	0
SUB Intelligence & Communications							
40 63701B Mapping, Charting, Geodesy Investigations, and Protot	11,347	0	11,347	--	--		--
41 64701B Mapping, Charting, and Geodesy Engineering Developmen	4,081	0	4,081	--	--		--
44 33126K Long-Haul Communications (DCS)......................	22,593	0	22,593	--	--	0	22,593
45 33127K Support of the National Communications System........	4,402	0	4,402	--	--	0	4,402
47 35139B DMA Exploitation Modernization Program..............	293,317	--	--	--	--		--
48 35159B Defense Reconnaissance Support Activities...........	4,332	0	4,332	--	--		--
50 35159I Defense Reconnaissance Support Activities...........	110,162	0	110,162	--	--		--
0 0400D9 Classified Programs.................................	1,314,950	104,000	1,418,950	--	--	(1,314,950)	--
Total, Intelligence & Communications..............	1,765,184	104,000	1,575,867	--	--	(1,738,189)	26,995
SUB Defensewide Mission Support							
54 63739D Semiconductor Manufacturing Technology..............	50,000	50,000	100,000	--	--	--	--
55 63790D NATO Research and Development.......................	58,967	141,033	200,000	--	--	66,033	125,000
56 65104D Technical Support to USDR&E.........................	29,687	(3,000)	26,687	--	--	(3,920)	25,767
57 65106D General Support for PA&E............................	4,530	(500)	4,030	--	--	(1,317)	3,213
58 65107D General Support for Policy..........................	8,654	(900)	7,754	--	--	(1,285)	7,369
59 65108D General Support for Net Assessment..................	5,375	(500)	4,875	--	--	(955)	4,420
60 65109D General Support for FM&P............................	2,604	0	2,604	--	--	(499)	2,105
61 65110D Technical Support to USDRE--Critical Technology......	4,430	(400)	4,030	--	--	(606)	3,824
62 65112D Rand Research Center for OSD and JCS................	17,452	0	17,452	--	--	(937)	16,515
63 65114E BLACK LIGHT...	4,000	0	4,000	--	--	0	4,000
64 65116D General Support to C3I..............................	2,867	(300)	2,567	--	--	(300)	2,567

		Senate amendment		House bill		Conference agreement	
Program	FY 1989 Request	Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
65 65117D Foreign Material Acquisition and Exploitation	13,868	0	13,868	--	--	0	13,868
66 65119D General Support for A&L	3,422	0	3,422	--	--	(174)	3,248
68 65711S Critical Technology Analysis	4,400	1,000	5,400	--	--	(200)	4,200
69 65801S Defense Technical Information Center	29,444	0	29,444	--	--	(1,359)	28,085
70 65802S Information Analysis Centers	6,997	0	6,997	--	--	(211)	6,786
71 65872E Productivity Investments	1,000	0	1,000	--	--	0	1,000
72 65898C Management Headquarters (Strategic Defense Initiative	27,330	(3,000)	24,330	--	--	(7,830)	19,500
73 65898E Management Headquarters (Research and Development)	15,410	0	15,410	--	--	(852)	14,558
74 72807D IR Focal Plane Array	78,624	0	78,624	--	--	(28,624)	50,000
75 78011S Industrial Preparedness	10,800	0	10,800	--	--	0	10,800
76 01015D Technology Transfer Functions	492	0	492	--	--	0	492
Total, Defensewide Mission Support	380,353	183,433	563,786	--	--	(33,036)	347,317
Landsat	0	0	0	45,000	45,000	45,000	45,000
RPV Competition	0	0	0	--	--		0
Man Tech - Guided Ordnance	0	0	0	--	--		0
Computer Mirocircuit Testing	0	0	0	--	--		0
Metallurgy Research(DARPA)	0	0	0	--	--		0
Personnel Radiation Protection	0	0	0	--	--		0
Xray Lithography	0	0	0	--	--		0
DOD/VA Medical Research	0	0	0	--	--		0
RACER	0	0	0	--	--		0
FEL for Medical Research	0	0	0	--	--		0
Undistributed Reduction	0	0	0	--	--		0
Electronic Warfare	0	0	0	--	--		0
Civilian Pay Raise	0	0	0	--	--		0
Technical Assistance Program	0	0	0	--	--		0
Cruise Missile Guidance Missile Program	0	0	0	--	--		0
Extended Air Defense	0	0	0	--	--		0
Manufacturing Technology Inititative	0	160,000	160,000	--	--	160,000	160,000
Total, RDT&E Defense Agencies	10,120,664	1,015,819	3,541,895	255,000	255,000	(8,239,236)	1,881,428

DEFENSE AGENCIES RDT&E Fiscal Year 1989

(dollars in thousands)

DEFENSE AGENCIES CLASSIFIED

42 31011G Cryptologic Activities	( )	104,000	( )	--	--	--	--
43 31301L General Defense Intelligence Program	( )	0	( )	--	--	--	--
46 33401G Communications Security (COMSEC)	( )	0	( )	--	--	--	--
49 35159G Defense Reconnaissance Support Activities	( )	0	( )	--	--	--	--
51 35167G Computer Security	( )	0	( )	--	--	--	--
52 35884L Intelligence Planning & Review Activities	( )	0	( )	--	--	--	--
53 35885G Tactical Cryptologic Activities	( )	0	( )	--	--	--	--
Subtotal Intell&Comm	1,314,950	104,000	1,418,950	--	--	(1,314,950)	--
Subtotal RDT&E Defense Agencies Classified	1,314,950	104,000	1,418,950	--	--	(1,314,950)	--

Program	FY 1989 Request	Senate amendment		House bill		Conference agreement	
		Change from request	Recommend	Change from request	Recommend	Change from request	Recommend
DEVELOPMENTAL TEST & EVALUATION,DEFENSE RDT&E Fiscal Year 1989 (dollars in thousands)							
SUB Developmental Test & Eval. Defense							
1 64940D Test Instrumentation Development	35,900	0	35,900	--	--	(5,800)	30,100
2 64941D Space System Test Capabilities	5,000	0	5,000	--	--	(3,000)	2,000
3 65111D Foreign Weapons Evaluation	14,864	0	14,864	--	--	(975)	13,889
4 65130D NATO Cooperative Development Testing	49,313	0	49,313	--	--	(109)	49,204
5 65131D Live Fire Testing	5,000	0	5,000	--	--	0	5,000
6 65132D Joint Technical Coordinating Group for A/C Survivabil	8,086	0	8,086	--	--	(1,000)	7,086
7 65804D Development Test and Evaluation	67,965	0	67,965	--	--	0	67,965
General Reduction		0	0	--	--	0	0
Total, Developmental Test & Eval. Defense	186,128	0	186,128	0	0	(10,884)	175,244
OPERATIONAL TEST & EVALUATION,DEFENSE RDT&E Fiscal Year 1989 (dollars in thousands)							
SUB Operational Test & Evaluation, Defense							
1 64340D OT&E Capability Improvement	138,000	0	138,000	--	--	(45,000)	93,000
2 65118D Operational Test and Evaluation	11,657	0	11,657	--	--	(436)	11,221
Total, Operational Test & Eval. Defense	149,657	0	149,657	0	0	(45,436)	104,221

Acoustic processor/torpedo defense/AN/SQR-17A

The conferees recommend an authorization for the torpedo defense program development, of an amount not to exceed $12.0 million to be authorized only to modify two SQR-17A acoustic processors to incorporate a torpedo detection capability and test and evaluate for fleet usage.

AGM-130

The Administration requested $40.775 million for continued development of the AGM-130 powered bomb, data link and aircraft integration. The House bill would authorize the requested amount.

The conferees have learned of serious problems plaguing the AGM-130. None of the flight tests has performed successfully. In June the Air Force suspended all payments to the contractor and issued a notice of its intent to terminate the program. The contractor offered to finance continued development of the AGM-130 until they successfully demonstrate that the design is reliable and performs to meet specifications.

The conferees note that the Air Force has a pressing requirement for this capability. The AGM-130 is designed to provide pinpoint accuracy for a very large bomb, with the launching aircraft remaining at a substantial stand-off distance to improve its survivability.

The conferees recommend an authorization of $10.0 million to pay for Air Force monitoring of the contractor's efforts, data link improvements and aircraft integration. The conferees would welcome a reprogramming should those tests prove successful and the Air Force determine the program is ready for procurement.

The conferees recommend no authorization at the contingent level.

Air defense initiative

The House bill would authorize $42.139 million for Navy and Air Force programs associated with the Air Defense Initiative (ADI). The Senate amendment would authorize $66.256 million and a classified amount for these programs.

The conferees agree that there should be coordination of ADI programs under the Office of the Secretary of Defense and agree to fund this initiative at $96.7 million in fiscal year 1988, $30.0 million of which is to be available to the Navy for ADI programs.

The conferees agree that all Air Force programs related to the Air Defense Initiative should be consolidated under a single Air Force program element. In addition, the Secretary of Defense should consider consolidation of the Navy and Air Force programs under a single program element in the Office of the Secretary of Defense and is directed to submit to the Committees on Armed Services of the Senate and the House of Representatives not later than March 1, 1988, a plan for the conduct of the Air Defense Initiative that includes the allocation of resources by technology area for fiscal years 1988 and 1989.

The conferees would expect consolidation of ADI related programs to result in a better balancing of the technology objectives of the ADI program and to facilitate the incorporation of technologies resident in other programs as well as including capabilities resident in other services, such as the Coast Guard. As in previous years, the conferees believe that the focus of the near-term ADI program should be on surveillance technologies.

The conferees recommend a total authorization of $65.0 million at the contingent level.

Air Force aircraft

The conferees recommend authorization of $536.0 million for the Advanced Tactical Fighter and $1,170.0 million in authorization for the C-17 aircraft. At the contingent level, the conferees recommend authorization of $508.0 million and $874.9 million, respectively for these aircraft.

The conferees understand that at the contingent level contracts for both programs may require renegotiation. In this instance, the Air Force may submit a reprogramming in accordance with established procedures in order to obviate termination of existing contracts. The conferees emphasize, however, that this flexibility does not constitute a priori approval of such a reprogramming request.

Common Aircraft Electronic/Avionic Architecture

The conferees want to be assured that the next generation of aircraft are configured with a common electronics/avionics architecture. The ever-increasing proliferation of aircraft electronic components must be reduced through a unified effort on the part of all three services. The conferees are particularly interested in seeing this commonality among the ATF, ATA and LHX. Upcoming Department of Defense budget submissions on these aircraft will not be favorably considered if there is not a continued, concerted effort to achieve the highest level of commonality in this area.

Defense manufacturing initiative

The House would authorize $25.0 million in the Semiconductor Manufacturing Technology account. The House included an authorization of $5.0 million within the Air Force Industrial Preparedness account for the National Center for Manufacturing Sciences (NOMS).

The Senate amendment would authorize $150.0 million in fiscal year 1988 for a Defense Manufacturing Initiative, with $100.0 million to be placed in an account entitled Manufacturing Technology Initiative within the Office of the Secretary of Defense. The remaining $50.0 million would be placed in the Semiconductor Manufacturing Technology account resulting in a total recommended authorization in this account of $100.0 million. This $100.0 million was to be used for SEMATECH, a consortium of semiconductor manufacturers, materials manufacturers, and equipment manufacturers. The Senate amendment would also authorize $210.0 million in fiscal year 1989 for the Defense Manufacturing Initiative with $50.0 million placed in the Semiconductor Technology account and $160 million in the Manufacturing Technology Initiative account.

The Senate report on S. 1174 (S. Rept. 100-57) contained language directing that of the $100.0 million in the Manufacturing Technology Initiative account, $50.0 million was to be provided to the Defense Advanced Research Projects Agency (DARPA) for generic manufacturing technology programs. Of the remaining $50.0 million in this account, $5.0 million was made available to provide support for the NOMS.

The conferees agree to an authorization of $95.0 million dollars in fiscal year 1988 and $160.0 million in fiscal year 1989 for the Manufacturing Technology Initiative account within the Office of the Secretary of Defense and direct the Department to provide $50.0 million of the $95.0 million fiscal year 1988 to DARPA for generic manufacturing technology programs. The remaining $45.0 million is directed to an account in the Office of the Assistant Secretary of Defense for Production and Logistics. Of this $45.0 million, $5.0 million is available to provide support for NOMS. The House bill provision specifying $5.0 million within the Air Force Industrial Preparedness account is deleted. The conferees further agreed to recommend an authorization of $100.0 million for the Semiconductor Manufacturing Technology account ($50.0 million above the requested level), and direct that this be used for SEMATECH.

The conferees agree that a strong, competitive defense industrial base is a key component of a strong national defense. They further expressed concern that this base has seriously eroded and is losing its ability to provide the technologically and qualitatively superior systems needed, at affordable costs, to meet the numerically superior threat posed by U.S. adversaries. This concern is heightened by the narrowing technology lead the United States has over its principal adversary, the Soviet Union.

The conferees are aware of a major industrial base initiate directed by the Assistant Secretary of Defense for Production and Logistics and commends the Assistant Secretary for recognizing and taking action to resolve a major issue confronting the nation. The conferees fully support the initiative and plan to follow carefully its progress. In light of the priority the conferees place on sustaining a strong industrial base, the conferees direct the Secretary of Defense to provide to the Committees on Armed Services of the Senate and the House of Representatives by February 1, 1988 an interim report on the initiative to include, as a minimum, a summary of the problems facing the defense industrial base and the recommended action plan for solving these problems.

Enhanced space warning

The conferees support the Administration's request to initiate work on an enhanced space warning capability. In so doing, however, the conferees wish to have a clear understanding of the requirements that justify the major investment that will be needed to develop, produce and deploy a follow-on to the current early warning system.

By February 1, 1988, the Office of the Secretary of Defense, with the coordination of the Office of the Chairman of the Joint Chiefs of Staff and the Office of the Secretary of the Air Force, is directed to submit to the Committees on Armed Services of the Senate and the House of Representatives a report on the following:

(1) The requirements for a space-based Tactical Warning and Attack Assessment (TW/AA) system independent of any Strategic Defense Initiative (SDI) requirements.

(2) The capability of the current system to meet these requirements and/or the cost and schedule associated with modifications to meet these requirements.

(3) The additional SDI requirements associated with TW/AA.

(4) Current system modifications that could be made to meet the SDI requirements and their associated cost and schedule.

(5) The characteristics of the new system required to meet the combined TW/AA and SDI needs, associated cost and schedule to develop and deploy such a system, and how the new system will be phased in and the current system phased out over time.

Fast sealift initiative

The conferees recognize existing shortfalls of a serious nature in strategic sealift, particularly with respect to sealift for rapid reinforcement of U.S. forces or our allies in time of crisis, and recommend authorization of $5.0 million in the Navy's Ship Development account (P.E. 63564N) specifically for an initiative to identify for acquisition or design fast sealift ships with sustained speeds greater than 30 knots and with rapid on-load and off-load capabilities. The Navy is directed to survey the international used shipping market to examine the feasibility of converting existing ships to a configuration similar to the fast sealift ships procured in the past, known as SL-7's. Should any such ships exist which can economically be converted to a configuration similar to SL-7's, the Navy is directed to report such to the Committees on Armed Services of the Senate and House of Representatives along with an evaluation of acquisition costs. If no such existing ships are available on the international market, the Navy is directed to begin design of new construction ships. This initiative may include investigation and development of advanced hullform technology including the surface effect ship. The committees will consider reprogramming funds for the design of new ships in fiscal year 1989.

Follow-on Tactical Air Reconnaissance System

The House bill would authorize $40.561 million for the Follow-On Tactical Air Reconnaissance System (FOTARS) and stated in the House report (H. Rept. 100-58) that the committee did not endorse the electro-optical data link for the RF-4C reconnaissance aircraft. The Senate amendment contained no similar reference. The conferees agree to authorize $47.0 million for FOTARS with the understanding that the RF-4C upgrade will not be initiated unless it is justified and specifically authorized. The conferees agree that a more survivable penetrating reconnaissance aircraft should be developed.

Forward Area Air Defense

The conferees recommend that funds authorized for the Line of Sight Forward-Heavy air defense system (program element 63757A), are available for the acquisition of systems for operational testing as well as the conduct of such testing.

Fuel system inerting

The conferees remain concerned over the survivability and safety of the Army's tracked and wheeled vehicles. Although progress is being made, much remains to be done. The fuel tanks of military aircraft have for many years been protected with passive, multiple-hit inerting systems. The conferees are advised that no comparable use of such inerting systems exist with the fuel systems of vehicles.

Accordingly, the conferees direct the Secretary of the Army to examine the use of passive, multiple-hit inerting systems in tracked and wheeled vehicles. The Secretary should report the conclusions of his study together with any recommendations to the Committees on Armed Services of the Senate and the House of Representatives not later than June 30, 1988.

Joint Surveillance and Target Acquisition Radar System (JSTARS)

The Administration requested $337.9 million for continued development of the Joint Surveillance and Target Acquisition Radar System (JSTARS).

The House bill would authorize $200.0 million. The Senate amendment would authorize $376.9 million, with the additional $39.0 million provided for purposes of acquiring a third test aircraft for the full scale development program.

The conferees recommend an authorization of $376.9 million, and authorize the Air Force to procure the third development aircraft.

The conferees recommend a total authorization of $347.9 at the contingent level. The conferees authorize purchase of the third aircraft at the contingent level, though the conferees expect the Air Force to provide the remaining funds within the development program.

Lightweight portable mine-hunting sonar

Neither the House bill or the Senate amendment provided authorization to develop a low cost, lightweight mine-hunting sonar system.

Subsequent to the fiscal year 1988 budget request, the recent events in the Persian Gulf has clearly demonstrated the need for improved mine countermeasure capabilities. The Navy has initiated a program for building ocean-going and river and harbor minesweepers and to procure additional mine sweeping helicopters. The conferees recognize, however, that the planned force level for these systems will not be adequate to meet our requirements in many plausible contingencies.

The conferees, therefore, recommend authorization of $2.0 million from the Navy's Surface Mine Countermeasures program to develop a lightweight mine-hunting sonar which could be adapted to existing Navy and Coast Guard vessels.

National Test Facility

The Administration requested $100.0 million for construction of a National Test Facility at Falcon Air Force Station, Colorado. The conferees have determined that this complex is more properly funded by research and development funds, rather than military construction.

The conferees recommend an authorization of up to $70.0 million for the planning and construction of this facility. This authorization is to be within the total authorization of the Strategic Defense Initiative Organization, RDT&E account.

Night Vision Investigations

The Army requested $22.584 million for the night vision investigations program. The House bill and the Senate amendment both recommended authorization of the full request.

Subsequently, the conferees during deliberations on the Army's Light Helicopter Experimental (LHX) system were advised that the focal plane array detector research and development program that is required by the LHX and numerous other systems to include the Advanced Anti-armor Weapon System that the night visions program was underfunded and the detectors would not be available in time to support the major weapon systems under development by all the services.

Accordingly, the conferees provide additional authorization of $5.0 million to the request to maintain the schedule of the night vision investigations program.

Noncooperative identification friend or foe (NCIFF)

The conferees support the fielding of Noncooperative Identification Friend or Foe (NCIFF) for air defense missile systems as an urgent need to upgrade the capabilities of these systems on the battlefield in order to reduce the potential for shooting down friendly aircraft.

The conferees understand that there is at least one system that has completed advanced development and is suitable for use with ground-launched air defense missiles ready for full-scale engineering development and early production for use with the presently developed HAWK missile system and the PATRIOT missile system which will succeed it.

The conferees urge the Army to consider entering into a full-scale engineering development of a NCIFF system and appropriate interface electronics to interface with the latest model of the HAWK system tracking radar, and Patriot system.

Pave Runner

The House bill reduced the Air Force request for authorization for the Pave Runner program by $32.689 million while the Senate amendment would authorize the full request.

The House reduction was made without prejudice. Additional information is included in the classified annex.

Point defense integration

The conferees understand the Navy is considering a rapid prototyping initiative to integrate surface combatant stand-alone point defense hardkill and softkill systems into a single, coordinated ship system. The individual systems (e.g., CIWS, SLQ-32, RBOC) would work together in optimum fashion to defeat especially stressful threats exemplified by anti-ship missiles such as EXOCET. The conferees strongly encourage this initiative which would provide an at-sea prototype system in approximately six months. Accordingly, $4.0 million is provided only for this rapid at-sea prototyping. A status report to the Armed Services Committees of the Senate and the House of Representatives should be provided prior to March 1, 1988.

Portable lightweight sonar

Neither the House bill nor the Senate amendment contained any authorization for the development of a low-frequency lightweight portable sonar system.

The Coast Guard has anti-submarine warfare (ASW) responsibilities in the Maritime Defense Zone in time of war. To date, however, the Coast Guard has not had the equipment necessary to carry out this mission, should the need arise. Procurement of a low-frequency, lightweight portable sonar system would provide a significant shallow water ASW capability for a wide range of Coast Guard vessels.

The conferees direct the Navy to make available up to $2.5 million from the Surface Anti-Submarine Warfare (ASW) program and up to $2.5 million from the Navy's Air Defense initiative program for development, test and evaluation of a full-scale, low-frequency, lightweight, portable sonar system suitable for use by Coast Guard vessels.

The conferees intend for the Navy and the Coast Guard to work together on this program. Furthermore, the conferees authorize the Navy to transfer, from the $5.0 million, such funds as may be necessary to the Coast Guard; and the conferees expect the Coast Guard to make available one or more vessels for support of this program. This development and evaluation program should be based on existing engineering prototype candidate systems.

Finally, the conferees direct the Secretary of the Navy to keep the Committees on Armed Services of the Senate and the House of Representatives apprised of the progress of this program.

Recovery vehicle competition

The House report (H. Rept. 100-58) contained a directive that the Army conduct a competition between an improved version of the M88 recovery vehicle and a newly designed recovery vehicle based on the chassis of the M1 tank, known as the ARV-90. The Senate report contained no similar direction.

The conferees find that a side-by-side competition between the M88 and ARV-90 should produce a better recovery vehicle program for the Army. The committee is concerned that the Army's current plans do not represent a true competition.

The conferees, however, do not want to delay more than necessary the fielding of a new recovery vehicle.

The conferees direct the Secretary of the Army to complete the following actions: (1) Conduct a side-by-side competition of the M88 and the ARV-90 using an equal number of vehicles though not more than two vehicles for each. The test on the two types of vehicles should be conducted concurrently at the same facilities over the same range of conditions. The tests must begin by July 1, 1988, and be concluded no later than November 1, 1988. Both vehicles should be evaluated in terms of how well they satisfy the M88 product improvement-required operational capabilities, and how well they meet the draft RV-90 required operational capabilities; (2) Solicit proposals for production of both vehicles with firm fix price quotes for an equal quantity of vehicles over a three year period plus not-to-exceed cost estimates for the balance of the program, (3) Review the performance demonstrated in the side-by-side competition, and make a recommendation to the Secretary of Defense not later than December 15, 1988.

Not later than December 31, 1988, the Secretary of Defense is to report to the Congress (a) which required operational capability is adequate to meet Army requirements, and (b) which recovery vehicle he has directed the Army to procure. The Secretary is also to transmit a copy of the recommendation of the Secretary of the Army.

The conferees emphasize that the Army's choice of vehicles is to constitute a long-term and not an interim solution to recovery vehicle requirements.

Remotely piloted vehicles (defense wide)

The Administration requested authorization in the service accounts for continued research and development of remotely piloted vehicles (RPVs) programs. The House bill would reduce the requested levels and authorize $25.0 million to the Office of the Assistant Secretary of Defense for Command, Control, Communications and Intelligence for the development of the most promising technologies which would benefit all the services.

The Senate amendment contained no similar provision.

The conferees agree that RPVs present significant potential to provide reconnaissance, surveilliance, targeting and laser designation support to the armed services. The conferees believe, however, that the Department of Defense is not pursuing a development and acquisition strategy which would provide commonality among systems to include platforms, sensors and ground control and exploitation stations.

The conferees agree to authorize $32.0 million in Defense Agencies account for the development of common components and subsystems for RPVs. $2.0 million would be authorized specifically to examine the feasibility of a common test, evaluation and training center for the Department of Defense RPV programs. Such a center would have the responsibility for testing and evaluating all sub-systems for potential use in the RPV environment and for providing the results to the individual services to enhance their acquisition decisions.

The conferees expect a standardization of test and evaluation procedures that will ensure fair, open competition among the many contractors who have capabilities to support the advancement of RPV technologies.

The conferees encourage the Department of Defense to view RPV technologies as an emerging capability which would provide cost effective alternatives to current capabilities. Operational concepts, fielding plans, force structure, and training and logistics requirements must be considered as the department merges and manages all the independent service RPV initiatives.

Remotely piloted vehicles (Army)

The Administration requested $11.546 million in the Army for development of remotely piloted vehicle (RPV) programs. The House bill would authorize $5.546 million in the Army's account and $32.0 million in an Office of the Secretary of Defense-managed centralized account for the development of RPV subsystems which are common to all the services' requirements.

The Senate amendment would authorize the program at the requested level.

The conferees agree that the funds authorized in the Army's account should be expended for the accelerated development of an Unmanned Aerial Vehicle for Maneuver.

Revolution at sea-ship development

The conferees agree to provide $5.0 million for continued research and development of high-leverage technologies and concepts identified in the Revolution at Sea studies. The goal fo Revolution at Sea is to develop a surface combatant for the 21st Century which is significantly enhanced in combat effectiveness, manpower efficiency and has increased capability to deliver more ordance on target. These goals should be met through a strongly cooperative research, development, test and evaluation program involving Navy, industry and academia.

Space nuclear power

The conferees concur with the House of Representatives position that space nuclear reactor systems based on thermionics technology offer great promise for fulfilling megawatt and lower power requirements while placing less stringent demands on nuclear fuels. More specifically, thermionic technology may enable the development of space power systems that are safe, reliable, lightweight, compact and survivable. The conferees are concerned, however, that thermionics technology is not adequately funded within the budget for the space power program. Accordingly, the conferees direct that not less than $10.0 million of the amounts appropriated for the Strategic Defense Initiative (SDI) for space power programs be expended only for therminoics technology development including the development of technology for applications below 25 kilowatts.

Standard embedded computer

The House bill reduced the Navy's request for authorization of $29.397 million to $1.110 million; the Senate amendment would authorize the full request.

In 1984, the Under Secretary of Defense for Research and Engineering provided a service coordinated plan to the Congress to phase out embedded computers such as the Air Force Military Standard 1750, the Navy UYK-43/44 and AYK-14 computers, and the vast inventory of Army computers. The plan further delineated the approach to bring next generation technology including mainframe on a chip into future weapons and support systems as early as possible. Subsequently, the services have underfunded the next generation computer projects and appear to be committed to keeping current generation computer technology in our weapons systems. The Navy for example has requested less than $1.0 million for the fiscal year 1988 program.

The conferees direct the services to adhere to the plan to bring next generation computer technology into our weapons systems and accordingly, deleted all Navy authorization for product improvement of current embedded computer systems. The authorization of $1.110 million is intended for the next generation computer project.

Strategic relocatable target capability

The Senate amendment would authorize $16.459 million for the Air Force and $6.7 million for the Defense Advanced Research Projects Agency (DARPA) for research and development associated with strategic relocatable targets. The House bill would provide no authorization for the Air Force, and $6.7 million for DARPA.

The conferees agree to authorize $10.0 million for the Air Force and $5.0 million for DARPA to pursue technologies related to relocatable target capability. The conferees note the potential of these efforts to benefit substantially from the many related efforts, including intelligence programs and especially arms control monitoring programs, that are on-going. In presenting future budget requests for these activities, the Department of Defense is to include a classified justification that relates strategic relocatable target capability research programs to other efforts that would complement such a capability.

Target systems development

The Administration requested $95.644 million for the Navy's Target Systems Development Program.

The House bill would authorize $70.0 million and the Senate amendment would authorize the requested level.

The conferees agree to authorize $75.0 million for this program. The conferees agree that the reduction not be applied against the Supersonic Low-Altitude Target project.

The conferees recommend a total authorization of $70.0 million at the contingent level.

Tomahawk

The Senate amendment would authorize $47.436 million and $28.342 million, respectively, for research and development associated with the Tomahawk Sea Launched Cruise Missile and the Tomahawk Theater Mission Planning Center. The House bill would authorize $20.0 million and $5.0 million, respectively.

The conferees agree to consolidate the funding for these two activities and to authorize $65.0 million, with the allocation of resources left to the discretion of the U.S. Navy.

With respect to the Theater Mission Planning Center, the conferees recognize unique requirements of the Conventional Sea Launched Cruise Missile that demand the developments in the fiscal years 1988 and 1989 request. However, the conferees also note that a substantial degree of commonality exists among the various mission planning developments underway to support cruise missile and related programs and directs the Department of Defense to reassess the potential benefits from consolidation of some of these efforts to take advantage of their common elements.

The conferees recommend a total authorization of $45.0 million at the contingent level.

V-22 aircraft

The House bill would authorize the Navy's request for $465.662 million for the V-22 aircraft development program.

The Senate amendment would provide additional authorization of $10.0 million for aircraft engine enhancements.

The conferees recommend an authorization of $470.662 million with the understanding that the additional authorization of $5.0 million would be used only to enhance the operational lifetime of the T-406 engine to reduce life cycle costs.

AUTHORIZATIONS AND PROGRAM LIMITATIONS

LEGISLATIVE PROVISIONS ADOPTED

Advanced Anti-Tank Weapon System-Medium (AAWS-M) and Milan II programs (sec. 202(a))

Section 202 of the House bill would authorize the amount requested $59.146 million for the Army's Advanced Anti-Tank Weapon System-Medium (AAWS-M) program subject to the Secretary of the Army certifying to the Committees on Armed Services of the Senate and the House of Representatives that the Army has completed the Milan II evaluation.

The Senate amendment would authorize $59.146 million.

The conferees recommend authorization of $55.0 million.

The Senate recedes with an amendment that would delete the reference to the amount authorized and limit obligations for AAWS-M to $18.0 million until the Secretary of the Army certifies that the Milan II has been evaluated.

Anti-tactical missile system (sec. 202(6)) and Aquila

Section 202(c) of the House bill would prohibit authorization for the Patriot anti-tactical missile system and the Aquila remotely piloted vehicle program.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize $26.501 million for the Patriot anti-tactical missile system program.

The conferees agree to provide $10.0 million for Aquila.

Stinger electronic security system (sec. 202(d))

Section 201(c) of the Senate amendment would authorize not less than $4.0 million for the Army to demonstrate and test alternate electronic safety devices for the Stinger air defense missiles.

The House bill contained no similar provision.

The House recedes with an amendment that would reduce authorization to $3.0 million for this system.

Rifle-launched munitions (sec. 202(e))

Section 221(a) of the Senate amendment would authorize $11.827 million in fiscal year 1987 funds for a lightweight rifle-launched anti-armor munitions program to be developed primarily for Special Operations Forces.

The House bill contained no similiar provision.

The House recedes.

Non-acoustic anti-submarine warfare (sec. 204(a)(1))

Section 206(e)(8) of the House bill would authorize $15.0 million to the Air Force only for non-acoustic anti-submarine warfare related activity.

The Senate amendment contained no similar provision.

The Senate recedes.

Pave Tiger (sec. 204(a)(2))

Section 206(e)(9) the House bill would authorize $50.0 million only for the Pave Tiger program.

The Senate amendment contained no similar provision.

The Senate recedes.

Air Force manufacturing technology (sec. 204(a)(3))

Section 206(e)(11) of the House bill would authorize $94.967 million only for the manufacturing technology program in the Air Force of which $35.0 million would be available only for the revitalization of the U.S. machine tool industry and $5.0 million only for the National Center for Manufacturing Sciences.

The Senate amendment would also authorize $94.967 million.

The Senate recedes with an amendment that would authorize the $94.967 million of which $10.0 million would be available only for the revitalization of the U.S. machine tool industry and that would delete the provision requiring that $5.0 million would be available only for the National Center for Manufacturing Sciences. The $5.0 million for the National Center for Manufacturing Sciences is to be made available from funds provided to the Defense Agencies through the Manufacturing Technology Initiative account.

F-4D air defense aircraft (sec. 204(b))

Section 206(f) of the House bill would limit to $30.0 million the amount the Secretary of the Air Force would spend to complete development of a derivative of the F-4D aircraft for the air defense mission.

The Senate amendment contained no similar provision.

The Senate recedes.

Strategic technology (sec. 205(a)(1))

Section 208(a)(1) of the House bill would authorize $293.45 million to the Defense Advanced Research Projects Agency (DARPA) only for strategic technology.

The Senate amendment would authorize $233.95 million.

The Senate recedes with an amendment that would authorize $288.0 million.

X-ray lithography research (sec. 205(a)(2))

Section 208(a)(8) of the House bill would authorize $20.0 million to the Defense Agencies only for X-ray lithography research.

The Senate contained no similar provision.

The Senate recedes with an amendment that would authorize $15.0 million.

Rankine cycle energy recovery system (sec. 205(a)(3))

Section 208(a)(10) of the House bill would authorize $5.0 million to the Defense Agencies only for the Rankine Cycle Energy Recovery (RACER) System.

The Senate amendment contained no similar provision.

The Senate recedes.

Landsat program (sec. 205(b))

Section 208(b) of the House bill would authorize $25.0 million to the fiscal year 1988 and $45.0 million in fiscal year 1989 to the Defense Agencies to be used for Landsat data acquisition and for development of Landsat satellites number 6 and 7.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize funding at $15.0 million for fiscal year 1988 and $45.0 million for fiscal year 1989.

University Research Initiative (sec. 205(c))

Section 208(c) of the House bill would authorize $200.0 million, $30.0 million of which would be for the instrumentation program in fiscal year 1988 and $210.0 million in fiscal year 1989 to the Defense agencies only for the University Research Initiatives program.

The Senate amendment contained no similar provision.

The conferees recommend authorization of $190.0 million, $25.0 million of which would be for the instrumentation program in fiscal year 1988 and $210.0 million in fiscal year 1989. The conferees do not intend for this instrumentation funding to be used solely for the purchase of instruments and equipment for existing laboratories. Where appropriate, funds should be used to develop new research capabilities. This has been an area too long neglected. The conferees believe that the nation's defense will be better served by the expansion and broadening of our present university research capability. Funding to accomplish this purpose should be given the highest priority where a clearly beneficial impact can be shown on the nation's defense.

The conferees recommend a total authorization of $185.0 million in fiscal year 1988 at the contingent level.

Bioenvironmental hazards research (sec. 205(d))

Section 230B of the Senate amendment would authorize up to $33.0 million for use in bioenvironmental research.

The House bill contained no similar provision.

The conferees recommend a total authorization of up to $25.0 million at the contingent level.

The House recedes.

Technology base programs (sec. 206)

Section 211 of the House bill would authorize funds in fiscal year 1988 and 1989 to the Department of Defense only for technology base programs.

The Senate amendment contained no similar provision.

The Senate recedes.

Funds for cooperative projects with major non-NATO Allies (sec. 207)

Section 243 of the House bill would authorize up to $40.0 million for cooperative research and development projects with major non-NATO Allies.

The Senate amendment contained no similar provision.

The Senate recedes.

Space Defense System (sec. 208)

Section 206(a) of the House bill would limit the authorization to $50.0 million for

the Space Defense Ssytem development program.

The Senate amendment would authorize $206.408 million.

The conferees recommend authorization of $200.0 million ($175.0 million at the contingent level) for ASAT related research and development, including $150.0 million at both levels for the Miniature Homing Vehicle (MHV) program, and the balance for research and development of advanced ASAT system(s).

The conferees further agreed that the F-15 launched miniature homing vehicle ASAT development program should be restructured to delete all activity related to production verification and production. The Air Force is directed to complete all remaining research and development activities related to the F-15 launched MHV with fiscal year 1988 and fiscal year 1989 funding, and to provide for the delivery of remaining test missiles to Edwards Air Force Base to support a limited operational capability.

The House recedes.

In addition, the House bill (sec. 247) included a provision that would continue the prohibition on testing the Space Defense System MHV ASAT against objects in space until the President certifies to Congress that the Soviet Union has conducted a test against an object in space of a dedicated anti-satellite weapon.

The Senate amendment contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Wide-area side penetrating mine

Section 202(b)(1) of the House bill would authorize $7.5 million only for the development of the Wide-Area Side Penetrating Mine.

The Senate amendment contained no similar provision.

The conferees recommended authorization of $5.0 million.

The House recedes.

Composite helicopter rotor system

Section 202(b)(2) of the House bill would authorize $10.0 million only for the development of the composite helicopter rotor system.

The Senate amendment contained no similar provision, but did provide $25.0 million for an improved model of the UH-60, with emphasis on the composite helicopter rotor system.

The House recedes with an amendment limiting the UH-60 upgrade program to $23.0 million. See section 203.

Common module tunable laser program

Section 202(b)(3) of the House bill would authorize $6.0 million only for the common module tunable laser program.

The Senate amendment contained no similar provision.

The conferees recommend authorization of $3.0 million.

The House recedes.

Polymer and process technologies

Section 202(b)(4) of the House bill would authorize $200,000 only to conduct a study to evaluate the capability of polymer and process technologies for the configuration of medium and large caliber ammunition.

The Senate amendment contained no similar provision.

The conferees recommend authorization of $200,000.

The House recedes.

Army helicopter program

Section 203 of the House bill would limit the Army's LHX light helicopter program and provide authorization for improvements to the AH-64 Apache attack helicopter, UH-60 Blackhawk utility helicopter, the OH-58 AHIP scout helicopter program, and the T-800 helicopter engine program.

The Senate amendment would provide $50.0 million for the AH-64 upgrade and $25.0 million for the UH-60 upgrade.

The conferees recommend authorization of $295.0 million for the LHX program, $23.0 million only for the AH-64, and $23.0 million only for the UH-60.

The House recedes.

Integrated aircraft avionics

Section 204(a) of the House bill would authorize $28.375 million in fiscal year 1988 and $22.093 million in fiscal year 1989 for the Navy integrated aircraft avionics program.

The Senate amendment would authorize $2.375 million in fiscal year 1988.

The conferees recommend authorization of $9.0 million in fiscal year 1988 and $10.0 million in fiscal year 1989.

The House recedes.

V-22 anti-submarine warfare variant aircraft

Section 204(b)(1) of the House bill would authorize $13.988 million for the V-22 anti-submarine warfare variant aircraft.

The Senate amendment would authorize $3.988 million.

The conferees recommend authorization of $10.0 million.

The conferees recommend a total authorization of $8.0 million at the contingent level.

The House recedes.

Low-cost anti-radiation seeker development

Section 204(b)(2) of the House bill would authorize $24.642 million in fiscal year 1988 and $25.87 million in fiscal year 1989 only for the low-cost anti-radiation seeker development program.

The Senate amendment would authorize $14.642 million.

The conferees recommend authorization of $14.642 million in fiscal year 1988 and $16.87 million in fiscal year 1989.

The House recedes.

Marine Corps assault vehicle program

Section 204(b)(3) of the House bill would authorize $26.035 million only for the Marine Corps assault vehicle program.

The Senate amendment would authorize $16.035 million.

The conferees recommend authorization of $24.035 million.

The House recedes.

Quick Reaction Surveillance System

Section 204(b)(4) of the House bill would authorize $15.0 million only for the Quick Reaction Surveillance System.

The Senate amendment contained no similar provision.

The conferees recommend authorization of $13.0 million.

The House recedes.

Unfunded programs in the Navy

Section 204(c) of the House bill would prohibit authorization for the advanced air-to-air missile program, the advanced lightweight torpedo program and the Battle Group Passive Horizon System (BGPHES) trainer program.

The Senate amendment contained no similar provision.

The conferees agree to authorize the advanced air-to-air missile and the advanced lightweight torpedo programs.

The conferees further agree to provide authorization for BGPHES in a separate classified program, and the Secretary of Defense is authorized to obligate funds from this program to initiate development of necessary training devices and a data link.

The House recedes.

Navy industrial preparedness

Section 204(d) of the House bill would authorize $43.393 million only for the Navy industrial preparedness program.

The Senate amendment would authorize $43.393 million.

The conferees recommend authorization of $43.393 million.

The House recedes.

ICBM modernization

Section 206(b) of the House bill would authorize not more than $250.0 million for alternate ICBM basing technologies.

The Senate amendment had no such limitation.

The conferees recommend a total authorization of $1,500.0 million for the Small ICBM program and $300.0 million for the Rail-Garrison MX program. At the contingent level, the conferees recommend $700.0 million for the Small ICBM program and $100.0 million for the Rail-Garrison MX program.

Tactical aircraft

Section 206(c) of the House bill would authorize $196.264 million for the F-111 Squadron, F-15 Squadron, F-16 Squadron, F-4G Wild Weasel Squadron and the A-7 Squadron programs.

The Senate amendment contained no similar provision.

The House recedes.

Advanced strategic missile system

Section 206(d) of the House bill would authorize $154.162 million only for the Advanced Strategic Missile System program in the Air Force.

The Senate amendment would authorize $134.162 million.

The conferees recommend authorization of $134.163 million.

The conferees recommend a total authorization of $130.162 million at the contingent level.

The House recedes.

Excimer laser development

Section 206(e)(1) of the House bill would authorize $46.65 million only for the Air Force Excimer mid-range laser development program.

The Senate amendment would authorize $46.65 million.

The conferees recommend authorization of $46.65 million for excimer and related technologies in a line item separate from the miniature homing vehicle (MHV) ASAT.

The House recedes.

Boost surveillance tracking satellite

Section 206(e)(2) of the House bill would authorize $150.0 million only for the development of the boost surveillance tracking satellite program to be administered only by the Secretary of the Air Force.

The Senate amendment would authorize this program under the Strategic Defense Initiative in the Defense Agencies account.

The House recedes.

Integrated Electronic Warfare System

Section 206(e)(3) of the House bill would authorize $10.714 million only for the devel-

opment of the Integrated Electronic Warfare System and the Integrated Communication Navigation Identification Avionics System for full-scale engineering development.

The Senate amendment would authorize $5.714 million.

The conferees agree to authorize $7.714 million.

The House recedes.

Sensor fuze weapons project

Section 206(e)(4) of the House bill would authorize $27.607 million only for the sensor fuze weapons project.

The Senate amendment would authorize $17.607 million.

The Senate recommend authorization of $22.607 million.

The conferees recommend a total authorization of $17.607 million at the contingent level.

The House recedes.

Precision Location Strike System

Section 206(e)(5) of the House bill would authorize $15.0 million only for the development of the Precision Location Strike System program.

The Senate amendment contained no similar provision.

The conferees agree to authorize $15.0 million with the understanding that the Air Force will not obligate any of the funds for the PLSS until the Air Force presents to Congress its plans for the continued test and evaluation of the assets. If additional funds are required, a reprogramming will be expected. The conferees believe there is merit to continued development of an electronic intelligence capability that will provide targeting data against future threat emitters. The conferees expect, however, that the Air Force will develop a funded long-term plan for PLSS or its successor system.

The House recedes.

Side-Looking Airborne Radar Program

Section 206(e)(6) of the House bill would authorize $41.117 million only for the development of the Side-Looking Airborne Radar.

The Senate amendment contained no similar provision.

The conferees recommend authorization of $20.0 million in the procurement account and $11.117 million in the RDT&E account.

The House recedes.

Traffic Control/Approach Landing Systems Program

Section 206(e)(7) of the House bill would authorize $25.995 million only for the Traffic Control/Approach Landing Systems program.

The Senate amendment would authorize $12.095 million.

The conferees recommend authorization of $23.0 million of which $12.330 million shall be available only for the Microwave Landing System, $4.0 million shall be available only for the Air Traffic Control Survivability project, and $4.0 million shall be available only for the Rapid Deployable Air Traffic Control System.

The House recedes.

TR-1 propulsion upgrade program

Section 206(e)(10) of the House bill would authorize $10.0 million only for the TR-1 propulsion upgrade program.

The conferees recommend an authorization of $10.0 million in the procurement account for exploratory program at this time. The conferees understand that the funding for the tests is estimated to cost $18.0 million and that the Air Force will submit a reprogramming request prior to initiating the program in fiscal year 1988.

The House recedes.

Missile rocket propulsion program

Section 206(e)(12) of the House bill would authorize $8.973 million only for the space and missile rocket propulsion program in the Air Force of which $3.3 million would be available only for the Integrated State Technology project.

The Senate amendment would authorize $8.973 million.

The conferees recommend authorization of $11.473 million for the Space and Missile Propulsion program of which $3.3 million shall be available only for the Integrated Stage Technology project.

The House recedes.

Advanced launch system

Section 206(e)(13) of the House bill would authorize the Air Force $150.0 million only for the development of the advanced launch system.

The Senate amendment would authorize this program under the Strategic Defense Initiative in the Defense Agencies account.

The House recedes.

Conventional munitions program

Section 206(g) of the House bill would authorize $40.722 million to the Air Force only for the conventional munitions program.

The Senate amendment would authorize $43.041 million.

The conferees recommend a total authorization of $40.722 million at the contingent level.

The House recedes.

Tactical technology

Section 208(a)(2) of the House bill would authorize $122.136 million to the Defense Advanced Research Projects Agency only for tactical technololgy of which $7.6 million would be available only for the vector thrust program.

The Senate amendment would authorize $114.536 million only for tactical technology.

The conferees recommend authorization of $114.536 million only for tactical technology and $3.0 million only for the vector thrust program.

The House recedes.

Hypersonic weapons technology program

Section 208(a)(3) of the House bill would authorize $25.0 million to Defense Advanced Research Projects Agency only for the hypersonic weapons technology program.

The Senate amendment contained no similar provision.

The conferees recommend authorization of $25.0 million.

The House recedes.

Metallurgy research

Section 208(a)(4) of the House bill would authorize $2.0 million to the Defense Advanced Research Projects Agency only for metallurgy research.

The Senate amendment contained no similar provision.

The conferees recommend authorization of $500,000.

The House recedes.

Guided ordnance

Section 208(a)(5) of the House bill would authorize $8.0 million to the Defense Agencies only for manufacturing technology associated with guided ordnance.

The Senate amendment contained no similar provision.

The conferees recommend authorization of $2.5 million.

The House recedes.

Pilot project for semiconductor circuits

Section 208(a)(6) of the House bill would authorize $10.0 million to the Defense Agencies only for a pilot project to acquire quality semiconductor circuits.

The basis for the House provision was recognition of the need to improve the Department of Defense capability for testing microcircuits to assure the quality of these devices meet the Department's requirements. The conferees express concern that the Department's ability may be best served by improving the quality of these devices during the manufacturing process, rather than to inspect for quality after fabrication. Accordingly, prior to obligation of funds, the Department of Defense is directed to consider the potential use of techniques that inspect microcircuit devices during the manufacturing process as well as after fabrication is completed.

The Senate amendment contained no similar provision.

The conferees recommend authorization of $1.0 million.

The House recedes.

Personnel radiation protection research

Section 208(a)(7) of the House bill would authorize $2.0 million to the Defense Agencies only for personnel radiation protection research.

The Senate amendment contained no similar provision.

The conferees recommend authorization of $2.0 million.

The House recedes.

Advanced torpedo program

Section 208(a)(11) of the House bill would authorize $10.0 million to the Defense Advanced Projects Agency (DARPA) only for an advanced torpedo program.

The conferees agree that this program should be jointly performed by the Navy and DARPA and therefore direct that $5.0 million of the $10.0 million authorized to DARPA be transferred to the Navy.

The Senate amendment contained no similar provision.

The conferees recommend a total authorization of $5.0 million at the contingent level.

The House recedes.

Authorization of unbudgeted amounts for certain purposes

Section 201(b) of the Senate amendment would authorize appropriations for fiscal years 1988 and 1989 for unbudgeted amounts for salary pay, retirement, and other employee benefits.

The House bill contained no similar provision.

The Senate recedes.

Cruise missile guidance

Section 228 of the Senate amendment would authorize $20.0 million only to carry out a program for an advanced technology demonstration of a near-zero CEP seeker for future and existing cruise missile systems.

The House bill contained no similar provision.

The conferees recommend an authorization of $5.0 million. The conferees emphasize that the funds are available to initiate a program to assess currently available navigation technology and to develop near-zero circular error probable (CEP) conventional cruise missile guidance system. The development of such a system should enhance the performance of current and future Air Force and Navy systems in a cost-effective manner. The conferees believe the Department should emphasize improved system accuracy, enroute navigation, precision terminal guidance, and reduced mission preparation time. Improvements in other cruise missile subsystems, including munitions, propulsion and airframe designs should also be examined for both near and far term improvements. The conferees would entertain a reprogramming to pursue this technology in the event the $5.0 million is not sufficient.

The Senate recedes.

Nuclear monitoring research program

Section 230A of the Senate amendment would authorize $25.0 million only for verification research for the Department of Defense, an increase of $4.637 million above the Administration's request.

The House bill would authorize $20.363 million.

The conferees recommend authorization of $25.0 million.

The Senate recedes.

Program Policies

LEGISLATIVE PROVISIONS ADOPTED

Navy attack submarine program (sec. 211)

Section 205 of the House bill would authorize $112.899 million to the Director, Defense Advanced Research Projects Agency (DARPA) for an advanced submarine technology program and $15.0 million to conduct concept studies for SSN-688 attack submarine improvements.

The Senate amendment contained no similar provision.

The conferees recommend an authorization of $100.0 million for an advanced submarine technology program and $13.0 million to conduct studies for SSN-688 attack submarine improvements. The Senate recedes.

The $100.0 million is provided to DARPA for advanced submarine research and development work to impact submarine programs beyond the SSN-21. In order to foster a vigorous program of development in the Navy's technology base, no less than $45.0 million of this amount is to be set aside to fund additional work in the Office of Naval Technology under program elements 62323N, Submarine Technology and 62314N, ASW Technology. The distribution of these funds is to be administered by a committee composed of a member from OP-098, who shall be the senior member, a member from the Office of Naval Technology, and a member from DARPA. A representative from the Ship Dynamics Division of the Ship Performance Department, DTNSRDC, is to act as technical consultant to the committee.

Advanced Tactical Fighter program (sec. 212)

Section 209 of the House bill would limit obligation of funds for the Advanced Tactical Fighter (ATF) program pending a certification from the Secretary of Defense that the prototype aircraft will include all physical and structural modifications necessary to satisfy fully the requirement of the Navy concerning aircraft carrier catapults and arresting gear.

The Senate amendment contained no similar provision.

The conferees want to make it absolutely clear that the Navy will be required to adopt the ATF aircraft as its follow-on air superior fighter. The conferees, therefore, insist that the Secretary of Defense assure the Congress that the ATF prototype design will be capable, in a cost effective way, of accepting all physical and structural modifications necessary to satisfy the Navy requirements.

The required Secretary of Defense certification to Congress is to include descriptive information on how the ATF prototype design will meet the Navy requirements.

The Senate recedes with an amendment that would modify the certification.

Electronic warfare programs (sec. 213)

Section 210 of the House bill would authorize $443.347 million to the Secretary of Defense for electronic warfare programs and require certain requirements to be met.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize $103.804 million to the Army, $235.946 million to the Navy, and $199.485 million to the Air Force for electronic warfare programs.

The conferees recommend a total authorization of $482.472 million at the contingent level.

Conventional Defense Initiative (sec. 214(a))

Section 212(a) of the House bill would continue the Conventional Defense Initiative (CDI) program authorized by section 221 of the fiscal year 1987 Defense Authorization Act (Public Law 99-661).

The conferees agree that none of the funds specified for CDI may be used in connection with any program, project, or activity in support of the Strategic Defense Initiative.

The Senate amendment contained no similar provision.

The Senate recedes.

Conventional Defense Initiative programs for the Army (sec. 214(b))

Section 212(b) of the House bill would authorize $136.1 million to the Army only for CDI programs.

The Senate amendment contained a provision (sec. 221(b)) that would authorize $600,000 for an improved mask drinking system.

The conferees recommend an authorization of $48.1 million of which $500,000 is only for the ammunition container development, $4.0 million is only for Guard and Reserve unique research and development, $8.0 million is only for the generic nuclear biological and chemical protection system for combat vehicles and tactical shelters program, $5.0 million is only for the Milan II and Bofors Bill evaluation, $600,000 is only for the chemical mask improved drinking system, $10.0 million is only for the Multi-Purpose Individual Munition evaluation, $3.0 million is only for the High Explosive Anti-Tank Rocket (HEATR) evaluation, $3.0 million is only for the Aardvark/LVS integration, $2.0 million is only for the Recovery Vehicle (ARV-90) development, and $1.0 million is only for the evaluation of the Weasel.

The conferees also agree to an authorization of $5.0 million to advance diesel engine technology. The Department should consider, but should not be limited to considering such systems as the General Motors/Federal Republic of Germany joint diesel engine, to upgrade the Rolls Royce Condor V-12 engine and other viable candidate engines.

The conferees note that the Marine Corps has expressed an interest in HEATR as a second generation rifle grenade and, therefore, direct the Department of Defense to transfer the responsibility and funds for the HEATR program to the Marine Corps. The conferees endorse House language to provide the individual soldier and Marine with a rifle-launched munition capable of defeating enemy armor as soon as possible.

The conferees support Air Force efforts to modify Air Force, Air National Guard (ANG) and Reserve aircraft, such as the A-10, with cost-effective modifications to enhance combat capability and to improve survivability. The conferees direct that $2.0 million of the $4.0 million for Guard and Reserve unique research and development is available only for the Air Force to prototype a new engine for the A-10.

The House recedes.

Conventional Defense Initiative programs for the Navy (sec. 214(c))

Section 212(c) of the House bill would authorize $78.6 million to the Navy only for Conventional Defense Initiative programs.

The Senate amendment contained no similar provision.

The conferees recommend an authorization of $66.1 million of which $20.0 million is only for the laser communication development program, $3.5 million is only for the electro-magnetic catapult program, $8.0 million is only for the autonomous piloted aircraft program, $14.6 million is only for the acoustic video processor program and Ada integration, $4.0 million is only for the ring-laser gyro program, and $1.0 million is only for the evaluation of the small rotary engines for use in unmanned aircraft vehicles.

The conferees agreed that the $4.0 million for the ring-laser gyro program is to be used only to conduct an evaluation and competition from among existing systems for a ring laser navigation system to replace the WSN-5. The Navy is directed not to proceed with a new development program.

The conferees further agree that the principal focus of the laser communications program should be on meeting tactical requirements. Improved strategic communications should be viewed as a highly desirable, but secondary objective of the program.

In view of overall budgetary pressures, the conferees agree that development work on an aircraft mounted system, rather than full-scale development of a satellite borne system, is the appropriate course for the program in the near term.

The conferees recommend a total authorization of $15.0 million for the laser communication program at the contigent level.

The House recedes.

Conventional Defense Initiative programs for the Air Force (sec. 214(d))

Section 212(d) of the House bill would authorize $84.0 million to the Air Force only for Conventional Defense Initiative programs.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize $9.6 million of which $1.0 million is only for an advanced tactical transport system program, $0.6 million is only for initiation of the development of an infrared countermeasure system based on the activated metals technology program, and $8.0 million is only for Popeye evaluation.

Balanced Technology Initiative (sec. 215)

Section 251 of the Senate amendment would authorize $300.0 million for the Balanced Technology Initiative (BTI) program for programs initiated in fiscal year 1987.

The House bill contained no similar provision.

Last year the Congress established the Balanced Technology Initiative as part of a broad-based U.S. technology initiative addressing the entire range of nuclear and conventional deficiencies in our defense posture. As noted in last year's conference report on the Defense Authorization Act (H. Rpt. 99-1001), Congress believes that the Strategic Defense Initiative (SDI) "should be but one part—albeit an important part" of this balanced approach.

Congress created BTI because of a concern that current and projected levels of SDI threaten to absorb an inordinate proportion of defense dollars allocated to research and development. This year's budget submission, and the requirement to reduce overall spending levels in defense, heighten these concerns.

The conferees believe the BTI program offers critical leverage to introduce advance technologies into combat systems, and directs the Department to continue to carry forward the implementation of the BTI programs selected last year and to proceed promptly to identify not less than $200.0 million within funds appropriated, for new and innovative programs, projects and activities which were not initiated last year under the BTI program.

The conferees emphasize that the Conventional Defense Initiative discussed elsewhere in this report is not a component or subset of the Balanced Technology Initiative.

The House recedes.

The conferees recommend a total authorization of $275.0 million at the contingent level.

Milestone authorization (sec. 216)

Section 241 of the Senate amendment would authorize the Army tactical missile system, the Trident II missile. T-45 training system and the Medium-Launch Vehicle programs as defense enterprise programs for the purpose of section 2437 of Title 10, United States Code.

The House bill contained no similar provision.

The House recedes with an amendment that would reduce the Trident II D-5 missile program by $25.0 million in fiscal year 1988 and deny milestone authorization for the Medium-Launch Vehicle program.

The conferees recommend a total authorization of $102.208 million at the contingent level for the Army tactical missile programs.

Anti-tactical ballistic missile project (sec. 217(a))

Section 235 of the House bill would authorize $73.0 million of Strategic Defense Initiative funds only for experiments and demonstration projects relating to anti-tactical ballistic missile systems.

The Senate amendment contained no similar provision.

The conferees recommend authorization of $50.0 million, a modification of the language provision to delete the reference to development, and specify that any system developed under this section shall be designed to be no less capable than the SA-X-12 system of the Soviet Union.

The Senate recedes.

Extended Air Defense (sec. 217(b))

Section 236 of the House bill would authorize $50.0 million only for the joint development and deployment, on a matching fund, cooperative program basis, of an anti-tactical ballistic missile (ATBM) system with U.S. allies.

Section 224 of the Senate amendment would authorize $100.0 million for research and development in connection with anti-tactical missile systems or extended air defense systems.

The conferees recommend authorization of $25.0 million to the Army for anti-tactical missile systems or extended air defense systems.

High temperature superconductivity research (sec. 218)

Section 229 of the Senate amendment would authorize $60.62 million in both fiscal year 1988 and 1989 only for a Department of Defense high temperature superconductivity research and development program.

The House bill contained no similar provision.

The House recedes with an amendment that clarifies the coordination requirements between the Secretary of Energy and the Under Secretary of Defense for Acquisition.

Center for advanced manufacturing technology training (sec. 219)

Section 230 of the Senate amendment would authorize up to $31.0 million in fiscal year 1988 and $31.0 million in fiscal year 1989 for the purchase of high technology manufacturing equipment and the installation of such equipment in a center for advanced manufacturing technology training.

The House bill contained no similar provision.

The House recedes.

The conferees recommend a total authorization of up to $25.0 million at the contingent level.

Implication of authorization of appropriations for SICBM and the rail mobile basing system (sec. 220)

The Senate amendment contained a provision (sec. 843) expressing the Sense of the Senate that the funds authorized for Research and Development for both the small ICBM and the mobile basing system for the MX missile do not constitute a commitment to procure or deploy either or both of those system.

The House bill contained no similar provision.

The House recedes with a technical amendment.

LEGISLATIVE PROVISIONS NOT ADOPTED

Specification of funds for testing activities

Section 214 of the House bill would authorize specific amounts for the activities of the Deputy Under Secretary of Defense, Test and Evaluation.

The Senate amendment contained no similar provision.

The House recedes.

STRATEGIC DEFENSE INITIATIVE

LEGISLATIVE PROVISIONS ADOPTED—SDI FUNDING AND LIMITATIONS

Strategic Defense Initiative (SDI) program funding level (sec. 221(a))

Section 221(a) of the House bill would authorize $2.846 billion for the Research, Development, Test and Evaluation (RDT&E) for the Strategic Defense Initiative program.

Section 231 of the Senate amendment would authorize $4.12 billion.

The conferees recommend authorization of $3,621.0 million.

Classified Laser Program (sec. 221(b)(1))

Section 221(b)(2) of the House bill would authorize $75.0 million only for a classified laser program.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would reduce authorization to $27.0 million.

Free-electron laser program for medical and material research (sec. 221(b)(2))

Section 208(a)(9) of the House bill would authorize $15.0 million to the Defense Agencies only for medical applications of the free-electron laser program for medical and material research.

The Senate contained no similar provision.

The Senate recedes with an amendment that would authorize $15.0 million under the Strategic Defense Initiative program.

Prohibition against certain contracts with foreign entities (sec. 222)

Section 229 of the House bill would limit certain Strategic Defense Initiative related projects from being performed by foreign governments or foreign firms unless certain conditions were met.

The Senate amendment (sec. 814) contained an identical provision and a provision (sec. 815) that would provide for an additional condition, allowing for SDI contracts with foreign firms where a foreign government or firm agrees to fund a substantial portion of the total contract cost.

The House recedes, with a technical amendment combining the two Senate provisions into a single section.

The conferees wish to provide some clarification to this provision. The legislative history of this provision does not suggest that its proponents intended it to apply to subcontracts. The conferees, therefore, agree that this provision is not to be interpreted as placing restrictions on subcontracts that are not contained in the current law.

The conferees also wish to make it clear that the Congress intends to closely monitor the implementation of this provision to ensure that the term "substantial" does not mean a mere token contribuiton to the total contract costs.

Limitation on transfer of SDI technology to Soviet Union (sec. 223)

The House bill contained a provision (sec. 227) that would prohibit the transfer of military technology developed under the Strategic Defense Initiative to the Soviet Union unless the President certifies that such a transfer is in the national interest, and Congress concurs in a Joint Resolution.

The Senate amendment contained no similar provision.

The Senate recedes.

Strategic Defense Initiative human control (sec. 224)

The Senate amendment contained a provision (sec. 816) that would require that any Strategic Defense Initiative system allow for human control in initiating a system component that could damage or destroy threatening objects.

The House bill contained no similar provision.

The House recedes with an amendment that clarifies the human control requirement.

Development and testing of ABM systems or components (sec. 225)

The Senate bill contained a provision (sec. 233) prohibiting the obligation or expenditure of FY 1988-89 funds to develop or test anti-ballistic missile (ABM) systems or components which are sea-based, air-based, space-based, or mobile land-based unless the President proposed to conduct such development or testing and the Congress passed a joint resolution under expedited procedures approving the President's proposal.

The House bill contained a provision (sec. 224) prohibiting the obligation or expenditure of any funds to develop, test, or deploy any ABM systems or components which are sea-based, air-based, space-based or mobile land-based unless the President certified to the Congress that extraordinary events related to such ABM systems or components have jeopardized the supreme national interests of the United States, necessitating a repeal of this limitation.

The House recedes with an amendment.

The conferees agreed to a provision requiring that DOD funds for FY 1988 and previous years be spent consistent with the SDI plan presented by the Defense Department to the Congress in the April 1987 SDIO Report. Specifically, the conferees agreed that funds provided to the Defense Department in FY 1988 or prior years for the development or testing of ABM systems or components may not be obligated or expended for any development or testing of ABM systems or components unless such development or testing is consistent with the testing and development described in the April 1987 SDIO report to Congress.

The conferees emphasize that a key declaration in the April 1987 SDIO Report is the statement that: "Since the President has decided as a matter of policy to observe the more restrictive interpretation of the ABM Treaty, all statements in this appendix [Appendix D of the Report] regarding compliance with the treaty provisions should be understood to be based on the more restrictive interpretation." Consistent with this statement, the Report describes no development or testing of space-based or other mobile-based ABM systems or components. The conferees agreed that "consistent with development or testing described in the April 1987 SDIO Report" means development or testing which does not involve space-based or other mobile-based ABM systems or components. By "development" and "testing", the conferees mean the definition of those terms as used by the United States Government in the ABM Treaty and as applied in Appendix D of the April 1987 SDIO Report.

The conferees further agreed that funds provided to the Defense Department for FY 1988 or prior years may not be obligated or expended for the acquisition of any material or equipment (including any long-lead materials, components, piece-parts, test equipment, or any modified space launch vehicle) required or to be used for the development or testing of ABM systems or components unless such material or equipment is required for development or testing consistent with the development and testing described in the April 1987 SDIO Report.

In adopting this provision, the conferees agreed that nothing in this limitation is intended or may be construed to preclude SDIO or contractor planning activities (including studies, design activities or computer simulations) related to any development or testing of ABM systems or components, including development and testing not described in the April 1987 SDIO report. In addition, the Defense Department may request, through normal budgeting procedures, authority to acquire material or equipment related to ABM development or testing not described in the April 1987 SDIO Report, but such requests would have to be specifically approved by the Congress. Such approval could take the form either of new legislation or Congressional approval of a transfer of funds. The conferees direct that no such transfer of any amount take place under this provision without prior notification and Congressional approval through the procedures that traditionally have governed transfers.

Prohibition on deployment of anti-ballistic missile system unless authorized by law (sec. 226)

The House bill contained a provision (sec. 226) that would prohibit the Secretary of Defense from deploying any anti-ballistic missile system unless it is specifically authorized by law.

The Senate amendment contained no similar provision.

The Senate recedes.

Establishment Federally Funded Research and Development Center Strategic Defense Initiative (sec. 227)

The Senate amendment contained a provision (sec. 235) that would establish a Federally Funded Research and Development Center (FFRDC) to provide technical assistance to the Strategic Defense Initiative program after certain conditions are met.

The House bill contained no similar provision.

The House recedes with an amendment that would authorize a Federally Funded Research and Development Center supporting the Strategic Defense Initiative program to be established. The conferees agree that, properly structured, a FFRDC for providing independent and objective information on elements of the SDI program would be useful and constructive. The best methods for ensuring that the new FFRDC provides vigorous and objective analysis are competitive procedures for determining the award of the contract, scientific peer review of the proposals for establishing the FFRDC, avoidance of conflict of interest, and congressional oversight.

The conferees further agreed that a contract establishing the FFRDC should not be awarded prior to October 1, 1989.

LEGISLATIVE PROVISION NOT ADOPTED—SDI FUNDING AND LIMITATIONS

Reaffirmation of U.S. right of self defense

The House bill contained a provision (sec. 231) that would reaffirm the right of the United States under the Constitution of the United States and International Law to defend and protect its citizens and its territories from ballistic missile attack through the deployment of ballistic missile defenses.

The Senate amendment contained no similar provision.

The House recedes. The conferees note that Article I of the ABM Treaty states "Each Party undertakes not to deploy ABM systems for a defense of the territory of its country . . ." The United States is obligated under International Law and the Constitution to abide by the terms of the ABM Treaty as long as it is in force. Thus, until such time as the United States withdraws from the ABM Treaty (as provided for in Article XV of the Treaty), it would seem obligated not to deploy an ABM system for territorial defense. Therefore, the language in the House bill would seem inconsistent with this obligation.

LEGISLATIVE PROVISIONS ADOPTED—REPORT REQUIREMENTS

Reports on Strategic Defense initiative programs (sec. 231)

Section 221(b)(1) of the House bill would authorize $25.0 million for a study of the defense of the United States against an accidental launch of strategic ballistic missiles.

Section 234 of the Senate amendment would provide for consolidated reporting requirements for the Strategic Defense initiative program to include reports on defense against an accidental launch, tactical ballistic missile defense, defense of national command authority, funding requirements and participation with allies.

The House recedes with an amendment that would require both a classified and an unclassified report and additional program cost information.

Report on SDI development plans and costs (sec. 232)

Section 222 of the House bill would require the Secretary of Defense to submit to the Committees on Armed Services of the Senate and House of Representatives a report on the total cost to develop and deploy a ballistic missile defense system.

The Senate amendment had no similar provision.

The Senate recedes with an amendment that would require the use of the system architecture defined for the SDI milestone one decision, if available.

Report on how the absence of an ABM Treaty would affect SDI (sec. 233)

The Senate amendment contained a provision (sec. 817) that would require a report to Congress by the Secretary of Defense on how the absence of any ABM Treaty limitations would effect the Strategic Defense Initiative program.

The House bill contained no similar provision.

The House recedes with an amendment that would also require the report to examine the effects of strategic defense on U.S. strategic offensive requirements and the effects on deterrence of comparable strategic defenses of different capabilities and potential vulnerabilities.

Annual report on Strategic Defense Initiative budget (sec. 234)

Section 223 of the House bill would require specific, annual funding details on the SDI program.

Section 232 of the Senate amendment would require a report on the allocation of the fiscal year 1988 appropriated funds for SDI.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED—REPORT REQUIREMENTS

Sense of Congress regarding SDI

Section 228 of the House bill stated the sense of Congress that research and technology development on strategic defense should continue to be supported by the Congress, that funding for the SDI program should not be substantially increased until the Congress is convinced that plans that call for increasing funding are both feasible and consistent with the objectives of the program, that the Secretary of Defense should develop a plan that describes the annual cost of and time to complete the necessary research and technology development, and that the Secretary of Defense should submit annually a report describing progress made in research and technology development.

The conferees agree to incorporate the plan in section 231, which contains similar reporting requirements.

The Senate amendment contained no similar provision.

The House recedes.

Purposes of the Strategic Defense Initiative program

Section 230 of House bill would define the purpose of the Strategic Defense Initiative program and require an annual report.

The Senate amendment contained no similar provision.

The House recedes.

B-1B BOMBER PROGRAM

LEGISLATIVE PROVISIONS ADOPTED

B-1B bomber program (sec. 241, 243-45)

Section 207 of the House bill would authorize $375.672 million for research, development, test and evaluation for the B-1B bomber program and would provide a number of program restrictions and various reporting requirements.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would modify the restrictions and reporting requirements.

The conferees are concerned that, in spite of substantial additional research and development funds allocated by Congress to efforts to improve the defense avionics of the B-1B aircraft, that aircraft may never achieve its originally forecast capability to penetrate heavily-defended Soviet airspace. The Congress intends to monitor closely the effectiveness of the efforts funded for the B-1B aircraft program for fiscal year 1988. Unless substantial and unambiguous progress toward solving the current deficiencies in the B-1B aircraft is manifestly evident by the spring of 1988, the conferees are prepared to recommend termination of further development activities for the aircraft.

Study of B-1B penetration ability (sec. 242)

The House bill contained a provision (sec. 113) that would authorize an assessment of the capability of the B-1B aircraft to penetrate enemy air defenses. An independent panel of experts from the private sector, under the auspices of the Secretary of Defense, would conduct the study.

The Senate amendment contained no similar provision.

The Senate recedes.

MISCELLANEOUS

LEGISLATIVE PROVISIONS ADOPTED

Cooperative medical research with the Veterans' Administration (sec. 251)

Section 241 of the House bill would authorize $25.0 million only for cooperative medical research to be administered jointly by the Secretary of Defense and the Administrator of the Veterans' Administration.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would authorize $20.0 million.

Lincoln Laboratory modernization program (sec. 252)

Section 242 of the House bill would provide authority for the Secretary of the Air Force to enter into a contract with the Massachusetts Institute of Technology to carry out a program for the modernization of the Lincoln Laboratory complex at Hanscom Air Force Base, Massachusetts.

The Senate amendment contained a similar provision (sec. 223).

The Senate recedes with an amendment that would require payments for this program be charged against amounts authorized to be appropriated to the agencies for which the Lincoln Laboratory provides support.

High-speed patrol boat (sec. 253)

Section 244 of the House bill would encourage the Secretary of the Navy to evaluate a new high-speed assault and missile boat.

The Senate amendment contained no similar provision.

The Senate recedes.

Pegasus engine (sec. 254)

Section 222 of the Senate amendment would repeal section 203(b) of the fiscal year 1987 Defense Authorization Act (Public Law 99-661) concerning the Pegasus engine safety and reliability improvements for the Marine Corps AV-8B aircraft.

The House bill contained no similar provision.

The House recedes.

Military use of NASA manned space station (sec. 255)

Section 839 of the House bill would require the Secretary of Defense to submit to the Committees on Armed Services of the Senate and House of Representatives a report on the activities planned by the Department of Defense to be conducted on or in conjunction with the permanently manned space station to be developed by the National Aeronautics and Space Administration.

The Senate amendment contained no similar provision.

The Senate recedes.

Advanced launch system (sec. 256)

Section 226 of the Senate amendment would limit conditions under which appropriations for the Advanced Launch System (ALS) could be obligated or expended.

The conferees recognize the absence of any near-term missions that would require an interim in Advanced Launch System, and accordingly specify that the request for proposals issued by the Secretary of Defense be exclusively directed toward the objective launch vehicle with the accompanying performance enhancements and cost reductions. However, the conferees also recognize that a mission of national significance may later be identified that could require a heavy lift capability before such performance and cost objectives are achieved. Thus, the Committees on Armed Services of the Senate and the House of Representatives would entertain future requests by the Secretary to restructure the ALS program to provide for such a capability if justified by national needs.

The House bill contained no similar provision.

The House recedes with an amendment that would delete the section on propulsion systems and allow for expenditure of not more than $50.0 million until certain conditions are met.

Space launch recovery (sec. 257)

Section 227 of the Senate amendment would allow for up to a total of $50.0 million to be transferred from the Army and the Navy to the Air Force for activities related to space launch recovery.

The House bill contained no similar provision.

The House recedes with an amendment that would require notification to Congress on the proposed transfer.

Study of nuclear warhead for ATACMS (sec. 258)

The Senate amendment contained a provision (sec. 848) that would authorize the Army to study the military utility and cost of a nuclear warhead option for the Army tactical missile system (ATACMS) notwithstanding that development of such a warhead is prohibited.

The House bill contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Anti-armor weapons testing

Section 246 of the House bill would require the Secretary of Defense to conduct a comparative operational test of shoulder-fired squad level anti-tank weapons.

The Senate amendment contained no similar provision.

The House recedes.

SEMICONDUCTOR COOPERATIVE RESEARCH PROGRAM

LEGISLATIVE PROVISIONS ADOPTED

Semiconductor cooperative research (sec. 271-276)

Section 208(d) of the House bill would authorize $15.0 million to the Defense Agencies only for the semiconductor manufacturing technology program in addition to other amounts authorized for such purpose. This would result in a total authorization of $25.0 million for the semiconductor manufacturing technology.

Section 230 of the Senate amendment would provide for the participation of the Department of Defense in a cooperative program of research and development on semiconductor manufacturing technology with the consortium established by the semiconductor industry (SEMATECH). Under the Senate amendment, the Defense Department would participate via a Memorandum of Understanding with the SEMATECH consortium containing certain terms and conditions. Industry would be required to match federal funding; semiconductor manufacturing technology from SEMATECH would be available to the Department of Defense for defense purposes; and an Advisory Council shall evaluate and report to the Department of Defense and the Armed Services Committees of the Senate and House of Representatives annually on federal participation in SEMATECH. The provision would also authorize $100.0 million in fiscal year 1988 and $100.0 million in fiscal year 1989 to carry out this program.

The House recedes with a technical clarification to ensure that for any fiscal year the matching funds provided by industry shall be greater than the total of all government funding (state, local, and federal). The approved amendment would authorize $100.0 million for DOD participation in SEMATECH in fiscal year 1988 only.

The conferees agree that there are major benefits for U.S. defense preparedness to be derived from SEMATECH; the principal emphasis in SEMATECH shall be on improving manufacturing technology to ensure U.S. leadership in the world market, and not on design and development of a single component; and the scientific resources of the U.S. government, and in particular the Department of Energy's National Laboratories, should be encouraged to participate in SEMATECH to the maximum extent.

The conferees note with approval that the agreed amendment assures the government an important voice in SEMATECH, but at the same time establishes a businesslike arrangement that will allow SEMATECH a reasonable degree of freedom in its operation and management.

The conferees intend that nothing in the agreed amendment will restrict the DOD Inspector General and the Comptroller General of the United States from fulfilling their responsibilities with respect to the funds herein authorized. Finally, the conferees intend that small business have a full opportunity to participate in the program.

TITLE III—OPERATION AND MAINTENANCE AND WORKING CAPITAL FUNDS

OVERVIEW

The House bill would authorize $83,048,294,000 for Department of Defense Operation and Maintenance and $881,214,000 for Working Capital Fund accounts, a reduction from the President's request of $3,515,100,000 and $320,000,000, respectively.

The Senate amendment would authorize $84,385,551,000 for Department of Defense Operation and Maintenance and $1,081,153,300 for Working Capital Fund accounts, a reduction from the President's request of $1,679,143,000 and $120,060,700, respectively.

The conferees agreed to authorization $83,811,937,000 for Department of Defense Operation and Maintenance and $981,214,000 for Working Capital Fund accounts, as reflected in the following tables. This level of authorization represents a reduction from the President's request of $2,751,457,000 and $220,000,000, respectively.

The conferees recommend authorization of $83,041,955,000 for Department of Defense Operation and Maintenance and $881,214,000 for Working Capital Fund accounts at the contingent level.

		SENATE BILL AS PASSED		HOUSE BILL AS PASSED		DIFFERENCE	CONFERENCE AGREEMENT		CONTINGENT LEVEL	
	FY 1988 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION	HOUSE +/- TO SENATE	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
OPERATION AND MAINTENANCE	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Army	22,120,394	(429,094)	21,691,300	(1,458,400)	20,661,994	(1,029,306)	(579,666)	21,540,728	(752,466)	21,367,928
Navy	25,652,830	(564,671)	25,088,159	(1,865,600)	23,787,230	(1,300,929)	(788,803)	24,864,027	(1,032,403)	24,620,427
Marine Corps	1,918,367	(18,401)	1,899,966	(43,300)	1,875,067	(24,899)	(30,901)	1,887,466	(43,301)	1,875,066
Air Force	21,325,282	(345,535)	20,979,747	(1,430,800)	19,894,482	(1,085,265)	(595,198)	20,730,084	(872,898)	20,452,384
Defense Agencies	7,602,907	(209,356)	7,393,551	(272,600)	7,330,307	(63,244)	(178,001)	7,424,906	(215,432)	7,387,475
Army Reserve	879,103	(6,925)	872,178	(23,300)	855,803	(16,375)	(16,942)	862,161	(16,942)	862,161
Naval Reserve	957,115	(16,361)	940,754	(5,900)	951,215	10,461	(9,556)	947,559	(16,361)	940,754
Marine Corps Reserve	71,361	(2,389)	68,972	(1,100)	70,261	1,289	(1,107)	70,254	(2,377)	68,984
Air Force Reserve	1,018,257	(7,905)	1,010,352	2,200	1,020,457	10,105	(4,199)	1,014,058	(4,399)	1,013,858
Army National Guard	1,862,152	(12,488)	1,849,664	34,400	1,896,552	46,888	21,457	1,883,609	6,418	1,868,570
Air National Guard	1,972,992	(4,018)	1,968,974	11,200	1,984,192	15,218	7,159	1,980,151	4,422	1,977,414
Rifle Practice, Army	4,099	0	4,099	0	4,099	0	0	4,099	0	4,099
Claims, Defense	273,574	(75,000)	198,574	(80,000)	193,574	(5,000)	(80,000)	193,574	(80,000)	193,574
Court of Military Appeals	3,461	0	3,461	0	3,461	0	0	3,461	0	3,461
Environmental Restoration, Defense	402,800	0	402,800	(10,000)	392,800	(10,000)	(10,000)	392,800	(10,000)	392,800
Pan American Games	0	0	0	0	0	0	0	0	0	0
Humanitarian Assistance	0	13,000	13,000	10,000	10,000	(3,000)	13,000	13,000	13,000	13,000
Military Health Care Account	0	0	0	2,116,800	2,116,800	2,116,800	0	0	0	0
Civilian Pay Raise	498,700	117,300	616,000	(498,700)	0	(616,000)	(498,700)	0	(498,700)	0
Total, Operation and Maintenance	86,563,394	(1,561,843)	85,001,551	(3,515,100)	83,048,294	(1.953.257)	(2.751.457)	83,811,937	(3,521,439)	83,041,955
OPERATION AND MAINTENANCE, ARMY	22,120,394									
FY 1987 Inflation Savings		(62,400)		(37,500)		24,900	(62,400)		(62,400)	
Expense/Investment Criteria		(10,300)		(38,000)		(27,700)	(19,000)		(38,000)	
Travel/Transportation		(22,486)		0		22,486	(22,486)		(22,486)	
Base Operations Support		(271,300)		0		271,300	(250,000)		(271,300)	
Contract Support Services		(21,929)		0		21,929	(21,929)		(21,929)	
Headquarters Reductions		(5,000)		0		5,000	(5,000)		(5,000)	
Command, Control and Communications		(25,000)		(38,500)		(13,500)	(38,500)		(38,500)	
Asset Capitalization Program		(31,700)		0		31,700	(15,900)		(15,900)	
CHAMPUS Growth		(44,200)		0		44,200	(44,200)		(44,200)	
Dental CHAMPUS Overpricing		(15,700)		0		15,700	(8,900)		(8,900)	
Primary Health Care Clinics		(16,479)		0		16,479	0		0	
Depot Maintenance		100,000		150,000		50,000	150,000		150,000	
Classified Programs		(2,600)		(6,700)		(4,100)	(9,351)		(11,851)	
Implementation of Audit Recommendations		0		(30,000)		(30,000)	(30,000)		(30,000)	
Morale, Welfare, and Recreation		0		(5,000)		(5,000)	(5,000)		(5,000)	
General Purpose Forces		0		(429,600)		(429,600)	(137,750)		(165,500)	
Central Supply and Maintenance		0		(159,700)		(159,700)	(100,000)		(159,700)	
Medical Activities		0		(110,000)		(110,000)	0		0	
Other General Personnel Activities		0		(48,200)		(48,200)	(20,000)		(45,000)	
Training		0		(88,300)		(88,300)	(30,000)		(40,000)	
Administration		0		(24,400)		(24,400)	(15,000)		(22,550)	
Civilian Pay Raise		0		141,000		141,000	105,750		105,750	
Transfers Out: CHAMPUS		0		(733,500)		(733,500)	0		0	
TOTAL CHANGES:		(429,094)		(1,458,400)		(1,029,306)	(579,666)		(752,466)	
ARMY SUBTOTAL:			21,691,300		20,661,994			21,540,728		21,367,928
OPERATION AND MAINTENANCE, NAVY	25,652,830									
FY 1987 Inflation Savings		(93,700)		(56,200)		37,500	(93,700)		(93,700)	
Expense/Investment Criteria		(13,200)		(48,400)		(35,200)	(24,200)		(48,400)	
Travel/Transportation		(15,254)		(5,000)		10,254	(15,300)		(15,300)	
Base Operations Support		(76,000)		(40,000)		36,000	(60,000)		(76,000)	
Contract Support Services		(86,217)		0		86,217	(14,600)		(14,600)	
Headquarters/Administration		(4,000)		(5,000)		(1,000)	(4,500)		(4,500)	
Command, Control and Communications		(50,000)		(15,000)		35,000	(32,500)		(32,500)	
Asset Capitalization Program		(142,500)		0		142,500	(71,300)		(71,300)	
CHAMPUS Growth		(50,700)		0		50,700	(50,700)		(50,700)	
Dental CHAMPUS Overpricing		(18,000)		0		18,000	(22,600)		(22,600)	
Primary Health Care Clinics		(13,900)		0		13,900	0		0	
Classified Programs		(1,200)		(8,000)		(6,800)	(3,203)		(8,403)	
Average Flying Hours		0		(90,000)		(90,000)	(23,000)		(43,000)	
Ship Operations		0		(116,000)		(116,000)	(25,000)		(45,000)	
Real Property Maintenance		0		(75,000)		(75,000)	(30,000)		(73,200)	
Sealift		0		(10,000)		(10,000)	(5,000)		(10,000)	
Depot Maintenance		0		(175,000)		(175,000)	(8,950)		(58,950)	
Modernization		0		(295,000)		(295,000)	(100,000)		(160,000)	
SSBN Overhaul		0		0		0	(110,000)		(110,000)	
Supply Operations		0		(20,000)		(20,000)	(20,000)		(20,000)	
Logistics Technical Support		0		(4,000)		(4,000)	(4,000)		(4,000)	
Logistics Field Support		0		(10,000)		(10,000)	(10,000)		(10,000)	
Logistics Industrial Preparedness		0		(8,700)		(8,700)	(8,700)		(8,700)	
Specialized Skill Training		0		(2,000)		(2,000)	(2,000)		(2,000)	
Professional Development		0		(1,000)		(1,000)	(1,000)		(1,000)	
Flight Training		0		(6,000)		(6,000)	(6,000)		(6,000)	
Training Support		0		(10,000)		(10,000)	(10,000)		(10,000)	
Recruiting and Advertising		0		(2,000)		(2,000)	0		0	

		SENATE BILL AS PASSED		HOUSE BILL AS PASSED		DIFFERENCE	CONFERENCE AGREEMENT		CONTINGENT LEVEL	
	FY 1988 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION	HOUSE +/- TO SENATE	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
PROGRAM	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Nonclosure of Philadelphia Naval Hospital		0		(1,600)		(1,600)	(1,600)		(1,600)	
Medical Programs		0		(10,000)		(10,000)	0		0	
Staten Island Commissary Support		0		(1,400)		(1,400)	(1,400)		(1,400)	
Education/Other Personnel Support		0		(3,000)		(3,000)	(3,000)		(3,000)	
Other Fleet Support		0		(5,000)		(5,000)	(5,000)		(5,000)	
Implementation of Audit Recommendations		0		(30,000)		(30,000)	(30,000)		(30,000)	
Morale, Welfare and Recreation Support		0		(10,000)		(10,000)	(10,000)		(10,000)	
Military Personnel Reductions		0		(2,000)		(2,000)	0		0	
Full Time Support Reductions		0		(1,000)		(1,000)	(500)		(500)	
Naval Audit Service Recommendations		0		(100,000)		(100,000)	(100,000)		(100,000)	
Civilian Pay Raise		0		158,600		158,600	118,950		118,950	
Transfers Out: CHAMPUS		0		(857,900)		(857,900)	0		0	
TOTAL CHANGES:		(564,671)		(1,865,600)		(1,300,929)	(788,803)		(1,032,403)	
NAVY SUBTOTAL:			25,088,159		23,787,230			24,864,027		24,620,427
OPERATION AND MAINTENANCE, MARINE CORPS	1,918,367									
FY 1987 Inflation Savings		(5,200)		(3,100)		2,100	(5,200)		(5,200)	
Expense/Investment Criteria		(2,000)		(7,300)		(5,300)	(4,700)		(7,300)	
Travel/Transportation		(401)		0		401	(401)		(401)	
Base Operations Support		(7,600)		(15,000)		(7,400)	(7,600)		(15,000)	
Headquarters Reductions		(1,000)		0		1,000	(1,000)		(3,000)	
Asset Capitalization Program		(2,200)		0		2,200	(1,100)		(1,100)	
General Purpose Forces		0		(10,000)		(10,000)	(6,000)		(6,000)	
Real Property Maintenance		0		(5,000)		(5,000)	(3,725)		(4,125)	
Command, Control and Communications		0		(1,000)		(1,000)	(1,000)		(1,000)	
Depot Maintenance		0		(2,000)		(2,000)	(2,000)		(2,000)	
Modernization		0		(1,000)		(1,000)	(1,000)		(1,000)	
Logistics Support Activities		0		(2,000)		(2,000)	(2,000)		(2,000)	
Training and Education		0		(2,000)		(2,000)	(2,000)		(2,000)	
Recruiting and Advertising		0		(1,000)		(1,000)	0		0	
Administration		0		(3,000)		(3,000)	0		0	
Civilian Pay Raise		0		9,100		9,100	6,825		6,825	
TOTAL CHANGES:		(18,401)		(43,300)		(24,899)	(30,901)		(43,301)	
MARINE CORPS SUBTOTAL:			1,899,966		1,875,067			1,887,466		1,875,066
OPERATION AND MAINTENANCE, AIR FORCE	21,325,282									
FY 1987 Inflation Savings		(66,600)		(40,300)		26,300	(66,600)		(66,600)	
Expense/Investment Criteria		(7,800)		(28,200)		(20,400)	(14,000)		(28,200)	
Travel/Transportation		(10,435)		0		10,435	(10,435)		(10,435)	
Base Operations Support		(112,800)		0		112,800	(80,000)		(112,000)	
Headquarters Reductions		(5,000)		0		5,000	(5,000)		(5,000)	
Command, Control and Communications		(10,000)		0		10,000	(10,000)		(10,000)	
Asset Capitalization Program		(49,800)		0		49,800	(25,000)		(25,000)	
B-1 Flying Hours		(17,100)		0		17,100	(17,100)		(17,100)	
CHAMPUS Growth		(35,100)		0		35,100	(35,100)		(35,100)	
Dental CHAMPUS Overpricing		(12,500)		0		12,500	(14,700)		(14,700)	
Primary Health Care Clinics		(13,200)		0		13,200	0		0	
Classified Programs		(5,200)		(2,900)		2,300	(5,263)		(9,763)	
Implementation of Audit Recommendations		0		(30,000)		(30,000)	(60,000)		(60,000)	
Strategic Forces		0		(130,000)		(130,000)	(60,000)		(100,000)	
General Purpose Forces		0		(130,000)		(130,000)	(60,000)		(110,000)	
Space Operations/Communications/Intelligence		0		(150,000)		(150,000)	(60,000)		(107,000)	
Airlift		0		(10,000)		(10,000)	(18,625)		(18,625)	
Modernization		0		(190,000)		(190,000)	(80,000)		(120,000)	
Medical		0		(60,000)		(60,000)	0		0	
Administration		0		(10,000)		(10,000)	(5,000)		(5,000)	
Flying Hours		0		(220,000)		(220,000)	(100,000)		(150,000)	
Small Computers		0		(51,400)		(51,400)	(41,000)		(41,000)	
Procurement Offsets		0		(30,000)		(30,000)	(38,000)		(38,000)	
Morale, Welfare and Recreation Support		0		(5,000)		(5,000)	(15,000)		(15,000)	
Commissary System		0		(5,000)		(5,000)	(5,000)		(5,000)	
Depot Maintenance		0		120,000		120,000	120,000		120,000	
Logistic Management Systems		0		42,000		42,000	42,000		42,000	
Civilian Pay Raise		0		91,500		91,500	68,625		68,625	
Transfers Out: CHAMPUS		0		(591,500)		(591,500)	0		0	
TOTAL CHANGES:		(345,535)		(1,430,800)		(1,085,265)	(595,198)		(872,898)	
AIR FORCE SUBTOTAL:			20,979,747		19,894,482			20,730,084		20,452,384
OPERATION AND MAINTENANCE, DEFENSE AGENCIES	**7,602,907**									
FY 1987 Inflation Savings		**(17,600)**		**(10,600)**		**7,000**	**(17,600)**		**(17,600)**	
Expense/Investment Criteria		**(5,200)**		**(19,700)**		**(14,500)**	**(9,800)**		**(19,700)**	
Travel/Transportation		**(22,620)**		**0**		**22,620**	**(22,350)**		**(22,450)**	
Base Operations Support		**(22,900)**		**0**		**22,900**	**(22,000)**		**(22,900)**	
Contract Support Services		**(41,236)**		**0**		**41,236**	**(41,236)**		**(41,236)**	
Headquarters Reductions		**(5,000)**		**0**		**5,000**	**(5,000)**		**(5,000)**	
Command, Control and Communications		**(15,000)**		**0**		**15,000**	**(15,000)**		**(15,000)**	
Implementation of Audit Recommendations		**0**		**(10,000)**		**(10,000)**	**(10,000)**		**(10,000)**	

		SENATE BILL AS PASSED		HOUSE BILL AS PASSED		DIFFERENCE	CONFERENCE AGREEMENT		CONTINGENT LEVEL	
	FY 1988 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION	HOUSE +/- TO SENATE	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
PROGRAM	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Stars and Stripes		0		(2,000)		(2,000)	(2,000)		(2,000)	
Classified Programs		(79,800)		(74,300)		5,500	(63,365)		(69,896)	
Defense Mapping Agency		0		(10,000)		(10,000)	0		0	
Defense Nuclear Agency		0		(5,700)		(5,700)	0		0	
Defense Logistics Agency		0		(50,000)		(50,000)	(6,000)		(10,000)	
American Forces Information Service		0		(2,600)		(2,600)	0		0	
Office of the Secretary of Defense		0		(12,600)		(12,600)	(5,000)		(10,000)	
Washington Headquarters Services		0		(20,000)		(20,000)	(7,000)		(13,000)	
Office of the Joint Chiefs of Staff		0		(18,000)		(18,000)	(5,000)		(10,000)	
Defense Contract Audit Agency		0		(15,000)		(15,000)	0		0	
Procurement Technical Assistance Centers		0		0		0	7,000		7,000	
Civilian Pay Raise		0		61,800		61,800	46,350		46,350	
Transfers Out: CHAMPUS		0		(83,900)		(83,900)	0		0	
TOTAL CHANGES:		(209,356)		(272,600)		(63,244)	(178,001)		(215,432)	
DEFENSE AGENCIES SUBTOTAL:			7,393,551		7,330,307			7,424,906		7,387,475
OPERATION AND MAINTENANCE, ARMY RESERVE	879,103									
FY 1987 Inflation Savings		(1,700)		(1,000)		700	(1,700)		(1,700)	
Travel/Transportation		(5,225)		0		5,225	(5,225)		(5,225)	
Selected Reserve Reductions		0		(19,800)		(19,800)	(10,950)		(10,950)	
Full Time Manning Reductions		0		(7,200)		(7,200)	(2,592)		(2,592)	
Civilian Pay Raise		0		4,700		4,700	3,525		3,525	
TOTAL CHANGES:		(6,925)		(23,300)		(16,375)	(16,942)		(16,942)	
ARMY RESERVE SUBTOTAL:			872,178		855,803			862,161		862,161
OPERATION AND MAINTENANCE NAVAL RESERVE	957,115									
FY 1987 Inflation Savings		(3,000)		(1,800)		1,200	(3,000)		(3,000)	
Expense/Investment Criteria		(400)		(1,600)		(1,200)	(1,000)		(1,600)	
Travel/Transportation		(2,261)		0		2,261	(2,261)		(2,261)	
Base Operations Support		(10,700)		0		10,700	(2,070)		(8,275)	
Selected Reserve Reductions		0		(2,600)		(2,600)	(1,575)		(1,575)	
Full Time Manning Reductions		0		(1,100)		(1,100)	(550)		(550)	
Civilian Pay Raise		0		1,200		1,200	900		900	
TOTAL CHANGES:		(16,361)		(5,900)		10,461	(9,556)		(16,361)	
NAVAL RESERVE SUBTOTAL:			940,754		951,215			947,559		940,754
OPERATION AND MAINTENANCE, MARINE CORPS RESERVE	71,361									
FY 1987 Inflation Savings		(300)		(200)		100	(300)		(300)	
Travel/Transportation		(289)		0		289	(289)		(289)	
Base Operations Support		(1,800)		0		1,800	(330)		(1,500)	
Expense/Investment Criteria		0		(200)		(200)	(100)		(200)	
Selected Reserve Reductions		0		(300)		(300)	(33)		(33)	
Full Time Manning Reductions		0		(500)		(500)	(130)		(130)	
Civilian Pay Raise		0		100		100	75		75	
TOTAL CHANGES:		(2,389)		(1,100)		1,289	(1,107)		(2,377)	
MARINE CORPS RESERVE SUBTOTAL:			68,972		70,261			70,254		68,984
OPERATION AND MAINTENANCE, AIR FORCE RESERVE	1,018,257									
FY 1987 Inflation Savings		(1,000)		(600)		400	(1,000)		(1,000)	
Expense/Investment Criteria		(100)		(500)		(400)	(300)		(500)	
Travel/Transportation		(205)		0		205	(205)		(205)	
Base Operations Support		(6,600)		0		6,600	(6,600)		(6,600)	
Selected Reserve Reductions		0		(2,800)		(2,800)	(672)		(672)	
Civilian Pay Raise		0		6,100		6,100	4,578		4,578	
TOTAL CHANGES:		(7,905)		2,200		10,105	(4,199)		(4,399)	
AIR FORCE RESERVE SUBTOTAL:			1,010,352		1,020,457			1,014,058		1,013,858
OPERATION AND MAINTENANCE, ARMY NATIONAL GUARD	1,862,152									
FY 1987 Inflation Savings		(3,700)		(2,200)		1,500	(3,700)		(3,700)	
Expense/Investment Criteria		0		(300)		(300)	(150)		(300)	
Travel/Transportation		(6,088)		0		6,088	(6,088)		(6,088)	
Base Operations Support		(2,700)		0		2,700	(2,700)		(2,700)	
Selected Reserve Reductions		0		(2,000)		(2,000)	(2,000)		(2,000)	
Full Time Manning Reductions		0		(5,200)		(5,200)	(2,600)		(2,600)	
Federal Support to Armories		0		25,000		25,000	25,000		12,500	
Civilian Technicians		0		7,000		7,000	4,620		2,231	
Civilian Pay Raise		0		12,100		12,100	9,075		9,075	
TOTAL CHANGES:		(12,488)		34,400		46,888	21,457		6,418	
ARMY NATIONAL GUARD SUBTOTAL:			1,849,664		1,896,552			1,883,609		1,868,570

		SENATE BILL AS PASSED		HOUSE BILL AS PASSED		DIFFERENCE	CONFERENCE AGREEMENT		CONTINGENT LEVEL	
	FY 1988 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION	HOUSE +/- TO SENATE	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
PROGRAM	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
OPERATION AND MAINTENANCE, AIR NATIONAL GUARD	1,972,992									
FY 1987 Inflation Savings		(2,800)		(1,700)		1,100	(2,800)		(2,800)	
Expense/Investment Criteria		(1,000)		(3,500)		(2,500)	(2,300)		(3,500)	
Travel/Transportation		(218)		0		218	(218)		(218)	
Selected Reserve Reductions		0		(700)		(700)	0		0	
Full Time Manning Reductions		0		(100)		(100)	0		0	
Civilian Pay Raise		0		12,500		12,500	9,375		9,375	
Civilian Technicians		0		4,700		4,700	3,102		1,565	
TOTAL CHANGES:		(4,018)		11,200		15,218	7,159		4,422	
AIR NATIONAL GUARD SUBTOTAL:			1,968,974		1,984,192			1,980,151		1,977,414
RIFLE PRACTICE, ARMY	4,099									
TOTAL CHANGES:		0		0		0	0		0	
RIFLE PRACTICE, ARMY SUBTOTAL:			4,099		4,099			4,099		4,099
CLAIMS, DEFENSE	273,574									
Program Growth Reductions		(75,000)		(80,000)		(5,000)	(80,000)		(80,000)	
TOTAL CHANGES:		(75,000)		(80,000)		(5,000)	(80,000)		(80,000)	
CLAIMS, DEFENSE			198,574		193,574			193,574		193,574
COURT OF MILITARY APPEALS	3,461									
TOTAL CHANGES:		0		0		0	0		0	
COURT OF MILITARY APPEALS SUBTOTAL:			3,461		3,461			3,461		3,461
ENVIRONMENTAL RESTORATION, DEFENSE	402,800									
Program Growth Reduction		0		(10,000)		(10,000)	(10,000)		(10,000)	
TOTAL CHANGES:		0		(10,000)		(10,000)	(10,000)		(10,000)	
ENVIRONMENTAL RESTORATION, DEFENSE SUBTOTAL			402,800		392,800			392,800		392,800
PAN AMERICAN GAMES	0									
TOTAL CHANGES:		0		0		0	0		0	
PAN AMERICAN GAMES SUBTOTAL			0		0			0		0
HUMANITARIAN ASSISTANCE	0									
Reauthorization of Humanitarian Assistance		13,000		10,000		(3,000)	13,000		13,000	
TOTAL CHANGES:		13,000		10,000		(3,000)	13,000		13,000	
HUMANITARIAN ASSISTANCE SUBTOTAL			13,000		10,000			13,000		13,000
MILITARY HEALTH CARE ACCOUNT	0									
Diagnosis Related Groups Methodology		0		(150,000)		(150,000)	0		0	
Transfers In: CHAMPUS		0		2,266,800		2,266,800	0		0	
TOTAL CHANGES:		0		2,116,800		2,116,800	0		0	
MILITARY HEALTH CARE ACCOUNT SUBTOTAL:			0		2,116,900			0		0
WORKING CAPITAL FUNDS										
Army Stock Fund	263,207	(26,300)	236,907	(70,000)	193,207	(43,700)	(48,150)	215,057	(70,000)	193,207
Navy Stock Fund	404,400	(40,400)	364,000	(75,000)	329,400	(34,600)	(57,700)	346,700	(75,000)	329,400
Marine Corps Stock Fund	0	0	0	0	0	0	0	0	0	0
Air Force Stock Fund	326,007	(32,600)	293,407	(100,000)	226,007	(67,400)	(66,300)	259,707	(100,000)	226,007
Defense Stock Fund	207,600	(20,700)	186,900	(75,000)	132,600	(54,300)	(47,850)	159,750	(75,000)	132,600
TOTAL - WORKING CAPITAL FUNDS	1,201,214	(120,000)	1,081,214	(320,000)	881,214	(200,000)	(220,000)	981,214	(320,000)	881,214

Fiscal year 1989 authorization

The Senate amendment would authorize $86,898,099,000 for Department of Defense Operation and Maintenance in fiscal year 1989, a reduction from the President's request of $3,146,998,000. The Senate amendment also would authorize $1,131,948,000 for Working Capital Fund accounts, the entire amount requested in fiscal year 1989.

The House bill did not authorize appropriations for Department of Defense Operation and Maintenance and for Working Capital Fund accounts in fiscal year 1989.

The conferees agreed to an authorization of $83,798,937,000 for Department of Defense Operation and Maintenance and $981,214,000 for Working Capital Fund accounts, as reflected in the following tables. This level of authorization represents a reduction from the President's request of $6,246,160,000 and $150,734,000, respectively.

		SENATE BILL AS PASSED		HOUSE BILL AS PASSED		DIFFERENCE	CONFERENCE AGREEMENT		CONTINGENT LEVEL	
	FY 1989 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION	HOUSE +/- TO SENATE	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
OPERATION AND MAINTENANCE	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Army	23,679,570	(1,096,374)	22,583,196	0	0	(22,583,196)	(2,138,842)	21,540,728	(2,311,642)	21,367,928
Navy	26,526,092	(935,994)	25,590,098	0	0	(25,590,098)	(1,662,065)	24,864,027	(1,905,665)	24,620,427
Marine Corps	1,939,216	(32,481)	1,906,735	0	0	(1,906,735)	(51,750)	1,887,466	(64,150)	1,875,066
Air Force	22,208,044	(675,089)	21,532,955	0	0	(21,532,955)	(1,477,960)	20,730,084	(1,755,660)	20,452,384
Defense Agencies	7,800,619	(110,861)	7,689,758	0	0	(7,689,758)	(375,713)	7,424,906	(413,144)	7,387,475
Army Reserve	958,229	(43,179)	915,050	0	0	(915,050)	(96,068)	862,161	(96,068)	862,161
Naval Reserve	1,036,814	(53,188)	983,626	0	0	(983,626)	(89,255)	947,559	(96,060)	940,754
Marine Corps Reserve	85,160	(11,675)	73,485	0	0	(73,485)	(14,906)	70,254	(16,176)	68,984
Air Force Reserve	1,070,395	(32,966)	1,037,429	0	0	(1,037,429)	(56,337)	1,014,058	(56,537)	1,013,858
Army National Guard	2,055,011	(99,296)	1,955,715	0	0	(1,955,715)	(171,402)	1,883,609	(186,441)	1,868,570
Air National Guard	2,030,888	(28,068)	2,002,820	0	0	(2,002,820)	(50,737)	1,980,151	(53,474)	1,977,414
Rifle Practice, Army	4,285	0	4,285	0	0	(4,285)	(186)	4,099	(186)	4,099
Claims, Defense	211,152	(12,578)	198,574	0	0	(198,574)	(17,578)	193,574	(17,578)	193,574
Court of Military Appeals	3,522	0	3,522	0	0	(3,522)	(61)	3,461	(61)	3,461
Environmental Restoration, Defense	436,100	(15,249)	420,851	0	0	(420,851)	(43,300)	392,800	(43,300)	392,800
Pan American Games	0	0	0	0	0	0	0	0	0	0
Humanitarian Assistance	0	0	0	0	0	0	0	0	0	0
Total, Operation and Maintenance	90,045,097	(3,146,998)	86,898,099	0	0	(86,898,099)	(6,246,160)	83,798,937	(7,016,142)	83,028,955
WORKING CAPITAL FUNDS										
Army Stock Fund	349,929	0	349,929	0	0	(349,929)	(134,872)	215,057	(156,722)	193,207
Navy Stock Fund	434,581	0	434,581	0	0	(434,581)	(87,881)	346,700	(105,181)	329,400
Marine Corps Stock Fund	0	0	0	0	0	0	0	0	0	0
Air Force Stock Fund	224,738	0	224,738	0	0	(224,738)	34,969	259,707	1,269	226,007
Defense Stock Fund	122,700	0	122,700	0	0	(122,700)	37,050	159,750	9,900	132,600
TOTAL - WORKING CAPITAL FUNDS	1,131,948	0	1,131,948	0	0	(1,131,948)	(150,734)	981,214	(250,734)	881,214

Civilian pay raise

The House bill would authorize $498.7 million to cover the cost of a three percent pay raise for Department of Defense civilian personnel, effective April 1, 1987.

The Senate amendment assumed a civilian pay raise of three percent, effective January 1, 1987 that was estimated to cost $616.0 million in budget authority, but was not reflected in the amount authorized for operation and maintenance.

The conferees agree to assume a civilian pay raise of three percent, effective January 1, 1987 that is estimated to cost $748.0 million in budget authority. In view of severe fiscal constraints, however, the conferees agreed to authorize $374.0 million to fund half of the civilian pay raise and direct the Department of Defense to absorb the remaining half in the various operation and maintenance accounts as reflected in the following table:

Service/Agency: [In millions of dollars]	*Amount of Absorption*
Army	−105.8
Navy	−119.0
Marine Corps	−6.8
Air Force	−68.6
Defense Agencies	−46.4
Army Reserve	−3.5
Naval Reserve	−0.9
Marine Corps Reserve	−0.1
Air Force Reserve	−4.6
Army National Guard	−9.1
Air National Guard	−9.4
Total	−374.2

AUTHORIZATIONS OF APPROPRIATIONS

LEGISLATIVE PROVISIONS ADOPTED

General authorization of appropriations for fuel costs, inflation adjustments, and pay raises (sec. 301(b))

The House bill contained a provision (sec. 301(b)) that would authorize additional appropriations as may be necessary for nonbudgeted increases associated with inflation and the price of fuel.

The Senate amendment contained a similar provision (sec. 301(b)) and included general authorization for increases in salary, pay, retirement and other employee benefits authorized by law for Department of Defense civilian employees.

The Senate recedes.

Limitation on the use of operation and maintenance funds to purchase investment items (sec. 303)

The House bill contained a provision (sec. 303) that would prohibit the use of operation and maintenance funds to purchase items of equipment costing more than $5,000.

The Senate amendment contained no similar provision.

The conferees agreed to a provision raising the unit cost for expense items of equipment to $15,000 in fiscal years 1988 and 1989, but restoring the $5,000 limit in fiscal year 1990. In order to maintain budget oversight of the additional cost associated with his change, the conferees direct the Secretary of Defense to reflect these costs as a separate display in operation and maintenance justification materials supporting future budget requests. The conferees also agreed to direct the General Accounting Office to conduct a study of procurement of expense of equipment in fiscal year 1988 to be completed by January 1, 1989 to assist Congress in establishing future unit cost dollar limits for such equipment.

The Senate recedes with an amendment.

LEGISLATIVE PROVISION NOT ADOPTED

PRIMUS and NAVCARE Clinics

The Senate amendment contained a provision (sec. 324) that fenced $60,181,000 of the funds authorized to be appropriated for operation and maintenance for fiscal year 1988 to be used only for the operation and maintenance of Primary Medical Care for the Uniformed Services (PRIMUS) clinics and Naval Primary Care (NAVCARE) clinics.

The House bill contained no similar provision but included the full amount requested in the fiscal year 1988 budget request for these clinics in the authorization for the Army, Navy, and Air Force operation and maintenance accounts.

The Senate recedes on this legislative provision because the conference agreement authorizes the full amount requested in the fiscal year 1988 budget request for these clinics in the Army, Navy, and Air Force operation and maintenance accounts.

PROGRAM CHANGES, REQUIREMENTS, AND LIMITATIONS

LEGISLATIVE PROVISIONS ADOPTED

Availability of U.S. products at defense package stores overseas (sec. 311)

The House bill contained a provision (sec. 304) that would require the Secretary of Defense to ensure that package beverage stores located on overseas military installations give appropriate treatment to items produced in the United States. U.S. items would be given equitable distribution, selection and price when compared with items produced by the host nation. The Secretary would be required to submit an annual report to Congress on implementation of this section.

The Senate amendment contained a similar provision (sec. 322) except no annual report would be required.

The House recedes.

Nonappropriated fund beer and wine purchases (sec. 312)

The fiscal year 1987 Defense Authorization Act (Public Law 99-661) provided that alcoholic beverages purchased for resale on a military installation in the United States be purchased from the most competitive source, price and other factors considered, except that malt beverages and wine purchased for resale on a military installation in the continental United States be purchased and accepted from a source of supply within the State in which the installation is located.

The House bill contained a provision (sec. 305) that would extend the requirement concerning the local procurement of malt beverages and wine to the States of Alaska and Hawaii.

The Senate amendment contained no similar provision.

The Senate recedes.

Pricing at commissary stores (sec. 313)

The House bill contained a provision (sec. 306) that would require the Secretary of Defense to prescribe regulations establishing uniform pricing policies for merchandise authorized for sale in commissary stores. The regulations developed should require the establishment of a sale price for each item that would recoup the actual invoice cost and promote the lowest practical price for merchandise sold with the intent of optimizing the compensation value of the commissary benefit.

The Senate amendment contained no similar provision.

The Senate recedes.

Limitation on Army depot maintenance funding and civilian personnel (sec. 314)

The House bill contained a provision (sec. 307) that would provide that no less than $1,031,000,000 of the funds appropriated for Army depot maintenance be used to perform workload in-house and would establish a floor of 20,500 for civilian personnel under the Army Materiel Command who are performing Army depot maintenance.

The Senate amendment contained no similar provision.

The conferees agreed to a provision that would require that not less than 60 percent of the funds appropriated for Army depot maintenance be used to perform workload in-house. At the same time, however, the conferees recognize that the current fiscal uncertainty and unforeseen operational requirements may have a serious impact on the execution of the Army depot maintenance program in fiscal year 1988 and could make the attainment of the mandated 60 percent in-house funding level inadvisable. In such an event, the conferees agreed to a requirement that the Secretary of the Army report back to the Armed Services Committees of the Senate and House of Representatives as soon as he determines that the 60 percent in-house funding level for depot maintenance cannot be met and provide a full description and justification for the deviation, along with a plan for the attainment of the 60 percent funding level in fiscal year 1989. The conferees wish to emphasize that the Army is expected to make every effort to stabilize and reverse the downward trend in organic capability and depot level employment.

The Senate recedes with amendments.

Prohibition on managing of civilian personnel by end strengths (sec. 315)

The House bill contained a provision (sec. 308) that would prohibit the Department of Defense from using end strength or any related methodology to manage civilian personnel, and would eliminate the requirement for the authorization of civilian personnel appropriations by end strength.

The Senate amendment contained a provision (sec. 441) that would waive the requirement for the authorization of civilian personnel appropriations by end strength for fiscal years 1988 and 1989.

The Senate amendment also contained a provision (sec. 442) that would limit funds for payment of civilian salaries and wages to $35.1 billion in fiscal year 1988 and to $35.4 billion in fiscal year 1989.

The House bill contained no similar provision.

The conferees agreed to extend for one more year the lifting of congressional end strength ceiling, not to impose a limitation of funding obligations for civilian personnel and to continue the prohibition of Department of Defense management of civilian personnel or related methodology through fiscal year 1988.

The conferees also agreed to modify the existing quarterly reporting requirements on the number and dollar obligations associated with Department of Defense civilians to reflect the number of civilians and dollar obligations for the entire quarter and not for each month within the quarter.

The Senate recedes with amendments.

Report on operating and support costs of major weapons systems (sec. 316)

The House bill contained a provision (sec. 309) that would require the Secretary of Defense to provide a report to the Committees of Armed Services of the Senate and House of Representatives on the operating and support costs of major weapon systems by February 1, 1988.

The Senate amendment contained no similar provision.

The Senate recedes.

Report on efforts to measure readiness (sec. 317)

The House bill contained a provision (sec. 311) that would require the Secretary of Defense to report to the Committees on Armed Services of the Senate and House of Representatives by February 1, 1988, on the status of Department of Defense efforts to identify and measure readiness and to relate such indicators and measurements to the budget process.

The Senate amendment contained no similar provision.

The Senate recedes.

Authority to provide free shuttle service for members and families in remote areas (sec. 318)

Section 2632 of title 10, United States Code, requires that a reasonable fee must be charged if a service Secretary provides transportation to and from work for persons attached to or employed by a military department.

The House bill contained a provision (sec. 314) that would allow a service Secretary to waive the transportation fee in remote areas and would authorize the transportation of dependents.

The Senate amendment contained no similar provision.

The conferees agreed to a provision that would clarify section 2632 of title 10 and section 314 of the House bill.

The Senate recedes with an amendment.

Operation of the United States Army School of the Americas (sec. 319)

The Senate amendment contained a provision (sec. 321) that would authorize the fixed costs of operating the Army's School of the Americas at Fort Benning, Georgia, to be paid from the Operation and Maintenance, Army account.

The House bill contained no similar provision.

By authorizing the Secretary of the Army to use O&M funds to pay the fixed costs to operate the School of the Americas, the conferees in no way intend that these funds be used for tuition or training of foreign military students at the School of the Americas.

The House Committee on Foreign Affairs and the Senate Committee on Foreign Relations have sole jurisdiction over the authorization for the International Military Education and Training (IMET) program, and sales of defense articles and services under the Arms Export Control Act, the principal sources of funding for the training of foreign military students. The conferees expect that foreign military students attending the School of the Americas will continue to have their tuition costs paid from these sources and not from Department of Defense O&M funds.

The House recedes.

Authority of the Secretary of Defense to repair and maintain memorials and historic sites on the island of Corregidor (sec. 320)

The Senate amendment contained a provision (sec. 325) that would authorize the Secretary of Defense to repair and maintain memorials and historic sites on the island of Corregidor. This provision also would authorize the Secretary to use Navy operation and maintenance funds, not to exceed $50,000, to support such repair and maintenance efforts.

The House bill contained no similar provision.

The conferees agreed to increase the limit on the Secretary's authorization to use Navy operation and maintenance funds from $50,000 to $100,000.

The House recedes with amendment.

Stars and Stripes Censorship (sec. 321)

The Senate amendment contained a provision (sec. 839) that would require the Comptroller General to conduct a study of allegations of censorship in the Department of Defense newspaper, Stars and Stripes. The report of the Comptroller General would be transmitted to the Congress not later than 90 days after the enactment of this Act and would include findings regarding the validity of the allegations and any recommendations considered appropriate.

The House bill contained no similar provision.

The House recedes.

The conferees agreed that during the study the Comptroller General should consult with Sigma Delta Chi, the national journalistic society.

USS Andrew Jackson (sec. 322)

The Navy planned to begin overhaul of the USS *Andrew Jackson* (SSBN 619) in March 1988.

In view of severe budget constraints, the conferees agreed to prohibit the expenditure of funds to overhaul, maintain, operate, or deploy the USS *Andrew Jackson*, with a resultant savings of $110 million.

The conferees recognize that the service life of this 25 year old Poseidon-class submarine could, through an overhaul, be extended for only a few years. Given the limited nature of the submarine's future military utility, the conferees agreed that effective March 1, 1988, no funds could be used to overhaul, operate, maintain or deploy the USS *Andrew Jackson*. The conferees expect the Navy to dispose of the submarine in a manner consistent with the disposition of previous Poseidon-class submarines that were withdrawn from service.

LEGISLATIVE PROVISIONS NOT ADOPTED

Funding limitation and study on dual source maintenance for F-15 aircraft

The House bill contained a provision (sec. 310) that would prohibit the establishment of a second source for maintenance of F-15 aircraft at McClellan Air Force Base.

The Senate amendment contained no similar provision.

The House recedes.

Repeal of requirement to pay certain expenses incidental to volunteer services from nonappropriated funds

Section 1588 of title 10, United States Code, permits reimbursement with nonappropriated funds for incidental expenses of voluntary services as an ombudsman or for a family service center program.

The House bill contained a provision (sec. 313) that would repeal subsection (c) of section 1588 which limits the source of reimbursement to nonappropriated funds.

The Senate amendment contained no similar provision.

The House recedes.

Authority for contractors to settle claims relating to movement of household goods directly with owners of goods

The House bill contained a provision (sec. 317) that would provide contractors the option to settle claims arising from household goods shipments, weighing over 2,000 pounds, directly with the service member.

The Senate amendment contained no similar provision.

The House recedes.

New threat upgrade (NTU) program

The Senate amendment included a provision (sec. 326) that would deny funds to the Navy for use in the New Threat Upgrade (NTU) overhaul program for work performed under a cost-plus type contract unless the Secretary of the Navy certifies that this contract procedure results in a lower cost at either a public or private shipyard, or that some overriding national security consideration exists.

The House bill contained no similar provision.

The Senate recedes.

HUMANITARIAN AND OTHER ASSISTANCE

LEGISLATIVE PROVISION ADOPTED

Extension of authorization for certain humanitarian assistance (sec. 331-332)

The House bill contained a provision (sec. 312) that would authorize $10 million for transporting relief supplies to Afghan refugees and would extend, for two years, the authority for space-available transportation of humanitarian supplies to certain countries in Central America.

The Senate amendment contained a provision (sec. 331) that would authorize $13 million for Afghan supplies, and another provision (sec. 332) that would provide permanent authorization for space-available transportation for humanitarian supplies to any country in the world.

The House recedes with amendment.

TITLE IV—PERSONNEL AUTHORIZATIONS

PART A—ACTIVE FORCES

ACTIVE FORCES END STRENGTH

Active duty military strengths for the Army, Marine Corps, and Air Force for fiscal year 1988 in the Senate amendment (sec. 401) and the House bill (sec. 401) were identical. The Navy end strength recommendations differed by a total of 1,000.

The House recedes.

The following table summarizes the conference agreement:

	Administration request	House	Senate	Conference
Army	780,900	780,900	780,900	780,900
Navy	593,200	592,200	593,200	593,200
Marine Corps	199,600	199,600	199,600	199,600
Air Force	598,700	598,700	598,700	598,700
Total	2,172,400	2,171,400	2,172,400	2,172,400

The Senate amendment would authorize the Administration request for active duty end strengths for fiscal year 1989. The House bill contained no similar provision. The House recedes with an amendment authorizing fiscal year 1989 end strengths at fiscal year 1988 levels. The conferees emphasize that this action is taken without prejudice and that fiscal year 1989 end strength levels will be reviewed once again next year. The following table summarizes the conference agreement.

	Administration request	Senate	Conference
Army	780,900	780,900	780,900
Navy	602,800	602,800	593,200
Marine Corps	200,100	200,100	199,600
Air Force	600,600	600,600	598,700
Total	2,184,400	2,184,400	2,172,400

Strength of active-duty officer corps (sec. 402)

The House bill contained a provision (sec. 402) that would delay by one year the two and three percent officer strength reductions mandated for fiscal years 1988 and 1989 and require the General Accounting Office to submit a report examining the growth in the officer corps since 1980 and to make recommendations for reducing the number of officers with the minimum effect on readiness.

The Senate bill contained no similar provision.

The Senate recedes with an amendment striking the House provision and authorizing the Secretary of Defense to waive up to one-half of the required two percent reduction in fiscal year 1988. In order to exercise this waiver, the Secretary of Defense must certify to the Committees on Armed Services of the Senate and the House of Representatives that a two percent reduction, without temporary legislative relief from tenure and active duty service commitment statutes, would cause severe personnel management problems in the military services. Such certification must be accompanied by recommended legislative language to effect such temporary relief for future reductions.

The amendment also provides that if the Secretary of Defense exercises this waiver authority, the waived portion of the reduction may be combined with the remaining three percent reduction for fiscal year 1989 and split equally between the two years following fiscal year 1988.

The conferees direct the Secretary of Defense to submit a comprehensive officer requirements study to the Committees on Armed Services of the Senate and the House of Representatives no later than March 1, 1988. The conferees also direct the General Accounting Office to evaluate the DOD report and to submit its findings to the Committees no later than April 1, 1988. The Secretary of Defense is further directed to (1) provide GAO with complete information on the methods, assumptions, and reporting formats prior to data collection and summarization and (2) provide all information to the GAO for review as the DOD study is being conducted and drafted.

The conferees emphasize that they remain concerned about the disproportionate growth in the officer corps of each of the military services and the inability of the Department of Defense to provide analytically compelling justification for the growth.

In taking action to reduce the size of the officer corps last year, the Congress required the Secretary of Defense to submit a report to the Committees on Armed Services by February 1, 1987 on the manner in which the reductions had been or were to be apportioned among the military services for fiscal years 1987 and 1988. The Secretary of Defense failed to comply completely with this requirement. He provided a report that only apportioned the one percent reduction for fiscal year 1987.

In his report, the Secretary of Defense indicated that he intended to delay addressing the fiscal year 1988 allocation until he had an opportunity to review a comprehensive study on officer requirements that was due to him by the end of June 1987. The study was completed in April 1987 and was shared with the Committees on Armed Services. The Secretary of Defense chose to continue to defer compliance with the statutory requirement to make a reduction allocation for fiscal year 1988.

At the request of the Chairman of the House Armed Services Committee, the General Accounting Office examined the April 1987 Department of Defense officer requirements study that was to justify officer growth. The General Accounting Office concluded in a report entitled "Military Officers: DOD's Implementation of Congressionally Mandated Reductions" issued in October 1987 that "Although the study presents data on increases in the number of officers between fiscal years 1980 and 1986 by combat- and non-combat-related categories, it does not sufficiently explain the reasons for this growth."

The conferees note that the fact that the Department of Defense did not adequately explain the growth does not, in and of itself, mean that the growth was not justified. The conferees expect that a comprehensive officer requirements study will shed light on whether the growth in the active duty officer corps since 1980 can be justified on the basis of force structure, organizational and doctrinal changes, correcting for wartime shortfalls, emerging technologies and other DOD criteria cited in the October 1987 GAO report.

It is obvious to the conferees that although the Department of Defense has been aware of the concerns of the Committees on Armed Services on this issue since as early as July 1986, it has failed to make its case to date.

The conference agreement is structured to give the Department of Defense another chance to justify the growth and, at the same time, provide flexibility to the military services in implementing the reductions. The conferees will continue to review this matter with the Department of Defense during fiscal year 1988, and will sustain, modify, or repeal the remaining reduction depending on how well the department makes its case.

In executing the fiscal year 1988 cut, the conferees expect the Secretary of Defense to exempt medical personnel. Because current shortages of doctors and nurses represent "war stopping" shortfalls, the conferees believe that medical specialties must be sheltered. In addition, the conferees expect the Secretary of Defense to ensure that the reductions are not concentrated solely on new accessions and junior officers. In developing a plan to accomplish the cuts, the Secretary should recommend temporary changes to defense personnel management statutes that will permit the removal of senior officers in the grades of 0-4, 0-5, and 0-6 and should execute the reduction in a way that will provide the minimum level of disruption to the long-term force profile.

Savings resulting from annualization of reductions

The House bill contained a provision (sec. 403) that would achieve savings resulting from the annualization of the reductions during fiscal year 1987 in the active duty officer corps.

The Senate amendment contained no similar provision. The Senate recedes.

PART B—RESERVE FORCES

RESERVE FORCES STRENGTH

Selected Reserve strength (sec. 411)

End strengths for reserve forces for fiscal year 1988 in the Senate amendment (sec. 421) and the House bill (sec. 411) differed by a total of 7,275. The following table illustrates the differences and the conference results:

	Administration request	House	Senate	Conference
Army National Guard	458,800	457,270	454,200	457,270
Army Reserve	330,400	327,645	322,100	324,300
Naval Reserve	157,400	155,404	151,500	152,600
Marine Corps Reserve	43,700	42,800	43,600	43,600
Air National Guard	116,700	113,429	115,900	115,900
Air Force Reserve	83,300	79,562	82,400	82,400
Coast Guard Reserve	13,500	14,000	13,500	14,000
Total	1,203,800	1,175,925	1,183,200	1,190,070

The Senate amendment also contained a provision (sec. 421(b)) that would permit the Secretary of Defense to vary a reserve component's end strength by not more than two percent.

The House bill contained a similar provision (sec. 411(b)) that would permit the Secretary of Defense to vary a reserve component's end strength by not more than five percent.

The Senate recedes with an amendment that would limit the waiver authority to not more than four percent.

Finally, section 421 of the Senate amendment would authorize Selected Reserve end strengths for fiscal year 1989.

The House bill contained no similar provision.

The House recedes with an amendment authorizing fiscal year 1989 selected Reserve end strengths at fiscal year 1988 levels. The conferees emphasize that this action is taken without prejudice and that fiscal year 1989 end strength levels will be reviewed once again next year.

The following table summarizes the conference agreement:

	Administration request	Senate	Conference
Army National Guard	464,900	455,700	457,270
Army Reserve	339,100	324,300	324,300
Naval Reserve	161,700	152,600	152,600
Marine Corps Reserve	44,500	44,300	43,600
Air National Guard	117,700	116,700	115,900
Air Force Reserve	85,500	84,000	82,400
Coast Guard Reserve	15,300	15,300	14,00
Total	1,223,700	1,192,900	1,190,070

Full-time support (sec. 412)

The Senate amendment (sec. 422) and the House bill (sec. 412(a)) differed by a total of 127 for full-time manning for fiscal year 1988. The following table illustrates the differences and the conference results:

	Administration request	House	Senate	Conference
Army National Guard	26,389	25,725	25,930	25,725
Army Reserve	14,250	13,329	12,867	13,329
Naval Reserve	22,505	21,476	21,991	21,991
Marine Corps Reserve	2,015	1,745	1,945	1,945
Air National Guard	7,906	7,631	7,836	7,836
Air Force Reserve	669	665	669	669
Total	73,734	70.571	70,698	71,495

The House bill also contained a provision (sec. 412(b)) that would permit the Secretary of Defense to vary a reserve component's full-time manning end strength by not more than five percent.

The Senate amendment contained no similar provision.

The House recedes.

Finally, section 422 of the Senate amendment would authorize end strengths for reserves on active duty in support of reserve components in fiscal year 1989.

The House bill contained no similar provision.

The House recedes with an amendment authorizing fiscal year 1989 full-time manning at fiscal year 1988 levels. The conferees emphasize that this action is taken without prejudice and that fiscal year 1989 end strength levels will be reviewed once again next year.

The following table summarizes the conference agreement:

	Administration request	Senate	Conference
Army National Guard	27,718	25,720	25,725
Army Reserve	16,000	13,307	13,329
Naval Reserve	23,665	22,571	21,991
Marine Corps Reserve	2,285	2,145	1,945
Air National Guard	7,972	7,886	7,836
Air Force Reserve	669	669	669
Total	78,309	72,298	71,495

LEGISLATIVE PROVISION ADOPTED

Increase in number of members in certain grades authorized to be on active duty in support of the reserves (sec. 413)

The Senate amendment contained a provision (sec. 423) that would permit an increase in the number of members in certain grades authorized to be on active duty in support of the reserves during fiscal years 1988 and 1989.

The House bill contained a similar provision (sec. 413), addressing fiscal year 1988 only.

The House recedes with an amendment.

PART C—MILITARY TRAINING STUDENT LOADS

LEGISLATIVE PROVISIONS ADOPTED

Authorization of training student loads (sec. 421)

The Senate amendment contained a provision (sec. 431) authorizing average military training student loads for fiscal years 1988 and 1989.

The House bill contained a similar provision (sec. 421), addressing fiscal year 1988 only.

The House recedes.

AUTHORIZATION LIMIT

LEGISLATIVE PROVISION ADOPTED

Limitation on the amount appropriated for military personnel (sec. 431)

The House bill contained a provision (sec. 507) that would prohibit the expenditure or transfer of Department of Defense funds for the purpose of funding social security free wage credits during fiscal years 1988 and 1989.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment striking the provision and providing that not more than $77,491 million may be spent for military personnel during fiscal year 1988.

Section 431 would provide a ceiling of $77,109 million for military personnel during fiscal year 1988 at the contingent level.

TITLE V—MILITARY PERSONNEL

LEGISLATIVE PROVISIONS ADOPTED

Extension of authority to make temporary promotions of certain Navy lieutenants until September 30, 1989.

The House bill contained a similar provision (sec. 501).

The Senate recedes with an amendment concerning the provision's effective date.

Extension of certain reserve officer management programs (sec. 502)

The Senate amendment contained a provision (sec. 502) that would extend until September 30, 1989, several authorities concerning the management of reserve officer personnel.

The House bill contained a similar provision (sec. 502).

The Senate recedes with an amendment concerning the provision's effective date.

Extension of single parent enlistment authority in the reserve components (sec. 503)

The Senate amendment included a provision (sec. 503) that would extend until September 30, 1989, the authority for certain single parents leaving active duty to join the reserve components.

The House bill contained a similar provision (sec. 503) that would extend this authority until September 30, 1990.

The House recedes.

Authority to award degree of master of laws in military law (sec. 504)

The House bill contained a provision (sec. 504) that would allow the Commandant of the Judge Advocate Generals' School of the Army to confer the degree of master of laws (LLM) in military law upon graduates when recommended by law school faculty.

The Senate amendment contained no similar provision.

The Senate recedes.

Withholding of state and local income taxes for National Guard and reserve drill pay (sec. 505)

The House bill contained a provision (sec. 505) that would authorize the voluntary withholding of state and local taxes for National Guard and Reserve drill pay.

The Senate amendment contained no similar provision.

The Senate recedes.

One-year delay in minimum percentage of Air Force enlistees required to be women (sec. 506)

The House bill contained a provision (sec. 506) that would delay until September 30, 1989, the 22 percent female accession goal for the Air Force.

The Senate amendment contained no similar provision.

The Senate recedes.

Study of wartime mobilization requirements of the Coast Guard (sec. 507)

The House bill contained a provision (sec. 508) that would require the Secretary of Transportation to submit to Congress a plan describing how the Coast Guard would meet 95 percent of its wartime mobilization requirements by 1998.

The Senate amendment contained no similar provision.

The Senate recedes.

Wearing of religious apparel by members of the armed forces while in uniform (sec. 508)

The House bill contained a provision (sec. 509) that would permit members of the armed forces to wear religious apparel if it is "neat and conservative" and does not interfere with the performance of the members' duties.

The Senate amendment contained an identical provision.

The conferees are concerned about reports that the implementing regulations may be written so narrowly as to exclude virtually all religious apparel. The law does not list eligible items of apparel, but the conferees note that the Army in the past has permitted the wearing of Sikh turbans and that the Senate and House floor debates cited various examples of the wearing of Jewish yarmulkes by members of the armed forces. The statute leaves the service Secretaries with discretion as to specific items of religious apparel, but the conferees emphasize that a regulation that would exclude virtually all religious apparel would be contrary to precedent and the purposes of this statute.

The conferees note that in drafting this section, the Congress has been extremely sensitive to the needs of the armed forces for uniformity, safety, good order, and discipline, and has carefully balanced those needs in light of the right of service members to freedom of religion, as well as the need to avoid governmental establishment of religion.

The conferees note that concern has been expressed that the "neat and conservative" standard may require commanders to make difficult determinations but agree that this issue can be largely alleviated by addressing in regulations those items of religious apparel that are likely to be at issue. Although the statute vests discretion in the service Secretaries to determine what is "neat and conservative," the conferees expect the Department of Defense to issue directives to ensure that the term "neat and conservative" is applied in a fair and reasonable manner that effectuates the purposes of the statute.

The provision also permits the Secretary concerned to prohibit the wearing of an item of religious apparel when "it would interfere with the performance of the members' military duties." The conferees note that the "nonuniform" aspect of religious apparel should not be used as the sole basis for involving the interference with duties provision, except in unique circumstances, such as to those involving ceremonial units, and, even then, only when actually performing ceremonial functions.

With respect to determinations concerning interference with military duties, the conferees expect that the procedures for making and reviewing such determinations will be specified by a Department of Defense Directive and service implementing regulations. Such regulations shall provide guidance as to the type of safety and other concerns that may be used in making such a determination. The conferees note that the determination as to whether the wearing of a particular item would interfere with military duties must be made, at the outset, by the member's immediate chain of command and that the individual is obligated to obey an order to refrain from wearing that item until review of the matter has been completed. To ensure that the issue in individual cases is resolved promptly, the conferees direct that implementing regulations provide that final review take place within 30 days for cases arising within the United States, and within 60 days for all other cases, with strict limitations on exceptions for exigent circumstances.

The new statute will apply only to the apparel "the wearing of which is part of the observance of the religious faith practiced by the member." The conferees recognize that this may require some difficult judgments but that authoritative guidance as to many items of apparel can be provided by regulation. The conferees expect that the regulations will provide a means for prompt and authoritative resolution of any novel issues to ensure that this protection is provided only to bona fide claims that the wearing of an item is part of the observance of the religious faith practiced by the member.

Military education program for Army National Guard civilian technicians (sec. 509)

The House bill included a provision (sec. 510) that would prohibit the denial of promotion of Army National Guard civilian technicians who are unable to complete training requirements because of a lack of training spaces. The provisions also would require the General Accounting Office to submit a report on the Military Education Program describing its cost effectiveness, its impact on readiness, and its effect on civilian technicians' benefits.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would clarify that otherwise fully qualified civilian technicians for whom there are no training spaces may not be denied promotion solely because they did not complete required training.

ROTC financial assistance program (sec. 510)

The Senate amendment contained a provision (sec. 432) that would abolish individual service ceilings for Reserve Officer Training Corps (ROTC) scholarships, establish a Department of Defense ceiling of 29,500, and require the Secretary of Defense to allocate the number of ROTC scholarships among the services.

The House bill contained a similar provision (sec. 511).

The House recedes.

Authority to transfer between services authorizations for appointments in grades above major general and rear admiral (sec. 511)

The Senate amendment contained a provision (sec. 504) that would allow the President to realign temporarily the number of three- and four-star general and flag officers in the various services.

The House bill contained no similar provision.

The House recedes with technical and clarifying amendments.

Retired grade of certain reserve enlisted members (sec. 512)

The Senate amendment contained a provision (sec. 646) that would permit enlisted members of the Army and Air Force reserve components who were serving on full-time active duty at the time of retirement to be advanced on the retired list to the highest grade held satisfactorily when their active service combined with their service on the retired list totals thirty years.

The House bill contained no similar provision.

The House recedes with amendments making technical corrections and authorizing similar provisions for Navy and Marine Corps personnel.

Testing program for drug, chemical, and alcohol use and dependency prior to entry into the armed forces (sec. 513)

The Senate amendment contained a provision (sec. 834) that would require testing for drug, chemical, and alcohol use and dependency as a part of the pre-induction physical for accessions into the active and reserve components of the armed forces, including those in the delayed entry program (DEP).

The House bill contained no similar provision.

The House recedes with a technical amendment.

The conferees expect that the Secretary of Defense will promulgate regulations to ensure practical, reliable and available methods of testing are utilized in the implementation of this section.

LEGISLATIVE PROVISION NOT ADOPTED

Elimination of one of the statutory positions of Assistant Judge Advocate General in the Navy

The Senate bill contained a provision (sec. 810) that would repeal the position of Assistant Judge Advocate General of the Navy, one of two statutory positions authorized in section 5149(b), Title 10, U.S.C.

The House bill contained no similar provision.

The Senate recedes. The Senate took its action because the nominal incumbent to the position was assigned to primary duties outside of the Navy. The Secretary of the Navy has since taken action to return the nominal incumbent to primary duty in the Navy in a position consistent with the intent of section 5149(b), Title 10, U.S.C. In reporting his action to the Congress, the Secretary of the Navy indicated his concurrence that the existing statute requires the assignment of the Assistant Judge Advocate General of the Navy to duties within the Department of the Navy. The conferees stress the necessity for the Navy to comply with the intent of this section of statute or to again face repeal of this position.

TITLE VI—COMPENSATION AND OTHER PERSONNEL BENEFITS

PART A—PAY AND ALLOWANCES

LEGISLATIVE PROVISIONS ADOPTED

Military pay raise for fiscal year 1988 (sec. 601)

The Senate amendment included a provision (sec. 601) that would provide a four percent increase in basic pay, basic allowance for quarters, and basic allowance for subsistence effective January 1, 1988, for members of the uniformed services.

The House bill contained a provision (sec. 601) that would provide a three percent increase in basic pay, basic allowance for quarters, and basic allowance for subsistence effective the same date.

The House recedes with an amendment providing: (1) a three percent increase in basic pay; (2) a three percent increase in basic allowance for subsistence; and (3) a six percent increase in basic allowance for quarters. All of these increases are effective January 1, 1988.

The conferees note that, in 1985, basic allowance for quarters (BAQ) rates are restructured so that they would cover 65 percent of national median housing costs in each pay grade. Since the 1985 restructuring, BAQ has lagged behind housing cost growth, causing BAQ to fall below the 65 percent standard. The conferees intend the six percent increase in BAQ to be a step toward restoring BAQ to the 65 percent standard.

The contingent authorization provides a three percent increase in basic pay, basic allowance for subsistence, and basic allowance for quarters effective January 1, 1988.

GAO report on fairness of military housing allowances (sec. 602)

The Senate amendment included a provision (sec. 602) that would allow service members in the grade of E-4 and above who are married to other members to receive basic allowance for quarters when they are both assigned to sea duty.

The House bill contained no similar provision.

The Senate amendment also contained a provision (sec. 603) that would allow service members in the grade of E-7 and above who are considered "with dependents" soley by reason of paying child support, who are assigned adequate government quarters, and who maintain private quarters on shore while assigned to sea duty to receive a variable housing allowance.

The House bill contained no similar provision.

The House recedes with an amendment that would strike the provisions and replace them with a single provision that would direct the General Accounting Office to review and report on the military housing allowance system as it pertains to dual service couples and divorced service members and to make recommendations for appropriate changes to ensure that dual service couples and divorced service members are compensated fairly vis-a-vis service members married to civilians and single service members, respectively. This report is to include a review of all previous Department of Defense and military service studies on this subject, as well as previous legislative action in this area.

PART B—TRAVEL AND TRANSPORTATION

LEGISLATIVE PROVISIONS ADOPTED

Allowance for civilian clothing (sec. 611)

The Senate amendment contained a provision (sec. 605) that would authorize the payment of a civilian clothing allowance to members of the armed forces who are required to wear such clothing in the performance of duties in high risk, overseas assignment.

The House bill contained no similar provision.

The House recedes.

Reimbursement for actual lodging expenses plus per diem for members entitled to travel allowances (sec. 612)

The Senate amendment included a provision (sec. 606) that would repeal the requirement for a cost-savings certification before a lodgings plus per diem system could be implemented for military personnel on temporary duty assignment.

The House bill contained no similar provision (sec. 612).

The House recedes.

Authority to pay dislocation allowance in advance (sec. 613)

The Senate amendment contained a provision (sec. 621) that would authorize the payment of the dislocation allowance in advance.

The House bill contained no similar provision.

The House recedes.

Transportation allowance to encourage voluntary extensions of tours of duty in foreign countries (sec. 614)

The Senate amendment contained a provision (sec. 611) that would authorize a transportation allowance for a member and his dependents when the member voluntarily agrees to extend his overseas tour for a period of at least one half of the overseas tour prescribed for his permanent duty station.

The House bill contained a similar provision (sec. 622).

The Senate recedes with an amendment authorizing the transportation allowance until September 30, 1989, requiring the General Accounting Office to review and report on the cost effectiveness of the program following the first year of implementation, and clarifying the type of leave for which a certain transportation allowance is granted.

Transportation of family members of seriously ill or injured member (sec. 615)

The Senate amendment included a provision (sec. 623) that would authorize round-trip transportation for not more than two family members of a seriously ill or injured service member if the family's presence is deemed necessary for the member's health and welfare.

The House bill contained no similar provision.

The House recedes.

Transport of leased vehicles during a permanent change of station (sec. 616)

The Senate amendment contained a provision (sec. 624) that would permit the leased vehicle of a servicemember to be transported at government expense in connection with a permanent change of station.

The House bill contained no similar provision.

The House recedes with an amendment.

Reimbursement for travel with Members of Congress (sec. 617)

Section 837 of the Senate amendment contained a provision that would permit employees of the Departments of Defense and Transportation, to include military members, to be reimbursed for their official travel expenses while accompanying Members and employees of the Congress at the same rate as approved for official congressional travel. This amendment would provide a equitable reimbursement rate and standardize the departments' accounting procedures for the employees who are directed to accompany Members and employees of the Congress while on official business.

The House bill contained no similar provision.

The House recedes with a technical amendment.

LEGISLATIVE PROVISION NOT ADOPTED

Household goods weight allowances for senior enlisted personnel

The Senate amendment contained a provision (sec. 604) that would revise the household goods weight allowances for senior enlisted personnel.

The Senate amendment contained no similar provision.

The Senate recedes.

The conferees emphasize that adjustments in household goods weight allowances can be justified for most pay grades, not just senior enlisted personnel. In addition, the conferees note that a recent report by the Department of Defense expressed support for creating with and without dependent allowances. The conferees intend to take a comprehensive look at the household goods weight allowance levels next year with the hope of providing relief to all grade levels and creating a system for those with and without dependents. As part of this review, the conferees direct the Department of Defense to submit a comparison of civil service and military moving benefits to the Committee on Armed Services of the Senate and the House of Representatives no later than February 1, 1988.

PART C—BONUSES AND SPECIAL AND INCENTIVE PAYS

LEGISLATIVE PROVISIONS ADOPTED

Restructuring of career sea pay (sec. 621)

The Senate amendment contained a provision (sec. 633) that would restructure career sea pay to provide increased compensation to those on their second sea tour and less to those on their first sea tour and to correct an inequity associated with members assigned to ships whose primary mission is accomplished in port.

The House bill included a similar provision (sec. 621).

The Senate recedes with an amendment that would make technical changes and establish a fixed effective date.

Special pay for aviation career officers (sec. 622)

The Senate amendment contained a provision (sec. 631) that would extend until September 30, 1989, the authority to pay Aviation Officer Continuation Pay. In addition, the provision would increase the pay multiple for a six year contract from $6000 to $8000, require that bonus recipients serve in a critically short specialty, and eliminate the requirement that bonus recipients receive aviation career incentive pay at lower rates.

The House bill contained a provision (sec. 622) that would extend the current program until September 30, 1989.

The House recedes with an amendment that would eliminate the increased pay multiple for the six year contract.

Expansion of coverage and increase in submarine duty incentive pay (sec. 623)

The Senate amendment contained a provision (sec. 632) that would increase the value of submarine duty pay by 35 percent.

The House bill contained no similar provision.

The House recedes with a technical amendment. This section is deleted in the contingent authorization.

Diving pay for members of Reserve components (sec. 624)

The Senate amendment contained a provision (sec. 634) that would permit reserve members who perform diving duties to receive diving duty pay when they meet the requirements established for that pay that apply to active duty personnel.

The House will contained no similar provision.

The House recedes.

Selective reenlistment bonuses (sec. 625)

The Senate amendment contained a provision (sec. 635) that would authorize Selective Reenlistment Bonuses to be paid in either lump sum or installment fashion. The provision would stipulate that if the bonus is to be paid in installments, the initial payment would be 50 percent of the total bonus.

The House bill included a provision (sec. 634(a)) that would cap the Selective Reenlistment Bonus initial lump sum payment at 50 percent of the total bonus.

The House recedes with an amendment that would require that the initial payment be not less than 50 percent if the bonus is paid in installments.

Extension of enlistment and reenlistment bonus authorities (sec. 626)

The Senate amendment contained a provision (sec. 636) that would extend reserve enlistment and reenlistment bonus authorities until September 30, 1989.

The House bill contained a provision (sec. 623) that would extend active duty enlistment and reenlistment bonus authorities until September 30, 1992, and reserve enlistment and reenlistment bonus authorities until September 30, 1990.

The Senate recedes with an amendment concerning the provision's coverage with respect to active duty personnel and the effective date of the provision.

PART D—MISCELLANEOUS

LEGISLATIVE PROVISIONS ADOPTED

Authority for certain remarried Survivor Benefits Plan participants to withdraw from the plan (sec. 631)

The Senate amendment contained a provision (sec. 643) that would allow military retirees who are participants in the Survivor Benefit Plan and who remarried during the period November 8, 1984, through March 1, 1985, to withdraw from the plan with spousal consent.

The House bill contained a provision (sec. 631) that would allow military retirees who are participating in the Survivor Benefit Plan and who were remarried before March 1, 1986, to withdraw from the plan with spousal consent.

The Senate recedes.

Law applicable to occupancy by Coast Guard personnel of substandard family housing units (sec. 632)

The House bill contained a provision (sec. 632) that would eliminate the requirement that Coast Guard members forfeit more than 75 percent of their basic allowance for quarters when occupying substandard government housing.

The Senate amendment contained no similar provision.

The Senate recedes.

Collection of amounts owed to service relief societies from final pay of members (sec. 633)

The House bill contained a provision (sec. 633) that would authorize the Secretary concerned to deduct from a member's final pay any amount owed to a service relief organization.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment including the Coast Guard Mutual Assistance and providing that a deduction may be made only after the Secretary concerned makes an administrative determination of the indebtedness in accordance with regulations prescribed pursuant to section 1007(c) of title 10, United States Code. Such regulations should provide for written notification of the indebtedness, an opportunity for inspection of records and for review of the decision related to the debt.

Limitation on reserve unit and individual training funding for fiscal year 1988 (sec. 634)

The House bill contained a provision (sec. 634(b)) that would limit the amount spent for reserve unit and individual training to $4,644,582,000 during fiscal year 1988.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment limiting the amount appropriated for reserve unit and individual training at this level during fiscal year 1988.

Expansion of military spouse employment preference (sec. 635)

The Senate amendment contained a provision (sec. 641) that would extend the military spouse employment preference from grades GS-1 through GS-15.

The House bill contained no similar provision.

The House recedes with an amendment extending the preferences to all grades above GS-1.

Technical correction to the Survivor Benefit Plan (sec. 636)

The Senate amendment contained a provision (sec. 644) that would make a technical correction to title 10, U.S. Code, pertaining to the age at which a widow may remarry without losing her entitlement to survivor beneifts.

The House bill contained no similar provision.

The House recedes.

Sense of the Senate regarding the spouses of military personnel (sec. 637)

The Senate amendment contained a provision (sec. 836) that would express the Sense of the Senate that the spouses of military personnel are to be thanked and congratulated for their unswerving support and work on behalf of military personnel, their families and the military community. Section 836 would also express the Sense of the Senate that a military spouse's decision to work or to participate in volunteer activities should be personal and with no official consequence to the armed forces.

The House bill contained no similar provision.

The House recedes with an amendment striking the provision and requiring the Secretary of Defense to issue regulations establishing a policy that the decision of spouses of military personnel to work or to volunteer should not be influenced by the preferences and requirements of the armed forces and that neither such a decision nor the marital status of the military member should impact the promotion and assignment opportunities of the member.

Reimbursement for adoption expenses (sec. 638)

The Senate amendment contained a provision (sec. 644) that would authorize reimbursement for certain adoption expenses. Specifically the provision would authorize reimbursement of up to $2,000 for the adoption of one child and up to $5,000 for the adoption of more than one child during a calendar year. Additionally, the provision would exclude reimbursement for expenses in adopting a child who was born as a result of artificial insemination, embryo transplantation, in vitro fertilization or surrogate parenthood.

The House bill contained no similar provision.

The House recedes with an amendment striking the restrictions contained in the Senate amendment concerning artificial insemination, embryo transplantation, in vitro fertilization and surrogate parenthood and authorizing the Secretary of Defense to conduct a two-year pilot program of adoption reimbursement at the same dollar levels described above in order to test the impact of the benefit on morale, recruitment and retention.

The conferees intend that the Secretary have full discretionary authority in implementing the test within the parameters the Secretary deems appropriate and issue regulations to ensure that adoption reimbursement is not used for fraudulent purposes, such as solely for acquiring citizenship or obtaining reimbursement greater than the actual costs involved with the adoption.

The conferees direct the General Accounting Office to conduct a study of adoption reimbursement in the private sector, including the types and levels of expenses usually covered and the prevalence of such programs. In addition, the conferees direct the Secretary of Defense to submit a report and evaluation of the two-year test program. Both reports should be submitted to the Committees on Armed Services of the Senate and the House of Representatives no later than 90 days after the test has been concluded.

The Department of Defense report should include a description of: the population covered by the test; the types of expenses reimbursed under the test; the effects on the Department of Defense of reimbursement for adoption expenses (i.e. impact on morale, recruitment, retention, and cost); obstacles to adopting a child that members of the armed forces may face and possible solutions to these obstacles; and recommendation on whether authorizing adoption reimbursement on a permanent basis is appropriate from the standpoint of equity, cost and meeting the recruiting and retention needs of the armed forces.

Finally, the conferees direct the Secretary of Defense to establish procedures to ensure that, to the maximum extent practicable within operational and other military requirements, a permanent change of station move for a military member who is in the process of adopting a child under 18 years of age occurs at a time which allows for completion of the adoption proceedings.

The conferees emphasize that, at present, insufficient data are available to determine whether adoption reimbursement is an appropriate permanent benefit for members of the armed forces. The pilot program should not, therefore, be viewed as an entitlement program. Rather, it is a concept that needs to be tested, evaluated and compared to private sector practice before a final determination on its feasibility and appropriateness is made. The conferees intend to revisit this issue carefully when the reports required under this section become available and will address the question of whether to authorize a permanent entitlement only at that time.

LEGISLATIVE PROVISIONS NOT ADOPTED

Definition of dependent for purposes of allowances under title 37, United States Code

The Senate amendment contained a provision (sec. 642) that would allow the Secretary concerned to expand the definition of dependent to accommodate a wider range of situations.

The House bill contained no similar provision.

The Senate recedes.

TITLE VII—HEALTH CARE PROVISIONS

PART A—MEDICAL READINESS

LEGISLATIVE PROVISIONS ADOPTED

Revision of reserve forces health professions financial assistance program (sec. 711)

The House bill contained a provision (sec. 711) that would expand and restructure the stipend program for health professionals completing advanced training in critical wartime specialities authorized by section 672 of the fiscal year 1986 Defense Authorization Act (Public Law 99-145). The House provision would (1) create a second option providing one-half the current stipend for physicians and graduate nurses in speciality training in exchange for a commitment to serve in the Individual Ready Reserve; (2) provide a $100 per month stipend to students enrolled in the third and fourth years of a baccalaureate nursing program in exchange for a commitment to serve in the Ready Reserve; (3) establish minimum annual training requirements for both the Selected Reserve and Individual Ready Reserve (IRR) for this program and require an initial 30 days of active duty for training for those fulfilling their service commitment in the IRR; and (4) repeal section 672 of Public Law 99-145.

The Senate amendment contained a similar provision (sec. 701).

The Senate recedes with a technical amendment.

Armed Forces Health Professions Scholarship Program (sec. 712)

The House bill contained a provision (sec. 712) that: (1) would permit the Secretary of Defense to require that a recipient of an Armed Forces Health Professions Scholarship agree to accept a residency in a critically needed wartime skill; and (2) would earmark 2,500 of these scholarships for individuals in the last two years of medical school who agree to accept a residency in a designated wartime skill.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment delaying the effective date until October 1, 1988. The conferees stress that directing a portion of the Department's valuable medical education resources toward reducing medical readiness shortages is the kind of strong action required to reduce the "warstopping" shortfalls in wartime medical personnel. The conferees invite the Assistant Secretary of Defense for Health Affairs and the Surgeons General of the military services to submit with the next budget submission as proposal, if appropriate, to enhance the provisions's ability to further this goal.

Education loan repayment program for health professionals who serve in the selected reserve (sec. 713)

The Senate bill contained a provision (sec. 702) extending the authority for the loan repayment program for certain health professionals who serve in the Selected Reserve until October 1, 1989.

The House amendment contained a similar provision (sec. 713) extending this loan repayment authority until October 1, 1990. The House provision would also correct a technical deficiency in the law by permitting nursing loans provided under Section B of title VII of the Public Health Service Act to be repaid under this authority.

The Senate recedes.

Constructive service credit for officers appointed with health professions experience (sec. 714)

The House bill contained a provision (sec. 714) that would authorize the Service Secretary to grant service credit in a health profession other than medicine or dentistry if the professional experience of the individual would be directly used by the armed force concerned.

The Senate amendment contained no similar provision.

The Senate recedes. The conferees emphasize that expansion of the constructive service credit is authority is designed primarily to reduce the war-stopping" 39,000 shortfall of skilled nurses in the military and that further expansion of the authority is not contemplated.

Standby capability for selective service registration of health care personnel (sec. 715)

The Senate amendment contained a provision (sec. 703) that would authorize the Selective Service System to develop and implement a system for the rapid post-mobilization registration of health care professionals.

The House bill contained a similar provision (sec. 715).

The Senate recedes.

Limited ceiling removal on special pay for medical officers (sec. 716)

The House bill contained a provision (sec. 716) that: (1) would remove the $8,000 ceiling on individual payments of special pay for medical officers; and (2) eliminate the requirement that the amount paid for incentive special pay not exceed six percent of the total amount paid for special pay for medical officers.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment providing that payments of special pay in excess of $8,000 may be paid only to physicians qualified and serving in a health profession designated by the Secretary concerned as a critically needed wartime skill.

Authority to retain in active status until age 67 reserve officers in medical specialties (sec. 717)

The Senate amendment contained a provision (sec. 704(a)-(c)) that would extend the retirement age for medical personnel in the Reserve components to 67 years.

The House bill contained no similar provision.

The House recedes.

Age for initial appointment of reserve officers in critical medical specialties (sec. 718)

The Senate amendment contained a provision (sec. 704(d)) that would extend the initial appointment age for reserve medical personnel serving in health professions designated as critically needed in wartime to 48 years.

The House bill contained no similar provision.

The House recedes.

Age for mandatory retirement of medical officers (sec. 719)

The House bill contained a provision (sec. 717) that would extend the mandatory retirement age of active duty medical officers from age 62 to age 67.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment permitting the Service Secretary to waive the current mandatory retirement age to age 67 in the case of medical, dental, or nursing personnel actively engaged in delivering patient care.

PART B—PEACETIME HEALTH CARE

LEGISLATIVE PROVISIONS ADOPTED

Catastrophic loss protection under CHAMPUS (sec. 721)

The Senate amendment contained a provision (sec. 721) that would place an annual limit on deductibles and copayments under the CHAMPUS program of $1,000 per active duty family.

The House bill contained a provision (sec. 721) that would effect the same catastrophic loss protection for active duty families as well as a $3,000 annual limit on deductibles and copayments per retiree family.

The Senate recedes with an amendment establishing a $10,000 CHAMPUS catastrophic cap for retiree families, due to budget contraints. The conferees hope to address this level of catastrophic loss protection again in the future.

Allocation to health professions of specified portion of any officer accessions and growth in end strengths (sec. 723)

The House bill contained a provision (sec. 723) that would require that 15 percent of the Navy's end strength growth and 25 percent of its officer accessions in fiscal years 1988 and 1989 be in medical personnel.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment delaying the requirements described above until fiscal year 1989.

Revised deadlines for the use of diagnosis related groups (sec. 724)

The Senate amendment contained a provision (sec. 723) that would extend the implementation date for use of diagnosis related groups (DRGs) as the primary budgetary tool for allocation of resources to military treatment facilities for inpatient care from October 1, 1987, to a date as soon thereafter as feasible.

The House bill contained no similar provision.

The House recedes with an amendment changing the implementation date to no later than October 1, 1988.

Federal preemption regarding contracts for medical and dental care (sec. 725)

The Senate amendment contained a provision (sec. 724) that would clarify that Federal rules relating to the CHAMPUS program supersede and preempt state or local laws and regulations.

The House bill contained no similar provision.

The House recedes with a technical amendment.

CHAMPUS coverage of sudden infant death syndrome treatment (sec. 726)

The Senate amendment contained a provision (sec. 727) that would authorize for all CHAMPUS beneficiaries coverage of electronic cardio-respiratory home monitoring equipment, commonly called apnea monitors, for certain high risk infants, including subsequent siblings of victims of sudden infant death syndrome (SIDS).

The House bill contained no similar provision.

The House recedes with a technical amendment.

LEGISLATIVE PROVISIONS NOT ADOPTED

Eligibility of certain institutions that provide treatment for heart and lung conditions to receive reimbursement under CHAMPUS

The House bill contained a provision (sec. 735) that would provide that a hospital that obtains six percent or more of its operating funds from charitable contributions and limits the care it provides to the treatment of heart and lung conditions may not be denied CHAMPUS reimbursement because that hospital does not impose a legal obligation on patients to pay for services.

The Senate amendment contained no similar provision.

The House recedes.

Authority to provide dental prostheses to dependents

The Senate amendment contained a provision (sec. 725) that would authorize a program to provide dental prostheses for dependents of members while receiving dental care in military treatment facilities.

The Senate amendment contained no similar provision.

The House recedes.

PART C—HEALTH CARE MANAGEMENT

LEGISLATIVE PROVISIONS ADOPTED

Demonstration on management of health care in catchment areas and other demonstration projects (sec. 731)

The House amendment contained a provision (sec. 732) that would direct the Secretary of the Air Force to conduct demonstration projects in two military treatment facility catchment areas for a minimum of two years and would require that these projects be evaluated as an alternative to the current Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) and to the Department of Defense's CHAMPUS Reform Initiative.

The House amendment also contained a provision (sec. 733(e)) that would direct the Secretary of Defense to conduct additional demonstration projects and to evaluate them as alternative methods to providing health care under CHAMPUS and the CHAMPUS Reform Initiative.

The Senate bill contained a provision (sec. 726(b)) that would prohibit the Secretary of Defense and the Service Secretaries from conducting any demonstration project in addition to the CHAMPUS Reform Initiative unless the project (1) applies to each military department, and (2) is designed to ensure that the results will be representative of the results of a nationwide demonstration project.

The Senate recedes with an amendment requiring that the Secretary of Defense conduct catchment areas demonstration projects with each service conducting at least one such project and that the projects selected be appropriate for subsequent nationwide implementation.

In addition, the Secretary of Defense would conduct the additional demonstration projects described in section 733(f) of the House bill and would be required to provide reports on each of the demonstration projects comparing and evaluating the costs and benefits of incorporating the health care management techniques demonstrated into the military health care system.

Additional requirements for CHAMPUS reform initiative (sec. 732)

The House amendment contained a provision (sec. 733) that would prescribe additional requirements for the Department of Defense's proposed CHAMPUS Reform Initiative. Specifically, the provision would:

(1) Direct that the health care enrollment system prescribed in section 701(d)(1)(a) (i) and (ii) of the National Defense Authorization Act, 1987 (including military treatment facility enrollment) be included in the Request for Proposals (RFP) issued for the second or any subsequent phase of the CHAMPUS Reform Initiative;

(2) Direct that no contract award for the CHAMPUS Reform Initiative demonstration project be made until 60 days have elapsed after the Secretary of Defense submits to the Congress a report delineating the methodology to be utilized in evaluating the results of the demonstration project;

(3) Direct that no Request for Proposals may be issued for the second or any subsequent phase of the CHAMPUS Reform Initiative demonstration project until (a) all principal features of the project have been in operation for a minimum of one year and (2) 60 days have elapsed after a report evaluating the results of the first phase is presented to the Congress;

(4) Fence the dollars available for the CHAMPUS Reform Initiative contingent upon compliance with the three preceding directions;

(5) Require that no contractor be awarded more than one contract in subregions I, II, and III under the RFP;

(6) Require several demonstration projects to be evaluated in conjunction with the CHAMPUS Reform Initiative; and

(7) Direct that any second or subsequent Request for Proposals require that the contractor offer the option to elect a 90-day conversion insurance policy for individuals losing their coverage in the military health care system.

The Senate bill contained a provision (sec. 726) that would (1) require that contracts for the first phase of the CHAMPUS Reform Initiative be awarded by October 1, 1987, or as soon thereafter as the Secretary of Defense determines feasible, (2) permit consolidation of the two subsequent implementation phases of the CHAMPUS Reform Initiative after a 60 day Congressional notification and waiting period, and (3) require prior notification of any enrollment program included in the CHAMPUS Reform Initiative.

The House recedes with amendments requiring an evaluation methodology, defining the requirements for proceeding to the second or any subsequent phase, requiring that no contractor be awarded more than one contract, and directing development of an insurance plan for individuals losing their coverage in the military health care system.

With respect to an evaluation methodology, the managers believe that the "Plan for Evaluation of the CHAMPUS Reform Initiative," dated July 1987, satisfies the requirement and, if the Department of Defense determines that such methodology will be used, no further report would be required. However, should the methodology be revised, a subsequent report would be required.

Medical information systems acquisition amendments (sec. 733)

The House amendment contained a provision (sec. 734) that would (1) preclude the Secretary of Defense from reducing the current number of vendors in the Composite Health Care System (CHCS) procurement without subjecting each proposed system, with its full complement of hardware and Level I and II software, to a nine-month operational test, (2) fence the dollars available for CHCS contingent upon compliance with this direction, and (3) extend the test of the Veterans Administration's Decentralized Hospital Computer System (DHCP) for one year.

The Senate bill contained a provision (sec. 731) that would repeal the requirements relating to the CHCS acquisition enacted last year by section 704 of the fiscal year 1987 Defense Authorization Act (Public Law 99-661).

The House recedes with amendments permitting the Department of Defense to proceed to Phase II of the acquisition process, operational test and evaluation (OT&E), but imposing reporting requirements by both the Department of Defense and the General Accounting Office prior to moving (1) from the current Phase I, the extended benchmark and operational tests, to Phase II, and (2) prior to moving from Phase II, OT&E, to deployment and full production.

In addition, the test of the Veterans Administration's DHCP would be extended to run concurrently with the OT&E phase utilizing the DHCP software available and delivered in a form suitable for testing at the time that the Department of Defense accepts and approves the Composite Health Care System software.

GAO report on payment of certain medical expenses (sec. 734)

The House bill contained a provision (sec. 736) that would direct the Comptroller General to review and report on the practices under various insurance plans with respect to payments to hospitals for charges for medical services in cases where the hospital does not impose a legal obligation on patients to pay for such services.

The Senate amendment contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Implementation of military health care account

The House amendment contained a provision (sec. 731) that would direct the Secretary of Defense in each future budget submission to request appropriations for the Military Health Care Account for the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), as prescribed in section 701 of the National Defense Authorization Act, 1987 (Public Law 99-661).

The Senate bill contained no similar provision.

The House recedes.

The conferees hope that the inclusion of CHAMPUS funds in each of the military services' operation and maintenance accounts will introduce a greater degree of accountability on the part of military treatment facility commanders in the issuance of Non-Availability Statements and, thereby, result in improved coordination between the direct care system and CHAMPUS. The conferees believe that the costs of the CHAMPUS program must also continue to be accounted for and monitored in an aggregated fashion, however, and direct that future budget submissions show CHAMPUS costs by service in the operation and maintenance overview of the budget.

TITLE VIII—PROCUREMENT POLICY

ACQUISITION PROCESS

LEGISLATIVE PROVISIONS ADOPTED

Limitation of responsibilities assigned to the Director of Operational Test and Evaluation (sec. 801)

The House bill contained a provision (sec. 842) that would preclude the Director of the Office of Operational Test and Evaluation from assuming responsibilities associated with developmental testing under the jurisdiction of the Under Secretary of Defense (Acquisition).

The Senate amendment contained an identical provision (sec. 803).

The House recedes. The conferees agree that responsibilities for operational testing are separate and distinct from functions associated with developmental testing. The conferees further agree that the Secretary of Defense should refrain from any realignment or new arrangement of test and evaluation activities, and oversight responsibilities or functions as outlined in the report submitted by the Deputy Secretary of Defense on September 25, 1987, until the Congress is able to fully review the proposed realignment and hold appropriate hearings. The conferees noted in the conference report on the Defense Authorization Act for Fiscal Year 1987 that developmental testing and initial operational testing are separate, yet complementary, elements in the acquisition process.

Live-fire testing (sec. 802)

The House bill contained a provision (section 822) that would amend section 2366 of title 10, United States Code governing live-fire testing by the Department of Defense. The provision would require that covered programs not proceed beyond low rate initial production until vulnerability testing is completed, require the Secretary of Defense to designate a civilian official in the Department of Defense responsible for vulnerability and lethality testing, and other actions.

The Senate amendment contained a provision (sec. 806) that would repeal section 2366.

The Senate recedes with an amendment that would require covered product improvement programs not proceed beyond low rate initial production until survivability and lethality testing is completed, provide for reports to Congress on such tests, clarify the definition of realistic survivability testing, and clarify contractor involvement during operational testing.

The conferees believe that live-fire testing is a valuable tool for determining the inherent strengths and weaknesses of adversary, U.S. and allied weapon systems. The conferees intend that the Secretary of Defense implement this section in a manner which encourages the conduct of full-up vulnerability and lethality tests under realistic combat conditions, first at the sub-scale level as subscale systems are developed, and later at the full-scale level mandated in the legislation.

The conferees intend this type of developmental testing to be performed as part of the responsibilities of the Under Secretary of Defense for Acquisition. Before such testing begins, the office of the Under Secretary should have reviewed the adequacy of the test plans, or alternatives to full-scale testing, prepared by the services concerned. While testing is underway, the Under Secretary should have full access to all test data and reports and should ensure adequate resources are provided for the conduct of realistic tests, including threat munitions and targets, for instruments and facilities, and for adequate staff and funding for the Office of Live-Fire Testing. The conferees realize the Department of Defense, at times, conducts operational tests and developmental tests simultaneously. It is not the intent of the conferees to exclude contractor involvement in the developmental portion of these tests.

Oversight of cost or schedule variances in certain major acquisition programs (sec. 803)

The Senate amendment contained a provision (sec. 807) that would amend section 2435(b)(1) of title 10, United States Code, to require a program deviation report to be provided the Secretary of the military department concerned and the senior procurement executive of such military department only if the total cost of completion would exceed the baseline by 15 percent, in the case of production, 5 percent in the case of development, or miss a scheduled milestone by 90 days. The provision would also provide that either the Selected Acquisition Report or the submitted baseline description could be used as the baseline for milestone authorization. Finally, the Senate amendment would require the approval of the Under Secretary of Defense for Acquisition before the Secretary of a military department could require the application of any regulation other than the Federal Acquisition Regulation (FAR) and the Department of Defense FAR Supplement (DAR), to an "enterprise program."

The House bill contained no similar provision.

The House recedes with an amendment that would: amend the provision in the Senate amendment relating to program deviation reports to provide that certain deviations from the baseline parameters would be allowed without triggering the provision requiring a report to the Under Secretary of Defense for Acquisition and the provision prohibiting the Secretary from obligating further amounts on the program until the program has been re-authorized; substitute for the Senate amendment relating to use of Selected Acquisition Reports a new provision that would clarify that Congress may provide milestone authorization for a program even though the Secretary of Defense did not propose the program for such funding, and requiring the Secretary of Defense to provide to Congress a baseline description for such program upon written request of either of the Committees on Armed Services; and retain the Senate provision requiring the Under Secretary of Defense for Acquisition to approve the application of any regulation other than those required in the FAR and DAR to an "Enterprise Program."

Truth in Negotiations Act amendments (sec. 804)

The House bill contained a provision (sec. 843) that would amend section 2306a(g) of title 10, United States Code, and add a new section to the Truth in Negotiations Act (TINA). The House provision attempts to clarify the distinction between "cost or pricing data" that is "factual," which contractors are required to submit and certify, and data that is "judgmental," which contractors are not required to submit or certify. Under the amendment, plans, projections, or strategies based on judgment or speculation would not have to be disclosed until a decision had been made to act upon or implement them. The provision was needed to correct any misinterpretation of statements made on pages 509-510 of the conference report (H. Rept. 99-1001) accompanying the Fiscal Year 1987 Defense Authorization Act (Public Law 99-661). The House provision also contained technical corrections to the amendments enacted last year.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment retaining the technical corrections in the House provision and restating the definition of "cost or pricing data."

The Truth in Negotiations Act has been in effect for over 25 years. For most of that period, the "cost or pricing data" that contractors must make available to the government has not been defined in the statute but by regulation. Last year, in connection with numerous revisions to the Truth in Negotiations Act, Congress enacted a statutory definition of "cost or pricing data" that was drawn from the acquisition regulations. However, statements in the reports accompanying the House and Senate bills, and in last year's conference report, appear to have created more confusion than clarity.

The conferees wish to reaffirm that "cost or pricing data" should be broadly construed to include all facts that a prudent buyer or seller would reasonably expect to affect price negotiations significantly. This definition is drawn directly from the Federal Acquisition Regulation (section 15.801) in effect before the change last year; and the conferees believe that it is the best definition available.

The general definition of "cost or pricing data" was qualified in last year's amendments by the following provision: "Such term does not include information that is judgmental, but does include the factual information from which a judgment was derived." This distinction also was drawn from the Federal Acquisition Regulations. Explanatory statements and examples were included in the conference report in a further attempt to clarify the distinction between "factual" and "judgemental" data. Last year's report states that "[a] contractor is not required to provide and certify data relating to judgments, business strategies, plans for the future or estimates. A contractdor is required, on the other hand, to disclose any information relating to execution or implementation of any strategies or plans." These statements appear to have created more confusion than clarity, and the House amendments sought to settle the confusion. In lieu of adding the House amendment to the statute, the conferees wish to make clear that, in recognizing a distinction between "factual" and "judgmental" data, they intend only to codify, without substantive change, the definition of "cost or pricing data" as it has existed in applicable acquisition regulations for many years.

The overriding requirement of the Truth in Negotiations Act is that contractors make available to the government "cost or pricing data" that is "current, accurate and complete." The conferees acknowledge that such "cost or pricing data" must in some instances include information that would be considered judgmental. Although "cost or pricing data" do not indicate the accuracy of the contractor's judgment about estimated future costs or projections, they do include the data forming the basis for that judgment. The factual data underlying judgments have been and should remain subject to disclosure. Furthermore, "cost or pricing data" may include facts and data so intertwined with judgments that the judgments must be disclosed in order to make the facts or data meaningful. As such, the conferees believe that a contractor should disclose a decision to act on judgmental data, even though it has not been implemented. As currently provided in the regulations, when a contractor is required to disclose judgmental information, the certification should not be taken to mean that the judgment is correct, only that the contractor has accurately and completely disclosed its current estimate. To the extent the examples given on page 510 of conference report accompanying the fiscal year 1987 Defense Authorization Act differ from the foregoing, they should not be relied upon as legislative history in constructing the definition of "cost or pricing data."

Allowable costs may not include golden parachute payments (sec. 805)

The House bill contained a provision (sec. 845) that would disallow any payment to an employee that would be considered a "golden parachute." "Golden parachutes" are agreements to pay senior employees a severance payment in excess of what would normally be paid if the company is subject to a change in ownership.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment making the provision effective as to contracts issued 120 days after the enactment of this act.

Requirement for substantial progress on small disadvantaged business contract awards (sec. 806)

The House bill contained a provision (sec. 846) that would require the Secretary of Defense to make substantial progress in increasing awards to minority entities through issuance of regulations that would result in a more meaningful implementation of section 1207 of the fiscal year 1987 Defense Authorization Act (Public Law 99-661). In addition, the House bill contained a provision (sec. 803) that would amend section 1207(a) to include certain nonprofit research institutions in the definition of covered contractors.

The Senate amendment contained no similar provision with respect to section 846, but did contain language (sec. 808) similar to section 803 of the House bill.

The Senate recedes with an amendment that would delete the provisions in the House bill relating to awards of competitive contracts at a price not exceeding the fair market price plus 10 percent, and awards of noncompetitive contracts when a market survey and Commerce Business Daily sources sought notice which resulted in the identification of only one responsible small disadvantaged business. In addition, the Senate amendment would revise the requirement in the House provision relating to goals for awards of subcontracts to section 1207 entities to require that goals be established, without specifying the exact amount of the goal.

The conferees reaffirm the position taken in the Conference Report on the National Defense Authorization Act for Fiscal Year 1987 that: "The conferees further agree that this program needs time to operate before a determination can be made as to its success or failure, and the conferees agree that the issues of mandating any specific amount of set aside or increasing the 5 percent goal from that agreed to in this act shall not be considered by them in the fiscal years 1987, 1988, 1989 Defense authorization or Defense Appropriations bills or the Continuing Resolutions."

Amendments to the procurement technical assistance cooperative agreement program (sec. 807)

The House bill contained a provision (sec. 844) that would authorize $7 million in fiscal year 1988 for assistance to state, local, and private non-profit organizations to establish programs to provide procurement technical assistance to companies attempting to bid on defense contracts. In addition, the House provision would make certain technical changes to the United States Code to delete certain provisions which were in effect only through the end of fiscal year 1987.

The Senate amendment contained a provision (sec. 303) that would authorize $7.5 million in each of fiscal years 1988 and 1989, as well as provide that the $500,000 of the amount appropriated be available each year only for procurement technical assistance programs targeted to the problems caused by the unique geographical circumstances facing Indian-owned enterprises located on or near Indian reservations.

The House recedes with an amendment that would authorize the program at $7 million for each of fiscal years 1988 and 1989, would incorporate the technical amendments in the House provision, and would authorize $500,000 in fiscal year 1988 to establish a one-year demonstration project for technical assistance centers to serve Indian reservations. The conferees wish to make clear that this directed authorization is unique and should not be considered a precedent. The conferees agreed that due to the unusual geographical problems associated with doing business on an Indian reservation, and the absence of any procurement technical assistance programs serving them, that a one-year authorization was appropriate. The conferees wish to make clear, however, their belief that no other circumstances exist which would warrant targeting a portion of the monies available under this section to other segments of the population.

Rights in technical data (sec. 808)

The Senate amendment contained a provision (sec. 819) that would amend section 2320 of title 10, United States Code. The amendments would clarify the respective rights of the government and of contractors in technical data relating to items acquired by the Department of Defense. This clarification was deemed necessary in part because the regulations issued by the department are inconsistent with the provisions of law as adopted in the Defense Acquisition Improvement Act of 1986 (Title IX, Public Law 99-661.)

The House bill contained no similar provision.

The House recedes with clarifying amendments.

The conferees are cognizant that the Department of Defense is working with the Office of Federal Procurement Policy and other government agencies to establish government-wide regulations on rights in technical data. The conferees support this effort and, as such, have allowed the department 120 days to issue new regulations. In the interim, however, the conferees believe the Secretary of Defense should rescind or revise any current Department of Defense regulation which is inconsistent with the legislative provisions adopted in Public Law 99-661.

Small business set-aside program (sec. 809)

The Senate amendment contained a provision (sec. 840) that would amend section 921 of the Defense Acquisition Improvement Act of 1986 (Title IX, Public Law 99-661), which made a series of amendments to the Small Business Act. The provision would: amend the requirement that small business participation be measured on the basis of a fair proportion of awards in each "industry category" rather than on the basis of the totality of Federal contract awards; delete the statutory direction to the Small Business Administration to segment certain Standard Industrial Classifications to reflect geographic and economic considerations; add a statutory definition of "fair market price;" delay the requirement added by Section 921 to establish goals for "small purchases" under $25,000; amend the requirement that a small business awarded a contract under the authority of Section 15(a) or section 8(a) of the Small Business Act agree to perform a specific percentage of the contract with its own employees, requiring instead that the small business exercise its "best efforts" to conform to such limitations; repeal the requirement that contracting officers disclose the identity of the firms expected to bid under a competition restricted to small businesses; and delay regulations implementing the reduction in size standards for the four industry categories designated in section 921.

The House bill contained no similar provision.

The House recedes with an amendment deleting the provisions in the Senate amendment that would: delete the requirement that small business participation be measured on the basis of a fair proportion of contract awards in each "industry category;" delete the statutory direction to the Small Business Administration to segment certain SIC classifications; delete the definition of "fair market price;" and amend the requirement to perform a specific percentage of the contract with its own employees. The conferees also agreed to direct the Small Business Administrator to publish any proposed regulations required under section 921 by November 30, 1987, to provide at least 60 days for public comment, and to issue final regulations by May 31, 1988.

The conferees agreed to limit the changes adopted in this section to allow the Committees on Small Business of the Senate and House of Representatives to undertake an examination of the efficacy of any additional changes. The conferees do, however, wish to address several concerns regarding the implementation of section 921, raised by the procuring agencies during hearings conducted by the Senate Committee on Small Business, and as such to clarify the purpose of several of the changes to the Small Business Act made by section 921 of the Defense Acquisition Improvement Act.

First, section 15(a) was amended by section 921(a) to require that a fair proportion of contracts be awarded to small businesses in "each industry category." The amendment provided that an "industry category is a discrete group of similar goods and services" and that such groups "shall be determined by the Administration in accordance with four-digit standard industrial classification codes." The conferees wish to clarify that although the amendments made by section 921(a) require size standards to be based on four-digit SIC codes, no legislative requirement mandates that an agency establish goals for small business and small disadvantaged business participation for each SIC code. Rather, for purposes of establishing their annual goals it is perfectly acceptable for agencies, in conjunction with the SBA, and subject to the dispute resolution procedure specified in section 15(g), to establish goals for groupings of related SICs. The dual objectives of this amendment are to emphasize agency effort in categories where small business participation rates have been low historically, but where untapped small business potential is determined to exist, and to lessen agency focus in those categories where small business potential has been high historically and can be expected to continue. In addition, to permit effective congressional oversight of agency performance in attaining small business participation goals from year-to-year, recognizing that industry categories may shift to reflect changes in the agency's procurement program, agencies shall also develop aggregate agency-wide goals, built upon the various industry category goals.

Furthermore, the conferees recognize that agencies report contract awards using the product and service codes of the Federal Procurement Data System (FPDS) rather than SIC codes. For purposes of meeting the Congressional mandate that a fair proportion of awards be made in each industry category, a reasonable correlation of FPDS and service code to SIC code grouping is acceptable.

The importance of relating FPDS data to SIC codes was clearly demonstrated when SBA analyzed the procurement set-aside data pertaining to the industry category of "refuse systems and related services" for the purpose of lowering the size standards in accordance with the requirements of section 921(f). SBA focused its attention on the set-aside procurement activity under one code, SIC 4953 (Refuse System), and ignored the substantial procurement activity in this industry category set-aside under SIC 4212 (Local Trucking without Storage). Had SBA reviewed the FPDS product service code S205 (Garbage Collection Services), a set-aside rate of 73 percent would have been established as opposed to the 22.4 percent figure reached by reviewing only SIC 4953. In the opinion of the conferees, corrective action appears warranted and should be reflected in the proposed SBA regulations implementing Section 921.

Second, section 921(b) amended provisions of the Small Business Act pertaining to the maximum allowable award price for contracts resulting from competitions restricted to eligible small business concerns under the authority of section 15(a) and those awarded to small business concerns owned and controlled by socially and economically disadvantaged individuals under the authority of section 8(a). The amendment requires that the contract price paid by an agency after utilizing either of these procurement methods cannot exceed a "fair market price".

Section 921(b) adopted the "fair market price" standard to eliminate the ambiguity believed to be inherent in the previous "fair and reasonable price" standard. The intent of section 921(b) was to reaffirm explicitly the contracting officer's present authority to undertake a price analysis that considers price data from contract awards resulting from unrestricted solicitations for similar requirements for supplies or services. Under the prior "fair and reasonable price" standard, the lowest price resulting from a competition limited to small business concerns was automatically deemed acceptable by some contracting officers, without any reference to prices for similar contract requirements awarded under restricted solicitations. The adoption of the "fair market price" standard was intended to eliminate this unwarranted limitation of the price analysis techniques available to contracting officers. At the same time, the "fair market price" standard is not intended to require that the contract award price for a contract awarded under the authority of section 15(a) on section 8(a) of the Small Business Act must reflect the lowest possible cost. The reaffirmation of the contracting officer's authority to consider prior contract award price data from similar unrestricted contact solicitations does not indicate, however, any intent to require or permit a contracting officer to consider offers tendered by firms ineligible to receive the contract award under a solicitation restricted to small business concerns. Such offers by ineligible firms continue to be "nonresponsive", and thus not binding on the offeror. Accordingly, assertions that a particular contracting opportunity could be performed at a lower price by the ineligible offeror does not provide the contracting officer with any additional reliable price data, and consideration of such offers in making the decision to restrict a particular contracting opportunity for exclusive competition among eligible small business concerns, or in making the contract award decision at the conclusion of such a restricted competition, would be inappropriate.

Third, section 921(c) amended the Small Business Act to require, as a general rule, that a firm awarded a contract under the authority of section 15(a) or section 8(a) agree to perform certain work under the contract with its own employees. The limitation was imposed to prevent the mere "brokering" of set-aside contracts with actual performance being undertaken by "other than small firms", and to assure that set-aside contracts will afford effective opportunities to sharpen the business management skills of the awardee through actual performance. SBA is authorized to vary the limitations on subcontracting on an industry-by-industy basis to take into account conventional industry practices. This requirement has also raised implementation questions that the conferees believe warrant further exposition of intent.

With regard to "requirements contracts," "task-order contracts," or similar instruments, the subcontracting limitation is intended to apply to the totality of the anticipated performance under the contract, rather than each task or order. The conferees specifically note that application of the subcontracting limitation on an order-by-order basis would severely disrupt the prime contractor-multiple subcontractor teams employed by many small high-technology research and technical service firms, a result that was certainly not intended.

The second issue regarding the implementation of section 921(c) relates to the consequences that follow upon a finding that the contractor has exceeded the specified subcontracting limitation. Under this section a firm's adherence to the specified limitations on subcontracting forms a part of the firm's status as a "small business" eligible for the award. Thus, if a firm were not to agree to perform the required portion of the work with its own employees, the firm could not be awarded a contract. If there is a demonstration that the limitations have been exceeded during the course of performance, the extent of the deviation should determine the appropriate response. A substantial deviation may properly be considered a material breach of the representations included in the firm's offer and subsequently included in the contract. As in other instances of a material breach of the contract, the contracting officer is responsible for determining the course of action that best protects the government's interests. A lesser deviation, especially one reasonably construed to be inadvertent in nature, should be viewed as a de minimus deviation and the contractor's performance deemed to be substantially compliant with the requirement. Conversely, a reasonable suspicion that the subcontracting limitations were violated with the intent to defraud would warrant referral of the matter to appropriate investigative authorities.

Finally, the conferees recognize that not all contracts require a contractor to collect or maintain cost data. Although section 921(c) speaks in terms of contract costs, a contracting officer may look to the contract award price and the aggregate award prices of subcontracts to determine the contractor's adherence in such situations.

Production special tooling and production special testing equipment (sec. 810)

The Senate amendment contained a provision (sec. 830) that would clarify the law with respect to payment for special tooling and special test equipment necessary for the manufacture and test of certain defense items. It would require that the government: fully reimburse a contractor for the costs of such tooling and equipment if the government does not intend to make future purchases of the same or similar item; reimburse the contractor immediately for at least 50 percent of the cost of the tooling or equipment, and agree to an amortization schedule for reimbursement of the remainder of the cost if the government plans to make future purchases of the item; and fully reimburse a contractor immediately for costs incurred for the acquisition of production special test equipment to be used solely for final production acceptance testing.

The House bill contained no similar provision.

The House recedes with an amendment making technical changes to clarify the Senate provision. One such change is intended to make clear that contractors will be paid for special tooling and test equipment which they acquire, or which they fabricate themselves. In addition, the amendment deleted the Senate provision relating to the right of the United States to take title to special tooling and test equipment. The conferees believe that the circumstances under which the United States will take title to equipment paid for by the United States are more appropriately addressed in regulation and that no statutory provision is required.

LEGISLATIVE PROVISIONS NOT ADOPTED

Preference in awarding defense contracts

The House bill contained a provision (sec. 820) that would establish a preference for domestic firms over foreign firms in the awarding of Department of Defense contracts unless the foreign firm is from a country that is a member of the North Atlantic Treaty Organization, or the country is designated as a major non-NATO ally as defined under section 1105 of the fiscal year 1987 Defense Authorization Act (Public Law 99-661). The House bill contained a second provision (sec. 823) that would clarify the exemption contained in section 820 by extending the exception to foreign firms only if that country has in effect with the United States a reciprocal defense procurement memorandum of understanding.

The Senate bill contained no similar provision.

The House recedes. The conferees believe that there are problems that need to be addressed in how the United States government integrates its trade, industrial base, and alliance defense policies. However, rather than constructing additional across-the-board protectionist barriers, the conferees would prefer an approach which encourages U.S. allies to remove protectionist barriers raised and which provides appropriate support for U.S. industries critical to preservation of the United States' long-term qualitative advantage in weaponry over the Soviet Union and to vital mobilization requirements. The conferees would consider selective application for limited periods of time of some degree of domestic preferences, if such preferences are part of a comprehensive solution to a particular industrial base requirement.

For example, the conferees commend the Administration for its Machine Tool Industry Action Plan promulgated in December 1986. In that instance, domestic preferences were combined with such positive measures as federal support for the industry's manufacturing technology consortium, the National Center for Manufacturing Sciences.

Similar approaches have been taken in the case of the semiconductor industry and the ball bearing and precision optics industries.

In the case of the bearing industry and in response to a request by Congress, the Department of Defense undertook a study of the ball and roller bearing industries and their relationship to national defense. This study eventually resulted in a DOD Bearing Action Plan that the conferees believe is constructive in its approach to dealing with a defense industrial base problem. The study determined that foreign bearings have severely harmed our domestic bearing industry and concluded that domestic capacity was in imminent danger of being unable to support national defense needs.

As a result of this report, a plan was implemented to limit the acquisition of industrial bearings to domestic sources for a three-year period. At the end of that period, the Department of Defense is to review the effects of the plan and the restriction may either be lifted, modified, or extended for another two years. The plan includes an exemption for finished products purchased overseas under bilateral or multilateral agreements and exempts co-production and co-development projects already in existence with NATO allies. The purpose of the three-year restriction is to give domestic manufacturers a temporary respite from foreign competition. This time will create an incentive for domestic companies to modernize by investing in plant and equipment so that after three years they can become more competitive.

To provide flexibility, the Department of Defense has decided to modify its plan by waiving its restrictions when U.S. bearings satisfying its specifications are not available or when buying U.S. bearings requires unreasonable lead time. Furthermore, the Department of Defense has decided to delay implementation of the plan by 18 months for countries with which the United States has a Memorandum of Understanding. The conferees urge the Department of Defense to adhere to the plan, with these modifications, and to reject further changes that might undermine the plan's effectiveness.

OTHER ACQUISITION MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Conflict of interest in defense procurement (sec. 821)

The House bill contained a provision (sec. 816) that would amend language passed in the fiscal year 1987 Defense Authorization Act (Public Law 99-661) to clarify that the term "a primary representative" was intended to apply to one or more persons if they acted as one of the primary representatives.

The Senate amendment contained no similar provision.

The Senate recedes.

Period of limitation on compensation of retired military officers limited to two years (sec. 822)

The House bill contained a provision (sec. 817) that would amend section 281 of title 18, United States Code, to the extent section 281 was not repealed, to limit its application to the two-period beginning on the date a military officer retired.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment that would restate the provision so that it appears in the United States Code. The technical amendment also attempts to clarify the terms and scope of the provision.

The conferees recognize that the Judiciary Committees have jurisdiction over sections 281 and 283 of title 18, United States Code, and that these committees have under consideration a request from the Department of Defense to repeal these sections in their entirety. The purpose of the repeal would be to treat retired regular officers on the same basis as former civilian employees, retired reserve officers, enlisted military members and former military personnel (who have not retired) for purposes of applying conflict-of-interest laws. Although mitigating the need for an immediate review of sections 281 and 283, the action of the conferees does not obviate the need for a comprehensive review of these provisions by the Judiciary Committees.

Restriction on purchase of foreign-made administrative motor vehicles (sec. 823)

The House bill contained a provision (sec. 836) that would prevent funds appropriated or otherwise made available to the Department of Defense from being used to purchase administrative motor vehicles that are manufactured in a country other than the United States or Canada with certain specific exceptions.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would prohibit, with certain specific exemptions, the Department of Defense during fiscal years 1988 and 1989 from purchasing foreign-made administrative motor vehicles for use in the United States. The Department of Defense may procure foreign-made administrative motor vehicles for use outside the United States only if American or Canadian firms are afforded a fair opportunity to compete for the contract, except in those countries with which the United States has an existing memorandum of understanding on administrative motor vehicles. The conferees note that this agreement does not preclude the consideration of the extension of this restriction during the review of the defense authorization bill for fiscal year 1990.

Procurement of manual typewriters (sec. 824)

The Senate amendment contained a provision (sec. 813) that would restrict the procurement of manual typewriters containing components manufactured in a country which is a member of the Warsaw Pact unless that country has a most favored nation trading status with the United States.

The House bill contained no similar provision.

The House recedes.

Economic impact and employment information concerning new acquisition programs (sec. 825)

The House bill contained a provision (sec. 841) that would express the sense of Congress that the Secretary of Defense should not, before an acquisiton program is approved to proceed into full-scale development, prepare any material, report, list or analysis with respect to economic benefits or the employment impact of that program in a particular state or congressional district.

The Senate amendment contained no similar provision.

The Senate recedes.

LEGISLATIVE PROVISION NOT ADOPTED

Purchases of canvas products.

The House bill contained a provision (sec. 840) that would amend the Continuing Resolution for fiscal year 1987 (Public Law 99-500) which requires the purchase of domestically manufactured and produced clothing and textile products. It would expand the categories of items required to be purchased domestically to include canvas products.

The Senate amendment contained no similar provision.

The House recedes.

OTHER ITEMS OF INTEREST

Duplicative oversight

The Senate Armed Services Committee, in its report on S. 1174, the fiscal year 1988 Defense authorization bill, directed the Under Secretary of Defense for Acquisition to issue policies on coordination and oversight implementing section 133(d) of title 10, United States Code, not later than November 1, 1987. The Senate report also stated that the Under Secretary should consider establishment of a formal review and clearance mechanism administered by on-site Department of Defense contract administration personnel to avoid duplication. The conferees agree that the desirability of such a mechanism should be explored by the Under Secretary. The conferees direct that any mechanism adopted to minimize unnecessary duplication provide that contract administration personnel not deny access to contractors' records when the comptroller General or the DOD Inspector General determines that such records are required to fulfill their statutory responsibilities or when such records are required by the Defense Contract Audit Agency to comply with established government auditing standards.

SENSE OF CONGRESS AND REPORT REQUIREMENTS

LEGISLATIVE PROVISIONS ADOPTED

Missile technology control regime (sec. 901)

The House bill contained a provision (sec. 827) that included expressions by the Congress of support for the missile technology control regime concluded by the United States and six other governments, of hope that all nations will adhere to this regime, and of expectation that the United States will effectively implement this regime.

The Senate amendment contained no similar provision.

The Senate recedes.

The Senate amendment contained a provision (sec. 832) that would require the Secretary of Defense to give a detailed report to the Congress on the manpower required to implement the Missile Technology Control Agreement.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Threshold Test Ban Treaty compliance report (sec. 903)

The Senate amendment contained a provision (sec. 801) that would direct the Secretary of Defense to submit a report to Congress 30 days after enactment of this act on the use of the current official U.S. method of estimating the yield of Soviet underground nuclear tests to determine the extent to which the Soviet Union is complying with the 150 kiloton limit on the underground nuclear tests contained in the Threshold Test Ban Treaty.

The House bill contained no similar provision.

The House recedes with an amendment stipulating that the report be submitted by the President rather than the Secretary of Defense.

Statement in support of arms control (sec. 904)

The Senate amendment contained a provision (sec. 811) expressing Senate support for stabilizing, equitable and verifiable arms reduction treaties with the Soviet Union, endorsing mutuality and reciprocity in arms control negotiations, cautioning against unilateral concessions by the United States, and urging the President to avoid provisions that would be harmful to the security of the United States and its allies.

The House bill contained no similar provision.

The House recedes with an amendment changing the provision from the sense of the Senate to the sense of the Congress.

Report on the elimination of ballistic missiles (sec. 905)

Section 863 of the Senate amendment would require the Chairman of the Joint Chiefs of Staff to report to the Committees on Armed Services of the Senate and the House of Representatives on the military consequences of an arms control agreement eliminating the strategic ballistic missiles of the United States and the Soviet Union.

The House bill contained no similar provision.

The House recedes with a technical amendment.

Report on the implications of arms control positions (sec. 906)

The Senate amendment contained a provision (sec. 849) that would require the Secretary of Defense to provide to Congress a report describing the implications of the publicly announced positions of the United States at the START talks in Geneva on the strategic modernization program, with attention paid to the Trident SSBN, rail-garrison MX and small ICBM programs, and also assessing the advantages and disadvantages of following the recommendations of the April 1983 "Report of the President's Commission on Strategic Forces," to develop a smaller SSBN as a potential follow-on to the Trident submarine force.

The House bill contained no similar provision.

The House recedes.

Support for nuclear risk reduction centers (sec. 907)

The Senate amendment contained a provision (sec. 854) supporting the recent agreement between the United States and the Soviet Union establishing nuclear risk reduction centers.

The House bill contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Limitation on deployment of certain stragegic nuclear weapons

The House bill contained a provision (sec. 812) that set in permanent law limits of 820 on launchers of MIRVed ICBMs, 1200 on launchers of MIRVed ICBMs and SLBMs, 1320 MIRVed ICBMs, SLBMs, and ALCM equipped bombers, and the number of MIRVs on individual ballistic missiles, unless the President certifies to Congress that the Soviet Union has exceeded these limits.

The Senate amendment contained a provision (sec. 865) that set limits through the end of fiscal year 1988 of 820 on launchers of MIRVed ICBMs, 1200 on launchers of MIRVed ICBMs and SLBMS, and 1320 MIRVed ICBMs, SLBMs, and ALCM equipped bombers, unless the President certifies to Congress that either the Soviet Union has exceeded these limits or he is uncertain as to whether the Soviet Union has exceeded these limits.

The Senate amendment also contained a provision (sec. 864) that said that the United States was not obligated to abide by the SALT II Treaty in whole or in part unless, inter alia, the Treaty was ratified by the United States and the Soviet Union.

The conferees agreed to delete the House provision and the two Senate provisions. The conferees note that decisions taken for budgetary reasons elsewhere in the bill will have the effect of stabilizing U.S. strategic forces during fiscal year 1988 at roughly the level deployed as of the date of enactment of the bill.

The conferees believe that maintaining interim restraint in strategic offensive force levels is not only prudent in light of current budget realities, but also consistent with the recent progress in the START negotiations and the continuing Soviet practice of retiring older ICBMs and SLBMs prior to the end of their normal service life. Assuming that progress continues to be made in START and that the Soviet Union continues early retirements of ICBMs and SLBMs, it would be the intent of the conferees to take such actions as may be required to maintain U.S. and Soviet interim restraint, including the option of foregoing the overhaul of additional Poseidon-class submarines nearing the end of their normal service life. If, however, the Soviet Union should increase the threat to U.S. national security interests posed by its strategic offensive arms, the conferees would reconsider the advisability of maintaining a stable level of U.S. strategic launchers and would entertain requests by the administration to respond appropriately in reprogramming actions, supplemental budget requests, or the fiscal year 1989 defense budget request.

Annual report on Soviet ABM Treaty compliance

Section 833 of the House bill would direct the Secretary of Defense to submit to the Congress a report on the compliance of the Soviet Union with the ABM Treaty of 1972.

The Senate amendment contained no similar provision.

The House recedes. The conferees note that current law requires annual reports on Soviet compliance with existing arms control agreements.

Change in the annual report on Soviet treaty compliance

The House bill contained a provision (sec. 838) that would change the specification of the individual required to submit an annual report to Congress on Soviet treaty compliance as originally specified in section 1002 of the fiscal year 1986 Defense Authorization Act (Public Law 99-145). Section 1002 of this Act specified that the President should submit the report. The House bill would require the Director of Central Intelligence to submit the report.

The Senate amendment contained no similar provision.

The House recedes. The conferees note that an assessment of treaty compliance generally involves considerations beyond facts available from intelligence information. Therefore, the President, who can draw on the full range of information and advice from the Executive Branch, should, more appropriately, provide such information.

TITLE X—MATTERS RELATING TO NATO COUNTRIES AND OTHER ALLIES

NATO DETERRENCE

LEGISLATIVE PROVISIONS ADOPTED

North Atlantic Treaty Organization defenses report requirements (sec. 1001)

The Senate amendment contained a provision (sec. 831) that would require the Secretary of Defense, in light of the proposed intermediate-range nuclear forces (INF) treaty, to submit to the Congress not later than January 31, 1988, a report on the adequacy of North Atlantic Treaty Organization defenses. The House bill contained no similar provision.

Also, the Senate amendment contained a provision (sec. 852) that would require the Secretary of Defense to submit to the Congress a report on the ability of the North Atlantic Treaty Organization (NATO) to maintain its strategy of deterrence and flexible response in the event of an INF agreement between the United States and the Soviet Union. Both unclassified and classified versions of the report would be submitted not later than (1) 90 days after the enactment of the fiscal year 1988 National Defense Authorization Act or (2) the date on which the President submits to the United States Senate on INF treaty, whichever date is earlier. The House bill contained no similar provision.

The conferees agreed to consolidate into one provision the NATO related reporting requirements. Section 1001 would require the Secretary of Defense, in consultation with the Supreme Allied Commander, Europe, and the Joint Chiefs or Staff, to submit to Congress a report on NATO's ability to maintain its strategy of deterrence and flexible response in a post-INF treaty environment.

The report to be submitted in both classified and unclassified forms is to include the following information:

(1) the appropriate numbers, types, deployment and redeployment of remaining nuclear weapons and delivery systems. The Secretary of Defense is expected to take into consideration related foreign policy issues in the development of the analysis;

(2) the impact of the elimination of INF missiles on NATO's flexible response and deterrence strategy;

(3) the prospects for and impacts of NATO/Warsaw Pact conventional force structure changes and improvements on the current non-nuclear forces balance. Discussion of modernization initiatives and alternative conventional arms reduction proposals currently under consideration by the United States government should be included;

(4) the feasibility and cost effectiveness of conventional munitions enhancements as replacements for nuclear weapons currently deployed by NATO, including discussion of related allied burden sharing issues;

(5) the operational requirements associated with the follow-on-forces attack (FOFA) concept; and

(6) the status of NATO air defenses improvements in Europe.

The report is to be submitted not later than 90 days after the enactment of the fiscal year 1988 National Defense Authorization Act or the date on which the President submits to the Senate for ratification an INF treaty whichever occurs earlier.

United States military personnel in NATO countries (sec. 1002)

The House bill contained a provision (sec. 813) that would prohibit during fiscal year 1988 any reduction in the number of U.S. military personnel stationed in NATO countries below the number of personnel stationed in such countries at the end of fiscal year 1987.

The Senate amendment contained a similar provision (sec. 842) that would express the sense of the Senate that the current level of U.S. military personnel stationed in Europe should be maintained, provided that all existing base agreements remain in effect.

The House recedes with an amendment making the provision an expression of the sense of the Congress and effecting technical changes.

North Atlantic Treaty Organization study (sec. 1003)

The Senate amendment contained a provision (sec. 333) that would designate $50,000 of the funds authorized for Operations and Maintenance in fiscal year 1988 for use by the North Atlantic Assembly to conduct a study of the future of the North Atlantic Treaty Organization. The House bill contained no similar provision.

The conferees recommend authorization of $50,000 for the study.

LEGISLATIVE PROVISIONS NOT ADOPTED

NATO training center

The Senate amendment contained a provision (sec. 802) that would express the sense of the Congress that NATO should vigorously pursue the development of a new training center similar to the National Training Center at Fort Irwin, California.

The House bill contained no similar provision.

The Senate recedes.

The conferees emphasize that the Senate's recession on this provision does not signal a disapproval of the development of a NATO training center. To the contrary, the conferees strongly believe that the training and coordination of NATO military forces would be greatly enhanced if they could train in a demanding and realistic environment similar to the National Training Center. Accordingly, the conferees urge NATO member nations to vigorously pursue the development of such a training center.

BURDENSHARING

LEGISLATIVE PROVISIONS ADOPTED

Study of defense expenditures in Japan (sec. 1011)

The House bill contained a provision (sec. 834) that would require the Secretary of Defense to report various data relating to Japanese defense expenditures and to U.S. defense expenditures in support of the Far East.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment modifying some of the data required by the report.

Sense of the Congress regarding Japan's contributions to global stability (sec. 1012)

The Senate amendment contained a provision (sec. 826) that would express the sense of the Congress that Japan should increase its Official Development Assistance program funding, without regard to its expenditures on defense, so that by 1992, Japan would be spending approximately three percent of its gross national product on such program.

The House bill contained no similar provision.

The House recedes with an amendment expressing the sense of the Congress that (1) by 1992, Japan's level of spending on Official Development Assistance and defense programs as a percentage of gross national product should approximate the average level of spending as a percentage of gross national product by the NATO allies on Official Development Assistance and defense programs; (2) the Philippines should be included as an area in which additional Japanese Official Development Assistance should be devoted; and (3) Japan should complete its five year defense program and fulfill its pledge to defend Japan's territory, airspace, and sealances to a distance of 1,000 miles.

LEGISLATIVE PROVISIONS NOT ADOPTED

Sense of the Congress regarding mutual defense alliances

The Senate amendment contained a provision (sec. 850) that would express the sense of the Congress that the President should enter into negotiations with members of mutual defense alliances with the United States for the purpose of achieving a more equitable distribution of the financial burden of support of such alliances.

The House bill contained no similar provision.

The Senate recedes. The conferees note that a provision identical to section 850 of the Senate amendment is a matter in conference on the fiscal year 1988 State Department authorization bill.

PROCUREMENT MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Overseas Workload Program (sec. 1021)

The House bill contained a provision (sec. 811) that would make all "major non-NATO allies" eligible to perform Department of Defense maintenance contracts under the European Workload Program either in Europe or in the country of the bidder.

The Senate amendment contained no similar provision.

The Senate recedes with amendments. The first amendment provides that the provision applies to fiscal years 1988 and 1989. The second permits the work to be performed in the United States and Canada as well as in Europe or on the territory of a major non-NATO ally. The third permits the armed services to limit—on a contract-by-contract basis—the location at which the work at another location could adversely affect military preparedness (that is, readiness and sustainability) or would violate an international agreement. For example, should there be a readiness concern, a service could provide in the contract bidding rules that the work be performed within a certain radius of an American base in Europe. The fourth amendment outlines a report to be submitted by December 1, 1988, which is intended to serve as the factual basis for any further legislative action that may be necessary in fiscal year 1989 to determine the long-term policy for the handling of maintenance work under the Overseas Workload Program. The conferees note that while the statute places no ceiling on the volume of contracts that can be restricted geographically, they do not expect the exemption to be applied indiscriminately, and they note that every exemption must be individually justified in the report called for by the statute.

NATO cooperative project agreements (sec. 1022)

The Senate amendment contained a provision (sec. 820) that would make technical amendments to section 27(b)(1) of the Arms Export Control Act (section 2767(b)(1)(C) of title 22, United States Code) to authorize the United States to buy munitions from NATO or a NATO subsidiary.

The fiscal year 1987 Defense Authorization Act (Public Law 99-661) included a provision (sec. 1102) that authorized the Secretary of Defense to waive certain procurement requirements and procedures so that the United States could participate in cooperative projects with its NATO allies. Section 820 of the Senate amendment would expand that authority to allow the United States to participate in the common procurement of munitions from the NATO Maintenance and Supply Agency.

The House bill contained no similar provision.

The conferees agree to include the technical correction. The House recedes.

Report to Congress on sale or production of the M1A1 Abrams tank (sec. 1023)

The Senate amendment included a provision (sec. 853) that would require the Secretary of Defense to submit a report to Congress on any plans involving the sale, co-production or co-assembly of the M1 or M1A1 Abrams tank to, with or in any foreign country.

The House bill contained no similar provision.

The conferees agree to require such a report within 90 days of enactment. The report is to include (1) the status of present negotiations; (2) the long-term impact on the United States; mobilization base of any coproduction plan; and (3) the impact on national security.

The House recedes with an amendment.

TITLE XI—DEPARTMENT OF DEFENSE MANAGEMENT

CONSTRUCTION AND MAINTENANCE OF NAVAL VESSELS

LEGISLATIVE PROVISIONS ADOPTED

Clarification of limitation on contracting for short-term naval vessel repair work (sec. 1101)

The House bill contained a provision (sec. 804) that would clarify the limitation on contracting for short-term naval vessel repair work contained in subsection (d) of section 7299a of title 10, United States Code.

The Senate amendment contained no similar provision.

The Senate recedes.

Rates for progress payments on certain naval ship repair contracts (sec. 1102)

The House bill contained a provision (sec. 805) that would require the Secretary of the Navy to provide that the customary rate for progress payments on naval ship repair contracts be 90 percent in the case of firms considered to be small businesses and 85 percent in the case of all other firms.

The Senate amendment contained no similar provision.

The Senate recedes.

Domestic construction of certain vessels (sec. 1103)

The House bill contained a provision (sec. 806) that would extend the requirements for domestic vessel construction contained in section 7309(a) of title 10, United States Code, for vessels constructed for any of the military services to vessels constructed for any of the armed services. In so doing, section 806 would extend these requirements to the Coast Guard, in addition to the Department of Defense.

The Senate amendment contained no similar provision.

The Senate recedes.

Repeal of prohibition of use of interport differential for certain ship maintenance contracts (sec. 1104)

The House bill contained a provision (sec. 818) that would repeal the prohibition on use of interport differential charges in the evaluation of ship maintenance contracts on the West Coast, as contained in section 9085 of the fiscal year 1987 Defense Appropriations Act (Public Law 99-500).

The Senate amendment contained a provision (sec. 323) that would provide that no funds could be obligated or expended for naval vessel overhaul, repair, or maintenance unless the Secretary of the Navy complies with the provisions of section 7299a of title 10, United States Code, which includes the requirement for consideration of interport differential charges in evaluation of ship maintenance contracts.

The Appropriations Act provision that would be repealed by section 818 of the House bill expired at the end of fiscal year 1987. The managers on the part of the House note, however, that section 323 of the Senate amendment is consistent with the vote of the House of Representatives in defeating an amendment to strike the language of section 818 during consideration of the House bill.

Accordingly, the House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Alteration, overhaul, and repair of naval vessels and aircraft in public and private facilities

The House bill contained a provision (sec. 315) that would repeal a provision contained in title II of the fiscal year 1987 Defense Appropriations Act, (Public Law 99-500) that requires that funds be made available to acquire the alteration, overhaul, and repair of naval vessels and aircraft by competition between public and private shipyards and air rework facilities. The Senate amendment contained no similar provision.

The conferees note that, despite assertions to the contrary, the competition referred to in the Appropriations Act provision is not a true competition in the sense of two private firms competing against one another. Indeed, the situation is actually a case of the Navy, as an executive agency, making an allocation decision about performing ship and aircraft repair work "in house" or in the private sector. This, in turn, is similar to the "make or buy" decisions frequently made in private industry.

Because of the inherent nature of the make-or-buy decision, the disparate accounting systems of the public and private facilities, and the difficulties involved with having the government attempt to contract with itself, the existing legislative requirement for comparability between private bids and public estimates is impossible to satisfy.

The conferees note, however, that the internal Navy process involved in the make-or-buy decisions has resulted in beneficial effects both in public facility efficiency and private sector bids. The Navy is directed to continue its efforts along these lines.

Nevertheless, because section 315 of the House bill would repeal an Appropriations Act provision that expired at the end of fiscal year 1987, which occurred prior to this report, the House reluctantly recedes.

CONTRACTING OUT

LEGISLATIVE PROVISIONS ADOPTED

Contracting out (secs. 1111-1112)

The House bill contained a provision (sec. 316) that would prohibit the contracting out of maintenance functions at twenty Army depots and arsenals.

The Senate amendment contained no similar provision.

The House recedes.

The House bill contained a provision (sec. 814) that would direct the Secretary of Defense to delegate authority for the implementation of the commercial activities program to installation commanders.

The Senate amendment contained no similar provisions.

The conferees agreed to accept the House provision but limited its applicability to two years.

The Senate recedes with an amendment.

The House bill contained a provision (sec. 815) that would permanently prohibit the contracting out of security guard functions presently being performed by Department of Defense civilians.

The Senate amendment contained no similar provision.

The Senate recedes.

SECURITY AND COUNTERINTELLIGENCE MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Limited counterintelligence polygraph program (sec. 1121)

The House bill contained a provision (sec. 821) that would make the existing experimental counterintelligence polygraph program a permanent program and limit the number of examinations permitted—with some exempted categories—to 20,000 per year in fiscal years 1988, 1989, and 1990 and to 10,000 in each succeeding fiscal year for which Congress does not otherwise specify a different number.

The Senate amendment contained no similar provision.

The Senate recedes with amendments. The conferees approved language that would (a) give the program a permanent authorization, (b) permit 10,000 examinations annually—with additional exemptions—during fiscal years 1988, 1989, and 1990, and 5,000 in any succeeding fiscal year for which Congress does not authorize another number, and (c) establish an annual reporting requirement.

Assessment of Soviet electronic espionage from Mount Alto Embassy site (sec. 1122)

The House bill contained a provision (sec. 826) that would require the Secretary of Defense to review and assess the present and potential threat to the security of sensitive U.S. government communications posed by the Soviet occupation of Mount Alto in the District of Columbia. It would also require the Secretary to make a determination whether occupation of this site is consistent with the national security of the United States.

The Senate bill contained no similar provision.

The Senate recedes.

Dissemination of unclassified information concerning physical protection of special nuclear material (sec. 1123)

The Administration request included a legislative provision that would provide enhanced security for special nuclear material by controlling the disclosure of information relating to the measures utilized by the Department of Defense for the protection and security of such material. The Senate amendment contained a provision (sec. 805) that would grant authority to the Secretary of Defense, similar to authority provided to the Secretatry of Energy under current law (42 U.S.C. 2168), to prohibit unauthorized dissemination of information concerning physical protection of special nuclear materials.

The House bill contained no similar materials.

The House recedes.

The conferees direct that the Secretary of Defense look to the regulations implementing similar authority for the Department of Energy in establishing regulations to implement the section. The Department of Energy regulations (10 C.F.R. part 1017) make careful distinctions between types of information that are intended to be restricted and types of information that are intended to remain in the public domain and those distinctions should be contained in Department of Defense regulations.

LEGISLATIVE PROVISIONS NOT ADOPTED

Study of classified information

The House bill contained a provision (section 831) that would require the Secretary of Defense to conduct a study to establish procedures for declassification of a substantial portion of currently classified information. The procedures are to ensure adequate protection of national security. The Secretary may implement the findings and conclusions of the study within 30 days after the date the report is transmitted to Congress.

The Senate bill contained no similar provision.

The House recedes.

SPECIAL ACCESS PROGRAMS

LEGISLATIVE PROVISIONS ADOPTED

Oversight of Special Access Programs (secs. 1131-1133)

The House bill contained three provisions concerning congressional oversight of special access programs (secs. 114(a), and 807). The Senate amendment contained one provision (sec. 844).

Sense of the Congress

The House bill (sec. 114(a)) expressed the Sense of the Congress that the Advanced Technology Bomber, the Advanced Tactical Aircraft, and the Advanced Cruise Missile involved technologies critical to United States national security, that certain information involving the technology in these three programs should remain classified, and that it would be consistent with the public interest to disclose limited, nonclassified information about these programs concerning cost and schedule. The Senate amendment contained no similar provision. The Senate recedes with a technical amendment.

General Accounting Office report

The House bill (sec. 114(f)) would require the General Accounting Office to study the criteria used by the Secretary of Defense in determining whether to designate a program as a special access program and report the results of this study to the Committees on Armed Services of the Senate and House of Representatives not later than February 1, 1988. The Senate recedes with an amendment that would change the date to April 1, 1988.

The conferees agreed that in directing the Comptroller General to conduct this study the direction was not meant to imply that access to programmatic special access data was required. The study is meant to focus on the process for designating special access programs as such, as well as the criteria.

Congressional oversight

The House bill contained a provision (sec. 807) that would direct the Secretary of Defense to submit to the appropriate committees of the Congress, and in conjunction with the submission of a budget for the next fiscal year, an unclassified report on the total amount requested in that budget for special access programs of the Department of Defense, require certain classified information on programs designated as special access, and require that such information be available, as specified, and other purposes.

The Senate amendment contained a similar provision (sec. 844) that would require the President to include with the budget for the next fiscal year, a separate report in either classified or unclassified form to the appropriate committees of Congress providing specified information on designated special access programs, a report stating the policy for the classification of reports and materials relating to programs designated special access programs, and other purposes.

The Senate recedes with an amendment. The conferees agree that the section is not intended to require the reporting of special access programs that are reported to the Select Committees on Intelligence of the Senate and House of Representatives.

Clarification of intent

The conferees elected not to define the term "special access programs" in law. The conferees were concerned that a definition in law would reduce the flexibility of the defense committees in receiving information and might disclose sensitive information. However, the conferees expect that the Secretary of Defense will report to the defense committees all special access programs that are programs (1) of the Department of Defense or (2) which are managed by the Department on behalf of some other governmental entity. The conferees direct the Secretary of Defense to consult jointly with the chairman and ranking minority members of the defense committees each year to determine which special access programs are to be reported to the defense committees.

Nothing in these sections is intended to reduce the degree of information provided to the defense committees regarding special access programs from that which is currently provided to the defense committees. Although a provision is included that would provide the Secretary of Defense with the authority to waive certain provisions in the interest of national security concerns, the conferees expect this waiver to be used sparingly. The conferees further agreed that nothing in this legislation is intended to imply that the Secretary may withhold any information from the chairman and ranking minority members of the defense committees.

The conferees intend the provision to improve the Congressional oversight of special access programs by requiring that comprehensive data on all special access programs under the jurisdiction of the defense committees be provided. The conferees generally agreed that the Department of Defense has provided data on these programs to the defense committees in a forthcoming manner but that the growth in overall levels of funding in the special access category now requires a more formalized reporting requirement and oversight process.

In considering this legislation, the conferees expressed concern with the need for broad application of special access security controls. The conferees agreed that under some circumstances, the rigorous security provided by this security system is fully justified. The conferees believe, however, that the application of the "need-to-know" principle required under normal security procedures was intended to limit access to classified information in the same manner as do special access procedures. The need to broaden significantly the scope of information under special access security controls was considered by the conferees to be the result of a breakdown in the proper application of the "need-to-know" principle.

TITLE XII—GENERAL PROVISIONS

FINANCIAL MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Transfer authority (sec. 1201)

The House bill contained a provision (sec. 801) that would permit the transfer of an authorization for obligation for any fiscal year to any other authorization for that fiscal year made available in titles I, II or III upon determination by the Secretary of Defense that such a transfer would be in the national interest. The provision provides the authorization for reprogrammings involving the transfer of authorization between authorization as set out in bill language.

The authority to transfer could only be used to provide authorization for higher priority items than the items from which authorization was transferred and could not be used to provide authorization for an item that was denied authorization by the Congress. The Secretary of Defense would be required to promptly notify the Congress of transfers. The total amount of transfers would be limited to $2 billion.

The Senate amendment contained no similar provision.

The Senate recedes.

Limitation on availability of funds (sec. 1202)

The House bill contained a provision (sec. 824) that would preclude the Secretary of Defense from obligating or expending appropriations for any program, project or activity in excess of the amount needed to carry out such program, project or activity and preclude the Secretary from obligating appropriations for a program, project or activity unless a contract had been entered into within three years after the appropriation became available.

The Senate amendment contained no similar provision.

The conferees agreed to a provision that would preclude the Secretary of Defense from obligating or expending appropriations for any program, project or activity unless a contract had been entered into within three years after the appropriation became available.

The Senate recedes with an amendment.

Requirement for consistency in DOD budget presentations (sec. 1203)

As part of its planning for the section on the Department of Defense included in the President's budget at the beginning of the year and for other purposes, the department maintains a Five Year Defense Program (the FYDP) showing proposed obligational authority at the level of program element for the budget year and the four succeeding fiscal years. The Five Year Defense Program is classified secret.

In the last two years, aggregate obligational authority shown in the Five Year Defense Program has matched the aggregate numbers for the Department of Defense included in the President's budget only for the budget year (or years, in the case of the biennial budget for fiscal years 1988-89 submitted at the beginning of fiscal year 1988). For the outyears, aggregate obligational authority in the Five Year Defense Program has exceeded the aggregate numbers in the President's budget: by $77.2 billion in the case of the biennial budget submitted for fiscal years 1988-89 and by $58.8 billion in the case of the budget submitted for fiscal year 1987.

Section 818 of the Senate amendment would require the Five Year Defense Program to be submitted to Congress with the President's budget and that the "amounts of estimated expenditures and proposed appropriations" for defense programs, projects and activities in the Five Year Defense Program and in other "program and budget information" submitted to Congress be consistent with such amounts included in the President's budget.

The provision is intended to require the Department of Defense to show in detail how its plans for the outyears of the five-year period presented in the Five Year Defense Program would be affected by enactment of the aggregate obligational authority for those years set forth in the President's budget. The House bill contained no similar provision.

The House recedes with an amendment. The amendment would delay the requirement that the Five Year Defense Program be submitted to Congress until April 1 of each year. The purpose of this amendment is to provide the Department of Defense with an opportunity either to conform fully the Five Year Defense Program with the President's budget submission or to explain any remaining differences.

The conferees expect that the Five Year Defense Program submitted in accordance with this provision will be at the same level of detail as the latest update of the Five Year Defense Program, Summary and Program Element Detail, Fiscal Year 1988 and 1989 Budget Submission, together with the associated Construction, Procurement and RDT&E Annexes. These documents may be submitted at whatever level of classification as is appropriate to their contents.

The conferees do not intend to impede the budgetary planning process of the Department of Defense or to interfere with the utility of the Five Year Defense Program in that process. They expect that the delay of the Five Year Defense Program submission to April 1, the provision for explanation of differences between the Five Year Defense Program and the President's budget, and the likelihood that the Five Year Defense Program will be submitted in classified form will provide sufficient protection to permit continuation of its use in the planning process.

LEGISLATIVE PROVISIONS NOT ADOPTED

Outlay savings from delay of certain payments

The House bill includes a provision (section 810) that would delay progress payments and other payments for goods and services by the Department of Defense. The provision prohibits Department of Defense payments to contractors (other than small business concerns) that would otherwise be made during the last 12 days of fiscal year 1988 until fiscal year 1989. The provision was intended to improve the financial management of the Department of Defense by further limiting the possibility of wasteful end-of-fiscal-year spending. Taken together with current law limitations on the obligation of funds during the last two months of the fiscal year, the provision avoids inefficient surges in spending at year-end.

The provision would reduce fiscal year 1988 outlays by $6,060 million, $2,160 million from delayed progress payments and $3,900 million from delayed other payments. The provision would not affect budget authority.

The Senate bill contained no similar provision.

The House recedes. Section 4 of the bill limits appropriations so that the total for outlays for the national defense function (function 050) do not exceed the levels specified in the Budget Resolution for fiscal year 1988.

OTHER ITEM OF INTEREST

Interpretation of the classified annex

A classified annex accompanies this conference report. The classified annex sets forth certain classified programs and activities for which funds are provided in this Act, the amounts provided for those programs and activities, and certain limitations with respect to those programs and activities.

Concern has been raised as to whether the classified annex could be misinterpreted to authorize programs or activities that are not authorized in the Act or to otherwise avoid the prohibitions and limitations in the Act. Such an interpretation would not be proper. The conferees emphasize that the classified annex may not be construed in a manner that is inconsistent with this Act.

FORCE STRUCTURE AND POLICY

LEGISLATIVE PROVISIONS ADOPTED

Implementation of special operations forces reorganization (sec. 1211)

The House bill included a provision (sec. 819) that would strengthen current law on the reorganization of special operations forces (SOF). The provision would:

(1) direct the Secretary of Defense to ensure that the commander of the special operations command (SOCOM) receives sufficient resources to discharge his responsibilities, including particularly his responsibilities involving development and acquisition of special operations, peculiar equipment and management of resources for special operations as a separate budget activity;

(2) require the Secretary of Defense to establish not to exceed 120 civilian personnel positions for the SOCOM headquarters and specify that they may be designated as engineering, scientific, and management positions;

(3) specify that the SOCOM commander have authority to exercise the functions of the head of an agency under chapter 137 of title 10;

(4) specify that the SOCOM commander may conduct internal audits and inspections of purchasing and contracting actions through the SOCOM inspector general;

(5) designate the Assistant Secretary of Defense for Special Operations and Low Intensity Conflict (ASD/SOLIC) as the principal adviser to the Secretary of Defense on SOLIC matters and the principal official on those matters within the senior management of the Department of Defense;

(6) specify that when the Secretary of Defense exercised authority, direction, control, and supervision of SOLIC matters through the Office of the Secretary, it would be done through the Assistant Secretary for SOLIC;

(7) require that activities specified in section 167(e) of title 10 as responsibilities of the SOCOM commander be programmed, and resources for such activities provided, through the major force program category for special operations forces directed by section 1311(c) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661).

The Senate amendment contained no similar provision.

The conferees agreed that insufficient progress has been made by the Department of Defense in implementing the reorganization of special operations forces mandated by section 1311 of the fiscal year 1987 Defense Authorization Act (Public Law 99-661).

The conferees decided that congressional action was necessary to remove a number of bureaucratic obstacles to meaningful progress. The action of the conference committee reaffirms the commitment of the Congress to correct serious deficiencies in the capabilities of the United States to conduct special operations and to engage in low intensity conflicts.

As was the case last year, the conference committee was forced by bureaucratic resistance within the Department of Defense to take very detailed legislative action in mandating the urgently needed reorganization and reform of special operations and low intensity conflict capabilities, policies, and programs. The conferees recognized that their recommendations represent a degree of specificity that, under normal circumstances, should be avoided in legislation. In this instance, however, the Congress could not acquiesce to efforts in DOD to delay or block implementation of the law. The conferees agreed to give high priority to overseeing the implementation of the provisions enacted last year and this year. Moreover, the conferees expressed their willingness to continue to play an extremely active legislative role until such time as the congressionally mandated reorganization and reform are fully and effectively implemented.

The Senate recedes with five amendments that would amplify or make the House language more specific.

The first Senate amendment (reference item 1 above) would add a requirement specifying that the SOCOM commander's resources be sufficient to enable him to discharge his advice/assistance responsibilities on program and budget matters to the ASD/SOLIC.

The second Senate amendment (reference item 2 above) would replace the House language authorizing up to 120 civilian engineering, scientific, management, and other positions for the SOCOM headquarters with a requirement that the SOCOM headquarters staff may not be less than 450 personnel on September 30, 1988, and that 111 of the total shall be civilian employees unless otherwise directed by the SOCOM commander or the Secretary of Defense.

The conferees agreed that the civilian positions may include professional engineering positions primarily concerned with research and development of special operations-peculiar equipment; professional scientific positions in the physical and natural sciences, medicine, communications, electronics, and aviation; and professional management positions in program management, administration, contracting, warehousing and depot operations, testing, procurement, and financial, budgeting and automation systems.

The third Senate amendment (reference item 4 above) would require that the staff of the SOCOM commander include an inspector general who would conduct the auditing and inspection functions specified in the House bill as well as such other inspector general functions as may be assigned.

The fourth Senate amendment (reference item 6 above) would replace the House bill direction concerning the exercise of authority, direction, control, and supervision by the Secretary of Defense through the ASD/SOLIC with several requirements: that a DOD directive containing a charter for the ASD/SOLIC be published not later than 30 days after enactment of the conference report; that the charter include, inter alia, duties and responsibilities of the ASD/

SOLIC, specify his relationship to other DOD officials, delineate any delegation of authority from the Secretary of Defense to the ASD/SOLIC; that the Secretary of Defense submit to the Committees on Armed Services of the Senate and House of Representatives the chartering directive and a report explaining how the charter fulfills the provisions in law pertaining to the ASD/SOLIC; that the Secretary of the Army carry out the duties and responsibilities of the office of the ASD/SOLIC until that office is filled for the first time; that the Secretary of the Army submit a monthly report to the Committees on Armed Services of the Senate and House of Representatives concerning his activities in fulfilling the legislative provisions pertaining to the ASD/SOLIC; and that the Secretary of the Army and the first ASD/SOLIC, with respect to the duties and responsibilities of the ASD/SOLIC, report directly to the Secretary of Defense or the Deputy Secretary of Defense.

The conferees agreed that the original House language specifying a preeminent position for the ASD/SOLIC within the Office of the Secretary of Defense with respect to special operations and low intensity conflict matters reflected the original and continuing intent of the Congress with respect to that position. The conferees recognized, however, that certain technical flaws precluded retaining the formulation in the House bill. The fourth Senate amendment contains requirements aimed at the same objective as the original House language. By designating the Secretary of the Army to act as the de facto ASD/SOLIC, the Senate amendment also reflects congressional insistence that the Department of Defense undertake to implement the special operations forces reorganization without further delay.

The fifth Senate amendment (reference item 7 above) would make the House language more specific with regard to the major force program category for special operations forces. The amendment would require: the creation, not later than 30 days after enactment of the conference report, of the major force program category for special operations forces required by section 1311(c) of the National Defense Authorization Act for Fiscal Year 1987 (Public Law 99-661); the Secretary of Defense to submit to the Committees on Armed Services of the Senate and House of Representatives a certification that all program recommendations and budget proposals for special operations forces are included in the special operations force program category; and the Secretary to submit a report explaining the composition of such major force program category.

The conferees also agreed on several changes proposed by the Senate intended to clarify the language in the House bill.

Conventional Defense Advisory Board (sec. 1212)

The House bill contained a provision (sec. 809) that would establish a Conventional Defense Advisory Board within the Department of Defense. The board would survey conventional warfare requirements, identify shortfalls, particularly in Europe and report to the Secretary of Defense its findings and recommendations annually. In turn, the Secretary of Defense would forward the report of the Board to the Congress.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment.

The conferees agreed to a provision (sec. 1212) that would require the Comptroller General of the United States to convene and chair a Conventional Defense Study Group composed of representatives from the General Accounting Office, the Library of Congress, the Office of Technology Assessment, and the Congressional Budget Office. That study group would submit a report to the Committees on Armed Services of the Senate and House of Representatives and to the Secretary of Defense. The report would provide an assessment of the balance of conventional forces in NATO Europe and make recommendations for improving that balance.

The conferees direct that the assessment by Conventional Defense Study Group should include, but not be limited to, the following elements:

1. An assessment of the conventional balance of forces in NATO Europe, with emphasis on the Central Region. The study group should survey the views of experts on the sufficiency of NATO's conventional forces for both deterrence and defense in the event of a Warsaw Pact conventional attack. To the extent possible, this study group should review the views of experts on the Soviet leadership's perspective on the conventional balance.
2. A review of deficiencies in NATO's conventional forces and an assessment of the impact of current and planned U.S. and NATO Allied defense programs on those deficiencies.
3. Recommendations for alleviating those deficiencies identified in the survey that will not be corrected by current and planned NATO defense programs.
4. An estimate of the costs of implementing those recommendations for alleviating the remaining deficiencies, and the feasibility of implementing those recommendations within planned levels of defense spending by NATO nations.

Subsection 1212(a) would require the Secretary of Defense to appoint a Conventional Defense Advisory Board for the purpose of reviewing the report of the Conventional Defense Study Group and to provide that review to the Secretary of Defense and the Committees on Armed Services of the Senate and House of Representatives together with any recommendations regarding the implementation of the report of the study group.

Report on competitive strategies (sec. 1213)

The Senate amendment contained a provision (sec. 802) that would require the Secretary of Defense to submit to the Committees on Armed Services of the Senate and House of Representatives a classified and unclassified report on the competitive strategy concept, an assessment of Soviet and Warsaw Pact weaknesses that could be candidates for exploitation through competitive strategies, and other material.

The House bill contained no similar provision.

The House recedes.

Publication of a net assessment (sec. 1214)

The House bill contained a provision (sec. 832) that would direct the Secretary of Defense to provide for the publication, on an annual basis, of a document in an unclassified form that contains a net assessment of the defense programs and capabilities of the United States and of the Soviet Union.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would require both a classified and an unclassified report that contains a net assessment of the defense capabilities and programs of the armed forces of the United States and its allies as compared to those of their potential adversaries.

LEGISLATIVE PROVISIONS NOT ADOPTED

Aerial defense mission

The Senate amendment contained a provision (sec. 846) expressing the sense of Senate that the Secretary of Defense should establish as a mission of the Department of Defense the defense of the United States against all aerial threats, including aircraft, ballistic missiles, cruise missiles, and other types of missiles.

The House bill contained no similar provision.

The Senate recedes.

MISCELLANEOUS REPORTS

LEGISLATIVE PROVISIONS ADOPTED

Study of requirements for centralized space operations (sec. 1221)

The House bill contained a provision (sec. 835) that would direct the Secretary of Air Force to study the requirements for centralized space operations as part of the Consolidated Space Operations Center near Colorado Springs, Colorado.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment.

Report on contingency plan to deal with disruptions in Persian Gulf oil (sec. 1222)

The Senate amendment contained a provision (sec. 728) that would require a report from the Departments of Defense and Energy on plans for dealing with any significant disruptions in the supply of crude oil produced by Persian Gulf states.

The House bill contained no similar provision.

The House recedes with an amendment making the Departments of Defense and Energy jointly responsible for performing the study, and other amendments. The conferees note that the Committees on Armed Services of the Senate and House of Representatives, the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House of Representatives, and the Energy and Natural Resources Committee of the Senate and the Energy and Commerce Committee of the House of Representatives are all interested in the issue and request that the report be distributed to each of them.

Study of early decommissioning of two aircraft carriers (sec. 1223)

The Senate amendment contained a provision (sec. 847) that would require the Secretary of Defense to submit a report of a study of the early decommissioning of two aircraft carriers to the Committees on Armed Services of the Senate and House of Representatives by November 15, 1987. The study would compare the current Department of Defense plan for decommissioning aircraft carriers with an accelerated, alternative plan in terms of cost savings, aircraft requirements, personnel requirements, and requirements for other types of Navy ships.

The House bill contained no similar provision.

The conferees agree to the reporting requirement with two modifications. First, that the Secretary of Defense be further directed to solicit and report on an assessment by the Chairman of the Joint Chiefs of Staff on the implications of accelerated aircraft carrier retirements on the ability of the United States to meet both peacetime aircraft carrier deployment commitments and the wartime requirements for aircraft carriers set forth by the Unified Commanders.

Second, insofar as this assessment notes a deficiency between peacetime carrier deployment requirements and the number of deployable carriers, the report shall also include an assessment regarding:

(a) How carrier deployment strategies could be adjusted or changed to cover commitments while maintaining an equitable distant deployment rotation for personnel and equipment considerations.

(b) What alternative combinations of ships and/or aircraft might be deployed to substitute for a carrier, either permanently or temporarily, in all situations in which carriers are currently deployed.

(c) What special considerations will accompany the eventual removal of USS *Midway* from her homeport in Japan.

The House recedes with an amendment.

TECHNICAL AND CLERICAL AMENDMENTS

LEGISLATIVE PROVISIONS ADOPTED

Technical and clerical amendments (sec. 1231-33)

The Senate amendment contained a provision (sec. 860) that would make technical and clerical changes to various provisions of Title 10 and Title 37, United States Code, and to section 956(b)(1) of the Defense Acquisition Improvement Act of 1986 (Public Law 99-661).

The House bill contained no similar provision.

The House recedes.

MISCELLANEOUS MATTERS

LEGISLATIVE PROVISIONS ADOPTED

GAO study of capabilities of the United States to control drug smuggling into the United States (sec. 1241)

The House bill contained a provision (sec. 825) that would permit assignment of members of the armed forces to assist civilian law enforcement officials in drug searches, seizures, or arrests outside the land area of the United States under certain circumstances.

The Senate amendment contained a provision (sec. 835(a)-(c)) that would direct the General Accounting Office to conduct a detailed study of the potential effects of military assistance to civilian law enforcement officials.

The House recedes on section 825 of the House bill.

The House recedes on section 835(a)-(c) of the Senate amendment with amendment.

The GAO study is intended to be a comprehensive analysis regarding illegal drug smuggling into the United States and the current capabilities of the U.S. to deter such smuggling.

In making an assessment of the national security implications of illegal drug smuggling under subsection (a)(1), the study should consider both military and civilian threats to our national security and the relative roles that military and civilian organizations can play in addressing such national security issues.

Under subsection (a)(2), GAO will study the impact of resource limitations on civilian interdiction efforts and the capability of the Department of Defense to respond to requests for assistance from those law enforcement agencies. This aspect of the study should reflect resource, training, and operational constraints that both the civilian agencies and the Department of Defense face.

Subsection (a)(3) requires an analysis of the effect on the armed forces and civilian agencies that would result from enactment of legislation authorizing direct military participation in arrests, searches, and seizures. GAO should consider the need of civilian agencies for such assistance, the impact of such assistance on the effectiveness of the interdiction effort, the types of military assets that could be loaned to civilian agencies, the cost of training military personnel to perform law enforcement tasks, and the impact on military readiness of performing such missions for civilian agencies. With respect to military readiness, the GAO study should assess whether current military training and readiness functions are being appropriately funded, and assess the impact of military training, readiness, and operations that would result from using Department of Defense readiness and training resources to perform a civilian law enforcement mission.

Under subsection (a)(4) the GAO report will examine the effectiveness of current cooperative arrangements between the U.S. Customs Service and National Guard units from the States of Arizona, Utah, Missouri, and Wisconsin in anti-drug smuggling operations along the United States-Mexico border.

Under subsection (a)(5) the General Accounting Office will determine whether giving the Armed Forces a more direct, active role in drug interdiction activities would enhance the morale and readiness of the Armed Forces.

The matter covered by subsections (a)(6)-(10) requires a thorough review of the capabilities for detection and apprehension of airborne drug smugglers, and an assessment of how efficiently and effectively are the agenies involved in this effort are planning and coordinating their efforts to enhance and integrate these capabilities. In particular, GAO should examine whether the civilian agencies are procuring assets that will duplicate capabilities already in existence or expected to be fielded in the near future by the Department of Defense.

The managers recognize the inherent power of the Comptroller General to contract for outside assistance in any study that GAO performs. It is the intent of the conferees that GAO draw upon all necessary resources to guarantee a thorough technical assessment of these issues, including the Congressional Office of Technology Assessment.

Transfer of funds to Coast Guard (sec. 1242)

The Senate amendment contained a provision (sec 835(d)) that would authorize the transfer of $3 million in fiscal year 1988 and $6 million in fiscal year 1989 from the Department of Defense to Department of Transportation for the Coast Guard's law enforcement detachment (LEDET) program.

The House bill contained no similar provision.

The House recedes.

Although the primary responsibility to pay for the LEDET program remains with the Coast Guard, the managers recognize that the Navy benefits from the program and should pay a portion of the costs. The level of funding anticipates that the Coast Guard will have a total of 400 persons in the LEDET program in 1988, and 500 in 1989. The actual number of LEDET personnel serving on naval vessels will depend on deployment schedules and deployment tempo. When not accompanying the Navy, LEDET personnel should be assigned by the Coast Guard to appropriate law enforcement duties.

Annual planning for Department of Defense drug enforcement assistance (sec. 1243)

The Senate amendment contained a provision (sec. 841) that would require the president, in the annual budget submission, to provide Congress a list of all Department of defense drug interdiction assistance to be made available to civilian law enforcement agencies and a detailed plan for providing equipment and other drug interdiction assistance during that fiscal year. The Department of Defense would then convene a conference with all civilian agencies involved in narcotics interdiction and would enter into memoranda of agreement specifying the distribution of such assistance.

The House bill contained no similar provision.

The House recedes with an amendment including the Secretary of State as part of the conference dealing with the distribution of drug interdiction assets.

With respect to secure communications equipment, the conferees stress that there is a priority need for such secure equipment for the Operation Bahamas and Turks and Caicos Program (OpBat) and that the Department of Defense should give immediate attention to this need.

Provision of command and control data from Tyndall Air Force Base for drug interdiction assistance (sec. 1244)

The House bill contained a provision (sec. 829) that would prohibit the use of Department of Defense funds to provide drug interdiction data from Tyndall Air Force Base.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment. The Senate amendment recognizes that reimbursement to the Department of Defense is required for such assistance under the Economy Act, as incorporated in chapter 18 of title 10, but provides an exception in this instance as an incentive to reduce overall costs by locating a civilian law enforcement facility adjacent to Tyndall AFB.

Assistant to the secretary of defense for atomic energy (sec. 1245)

The House bill contained a provision (sec. 3134) that would change the Department of Defense member of the Nuclear Weapons Council from the Director of Defense Research and Engineering to the Undersecretary of Defense for Acquisition. The section would also establish the Assistant to the Secretary of Defense for Atomic Energy as a presidential appointee.

The Senate amendment contained a provision (sec. 861) that would establish the Assistant to the Secretary of Defense for Atomic Energy as a presidential appointee, require that the individual appointed be appointed from civilian life, and would provide that the person serving as Chairman of the Military Liaison Committee on October 16, 1986 may be appointed as the Assistant to the Secretary of Defense for Atomic Energy without the advice and consent of the Senate.

The conferees agreed to a provision that would establish the Assistant to the Secretary of Defense for Atomic Energy as a presidential appointee and provide that the person serving as Chairman of the Military Liaison Committee on October 16, 1986 may be appointed as the Assistant to the Secretary of Defense for Atomic Energy without the advice and consent of the Senate.

Oil shipments for use of military facilities overseas (sec. 1246)

An amendment to the Export Administration Act of 1979 approved by the House of Representatives in the Trade Bill (H.R. 3) would prohibit any export of domestically produced crude oil or refined petroleum product, with some exceptions (section 331 of H.R. 3 amending section 7(d) of the Export Administration Act of 1979). The purpose of this section is to conserve domestic petroleum for U.S. uses in an era when U.S. sources are increasingly unable to fulfill U.S. demand.

This amendment might be read to preclude the shipment abroad of crude oil or refined petroleum products for use by the Department of Defense or U.S.-supported installations or facilities, even though such shipments would not typically be exports because no sale to a foreign entity is involved.

The House bill contained a provision (sec. 828) that would clarify that such shipments are not to be considered exports under the amendments to the Export Administration Act.

The Senate amendment contained no similar provision.

The Senate recedes.

Payment of claim (sec. 1247)

The House bill contained a provision (sec. 830) that would allow the Secretary of the Treasury to pay a claim to the Merchants National Bank of Mobile, Alabama, for losses resulting from the cancellation of a Government guarantee of a loan to a defense contractor.

The Senate amendment contained no similar provision.

The Senate recedes with a technical amendment.

Forensic examination of certain physiological evidence (sec. 1248)

The Senate amendment contained a provision (sec. 845) that would require the Secretary of Defense to prescribe procedures that whenever any physiological specimen is obtained from a person for the purposes of determining whether that person has used any controlled substance:

1. the specimen is in a condition that is suitable for forensic examination, and
2. a written laboratory report is submitted to the investigative agency that submitted the specimen prior to any court-martial or other criminal proceedings.

The procedures would ensure that evidence is preserved and transported in accordance with valid medical and forensic practices and provided by the most expeditious transportation means necessary to carry out an accurate examination.

It also requires that when evidence of LSD use exists in connection with a criminal investigation, the specimen be submitted to a forensic laboratory capable of determining whether the individual has used LSD.

The provision also specifically states "Nothing in this section shall be construed as providing a basis, that is not otherwise available in law, for a defense to a charge or a motion for exclusion of evidence or other appropriate relief in any criminal proceeding."

The provision would require the Secretary of Defense to submit a report to the Armed Services Committees of the Senate and House of Representatives not later than March 1, 1988, describing the procedures.

The House bill contained no similar provision.

The House recedes with a clarifying amendment.

Adjudicating certain cases of non-registrants for the draft (sec. 1249)

The Senate amendment contained a provision (sec. 809) that would permit the Office of Personnel Management to issue regulations providing that adjudications relating to the "knowing the willful" failure of civil service job applicants to register with the Selective Service System may be performed by executive agencies rather than by the Office of Personnel Management itself, thus easing the administrative burden.

The House bill contained no similar provision.

The House recedes.

Transportation of certain beneficiaries of the Veterans' Administration on Department of Defense aeromedical evacuation aircraft (sec. 1250)

The Senate amendment contained a provision (sec. 825) that would direct the Secretary of Defense and the Administrator of Veterans' Affairs to enter into an agreement under which the Department of Defense would provide aeromedical evacuation services on a space available basis for patients receiving care in Veterans' Administration medical facilities.

The House bill contained no similar provision.

The House recedes with an amendment.

LEGISLATIVE PROVISION NOT ADOPTED

Surcharge authority of Defense Logistics Agency

The House bill contained a provision (sec. 837) that would authorize the Director of the Defense Logistics Agency (DLA) to impose a surcharge on DLA customers for recovering costs associated with maintenance and repair of fuel storage facilities; leasing of facilities and purchase of equipment for storage facilities; and maintenance and repair costs associated with DLA supply centers and depots.

The Senate amendment contained no similar provision.

The House recedes.

TITLE XIII—AMENDMENTS RELATED TO GOLDWATER-NICHOLS REORGANIZATION ACT

JOINT OFFICER PERSONNEL POLICY

LEGISLATIVE PROVISIONS ADOPTED

Joint officer personnel policy (sec. 1301, 1302, 1303, 1304, and 1305)

The Senate amendment contained a provision (sec. 821) that would make a number of modifications to the joint officer management policies established by the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (Public Law 99-433). In order to correct unanticipated problems and provide additional management flexibility, the provision would:

(1) allow the Secretary of Defense to delegate only to the Deputy Secretary of Defense his authority to select officers for the joint specialty;

(2) repeal a requirement that joint specialists selected under the critical occupational specialty provision must complete a full tour of duty in a joint assignment as soon as practicable after selection;

(3) allow waiver of the sequence requirement that the joint educational program precede a full joint duty tour in qualifying an officer for selection for the joint specialty if an officer has already fulfilled both prerequisites;

(4) allow waiver of the joint educational requirement for selection to the joint specialty if an officer has already completed two full tours of duty in a joint assignment;

(5) manage the length of joint duty assignments through average tour lengths for all officers rather than minimum tour lengths for individual officers;

(6) reduce the average tour length of joint duty assignments to 2½ years for general and flag officers and 3 years for field grade officers;

(7) reduce the minimum tour length for joint duty credit for general and flag officers to 2 years;

(8) set 3 years as the minimum tour length for joint duty credit for field grade officers, except that full credit may be provided for a joint duty assignment whose length has been established by regulation as less than 3 but more than 2 years;

(9) allow cumulative credit toward the joint tour minimums in items 7 and 8 for joint tours that are (a) prescribed by regulation as less than 2 years, or (b) terminated because of hardship, medical reasons, or other unique circumstances;

(10) permit the Department of Defense to exclude statutory exceptions to the minimum joint tour lengths, as well as certain other uncompleted joint tours, when calculating compliance with the average tour length requirements;

(11) define joint tour as one or more assignments within the same organization but without a break between assignments;

(12) limit promotion monitoring, for all but joint specialists, to the first promotion consideration following reassignment from joint duty;

(13) require that the annual report of the Secretary of Defense include data on (a) the tours excluded from the computation of average joint tour lengths, and (b) the use of each waiver authority;

(14) remove the prohibition on counting assignments within an officer's own military department as joint duty, but limit to 100 the number of such assignments; and

(15) provide a 4-year exception to the joint tour requirement for promotion to flag rank for nuclear propulsion officers.

The House bill contained no similar provision.

The decision by the conferees to approve a number of modifications to the joint officer management policies prescribed by title IV of the Goldwater-Nichols DOD Reorganization Act of 1986 does not reflect any lessening of the congressional commitment to these policies. In fact, the benefits of increased emphasis on joint duty service evident during the past year have further convinced the conferees of the wisdom of the policy objectives mandated last year. The conferees agreed, however, that effective and fair implementation of the joint officer management policies could be enhanced by the timely correction of unanticipated problems and by providing additional management flexibility on a limited number of policies.

The conferees deferred action without prejudice on a number of additional changes proposed by the Department of Defense and contained in the Senate amendment. The conferees agreed that insufficient information was available at this time to make informed judgments on these proposals. The conferees made a commitment to comprehensively examine additional changes in time to act on them, if appropriate, in next year's defense authorization bill. Such examination should be assisted by the Secretary of Defense's first report on the implementation of the joint officer management policies, a report from the General Accounting Office, and additional implementation experience.

The conferees recognized that the Department of Defense has made significant progress in implementing the joint officer provisions. Moreover, the basic principles underlying these provisions are supported by the department's senior civilian and military leadership. This fact was affirmed in recent correspondence from the Deputy Secretary of Defense and the Chairman of the Joint Chiefs of Staff in which they stated: "We pledge our full support for continued enhancement of the Department's joint officer management policies and practices."

Given the complexity of the evolving joint officer personnel system, the conferees noted that the basic objectives of title IV of the Goldwater-Nichols Act could be obscured by vast amounts of procedural changes required to implement fundamentally different joint officer management policies. Such loss of purpose could manifest itself in "ticket-punching" approaches rather than more thoughtful efforts to genuinely enhance performance of joint duty responsibilities. In this regard, the conferees urge the department continually to reexamine its detailed implementation to ensure consistency with the fundamental objectives of title IV and to reaffirm the validity of the concepts developed in support of those objectives.

The House recedes with seven amendments to the provision contained in the Senate amendment. The approved modifications preserve the integrity of several key joint officer policy provisions enacted in 1986. The conferees agreed that their action should not be considered as changing the original purposes of the altered provisions, which include:

(A) making joint education relevant to joint duty by establishing a pattern whereby education normally precedes a joint duty assignment for officers attempting to qualify for selection to the joint specialty;

(B) lengthening joint duty tours in order to increase the experience level of officers in joint duty assignments and, thereby, the quality of their contribution;

(C) requiring that key joint duty assignments be filled only by officers who have met the educational and experience requirements and have been selected for the joint specialty;

(D) safeguarding the future promotions and assignments of joint officers; and

(E) making joint duty a prerequisite for promotion to general or flag rank.

The conferees also noted that the Secretary of Defense was provided management flexibility in the original legislation through (i) waivers, (ii) liberal transition provisions of 2 years or more, and (iii) a major exception to prescribed requirements which permits the qualification for the joint specialty of combat officers with a critical occupational specialty (COS) through shorter joint duty tour lengths and a reverse sequence for joint education.

The first House amendment (reference item 2 above), although accepting elimination of the requirement for every officer who qualified for the joint specialty through the COS exception to serve in a second joint duty assignment, would require that an appropriate portion of critical joint duty assignments be filled by COS joint specialists who qualified through the 2-year exception. The conferees agreed that an appropriate portion means roughly the same percentage of 2-year COS joint specialists serving in critical joint duty assignments as the percentage of 2-year COS joint specialists to the total number of joint specialists.

The conferees noted, however, that none of the 1,000 joint duty assignment positions thus far designated as critical by the Defense Department were general or flag officer positions. Therefore, the House amendment would also require that a substantial portion of the general and flag officer joint duty assignment positions be designated as critical under section 661(d)(2) of chapter 38, title 10, United States Code (as amended by section 1302(b) of this Act), and that revised joint duty assignment list pursuant to section 668(b)(2) (as amended by section 1302(c) of this Act) be published within six months of the enactment of this Act.

The conferees agreed that omitting general and flag officers from critical joint duty assignment positions poses a number of problems. First, the failure to so designate general and flag officer positions undermines one of the purposes of the joint officer management title—to ensure that the most important joint duty positions are filled by outstanding officers with broad experience in joint matters, i.e., by joint specialists. Second, the rationale for allowing the COS exception is diminished if combat officers who are usually at the 0-6 level) are not needed for second joint tours in critical joint duty assignments as general or flag officers.

To carry out the objectives of title IV of the Goldwater-Nichols Act, the conferees believe the significantly more than 50 percent of general and flag officer joint duty positions should be designated as critical joint duty assignments. However, at this time, the conferees were unable to determine how quickly the Department of Defense could achieve this goal or the specific percentage that should be prescribed. For these reasons, the conferees determined to specify that a "substantial portion" of such positions should be so designated. In next year's comprehensive examination of additional changes to the joint officer policies, the conferees expect the department to provide sufficient information for the Congress to be able to prescribe a more specific goal.

The House amendment would also clarify the use of the COS exception by:

(A) precluding the nomination or the selection of general and flag officers for the joint specialty through the COS exception;

(B) limiting the designation of critical occupational specialties to those military occupational specialties involving combat arms in the case of the Army, or the equivalent in the case of the other services. For example, the conferees agreed that in the Army, combat arms means specialties such as infantry, armor, or artillery, but not combat support or service support specialties;

(C) requiring military occupational specialties involving combat arms that are experiencing severe shortages of trained personnel to be designated as critical occupational specialties;

(D) limiting 2-year joint duty assignments to the initial joint duty assignment of a COS officer provided that the officer has been nominated to the joint specialty before such assignment begins; and

(E) limiting the number of 2-year COS joint duty assignments that may be excluded from the annual computation of the average length of joint duty assignments to not more than 10 percent of the number of all joint duty assignment positions identified pursuant to section 668(b)(2) (as amended by section 1302(c) of this Act).

Finally, the House amendment would increase congressional oversight of the critical occupational specialty by requiring that the Secretary's annual report include certain data on the use of the COS exception.

With respect to the critical occupational specialty exception, the conferees also agreed that the Secretary of Defense should issue guidelines which provide that

(A) to the maximum extent practicable, officers with military occupational specialties involving combat arms conform to the standard requirements set out in paragraph 661(c)(1) (as amended by section 1301(b) of this Act) in qualifying for the joint specialty;

(B) the COS designation be used as an exception to the standard requirements to allow nominated officers to transfer expeditiously from an operational assignment into a joint duty assignment for two years and then back to an operational assignment;

(C) the combat arms occupational specialties designated as COS be reassessed periodically as conditions change; and

(D) a mechanism be established to monitor the careers of officers who have been nominated for the joint specialties under the COS exception and who have completed the shortened initial assignment to ensure that sufficient number of the most outstanding officers complete the school requirement later in their careers and thus provide an appropriate balance of combat specialties in the joint specialty.

The second House amendment (reference items 3 and 4, above) would accept the waiver of the joint education sequence requirement and the waiver allowing two joint tours in lieu of joint education while limiting their application. The conferees agreed that the waivers should apply to small numbers of officers. Accordingly, the House amendment would specify that the waivers should be exercised only under unusual circumstances and that the combined total of both waivers should be limited to not more than 5 percent of the total number of officers selected during that fiscal year for the joint specialty.

The conferees cautioned that the waiver of joint education for an officer who has completed his second joint tour is not intended to qualify senior officers for the joint specialty who earlier in their careers avoided fulfilling the joint specialty requirements. The conferees agreed, therefore, that the waiver of joint education should be granted only under exceptional circumstances to general or flag officers and only if the Chairman of the Joint Chiefs of Staff determines that such a waiver is necessary to meet a critical need of the armed forces.

The House amendment would also require that officers nominated for the joint specialty must have completed the joint professional military education requirement or be designated as having a critical occupational specialty to count in meeting the goal that approximately one-half of joint duty assignment positions are filled by officers with the joint specialty or nominated for the joint specialty. The House amendment would require, however, that COS specialist-nominees may not at any time account for more than one-third of joint duty assignment positions required to be filled by joint specialists or nominees under section 661(d)(1) (as amended by section 1302(a) of this Act).

The third House amendment (reference items 5 through 9, above) would delete the Senate provision on managing by average tour lengths, shortening the length of average tours, and providing credit for shorter minimum tours, and modify the Senate language prescribing a full tour of duty in a joint duty assignment and cumulative service in joint duty assignments that total in length not less than the applicable standard prescribed in section 664(a). The House amendment would prescribe that an officer be considered to have completed a full tour of duty in a joint duty assignment if the officer has served 3 years as a general or flag officer or 3½ years as an other officer; has cumulative service in qualifying joint duty assignments that meets the 3 year or 3½ year requirements; or in the case of an officer (other than a general or flag officer) nominated for the joint specialty and designated as a critical occupational specialist, has served 2 years in a joint duty assignment.

Cumulative credit toward the full joint duty tour lengths required by law (3½ years for 0-6 and below; 3 years for general and flag officers) would be authorized for: a tour of duty outside the United States or in Alaska or Hawaii; a tour terminated for unusual personal reasons; and tours terminated when an officer is reassigned to another joint duty assignment in certain cases. All joint duty service included for cumulative credit would be required to be a minimum of 10 months in length and have been served within 8 years of the computation of cumulative credit. Finally, any tours included for cumulative credit for reasons other than those specified above would be required to be not less than 2 years, except in the case when an officer is reassigned to another joint duty assignment.

The fourth House amendment (reference item 10 above) would make conforming changes from the third House amendment to the provision of the Senate amendment that excludes certain joint duty tours from the annual computation of average joint tour lengths. The House amendment would authorize the Secretary of Defense to exclude the following joint duty service from such computations:

(A) service of an officer (other than a general or flag officer) nominated for the joint specialty and designated as having a critical occupational specialty if such service is not less than 2 years in length; however, the number excluded is limited to not more than 10 percent of the number of all joint duty assignment positions;

(B) service not completed because of retirement, release from active duty, or suspension from duty;

(C) service not completed because of a reassignment for unusual personal reasons, reassignment to another joint organization following promotion to a higher grade if the reassignment was made because no commensurate joint duty assignment was available within the same organization, or reassignment to another joint organization following elimination of a position in a reorganization;

(D) service performed outside the United States or in Alaska or Hawaii; and

(E) service to bring an officer's cumulative credit service to the prescribed standards if such service is not less than 2 years, except that no such minimum tour length is prescribed in the case in which an officer is reassigned following a promotion or reorganization.

The conferees intend that all service in joint duty assignments, except for the prescribed exclusions, be included in the computations of average tour lengths. Specifically, the authority of the Secretary of Defense under section 664(b) of title 10, United States Code (as amended by section 1303(a) of this Act), to waive the general rule on the length of a joint duty assignment in the case of any officer does not alter the requirement that the service of such officer must be included in the computation of the average length of joint duty assignments.

The fifth House amendment (reference items 12 and 14 above) would delete the Senate provisions limiting promotion monitoring and permitting up to 100 assignments within an officer's own military department to be counted as joint duty assignments.

The sixth House amendment (reference item 13 above) would add a third new reporting requirement to the two contained in the Senate provision. The House amendment would require that data on above the zone promotions be included in the Secretary's annual report.

The seventh House amendment (reference item 15 above) would accept the Senate provision that provides a 4-year exception, until January 1, 1992, to the joint duty prerequisite for promotion to flag rank in the case of qualified nuclear propulsion officers, but would modify the Senate requirement that the Department of Defense develop a plan to ensure that such officers serve in joint duty assignments. The conferees agreed that the objective of the plan should be to ensure that after January 1, 1992, the nuclear propulsion community does not have to place undue reliance on Secretary of Defense waivers. To underscore the importance attached to this objective, the House amendment would require that the plan include milestones for each calendar year beginning with January 1, 1989, that provide for a progressively greater proportion of nuclear propulsion officers complying with the joint duty requirements of chapter 38 of title 10, United States Code. The House amendment would task the Secretary of Defense, after consultation with the Chairman of the Joint Chiefs of Staff, to develop the plan and would require that it be implemented within six months of the date of enactment of this Act. Along with a copy of the plan, the Secretary would be required to submit a report explaining how the plan fulfills the objectives prescribed by this provision. Finally, the Chairman of the Joint Chiefs of Staff would be responsible for monitoring the implementation of the plan.

OTHER MATTERS

LEGISLATIVE PROVISIONS ADOPTED

Temporary authorization of an additional Assistant Secretary of Defense (sec. 1311)

The Senate amendment contained a provision (sec. 822) that would authorize a temporary exception to section 136(a) of title 10, United States Code, by permitting an increase in the number of Assistant Secretaries of Defense from eleven to twelve until January 20, 1989. It would also permit, for a similar duration, an increase by one in the number of level IV positions authorized in section 5315 of title 4, United States Code.

The House bill contained no similar provision.

The House recedes.

Reduction in personnel assigned to management headquarters activities and certain other activities (sec. 1312)

The Senate amendment contained a provision (sec. 823) that would exclude from the reductions in personnel required by section 601 of the Goldwater-Nichols Department of Defense Reorganization Act of 1986 (section 194 of title 10, United States Code) not more than 1600 personnel transferred from the General Services Administration to the Department of Defense for the management of certain real property under the department's jurisdiction.

The House bill contained no similar provision.

The House recedes.

Assignment of force to combatant commands (sec. 1313)

The Senate amendment contained a provision (sec. 824) that would exempt from assignment to combatant commands, as required by section 162(a)(2) of title 10, United States Code, any forces that are assigned to multinational peacekeeping organizations.

The House bill contained no similar provision.

The House recedes.

Amendments relating to the Goldwater-Nichols Department of Defense Reorganization Act (sec. 1314)

The Senate amendment contained a provision (sec. 859) that would make technical changes to the Goldwater-Nichols Department of Defense Reorganization Act.

The House bill contained no similar provision.

The House recedes.

TITLE XIV—FOREIGN RELATIONS MATTERS

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Commendation of U.S. Armed Forces operating in the Persian Gulf (sec. 1401)

The Senate amendment contained a provision (sec. 851) that would commend all members of the U.S. Armed Forces who participated in or supported the successful September 21-22 operation that thwarted Iranian minelaying activities in the Persian Gulf.

The House bill contained no similar provision.

The House recedes with an amendment that changes the provision to a "Sense of the Congress" and broadens the commendation to include the U.S. Armed Forces that participated in the successful October 8 military operation.

The conferees also agreed on several changes proposed by the House intended to clarify and elaborate the language in the Senate amendment describing the circumstances and the events to be commended.

Sense of the Senate on sinking of Iranian vessels (sec. 1402)

The Senate amendment contained a provision (sec. 829) expressing the sense of the Senate that the U.S. Navy is fully justified in sinking any Iranian vessel that threatens safe passage of American warships or vessels carrying American citizens.

The House bill contained no similar provision.

The House recedes, noting that the section remains a sense of the Senate provision. The conferees also agreed that the provision is not intended to alter the current Rules of Engagement applicable in the Persian Gulf region.

Sense of the Congress on U.S. policy toward Panama (sec. 1403)

The Senate amendment contained a provision (sec. 828) expressing the sense of the Congress that the U.S. should cease all economic and military assistance to, suspend all military equipment shipments to, and prohibit the importation of all sugar products from Panama unless the government of Panama promptly (a) demonstrates progress in reestablishing civilian control of the political system, (b) restores freedom of the press and all other constitutional guarantees, (c) empowers a non-military transitional government, and (d) begins an investigation of allegations of illegal activities by members of the military.

The House bill contained no similar provision.

The House recedes with an amendment that modifies the language prohibiting the importation of Panamanian sugar products. Rather than expressing the sense of the Congress that such imports be prohibited, the conferees agreed that the United States should reassess whether their importation should be prohibited.

Sense of Congress on Japanese trade with Vietnam (sec. 1404)

The Senate amendment contained a provision (sec. 855) that would urge Japan to prevent its firms from engaging in developmental trade with Vietnam and discontinue providing Vietnam with long-term credit and developmental equipment.

The House bill contained no similar provision.

The House recedes with an amendment noting that Japan has been taking some action in the direction requested and urging it to continue doing so.

Limitation on introduction of armed forces into Nicaragua for combat (sec. 1405)

Section 847 of the House bill would prohibit funds appropriated to the Department of Defense from being obligated or expended for the purpose of introducing U.S. armed forces into Nicaragua for combat unless the Congress declared war or enacted specific authorization for such introduction, or such introduction were necessary to meet a clear and present danger of hostile attack upon the United States, its territories or possessions or its allies, or to meet a clear and present danger to, and to provide necessary protection for, the U.S. Embassy, U.S. government personnel, or U.S. citizens, or to respond to hijacking, kidnapping, or other acts of terrorism involving citizens of the United States or its allies. Section 847 would not apply if MIG aircraft, or other aircraft of similar design or capability, or nuclear missiles or any other nuclear weapons were introduced into Nicaragua. Finally, nothing in section 847 would invalidate any provision of the War Powers Resolution (Public Law 93-148) or any authority of the United States to act under the provisions of the Inter-American Treaty of Reciprocal Assistance.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that changes the provision to a "Sense of the Congress." Under the agreed provision the Congress reaffirms the sense of Congress expressed in the Department of Defense Authorization Act, 1986, that United States Armed Forces should not be introduced into or over Nicaragua for combat. The provision also contains the statement that it shall not be construed as affecting the authority and responsibility of the President or Congress under the Constitution, statutes, or treaties of the United States in force.

LEGISLATIVE PROVISIONS NOT ADOPTED

Soviet Union embassy agreements

The Senate amendment contained a provision (sec. 827) that would require the President to void the current embassy agreements between the United States and Soviet Union and require negotiations for a new agreement under which the Soviet Union will move its embassy to a site in the District of Columbia not more than 90 feet above mean sea level.

The House bill contained no similar provision.

Because an indentical provision is being considered in the conferees State Department authorization bill for fiscal year 1988 the Senate recedes.

Restrict contributions to international organizations

The Senate amendment contained a provision (sec. 833) that would withhold obligation of fifty percent of funds made available for each fiscal year by any provision of law to meet the assessed contributions of the United States to the United Nations until the President certifies to Congress that significant progress has been made in eliminating:

1. the excessive use of secondment, and
2. the blatant control of nationals of member countries serving in the United Nations through regular supervision, consultation, and evaluation of such nationals by the permanent missions to the United Nations.

The amendment is aimed at neutralizing espionage activities by eliminating some of the control the Soviet Union and its satellites have over their United Nations employees.

The House bill contained no similar provision.

Because an identical provision is being considered in the conference on the State Department authorization bill for fiscal year 1988, the Senate recedes.

Prohibition on import of all Iranian products

The Senate amendment contained provisions (secs. 856-858) that would prohibit the importation into the United States of "any article grown, mined, produced or manufactured in whole or in part in Iran."

The House bill contained no similar provisions. However, H.R. 3391, passed by the House of Representatives, contains provisions of a similar nature.

The conferees note that on October 26, 1987, President Reagan signed an Executive Order barring all imports from Iran. As a result, these sections are not necessary, and the Senate, therefore, recedes.

United States Department of State Freedom of Expression Act of 1987

The Senate amendment contained a provision (sec. 862) that would find that the U.S. Department of State declared itself a temporary foreign mission on September 15, 1987 for the purpose of avoiding demonstrations against the visit of the foreign minister of the Soviet Union to the Department of State office in Washington, D.C. The amendment would state that the national security interests of the United States are not well served for the Department of State to declare, and it shall not declare, itself to be a foreign diplomatic mission.

The House bill contained no similar provision.

Because an identical provision is being considered in the conference on the State Department authorization bill for fiscal year 1988, the Senate recedes.

DIVISION B—MILITARY CONSTRUCTION

OVERVIEW

The fiscal year 1988 budget request contained authorization of $9,791,857,000 for military construction and family housing. The House bill would authorize $8,058,376,000 for military construction and family housing. The Senate amendment would provide $8,969,748,000 for this purpose.

The conferees recommend authorization of $8,448,479,000 for military construction and family housing for fiscal year 1988.

The conferees recommend authorization of $8,149,009,000 at the contingent level.

The fiscal year 1989 budget request contained authorization of $10,347,550 for military construction and family housing. The House bill did not address this request, deferring it without prejudice. The Senate amendment would provide $5,105,629,000 for this purpose.

The conferees recommend partial authorization of $5,192,661,000 for military construction and family housing for fiscal year 1989. Several projects that had been considered for authorization in fiscal year 1988 were deferred by the conferees until fiscal year 1989. The conferees expect the Department of Defense to submit an amended fiscal year 1989 military construction and family housing budget request, adjusted for actions taken by Congress on its fiscal year 1988 program, fact of life changes, and revised cost estimates based upon more accurate cost estimates.

MILITARY CONSTRUCTION -- FY 1988 AUTHORIZATION OF APPROPRIATIONS
OUTSIDE THE UNITED STATES

(AMOUNTS IN THOUSANDS OF DOLLARS)

RECAPITULATION	FY 1988 BUDGET REQUEST	FY 1988 HOUSE PASSED	FY 1988 SENATE PASSED	DIFFERNCE (HOUSE +/- TO SENATE)	CONFERENCE AGREEMENT		CONTINGENT LEVEL	
					CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
ARMY	1,182,100	914,860	983,180	(68,320)	(149,310)	1,032,790	(207,760)	974,340
NAVY	1,810,122	1,340,721	1,678,501	(337,780)	(362,671)	1,447,451	(403,131)	1,406,991
AIR FORCE	1,485,850	1,143,910	1,282,550	(138,640)	(234,460)	1,251,390	(318,550)	1,167,300
DEFENSE AGENCIES	851,720	502,612	756,805	(254,193)	(295,344)	556,376	(342,014)	509,706
NATO INFRASTRUCTURE	396,000	396,000	386,000	10,000	(10,000)	386,000	(10,000)	386,000
ARMY NATIONAL GUARD	170,400	164,336	165,030	(694)	6,889	177,289	6,889	177,289
AIR NATIONAL GUARD	160,800	126,475	149,816	(23,341)	(19,709)	141,091	(19,709)	141,091
ARMY RESERVE	95,100	95,100	88,100	7,000	(7,000)	88,100	(7,000)	88,100
NAVAL RESERVE	73,737	67,637	68,737	(1,100)	(5,000)	68,737	(5,000)	68,737
AIR FORCE RESERVE	79,300	67,370	74,300	(6,930)	(5,000)	74,300	(5,000)	74,300
TOTAL MILITARY CONSTRUCTION	6,305,129	4,819,021	5,633,019	(813,998)	(1,081,605)	5,223,524	(1,311,275)	4,993,854
FAMILY HOUSING, ARMY	1,738,659	1,590,673	1,675,659	(84,986)	(165,186)	1,573,473	(179,186)	1,559,473
FAMILY HOUSING, NAVY	799,036	778,669	720,037	58,632	(29,367)	769,669	(62,367)	736,669
FAMILY HOUSING, AIR FORCE	926,533	846,513	918,533	(72,020)	(68,220)	858,313	(91,020)	835,513
FAMILY HOUSING, DEFENSE AGENCIES	19,700	20,700	19,700	1,000	1,000	20,700	1,000	20,700
HOMEOWNERS ASSISTANCE FUND	2,800	2,800	2,800	0	0	2,800	0	2,800
TOTAL FAMILY HOUSING	3,486,728	3,239,355	3,336,729	(97,374)	(261,773)	3,224,955	(331,573)	3,155,155
GRAND TOTAL	9,791,857	8,058,376	8,969,748	(911,372)	(1,343,378)	8,448,479	(1,642,848)	8,149,009

Conference Agreement

Summary of Military Family Housing

Fiscal Year 1988

(In thousands of dollars)

Service	New construction dollars	Number of new units	Number of new mobile home spaces	Improvement dollars	Planning and design dollars	Operation dollars	Maintenance dollars	Number of operation and maintenance units	Leasing dollars	Number of domestic leases	Number of foreign leases	Debt payment dollars	Total dollars
Army	188,390	2,245	39	108,000	21,900	542,085	530,062	157,879	180,130	3,718	18,476	2,906	1,573,473
Navy	192,666 a/	1,842 b/	80	39,943	6,248	261,006	231,217	91,302	36,567	1,424	1,784	2,022	769,669
Air Force	26,120 c/	334	0	132,800	7,000	346,557	267,410	138,189	76,842	663	6,817	1,584	858,313
Defense Agencies	1,000	4	0	186	0	3,618	708	209	d/ 15,188	0	916	0	20,700
TOTALS	408,176	4,425	119	280,929	35,148	1,153,266	1,029,397	387,579	308,727	5,805 e/	27,993	6,512	3,222,155

a/ Includes $20,000,000 to complete 250 units at Naval Station, Keflavik, Iceland, authorized in fiscal year 1987

b/ Excludes 120 units at Naval Station, New York; no cost transfer from General Services Administration to Navy

c/ Includes $330,000 for a housing office at RAF Bentwaters, United Kingdom

d/ Includes $1,000,000 for a test housing pilot program

Contingent Level

Summary of Military Family Housing

Fiscal Year 1988

(In thousands of dollars)

Service	New construction dollars	Number of new units	Number of new mobile home spaces	Improvement dollars	Planning and design dollars	Operation dollars	Maintenance dollars	Number of operation and maintenance units	Leasing dollars	Number of domestic leases	Number of foreign leases	Debt payment dollars	Total dollars
Army	182,390	2,195	39	100,000	21,900	542,085	530,062	157,879	180,130	3,718	18,476	2,906	1,559,473
Navy	159,666 a/	1,842 b/	80	39,943	6,248	261,006	231,217	91,302	36,567	1,424	1,784	2,022	736,669
Air Force	26,120 c/	334	0	110,000	7,000	346,557	267,410	267,410	76,842	663	6,817	1,584	835,513
Defense Agencies	1,000	4	0	186	0	3,618	708	209	d/ 15,188	0	916	0	20,700
TOTALS	369,176	4,375	119	250,129	35,148	1,153,266	1,029,397	516,800	308,727	5,805 e/	27,993	6,512	3,152,355

a/ Includes $20,000,000 to complete 250 units at Naval Station, Keflavik, Iceland, authorized in fiscal year 1987

b/ Excludes 120 units at Naval Station, New York; no cost transfer from General Services Administration to Navy

c/ Includes $330,000 for a housing office at RAF Bentwaters, United Kingdom

d/ Includes $1,000,000 for a test housing pilot program

e/ Includes 3,763 build-to-lease (section 801) program units

MILITARY CONSTRUCTION -- FY 1989 AUTHORIZATION OF APPROPRIATIONS

INSIDE AND OUTSIDE THE UNITED STATES

(AMOUNTS IN THOUSANDS OF DOLLARS)

INSTALLATIONS AND PROJECTS	FY 1989 BUDGET REQUEST	FY 1989 HOUSE PASSED	FY 1989 SENATE PASSED	DIFFERENCE (HOUSE +/- TO SENATE)	FY 1989 CONFERENCE ACTION	CHANGE FROM REQUEST
ARMY	1,535,881	0	221,800	(221,800)	184,010	(1,351,871)
NAVY	2,032,830	0	508,643	(508,643)	505,913	(1,526,917)
AIR FORCE	1,759,936	0	264,363	(264,363)	331,193	(1,428,743)
DEFENSE AGENCIES	898,300	0	149,650	(149,650)	149,650	(748,650)
NATO INFRASTRUCTURE	412,100	0	402,100	(402,100)	402,100	(10,000)
ARMY NATIONAL GUARD	161,100	0	150,100	(150,100)	168,672	7,572
AIR NATIONAL GUARD	137,000	0	128,000	(128,000)	134,550	(2,450)
ARMY RESERVES	108,000	0	100,000	(100,000)	100,000	(8,000)
NAVAL RESERVES	56,923	0	52,923	(52,923)	52,923	(4,000)
AIR FORCE RESERVES	59,300	0	55,900	(55,900)	55,900	(3,400)
TOTAL MILITARY CONSTRUCTION	7,161,370	0	2,033,479	(2,033,479)	2,084,911	(5,076,459)
FAMILY HOUSING, ARMY	1,592,059	0	1,537,059	(1,537,059)	1,547,059	(45,000)
FAMILY HOUSING, NAVY	635,891	0	614,071	(614,071)	639,071	3,180
FAMILY HOUSING, AIR FORCE	936,620	0	900,020	(900,020)	900,020	(36,600)
FAMILY HOUSING, DEFENSE AGENCIES	19,600	0	19,600	(19,600)	19,600	0
HOMEOWNERS ASSISTANCE FUND	2,000	0	2,000	(2,000)	2,000	0
TOTAL FAMILY HOUSING	3,186,170	0	3,072,750	(3,072,750)	3,107,750	(78,420)
GRAND TOTAL	10,347,540	0	5,106,229	(5,106,229)	5,192,661	(5,154,879)

MISCELLANEOUS REPORT REQUIREMENTS

In the respective reports on the bill, the Committees on Armed Services of the Senate and the House of Representatives included items of "Special Emphasis." The conferees hereby endorse the language on items of "Special Emphasis" found in both reports and, unless some modification to that language is contained in this joint statement of the committee of conference, the positions and requirements contained under items of "Special Emphasis" in both Senate and House reports on the fiscal year 1988 military construction authorization bills are concurred in by the conferees.

DEFENSE WIDE ISSUES

ITEMS OF SPECIAL EMPHASIS

Extension of authorizations

The Department of Defense budget request included military construction projects which required an extension in authorization authority if they were to be executed during fiscal year 1988 or 1989. Some of these projects were originally authorized in fiscal year 1984. In responding to this request, the House bill would extend most of these projects through fiscal year 1988; the Senate amendment would extend them through fiscal year 1989.

The Senate recedes. The conferees are concerned about the number of projects that have not been executed within two years of authorization. Although a few have been unavoidably delayed due to factors beyond the control of the Department of Defense, most could have been executed with more aggressive management. To the extent that projects are delayed for lack of funds, the services are encouraged to adjust their future budget requests to fully fund pending and proposed construction.

Inasmuch as the Congressional Budget Office is scoring these extended projects as new outlay authority, each extension contributes to the already difficult budgetary problem. The conferees intend to carefully scrutinize the fiscal year 1989 Department of Defense request for extensions of authority. The Department of Defense is expected to provide justification for each requested project authorization extension with the amended budget.

Waiver of space limitation for general officer quarters

The Senate amendment contained a provision (sec. 2303(c)) that would waive the space limitation for general officer quarters for family housing units at the following locations:

(1) Scott Air Force Base, Illinois—3 units

(2) Shaw Air Force Base, South Carolina—1 unit

(3) MacDill Air Force Base, Florida—1 unit

The House bill included an authorization to construct 100 family housing units at St. Louis Support Center, Illinois.

The House recedes with amendment. The conferees agree to the space waivers contained in the Senate amendment, as well as the waiver of space limitation for two family housing units at St. Louis Support Center. However, execution of construction of these projects is not to commence until the report directed by conference report 99-1005, accompanying the National Defense Authorization Act for fiscal year 1987, has been received by the Committees on Armed Services of the Senate and House of Representatives from the Secretary of Defense.

Pentagon Annex Complex

The report accompanying the Senate amendment (S. Rept. 100-57) directed the Department of Defense to submit a report to the Committees on Armed Services of the Senate and House of Representatives no later than October 15, 1987 that would address the types of department activities within the National Capital Region, the numbers of personnel engaged in these activities, and the facilities in which these personnel are currently housed, as well as the prospective need for facilities. The Senate report also requested a master plan that would address alternative approaches for meeting the facility shortfalls of these activities, along with associated economic analyses and environmental evaluations.

The conferees agree that the size of the Department of Defense presence in the National Capital Region, the cost of its operations, and the potential investments required to efficiently support these important activities merit a thorough analysis before the Congress considers further significant facility capitalization in the area. Such an analysis will be required before the Committees on Armed Services of the Senate and House of Representatives can consider any additional administrative facilities in the amended fiscal year 1989 military construction authorization budget request.

Therefore, the conferees support the need for the plan already mandated by the Senate report and direct the Secretary of Defense to develop an overall master development plan for the National Capital Region for submittal to the Committees on Armed Services of the Senate and House of Representatives no later than December 15, 1987. The plan is to address the following:

(1) description of the current Department of Defense presence in the National Capital Region together with a justification for the presence of activities in this high cost area and a description of the current and projected facility needs;

(2) ten year historical audit of the Department of Defense presence in the National Capital Region, including a list of the activities which have been added to or which have left the area, along with associated manpower;

(3) ten year projection of the Department of Defense presence in the National Capital Region with associated facility requirements;

(4) description of current and ten year projections for leases and General Service Administration charges;

(5) rationale and impact of the proposed transfer of the Pentagon Reservation from the control of the General Services Administration to the Department of Defense;

(6) master plan for providing administrative space for essential Department of Defense activities in the National Capital Region including alternative approaches for meeting facility shortfalls along with associated economic analyses and environmental evaluations. The plan and its alternatives are to be coordinated with appropriate planning authorities such as the National Capital Planning Commission.

Fort DeRussy, Hawaii

The House bill contained a provision (sec. 2732) that would designate Fort DeRussy, Hawaii, as the primary armed forces recreation center for the Pacific and prohibit the obligation or expenditure of funds available to the Department of Defense for the purpose of selling, renting, excessing, or otherwise disposing of any portion of the land at that location.

The Senate amendment contained a provision (sec. 2830A) that would permit the Secretary of the Army to convey to the State of Hawaii and the City and County of Honolulu, at fair market value, 45 acres of land at Fort DeRussy. The proceeds from the sale would be used to acquire land and to relocate facilities presently located on that portion of Fort DeRussy. Any remaining receipts would be returned to the general fund of the Treasury of the United States.

The conferees agree to delete both provisions.

In light of the mutual interests of the State of Hawaii and the Department of the Army that this property be developed to enhance the current military recreation mission and meet the community's recreational needs, the conferees direct the Secretary of the Army to submit to the Committees on Armed Services of the Senate and the House of Representatives no later than March 1, 1988, a report concerning future use and development of the inland portion of Fort DeRussy. The report should provide the Congress the most current data and all reasonable redevelopment alternatives to serve as the basis for possible future action by the Congress on this matter.

As a minimum, this report is to address the following:

1. Department of the Army plans and programs for future expansion of the current recreation center, to include an analysis of need, anticipated time lines, and estimated costs.

2. In addition to addressing possible development within the current ocean side recreation area, the Army is to examine any requirement for use of portions of the 45-acre inland portion of Fort DeRussy in direct support of the current recreation mission and the future expansion of this mission. The proposed usage of specific tracts within this property should be addressed.

3. Relocation alternatives for the Army Reserve units and any other missions currently located on Fort DeRussy that do not directly support the recreation mission. Each relocation alternative is to be accompanied by an analysis of the operational impact of relocation, as well as a current estimate of relocation costs.

4. If it is determined that some portion of Fort DeRussy would be excess to Department of the Army requirements if the above activities were relocated, the Secretary is to obtain a fair market appraisal of such a tract based on the requirement that its reuse would be restricted to redevelopment as a park.

The Congress intends to take no further Congressional action on this matter prior to April 1, 1988, one month after the above report is to be submitted.

Panama

The budget request included $101,290,000 for military construction and family housing for Panama for fiscal years 1988 and 1989.

The Senate amendment contained $47,640,000 for this purpose for fiscal year 1988, but included no authorization for fiscal year 1989.

The House bill denied authorization for construction in Panama for both fiscal years 1988 and 1989.

The conferees approved $11,000,000 for flightline security lighting and for the upgrade of airfield facilities at Howard Air Force Base for fiscal year 1988 and deferred all funding for fiscal year 1989. Because the long term U.S. military presence in Panama is unclear, only those projects of an operational or safety nature have been approved.

TITLE I—ARMY

FISCAL YEAR 1988

The House bill would authorize $2,508,333,000 for Army military construction and family housing programs for fiscal year 1988. The Senate amendment would authorize $2,661,639,000 for such purposes.

The conferees recommend authorization of $2,609,063,000 for military construction and family for fiscal year 1988.

The conferees recommend authorization of $2,536,613,000 at the contingent level.

ITEMS OF SPECIAL INTEREST

School of the Americas, Fort Benning, Georgia

The House bill authorized the Secretary of the Army to use unspecified minor construction funds in the amount of $700,000 for renovation for the School of the Americas at Fort Benning, Georgia.

The Senate amendment authorized appropriations in the amount of $700,000 for the same purpose.

The House recedes.

Hohenfels Training Area, Germany

In view of the progress being made in pursuing the option of District Heat within Germany, the conferees believe the scope of the two projects submitted by the Army for utility upgrade in the Hohenfels Training area can be accomplished within the $51,500,000 project authorized by the House bill and Senate amendment. Accordingly, the second utility upgrade project requested for fiscal year 1988 in the amount of $3,750,000 already provided for the Hohenfels Training Area.

Red River Depot

Both the House bill and the Senate amendment contained an authorization of $6,500,000 for the site preparation for an Area Oriented Depot (AOD) at Red River Depot, Texas.

The report accompanying the House bill (H. Rept. 100-58) discussed the conferees' previous guidance regarding this project which was contained in conference report (H. Rept. 99-366) accompanying the fiscal year 1986 Military Construction Authorization Act. In that report, the conferees stated that construction of the Red River AOD would not be considered until the Secretary of the Army had reviewed the potential of this project for third-party contracting and had reported the results of this study to the Committees on Armed Services of the Senate and House of Representatives.

In approving the initial phase of construction of the Red River AOD in fiscal year 1988, the House acknowledged that the above analysis had not been provided to the committees. In fact, it has not even been begun. However, in light of the operational requirement for the project and the potential savings which could be realized through the use of a modern plant, the House believed that construction should begin using military construction funds. In providing the identical authorization in the Senate amendment, the Senate did not address the matter of the outstanding analysis of third-party financed construction.

The conferees believe that the Army's unwillingness to conduct a timely analysis of third-party financing options has denied the service and the Congress the opportunity to ascertain the most cost effective capitalization strategy. However, the need for this facility and the potential savings which are expected from its operation led the conferees to agree to expedite development through a military construction authorization independent of any future studies of third party operation of the center and to rescind their previous guidance to the Army regarding third-party financed construction. The specific timing of construction of the remaining phases of the project should be addressed in the Army's amended fiscal year 1989 budget request.

In electing to construct this facility with military construction funds, the conferees do not make any judgment regarding whether the completed, government-owned facility should be operated with Army employees or through a contract. This determination should be made by the Army under the guidelines of Office of Management and Budget Circular A-76.

Family housing, Fort Drum, New York

The House bill contained an authorization of $10,000,000 for the construction of 100 units of family housing at Fort Drum, New York.

The Senate amendment contained no similar authorization.

The House recedes.

The conferees understand that these 100 units of housing represent those that were deleted from the fiscal year 1987 authorization due to mandatory program adjustments required by deficit reduction legislation. The conferees further understand that the Department of the Army has now asked that the family housing units be deferred and included in the fiscal year 1989 authorization.

The conferees carefully studied the housing requirements and fully support the need to provide the requested 100 units of family housing at Fort Drum. The conferees are also aware that, with the decision to base a Light Infantry Division at Fort Drum, military family housing must be recognized as a top priority in this installation's overall construction requirements. The conferees note that the delivery of family housing constructed under build to lease authority (section 2828(g) of title 10, United States Code) is making some units available immediately at Fort Drum. Additionally, the aviation unit to be stationed at Fort Drum will be initially and temporarily stationed at Griffis Air Force Base, New York, pending the construction of the aviation facilities at Fort Drum which the conferees understand are now included in the Army's fiscal year 1990 program. The conferees understand that housing for this aviation unit can be met by utilizing existing housing in Griffis Air Force Base area in the interim.

The conferees, therefore, concur with the Department of the Army's request that authorization for this project can be deferred until fiscal year 1989 without a significant impact on the construction program. Authorization to construct 100 units of military family housing at Fort Drum has been added to the authorization for fiscal year 1989 which will ensure that these needed units are available in a timely manner.

Kwajalein family housing

With the extremely limited fiscal resources available for the fiscal year 1988 and 1989 program, the conferees primary emphasis is on providing critical operational and training facilities, essential maintenance to the deteriorating physical plant, and direct support to service members and their families. The conferees have, therefore, disapproved $41,000,000 for the construction of 248 family housing units on Kwajalein in the Marshall Islands for contractor personnel engaged in supporting the research and development mission at Kwajalein. Because U.S. military personnel will not use the housing, and because the requirement is directly tied to the research and development effort, the conferees believe it is appropriate to provide for the housing under the Research, Development, Test and Evaluation authorization. The conferees, therefore, direct the Secretary of the Army to investigate lower cost alternative solutions to the contractor housing problem, including the use of research and development funds and/or having contractors provide housing for their own personnel.

FISCAL YEAR 1989

The Senate amendment would authorize $1,760,859,000 for Army military construction and family housing for fiscal year 1989. The House bill contained no similar provision.

The House recedes $1,733,069,000 for this purpose.

TITLE II—NAVY

FISCAL YEAR 1988

The House bill would authorize $2,119,390,000 for Navy military construction and family housing programs for fiscal year 1988. The Senate amendment would authorize $2,398,538,000 for such purposes.

The conferees recommend authorization of $2,217,120,000 for military construction and family housing for fiscal year 1988.

The conferees recommend authorization of $2,143,660,000 at the contingent level.

ITEMS OF SPECIAL INTEREST

Stretching out of certain funds for strategic homeporting bases

At a time of severe budget constraints, the Navy requested $337 million for new homeports at ten different locations in the continental United States. This was the first year in which funding was requested for eight of the ten bases. The conferees agreed to authorize approximately $241 million of the request approving at least one project at each base. Some projects were deferred in order that other worthwhile military construction projects contained in the budget request could be funded.

At Naval Station Treasure Island, California, the conferees agreed to defer $22.37 million requested for dredging, pier modifications, utilities and a mess hall, and to approve $38.38 million for 444 units of military family housing to be constructed at Treasure Island and Concord. The conferees continue to have concern over the mitigation of environmental problems identified in the Navy homeport Environmental Impact Statement, the extent and cost of decontamination of land at Hunters Point, and the environmental impact of dredging and disposing of contaminants in the San Francisco Bay.

Because no environmental permits have yet been obtained by the Navy and because of the high probability that contracts could not be executed in this fiscal year, the conferees agree to defer authorization until the environmental problems have been mitigated.

The conferees therefore direct the Secretary of the Navy to provide a report to the Committees on Armed Services of the Senate and the House of Representatives by March 1, 1988, on: (1) the extent and estimated cost of the total clean-up at Hunters Point; (2) the cost and environmental impact of dredging and disposing of the materials generated by the homeporting of the USS *Missouri* and its support ships in San Francisco; (3) the cost and environmental impact of dredging the channel to the Naval Shipyard at Mare Island which is required so that the USS *Missouri* and support ships can load and unload their weapons; (4) and a comprehensive plan for meeting the housing needs associated with the increased Navy presence in the area.

The conferees do not intend for this action to in any way challenge the Navy's decision to designate San Francisco as one of the ten strategic homeports. Rather, it is an attempt at prudent use of the taxpayers' money while environmental problems identified in the Environmental Impact Statement are being mitigated.

The Secretary of the Navy is expected to provide a revised budget request for this purpose for fiscal year 1989.

Relocation of Navy from Naples

The Secretary of Defense requested a total of $54,900,000 in military construction to support a Navy initiative to relocate its activities from the Agnano area of Naples, Italy, to a new site at Capua. This multiyear initiative is called Project Pronto. The Navy's budget request included $24,900,000 for phase one of construction of a Command and Control, Communications and Intelligence Complex. These funds would be used for site preparation. The Defense Medical Facilities Office request included $30,000,000 to construct a replacement hospital at the Capua site.

The House bill included authorization of $24,900,000 for phase one of the command complex and $30,000,000 for the hospital.

The Senate amendment did not authorize either project.

The Senate recedes with amendment. A total of $19,400,000 is authorized for phase one of the command complex. In authorizing this project, the conferees have agreed only to the need for a modern, consolidated command complex. The conferees remain skeptical of the merits of the overall relocation proposal which could cost as much as $420,000,000 in construction and other expenses. In light of the premier priority which the Navy placed on the homeport development plan last year, a priority ahead of Project Pronto, and the very substantial military construction investment required by the homeporting program, the conferees do not believe that embarking join another major relocation initiative such as Project Pronto is prudent.

The prospective funding levels for military construction in the years ahead suggest that the Congress may be unable to responsively fund both the homeport program and Project Pronto without severely impacting the facility shortfalls and modernization needs of the remaining Navy and Marine Corps installations in the continential United States and overseas. Based upon the priorities which the Navy expressed during the 1986 budget deliberations, the conferees attempted to authorize as much of the homeporting initiative as possible, and authorized only a limited portion of the Project Pronto proposal.

Beyond the issue of affordability, the conferees remain unconvinced of the need to relocate the entire Agnano support complex to Capua. Although the current site is subject to security problems, earthquake hazards, and has other limitations, it is convenient to the NATO Allied Forces South headquarters and other Navy activities in the area. For these reasons, the conferees limited the authorization to partially fund phase one of the command and control complex and urge the Navy to explore alternative ways to improve physical security and access to the Agnano complex.

Although authorizing phase one of construction for the command complex, the conferees are concerned that the Navy has not thoroughly analyzed its operational and support headquarters posture in Europe. Before completing design and requesting authorization for vertical construction of the command complex, the Navy is to submit to the Committees on Armed Services of the Senate and House of Representatives a study of its European headquarters requirements to include national and NATO command and control arrangements, geographic and other key operational considerations, peacetime and wartime operating scenarios, manpower requirements, and programmed construction.

Naval Ordnance Station, Indian Head, Maryland

The conferees note that the nitration facility at the Naval Ordnance Station, Indian

Head, Maryland, the sole domestic manufacturer of a critical weapons fuel, is antiquated and fails to meet modern manufacturing, safety, and environmental standards. The Secretary of the Navy is, therefore, directed to initiate design of a replacement facility so that it may be included in the revised fiscal year 1989 military construction budget request.

Naval Weapons Station, Earle, New Jersey; dredging

The Navy requested $18,600,000 in fiscal year 1988 and $15,900,000 in fiscal year 1989 for dredging at the Naval Station, Earle, New Jersey. The conferees deferred the fiscal year 1988 project due to budgetary constraints and increased the fiscal year 1989 authorization to $18,600,000. The conferees believe that it may be more effective to combine the two dredging projects into one year in order that the dredging may be completed to coincide with the completion of the ammunition pier. Therefore, the Secretary of the Navy is directed to examine this alternative and if appropriate to request and amendment to the fiscal year 1989 authorization in its next budget request.

The conferees understand that completion of all the dredging in fiscal year 1989 will permit operation of the pier at the earliest possible date and will provide a timely opportunity for the State of New Jersey to receive significant quantities of beach quality sands for the communities of Sea Bright/Monmouth Beach in Monmouth County, New Jersey.

FISCAL YEAR 1989

The Senate amendment would authorize $1,122,714,000 for Navy military construction and family housing for fiscal year 1989. The House bill contained no similar provision.

The House recedes to $1,144,984,000 for this purpose.

TITLE III—AIR FORCE

FISCAL YEAR 1988

The House bill would authorize $1,990,423,000 for Air Force military construction and family housing for fiscal year 1988. The Senate amendment would authorize $2,201,083,000 for such purposes.

The conferees recommend authorization of $2,109,703,000 for military construction and family housing for fiscal year 1988.

The conferees recommend authorization of $2,002,813,000 at the contingent level.

ITEMS OF SPECIAL INTEREST

Munitions Storage Facility Alteration

The Senate amendment would authorize $16,900,000 for the alteration of munitions storage facilities.

The House bill contained no authorization for this purpose.

The House recedes with an amendment that would authorize the Secretary of Air Force to reprogram not more than $13,900,000 out of funds appropriated to the Air Force for fiscal year 1988 for the alteration of munitions storage facilities at the following locations:

(1) Buchel Air Base, Germany	$2,000,000
(2) Memmingen Air Base, Germany	2,000,000
(3) Ramstein Air Base, Germany.	9,900,000
	13,900,000

The conferees have approved prefinancing of this program with the understanding that it will become eligible for NATO funding by the middle of 1988 and that recoupment of funds can be expected in the next NATO slice.

Deactivation of Fifth Fighter Interceptor Squadron, Minot Air Force Base, North Dakota

The House bill contained a provision (sec. 2733) that would prohibit the obligation and expenditure of any funds in fiscal year 1988 to accomplish the deactivation of the Fifth Fighter Interceptor Squadron (FIS) at Minot Air Force Base, North Dakota.

The Senate amendment contained no similar provision.

The House recedes.

The conferees, while recognizing the strategic value of transferring the unit's aircraft to a coastal location, remain concerned about maintaining a strong air defense capability in the central United States. The F-15s of the Fifth FIS represent the most modern and capable air defense forces in the region.

Therefore, the Secretary of the Air Force is directed to evaluate options to maintain the current level of peacetime air defense capability in the region, and specifically to examine the feasibility of establishing a permanent air defense alert detachment at Minot Air Force Base. The conferees expect the report of findings on this matter to be submitted to the Committees on Armed Services of the Senate and House of Representatives no later than March 1, 1988.

The conferees further direct the Secretary of the Air Force to accelerate the modernization of the Air National Guard's air defense unit at Fargo, North Dakota. It is strongly recommended that the programmed conversion from F-4 to F-16 aircraft be accelerated by two years from late 1991 to early 1990 in order to enhance the overall air defense capability in the region.

Minot Air Force Base Education Center

The Air Force has long recognized the importance of educational opportunities in retaining highly trained military personnel, particularly those supporting the arduous mission of operating, maintaining, and securing our strategic deterrent force. The conferees support this effort, but are concerned that adequate educational support facilities have not always been provided. Therefore, the conferees direct the Secretary of the Air Force to commence design of a new educational support center programmed at Minot Air Force Base, North Dakota, so that it can be considered for authorization with the amended fiscal year 1989 budget request.

Carswell Air Force Base family housing improvements

As part of the National Defense Authorization Act for Fiscal Year 1987, the Air Force was provided a waiver authority to improve 203 units of family housing at Carswell Air Force Base Texas, at a total project cost of $7,478,000. Since that time, the Committees on Armed Services of the Senate and House of Representatives have been advised that the Air Force has reevaluated this project, and rescoped it to 155 units at a total cost of $9,100,000. The conferees have no objection to the Air Force executing this revised improvement plan, provided the Service remains within its total fiscal year 1987 authorization for appropriation for family housing improvements.

FISCAL YEAR 1989

The Senate amendment would authorize $1,164,383,000 for Air Force military construction and family housing for fiscal year 1989. The House bill contained no similar provision.

The House recedes to $1,231,213,000 for this purpose.

TITLE IV—DEFENSE AGENCIES

FISCAL YEAR 1988

The House bill would authorize $523,312,000 for military construction and family housing for fiscal year 1988 for the Defense Agencies. The Senate amendment would authorize $776,505,000 for such purposes.

The conferees recommend authorization of $577,076,000 for military construction and family housing for fiscal year 1988.

The conferees recommend authorization of $530,406,000 at the contingent level.

ITEMS OF SPECIAL INTEREST

National Test Facility

The Senate amendment (sec. 2401) would authorize $100,000,000 for construction of the National Test Facility located at Falcon Air Force Station, Colorado.

The House bill contained no similar provision.

The Senate recedes with an amendment (sec. 2150) that would authorize the Secretary of Defense to use not more than $70,000,000 of funds appropriated for research, development, test and evaluation for fiscal year 1988 in support of the Strategic Defense Initiative program.

The conferees agree that the National Test Facility will be an important center for the testing of new technologies in support of the Strategic Defense Initiative. The Strategic Defense Initiative Office (SDIO) has made a strong case that this new center is essential if current and programmed research projects are to proceed in a timely and efficient manner. The SDIO made this facility one of its priority initiatives for fiscal year 1988, and represented that it would be required to support its research program at virtually any level of overall funding.

The conferees fully support this initiative, but believe that it is more properly funded with research and development funds, rather than military construction funds, in light of the focused research mission of the facility and its anticipated predominant use by defense contractors. Based upon the budget request for the full amount of construction in fiscal year 1988, the conferees expect that the SDIO will commence construction during this year even though overall program research and development authorization may not permit total project funding in the first year of construction.

Conforming storage facilities (sec. 2409)

The Senate amendment contained a provision (sec. 2404) that would amend the National Defense Authorization Act of 1987 (Public Law 99-661) to allow the Secretary of Defense to construct needed hazardous waste storage facilities as the environmental permits become available, and would authorize not more than $10,000,000 appropriated in fiscal year 1987 and $11,400,000 appropriated in fiscal year 1988 for the construction of these facilities.

The House bill contained no similar provision.

The House recedes with an amendment that would reduce the authorization to $5,000,000 for fiscal year 1988 because of slow program execution.

The conferees understand this legislation is necessary because the Department of Defense has found it difficult to execute specific projects programmed in advance due to the lengthy permit process.

Brooke Army Medical Center

Section 2403 of the fiscal year 1987 Department of Defense Authorization Act (Public Law 99-661) authorized the Secretary of Defense to enter into one or more contracts to design and construct a replacement hospital for the Brooke Army Medical Center, San Antonio, Texas. Section 2403 further provided for design of a medical facility with space for 450 beds, but with initial construction for only 200 beds, expandable to 450 beds when the need can be justified. Section 2401 of that Act provided a total authorization for construction of this project of $135,000,000; however, only $10,000,000 was authorized for appropriations in fiscal year 1987 to begin site preparation.

The Secretary of Defense requested no funds for this project in fiscal year 1988, but requested $23,000,000 for additional site preparation and other construction in fiscal year 1989.

Since the enactment of Public Law 99-661, design of this newly authorized facility has begun. The conferees understand that the initial cost estimate of $135,000,000 is significantly below the actual cost. Although design is still in its initial stages, the current working estimate for the project is now $24,000,000, an increase of $106,000,000.

The House, out of concern for the escalating cost, directed the Secretary of Defense to provide the Congress a report by March 1, 1988, which would update the cost estimate for the authorized project, as well as two other construction options (i.e., a 250 bed expansion of the authorized 200 bed facility, and an initially constructed 450 bed facility). The House further directed the Department of Defense to provide a report regarding the estimated cost associated with the transfer of services from Brooke Army Medical Center to Wilford Hall Medical Center. The House also repealed section 2403(a) of Public Law 99-661, which provided the Department of Defense the authority to contract for this project in advance of appropriations. In a related provision, the House also added authorization of $8,500,000 for a defense access road in support of the new hospital. The House did not address the fiscal year 1989 construction request for this project.

The Senate reaffirmed its commitment to the scope of the project authorized in Public Law 99-661. Recognizing that the initial $135,000,000 cost estimate had changed, the Senate amended last year's authorization, adding $106,000,000 for a total project authorization of $241,000,000. In addition, the Senate authorized the requested $23,000,000 for construction in fiscal year 1989.

The conferees are concerned that the cost of the project has increased significantly from the preliminary estimates used last year as the basis for the $135,000,000 authorization. They believe that any revised project authorization should be used as a "design to cost" target during the ongoing architectural effort and that the final project cost should be compared with the cost of other specified alternatives. Therefore, the conferees agreed to the following:

(1) To direct the Secretary of Defense to submit a report by March 1, 1988, as provided in the House bill;

(2) To amend the fiscal year 1987 authorization to a total project cost of $241,000,000;

(3) To retain the authority to enter into one or more contracts for the project in advance of appropriations if each such contract limits the amount of payments the Federal government is obligated to make under such contract to the amount of appropriations available at the time the contract is entered into;

(4) To authorize $8,500,000 in fiscal year 1988 for a defense access road;

(5) To authorize $23,000,000 for phase two of site work and construction in fiscal year 1989 with the understanding that these funds can not be obligated or expended until all requirements of the National Environmental Protection Act are met.

FISCAL YEAR 1989

The Senate amendment would authorize $169,250,000 for Defense Agencies military construction and family housing for fiscal year 1989. The House bill contained no similar provision.

The House recedes.

TITLE V—NATO

FISCAL YEAR 1988

The House bill would authorize $396,000,000 for the U.S. contribution to the NATO Infrastructure program for fiscal year 1988. The Senate amendment would authorize $386,000,000 for this purpose.

The House recedes.

FISCAL YEAR 1989

The Senate amendment would authorize $402,100,000 for the United States share of the infrastructure program for fiscal year 1989. The House bill contained no similar provision.

The House recedes.

TITLE VI—GUARD AND RESERVE

FISCAL YEAR 1988

The House bill would authorize $520,918,000 for military construction for fiscal year 1988 for the Guard and Reserve components. The Senate amendment would authorize $545,983,000 for such purposes.

The conferees recommend authorization of $549,517,000 for military construction for fiscal year 1988. The conferees recommend identical authorization at the contingent level. The authorization would be distributed as follows:

Army National Guard	$177,289,000
Army Reserve	88,100,000
Naval/Marine Corps Reserve	68,737,000
Air National Guard	141,091,000
Air Force Reserve	74,300,000
	549,517,000

Air base survivability

The conferees are aware of a recent emphasis within the Air Force to analyze ways to protect overseas air bases from terrorist and wartime battle damage, as well as methods to improve the service's capability to rapidly repair runways and other critical facilities needed to support combat operations. This is an important initiative and the Air Force is commended for focusing on this problem.

In its amended fiscal year 1989 military construction budget, the conferees request that the Air Force highlight those construction initiatives which support air base survivability programs with specific reference to both terrorist and wartime threat assessments associated with specific installations.

It is the conferees' view that the reserve components represent an important source of trained manpower to enhance the Air Force's wartime air base survivability capabilities. The Air Force is urged to closely examine the formation of additional reserve component units to meet this need. Specifically, the conferees direct the Secretary of the Air Force to establish an Air National Guard mission support unit of approximately 300 personnel at Minot Air Force Base, North Dakota. That unit would be expected to deploy during mobilization to repair battle damage to overseas facilities.

FISCAL YEAR 1989

The Senate amendment would authorize $486,923,000 for fiscal year 1989 for the Guard and Reserve components as follows:

Army National Guard	$150,100,000
Army Reserve	100,000,000
Naval/Marine Corps Reserve	52,923,000
Air National Guard	128,000,000
Air Force Reserve	55,900,000

The House bill contained no authorization for Guard and Reserve components for fiscal year 1989.

The conferees agreed to authorize $512,045,000 for fiscal year 1989 to be distributed as follows:

Army National Guard	$168,672,000
Army Reserve	100,000,000
Naval/Marine Corps Reserve	52,923,000
Air National Guard	134,550,000
Air Force Reserve	55,900,000

TITLE VII—EXPIRATION OF AUTHORIZATIONS

FISCAL YEAR 1989

LEGISLATIVE PROVISIONS ADOPTED

Expiration of authorizations and amounts required to be specified by law (sec. 2721)

The Senate amendment contained a provision (sec. 2721) that would provide for the expiration of authorization for fiscal year 1989.

The House bill contained no similar provision.

The House recedes.

Effective date (sec. 2722)

The Senate amendment contained a provision (sec. 2722) that would provide for an effective date for fiscal year 1989 authorizations.

The House bill contained no similar provision.

The House recedes.

SUBDIVISION 3—GENERAL PROVISIONS

MILITARY CONSTRUCTION PROGRAM CHANGES

LEGISLATIVE PROVISIONS ADOPTED

Turn-key selection procedures for Defense Agencies (sec. 2301)

The House bill contained a provision (sec. 2711) that would amend section 2862 of title 10, United States Code, to extend coverage of this program to Defense Agencies and to require that all services, as well as the heads of the Defense Agencies, obtain the approval of the Secretary of Defense prior to its use.

The Senate amendment contained a provision (sec. 2814) that would simply include the Defense Agencies under section 2862 of title 10, United States Code.

The Senate recedes.

Long-term facilities contracts (sec. 2302)

The House bill contained a provision (sec. 2712) that would amend section 2809 of title 10, United States Code, to include hospitals and medical facilities under this program, extend the program through fiscal year 1988 and require a report by February 15, 1988, on the contracts entered into under this authority.

The Senate amendment contained a similar provision (sec. 2806) that would also include hospitals and medical facilities under this program and extend the program through fiscal year 1989.

The Senate recedes with an amendment that would extend the program through fiscal year 1989.

Settlement of contractor claims (sec. 2303)

The House bill contained a provision (sec. 2713) that would amend section 160 of title 10, United States Code, to authorize payment for meritorious contractor claims with unobligated construction funds but would limit the appropriation of this provision to funds appropriated after the date of the enactment of this bill.

The Senate amendment contained a similar provision (sec. 2815), but the provision would not limit the application of funds to those appropriated after the date of enactment.

The House recedes.

Family housing improvement threshold (sec. 2305)

The House bill contained a provision (sec. 2715) that would amend section 2825 of title 10, United States Code, to increase the threshold for family housing improvements from $30,000 per unit to $35,000 per unit.

The Senate amendment contained a provision (sec. 2808) that would have eliminated any improvement limitation.

The Senate recedes with an amendment that would raise the threshold to $40,000.

Family housing leasing within the United States (sec. 2306)

The House bill contained a provision (sec. 2716) that would amend section 2828 of title 10, United States Code, to extend the family housing leasing program to rehabilitated units, provide additional leasing authority for 3,500 units for the Army, 2,000 units for the Navy and 2,100 units for the Air Force. The authorization for the program would terminate at the end of fiscal year 1988.

The Senate amendment contained a similar provision (sec. 2811) that would also extend the program to the Secretary of Transportation (Coast Guard) for an additional 300 units and authorize the program through fiscal year 1989.

The House recedes.

Family housing rental guarantee program (sec. 2307)

The House bill contained a provision (sec. 2717) that would amend section 802 of the fiscal year 1984 Military Construction Act (Public Law 98-115), as amended, to extend the program to rehabilitated units, as well as existing units, and to include the defense agencies under this program. It would permit renewal of a contract if the project were located on government owned land.

The Senate amendment contained a similar provision (sec. 2816) but would extend the program to the Secretary of Transportation (Coast Guard) and eliminate the limitation on the number of contracts that could be entered into under the program.

The Senate recedes with an amendment to include the Secretary of Transportation, with respect to the Coast Guard, under this provision.

No-cost acquisition of family housing (sec. 2308)

The House bill contained a provision (sec. 2718) that would amend section 2822 of title 10, United States Code, to add housing units acquired for no cost to the list of the kind of family housing units that may be acquired by the Secretary without being specifically authorized by law. The Secretary would be required to notify the appropriate committees of Congress in writing and wait 21 days before taking action.

The Senate amendment contained a similar provision (sec. 2807) but contained a waiting period of only 14 days.

The Senate recedes.

Cost threshold for individual units and maximum number of units leased in foreign countries (sec. 2309)

The House bill contained a provision (sec. 2719) that would amend section 2828(e) of title 10, United States Code, to increase the foreign family housing rental threshold from $16,800 to $20,000 per unit.

The Senate amendment contained a similar provision (sec. 2809) but also increased the number of foreign family housing units that may be leased from 32,000 to 36,000.

The House recedes.

Minor construction outside the United States (sec. 2310)

The House bill contained a provision (sec. 2721) that would amend section 2805(c) of title 10, United States Code, to prohibit any minor construction related to military exercises outside the United States from being funded through operations and maintenance minor construction account. It would also provide for all exercise related construction to be funded at no more than $5 million from the unspecified minor construction account of each of the services.

The Senate amendment contained no similar provision.

The Senate recedes with an amendment that would establish separate funding for minor construction related to Joint Chief of Staff (JCS) coordinated/directed exercises outside the United States. It would limit funding of such construction through the operations and maintenance account. It would provide for JCS exercise related construction to be funded at no more than $5 million from the unspecified minor construction account for each of the military services.

This provision is intended to place into permanent law the practice that the Army has been following during the past year and to extend this practice to the other services. The conferees agree that this practice has been helpful in eliminating questions concerning the cost and grouping of projects, particularly those under $200,000. The Secretary of Defense is, therefore, directed to continue to notify the Committees on Armed Services of the Senate and House of Representatives of the use of these funds 21 days prior to obligation of the funds. The services are expected to continue to follow the guidelines provided in the statement of managers language contained in conference report 99-1005, accompanying the Continuing Appropriations Act for fiscal year 1987, as to how the costs of these projects should or should not be determined. Minor and temporary structures (e.g., tent platforms, field latrines, funding shelters, range targets) which are completely removed at the end of an exercise may be funded through operations and maintenance accounts, as may construction related to service directed training deployment, as limited by section 2805(c).

Cost threshold for multiple units (sec. 2311)

The Senate amendment contained a provision (sec. 2810) that would amend section 2828(f) of title 10, United States Code, to increase the threshold for congressional notification for new family housing unit leases overseas from $250,000 to $500,000 per year.

The House bill contained no similar provision.

The House recedes.

Cost variations (sec. 2312)

The Senate amendment contained a provision (sec. 2812) that would amend section 2853 of title 10, United States Code, to require cost variation notification to the appropriate committees of Congress only when the cost of the aggregate authorized construction projects at an installation exceeds 125 percent of the authorized value or 200 percent of the amount specified by law as the maximum amount for a minor construction project, whichever is less.

The House bill contained no similar provision.

The House recedes.

Family housing improvements (sec. 2313)

The Senate amendment contained a provision (sec. 2813) that would amend section 2853 of title 10, United States Code, to include family housing improvements under the cost variation authority that applies to other military construction projects.

The House bill contained no similar provision.

The House recedes.

LEGISLATIVE PROVISIONS NOT ADOPTED

Encroachment on installations

Section 2720 of the House bill contained a provision that would authorize the Secretary of Defense to make grants, conclude cooperative agreements, and supplement funds already made available under Federal programs administered by other Federal agencies to assist local governments in developing land planning around military installations to prevent further encroachment of these installations.

The Senate amendment contained no similar provision.

The House recedes.

Clarification regarding interchange of supplies and real estate

Section 2802 of the Senate amendment contained a provision that would clarify section 2571 of title 10, United States Code, to include all military property, including excess property, within its no cost transfer authority until such property is actually disposed of by legitimate sale or transfer to another Federal agency.

The House bill contained no similar provision.

The Senate recedes.

The conferees are concerned that in some instances, the Office of Management and Budget and the General Services Administration have been reluctant to exercise their existing authority to return real property to the disposing agency when new requirements make the disposal of the property ill-advised. The Committees on Armed Services of the Senate and House of Representatives plan to monitor this situation and develop legislative remedies in coordination with other cognizant committees should the exercise of existing authority in this matter prove untimely or unresponsive to Department of Defense needs.

Minor construction threshold

Section 2804 of the Senate amendment contained a provision that would amend section 2805 of title 10, United States Code, to increase the threshold for minor construction projects from $1 million to $2 million and increase the reporting limit from $500,000 to $1 million.

The House bill contained no similar provision.

The Senate recedes. Although rationale exists for increasing these limits for unspecified minor construction, projects whose requirements surface after the development of the budget submission, or projects which are too small to warrant lengthy budget review, the conferees believe that this proposal needs further study. Specifically, the committees have received inconsistent information regarding the intended impact of this provision on operations and maintenance funded repair projects. The proposed change would also impact several other statutory provisions.

This proposal appears to be related to a Department of Defense initiative to aggregate all projects valued under the proposed $2,000,000 threshold as unspecified construction. Such a change in budget review was not discussed in hearings or briefings on this provision and would represent a major change in the Congressional review process. Such a change would likely involve a test of a small portion of the overall minor construction request before it would be considered for broader application. The conferees recommend that the Department of Defense conduct a more complete review of this proposal prior to the submission of its fiscal year 1989 amended budget.

Mobilization construction authority

Section 2805 of the Senate amendment contained a provision that would amend chapter 169 of title 10, United States Code, to permit the Secretary of Defense to authorize construction if the President determines that mobilization may be required. Obligation of up to $100 million from unobligated military construction funds would be authorized.

The House bill contained no similar provision.

The Senate recedes.

Denial of funds for projects using certain services of foreign countries that deny fair market opportunities

Section 2818 of the Senate amendment contained a provision that would deny the use of appropriated funds for the award of military construction contracts within the United States, its territories or possessions to any foreign firm whose parent nation excludes American firms from bidding on projects in their country.

The House bill contained no similar provision.

The Senate recedes.

MISCELLANEOUS PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Pilot program for military family housing (sec. 2321)

The House bill contained a provision (sec. 2731) that would authorize the Secretary of Defense to establish a three-year pilot program to assist local governments to provide increased housing for military families. The Secretary would be authorized to select at least five locations that are severely impacted by the presence of military bases and personnel. Selection criteria would maximize the involvement of the local governments in the creation of additional units of military housing. One million dollars would be authorized to establish this program and the Secretary of Defense would be directed to report to the Committees on Armed Services of the Senate and House of Representatives no later than March 15 of each year on the activities carried out under this program.

The Senate amendment contained no similar provision.

The Senate recedes.

Restrictions on use of certain funding (sec. 2322)

The House bill contained a provision (sec. 2733) that would prohibit the obligation or expenditure of any funds in fiscal year 1988 available to the Department of Defense to close, realign, or deactivate present operations at Nellis Air Force Base, Nevada; Mather Air Force Base, California; the Joint Tactical Command, Control and Communications Agency, Fort Monmouth, New Jersey; Minot Air Force Base, North Dakota; and radar stations at various locations. The provision would also prohibit the closure of the Port Chicago Highway at Naval Weapons Station, Concord, California, and would extend the prohibitions in the fiscal year 1987 Defense Authorization Act (Public Law 99-661) with respect to dredging activities at Everett, Washington.

The Senate amendment contained no similar provision.

The Senate recedes on the provisions relating to the following:

(1) Nellis Air Force Base, Navada;

(2) Joint Tactical Command, Control and Communications Agency, Fort Monmouth, New Jersey;

(3) Extension of the prohibition on the expenditure of funds at Everett, Washington;

(4) Closure of Port Chicago Highway at Naval Weapons Station, Concord, California; and

(5) Radar stations at selected locations.

The House recedes on the provisions relating to Mather Air Force Base, California, and Minot Air Force Base, North Dakota, and radar stations at other selected locations.

Prohibition on funding for certain military construction contracts on Guam (sec. 2323)

The House bill contained a provision (sec. 2734) that would prohibit the obligation or expenditure of funds under any contract for a military construction project on Guam if any work is carried out by an alien who is on Guam on a work visa. The prohibition would not apply in any case where no acceptable bid is made in response to a solicitation and the Secretary concerned determines that the prohibition is a significant deterrent to obtaining bids and has waited 21 days after notification to the Committee on Armed Services of the Senate of the House of Representatives.

The Senate amendment contained no similar provision.

The Senate recedes.

Community planning assistance (sec. 2324)

The House bill contained a provision (sec. 2736) that would authorize $250,000 for community planning assistance at Everett, Washington.

The Senate amendment contained a provision (sec. 2831) that would authorize $300,000 for community planning assistance for the Gulf Coast homeporting sites for fiscal year 1988 and an additional $300,000 for fiscal year 1989.

The House recedes to the Senate provision, and the Senate recedes to the House provision.

Disposal of real property at Air Force missile sites (sec. 2325)

The Senate amendment contained a provision (sec. 2829) that would amend chapter 949 of title 10, United States Code, to permit the Secretary of the Air Force to convey at fair market value any land held by the Air Force that does not exceed 25 acres, was used as a site for missile launch facilities, and is surrounded by lands held by one owner or by more than one owner jointly. Owners of the surrounding property would be provided the right of first refusal to purchase these sites.

The House bill contained no similar provision.

The House recedes.

Settlement of claims with the Tulalip Indians (sec. 2326)

The Senate amendment contained a provision (sec. 838) that would provide $3,400,000 to the Tulalip Tribes of Washington to settle a claim against the Navy for loss of access to and displacement from usual and accustomed fishing grounds and stations arising from the construction and operation of the Navy homeport at Everett, Washington.

The House bill contained no similar provision.

The House recedes. It is the conferees intent that the cost of this settlement shall be absorbed within the statutory ceiling of $272,000,000 for construction in support of the homeporting mission at Everett, Washington.

LEGISLATIVE PROVISIONS NOT ADOPTED

Pentagon annex design

Section 2735 of the House bill contained a provision that would repeal a provision of the fiscal year 1987 Defense Authorization Act (Public Law 99-661) that prohibited the use of planning and design funds to initiate design for the Pentagon Annex Complex.

The Senate amendment contained no similar provision.

The House recedes.

Prohibition on certain cost overruns, Norfolk Navy Steam Plant

Section 2737 of the House bill would prohibit the Secretary of the Navy from paying any claims as specified by the Department of Defense Appropriations Act, 1987, (Public Law 99-500 and Public Law 99-591) except for losses incurred during the period of October 8, 1986 and the date of enactment of the Department of Defense Authorization Act of 1988.

The Senate amendment contained no similar provision.

The House recedes.

The conferees believe that, because the authorization for payment of claims by the contractor for losses incurred resulting from the construction of the Navy steam plant at Norfolk, Virginia, (Public Law 99-500 and Public Law 99-591) expired September 30, 1987, further legislative action is unnecessary. The conferees further believe that existing statutes provide a procedure for redress of any claims the contractor may have.

Waiver of limitations on leases

Section 2803 of the Senate amendment contained a provision that would amend section 278 of title 40, United States Code, to provide permanent authority in peacetime to waive the current limitations that apply to leases on facilities.

The House bill contained no similar provision.

The Senate recedes.

Rental payment cost escalation

Section 2830(B) of the Senate amendment contained a provision that would authorize the service secretaries, notwithstanding any other provision of law, to modify family housing contracts entered into under section 2821 of title 10, United States Code, to reflect amendments contained in section 2713 of the fiscal year 1987 National Defense Authorization Act (Public Law 99-661) which extended the term of the lease period from 15 to 25 years and allowed the rent to escalate. Under the Senate provision, three contracts already awarded, but not yet executed, could be amended to extend the lease period from 15 to 25 years.

The House bill contained no similar provision.

The Senate recedes.

The conferees recognize the difficulty housing developers have experienced in obtaining financing for construction under the rental guarantee program. In an effort to make this program more attractive to the financial market, the Congress authorized several program changes in fiscal year 1987, which included extending the term of the lease period from 15 to 25 years and allowing the total rent to escalate rather than just the maintenance fee. The conferees now understand that several projects with contracts awarded under pre-1987 provisions have been terminated or are subject to termination because housing developers have not been able to obtain financing. The conferees support resolicitation of the projects previously authorized incorporating the fiscal year 1987 program changes.

REAL PROPERTY TRANSACTIONS

LEGISLATIVE PROVISIONS ADOPTED

Lease of facility, San Francisco, California (sec. 2331)

The House bill contained a provision (sec. 2741) that would direct the Secretary of Defense to enter into a ten year lease with the City and County of San Francisco, California, for the former United States Public Health Service Hospital located on the Presidio of San Francisco—with the facility to be used for research into and treatment of persons with acquired immune deficiency syndrome (AIDS) and acquired immune deficiency syndrome related complex (ARC).

The Senate amendment contained a similar provision (sec. 2830D) that would direct the Secretary of the Army to enter into a ten year lease for the same facility. However, the Secretary would be required to determine the most economically feasible manner to accommodate the transfer of the activities presently housed in the former Public Health Service Hospital and submit the report not later than 90 days after enactment of this legislation to the Comptroller General of the United States for analysis. The Comptroller General would be required to forward the General Accounting Office (GAO) analysis to the Committees on Armed Service of the Senate and House of Representatives within 30 days. The transfer would take place as soon as possible after the GAO report is received by the committees or certification has been received from the County of San Francisco that the county is financially prepared to assume possession of and operate the facility, whichever is later. Joint use with the Administrator of Veterans' Affairs should also be considered.

The Senate recedes with an amendment.

The conferees agree to direct the lease of the former Public Health Service facility to the City and County of San Francisco without compensation for an AIDS/ARC treatment center. The lease will be entered into no later than January 1, 1989. The Secretary of the Army is to submit by March 1, 1988, to the Committees on Armed Services of the Senate and the House of Representatives, a report analyzing relocation alternatives, their impact on the operations and resources of the Department of the Army, and a description of the preferred location and all costs associated with this choice. By March 1, 1988, prior to the transfer of the facility, the Committees on Armed Services of the Senate and the House of Representatives expect to receive a report from the City and the County of San Francisco that includes a description and validation of the need for acute care nursing for AIDS/ARC patients in the Bay Area and discusses the alternatives and rationale for using the Public Health Service Hospital. The report is to include a financial plan that explains how they expect to meet the initial conversion and recurring operations expenses of the facility.

The conferees are aware of the need to begin the planning for the relocation of the activities currently using the former Public Health Service Hospital and expect operation and maintenance funds from the fiscal year 1988 budget will need to be used in order to meet the specified leasing date. The Secretary of the Army is also expected to begin programming in the fiscal year 1989 budget any construction projects needed to accomplish these moves.

Sale of land and replacement of certain facilities, Kapalama Military Reservation, Hawaii (sec. 2332)

The House bill contained a provision (sec. 2742) that would authorize the Secretary of the Army to sell through a competitive bid process 43.7 acres of real property at Kapalama Military Reservation in Hawaii and use the proceeds to design and construct suitable replacement facilities at various locations.

The Senate amendment contained no similar provision.

The Senate recedes.

Land conveyance, Lawrence Township, Indiana (sec. 2333)

The House bill contained a provision (sec. 2743) that would authorize the Secretary of the Army to convey at fair market value 3.23 acres of land at Ft. Benjamin Harrison, Indiana, to Lawrence Township, Marion County, Indiana.

The Senate amendment contained a similar provision (sec. 2824)

The Senate recedes.

Land transfers: Rock Island Illinois and Fort Sam Houston, Texas (sec. 2334)

The House bill contained a provision (sec. 2744) that would authorize the Secretary of the Army to transfer without reimbursement, certain lands to the Administrator of the Veterans' Administration for use as national cemeteries.

The Senate amendment contained no similar provision.

The Senate recedes.

Property transfer, Brooklyn, New York (sec. 2335)

The House bill contained a provision (sec. 2745) that would authorize the administrator of the General Services Administration to transfer, without reimbursement, a six story building and associated land, known as Dayton Manor, to the Secretary of the Navy for use as military family housing.

The Senate amendment contained no similar provision.

The Senate recedes.

Land exchange, Orange County, California (sec. 2336)

The House bill contained a provision (sec. 2746) that would authorize the Secretary of the Navy to carry out a land exchange for Orange County, California.

The Senate amendment contained a similar provision (sec. 2822)

The Senate recedes.

Transfer of land, Joliet Army Ammunition Plant, Illinois (sec. 2337)

The House bill contained a provision (sec. 2748) that would direct the Secretary of the Army to convey to the Administrator of the Veterans' Administration 200 acres of land located on the Joliet Army Ammunition Plant, Illinois, for use as a national cemetery.

The Senate amendment contained no similar provision.

The Senate recedes. The conferees understand that the Army Toxic and Hazardous Materials Agency is required to perform a study to determine the presence of any hazardous or toxic materials in the land to be transferred, and that the Secretary of the Army is restricted from conveying the property until certification is made that the land is environmentally suitable for transfer. The conferees further direct that any property transferred must be deemed acceptable by the Administrator of the Veterans' Administration as suitable in all respects for use as a national cemetery.

Authority to release certain rights (sec. 2339)

The House bill contained a provision (sec. 2750) that would authorize the Secretary of the Army to release rights to certain land in Tarrant County, Texas, in exchange for rights to land of equal use that would be obtained from the State of Texas.

The Senate amendment contained no similar provision.

The Senate recedes.

Mineral rights at White Sands Missile Range, New Mexico (sec. 2340)

The Senate amendment contained a provision (sec. 2825) that would authorize the Secretary of the Army to convey certain mineral rights on White Sands Missile Range to the State of New Mexico subject to terms and conditions recommended by the Attorney General of the United States.

The House bill contained no similar provision.

The House recedes.

Land conveyance, Fort Jackson (sec. 2341)

The Senate amendment contained a provision (sec. 2826) that would provide additional authority to the Secretary of the Army to use proceeds from a land sale at Fort Jackson, South Carolina, to construct a water system improvements project and improvement to post family housing stock at Fort Jackson.

The House bill contained no similar provision.

The House recedes.

Land exchange, Hamilton Air Force Base, California (sec. 2342)

The Senate amendment contained a provision (sec. 2821) that would authorize the Secretaries of the Army and Navy to exchange real property interests with the pending purchaser of certain excess government land at Hamilton Air Force Base, California.

The House bill contained no similar provision.

The House recedes.

Land conveyance, Chanute AFB, Illinois (sec. 2343)

The Senate amendment contained a provision (sec. 2828) that would authorize the Secretary of the Air Force to sell at fair market value 49 acres of land near Chanute Air Force Base, Illinois. A condition of the sale would be that certain projects would have to be constructed on base by the prospective purchaser. Any remaining receipts would be returned to the general fund of the Treasury.

The House bill contained no similar provision.

The House recedes.

Land exchange, San Diego, California (sec. 2344)

The Senate amendment contained a provision (sec. 2830) that would authorize the Secretary of the Air Force to negotiate with the County of San Diego, California, for a fair market value exchange of county property for a portion of Air Force Plant #19 or a payment to the government of the difference in the property values. Any agreement reached under this provision would be reported to the Committees on Armed Services of the Senate and House of Representatives, along with an analysis of the impacts of such a land exchange on current and future programs associated with this industrial facility.

The House bill contained no similar provision.

The House recedes with an amendment that would expand the scope of the required report to include the potential transfer of Plant #19 to another military service and discussion of potential impacts on all defense missions associated with that facility.

Requirement to lease lands to the City of Barling, Arkansas (sec. 2345)

The Senate amendment contained provisions (sec. 2901-2903) that direct the lease of certain lands at Fort Chaffee, Arkansas, to the City of Barling for construction of a city owned wastewater treatment facility or for the expansion, at the city's expense, of the post's wastewater treatment facility to accommodate the city's waste.

The House bill contained no similar provision.

The House recedes. The conferees recognize that the alternatives provided to the Secretary of the Army under this provision could entail a potential liability to the Army resulting from environmental hazards associated with the city's sewage. However, this legislation provides the Secretary of the Army the authority to specify conditions necessary to protect the interests of the United States. The conferees expect the Secretary of the Army to exercise this authority to protect the United States from any inequitable liability resulting from any lease executed under this provision.

LEGISLATIVE PROVISIONS NOT ADOPTED

Use of land at Fort A.P. Hill for Scout Jamborees

Section 2747 of the House bill would authorize the Secretary of the Army to grant a license for the use of land at A.P. Hill, Virginia, as a permanent site for National Scout Jamborees without reimbursement subject to terms and conditions necessary to protect the interests of the United States.

The Senate amendment contained no similar provision.

The House recedes.

The conferees note that the Department of the Army originally requested that this provision be included in the bill. However, the conferees understand that the Secretary of the Army now indicates that the Army currently has the authority under section 2667 of title 10, United States Code, to allow the Boy Scouts of America (BSA) use of land at Fort A.P. Hill for the National Scout Jamboree. The Boy Scouts have used this location in the past. The conferees further note that Fort A.P. Hill presently supports approximately 200,000 active, Reserve Component, and National Guard soldiers each year.

Based on the successes of past Jamborees, with over 35,000 scouts and 200,000 visitors attending in 1985, the conferees agreed that the continued use of Fort A.P. Hill for the National Scout Jamboree would be desirable. However, the conferees further agreed that training requirements and resources of the Army at Fort A.P. Hill must be maintained. The conferees, therefore, direct the Secretary of the Army to enter into negotiations with the Boy Scouts of America to provide support for the quadrennial National Scout Jamboree under a Memorandum of Understanding consistent with the interests of the Army and the mission of Fort A.P. Hill.

Lease of property, San Diego, California

Section 2823 of the Senate amendment contained a provision that would authorize the Secretary of the Navy to lease approximately 275,000 square feet of dry and cold storage space at the Port of San Diego's 10th Avenue Terminal for up to 30 years.

The House bill contained no similar provision.

The Senate recedes. Subsequent information available to the conferees indicated that the property referenced in the Senate provision is not the most cost effective alternative available to meet the Navy's storage requirements. In order to ensure that all lease alternatives are competitively developed and that an economic analysis is performed to determine whether a long term lease is more cost effective than military construction, the Secretary of the Navy is authorized to pursue fulfilling this requirement under the contractual arrangements of section 2809 of title 10, United States Code.

Asbestos insulation, Fairchild AFB, Washington

Section 2830C of the Senate amendment contained a provision that would require the replacement of asbestos at Fairchild Air Force Base, Washington, for the amount of $2.05 million.

The House bill contained a line item to fund this project.

The Senate recedes.

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ALABAMA								
ARMY								
ANNISTON ARMY DEPOT								
SECURITY UPGRADE	2,100	2,100	2,100	0	0	2,100	0	2,100
FORT MCCLELLAN								
ACADEMIC INSTRUCTION FACILITY	1,850	1,850	1,850	0	0	1,850	0	1,850
URBAN TERRAIN TRAINING FACILITY	2,850	2,850	2,850	0	0	2,850	0	2,850
REDSTONE ARSENAL								
MILLIMETER/MICROWAVE SIMULATION FACILITY	21,000	21,000	21,000	0	0	21,000	0	21,000
FORT RUCKER								
SERVICEMEMBER SUPPORT COMPLEX	5,700	5,700	0	5,700	0	5,700	0	5,700
FAMILY HOUSING-NEW CONSTRUCTION (7)	110	110	110	0	0	110	0	110
NAVY								
NAVAL STATION MOBILE								
BERTHING PEIR & WHARF	630	630	630	0	0	630	0	630
SITE DEVELOPMENT & UTILITIES	10,070	10,070	10,070	0	0	10,070	0	10,070
AIR FORCE								
GUNTER AFB								
EXTENSION COURSE INSTITUTE	8,800	8,800	0	8,800	0	8,800	0	8,800
MAXWELL AFB								
BASE SUPPLY COMPLEX	7,400	7,400	0	7,400	0	7,400	0	7,400
CONSOLIDATED SUPPORT COMPLEX	12,400	12,400	12,400	0	0	12,400	0	12,400
SECURITY POLICE OPERATIONS FACILITY	1,700	1,700	0	1,700	0	1,700	0	1,700
TELEPHONE EXCHANGE COMPLEX	700	700	700	0	0	700	0	700
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	2,000	2,000	2,000	0	0	2,000	0	2,000
ARMY NATIONAL GUARD								
EGLIN AIR FORCE BASE (FL)								
RANGE, TANK PLATOON BATTLE RUN	1,290	1,290	1,290	0	0	1,290	0	1,290
AIR NATIONAL GUARD								
DANNELLY FIELD								
AIRCRAFT ENGINE I & R SHOP	1,300	1,300	1,300	0	0	1,300	0	1,300
ARM/DEARM PADS	1,450	1,450	1,450	0	0	1,450	0	1,450
ARMY RESERVE								
LIVINGSTON								
ADD/ALTER USARC W/MAINT FAC	1,398	1,398	1,398	0	0	1,398	0	1,398
MONTGOMERY								
ADD TO MAINT FAC	370	370	370	0	0	370	0	370
OPELIKA								
ADD/ALTER USARC W/MAINT FAC	1,994	1,994	1,994	0	0	1,994	0	1,994
AIR FORCE RESERVE								
MAXWELL AFB								
RESERVE FORCES OPERATIONAL TRAINING	1,990	1,990	1,990	0	0	1,990	0	1,990
TOTAL, ALABAMA	87,102	87,102	63,502	23,600	0	87,102	0	87,102
ALASKA								
ARMY								
FORT GREELY								
TEST SUPPORT COMPLEX	6,400	6,400	6,400	0	0	6,400	0	6,400
FT J M WAINWRIGHT								
BARRACKS MODERNIZATION	15,000	15,000	15,000	0	0	15,000	0	15,000

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	FY 1988	FY 1988	FY 1988	DIFFERENCE	CONFERENCE AGREEMENT		CONTINGENT LEVEL	
	BUDGET	HOUSE	SENATE	(HOUSE +/-	CHANGE FROM		CHANGE FROM	
INSTALLATION AND PROJECTS	REQUEST	PASSED	PASSED	TO SENATE)	REQUEST	RECOMMENDATION	REQUEST	RECOMMENDATION
BATTALION HEADQUARTERS	2,200	0	2,200	(2,200)	(2,200)	0	(2,200)	0
COMMUNICATIONS FACILITY	2,250	2,250	2,250	0	0	2,250	0	2,250
DINING FACILITY	4,000	4,000	4,000	0	0	4,000	0	4,000
FLIGHT SIMULATOR BUILDING	3,850	3,850	3,850	0	0	3,850	0	3,850
MAINTENANCE COMPLEX	42,000	0	42,000	(42,000)	(13,000)	29,000	(13,000)	29,000
MILITARY CLOTHING SALES STORE	670	0	670	(670)	(670)	0	(670)	0
FAMILY HOUSING-NEW CONSTRUCTION (150)	29,000	0	29,000	(29,000)	(18,200)	10,800	(18,200)	10,800
NAVY								
NAVAL AIR STATION ADAK								
BACHELOR ENLISTED QUARTERS ADDITION	12,000	0	12,000	(12,000)	0	12,000	0	12,000
RADAR SUPPORT FACILITIES (PHASE II)	64,200	44,200	64,200	(20,000)	(20,000)	44,200	(20,000)	44,200
NAVAL HOSPITAL BRANCH ADAK								
EMERGENCY VEHICLE GARAGE	700	700	700	0	0	700	0	700
NAVAL SECURITY GROUP ACTIVITY ADAK								
TRANSPORTATION BUILDING	2,860	2,860	2,860	0	0	2,860	0	2,860
AIR FORCE								
CLEAR								
SOLID STATE UNINTERRUPT POWER SPT	4,000	4,000	4,000	0	0	4,000	0	4,000
EIELSON AFB								
AIRCRAFT MAINTENANCE COMPLEX	4,700	0	4,700	(4,700)	0	4,700	0	4,700
DINING HALL	5,465	5,465	5,465	0	0	5,465	0	5,465
ELMENDORF AFB								
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	6,700	0	6,700	(6,700)	0	6,700	(6,700)	0
TELECOMMUNICATIONS FACILITY	4,300	4,300	4,300	0	0	4,300	0	4,300
KING SALMON AFB								
COMMUNICATIONS FACILITY	3,350	0	0	0	(3,350)	0	(3,350)	0
SHEMYA AFB								
ADD-ALTER MECHANICAL/ELECTRICAL SUPPLY SYS	3,400	3,400	3,400	0	0	3,400	0	3,400
AIRCRAFT MAINTENANCE HANGAR	15,000	15,000	15,000	0	0	15,000	0	15,000
FIRE PROTECTION SYSTEMS	1,050	1,050	1,050	0	0	1,050	0	1,050
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	18,900	18,900	18,900	0	0	18,900	0	18,900
VARIOUS LOCATIONS-ALASKA								
ALASKAN OTH-B REAL ESTATE ACQ SYSTEM	5,800	5,800	5,800	0	0	5,800	0	5,800
ALASKAN OTH-B TECH SUPPORT FACILITIES	10,000	10,000	10,000	0	0	10,000	0	10,000
DEFENSE AGENCIES								
FORT WAINWRIGHT								
TROOP MEDICAL & DENTAL CLINIC	9,100	9,100	9,100	0	0	9,100	0	9,100
ARMY NATIONAL GUARD								
ELI								
SCOUT ARMORY	246	246	246	0	0	246	0	246
JUNEAU								
ARMY AVIATION OPERATING FACILITY	3,522	3,522	3,522	0	0	3,522	0	3,522
BOAT DOCK	265	265	265	0	0	265	0	265
NOME								
ARMY AVIATION OPERATING FACILITY	4,152	4,152	4,152	0	0	4,152	0	4,152
NUNAPITCHUK								
SCOUT ARMORY	246	246	246	0	0	246	0	246
TOGIAK								
SCOUT ARMORY	246	246	246	0	0	246	0	246

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					CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
AIR NATIONAL GUARD								
EIELSON AFB								
COMPOSITE MAINT AND SITE PREP COMPLEX.......	15,400	0	15,400	(15,400)	0	15,400	0	15,400
KULIS ANGB								
ALTER HANGAR/AERIAL PORT....................	950	950	950	0	0	950	0	950
TOTAL, ALASKA...............................	301,922	165,902	298,572	(132,670)	(57,420)	244,502	(64,120)	237,802
ARIZONA								
ARMY								
FORT HUACHUCA								
ACADEMIC INSTRUCTION FACILITY ADDITION......	920	0	920	(920)	(920)	0	(920)	0
MEDICAL SUPPLY WAREHOUSE....................	1,250	1,250	1,250	0	0	1,250	0	1,250
NAVAJO ARMY DEPOT								
SECURITY UPGRADE............................	4,000	4,000	4,000	0	0	4,000	0	4,000
NAVY								
MARINE CORPS AIR STATION YUMA								
AIRCRAFT WASHRACKS..........................	870	870	870	0	0	870	0	870
AVIATION ARMAMENT SHOP......................	1,670	1,670	1,670	0	0	1,670	0	1,670
AVIATION SUPPLY WAREHOUSE ADDITION..........	3,150	0	3,150	(3,150)	0	3,150	0	3,150
FLIGHT LINE SECURITY IMPROVEMENTS...........	1,330	1,330	1,330	0	0	1,330	0	1,330
MAINTENANCE HANGARS ADDITIONS...............	2,260	0	2,260	(2,260)	0	2,260	0	2,260
AIR FORCE								
DAVIS-MONTHAN AFB								
BASE CONTRACTING FACILITY...................	1,000	1,000	1,000	0	0	1,000	0	1,000
COMBAT SUPPORT CENTER.......................	7,000	0	7,000	(7,000)	0	7,000	(7,000)	0
TRAFFIC MANAGEMENT COMPLEX..................	3,650	3,650	0	3,650	(3,650)	0	(3,650)	0
HOLBROOK								
STR ADD-ALTER TECH OPERATIONS FACILITY......	540	540	540	0	0	540	0	540
STR COMPOSITE SUPPORT FACILITY..............	1,350	1,350	1,350	0	0	1,350	0	1,350
FAMILY HOUSING-NEW CONSTRUCTION (34)........	2,530	2,530	2,530	0	0	2,530	0	2,530
LUKE AFB								
BASE OPERATIONS MOBIL TRANS ALERT FACIL.....	1,750	1,750	0	1,750	0	1,750	0	1,750
F-16 ACADEMICS FACILITY.....................	2,600	0	2,600	(2,600)	0	2,600	(2,600)	0
LAND FEE PURCHASE (RANGE)...................	1,050	1,050	1,050	0	0	1,050	0	1,050
WILLIAMS AFB								
JET ENGINE MAINTENANCE SHOP.................	3,350	3,350	3,350	0	0	3,350	0	3,350
ARMY NATIONAL GUARD								
FLORENCE								
RANGE, M60 TRANSITION.......................	183	183	183	0	0	183	0	183
TUCSON								
ORGANIZATIONAL MAINTENANCE SHOP.............	712	712	712	0	0	712	0	712
AIR NATIONAL GUARD								
TUCSON IAP								
ADD TO AVIONICS/RELOCATE AGE................	1,500	1,500	1,500	0	0	1,500	0	1,500
ALTERNATE FUEL FACILITY.....................	225	225	225	0	0	225	0	225
COMPOSITE SQUADRON OPERATIONS...............	4,150	4,150	4,150	0	0	4,150	0	4,150
AIR FORCE RESERVE								
DAVIS-MONTHAN AFB								
COMPOSITE TRAINING FACILITIES...............	12,400	12,400	12,400	0	0	12,400	0	12,400
LUKE AFB								
COMPOSITE TRAINING (WSSF/RS)................	375	375	375	0	0	375	0	375
INFORMATION SYSTEM TRAINING FACILITY........	300	300	300	0	0	300	0	300

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MEDICAL ADMIN/TRAINING FACILITY	300	300	300	0	0	300	0	300
SOUND SUPPRESSOR PAD	735	735	735	0	0	735	0	735
TOTAL, ARIZONA	61,150	45,220	55,750	(10,530)	(4,570)	56,580	(14,170)	46,980
ARKANSAS								
ARMY								
PINE BLUFF ARSENAL								
AMMUNITION SURVEILLANCE FACILITY	2,000	2,000	2,000	0	0	2,000	0	2,000
AIR FORCE								
BLYTHEVILLE AFB								
T-9 NOISE SUPPRESSOR SUPPORT FACILITY	600	0	600	(600)	0	600	0	600
MISSION OPERATIONS FACILITY	0	5,900	0	5,900	5,900	5,900	5,900	5,900
LITTLE ROCK AFB								
ADD TO FAMILY SUPPORT CENTER	370	370	0	370	(370)	0	(370)	0
EXPLOSIVE ORDNANCE FACILITY	0	400	0	400	400	400	400	400
MAINTENANCE HANGER	0	4,500	0	4,500	0	0	0	0
HOSPITAL ALTERATIONS	0	610	0	610	0	0	0	0
ARMY NATIONAL GUARD								
BOONEVILLE								
100 PERSON ARMORY	764	764	764	0	0	764	0	764
CAMP ROBINSON								
BATTLE SKILLS COURSE	240	240	240	0	0	240	0	240
RANGE, M60 MACHINEGUN	318	318	318	0	0	318	0	318
TROOP MEDICAL CLINIC	362	362	362	0	0	362	0	362
TROOP UNIT MESS HALLS	380	380	380	0	0	380	0	380
U.S. PROPERTY & FISCAL OFFICE ADDITION	360	360	360	0	0	360	0	360
RUNWAY EXTENSION	0	900	0	900	900	900	900	900
AUTOMATIC FIRING RANGE	0	670	0	670	670	670	670	670
WATER DISTRIBUTION SYSTEM IMPROV	0	353	0	353	353	353	353	353
MODIFICATIONS TO OMS	0	99	0	99	99	99	99	99
AIR NATIONAL GUARD								
FT SMITH MAP								
ALTER HANGAR /MAINT CONTROL	150	150	150	0	0	150	0	150
SPECIAL FUELS FACILITY	225	225	225	0	0	225	0	225
LITTLE ROCK AFB								
AERIAL PORT FACILITY	0	1,600	0	1,600	1,600	1,600	1,600	1,600
ALTER WASH RACK	0	95	0	95	95	95	95	95
ARMY RESERVE								
WEST MEMPHIS								
LAND ACQUISITION	280	280	280	0	0	280	0	280
TOTAL, ARKANSAS	6,049	20,576	5,679	14,897	9,647	15,696	9,647	15,696
CALIFORNIA								
ARMY								
FORT HUNTER LIGGETT								
UPGRADE WATER DISTRIBUTION SYSTEM	1,000	1,000	1,000	0	0	1,000	0	1,000
FT IRWIN								
UPGRADE WATER DISTRIBUTION SYSTEM	4,450	4,450	4,450	0	0	4,450	0	4,450
FAMILY HOUSING-NEW CONSTRUCTION (525)	54,000	30,000	24,000	6,000	(24,000)	30,000	(30,000)	24,000

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FORT ORD								
CHILD DEVELOPMENT CENTER....................	6,400	6,400	6,400	0	0	6,400	0	6,400
ENERGY MONITORING AND CONTROL SYSTEM........	490	490	490	0	0	490	0	490
FAMILY HOUSING-NEW CONSTRUCTION (211)	19,000	19,000	19,000	0	0	19,000	0	19,000
PRESIDIO OF SAN FRANCISCO								
STANDBY GENERATOR...........................	1,550	1,550	1,550	0	0	1,550	0	1,550
SIERRA ARMY DEPOT								
SECURITY UPGRADE............................	2,600	2,600	2,600	0	0	2,600	0	2,600
NAVY								
FLEET ANTI-SUB WARF TRNG CTR PAC SAN DIEGO								
ELECTRICAL DISTRIBUTION SYSTEM IMPROVEMNTS..	5,020	5,020	5,020	0	0	5,020	0	5,020
MARCORP AIR-GRND COMB CTR TWENTYNINE PALMS								
BACHELOR ENLISTED QUARTERS..................	20,400	13,600	20,400	(6,800)	(6,800)	13,600	(6,800)	13,600
ELECTRONICS & COMMS MAINT & STORAGE FACS....	7,480	0	7,480	(7,480)	0	7,480	0	7,480
MULTI-PURPOSE RANGE COMPLEX.................	2,700	2,700	2,700	0	0	2,700	0	2,700
POTABLE WATER SOURCE DEVELOPMENT............	2,120	2,120	2,120	0	0	2,120	0	2,120
FAMILY HOUSING-NEW CONSTRUCTION (100).......	11,530	11,530	11,530	0	0	11,530	0	11,530
MARINE CORPS AIR STATION CAMP PENDLETON								
AIRCRAFT RINSE FACILITY.....................	580	580	580	0	0	580	0	580
AVIATION SUPPLY FACILITY....................	4,330	0	4,330	(4,330)	0	4,330	0	4,330
HAZARDOUS AND FLAMMABLE STOREHOUSE..........	900	900	900	0	0	900	0	900
STATION OPERATIONS FACILITY.................	1,870	1,870	0	1,870	(1,870)	0	(1,870)	0
MARINE CORPS AIR STATION EL TORO								
FLIGHT LINE SECURITY IMPROVEMENTS...........	2,310	2,310	2,310	0	0	2,310	0	2,310
TACTICAL SUPPORT VAN PADS...................	850	850	850	0	0	850	0	850
FAMILY HOUISNG-NEW CONSTRUCTION (100).......	8,660	8,660	8,660	0	0	8,660	0	8,660
MARINE CORPS AIR STATION TUSTIN								
AIRCRAFT INTERMEDIATE MAINT ACT COMPLEX.....	3,440	3,440	3,440	0	0	3,440	0	3,440
TACTICAL SUPPORT VAN PADS...................	1,670	1,670	1,670	0	0	1,670	0	1,670
MARINE CORPS BASE CAMP PENDLETON								
ACADEMIC INSTRUCTION BUILDING...............	7,700	0	7,700	(7,700)	(7,700)	0	(7,700)	0
BACHELOR ENLISTED QUARTERS..................	22,600	16,950	22,600	(5,650)	(5,650)	16,950	(5,650)	16,950
BATTALION HEADQUARTERS......................	3,300	0	3,300	(3,300)	0	3,300	0	3,300
COMMUNICATIONS SUPPORT WAREHOUSE............	2,760	0	2,760	(2,760)	0	2,760	0	2,760
FIELD MAINTENANCE FACILITIES................	5,900	5,900	5,900	0	0	5,900	0	5,900
FIELD MAINTENANCE SHOP FACILITIES...........	11,500	0	11,500	(11,500)	(11,500)	0	(11,500)	0
MOVING TARGET RANGE.........................	2,560	2,560	2,560	0	0	2,560	0	2,560
TACTICAL VEHICLE MAINTENANCE FACILITY.......	9,700	0	0	0	(9,700)	0	(9,700)	0
FAMILY HOUSING-NEW CONSTRUCTION (300).......	25,760	25,760	17,760	8,000	0	25,760	(8,000)	17,760
MARINE CORPS LOGISTICS BASE BARSTOW								
EGRESS IMPROVEMENTS.........................	230	230	230	0	0	230	0	230
RAIL SPUR AREA IMPROVEMENT..................	3,000	3,000	3,000	0	0	3,000	0	3,000
NAVAL AIR REWORK FACILITY ALAMEDA								
PLATING SHOP................................	16,000	16,000	16,000	0	0	16,000	0	16,000
NAVAL AIR STATION ALAMEDA								
AIRCRAFT INTERMEDIATE MAINTENANCE FACILITY..	11,400	11,400	11,400	0	0	11,400	0	11,400
NAVAL AIR STATION LEMOORE								
FLIGHT LINE SECURITY IMPROVEMENTS...........	2,560	2,560	2,560	0	0	2,560	0	2,560
NAVAL AIR STATION MIRAMAR								
OPERATIONAL FLIGHT TRAINER FACILITY.........	6,500	6,500	6,500	0	0	6,500	0	6,500
				0	0		0	

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					CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
NAVAL AIR STATION MOFFETT FIELD								
DEFENSE ACCESS ROAD.........................	400	400	400	0	0	400	0	400
NAVAL AIR STATION NORTH ISLAND								
FIRE PROTECTION SYSTEM UPGRADE..............	5,610	5,610	5,610	0	0	5,610	0	5,610
MISSILE MAGAZINES...........................	2,460	2,460	2,460	0	0	2,460	0	2,460
OPERATIONAL TRAINER FACILITY................	17,200	17,200	17,200	0	0	17,200	0	17,200
NAVAL AMPHIBIOUS BASE CORONADO								
SWIMMER DELIVERY VEHICLE FACILITY...........	2,760	2,760	2,760	0	0	2,760	0	2,760
NAVAL COMMUNICATION STATION STOCKTON								
FIRE PROTECTION PIPELINE....................	2,800	2,800	2,800	0	0	2,800	0	2,800
NAVAL CONSTRUCT BATTALION CTR PORT HUENEME								
ENGINEERING SUPPORT FACILITY................	3,250	3,250	3,250	0	0	3,250	0	3,250
MUNICIPAL SEWER CONNECTION..................	1,670	1,670	1,670	0	0	1,670	0	1,670
SEALIFT SUPPORT STORAGE FACILITIES..........	6,700	0	6,700	(6,700)	(6,700)	0	(6,700)	0
WELDING AND METAL SHOP......................	950	950	950	0	0	950	0	950
DEFENSE ACCESS ROAD.........................	800	800	800	0	0	800	0	800
NAVAL LEGAL SERVICE OFFICE LONG BEACH								
NAVAL LEGAL SERVICE OFFICE..................	1,020	0	0	0	(1,020)	0	(1,020)	0
NAVAL SCH CIVIL ENGR CORPS OFF PT HUENEME								
PROCUREMENT AND MANAGEMENT TRAINING BLDG....	7,200	0	7,200	(7,200)	(7,200)	0	(7,200)	0
NAVAL SHIPYARD MARE ISLAND								
MUNICIPAL SEWER CONNECTION..................	4,040	4,040	4,040	0	0	4,040	0	4,040
NAVAL STATION LONG BEACH								
PIER UTILITIES UPGRADE......................	5,120	0	5,120	(5,120)	0	5,120	(5,120)	0
NAVAL STATION SAN DIEGO								
ELECTRICAL SYSTEM IMPROVEMENTS..............	1,180	1,180	1,180	0	0	1,180	0	1,180
REPAIR PIER.................................	35,500	35,500	35,500	0	0	35,500	0	35,500
DEFENSE ACCESS ROAD.........................	350	350	350	0	0	350	0	350
NAVAL STATION TREASURE IS SAN FRANCISCO								
WHARF UTILITIES.............................	20,800	0	20,800	(20,800)	(20,800)	0	(20,800)	0
MESS HALL...................................	1,570	0	1,570	(1,570)	(1,570)	0	(1,570)	0
BRIG..	4,430	4,430	4,430	0	0	4,430	0	4,430
NAVAL SUBMARINE BASE SAN DIEGO								
BERTHING PIER EXTENSION.....................	2,760	2,760	2,760	0	0	2,760	0	2,760
SEARCH AND RECOVERY OPERATIONS FACILITY.....	1,360	1,360	1,360	0	0	1,360	0	1,360
SMALL CRAFT BERTHING PIER...................	4,040	0	4,040	(4,040)	(4,040)	0	(4,040)	0
NAVAL TECHNICAL TRNG CTR SAN FRANCISCO								
FIRE FIGHTING TRAINER FACILITY..............	10,100	10,100	10,100	0	0	10,100	0	10,100
NAVAL TRAINING CENTER SAN DIEGO								
BRIDGE......................................	3,150	0	3,150	(3,150)	(3,150)	0	(3,150)	0
FIRE FIGHTING TRAINER FACILITY..............	7,800	0	0	0	(7,800)	0	(7,800)	0
RECRUIT SUPPORT CENTER......................	1,180	0	0	0	(1,180)	0	(1,180)	0
NAVAL WEAPONS CENTER CHINA LAKE								
CONSTRUCTION MANAGEMENT FACILITY............	850	0	850	(850)	(850)	0	(850)	0
NAVAL WEAPONS STATION CONCORD								
MISSILE MAGAZINES...........................	3,940	3,940	3,940	0	0	3,940	0	3,940
MISSILE MAINTENANCE AND TEST FACILITY.......	700	700	700	0	0	700	0	700
NAVAL WEAPONS STATION SEAL BEACH								
MISSILE ASSEMBLY AND TEST FACILITY..........	7,970	0	7,970	(7,970)	(7,970)	0	(7,970)	0
MISSILE FACILITY ADDITION AND ALTERATIONS...	1,970	1,970	1,970	0	0	1,970	0	1,970
MISSILE MAGAZINE............................	14,000	14,000	14,000	0	0	14,000	0	14,000

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	BUDGET	HOUSE	SENATE	(HOUSE +/-	CHANGE FROM		CHANGE FROM	
INSTALLATION AND PROJECTS	REQUEST	PASSED	PASSED	TO SENATE)	REQUEST	RECOMMENDATION	REQUEST	RECOMMENDATION
NAVY PUBLIC WORKS CENTER SAN DIEGO								
INDUSTRIAL WASTE TREATMENT FACILITIES.......	5,700	5,700	5,700	0	0	5,700	0	5,700
PUBLIC WORKS SHOPS..........................	4,820	0	4,820	(4,820)	(4,820)	0	(4,820)	0
FAMILY HOUSING-NEW CONSTRUCTION (600).......	52,840	52,840	27,840	25,000	0	52,840	(25,000)	27,840
NAVY PUBLIC WORKS CENTER SAN FRANCISCO								
TRANSPORTATION MAINTENANCE SHOPS............	11,700	11,700	0	11,700	0	11,700	0	11,700
FAMILY HOUSING-NEW CONSTRUCTION (444).......	38,380	38,380	38,380	0	0	38,380	0	38,380
PACIFIC MISSILE TEST CENTER POINT MUGU								
CONSTRUCTION MANAGEMENT FACILITY............	650	0	650	(650)	0	650	0	650
SUBMARINE TRAINING FACILITY SAN DIEGO								
SUBMARINE TRAINING FACILITY.................	4,630	0	4,630	(4,630)	(4,630)	0	(4,630)	0
SURFACE WARFARE OFF SCOL CMD DET CORONADO								
SURFACE WARFARE INSTRUCTION BUILDING........	4,130	0	4,130	(4,130)	0	4,130	(4,130)	0
AIR FORCE								
BEALE AFB								
AIRCRAFT SECURITY LIGHTING..................	400	400	400	0	0	400	0	400
AIRCRAFT SHELTERS...........................	1,000	1,000	1,000	0	0	1,000	0	1,000
COMBAT ARMS TRAINING/MAINT FACILITY.........	780	780	780	0	0	780	0	780
UNACCOMPANIED ENLISTED PERSONNEL HOUSING....	5,000	0	5,000	(5,000)	0	5,000	(5,000)	0
CASTLE AFB								
SECURITY IMPROVEMENTS.......................	1,200	1,200	1,200	0	0	1,200	0	1,200
UNACCOMPANIED ENLISTED PERSONNEL HOUSING....	0	9,450	0	9,450	9,450	9,450	9,450	9,450
EDWARDS AFB								
ADD TO PROPELLANT LABORATORY COMPLEX........	5,750	5,750	5,750	0	0	5,750	0	5,750
F-15E ADD-ALTER ENGINEERING TEST SUPPORT....	3,700	0	3,700	(3,700)	(3,700)	0	(3,700)	0
GEORGE AFB								
ALTER JET FUEL DISTRIBUTION SYSTEM..........	210	210	210	0	0	210	0	210
MATHER AFB								
ADD-ALTER EW FLIGHT TRAINING FACILITY.......	1,350	1,350	1,350	0	0	1,350	0	1,350
BASE FLIGHT OPERATIONS FACILITY.............	2,300	2,300	0	2,300	(2,300)	0	(2,300)	0
FUEL SYSTEMS MAINTENANCE DOCK...............	3,450	3,450	3,450	0	0	3,450	0	3,450
MCCLELLAN AFB								
ALTER ELECTRICAL DISTRIBUTION SYSTEM........	3,600	3,600	0	3,600	0	3,600	0	3,600
SOUND SUPPRESSOR SUPPORT....................	1,400	0	1,400	(1,400)	0	1,400	0	1,400
DEPOT WAREHOUSE.............................	0	19,500	0	19,500	19,500	19,500	19,500	19,500
NORTON AFB								
VISITING AIRMEN QUARTERS....................	6,000	0	0	0	(6,000)	0	(6,000)	0
TRAVIS AFB								
ADD-ALTER TELECOMMUNICATIONS FACILITY.......	1,500	1,500	1,500	0	0	1,500	0	1,500
VANDENBERG AFB								
LAUNCH COMPLEX SHOP FACILITY................	1,300	0	1,300	(1,300)	0	1,300	0	1,300
MISSILE CREW TRAINING FACILITIES............	6,200	6,200	0	6,200	(6,200)	0	(6,200)	0
DEFFNSE AGENCIES					0		0	
MEDICAL SUPPORT ACTIVITY SAN DIEGO					0		0	
HOSPITAL SUPPORT FACILITIES.................	7,400	0	7,400	(7,400)	(7,400)	0	(7,400)	0
ARMY NATIONAL GUARD								
CAMP ROBERTS								
REGIONAL MAINTENANCE TRAINING SITE..........	1,729	1,729	1,729	0	0	1,729	0	1,729
RIVERSIDE								
ORGANIZATIONAL MAINTENANCE SHOP MODIFIC.....	344	344	344	0	0	344	0	344
SAN LORENZO								
ORGANIZATIONAL MAINTENANCE SHOP ALTERATION..	220	220	220	0	0	220	0	220

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AIR NATIONAL GUARD								
FRESNO ANGB								
AIRCRAFT PARKING REVETMENT..................	270	270	270	0	0	270	0	270
POINT MUGU NAS								
ANG OPERATIONS/TRNG COMPLEX PHASE II........	39,570	20,000	39,570	(19,570)	(19,570)	20,000	(19,570)	20,000
ARMY RESERVE								
BELL								
ADD/ALTER USARC W/MAINT FAC.................	7,072	7,072	7,072	0	0	7,072	0	7,072
LOS ALAMITOS								
GAS DISPENSING FACILITY.....................	225	225	225	0	0	225	0	225
SACRAMENTO								
REGIONAL MAINTENANCE TRAINING FAC...........	2,100	2,100	2,100	0	0	2,100	0	2,100
NAVY RESERVE								
NMCRC LONG BEACH								
INSTALLATION OF A/C SYSTEM..................	550	550	550	0	0	550	0	550
NMCRC SAN DIEGO								
INSTALLATION OF A/C SYSTEM..................	550	550	550	0	0	550	0	550
AIR FORCE RESERVE								
NORTON AFB								
AERIAL PORT TRAINING FACILITY...............	1,700	1,700	1,700	0	0	1,700	0	1,700
TRAVIS AFB								
CIVIL ENGINEERING TRAINING FACILITY.........	750	750	750	0	0	750	0	750
TOTAL, CALIFORNIA..........................	710,920	530,650	596,550	(65,900)	(155,170)	555,750	(208,420)	502,500
COLORADO								
ARMY								
FORT CARSON								
FLIGHT SIMULATOR BUILDING...................	2,050	2,050	2,050	0	0	2,050	0	2,050
PUEBLO DEPOT ACTIVITY								
SECURITY UPGRADE............................	620	620	620	0	0	620	0	620
AIR FORCE								
BUCKLEY ANG BASE								
ADD-ALTER AEROSPACE DATA FACILITY...........	15,500	15,500	15,500	0	0	15,500	0	15,500
AREA SECURITY LIGHTING......................	1,400	1,400	1,400	0	0	1,400	0	1,400
FALCON AFS								
SPACE ENVIRONMENT FORECAST CENTER...........	2,150	0	2,150	(2,150)	0	2,150	(2,150)	0
LOWRY AFB					0		0	
ACADEMIC CLASSROOMS ADD/ALTER...............	0	0	3,750	(3,750)	3,750	3,750	3,750	3,750
TRANSPORTATION COMPLEX......................	0	0	3,300	(3,300)	3,300	3,300	3,300	3,300
PETERSON AFB								
ADD TO VEHICLE MAINTENANCE FACILITY.........	660	660	660	0	0	660	0	660
BASE SUPPLY WAREHOUSE PHASE-I...............	4,100	0	0	0	(4,100)	0	(4,100)	0
SPACE OPERATIONS TRAINING FACILITY..........	10,500	0	10,500	(10,500)	0	10,500	(10,500)	0
TROOP SUBSISTENCE STORAGE FACILITY..........	990	990	990	0	0	990	0	990
US AIR FORCE ACADEMY								
ADD-ALTER CADET ACTIVITIES CENTER...........	6,100	0	0	0	(6,100)	0	(6,100)	0
AUXILIARY AIRFIELD..........................	1,700	1,700	1,700	0	0	1,700	0	1,700
FIRE STATION................................	980	980	980	0	0	980	0	980

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					CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
DEFENSE AGENCIES								
FALCON AIR STATION								
NATIONAL TEST FACILITY	100,000	0	100,000	(100,000)	(100,000)	0	(100,000)	0
ARMY NATIONAL GUARD								
BUCKLEY AIR GUARD BASE (AURORA)								
400 PERSON ARMORY	3,079	3,079	3,079	0	0	3,079	0	3,079
ARMY RESERVE								
ROCKY MOUNTAIN ARSENAL								
ARMY RESERVE CENTER/MAINT FAC ADD	4,469	4,469	4,469	0	0	4,469	0	4,469
AIR FORCE RESERVE								
PETERSON AFB								
ADD TO/ALTER BASE CLINIC	380	380	380	0	0	380	0	380
TOTAL, COLORADO	154,678	31,828	151,528	(119,700)	(103,150)	51,528	(115,800)	38,878
CONNECTICUT								
NAVY								
NAVAL SUBMARINE BASE NEW LONDON								
UTILITIES IMPROVEMENTS	2,900	2,900	2,900	0	0	2,900	0	2,900
WEAPONS STORAGE IMPROVEMENTS	3,300	0	0	0	(3,300)	0	(3,300)	0
ACCESS ROAD	0	2,300	0	2,300	2,300	2,300	0	0
DEFENSE ACCESS ROAD	1,250	1,250	1,250	0	0	1,750	0	1,250
NAVAL UNDERWATER SYSTEMS CENTER NEW LONDON								
SURFACE SONAR DEVELOPMENT LABORATORY	11,230	0	11,230	(11,230)	0	11,230	(11,230)	0
NAVY RESERVE								
NMRC PLAINVILLE								
RESERVE CENTER ACQUISITION	470	470	470	0	0	470	0	470
TOTAL, CONNECTICUT	19,150	6,920	15,850	(8,930)	(1,000)	18,150	(14,530)	4,620
DELAWARE								
AIR FORCE								
DOVER AFB								
ADD TO TAXIWAY	1,250	0	0	0	(1,250)	0	(1,250)	0
ANCILLARY EXPLOSIVE COMPLEX	2,300	2,300	2,300	0	0	2,300	0	2,300
BASE CIVIL ENGINEERING FACILITY	2,750	0	2,750	(2,750)	0	2,750	(2,750)	0
ARMY NATIONAL GUARD								
BETHANY BEACH								
RANGE, COMBAT PISTOL	259	259	259	0	0	259	0	259
SEAFORD								
ORGANIZATIONAL MAINTENANCE SHOP	550	550	550	0	0	550	0	550
AIR FORCE RESERVE								
DOVER AFB								
CIVIL ENGINEERING TRAINING FACILITY	815	815	815	0	0	815	0	815
TOTAL, DELAWARE	7,924	3,924	6,674	(2,750)	(1,250)	6,674	(4,000)	3,924
DISTRICT OF COLUMBIA								
ARMY								
WALTER REED ARMY MED CTR								
AIR FLOW REDUCTION SYSTEM	2,500	0	2,500	(2,500)	(2,500)	0	(2,500)	0
CHILD DEVELOPMENT CENTER	1,300	1,300	1,300	0	0	1,300	0	1,300

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NAVY								
COMMANDANT NAVAL DISTRICT WASHINGTON								
ADMINISTRATIVE OFFICE MODERNIZATION.........	15,700	15,700	15,700	0	0	15,700	0	15,700
ADMINISTRATIVE OFFICE SPACE MODERNIZATION...	5,220	5,220	0	5,220	(5,220)	0	(5,220)	0
TRANSPORTATION MAINTENANCE FACILITY.........	5,300	0	0	0	(5,300)	0	(5,300)	0
WHITE HOUSE SUPPORT COMPLEX.................	27,000	0	27,000	(27,000)	(21,000)	6,000	(21,000)	6,000
NAVAL RESEARCH LABORATORY WASHINGTON								
LABORATORY MODERNIZATION....................	4,000	0	4,000	(4,000)	(4,000)	0	(4,000)	0
NAVAL SECURITY STATION WASHINGTON								
COMMUNICATIONS & DATA PROCESSING FACILITY...	3,000	3,000	3,000	0	0	3,000	0	3,000
AIR FORCE								
BOLLING AIR FORCE BASE								
LIBRARY.....................................	1,750	0	0	0	(1,750)	0	(1,750)	0
DEFENSE AGENCIES								
ANACOSTIA NAVAL STATION								
WHCA SUPPORT COMPLEX........................	30,170	0	30,170	(30,170)	0	30,170	(25,170)	5,000
BOLLING AFB								
DIAC ELECTRICAL FIX.........................	805	805	805	0	0	805	0	805
PENTAGON				0	0		0	
NMIC POWER SOURCE...........................	679	0	679	(679)	(679)	0	(679)	0
FORT MCNAIR								
ACADEMIC/LIBRARY FACILITY...................	33,000	5,000	33,000	(28,000)	(28,000)	5,000	(28,000)	5,000
ARMY NATIONAL GUARD								
FORT BELVOIR								
AIRCRAFT PARKING APRON......................	619	619	619	0	0	619	0	619
TOTAL, DISTRICT OF COLUMBIA..............	131,043	31,644	118,773	(87,129)	(68,449)	62,594	(98,619)	32,424
FLORIDA								
NAVY								
NAVAL AIR REWORK FACILITY JACKSONVILLE								
AIRCRAFT ENGINE FUEL ACCESSORIES SHOP ADDN..	5,000	5,000	5,000	0	0	5,000	0	5,000
NAVAL AIR STATION JACKSONVILLE								
AIRCRAFT ENGINE MAINT SHOP & SHOP ADDITION..	4,630	4,630	4,630	0	0	4,630	0	4,630
NAVAL AIR STATION KEY WEST								
HYDROFOIL BERTHING WHARF....................	9,000	0	9,000	(9,000)	0	9,000	0	9,000
MUNICIPAL SEWER CONNECTION..................	5,400	5,400	5,400	0	0	5,400	0	5,400
RADAR AIR TRAFFIC CONTROL CENTER............	1,180	1,180	1,180	0	0	1,180	0	1,180
NAVAL AIR STATION PENSACOLA								
DREDGING....................................	16,200	16,200	16,200	0	0	16,200	0	16,200
NAVAL COASTAL SYSTEMS CENTER PANAMA CITY								
UNDERWATER COUNTERMEASURES FABRICATION FAC..	5,400	5,400	5,400	0	0	5,400	0	5,400
NAVAL STATION MAYPORT								
PIER ELECTRIC POWER UPGRADE.................	1,480	1,480	1,480	0	0	1,480	0	1,480
NAVAL SUPPLY CENTER JACKSONVILLE								
BULK STORAGE WAREHOUSE......................	4,720	0	4,720	(4,720)	0	4,720	0	4,720
NAVAL SUPPLY CENTER PENSACOLA								
HAZARDOUS AND FLAMMABLE STOREHOUSE..........	1,000	1,000	1,000	0	0	1,000	0	1,000
NAVAL TECHNICAL TRAINING CENTER PENSACOLA								
COMPUTER PROGRAMMING FACILITY...............	6,000	6,000	6,000	0	0	6,000	0	6,000
CRYPTO TRAINING BUILDING....................	2,170	2,170	2,170	0	0	2,170	0	2,170

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NAVAL TRAINING CENTER ORLANDO								
ADVANCED UNDERWATER WEAPONS TRAINING FAC....	3,050	3,050	3,050	0	0	3,050	0	3,050
BARRACKS..................................	9,350	0	9,350	(9,350)	(9,350)	0	(9,350)	0
PUBLIC WORKS SHOP.........................	2,560	0	0	0	(2,560)	0	(2,560)	0
NAVY PUBLIC WORKS CENTER PENSACOLA								
HAZARDOUS WASTE FACILITY..................	850	850	850	0	0	850	0	850
INDUSTRIAL WASTE TREATMENT FACILITY.........	3.300	3.300	3.300	0	0	3.300	0	3.300
NAVY TACT INTEROPERABILITY SPT ACT MAYPORT								
TACTICAL DATA SYSTEM FACILITY...............	500	500	500	0	0	500	0	500
AIR FORCE								
AVON PARK								
ELECTRON WARFARE OPS VEHICLE MAINT FACIL....	3.700	0	0	0	(3.700)	0	(3.700)	0
CAPE CANAVERAL AFS								
LAUNCH OPERATION SUPPORT FACILITY...........	910	0	910	(910)	(910)	0	(910)	0
EGLIN AFB								
GUIDED WEAPONS EVALUATION FACILITY..........	20,000	20,000	20,000	0	0	20,000	0	20,000
SOUND SUPPRESSOR SUPPORT FACILITY...........	900	0	900	(900)	0	900	0	900
TELECOMMUNICATIONS CENTER...................	2.150	2.150	2.150	0	0	2.150	0	2.150
HOMESTEAD AFB								
VISITING OFFICERS QUARTERS..................	2,700	0	0	0	(2,700)	0	(2,700)	0
MACDILL AFB								
ADD-ALTER TELECOMMUNICATIONS FACILITY.......	1.350	1.350	1.350	0	0	1.350	0	1.350
HQ U.S. CENTRAL COMMAND FACILITY............	1,691	1,691	1,691	0	0	1,691	0	1,691
SOUND SUPPRESSOR SUPPORT FACILITY...........	700	0	700	(700)	0	700	0	700
WING OPS AND MAINTENANCE MGMT FACILITY......	3.050	0	3.050	(3.050)	(3,050)	0	(3,050)	0
TYNDALL AFB								
ADD-ALTER ENGINE INSPECT AND REPAIR SHOP....	1.300	1.300	1.300	0	0	1.300	0	1.300
LAND ACQUISITION............................	700	700	0	700	0	700	0	700
DEFENSE AGENCIES								
DEFENSE FUEL SUPPORT POINT KEY WEST								
FUEL TANKAGE................................	11.100	9.400	11.100	(1.700)	(1.700)	9.400	(1.700)	9.400
ARMY NATIONAL GUARD								
CAMP BLANDING								
RANGE, AUTOMATED FIELD FIRE.................	588	588	588	0	0	588	0	588
RANGE, AUTOMATED RECORD FIRE................	740	740	740	0	0	740	0	740
RANGE, COMBAT PISTOL........................	120	120	120	0	0	120	0	120
RANGE, CREW COMBAT FIRING...................	340	340	340	0	0	340	0	340
RANGE, M16 RECORD FIRE......................	166	166	166	0	0	166	0	166
REGIONAL MAINTENANCE TRAINING SITE..........	1.709	1.709	1.709	0	0	1.709	0	1.709
PLANT CITY								
ORGANIZATIONAL MAINTENANCE SHOP.............	326	326	326	0	0	326	0	326
QUINCY								
200 PERSON ARMORY...........................	1,212	1,212	1,212	0	0	1,212	0	1,212
NAVY RESERVE								
NMRC WEST PALM BEACH								
RESERVE TRAINING BUILDING...................	4.062	4.062	4.062	0	0	4.062	0	4.062
NRC ST. PETERSBURG								
RESERVE TRAINING BUILDING...................	2,965	2,965	2,965	0	0	2,965	0	2.965
AIR FORCE RESERVE								
HOMESTEAD AFB								
ENGINE INSPECTION AND REPAIR FACILITY.......	1.750	0	1.750	(1.750)	0	1.750	0	1.750
ADD/ALTER FACILITIES........................	1.040	0	1.040	(1,040)	0	1,040	0	1.040

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AERIAL PORT TRAINING FACILITY	740	740	740	0	0	740	0	740
TOTAL, FLORIDA	147,799	105,719	138,139	(32,420)	(23,970)	123,829	(23,970)	123,829
GEORGIA								
ARMY								
FORT BENNING								
HIGHWAY CROSSING - US 280	11,000	11,000	11,000	0	0	11,000	0	11,000
SCHOOL OF THE AMERICAS, PHASE I	0	0	700	(700)	700	700	700	700
FORT MCPHERSON								
SECURITY UPGRADE	1,400	1,400	0	1,400	0	1,400	0	1,400
FT STEWART/HUNTER AAF								
AIRCRAFT MAINTENANCE HANGAR	12,200	12,200	12,200	0	0	12,200	0	12,200
CHAPEL	1,000	0	1,000	(1,000)	0	1,000	0	1,000
LIGHTING MODIFICATION	370	370	370	0	0	370	0	370
NAVY								
MARINE CORPS LOGISTICS BASE ALBANY								
FIRE PROTECTION SYSTEM IMPROVEMENTS	1,530	1,530	1,530	0	0	1,530	0	1,530
NAVAL SPACE SURVEIL FIELD STA HAWKINSVILLE								
ANTENNA ARRAY UPGRADE & LAND ACQUISITION	2,890	2,890	2,890	0	0	2,890	0	2,890
NAVAL SUBMARINE BASE KINGS BAY								
CHAPEL/RELIGIOUS EDUCATION FAC	2,680	0	2,680	(2,680)	0	2,680	0	2,680
DRYDOCK	28,675	28,675	28,675	0	0	28,675	0	28,675
LIBRARY	1,670	0	1,670	(1,670)	0	1,670	0	1,670
COMMUNITY FACILITIES	3,345	0	3,345	(3,345)	0	3,345	0	3,345
STRATEGIC WEAPONS FACILITIES	11,540	11,540	11,540	0	0	11,540	0	11,540
BEQ	7,675	7,675	7,675	0	0	7,675	0	7,675
UTILITIES & SITE IMPROVEMENTS	8,170	8,170	8,170	0	0	8,170	0	8,170
CHILD DEVELOPEMENT CENTER ADDN	1,120	1,120	1,120	0	0	1,120	0	1,120
SECURITY HEADQUARTERS	2,660	2,660	2,660	0	0	2,660	0	2,660
HOBBY SHOP-AUTO (ADDN)	875	0	875	(875)	0	875	0	875
SECURITY FORCE WEAPONS QUALITY RANGES	2,850	2,850	2,850	0	0	2,850	0	2,850
INDUSTRIAL/HAZARDOUS WASTE FAC	5,210	5,210	5,210	0	0	5,210	0	5,210
STRATEGIC WEAPONS MAGAZINES	6,590	6,590	6,590	0	0	6,590	0	6,590
DEFENSE ORD SUPPORT FACILITIES	4,825	0	4,825	(4,825)	0	4,825	0	4,825
DREDGING	27,720	27,720	27,720	0	0	27,720	0	27,720
REFIT FACILITIES	7,370	7,370	7,370	0	0	7,370	0	7,370
PUBLIC WORKS FACILITIES	2,215	0	2,215	(2,215)	0	2,215	0	2,215
COMMUNITY IMPACT ASSISTANCE	5,510	5,510	5,510	0	0	5,510	0	5,510
GENERAL REDUCTION	0	0	(7,000)	7,000	(7,000)	(7,000)	(7,000)	(7,000)
AIR FORCE								
ROBBINS AFB								
HANGER	0	15,500	15,000	500	15,500	15,500	15,500	15,500
DEFENSE AGENCIES								
KINGS BAY								
MED/DEN CLINICS ADD/ALTERATION	6,600	6,600	6,600	0	0	6,600	0	6,600
ARMY NATIONAL GUARD								
FORT STEWART								
TRNG SITE, COMBAT VEHICLE WASH PLATFORM	1,957	1,957	1,957	0	0	1,957	0	1,957

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AIR NATIONAL GUARD								
DOBBINS AFB								
COMPOSITE SUPPORT COMPLEX PHASE II..........	1,400	1,400	1,400	0	0	1,400	0	1,400
NAVY RESERVE								
NAS ATLANTA								
AIRCRAFT MAINTENANCE HANGAR (C-9)...........	6,100	0	6,100	(6,100)	0	6,100	0	6,100
AIR FORCE RESERVE								
DOBBINS AFB								
ADD TO/ALTER VEHICLE MAINTENANCE SHOP.......	1,950	1,950	1,950	0	0	1,950	0	1,950
ROBINS AFB								
ADD TO/ALTER AFRES HEADQUARTERS.............	1,900	1,900	1,900	0	0	1,900	0	1,900
TOTAL, GEORGIA............................	180,997	173,787	188,297	(14,510)	9,200	190,197	9,200	190,197
HAWAII								
ARMY								
ALIAMANU MILITARY RESERVATION								
CHAPEL AND RELIGIOUS EDUCATION FACILITY.....	5,000	5,000	5,000	0	0	5,000	0	5,000
HAWAII VARIOUS								
POWER UPGRADE...............................	8,400	8,400	8,400	0	0	8,400	0	8,400
SAFETY UPGRADE..............................	3,900	3,900	3,900	0	0	3,900	0	3,900
HELEMANO				0	0		0	
FAMILY HOUSING-NEW CONSTRUCTION (200).......	21,000	21,000	21,000	0	0	21,000	0	21,000
PEARL CITY AREA				0	0		0	
FAMILY HOUSING-NEW CONSTRUCTION (60)........	6,700	6,700	6,700	0	0	6,700	0	6,700
SCHOFIELD BARRACKS								
CHILD DEVELOPMENT CENTER....................	4,950	4,950	0	4,950	0	4,950	0	4,950
COLD/DRY STORAGE WAREHOUSE..................	8,300	0	8,300	(8,300)	0	8,300	0	8,300
MULTI-PURPOSE TRAINING RANGE................	20,000	0	20,000	(20,000)	0	20,000	(20,000)	0
OPERATIONS FACILITY.........................	5,600	5,600	5,600	0	0	5,600	0	5,600
FAMILY HOUSING-NEW CONSTRUCTION (100)	11,200	11,200	11,200	0	0	11,200	0	11,200
NAVY								
COM OCEANOGRAPHIC SYS PACIFIC PEARL HARBOR								
STAND-BY GENERATOR BUILDING ADDITIONS.......	1,280	1,280	1,280	0	0	1,280	0	1,280
FLEET INTELLIGENCE CTR PAC PEARL HARBOR								
COMMAND/CONTROL/INTELLIGENCE BLDG ADDITION..	6,597	6,597	6,597	0	0	6,597	0	6,597
COMMAND/CONTROL/INTELLLIGENCE BLG ADDITION..	6,500	6,500	6,500	0	0	6,500	0	6,500
MARINE CORPS AIR STATION KANEOHE BAY								
BACHELOR ENLISTED QUARTERS..................	14,000	9,333	14,000	(4,667)	(4,667)	9,333	(4,667)	9,333
COMBAT VEHICLE MAINTENANCE SHOP.............	6,380	0	6,380	(6,380)	(6,380)	0	(6,380)	0
CORROSION CONTROL HANGAR....................	5,470	5,470	5,470	0	0	5,470	0	5,470
ELECTRICAL DISTRIBUTION SYSTEM IMPROVEMNTS..	9,350	9,350	9,350	0	0	9,350	0	9,350
INTEGRATED SIGNALS INTELLIGENCE SYSTEM FAC..	2,360	0	0	0	(2,360)	0	(2,360)	0
NAVAL FORCES CENTRAL COMMAND PEARL HARBOR								
ADMINISTRATIVE FACILITY.....................	2,260	0	2,260	(2,260)	0	2,260	(2,260)	0
NAVAL MAGAZINE LUALUALEI								
MISSILE COMPONENT REWORK BUILDING...........	4,230	4,230	4,230	0	0	4,230	0	4,230
SECURITY IMPROVEMENTS.......................	1,080	1,080	1,080	0	0	1,080	0	1,080
NAVAL STATION PEARL HARBOR								
FACILITY ENERGY IMPROVEMENTS................	430	430	430	0	0	430	0	430
NAVAL SUBMARINE BASE PEARL HARBOR								
TORPEDO SHOP ADDITION.......................	7,180	7,180	7,180	0	0	7,180	0	7,180

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NAVAL SUPPLY CENTER PEARL HARBOR								
DIESEL FUEL PURIFICATION PLANT..............	2,950	2,150	2,950	(800)	(800)	2,150	(800)	2,150
WAREHOUSE FIRE PROTECTION..................	1,130	1,130	1,130	0	0	1,130	0	1,130
NAVY PUBLIC WORKS CENTER PEARL HARBOR								
ELECTRICAL DISTRIBUTION SYSTEM IMPROVEMNTS..	11,203	11,203	11,203	0	0	11,203	0	11,203
AIR FORCE								
BELLOWS AIR FORCE STATION								
PERIMETER FENCING..........................	460	460	460	0	0	460	0	460
HICKAM AFB								
ALTER RECON PHOTO LAB......................	900	900	900	0	0	900	0	900
FIRE PROTECTION -VARIOUS FACILITIES.........	1,550	1,550	0	1,550	(1,550)	0	(1,550)	0
KAENA POINT								
ALTER ELECTRIC POWER PLANT..................	3,400	3,400	3,400	0	0	3,400	0	3,400
ARMY NATIONAL GUARD								
HANAPEPE								
100 PERSON ARMORY...........................	1,705	1,705	1,705	0	0	1,705	0	1,705
UKUMEHAME								
RANGE, 600 YD KNOWN DIST/BASIC 25M FIRING...	559	559	559	0	0	559	0	559
TOTAL, HAWAII...............................	186,024	141,257	177,164	(35,907)	(15,757)	170,267	(38,017)	148,007
IDAHO								
AIR FORCE								
MOUNTAIN HOME AFB								
ADD-ALTER POL OPERATIONS FACILITY...........	650	650	650	0	0	650	0	650
EW MAINTENANCE FACILITY.....................	1,250	1,250	1,250	0	0	1,250	0	1,250
WILDER								
STR COMPLEX SUPPORT FACILITY................	1,150	1,150	1,150	0	0	1,150	0	1,150
STR TECHNICAL OPERATIONS FACILITY...........	1,200	1,200	1,200	0	0	1,200	0	1,200
ARMY NATIONAL GUARD								
GOWEN FIELD								
RANGE, MULTI-PURPOSE COMPLEX-HEAVY..........	13,613	13,613	13,613	0	0	13,613	0	13,613
ARMY RESERVE								
POCATELLO								
ARMED FORCES RESERVE CENTER W/MAINT FAC.....	2,970	2,970	2,970	0	0	2,970	0	2,970
NAVY RESERVE								
NRF POCATELLO								
RESERVE TRAINING BUILDING...................	1,200	1,200	1,200	0	0	1,200	0	1,200
TOTAL, IDAHO................................	22,033	22,033	22,033	0	0	22,033	0	22,033
ILLINOIS								
ARMY					0		0	
SAVANNA ARMY DEPOT					0		0	
TRANSPORTATION TEST CENTER..................	0	2,550	0	2,550	2,550	2,550	2,550	2,550
ST. LOUIS SUPPORT CENTER				0	0		0	
FAMILY HOUSING-NEW CONSTRUCTION(100)........	0	9,700	0	9,700	9,700	9,700	9,700	9,700
NAVY								
NAVAL TRAINING CENTER GREAT LAKES								
RECRUIT SUPPORT CENTER......................	2,310	2,310	2,310	0	0	2,310	0	2,310
CHAPEL......................................	0	0	4,600	(4,600)	4,600	4,600	4,600	4,600

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					CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
AIR FORCE								
CHANUTE AFB								
COLD STORAGE FACILITY........................	3,350	3,350	3,350	0	0	3,350	0	3,350
UNACCOMPANIED OFFICER PERSONNEL HOUSING.....	5,000	5,000	5,000	0	0	5,000	0	5,000
SCOTT AFB								
ALTER JRSC INTERCONNECT FACILITY............	730	730	730	0	0	730	0	730
TELECOMMUNICATIONS FACILITY.................	2,550	2,550	2,550	0	0	2,550	0	2,550
WASTE WATER TREATMENT PLANT.................	3,800	3,800	3,800	0	0	3,800	0	3,800
ARMY NATIONAL GUARD								
MARSEILLES								
RANGE, MODIFIED RECORD FIRE.................	301	301	301	0	0	301	0	301
SPRINGFIELD								
U.S. PROPERTY & FISCAL OFFICER/OFFICE ADD...	377	377	377	0	0	377	0	377
AIR NATIONAL GUARD								
CHICAGO-OHARE IAP								
ANG/AFRES COMM/ELEC TRNG CENTER.............	650	650	650	0	0	650	0	650
GREATER PEORIA AIRPORT								
OPERATIONS AND TRNG COMPLEX PHASE II........	13,600	13,600	13,600	0	0	13,600	0	13,600
SPRINGFIELD					0		0	
ENGINE REPAIR FACILITY......................	0	1,100	0	1,100	1,100	1,100	1,100	1,100
AVIONICS SHOP..............................	0	1,300	0	1,300	1,300	1,300	1,300	1,300
FUEL STORAGE................................	0	2,100	0	2,100	2,100	2,100	2,100	2,100
ARMY RESERVE								
ROCKFORD								
ADD TO MAINT FAC............................	250	250	250	0	0	250	0	250
VARIOUS								
UPGRADE RIFLE RANGES........................	200	200	200	0	0	200	0	200
AIR FORCE RESERVE								
CHICAGO-OHARE IAP								
BASE/SQUADRON OPERATIONS FACILITY...........	2,250	2,250	2,250	0	0	2,250	0	2,250
COMMUNICATION-ELECT TRAINING (JOINT USE)....	600	600	600	0	0	600	0	600
TOTAL, ILLINOIS.............................	35,968	52,718	40,568	12,150	21,350	57,318	21,350	57,318
INDIANA								
ARMY								
FORT BENJAMIN HARRISON								
BARRACKS COMPLEX............................	6,900	0	6,900	(6,900)	0	6,900	(6,900)	0
NAVY								
NAVAL WEAPONS SUPPORT CENTER CRANE								
DATA PROCESSING CENTER......................	4,820	4,820	4,820	0	0	4,820	0	4,820
ELECTRONIC SYSTEMS EVALUATION LABORATORY....	950	950	950	0	0	950	0	950
VEHICULAR BRIDGES REPLACEMENT...............	950	950	950	0	0	950	0	950
WEAPONS DEVELOPMENT AND TEST FACILITY.......	1,570	0	1,570	(1,570)	0	1,570	0	1,570
ARMY NATIONAL GUARD								
CAMP ATTERBURY								
RANGE, LIGHT/HEAVY MACHINEGUN-FIELD FIRE....	590	590	590	0	0	590	0	590
STOUT FIELD (INIDIANAPOLIS)								
U.S. PROPERTY & FISCAL OFFICER OFFICE.......	1,359	1,359	1,359	0	0	1,359	0	1,359
AIR NATIONAL GUARD								
FT WAYNE MAP								
STORM DRAINAGE SYSTEM.......................	300	300	300	0	0	300	0	300

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ARMY RESERVE								
FORT BENJAMIN HARRISON								
ADD TO MAINT FAC................................	390	390	390	0	0	390	0	390
EVANSVILLE								
UPGRADE MILITARY EQUIPMENT PARKING AREA.....	300	300	300	0	0	300	0	300
TOTAL, INDIANA..............................	18,129	9,659	18,129	(8,470)	0	18,129	(6,900)	11,229
IOWA								
ARMY NATIONAL GUARD								
CAMP DODGE								
LAND ACQUISITION............................	380	380	380	0	0	380	0	380
ARMY RESERVE								
COUNCIL BLUFFS								
ADD/ALTER USARC W/MAINT FAC..................	1,721	1,721	1,721	0	0	1,721	0	1,721
TOTAL, IOWA.................................	2,101	2,101	2,101	0	0	2,101	0	2,101
KANSAS								
ARMY								
FORT RILEY								
CHILD DEVELOPMENT CENTER....................	2,850	2,850	2,850	0	0	2,850	0	2,850
FLIGHT SIMULATOR BUILDING...................	2,000	2,000	2,000	0	0	2,000	0	2,000
AIR FORCE								
MCCONNELL AFB								
SECURITY POLICE OPERATIONS FACILITY.........	2,550	2,550	2,550	0	0	2,550	0	2,550
VISITING OFFICER QUARTERS...................	0	2,200	0	2,200	2,200	2,200	0	0
ARMY NATIONAL GUARD								
GOODLAND								
60 PERSON ARMORY............................	774	774	774	0	0	774	0	774
FORT LEAVENWORTH								
ARMORY & TRAINING CENTER....................	2,769	2,769	2,769	0	0	2,769	0	2,769
NICKELL BARRACKS								
ARMY AVIATION SUPPORT FAC ACQUISITION/ALT...	392	392	392	0	0	392	0	392
RANGE, M60 TRANSITION.......................	230	230	230	0	0	230	0	230
PAOLA								
60 PERSON ARMORY............................	672	672	672	0	0	672	0	672
ARMY RESERVE								
TOPEKA								
LAND ACQUISITION............................	375	375	375	0	0	375	0	375
AIR FORCE RESERVE								
MCCONNELL AFB								
FLIGHT SIMULATOR FAC-JOINT WITH ANG.........	1,000	1,000	1,000	0	0	1,000	0	1,000
TOTAL, KANSAS...............................	13,612	15,812	13,612	2,200	2,200	15,812	0	13,612
KENTUCKY								
ARMY								
FORT CAMPBELL								
AIRCRAFT FUEL FACILITY......................	810	810	810	0	0	810	0	810
AIRCRAFT MAINTENANCE HANGAR.................	5,400	5,400	5,400	0	0	5,400	0	5,400

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SPECIAL FORCES MISSION SUPPORT FACILITY.....	6,200	6,200	6,200	0	0	6,200	0	6,200
FORT KNOX								
APPLIED INSTRUCTION FACILITY................	3,400	0	3,400	(3,400)	0	3,400	0	3,400
LEXINGTON-BLUEGRASS DEP ACT								
SECURITY UPGRADE............................	570	570	570	0	0	570	0	570
AIR NATIONAL GUARD								
STANDIFORD FIELD								
COMPOSITE TRAINING FACILITY.................	1,580	1,580	1,580	0	0	1,580	0	1,580
TOTAL, KENTUCKY............................	17,960	14,560	17,960	(3,400)	0	17,960	0	17,960
LOUISIANA								
ARMY								
FORT POLK								
ARMS STORAGE FACILITY.......................	490	490	490	0	0	490	0	490
FAMILY HOUSING-NEW CONSTRUCTION (250).......	27,000	27,000	27,000	0	0	27,000	0	27,000
NAVY								
NAVAL STATION LAKE CHARLES								
BERTHING WHARF..............................	7,280	0	7,280	(7,280)	0	7,280	0	7,280
SITE DEVELOPMENT & UTILITIES................	2,770	2,770	2,770	0	0	2,770	0	2,770
PORT OPERATIONS FACILITIES..................	250	0	250	(250)	0	250	0	250
AIR FORCE								
BARKSDALE AFB								
JP7 FUEL STORAGE/DISPENS FACILITIES.........	2,900	2,900	0	2,900	0	2,900	0	2,900
T-9 NOISE SUPPRESSOR SUPPORT FACILITY.......	800	0	800	(800)	0	800	0	800
ENGLAND AFB								
BASE CIVIL ENGINEERING ADMINISTRATION FAC...	2,300	2,300	2,300	0	0	2,300	0	2,300
CONSOLIDATED BASE PERSONNEL OFFICE..........	3,400	0	3,400	(3,400)	(3,400)	0	(3,400)	0
ARMY NATIONAL GUARD								
CAMP BEAUREGARD								
ORGANIZATIONAL MAINTENANCE SHOP EXPANSION...	197	197	197	0	0	197	0	197
JACKSON BARRACKS								
TACFIRE TRAINING FACILITY...................	351	351	351	0	0	351	0	351
U.S. PROPERTY & FISCAL OFFICER/OFFICE ADD...	746	746	746	0	0	746	0	746
JENA								
ORGANIZATIONAL MAINTENANCE SHOP.............	527	527	527	0	0	527	0	527
VIDALIA								
MILITARY PARKING ADDITION...................	110	110	110	0	0	110	0	110
AIR NATIONAL GUARD								
NEW ORLEANS NAS								
ALERT SHELTER COMPLEX AND ACFT PARK APRON...	3,200	3,200	3,200	0	0	3,200	0	3,200
MOBILITY STORAGE WAREHOUSE..................	160	160	160	0	0	160	0	160
NAVY RESERVE								
NAVAL AIR STATION NEW ORLEANS								
ENGINE MAINTENANCE SHOP ADDITION............	1,400	1,400	1,400	0	0	1,400	0	1,400
NAVAL SUPPORT ACTIVITY NEW ORLEANS								
ELECTRICAL DISTRIBUTION SYSTEM REHAB........	1,400	1,400	1,400	0	0	1,400	0	1,400
TOTAL, LOUISIANA...........................	55,281	43,551	52,381	(8,830)	(3,400)	51,881	(3,400)	51,881

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MAINE								
NAVY								
NAVAL SECURITY GROUP ACT WINTER HARBOR								
BACHELOR ENLISTED QUARTERS	950	950	950	0	0	950	0	950
CLASSIC WIZARD IMPROVEMENTS	600	600	600	0	0	600	0	600
AIR FORCE								
BANGOR								
PHYSICAL FITNESS FACILITY	1,500	1,500	1,500	0	0	1,500	0	1,500
LORING AFB								
KC135-CPT SUPPORT FACILITY	1,150	1,150	1,150	0	0	1,150	0	1,150
STR ADD-ALTER TECH OPERATIONS FACILITY	480	480	480	0	0	480	0	480
STR COMPOSITE SUPPORT FACILITIES	2,000	2,000	2,000	0	0	2,000	0	2,000
T-9 NOISE SUPPRESSOR SUPPORT FACILITY	750	0	750	(750)	0	750	0	750
RAMP REFUEL	0	0	13,100	(13,100)	13,100	13,100	0	0
TOTAL, MAINE	7,430	6,680	20,530	(13,850)	13,100	20,530	0	7,430
MARYLAND								
ARMY								
ABERDEEN PROVING GROUND								
WALL/CEILING INSULATION	930	930	930	0	0	930	0	930
WINDOW AREA REDUCTION (ECIP)	530	530	530	0	0	530	0	530
RESEARCH LAB ADDITION	0	5,700	0	5,700	5,700	5,700	5,700	5,700
FORT RITCHIE								
POWER RELIABILITY ENHANCEMENT PROGRAM	16,500	16,500	16,500	0	0	16,500	0	16,500
NAVY								
NAVAL AIR TEST CENTER PATUXENT RIVER								
TELEMETRY DATA CENTER	6,500	6,500	6,500	0	0	6,500	0	6,500
NAVAL ORDNANCE STATION INDIAN HEAD								
BACHELOR ENLISTED QTRS AND MESS HALL ADDN	4,330	4,330	4,330	0	0	4,330	0	4,330
HAZARDOUS WASTE FACILITY	1,530	1,530	1,530	0	0	1,530	0	1,530
PROPELLANT CURING BUILDING	1,000	1,000	1,000	0	0	1,000	0	1,000
AIR FORCE								
ANDREWS AFB								
AF-1 MAINT AND SUPPORT COMPLEX PHASE-II	20,000	20,000	20,000	0	0	20,000	0	20,000
ALTER UNACCOMPANIED ENLISTED PERSONNEL HSG	2,650	0	2,650	(2,650)	(2,650)	0	(2,650)	0
DEFENSE AGENCIES								
FORT MEADE								
COOLING PLANT MOD	850	850	850	0	0	850	0	850
OUTDOOR RANGE FACILITY	600	600	600	0	0	600	0	600
R&E FACILITY	15,000	15,000	15,000	0	0	15,000	0	15,000
SECURITY STRUCTURES	7,000	3,500	7,000	(3,500)	0	7,000	0	7,000
AIR NATIONAL GUARD								
ANDREWS AFB								
SUPPORT EQUIP/NDI/POL OPERATIONS	1,700	1,700	1,700	0	0	1,700	0	1,700
GLENN L MARTIN AIRPORT								
UPGRADE HANGAR 1	3,500	3,500	3,500	0	0	3,500	0	3,500
NAVY RESERVE								
NRC BALTIMORE								
RESERVE CENTER REHABILITATION	3,400	3,400	3,400	0	0	3,400	0	3,400
TOTAL, MARYLAND	86,020	85,570	86,020	(450)	3,050	89,070	3,050	89,070

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MASSACHUSETTS								
ARMY								
ARMY MATERIALS AND MECHANICS RESH CENTER					0		0	
RENOVATION OF FACILITIES....................	0	0	15,000	(15,000)	15,000	15,000	15,000	15,000
FORT DEVENS								
AUTOMATIC WEAPONS RANGE.....................	1,200	1,200	1,200	0	0	1,200	0	1,200
PARKING AND STREET LIGHTING MODIFICATION....	640	640	640	0	0	640	0	640
NATICK RESEARCH CENTER								
NATICK RESEARCH AND DEVELOPMENT CENTER......	45,000	0	0	0	(45,000)	0	(45,000)	0
NAVY								
NAVY CLOTHING & TEXTILE RESCH FAC NATICK								
CLOTHING LABORATORY ADDITION................	1,870	0	1,870	(1,870)	0	1,870	0	1,870
AIR FORCE								
CAPE COD								
SATELLITE COMM GROUND TERMINAL..............	2,150	2,150	2,150	0	0	2,150	0	2,150
DEFENSE AGENCIES								
HANSCOM AFB								
ELEMENTARY AND MIDDLE SCHOOL ADDITION.......	4,432	0	4,432	(4,432)	0	4,432	0	4,432
ARMY NATIONAL GUARD								
CAMP EDWARDS								
LEADERSHIP REACTION COURSE..................	152	152	152	0	0	152	0	152
REHABILITATE RANGES B,C,D & E...............	175	175	175	0	0	175	0	175
UNIT TRAINING EQUIPMENT SITE MODIFICATION...	676	676	676	0	0	676	0	676
FRAMINGHAM								
ORGANIZATIONAL MAINTENANCE SHOP EXPANSION...	229	229	229	0	0	229	0	229
AIR NATIONAL GUARD								
OTIS ANGB								
COMPOSITE SQUADRON OPERATIONS...............	2,850	2,850	2,850	0	0	2,850	0	2,850
AIR FORCE RESERVE								
WESTOVER AFB								
MAINTENANCE HANGAR..........................	14,507	14,507	14,507	0	0	14,507	0	14,507
TOTAL, MASSACHUSETTS......................	73,881	22,579	28,881	(6,302)	(45,000)	28,881	(45,000)	28,881
MICHIGAN								
AIR FORCE								
KI SAWYER AFB								
KC135-CPT SIMULATOR SUPPORT FACILITY........	840	840	840	0	0	840	0	840
T-9 NOISE SUPPRESSOR SUPPORT FACILITY.......	690	0	690	(690)	0	690	0	690
CHILD DEVELOPMENT CENTER ADD/ALTER..........	0	0	1,500	(1,500)	1,500	1,500	1,500	1,500
WURTSMITH AFB								
B52-AIRCRAFT MAINTENANCE HANGAR.............	6,700	6,700	6,700	0	0	6,700	0	6,700
B52-BLAST FENCE AND LIGHTING................	450	450	450	0	0	450	0	450
B52-ORGANIZATIONAL MAINTENANCE SHOP.........	3,050	3,050	0	3,050	(3,050)	0	(3,050)	0
T-9 NOISE SUPPRESSOR SUPPORT FACILITY.......	570	0	570	(570)	0	570	0	570
UNACCOMPANIED ENLISTED PERSONNEL HOUSING....	5,900	0	5,900	(5,900)	0	5,900	0	5,900
ARMY NATIONAL GUARD								
AUGUSTA								
RANGE, MILITARY OPNS IN URBAN TERRAIN-MAC...	499	499	499	0	0	499	0	499
REGIONAL MAINTENANCE TRAINING SITE..........	1,606	1,606	1,606	0	0	1,606	0	1,606

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					CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
MIDLAND								
MOTOR VEHICLE STORAGE BUILDING..............	236	236	236	0	0	236	0	236
AIR NATIONAL GUARD								
SELFRIDGE ANGB								
ADD/ALTER READINESS CREW FACILITY..........	300	300	300	0	0	300	0	300
NAVY RESERVE								
NAF DETROIT								
AIRCRAFT MAINTENANCE HANGAR (C-9)..........	4,400	4,400	4,400	0	0	4,400	0	4,400
TOTAL, MICHIGAN...........................	25,241	18,081	23,691	(5,610)	(1,550)	23,691	(1,550)	23,691
MINNESOTA								
ARMY NATIONAL GUARD								
BRAINERD								
100 PERSON ARMORY...........................	1,513	1,513	1,513	0	0	1,513	0	1,513
CAMP RIPLEY								
POL STORAGE/DISPENSING FACILITY.............	781	781	781	0	0	781	0	781
RANGE, AUTOMATED FIELD FIRE.................	747	747	747	0	0	747	0	747
RANGE, AUTOMATED RECORD FIRE................	869	869	869	0	0	869	0	869
AIR FORCE RESERVE								
MINN-ST PAUL IAP								
ALTER SUPPLY BUILDING (801).................	300	300	300	0	0	300	0	300
TOTAL, MINNESOTA..........................	4,210	4,210	4,210	0	0	4,210	0	4,210
MISSISSIPPI								
NAVY								
NAVAL CONSTRUCTION BATTALION CTR GULFPORT								
HAZARDOUS & FLAMMABLE MATERIALS STOREHOUSE..	2,950	2,950	2,950	0	0	2,950	0	2,950
PREPOSITIONED WRM WAREHOUSE................	0	0	7,500	(7,500)	7,500	7,500	7,500	7,500
NAVAL OCEANOGRAPHY COMMAND BAY ST LOUIS								
ADMINISTRATIVE FACILITY.....................	1,600	0	1,600	(1,600)	0	1,600	0	1,600
NAVAL STATION PASCAGOULA								
BERTHING PIER...............................	8,870	8,870	8,870	0	0	8,870	0	8,870
SITE DEVELPMENT& UTILITIES..................	8,230	8,230	8,230	0	0	8,230	0	8,230
AIR FORCE								
COLUMBUS AFB								
AIRCRAFT CORROSION CONTROL FACILITY.........	1,050	1,050	1,050	0	0	1,050	0	1,050
CIVIL ENGINEER FACILITY.....................	0	4,400	0	4,400	4,400	4,400	4,400	4,400
KEESLER AFB								
SQUADRON OPERATIONS/NDI FACILITY............	6,300	6,300	6,300	0	0	6,300	0	6,300
ARMY NATIONAL GUARD								
BONNEVILLE					0		0	
ARMORY......................................	0	716	0	716	716	716	716	716
CAMP MCCAIN					0		0	
VEHICLE WASH FACILITY.......................	0	0	2,000	(2,000)	2,000	2,000	2,000	2,000
CAMP SHELBY								
RANGE, AUTOMATED RECORD FIRE................	460	460	460	0	0	460	0	460
REGIONAL MEDICAL TRAINING FACILITY..........	1,128	1,128	1,128	0	0	1,128	0	1,128
ARMORY......................................	0	0	1,946	(1,946)	1,946	1,946	1,946	1,946
TANK TRAIL..................................	0	0	1,249	(1,249)	1,249	1,249	1,249	1,249

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CANTON					0		0	
ARMORY	0	678	0	678	678	678	678	678
DREW					0		0	
ARMORY	0	0	700	(700)	700	700	700	700
GREENWOOD					0		0	
ARMORY	0	0	700	(700)	700	700	700	700
LOUISVILLE					0		0	
ARMORY	0	821	0	821	821	821	821	821
PICAYUNE					0		0	
ARMORY	0	0	700	(700)	700	700	700	700
PONTOTOC					0		0	
ARMORY	0	0	600	(600)	600	600	600	600
TUPELO					0		0	
ARMORY ADD/ALTER	0	0	2,900	(2,900)	2,900	2,900	2,900	2,900
AIR NATIONAL GUARD								
ALLEN C THOMPSON FIELD								
ADD/ALTER HANGAR 102	4,425	4,425	4,425	0	0	4,425	0	4,425
JACKSON					0		0	
AIR NATIONAL GUARD HEADQUARTERS	0	0	416	(416)	416	416	416	416
KEY FIELD					0		0	
SQUADRON OPERATIONS FACILITY	0	1,370	0	1,370	1,370	1,370	1,370	1,370
TOTAL, MISSISSIPPI	35,013	40,028	53,724	(13,696)	25,326	60,339	25,326	60,339
MISSOURI								
ARMY								
FORT LEONARD WOOD								
DINING FACILITY	3,000	3,000	3,000	0	0	3,000	0	3,000
ENERGY MONITORING AND CONTROL SYSTEM	1,600	1,600	1,600	0	0	1,600	0	1,600
LIBRARY	5,400	5,400	0	5,400	0	5,400	0	5,400
LAKE CITY AAP								
WASTE WATER TREATMENT FACILITY	0	21,000	0	21,000	21,000	21,000	21,000	21,000
AIR FORCE								
WHITEMAN AFB								
SPECIAL MISSION SUPPORT	89,300	89,300	89,300	0	0	89,300	0	89,300
NAVY								
MARCOR FINANCE CENTER, KANSAS CITY								
FAMILY HOUSING-MOBILE HOME SPACES(8)	120	120	120	0	0	120	0	120
ARMY NATIONAL GUARD								
LEBANON								
60 PERSON ARMORY	895	895	895	0	0	895	0	895
SPRINGFIELD								
ARMORY ADDITION/ALTERATION	977	977	977	0	0	977	0	977
ARMY RESERVE								
ST JOSEPH								
ADD TO ARMS VAULT/KITCHEN	200	200	200	0	0	200	0	200
AIR NATIONAL GUARD								
LAMBERT FIELD								
COMPOSITE OPERTAIONS BUILDING	0	0	3,100	(3,100)	3,100	3,100	3,100	3,100
MUNITION MAINTENANCE STORAGE	0	0	1,200	(1,200)	1,200	1,200	1,200	1,200
TOTAL, MISSOURI	101,492	122,492	99,192	23,300	24,100	125,592	24,100	125,592

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MONTANA								
AIR FORCE								
HAVRE								
STR DEFENSE ACCESS ROADS....................	4,100	4,100	4,100	0	0	4,100	0	4,100
MALMSTROM AFB								
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING...	3,500	3,500	3,500	0	0	3,500	0	3,500
KC135R-AIRCRAFT MAINTENANCE SHOPS..........	7,300	0	7,300	(7,300)	(7,300)	0	(7,300)	0
KC135R-ALT ACC COPILOT ENRICH TNG SPT FAC...	770	770	770	0	0	770	0	770
KC135R-ALTER ACFT MAINTENANCE DOCK..........	2,900	2,900	2,900	0	0	2,900	0	2,900
KC135R-ALTER AIRFIELD PAVEMENT..............	4,300	4,300	4,300	0	0	4,300	0	4,300
KC135R-ALTER ALERT CREW READINESS FAC.......	1,500	1,500	1,500	0	0	1,500	0	1,500
KC135R-ALTER HQTS COMMAND POST..............	770	770	770	0	0	770	0	770
KC135R-ALTER WEAPONS SYS MAINT MGMT FAC.....	1,250	0	1,250	(1,250)	(1,250)	0	(1,250)	0
KC135R-CORROSION CONTROL FACILITY...........	4,300	0	4,300	(4,300)	0	4,300	0	4,300
KC135R-SECURITY IMPROVEMENT.................	720	720	720	0	0	720	0	720
KC135R-VEHICLE OPERATIONS HEATED PARKING....	2,150	0	0	0	(2,150)	0	(2,150)	0
DEFENSE AGENCIES								
MALMSTRON AFB								
COMPOSITE HEALTH CARE CLINIC................	16,500	16,500	16,500	0	0	16,500	0	16,500
ARMY NATIONAL GUARD								
ANACONDA								
RANGE, MULTI-PURPOSE INDOOR.................	342	342	342	0	0	342	0	342
BELGRADE								
ORGANIZATIONAL MAINTENANCE SHOP.............	547	547	547	0	0	547	0	547
KALISPELL								
ORGANIZATIONAL MAINTENANCE SHOP.............	555	555	555	0	0	555	0	555
FT WM HENRY HARRISON								
U.S. PROPERTY & FISCAL OFFICE ADDITION......	306	306	306	0	0	306	0	306
AIR NATIONAL GUARD								
GREAT FALLS IAP								
ALTER VARIOUS FACILITIES-AVIONICS...........	900	900	900	0	0	900	0	900
TOTAL, MONTANA..............................	52,710	37,710	50,560	(12,850)	(10,700)	42,010	(10,700)	42,010
NEBRASKA								
AIR FORCE								
OFFUTT AFB								
ADD-ALTER UNACC ENL PERS HSG/DINING HALL....	3,950	3,950	3,950	0	0	3,950	0	3,950
PROCESSING CORRELATION CENTER...............	5,900	0	5,900	(5,900)	0	5,900	0	5,900
T-9 NOISE SUPPRESSOR SUPPORT FACILITY.......	810	0	810	(810)	0	810	0	810
ARMY NATIONAL GUARD								
HASTINGS								
RANGER, LIGHT ANTI-TANK WEAPON..............	159	159	159	0	0	159	0	159
ARMY RESERVE								
LINCOLN								
LAND ACQUISITION............................	100	100	100	0	0	100	0	100
TOTAL, NEBRASKA.............................	10,919	4,209	10,919	(6,710)	0	10,919	0	10,919

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NEVADA								
ARMY								
HAWTHORNE AAP								
AMMUNITION SURVEILLANCE FACILITY...........	6,500	0	6,500	(6,500)	0	6,500	0	6,500
AIR FORCE								
INDIAN SPRINGS								
ADDITION TO RUNWAY 08/26....................	4,400	4,400	4,400	0	0	4,400	0	4,400
NELLIS AFB								
ADD-ALTER JET ENG INTERM MAINT SHOP.........	2,500	0	3,950	(3,950)	1,450	3,950	1,450	3,950
BASE ENGINEER COMPLEX PHASE-I...............	7,700	7,700	7,700	0	0	7,700	0	7,700
CONTROL TOWER CAB...........................	950	950	2,400	(1,450)	1,450	2,400	1,450	2,400
TOTAL, NEVADA...............................	22,050	13,050	24,950	(11,900)	2,900	24,950	2,900	24,950
NEW HAMPSHIRE								
ARMY NATIONAL GUARD								
CONCORD								
COMBINED SUPPORT MAINTENANCE SHOP...........	1,763	1,763	1,763	0	0	1,763	0	1,763
ARMY RESERVE								
MANCHESTER								
UPGRADE KITCHEN.............................	150	150	150	0	0	150	0	150
TOTAL, NEW HAMPSHIRE........................	1,913	1,913	1,913	0	0	1,913	0	1,913
NEW JERSEY								
ARMY								
FT DIX								
OPERATIONS FACILITY.........................	1,650	1,650	1,650	0	0	1,650	0	1,650
RANGE MODERNIZATION.........................	6,100	6,100	0	6,100	(6,100)	0	(6,100)	0
MIL OCEAN TERM BAYONNE								
COMMAND AND CONTROL FACILITY ADDITION.......	1,050	1,050	1,050	0	0	1,050	0	1,050
ROLL ON/ROLL OFF RAMP.......................	960	960	960	0	0	960	0	960
NAVY								
NAVAL WEAPONS STATION EARLE								
AMMUNITION PIER AND TRESTLE.................	19,500	19,500	19,500	0	0	19,500	0	19,500
DREDGING....................................	18,600	0	18,600	(18,600)	(18,600)	0	(18,600)	0
MISSILE MAGAZINE............................	2,660	2,660	2,660	0	0	2,660	0	2,660
RAILROAD TRACKAGE...........................	880	880	880	0	0	880	0	880
AIR FORCE								
MCGUIRE AFB								
ADD-ALTER CHILD DEVELOPMENT CENTER..........	840	840	840	0	0	840	0	840
ADD-ALTER PHYSICAL FITNESS CENTER...........	1,500	0	1,500	(1,500)	(1,500)	0	(1,500)	0

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ADD-ALTER TELECOMMUNICATIONS FACILITY	800	800	800	0	0	800	0	800
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	8,900	0	0	0	(8,900)	0	(8,900)	0
DEFENSE AGENCIES								
MCGUIRE AIR FORCE BASE								
ARMED SERVICES BLOOD PROCESS WAREHOUSE	550	550	550	0	0	550	0	550
FORT MONMOUTH								
PULSE POWER FACILITY	3,450	3,450	3,450	0	0	3,450	0	3,450
ARMY NATIONAL GUARD								
FT DIX								
800 PERSON ARMORY	4,256	4,256	4,256	0	0	4,256	0	4,256
AIR NATIONAL GUARD								
ATLANTIC CITY								
ALTERNATE FUEL FACILITY	225	225	225	0	0	225	0	225
JET FUEL STORAGE COMPLEX	3,000	3,000	3,000	0	0	3,000	0	3,000
MCGUIRE AFB								
ADD TO AIRCRAFT ENGINE I & R SHOP	200	200	200	0	0	200	0	200
ALTER BLDG 1931/FIBERGLASS SHOP	180	180	180	0	0	180	0	180
ARMY RESERVE								
FORT DIX								
ARMY RESERVE CENTER W/MAINT FAC	6,982	6,982	6,982	0	0	6,982	0	6,982
STORAGE AND MAINT FAC	4,965	4,965	4,965	0	0	4,965	0	4,965
TOTAL, NEW JERSEY	87,248	58,248	72,248	(14,000)	(35,100)	52,148	(35,100)	52,148
NEW MEXICO								
ARMY								
FORT WINGATE								
SECURITY UPGRADE	370	370	370	0	0	370	0	370
AIR FORCE								
CANNON AFB								
SMALL AIRCRAFT MAINTENANCE DOCKS	6,200	0	6,200	(6,200)	0	6,200	0	6,200
SOUND SUPPRESSOR SUPPORT FACILITY	800	0	800	(800)	0	800	0	800
HOLLOMAN AFB								
SOUND SUPPRESSOR SUPPORT FACILITY	1,350	0	1,350	(1,350)	0	1,350	0	1,350
UPGRADE UTILITIES PHASE I	6,400	6,400	6,400	0	0	6,400	0	6,400
KIRTLAND AFB								
HIGH POWER MICROWAVE LAB	7,400	0	7,400	(7,400)	0	7,400	0	7,400
MUNITIONS STORAGE COMPLEX	54,000	46,000	54,000	(8,000)	(8,000)	46,000	(8,000)	46,000
ARMY NATIONAL GUARD								
BELEN								
ARMORY	0	1,942	0	1,942	1,942	1,942	1,942	1,942
FARMINGTON								
ARMORY	0	1,942	0	1,942	1,942	1,942	1,942	1,942
LAS CRUCES								
ARMORY	0	0	1,984	(1,984)	1,984	1,984	1,984	1,984
LAS VEGAS								
REGIONAL TRAINING CENTER	0	5,000	0	5,000	5,000	5,000	5,000	5,000
ROSWELL								
ARMORY	0	0	1,637	(1,637)	1,637	1,637	1,637	1,637

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DEFENSE AGENCIES								
KIRKLAND AFB								
REHAB BLDG 20676	1,127	1,127	1,127	0	0	1,127	0	1,127
WHITE SANDS MISSILE RANGE								
HELSTF UPGRADE	3,180	3,180	3,180	0	0	3,180	0	3,180
TOTAL, NEW MEXICO	80,827	65,961	84,448	(18,487)	4,505	85,332	4,505	85,332
NEW YORK								
ARMY								
FORT DRUM								
10TH MOUNTAIN DIV FACS - PHASE II	221,000	221,000	221,000	0	0	221,000	0	221,000
FAMILY HOUSING-NEW CONSTRUCTION (100)	10,000	10,000	0	10,000	(10,000)	0	(10,000)	0
FORT HAMILTON								
CHILD DEVELOPMENT CENTER	960	960	960	0	0	960	0	960
SENECA ARMY DEPOT								
SECURITY UPGRADE	1,250	1,250	1,250	0	0	1,250	0	1,250
U S MILITARY ACADEMY								
ACADEMIC FACILITY MODERNIZATION PHASE III	11,400	0	11,400	(11,400)	0	11,400	0	11,400
BARRACKS MODERNIZATION	14,800	14,800	0	14,800	0	14,800	(14,800)	0
NAVY								
NAVAL STATION NEW YORK								
SUPPLY WAREHOUSE I	6,980	0	6,980	(6,980)	(6,980)	0	(6,980)	0
BEQ II	7,660	0	7,660	(7,660)	(7,660)	0	(7,660)	0
UTILITIES & SITE IMPROVEMENTS III	14,140	14,140	14,140	0	0	14,140	0	14,140
PHYSICAL FITNESS CENTER	2,060	0	2,060	(2,060)	(2,060)	0	(2,060)	0
OPERATIONS SUPPORT FACILITY	2,060	2,060	2,060	0	0	2,060	0	2,060
LAND ACQUISITION	4,609	0	4,609	(4,609)	(4,609)	0	(4,609)	0
FAMILY HOUSING-NEW CONSTRUCTION (250)	25,490	25,490	13,490	12,000	0	25,490	0	25,490
NUCLEAR POWER TRNG UNIT BALLSON SPA								
FAMILY HOUSING-NEW CONSTRUCTION (200)	15,810	15,810	8,810	7,000	(7,000)	8,810	(7,000)	8,810
AIR FORCE								
GRIFFISS AFB								
ALTER ELECTRICAL DISTRIBUTION SYSTEM	8,480	8,480	0	8,480	0	8,480	0	8,480
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	2,100	0	2,100	(2,100)	0	2,100	0	2,100
EXPANDED ALERT ACFT PARKING AREA	1,350	1,350	1,350	0	0	1,350	0	1,350
JET FUEL STORAGE FACILITIES	2,900	2,900	2,900	0	0	2,900	0	2,900
PLATTSBURGH AFB								
ADD-ALTER VEHICLE MAINTENANCE SHOP	2,900	2,900	0	2,900	0	2,900	0	2,900
ARMY NATIONAL GUARD								
ROCHESTER								
800 PERSON ARMORY	5,228	5,228	5,228	0	0	5,228	0	5,228
ARMY AVIATION SUPPORT FACILITY	3,577	3,577	3,577	0	0	3,577	0	3,577
ORGANIZATIONAL MAINTENANCE SHOP	833	833	833	0	0	833	0	833
YOUNGSTOWN								
RANGE, COMBAT PISTOL	180	180	180	0	0	180	0	180
AIR NATIONAL GUARD								
ROSLYN AIR GUARD STATION								
COMPOSITE BCE MAINT/COMM ELECTRONICS	2,800	2,800	2,800	0	0	2,800	0	2,800
SCHENECTADY COUNTY AIRPORT								
JET FUEL STORAGE COMPLEX	2,400	2,400	2,400	0	0	2,400	0	2,400
STEWART AIRPORT								
FUEL SYSTEM/VEHICLE MAINT/ACFT PARK	13,050	10,550	13,050	(2,500)	(2,500)	10,550	(2,500)	10,550

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					CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
ARMY RESERVE								
BRONX								
UPGRADE KITCHEN	225	225	225	0	0	225	0	225
MASSENA								
MAINT FAC	390	390	390	0	0	390	0	390
ROCKY POINT								
ARMY RESERVE CENTER W/MAINT FAC	4,402	4,402	4,402	0	0	4,402	0	4,402
FT TOTTEN (FLUSHING)								
ADD/ALTER USARC W/MAINT FAC	3,603	3,603	3,603	0	0	3,603	0	3,603
VARIOUS								
OIL AND GREASE SEPARATORS	225	225	225	0	0	225	0	225
NAVY RESERVE								
AFRC FLOYD BENNETT FIELD, BROOKLYN								
ELECTRICAL FEEDER IMPROVEMENT	800	800	800	0	0	800	0	800
STEWART AIRPORT (ANG)								
AIRCRAFT APRON PHASE II (USMCR)	8,600	8,600	8,600	0	0	8,600	0	8,600
AIRCRAFT MAINTENANCE HANGAR (USMCR)	11,420	11,420	11,420	0	0	11,420	0	11,420
AIR FORCE RESERVE								
NIAGARA FALLS IAP								
BASE CIVIL ENGINEER COVERED STORAGE	760	760	760	0	0	760	0	760
SQUADRON OPERATIONS FACILITY	1,850	1,850	1,850	0	0	1,850	0	1,850
TOTAL, NEW YORK	416,292	378,983	361,112	17,871	(40,809)	375,483	(55,609)	360,683
NORTH CAROLINA								
ARMY								
FORT BRAGG								
AERIAL GUNNERY RANGE	2,600	2,600	2,600	0	0	2,600	0	2,600
COMPANY OPERATIONS FACILITIES	25,000	25,000	15,000	10,000	(5,000)	20,000	(5,000)	20,000
DINING FACILITY	2,250	2,250	2,250	0	0	2,250	0	2,250
HARDSTAND/TACTICAL EQUIPMENT SHOPS	13,000	13,000	13,000	0	0	13,000	0	13,000
PARACHUTE RIGGING FACILITY UPGRADE	860	860	860	0	0	860	0	860
AIR OPERATIONS FACILITY	0	0	3,280	(3,280)	3,280	3,280	3,280	3,280
SPECIAL OPERATIONS ACADEMIC FACILITY	0	0	12,800	(12,800)	12,800	12,800	0	0
SUNNY POINT ARMY TERM								
LOADING DOCK IMPROVEMENTS	290	290	290	0	0	290	0	290
RAIL IMPROVEMENTS	1,900	1,900	1,900	0	0	1,900	0	1,900
NAVY								
MARINE CORPS AIR STATION CHERRY POINT								
AERIAL TARGETS SUPPORT FACILITIES	3,640	3,640	3,640	0	0	3,640	0	3,640
BACHELOR ENLISTED QUARTERS	17,600	13,200	14,100	(900)	(4,400)	13,200	(4,400)	13,200
ELECTRICAL DISTRIBUTION SYSTEM UPGRADE	6,400	6,400	6,400	0	0	6,400	0	6,400
MAINTENANCE HANGAR ADDITION	4,180	4,180	4,180	0	0	4,180	0	4,180
OPERATIONAL TRAINER FACILITY	1,080	1,080	1,080	0	0	1,080	0	1,080
MARINE CORPS AIR STATION NEW RIVER								
AVIATION SUPPORT WAREHOUSES	5,300	5,300	5,300	0	0	5,300	0	5,300
OPERATIONAL TRAINER FACILITY	1,230	1,230	1,230	0	0	1,230	0	1,230
MARINE CORPS BASE CAMP LEJUENE								
BACHELOR ENLISTED QUARTERS	18,900	14,175	15,400	(1,225)	(4,725)	14,175	(4,725)	14,175
COMBAT VEHICLE MAINTENANCE SHOPS	8,070	8,070	0	8,070	0	8,070	0	8,070
ELECTRICAL DISTRIBUTION SYSTEM IMPROVEMNTS	1,080	1,080	1,080	0	0	1,080	0	1,080

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FIELD MAINTENANCE COMPLEX..................	7,580	7,580	7,580	0	0	7,580	0	7,580
URBAN TERRAIN MOCK-UP TRAINING COMPLEX......	7,800	7,800	7,800	0	0	7,800	0	7,800
NAVAL AIR REWORK FACILITY CHERRY POINT								
COMPUTER CENTER............................	500	500	500	0	0	500	0	500
AIR FORCE								
POPE AFB								
BASE SUPPLY COMPLEX........................	11,000	11,000	0	11,000	0	11,000	0	11,000
SEYMOUR JOHNSON AFB								
AIRCRAFT MAINTENANCE SUPPLY WAREHOUSE.......	2,100	2,100	2,100	0	0	2,100	0	2,100
SOUND SUPPRESSOR SUPPORT FACILITY...........	800	0	800	(800)	0	800	0	800
WING READINESS CENTER.......................	600	600	600	0	0	600	0	600
F15E-ADD-ALTER FUEL CELL DOCK..............	1,600	1,600	1,600	0	0	1,600	0	1,600
F15E-ADD-ALTER TO SQUADRON OPS FAC..........	1,400	1,400	1,400	0	0	1,400	0	1,400
F15E-ALTER ENGINE I&R SHOP..................	690	690	690	0	0	690	0	690
F15E-ALTER SML AIRCRAFT MAINT. DOCK.........	890	890	890	0	0	890	0	890
F15E-CONVERT TO AVIONICS SHOP...............	920	920	920	0	0	920	0	920
F15E-VARIOUS AIRFIELD PAVEMENTS.............	2,950	2,950	2,950	0	0	2,950	0	2,950
ARMY NATIONAL GUARD								
MARION								
ARMORY......................................	0	602	0	602	602	602	602	602
AIR NATIONAL GUARD								
DOUGLAS MAP								
COMPOSITE SUPPORT FACILITY..................	3,400	3,400	3,400	0	0	3,400	0	3,400
ARMY RESERVE								
LUMBERTON								
ARMY RESERVE CENTER.........................	1,430	1,430	1,430	0	0	1,430	0	1,430
NAVY RESERVE								
NMCRC GREENSBORO								
RESERVE CENTER ADDITION.....................	1,100	1,100	1,100	0	0	1,100	0	1,100
TOTAL, NORTH CAROLINA.....................	158,140	148,817	138,150	10,667	2,557	160,697	(10,243)	147,897
NORTH DAKOTA								
AIR FORCE								
CAVALIER								
ALTER FUEL STORAGE AND EMERG START SYS......	3,750	3,750	3,750	0	0	3,750	0	3,750
GRAND FORKS AFB								
RUNWAY APPROACH LIGHTING....................	1,600	1,600	1,600	0	0	1,600	0	1,600
MINOT AFB								
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING...	3,700	3,700	3,700	0	0	3,700	0	3,700
SECURITY POLICE OPERATIONS FACILITY.........	4,900	4,900	0	4,900	0	4,900	0	4,900
T-9 NOISE SUPPRESSOR SUPPORT FACILITY.......	740	0	0	0	(740)	0	(740)	0
ARMY NATIONAL GUARD								
FARGO								
ORGANIZATIONAL MAINTENANCE SHOP............	773	773	773	0	0	773	0	773
TOTAL, NORTH DAKOTA......................	15,463	14,723	9,823	4,900	(740)	14,723	(740)	14,723

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OHIO								
AIR FORCE								
NEWARK AFS								
ADD-ALTER SOUND/FORCE/VIBRATION LAB.........	580	580	580	0	0	580	0	580
WRIGHT-PATTERSON AFB								
ADD-ALTER AIRCRAFT MODIFICATION CENTER......	2,050	0	0	0	(2,050)	0	(2,050)	0
ADD-ALTER ELECTRICAL SUBSTATION.............	3,800	3,800	3,800	0	0	3,800	0	3,800
AIRCRAFT SUPPORT EQUIPMENT FACILITY.........	3,450	3,450	3,450	0	0	3,450	0	3,450
LOGISTICS SYSTEM OPERATIONS CENTER..........	15,500	15,500	15,500	0	0	15,500	0	15,500
ARMY NATIONAL GUARD								
BATAVIA								
ORGANIZATIONAL MAINTENANCE SHOP.............	398	398	398	0	0	398	0	398
CAMP PERRY								
RANGE, RECORD FIRE..........................	400	400	400	0	0	400	0	400
COLUMBUS								
ORGANIZATIONAL MAINTENANCE SHOP ADDITION....	290	290	290	0	0	290	0	290
AA SUPPORT FACILITY.........................	0	4,816	0	4,816	4,816	4,816	4,816	4,816
GREENSBURG								
ORGANIZATIONAL MAINTENANCE SHOP.............	0	722	0	722	722	722	722	722
ARMY RESERVE								
KINGS MILL								
ARMY RESERVE CENTER W/MAINT FAC.............	4,932	4,932	4,932	0	0	4,932	0	4,932
NAVY RESERVE								
NCRC CLEVELAND								
RESERVE CENTER ACQUISITION/ALTERATION.......	2,000	2,000	2,000	0	0	2,000	0	2,000
AIR FORCE RESERVE								
RICKENBACKER ANGB								
UPGRADE TRANSIENT QUARTERS..................	4,400	4,400	4,400	0	0	4,400	0	4,400
WRIGHT-PATTERSON AFB								
ADD TO/ALTER MAINTENANCE FACILITIES.........	690	0	690	(690)	0	690	0	690
AVIONICS/ELECT COUNTERMEASURES FACILITY.....	2,250	0	2,250	(2,250)	0	2,250	0	2,250
COMPOSITE TRAINING FACILITY.................	6,200	0	6,200	(6,200)	0	6,200	0	6,200
CIVIL ENGINEERING TRAINING FACILITY.........	700	700	700	0	0	700	0	700
TOTAL, OHIO.................................	47,640	41,988	45,590	(3,602)	3,488	51,128	3,488	51,128
OKLAHOMA								
NAVY								
NAVAL AIR DETACHMENT TINKER AIR FORCE BASE								
AIRCRAFT SUPPORT FACILITIES.................	11,800	11,800	11,800	0	0	11,800	0	11,800
AIR FORCE								
ALTUS AFB								
AIRCRAFT MAINT HANGAR.......................	5,500	5,500	5,500	0	0	5,500	0	5,500
APRON.......................................	9,100	9,100	9,100	0	0	9,100	0	9,100
TINKER AFB								
ADVANCED COMPOSITE REPAIR FACILITY..........	9,200	9,200	0	9,200	0	9,200	0	9,200
AIRCRAFT SUPPORT EQUIPMENT SHOP.............	2,300	2,300	2,300	0	0	2,300	0	2,300
VANCE AFB								
LIFE SUPPORT EQUIPMENT FACILITY.............	990	990	990	0	0	990	0	990
WASTE TREATMENT CONNECTION..................	0	2,200	2,200	0	2,200	2,200	2,200	2,200
ARMY NATIONAL GUARD								
CAMP GRUBER								
RANGE, MOUT ASSAULT COURSE..................	371	371	371	0	0	371	0	371
WATER STORAGE FACILITY......................	345	345	345	0	0	345	0	345

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TULSA								
100 PERSON ARMORY	1,275	1,275	1,275	0	0	1,275	0	1,275
ARMY AVIATION SUPPORT FACILITY	4,019	4,019	4,019	0	0	4,019	0	4,019
AIR NATIONAL GUARD								
TULSA IAP								
LANA POD MAINTENANCE AREA	360	360	360	0	0	360	0	360
ARMY RESERVE								
BARTLESVILLE								
ADD/ALTER USARC W/MAINT FAC	1,576	1,576	1,576	0	0	1,576	0	1,576
AIR FORCE RESERVE								
TINKER AFB								
SOUND SUPPRESSOR PAD	850	850	850	0	0	850	0	850
TOTAL, OKLAHOMA	47,686	49,886	40,686	9,200	2,200	49,886	2,200	49,886
OREGON								
ARMY								
UMATILLA ARMY DEPOT								
SECURITY UPGRADE	1,050	1,050	1,050	0	0	1,050	0	1,050
ARMY NATIONAL GUARD								
SALEM								
200 PERSON ARMORY	2,147	2,147	2,147	0	0	2,147	0	2,147
ORGANIZATIONAL MAINTENANCE SHOP ADD/ALT	893	893	893	0	0	893	0	893
AIR NATIONAL GUARD								
PORTLAND IAP								
FIRE TRAINING FACILITY	300	300	300	0	0	300	0	300
AIR FORCE RESERVE								
PORTLAND IAP								
PARARESCUE FACILITY	1,350	1,350	1,350	0	0	1,350	0	1,350
RESERVE FORCES OPERATIONAL TRAINING	1,900	1,900	1,900	0	0	1,900	0	1,900
TOTAL, OREGON	7,640	7,640	7,640	0	0	7,640	0	7,640
PENNSYLVANIA								
ARMY								
LETTERKENNY ARMY DEPOT								
SECURITY UPGRADE	2,000	2,000	2,000	0	0	2,000	0	2,000
NEW CUMBERLAND AD								
EASTERN DISTRIBUTION CENTER - PHASE III	34,000	30,000	32,000	(2,000)	(4,000)	30,000	(4,000)	30,000
NAVY								
NAVAL AIR DEVELOPMENT CENTER WARMINSTER								
BUILDING IMPROVEMENTS	300	300	300	0	0	300	0	300
NAVAL SHIPYARD PHILADELPHIA								
WATER DISTRIBUTION SYSTEM	0	14,000	0	14,000	5,800	5,800	5,800	5,800
ARMY NATIONAL GUARD								
FT INDIANTOWN GAP								
ADMINISTRATION, OPERATIONS AND TRNG BLDG	1,614	1,614	1,614	0	0	1,614	0	1,614
AIR NATIONAL GUARD								
GREATER PITTSBURGH IAP								
ACCESS ROAD	5,000	5,000	5,000	0	0	5,000	0	5,000

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					CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
ARMY RESERVE								
GENEVA								
LOCAL TRAINING AREA	1,568	1,568	1,568	0	0	1,568	0	1,568
PITTSBURGH								
KITCHEN	175	175	175	0	0	175	0	175
TOBYHANNA								
REGIONAL MAINTENANCE TRAINING FAC	2,068	2,068	2,068	0	0	2,068	0	2,068
UNIONTOWN								
KITCHEN	150	150	150	0	0	150	0	150
VARIOUS								
ENERGY CONSERVATION	150	150	150	0	0	150	0	150
OIL AND GREASE SEPARATORS	150	150	150	0	0	150	0	150
NAVY RESERVE								
NAS WILLOW GROVE								
CLEAR ZONE LAND AQUISITION	1,000	1,000	1,000	0	0	1,000	0	1,000
TOTAL, PENNSYLVANIA	48,175	58,175	46,175	12,000	1,800	49,975	1,800	49,975
RHODE ISLAND								
NAVY								
NAVAL EDUCATION & TRAINING CENTER NEWPORT								
MUNICIPAL SEWER CONNECTION	3,640	3,640	3,640	0	0	3,640	0	3,640
WATER DISTRIBUTION SYSTEM IMPROVEMENTS	3,840	3,840	0	3,840	(3,840)	0	(3,840)	0
NAVAL UNDERWATER SYSTEMS CENTER NEWPORT								
VERTICAL LAUNCH SYSTEM FACILITY	750	750	750	0	0	750	0	750
AIR NATIONAL GUARD								
COVENTRY AGS								
MOBILITY STORAGE	150	150	150	0	0	150	0	150
ARMY RESERVE								
BRISTOL								
ADD/ALTER USARC	1,500	1,500	1,500	0	0	1,500	0	1,500
TOTAL, RHODE ISLAND	9,880	9,880	6,040	3,840	(3,840)	6,040	(3,840)	6,040
SOUTH CAROLINA								
NAVY								
NAVAL SHIPYARD CHARLESTON					0		0	
SEWAGE TREATMENT CONNECTION	0	1,400	1,400	0	1,400	1,400	1,400	1,400
NAVAL SUPPLY CENTER CHARLESTON								
CONTROLLED HUMIDITY WAREHOUSE	6,000	6,000	6,000	0	0	6,000	0	6,000
FIRE PROTECTION SYSTEMS	1,770	1,770	1,770	0	0	1,770	0	1,770
FUEL PIPELINE	400	400	400	0	0	400	0	400
NAVAL WEAPONS STATION CHARLESTON								
MISSILE MAGAZINE	1,670	1,670	1,670	0	0	1,670	0	1,670
MARCOR AIR STATION BEAUFORT								
FAMILY HOUSING-MOBILE HOMES SPACES (37)	540	540	540	0	0	540	0	540
MARCOR RECRUIT DEPOT PARRIS ISLAND								
FAMILY HOUSING-MOBILE HOME SPACES (25)	370	370	370	0	0	370	0	370
AIR FORCE								
SHAW AFB								
AG MULTI MAG STORAGE FACILITY	580	580	580	0	0	580	0	580
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	4,400	4,400	4,400	0	0	4,400	0	4,400

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ARMY NATIONAL GUARD								
MCENTIRE AIR NATIONAL GUARD BASE								
APACHE MAINTENANCE FACILITY.................	0	0	6300	(6,300)	6,300	6,300	6,300	6,300
NAVY RESERVE								
MCRC CHARLESTON								
COMBAT VEHICLE MAINTENANCE FACILITY.........	350	350	350	0	0	350	0	350
NMCRC GREENVILLE SC								
RESERVE TRAINING BUILDING...................	4,700	4,700	4,700	0	0	4,700	0	4,700
AIR FORCE RESERVE								
CHARLESTON AFB								
AERIAL PORT TRAINING FACILITY...............	1,200	1,200	1,200	0	0	1,200	0	1,200
TOTAL, SOUTH CAROLINA......................	21,980	23,380	29,680	(6,300)	7,700	29,680	7,700	29,680
SOUTH DAKOTA								
AIR FORCE								
ELLSWORTH AFB								
STC ALTER CONSOLIDATED AIRCRAFT MAINT FAC...	2,150	0	0	0	(2,150)	0	(2,150)	0
STC CREW TRAINING QUARTERS..................	3,150	3,150	3,150	0	0	3,150	0	3,150
UNACCOMPANIED ENLISTED PERSONNEL HOUSING....	8,400	8,400	8,400	0	0	8,400	0	8,400
ARMY NATIONAL GUARD								
BELLE FOUCHE/STURGISS								
MOTOR VEHICLE STORAGE BUILDING..............	352	352	352	0	0	352	0	352
CUSTER								
MOTOR VEHICLE STORAGE BUILDING..............	147	147	147	0	0	147	0	147
MITCHELL								
MOTOR VEHICLE STORAGE BUILDING..............	370	370	370	0	0	370	0	370
PIERRE								
MOTOR VEHICLE STORAGE BUILDING..............	185	185	185	0	0	185	0	185
SPEARFISH								
MOTOR VEHICLE STORAGE BUILDING..............	241	241	241	0	0	241	0	241
VERMILLION								
60 PERSON ARMORY............................	816	816	816	0	0	816	0	816
TOTAL, SOUTH DAKOTA.......................	15,811	13,661	13,661	0	(2,150)	13,661	(2,150)	13,661
TENNESSEE								
NAVY								
NAVAL AIR STATION MEMPHIS								
BARRACKS....................................	9,350	9,350	9,350	0	0	9,350	0	9,350
CARRIER FIRE FIGHTING TRAINER FACILITY......	1,870	1,870	1,870	0	0	1,870	0	1,870
AIR FORCE								
ARNOLD ENGINEERING DEV CENTER								
ENGINEERING ANALYSIS FACILITY...............	17,500	17,500	17,500	0	0	17,500	0	17,500
DEFENSE AGENCIES								
DEFENSE DEPOT MEMPHIS								
GENERAL PURPOSE WAREHOUSE...................	11,361	0	11,361	(11,361)	0	11,361	0	11,361
ARMY NATIONAL GUARD								
BOLIVAR								
100 PERSON ARMORY...........................	859	859	859	0	0	859	0	859

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CATOOSA								
RANGE, TANK CREW COMBAT	204	204	204	0	0	204	0	204
DRESDEN								
200 PERSON ARMORY	1,166	1,166	1,166	0	0	1,166	0	1,166
SMYRNA								
RANGE, COMBAT PISTOL	202	202	202	0	0	202	0	202
RANGE, M16/M60 MACHINEGUN	242	242	242	0	0	242	0	242
AIR NATIONAL GUARD								
MCGHEE-TYSON AIRPORT								
PROFESSIONAL MILITARY EDUCATION CENTER	5,200	0	5,200	(5,200)	0	5,200	0	5,200
ARMY RESERVE								
KNOXVILLE								
LAND ACQUISITION	605	605	605	0	0	605	0	605
NAVY RESERVE								
NAS MEMPHIS								
AICRAFT MAINTENANCE HANGAR	4,800	4,800	4,800	0	0	4,800	0	4,800
TOTAL, TENNESSEE	53,359	36,798	53,359	(16,561)	0	53,359	0	53,359
TEXAS								
ARMY								
FORT BLISS								
APPLIED INSTRUCTION FACILITY	790	790	790	0	0	790	0	790
COMMUNICATIONS FACILITY	450	450	450	0	0	450	0	450
PHYSICAL FITNESS TRAINING CENTER	6,300	6,300	0	6,300	0	6,300	0	6,300
BARRACKS MODERNIZATION	0	5,500	0	5,500	5,500	5,500	5,500	5,500
CORPUS CHRISTI ARMY DEPOT								
AIRCRAFT MAINTENANCE SHOP ALTERATIONS	2,950	2,950	2,950	0	0	2,950	0	2,950
FORT HOOD								
AIRCRAFT MAINTENANCE FACILITY	3,300	3,300	3,300	0	0	3,300	0	3,300
COMPANY OPERATIONS FACILITY	1,600	1,600	1,600	0	0	1,600	0	1,600
HARDSTAND/TACTICAL EQUIPMENT SHOPS	6,600	6,600	6,600	0	0	6,600	0	6,600
MAINTENANCE FACILITY	0	20,000	0	20,000	20,000	20,000	20,000	20,000
FAMILY HOUSING-NEW CONSTRUCTION (150)	9,400	9,400	9,400	0	0	9,400	0	9,400
RED RIVER ARMY DEPOT								
SECURITY UPGRADE	1,450	1,450	1,450	0	0	1,450	0	1,450
SITE WORK-PHASE I	0	6,500	6,500	0	6,500	6,500	6,500	6,500
FORT SAM HOUSTON								
CIDC FIELD OPERATIONS BUILDING	1,050	1,050	1,050	0	0	1,050	0	1,050
UTILITIES IMPROVEMENTS	2,250	2,250	2,250	0	0	2,250	0	2,250
NAVY								
NAVAL AIR STATION CORPUS CHRISTI								
BOILER PLANT MODIFICATIONS	1,180	1,180	1,180	0	0	1,180	0	1,180
NAVAL AIR STATION KINGSVILLE								
AIRCRAFT OPERATIONAL FACILITIES	9,150	9,150	0	9,150	0	9,150	0	9,150
POWER CHECK PADS	850	850	850	0	0	850	0	850
NAVAL STATION GALVESTON								
BERTHING WHARF	11,100	11,100	11,100	0	0	11,100	0	11,100
SITE DEVELOPMENT & UTILITIES	3,900	3,900	3,900	0	0	3,900	0	3,900
BEQ/GALLEY	4,110	0	4,110	(4,110)	0	4,110	0	4,110
WAREHOUSE	900	900	900	0	0	900	0	900
PORT OPERATIONS	290	290	290	0	0	290	0	290

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	FY 1988	FY 1988	FY 1988	DIFFERENCE	CONFERENCE AGREEMENT		CONTINGENT LEVEL	
	BUDGET	HOUSE	SENATE	(HOUSE +/-	CHANGE FROM		CHANGE FROM	
INSTALLATION AND PROJECTS	RFQUEST	PASSED	PASSED	TO SENATE)	REQUEST	RECOMMENDATION	REQUEST	RECOMMENDATION
HEADQUARTERS SUPPORT........................	2,080	0	2,080	(2,080)	(2,080)	0	(2,080)	0
SIMA......................................	6,620	0	6,620	(6,620)	(6,620)	0	(6,620)	0
NAVAL STATION INGLESIDE								
BERTHING PIER & WHARF......................	37,570	37,570	37,570	0	0	37,570	0	37,570
SITE DEVELOPMENT & UTILITIES................	1,230	1,230	1,230	0	0	1,230	0	1,230
NAVAL TECHNICAL TRNG CTR DET LACKLAND AFB								
BACHELOR ENLISTED QUARTERS..................	10,800	10,800	10,800	0	0	10,800	0	10,800
SECURITY TRAINING CENTER....................	5,500	0	5,500	(5,500)	(5,500)	0	(5,500)	0
AIR FORCE								
BERGSTROM AFB								
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING...	5,800	5,800	5,800	0	0	5,800	0	5,800
NCO PROFESSIONAL EDUCATION CENTER...........	3,350	0	0	0	(3,350)	0	(3,350)	0
TACTICAL AIR CONTROL CENTER FACILITY........	3,390	3,390	3,390	0	0	3,390	0	3,390
BROOKS AFB								
BASE CIVIL ENGINEER COMPLEX.................	4,100	4,100	0	4,100	(4,100)	0	(4,100)	0
VEHICLE MAINTENANCE SHOP....................	2,750	0	2,750	(2,750)	(2,750)	0	(2,750)	0
CARSWELL AFB								
ADD TO AND ALT UNACC ENL PERSONNEL HOUSING..	4,300	4,300	4,300	0	0	4,300	0	4,300
KC135-CPT SUPPORT FACILITY..................	710	710	710	0	0	710	0	710
DYESS AFB								
B1B-ADD TO AND ALTER COMBAT CREW TNG FAC....	2,300	0	2,300	(2,300)	0	2,300	0	2,300
B1B-MUNITIONS LOAD CREW TRNG FACILITY.......	1,300	1,300	1,300	0	0	1,300	0	1,300
GOODFELLOW AFB								
SENSITIVE COMPARTMENTED INFO FACILITY.......	5,500	5,500	5,500	0	0	5,500	0	5,500
KELLY AFB								
ADD-ALTER CRYPTOLOGIC SUPPORT CTR COMPLEX...	17,000	17,000	17,000	0	0	17,000	0	17,000
FUEL SYSTEMS ACCESSORIES TEST FACILITY......	10,900	0	10,900	(10,900)	0	10,900	0	10,900
JET FUEL STORAGE............................	2,750	2,750	2,750	0	0	2,750	0	2,750
LACKLAND AFB								
ACADEMIC FACILITY-SECURITY POLICE...........	5,600	0	5,600	(5,600)	(5,600)	0	(5,600)	0
REGIONAL WASTE WATER CONNECTION.............	1,900	1,900	1,900	0	0	1,900	0	1,900
STUDENT OFFICER HOUSING.....................	12,000	12,000	0	12,000	0	12,000	0	12,000
LAUGHLIN AFB								
ADD TO VEHICLE MAINTENANCE/POL COMPLEX......	2,200	0	2,200	(2,200)	(2,200)	0	(2,200)	0
BASE CONTRACTING FACILITY...................	820	820	820	0	0	820	0	820
SUPPORT TRAINING WAREHOUSE..................	222	222	222	0	0	222	0	222
SURVIVAL EQUIPMENT SHOP.....................	830	830	830	0	0	830	0	830
RANDOLPH AFB								
ADMIN FACILITY (AFMEA)......................	2,300	2,300	0	2,300	0	2,300	(2,300)	0
UNACCOMPANIED ENLISTED PERSONNEL HOUSING....	5,800	5,800	5,800	0	0	5,800	0	5,800
REESE AFB								
ADD-ALTER SECURITY POLICE OPERATIONS FAC....	610	610	610	0	0	610	0	610
SURVIVAL EQUIPMENT SHOP.....................	1,050	1,050	0	1,050	(1,050)	0	(1,050)	0
SHEPPARD AFB								
MEDICAL TRAINING FACILITY...................	13,700	13,700	13,700	0	0	13,700	0	13,700
STUDENT OFFICER HOUSING.....................	4,700	0	0	0	(4,700)	0	(4,700)	0
DEFENSE AGENCIES								
LACKLAND AIR FORCE BASE								
MEDICAL WRM STORAGE FACILITY................	1,350	1,350	1,350	0	0	1,350	0	1,350
FORT SAM HOUSTON				0	0		0	
ACCESS ROAD.................................	0	8,600	0	8,600	8,600	8,600	8,600	8,600

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ARMY NATIONAL GUARD								
ANGLETON								
100 PERSON ARMORY	1,100	1,100	1,100	0	0	1,100	0	1,100
AUSTIN								
DIVISION CLASS IX WAREHOUSE	273	273	273	0	0	273	0	273
TROOP MEDICAL CLINIC	363	363	363	0	0	363	0	363
CAMP SWIFT								
RANGE, COMBAT PISTOL	122	122	122	0	0	122	0	122
MINERAL WELLS								
RANGE, COMBAT PISTOL	124	124	124	0	0	124	0	124
AIR NATIONAL GUARD								
KELLY AFB								
FIRE SUPPRESSION SYSTEM	200	200	200	0	0	200	0	200
ARMY RESERVE								
BEAUMONT								
ARMY RESERVE CENTER W/MAINT FAC	4,029	4,029	4,029	0	0	4,029	0	4,029
NAVY RESERVE								
NAVAL AIR STATION DALLAS								
AIMD BUILDING ADDITION	3,000	3,000	3,000	0	0	3,000	0	3,000
NMCRC AMARILLO								
RESERVE TRAINING BUILDING	3,200	3,200	3,200	0	0	3,200	0	3,200
AIR FORCE RESERVE								
CARSWELL AFB								
INSTALL HOOK CABLE SUPPORT SYSTEM BAK-14	200	200	200	0	0	200	0	200
TOTAL, TEXAS	261,263	251,753	224,813	26,940	2,650	263,913	350	261,613
UTAH								
ARMY								
DUGWAY PROVING GROUND								
BATTERY SHOP	1,050	1,050	1,050	0	0	1,050	0	1,050
COMMUNITY CENTER	3,950	0	3,950	(3,950)	0	3,950	(3,950)	0
TEST SUPPORT FACILITY	850	850	850	0	0	850	0	850
UNACCOMPANIED OFFICER HOUSING MOD	3,350	3,350	3,350	0	0	3,350	0	3,350
TOOELE ARMY DEPOT								
INDUSTRIAL WASTEWATER TREATMENT FACILITY	4,850	4,850	4,850	0	0	4,850	0	4,850
SECURITY UPGRADE	1,850	1,850	1,850	0	0	1,850	0	1,850
AIR FORCE								
HILL AFB								
ADD TO AVIONICS SUPPORT FACILITY	12,500	0	12,500	(12,500)	0	12,500	(12,500)	0
GAPFILLER RADAR FACILITY	1,500	1,500	0	1,500	0	1,500	0	1,500
MISSILE MAINTENANCE SHOP	2,200	2,200	0	2,200	(2,200)	0	(2,200)	0
PEACEKEEPER ADD/ALTER STATIC TEST STAND	3,800	0	3,800	(3,800)	(3,800)	0	(3,800)	0
PEACEKEEPER-STAGE I/ II/ III STORAGE	5,600	5,600	5,600	0	0	5,600	0	5,600
STRUCTURAL REPAIR AND MAINTENANCE FAC	27,000	27,000	27,000	0	0	27,000	0	27,000
TACTICAL CONTROL SQUADRON SPEC OPS FAC	3,750	0	0	0	(3,750)	0	(3,750)	0
DEFENSE AGENCIES								
DEFENSE DEPORT OGDEN								
ADMINISTRATIVE FACILITY	10,000	0	0	0	(10,000)	0	(10,000)	0

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ARMY NATIONAL GUARD								
DRAPER								
ARMORY ALTERATION...........................	886	886	886	0	0	886	0	886
COMBINED SUPT MAINTENANCE SHOP ADD/ALT......	1,004	1,004	1,004	0	0	1,004	0	1,004
ORGANIZATIONAL MAINTENANCE SHOP ALTERATION..	140	140	140	0	0	140	0	140
RATION BREAKDOWN WAREHOUSE ALTERATION.......	183	183	183	0	0	183	0	183
USPFO OFFICE/WAREHOUSE ALTERATION...........	552	552	552	0	0	552	0	552
TOOELE								
ORGANIZATIONAL MAINTENANCE SHOP.............	484	484	484	0	0	484	0	484
ARMY RESERVE								
OGDEN								
KITCHEN ADDITION............................	125	125	125	0	0	125	0	125
PLEASANT GROVE								
ADD TO ARMY RESERVE CENTER..................	225	225	225	0	0	225	0	225
AIR FORCE RESERVE								
HILL AFB								
COMPOSITE TRAINING FACILITY.................	1,160	1,160	1,160	0	0	1,160	0	1,160
TOTAL, UTAH................................	87,009	53,009	69,559	(16,550)	(19,750)	67,259	(36,200)	50,809
VIRGINIA								
ARMY								
FORT A.P. HILL								
FAMILY HOUSING-NEW CONSTRUCTION (25)........	0	2,200	0	2,200	2,200	2,200	2,200	2,200
FORT BELVOIR								
CHILD DEVELOPMENT/RELIGIOUS ED FACILITY.....	6,300	6,300	6,300	0	0	6,300	0	6,300
ELECTRICAL DISTRIBUTION SYSTEM MOD..........	5,500	0	5,500	(5,500)	0	5,500	0	5,500
ELECTRONIC MAINTENANCE FACILITY.............	1,350	1,350	1,350	0	0	1,350	0	1,350
FLIGHT SIMULATOR MODERNIZATION..............	210	210	210	0	0	210	0	210
LABORATORY VENTILATION......................	2,250	2,250	2,250	0	0	2,250	0	2,250
CAMERON STATION								
INSULATION UPGRADE (ECIP)...................	400	400	400	0	0	400	0	400
FORT EUSTIS					0		0	
FAMILY HOUSING-MOBILE HOME SPACES (32)......	480	480	480	0	0	480	0	480
FORT LEE								
DINING FACILITY.............................	2,750	2,750	2,750	0	0	2,750	0	2,750
TROOP SUPPORT AGENCY HEADQUARTERS...........	11,600	11,600	11,600	0	0	11,600	0	11,600
FORT PICKETT								
SEWAGE TREATMENT FACILITY...................	390	390	390	0	0	390	0	390
NAVY								
ATLANTIC CMD ELECTRONIC INTELL CTR NORFOLK								
FLEET ELECTRONIC ANALYSIS CENTER ADDITION...	5,070	5,070	5,070	0	0	5,070	0	5,070
FLEET COMBAT TRAIN CTR ATLANTIC DAM NECK								
SECURITY BUILDING...........................	450	450	450	0	0	450	0	450
MARINE CORPS DEV & EDUC COMMAND QUANTICO								
BACHELOR ENLISTED QUARTERS..................	2,950	2,950	2,950	0	0	2,950	0	2,950
MESS HALL MODERNIZATION.....................	1,000	1,000	1,000	0	0	1,000	0	1,000
WATER TREATMENT FACILITY....................	950	950	950	0	0	950	0	950
FAMILY HOUSING-MOBLE HOME SPACES (10).......	166	166	166	0	0	166	0	166
NAVAL AIR STATION NORFOLK								
MINE COUNTERMEASURE HELICOPTER TRNG BLDG....	3,200	3,200	3,200	0	0	3,200	0	3,200
ORDNANCE HANDLING AREA......................	1,770	1,770	1,770	0	0	1,770	0	1,770

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NAVAL AIR STATION OCEANA								
JET ENGINE TEST CELL........................	4,540	4,540	4,540	0	0	4,540	0	4,540
AIR TRAINING FACILITY.......................	0	0	5,000	(5,000)	0	0	0	0
NAVAL AMPHIBIOUS BASE LITTLE CREEK								
BEACH GROUP OPERATIONS FACILITIES...........	6,500	6,500	6,500	0	0	6,500	0	6,500
DIVING AND SALVAGE SUPPORT FACILITY.........	720	720	720	0	0	720	0	720
SEAL TEAM OPERATIONS FACILITIES.............	9,500	9,500	9,500	0	0	9,500	0	9,500
SEALIFT SUPPORT OPERATIONS FACILITIES.......	6,600	0	6,600	(6,600)	0	6,600	0	6,600
NAVAL COMM AREA MASTER STA ATLANT NORFOLK								
COMMUNICATIONS BUILDINGS ADDITIONS..........	8,400	8,400	8,400	0	0	8,400	0	8,400
NAVAL EASTERN OCEANOGRAPHY CENTER NORFOLK								
OCEANOGRAPHIC BUILDING ADDITION.............	600	600	600	0	0	600	0	600
NAVAL GUIDED MISSILES SCHOOL DAM NECK								
DIESEL ENGINE TRAINER FACILITY..............	550	550	550	0	0	550	0	550
NAVAL SECURITY GROUP ACT NW CHESAPEAKE								
RADAR FACILITY..............................	4,530	4,530	4,530	0	0	4,530	0	4,530
NAVAL STATION NORFOLK								
DEFENSE ACCESS ROAD.........................	1,200	1,200	1,200	0	0	1,200	0	1,200
NAVAL SUPPLY CENTER NORFOLK								
FUEL PIPELINE...............................	510	510	510	0	0	510	0	510
WAREHOUSES RENOVATION AND ADDITION..........	5,900	0	5,900	(5,900)	0	5,900	0	5,900
WATERFRONT TRANSIT SHED.....................	800	800	800	0	0	800	0	800
NAVAL SURFACE WEAPONS CENTER DAHLGREN								
AEGIS APPLIED RESEARCH LABORATORY...........	14,700	14,700	14,700	0	0	14,700	0	14,700
BACHELOR ENLISTED QUARTERS..................	4,720	4,720	4,720	0	0	4,720	0	4,720
COMPARTMENTED PROGRAMS LABORATORY...........	11,200	11,200	11,200	0	0	11,200	0	11,200
NAVAL WEAPONS STATION YORKTOWN								
MISSILE MAGAZINE............................	1,820	1,820	1,820	0	0	1,820	0	1,820
MISSILE MAGAZINES...........................	7,970	0	7,970	(7,970)	0	7,970	(7,970)	0
MISSILE MAINTENANCE FACILITY................	9,740	9,740	9,740	0	0	9,740	0	9,740
PIER MODERNIZATION..........................	6,500	6,500	6,500	0	0	6,500	0	6,500
TORPEDO INTERMEDIATE MAINTENANCE FACILITY...	4,820	4,820	4,820	0	0	4,820	0	4,820
NAVY PUBLIC WORKS CENTER NORFOLK								
ELECTRICAL DISTRIBUTION SYSTEM IMPROVEMNTS..	6,100	6,100	6,100	0	0	6,100	0	6,100
AIR FORCE								
LANGLEY AFB								
ADD-ALTER RECON PHOTO LAB...................	2,100	2,100	2,100	0	0	2,100	0	2,100
ADD-ALTER RECON PHOTO LAB...................	600	600	600	0	0	600	0	600
ASAT-ADMINISTRATIVE BUILDING................	520	0	520	(520)	(520)	0	(520)	0
ASAT-CONTROL CENTER.........................	430	0	430	(430)	(430)	0	(430)	0
ASAT-HAZARDOUS MATERIALS STORAGE............	310	0	310	(310)	(310)	0	(310)	0
ASAT-INTEGRATED MAINTENANCE FACILITY........	9,500	0	9,500	(9,500)	(9,500)	0	(9,500)	0
ASAT-MISSILE AND MOTOR STORAGE FACILITY.....	1,950	0	1,950	(1,950)	(1,950)	0	(1,950)	0
ASAT-SECURITY CONTROL.......................	290	0	290	(290)	(290)	0	(290)	0
ASAT-UTILITIES/PAVEMENTS AND SITE WORK......	3,000	0	3,000	(3,000)	(3,000)	0	(3,000)	0
DINING HALL AND TROOP ISSUE FACILITY........	4,450	4,450	4,450	0	0	4,450	0	4,450
TACTICAL CONTROL FLIGHT FACILITY............	2,000	2,000	0	2,000	0	2,000	0	2,000
DEFENSE AGENCIES								
ARLINGTON SERVICE CENTER								
DCA HQS NEW OFFICE BUILDING.................	13,565	13,565	0	13,565	(13,565)	0	(13,565)	0
DEFENSE GENERAL SUPPLY CENTER								
ADMINISTRATIVE SPACE........................	2,000	2,000	2,000	0	0	2,000	0	2,000

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CONNECTOR WAREHOUSE........................	18,500	0	18,500	(18,500)	0	18,500	0	18,500
HAZARDOUS MATERIAL WAREHOUSE...............	1,800	1,800	1,800	0	0	1,800	0	1,800
LANGLEY AIR FORCE BASE								
LIFE SAFETY UPGRADE........................	1,500	1,500	0	1,500	0	1,500	0	1,500
ARMY NATIONAL GUARD								
FORT A.P. HILL								
60 PERSON ARMORY...........................	1,675	1,675	1,675	0	0	1,675	0	1,675
ARLINGTON HALL STATION								
NATIONAL GUARD CENTER......................	27,983	0	27,983	(27,983)	(21,883)	6,100	(21,883)	6,100
AIR FORCE RESERVE								
LANGLEY AFB								
CIVIL ENGINEER TRAINING FACILITY...........	800	800	800	0	0	800	0	800
TOTAL, VIRGINIA............................	257,679	171,426	245,614	(74,188)	(49,248)	208,431	(57,218)	200,461
WASHINGTON								
ARMY								
FORT LEWIS								
SENSITIVE COMPARTMENTED INFORMATION FAC.....	960	960	960	0	0	960	0	960
NAVY								
NAVAL AIR STATION WHIDBEY ISLAND								
MAINTENANCE HANGAR.........................	8,270	8,270	8,270	0	0	8,270	0	8,270
OPERATIONAL TRAINER FACILITY...............	4,380	4,380	4,380	0	0	4,380	0	4,380
NAVAL STATION EVERETT								
CARRIER SUPPORT COMPLEX III................	64,800	26,400	30,800	(4,400)	(38,400)	26,400	(38,400)	26,400
LAND ACQUISITION...........................	11,100	11,100	11,100	0	0	11,100	0	11,100
DEFENSE ACCESS ROAD........................	10,000	10,000	10,000	0	0	10,000	0	10,000
NAVAL SUBMARINE BASE BANGOR								
BACHELOR ENLISTED QUARTERS.................	5,070	0	5,070	(5,070)	(5,070)	0	(5,070)	0
NAVAL UNDERSEA WARFARE ENGR STA KEYPORT								
EXPLOSIVES OPERATING FACILITY..............	2,170	2,170	2,170	0	0	2,170	0	2,170
MISSILE MAGAZINES..........................	6,000	6,000	6,000	0	0	6,000	0	6,000
UNDERSEA WARFARE ENGINEERING CENTER........	10,000	0	10,000	(10,000)	(10,000)	0	(10,000)	0
TRIDENT REFIT FACILITY BANGOR								
ELECTRICAL DISTR SYSTEM IMPROVEMENTS.......	1,080	1,080	0	1,080	0	1,080	0	1,080
AIR FORCE								
FAIRCHILD AFB								
MISSION OPERATIONS FACILITY................	3,950	3,950	3,950	0	0	3,950	0	3,950
ASBESTOS REMOVAL/STEAMPLANT................	0	2,050	2,050	0	2,050	2,050	2,050	2,050
DEFENSE AGENCIES								
DEFENSE FUEL SUPPORT POINT MUKILTEO								
FUEL PIER..................................	7,290	7,290	7,290	0	(7,290)	0	(7,290)	0
FT LEWIS								
MADIGAN ARMY MEDICAL CENTER PHASE IV........	86,000	86,000	86,000	0	0	86,000	0	86,000
WHIDBEY ISLAND NAVAL AIR STATION								
HOSPITAL CLINIC ADDITION...................	16,500	16,500	0	16,500	0	16,500	(16,500)	0
AIR NATIONAL GUARD								
FOUR LAKES								
MOBILITY STORAGE FACILITY..................	300	300	300	0	0	300	0	300
SEATTLE AGS								
MOBILITY STORAGE FACILITY..................	225	225	225	0	0	225	0	225

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ARMY RESERVE								
CAMP BONNEVILLE								
LOCAL TRAINING AREA	2,183	2,183	2,183	0	0	2,183	0	2,183
AIR FORCE RESERVE								
MCCHORD AFB								
ADDITION HEADQUARTERS BUILDING	390	390	390	0	0	390	0	390
TOTAL, WASHINGTON	240,668	189,248	191,138	(1,890)	(58,710)	181,958	(75,210)	165,458
WEST VIRGINIA								
ARMY NATIONAL GUARD								
BUCKHANNON								
ORGANIZATIONAL MAINTENANCE SHOP ADD/ALT	436	436	436	0	0	436	0	436
CAMP DAWSON								
TRNG SITE, TRAINING FACILITIES PH I	796	796	796	0	0	796	0	796
POINT PLEASANT								
ARMORY ADDITION/ALTERATION	1,020	1,020	1,020	0	0	1,020	0	1,020
AIR NATIONAL GUARD								
YEAGER AIRPORT								
FIRE SUPPRESSION SYSTEM	1,450	1,450	1,450	0	0	1,450	0	1,450
VEHICLE MAINT/REFUELER SHOP	1,100	1,100	1,100	0	0	1,100	0	1,100
ARMY RESERVE								
NEW MARTINSVILLE								
ADD/ALTER USARC W/MAINT FAC	1,345	1,345	1,345	0	0	1,345	0	1,345
TOTAL, WEST VIRGINIA	6,147	6,147	6,147	0	0	6,147	0	6,147
WISCONSIN								
ARMY								
FORT MCCOY								
INSULATE BUILDINGS	720	720	720	0	0	720	0	720
ARMY NATIONAL GUARD								
ABBOTSFORD								
ARMORY	0	775	1,100	(325)	775	775	775	775
BLACK RIVER FALLS								
MOTOR VEHICLE STORAGE BUILDING	193	193	193	0	0	193	0	193
EAU CLAIRE								
MOTOR VEHICLE STORAGE BUILDING	284	284	284	0	0	284	0	284
FOND-DU-LAC								
ARMORY	0	625	0	625	625	625	625	625
MADISON								
ARMORY	0	563	0	563	2,700	2,700	2,700	2,700
WAUPACA								
ARMORY	0	695	0	695	695	695	695	695
ARMY RESERVE								
EAU CLAIRE								
LAND ACQUISITION	300	300	300	0	0	300	0	300
MILWAUKEE								
ARMY RESERVE CENTER/MAINT FAC/INDOOR RANGE	11,207	11,207	11,207	0	0	11,207	0	11,207

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AIR NATIONAL GUARD								
MITCHELL FIELD								
ALERT AIRCRAFT PARKING APRON................	0	2,000	0	2,000	0	0	0	0
JET FUEL LINE/HYDRANT.......................	0	1,200	0	1,200	0	0	0	0
ALERT AIRCRAFT TAXIWAY......................	0	900	0	900	0	0	0	0
RAPID RESPONSE ROUTS/GUARDHOUSE.............	0	250	0	250	0	0	0	0
UTILITIES EXPANSION.........................	0	500	0	500	0	0	0	0
SUPPORT FACILITIES..........................	0	150	4,500	(4,350)	4,500	4,500	4,500	4,500
TOTAL, WISCONSIN..........................	12,704	20,362	18,304	2,058	9,295	21,999	9,295	21,999
WYOMING								
AIR FORCE								
FE WARREN AFB								
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING...	2,100	0	2,100	(2,100)	(2,100)	0	(2,100)	0
CORROSION CONTROL FACILITY..................	308	308	308	0	0	308	0	308
DATA PROCESSING FACILITY....................	1,800	1,800	0	1,800	(1,800)	0	(1,800)	0
ARMY NATIONAL GUARD								
CAMP GUERNSEY								
TRNG SITE, FIRE STATION/AIR OPERATIONS......	493	493	493	0	0	493	0	493
WASH PLATFORMS..............................	148	148	148	0	0	148	0	148
TOTAL, WYOMING............................	4,849	2,749	3,049	(300)	(3,900)	949	(3,900)	949
CONUS CLASSIFIED								
AIR FORCE								
CLASSIFIED LOCATION								
CLASSIFIED PROJECT..........................	1,500	1,500	1,500	0	0	1,500	0	1,500
DEFENSE AGENCIES								
CLASSIFIED LOCATION								
CLASSIFIED PROJECT..........................	43,148	43,148	43,148	0	0	43,148	0	43,148
CLASSIFIED PROJECT..........................	25,386	25,386	25,386	0	0	25,386	0	25,386
TOTAL, CONUS CLASSIFIED...................	70,034	70,034	70,034	0	0	70,034	0	70,034
CONUS VARIOUS								
ARMY								
VARIOUS CONUS LOCATIONS								
CLASSIFIED PROJECT..........................	4,000	4,000	4,000	0	0	4,000	0	4,000
HISTORIC FACILITIES.........................	6,000	0	0	0	(6,000)	0	(6,000)	0
AIR FORCE								
AIR FORCE UNSPECIFIED COMMAND								
HISTORIC FACILITIES SUPPORT.................	2,800	0	0	0	(2,800)	0	(2,800)	0
SPECIAL TACTICAL DETACHMENT.................	19,073	19,073	19,073	0	0	19,073	0	19,073
BASE 51								
LANTIRN INTERMEDIATE COMPLEX................	610	610	610	0	0	610	0	610
BASE 52								
LANTIRN SUPPORT BUILDING....................	600	600	600	0	0	600	0	600
CONUS VARIOUS								
CENT CONUS OTH-B REAL ESTATE ACQUISITION....	6,000	0	6,000	(6,000)	(6,000)	0	(6,000)	0
DEFENSE AGENCIES								
CONUS VARIOUS								
HOUSING PILOT PROGRAM.......................	0	1,000	0	1,000	1,000	1,000	1,000	1,000
HISTORIC FACILITIES.........................	1,500	0	0	0	(1,500)	0	(1,500)	0

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ARMY NATIONAL GUARD								
CONUS VARIOUS								
GENERAL REDUCTION	0	0	(27,186)	27,186	(16,000)	(16,000)	(16,000)	(16,000)
ARMY RESERVE								
CONUS VARIOUS								
GENERAL REDUCTION	0	0	(7,000)	7,000	(7,000)	(7,000)	(7,000)	(7,000)
NAVY/MARINE CORPS RESERVE								
CONUS VARIOUS								
GENERAL RDUCTION	0	0	(5,000)	5,000	(5,000)	(5,000)	(5,000)	(5,000)
AIR NATIONAL GUARD								
CONUS VARIOUS								
AIRCRAFT ARRESTING SYSTEM	350	350	350	0	0	350	0	350
FLIGHT SIMULATOR FACILITY	950	950	950	0	0	950	0	950
POWER CHECK PAD	4,220	0	4,220	(4,220)	(4,220)	0	(4,220)	0
GENERAL REDUCTION	0	0	(15,900)	15,900	10,200	10,200	10,200	10,200
AIR FORCE RESERVE								
GENERAL REDUCTION	0	0	(5,000)	5,000	(5,000)	(5,000)	(5,000)	(5,000)
TOTAL, CONUS VARIOUS	46,103	26,583	(24,283)	50,866	(42,320)	3,783	(42,320)	3,783

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					CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
ANTIGUA								
NAVY								
NAVAL SUPPORT FACILITY								
NAVAL SUPPORT FACILITY UPGRADE..............	3,250	0	3,250	(3,250)	0	3,250	(3,250)	0
TOTAL, ANTIGUA...........................	3,250	0	3,250	(3,250)	0	3,250	(3,250)	0
BELGIUM								
AIR FORCE								
FLORENNES								
CW PROTECT-CENTRAL SECURITY CONTROL.........	1,700	0	1,700	(1,700)	(1,700)	0	(1,700)	0
CW PROTECT-WING COMMAND POST................	1,700	0	1,700	(1,700)	(1,700)	0	(1,700)	0
GLCM-CHEM WARFARE PROT-HF TELECOMM FAC......	1,100	0	1,100	(1,100)	(1,100)	0	(1,100)	0
GLCM-COMMUNICATIONS SQUADRON FACILITY.......	510	0	510	(510)	(510)	0	(510)	0
GLCM-FIRE STATION...........................	330	0	330	(330)	(330)	0	(330)	0
GLCM-SECURITY POLICE OPERATIONS FACILITY....	800	0	800	(800)	(800)	0	(800)	0
GLCM-TRP SUBSISTENCE WHSE/BS COLD STORAGE...	1,100	0	1,100	(1,100)	(1,100)	0	(1,100)	0
GLCM-VEHICLE MAINTENANCE COMPLEX............	1,500	0	1,500	(1,500)	(1,500)	0	(1,500)	0
GLCM-YOUTH CENTER...........................	800	0	800	(800)	(800)	0	(800)	0
WEAPONS STORAGE AND SECURITY SYSTEM FAC.....	410	0	410	(410)	(410)	0	(410)	0
TOTAL, BELGIUM...........................	9,950	0	9,950	(9,950)	(9,950)	0	(9,950)	0
BERMUDA								
NAVY								
NAVAL AIR STATION BERMUDA								
BACHELOR OFFICER QTRS NEW & MODERNIZATION...	3,150	0	3,150	(3,150)	(3,150)	0	(3,150)	0
TOTAL, BERMUDA...........................	3,150	0	3,150	(3,150)	(3,150)	0	(3,150)	0
CANADA								
NAVY								
NAVAL FACILITY ARGENTIA NEWFOUNDLAND								
HEATING PLANT...............................	400	0	400	(400)	(400)	0	(400)	0
TOTAL, CANADA............................	400	0	400	(400)	(400)	0	(400)	0
DIEGO GARCIA								
NAVY								
NAVY SUPPORT FACILITY								
DAIRY PLANT.................................	1,000	1,000	1,000	0	0	1,000	0	1,000
AIR FORCE								
DIEGO GARCIA								
AIR FORCE CANTONMENT AREA...................	14,500	14,500	14,500	0	0	14,500	0	14,500
GPS INTERNET FACILITIES.....................	4,100	4,100	4,100	0	0	4,100	0	4,100
TOTAL, DIEGO GARCIA......................	19,600	19,600	19,600	0	0	19,600	0	19,600
GERMANY								
ARMY								
BAD KREUZNACH								

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					CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM REQUEST	RECOMMENDATION
FACILITY MODERNIZATION	10,200	10,200	10,200	0	0	10,200	0	10,200
BAMBERG								
FAMILY HOUSING-NEW CONSTRUCTION (106)	11,200	11,200	11,200	0	0	11,200	0	11,200
BAUMHOLDER								
FACILITY MODERNIZATION PHASE IV	10,800	10,800	10,800	0	0	10,800	0	10,800
FAMILY HOUSING-NEW CONSTRUCTION (152)	12,600	12,600	12,600	0	0	12,600	0	12,600
EINSIEDLERHOF								
TRAINING EXERCISE FACILITY	5,900	5,900	5,900	0	0	5,900	0	5,900
GIESSEN								
CHILD DEVELOPMENT CENTER	1,250	1,250	1,250	0	0	1,250	0	1,250
HARDSTAND/FACILITY UPGRADE	13,600	0	6,100	(6,100)	(13,600)	0	(13,600)	0
GRAFENWOEHR TNG AREA								
CHILD DEVELOPMENT CENTER	1,800	1,800	1,800	0	0	1,800	0	1,800
UPGRADE TANK GUNNERY RANGE	3,900	3,900	3,900	0	0	3,900	0	3,900
HANAU								
HARDSTAND	1,300	1,300	1,300	0	0	1,300	0	1,300
HOHENFELS TNG AREA								
UTILITIES SUPPORT	15,500	15,500	15,500	0	0	15,500	0	15,500
UTILITIES SUPPORT	3,750	3,750	0	3,750	(3,750)	0	(3,750)	0
MAINZ								
ORGANIZATIONAL VEHICLE PARKING	1,100	1,100	1,100	0	0	1,100	0	1,100
MANNHEIM								
HARDSTAND/FACILITY UPGRADE	14,400	0	14,400	(14,400)	(14,400)	0	(14,400)	0
RHEINBERG								
CHILD DEVELOPMENT CENTER	1,050	1,050	1,050	0	0	1,050	0	1,050
FACILITIES ENGINEER SHOP MODERNIZATION	6,400	0	6,400	(6,400)	(6,400)	0	(6,400)	0
LOGISTICAL SUPPLY FACILITY	8,300	0	8,300	(8,300)	0	8,300	0	8,300
UTILITIES AND OPERATIONS UPGRADE	7,600	7,600	7,600	0	0	7,600	0	7,600
SCHWEINFURT								
HARDSTAND/FACILITY UPGRADE	9,500	0	9,500	(9,500)	(9,500)	0	(9,500)	0
STUTTGART								
CHILD DEVELOPMENT CENTER	1,800	1,800	0	1,800	0	1,800	0	1,800
OPERATIONS BUILDING MODIFICATIONS	5,400	5,400	5,400	0	0	5,400	0	5,400
POL STORAGE FACILITY UPGRADE	7,000	7,000	7,000	0	0	7,000	0	7,000
VARIOUS SITES								
RANGE MODERNIZATION	30,000	15,000	15,000	0	(15,000)	15,000	(15,000)	15,000
WARTIME HOST NATION SUPPORT	4,500	4,500	4,500	0	0	4,500	0	4,500
VILSECK								
ADMINISTRATION FACILITY	1,150	1,150	1,150	0	0	1,150	0	1,150
AMMUNITION STORAGE	2,700	2,700	2,700	0	0	2,700	0	2,700
BARRACKS	7,800	7,800	7,800	0	0	7,800	0	7,800
BATTALION HEADQUARTERS	1,450	1,450	1,450	0	0	1,450	0	1,450
BATTALION HEADQUARTERS ADDITION	800	800	800	0	0	800	0	800
COMMUNITY CENTER	5,400	5,400	5,400	0	0	5,400	0	5,400
COMPANY OPERATIONS FACILITY	750	750	750	0	0	750	0	750
DINING FACILITY	3,600	3,600	3,600	0	0	3,600	0	3,600
FACILITIES ENGINEER COMPLEX	13,400	0	13,400	(13,400)	(13,400)	0	(13,400)	0
GENERAL PURPOSE WAREHOUSE	1,950	0	1,950	(1,950)	(1,950)	0	(1,950)	0
HARDSTAND/TACTICAL EQUIPMENT SHOP	5,700	5,700	5,700	0	0	5,700	0	5,700
HARDSTAND/TACTICAL EQUIPMENT SHOP	15,000	0	15,000	(15,000)	(15,000)	0	(15,000)	0
HARDSTAND/TACTICAL EQUIPMENT SHOP	17,000	17,000	17,000	0	0	17,000	0	17,000

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LIBRARY AND EDUCATION CENTER	1,150	1,150	1,150	0	0	1,150	0	1,150
OPERATIONS FACILITY	4,050	4,050	4,050	0	0	4,050	0	4,050
POL STORAGE FACILITY	5,100	5,100	5,100	0	0	5,100	0	5,100
VEHICLE WASH FACILITY	3,750	3,750	3,750	0	0	3,750	0	3,750
FAMILY HOUSING-NEW CONSTRUCTION (188)	17,000	17,000	17,000	0	0	17,000	0	17,000
GENERAL REDUCTION	0	0	(9,000)	9,000	0	0	0	0
WIESBADEN								
AIRCRAFT MAINTENANCE HANGAR	30,000	30,000	0	30,000	0	30,000	0	30,000
AIRCRAFT MAINTENANCE HANGAR	8,500	0	8,500	(8,500)	(8,500)	0	(8,500)	0
CHILD DEVELOPMENT CENTER	2,250	2,250	2,250	0	0	2,250	0	2,250
HARDSTAND	2,550	0	2,550	(2,550)	(2,550)	0	(2,550)	0
HARDSTAND/TACTICAL EQUIPMENT SHOP	2,500	0	2,500	(2,500)	(2,500)	0	(2,500)	0
HARDSTAND/TACTICAL EQUIPMENT SHOP	4,400	4,400	4,400	0	0	4,400	0	4,400
HARDSTAND/TACTICAL EQUIPMENT SHOP	2,250	2,250	2,250	0	0	2,250	0	2,250
WILDFLECKEN								
HARDSTAND	11,400	11,400	11,400	0	0	11,400	0	11,400
VEHICLE WASH FACILITY	4,700	4,700	4,700	0	0	4,700	0	4,700
ZWEIBRUECKEN								
CHAPEL AND RELIGIOUS EDUCATION FACILITY	1,900	1,900	1,900	0	0	1,900	0	1,900
AIR FORCE								
BITBURG AB								
ADD TO AND ALTER FIRE STATION	440	440	440	0	0	440	0	440
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	2,850	2,850	2,850	0	0	2,850	0	2,850
VEHICLE MAINTENANCE FACILITY	1,400	1,400	1,400	0	0	1,400	0	1,400
BUCHEL								
WEAPONS STORAGE AND SECURITY SYSTEM FAC	2,000	0	2,000	(2,000)	(2,000)	0	(2,000)	0
HAHN AB								
ADD TO VEHICLE MAINTENANCE FACILITY	1,900	1,900	0	1,900	(1,900)	0	(1,900)	0
COMBAT AMMUNITIONS CONTROL CENTER	770	770	770	0	0	770	0	770
PETROLEUM OPERATIONS FACILITY	590	590	590	0	0	590	0	590
POST OFFICE	960	960	960	0	0	960	0	960
UNACCOMPANIED ENLISTED PERSONNEL HOUSING	3,450	3,450	3,450	0	0	3,450	0	3,450
MEMMINGEN								
WEAPONS STORAGE AND SECURITY SYSTEM FAC	2,000	0	2,000	(2,000)	(2,000)	0	(2,000)	0
PRUEM AS								
CHAPEL	850	850	850	0	0	850	0	850
COMPOSITE RECREATION CENTER	1,150	1,150	1,150	0	0	1,150	0	1,150
RAMSTEIN AB								
ADD-ALTER NCO ACADEMY (KAPUN)	1,750	0	0	0	(1,750)	0	(1,750)	0
ALTER UNACCOMPANIED ENLISTED PERSONNEL HSG.	2,900	2,900	2,900	0	0	2,900	0	2,900
COMBAT AMMUNITIONS CONTROL CENTER	1,250	0	0	0	(1,250)	0	(1,250)	0
FIRE STATION	560	560	560	0	0	560	0	560
VEHICLE MAINTENANCE SHOP	7,200	0	0	0	(7,200)	0	(7,200)	0
WAREHOUSE	2,150	0	0	0	(2,150)	0	(2,150)	0
WEAPONS STORAGE AND SECURITY SYSTEM FAC	9,900	0	9,900	(9,900)	(9,900)	0	(9,900)	0
RHEIN-MAIN AB								
ADD-ALTER AIR PASSENGER TERMINAL	9,900	9,900	9,900	0	0	9,900	0	9,900
FLIGHTLINE SECURITY LIGHTING	500	500	500	0	0	500	0	500
RRR KIT STORAGE FACILITY	1,050	1,050	1,050	0	0	1,050	0	1,050
SEMBACH AB								
SQUADRON OPERATIONS FACILITY	1,100	1,100	1,100	0	0	1,100	0	1,100

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UPG WATER STORAGE AND DISTRIB SYSTEM........	2,250	0	0	0	(2,250)	0	(2,250)	0
SPANGDAHLEM AB								
F16-ADD/ALTER FLIGHT SIMULATOR FACILITY.....	1,850	1,850	1,850	0	0	1,850	0	1,850
UNACCOMPANIED ENLISTED PERSONNEL HOUSING....	3,200	3,200	3,200	0	0	3,200	0	3,200
WENIGERATH								
MUNITIONS SECURITY LIGHTING.................	1,750	1,750	1,750	0	0	1,750	0	1,750
WUESCHHEIM								
GLCM-COMM SQUADRON FACILITY.................	800	0	800	(800)	(800)	0	(800)	0
GLCM-CW PROTECT HF TELECOMM FACILITY........	990	0	990	(990)	(990)	0	(990)	0
GLCM-CW PROTECT-CENTRAL SECURITY CONTROL....	1,650	0	1,650	(1,650)	(1,650)	0	(1,650)	0
GLCM-CW PROTECT-WING COMMAND POST...........	1,750	0	1,750	(1,750)	(1,750)	0	(1,750)	0
WEAPONS STORAGE AND SECURITY SYSTEM FAC.....	450	0	450	(450)	(450)	0	(450)	0
ZWEIBRUCKEN AB								
UNACCOMPANIED ENLISTED PERSONNEL HOUSING....	1,850	1,850	0	1,850	0	1,850	0	1,850
UNACCOMPANIED ENLISTED PERSONNEL HOUSING....	2,650	2,650	2,650	0	0	2,650	0	2,650
DEFENSE AGENCIES								
BITBURG								
ELEMENTARY AND HIGH SCHOOL ADDITIONS........	2,413	2,413	2,413	0	0	2,413	0	2,413
RHEINBERG								
DISPENSARY & DENTAL CLINIC..................	2,250	2,250	2,250	0	0	2,250	0	2,250
SCHWEINFURT								
JUNIOR HIGH SCHOOL..........................	5,320	5,320	5,320	0	0	5,320	0	5,320
SEMBACH								
ELEMENTARY SCHOOL ADDITION..................	2,930	2,930	2,930	0	0	2,930	0	2,930
SPANGDALEN AIR BASE								
HIGH SCHOOL.................................	7,300	7,300	0	7,300	0	7,300	0	7,300
STUTTGART								
PATCH ELEMENTARY SCHOOL ADDITION............	1,530	1,530	1,530	0	0	1,530	0	1,530
PATCH HIGH SCHOOL ADDITION..................	1,500	1,500	1,500	0	0	1,500	0	1,500
STUTTGART-PATCH BARRACKS								
DCA/EUROPE BUILDING EXPANSION...............	1,030	1,030	1,030	0	0	1,030	0	1,030
WUERTZBURG								
MIDDLE SCHOOL...............................	10,913	3,153	10,913	(7,760)	(7,760)	3,153	(7,760)	3,153
TOTAL, GERMANY..............................	478,046	325,046	385,346	(60,300)	(150,350)	327,696	(150,350)	327,696
GREECE								
AIR FORCE								
ARAXOS								
WEAPONS STORAGE AND SECURITY SYSTEM FAC.....	1,800	0	1,800	(1,800)	(1,800)	0	(1,800)	0
DEFENSE AGENCIES								
IRAKLION AIR STATION								
SECOND ECHELON MEDICAL LOGISTICS STORAGE....	340	340	340	0	0	340	0	340
TOTAL, GREECE...............................	2,140	340	2,140	(1,800)	(1,800)	340	(1,800)	340
GREENLAND								
AIR FORCE								
THULE AB								
ALTER UNACCOMPANIED ENLISTED PERS HSG.......	3,000	3,000	3,000	0	0	3,000	0	3,000
TOTAL, GREENLAND............................	3,000	3,000	3,000	0	0	3,000	0	3,000

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GUAM								
NAVY								
MOBILE CONSTR BATTALION CAMP COVINGTON								
BACHELOR ENLISTED QUARTERS AND MESS HALL....	14,700	14,700	14,700	0	0	14,700	0	14,700
NAVAL FACILITY								
PUBLIC WORKS FACILITY......................	650	650	650	0	0	650	0	650
NAVAL MAGAZINE								
ORDNANCE MAINTENANCE FACILITY..............	10,800	10,800	10,800	0	0	10,800	0	10,800
NAVAL SHIP REPAIR FACILITY								
REPAIR WHARVES IMPROVEMENT.................	5,100	5,100	5,100	0	0	5,100	0	5,100
NAVAL SUPPLY DEPOT								
EQUIPMENT MAINTENANCE FACILITY.............	8,460	8,460	8,460	0	0	8,460	0	8,460
SUPPLY MAINTENANCE FACILITY................	5,700	0	5,700	(5,700)	0	5,700	0	5,700
NAVY PUBLIC WORKS CENTER GUAM								
BOILER PLANT MODIFICATIONS.................	2,360	2,360	2,360	0	0	2,360	0	2,360
AIR FORCE								
ANDERSEN AFB								
ADD-ALTER PHYSICAL FITNESS CENTER..........	3,600	3,600	0	3,600	0	3,600	(3,600)	0
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING...	5,100	0	5,100	(5,100)	0	5,100	0	5,100
TOTAL, GUAM................................	56,470	45,670	52,870	(7,200)	0	56,470	(3,600)	52,870
GUANTANAMO BAY, CU								
NAVY								
NAVAL AIR STATION GUANTANAMO BAY								
BACHELOR OFFICER QUARTERS MODERNIZATION.....	1,770	1,770	1,770	0	0	1,770	0	1,770
NAVAL STATION GUANTANAMO BAY								
FACILITY ENERGY IMPROVEMENTS...............	917	917	917	0	0	917	0	917
TOTAL, GUANTANAMO BAY, CU..................	2,687	2,687	2,687	0	0	2,687	0	2,687
HONDURAS								
ARMY								
HONDURAS								
TROOP SUPPORT FACILITY UPGRADE.............	4,150	4,150	4,150	0	0	4,150	0	4,150
TOTAL, HONDURAS............................	4,150	4,150	4,150	0	0	4,150	0	4,150
ICELAND								
NAVY								
NAVAL AIR SATATION KEFLAVIK								
AIRFIELD PAVEMENTS.........................	1,820	1,820	1,820	0	0	1,820	0	1,820
COMBINED OPERATIONS CENTER SUPPORT FAC......	3,050	0	3,050	(3,050)	0	3,050	0	3,050
FUEL FACILITIES............................	12,300	12,300	12,300	0	(12,300)	0	(12,300)	0
NAVAL STATION KEFLAVIK								
FAMILY HOUSING-NEW CONSTRUCTION (250) PHASE II	20,367	20,000	20,367	(367)	(367)	20,000	(367)	20,000
TOTAL, ICELAND.............................	37,537	34,120	37,537	(3,417)	(12,667)	24,870	(12,667)	24,870

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ITALY								
NAVY								
NAV COM AREA MASTER STATION MED NAPLES								
SIGONELLA TRANSMITTER FACILITIES............	5,300	5,300	5,300	0	0	5,300	0	5,300
NAVAL AIR STATION SIGONELLA								
PHYSICAL SECURITY IMPROVEMENTS..............	2,460	2,460	2,460	0	0	2,460	0	2,460
NAVAL SUPPORT ACTIVITY NAPLES								
CMD CTRL COMMS & INTELLIGENCE CPX (PH I)....	24,900	24,900	0	24,900	(5,500)	19,400	(5,500)	19,400
SECURITY IMPROVEMENTS.......................	750	750	750	0	0	750	0	750
NAVY SUPPORT OFFICE LA MADDALENA								
COLD-IRON UTILITIES SUPPORT.................	7,480	7,480	0	7,480	0	7,480	0	7,480
AIR FORCE								
AVIANO AB								
CW PROTECT-SQUADRON OPS FACILITY............	1,450	1,450	1,450	0	0	1,450	0	1,450
COMISO AB								
GLCM-ADD-ALTER BASE COLD STORAGE............	760	0	760	(760)	(760)	0	(760)	0
GLCM-COMMUNICATIONS SQUADRON FACILITY.......	480	0	480	(480)	(480)	0	(480)	0
GLCM-CW PROTECT HF TELECOMM FACILITY........	1,100	0	1,100	(1,100)	(1,100)	0	(1,100)	0
GLCM-LIBRARY................................	230	0	230	(230)	(230)	0	(230)	0
GLCM-MWR CENTRAL STORAGE FACILITY...........	380	0	380	(380)	(380)	0	(380)	0
GLCM-SECURITY POLICE OPERATIONS FACILITY....	610	0	610	(610)	(610)	0	(610)	0
GLCM-VEHICLE MAINTENANCE COMPLEX............	2,250	0	2,250	(2,250)	(2,250)	0	(2,250)	0
SAN VITO AS								
EDUCATION CENTER............................	390	390	390	0	0	390	0	390
DEFENSE AGENCIES								
NAPLES								
HOSPITAL REPLACEMENT........................	30,000	30,000	0	30,000	(30,000)	0	(30,000)	0
SAN VITO AIR STATION								
SECOND ECHELON MEDICAL LOGISTICS STORAGE....	670	670	670	0	0	670	0	670
SIGONELLA NAVAL AIR STATION								
HOSPITAL REPLACEMENNT.......................	20,000	0	20,000	(20,000)	0	20,000	0	20,000
TOTAL, ITALY................................	99,210	73,400	36,830	36,570	(41,310)	57,900	(41,310)	57,900
JAPAN								
ARMY								
JAPAN VARIOUS								
AMMUNITION STORAGE COMPLEXES................	20,000	10,000	8,000	2,000	(12,000)	8,000	(12,000)	8,000
AMMUNITION SURVEILLANCE FACILITY............	1,500	1,500	1,500	0	0	1,500	0	1,500
RELOCATE FIELD OFFICES......................	1,750	1,750	1,750	0	0	1,750	0	1,750
NAVY								
MARINE CORPS AIR STATION FUTENMA OKINAWA								
CRASH FIRE STATION ADDITION.................	1,000	1,000	1,000	0	0	1,000	0	1,000
FLIGHT LINE SECURITY IMPROVEMENTS...........	3,790	3,790	0	3,790	(3,790)	0	(3,790)	0
MARINE CORPS AIR STATION IWAKUNI								
FLIGHT LINE SECURITY IMPROVEMENTS...........	1,080	1,080	1,080	0	0	1,080	0	1,080
MARINE CORPS BASE CAMP BUTLER OKINAWA								
BACHELOR ENLISTED QUARTERS IMPROVEMENTS.....	11,300	0	6,300	(6,300)	(11,300)	0	(11,300)	0
AIR FORCE								
KADENA AB								
ALTER UNACCOMPANIED PERSONNEL HOUSING.......	2,850	0	0	0	(2,850)	0	(2,850)	0

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F16-ADD/ALTER AVIONICS SHOP.................	5,000	5,000	5,000	0	0	5,000	0	5,000
FIRE PROTECTION-VARIOUS FACILITIES..........	1,850	1,850	0	1,850	(1,850)	0	(1,850)	0
JET FUEL STORAGE PHASE V....................	5,500	5,500	0	5,500	(5,500)	0	(5,500)	0
YOKOTA AB								
ADD-ALTER CORROSION CONTROL FACILITY........	3,150	0	0	0	(3,150)	0	(3,150)	0
ALTER COMMAND CENTER........................	2,600	2,600	0	2,600	(2,600)	0	(2,600)	0
DEFENSE AGENCIES								
CAMP LESTER OKINAWA								
HOSPITAL LIFE SAFETY UPGRADE................	1,400	1,400	1,400	0	0	1,400	0	1,400
MISAWA AFB								
COMPOSITE MEDICAL FACILITY..................	4,700	4,700	4,700	0	0	4,700	0	4,700
TOTAL, JAPAN................................	67,470	40,170	30,730	9,440	(43,040)	24,430	(43,040)	24,430
JOHNSTON ISLAND								
DEFENSE AGENCIES								
DNA HDQTRS FIELD COMMAND								
FITNESS CENTER..............................	2,000	2,000	2,000	0	0	2,000	0	2,000
SEWAGE TREATMENT PLANT......................	2,100	2,100	2,100	0	0	2,100	0	2,100
TOTAL, JOHNSTON ISLAND......................	4,100	4,100	4,100	0	0	4,100	0	4,100
KOREA								
ARMY								
CAMP CASEY								
BARRACKS....................................	28,000	28,000	28,000	0	0	28,000	0	28,000
CAMP CASTLE								
BARRACKS....................................	3,200	3,200	3,200	0	0	3,200	0	3,200
CAMP HENRY								
BARRACKS....................................	11,800	0	0	0	(11,800)	0	(11,800)	0
CAMP HOVEY								
BARRACKS....................................	11,800	11,800	11,800	0	0	11,800	0	11,800
CAMP HOWZE								
BARRACKS....................................	4,150	4,150	4,150	0	0	4,150	0	4,150
CAMP HUMPHREYS								
BARRACKS....................................	6,700	0	0	0	(6,700)	0	(6,700)	0
CAMP JACKSON								
BARRACKS....................................	4,350	4,350	4,350	0	0	4,350	0	4,350
CAMP KYLE								
BARRACKS....................................	2,750	2,750	2,750	0	0	2,750	0	2,750
CAMP MARKET								
BARRACKS....................................	200	0	2,200	(2,200)	(2,200)	0	(2,200)	0
CAMP MERCER								
BARRACKS....................................	720	720	720	0	0	720	0	720
CAMP NIMBLE								
BARRACKS....................................	2,200	2,200	2,200	0	0	2,200	0	2,200
CAMP PAGE								
BARRACKS....................................	5,900	5,900	5,900	0	0	5,900	0	5,900
CAMP RED CLOUD								
BARRACKS....................................	8,500	8,500	8,500	0	0	8,500	0	8,500
KOREA VARIOUS								

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AMMUNITION STORAGE..........................	4,850	4,850	4,850	0	0	4,850	0	4,850
YONGSAN								
SENSITIVE COMPARTMENTED INFORMATION FAC.....	3,750	0	3,750	(3,750)	0	3,750	0	3,750
AIR FORCE								
CAMP HUMPHREYS								
OPERATION MAINTENANCE AND STORAGE FAC.......	5,550	5,550	5,550	0	0	5,550	0	5,550
KUNSAN AB								
ALTER AIRCRAFT SHELTER......................	7,000	7,000	4,000	3,000	(3,000)	4,000	(3,000)	4,000
RRR EQUIPMENT STORAGE FACILITY..............	950	950	950	0	0	950	0	950
UPG ELECTRICAL DISTRIB SYSTEM PHASE-III.....	2,250	2,250	0	2,250	(2,250)	0	(2,250)	0
VEHICLE OPERATION/MAINTENANCE COMPLEX.......	5,000	0	5,000	(5,000)	(5,000)	0	(5,000)	0
WAR READINESS MATERIAL WHSE.................	800	800	800	0	0	800	0	800
KWANG-JU AB								
WRM VEHICLE PARKING.........................	900	0	900	(900)	(900)	0	(900)	0
OSAN AB								
ADD TO NUMBERED AIR FORCE HEADQUARTERS......	1,750	0	0	0	(1,750)	0	(1,750)	0
AIRCRAFT MAINTENANCE FACILITY...............	3,000	0	3,000	(3,000)	(3,000)	0	(3,000)	0
CONTROL TOWER CAB...........................	400	400	400	0	0	400	0	400
MUNITIONS STORAGE FACILITY..................	1,600	1,600	1,600	0	0	1,600	0	1,600
SECURITY POLICE OPERATIONS FACILITY.........	2,200	2,200	0	2,200	0	2,200	0	2,200
UNACCOMPANIED ENLISTED PERSONNEL HOUSING....	4,500	4,500	4,500	0	0	4,500	0	4,500
UPG PRIMARY ELECTRIC DISTR SYS PH-II........	7,000	7,000	7,000	0	0	7,000	0	7,000
WAR READINESS MATERIAL WHSE.................	940	940	940	0	0	940	0	940
SUWON								
SEMIHARDENED COMMAND POST...................	3,650	3,650	3,650	0	0	3,650	0	3,650
TOTAL, KOREA................................	148,360	113,260	120,660	(7,400)	(36,600)	111,760	(36,600)	111,760
KWAJALEIN								
ARMY								
KWAJALEIN								
AIRCRAFT MAINTENANCE FACILITY...............	3,950	3,950	3,950	0	0	3,950	0	3,950
MULTI-STATIC MEASUREMENT SYSTEM FACILITY....	890	890	890	0	0	890	0	890
POWER PLANT REPLACEMENT.....................	21,000	21,000	21,000	0	0	21,000	0	21,000
RADAR CONTROL FACILITY......................	720	720	720	0	0	720	0	720
FAMILY HOUSING-NEW CONSTRUCTION (246).......	41,000	0	41,000	(41,000)	(41,000)	0	(41,000)	0
DEFENSE AGENCIES								
MISSILE RANGE								
BERTHING & TERMINAL FACILITIES..............	2,100	2,100	2,100	0	0	2,100	0	2,100
ERIS MISSILE LAUNCH.........................	7,900	7,900	7,900	0	0	7,900	0	7,900
HEDI MISSILE LAUNCH.........................	6,565	6,565	6,565	0	0	6,565	0	6,565
TOTAL, KWAJALEIN............................	84,125	43,125	84,125	(41,000)	(41,000)	43,125	(41,000)	43,125
					0		0	
					0		0	
LUXEMBOURG								
DEFENSE AGENCIES								
ECHTERNACH								
MEDICAL CONTINGENCY COMPLEX.................	15,500	0	15,500	(15,500)	(15,500)	0	(15,500)	0
TOTAL, LUXEMBOURG...........................	15,500	0	15,500	(15,500)	(15,500)	0	(15,500)	0

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NETHERLANDS								
AIR FORCE								
CAMP NEW AMSTERDAM								
ADD TO BASE SUPPLY COMPLEX..................	2,600	2,600	2,600	0	0	2,600	0	2,600
WOENSDRECHT AB								
GLCM-ADMINISTRATIVE SUPPORT FACILITY........	2,750	0	2,750	(2,750)	(2,750)	0	(2,750)	0
GLCM-ATHLETIC FIELDS AND COURTS.............	550	0	550	(550)	(550)	0	(550)	0
GLCM-BASE THEATER...........................	900	0	900	(900)	(900)	0	(900)	0
GLCM-CHAPEL CENTER..........................	1,650	0	1,650	(1,650)	(1,650)	0	(1,650)	0
GLCM-CHILD DEVELOPMENT CENTER...............	600	0	600	(600)	(600)	0	(600)	0
GLCM-COMMUNITY RECREATION CENTER............	1,600	0	1,600	(1,600)	(1,600)	0	(1,600)	0
GLCM-CONSOLIDATED HOBBY SHOP................	830	0	830	(830)	(830)	0	(830)	0
GLCM-DATA PROCESSING FACILITY...............	1,350	0	1,350	(1,350)	(1,350)	0	(1,350)	0
GLCM-FORMS AND PUBLICATIONS WAREHOUSE.......	280	0	280	(280)	(280)	0	(280)	0
GLCM-GROUP HEADQUARTERS FACILITY............	4,950	0	4,950	(4,950)	(4,950)	0	(4,950)	0
GLCM-PHYSICAL FITNESS FACILITY..............	2,500	0	2,500	(2,500)	(2,500)	0	(2,500)	0
GLCM-RECREATION LIBRARY.....................	520	0	520	(520)	(520)	0	(520)	0
GLCM-SERVICES SUPPLY WAREHOUSE..............	700	0	700	(700)	(700)	0	(700)	0
GLCM-TRAFFIC MANAGEMENT FACILITY............	1,450	0	1,450	(1,450)	(1,450)	0	(1,450)	0
GLCM-VEHICLE MAINTENANCE COMPLEX............	1,600	0	1,600	(1,600)	(1,600)	0	(1,600)	0
GLCM-VISITING AIRMEN QUARTERS...............	1,350	0	1,350	(1,350)	(1,350)	0	(1,350)	0
GLCM-VISITING OFFICERS QUARTERS.............	1,400	0	1,400	(1,400)	(1,400)	0	(1,400)	0
GLCM-YOUTH CENTER...........................	500	0	500	(500)	(500)	0	(500)	0
WEAPONS STORAGE AND SECURITY SYSTEM FAC.....	400	0	400	(400)	(400)	0	(400)	0
FAMILY HOUSING-NEW CONSTRUCTION (400).......	35,500	0	35,500	(35,500)	(35,500)	0	(35,500)	0
GENERAL REDUCTION...........................	0	0	(3,600)	3,600	0	0	0	0
DEFENSE AGENCIES								
WOENSDRECHT								
CLINIC/DENTAL CLINIC........................	6,800	0	6,800	(6,800)	(6,800)	0	(6,800)	0
MEDICAL WAREHOUSE...........................	360	360	360	0	0	360	0	360
TOTAL, NETHERLANDS..........................	71,140	2,960	67,540	(64,580)	(68,180)	2,960	(68,180)	2,960
OMAN								
AIR FORCE								
MASIRAH AB								
CARETAKER CONTRACTOR SUPPORT FACS-MAINT.....	1,400	1,400	1,400	0	0	1,400	0	1,400
RELOCATABLE WAREHOUSE.......................	1,200	1,200	1,200	0	0	1,200	0	1,200
VORTAC SITE SUPPORT.........................	725	725	725	0	0	725	0	725
SEEB AB								
CARETAKER CONTRACTOR SPT FACILITY...........	4,900	4,900	4,900	0	0	4,900	0	4,900
COMM MAINTENANCE AND MGMT FACILITY..........	810	810	810	0	0	810	0	810
RELOCATABLE WAREHOUSE.......................	2,550	2,550	2,550	0	0	2,550	0	2,550
THUMRAIT AB								
CARETAKER CONTRACTOR SUPPORT FACS-MAINT.....	1,400	1,400	1,400	0	0	1,400	0	1,400
COMM MAINT AND MGMT FACILITY................	810	810	810	0	0	810	0	810
INSTRU LAND SYSTEM SITE SUPPORT.............	725	725	725	0	0	725	0	725
RELOCATABLE WAREHOUSE.......................	1,350	1,350	1,350	0	0	1,350	0	1,350
VORTAC SITE SUPPORT.........................	725	725	725	0	0	725	0	725
TOTAL, OMAN.................................	16,595	16,595	16,595	0	0	16,595	0	16,595

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PANAMA								
ARMY								
COROZAL								
IMAGERY FACILITY..............................	6,000	0	0	0	(6,000)	0	(6,000)	0
FORT CLAYTON					0		0	
FAMILY HOUSING-NEW CONSTUCTION (400)........	21,000	0	21,000	(21,000)	(21,000)	0	(21,000)	0
FORT KOBBE								
AIRCRAFT PARKING APRON EXTENSION............	6,700	0	6,700	(6,700)	(6,700)	0	(6,700)	0
NAVY								
NAVAL SECURITY GROUP ACTIVITY GALETA ISLAND								
OPERATIONS BUILDING ADDITION................	0	0	1000	(1,000)	0	0	0	0
AIR FORCE								
HOWARD AFB								
ADD-ALTER RECONNAISSANCE PHOTO LAB..........	940	0	940	(940)	(940)	0	(940)	0
FLIGHTLINE SECURITY LIGHTING................	310	0	310	(310)	0	310	0	310
MUNITIONS FACILITIES........................	2,450	0	0	0	(2,450)	0	(2,450)	0
STOL BEDDOWN SUPPORT FACILITIES.............	7,000	0	7,000	(7,000)	(7,000)	0	(7,000)	0
UPGRADE AIRFIELD FACILITIES.................	10,690	0	10,690	(10,690)	0	10,690	(10,690)	0
TOTAL, PANAMA...............................	55,090	0	47,640	(47,640)	(44,090)	11,000	(54,780)	310
PHILIPPINES								
NAVY								
NAVAL AIR STATION CUBI POINT								
FLIGHT LINE SECURITY IMPROVEMENTS...........	1,490	1,490	1,490	0	0	1,490	0	1,490
MAINTENANCE HANGAR..........................	12,800	0	12,800	(12,800)	(12,800)	0	(12,800)	0
NAVY PUBLIC WORKS CENTER SUBIC BAY								
WATER TREATMENT PLANT IMPROVEMENTS..........	7,680	7,680	7,680	0	0	7,680	0	7,680
AIR FORCE								
CLARK AFB								
ADD-ALTER FUEL SYSTEM MAINTENANCE DOCK......	1,650	0	1,650	(1,650)	(1,650)	0	(1,650)	0
AEROMED EVAC AIRLIFT SQUADRON FACILITY......	1,300	0	0	0	(1,300)	0	(1,300)	0
ALTER INTELLIGENCE FACILITY PHASE-I.........	440	440	440	0	0	440	0	440
COPE THUNDER OPERATIONS RAMP................	2,100	2,100	2,100	0	0	2,100	0	2,100
EQUIPMENT MAINTENANCE FACILITY..............	800	0	800	(800)	(800)	0	(800)	0
FIRE PROTECTION -VARIOUS FACILITIES.........	2,150	0	2,150	(2,150)	(2,150)	0	(2,150)	0
FLOW THROUGH SHELTERS PHASE-I...............	8,600	8,600	0	8,600	(8,600)	0	(8,600)	0
UNACCOMPANIED ENLISTED PERSONNEL HOUSING....	6,400	0	6,400	(6,400)	(6,400)	0	(6,400)	0
WATER SUPPLY/STORAGE/DISTRIB SYSTEM.........	3,000	0	3,000	(3,000)	0	3,000	0	3,000
MC-130H AVIONICS SHOP.......................	1,350	1,350	1,350	0	0	1,350	0	1,350
MC-130H SQUADRON OPERATIONS FACILITY........	2,650	2,650	2,650	0	0	2,650	0	2,650
FAMILY HOUSING-NEW CONSTRUCTION (300).......	23,260	23,260	23,260	0	0	23,260	0	23,260
DEFENSE AGENCIES								
CLARK AFB								
COMPOSITE MEDICAL FACILITY ADD/ALTER........	40,000	0	40,000	(40,000)	(40,000)	0	(40,000)	0
SAN MIGUEL								
OH PERRY ELEMENTARY SCHOOL..................	2,960	2,960	2,960	0	0	2,960	0	2,960
SUBIC BAY								
HOSPITAL REPLACEMENT PHASE I................	3,500	3,500	3,500	0	0	3,500	0	3,500
TOTAL, PHILIPPINES..........................	122,130	54,030	112,230	(58,200)	(73,700)	48,430	(73,700)	48,430

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PORTUGAL								
NAVY								
NAVAL SECURITY GRP ACT TERCERIA IS AZORES								
PUBLIC WORKS FACILITY	700	700	700	0	0	700	0	700
AIR FORCE								
LAJES FIELD								
RAMP LIGHTING	4,600	4,600	4,600	0	0	4,600	0	4,600
TOTAL, PORTUGAL	5,300	5,300	5,300	0	0	5,300	0	5,300
PUERTO RICO								
NAVY								
LANT FLT WPNS TRAINING FAC ROOSEVELT ROADS								
TELEMETRY BUILDING	2,020	2,020	2,020	0	0	2,020	0	2,020
NAVAL SECURITY GROUP ACTIVITY SABANA SECA								
SECURITY IMPROVEMENTS	400	400	400	0	0	400	0	400
DEFENSE AGENCIES								
FORT BUCHANAN								
ELEMENTARY SCHOOL AIR CONDITIONING	1,200	1,200	1,200	0	0	1,200	0	1,200
ARMY NATIONAL GUARD								
FORT BUCHANAN								
U.S. PROPERTY & FISCAL OFFICER WAREHOUSE	1,755	1,755	1,755	0	0	1,755	0	1,755
ISLA GRANDE (SAN JUAN)								
ARMY AVIATION SUPPORT FACILITY	4,347	4,347	4,347	0	0	4,347	0	4,347
ARMY RESERVE								
ROOSEVELT ROADS								
ARMY RESERVE CENTER W/MAINT FAC	4,751	4,751	4,751	0	0	4,751	0	4,751
SALINAS								
STORAGE/ADMIN SPACE	375	375	375	0	0	375	0	375
TOTAL, PUERTO RICO	14,848	14,848	14,848	0	0	14,848	0	14,848
SCOTLAND								
NAVY								
NAVAL SECURITY GROUP ACTIVITY EDZELL								
SECURITY GATEHOUSE	770	770	770	0	0	770	0	770
OPERATIONS FACILITY ADDITION	0	0	4,200	(4,200)	4,200	4,200	0	0
TOTAL, SCOTLAND	770	770	770	0	0	770	0	770
TURKEY								
AIR FORCE								
ANKARA								
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	2,250	0	2,250	(2,250)	0	2,250	0	2,250
CHAPEL	950	0	950	(950)	(950)	0	(950)	0
INCIRLIK AB								
RRR EQUIPMENT STORAGE FACILITY	780	0	780	(780)	(780)	0	(780)	0
VISITING AIRMEN QUARTERS	3,750	0	3,750	(3,750)	0	3,750	0	3,750
VISITING OFFICER QUARTERS	3,000	0	3,000	(3,000)	0	3,000	(3,000)	0

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DEFENSE AGENCIES								
INCIRLIK								
ELEMENTARY AND HIGH SCHOOL ADDITION	7,746	0	7,746	(7,746)	0	7,746	0	7,746
INCIRLIK AIR BASE								
COMPOSITE MEDICAL FACILITY REPLACEMENT	14,400	0	14,400	(14,400)	0	14,400	0	14,400
SECOND ECHELON MEDICAL LOGISTICS STORAGE	860	0	860	(860)	0	860	0	860
TOTAL, TURKEY	33,736	0	33,736	(33,736)	(1,730)	32,006	(4,730)	29,006
UNITED KINGDOM								
NAVY								
NAVAL ACTIVITIES LONDON								
AUTOMOTIVE VEHICLE MAINTENANCE SHOP	600	600	600	0	0	600	0	600
NAVAL FACILITY BRAWDY WALES								
STAND-BY GENERATOR PLANT UPGRADE	850	850	850	0	0	850	0	850
AIR FORCE								
RAF ALCONBURY								
ADD TO WATER STORAGE	890	0	890	(890)	(890)	0	(890)	0
CW PROTECT-SQUADRON OPS FAC	1,600	1,600	1,600	0	0	1,600	0	1,600
INSTALL FIRE SUPPRESSION SYSTEM	550	550	550	0	0	550	0	550
RAF BENTWATERS								
ALTER UNACCOMP ENLISTED PERSONNEL HOUSING	3,700	3,700	3,700	0	0	3,700	0	3,700
CONSOLIDATED SUPPORT CENTER	6,200	6,200	6,200	0	0	6,200	0	6,200
CW PROTECT-SQUADRON OPS FAC	1,600	0	1,600	(1,600)	(1,600)	0	(1,600)	0
SECURITY POLICE OPERATIONS FACILITY	1,310	1,310	0	1,310	(1,310)	0	(1,310)	0
HOUSING OFFICE	330	330	330	0	0	330	0	330
RAF CHICKSANDS								
DIGITAL EUROPEAN BACKBONE FACILITY	1,250	1,250	1,250	0	0	1,250	0	1,250
RAF CROUGHTON								
ADD-ALTER WATER STORAGE AND DISTRIB SYST	900	900	900	0	0	900	0	900
RAF FAIRFORD								
ADD-ALTER PHYSICAL FITNESS CTR	1,700	1,700	1,700	0	0	1,700	0	1,700
DIGITAL EUROPEAN BACKBONE FACILITY	1,250	1,250	1,250	0	0	1,250	0	1,250
JET FUEL STORAGE/HYDR REFUEL SYST	7,800	0	7,800	(7,800)	0	7,800	0	7,800
T-9 NOISE SUPPRESSOR SUPPORT FACILITY	800	0	800	(800)	0	800	0	800
RAF GREENHAM COMMON								
GLCM-ARTS AND CRAFTS SHOP	550	0	550	(550)	(550)	0	(550)	0
GLCM-AUTO HOBBY SHOP	600	0	600	(600)	(600)	0	(600)	0
GLCM-YOUTH CENTER	990	0	990	(990)	(990)	0	(990)	0
RAF LAKENHEATH								
BASE OPERATIONS FACILITY	620	620	620	0	0	620	0	620
COMBAT ARMS RANGE COMPLEX	950	950	950	0	0	950	0	950
CONTROL TOWER (NATO/US)	850	850	850	0	0	850	0	850
POST OFFICE	1,200	1,200	1,200	0	0	1,200	0	1,200
RAF MOLESWORTH								
GLCM-COMMUNICATIONS SQUADRON FACILITY	450	0	450	(450)	(450)	0	(450)	0
RAF UPPER HEYFORD								
ADD TO/ALTER VEHICLE MAINTENANCE SHOP	2,400	2,400	0	2,400	(2,400)	0	(2,400)	0
CONSOLIDATED SUPPORT CENTER	5,600	0	5,600	(5,600)	(5,600)	0	(5,600)	0
RAF WELFORD								
AIR BASE GRND DEF MUNITIONS IGLOOS	1,200	1,200	1,200	0	0	1,200	0	1,200

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RAF WETHERSFIELD								
DIGITAL EUROPEAN BACKBONE FACILITY..........	1,300	1,300	1,300	0	0	1,300	0	1,300
RAF WOODBRIDGE								
SUPPLY WAREHOUSE............................	1,650	1,650	0	1,650	(1,650)	0	(1,650)	0
DEFENSE AGENCIES								
BICESTER								
ELEMENTARY SCHOOL...........................	5,650	5,650	0	5,650	(5,650)	0	(5,650)	0
RAF BENTWATERS								
SECOND ECHELON MEDICAL LOGISTICS STORAGE....	1,300	1,300	1,300	0	0	1,300	0	1,300
RAF CROUGHTON								
DCA/EUR ERS UPGRADE.........................	500	500	500	0	0	500	0	500
RAF WETHERSFIELD								
SECOND ECHELON MEDICAL LOGISTICS STORAGE....	740	740	740	0	0	740	0	740
RAF FAIRFORD								
MEDICAL/DENTAL CLINIC REPLACEMENT...........	7,300	7,300	7,300	0	0	7,300	0	7,300
UPWOOD								
ELEMENTARY SCHOOL ADDITION..................	3,900	3,900	0	3,900	(3,900)	0	(3,900)	0
TOTAL, UNITED KINGDOM.....................	69,080	49,800	54,170	(4,370)	(25,590)	43,490	(25,590)	43,490
VIRGIN ISLANDS								
ARMY NATIONAL GUARD								
ST CROIX								
400 PERSON ARMORY...........................	4,703	4,703	4,703	0	0	4,703	0	4,703
ORGANIZATIONAL MAINTENANCE SHOP.............	383	383	383	0	0	383	0	383
ST THOMAS								
200 PERSON ARMORY...........................	2,798	2,798	2,798	0	0	2,798	0	2,798
TOTAL, VIRGIN ISLANDS.....................	7,884	7,884	7,884	0	0	7,884	0	7,884
OVERSEAS CLASSIFIED								
AIR FORCE								
BASE 89								
AIRCRAFT SHELTERS...........................	1,500	1,500	1,500	0	0	1,500	0	1,500
AIRCRAFT SHELTERS...........................	2,800	2,800	2,800	0	0	2,800	0	2,800
DEFENSE AGENCIES								
CLASSIFIED LOCATION								
CLASSIFIED PROJECT..........................	15,000	15,000	15,000	0	0	15,000	0	15,000
CLASSIFIED PROJECT..........................	12,000	0	12,000	(12,000)	(12,000)	0	(12,000)	0
OVERSEAS CLASSIFIED								
CLASSIFIED PROJECT..........................	6,400	6,400	6,400	0	0	6,400	0	6,400
FAMILY HOUSING (2)..........................	1,000	1,000	1,000	0	0	1,000	0	1,000
CLASSIFIED PROJECT..........................	7,000	7,000	7,000	0	0	7,000	0	7,000
TOTAL, OVERSEAS CLASSIFIED................	45,700	33,700	45,700	(12,000)	(12,000)	33,700	(12,000)	33,700
NATO								
NATO INFRASTRUCTURE.........................	396,000	396,000	386,000	10,000	(10,000)	386,000	(10,000)	386,000
WORLDWIDE UNSPECIFIED								

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ARMY								
PLANNING AND DESIGN........................	133,120	133,120	128,120	5,000	(5,000)	128,120	(5,000)	128,120
UNSPECIFIED MINOR CONSTRUCTION.............	15,600	15,600	15,600	0	0	15,600	0	15,600
NAVY								
PLANNING AND DESIGN........................	148,655	148,655	143,655	5,000	(5,000)	143,655	(5,000)	143,655
UNSPECIFIED MINOR CONSTRUCTION.............	16,500	16,500	16,500	0	0	16,500	0	16,500
AIR FORCE								
PLANNING AND DESIGN........................	124,536	124,536	120,336	4,200	(4,200)	120,336	(4,200)	120,336
UNSPECIFIED MINOR CONSTRUCTION.............	16,000	16,000	16,000	0	0	16,000	0	16,000
DEFENSE AGENCIES								
PLANNING AND DESIGN........................	62,800	62,800	57,800	5,000	(5,000)	57,800	(6,800)	56,000
CONTINGENCY CONSTRUCTION...................	10,000	10,000	10,000	0	0	10,000	0	10,000
UNSPECIFIED MINOR CONSTRUCTION.............	10,000	6,000	10,000	(4,000)	(800)	9,200	(4,000)	6,000
ARMY NATIONAL GUARD								
PLANNING AND DESIGN........................	13,861	13,861	13,861	0	0	13,861	0	13,861
UNSPECIFIED MINOR CONSTRUCTION.............	5,400	5,400	5,400	0	0	5,400	0	5,400
AIR NATIONAL GUARD								
PLANNING AND DESIGN........................	13,783	13,783	13,783	0	0	13,783	0	13,783
UNSPECIFIED MINOR CONSTRUCTION.............	2,202	2,202	2,202	0	0	2,202	0	2,202
ARMY RESERVE								
PLANNING AND DESIGN........................	9,300	9,300	9,300	0	0	9,300	0	9,300
UNSPECIFIED MINOR CONSTRUCTION.............	1,600	1,600	1,600	0	0	1,600	0	1,600
NAVY RESERVE								
PLANNING AND DESIGN........................	4,770	4,770	4,770	0	0	4,770	0	4,770
UNSPECIFIED MINOR CONSTRUCTION.............	1,500	1,500	1,500	0	0	1,500	0	1,500
AIR FORCE RESERVE								
PLANNING AND DESIGN........................	6,130	6,130	6,130	0	0	6,130	0	6,130
UNSPECIFIED MINOR CONSTRUCTION.............	2,688	2,688	2,688	0	0	2,688	0	2,688
TOTAL, WORLDWIDE UNSPECIF..................	598,445	594,445	579,245	15,200	(20,000)	578,445	(20,000)	578,445
WORLDWIDE VARIOUS								
NAVY								
LAND ACQUISITION...........................	23,800	8,091	23,800	(15,709)	(15,709)	8,091	(15,709)	8,091
HISTORIC PROPERTIES........................	6,800	0	6,800	(6,800)	(6,800)	0	(6,800)	0
DEFENSE AGENCIES								
CONFORMING STORAGE FACILITIES..............	11,400	0	11,400	(11,400)	(6,400)	5,000	(6,400)	5,000
TOTAL, WORLDWIDE VARIOUS...................	42,000	8,091	42,000	(33,909)	(28,909)	13,091	(28,909)	13,091
FAMILY HOUSING, ARMY								
ALABAMA								
FORT RUCKER (7 MOBILE HOMES SPACES)........	110	110	110	0	0	110	0	110
ALASKA								
FORT WAINWRIGHT (150 UNITS)................	29,000	0	29,000	(29,000)	(18,200)	10,800	(18,200)	10,800
CALIFORNIA								
FORT IRWIN (525 UNITS).....................	54,000	30,000	24,000	6,000	(24,000)	30,000	(30,000)	24,000
FORT ORD (211 UNITS).......................	19,000	19,000	19,000	0	0	19,000	0	19,000
HAWAII								
HELEMANO (200 UNITS).......................	21,000	21,000	21,000	0	0	21,000	0	21,000
PEARL CITY AREA (60 UNITS).................	6,700	6,700	6,700	0	0	6,700	0	6,700

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SCHOFIELD BARRACKS (100 UNITS)................	11,200	11,200	11,200	0	0	11,200	0	11,200
ILLINOIS				0	0		0	
ST. LOUIS SUPPORT CENTER (100 UNITS)..........	0	9,700	0	9,700	9,700	9,700	9,700	9,700
LOUISIANA								
FORT POLK (350 UNITS).........................	27,000	27,000	27,000	0	0	27,000	0	27,000
NEW YORK								
FORT DRUM (100 UNITS).........................	10,000	10,000	0	10,000	(10,000)	0	(10,000)	0
TEXAS								
FORT HOOD (150 UNITS).........................	9,400	9,400	9,400	0	0	9,400	0	9,400
VIRGINIA								
FORT A.P. HILL (44 UNITS).....................	0	2,200	0	2,200	2,200	2,200	2,200	2,200
FORT EUSTIS (32 MOBILE HOME SPACES)...........	480	480	480	0	0	480	0	480
GERMANY								
BAMBERG (106 UNITS)...........................	11,200	11,200	11,200	0	0	11,200	0	11,200
BAUMHOLDER (152 UNITS)........................	12,600	12,600	12,600	0	0	12,600	0	12,600
VILSECK (188 UNITS)...........................	17,000	17,000	17,000	0	0	17,000	0	17,000
KWAJALEIN								
KWAJALEIN (246 UNITS).........................	41,000	0	41,000	(41,000)	(41,000)	0	(41,000)	0
PANAMA								
FORT CLAYTON (400 UNITS)......................	21,000	0	21,000	(21,000)	(21,000)	0	(21,000)	0
TOTAL, NEW CONSTRUCTION..................	290,690	187,590	250,690	(63,100)	(102,300)	188,390	(108,300)	182,390
				0	0		0	
CONSTRUCTION IMPROVEMENTS......................	144,886	100,000	141,886	(41,886)	(36,886)	108,000	(44,886)	100,000
PLANNING.......................................	21,900	21,900	21,900	0	0	21,900	0	21,900
OPERATING EXPENSES								
FURNISHINGS ACCOUNT..........................	144,671	144,671	144,671	0	0	144,671	0	144,671
MANAGEMENT ACCOUNT...........................	84,965	84,965	74,965	10,000	0	84,965	0	84,965
MISCELLANEOUS ACCOUNT........................	1,539	1,539	1,539	0	0	1,539	0	1,539
SERVICES ACCOUNT.............................	53,423	53,423	53,423	0	0	53,423	0	53,423
UTILITIES ACCOUNT............................	273,487	273,487	273,487	0	0	273,487	0	273,487
LEASING......................................	180,130	180,130	180,130	0	0	180,130	0	180,130
MAINTENANCE OF REAL PROPERTY.................	540,062	540,062	530,062	10,000	(10,000)	530,062	(10,000)	530,062
INTEREST PAYMENTS............................	120	120	120	0	0	120	0	120
MORTGAGE INSURANCE PREMIUMS..................	40	40	40	0	0	40	0	40
GENERAL REDUCTION............................	0	0	(16,000)	16,000	(16,000)	(16,000)	(16,000)	(16,000)
TOTAL, IMPROVEMENTS & OPERATIONS..........	1,445,223	1,400,337	1,406,223	(5,886)	(62,886)	1,382,337	(70,886)	1,374,337
DEBT REDUCTION.................................	2,746	2,746	2,746	0	0	2,746	0	2,746
TOTAL, FAMILY HOUSING, ARMY...............	1,738,659	1,590,673	1,659,659	(68,986)	(165,186)	1,573,473	(179,186)	1,559,473
FAMILY HOUSING, NAVY								
CALIFORNIA								
MCAGCC TWENTYNINE PALMS (100 PALMS)...........	11,530	11,530	11,530	0	0	11,530	0	11,530
MCAS EL TORO (100 UNITS)......................	8,660	8,660	8,660	0	0	8,660	0	8,660
MC BASE CAMP PENDELTON (300 UNITS)............	25,760	25,760	17,760	8,000	0	25,760	(8,000)	17,760
PUBLIC WORKS CENTER SAN DIEGO (600 UNITS)....	52,840	52,840	27,840	25,000	0	52,840	(25,000)	27,840
PUBLIC WORKS CENTER SAN FRANCISCO (444 UNITS).	38,380	38,380	38,380	0	0	38,380	0	38,380
MISSOURI								
MC FIN.CTR KANSAS CITY (8 MOBLIE HOME SPACES).	120	120	120	0	0	120	0	120
NEW YORK								
NAVAL STATION NEW YORK (250 UNITS)............	25,490	25,490	13,490	12,000	0	25,490	0	25,490

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NUCL. POWER TRNG UNIT BALLSTON SPA (200 UNITS)	15,810	15,810	8,810	7,000	(7,000)	8,810	(7,000)	8,810
SOUTH CAROLINA								
MCAS BEAUFORT (27 MOBILE HOME SPACES)	540	540	540	0	0	540	0	540
MCRD PARRIS ISLAND (25 MOBILE HOMES SPACES)	370	370	370	0	0	370	0	370
VIRGINIA								
MCDEC QUANTICO (10 MOBILE HOME SPACES)	166	166	166	0	0	166	0	166
ICELAND								
NAVAL STATION KAFLAVIK (250 UNITS)	20,367	20,000	20,367	(367)	(367)	20,000	(367)	20,000
TOTAL, NEW CONSTRUCTION	200,033	199,666	148,033	51,633	(7,367)	192,666	(40,367)	159,666
CONSTRUCTION IMPROVEMENTS	48,943	28,943	47,943	(19,000)	(9,000)	39,943	(9,000)	39,943
PLANNING	6,248	6,248	6,248	0	0	6,248	0	6,248
OPERATING EXPENSES								
FURNISHINGS ACCOUNT	14,875	14,875	8,876	5,999	0	14,875	0	14,875
MANAGEMENT ACCOUNT	43,485	43,485	36,485	7,000	0	43,485	0	43,485
MISCELLANEOUS ACCOUNT	389	389	389	0	0	389	0	389
SERVICES ACCOUNT	32,184	32,184	32,184	0	0	32,184	0	32,184
UTILITIES ACCOUNT	176,073	176,073	176,073	0	0	176,073	0	176,073
LEASING	36,567	36,567	36,567	0	0	36,567	0	36,567
MAINTENANCE OF REAL PROPERTY	238,217	238,217	231,217	7,000	(7,000)	231,217	(7,000)	231,217
INTEREST PAYMENTS	42	42	42	0	0	42	0	42
MORTGAGE INSURANCE PREMIUMS	179	179	179	0	0	179	0	179
GENERAL REDUCTION	0	0	(6,000)	6,000	(6,000)	(6,000)	(6,000)	(6,000)
TOTAL, IMPROVEMENTS & OPERATIONS	597,202	577,202	570,203	6,999	(22,000)	575,202	(22,000)	575,202
DEBT REDUCTION	1,801	1,801	1,801	0	0	1,801	0	1,801
TOTAL, FAMILY HOUSING, NAVY	799,036	778,669	720,037	58,632	(29,367)	769,669	(62,367)	736,669
FAMILY HOUSING, AIR FORCE								
ARIZONA								
HOLBROOK (34 UNITS)	2,530	2,530	2,530	0	0	2,530	0	2,530
NETHERLANDS								
WOENSDRECHT AB (400 UNITS)	35,500	0	35,500	(35,500)	(35,500)	0	(35,500)	0
PHILIPPINES								
CLARK AFB (300 UNITS)	23,260	23,260	23,260	0	0	23,260	0	23,260
UNITED KINGDOM								
RAF BENTWATERS HOUSING OFFICE	330	330	330	0	0	330	0	330
TOTAL, NEW CONSTRUCTION	61,620	26,120	61,620	(35,500)	(35,500)	26,120	(35,500)	26,120
CONSTRUCTION IMPROVEMENTS	154,520	110,000	151,520	(41,520)	(21,720)	132,800	(44,520)	110,000
PLANNING	7,000	7,000	7,000	0	0	7,000	0	7,000
OPERATING EXPENSES								
FURNISHINGS ACCOUNT	52,832	52,832	52,832	0	0	52,832	0	52,832
MANAGEMENT ACCOUNT	29,481	29,481	29,481	0	0	29,481	0	29,481
MISCELLANEOUS ACCOUNT	5,780	5,780	5,780	0	0	5,780	0	5,780
SERVICES ACCOUNT	22,334	22,334	22,334	0	0	22,334	0	22,334
UTILITIES ACCOUNT	242,130	242,130	242,130	0	0	242,130	0	242,130
LEASING	76,842	76,842	76,842	0	0	76,842	0	76,842
MAINTENANCE OF REAL PROPERTY	272,410	272,410	267,410	5,000	(5,000)	267,410	(5,000)	267,410
INTEREST PAYMENTS	31	31	31	0	0	31	0	31
MORTGAGE INSURANCE PREMIUMS	120	120	120	0	0	120	0	120

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GENERAL REDUCTIONS	0	0	(6,000)	6,000	(6,000)	(6,000)	(6,000)	(6,000)
SUBTOTAL, IMPROVEMENTS & OPERATIONS	863,480	818,960	849,480	(30,520)	(32,720)	830,760	(55,520)	807,960
DEBT REDUCTION	1,433	1,433	1,433	0	0	1,433	0	1,433
TOTAL, FAMILY HOUSING, AIR FORCE	926,533	846,513	912,533	(66,020)	(68,220)	858,313	(91,020)	835,513
FAMILY HOUSING, DEFENSE AGENCIES								
NSA CLASSIFIED PROJECT	1,000	1,000	1,000	0	0	1,000	0	1,000
HOUSING PILOT PROJECT	0	1,000	0	1,000	1,000	1,000	1,000	1,000
CONSTRUCTION IMPROVEMENTS	186	186	186	0	0	186	0	186
OPERATING EXPENSES								
FURNISHINGS ACCOUNT	1,882	1,882	1,882	0	0	1,882	0	1,882
MISCELLANEOUS ACCOUNT	600	600	600	0	0	600	0	600
SERVICES ACCOUNT	11	11	11	0	0	11	0	11
UTILITIES ACCOUNT	125	125	125	0	0	125	0	125
LEASING	15,188	15,188	15,188	0	0	15,188	0	15,188
MAINTENANCE OF REAL PROPERTY	708	708	708	0	0	708	0	708
TOTAL, FAMILY HOUSING, DEFENSE AGENCIES	19,700	20,700	19,700	1,000	1,000	20,700	1,000	20,700
HOMEOWNERS ASSISTANCE FUND								
HOMEOWNERS ASSISTANCE	2,800	2,800	2,800	0	0	2,800	0	2,800
ARMY	1,182,100	914,860	983,180	(68,320)	(149,310)	1,032,790	(207,760)	974,340
NAVY	1,810,122	1,340,721	1,678,501	(337,780)	(362,671)	1,447,451	(403,131)	1,406,991
AIR FORCE	1,485,850	1,143,910	1,282,550	(138,640)	(234,460)	1,251,390	(318,550)	1,167,300
DEFENSE AGENCIES	851,720	502,612	756,805	(254,193)	(295,344)	556,376	(342,014)	509,706
NATO INFRASTRUCTURE	396,000	396,000	386,000	10,000	(10,000)	386,000	(10,000)	386,000
ARMY NATIONAL GUARD	170,400	164,336	165,030	(694)	6,889	177,289	6,889	177,289
AIR NATIONAL GUARD	160,800	126,475	149,816	(23,341)	(19,709)	141,091	(19,709)	141,091
ARMY RESERVE	95,100	95,100	88,100	7,000	(7,000)	88,100	(7,000)	88,100
NAVAL RESERVE	73,737	67,637	68,737	(1,100)	(5,000)	68,737	(5,000)	68,737
AIR FORCE RESERVE	79,300	67,370	74,300	(6,930)	(5,000)	74,300	(5,000)	74,300
TOTAL MILITARY CONSTRUCTION	6,305,129	4,819,021	5,633,019	(813,998)	(1,081,605)	5,223,524	(1,311,275)	4,993,854
FAMILY HOUSING, ARMY	1,738,659	1,590,673	1,675,659	(84,986)	(165,186)	1,573,473	(179,186)	1,559,473
FAMILY HOUSING, NAVY	799,036	778,669	720,037	58,632	(29,367)	769,669	(62,367)	736,669
FAMILY HOUSING, AIR FORCE	926,533	846,513	918,533	(72,020)	(68,220)	858,313	(91,020)	835,513
FAMILY HOUSING, DEFENSE AGENCIES	19,700	20,700	19,700	1,000	1,000	20,700	1,000	20,700
HOMEOWNERS ASSISTANCE FUND	2,800	2,800	2,800	0	0	2,800	0	2,800
TOTAL FAMILY HOUSING	3,486,728	3,239,355	3,336,729	(97,374)	(261,773)	3,224,955	(331,573)	3,155,155
GRAND TOTAL	9,791,857	8,058,376	8,969,748	(911,372)	(1,343,378)	8,448,479	(1,642,848)	8,149,009

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ALABAMA						
NAVY						
NAVAL STATION MOBILE						
SHIP SUPPORT COMPLEX....................	19,700	0	19,700	(19,700)	19,700	0
ALASKA						
ARMY						
FORT J M WAINWRIGHT						
BATTALION HEADQUARTERS..................	6,600	0	6,600	(6,600)	6,600	0
COLD STORAGE FACILITY...................	1,900	0	1,900	(1,900)	1,900	0
CONSOLIDATED FUEL FACILITY..............	1,450	0	1,450	(1,450)	1,450	0
PHYSICAL FITNESS CENTER.................	15,500	0	15,500	(15,500)	0	(15,500)
SPECIAL SECURITY OFFICE.................	2,150	0	2,150	(2,150)	2,150	0
UTILITIES EXPANSION.....................	3,000	0	3,000	(3,000)	3,000	0
VEHICLE MAINTENANCE FACILITY............	9,100	0	9,100	(9,100)	0	(9,100)
MAINTENANCE FACILITY (PHASE II).........	0	0	0	0	13,000	13,000
NAVY						
NAVAL AIR STATION ADAK						
RADAR SUPPORT FACILITIES (PH. II)........	0	0	0	0	20,000	20,000
AIR FORCE						
ELMENDORF AFB						
OTH-B OPERATIONS BUILDING...............	18,000	0	18,000	(18,000)	18,000	0
VARIOUS LOCATIONS						
ALASKA OTH-B POWER PLANT................	37,750	0	37,750	(37,750)	0	(37,750)
ARKANSAS						
AIR FORCE						
BLYTHVILLE AFB						
MISSION OPERATIONS FACILITY.............	5,900	0	0	0	0	(5,900)
LITTLE ROCK AFB						
EXPLOSIVE ORDANANCE FACILITY............	400	0	0	0	0	(400)
AIR NATIONAL GUARD						
LITTLE ROCK AFB						
AERIAL PORT FACILITY....................	1,600	0	1,600	(1,600)	0	(1,600)
CALIFORNIA						
NAVY						
NAVAL STATION LONG BEACH						
FLEET RECREATION CENTER.................	5,460	0	5,460	(5,460)	5,460	0
NAVAL STATION TREASURE IS SAN FRANCISCO						
BATTLESHIP SUPPORT COMPLEX (INCRMENT II).	15,180	0	15,180	(15,180)	0	(15,180)
PUBLIC WORKS CENTER SAN DIEGO						
FAMILY HOUSING-NEW CONSTRUCTION (300)....	0	0	0	0	25,000	25,000
AIR NATIONAL GUARD						
POINT MUGU NAS						
ANG OPERATIONS/TRGN COMPLEX (PHASE III)..	9,820	0	9,820	(9,820)	19,570	9,750

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DISTRICT OF COLUMBIA						
NAVY						
COMMANDANT NAVAL DISTRICT WASHINGTON						
WHITE HOUSE SUPPORT COMPLEX..............	0	0	0	0	21,000	21,000
FLORIDA						
NAVY						
NAVAL AIR STATION PENSACOLA						
CARRIER SUPPORT COMPLEX..................	14,320	0	14,320	(14,320)	14,320	0
GEORGIA						
NAVY						
NAVAL SUBMARINE BASE KINGS BAY						
TRIDENT SUPPORT COMPLEX..................	52,030	0	57,730	(57,730)	57,730	5,700
KANSAS						
AIR FORCE						
MCCONNELL AFB						
B-1B POWER CHECK PAD.....................	3,050	0	3,050	(3,050)	3,050	0
LOUISIANA						
NAVY						
NAVAL STATION LAKE CHARLES						
SHIP SUPPORT COMPLEX (PHASE II)..........	5,000	0	5,000	(5,000)	5,000	0
MISSISSIPPI						
NAVY						
NAVAL STATION PENSAGOULA						
SHIP SUPPORT COMPLEX (PHASE II)..........	25,700	0	25,700	(25,700)	25,700	0
AIR NATIONAL GUARD						
KEY FIELD						
SQUADRON OPERATIONS FACILITY.............	1,600	0	1,600	(1,600)	0	(1,600)
MISSOURI						
AIR FORCE						
WHITEMAN AFB						
SPECIAL MISSION SUPPORT (PHASE II).......	106,000	0	0	0	106,000	0
MONTANA						
AIR FORCE						
MALSTROM AFB						
KC-135R AIRCRAFT MAINTENANCE SHOP........	0	0	0	0	7,300	7,300
KC-135R ALTER/WEAPONS SYST.MAINT.MGMT FAC	0	0	0	0	1,250	1,250

MILITARY CONSTRUCTION -- FY 1989 AUTHORIZATION OF APPROPRIATIONS

INSIDE AND OUTSIDE THE UNITED STATES

(AMOUNTS IN THOUSANDS OF DOLLARS)

INSTALLATIONS AND PROJECTS	FY 1989 BUDGET REQUEST	FY 1989 HOUSE PASSED	FY 1989 SENATE PASSED	DIFFERENCE (HOUSE +/- TO SENATE)	FY 1989 CONFERENCE ACTION	CHANGE FROM REQUEST
NEW JERSEY						
NAVY						
NAVAL WEAPONS STATION EARLE						
DREDGING................................	15,900	0	15,900	(15,900)	18,600	2,700
MISSILE MAGAZINE........................	4,460	0	4,460	(4,460)	0	(4,460)
PROJECTILE MAGAZINE.....................	9,690	0	9,690	(9,690)	0	(9,690)
NEW MEXICO						
DEFENSE AGENCIES						
KIRTLAND AFB						
DENTAL CLINIC REPLACEMENT...............	2,550	0	2,550	(2,550)	2,550	0
NEW YORK						
ARMY						
FORT DRUM						
FAMILY HOUSING-NEW CONSTRUCTION (100)....	0	0	0	0	10,000	10,000
NAVY						
NAVAL STATION STATEN ISLAND						
BATTLESHIP SUPPORT COMPLEX (PHASE IV)....	10,480	0	10,480	(10,480)	10,480	0
NORTH CAROLINA						
ARMY NATIONAL GUARD						
MARION						
ARMORY..................................	602	0	602	(602)	0	(602)
NORTH DAKOTA						
AIR FORCE						
GRAND FORKS AFB						
B-1B FACILIITES.........................	3,400	0	3,400	(3,400)	3,400	0
OTH-B FACILITIES........................	12,970	0	12,970	(12,970)	0	(12,970)
OKLAHOMA						
NAVY						
TINKER AFB						
AIRCRAFT SUPPORT FACILIITES.............	38,080	0	38,080	(38,080)	38,080	0
PENNSYLVANIA						
NAVY						
NAVAL SHIPYARD PHILADELPHIA						
WATER DISTRIBUTION SYSTEM (PHASE II).....	0	0	0	0	8,200	8,200

MILITARY CONSTRUCTION -- FY 1989 AUTHORIZATION OF APPROPRIATIONS

INSIDE AND OUTSIDE THE UNITED STATES

(AMOUNTS IN THOUSANDS OF DOLLARS)

INSTALLATIONS AND PROJECTS	FY 1989 BUDGET REQUEST	FY 1989 HOUSE PASSED	FY 1989 SENATE PASSED	DIFFERENCE (HOUSE +/- TO SENATE)	FY 1989 CONFERENCE ACTION	CHANGE FROM REQUEST
SOUTH DAKOTA						
AIR FORCE						
ELLSWORTH AFB						
B-1B FACILITIES..........................	1,300	0	1,300	(1,300)	1,300	0
TEXAS						
NAVY						
NAVAL STATION GALVESTON						
SHIP SUPPORT COMPLEX (INCREMENT II)......	1,690	0	1,690	(1,690)	14,500	12,810
NAVAL STATION INGLESIDE						
BATTLESHIP SUPPORT COMPLEX (INCREMENT II)	31,850	0	31,850	(31,850)	31,850	0
AIR FORCE						
DYESS AFB						
B-1B FACILITIES..........................	1,410	0	1,410	(1,410)	1,410	0
DEFENSE AGENCIES						
FT. SAM HOUSTON						
HOSPITAL REPLACEMENT (PHASE I)...........	23,000	0	23,000	(23,000)	23,000	0
UTAH						
AIR FORCE						
HILL AFB						
PEACEKEEPER FACILITES....................	6,500	0	6,500	(6,500)	6,500	0
VIRGINIA						
ARMY NATIONAL GUARD						
ARLINGTON HALL STATION						
NATIONAL GUARD CENTER....................	0	0	0	0	21,883	21,883
WASHINGTON						
NAVY						
NAVAL STATION EVERETT						
CARRIER SUPPORT COMPLEX (INCREMENT IV)...	52,950	0	86,950	(86,950)	52,950	0
AIR FORCE						
FAIRCHILD AFB						
CRUISE MISSILE SUPPORT FACILITIES........	4,700	0	4,700	(4,700)	4,700	0
DEFENSE AGENCIES						
FT. LEWIS						
MADIGAN AMC (PHASE V)....................	59,000	0	59,000	(59,000)	59,000	0
WEST VIRGINIA						
AIR FORCE RESERVE						
MORGANTOWN						
CIVIL ENGINEER TRAINING FACILITY.........	0	0	600	(600)	600	600

MILITARY CONSTRUCTION -- FY 1989 AUTHORIZATION OF APPROPRIATIONS
INSIDE AND OUTSIDE THE UNITED STATES
(AMOUNTS IN THOUSANDS OF DOLLARS)

INSTALLATIONS AND PROJECTS	FY 1989 BUDGET REQUEST	FY 1989 HOUSE PASSED	FY 1989 SENATE PASSED	DIFFERENCE (HOUSE +/- TO SENATE)	FY 1989 CONFERENCE ACTION	CHANGE FROM REQUEST
WISCONSIN						
ARMY NATIONAL GUARD						
MADISON						
ARMORY	2,709	0	2,709	(2,709)	0	(2,709)
VARIOUS CONUS						
AIR FORCE						
BASE 61						
CRUISE MISSILE FACILITIES	10,450	0	10,450	(10,450)	10,450	0
OUTSIDE THE UNITED STATES						
GERMANY						
ARMY						
RHEINBERG						
PHYSICAL FITNESS CENTER	5,800	0	5,800	(5,800)	0	(5,800)
VILSECK						
BARRACKS	9,900	0	9,900	(9,900)	9,900	0
BATTALION HEADQUARTERS	1,900	0	1,900	(1,900)	1,900	0
COAL FIRED CENTRAL HEATING PLANT	18,000	0	18,000	(18,000)	0	(18,000)
MILITARY CLOTHING SALES STORE	840	0	840	(840)	0	(840)
POST OFFICE	1,550	0	1,550	(1,550)	0	(1,550)
UNACCOMPANIED PERSONNEL HOUSING	1,200	0	1,200	(1,200)	1,200	0
GUAM						
NAVY						
NAVAL STATION GAUM						
ROAD IMPROVEMENTS	2,820	0	2,820	(2,820)	2,820	0
KOREA						
AIR FORCE						
KUNSAN AB						
AIRCRAFT SHELTERS (PHASE II)	0	0	0	0	3,000	3,000
OMAN						
AIR FORCE						
MASIRACH AB						
APPROACH LIGHTING SYSTEM	2,850	0	2,850	(2,850)	2,850	0
SEEB AB						
JET FUEL STORAGE	7,300	0	7,300	(7,300)	7,300	0

MILITARY CONSTRUCTION -- FY 1989 AUTHORIZATION OF APPROPRIATIONS

INSIDE AND OUTSIDE THE UNITED STATES

(AMOUNTS IN THOUSANDS OF DOLLARS)

INSTALLATIONS AND PROJECTS	FY 1989 BUDGET REQUEST	FY 1989 HOUSE PASSED	FY 1989 SENATE PASSED	DIFFERENCE (HOUSE +/- TO SENATE)	FY 1989 CONFERENCE ACTION	CHANGE FROM REQUEST
PHILIPPINES						
AIR FORCE						
CLARK AB						
MC-130 FACILITIES........................	2,450	0	2,450	(2,450)	2,450	0
VARIOUS LOCATIONS WORLDWIDE						
ARMY						
PLANNING AND DESIGN........................	131,710	0	126,710	(126,710)	126,710	(5,000)
MINOR CONSTRUCTION.........................	16,200	0	16,200	(16,200)	16,200	0
NAVY						
PLANNING AND DESIGN........................	153,333	0	147,333	(147,333)	147,333	(6,000)
MINOR CONSTRUCTION.........................	16,300	0	16,300	(16,300)	16,300	0
AIR FORCE						
PLANNING AND DESIGN........................	141,733	0	135,733	(135,733)	135,733	(6,000)
MINOR CONSTRUCTION.........................	16,500	0	16,500	(16,500)	16,500	0
DEFENSE AGENCIES						
PLANNING AND DESIGN........................	68,100	0	65,100	(65,100)	65,100	(3,000)
NATO						
NATO INFRASTRUCTURE..........................	412,100	0	402,100	(402,100)	402,100	(10,000)
GUARD AND RESERVE FORCES						
ARMY NATIONAL GUARD..........................	161,100	0	146,789	(146,789)	146,789	(14,311)
AIR NATIONAL GUARD...........................	137,000	0	114,980	(114,980)	114,980	(22,020)
ARMY RESERVE.................................	108,000	0	100,000	(100,000)	100,000	(8,000)
NAVY AND MARINE CORPS RESERVE................	56,923	0	52,923	(52,923)	52,923	(4,000)
AIR FORCE RESERVE............................	59,300	0	55,300	(55,300)	55,300	(4,000)
FAMILY HOUSING						
ARMY						
CONSTRUCTION IMPROVEMENTS..................	152,968	0	145,968	(145,968)	145,968	(7,000)
PLANNING...................................	20,000	0	20,000	(20,000)	20,000	0
OPERATIONS.................................	800,505	0	770,505	(770,505)	770,505	(30,000)
MAINTENANCE................................	618,586	0	600,586	(600,586)	600,586	(18,000)
HOMEOWNERS ASSISTANCE......................	2,000	0	2,000	(2,000)	2,000	0
NAVY						
CONSTRUCTION IMPROVEMENTS..................	62,689	0	59,689	(59,689)	59,689	(3,000)
PLANNING...................................	6,315	0	6,315	(6,315)	6,315	0
MAINTENANCE................................	247,321	0	240,321	(240,321)	240,321	(7,000)
OPERATIONS.................................	319,746	0	307,746	(307,746)	307,746	(12,000)
AIR FORCE						
CONSTRUCTION IMPROVEMENTS..................	173,280	0	165,280	(165,280)	165,280	(8,000)
PLANNING...................................	7,000	0	7,000	(7,000)	7,000	0
MAINTENANCE................................	286,738	0	277,138	(277,138)	277,138	(9,600)
OPERATIONS.................................	469,602	0	450,602	(450,602)	450,602	(19,000)
DEFENSE AGENCIES						
OPERATIONS.................................	19,600	0	19,600	(19,600)	19,600	0

MILITARY CONSTRUCTION -- FY 1989 AUTHORIZATION OF APPROPRIATIONS

INSIDE AND OUTSIDE THE UNITED STATES

(AMOUNTS IN THOUSANDS OF DOLLARS)

INSTALLATIONS AND PROJECTS	FY 1989 BUDGET REQUEST	FY 1989 HOUSE PASSED	FY 1989 SENATE PASSED	DIFFERENCE (HOUSE +/- TO SENATE)	FY 1989 CONFERENCE ACTION	CHANGE FROM REQUEST
RECAPITULATION						
ARMY	1,535,881	0	221,800	(221,800)	184,010	(1,351,871)
NAVY	2,032,830	0	508,643	(508,643)	505,913	(1,526,917)
AIR FORCE	1,759,936	0	264,363	(264,363)	331,193	(1,428,743)
DEFENSE AGENCIES	898,300	0	149,650	(149,650)	149,650	(748,650)
NATO INFRASTRUCTURE	412,100	0	402,100	(402,100)	402,100	(10,000)
ARMY NATIONAL GUARD	161,100	0	150,100	(150,100)	168,672	7,572
AIR NATIONAL GUARD	137,000	0	128,000	(128,000)	134,550	(2,450)
ARMY RESERVES	108,000	0	100,000	(100,000)	100,000	(8,000)
NAVAL RESERVES	56,923	0	52,923	(52,923)	52,923	(4,000)
AIR FORCE RESERVES	59,300	0	55,900	(55,900)	55,900	(3,400)
TOTAL MILITARY CONSTRUCTION	7,161,370	0	2,033,479	(2,033,479)	2,084,911	(5,076,459)
FAMILY HOUSING, ARMY	1,592,059	0	1,537,059	(1,537,059)	1,547,059	(45,000)
FAMILY HOUSING, NAVY	635,891	0	614,071	(614,071)	639,071	3,180
FAMILY HOUSING, AIR FORCE	936,620	0	900,020	(900,020)	900,020	(36,600)
FAMILY HOUSING, DEFENSE AGENCIES	19,600	0	19,600	(19,600)	19,600	0
HOMEOWNERS ASSISTANCE FUND	2,000	0	2,000	(2,000)	2,000	0
TOTAL FAMILY HOUSING	3,186,170	0	3,072,750	(3,072,750)	3,107,750	(78,420)
GRAND TOTAL	10,347,540	0	5,106,229	(5,106,229)	5,192,661	(5,154,879)

DIVISION C—OTHER NATIONAL DEFENSE AUTHORIZATIONS

TITLE I—DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

PART A—NATIONAL SECURITY PROGRAMS AUTHORIZATIONS

The House Bill, Division C, Title I, Part A, would authorize appropriations in the total amount of $7,836.074 million. The Senate amendment, Division C, Title I, Part A, would authorize $7,824.4 million. The conferees agreed to an authorization of $7.826.9 million.

Overall the House and Senate differed by only $12 million and have come to an agreement which is $2 million over the Senate level and $9 million below the House level. The conference agreement preserves the emphasis that each house placed on verification and control technologies and on environmental restoration and the management of defense wastes by providing additions to the budget request in each instance. All other areas of the budget were held at or below the request. Because the House bill and the Senate amendment provided essentially the same overall budget amounts, the conference agreement and the contingent level figures are the same.

The budget request, the authorizations contained in the House bill, the authorizations contained in the Senate amendment, and the conference agreement (and contingent level) are detailed in the following table. (Note: The Senate figures throughout reflect restructuring of the request for Environmental Restoration and Management of Defense Waste and Transportation.)

Fiscal Year 1988 Department of Energy National Security Programs

(Amounts in millions of dollars)

Program	FY 1988 Authorization Request-Restated	House Passed Bill	Senate Passed Bill	Conference Agreement	Change from Request
SUMMARY TABLE					
Weapons Activities	4508.281	4263.065	4554.781	4286.181	-222.100
Operating Expenses	3654.325	3523.225	3696.825	3483.225	-171.100
Construction	536.726	473.610	536.726	536.726	0.000
Capital Equipment	317.230	266.230	321.230	266.230	-51.000
Materials Production	1862.987	1832.887	1857.987	1816.987	-46.000
Operating Expenses	1470.521	1424.521	1460.521	1419.521	-51.000
Construction	291.181	317.081	296.181	306.181	15.000
Capital Equipment	101.285	91.285	101.285	91.285	-10.000
Environmental Restoration and Management of Defense Waste and Transportation	856.332	891.132	934.832	896.332	40.000
Operating Expenses	538.519	578.519	592.519	578.519	40.000
Construction	274.126	268.926	298.626	274.126	0.000
Capital Equipment	43.687	43.687	43.687	43.687	0.000
Verification and Control Technologies	100.600	133.390	125.600	125.600	25.000
Operating Expenses	95.500	128.290	120.500	120.500	25.000
Construction	0.000	0.000	0.000	0.000	0.000
Capital Equipment	5.100	5.100	5.100	5.100	0.000.
Nuclear Safeguards and Security	77.800	77.800	77.800	77.800	0.000
Operating Expenses	73.200	73.200	73.200	73.200	0.000
Construction	0.000	0.000	0.000	0.000	0.000
Capital Equipment	4.600	4.600	4.600	4.600	0.000
Security Investigations	32.000	32.000	32.000	32.000	0.000
Operating Expenses	32.000	32.000	32.000	32.000	0.000
Construction	0.000	0.000	0.000	0.000	0.000
Capital Equipment	0.000	0.000	0.000	0.000	0.000
Naval Reactors Development	612.000	605.800	612.000	607.000	-5.000
Operating Expenses	544.100	544.100	544.100	544.100	0.000
Construction	17.900	16.700	17.900	17.900	0.000
Capital Equipment	50.000	45.000	50.000	45.000	-5.000
Proposed appropriation transfer for Public Affairs and Foreign Travel					
TOTAL	8050.000	7836.074	8195.000	7841.900	-208.100
Total DOE Operating Expenses	6408.165	6303.855	6519.665	6251.065	-157.100
Total DOE Plant Construction Expenses	1119.933	1076.317	1149.433	1134.933	15.000
Total DOE Capital Equipment	521.902	455.902	525.902	455.902	-66.000
UNDISTRIBUTED REDUCTIONS					
SDI-related activities	0.000	0.000	-100.600	0.000	0.000
Naval Reactors Development	0.000	0.000	-10.000	0.000	0.000
Other	0.000	0.000	-260.000	-15.000	-15.000
TOTAL, DOE DEFENSE ACTIVITIES	8050.000	7836.074	7824.400	7826.900	-223.100
Operating Expenses					
WEAPONS ACTIVITIES					
Weapons Research and Development	757.019	769.019	767.019	769.019	12.000
Materials Research-PSP		0.000		0.000	0.000
Weapons Testing	396.550	396.550	396.550	396.550	0.000
Weapons Production and Surveillance	1896.830	1893.830	1896.830	1853.830	-43.000
Nuclear Directed Energy Weapons RAD&T.	416.600	240.000	416.600	240.000	-176.600
Inertial Confinement Fusion R&D	112.500	149.000	145.000	149.000	36.500
Program Direction	74.826	74.826	74.826	74.826	0.000
Weapons Program	(66.848)	(66.848)	(66.848)	(66.848)	0.000
Community Assistance	(7.978)	(7.978)	(7.978)	(7.978)	0.000
Total, Weapons Activities	3654.325	3523.225	3696.825	3483.225	-171.100

Fiscal Year 1988 Department of Energy National Security Programs

(Amounts in millions of dollars)

Program	FY 1988 Authorization Request-Restated	House Passed Bill	Senate Passed Bill	Conference Agreement	Change from Request
MATERIALS PRODUCTION					
Reactor Operations....................	576.035	540.035	586.035	550.035	-26.000
Processing of Nuclear Materials.......	455.700	485.700	455.700	470.700	15.000
Special Isotope Separation..........	(50.000)	(80.000)	(50.000)	(65.000)	15.000
Supporting Services...................	221.747	221.747	221.747	221.747	0.000
Enriched Material.....................	193.000	153.000	173.000	153.000	-40.000
Naval Reactors Uranium Enrichment...	(178.500)	(141.500)	(158.500)	(141.500)	-37.000
Other Uranium Enrichment............	(14.500)	(11.500)	(14.500)	(11.500)	-3.000
Program Direction.....................	24.039	24.039	24.039	24.039	0.000
Total, Materials Production.........	1470.521	1424.521	1460.521	1419.521	-51.000
ENVIRONMENTAL RESTORATION AND MANAGEMENT OF DEFENSE WASTE AND TRANSPORTATION					
Environmental Restoration.............	77.798	97.798	80.798	97.798	20.000
Waste Operation and Projects..........	391.597	411.597	430.597	411.597	20.000
Waste Research and Development........	51.082	51.082	63.082	51.082	0.000
Hazardous Waste Process Planning......	7.112	7.112	7.112	7.112	0.000
Transportation Management.............	8.400	8.400	8.400	8.400	0.000
Program Direction.....................	2.530	2.530	2.530	2.530	0.000
Total, Defense Waste & Transportatio	538.519	578.519	592.519	578.519	40.000
VERIFICATION AND CONTROL TECHNOLOGY					
Verification and Control Technology...	95.500	128.290	120.500	120.500	25.000
Total, Verification & Control Tech..	95.500	128.290	120.500	120.500	25.000
NUCLEAR SAFEGUARDS AND SECURITY					
Nuclear Safeguards and Security.......	73.200	73.200	73.200	73.200	0.000
(Program Direction).................	(8.200)	(8.200)	(8.200)	(8.200)	0.000
Total, Nuclear Safeguards and Securi	73.200	73.200	73.200	73.200	0.000
SECURITY INVESTIGATIONS	32.000	32.000	32.000	32.000	0.000
NAVAL REACTORS DEVELOPMENT					
Plant Development.....................	74.000	74.000	74.000	74.000	0.000
Reactor Development...................	249.700	249.700	249.700	249.700	0.000
Reactor Operation and Evaluation......	208.000	208.000	208.000	208.000	0.000
Program Direction.....................	12.400	12.400	12.400	12.400	0.000
Total, Naval Reactors Development...	544.100	544.100	544.100	544.100	0.000
TOTAL, DOE DEFENSE ACTIVITIES OPERATING EXPENSES................	6408.165	6303.855	6519.665	6251.065	-157.100
Plant and Capital Equipment					
WEAPONS ACTIVITIES					
Future year general plant projects, various locations.....................		0.000		0.000	0.000
Future year projects, various locations		0.000		0.000	0.000
88-D-101 general plant projects, various locations............................	30.200	24.200	30.200	30.200	0.000
88-D-102 sanitary wastewater systems consolidation, Los Alamos National Laboratory, Los Alamos, New Mexico....	1.000	1.000	1.000	1.000	0.000
88-D-103 seismic upgrade, Building 111, Livermore National Laboratory, Livermore, California.................	1.100	1.100	1.100	1.100	0.000
88-D-104 safeguards and security upgrade, Phase II, Los Alamos National Laboratory, Los Alamos, New Mexico................	3.500	3.500	3.500	3.500	0.000

Fiscal Year 1988 Department of Energy National Security Programs

[Amounts in millions of dollars]

Program	FY 1988 Authorization Request-Restated	House Passed Bill	Senate Passed Bill	Conference Agreement	Change from Request
88-D-105 special nuclear materials research and development laboratory replacement, Los Alamos National Laboratory, Los Alamos, New Mexico	10.000	10.000	10.000	10.000	0.000
88-D-106 nuclear weapons research, development, and testing facilities revitalization, Phase II, various loca	28.962	28.962	28.962	28.962	0.000
88-D-121 general plant projects, various locations	33.000	26.500	33.000	33.000	0.000
88-D-122 facilities capability assurance program, various locations	19.200	15.400	19.200	19.200	0.000
88-D-123 security enhancements, Pantex Plant, Amarillo, Texas	5.700	5.700	5.700	5.700	0.000
88-D-124 fire protection upgrade, various locations	1.700	1.700	1.700	1.700	0.000
88-D-125 high explosive machining facility, Pantex Plant, Amarillo, Texas	2.700	2.700	2.700	2.700	0.000
88-D-126 personnel radiological monitoring laboratories, various locations	1.000	1.000	1.000	1.000	0.000
88-D-129 small intercontinental ballistic missile (SICBM) warhead production facilities, various locations	20.000	29.400	20.000	20.000	0.000
87-D-101, general plant projects, various locations		0.000		0.000	0.000
87-D-121, general plant projects, various locations		0.000		0.000	0.000
87-D-102, environmental compliance and cleanup, Livermore National Laboratory, Livermore, CA, and Site 30	0.000	0.000	0.000	0.000	0.000
87-D-104, safeguards and security enhancements II, Livermore National Laboratory, CA	7.000	7.000	7.000	7.000	0.000
87-D-122, short-range attack missile II (SRAM II) warhead production facilities, various locations	37.016	0.000	37.016	37.016	0.000
87-D-123, protective clothing decontamination facility, Rocky Flats Plant, Golden, Colorado	4.608	4.608	4.608	4.608	0.000
87-D-127, environmental, safety, and health upgrade, Mound Plant, Miamisburg, Ohio	1.737	1.737	1.737	1.737	0.000
87-D-130, receiving and shipping facility, Pinellas Plant, St. Petersburg, Florid	2.400	2.400	2.400	2.400	0.000
86-D-103, decontamination and waste treatment facility, Livermore National Laboratory, Livermore, CA	12.000	12.000	12.000	12.000	0.000
86-D-104, strategic defenses facility, Sandia National Laboratories, Albuquerque, New Mexico	15.000	15.000	15.000	15.000	0.000

Fiscal Year 1988 Department of Energy National Security Programs

[Amounts in millions of dollars]

Program	FY 1988 Authorization Request-Restated	House Passed Bill	Senate Passed Bill	Conference Agreement	Change from Request
86-D-105 instrumentation systems laboratory, Sandia National Laboratories, Albuquerque, New Mexico	8.000	8.000	8.000	8.000	0.000
86-D-106, laboratory data communications center, Los Alamos National Laboratory, Los Alamos, New Mexico	12.200	12.200	12.200	12.200	0.000
86-D-122, structural upgrade of existing plutonium facilities, Rocky Flats Plant, Golden, Colorado	0.221	0.221	0.221	0.221	0.000
86-D-123, environmental hazards elimination, various locations	13.289	13.289	13.289	13.289	0.000
86-D-124, safeguards and site security upgrading, Phase II, Mound Plant, Miamisburg, Ohio		0.000		0.000	0.000
86-D-125, safeguards and site security upgrading, Phase II, Pantex Plant, Amarillo, Texas	2.000	2.000	2.000	2.000	0.000
86-D-130, tritium loading facility replacement, Savannah River Plant, Aiken, South Carolina	46.773	46.773	46.773	46.773	0.000
85-D-102, nuclear weapons research, development, and testing facilities revitalization, Phase I, various locations	33.500	33.500	33.500	33.500	0.000
85-D-103, safeguards and security enhancements, Livermore and Sandia National Labs, Livermore, CA	9.200	9.200	9.200	9.200	0.000
85-D-105, combined device assembly facility, Nevada Test Site, Nevada	28.000	28.000	28.000	28.000	0.000
85-D-106, hardened engineering test Building, Livermore National Laboratory, Livermore, California	0.100	0.100	0.100	0.100	0.000
85-D-112, enriched uranium recovery improvements, Y-12 Plant, Oak Ridge, T	12.544	12.544	12.544	12.544	0.000
85-D-113, power plant and steam distribution system, Pantex Plant, Amarillo, Texas	2.000	2.000	2.000	2.000	0.000
85-D-115, renovate plutonium building utility systems, Rocky Flats Plant, Golden, Colorado	1.060	1.060	1.060	1.060	0.000
85-D-121, air and water pollution control facilities, Y-12 Plant, Oak Ridge, Tennessee	0.998	0.998	0.998	0.998	0.000
85-D-123, Safeguards and site security upgrade Pantex Plant, Amarillo, Texas		0.000		0.000	0.000
85-D-125, tactical bomb production facilities, various locations		0.000		0.000	0.000
84-D-102, radiation-hardened integrated circuit laboratory, Sandia National Laboratories, Albuquerque, N.M.		0.000		0.000	0.000
84-D-107, nuclear testing facilities revitalization, various locations	5.458	5.458	5.458	5.458	0.000

Fiscal Year 1988 Department of Energy National Security Programs

[Amounts in millions of dollars]

Program	FY 1988 Authorization Request-Restated	House Passed Bill	Senate Passed Bill	Conference Agreement	Change from Request
84-D-112. Trident II warhead production facilities, various locations.........	3.300	3.300	3.300	3.300	0.000
84-D-113. antisubmarine warfare/standoff weapon warhead production faciltiee, various locations....................		0.000		0.000	0.000
84-D-113. antisubmarine warfare/standoff weapon warhead production faciltiee, various locations (FY 86 authorization		0.000		0.000	0.000
84-D-124. environmental improvements, Y-12 Plant, Oak Ridge, TN..................	5.878	5.878	5.878	5.878	0.000
84-D-211. safeguards and site security upgrading, Y-12 Plant, Oak Ridge, TN..	18.253	18.253	18.253	18.253	0.000
84-D-212. Safeguards and site security upgrade Pinellas Plant, FL....................		0.000		0.000	0.000
82-D-107. utilities and equipment restoration, replacement, and upgrade, Phase III, various locations..........	96.129	76.929	96.129	96.129	0.000
82-D-109. 155mm artillery fired atomic projectile (AFAP) prod facs, var locat		0.000		0.000	0.000
82-D-144. simulation technology laboratory, Sandia National Laboratories Albuquerque, New Mexico...............		0.000		0.000	0.000
Total, Weapons Activities...........	536.726	473.610	536.726	536.726	0.000
Plant and Capital Equipment (continued)					
MATERIALS PRODUCTION					
Future year general plant projects, various locations....................		0.000		0.000	0.000
Future year projects, various locations		0.000		0.000	0.000
New production reactor, location to be determined...........................		20.000	15.000	10.000	10.000
88-D-146 general plant projects, various locations............................	39.030	31.230	39.030	39.030	0.000
88-D-153 additional reactor safeguards, Savannah River, South Carolina........	2.900	2.900	2.900	2.900	0.000
87-D-146. general plant projects, various locations....................		0.000		0.000	0.000
87-D-149. reduced chemical discharges to process sewers, Richland, Washington..		0.000		0.000	0.000
87-D-150. radioactive liquid effluent treatment facility, Richland, Washingt	5.000	5.000	5.000	5.000	0.000
87-D-152. environmental protection plantwide, Savannah River, South Carol	2.800	2.800	2.800	2.800	0.000
87-D-156. reactor effluent cooling water thermal mitigation, Savannah River, South Carolina.............................		0.000		0.000	0.000
87-D-159. environmental, health, and safety improvements, Phase I, Feed Materials Production Center, Fernald, Ohio......	35.000	35.000	35.000	35.000	0.000
86-D-146. general chemical discharges, various locations....................		0.000		0.000	0.000

Fiscal Year 1988 Department of Energy National Security Programs
[Amounts in millions of dollars]

Program	FY 1988 Authorization Request-Restated	House Passed Bill	Senate Passed Bill	Conference Agreement	Change from Request
86-D-148 special isotope separation project, Idaho Falls, Idaho...........	5.000	35.000	5.000	20.000	15.000
86-D-149, productivity retention program, Phase I, II and III, various locations	68.860	55.160	68.860	68.860	0.000
86-D-150, in-core neutron monitoring system, N reactor, Richland, Washingto		0.000		0.000	0.000
86-D-151, PUREX electrical system upgrade, Richland, Washington.........	1.900	1.900	1.900	1.900	0.000
86-D-152, reactor electrical distribution system, Savannah River, S	4.500	4.500	4.500	4.500	0.000
86-D-153, additional line III furnace, Savannah, River, South Carolina.......		0.000		0.000	0.000
86-D-154, effluent treatment facility, Savannah River, South Carolina........	19.175	19.175	19.175	19.175	0.000
86-D-156, plantwide safeguards systems, Savannah River, South Carolina........	13.000	13.000	13.000	13.000	0.000
86-D-157, hydrofluorination system - PB-line, Savannah River, South Carolin		0.000		0.000	0.000
85-D-139, fuel processing restoration, Idaho Fuels Processing Facility, Idaho National Engineering Laboratory, Idaho	28.000	28.000	28.000	28.000	0.000
85-D-140, productivity and radiological improvements, Feed Materials Production Center, Fernald, Ohio.................	7.831	7.831	7.831	7.831	0.000
85-D-145, fuel production facility, Savannah River, SC....................	21.100	21.100	21.100	21.100	0.000
84-D-134, safeguards and security improvements, plantwide, Savannah River, South Carolina..............................	9.685	9.685	9.685	9.685	0.000
84-D-135, process facility modifications Purex, Richland, Washington...........	10.000	10.000	0.000	0.000	-10.000
84-D-137, Facility security systems upgrade, IFPF, INEL, ID........................		0.000		0.000	0.000
84-D-136, enriched uranium conversion facility modifications, Y-12 Plant, Oak Ridge, Tennessee......................		0.000		0.000	0.000
83-D-148 non-radioactive hazardous waste management, Savannah River, South Caro	4.200	4.200	4.200	4.200	0.000
82-D-124, restoration of production capabilities, Phases II, III, IV and V, various locations.....................	13.200	10.600	13.200	13.200	0.000
Total, Materials Production...........	291.181	317.081	296.181	306.181	15.000
Plant and Capital Equipment (continued)					
DEFENSE WASTE AND TRANSPORTATION MANAGEMENT					
Future year general plant projects, various locations.....................		0.000		0.000	0.000
Future year projects, various locations		0.000		0.000	0.000
88-D-171 general plant projects, various locations............................	25.636	20.436	32.636	25.636	0.000

Fiscal Year 1988 Department of Energy National Security Programs

[Amounts in millions of dollars]

Program	FY 1988 Authorization Request-Restated	House Passed Bill	Senate Passed Bill	Conference Agreement	Change from Request
88-D-173 Hanford waste vitrification plant. Richland. Washington..................	7.500	7.500	25.000	7.500	0.000
87-D-171. General plant projects. interim waste operations and long-term waste management technology. various locations............................		0.000		0.000	0.000
87-D-172. WESF K-3 filter upgrade. Richland Washington............................	2.800	2.800	2.800	2.800	0.000
87-D-173. 242-A evaporator crystallizer upgrade. Richland. Washington.........	7.200	7.200	7.200	7.200	0.000
87-D-174. 241-AQ tank farm. Richland. Washington............................	22.300	22.300	22.300	22.300	0.000
87-D-175. steam system rehabilitation. Phase I. Richland. Washington.........	12.600	12.600	12.600	12.600	0.000
87-D-177. test reactor area liquid radioactive waste cleanup system. phase III. Idaho National Engineering Laboratory (INEL). Idaho........................	3.900	3.900	3.900	3.900	0.000
87-D-180. burial ground expansion. Savannah River. South Carolina........	8.200	8.200	8.200	8.200	0.000
87-D-181. diversion box and pump pit containment buildings. Savannah River. South Carolina........................	6.800	6.800	6.800	6.800	0.000
86-D-172. B-plant F-filter. Richland.		0.000		0.000	0.000
86-D-174. low-level waste processing and shipping system. Feed Materials Production Center. Fernald. Ohio......	4.628	4.628	4.628	4.628	0.000
86-D-175. Idaho National Engineering Laboratory security upgrade. Idaho National Engineering Laboratory (INEL). Idaho................................	0.742	0.742	0.742	0.742	0.000
85-D-157. Seventh calcined solids storage fac. INEL. ID.........................	2.181	2.181	2.181	2.181	0.000
85-D-158. central warehouse upgrade. Richland. Washington..................	0.056	0.056	0.056	0.056	0.000
85-D-159. new waste transfer facilities H-area. Savannah River. S.C...........	13.682	13.682	13.682	13.682	0.000
85-D-160. test reactor area security system upgrade. Idaho National Engineering Laboratory (INEL). Idaho..		0.000		0.000	0.000
82-N-103. Waste handling and isolation facs. Richland. WA..........................		0.000		0.000	0.000
81-T-105. defense waste processing facility. Savannah River. S.C.........	120.000	120.000	120.000	120.000	0.000
77-13-f waste isolation pilot plant. Delaware Basin. Southeast. New Mexico.	35.901	35.901	35.901	35.901	0.000
Total. Defense Waste & Byproduct Mgm	274.126	268.926	298.626	274.126	0.000

Fiscal Year 1988 Department of Energy National Security Programs

[Amounts in millions of dollars]

Program	FY 1988 Authorization Request-Restated	House Passed Bill	Senate Passed Bill	Conference Agreement	Change from Request
Plant and Capital Equipment (continued)					
VERIFICATION AND CONTROL TECHNOLOGY					
85-D-171, space science laboratory, Los Alamos, New Mexico................	0.000	0.000	0.000	0.000	0.000
NUCLEAR SAFEGUARDS AND SECURITY					
86-D-186, Nuclear safeguards technology lab, LANL, NM.........................	0.000	0.000	0.000	0.000	0.000
NAVAL REACTORS DEVELOPMENT					
Future year general plant projects, various locations.....................		0.000		0.000	0.000
Future year projects, various locations		0.000		0.000	0.000
88-N-101 general plant projects, various locations..............................	6.000	4.800	6.000	6.000	0.000
88-N-102 expended core facility receiving station, Naval Reactors Facility, Idah	2.100	2.100	2.100	2.100	0.000
88-N-103 material handling and storage modifications, Knolls Atomic Power Laboratory, Niskayuna, New York.......	0.400	0.400	0.400	0.400	0.000
88-N-104 prototype availability facilities, Kesselring Site, Knolls Atomic Power Laboratory, West Milton, New York.....	1.000	1.000	1.000	1.000	0.000
87-N-101, general plant projects, various locations.....................		0.000		0.000	0.000
87-N-102, kesselring site facilities upgrade, Knolls Atomic Power Laboratory, West Milton, New York.................	8.400	8.400	8.400	8.400	0.000
87-N-103, computation laboratory addition, Bettis Atomic Power Laboratory, West Mifflin, Pennsylvania.................		0.000		0.000	0.000
Total, Naval Reactors Development...	17.900	16.700	17.900	17.900	0.000
TOTAL, DOE DEFENSE ACTIVITIES PLANT CONSTRUCTION................	1119.933	1076.317	1149.433	1134.933	15.000
CAPITAL EQUIPMENT					
Weapons Activities.....................	317.230	266.230	321.230	266.230	-51.000
Nuclear Directed Energy Weapons.....	(42.000)	(17.000)	(42.000)	(17.000)	-25.000
Inertial Confinement Fusion.........	(6.000)	(10.000)	(10.000)	(10.000)	4.000
Materials Production.................	101.285	91.285	101.285	91.285	-10.000
Defense Waste & Transportation Managem	43.687	43.687	43.687	43.687	0.000
Verification and Control Technology...	5.100	5.100	5.100	5.100	0.000
Nuclear Safeguards and Security.......	4.600	4.600	4.600	4.600	0.000
Naval Reactors Development............	50.000	45.000	50.000	45.000	-5.000
TOTAL, DOE DEFENSE ACTIVITIES CAPITAL EQUIPMENT.................	521.902	455.902	525.902	455.902	-66.000
Subtotal, Operating Expenses........	6408.165	6303.855	6519.665	6251.065	-157.100
Subtotal, Plant Construction........	1119.933	1076.317	1149.433	1134.933	15.000
Subtotal, Capital Equipment.........	521.902	455.902	525.902	455.902	-66.000
UNDISTRIBUTED REDUCTIONS..............					
SDI-related activities.............	0.000	0.000	-100.600	0.000	0.000
Naval Reactors Development.........	0.000	0.000	-10.000	0.000	0.000
Other................................	0.000	0.000	-280.000	-15.000	-15.000
TOTAL, DOE DEFENSE ACTIVITIES.......	8050.000	7836.074	7824.400	7826.900	-223.100

Operating expenses (sec. 3111)

The House bill would authorize $6,303.855 million for operating expenses.

The Senate amendment would authorize $6,519.665 million for operating expenses.

The conferees agreed to an authorization of $6,251.065 million for operating expenses.

Plant and capital equipment (sec. 3112)

The House bill would authorize $1,076.317 million for plant construction and $455.902 million for capital equipment.

The Senate amendment would authorize $1,149.433 million for plant construction and $525.902 million for capital equipment.

The conferees agreed to an authorization of $1,134.933 million for plant construction and $455.902 million for capital equipment.

Funding limitations (sec. 3113)

The House bill contained a provision (sec. 3113) that would: (a) limit use of funds appropriated to the Department of Energy for fiscal year 1988 for the Strategic Defense Initiative to $279,000,000; (b) require that not less than $159,000,000 of funds appropriated for fiscal year 1988 be used for the defense inertial confinement fusion program; and (c) provide that no amount appropriated to the Department of Energy for fiscal year 1988 for operating expenses for verification and control technology may be used for any other program.

The Senate amendment contained a provision (sec. 3113) that would: (a) limit the total amount authorized to be appropriated in sections 3111 and 3112 to $7,824,400,000; and (b) provide that the Secretary of Energy shall reduce such projects listed in sections 3111 and 3112 to achieve a total reduction of $270,000,000. The Senate amendment also contained a provision (sec. 3114) that would limit use of funds appropriated to the Department of Energy for fiscal year 1988 for the Strategic Defense Initiative to $380,000,000.

The conferees agreed to a provision that would: (a) limit use of funds appropriated to the Department of Energy for fiscal year 1988 for the Strategic Defense Initiative to $279,000,000; (b) require that not less than $159,000,000 of funds appropriated for fiscal year 1988 be used for the defense inertial confinement fusion program; and, (c) as more fully discussed under the heading "Short range attack missile (SRAM II)", limit use of funds authorized for the construction of facilities for the warhead for the SRAM II.

Undistributed reductions (sec. 3114)

The Senate amendment included undistributed reductions of $100.6 million in Strategic Defense Initiative related activities, $10 million in naval reactors development, and $260.0 million in other defense activities.

The House bill contained no similar undistributed reductions.

The conferees agreed to an undistributed reduction of $15 million in other defense activities.

The House recedes with an amendment.

Strategic defense initiative

The Administration request included $480.6 million for nuclear directed energy weapons research in support of the Strategic Defense Initiative.

The House bill provided $279 million for nuclear directed energy weapons research in support of the Strategic Defense Initiative.

The Senate amendment provided $380 million.

The conferees agreed to provide $279 million and included a provision (sec. 3124(b)) that would authorize the Secretary of Defense to transfer up to $100 million of funds appropriated to the Department of Defense for fiscal year 1988 for the Strategic Defense Initiative to the Department of Energy for the nuclear directed energy research program in support of the Strategic Defense Initiative.

Special isotope separation (SIS)

The Administration request included $50 million for operating expenses and $5 million for plant construction for SIS.

The House bill would authorize $80 million for operating expenses and $35 million for plant construction.

The Senate amendment approved the amounts requested.

The conferees agreed to provide $65 million for operating expenses and $20 million for plant construction for SIS.

New production reactor

The Administration request included no funds for a new production reactor.

The House bill would authorize $20 million for construction of a new production reactor.

The Senate amendment would authorize $10 million for operating expenses and $15 million for construction for a new production reactor.

The conferees agreed to authorize $10 million for operating expenses and $10 million for construction for a new production reactor.

New production reactor capacity is to be located on an existing federal reservation at Hanford, Idaho, and/or Savannah River. Each of the reservations is large and remote from major population centers. Presently there are reactors at each of the facilities. New production reactor capacity will incorporate modern standards and will replace older production facilities. Accordingly, the conferees believe that the authorization (and subsequent appropriation of funds for the purpose) of planning, design, and construction of new production reactor capacity is not a major federal action requiring the preparation of an environmental impact statement pursuant to the provisions of the National Environmental Policy Act (section 4321 of title 42, United States Code) until such time as the Secretary of Energy has selected a specific site for the new production capacity.

Enrichment services

The Administration request included $193 million for enrichment services, $178.5 million for the naval reactors program and $14.5 million for other purposes.

The House bill would authorize $153 million for enrichment services, including $141.1 million for the naval reactors program and $11.5 million for other programs.

The Senate amendment would authorize $173 million for enrichment services, including $158.5 million for the naval reactors program and $14.5 million for other programs.

The Senate recedes.

Environmental restoration

The Administration request included $77.798 million for environmental restoration.

The House bill would authorize $97.798 million for environmental restoration.

The Senate amendment would authorize $80.798 million.

The Senate recedes.

Waste management activities

The Administration request included $391.597 million for waste operation and project operating expenses.

The House bill would authorize $411.597 million.

The Senate amendment would authorize $430.597 million.

The Senate recedes.

Verification and control technologies

The Administration request included $95.5 million for verification and control technologies operating expenses.

The House bill would authorize $128.29 million for verification and control technologies operating expenses and included detailed specification for the use of the funds.

The Senate amendment would authorize $120.5 million for verification and control technologies operating expenses and included limitations on the use of the funds.

The conferees agreed to provide $120.5 million for verification and control technologies operating expenses.

General plant projects

The House bill would reduce the authorization for each general plant project by 20 percent for a reduction of $65 million from the Administration request.

The Senate amendment contained no similar reduction.

The House recedes.

Short range attack missile (SRAM)

The Administration request included $37.016 million for facilities for the construction of warheads for the SRAM II missile. The House bill would authorize no funds for facilities for the construction of warheads for the SRAM II missile. Because the Administration request for facilities for construction of warheads for the small intercontinental ballistic missile (SICBM) was reduced because of economies achievable with the joint production of the SRAM II warhead, the House bill also increased funding for the SICBM warhead facilities by $9.4 million over the request.

The Senate amendment would authorize the amounts requested.

The conferees recognize that it is desirable to replace the existing SRAM A warhead with a more modern design and were assured by the Department of Energy that the warhead planned to be constructed for the SRAM II missile could be used to replace existing warheads on the SRAM A missile.

The conferees agreed to authorize funds as contained in the Senate amendment and included a restriction on the use of the funds (sec. 3113(c)). The restriction provides that the $37.016 million for construction of facilities for a new SRAM warhead may be used only for facilities suitable for construction of a warhead that is compatible with the SRAM A and SRAM II and may be obligated only after the Nuclear Weapons Council has certified to the Committees on Armed Services of the Senate and House of Representatives that the design of the warhead to be constructed in the facility is compatible with the SRAM A and SRAM II.

The House recedes with an amendment.

Process facility modifications

The Administration request included $10 million for process facility modifications at the Purex plant, Richland, Washington (project 84-D-134).

The House bill approved the project as requested.

The Senate amendment authorized no funds for the project.

The House recedes.

PART C—MISCELLANEOUS PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Allowable costs to include certain information provided to Congress and State legislatures (sec. 3131)

The House passed bill included a provision (sec. 3131) that would make clear that costs incurred by a contractor in responding to a request from the Congress or a state legislature are allowable regardless of whether such request is made through the Department of Energy or otherwise and regardless of whether the information was concurrently provided to the Department of Energy.

The Senate amendment contained no similar provision.

The Senate recedes.

Modernization of nuclear weapons complex (sec. 3132)

The House bill included a provision (sec. 3133) that would require the President to submit to the Committees on Armed Services and Appropriations of the Senate and House of Representatives a plan for the modernization of the nuclear weapons complex. The plan would be required to be submitted by February 15, 1988.

The Senate amendment contained no similar provision.

The conferees note that the Department of Energy has underway a number of studies, the results of which will bear directly on a plan for the modernization of the nuclear weapons complex. The studies underway include the management of low-level nuclear waste, an examination of configurations of the nuclear weapons production complex of the year 2010, an acqusition strategy for a new production reactor, a study of the appropriate size and composition of the weapons research, development and test complex, and a long range plan for environmental health and safety activities.

In order to permit the completion of the ongoing Department of Energy studies and their incorporation into the plan required by the provision the conferees agreed to the House provision with an amendment that would revise the submission date of the plan to December 15, 1988.

The Senate recedes with an amendment.

Requirements to ensure safe operation of N reactor (sec. 3133)

The House bill included a provision (sec. 3137) that would require that the Secretary of Energy request the National Academy of Sciences to submit a report relating to the safety of operation of the N reactor by October 1, 1987. The provision also provided that the N reactor not be operated until the Secretary of Energy certified that the N reactor is safe to operate and in any event not before November 1, 1987.

The Senate amendment included no similar provision. The Senate bill provided no funds for the operation of N reactor and the report accompanying the bill directed that the reactor be placed in a "cold" standby status that would minimize the cost of maintaining the reactor in an indefinite standby status.

The conferees agreed to a provision that would require that the Secretary of Energy request the National Academy of Sciences to submit a report relating to the safety of operation of the N reactor by December 1, 1987. The provision would also provide that the N reactor not be operated until the Secretary of Energy certifies that the N reactor is safe to operate and in any event not before January 1, 1988.

In the event that the Department of Energy is unable to make a timely restart of the N reactor the conferees direct that funds that are provided for operation of N reactor be used to (in order of priority):

1. Place N reactor in a "cold" standby status;
2. Accelerate planning, design and, if possible, construction of a new production reactor; and
3. Accelerate construction of the Special Isotope Separation facility.

Beginning on January 1, 1988, and monthly thereafter until N reactor is restarted or a decision is made to place the reactor in "cold" standby status, the Secretary of Energy shall report in writing to the Committees on Armed Services and Appropriations of the Senate and House of Representatives on the status of the N reactor and the Department's planned date for restart of operations.

Interim oversight of safety of the nuclear weapons complex (sec. 3134)

The House bill included a provision (sec. 3136) that would establish an annual review and report on the status of the nuclear weapons complex by the National Academy of Sciences. The provision would also require that the Secretary of Energy submit comments on the report and describe the plans of the Secretary to correct any technical problems described in the report or carry out recommendations set forth in the report.

The Senate amendment contained no similar provision.

The conferees note that the Committees on Armed Services of the Senate and the House of Representatives have legislation pending before them that would create permanent oversight for the nuclear weapons complex. The conferees would also note that the president of the National Academy of Sciences has suggested that the Academy might better be viewed as an interim mechanism for oversight while more permanent institutional responses are designed and implemented. Accordingly the conferees agreed to an interim oversight provision that would provide for two annual reviews and reports on the status of the nuclear weapons complex by the National Academy of Sciences.

The Senate recedes with an amendment.

Timely determination on property rights in inventions and discoveries (sec. 3135)

The Senate amendment contained a provision (sec. 3132) that would provide that title to a patent for which the contractor has requested title shall pass to the contractor if the Secretary of Energy fails to act on the request within 180 days.

The House bill contained no similar provision.

The House recedes with an amendment.

The conferees were in agreement that the Secretary of Energy should take prompt action on requests for title. However the House conferees were unwilling to allow title to pass automatically if the Secretary failed to act promptly. Accordingly, the conferees agreed to a provision that would require the Secretary of Energy to act on a request for title to a patent within 150 days of receipt of a complete request, and require that the Secretary report to the Committees on Armed Services of the Senate and House of Representatives within 10 days after the end of the 150 day period if he fails to act within the period. The provision would further provide that filing of a report does not relieve the Secretary of the requirement to make a decision and that reports shall be filed at the end of each 30-day period after submission of the first report during which the Secretary continues to fail to make the decision required by the provision. The requirements of the provision would be effective March 1, 1988.

The conferees direct the Secretary of Energy to submit a copy of the draft regulations implementing the provision to the Committees on Armed Services of the Senate and House of Representatives not later than March 1, 1988 and to submit an additional report, not later than 1-year after date of enactment, containing:

a. the final regulations implementing the provision;

b. an evaluation of the 150 day period for action, including an evaluation of increasing or decreasing the period; and

c. any other information or recommendations the Secretary deems appropriate for improving the transfer of technology developed in defense activities of the Department of Energy to the private sector, while protecting national security interests.

Acquisition strategy for a new production reactor (sec. 3136)

The Senate amendment contained a provision (sec. 3133) that would require the Secretary of Energy to submit a report addressing the acquisition strategy for new reactor production capacity not later than February 1, 1988.

The House bill contained no similar provision.

The House recedes.

PROVISIONS NOT ADOPTED

Livermore National Laboratory

The House passed bill included a provision (sec. 3132) that would redesignate the Ernest Orlando Lawrence Livermore Laboratory as the Livermore National Laboratory.

The Senate amendment contained no similar provision.

The House recedes.

Limitation on nuclear testing

Section 3135 of the House bill directed that funds appropriated for fiscal year 1988 may not be expended or obligated to carry out a nuclear explosion with a yield over 1 kiloton, or a nuclear explosion outside a designated test area, unless the President certifies that one of the following conditions are met: (1) the Soviet Union has carried out a nuclear explosion in excess of 1 kiloton yield or outside a designated test area; (2) the Soviet Union has refused to accept and implement certain reciprocal in-country monitoring arrangements capable of detecting and identifying decoupled nuclear explosions with yields exceeding 1 kiloton. The limitation on nuclear explosions is also removed if the United States and the Soviet Union reach an agreement or treaty that establishes significant limits on nuclear explosions.

The Senate bill contained no such provision.

The House recedes.

Repeal of limitation on MX warheads

The Senate amendment contained a provision (sec. 3131) that would repeal section 1426(a) of the Department of Defense Authorization Act, 1986 that provided that no funds may be obligated or expended for the production of W-87 warheads for the MX missile program in excess of the numbers of warheads required to arm the number of such missiles authorized by the Congress to be deployed and determined by the President to be necessary for quality assurance and reliability testing.

The House bill contained no similar provision.

The Senate recedes.

PART D—THE DEPARTMENT OF ENERGY SEMICONDUCTOR TECHNOLOGY RESEARCH EXCELLENCE INITIATIVE

The Senate amendment contained provisions (sec. 3141-3151) that would establish a semiconductor technology research excellence initiative (hereafter referred to as the initiative) within the Department of Energy. The amendment would provide that the Secretary of Energy is to initiate and conduct a program of research on semiconductor manufacturing technology and on the practical applications of the technology in the national laboratories operated by the Department of Energy. Research activities would be conducted through cost-sharing agreements with private firms and universities which would allow access to the facilities and equipment of the national laboratories and would provide for exchanges of personnel.

Section 3141 would make certain findings concerning the need for the initiative.

Section 3142 would establish the initiative as a program of the Department of Energy and would require that the program be conducted to complement the activities of the consortium of United States semiconductor manufacturers, materials manufacturers, and equipment manufacturers, established for conducting semiconductor research.

Section 3143 would provide that each national laboratory of the Department of Energy should participate in research projects under the initiative in conjunction with the Department of Defense, any consortium, college or university carrying out such a project for or in cooperation with the consortium referred to in section 3142, to the extent that such participation does not detract from the primary mission of the national laboratory. The section would also require the Secretary of Energy to enter into agreements to carry out the initiative. Finally, the section would require that one or more national laboratories conduct research activities relating to semiconductor manufacturing technologies.

Section 3144 would require that the initiative provide for the temporary exchanges of personnel between participants in the initiative.

Section 3145 would allow the Secretary of Energy to make available to Federal agencies and to a consortium participating in the intitiative resources of the Department of Energy for the purposes of the initiative.

Section 3146 would require that the Secretary of Energy provide (in budgets prepared for submission to Congress) for programs, products, and activities that encourage the development of new technology in the field of semiconductors.

Section 3147 would permit the Director of a national laboratory, or the contractor operating a national laboratory, to enter into agreements with domestic firms in connection with the initiative that provide for the domestic firm to pay a portion of the cost of research activities. The section would also require that the director of each national laboratory submit a proposal to the Department of Energy defining cost sharing arrangements and the appropriate level of funding for approval. Finally, except as otherwise approved by the Secretary of Energy, the section would limit the amount of a national laboratories budget that may be derived from non-appropriated funds contributed by participants in the initiative to 1 percent of the total budget and would further limit the total amount received under any single agreement to $10 million.

Section 3148 would allow the Secretary of Energy to review agreements entered into under section 3147 during a ninety day period after such agreements are submitted to the Secretary.

Section 3149 would require that the Secretary of Energy ensure that unnecessarily duplicative research is not performed at research facilities involved in the initiative.

Section 3150 would authorize appropriations to the Department of Energy of $25 million for each of the years 1988 and 1989 and provide that such funds are in addition to amounts available to the Department of Defense for semiconductor manufacturing technology research.

Section 3151 would require that the Secretary of Energy adopt procedures to provide for the timely and efficient transfer of semiconductor technology developed under the initiative under law and regulations applicable to the Department of Defense. The section would also require that the Secretary of Energy transmit a plan for commercialization enhancement of semiconductor technology and information developed under the initiative to the Committees on Armed Services of the Senate and the House of Representatives, the Committee on Energy and Natural Resources of the Senate, and the Committee on Science and Technology of the House of Representatives.

The House bill contained no similar provision.

The conferees agreed to a provision that would establish a semiconductor technology research excellence initiative (hereafter referred to as the initiative) within the Department of Energy. The provision would direct the Secretary of Energy to initiate and conduct a program of research on semiconductor manufacturing technology and on the practical applications of the technology in the national laboratories operated by the Department of Energy. Research activities could be conducted through cost-sharing agreements with private firms and universities which could allow access to the facilities and equipment of the national laboratories and could provide for exchanges of personnel.

Section 3141 would make certain findings concerning the need for the initiative as contained in the Senate amendment.

Section 3142 would establish the initiative as a program of the Department of Energy and would permit the program to be conducted to complement the activities of the consortium of United States semiconductor manufacturers, materials manufacturers, and equipment manufacturers, established for conducting semiconductor research.

Section 3143 would permit each national laboratory of the Department of Energy to participate in research projects under the initiative in conjunction with the Department of Defense, any consortium, college or university carrying out such a project for or in cooperation with the consortium referred to in Section 3142, to the extent that such participation is consistent with the missions of the national laboratory. The section would also authorize the Secretary of Energy to enter into agreements to carry-out the initiative and require that one of more of the national laboratories participate in the initiative.

Section 3144 would authorize the Secretary of Energy to permit the temporary exchange of personnel between the national laboratories and non-governmental participants in the initiative.

Section 3145 would allow the Secretary of Energy, subject to reimbursement, to make available to federal agencies and to any consortium participating in the initiative resources of the Department of Energy for the purposes of the initiative.

Section 3146 would require that the Secretary of Energy, to the extent that he deems appropriate and necessary, provide in budgets prepared for submission to Congress for programs, products, and activities that encourage the development of new technology in the field of semiconductors. Any such funds included in the budget would be required to be included in the budget for general science and research activities except to the extent that funding directly supports and has direct benefit to the defense programs of the Department of Energy it would be required to be included in the budget for atomic energy defense activities of the Department of Energy.

Section 3147 would permit the director of a national laboratory that is participating in the initiative, consistent with a contract with the Department of Energy, to enter into agreements with domestic firms in connection with the initiative that provide for the domestic firm to pay a portion of the cost of research activities. Except to the extent approved in advance by the Secretary of Energy the section would limit the amount of a national laboratories budget that may be derived from non-appropriated funds contributed by participants in the initiative to 1 percent of the total budget and would further limit the total amount received under any single agreement to $10 million.

Section 3148 would allow the Secretary of Energy to review agreements entered into under section 3147 during a ninety day period after such agreements are submitted to the Secretary.

Section 3149 would require that the Secretary of Energy ensure that unnecessarily duplicative research is not performed at research facilities involved in the initiative.

Section 3150 would authorize the appropriation of $25 million for general science and research activities of the Department of Energy under the initiative.

Section 3151 would require that the Secretary of Energy adopt procedures to provide for the timely and efficient transfer of semiconductor technology developed under the initiative. The section would also require that the Secretary of Energy transmit a plan for commercialization enhancement of semiconductor technology and information developed under the initiative to the Committees on Armed Services of the Senate and the House of Representatives, the Committee on Energy and Natural Resources of the Senate, and the Committee on Science and Technology of the House of Representatives.

TITLE II—NATIONAL DEFENSE STOCKPILE

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

The House bill contained the following sections related to the National Defense Stockpile:

Section 3202 would amend section 2 of the Strategic and Critical Materials Stock Piling Act (section 98a of title 50, United States Code) by restating (a) that Congress intends the National Defense Stockpile to be used to serve the interest of national defense only and not to be used for economic or budgetary purposes and (b) that the quantities of materials stockpiled under the Act should be sufficient to sustain the United States for a period of not less than three years during a war emergency that would necessitate total mobilization of the economy of the United States for a conventional global war of indefinite duration.

This section would also require that the quality, quantity and form of each material acquired and stored in the stockpile be established by law. Until Congress establishes new stockpile requirements, the stockpile goals as of October 1, 1984 would remain in effect.

Section 3203 would transfer management of the stockpile to the Secretary of Defense.

Section 3204 would direct the Secretary of Defense to submit an annual report of his recommended requirements for the National Defense Stockpile based on total mobilization of the economy of the United States for a conventional global war for a period of not less than three years.

Section 3205 would authorize the Secretary of Defense to enter into reimbursable agreements with any other department or agency relating to stockpile management. The section would also authorize appropriations for the Department of Defense for the operation and management of the stockpile.

Section 3206 would amend section 9(b)(2) of the Strategic and Critical Materials Stock Piling Act (section 98h(b)(2) of title 50, United States Code), by striking out subparagraph (F) which permits use of the transaction fund for other reasonable requirements for management of the stockpile.

The Senate amendment contained the following sections related to the National Defense Stockpile:

Section 3201 would permit changes in the current inventory goals of the National Defense Stockpile (i.e. those inventory goals in effect on October 1, 1984) only if the changes are first outlined in the Annual Materials Plan for that fiscal year. Any change in stockpile goals proposing a reduction greater than ten percent in any fiscal year of the quantity of the inventory goal of an item in the stockpile, or elimination of any item from the inventory goals of the stockpile, could be made only after approval by the Congress through legislation.

Section 3202 would require submission of the Annual Materials Plan to Congress no later than February 15 of each year.

The conferees agreed to the following sections related to the National Defense Stockpile:

Section 3202(a) would permit the President to make changes in stockpile requirements for any item in the stockpile by up to ten percent of the requirement in effect as of September 30, 1987 provided the necessary justification is included in the Annual Materials Plan.

Any change in the stockpile goals in excess of ten percent could be made only to the extent expressly authorized by law.

Under this section, if reports required by sections 11(b) and 14 of the Stock Piling Act are not made to Congress on a timely basis, no changes could be made to stockpile goals in the next fiscal year.

Section 3202(b) would establish the principles under which the Congress intended the National Defense Stockpile to operate: (a) to serve in the interest of national defense only and not to be used for economic or budgetary purposes and (b) to maintain quantities of materials stockpiled under the Act sufficient to sustain the United States for a period of not less than three years during a war emergency that would necessitate total mobilization of the economy of the United States for a conventional global war of indefinite duration.

Section 3202(c) would require the Secretary of Defense to submit an annual report to Congress on stockpile requirements, setting forth national emergency planning assumptions used in determining such requirements, based upon total mobilization of the economy of the United States for a sustained conventional global war for a period of not less than three years. This section would also require the President to submit, through the Stockpile Manager, a report setting forth the plans of the Administration for meeting the requirements for the stockpile as recommended by the Secretary of Defense.

Section 3203 delineates the responsibilities of the National Defense Stockpile Manager to include the functions of the President under the Act, other than under sections 7, 8 and 13.

The section also, during any period in which there is no incumbent in the position of National Defense Stockpile Manager, would prohibit the Executive Branch from taking action under section 6(b) or 6(d) of the Stock Piling Act.

Finally the section would, effective 30 days after the date of the enactment of this Act, revoke Executive Order 12155.

Section 3204 would repeal authority for using the National Defense Stockpile Transaction Fund for other reasonable requirements in management of the stockpile.

Section 3205 would establish February 15 of each year as the deadline for submission of the Annual Materials Plan to Congress.

LEGISLATIVE PROVISIONS NOT ADOPTED

Transfer of certain stockpile functions to the Secretary of Defense

The House bill contained a provision (sec. 3203) that would transfer management of the stockpile to the Secretary of Defense.

The Senate amendment contained no similar provision.

The conferees agreed that the Administration and the present National Defense Stockpile Manager should be given further time to demonstrate whether or not the Stockpile Program and National Defense Stockpile Transaction Fund can be successfully managed under existing law before changes are made.

The House recedes.

Stockpile management

The House bill contained a provision (sec. 3205) that would provide authority to the Secretary of Defense to enter into reimbursable agreements with any other department or agency relating to stockpile management. The section would also authorize appropriations for the Department of Defense for the operation and management of the stockpile.

The Senate amendment contained no similar provision.

The House recedes.

TITLE III—CIVIL DEFENSE

CIVIL DEFENSE AUTHORIZATION

The President's budget request contained $154.8 million for civil defense for fiscal year 1988.

The House bill and the Senate amendment both contained provisions (sec. 3301) that would authorize $134.8 million for fiscal year 1988 to carry out the provisions of the Federal Civil Defense Act of 1950.

LEGISLATIVE PROVISIONS

LEGISLATIVE PROVISIONS ADOPTED

Prohibition (sec. 3302)

The House bill contained a provision (sec. 3302) that would prohibit the obligation or expenditure of funds available to the Federal Emergency Management Agency for fiscal years 1987 and 1988 from being withheld or withdrawn at any time from any State or any other entity on the basis of such State or other entity's failure to participate, or determination not to participate, in a simulated nuclear attack exercise.

The Senate amendment contained no similar provision.

The Senate recedes.

THE 1988 DEFENSE BUDGET UNDER A SEQUESTER

As the conferees completed action, uncertainty existed whether there would be a sequester of fiscal year 1988 funds (and, if there were a sequester, the amount of the sequester). The Gramm-Rudman legislation established the maximum sequester as that necessary to reduce outlays by $23 billion. The actual sequester could be less if tax increases or spending reductions are enacted before November 20. Additionally, the actual sequester for defense could be further reduced if the full year appropriation bill is enacted after November 20 and if individual accounts in the enacted appropriation bill are less than the amounts assumed in the budget "baseline" (the baseline for the defense function totals $303 billion).

This section describes the impact of a sequester in defense under two different cases. In the first case it is assumed that a full $23 billion sequester is applied (with half applied to individual defense accounts) as set out in the Gramm-Rudman legislation. Each account, except the military personnel accounts which were exempted from sequester by the President, is reduced by 10.4 percent below the baseline amount. In the second case the same $23 billion sequester is assumed but the operation and maintenance accounts, which are most directly related to near-term readiness, are protected from the full sequester so that they are reduced to a level 5 percent below the baseline. All other accounts must compensate for the relative sheltering of the O&M accounts and, thereby, are reduced 19 percent below the baseline level in this case to achieve the required outlay reductions.

In the first case fiscal year 1988 budget authority for the national defense function would be reduced from the baseline level of $303 billion to $279 billion and an additional $5 billion of prior year balances would be sequestered. In the second case, budget authority would be reduced to $271 billion, and the reduction in prior year balances would remain at $5 billion.

The Gramm-Rudman Act specifies that each program, project and activity must be reduced by the same uniform percentage. The Act does not permit the President and the Congress to offer revised sequester orders that tailor the sequester, cutting some programs more heavily in order to minimize the reduction in other programs. The sequesters described here have not been done in a uniform manner—reductions in every program, project, and activity—as called for in the legislation. Rather the attempt has been to describe how reductions might be imposed within individual accounts in two alternative plans that could be implemented by the Congress.

Although the President has exempted the military personnel accounts from sequester, the baseline for the military personnel accounts is substantially below the conference recommendation. Accordingly the discussion includes reductions that could be made to reduce the military personnel accounts to the baseline level that is the basis for sequester calculations.

The subsequent discussion will address the assumed sequesters for the major categories in the defense budget.

PROCUREMENT

In the event of a sequestration (Case I), the procurement accounts would be reduced by an additional $1.4 billion from the conference agreement and $5.6 billion below the President's request. If the operation and maintenance accounts were to be protected (Case II), the procurement accounts would be reduced further—by an additional $8.9 billion from the conference agreement and $13.2 billion below the President's request. The following table provides the details of the sequestration levels by service.

Procurement

[In millions of dollars]

	Conference level	Budget after sequestration	
		Case I O&M not protected	Case II O&M protected
Army	16,618	14,925	13,493
Navy/MC	31,780	30,928	27,960
Air Force	29,192	31,773	28,722
Defense Agencies	1,293	1,421	1,285
Guard/Reserve	703	520	470
Chemical demilitarization	125	111	100
Total	79,711	79,678	72,030

Due to the magnitude of the proposed sequestrations, several general policy guidelines would govern their implementation. In general the policies would include: postponing new starts; eliminating all program increases; terminating weapon systems that are duplicative or where program performance appears to be marginal.

Either of these sequester proposals would reverse the majority of the initiatives included in this conference report, and seriously disrupt any production efficiencies. As a starting point, such a sequestration would include authorization of only those programs included at the contingency level of $289 billion.

By way of illustration, a sequestration could also have the following impacts:

Army

Eliminate new starts, such as the RC-12 reconnaissance airplane, Army Tactical Missile System (ATACMS).

Cripple congressional initiatives to bolster production rates for Army programs (AH-64 helicopter, AHIP helicopter, Blackhawk helicopter, M1 tank, 10-ton trucks, ammunition items).

Break multiyear contract (Patriot missile system).

Disrupt $1 billion fixed price contract (Mobile Subscriber Equipment (MSE)).

Stretch out planned increases in communications programs, such as night vision goggles, and aviation survivability equipment.

Navy

Reduce Trident II D-5 missile procurement by one-third from 72 to 48 missiles.

Reduce Trident II D-5 missile advanced procurement for fiscal year 1989 by eight missiles from 66 to 59.

Halve the AIM-54C Phoenix air-to-air missile program eliminating the second source producer.

Stretch out procurement of the AGM-88A HARM anti-radiation missile program.

Stretch out procurement of the SM-2 standard missile program, eliminating the second source producer.

Halve procurement of the joint German/American rolling airframe missile (RAM) surface-to-air missile program.

Eliminate second-source efforts for the MK-50 advanced lightweight torpedo. Stretch out procurement of MK-48 advanced capability torpedoes.

Reduce authorization for Aegis cruiser by one (at $800 million) from four fully funded in the conference agreement.

Reduce antisubmarine and antiair warfare upgrades for existing ships, including the FFG-7 class frigates.

Marine Corps

Defer production start of the M1 tank for the Marines.

Stretch out the Stinger air defense missile system.

Air Force

Terminate two tactical missile programs (Sparrow and Sidewinder).

Reduce AMRAAM.

Reduce capability to suppress enemy air defenses (HARM).

Impose production gap in advanced cruise missile program.

Cripple space launch recovery program (medium launch vehicle).

Eliminate second source on major munitions program (combined effects munitions).

Reduce tactical communications modernization program (TRI-TAC).

Cripple readiness and sustainability (electronics/communications spares).

Delay NATO special weapons storage/security program (weapons storage facility).

Delay air base operability enhancement (mobile armored reconnaissance vehicle).

Guard and Reserve

Stop Guard airlift modernization program (C-130H).

Reduce Army Reserve combat support modernization program (miscellaneous equipment).

Chemical Demilitarization

Reduce operations for existing stockpile.

Delay research and development of alternate technologies.

RESEARCH AND DEVELOPMENT

In the event of a sequestration (Case I), the Research and Development accounts would be reduced by an additional $4.5 billion from the conference agreement (and $10.1 billion below the President's request—a 23 percent reduction from the request).

If operation and maintenance accounts were to be protected (Case II), the Research and Development accounts would be reduced further—by an additional $7.7 billion from the conference agreement (and by a total of $13.4 billion, or 31 percent from the request.

The conferees imposed reductions totaling $7.7 billion at the contingent authorization level. The sequester adjustments had to be made from this lower level. A sequestration would place research and development spending in fiscal year 1988 between $30.4 and $33.6 billion. In real terms, that was the level of spending in fiscal year 1984.

GENERAL APPROACH

Adjusting the budget request to these dangerously low numbers by imposing cuts on many different programs would not be workable. In addition, the budget situation will likely impose reductions in subsequent years. Therefore, the following general guidelines for making these reductions is suggested:

(1) maintain stability for major programs nearing the end of full-scale development;

(2) emphasize programs that offer improvements to existing fielded systems; and

(3) seriously review the affordability of major new programs just entering development

Using these guidelines, the following actions represent the impact of a sequester.

REDUCTIONS IN THE TECHNOLOGY BASE

A 23 percent across the board reduction in the technology base, in advanced technology development, in intelligence programs and in defense mission support programs could be imposed. Reductions of this size in the technology base would mortgage the future by slowing the development of promising new scientific breakthroughs. Reductions in the intelligence programs and in defense mission support activities would probably necessitate civilian reductions in force (RIF) at the laboratories and ranges that support the research and development establishment.

TERMINATING MAJOR NEW PROGRAMS

Reductions of this magnitude could require termination of major programs. In addition, a sequester in fiscal year 1988 could well be followed by sequesters in subsequent years. Terminating major new programs in fiscal year 1988 is the only method available for minimizing future disruptions. The following programs might be terminated should a sequester order be imposed.

LHX helicopter

The LHX helicopter is the Army's effort to develop a new generation helicopter to replace some 7,000 aging operationally obsolete scout and utility helicopters. Termination would require the Army to operate those obsolete helicopters for a much longer period, with resulting increases in operating and support costs.

Air Defense improvements

The Army is in the initial stages of improving air defense after the decision to terminate the Sgt. York Division Air Defense system. These improvements are critical, but a sequester could necessitate suspension of the Forward Area Air Defense and command and control programs that are the cornerstone of the modernization program.

V-22 tilt rotor

The termination of the V-22 tilt rotor would deny the Marine Corps a modern combat assault airlift capability and would force the Navy to operate aging and obsolete CH-46 helicopters indefinitely. The Air Force and Army had been planning to buy variants of the V-22 for use in special operations. Although this program is substantially into full-scale development, it might not fit in a budget reduced by a sequestration.

SRAM II

The SRAM II is intended to provide modern missiles for use by strategic bombers. Termination of SRAM II would require the new B-1s and Advanced Technology bombers to operate under the tactical limitations of the SRAM A which was first fielded in the mid-1970s.

ICBM programs

The sequester could force reductions in the rail mobile MX and the small ICBM, effectively terminating these programs. Both programs are critical for providing survivable and non-destabilizing ICBM capability for the future which is critical for purposes of maintaining deterrence during a period of growing Soviet abilities to target and destroy fixed missile silos.

PROGRAM REDUCTIONS

In addition, the following programs could be significantly delayed:

(1) Patriot ATBM.
(2) ASAT.
(3) C-17.
(4) SDI.
(5) Trident II missiles.
(6) Advanced Tactical Aircraft.
(7) P-3 Modernization.

RESEARCH, DEVELOPMENT, TEST AND EVALUATION (RDT&E) SEQUESTER SUMMARY (FROM THE ADMINISTRATION REQUEST)

Programs	Sequester	
	Case I—O&M not protected	Case II—O&M not protected
Army:		
Patriot ATBM		Terminate.
Forward Area Air Defense		Reduce 75 percent.
LHX	Terminate	Terminate.
Navy:		
Trident II D-5 missile	Reduce 18 percent	Reduce 33 percent.
V-22	Reduce 45 percent	Terminate.
P-3 Modernization	Reduce 60 percent	Terminate.
Air Force:		
SPAM II	Reduce 68 percent	Terminate.
Small ICBM	Reduce 69 percent	Terminate.
Rail MX	Reduce 83 percent	Terminate.
ASAT	Reduce 65 percent	Terminate.
C-17	Reduce 28 percent	Reduce 37 percent.
Defense Agencies: SDI	Reduce 32 percent	Reduce 44 percent.

CONFERENCE SEQUESTER SUMMARY -- FISCAL YEAR 1988 RESEARCH, DEVELOPMENT, TEST AND EVALUATION AUTHORIZATION

[In thousands of dollars]

		Conference bill 289		Sequester "cut O&M"			Sequester "protect O&M"		
Program	FY 1988 Request	Change from request	Recommend	Change from request	Recommend	% cut	Change from request	Recommend	% cut
TOTAL, RDTE, ARMY	5,511,172	(319,334)	5,191,838	(1,203,000)	4,308,172	-22%	(1,616,000)	3,895,172	-29%
TOTAL, RDTE, NAVY	10,490,412	(851,417)	9,638,995	(1,771,000)	8,719,412	-17%	(2,608,000)	7,882,412	-25%
TOTAL, RDTE, AIR FORCE	18,623,383	(3,496,248)	15,127,135	(4,517,000)	14,106,383	-24%	(5,871,000)	12,752,383	-32%
TOTAL, RDTE, DEFENSE AGENCIES	8,811,532	(750,974)	8,060,558	(2,493,000)	6,318,532	-28%	(3,100,000)	5,711,532	-35%
TOTAL, RDTE, DEVELOPMENTAL TEST & EVAL.	178,217	(4,738)	173,479	(66,000)	112,217	-37%	(77,000)	101,217	-43%
TOTAL, OPERATIONAL TEST AND EVALUATION.	104,221	(13,000)	91,221	(94,000)	10,221	-90%	(95,000)	9,221	-91%
TOTAL, RDTE	43,718,937	(5,435,711)	38,283,226	(10,144,000)	33,574,937	-23%	(13,367,000)	30,351,937	-31%
ARMY RDT&E Fiscal Year 1988									
Total, Technology Base	824,173	(59,311)	764,862	(189,560)	634,613	-23%	(189,560)	634,613	-23%
Total, Advance Technology Development	400,711	(67,991)	332,720	(92,164)	308,547	-23%	(92,164)	308,547	-23%
0 99CP Classified Programs(strategic)	98,136	(2,000)	96,136	(22,571)	75,565	-23%	(22,571)	75,565	-23%
57 63302A Antitactical Missile System	29,501	(3,000)	26,501	(3,000)	26,501	-10%	(29,501)	0	-100%
83 63757A Forward Area Air Defense Systems	131,608	33,392	165,000	17,476	149,084	13%	(116,483)	15,125	-89%
88 63776A Airborne Adverse Weather Weapons System	97,726	(27,726)	70,000	(54,962)	42,764	-56%	(97,726)	0	-100%
97 64206A UH-60 BLACKHAWK	0	23,000	23,000	0	0		0	0	
98 64216A Aircraft Propulsion System	135,073	(10,073)	125,000	(135,073)	0	-100%	(135,073)	0	-100%
100 64223A Advanced Technology Light Helicopter Se	267,212	(97,212)	170,000	(267,212)	0	-100%	(267,212)	0	-100%
124 64730A Remotely Piloted Vehicles	32,620	(22,620)	10,000	(22,620)	10,000	-69%	(32,620)	0	-100%
128 64741A Air Defense Command, Control and Intell	108,016	(5,000)	103,016	(5,000)	103,016	-5%	(108,016)	0	-100%
137 64802A Weapons and Munitions Engineering Devel	111,904	(2,351)	109,553	(2,351)	109,553	-2%	(29,111)	82,793	-26%
147 23735A Combat Vehicle Improvement Program (D28	103,968	0	103,968	0	103,968	0%	(35,000)	68,968	-34%
153 23751A Special Operations Forces Equipment	95,472	0	95,472	0	95,472	0%	(35,000)	60,472	-37%
Extended Air Defense	0	12,500	12,500	0	0		0	0	
Polymer and Process Technologies	0	200	200	0	0		0	0	
Chem Wpns Convention Compliance Monitor	0	6,800	6,800	0	0		0	0	
AH-64 Upgrade	0	23,000	23,000	0	0		0	0	
M-60 Prototype Program	0	20,000	20,000	0	0		0	0	
20mm PIVAD Ammuntion	0	1,000	1,000	0	0		0	0	
Total, Intelligence & Communications.	124,214	(16,457)	107,757	(28,569)	95,645	-23%	(28,569)	95,645	-23%
Total, Defensewide Mission Support	1,181,703	(47,983)	1,133,720	(271,792)	909,911	-23%	(271,792)	909,911	-23%
Total, Conventional Defense Initiativ	0	48,100	48,100	0	0		0	0	
Total, Research Development Test & Eval, Army	5,511,172	(319,334)	5,191,838	(1,203,000)	4,308,172	-22%	(1,616,000)	3,895,172	-29%
NAVY RDT&E Fiscal Year 1988									
Naval Oceanographic Program	0	3,000	3,000	0	0		0	0	
Woods Hole Ctr for Ocean and Meteoro In	0	2,000	2,000	0	0		0	0	
Total, Technology Base	840,946	(92,165)	748,781	(193,418)	647,528	-23%	(193,418)	647,528	-23%
Total, Advance Technology Development	258,472	(5,066)	253,406	(59,449)	199,023	-23%	(59,449)	199,023	-23%
41 64363N TRIDENT II	1,098,463	(50,000)	1,048,463	(198,061)	900,402	-18%	(365,144)	733,319	-33%

NAVY RDT&E Fiscal Year 1988

(dollars in thousands)

Program	FY 1988	Conference bill 289		Sequester "cut O&M"			Sequester "protect O&M"		
	Request	Change from request	Recommend	Change from request	Recommend	% cut	Change from request	Recommend	% cut
61 63256N V-22A..................................	3,988	4,012	8,000	(3,988)	0	-100%	(3,988)	0	-100%
97 63569N Attack Submarine Development...........	12,899	87,101	100,000	0	12,899	0%	0	12,899	0%
144 64213N Helicopter Development.................	11,226	6,000	17,226	0	11,226	0%	0	11,226	0%
162 64221N P-3 Modernization Program..............	126,902	(26,902)	100,000	(76,000)	50,902	-60%	(126,902)	0	-100%
157 64262N V-22...................................	465,662	5,000	470,662	(208,647)	257,015	-45%	(465,662)	0	-100%
162 64307N AEGIS Combat System Engineering........	90,420	14,000	104,420	0	90,420	0%	0	90,420	0%
207 64656M Marine Corps Assault Vehicles..........	16,035	8,000	24,035	0	16,035	0%	0	16,035	0%
219 64717M Marine Corps Combat Services Support...	19,836	3,523	23,359	0	19,836	0%	0	19,836	0%
F/A-18 Radar Upgrade..................	0	40,000	40,000	0	0		0	0	
Advanced Air...........................				0	0		(362,000)	(362,000)	
SSN-688 Upgrade.......................	0	13,000	13,000	0	0		0	0	
Advanced Deep Water ASW Mine Developmen	0	1,900	1,900	0	0		0	0	
Point Defense Integration..............	0	4,000	4,000	0	0		0	0	
Quick Reaction Surveillance System.....	0	13,000	13,000	0	0		0	0	
Total, Intelligence & Communications.	1,128,061	(236,950)	891,111	(259,454)	868,607	-23%	(259,454)	868,607	-23%
Total, Defensewide Mission Support...	762,878	(94,448)	668,430	(175,462)	587,416	-23%	(175,462)	587,416	-23%
Total, Conventional Defense Initiativ	0	46,100	46,100	0	0		0	0	
Total, Research Development Test & Eval, Navy....	10,490,412	(851,417)	9,638,995	(1,771,000)	3,661,310	-17%	(2,608,000)	2,824,310	-25%

AIR FORCE RDT&E Fiscal Year 1988

Program	FY 1988 Request	Conference bill 289 Change from request	Recommend	Sequester "cut O&M" Change from request	Recommend	% cut	Sequester "protect O&M" Change from request	Recommend	% cut
Total, Technology Base..............	831,666	(69,674)	761,992	(191,283)	640,383	-23%	(191,283)	640,383	-23%
31 63302F Space and Missile Rocket Propulsion....	8,973	2,500	11,473	0	8,973	0%	0	8,973	0%
Total, Advance Technology Development	929,179	(120,893)	808,286	(213,711)	715,468	-23%	(213,711)	715,468	-23%
51 63364F Short Range Attack Missile II (SRAM II)	220,386	(150,386)	70,000	(150,386)	70,000	-68%	(220,386)	0	-100%
Small ICBM...........................	2,233,181	(1,533,181)	700,000	(1,533,181)	700,000	-69%	(2,233,181)	0	-100%
Rail Mobile MX.......................	591,356	(491,356)	100,000	(491,356)	100,000	-83%	(591,356)	0	-100%
66 64406F Space Defense System..................	402,358	(227,358)	175,000	(262,358)	140,000	-65%	(402,358)	0	-100%
Classified Strategic..................		300,000	300,000	207,587	207,687		0	0	
102 63256F CV-22A................................	32,025	(2,025)	30,000	(2,025)	30,000	-6%	(32,025)	0	-100%
124 64231F C-17 Program..........................	1,219,904	(340,000)	879,904	(340,000)	879,904	-28%	(446,313)	773,591	-37%
162 64770F Joint Surveillance/Target Attack Radar	337,912	10,000	347,912	0	337,912	0%	0	337,912	0%
191 27585F SEEK SPINNER/PAVE TIGER................	( )	50,000	50,000	( )	( )		( )	( )	
Extended Air Defense..................	0	12,500	12,500	0	0		0	0	
Total, Intelligence & Communications.	2,277,412	(194,396)	2,083,016	(523,305)	1,753,607	-23%	(523,805)	1,753,607	-23%
Total, Defensewide Mission Support...	1,602,569	(118,588)	1,483,981	(368,591)	1,233,978	-23%	(368,591)	1,233,978	-23%
Non Acoustic ASW......................	0	15,000	15,000	0	0		0	0	
Total, Conventional Defense Initiativ	0	9,600	9,600	0	0		0	0	
Total, Research Developement Test & Eval, AF.....	18,623,383	(3,496,248)	15,127,135	(4,517,000)	14,106,383	-24%	(5,871,000)	12,752,383	-32%

DEFENSE AGENCIES RDT&E Fiscal Year 1988

(dollars in thousands)

Program	FY 1988	Conference bill 289		Sequester "cut O&M"			Sequester "protect O&M"		
	Request	Change from request	Recommend	Change from request	Recommend	% cut	Change from request	Recommend	% cut
61103D University Research Initiatives........	0	160,000	160,000	100,000	100,000		100,000	100,000	
University Research Instrumentation Pro		25,000	25,000	0	0		0	0	
6 62301E Strategic Technology..................	233,950	54,050	288,000	0	233,950	0%	0	233,950	0%
Vector Thrust..........................	0	3,000	3,000	0	0		0	0	
Metallurgy Research(DARPA)............	0	500	500	0	0		0	0	
Personnel Radiation Protection.........	0	2,000	2,000	0	0		0	0	
Xray Lithography.......................	0	15,000	15,000	0	0		0	0	
Superconductivity......................	0	50,000	50,000	0	0		0	0	
Total, Technology Base..............	923,854	257,576	1,181,430	0	923,854	0%	0	923,854	0%
Strategic Defense Initiative	5,198,793	(1,594,793)	3,604,000	(1,680,793)	3,518,000	-32%	(2,287,793)	2,911,000	-44%
27 63737D Balanced Technology Inititative........		275,000	275,000	0	0		0	0	
Deep Strike Capability.................		5,000	5,000	0	0		0	0	
Cruise Missile Guidance Missile Program	0	5,000	5,000	0	0		0	0	
RACER..................................	0	5,000	5,000	0	0		0	0	
Advanced Torpedo Program..............	0	5,000	5,000	0	0		0	0	
Landsat................................	0	15,000	15,000	0	0		0	0	
Total, Intelligence & Communications.	1,732,383	42,500	1,774,883	(321,211)	1,411,172	-19%	(321,211)	1,411,172	-19%
54 63739D Semiconductor Manufacturing Technology.	50,000	50,000	100,000	0	50,000	0%	0	50,000	0%
55 63790D NATO Research and Development..........	58,825	116,175	175,000	0	58,825	0%	0	58,825	0%
Man Tech - Guided Ordnance............	0	2,500	2,500	0	0		0	0	
DOD/VA Medical Research................	0	20,000	20,000	0	0		0	0	
Computer Mirocircuit Testing..........	0	1,000	1,000	0	0		0	0	
Manufacturing Technology Inititative...	0	95,000	95,000	0	0		0	0	
Total, Defensewide Mission Support...	326,827	230,514	557,341	0	326,827	0%	0	326,827	0%
Total, Research Development Test & Eval,Def Agenc	8,811,532	(750,974)	8,060,558	(2,493,000)	6,622,628	-28%	(3,100,000)	6,015,628	-35%

DEVELOPMENTAL TEST & EVALUATION,DEFENSE RDT&E Fiscal Year 1988

Program	FY 1988 Request	Conference bill 289 Change from request	Conference bill 289 Recommend	Sequester "cut O&M" Change from request	Sequester "cut O&M" Recommend	% cut	Sequester "protect O&M" Change from request	Sequester "protect O&M" Recommend	% cut
Total, Developmental Test & Eval, Defense........	178,217	(4,738)	173,479	(66,000)	112,217	-37%	(77,000)	101,217	-43%

OPERATIONAL TEST & EVALUATION,DEFENSE RDT&E Fiscal Year 1988

Program	FY 1988 Request	Conference bill 289 Change from request	Conference bill 289 Recommend	Sequester "cut O&M" Change from request	Sequester "cut O&M" Recommend	% cut	Sequester "protect O&M" Change from request	Sequester "protect O&M" Recommend	% cut
Total, Operational Test & Eval, Defense.........	104,221	(13,000)	91,221	(94,000)	10,221	-90%	(95,000)	9,221	-91%

OPERATION AND MAINTENANCE

In the event of a sequester (Case I), the operation and maintenance accounts would be reduced by $11.8 billion from the fiscal year 1988 budget request and $9.0 billion below the conference agreement. These reductions would leave the fiscal year 1988 operation and maintenance funding level at $74.8 billion, which is below the fiscal year 1985 funding level in current dollars and below the fiscal year 1983 funding level in constant dollars.

If the operation and maintenance accounts were to be protected (Case II), they would still be reduced by $7.7 billion below the fiscal year 1988 budget request and $4.9 billion below the conference agreement. These reductions would leave the fiscal year 1988 operation and maintenance funding level at $78.9 billion, the fiscal year 1987 level.

A large proportion of the operation and maintenance funding in the near term represents fixed costs—utilities, rent, and salaries for civilian employees who work on military installations. Those operation and maintenance costs which contribute most to near-term readiness—flying hours, steaming time, training exercises, real, property maintenance and equipment maintenance—are the easiest to control in the near term. These variable readiness-related costs would bear the brunt of large reductions in the operation and maintenance accounts under sequestration.

The two sequester alternatives would reduce the fiscal year 1988 budget request for the operation and maintenance accounts below the minimum level of funding necessary to maintain the current operating levels and readiness of our military forces.

The table below summarizes the reductions in the operation and maintenance accounts under the unmodified and modified sequesters and compares both levels to the fiscal year 1988 budget request and the authorization level contained in the conference agreement.

		CONFERENCE AGREEMENT		SEQUESTER 1 (PROTECT O&M)			SEQUESTER 2 (DON'T PROTECT O&M)		
	FY 1988 REQUEST	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM CONFERENCE AGREEMENT	CHANGE FROM REQUEST	RECOMMENDATION	CHANGE FROM CONFERENCE AGREEMENT	CHANGE FROM REQUEST	RECOMMENDATION
OPERATION AND MAINTENANCE	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Army	22,120,394	(579,666)	21,540,728	(1,000,334)	(1,580,000)	20,540,394	(2,168,334)	(2,748,000)	19,372,394
Navy	25,652,830	(788,803)	24,864,027	(1,480,197)	(2,269,000)	23,383,830	(2,809,197)	(3,598,000)	22,054,830
Marine Corps	1,918,367	(30,901)	1,887,466	(80,099)	(111,000)	1,807,367	(182,099)	(213,000)	1,705,367
Air Force	21,325,282	(595,198)	20,730,084	(1,820,802)	(2,416,000)	18,909,282	(2,895,802)	(3,491,000)	17,834,282
Defense Agencies	7,602,907	(187,001)	7,415,906	0	(187,001)	7,415,906	0	(187,001)	7,415,906
Army Reserve	879,103	(16,942)	862,161	(76,058)	(93,000)	786,103	(120,058)	(137,000)	742,103
Naval Reserve	957,115	(9,556)	947,559	(65,444)	(75,000)	882,115	(115,444)	(125,000)	832,115
Marine Corps Reserve	71,361	(1,107)	70,254	(6,893)	(8,000)	63,361	(9,893)	(11,000)	60,361
Air Force Reserve	1,018,257	(4,199)	1,014,058	(90,801)	(95,000)	923,257	-(143,801)	(148,000)	870,257
Army National Guard	1,862,152	21,457	1,883,609	(119,457)	(98,000)	1,764,152	(219,457)	(198,000)	1,664,152
Air National Guard	1,972,992	7,159	1,980,151	(200,159)	(193,000)	1,779,992	(301,159)	(294,000)	1,678,992
Rifle Practice, Army	4,099	0	4,099	(99)	(99)	4,000	(99)	(99)	4,000
Claims, Defense	273,574	(80,000)	193,574	0	(80,000)	193,574	0	(80,000)	193,574
Court of Military Appeals	3,461	0	3,461	(461)	(461)	3,000	(461)	(461)	3,000
Environmental Restoration, Defense	402,800	(10,000)	392,800	(10,140)	(20,140)	382,660	(32,697)	(42,697)	360,103
Pan American Games	0	0	0	0	0	0	0	0	0
Humanitarian Assistance	0	13,000	13,000	0	13,000	13,000	0	13,000	13,000
Military Health Care Account	0	0	0	0	0	0	0	0	0
Civilian Pay Raise	498,700	(498,700)	0	0	(498,700)	0	0	(498,700)	0
Total, Operation and Maintenance	86,563,394	(2,760,457)	83,802,937	(4,950,944)	(7,711,401)	78,851,993	(8,998,501)	(11,758,958)	74,804,436
WORKING CAPITAL FUNDS									
Army Stock Fund	263,207	(48,150)	215,057	(121,850)	(170,000)	93,207	(111,850)	(160,000)	103,207
Navy Stock Fund	404,400	(57,700)	346,700	(49,300)	(107,000)	297,400	(17,300)	(75,000)	329,400
Marine Corps Stock Fund	0	0	0	0	0	0	0	0	0
Air Force Stock Fund	326,007	(66,300)	259,707	(141,700)	(208,000)	118,007	(128,707)	(195,007)	131,000
Defense Stock Fund	207,600	(47,850)	159,750	(120,150)	(168,000)	39,600	(116,150)	(164,000)	43,600
TOTAL - WORKING CAPITAL FUNDS	1,201,214	(220,000)	981,214	(433,000)	(653,000)	548,214	(374,007)	(594,007)	607,207

ARMY

The conferees recommend a reduction of $579.7 million to the Army operation and maintenance account. Sequestration (Case I) increases this reduction to approximately $2.7 billion. If the O&M accounts were to be protected (Case II), the reduction to Army O&M would be approximately $1.6 billion. Both cases would result in lower operating tempo, reduced training time and lower unit equipment readiness in the Army in fiscal year 1988.

Operation and support of its general purpose forces consumes 36 percent of the Army's operation and maintenance budget. A sequester would reduce the Army's ground operating tempo below the 750 miles per year in the fiscal year 1988 budget, the level which was achieved in fiscal year 1987. Air operating tempo, budgeted at 15.8 hours per crew per month, would probably drop to 14 hours per crew per month. Funds to support the fielding of new weapon systems would also be reduced.

Training tempos would also be effected. The Army planned to participate in 59 JCS directed or coordinated exercises in fiscal year 1988. A sequestration would force the Army to scale back or even cancel participation in some of these exercises.

Equipment readiness would be severely affected at either sequester level. The fiscal year 1988 budget request for Army O&M met only 79 percent of the annual depot maintenance requirement. Because one-quarter of the Army's operation and maintenance account supports depot supply and maintenance operations, the sequester would result in a large growth in the Army's depot maintenance backlog in fiscal year 1988.

The backlog of real property maintenance, already projected to grow in the Army's fiscal year 1988 budget request, would also increase dramatically under sequester alternatives.

NAVY

The conferees recommend a reduction of $788.8 million to the Navy operation and maintenance account. Sequestration (Case I) would result in this reduction rising to approximately $3.6 billion. If the O&M accounts were to be protected (Case II), the reduction to the Navy O&M account would be approximately $2.3 billion. The impact of a sequester is dramatic and would result in serious question regarding the Navy's ability to maintain current operating levels and force readiness.

Without some level of force structure reduction or some significant change in current Navy mission, several factors limit reductions to various areas of Navy O&M. For example, reducing funding for direct care medical programs results in an increase to "must pay" CHAMPUS costs. Similarly, without changing the operating tempo (OP-

TEMPO) of Persian Gulf operations, reducing Navy ship steaming days or the flying hour program would be difficult. Much of the non-deployed OPTEMPO costs are related to training and to preparing units for rotational replacement of ships and squadrons currently deployed to the Persian Gulf. However, some level of reduction would have to be made in ship steaming days and aircraft flying hours under sequestration. This reduction could range from $150 to $300 million. A reduction of this magnitude would result in a degradation of primary mission readiness rates, particularly for non-deployed units, which could drop from a current 87 percent primary mission readiness to between 70 to 75 percent. Non-deployed ship average steaming days per quarter would decline from 29 days to 18 or 19 days. Average aircraft flight crew time would decline from 24 to 20 or 21 hours per month.

Reductions would result in Near Term Prepositioning Ships and newly delivered hospital ships being placed in reduced operating status rather than operational status. Support for the Ready Reserve force would be reduced. Individual training and specialized skills training would decrease the number of qualified personnel entering fleet units. Unit training and exercise participation would be reduced due to lack of equipment, supplies, and special funding. Spare parts would decline as inventory is consumed without replacement. Discretionary quality-of-life programs would also be greatly reduced or eliminated.

Real property maintenance would necessarily sustain significant reductions. Potentially, only emergency repairs would be funded and most other work would be deferred causing serious asset deterioration (and increasing long range costs). A reduction of $250 million in fiscal year 1988 would result in the backlog growing to over $1.3 billion.

Under a sequestration, the $6 billion depot maintenance/modernization programs would have to be reduced dramatically. This reduction would likely fall between 20 and 25 percent which would mean deferring or canceling 6 to 8 of the 31 overhauls scheduled for fiscal year 1988. Any substantial reduction in workload associated with public facilities (Navy shipyards and Naval Aviation Depots) would logically result in some reduction to their 87,500 person workforce. However, first year termination costs in personnel reductions would severely mitigate against using this method of savings. As a result, depot maintenance/modernization reductions would likely be applied to the $1.5 billion workload planned for commercial contract. Severe maintenance backlogs would develop as well as reduced operating effectiveness of ships and aircraft.

In the areas of base operating support, training and education, the fiscal year 1988 savings available through termination of civil service employees is also largely offset by one-time termination costs. Some savings could result from a hiring freeze and from early retirements. Savings that could be accomplished by furloughing employees might be significant, but this would depend on a determination of the legality of furloughing. Fiscal year 1988 savings available through reduction of various contract civilian support could be significant. Total contract civilian support costs of $1,340.4 million could be reduced by limiting new contracts, not renewing current contracts, and/or canceling existing contracts.

MARINE CORPS

The conferees recommend a reduction of $30.9 million to the Marine Corps operation and maintenance account. Sequestration (Case I) would raise this reduction to approximately $213.0 million. If its O&M accounts were to be protected (Case II), the reduction would be approximately $111.0 million. Under either of these cases, the impact is so severe that the Marine Corps could probably not maintain its present level of force structure without unacceptable degradation to readiness.

Marine Corps unit readiness would decrease as many units go from substantially ready (C-2) to either marginally ready (C-3) or not ready (C-4) due to the inability to train or exercise and the lack of supplies to perform maintenance. Maritime Prepositioning Ships training would be reduced far below the level needed to maintain this program at a proper state of readiness. Reductions in supplies, equipment, and transportation for the Norway propositioning program would delay operational capability by a year or more and could cause NATO allies to doubt U.S. commitment to that program.

Deadlined major end-item equipment would double from 3 to 6 percent. The backlog of maintenance and repair could increase by as much as $80 million, bringing the total backlog to over $400 million. Reductions in system design, development and maintenance, training support, and other headquarters sponsored programs would degrade the quality of overall management and administration in the Marine Corps. Because of many fixed and unavoidable costs, civilian employment reductions would be required, and these would be exacerbated by the need to provide severance pay.

AIR FORCE

The conferees recommend a reduction of $595.1 million to the Air Force operation and maintenance account. Sequestration (Case I) would result in this reduction rising to approximately $3.5 billion. If the O&M accounts were to be protected (Case II), the reduction to the Air Force O&M account would be approximately $2.4 billion. A sequestration would require some combination of the following actions to accommodate the reductions.

As the major driver of Air Force O&M expenditures, some reduction to the flying hour program would be necessary to meet the sequestration levels. The effect of such reductions would be similar in each command: reduced training, lower crew proficiency and a less ready force. For example, if flying hours were reduced by 200,000 hours, and the reduction spread equitably, the Tactical Air Force's share would be 100,000 hours. This is equivalent to the total annual flying hour program for five wings of aircraft plus the entire Alaskan Air Command. The reductions would decrease flying hours per pilot per month from 19.3 to 15.8, the fiscal year 1980 level.

The Strategic Air Command's (SAC) share, under this reduced level, would be 48,000 hours, causing programmed bomber/tanker hours per crew per month to fall from 18 to 14.2. This equates to the annual flying hour program for nine SAC squadrons, is not sufficient to maintain the force at the lowest level of readiness and would severely impact SAC's capability to execute its primary mission.

Similarly, the Military Airlift Command would have to reduce almost 150 qualified crews at these sequestration levels, while undergraduate flying training would be reduced by 200 pilots and 100 navigators.

Civilian personnel is another major account that would have to be reduced under these loser funding levels. Depending on the size of the sequestration, 20,000 to 30,000 workyears would be eliminated through attrition, furlough actions or, if necessary, a reduction-in-force.

Other major areas that would be reduced, with concomitant detrimental effects, are depot maintenance, real property maintenance and contract services. For example, reducing depot maintenance funding by about a half billion dollars would increase current backlogs to over a billion dollars, idling some weapon systems. Real property maintenance could also be reduced by several $100 million by deferring all work except emergency and safety related repairs. However, postponing building maintenance and upkeep only fosters facility deterioration in the long run. Similarly, if contracts for custodial services, grounds maintenance, mess attendants, equipment maintenance, etc. were reduced by several $100 million, these required services would be postponed or accomplished at less efficient rates or higher overall costs.

The sequestration would also severely hamper the Air Force's critical space programs. Reducing space programs by ten percent would stretch out completion of the Consolidated Space Operations Center by one or more years. The lower funding levels would also slow the expansion of the expendable launch vehicle program, which is sorely needed due to the space shuttle disaster, from nine launches to three.

Finally, reducing medical programs by several $100 million would decrease the level of services in the direct care system, leading to a shift in patients to the more expensive CHAMPUS program vitiating the "savings" in the O&M accounts.

GUARD AND RESERVE

The fiscal year 1988 request included $2.9 billion for Reserve forces and $3.8 billion for the Guard components. The conference agreement reduced funding by $31.8 million for the Reserves and increased funding by $28.6 million for the Guard.

Under a sequester (Case I), the Reserve accounts would be reduced by $421 million and Guard forces by $492 million. If the O&M accounts were to be protected (Case II), the Reserve and Guard accounts would be reduced by $271 million and $291 million respectively.

A sequestration would have a substantial effect on the operational readiness and sustainability of both the Reserve and Guard forces. The current policy of shifting additional missions to the non-active duty forces would be terminated because current missions would be trimmed, not expanded. The magnitude of these reductions would not permit the Reserve and Guard to reduce all activities equally; some operations would be terminated.

The severity of the cuts would be greater if the operation and maintenance accounts were not protected, but the areas that would be affected would be similar at both levels. With very little base operating support or real property maintenance funds, reductions must come from flying missions and military technician pay. Flying hours would be reduced by 20 to 30 percent or 30 to 45 percent depending on the sequester level. Guard and Reserve Technicians could be cut by 8,000 to 12,000 workyears.

Cuts of this magnitude would degrade combat capability, flying safety and readiness of existing units. Unit and force modernization efforts scheduled for fiscal year 1988 would be delayed. For example, the Air Force Reserve would have to cancel or stretch out equipping units with C-5, C-141, F-16 and KC-10 aircraft at seven locations. These units would continue to operate older, less capable aircraft, usually with higher operating and maintenance costs. Reserve and Guard units would be forced to alter hiring plans, including delaying filling vacancies, hiring below approved grades, and, in some cases, placing personnel on furlough.

Alternatively, the Guard units could seek additional funds from the state treasuries to maintain force and operational levels. However, in light of current state funding problems, the states are unlikely to fund the shortfalls.

MILITARY PERSONNEL

In order to reach the baseline for military personnel accounts under a sequester, the amount appropriated for military personnel would be limited to $75.431 billion—a $2.060 billion reduction from the $77.491 billion recommended by the conferees.

To minimize the adverse impact on force readiness and maintain the favorable recruiting and retention trends of the recent past, several actions could be taken. For example, a two percent increase in basic pay, basic allowance for quarters, and basic allowance for subsistence for military personnel (instead of the three percent increase in basic pay and basic allowance for subsistence and the six percent increase in basic allowance for quarters recommended by the conferees) effective January 1, 1988, could be implemented. This would represent the same level promulgated by the President for Federal civil servants during fiscal year 1988. In order to effect greater savings in pay and allowances, the effective date of the pay raise could be delayed until April 1, 1988. The total savings from these two actions would be $972 million.

Although the end strength and benefit enhancements recommended by the conferees can be justified by the needs and requirements of the armed services, providing no strength increases in active and reserve strengths for fiscal year 1988 (over the levels approved in fiscal year 1987) would result in additional savings of $141 million.

In addition, the following benefit enhancements could be denied:

[Dollars in millions]

Enhancement	*Savings*
Increase in submarine duty incentive pay	$28.2
Restructuring career sea pay	10.0
Lodgings plus reimbursement	2.0
CHAMPUS catastrophic cap for active duty	5.0
CHAMPUS catastrophic cap for retirees	5.0
Civilian clothing allowance	.9
Reserve diving duty pay	1.0
Removal of aviation career incentive pay offset for certain members entitled to aviation officer continuation pay	2.0
Transportation of dependents of seriously ill member	1.0
CHAMPUS coverage of certain sudden infant death syndrome (SIDS) equipment	1.0
Total	56.1

Finally, risking substantial personnel discontent, the following existing programs could be reduced or restricted:

[Dollars in millions]

Program	*Savings*
Reduce permanent change of station resources to require longer tour lengths	$280.0
Direct military pay absorption	211.4
Prohibit the payment of the temporary lodging expense during fiscal year 1988	39.5
Freeze selective reenlistment bonus [SRB] dollars at fiscal year 1987 levels	96.0
Restrict SRB initial payment amounts to 25 percent	180.0
Deny Reserve additional training growth	84.0
Total	890.9

Although these program changes are designed to minimize adverse impacts on military personnel, they are not without consequence. For example, additional deductions and delays in the amount and timing of the military pay raise would cause military pay to fall even farther behind private sector wages, possibly creating recruiting and retention problems. Not allowing growth in personnel strengths would cause some units and equipment to be unmanned or undermanned, and cutbacks in Permanent Change of Station resources would harm morale. Finally, restrictions on Selective Reenlistment Bonus resources would create additional problems in retaining critical skill personnel in the military services.

MILITARY CONSTRUCTION AND FAMILY HOUSING

In the event of a sequester (Case I), military construction would be reduced to $5.006 billion and family housing would be reduced to $2.916 billion. These levels are more than $223 million and $309 million respectively below the conference agreement and nearly $1.6 billion and $568 million respectively below the President's request. If operation and maintenance were to be protected (Case II), military construction would be reduced to $4.525 billion and family housing would be reduced to $2.636 billion. These levels are more than $704 million and $589 million respectively below the conference agreement and nearly $2.1 billion and $848 million respectively below the President's request.

PROGRAMMATIC ACTIONS TO ACHIEVE THE "O&M NOT PROTECTED" LEVEL

Military construction

Reductions at this level would defer many needed support projects and projects that provide modern, efficient, and safe working and living facilities.

Recognizing the need to sustain construction projects that directly support operational missions, the following types of construction projects would be deferred: warehouses, supply depots, upgrades to research and development facilities, civil engineering facilities, administrative facilities, chapels, recreation centers, and post offices. Bachelor enlisted quarters construction requests would be reduced by approximately $40 million. This reduction would preclude adequate housing for nearly 3,000 persons. The requests for military construction to support the Navy's homeporting program, already curtailed by conference action due to budget constraints, would have to be further stretched out causing a delay to the availability of these ports. NATO infrastructure funding would be reduced by $169 million, which would reduce by 44 percent the ability of the United States to meet its previously agreed to commitments in NATO. Funding for the Guard and Reserve construction programs would be reduced by over $100 million. This nearly 20 percent reduction would coincide with a significant overall increase in the membership and missions of the Guard and Reserve forces. The planning and design accounts would be reduced to a level that would severely impact the services' ability to initiate design of future construction projects.

Family housing

The family housing account would be severely impacted resulting in a reduction of the number of new units to be constructed at specific locations in an effort to stretch out these housing programs. Some family housing construction overseas, recognized as a critical priority, would be deferred. Approximately 600 units of housing would be deleted under this funding level. General reductions in the planning and design account as well as family housing support, which funds maintenance and furnishings would be heavily impacted. The services would be severely constrained in meeting obligations for existing leases as well as in entering into contracts for new housing under the build to lease program.

PROGRAMMATIC ACTIONS TO ACHIEVE THE "O&M PROTECTED LEVEL"

Reductions at this level would impact on the ability of the services to provide required and necessary mission essential and quality of life facilities.

Military construction

Further reductions in the same areas would be required including more bachelor enlisted quarters which would preclude adequate housing for 4,000 persons. Reductions would also be made in some training facilities, war readiness material storage structures, operational and logistical support facilities, and additional reductions would be required in the Navy homeporting related construction. The NATO infrastructure account would be reduced by $196 million—a 50 percent overall total reduction. A total of $143.5 million would be deleted from the Guard and Reserve program which would reduce this account by 25 percent from the conference agreement. Additional reductions in the planning and design account would also be required.

Family housing

Additional reductions would require the services to defer entire family housing construction projects causing a loss of over 1,000 units of needed new housing. Under this funding level, the services could provide only emergency repair and maintenance of existing housing, and enter into no new leases of any kind.

DEPARTMENT OF ENERGY NATIONAL SECURITY PROGRAMS

A sequester would reduce the funding level for the national security programs of the Department of Energy to $6.989 billion in the case where operation and maintenance funding in the Department of Defense is not protected (Case I). This level is more than $800 million below the conference agreement and nearly $1.1 billion below the President's request. If operation and maintenance accounts were to be protected (Case II), funding for the national security programs of the Department of Energy would be reduced to $6.318 billion, more than $1.7 billion below the President's request and $1.5 billion below the conference agreement.

In allocating reductions the following objectives are suggested:

1. protect the public health and safety by maintaining funding for those activities that can not simply be shut down and by continuing funding for those activities necessary of compliance with applicable health and safety standards;

2. assure a continued supply of trittium to maintain the existing nuclear deterrent force;

3. maintain a core of facilities and personnel that would permit relatively prompt resumption of a nuclear weapons program consistent with military requirements if funding levels are increased in future years.

Because reductions will not be implemented until November 20, 1987, nearly two months into the fiscal year, the third objective could be difficult to attain under the case in which operations and maintenance funding in the Department of Defense is protected and funding for DOE is reduced to $6.3 billion.

PROGRAMMATIC ACTIONS UNDER A $7 BILLION BUDGET

Actions that could be if the sequester were not to protect the O&M accounts would include:

a. further tightening of existing operating inventories, supplies and procedures to generate one-time savings of $50 million (with the increased risk of disruption in production schedules due to material shortages);

b. an immediate stop to work on the N reactor and a reduction in force of reactor operating personnel, reducing to a minimum workforce necessary for a cold standby status;

c. an immediate hiring freeze in all facilities (including the national laboratories and naval reactors laboratories, materials production facilities and facilities that fabricate weapons) and imposition of a reduction in force so that a total reduction in personnel of approximately 10 percent is implemented (6,000 of the approximately 60,000 employed by DOE and its contractors); and

d. a reduction in construction and capital spending of about 15 percent, stopping essentially all new starts and deferring or delaying other projects consistent with the broad objectives set out above. Importantly, the ability to cut back on capital and construction spending is greatly limited by the objectives set out above. Major portions of capital and construction project spending supports environmental and safety improvements that must be made if the nuclear weapons program is to continue.

PROGRAMMATIC ACTIONS UNDER A $6.3 BILLION BUDGET

Because reductions made in getting to the $7 billion level would leave the materials production budget only marginally able to support the existing deployed weapons stockpile (tritium naturally decays and must be continually produced to replace decayed quantities in the stockpile), few additional savings can be gained from the materials production portion of the budget. The $700 million of additional reductions that must be made under this sequester would come from further reductions in the national laboratories, from the production of nuclear weapons, and in the development of naval reactors.

Actions that could be taken if this sequester were to protect the O&M accounts, in addition to those discussed under the $7 billion budget, include:

a. a further 10 percent reduction in personnel in the laboratories and weapons production facilities, for a total personnel reduction of about 10,000 people (materials production facilities would not be further reduced); and

b. a further cutback in construction and capital projects, projects that would be deferred would include those environmental and safety projects that are not required under existing law or court order and projects where major cost increases will result from deferment.

Taken together these further reductions would reduce, and probably eliminate, the production of new nuclear weapons.

From the Committee on Armed Services, for consideration of the entire House bill and Senate amendment, and modifications committed to conference, unless otherwise restricted:

Les Aspin,
Melvin Price,
Samuel Stratton,
Bill Nichols,
Dan Daniel,
G.V. Montgomery,
Pat Schroeder,
Beverly Byron,
Nicholas Mavroules,
Earl Hutto,
Ike Skelton,
Marvin Leath,
Dave McCurdy,
Roy Dyson,
D.M. Hertel,
Richard Ray,
John M. Spratt, Jr.,
Frank McCloskey,
George (Buddy) Darden,
Tommy F. Robinson,
William L. Dickinson,
Floyd Spence,
Robert E. Badham,
Bob Davis,
David O'B. Martin,
John Kasich,
Mac Sweeney,
Ben Blaz,

As additional conferees from the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII:

Louis Stokes,
Robert W. Kastenmeier,
Dick Cheney,

As additional conferees from the Committee on Ways and Means, for consideration of secs. 828, 856, 857, 858, and 2818 of the Senate amendment and modifications committed to conference:

Dan Rostenkowski,
Sam M. Gibbons,
Ed Jenkins,
Thomas J. Downey,
Donald J. Pease,
Marty Russo,
Richard A. Gephardt,
Frank Guarini,
Robert T. Matsui,
John J. Duncan,
Phil Crane,
Bill Frenzel,
Richard T. Schulze,
Rod Chandler,

As additional conferees from the Committee on Foreign Affairs, for consideration of sec. 833 of the House bill, and secs. 234, 801, 811, 817, 849, 852, 854, and 863 of the Senate amendment, and modifications committed to conference:

Dante B. Fascell,
Lee H. Hamilton,
Gus Yatron,
Steve Solarz,
Howard L. Berman,

As additional conferees from the Committee on Foreign Affairs, for consideration of secs. 321, 331, 332, 333, 728, 820, 826, 828, 829, 831, 835, 841, 842, 850, 851, 855, and 856 of the Senate amendment, and modifications committed to conference:

Dante B. Fascell,
Lee H. Hamilton,
Gus Yatron,
Steven Solarz,
Bill Broomfield,
Benjamin A. Gilman,

As additional conferees from the Committee on Foreign Affairs, for consideration of secs. 827, 833, and 862 of the Senate amendment, and modifications committed to conference:

Dante B. Fascell,
Lee H. Hamilton,
Gus Yatron,
Dan Mica,
Bill Broomfield,
Olympia Snowe,

As additional conferees from the Committee on the Judiciary, for consideration of sec. 825 of the House bill, and secs. 835 and 841 of the Senate amendment, and modifications committed to conference:

Peter W. Rodino,
William J. Hughes,
Harley O. Staggers, Jr.,
Bill McCollum,
Clay Shaw,

As additional conferees from the Committee on Small Business, for consideration of sec. 840 of the Senate amendment, and modifications committed to conference:

John J. LaFalce,
Joseph M. McDade,

As exclusive conferees, solely for considerations of secs. 117, 206(e)(2), 206(e)(13), 221(a), 224, 247, 812, 3113(a), and 3135 of the House bill, and secs. 231, 233, 235, 864, 865, and 3114 of the Senate amendment, and modifications committed to conference:

Les Aspin,
Nicholas Mavroules,
Dave McCurdy,
D.M. Hertel,
John M. Spratt, Jr.,
Frank McCloskey,
Dante B. Fascell,
Joseph J. Solarz,
Howard L. Berman,
George E. Brown, Jr.,
Norm Dicks,
Thomas J. Downey,
Les AuCoin,
Ed Markey,
William L. Dickinson,
Managers on the Part of the House.

Sam Nunn,
J.J. Exon,
Carl Levin,
Edward M. Kennedy,
Jeff Bingaman,
Alan J. Dixon,
John Glenn,
John Warner,
Bill Cohen,
Dan Quayle,
Pete Wilson,
Phil Gramm,
Managers on the Part of the Senate.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Akaka (at the request of Mr. Foley), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Rowland of Connecticut) to revise and extend their remarks and include extraneous material:)

Mr. Gingrich, for 60 minutes, today.

Mr. Gingrich, for 60 minutes, on November 20.

Mr. Burton of Indiana, for 30 minutes, today.

Mrs. Bentley, for 60 minutes, on November 18.

Mrs. Bentley, for 60 minutes, on November 19.

Mr. Hyde, for 5 minutes, today.

(The following Members (at the request of Mr. Wheat) to revise and extend their remarks and include extraneous material:)

Mr. Ford of Tennessee, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Leland, for 5 minutes, today.

Mr. Bruce, for 5 minutes, today.

Mr. Lewis of Georgia, for 60 minutes, on December 3.

Mr. Skelton, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Daub, to revise and extend his remarks on H.R. 3400 in the House today.

Mr. Daub, to revise and extend his remarks on the conference report on the Older Americans Act, H.R. 1451, today.

Mr. Burton of Indiana, on H.R. 3471 in the House, today.

(The following Members (at the request of Mr. Rowland of Connecticut) and to include extraneous matter:)

Mr. Gunderson.

Mr. Clinger.

Mr. Kyl.

Mr. Wortley.

Mr. Gradison.

Mr. Petri.

Mr. Houghton.

Mrs. Vucanovich.

Mr. Hefley.

Mr. Broomfield.

Mr. Gallo.

Mr. Lagomarsino.

Mr. Moorhead.

Ms. Snowe.

Mr. Bilirakis.

Mr. Lightfoot.

Mr. McMillan of North Carolina.

Mr. Robert F. Smith.

Mr. Dreier of California.

Mr. Sundquist.

(The following Members (at the request of Mr. Wheat) and to include extraneous matter:)

Mr. Rose.

Mr. Lantos.

Mr. Rodino.

Mr. Aspin.

Mr. Vento.

Mr. Fazio.

Mr. Tallon.

Mr. Hamilton.

Mr. Stallings in two instances.

Mr. Berman.

Mr. Leland.

Mr. Dymally.

Mr. Morrison of Connecticut.

Mr. Lehman of Florida in two instances.

Mr. Roe.

Mr. Yatron.

Mr. AuCoin.

Mrs. Kennelly.

Mr. Ackerman in two instances.

Mr. Towns.

Mr. Hochbrueckner.

Mr. Erdreich.

Mr. Traficant.

Mr. Skelton in two instances.

Mr. Coleman of Texas.

Mr. Darden.

Mr. Florio in two instances.

Mr. Biaggi in two instances.

Mr. Matsui.

ADJOURNMENT

Mr. GINGRICH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 20 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, November 18, 1987, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2413. A letter from the Executive Secretary, Federal Deposit Insurance Corporation, transmitting notification of a new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2414. A letter from the Clerk, U.S. House of Representatives, transmitting a quarterly report covering expenditures of appropriations and other funds for the period July 1, 1987 through September 30, 1987, pursuant to 2 U.S.C. 104a (H. Doc. No. 100-133); to the Committee on House Administration and ordered to be printed.

2415. A letter from the Secretary of the Interior, transmitting the study report on the Jedediah Smith Trail, Arizona, California, Idaho, Nevada, Oregon, Utah, and Washington, pursuant to 16 U.S.C. 1242(c); to the Committee on Interior and Insular Affairs.

2416. A letter from the Fiscal Assistant Secretary, Department of the Treasury, transmitting the final monthly Treasury statement of receipts and outlays of the U.S. Government for fiscal year 1987, pursuant to 31 U.S.C. 331(c); to the Committee on Ways and Means.

2417. A letter from the Chairman, Nuclear Regulatory Commission, transmitting the report of the nondisclosure of Safeguards Information by the Commission for the quarter ending September 30, 1987, pursuant to 42 U.S.C. 2167(e); jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DINGELL: Committee on Energy and Commerce. H.R. 2266. A bill to amend the Natural Gas Pipeline Safety Act of 1968 and the Hazardous Liquid Pipeline Safety Act of 1979 to authorize appropriations for fiscal years 1988 and 1989, and for other purposes with an amendment (Rept. 100-445, pt. 1). Ordered to be printed.

Mr. ASPIN: Committee of conference. Conference report on H.R. 1748 (Rept. 100-446. Ordered to be printed.

Mr. MOAKLEY: Committee on Rules. House Resolution 309. Resolution waiving certain points of order against the conference report on H.R. 1748, (Rept. 100-447). Referred to the House Calendar.

Mr. FROST: Committee on Rules. House Resolution 310. Resolution providing for the consideration of H.R. 1720, a bill to replace the existing AFDC program with a new Family Support Program which emphasizes work, child support, and need-based family support supplements, to amend title IV of the Social Security Act to encourage and assist needy children and parents under the new program to obtain the education, training, and employment needed to avoid long-term welfare dependence, and to make other necessary improvements to assure that the new program will be more effective in achieving its objectives (Rept. 100-448). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DOWNEY of New York (for himself, Mr. Gradison, Mr. Porter, Mr. Green, Mr. Ford of Tennessee, Mr. Guarini, Mr. Solarz, Mr. DioGuardi, Mr. Moody, Mr. Walker, Mr. Courter, Mr. Leland, Mr. Frank, Mr. Ackerman, Mr. Fawell, Mr. Wolpe, Mr. Kanjorski, Mrs. Johnson of Connecticut, Mr. Wortley, Mr. Gekas, Mr. Gray of Pennsylvania, Mr. Hochbrueckner, Mr. Swindall, Mr. Cooper, Mr. Goodling, Mr. Lipinski, and Mr. Yatron):

H.R. 3646. A bill to restore balance among sources of supply for the Nation's sweetener needs, and for other purposes; jointly, to the Committees on Ways and Means and Agriculture.

By Mr. DYMALLY:

H.R. 3647. A bill to amend the Public Health Service Act to provide for minority populations outreach, education, counseling, prevention, and research activities relating to acquired immunodeficiency syndrome, and for other purposes; to the Committee on Energy and Commerce.

H.R. 3648. A bill to amend the Public Health Service Act to require the Secretary of Health and Human Services to make grants for the establishment of pediatric acquired immunodeficiency syndrome resource centers; to the Committee on Energy and Commerce.

By Mr. GUNDERSON:

H.R. 3649. A bill to amend the Upper Mississippi River Management Act of 1986 to extend the amounts authorized for an additional year without increasing the total amounts authorized; to the Committee on Public Works and Transportation.

By Mr. MOLINARI:

H.R. 3650. A bill to amend the Act of October 17, 1972, to delete the Fountain Avenue landfill from the boundary of Gateway National Recreation Area, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOWARD (for himself, Mr. Anderson, Mr. Hammerschmidt, Mr. Shuster, Mr. Goodling, and Mr. Wolf):

H.J. Res. 402. Joint resolution to designate the week of February 7-13, 1988, as "National Child Passenger Safety Awareness Week"; to the Committee on Post Office and Civil Service.

By Mr. LANTOS (for himself, Mr. Porter, Mr. Foley, Mr. Michel, Mr. Coelho, Mr. Lott, Mr. Aspin, Mr. Berman, Mr. Biaggi, Mr. Bilbray, Mr. Bonior of Michigan, Mr. Bonker, Mr. Bosco, Mr. Boulter, Mrs. Boxer, Mr. Broomfield, Mr. Brown of California, Mr. Brown of Colorado, Mr. Cardin, Mrs. Collins, Mr. Courter, Mr. Coyne, Mr. Dellums, Mr. Derrick, Mr. DioGuardi, Mr. Dornan of California, Mr. Dwyer of New Jersey, Mr. Dymally, Mr. Edwards of California, Mr. Erdreich, Mr. Fascell, Mr. Fauntroy, Mr. Fazio, Mr. Ford of Michigan, Mr. Frank, Mr. Frost, Mr. Garcia, Mr. Gephardt, Mr. Gilman, Mr. Gradison, Mr. Green, Mr. Hawkins, Mr. Horton, Mr. Howard, Mr. Jeffords, Mr. Kemp, Mr. Konnyu, Mr. Lehman of Florida, Mr. Lent, Mr. Levin of Michigan, Mr. Levine of California, Mr. Lowery of California, Mr. Martinez, Mr. Matsui, Mr. McCloskey, Mr. McGrath, Mr. Miller of California, Mr. Mineta, Mr. Neal, Mr. Owens of Utah, Mr. Panetta, Ms. Pelosi, Mr. Rodino, Mr. Roybal, Mr. Scheuer, Mr. Schumer, Mr. Shaw, Mr. Smith of New Jersey, Mr. Smith of Florida, Mr. Solarz, Mr. Sunia, Mr. Torres, Mr. Vander Jagt, Mr. Waxman, Mr. Weber, Mr. Weiss, Mr. Wolf, Mr. Wolpe, Mr. Wortley, Mr. Wyden, and Mr. Yates):

H.J. Res. 403. Joint resolution to authorize the Raoul Wallenberg Tribute Committee to establish a monument to honor Raoul Wallenberg on Federal land in the District of Columbia or its environs; to the Committee on House Administration.

By Mr. GRAY of Pennsylvania (for himself, Mr. Borski, Mrs. Boxer, Mr. Green, Mr. Frank, Mr. Kostmayer, and Mr. Fauntroy):

H. Con. Res. 218. Concurrent resolution welcoming Vladimir and Maria Slepak to the United States; to the Committee on Foreign Affairs.

By Mr. BILIRAKIS:

H. Res. 311. Resolution expressing the sense of the House of Representatives regarding the Civil Defense Program; jointly, to the Committees on Armed Services and Agriculture.

By Mr. HUNTER:

H. Res. 312. Resolution expressing the sense of the House regarding the American Civil Defense Program; jointly, to the Committees on Armed Services and Agriculture.

By Mr. TRAFICANT:

H. Res. 313. Resolution expressing the sense of the House of Representatives that the proposed treaty with the Soviet Union for the reduction of intermediate-range nuclear forces in Europe is deficient; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 81: Mrs. Collins, Ms. Pelosi, Mr. Penny, Mr. Hayes of Illinois, and Mr. Jacobs.

H.R. 190: Mr. Dornan of California, Mr. Whittaker, Mr. Rowland of Connecticut, and Mr. Swindall.

H.R. 303: Mr. Jones of North Carolina, Mr. English, Mr. Gordon, Mr. Boulter, Mr. Dreier of California, and Mr. McCollum.

H.R. 551: Mr. Shaw.

H.R. 578: Mr. Emerson.

H.R. 639: Mr. Ford of Tennessee.

H.R. 1119: Mr. Yates and Mr. McGrath.

H.R. 1213: Mr. Fazio.

H.R. 1531: Mr. Coelho, Mr. Hutto, and Mr. Bartlett.

H.R. 1635: Mr. Owens of Utah, Mr. Flake, Mr. Coyne, Mr. McCloskey, and Mr. Shays.

H.R. 1638: Mr. Manton and Mr. Smith of New Jersey.

H.R. 1695: Mr. Hochbrueckner, Mr. Scheuer, Mr. Ford of Michigan, Mr. AuCoin, and Mr. Brown of California.

H.R. 1742: Mr. Brown of Colorado and Mr. Oberstar.

H.R. 1786: Mr. Marlenee, Mr. Hamilton, Mr. Jones of Tennessee, and Mrs. Roukema.

H.R. 1885: Mr. Courter and Mr. Bartlett.

H.R. 2052: Mr. Fish and Mr. Neal.

H.R. 2148: Mr. Young of Alaska, Mr. Edwards of California, Mr. Fish, Mr. Howard, Mr. Synar, Mr. Lott, Mr. Skelton, Mr. Grandy, Mr. Lowry of Washington, Mrs. Patterson, Mr. Madigan, Mr. Cardin, and Mr. Ford of Tennessee.

H.R. 2238: Mr. Barton of Texas, Mr. Shuster, Mr. Robert F. Smith, Mr. Mollohan, Mr. Owens of Utah, Mr. Rahall, Mr. Robinson, Mr. Martin of New York, and Mr. Jontz.

H.R. 2248: Mr. Gekas.

H.R. 2260: Mr. Lewis of Georgia, Mr. Lewis of California, Mr. McMillen of Maryland, Mr. Kanjorski, Mr. Houghton, and Mr. Pickle.

H.R. 2392: Mr. Denny Smith and Mr. McEwen.

H.R. 2393: Mr. McEwen.

H.R. 2394: Mr. McEwen.

H.R. 2640: Mr. Courter, Ms. Kaptur, Mr. Rowland of Connecticut, Mr. Weber, Mr. Gray of Illinois, Mr. Penny, Mr. Wise, Mr. Studds, Mr. Hiler, Mr. McDade, Mr. Feighan, Mr. Sabo, Mr. Martin of New York, Mr. Kolter, Mr. Cardin, Mr. Lott, and Mr. Whittaker.

H.R. 2698: Mrs. Bentley and Mr. DeWine.

H.R. 2758: Mr. Buechner.

H.R. 2776: Mr. Frost and Mr. Schuette.

H.R. 2793: Mr. Crockett, Mr. Coleman of Texas, and Mr. Hughes.

H.R. 2801: Mr. Coyne.

H.R. 2828: Mr. Evans, Mr. Kildee, Mr. Martinez, Mr. Owens of New York, Mr. Hayes of Illinois, Mr. Dymally, Mr. Ackerman, Mr. Lowry of Washington, Mr. Oberstar, Mr. Dwyer of New Jersey, and Mrs. Bentley.

H.R. 2837: Mr. Gallo and Mr. Lowry of Washington.

H.R. 2870: Mr. Crockett, Mr. Fauntroy, and Mr. Towns.

H.R. 2883: Mr. McDade, Mrs. Byron, Mr. Mavroules, Mr. Traxler, Mr. Coyne, Mr. Sweeney, Mr. Gejdenson, Mr. Smith of Florida, and Mr. Mineta.

H.R. 2934: Mr. Lott, Mr. Gejdenson, and Mr. McCollum.

H.R. 2953: Mr. Coleman of Texas, Mr. Bryant, Mr. Wortley, and Mr. Fauntroy.

H.R. 3010: Mr. Lipinski, Mr. Miller of California, Mr. Price of North Carolina, Mr. Sikorski, Mr. Berman, Mr. Dorgan of North Dakota, Mr. Hayes of Illinois, and Mr. Dixon.

H.R. 3049: Mr. Lancaster, Mr. Hughes, and Ms. Slaughter of New York.

H.R. 3071: Mr. Coyne, Mr. Wolpe, and Mr. Rangel.

H.R. 3187: Mr. Sweeney, Mr. Bryant, Mr. Andrews, Mr. Bustamante, Mr. Fields, Mr. Gonzalez, Mr. Ortiz, Mr. de la Garza, Mr. Chapman, and Mr. Pickle.

H.R. 3202: Mr. Morrison of Connecticut, Mr. Carper, and Mr. Waxman.

H.R. 3250: Mr. Dorgan of North Dakota, Mr. Tallon, Mr. Panetta, Mr. Archer, and Mrs. Vucanovich.

H.R. 3312: Mr. Oxley and Mr. Bustamante.

H.R. 3336: Mr. Bilirakis, Mr. de Lugo, Mr. Armey, Mr. Weldon, Mr. de la Garza, and Mr. Emerson.

H.R. 3433: Mr. Hayes of Illinois.

H.R. 3444: Mr. Kolter, Mr. Atkins, Mr. Eckart, Mr. DeFazio, Mr. de Lugo, Mr. Lowry of Washington, Mr. Fish, Mr. Skaggs, Mr. Martinez, and Mr. Jeffords.

H.R. 3448: Mr. Rangel and Mr. Kennedy.

H.R. 3482: Mr. Owens of New York, Mr. Atkins, Mrs. Bentley, Mr. Rangel, Mr. de Lugo, Mrs. Kennelly, Mr. Gejdenson, Mr. Foglietta, and Mr. Hayes of Illinois.

H.R. 3486: Mr. Roe, Mrs. Patterson, Mr. Hayes of Illinois, Mr. Bustamante, Mr. Gilman, Mr. Brown of California, Mr. Mrazek, Mr. Chapman, Mr. Frank, Mr. Bonker, Mr. Kostmayer, Mr. Oberstar, Mr. Foglietta, and Mr. Stark.

H.R. 3511: Mr. Panetta.

H.R. 3513: Mr. Duncan and Mr. Quillen.

H.R. 3515: Mrs. Roukema.

H.R. 3516: Mrs. Roukema.

H.R. 3523: Mr. Kleczka and Mr. Kildee.

H.R. 3524: Mr. Bryant.

H.R. 3565: Mr. Miller of Washington, Mr. Robert F. Smith, Mr. Jontz, Mr. Brown of Colorado, Mr. Myers of Indiana, and Mr. Lancaster.

H.J. Res. 257: Mr. Olin, Mr. Clinger, Mr. DeWine, Mr. Foglietta, Mr. Frenzel, Mr. Fuster, Mr. Martin of New York, Mr. Miller of Ohio, Mr. Nichols, Mr. Hoyer, Mr. Ireland, Mr. Fawell, Mr. Hyde, Mr. Markey, Mr. Early, Mr. Durbin, and Mr. Howard.

H.J. Res 287: Mr. Akaka, Mr. Barnard, Mrs. Boxer, Mr. Livingston, and Mr. Petri.

H.J. Res. 360: Ms. Pelosi.

H.J. Res. 380: Mr. Bustamante, Mr. Daub, Mr. English, Mr. Gilman, Mr. Guarini, Mr. Fish, Mr. Hall of Texas, Mr. Hughes, Mr. Jeffords, Mr. Kolbe, Mr. Schaefer, Mr.

SMITH of Florida, Mr. TALLON, and Mr. WYDEN.

H.J. Res. 386: Mr. BOEHLERT, Mr. COYNE, Mr. DURBIN, Mr. LANTOS, Mr. LEWIS of Florida, Mr. McDADE, Mr. McHUGH, Mr. MFUME, and Mr. RANGEL.

H. Con. Res. 83: Mr. TRAFICANT and Mr. GRANDY.

H. Con. Res. 119: Mr. SMITH of New Hampshire.

H. Con. Res. 213: Mr. KASICH, Mr. HYDE, Mr. WORTLEY, Mr. LOWERY of California, Mr. BOULTER, and Mr. HASTERT.

H. Res. 271: Mr. JEFFORDS, Mr. LOTT, Mr. BARTLETT, Mr. McCANDLESS, Mr. HAMMERSCHMIDT, Mr. PACKARD, Mr. STANGELAND, Mr. ROBERT F. SMITH, Mr. KYL, Mr. EMERSON, Mr. CRANE, Mr. COUGHLIN, Mr. CLINGER, Mr. LUJAN, Mrs. VUCANOVICH, Mr. WEBER, Mr. PARRIS, Mr. BATES, Mrs. BENTLEY, Mr. MORRISON of Washington, Mr. SLAUGHTER of Virginia, and Mr. GALLO.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 1720

By Mr. BROWN of Colorado:

—Strike section 702 (page 252, lines 17 through 26; page 253, lines 1 through 26; page 254, lines 1 through 25; page 255, lines 1 through 24; and page 256, lines 1 through 25).

EXTENSIONS OF REMARKS

THE BIRTH OF GLASNOST

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. YATRON. Mr. Speaker, Mr. Leonard Sussman, executive director of Freedom House, an important human rights organization which monitors civil and political rights, together with his son Mark Sussman, coauthored a recent article entitled "The Birth of Glasnost." This informative article presents an analysis and chronology of the dissident movement in the Soviet Union.

I commend this article to the attention of my colleagues.

[From Freedom at Issue, September/October 1987]

THE BIRTH OF GLASNOST

(By Leonard R. Sussman and Mark J. Sussman)

(Leonard R. Sussman is executive director of Freedom House. His son, Mark J. Sussman writes and works in the theater. Both recently visited the Soviet Union.)

It was easy for the plainclothes police to observe the activity outside the isolated apartment building on the perimeter of Moscow. Western reporters had left their own ghetto to converge on a small flat where Sergei Grigoryants would launch "the most important magazine created in the Soviet Union since 1918."

The new magazine was started in order to replace the distrust in Soviet journals abroad, and the bias many citizens have against official Soviet publications. If the Kremlin permits this independent, critical voice to be raised the chances for creating a participating, responsive Soviet society, rather than a paranoid one, may improve foreign relations as well as domestic creativity, the major goal of Mikhail Gorbachev.

This was 4:00 p.m. on Friday, 3 July. A July Fourth celebration had just ended at Spaso House, residence of the United States Ambassador. Former President Jimmy Carter had left the house earlier to make favorable comments about Gorbachev. The most "humanitarian" of today's world leaders, Carter had called him. Elsewhere in Moscow, Vernon Walters, the American Ambassador to the United Nations, was discussing ways to cool the Iran-Iraq war. And in and out of the Kremlin came Prime Minister Gandhi of India on an elaborate state visit, to be followed by President von Weizsäcker of West Germany.

Perhaps the most important event of that day, however, was in the toughened hands of a slight, prison-scarred literary critic who released the first copies of a magazine significantly named Glasnost, openness, after the current Gorbachev policy. Sergei Grigoryants held up a copy of the 55-page publication which had been hand-typed, single-spaced on onionskin paper. Fifty copies were laboriously made using carbon paper. This was the entire "press run." Yet it may have been an historic moment—for Gorbachev and the world beyond, as well as for Grigoryants and his thirty writer-colleagues. The significance of Glasnost, the magazine, could be seen in the bitterly courageous life of Grigoryants, and the tenuous hope posed by the present policy of glasnost. All of this converged in that crowded room of reporters on 3 July. The story began earlier.

7 FEBRUARY 1987

Sergei Grigoryants was released from Chistopol prison after serving three and a half years for writing samizdat (unauthorized publication). Vestiges of his recent hunger strike could still be seen in July in his sunken eyes and general pallor, though his vigor and determination were no less obvious. Grigoryants had been released in the amnesty that freed some 150 political prisoners, and had accepted a one-year contract as critic of Novy Mir, the leading literary magazine.

At university in the late 1960s he made "bad friends," in the words of his first prosecutor. Those friends were Andrei Sinyavsky and Yuli Daniel, the first writers who had been imprisoned for sending their books to the West for publication. Grigoryants, too, served his first of three harsh prison terms then.

Returning home five months ago, however, was different. The policy of glasnost, repeatedly promoted by Gorbachev for further perestroika (restructuring of the economy and the society) promised a new opening. The production and distribution system of the massive nation had all but failed. In an age of high technology, the Soviet Union was unable to move beyond the stage of lesser development. Though a military superpower, the USSR seemed destined to become a vast Third World country for most of its 280 million citizens.

The policy of glasnost, as conceived in the Kremlin, was not to introduce Western-style democracy but to loosen the reins so that public discussion and even limited criticism of domestic policies could support the changes in the economy, and even more in the mind-set of Soviet citizens, that were needed to raise productivity.

19 APRIL 1987

Grigoryants and his friends, however, regarded glasnost as an historic opportunity. They saw the policy of "openness" as an invitation to democratize the writing, and eventually the thinking, of Soviet citizens. They decided to create a magazine which would not be samizdat—formerly underground, unofficial, a passport to prison or expulsion—but an openly published, officially authorized publication.

In Paris, Alexandr Ginzburg heard about the plan from visitors to Moscow. Ginzburg, too, in 1966 had involved himself in the fate of Sinyavsky and Daniel by protesting their arrest. By then he had already served time in prison for editing an underground publication called Sintaksis. Two years later he was rearrested for publishing his White Paper on the Sinyavsky-Daniel Case. At Ginzburg's trial a codefendant falsely implicated him in illegal activity. Ginzburg then spoke the words that made the case known in the West: "A patriot should be ready to die for his native land, but not to lie for it."

Ginzburg was, of course, convicted—all accused were. That helped touch off the "year of human rights" among dissenters in the Soviet Union. The sentencing of Ginzburg inspired the "cultural opposition" to become politicized. This, in time, aroused further attention in the West. Finally, in 1979, Ginzburg and several other dissidents were traded for two Soviet spies, and he took up residence in the West. He continues in Paris to support the efforts of other Soviet expatriates who yearn or strive for real openness in their homeland. No surprise, then, that Ginzburg greeted warmly the report that a new form of writing was developing inside the USSR: a magazine of commentary and documentation which—for the first time—would be independent and seek official authorization.

19 JUNE 1987

The group of twenty to thirty men and women around Grigoryants worked steadily to devise the format of the publication they would call Glasnost, a direct link to the Gorbachev policy, and, in effect, a challenge to it. For the important decision the group made was to publish openly, indeed to seek official permission and support. They decided that Gorbachev's glasnost could only become successful if all citizens could write "the truth about life in their society," particularly those who had already spoken and written the truth "despite the prohibitions and repressions." "But it is not so simple," they added, and said, "it is no secret that the policy of change encounters active resistance from those in the political and economic apparatus who have brought the nation, directly or indirectly, to this 'precrisis' situation."

The first editorial would continue on a note of realism: "Until now these individuals have continued to occupy numerous key positions, and they actively stand in the way of restructuring. Their major argument is the fear of losing control over the nation. These forces should not be underestimated." The editors noted: "We are aware of the danger of acting, but inaction is also intolerable."

On this day, therefore, Grigoryants called a press conference to announce that Glasnost was being sent to the Central Committee of the Communist Party. He was formally seeking approval to publish an independent magazine. More than that, he sent the CCCP a copy of the text with its critical commentaries on the most vital political, economic and social questions facing the Soviet Union. Then began an extraordinary sequence of events. Unlike in the days of Sinyavsky and Ginzburg, the publication was received without a violent, abusive response. Aleksandr N. Yakovlev, second in command to Gorbachev, passed the request to a deputy for Agitprop (Agitation and Propaganda). He, in turn, relayed it to a deputy who handles press matters. In the days following, after phone calls from Grigoryants, they treated the request with benign bureaucratic silence. That was a far cry from the official response, which, until

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

just recently, would have been a three-year term in a work camp for writing or publishing samizdat literature.

27 JUNE 1987

When no official response came, they called another press conference to announce they would begin releasing Glasnost openly in July whether or not they heard from the Kremlin. This conference resulted in the publication of news reports in the Western press. The spotlight thus turned on the Kremlin could be considered support for the Glasnost corps. Particularly at this stage in the Gorbachev policy it is important for the USSR to project a global image of openness and concern for human rights issues. This affects not only the well-being of Soviet citizens, but the credibility of Soviet negotiators who are at work in Geneva, Vienna and elsewhere on improving East-West relations. The success of perestroika is tied to glasnost, both the policy of more openness and the second meaning of the term: publicity, or promotion of official policies.

The lead editorial of Glasnost would pointedly acknowledge the linkage of perestroika with openness. The editors wrote: "Restructuring the life of society is possible only with the development of democratic practices, and thinking in the form of social consciousness," and added, "this development must become the people's cause."

3 JULY 1987

Grigoryants and associates made it the "people's cause" when they fulfilled their promise, and issued the first of fifty copies of Glasnost to a packed room of Western reporters. The official press, though invited, did not come. One representative called later and asked a few questions about Grigoryants' literary work, but nothing appeared in print.

Many articles appeared the next day in the Western press around the world—again, a form of protection for the writers and editors. Now, the format of the magazine was clear. It would appear in two parts: the information bulletin Glasnost, a series of commentaries on topical issues, and the anthology Glasnost, a larger compilation of documents on contemporary problems. The first anthology features the "most important political event of 1987—the release of political prisoners in the USSR," some of whom were among the editors.

Grigoryants said at the press conference that Glasnost in both parts "will highlight to the same degree aspects of the human-rights movement" as well as "issues in the fields of ecology, culture, economics and social life." The most important question raised at the press conference, and answered in the initial editorial, was the reason for the openness of Glasnost and its bid for recognition. The editors wrote:

"The need for independent publications is dictated by the fact that the entire print media in our country are part of that very political, administrative or economic apparatus which is far from irreproachable, and has recently been subjected to open criticism. In our country the mass media are a part of this apparatus, and therefore do not perform the function of feedback between society and the leadership very well; and the media have the blame for the fact that the nation has come to a pre-crisis situation.

"Consequently, independent information publications created on a volunteer basis which are not capable of presenting a totally comprehensive and balanced picture of the life in the country, because of organizational or financial reasons, will nonetheless be a necessary addition to existing press organs, and together with them they will present a sufficiently objective society."

The authors also recognized they might have an impact domestically and beyond the borders. "A large part of the country is biased against official publications," they wrote, and official recognition to Glasnost would provide "serious evidence" that "democratization is beginning to take place." Moreover, information going abroad from independent publications would be received with "greater trust, and will increase the trust between nations."

Finally, pragmatically, the editors argued that "what was a secret yesterday is being discussed today openly and everywhere. It is impossible to remain silent."

6 JULY 1987

We interviewed Grigoryants with only a translator-friend present. It was a relaxed afternoon. He made tea, and served thickly sliced ham and cheese. He apologized for the hard black bread. We felt some need to apologize. It was clear that this was an important time for one who had spent ten years in prisons, had left the last one only five months earlier, and yet was energetically leading a dispersed group of men and women through an unknown field. One might expect that keeping such a group together, and making decisions acceptable to all, could be no easy task.

He does not know all the contributors. Some are friends of other writers but all, he said, would be specialists in their field. The first number has an article by Andrei Sakharov and discussions of press issues and political pressures. Subsequent issues would include articles on the KGB, demonstrations in Lithuania, Jewish emigration and the problems of the Russian Orthodox Church.

We discussed the gap that separates the political dissidents from the Jewish refuseniks, and he indicated that where associations between these groups do exist they are made on the basis of individual choice. Generally, the refuseniks are concerned with the problems created by their deteriorating situations once they have announced their desire to leave the country.

Grigoryants told us he would act the next day to form a "press club." This, he hoped, would be a loose association of dissident writers, former prisioners, official journalists, and Kremlin officials who deal with the press. They would informally discuss the contents of Glasnost, and criminal law. An utterly clever and supremely idealistic conception! To estimate his audience in advance, Grigoryants phoned one Kremlin office. He was told that they'd be happy to participate but the seven invitees would all be "on vacation" the day of the "press club." Very civil, very polite.

"Will the Central Committee grant permission to publish Glasnost?" we asked. "It's difficult to say," Grigoryants replied. "It depends on how good and how valuable and how serious the magazine becomes." It also depends, we assumed, on the reaction in the West. If that is extensive and favorable, the chances for official recognition may be increased. Grigoryants said the main goal is to "organize feedback from the society to the government, to provide opportunities for people with no voice to express their ideas." Another goal: "to inform the outside world from an independent source."

As the tea was steeped again, Grigoryants spoke more of himself. He began writing in the '60s and was trained as a specialist in Russian literature. His great grandfather was a director at La Scala in Milan, and had many friends in Italy who were Russian émigrés. Grigoryants studied in the Department of Journalism at Moscow University, and wrote literary criticism for Youth. He was expelled from the university after his arrest for supporting Sinyavsky and Daniel. He was rearrested in 1975 on a trumped-up charge and spent five years in camps and prisons.

The KGB tried unsuccessfully to persuade him to cooperate with them. He was released in 1980 under administrative parole—the restriction that he could not live closer to the capital than 100 kilometers. In 1983 he was imprisoned again for publishing "V," which contained information about arrests. He was sentenced to two years in prison, five years in labor camp and three years of internal exile.

Grigoryants was among the first prisoners released this February in the Gorbachev amnesty. Secretary George Shultz had brought a letter to Reykjavik addressed to Gorbachev appealing for Grigoryants' release. He became a "special case." In Christopol he was visited by a state attorney who persuaded Grigoryants to write to the president of the Supreme Soviet declaring his ideas were not in conflict with the Soviet constitution or international law. Later, Grigoryants tried to recant this letter, but he was told they had "no food left for him" in prison! He still had three years of detention remaining and three more of internal exile when he was released. He had not been able to write to his wife for nine months. Just a few days before he was set free she had gone to the KGB to find out whether he was still alive. They say they didn't know!

"Is glasnost real?" we asked.

"Yes . . . we hope," he replied. "But it's only a beginning. The future of the magazine may indicate the future of glasnost," he added. It was clear he would continue publishing with or without permission. "It's all so new," he said. "But this magazine will be taken as an example." It was, he said, difficult to say whether some people in the government approve or even welcome Glasnost. But he has had interesting conversations with officials high in the bureaucracy. That, in itself, has been something of an achievement. The bureaucratic runaround he has received, for example, has not been a low-level matter.

Now, the full text of Glasnost is being published in Russian in Paris, and in English in New York. Parts of the first number have appeared in major publications of the West. The magazine will hereafter speak for itself. An official noncommital reply to Grigoryants' request for support has come: the establishment sees no need for another publication, since so many are already available. But the policy of the Kremlin which permits or withholds official permission to publish the magazine, or more important, the policy of glasnost which allows the editors and writers to continue their independent publications with impunity—that policy will reveal how open "openness" can become.

The intelligent, courageous effort of Grigoryants and his associates recalls the analysis and prescription an earlier Soviet freedom-fighter provided. Wrote Vladimir Bukovsky in 1970: "The essence of our struggle is the battle against fear—the fear that has imprisoned the people since the times of Stalin, the fear from which they have never yet been able to free themselves, that, finally, allows the system to continue to exist."

STAND UP TO THE WASHINGTON POST AND VOTE FOR REASON

HON. RICHARD H. STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. STALLINGS. Mr. Speaker, I am sure we all read the October 22 Washington Post editorial urging this Congress to, and I quote, "stand up to the NRA and vote for safety." Unfortunately, what the Post seeks would not be a vote for safety at all. This editorial merely represents the latest in a long line of attacks on the private ownership of firearms, attacks that are no less offensive simply because they have become more creative.

Mr. Speaker, laws purporting to ban so-called plastic guns in the United States could not keep such firearms out of the hands of foreign terrorists—even if such firearms existed. The sad truth is that laws passed by this Congress will not stop foreign terrorists from acquiring their tools illegally, in other countries. The revealing truth about this campaign against firearms technology is that so-called plastic firearms do not exist.

When firearm technology has progressed to the point that a nonmetallic gun can be mass produced, gun owners and, in particular, our Armed Forces will greatly benefit from the new guns. The plastic material will be much lighter than current guns. This feature is especially important to hunters and our military personnel who are required to carry heavy loads. In addition, a plastic gun would have a greater resistance to corrosion, and the ability to mold reduces the number of separate parts. This would increase reliability and durability. Certainly, all gun owners will benefit once technology has produced a nonmetallic gun.

The real question is whether we will impede this natural technological progress or require detection technology and other interdiction efforts to keep pace. Progress isn't easily stopped.

We can ask then, what is the aim of this legislation? The answer may be found by looking at groups that support such legislation: "gun control" groups including a coalition seeking to ban pistols and revolvers of all types. By raising the specter of international terrorism, those groups have found a new way to package their attack on the private and lawful ownership of firearms in this country.

As presented, the legislation supported by the Post and other "gun control" groups does nothing more than attempt to outlaw small firearms based on an arbitrary definition of detectability, while giving bureaucrats the authority to ban virtually any other firearms they choose. And all of this is skillfully masked as legislation to stop terrorism.

Mr. Speaker, I support legislation seeking to increase the effectiveness of our interdiction efforts. Legislation I am cosponsoring, H.R. 2862, would help the Federal Aviation Administration determine how best to stop terrorists, whether they are armed with conventional firearms, explosives, plastic explosives, or—when they are available—firearms constructed solely of nonmetallic elements.

Mr. Speaker, this legislation rejects the misguided notions that "gun control" will deter terrorists, and that we in Congress have the authority—or the ability—to halt scientific progress. Mr. speaker, H.R. 2862 represents a reasoned approach to the issue of international terrorism. If I may paraphrase: I urge my colleagues to stand up to the Washington Post and vote for reason.

FINANCIAL GUARANTEE INSURANCE EXAMINED

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. FLORIO. Mr. Speaker, the Subcommittee on Commerce, Consumer Protection and Competitiveness has been holding hearings on the insurance industry, with particular attention to the issue of insurer solvency. In a recent hearing we explored the subject of financial guarantee insurance—insurance provided to assure payment of financial obligations. Insurance regulators have expressed concern about the adequacy of current State regulation of this kind of insurance. There is a related concern about the impact of such insurance, particularly in its more speculative forms, on insurer solvency. An article from the National Underwriter on our hearing is provided here for the information of Members.

[The article follows:]

[From the National Underwriter, Nov. 2, 1987]

FINANCIAL GUARANTY REGULATIONS INADEQUATE: CORCORAN

(By Mary Jane Fisher)

WASHINGTON.—Current state regulation of financial guaranty insurance is inadequate. New York Insurance Superintendent James Corcoran warned a House Energy and Commerce subcommittee last week.

Mr. Corcoran told Rep. James J. Florio, chairman, of the Subcommittee on Commerce, Consumer Protection and Competitiveness, that he hoped the hearing would help state insurance regulators enact the National Association of Insurance Commissioners model financial guaranty bill. He was chairman of the NAIC Financial Guaranty Insurance Study Group.

Approved unanimously by the NAIC at its meeting last December, not one state has enacted the model bill, Mr. Corcoran testified, though Iowa has adopted regulations similar to the model bill.

The bill was defeated in the New York legislature this year by heavy lobbying of the industry, he said.

The New York Insurance Department plans to draft a new financial guaranty bill, with some changes from the NAIC model, to be introduced when the state legislature convenes in January, according to Sandra M. Siegel, director of department programs, who accompanied Mr. Corcoran.

"It is essential that financial guaranty insurers become subject to adequate regulation," Mr. Corcoran testified. "We feel insurance companies don't have the expertise to price this insurance.

"We're protecting the insurance buying public by making a company form a downstream monoline subsidiary," he explained. The NAIC model bill also requires the monoline subsidiary to be removed from the state guaranty fund.

Mr. Corcoran said adequate pricing of the product is important because of property and casualty companies' recent record of "cash flow underwriting."

Reporting on the General Accounting Office study of the financial guarantee industry released in June, William J. Anderson, assistant comptroller general, said that "economic changes and the increasingly complex nature of financial products have resulted in an increased demand by investors and creditors for protection against loss."

GAO, the investigative arm of Congress, found two general concerns about regulation of the industry, according to Mr. Anderson. The first is that there is very little information on the size and scope of the financial guaranty insurance business. The second is that "the nature of financial guarantees does not seem to be well understood by many of the state regulatory agencies."

"It appears that . . . more qualified examiners will be needed to evaluate the risks of these products and their impact on the stability of individual companies as well as the industry," Mr. Anderson said.

Two fundamental requirements should be met to regulate the industry, the GAO found. The first is that "the quality and quantity of the data on the industry must be sufficient to better understand the exposures of the firms writing the business."

DEVELOP MORE KNOWLEDGE

The second is that "it is essential that state insurance departments develop more knowledge about these complex transactions and assure that training is provided to develop the skills necessary to assess the risks and pricing of financial guarantees."

Industry witnesses were divided on the NAIC model bill, particularly over the requirement that monoline subsidiaries would have to be established to write financial guarantees.

Speaking for the Association of Financial Guaranty Insurers were Michael E. Satz, its president; Aron Stern, and president, Old Republic Financial Guaranty underwriters, an underwriting affiliate of Old Republic Insurance Co., and Patrick J. Foley, senior vice president, National Union Fire Insurance Co., an affiliate of American International Group. The Association opposed the model bill in the New York legislature.

Generally supporting the model bill and its "monoline" approach were Gerald L. Friedman, chairman, Financial Guaranty Insurance Co.; William J. Murray, vice president, Chubb & Son, and William Jacobs, executive vice president, Financial Security Assurance.

A TRIBUTE TO MR. JAMES ROBINSON

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. TOWNS. Mr. Speaker, on Saturday, November 21, 1987, in Greensboro, NC, several men will be inducted into the North Carolina A&T State University Sports Hall of Fame. Mr. James Robinson is one of those men.

James Robinson was born in New York City where he received his early elementary education. He went on to graduate from Commerce High School, and North Carolina A&T State University in Greensboro, NC where he received his bachelor of science degree. Continuing his studies at Yeshiva University, he received his master's degree from Hunter College School of Social Work.

Mr. Robinson has been active in his community throughout his adult life. James serves on the board of directors of United Neighborhood Houses, Black and Hispanic Caucus of Executive Directors, Neighborhood Self Help for Older Persons Program, Executive Directors' Council, Association of Black Social Workers, National Council of Christians and Jews (Manhattan region), and a member of the North Carolina A&T State University Alumni Association.

Robinson came to A&T on an athletic scholarship through the efforts of former Brooklyn Dodger great, Roy Campanella. James was a regular infielder on the Aggies baseball team from 1949-52. In 1949, Robinson batted well over .300; in 1950, Robinson had a .375 batting average, leading the Aggies in runs scored, doubles, and fielding percentage among infielders. In 1951, Robinson was selected cocaptain of the team that captured their second consecutive championship. He led in doubles and hitting with a .402 batting average.

In 1952, he was captain of the team that won the Aggies third consecutive CIAA Championship. During his 4 years at A&T, Robinson was twice captain of the baseball team, vice president of the Letterman's Club, president of the Physical Education Majors Club, a reporter for the A&T Register, and a member of the A&T basketball team in 1950 and 1951. Throughout, Robinson maintained a "B" average in the school of education.

After graduation, Robinson was signed to a minor league contract by the St. Louis Cardinals and assigned to play with the Allentown, PA Club in the class "A" Eastern league. Shortly after, Robinson was drafted into the U.S. Army.

During his career, Robinson has served on many community boards and received a number of awards. Among these were the "Outstanding Service Award" and the "Meritorious Service" from the city of New York. Robinson was also cited for distinguished achievement in the 12th edition of "Men of Achievement".

James Robinson has clearly distinguished himself not only by his outstanding accomplishments in the athletic arena but also by his exemplary service to the community in which he lives. May this occasion serve as encouragement and inspiration to James to continue the work he has already started.

SALUTE TO THE ASSOCIATION FOR RETARDED CITIZENS OF BERGEN-PASSAIC COUNTIES, INC., ON ITS 40TH ANNIVERSARY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. ROE. Mr. Speaker, I have always believed that one of the noblest undertakings we can pursue is to care for those who are less fortunate than ourselves, and who are unable to care adequately for themselves. In my area of northern New Jersey, we have an outstanding group involved in just such an effort for nearly a half century, and it is still going strong.

I speak of the Association for Retarded Citizens of Bergen-Passaic Counties, Inc., which, this year, is celebrating 40 years of invaluable service to the retarded. This noteworthy event will be celebrated with a dinner-dance on Saturday, November 21, 1987, at the Princess in Lodi, NJ. Given the vigorous efforts of dinner chairmen Maureen and Joseph Pallata, I am certain that the event, which will honor 1987 Humanitarian Award Honorees Dorothea Abbott, Leonard A. Nason and Clinton Spencer, will be a great success.

Mr. Speaker, to fully gauge the impact of this great organization, I would like to quote from the ARC's offical literature:

> This year, 1987, the Association for Retarded Citizens [ARC] of Bergen and Passaic Counties, New Jersey, celebrates 40 years of service to people who are retarded. For 40 years the ARC has brought help and hope to retarded children and adults and their families. It has given retarded children the early help they needed. It has given retarded adults the vocational and self-help skills they need to function as independent citizens of society.
>
> It is significant that all this has happened in only 40 years! Before then there was no national advocacy group to advance the rights and needs of retarded children and adults. State institutions did exist to provide care for the mentally retarded, but there existed no community programs except those few conducted by religious and charitable groups. These were few in number and depended for their continuation upon good will rather than legal rights.
>
> In state institutions, the physical needs of the residents were generally provided at a reasonable level. But, as a rule, there existed little in the way of meaningful daily programs that would improve the condition of the residents. In short, state institutions were designed primarily to offer custodial care.
>
> Parents with children at home were in a more difficult situation. They retained the burden of providing for the daily care of their children but were offered little or no support from the community. By law, these children could be excluded from the right to a free public education. Recreation programs, vocational training programs, and support counseling, as we know them, did not exist. At the same time, there was little public awareness and public sympathy for retarded people. In most instances, retarded people were not visible in the community. They existed behind the doors of their family home.
>
> On October 12, 1946, a letter written by Laura Sparks Blossfeld appeared in the Bergen Record which suggested the organization of a parent group for retarded children, outlined a plan for it, and called upon other parents to get together and form "What might be the first chapter of a national organization."
>
> On June 10, 1947, the first general meeting was held at the YMCA in Paterson. Parents from a wide area were invited and forty-one attended. Enthusiasm ran high; they voted unanimously to form an organization, and the Parents Group was on its way.
>
> From the very beginning, the goal of the organization was to be for all parents regardless of the degree or type of retardation, or where the child was located—at home, or away from home. It had been the aim of thoughtful leaders of the Group to develop a varied program that would suit the needs of all parents; and to make their work eventually benefit and help all retarded children.
>
> In rapid succession units were being formed in Essex, Union, Monmouth, Hudson, Raritan Valley, Mercer and Tri-County (Camden, Gloucester and Burlington).
>
> The National Association was formed at a Convention of Parents Groups in October 1950. At that convention some 400 units were represented. Six years later there were 400 units chartered in the United States and the National organization had changed its name to The National Association for Retarded Children.
>
> How that nationwide growth took place is a remarkable coincidence of several parents groups that spontaneously emerged during 1947. It appears that some of these parents groups were mainly concerned with the welfare of children in the state institutions. The Bergen-Passaic Unit appears to have been the first group for all parents of all retarded children striving to meet the needs of all.
>
> Forty years is a short span of time for a national organization. Yet, in so short a time, there has been a vast improvement in the lives and fortunes of mentally retarded people. Where once they were scorned and rejected, society is now prepared to afford human rights and fundamental freedoms to the mentally handicapped. Where once they were hidden in state schools and in their parents' homes away from human sight, they have now been granted the right to live in the community. Where once, because of public ignorance, they were looked upon with fear and aversion, they have gained increased acceptance.
>
> But none of this happened overnight or without effort. The efforts of thousands of volunteers and professionals have contributed to the advancement of mentally retarded citizens. These efforts, at considerable sacrifice of time, personal convenience and financial security, have resulted in the expansion of services we see today. And the fact that each year new volunteers and new professionals join in this effort gives confidence that this progress will continue.

Mr. Speaker, I invite you and our colleagues to join me in saluting the Association for Retarded Citizens, Bergen-Passaic Counties, Inc., for its outstanding service and its loving care for the mentally retarded. Most certainly, the work it has done has transcended its local boundaries. The whole State of New Jersey, indeed, the entire Nation, is better off for its efforts.

COMMISSION ON MERCHANT MARINE AND DEFENSE REPORT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. BIAGGI. Mr. Speaker, recently, the Commission on Merchant Marine and Defense issued its first report. The Commission spent a year analyzing the American merchant marine, but its findings of fact and conclusions came as no surprise to those of us who have been working to strengthen our merchant marine.

The report reiterates what I have been saying since I became chairman of the Merchant Marine Subcommittee almost 7 years ago:

A weak merchant marine is a "clear and growing danger to the national security";

We must have shipyards to build and repair ships in this country;

We don't have enough trained personnel and militarily useful vessels in the event of a war or national emergency;

An active U.S.-flag merchant marine is the most "militarily efficient, cost-effective, and reliable way" to meet military sealift requirements;

The merchant fleets of our allies have declined dramatically;

Government procurement policies emphasizing bid price rather than value hurt the shipping and shipbuilding industries;

Free trade does not exist today;

American-flag operators need operating-differential subsidies; and

Cargo preference laws have to be strictly enforced.

The Commission's recommendations about how to turn this situation around are expected in December. I eagerly await the report and hope that the crisis that confronts us will galvanize Government, business, and labor to action. We cannot afford the luxury of waiting until war breaks out—it may already be too late.

TRIBUTE TO CAPT. FRED P. MOOSALLY, USN

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. SKELTON. Mr. Speaker, today I pay tribute to a fine naval officer, Capt. Fred P. Moosally, who will soon be going back to sea, where, as many of us know, every good sailor wants to go. Fred is now finishing a tour of duty as principal naval deputy for House liaison and will soon move on the the well-deserved position as the commanding officer of the U.S.S. *Iowa*, one of four refurbished battleships originally commissioned during World War II. Captain Moosally has done a first-rate job running the Navy's congressional liaison office in the Rayburn Building, and it has been a pleasure working with him. I know that I speak for many of our colleagues when I say that his expertise in naval matters has served us well in making the difficult decisions we have had to make over the past few years. Let me give you some background on Fred Moosally.

Captain Moosally began his naval career as a midshipman at the U.S. Naval Academy at Annapolis. While there, he made his mark as an outstanding football player. Over a period spanning more than 20 years now, Captain Moosally's naval career has included a broad mix of operational and staff duties. He has served at sea on a number of occasions as any true naval officer worth his sea salt has. His operational experience on guided-missile destroyers [DDG's] has spanned the gamut from such billets as damage control assistant, gunnery assistant, engineer officer to executive officer, and finally commanding officer of the U.S.S. *Kidd* from October 1983 to August 1985. He has sailed on a variety of ships—to the Atlantic, to the Mediterranean, and to the Pacific.

In staff assignments, Captain Moosally has also served with distinction in a number of posts. He has held a variety of positions dealing with manpower, budget and operational issues, including a tour as administative assistant and aide to the Chief of Naval Operations. On a more personal note, I think it should be known that I consider Fred not merely one fine naval officer with a bright future ahead of him but a valued friend, too. Equally important in these hectic days, he is a devoted husband and a loving father of three. As Captain Moosally prepares to assume his new duties on the *Iowa* he will be missed here by many of us. At the same time, however, we salute him and wish him well as he goes forth to meet those new challenges.

DEPARTMENT OF VETERANS AFFAIRS ACT

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. LAGOMARSINO. Mr. Speaker, I rise in support of H.R. 3471, a bill that would elevate the Veterans' Administration from an agency to a Cabinet-level department in the Federal Government. I was an early cosponsor and supporter of this bill. By giving the VA Cabinet-level status, this worthy legislation would assure that the needs of our 27.2 million brave veterans and their 51 million survivors and dependents are given the attention they deserve. Veterans need an advocate at the highest level of Government to ensure that the benefits and services they have earned and were promised are delivered.

Today, there are six times as many veterans alive than there were in 1930, the year the Veterans' Administration was established. The VA was established to administer Federal benefits to veterans and their dependents. It is currently larger than the Departments of State, Interior, Labor, Commerce, Education, Transportation, Energy, HUD, or Justice. Upon receiving Cabinet-level status it will be second only to the Department of Defense with the number of people employed. The Veterans' Administration has a budget that exceeds $27 billion and operates the largest health care system in the free world.

I believe a Secretary of Veterans Affairs heading the new Department of Veterans Affairs would be a positive asset to the Cabinet and veterans alike. I urge my colleagues to join in supporting this timely and beneficial legislation.

AMERICA'S SPACE PROGRAM

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. HEFLEY. Mr. Speaker, I call my colleagues' attention to a recent article in support of our Nation's space program by the gentleman from Missouri, Mr. BUECHNER. It is my distinct pleasure to serve with Mr. BUECHNER on the Science, Space, and Technology's Space Science and Applications Subcommittee. In that capacity, Mr. BUECHNER has effectively promoted the goal of revitalizing our Civil Space Program. His article, "It's Time To Be Proud of Space Program," which reviews the substantial accomplishments of the past and identifies the challenges ahead, reflects Mr. BUECHNER's clear recognition of the importance of this work. I, therefore, want to share this article with my colleagues, and I am particularly happy to endorse Mr. BUECHNER's articulate support for the Space Station Program.

The article follows:

IT'S TIME TO BE PROUD OF SPACE PROGRAM

(By Jack Buechner)

"One small step for man, one giant leap for mankind."

Neil Armstrong's words still evoke strong, patriotic feelings and remind us of a time when America was the pre-eminent leader in space. This October marks the 30th anniversary of the Soviet Launch of Sputnik, the impetus for John F. Kennedy's challenge to land an American on the Moon and return him safely to Earth within the decade after the Soviet launch.

Since 1969, our space program has been through many ups and downs; from such great successes as Skylab, America's unmanned space station, to the tragedy of the Challenger explosion.

We face a new challenge. It's similar to the problem we had in 1957, when the Soviets seemed light years ahead of us in space exploration. The difference is that today, many Americans have lost the confidence that we can catch up.

The signs that America has lost confidence in its space program are widespread. NASA bashing by our national media with trendy negative headlines such as . . . "Lost In space," "America Grounded," "Space Leadership Void," "Earthbound and Demoralized" . . . do not instill a sense of pride in our program or set goals for tomorrow.

There is no question that the Soviets have made great strides in space. Nor is there a question that the Challenger explosion in January 1986 was a national tragedy. It has caused NASA to look inside itself and reevaluate its goals and directions. As a member of the House committee which oversees the NASA operations, I can attest that it has been a very bumpy recovery for that agency.

The shock of failure; the glare of hostile publicity and accusations of incompetence to a proud agency with a record of success—these have been hard to understand, much less accept.

It is time, however, to support the space program—not tear it down. We should be proud of NASA. This agency has undergone an almost complete change of command since January 1986. An entire new team—from the administrator through program managers—has been put into place in the wake of the Challenger accident. They are clearly on the road to recovery and have mapped out an aggressive and forward-looking strategy. But they are tentative—they watch the nation to see if it cares, if Americans want to renew the dream.

To that end, the space program faces a very important challenge in the coming months. The survival of the Space Station.

The Space Station—a manned laboratory permanently orbiting the earth—will be our "gateway to the solar system." The space station will provide scientific, economic and medical benefits to the U.S. and the world. It will serve as our first base in space from which we can conduct further exploration.

If America is to continue to develop and explore the space frontier through the end of this century and beyond, a permanent space base from which to operate is needed. The Soviet Union knows that. It has aggressively moved into this field by launching, just last year, their version of a space station called MIR, which circles the Earth every eight minutes.

Unfortunately, voices inside and outside Congress are arguing that the space station will fail to serve any useful purpose. These voices, however, are misinformed. The Space Station will serve as the cornerstone for this nation's future in space. If it should die, then it is probable that the entire direction of the our space program will go with it.

Instead of taking a logical and reasoned approach, many politicians are playing the game they play best—politics. The Democratic controlled House and Senate understand that the space program is one of President Reagan's chosen programs. As such, they have no problem slashing these budgets whenever possible.

The senior senator from Wisconsin who is planning to retire from the Senate next year, has announced, as a going-away present, his intention to kill the space station program. This threat is real. Senator William Proxmire is chairman of the Senate subcommittee which provides funding for the space agency.

Killing the station would at the same time kill the need for the shuttle which is designed to ferry cargo to and from the station. Killing the station also leaves the Soviets as the only country with a permanently manned presence in space.

NASA is hoping to resume shuttle flights next June. Considering the successful test firing of the redesigned solid rocket motor, I believe this goal can be achieved. Once we are flying again, the best way to ensure that the U.S. will stay flying is to stabilize the NASA budget.

Unfortunately, politics, not sound reasoning, is dictating the priorities of the U.S. space program.

Would Americans cheer the announcement that NASA has been abolished to trim our trillion-dollar federal budget to $990 billion? Would Americans be content to sit placidly before TV sets watching vigorous men from other nations exploring new worlds? Not the Americans I know!

NASA once again has the vision and means to achieve John Kennedy's goal of leading the world to the fringes of outer space by reinvigorating the true pioneer spirit of America. This goal can only be achieved by the sincere and dedicated efforts of people like Sally Ride, John Glenn, Neil Armstrong, and the NASA agency. Men and women with the spirit that launched the Apollo missions; the spirit that sent probes to Mars, Uranus, Jupiter; and the spirit that made the space shuttle a reality.

THE HISPANIC BUSINESS COMMUNITY AND THE FAR EAST

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. RICHARDSON. Mr. Speaker, recently the Los Angeles-based Latin Business Foundation along with the Congressional Hispanic Caucus coordinated a trip to introduce the Hispanic business community to the Far East. Following Prime Minister Nakasone's remarks about U.S. minorities last year, it is clear that steps need to be taken to promote understanding between minorities and the Japanese. I would like to insert an article from Hispanic Business magazine detailing this trip for the review of my colleagues.

CAUCUS & CO. ORIENTS THE EAST

[Following Prime Minister Yasuhiro Nakasone's unflattering remarks about U.S. minorities last year, Hispanics introduce themselves to the Far East]

(By David Cruz)

At virtually every meeting with government officials in Japan and Taiwan last August, Hispanic business owners and members of the Congressional Hispanic Caucus were first subjected to a litany of complaints about how U.S. trade policies have slowed industrial growth in those countries. The assertions were not always veiled in the diplomatic tones or courtesies expected of Asian cultures, and delegation members quickly decided to take a more aggressive posture.

Having come from throughout the United States and having traveled thousands of miles to the Far East, the delegation's educational and trade mission was a historic venture as well as a gesture of good will. They were received on an offical level, but because the visit was arranged independent of the U.S. State Department, the parties were able to discuss differences fairly openly.

"Congress's intent in discussing trade restrictions has not been to impose unreasonable expectations on a foreign country that wants to sell to the United States," says Rep. Esteban Torres, D-Calif., who headed up the delegation. "I think these nations are getting the message very clearly that trade cannot be abused."

Adds Abelardo Valdez, former Ambassador and White House Chief of Protocol and now an attorney in Washington, D.C.: "Coming as we have allows us to hear what these nations truly have on their minds without concern that their statements may be interpreted as anything other than open dialogue with a segment of the American public."

Pointed discussions ranged from a specific proposal for export of buses to Taiwan to the U.S. trade deficit. Rep. Albert Bustamante, D-Texas, let Japan and the Republic of China (ROC) know that the United States cannot afford to let its economic troubles get worse. "This issue of a massive trade surplus is going to backfire on these two countries unless they do something about it," Mr. Bustamante says. "What we are proposing very seriously to both the ROC and Japan is export-manufacturing enterprises—that they set up joint ventures in the United States for assembly and fabrication that give our people a chance to work, since they're already buying Taiwanese and Japanese products."

One area where strong Hispanic consumer support for Asian products has been evident is the automobile industry. Ernest Camacho, president of Pasadena, Calif.-based Pacifica Services Inc., made this clear in his presentations. "Traditionally, there are three things that have always been synonymous with a Hispanic household," Mr. Camacho told officals of the Japan Export Trade Organization (JETRO). "They are a picture of the Virgin Mary, a portrait of John F. Kennedy and a Chevy parked in the driveway. Today, though, this is no longer the case."

Mr. Camacho, who was raised in East Los Angeles, has first-hand knowledge of Hispanic loyalty to traditions in religion, politics and consumer spending. "The picture of the Virgin Mary is still there and so is the portrait of John Kennedy," Mr. Camacho said. "But that Chevy in the driveway has now been replaced by a Nissan, Toyota, Mazda or Honda. In fact, cars manufactured in Japan now account for approximately 8 percent of the cars purchased annually by Hispanics."

The fact that Taiwan's currency, the NT dollar, took a dive against the U.S. dollar during the visit led to a lot of mixed conversations, he tells Hispanic Business. "Our visit was timely, but it was also untimely due to the big fluctuations of the dollar," says Mr. Camacho. "But I expect it will level out in six to seven months.

The U.S. stake in the Caribbean presents opportunities to the Far East as well, Puerto Rico's Rep. Jaime Fuster pointed out to ministers in Japan and Taiwan. "We have the climate, literally and in our business incentives, to draw major fabrication and assembly-type ventures to produce items cost-competitively," Mr. Fuster says. "Countries like Japan and Taiwan are prime examples of nations that are looking for sites to locate manufacturing facilities with access to skilled labor, raw products and ports for world distribution, all of which we can offer."

In learning of Hispanic business enterprise, Japan and Taiwan have more to gain than market share, Caucus members told dignitaries. Rep. Torres, chairman of the Caucus at the time of the trip, emphasizes that trade "must be a two-way street." In this vein, Democratic Rep. Solomon Ortiz of Texas brought a letter requesting that Taiwan's national transportation company purchase 200 buses to be manufactured in South Texas, which would create hundreds of jobs is an area hard hit by recession. The multimillion dollar contract proposal calls for the fabrication and assembly of nearly 200 buses by Eagle International Inc., based in Brownsville, Texas. The letter came with endorsements from House Speaker Jim

Wright and the entire Texas congressional delegation. After two days of attempts by Nationalist Chinese officials to dissuade Mr. Ortiz from pressing Taiwan to close the deal during the visit, and after internal disagreements about it among the congressmen, Caucus members decided to present the letter to high-level government officials, including Premier Yu Kuo-hwa.

"Premier, I bring you greetings from House Speaker Jim Wright and Senators Lloyd Bentsen and Phil Gramm, who have joined the rest of the Texas delegation, as have my colleagues here today, to make but a small request," began Mr. Ortiz. "This letter describes a proposal which your government is presently considering that would mean a great deal to the people of my district. And I would personally like to convey this request to you."

Mr. Ortiz's request was the lone attempt to achieve concrete results from the visit, which was taken mainly for introductory purposes. Mr. Kuo-hwa's response was courteous but cool. He said the matter was under advisement with his financial staff, which would make the appropriate recommendation. The purchase had already received tentative approval, but a competing offer from a company in Arizona had interrupted the process, says Art Vega, a staff assistant in the office of Rep. Torres. "Taiwan was receiving a lot of pressure from powerfuls in Arizona," Mr. Vega says. "The Arizona firm is one-third Canadian, and the point was made that if you want to ease the trade deficit of the United States, it is better to work with a wholly U.S.-owned company."

FACING NAKASONE

Perhaps the single-most important meeting to take place was with Japanese Prime Minister Yasuhiro Nakasone. Underlying the many reasons for the meeting were Mr. Nakasone's remarks of last year, in which he referred to minorities in the United States, including Hispanics, as being to blame for a lack of economic progress in the United States. Members of both the Congressional Hispanic Caucus and the private sector delegation knew this would be Mr. Nakasone's first face-to-face meeting with a Hispanic group, and they were uncertain how the matter would be addressed. They did not plan to raise the issue themselves. "I don't think anyone expected Nakasone to do what he did," says Ruben Jauregui, president of the Los Angeles-based Latin Business Association.

At 1:30 p.m. on Wednesday, Aug. 26, Mr. Nakasone entered the vast meeting area of his own residence, flanked by his personal bodyguards and appearing relaxed, quick to smile and in good spirits. Dr. Alicia Gonzalez, head of the Smithsonian Institution's Folklife Office and the only woman on the official delegation who attended the gathering, says Mr. Nakasone began by expressing his personal happiness at the delegation's arrival. "From the very beginning, we felt that he wanted very much to get to know us and share some of our experiences," Dr. Gonzalez says. After Mr. Nakasone's opening remarks, Dr. Gonzalez described a Japanese Festival that had taken place in Washington, D.C.; Mr. Nakasone appeared moved by what he was hearing, then surprised the delegation.

"I wish to express to you my sincerest regret over words which I spoke last year," he told the delegation. "I know now that I was wrong." He then said he hoped the Hispanic people would forgive him. Thus Mr. Nakasone, in the space of a few seconds and with few words, defused what could have been a recurrent controversy. His words were unexpected. They were quietly accepted, and after only a brief pause, the meeting continued. Mr. Nakasone went on to ask questions about Hispanics in the United States, saying he was committed to building bridges of understanding. He voiced support for efforts to develop more joint venture investments with U.S. partners, including Hispanics, and concluded by saying that he hoped the group would return again to continue the discussions of matters of mutual interest.

The formal meeting lasted about 40 minutes but Mr. Nakasone invited the entire delegation to join him in the prime minister's garden, where he accommodated requests for photographs. U.S. Ambassador to Japan Mike Mansfield said that the meeting with Mr. Nakasone symbolized recognition that Hispanics should enjoy in the United States. "For too long, you have been ignored and you have not been given the opportunity to demonstrate what new contributions you can make to our country," Mr. Mansfield offered. "I hope that you will build from this foundation and seize this occasion to begin a new era of growth on a greater scale."

NOW WHAT?

The meeting with Mr. Nakasone, the first of its kind between leaders of the two peoples, was said to signal a new phase of dialogue for U.S. Hispanics and the Japanese. But where do things go from here?

Politically, the Japanese have scored a coup. They managed to convey just the right measure of respect for the positions the Caucus members hold without appearing to give in on any major points. They were cordial and courteous but held firm. They also allowed the delegation to meet with those factions that may compete for the reins of government after Mr. Nakasone. Perhaps it was a way of letting the Congressmen see for themselves who or what may lie ahead.

It all worked. The Congressmen departed Japan full of arguments that import quotas were not the solution to the trade imbalance, and that Mr. Nakasone may not be such a bad guy after all. "To impose trade restrictions on our strongest ally in this region of the world would be a mistake," said Mr. Torres. "We must find other ways to solve our trade differences and at the same time make sure that we do not weaken each other in the process. I believe that changes are being made, and so long as these changes continue, further trade controls would be unwise."

For the entrepreneurs, visiting Taiwan and Japan enabled them to learn how to do business on that side of the world. It also gave them an opportunity to show their political and economic status in the United States. The trip's primary benefit for Hispanic businesses was indirect, in that it established Hispanics as a real entity in the U.S. economy, the Latin Business Association's Mr. Jauregui says. "The concept of Hispanic market segmentation was consistently something they had no knowledge of, especially at the corporate level," Mr. Jauregui says. "Nor are they familiar with the concepts of affirmative action."

Hispanics were responsible for $110 billion in consumer spending in 1986, and, armed with such data, the delegation was successful in conveying the impact Hispanics have in the U.S. economy, Mr. Jauregui says. The tirp's direct benefit for Hispanic business was somewhat more pale, not only because it was primarily an exploratory mission but because the Japanese complete no deals quickly, he adds.

"In Japan, you do business on a personal basis, so they want to know you over a period of time before they'll do any business," Mr. Jauregui says. "I know one man who has been there seven years, and it was four years before he cracked his first deal."

Still, the trip did provide leads for some companies. At Pacifica Services, the California engineering firm, CEO Mr. Camacho came away with solid leads to provide environmental engineering services to Taiwan's state-run industries.

"They have maintained contact with us, and we're planning a return trip the first part of November," Mr. Camacho says. "We're looking at going back to both Japan and Taiwan—in Japan, to talk with JAMA again, and in Taiwan from an environmental [engineering] standpoint. Taiwan has been looking at how to generate dollars, and now that they're getting them they want a better quality of life, so there's numerous opportunities for environmental work."

In conservative terms, Taiwan is five to seven years behind the United States in environmental engineering technology, and although several large firms may also be competing to fill that need, so few have concentrated on Taiwan that the field is hardly crowded, Mr. Camacho says. "We're in the process of formatting the best game plan," he says. "We're looking for other firms to fill in the technology that we haven't yet fully developed, because the company in Taiwan has a dire need in several environmental concerns, including waste treatment and pollution problems."

Also getting in on the pollution-control action was Ed Romero, president of Advanced Sciences Inc. In Alburquerque, N.M. Mr. Romero says he has sent an environmental engineering services proposal to Taiwanese officials, and he expected negotiations to have begun in late October for a project to reduce the noise, odors and other forms of contamination at two large, state-run oil refineries. "I had spoken to them before the trip, but what really helped was that the delegation gave us increased visibility and credibility," Mr. Romero says.

Also coming away from the trip with a possible business lead was Leo Rosas, President of Rosas Computer Co. Inc. (RCC), in Corpus Christi. On the trip, RCC discussed plans for providing computer services to Japanese interests with Englewood, Colo.-based Computer Technology Associates (CTA), although Mr. Rosas and Dr. Carmelo Velez of CTA declined to reveal details.

The LBA's Mr. Jauregui plans to invite JETRO, the Japanese trade association, to a Pacific Basin trade conference next year; both he and Mr. Torres consider last August's trip to be only the first in a series, although no plans are set for the next one. Mr. Vega, the aide in Rep. Torres's office, says it will take time to build business relationships with the Asians. Pacifica's Mr. Camacho concurs that doing business with the Far East will not come quickly. "They're methodical, ceremonial, and you've got to go through all the motions before they trust you," he says.

Rep. Torres made this point at a farewell conference in Tokyo. "We return to our respective cities in the United States better informed of the global community of which we are a part," he said. "We came with many impressions of what we would find in countries halfway around the world, but we leave knowing that we have begun new friendships. Now, it is up to each of us to make those friendships grow and with them, a mutual understanding of how we must learn to live together for the future."

WHY THE ASIANS DID IT

For Taiwan, the first visit of a Hispanic delegation signaled another important step in its campaign for international recognition as the legitimate government of all of China, not just the government of the "free Chinese," as they call the 19 million inhabitants of the Island of the Republic of China.

Japan's interest in receiving the Hispanic delegation was different. Its vibrant economy and increasing value of the yen has helped to boost national morale, stirring Japanese pride at a time when a growing number feel that an economic war with the United States may be inevitable. The visit by senior Congressional Hispanic members thus provided Japan's leadership with a new channel for voicing concerns about the effects further trade restrictions would have on their economy. Also, the similarity of cultures between the Japanese and Hispanics, i.e. strong family and community bonds, religious values, a sense of loyalty to tradition and the work ethic, have all contributed to awakening the Asiatic nation to the potential of a new partnership for the future of both peoples.

There is yet another reason why Japan and Taiwan are interested in ties with U.S. Hispanics. Japan's increasing cash liquidity has sparked an investment itch that is part of a growth strategy targeting the United States. Meanwhile, in Taiwan, entrepreneurs are outpacing even the Japanese at securing foreign markets through exclusive distribution agreements with major U.S. and European manufacturers. For them, the Hispanic-owned companies represent a new arrival on the international trade scene as sources of new product lines, techology and services. As a result of the trip, for example, R&E Electronics of Wilmington, N.C., has entered into direct negotiations with Japanese telecommunications/computer firm NEC to market NEC's product line in the United States, according to Mr. Vega. Too, Hispanics could be new competition in areas where Japanese and Taiwanese companies hope to market, which makes getting to know them all the more important.

Getting to know Hispanics, though, has proven to be somewhat strange experience for the Japanese, who live in a largely homogeneous society. It was not surprising that when the trade mission delegates held meetings with government officials or private business representatives, there was first an explanation of who U.S. Hispanics are and what they represent within the broader context of the United States economically, politically and culturally. It was thus appropriate that in his opening remarks, Rep Torres said, "Much like the Republic of China, which is situated on an island, in a sense we too are a people that constitute an island within the vast ocean of society in the United States."

TRADE WARS

Following Mr. Torres' remarks were strong words from Republic of China (ROC) Vice-Minister for Foreign Affairs H.E. John H. Chang, who went directly to the heart of a growing sentiment among the Free Chinese about the United States' reluctance to normalize formal political relations with Taiwan. "While we have been patient and shown flexibility in our efforts to demonstrate that we seek to be a stabilizing partner in trade and commerce, we will not be forced to accept terms dictated to us that plunge our industries into dependence again on foreign interests," Mr. Chang said.

The flexibility to which Mr. Chang refers has become a central issue Taiwan has raised in its discussions with U.S. officials. H.E. Robert Chien, Minister of Finance, briefed the Hispanic delegation on steps the government has taken to affect its current multimillion dollar trade imbalance, including the removal of more than hundreds of items from its list of import products taxed upon arrival at Taiwan's ports of entry. Further, of the items that remain, there has been a general reduction of import duties imposed, he added.

Taiwan has also started to liberalize some of its internal monetary policies, particularly in the area of foreign investments by ROC individuals and groups. Investors now can depart the country with millions of dollars and not be questioned about how the funds will be used. This step was taken specifically to encourage development of joint venture projects outside Taiwan.

"We believe these policies are clear examples of our sincere interest in meeting and overcoming any imbalances which may exist in our present trade picture," Mr. Chien said, "but this will take time and we need the understanding and patience of the United States while we adjust this situation. Also, the United States must do its share to encourage more development of its technologies and its businesses must be willing to do trade with the Republic of China. Why should we be penalized for being successful at business simply because others are unable or unwilling to improve their products?"

One Hispanic Caucus congressman, however, noted that the Nationalist Chinese are beginning to realize they need to improve their image in the world trade community. "For a long time now, they have been prospering but at the expense of other economies, including our own," he says. "Their lower cost of living allows them to manufacture and export products into the world marketplace, including the U.S. market, at a disproportionate advantage over U.S. manufacturers, many of whom helped the Nationalist Chinese first develop their industries. Now, they know that there needs to be a readjustment of economic relationships, but it's a bitter pill to swallow when they've been seeing all the money coming in."

Some Taiwanese voice this view privately. "The leadership of this country is living in a political vacuum and it has created a fantasy that it does not want disturbed," says one Taiwanese businessman. "While this economic situation may represent a confrontation of philosophical differences, to us who must live with whatever decisions are reached, it has become a matter of survival. I believe that we must be willing to face the tough realities now."

Back in Washington, D.C., Rep. Torres says the trip built the bridge that will permit reciprocity to begin between Asians and U.S. Hispanics. "It provided a tremendous degree of opportunity for the Hispanic community, which heretofore was not known to have specific products or services to offer in Japan and Taiwan," Mr. Torres says. "Men and women with goods and services to provide were given the opportunity to demonstrate they have the capability and ability to deliver on time and competitively with everybody else."

WORLD ORGANIZATION OF JEWS FROM ARAB COUNTRIES

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. ACKERMAN. Mr. Speaker, I would like to pay tribute to a unique organization, the World Organziation of Jews from Arab Countries [WOJAC]. Since 1975, WOJAC has represented over 2 million Jews from the Arab world, approximately one-half of whom now live in Israel.

It is a little-known fact that enormous numbers of Arabs have immigrated into and emigrated out of Israel since its founding in 1948. Indeed, 750,000 Arabs have moved to Israel from such diverse countries as Morocco, Algeria, Iraq, and Syria. At the same time, approximately 500,000 Arabs have left Israel to settle in the Arab world. This enormous shift in population is not often recognized.

WOJAC represents Arab Jews who have immigrated to Israel and those who have remained in their native countries. Among many other activities, WOJAC petitions Arab nations on behalf of Jews who want to emigrate, and it seeks to gain material compensation for Arabs who left personal and religious property in the Arab world. It supports development projects that improve the quality of Arab immigrants' lives in Israeli West Bank and Gaza. WOJAC also works to stop persecution of Jews still living in Arab nations, by calling for civil, human, and religious rights.

Last month, WOJAC held its third international conference here in Washington. The sessions drew participants from around the world who care about these vital issues. I salute WOJAC at the time of its international conference, and applaud its efforts to bring attention and justice to Arab Jews living in Israel and elsewhere.

SENATE—*Wednesday, November 18, 1987*

The Senate met at 8:45 a.m., and was called to order by the Honorable Thomas A. Daschle, a Senator from the State of South Dakota.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Things that are impossible with men are possible with God.—Luke 18:27.

With God all things are possible.—Matthew 19:26.

God of Abraham, Isaac, and Israel, in an impossible situation, You asked Your servant Abraham a question which answered itself. *Is anything too hard for the Lord?*—Genesis 18:14. Mighty Lord, in this confidence whatever is hindering the resolution of the budget issue, remove it. Whatever is lacking, supply it. Whatever is needed to get it done, provide it. Whatever courage, individually and collectively, is required, grant it. If the will to achieve a critical goal is absent, generate it. Give to each public leader fresh awareness that he not only holds the public trust, but is a guardian of the Nation's welfare.

Gracious Father, dissolve partisanship or whatever produces stalemate—infuse the Senate with wisdom, boldness, courage, strength—whatever it takes to settle this difficult issue which threatens the very survival of the Nation. Empower Your servants, Lord, before it is too late. We pray in the name of Him in whom dwells all power in heaven and on Earth. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. Stennis].

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, DC, November 18, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Thomas A. Daschle, a Senator from the State of South Dakota, to perform the duties of the Chair.

John C. Stennis,
President pro tempore.

Mr. DASCHLE thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE OPENING CHAPTER OF THE WAR BETWEEN THE STATES

Mr. BYRD. Mr. President, as the United States continues to mellow, perspectives on the War Between the States mature and change. Interestingly, our national fascination with that tragic conflict does not diminish the importance of it as we move away from it further in time. Instead, our understanding of its causes deepens, and the romance surrounding its principal actors becomes more hypnotic.

Recently, one historian likened the War Between the States to America's equivalent of the Trojan War. That may be an apt parallel, for the Greeks' self-understanding found its origins in that classic, long-running clash. Likewise, thoughtful Americans realize that much of what we are today is rooted in our Civil War.

Some days ago, the New York Times carried an excellent article on Harpers Ferry, WV, and John Brown's raid there in 1859, when it was still a part of Virginia. If firing on Fort Sumter was the tinder that blazed up into warfare, Brown's raid was the flint needed to spark the conflict. Some historians claim that John Brown's rash seizure of the Harpers Ferry Armory made a peaceful settlement of the differences between the North and South everafterward impossible.

Mr. President, I ask unanimous consent that the article from the New York Times, "John Brown's Landscape," be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times, Nov. 1, 1987]

John Brown's Landscape—Harpers Ferry, WV, Has a Mountainous Backdrop Made for Drama

(By Wilma Dykeman)

Few historic sites offer as compatible a marriage of unique scenery and distinctive human events as that presented by Harpers Ferry, W.Va. The stern visage of nature's dark, stony ridges thrust above the rocky beds of the converging Potomac and Shenandoah Rivers seems a backdrop made to order for the dramatic—indeed, grim—history that has unfolded in the region: ironworks and weapons manufacturing that transformed Robert Harper's pioneer ferry and mill site into an early industrial community; the brief but bloody confrontation known as John Brown's raid, and the destructiveness of a Civil War brought closer to dread reality by the alarm and passion aroused by Brown's raid. The place and its past reflect harsh confrontations.

Gray cliffs hang as raggedly above the valleys as Brown's eyebrows once bristled above the hollows of his deep eye sockets. Winter wind or summer storm assault as inescapably as an aged photograph's fierce directness of Brown's accusing gaze. Houses of the village and uneven weather-pocked paths cling as precariously to the hillsides as does the memory of the past that destined this to be one of the country's national historical parks.

The lower town of Harpers Ferry is on the funnel of land where the Shenandoah and Potomac rivers meet. Two main streets, Shenandoah and High, lead up the steep slope to the wider part of the peninsula and more spacious historic and residential areas. The street named for the Potomac, not of tourist attraction, follows that river past an old armory site, the Baltimore & Ohio rail yards and mementoes of abandoned industry. Dominating the rivers and the town are the Blue Ridge Mountains. Quartzite cliffs of Loundoun Heights along the Virginia-West Virginia line form a steep ridge overlooking the Shenandoah and Potomac. The cliffs of Maryland Heights, on the opposite side of the Potomac, ascend to a dramatic view of the V-shaped village below embraced by its two rivers.

Park visitors may begin at the visitor center opposite the parking area in a building that served as a stagecoach inn in the antebellum days of the town's flourishing prosperity. A film offers an excellent introduction to the physical surroundings (geology, trains, scenic locations) and to the four major periods of Harpers Ferry's past: as industrial and commercial center, as stage for violent prelude to the Civil War, as battleground during that wrenching struggle, and as location of one of the first educational institutions for freed slaves.

Following this introduction, an appropriate site to visit is Jefferson Rock. If walking shoes and leg muscles are in good condition one can choose between two paths. One winds up a steep hillside off High Street from the Lower Town. Another route, which is easier, is reached by driving to the summit of the hill and then taking a short walk through Harper Cemetery to the promontory where Thomas Jefferson once viewed the surrounding panorama. A great slab of reddish shale supported by four stone pillars marks his overlook.

So moved was Jefferson by this view that he wrote a passage in his "Notes on the State of Virginia": "The passage of the Patowmac through the Blue Ridge is perhaps one of the most stupendous scenes in Nature. You stand on a very high point of land. On your right comes up the Shenandoah, having ranged along the foot of the mountain a hundred miles to seek vent. On your left approaches the Patowmac in quest of a passage also. In the moment of their junction they rush together against the mountain, rend it asunder and pass off to the sea." He concluded that this was a scene "worth a voyage across the Atlantic."

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

The rivers celebrated by Jefferson and today's tourists were the initial attraction for Robert Harper, an architect and millwright from Oxford, England. On a journey to build a Quaker meeting house in the Shenandoah Valley, Harper turned aside to visit the water gap. In 1751, with a patent for 125 acres he established a ferry across the Potomac, erected a waterpowered sawmill on an island in the Shenandoah and began construction of a stone house, which remains standing on the steep footpath leading to Jefferson Rock. It is also accessible by car, the oldest surviving structure in the park. Open to the public, it is furnished as a tenant house of the busy industrial period of the 1850's.

Water power attracted industry. President George Washington, intent on developing the nation's capital on the lower Potomac, visited Harpers Ferry and proposed this site along the upper Potomac as the place for a United States armory. A dam, a canal and a gun factory initiated an era described by two British travelers as characterized by the "smell of coal smoke" and the "clanking of hammers." During the Civil War the main armory buildings were destroyed, but a blacksmith shop survives, near the visitor center. Beneath a lofty ceiling its forge and massive hammers, tools and iron products present a worthy exhibit of the might demanded by this early industry.

It was the armory and the mountains that brought John Brown and his 18 raiders in 1859. Mountains, Brown believed, could provide the hideouts and protection that would allow a small determined band of abolitionists to challenge a more powerful opponent successfully. At the same time, the armory would provide the weapons needed to initiate a slave revolt and establish a free black stronghold.

A detailed and imaginative exhibit of this phase of Harpers Ferry history is presented in the John Brown Museum, in one of the restored row buildings of the Lower Town. A film provides necessary background for understanding the sequence of events and the national impact of Brown's venture. The information is augmented by a collection of books and pamphlets ranging from sensational accounts of the time to scholarly appraisals by 20th-century historians.

Weapons on exhibit include a Sharp's carbine used by one of the raiders and a pike as Brown planned to distribute to slaves in their uprising. But the most fascinating exhibit is a series of free-standing photographs and biographical sketches introducing each of the odd assortment of individuals who composed Brown's little band, sketches that bring breath and blood to that passionate and aborted mission.

John Brown dominates the Harpers Ferry story as he came to dominate for an interlude the rending national debate over slavery. At 59 he was already famous when he arrived in this corner of Virginia (West Virginia would not come into being until the Civil War). The anti-slavery raids of his followers had helped create the name of "Bleeding Kansas." Murders at a settlement called Osawatomie had earned him that name—as well as the death of a son (he was the father of 20 children).

As he left Kansas to pursue his Harpers Ferry strategy he said, "I have only a short time to live—only one death to die, and I will die fighting for this cause. There will be no more peace in this land until slavery is done for."

Using assumed names and the guise of prospectors for minerals or simple farmers, Brown and three companions rented a farm five miles north of Harpers Ferry on the Maryland side of the Potomac. From that point the village and armory were studied, men and supplies were assembled for the raid. Brown waited for 21 men to join his "Provisional Army of the United States" but was disappointed. (Two of his sons refused to participate and the renowned black leader Frederick Douglass would not join, warning that Brown "was going into a perfect steel trap, and that once in he would never get out alive.")

The move was made Oct. 16, a moonless Sunday night of mist and drizzle. Three men were left at the farm. The 18 others tramped silently behind Brown's farm wagon loaded with supplies. At the long wooden-covered railroad bridge leading into town they took the watchman prisoner. In town they overwhelmed guards at the United States Arsenal and nearby armory shops.

Several of the raiders, having seized their initial objectives, undertook a kidnapping mission in the nearby countryside. Some five miles west of Harpers Ferry lived Col. Lewis W. Washington, great-grandnephew of George Washington. The colonel owned a small, prosperous plantation—and something coveted by John Brown: a pistol presented to George Washington by Lafayette and a sword given him by the Prussian king, Frederick the Great.

Brown saw symbolic use of these weapons as he struck his blow for freedom of the slaves. During the night the raiders seized Washington, the pistol and sword, and three of his slaves and took them to Harpers Ferry. Along the way another slaveholder and his son were abducted.

Meanwhile, the raid had claimed its first life and one of many ironies. A railroad station baggageman named Hayward Shepherd, a free black man, became a victim of fear and confusion; he was shot by the men who had come to set black people free.

Alarm spread throughout the town and countryside, and on the following day townspeople exchanged fire with the raiders, the state militia arrived, and by that evening the survivors of Brown's party (only five remained unwounded), his hostages and slaves had barricaded themselves in the fire engine house of the armory.

That building stands today on a grassy plot of ground near the point where Shenandoah and Potomac streets meet, the only armory building to escape devastation during the Civil War. A small brick structure with three arched entrances, it is desolate and empty, its bare walls revealing no mementoes of that Monday night when 90 Marines led by Col. Robert E. Lee arrived at the armory. A detachment stormed the engine house on Tuesday morning, freed the hostages, captured John Brown, injured but alive, and took five of the raiders prisoner. Ten of the original 19 were dead; 4 escaped. Of the Harpers Ferry defenders, four whites, one free black man an one marine were dead.

John Brown's imprisonment and trial took place amid a national uproar in the village of Charles Town, seven miles from Harpers Ferry. Fierce and articulate as ever, Brown refused a plea of insanity and was convicted of "conspiring with slaves to commit treason and murder." On Dec. 2, sitting on his own coffin carried by a horse-drawn wagon, he was taken to a field just outside Charles Town and hanged. No civilians were permitted near the site. One witness, member of a Richmond military company, would leave his own mark in history: John Wilkes Booth.

Before his death Brown predicted that "the crimes of this guilty land will never be purged away but with blood." That blood, and more than he could have imagined, would flow soon enough. And during the four years of Civil War the strategic site of Harpers Ferry, on the Baltimore & Ohio Railroad at the northern end of the Shenandoah Valley, would bring it under attack from both armies. Tall brick buildings facing each other on High Street serve today as a Civil War Museum.

The museum shows how peaceful neighbors and thriving businesses were among the casualties of war in this beleagured town. A video program presents a series of period photographs that are part of the National Park Service archives; one of the rooms occupied by Civil War soldiers remains furnished as it was at that time—even to the names scratched on the walls.

The fourth phase of Harpers Ferry history unfolds on the heights above the Lower Town. Four spacious brick buildings, built originally as homes for armory officials, represent an educational landmark. An awesome challenge and responsibility faced the nation following the Civil War: education of newly freed slaves. Efforts by the Freedom's Bureau in Washington were supplemented by New England philanthropy, to found in Harpers Ferry one of the earliest integrated institutions of higher learning. In these four buildings Storer College fulfilled its special mission for 88 years before it closed in 1955.

During the summer and on spring and autumn weekends, park employees in uniform or period costumes explain the significance of various sites throughout the town. Shopkeepers in costume join in creating a sense of daily life in the 19th century. Conducted walks are interspersed with demonstrations of early American tool making, cider pressing, wood chopping and children's games of an ealier day. Music of drum and fife is occasionally heard as musicians in Colonial dress step high along the street. A detachment of militia in full uniform may be seen marching toward the brick engine house to demand once again John Brown's surrender. Children bob for apples in wooden tubs and cheerful farm women offer homegrown fruit for sale.

Hikers find several trails in the park and easy access to the Chesapeake & Ohio canal towpath and to the Appalachian Trail. The town is headquarters for the Appalachian Trail Conference, a citizen group dedicated to preservation, maintenance and enjoyment of the 2,100-mile trail that winds along the ridges of 14 states from Maine to Georgia.

Much of Harpers Ferry's past has been erased by war and flood. But the engine house, the Charles Town Courthouse and Col. Lewis Washington's Bellair, four miles west of Harpers Ferry, survive as relics of a violent past. And the rugged cliffs remain, the rocks and riffling waters of the two rivers born of ancient natural upheavals. In the joining of rivers the dramatic scene so celebrated by Thomas Jefferson reflects the human history of a rending asunder—and the reuniting of a tormented nation.

Mr. BYRD. Mr. President, I ask unanimous consent that the time of the Republican leader be reserved and that the remainder of my time be reserved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Wisconsin.

HOW NOT TO CUT MILITARY SPENDING

Mr. PROXMIRE. Mr. President, if the Congress decides it must reduce the defense budget, how and where and to what extent should we reduce it? In the past the Congress has generally met pleas for reducing the defense budget in two ways. Both are wrong. One is to cut expenditures that yield the biggest fall in dollar outlays in the next year. These are readiness, maintenance, ammunition and personnel. The other is to stretch out major procurement programs for years ahead. What is wrong with this? Plenty. With modern military technology and with the huge Soviet advantage in the number of tanks, planes, artillery and personnel, the free world is most vulnerable to a swift "any day" Soviet attack on Western Europe. In a lightning attack like the Hitler blitzkrieg, the Soviets could conceivably take over Western Europe. The chances of a Soviet success would hinge on time. If they moved very fast, NATO defense could be in trouble. The NATO supply of ammunition is down to a matter of days. Military personnel actually in place is far inferior in numbers to the troops ready to go on the Soviet side. In West Germany, the crucial NATO anchor, the reserve is an impressive 500,000. But that is the reserve. By the time they could be called up, transported and deployed, Warsaw pact forces would have swept through West Germany. In view of the economizing on maintenance of tanks, planes, helicopters and artillery to repel a Communist invasion NATO would be weak on every front.

Of course, the NATO commander could rely on tactical nuclear weapons, or with the approval of the American President on strategic nuclear weapons. But would he? Consider that President Ronald Reagan, the most hawkish, anti-Communist, promilitary buildup President in this century, has said: "A nuclear war must never be fought and could never be won." And make no mistake about it, the first time a United States President orders the firing of a strategic missile, not only is the Soviet Union finished, so is the United States. The President presses the nuclear button. Within a few hours, civilization goes up in flames.

What does all this mean? It means that by cutting maintenance, ammunition, and personnel, we pave the way for the Soviet Union to take the big gamble. Maybe they would not take it. The odds may be against it, maybe even 10 to 1 or more against it. But there is still that terrible prospect that they would gamble that no President of the United States will start a nuclear war that no one would win and everyone would lose.

If the President did not go nuclear and if the Congress decides to reduce the Federal deficit by cutting military spending the way it has in the past—that is cutting maintenance, ammunition, and personnel, the free world could lose its present decisive economic advantage over the Communist world within a few days. Now, think of what happens to the world balance of power if the Soviet Union takes over Western Europe. The economic production, that is the gross national product [GNP] of Western Europe is greater than the GNP of the United States. If Western Europe should fall within the Soviet orbit, the Communist world would have a massive economic advantage over the United States. The Communist world would also add a great potential improvement in technology. The scientific technology of Western Europe focused as it could be by controlling Communists in Moscow on military purposes would pose a nightmare threat to the United States.

Is this a plea against reducing the military budget? No. We can cut the military budget. But not in the usual way. We cannot and should not cut maintenance and readiness. We cannot and should not simply stretch out military procurement. In the long run that will cost us much more. It will also give us fewer units and they will come on much later when they may be obsolete. And it is the long run that should concern us, not the savings we make in 1988 and 1989. The important signal the Congress must send to the American people is that the Congress is reducing military spending for years ahead not just for a few months.

So where should we cut military spending? Here is a list of potential hardware savings in the defense budget to spare the maintenance and readiness that are essential:

Kill the MX test missle buy: President requested 21 missiles at $1.9 billion. These are test missiles only—not for deployment.

Kill Presidential request for rail mobile MX at $591 million. Just another MX deployment idea with limited utility.

Reduce Midgetman missile request by one-half to $1.1 billion by slowing development program until cost controls are in place.

Make the Air Force eat the additional $841 million requested for the B-1B bomber as a result of mismanagement of program.

Cancel Asat program. Request is $356 million.

Cancel LHX helicopter R&D. Request is $267 million. Keep existing helicopter lines open instead of $40 billion new program.

Reduce SDI from $5.8 billion request and likely $3.8 billion conference compromise to $1.5 billion.

Cancel binary chemical munitions—155-millimeter artillery round and Bigeye bomb for a total of $84.3 million.

Cancel two new aircraft carriers. Advance procurement for fiscal year 1988 is $664 million with $797 million for fiscal year 1989.

Restructure Army's forward area air defense program. Savings in fiscal year 1988 $100 million in outlays per CBO option.

Cancel V-22 tilt rotor aircraft of Navy for savings of $240 milion in outlays in fiscal year 1988 as per CBO option.

To arrive at an exact total of savings for this mix of reductions would take a good deal of calculation and a determination of which base would be used. But we could take a conservative guess and argue that the budget authority in these procurement and R&D items would spend out at about a 15 percent rate the first year meaning we would be saving about $1.3 billion in outlays on roughly $8.8 billion in budget authority.

The $1.3 billion saving the first year is small but it is a beginning. The $8.8 billion saving in budget authority would spell out in coming years and would provide a much more impressive earnest of the Congress' intention to hold the budget down. The savings in future years could be far more than $8.8 billion. Cancellation of the LHX helicopter program, for example, could alone save $40 billion. This Senator concedes that this list simply constitutes a starting point. We can do much more by examining critically every major Navy, Air Force, and Army procurement program without exception. We can also do better by persuading our Japanese, German, and other free world allies to carry a share of the load related to their impressive economic progress.

TO CUT THE DEFICIT, KEEP 1987 TAX RATES

Mr. PROXMIRE. Mr. President, I want to take this opportunity to ask my colleagues to read an op ed article, and it will take about 2 minutes, by DALE BUMPERS that appears in the New York Times this morning.

In my view, it is the most significant article on taxes and the deficit that I have read all year. It is a superb article and DALE BUMPERS deserves great credit for having written it.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 9:15 a.m., with Senators permitted to speak therein for not to exceed 3 minutes.

PET THERAPY

Mr. PROXMIRE. Mr. President, there is an increasing body of scientific evidence about the therapeutic value of pets for the elderly and disabled. Not only has this been confirmed in individual studies and experiments but also in a recent workshop held at the National Institutes of Health.

One of the conclusions of this workshop was that pets have the capacity to improve the environment of the elderly and disabled, particularly in nursing home situations. Pets tend to bring some individuals out of their isolation. In other cases pets often raise the quality of life for individuals by keeping them interested, active, and responsible.

The Federal Government has recognized this developing body of evidence by allowing pets in subsidized housing for the elderly. Only common household pets are permitted and there are safety, health, and nuisance regulations that must be observed. The result has been positive in that many elderly citizens now may enjoy their pets and collaterally improve their lives in a responsible manner. I am pleased that this legislation, which I authored, has become the subject of serious research throughout the scientific community.

Mr. President, I ask unanimous consent that a recent newspaper article on this phenomenon in the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Nov. 16, 1987]

TO ELDERLY, A PET CAN BE THE BEST MEDICINE—ANIMAL THERAPY GAINS ROLE IN TREATMENT OF SENIORS AND THE DISABLED

(By Molly Sinclair)

Seventy-year-old Orestes Perez used to spend most of his time alone in his room at the Stoddard Baptist Nursing Home in Northwest Washington, making little attempt to socialize with other residents.

But since the arrival a few months ago of a resident named Davey—a gray cockateel with a yellow crest and distinctive orange cheeks—Perez appears to have broken out of his isolation.

He seems more interested in his surroundings and more willing to spend time with other people, according to activities director Robert Hood.

"He has become familiar with the bird, become interested in feeding the bird, covering the bird cage at night. And that has gotten him out of his room," Hood said.

When asked about the bird, Perez, a Cuban immigrant who has no family and has been diagnosed as experiencing dementia, or impaired mental powers, smiled warmly at the cockateel perched on his shoulder and explained in Spanish through an interpreter:

"We give love to each other."

Birds, cats, dogs and rabbits have gained a key role in treatment of elderly and disabled patients in Washington and across the country.

"Pet therapy is becoming more and more widespread," said George Baker III, a Silver Spring health care specialists. "And Stoddard demonstrates one way that therapy can be used."

Pet therapy can raise the quality of life for those who live in institutions by keeping them interested and active, Baker said. "It gets them out doing something, taking care of the animal, feeding the animal," he explained

"As you know, some people have a deep affection for animals."

To see how the program works, a group of gerontologists from around the country is scheduled to tour the Stoddard nursing home Wednesday as part of the 40th annual scientific meeting of the Gerontological Society of America.

At a recent workshop on pet therapy at the National Institutes of Health in Bethesda, researchers agreed that although pets may have no physiological effect on diseases, they do have the capacity to make patients feel better, especially in nursing homes.

Susanne Robb, a quality assurance coordinator for the Veterans Administration, told the workshop participants that nursing home residents who are around pets "show more attentiveness, more well-being and less depression, although there is no real improvement in their physical status."

Davey—along with the Stoddard home's other full-time resident pet, a black, long-eared rabbit named Sugar Pie—has helped lift the spirits of many elderly and disabled residents who live in the 168-bed facility at 1818 Newton St. NW. "It has made a real difference in their attitudes," Hood said.

While many nursing homes arrange for pets to visit residents, Stoddard's pets live there full time.

"They are rotated from floor to floor so all the residents can enjoy them and assist in caring for them," said human resources coordinator Dawn Humphrey. Both pets are allowed out of their cages during certain hours, she said. "The rabbit hops around the unit. The bird flies around and sits on the residents' shoulders."

The gerontological society's meetings are expected to draw 3,500 specialists from around the country for nearly a week of activities, including presentations on such controversial issues as measures to prolong life, ways to meet the housing needs of elderly and strategies for marketing services for the aging. Also, society officials plan to meet with congressional leaders.

The researchers, educators and other gerontologists are scheduled to visit 11 organizations, including the National Caucus and Center on Black Aged Estates.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD. Mr. President, I ask that morning business be closed.

The ACTING PRESIDENT pro tempore. If there is no further morning business, mornng business is closed.

RECESS UNTIL 9:15 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 9:15 a.m. this morning.

There being no objection, the Senate, at 9:01 a.m., recessed until 9:15 a.m.; whereupon, the Senate reassembled when called to order by the Acting President pro tempore (Mr. DASCHLE).

CALL OF THE ROLL

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

[Quorum No. 33]

Byrd
Daschle
Dole
Hatfield
Pressler

The ACTING PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of absent Senators.

Mr. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators, and I ask for the yeas and nays.

The ACTING PRESIDENT pro tempore. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from West Virginia.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Maine [Mr. COHEN] and the Senator from Delaware [Mr. ROTH] are necessarily absent.

Mr. CRANSTON. I announce that the Senator from Delaware [Mr.

Biden], the Senator from Tennessee [Mr. Gore], the Senator from Massachusetts [Mr. Kennedy], the Senator from Massachusetts [Mr. Kerry], the Senator from Montana [Mr. Melcher], the Senator from Maryland [Ms. Mikulski], the Senator from Rhode Island [Mr. Pell], the Senator from Alabama [Mr. Shelby], and the Senator from Illinois [Mr. Simon] are necessarily absent.

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 70, nays 19, as follows:

[Rollcall Vote No. 381 Leg.]

YEAS—70

Adams
Armstrong
Baucus
Bentsen
Bingaman
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chiles
Cochran
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Fowler
Glenn
Graham
Grassley
Harkin
Hatch
Hatfield
Heflin
Heinz
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McClure
Metzenbaum
Mitchell
Moynihan
Nunn
Packwood
Pressler
Proxmire
Pryor
Reid
Riegle
Rockefeller
Rudman
Sanford
Sarbanes
Sasser
Simpson
Stafford
Stennis
Stevens
Thurmond
Trible
Warner
Wirth

NAYS—19

Bond
Boren
Chafee
Evans
Garn
Gramm
Hecht
Helms
Kasten
McCain
McConnell
Murkowski
Nickles
Quayle
Specter
Symms
Wallop
Weicker
Wilson

NOT VOTING—11

Biden
Cohen
Gore
Kennedy
Kerry
Melcher
Mikulski
Pell
Roth
Shelby
Simon

So the motion was agreed to.

The ACTING PRESIDENT pro tempore. With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

ENERGY AND WATER DEVELOPMENT APPROPRIATION ACT, 1988

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of H.R. 2700. The clerk will report.

The assistant legislative clerk read as follows:

An act (H.R. 2700) making appropriations for energy and water development for the fiscal year ending September 30, 1988, and for other purposes.

The Senate continued with the consideration of the bill (H.R. 2700).

Mr. JOHNSTON. Mr. President, according to the unanimous consent agreement there are four amendments and only four which are in order, together with a motion to recommit which is in order.

The four amendments are the Heflin-Thurmond amendment relative to a building in Charleston. I shall shortly propose that amendment on their behalf.

Second, a Domenici amendment with respect to semiconductors, which will not be offered.

Third, there is a Glenn amendment on reduced enrichment reserves in test reactor programs. I do not know whether that amendment will be offered or not.

Fourth, a Hatfield unspecified amendment. I do not believe that will be offered.

So, Mr. President, we will very shortly be ready for a third reading.

AMENDMENT NO. 1196

(Purpose: To designate the courthouse and post office building at 83 Meeting Street in Charleston, S.C, as the "Ernest Frederick Hollings Charleston Judicial Building")

Mr. JOHNSTON. Mr. President, I sent an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. Johnston], for Mr. Heflin (for himself) and Mr. Thurmond, proposes an amendment numbered 1196.

The amendment is as follows:

At the appropriate place add:

DESIGNATION OF BUILDING

The building located at 83 Meeting Street in Charleston, South Carolina, shall hereafter be known and designated as the "Ernest Frederick Hollings Charleston Judicial Building".

Mr. JOHNSTON. Mr. President, this amendment which I have submitted on behalf of the distinguished senior Senator from South Carolina, Mr. Thurmond, and the distinguished senior Senator from Alabama, Mr. Heflin, would appropriately name the Charleston Judicial Building in Charleston, SC, after Ernest Frederick Hollings, the distinguished junior Senator from South Carolina.

I am pleased to recommend this amendment to the Senate and I would like to hear from our distinguished senior Senator from South Carolina.

Mr. THURMOND. Mr. President, I highly favor this amendment.

Mr. President, I am pleased to join my colleague, the distinguished Senator from Alabama, Mr. Heflin, as cosponsor of this amendment designating the Federal courthouse in Charleston, SC, as the Ernest Frederick Hollings Charleston Judicial Building.

Mr. President, Senator Hollings and I have served as colleagues in the Senate from the great State of South Carolina since 1966, and have enjoyed a long friendship. We have worked together over the years for the benefit of our State and country.

Senator Hollings has had a long and distinguished career of public service. He was first elected to the South Carolina Legislature in 1948. In 1952 he was elected Lieutenant Governor and 4 years later became Governor of South Carolina. He is remembered as an effective Governor and was elected by the people of South Carolina to that prestigious position at the remarkable young age of 36.

Recently, it was a pleasure to work with Senator Hollings in our successful efforts to have an annex constructed as the Federal courthouse in Charleston, SC.

The designation of the Federal courthouse as the "Ernest Frederick Hollings Charleston Judicial Building" is an appropriate tribute to Senator Hollings. Senator Hollings is well known for his skill as an expert trial attorney in Charleston. He is a member of the Charleston County, SC, and American Bar Association.

While a student at the University of South Carolina School of Law, he was a member of the Honor Society, Order of the Wig and Robe, South Carolina Law Review and president of the Law Federation.

Senator Hollings has historically supported law enforcement agencies and their efforts to combat crime both at the State and Federal level.

Mr. President, I urge my colleagues to support this measure honoring our good friend and distinguished colleague.

The ACTING PRESIDENT pro tempore. Is there any further debate on this amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 1196) was agreed to.

Mr. THURMOND. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. JOHNSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSTON. Mr. President, I am now advised that Senator Domenici will not offer his amendment; Senator Glenn will not offer his amendment. I believe, since the amendment of Senator Hatfield was simply a protection amendment, we are ready for a third reading.

The ACTING PRESIDENT pro tempore. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read a third time.

Mr. BREAUX. Mr. President, I move to recommit the bill with instructions to report back forthwith with all amendments thus far in status quo and with the following amendment.

AMENDMENT NO. 1197

Mr. BREAUX. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Louisiana [Mr. BREAUX] proposes an amendment numbered 1197.

Mr. BREAUX. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The text of the amendment is printed later in today's RECORD under Amendments Submitted.)

Mr. BREAUX. Mr. President, I have a parliamentary inquiry. What is the time that I am allocated under the motion to recommit?

The ACTING PRESIDENT pro tempore. There are 2 hours evenly divided, equally controlled by the two Senators from Louisiana.

Mr. BREAUX. Mr. President, I would yield myself 5 minutes at this time.

Mr. President, the purpose of my recommittal motion is really quite simple. If successful, and I am sure that it will be, the Senate will be in a position to move immediately to final passage of H.R. 2700, with all amendments that have been adopted by the Senate left intact, except for those amendments that relate to the Nuclear Waste Policy Act of 1982. In place of the existing nuclear waste provisions in the bill, the success of my recommittal motion will result in a more technically sound, and environmentally wiser approach to this Nation's nuclear waste problems.

Over the past 2 weeks, I believe all the Members have become familiar with the essence of the disagreement between the approach taken by the Energy and the Environment Committees relative to the necessary midcourse corrections that are being considered for the Nuclear Waste Policy Act of 1982. Before recapitulating those differences, however, let me state once again the things that we both agree on. There is a great deal more agreement between the two approaches than there is disagreement.

First, both the Energy Committee and the Environment Committee believe that the Nation will be better served by sequential, rather than simultaneous, characterization of the three candidate sites. In other words, doing one site for full site characterization instead of doing all three at the same time.

Second, both the Energy Committee and the Environment Committee believe that it is now proper to postpone until the next century the decision regarding the need for two geologic repositories. In other words, both committees are postponing indefinitely any work on the second repository.

Third, both the Energy Committee and the Environment Committee agree that an independent examination of the need for a monitored retrievable storage, or MRS, facility is a necessary component of the debate about the authorization of such a facility; and

Fourth, both the Energy Committee and the Environment Committee believe that the public interest is served by providing for the payment of "incentive" payments to any State or Indian tribe that "hosts" either the repository or the MRS.

Mr. President, the question then becomes: Where do our two committees disagree on approach?

First, the methodology for the selection of a preferred site from among the current three candidate sites; and

Second, the necessity for restrictions on any MRS that might be authorized by the Congress to ensure that this facility does not become the de facto repository, thereby postponing for future generations the difficult question about how we will permanently dispose of our nuclear "trash."

Included in my recommittal motion are amendments to the nuclear waste provisions of the pending bill that are designed to address these concerns. For the benefit of the Members, I would note that the bulk of these recommittal instructions, over some 40 pages in length, are the nuclear waste provisions of S. 1668, as modified on the Senate floor, to accommodate amendments proposed or supported by Senator HECHT, Senator MITCHELL, Senator COHEN, Senator GRAMM, and Senator BENTSEN, among others.

The instructions to the recommittal motion differ from the provisions previously adopted by the Senate only in a limited number of instances, and these changes, generally, follow the language that was adopted by the Environment and Public Works Committee in response to its budget reconciliation instructions. For example:

In place of the provisions of the pending bill regarding the methodology for selecting the preferred site for a repository, my instructions would substitute the provisions of the environment bill that require the Secretary of Energy to develop and conduct a surface-based testing plan at all three candidate sites, examining, to the extent feasible, whether or not so-called fatal flaws are present at any site which can and should be ascertained before we commit the major resources—over $1 billion—for the sinking of an exploratory shaft and full at-depth testing. One clarification included in the instructions is language which tells the Secretary not to initiate any such surface-based test if the time required for that test would extend beyond the selection date of January 1, 1991.

Some have said, "Well, if you require additional surface testing, it is going to delay the project."

Specifically, in the recommittal motion we say that these surface-based testings will not extend beyond the date of January 1, 1991. The issue then is closed.

This will allow the Secretary to conduct some tests that are needed, by the Secretary's own admission. They want to conduct a 22-month hydrology testing program they are beginning at the Hanford site in the State of Washington. They want to gain access, as necessary, at the Deaf Smith County site in Texas. They do not have access to the site but some have said they know enough about it to make a decision. They need to know where an exploratory shaft can be sunk at that site, and, indeed, if it should be located there at all. They need to finish the ongoing studies at the Yucca Mountain site in Nevada relating to possible volcanism at that site and also to look at the effects of the weapons testing program in that area.

The second area where the recommittal instructions take exception with the provisions adopted to date concern the application of NEPA. In place of the NEPA exemptions contained in the pending bill, our instructions contain the provisions of the environment bill which would require NEPA to apply to the selection of the preferred site.

The National Environmental Policy Act's purpose is trying to protect the environment in all activities that the Federal Government engages in. If we have to dig a canal somewhere in Louisiana, you do an environmental impact statement to see if this particular location is the best. You consider other alternatives. Certainly, if it is important enough to have the environmental impact laws of this country apply to where we are going to dig a canal, is it not equally and much more strongly needed in selecting where we could possibly be sinking a shaft to deposit, ultimately, radioactive waste for the next 10,000 years?

I think so. I think it is critically important as a part of the process undertaken in deciding where we are going to spend $1 billion in the next 5 years.

Why waive the National Environmental Policy Act in this most critical juncture in the entire process? We say that the Secretary shall prepare an environmental impact statement at the time the preferred site is selected. In so doing, we have indicated that the requirements of NEPA for the consideration of alternatives shall be satisfied by a thorough discussion of the data at the three specific candidate sites.

Further, the Secretary, after completion of full characterization at the preferred sites, is only required to prepare a supplemental EIS for the purpose of seeking a construction permit.

Some have said, "Well, you do an EIS to pick one of the sites and you will have to do another full-blown EIS in order to get a construction permit for the final site."

That is not true. It is only required that you do an EIS in the beginning when you make the initial site selection decision and then when you are seeking a construction permit, you merely have to do a supplemental EIS instead of a full-blown EIS.

Third, we have inserted into the bill at the appropriate place the requirement from the Environment Committee bill that any MRS, monitored retrievable storage facility, an aboveground facility, authorized by the Congress have license conditions, most of which have been proposed by the Department of Energy, or at least not objected to by the Department, which will ensure that this type of facility does not become the de facto repository.

There is some concern that we are going to have a retrievable storage program, and it might become the permanent storage program. We have provisions which ensure that this would not happen.

The primary feature of additional modifications that we have in the recommittal instructions is, first, the removal of the 70,000 metric ton limit on the amount of high-level waste that can be placed in the first repository and an additional requirement that the Secretary, in any consideration of a second repository, should it prove impossible to expand the first repository, consider the proximity of surface waters, such as lakes.

I know that these two issues have been of great concern to those Senators representing so-called second-round States. So, to my colleagues in the second-round States I say, let's address House concerns. I would hope they see the merits of this approach.

Second, we have the removal of the requirement that the Secretary of Energy examine the possibility of building additional MRS facilities colocated with defense production facilities.

Third, clarifications concerning the reporting deadline for the independent MRS Study Commission are contained in these instructions, as if a stipulation that the MRS facility may be constructed only if: First, there is a volunteer State or Indian tribe; second, both the MRS Commission and the Secretary of Energy concur that an MRS facility is necessary; or, third, the Congress otherwise authorizes such a facility through the normal authorization process after the MRS Commission issues its final report.

Fourth, we have a requirement that the EPA promulgate revised standards for radioactive waste disposal by January 1, 1990. DOE would be prohibited from selecting a preferred site for full characterization until these revised standards have been promulgated and must apply them, through the existing siting guidelines, in the selection of such site.

On this last point, Mr. President, I would note that we believe this provision is necessary due to the fact that the First Circuit Court of Appeals recently—on July 17, 1987—vacated the existing EPA standards. By way of background, the Members should recall that the Nuclear Waste Policy Act directed EPA to promulgate standards for the release of radioactivity from the repository into the environment. Under existing law, DOE may not obtain a license for a repository from the NRC unless that Agency finds that the release of radioactivity will be within the EPA standards.

In its decision vacating the EPA standards, the Court of Appeals found that the EPA had not adequately explained why its standards establishing permissible releases of radioactivity from the repository into ground water supplies were less stringent than the EPA standards under the Safe Drinking Water Act for releases of radioactivity from other sources into ground water resources.

The court also held that the EPA was arbitrary and capricious in selecting 1,000 years as the period for which the exposure limits to individuals would apply. The court found that the EPA had not provided an adequate basis for why these protection standards should not apply for a longer period of time.

At this time, therefore, we do not know the standards to which the repository will be held with respect to the contamination of ground water and the protection of individuals. We will not know what these standards will be until the EPA repromulgates its standards.

Clearly, Mr. President, we should not choose a site for a repository unless we know the performance standards that the site will be required to meet. Accordingly, the amendment contained in this portion of my instructions requires the EPA to promulgate revised standards and prohibits DOE from choosing a repository site until EPA promulgates those revised standards.

Mr. President, that concludes the brief outline of what is and what is not contained in the instructions to the recommittal motion.

Mr. President, I would point out that the recommittal motion does not attempt to address any of the features of my senior Senator's bill with regards to areas other than the nuclear waste sections of the bill. I feel that the Environment and Public Works Committee approach is a sounder approach and one that I think will solve the problems that most Members of this body are concerned with. I view it as a compromise between those provisions that the House is putting forth and the provisions of the Energy Committee bill.

With that, Mr. President, I reserve the remainder of my time.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER (Mr. Conrad). The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, the distinguished Senator from Louisiana is a political ally and I consider him one of the best legislators ever to come to the U.S. Senate. I have said that in many arenas other than this. I mean it not with the usual hyperbole of Senators speaking of one another, but as someone who really means it, because I think it happens to be true.

Having said that, and having meant it, I am a little bit dumbfounded that the Senator should be associated with an amendment which is less than the high standards with which he should be associated.

To say that this amendment is a killer amendment is accurate. To say that it is an unwise amendment is totally accurate.

Mr. President, first of all, it is a 42-page amendment which we have not seen until this morning, which has never been considered in the form that it is in now by any committee, which has never been marked up by any committee, which has never been voted on by any committee.

After 10 years of working on nuclear waste and after this year, when our committee had 11 hearings, went to Europe, had extensive markup, the Senate is asked to buy off on 42 pages of brandnew language.

Well, Mr. President, I do not think the Senate will. I do not think it should. Let me give you just a few of the reasons why the Senate should not do it.

First, this amendment will cost $1.2 billion. Who says so? The Department of Energy says so. Mr. President, I ask unanimous consent that a letter to me from Charles E. Kay, Acting Director from the Office of Civilian Radioactive Waste Management, be entered into the Record. He says, among other things:

> These delays are primarily due to the additional procedural requirements and public interactions associated with the preparation for and execution of the surface-based test plans, methodology report and environmental impact statement, as specified in the proposal.
>
> The estimated additional cost for this delay is in excess of $1 billion through start of the exploratory shaft at the preferred site. Also, the civilian nuclear utilities are likely to incur additional cost on the order

of up to $100 million per year of delay beyond 1998 due to the need for continued storage of spent nuclear fuel at the reactor sites.

Mr. President, that letter is dated November 13, 1987.

We have since received more detailed information which gives a cost comparison first for 1989 only and then a cost comparison for 1988 through 1992. The data compares this amendment and the Johnston-McClure bill, which we are presently considering. It details more precisely costs of surface testing, exploratory shaft, and the costs of the balance of the program. It indicates that an extra $1.2 billion would be required. I ask unanimous consent that these cost figures and the letter be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF ENERGY,
Washington, DC, November 13, 1987.

Hon. J. BENNETT JOHNSTON,
Chairman, Committee on Energy and Natural Resources, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: In response to your letter of November 12, 1987, the Department of Energy believes that the Environmental Public Works Committee proposal would result in at least a 2-year delay, and likely a substantially longer delay, for those activities leading to the start of the exploratory shaft at the preferred site for sequential site characterization. These delays are primarily due to the additional procedural requirements and public interactions associated with the preparation for an execution of the surface-based test plans, methodology report and environmental impact statement, as specified in the proposal.

The estimated additional cost for this delay is in excess of $1 billion through start of the exploratory shaft at the preferred site. Also, the civilian nuclear utilities are likely to incur additional cost on the order of up to $100 million per year of delay beyond 1998 due to the need for continued storage of spent nuclear fuel at the reactor sites.

Respectfully yours,
CHARLES E. KAY,
Acting Director, Office of Civilian Radioactive Waste Management.

COST: FISCAL YEAR 1988 THROUGH FISCAL YEAR 1992

[Dollars in millions]

	EPW	Johnston/ McClure	Difference
Surface testing	1,016	343	673
Exploratory Shaft	30	241	(211)
Balance of program	1,345	520	825
Total	2,391	1,104	1,287

Source: Department of Energy.

COST COMPARISON FOR FISCAL YEAR 1989

[Dollars in millions]

	EPW	Johnston/ McClure	Difference
Surface testing	250	45	205
Shaft	5	50	(45)
Balance of program	205	60	145
Total	460	155	305

Source: Department of Energy.

Mr. JOHNSTON. Mr. President, $1.2 billion is a lot of money in any arena. I have spent the last 3½ weeks in the so-called budget summit conference. I can tell you a billion dollars is hard to find when you are trying to save money. It is very, very difficult to find. Indeed, we have been hung up over $1 billion. That is exactly what has held us up for the last 2 weeks. If we could have found an extra billion dollars, we would have had a budget summit concurrence. I hope we will be able to announce one today, with not as much savings as I would like but I think we are going to meet the target and I think we are going to avoid sequestration.

But, this amendment, according to the Department of Energy, costs $1.2 billion

Now, what kind of delay does it cause? Well, we think it will mean more than 4 years additional delay. It has a surface-based testing plan, described on page 3 of the amendment. But before you do any surface testing, you have to come up with a plan and you have to go through this complicated rulemaking in order to put out your surface-based testing plan.

Then you must have decision methodology. Now, the decision methodology calls for a formal comment period, public hearings. This is even before you do this surface-based testing. You have to come out with this very complicated program of rulemaking and hearings.

Now, how long will that take? Well, God only knows how long it would take. But according to the Department of Energy, their estimates is 21 months—just for more paper studies before you even begin surface-based testing.

After all this comment period is over, then you are going to surface-based testing. Now, our bill provides for surface-based testing to proceed concurrently with the selection of the site between now and January 1, 1989, and thereafter to the extent proper, needful, helpful, as determined by the amount of information in existence at that time. But this surface-based testing program would require, according to the Department of Energy, 3 years.

Then, Mr. President, if that is not good enough, 21 months, 3 years of surface-based testing, we come up to the environmental impact statement. An environmental impact statement is already required under the legislation we are considering—a full-blown environmental impact statement is already required, but this requires another environmental impact statement. So you have to go through the environmental impact statement in order then to have an environmental impact statement.

Mr. President, I do not know how long that is going to take. This body knows from experience how long environmental impact statements can take, particularly when you associate one with a court appeal.

Now, in this case we have an interesting bifurcation of appeals. It provides for two separate tracks of appeals. First, there is the question of what is the most suitable; that is, when you go from a characterization of three sites to one site, you make that decision. That is a decision requiring an environmental impact statement, and it is also a decision which gives a separate right of appeal to the Temporary Emergency Court of Appeals, or TECA.

So one appeal goes to TECA on the basis of what is the most suitable site with this huge, voluminous record. The other appeal on the environmental impact statement goes through the regular court system.

So not only do we have 21 months' worth of paper studies before you begin surface-based testing, followed by 3 years of surface-based shafts, followed by God only knows how long for an environmental impact statement, then you provide for two appeals, one to TECA, one to the regular court system.

Now, Mr. President, the most serious flaw, if $1.2 billion in extra cost and perhaps 3 or 4 or 5 years in extra time is not enough, is that it would really prevent you from going from three characterizations to one characterization. As my colleagues know, and as the debate has revealed, if you characterize three sites, acording to GAO that would cost $5.8 billion. Now, according to NRC, according to the National Academy of Sciences, it is not necessary to have all three characterizations proceed simultaneously. We believe it is better policy to do them one at a time—pick your best site and characterize it, because that full characterization costs almost $2 billion.

The degree of assurance, the degree of confidence that we would have in that one site again according to DOE and to the other experts is very high, somewhere to put a figure on it in the high 90 percentile, that that first site which you pick will be suitable.

But we cannot take the chance because nuclear waste is accumulating at the rate of 3,000 metric tons a year. We presently have 13,000 metric tons. By the time we are ready to put this away we will have some 42,000 metric tons accumulated. And we have to have a place to put it.

So in order to go from three characterizations to one characterization, we have to have enough time so that for any reason the first characterization proves that the first site is not suitable, then we can move seriatim to the next most suitable site.

Therein comes the problem with this amendment. By engrafting this delay of let us say 4 years, also by interfering with the operation of an MRS, then we make it less likely that you can move to one of the sites not selected, because of the delay. I mean by that time, the 40,000 metric tons will be, if it is 4 years, another 12,000 metric tons in addition to the 40,000 metric tons if the 4 years is the amount of delay or even more if there is more time consumed in appeals. Then if you do not have an MRS, an MRS would probably have a capacity of at least 20,000 metric tons which would give you that necessary margin of safety to be able to characterize one at a time.

So, Mr. President, indeed this amendment is unwise. It is delay. It is an additional $1.2 billion. It is not required by safety. I have previously entered into the RECORD statements by the National Academy of Sciences, and by the Nuclear Regulatory Commission to the effect that we are now ready to proceed with the entire site characterization program—what we are doing in our amendment, as already included in the bill. It is not necessary to have this surface-based testing prior to picking a site. Indeed, a letter from Admiral Zech, who is the chairman of the Nuclear Regulatory Commission states, and I previously put this letter into the RECORD, but he says, among other things:

> Simultaneous characterization of three sites is not necessary to protect the public health and safety. The commission takes no position concerning the date for selecting a preferred site for characterization. However, it should be recognized that a sequential site characterization could delay the schedule for opening the repository if the preferred site is subsequently found to be unlicensable. To mitigate this concern we have suggested that surface-based testing continue at the two sites not selected for at-depth characterization. This is the approach reflected in your amendment to S. 1668.

So, our approach is as reflected in the letter by Admiral Zech, and it is precisely that which is required for a prudent, a safe, and an economic use of the taxpayers' money.

Mr. President, I think it is perfectly clear that our approach carefully considered by the Committee on Energy and Natural Resources with 11 hearings, a week-long trip to examine nuclear waste facilities in Sweden and in France, and before that a 10-year history of dealing with this matter, the distinguished ranking minority member and I have worked hand in hand on this question, and have reported out bills over a period of many years as have other members of the committee. And I think our approach is prudent. And I trust that this motion to recommit will not be approved.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. BREAUX. Mr. President, how much time remains?

The PRESIDING OFFICER. Forty-seven minutes and fifteen seconds.

Mr. BREAUX. I yield to the distinguished Senator from Wyoming 10 minutes.

Mr. SIMPSON. I thank the Senator for yielding.

Mr. President, I rise in support of the pending motion offered by my friend and distinguished chairman of the Subcommittee on Nuclear Regulation, Senator BREAUX. I think he has done a splendid job in his new task as chairman. It is a task. I was chairman of that subcommittee for many years, and we had all the heavy stuff you can possibly lift over there in that subcommittee. But we always tried to work closely with the Energy and Natural Resources Committee. That is why it is a little disturbing to me to see a disruption in that accord and that ability to coordinate and cooperate.

That is too bad. It will lead to a lot of trouble. It will not be as much trouble here because it is a smaller body, but it will sure be trouble in the House because they have six committees over there that dabble in this particular area.

So here we are on this motion to recommit. I think it is very appropriate that we do that, giving instructions that they report back immediately with modified provisions addressing the nuclear waste issue.

I ask unanimous consent that I be included as a cosponsor of this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Before getting to the substance of what the Senator from Louisiana and I are proposing, Mr. President, let us just explain where we are procedurally, if you will.

We have chosen this course of action because there is no other choice for us to raise our concerns with the legislation now pending. This recommittal motion if successful will only have the effect of amending the bill as stipulated in the instructions and thereby making the completion of the bill the pending business of the Senate. Indeed, since all other nuclear waste-related amendments have been foreclosed under the earlier unanimous-consent agreement governing consideration of this bill, the bill would then be ready for final passage if the recommittal motion is agree to. Nothing here will affect other areas of the bill—it is very important that you hear that—except those provisions related to the Nuclear Waste Policy Act.

The instructions here address the major changes in the nuclear waste language now pending before the full Senate. First, what we are obviously trying to do is see that the DOE would be required to undertake a program of surface-based testing at the three candidate sites prior to selection of the preferred site. That is to determine whether there indeed are fatal flaws—referred to as "disqualifying conditions"—at any of the sites and to identify the major licensing issues that can be addressed prior to sinking this exploratory shaft. Under this proposal the DOE would be required to undertake these tests prior to selecting a preferred site by January 1, 1991, with the additional clarification that no tests be undertaken by DOE that extend beyond this deadline for picking a site.

Second, we have laid out the NEPA roadmap governing the process for selecting the preferred site under the pending legislation by requiring an environmental impact statement when the decision to select the site is made, by eliminating the requirement for an EIS when the DOE recommends the site after characterization to the President, and requiring instead that DOE simply prepare a supplement to its earlier EIS.

Third, and this is very important, the proposal eliminates the 70,000 metric ton cap on the first repository and, together with the other provisions that have been included in the pending legislation, takes a final critical step in the direction of ensuring that the granite States will not be considered for the construction of a repository. We have been though that one in this place.

Fourth, the bill requires or includes some vital licensing conditions on the operation of the MRS, monitored retrievable storage facility, to ensure that this facility does not become a "de facto" repository. We have always resisted that. So we here incorporate two of the recommendations that the DOE made when they proposed construction of the facility, two additional recommendations made by the local governments in Tennessee when that State was being considered as an MRS host State.

This provision includes a requirement that EPA repromulgate its high-level waste standard—recently struck down by a court of appeals—before a decision is made to select a preferred site, so that this standard will be in place when this decision is made.

That, Mr. President, is the gist of what we have proposed in this motion to recommit. We have retained much of what the Senate has adopted over the past 2 weeks—including the amendments that were offered by my colleague from Nevada, Senator HECHT.

The reason for this proposal, Mr. President, is that we have fundamental concerns with the expedited approach proposed in the pending legislation for selection of a preferred candidate site, based upon the plans that DOE currently has to conduct surface-based tests at Hanford and to gain access to the Texas site—they have not yet gained access to the Texas site—and based upon the technical concerns that the NRC has raised.

I do not intend to review all of the discussion that has taken place to date, Mr. President, but I would like to review just briefly what I see as the critical points with respect to high-level nuclear waste.

First, what we are being asked to do in this legislation is to make major modifications in this country's program for the disposal of nuclear waste, and to do so on an appropriations bill. That is not sensible in any degree—not on an appropriations bill.

Second, we have heard clear and convincing warnings over the past 2 months that the "technical information" will simply not be available by January 1, 1989, in order to permit us to select a preferred site from among the three candidates. How can we possibly say that we will, when we do not even have access to one site and when surface-based testing at another—Hanford—will still be going on at this time?

Why is it that we need to make this decision by January 1, 1989, rather than take the more prudent 2 or 3 years that the NRC staff has recommended to conduct the necessary surface tests? Why is it, when this facility will be designed to isolate wastes for a period of time longer than human civilization has existed to date—for tens of thousands of years—that we cannot take 2 additional years to make sure that we do it right? Why is it that we are going to select a site before the applicable EPA standards are promulgated? Why is it that we are going to select a site before DOE completes its most critical hydrologic test at the Hanford site? And why is it that we are being asked to do this on an appropriations bill? That is the absurd part of this.

Mr. President, I urge my fellow colleagues to reflect carefully on the vote that they are about to cast—and to reflect upon whether a program of this magnitude should be addressed in the hasty manner that is being proposed.

Each of you, whether you come from a State with granite formations—and fight like a dog to stay out of this whole exercise; whether you come from a State with an operating nuclear plant—16 percent of our power in the United States comes from those sources; whether you come from a potential host State for an MRS and go through the exercise there; whether you come from a State through which nuclear waste will be transported to an MRS—and watch that one; every one of you has an enormous stake in this program, if we are making the wrong decision at this moment with this program.

The most disturbing thing about this approach, Mr. President, is that if the decision to select Nevada as the preferred site—and make no mistake about it, this bill effectively legislates Hanford out of consideration by requiring DOE to examine the cost of characterization and it effectively legislates Texas out of consideration because it requires DOE to consider hydrology and because DOE is not even on site yet—if the decision that Congress is making in the pending legislation to select Nevada proves to be wrong, this entire program will collapse. There will not be anything more to be done except go back to the drawing board. The two Senators from Nevada obviously have done a very capable job of scrapping on this one—they have no choice—as have the Senators from Washington, in their own intriguing diversity. But there it is. It will all collapse. We will then have an MRS that will quickly become the de facto repository; we will have DOE right back in the 17 States where we have potentially suitable granite formations; and we will have spent fuel stacking up in reactors around this country.

If the tag team match ends, we are back at square 1.

For those of you who come from States with operating nuclear reactors, or States with granite formations, or States where DOE is proposing to build an MRS, States through which spent nuclear fuel would be transported to an MRS, the question that I would urge you to ask yourselves, when you vote on this motion, is "What happens under this program if Congress, in all of its infinite technical wisdom, has made the wrong decision in selecting Nevada?" "What happens if Nevada turns out not to be suitable—as we found out with Lyons, KS, or as we are now finding out with Hanford, WA?" All Senators have a direct and immediate interest in seeing to it that this program succeeds—and most important, that it is technically credible—not that we just move forward as quickly as possible to pick a site to drill a shaft. For these reasons, Mr. President, I urge my colleagues to support the pending motion to recommit—to vote for a prudent, deliberate, and technically sound solution to the nuclear waste problem, so that we will not be back here again 5 years from now rewriting this act again.

The Senator from Louisiana did express some concern about cost, and it is important to note that in the proposal of Senator BREAUX, we are taking away the 70,000-ton limit on the repository, and that is a great saving there if we can dispose of this waste in one repository, rather than two.

I am not here on a turf-grabbing exercise. I have plenty to do around this shop without looking for more work, but I have not seen anything quite like this. It will be the same end we have always had when the Committee on Environment and Public Works scraps with the Committee on Energy and Natural Resources. The only time we got together, we did it right. Now we are not together, and we will not do it right, and the House will not accept it.

The job will be done, under this motion to recommit—there will be no extension beyond January 1, 1991. At Texas, DOE will get on site and will do the bore holes before January 1, 1989. Surface-based tests will not take 5 years. The Hanford hydrology tests will take 22 months. The concerns that have been raised today are not realistic and have been addressed in the approach taken in this motion to recommit.

Mr. JOHNSTON. Mr. President, just one quick comment, before I yield to the distinguished Senator from Mississippi, and that is to say that in terms of committee jurisdiction, my distinguished colleague did not ask for a joint referral nor, indeed, did we hear anything from our friends until after the bill had been long reported and was on the calendar.

I simply mention that because, while our committee did have jurisdiction and does have jurisdiction, it has been in the past a cooperative effort, and we certainly welcome their comments and their suggestions.

It has not been an exercise of trying to freeze them out of the process that they have not been involved. They have not been involved because they did not ask to be involved until after the bill was already reported and the bill on the calendar. Frankly, by that time, there simply had not been the physical time to have those meetings—there has not been time on my part. I have been involved in the budget negotiations, and so forth.

Mr. President, how much times does the distinguished Senator from Mississippi wish?

Mr. COCHRAN. If the distinguished Senator would yield to me 1 minute, I would appreciate it.

Mr. JOHNSTON. I yield 1 minute to the Senator from Mississippi.

Mr. COCHRAN. Mr. President, I recall 5 years ago when the Nuclear Waste Policy Act was being drafted and debated here in the Senate, it was a very difficult and arduous process. The distinguished Senator from Idaho, Mr. McCLURE, was chairman of the Energy Committee at that time and led this body to agree on a piece of legislation that had to reflect the disparate views and interests that made up the Senate at that time, and they are really no different today than they were then, these interests that had to be reconciled and dealt with.

I know that this Senator was not all that happy with some of the provisions of that act, but it was a compromise, and it brought together the best that we could do at that time.

I frankly think that the effort that is being made today by the inclusion in this legislation of the Johnston-McClure amendment carries forward the commitment to compromise that was made by the Senate 5 years ago. But if we go for the suggestion that is before the Senate now in the form of the Breaux-Simpson motion, we are going to unravel substantially all of the work that went into the bill in 1982.

I would hope that the Senate would refrain from going along with that suggestion.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. COCHRAN. I ask for an additional 30 seconds.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I further think that we need to recognize another practical result of the motion that is before the Senate to recommit the bill, and that practical result is that we are going to force the Department of Energy to take another look at all of the potential repository sites.

According to the letter that is on our desks from the chairman and the ranking Republican member, this would set the stage, and I am quoting, "for a replay of the search for repository sites in at least 23 States."

That is reason enough to reject this motion, and I urge Senators to do so.

Mr. BREAUX. Mr. President, will the Senator from Mississippi yield on my time another minute?

Mr. COCHRAN. I am happy to respond to the Senator.

Mr. BREAUX. I merely say to the Senator from Mississippi that our motion to recommit clearly indicates that the environmental impact statement will only have to be done on the three sites. It in fact precludes any other sites anywhere in the country being considered for an environmental impact statement. That is the motion to recommit. It can only apply to the three sites.

Mr. COCHRAN. If the Senator will yield to me for the purpose of responding, let me say that the law already requires that two environmental impact assessments be made and those are being made. It is simply a delaying tactic to require now as a part of this motion that a third one be made.

Mr. BREAUX. The Senator from Mississippi is saying the motion to recommit would require that all potential sites in the country would open up. It is simply not true. The Secretary's comment in the letter does not pertain to the bill before the Senate today. In fact, we specifically exclude any environmental impact statement being done on other than the three sites in consideration. No other sites under this motion could be considered, period.

I know the Senator is reading the Secretary's letter, I would say his letter has nothing to do with the bill before the Senate this morning.

Mr. COCHRAN. If I may yield whatever time may remain, I thank the distinguished manager of the bill for yielding to me.

I urge that we go along with his recommendation and that of the distinguished Senator from Idaho.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, just on the point of whether or not this amendment requires that the 25 States be reexamined, I think it is appropriate to read a paragraph or part of a paragraph here from the Secretary of Energy. In commenting upon the original Breaux-Simpson proposal, he made certain comments. The original Breaux proposal would in fact not have limited the required examination of alternatives under NEPA to the three candidate sites.

We pointed out that flaw. That has now been changed as the distinguished junior Senator pointed out. Other points have not been changed and those in themselves might, according to the Secretary of Energy, require reexamination in 23 States.

If I may read, starting on page 2 in midsentence. "The proposal could effectively repeal current numerical limits on such alternative sites." Now, that part has been changed in the amendment.

Now, continuing the quotation:

> We are concerned that this requirement along with several other provisions such as the imposition of surface-based testing and the preservation of pending court challenges to the program may constitute, in the aggregate, rejection by the Congress of the bases for major decisions previously made in this program. Such retrenchments, embodying new ground rules for analyzing potential sites, inevitably risks the consequence of the Department being required to examine anew all locations whose geology based upon our knowledge to date renders them potential candidates for a repository. For your review I have enclosed a list of the potentially affected States.

Those potentially affected States, according to the list, are Washington, Nevada, Texas, Utah, Mississippi, Louisiana, Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Maryland, Virginia, North Carolina, South Carolina, Georgia, Michigan, Wisconsin, and Minnesota.

Mr. President, I do not know whether the Secretary of Energy is correct or not in his analysis. I read you the analysis as I received it in his letter to the Honorable QUENTIN BURDICK, chairman of the Committee on Environment and Public Works, dated October 28, 1987, a copy of which was furnished to me.

It sounds entirely logical and entirely plausible. Maybe it is not correct, but the important thing is that the Department of Energy must interpret this law and the Department of Energy is saying that it may require reexamination in 23 States for two reasons. First, because of a flaw that has been corrected, and second, because of the other reasons which I just read to you.

That may not convince the Senator from Louisiana or the Senator from Wyoming, but you know if it convinces the Department of Energy, they are going to do what they think it requires. You would have a right to go to court with another series of lawsuits, if that is what we want to do, under this amendment. But the Secretary of Energy has for the reasons stated it may require reexamination of sites in 23 States. That is just another reason, on top of perhaps 4 years delay and $1.2 billion in additional costs, that this amendment ought to be rejected.

Mr. SIMPSON. Mr. President, will the Senator from Louisiana yield for a matter of clarification?

Mr. JOHNSTON. Certainly.

Mr. McCLURE. On whose time?

Mr. JOHNSTON. That is on what?

Mr. SIMPSON. On this issue of considering other sites under NEPA, which we are speaking about. I would just have an inquiry and I have a clarification I would like to ask.

Mr. JOHNSTON. Certainly.

Mr. SIMPSON. Raising the specter, of course, of 23 other States getting thrown into the hat would of course be the jazziest way to dispose of this.

Mr. JOHNSTON. It is rather pervasive, is it not?

Mr. SIMPSON. It sure would be.

So, let us not really deal on that level. Let us go to page 11 of the motion to recommit, section 402(k)(3) so that our colleagues, now 46 of them, listening intently from 23 States will not be lured too far off the reservation here. It says:

> For purposes of complying with the National Environmental Policy Act of 1969 and this subsection, the Secretary shall consider as alternate sites the three candidate sites selected by the Secretary pursuant to Section 112 of this act with respect to which the surface-based testing program * * *.

There is no intent in this motion to recommit to require consideration of 23 States. It is very clear in this language. I am really not interested in what the Secretary is saying in his letters. I am interested in what the intent by law is in the motion to recommit as submitted by my colleague from Louisiana.

So the specter of additional States being considered is an unfair prospect.

Mr. JOHNSTON. Mr. President, I think I was asked a question. I think I was very careful and very scrupulous to point out that that has been changed. I intended to, if I did not make that perfectly clear.

Mr. McCLURE. Will the Senator yield for a comment?

Mr. JOHNSTON. In just a moment. If I did not make that perfectly clear, it is only because my powers of speaking clearly are lacking. I certainly intended to point out that that change had been made.

But I also pointed out that the Secretary of Energy was, "along with several other provisions."

And then I proceeded to quote what he said about those several other provisions. He said, where the phrase here?—In "this requirement, along with several other provisions, such as the imposition of surface-based testing and the preservation of pending court challenges to the program, may constitute, in the aggregate, rejection by the Congress of the bases for major decisions previously made in this program." So you fixed only one of the causes for reexamination. That is why I said you may not be persuaded by the Secretary's letter, but that is what he said.

Mr. SIMPSON. Mr. President, I think there is a very important qualification here and it should not be missed. The Secretary's letter and comment addressed an earlier version of the pending proposal. Two changes have been made to address the DOE's concern here. The EIS, under the motion, only needs to examine three sites. That is clear. Then no surface base tests are to be undertaken if they extend beyond January 1 of 1991. That is what has occurred.

The powers of clarity of the senior Senator from Louisiana have never escaped me. And I have the highest regard. But when you name off 26 States, that is enough in here to set off all the wires in the detonation system. I know how that works.

Mr. JOHNSTON. Mr. President, I was simply reading from the Secretary of Energy's letter under a very careful explanation of what he was saying.

Mr. McCLURE. Will the Senator yield?

Mr. JOHNSTON. I yield to the distinguished Senator from Idaho 2 minutes.

Mr. McCLURE. Mr. President, I thank the Senator for yielding. I had not intended to speak at this point in the debate, but I want to speak to the point which the able Senator from Wyoming has raised.

He is a very able lawyer and I suspect practicing law against him in the courts in Wyoming would be quite an experience. I think what you have seen just now is a good example of why it would be such a fine experience to be there. Because he has read a section from the proposal that they presented to this body for acceptance and said it means something which it clearly does not mean. Now that is fine, except that it is not the fact.

He reads the section that says you must characterize—well, let me read it. I do not want to misread what the proposal is. It says:

> The Secretary shall consider as alternate sites the three candidate sites.

Now that is presented to us as saying that is all he needs to do. As a matter of fact, that is not what the language says. It says that is the least he must do. And anybody who wants him to do more can come in and say, "You must do more." As a matter of fact, in reading other provisions of their own proposal, it would require them to do more. And that is what the Secretary said. And that is why indeed the proposal before us does yield the results that the Senator from Louisiana, Senator JOHNSTON, has stated, that they could be required to go back and look at other States outside the three candidate States.

This proposal, this provision which the Senator from Wyoming has read, does not eliminate that possibility and, in my view, the very great likelihood.

With respect to the timetable, yes, set up a timetable that cannot be met and then say that takes care of the problem. Because there is a timetable and the fact it cannot be met only means that 2 years down the line we will be back where we are now, extending the time further.

Mr. President, I think it is important for us to look at what this process is under the substitute and see where it will take us down the road.

Mr. President, I will have a little further to say about the substitute and its methodology at a later time, but I did want to respond to those two points at this time.

I thank the Senator for yielding.

Mr. SIMPSON. Mr. President, if I might ask for an additional 2 minutes of time from our side.

The **PRESIDING OFFICER.** The Senator may proceed.

Mr. SIMPSON. Mr. President, when you get a lawyer from Idaho and a lawyer from Wyoming speaking and they give you that old business about the old country lawyer business, you really want to get out of the arena.

Mr. McCLURE. I got my boots on.

Mr. SIMPSON. I see the Senator does have his boots on. I did not realize that. I do not. And you cannot really get them. They are 15E, and they are very difficult to get in cowboy boots.

I have made the trip to Sweden and France with the distinguished chairman and the ranking member. It was remarkable. We see eye to eye on 90 percent of the issues here.

Maybe the Senators and I have differed on the MRS, the surface-based testing, obviously, here, but what I want to say is that this language here, 402(k)3 of the motion to recommit, is very clear. It is not the least that they have to do. It is all they have to do. There is not any question about it. Here it is "For the purposes of complying with the National Environmental Policy Act." So it is not the least.

All I am saying is if Nevada flunks the test and without these alternate procedures in the motion to recommit, we will be back at square 1, with all the costs, all the heavy attendant anxiety that goes with it. There is not any question about that.

We remove our flexibility by the present legislation performed on an appropriations bill which is not the place to perform it.

Mr. JOHNSTON. Will the Senator yield for one comment on my time, one question?

Mr. SIMPSON. Indeed.

Mr. JOHNSTON. Mr. President, the distinguished Senator said earlier our legislation to which this motion to recommit is referred clearly rules out the State of Washington and the State of Texas and designates the State of Nevada as the host site. Now I see the distinguished Senator from Washington on the floor. So, on my time, I wonder if you would assure the Senator from Washington and convince him, because he seems not to be convinced, of what you have said.

By the way, I give that not as my opinion, but as yours. I just wonder if you would tell him why you think that.

Mr. SIMPSON. Yes, I would be delighted to do that.

Mr. JOHNSTON. Mr. President, I yield 2 minutes for that purpose.

Mr. SIMPSON. I think what we have here in the language of the energy bill, S. 1668, when we come to this new language, where it says: "In selecting the preferred site under this subsection, the Secretary is to give primary consideration to" and then it lists on page 4 of the legislation, of your proposal, what these are: prospects for successfully licensing a repository; potentially disqualifying factors; potential adverse impact on the public health and safety. And here is the key, under (D) of that section, it says, "The estimated cost of characterization, development, and operation of repository at such site."

That language effectively, in my mind, knocks out the State of Washington.

The **PRESIDING OFFICER.** Who yields time?

Mr. ADAMS. If the Senator would yield on the time that has been allotted, I wish I could believe that.

The PRESIDING OFFICER. Who yields time?

The Senator from Louisiana.

Mr. BREAUX. Mr. President, I yield myself 1 minute and then I will yield to the Senator from Vermont for a comment.

I think the kindest thing we can say about the Secretary's letter is that he knows not of what he speaks. We have a letter that the Secretary sent to the committee that has nothing to do with the bill that is before the Senate. The remarks and comments made by the Secretary may be valid, but it is not about this piece of legislation.

This piece of legislation says that we are going to do surface work on three sites and only 3 sites—not 23, not 26, but 3.

The motion to recommit, in addition, says the work has to be done before January 1, 1991. We have a time date that says that it has to be completed before 1991. This is not endless study. This time is necessary to allow them to do the work at Hanford and allow them to at least get on the property in Texas. They are not even on the property yet and yet they say they have enough information about those particular sites. It is absolutely ludicrous. It is ridiculous. The Secretary of Energy's letter relates to a bill that was pending 2 weeks ago—it may be totally correct about that bill, but that is not the bill that is before the Senate.

I yield to my distinguished colleague on the Environment Committee, the Senator from Vermont, for 5 minutes.

Mr. STAFFORD. Mr. President, I want to urge my colleagues to support the proposal being offered by the distinguished junior Senator from Louisiana and the distinguished Senator from Wyoming. Their proposal—in the form of instructions to the Appropriations committee—modifies and supplements the nuclear waste provisions that were attached by that Committee to the Energy and Water Appropriations Act, H.R. 2700.

I stated several days earlier in the debate on this bill my opposition to enacting important legislation on an appropriations bill. My views have not changed, but the will of the Senate appears to be to include nuclear waste amendments on this bill.

The manager of the bill for the majority has urged the Environment and Public Works Committee to come to the floor and offer its suggestions—in the form of amendments—to the bill. Again, while I do not believe an appropriations bill is the right place to debate major changes in a program, I am a realist.

Before the Senate now are amendments from members of the Environment and Public Works Committee. The chairman and ranking member of our Nuclear Regulation Subcommittee can, at length, describe the changes we are proposing to improve the measure reported by the Appropriations Committee. I wish only to speak about one part of our proposed modification, that which deals with the National Environmental Policy Act [NEPA].

The Appropriations Committee provisions exempted from NEPA both the selection, for characterization, of a single site from among three sites and the selection of a site for a monitored retrievable storage facility, or MRS. These are both major decisions with major environmental implications. For Congress to suggest that they do not need environmental impact statements is to raise a serious question about whether Congress regards any Federal action is "major" enough to have to comply with NEPA.

The proposal of the Environment and Public Works Committee is to lay out specifically the point in the site selection process where an environmental impact statement is required and to set limits on the factors the EIS must assess.

The proposal requires an EIS prior to the selection by the Department of Energy of the site it intends to characterize. The Environment and Public Works Committee provision further specifies that the alternatives to be considered are only the three sites currently being studied by DOE, as has been argued by my colleagues. This specificity responds to DOE's objection that application of NEPA could send them back to the drawing board to assess at least 23 sites, including those in granite formations.

The Environment and Public Works Committee proposal also requires a supplemental EIS at the time DOE recommends that the President select as the Nation's high level nuclear waste respository the one site characterized. This requirement simply assures that environmental information acquired during detailed site characterization is analyzed and considered by DOE and the President.

With respect to the MRS, NEPA would apply as to any other major Federal action.

Mr. President, as I have tried to point out, we are dealing here today with the choice of this Nation's single disposal site for high level nuclear waste. Information on the environmental suitability of such a facility should be thoroughly considered earlier rather than later in the selection process for two reasons: First, to assure an environmentally sound choice and second, to avoid the possible late and therefore more costly discovery of problems that disqualify a site.

The Environment and Public Works Committee proposal provides for an early assessment of three sites, while there is still a choice to be made. The proposal lays out a schedule for decisions, thus assuring the selection process will be timely.

I believe the Environment and Public Works Committee proposal incorporates the objectives of the managers of the bill while improving the review process and would urge my colleagues to support the pending proposal.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time to the Senator from Nevada?

Mr. BREAUX. Mr. President, I would ask my distinguished senior colleague that we have an arrangement, perhaps to jointly yield time to the Senator from Nevada. Five minutes apiece?

Mr. HECHT. May I have 10 minutes? Five minutes each?

Mr. JOHNSTON. I thought the Senator wanted 3 minutes.

Mr. HECHT. I will settle for 8. As Dr. Kissinger said: We will negotiate.

Mr. JOHNSTON. I will yield 3 minutes.

Mr. HECHT. And 5 minutes from the Senator from the State of Louisiana?

Mr. BREAUX. We are really pressed, with some committee amendments. How about 3 minutes and 4 minutes?

Mr. HECHT. I thank the distinguished Senator.

I have listened with great interest to the discussion of Senator JOHNSTON, Senator MCCLURE, Senator SIMPSON, each complimenting one another on being such fine attorneys in the courtroom.

Well, Mr. President, I can say to you that I am not a fine attorney. Mr. President, I can say to you I am not an attorney at all.

Mr. President, I can say to you that I have been a practical businessman for 35 years.

Mr. President, I stand here today realizing that the U.S. Senate is about to make a major mistake and that there is little that this Senator can do to stop it.

During the last few days, I have pointed out to this body that the road it is on—the road toward deep geologic disposal of nuclear waste, is the wrong road. I have pointed out that there are much better alternatives available.

I have pointed out the need to reorient our national policy away from deep geologic disposal and toward reprocessing of nuclear waste. I have pointed out the merits of further research on subseabed disposal.

During this debate, I have pointed out the dangers of committing our Nation to deep geologic disposal which has not been proven safe. I have talked about the billions of dollars we've already spent and the many billions more this country will be committing to an unwise policy.

But, the horse has left the barn. It's too late to close the door. This decision has been made. It's the wrong decision but, it has been made nevertheless.

Realizing that the road had been chosen and that the Congress was going to commit our Nation to deep geologic disposal, I have offered amendments in an effort to make this a safer and better policy.

The 17 Hecht amendments that have been attached to this legislation, 12 in committee and 5 here on the floor, will together go a long way toward making deep geologic disposal safer. They will solve many of the transportation problems and will protect any State that is forced to receive the dump. They will also keep alive the necessary work that needs to be done on alternatives to keep geologic disposal of spent fuel.

Specifically, the Hecht amendments now attached to this legislation will:

Require a study, by September 30, 1989, of the feasibility of reprocessing spent fuel of different ages.

Require that before construction of a repository might actually begin, 10 or more years from now, the Congress will have another opportunity to reconsider the merits of reprocessing spent nuclear fuel.

Require that if the site at Yucca Mountain, NV, is characterized for a repository, then that work will include a thorough evaluation of any possible conflict between continued weapons testing at the Nevada test site, the manmade earthquakes this produces, and the safety of a repository that might be constructed nearby.

Ensure that sufficient Federal funds will be made available to a State where a repository is located, in order to make transportation improvements to that the waste shipments can be routed safely, and around urban areas.

Require all high level nuclear waste packages to be licensed by the Nuclear Regulatory Commission.

Require the Energy Department to abide by the Nuclear Regulatory Commission's rules for notifying States before waste is shipped.

Require the Energy Department to provide funds and assistance to train State and local agencies involved with high level nuclear waste transportation.

Require that waste transportation package prototypes by submitted to actual tests, not just computer simulated tests.

Require the Nuclear Regulatory Commission to examine other nation's high level nuclear waste packages to see if any are safer that what we plan to use in this country.

Require the Energy Department to pay for on-site State oversight for quality control of site characterization and repository construction.

Require the Energy Department to consult with the Defense Department and certify that a repository to be named by the President would not jeopardize essential national defense activities nearby, such as those which take place at Nellis Air Force Base or the Nevada test site.

Require the Energy Department to promptly report to the Congress on the immediate funding needs for subseabed disposal research.

Establish a special office in the Energy Department to conduct research on subseabed disposal of nuclear waste.

Require a study of the advantages of future long-term research on subseabed disposal.

Require the Energy Department to comment on the Federal Government's financial responsibilities to a State where a repository might eventually be located, based on the Nevada State Legislature's resolution calling for compensation of a repository State.

Require that a State where a repository is located receive special consideration for Energy Department research contracts, such as the superconducting super collider.

Require a study of the advantages of 50-year storage of high level nuclear waste before moving it to a repository, allowing for public comment, and specifically analyzing the long-term storage practices of other countries.

Mr. President, when the debate on this issue began here on the floor of the Senate, I set three goals to guide my actions during that debate. First, I wanted to educate my colleagues about reprocessing, and research on subseabed disposal of nuclear waste. That objective has clearly been met. I made three lengthy and fairly technical speeches on these subjects, which I trust my colleagues found useful and enlightening.

Second, I wanted to amend the bill so that we would not foreclose options other than deep geologic disposal of spent fuel. That objective has also been met. The bill now contains an amendment requiring another look at reprocessing spent fuel, before the construction of a repository begins. The bill also contains two amendments designed to encourage further research on subseabed disposal of high level nuclear waste.

My third goal was to make the current program of deep geologic disposal a fairer and safer program. I achieved this objective by attaching two amendments to the bill. The first would make site characterization of Yucca Mountain more thorough and technically satisfactory, should that site eventually be chosen for serious study as a repository. The other makes sure that adequate Federal funds will be available for transportation improvements in any State that get stuck with a repository. This amendment ensures that waste shipments can at least be routed so they don't pass through the most densely populated areas in a repository State.

The legislative skill of the chairman of the Energy Committee has been amply demonstrated over the last several weeks, and his ability to marshal votes here on the floor has underscored the wisdom of the approach I have taken to this bill. Rather than betting my State's future on a dramatic but ultimately fruitless filibuster, I have instead amended this basically unacceptable bill to make it safer, fairer, more flexible, and better policy for the people of Nevada and all of America.

Mr. President, this body is about to make the wrong decision on the disposal of nuclear waste. I can't stop the decision today, but my fight will not end here.

As long as I am a member of the U.S. Senate I will fight deep geologic disposal of nuclear waste. It is wrong and should be stopped.

My colleagues can expect to hear from me on a regular basis on the merits of reprocessing and the potential of subseabed disposal. You can expect to see me take whatever steps are necessary to stop a policy which is totally wrong.

As long as I am in the Senate you can expect me to do whatever I can to kill this policy. The odds are overwhelmingly against me but, I've faced overwhelming odds before.

Years from now, when people look back on the actions I have taken in this body to stop deep geologic disposal of nuclear waste, I hope it reminds them of my favorite poem. The poem is about the men who built those great medieval cathedrals which are monuments not just to the love of men and women for God, but also to the labor by which they share in the work of the Creator. When the Cathedral builders start their task they see the overwhelming task ahead. But, step by step, inch by inch, the move the task along until suddenly it is completed.

Here is the poem:

> They climbed on sketchy ladders toward God,
> With winch and pulley hoisted hewn rock into heaven,
> Inhabited sky with hammers, defied gravity,
> Defied stone, took up God's house to meet him.
>
> And came down to their suppers and small beer;
> Every night slept, lay with their smelly wives,
> Quarrelled and cuffed the children, lied,
> Spat, sang, were happy or unhappy,
>
> And every day took to the ladders again;
> Impeded the rights of way of another summer's
> Swallows, grew greyer, shakier, became less inclined

To fix a neighbor's roof of a fine evening,
Saw naves sprout arches, clerestories soar,
Cursed the loud fancy glaziers for their luck,
Somehow escaped the plague, got rheumatism,
Decided it was time to give it up,
To leave the spire to others; stood in the crowd
Well back from the vestments at the consecration,
Envied the fat bishop his warm boots,
Cocked up a squint eye and said, "I bloody did that."

That's how we will stop deep geologic disposal of nuclear waste. Not here today. But inch by inch and step by step.

What we are about to do today is wrong and, as long as I am here I'll fight to change this faulty policy. Like the cathedral builders, I will keep at it until I can stand back and look at a better nuclear waste policy and say—"I bloody did that."

The **PRESIDING OFFICER**. The Senator from Nevada yields the floor. Who yields time?

Mr. **JOHNSTON**. Mr. President, I yield such time to the Senator from Idaho as he may require.

Mr. **McCLURE**. I thank the distinguished chairman for yielding this time.

Mr. President, I particularly appreciate the comments that were made a few moments ago by the distinguished Senator from Mississippi [Mr. COCHRAN]. He was here at the time we passed this bill and his was one of the States vitally affected by it. He was very much interested in it and a very active participant in the discussions which led to the passage of the law we now seek to amend. I believe it was particularly appropriate that he should take the floor now and say that the amendment proposed by the Energy and Natural Resources Committee moves that process forward and should be supported, and the amendment offered by the distinguished members of the Environment and Public Works Committee would frustrate a delay and should not be supported.

That is precisely the summary which I think should be left with us today.

We voted on this issue. I do not see that this motion is any different from the issues presented to us on earlier votes. This is a repetition by those who do not want this legislation. They do not want a solution. They do not want to move this program forward. At least the Senator from Nevada. [Mr. HECHT] has identified his position clearly. He does not like any part of it and he is going to try to stop it. Others have the same objective, but do not say so. They are trying to delay, delay, and delay.

That is what I see in the substitute before us, the institutionalization of delay of the decisionmaking process on a process that has been delayed far too long already.

I was interested in the comments made by our colleague from Wyoming. I mention his name with some trepidation because he is very capable of protecting himself with or without boots. But I wish he had told the Senator from Washington that indeed the legislation we have writes Washington out of it. Obviously, the Senator from Washington [Mr. ADAMS] does not believe that. Or maybe he is a closet supporter of Hanford as a site.

I wish he had told the Senators from Texas that indeed Texas was precluded, that somehow it would take the Environment and Public Works Committee substitute in order to get us into Texas because the distinguished Senators from Texas have not supported the substitute and they do not support the bill that we have either.

It is obvious that they do not read the bill the same way the distinguished Senator from Wyoming does because they have taken quite the opposite position.

I wonder why it is—and I know the Senator from Vermont a few moments ago made some reference to the fact—that it is wrong for us to legislate on an appropriations bill, but here we have before us a measure that has been before this Senate a number of different times in different forms, a measure developed in the Energy and Natural Resources Committee after ten hearings, after how many different markup sessions, after how many different times has the Senate looked at and examined these proposals and have come to a point where they have voted twice already to favor the inclusion in this bill at this time, as contrasted with a 42-page amendment that nobody has seen until this morning.

There are provisions which, so far as I know, have never been subjected to any hearings, any analysis, or any markup, and certainly no public scrutiny until this morning.

As a matter of fact, my understanding is that we were uncertain when we walked into the Chamber this morning which of several different forms of motions we would be confronted with this morning.

What is the Senate going to do today in choosing between something that they understand very well, having examined it over a long period of time, and an entirely new proposal which has been examined by no one?

I cannot analyze a 42-page amendment and tell you all that is in it, but I do know one thing that the Senator from Wyoming is dead wrong on, absolutely wrong on, and I do not care how you read the language: The language he read does not limit the review to three sites.

For that reason alone I have to wonder how many other points there are in this 42-page amendment that we have not analyzed enough or carefully enough to understand fully.

It seems to me, Mr. President, and finally, perhaps, we are going to get to a vote very soon on this measure and upon this substitute. I assume there will be a motion to table the substitute. When the Senate has the opportunity to vote once again on this issue, I trust that they will vote the same as they have on the several occasions already when we have had this matter before us. I see no reason for the Senate to change its judgment. Nothing new has been added to the debate. I thank the Chair and I thank the Senator for yielding his time.

The **PRESIDING OFFICER**. Who yields time?

Mr. **SIMPSON**. Mr. President, how much time remains?

The **PRESIDING OFFICER**. The senior Senator from Louisiana has 18 minutes 3 seconds, and the junior Senator from Louisiana has 21 minutes 52 seconds. Who yields time?

Mr. **SIMPSON**. I will inquire if I might reserve an additional 2 minutes.

Mr. **BREAUX**. First, at this time I will yield 5 minutes to the Senator from Nevada.

Mr. **REID**. Mr. President, the Senate has another opportunity to right a wrong. The action that has been taken to this point by this body has been unwise, and it has been unwise because we have gone through the procedures on a number of occasions where the Department of Energy simply has not followed the 1982 act.

I think it is important to comment on the statement of the junior Senator from Mississippi today. He stated that he was here when the Great Compromise was reached in the 1982 act. I think it is important to note that there are other people who are still in these bodies who worked very hard with the 1982 act.

We know that the chairman of the Interior Committee in the other body worked very hard and he has spent as much time on this as anybody, and probably more than most, and he has said it is time to take another look at this 1982 act.

But the junior Senator from Mississippi fails to acknowledge that the 1982 act is no longer in existence but only in name, because the Department of Energy has failed to follow the law set down by this Congress. The Department of Energy has violated the law, its own regulations, and its own scientific findings.

It is important to note as one example of many, Mr. President, from this chart that I have here, what has happened in the past as far as site selection. We have nine sites. It is interesting to note that the law says there should be a comparison of all nine sites. Of course, there was not a comparison. Hanford and Yucca Mountain were not compared to any other site. That was violative of the law. The only sites compared were those in the bottom of the chart. They shot right through one of them without any competition. That was wrong.

That is only one example, Mr. President, of what has taken place which has been violative of the 1982 act.

It is also important to note that some of the things that the senior Senator from Louisiana pointed out about—the name he has, I will not repeat, but I call it a kangaroo court because that is what it is. It speeds up the process.

What is the rush? What really is the rush? Who is rushing? It is obvious that the nuclear industry is rushing this. The Department of Energy is rushing it because unless they get something done quickly, their illegal acts will be brought to bear more than they have already.

What this action that the Senate has previously taken does is to put a rubber stamp of approval on all the illegal acts of the Department of Energy. It is not one illegal act or two or three, but a myriad of illegal acts they have done when they have not followed the 1982 act.

The only people who are pushing this, Mr. President, are those who do not want this to be looked at again. No one is saying "Let's not do something with nuclear waste." People are not saying we should not have a permanent repository. Of course we need a permanent repository. But this is not the Senator from Nevada speaking. You can look at the USA Today, which is not a provincial newspaper. It is the Nation's newspaper. It goes out all over this country. The whole editorial page today talks about let us not rush nuclear waste. We would be making a mistake if we rushed in regard to a high-level nuclear waste permanent repository. We should step back. We should be slow in this process.

I think it is important to note, as they point out in USA Today, this is a 10,000-year project. What the junior Senator from Louisiana and the subcommittee and the Environment and Public Works Committee generally, Mr. President, are saying is that we want to take another look at this. They are not saying there should not be a permanent repository. I do not think that every bit of the legislation they are proposing is perfect. But it certainly is more appropriate because it takes another look at this. It does not delay it forever. It puts skids on something that is rushing pell-mell.

If in fact we can look at past history of how this Nation has handled things nuclear, we better slow down, because from the very beginning of things nuclear in this country to today we have made mistakes. We have made mistakes in atmospheric tests, from Savannah River and Maxey Flats to West Valley where we now have problems.

The Department of Energy itself has hundreds and hundreds of toxic sites they have not cleaned up and yet we are going to create the largest waste dump ever, nuclear waste, the most poisonous substance known to man, and I think the Senate should not go pell-mell into this matter.

The PRESIDING OFFICER. The time of the Senator from Nevada has expired.

Who yields time?

If neither side yields time, time will be equally divided.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The junior Senator from Louisiana.

Mr. BREAUX. Does the Senator from Washington desire to use some time at this time?

I yield 5 minutes to the Senator from Washington, Mr. Adams.

The PRESIDING OFFICER. The Senator from Louisiana has yielded 5 minutes to the Senator from Washington, who is recognized.

Mr. ADAMS. I thank the junior Senator from Louisiana [Mr. Breaux] for yielding me time.

Mr. President, during the course of the debate this morning there have been several statements made about the State of Washington, the manner in which we are proceeding, and I think two or three points need to be clarified as to what has happened to this point.

The Members of the Senate have not voted on the substantive provisions that are in this motion to recommit. The Senator from Nevada and the Senator from Washington have argued about the process and the procedure. No amendments similar to what have been offered by the Environment and Public Works Committee were offered ever to this Senate. Therefore, this is the opportunity that all Senators have to vote for an alternative by a proper authorizing committee to the action of the Appropriations Committee.

I think I should state very clearly why it was necessary for the Senator from Nevada and the Senator from Washington to strenuously oppose this legislation.

This appropriation bill bypasses both the House and the Senate authorizing committees. We were informed that the point of order of legislation on appropriations would not lie because the question of germaneness would overcome it. Therefore, we have been required to explain what is in this bill and explain it in detail so that the other authorizing committees, both in the Senate and in the House, would have the opportunity—and this is the first opportunity they have had—to present their views.

I hoped—and I still hope—as was so well stated by the Senator from Wyoming that at some point the Energy Committee and the Environment Committee would link together as they have in the past and produce a good bill. Those have been our efforts to this point completely. This Senator has not been trying to tell the authorizing committees, which spent years and years on this, what should have been the detailed part of the legislation.

I have been waiting for this moment to occur so there would be an opportunity to choose between what the Environment and Public Works Committee has suggested and the Energy Committee has suggested, and it has been well stated by the Senator from Louisiana, Mr. Breaux, and the Senator from Wyoming, Mr. Simpson, that most of these provisions that were in the original energy bill have been accepted. They have gone directly to the key point that I have been trying to defend against. It has not been a delaying tactic. It has been an attempt to try to keep this program placed on a track that will not just lead to more litigation and to mistakes. They have agreed to sequential selection. I will accept the sequential selection.

But the Environment and Public Works Committee and I hope my colleagues are listening and that they will vote for it—has said examine before you decide. Do not select and then repent.

Now, we did not offer substantive amendments because we knew this was coming. This is the only point in this bill that the authorizing committees can have this debate. I think they should debate it. I think the criteria that have been set forth in H.R. 2700 turn the process of selecting a site for the Nation's first and perhaps only waste repository into a political deal.

The reason that I have been concerned about it—and I certainly accept the statement made by the Senator from Wyoming that maybe my State will not be involved—is because it is sure a riverboat gamble for us. I do not think nuclear waste policy for the country and everybody that is going to be living in it during the next 10,000 years should be decided on a riverboat gamble. That is why I am on my feet.

I am not in the closet on this. I am pretty direct on saying we do not believe in simply setting forth—and I carefully read what was put in as amendments—that there shall be criteria. They do not even say they will be the only criteria. They do not list an order. It in effect gives more discretion to the Department of Energy.

The only change I would make in the motion to recommit, and I am willing to accept it and support it completely, is I do not like giving DOE all of this power, all of this discretion, and not have somebody else check on them.

It may be good politics for some, and I guess it is the prevailing wisdom coming forth that suggests there is nothing wrong with turning this process into a political calculation especially if your State can dump the dump into somebody else's State. That may be prevailing wisdom. it may be good politics for some but it is bad policy for all, for we are all involved. We must have national consensus. We must not have litigation. We must have a solution.

I think the Senators from Louisiana and Wyoming have done a great service to this body in putting forth a system in trying to arrive at accommodations, so that we can later meet with the other body and have a national program that will work.

Today, the Senate is considering a proposal to modify the nuclear waste provisions it adopted last week. These modifications, which are the product of deliberations in the Environment and Public Works Committee, address the principal flaw in the appropriations bill nuclear waste provisions—the manner in which sites are selected for the first repository.

The provisions in H.R. 2700 would allow the DOE to pick one of the three existing sites before January 1, 1989. By all accounts, including the Nuclear Regulatory Commission, making a decision on this timeframe would be a gamble. The Breaux-Simpson proposal would extend the date for selection for an additional 2 years in order to allow DOE to collect additional data so that the decision on the preferred site is an informed decision, a high confidence decision.

The provisions of H.R. 2700 would gut the current requirements of the Nuclear Waste Policy Act concerning environmental impact statements. Under current law, when DOE selects a final respository site from the three candidates, DOE is required to complete an environmental impact statement to support that decision. Under H.R. 2700, DOE would complete an environmental impact statement on the final site, but not when the selection decision was made. Instead, DOE would prepare an EIS after characterization, but this EIS would not consider any alternative sites. The Breaux-Simpson proposal would restore the principle in current law that the decision on a final site be supported by an environmental impact statement considering alternative sites.

The provisions of H.R. 2700 allow DOE to use four very general, subjective criteria for selection of a preferred site and would allow this decision to be made by a lameduck administration. I hope that would not be done. The Breaux-Simpson proposal would require DOE to use the detailed site selection guidelines and would require the U.S. Environmental Protection Agency to repromulgate standards for geologic repositories to serve as a basis for selection. These measures and the change in the selection date will help assure that any repository site selection decision is a technical one and not purely a political one.

Clearly, these modifications do not address all of my concerns regarding the nuclear waste provisions added last week to H.R. 2700. But, they do deal with most important ones concerning the repository. If the Senate is going to insist on making these major changes to current law in an appropriations bill, it should at least make constructive changes and not destructive changes. If the Senate is going to insist on rewriting the Nuclear Waste Policy Act, it ought to listen to the expertise of the Environment and Public Works Committee and it ought to adopt the Breaux-Simpson motion to recommit.

Finally, let me point out that this proposal makes the same changes in the second repository provisions as does H.R. 2700. It does not alter the benefits agreement provisions. It does not alter the basic principle that site characterization at depth through construction of an exploratory shaft be conducted at just one site. For those of my colleagues who want to make those changes in existing law, the Breaux-Simpson modifications will make those changes. For those of my colleagues who do not want to live with 1982 Nuclear Waste Policy Act, the Breaux-Simpson modifications would change that act in essentially the same manner as the H.R. 2700. But it would measurably improve the process for selecting the first repository site and because of those changes I urge you to support it.

The PRESIDING OFFICER. The Senator from Washington's time has expired. He yields the floor. Who yields time?

Mr. JOHNSTON. Mr. President, I yield 5 minutes to the distinguished Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mr. EVANS. Mr. President, the arguments are simple and straightforward and none are new. We have heard them all before. We have had a chance to argue this bill and the alternatives including the alternative which is now before us on this motion to recommit with instructions. We know very well what this is all about. First, the question of surface-based testing is an important one. But it is not necessary, was not contemplated in the act of 1982 and should not be a requirement now that all surface-based testing be completed at all sites before you move ahead on the characterization of one site.

The only reason that we are here now seeking to have sequential characterization of sites is because subsequent to the 1982 act we found that characterization instead of costing $60 million a site would cost over $1 billion a site. It may well be worthwhile and appropriate to simultaneously characterize three sites at $60 million each. That is a little less than $200 million for three sites. It is probably an appropriate kind of investment to get that much information from which to select one of three sites.

Mr. President, I find it very difficult to support the concept of $3 or $4 billion for simultaneous characterization, and even the Environment and Public Works Committee has recognized that that probably is not a good thing to do. Let me make it very simple. We have had a lot of work that has gone on in analyzing first a very large number of sites, then reducing it to nine from which a good deal more work was done, then reducing it to three. I had some objections to the rationale used to get to the final three. That rationale was not included in the original 1982 act. Senator HATFIELD and I made certain that the rationale was included in the amendments of the energy bill now in front of us. That gives us the appropriate array of decisionmaking requirements for the Energy Department to select a site for characterization. All surface testing will be concluded on any site selected prior to moving to the expensive deep geologic drilling. It would be foolish not to do that. But it is not necessary to complete that surface testing at all three sites before you even select one to proceed on.

This amendment of the Energy Committee, or proposal of the Energy Committee, does not contemplate that we lay aside any of the health and safety requirements, any of the environmental requirements, any of the scientific analysis, any of the drilling, any of the testing for subsurface water movement, any of the things that need to be done before a site is finally characterized and chosen.

The proposal of the Energy Committee moves us ahead on a subject that is of extraordinary importance and on which we have a very large amount of information. Delaying until 1991 is nothing more than that—delay. It does not remove or reduce political considerations. If anything, it probably increases and broadens them. It gives us another several years to gear up and to fight on a political basis the question of siting.

Those who would now propose a 42-page amendment on this bill used much of their time early on complaining about the fact of legislating on an appropriation act.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. EVANS. Three more minutes.

The **PRESIDING OFFICER.** The Senator from Louisiana yields 2 additional minutes.

Mr. EVANS. They complained about legislating on an appropriation act and now overnight have submitted a 42-page amendment to an appropriation act.

So I think the question of process has been pretty well laid aside. It is the question of substance. Mr. President, I listened to the Senator from Nevada, Senator HECHT. And I agree with much of what he said. I think, frankly, we are moving too fast on deep surface storage as compared with monitored retrievable storage. But the committee bill of the Energy Committee authorizes an MRS facility, it authorizes us to move ahead, it gives us a chance to find out what we need and what we can do with an MRS, and we have a lot better chance of using that to turn, as I think we ultimately should do and must do, to the same sequence of operations that every other nation has used; that is, to move ahead on an MRS, put it into effect with well understood technology and give us more time then to settle on a final deep geologic storage.

It has been said that this is the first time to vote on the proposal of the Environment and Public Works Committee. Well, we had a movement earlier to strike the Energy Committee's proposal, and that failed by a very large margin. We had a movement to add the Energy Committee's amendments to this bill. That passed by more than two to one. And all of the same arguments were used. Every argument that would support the proposal of the Environment and Public Works Committee has been utilized, and it is well understood by those who have cast their votes on these two previous broad proposals.

Mr. President, I suggest that it is time to move. It is time to ratify the votes we have already cast. There are no new issues or new proposals inherent in this amendment of the Environment and Public Works Committee. And I think and hope that it will be turned down and that we will finally take some decisive clear action on this most important subject.

The **PRESIDING OFFICER.** The Senator from Washington has yielded the floor. Who yields time?

Mr. BREAUX. Mr. President, I yield myself 1 minute to ask the Senator from Washington a question, if I could get the attention of the senior Senator from Washington. Does not the Senator from Washington agree that the 22-month ground water study that has been proposed at the Hanford, WA, site should be allowed to be completed before we allow DOE to go forward and perhaps pick Hanford as the site to sink the shaft? Does the Senator not feel that that study is so important that we should allow it to be completed before we give DOE permission to pick Hanford, WA, as the site to sink the shaft? Is that not an important study?

Mr. EVANS. Mr. President, I think all of these surface testing procedures are important. They will be concluded before any deep shaft is dug at any site.

Mr. BREAUX. If I might interrupt the Senator, that is not what the Energy Committee allows. The Energy Committee bill as drafted would clearly allow DOE to select Hanford prior to the time that that study would ever be completed and once the site is selected under that bill, an exploratory shaft may be sunk. That is what is in the bill.

Mr. EVANS. If the Senator will allow me, I was going to proceed to answer that particular question. I was in the process of answering the question. It would require that all surface testing be completed at any site before the deep geologic or the deep shaft was placed. It does not require that you wait until all of the surface testing is done at each site before you select a site for characterization. But if you select a site for characterization you must conclude all of these, and it is just pure logic and the order of things in the way it would be carried out to complete the surface testing and the disqualification kinds of tests before you would engage in any major shaft.

Mr. BREAUX. I reclaim my time, and merely point out that we have a fundamental disagreement on the reading of the bill because my interpretation is that it would clearly allow DOE to select the Hanford, WA, site prior to the time that that study is completed for the purposes of sinking the shaft.

Mr. EVANS. I would agree with the Senator from Louisiana that that is true. It would not, however, allow the sinking of a major shaft until the surface testing had been concluded at that site.

Mr. BREAUX. Mr. President, I yield 2 minutes to the Senator from Wyoming.

Mr. SIMPSON. Mr. President, how much time remains?

The **PRESIDING OFFICER.** Seven minutes and fifty-eight seconds under the control of the junior Senator from Louisiana, and 10 minutes and 18 seconds under the control of the senior Senator from Louisiana.

Mr. SIMPSON. Mr. President, I just want to come back a moment to several salient points.

The Senator from Idaho and I often get into spirited debate, with great feeling. We do like to mix it up a little—that is a penchant of westerners—and I enjoy it, too. So I might as well jump in a little more.

First of all, there would never have been an ability to get a joint referral on this bill because it was an appropriations bill. It was crafted that way. We could not have gotten our hands on this if we had hooks. There was no way we were going to get this bill at all—no possible way.

To say that somehow I or others have been involved in delay—I have been here 9 years, and I have been trying to avoid every bit of delay. I have been trying to do speed in 7-league boots, but it does not work, because we get into jurisdictional struggles with the Committee on Energy and Natural Resources and the Committee on Environment and Public Works. Whether or not you like it, that is the way it is.

It gets to the House, and there are six committees that play with the issue, and you have not seen anything until you watch that.

I have been in conferences, and I hope to do another. I think it is important that the Environment and Public Works Committee represent us in this conference. If they do not, it will be the first time, and it will not work in the House unless we do. I am not saying that out of anything but reality.

To hear the discussion about popping a fast one on a 42-page bill, if you want to pop a fast one, go to page 40 of the pending appropriations bill. It says at the bottom:

> Nuclear Waste Policy Act Amendments Act of 1987, as reported to the Senate on September 1, 1987, is included herein and shall be effective as if it had been enacted into law.

You cannot get any faster than that. That is called taking a bill from the desk and, in a swift, dramatic, no-debate-way, splicing it in. That is what is in this bill.

Let us go back to one thing which is curious.

The **PRESIDING OFFICER.** The Senator's 2 minutes have expired.

Mr. SIMPSON. I ask for 1 additional minute.

The reason we are in this box: Here is a copy of the original law of 1983, and it has a lot of criteria in it. We all worked hard on it: JIM MCCLURE, BENNETT JOHNSTON, Gary Hart was ranking member and I was involved. There it is. Suddenly, the Energy Committee report says, "The factors here supplement the guidelines under section 112 of the act and supersede the guidelines where inconsistent with them."

That is how we got into this box. In one sentence, you supersede the whole act.

The frustration here is that not many of us have overlapping jurisdiction, where we serve on the Appropriations Committee and the Energy and Natural Resources Committee or Environment and Public Works Committee, so you cannot do your lifting. These two gentlemen can. They serve and they overlap in their duties on the Engergy and Natural Resources Committee and the Appropriations Committee. The rest of us do not get that option, and that is too bad, and it should be pointed out.

That is why the conference committee should represent the interests of the Committee on Environment and Public Works.

The PRESIDING OFFICER. The time of the Senator has expired.

Who yields time?

Mr. BURDICK. Mr. President, I would like to express my support for the motion to recommit that is being offered by the chairman of the Subcommittee on Nuclear Regulation.

I believe that the package included in the motion will add necessary technical and environmental safeguards to the nuclear waste amendments already in this bill. There are many good nuclear waste amendments contained in this bill. I therefore support most of the amendments in the bill.

However, I also support slightly different provisions on a few important issues, such as the need for additional tests prior to site selection, the application of the National Environmental Policy Act, and limits on the operation of any monitored retrievable storage facility.

These provisions are contained in the nuclear waste bill reported by the Environment and Public Works Committee during reconciliation and in the pending motion to recommit. It is important to keep in persective the type of program we are talking about. We are dealing with highly radioactive wastes. These are some of the most deadly substances man has produced. They will remain deadly for tens or hundreds of thousands of years. The site and facility that will be built at the site will be expected to isolate these wastes for these long periods of time. This is an unprecedented technical challenge. It therefore is important to make sure that we have a good site for the repository.

The approach taken by the Environment and Public Works Committee should increase the likelihood that the site chosen for further characterization will in fact be suitable for a repository.

This approach also should avoid the expense and delay arising from the characterization of additional sites, either simultaneously, as under current law, or that would occur if a single site chosen too hastily proved unlicensable. These benefits are well worth the investment in time and money.

I would like to commend the chairman and ranking member of the Nuclear Regulation Subcommittee for their efforts on this issue. The environment and Public Works Committee has always been active in nuclear waste issues. I am pleased to see this activity continue under this able leadership.

I would again urge my colleagues to vote for the motion to recommit to include the provisions of the Committee on Environment and Public Works.

I would again urge my colleagues to vote for the motion to recommit to include the provisions of the Committee on Environment and Public Works.

Mr. BREAUX. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. Four minutes and nine seconds.

Mr. BREAUX. And the other side?

The PRESIDING OFFICER. Eight minutes and eighteen seconds.

Mr. JOHNSTON. Mr. President, I can sum up in 1 minute, if the Senator will do so, and then we can yield back our time.

Mr. BREAUX. I will need more time than that.

Mr. President, we have come down to the point where we have to vote. The issue, I think, is quite simple, when it comes to looking at the differences between the two committee approaches.

There are three sites in the country under consideration: One in Washington State, one in Nevada, and one in Texas. Both committees agree that we should take the best site and fully characterize it, sink a deep shaft in that site, and take from 5 to 7 years to study that particular site. It will cost about $2 billion to do that—$1.8 billion is the figure we have.

How do we go about picking the best site? That is a major expenditure. We are getting ready to spend almost $2 billion.

The Energy Committee says: "Pick a site. Do it now. We have to hurry up." Bear in mind that we are talking about something that is going to be around for 10,000 years. What is the rush?

Our approach says take those three sites and do some work, complete the study on the surface to find out where the best site is to spend $1.8 billion to sink a major shaft in which to put radioactive waste for the next 10,000 years.

We have hardly been on one of the sites, in Texas. How can we determine that that site is not good or if it is good? DOE has not even had the opportunity to go on the property and take a look at it.

How about the Washington site? They are in the middle of trying to do a 22-month study, on the surface, to find out what the characteristics in that area are, in order to determine whether we are going to sink a shaft at that site. Should we not complete that before we tell DOE to go off and make a decision? I think not.

Ongoing studies are needed in Nevada as to where to put the site there, if at all.

I am saying take the three sites and spend 24 months—no later than January 1, 1991—to do some geologic work, surface work, to determine the characteristics of those three areas, before we spend $1.8 billion and perhaps make a fatal mistake. If we pick wrong, we are wasting $1.8 billion. Their approach is literally a nuclear crapshoot with regard to how we pick the first site for characterization.

The National Environmental Policy Act: Do we think it should be involved in making that decision? The National Environmental Policy Act is implemented if we have to dig a canal in Louisiana. Yet, their approach waives it with regard to this critical first decision as to where that shaft shall be sunk in order to do the work. Should not the National Environmental Policy Act be involved in this process? Of course it should.

This is probably one of the most important environmental decisions we are going to make in the next several decades. Yet, the Appropriations Committee approach is to waive it. Who wants to vote to waive the National Environmental Policy Act when it comes to high-level nuclear waste that is going to be here 10,000 years?

I suggest that the first and most important decision is one that should have the scrutiny of the environmental impact statement, in order to ensure that we have made the right decision. Some would argue that we should do the study after we make the decision. After we make the decision? That is the purpose of the environmental impact statement—to help us make the right decision. They suggest that we spend the $1.8 billion and after we do it, compare the options. What options? After you have made the decision, there are no options. It is a done deal.

Our approach says that we have three sites. Let us have 24 months of surface work and make sure we pick the right one. I think that is not too much to ask.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSTON. Mr. President, I yield myself such time as I may require.

I can sum this up simply in six words: The motion to recommit involves delay, delay; study, study; money, money.

How much delay? According to the Department of Energy probably in excess of 4 years, 21 months for two new series of plannings, what you might call paper studies, a surface-based testing plan and a decision methodology, which requires formal comments, 3 years for surface-based testing, and probably 2 years for an EIS.

Delay, delay; study, study.

How much money? An additional $1.2 billion from the electric utility ratepayers of the United States, according to the Department of Energy.

Mr. President, if that additional 4 years and that additional $1.2 billion was necessary for the health and safety for the proper disposal of nuclear waste in the United States, I would say it is a heck of a sacrifice, but let us do it because we want to be safe.

But nobody in authority says that requirement is so. To the contrary, the Nuclear Regulatory Commission, having fully studied this, says we are ready to characterize.

Admiral Zech, the Chairman of the Nuclear Regulatory Commission, in his letters which I put into the Record, endorsed the approach which we have taken. The National Academy of Sciences, having carefully studied this thing, says we are ready to go ahead with characterization.

A third reason is that according to the Department of Energy, who must administer this program, if we go to this amendment approach, it may well, require an additional study of potential sites in the 23 States previously studied. A reexamination, to quote, inevitably risks the consequence of the Department being required to examine anew all locations whose geology based upon our knowledge to date renders them potential candidates for a repository."

It is clear that if this amendment passes, it does not become law. What does become law is that which is the law, and the present law requires a study and a quest for a second repository site in the Northeast. There is $500 million to implement this present program in the House bill, which includes the second repository program in the Northeast.

So if you are from the Northeast, Mr. President, and you want that program to cease, the thing to do is to vote against this amendment, even though the motion to recommit would, as our bill, do away with that requirement. It is not going to become law, so it would leave in place the requirements of the present law.

Mr. President, it is very simple. If you want more delay, if you want more study, if you want to spend an additional $1.2 billion, then vote for this motion to recommit. If you want to vote with the National Academy of Sciences, the Nuclear Regulatory Commission, the Department of Energy, the Committee on Energy and Natural Resources, and if you want to save that money and solve a serious national problem and do it now, then vote with us and vote down this amendment.

I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back.

Mr. JOHNSTON. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion to recommit with instructions. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. Gore], the Senator from Alabama [Mr. Shelby] and the Senator from Illinois [Mr. Simon] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. Gore] would vote "yea."

I further announce that, if present and voting, the Senator from Alabama [Mr. Shelby] would vote "nay."

Mr. SIMPSON. I announce that the Senator from Indiana [Mr. Lugar] and the Senator from Oregon [Mr. Packwood] are necessarily absent.

The PRESIDING OFFICER (Mr. Reid). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 34, nays 61, as follows:

[Rollcall Vote No. 382 Leg.]

YEAS—34

Adams
Baucus
Bentsen
Biden
Breaux
Burdick
Byrd
Chafee
Cranston
DeConcini
Dodd
Exon
Glenn
Graham
Gramm
Hecht
Hollings
Kennedy
Kerry
Leahy
Levin
Metzenbaum
Mikulski
Moynihan
Reid
Riegle
Rockefeller
Sanford
Sarbanes
Sasser
Simpson
Stafford
Thurmond
Wallop

NAYS—61

Armstrong
Bingaman
Bond
Boren
Boschwitz
Bradley
Bumpers
Chiles
Cochran
Cohen
Conrad
D'Amato
Danforth
Daschle
Dixon
Dole
Domenici
Durenberger
Evans
Ford
Fowler
Garn
Grassley
Harkin
Hatch
Hatfield
Heflin
Heinz
Helms
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Lautenberg
Matsunaga
McCain
McClure
McConnell
Melcher
Mitchell
Murkowski
Nickles
Nunn
Pell
Pressler
Proxmire
Pryor
Quayle
Roth
Rudman
Specter
Stennis
Stevens
Symms
Trible
Warner
Weicker
Wilson
Wirth

NOT VOTING—5

Gore
Lugar
Packwood
Shelby
Simon

So the motion was rejected.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the motion to reconsider was not agreed to.

Mr. McCLURE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PACKWOOD. Mr. President, earlier today the Senate voted on Senator Breaux's motion to recommit the energy and water appropriations bill concerning the nuclear waste provisions of the bill. The motion failed by a vote of 61 to 34. I was not present for that vote. Had I been there for the vote I would have voted no on the motion to recommit.

I apologize for my absence. Currently, we are in the middle of serious budget negotiations which is where I was at the time of the vote. While we were in the process of wrapping up this session, I left the meeting room. On the House side of the Capitol as I was walking down the Hall, I was inadvertently delayed and engaged in a conversation regarding the deficit talks. When I returned to my office, I learned of the vote and, unfortunately, it was too late to return to the floor to cast my vote.

Mr. President. I care deeply about the nuclear waste issue and its effect on my home State of Oregon. I was very upset to learn I had missed this important vote.

Mr. JOHNSTON. Mr. President, we are now moving to the final passage. Before we do, Mr. President, first of all I want to thank Senators for their support on this very difficult issue.

I want most especially to thank my co-author, my co-manager, my good friend the distinguished senior Senator from Idaho, Senator McClure.

Mr. President, it has been a real privilege through these years to work with Senator McClure and with his staff.

While we are on the subject of staff, Mr. President, I want to especially commend Ben Cooper and Mary Louise Wagner of the Energy and Natural Resources Committee staff. By the way, it is the first bill for Mary Louise Wagner and she has done very well with it.

Ben Cooper has many hundreds of pages of public laws for which he has been responsible.

Of course, our staff director, Daryl Owen, and our chief counsel, Mike Harvey, have done especially good work.

On the minority side, Marilyn Meigs, Frank Cushing, and Gary Ellsworth have been working as a team with us. They have done very excellent work.

Mr. President, there are many other Members of the Senate who participated strongly in this bill.

I have previously commended Senator Hatfield, who is the ranking minority member of the Appropriations Committee, or the full committee and of the Energy and Water Subcommittee, and it is always a pleasure to work with him. He is a great and valued member. He is always a team player, and we especially appreciate his work.

Mr. President, I do not know whether a rollcall vote would be required. The majority leader is here.

Mr. DOMENICI. Mr. President, I wanted a little colloquy.

Mr. JOHNSTON. Yes, certainly.

Mr. BYRD. Will the distinguished Senator yield?

Mr. JOHNSTON. I will yield the floor.

Mr. BYRD. Mr. President, I do not mind having a rollcall vote. I am just trying to protect the chairman and the ranking member of the Iran-Contra Committee. I understand they are having a news conference that is going on right now. If we could wait, say, another 15 or 20 minutes before beginning the rollcall vote, that would enable him to finish the news conference and be here.

Mr. JOHNSTON. Well, Mr. President, I certainly want to accommodate those members.

Mr. McCLURE. Mr. President, I think there will be a rollcall vote. There has been a request on this side that we have a rollcall vote on final passage.

Certainly, I think there would be no objection to accommodating those who are necessarily absent at this time. If all Members could know what was expected of them, perhaps we could say right now when that rollcall would start and then all Members could govern themselves accordingly.

Mr. BYRD. I certainly want to accommodate the managers, too, because while I have the floor I want to say that they have done an expert job, a very skillful job of handling this legislation.

It has been a difficult task. It is a complex bill and I want to compliment them and thank them.

As to whether or not we would delay the vote, also is a matter that they have to be accommodated on. We could put in a quorum or we could begin.

I hesitate to get into a habit of having half-hour rollcall votes except for the first vote of the day. There is no reason why we could not have one in this instance, because the next matter, which is probably the defense conference report, probably is not quite ready yet.

So, whatever will accommodate the managers on the rollcall vote. If they want a 30-minute rollcall vote, we will have it.

Mr. JOHNSTON. Mr. President, I think that is a good suggestion of the majority leader, to have a 30-minute rollcall vote. That way, Senators who are here now can vote and then leave and not have to come back.

Mr. BYRD. I understand now that there are other complications. I suppose it would be better just to begin the rollcall vote soon, then.

Mr. President, first of all, have the yeas and nays been ordered?

The PRESIDING OFFICER. They have not been ordered.

Mr. BYRD. Mr. President, I ask for the yeas and nays for final passage.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the rollcall vote on final passage be a 30-minute rollcall vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. Mr. President, I rise today in strong support of H.R. 2700, the fiscal year 1988 energy and water development appropriations bill because of the needed funding it provides to continue work on the Hampton Roads channel deepening project and other worthy flood control and beach nourishment projects in Virginia.

Also, I believe the amendments to the Nuclear Waste Policy Act that have been incorporated into this bill are prudent measures to restore confidence and put this program back on a steady effective course of action.

This Nation is at a critical point in moving forward with implementing a responsible, permanent, technically safe disposal program for high-level radioactive waste.

For over 40 years we have been producing nuclear waste and spent fuel from nuclear power plants and military activities. This waste has been stored safely, but only temporarily at the individual reactor sites in cooling pools.

Recognizing that this storage capacity was reaching its limits and based upon recommendations from years of study by leading scientific experts, the Congress passed the Nuclear Waste Policy Act in 1982. This law concurred with the scientific recommendations that a program of permanently isolating waste from human exposure in suitable deep, underground geologic rock formations was the most appropriate disposal alternative. It directed the Department of Energy to select one site for a deep repository to house nuclear waste, and to consider, and I say only consider, suitable sites for a second repository.

Under the Nuclear Waste Policy Act, a second repository is not authorized and the Department of Energy must receive further approval from Congress before moving forward with constructing one.

Regrettably, in only 5 years, the progress that we had hoped for has not been achieved and the Congress must again address this serious problem. We now know that the program will be much more expensive than originally estimated and that the timetables required did not provide sufficient time for DOE to fully assess the suitability of the sites, perform the necessary environmental analyses, and consult fully and properly with affected States and Indian Tribes.

As a result, we all know the pitfalls that have undermined this program. But, these troubles do not mean that our policy to store waste in a deep, geologic repository is not a sound decision. A repository approach in conjunction with a monitored, retrievable storage facility remains technically the most responsible approach to this problem.

It is imperative that the Congress provide needed direction on the future of this program by allowing DOE to begin characterization work at one of the three proposed sites for the first repository and find a suitable site for the MRS. Storage capacity at some utilities is already exhausted and many others will find themselves in similar positions in the near future. We are continuing to produce waste at a rate of 3,000 tons per year. With large amounts of waste currently stored onsite at 108 operating reactors, the safety of the public and the environment must be first and foremost in our considerations.

As we gained knowledge from the extensive surface-based testing that DOE has performed for the past few years, the actual costs of the program have exceeded our expectations.

The program is financed solely from a tax on the electricity generated by nuclear powerplants which is absorbed by ratepayers, our constituents.

As the costs for characterizing, or drilling deep exploratory shafts, the three sites identified for the first repository have risen from $60 million to almost $2 billion per site, we must reconsider this requirement.

The National Academy of Sciences, the Nuclear Regulatory Commission, the Department of Energy and independent scientific experts agreed that a sequential characterization of the three sites would not compromise public health and safety. I support the decision to characterize the preferred site of the three identified because the decision is founded on technical information and because of the money it will save. The Department of Energy indicates that the current tax on our ratepayers to finance the nuclear waste fund is not sufficient to characterize all three sites. The tax may need to be increased if we do not allow DOE to characterize the site which shows the most promise to host the repository.

For States where DOE has identified sites that may be suitable for a second repository, these changes in the program reaffirm DOE's decision not to pursue a second site. No work will be conducted on a second repository until the year 2007 when the Secretary of

Energy is required to report to Congress on the need for another repository. I am satisfied that at that time we will have much more information on and experience with the repository program so that the excessive costs of selecting and constructing another repository will convince the Department to expand the storage capacity at the first site.

Also, further protections are provided for potential crystalline rock sites by requiring the Department to give primary consideration to ground water protection, seasonal population increases, and proximity to public drinking water supplies.

The major criticism I have with these nuclear waste modifications is that there should be a closer relationship between the authorization to proceed with the monitored retrievable storage facility and the construction license for the first repository. We must have assurances that the Nuclear Regulatory Commission will license the preferred site for the repository before the Department of Energy begins accepting waste for temporary storage and packaging at the MRS.

I hope this can be corrected during the conference with the House of Representatives.

Mr. President, we must provide new direction to the Department's nuclear waste program and I believe these amendments will accomplish that goal.

Mr. THURMOND. Mr. President, I rise in support of final passage of the Energy and Water Appropriations measure. On balance, this measure benefits the Nation and my home State of South Carolina.

Nevertheless, I have concerns about reopening the question of where an MRS will be located. Accordingly, I supported efforts to remove those provisions; however, the Senate did not approve that amendment.

Despite these concerns, I support final passage, for the following reasons:

First, while the site location for a MRS is reopened, South Carolina is not directly mentioned in this measure as a possible site. The Department of Energy did not select South Carolina previously—and for good reasons. We already are meeting our responsibilities in this area. Moreover, I have expressed my strong disapproval about locating a site in South Carolina to the Department of Energy. I am confident South Carolina will not be selected.

Second, this appropriation measure contains about $40 million for South Carolina. For instance, $13.5 million is provided to strengthen the Pinopolis Dam. This is vital for the protection of the people in this area and the Defense facilities downstream. Moreover, $8 million is provided for a cancer research center in South Carolina. Cancer is one of the leading causes of death in South Carolina and the Nation. There are many other worthy projects funded in this bill. They include Folly Beach Renourishment, $180,000; deepening Charleston Harbor, $2.2 million; dredging Charleston Harbor, $4.9 million; intracoastal waterway maintenance, $3.3 million; Cooper River maintenance, $3.2 million; Georgetown Harbor, $2.9 million; Shipyard River, $537,000; Little River Inlet, $133,000; Port Royal Harbor, $44,000; Murrells Inlet, $36,000; Town Creek, $22,000; Folly River, $20,000; Jeremy Creek, $16,000; and USC-Aiken lab equipment, $700,000.

Third, this measure contains a $50 million incentive bonus for a State to volunteer to host a site. It is possible a State may come forward in this regard. Thus, ultimately, a MRS could be located where it is wanted.

Accordingly, I support final passage of this bill.

Mr. DURENBERGER. Mr. President, prior to this body's final action on this bill, I would like to review with the managers action the Senate has recently taken regarding nuclear waste disposal. On November 12, 1987, I and 62 of my colleagues voted to keep the nuclear waste components, S. 1668, in energy and water development appropriations bill, H.R. 2700. By accepting S. 1668, the Senate agreed to language that prohibits the Secretary of Energy from conducting site-specific activities with respect to a second repository.

Immediately after the Senate adopted language effectively abolishing a second repository, the bill's managers, Senator JOHNSTON and Senator McCLURE, put forward an amendment sponsored by Senators MITCHELL and COHEN from Maine, and strongly supported by myself, Senator BOSCHWITZ, and Senators RUDMAN and HUMPHREY from New Hampshire. This amendment was adopted by the Senate and, among other things, called for the elimination of funding for all existing research programs designed to evaluate the suitability of crystalline rock as a potential repository host medium. In addition, the amendment includes language requiring the Department of Energy to consider a site's proximity to public drinking water, the area's seasonal fluctuations in populations, and a site's impact on nearby Indian people and lands should an eastern or second site ever be considered again.

By first proposing to eliminate the second repository and then by offering an amendment that eliminates crystalline rock research with the additional second site safeguards, was it the managers' intention to eliminate granite-rich States from being considered for a nuclear waste repository until at least 2010?

Mr. McCLURE. Thanks to the hard work that Senator DURENBERGER and the Senators from other second round sites did in focusing our attention on this matter, we have come to the conclusion that work on a second repository is not necessary at least until the year 2010. The 1982 projections that had originally indicated a need for additional storage capacity were wrong. Thus, this bill takes a more realistic approach by eliminating the search for a second site.

Mr. JOHNSTON. It was my intention to eliminate work on a second repository. The immense expense of pursuing a second site in these times of austerity did not make sense. Nor does spending millions of dollars on granite research.

Mr. DURENBERGER. Based on these assurances, I support this bill and I encourage my colleagues do so. This bill will provide a needed, wise, and cost effective solution to a problem that has been hanging over the heads of the citizens in my State. Accordingly, I trust that once this clears the Senate, as it will and with my support, Senators will work diligently to preserve the language that eliminates the second round site-specific activities and crystalline rock research once discussions with the House of Representatives begin.

Mr. JOHNSTON. I recognize the importance of preserving the language eliminating second site-specific activities and crystalline rock research and will work to preserve that language in conference.

Mr. McCLURE. Second site activities are not needed now or in the immediate future and, therefore, I, too, will work to preserve the language eliminating such activities.

Mr. SASSER. I would like to clarify two points regarding the energy and water appropriation bill for fiscal 1988 which we are considering. The House in its consideration of the measure noted that it was the intention of the House managers to support, and I quote

> * * * the continuation of planned funding for the University Research Program in Robotics for Nuclear Reactor Technology at a minimum level of $2,700,000.

This is an excellent program that is much needed in order to make the operation of nuclear reactors safer and more efficient. It does not require increased funding or a specific earmark, but only support within existing funds and a limited amount of language for guidance. Does the Senate also intend to support this program at this level?

Mr. JOHNSTON. Yes, the Senate does intend to support the program at the requested level.

Mr. SASSER. Moreover, on page 84 of the report accompanying the House bill, it is stated, and I quote:

> In order to preserve the Nation's energy options, nuclear engineering must continue to attract a reasonable number of outstanding graduate students.

Therefore, the Department of Energy should ensure that at least 30 full DOE fellowships are funded for nuclear engineering from appropriate sources in fiscal year 1988.

The committee recommendation provides $10 million to be made available on a competitive basis to university nuclear engineering programs. These moneys are to be made available for graduate fellowships, direct research support from Department laboratories and contractors, and educational support programs in the field of nuclear engineering. This program is essential to provide an incentive for our brightest engineering students to continue studies in what some view as a faltering field of endeavor. Without this encouragement, advanced studies in nuclear engineering will continue to decline. Does the Senate intend to support the program at this level from available funds?

Mr. JOHNSTON. We certainly view this effort with favor. However, budget constraints require that we examine all of the levels in the bill during conference particularly in light of the ongoing budget reduction talks.

Mr. LEAHY. Mr. President, I believe, as I know many of my colleagues do, that the Nuclear Waste Policy Act of 1982 [NWPA] is in need of midcourse correction. Yet, I rise today to voice my continued concern over the way in which we have chosen to effect that correction on the legislation before us.

The debate over the Nuclear Waste Policy Act has taken many forms this year. Legislation relating to nuclear waste disposal has been considered by the Energy and Natural Resources Committee and the Environment and Public Works Committee, as well as the Appropriations Committee. Both the Energy Committee and the Environment Committee have included nuclear waste provisions in their budget reconciliation packages. The Energy Committee has also reported out as a freestanding bill the nuclear waste legislation that is attached to this spending bill, S. 1668. In addition, both of the House authorizing committees are, or have already moved nuclear waste legislation.

Mr. President, it needs to be made clear that the nuclear waste provisions included in this bill make fundamental changes to the Nuclear Waste Policy Act. And I support some of those changes. However, these are changes that have been considered by the authorizing committees, have been acted on by those committees, and should be brought to the floor and conferenced by those committees, not by the Appropriations Committee.

Because we have an opportunity to act on these changes on a more appropriate vehicle, I have supported efforts to strike the text of S. 1668 from the legislation before us. Unfortunately, those efforts were not successful. It appears that this body is determined to use this legislation to correct the direction of the NWPA.

If that is the will of this body, so be it. However, if that is to be the case, I think we need to be sure that the changes we make to the NWPA here will chart a better course for the NWPA, not simply change one bad route for another. And I am not sure that the nuclear waste provisions before us will do that.

The nuclear waste language before us today does make the midcourse correction in the Nuclear Waste Policy Act that most needs to be made: a suspension of all work on a second repository until 2010. As a second repository is at this point in time clearly unnecessary, it makes no sense to be moving forward with site selection work for a second repository now—at a tremendous cost to the taxpayer. The decision as to whether a second repository will be needed is one that is more appropriately left to a future Congress.

The nuclear waste language now incorporated in the bill is also a significant improvement over the original text of S. 1668. Yet, the language before us, while seemingly a gift horse—a chance for those of us from States that have been considered for a second repository to lay the controversial issue to rest—remains, in fact, a gift horse conveniently filled with Trojans.

The price for suspending a second repository is to be to accelerate the site selection process for the first repository, substantially reducing in the process the environmental and judicial safeguards provided for by the NWPA. The price is also to include an automatic authorization for a monitored retrievable storage [MRS] facility should an independent commission recommend by January 1989 that it be constructed.

It is not a horse I am happy to accept. To date, the Department of Energy's site selection process for both repositories has been based more on political expediency than on sound scientific study. Given that, it is apparent to this Senator that retreating from the existing environmental and judicial requirements of the NWPA could further erode the Department's concern for safety and environmental protection in the siting process. In addition, there has been no clear justification to date for a MRS. Indeed, a recent General Accounting Office study found that the Department of Energy has not sufficiently examined alternatives to a MRS. By authorizing a MRS pending an independent commission's recommendation, we are discouraging the development of alternatives to a MRS that may be more cost-effective or efficient. I would rather that we not prejudge the wisdom or prudence of a MRS before the completion of the commission's study.

Mr. President, for these reasons I will support the motion to recommit the bill to be offered today by the Senator from Louisiana, Senator BREAUX. The motion will direct the Appropriations Committee to substitute some of the nuclear waste provisions adopted by the Environment Committee in its budget reconciliation package for the provisions currently pending—a substitution that would restore some of the environmental and judicial safeguards not included in S. 1668. The substitution, however, would not affect the language regarding the suspension of the second repository.

Mr. President, the issue of nuclear waste disposal is one that we cannot afford to ignore. The debate over the Nuclear Waste Policy Act and the provisions of this bill has been well worth the time spent by this body. While I would have preferred to see us use a different vehicle for this debate, the language before us today is indeed a substantial improvement over the language originally included in this bill. The bill would be further improved by the adoption of some of the Environment Committee's nuclear waste provisions. I urge my colleagues to support the motion to recommit the bill with instructions, in order to ensure that our nuclear waste disposal program is guided not by political expediency, but by an overriding concern for public and environmental health and safety.

Mr. CHILES. Mr. President, the Senate Budget Committee has examined, H.R. 2700, the energy and water development appropriations bill and has found that the bill as reported is under its 302(b) budget authority allocation by $39 million but over its 302(b) outlay allocation by $18 million. The bill scoring reflects two adjustments—one pertaining to Nuclear Regulatory Commission fee language and the other pertaining to nuclear waste program changes.

Mr. President, I have a table from the Budget Committee showing the official scoring of the energy and water development appropriations bill and I ask unanimous consent that it be inserted in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ENERGY AND WATER DEVELOPMENT—SPENDING TOTALS (SENATE-REPORTED)

[Fiscal year 1988—in billions of dollars]

	Budget authority	Outlays
Bill scoring:		
H.R. 2700, Senate-reported (new budget authority and outlays)	15.9	10.1
Outlays from prior-year budget authority and permanent appropriations		5.8
Bills enacted this session: 1987 supplemental (P.L. 100–71)		+(1)
Adjustment to conform mandatory programs to resolution assumptions	−(1)	−(1)

ENERGY AND WATER DEVELOPMENT—SPENDING TOTALS (SENATE-REPORTED)—Continued

[Fiscal year 1988—in billions of dollars]

	Budget authority	Outlays
Adjustment for NRC fees[2]	+.1	+.1
Bill total	16.2	16.1
Subcommittee 302(b) allocation	16.2	16.1
Difference	−([1])	+([1])
Comparisons:		
Bill total above (+) or below (−):		
President's request	−.1	−.1
House-passed bill	−.1	−.1

[1] Less than $50 million.

[2] The House bill shifts $142 million in current law NRC fees from the revenue to the spending side of the budget. The deficit impact of this change is zero.

Note.—Details may not add to totals due to rounding.

Mr. HELMS. Mr. President, the only reservation I have about the Johnston-McClure amendment is the absence of restrictions ensuring that any future monitored retrievable storage [MRS] facility will not become a de facto permanent repository. I understand that the Department of Energy [DOE] incorporated two such restrictions in the Oak Ridge proposal.

I further understand that DOE would likely include such restrictions in any future MRS proposal. These two restrictions would limit total storage capacity at a MRS facility to 15,000 metric tons of uranium and would preclude waste acceptance by the MRS facility until construction authorization for the first repository is received from the Nuclear Regulatory Commission. I would ask the distinguished manager of the bill [Mr. JOHNSTON] if there is anything in this amendment that would preclude such restrictions on the MRS proposal?

Mr. JOHNSTON. No, there is nothing in our bill that precludes a State and DOE from voluntarily agreeing to whatever restrictions they would formulate concerning an MRS proposal.

Mr. McCLURE. I would agree with that interpretation.

Mr. HELMS. In section 403(h) of S. 1668 which is now incorporated in the energy and water appropriations bill, reference is made to section 116(c) of the original Nuclear Waste Policy Act [NWPA] of 1982 with respect to financial assistance for potential candidate States of a monitored retrievable storage [MRS] facility. The language of S. 1668 does not specifically refer to notification of States and affected tribes under section 116(a) of the NWPA of 1982.

Mr. President, is it the intent of the managers of this bill that any such candidate State for a MRS shall be notified by the Secretary of the Department of Energy in accordance with section 116(a) of the Nuclear Waste Policy Act of 1982?

Mr. JOHNSTON. That is our intention.

Mr. McCLURE. I agree with Senator JOHNSTON.

Mr. PACKWOOD. Mr. President, I rise to express my support for the energy and water appropriations bill. I am particularly interested in the nuclear waste provisions included in the bill.

This language requires the Department of Energy [DOE] to select by January 1, 1989 one of the three following sites for characterization as a possible repository: Hanford, Washington; Yucca Mountain, NV; and Deaf Smith County, TX. Characterization of the site would determine whether or not a site is suitable to accommodate nuclear wastes. The bill also provides $100 million per year to the State that hosts the repository.

The possible selection of Hanford as the permanent nuclear waste repository is of particular interest to me. I am deeply concerned about the potential contamination of the Columbia River by the Hanford Nuclear Reservation in Washington State. There is increasing evidence about the potential of ground water contamination from Hanford. Leakage of nuclear wastes into the Columbia River would irreparably harm Oregon's natural resource-based economy. We cannot take risks given the thousands of years nuclear wastes will be with us.

I am pleased this bill includes the affected States language adopted by the Senate Energy and Natural Resources Committee. This provision would give any State that shares a waterway or underground aquifer with a nuclear repository State equal protection and assistance to determine the potential impact on their State. This would give Oregon a voice in the siting of a nuclear waste repository at Hanford. Oregon could be as affected, or even more affected, than Washington State by an accident or leak of radioactive material. I cannot overemphasize the importance of this provision for Oregonians.

I am also pleased that this bill directs the Department of Energy to consider potentially adverse effects on public health and safety and the environment in selecting the nuclear waste repository site. However, I believe this language did not go far enough in protecting public health and safety. Certainly, this should be paramount in selecting a nuclear waste repository. I cannot think of a more significant potential health concern.

During debate on this bill, I supported an amendment that would have made public health and safety the primary consideration in selecting the site for the Nation's nuclear waste repository. Costs of the program and whether or not a site can be licensed by the Nuclear Regulatory Commission are import issues, but they are not of equal importance to protecting the health and safety of our citizens. I regret that this amendment was not adopted by the Senate.

Mr. President, the nuclear waste siting process conducted by the Department of Energy has been plagued with controversy and mismanagement. This bill includes language establishing an oversight board within the National Academy of Sciences to review and evaluate DOE's implementation of the nuclear waste siting program. The board will be comprised of scientists and engineers well versed in nuclear matters. This is essential to restore integrity to the nuclear waste site selection process.

Mr. President, I believe that the energy and water appropriations bill with the nuclear waste language will put the site selection process back on track. This bill goes a long way in addressing my concerns with the repository program. We must restore public confidence in selecting a nuclear waste repository.

Mr. McCLURE. Mr President, I am voting today for the Johnston/McClure compromise, because I believe it is the best solution to healing the wounds and stress that the nuclear waste selection process has brought on the citizens in States which have been and are now under active consideration.

Though many would like to stop the process entirely because of the manner in which the Department of Energy [DOE] has handled the program, and specifically, because of DOE's announcement that they would suspend a search for a second repository which was required as part of the Nuclear Waste Policy Act, without consulting Congress, I believe that is a mistake.

The citizens in the States of Utah, Mississippi, Texas, Nevada, and Washington have been through years of stress and conflict as DOE has conducted activities to determine the suitability of different geological structures and sites for siting a permanent nuclear waste repository.

It is, by the very nature of its subject, a terribly divisive and stressful experience. Unfortunately, nuclear waste cannot simply be wished away but must be dealt with. I simply believe that to indefinitely halt this process, to potentially to reopen it yet again, is a mistake. At present the people of Utah can now breathe easier about this program. This is primarily because both those who oppose and those who support this program have a clear understanding of where our State stands in the selection process.

To place a moratorium on the program, back up and start over again, will once more, place the state of Utah in a situation where we do not know whether we will be considered or not. The fact that the Utah site is located near a national park only complicates the issue by geometric proportions.

Mr. President, I sympathize with the three sites which have been selected as priority sites for such a program. I understand what a truly divisive and emotional issue this presents for citizens for these three States—particularly when the majority of nuclear waste is currently warehoused in the East—yet under the provisions of the nuclear waste policy would be moved to sites located in the West.

Yet, to stop now will not resolve this stress; will not bring certainty or guarantee fairness in a new selection process. In fact, it will simply start the process over again. For this reason, I believe it is wise to vote with Senator McCLURE and Senator JOHNSTON to continue a program, whose implementation has not been without its flaws but will offer stability to those of us who have had DOE's sword already pass us by. To change the rules at this point will only complicate, rather than simplify the issue.

Mr. TRIBLE. Mr. President, I rise today to commend the majority floor manager, Mr. JOHNSTON, and the minority floor manager, Mr. McCLURE, for their work on this bill.

There is language in this bill to suspend further site specific work for a second repository. Earlier this year, I introduced legislation to accomplish just that. At that time, I stated that there was no need for our Nation to pursue the plans for a second repository.

The requirement for a first and second repository was based on a projected need to store 140,000 metric tons of high-level nuclear waste by the year 2020. The latest projection from the Department of Energy, however, suggests that earlier estimates were exaggerated.

DOE's Energy Information Administration [EIA] has since released projected ranges of nuclear waste in the United States by the year 2020. The figures range from 75,000 metric tons to 126,000 metric tons. The lower estimate of 75,000 is only 5,000 metric tons over the capacity of the repository to be located in the Western United States.

There is no technical basis for the 70,000-ton capacity. The figure is arbitrary, coming about merely by dividing the original projection of total nuclear waste in half.

The revised data compiled by the Energy Information Administration clearly indicates that the first repository can provide more than adequate storage for all the waste generated in the United States possibly until the year 2020 merely by removing an arbitrary cap.

There is another reason for terminating the second repository program. While DOE is projecting declining waste production, estimates of the costs of disposal sites rose from $19.6 billion to a figure somewhere between $26.7 billion and $32 billion. Chances are good that those costs will continue to rise.

At a time of fiscal restraint, it makes little sense to incur the expense of an analysis of sites for a second repository. It is essential that we terminate the second repository and get on with a sound, fiscally responsible nuclear waste disposal program. I do believe that this bill will achieve such a goal.

Mr. WALLOP. Mr. President, the energy and water development appropriations bill contains funding for projects which are of great concern and importance to the State of Wyoming and I strongly support those wise and prudent investments by the Federal Government. As we consider this budget I would like to point out a fact of which the State of Wyoming can be especially proud. Wyoming was the first State in the country to engage in cost-sharing on reclamation projects. Because of its foresight and willingness to fund its own water development program Wyoming will continue to be well-poised for whatever water development takes place. Other States would do well to follow this example.

I would also like to offer my support for the amendment to reallocate $5 million from within the Army Corps of Engineers operation and maintenance, general funds to support the general regulatory program. Water and water development are of primary importance to Wyoming. Consequently, we could be very affected by any personnel reduction resulting from inadequate funding in the corps regulatory program. I agree with the corps that this reallocation of funds is imperative to prevent delays, avoid backlog and prevent any degradation in the level of service to the public. However, I would tell the corps that in the future such needs must be made known to Congress in a more timely fashion if Congress is to respond adequately. Further, I do not feel that the funds should be made available for obligation only after the Secretary of the Army submits with the fiscal year 1989 budget a legislative proposal to recover all actual costs of the Department of the Army-civil regulatory programs.

With regard to the endangered fish recovery program in the Upper Colorado River Basin, I applaud the recommendation of $2,800,000 to initiate acquisition and appropriations of water rights in fiscal 1988. The program's balanced approach of pursuing the recovery of endangered species while at the same time allowing States to continue to develop their compact share of water is a sound one.

I am pleased to report that the upper Colorado River Basin Coordinating Committee, consisting of the U.S. Fish and Wildlife Service, the Bureau of Reclamation and the States of Colorado, Wyoming and Utah, recently adopted and signed a final resolution endorsing the recovery implementation program and recommending that the Secretary of Interior and the Governors of the three States execute the cooperative agreement that will initiate the program and create a recovery implementation committee.

This resolution is the result of 4 years of effort by the Federal agencies and State governments, water development interests, and conservation organizations toward resolving conflicts between recovery of endangered fish species and future water development in the Upper Colorado River Basin. It is a significant accomplishment for all involved. A consensus approach was the basis upon which the coordinating committee operated, not majority rule, and each entity was given veto power and, yet, they still moved forward.

Congressional support for this program would send the signal, not only to the Upper Colorado River Basin but to the rest of the country as well, that this creative program is the way things ought to be done. I believe that the funding recommendation in this appropriation bill sends that message, Mr. President.

Mr. HARKIN. Mr. President, the U.S. scientific community leads the world in basic research discoveries. Over half of the recipients of the Nobel Prize for Physics in the last 10 years have been U.S. citizens, a record of which we can be proud.

Unfortunately, our record of turning these scientific discoveries into technological tools is not as impressive. While the private sector can and should take the primary responsibility for development of technology, the Federal Government has an important role to play in bridging the gap between basic science and the development of technology seeds. In the past, the Federal Government has not adequately fulfilled that vital role.

One of the most exciting areas of basic scientific research today is that of materials. Civilizations are defined by the materials which they use. In a very real sense, the materials available to a civilization govern the tools at its disposal and hence determine the character of life. The stone age describes antiquity, the bronze age describes our early civilizations, the iron age is the cornerstone of the industrial revolution. The advancement from one era of human experience to another has historically been marked by the use of a new generation of materials.

Now we are in the so-called age of information. We might as well call this the silicon age, for it is the marvelous architecture of the computer chip that has made the age of information a reality. The processing of materials is an enabling technology which is at the very foundation of this era as well.

In the case of the semiconductor industry, basic research findings were translated into processes for the manufacturing of new materials (technology seeds) and devices on a commercial scale. This advancement, however, required the development of intricate and sophisticated processing techniques.

The time has come to expand the integration of basic research and the development of processing technology and extend those ideas to a broader range of materials. These include advanced materials in which strength and conductivity are key features. They include advance functional materials with special properties such as magnetism and superconductivity, enabling the material to perform special functions.

Recent advances in the area of high-temperature superconducting materials indicate that the time is right to expand our basic materials research base. But these discoveries do not ensure that commercial or defense applications will result. Dr. Douglas K. Finnemore, associate director of the Ames Laboratory and director for the Center for New Industrial Materials at Iowa State University testified before the Senate Committee on Energy and Natural Resources and characterized the state of the superconducting knowledge base. He used this analogy to describe the recent superconductivity breakthroughs, "* * * the situation is similar to a college football recruiter who has discovered a 200-pound kid who can run the 40 yard dash in 3.6 seconds. This is a tremendous achievement but it takes a great deal more to be a halfback. The situation is similar for the new superconductors. We have these remarkable new materials. For them to be useful in microelectronics, however, the materials must be capable of being processed." Unfortunately, this is where our knowledge is weakest.

This problem exists because there is an enormous gap between the discovery of a material for basic research and the knowledge of how to process that material, even on a very small scale. Materials research in the United States today is a major enterprise involving numerous universities, industries, and government agencies. In fiscal year 1977, the Federal Government invested over $1 billion in basic materials research. This basic research has produced small quantities of, and new knowledge about many interesting and promising new materials. What we lack is the knowledge and technology to produce many of these new materials.

A recent National Academy of Science research briefing on high-temperature superconductivity stated that a major scientific and technological objective of the national effort to develop superconducting materials should be, "To advance the understanding of chemistry, chemical engineering, and ceramic properties of new materials, focusing on synthesis, processing, and methods of large-scale production.

In July, the President announced an 11-point initiative to ensure the commercial and defense applications of high-temperature superconductors. While this push is well-founded, we would be remiss to let the basic research findings which will surely result from this initiative slip through our fingers as we have so many times in the past.

While some national actions have been taken to address the problem of scaling up basic materials research findings such as the new Engineering Research Center initiative of the National Science Foundation, the heart of the problem remains to be addressed. The Federal commitment to basic and intermediate range applied materials processing research has been limited mostly to semiconductors for defense applications. Many other classes of materials need to receive similar support.

A commitment to this vital step in the research and development process must receive a very high priority. In order to capitalize on the advances we have already made in basic materials science, we need to make available resources for research in materials processing on a scale which increases our current commitment by several fold.

We have the infrastructure and expertise to perform this type of research in a few Federal labs, selected universities, and in private industry. We must increase funding for materials processing in the national labs and universities. But we must also remember to continue to foster the relationships between industry, our labs, and university researchers which facilitate the transfer of knowledge to the private sector.

We have the opportunity to put the United States in a position of preeminence in materials processing. It is often said that he who controls the materials controls the tools and the technology. We must invest now if the United States is to be the leader in this area which could be as large or larger in importance as electronics is today.

I am pleased that the Senate Energy and Water Appropriations Subcommittee has proposed and the full Senate is in agreement with additional funding for materials science within the basic energy sciences account above the President's request. I would urge that the conferees support as high a funding level as they can for materials science that will be generally available for actual research. I would also urge that a high priority be placed on the processing potential of new materials.

Mr. DOMENICI. Mr. President, I would like to have the attention of the distinguished manager of the bill for a moment. I will take no longer than a couple of minutes.

Might I say to the Senate and to my friend, the chairman of the committee, that in my absence this morning the distinguished chairman announced that a Domenici-DeConcini-Bingaman amendment regarding ultraclean semiconductor technology for the future was going to be withdrawn. I wanted to explain to the Senate that obviously I was not here on the floor. I could not get around to the two or three Senators who had concerns about my amendment. Consequently, it was by unanimous consent pulled from the pending amendments.

Frankly, I believe Senators have a misunderstanding about this amendment in thinking it complicates and competes with a Sematech proposal which is under consideration. I am going to once again send the amendment to the desk with the attached explanation and say to my friend, the chairman of the committee, and the ranking Republican member, that this amendment is deficit neutral. It has an offset.

I want to have a chance to talk to those who oppose it because I think they oppose it on grounds that are not really relevant. It is not competitive with the Sematech proposal at all.

Therefore, since it is deficit neutral, I am going to state to the chairman and ranking member that I am going to try to get it put on the continuing resolution, if I can get all of the Senators who have expressed their opposition to reconsider. I will work on that myself. I believe we should adopt it. Had I had more time, I believe we could have.

Mr. McCLURE. Will the Senator yield?

Mr. DOMENICI. Yes.

Mr. McCLURE. As the Senator knows, I supported the amendment. I was surprised when I received word that the Senator was not going to offer it. We look forward to seeing if there is a way in which it can be accommodated at a later date.

Mr. DOMENICI. In indicating that the distinguished floor manager withdrew it, I did not mean that the distinguished floor manager misstated my position. I was going to see if I could convince certain Senators that their objections were not well taken. I can see how he would have assumed that I had not intended to offer the amendment.

In no way am I disagreeing with that, but I want another opportunity. I am merely stating that I am convinced that those Senators who oppose it are not aware that it does not compete with Sematech. I will send the amendment and the attachments to the desk again so that I will be able to go over it with the two or three Senators who have questions about it.

I ask unanimous consent that the amendment and attached documents be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

On page 37, line 5, strike "$2,056,207,000, to remain available until expended;" and insert in lieu thereof "$2,062,007,000, to remain available until expended; of which $5,800,000 is available for collaborative efforts of the national laboratories, with private industry and universities, to advance the processing of semiconductors in an ultra clean environment: *Provided,* That the amount appropriated for departmental administration activities of the Department of Energy shall not exceed $419,395,000;"

TALKING POINTS ON SEMICONDUCTOR INITIATIVE

Mr. President, as the Senate considers the FY 1988 Energy and Water Development Appropriations bill, I would like to focus on efforts I believe we must launch to keep a viable and competitive semiconductor industry.

The Congress has undertaken an extensive analysis of this Nation's trade posture and its ability to compete in world markets.

It has found a number of areas where the United States is in danger of losing its leadership to our foreign competitors. I believe this threat is no more imminent than in the semiconductor industry, which forms the very foundation of our industrial capability.

I am hopeful that this Congress will be bold and innovative and will bring Sematech to reality, and I stand ready to work with my colleagues to that end.

I do believe, however, that to make Sematech a success a number of complementary initiatives should get underway. My colleagues may recall that I proposed an amendment to the Defense Authorization bill that would initiate some of these complementary activities, and I thank them for their support in its adoption.

That amendment recognizes that the best scientific minds—from government, academia and industry—are diligently working to meet the challenge of sustaining a competitive semiconductor industry.

One proposal that I believe is especially timely is for the creation of a Center for Ultraclean Semiconductor Processing (CUSP) to address the critical defect and contamination issues which hamper our domestic industry.

As my colleagues may know, the Japanese have already created a comprehensive program to address semiconductor processing issues. We must not lose the initiative to our competitors.

The CUSP proposal has been developed through a joint effort of the Academies of Science and Engineering, the DOE labs, and the semiconductor industry. It has the strong support of the semiconductor industry, and it would be jointly funded and staffed by the national labs, industry, and private universities.

The Center's goal would be to systematically identify and devise means to eliminate or control the sources of contamination which limit semiconductor fabrication.

Strong industry participation through onsite researchers will make sure that these research findings are rapidly available for industry application.

The estimated annual funding would be $5.8 million in federal operating funds and $2.4 million from industry and university participation, for a total annual effort of $8.2 million.

I propose to fund the federal share of the Center for Ultraclean Semiconductor Processing at $5.8 million through DOE's Basic Energy Sciences program.

In view of the overall budgetary status of the bill, I propose to offset the $2.55 million in outlays associated with my amendment by reducing DOE's departmental administration line-item by an appropriate amount.

Mr. Chairman, we need to do more—and now—to ensure a strong and competitive semiconductor industry in the United States.

The CUSP proposal has been developed to be coordinated with the Sematech and SRC proposals and represents this Nation's best comprehensive effort to stay on the leading edge of semiconductor research, development, and application.

I urge my colleagues to support this amendment and move this Nation to action to save its semiconductor industry.

SEMICONDUCTOR INDUSTRY ASSOCIATION,
Cupertino, CA, September 21, 1987.

Hon. PETE V. DOMENICI,
U.S. Senate, Senate Dirksen Office Building, Washington, DC.

DEAR SENATOR DOMENICI: I am pleased to inform you that the SIA endorses S. 1480 as amended. As was pointed out by the National Academy of Sciences in its recent report entitled, The Semiconductor Industry and the National Laboratories, "In addressing the potential role of the DOE national laboratories, the workshop participants concluded that the facilities and expertise at the laboratories represent a valuable set of resources that should be utilized effectively to augment the research capabilities of industry and unversities."

A number of proposals considered at the National Academy of Sciences Workshops between the semiconductor industry and the National Laboratories meet the criteria of the Bill. For example, two outstanding proposals include the Center for Ultra-Clean Semiconductor Processing and the Center for Component Semiconductor Technology.

The SIA believes that there should be a role for the National Laboratories in conducting semiconductor research. We also believe that this research should be separately funded and not simply be a reallocation of funds from the Department of Defense for SEMATECH. Finally, the SIA believes that the industry interface with such research by the National Labs should be provided by the Semiconductor Research Corporation (SRC) as part of their generic role of coordinating all external research for the semiconductor industry.

Sincerely,

WARREN DAVIS,
Vice President.

SEMICONDUCTOR RESEARCH CORP.,
Research Triangle Park, NC, September 21, 1987.

Hon. PETE V. DOMENICI,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

Dear SENATOR DOMENICI: The Semiconductor Research Corporation strongly supports "The Department of Energy National Laboratory Cooperative Research Initiatives Act" (S. 1480). The National Laboratories of the Department of Energy are a major national resource. They should be given a mission to participate in research on advanced semiconductor manufacturing technology, so vital to the national security and economic interests of the United States. We believe that your bill, S. 1480, would accomplish this purpose.

The semiconductor industry has recognized the desirability of a role for the national labs in SEMATECH, a private-sector-driven consortium composed of major U.S. semiconductor manufacturers in partnership with government. The industry has proposed a mechanism for a laboratory/industry partnership in its business plan for SEMATECH. We envisage that the research of the national labs in this area should be designed to complement that overall SEMATECH work program.

The joint planning workshops sponsored by the National Academy of Sciences in February and May put into motion the first steps toward matching the semiconductor industry's and the national labs' R&D efforts. Collaboration on the specific technological objectives of each national laboratory with industry will continue to be explored and identified as a result of future workshops to by the SEMATECH consortium.

We envisage that the Secretary of Energy would be part of a "National Advisory Committee on Semiconductor Research and Development" composed of government and private sector members. The committee would provide a focal point for coordinating, devising and implementing an effective national strategy for semiconductors. Indeed, if the national labs are to provide beneficial support to SEMATECH, more coordinated programs between the labs and SEMATECH will be necessary.

We believe that in developing technology roadmaps for SEMATECH, those programs involving the labs would eliminate duplication of efforts. However, the urgency of the nature of the problem demands a change in the nature and pace of the research pursued. Needless to say, mobilizing the national labs in coordination and collaboration with industry efforts requires the immediate attention of federal policymakers in order that such efforts can provide timely answers.

In establishing a National Laboratory Coorperative Research Initiative, the bill would make a number of recommendations in anticipation of the formation of research consortium such as SEMATECH. Since SEMATECH was established in May, 1987, we have a few recommendations that could improve the proposal. We believe 1) The legislation should specify coordinating the research of the national labs under this initiative with the semiconductor industry's new R&D consortium, SEMATECH. 2) The legislation should clarify that any funds expended by the Department of Energy on such projects would be in addition to the funds expended on SEMATECH by the Department of Defense. We do not view a national labs' semiconductor research initiative as an alternative to DoD efforts, and do not anticipate that such an effort should result in a substitution or dilution of the Defense Department's funding level for SEMATECH of $100 million per year for the next five fiscal years. 3) Finally, we believe that DOE should fully fund the research of the national labs, and that the proposed cost sharing arrangements with industry in this case would not be necessary.

We strongly support S. 1480 and federal funding in the Energy Department's Budget for the National Laboratories to conduct semiconductor manufacturing research in coordination with SEMATECH. We firmly believe that a coalition of SEMATECH and the national labs would strengthen the future competitiveness of the semiconductor industry.

Sincerely yours,

LARRY W. SUMNEY,
President.

BASIC ENERGY SCIENCES SEMICONDUCTOR FOCUS

The Department of Energy Basic Energy Sciences (BES) program is the appropriate focus for the proposed Center for Ultraclean Semiconductor Processing (CUSP).

DOE's Basic Energy Sciences program has been the leader in exploring and establishing programs in the semiconductor area.

BES has a solid record in supporting semiconductor research programs in its national laboratories. Activities undertaken at Oak Ridge (surface modification and characterization facility), Sandia (laser and e beam processing), Lawrence Berkeley (Center for Advanced Materials), and Brookhaven (X-ray lithography) have created excellent facilities and a skilled staff to implement CUSP.

These activities have already created the strong ties to industry to ensure that CUSP will fulfill the vital role of getting technological breakthroughs into the actual manufacture of semiconductors for the domestic market.

BES has recently spearheaded two efforts to confirm its commitment to providing research and development support for the semiconductor industry.

Earlier this year, BES participated in two workshops with industry to determine what role DOE could, and should, play in support of the semiconductor industry.

The workshop participants concluded that ". . . the Federal Government in general and the national laboratories in particular, have a role to play in restoring U.S. competitiveness in semiconductors," and that ". . . the facilities and expertise at the laboratories represent a valuable set of resources that should be utilized to augment the research capabilities of industry and universities."

BES has also established a task force representing its laboratories to define specific projects to support the industry and the SEMATECH initiative. One of the projects developed through these efforts is the CUSP proposal.

The funding of CUSP through the BES program makes the maximum use of existing facilities and talents to keep a viable American semiconductor industry.

The national labs have the range of sophisticated analytical tools and skills needed to address contamination and defect reduction techniques needed in semiconductor manufacture. The industry recognizes the need for these capabilities but does not possess them; CUSP is the vehicle to address these issues.

CUSP will provide the collaborative mechanism for the federal government through its national laboratories, industry, and universities to focus this nation's best talents and resources on a strong semiconductor technology base.

CUSP has been structured to provide support in a critical aspect of the industry—ultraclean processing—in a timely fashion. Tohuku University in Japan is already the site of a microcontamination institute similar to CUSP, and the U.S. cannot afford to lose the initiative to our competitors.

The CUSP proposal has been developed to be coordinated with the SEMATECH and SRC proposals and represents this nation's best comprehensive effort to stay on the leading edge of semiconductor research, development, and application.

MAJOR PARTICIPANTS IN JOINT SEMICONDUCTOR INITIATIVES

INDUSTRY PARTICIPANTS

Larry W. Sumney, President, Semiconductor Research Corporation, Research Triangle Park, NC. Charles Sporck, President, National Semiconductor Corporation, Santa Clara, CA (also Chairman of the Board, Sematech). Dr. Charles T. Brodnax, E-Systems, Incorporated, Dallas, TX. Dr. Robert A. Burmeister, Director, Materials Research Laboratory, Hewlett-Packard Company, Palo Alto, CA. Dr. Richard C. Dehmel, Chairman, Components Production, Strategic Capabilities Segment, Intel Corporation, Santa Clara, CA.

Dr. James M. Daughton, Vice President, Corporate Solid State Laboratory, Honeywell Incorporated, Plymouth, MN. Mr. Gerhard A. Franz, General Electric Company, Schenectady, NY. Mr. Norman Goldsmith, Staff Scientist, David Sarnoff Research Center, RCA Corporation, Princeton, NJ. Mr. Roger Haken, Texas Instruments Incorporated, Dallas, TX.

Mr. Donald R. Herriott, Senior Technical Advisor, The Perkin-Elmer Corporation, Chamberlain, ME. Dr. James R. Key, Control Data Corporation, Minneapolis, MN. Dr. W.J. Kitchen, Vice President, Technical Staff, Director, Bipolar Technology Center, Motorola, Incorporated, Mesa, AZ. Mr. Colin Knight, Advanced Microdevices (AMD) Corporation, Sunnyvale, CA. Mr. Larry A. Kolito, SEMI/ The SEMI Group, Incorporated, Mountain View, CA. Mr. Scott Kreps, VHISIC Operations, Harris Corporation, Melbourne, FL.

Dr. H.J. Levinstein, Director, VLSI Laboratory, AT&T Bell Laboratories, Murray Hill, NJ. Mr. Donald F. Reilly, IBM Corporation, Yorktown Heights, NY. Mr. Edward G. Whitaker, Delco Electronics Corporation, Kokomo, IN. Dr. Guy Rabbat, Head, Electrical and Electronics Engineering Department, General Motors Research Laboratories, Warren, MI. Dr. Gerry McVay, Manager, Metals and Ceramics Sciences, Pacific Northwest Laboratory, Richland, Washington. Dr. Michael E. Michael, Manager, Emerging VHSIC Technology, Westinghouse Electric Corporation, Baltimore, MD.

NATIONAL LABORATORY PARTICIPANTS

Dr. Bob Gregory, Sandia National Laboratories, Albuquerque, NM. Dr. Bill R. Appleton, Director, Solid State Division, Oak Ridge National Laboratory, Oak Ridge, TN. Dr. Ben Craft, Physicist, X-ray Ring Manager, National Synchrotron Light Source, Brookhaven National Laboratory, Upton, Long Island, NY. Dr. Ross A. Lemons, Los Alamos National Laboratory, Los Alamos, NM. Dr. D. Gruen, Materials Sciences Division, Argonne National Laboratory, Argonne, IL.

OTHER GOVERNMENT PARTICIPANTS

Dr. Herbert Bennett, Senior Scientist, Semiconductor Electronics Division, National Bureau of Standards, Gaithersburg, MD. Dr. L.C. Ianniello, Office of Energy Research, Department of Energy, Wash. D.C. Dr. Michael B. Marks, Office of Science and Technology Policy, Wash. D.C. Dr. D.O. Patterson, OUSDA/The Pentagon, Wash. D.C. Mr. Kermith Speierman, Chief Scientist, National Security Agency, Fort George G. Meade, MD.

CONGRESSIONAL PARTICIPANTS

Dr. Harlan Watson, Subcommittee on Energy Research and Development, U.S. House of Representatives, Wash. D.C. Dr. Philip Webre, Principal Analyst, Congressional Budget Office, Wash. D.C.

UNIVERSITIES

Dr. John O'Hanlan, University of Arizona, Tucson, Arizona. Dr. Howard Shanks, Iowa State University (Ames Laboratory) Ames, Iowa.

OTHER

Dr. W. Dale Compton, National Academy of Sciences (Engineering) Wash. D.C.

SUMMARY

[Center for Ultraclean Semiconductor Processing (CUSP)]

Goal: Develop methods to reduce United States integrated circuit processing line contamination levels by four orders of magnitude.

Proposal: Establish a Center jointly staffed by the national laboratories, industry, and universities and funded as part of the National Labs/Semiconductor Industry Initiative.

Establish a 5-year plan closely coordinated with SRC and SEMATECH initiatives.

Level of Effort:

[Dollars in millions]

	Staff	Annual funding
National Laboratories	29	$5.8
Industry residents	6	1.2
University participation	6	1.2
Total	41	8.2

APPENDIX 1

[Center for Ultraclean Semiconductor Processing (CUSP)]

INTRODUCTION

During the next decade, integrated circuit technologies will continue their well-established trends toward smaller feature sizes, larger chips, and more complex processes. The manufacture of competitive parts in these future technologies will require the semiconductor industry to substantially reduce defects and contamination from present levels. Only the companies which successfully master and follow the best integrated circuit technology, as practiced worldwide, will be economically viable. To meet this challenge, the Japanese have created a program in contamination control under Professor Ohmi at Tohuku University. This is a comprehensive program which addresses all sources of defects, contamination, and control in semiconductor processing. The United States should create a similar "Center for Ultraclean Semiconductor Processing" (CUSP) to address the critical defect and contamination issues which face our domestic industry. CUSP should be a National Laboratory/Industry/University joint effort jointly staffed and funded. Its primary goal should be to develop techniques and practices for the reduction of contamination and defect levels in semiconductor processing, as necessary, to fabricate the advanced chip designs of the 1990's.

TECHNICAL DESCRIPTION

Semiconductor integrated circuit yields are limited largely by the defects and contamination introduced during the fabrication process and by the lack of control in key process steps. Airborne or chemical particulate contamination, defects and impurities in process materials, contamination introduced by process equipment, and the variability which exists in processes and processing equipment all contribute to yield reduction. We propose to create a Center for Ultraclean Semiconductor Processing to help industry develop solutions to these problems.

The proposed Center will apply the extensive diagnostic and analytical capabilities of the DOE National Laboratory system to systematically identify and eliminate the sources of contamination which limit semiconductor fabrication. The activities will fall into the two major categories outlined below.

I. Contaminant Identification

A. Apply Existing Techniques
B. Develop New Techniques
1. Increase Spatial Resolution
2. Increase Sensitivity

II. Contamination Control

A. Improve Purification and Filtration, including
1. Environment
2. Reagents and Process Chemicals
3. Reagent Stability
B. Study, Modify, and Improve Processes, such as
1. Automated Wafer Handling
2. Tighter Process Control
3. Ultrahigh Vacuum Processing
4. New Processing Techniques/Materials
C. Develop Process Monitors and Controls, including
1. Adapt Existing Techniques
1. Develop New Techniques
3. Develop Appropriate Sensors

Strong industry participation in CUSP will assure that its findings and research results propagate rapidly into United States industry.

STAFFING AND FUNDING

Initial staffing and funding requirements of the Center would be as follows:

[Dollars in millions]

	Staff	Annual funding
National Laboratories	29	$5.8
Solid State Sciences (6)		
Material and Process Sciences (6)		
Microelectronic Technology and Facilities (12)		
Other (5)		
Industry residents	6	1.2
University participation	6	1.2
Total	41	8.2

MANAGEMENT

Major directions and program oversight would be provided by a Board of Directors comprised of representatives from DOE, Industry, and Universities. Activity undertaken must be technically coordinated with SEMATECH and SRC, as these organizations effectively represent the U.S. Semiconductor Industry.

FUNDING MECHANISMS

The CUSP should be funded by DOE as part of the National Labs/Semiconductor Industry Initiative.

TECHNOLOGY TRANSFER

The knowledge and know-how developed in the CUSP would be transferred to U.S. Industry through

1. A rotating industry resident population,
2. Industry residencies by CUSP staff,
3. Fact-finding and know-how exchange visits by CUSP staff to industry, and
4. Contamination control seminars.

Mr. BINGAMAN. Mr. President, Let me note that I strongly support the amendment which my colleague from New Mexico intended to offer.

In the defense authorization conference we have provided a $25 million authorization for a DOE semiconductor manufacturing technology program. This is in addition to the funds provided to the Department of Defense for the Sematech consortium.

Most of that DOE authorization will, under the terms of the bill before us and the House version of the energy and water appropriations bill, go to an x-ray lithography effort likely to involve Brookhaven National Laboratory, Oak Ridge National Laboratory, the University of Wisconsin, and Louisiana State University.

Senator DOMENICI's amendment would also use $5.8 million of that authorization to support research on processing of semiconductors in an ultraclean environment at our DOE national laboratories, including Sandia National Laboratories.

Sandia has a long history of excellence in this area. They were the first to develop the laminar-flow clean room technology used today throughout the semiconductor industry and in hospital operating rooms. They have worked thus far on clean room technology to meet the narrow requirement of the Department of Energy for radiation-hardened integrated circuits to be used in nuclear weapons.

We need to broaden the role of Sandia and the other national laboratories as Senator DOMENICI's amendment would encourage. The DOE laboratories and our universities can make a substantial contribution to meeting the semiconductor industry's needs for manufacturing technology, not just in the area of x-ray lithography, but in other areas as well.

Mr. President, I hope that when Senator DOMENICI again brings this amendment to the floor it will win the support of the Senate as a whole.

Mr. JOHNSTON. Mr. President, I have had ongoing discussions about this amendment with the distinguished Senator from New Mexico. It was our feeling, Mr. President, that the Sematech initiative is a very worthy one. It is the view of computer chip technology. There is a whole initiative in this area. Frankly, it is a Department of Defense initiative. We felt that it should be in the DOD appropriations bill. However, to say it is a murky area would be wrong. It is an unsettle areas to the precise limits of this technology, what it is, where it should be built, what its costs would be, and, indeed, what its jurisdictional lines are.

The opposition to the amendment was not because it is not a worthy thing to pursue the technology or that the national labs are not a very appropriate place. As the Senator from New Mexico knows, I am a great fan of the national labs, those in this State most especially included. However, between now and the time the CR comes along, we will have a chance to talk to the various other Senators who have an interest in this area and hopefully it can be worked out before that time.

Mr. DOMENICI. Let me say again to my friend from Louisiana, this is not Sematech. Sematech belongs in the Department of Defense. It is there, and it will either get funded there or it will not. That is the point I was trying to make. Hopefully, between now and the final wrapup of the appropriations bills I can convince people that it is not Sematech but something that is different.

I thank the Senator for his cooperation.

Mr. JOHNSTON. I thank the Senator.

Is the Senator from Wyoming on the floor?

Mr. President, we are ready to vote.

Mr. BYRD. Mr. President, I also want to extend my compliments to the distinguished chairman, the Senator from Mississippi, Senator STENNIS, and the ranking member of the Appropriations Committee [Mr. HATFIELD]. After all, this is the 10th of the 10 appropriations bills that have been sent to us. Customarily appropriations bills originate in the House. We have completed action, or soon will have, on the 10th appropriations bill.

I extend my compliments to the distinguished chairman, Senator STENNIS, to the ranking member, Senator HATFIELD, and to the managers.

Mr. McCLURE. I will not delay the Senate, as I believe we are ready to vote. But I do want to compliment the distinguished floor manager of the bill for the determination and skill with which he has approached this issue. I also believe that the issue of the nuclear waste disposal is advanced by the action which has been taken here and certainly would not have been taken without the dedication and the effort of the distinguished Senator from Louisiana. I want to join with him in the commendations he has made to the staff on both sides of the aisle on an extremely complex bill with many, many issues, as appropriations matters often are, requiring the best and dedicated skilled efforts on the part of the majority and minority staffs of the Appropriations Subcommittee.

Since we were also involved in the other issue, which is primarily that of the authorizing committee, the Committee on Energy and Natural Resources, that certainly required the dedicated effort on the part of staff on both sides of the aisle of that committee. I join with the distinguished chairman of the committee in extending that commendation to all the staff.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Alabama [Mr. SHELBY] and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I further announce that, if present and voting, the Senator from Alabama [Mr. SHELBY] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Indiana [Mr. LUGAR] is necessarily absent.

I further announce that, if present and voting, the Senator from Indiana [Mr. LUGAR] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 86, nays 9, as follows:

[Rollcall Vote No. 383 Leg.]

YEAS—86

Armstrong
Baucus
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Graham
Grassley
Harkin
Hatch
Hatfield
Heflin
Heinz
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Riegle
Rockefeller
Rudman
Sanford
Sarbanes
Sasser
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Wirth

NAYS—9

Adams
Bentsen
Biden
Gramm
Hecht
Helms
Kasten
Reid
Roth

NOT VOTING—5

Dodd
Gore
Lugar
Shelby
Simon

So the bill (H.R. 2700), as amended, was passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SANFORD). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PELL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for morning business not to extend beyond 10 minutes and that Senators may speak therein.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

INCREASE THE FEDERAL EXCISE TAX ON GASOLINE

Mr. PELL. Mr. President, the need to reduce the Federal Government's budget deficits is obvious and has become a particularly urgent necessity in the wake of the plunge taken by the stock market last month, and the continued nervousness of financial markets.

Because deficit reduction is so important, I hope that the current negotiations among congressional leaders and the administration are successful in producing a deficit reduction package that will substitute for, and go beyond, the automatic Gramm-Rudman-Hollings spending cuts scheduled to become effective at the end of this week.

By all accounts, those budget deficit negotiations have been difficult and, as of this moment, there is no certainty that agreement will be reached. Suggestions have even been made that the deficit reduction package should include a freeze or deferral of the cost-of-living adjustments of COLA's scheduled for Social Security recipients, retired Federal employees, and others.

In these circumstances, I urge that consideration be given to an increase in the Federal excise tax on gasoline as part of a more effective, fairer, acceptable deficit-reduction package.

A modest increase of 3 cents per gallon in the gasoline tax would produce a deficit reduction at least as great as a 3-month deferral in COLA's, and a larger increase would make a very significant and lasting reduction in budget deficits in coming years.

For example, a gasoline tax increase of 30 cents per gallon would increase revenues by about $25 billion per year and would increase the retail price of gasoline to about $1.30 per gallon—a price still below the peak retail price of gasoline just 6 years ago in the United States.

I would note also that increasing the gasoline tax would not place the United States at a competitive disadvantage with other countries. Gasoline remains relatively cheap in the United States, even as we face growing concern over dependence on foreign sources of oil. In Western European countries, the average price of gasoline is $2.67 per gallon, and in Japan it is $2.89 per gallon.

Certainly, no one likes tax increases. But I believe an increase in the gasoline tax deserves consideration as a deficit-reduction measure that is much more fair and acceptable than reducing the living standards of retired Americans by deferring or eliminating their pension COLA's.

I strongly urge that the deficit reduction negotiators give earnest consideration to an increase in the gasoline tax.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT ON H.R. 1748

Mr. BYRD. Mr. President, I have a unanimous consent order to propound with respect to the conference report on H.R. 1748, the defense authorization bill. This has been cleared with the distinguished Republican leader, conditioned upon its being cleared by the distinguished Senator from North Carolina [Mr. HELMS].

I ask unanimous consent that it be in order on tomorrow at any time beginning with the hour of 12 o'clock noon to proceed to the consideration of that conference report; provided further that a vote on final disposition thereof occur no later than 7 o'clock tomorrow evening; and provided further that the time for debate be equally divided between Mr. NUNN and Mr. WARNER, provided, however, that 1 hour be guaranteed to be controlled by Mr. HELMS.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Georgia [Mr. NUNN], the distinguished Senator from Virginia [Mr. WARNER], the distinguished Senator from North Carolina [Mr. HELMS], the distinguished Republican leader; and Senators.

Mr. NUNN. Mr. President, will the majority leader yield?

Mr. BYRD. Yes.

Mr. NUNN. Before the Senator from North Carolina leaves, I want to thank my friend from North Carolina for being willing to work this time agreement out. I would also say that this stack of paper out here is rather intimidating. I understand that anyone would look at it and say it is a very large and complicated report, and I will say that that is true.

But I did want to explain just briefly to my friend from North Carolina and the majority leader and others why this is such a large conference report. One reason is because we have a 2-year authorization here; the first time we have done that. We had splendid cooperation from the Department of Defense. About 60 percent of the second year, fiscal year 1989, is authorized in this bill.

The second reason it is so large is because we mark three different levels. We have a $289 billion budget authority level, a $269 billion level, and that is based on a contingency, and we also have two sequester levels. So, for the first time in history we have marked up a major defense bill involving $289 billion, $269 billion, and two sequester levels. So we have about five or six bills in defense incorporated into one. I do not blame anyone who says they would like to look through it for 24 hours.

I thank my friend from North Carolina.

Mr. HELMS. Will the Senator yield?

Mr. NUNN. Yes.

Mr. HELMS. I thank the Senator.

Mr. President, if you can understand through the hoarseness, I just felt it would be inappropriate for a 17½-pound conference report to be considered this afternoon when it was placed on our desks about an hour ago. I thank the Senator. I have heard some good things about the conference report.

But I have a habit that I formed early when I came to the Senate, as did the Senator from Georgia, of looking over things. That is my purpose.

I thank the distinguished majority leader and I thank the Senator from Georgia.

Mr. BYRD. Mr. President, I thank all Senators.

RECESS UNTIL 2 P.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 2 p.m. today.

There being no objection, the Senate, at 1:18 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DASCHLE].

THIRTY-MINUTE RECESS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 30 minutes.

There being no objection, the Senate recessed at 2 p.m. until 2:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. DASCHLE].

The ACTING PRESIDENT pro tempore. The Senator from South Dakota.

THE DEFICIT

Mr. PRESSLER. Mr. President, I rise to speak on the subject of the deficit and of the plan that is now under consideration. I am very disappointed to hear that there is now a plan to delay the sequester until December 20. I believe that if this body votes on Friday to delay the sequester until mid-December and goes out of session for 1 week, it will have a disastrous impact on the stock markets and on the economy of the United States.

The plan that I have heard is, on paper, an overall outline for reducing the deficit, but the argument is being used that we need a month so that the various committees can figure out how to implement it.

The very first thing that Congress is going to do is to take a week's vacation next week. I think it will be a disaster when the American public hears about it. The Friday night news will be that Congress could not cope with the deficit, it extended the time for the sequester and it went home for a vacation. That is not what Wall Street wants to hear and needs to hear. That is not what our allies want to hear or need to hear.

Mr. President, I also believe that the summit leaders are out of touch with what we Members of the Senate and the House are willing to do. I will vote for cuts and I have in the past, if they are across the board and if they are fair. I will vote for new taxes. I am prepared to take these difficult votes and so are most of the Members of the Senate and the House. But I believe the way the summit leadership has been proceeding has been timid and not reflective of what the country is thinking. It is not reflective of what most Members of the Senate and the House are thinking.

Given the situation we are now in, if we do not act by Friday or Saturday evening of this week, a sequester will go into effect and I am not in agreement with many portions of that sequester. I would rather Congress would do its work. But Congress is taking the worst of all alternatives, of saying that we will delay the sequester until December 20 and that here is our plan on paper and now we are going to have a month to see if we can get the various committees to agree to it.

The fact of the matter is that the various committees probably will not agree to it. So I would propose that we stay here next week, that we stay here until we resolve this. If the sequester has to be extended, perhaps a week, even that is going to send a terrible message to Wall Street and to the economy across the country. The leadership at the so-called economic summit has been meeting now for almost 2 weeks and, as yet, we have not seen anything out of them. If necessary, the Senate should sit as a committee of the whole rather than going through the various committees again. But, if we drag this on until December 20, we are going to lose all credibility as a Congress.

Mr. President, I am a great critic of Congress at times. I have been critical of both political parties. But there are times when we can rise to the occasion and do the job, and this is one of those occasions when I think it is essential that we do that because, even if we come up with a good package on December 20, the whole impact of it will be lost.

Even as I speak, the so-called summit, according to things that I hear, is in the process of laying out this plan of rather artificial cuts, many of them smoke and mirrors; some limited new revenues, again much built from smoke and mirrors; and very little action. But, tied with this agreement is another agreement to delay the sequester until December 20. That is, indeed, irresponsible.

Tied to that agreement, if we get that done, is an agreement to go out of session for the Thanksgiving week.

Mr. President, I think that the Congress must rise to this occasion. We must stay here and do our work. We must not delay the sequester beyond a few days. If necessary, let the two Houses sit as a committee of the whole, rather than running it through each committee again. We have had all those debates.

Let me say that I think that the rank and file of the Senate—if I can call myself part of the rank and file, those of us who are not in the leadership summit group—we are ready to act. I think a certain amount of the problem is the further away from the people you get, the more willing you are to delay dealing with these budgetary problems.

I have been critical of President Reagan's approach to this matter, but I think his approach is changing. I think those Members of the House and Senate who are out listening to their constituents and reading their mail know that people want action. Perhaps some of our leaders are from districts and States that are safe seats and have not been so much in touch.

I am certainly not accusing anyone of not doing their duty because I know that they have a hard time and I know what they have been assigned is difficult. But from what I hear of the plan that is coming, it is totally unacceptable to me. From the sheet I saw, the major cuts were in agriculture and education. If we are going to have cuts, and I am prepared to vote for them, they can be across the board.

I stood in this Chamber and voted 2 years ago on an across-the-board cut that would affect everybody, including Social Security recipients. That affected every function. That included the COLA's on retirees; that affected the COLA's on veterans' benefits. That was not an easy vote.

I have voted to increase taxes and I am prepared to increase taxes if we cannot make the cuts. I think that is reflective of the rank and file in the Senate and the House. I do not think our leaders have gotten the message as to how serious this situation will be Friday afternoon if this body is voting for a resolution that delays the sequester and gives us a week's vacation; that says that these things have to be worked out in all the committees and everybody knows they will not be: That is not going to happen. That is, all of these problems are not going to be worked out in committee.

So I believe that the Senate should sit as a committee, as a whole, and the House should sit as a Committee of the Whole and we should stay in session until we resolve it. Nothing could be worse than the plan to delay the sequester.

Mr. President, I yield back the balance of my time. I note that my remarks have not drawn a quorum to the floor and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. PRESSLER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MOON OF POPPING TREES

Mr. PRESSLER. Mr. President, the book, "Moon of Popping Trees," written by Rex Alan Smith, is an excellent history of the Sioux Indians. The book examines the period of time just prior to the beginning of white interest and in settlement of the Dakotas, to the Battle of Wounded Knee in 1890. Many books and articles exist on the Sioux and other Great Plains Indians, but, perhaps, few exhibit the careful attention to balance and objectivity accomplished by Rex Smith. It is a great book.

I would like to take a few minutes to discuss some of the points of "Moon of Popping Trees" with my colleagues. One of the reasons this literary work has captured my interest is its relevance to a bill which has been introduced that would greatly affect my home State of South Dakota. This legislation, S. 705, the Sioux Nation Black Hills Act, proposes the reassemblage of the Great Sioux Reservation as established in 1868. I am opposed to the bill and have stated my opposition to it on this floor many times before.

However, I am not here to reiterate that well-known point. My purpose in making this statement is to point out that many events in history, particularly those which involved the American Indian, are still shrouded in misconceptions and half-truths. This is equally true of the circumstances surrounding the creation, signing, execution, and eventual dissolution of the treaty of 1868. The conflicts between the Indians and the whites during that time were not battles between good and bad; people in black hats against those in white hats. It was not a history of the hunter and the hunted. According to Rex Alan Smith, the struggle between whites and the Sioux inevitably arose from the human nature of all who were involved. While I may not do justice to Rex Smith's fine historical work, I will attempt to accurately capsulize his perspective so eloquently conveyed in "Moon of Popping Trees."

The Sioux were a nomadic people, who lived as they had always lived, back to the stone age. They roamed the land, hunting and making war with opposing tribes to expand their territory—their empire on the Great Plains. Meanwhile, colonists who came to this country from Great Britain were doing the same, but in a different manner. The industrial age was spreading across this new land called America. With the industrial age came great change—change that would alter the country forever. As illustrated in the first chapter of "Moon of Popping Trees," it would end the possible peaceful coexistence of the industrial age farmer and the nomadic stone age Indian. These two cultures, "separated by thousands of years of development, so different that mutual understanding was improbable and coexistence impossible," were heading for a collision, which happened at Wounded Knee.

The second chapter, entitled "The Holy Road," discusses the amassing of territory by the Sioux and how conflict arose out of the travel of Eastern white settlers on their way to California and Oregon. The Sioux, who had defeated the Mandans and the Arikaras at the Missouri River, and the Crow and the Cheyenne as they moved westward, now controlled the entire area of South Dakota west of the Missouri River. The Black Hills, which became a holy place to the Sioux, were taken from the Kiowa Indians.

By the early 1800's the Sioux controlled the land from the Missouri River west to the Big Horn Mountains of Montana. North and south, the boundaries extended from the Cannon Ball River of North Dakota down to the North Platte River which runs through Nebraska and Wyoming. The result of the Sioux success in war with other tribes was approximately 25,000 people occupying or controlling a territory larger than the States of New York and Pennsylvania combined.

However, American pioneers, many driven by visions of wealth and prosperity, began to enter this territory previously unknown to white men. As they did, it became evident that there would be conflict with the Sioux. At first, the whites were a few traders, and relations with the Sioux were mostly friendly, given the great numbers of Sioux compared to the traders. The Sioux tolerated the whites, and enjoyed the gifts brought by the white man. Even so, the Sioux did not really care for the white man. The Sioux were proud warriors. They were the chosen people, and all others were inferior. Likewise, the white man considered the Indians to be very primitive and savage. The two cultures needed each other, but it was not the beginning of an enduring friendship.

Around 1840, more and more settlers from the East made the trip across the continent. Two wagon wheel tracks were worn into the soil across the Dakotas, a path that became known as the Overland Trail. The settlers were few at first, traveling only at certain times during the year to avoid bad weather while crossing the mountains. However, with the discovery of gold in California and the migration of the Mormons to Utah, more and more people moved westward. More and more people were traveling through Sioux territory. The Sioux did not like these people. Their animals ate the grass, the wagons turned the valley along the North Platte into a great dust bowl, and the good firewood was used in their campfires. Furthermore, the whites brought diseases which the Indians' immune system were not prepared to fight. The tolerance of the Sioux deteriorated, and soon they were attacking the wagon trains; killing the settlers and stealing their goods.

These events led to the signing of the first treaty with the Indians in 1851. The Treaty of Horse Creek provided the Sioux tribes, and some of the Cheyenne, Crow and Shoshoni, with $50,000 worth of gifts every year for the next 10 years if the tribes would agree to certain conditions. To obtain and maintain peace on the frontier, the Government would send soldiers to the protect the Indians from the whites if the Indians would stay within certain boundaries. In addition, the Indians promised not to attack the whites, or bother them as they traveled across the Overland Trail, and to stop warring with other tribes. Finally, the Government wanted permission to build roads and forts in Indian country to oversee these peacemaking efforts. After several days of feasting, the chiefs of the tribes agreed to the treaty.

However, the author points out that the Sioux were predisposed to remember only the parts of the treaty they wanted to remember. It was not just the whites who were guilty of selective memory. They were a culture based upon war and conquest. Therefore, they continued to fight with the other tribes who were their enemies. However, for 2 or 3 years, the Overland Trail was left alone, to ensure the Indians would receive the presents promised them. But the peace did not last for long. A seemingly small incident involving a cow belonging to a Mormon traveler on the Overland Trail touched off a series of skirmishes between the Sioux and the settlers. The 1851 treaty became null.

Many small battles arose from a senseless act, instigated by either side. Unfortunately, America was also discovering the power of the press at that same time. "Massacre!" the newspaper headlines screamed, each time an encounter occurred between Indians and whites. Many of the settlers who had made the trip from coast to coast found themselves greatly exaggerating an event, to the point that every encounter with an Indian was a brush with death at the hands of bloodthirsty savages.

Nonetheless, with soldiers and forts dispersed throughout Sioux territory, every incident usually was followed by action from the soldiers. Some of the commanding officers were skilled in their relations with the Indians, and acted fairly. Others were hot-blooded, acting before they thought, and sought retaliatory action before trying to work things out peacefully. These battles were interspersed with attempts to again make peace. A treaty would be drawn up, a conference held, and the chiefs generally signed. However, the white man did not understand the Sioux tribal structure. The power of leadership was different among the Sioux than it was among whites.

First of all, most of the chiefs who signed these treaties were those selected by the soldiers or agents of the Government, because they were not hostile. These chiefs often were not the true leaders of the people, but mere paper chiefs. Another thing the whites did not understand was that Sioux leadership was not based upon coercive power over other Indians, but upon the ability to persuade others to do what one wanted. A Sioux chief could not force his warriors to go into battle when and where he wanted. He could only hope to convince them that his way was the best. Likewise, the chief could sign a piece of paper, agreeing to certain things, but all the other Sioux who did not sign did not necessarily feel bound by this paper peace. In the author's summation, this was a major contributing factor to the downfall of many, and perhaps, all of the treaties the Government made with the Indians.

The whites and the Indians did not understand each others' principles of governing. Furthermore, the Sioux usually were dealt with as a nation, when, in fact, they were not. The Sioux were fractionated bands of tribes, who were very much distinct from each other. They really never fought together as a nation, unless they were all attacked together. Each functioned as its own small nation. While the tribes gathered occasionally to hold feasts, as they were social people who liked to visit each other, there was no united power among the Sioux.

But the Fort Laramie Treaty of 1868 was different. As treaties go, this was the most comprehensive, well-executed treaty ever made with the Indians. The Government sought out the real leaders of the Indians, not the paper chiefs. Great effort was made to get all the important leaders to sign. More important, this treaty made a very generous offer to the Sioux, without demanding great sacrifices from them. The Government's provisions to the Sioux were as follows:

The Sioux would be given all South Dakota land west of the Missouri River and it would be known as the Great Sioux Reservation. That was basically all of the land they then occupied.

They would be given hunting rights in unceded territory.

No whites would be allowed to settle in the reservation, or even cross through it without permission.

For 30 years, the Sioux would be given an annual issue of clothing and money—$10 a year to those who hunted and roamed, $20 a year to those who took up farming. Each Indian would receive 1 pound of meat and 1 pound of flour per day for 4 years.

A schoolhouse and teacher would be supplied for every 30 students.

Each family could select and cultivate up to 320 acres of land. Farm implements and seed would be provided by the Government. In addition, the family would receive "one good American cow" and a well-broken pair of oxen.

In exchange for these items, the Sioux would be required to fulfill three basic obligations;

First, remain within their prescribed boundaries;

Second, refrain from attacking or harassing whites or other Indians friendly to whites; and

Third, compel all their children between the ages of 6 and 16 to attend school.

The chiefs were not sure about some of these provisions. Learning to farm was not the way of a Sioux warrior. In the end, the Sioux chiefs did sign the treaty—even some who were thought to be hostile chiefs. The Government perceived this to be a great step in its relations with the Sioux. The Sioux seemed to be agreeable, and they would live peaceful lives as farmers on their own ample reservation. Despite the good intentions on both sides, and the agreement of the tribes, the Treaty of 1868 was not successful.

As described in detail in chapters six and seven of "Moon of Popping Trees," within 5 years of the ratification of the treaty, it was the subject of several violations. The first of these probably were committed by the Sioux. Contrary to some historical accounts, the Sioux were not totally blameless in the eventual failure of the Fort Laramie Treaty of 1868. Despite the treaty requirements, various tribes of the Sioux continued their war with the Crow. In fact, Rex Smith writes that, if anything, the fighting became more intense. Far to the north of the Great Sioux Reservation, along the Yellowstone River, survey crews appeared to lay out a line for the Northern Pacific Railroad. While the boundary for the unceded lands in that area was rather vague, the Government believed the crews were not violating Sioux territory. The Sioux disagreed and attacked.

Other treaty violations occurred, for example, when the Sioux roamed outside of their southern boundary near the North Platte River in the summer of 1873. A band of Pawnees were making their summer hunt. The Sioux, violating the 1868 treaty once again, killed more than 50 Pawnees—many of them women and children—took their meat, and destroyed their camp. There is little evidence to show that the Pawnees provoked the Sioux. At the same time, Chief Red Cloud's son was conducting raids against whites who were settled lawfully on the other side of the Platte and Sweetwater Rivers. Red Cloud was one of the chiefs who signed the treaty.

Of course, these violations of the treaty of 1868 were not the sole reason it was dissolved. Obviously, there was fault on the side of the Government, too. White settlers were placing tremendous pressure on the Government to open up the reservation for settlement. The whites believed the Indians were lazy, and the Government was providing them with free food. The Indians were not making much of an effort to farm. Although some Sioux considered farming to be women's work, not work for a Sioux warrior, the whites considered farming a noble occupation which would civilize these bands of roaming people.

The whites wanted to make the Indians just like themselves, and bring them into the present day. The days of roaming and fighting were near an end. The Sioux must become modern to survive. Unfortunately, this change, though imposed upon the Sioux with good intentions, was too much, too soon. According to Smith, the whites were asking the Sioux to change thousands of years of culture and tradition overnight. The treaty was doomed to fail. Not because the Government was out to cheat the Indians and steal from them, and not because the Indians had violated their agreement, but because of human nature.

The whites were acting in the way they knew how, and doing what they thought was best for the Sioux. The Sioux responded in the only manner they knew. They were bewildered by the white man's lifestyle, which was being thrust upon them, even if it was clear that they could not continue to live as nomadic stone age hunters. The treaty was doomed by a clash of cultures. It was not a case of the good versus the bad. That is the point of Rex Alan Smith's book, "Moon of Popping Trees."

Mr. President, I believe that S. 705 is a response to historical accounts of an earlier time that are not accurate. Like the Government of those times, the bill is well intentioned. Unfortunately, it is not in the best interest of the Sioux Indians, or any other citizens of South Dakota.

The treaty of 1868, or its dissolution, cannot be regarded wholly as a black mark in history. Much that is good for the people and the Nation has occurred during the intervening years. Similary, reversing the 1980 decision of the U.S. Supreme Court, which ruled in favor of substantial compensation to the tribes for the dissolution of the Great Sioux Reservation, cannot be regarded as an eraser of some historical black mark. I highly recommend "Moon of Popping Trees" to each of my colleagues. Rex Alan Smith's perspective sheds a new light on an important part of the history of the Sioux, and our Nation's relationship with them.

THE DELAYED SEQUESTER

Mr. PRESSLER. Mr. President, I see the distinguished majority leader on the floor. I would like to say to the distinguished majority leader that earlier I made a speech in which I expressed my views that we should stay in session as opposed to a delay in the sequester. This is not a question to the majority leader. I express myself to my leaders every time I have an opportunity. I feel strongly that a 1-month delay in the sequester would be a great mistake.

I would reiterate those thoughts. I feel strongly that we should try not to delay the sequester, that if the committees need to work we should sit as a committee as a whole or stay in session, or do something else. I think it will send the wrong signal to the financial markets if we do delay it. Mr. President, I yield the floor.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that morning business be extended for another 15 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

IRAN-CONTRA REPORT

Mr. DOLE. Mr. President, 10 months ago I joined Senators Byrd, Inouye, and Rudman in sponsoring Senate Resolution 23, creating the Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition. That committee was charged with investigating all aspects of what has become known as the Iran-Contra affair.

I am pleased today to see that the committee has completed its work and has filed an extensive report with the Senate. That report, hundreds of pages in length, contains facts, conclusions, and recommendations that will take some time to analyze and digest.

Mr. BYRD. Mr. President, may we have order in the Senate while the Republican leader is addressing the Senate? Will staff people move off the floor? They can carry their conversations elsewhere.

Mr. DOLE. I thank the majority leader.

Mr. BYRD. I am sorry to interrupt the distinguished Senator.

The PRESIDING OFFICER (Mr. Dixon). The minority leader.

Mr. DOLE. It is fair to say, however, that it depicts a flawed decisionmaking process and a serious failure by some of those around the President to advise him properly.

We can all argue, as do the majority and minority reports, over whether the activities attributed to the President's aides constitute violations of the law or merely errors in judgment. Ultimately, the courts may have to settle that dispute. No one can contest, however, that the events described in the report merited the attention of Congress and of the American people. All of us, I believe, have learned some hard lessons about how our Government should, and should not, conduct itself.

I want to express my appreciation to the chairman and vice chairman of the Senate Select Committee, Senator Inouye and Senator Rudman. Let's face it—they had a thankless job to do. In a highly charged political climate, they were given the challenge of conducting fair and impartial hearings. And on the whole, they succeeded.

They also succeeded in working to an unprecedented degree with the select committee established by the House of Representatives, and in that regard have set a precedent that I hope can be followed in any future investigations of this nature.

The repercussions of the Iran-Contra matter will continue to be felt for some time. Legislation will be examined and perhaps enacted; I am not certain that will be necessary. Procedures and approaches will be altered; prosecutions may even be initiated. But other, more pressing, issues now top our national agenda. With this report in hand and in mind, I suggest that we direct all our energies toward those other matters that we have including one that we are working on as I speak, and that is whether or not we can come together on some budget agreement. I must say that it is a very difficult process and a very difficult task.

Mr. President, I reserve the remainder of my time.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The majority leader is recognized.

THE CALENDAR

Mr. BYRD. Mr. President, I inquire of the distinguished Republican leader if Calendar Order Nos. 438 and 439 have been cleared for action on that side of the aisle.

Mr. DOLE. That is right. They are cleared.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders numbered 438 and 439 seriatim.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the Senate proceeded to consider the resolutions.

AUTHORIZING THE PRINTING OF A REPORT AS A SENATE DOCUMENT

The PRESIDING OFFICER. The clerk will report the first measure.

The legislative clerk read as follows:

> A resolution (S. Res. 290) authorizing the printing of the report entitled "Highway Bridge Replacement and Rehabilitation Program, Eighth Annual Report to Congress" as a Senate document.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

S. RES. 290

Resolved, That the annual report of the Secretary of Transportation to the Congress of the United States in compliance with section 144(i) of title 23, United States Code, entitled "Highway Bridge Replacement and Rehabilitation Program, Eighth Annual Report to Congress" be printed as a Senate document.

SEC. 2. There shall be printed three hundred additional copies for the use of the Committee on Environment and Public Works.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

GRATUITY FOR FAMILY OF CLARA V. RAY

The PRESIDING OFFICER. The clerk will report the next resolution.

The legislative clerk read as follows:

A resolution (S. Res. 323) to pay a gratuity to Kate Lee, Paula Ray, James Owens, Nayomie Flood, Janice Sullivan, Dorothy White, Charles Sullivan, Bobby Sullivan, Andre Sullivan, Johnny Sullivan, Billy Sullivan, and Patricia Crawley.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to, as follows:

S. RES. 323

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Kate Lee, Paula Ray, James Owens, Nayomie Flood, Janice Sullivan, Dorothy White, Charles Sullivan, Bobby Sullivan, Andre Sullivan, Johnny Sullivan, Billy Sullivan and Patricia Crawley, children of Clara V. Ray, an employee of the Architect of the Capitol assigned to duty on the Senate side at the time of her death, a sum to each equal to one-twelfth of six months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INTELLIGENCE AUTHORIZATION, FISCAL YEAR 1988 CONFERENCE REPORT

Mr. BYRD. Mr. President, I submit a report of the committee of conference on H.R. 2112 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2112) to authorize appropriations for fiscal year 1988 for intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 10, 1987.)

Mr. BOREN. Mr. President, my colleague, Mr. COHEN, and I are pleased to present the intelligence authorization conference legislation for fiscal year 1988. This bill is the final bipartisan effort which will authorize the funds for intelligence and intelligence-related activities for fiscal year 1988.

This legislation is the product of an excellent working relationship with our colleagues in the House of Representatives. I want to express my appreciation to Mr. STOKES and Mr. HYDE, along with the other members of the committee, for their willingness to find the best possible alternatives to meet our responsibility to provide the necessary intelligence capabilities for our Nation. This has been achieved under extreme budgetary constraints which are absolutely necessary to reduce the budget deficits facing our Nation.

Although the funding levels are classified and cannot be made public, this report is available for review by all Members of the Senate in accordance with the provisions of Senate Resolution 400. A special classified annex to the statement of conference managers has been prepared and is available to all Members for review. This annex will provide all details on funding levels and the programs as authorized by the conferees.

The initiatives that were important to the Senate have been retained. These include a number of actions which will serve to strengthen our intelligence capabilities into the next decade, particularly as they relate to our ability to monitor arms control treaties.

The conferees again recognize the contribution of the intelligence community personnel and have made adjustments in compensation to the extent possible, again recognizing the budgetary constraints.

Mr. President, I want to thank the members and the staff of this committee who have worked diligently and cooperated in every way possible which has made my responsibility as chairman a rewarding experience.

Mr. COHEN. Mr. President, the pending legislation, the conference report to accompany H.R. 2112, the fiscal year 1988 intelligence authorization bill, reflects the views of both the House and Senate Intelligence Committees as to how the limited resources at our disposal can be best used to meet constantly expanding national intelligence requirements.

The pressures on the intelligence community continue to expand. A new, aggressive Soviet leader has forced us to change the analytical ground rules which we use to assess intentions.

The imminent signing of an INF agreement will place tremendous pressures on the intelligence community with regard to monitoring Soviet compliance with the provisions of a treaty. Indeed, our assessment of how the intelligence community performs over the life of the treaty is directly related to resource allocation decisions made by this legislation.

But the Soviets and arms control are not the only intelligence issues we face. Third World nations, terrorism, espionage and support to military commanders in crisis and war are just a few areas affected by the decisions we have made in this legislation.

Under the chairman's distinguished leadership, we have attempted to make significant resource allocation decisions with an eye to the future. That is, it is not enough to be content with an ability to respond to the current range of threats and issues confronting U.S. intelligence. We must hedge against the future and ensure that U.S. intelligence is capable of providing timely insights into future developments, whether they relate to the Soviet military, terrorism or oil prices, thereby allowing the President to respond in a deliberate and cost-effective manner.

Indeed, through this legislation, we have sought to ensure that meaningful budget tradeoffs have been made between current and future requirements.

Finally, let me just take a moment to commend the distinguished chairman of the committee, Senator BOREN. His energy and thoughtfulness have ensured a dynamic bipartisan environment at all times. As a result, the Nation and the Senate have been well served.

I would urge all of my colleagues to support this conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. DOLE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CHILD ABUSE PREVENTION AND TREATMENT ACT REAUTHORIZATION OF 1987

Mr. BYRD. Mr. President, on behalf of Mr. Dodd, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 1900.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House disagree to the amendment of the Senate to the bill (H.R. 1900) entitled "An Act to amend the Child Abuse Prevention and Treatment Act, the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978, and the Family Violence Prevention and Services Act to extend through fiscal year 1991 the authorities established in such Acts", and ask a conference with the Senate on the disagreeing votes of the two Houses thereon.

Ordered, That Mr. Hawkins, Mr. Ford of Michigan, Mr. Owens of New York, Mr. Williams, Mr. Jeffords, and Mr. Bartlett be the managers of the conference on the part of the House.

Mr. BYRD. Mr. President, I move that the Senate insist upon its amendments, agree to the request for a conference on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Chair appointed Mr. Dodd, Mr. Kennedy, Mr. Pell, Mr. Thurmond, and Mr. Hatch conferees on the part of the Senate.

COMMERCIAL FISHING INDUSTRY VESSEL ANTIREFLAGGING ACT OF 1987 PLACED ON CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent to place on the calendar H.R. 2598, an act entitled "Commercial Fishing Industry Vessel Antireflagging Act of 1987."

The PRESIDING OFFICER. Without objection, it is so ordered.

H.R. 2639, TO REPEAL THE BROWN-STEVENS ACT, PLACED ON CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent to place on the calendar H.R. 2639, to repeal the Brown-Stevens Act concerning certain Indian tribes in the State of Nebraska.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL WHEAT AGREEMENT OF 1986—RECONSIDERATION OF VOTE

Mr. BYRD. Mr. President, as in executive session, I ask unanimous consent that the vote by which the Senate agreed to the ratification of the International Wheat Agreement of 1986 be reconsidered and laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

FINAL REPORT OF THE NATIONAL ADVISORY PANEL ON THE COST EFFECTIVENESS OF FUEL ETHANOL PRODUCTION

Mr. DOLE. Mr. President, recently, the National Advisory Panel on the Cost Effectiveness of Fuel Ethanol Production completed its final report. Based on an act of Congress, the seven-member panel, named by Secretary of Agriculture Dick Lyng, unanimously adopted this comprehensive study and made its assessment and current appraisal of the cost effectiveness of fuel ethanol to our society, Government policy, and the economy.

Mr. President, I am pleased to say that, in its report, the panel confirmed what many of us have been saying for years: Ethanol use represents cost-effective public policy designed to enhance the use of surplus farm commodities to produce scarce and vulnerable transportation fuels.

Ethanol production is good for America. It provides an important market for the American farm economy. It will promote rural economic development. It will improve the quality of the air we breathe. And it is an important part of a strong, domestic energy policy as an alternative to rising foreign oil imports.

The Advisory Panel's report makes clear that the most important factor in determining the future growth and development of the domestic ethanol industry is consistent and reliable public policy. Specifically, I am talking about the Federal Government's support for the continuation of current Federal excise tax incentives.

Congress should be aware that the 1993 expiration date for the ethanol excise tax exemption seriously inhibits ethanol development and threatens the U.S. ethanol industry's production marketing infrastructure. Consistent and long-term support is necessary if the industry is to be viable into the 21st century. I have introduced legislation, the Relying on Ethanol for America Program, or REAP," to extend the exemption through the year 2000.

Additionally, we must recognize that Federal support for Ethanol through the excise tax pays for itself. Ethanol production provides significant benefits to the agricultural economy in terms of higher grain prices, increased farm income, and reduced Federal outlays for farm programs.

Programs to encourage ethanol use should take into account efforts to devise policies that will alleviate possible adverse impacts on farmers who grow crops such as soybeans that compete with ethanol byproducts.

On the environmental side, the use of ethanol blends has been proven to reduce carbon monoxide in automobile emissions by 10 to 30 percent. In carbon monoxide nonattainment areas, ethanol can provide substantial air quality improvements.

As a cornerstone of U.S. energy policy, ethanol represents one of very few commercial proven liquid fuels capable of replacing vulnerable petroleum imports in our highly oil-dependent transportation sector.

Mr. President, we must look to the future. Farmers do not want handouts, they want an opportunity to make a fair return in the marketplace. The American consumer does not want a repeat of the oil shortages of the 1970's. They want a reliable domestic supply of fuel at a fair price. Citizens of this country don't want to breathe polluted air. They want sensible solutions to this health hazard and continued opportunities for economic growth.

I congratulate the panel on completing this significant task in a period of 4 months. Bill Swank, the Chairman, did a tremendous job in leading the panel through exhaustive deliberations.

The benefits of ethanol are clear. We have already made a commitment to ethanol's future. More must be done. I look forward to working with my congressional colleagues to ensure the long-term growth of the U.S. ethanol industry in the next decade and the next century.

I would hope that we could now move ahead in this area. There are a number of initiatives introduced on both sides of the aisle; and I hope that, if not this year, early next year Congress will take a look at this sound, basic program, for all the reasons stated in the report.

RECESS FOR 15 MINUTES

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 15 minutes.

There being no objection, the Senate, at 3:16 p.m., recessed until 3:31 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Dixon).

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INDIAN HEALTH SERVICE CLINICAL STAFFING RECRUITMENT AND RETENTION PROGRAM

Mr. BYRD. Mr. President, I ask the able assistant Republican leader if Calendar Order No. 422 has been cleared on his side of the aisle.

Mr. SIMPSON. Mr. President, I will inform the majority leader that has been cleared on this side of the aisle.

Mr. BYRD. Mr. President, I thank my friend.

I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 422.

The **PRESIDING OFFICER.** The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1475) to establish an effective clinical staffing recruitment and retention program, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Select Committee on Indian Affairs, with an amendment to strike all after the enacting clause and insert in lieu thereof, the following:

TITLE I—LOAN REPAYMENT PROGRAM

INDIAN HEALTH SERVICE LOAN REPAYMENT PROGRAM

SEC. 101. (a) The Secretary, acting through the Service, shall establish a program to be known as the Indian Health Service Loan Repayment Program (hereafter in this Act referred to as the "Loan Repayment Program") in order to assure an adequate supply of trained physicians, dentists, and nurses for the Service (and for health facilities and health programs maintained by any Indian tribe, tribal organization, or urban Indian organization under a contract entered into with the Secretary) and, if needed by the Service or by such Indian tribe, tribal organization, or urban Indian organization, podiatrists, optometrists, pharmacists, clinical and counseling psychologists, graduates of schools of public health, graduates of schools of social work, graduates of programs in health administration, graduates of programs for the training of physicians assistants, expanded function dental auxiliaries, nurse practitioner (within the meaning of section 822 of the Public Health Service Act (42 U.S.C. 296m)), and other health professionals.

(b) To be eligible to participate in the Loan Repayment Program, an individual must—

(1) be enrolled as a full-time student and in the final year of a course of study or program in an accredited (as determined by the Secretary) educational institution in a State which is approved by the Secretary pursuant to the provisions of this title; or

(2) in a graduate training program in a course of study approved by the Secretary pursuant to the provisions of this title;

(3) have a degree in medicine or other health profession which is approved by the Secretary pursuant to the provisions of this title; or

(4) be employed by the Service on a voluntary basis without a service obligation in a position which qualifies for the purpose of this title.

(c) An individual applying for the Loan Repayment Program must be eligible for, or hold, an appointment as a commissioned officer in the Regular or Reserve Corps of the Public Health Service or be eligible for selection for civilian employment by the Service.

(d) An applicant for the Loan Repayment Program must submit an application to participate in the Loan Repayment Program, and must sign and submit to the Secretary, at the time of the submission of such application, a written contract (described in subsection (h)) to accept repayment of educational loans and to serve (in accordance with this title) for the applicable period of obligated service in the Indian Health Service.

(e) In disseminating application forms and contract forms to individuals desiring to participate in the Loan Repayment Program, the Secretary shall include with such forms a fair summary of the rights and liabilities of an individual whose application is approved (and whose contract is accepted) by the Secretary, including in the summary a clear explanation of the damages to which the United States is entitled under section 104 in the case of the individual's breach of the contract.

(f)(1) The Secretary shall only approve applications under the Loan Repayment Program that are made by individuals whose training is in a health profession or specialty determined by the Secretary to be needed by the Service. In approving applications for the Loan Repayment Program, the Secretary shall ensure that nurses and other nonphysician applicants have equitable access to the loan repayment program.

(2) In determining which applications under the Loan Repayment Program to approve, the Secretary shall extend a preference to Indians.

(g)(1) An individual becomes a participant in the Loan Repayment Program only upon the Secretary's approval of the individual's application submitted under subsection (d) and the Secretary's approval of the contract submitted by the individual under subsection (d).

(2) The Secretary shall provide written notice to an individual promptly upon the Secretary's approving, under paragraph (1), of the individual's participation in the Loan Repayment Program.

(h) The written contract referred to in this title between the Secretary and an individual shall contain—

(1) an agreement under which—

(A) the Secretary agrees—

(i) to pay loans on behalf of the individual in accordance with the provisions of this title, and

(ii) to accept the individual into the Service; and

(B) the individual agrees—

(i) to accept loan payments;

(ii) in the case of an individual described in paragraph (1) or (2) of subsection (b)—

(I) to maintain enrollment in a course of study or training described in paragraph (1) or (2) of subsection (b) until the individual completes the course of study or training, and

(II) while enrolled in such course of study or training, to maintain an acceptable level of academic standing (as determined by the educational institution offering such course of study or training in accordance with regulations prescribed by the Secretary);

(iii) to provide certification to the Secretary of the degree or diploma awarded to the individual in the health profession; and

(iv) to serve for a time period (hereafter in this title referred to as the "period of obligated service") equal to 2 years or such longer period as the individual may agree to serve in a health program maintained by—

(I) the Service, or

(II) any Indian tribe, tribal organization, or urban Indian organization under a contract entered into with the Secretary,

to which the individual is assigned by the Secretary;

(2) a provision that any financial obligation of the United States arising out of a contract entered into under this title and any obligation of the individual which is conditioned thereon, is contingent upon funds being appropriated for loan repayments under this title and to carry out the purposes of this title;

(3) a statement of the damages to which the United States is entitled, under section 104 for the individual's breach of the contract; and

(4) such other statements of the rights and liabilities of the Secretary and of the individual consistent with the provisions of this title as the Secretary considers appropriate to specify in the contract.

(i) No payment shall be made on behalf of an individual who has entered into a contract under the Loan Repayment Program unless or until such individual is a full-time employee of the Service.

(j)(1) A loan repayment provided for an individual under a written contract under the Loan Repayment Program shall consist of payment, in accordance with paragraph (2), on behalf of the individual of the principal, interest, and related expenses on government and commercial loans received by the individual for—

(A) tuition expenses;

(B) all other reasonable educational expenses, including fees, books, and laboratory expenses, incurred by the individual; or

(C) reasonable living expenses as determined by the Secretary.

(2) For each year of obligated service that an individual contracts under subsection (h) to serve, the Secretary may pay up to $25,000 on behalf of the individual for loans described in paragraph (1).

(k) Notwithstanding any other provision of law, individuals who have entered into written contracts with the Secretary under this section, while undergoing academic training, shall not be counted against any employment ceiling affecting the Department.

(l) The Secretary shall, by not later than March 1 of each year, submit to the Congress a report providing—

(1) the number, and type of health profession training, of individuals receiving loan payments under the Loan Repayment Program;

(2) the educational institution at which such individuals are receiving their training or have completed their training;

(3) the total number of applications filed under this section during the preceding year;

(4) the number of such applications filed with respect to each type of health profession;

(5) the total number of contracts described in subsection (h) that are entered into during the preceding year;

(6) the number of such contracts entered into during the preceding year with respect to each type of health profession; and

(7) the amount of loan payments made in the preceding year.

RECRUITMENT

SEC. 102. (a) The Secretary may conduct at schools of medicine, osteopathy, dentistry, and, as appropriate, nursing and other schools of the health professions and at enti-

ties which train allied health personnel, recruiting programs for the Loan Repayment Program.

(b) Section 214 of the Public Health Service Act (42 U.S.C. 215) shall not apply to individuals during their period of obligated service under the Loan Repayment Program.

OBLIGATED SERVICE UNDER CONTRACT

SEC. 103. (a) Each individual who has entered into a written contract with the Secretary under section 101 shall provide service in the full-time clinical practice of such individual's profession in the Indian Health Service for the period of obligated service provided in such contract.

(b)(1) If an individual is required under subsection (a) of this section to provide obligated service, the Secretary shall, not later than 90 days before the date described in paragraph (4), determine if the individual shall provide such service as a commissioned officer in the Regular or Reserve Corps of the Public Health Service or as a civilian employee of the Indian Health Service, and shall notify such individual of such determination.

(2) If the Secretary determines that an individual shall provide obligated service to the Indian Health Service as a commissioned officer in the Regular or Reserve Corps of the Public Health Service or a civilian employee of the Indian Health Service, the Secretary shall, not later than 60 days before the date described in paragraph (4), provide such individual with sufficient information regarding the advantages and disadvantages of service as such a commissioned officer or civilian employee to enable the individual to make a decision on an informed basis. To be eligible to provide such obligated service as a commissioned officer in the Public Health Service, an individual shall notify the Secretary, not later than 30 days before the date described in paragraph (4), of the individual's desire to provide such service as such an officer. If an individual qualifies for an appointment as such an officer, the Secretary shall, as soon as possible after the date described in paragraph (4), appoint the individual as a commissioned officer in the Regular or Reserve Corps of the Public Health Service.

(3) If an individual provided notice by the Secretary under paragraph (2) does not qualify for appointment as a commissioned officer in the Public Health Service, the Secretary shall, as soon as possible after the date described in paragraph (4), appoint such individual as a civilian employee of the Indian Health Service.

(4)(A) With respect to an individual receiving a degree from a school of medicine, osteopathy, psychology, or dentistry and an individual who is completing advanced clinical education or training to specialize in nurse midwifery or community or public health nursing or as a nurse practitioner or clinical nurse specialist, the date referred to in paragraphs (1) through (3) shall be the date upon which the individual completes the training required for such degree, advanced clinical education or training, or certification in nursing, except that the Secretary shall, at the request of such individual, defer such date until the end of the period of time (not to exceed 3 years or such greater period as the Secretary, consistent with the needs of the Service, may authorize) required for the individual to complete an internship, residency, or other advanced clinical education or training. With respect to an individual receiving a degree from a school of optometry, podiatry, or pharmacy, the date referred to in paragraphs (1) through (3) shall be the date upon which the individual completes the training required for such degree, except that the Secretary shall, at the request of such individual, defer such date until the end of the period of time (not to exceed 1 year or such greater period as the Secretary, consistent with the needs of the Service, may authorize) required for the individual to complete an internship, residency, or other advanced clinical training. No period of internship, residency, or other advanced clinical training shall be counted toward satisfying a period of obligated service under this title.

(B) With respect to an individual receiving a degree from an institution other than a school referred to in subparagraph (A), the date referred to in paragraphs (1) through (3) shall be the date upon which the individual completes his academic training leading to such degree.

(C) With respect to an individual who has received a degree in medicine, osteopathy, psychology, dentistry, or other health profession and has completed graduate training, the date referred to in paragraphs (1) through (3) shall be the date on which the individual enters into a contract with the Secretary under section 101.

(c) An individual shall be considered to have begun serving the period of obligated service on the date such individual is appointed as an officer in a Regular or Reserve Corps of the Public Health Service under subsection (b)(2) or is appointed as a civilian employee of the Indian Health Service under subsection (b)(3).

BREACH OF CONTRACT

SEC. 104. (a) An individual who has entered into a written contract with the Secretary under section 101 and who—

(1) is enrolled in the final year of a course of study and fails to maintain an acceptable level of academic standing in the educational institution in which the individual is enrolled (such level determined by the educational institution under regulations of the Secretary) or voluntarily terminates such enrollment or is dismissed from such educational institution before completion of such course of study, or

(B) is enrolled in a graduate training program, fails to complete such training program,

in lieu of any service obligation arising under such contract shall be liable to the United States for the amount which has been paid on his behalf under the contract.

(b) If (for any reason not specified in subsection (a)) an individual breaches his written contract under section 101 by failing either to begin such individual's period of obligated service in accordance with section 103 or to complete such period of obligated service, the United States shall be entitled to recover from the individual an amount determined in accordance with the following formula:

$$A=2z\left(\frac{t-s}{t}\right)$$

in which 'A' is the amount the United States is entitled to recover, 'z' is the sum of the amounts paid under this title to, or on behalf of, the individual and the interest on such amounts which would be payable if at the time the amounts were paid they were loans bearing interest at the maximum legal prevailing rate, as determined by the Treasurer of the United States, 't' is the total number of months in the individual's period of obligated service, and 's' is the number of months of such period served by him in accordance with section 103 of this title. Any amount of damages which the United States is entitled to recover under this subsection shall, within the 1-year period beginning on the date of the breach of the written contract (or such longer period beginning on such date as specified by the Secretary for good cause shown), be paid to the United States.

(c)(1) Any obligation of an individual under the Loan Repayment Program (or a contract thereunder) for service or payment of damages shall be canceled upon the death of the individual.

(2) The Secretary shall by regulation provide for the partial or total waiver or suspension of any obligation of service or payment by an individual under the Loan Repayment Program (or a contract thereunder) whenever compliance by the individual is impossible or would involve extreme hardship to the individual and if enforcement of such obligation with respect to any individual would be unconscionable.

(3) Any obligation of an individual under the Loan Repayment Program (or a contract thereunder) for payment of damages may be released by a discharge in bankruptcy only if such discharge is granted after the expiration of the 5-year period beginning on the first date that payment of such damages is required.

REPORTS

SEC. 105. The Secretary shall submit to the Congress on July 1 of 1988, and of each succeeding year, a report on the number of providers of health care who will be needed for the Indian Health Service during the 3 fiscal years beginning after the date the report is filed and—

(1) the number of scholarships, if any, the Secretary proposes to provide under the National Health Service Corps Scholarship Program during such 3 fiscal years, and

(2) the number of individuals for whom the Secretary proposes to make loan repayments under the Loan Repayment Program during such 3 fiscal years.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 106. There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this title.

TITLE II—OTHER RECRUITMENT AND RETENTION PROVISIONS

TRAVEL EXPENSES FOR RECRUITMENT

SEC. 201. (a) The Secretary may reimburse health professionals seeking positions in the Service (including individuals considering entering into a contract under section 101) and their spouses for actual and reasonable expenses incurred in traveling to and from their places of residence to an area in which they may be assigned for the purpose of evaluating such area with regard to being assigned in such area.

(b) There are authorized to be appropriated for each fiscal year $100,000 for the purpose of carrying out the provisions of this section.

TRIBAL DEMONSTRATION RECRUITMENT AND RETENTION PROGRAM

SEC. 202. (a) The Secretary, acting through the Service, shall award grants to Indian tribes and tribal organizations for the purpose of enabling the Indian tribes and tribal organizations to develop and test, in cooperation with the Service, innovative techniques to recruit, place, and retain health professionals.

(b) The Secretary shall prescribe such regulations as are necessary to carry out the provisions of this section.

(c) There are authorized to be appropriated for each fiscal year $600,000 for the purpose of carrying out the provisions of this section.

TRIBAL CULTURE AND HISTORY

SEC. 203. (a) The Secretary, acting through the Service, shall establish a program under which all employees of the Service who serve particular Indian tribes shall receive educational instruction in the history and culture of such tribes and in the history of the Service.

(b) To the extent feasible, the program established under subsection (a) shall—

(1) be carried out through tribally-controlled community colleges, and

(2) be developed in consultation with the affected tribal government, and

(3) include instruction in Native American studies.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

INMED PROGRAM

SEC. 204. (a) The Secretary is authorized to provide grants to colleges and universities for the purpose of maintaining and expanding the Native American health careers recruitment program known as the "Indians into Medicine Program" (hereinafter in this section referred to as "INMED") as a means of encouraging Indians to enter the health professions.

(b) In addition to maintaining the INMED program at the University of North Dakota, unless the Secretary makes a determination, based upon program reviews, that the program is not meeting the purposes of this section, the Secretary shall provide grants to at least two additional universities or colleges for the purpose of expanding the INMED program model.

(c) The Secretary shall develop regulations for the competitive awarding of the grants established in this section provided that the universities applying for such funds agree to provide a program which—

(1) provides outreach and recruitment for health professions to Native American communities including elementary, secondary and community colleges located on Indian reservations which will be served by the program,

(2) incorporates a program advisory board comprised of representatives from the tribes and communities which will be served by the program,

(3) provides summer preparatory programs for Native American students who need enrichment in the subjects of math and science in order to pursue training in the health professions,

(4) provides tutoring, counseling and support to students who are enrolled in a health career program of study at the respective college or university, and

(5) to the maximum extent feasible agree to employ qualified Native American staff for the program.

(d) By no later than the date that is 3 years after the date of enactment of this Act, the Secretary shall submit a report to Congress on the program including recommendations for expansion or changes to the program.

(e) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.

HEALTH TRAINING PROGRAMS OF COMMUNITY COLLEGES

SEC. 205. (a)(1) The Secretary, acting through the Service, shall award grants to community colleges for the purpose of assisting the community college in the establishment of programs which provide education in a health profession leading to a degree or diploma in a health profession for individuals who desire to practice such profession on an Indian reservation or in a tribal clinic.

(2) The amount of any grant awarded to a community college under paragraph (1) for the first year in which such a grant is provided to the community college shall not exceed $100,000.

(b)(1) The Secretary, acting through the Service, shall award grants to community colleges that have established a program described in subsection (a)(1) for the purpose of maintaining the program and recruiting students for the program.

(2) Grants may only be made under this section to a community college which—

(A) is accredited,

(B) has access to a hospital facility, Service facility, or hospital that could provide training of nurses or health professionals,

(C) has entered into an agreement with an accredited college or university medical school, the terms of which—

(i) provide a program that enhances the transition and recruitment of students into advanced baccalaureate or graduate programs which train health professionals, and

(ii) stipulate sanctions or certifications necessary to approve internship and field placement opportunities at service unit facilities of the Service or at tribal health facilities,

(D) has a qualified staff which has the appropriate certifications, and

(E) is capable of obtaining State or regional accreditation of the program described in subsection (a)(1).

(c) The Secretary shall encourage community colleges described in subsection (b)(2) to establish and maintain programs described in subsection (a)(1) by—

(1) entering into agreements with such colleges for the provision of qualified personnel of the Service to teach courses of study in such programs, and

(2) providing technical assistance and support to such colleges.

(d) Any program receiving assistance under this section that is conducted with respect to a health profession shall also offer courses of study which provide advanced training for any health professional who—

(1) has already received a degree or diploma in such health profession, and

(2) provides clinical services on an Indian reservation, at a Service facility, or at a tribal clinic.

Such courses of study may be offered in conjunction with the college or university with which the community college has entered into the agreement required under subsection (b)(2)(C).

(e) For purposes of this section—

(1) The term "community college" means—

(A) a tribally controlled community college, or

(B) a junior or community college.

(2) The term "tribally controlled community college" has the meaning given to such term by section 2(4) of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1801(4)).

(3) The term "junior or community college" has the meaning given to such term by section 312(e) of the Higher Education Act of 1965 (20 U.S.C. 1058(e)).

(f) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.

ADVANCED TRAINING AND RESEARCH

SEC. 206. (a) The Secretary, acting through the Service, shall establish a program to enable health professionals who have worked for the Service for a substantial period of time to pursue advanced training or research at medical schools, or other professional schools or facilities, in areas of study for which the Secretary determines a need exists.

(b) The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this section.

(c) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.

ADDITIONAL INCENTIVES FOR HEALTH PROFESSIONALS

SEC. 207. (a) The Secretary shall provide the incentive special pay authorized under section 302(b) of title 37, United States Code, by reason of section 208(a) of the Public Health Service Act (42 U.S.C. 210(a)), to—

(1) commissioned medical officers of the Regular and Reserve Corps of the Public Health Service who are assigned to positions for which recruitment or retention of personnel is difficult in the Indian Health Service, and

(2) civilian medical officers of the Service who are assigned to positions for which recruitment or retention of personnel is difficult.

(b)(1) The Secretary shall establish and update on an annual basis a list of positions (other than medical officers) of health care professionals employed by or assigned to the Service for which recruitment or retention is difficult.

(2)(A) The Secretary shall pay a bonus to any person who is employed in or assigned to, a position in the Service included in the list established by the Secretary under paragraph (1).

(B) The total amount of bonus payments made by the Secretary under this section to any employee during any 1-year period shall not exceed $2,000.

(c) The Secretary shall establish programs to allow the use of flexible work schedules, and compressed work schedules, in accordance with the provisions of subchapter II of chapter 61 of title 5, United States Code, for health professionals employed by, or assigned to, the Service.

(d) By no later than the date that is 6 months after the date of enactment of this Act, the Secretary shall submit a report to the Congress on the limitation imposed on amounts of premium pay for overtime to any individual employed by, or assigned to, the Service. The report shall include an explanation of existing overtime pay policy, an estimate of the budget impact of removing limitations on overtime pay, a summary of problems associated with overtime pay limitations, and recommendations for changes to the overtime pay policy.

(e) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.

RETENTION BONUS

SEC. 208. (a) The Secretary shall pay a retention bonus to medical officers employed by, or assigned to, the Service either as a civilian employee or as a commissioned officer in the Regular or Reserve Corps of the Public Health Service who—

(1) has—

(A) completed three years of employment with the Service, or

(B) completed any service obligation incurred as a result of—

(i) acceptance of any Federal scholarship program, or

(ii) any Federal education loan repayment program, and

(2) enters into an agreement with the Service for continued employment for a period of not less than 1 year.

(b) The Secretary shall establish specific rates for the retention bonus which shall provide for a higher annual rate for multiyear agreements than for single year agreements, but in no event shall the annual rate be less than $12,000 per annum nor shall the annual rate be more than $25,000 per annum.

(c) The retention bonus for the entire period covered by the agreement described in subsection (a)(2) shall be paid at the beginning of the agreed upon term of service.

(d) Any physician failing to complete the agreed upon term of service, except where such failure is through no fault of the individual, shall be obligated to refund to the government the full amount of the retention bonus for the period covered by the agreement plus interest as determined by the Secretary after consultation with the Secretary of the Treasury.

(e) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.

FOREIGN MEDICAL GRADUATE DEMONSTRATION PROJECT

SEC. 209. (a) The Secretary shall establish a 3-year demonstration project in the Indian Health Service which utilizes foreign medical graduates to assist in the delivery of health care in hospital facilities of the Indian Health Service.

(b) The Secretary shall conduct the demonstration project at not less than 2 hospitals of the Indian Health Service which have the staff capability to provide orientation, training, and supervision to the foreign medical graduates selected to participate in the demonstration project.

(c) The Secretary shall develop a program which provides orientation, training, and supervision to the participants in the demonstration project which—

(1) assesses the abilities of each foreign medical graduate participating in the demonstration project,

(2) provides individualized orientation and training to each participant,

(3) provides individualized work assignments based upon the individual's training, experience and capabilities, and which are under the supervision of a medical officer of the Indian Health Service, and

(4) prepares each participant to obtain a license as a physician assistant.

(d) The Secretary shall select at least 10 individuals to participate in the demonstration project who—

(1) were licensed to practice medicine in their country of origin;

(2) practiced medicine in their country of origin for at least 5 continuous years;

(3) are proficient in the oral and written use of the English language;

(4) have obtained citizenship or status of permanent residents of the United States; and

(5) originate from countries which are friendly with, or allied with, the United States.

(e) By the date that is no later than 3 years after enactment of this Act, the Secretary shall submit a report to Congress on the demonstration project which shall include recommendations for maintaining and expanding the demonstration project as a means of enabling the Service to more effectively deliver health care.

(f) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.

REPORT ON RECRUITMENT AND RETENTION

SEC. 210. (a) The Secretary shall establish an advisory panel composed of—

(1) 10 physicians or other health professionals who are employees of, or assigned to, the Indian Health Service,

(2) 3 representatives of tribal health boards, and

(3) 1 representative of an urban health care organization.

(b) The advisory panel established under subsection (a) shall conduct an investigation of—

(1) the administrative policies and regulatory procedures which impede the recruitment or retention of physicians and other health professionals by the Indian Health Service, and

(2) the regulatory changes necessary to establish pay grades for health professionals employed by, or assigned to, the Service that correspond to the pay grades established for positions provided under section 4103 and 4104 of title 38, United States Code, and the costs associated with establishing such pay grades.

(c) By no later than the date that is 18 months after the date of enactment of this Act, the advisory panel established under subsection (a) shall submit to the Congress a report on the investigation conducted under subsection (b), together with any recommendations for administrative or legislative changes in existing law, practices, or procedures.

TORT LIABILITY

SEC. 211. Subsection (c) of section 103 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450g(c)) is amended—

(1) by striking out "The Secretary" and inserting in lieu thereof "(1) The Secretary", and

(2) by adding at the end thereof the following new paragraph:

"(2) For purposes of section 224 of the Public Health Service Act (42 U.S.C. 233(a)), and chapter 171 and section 1346 of title 28, United States Code, with respect to claims for personal injury, including death, resulting from the performance of medical, surgical, dental, or related functions, including the conduct of clinical studies or investigations, an Indian tribe, tribal organization, or Indian organization carrying out a contract, grant agreement, or cooperative agreement under this section or section 104(b) of this Act, the Act of April 30, 1908 (35 Stat. 71; 25 U.S.C. 47) or section 23 of the Act of June 25, 1910 (36 Stat. 861; 25 U.S.C. 47) is deemed to be part of the Public Health Service of the Department of Health and Human Services while carrying out such contract or agreement and its employees (including those acting on behalf of the organization or contractor as provided in section 2671 of title 28) may, if provided in the contract, grant agreement, or cooperative agreement at the request of the Indian tribe, tribal organization, or Indian organization, be deemed employees of the Service while acting within the scope of their employment in carrying out the contract or agreement.".

DEFINITIONS

SEC. 212. For purposes of this Act—

(1) The term "the Secretary" means the Secretary of Health and Human Services.

(2) The term "the Service" means the Indian Health Service of the Department of Health and Human Services.

(3) The term "Indian", "Indian tribe", "tribal organization", and "urban Indian organization" have the respective meanings given to such terms by section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603).

Mr. MELCHER. Mr. President. I am very pleased that the Senators agreed to take up S. 1475 today by unanimous consent. This bill is absolutely essential to establish and maintain an effective clinical staffing, Recruitment and Retention Program for the Indian Health Service. Clinical staffing shortages have become a crisis and Congress must swiftly enact legislation to overcome the problem this year.

I introduced the bill on July 9, 1987, along with several cosponsors: Senators INOUYE, BURDICK, BAUCUS, CONRAD, SHELBY, RIEGLE, DECONCINI, MITCHELL, DASCHLE, MCCAIN, and BINGAMAN.

This is a good, solid bill. It is also an emergency bill that must pass immediately. More physicians, dentists, nurses, lab technicians and other health professionals are desperately needed by the Indian Health Service. Above all, it needs to retain those health professionals now working on Indian reservations where health conditions are already tough. IHS cannot stand any further losses of personnel. It is a health crisis.

The main components of the bill are: A loan repayment program which authorizes IHS to recruit students in their final year of professional school for service in those areas where the IHS has shortages; second, and more importantly, the bill authorizes incentives for health care professionals now working in IHS to continue with higher pay and better working and living conditions.

The bill goes further: providing grants for tribal demonstration projects in recruitment and retention; providing training on Indian history and culture to IHS clinical staff; establishing grants for community colleges to train Indians in health care professions; maintaining and expanding the Indians in Medicine Program; providing incentives for existing clinical staff to stay with IHS; clarifying that tribes who contract for IHS services will qualify under the Federal tort liability for malpractice purposes; requiring IHS to investigate the possibility of using foreign medical graduates; and, finally, it establishes an in-house review panel to evaluate IHS policy and procedure.

The Indian Health Service must have more doctors and nurses immediately or sick, injured, and diseased Indians will not have treatment at the IHS clinics and hospitals. Indian patients will then be referred to off-reservation hospitals and medical clinics. That will be worse for the patients, moving them far from their homes, and will be worse for the U.S. Treasury, costing much more.

The February Office of Technology Assessment study, "Clinical Staffing in the Indian Health Service" chronicles in detail the shortage of IHS staffing now and the inability to function in the near future, which will have a crippling effect on the Indian Health Service facilities, leading to a collapse by 1991.

Unless this clinical shortage is resolved, the Indian Health Service's ability to provide health care will virtually come to a halt. Enactment of this bill today by the Senate will be a step to prevent this crisis in health care.

I thank the Senate for its consideration of this most urgent bill.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 1475) was passed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

"GLASNOST" IN RIGA

Mr. DOLE. Mr. President, today, November 18, "glasnost" will get another test—this time in the Latvian Capital of Riga.

November 18 is Latvian Independence Day—a day when Latvians at home and abroad renew their call for the restoration of freedom for Latvia. In Riga, it will be marked with peaceful demonstrations, culminating in a wreath laying ceremony at the Freedom Monument.

Several weeks ago, Senator RIEGLE and I joined in introducing a resolution, unanimously passed by the Senate, noting the planned demonstrations and calling on the Soviet authorities to permit the Latvian people this exercise of their rights.

But will the Soviet authorities in fact permit these demonstrations to go forward? Will they allow the people of Latvia at least this small opportunity to express their yearning for true freedom?

Today we will find out.

But recent events do not give me very much confidence. For the last several months, Soviet authorities have been engaged in a massive campaign of disruption, pressure and dissuasion, aimed both at the leaders of the movement to restore freedom to Latvia and at the Latvian population in general. In recent days, the Soviets have even trotted out a "ghost" of the 1950's, British spy Kim Philby, with ridiculous charges of Western intelligence involvement in Baltic freedom movements.

There are also reports that the Soviets have brought in large numbers of military forces—whether to intimidate or actually break up the demonstrations is not clear.

I should also note that Soviet authorities have reacted with what the Washington Post this morning calls "anger and indignation" to the Riegle-Dole resolution.

Mr. President, let me say to the Soviets: We, too, are angry and indignant. Angry and indignant that, after a half century, Latvians are still not free; angry and indignant that, after a half century—and about a half ton of propaganda about "glasnost"—we must still wait, with concern and trepidation, to see whether Soviet authorities will permit the people of Latvia to hold peaceful demonstrations in support of their quest for freedom.

Mr. President, the eyes of many of us in Congress, the eyes of free people around the world, will be on Riga today. Today, we will get one more important piece of evidence as to whether "glasnost" is something real or just a public relations slogan.

There are a number of Members of Congress who are having serious doubts about Mr. Gorbachev addressing a joint session of Congress. I think this is one of the reasons, because wherever you turn, we find the Soviets talking about openness, but everywhere you turn you find more and more oppression. I hope that is something which is going to be very carefully weighed.

TRIBUTE TO HERBERT BECKINGTON, INSPECTOR GENERAL OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. KASTEN. Mr. President, tomorrow at a luncheon in his honor, Gen. Herbert L. Beckington, who has served as inspector general for the Agency for International Development, will receive a commemorative plaque from AID's new Administrator. The plaque will be inscribed with the following message:

> Competence to the highest degree, integrity without blemish and total commitment to public good have marked the career of Herbert L. Beckington. For the past 10 years, as auditor general and inspector general of the Agency for International Development, he has provided unequalled professionalism and leadership in protecting and enhancing the United States foreign assistance program, which is so vulnerable to waste, fraud, and abuse. We applaud him for these contributions and the honor he has brought to all.

This commendation of General Beckington is greatly deserved. While General Beckington's 10 years as inspector general of AID mark a significant career as a public servant, they follow an even longer period of service to his country as a marine officer. He retired from the Marine Corps in 1975 as a lieutenant general after 30 years of military service.

General Beckington was born and raised in Rockford, IL, and received his bachelor of arts degree at the Citadel in Charleston, SC. From there, he was directly commissioned as an officer in the U.S. Marine Corps. He served with the corps in the Pacific Theatre in World War II, spent about 2 years in China after the war, and then served at the Marine Barracks. Thereafter, he served in the office of the Judge Advocate General in the Navy in the early 1950's, during which time he earned his L.L.B. degree. From then, until his retirement, General Beckington served in assignments which included normal staff and command positions at sea, ashore, and at Marine Corps Headquarters. He commanded marines at the platoon, company, battalion, battery, regimental, and combined air/ground task force levels, both in peacetime and in war, including service in Vietnam. He took staff assignments with troops in personnel, operations, and intelligence billets. In addition to these duties, General Beckington served as an aide and military assistant to Vice President Herbert Humphrey, and was detailed for a time to the Senate Armed Services Committee under Senator STENNIS, who at that time was the chairman of the Committee on Investigations, and who is now the chairman of the Appropriations Committee. After General Beckington's retirement form the Marine Corps and before he became AID's inspector general, he served as a consultant to the Senate Foreign Relations Committee.

Mr. President, General Beckington has had two very distinguished careers in the service of his country, and I very much regret that there are not more people like him serving our Government. He is a dedicated and conscientious official of whom we can all be proud. It is my hope that he remains many more years as AID's inspector general.

IN HONOR OF HERBERT L. BECKINGTON, INSPECTOR GENERAL FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Mr. INOUYE. Mr. President, I would like to join my friend and distinguished colleague, the junior Senator from Wisconsin [Mr. KASTEN] in his commendation of Gen. Herbert L. Beckington's 10 years as the Agency for International Development's inspector general.

Mr. President, it was clear to me in September 1977, when General Beckington took the inspector general job in AID and when I was first chairman of the Foreign Operations Subcommittee, that he was a distinguished individual who would undoubtedly do a commendable job. My assessment of him at that time has certainly turned out to be true, as he is now in his 11th year of service in that position—longer, I might add, than any of his predecessors.

Senator KASTEN has detailed the general's distinguished career as an officer in the U.S. Marine Corps, so I will not comment further on that, except to say that taken by itself, General Beckington's career as a marine officer would be enough to earn him the respect and commendation that he is now receiving on his 11th year as AID's inspector general.

Mr. President, the job of inspector general of AID is an extremely difficult one because of the very complex international relationships and conflicting foreign affairs considerations which must be taken into account. Moreover, the foreign affairs program, because it is carried out all over the world in many very different settings is, by its very nature, subject to problems which require an active, competent, and sensitive inspector general. General Beckington has presided over a significant improvement in this important function by ensuring worldwide regional offices, budgetary independence, and the hiring of an increasingly able staff.

Mr. President, I completely agree with Senator KASTEN that General Beckington is a man of high integrity and competence, and I, too, hope that he will serve many more years as the inspector general of AID.

BICENTENNIAL MINUTE

NOVEMBER 18, 1943: A REPORT FROM THE SECRETARY OF STATE

Mr. DOLE. Mr. President, 44 years ago today, on November 18, 1943, the Senate proceeded to the House Chamber to witness a unique event. For the first time in history, a member of the President's Cabinet addressed a joint meeting of Congress. The speaker was Secretary of State Cordell Hull.

Secretary Hull had just returned from a major conference of foreign ministers in Moscow. The first Allied three-power meeting of World War II, that conference brought together representatives of the United States, Great Britain, and the Soviet Union to plan military and diplomatic strategy. Soviet leader Joseph Stalin pledged that after Germany's defeat, Russia would enter the war against Japan. Secretary Hull reported that the conference had established a European Advisory Commission to develop a postwar policy for Germany. Most significantly, the Secretary noted, the conference recognized the "necessity of establishing at the earliest practicable date a general international organization, based on the principle of the sovereign equality of all peace-loving states, and open to membership by all such states, large and small, for the maintenance of international peace and security."

Members, happily receiving this optimistic message, repeatedly interrupted the Secretary with cheers and shouts. He assured his audience that Stalin would not deal separately with the Germans and would not abstain from an Allied peace-keeping coalition. Secretary Hull's assessment of Stalin as "one of the great statesmen and leaders of this age" triggered prolonged applause. Following this address, Senate Republican leaders, in a spirit of bipartisan foreign policy cooperation, agreed that the forthcoming 1944 election campaigns should be confined to domestic policy issues. As Senators left the Chamber, some speculated that this address by a Cabinet Secretary heralded a new era of legislative-Executive consultation and harmony.

LATVIAN INDEPENDENCE DAY

Mr. PRESSLER. Mr. President, November 18 marks the 69th anniversary of the proclamation of Latvian independence. The Latvian people were joyous in gaining their freedom. Unfortunately, however, that freedom was short-lived.

In 1940, the Soviet Union invaded the Baltic States of Latvia, Estonia, and Lithuania. Latvia's 22-years of independence were shattered by its illegal incorporation by the U.S.S.R. The United States continues to refuse to recognize this act of aggression.

The basic human rights of the Latvians have been ignored continually by the Soviets. Thousands of Latvians have been deported, murdered, exiled, and sent to psychiatric institutions for political reasons. They have been subjected to a russification program that attempts to crush their strong cultural, religious, and historical heritage. Latvians have experienced some of the worst brutal acts of oppression ever to be used by the Soviet Union.

The strong-willed people of Latvia refuse to give up their struggle for independence from the Soviet Union. They believe that one day they will be free of Soviet oppression and subjugation. Latvians cling to the faith that once again they will be able to enjoy their civil liberties, religious freedom, and the basic human rights that all individuals should be able to take for granted.

We must continue to support the people of Latvia in their struggle for human rights and national independence.

INTERNATIONAL WHEAT AGREEMENT 1986

Mr. COCHRAN. Mr. President, I was glad to see us ratify the International Wheat Agreement 1986. This agreement reflects the provisions of the treaty signed in June 1986 and transmitted to the Senate for ratification by President Reagan on January 20, 1987.

Since its inception in 1949, the International Wheat Agreement [IWA] has efficiently and effectively fulfilled the objective of being a neutral source of world grain production and trade data, to publish signatory nations' food aid obligations, and to serve as a global forum on wheat matters. Due to the professional and objective manner in which the International Wheat Council, the IWA administering body, had conducted its affairs, it has won the support of the U.S. wheat industry as represented by organizations such as the National Association of Wheat Growers and U.S. Wheat Associates. Also, because of the quality of its statistics, U.S. agencies such as the Department of Agriculture and Office of the Trade Representative make extensive use of the Council.

Mr. President, I believe there is general agreement that the International Wheat Council is an important organization for the industry and, because of its past performance, may see in the future an expanding role in international affairs. Specifically, the Council will likely be requested to assist in the preparations for negotiations on agricultural trade in the Uruguay Round of the GATT.

For the Council to continue the level and quality of performance users have become accustom to, it is important to have a dependable and consistent operating budget. Recognizing that U.S. dues represent a significant percentage of the Council's budget, the timely ratification of this agreement was imperative.

HAROLD GOLDBERG

Mr. KASTEN. It is with great sadness I wish to note the death last week of Mr. Harold Goldberg of New York. He was the associate executive vice chairman of United Israel Appeal and its chief financial officer.

In his capacity as chief financial officer, Harold Goldberg was responsible for administering the U.S. Grant Program for the resettlement of refugees in Israel. Because this program has been a congressional initiative, many on Capitol Hill over the years came to know and respect Harold Goldberg. To his many friends here, Hal was that rare individual, highly knowledgeable and committed, but also a fine, kind and decent man.

Hal's varied background, with degrees in business and management from New York University and graduate study in international studies at Cornell University as well as extensive corporate experience gave him a unique ability to explain the complexities of Jewish refugees and Israel.

Despite his debilitating illness, Hal was never less than an enthusiastic, optimistic man. He was also a warm friend to many here who became interested and involved in the important task of rescuing Jews living in abject poverty or under cruel repression.

To his wife, Rosalind, his children, Andrew and Dana, and his mother, Rose, I would like to extend my deepest sympathy. I would also wish them to know that Harold Goldberg was an inspiring figure to us all.

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 12:20 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 1451. An act to amend the Older Americans Act of 1965 to authorize appropriations for the fiscal years 1988, 1989, 1990, and 1991; to amend the Native Americans Programs Act of 1974 to authorize appropriations for such fiscal years; and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore [Mr. STENNIS].

MEASURES PLACED ON THE CALENDAR

The following bills, previously received from the House of Representatives for concurrence, were placed on the calendar by unanimous consent:

H.R. 2598. An act entitled the "Commercial Fishing Industry Vessel Anti-Reflagging Act of 1987;

H.R. 2639. An act to repeal the Brown-Stevens Act concerning certain Indian tribes in the State of Nebraska.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CRANSTON:

S. 1878. A bill for the relief of Thomas Nelson Flanagan; to the Committee on the Judiciary.

By Mr. QUAYLE:

S. 1879. A bill to amend part B of title IV of the Higher Education Act of 1965, relating to the guaranteed student loan program, to reduce the unacceptably high default rate under that program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. CHAFEE:

S. 1880. A bill to temporarily suspend the duty on theobromine; to the Committee on Finance.

S. 1881. A bill to temporarily suspend the duty on chlorhexanone; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CRANSTON:

S. 1878. A bill for the relief of Thomas Nelson Flanagan; to the Committee on the Judiciary.

RELIEF OF THOMAS NELSON FLANAGAN

Mr. CRANSTON. Mr. President, today I am introducing a private bill to waive the statute of limitations so that Mr. Thomas Flanagan can bring his case before the U.S. Claims Court. The facts of Mr. Flanagan's case present particularly compelling reasons to waive the statute of limitations and allow him to litigate his claim which is based on events which occurred on December 27, 1942.

On December 27, 1942, Thomas Flanagan saw a group of white marines and shore patrolmen firing into a crowd of black sailors. During the attack two black sailors were wounded. The following day Mr. Flanagan reported the incident to his commanding officer, asking whether the white marines would be punished. Eight days later the commanding officer summoned Mr. Flanagan and gave him a choice: Either accept an undesirable discharge or face a court-martial for mutiny, a capital offense. Contrary to naval regulations, Commander Tobin did not tell Mr. Flanagan why he was being asked to accept the discharge, or the nature of the offenses for which he was to be court martialed.

Because Mr. Flanagan's service record did not render him unfit for service, his commander had to create a record which would support the discharge. He therefore inserted into Mr. Flanagan's service record a letter which stated that Mr. Flanagan was stirring up discontent among other blacks and that he did his utmost to promote ill feelings and racial prejudice. These statements were completely false yet they would haunt Mr. Flanagan for nearly 40 years.

Because of this incident, for the remainder of his working life, Mr. Flanagan could only obtain menial jobs in stockyards and restaurants. In addition Mr. Flanagan was deprived of veterans' benefits which allowed other black veterans to get an education, secure good jobs, buy a VA financed home, and receive free medical treatment.

In 1978, some 35 years after he was discharged, Mr. Flanagan learned of a Red Cross program that was helping veterans upgrade discharges. It was at this time that Mr. Flanagan first learned of the false information which had been placed in his file, and discovered that he had been discharged in violation of naval regulations. The Naval Discharge Review Board subsequently upgraded Mr. Flanagan's discharge to honorable in July 1979. The Board ruled that Mr. Flanagan's service record did not support any of the charges made by his commanding officer and stated that racial prejudice was apparently the only reason for awarding his discharge.

Mr. Flanagan has twice attempted to sue the Navy for back pay and damages but failed in both the U.S. Claims Court and the U.S. Court of Appeals. Both Federal courts accepted Mr. Flanagan's version of the incident but ruled that he sued too late. The claims court ruled that it lacked jurisdiction to consider the petition because the statute of limitations had run out 34 years earlier.

The Navy maintains that had Mr. Flanagan filed his claim within 6 years after he was discharged his suffering could have been avoided. Mr. Flanagan did not do this because he understood that he had been the victim of racial injustice. He understood that, because he was black, there was little that could be done about it. At the time of his discharge the military was still segregated, and there was no way that he, as a black, could hope to win his case against white officers before an all white jury.

Mr. President, the bill I am introducing today will waive the statute of limitations so that Mr. Flanagan can pursue his claim against the United States for lost wages, lost benefits, compensatory damages, and mental suffering he sustained due to his wrongful discharge from the U.S. Naval Reserve.

Representative DYMALLY has introduced legislation, H.R. 1133, in the House which is identical to the bill I am introducing today.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1878

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. GRANT OF JURISDICTION TO UNITED STATES CLAIMS COURT TO CONSIDER CLAIM AGAINST THE UNITED STATES: LIMITATION.

Notwithstanding section 2501 of title 28, United States Code, or laches, the United States Claims Court shall have jurisdiction to hear, determine, and render judgment on any claim filed by, or on behalf of, Thomas Nelson Flanagan ([redacted]) against the United States for lost wages, lost benefits, compensatory and consequential damages, and mental suffering he sustained due to his wrongful discharge from the United States Naval Reserve on January 5, 1943, if an action on such claim is instituted in such court in accordance with otherwise applicable law during the one-year period beginning on the date of the enactment of the Act.

SEC. 2. CONDUCT OF PROCEEDINGS.

Proceedings for the determination of the claim described in section 1 of this Act, determination of damages, and review of any judgment of such claim shall be conducted in the same manner as if the United States Claims Court had jurisdiction under section 1491(a) of title 28, United States Code.

SEC. 3. NO INFERENCE OF LIABILITY OF UNITED STATES.

This Act shall not be construed as an inference of liability on the part of the United States.

By Mr. QUAYLE:

S. 1879. A bill to amend part B of title IV of the Higher Education Act of 1965, relating to the Guaranteed Student Loan Program, to reduce the unacceptably high default rate under that program, and for other purposes; to the Committee on Labor and Human Resources.

STUDENT LOAN DEFAULT REDUCTION ACT

● Mr. QUAYLE. Mr. President, I am introducing a bill, the Student Loan Default Reduction Act, to help address a serious problem facing the Federal Guaranteed Student Loan [GSL] Program: defaults. A recent study sponsored by the National Governor's Association has attracted attention to the default issue and shown that the problem in the GSL Program is not going away, despite our many, previous efforts. Instead, the cost of defaults to the Government is growing, and it appears that the cost will continue to grow over the next several years.

For fiscal year 1988, the cost of defaults in the GSL Program is estimated at $1.6 billion, an increase of $300 million from last year. Independent estimates suggest that by 1990, defaults could cost the Government $2 billion. In a program that had an annual appropriation of $2.717 billion in fiscal year 1987, this is a staggering percentage to have to pay for default costs. What disturbs me more is the loss of this money as direct aid to needy students. The Federal Government should be paying for students to attend college, not for the cleaning up costs of their defaults.

There is no simple explanation for this increase in default costs, but perhaps the most obvious is the increase in the amount of money borrowed under the program now coming into repayment. In 1979, loan volume in the GSL Program was $3 billion. By 1982, that had climbed to $6.2 billion, and for 1987, loan volume was $8.6 billion.

Obviously, not all of these loans enter default. The default rate in the GSL Program shows that the percent of loans in default has changed only slightly over the last few years. The net default rate for GSL's in 1981 was 9.7 percent; in 1982, it was 8.7 percent; in 1983, it was 8.3 percent, in 1984, it was 8.3 percent; in 1985, it was 8.9 percent, and in 1986, it was 9.4 percent. Clearly, over 90 percent of the students borrowing under this program are repaying their loans and meeting their obligations.

For instance, in my State of Indiana, only 4.3 percent of borrowers defaulted on their loans, the fourth lowest default rate in the Nation. I am pleased that Indiana has such a good record in this program, and hope other States will move in this direction.

But other States have default rates in the double digits, and in a survey of 8,300 institutions participating in the GSL Program, two-fifths had student borrowers with default rates in excess of 20 percent, and more than one-tenth had default rates in excess of 40 percent.

I have long been involved in the search for good management to reduce defaults. In 1984, I introduced legislation, which was included in the 1985 reconciliation bill and also in the Higher Education Act Reauthorization of 1986, to improve collections and reduce defaults. During the Higher Education Act Reauthorization process, I suggested and supported many changes to reduce and prevent defaults and improve collections in the GSL Program.

I also introduced S. 685, to make permanent the IRS Tax Offset Program for defaulted student loans. This program has been very successful and has resulted in the recovery of over $340 million in the 2-year test period. The Senate Finance Committee has extended this program in their 1988 reconciliation bill, and I hope we can see this provision enacted quickly.

As many of my colleagues are aware, Secretary of Education Bennett announced on November 4, 1987, new guidelines to restrict eligibility in the Federal student aid programs to schools with default rates of less than 20 percent. The Department plans to implement this change by regulation, effective in 1990. I commend the Secretary for making default reduction a high priority and for attracting attention to the problem.

The recent changes that Congress has made and the ones I propose today will not bring down the GSL default costs immediately, as so many defaulted loans are already in the pipeline, but they will help put the program on a more sound footing and surely reduce the estimated $2 billion default cost by 1990.

Additionally, these changes are designed to forestall some more dramatic steps that others may seek which would have the effect of limiting access to student loans. Should the default problem persist unchecked, I do not think it is unreasonable to expect proposals to eliminate certain categories of students or types of schools from eligibility in the program. I do not want to go that far, as I believe the purpose of the GSL program has been to provide access, and I hope my colleagues will support this legislation as a reasonable approach to solving this problem.

The bill I am introducing today would do the following:

Permit a guaranty agency to suspend a school, after reasonable notice and opportunity for a hearing, that has a total default rate of 30 percent or higher from the GSL Program for 12 months. This provision is similar to one in the Senate trade bill, except that a guaranty agency would look at the total default rate of the school, not just the rate for loans held by that guarantor. After the 12-month period, the school could apply to have the loan insurance reinstated, if the school could demonstrate that it has taken actions designed to reduce its default rate. In fiscal year 1992, the 30-percent cutoff would be reduced to 25 percent.

Allow a school to buy out or pay off defaulted loans belonging to students at that school. Once the loan is paid off in full by the school, no further Federal interest or subsidy would be paid on that loan. These payments are designed to reduce the default rate of the school.

Require any school which has a cumulative default rate of 30 percent or above to act as a cosigner of the GSL.

Require the lender and the guaranty agency to notify the school when the borrower becomes delinquent or goes into default. The school would then be required to report any known address changes to the lender or the guaranty agency.

Permit guaranty agencies to request information from schools on student admissions, default rates, withdrawals, and placement rates.

Reduce the reinsurance paid to guaranty agencies from 100 percent to 95 percent.

Require the Division of Eligibility and Certification at the Department of Education [ED] to review schools' default rates every 12 months. If a school had a default rate of 30 percent or higher, ED would notify the school that it would be on probation and that it could be suspended, after reasonable notice and opportunity for a hearing, from the program for 1 year. The school would have to demonstrate that it had taken positive steps to reduce defaults to restore eligibility. In fiscal year 1992, the 30 percent cutoff would be reduced to 25 percent.

Require annual publication by the Department of Education of data showing default rates by schools, guaranty agencies, and lenders.

Require a substantial refund of tuition if the student withdraws from a school within 7 days.

Require, rather than permit, the performance of preclaims assistance by guaranty agencies on a loan before that loan is filed for default.

The effective date for these changes would be with respect to loans made for periods of instruction beginning on or after January 1, 1988, or for periods beginning 30 days after the enactment of this legislation, whichever is later.

I believe these changes are very fair. They do not call for the wholesale elimination of any category of student or school, nor do they indicate a prejudice against any category of school or students. My proposal recognizes the need to reduce defaults and, I believe, offers a number of very practical and realistic approaches to doing that.

I hope my colleagues will study this bill and lend their support to it. I would hope that we could see quick action on this package of changes so that defaults will indeed be brought down over the next few years.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1879

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Student Loan Default Reduction Act".

REDUCTION OF DEFAULT RATE AND ELIGIBLE INSTITUTIONS

SEC. 2. (a) ASSURANCES.—Section 428(b)(1) of the Higher Education Act of 1965 (hereafter in this Act referred to as the "Act") is amended—

(1) by striking out "and" at the end of subparagraph (T);

(2) by redesignating subparagraph (U) as subparagraph (V); and

(3) by inserting after subparagraph (T) the following new subparagraph:

"(U) provides that, notwithstanding any other provision of this paragraph, a guaranty agency will comply with the provisions of section 428G; and".

(b) GENERAL RULES.—Part B of title IV of the Act is amended by inserting after section 428F the following new section:

"PROVISIONS FOR ELIGIBLE INSTITUTIONS TO REDUCE DEFAULT

"SEC. 428G. (a) TERMINATION OF INSURANCE.—(1) A guaranty agency may, after 60-days notice and an opportunity for a hearing, cease to provide insurance for loans for students at an otherwise eligible institution if the cumulative default rate of loans from such institution in repayment—

"(A) exceeds 30 percent of the amount of loans at that institution insured by all guaranty agencies under this part in any fiscal year ending before October 1, 1991; and

"(B) exceeds 25 percent of the amount of such loans in any fiscal year beginning after September 30, 1991.

"(2)(A) Not earlier than 1 year after a guaranty agency has ceased to guarantee the loans of an eligible institution under paragraph (1), the eligible institution may apply to have the loan insurance reinstated.

"(B) In order to have the loan insurance reinstated under this part, the eligible institution suspended pursuant to the provisions of this subsection must demonstrate to the guaranty agency that the eligible institution has taken actions designed to reduce the default rate of loans insured under this part.

"(b) PAYMENT OF DEFAULTED LOANS TO AVOID LOSING ELIGIBILITY.—Each guaranty agency may enter into an agreement with an eligible institution having loans insured by that guaranty agency under which the eligible institution may make the payments of principal and interest of loans in default from borrowers who attended that eligible institution and are insured by that agency. Each such agreement shall be designed to reduce the default rate of student loans insured under this part for students attending that eligible institution.".

GUARANTY AGENCY AGREEMENT AND REPORTING PROVISIONS

SEC. 3. (a) INSTITUTION ENDORSEMENT RULE.—Section 428(b)(1)(N) of the Act is amended—

(1) by inserting "(i)" after the subparagraph designation; and

(2) by adding at the end thereof the following new clause: "and (ii) provides that in the case of funds borrowed by a student enrolled or to be enrolled at an eligible institution having a cumulative default rate in excess of 30 percent of loans insured under this part, the loan will be endorsed by the eligible institution;".

(b) NOTICE RULES.—Section 428(b)(1)(P) of the Act is amended by striking out "during enrollment" and inserting in lieu thereof "during and after enrollment" and by striking out "is in attendance" and inserting in lieu thereof "is or was in attendance".

(c) INFORMATION AND REPORTING RULES.—(1) The first sentence of section 428(k)(1) of the Act is amended by striking out "may" and inserting in lieu thereof "shall".

(2) The first sentence of section 428(k)(1) is amended by inserting "delinquent or" after "who are" each time it appears.

(3) The second sentence of section 428(k)(1) is amended by striking out "may" and inserting in lieu thereof "shall".

(4) Section 428(k) of the Act is further amended by redesignating paragraph (2) as paragraph (4) and by inserting after paragraph (1) the following new paragraphs:

"(2) REVIEW AND REPORT REQUIRED.—Each eligible institution receiving names and addresses of students under paragraph (1) of this subsection shall review the information furnished under such paragraph and report to the appropriate guaranty agency any corrections in the information so furnished, particularly last known addresses of borrowers in default.

"(3) PROVISION OF INFORMATION ON ELIGIBLE INSTITUTIONS AND MANAGING DEFAULT RATES.—In order to better assess the ability of eligible institutions to improve default rates of student borrowers from that institution, each guaranty agency may request from eligible institutions having loans insured by that guaranty agency information on student withdrawals, student default rates, admissions policies, and placement rates for students enrolled at that institution.".

INSTITUTIONAL INFORMATION AND REPORTING REQUIREMENTS

SEC. 4. (a) INFORMATION ON DELINQUENT LOANS TO BE SUPPLIED TO ELIGIBLE INSTITUTIONS.—Section 435(d) of the Act is amended by adding at the end thereof the following new paragraph:

"(6) INFORMATION ON DELINQUENT LOANS TO BE SUPPLIED TO ELIGIBLE INSTITUTIONS.—To be an eligible lender under this part, each such lender shall furnish the appropriate eligible institution a list of the names of student borrowers who are delinquent in repayment on loans insured under this part, the last known address of such student, and the amount of the loan in delinquent status to the eligible institution.".

(b) REPORTS BY ELIGIBLE INSTITUTIONS TO LENDERS.—Section 487(a) of the Act is amended by adding at the end thereof the following:

"(11) In the case of the eligible institution participating in a program under part B, the institution will submit reports to eligible lenders under part B with respect to the last known address and subsequent change of address of all student borrowers who are delinquent or in default on the repayment of student loans made, insured, or guaranteed under such part B.".

REINSURANCE PROVISION

SEC. 5. The fourth sentence of section 428(c)(1)(A) of the Act is amended by striking out "100 percent" and inserting in lieu thereof "95 percent".

FEDERAL ADMINISTRATIVE DEFAULT PROVISIONS

SEC. 6. Part B of title IV of the act is amended by inserting after section 432 the following new section:

"ADMINISTRATIVE PROVISIONS RELATING TO ELIGIBLE INSTITUTIONS AND DEFAULT

"SEC. 432A. (a) GENERAL AUTHORITY.—The Secretary, through the Division of Eligibility and Certification of the Office of Postsecondary Education, shall review the default rates of eligible institutions having students with loans made, insured, or guaranteed under this part at least once in every 12-month period.

"(b) REQUIREMENTS AFTER REVIEW.—After the review required by subsection (a), the Secretary shall notify any eligible institution that—

"(1) has a cumulative default rate of 30 percent of the amount of loans at that institution insured by all guaranty agencies under this part in any fiscal year ending before October 1, 1991, or higher; and

"(2) has a cumulative default rate of 25 percent of the amount of such loans in any fiscal year beginning after September 30, 1991, or higher,

that the eligible institution—

"(A) is likely to be placed on probation; and

"(B) is, after reasonable notice and opportunity for a hearing, subject to the loss of its status as an eligible institution under this part for a period of not to exceed 1 year.

"(c) SUSPENSION AUTHORIZED.—(1) The Secretary after reviewing the default rates obtained under subsection (a) of this section, may suspend, after reasonable notice and opportunity for a hearing, an eligible institution from participation in the program authorized by this part for a period of 1 year.

"(2) In order to be reinstated as an eligible institution under this part, the eligible institution suspended pursuant to the provisions of this section must demonstrate to the Secretary that the eligible institution has taken actions designed to reduce the default rate of loans insured under this part.

"(d) PUBLICATION OF DEFAULT DATA.—The Secretary shall annually prepare and publish data showing default rates by eligible institutions, by guaranty agencies, and by eligible lenders for the year for which the publication is made.".

TUITION REFUND RULE

SEC. 7. Section 435(a) of the Act is amended by adding at the end thereof the following new paragraph:

"(3) TUITION REFUND REQUIRED.—In order to be an eligible institution under this part, an eligible institution must have a tuition refund policy applicable to any student enrolled at the eligible institution who withdraws from the program in which the student is enrolled after a period of enrollment of less than 7 days which includes a substantial refund of tuition paid.".

TECHNICAL AMENDMENT

SEC. 8. Section 428(c)(6)(C)(i) of the Act is amendment by striking out "or permitted".

EFFECTIVE DATE

SEC. 9. This Act and the amendments made by this Act shall take effect with respect to loans made to cover the cost of instruction for periods of enrollment beginning on or after January 1, 1988, or for such periods beginning 30 days after the date of enactment of this Act, whichever occurs later.●

By Mr. CHAFEE:

S. 1880. A bill to temporarily suspend the duty on theobromine; to the Committee on Finance.

S. 1881. A bill to temporarily suspend the duty on chlorhexanone; to the Committee on Finance.

TEMPORARY SUSPENSION OF DUTY ON CERTAIN CHEMICALS

● Mr. CHAFEE. Mr. President, I am introducing two bills today for the purpose of suspending the current duty on two chemicals—theobromine and chlorhexanone. These two chemicals are used in the manufacture of pentoxifylline, which is the active ingredient in the product "Trental" used in the treatment of arterial disease.

These two chemicals are used by the Pharmaceutical Production Division of Hoechst Celanese Corp., which is located in Coventry, RI, to produce pentoxifylline. The final product, Trental, is manufactured in Bridgewater, NJ.

I have been advised that neither theobromine nor chlorhexanone is commercially available in the United States, and thus the current duty is an unnecessary added expense for the domestic manufacturing industry. Industries which are dependent upon imports are already facing higher costs as a result of the devaluation of the dollar. We do not need to continue unnecessary duties which add to their expenses. I am therefore proposing to suspend the duty on these two chemicals until December 31, 1990.

Mr. President, I ask unanimous consent that these two bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1880

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. THEOBROMINE.

Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

"908.24	Theobromine (provided for in item 437.18, part 3B, schedule 4).	Free............	No change...	On or before 12/31/90".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date that is 15 days after the date of enactment of this Act.

S. 1881

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CHLORHEXANONE.

Subpart B of part 1 of the Appendix to the Tariff Schedules of the United States is amended by inserting in numerical sequence the following new item:

"908.24	Chlorohexanone (provided for in item 427.64, part 2D, schedule 4).	Free............	No change...	On or before 12/31/90".

SEC. 2. EFFECTIVE DATE.

The amendment made by this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date that is 15 days after the date of enactment of this Act.●

ADDITIONAL COSPONSORS

S. 533

At the request of Mr. THURMOND, the name of the Senator from Virginia [Mr. WARNER] was added as a cosponsor of S. 533, a bill to establish the Veterans' Administration as an executive department.

S. 675

At the request of Mr. MITCHELL, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 675, a bill to authorize appropriations to carry out the Endangered Species Act of 1973 during fiscal years 1988, 1989, 1990, 1991, and 1992.

S. 703

At the request of Mr. SPECTER, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 703, a bill to amend title 18, United States Code, including the Child Protection Act, to create remedies for children and other victims of pornography, and for other purposes.

S. 1109

At the request of Mr. HARKIN, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1109, a bill to amend the Federal Food, Drug, and Cosmetic Act to require certain labeling of foods which contain tropical fats.

S. 1294

At the request of Mr. MATSUNAGA, the name of the Senator from Nevada [Mr. HECHT] was withdrawn as a cosponsor of S. 1294, a bill to promote the development of technologies which will enable fuel cells to use alternative fuel sources.

S. 1295

At the request of Mr. MATSUNAGA, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 1295, a bill to develop a national policy for the utilization of fuel cell technology.

S. 1389

At the request of Mr. MITCHELL, the name of the Senator from Nebraska [Mr. EXON] was added as a cosponsor of S. 1389, a bill to amend the National Fish and Wildlife Foundation Establishment Act with respect to management requisition, and disposition of real property, reauthorization, and participation of foreign governments.

S. 1518

At the request of Mr. ROCKEFELLER, the name of the Senator from Alaska [Mr. STEVENS] was added as a cosponsor of S. 1518, a bill to amend the Motor Vehicle Information and Cost Savings Act to provide for the appropriate treatment of methanol and ethanol, and for other purposes.

S. 1600

At the request of Mr. FORD, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1600, a bill to enhance the safety of air travel through a more effective Federal Aviation Administration, and for other purposes.

S. 1814

At the request of Mr. MELCHER, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of S. 1814, a bill to provide clarification regarding the royalty payments owed under certain Federal Onshore and Indian oil and gas leases, and for other purposes.

SENATE JOINT RESOLUTION 199

At the request of Mr. BYRD, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of Senate Joint Resolution 199, a joint resolution to designate the month of April, 1988, as "Trauma Awareness Week".

SENATE CONCURRENT RESOLUTION 23

At the request of Mr. CRANSTON, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of Senate Concurrent Resolution 23, a concurrent resolution designating jazz as an American national treasure.

SENATE CONCURRENT RESOLUTION 43

At the request of Mr. Stevens, the names of the Senator from Delaware [Mr. Biden], the Senator from Arizona [Mr. DeConcini], the Senator from New Jersey [Mr. Bradley], and the Senator from Vermont [Mr. Leahy] were added as cosponsors of Senate Concurrent Resolution 43, a concurrent resolution to encourage State and local governments and local educational agencies to provide quality daily physical education programs for all children from kindergarten through grade 12.

SENATE RESOLUTION 270

At the request of Mr. Lautenberg, the name of the Senator from Alaska [Mr. Murkowski] was added as a cosponsor of Senate Resolution 270, a resolution paying special tribute to Portuguese diplomat Dr. de Sousa Mendes for his extraordinary acts of mercy and justice during World War II.

SENATE RESOLUTION 284

At the request of Mr. Dole, the name of the Senator from North Dakota [Mr. Burdick] was added as a cosponsor of Senate Resolution 284, a resolution to express the sense of the Senate that the Secretary of Agriculture should make advance deficiency payments for the 1988 crop of wheat, feed grains, upland cotton, and rice, and for other purposes.

AMENDMENTS SUBMITTED

ENERGY AND WATER DEVELOPMENT APPROPRIATIONS, FISCAL YEAR 1988

HEFLIN (AND THURMOND) AMENDMENT NO. 1196

Mr. JOHNSTON (for Mr. Heflin, for himself and Mr. Thurmond) proposed an amendment to the bill (H.R. 2700) making appropriations for energy and water development for the fiscal year ending September 30, 1987, and for other purposes; as follows:

At the appropriate place add

DESIGNATION OF BUILDING.

The building located at 83 Meeting Street in Charleston, South Carolina, shall hereafter be known and designated as the "Ernest Frederick Hollings Charleston Judicial Building.".

BREAUX (AND SIMPSON) AMENDMENT NO. 1197

Mr. BREAUX (for himself and Mr. Simpson) made a motion to recommit the bill H.R. 2700, supra, with instructions to report back forthwith with all amendments thus far in status quo, with an amendment; as follows:

Strike the language in the bill, as amended, beginning on page 39, line 23, up to but not including the phrase "Atomic Energy Defense Activities", and insert in lieu thereof the following:

NUCLEAR WASTE DISPOSAL FUND

For nuclear waste disposal activities to carry out the purposes of Public Law 97-425, as amended by section 309 of this Act, including the acquisition of real property of facility construction or expansion, $360,000,000, to remain available until expended, to be derived from the Nuclear Waste Fund. To the extent that balances in the fund are not sufficient to cover amounts available for obligation in the account, the Secretary shall exercise his authority pursuant to section 302(e)(5) to issue obligations to the Secretary of the Treasury. In paying the amounts determined to be appropriate as a result of the decision in Wisconsin Electric Power Co. v. Department of Energy, 778 F.2d 1 (D.C. Cir. 1985), The Department of Energy shall pay, from the Nuclear Waste Fund, interest at a rate to be determined by the Secretary of the Treasury and calculated from the date the amounts were deposited into the Fund. Funds appropriated pursuant to this Act may be used to provide payments equivalent to taxes to special purpose units of local government at the candidate sites.

At the end of Title III of the bill, add the following new section 309:

Section 309. Notwithstanding any other provision of law, the nuclear waste disposal program shall be carried out in accordance with Public Law 97-425, as amended as follows:

(a) The Nuclear Waste Policy Act of 1982 is amended at the end by adding a new title IV to read as follows:

"TITLE IV—PROGRAM REDIRECTION

"Findings, Purpose and Definitions

"Section 401. Findings.—(a) Congress finds that—

"(1) redirection of the program under titles I and II of this Act to provide for the sequential characterization of repository sites and the construction of a monitored retrievable storage facility as part of an integrated nuclear waste management system will result in significant Federal budget savings in fiscal years 1988, 1989, and 1990;

"(2) such a redirection is required if the Secretary of Energy is to carry out in a timely fashion his responsibility under this Act to provide for the permanent disposal of spent nuclear fuel and high-level radioactive waste in a manner that protects the public health and safety and the environment; and

"(3) it is appropriate that the Federal Government provide payments to Indian tribes, States and affected units of local government within whose reservation or jurisdiction, as the case may be, a repository or monitored retrievable storage facility will be sited under this title.

"(b) Purpose.—It is the purpose of this title to—

"(1) direct the Secretary of Energy to select a single site that is suitable for characterization for the first repository and to proceed with characterization of that site;

"(2) direct the Secretary to proceed with the construction of a monitored retrievable storage facility as part of an integrated nuclear waste management system; and

"(3) provide for benefits payments from the Waste Fund to any Indian tribe, State or unit of local government within whose reservation or jurisdiction, as the case may be, a repository or a monitored retrievable storage facility may be sited under this title.

"(c) Definition.—For the purpose of this title, the term 'affected unit of local government' means the unit of local government with jurisdiction over the site of a repository or a monitored retrievable storage facility. Such term may, at the discretion of the Secretary, include units of local government that are contiguous with such unit.

"SELECTION OF PREFERRED CANDIDATE SITE FOR CHARACTERIZATION

"Sec. 402. (a) Surface-Based Testing.—(1) Within 180 days from the date of enactment of this Act, the Secretary, following consultation with the Commission, the Director of the Geological Survey, the Governors of affected States, affected Indian tribes, and the National Academy of Sciences Oversight Board, shall develop, and make available to the public, plans for the conduct of surface-based testing at each of the candidate sites recommended pursuant to section 112(b) for site characterization.

"(2) Such plans shall—

"(A) identify the principal technical issues at each such site that relate to the suitability of such site for development as a repository and with respect to which surface-based testing—(i) could reveal significant information about site suitability important to know before major resources are committed for shaft construction or in situ characterization; or (ii) is necessary to permit the Secretary to evaluate the suitability of each such site for development as a repository. In identifying such issues, the Secretary shall consider the following:

"(I) whether such issue involves a potentially disqualifying factor;

"(II) whether such issue is one with respect to which exploratory shaft construction or in situ characterization could result in the inability to obtain necessary data pertaining to such issue;

"(III) whether such issue is one with respect to which failure to conduct surface-based testing could increase the difficulty in resolving repository licensing issues as early as practicable;

"(IV) whether such issue is one with respect to which surface-based testing may reveal potential licensing issues which could render further testing or in situ characterization unwarranted;

"(V) the amount of comparable information available or necessary for each site; and

"(VI) the time and resources necessary to conduct surface-based testing with respect to such issue and the effect of such testing on the overall program schedule; and

"(B) set forth a program for carrying out surface-based testing, including the acquisition and evaluation of the necessary geologic, hydrologic, and engineering data, with regard to those issues identified in (A): *Provided, however,* That nothing in this subsection shall be construed to require the Secretary to initiate or undertake tests that will extend beyond January 1, 1991. Such program shall include an explanation of the actions to be taken in response to the comments received pursuant to subparagraph (1).

"(3) Prior to the selection of a preferred candidate site pursuant to subsection (d), the Secretary shall complete the surface-based testing program for each of the three sites recommended pursuant to section 112(b) for site characterization, in accordance with the plans required pursuant to this section.

"(4) The Secretary shall not initiate construction of an exploratory shaft facility at any candidate site until such time as a preferred candidate site is selected pursuant to subsection (d).

"(b) DOE DECISION METHODOLOGY.—(1) Within 180 days of the date of enactment of this Act, the Secretary shall publish for public comment, including comment by the National Academy of Sciences Oversight Board and the Commission, a description of the decision methodology to be used in selecting a preferred candidate site pursuant to subsection (d), including a description of the process to be used for, and the factors to be considered in, evaluating the suitability of the candidate sites pursuant to the guidelines established under section 112(a).

"(2) The decision methodology shall be published in final form no later than 18 months after the date of enactment of this Act.

"(c) DOE TECHNICAL INFORMATION.—Prior to the selection of a preferred candidate site pursuant to subsection (d), the Secretary shall make available to the Commission, the National Academy of Sciences Oversight Board, affected States, and affected Indian tribes the technical information that the Secretary intends to consider in evaluating the suitability of candidate sites for development as a repository pursuant to the guidelines promulgated under section 112(a) and in selecting the preferred candidate site.

"(d) SELECTION OF PREFERRED CANDIDATE SITE.—(1) Upon the completion of the surface-based testing program required pursuant to subsection (a), but no later than January 1, 1991, the Secretary shall, based upon the guidelines promulgated pursuant to section 112(a), select as the preferred candidate site for the first repository one of the sites previously selected for characterization as candidate sites for the first repository that the Secretary determines, on the basis of all available information, including the information from the surface-based testing conducted pursuant to subsection (a), to be the most suitable for development as a repository.

"(2) Effective on the date of selection of a preferred candidate site for the first repository under paragraph (1), the Secretary shall take all such actions required under this Act, including appropriate site characterization activities in accordance with section 113, to assure that a repository will be constructed and operated at such site at the earliest practicable date.

"(3) Effective on such date of selection of a preferred candidate site, the Secretary shall suspend work at other sites selected for characterization as candidate sites for the first repository. The Secretary shall take all necessary steps to complete the evaluation of available data regarding the suitability of the two sites not selected for characterization and to preserve all such data in a manner that will ensure that it will be available in a timely manner for the purposes of implementing subsection (e).

"(e) DECISION OF THE SECRETARY.—(1) At the time that the Secretary selects a preferred candidate site pursuant to subsection (d), the Secretary shall make available to the public, and shall submit to the Commission, the National Academy of Sciences Oversight Board, and to the Congress, a comprehensive statement of the basis for such decision, including the following—

"(A) a detailed statement of the basis for the Secretary's determination that the candidate site selected is the most suitable for development as a repository;

"(B) a description of the decision process by which the preferred candidate site was selected; and

"(C) such other information as the Secretary considers appropriate or that is required by law.

"(2) The basis for such decision required pursuant to this subsection, together with the technical information made available pursuant to subsection (c), shall constitute the record of decision for purposes of any judicial review pursuant to subsection (g).

"(3) For a period of two years after the selection of a preferred site under this section the Secretary shall preserve all writings, records of meetings, draft reports and studies, and other documents and recordings prepared by or for employees for the Department of Energy or by or for persons under contract to such Department, relating to the selection of such preferred site. Subject to existing law, the Secretary shall make these documents available for inspection by any person requesting to review the documents, at a reasonable time and place. The Secretary shall provide for the photocopying of any such documents at a reasonable fee. Nothing in this paragraph shall affect the authority of the Commission to require the preservation of documents or the authority of the Commission to require that such documents be made available for the purpose of carrying out the Commission's responsibilities pursuant to this Act.

"(f) CHARACTERIZATION OF ALTERNATIVE SITES.—If the Secretary determines that the preferred candidate site for the first repository selected under subsection (a) is not suitable for a repository, the Secretary shall—

"(1) immediately notify interested States and Indian tribes and Congress of such determination;

"(2) suspend all future benefits payments under this title with respect to such site; and

"(3) within six months after such determination select a new candidate site as the preferred candidate site for the first repository from the sites remaining of those considered under subsection (d) of this section.

"(g) Effective on the date of selection under this section of any site as the preferred site for the first repository, the State in which the site is located shall be eligible to enter into a benefits agreement with the Secretary under section 406.

"(h) JUDICIAL REVIEW.—(1) Any decision by the Secretary under subsections (d), (e), or (f) of this section shall be in writing, shall be available to Congress and the public, and is not subject to judicial review except as provided in this subsection.

"(2) Any action for review of a decision by the Secretary may only be brought within 120 days after public notice of the decision.

"(3) The Temporary Emergency Court of Appeals shall have exclusive jurisdiction to review any action brought under this subsection. In reviewing any such action the court shall render its decision within 60 days from the date that the action is filed unless the court determines good cause exists for an extension. In such case the court may extend the time for its decision by not more than thirty days, and such extension may be renewed no more than two times.

"(4) In review of any decision under this subsection, the scope of review shall be governed by the provisions of section 706 of title 5 of the United States Code, except that subparagraphs (E) and (F) of paragraph (2) of such section 706 shall not apply.

"(5) Any person entitled to judicial review under the provisions of section 702 of title 5 of the United States Code may bring an action under this subsection.

"(i) PENDING LITIGATION.—Nothing in this section affects judicial review of actions of the Secretary, the President, or the Commission taken under this titles I or III prior to or subsequent to a decision of the Secretary under subsection (d), (e), or (f) of this section.

"(j) REPOSITORY IMPACTS.—Within one year after the selection of any site as a preferred site for the first repository under subsection (d) of this section, the Secretary shall report to the Congress on the potential impacts of locating a repository at such site, including the recommendations of the Secretary for the mitigation of such impacts and a statement of which impacts should be dealt with by the Federal government, which should be dealt with by the State with State resources and which should be a joint Federal-State responsibility. The report under this subsection shall include the analysis of the Secretary of the authorities available to mitigate these impacts and the appropriate sources of funds for such mitigation. Potential impacts to be addressed in the report under this subsection shall include impacts on—

"(1) education, including facilities and personnel for elementary and secondary schools, community colleges, vocational and technical schools and universities;

"(2) public health, including the facilities and personnel for treatment and distribution of water, the treatment of sewage, the control of pests and the disposal of solid waste;

"(3) law enforcement, including facilities and personnel for the courts, police and sheriff's departments, district attorneys and public defenders and prisons;

"(4) fire protection, including personnel, the construction of fire stations and the acquisition of equipment;

"(5) medical care, including emergency services and hospitals;

"(6) cultural and recreational needs, including facilities and personnel for libraries and museums and the acquisition and expansion of parks;

"(7) distribution of public lands to allow for the timely expansion of existing or creation of new communities and the construction of necessary residential and commercial facilities;

"(8) vocational training and employment services;

"(9) social services, including public assistance programs, vocational and physical rehabilitation programs, mental health services and programs relating to the abuse of alcohol and controlled substances;

"(10) transportation, including any roads, terminals, airports, bridges or railways associated with the facility and the repair and maintenance of roads, terminals, airports, bridges or railways damaged as a result of the construction, operation and closure of the facility;

"(11) equipment and training for State and local personnel in the management of accidents involving high-level radioactive waste;

"(12) availability of energy;

"(13) tourism and economic development, including the potential loss of revenue and future economic growth; and

"(14) other needs of the State and local governments that would not have arisen but for the characterization of the site and the construction, operation, and eventual closure of the facility.

"(k) APPLICATION OF NEPA.—(1) In selecting a preferred candidate site pursuant to subsection (d) of this section, the Secretary's determination shall be accompanied by a final environmental impact statement prepared pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.).

"(2) With respect to the requirements imposed by the National Environmental Policy Act of 1969, compliance with the procedures and requirements of this Act shall be deemed adequate consideration of the need for a repository, the time of the initial availability of a repository, and all alternatives to the isolation of high-level radioactive waste and spent nuclear fuel in a repository.

"(3) For purposes of complying with the National Environmental Policy Act of 1969 and this subsection, the Secretary shall consider as alternate sites the three candidate sites selected by the Secretary pursuant to section 112 of this Act with respect to which a surface based testing program has been completed pursuant to subsection (a) of this section.

"(4) Any environmental impact statement prepared in connection with the selection of a preferred candidate site for a repository by the Secretary under this title and any supplemental environmental impact statement prepared pursuant to section 114(a)(1)(D) of this Act shall, to the extent practicable, be adopted by the Commission in connection with the issuance by the Commission of a construction authorization and license for such repository. To the extent such statement is adopted by the Commission, such adoption shall be deemed to also satisfy the responsibilities of the Commission under the National Environmental Policy Act of 1969 and no further consideration shall be required, except that nothing in this subsection shall affect any independent responsibilities of the Commission to protect the public health and safety under the Atomic Energy Act of 1954 (42 U.S.C. 2011 et seq.). Nothing in this paragraph shall be construed to amend or otherwise detract from the licensing requirements of the Nuclear Regulatory Commission as established in the title II of the Energy Reorganization Act of 1974 (Public Law 93-438).

"(5) In any environmental impact prepared pursuant to this subsection, or any supplemental environmental impact statement prepared pursuant to section 114(a)(l)(D), the need for a repository or nongeologic alternatives to the site of such repository shall not be considered.

"(1) (1) LAND ACQUISITION.—The Secretary, or his designee, shall value land for leasehold or ownership title for purposes of site characterization and repository development in a manner that, in the opinion of the Secretary or such designee, addresses the unique geophysical attributes causing such land to be selected as a candidate site for deep geologic disposal for high-level radioactive waste and spent nuclear fuel.

"(2)(A) The Secretary, in acquiring private land for site characterization and repository development under this Act, shall, to the extent practicable—

"(i) acquire such private land only after a site characterization plan has been issued under section 113; and

"(ii) minimize the disruption of private use of lands in the vicinity of those acquired.

"(B) Nothing in subparagraph (A) affects the authority of the Secretary to secure a leasehold interest, easement, or right of way that the Secretary determines is necessary to carryout the purposes of subsection (a).

"(3) The Secretary shall offer any landowner, or his heirs, first right to repurchase any land previously secured from such landowner for site characterization or repository development should the site be found unsuitable, and after the site has been fully reclaimed as required under section 113.

"NATIONAL ACADEMY OF SCIENCES OVERSIGHT BOARD

"Section 403. (a) Within 30 days of the date of enactment of this Act, the Secretary shall seek to enter into a contract with the National Academy of Sciences (hereinafter refered to as "the Academy") for the purpose of establishing an Oversight Board under the auspices of the Academy to review and evaluate the scientific and technical adequacy of the Department's surface-base testing plans, preferred candidate site selection program, and site characterization program.

"(b) The Oversight Board established pursuant to this section shall consist of an appropriate number of scientists, engineers, and other individuals determined to be qualified by the Academy.

"(c) The Oversight Board shall be responsible for reviewing and commenting on the scientific and technical adequacy of—

"(1) the Secretary's site characterization program, including the surface-based testing plans developed pursuant to section 112.A(a) of the Nuclear Waste Policy Act and the in situ characterization program to be conducted at the preferred candidate site:

"(2) Secretary's decision methodology developed pursuant to section 112.A(b) of the Nuclear Waste Policy Act;

"(3) the performance assessment for the repository and the disposal package including, where appropriate, the scope and quality of technical judgments leading to major technical decisions; and

"(4) such other issues or decisions that involve significant scientific or technical aspects of the site characterization or site selection program that, in the judgment of the Board, should be addressed.

"(d) The oversight Board shall establish procedures for appropriate involvement with the Secretary, the Commission, affected States, and affected Indian tribes. In addition to other reports deemed appropriate by the Oversight Board, the Board shall provide a quarterly status report on its activities. All reports of the Board shall be provided to the Secretary and to the Commission and shall be made available to the public.

"(e) All expenses associated with the Oversight Board shall be paid from the Nuclear Waste Fund.

"ENVIRONMENTAL PROTECTION AGENCY STANDARDS

"SEC. 404. Not later than January 1, 1990 the Administrator of the Environmental Protection Agency shall promulgate revised standards for the disposal of radioactive waste under section 121: *Provided, however,* That no preferred candidate site shall be selected pursuant to section 402(d) of this Title until such standards have been promulgated.

"SITING OF MONITORED RETRIEVABLE STORAGE FACILITIES

"SEC. 405. (a) The proposal of the Secretary (EC-1022, 100th Congress) to locate a monitored retrievable storage facility at a site on the Clinch River in the Roane County portion of Oak Ridge, Tennessee, with alternative sites on the Oak Ridge Reservation of the Department of Energy and on the former site of a proposed nuclear powerplant in Hartsville, Tennessee, is hereby annulled and revoked. In carrying out the provisions of this section the Secretary shall make no presumption or preference to such sites by reason of their previous selection.

"(b) During the period between the date of the enactment of this section and March 1, 1989, the Secretary shall conduct a survey and evaluation of three potentially suitable sites in not less than 2 States for a monitored retrievable storage facility. The Secretary shall notify the affected States and Indian tribes under consideration as potentially suitable sites. In conducting such survey and evaluation, the Secretary shall consider the extent to which siting a monitored retrievable storage facility at each site surveyed would—

"(1) enhance the reliability and flexibility of the system for the disposal of spent nuclear fuel and high-level radioactive waste established under this Act;

"(2) minimize the impacts of transportation and handling of such fuel and waste;

"(3) provide for public confidence in the ability of such system to safely dispose of the fuel and waste;

"(4) impose minimal adverse effects on the local community and the local environment;

"(5) provide a high probability that the facility will meet applicable environmental, health, and safety requirements in a timely fashion; and

"(6) provide such other benefits to the system for the disposal of spent nuclear fuel and high-level radioactive waste as the Secretary deems appropriate.

"(c)(1) The Secretary may, on or before March 1, 1989, select as the site for a monitored retrievable storage facility any site that—

"(A) the Secretary determines to be suitable for a monitored retrievable storage facility; and

"(B)(i) is located in the State where the Governor and the legislature of such State request in writing such selection; or

"(ii) is located on the reservation of an Indian tribe where the governing body of such tribe requests in writing such selection.

"(2) The Secretary may make grants to any State, Indian tribe or unit of local government to support an assessment of the feasibility of siting a monitored retrievable storage under this section at a site under the jurisdiction of such State, tribe, or government.

"(3) The Secretary shall make every reasonable effort making use of authority under this title and under other law to encourage requests and to secure a site under this subsection.

"(d)(1) If the Secretary selects a site for a monitored retrievable storage facility under subsection (c), the Secretary, consistent with section 141, shall construct and operate such facility as part of an integrated nuclear waste management system and in accordance with applicable agreements under this Act affecting such facility.

"(2) Except as provided in subsection k, if the Secretary does not select a site under subsection (c), the Secretary, not earlier than March 1, 1989, but not later than October 1, 1989, shall select the site evaluated under subsection (b) that the Secretary determines on the basis of available information to be the most suitable for a monitored retrievable storage facility that is an integral part of the system for the disposal of spent nuclear fuel and high-level radioactive waste established under this Act. The Secretary shall promptly notify Congress and the appropriate State or Indian tribe of the selection under this paragraph. Such notification shall be accompanied by a report setting forth the Secretary's reasons for selecting the site.

"(e)(1) The selection of a site under subsection (d)(2) shall be effective at the end of the 60-day period beginning on the date of notification under such subsection, unless the governing body of the Indian tribe on whose reservation such site is located, or, if the site is not a reservation, the Governor and the legislature of the State in which the site is located, has submitted to Congress a notice of disapproval with respect to such site. If any such notice of disapproval has been submitted under this subsection, the selection of the site under subsection (d)(2) shall not be effective except as provided under subsection 115(c).

"(2) For purposes of carrying out the provisions of this subsection, references in section 115(c) to a repository shall be considered to refer to a monitored retrievable storage facility and references to a notice of disapproval of a repository site designation under subsection 116(b) or 118(a) shall be considered to refer to a notice of disapproval under this section.

"(3) Once the selection of a site for a monitored retrievable storage facility is effective under this subsection, the Secretary, consistent with section 141, shall construct and operate such facility as part of an integrated nuclear waste management system and in accordance with applicable agreements under this Act affecting such facility.

"(f) Except as provided in subsection (k), once selection of a site for a monitored retrievable storage facility is made under subsection (c) or is effective under subsection (e), the Indian tribe on whose reservation the site is located, or, in the case that the site is not located on a reservation, the State in which the site is located, shall be eligible to enter into a benefits agreement with the Secretary under section 406.

"(g) The provisions of section 116(c) or 118(b) with respect to grants, technical assistance, and other financial assistance shall apply to the State, to affected Indian tribes and to affected units of local government in the case of a monitored retrievable storage facility in the same manner as for a repository.

"(h)(1) During the period between the date of the enactment of this subsection and October 1, 1988, the Secretary shall conduct a study and evaluation of the use of dry cask storage technology at the sites of civilian nuclear power reactors for the temporary storage of spent nuclear fuel until such time as a permanent geologic repository has been constructed and licensed by the Commission and is capable of receiving spent nuclear fuel. The Secretary shall report to Congress on the study under this paragraph by October 1, 1988.

"(2) In conducting the study under paragraph (1) the Secretary shall—

"(A) consider the costs of dry cask storage technology, the extent to which dry cask storage on the site of civilian nuclear power reactors will affect human health and the environment, the extent to which storage on the sites of civilian nuclear power reactors affects the costs and risks of transporting spent nuclear fuel to a central facility such as a monitored retrievable storage facility, and any other factors the Secretary considers appropriate;

"(B) consider the extent to which amounts in the Waste Fund can be used, and should be used, to provide funds to construct, operate, maintain, and safeguard spent nuclear fuel in dry cask storage at the sites of civilian nuclear power reactors;

"(C) consult with the Commission and include the views of the Commission in the report under paragraph (1); and

"(D) solicit the views of State and Local governments and the public.

"(i)(1) By April 1, 1989, the Secretary shall submit to Congress a report that describes the benefits of storing for at least 50 years spent nuclear fuel compared to the current system design allowing such fuel to age for 10 years prior to emplacement in a repository. Such report shall describe—

"(A) the changes in design of an integrated nuclear waste management system;

"(B) the effect on cost caused by implementing such long-term storage compared to the present system;

"(C) the effect of long-term storage on the current schedule of the repository program calling for the acceptance of spent fuel in a repository by 2003;

"(D) the increase in repository capacity as a result of reduced thermal load and the possibility of disposing the spent nuclear fuel likely to be produced in the foreseeable future in a single repository

"(E) the increase in assurance that transportation of aged spent nuclear fuel can be carried out safely; and

"(F) the relative impact on public health and safety and the environment.

"(2) In developing the report under paragraph (1), the Secretary shall consider the long-term storage and disposal practices for spent nuclear fuel and high-level radioactive waste of other nations that generate such fuel or waste.

"(3) The Secretary shall seek public comment on the report under paragraph (1) and shall submit any written comments to Congress as part of the report.

"(j) For purposes of this section 'monitored retrievable storage facility' means a facility described in section 141(b)(1).

"(k)(1)(A) There is established a MRS Review Commission (hereinafter in this subsection referred to as the 'MRS Commission'), which shall consist of three members who shall be appointed by and serve at the pleasure of the President pro tempore of the Senate and the Speaker of the House of Representatives.

"(B)(i) Members of the MRS Commission shall be appointed not later than thirty days after the date of the enactment of this subsection from among persons who as a result of training, experience and attainments are exceptionally well qualified to evaluate the need for a monitored retrievable storage facility as a part of the nation's nuclear waste management system.

"(C) The MRS Commission shall prepare a report on the need for a monitored retrievable storage facility as a part of a national nuclear waste management system that achieves the purposes of this Act. In preparing the report under this paragraph, the MRS Commission shall—

"(i) review the status and adequacy of the Department's evaluation of the systems advantages and disadvantages of bringing such a facility into the national radioactive waste disposal system;

"(ii) obtain comment and available data on the subject from affected parties, including states containing potentially acceptable sites;

"(iii) evaluate the utility of such a facility from a technical perspective; and

"(iv) make a recommendation to Congress as to whether such a facility should be included in the national nuclear waste management system in order to achieve the purposes of this Act, including meeting needs for packaging and handling of spent nuclear fuel, improving the flexibility of the repository development schedule, and providing temporary storage of spent nuclear fuel accepted for disposal.

"(2) In preparing the report and making its recommendation under this subsection, the MRS Commission shall compare such a facility to the alternative of at-reactor storage of spent nuclear fuel prior to disposal of such fuel in a repository under this Act. Such comparison shall take into consideration the impact on—

"(A) repository design and construction;

"(B) waste package design, fabrication, and standardization;

"(C) waste preparation;

"(D) the waste transportation system;

"(E) the reliability of the national system for the disposal of radioactive waste;

"(F) the ability of the Secretary to fulfill contractual commitments of the Department under this Act to accept spent nuclear fuel for disposal; and

"(G) economic factors, including the impact on the costs likely to be imposed on ratepayers of the nation's electric utilities for temporary at-reactor storage of spent nuclear fuel prior to final disposal in a repository, as well as the costs likely to be imposed on ratepayers of the nation's electric utilities in building and operating such a facility.

"(3) The report under this subsection, together with the recommendation of the MRS Commission, shall be transmitted to Congress by March 1, 1989.

"(4)(A) If the recommendation of the MRS Commission under this subsection is that the national nuclear waste management system should not contain a monitored retrievable storage facility, the Secretary may not exercise his authority under subsections (d)(2) and (e)(3) unless Congress specifically authorizes construction of such a facility.

"(B) In all other cases, the Secretary may exercise his authority under subsections (d)(2) and (e)(3), after the report and recommendation of the MRS Commission has been transmitted to Congress.

"(5)(A)(i) Each member of the MRS Commission shall be paid at the rate provided for level III of the Executive Schedule for each day (including travel time) such member is engaged in the work of the MRS Commission, and shall receive travel expenses, including per diem in lieu of subsistence in the same manner as is permitted under sections 5702 and 5703 of title 5, United States Code.

"(ii) The MRS Commission may appoint and fix compensation, not to exceed the rate of basic pay payable for GS-18 of the General Schedule, for such staff as may be necessary to carry out its functions.

"(B)(i) The MRS Commission may hold hearings, sit and act at such times and places, take such testimony and receive such evidence as the MRS Commission considers appropriate. Any member of the MRS Commission may administer oaths or affirmations to witnesses appearing before the MRS Commission.

"(ii) The MRS Commission may request any Executive agency, including the Department, to furnish such assistance or information, including records, data, files, or documents, as the Commission considers necessary to carry out its functions. Unless prohibited by law, such agency shall promptly furnish such assistance or information.

"(iii) To the extent permitted by law, the Administrator of the General Service Administration shall, upon request of the MRS Commission, provide the MRS Commission with necessary administrative services, facilities, and support on a reimbursable basis.

"(iv) The MRS Commission may procure temporary and intermittent services from experts and consultants to the same extent as is authorized by section 3109(b) of title 5, United States Code, at rates and under such rules as the MRS Commission considers reasonable.

"(C) The MRS Commission shall cease to exist sixty days after the submission to Congress of the report required under this subsection.

"(D) There are authorized to be appropriated to the MRS Commission to carry out the purposes of this subsection such sums as may be necessary.

"BENEFITS AGREEMENTS

"SEC. 406. (a)(1) The Secretary may enter into a benefits agreement with a State concerning a repository or with a State or an Indian Tribe concerning a monitored retrievable storage facility for the acceptance of high-level radioactive waste or spent nuclear fuel in that State or on the reservation of that tribe, as appropriate. The State or Indian tribe may enter into such an agreement only if the State Attorney General or the appropriate governing authority of the Indian tribe or the Secretary of the Interior in the absence of an appropriate governing authority, as appropriate, certifies to the satisfaction of the Secretary that the laws of the State or the Indian tribe provide adequate authority for that entity to enter into the benefits agreement. Any benefits agreement with a State under this section shall be negotiated in consultation with affected units of local government in such State.

"(2) Benefits and payments under this title may be made available only in accordance with a benefits agreement under this section.

"(b) A benefits agreement entered into under this subsection (a) may be amended only by the mutual consent of the parties to the agreement and terminated only in accordance with section 409.

"(c) The Secretary shall offer to enter into a benefits agreement with the Governor of the State containing the preferred site for the first repository. Any benefits agreement with a State under this subsection shall be negotiated in consultation with any affected units of local government in such State.

"(d) The Secretary shall offer to enter into a benefits agreement relating to a monitored retrievable storage facility with the governing body of the Indian tribe on whose reservation the site for such facility is located, or, if the site is not located on a reservation, with the Governor of the State in which the site is located and in consultation with affected units of local government in such State.

"(e)(1) Only one benefits agreement for a repository under section 402 and only one benefits agreement for a monitored retrievable storage facility selected under section 405(c) or 405(d) may be in effect at any one time.

"(2) If Congress authorizes one or more additional sites for monitored retrievable storage facilities under section 405(f), then only one benefits agreement for each such additional monitored retrievable storage facility may be in effect at any one time.

"(f) Decisions of the Secretary under this section are not subject to judicial review.

"CONTENT OF AGREEMENTS

"SEC. 407. (a)(1) In addition to the benefits to which a State, an affected unit of local government or Indian tribe is entitled under titles I and III, the Secretary shall make payments to such State or Indian tribe that is a party to a benefits agreement under section 406 in accordance with the following schedule:

"BENEFITS SCHEDULE

[In millions of dollars]

Event	MRS	Repository
Annual payments prior to first spent fuel receipt	20	50
Upon first spent fuel receipt	50	100
Annual payments after spent fuel receipt until closure of the facility	50	100

"For purposes of this subsection, the term—

"(A) 'MRS' means a monitored retrievable storage facility,

"(B) 'spent fuel' means high-level radioactive waste or spent nuclear fuel, and

"(c) 'first spent fuel receipt' does not include receipt of spent fuel or high-level radioactive waste for the purposes of testing or operational demonstration.

"(2) Annual payments prior to first spent fuel receipt under this section shall be made on the date of execution of the benefits agreement and thereafter on the anniversary date of such execution. Annual payments after first spent fuel receipt until closure of the facility shall be made on the anniversary date of first spent fuel receipt.

"(3) If the first spent fuel payment under this section is made within 6 months after the last annual payment prior to receipt of spent fuel, the first spent fuel payment shall be reduced by an amount equal to one-twelfth of such annual payment for each full month less than 6 that has not elapsed since the last annual payment.

"(4) Notwithstanding paragraphs (1), (2) or (3), no payments under this section may be made before January 1, 1989, and any payment due under this title before January 1, 1989, shall be made on or after such date.

"(5) Except as provided in this section, the Secretary may not restrict the purposes for which the payments under this section may be used.

"(6) Any State receiving a payment under this section shall transfer not less than one-third portion of such payment to affected units of local government. A plan for this transfer and appropriate allocation of such portion among such governments shall be included in the benefits agreement under section 406 covering such payments. In the event of dispute concerning such plan, the Secretary shall resolve such dispute, consistent with this Act and applicable State law.

"(b) A benefits agreement under section 406 shall provide that—

"(1) a Review Panel be established under section 408;

"(2) the State or Indian tribe waive its rights under title I to disapprove a recommendation of its site for application for a facility construction authorization;

"(3) the parties to the agreement shall share with one another information relevant to the licensing process for the repository or monitored retrievable storage facility, as it becomes available; and

"(4) the State or Indian tribe participate in the design of the repository or monitored retrievable storage facility and in the preparation of documents required under law or regulation governing the effects of the facility on the public health and safety.

"(c) The Secretary shall make payments to the States or affected Indian Tribes under this section from the Waste Fund. The signature of the Secretary on a valid benefits agreement under section 406 shall constitute a commitment by the United States to make payments in accordance with such agreement.

"REVIEW PANEL

"SEC. 408. (a) The Review Panel required to be established by section 407(b)(1) of this Act shall consist of a Chairman selected by the Secretary in consultation with the Governor of the State or governing body of the Indian tribe, as appropriate, and 6 other members as follows:

"(1) two members selected by the Governor of the State or governing body of the Indian tribe;

"(2) two members selected by units of general local government affected by the repository or monitored retrievable storage facility;

"(3) one member to represent persons making payments into the Waste Fund, to be selected by the Secretary; and

"(4) one member to represent other public interest, to be selected by the Secretary.

"(b)(1) The members of the Review Panel shall serve for terms of 4 years and, other than full-time employees of the Federal Government, shall receive a per diem compensation for each day spent in meetings or conferences, or other work of the Review Panel, including their necessary travel or other expenses while engaged in the work of the Review Panel.

"(2) Expenses of the panel shall be paid by the Secretary from the Waste Fund.

"(c) The duties of the Review panel are to—

"(1) advise the Secretary on matters relating to the proposed repository or monitored retrievable storage facility, including issues relating to design, construction, operation, and decommissioning of the facility;

"(2) evaluate performance, as it considers appropriate;

"(3) recommend corrective actions to the Secretary;

"(4) assist in the presentation of State or affected Indian tribe and local perspectives to the Secretary; and

"(5) participate in the planning for and the review of preoperational data on environmental, demographic, and socioeconomic conditions of the site and the local community.

"(d) The Secretary shall make available promptly any information in the Secretary's possession requested by the panel or its Chairman.

"(e) The requirements of the Federal Advisory Committee Act do not apply to a Review Panel established under this title.

"TERMINATION

"SEC. 409. (a) The Secretary may terminate a benefits agreement under this title if—

"(1) the site under consideration is disqualified for its failure to comply with the guidelines and technical requirements established by the Secretary in accordance with this Act; or

"(2) the Secretary determines that the Commission cannot license the facility within a reasonable time.

"(b) A State or Indian tribe may terminate a benefits agreement under this title only if the Secretary disqualifies the site under consideration for its failure to comply with technical requirements established by the Secretary in accordance with this Act or the Secretary determines that the Commission cannot license the facility within a reasonable amount of time.

"(c) Decisions by the Secretary under this section shall be in writing, shall be available to Congress and the public and are not subject to judicial review.

"SITING A SECOND REPOSITORY

"Section 410.(a) While this title is in effect, the Secretary may not conduct site-specific activities with respect to a second repository unless Congress has specifically authorized and appropriated funds for such activities.

"(b)(1) Notwithstanding section 112(b)(1)(C), the Secretary is not required to nominate sites for a second repository or to recommend to the President sites for a second repository.

"(2) Notwithstanding section 114(a)(2), the President is not required to submit to Congress a recommendation of a site for a second repository.

"(c) The Secretary shall report to the President and to Congress on or after January 1, 2007, but not later than January 1, 2010, on the need for a second repository.

"(d) Upon the date of the enactment of this section the Secretary shall phaseout in an orderly manner within 6 months funding for all existing research programs designed to evaluate the suitability of crystalline rock as a potential repository host medium.

"(e) In the event that the Secretary at any future time considers any sites in crystalline rock for characterization or selection as a repository, the Secretary shall give consideration as a supplement to the siting guidelines under section 112 to potentially disqualifying factors such as—

"(1) seasonal increases in population;

"(2) proximity to public drinking water supplies, including those of metropolitan areas;

"(3) the impact characterization or siting decisions would have on ground water or surface water resources; and

"(4) the impact characterization or siting decisions would have on lands owned or placed in trust by the Federal Government for Indian tribes.

MISCELLANEOUS PROVISIONS

"Section 411. (a) This title does not affect the provisions of titles I and III of this Act except to establish an alternative procedure for the characterization and development of repositories and the siting of monitored retrievable storage facilities.

"(b) The powers and duties of the Secretary under this Act are not affected by this title except as expressly stated in the title.

"(c) The Secretary shall offer to any State, Indian tribe or unit of local government within whose jurisdiction a preferred site or a site for a monitored retrievable storage facility is located under this title an opportunity to designate a representative to conduct on-site oversight activities at such site. Reasonable expenses of such representatives shall be paid out of the Waste Fund.".

AUTHORIZATION OF APPROPRIATIONS

"Section 412. There is authorized to be appropriated from the Waste Fund for activities under the Nuclear Waste Policy Act of 1982—

"(a) in fiscal year 1988, no more than $567,000,000;

"(b) in fiscal year 1989, no more than $545,000,000; and

"(c) in fiscal year 1990, no more than $484,000,000.".

OTHER CHANGES TO THE NUCLEAR WASTE POLICY ACT

CAPACITY LIMIT OF FIRST REPOSITORY

(b) Section 114(d) of the Nuclear Waste Policy Act is amended by striking out the last two sentences.

APPLICABILITY OF THE NATIONAL ENVIRONMENTAL POLICY ACT

(c)(1) Section 114(a)(1) of the Nuclear Waste Policy Act is amended by striking subparagraph (D) and inserting in lieu thereof the following:

"(D) a supplemental environmental impact statement, setting forth the information acquired from site characterization, together with comments made concerning such supplemental environmental impact statement by the Secretary of the Interior, the Council on Environmental Quality, the Administrator, and the Commission;".

(2) Section 114 is amended by striking subsection (f).

LICENSING OF MONITORED RETRIEVABLE STORAGE FACILITY

(d) Section 141(d) of the Nuclear Waste Policy Act of 1982 is amended by—

(1) Striking the phrase "Any facility authorized pursuant to this section" and inserting in lieu thereof the following: "Any monitored retrievable storage facility authorized pursuant to this section or any other law";

(2) redesignating subsection (d) as paragraph (d)(1); and

(3) adding new paragraphs (2) and (3), to read as follows:

"(2) Any license issued by the Commission for such facility shall provide that—

"(A) the receipt, possession, processing, or storage of spent nuclear fuel or high-level radioactive waste at such facility shall be prohibited prior to the issuance by the Commission to the Department of a construction authorization pursuant to section 114 for a repository;

"(B) the quantity of spent nuclear fuel or high-level radioactive waste at the site of such facility at any one time shall not exceed 15,000 metric tons;

"(C) Not more than 10,000 metric tons of spent nuclear fuel or high-level radioactive waste shall be received at such facility prior to the initiation of shipments from such facility to a repository for disposal; and

"(D) spent nuclear fuel or high-levl radioactive waste stored at such facility for a period of time greater than fifteen years shall be subject to imposition of an overdue removal penalty payable to the State in which such facility is located in an amount not to exceed $6,500 per metric ton per year. Such overdue removal penalty shall be paid by the Secretary, upon levy, from the Nuclear Waste Fund. Not less than one-third of any such penalties levied shall be provided to the unit of local government with jurisdiction over the site of such monitored retrievable storage facility.

"(3) Not later than 180 days following the date of enactment of this Act, the Commission shall promulgate regulations implementing the provisions of paragraph (2).".

REPORTS—REPROCESSING & SUBSEABED DISPOSAL

(e) The Nuclear Waste Policy Act of 1982 is amended by inserting a new section 10 as follows:

"Section 10 (a)(1) Within 60 days after the date of the enactment of this section, the Secretary shall seek to enter into a contract with the National Academy of Sciences for a study of major facets of reprocessing of spent nuclear fuel, including economics, the impact of reprocessing on the potential for the proliferation of nuclear weapons and effects of reprocessing on nuclear waste management. The study shall include an analysis of the economics of reprocessing spent nuclear fuel that has been aged for 3 years, 15 years, 30 years, and 50 years, and shall include a sensitivity analysis with respect to the price of uranium and the value of plutonium an uranium recovered in reprocessing. This aspect of the study shall compare the life cycle of a nuclear waste management program involving reprocessing and disposal of vitrified waste with a nuclear waste management program involving direct disposal of spent nuclear fuel.

"(2) The Secretary shall submit the report of the National Academy of Sciences under this subsection to Congress by September 30, 1989.

"(3) Funds for work performed under this section shall be derived from available appropriations from the Waste Fund.

"(b) Within 270 days after the date of the enactment of this section, the Secretary shall report to Congress on subseabed disposal of spent nuclear fuel and high-level radioactive waste. The report under this subsection shall include—

"(1) an assessment of the current state of knowledge of subseabed disposal as an alternative technology for disposal of spent nuclear fuel and high-level radioactive waste;

"(2) an estimate of the costs of subseabed disposal;

"(3) an analysis of institutional factors associated with subseabed disposal, including international aspects of a decision of the United States to proceed with subseabed disposal as an option for nuclear waste management;

"(4) a full discussion of the environmental and public health and safety aspects of subseabed disposal;

"(5) recommendations on alternative ways to structure an effort in research, development and demonstration with respect to subseabed disposal; and

"(6) the recommendations of the Secretary with respect to research, development and demonstration in subseabed disposal of spent nuclear fuel and high-level radioactive waste.".

TRANSPORTATION

(f) Subtitle A of title I of the Nuclear Waste Policy Act of 1982 is amended by inserting at the end thereof a new section 126 as follows:

"Section. 126 (a) No spent nuclear fuel or high-level radioactive waste may be transported by or for the Secretary under this subtitle or under subtitle C except in packages that have been certified for such purposes by the Commission.

"(b) The Secretary shall abide by regulations of the Commission regarding advance notification of State and local governments prior to transportation of spent nuclear fuel or high-level radioactive waste under this subtitle or under subtitle C.

"(c) The Secretary shall provide technical assistance and funds to States for training for public safety officials of appropriate units of local government and Indian tribes through whose jurisdiction the Secretary plans to transport spent nuclear fuel or high-level radioactive waste under this subtitle or under subtitle C. Training shall cover procedures required for safe routine transportation of these materials as well as procedures for dealing with emergency reponse situations. The Waste Fund shall be the source of funds for work carried out under this subsection.

"(d) The Commission shall require actual test on a sample full-scale package, in addition to any simulated tests, tests on scale models, or engineered analysis as part of the certification process of the Commission for package design for the transportation of spent nuclear fuel or high-level radioactive waste under this subtitle or under subtitle C.

"(e) The Commission shall conduct a survey of the packages for transportation or disposal of spent nuclear fuel or high-level radioactive waste used or intended to be used by other nations and report to Congress by January 1, 1989. The report under this subsection shall describe foreign designs and shall comment on the potential for such designs to meet or exceed applicable Commission regulations or standards for such transportation, storage or disposal.

"(f) There is hereby authorized to be appropriated such funds as may be necessary from the Nuclear Waste Fund, without fiscal year limitation, to the Secretary of Energy for use in the upgrading and construction of road and rail facilities to be utilized in the transportation of spent nuclear fuel and high-level radioactive waste within the State in which a repository is located under this Act. Obligation of such funds by the Secretary shall be on the basis of need as determined by the Secretary after consideration of the availability of alternative sources of funding. Obligations of funds under this subsection may be made only after consultation with the governor of such State.".

ADJACENT STATES

(g) Section 116 of the Nuclear Waste Policy Act is amended by adding a new subsection (e) as follows:

"(e) ADJACENT STATES.—Effective on the date of the enactment of this subsection, a State may exercise the same rights and opportunities to participate in the site selection, review and approval process under this section as the State in which such candidate site selected for characterization for a repository is located in such State—

"(1) borders on the State in which such candidate site is located; and

"(2) lies contiguous to a river, waterway or aquifer whose flow, as determined by the Secretary of the Interior, passes adjacent to or underneath the site, and continues downstream or down gradient to such bordering State.".

SITE APPROVAL

(h)(a) Section 114(a)(1) of the Nuclear Waste Policy Act of 1982 is amended by—

(1) adding the phrase "and in subparagraph (I)" at the end of the fourth sentence thereof;

(2) striking the word "and" at the end of subparagraph (G);

(3) striking the period after subparagraph (H) and inserting in lieu thereof "; and"; and

(4) adding a new subparagraph (I) as follows:

"(I) a statement by the Secretary, after consultation with the Secretary of Defense, with regard to any site recommended under this section, that construction and operation of a repository at such site would not seriously jeopardize the national security by reason of interference with national defense activities, if any, occurring nearby.".

CONSIDERATION IN SITING FACILITIES

(i) Subtitle A of title I of the Nuclear Waste Policy Act of 1982 is amended by adding at the end thereof a new section 127 as follows:

"Section 127. The Secretary, in siting Federal research projects, shall give special consideration to proposals from States where a repository is located.".

REPORT

(j) In the event that the Secretary undertakes characterization of a site at Yucca Mountain, Nevada, for a nuclear waste repository, under the Nuclear Waste Policy Act of 1982, as amended, such site characterization shall include research to examine the potential effects of such site of continued testing of nuclear weapons at the Nevada Test Site including, but not limited to, whether such testing would cause earthquakes at such site, movement along faults affecting such site, or damage to such a repository if located at such site.

SUBSEABED DISPOSAL

(k)(1) OFFICE OF SEABED DISPOSAL RESEARCH.—There is hereby established an Office of Subseabed Disposal Research within the Office of Energy Research of the Department of Energy. The Office shall be headed by a Director, who shall be a member of the Senior Executive Service appointed by the Director of the Office of Energy Research, and compensated at a rate determined by applicable law.

(2) FUNCTIONS OF DIRECTOR.—The Director of the Office of Subseabed Disposal Research shall be responsible for carrying out research, development, and demonstration activities on all aspects of subseabed disposal of high-level radioactive waste and spent nuclear fuel, subject to the general supervision of the Secretary. The Director of the Office shall be directly responsible to the Director of the Office of Energy Research, and the first such Director shall be appointed within thirty days of the date of enactment of this Act.

(3) In carrying out his responsibilities under this Act, the Secretary may make grants to, or enter into contracts with, the Seabed Consortium described in subsection (4) of this section, and other persons.

(4) SEABED CONSORTIUM.—(A) Within 60 days of the date of enactment of this Act the Secretary shall establish a university-based Seabed Consortium involving leading oceanographic universities and institutions, national laboratories, and other organizations to investigate the technical and institutional feasibility of subseabed disposal.

(B) The Seabed Consortium shall develop a research plan and budget to achieve the following objectives by 1995:

(I) demonstrate the capacity to identify and characterize potential subseabed disposal sites;

(II) develop conceptual design for a subseabed disposal system including estimated costs and institutional requirements; and

(III) identify and assess the potential impacts of subseabed disposal on the human and marine environment.

(C) In 1990, and again in 1995, the Subseabed Consortium shall report to Congress on the progress being made in achieving the objectives of subparagraph (B).

(5) ANNUAL REPORT.—The Director of the Office of Subseabed Disposal Research shall annually prepare and submit a report to the Congress on the activities and expenditures of the Office.

(6) FUNDING AUTHORIZATION.—Such funds are hereby authorized to be appropriated as are necessary for carrying out the purposes of this section.

SUBSEABED DISPOSAL RESEARCH

(l) Within 45 days of the passage of this Act, the Secretary is directed to report to the Congress on the amount of funds necessary annually over the next 5 years to:

(1) Conduct a detailed research program on the subseabed disposal of nuclear wastes;

(2) Identify and assess potential impacts of subseabed disposal on human health and the marine environment; and

(3) Develop preliminary designs for a subseabed disposal system, including estimated costs and institutional requirements.

REPROCESSING REPORT

(m) The Nuclear Waste Policy Act of 1982 is amended by adding a new section 11, as follows:

"Section 11. The comprehensive statement of the Secretary pursuant to section 114 shall include a comparative anlaysis of the economics of nuclear waste management strategies based on (1) reprocessing spent fuel as a source of new fuel for light water reactors and the disposal of the resultant nuclear wastes and (2) direct disposal of spent fuel. Such analysis shall also compare the advantages and disadvantages of such strategies.".

CONFORMING CHANGES

(n) Conforming Changes.—The Nuclear Waste Policy Act of 1982 is amended by—

(1) In the first sentence of section 113, striking the phrase beginning with "candidate sites" through "media." and inserting in lieu thereof the following: "preferred candidate site selected pursuant to Title IV";

(2) At the end of the second sentence of section 113(a), inserting the phrase ", or in the information developed under Title IV"; and

(3) In the second sentence of section 114, striking the phrase "not less than 3 candidate sites" and inserting in lieu thereof "the preferred candidate site".

AMENDMENTS TO THE TABLE OF CONTENTS

(o) The Table of Contents of the Nuclear Waste Policy Act of 1982 is amended by—

(1) adding after "Sec. 9 Applicability." the following

(A) "Sec. 10 Reports—Subseabed Disposal & Reprocessing."; and

(B) "Sec. 11 Reprocessing Report."

(2) adding after "Sec. 125. Termination of certain provisions." the following items:

"Sec. 126 Transportation.

"Sec. 127 Consideration in Siting Facilities."; and

(3) adding the following items at the end thereof:

"TITLE IV—PROGRAM REDIRECTION

"Sec. 401. Findings, Purpose and Definitions.

"Sec. 402. Selection of Preferred Candidate Site for Characterization.

"Sec. 403. National Academy of Sciences Oversight Board.

"Sec. 404. Environmental Protection Agency Standards.

"Sec. 405. Siting of Monitored Retrievable Storage Facilities.

"Sec. 406. Benefits Agreements.

"Sec. 407. Content of Agreements.

"Sec. 408. Review Panel.

"Sec. 409. Termination.

"Sec. 410. Siting a Second Repository.

"Sec. 411. Miscellaneous Provisions.

"Sec. 412. Authorization of Appropriations.".

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet during the session of the Senate on November 18, 1987, to resume oversight hearings on airline safety and reregulation.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CONSUMER AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Consumer Affairs of the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate on Wednesday, November 18, 1987, to conduct oversight hearings on home equity loans.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON LABOR AND HUMAN RESOURCES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources be authorized to meet during the session of the Senate on Wednesday, November 18, 1987, to conduct a hearing on AIDS Federal policy.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON COURTS AND ADMINISTRATIVE PRACTICE

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Courts and Administrative Practice of the Committee on the Judiciary, be authorized to meet during the session of the Senate on November 18, 1987, to hold a markup on S. 1630 and S. 952.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ANTITRUST, MONOPOLIES, AND BUSINESS RIGHTS

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Antitrust, Monopolies, and Business Rights of the Committee on the Judiciary, be authorized to meet during the session of the Senate on November 18, 1987, to hold a markup on S. 567.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

COMMITTEE ON RULES AND ADMINISTRATION

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs and the Committee on Rules and Administration be authorized to meet during the session of the Senate on Wednesday, November 18, 1987, to hold a joint hearing on S. 1722 and S. 1723, bills to establish a National American Indian Museum.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BYRD. Mr. President, I ask unanimous consent that the Energy and Natural Resources full Committee be authorized to meet during the session of the Senate on Wednesday, November 18, 1987, to receive testimony concerning S. 1567 and H.R. 2858, bills to provide for refunds pursuant to rate decreases under the Federal Power Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

AUGUSTANA COLLEGE'S UNBEATEN VIKINGS

● Mr. DIXON. Augustana College in Rock Island, IL, has a football team that can't be defeated. It's named the Vikings and its string of records is awesome.

In case you have not heard a lot about Augustana in the sportscasts, I submit an article from the Washington Post of November 3, 1987, which gives all the numbers and appealing quotes from the coaches and players about what they're doing that seems to be right.

I'm a great fan of football, and have always found college ball particularly exciting. I join the Vikings many, many supporters in sending congratulations and best wishes for continued success.

The article follows:

[From the Washington Post, Nov. 13, 1987]

AUGUSTANA: SMALL SCHOOL WITH A BIG STREAK—UNBEATEN IN 59 GAMES, DIVISION III VIKINGS SEEK FIFTH NATIONAL CHAMPIONSHIP

(By David Aldridge)

Rock Island, Ill., has something else to offer the world besides being the home of Joliet Jake and Elwood Blues—the Blues Brothers.

It's the home of Augustana College. You've heard of it. Think about when the announcer on the college football broadcast mentions "Tiny Augustana" winning another game.

And tiny Augustana, a liberal arts college of 2,100, knows how to win football games. Since Dec. 4, 1982, when the Vikings lost the Amos Alonzo Stagg Bowl—the NCAA Division III championship game—to West Georgia, 14-0, Augustana has gone 58-0-1 and won an unprecedented four consecutive national championships.

The tie came in the 1986 season opener against Elmhurst, and is the only blemish for the only team in NCAA history to win at least three straight football championships.

The all-time collegiate unbeaten streak in football, according to the NCAA, is 63 games by the University of Washington, which went 59-0-4 between 1907 and 1917. With its 59-game mark, Augustana is second on the all-time list.

"From 1:30 to 5, it's the same game, whether you're at a high school of 100 or a metropolitan college of 50,000," said Coach Bob Reade, who in his ninth season at Augustana has a 90-8-1 record. "What makes it the same game is that it's all relative. You have 10,000 guys, I have 10,000 guys."

"It doesn't really build up that much on us," said junior center John Bothe, who has started every game in his three seasons. "We don't get a lot of publicity. It never gets to the point where it becomes distracting."

The Vikings have not lost a regular season football game since Oct. 18, 1980, 60 games ago. Or, look at it this way: This season's seniors were freshmen in high school the last time the Vikings lost, and this season's freshmen were in the sixth grade.

Going into the Division III playoffs, this season's 18 seniors have a chance to go through their entire collegiate careers without a loss, just as the 15 seniors on the 1986 team did.

"It's not all us. It's five years' worth of teams," said Bothe, a second-team academic all-American last season. "We take that approach for it. It makes us more consistent."

The Vikings (8-0) finished their seventh straight unbeaten regular season with a 48-12 victory over MacMurray last Saturday and are top-ranked in Division III. Augustana clinched its seventh straight College Conference of Illinois and Wisconsin championship Oct. 31 with a 28-7 victory over North Central.

"I have as much trouble trying to figure it out as anyone else," said Reade, who is no stranger to winning streaks, having coached the Darnall (Ill.) high school team to a 52-game, six-season unbeaten streak before coming to Augustana.

"We're doing something that hasn't been done before," Reade said, "so it's difficult to put a finger on what we do differently."

This season, they've rolled up scores of 38-3, 69-0, 52-3 and 48-14. Their closest shave this season was a nail-biting 27-13 victory over Carroll on Sept. 26. The Vikings have outscored their opponents, 378-73, averaging 42 points a game.

And what about that two-touchdown victory over Carroll? Was it close?

"It was and it wasn't," said senior wingback Dennis Fraikes, who has more than 1,000 career rushing yards although he has never started a game. "It was close in the first half. But then we came out and dominated in the second half. We didn't get up for the game."

Offensively, the Vikings are a blue serge suit. They run and run and run, an ironic trait for a school that produced former Cincinnati Bengals quarterback Ken Anderson. Augustana averages 369.1 yards a game from its wing-T formation. Fraikes leads the team with 943 yards, but five other players have at least 100 yards rushing this season.

"Actually, it's very basic," said Fraikes, "when you sit down and draw it up. We just do it better."

"It's as basic as you're going to see in college football," Bothe said, "It works if everybody works hard. There's not a lot of fancy terminology on offense or defense."

"We do have a way," said Reade, a four-time recipient of national coach of the year honors by the American Football Coaches Association of America. "We have a style that's kind of ours and our coaches do a great job of teaching."

The Vikings have a quarterback, senior Greg Wallace. But he doesn't throw that much. It's gotten to the point that when Wallace threw for three touchdowns in Augustana's season opener, the Moline Daily Dispatch and Argus wrote about a "passing attack that ate up 77 yards . . . for Augustana [those numbers] are astounding."

"I like it the way it is," said Wallace, who also plays baseball for the Vikings. "When we do pass, it opens it up because teams are playing the run. It helps my completion percentage."

Defensively, the Vikings allowed 43.6 yards a game rushing, have intercepted 23 passes and have only given up 100 yards rushing once in the last 20 games. A fourth-quarter rushing touchdown by MacMurray Saturday broke Augustana's 77-quarter streak of not allowing such scores.

But, sooner or later, this streak has to end. Doesn't it?

"Oh, heavens no," Reade said in mock dismay. "I'll probably get fired. I don't think any of our people think that way, either. In high school, we all make the mistake of saying 'it's got to end, it's got to end sometime.' That negative. . . .

"The amazing thing about this is you've overcome all the reasons why failure exists. You've overcome the weather, the fumbles. . . . How many teams are unbeaten? Three years ago, we were the only unbeaten untied team in the nation. That's how precious it is."

LATVIA INDEPENDENCE DAY

● Mr. BOSCHWITZ. Mr. President, I stand to recognize Latvia's Independence Day. Sixty-nine years ago today, Latvia declared its independence from both Russian and German domination. It maintained its independence for over 20 years until 1940, when it was invaded and then engulfed by the Soviet Union. Excluding a brief period during World War II, the Soviet Union has retained control of Latvia ever since.

The Latvians have always resisted russification, and the United States has never recognized Latvia as a part of Soviet territory. Twice this year Latvians have gathered together to protest Soviet domination. On June 14, 1987, they met in Riga, Latvia, to honor those who fell victim to the Stalin deportations of the 1940's. Another rally, on August 23, protested the signing of the 1939 Molotov-Ribbentrop Pact, which gave the Soviet Union control over Latvia and the other Baltic republics. This last gathering was disrupted by Government-organized violence and arrests.

In this time of glasnost, it is not too much to expect the Soviet Union to desist from violence is responding to Latvian demonstrations. We urge the Soviet Government to listen to the Latvian people, and to respect their rights. This year the entire Senate endorsed Senate Concurrent Resolution 87, which expressed our support of the Latvians' right to gather peacefully on November 18 to commemorate Latvian Independence Day. Furthermore, for many years Congress has demonstrated its concern for these courageous people by passing a bill that designates June 14 as "Baltic Freedom Day."

Today, Latvians are meeting not only to mark the 52d anniversary of the Latvian Monument of Freedom in Riga, but to remember Latvian independence. As Latvians gather at this statue, we salute these valiant people and stand united with them in support of their struggle to maintain their own national identity.●

ALBANIAN INDEPENDENCE DAY

● Mr. RIEGLE. Mr. President, today I join with Albanians all over the world to celebrate the 75th anniversary of the Albanian Independence Day. To commemorate this important event, I would like to pay tribute to all those individuals who have devoted their lives in fighting to establish democracy and freedom for all people of the world.

On November 12, 1912, Ismail Qemal, with the support of his countrymen, was able to proclaim a democratic and independent Albania, thus gaining independence from the Ottoman Empire. Unfortunately, this independence was short-lived due to the upheaval created by the First World War.

Albania was then thrust into a period of instability under warring factions of various tyrants. Again, with the onslaught of the Second World War, Albania was forcibly occupied, this time by the Italian fascist forces.

The voice of democracy within the Albanian people was organized through the establishment of Balli Kombetar—the National Front. The main goal of this organization was to liberate the country and form a democratic government.

The Balli Kombetar fought courageously and dauntlessly against the occupying forces and the Communists, which were led by Enver Hoxha. In 1944, the German and Italian forces were driven out of Albania, and with the support and aid supplied by Tito's Yugoslavian Communists, Hoxha's Communist Party gained control of the country. The Balli Kombetar was forced to disperse its forces and continue its battle for a free and democratic Albania abroad.

Mr. President, by repeatedly demonstrating our support for people struggling for their rights to live as free individuals, we give renewed meaning to the democratic principles of our own Nation.

Today's remembrance of the ongoing struggle for a free and democratic Albania is an important part of the effort, and I am proud to be part of it.●

FRAUD OF THE DAY—PART 16

● Mr. HEINZ. Mr. President, today I do not have a specific fraud to discuss. Instead, I want to address an entire area of fraud: Copyright and trademark violations. This is a particularly insidious type of fraud, since it can easily destroy the reputation which a company has spent years or even decades to establish. For example, if someone buys a Rolex watch, they expect the quality which goes with the Rolex name and its history of performance. If the watch is counterfeit, does not keep proper time, or breaks soon after its purchase, the owner of the watch is not the only one to suffer. Rolex also suffers through the tarnishing of its reputation. Congress was so concerned about this kind of problem that it included in the trade bill a number of changes in our law to provide better protection for trademarks, patents, and other forms of intellectual property. These provisions appear to be the least controversial in the bill, receiving strong support from the administration and the private sector.

In fiscal year 1986, Customs Service agents seized $40,606,929 worth of counterfeit goods. Watches and watch parts constituted one-half of the goods seized. The other half involved toys, apparel, electronics, and leather goods.

I would also point out, Mr. President, that of 449 seizures in 1986, 357 involved products which originated in Hong Kong, Korea, or Taiwan, confirming the long-held view that the Pacific Rim is the piracy and counterfeiting center of the world. Despite this obvious geographic concentration, enforcement has not been easy. For the first 6 months of fiscal 1987, 171 of 236 seizures also involved products which originated in Hong Kong, Korea, or Taiwan, an insignificant improvement. Perhaps the trade bill now in conference will provide some additional tools for enforcement in this area, since it appears that current law is inadequate to the task. One such additional resource, of course, is the Senate provision providing a private right of action for customs fraud that I have been discussing for some weeks.

Senators have been listening to my daily frauds for nearly 2 months now, and they might be expecting at this point a specific case that dramatizes trademark and copyright fraud. In fact, I had several frauds prepared to deliver, but the Customs Service has asked me not to make them public at this time. The Service informed me that these cases were still pending, and publicity at this point could jeopardize their status. There have also been cases in steel, textiles, and apparel which I have put on the back burner for the same reason. As these cases are resolved judicially, however, I will continue to bring them to Senators' attention. In addition, a private right of action, as provided in the amendment passed by the Senate on July 15, could be of assistance in helping to deter the growing number of instances of customs fraud. I urge Senators to join me in seeing that this amendment become law.●

HONORING CHAPLAIN MAJOR CHARLES WATTERS AND THE MEN OF THE 173D AIRBORNE IN VIETNAM

● Mr. LAUTENBERG. Mr. President, I rise to draw my colleagues' attention to an exceptional chaplain from New Jersey, Chaplain Maj. Charles Watters, who received the Congressional Medal of Honor posthumously for his bravery during the Vietnam war. In honor of his bravery, the Five Corners Library in Jersey City will be dedicated to him on November 21, 1987.

Chaplain Maj. Charles Watters received the Congressional Medal of Honor for his bravery during the battle to take Hill 875, Dak To, also known as "Hamburger Hill" during the Vietnam war.

I was told of Chaplain Maj. Charles Watters bravery by someone who witnessed it firsthand, David Cathcart, who fought in the 173d Airborne Brigade. As he described it, we think of an Army chaplain as someone who remains in the base camp safe and sound while the men go out to fight and die. But Chaplain Maj. Charles Watters went with the infantrymen on patrols that took him far afield into the jungles of Vietnam. As a 40-year old carrying the 70-pound pack that the young infantrymen had to carry, he gamely ventured into danger time after time, more concerned with the well-being of the men than his own safety or comfort.

On the day of the battle to take Hill 875, where Chaplain Maj. Charles Watters was killed, he distinguished himself beyond measure with his selflessness, bravery, and courage. As the men reached the halfway point of Hill 875, the North Vietnamese opened fire on the Americans, killing 50 or 60 and wounding twice as many. The combat was so intense that the Air Force had to drop 500-pound bombs inside the perimeters to dislodge the heavy concentration of North Vietnamese troops. The battle raged for 5 days without break. Mortar fire, artillery shells, and gunfire took a heavy toll on the men. With no distinct battle lines in the jungle near South Vietnam's border with Laos and Cambodia, gunfire erupted from every direction. The ground was thick with bodies.

As the cry for a medic went out, all of them were killed by sniper fire. Into the breach stepped Chaplain Maj. Charles Watters. He took over the task of treating the wounded and dying. He not only treated the young paratroopers, but exposed himself to heavy enemy fire to go out and pull back several of the wounded. He did this repeatedly without concern for his own safety, and despite attempts to restrain him, until he was killed. His only protection was his courage, his unselfish devotion to the young paratroopers of the 173d Airborne, and his belief in the Almighty.

I am proud of the outstanding courage and selflessness of Chaplain Maj. Charles Watters, and the 59 other sons of Jersey City who died in Vietnam. They fought for what they believed in, and paid a great price so that all Americans could live in freedom and peace. We owe them a great debt, and I am grateful that the Five Corners Library will forever remind Americans of their great sacrifice.●

SENATOR KASTEN MAKES STRONG CASE FOR REDUCING THE CAPITAL GAINS TAX RATE

● Mr. GRAMM. Mr. President, I call to the attention of my colleagues an article by Senator BOB KASTEN which appeared in the October 31 issue of the Milwaukee Sentinel. In the article, Senator KASTEN makes a strong case for reducing the capital gains tax rate in order to increase revenues to reduce the federal budget deficit. He points out that in 1978 and 1981, Congress cut the capital gains tax from 49 percent to 20 percent. Revenues from this tax rose 184 percent from 1978 to 1985, despite the lower rates.

In addition to pulling in billions of dollars in revenue for deficit reduction, a capital gains tax cut would help spur capital formation, investment and economic growth.

Mr. President, I ask that the article be printed in the RECORD.

The article follows:

[From the Milwaukee Sentinel, Oct. 31, 1987]

ECONOMY NEEDS "15 PERCENT SOLUTION"

(By Robert W. Kasten Jr.)

The stock market madness of recent weeks has focused Washington's attention on the economy, and especially on the federal budget deficit. The policymakers could learn a lot from the economic insight of my former colleague, the late Rep. William Steiger of Wisconsin.

In 1978, Steiger sparked a revolution in economic policy with his basic idea that high tax rates stifle productive economic activity. Nowhere was this more apparent to Steiger than in the tax on capital gains (the appreciation in the value of assets such as stocks and real estate).

The then-49% tax rate on capital gains had led to a dramatic reduction in investment and capital formation. Stock market activity had been declining, and the economy as a whole was stagnating.

Bill Steiger sought to cut the capital gains rate, in the belief that the lower rates would result in more investment, more economic growth and more taxes paid—particularly by the rich. President Carter vehemently opposed Steiger's plan to cut the tax rate, saying it was a give-away to the rich and would lose billions in tax revenue.

The track record shows that Steiger was right. In 1978, Congress cut the top capital gains tax from 49% to 28%; in 1981, it was slashed again, to 20%.

The cuts injected new vitality into the stock market, with the result that revenues from this tax rose a whopping 184% from 1978 to 1985. And those making more than $100,000 paid 250% more capital gains taxes in 1982 than they did in 1978.

An overwhelming consensus developed on the desirability of low capital gains taxes. Unfortunately, however, an increase in capital gains rates (back up to 28%) was included in last year's tax reform compromise.

Raising the tax on capital gains will reduce federal revenues over the long run. This is because higher capital gains rates reduce taxpayers' willingness to realize capital gains, and thus reduce the amount of tax revenue the federal government actually receives.

Recent re-estimates of last year's tax increase suggest revenue losses of as much as $6 billion over the 1988-1990 fiscal year period.

Today, Congress is faced with a budget deficit of about $170 billion, and the stock market is scared. Instead of sending the wrong signal by raising taxes on the American people, Congress should cut the capital gains tax to reduce the defict and reassure the markets.

I have introduced a bill that would slash the capital gains rate to 15%. Unlike many of the anti-growth tax increases being proposed by congressional liberals, my bill is a responsible and economically sound deficit reduction option.

A 15% capital gains tax rate would raise substantial tax revenue, particularly from upper-income individuals. According to a recent study by Harvard Professor Lawrence Lindsey, my proposal could raise $31 billion of additional revenues over the next three years.

Moreover, of that total, about 80% would come from taxpayers with incomes above $100,000.

Besides pulling in billions of dollars for deficit reduction, a 15% capital gains tax rate would bring enormous benefits to the nation's economy. The tax cut would:

Increase incentives for individuals to invest in those activities that involve the most risk. Investment in risk capital spurs technological innovation and enhances productivity.

Enhance the free flow of investment. As investors are encouraged to realize capital gains, capital becomes more mobile. As a consequence, investment funds flow to their most efficient use, resulting in the creation of new technologies, new plants and equipment, and new jobs.

Make US tax treatment of investment more competitive vis-a-vis the rest of the world. US capital gains taxes are higher than those of many of our international competitors, such as Japan, West Germany, Taiwan, Italy and South Korea, all of which exempt long-term capital gains from taxation.

The "15% solution" would help Congress pull in $31 billion dollars for deficit reduction, without tampering with 1986 tax rates or raising excise taxes—both of which actions would reduce economic activity.

My proposal would help cut the deficit, spur capital formation, enhance US international competitiveness and actually "soak the rich" by increasing the amount of capital gains taxes paid by upper-income individuals.

Let's send the stock market a clear signal that we want to reduce the deficit without setting off a completely unnecessary recession. Let's bring down those rates.●

SOUTH KOREA

● Mr. ADAMS. Mr. President, on December 18, South Korea will be facing its first direct Presidential election since 1971. We are all pleased about this event because it will encourage democracy and badly needed democratic reforms in South Korea.

Recognizing the importance of this election to democracy in South Korea and to United States future interests in the region, we should acquaint ourselves with the candidates. While we are familiar with the ruling party candidate, Roh Tae Woo, and one opposition candidate, Kim de Jung, the other opposition candidate, Kim Young Sam, has received relatively little attention in the States.

By way of background, Kim Young Sam is a graduate of Seoul National University where he studied philosophy and politics. His involvement in Korean parliamentary politics began at age 26 when he became the youngest lawmaker in the history of South Korea. Since then, Kim has served twice as spokesman for the opposition party, ran the party as floor leader, and was head of the opposition party twice during the Park Chung Hee era. In May of 1987, he again became its head for the third time.

At this point, I submit for the RECORD recent Washington Post news articles which describe Kim Young Sam. For the RECORD I also submit Kim Young Sam's stated principles and goals for South Korea.

The material follows:

FORMER ARMY CHIEF BACKS SEOUL OPPOSITION LEADER

(By Peter Maass)

SEOUL.—A former chief of staff of the South Korean Army today endorsed opposition leader Kim Young Sam in a move that appeared likely to bolster Kim's candidacy in the presidential campaign by suggesting he may find significant support in the military.

Kim's supporters said the endorsement by Gen. Chung Sung Hwa, who was ousted and jailed after the 1979 coup that brought the current regime to power, would strengthen their argument that Kim's moderate views would keep the military from meddling in politics after the election.

The announcement was made at the nominating convention of the Reunification Democratic Party, which Kim heads. The convention unanimously selected Kim as the party's presidential candidate.

"My humble hope is to restore the honor of the armed forces through the realization of true civilianized politics," said Chung, who was a four-star general and the most powerful military officer in South Korea before his ouster. He has joined Kim's party as a "permanent adviser."

"I will do my best to help Kim Young Sam win the election so that a just and clean government is born," he said.

Chung joined Kim at the convention hall, and delegates cheered as the two raised their arms in victory salutes. Chung and Kim then led a protest march on the main boulevard in Seoul, chanting antigovernment slogans.

Many political analysts and western diplomats here agreed that the surprise announcement undercuts both of Kim's main election opponents—Ron Tae Woo of the ruling party, and Kim Dae Jung, who left the Reunification Democratic Party two weeks ago to form a new party and run as its presidential nominee.

"It proves [Kim Young Sam's] claim of having support among the military," said a western diplomat. "It helps improve his credibility as someone with a broad base of support."

The issue of military support is a sensitive question in the South Korean election campaign. On the one hand, the two Kims deride Roh, a former general, as being too close to the Army and favoring a continuation of "military rule." But the Kims also want to show that each has some supporters in the military who would act as a brake on any attempted coup if Roh is defeated.

Roh, who helped lead the 1979 coup that brought Chum Doo Hwan to power, argues that, as a military man, he is best qualified to ensure that the restless armed forces will not intervene before or after the December election. It will be the country's first direct presidential contest since 1971, when then-president Park Chung Hee narrowly defeated Kim Dae Jung.

Now, Kim Young Sam can counter Roh's argument, pointing to the support of one of the country's best-known, although deposed, military men. Chung is said to retain strong links with many generals in the Army, still commanding their respect after seven years in the political wilderness. Moreover, Chung is something of a political martyr to some South Koreans who see him as a military man who opposed Army intervention in politics.

Today's endorsement of Kim Young Sam by Chung also is seen as a blow to Kim Dae Jung, who has long had a reputation as a radical whose election might prompt military intervention. Kim Dae Jung has tried to combat that reputation by recruiting former military officers into his political camp.

Chung's role in Korean politics was brief but notable. After president Park was assassinated in 1979 by the head of the Korean Central Intelligence Agency, Chung declared martial law but pledged to hold presidential elections. He is said to have opposed direct military control over politics.

Six weeks later, troops loyal to Roh and Chun surrounded Chung's house and, after a shootout, arrested him as an accomplice in the assassination of Park. Although the charge was widely regarded as baseless, Chung was given a stiff jail term by a military tribunal, but he was released on parole after less then two years, ostensibly for health reasons.

S. KOREAN PORTRAYS SELF AS HERO OF MIDDLE CLASS—KIM YOUNG SAM'S BACKGROUND IS STRENGTH, LIABILITY

(By Fred Hiatt)

DAEGAE PURAK, SOUTH KOREA.—This serene fishing village, with its modestly prosperous homes and lush rice paddies, seems to embody the sturdy middle-class stability that is both the greatest strength and chief liability of native son Kim Young Sam as he seeks to become South Korea's next president.

Throughout his long career, Kim, 59, has seemed to carry within himself the tranquility and self-satisfaction of his childhood village, where the whitewashed church his father built overlooks the red nets drying on the beach.

Now, running against three others in this nation's first democratic presidential race in 16 years, Kim is laying claim to the middle ground, presenting himself as champion of both democracy and middle-class stability and hoping that his career as the consummate establishment opposition leader will carry him to the top.

He is expected to be nominated by the opposition Reunification Democratic Party to run as its candidate for president.

Kim's problem, in a nation that sometimes equates commitment with suffering, is the impression among some voters that he has been too much a man of the comfortable middle, that he has not sacrificed enough during his decades of opposition to South Korea's military-installed regimes.

Kim Dae Jung, another longtime opposition leader and now a rival candidate, can talk about his years in jail, the assassination attempts he barely survived; ask Kim Young Sam how he suffered and he will tell you, among other things, about missing his eldest son's wedding while under house arrest.

But many voters say that Kim Young Sam, too, has paid his dues and that his nonrevolutionary history is reassuring. While Kim Young Sam may not be the most charismatic or intellectual candidate, they say, he may be best suited to manage a transition to democracy, with less motivation for revenge and no inclination to stir things up.

Many voters fear that the election of ruling party candidate Roh Taw Woo would lead to student uprisings, while Kim Dae Jung's victory might provoke a military coup. Kim Young Sam is portraying himself as more committed to democracy than Roh or former premier Kim Jong Pil but as more leery of sudden change than Kim Dae Jung.

"People of my generation, we remember the big guns and terrible times of the Korean War, and we want stability," said a middle-aged taxi driver. "I think if Mr. Roh wins, it will be noisy. And if Mr. Kim Dae Jung wins, it will be noisy. So the best thing is the middle ground, Kim Young Sam.

"Some people say he is not strong enough or smart enough," the driver added. "I don't know. But he is not corrupt, he is not tainted, he is honest."

In elementary school, he was "just an ordinary pupil, nothing special," his uncle Kim Hong Kook recently recalled. But, born into his village's most prominent family, he moved to the seaport of Pusan to attend the region's best high school and then graduated from the nation's top university in Seoul.

In a Confucian nation that values education highly, that background gives Kim an edge over Kim Dae Jung, who never graduated from college. Kim Young Sam's roots in southeastern Korea, which has long dominated the nation's politics, further place him in the camp of the haves, while Kim Dae Jung represents the long-neglected southwest.

Still, Kim Young Sam has not pursued the complacent career in politics that his pedigree might have allowed. In 1961 he opposed then-general Park Chung Hee's coup d'etat, and he has remained in opposition ever since.

"Many people with good family ties, with good schooling, did go along with the ruling party," Kim said in a recent interview. "The most important influence on me, to stay with the people who were suffering from dictatorship, was the Christianity I have had from my early days, which taught me how to live in a just way, to believe in truth and morality."

Christians make up one-quarter of South Korea's population and a disproportionate share of its fighters for independence. Attending church is no political disadvantage in this predominantly Buddhist and Confucian country, and in fact both opposition Kims are Christian.

Even in that apparent similarity, however, their differences stand out. Kim Dae Jung is a Catholic who talks of Jesus appearing before him and saving his life so that he could lead his people to freedom; Kim Young Sam is a Presbyterian elder and the son of a Presbyterian elder, who rarely dwells on his religion in public.

The youngest politician ever elected to the National Assembly, Kim Young Sam rose rapidly in the opposition party throughout the 1960s, when Park ruled with relative tolerance. He seemed poised in 1971 to lead his party in a presidential election against Park.

But at their party convention that year, Kim Dae Jung outmaneuvered him, defying predictions to snatch the nomination on the second ballot. Kim Dae Jung went on to lose narrowly, so frightening Park and the establishment that he has been the government's number one enemy ever since.

Four years later, Kim Young Sam emerged from a meeting with Park with a smile and a handshake. The meeting came not long after Kim Dae Jung had been kidnaped and nearly killed by Park's security forces, according to reliable accounts, and not long before Kim Dae Jung and many others went to jail for criticizing Park's increasingly dictatorial rule.

"At the time, Park Chung Hee promised me he would end his presidency as soon as possible," Kim Young Sam explained recently.

That early history convinced some Kim Dae Jung supporters that the other Kim would always lag behind their man, in tactics and in principle. But for the next decade, Kim Young Sam fought against the regime while managing to stay on top of the opposition's often rough-and-tumble politics.

In 1979, Park ousted Kim Young Sam from the National Assembly, provoking riots in Kim's home area of Pusan and Masan that threatened Park's regime. When Park was assassinated by his own intelligence chief shortly thereafter, Kim emerged as a leading presidential candidate—until Chun Doo Hwan, then an Army general, staged another coup and put Kim under house arrest.

Now Chun has promised to step down in February, allowing the first peaceful transition of power in the nation's history, and Kim Young Sam believes his time has come. Although the two Kims promised throughout the summer to unite behind a single candidate so as not to divide the opposition vote, Kim Young Sam now says that his rival is opposed by "veto groups"—a code word for the military—and would aggravate conflict between the southwestern and southeastern regions.

"Only Kim Young Sam can achieve an end to military rule," he told a vast crowd at his recent kick-off rally in Pusan.

Kim Young Sam now presents himself as the politician who fought hardest and suffered most for democracy: his house arrest, his ouster from the National Assembly, a 23-day hunger strike in 1983. True, Kim Dae Jung was sentenced to death and spent two years in jail when Chun took over, but he then allowed himself to be sent into exile—whereas, said Kim Young Sam, "I made a clear statement that until my country became a democracy I would not leave."

His rallies have attracted larger and more enthusiastic crowds than Roh's, though not the single-minded devotion that Kim Dae Jung often elicits from his backers. Supporters at the Pusan rally described Kim as "experienced," "responsible" and "orderly."

Here in tranquil Daegae village, on the southeastern island of Koje, Kim's neighbor Pak Du Nam seemed not to care that Kim has not martyred himself for the cause.

FIVE PRINCIPLES AND SEVEN GOALS OF MR. KIM YOUNG SAM'S ADMINISTRATION

FIVE PRINCIPLES

1. Democracy. The transformation of dictatorial into democratic order.

2. Priority of the people. Protect the rights and interests of all people, especially the laborers, farmers, urban poor and minorities.

3. Reunification. Active involvement of the people in promoting detente between the two Koreas. Restoration of trust between the two.

4. National harmony. Elimination of regional animosity and restoration of trust between different generations.

5. Prosperity and stability. Economic growth and social stability through democratic reforms.

SEVEN GOALS

1. Eliminate politics of darkness. No more arbitrary arrest and torture. Guarantee freedom of speech and press and the independence of the judicial system.

2. Clean government. Eliminate corruption and maintain political neutrality of bureaucrats and regain administrative integrity.

3. Economic growth and equitable distribution of wealth. Maintain high economic growth. Reduce foreign dependence. Distribute income as equitably as possible.

4. Just and healthy society. Reward those who work hard and live honestly.

5. Dynamic culture. Restore and nurture Korea's traditional culture. Eliminate excessive dependence on foreign cultures.

6. Strong national security and reunification. National security through the building of a stable, democratic, and legitimate civilian political system, faithfully served by its armed forces. Reunification through peaceful means.

7. Independent Foreign policy. Maintain and strengthen relations with the Western societies, including the United States and Japan, and expand diplomatic, cultural, and economic relations with the Third world as well as the Communist nations.●

INFORMED CONSENT: COLORADO

● Mr. HUMPHREY. Mr. President, today I present a letter from Colorado in support of my informed consent legislation. I ask unanimous consent that it be entered into the RECORD at the conclusion of my remarks.

Day after day, in clinics across the Nation, women are consenting to abortion without first being apprised of the risks, benefits, and alternatives. Often times, what are purported to be counseling sessions with the patient are actually efforts by clinic staff to convince the woman that abortion is OK and the best choice. This should not be.

My informed consent legislation, S. 272 and S. 273 would require medical personnel to provide women considering abortion with all the information necessary to make a truly informed decision. I urge my colleagues to support the bills.

The letter from Colorado follows:

FEBRUARY 11, 1987.

DEAR SENATOR HUMPHREY, Thank you for giving me the opportunity to share a part of my life I've never been able to tell others about.

When I was 17, many of my boyfriends were going off to the Vietnam war. Life was desperate, frantic and uncertain. I've looked back on my actions many times to try and understand what makes a 17 year old girl so blind to all the warnings. What kind of fantasy world was I living in—that I really didn't think it could happen to me. But it did. I reaped what I sowed and became pregnant.

My parents were very strict, and my mother was a very proud woman. So I ran away from home, planning to kill myself somewhere far away so an autopsy wouldn't make the news. Fortunately, a friend warned my brother and I was brought back home safely. But a doctor at the college campus in our town told my parents how I could receive an abortion. The doctor explained that the baby was just a blob of tissue. He said that actually a woman's body performs an abortion every month by rejecting an unfertilized but "live" egg and if abortion is a sin, that women's bodies commit sin every month that they don't conceive. With that explanation, my parents felt more than justified in pursuing and obtaining a legal, state performed saline abortion (performed in Stanford University Hospital).

No one warned me what a saline abortion was. Thank goodness an older girl was going through the same procedure. She helped me through mine. I was in labor for 14 hours. I begged for shots to ease the pain. I had cramps clear down into my knees. My father checked in on me once but I was screaming so hysterically in pain that he couldn't stand it and left. When I came too some hours later the nurse discovered that the fetus had finally been passed. Thank goodness she warned me not to look.

Senator Humphrey, I now know that there would have been plenty of couples that would have loved to have raised my child. It wasn't necessary to have the abortion. But my mother was given an easy way out, an excuse, one that overcame her "Christian" reasoning and moral questions. But it wasn't truthful. The Dr. told her what she wanted to hear, not what she should have been told. If I had of been told what a saline abortion was—I never would have agreed to it. I was led to think it would be like pulling a tooth in the dentist office. The simple extraction of something unwanted. But as soon as I was given the shot, I could feel the baby thrashing about inside. To this day my mother denies that it was wrong. But I'm the one who had the abortion and there is no doubt in my mind—I killed my baby.

Please Senator Humphrey—convey the need for women to be adequately informed and counseled as to the nature and consequences of abortion. In my case I was given no choice.

Colorado.●

THE GREAT AMERICAN SMOKEOUT NOVEMBER 18, 1987

● Mr. CHAFEE. Mr. President, a prominent Rhode Islander has decided to kick the smoking habit. He has been a resident of my State for over 35 years, although many people across the country have welcomed him into their homes. Although he is a man of many faces, you could always count on him having a pipe.

But not any longer.

To kick off the American Cancer Society's 11th Annual Great American Smokeout, "Mr. Potato Head," a learning toy produced by the Playskool Division of Hasbro Inc. of Pawtucket, RI, has surrendered his faithful pipe to Surgeon General C. Everett Koop.

No longer will a pipe be included in the kits which young children use to assemble an outfit for this popular children's toy.

We all know that young children learn both good and bad habits by example and imitation. Mr. Potato Head's abandonment of smoking gear sends an important message to preschoolers and others—that smoking need not be a part of the adult world.

I commend Hasbro Inc. and its Playskool division for responding in a positive way to encourage young Americans not to start smoking.

Last year 23.5 million people participated in the Great American Smokeout, traditionally held on the Thursday before Thanksgiving. This year the smokeout goal is for one in every five smokers to give up smoking for at least 24 hours. Fifty-eight ACS chapters in 3,000 communities will join the observance along with many business and civic groups, schools and others concerned with good health.

Educational efforts, such as the ones undertaken by the American Cancer Society and supported by businesses such as Hasbro, focus public attention on the health hazards associated with smoking. These statistics are startling.

Nearly 80 percent of all lung cancer deaths in this country are caused by smoking. One-third of all deaths from heart disease are attributed to smoking, and as many as 24 million Americans may die prematurely of heart disease linked to cigarette smoking unless smoking habits are changed. These deaths, however, are easily preventable.

For the past 3 years, I have been urging the Senate to double the current Federal excise tax on cigarettes as one way to discourage smoking. Statistics show that the doubling of the excise tax since 1982 has caused 1.25 million adult Americans to stop smoking and 500,000 teenagers to stop or not start the habit. While I continue my efforts to discourage smoking, I congratulate Hasbro for encouraging younger Americans not to smoke by helping Mr. Potato Head kick his habit.

I note with special pleasure that the First Lady has also commended this educational effort, and I ask that the following letter from First Lady Nancy Reagan be made a part of my statement and printed in the Record.

The letter follows:

THE WHITE HOUSE,
November 13, 1987.

DEAR FRIENDS: Please pass on my heartiest congratulations to Mr. Potato Head for deciding to give up his pipe.

By kicking the habit, Mr. Potato Head will not only improve his health, but will serve as a good example to young people who need to learn the importance of maintaining good health habits.

I send along my best wishes for success to Mr. Potato Head and everyone involved in the 11th Annual Great American Smokeout.

Sincerely,

NANCY REAGAN●

REACTION ON THE RELEASE OF THE FINAL REPORT ON THE IRAN-CONTRA INVESTIGATING COMMITTEE

Mr. BYRD. Mr. President, the report of the congressional committee investigating the Iran-Contra affair, issued today by Chairman DANIEL INOUYE, and Vice Chairman WARREN RUDMAN is an important document, and the committee deserves the Nation's thanks for its thorough, workmanlike, and illuminating presentation. The document illustrates with great force the dangerous quicksands into which our great democracy can sink if we stray from the rule of law which is the foundation of our democracy. Equally as important, the hearings and the report show how fragile our democracy really is, how vulnerable it is to practices of men whose design it is to circumvent the checks and balances of our system. Even more fundamentally, it shows how a lack of trust among the men responsible for making and executing the policies of our country can poison and chew apart our form of government.

The recommendations of the report for legislative action, to close the loopholes in our laws dealing with covert action, should be acted upon as early in the next session as is feasible. I will give high priority to such legislation as is reported from the Intelligence Committee and any other committee with jurisdictional responsibility in areas outlined in the report.

Important repair work needs to be done to avoid some of the more outrageous of the circumventions and practices that have been brought to light by the committee.

More importantly, however, the lesson of the need for a renewal of trust and comity in our system of government must be learned. Ours is a government of laws, and not of men. But men of wisdom and prudence and humility, who respect our system, who resist the temptation to think that they are somehow insulated from the laws that others must obey will do well to reflect upon the report's findings. The public trust requires that those to whom such trust is given must periodically refresh their understanding of the principles upon which our constitutional system is founded if it is to remain vibrant and viable. This report, and the entire work of the committee have provided such a service.

The committee worked hard and long under pressure of deadlines, always a difficult proposition in an investigation with unknown and difficult twists and turns. It proceeded in the face of hostile witnesses and very combative attorneys, whose purpose it was to attack the integrity of the investigation. It proceeded under the constant glare of publicity, so that the American people could witness this chapter of our history. The committee had to sort out the actions of a murky maze of foreign governmental actors, uncooperative foreign private citizens, as well as private and public U.S. actors. While some witnesses made their pitch to the galleries, and attempted to play on the basic patriotism and respect for the military uniform, the panel focused on what happened and why it happened. It slogged through 500,000 documents and hundreds of witnesses. Members of this committee acquired themselves with distinction, and they are to be commended. The Senate and the American people owe them a deep debt of gratitude for their fairness, their toughness, and their bipartisan commitment to demonstrating that this Nation must be a nation of laws and not of men if it is to endure as a free people.

ORDERS FOR TOMORROW

ADJOURNMENT UNTIL 9:30 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 9:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTIONS AND MOTIONS OVER, UNDER THE RULE

Mr. BYRD. Mr. President, I ask unanimous consent that no motions or resolutions over, under the rule, come over tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

WAIVER OF CALL OF CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that the call of the calendar be waived under rule VIII tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized under the standing order tomorrow, there be a period for morning business not to extend beyond the hour of 10 a.m. and that Senators may speak during that period.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BYRD. Mr. President, it is expected that the Senate will be taking up the conference report on the defense authorization tomorrow afternoon. But tomorrow morning during which time business may be transacted, I am not sure just at this moment what we can take up. We are giving consideration to S. 9, the omnibus veterans compensation and dependency and indemnity compensation bill, and there may be other matters that will be ready.

There will be rollcall votes on tomorrow.

Mr. SIMPSON. Mr. President, we have no further business. I thank the majority leader of accommodating me in the matter I had to conclude and thank him for that courtesy. I appreciate that very much. I have nothing further at the moment. I defer to the majority leader and he may conclude as he wishes.

Mr. BYRD. Mr. President, I thank the assistant leader on the other side of the aisle. We should be going out very shortly.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

Mr. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in adjournment until the hour of 9:30 a.m. tomorrow.

The motion was agreed to; and, at 3:41 p.m, the Senate adjourned until Thursday, November 19, 1987, at 9:30 a.m.

HOUSE OF REPRESENTATIVES—*Wednesday, November 18, 1987*

The House met at 11 a.m.

The Most Reverend John J. Myers, S.T.L., J.C.D., D.D., coadjutor bishop of Peoria, Peoria, IL, offered the following prayer:

Let us pray. God, Father and Lord, we thank You and praise You for the beauty of the vast universe which You have created, for this small planet, our home, but even more for the gift of human persons and of the human family which You have fashioned in Your own image. Human genius and human love are but reflections of Your wisdom and love. In our day they have brought about a genuine transformation in the history of humankind and yet our history is distorted by selfishness, shortsightedness, and even ill will.

We pray with genuine awareness of our solidarity with men and women all over the world. May all of Your children know peace. May they all find respect for their personal dignity and be provided by their own efforts and by society with whatever is required for proper living. We ask that the creative potential of the human spirit be directed to beauty, truth, and goodness and not be overcome by the darker forces within ourselves or within our history.

We pray, too, Father, for the Members of this House. May their common endeavor always serve the broader human good. May both objectivity and excellence mark their labors. May they always be faithful to what is noblest in the human heart and always be true servants of their constituents and of this Nation, but Your good servants first.

Your kindness, Father, has granted each of us the privilege of living in the United States of America. May our bounty lead us to share. May our liberty lead us to love. May our strength prompt us to attend to others with care.

Great God, we ask that You hear our humble voices and those of all Your children the world round, You who live and reign forever and forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

GUEST CHAPLAIN, MOST REVEREND JOHN J. MYERS, COADJUTOR BISHOP OF PEORIA, PEORIA, IL

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, it is a very great honor for me to welcome to the House the Most Reverend John J. Myers, coadjutor bishop of Peoria, who opened our session in prayer.

On September 3 of this year, I had the good fortune to be present when Bishop Myers was consecrated and installed as coadjutor bishop. The beauty of the ceremony with its sacred music and ancient rituals, combined with the knowledge that we were witnessing the consecration of someone born and raised in central Illinois, made that event memorable for all who attended.

Bishop Myers was born in Ottawa, IL, on July 20, 1941. He attended Loras College, Dubuque, IA, 1959-63. He went on to theological studies at the prestigious North American College, Georgian University in Rome, 1963-67.

He was ordained on December 17, 1966, in St. Peter's Basilica in Rome.

He attended Catholic University in Washington, DC, from 1974 to 1977, and received his degree as doctor of church law.

It is not only as a scholar that Bishop Myers has served God and his neighbors. He has also served his fellow Catholics—and the larger community of central Illinois—as assistant pastor, Holy Family Parish, in Peoria and associate pastor, St. Matthew's Parish in Champaign.

From 1977 to the present he has held important positions in the Diocese of Peoria including administrator, St. Mary's Cathedral, chancellor of the diocese, vicar general of the diocese and now, coadjutor bishop.

When Pope John Paul II named Bishop Myers to his current post, the announcement was greeted with great joy throughout our community. Bishop Edward W. O'Rourke, bishop of Peoria since 1971, said:

> I am especially grateful to Pope John Paul II for choosing Bishop Myers for this important position. I know from many years of working with Bishop Myers that he is a prayerful and holy priest and has demonstrated many talents. . . .

I join with Bishop O'Rourke and all those in our area, of many faiths, in congratulating Bishop Myers and thanking him for being with us today.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 278. An act to amend the Alaska Native Claims Settlement Act to provide Alaska Natives with certain options for the continued ownership of lands and corporate shares received pursuant to the Act, and for other purposes.

RESIGNATION OF MEMBER AND APPOINTMENT AS MEMBER OF PERMANENT SELECT COMMITTEE ON INTELLIGENCE

The SPEAKER laid before the House the following resignation as a member of the Permanent Select Committee on Intelligence:

House of Representatives,
Washington, DC, November 17, 1987.

Hon. Jim Wright,
The Speaker, House of Representatives, The Capitol, Washington, DC.

Dear Mr. Speaker: I hereby submit my resignation as a member of the House Permanent Select Committee on Intelligence, effective at your pleasure.

Sincerely,

George E. Brown, Jr.,
Member of Congress.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER. Pursuant to clause 1 of rule 48, the Chair appoints to the Permanent Select Committee on Intelligence the gentleman from Kansas, Mr. Glickman, to fill the existing vacancy thereon.

COMMENDING SPEAKER WRIGHT FOR HIS EFFORTS IN CENTRAL AMERICA

(Mr. FOGLIETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOGLIETTA. Mr. Speaker, I rise to commend you on your efforts to encourage a negotiated settlement to the Central American crisis. Your support of the Guatemalan accords has sent an important message of respect and dignity to the region. By standing up and being counted, you have demonstrated a willingness to open new avenues for peace. Everyone knows that the Arias peace plan cannot survive without a commitment from the United States that we will not disrupt the process. Your active

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

support gives the Central American leaders great hope that the United States will honor the provisions of the agreement and allow the people of Central America to determine their own destiny. Mr. Speaker, I applaud your courage and initiative.

□ 1110

OPPOSING GORBACHEV ADDRESS TO JOINT SESSION

(Mr. BURTON of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BURTON of Indiana. Mr. Speaker, in order to convene a joint session of Congress, it is necessary to have unanimous consent. I have been informed that Secretary Gorbachev has been asked to address a joint session of Congress.

Mr. Speaker, the U.S. Congress is the embodiment of democracy in the greatest democracy in the world. The honor of addressing this body is and should be reserved for democratic leaders of the world. On behalf of the 50 million people who have been killed by the Soviet regime, I object. On behalf of the 400,000 Jews who wish to leave the Soviet Union and the repressed religious leaders of all faiths, I object. On behalf of the 1 million Afghans who have died and 4 million Afghan refugees, I object. On behalf of the Angolan people, repressed by $2 billion in Soviet weaponry and 40,000 Cuban mercenaries, I object. On behalf of the Nicaraguan people, repressed by 23,000 tons of Soviet war material, I object. On behalf of the State of Israel, whose existence is threatened by the Soviet-armed Syrian and PLO war machines, I object.

Mr. Speaker, Secretary Gorbachev will not address this Congress if I have anything to say about it.

WE NEED WELFARE REFORM NOW

(Mrs. KENNELLY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. KENNELLY. Mr. Speaker, I keep hearing that now is not the time to address welfare reform. I cannot understand this line of reasoning.

What I do understand though is that we are spending billions of dollars on a welfare system that is fatally flawed. It is a system that locks women into dependency, it is a system that means one out of every four children in America are born into poverty.

Mr. Speaker, we have a bill ready to come before this body, a bill that is not perfect, but it is a new beginning for welfare reform. It is practical. It faces up to the fact that all people who can work should work, but it also is practical in that it provides Medicaid for children and child care for children if their mothers are going to work.

Mr. Speaker, I cannot help but ask this body to consider recognizing the fact that before we adjourn for the holidays we should think of those in need, those who want to be independent, those who want to be contributing citizens, and do welfare reform.

OPPOSING GORBACHEV'S ADDRESS TO A JOINT SESSION

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, what? Gorbachev has been invited to address a special session of Congress?

My grandparents, as did your parents or grandparents or ancestors, fled to these shores in search of freedom and liberty, the very liberties and freedoms denied to the people that Gorbachev rules. When our parents, grandparents, and ancestors fled to the American shores, they fled the Gorbachevs of the world.

Now we, their daughters and sons, are inviting the personification of tyranny into this House where the people of the United States rule. Our parents and grandparents and ancestors must be absolutely ashamed of us.

The President of the United States deals with all foreign leaders of every ilk and kind, but to allow Gorbachev to speak in the halls of freedom is a desecration to this House and the principles we hold dear.

Who invited Gorbachev to speak? They did not speak for me. Did they speak for you?

EXHIBITION OF GENERAL MOTORS SUN RACER SOLAR CAR

(Mr. JONTZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JONTZ. Mr. Speaker, I want to take just a minute to invite the Members of the House to view the General Motors Sun Racer vehicle which is now on display out in front of the Capitol Building. This vehicle has just returned from Australia where on November 6 the Sun Racer finished some 600 miles ahead of its nearest competitor to win the Inaugural Trans-continental World Solar Challenge. The Sun Racer performed flawlessly over its 6-day trek through the rugged Australian outback with tire changing representing the only delay in its winning effort.

The Sun Racer vehicle represents the triumph of team work and technology, the sort of technology that General Motors is developing to help meet the needs of our country in transportation and be a leader in so many ways.

Mr. Speaker, I encourage Members of the House to see this very intriguing vehicle while the opportunity presents itself today.

CLEAN AIR ACT EXTENSION

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I am compelled to bring to the attention of my colleagues in the House an issue of grave concern to my constituents in the 22d Congressional District of New York and indeed to citizens throughout the Nation. I am referring to the problem of environmental degradation due to air toxics and airborne pollutants which taint the quality of our atmosphere.

Mr. Speaker, yesterday Mr. Lee Thomas, the Administrator of the Environmental Protection Agency, announced his intention to delay the imposition of sanctions under the Clean Air Act for at least 3 years. Under current law, these sanctions would normally be imposed upon those areas which do not meet the attainment standards contained in the Clean Air Act by December 31, 1987. Mr. Speaker, at a time when Congress is considering whether or not to extend the deadline for compliance with the Clean Air Act provisions, the procedure announced by Mr. Thomas is untimely and extremely unwise.

The time for Congress to take action on clean air legislation is now. Even today, Mr. Speaker, the House Rules Committee is considering whether or not to allow an amendment to the omnibus continuing resolution which would extend the deadline for compliance with the Clean Air Act attainment standards. While a short-term extension may be necessary in order to avoid the undesirable effect on economic development which sanctions would necessarily entail, it is clear that the time for paperwork studies has long since passed. Under no circumstances can we afford to continue dragging our feet beyond the 100th Congress. I urge my colleagues on the Energy and Commerce Committee to take prompt action which will lead to a workable compromise on clean air legislation and guarantee compliance with the attainment standards set out in the Clean Air Act. With all due respect for the committee's fine work, I urge my colleagues to take this action now, sooner rather than later, before it is too late for us and too late for our environment.

TORRICELLI AMENDMENT TO THE FOREIGN ASSISTANCE BILL

(Mr. TORRICELLI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TORRICELLI. Mr. Speaker, this morning when the foreign assistance legislation comes before this House I will offer a simple amendment that requires that when cash assistance is given by our Government to developing lands and imports are ordered by that developing nation, they simply come from the United States. It will not prohibit countries from spending that money within their own countries. It will not require that goods be purchased in America where they are not competitive or not produced. But simply if a developing nation is going to use cash assistance from America and has made the decision to import, that it come from America.

I offer the amendment because of the simple realization that increasingly United States cash assistance is being used to fund the importation of Argentinian and French wheat and Japanese and German industrial goods.

Mr. Speaker, it is simply not fair that farmers and workers in America who struggle to pay their taxes are having this money go abroad to buy goods from their own competitors. In offering the amendment I want to thank the corn, rice, cotton, sunflower, and wheat growers of America who have all joined me in this effort, and I urge my colleagues simply in the name of what is fair to our taxpayers, to our farmers, to our industrial workers, to support this amendment today.

KC-10 TANKER/CARGO AIRCRAFT—GOOD NEWS ABOUT OUR MILITARY SYSTEMS

(Mr. BADHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BADHAM. Mr. Speaker, because I took part in a military delivery yesterday, I was unable to be present for several votes.

PERSONAL EXPLANATION

I would like the record to show that had I been here, I would have voted:

"No" on approval of the Journal.

"Yes" on approval of the conference report for H.R. 1451.

"Yes" on House Joint Resolution 376, that the Soviet Union should grant permission to emigrate to all those who wish to join spouses in the United States, which I cosponsored.

"Yes" on House Concurrent Resolution 186, urging the head of state of East Germany to repeal the order directing border guards to shoot to kill anyone who attempts to cross the Berlin Wall without authorization, and to issue an order to tear down the Berlin Wall, which I cosponsored.

"Yes" on H.R. 3471, to make the Veterans' Administration an executive department, which I cosponsored.

"No" on H.R. 3400, the Federal Employees Political Activities Act of 1987.

Also, Mr. Speaker, I would like to take this opportunity to describe my activities yesterday. We are constantly hearing the bad news about our military systems, but we never hear the good news. Here is some very good news.

In Long Beach, CA, yesterday, I met with the workers who build the KC-10 tanker/cargo aircraft at the ceremony to mark the delivery of the 58th KC-10 out of a series of 60 aircraft. After the ceremony, I flew with the crew back to Andrews Air Force Base.

Mr. Speaker, all of these aircraft have been delivered on or before schedule, at or below cost. The KC-10 is the only tanker/cargo aircraft that can both receive and deliver fuel while airborne. Its reliability is better than 90 percent.

The KC-10 allows us to deliver our forces anywhere in the world and it played a critical role in the recent Libyan action, was a key part of the Grenada operation, and it is involved in the Persian Gulf operation.

Without the ability to refuel our fighters and attack bombers in flight, our air power is severely compromised. The reliability of these aircraft depends upon the reliability of the KC-10, and, indeed, the KC-10 has proven one of the most reliable in the sky.

The KC-10 is also a vital part of our airlift capability. Together with the C-17 program, McDonnell Douglas has established itself as a leader in this important aspect of defense. If the C-17 progresses as well as the KC-10 has, it will be another outstanding success.

As Caspar Weinberger leaves office, we should all remember the most important thing he said during his tenure as Secretary of Defense: "If we are to preserve peace, we must meet the military threats that face us." I am happy to report to Congress today that the KC-10 helps us do exactly that.

TRAFICANT AMENDMENTS TO CUT THE FOREIGN AID BILL

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, I have taken the floor to notify Members that I will be offering two amendments to the foreign aid bill, to cut military assistance programs by 20 percent and the economic support fund by 20 percent.

The reason I offer this to you is because I have been overwhelmed by lobbyists and Members' staffs asking me not to bring this amendment, they do not want to have to vote on cutting foreign aid. I will tell you this now, because I will bring it, and I will ask for votes because I am tired of lobbyists that never call me when the President wants to throw out education programs, economic development programs for America, UDAG programs, revenue sharing thrown out, which are our economic support funds for our cities. The only calls I get from lobbyists are when I want to cut foreign aid money.

We must make some cuts down here, and I think we need to start with NATO defense, and with foreign aid, and we will still leave, after my cuts, an awful lot of money for those people overseas.

In closing, how can we justify paying our neighbor's rent bill when the bank is foreclosing on our own home? I will bring those amendments, and I want you to remember that you are lobbyists for the American people today.

FRIENDLY WAGER

(Mr. INHOFE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INHOFE. Mr. Speaker, it must be quite distressing for my esteemed colleague from Nebraska—the Honorable HAL DAUB—to have to stand here before you all today knowing full well that history is not on the side of his beloved Cornhuskers.

Since the college football teams first met in 1912, the Oklahoma Sooners have been winners more often than the Cornhuskers. The Sooners have won 31 of the last 41 games. Last year's exciting game finished with the Sooners beating the Cornhuskers 20 to 17.

To the people living everywhere but in Nebraska it must seem silly to continue this yearly drubbing. But we're hospitable folk in Oklahoma and we would rather humor the Cornhuskers than offend them.

I am so confident that the Sooners are predestined to beat the Cornhuskers again this Saturday in Lincoln that I am willing to put up an expensive quantity of one of Oklahoma's finest homegrown products—Oklahoma select pecans.

Oklahoma is the third largest pecan producer in the country, harvesting more than 40 million pounds in a good year. Oklahoma pecan producers encourage all to stock up on pecans for snacking during the upcoming Saturday afternoon massacre.

OKLAHOMA-NEBRASKA RIVALRY

(Mr. DAUB asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAUB. Mr. Speaker, while Washington is abuzz with stock market crashes, budget battles, tanker wars, Presidential posturing, it's refreshing to know that the people back home in Nebraska have got their priorities straight: The No. 1 Nebraska priority this Saturday is to stay No. 1 in something that really matters, college football.

But this isn't just any old game. It's one of college football's preeminent rivalries, Nebraska against Oklahoma.

This year, like the 1971 game which has been called the game of the century, the teams are ranked one and two in national polls.

I've made a friendly little wager with the distinguished gentleman from Oklahoma, Mr. JAMES INHOFE. I've put up corn-fed Nebraska beef against what he promises is high-grade Oklahoma pecans.

I remember some years back when Barry Switzer told Nebraska fans that he hoped we liked Mexican food because we were going to eat a lot of tamales down at the Fiesta Bowl.

Well, I may let the Boomer-Sooners keep their pecans when I win my bet because I think they might spice up the tamales the Sooners will be eating at the Fiesta Bowl this year.

I invite all of my colleagues, especially the ones in the middle of the budget battles, to take a break and watch a real battle between two of our Nation's finest teams this Saturday.

□ 1125

SHARING THANKSGIVING DINNER WITH MEMBERS OF THE ARMED SERVICES

(Mr. WELDON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WELDON. Mr. Speaker, as a member of the Committee on Armed Services of the House, I have had the opportunity over the last 10 months to travel over many of our military installations in this country. Recently I had the ocassion to visit the Philadelphia Navy Yard in a neighboring district of mine where I met with many of our young sailors. While I was there, I learned that many of these young people will not be able to join their families next Thursday for the traditional Thanksgiving meal.

At that point in time, Mr. Speaker, I came up with the idea that perhaps we should establish and adopt the Sailor Program. I went back to my district and announced to my constituents that I would set the tone by inviting two young sailors who cannot join their families into my home for Thanksgiving dinner, and I encouraged my constituents to do likewise.

We have had an absolutely overwhelming response, with hundreds of families calling to share their Thanksgiving meals with sailors who cannot join their families back home.

Today, Mr. Speaker, I ask my colleagues in the House and my colleagues in the other body, as well as Americans all over the country, to join me in sharing this year's Thanksgiving dinner with some of our young men and women who serve in our military services at domestic installations and will not be able to join their families for Thanksgiving dinner this year.

WILL THE SANDINISTAS RELEASE THE IMPRISONED?

(Mr. KASICH asked and was given permission to address the House for 1 minute.)

Mr. KASICH. Mr. Speaker, according to an article in Monday's Washington Post, the Sandinista government is preparing to release nearly a thousand political prisoners. However, experience suggests that when dealing with the Sandinistas, we ought to count our change very carefully. Lino Hernandez, head of the Independent Permanent Commission on Human Rights, said that many of those being pardoned have already served their time, and in any case, releasing only one-tenth of the nearly 10,000 political prisoners "is not sufficient to create an atmosphere of national reconciliation.

Mr. Speaker, we ought to find out exactly who the released prisoners are before we suggest the Sandinistas are being forthcoming. The Sandinista government itself says that at least 27 of them were persons who had already been freed, and several others were common criminals. Further, at least 50 more were the Sandinistas' own army and interior ministry troops who had committed human rights abuses. Why should these people be counted among political prisoners of the Sandinistas? And of a list of 1,344 cases submitted to the Sandinistas by the Human Rights Commission, only 161 were named in Ortega's final amnesty proposal. The rest were turned down for political considerations. Mr. Speaker, is this how the Sandinistas act in good faith?

ELEMENTS OF HYPOCRISY IN CENTRAL AMERICAN PEACE

(Mr. SOLOMON asked and was given permission to address the House for 1 minute.)

Mr. SOLOMON. Mr. Speaker, what happens when Members of Congress stick their noses in foreign policy? We get such travesties of justice as the release of cold-blooded terrorists who murdered U.S. marines assigned to guard our Embassy in El Salvador, all in the name of a phony peace.

Mr. Speaker, please tell us how releasing terrorists serves the pursuit of peace. Any peace that equates terrorists with the tens of thousands of political prisoners rotting in Sandinista jails is no peace at all, but an insult to the civilized world and a stain on American honor.

We're already beginning to see the hypocrisy behind this so-called peace. It's nothing more than a buzzword for abandoning the Nicaraguan resistance.

It's a peace based on lies, and no peace like that can endure? Mr. Speaker, what will you say a few short years from now, when a Communist beachhead is firmly established a stone's throw from Texas, when Soviet ships freely roam both oceans from their Nicaraguan ports, and when country after country in Central America fall under the Soviet shadow? How proud of your peace will you be then?

EXPRESSION OF RESISTANCE TO THE PROPOSED GORBACHEV VISIT

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN of California. Mr. Speaker, I do not think I have ever come to the well of this, the greatest deliberative body for freedom in the world, with a more important subject. I am going to do everything I possibly can within my power to prevent the world's most powerful Communist leader from standing at that lectern and addressing a joint session of this Congress.

Mr. Speaker, our civic religion is democracy. It is liberty. Winston Churchill stood there 19 days after Pearl Harbor, on December 26, 1941. He knew then that democracy would be saved in Europe because the United States had been provoked into declaring war on Japan and Germany just a few days before, when President Roosevelt stood at that very lectern. General MacArthur stood there, and only people of democracies have stood there, more in the last few years than ever before in our history.

But to have Gorbachev stand there is just an insult to this Chamber. He murdered—or his government did—Larry McDonald, a fellow Congressman, and they have never apologized for that. He has never apologized or paid reparations to 68 Americans who died on that Korean 007. I cannot believe we fought this through in this House.

That Communist leader is going to have the KGB working with the Secret Service and the D.C. Police and our Capitol Hill Police to push around out there Jewish refusenik families, Cuban-Americans, Cambodian-Americans, Vietnamese-Americans, Hungarian-Americans, and Czech-Americans.

I beg you, Mr. Speaker, do not let this Communist come in to this Chamber. We will meet with him out in the hall somewhere.

WORLD CONTRACT BRIDGE CHAMPIONSHIPS

(Mr. STANGELAND asked and was given permission to address the House for 1 minute.)

Mr. STANGELAND. Mr. Speaker, for the third time in 50 years of World Contract Bridge Championships, the open team and women's team titles went to the same country. At the final ceremonies Saturday, October 24, 1987, in Ocho Rios, Jamaica, the United States was presented with the Bermuda Bowl and the Venice Trophy.

The only precedents for this are the world championships in Budapest, Hungary in 1937 when the Austrians were double winners, and an Italian double victory in the 1972 world championships in Miami, FL.

Five Americans—Chip Martel, Lew Stansby, and Hugh Ross, from California, Bobby Wolff and Bob Hamman from Texas—retained the open team championship this year that they won 2 years ago in Sao Paulo, Brazil. The sixth winner was Mike Lawrence from California. The team was captained by Dan Morse from Texas.

The Americans winners of the Venice Trophy for the women's title were Capt. Carol Sanders from Tennessee, Lynn Deas, Juanita Chambers, and Judi Radin from New York, Beth Palmer from Maryland, Cheri Bjerkan from Illinois, and Katherine Wei from Texas.

In addition, Mrs. Wei, chairman of the board of the Falcon Shipping Group, won the Goren Award sponsored by the International Bridge Press Association for Bridge Personality of the Year. Mrs. Wei is an Asian American and the second Asian to win the award. It was awarded to Deng Xiaoping, senior leader of the People's Republic of China in 1981.

Apart from having won the Venice Cup with her partner, Mrs. Radin, Mrs. Wei has won two other gold medals representing the United States. By winning their third gold medal, they have achieved the highest ranking status in bridge—that of world grand master.

CONSTITUENTS WANT NO TAX INCREASES, AN END TO DEFCIT SPENDING

(Mr. McEWEN asked and was given permission to address the House for 1 minute.)

Mr. McEWEN. Mr. Speaker, we are on the border of an unprecedented agreement as to where we are going to take the American economy in the next few months. I believe, very simply, that the people of Ohio and the people of America have been sending a message for a long time to the Congress, and that is that "We pay enough taxes already. Why don't you in Congress live within your means?"

I believe the answer to the deficit shortfall in the United States is not from lack of taxes. I believe it is from excessive spending here in the Congress. Therefore, the message that they have been giving us is to look at spending.

Revenues are up 11 percent for the last 6 years in succession. A 1-year, across-the-board freeze would give us $130 billion in deficit reductions. We do not need to go that far, but, very simply, to get the $28 billion that we are looking for, we have to do it and we must do it, not by putting more taxes on the American people, not by closing more businesses across the country by an excessive Government burden through taxation and regulation, but by cutting the growth in spending that has been the hallmark of the last 8 to 10 months especially.

So, Mr. Speaker, I call upon those who are making the agreement at the summit conference here on the budget to do what is right for America by controlling the growth of spending, and, please no further increases in taxes.

PERMISSION TO OFFER MODIFIED AMENDMENT TO H.R. 3100, INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1987

Mr. LEWIS of Florida. Mr. Speaker, I rise to make a unanimous-consent request.

Mr. Speaker, I had printed in the RECORD of November 10, 1987, on page H 9977, an amendment to title V of H.R. 3100, the bill that we will be considering this afternoon. At the suggestion of the staff of the Committee on Foreign Affairs, I am making some technical changes in that amendment, so the one I offer this afternoon will not be identical to the one in numbers that I presented before.

So I have clearance, Mr. Speaker, with the chairman of the Foreign Affairs Committee and the ranking member of the Foreign Affairs Committee to make this request.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Without objection, the gentleman may offer his modified amendment.

There was no objection.

□ 1135

SANDINISTA HYPOCRISY

(Mr. BUECHNER asked and was given permission to address the House for 1 minute.)

Mr. BUECHNER. Mr. Speaker, on Tuesday, Sandinista Commandante Daniel Ortega continued to insist that cease-fire talks should be held outside of Central America, preferably in the United States. At a news conference in Mexico City, Ortega said that "no Central American country can be the site of these talks." So much for the idea that this is a Central American problem, to be solved by Central Americans within the region, as defined by the Arias plan which the Sandinistas themselves signed. It is clear the commandante wants to avoid dealing with the leaders of the Central American democracies.

Contrast Ortega's attitude with the views of Cardinal Obando y Bravo, who stresses the need for negotiations to be held in Central America. Costa Rican President Arias agrees with the Nicaraguan resistance that negotiations should be held in Nicaragua. Mr. Speaker, the Sandinista line on negotiations is a hypocritical rejection of the spirit of the Guatemala peace accords. It is becoming more and more clear that by taking this inflexible line, the Sandinistas are isolating themselves from the other Central American republics.

CONGRESS IS NO PLACE FOR DICTATORS TO SPEAK

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, if President Botha of South Africa were invited to address a joint session of Congress, every Member who loves freedom would be outraged; and I am confident the Black Caucus would lead a walkout in desperate repression being so honored.

Gorbachev is the dictator of the Soviet empire. He has troops in Afghanistan, Angola, Nicaragua, and militarily occupies Eastern Europe, the Berlin Wall is still up, and recently promoted the general who presided over the killing of Larry McDonald, a Member of this Congress.

Yeltsin, a reformer, was fired in a purge reminiscent of Stalin; and we have no reason to believe Gorbachev is anything but a Communist dictator.

I hope every Member of Congress will give their gallery pass to a refusenik, to an Angolan to sit in the Gallery; and I hope every Member who loves freedom will walk out on Gorbachev as they would have walked out on Hitler or Botha.

The House of Representatives is not a place for dictatorships, and Gorbachev has to act in the nature of democracy, not just hire a good P.R. man before he should be allowed to speak in the temple of freedom.

OPPOSITION TO GORBACHEV ADDRESSING JOINT SESSION OF CONGRESS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, I too think it is important that this body make its views known about the potential of the General Secretary of the Communist Party, not the head of their government, the General Secretary of the Communist Party being invited to address this institution in a joint session.

I have prepared a letter to both the President and to Speaker Wright asking them not to allow this to take place, expressing opposition in the strongest possible terms to that particular event taking place.

An address before a joint session of Congress is the highest honor our Nation can bestow on the head of a foreign state. It has been reserved for leaders such as Churchill, de Gaulle, and Adenauer, people who have led their nations through dark trials to secure and defend democratic freedoms for their people.

To permit the dictator of an oppressive tyranny to appear before the Congress would tarnish forever the rare honor of addressing the highest representative body of the American people. We ought not let it happen.

CALL OF THE HOUSE

Mr. BROOMFIELD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 435]

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Armey
Atkins
AuCoin
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clay
Clinger
Coats
Coble
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Courter
Coyne
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fawell
Fazio
Fields
Fish
Flake
Flippo
Florio
Foglietta
Ford (MI)
Ford (TN)
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Marlenee
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (OH)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Murphy
Murtha
Myers
Natcher
Neal
Nichols
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ray
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Shumway
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stenholm
Stratton
Stump
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yatron
Young (AK)
Young (FL)

□ 1150

The SPEAKER pro tempore (Mr. Gray of Illinois). On this rollcall, 399 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call were dispensed with.

APPOINTMENT OF CONFEREES ON H.R. 3051, AIRLINE PASSENGER PROTECTION ACT OF 1987

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3051) to amend the Federal Aviation Act of 1958 to establish minimum standards relating to air carrier passenger services, and for other purposes with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? The Chair hears none, and appoints the following conferees:

From the Committee on Public Works and Transportation on all provisions except section 4(c) of the Senate amendment: Messrs. Howard, Anderson, Mineta, Oberstar, Nowak, DeFazio, Hammerschmidt, Shuster, Stangeland, and Gingrich.

From the Committee on Energy and Commerce on section 4(a) (jointly) and section 4(c) (exclusively) of the Senate amendment to H.R. 3051: Messrs. Dingell, Thomas A. Luken, Florio, Tauzin, Slattery, Sikorski, Lent, Whittaker, Bilirakis, and Schaefer.

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1987

The SPEAKER. Pursuant to House Resolution 293 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3100.

□ 1203

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3100) to authorize international security and development assistance programs and Peace Corps programs for fiscal years 1988 and 1989, and for other purposes, with Mr. AuCoin in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Florida [Mr. Fascell] will be recognized for 30 minutes and the gentleman from Michigan [Mr. Broomfield] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, let me say at the outset with respect to the International Security and Development Assistance Act which is before us that this is a 2-year foreign assistance authorization bill and deserves the consideration of this body.

I have been asked, Mr. Chairman, to give my colleagues some indication of what our plan of operation is, and I think I better do that right at the outset.

□ 1205

We plan to proceed today not later than 6 o'clock, and earlier if possible. I do not know how many titles we can get through today. We have 1 hour of general debate, as my colleagues know, and we have 10 hours of debate on the amendments that are printed in the RECORD, and 1 hour of debate on the minority substitute if they choose to introduce it.

We had thought as a general proposition that we would try to use up half of the time today, but if that runs into too late an hour, I do not want to keep Members here beyond 6 o'clock, we would like to conclude earlier if possible, but we would definitely conclude earlier if possible if there is a requirement to go over until tomorrow. Otherwise we would not plan on going over until tomorrow, we would conclude the consideration of this bill after the recess.

Mr. BROOMFIELD. Mr. Chairman, will the gentleman yield?

Mr. FASCELL. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Chairman, I wonder, it is your intention then to try to complete at least five or six titles today?

Mr. FASCELL. If we can get to that many today, I say to the gentleman from Michigan [Mr. BROOMFIELD], that would be fine. Maybe that is too ambitious a schedule, but we would like to let this run enough time to see how far we can move along.

Mr. BROOMFIELD. If the gentleman will further yield, when does my colleague expect to finish the bill?

Mr. FASCELL. It would be the week of December 7.

Mr. BROOMFIELD. Mr. Chairman, I appreciate the gentleman yielding.

Mr. FASCELL. Mr. Chairman, H.R. 3100, the International Security and Development Assistance Act of 1987, is a comprehensive 2-year foreign assistance authorization bill which deserves the approval of the House.

I choose my words carefully and I mean precisely what I say: This measure deserves support for three simple and important reasons; it is responsible, it is necessary, and it is practical.

First, it is fiscally responsible. It responds to the collective determination of the country and this House to spend less. H.R. 3100 is a freeze bill, below last year's appropriated level, and more than half a billion dollars below the executive branch request.

This bill is necessary in terms of programs it contains which protect vital U.S. interests abroad. These programs include:

Military aid to our friends and allies, which strengthens free world security and enhances our own defenses, including the use of military bases by U.S. forces around the world;

Special economic assistance to areas of strong strategic interest to the United States, particularly the Middle East; and

Development and humanitarian help to poor countries, which will enable them to improve their economies through self-help.

Finally, H.R. 3100 is practical, because it means jobs for Americans, further economic expansion, and opportunities to restore some balance to our serious trade deficit.

How does it do that? By responding to the fact that the economies of developing countries over the past few years have become the fastest growing markets for American products at the same time that they are the source of materials needed by U.S. industry. It is also practical since the great bulk of the funds in this bill are spent right here in the United States for services and goods produced by your constituents—American farmers and workers.

Let me emphasize two essential points:

First, that this bill is a freeze bill. It authorizes appropriations of $11,446,900 for fiscal years 1988 and 1989, $600 million less than the executive branch request, and $47 million less than the appropriated level for foreign assistance for fiscal year 1987. Further action taken on the floor is expected to reduce the total by an additional at least $500 million. I would also point out that although authorizing committees are not subject to 302(b) allocations under the Budget Act, we have managed to stay within the overall allocation for the 150 function. In fact, we have a letter from Chairman GRAY recognizing our efforts in this respect.

Second, it needs to be emphasized that this bill is the major vehicle for the Congress to exercise its influence and provide guidance in foreign policy. These functions will not be carried out through a continuing resolution. And if this bill does not pass that is the only opportunity the House will have—another continuing resolution and a further weakening of the committee system in the Congress. This is not in anyone's interest.

The Congress needs an authorizing bill. Therefore, a vote for this bill is a vote for Congress' role in foreign policy and a vote to uphold the legislative process.

Title I of H.R. 3100 authorizes $5,071,256,000 in fiscal years 1988 and 1989 for military assistance. The figure is $5,471,256,000 when one includes special funding for base rights countries included in title VII of this bill. Even this combined figure is about $380 million below the executive branch request. Military assistance funding is designated specifically for base rights countries and other key American allies to enable them to obtain necessary military equipment and training to support their own national defense requirements to strengthen mutual security goals.

Title II authorizes $3.415 billion in fiscal years 1988 and 1989 for economic support fund assistance to areas where the United States has special political and strategic interests, $171.7 million less than the President's request. It also restructures the terms under which ESF assistance is provided to improve accountability of ESF funds and to enhance the impact of these funds on the long-term development of recipient nations. In addition to funding directed toward countries which are politically, militarily, or economically important to the United States, this title also provides for assistance to the non-Communist resistance efforts in Cambodia and Afghanistan, and earmarks $100 million for tied aid credit programs to counter foreign predatory financing practices which inhibit United States exports.

Title III authorizes $1.174 billion for development assistance to poor countries for fiscal years 1988 and 1989, $28 million more than the President's request. This level includes $66 million for the child survival fund for fiscal year 1988 and an additional $10 million for the fund for the next year, the only additional fiscal year 1989 funding provided in this bill. This title also mandates a new microenterprise program, earmarking at least $50 million in fiscal year 1988 to facilitate the creation and expansion of micro and small enterprises among the poorest people in developing countries.

Title IV authorizes $353 million for other foreign assistance programs each year in fiscal year 1988 and 1989, $54.6 million less than requested by the President. By limiting the amount provided for operating expenses for the Agency for International Development, H.R. 3100 provides for increases in such programs as American Schools and Hospitals Abroad [ASHA] and for U.S. voluntary contributions to UNICEF and to the U.N. Development Program.

Title V authorizes $95.7 million for the International Narcotics Control Assistance Program. The title is a bipartisan effort to improve the effectiveness of the U.S. antinarcotics efforts and to demonstrate the continuing seriousness with which the committee views the lack of progress in antidrug efforts by narcotics-producing countries.

Title VI sets out policy with respect to foreign assistance for the vital countries in Europe and the Middle East. It includes earmarks of assistance at existing levels for Israel and Egypt. It also maintains assistance for Greece and Turkey in the same ratio as in previous years, while reducing funds earmarked for both countries in line with budget reductions.

Title VII provides a policy framework for U.S. assistance to the countries of Latin America. It establishes a new Caribbean-Central American scholarship program to encourage the establishment of partnerships among the Federal Government, State governments, colleges and universities, and business, to support scholarships for students from the Caribbean and Central American countries to study in the United States.

Title VIII establishes a new fund for assistance to Africa to streamline and facilitate economic assistance, through long-term commitments to development in sub-Sahara Africa, greater flexibility in aid programming, and greater emphasis on participation of local level groups in planning and implementation of development activities. It authorizes $450 million for development assistance to sub-Sahara Africa, and $50 million in development assistance for member countries of the Southern Africa Development Coordination Conference.

Title IX sets forth policy concerning U.S. foreign assistance to Asian countries. It extends for 2 years the waiver in section 669 of the Foreign Assistance Act in order to continue to provide assistance to Pakistan and adds a number of conditions and requirements with regard to nuclear developments and human rights in Pakistan. This title also earmarks $100 million in grant military assistance and $124 million in ESF assistance for the Philippines for fiscal year 1988 and provides that sufficient military and ESF assistance be available in fiscal year 1989 to fulfill the 1983 pledge to provide $900 million to the Philippines by the end of fiscal year 1989.

Title X authorizes $142 million for the Peace Corps, $11.6 million more than the President's request, in order to move toward the goal mandated by the Congress in 1985 of 10,000 Peace Corps volunteers by 1992.

Title XI includes a number of miscellaneous provisions, including congressional policy statements on various foreign affairs issues. It includes a provision to specify the duration of any waivers of assistance to Communist countries, and makes them ineligible for assistance, and adds to the list of countries designated as Communist countries the following: the Democratic Republic of Afghanistan, the People's Democratic Republic of Ethiopia, the People's Democratic Republic of Yemen, the People's Republic of Angola, and the People's Republic of Kampuchea.

Title XII includes the provision already referred to authorizing an additional $400 million to meet U.S. security assistance requirements arising from agreements providing for U.S. access to military facilities in foreign countries. Presidential flexibility is provided as to which countries and assistance accounts would be increased.

In sum, Mr. Chairman, this bill carries out programs requested by the President necessary to support U.S. interests abroad.

It helps our own defenses by helping those of our friends and allies abroad. It enhances our export sales and the potential growth of U.S. markets in developing countries. It provides for humanitarian and development assistance to poor countries on an enlightened, self-help basis. It serves the cause of peace in areas of interest to the United States, particularly in the Middle East.

It is the best legislative vehicle we have, the principal vehicle for providing for congressional initiatives in foreign policy to carry out the congressional role in the foreign affairs field.

I urge passage of the bill.

Mr. BROOMFIELD. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, first I would like to compliment the chairman of the Foreign Affairs Committee. I can appreciate his concerns very deeply. I want to assure him, however, at the outset that we have had a great deal of problems in getting an indication of where the State Department and the administration come down on the foreign aid bill. They are clearly very much opposed to H.R. 3100 in its present form. In fact, I have a statement of administration policy which states:

> The bill intrudes substantially upon the President's ability to carry out his foreign assistance program and, particularly in the context of a 2-year authorization, to respond to new circumstances, and therefore leaves the administration with no choice but to oppose its passage.

I have also learned, and I want to correct the chairman because he probably has not heard this yet, that the administration has indicated that they do support the substitute that I will offer as printed in the RECORD.

Mr. FASCELL. Mr. Chairman, will the gentleman be kind enough to yield on that point?

Mr. BROOMFIELD. I am always happy to yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, the gentleman really has surprised me. Are you serious? I mean, the administration finally designed to get you a commitment on your substitute? I want to congratulate you. I am not being ridiculous or funny here, I am serious.

Have you got something in writing from them?

Mr. BROOMFIELD. I had a little voice come up and say it is on its way.

Mr. FASCELL. I thank the gentleman for yielding.

Mr. BROOMFIELD. No one has worked harder on this bill than the gentleman from Florida, Mr. FASCELL. And I also want to congratulate the staff and the Members of both parties in attempting to produce a bill promoting a sound and balanced foreign policy. I want to indicate that title I of the committee bill is indicative of the chairman's success in producing a bipartisan consensus, and no one, Mr. Chairman, has worked harder than the gentleman from Florida [Mr. FASCELL] in this regard.

The Republican members of the Foreign Affairs Committee have not printed one single amendment in the CONGRESSIONAL RECORD to the recommendations of the chairman's own subcommittee, which are contained in title I. Oddly enough, the first five amendments that we may be considering to H.R. 3100 will be offered by majority members of the House Foreign Affairs Committee.

As I indicated earlier, I have received a statement of administration policy regarding H.R. 3100, and I want to cite further the administration's statement that if this bill were presented to the President in its present form, his senior advisers will recommend a veto. As the statement further indicates, the reasons are many.

One criticism both of the majority bill, H.R. 3100, and the minority substitute is that both bills would authorize appropriation levels well below the administration's request. The chairman made that very clear in his statement. However, beyond that, the administration has indicated that it strongly prefers the minority substitute which, as I indicated, has been printed in the RECORD.

The administration further criticizes the committee bill for its numerous earmarkings. I think this is the area that really troubles them most, the ceilings and limitations and other constraints on implementation of the administration's foreign assistance program. The majority bill intrudes substantially upon the President's ability to carry out his foreign assistance program and pursue foreign policy goals.

The committee bill earmarks assistance for particular countries and programs in excess of the administration's request, while at the same time authorizing some programs far less than that requested. The result will mean greater difficulties in maintaining our relations and continue support for those countries which are vital to the national security interests of our country.

If I may for a moment turn to what we call the Broomfield substitute, I ask my colleagues to carefully consider the substitute and its provisions. I want to indicate also that it is my intent to wait until we have completed the consideration of the entire committee bill, with all of its amendments, before I consider offering the substitute. I think I would be remiss if I did not thank the chairman of our committee and the Rules Committee for the consideration of the rule that we are operating under which gives the broadest flexibility to consider the committee bill and all the amendments thereto, and also permits the minority to offer a substitute and include in it the key amendments that have been adopted during the debate on this bill before we consider whether to adopt the substitute in the Committee of the Whole.

I certainly want to thank the chairman on his help in securing this rule. I think a lot of his own members questioned his judgment in giving the minority this kind of consideration, but it is indicative again of Chairman FASCELL's fairness in trying to work out a bipartisan bill.

My substitute to H.R. 3100 is within budget. It is $117 million less than H.R. 3100 in fiscal year 1988.

We increase funding for the war against illicit drugs and we've reduced funding levels for voluntary contributions to the U.N. and other international organizations.

In a truly bipartisan effort the substitute retains many positive provisions of H.R. 3100.

As I stated, title I is virtually a mirror image of the chairman's bill.

Title V, as I indicated, increases the funds authorized to carry out the war on illicit drugs and retains many key provisions.

The Europe and Middle East title, title VI, is virtually identical with a few modifications which the administration insisted upon and supports.

Title IX, Asia and Pacific, is substantially the same product which the committee produced.

Title X, the title on Peace Corps, is identical to the committee bill.

The committee's title XII provisions on additional assistance for base rights countries is identical to our title XI in the substitute bill.

Throughout the other titles of the bill we have adopted other substantive provisions of the majority's bill. But there are major differences of the magnitude which will enable a Presidential veto.

If I may quickly highlight some of the significant differences between the substitute and H.R. 3100.

The economic support fund title:

Provides the same funding level as H.R. 3100, but eliminates several Hamilton provisions in the bill that would seriously restrict the President's ability to use this flexible foreign policy tool to protect U.S. interests abroad.

Strikes the Torricelli cargo preference provision which subsidizes one industry while potentially causing great harm to others, particularly agriculture.

Strikes the Bonker tied aid provision which earmarks scarce ESF funds and requires governmental trade subsidization, the merits of which should be addressed in a different legislative vehicle.

In the Western Hemisphere title:

Section 711 establishes a clearly defined and bipartisan set of criteria on what constitutes genuine democratization in Nicaragua. Based upon legislation developed by Congressman TALLON and Congressman CHANDLER.

Section 712 urges the Government of Nicaragua to enter into direct negotiations with the Directorate of the Nicaraguan resistance in order to bring about a mutual and verifiable cease-fire and to reach a political settlement with the Nicaraguan resistance.

Section 713 creates a new program administered by the State Department which would make special assistance available to civilian, democratic groups in Nicaragua such as political parties, labor unions, and private sector organizations which are committed to democratic values and to the democratization of Nicaragua. Funding for this program would be $10 million in fiscal year 1988 and $12 million in fiscal year 1989.

These three sections are not included in H.R. 3100.

The Africa title:

Establishes the aid fund for Africa at the same $450 million level in H.R. 3100, but strikes highly restrictive language and unnecessary political rhetoric in the committee bill.

Emphasizes sectoral priorities of agriculture and natural resources, health, and population programs, and requires an overall aggregate of 30 percent of authorized funds be used in these important pursuits.

Includes language emphasizing the critical and positive role that linkages between U.S. universities and African higher education institutions can play in developing the African Continent.

Strikes all country-specific language, certifications, and restrictions that undermine U.S. interests in Africa and constrain administration flexibility.

Strikes earmark of an additional $50 million in development assistance funding for the SADCC—so-called front-line states—countries of southern Africa. These countries include Angola, Mozambique, Tanzania, and Zimbabwe.

In the Asia and Pacific title:

Pakistan waiver extended for 2 years; additional modification includes reporting requirement in appropriations bill relating to Arshad Pervez case.

Strikes language encouraging "a wide range of nonofficial contacts between U.S. and Vietnam."

Strikes Philippines $50 million ESF agrarian reform earmark, but authorizes such a program from existing funds.

The Hyde amendment:

Contains a new Hyde provision requiring administration reporting on the effectiveness of U.S. foreign economic assistance, listing the most and least successful country programs. The Washington Post today highlights this important provision on its editorial page.

I encourage every Member of the House to support the balanced and rational foreign policy goals outlined in my substitute.

□ 1230

Mr. FASCELL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Pennsylvania [Mr. YATRON], chairman of the Subcommittee on Human Rights and International Organizations of the Committee on Foreign Affairs.

Mr. YATRON. I thank the chairman very much for yielding me this time.

Mr. Chairman, I rise in strong support of H.R. 3100, the International Security and Development Cooperation Act of 1987. I first want to commend the chairman of the Foreign Affairs Committee, Mr. FASCELL, and the ranking minority member, Mr. BROOMFIELD, for bringing this legislation to the floor and for their tireless efforts to forge a consensus to advance U.S. interests worldwide.

Mr. Chairman, it is frequently argued that the absence of a bipartisan approach to foreign affairs undermines the credibility and effectiveness of U.S. foreign policy. H.R. 3100 offers the Congress and the administration the opportunity to restore consensus, continuity, and unity to policymaking.

The authorization process is a constitutional responsibility which we owe to the American people. It is an absolute requisite for a sound, consistent foreign policy which preserves our military and economic security and projects the fundamental values of our democratic society.

H.R. 3100 contains policy directives and funding authorizations which are vital to the conduct of American foreign policy. The bill enables the United States to fulfill its security commitments to critically important base rights countries such as the Philippines, Turkey, and Spain.

Mr. Chairman, this bill is also completely compatible with our humanitarian objectives and responsibilities. H.R. 3100 contains some important human rights provisions. It also supports continued U.S. assistance to two American-administered international organizations: UNDP and UNICEF. UNICEF's success in reducing the tens of thousands of childhood deaths from preventable disease has been widely acclaimed, and UNDP has been instrumental in addressing the development needs of the world's poorest citizens. Strong American leadership has been, and will continue to be, critical to the continued success of these agencies.

Many of our colleagues are justifiably concerned about the domestic implications of supporting foreign assistance. In this respect, I would note that, in addition to developing a sound policy, the bill promotes the purchase of American goods and services including industrial and agricultural commodities. Further, the funding levels of the bill are within budgetary guidelines and are significantly below the fiscal year 1988 request.

Mr. Chairman, I realize that there are over 200 proposed amendments to H.R. 3100. Some of these will improve the effectiveness of the bill, while others may undo the delicate and carefully crafted balance of interests that the measure attempts to address. I urge our colleagues to vote for H.R. 3100 and to follow Chairman FASCELL's guidance in the upcoming debate.

Mr. GILMAN. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, I value this opportunity to discuss our foreign assistance authorization legislation for fiscal years 1988 and 1989.

Foreign assistance consumes only a small fraction of the Federal budget, let alone the GNP. Our Development Assistance Program consumes far less per capita than many developed nations in the world.

Yet our foreign assistance programs are effective ways of helping secure important national interests—helping our national security in the military sense, our interest in economic growth around the world, and, with increasing importance these days, our interest in keeping narcotics away from our shores. Moreover, our foreign aid program helps Americans respond in an organized way to a humanitarian impulse that is in the best American tradition of sharing with others, and helping them make their way in the world. While it is true that charity begins at home, no one can fail to be moved by the incredible poverty and famine that still grips so much of the world today. And where there is poverty, we frequently find an emerging hostility.

Unfortunately, the Foreign Affairs Committee was unable to come up with a unified approach to this foreign aid legislation. Moreover, the administration adamantly opposes this legislation at this time. Regrettably, we simply cannot adopt a bill in this House without the acquiescence of the administration.

In an attempt to bridge the differences between the administration and the committee, our ranking minority member has crafted a substitute which addresses the administration's concerns while including the best aspects of our committee bill.

The Broomfield substitute contains additional funding for narcotics control programs overseas; contains Middle East funding and policy language that is identical to our committee bill's provisions, contains urgently needed funds for "base rights" countries, and continues initiatives encouraging private voluntary organizations' involvement in foreign assistance, encourages further assistance to "microenterprises," and provides full funding for the Fund for Africa.

While the Broomfield substitute will not fully please everyone, including myself, it is a good bill which reasonably and responsibly continues the legislative process in foreign aid.

Mr. Chairman, I know that our colleagues, the chairman of the Committee on Foreign Affairs the distinguished chairman, the gentleman from Florida [Mr. FASCELL], and our distinguished ranking minority member, the gentleman from Michigan [Mr. BROOMFIELD], and their staffs worked long and hard to produce a bill which we could all accept. While they were unable to fully reach that goal, but they did come close. We owe them both a debt of gratitude for bringing us to this point. I am certain that the balance of this debate will be constructive, although contentious from time to time. I urge my colleagues to give careful consideration to the arguments to be raised, but always to keep in mind the benefits to our own Nation from our foreign assistance program. Accordingly, I urge my colleagues to give due consideration and support for the Broomfield substitute measure.

The CHAIRMAN. The Chair wishes to state that the gentleman from Michigan [Mr. BROOMFIELD] has 13 minutes remaining and the gentleman from Florida [Mr. FASCELL] has 11 minutes remaining.

Mr. GILMAN. Mr. Chairman, I yield 4 minutes to the gentleman from California [Mr. LAGOMARSINO], a senior member of the Committee on Foreign Affairs.

Mr. LAGOMARSINO. Mr. Chairman, I rise to express my strong opposition to H.R. 3100 in its present form and urge my colleagues to consider seriously the need to amend the committee's foreign aid bill in order to make it acceptable to a majority of the Members of this body and to the administration.

As I stated, along with the vice chairman of the committee, Mr. BROOMFIELD, in our additional views to the committee report, if there is recognition that minority support and support by the administration is essential to the passage of a foreign aid bill—and I believe that is true—then one must recognize that Republican support will only be forthcoming if there are Republican priorities and initiatives incorporated in the body of the foreign aid bill as we consider it on the floor. I know many on our side will be making an effort to gain approval for a number of amendments that are necessary to make the bill acceptable. This piecemeal effort, however, does not make for a truly comprehensive, thoughtful approach to implementing U.S. foreign policy.

The Broomfield substitute, which will be offered later, represents, in my opinion, the best alternative for a foreign assistance program that is fair and representative of U.S. security interests balanced by severe budget restraints. What took place in the Foreign Affairs Committee and its subcommittees was not in many cases the type of consultation, cooperation, and compromising necessary to produce a foreign aid authorization bill supportive of American foreign policy and capable of securing support from minority members and the administration.

It may be technically correct to refer to H.R. 3100 as a bipartisan bill, but in more cases than not it gives mere lip service to the minority's concerns while encumbering the statutes governing foreign aid with conditions and restrictions that virtually hamstring the Executive as it tries to administer foreign aid.

On major issues involving our relations with close allies in Europe, Asia, the Middle East, Africa, and the Western Hemisphere, all too often it appears that the Congress is trying to punish our friends and reward our enemies. In almost every title of the bill, I can point to problems that, unless they are resolved, will cause the defeat of this bill, or that if it were passed somehow, would ensure a certain veto by the President. Undoubtedly many will make an effort to amend H.R. 3100 during the 10 hours permitted. Some of those amendments would result in improvements, other would only make the bill worse. I urge my colleagues to be realistic in their approach to legislating U.S. foreign policy. We must leave some room for the administration to adapt to changing circumstances in the world. We cannot foresee every eventuality, so we must permit flexibility. I believe the Broomfield substitute provides the most responsible approach to allow flexibility in our foreign aid program while preserving and protecting U.S. national security interests.

I urge my colleagues to work on fashioning a foreign aid bill that will command the greatest possible bipartisan support.

Mr. FASCELL. Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Michigan [Mr. WOLPE].

Mr. WOLPE. I thank the gentleman for yielding.

Mr. Chairman, I rise in very strong support of H.R. 3100, the International Security and Development Cooperation Act of 1987.

I want to take these couple of minutes to discuss that part of the bill that falls within the jurisdiction of my subcommittee.

I want to draw the attention of my colleagues particularly to title VIII of this bill which contains a very innovative and far-reaching reform of our economic assistance program to sub-Saharan Africa. It is a major step, I believe, toward a more cost effective and a more efficient foreign aid program in Africa, one which supports the efforts of Africans themselves to achieve equitable, environmentally stable, participatory and self-reliant economic growth.

□ 1245

American political, economic, and humanitarian interests on the continent require a sound and a long-term aid policy as an alternative to the tragically expensive Band-Aid of famine relief. This new approach, which I introduced in the House following several years of intense consideration by the Subcommittee on Africa, has gained broad bipartisan support in the Congress and in the country. The original cosponsors of this approach in the House include my Republican colleagues, the gentleman from New York [Mr. GILMAN] and the gentlewoman from Rhode Island [Miss SCHNEIDER], and also the gentleman from Texas [Mr. LELAND], the chairman of the Select Committee on Hunger. A similar bill has been adopted by the Senate Foreign Relations Committee on a bipartisan basis.

This portion of H.R. 3100 is strongly supported by a broad range of citizens groups, including Interaction, which encompasses some 114 American private and voluntary organizations, the major environmentalist groups such as the Sierra Club, the National Wildlife Federation, and the National Audubon Society, and a number of other organizations that have been long concerned with American policy toward the African continent most notably the U.S. Catholic Conference, the National Jewish Community Relations Advisory Council, Bread for the World, and Transafrica.

Mr. Chairman, no region in the world finds itself in such a steep and steady economic decline as does Africa. Yet too often, American aid projects have been poorly planned and ineffective.

Too often, they have ignored the thousands of private and voluntary organizations—church groups, women's groups, local savings clubs, credit unions, cooperatives—that keep Africa going and that mobilize citizen pressure to make African governments more responsive to development needs. Top-down, bureaucratic Western aid projects simply do not work, and the landscape of Africa is littered with costly and wasteful "white elephants."

Too often our assistance programs have ignored African women, who produce 80 percent of the continent's food.

Too often we have not really insisted that African countries undertake policy reforms to improve incentives for agricultural production. Too often our aid programs have given short shrift to the need to protect the natural resources base for Africa so that environmental degradation does not undermine African productivity. Nor have our efforts in the areas of health and population planning been adequate to sustain the human resource base for development.

Among the most important features of our reform are provisions that call for much closer consultation with the poor majority, through African and other private and voluntary organizations, that incorporate the active participation of women in development activities, that establish criteria for economic policy reforms, and that define critical sectoral priorities for assistance with minimum earmarks of 10 percent each for natural resources, for health, and for voluntary population programs. The 70-percent remainder could be spent flexibly by AID within broad legislative authorities).

A 5-year commitment of funds provided in this legislation to support the long-term economic policy reform programs on the African Continent, to improve the cost effectiveness of our own assistance through better planning, and to help make up for Africa's declining proportion of total foreign aid, a fall of approximately 30 percent in the last 4 years.

Let me say, finally, Mr. Chairman, that we know that this reform will not work if the AID professionals feel they cannot work with it. Therefore, we have had extensive negotiations with AID and have agreed to make a number of changes to ensure that this will not only be a thoughtful reform but also a workable one.

Mr. GILMAN. Mr. Chairman, I am pleased to yield such time as he may consume to the gentleman from Illinois [Mr. PORTER].

Mr. PORTER. Mr. Chairman, I rise in support of the bill.

Mr. Chairman, since 1980, the United States has provided billions of dollars in aid to El Salvador. Without that aid, El Salvador would fall victim to its Communist insurgency.

What troubles me, however, is that this aid has made it easy to block or delay crucial economic reforms needed for El Salvador's long-term success. El Salvador needs to adopt economic policies and programs similar to other countries who have followed the path of greater privatization and reduced Government control. The war and recent earthquakes have harmed El Salvador's economy. Unfortunately, so have the current policies of the government.

Recently, I met with representatives of El Salvador's private sector. They strongly endorse the democratic process now underway in their country. But it is plain to most observers that El Salvador's economy is in a tailspin and the government's central planning and control of the economy is simply not working.

If we are going to continue to supply aid, as I think we should, we should also insist that the Duarte government make reforms in its economic programs and policies. The private business sector must be allowed to compete without the heavy interference and, in some cases competitions of the government.

Mr. Chairman, without policies that stimulate growth and productivity through the private sector, the future of El Salvador's long-term economic and political security will be bleak indeed.

Mr. GILMAN. Mr. Chairman, I am pleased to yield 3 minutes to a senior member of the Committee on Foreign Affairs, the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for yielding this time to me.

Mr. Chairman, what is this world coming to? To listen to some of the complaints that have been circulating around the cloakrooms the last day or two, one would think that the House of Representatives is suffering from an excess of democracy. Specifically, one might gain the impression that the 40 percent minority is ganging up on the 60 percent majority.

I am referring, of course, to all of the whining about 233 amendments having been filed on H.R. 3100. The more perceptive students on this subject will come readily to the conclusion that the preparation of so many amendments reveals a lot more about the bill than it does about the legislative procedures here in the full House. But the more perceptive among us will also see that the process which produced this bill was seriously deficient.

The membership of the Foreign Affairs Committee is divided precisely 60 percent Democratic to 40 percent Republican, and thus reflects the composition of the House as a whole. The subcommittees are similarly so divided. This division is necessarily neither good nor bad; in the past, such party-line divisions have not prevented the development of a genuine, bipartisan consensus on a foreign aid bill.

This year, however, the majority members saw fit to abandon the consensus approach in favor of producing a partisan bill. Throughout the process, at subcommittee level and in the full committee, as one majority amendment after another was steamrolled through on party-line votes, we on the Republican side made repeated warnings that the committee was producing a bill that could not command the kind of bipartisan support it would need in the full House to have any chance of passage. Indeed, we asked just how many Republicans in the full House could be expected to vote for a bill that is little more than a preview of the foreign policy plank in the 1988 Democratic Party platform. So those of us here on the minority side of the aisle have come to view the full House of Representatives as the court of last appeal. We approach the proceedings today with the hope that the issues which were trampled to death in the committee process will receive a more open hearing in this larger venue and that is why there are so many amendments being offered here today by the minority.

But the surprising thing is that the Democrats are offering over 80 amendments themselves. In other words, they did not do it to us enough in committee. Today they will finish us off for good, and in so doing you will have this bill deader than a doornail.

So lets get this waste of time over with.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Texas [Mr. LELAND].

Mr. LELAND. Mr. Chairman, I thank the chairman of the committee for yielding time to me. I also thank him for his leadership, and I rise in strong support of his efforts to make this bill a fair and just bill.

Mr. Chairman, I rise today to express my strong endorsement of the enhancements and improvements contained in the foreign assistance authorization legislation which provide a framework for a return to the basics of humanitarian development aid to people in need overseas.

The bill as it stands and as amended by measures being offered by the distinguished chairman of the House Foreign Affairs Committee, Mr. FASCELL, represents a long-overdue revision of the Foreign Aid Program in a direction I commend and support. The drafters of the bill deserve much credit for their efforts which result, for the first time in this decade, in a program providing more, not less, for efforts to feed the hungry, fight disease, protect the environment, and assist the chronic poor.

Mr. Chairman, over the past 7 years the U.S. Foreign Assistance Program has gone through a radical and, I believe, a dangerous transformation. Funding for our food and development assistance program has decreased 16 percent in 7 years, while the Military Assistance Program has more than doubled. The implications are obvious. Funding for projects to address basic health needs, to provide primary education, to protect the environment, to expand food production, to construct essential infrastructure, and to meet a host of needs in developing countries has evaporated.

In its place there has been first an ever-increasing amount of funding for military equipment and training to countries that still cannot feed their own populations. The shift in funding levels sends a signal to developing countries that the United States is becoming less interested in the strength of their development programs, the health and livelihoods of their people, and more interested in the strength of their armed forces.

The American people do not want such a shift away from humanitarian concerns, and I believe that it is time that we in Congress bring our Foreign Aid Program back into balance. H.R. 3100 is a first and major step in that direction.

As the bill currently stands, Military Assistance programs would be reduced $19 million from last year's levels, while development assistance would be increased by $153 million. I strongly support these funding levels as the beginning of a process to reestablish the emphasis on development assistance in the Foreign Aid Program which I believe is proper and which the people of this country support.

Over the past 7 years, Africa has been progressively and continuously allocated a declining share of the development assistance funding. Africa received 12.5 percent of the funding in 1980, and only 7.2 percent in 1987. This decline in funding—a decline in real terms, not just percentages—has occurred at a time when many African countries have committed themselves to difficult economic reforms requiring outside assistance, when several face severe famine due to drought or insurgency, and when all are struggling to become more self-sufficient.

The United States cannot and must not turn its back on the people of Africa during this critical hour of development. We who played such a crucial role in responding to the urgent crisis of 1984-85, cannot now risk a sharp slide into recurring famine and endless tragedy. Sub-Saharan Africa has a higher proportion of people at risk of starvation than any region in the world. Africa must, therefore, receive a reasonable share of the Foreign Assistance Program.

H.R. 3100 currently includes $450 million in development assistance for the fund for Africa and $50 million for the Southern Africa Development Coordinating Conference. These levels are significant—but not adequate. Africa needs more assistance and we can afford to provide more. I strongly urge my colleagues to support Mr. FASCELL's amendment to earmark $85 million in the economic support fund [ESF] for Africa. By doing so, we demonstrate our commitment to Africa's development and to its people. By doing so, we provide African nations with a greater opportunity for progress, for reform, and perhaps for survival.

Mr. FASCELL. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I would like to start out by saying this: Let there be no misconstruing of what I say. The integrity or the purpose of my amendments is not to question the gentleman's leadership or his concerns to help preserve the freedom of our Nation. I think that in the beginning the gentleman was quite concerned about that.

I would like to offer an amendment that says: "Strike all after the enacting clause: Charity starts at home." But I realize there are grave needs throughout the world, and America must help preserve those opportunities for freedom.

I am bringing two amendments to the floor today. Those amendments would not affect the hot box in the world which we must be concerned with, that is, title VII, but it will affect Military Assistance programs and economic support funds.

Let me tell the Members why. I recall coming to the floor last year and trying a last-ditch effort in the 99th Congress to save an economic support fund for America known as revenue sharing. I was not successful. I was told this: "Traficant, we must make cuts. We must take the scalpel and get at the budget. We must make cuts to preserve freedom in America."

Here is what I am saying on the floor today: I am ready to make those cuts, but before I cut one more dollar in American aid, I want to start with NATO money, I want to start with foreign aid, and I want to start with that military budget that has a lot of dead turkeys flying around that cannot even fly straight.

So today I am offering two amendments. The first would cut 20 percent from military assistance, a total of $207 million. It would leave $827 million in there for military assistance.

The second one would cut approximately $600 million from economic support funds. It would still leave in there over $2 billion for economic support funds for each year. The total cuts, if taken against the whole, would reduce the foreign aid expenditures by 13 percent in each year.

The total cuts, Mr. Chairman, I would say to those Members of Congress who get up and talk about being fiscally conservative, would be about $1.7 billion in real cuts that we would not have to cut off the backs of the American people.

□ 1255

They are right now studying cuts, COLA's for senior citizens and Federal workers.

This President threw out vocational education, or tried to; and he wanted to throw out the Economic Development Administration and cut Pell grants in education.

He does not want training money for laid-off and unemployed workers. That is about where we are at.

The President said that he will veto this if there is not more money. Let us make him get out his pencil and veto a foreign-aid bill with not enough money in it, a President that wants to cut domestic programs.

You want Traficant to help you cut, I am ready to help you, with unnecessary expenditures of the American Government, not those on the backs of the American people.

I want the Members' help on my amendment.

Mr. GILMAN. Mr. Chairman, I yield 3 minutes to the gentleman from Indiana [Mr. BURTON].

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding me this time.

The gentleman from Florida [Mr. FASCELL] spoke for some time and at some length about our national security interests and how they are tied to the foreign aid bill.

I agree with the gentleman, and I think we should be directing our attention toward those countries that work with us in the area of national security, human rights, and who support democratic principles; but in the African portion of the bill we have $50 million for the SADCC countries, Southern African Development Coordination Conference.

These countries for most part oppose the United States, vote against us in the United Nations, and many of them support Communist governments and work with countries such as the Soviet Union.

Instead of earmarking these funds for SADCC, these funds should be used to help those African countries that work with us. Some of the countries, if we are going to earmark those funds, Kenya, Liberia, Somalia, Cameroon, Djibouti, Sudan, Niger, and Botswana; and, Mr. Chairman, I do not understand how we can appropriate $50 million for countries that oppose us consistently.

For instance, Angola, a Communist government, is going to get earmarked funds in this bill. They vote with us at the United Nations 6.8 percent of the time. Mozambique votes with us 7.2 percent of the time. That means over 90 percent of the time they support the Soviet Union and the Communist-bloc countries, and yet we are earmarking up to $50 million to help these countries.

Tanzanai, Zimbabwe, Tunisia, all of these countries oppose us consistently, and yet this legislation will appropriate $50 million for these countries.

Mr. Chairman, I believe that the entire African section of this bill should be rewritten. It is a step in the wrong direction.

The majority in this House is supporting the wrong approach in the area of foreign policy and foreign aid. When my colleagues and I on the Subcommittee on Africa discussed these issues with the gentleman from Michigan [Mr. WOLPE], the chairman, and the gentleman from Florida [Mr. FASCELL], the chairman of the full committee, we were met with a stone wall.

That is why we have so many amendments pending before this body on the African section of this bill. I believe if we are really concerned about a realistic foreign policy approach, and a foreign policy bill, then we need to come together and reconcile our differences.

There was no spirit of cooperation on the Subcommittee on Africa in this area, so I would say, as far as the African section of this bill is concerned, it should be structurally changed, and toward that end, I am going to offer about 17 or 18 amendments.

I hope the Members will look with favor upon them.

Mr. FASCELL. Mr. Chairman, I yield 2 minutes to the gentleman from Pennsylvania [Mr. KOSTMAYER].

Mr. KOSTMAYER. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, let me begin by thanking Chairman FASCELL for his perseverance and the long hours of work he has devoted to drafting this bill and bringing it to the floor of the House. The process has been extremely difficult, and the chairman has done his best to satisfy the major concerns of both the majority and the minority in an effort to report a bill acceptable to the House as a whole. Chairman FASCELL deserves both our thanks and our respect.

Unfortunately, all the chairman's work could not undo the most blatant and troubling problem with the foreign aid bill: the overall funding levels. Despite modest increases in the foreign aid budget over the last several years, the budget is woefully inadequate. It is simply criminal that both the House and Senate can approve $289 billion for the Pentagon, and yet we are now struggling to win approval for $11 billion in foreign aid. Budget constraints are forcing us to shrink from many of our commitments and obligations throughout the world, and our short-term need to reduce the deficit could well allow long-term trends which are already developing to be exacerbated and to directly threaten American interests.

These funding constraints necessitate that we use our foreign aid dollars more carefully and prudently than ever. Several disturbing trends in foreign aid spending are reflected in this foreign aid bill, trends which I believe result from misdirected spending priorities.

In 1980, 50 percent of our foreign assistance was development assistance—money the United States provided to struggling nations in order to meet basic human needs and to promote economic growth and development. It was the consensus view then that such economic development served as the foundation for democracy and stability and thus coalesced with U.S. regional and international interests. Today, less than 25 percent of the funds in the foreign aid bill are development assistance funds, and America's commitment to pursuing democracy's expansion through bilateral development is in steady decline.

The United States declining support for economic development assistance has been accompanied by a dramatic new emphasis on security assistance. H.R. 3100, for example, provides just $1.6 billion in development assistance but $8.9 billion in security aid.

A few real dollar comparisons of the foreign aid budget under the Carter administration and the foreign aid budget under the Reagan administration underscore the point. From 1980 to 1987 bilateral development project aid to the Third World declined by 8 percent from $1.9 billion to $1.7 billion in 1987. U.S. contributions to multilateral development banks over the same period fell from $2.4 billion to $1.5 billion, a drop of 63 percent.

In sharp contrast, U.S. security assistance to the Third World under the Reagan administration has increased an astonishing 514 percent in real dollars, from $300 million in 1980 to $1.6 billion 1987.

The growth and expansion of the International Military Education and Training account [IMET] reflects the sweeping change in the security assistance portion of our foreign aid program. In 1980, the IMET budget was $25 million and the program affected 52 countries. Today, the IMET budget is $56 million and 99 countries are involved. Included in the list of recipients of security aid are Finland, Luxembourg, Austria, Yugoslovia, Chile, and Trinidad/Tobago. Indeed, it seems there is hardly a country with whom we have relations which doesn't receive IMET funding. There are 17 countries whose only aid relationship with the United States is through International Military Education and Training, including the poor nations of Nigeria and Zimbabwe.

To cite just one more example of the incredible emphasis this administration places on security assistance, the Military Assistance Program funding has increased nearly tenfold. In 1980, MAP funding was $110 million. In 1987, MAP funding is $1.03 billion.

Under the Reagan administration security and military assistance has soared while bilateral and multilateral development assistance has plummeted. I believe that a limited foreign aid budget divided so unequally in favor of military aid shortchanges vital U.S.

economic, political, and humanitarian interests. We know that major influxes of military aid benefit, predictably, the recipient country's armed forces. The unfortunate result is that in many cases we institutionally strengthen the military relative to the civilian government we are trying to help.

U.S. security interests throughout the world are real and compelling. But our current allocation of scarce foreign assistance resources ignores the growing importance of the developing world in the global economy, the changed position of the United States in the global trading system, the internationalization of the commercial banking system, and a host of other factors.

Too much emphasis on the East-West conflict clouds our perception of the real problems and aspiration in the developing world, and can easily put the United States on the losing side of change.

According to a recent poll, and contrary to popular wisdom, a majority of Americans favor providing foreign economic aid. Those Americans would no doubt be shocked to learn that only 10 percent of the economic support funds budget is targeted to low-income nations. Less than one-quarter of total U.S. bilateral development assistance, economic support funds, and food aid is programmed for the world's low-income countries. Low-income countries receive about $0.54 per capita compared to $4 per capital for lower middle-income countries, and $1.84 per capita for upper middle-income countries.

The shrinking foreign aid pie demands that we reevaluate how American foreign assistance is utilized. It is high time we rediscover the vital role bilateral and multilateral development assistance can and does play in our efforts to protect U.S. interest not just in the immediate future but in the long run. We are on the path to establishing relationships based solely on America's military might and not on our historic commitment to the view that economic growth, development, and opportunity sustain and nurture democratic systems. We should lessen our reliance on military responses and favor instead civilian governments committed to the welfare of their own citizens.

The foreign aid program can be far more than the Defense Department supplemental it is fast becoming. It is time we returned our foreign assistance program to its original development objectives and realized the true potential of American foreign aid.

In an effort to counter the growing trend away from development aid, I will today offer an amendment to the economic support fund title of the foreign aid bill.

Under the current foreign aid program, the preponderance of economic support funds are distributed as cash supplementals to countries which already receive some type of U.S. security assistance. Although the cash may not be used for military purposes, it is extended primarily to support our military objectives.

Unfortunately, there is very little oversight of ESF cash transfers. But we do know that it is used by recipients as consumption aid, primarily for balance of payments and imports.

In committee, Representative Lee Hamilton offered an amendment—now section 204 of H.R. 3100—to restructure these ESF cash transfers from consumption aid to investment aid on the well-founded belief that the long-term economic development of nations throughout the world is the greatest protector of U.S. global interests—economic, humanitarian, and security interests. The amendment mandates that 40 percent of all ESF provided in fiscal year 1988, and 50 percent of the ESF provided in fiscal year 1989 be used specifically for long-term economic development projects and programs.

The Hamilton amendment is a vast improvement over current law, but too many automatic exemptions have been added to it. Countries which receive $5 million or less in ESF per year, countries with an annual per capita income over $2,500, countries which provide the United States with base rights, and countries which provide the United States access to military facilities on their soil are all automatically exempted from the Hamilton requirements. Collectively, these provisions could automatically exempt all but two of the countries that receive ESF from the United States.

The Hamilton amendment is good policy, and it should apply to as many countries as possible, not as few as possible.

I hope to strengthen section 204 by eliminating the automatic exemption for countries providing the United States with access to military facilities. Providing blanket exemptions to all countries that provide the United States any access to military facilities could add 14 ESF recipients to the list of nations not covered by the Hamilton provision. That would make 30 of the 32 U.S. ESF recipients exempt—and render section 204 meaningless.

We have the opportunity to help set U.S. foreign aid back on the right track, to reassert our commitment to development and economic growth, to broaden our relations with developing countries that our becoming increasingly important players in the world market, and to promote democracy by helping to lay the groundwork for economic stability.

U.S. interests cannot be protected in the long term simply by providing ever increasing amounts of security aid. We must return to using our foreign aid budget to provide real economic and development assistance. Strengthening the Hamilton amendment is a good place to start.

Mr. BROOMFIELD. Mr. Chairman, I yield 1 minute to the gentleman from California [Mr. Dornan].

Mr. DORNAN of California. Mr. Chairman, I thank the gentleman for yielding me this time.

I rise in strong support of the substitute of the gentleman from Michigan [Mr. Broomfield], and point out to the Members on the majority side that 10 years ago, the language in the Broomfield substitute would have been the language of the majority, and some conservatives might be assaulting it in a sense of misguided frugality; and it would be a bipartisan effort.

I hope that we will see some bipartisan voting on the Broomfield substitute.

Mr. FEIGHAN. Mr. Chairman, I rise in strong support of H.R. 3100, the International Security and Development Cooperation Act of 1987. I want to commend my chairman, Mr. Fascell, for his leadership throughout this process—in committee and bringing the bill to the floor. He has continually struggled to forge a foreign policy consensus on tough issues and he has done so in a fair and tough-minded way. The result is a committee bill that advances our interests. In terms of security, in terms of our own economy, and in terms of our ability to lead the free world.

Foreign aid is typically a lightning rod for criticism and is often billed as a giveaway of taxpayers' money. Well, if this were true, we wouldn't find that a majority of Americans actually support foreign aid. They support it for a number of reasons. Primarily, they support it because it makes sense: It is our insurance policy and our best investment in securing our foreign policy goals.

To assure security in Europe, this bill contains money for key base rights countries—Spain, Portugal, Greece, and Turkey. These bases guarantee access and ensure NATO security. The European bases have taken on new significance in light of the pending INF agreement. Our ability to maintain adequate funding to host countries will show our resolve in maintaining our commitment to the NATO alliance.

In the Middle East, our aid goes to bolster our allies and advance the peace process. The United States has vital security interests in this area. We continue to outmaneuver the Soviets by maintaining strong ties to the Arabs and the Israelis. This bill maintains our commitments to Israel and Egypt and promotes economic development in the region.

In the developing world, our aid goes to promote self-help programs that meet basic human needs and opens new markets for U.S. exporters. We have a trade deficit of $170 billion and we need new markets if we want to turn it around. This bill will assist these countries in becoming integrated in the world economy.

I support this bill because it makes sense from a security standpoint. But it also makes sense from an economic standpoint. To those who point to foreign aid as a giveaway, let me point out that: 80 percent of foreign aid dollars are spent in the United States purchasing U.S. products and services; between 1982 and 1984, developing countries purchased a total of 235 billion dollars' worth of U.S. manufactured goods, about 36 percent of total American exports; and 80 percent of all new manufacturing jobs are now linked to international markets.

Simply put, the world is a lot smaller than it used to be. The United States can make a big difference by making a small investment—less than 2 cents on the Federal dollar—to advance our own economic and security interests. As the richest country in the world, as the leader of the free world, we can and should make this investment. I urge my colleagues to support the committee bill.

Mr. GARCIA. Mr. Chairman, first of all I want to commend my friends and colleagues for their fine work on this legislation. As usual, the gentleman from Florida [Mr. FASCELL] has done an incredible job in pulling together this bill. Foreign aid is not a vote-getting issue but after having spent 4 years as a member of the Foreign Affairs Committee, I have come to understand the importance of having an effective foreign aid program.

I believe, however, that foreign aid is a two-way street. That is, while we may be willing to give aid to the extent that we are able, our friends and allies that are the recipients of that aid must also do their part to try and develop their economies so that eventually they can stand on their own. El Salvador is a case in point.

There is no nation that has suffered more during this decade from political strife than El Salvador. This strife has naturally caused a great deal of economic hardship for the people of El Salvador. That is why a cease-fire and real effort toward bringing peace to that nation is so important. I believe President Duarte is making an effort, but he must do more.

He must work with the unions, and he must work with the private sector. He and his government must attempt to rebuild the Salvadoran economy as they try to build democracy. I believe the two go hand in hand. Peace and democratic institutions cannot take hold if there is economic chaos, and economic stability cannot exist unless there is a partnership between the Government, the unions, and private enterprise.

Since taking over as chairman of the Banking Committee's Subcommittee on International Finance, Trade, and Monetary Policy, I have come to appreciate just how important the economic side of international relations is for determining the political fate of a nation. So it is throughout Central America. Nations as diverse as Nicaragua and El Salvador cannot function properly if they are choking off the right of workers and businessmen.

I do not mean to exaggerate the case of El Salvador, or for that matter compare President Duarte with Daniel Ortega. There is no comparison. President Duarte is trying to build a democracy and has been for several years. My point is this: Labor and business are the backbone of any democracy, perhaps they should be listened to a little more not only in El Salvador but throughout the region if political stability, that is democracy, is to thrive. That way we can be sure that the foreign aid dollars we give are well spent.

Mr. BROOMFIELD. Mr. Chairman, I yield the balance of my time to the gentleman from Washington [Mr. MILLER].

The CHAIRMAN. The gentleman from Washington [Mr. MILLER] is recognized for 2½ minutes.

Mr. MILLER of Washington. Mr. Chairman, I thank the gentleman for yielding me this time.

Mr. Chairman, last year our Government spent hundreds of millions of dollars to help wealthy developers build luxury hotels and upscale shopping malls. For a small fraction of this cost, we can promote microenterprises to help the world's poorest people climb out of the soul-numbing poverty that marks their existence. A loan of only $100, for example, can help a lace maker in Bangladesh become a self-sufficient business woman.

Fourteen million childen under the age of five die each year in developing countries. The U.N. International Children's Education Fund [UNICEF], estimates that up to half of these children could be saved if simple, inexpensive measures were widely available. For example, a child can be immunized against six childhood diseases for $5. And a child dehydrated by severe diarrhea—a common cause of death in the developing world—can be saved by a salt/sugar solution at a cost of about 10 cents a dose.

Our Government does help support these types of low-cost, effective programs. This is American foreign economic aid at its best. Unfortunately, most American taxpayers believe the worst about foreign aid programs. As a result, these programs are a very low priority for most Members of Congress. For many Members, foreign economic aid ranks below our military aid programs, whose strategic value is often more readily apparent.

Yet, for reasons of economic self-interest, strategic importance and moral leadership, U.S. foreign economic aid, which now accounts for only four-fifths of 1 percent of the Federal budget, can be one of the most effective uses of our tax dollars.

In underdeveloped countries, U.S. economic aid can play a crucial role in strengthening fragile economies, fostering self-sufficiency, and encouraging the shift away from inefficient centralized economies and toward free enterprise. As these economies develop so do their consumer markets. In the long run, appropriate U.S. aid programs can help those nations that are economic basket cases, wholly dependent on Western donors, become instead, our trading partners, providing important markets for American goods and services.

We also enhance our own security by using foreign aid programs to encourage the emergence of stable, entrepreneurial, economies. Nations with stable free market economies are far more likely to share our democratic political values.

As we have seen recently in South Korea, the more broadly prosperous a nation becomes, the more adamant will be the demands of its people for genuine democratic institutions—a free press, freedom to associate, to organize and dissent. And the proliferation of free market democratic societies in the world is our greatest defense against the expansionist totalitarianism of Marxist-Leninist nations.

Finally, foreign aid like the child survival programs and famine relief efforts are more than simple charity. By supporting these programs we as a nation say to the world, there is one standard of decency, one standard of compassion for all members of the human community. And no accident of birth should condemn a child to death.

Unfortunately, our foreign economic aid programs have, too often, done little more than line the pockets of friendly despots. Or these programs have funded grandiose, inappropriate development projects which did little to benefit the world's poorest people. A blanket indictment of all foreign aid, however, throws the baby out with the bath water; precluding thoughtful analysis of the problem and preventing the implementation of effective, cost-efficient programs.

Most Members of Congress have heard questions like the one I heard recently back home. "What I don't understand," said the Bothell resident at one of my town meetings, "is why we're so concerned about giving to Third World countries, and not to our own?" The answer is, of course, that the health and well-being of our own citizens has always, and will always, have the first claim on Federal resources.

But this Nation cannot be an island of prosperity in a sea of poverty, for we will inevitably be swept away with the tide. And to enjoy the blessings of liberty, we must exercise the responsibilities of freedom. We neglect these responsibilities at our own peril.

That's what foreign aid is about.

Mr. FASCELL. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. LEVINE].

Mr. LEVINE of California. Mr. Chairman, I thank the gentleman for yielding to me.

As the general debate winds to a close, it is appropriate to commend the gentleman from Florida [Mr. FASCELL], the chairman of our committee, for the enormous effort that he has put into this legislation, and for the extraordinary leadership that he has shown on this subject in general, and on this bill in particular.

There is no greater internationalist in this Congress, and no finer leader in this Congress on issues pertaining to foreign affairs, than the chairman of our committee. I think that both sides of the aisle owe him a real debt of thanks for his perseverance and his leadership on these issues.

Mr. Chairman, this is a difficult bill to have crafted under the circumstances in which we find ourselves as a nation. We are faced with very severe budget difficulties, as evidenced by the budget negotiations and the difficulties presented in bringing this legislation to the floor on the very day we are trying to achieve a historic budget compromise between the other body, this body, and the executive branch. In essence, what we have is a coincidence of post-World War II reality in the context of our foreign aid responsibilities with 1980's budget realities.

I am cognizant of the difficulties that the budget presents us. At the same time in weighing our foreign and international responsibilities and obligations, I consider that the legislation we have before the Members deserves to be supported, I would hope on a bipartisan basis.

Mr. Chairman, people decry government by continuing resolution. If we are to avoid that type of governance, we need to pass authorizing legislation this represents.

This bill strikes the appropriate balance, and I urge that it be supported.

The **CHAIRMAN**. All time under general debate has expired.

Pursuant to the rule, the bill is considered under the 5-minute rule by titles and each title shall be considered as having been read.

No amendments are in order except those amendments printed in the CONGRESSIONAL RECORD on or before November 10, 1987. Subject to clause 6 of rule XXIII, debate on all amendments shall not exceed 10 hours.

It is in order for the chairman of the Committee on Foreign Affairs, or his designee, to offer en bloc amendments at any time, including germane modifications in the text of any amendment. Amendments offered en bloc are considered as having been read, are not subject to amendment or to a demand for a division of the question, and are debatable for 20 minutes, equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs.

The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "International Security and Development Cooperation Act of 1987".

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—MILITARY ASSISTANCE AND SALES AND RELATED PROGRAMS

Sec. 101. Foreign military sales credits.
Sec. 102. Military assistance program.
Sec. 103. International military education and training.
Sec. 104. Peacekeeping operations.
Sec. 105. Cooperative training agreements with major non-NATO allies.
Sec. 106. Sales from stocks.
Sec. 107. Financing for commercial leasing arrangements.
Sec. 108. Terms of foreign military sales credits.
Sec. 109. Waiver of penalty interest on FMS arrearages.
Sec. 110. Enforcement and processing of arms export licensing requirements.
Sec. 111. Biennial review of the International Traffic in Arms Regulations.
Sec. 112. Reciprocal leasing.
Sec. 113. Sales of antitank shells containing a depleted uranium penetrator component.
Sec. 114. Exclusion of salaries from prices of certain FMS sales.
Sec. 115. FMS Guaranty Reserve Fund.

TITLE II—ECONOMIC SUPPORT FUND

Sec. 201. Authorizations of appropriations.
Sec. 202. Authority to use funds for emergency assistance.
Sec. 203. Segregated accounts for cash transfers.
Sec. 204. Use of ESF assistance to promote long-term development.
Sec. 205. Prohibition on use of ESF assistance for port or terminal construction projects detrimental to United States farmers.
Sec. 206. Purchase of United States goods and services with ESF assistance.
Sec. 207. Tied aid credit program.
Sec. 208. Restriction on use of funds for nuclear facilities.

TITLE III—DEVELOPMENT ASSISTANCE

Sec. 301. Agriculture, rural development, and nutrition.
Sec. 302. Child survival fund.
Sec. 303. Population and health.
Sec. 304. Education and human resources development.
Sec. 305. Cooperative development program.
Sec. 306. Energy, private and voluntary organizations, and private sector and selected development activities.
Sec. 307. Sustainable development.
Sec. 308. Private sector revolving fund.
Sec. 309. Protecting biological diversity.
Sec. 310. Private sector assistance.
Sec. 311. Limitation relating to development assistance.
Sec. 312. Enhancing the private-public partnership for foreign assistance.
Sec. 313. Use of foreign assistance loan repayments for development assistance activities.
Sec. 314. Providing credit for the poor in developing countries.
Sec. 315. Assistance for the prevention and control of AIDS in developing countries.
Sec. 316. Minority set-aside.

TITLE IV—OTHER ASSISTANCE PROGRAMS AND ACTIVITIES

PART A—FOREIGN ASSISTANCE ACT PROGRAMS

Sec. 401. American schools and hospitals.
Sec. 402. Housing guaranty program.
Sec. 403. Agricultural and productive credit and self-help community development programs.
Sec. 404. Trade credit insurance program.
Sec. 405. Voluntary contributions to international organizations and programs.
Sec. 406. International disaster assistance.
Sec. 407. Antiterrorism assistance program.
Sec. 408. Trade and development program.
Sec. 409. Operating expenses of the Agency for International Development.

PART B—PUBLIC LAW 480 AND SECTION 416 PROGRAMS

Sec. 421. Promoting biological diversity.
Sec. 422. Period of agency response; period for comments on agency guidelines.
Sec. 423. Farmer-to-farmer program under Public Law 480.
Sec. 424. Multiyear agreements under section 416(b).
Sec. 425. Minimum level of food assistance.

TITLE V—INTERNATIONAL NARCOTICS CONTROL

Sec. 501. Authorizations of appropriations.
Sec. 502. Development of herbicides for aerial coca eradication.
Sec. 503. Procurement of weapons to defend aircraft involved in narcotics control efforts.
Sec. 504. Pilot and aircraft maintenance training for narcotics control activities.
Sec. 505. Reallocation of funds withheld from countries which fail to take adequate steps to halt illicit drug production or trafficking.
Sec. 506. Waiver of restrictions on United States assistance for certain major drug-transit countries.
Sec. 507. Reports and restrictions concerning certain countries.
Sec. 508. United States reliance on licit opium gum from foreign sources.
Sec. 509. Assistance for Bolivia.
Sec. 510. Assistance for Peru.
Sec. 511. Assistance for Mexico.
Sec. 512. Cooperative nonmajor drug-transit countries.
Sec. 513. Increased funding for AID drug education programs.

TITLE VI—EUROPE AND THE MIDDLE EAST

Sec. 601. Assistance for Israel.
Sec. 602. Assistance for Egypt.
Sec. 603. Cooperative scientific and technological projects.
Sec. 604. Use of certain deobligated funds for projects in the Middle East and for additional assistance for American hospitals abroad.
Sec. 605. West Bank and Gaza development initiative.
Sec. 606. Foreign military sales for Jordan.
Sec. 607. Use of chemical weapons in the Near East.
Sec. 608. Assistance for Greece.
Sec. 609. Assistance for Turkey.
Sec. 610. Cyprus.

Sec. 611. Turkish occupation troops and Greek military forces on Cyprus.
Sec. 612. Excess defense articles for NATO southern flank countries and major non-NATO allies on the southern and southeastern flank of NATO.
Sec. 613. Assistance for Poland.
Sec. 614. United States contributions to the Anglo-Irish International Fund.
Sec. 615. Annual reports on economic conditions in Egypt, Israel, Turkey, and Portugal.
Sec. 616. Reporting requirements.

TITLE VII—WESTERN HEMISPHERE

PART A—CENTRAL AMERICA

Sec. 701. Central America democracy, peace, and development initiative.
Sec. 702. Military aircraft transfers.
Sec. 703. Economic assistance for Central America.
Sec. 704. Suspension of assistance if a military coup occurs.
Sec. 705. Assistance for El Salvador.
Sec. 706. Assistance for Guatemala.
Sec. 707. Refugees in Honduras.
Sec. 708. Assistance for Costa Rica.
Sec. 709. Assistance for implementation of regional peace agreement.
Sec. 710. Policy regarding Panama.
Sec. 711. Nicaragua.
Sec. 712. Restrictions on assistance to police.

PART B—SOUTH AMERICA

Sec. 721. Military assistance for Paraguay.
Sec. 722. Economic Assistance for Uruguay.
Sec. 723. Suspension of OPIC programs for Chile.
Sec. 724. Restriction on training assistance for Argentina and Brazil.

PART C—THE CARIBBEAN

Sec. 741. Assistance for Haiti.
Sec. 742. Caribbean development plan.
Sec. 743. Assistance for the Eastern Caribbean.
Sec. 744. Annual report on Soviet military assistance to Cuba.

PART D—PROVISIONS RELATING TO THE REGION GENERALLY

Sec. 761. Condition on military assistance for Latin America and the Caribbean.
Sec. 762. Allocations of economic support fund assistance.
Sec. 763. Inter-American Foundation.
Sec. 764. Administration of justice program.
Sec. 765. Caribbean-Central American scholarship partnership.

TITLE VIII—AFRICA

PART A—AFRICA FAMINE RECOVERY AND DEVELOPMENT

Sec. 801. Short title.
Sec. 802. Africa famine recovery and development.
Sec. 803. Reports to Congress.
Sec. 804. Conforming amendments.
Sec. 805. African famine assistance.
Sec. 806. African Development Foundation.
Sec. 807. United States trade restrictions on products from sub-Saharan Africa.
Sec. 808. Effective date.

PART B—OTHER PROVISIONS RELATING TO SUB-SAHARAN AFRICA

Sec. 821. Balance-of-payments support for countries in Africa.
Sec. 822. Support for the Southern Africa Development Coordination Conference.
Sec. 823. Assistance for Zaire.
Sec. 824. Assistance for Liberia.
Sec. 825. Policy regarding Kenya.
Sec. 826. Policy regarding Sudan.
Sec. 827. Policy regarding Mozambique.
Sec. 828. Restriction on military assistance to countries exporting oil to South Africa.
Sec. 829. Study and report on attempts to undermine import sanctions against South Africa.

PART C—NORTHERN AFRICA

Sec. 841. Policy regarding Tunisia.
Sec. 842. Western Sahara.

TITLE IX—ASIA AND THE PACIFIC

PART A—EAST ASIA AND THE PACIFIC

Sec. 901. Support for the right of self-determination for the Cambodian people.
Sec. 902. Assistance for the Cambodian people.
Sec. 903. Policies regarding Vietnam.
Sec. 904. Japan and the Arab economic boycott of Israel.
Sec. 905. Annual report regarding Korea.
Sec. 906. Assistance for the Philippines.
Sec. 907. South Pacific regional programs; scholarships.
Sec. 908. Authority to stockpile defense articles in Thailand and Korea.
Sec. 909. Refugees from Southeast Asia.
Sec. 910. Cooperation on POW/MIA issue.

PART B—SOUTH ASIA

Sec. 921. Assistance for the Afghan people.
Sec. 922. Democracy in Bangladesh.
Sec. 923. Israel-India relations.
Sec. 924. Waiver for Pakistan of section 669 prohibition on assistance.
Sec. 925. Sales of military equipment to Pakistan.
Sec. 926. Democracy and human rights in Pakistan.
Sec. 927. Illicit drug production and trafficking in Pakistan.
Sec. 928. Settlement of the conflict in Sri Lanka.
Sec. 929. Limitation on development assistance for India.

TITLE X—PEACE CORPS

Sec. 1001. Authorizations of appropriations.
Sec. 1002. Passenger automobiles.
Sec. 1003. Technical publications.

TITLE XI—MISCELLANEOUS PROVISIONS

Sec. 1101. Effective date.
Sec. 1102. Use of foreign currencies.
Sec. 1103. Comprehensive annual reports on foreign assistance.
Sec. 1104. Reprogrammings of assistance.
Sec. 1105. Foreign assistance allocation reports.
Sec. 1106. Foreign debt repayment.
Sec. 1107. Annual foreign assistance report.
Sec. 1108. Foreign assistance accountability.
Sec. 1109. Coordination of all United States assistance for foreign law enforcement agencies.
Sec. 1110. Technical corrections.
Sec. 1111. Countries which import sugar from Cuba.
Sec. 1112. Early warning system regarding multilateral development bank loans.
Sec. 1113. Independent labor unions.
Sec. 1114. Countries listed as Communist countries.
Sec. 1115. Requirement to specify duration for period of waiver of Communist country prohibition.

TITLE XII—ADDITIONAL ASSISTANCE FOR BASE RIGHTS COUNTRIES

Sec. 1201. Additional authorizations of appropriations.
Sec. 1202. Foreign military sales program ceiling.
Sec. 1203. Maintenance of military balance in the Eastern Mediterranean.

□ 1310

The CHAIRMAN. Are there amendments to section 1?

If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—MILITARY ASSISTANCE AND SALES AND RELATED PROGRAMS

SEC. 101. FOREIGN MILITARY SALES CREDITS.

(a) AUTHORIZATIONS OF APPROPRIATIONS.—The first sentence of section 31(a) of the Arms Export Control Act is amended to read as follows: "There are authorized to be appropriated to the President to carry out this Act $3,950,000,000 for fiscal year 1988 and $3,950,000,000 for fiscal year 1989.".

(b) AGGREGATE PROGRAM CEILING.—Section 31(b)(1) of that Act is amended to read as follows:

"(b)(1) The total amount of credits extended under section 23 of this Act may not exceed $3,950,000,000 for fiscal year 1988 and $3,950,000,000 for fiscal year 1989.".

SEC. 102. MILITARY ASSISTANCE PROGRAM.

Section 504(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President to carry out the purposes of this chapter $1,033,716,000 for fiscal year 1988 and $1,033,716,000 for fiscal year 1989.".

SEC. 103. INTERNATIONAL MILITARY EDUCATION AND TRAINING.

(a) AUTHORIZATIONS OF APPROPRIATIONS.—Section 542 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 542. AUTHORIZATIONS OF APPROPRIATIONS.—There are authorized to be appropriated to the President to carry out the purposes of this chapter $55,851,000 for fiscal year 1988 and $55,851,000 for fiscal year 1989.".

(b) HUMAN RIGHTS TRAINING IN IMET PROGRAMS.—Chapter 5 of part II of that Act is amended by adding at the end the following:

"SEC. 546. HUMAN RIGHTS TRAINING.

"Respect for internationally recognized human rights shall be an important component of the assistance provided to any country under this chapter for any fiscal year.".

(c) SCHOOL OF THE AMERICAS.—Chapter 5 of part II of that Act (as amended by subsection (b) of this section) is further amended by adding at the end the following:

"SEC. 547. SCHOOL OF THE AMERICAS.

"Of the funds made available to carry out this chapter, up to $3,000,000 each fiscal year may be used for the fixed base operating costs of the United States Army School of the Americas.".

SEC. 104. PEACEKEEPING OPERATIONS.

Section 552(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter, in addition to amounts otherwise available for such purposes, $31,689,000 for fiscal year 1988 and $31,689,000 for fiscal year 1989.".

SEC. 105. COOPERATIVE TRAINING AGREEMENTS WITH MAJOR NON-NATO ALLIES.

Section 21(g) of the Arms Export Control Act is amended—

(1) by inserting "and with other countries which are major non-NATO allies," after "New Zealand,"; and

(2) by adding at the end the following: "As used in this subsection, the term 'major non-NATO allies' means those countries designated as major non-NATO allies for purposes of section 1105 of the National Defense Authorization Act of Fiscal Year 1987.".

SEC. 106. SALES FROM STOCKS.

Section 21 of the Arms Export Control Act is amended by adding at the end the following:

"(j) In the case of a sale under subsection (a)(1)(B) of this section, the President may contract for the procurement of replacement major defense equipment if the eligible country or international organization provides the United States Government with a dependable undertaking as described in section 22(a) of this Act. The authority of this subsection may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.".

SEC. 107. FINANCING FOR COMMERCIAL LEASING ARRANGEMENTS.

Section 23(a) of the Arms Export Control Act is amended by adding at the end the following: "The authority of this section may be used to provide financing to Israel for the procurement by leasing (including leasing with an option to purchase) of defense articles from United States commercial suppliers if the President determines that there are compelling foreign policy or national security reasons for those defense articles being provided by commercial lease rather than by government-to-government sale under this Act.".

SEC. 108. TERMS OF FOREIGN MILITARY SALES CREDITS.

(a) When Interest Rates Determined.—Section 23(c)(2) of the Arms Export Control Act is amended by striking out the parenthetical phrase in subparagraph (B).

(b) Effective Date.—Section 23(c) of that Act is amended by adding at the end the following:

"(3) Loan agreements made on market rate terms pursuant to this section after September 30, 1984, may be amended to fix the interest rates applicable to undisbursed funds as of the time each disbursement is made. The authority of this paragraph may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.".

SEC. 109. WAIVER OF PENALTY INTEREST ON FMS ARREARAGES.

Section 23 of the Arms Export Control Act is amended by adding at the end the following:

"(e) The President may waive the collection of penalty charges that have accrued or may accrue on loans made pursuant to this section or section 24. The authority of this subsection may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.".

SEC. 110. ENFORCEMENT AND PROCESSING OF ARMS EXPORT LICENSING REQUIREMENTS.

(a) Registration Fees for Munitions Control Licenses.—Section 38(b) of the Arms Export Control Act is amended by inserting at the end the following:

"(3)(A) For each of the fiscal years 1988 and 1989, $250,000 of registration fees collected pursuant to paragraph (1) shall be credited to a Department of State account, to be available without fiscal year limitation. Fees credited to that account shall be available only for the payment of expenses incurred for—

"(i) contract personnel to assist in the evaluation of munitions control license applications, reduce processing time for license applications, and improve monitoring of compliance with the terms of licenses; and

"(ii) the automation of munitions control functions and the processing of munitions control license applications, including the development, procurement, and utilization of computer equipment and related software.

"(B) Funds made available under subparagraph (A) may not be used for any purpose other than those specified in subparagraph (A), and this limitation may not be waived under the authority of any other provision of law.

"(C) The authority of this paragraph may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.".

(b) Disqualification and Forfeiture for Violations of International Traffic in Arms Regulations.—Section 38 of that Act is amended by inserting after subsection (c) the following:

"(d)(1) No contract between a foreign government and a person convicted or debarred for a violation of this section or section 39, or any rule or regulation issued under either section, may be approved for financing under this Act during the twelve months following the date of such conviction or debarment.

"(2)(A) Any person who is convicted for a violation of this section or section 39, or any rule or regulation issued under either section, shall (in addition to any other penalty) forfeit to the United States—

"(i) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in any defense article or other tangible item that was the subject of the violation;

"(ii) any of that person's interest in, security of, claim against, or property or contractual rights of any kind in any defense article or other tangible item that was used in—

"(I) the export or attempt to export, or

"(II) the contribution, gift, commission, or fee that was paid or offered or agreed to be paid,

that was the subject of the violation; and

"(iii) any of that person's property constituting, or derived from, any proceeds obtained directly or indirectly as a result of the violation.

"(B) The procedures in any forfeiture under this paragraph, and the duties and authorities of the courts of the United States and the Attorney General with respect to any forfeiture action under this paragraph or with respect to any property that may be subject to forfeiture under this paragraph, shall be governed by section 1963 of title 18, United States Code. Any new budget authority provided by this subparagraph may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.".

(c) Effective Date.—Subsection (d) of section 38 of that Act, as enacted by subsection (b) of this section, shall take effect on the date of enactment of this Act or October 1, 1987 (whichever is later), and applies—

(1) in the case of paragraph (1) of subsection (d), with respect to convictions or debarments occurring on or after the effective date of that subsection; and

(2) in the case of paragraph (2) of subsection (d), with respect to convictions based on conduct occurring on or after the effective date of that subsection.

SEC. 111. BIENNIAL REVIEW OF THE INTERNATIONAL TRAFFIC IN ARMS REGULATIONS.

Section 38(f) of the Arms Export Control Act is amended by striking out the first sentence and inserting in lieu thereof the following: "At least once every 2 years, the President shall review the regulations issued to carry out this section, including the items listed on the United States Munitions List, in order to determine what changes in those regulations are appropriate, including determining what items, if any, no longer warrant export controls under this section. Based on each such review, the President shall revise those regulations as necessary and shall publish a revised compilation of those regulations.".

SEC. 112. RECIPROCAL LEASING.

Section 61(a) of the Arms Export Control Act is amended in subparagraph (B) by striking out "fiscal year 1987 and only with respect to one country" and inserting in lieu thereof "fiscal years 1987, 1988, and 1989 and only with respect to one country each such year".

SEC. 113. SALES OF ANTITANK SHELLS CONTAINING A DEPLETED URANIUM PENETRATOR COMPONENT.

The President may not sell any M833 antitank shells, or any comparable antitank shells containing a depleted uranium penetrator component, to any country other than—

(1) a country which is a member of the North Atlantic Treaty Organization, or

(2) a country which has been designated as a major non-NATO ally for purposes of section 1105 of the National Defense Authorization Act for Fiscal Year 1987.

SEC. 114. EXCLUSION OF SALARIES FROM PRICES OF CERTAIN FMS SALES.

The last sentence of section 503(a) of the Foreign Assistance Act of 1961 is amended—

(1) by inserting ", or from funds made available on a nonrepayable basis under section 23 of the Arms Export Control Act," after "under paragraph (3)"; and

(2) by inserting "(other than the Coast Guard)" after "Armed Forces of the United States".

SEC. 115. FMS GUARANTY RESERVE FUND.

During fiscal years 1988 and 1989—

(1) the authority contained in the third sentence of section 24(c) of the Arms Export Control Act may not be exercised; and

(2) funds made available to carry out section 23 of that Act or section 503 of the Foreign Assistance Act of 1961 may not be used to pay claims under guaranties issued under section 24 of the Arms Export Control Act, notwithstanding any other provision of law (specifically including any law providing appropriations for foreign assistance and related programs).

Mr. FASCELL. Mr. Chairman, I move to strike the last word, and I yield to the gentleman from Ohio [Mr. Eckart].

Mr. ECKART. Mr. Chairman, I thank the chairman, my good friend, the gentleman from Florida, for yielding this time.

Our colleague, the gentleman from North Dakota, will be offering an amendment shortly that focuses on a critical imbalance that exists in our foreign aid programs. It is a fundamental change that took place in the change of the Carter to Reagan Presidencies. At that time our foreign aid initiatives roughly were balanced 50-50 between military and economic development programs. Since then we have witnessed an increase of several hundreds of millions of dollars of increase in military aid alone.

The amendment of my colleague, the gentleman from North Dakota, seeks to cut $83 million from the Military Assistance Program, to restore some sanity to foreign policy, to remove the military as the course of first resort in the conduct of foreign policy and to underscore our commitment to diplomacy first and military action second.

The amendment of my colleague, the gentleman form North Dakota, in which I join in cosponsorship, will restore some semblance of balance to the image of this Nation and the conduct of our foreign policy. It will place on a greater par the economic development needs of countries and less dependence on the military application of our foreign aid.

AMENDMENTS OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, pursuant to the rule, I offer en bloc amendments.

The CHAIRMAN. The Clerk will designate the en bloc amendments.

The text of the en bloc amendments is as follows:

Amendments offered en bloc by Mr. FASCELL: On page 15, strike lines 22 through 25 and on page 16 strike lines 1 through 7 and insert the following:

The authority contained in the third sentence of section 24(c) of the Arms Export Control Act shall be exercised to the extent necessary in order for the Defense Security Assistance Agency and the Department of Defense to honor their loan guarantee contracts and to make all payments to the Federal Financing Bank required by those contracts according to their original payment schedules.

Page 16, after line 7, insert the following:

SEC. 116. CONDITIONS ON SALES OF F-15's TO SAUDI ARABIA.

Any sale or other transfer to Saudi Arabia by the United States of F-15 aircraft shall be subject to the following conditions:

(1) Any F-15 aircraft sold or otherwise transferred to Saudi Arabia shall be limited to models A, B, C, and D.

(2) The United States shall not sell or otherwise transfer to Saudi Arabia the F-15-E or other advanced aircraft with a ground attack capability and shall not upgrade existing Saudi Arabia aircraft to that capability.

(3) Saudi Arabia shall not possess more than 60 F-15 aircraft at any one time, except that additional replacement F-15 aircraft may be held in the United States, at the expense of Saudi Arabia, for shipment to Saudi Arabia only after the President notifies the Congress that the existing inventory of F-15 aircraft held by Saudi Arabia is less than 60 and, then, only on a one-for-one replacement basis as each F-15 aircraft is totally removed from the inventory of Saudi Arabia.

Page 16, after line 7, insert the following:

SEC. 117. RESTRICTIONS ON FMS SALES OF STINGER MISSILES.

(a) PROHIBITION.—Except as provided in subsection (b), the United States Government may not sell any STINGER air defense guided missile (or any other man-portable ground-to-air missile with comparable advanced technology) to any foreign military or paramilitary force under the Arms Export Control Act.

(b) EXCEPTIONS.—The prohibition contained in subsection (a) does not apply with respect to—

(1) a transfer to the North Atlantic Treaty Organization or the armed forces of a member nation of that organization;

(2) a transfer to the armed forces of a country designated as major non-NATO ally for purposes of section 1105 of the National Defense Authorization Act of Fiscal Year 1987;

(3) a transfer otherwise specifically authorized by the Congress by an Act or joint resolution enacted after the date of enactment of this Act; or

(4) a transfer if the President certifies to the Congress that—

(A) an unforeseen emergency exists which requires the immediate transfer of the missiles; and

(B) no other air defense system can meet the air defense needs of the recipient.

(c) REPORT.—Not later than 6 months after the date of enactment of this Act, the President shall submit to the Congress a report which assesses the global threat caused by the proliferation of man-portable ground-to-air missiles with advanced technology comparable to that of the STINGER missile, without regard to the country of origin of those missiles. This report shall give special emphasis to the danger of such missiles being used in acts of terrorism.

SEC. 118. NOTICE TO CONGRESS REGARDING POSSIBLE MISSILES SALES.

(a) PRICE AND AVAILABILITY REPORTS.—Section 28 of the Arms Export Control Act is amended—

(1) in the first sentence of subsection (a)—

(A) by striking out "or" after "$7,000,000 or more" and inserting in lieu thereof a comma, and

(B) by inserting ", or of any missiles, rockets, or associated launchers or any artillery projectiles (without regard to the amount of the possible sale)," after "$25,000,000 or more"; and

(2) in the clause (2) of subsection (b)—

(A) by striking out "or" after "$7,000,000 or more" and inserting in lieu thereof a comma, and

(B) by inserting ", or of any missiles, rockets, or associated launchers or any artillery projectiles (without regard to the amount of the proposed sale)," after "$25,000,000 or more".

(b) NOTIFICATIONS IN THE ABSENCE OF RECENT PRICE AND AVAILABILITY REPORT LISTING.—

(1) SALES SUBJECT TO NOTIFICATION REQUIREMENT.—Paragraph (2) of this subsection applies with respect to any letter of offer to sell any missiles, rockets, or associated launchers or any artillery projectiles (without regard to the amount of the sale) if, within the preceding 6 months, a listing has not been transmitted to the congress pursuant to section 28 of the Arms Export Control Act with respect to that sale and if section 36(b) of that Act does not apply.

(2) REQUIREMENT FOR NOTIFICATION.—Before issuing any letter of offer described in paragraph (1), the President shall notify the Speaker of the House of Representatives and the Chairman of the Committee on Foreign Relations of the Senate. Any such notification shall contain the information required in a certification under section 36(b) of the Arms Export Control Act.

(3) TIME FOR NOTIFICATION.—The notification required by paragraph (2) shall be submitted not less than 30 days before the letter of offer is issued, unless the President states in the notification that an emergency exists which requires the proposed sale in the national security interests of the United States. If the President states that such an emergency exists, he shall include a detailed justification for his determination, including a description of the emergency circumstances which necessitate the immediate issuance of the letter of offer and a discussion of the national security issues involved.

The CHAIRMAN. Under the rule, the gentleman from Florida [Mr. FASCELL] will be recognized for 10 minutes and a Member opposed to the amendments will be recognized for 10 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I yield myself 2 minutes.

Let me explain what we have done here, if my colleagues will follow me.

Mr. Chairman, the en bloc amendment contains the amendment of Mr. SMITH of Florida—all of these were printed in the RECORD, of course—which essentially codifies the existing agreement between the executive branch and the Congress on the sale of F-15's to Saudi Arabia and places a ceiling of no more than 60 F-15's in Saudi Arabia at any one time.

The amendment also contains the amendment offered by Mr. OBEY, which allows FMS funds to be used to replenish the guaranty reserve fund and represents a compromise concerning the restrictions on the transfer of Stinger missiles and congressional notification regarding the sale of such missiles. This compromise of the two amendments of Mr. LEVINE and the amendment of Mr. SMITH of Florida would apply a prohibition on the sale through FMS of man-portable ground-to-air missile defense systems unless specifically authorized by Congress but exempts nations other than NATO or major non-NATO allies of the Unites States.

At the same time, the compromise provides the executive branch with waiver authority to sell such systems in situations in which these missile systems represent the only air defense system which can meet the air defense requirements of the proposed recipients.

The compromise requires a report within 6 months of the date of enactment on the global threats that are posed to U.S. national security interests through the continued proliferation of these weapons systems and

strengthens congressional review of all missile and rocket launcher sales regardless of dollar value by requiring the executive branch to include such sales in its quarterly price and acquisition reports.

Finally, the compromise stipulates that any proposed sale of such items which have not been included in a price and acquisition report must be submitted 30 days in advance of any sale.

Mr. Chairman, I urge the adoption of the amendments en bloc.

Mr. Chairman, I yield 4 minutes to the distinguished gentleman from Florida [Mr. Smith].

Mr. SMITH of Florida. Mr. Chairman, I thank the gentleman for yielding this time.

I want to take this opportunity to commend the chairman for having crafted a very, very finely tuned bill, that had to sail through some very difficult waters. There was a very significant amount of compromise that was made necessary by the kinds of exigencies which exist in our budgetary process today.

I might add for those who do not know it, this is another in a series of years where foreign aid has been reduced.

Now, there are those who would like to have increased foreign aid, but right now the mode is for decreased foreign aid; so hopefully the amounts that are going to be authorized in this bill will be left as is on this very important subject.

Mr. Chairman, my amendment prohibits the sale of the manned portable Stinger antiaircraft missiles to all countries except NATO and major non-NATO allies for sales explicitly approved by Congress.

This legislation authorizes the President to waive the prohibition under certain provisions.

In addition, there are certain certification requirements that he is required to make.

This amendment I bring before the body as part of the en bloc amendments, and there are others I will discuss in a minute, is one of tantamount importance, because it raises the question of how Congress balances the interests of arming foreign nationals in the name of our own national security, while unavoidably flooding the international arms market with state-of-the-art weapons whose transfer is almost impossible to monitor. As with many aspects of foreign policy, this question presents a clear dichotomy of interests and will only be resolved when there is a consensus on what is the most effective method of protecting the lives of American citizens and the security interests of the United States.

For years there has been a great concern over the proliferation of the manned portable Stinger antiaircraft missile. This concern stems primarily from the difficulty of applying adequate controls over such a maneuverable weapon. It is a very effective defense weapon.

On the other hand, the exact features which make it desirable to the international military establishment also make it a potent weapon for enemies of the United States.

The amendment that is offered here would dramatically decrease the risk that an American manufactured weapon, such as the Stinger, in the end will be used to kill or maim American citizens, albeit detrimental to our security interests.

I might add that the revelation that 30 of these Stinger missiles are now in the hands of the Iranians, most likely through the problem of getting them from the Afghan rebels, is one of the major reasons for this amendment. We cannot allow that proliferation.

Second, in this en bloc amendment is a revision which has been agreed to by both sides, I believe, in the Senate and this body, on conditioning the sale recently approved of F-15's to Saudi Arabia to 60 maximum in their inventory at any time, and any aircraft sold to replace one of those 60 has to be made with notice to the Congress and limiting the weapons of the F-15's to A's, B's, C's, or D's. That is something, as I said, that has been in fact agreed to by all parties.

Finally, there is a provision on which my colleague, the gentleman from California [Mr. Levine] will speak subsequent to me with reference to Stinger missiles and other weapons in the Persian Gulf region, which I wholeheartedly endorse, which is a very good idea, along the same lines as what I am speaking about, and that is the Stingers all over the world, and that is the proliferation of these very dangerous American weapons, to make sure that they are not used ultimately against American citizens by terrorists.

Mr. Chairman, I would urge all my colleagues to adopt this en bloc amendment.

Mr. SOLOMON. Mr. Chairman, I am opposed to the amendments.

The CHAIRMAN. The gentleman from New York [Mr. Solomon] is recognized for 10 minutes.

Mr. SOLOMON. Mr. Chairman, I yield myself such time as I might consume of the 10 minutes.

Mr. Chairman, the Obey amendment of this en bloc amendment would in my opinion gut the U.S. Security Assistance Program. Basically, it is a back door effort to cut security assistance, while leaving economic aid untouched.

It is unnecessary, because the administration has stated that the GRF funding question can be resolved without statutory language.

I would point out again that this is just another case where a bad bill is going to be made badder, if there is such a word, which means that its chances of ever being enacted into law are growing dimmer by the minute.

Second, the first Smith amendment that would limit transfer of F-15's to Saudi Arabia, I think all the gentlemen on that side of the aisle already know, since they are in the majority in the Senate, that this has already been worked out with the Senate and we should not be putting this into statute. We all know that it has already been done.

Third, on the last Smith amendment en bloc, again I think we have serious problems here, because of congressional micromanagement.

There is a serious question whether Stinger transfers to Chad, to Afghanistan and Pakistan and many other countries, such as France, Germany, Italy, Japan, the Netherlands, Saudi Arabia, Turkey, and Great Britain could go on. I just think this is a bad time for us to be legislating this kind of restriction and it is just really going to hurt this bill; so I regret that these amendments are being offered at this time.

Mr. Chairman I reserve the balance of my time.

Mr. FASCELL. Mr. Chairman, I yield the balance of my time to the gentleman from California [Mr. Levine].

Mr. LEVINE of California. Mr. Chairman, I thank the gentleman from Florida for yielding this time. I also thank him for his assistance and for his staff's assistance in crafting a compromise amendment combining three different amendments that the gentleman from Florida [Mr. Smith], the gentleman from New Jersey [Mr. Torricelli], and I have been working or for a period of time.

Mr. Chairman, in sum, the net result of this en bloc amendment is to make it more difficult to transfer overseas one of the most dangerous and potentially lethal weapons in the U.S. arsenal, a weapon that could easily get into the hands of terrorists. This is the Stinger missile.

Mr. Chairman, last year, the most controversial component of the proposed missile sale to Saudi Arabia was the Stinger missile. Its potential for mischief, its potential for terror, and its potential for use against innocent civilians was the cause, more than anything else, of a lopsided vote on the floor of this House opposing this arms package; the vote was 356 to 62.

On a bipartisan basis, Mr. Chairman, people on both sides of the aisle in both bodies of this legislature have attempted to get at the inappropriate and unnecessary proliferation of Stinger missiles. Regrettably, despite the intense concern that has been

demonstrated by Members of Congress over the security issues at stake in global proliferation of Stingers, this administration persists—to use the language of a Member of the other body—in passing out these missiles much the way many people pass out cigars. In short, this administration seeks all too often to transfer Stingers to one nation or another.

Under this en bloc amendment, we still have allowed an exemption to this ban, which uses the language of current law. In other words, if the President certifies that "an unforeseen emergency which requires the immediate transfer of the missiles," and if no other air defense system can meet the air defense needs of the recipient, then the Stinger sale can proceed.

I should emphasize that these exemptions are broader than I would like to see. In fact, I oppose these exemptions, but they are in the en bloc language.

Mr. Chairman, I introduced a bill of my own which would have totally banned the transfer of Stinger missiles to any Persian Gulf nation in the next fiscal year. I introduced another bill which would have totally banned the transfer of Stinger missiles to any country other than a NATO country or major non-NATO ally on this globe without congressional authorization.

□ 1325

However, in an effort to compromise and in an effort to at least begin to stem the flow of proliferation, I agreed to this en bloc amendment. It calls for additional notice requirements so that the Congress will be provided with adequate notice on all sales of missiles and rockets regardless of the dollar amount. While this notice is not as broad as I would like to see, it does inform us of the administration's intent when it wishes to proceed with a transfer of Stingers or any other missile. In addition, and as I noted earlier, it allows Congress to block that transfer on a government-to-government basis. While this does not cover covert transfers, which I would like to see included in the bill, it still would block government-to-government transfers unless the exemptions apply.

It is a modest amendment, Mr. Chairman. And while it does not go far enough, it is an important step in the direction of controlling the global proliferation of our most lethal and sophisticated weaponry, particularly the Stinger missile. Such proliferation is inappropriate and highly dangerous to U.S. interests.

I urge my colleagues to support this en bloc amendment.

Mr. SOLOMON. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am really surprised because what this amendment is doing as far as the Stinger missiles are concerned is that it is driving the administration or any future administration to deal covertly with these countries as opposed to overtly. We have sold Stinger missiles under foreign military sales to NATO and to a number of non-NATO countries including Australia, South Korea, which we are now going to ban, New Zealand, Pakistan, which we will now ban, Saudi Arabia, Chad, where we won a war against the madman Qadhafi. I just do not understand the reasoning behind this and I regret that the House cannot vote on this issue separately instead of en bloc.

Mr. Chairman, I yield such time as he may consume to the gentleman from California [Mr. LAGOMARSINO], who will speak on a very cogent point.

(Mr. LAGOMARSINO asked and was given permission to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Chairman, I would like to speak to several parts of this en bloc amendment with regard to foreign military sales, and the foreign military sales guarantee reserve fund amendment.

I think it can be maintained and properly so that the effect of this amendment if it is adopted would be to eliminate military assistance programs outside of earmarked countries. Its effect on our bilateral security relationships would be devastating. It would send a signal to our allies that we are not to be relied upon, that we are more concerned with procedure than with the substance of our relationship.

Sufficient authority already exists to manage arrearages due to the Federal Financing Bank which is handling overdue loans in much the same way that rescheduled debt is handled.

This amendment would commit scare resources, security assistance resources to resolve what is essentially an accounting problem. I would hope for that reason alone that this would be turned down.

With regard to the amendment relating to the sale of F-15's to Saudi Arabia, the amendment is exactly what has been worked out with Members of the Congress and the administration on such a sale to Saudi Arabia. I do not know what the purpose of including it is other than perhaps to embarrass the administration and say that we do not trust you, we have to have this in writing.

Although I do not object to what it provides, I certainly do not think it should be included in this bill.

With regard to the Levine amendment which is included in an amended form in this legislation, I think as the author of the amendment pointed out a moment ago, it does not cover where probably the problem is or could be, namely, covert sales. I do not think we have that same kind of problem here.

Also, the amendment does not just refer to Stinger missiles. It refers to any missile, rocket, or associated launchers or any artillery projectiles, which I read as one artillery shell. I think that this would result in excessive reporting requirements, would overburden both the administration and congressional staffs, and would draw our attention away from more suitable areas.

Mr. LEVINE of California. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from California.

Mr. LEVINE of California. I would refer the gentleman to the language concerning the area that you refer to, and that is on notification of missiles or other projectiles. In terms of the prohibition, it only covers Stingers. I would refer the gentleman to that specific language.

Mr. LAGOMARSINO. But what I said was it would result in undue paperwork for both of us.

Mr. LEVINE of California. If the gentleman would continue to yield. I make this point just in the context of the accuracy of the description of the amendment.

Mr. LAGOMARSINO. The gentleman is correct. So the provisions would flood the committees with notifications on transfers raising no significant policy issues and I think would impede rather than enhance effective congressional oversight.

Again, I think the resulting delays would necessarily also erode U.S. credibility as a reliable supplier in a period when there are an increasing number of alternative sources for the weapons in question and when the relative U.S. position as a supplier of defense goods and services to free world countries is declining. We are not the only supplier of such weapons in the world today.

I would also say that although the amendment as presented to us today is an improvement in some regards compared to the original amendment, it still does have a number of shortcomings. For example, one of the exceptions is that the President may transfer and then certify to Congress if there is an unforseen emergency.

What is that? I can just see that no matter what the emergency is, Members of this Congress are going to stand up and say that the administration should have forseen that, and therefore it does not fall within the exception.

I would hope that my colleagues would turn down this en bloc amendment.

Mr. SOLOMON. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. SOLARZ].

Mr. SOLARZ. Mr. Chairman, if I might say, I am working on an amendment now which should be ready in a minute or so which would be an amendment to this en bloc amendment. When it arrives, I will ask unanimous consent to offer it. The amendment in effect would permit an exception to the prohibition on sale of Stingers to countries where we have support apparatus or military facilities. I have in mind in particular Bahrain, a country in the Persian Gulf which is the headquarters for our Mideast force and whose cooperation is really essential in terms of our capacity to maintain our fleet in that part of the world.

There is clearly a threat to important Bahraini facilities and I discovered much to my chagrin and regret that this en bloc amendment which I had understood the impression would have permitted the sale in limited amounts of Stingers to Bahrain is worded in such a way right now that it would preclude such a sale. So I plan to offer this amendment if no one objects which would make that exception possible.

I would hope, given the importance of this issue, that no one would object so the House can have a chance to address this vitally important issue.

MODIFICATIONS OFFERED BY MR. SOLARZ TO THE AMENDMENTS OFFERED BY MR. FASCELL

Mr. SOLARZ. Mr. Chairman, I ask unanimous consent that the amendments offered en bloc by Mr. FASCELL be modified as follows:

"On page 3, after paragraph (2) insert the following new paragraph (3) and redesignate existing paragraphs (3) and (4) accordingly:

"(3) a transfer to a country which has either support units or military facilities staffed by members of the United States Armed Forces;".

The CHAIRMAN. The Clerk will report the modification.

The Clerk read as follows:

Modification offered by Mr. SOLARZ to the amendments offered by Mr. FASCELL: On page 3, after paragraph (2) insert the following new paragraph (3) and redesignate existing paragraphs (3) and (4) accordingly:

(3) a transfer to a country which has either support units or military facilities staffed by members of the U.S. Armed Forces;

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. WALKER. Mr. Chairman, reserving the right to object, as I see the proceedings here, we have debated this en bloc amendment for about 10 minutes and, if I gather what the gentleman from New York [Mr. SOLARZ] is doing, he is modifying this amendment because we have already found one major flaw in it.

Do we have any assurance that there are not a number of other major flaws in this en bloc amendment since we are making very substantive foreign policy decisions here? Is my understanding correct?

Mr. SOLARZ. Mr. Chairman, would the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from New York.

Mr. SOLARZ. I think this is a major flaw. I think it needs to be corrected and other people may find other problems with the en bloc amendment. In my view this is by far the most important and serious, and in view of the fact that the chances for the amendment's passing appear to be reasonably good, I think it is in our interest to try to modify the en bloc amendments in this fashion in order to avoid what could be a very serious problem for our forces in the Persian Gulf.

□ 1335

Mr. WALKER. Further reserving the right to object, let me ask the gentleman is his amendment going to apply to any other countries other than Bahrain?

Mr. SOLARZ. It certainly applies to Bahrain. Whether or not it applies to any other countries, I have to say to the gentleman I am honestly not in a position to say because I have not examined literally every country in the world. But to the extent that there are countries which have either support units or military facilities staffed by members of the U.S. Armed Forces, it would apply. And what it would mean is that in those circumstances such countries would not be by law ineligible to buy Stingers from the United States.

Whether it was wise for us to sell Stingers to those other countries is a matter that would have to be determined on a case-by-case basis. But just as the en bloc amendments exempt NATO countries and non-NATO major allies like Israel from the restrictions in the amendment, my amendment would also exempt countries that have support units or military facilities staffed by members of the United States Armed Forces. And if I can have a chance to explain the amendment, I think that the gentleman and I hope most of the other Members will find it acceptable.

Mr. WALKER. Further reserving the right to object, it is my understanding this amendment would include any military facilities staffed by military personnel no matter how small those facilities are, is that correct?

Mr. SOLARZ. There is no size criteria in the amendment.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. WALKER. Further reserving the right to object, I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I just want to say the gentleman from New York is offering a very good amendment. It makes a very bad en bloc amendment better. But the gentleman, I think, really brought out the crux of what is happening here today with our micromanagement of foreign policy on the floor of this House.

The gentleman said, and I quote him: "I cannot honestly say that it affects any other areas."

Let me just give an example. The Philippines, where we have already had American military servicemen assassinated on the streets, if this were not in here we would not be able to sell the Philippine Government, allies of ours, Stinger missiles to protect those bases that are there.

Not only that, but let me give another example. We have access agreements with countries all over this world where the gentleman, flying all over the country during the break that is coming up, are going to be flying into these countries. Those countries ought to have access to these Stinger missiles to protect those planes flying in.

This whole thing never should have been brought on this floor. It is making a bad bill worse, and the whole amendment should be defeated. But I commend the gentleman because he is a statesman in offering an amendment from that side of the aisle to make it a better bill.

The CHAIRMAN. Does the gentleman from Pennsylvania [Mr. WALKER] insist on his reservation?

Mr. WALKER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. SMITH of Florida. Mr. Chairman, reserving the right to object, I just want to say that the gentleman from New York is being offered an opportunity to do what frankly as one of the people who had two of his amendments of the four that are rolled into this en bloc amendment did not wish done. But I do not wish to hold him back from offering this kind of choice to this body.

But I would just hope that we could stop making this out to be something that it is not, a panacea, because this amendment en bloc can stand on its own without any problem. It certainly does not have any flaws.

The gentleman from New York is being afforded an opportunity to do what he wants, and we will debate the issue on the floor as to whether Stinger missiles should or should not be sent over to Bahrain or any other country in the world. And I will not object, but I would hope that we could keep the context of this debate in at least some logical order.

The CHAIRMAN. The Chair will state to the gentleman and to all Members that pending is a unanimous-consent request to modify the pending en bloc amendments. There will not be a separate vote on the unanimous-consent request. This is not an amendment to an amendment.

What is pending is a unanimous-consent request to modify the pending en bloc amendments.

Is there objection to the request of the gentleman from New York [Mr. SOLARZ]?

PARLIAMENTARY INQUIRIES

Mr. LEVINE of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. LEVINE of California. Mr. Chairman, will there not be a vote in the event the unanimous consent is granted to the gentleman from New York for offering his modifying amendment to the en bloc amendment? Will there not be a vote on the modifying amendment offered by the gentleman from New York?

The CHAIRMAN. No. The Chair will state that what is pending is a unanimous-consent request to modify the pending en bloc amendments. That is by unanimous consent. If granted, a vote then could come on the en bloc amendments as modified.

Does the gentleman from California have a further parliamentary inquiry?

Mr. LEVINE of California. Mr. Chairman, this gentleman does have another parliamentary inquiry.

Is the Chair ruling that the only manner in which the en bloc amendment can be modified is by unanimous consent? In the absence of unanimous consent, there cannot be a vote on the proposal to modify the en bloc amendment.

Mr. SMITH of Florida. Mr. Chairman, will the gentleman yield?

Mr. LEVINE of California. I am happy to yield to the gentleman from Florida.

The CHAIRMAN. The Chair would state that the gentleman from California was stating a parliamentary inquiry, and if the gentleman wishes, the Chair will answer that parliamentary inquiry, and then he will be pleased to answer the parliamentary inquiry of the gentleman from Florida.

Mr. LEVINE of California. Mr. Chairman, mine has been answered to my satisfaction.

The CHAIRMAN. Does the gentleman from California have a further parliamentary inquiry?

Mr. LEVINE of California. Mr. Chairman, my parliamentary inquiry has been answered by the Chair, and I thank the Chair.

Mr. SMITH of Florida. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SMITH of Florida. Mr. Chairman, the Chair has just indicated it is currently entertaining a unanimous-consent request from the gentleman from New York [Mr. SOLARZ] to modify the existing en bloc amendment, which means that if there is no objection, it would be modified?

The CHAIRMAN. The gentleman is correct.

Mr. SMITH of Florida. Rather than having the gentleman from New York, having made a unanimous-consent request, allowed to offer an amendment to modify, is that correct?

The CHAIRMAN. The Chair will state the gentleman is accurate. That is correct.

Mr. SMITH of Florida. Therefore, if no objection is heard, it will automatically be modified?

The CHAIRMAN. That is correct.

Mr. SMITH of Florida. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. SOLARZ. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SOLARZ. My parliamentary inquiry is, would it be in order to ask unanimous consent to modify the en bloc amendment, to offer an amendment to modify the en bloc amendment which, if it did receive unanimous consent, would then have to be adopted by a vote of the committee?

The CHAIRMAN. The Chair would ask all Members to listen to the language which he will state from the rule which is governing debate on this bill. The language is: "Such amendments en bloc shall be considered as having been read and shall not be subject to amendment or to a demand for a division of the question in the House or in the Committee of the Whole."

So the answer to the gentleman is no.

Mr. SOLARZ. Mr. Chairman, I have another parliamentary inquiry because there seems to be some confusion in the ranks over here.

Is it the understanding of the Chair that because of the rule, even a unanimous-consent request, if granted, to permit an amendment to modify the en bloc amendment would be out of order? In other words, that unanimous-consent request could not in effect overrule the rule?

The CHAIRMAN. The Chair would state that a unanimous consent request made in the Committee of the Whole cannot change the structure of the rule adopted by the House under which the Committee of the Whole is proceeding. So the answer, the Chair will state, is no, that would not be possible.

Mr. LEVINE of California. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman from California will state his parliamentary inquiry.

Mr. LEVINE of California. Mr. Chairman, would it be permissible at a subsequent time in the course of this debate to allow the gentleman from New York to offer his amendment to the en bloc amendment by going from the Committee to the full House, asking for unanimous consent in the full House, making his offer at that time, and then going back into the Committee? I raise this question not because I like his amendment, but because I think he ought to be entitled to an opportunity to have it debated and offer it, and it would seem that this might satisfy procedurally the concerns that have been expressed.

The CHAIRMAN. The Chair will state that the gentleman is accurate, that such a request could be made in the full House, but only in the full House and not in the Committee of the Whole.

In the alternative, the Chair could entertain a request to withdraw the en bloc amendments. It then could be modified by Representative FASCELL and it could be offered in the Committee of the Whole. Either would be permissible.

Mr. LEVINE of California. Mr. Chairman, I have a further point of parliamentary inquiry.

The CHAIRMAN. The gentleman will state his further point of parliamentary inquiry.

Mr. LEVINE of California. Mr. Chairman, would it not then be permissible for the Committee of the Whole House to take action on the en bloc amendment and if that action is positive, at a subsequent time, to allow the gentleman from New York, in the full House, to offer his amendment to the en bloc amendment?

The CHAIRMAN. The Chair will state that he has already stated to the gentleman that would be possible in the full House.

Mr. LEVINE of California. After passage of the en bloc amendment in the Committee?

The CHAIRMAN. The gentleman is correct.

Mr. LEVINE of California. I thank the Chair.

Mr. SOLARZ. Mr. Chairman, I ask unanimous consent to strike the last word.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The gentleman from New York [Mr. SOLARZ] is recognized for 5 minutes.

Mr. SOLARZ. Mr. Chairman, I just want to say I think we find ourselves in a very unfortunate position here. There had been some discussion of this question yesterday by a number of us before the bill was taken up, and at that time I expressed some very serious concerns about what struck me as the overly broad reach of this amendment or of a similar amendment.

I want to make it clear that I share the concerns of the authors of the amendment about the gratuitous sale of Stingers and other hand-held missiles all over the world. But I pointed out that the way the amendment they then envisioned was drawn it would preclude the sale of Stingers to Bahrain, and the reason that concerned me, and the reason I think it ought to concern every Member of this House is that we now have 20,000 men in the Persian Gulf. Their lives are at stake. And our capacity to maintain our fleet there and to provide these men with the support they need is contingent on our capacity to continue operating the headquarters of our Mideast force, which happens to be located in Bahrain.

Bahrain has had a request before us for some time now for Stinger missiles, not because they want Stingers for the sake of Stingers but because over the course of the last few years there have been a number of Iranian attacks against Bahraini oil rigs in the Persian Gulf. Bahrain depends on the production and export of oil for its income. Right now it has no way of defending those oil rigs; yet, at the same time it is under tremendous pressure in Bahrain because it has permitted the United States to maintain a support facility in its country which is directly related to the operation of our fleet in the gulf.

Now over and over again I heard Members on both sides of the aisle saying whenever the question of arms sales to Gulf States comes up, when are these countries going to give us bases, when are they going to help us help them in the gulf. Here we have a country, Bahrain, which has been helping us very quietly for years and years. To a certain extent their security is jeopardized as a result of what they are doing for the United States. They are under tremendous pressure, and yet when they ask us for some limited help through the sale of Stingers to help them defend their installations, we now appear to be coming forward with an amendment which would preclude it.

I had been under the impression earlier today that a compromise version of this amendment had been worked out which included language which would have made it possible for the sale of Stingers to Bahrain to go forward. After the amendment was introduced, however, and it was on the floor, I subsequently discovered that the language differed from the language that had been shown to my staff earlier in the day, and that it was now drawn in a fashion that would preclude the sale of Stingers to Bahrain.

□ 1350

I now find out that I am precluded from offering an amendment to the en bloc amendments to correct this unfortunate omission. I want to serve notice that later on when we go into the full House or at any other appropriate moment if some parliamentary means can be devised to bring this issue before the House, I will do so, because I think that it is very important for us to avoid acting in ways that could put in jeopardy our men in the Persian Gulf.

The notion that the sale of Stingers to Bahrain is going to result in any significant increase in the threat of terrorism is sheer hogwash. The Mideast is already awash in hand-held missiles. There are plenty of Arab countries that have Soviet hand-held missiles. We have provided Stingers to plenty of other countries around the world. But to prevent the sale of Stingers now going forward to Bahrain when they have agreed in principle to all sorts of arrangements designed to prevent terrorists from getting hold of those Stingers and when by not selling those weapons to Bahrain in limited amounts for the purpose not of attacking Israel or any other country, but simply of defending their oil facilities we may be jeopardizing the security of our forces in the gulf it seems to me to be a serious mistake.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from New York [Mr. Solomon].

Mr. SOLOMON. I thank the gentleman for yielding.

Mr. Chairman, I have served with the gentleman in the well in various legislative bodies for 15 or 20 years. He has never made such great sense. I wish this was a special order that we were carrying on here this afternoon so that we could continue it not at the expense of the 10-hour rule. But I would just say to the gentleman, it is a shame that Mr. Smith of Florida will not withdraw his objection because we need to vote on this now and so we do not have a rollcall vote on the en bloc amendments.

The CHAIRMAN. The time of the gentleman from New York [Mr. Solarz] has expired.

Mr. SMITH of Florida. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Florida [Mr. Smith].

Mr. SMITH of Florida. I thank the gentleman for yielding.

Mr. Chairman, I hope the gentleman realizes that, "A," he and I have had a long-standing dispute about whether or not there should be Stingers proliferating and certainly I have not agreed prior to this to the fact that Bahrain or any other country should be exempted. I never made such an agreement with the gentleman. I want the record to be clear on that.

Mr. SOLOMON. If the gentleman will permit me to say so, I was informed by staff earlier in the day that the staff of the gentleman from Florida and the staff of the gentleman from California [Mr. Levine] had agreed to a formulation for this amendment which would have permitted an exemption not just for NATO countries and non-NATO countries, which he has already agreed to in the bill, but Bahrain as well. It turned out that that understanding is incorrect.

Mr. SMITH of Florida. Unfortunately, that understanding is incorrect for whatever reasons. I apologize to the gentleman. I want the gentleman to be aware.

Second, and more importantly, the only reason I wish the gentleman would understand—and I think he does——

The CHAIRMAN. The time of the gentleman from New York [Mr. Solarz] has again expired.

Mr. SMITH of Florida. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. Solarz] be allowed to proceed for 1 additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. SOLOMON. Mr. Chairman, reserving the right to object, I am not going to object to this one extension, but we are using up the 10 hours. It is not fair to the 160 amendments that we have to offer. We have to use some reasonableness here.

Mr. Chairman, I withdraw my reservation of objection.

(On request of Mr. Smith of Florida and by unanimous consent, Mr. Solarz was allowed to proceed for 1 additional minute.)

Mr. SMITH of Florida. Mr. Chairman, will be gentleman yield further?

Mr. SOLARZ. I yield to the gentleman from Florida [Mr. Smith].

Mr. SMITH of Florida. I thank the gentleman for yielding.

Mr. Chairman, I tell the gentleman that more importantly the only reason I objected to the gentleman's unanimous-consent request, which I said I would not object to, was the fact that there was not going to be a vote allowed on the amendment to modify. I certainly would want the gentleman to have the ability to present his argument.

Mr. SOLARZ. I understand that. And it was my impression when I asked unanimous consent that it would require a vote.

Mr. SMITH of Florida. I understand that and so we have no misunderstanding. I thank the gentleman for yielding.

The CHAIRMAN. The gentleman from New York [Mr. Solomon] has 1 minute remaining in the debate on the pending en bloc amendments.

Mr. SOLOMON. Mr. Chairman, I would just say that it is a shame that Mr. Smith had to object to the Solarz modification because this side of the aisle was not going to ask for a vote on the en bloc amendments if the House had accepted the Solarz amendment. Mr. SOLARZ has brought out so vividly what is wrong with this legislation and that is why we wanted the opportunity to vote individually on these individual amendments which have now been placed en bloc and it is a shame that things have broken down to this point.

Now we will have to ask for a vote on the en bloc amendments which we hate to do.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I would be pleased to yield to the chairman, the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. I thank the gentleman for yielding.

Mr. Chairman, the gentleman can do what he likes, of course, but let me say that I did not find this amendment in the RECORD anywhere. This bill has been no secret since January. This issue has been no secret all year.

And to leave the impression that all of a sudden some issue just simply kind of jumped up and we overlooked it is really not fair on the record. The issue has been here all the time. I think it is legitimate to debate it and to vote on it but to do something on this amendment because the other amendment was not in the RECORD or there is some complication about it is really not very fair. I hope the gentleman would reconsider.

Mr. SOLOMON. I have the greatest respect for the chairman, but when one of the most knowledgeable Members of this House, Mr. SOLARZ, was unaware of it, there is great reason to believe that many of the others on the floor did not.

The CHAIRMAN. All time has expired.

The question is on the en bloc amendments offered by the gentleman from Florida [Mr. FASCELL].

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. SOLOMON. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 322, noes 93, not voting 18, as follows:

[Roll No. 436]

AYES—322

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Aspin
Atkins
AuCoin
Ballenger
Bartlett
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bilbray
Bilirakis
Bliley
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brown (CA)
Brown (CO)
Bruce
Bryant
Buechner
Bustamante
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clarke
Clay
Coats
Coble
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Crane
Crockett
Darden
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Derrick
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
Edwards (OK)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gradison
Grandy
Grant
Gray (PA)
Green
Guarini
Hall (TX)
Hamilton
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Hertel
Hochbrueckner
Holloway
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Inhofe
Jacobs
Jeffords
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Lancaster
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Lowery (CA)
Lowry (WA)
Luken, Thomas
Mack
MacKay
Manton
Markey
Martin (IL)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McEwen
McGrath
McHugh
McMillen (MD)
Meyers
Mfume
Mica
Miller (CA)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Nagle
Natcher
Neal
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Rangel
Ray
Regula
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Rose
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schuette
Schumer
Sensenbrenner
Sharp
Shaw
Shays
Sikorski
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith, Denny (OR)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Sundquist
Swift
Synar
Tallon
Tauke
Tauzin
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOES—93

Armey
Badham
Baker
Barnard
Barton
Bateman
Bevill
Boulter
Bunning
Burton
Byron
Callahan
Chandler
Clinger
Combest
Craig
Daniel
Dannemeyer
Daub
Davis (IL)
Dickinson
Dornan (CA)
Dreier
Duncan
Emerson
Fawell
Gekas
Gingrich
Goodling
Gregg
Gunderson
Hammerschmidt
Hansen
Herger
Hiler
Hopkins
Houghton
Ireland
Jenkins
Johnson (CT)
Kolbe
Konnyu
Kyl
Lagomarsino
Latta
Leath (TX)
Lightfoot
Livingston
Lott
Lujan
Lukens, Donald
Lungren
Madigan
Marlenee
Martin (NY)
McCandless
McMillan (NC)
Michel
Miller (OH)
Montgomery
Myers
Nichols
Nielson
Oxley
Packard
Parris
Quillen
Rahall
Ravenel
Rhodes
Rogers
Schaefer
Schulze
Shumway
Shuster
Skeen
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stangeland
Stenholm
Stump
Sweeney
Swindall
Taylor
Thomas (CA)
Vucanovich
Walker
Wilson

NOT VOTING—18

Biaggi
Brooks
Broomfield
Cheney
Coelho
Courter
Coyne
DeWine
Dowdy
Frank
Gephardt
Gray (IL)
Hall (OH)
Hyde
Kemp
McCollum
Roe
Roemer

□ 1405

Mr. CALLAHAN changed his vote from "aye" to "no."

Messers. MOLINARI, INHOFE, BALLENGER, GALLEGLY, VALENTINE, and McEWEN changed their votes from "no" to "aye."

So the en bloc amendments were agreed to.

The result of the vote was announced as above recorded.

Mr. KOSTMAYER. Mr. Chairman, I move to strike the last word.

Mr. Chairman, very briefly, it is my intention to ask unanimous consent to withdraw my amendment, with the understanding that the $5 million in question, rather than being transferred from IMET to Development Assistance, will not be transferred but simply added to the final amount for development assistance in the bill.

With that understanding, Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. The Chair will state that the gentleman has stated he chooses not to offer his amendment. He has not at this point offered an amendment, so no unanimous consent at this point is required.

Mr. KOSTMAYER. That is correct, Mr. Chairman.

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. KOSTMAYER. I yield to the gentleman from Indiana.

Mr. HAMILTON. Mr. Chairman, I just want to say to the gentleman from Pennsylvania [Mr. KOSTMAYER] that we appreciate very much the fact that he did not offer his amendment. I think his understanding, as he stated it a moment ago, is correct.

Mr. KOSTMAYER. Mr. Chairman, I yield back the balance of my time.

AMENDMENT OFFERED BY MR. SWINDALL

Mr. SWINDALL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SWINDALL: Page 16, after line 7, insert the following:

SEC. 116. LIMITATIONS ON MILITARY ASSISTANCE.

(a) GENERAL ASSEMBLY VOTES—Funds authorized to be appropriated by this title may not be allocated to any country whose votes in the United Nations General Assembly Plenary differed from the United States position by more than 90 percent, as recorded in the most recent Department of State report entitled "Report to the Congress on Voting Practices in the United Nations".

(b) MOST RECENT REPORT DEFINED.—For purposes of applying subsection (a)—

(1) with respect to fiscal year 1988 assistance, the most recent such report shall be deemed to be the report dated April 23, 1987; and

(2) with respect to fiscal year 1989 assistance, the most recent such report shall be deemed to be the next annual report submitted after that date.

Mr. SWINDALL (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

□ 1415

Mr. SWINDALL. Mr. Chairman, the amendment in terms of its effect is fairly simple.

It would simply state that we will not allow any military assistance to be afforded to countries that oppose us in the United Nations General Assembly Plenary more than 90 percent of the time.

Potentially that is 16 countries that would be affected—8 in Asia-Pacific, 5 in Africa, 2 in America, and 1 in Eastern Europe.

Under the current law there would only be three countries affected. Those countries would be Benin in Africa, Algeria in the Near East, and the Yemen Arab Republic in the Near East and Asia.

Clearly, the purpose of this bill is more symbolic than anything else. I would hope that the purpose of our foreign aid, whether it be military or otherwise, is to allow those countries that are supportive of our policies to understand our joint commitment to one another.

If I have a criticism about my own amendment, it is the fact that 90 percent hardly sends that message; but I also recognize the clear political reality that if we were to place 50 percent as a cutoff line, we would lose the requisite amount of support to pass this type of amendment, so my purpose in offering this is to send a message to those countries that are recipients of military and foreign aid, that we do intend to require at least minimal support in the United Nations.

I must state that also we will have a similar amendment under title XI that states the same requirement will apply with respect to any foreign assistance; and of course, that will affect a good number more countries than we have under this.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. SWINDALL. I yield to the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, I thank the gentleman for yielding.

I want to commend the gentleman for his amendment. Four years ago I offered an amendment which became law which required the State Department to record and to keep track of the voting record of these countries, and to report to the Congress on an annual basis.

Now that they are doing so, we can see just how badly some of these countries are that receive some of the largesse from the American taxpayers.

I commend the gentleman for offering the amendment, and I support it.

Mr. SWINDALL. That report is referenced in section B, subparagraph 1, as well as next year's report.

Mr. BURTON of Indiana. Mr. Chairman, will the gentleman yield?

Mr. SWINDALL. I yield to the gentleman from Indiana.

Mr. BURTON of Indiana. Mr. Chairman, I thank the gentleman for yielding to me.

I, too, rise in support of this amendment, not just because of the message it sends or because of the three countries that it covers right now, but because a couple of years ago, and last year the State Department tried to get not only economic but military assistance for Mozambique, and I looked at the list on their support of the United States. They voted with us only 7.2 percent of the time, so if our State Department is successful in the future in getting military assistance for the Communist Government of Mozambique, maybe this legislation will help stop it once again.

I congratulate the gentleman on his amendment, and I urge every Member to vote for it.

Mr. LAGOMARSINO. Mr. Chairman, will the gentleman yield?

Mr. SWINDALL. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Chairman, I thank the gentleman for yielding.

There should be a price to pay for being opposed to the United States all the time. Ninety percent is virtually all the time.

You cannot accidentally vote with us more than 10 percent, so I think that not only does this prohibit the sale of arms to countries that do not vote with us, even 10 percent of the times, but it sends a message to the rest of the world that we are watching, and we take these things seriously.

Mr. SWINDALL. I would state to those Members who may be critical of this bill, because it does not go far enough, that it is important to at least set a standard.

I can assure the Members that in the future we will move to increase that standard, but first we need to place a standard, a minimal, and certainly 90 percent ought to be a minimal level; and it would potentially reach 16 countries.

COMPARISON OF THE 1986 VOTING RECORD OF THOSE COUNTRIES WHICH VOTED IN AGREEMENT WITH THE UNITED STATES ON LESS THAN 15 PERCENT OF THE PLENARY SESSION VOTES AND PROPOSED FISCAL YEAR 1988 U.S. ECONOMIC AND MILITARY ASSISTANCE

[Dollars in thousands]

Country	1986 plenary votes, percent agreeing with United States [1]	Proposed fiscal year 1988		
		Total assistance	Military assistance [2]	Development assistance [3]
Africa:				
Angola	6.8	0	0	0
Benin	9.8	$2,978	$75	$2,903
Burkina Faso	11.8	7,432	50	7,382
Burundi	14.2	2,140	140	2,000
Congo	12.3	680	40	640
Ethiopia	11.8	3,389	0	3,389
Gambia	11.1	6,408	40	6,348
Guinea	14.9	13,331	3,150	10,181
Madagascar	10.0	11,449	1,075	10,374
Mali	13.1	16,441	150	16,291
Mozambique	7.2	11,618	0	11,618
Nigeria	14.1	100	100	0
Seychelles	10.6	3,436	3,035	401
Tanzania	12.4	6,576	35	6,541
Uganda	13.6	7,669	100	7,569
Zambia	13.8	25,089	0	25,089
Zimbabwe	13.0	175	175	0
American republics:				
Cuba	6.8	0	0	0
Guyana	13.1	4,050	50	4,000
Nicaragua	9.3	0	0	0
Near East and Asia:				
Afghanistan	8.9	0	0	0
Algeria	7.4	100	100	0
Bahrain	13.6	0	0	0
Bhutan	14.4	0	0	0
Democratic Yemen	8.0	0	0	0
India	10.1	50,000	500	50,000
Indonesia	13.2	67,000	22,000	45,000
Iran	9.5	0	0	0
Iraq	8.8	0	0	0
Jordan	13.3	89,800	71,800	18,000
Kuwait	12.9	0	0	0
Laos	6.4	0	0	0
Lybia	6.2	0	0	0
Maldives	11.3	30	30	0
Qatar	12.3	0	0	0
Sri Lanka	14.5	16,950	160	16,790
Syria	7.9	0	0	0
United Arab Emirates	14.5	0	0	0
Vanuatu	14.2	0	0	0
Vietnam	6.4	0	0	0
Yemen Arab Republic	7.5	32,065	4,100	27,965
Europe:				
Albania	6.3	0	0	0
Cyprus	13.8	10,000	0	10,000
Hungary	12.8	0	0	0
Poland	12.0	0	0	0
Yugoslavia	13.1	100	100	0

[1] Data taken from the United States Department of State, "Report to the Congress on Voting Practices in the United Nations," Apr. 23, 1987.

[2] Data taken from the "Congressional Presentation for Security Assistance Programs: Fiscal Year 1988." Military aid includes IMET, FMS Credits and MAP.

[3] Data taken from the Agency for International Development, "Congressional Presentation: Fiscal Year 1988." Development assistance includes Economic Support Fund, Education and Human Resources Development, Child Survival, Health, Population Planning, Agriculture, Rural Development and Nutrition, and Selected Development Activities. These figues do not include Public Law 480.

FOREIGN AID RECIPIENTS BITE U.S. HAND IN U.N.

(By Jeane Kirkpatrick)

We Americans like to think of ourselves as "world leaders," but from time to time we discover that almost no one chooses to follow us. The refusal of allies to join or support economic or military sanctions against Libya came as a shock to many. Even more graphic evidence of the limits of U.S. influence could be found in the recently released State Department report of votes in the last U.N. General Assembly.

Only 19 of the United Nations' 159 members voted on the same side as the United States even half the time. Most of the time most countries voted against the position we supported.

The State Department, legislatively required to prepare the report, has traditionally paid little attention to U.N. votes—believing that what happens there has little or no relation to the world outside. But, in fact, the U.N. is a microcosm of global politics and U.N. votes reflect the real decisions of real governments about whom to stand with and against.

Diplomats do not like such forced, public choices. They prefer to deal in ambiguous declarations. "It is not impossible," they say, "at some future time."

Sometimes, however, governments must make clear decisions in public view. Italy could not avoid responding—yes or no—to a U.S. request to land a plane carrying the *Achille Lauro* hijackers, nor to our request that they hold terrorist Abu Abbas for extradition.

NATO allies could not avoid responding to the U.S. request that they join in economic sanctions against Libya. Prime Minister Thatcher could not avoid granting or refusing the U.S. request to use British-stationed planes to attack Libya.

The French and Spanish governments could not avoid answering the U.S. request to overfly their countries. And so forth. But in relations among governments, such clear questions and unequivocal answers are relatively rare—except in the United Nations.

There, governments must vote on virtually all the subjects in the world. The need to make public choices in a global context forces them to decide month after month, year after year, where they stand and with whom they stand, whom they dare to offend and whom they must accommodate. U.N. votes register these decisions and priorities.

Reading the report, one readily understands why many in the State Department (especially the Africa Bureau) have resisted compiling votes and have urged a methodology that would obscure, rather than illuminate, how nations vote.

In fact, patterns of U.N. voting closely resemble what we already know—but would rather not think about—concerning relations among nations.

The United States most often votes with the other industrial democracies. Israel most often votes alongside the United States (some 91.5% of the time) and is closely followed by other Western allies: Britain (86.6), West Germany (84.4), France (82.7), Belgium (82.3), Italy (81.9) and so forth.

It is hardly a surprise that among NATO allies Greece least often votes with the United States (33.3%). Greece is also the only ally whose president publicly denounces U.S. policy in Libya and Central America as similar to the continuing Soviet invasion, occupation and devastation of Afghanistan.

As agreement with the United States is greatest among the other industrial democracies, it is lowest among the Third World countries in the Soviet orbit.

In Africa, for example, the countries with sizable numbers of Soviet and Soviet-bloc military personnel are also those who least often agree with the United States—Ethiopia (9.3%), Benin (8.8), Libya (6.9), Mozambique (5.9), Algeria (5.1) and Angola (3.5).

Angola, which voted least often with the U.S., announced at about the same time as the release of the report that it would hence forth no longer even discuss problems with U.S. representatives. On the other hand, African countries who are generally closest to the U.S. and the West also register relatively high levels of agreement in U.N. votes: Ivory Coast (27.3%), Malawi (26.9), Liberia (23.7) and Zaire (23.1).

For the Americas and Asia, voting patterns also conform generally to what we know about the world. Canada and Grenada vote most often alongside the United States; Cuba and Nicaragua, least often. In Asia, Japan, Australia and New Zealand vote most often as we vote; South Yemen, Laos, Afghanistan, Vietnam and other Soviet client states, least often.

The most surprising aspect of the voting report is not what it tells us about the patterns of relations among nations, but what it reveals about the extent to which our views and values have become minority positions in the contemporary world, and the extent to which our government is willing to accept and support as "friends" countries who differ with us on virtually everything.

On more than 90 per cent of the votes, for example, India and Mozambique took a different position than the United States. Moreover, they disagreed with us on every "key" issue. Yet both receive substantial American economic assistance (Mozambique $19.6 million last year, India $155.7 million). And the heads of state of both were received at the White House by Ronald Reagan last year. Indeed, many countries that receive substantial amounts of U.S. aid voted opposite us on more than three-fourths of all votes, including issues of the greatest moral and political concern to Americans.

Sen. Robert Kasten (R. Wis.), author of the legislation requiring this report, commented that "we must therefore find ways" of securing greater support for our values and our interests from "nations that either depend on our defense umbrella, enjoy special trade advantage with the U.S. or successfully lobby for our aid dollars."

I agree. Progress toward this goal can be achieved. The recently concluded conference on African aid held under U.N. auspices indicates that some African countries are already turning away from the pro-Marxist, anti-U.S. "Third World" ideology, to more realistic and self-reliance strategies of development.

With the careful, clear-headed use of American resources, we can restore rather than dissipate U.S. influence and promote freedom and development in the process.

FOREIGN AID AND U.N. VOTING PATTERNS

[Dollars in thousands]

Country	U.S. economic/military assistance, fiscal year 1985	U.N. Voting Record, 40th General Assembly. Percent coincidence with U.S. votes (Yes/No)
African Bureau:		
Sudan	$253,220	15.5
Somalia	104,869	16.3
Liberia	81,153	23.7
Kenya	78,449	16.7
Zaire	67,734	23.1
Zambia	50,000	14.9
Senegal	47,196	19.3
Zimbabwe	36,214	14.6
Niger	32,793	17.6
Mali	32,096	11.1
Mozambique	30,000	5.9
Cameroon	27,406	18.0
Malawi	26,979	26.9
Rwanda	21,667	17.4
Botswana	21,227	17.4
Chad	20,717	18.0
Madagascar	19,680	10.6
Ghana	17,041	13.2
Lesotho	16,204	16.0
Mauritania	15,463	16.1
Guinea	11,722	12.1
Burkina Faso	10,855	13.1
Swaziland	9,856	22.0
Sierra Leone	8,715	18.3
Uganda	7,946	13.2
Djibouti	7,576	14.3
Togo	7,307	19.0
Mauritius	7,000	22.1
Gambia	6,354	14.9
Burundi	6,035	15.9
Central African Republic	4,136	20.9
Ethiopia	3,909	9.3
Tanzania	3,278	11.3
Guinea-Bissau	3,004	12.2
Cape Verde	2,795	11.9
Seychelles	2,472	11.9
Benin	2,124	8.8
Gabon	1,931	19.7
Equatorial Guinea	1,071	21.2
Congo	1,000	11.3
Comoros	400	12.1
Ivory Coast	161	27.3
Additional regional funds	110,792	
Total	1,220,547	
Latin America/Caribbean:		
El Salvador	$561,076	30.2
Honduras	282,571	29.8
Costa Rica	216,049	29.1
Dominican Republic	178,699	25.0
Jamaica	164,624	22.7
Guatemala	98,124	25.2
Panama	79,411	19.7
Peru	70,035	17.8
Ecuador	58,604	24.6
Haiti	55,021	23.8
Bolivia	44,135	18.5
Belize	24,730	37.8
Colombia	11,476	27.9
Grenada	11,191	71.7
Mexico	9,896	14.5
Paraguay	2,078	35.4
Brazil	750	16.0
Uruguay	100	18.1
Venezuela	96	19.0
Guyana	80	13.9
Barbados	69	20.3
St. Vincent	56	32.7
St. Lucia	48	26.2
Antigua	45	25.0
Bahamas	44	18.6
Suriname	42	16.2
Dominica	41	24.2
Trinidad and Tobago	39	17.9
St. Kitts-Nevis	26	50.0
Additional Regional Funds	253,410	
Total	2,122,566	
Asia/Near East/Europe:		
Israel	$3,350,000	91.5
Egypt	2,479,883	15.3
Turkey	879,490	38.1
Pakistan	638,013	16.1
Greece	501,366	33.3
Spain	414,926	55.6
Philippines	269,676	22.3
Korea	231,943	—
Portugal	207,959	75.0
Bangladesh	198,874	16.1
Jordan	191,877	14.2
India	176,049	8.9
Morocco	150,096	5.9
Indonesia	147,020	14.3

FOREIGN AID AND U.N. VOTING PATTERNS—Continued

[Dollars in thousands]

Country	U.S. economic/military assistance, fiscal year 1985	U.N. Voting Record, 40th General Assembly. Percent coincidence with U.S. votes (Yes/No)
Thailand	140,310	22.4
Tunisia	96,577	13.9
Sri Lanka	65,121	16.8
Oman	60,155	13.6
Yemen	46,955	9.0
Nepal	21,791	18.0
Burma	20,669	17.1
Lebanon	19,480	13.1
Cyprus	15,000	11.6
Malaysia	4,981	16.3
Fiji	2,484	26.0
Micronesia	2,361	—
Maldives	1,522	12.5
Western Samoa	1,166	27.4
West Bank	1,373	—
Solomon Islands	982	48.1
Papua New Guinea	971	23.1
Gaza	679	—
Tonga	648	—
Afghanistan	543	6.2
Kiribati	227	—
Yugoslavia	96	11.9
Algeria	64	5.1
Singapore	50	23.6
Austria	49	40.0
Tuvalu	34	—
Fiji (inland)	32	26.0
Iceland	22	62.4
Additional Regional Funds	49,334	
Total	10,390,848	

Source: Agency for International Development.

Congress Should Review Anti-U.S. Votes

(By Senator Bob. Kasten)

This is the Year of Liberty, the year during which we rededicated the Statue in New York Harbor that for the past century has welcomed to our shores and to a new life the oppressed, improverished citizens of the world.

In rededicating ourselves to the principles of liberty that make this nation great, we are also renewing our commitment as a nation blessed by prosperity to help those countries less fortunate than ourselves.

American largess is historic. It also is taken for granted. And while we should never as a nation turn our backs on those in need, we must seriously consider our priorities in giving aid to the world.

Consider this disturbing fact: the 159 member states of the United Nations voted against American interests in the General Assembly last year on average 80 per cent of the time.

That is the conclusion of the third annual "Kastan Report," the study of U.N. voting patterns done by the U.S. State Department in accordance with legislation I sponsored requiring these annual reports.

The report shows that once again Israel is our staunchest ally, siding with us on 91.5% of the votes before the General Assembly. A number of NATO allies—the United Kingdom, 86.6%; West Germany, 84.4%; France, 82.7%, up from 72% in 1984; Belgium, 82.3%; and Italy, 81.9%; all increased their support for the United States.

But, unfortunately, they were the exceptions to what is becoming a disturbing rule. Most of the time, on most of the critical issues facing our nation, we stand almost alone in the United Nations.

According to the State Department analysis, the key issues before the General Assembly included positions taken by the United Nations on terrorism, the Soviet invasion and continued occupation of Cambodia, the Arab-Israeli conflict, apartheid, human rights abuses in several countries, and efforts to delete instances of name-calling against various U.S. foreign policy positions.

It is a sad reality that we cannot even count on other NATO allies to support our positions with any consistency. Turkey and Greece, particularly, two countries which receive hundreds of millions of dollars in United States aid each year, voted consistently against us—Turkey 60% of the time and Greece 66% of the time.

Turkey refused to criticize human rights abuses in Iran and supported name-calling attacks against United States policy in the Middle East—both considered key votes by the State Department.

It should not be surprising that the strongest opposition to our position, in addition to Communist bloc nations in Eastern Europe, comes from the 21-member Arab group. It supported America on only 12.2% of the votes.

African nations, many of which look to America for the very survival of their people, gave us their support on only 15.1% of the votes.

There is a bright spot in the most recent "Kasten Report." Since our liberation of Grenada, that country has become an increasingly dependable friend in America at the United Nations. In 1983, Grenada opposed our position in the General Assembly more than 80% of the time. But in 1984, it supported us in 60% of the votes, and it has since raised its level of support to over 70%.

We are not attempting to buy votes with the aid we send to the needy nations of the world. But we do have the right to expect that if these nations aggressively seek our assistance, our money, and our protection, they in turn will support the positions that continue to keep our nation strong enough and vital enough to continue sending such assistance.

Yet, many of these nations are nowhere in sight when we need their support in the United Nations.

According to the most recent U.N. vote analysis, Egypt, a major recipient of United States foreign aid, opposed our positions a shocking 85% of the time. Even the Philippines supported us on only 22% of the General Assembly votes.

I urge all of my colleagues to carefully consider the pattern of voting by those nations who seek and receive our aid. In these times of cutting back we must place priorities not only on how our dollars are spent, but where.

The American people expect no less of the elected representatives.

U.N. Voting Record

(1985 U.N. General Assembly Fortieth Session)

SUPPORT OF U.S. POLICY NOT MATCHED BY FOREIGN AID DOLLARS

The Selous Foundation's first annual United Nations Voting Record is an examination of the votes and patterns of the U.N.'s 159 member-nations. This record is based upon data from the fortieth session of the United Nations General Assembly in 1985.

The purpose of this record is to graphically illustrate the enormity of U.S. foreign aid granted to nations which do not support the U.S. in the U.N.

Ten resolutions have been selected from the General Assembly to demonstrate the respective support or hostility of a given country towards Western democratic values. These 10 key resolutions are the most representative of Western interests and values, and are innumerated and explained herein.

The respective support of each country is summarized with a Selous rating. This rating indicates the percentage of incidence, based on the 10 key resolutions, by which these nations cast a vote in agreement with the U.S. position. Finally, the amounts of foreign aid the U.S. gave to these countries in 1985 is listed.

In the statistical analysis of the votes recorded on the 10 key resolutions, there are some important findings and conclusions.

When the ratings for each country regardless of the amount of U.S. foreign aid received are combined and averaged, the U.N. member-nations as a whole supported the U.S. position only 39.15% of the time. Support of the 99 nations to which the U.S. distributed over 13 billion dollars in foreign aid averaged 40.18%. The remaining 59 nations not receiving economic aid supported the U.S. position an average of 37.37% of the time.

Although it is impossible to determine just how much differently the aided nations would have voted had they not been recipients of U.S. aid, the figure of 40.18% support is nonetheless a rather weak one and significantly different from either the U.N. as a whole (39.15%) or those nations receiving no U.S. foreign aid (37.37%).

It can be reasonably concluded, therefore, that the billions of dollars in U.S. foreign aid annually distributed to these nations has not been a very effective investment in gaining their respect for the Western democratic values which the U.S. represents. In fact, of the 29 U.N. member-nations that did not cast even a single vote in support of the U.S. position on any of the 10 key resolutions, 11 were given a combined total of over $297 million in U.S. foreign aid in 1985 alone.

The United Nations Voting Record also provides three indices: the NATO Index, the Warsaw Pact Index and the Southern African Front States Index.

1. NATO comprising nations of the Western Alliance supported the U.S. position 84.93% of the time. And, five nations received slightly over 2 billion dollars in U.S. foreign aid.

2. The Warsaw Pact nations comprising the Soviet Alliance understandably supported the U.S. position 1.44% of the time and received no U.S. foreign aid, although many Warsaw nations are accorded Most Favored Nation (MFN) status by the U.S. Congress.

3. The Southern African Front Line States, regionally dependent on the economic infrastructure of South Africa, supported the U.S. position only 26.43% of the time, while 4 nations in this group received $117 million in U.S. foreign aid.

U.N. IDEALS UNREALIZED

1985 marked the fortieth anniversary of the signing by many nations of the U.N. Charter, the U.N.'s founding document of guidelines and principles. The letter and spirit of the Charter embodies three of the most important values so often violated today: the right of free peoples to determine their own forms of government unobstructed from outside interference; the principle of non-aggression by one nation toward another; and a strict adherence by all governments to vigilantly guard the human rights of their people.

The grand ideals the U.N. once personified no longer dominate this international body. Resolutions condemning Communist expansionism and its inherent institutionalized human rights abuses are a rare occurrence in the U.N. When such resolutions do come before the General Assembly, they are usually offset by a number of resolutions condemning "American Imperialism".

The U.S. contributes over one quarter of the U.N.'s annual budget, or one billion dollars. Unfortunately, the U.N. majority making the decisions in the General Assembly, where the U.S. has only one vote, does not pay the bills. Should the U.S. be giving so many of our tax dollars to an organization that, more often than not, undermines the very ideals for which it once stood?

If the U.N. is to have any constructive meaning in the future, it must be brought back to its original purpose. As a major underwriter, the U.S. should and must utilize its influence.

NATO INDEX

Belgium	86	0
Canada	50	0
Denmark	83	0
France	86	0
Greece	57	$501,366,000
Iceland	83	22,000
Italy	100	0
Luxembourg	100	0
Netherlands	100	0
Norway	83	0
Portugal	100	207,959,000
Spain	83	414,926,000
Turkey	63	879,490,000
United Kindgom	100	0
West Germany (FRG)	100	0
Group average (percent)	84.93	
Total U.S. foreign aid		2,003,763,000

WARSAW PACT INDEX

Byelorussia	0	0
Bulgaria	0	0
Czechoslovakia	0	0
East Germany (GDR)	0	0
Hungary	0	0
Poland	0	0
Romania	13	0
Ukraine	0	0
USSR	0	0
Group average (percent)	1.44	
Total U.S. foreign aid		0

SOUTHERN AFRICAN FRONT LINE STATES INDEX

Angola	0	0
Botswana	40	$21,227,000
Lesotho	44	16,204,000
Mozambique	0	30,000,000
Swaizland	43	0
Zambia	33	50,000,000
Zimbabwe	25	0
Group average (percent)	26.43	
Total U.S. foreign aid		117,431,000

RESOLUTIONS AND EXPLANATIONS

1. Vietnamese intervention in Kampuchea (Cambodia) Res. 40/7

The Vietnamese are called to immediately withdraw all troops from Kampuchea. It also states that Vietnam and all other countries are to respect the political and territorial integrity of Kampuchea. The U.S. voted "for" the resolution.

2. Soviet troops in Afghanistan Res. 40/12.

This resolution demands the withdrawal of all "foreign troops" from Afghanistan. It also urges the "interventionists" to allow the indigenous people of Afghanistan to decide its political system. The U.S. voted "for" the resolution.

3. Nuclear freeze Res. 40/90

All nations possessing nuclear weapons technology are to stop developing more sophisticated and advanced weapons systems. The U.S. was the only nation to cast a vote "against" the resolution.

4. Chemical and bacteriological weapons Res. 40/92C

This resolution prohibits the use, production, and stockpiling of these weapons. The U.S. voted "for" the resolution.

5. General and complete disarmament Res. 40/94H

This resolution calls for all nations possessing nuclear weapons technology to freeze their present nuclear arsenals as a first step towards weapons reduction and ultimately a total elimination of all nuclear weapons. The U.S. voted "against" the resolution.

6. Trade embargo against Nicaragua Res. 40/188

This resolution condemns the continuing U.S. trade embargo against Nicaragua and urges the U.S. to resume trade. The U.S. voted "against" the resolution.

7. Soviet human rights violations in Afghanistan Res. 40/137

This resolution objects to the horrifying human rights violations as a consequence of the Soviet invasion, occupation, and aggression. It expresses particular concern over the military repression being conducted among the civilian population and the military operations that are primarily targeted on villages and agricultural production. The U.S. voted "for" the resolution.

8. Ideologies of terror Res. 40/148

This resolution condemns Nazi, Fascist and neo-Fascist activities as the ideologies that practice terror on the basis of racial intolerance and hatred of certain social groups. This resolution never mentions Communism as an ideology of terror and thus received the full support of all Communist member-nations. The U.S. voted "against" the resolution.

9. The Condemnation of South Africa Res. 40/52

This resolution condemns the South Africa government. It also condemns all multi-national firms doing business in South Africa. Unlike the Communist countries of the world, South Africa did not have a vote on this resolution; they were expelled from the General Assembly in 1974. The U.S. voted "against" the resolution.

10. Third World economic redistribution Res. 40/100

As an effort to introduce massive grants from Western nations this resolution proposes to redistribute economic wealth to Third World countries. The U.S. voted "against" the resolution.

KEY TO U.N. VOTING RECORD

The Selous rating is the percentage of voting coincidence by a U.N. General Assembly member-nation in accordance with the United States' position on 10 selected key votes. Only yes (+)/no(–) votes are tabulated while abstentions and absences or zeros (0) are excluded from calculation.

+ denotes a vote in agreement with the U.S. position.

– denotes a vote opposed to the U.S. position.

0 indicates that the country abstained, was absent or chose not to participate in the vote.

	1	2	3	4	5	6	7	8	9	10	Percent	US foreign aid received in 1985
Afghanistan	–	–	–	–	–	–	–	–	–	–	0	$543,000
Albania	–	+	0	0	0	–	+	0	–	–	30	
Algeria	0	0	–	0	–	–	0	–	–	–	0	64,000
Angola	–	–	–	0	–	–	–	–	–	–	0	
Antigua and Barbuda	+	+	–	+	–	0	+	0	–	–	50	45,000
Argentina	+	+	–	+	–	–	+	–	–	–	40	
Australia	+	+	0	+	0	–	+	0	–	0	67	
Austria	+	+	–	+	–	–	+	–	0	0	50	49,000
Bahamas	+	+	–	+	–	–	0	0	–	–	38	44,000
Bahrain	+	+	–	0	–	0	0	–	–	–	29	
Bangladesh	+	+	–	+	–	0	+	–	–	–	44	198,874,000
Barbados	+	+	–	+	–	0	+	0	–	–	50	69,000
Belgium	+	+	0	+	+	0	+	0	+	0	86	
Belize	+	+	0	0	0	0	+	0	0	–	75	24,730,000
Benin	0	0	–	0	–	–	–	–	–	–	0	2,124,000
Bhutan	+	0	–	+	–	0	0	–	–	–	67	
Bolivia	+	+	–	+	–	–	0	–	–	–	33	44,135,000
Botswana	+	+	–	+	–	–	+	–	–	–	40	21,227,000
Brazil	+	+	–	+	–	–	+	–	–	–	40	
Brunei Darussalam	+	+	–	+	–	0	+	–	–	–	44	
Bulgaria	–	–	–	–	–	–	–	–	–	–	0	
Burkina Faso	+	+	–	+	–	–	0	–	–	–	33	10,855,000
Burma	+	+	–	+	–	–	0	–	–	–	33	20,669,000
Burunidi	+	+	–	+	–	–	0	–	–	–	33	6,035,000
Byelorussia	–	–	–	–	–	–	–	–	–	–	0	
Cameroon	+	+	–	+	–	–	0	–	–	–	33	27,406,000
Canada	+	+	0	+	+	0	+	0	0	0	50	
Cape Verde	0	0	–	+	–	–	0	–	–	–	14	2,795,000
Central African Republic	+	+	–	+	–	0	0	–	–	–	38	4,136,000
Chad	+	+	–	+	–	0	+	–	–	–	44	20,717,000
Chile	+	+	–	+	–	0	+	–	–	–	44	
China	+	+	0	+	0	–	+	–	–	–	50	
Colombia	+	+	–	+	–	–	+	–	–	–	40	11,476,000
Comoros	+	+	–	+	–	–	+	–	–	–	40	400,000
Congo	–	0	–	0	–	–	0	–	–	–	0	1,000,000
Costa Rica	+	+	0	0	0	–	+	–	–	0	43	216,049,000
Cuba	–	–	–	–	–	–	–	–	–	–	0	
Cyprus	0	0	–	0	–	–	0	–	–	–	0	15,000,000
Czechoslovakia	–	–	–	–	–	–	–	–	–	–	0	
Denmark	+	+	0	+	+	–	+	0	0	0	83	
Djibouti	+	+	–	+	–	0	+	–	–	–	44	7,576,0000
Dominica	+	+	0	0	0	0	0	0	0	0	100	41,000
Dominican Republic	+	+	–	+	–	–	+	–	–	–	40	178,699,000
Ecuador	+	+	–	+	–	0	0	–	–	–	38	58,604,000
Egypt	+	+	–	+	–	0	+	–	–	–	44	2,479,883,000
El Salvador	+	+	–	+	–	0	+	–	0	–	50	561,076,000
Equatorial Guinea	+	+	–	+	–	0	+	–	–	–	44	1,071,000
Ethiopia	–	–	–	0	–	–	–	–	–	–	0	3,909,000
Fiji	+	+	–	+	–	0	+	–	–	–	44	2,484,000
Finland	0	0	–	+	–	–	0	–	0	0	20	
France	+	+	0	+	+	–	+	0	+	0	86	
Gabon	+	+	–	+	–	0	+	–	–	–	44	1,931,000
Gambia	+	+	0	0	0	+	+	–	–	–	57	6,354,000
Germany, East (GDR)	–	–	–	–	–	–	–	–	–	–	0	
Germany, West (FRG)	+	+	0	+	+	0	+	0	+	0	100	
Ghana	+	+	–	+	–	–	0	–	–	–	33	17,041,000
Greece	+	+	–	+	–	–	+	0	0	0	57	501,366,000
Grenada	+	+	–	0	–	+	+	0	0	0	67	11,191,000
Guatemala	+	+	–	+	–	0	0	–	–	–	38	98,124,000
Guinea	+	+	–	+	–	–	0	–	–	–	33	11,722,000
Guinea-Bissau	0	0	–	+	–	–	0	–	–	–	14	3,004,000
Guyana	0	+	–	+	–	–	0	–	–	–	25	80,000
Haiti	+	+	–	+	–	–	0	–	–	–	33	55,021,000
Honduras	+	+	–	+	–	0	+	–	–	–	44	282,571,000
Hungary	–	–	–	–	–	–	–	–	–	–	0	
Iceland	+	+	0	+	+	–	+	0	0	0	83	22,000
India	0	0	–	0	–	–	–	–	–	–	0	176,049,000
Indonesia	+	+	–	+	–	–	0	–	–	–	33	147,020,000
Iran	0	+	–	+	–	–	0	–	–	–	25	
Iraq	0	0	–	0	–	–	0	–	–	–	0	
Ireland	+	+	0	+	–	0	+	0	0	0	80	
Israel	+	+	0	+	+	+	+	+	0	0	100	3,350,000,000
Italy	+	+	0	+	+	0	+	0	+	0	100	
Ivory Coast	+	+	–	+	–	0	+	–	0	–	50	
Jamaica	+	+	0	+	0	0	+	0	–	–	67	
Japan	+	+	0	+	+	0	+	0	0	0	100	
Jordan	+	+	–	0	–	0	+	–	–	–	38	191,877,000
Kampuchea (Cambodia)	+	+	0	+	0	0	+	0	–	–	67	
Kenya	+	+	–	+	–	–	+	–	–	–	40	78,449,000
Kuwait	+	+	–	0	–	0	0	–	–	–	29	
Laos	–	–	–	–	–	–	–	–	–	–	0	
Lebanon	0	+	–	0	+	0	0	–	–	–	17	19,480,000
Lesotho	+	+	–	+	–	–	+	–	0	–	44	16,204,000
Liberia	+	+	–	+	–	–	0	–	–	–	33	81,148,000
Libya	–	–	–	–	–	–	–	–	–	–	0	
Luxembourg	+	+	0	+	+	0	+	0	+	0	100	
Madagascar	0	–	–	0	–	–	0	–	–	–	0	19,680,000
Malawi	0	+	–	+	–	0	+	–	0	0	50	26,979,000
Malaysia	+	+	–	+	0	–	+	–	–	–	44	4,981,000
Maldives	+	+	–	+	0	–	0	–	–	–	38	1,522,000
Mali	+	0	–	+	–	–	0	–	–	–	25	32,096,000
Malta	+	+	–	+	0	–	0	–	–	–	38	
Mauritania	+	+	–	+	0	0	0	–	–	–	43	15,463,000
Mauritius	+	+	–	+	–	0	0	–	–	–	38	7,000,000
Mexico	0	+	–	0	–	–	+	–	–	–	25	9,896,000
Mongolia	–	–	–	–	–	–	–	–	–	–	0	
Morocco	+	+	–	+	0	0	+	–	–	–	50	150,096,000
Mozambique	0	0	–	0	–	–	0	–	–	–	0	30,000,000
Nepal	+	+	–	+	–	0	0	–	–	–	38	21,791,000
Netherlands	+	+	0	+	+	0	+	0	+	0	100	
New Zealand	+	+	0	+	0	–	+	0	–	0	67	
Nicaragua	–	0	–	0	–	–	–	–	–	–	0	
Niger	+	+	–	+	–	0	+	–	–	–	44	
Nigeria	+	+	–	+	–	–	0	–	–	–	33	32,793,000

	1	2	3	4	5	6	7	8	9	10	Percent	US foreign aid received in 1985
Norway	+	+	0	+	+	−	+	0	0	0	83	
Oman	+	+	−	0	−	0	+	0	−	−	43	60,155,000
Pakistan	+	+	−	+	−	0	+	−	−	−	44	638,013,000
Panama	+	+	−	+	−	−	+	−	−	−	40	79,411,000
Papua New Guinea	+	+	−	+	−	−	+	0	−	−	44	971,000
Paraguay	+	+	0	+	0	0	+	0	0	0	100	2,078,000
Peru	+	+	−	+	−	−	+	−	−	−	40	70,035,000
Philippines	+	+	−	+	−	0	+	−	−	−	44	269,676,000
Poland	−	−	−	−	−	−	−	−	−	−	0	
Portugal	+	+	0	+	+	0	+	0	+	0	100	207,959,000
Qatar	+	+	−	0	−	−	0	−	−	−	25	
Romania	0	0	−	+	−	−	−	−	−	−	13	
Rwanda	+	+	−	+	−	0	+	−	−	−	44	21,667,000
Saint Lucia	+	+	−	+	0	0	+	−	−	−	50	48,000
Saint Vincent	+	+	−	+	−	0	+	−	0	0	57	56,000
Samoa	+	+	−	+	−	0	+	0	−	−	50	
Sao Tome and Principe	0	0	−	+	0	−	0	−	−	−	17	
Saudi Arabia	+	+	−	0	−	0	+	−	−	−	38	
Senegal	+	+	−	+	−	0	+	−	−	−	44	47,196,000
Seychelles	0	0	−	0	−	−	0	0	−	0	0	2,472,000
Sierra Leone	+	+	−	+	0	+	+	−	−	−	56	8,715,000
Singapore	+	+	−	+	−	0	+	0	−	−	50	50,000
Solomon Islands	+	+	−	+	−	0	0	0	−	0	50	982,000
Somalia	+	+	−	+	−	0	+	−	−	−	44	104,869,000
Spain	+	+	0	+	+	−	+	0	0	0	83	414,926,000
Sri Lanka	+	+	−	+	−	−	0	−	−	−	33	65,121,000
St. Christopher	+	+	−	+	0	+	+	0	0	−	71	26,000
Sudan	+	+	−	+	−	0	+	−	−	−	44	253,220,000
Suriname	+	+	−	+	−	−	0	−	−	−	33	42,000
Swaziland	+	+	−	+	−	0	0	−	0	−	43	
Sweden	+	+	−	+	−	−	+	−	0	0	50	
Syria	−	−	−	−	−	−	−	−	−	−	0	
Tanzania	0	+	−	+	−	−	0	−	0	−	29	3,278,000
Thailand	+	+	−	+	0	0	+	−	−	−	50	140,310,000
Togo	+	+	−	+	−	0	+	−	−	−	44	7,307,000
Trinidad and Tobago	+	+	−	+	−	−	0	−	−	−	33	39,000
Tunisia	+	+	−	+	−	−	0	−	−	−	33	96,577,000
Turkey	+	+	0	+	+	0	+	−	−	−	63	879,490,000
Uganda	0	+	−	0	−	−	0	−	−	−	14	7,946,000
Ukraine	−	−	−	−	−	−	−	−	−	−	0	
United Arab Imirates	+	+	−	0	−	−	0	−	−	−	25	
United Kingdom	+	+	0	+	+	0	+	0	+	0	100	
U.S.S.R	−	−	−	−	−	−	−	−	−	−	0	
Uraguay	+	+	−	+	−	−	+	−	−	−	40	100,000
Vanuata	0	+	−	+	−	−	0	−	−	−	25	
Venezuela	+	+	−	+	−	−	+	−	−	−	40	96,000
Vietnam	−	−	−	−	−	−	−	−	−	−	0	
Yugoslavia	+	+	−	0	−	−	0	−	−	−	25	96,000
Zaire	+	+	−	+	−	0	0	−	−	−	38	67,734,000
Zambia	+	+	−	+	−	−	0	−	−	−	33	50,000,000
Zimbabwe	0	+	+	−	−	−	0	−	−	−	25	
Yemen Arab Republic North	0	0	0	−	−	−	0	−	−	−	0	46,955,000
Yemen, South (PDR)	−	−	−	−	−	−	−	−	−	−	0	

AMENDMENT OFFERED BY MR. SMITH OF NEW JERSEY TO THE AMENDMENT OFFERED BY MR. SWINDALL

Mr. SMITH of New Jersey. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. SMITH of New Jersey to the amendment offered by Mr. SWINDALL: at the end of subsection (a), strike the period and add the following: ", unless the President determines, and reports to the Congress, that national security or humanitarian reasons justify furnishing such assistance to that country."

At the end of the amendment, strike the period and add the following: ", and

"(3) With respect to such assistance for each fiscal year thereafter, the most recent report shall be deemed to be the last such report submitted before that fiscal year begins."

Mr. SMITH of New Jersey (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SMITH of New Jersey. Mr. Chairman, I share the deep concern of the gentleman from Georgia over the lack of solidarity expressed by our allies in U.N. voting practices.

In the Middle East, except Israel, which is our most reliable friend, a number of countries including Egypt, Saudi Arabia, and Kuwait have seldom backed United States positions more than 15 percent of the time.

Clearly, a U.N. scorecard is a useful barometer in determining friendship with the United States. It should not be the last word.

My amendment provides the President the flexibility to waive the ban on funding to a country, if that country's voting practice falls below the 10 percent of support as envisioned by the Swindall amendment.

The waiver would be triggered if the President determines in reports to the Congress that national security or humanitarian reasons justify assistance to that country.

I want to thank the gentleman from Pennsylvania [Mr. YATRON], the chairman of the Subcommittee on Human Rights and International Organizations, and a real leader in the area of U.N. issues, for the gentleman's support and for his leadership throughout the years on behalf of these issues.

Mr. YATRON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Pennsylvania.

Mr. YATRON. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I share the gentleman's concerns regarding the adverse foreign policy implications of countries consistently voting against the United States at the United Nations. I agree that U.N. voting patterns should be an important factor in dispensing military assistance to these countries, but not the sole consideration.

Behavior at the U.N. is but one dimension of a country's relations with the United States. Economic, strategic, and political factors are also extremely important. In addition, many issues at the U.N. are resolved by consensus in which countries with low scores on recorded votes may have been instrumental in supporting our position.

The amendment is too rigid and may jeopardize our ability to improve relations with certain countries, as well as place excessive burdens on existing relations with others. I believe the substitute is a more prudent way of emphasizing the importance of U.N. voting without placing undue constraints on the ability of the President to conduct foreign policy.

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Indiana.

Mr. HAMILTON. Mr. Chairman, I thank the gentleman for yielding to me.

I want to observe that we accept the amendment of the gentleman from New Jersey, and we commend the gentleman from New Jersey for offering the amendment.

Mr. SWINDALL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Jersey. I yield to the gentleman from Georgia.

Mr. SWINDALL. Mr. Chairman, I thank the gentleman for yielding.

I accept the gentleman's amendment. I think that it is an important part of making certain that the President of the United States still controls foreign policy in this country; and for that reason, I accept the gentleman's amendment as a statement to that effect.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. SMITH] to the amendment offered by the gentleman from Georgia [Mr. SWINDALL].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. SWINDALL], as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. DORGAN OF NORTH DAKOTA

Mr. DORGAN of North Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORGAN of North Dakota: Page 7, line 11, strike out "$1,033,716,000" both places it appears and insert in lieu thereof "$950,000,000".

Mr. DORGAN of North Dakota. Mr. Chairman, I would like to explain what this amendment is about. It is about the grant Military Assistance Program called MAP.

The MAP Program surely has to be one of the fastest-growing areas of Federal expenditure in the U.S. budget. It has increased by 840 percent since 1981.

I want to restate that. Here is a program that has increased by 840 percent in the last 7 years.

At exactly the same time that the Military Assistance Program is increasing by 840 percent, Food for Peace has decreased 20 percent over this same 7-year period.

Something is out of whack in our spending priorities. Back in the 1970's the MAP Program, which was born in the early days of the cold war to provide special security assistance to certain areas that needed it, back in the mid-1970's Congress indicated it intended to terminate this program. Then we had about five countries getting $80 million worth of assistance from the MAP Program.

We have not terminated it. Now we have 40 countries that get nearly $1 billion from the MAP Program.

What do we do about something like that? We have got folks sitting downstairs here in this building this afternoon trying to deal with the budget crisis. Meanwhile, we have a bill on the floor here that authorizes certain expenditures, and included in that bill is the MAP account which has increased 840 percent in 7 years, and some Members will stand up and say, we do not want you to touch that, it injures the balance of this bill.

My proposal freezes the MAP funds at last year's level; it is a $83-million decrease to $950 million.

□ 1430

The question here, Mr. Chairman, is can we freeze a program or can we not, not can we kill a program; clearly, Congress at one point said it wanted to terminate this program, but I was on the floor of the House 4 years ago trying to cut some money from this MAP Program. At that point it was around $500 million. Now it is projected in this bill to be over a billion dollars, so we are not killing anything.

The question is can we freeze it?

Our priorities are completely out of whack. We know this is not what the world needs. The world out there in countries that are less developed, countries that need our assistance, need food. They need medicine. They need education. They do not need an 840-percent increase in MAP, the Military Assistance Program Fund. It is crazy. It is just nuts.

Are we going to stand up and take a look at accounts like this in the budget and say that we are not prepared to authorize these kinds of increases? Are we prepared to do that? I hope so.

We lost by one vote a few years ago in an attempt to freeze this program account, one vote on the floor of the House.

I offer this freeze amendment on behalf of myself and my colleagues, Mr. JEFFORDS, Mr. LEACH, Mr. HALL of Ohio, Mr. DOWNEY, and Mr. PENNY.

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield?

Mr. DORGAN of North Dakota. I am happy to yield to my friend, the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I am pleased to join my colleague in this amendment. I realize that the Foreign Affairs Committee has been given an extremely difficult task in the formulation of the authorization bill for fiscal years 1988 and 1989. The committee is in the unenviable position of having to balance the pressure of the administration's demands for greater foreign assistance funding against the constraints of the House budget resolution. I compliment the committee on their tenacity in the struggle to formulate an authorization bill.

However, I must take issue with the 8-percent increase recommended by the committee for the MAP Program.

Three years ago, my colleague, the gentleman from North Dakota, and I attempted to freeze the MAP account authorization at existing levels—$423 million. We fell one vote shy of success. Today, we are faced with a MAP authorization more than double that amount—over $1 billion.

Knowing the seriousness of our current fiscal dilemma, I feel it is irresponsible to allow more growth in the MAP account.

MAP was never intended to be the primary component of our security assistance program. The Foreign Military Sales Program provides the bulk of that assistance in the form of loans. MAP was designed to provide emergency military grant aid to indigent nations faced with a sudden security threat. Surely, the world situation has not degenerated so severely since 1981 as to warrant almost a thousand percent increase in such assistance.

Let's put MAP funding in perspective for a moment. Since 1981, the military aid component of U.S. foreign aid has increased by 80 percent. By contrast, bilateral development aid as increased by only half that amount. And food aid has actually decreased by 20 percent over the past 7 years. Yet, if our goal of our foreign aid programs is really to promote international security and development, as the title of this bill indicates, then we should be relying more on development assistance and less on military solutions.

Mr. Chairman, we are all aware of the severity of our current Federal deficit and the resulting fiscal crisis. Even as we speak, representatives of the House, the Senate and the administration are struggling to come up with an acceptable way to cut Federal spending.

I believe we have no business undermining the progress of those efforts by allowing an increase in MAP above last year's level.

I just want to join him in this amendment. If my memory is correct, I think the gentleman has already stated that this program during a period of time when we have had very little inflation, from 1981 until this present, has gone from $110 million up to over a billion dollars. When the gentleman and I offered a similar amendment 3 years ago, MAP was at $423 million, and now it has increased during a period of time when we had about 15 percent inflation. It has doubled, over 100 percent.

It is also my understanding that, fortunately, the appropriations level is still below this, so we really are just making sure that we keep the appropriation process down at a lower level.

Now, there have been a couple of questions asked of me, and I would like the gentleman to clear them up for me.

The question has been asked of me, does this affect Egypt or Israel in any way? Would the gentleman answer that for me?

Mr. DORGAN of North Dakota. The answer is this has no effect on aid to Israel and Egypt. That is not what the MAP Program is about. It will not affect Israel. It will not affect Egypt.

Mr. JEFFORDS. Also there has been concern raised by some that it might interfere with our ability to compliance with our base agreements. It is my understanding that there is a best efforts requirement in the base agreements and they do not have to have an open ticket, so to speak, to renegotiate those. There are other areas that aid can be utilized in those agreements, other than the MAP Program. Is that correct?

Mr. DORGAN of North Dakota. That is exactly the case. In fact, I have the language with me for some of the base agreements in Spain, Turkey, Greece, Portugal, and the Philippines. This amendment need not impair or impact those base agreements.

In fact, the authorization bill that comes to us today has a $400-million contingency account which I am tempted to deal with, but will not. The base agreements are not going to be affected by what we are trying to do to freeze this MAP Program, especially in view of this special $400 million base rights account on title XII.

The CHAIRMAN. The time of the gentleman from North Dakota has expired.

Mr. LEACH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. DORGAN of North Dakota. I am happy to yield to the gentleman from Iowa.

Mr. LEACH of Iowa. Mr. Chairman, the gentleman's amendment, of course, is across the board for this program; but just in reference to taking a microcosm problem, the Arms Control and Foreign Policy Caucus last week issued a report that indicated that by a 3-to-1 margin, assistance to El Salvador is now military, as contrasted with economic assistance.

Speaking this morning on the Senate side of this building was a Lutheran bishop from El Salvador, Bishop Gomaz, who has been jailed in that country by the right, who serves in refugee camps. Many people are there because of leftist insurrection. He says that increasingly in that country not only is the war not being won with this kind of assistance, but America is being perceived as a country supplying aid to curtail life, rather than to expand life.

I think we have here truly an issue of priorities, and whether we want to continue down this route of ever escalating military assistance when what the world is crying out for is for food and shelter and the types of things that can win the hearts and minds of people, not to end their lives.

Mr. Chairman, I think this is a very modest amendment that should be supported, and I congratulate the gentleman for bringing it to this body.

Mr. DORGAN of North Dakota. Well, Mr. Chairman, I appreciate the gentleman's remarks.

Let me just point out that some of the countries, for example among the 40 countries projected for MAP funds are Haiti and Zaire. I was recently in Haiti. Haiti does not need military assistance from the United States. Haiti is desperately poor. It needs education. It needs food. It needs health care. It needs democracy. That is what it needs from this country. I mean, it needs a million dollars in military support like California needs medflies. Haiti does not need that sort of thing. Haiti needs our help in the form of the right kinds of foreign aid that this country can provide. Our grain bins are bulging. It needs food. We can provide help and education.

The gentleman from Iowa is exactly right about Central America, too. Our priorities are out of whack. And how do we put them back on track? We pass this amendment to freeze this account and say to the House of Representatives, "We insist that we get our foreign aid priorities back in order."

It is crazy to have an 800-percent increase in MAP funds and a 10- to 20-percent cut in Food for Peace and that is what has happened in the last 7 years. I hope the House of Representatives will pass what is a modest amendment, but certainly a necessary one.

Mr. HAMILTON. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, first let me say to my friend, the gentleman from North Dakota, that I can certainly appreciate some of the concerns that prompt him and his colleagues to offer this amendment. I share some of his views about the very rapid increase in the Military Assistance program, but nonetheless, I am constrained to oppose the amendment for several reasons.

First of all, the committee has already cut the executive branch request by over $300 million. Now, that is about a 25-percent reduction.

Now, we have got a very practical problem here. We are trying to enact a bill, and in order to enact that bill we are going to have to have the support certainly of the President and his administration. They are already unhappy with the fact that we have cut so sharply into the Military Assistance Program recommendation that they have made so that is the first reason. The committee has already cut about 25 percent from the executive branch request.

Now, secondly, the amendment offered by the gentleman from North Dakota is kind of an across-the-board amendment. It does not say where these cuts are to be made. The committee mark has already tried to examine the Executive request in view of the competing priorities and claims of the several countries, and we have come up, we think, with a difficult judgment, but nonetheless sensible cuts in view of the priorities and challenges that confront nations around the world; so we do not think it is wise then to have a shotgun approach to reduce the Military Assistance Program.

The third point I would make in opposition to the amendment is simply this. If we assume, and I think it is realistic to assume, that the executive branch is going to protect the base rights facilities because of the importance of those countries to our national security, then the impact of the Dorgan amendment would be to make a 50-percent cut in the grant military assistance to the countries in Central America, and it would mean an 80-percent cut in the military assistance to the countries in the Middle East.

In other words, you would have very drastic reductions in Central America, which we all recognize to be critical at the present time, as well as the Middle East.

Moreover, this kind of an amendment would eliminate all grant military assistance to 18 recipient countries in Africa and Asia.

So while I fully appreciate the reasons that the gentleman from North Dakota has put forward his amendment and have some sympathy for that, I really think that this would be a very, very sharp reduction in the Military Assistance Program and would cause great damage to the national security interests of the United States.

PARLIAMENTARY INQUIRY

Mr. SOLOMON. Mr. Chairman, I have a parliamentary inquiry.

Mr. CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. SOLOMON. Mr. Chairman, are we on a 10 and 10-minute time limitation here, or are we under the 5-minute rule?

Mr. CHAIRMAN. The Committee is proceeding under the 5-minute rule.

Mr. SOLOMON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I just want to say that I concur with the remarks of the distinguished chairman of the European Middle East Subcommittee. This amendment is ill conceived and very little work had gone into it, evidently, because it does cut across the board. It cuts base rights treaties that we have with other countries. We cannot do that, any more than we can deal with the next amendment that is coming up; so I will just concur with the remarks of the gentleman from Indiana [Mr. HAMILTON].

Mr. TRAFICANT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. I have listened to some of the debate and I have been watching debates on the cuts and the fervor for cuts in the House on every bill that comes before us. Every time it comes before us, Members come to me and they say, "Traficant, how are you going to put the deficit crisis in America in order if you are not willing to vote for cuts?"

Well, listen to the types of cuts that you have brought to me and other Members. You have brought cuts that deal with education, Pell grants, revenue sharing, vocational education, worker training, and pension programs.

You have brought so many cuts that deal with people programs that you have made it almost impossible for anybody with priorities like mine to make a cut; so today you are having the other side of the issue. Those that want to be fiscally responsible talk about making some cuts.

I think where Congress should be looking is at NATO and the tremendous amount of money we spend to protect NATO and other countries.

Second of all, foreign aid, which definitely makes a whole lot of sense that we should be looking at, and certain programs that benefit every country except America.

Let us talk about the Military Assistance Program and let us talk about foreign aid, which has risen dramatically since 1980 to 1987, over 40 percent, where domestic programs have been cut more than 21 percent, and you are going to come back and say, "Traficant, how can you justify revenue sharing? This is pork barrel."

I say the pork barrel that has got to be cut is the pork barrel we are dealing with right now.

Mr. Chairman, I support the Dorgan amendment, and it is not enough. I have one that will follow it. His is about 10 percent, which is really a freeze. I am saying a freeze is not enough. Let us start cutting some real dollars. Mine will be 20 percent. It will cut $1.7 billion in the next 2 years and it will still leave with my cuts over $21 billion for foreign aid.

Let us start talking about some charity at home here, folks. We have a group that is meeting on the deficit right now. They are talking about throwing out COLA's. They are talking about going along with the President. He got his way last year. He wanted to eliminate Federal revenue sharing, and he did. Now he wants to eliminate vocational education. Is that next?

He wants to eliminate and cut drastically the Pell grants. Is that next?

He wants to get rid of the Appalachian Regional Commission. Is that next?

He wants to throw out urban development action grants. Is that going to be next?

I will tell you this. If that is going to be next, to the guy who said that, what should be first is right here, and if you want my vote in any of those domestic programs, I want to see on the record where you are going to vote on this.

Mr. LELAND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of my colleague Mr. DORGAN's amendment to freeze the Military Assistance Program at fiscal year 1987 funding levels. Mr. Chairman, the MAP program has expended at an incredible rate over the past 6 years. The more than $1 billion included in this bill for MAP would represent an 840 percent increase in MAP funding since 1981.

The expansion of the MAP program and other military assistance programs has been paid for by cutting back on development assistance. In the same 6 years that MAP increased eightfold, development assistance experienced a 16-percent cut in funding.

This cannot be allowed to continue. We must start to bring our foreign aid program back into balance. The American public would not support large increases in foreign military grants at the expense of programs to feed the hungry, to prevent illness, to promote food production, to provide basic education in developing countries. It is time that we put an end to this transfer for funding and put together a foreign aid program which is more balanced, more sensible, and more humanitarian. Freezing the MAP program would be an intelligent first step in this direction.

I strongly urge my colleagues to support the Dorgan amendment.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. LELAND. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. Mr. Chairman, let me clear up a point raised by the gentleman from New York [Mr. SOLOMON] and also, I believe, by the gentleman from Indiana [Mr. HAMILTON]. Our amendment is not an across-the-board cut. I repeat, it is not an across-the-board cut.

This is a freeze which puts a cap on the amount of money that can be spent but protects the President's flexibility in determining where it can be spent.

I just want that to be understood. The allegation that it is an across-the-board cut that will somehow be detrimental to this country or that country, or this account, or that account, is wrong.

The second point I want to make is on the base rights question. The last time this was debated on this floor we were absolutely smothered by people who talked in a priesthood language that I do not understand about foreign aid and accounts, and bills, and they talked about all these base rights and obligations.

The fact is they have put $400 million in this bill as a contingency amount to deal with their base rights problems if they have some specific base rights problems. But the base rights that have been negotiated themselves say, and I have the language but I will not read it, but as to Spain, Turkey, Greece, the Philippines, Portugal, it does not mandate a fixed amount. It talks about "best efforts." So the base rights argument, with all due respect, is a bogus argument.

The question is are we willing to do a modest amount of cutting from the recommendations brought to the floor on the MAP. They suggest an 8-percent increase. They say that is reasonable because the administration suggested a much larger increase.

The fact is that all the programs we are asked to cut on the domestic side of the budget are tough cuts, but most of us are willing to vote on them. I do not think we should stand here and say that we support another increase in the MAP Program, which was supposed to have been terminated in the late 1970's, to a level over $1 billion with military money going to countries like Haiti and Zaire, and the list goes on for 40 countries. It is wrong. What we are trying to do is right and I hope the Members will support it.

Mr. LELAND. Reclaiming my time, I will say the gentleman is correct. His approach is a moderate one, and I urge my colleagues to support it.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the remarks of the gentleman from Indiana [Mr. HAMILTON] just about say it all on this issue, but I would like to add just a couple of words if I might with regard to the entire foreign aid bill. There has been action by the committee already in cutting $600 million below the administration's request.

The gentleman from North Dakota [Mr. DORGAN], the gentleman who offered the amendment, was making the point that we are not doing enough for economic assistance.

It is true that we are not doing nearly as much as what the President requested. Last year we spent $2.491 billion on economic assistance, the President asked for $2.6 billion in economic assistance, and the committee bill is $2.5-plus billion. So we are actually spending more than last year on economic assistance even though it is less than what the administration has requested.

I would point out also as the gentleman from Indiana [Mr. HAMILTON] did a moment ago that much of the cut, in fact one-half of the cut we made in this entire bill comes from military assistance. We have cut $300 million from what the President had requested.

I think it is very important, as the gentleman from Indiana [Mr. HAMILTON] pointed out, to look at the base rights countries and to examine what the effect of this amendment would have on them. We have all been hearing in the last few weeks about the problems with Spain, problems in Greece, and we know about problems in the Philippines with our bases and while there are reasons for opposition to our bases in all those countries not directly related to monetary matters, certainly those are matters that are taken into consideration when decisions are made both directly and indirectly. Most of those countries need the assistance and, second, they do not need the kind of ammunition this gives to their opponents in their being able to say, "See, the Americans made a deal but you can't trust them. They are not carrying it out."

So I would hope that my colleagues would turn down this amendment with a solid vote.

Mr. PENNY. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, the Military Grant Program has been exempted from deficit reduction efforts over the last several years while many other accounts in the Federal budget have been subjected to deep reductions. This part of the Federal budget has grown almost 10 times in the last 7 years, almost a tenfold increase in military grants at a time when we have been telling other aspects of the Federal budget that their reductions were necessary.

This year alone our budget resolution called for a 4-percent reduction in foreign aid and yet the bill we have before us today pegs a 3-percent increase for the foreign aid account.

The least we can do to try and bring this bill back within the budget resolution is to adopt this amendment which would freeze the military grant programs.

In 1980 there were only five countries that received military grants. That number has grown now to 40 countries. We used to give out this money only if those countries could not afford to pay for that military equipment. Now we give the money out indiscriminately. We give the money to countries whether they can afford to pay for these military items or not. We give them this assistance whether they can afford it or not.

But more to the point, even those countries that cannot afford to pay for this military equipment need the military assistance far less than they need housing, educational assistance, and health care. Let us get our priorities straight around here and let us remember that there is a bottom line, at a time when we are asking sacrifice in other parts of the budget we should not be again increasing the military aid account by another 8 percent. Let us freeze this part of the budget. Let us support the Dorgan amendment.

Mr. FEIGHAN. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, I would urge my colleagues to reject this amendment. The gentleman from North Dakota [Mr. DORGAN], the sponsor of the amendment, has suggested that we should be eliminating the MAP assistance funds for Haiti, for Zaire, and if those are the concerns and those are the objections that he wishes to make, then I think that we should be considering a specific amendment to deal with those specific countries.

In fact, that is not what we have before us.

Under other circumstances I might even suggest it would be responsible to consider a freeze across the board but not under the circumstances that we are facing today.

As the gentleman from Indiana [Mr. HAMILTON], the chairman of the Subcommittee on Europe and the Middle East has already indicated, our committee has done its job at cutting the Military Assistance Program dramatically already. We made cuts from the administration's request of $300 million. We cut almost 25 percent of that request. So I think in terms of budget savings the committee bill has already delivered on the sentiments in this House.

Second, the amendment clearly strikes at the base rights countries that have been addressed earlier. As we consider this amendment I think Members have to realize that we have struggled to get enough money to the base rights countries to meet our treaty commitments. This cut will create a great deal of difficulty in securing the renewal of base agreements that are in progress right now.

In Turkey, for example, an agreement is signed but it has yet to be implemented. In Greece our agreement will expire in just a few months and we have just begun new negotiations. In Spain we are in the middle of very delicate negotiations, negotiations that have been particularly difficult and will only be exacerbated by a cut in funding.

In Portugal they remain concerned about our ability to live up to our base rights agreements, and they continue to monitor the progress of our negotiations with Spain, their neighbor, as well as other base rights countries.

□ 1455

These countries are crucial to American security. They are especially significant right now as we prepare to consider a very significant reduction, an historic and important reduction, in intermediate range nuclear forces in Europe. This reduction, if agreed to, as I believe it will be, is going to make these bases, the linchpins of U.S. conventional force presence in Europe, even more important. It is simply not responsible foreign policy to take away our ability to meet our commitments to these countries as we simultaneously prepare to eliminate missiles.

If the amendment carries, the administration may find a way, indeed it probably will find a way, to meet our commitments to base right countries. But what will that mean as a consequence?

That means that we will then see cuts in the order of 50 percent in military assistance programs in Central America. Now regardless of Members' positions on Contra aid, I do not know of anybody in this body who thinks that we can responsibly carry out any sort of favorable American policy in Central America with a 50-percent reduction in aid.

In Asia and the Middle East, cuts would be in the order of 80 to 100 percent. In some cases, we would simply have to eliminate programs to those countries. It simply does not make sense from a budget standpoint, and it absolutely does not make sense from a security standpoint.

For those who are suggesting this amendment is essentially a choice between providing better education to Americans, better health care to our elderly, or job training for those who are unemployed, I think that is a great deal of an overstatement. That simply is not the case. The $83 million that would be saved by this amendment would go much further to deleting our security interests around the globe.

Mr. JEFFORDS. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. DORGAN of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. JEFFORDS. I yield to the gentleman from North Dakota.

Mr. DORGAN of North Carolina. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, let me say this is what happened previously on the vote on the floor of the House several weeks ago on this issue. The issue was raised on the growth of grant military assistance program funds, and once the issue was raised we were confronted with a blizzard of information that obscured the real issue.

This issue is not whether we are going to meet our obligations to our base rights in Spain. It is not that, it just is not. I have the language on our base rights in Spain, and if the gentleman can tell me what our obligation is in Spain and the dollar amount I would love to hear it, because it is not in the base rights agreement, as a matter of fact.

Plus, we have already salted away $400 million in this budget or authorization that has been brought to the floor to cover contingencies in base rights. This is not a base rights issue. It simply is not.

Simply, we are trying to freeze the MAP Program, probably the fastest growing program in the Federal budget, at last year's level. To do that then we hear charges and claims that somehow this will devastate, cut 100 percent, or cut 50 percent out of this assistance program or that assistance program. That is simply wrong. That obscures the issue.

What we are trying to do is something very modest here, and if this Congress cannot accomplish this, then it ought to say we surrender, we cannot cut budgets. If we cannot cut this one, then we cannot cut budgets, and I am convinced we can start to exercise some restraints around here and that is why I have offered this amendment.

I thank the gentleman for yielding.

Mr. JEFFORDS. I thank the gentleman for his statement. I would just reemphasize what he said.

If we cannot freeze this program, what in the world can we do in this body?

So I urge support for this amendment. It is the least we possibly can do between now and the time the economic summit reaches agreement.

Mr. KOSTMAYER. Mr. Chairman, I move to strike the requisite number of words and I rise in favor of the amendment.

Mr. Chairman, very briefly, I am a member of this committee and I am a great admirer of the hard work that goes into this legislation. But I am going to support this amendment. I think it is entirely reasonable.

The MAP funds have grown 840 percent during the Reagan administration, 840 percent from $110 million to $1.03 billion.

Under the IMET Program, which is a separate program, admittedly, but we have increased the number of countries to which we provide military assistance from 42 countries to 102 countries. We have doubled the number of countries that we provide military assistance to, and we have added such countries as, believe it or not, Finland, Luxembourg, Yugoslavia, Austria.

We can make this reduction without affecting the MAP Program in a serious way. Perhaps it ought to even be larger.

And while we have seen these military programs increase so dramatically, we have seen simultaneously dramatic reductions in developmental assistance, a decline in food aid. We are moving in the wrong direction. This administration is moving in the wrong direction by these huge increases in military assistance.

As I said when I spoke earlier, we are talking about a foreign aid budget of about $11 billion while we provide the Penatagon with almost $300 billion. I support the amendment. It ought to be adopted. It is a modest step in the right direction.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Dakota [Mr. DORGAN].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. DORGAN of North Dakota. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 235, noes 186, not voting 12, as follows:

[Roll No. 437]

AYES—235

Akaka
Anderson
Annunzio
Anthony
Applegate
AuCoin
Baker
Ballenger
Barnard
Barton
Bates
Beilenson
Bennett
Bevill
Bilbray
Bilirakis
Boehlert
Boggs
Bonior
Borski
Boucher
Boulter
Boxer
Brennan
Brown (CA)
Brown (CO)
Bruce
Bryant
Campbell
Cardin
Carper
Carr
Chapman
Clay
Clinger
Coble
Coleman (TX)
Collins
Conyers
Courter
Crockett
Dannemeyer
Darden
Daub
Davis (MI)
de la Garza
DeFazio
DeLay
Dellums
Dingell
Dorgan (ND)
Downey
Durbin
Dymally
Early
Eckart

Edwards (CA)
English
Espy
Evans
Fawell
Fish
Flake
Florio
Foglietta
Frenzel
Gallo
Garcia
Gekas
Gibbons
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Gregg
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Hertel
Hochbrueckner
Holloway
Hopkins
Hubbard
Huckaby
Hutto
Jacobs
Jeffords
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Kolter
Konnyu

Kostmayer
LaFalce
Lancaster
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Lewis (GA)
Lowry (WA)
Lujan
Luken, Thomas
Manton
Markey
Marlenee
Martin (IL)
Mazzoli
McCandless
McCloskey
McDade
McHugh
McMillan (NC)
Mfume
Miller (CA)
Miller (OH)
Moakley
Moody
Morella
Morrison (CT)
Mrazek
Murphy
Nagle
Natcher
Neal
Nielson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Oxley
Panetta
Pashayan
Patterson
Pease
Pelosi
Penny
Perkins
Petri
Pickle
Porter
Price (NC)
Pursell
Rahall
Rangel
Ray

Regula
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette

Sensenbrenner
Sharp
Sikorski
Skaggs
Slattery
Slaughter (NY)
Smith (IA)
Smith, Robert
(NH)
Smith, Robert
(OR)
Snowe
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Studds
Swift
Synar
Tallon

Tauke
Tauzin
Torres
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vento
Visclosky
Volkmer
Walgren
Walker
Watkins
Weiss
Weldon
Wheat
Whitten
Williams
Wyden
Yates

NOES—186

Ackerman
Andrews
Archer
Armey
Aspin
Atkins
Badham
Bartlett
Bateman
Bentley
Bereuter
Berman
Bliley
Boland
Bonker
Bosco
Brooks
Broomfield
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Chandler
Chappell
Cheney
Clarke
Coats
Coleman (MO)
Combest
Conte
Cooper
Coughlin
Coyne
Craig
Crane
Daniel
Davis (IL)
Derrick
DeWine
Dickinson
Dicks
DioGuardi
Dixon
Donnelly
Dornan (CA)
Dreier
Duncan
Dwyer
Dyson
Edwards (OK)
Emerson
Erdreich
Fazio
Feighan
Fields
Flippo
Foley
Ford (MI)
Frost
Gallegly
Gaydos

Gejdenson
Gilman
Gingrich
Glickman
Green
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hawkins
Hefner
Herger
Hiler
Horton
Houghton
Howard
Hoyer
Hughes
Hunter
Hyde
Inhofe
Ireland
Jenkins
Johnson (CT)
Kyl
Lagomarsino
Lantos
Latta
Leath (TX)
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Martin (NY)
Martinez
Matsui
Mavroules
McCollum
McCurdy
McEwen
McGrath
McMillen (MD)
Meyers
Mica
Michel
Miller (WA)
Mineta
Molinari
Mollohan
Montgomery

Moorhead
Morrison (WA)
Murtha
Myers
Nelson
Nichols
Owens (UT)
Packard
Parris
Pepper
Pickett
Price (IL)
Quillen
Ravenel
Rhodes
Richardson
Rogers
Roth
Rowland (CT)
Saiki
Schulze
Schumer
Shaw
Shays
Shumway
Shuster
Sisisky
Skeen
Skelton
Slaughter (VA)
Smith (FL)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Denny
(OR)
Solarz
Solomon
Spence
Stangeland
Stratton
Stump
Sundquist
Sweeney
Swindall
Taylor
Thomas (CA)
Thomas (GA)
Vander Jagt
Vucanovich
Waxman
Weber
Whittaker
Wise
Wolf
Wolpe
Wortley
Wylie
Yatron
Young (AK)
Young (FL)

NOT VOTING—12

Alexander
Biaggi
Coelho
Dowdy

Fascell
Ford (TN)
Frank
Gephardt

Kemp
Owens (NY)
Roemer
Wilson

□ 1510

Messrs. RHODES, CRAIG, and MARTINEZ changed their votes from "aye" to "no."

Messrs. GEKAS, McCANDLESS, MORRISON of Connecticut, DeLAY, and PORTER changed their votes from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 7, line 11, strike out "$1,033,716,000" both places it appears and insert in lieu thereof "$826,972,800".

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

POINT OF ORDER

Mr. SOLOMON. Mr. Chairman, I make a point of order against the amendment.

Mr. Chairman, I raise a point of order against the Traficant amendment because the amendment amends the section previously amended by the Dorgan amendment. This is in violation of the House rules, and I so make the point of order.

The CHAIRMAN. Does the gentleman from Ohio [Mr. TRAFICANT] desire to respond?

Mr. TRAFICANT. Yes. Mr. Chairman, I would like to inquire of the Chair, insofar as the Dorgan amendment is nothing more than a freeze from the 1987 levels, this amendment would be a true cut, and I believe it is relevant. Mr. DORGAN has seniority and offered his amendment first. I ask that the amendment be allowed to be brought forward so that Members here interested in cutting this massive deficit problem could vote on a real cut.

The CHAIRMAN (Mr. AUCOIN). The Chair is prepared to rule.

According to Deschler's Procedure, chapter 27, section 27.1, it is fundamental that it is not in order to amend an amendment previously agreed to. The gentleman's amendment in its current form does precisely that. So the Chair sustains the point of order.

Mr. TRAFICANT. Mr. Chairman, I move to strike the last world.

Mr. Chairman, I am not surprised, I will chalk one up, I guess, to being what they would call snookered, I guess, in the House.

□ 1525

Mr. Chairman, I recognize now that I will not be able to bring an amendment to the floor that would be a true cut in foreign aid accounts and military assistance programs. Every day I learn something new. I do wish to let the Members know who are talking in the back that I will be bringing a 20-percent true cut to the economic support fund, which will total approximately $670 million per year. I will ask for a vote on that.

I am not surprised that there would be a technical point of order brought against a Member who is trying to take a real cut in the foreign aid account. We protect many areas of our budget with a lot of technicalities. The only thing I will say to the Members is that what we did is we froze the military assistance programs from 1987. But let me say to the Members that we did not freeze general revenue sharing; we eliminated it. That is about what is going on in this country.

So I will be bringing that amendment, regardless of what chairmen talk to me, regardless of what some of us think, and I do not care if it gets beat by 250 votes. That is 20 percent in economic support funds, which will be $1.35 billion. So maybe we could offset some of the deficits we are going to have to cut off the backs of the people in our districts.

Mr. Chairman, I am asking for the Members' help on this.

The CHAIRMAN. Are there further amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—ECONOMIC SUPPORT FUND

SEC. 201. AUTHORIZATIONS OF APPROPRIATIONS.

Section 532(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a) There are authorized to be appropriated to the President to carry out the purposes of this chapter $3,380,812,000 for fiscal year 1988 and $3,415,812,000 for fiscal year 1989, in addition to amounts otherwise authorized to be appropriated for those purposes.".

SEC. 202. AUTHORITY TO USE FUNDS FOR EMERGENCY ASSISTANCE.

Section 533(a) of the Foreign Assistance Act of 1961 is amended by striking out "1986" and "1987" and inserting in lieu thereof "1988" and "1989", respectively.

SEC. 203. SEGREGATED ACCOUNTS FOR CASH TRANSFERS.

Section 531 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(f)(1) If funds to carry out this chapter are provided to a foreign country as cash transfer assistance, that country shall be required to maintain those funds in a separate account and not commingle them with any other funds.

"(2) Those funds may be obligated and expended notwithstanding any provision of law which is inconsistent with the cash transfer nature of the assistance."

SEC. 204. USE OF ESF ASSISTANCE TO PROMOTE LONG-TERM DEVELOPMENT.

Chapter 4 of part II of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"SEC. 536. PROMOTING LONG-TERM DEVELOPMENT.

"(a) REQUIREMENT THAT ASSISTANCE BE USED TO PROMOTE LONG-TERM DEVELOPMENT.—The following requirements apply with respect to any country with an annual per capita income of less than $2,500 which receives assistance under this chapter:

"(1) At least 40 percent of that assistance for fiscal year 1988, and at least 50 percent of that assistance for each fiscal year thereafter, shall be used for projects and sector programs in accordance with chapter 1 of part I.

"(2) The remaining assistance shall be used to promote specific economic policy reforms—

"(A) which serve United States national interests;

"(B) which will contribute to long-term economic development; and

"(C) which—

"(i) are reforms that are in addition to reforms that would otherwise be undertaken, or

"(ii) are significant reforms already being implemented which will be directly supported by such assistance, or

"(iii) are reforms being promoted by the United States in conjunction with the efforts of other donors.

Assistance pursuant to paragraph (2) may be provided in the form of balance of payments support or budget support so long as the provision of the assistance in that form will promote the specific economic policy reforms required by paragraph (2).

"(b) EXEMPTIONS FOR CERTAIN COUNTRIES.—Subsection (a) does not apply with respect to a country—

"(1) which receives $5,000,000 or less in assistance under this chapter for a fiscal year; or

"(2) with which the United States has an agreement providing the United States with base rights in that country or providing for United States access to military facilities in that country.

"(c) WAIVER IN CERTAIN CIRCUMSTANCES.—The percentage requirement of paragraph (1) of subsection (a) shall not apply with respect to assistance for a country for a fiscal year to the extent that the President determines that significant unforeseen circumstances exist which necessitate the provision of assistance for that country without regard to the requirement of paragraph (1). The reprogramming notice submitted to the Congress pursuant to section 634A with respect to that assistance shall include a description of the significant unforeseen circumstances which require the waiver and a justification for the waiver.

"(d) DEFINITIONS OF LONG-TERM ECONOMIC DEVELOPMENT AND ECONOMIC POLICY REFORM.—For purposes of this section—

"(1) the term 'long-term economic development' means progress in achieving the policy objectives set forth in chapter 1 of part I; and

"(2) the term 'economic policy reforms' means macro-economic reforms such as changes in interest rates to encourage saving, divestiture of state-owned enterprises and the development of the private sector, revision of tax structures to encourage growth, and adjustments in exchange rates to achieve market clearing rates.".

SEC. 205. PROHIBITION ON USE OF ESF ASSISTANCE FOR PORT OR TERMINAL CONSTRUCTION PROJECTS DETRIMENTAL TO UNITED STATES FARMERS.

Chapter 4 of part II of the Foreign Assistance Act of 1961 (as amended by section 204) is further amended by adding at the end the following:

"SEC. 537. PROHIBITION ON USE OF ESF FOR PORT OR TERMINAL CONSTRUCTION PROJECTS DETRIMENTAL TO UNITED STATES FARMERS.

"Funds made available to carry out this chapter may not be used to finance any port or terminal construction project in a foreign country which would have a significant negative impact on the export of United States agricultural commodities.".

SEC. 206. PURCHASE OF UNITED STATES GOODS AND SERVICES WITH ESF ASSISTANCE.

Chapter 4 of part II of the Foreign Assistance Act of 1961 (as amended by sections 204 and 205) is further amended by adding at the end the following:

"SEC. 538. PURCHASE OF UNITED STATES GOODS AND SERVICES.

"(a) CONSIDERATIONS REGARDING CASH TRANSFERS.—Assistance may be provided to a foreign country under this chapter as a cash transfer only if the President determines that the needs of that country and the interests of the United States would be better met by a cash transfer.

"(b) USE OF CASH TRANSFERS FOR UNITED STATES GOODS AND SERVICES.—Of the assistance provided to a country under this chapter as a cash transfer, not less than 50 percent shall be used for United States financing of the purchase of United States goods and services.

"(c) GAO AUDITS.—Each agreement pursuant to which cash transfer assistance is provided under this chapter shall include provisions to ensure that representatives of the Comptroller General have the access to records and personnel necessary to carry out such monitoring and auditing as the Comptroller General deems appropriate.

"(d) EXEMPTIONS.—This section shall not apply to any country—

"(1) which receives cash transfer assistance under this chapter of less than $10,000,000 for a fiscal year;

"(2) which, as of April 1, 1987, was receiving cash transfer assistance under this chapter and has an agreement with the United States under which the country agrees—

"(A) to spend an amount equal to the amount of the cash transfer on the purchase of United States goods and services, and

"(B) to carry 50 percent of all bulk shipments of United States grain on 'privately-owned United States-flag commercial vessels', to the extent such vessels are available at fair and reasonable rates for such vessels,

except that a country shall be exempted pursuant to this paragraph only so long as that country continues to agree to those conditions; or

"(3) which, as of the effective date of this section, has an agreement with the United States requiring that the country spend an amount equal to the amount of any cash transfer assistance under this chapter to purchase United States goods and services, except that a country shall be exempted pursuant to this paragraph only so long as that country continues to agree to that condition.

"(e) WAIVER.—The Administrator of the agency primarily responsible for administering part I may waive the provisions of this section with respect to a country to the extent the Administrator determines that the provision of United States goods and services is an inappropriate form of assistance or that it is otherwise important to the national interest to do so. Any such waiver shall be reported to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

"(f) Definition of United States Goods.—For purposes of this section, the term 'United States goods' means goods and commodities grown, produced, or manufactured in the United States (including agricultural commodities).".

SEC. 207. TIED AID CREDIT PROGRAM.

(a) Earmarking.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961—

(1) not less than $50,000,000 for fiscal year 1988, and

(2) an aggregate of not less than $100,000,000 for both fiscal years 1988 and 1989,

shall be deposited in the fund authorized by subsection (c)(2) of section 645 of the Trade and Development Enhancement Act of 1983 (12 U.S.C. 635r) and shall be used by the Trade and Development Program, as agreed upon by the Secretary of State and the Administrator of the Agency for International Development, in carrying out the program of tied aid credits for United States exports which is provided for in that section.

(b) Use of Funds For Other Purposes.—Funds that have not been obligated pursuant to the tied aid credit program by the end of the third quarter of the fiscal year for which they were appropriated may be used for other purposes under chapter 4 of part II of the Foreign Assistance Act of 1961 if the Director of the Trade and Development Program, as agreed upon by the Secretary of State and the Administrator of the Agency for International Development, certifies to the Congress that—

(1) no trade credit application acceptable and timely under the Trade and Development Enhancement Act of 1983 is pending, or

(2) those funds are not needed for that program because other countries are not engaging in predatory financing practices in order to compete with United States exports.

SEC. 208. RESTRICTION ON USE OF FUNDS FOR NUCLEAR FACILITIES.

Funds authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 for fiscal year 1988 or fiscal year 1989 may not be used to finance the construction of, the operation or maintenance of, or the supplying of fuel for, any nuclear facility in a foreign country unless the President certifies to the Congress that such country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the International Atomic Energy Agency, and pursues nonproliferation policies consistent with those of the United States.

AMENDMENT OFFERED BY MR. KOSTMAYER

Mr. KOSTMAYER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOSTMAYER: On page 19, lines 1 and 2, strike "or providing for United States access to military facilities in that country."

Mr. KOSTMAYER. Mr. Chairman, my amendment has something to do with something called the Economic Support Fund, ESF. ESF is a component of the Nation's foreign aid. It is not the military component, and it is not the development component; it is kind of in between. It amounts to 31 percent of our foreign aid budget.

In other words, the so-called Economic Support Fund amounts to $3.8 billion out of a total bill of $11.4 billion. Now, what is this ESF? How is it spent? Where does it go?

What ESF amounts to is really an outright check to other countries to do with whatever they want. Last year, for example, 64 percent of the economic support funds went to cash transfers, actual transfers in cash to recipient nations. Now, in the Committee on Foreign Affairs, the gentleman from Indiana [Mr. Hamilton] offered an amendment to reform the Economic Support Fund Program.

What the Hamilton amendment said was very simple. It said that 40 percent of these funds this year must be used for developmental assistance this year, and that next year that would rise to 50 percent. That would allow that remaining 50 percent not used for developmental assistance to be used for whatever the administration wanted it to be used for, instead of the current law which allows all of it to be used for whatever the administration wants it to be used for.

In the Hamilton amendment there were 4 exemptions to this 40-percent-this-year, 50-percent-next-year requirement. They were, countries with a per capita income of over $2,500 per year—for example, and only as an example, Israel; second, countries receiving less than $5 million is ESF funds; and third, those countries that are base right countries. I have no objection to those three exemptions.

I want to speak briefly about the fourth exemption, because my amendment would delete the fourth exemption from the language in the bill. The fourth exemption exempts countries which provide us with access to military facilities. Altogether 33 countries receive ESF. If the fourth exemption is included in the bill, 31 of the 33 countries will be exempted; 31 of the 33 countries will go through that loophole. Without the exemption, 16 of the 33 countries which receive ESF will be covered.

So really what the fourth exemption does is to open up an enormous loophole which exempts 31 out of 33 countries.

Mr. Chairman, I have spoken with the chairman of the full committee, the gentleman from Florida [Mr. Fascell] about this, and he supports my amendment. I have spoken with the author of the amendment in the committee, the gentleman from Indiana [Mr. Hamilton], and he supports the amendment.

Mr. Chairman, I want to say in conclusion that what ESF really amounts to is an unregulated security bonus check going to any country that the administration wants to give it to, and if we examine the trend in the last 6 years, we will see that security assistance as a total component of our foreign aid budget has risen from 46 percent of the foreign aid budget in 1980 to 66 percent of the foreign aid budget in 1987. I think that is too large a component of America's foreign aid budget spent on the military. I think if we can adopt and approve the Hamilton amendment to require that a minimum of 40 percent this year and 50 percent next year of the ESF funds are spent on developmental assistance, that would be a great improvement.

Mr. Chairman, I ask the committee to agree to the amendment.

Mr. BURTON of Indiana. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the proposed amendment is a significant step backward from the more acceptable committee position. Base rights and military access countries were exempted from the provision on the grounds of vital U.S. national interest or obligations. Although the administration still opposes the underlying provision, it was made more acceptable by the exemptions agreed to by the full Committee on Foreign Affairs of the House.

The most noteworthy negative effects of the proposed amendment would be on Kenya, Sudan, Somalia, and Liberia with which we have military access agreements. In these countries we are already engaged in nonproject assistance programs whose continuation would be affected by this proposed amendment.

In Kenya, our nonproject assistance is conditioned on freeing the fertilizer market from government controls. In Liberia, we would not be able to support major economic and financial reforms that are necessary if development prospects are to be reestablished. In Somalia, we are in the midst of heavy negotiations over basic reforms in how the exchange rate and the foreign exchange regime are to be operated. In Sudan, we are working with the World Bank, the IMF, and other Western donors in support of a recently announced reform effort, a serious attempt of this democratically elected government to deal with fundamental reforms.

Arbitrarily imposing a requirement for projecting ESF assistance in these countries would undermine our efforts to concentrate resources on the priority problems of these countries. Nor would it respond to these African nations' request for support for economic reform as expressed at the U.N. General Assembly special session on Africa last May.

These countries already receive significant development assistance and food aid resources. Their long-term development needs are not being ignored by the United States.

Now, in Somalia, Mr. Chairman, there are port facilities at Berbera that we are using. In Kenya, there is port and airfield access. In Liberia, there is an airfield, Roberts Field, and other facilities, including the Voice of America. In Morocco, there is an airfield and port access.

This provides foreign aid to military facilities in access countries, and it is essential to our national security. This is an example of the American people receiving a tangible benefit for their foreign assistance dollar. I do not understand the need for this amendment. Why do we want to unnecessarily complicate this arrangement? It just simply does not make sense to me.

Mr. KOSTMAYER. Mr. Chairman, will my friend, the gentleman from Indiana, yield to me?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from Pennsylvania.

Mr. KOSTMAYER. Mr. Chairman, I appreciate my friend's yielding to me, and I have asked him to do that so I might point out that base right countries are exempted from this. I think that is important. We have included that as an exemption.

I also would point out that there is a presidential waiver. In other words, if the amendment is adopted, we still have one of the exemptions giving the President, whoever he or she may be at that time, the authority to waive any particular country. So I think that allows the protection.

Finally, I would say that without the exemption there are 16 of the 33 countries we are talking about. In other words, 33 countries receive ESF. If we keep in the exemption I am trying to take out, 31 out of 33 would be exempted.

□ 1535

Thirty-one out of 33, the language really has no teeth. The original Hamilton amendment was meant to tighten up the ESF program. If the exemption is kept in, then 31 out of 33 countries will be exempt, so we exempt the base-right countries and provide Presidential waiver, which would give the President an opportunity to waive this in those situations which the gentleman from Indiana described, if the President saw fit.

Mr. BURTON of Indiana. It appears to me that we are getting something, a bang for our buck here.

There are countries that are getting aid from us. They are giving us these facilities to use and we jeopardize that with this amendment.

I would urge the Members to vote against it. The funds appropriated for this purpose have been reduced from last year, $3.5 billion down to $3.38 billion, so it is a reduction in spending.

Mr. HAMILTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. I think the amendment of the gentleman from Pennsylvania strengthens the original Hamilton amendment, and it will free up additional funds for economic development, which is the purpose of section 204.

I commend the gentleman and support the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KOSTMAYER].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. TRAFICANT

Mr. TRAFICANT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TRAFICANT: Page 16, line 14, strike out "$3,380,812,000" and insert in lieu thereof "$2,704,649,600"; and line 14, strike out "$3,415,812,000" and insert in lieu thereof "$2,732,649,600".

Mr. TRAFICANT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRAFICANT. Mr. Chairman, this amendment would cut 20 percent from the Economic Support Fund. That is $676 million the first year, and approximately $683 million in 1989.

The reasons are right to the point. Today, Members of the House in leadership roles are meeting with White House executives relative to cutting these massive budget deficits that impact upon our national debt. They are talking about holding back and eliminating cost-of-living allowances, putting Social Security on the table, dealing with every part of our budget in an effort to reconcile the books of America.

I say that before we consider cutting American programs any further, we should look prudently at the foreign programs that we have escalated in the last 7 years.

As has been stated so many times on this floor, there has been a tremendous increase in foreign aid since 1981. There has been an 800-percent increase brought forward in the last amendment relative to military assistance.

We find ourselves in the same set of circumstances with an Economic Support Fund that many times has been a disguise for military funds used in military capacities. Specifically, in the 1988 budget proposal of this President, he asked that we eliminate vocational education. The President further wanted to cut Pell grants for higher educational opportunities by $1.1 billion. he wanted to terminate the Urban Development Action Grant Program for our major cities, completely eliminate the Economic Development Administration of our Government.

He wanted to throw out totally the Appalachian Regional Commission and eliminate the Housing Development Action Grant Program for all America.

He did the same thing several years back, and many Members were laughing. When Federal revenue sharing was cut out of this budget, this city of Youngstown, OH, for example, relied upon it in its economic problems to pay its policemen and firemen. That was seen as an American program that was pork barrel.

I am saying today, and the Members can laugh and do whatever they want, but the Members are going to go on record as having to vote up or down in having to make a cut today, a real cut, not a token freeze.

They did not freeze revenue sharing; they cut it out, $1.35 billion in real cuts that we could send over to our negotiating team to try and reconcile the debt problems in America.

I close by saying that I find it hard to believe that we could justify to America paying the rent bills of our neighbors while the bank is foreclosing on our own home. This exempts title XII.

I realize there are specific strategic defense rationales necessary to that hotbox in the world. This would mean the committee would have to go back and make some more priority decisions on distribution of funds.

We have been doing that in America, and we can do it in our foreign aid programs, I think.

With that, specifically I ask the Members of this House to stand today and vote for this amendment that would make real cuts to the tune to $1.35 billion.

Mr. SOLARZ. Mr. Chairman, I rise in oppostition to the amendment.

Some amendments kill with a stiletto. Other amendments kill with a meat ax. This is a meat-ax amendment.

I want to say to the gentleman from Ohio [Mr. TRAFICANT], my good friend, that I share the concern which the gentleman so eloquently expressed about the cuts, and a lot of the domestic programs which are so important for the future of our country.

I certainly hope that ways can be found to avoid some of those reductions, but I do not think that this is the way to solve that problem; and even if this amendment were to be adopted, most of the cuts the gentleman referred to to the domestic programs would take place anyway.

What would the gentleman's amendment mean for our ability to provide vitally important assistance to a whole slew of strategically important countries around the world?

The amendment before the Members offered by the gentleman from Ohio would have the effect of cutting by 20 percent the level of economic security assistance provided for in this bill, but in reality, the actual reductions it would require among those countries to which it would be applied would be substantially greater.

The reason for that is that the committee bill earmarks the ESF assistance contained in the legislation for Israel, Egypt, and the Philippines.

Consequently, the cuts called for in this amendment would not apply to any of those countries. They would have to be applied to the rest of the countries which receive ESF assistance whose funds are not earmarked.

When this cut of roughly $800 million is applied to the countries that are not protected, it would result in a cut of close to two-thirds in the overall level of ESF assistance to those other countries.

What countries are we talking about? We are talking about, for example, Turkey, which is the key to the viability of the southern flank of NATO, a nation which has the largest land border of any country in the Atlantic Alliance with the Soviet Union.

We are talking about substantial cuts in the level of our assistance to Spain, which recently joined NATO, and with respect to which we now have very delicate negotiations under way to renew our base agreement in that country.

We are talking about cuts in the level of our assistance to Pakistan. I have other problems with Pakistan, and I hope we will be able to address those problems on the floor a little bit later on in the year.

If we can solve our problems with Pakistan in terms of their nuclear weapons program, there is no question we ought to be providing assistance to them. They are standing up in a stalwart fashion against the Soviet invasion and occupation in Afghanistan, but this amendment would require a substantial cut in the level of aid to Pakistan, and also require reductions in the level of our assistance to El Salvador and Costa Rica, Guatemala, Honduras.

We may disagree about whether or not to renew our aid to the Contras, but I thought all of us agreed that we had a significant interest in sustaining the fledgling democracies in Central America.

It surely cannot be in the interests of the United States for the democratically elected governments of Central America to be utterly unable to respond to the legitimate social and economic needs of their people.

If they are unable to respond to those needs, then the objective prospects for the emergence of viable Communist insurgencies in these countries will increase, so I say to the Members on both sides of the aisle, we live in a world in which the defense of our vital interests depends on the viability of friendly governments elsewhere around the world.

We make a modest contribution to sustaining those governments through our ESF program. This amendment would be a meat-ax approach, reducing by approximately two-thirds the level of our assistance to a whole slew of strategically important countries.

If it is adopted, it could undermine vital American interests around the world, and do nothing at the same time to avoid serious cuts in very important domestic programs.

The CHAIRMAN. The time of the gentleman from New York [Mr. SOLARZ] has expired.

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Indiana.

Mr. HAMILTON. Mr. Chairman, I thank the gentleman for yielding.

I commend the gentleman for the eloquence of the gentleman's arguments, and I agree with the gentleman.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, I thank the gentleman for yielding to me.

No one talked about the meat ax last year on revenue sharing. Before we talk about El Salvador, Nicaragua, the gentleman should talk about Philadelphia, Cleveland, and Youngstown, OH, and New York, maybe, for a change.

Be advised that my amendment still would leave in $2.7 billion per year for economic support funds.

Third, it does not cut $800 million. It specifically cuts $676 million, the type of cuts that we should be making, real cuts.

Mr. SOLARZ. I have been to Philadelphia, and even been to Youngstown, where I found out what a high regard the gentleman's constituents have for him.

I suspect after this amendment, they will have an even higher regard.

Mr. TRAFICANT. If the gentleman is making light of it, I take exception. My area is hurting, and I am tired of us taking care of everybody all over the world and not taking care of our own. I am serious about that.

It is not a play on words.

Mr. SOLARZ. I am not making light of your concerns. I share those concerns.

I would like to see the Revenue Sharing Program resumed, but I know very well that if this amendment is adopted, it will not do one thing to resume or resuscitate revenue sharing.

Mr. TRAFICANT. Maybe it will help us from going bankrupt, because America bankrupt will not have any foreign aid for anybody.

Mr. SOLARZ. Foreign aid is less than 1½ percent of the entire Federal budget, and we could eliminate it entirely, and we could still have close to a $200 billion deficit. Are we going to walk away from our responsibilities around the world? If we want to be a superpower and defend freedom in Africa, Asia, Central America, and elsewhere, we have got to be prepared to pay a small price for it. I urge the rejection of the gentleman's amendment by the Members of the House.

Mr. LAGOMARSINO. Mr. Chairman, I move to strike the last word.

□ 1550

Mr. Chairman, the easiest thing and probably the wisest thing for me to do would be to say "Amen" to the remarks of the gentleman from New York, but I would like to point out just a couple things that I do not believe have been pointed out yet.

ESF earmarked for Israel and Egypt alone total $2 billion 15 million. Passage of the amendment would leave only $700 million for all other foreign policy challenges requiring an Economic Support Fund response. The cuts probably would not allow sufficient funds to cover probable congressional earmarks, let alone anything that is not earmarked. The United States would be unable to meet its commitments to base rights in military access countries, including the Philippines, Turkey, Portugal, Spain, Oman, and Kenya, among others. There could be a devastating effect on economic stability and growth of countries in our own hemisphere, as has already been pointed out. ESF assistance for the Caribbean, including Haiti and Granada, and for South America, would probably be zeroed out completely.

The gentleman from New York said it very well. Are we going to be a second-rate country, are we going to be?

Little or no ESF would be available for Africa, including the military access countries, and smaller programs in the Near East, Asia, and the Pacific, would be eliminated. These could include Jordan, Tunisia, Morocco, the South Pacific regional program including the Tuna Treaty Islands and Thailand.

Some of us, and again the gentleman from New York [Mr. SOLARZ] has been heavily involved in this, as I believe I have, have been very active in trying to project a better image and a strong presence for the United States in the South Pacific. We do not spend much money there, and we are not going to under this bill, but a little bit goes a long ways, but withdrawal of that little bit will go a long ways, too, a long ways in advancing the cause of the Soviet Union.

You know, if we eliminated the entire foreign affairs budget, which incidentally as proposed by the committee is below last year's level, way below what the President has asked for, we would not even meet half the Gramm-Rudman target. You know, that is $23 billion. This is $11 billion. $11 billion is a lot of money, but I think our interests around the world are important also.

How much more, my colleagues, would it cost us, not this year, but probably next year and the year after that, for Department of Defense spending if we eliminate our rights to defense access in some of these countries? How much more will it cost us for refugees coming from south of our border if we eliminate assistance to the countries south of our border?

I think this amendment is bad and should be rejected.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. LAGOMARSINO. I yield to the gentleman from Ohio.

Mr. TRAFICANT. The gentleman makes mention of a second-rate country, a second-rate superpower.

Mr. LAGOMARSINO. I think we will become a second-rate power if this is enacted.

Mr. TRAFICANT. I would like to submit for the record that one good way of doing that is to continue to let America fall on its face. Then we will be no help to anybody else.

I say that we make these cuts. They are not bad cuts and they will send a signal out; no more "Yankee Go Home," a little better relations and we take care of our own people first. I think they are prudent and make sense, and I disagree with the gentleman.

Mr. LAGOMARSINO. Well, Mr. Chairman, I take back my time, and I disagree with the gentleman very strongly.

Mr. OBEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, there is no Member of this House who has given this administration more heartburn on foreign aid than have I. You are looking at the only appropriations subcommittee chairman in the history of the world who has received three letters from OMB in a row saying that they are going to veto my appropriation bills because we do not give them enough money.

We have cut the administration bill in our appropriation bill $2.7 billion below their request. I think you can justify every dime of that cut, given the budget crunch we are in and given the Gramm-Rudman situation imposed on us by the administration; but I have to say, this amendment goes too far.

There is no person in this House who has more directly squeezed the American foreign aid budget than have I, and the administration's foreign aid budget than have I; but this proposal would virtually make it impossible for us to function in any area of the world, except the Middle East, and I think it would be a very grave mistake for our national interests in many places around the world.

I do not want to beat a dead horse, but I say if you wanted to vote to cut the administration's foreign aid request or to cut this bill, the last amendment was a much more reasonable amendment for you to vote for, but this amendment is beyond the pale. It would mean that we would literally pull the plug on our ability to provide economic support assistance virtually anywhere in amounts necessary to keep a straight face, except the Middle East. I do not think we want to do that, given the other problems facing this country.

Mr. Chairman, I would urge a vote against the amendment.

Mr. TRAFICANT. Mr. Chairman, will the gentleman yield?

Mr. OBEY. Surely, I yield to the gentleman from Ohio.

Mr. TRAFICANT. Mr. Chairman, is the gentleman saying that almost $700 million in aid, other than that for the Mideast would be of no consequence and help to some of these other nations?

Mr. OBEY. That is not what I said at all. You are looking at the only appropriation subcommittee chairman in the history of this Congress to suggest to the administration that we provide a token cut of 2-percent in the military credit sales program for Israel and Egypt in order to provide more resources for other countries, so I do not have to take a backseat to anybody in terms of my willingness to deal with that issue.

What I am saying is that the effect of the gentleman's amendment effectively guts the ability of the United States to perform as it needs to perform in any area of the world, except the Middle East, and I think that is a grave mistake.

Mr. TRAFICANT. I do not believe that it does.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. TRAFICANT].

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. TRAFICANT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 57, noes 366, not voting 10, as follows:

[Roll No. 438]

AYES—57

Applegate
Bennett
Bentley
Bilirakis
Boulter
Brennan
Bryant
Conyers
Dannemeyer
Daub
DeFazio
Dyson
Early
English
Evans
Ford (MI)
Gray (IL)
Hall (TX)
Hefner
Herger
Holloway
Hubbard
Huckaby
Jacobs
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kastenmeier
Kolter
Lancaster
Lujan
Marlenee
Martinez
Miller (OH)
Murphy
Neal
Nielson
Penny
Perkins
Robinson
Rose
Russo
Sensenbrenner
Smith (NE)
Smith, Robert (NH)
Solomon
Staggers
Stenholm
Stump
Tauzin
Traficant
Traxler
Valentine
Vucanovich
Walker
Watkins

NOES—366

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Archer
Armey
Aspin
Atkins
AuCoin
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bates
Beilenson
Bereuter
Berman
Bevill
Bilbray
Bliley
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Brooks
Broomfield
Brown (CA)
Brown (CO)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Cheney
Clarke
Clay
Clinger
Coats
Coble
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Cooper
Coughlin
Courter
Coyne
Craig
Crane
Crockett
Daniel
Darden
Davis (IL)
Davis (MI)
DeLay
Dellums
Derrick
DeWine
Dickinson
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Dornan (CA)
Downey
Dreier
Duncan
Durbin
Dwyer
Dymally
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Erdreich
Espy
Fascell
Fawell
Fazio
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (TN)
Frenzel
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Hansen
Harris
Hastert
Hatcher
Hayes (IL)
Hayes (LA)
Hefley
Henry
Hertel
Hiler
Hochbrueckner
Hopkins
Horton
Houghton
Howard
Hoyer
Hughes
Hunter
Hutto
Hyde
Inhofe
Ireland
Jeffords
Jenkins
Johnson (CT)
Kanjorski
Kaptur
Kasich
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Konnyu
Kostmayer
Kyl
LaFalce
Lagomarsino
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Luken, Thomas
Lukens, Donald
Lungren
Mack
MacKay
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McCandless
McCloskey
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (WA)
Mineta
Moakley
Molinari
Mollohan
Montgomery
Moody
Moorhead
Morella
Morrison (CT)
Morrison (WA)

Mrazek
Murtha
Myers
Nagle
Natcher
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Pepper
Petri
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Roberts
Rodino
Roe
Rogers
Rostenkowski
Roth
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shaw
Shays
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (OR)
Snowe
Solarz
Spence
Spratt
St Germain
Stallings
Stangeland
Stark
Stokes
Stratton
Studds
Sundquist
Sweeney
Swift
Swindall
Synar
Tallon
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Torres
Torricelli
Udall
Upton
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOT VOTING—10

Biaggi
Coelho
de la Garza
Dowdy
Frank
Gephardt
Hawkins
Kemp
Roemer
Towns

☐ 1735

Messrs. BADHAM, FOGLIETTA, MAZZOLI, WHEAT, and HAYES of Illinois changed their votes from "aye" to "no."

Mr. VALENTINE, Mr. BOULTER, Mrs. VUCANOVICH, Mr. NIELSON of Utah, and Mrs. BENTLEY changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. FASCELL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I simply want to advise my colleagues that as far as this bill is concerned today we will rise shortly. I understand the leadership is bring up the DOD conference report, and it has to be acted on today.

Tomorrow we will resume where we left off. I am advised, subject to an announcement by the leadership, we would come in at 10 o'clock. It would be our purpose on the Foreign Affairs Committee to try to get through titles V or VI by tomorrow. Hopefully not any later than 4:30 we would rise. We are not going to be finished tomorrow.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. Bonior of Michigan, having assumed the chair, Mr AuCoin, chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3100) to authorize international security and development assistance programs and Peace Corps programs for fiscal years 1988 and 1989, and for other purposes, had come to no resolution thereon.

REQUEST FOR PERMISSION FOR MR. SOLARZ TO OFFER AN AMENDMENT TO FASCELL EN BLOC AMENDMENTS IN THE COMMITTEE OF THE WHOLE ON H.R. 3100, INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1987

Mr. SOLARZ. Mr. Speaker, I have a unanimous consent request at the desk.

The SPEAKER pro tempore. The Clerk will report the unanimous consent request.

The Clerk read as follows:

Mr. Solarz asks unanimous consent that, when the Committee of the Whole House on the State of the Union is considering the bill H.R. 3100, it be in order for him to offer the following amendment:

In subsection (b) of section 117 (entitled "Restrictions on FMS sales of Stinger missiles"), which was offered as part of the en bloc amendments offered by Mr. Fascell of Florida to title I had agreed to on November 18, 1987, insert the following new paragraph (3) after paragraph (2) and redesignate existing paragraphs (3) and (4) as paragraphs (4) and (5), respectively:

(3) a transfer to country bordering the Persian Gulf which has either support units or military facilities staffed by members of the United States Armed Forces;

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. WALKER. Mr. Speaker, reserving the right to object, do I understand that what is taking place here is that essentially we are having a modification of the rule under which this bill was brought to the floor, and that what we would be doing is allowing an amendment that would not otherwise be allowed under the rule for consideration?

The SPEAKER pro tempore. The gentleman is correct.

Mr. WALKER. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

GENERAL LEAVE

Mr. FASCELL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 3100, the bill just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

RULE ON H.R. 3436, THE OLDER AMERICANS ACT TECHNICAL AMENDMENTS

(Mr. PEPPER asked and was given permission to address the House for 1 minute.)

Mr. PEPPER. Mr. Speaker, I rise to inform the House that the Rules Committee today reported a rule providing for the consideration of H.R. 3436. The rule makes in order the consideration, as original text, of an amendment of mine which would provide long-term home health care to the chronically ill of all ages. The text of my amendment is printed in the report which accompanies the rule. The rule provides that only amendments which will be printed in a supplemental report will be in order during the bill's consideration.

Any member who may wish to offer an amendment to my substitute should submit his or her amendment to the Rules Committee. Members may begin to submit their amendments immediately and the Rules Committee will notify those members when a meeting of the committee is scheduled to consider the supplemental report. The committee will consider for inclusion in the supplemental report all of those amendments which are received by a deadline which will be announced at some later date. We will determine that deadline after the leadership has notified us that the bill has been scheduled for consideration on the floor.

To reiterate, any member who wishes to offer an amendment to my substitute for H.R. 3436—which will be printed in the report to accompany the rule on the bill—should have the amendment delivered to the rules committee.

Mr. Speaker, I thank my colleagues for their cooperation.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3436, OLDER AMERICANS ACT TECHNICAL AMENDMENTS

Mr. PEPPER, from the Committee on Rules, submitted a privileged report (Rept. No. 100-449) on the resolution (H. Res. 314) providing for the consideration of the bill (H.R. 3436) to amend the Older Americans Act of 1965 to make technical corrections, which was referred to the House Calendar and ordered to be printed.

REQUEST FOR PERMISSION FOR SUBCOMMITTEE ON COMMERCE, CONSUMER PROTECTION AND COMPETITIVENESS OF THE COMMITTEE ON ENERGY AND COMMERCE TO SIT TOMORROW, NOVEMBER 19, 1987, DURING 5-MINUTE RULE

Mr. RICHARDSON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Commerce, Consumer Protection and Competitiveness of the Committee on Energy and Commerce be permitted to sit tomorrow, November 19, 1987, while the House is meeting under the 5-minute rule for the purpose of considering pending legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Mexico?

Mr. SCHEUER. Mr. Speaker, reserving the right to object, there is no Member of this House for whom I have more respect or affection than the gentleman from New Mexico. He has labored long and constructively and usefully on the Energy and Commerce Committee, and I regard the work he has done with extraordinary admiration.

But on this particular bill, it has come in its final form to the subcommittee only this afternoon around 2 o'clock. Many Members have not had a chance to see it. There has never been a day of hearings, and because of this, in order to do our work professionally and properly, I object.

The SPEAKER pro tempore. Objection is heard. The Chair will state that it requires 10 Members to object.

(Messrs. EDWARDS of California, BRYANT, STARK, SMITH of Florida, BATES, MARTINEZ, ROSE, DANNEMEYER, BERMAN, and DOWNEY of New York also objected.)

The SPEAKER pro tempore. A sufficient number has objected.

Objection is heard.

CONFERENCE REPORT ON H.R. 1748, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1988 AND 1989

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 309 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 309

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (H.R. 1748) to authorize appropriations for fiscal year 1988 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for fiscal year 1988 for the Armed Forces, to authorize appropriations for fiscal year 1989 for certain specified activities of the Department of Defense, and for other purposes. All points of order against the conference report and against its consideration are hereby waived, and the conference report shall be considered as having been read when called up for consideration.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], pending which I yield myself such time as I may use.

Mr. Speaker, House Resolution 309 is the rule providing for the consideration of the bill H.R. 1748, the conference report for the National Defense Authorization Act for Fiscal Years 1988 and 1989.

Mr. Speaker, under the rules of the House, conference reports are considered privileged and are considered in the House under the 1 hour rule, and no amendments will be in order. Under the resolution, all points of order against the conference report and against its consideration in the House are waived. In addition, the conference report is to be considered as having been read when called up for its consideration.

Mr. Speaker, the conference report on H.R. 1748 authorizes two levels of spending; one would be a low-tier spending ceiling of $289 billion, the amount that was agreed to in the current budget resolution. The other level would be a high-tier ceiling of $296 billion. Under the provisions of the concurrent resolution on the budget for fiscal year 1988, the $296 billion budget authority level would be available only if Congress is able to enact an amount of deficit reductions that exceeds the required reductions. The higher authorization level in the bill reported from conference will only be available if such action is finalized. The deliberations of the participants in the budget summit negotiations are expected to have a significant impact on which level of budget authority will be the appropriate one for purposes of the Congressional Budget Act.

Mr. Speaker, this conference agreement resolves over 2,000 different defense items on which both Chambers had differed. Included in the agreement is funding for the strategic defense initiative, the continuation of the moratorium on tests of antisatellite weapons against objects in space, and provides for a 3-percent military pay raise.

Mr. Speaker, this conference report is a result of hard work and determination, though some Members might disagree with specific provisions in the conference report, I know of no opposition to the rule and I urge my colleagues to adopt this rule.

Mr. QUILLEN. Mr. Speaker, I yield myself as much time as I may use.

Mr. Speaker, because of the uncertainly surrounding an agreement to reduce the budget deficit, the conference agreement provides for two levels of authorization. Both of these authorization levels will impose a decline in defense authorization levels for the third year in a row, although the agreement does represent a determined effort to increase Army combat equipment as a top priority.

This is the first time I have ever encountered such an authorization bill containing such language, but it is appropriate. We are fighting to balance the budget and reduce our deficit, and in order to get this bill passed, which is mandatory, in my opinion, the language is very appropriate.

Mr. Speaker, I support the rule, I support the conference report, and I urge the Members to vote likewise.

Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I want to try to understand if I can the provision in this particular rule that waives all points of order. I wonder if the gentleman from Massachusetts [Mr. MOAKLEY] might enlighten us a little bit. When waiving all points of order, are we waiving the fact that the conference committee exceeded the scope of the bills before it?

Mr. MOAKLEY. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Massachusetts.

Mr. MOAKLEY. Mr. Speaker, we are waiving scope.

Mr. WALKER. So, in other words, there is material in this bill that is being brought out that was not in either the House or the Senate bills, is that correct?

Mr. MOAKLEY. The gentleman is correct.

Mr. WALKER. And are we waiving germaneness as a part of this particular exercise of waiving all points of order? In other words, is there language in this bill that would otherwise be nongermane?

Mr. MOAKLEY. The gentleman is correct.

□ 1630

Mr. WALKER. So in fact there is a germaneness problem. Does this legislation include appropriations in an authorization bill?

Mr. MOAKLEY. Yes; there are technical.

Mr. WALKER. So we have got a bit of a problem there. Does the bill, in fact, have entitlements in it for military personnel that exceed the entitlement authority under the Defense budget function?

Mr. MOAKLEY. No; there are no entitlements.

Mr. **WALKER**. No entitlements in the program.

Mr. **MOAKLEY**. But the entitlements in there are within the budget.

Mr. **WALKER**. There are entitlements within the program but they are within the budget.

Mr. **MOAKLEY**. That is right.

Mr. **WALKER**. I thank the gentleman.

Are we waiving the 3-day layover in this particular exercise of waiving all points of order?

Mr. **MOAKLEY**. Yes, we are waiving the 3-day provision.

Mr. **WALKER**. So Members have not had much of a chance to look at the bill.

Also, was there an effort made to find out——

Mr. **MOAKLEY**. We are not waiving the gentleman's standing.

Mr. **WALKER**. I was afraid of that for a minute.

Are we also checking to make certain that there was a quorum present when this bill was reported out of the conference committee?

Mr. **MOAKLEY**. The majority members of the conference committee signed it so obviously there has been a quorum present.

Mr. **WALKER**. Do we have a record of whether or not there was a quorum present?

Mr. **MOAKLEY**. I do not have any personal record but since it was never challenged I would just assume that there a quorum.

Mr. **WALKER**. OK, I thank the gentleman. That is in fact something that the Rules Committee may want to begin checking, because we have had several problems now of bills coming to the floor without there being a quorum present.

I thank the gentleman for his responses. In other words, this is not just a little minor provision here waiving all points of order. We are waiving several significant points of order that would rest against this conference report. There are a number of matters in here that pertain to the ability of the House to understand what is before it. You have a conference that exceeded its scope, that has brought nongermane materials to the floor and is doing so in a way that does not even give the Members the 3 days that would otherwise be allocated to find out what is in the bill. And the bill is a rather thick one.

Mr. **MOAKLEY**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would tell the gentleman we do not waive the budget requirements. The reason for so many waivers is because there were 2,000 differences between the House and Senate so therefore we had to make some waivers.

Mr. **WALKER**. Mr. Speaker, will the gentleman yield to me?

Mr. **MOAKLEY**. I yield to the gentleman from Pennsylvania [Mr. WALKER].

Mr. **WALKER**. I thank the gentleman for yielding.

So this is the bill that is being brought to the floor without a 3-day layover that we are supposed to have some understanding of and we have nongermane amendments, we have violations of scope and so on. We are supposed to approve a rule that allows consideration of this in 1 hour without very much in the way of consideration. I would suggest to the gentleman that perhaps it is going to be a little difficult for the Members to vote intelligently on this package.

Mr. **QUILLEN**. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time and urge passage of the rule and the measure when it is debated on the floor.

Mr. **MOAKLEY**. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The **SPEAKER** pro tempore (Mr. BONIOR of Michigan). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. **WALKER**. Mr. Speaker, I object to the vote on the ground a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently, a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 301, nays 120, not voting 12, as follows:

[Roll No. 439]

YEAS—301

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Badham
Barnard
Bateman
Bates
Beilenson
Bennett
Berman
Bevill
Bilbray
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Clarke
Clay
Clinger
Coats
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coyne
Crockett
Darden
Davis (IL)
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Dymally
Dyson
Early
Eckart
Edwards (CA)
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (TN)
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Gradison
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Hyde
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Konnyu
Kostmayer
LaFalce
Lancaster
Lantos
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McHugh
McMillan (NC)
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (OH)
Mineta
Moakley
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Rinaldo
Robinson
Rodino
Roe
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schroeder
Schumer
Sharp
Shaw
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Spence
Spratt
St Germain
Staggers
Stallings
Stark
Stenholm
Stokes
Stratton
Studds
Sweeney
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Traficant
Traxler
Udall
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wilson
Wise
Wolpe
Wortley
Wyden
Yates
Yatron
Young (AK)

NAYS—120

Archer
Armey
Baker
Ballenger
Bartlett
Barton
Bentley
Bereuter
Bilirakis
Bliley
Boulter
Broomfield
Brown (CO)
Buechner
Bunning
Burton
Cheney
Coble
Coleman (MO)
Combest
Coughlin
Courter
Craig
Crane
Dannemeyer
Daub
DeLay
DeWine
DioGuardi
Dornan (CA)
Dreier
Edwards (OK)
Emerson
Fawell
Fields
Ford (MI)
Frenzel
Gallegly
Gekas
Gingrich
Goodling
Grandy
Gregg
Gunderson
Hastert
Hefley
Henry
Herger
Hiler
Holloway
Hopkins
Hunter
Inhofe
Ireland
Kolbe
Kyl
Lagomarsino
Leach (IA)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lott
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
Martin (IL)
McCandless
McCollum
McEwen
Meyers
Miller (WA)
Molinari
Moorhead
Nielson

Oxley
Packard
Parris
Petri
Porter
Pursell
Rhodes
Ridge
Ritter
Roberts
Rogers
Roth
Schaefer
Schuette
Schulze
Sensenbrenner
Shays
Shumway
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Stangeland
Stump
Sundquist
Swindall
Tauke
Thomas (CA)
Upton
Vander Jagt
Vucanovich
Walker
Weber
Weldon
Whittaker
Wolf
Wylie
Young (FL)

NOT VOTING—12

Biaggi
Coelho
Daniel
Dowdy
Frank
Gephardt
Kemp
McGrath
Michel
Roemer
Solarz
Towns

□ 1645

Mr. EMERSON changed his vote from "yea" to "nay."

Mr. MILLER of California changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. ASPIN. Mr. Speaker, pursuant to the rule just adopted, I call up the conference report on the bill (H.R. 1748) to authorize appropriations for fiscal year 1988 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for fiscal year 1988 for the Armed Forces, to authorize appropriations for fiscal year 1989 for certain specified activities of the Department of Defense, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Pursuant to House Resolution 309, the conference report is considered as having been read.

(For conference report and statement, see part II of the RECORD of Tuesday, November 17, 1987.)

The SPEAKER pro tempore. The gentleman from Wisconsin [Mr. ASPIN] will be recognized for 30 minutes, and the gentleman from Alabama [Mr. DICKINSON] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin [Mr. ASPIN].

Mr. ASPIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the conference report which the Committee on Armed Services is bringing before the House today is different in several respects. One very important respect is that this authorization conference report marks the Department of Defense bill to two levels. This is following the directions of the budget resolution which passed both Houses of Congress and which also had defense at two levels, and those two levels were to be resolved depending upon whether the President was to sign the tax bill. Given the fact that we do not yet know whether the President will sign a tax bill, the authorization bill marks at the two levels in the budget resolution, two budget authority levels. One is $289 billion at the low level, and the other is $296 billion at the high level. Others, I think, will talk more about this, but let me make just two points.

One point is that the defense budget is now going down in real terms. This is the third year in a row in which we have had a real decline in defense spending. If we are going to continue this operation, we are going to have to start to look at ways to make savings that we have not done in the past, and in particular, I refer to the issue which we raised here in this conference report of actually shutting down production lines. That has to be faced, I think, by this Congress next year.

At the lower level of the two levels, we shut down two lines of aircraft, the A-6 line and the AV-8B line. That was not a happy choice. It was not something that any of the conferees wanted to do, but we realized that there are limits to how far we can go with this continual problem of stretch-outs.

What we have done in the past will no longer suffice in the future, and that is just to stretch out the production levels of all the equipment we are buying, so we have to just buy fewer of them every year. It gets to the point where the unit cost of these things gets to be too high, and we end up wasting a lot of defense dollars.

That is moral No. 1 that comes out of this year's effort. Moral No. 2 that comes out of this year's effort is that it is important, in spite of the reductions, to try to protect those parts of the defense bill which we think are important. I think the gentleman from Alabama [Mr. DICKINSON] should be commended for his work on protecting some of the Army programs. We were able to do that in this bill in spite of the fact that we brought defense spending down under both the high and the low tiers. In spite of the fact that we have a real decline in defense spending at both the high and the low tiers, we were able to increase the defense spending for some very important Army programs.

I think that is the second moral of the story that should be noted in the year's defense bill, because we are going to have to do it next year and the year after if present trends continue.

The only other thing worth mentioning here, Mr. Speaker, is the arms control provisions, and I think other Members will talk at greater length about those. I would just point out that the principle behind the arms control negotiations and the agreements we have here is in essence to keep what the House wanted to do and in a couple of cases what the Senate wanted to do without forcing the administration, if it signs this bill, to admit that they are adhering to the SALT II treaty and to the ABM narrow interpretation.

□ 1655

The House and the other body on both sides of those issues had that language written into the bill. The administration did not want to abide by that, but what we have here is that we have programmatic changes that allow us to stay within those kinds of limits that we sought in those two amendments without actually mentioning the arms control agreements themselves. That is the way we worked the conference on that.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. ASPIN. I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Speaker, I thank the gentleman for yielding.

I rise in strong support of the conference report, and I want to commend the gentleman from Wisconsin [Mr. ASPIN] and the gentleman from Alabama [Mr. DICKINSON], the ranking member, and all of the members of the conference, really, in this significant effort to achieve a bipartisan consensus.

Mr. Speaker, in an effort to forge a bipartisan consensus on arms control issues before the American-Soviet summit in Washington on December 7, the House and Senate leadership and the White House reached an accord last week on a number of important provisions, including: the traditional interpretation of the ABM Treaty, preservation of the SALT agreements, SDI funding limitations, preservation of the moratorium on Asat testing, and chemical weapons funding limitations.

For the past 7 years, the Congress has been the driving force for including arms control as an integral part of our national security policy. We welcome the administration's willingness to work with the Congress this year and hope that such a partnership can continue in this and future administrations.

A brief overview of the compromise agreement on the arms control provisions in the fiscal year 1988 defense authorization conference report follows:

ABM TREATY

As reflected in their respective Defense authorization bills, both the House and the Senate, strongly opposed the administration's attempt to implement the broad interpretation of the ABM Treaty. The final conference report contains language that has the practical effect of requiring the administration to adhere to the traditional interpretation of the ABM Treaty. In effect, the administration is restricted to the SDI tests included as part of its fiscal year 1988 budget request. The Congress—hopefully in partnership with the administration—will continue to uphold the traditional interpretation of the ABM Treaty as the law of the land.

At a hearing of the Subcommittee on Arms Control, International Security and Science last October 27, Lt. Gen. Brent Scowcroft, former national security adviser under President Ford reaffirmed the traditional interpretation of the ABM Treaty. He stated that the interpretation of the treaty "presented to the Congress [was the] narrow interpretation" and the administration's attempt to reinterpret the treaty was "unbefitting."

SALT SUBLIMITS

The House and the Senate agreed to preserve the SALT II Treaty sublimit on permitted numbers of MIRV'ed SLBM's. Specifically, the bill requires the dismantlement of one Poseidon submarine, the *Andrew Jackson* and urges that Poseidon submarines due for overhaul in the future, be dismantled accordingly, to keep us in relative compliance with the SALT sublimit.

Widespread congressional sentiment in favor of continued adherence to the SALT regime was reflected in legislation passed by the House of Representatives on June 19, 1986 that called upon the President to continue to adhere to the numerical sublimits of the SALT agreements, binding language in the House version of the fiscal year 1987 Defense authorization bill which prohibited the expenditure of funds to exceed the SALT sublimits, and binding language in both the House and Senate fiscal year 1988 Defense authorization bills requiring the administration to adhere to the SALT sublimits.

The Congress strongly supports continuation of the existing arms control regime until there is a new regime to replace it. It is our hope that United States and Soviet negotiators will reach an agreement to significantly reduce the strategic arsenals of both superpowers at the Geneva arms control talks. In the interim, our belief is that United States national security interests are best served by maintaining arms control limitations on Soviet offensive strategic systems.

SDI FUNDING LIMITATIONS

The House Foreign Affairs Committee has held numerous hearings over the past several years on the administration's strategic defense initiative [SDI]. The adverse arms control and budgetary implications of the SDI were exposed during these hearings, leading many in the Congress to support funding limitations on the SDI.

For fiscal year 1988, the administration requested $5.8 billion for the SDI. The House authorized $3.1 billion for the SDI and the Senate authorized $4.5 billion. The conference committee agreed on $3.9 billion. The Congress will continue to support funding for the SDI that keeps us abreast of Soviet activities in the strategic defense area and is consistent with the traditional interpretation of the ABM Treaty and our national security objectives.

ASAT MORATORIUM

The conference report preserves the moratorium on testing antisatellite [Asat] weapons against objects in space for as long as the Soviets refrain from such testing. Continuation of the Asat weapons ban reaffirms the congressional belief that an agreement between the United States and the Soviet Union on banning Asats would represent a major step toward averting a costly and destabilizing arms race in space.

BINARY CHEMICAL WEAPONS

Before commenting on the compromise struck by House-Senate conferees on the binary chemical weapons provisions in the DOD authorization bill, I would like to highlight the progress and significant developments in chemical arms control. This Friday a Soviet expert delegation will visit our chemical weapons facilities at Tooele, UT, as part of a reciprocal United States-Soviet agreement to exchange such visits which focus on chemical weapons destruction, demilitarization, and production. This official Soviet visit on Friday to United States chemical facilities combined with the October 4 official United States visit to the Soviet chemical weapons facilities at Shikhany represents important confidence building measures toward the realistic prospects for a mutual and verifiable elimination of chemical weapons.

Two years ago, in November 1985, President Reagan and Soviet leader Gorbachev pledged to work for a worldwide ban on chemical weapons. Consistent reports of progress toward a worldwide ban on chemical weapons have been received from the 40-nation U.N. Disarmament Conference negotiation in Geneva. During this past year the Soviet Union has been active on the chemical weapons issue and there have been some public Soviet concessions which could be quite significant once they are negotiated into a treaty. This past year the Soviet Union announced that it had halted production of chemical weapons and began building an incinerator to begin destroying its present chemical weapons stocks. The Soviets also agreed to "on-site" and "quick-challenge" inspections. They also carried out a multilateral demonstration visit to one of their chemical weapons facilities at Shikhany. They have also presented some new ideas on the question of chemical weapons data exchange. This seemingly positive chemical arms control attitude by the Soviets must, of course, be translated into the necessary written provisions in the arms control document. An adequate verification regime will probably be the most difficult problem to resolve in addition to the problems of treaty organization and funding and of worldwide adherence to the treaty by possessor nations. Despite these remaining problems this movement on chemical weapons arms control sets the stage for a truly historic opportunity to reach agreement on the worldwide elimination of all chemical weapons.

A. BINARY CHEMICAL WEAPONS AND DOD CONFERENCE

The binary chemical weapons provisions contained in the DOD conference authorization bill for fiscal year 1988 represent a compromise between the House and Senate positions and between proponents and opponents of the binary chemical weapons production program.

There are no production funds for the Bigeye bomb program in the conference bill, production funds for the binary 155mm artillery shell in the amount of $59.3 million were approved, and language was included which reflected congressional support for a policy that links the removal and replacement of existing chemical weapons in Europe with binary chemical weapons.

B. BINARY CHEMICAL WEAPONS—HISTORY OF CONTROVERSY

In order to understand the significance of this year's compromise on the binary chemical weapons program, it is important to recall the long history of the Binary Chemical Weapons Program.

For 3 consecutive years, 1982–85, Congress wisely rejected the Pentagon's persistent requests to produce binary chemical weapons. Congress ultimately prohibited all funding for the binary production program during fiscal year 1986 and made funding after fiscal year 1986 conditional. For example, binary production could begin after October 1, 1986, only if environmental, safety, and testing requirements were satisfied. Allied acceptance of these new binary chemical weapons was also a condition.

In 1986 the authorization for fiscal year 1987 postponed final assembly of the Bigeye bomb for 2 years and the 155mm artillery shell for 1 year. Funding of production facilities and eventual funding of final assembly for both binary and chemical weapons were both made contingent on Presidential certifications on testing, environmental safety, and national security.

Ongoing GAO investigations of the Bigeye bomb testing programs will play an important role in the final decision by Congress regarding the advisability of funding production and final assembly of the Bigeye bomb. Congress has also funded DOD research and development of long-range standoff chemical delivery systems.

The latest report to me from GAO indicates that there are still very serious problems with the Bigeye bomb test program. This June 4, 1987 letter from GAO analyzes the Bigeye bomb's operational test plan:

U.S. General Accounting Office,
Program Evaluation and Methodology Division,
Washington, DC, June 4, 1987.

Hon. Dante Fascell,
Chairman, Committee on Foreign Affairs, House of Representatives

Dear Mr. Chairman: In a June 26, 1986, letter, you requested GAO continue its work on examining the operational issues of the Bigeye bomb. This is a status report which provides an evaluation of the operational test plan. As you know, GAO was also assigned the task of monitoring and evaluating the operational tests of the Bigeye in the FY 1987 Defense Authorization. This report does not address any operational test results, but only discusses the test plan.

We evaluated the Bigeye test plan on the basis of conformance with test plan criteria laid down by the Defense Department. Drawing upon both the DOD criteria for test plans, and the work of experts in defense OT&E, GAO found that the Bigeye test plan presents four major problems, and several minor ones.

DOD Directive 5000.3 specifies eight elements that must be present in an operational test plan: a statement of objectives; measures of effectiveness; operationally realistic scenarios; threat simulations; a list of required resources; a statement of known test limitations; data gathering methods; and data analysis methods.

GAO believes that the Bigeye test plan has four important limitations which will seriously affect the usefulness of the overall test program:

1. Unrealistic Mission Profiles.—There is no explanation for why operational scenarios based on little or no threat are used as the basis for 60% of the test runs by the Air Force; only 11% of the Navy runs assume such scenarios. Similarly, there is no explanation for the absence in either service of test runs based on a scenario that assumes a high air and high ground fire environment. Given circumstances considered likely for the use of Bigeye—a full-scale ground war in Europe against the Warsaw Pact—it is unclear why the Bigeye scenarios assume a "moderate" threat level as the highest for testing purposes. While there may be a good reason for the choices made by DOD, no explanation is offered in the test plan. As things stand, it is clear that, whatever the reason, Bigeye will not be tested under operationally realistic conditions.

2. Absence of Data Analysis Plan.—The Bigeye test plan contains no data analysis plan. In general, test experts believe that a data analysis plan is one of the core requirements for a properly conducted test, since it specifies how the collected data will be analyzed, including what defines the failure or success of the test. The absence of a data analysis plan can permit the collected data to drive the later analysis, thereby introducing the possibility of both problematic evaluation and bias. Furthermore, the lack of a plan prevents outside evaluators from thoroughly understanding the assumptions used by testers, along with the criteria for judging test results. In the case of Bigeye, numerous questions remain unanswered about how data will be evaluated precisely because there is no data analysis plan.

3. Proliferation of Independent Variables.—There are at least 22 independent variables which affect testing of the Bigeye. "Independent" variables are, by definition, factors that can be controlled by testers in order to judge the effect of a variable on the performance of a weapon (e.g., day versus night flights, type of aircraft, number of bombs used, fuze time, height of bomb release, etc.). GAO believes that given only 33 missions and 22 independent variables, it will be very difficult, if not impossible, to decide what factors are responsible for the success or failure of the Bigeye. GAO also believes that some of these variables could have been controlled (e.g., using only one type of aircraft, only having daytime flights, only using one weapon at a time, or using crews of roughly equal experience). For example, only two night tests will be conducted, and there are so many other variables at work that even if both succeeded, or failed, it would be impossible to state that night employment was the factor responsible for success or failure.

4. Significance of Known Test Limitations.—In the Bigeye test plan, DOD cites 10 limitations to achieving operational realism, ranging from the absence of electronic countermeasures to no correlation between simulant and lethal agent. While some of these limitations are necessary (to conform to existing law), GAO believes that the limitations raise two related problems. First, some of the limitations could be removed (e.g., by testing ECM effects in the laboratory, simulating hostile fire maneuvers through jinking); second, the test plan does not make any attempt to quantify the effects of the cited limitations. An adequate data analysis plan would have addressed this important problem.

In addition to these four major concerns with the Bigeye test plan, GAO has encountered problems with obtaining data on the Bigeye test results that we were promised would be made promptly available. DOD stated that data from the test runs would be sent to GAO in no more than 20 calendar days from the time they were available, approximately 10 days after each test run. However, GAO has not received one piece of data as of this writing, 105 days after we filed our first request on February 19.

While this information on the test plan has several new aspects, I am struck with a feeling of déjà vu. In our past work on Bigeye, we have encountered three of the same problems we face now: namely, a lack of realistic testing, an absence of a stated analysis plan (laying out, for example, the criteria detailing which tests will be counted and which not), and an inability to obtain data in a timely manner. The absence of realistic tests in the developmental phase of Bigeye testing is partially responsible for the current decertification of the weapon; and unclear criteria have led to questionable and varying rates of success and failure. Unfortunately, we see the same problems occurring again. Unless they can be resolved, the results of operational testing will not generate the information needed to determine if the Bigeye is ready for production.

A similar letter is being sent to the Chairman, Senate Armed Services Committee and to the Chairman, House Armed Services Commitee. Staff from those committees were briefed orally on May 11, on this subject.

Sincerely,

Eleanor Chelimsky,
Director.

This short overview of the Pentagon's Binary Chemical Program demonstrates persistent congressional opposition to engaging in a "chemical divad" program. That's why the compromise as contained in this fiscal year 1988 Defense authorization says "no" to flawed weapons—that is the Bigeye bomb—and why we should say "no" to the flawed strategy of unilateral chemical disarmament in Europe. Our hope is that the superpowers can agree to an arms control agreement that would obviate the need for the final production of any binary chemical weapons.

This last point takes on added significance in view of the joint pledge orginally made at the November 1985 summit by President Reagan and Secretary General Gorbachev to actively seek an agreement on the mutual elimination of chemical weapons. Both leaders discussed this issue again just last year in Iceland and identified an arms control agreement on chemical weapons as desirable and possible.

This position will hopefully be reaffirmed during the upcoming United States-Soviet summit in Washington, DC, on December 7 to 10.

While not as conclusive as many of us would like the conference position on chemical weapons reaffirms Congress' position that we should not be funding a weapons system that does not work, is not proven safe for our troops, needlessly adds billions of dollars to the deficit, unilaterally eliminates the present chemical deterrent in Europe, and undermines efforts of the superpowers to agree to an arms control agreement that bans chemical weapons.

As we address this problem in the future, we should not fund a full and final binary chemical production program unless progress on an arms control agreement with the Soviets proves impossible and an independent assessment by GAO concludes that binary weapons are technically ready for production and operationally safe and usable.

NUCLEAR TESTING

Although strong language in support of nuclear testing limitations is not included in the conference report, such limitations do remain a high priority of the Congress.

For the past 2 years, the House Defense authorization bills have included binding language prohibiting the expenditure of funds for nuclear test explosions above 1 kiloton unless the President certifies to the Congress that the Soviets have tested above 1 kiloton or that they have refused to accept reciprocal in-country monitoring arrangements. This achievement was an outgrowth of legislation (H.J. Res. 3), initiated by the House Committee on Foreign Affairs and passed by the House of Representatives in

1986, which urged the administration to seek ratification of the threshold test ban treaty and the peaceful nuclear explosions treaty and to resume negotiations on a comprehensive test ban treaty.

We are pleased that the administration is now implementing the spirit of House Joint Resolution 3 by agreeing to begin nuclear testing negotiations with the Soviet Union on November 9 of this year.

As we monitor these negotiations, we will continue to support efforts to reach the ultimate objective of bringing an end to nuclear testing.

FOREIGN AID PROVISIONS

A similar bipartisan relationship existed relative to a number of foreign aid provisions in the Defense authorization bill, in which Foreign Affairs Committee members were conferees.

I am pleased to report that in cooperation with the House Armed Services Committee conferees, the few foreign aid provisions were resolved to the satisfaction of the Foreign Affairs Committee conferees.

Mr. DICKINSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. DICKINSON. Mr. Speaker, I would like to thank the gentleman from Florida [Mr. FASCELL], the chairman of the Committee on Foreign Affairs, for making it possible for us to bring the conference report up at this particular time.

Because of a parliamentary situation, if we did not bring it up today, we could not bring it up tomorrow, because it will be brought up in the other body. There is a threat of a filibuster in the other body; and that being the case, it would go over until the other body finished, which would put it after the Thanksgiving break.

The chairman of the Committee on Foreign Affairs was very nice to accommodate us.

Mr. Speaker, speaking to the conference report itself, I have real mixed feelings. This is a better bill, the bill as it now stands, than it was when it passed the House on May 20. It is about the best defense bill that we could produce, given the position that we had been voted in in the House.

I say in all honesty, with the hand that we were dealt, the chairman and the conferees did the best possible job. For that reason, I support the conference report, both the core section of the bill as we refer it, and the arms control section of the bill.

Speaking as to the core bill, so to speak, as the chairman has pointed out, we had to mark at two levels, which was necessitated by action of the Committee on the Budget that said we did not know how much money we would have, so they would authorize two levels of spending, $296 billion or $289 billion.

This was a substantial reduction from the request of the administration, which was $312 billion. As the chairman has pointed out, this is the third year in a row that we have had a negative growth in our defense authorization bill.

We do not know yet what the final figure will be, because they are still in conference, the so-called summit budget committee; and if they do not come out with an agreement tomorrow, we face sequestration that could take this bill down almost $11 billion more, so I am told.

It is a very serious thing that we are faced with here. I would hope that the conferees on the Joint Budget Committee can work out some resolution to the problem, so that we can avoid the sequestration, because it would really create a great deal of harm to our natural posture if we have to cut additional billions out of this.

The chairman has mentioned that we were threatened with closing two lines, a Grumman line for the A-6 aircraft. They make two kinds.

They propose to make the F model, which is a follow-on, a newer model of the A-6E and the AV8-B Harrier for the Marine Corps. The Harrier for the Marine Corps is one of their most important programs and would very much upset the Marine Corps.

Mr. Speaker, this bill makes deep cuts in a number of strategic programs: the advanced-technology bomber, the Midgetman, the rail garrison basing research and many others.

This is not necessarily good, although some of the cuts were made for valid, programmatic reasons.

The up side of this is that we funded a number of conventional programs at or above the requested levels. Army helicopters and tanks benefited from our action, as did a number of tactical programs across the board.

I would like to commend all of the Members for their diligence and hard work during the conference with the other body. It was a very long and arduous process, probably the longest and most arduous that I have ever experienced. It got to the point where there were many items that could not be resolved within the panels of conferees, and these were referred back to the chairman and ranking member of the House and Senate conferees, and then we had to work on them.

We did the best that we could under the circumstances; and by and large, we did as good a job as could be hoped for.

There was a second aspect to the bill. Mr. Speaker, and that had to do with arms control. Before I leave the core, let me just mention to some of my colleagues, we are talking about closing down lines, and the chairman of our committee was very diligent in trying to protect the interests of certain Members who had constituents that would be negatively impacted. If we marked to the lower tier, there will be two lines closed down, but I might just point out to some of the Members from New York and other places, the next time they vote on a budget level, keep that in mind, because this year they do it to themselves.

They voted that budget at a lower spending level with no regard as to what it is going to do to the programs, weapons programs, and so that is the level we were faced with when it left the floor.

It was for that reason, I voted against the bill when it left the floor, and you cannot have it both ways. You cannot vote for the lower spending level and think that your programs are so important, your own constituencies are going to be protected. That is just not the way it works.

There were four big items dealing with arms control. Mr. Speaker, they had no business being in our bill.

They were in the jurisdiction of the Committee on Foreign Affairs and should be dealt with by the Committee on Foreign Affairs.

These were matters that affect ongoing negotiations that the United States has right now with the Soviet Union in Geneva, and we were mandating by legislation things that we would be giving to the Soviets that they could not get by negotiation in Geneva.

We were voluntarily giving them away in many instances. They have consulted with the people that are directly involved here, with the administration, people from the State Department; and I have reason to believe that the bill as it presently is will not be vetoed.

There are certainly no assurances there, but I can give the Members one firm assurance. The bill as it was reported out of the House originally would be vetoed.

I have discussed this with the administration, and I do not think there is any question about that. I think we did a good job all around. All of the participants are certainly to be congratulated.

I do have some ambivalence, as I have said. I do not think we can do better, and for that reason I am going to vote for the conference report.

Mr. Speaker, I reserve the balance of my time.

Mr. ASPIN. Mr. Speaker, I yield 2 minutes to the gentleman from Mississippi [Mr. MONTGOMERY].

Mr. MONTGOMERY. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise in support of the conference report, and I would like to thank and commend the gentleman from Wisconsin [Mr. ASPIN], the chairman, and the gentleman from Alabama [Mr. DICKINSON] for working so hard. There were many areas of disagreement, and the gentlemen were able to work it out; and I support the conference report.

The bill treats the National Guard and Reserve well. Under the bill, new equipment will go directly to the Reserves, which includes planes, guns, and tanks. The end strengths for the military, the increases have been in the Reserve Forces, and there are provisions to increase the number of AGR's, and technicians to the Reserve Forces.

However, if we do not have a budget resolution, and we have to trigger the Gramm-Rudman-Hollings provision, it would be a disaster to the National Guard and to the Reserve.

I point out in all the accounts of the Reserve Forces, you have to cut them by 19 percent. That includes the personnel count of the Reserves.

In cutting it by 19 percent, that would mean you would have to reduce the number of drills of these units, and let people that are in the Reserves go.

You would have to discharge them out of the Reserve Forces, put them on inactive duty. If you are talking about hearing from home, you would get some reaction then.

□ 1710

So we need a budget. We need to pass this conference report and we do not need to trigger Gramm-Rudman, or you would bring total chaos to the Reserve Forces.

Mr. DICKINSON. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from California [Mr. BADHAM].

Mr. BADHAM. Mr. Chairman, I as one member of the committee who has been on the conference between the House and the Senate for the DOD bill for the past 4 or 5 years have seen them come and I have seen them go. This bill is not much different when you come to the bottom line on the bill, but I have voted for this rule today and I intend to vote for this bill.

I would just like to maintain for a couple of minutes what is in this bill and what is not in this bill.

I have read, as everybody else has, the letters in the news magazines and I find it somewhat startling to read in the news magazines that we should cut the deficit and we should cut the budget and we should cut defense as long as it does not destroy or weaken the defense of our country. I read things like that and I am somewhat amazed, because we are at that point now, Mr. Speaker, and Members of this body, that we are going if we continue in this direction to weaken the defensive stature, the deterrent posture of our country in the future.

This bill basically has two parts, the core bill that has to do with defense, and then the rest of the bill that we have referred to with extraneous or additional conferees as the arms control part.

As the gentleman from Alabama [Mr. DICKINSON] correctly said, these things did not even belong in this bill, but in the bill they were there and we had conferees and agreements were reached.

Now, what has changed in this bill is that when this bill left this House in late May, almost 6 months ago, when this bill left this House I would say a majority of the members of the Armed Services Committee on both sides of the aisle voted against the bill for which we have the conference report before us today. Why? Because it was a bad bill. It did not take into account the true needs of the defense of our country.

As it comes back here today in the conference report, after diligent staff work of almost 6 months, and I would commend the members of the Armed Services Committee staff on both sides of the aisle, we have a unified staff that have worked tirelessly to bring this bill into some sort of position that we can support.

I would say as a result of the work of the staff, as a result of the work of this body and the other body and the members of the committee, what went out of this House as a bad bill comes back to this House in terms of a conference report, in terms of something that is by far the best we could possibly hope for this year, and I will vote for this bill, as I believe a majority of both sides of the aisle and members of the committee will vote for.

We have hard choices, and we have had in the past, stretching out programs as we found in the late seventies that were terribly destructive to the defense of the United States. We had a situation where the bill went out of this House with many of us, I would say a majority of both sides voting against it, where the bill surely in that form would have been vetoed, and as the gentleman from Alabama [Mr. DICKINSON], our ranking member of the full committee, said, we are given strongly to understand that this bill in its present form with this conference report will be signed.

So, I would ask my colleagues in this body to support this bill, while understanding full well and from now on that next year, and we constantly stand here each year and say next year it is really going to get tough, but the decisions we have next year are going to be to eliminate programs, to lower troop strength, to bring troops back from parts of the world, to leave undefended large areas of the ocean portions of this world by cutting defense, if we continue in this present mode.

I will support this bill and I do so freely, voluntarily, and eagerly, not because it is the best bill in the world. If I were to write it, or any of us were to write it, we would have written it differently, but it is by far the best agreement, the best bill we have and it will maintain for at least 1 year the adequate defense of our country, and when I say for 1 more year I would refer now just in closing to the arms control portion, and that is saying that we more or less restricted the arms control portion to 1 year, and that was apparently acceptable to the administration and it was acceptable to most of us, and next year we will have that battle to fight all over again, testing whether our agreements with the Soviet Union will last for more than 1 year.

I thank you and I encourage an aye vote on this bill to preserve the defense of our country.

Mr. ASPIN. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. MCCURDY].

Mr. MCCURDY. Mr. Speaker, I rise in strong support of this conference report and I commend the chairman, the ranking member, and all the conferees for the diligent work that they put into reaching this very difficult compromise.

This year we have had a very tough time in coming to a consensus on the defense bill. The dollars have been short and we have been forced to make a number of important choices, set some priorities, and the decisions that we have made, I think, have important policy implications in the future.

We have tried in this bill to protect readiness. We have tried to protect personnel. We have tried to place as a high priority those operations and maintenance accounts which are so important to our overall capabilities.

We tried to place emphasis on coventional systems, which in my opinion have been shortchanged by the Reagan administration for strategic nuclear systems.

We have tried to elevate the importance of those coventional systems. We have restored a number of accounts for the Army, which when we started out this past year, we found that many of the research and development accounts were larger than the Army procurement account, whether it was for helicopters or other vital systems.

We have continued to place a strong emphasis on airlift and on sealift. I think these have been successes.

As I said, the choices were forced on us by some of the decisions that had been made earlier. I, for one, still want to remind this body that when we make decisions here this year, it has tremendous impact in the future. When we decided to facilitate the production of two new aircraft carriers, we were forced to cut naval aviation, because we did not have the money to put aircraft on those carriers when we made those decisions. Those were tough and the Appropriations Committee, I think, is going to have to some to grips with that decision also.

Most importantly, Mr. Speaker, I think those who are meeting on the budget and certainly those who helped set those decisions here in the Congress, we need stability in this area. We cannot achieve the savings through competition or procurement reforms if we do not have stability in this budget. We need a 2-year budget and we need to set that as a high priority. Even though we passed the amendment last year, it is imperative that we come to grips with this and start stabilizing this account over the years.

With all that, Mr. Speaker, I still rise in strong support of this conference agreement. I think it is the best that we can achieve. It falls short in some policy areas, but I think that overfall this is one that the House and the Congress can be proud of.

Mr. DICKINSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Virginia [Mr. BATEMAN].

Mr. BATEMAN. Mr. Speaker, I appreciate the distinguished gentleman from Alabama yielding me this time. I will try not to consume all of it.

Were I to state all of the concerns that I have as we move hopefully to the passage in this body of the defense authorization bill, it would take a great deal more than 3 minutes.

Let me say to the Members of the House that I will be voting for this conference report. I will not be doing so gladly or happily. I will be doing so very sadly, because I think we are passing a deficient national security authorization bill.

We should have learned the lesson that by buying less than you need and stretching programs over longer spans of time we waste a great deal of our fiscal capability in this country, while denying ourselves the defense capability we need immediately. We should not be doing that.

I am going to vote for the conference report. I urge my colleagues to do the same.

Notwithstanding having said that, I think it is only fair to point out that this member of the committee and of the conference committee did not sign the conference report. That is based in large measure upon objections on my part to the processes followed in the course of the conference, which I think were flawed and were departures from what I understand to be the norm for the conduct of committees of conference. For that reason, I did not sign the conference report, but when it comes to the question of should this bill pass, then clearly I must come down on the side of let us pass this bill.

I would further say that in my extension of remarks I would like to make comments with reference to the specific decisions on officer-instrength reductions mandated in this bill, which I think is a terribly flawed decision on our part, one which should not have been made and one which I would be among those who would insist that we revisit that issue at the earliest possible opportunity.

I commend my chairman and ranking member for the amazing amount of work and stamina that they have shown in bringing us to this point. I am sorry that the circumstances did not permit them to bring us a better bill and a better report.

Mr. Speaker, as the ranking minority member on the Armed Services' Subcommittee on Military Personnel and Compensation, I regret that I must register a serious reservation about the final conference agreement on H.R. 1748, the Department of Defense Authorization Act for fiscal years 1988 and 1989. I am referring to section 402 of the conference report concerning reducing the number of officers on active duty in fiscal year 1988 and beyond.

Mr. Speaker, the background on this issue could serve as a case study on how Congress should not conduct business. Last year, both the House and the Senate passed provisions to reduce the size of the active duty officer corps. The Senate acted because some Senators had a "gut feel" that the officer corps had grown fat and that the ranks should be pared back to size. The House, on the other hand, acted out of pure budgetary considerations. We had a dollar reduction to meet in order to live within the budget resolution and officer cuts was one of the many imprudent ways we reached our mark. At no time, let me emphasize, did either chamber have empirical evidence that the growth in the active duty officer corps since 1980 was inappropriate; but that didn't stop us from mandating the cuts anyway: 1 percent in fiscal year 1987, 2 percent in 1988, and 3 percent in 1989 for a total reduction of 6 percent.

Although the services and the Secretary of Defense reluctantly complied with the 1 percent reduction in 1987, they asked during authorization hearings on the fiscal year 1988 bill to be relieved of the remaining 5 percent reduction. In the meantime, each of the military services compiled data explaining that the bulk of officer growth was closely tied to changes in combat and combat support capability. A synopsis of this data was then submitted to Congress by the Secretary of Defense and, unfortunately, was not as complete as it should have been. It was obvious to me and my colleagues on the subcommittee that more time and analysis was needed before we could make valid judgments about the proper size of the active duty officer corps. That's why we delayed the mandated cuts by 1 year and ordered a General Accounting Office study in the interim. We wanted to see if full and impartial data supported a reduction before we effected more cuts in the officer corps and possibly harmed our combat capability.

Unfortunately, the Senate did not see the wisdom of this position and insisted on keeping the full 2- and 3-percent reductions in fiscal years 1988 and 1989. I am extremely disappointed with the final conference agreement, which retains the 2-percent reduction in 1988, but allows the Secretary of Defense to waive up to one-half of that reduction if he requests legislative relief from certain defense officer personnel management statutes—in other words, the laws that protect many senior personnel from reductions in force. The final agreement also requires the Department of Defense and the General Accounting Office to perform additional analytical work on why the officer corps has grown and how many officers the military needs to perform its mission. Finally, the conference agreement stipulates that if the Secretary of Defense waives one-half of the 1988 cut, he would have to make that up by cutting 2 percent in 1989 and 2 percent in 1990. The bottom line, therefore, would be the same. The officer ranks would be trimmed by a total of 6 percent.

Mr. Speaker, the officer cut issue represents Congress at its worst: shooting from the hip without having the evidence to support its case. I will certainly be among those to insist that we revisit this issue next year following the completion of the DOD and GAO reports and I only hope that facts will govern what we do next year and that "gut reactions" will not be the driving force for policymaking.

Mr. ASPIN. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. DARDEN].

Mr. DARDEN. Mr. Speaker, today I rise in strong support of this conference agreement and I urge its adoption.

As a member of the Committee on Armed Services and also having had the privilege of serving on the conference committee, I believe we have drafted the best possible bill to ensure the continued viability and strength of our Armed Forces.

As in all conference agreements, I have concerns regarding specifics in the bill. I would rather have a higher funding level, but last May we passed the Aspin amendment to ensure that the Department of Defense lived within a budget, just as every American family must. We as a Nation are saddled with the economic realities of a $2 trillion debt and an annual deficit exceeding $150 billion. Accordingly, the tough choices have to be made now by this Congress if our national defense structure is to remain sound and strong in the future.

There has been some criticism by supposedly impartial study groups around the Capitol concerning the arms control provisions agreed to by the conferees. I was not a conferee on the arms control provisions, but if I had been I do not believe I could have recommended any better solutions. Of the House-passed amendments, I supported only the provision which required the traditional or various interpretation of the anti-ballistic missile treaty. However, the conferees reached a compromise position that should please the Members of the House, the Members of the Senate, the President, and the American people. No, this conference report does not include letter-for-letter the arms control provisions as passed by the House. But, it does include the essence of these provisions and is a suitable compromise that will ensure the security of this Nation. Even such watchdog groups as Common Cause have supported the arms control provisions approved by the conferees.

Again, there are specific programs and line items in this agreement that I do not agree with. However, we cannot allow a disagreement with one program or with one line item to affect our final decision on the funding levels for our national defense. After reaching agreement on almost 2,000 discrepancies between the House and Senate versions of H.R. 1748, I believe we should be proud that we, as the most representative legislative body in the world, have met the challenge of ensuring our national security while showing concern for the budgetary restraints.

Mr. Speaker, I strongly urge the adoption of this conference agreement.

□ 1725

Mr. DICKINSON. Mr. Speaker, I yield 3 minutes to the gentleman from New York [Mr. SOLOMON].

Mr. SOLOMON. Mr. Speaker, I am not a member of the Committee on Armed Services, I am sorry to say. Therefore, I guess I do not speak with expertise on this material in front of me but we have got some pretty good people on that committee and especially the ranking member on the full committee, the gentleman from Alabama [Mr. DICKINSON], and I usually blindly follow him when it comes to armed services issues. But I am a member of the Committee on Foreign Affairs, one of the senior members on that committee, and I did serve as a conferee on this measure, and the arms control panel compromises in this bill, in my opinion, should be opposed. They should be opposed because the compromise interprets in statutory fashion what the United States can and cannot do under the ABM Treaty. I think that is wrong.

The compromise provides for new son-of-SALT-II restraints resulting in for instance the dismantlement of the U.S. submarine U.S.S. *Andrew Jackson*; and given continuing SALT II violations, and I invite my colleagues all to go upstairs and look at the Central Intelligence Agency reports, this new requirement for interim restraints negates appropriate U.S. responses. I think that is dangerous.

Also the conference continues the United States ASAT moratorium and in light of Soviet space programs that we all know about, the moratorium should be dropped.

Finally, funding for the SDI remains disproportionately low.

Mr. Speaker, the compromise does not meet, in my opinion, United States national security requirements. It is a sell-out, and I have heard Member after Member take the floor and say this bill is deficient, I have heard almost every Member including, I think, even the gentleman from Wisconsin [Mr. ASPIN], the chairman of the committee, say that these arms control issues should not be in a DOD bill, they ought to be over in our Committee on Foreign Affairs where they should be.

Mr. Speaker, I just do not agree that we think it is deficient and, therefore, we ought to vote for it. I think it is deficient and, therefore, we ought to defeat it.

I will be asking for a vote on this bill on final passage but again I commend all of the Members on both sides of the aisle. I know they have done yeoman work on a very difficult issue.

Mr. ASPIN. Mr. Speaker, I yield 1 minute to the gentleman from Missouri [Mr. SKELTON].

Mr. SKELTON. Mr. Speaker, I rise in strong support of this bill. I do not think that many people across our country understand the difficult task that the Committee on Armed Services has in putting a bill together such as this and then trying to resolve the literally hundreds of issues with the U.S. Senate. Yet this was done and done successfully. I wholeheartedly congratulate the gentleman from Wisconsin [Mr. ASPIN], the chairman of the Committee on Armed Services, on the leadership he afforded. I also commend our very able staff for the hours they put in on it.

The various issues including the arms control issues are in the ball park. They are not as all of us would want them, but they are there and it is a bill that we can wholeheartedly support.

Just two items very quickly, Mr. Speaker, that I wish to make reference to and they both deal with the State of Missouri but they both deal with areas that are of national importance. One is the upcoming transfer of the Army Engineering School from Fort Belvoir, VA, to the State of Missouri. This is on track. I compliment the committee on this. I also compliment the committee on the second area of forging ahead and making it possible for the Stealth bomber base to be the first base in America coming into Whiteman Air Force Base in Missouri.

I support the bill. I will vote for it.

Mr. DICKINSON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Mr. Speaker, I just want to point out one provision in the bill that I think is a good provision, and I am pleased that the conference committee was willing to leave it in, and that involves the area of accidental launch, the protection against accidental launch of a ballistic missile.

As I think most people understand in this Chamber, but many do not understand at home, if there was to be an accidental launch of a nuclear weapon today, we have no protection by design against that kind of a failure. I think it is important to remember that just in the last couple of years we have had a Soviet cruise-missile crash in Finland that fortunately was unarmed; a Soviet submarine-launched missile landed in China and it also was unarmed. There is not a very good safety record when it comes to Soviet Yankee-class submarines, particularly when we consider the one that burned and sank off Bermuda last year.

I offered an amendment in committee to put language in to study what we would do to protect ourselves against an accidental launch. It passed the House, and Senator WARNER was interested in that issue over in the Senate and it was kept in the bill.

What it will mean is that by March 1988 we will have a report on technology available to protect ourselves against this kind of an accidental launch. I think it is a very positive thing. It is something we can agree upon on a bipartisan basis and that conservatives and liberals together can agree that we ought to be able to use this kind of technology against an accidental launch.

I think this overwhelms the question of SDI. SDI, of course, is the comprehensive approach. This is clearly a more modest approach to what we can do against this kind of possible tragedy.

So I want to thank the chairman for this support of this amendment and to thank the gentleman from Alabama [Mr. DICKINSON] and expressly express my pleasure that this is in the bill and hopefully something that will be enacted and something we clearly need.

Mr. ASPIN. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. AuCoin].

Mr. AuCOIN. Mr. Speaker, I think the conference report is a mixed bag. I say that as a liberal and I know that conservatives feel the same way but for different reasons. I signed the conference report with reluctance. I am sure conservatives have as well for their own reasons.

I want to say to my liberal friends in the House on both sides of the aisle that I am as concerned about arms control as I think any Member of the House is, and the reason I am supporting this bill is that we have broken new ground on the question of arms control. I would respectfully disagree with my conservative friends who have spoken prior to me today when they have made assertion that there is no place in a defense bill for arms control.

I would submit that there is no place in a war bill for arms control but for a defense bill I think that there is a place for arms control.

We have two provisions in the bill for arms control. One is the continuation of the ASAT flight test ban. This will make it 3 years in a row that Congress has approved this measure. I think that is sound and as a result America's satellites will be more secure as a result of what we have done here for the last three times now.

Second, we have a major victory in the narrow interpretation of ABM without specifically mentioning the A word, meaning ABM. That apparently passes muster at the White House.

For those Members who wish we could have achieved more on arms control, I say to them that a 100-percent victory simply is not possible. I do not know when it ever is, but I think we have a package that we can support. I urge Members to support it and I thank the chairman of the committee for the good job he has done under very difficult circumstances.

Mr. DICKINSON. Mr. Speaker, I yield 2 minutes to the gentleman from California [Mr. Hunter].

Mr. HUNTER. Mr. Speaker, I have several problems with the conference report and I wanted to simply say to my colleague that I think it was really a mistake for us as a legislative body to give up a number of chips to the Soviet Union in arms control that are very much in dispute and that would have accured to the benefit of the Executive in this country if President Reagan had been allowed to retain these chips on the table before the House and Senate swept them off.

No. 1, with regard to the narrow interpretation of the ABM Treaty which is left in some form in the conference report, our arms ambassador who negotiated the treaty, Paul Nitze, said that the Soviet Union rejected his offer to narrow the ABM Treaty. He offered it to them and they would not have it.

Now this Congress has unilaterally imposed on our negotiators the position that we had that the Soviet Union rejected at the time that we put this treaty together.

Again this is stripping the Executive of some important chips, some important assets that he could use in negotiations.

Second, I think Members of this Congress are going to look back and reflect on how very critical the Asat Program would have been for the survival of this country's armed forces in time of conflict.

The satellite systems of the Soviet Union are very capable at tracking our naval ships and pursuing them and monitoring them even at a time of conflict.

I might remind the gentleman from Wisconsin [Mr. Aspin] that those same satellite system will be capable of monitoring Midgetman small missiles as they disperse in a time of heightened tension or a time of conflict.

In other words, it may not make any difference whether or not we can move the Midgetman around the country and disperse them if the Soviets have a capability of monitoring these systems on an ongoing basis, and then eliminating them with missiles.

□ 1735

The very safety of our men and women in the Navy depends on our being able to blind the Soviets very quickly in a time of conflict. We are stripping ourselves of that capability by maintaining this Asat moratorium.

So I would say to my colleagues I think we have done some things here that will accrue to the great detriment of the security of the United States, and I am going to vote against this one.

Mr. ASPIN. Mr. Speaker, I yield 3 minutes to the gentleman from Washington [Mr. Dicks].

Mr. DICKS. Mr. Speaker, I am pleased to rise in support of the conference agreement. I want to compliment the leadership of the committee, the gentleman from Wisconsin, Chairman Aspin, and the gentleman from Alabama, Mr. Dickinson, in crafting a balanced legislative package under very difficult circumstances. I want to take my hat off to the staff of this committee which under remarkable circumstances has been able to produce about four variations of this very important bill, whichever the Chair liked that particular day.

My purpose of being up here is to talk about the arms control package. I noticed that some of my conservative friends are not very happy. I can tell them that there is a pain on this side of the aisle as well, because many Members worked long, diligent hours trying to craft amendments to keep an arms control structure for this country, and we are not totally satisfied with the work of the conferees either.

But I do believe that what we have done here on restricting the kind of research to the narrow interpretation of the ABM agreement for fiscal year 1988 and fiscal year 1989 is extraordinarily important, and is an amendment I think all of us can be proud of.

On my own amendment on SALT II, we had to give up the language dealing with subceilings, but in a different way we have attacked the problem of the growing offensive weapons deployment beyond the limits of SALT II by allowing for the retirement of a Poseidon submarine. So we keep within close all of being in a policy of interim restraint, and I think it was a decision that was balanced and fair.

We have maintained the very important ban on testing against an object in space, but that is a bilateral agreement, not a unilateral agreement as was suggested by the gentleman from California [Mr. Hunter]. If the Soviets break their pledge not to test, then we are in a position to test. So I think this is a fair package.

I want to say one final thing. Right now is an historic moment in this country's history. Mr. Gorbachev is coming here in December, and I am glad to see that a new Secretary of Defense, Mr. Carlucci, was willing to sit down with the chairman and ranking member and work out compromises on these issues, because I believe it is essential for our country to pull together at this critical time in time, for the Congress and the Executive to be unified in an approach to dealing with the Soviet Union because, frankly, I believe we can achieve both an INF agreement and a START agreement during this Presidents term in office, and I believe for the next 14 months that bipartisanship and cooperation should be the hallmark and what we should be working to accomplish. I would urge my colleagues to support this bill as the first real indication of this administration's willingness to deal with this Congress in an honorable and bipartisan way.

Mr. DICKINSON. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. Martin], a former marine and a fellow who has worked a long time on this bill.

Mr. MARTIN of New York. Mr. Speaker, I thank the gentleman very much for yielding me this time.

Mr. Speaker, I just want to clear one thing up with reference to some comments that were made earlier I was detained on the telephone, but I think reference was made to cancellation of the AV8-B Harrier program as well as the A-6 program. The language in the legislation speaks to a level of funding for those 2 programs. If indeed the negotiations that are going on in this building and downtown reach a budget authority of 289 or more they are deemed to have been authorized for appropriation. So certainly not in this bill, unless it would be below 289 is there any talk about cancellation. Those programs are very important.

It is interesting to note that as far as close air support is concerned for the Marine Corps, both AV8-B's are a basis upon which the Marine Corps has been planning over a decade as far as their tactics are concerned, and that is very important to the program.

The A-6, which is of course the bulwark of our fleet attack unit, is the kind of weapons that our sailors and our aviators right now in the Persian Gulf point to as being so all important to them.

So I have every confidence that if there is an agreement reached, and we all hope that there is an agreement reached, that that budget authority is going to be above 289 and that certainly does not speak to termination of either of those programs. And I think that is good for the defense of this country.

Mr. ASPIN. Mr. Speaker, I yield 2 minutes to the gentleman from Florida [Mr. Hutto].

Mr. HUTTO. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I rise in support of the conference report. Like many others, I am not completely happy with it, but I think it is the best conference report we can get. I particularly want to talk a little bit about special operations forces. I am pleased this bill continues our move forward for the special operations forces, and as this body and the world knows, this has been an area that has been neglected by our services.

But last year in our bill, mainly through the work of our Readiness Subcommittee chairman, the gentleman from Virginia, Dan Daniel, and others, we passed some landmark legislation creating a unified command, the U.S. Special Operations Forces. And in this bill we also have some provisions asking the Defense Department and services to continue to move forward.

We have now created a Major Force Program 11, so we will have more vision for the Special Operations Forces and more budgetary authority. We have in place now the CINC commander in chief, Gen. Jim Lindsay, who is going to do an outstanding job. We still do not have the Assistant Secretary of Defense for Special Operations Forces and low intensity conflict. We hope we will have that soon.

But in this conference report and this bill we provide that the Secretary of the Army will take this position until the new Assistant Secretary of Defense is confirmed. So it is moving forward for our Special Operations Forces, and I am pleased we are moving in this direction, and I ask support for the conference report.

Mr. ASPIN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. Stratton].

Mr. STRATTON. Mr. Speaker, as Members of the House are aware, we have some problems in our nuclear capability with the turning off of the N-reactor in the State of Washington, and the running of the nuclear facilities in Savannah River at a 50-percent rate. As a result, the Subcommittee on Nuclear Military Systems has included in this bill the authorization for a restart of the N-reactor after certification of safety by the Secretary of Energy.

We have authorized $20 million for a new production reactor, and a report on the site and the technology and schedule of that new reactor.

We are maintaining inertial confinement fusion research which has the prospect of being a source of tritium for the future, in the far future, but it is very important.

We have also accelerated the construction of a special isotope separation facility in the amount of $30 million, and we are establishing a procedure for interim oversight of the DOE military activities. This would provide for two annual reviews by the National Association of Science, and allow time for the committee to consider a permanent oversight mechanism.

Mr. DICKINSON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. Hyde].

Mr. HYDE. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, this may be the best bill achievable at this time with this Congress, but in my judgment it is not good enough.

I do not think it makes any sense for us to be legislating arms control restrictions on ourselves as we face a summit with the Soviet Union who is quite capable of negotiating arms control restrictions on us without any assistance from this Congress.

The Antiballistic Missile Treaty must be interpreted under the narrow interpretation. That is something I would like to have the Soviets give something away to get.

It inhibits the development, the testing and the ultimate deployment of the strategic defense initiative, the very reason that the Soviets have come to the table. It underfunds the strategic defense initiative.

I never thought I would live to see a bill in Congress, a Defense authorization bill, that instead of providing for new ships provides for taking ships out of the line, for dismantling, for not overhauling ships. What a lovely message that is to the Soviet Union.

Most telling to me is the antisatellite testing moratorium which effectively kills the program.

So this is great arms control, it is great disarmament, but it is on our shoulders. We are not disarming anybody else, we are just disarming ourselves. These restrictions do not belong in this bill, especially at this time. I think it is counterproductive, I think it is unwise and, therefore, I am going to vote no.

Mr. BROMFIELD. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Speaker, I just briefly want to join with the gentleman from Illinois in his opposition to the DOD authorization.

As a conferee on the arms control panel provisions of this legislation, I must oppose the arms control compromises.

Although I was pleased that the conference dropped unverifiable limitations on nuclear testing, I remain distressed over the conference's statutory interpretation of what this administration can and cannot do under the ABM agreement.

I am also disappointed in the overall level of SDI funding that was agreed to by the conferees.

Given continuing Soviet SALT II violations, I am especially dispeased with the conference's new statutory demands for interim restraint, which will result in the dismantlement of a United States submarine.

I am especially displeased with the conference's statutory requirement that we continue to adhere to a hybrid SALT II agreement, an agreement the Soviets have violated, which has expired, and has never been ratified. Moreover, under this compromise, the United States must dismantle a submarine with no similar Soviet action.

Finally, given Soviet programs, I am sorry to see the conference continue the United States Asat moratorium.

Overall, Mr. Speaker, I believe that this compromise does not meet our national security requirements, and I urge my colleagues to seriously consider the implications of the conference's arms compromises.

Mr. ASPIN. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. Hochbrueckner].

Mr. HOCHBRUECKNER. Mr. Speaker, as a member of the House Armed Services Committee, and someone who has spent 25 years of his life involved in aerospace engineering, I rise in support of this bill.

But let me also point out that there is no bill which is perfect, and this bill has has its imperfections. I worked on the avionics of the original A-6A aircraft back in the early 1960's at Grumman, and it is a great aircraft, one that has been the workhorse of the Navy over these past many years, and I am greatly disturbed by the fact that in this conference report we have language which specifically prevents us from developing the A-6F, which is the logical and appropriate follow-on to the present A-6E. The A-6F, if it had been funded, would have been provided with new engines and updated avionics, and would have given our aviators the best possible equipment they could go into the future with.

Let us recognize that A-6 aircraft are going to be on our aircraft carriers for the next 22 years, and with normal attrition, and with the new aircraft carriers we will be adding we will need to buy additional A-6 aircraft. I think it is unfortunate and foolish for us to be denying the opportunity to go ahead with the A-6F aircraft.

The fact of the matter is that it could very well be more expensive over time if we went ahead and bought A-6E's rather than A-6F's, because we must reopen the A-6E line, and we have to pay termination costs on the existing A-6F contracts. I think we will find that for a few dollars more now, we could have given our naval aviators a much better aircraft to fly for the next 22 years.

☐ 1750

So it is a good bill overall, it is a good report and I support it. But obviously this is not a perfect conference report. And from my perspective I feel we would have served our Nation better by putting up the money for the A-6F.

Mr. KENNEDY. Mr. Speaker, I am voting against the conference report on the Defense authorization bill because the agreement represents significant concessions on arms control to the administration and Senate positions. The agreement drops entirely the House provision calling for a moratorium on nuclear testing. On the ABM Treaty provision, the House bill called for no SDI testing that would violate the treaty's narrow interpretation, but the compromise holds the administration to that limit only for 1 year. The House bill called on the Reagan administration to return to the SALT II sublimits, but the compromise simply says Reagan can't violate that treaty any more than he already has. In general, the conferees made substantial concessions to Reagan on arms control matters and, although there is some progress over last year's bill, we could have done better.

Furthermore, the conference report called for a two-tier spending limit, raising spending if the budget negotiations allow. That limit of 296 billion is $7 billion higher than the bill I supported in the House. The bill also includes millions for MX missiles, rail-mobile MX, and the B-1 bomber, programs that I am opposed to.

Mrs. LLOYD. Mr. Speaker, I rise in support of the conference report on defense authorization, and I would like to congratulate the conferees on a job well done under very difficult circumstances.

However, this is not a perfect conference report and I have some reservations about many funding levels and provisions. Both the low-tier and high-tier funding levels are a little low to complete our commitments and to continue our present defense strategies that have been formulated in the past 6 years. I have long been concerned about the effectiveness of our defense budgeting process. Defense contractors look to Congress for a rational budget, but we haven't provided it. In 1981 we increased defense spending by 13 percent but then began a period on heavy reductions in 1986 that continues today. With this kind of funding we send confused messages to our contractors, our allies, and the American people. A policy of modest but consistent increases in defense funding would bring some rationality back after the feast of famine approach of the last several years.

The compromise on arms control provisions, though not completely satisfactory, makes passage and enactment of the bill much more likely. I congratulate the conferees on their agreements on the ABM Treaty, although I oppose the limitation on antisatellite weapons development.

On the whole, the bill is a series of workable compromises which, though not pleasing to all, represents balanced funding in today's tight budgetary environment.

The **SPEAKER** pro tempore (Mr. GRAY of Illinois). The gentleman from Alabama [Mr. DICKINSON] has 3 minutes remaining.

Mr. DICKINSON. Mr. Speaker, I have one remaining speaker. I yield 1 minute to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. Mr. Speaker, I came to this Chamber to vote for defense authorization and defense appropriation bills but because we appropriate so much of the purview of foreign affairs and foreign affairs duties and those duties assigned to the executive branch of Government, I find myself for the first time voting against the Defense authorization bill last year and I will do it again this year.

Now we have a fast-moving train to allow the first dictator ever, the first head of a police state, the first Communist ever to address this body in not joint session, but joint meeting. It is going to take place 3 weeks from today unless some of us block it, at 10 o'clock in the morning. And he is going to stand right up here at this lectern where Douglas MacArthur stood and Winston Churchill stood three times. And I will tell you what Mr. Gorbachev will probably tell us, if he is allowed in here: That he likes this authorization bill, he likes son-of-SALT II, that he likes shutting down our Asat testing, that he likes this cutting of the defenses of the United States of America.

I do not want to vote for something that Mr. Gorbachev would like and frankly I look forward to meeting with Mr. Gorbachev in the halls, in one of our caucus rooms but I do not want that Communist dictator standing up there congratulating the chairman of the Armed Services Committee of the House.

Mr. DICKINSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a conference report that we are asked to approve today, almost 1,800 pages. It has been a long, arduous process. I think we have done the best we could under the circumstances. I am going to vote for it. I am asking my colleagues to vote for it.

Mr. Speaker, I yield back the balance of my time.

Mr. ASPIN. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the conference report.

The previous question was ordered.

The **SPEAKER** pro tempore. The question is on the conference report.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. HUNTER. Mr. Speaker, I object to the vote on the ground that a quroum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device and there were—yeas 264, nays 158, not voting 11, as follows:

[Roll No. 440]

YEAS—264

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Aspin
Atkins
AuCoin
Badham
Baker
Barnard
Bateman
Berman
Bevill
Bilbray
Bliley
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boulter
Brennan
Brooks
Brown (CA)
Bryant
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Chappell
Clarke
Clinger
Coats
Coleman (MO)
Coleman (TX)
Conte
Cooper
Coughlin
Coyne
Daniel
Darden
Davis (MI)
de la Garza
Derrick
Dickinson
Dicks
Dingell
Dixon
Dorgan (ND)
Downey
Duncan
Dwyer
Dyson
English
Erdreich
Espy
Fascell
Fawell
Fazio
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gray (IL)
Gray (PA)
Green
Gregg
Guarini
Gunderson
Hall (OH)
Hamilton
Hammerschmidt
Hansen
Harris
Hatcher
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Holloway
Horton
Houghton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hutto
Jacobs
Jeffords
Jenkins
Johnson (CT)
Jones (NC)
Jones (TN)
Kanjorski
Kaptur
Kennelly
Kleczka
Kolter
Konnyu
Kostmayer
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Leland
Lent
Levin (MI)
Levine (CA)
Lipinski
Livingston
Lloyd
Lott
Lowry (WA)
Lujan
MacKay
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade

McHugh
McMillen (MD)
Meyers
Mica
Miller (OH)
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Murtha
Myers
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Olin
Ortiz
Owens (UT)
Oxley
Panetta
Parris
Patterson
Pepper
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Quillen
Rahall

Ravenel
Ray
Regula
Richardson
Ridge
Rinaldo
Ritter
Robinson
Roe
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Sabo
Saiki
Sawyer
Saxton
Schneider
Schulze
Schumer
Sharp
Shays
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (NJ)
Smith (TX)
Smith, Robert (OR)
Snowe
Spence
Spratt

St Germain
Staggers
Stallings
Stenholm
Stratton
Sweeney
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torricelli
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weldon
Wheat
Whitten
Wilson
Wise
Wolpe
Wortley
Wylie
Yates
Yatron
Young (AK)

NAYS—158

Applegate
Archer
Armey
Ballenger
Bartlett
Barton
Bates
Beilenson
Bennett
Bentley
Bereuter
Bilirakis
Boxer
Broomfield
Brown (CO)
Bruce
Buechner
Bunning
Burton
Cheney
Clay
Coble
Collins
Combest
Conyers
Courter
Craig
Crane
Crockett
Dannemeyer
Daub
Davis (IL)
DeFazio
DeLay
Dellums
DeWine
DioGuardi
Donnelly
Dornan (CA)
Dreier
Durbin
Early
Eckart
Edwards (CA)
Edwards (OK)
Emerson
Evans
Feighan
Fields
Frenzel
Gallegly
Gekas
Gingrich
Hall (TX)

Hastert
Hawkins
Hayes (IL)
Hefley
Henry
Herger
Hiler
Hopkins
Hunter
Hyde
Inhofe
Ireland
Johnson (SD)
Jontz
Kasich
Kastenmeier
Kennedy
Kildee
Kolbe
Kyl
LaFalce
Lagomarsino
Latta
Leach (IA)
Lehman (FL)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lightfoot
Lowery (CA)
Luken, Thomas
Lukens, Donald
Lungren
Mack
Marlenee
Martin (IL)
McCandless
McCollum
McEwen
McGrath
McMillan (NC)
Mfume
Michel
Miller (CA)
Miller (WA)
Mineta
Moorhead
Mrazek
Murphy
Nagle
Nielson
Oberstar
Obey
Owens (NY)

Packard
Pashayan
Pease
Pelosi
Penny
Petri
Pursell
Rangel
Rhodes
Roberts
Rodino
Rogers
Roth
Roybal
Russo
Savage
Schaefer
Scheuer
Schroeder
Schuette
Sensenbrenner
Shaw
Shumway
Sikorski
Skeen
Slaughter (VA)
Smith (IA)
Smith (NE)
Smith, Denny (OR)
Smith, Robert (NH)
Solomon
Stangeland
Stark
Studds
Stump
Sundquist
Swindall
Tauke
Thomas (CA)
Torres
Traficant
Vucanovich
Walker
Weber
Weiss
Whittaker
Williams
Wolf
Wyden
Young (FL)

NOT VOTING—11

Biaggi
Coelho
Dowdy
Dymally

Frank
Gephardt
Kemp
Roemer

Solarz
Stokes
Towns

☐ 1805

The Clerk announced the following pair:

On this vote:

Mr. Solarz for, with Mr. Kemp against.

Messrs. APPLEGATE, LEWIS of Georgia, SAVAGE, PASHAYAN, RHODES, BARTLETT, LEACH of Iowa, BEREUTER, MOORHEAD, LATTA, and STANGELAND changed their votes from "yea" to "nay."

Messrs. SWEENEY, PARRIS, MOODY, and RITTER changed their votes from "nay" to "yea."

So the conference report was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ASPIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report just agreed to.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CONGRATULATIONS FROM THE AUSTRALIAN SENATE ON THE 200TH ANNIVERSARY OF OUR CONSTITUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. WRIGHT] is recognized for 5 minutes.

Mr. WRIGHT. Mr. Speaker, I am delighted to alert our colleagues to the fact that on October 7, 1987, the Australian Senate adopted a resolution congratulating the United States on the 200th anniversary of our Constitution.

The President of the Australian Senate, the Honorable Kerry Sibraa, and the Australian Minister of Foreign Affairs and Trade, the Honorable Bill Hayden, MP, wanted Members of the House of Representatives to know of the passage of this resolution. Australia is a longtime friend and trusted ally of the United States. We value that friendship very highly, and I am pleased about the action taken by the Australian Senate.

So that our colleagues might have the benefit of reading the congratulatory message from Australia, I include the text of the resolution at this point in the CONGRESSIONAL RECORD:

RESOLUTION OF THE AUSTRALIAN SENATE

• • • the Senate

(a) notes the 200th Anniversary of the United States Constitution and conveys its congratulations to the people of the United States on the 200 year existence of this dynamic document which has been the foundation of efforts to protect and maintain some of the most important fundamental rights in a Democratic country; and

(b) applauds the United States Constitution as a splendid example of commitment to liberty and wishes the people of the United States well for their celebrations and the continuing vitality of their Constitution.

At a time when democracy seems buffeted and under attack from many quarters, those nations, founded on the principle of the rule of law and the sovereignty of the people, need to maintain the closest possible ties and cultivate the deepest possible mutual understanding. I am sure that I speak for all Members of this House—indeed for all Americans—in expressing our sincere gratitude to the Australian Senate and to the people of Australia for the warm sentiments contained in this resolution.

PLANNED ADDRESS BY GORBACHEV IN JOINT MEETING FACES EXTREME OPPOSITION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 5 minutes.

Mr. GINGRICH. Mr. Speaker, I just want to take the floor for a few minutes to talk about the idea that we are going to have a dictator, the head of the Soviet empire, speak to a joint meeting of the Congress and stand right up here.

It seems to me that anyone who looks back in history would ask the question: Would Winston Churchill have sat and allowed the Parliament to listen to Adolf Hitler? Would we ask any one of our friends who is worried about apartheid in South Africa if they would tolerate the head of the South African Government to speak to a joint session? We can appreciate why those of us who love freedom and who are worried about the Soviet empire think it is impossible to allow Gorbachev to speak to the United States House.

Let me draw the distinction. I think the head of the Soviet empire should come to Washington. I think the head of the Soviet Union should talk to the President of the United States. I think diplomacy at that level makes sense. But to suggest that we should honor a dictator because he heads a police state, that we should allow him to stand in this Chamber flanked by the portraits of Washington and Lafayette, that we should pretend that he has moral legitimacy when he is a tyrant, strikes me as not only wrong, but as a Georgian I am particularly offended at the idea that the man who promoted the general in charge of killing Larry McDonald and shooting down 007, the man who was in charge of Maj. Arthur Nicholson, who was killed, the man who is in charge of the Soviet Army that continues to occupy Afghanistan, killing children and burning villages, the man who is in charge of a country which uses a legal framework for psychiatric torture, a man who was in charge during the period when Daniloff, the Moscow correspondent for U.S. News & World Report, was arrested, the man who was in charge at a time when Anatole Marchenko died in Cristobal prison because of starvation and the tactics used in the Soviet gulag, that that man would be allowed to speak in the United States House strikes me as something that no American could stand.

I hope that every one of my colleagues will follow one of two paths: That they will either join me in standing up and walking out before Gorbachev speaks, protesting the allowing of a tyrant to speak in this House, or if they find that too disruptive, then they can boycott the session. And I hope we will ask those who are witnesses to freedom, people like Shcharansky, to stand up and offer an alternative speech at the same hour.

Finally, I would say to every Member of this House that we should recognize that in the 1 hour we would be honoring Gorbachev, 10 or 15 people will be killed in Afghanistan, probably 1 or 2 children crippled, several people will be tortured in the Soviet empire, dozens of people will be sent to the gulag, hundreds of people in Poland and East Germany and Czechoslovakia will be repressed, 3 or 4 people will be killed in Angola, and 1 or 2 people will be killed in Nicaragua; all of that will happen during the hour that Gorbachev will stand here.

□ 1815

I would say to all of the Members before they suggest to me that it would be inappropriate to insult Gorbachev by standing up and walking out, ask yourself if this was 1938, and Adolf Hitler had been invited to speak to the British Parliament, what would Winston Churchill have done?

In looking backward, would we be prouder of those who stayed and applauded, or prouder of those who stood up and said, "Freedom is too important to pretend that a tyrant is free."

Mr. EMERSON. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Missouri.

Mr. EMERSON. Mr. Speaker, I thank the gentleman for yielding.

I want to commend the gentleman for his comments and associate myself with his remarks, but I am wondering if it has occurred to the gentleman that now that it has been established that the House of Representatives has a coequal right in the conduct of foreign policy, maybe Mr. Gorbachev is going to be down here negotiating a separate agreement from that which is going to be negotiated with the President.

It might be altogether appropriate to have him down here.

Mr. GINGRICH. If our choice is to have a 90-minute secret meeting between Gorbachev and Speaker Wright, or appear in public on the Hill, probably America is safer to not allow Gorbachev and the Speaker to meet in secret for 90 minutes.

I hope every Member of this House will keep their seat in the gallery and will give that seat to a freedom fighter, that an Afghan or a Nicaraguan or Cuban or Angolan can sit on, so if Gorbachev is allowed to come, he will face true freedom.

Mr. GRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Illinois.

Mr. GRAY of Illinois. Mr. Speaker, I thank my friend for yielding.

I certainly would be the last one to stand here and defend Mr. Gorbachev, but I think if we are going to get the entire perspective of the gentleman's argument, the gentleman would also have to point out that the Soviet Union lost more than 20 million people fighting as an ally of the United States in World War II, so the gentleman ought to take that into consideration.

TRIBUTE TO HOUSE INFORMATION SYSTEMS EMPLOYEES WITH 10 AND 15 YEARS OF SERVICE

The SPEAKER pro tempore (Mr. Cooper). Under a previous order of the House, the gentleman from Illinois [Mr. Annunzio] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, last week I had the opportunity to present length-of-service awards to employees of House Information Systems and I wish to bring to the attention of my colleagues their exemplary, loyal and dedicated service. Thirty employees were recognized for 10 or 15 years' service with H.I.S.

TEN YEARS

Joe David Berg, Gerald L. Boho, Michael Botos, Michael B. Bowman, Mark D. Brickman, Richard M. Carfagno, John Timothy Cavanaugh, Teddy R. Compton, Gail A. Grieder, Trevera R. Jackson, Sandra A. Jolley, Keith Edward Keller, Charles R. McCall, Jr., Frank J. Milasi, Linda M. Preshlock, Harry Sanders, Memory F. Sherard, Carolyn S. Stoneberg, William E. Wade, Jr., William Welch, and Gary A. Winters.

FIFTEEN YEARS

K. Michael Frazier, William E. Freeman, Jr., Robert William Garrett, Thomas J. Hawk, Margaret Mary Hyland, Roberts J. Mumma, John T. Reed, Jasper T. Wagliardo, and Vernon J. Walters.

These employees are among our most skilled; they collectively represent 345 years of computer experience in the House. Some of them see to it that the electronic voting system functions at the highest degree of reliability. Some work with the Clerk's staff to ensure that our payroll is met on time every month. Thanks to their efforts, the H.I.S. computers have achieved a reliability of over 99.5 percent. They respond to our computer needs, produce our charts, process our surveys, answer our questions, provide information as needed, and help us publish our hearings.

I know all of you join me in extending our thanks and appreciation to these invaluable members of the House family.

PARLIAMENTARY INQUIRY

Mr. DORNAN of California. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. Cooper). The gentleman will state it.

Mr. DORNAN of California. Mr. Speaker, usually it has been the procedure to allow unanimous-consent requests before we went to the 60-minute special orders.

Could I avail myself of that, and ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. The gentleman is correct.

GORBACHEV SHOULD NOT ADDRESS JOINT SESSION OF CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. Dornan] is recognized for 5 minutes.

Mr. DORNAN of California. Mr. Speaker, before I address this Gorbachev problem, and I have some new insights and some new information to share with the Members, let me respond to the gentleman from Illinois who served in this distinguished body for 24 years, and in all of those 24 years, the gentleman has never seen a dictator ever take that sacred spot, sacred in the political sense, at that lectern that Winston Churchill has stood at. Going over history, and my heart goes out to a nation that has to suffer the Nazi onslaught and lose 20 million people, but remember that government under a terrorist leader who killed more people than Adolf Hitler, Stalin, had signed with Hitler the most ignominious, disgraceful pact in all of modern History, the Hitler/Stalin pact signed off on by von Ribbentrop and Molotov.

They sliced the country of Poland in half and comdemned three brandnew republics to tyranny; Lithuania, Lativa, and Estonia, and just because Stalin got cross with his defenses, ignoring all the advice of his intelligence and spies, killed over 2 million of his soldiers, rolled all the way up to the gates of Moscow on December 6, 1941, because that happened to them under the tyrant who killed in the 1930's in the purges 98 of his 137 best friends.

Because Stalin got it in the teeth from his former partner, Adolf Hitler, does not mean that we have to cave in on that piece of history of 20 million citizens killed by Adolf Hitler, and allow a Communist dictator to speak from this platform.

I want to tell the Members what the gentleman from New York [Mr. SOLARZ] said earlier. He said that Mr. Gorbachev represents a state that is the largest violator of human rights on this fragile little planet. There are more people in Soviet gulag prisons than anywhere else in the world, because their population is bigger.

Ortega has more prorated to population, but the Soviet Union has more, because it is a nation of 278 million people.

Consider this: A Soviet fighter, a Sukhoi 15 on September 1, August 31 here, murdered 269 innocent people on KAL, Korean 007, and one was a Democratic gentleman, very far to the right in this Chamber, the most conservative of all the Democrats.

I did not vote with him sometimes, but he was a medical doctor, a Navy captain, and as decent and pleasant a person as ever served in this Chamber.

They not only have never apologized for murdering a U.S. Congressman, only the second to die in the line of duty, the first murdered in November 1978 doing constituent service in Guyana; but this Congressman, Larry McDonald, they promoted the pilot to colonel, and had a rare Western-style press conference in Moscow where Ogarlov conducted this press conference and said, "We are glad we did it, we will do it again."

No reparations have ever been talked about for the 269 victims of that flight. Do you think we are going to invite Captain McDonald to sit in the gallery, or the parents of Arthur D. Nicholson, from the district of the gentleman from Connecticut [Mr. ROWLAND] who was gunned down a couple of years ago, and his sergeant begging to give first aid to Major Nicholson, bleeding to death in front of the Soviet soldiers who killed them. They said it was a mistake.

Do you know that the reason not many people will watch Ronald Reagan on television, and here is the quid pro quo, that Reagan is going to get to tape something, and it will be sent to the Soviet Union.

How many TV sets are in the Soviet Union? Look at your U.S. statistical abstract book. Do you know why there are not more consumer goods in the Soviet Union? Because they give $4 million every day to Ortega, $13 million to Castro, $9 million to the Communist oppressors in Vietnam.

That is why there is no money in the Soviet Union. Their colonies are all over this Earth, and they are expanding, denying their people freedom and consumer goods to fund these Communist revolutions everywhere.

□ 1830

The reason our good Speaker got his tail in the wringer this week is because Ortega gets $4 million a day. That is $1½ billion a year from Gorbachev. Gorbachev himself has ordered that Soviet combat commanders command every battalion and regiment that began an offensive in mid-July against UNITA and Jonas Savimbi in Angola.

Gorbachev has signed off on these KGB-designed bombs that blow the hands off children in Afghanistan. They have genocided over 2 million people in Afghanistan.

A Democrat leads a delegation there. A week from tonight I will be at the Khyber Pass. Am I going to tell the Mujahadeen there fighting for their freedom that December 9 we got the world's leading dictator who finances other dictators? No. We cannot do this. Meet with him at the Departmental Auditorium on Constitution Avenue. Let us meet with him in other venues. Let us talk with him. Let us toast our grandchildren, but not in this sacred citidal of liberty will a Communist dictator break that 200-year rule of no dictators defiling this chamber. It would be like the Romans coming into Solomon's temple. Even the Romans who conquered the Jews knew they had to meet with them on neutral ground.

THE GORBACHEV VISIT

The SPEAKER pro tempore (Mr. COOPER). Under a previous order of the House the gentleman from Indiana [Mr. BURTON] is recognized for 5 minutes.

Mr. BURTON of Indiana. I thank the Speaker for this time.

That is a tough act to follow, BOB.

Let us just talk a little bit about current history. Four hundred thousand Soviet Jews want to leave the Soviet Union. They are suffering under oppression right now, as well as other religious leaders over there.

We send letters to Secretary Gorbachev on a weekly basis, Democrats and Republicans alike, pleading for those people, pleading for fair treatment for those people, pleading for them to be reunited with their families here in the United States, but most of the time those letters fall on deaf ears.

The Bolshevik Revolution, which took place in 1917, 70 years ago, started a genocide that has been unparalleled in human history. Fifty million people have been killed at the hands of the Soviet tyrants. Millions of people have been committed to gulags. The repression goes beyond the borders of the Soviet Union. They sent $2 billion in military assistance into Angola to fight the freedom fighters there under the leadership of Dr. Savimbi. They have Soviet generals there right now trying to expand the Soviet empire.

In Mozambique, they sent $2 billion, and they have Soviet advisers there, as well as Cubans.

In Angola, they have 40,000 of their surrogates, the Cubans there, trying to impose their will on a people who want to be free.

In Afghanistan they have their own troops. In Afghanistan they have their own troops and have killed over 1 million people and have forced 4 million people to flee that country.

In Nicaragua, in Central America, we debate this all the time in this body, there are 36,000 tons of additional war materials going in there this year.

They sent 68,000 tons into Cuba last year and they are going to send more than that into Cuba this year, and that military tonnage is going to be used to expand the Soviet empire through her surrogates in Central and South America.

Mr. HOYER. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from Maryland.

Mr. HOYER. Mr. Speaker, I appreciate very much the gentleman yielding. He is raising, in my opinion, some very important points. The previous gentleman from the State of California has raised some important points.

I think it is important that the American public knows that this is not a partisan debate. The gentleman from California and the gentleman from Indiana who have risen are both members of the President's party. Of course, the Speaker and the leader of the Senate are of the Democratic Party.

Is the gentleman aware, and I believe he is, that the President has requested this, that Secretary General Gorbachev speak to a joint session of Congress.

Furthermore, I know the gentleman is aware of the fact that the Speaker and the majority leader of the Senate have never in that same 200-year history, of which the gentleman from California spoke, denied a President's request to have somebody speak before a joint session of Congress.

Mr. BURTON of Indiana. Well, if I might reclaim my time, I have great respect for and admiration for President Reagan, but as an elected Representative of the people of the Sixth District of Indiana, I beg to differ with him. I think he is wrong. I think the President is dead wrong in inviting Gorbachev to speak before this body.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from California.

Mr. DORNAN of California. I want to reinforce, in fairness, what the gentleman has said, because I have spoken to all four of our major leaders in this Chamber and the other today. Mr. WRIGHT is uneasy about this, and so is the gentleman who leads the other Chamber, so are the minority Republican leaders.

God knows I have defended this President for 22 years. I have been with him in every battle and he is my hero, but there is one thing in his great life he has not done and that is to serve in this great House or the other great Chamber. His Vice President has.

The President cannot seem to distinguish, and he is starting to now, between a state dinner, a function at the Departmental Auditorium or the Caucus Rooms or the ballroom of one of our hotels, us toasting our grandchildren as I have done in the Soviet Union, and that gets their attention because we all love our children and grandchildren, but that is all different.

I am telling you, Mr. President, and I have spoken to you outside the walls of this House before, using the unmentionable electronic means, I beg you, Mr. President, this Chamber is different than a state dinner or the Ben Franklin top floor at the State Department. The President is dead wrong. The gentleman is correct.

Mr. MICHEL. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to our distinguished leader.

Mr. MICHEL. I was not sure, I was not paying attention to everything that was being said here during the course of this special order, but if I heard the gentleman say that the President was wrong in inviting Mr. Gorbachev to come to this Chamber, then that is in error. The President invited Secretary Gorbachev to come to our country to participate in the signing of an INF agreement.

Now, when it comes to this body, that is something else again. The way I understand it, first of all, I think we have made it clear as a government that just talking to the President, you know, there are several elements in our system and he may very well converse and have an agreement with the President, but we do have one body of this Congress that under our Constitution has got to ultimately ratify a treaty.

Do not be misled that simply getting the President's agreement locks up the deal for posterity, because it does not. Just getting a point across of how important the Congress itself is in whatever the President does in combination.

Now, having said that, it is my understanding through the Soviet Counsel and our State Department, there has been a request that they be given an opportunity to present the Secretary to the Congress in some form. I guess, let us face it. Dobrynin spent so many years here, he knows exactly how this system works. They are all probably better informed on how we operate than we are on how they operate.

So some request was made, but I would be remiss if I did not say that it has been discouraged, because I think people are quite well aware of the strong feelings that not only the gentleman from California and the gentleman from Indiana and the gentleman from Pennsylvania, but a good body of the Members do feel.

Now, the President, obviously, will courteously accept the General Secretary when he is here, because he has invited him. He certainly has got to have a state dinner under protocol. I suspect they will have something over at the Russian Embassy the night following and the President will be obliged to go there.

Now, what happens in between I am not sure what will be orchestrated. Security is absolutely a critical matter in this thing.

I know that in times past we have had foreign dignitaries come to this country and we have had maybe coffees or teas or something less formal than an address before a joint session of the Congress and we have been able to handle that to some degree.

The SPEAKER pro tempore (Mr. COOPER). The time of the gentleman from Indiana has expired.

Mr. BURTON of Indiana. Mr. Speaker, I continue to yield to the gentleman from Illinois.

Mr. MICHEL. Well, I did not want to intrude, other than to correct the record so far as who was issuing what invitations.

Mr. BURTON of Indiana. Well, the gentleman on the other side indicated that the President extended that invitation to speak before the Congress. I assumed that he was correct. I said on the basis of that assumption that if the President made that statement, then I think the President was in error; but assuming the President did not say that, it was an invitation extended by the leadership of this body and the other body, then I would say that they are in error.

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. BURTON of Indiana. I am happy to yield to the gentleman from California.

Mr. DORNAN of California. I just wanted to make something clear. If we look at this from the Soviet position, Mr. Khrushchev asked permission to address this body and it was denied under President Eisenhower's administration. He also was denied a trip to Disneyland, which I thought was rather frivolous. I thought we should let him see how our parents enjoy their free time with their children. I would hope that Mr. Gorbachev will visit Disneyworld or Disneyland or the Presidential ranch at Rancho del Cielo, and he will see the flavor of American life. Let him drive through, if not Granada, the San Fernando Valley, Granada Hills, let him drive through some neighborhood in the area of the gentleman from Maryland [Mr. HOYER], one of these beautiful middle-class neighborhoods, see what we enjoy in this country; but if we could deny Mr. Khrushchev going to Disneyland, I think we have to explain to the President how we feel about this Chamber and its rare courtesy that we extend to people, even if they are monarchs who respect political rights, human rights, and democracy.

I think that the President has to realize that he has put our leadership in both parties in a terribly embarrassing position and they are rolling their eyes at me and saying, "Well, help get us off his book."

So I repeat, Mr. President, suggest a departmental auditorium or some beautiful hotel and we will all meet with Mr. Gorbachev and exchange questions and answers after he gives us his world view of liberty and freedom, which has got to be rather peculiar.

Mr. BURTON of Indiana. Well, let me just end my part of this special order by saying that I think back to the beginning of this Republic when our Founding Fathers were fighting King George because of taxation without representation. I cannot imagine George Washington and Thomas Jefferson and Adams and Franklin sitting down with King George addressing the Congress. He was much less of a tyrant than what we see in the Soviet Union today.

So I think we ought to urge our leaders to withdraw this request. Everybody will be happy. Mr. Gorbachev can meet with our leaders and discuss what he wants to in some other place that is more appropriate, but I certainly do not think he ought to be in the bastion of freedom and liberty as a tyrant and the leader of the Communist world.

LET MR. GORBACHEV ADDRESS THE CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. GRAY] is recognized for 5 minutes.

Mr. GRAY of Illinois. Mr. Speaker, first let me say that I had not planned to take any time on this subject, but so my colleagues know where I am coming from, I was in a foxhole for 2 years in North Africa and Italy, a past commander of the American Legion, and a lifetime member of the VFW, so I do not take a backseat to anybody on either side when it comes to patriotism.

But here we are, Mr. Speaker, spending ourselves into oblivion, building weapons on top of weapons, on top of weapons, because of one single country, the Soviet Union.

There is a building down here very nearby the Capitol called the National Archives, and Mr. Speaker, inscribed on that building are the words, "The past is prologue."

I can recall Haile Selassie, who was a dictator, coming here and speaking to this Congress. I can recall when we had the adversaries of Communist China speaking like those on the floor today. China had their death squads and we could enumerate all the numbers that have been mentioned by the minority Members. I recall a member of your party, a President Richard Nixon, who said, "It's time we stopped confrontation and tried to find some type of accommodation to bring peace in the world."

And he sent GEORGE BUSH to China, a Communist country. You can recite all the same history you have recited about the Soviet Union, and thank God because of the foresight of Richard Nixon we now have one-fourth of the entire population in the world who are now our friends and who are trading with us. We even have a surplus in trade of over $500 million in the last calendar year. We go there. They come here. We now have friends in that part of the world, right on the border of the Soviet Union.

Here is a man who has been invited by President Reagan to the United States; we probably know what he is going to say, but this is the bastion of freedom. What is wrong with opening up our hearts and our doors and saying, "Let's hear what you have to say, Mr. Gorbachev."

Are we afraid of the truth? Are we afraid of lies? This is a country of people who are an intelligent class of people. They are not afraid of what is going to come over the airwaves or what Mr. Gorbachev is going to say from the podium in the House, but it is a gesture of saying, "We are tired of building weapons. We are tired of the threat of destroying humanity with these God-awful weapons. Let's at least talk."

And your President, I would say to my friends on that side of the aisle, feels that way or our country would not have worked so hard for this INF Treaty. We would not be working so hard to eliminate intercontinental ballistic missiles. We would not be working so hard to find some day, some way of cutting down on all nuclear weapons, and you are not going to do it with the adversarial position that you take of asking people to get in the galleries and walk out in protest and walking out yourselves and not allowing the leader of the Communist world to come, by slapping him in the face. You are not going to get Mr. Gorbachev to come and say, "I want to cut back on intermediate range missiles. I want to do all these things," when he knows that Congress, the people's representatives, are slapping him in the face.

Let us show them our hand. We do not have to believe everything that he says, but let us listen to what he says and hope that somewhere, some time, somehow we will be able to get rid of these awful weapons and have peace in America and around the world, so our children and generations yet unborn will not have to worry about what we have to be worried about today, and that is spending ourselves silly on defense. We just voted almost $308 billion for just 1 year. Look at the jobs, housing, education, and other people programs we could buy with just a portion of that money.

Let us give him a chance. Let us vote unanimously to bring him to that podium, hear what he has to say. Then we have all the time we want under the 5-minute rule or under an hour's special order to get up and answer him if we need to.

☐ 1845

But what is the gentleman afraid of, I say to my friend from Indiana [Mr. BURTON], what is my colleague afraid of? Let the man come and talk and see what he has to offer?

Mr. BURTON of Indiana. Mr. Speaker, will the gentleman yield?

Mr. GRAY of Illinois. I yield to my friend from Indiana.

Mr. BURTON of Indiana. First of all, my friend talks about disarmament. I just want to touch on that briefly. They have violated almost every treaty they ever signed with us. That is No. 1.

No. 2, I do not know whether my colleague heard the gentleman from California [Mr. DORNAN] a while ago, but they are still dropping plastic bombs that are blowing off the hands and feet of children of Afghanistan, these bombs are made to look like toys. They have killed 1 million of the people of that country and they have driven 4 million Afghans out of their country and they are supplying Communist regimes that are expanding their revolutions in other parts of the world.

I am vice chairman of the Subcommittee on Africa, and I can tell the gentleman from Illinois [Mr. GRAY] with certainty that they are exporting revolution right this minute in southern Africa and in Central America and in South America. Having him come into this bastion of freedom is the wrong thing to do.

Mr. GRAY of Illinois. Mr. Speaker, reclaiming my time, the gentleman keeps saying "they." Most of the things that the gentleman from Indiana [Mr. BURTON] talks about, Mr. Gorbachev was not even in control of the central committee at that time. We have a new day. We have at least a new hope and let us find out what that hope is. We are not going to be able to find out unless the leader of the Soviet Union comes here and is able to say what is on his mind.

We do not have to agree with him, but I think this bastion of freedom ought to be able to open up the doors just like a minister does at church. The preacher does not stand at the front door saying "You are a sinner, do not come in." Or, "You have committed this act or that act, and you are not welcome here."

He brings them all in and gives them the message of love, peace, and the church.

That is what we ought to do.

The SPEAKER pro tempore (Mr. COOPER). The time of the gentleman from Illinois [Mr. GRAY] has expired.

THE STANDARD FOR THOSE WHO ADDRESS A JOINT SESSION OF THE CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. WALKER] is recognized for 5 minutes.

Mr. WALKER. Mr. Speaker, the question we have been talking about here is not a question of patriotism, I would say to the gentleman from Illinois [Mr. GRAY]. It is not a question of free speech. The question that we are asking here is a moral question. It is a question of who shall be given the honor of addressing the greatest single legislative body in the world, the most democratic body in terms of its election by people, that exists in the world.

If my colleague will look over here to my left, he will see Lafayette. Lafayette set the standard by which we judge who it is who steps to that podium.

What we decided when we had Lafayette be the first person who addressed a joint session of Congress was that those who stand at that podium ought to be people who stand by our side in defending our freedom, in defending human rights, in promoting the goals of democracy. That is what that podium is all about. That is the reason why presidents come and speak from that podium. That is the reason why that podium does hold a special honored place, and why people like Churchill have been invited to address us from that podium, as was Konrad Adenauer, and why some people have been turned down even though they are allies of ours.

On many occasions we have turned down people who have requested that they be given a chance to address a joint session because they have not met the standard that has been set. They do not meet the standard that was set at the time that Lafayette first came here.

I would say to my colleague that that is the key question here.

Last evening I attended a dinner where the chief speaker was Vladimer Bukofsky, the famous Soviet dissident. At that dinner Mr. Bukofsky made the point that too often in the West we fail to understand when we are presented with real moral questions.

I hope we do not misunderstand at this time. I hope we understand that there is a moral question involved here about who steps to that podium and who uses that bully pulpit in order to address the world.

In the case of Mr. Gorbachev, Mr. Gorbachev may be trying to do things better in the Soviet Union, however we do not know. But that does not give him the right to suggest that he stands for freedom, to suggest that he stands for human rights, and to suggest that he stands for the advancement of democracy.

I would say to the gentleman from Illinois [Mr. Gray] that free speech is wonderful and we ought to arrange an opportunity for Members of Congress to go somewhere and exchange ideas with Mr. Gorbachev while he is here. That would be very appropriate. It would be very worthwhile I think.

But to accord him the singular honor that we have denied to so many others I think would be a travesty. I am disappointed that the President may have extended an invitation. I am disappointed that we would go along. But I would say, in trying to clear up some misconceptions here tonight, we have turned down a Soviet leader before and that was Mr. Khrushchev. It is my understanding that the Congress turned down Mr. Khrushchev. It was not the administration as my friend from California [Mr. Dornan] has stated. It was the U.S. Senate who at that time made a determination that they did not want Mr. Khrushchev to come before a joint session of Congress.

I would hope we would do the same again. I would hope that we would say to this Soviet leader that we will be glad to meet with him, will be glad to talk with him but we are not going to accord him the singular highest honor that this country can bestow upon a visiting foreign head of state. We are not going to send him before a joint session of Congress. We are going to reserve that for the people who meet the test of Lafayette that they stand for freedom, democracy, and human rights.

Mr. GRAY of Illinois. Mr. Speaker, will the gentleman yield?

Mr. WALKER. I yield to the gentleman from Illinois.

Mr. GRAY of Illinois. Mr. Speaker, I thank my friend from Pennsylvania for yielding.

Can the gentleman mention one single world leader that has been refused the chance of standing at that podium and speaking to the House of Representatives at the request of the President of the United States.

Mr. WALKER. I do not have the exact names at this time for the gentleman, but I will tell the gentleman that I could get a list.

Wait a second, I can. Nikita Khrushchev.

Mr. GRAY of Illinois. If the gentleman will continue to yield, but he was not rejected by this body. The U.S. Senate did that, but not this body.

Mr. WALKER. But it was by the Congress.

Mr. GRAY of Illinois. If the gentleman will continue to yield, I asked the gentleman about the House of Representatives.

Mr. WALKER. The House of Representatives, I cannot name them, but I can give the gentleman a considerable list. I think we have had some people in the fairly recent past who have been visitors to this country whose names I cannot give off the top of my head. I do not want to make a mistake. I am trying to be very accurate here. But I will tell the gentleman that we have turned down people from holding that honored position and it seems to me there is a particularly good case for holding that standard very high now and in the future.

The SPEAKER pro tempore (Mr. Cooper). The time of the gentleman from Pennsylvania [Mr. Walker] has expired.

Mr. DORNAN of California. Mr. Speaker, I ask unanimous consent for the gentleman to have 1 additional minute.

The SPEAKER pro tempore. The Speaker does not think that in the normal course of business under the regular order that speeches should be prolonged. Generally a speech over 5 minutes is in the longer category, and speeches during special orders are supposed to be limited to 5 minutes.

We made an exception already for the minority leader. The Chair is afraid should this trend continue.

Mr. DORNAN of California. The Speaker is correct, and I accept that ruling.

Mr. WALKER. The Chair is correct.

CONSEQUENCES OF INTERNATIONAL TRADE IN HIGH-TECH COMPUTER EQUIPMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Maryland [Mrs. Bentley] is recognized for 60 minutes.

Mrs. BENTLEY. Mr. Speaker, An economic world war is being fought over machines. Who is making them, who is selling them to whom, and who is losing market and the manufacturing capacity to produce machines.

The American people are hearing about Toshiba selling machinery to the Russians, several sales as a matter of fact. And it is an accepted fact that the United States is losing its machine tool manufacturing to foreign import penetration of the American market.

However, little is heard or talked about of the impact of computers—ours, theirs, anybody's—on our every day lives.

□ 1855

The biggest stories about machines—computers, recently—was the impact the programmed computer sales had on the stock market. Everyone became aware—almost in a few hours—of the effect on the markets of the automatic sale orders moving through the software programs of the computers.

It is interesting to me that the Stock Exchange board of governors recognized the power of electronic transfers inside the system so quickly and moved to stop them until the market settled down.

In a study of the run on the Continental Bank of Illinois a couple of years ago, in news reports, I noted the lack of preparation the bank had, both physically and mentally, to handle the tremendous sums which were being drawn out of the bank by electronic impulses.

This movement of wealth over telephone wires is a modern phenomena which has made me wonder about the capability of our institutions to cope when there is hardly the time to think about what is happening—let alone stop it.

Watching the zip-zip movement of money across international boundaries makes me wonder if all of our institutions are as prepared as the stock market to handle international monetary demands which can occur every time crisis situation develops.

I have never been comfortable with the idea of global interdependence and I am not at all sure that we have projected all the possible ramifications of being dependent upon the good will of a neighbor or ally when it comes to needing money.

Mr. Watson's wonderful machine has dulled the lustre of gold and silver as wealth—too difficult to move across international lines—now, wealth for a nation seems to have only become what the blips on a machine say it is. This bothers me. Coming from a District—in Maryland—where we have part of the port business—I have seen too many big longshoremen challenge each other "to prove it."

In a way, I think the recent foreign purchases inside this country of real assets is an effort by our creditors to insure that the electronic blips we've been sending abroad are real. They ask us to "prove it!" And we are.

Now the blips going abroad will not only represent money for our purchases of foreign items, but will be representing the income being sent offshore on wealth producing properties inside the country. The blips will also be taking tax revenues with them—revenues which formerly were paid to the Treasurer of the United States.

Has the Treasury come to grips with the electronic transfer of wealth offshore? Do we have mechanisms in place that foreign investors pay the government on profits moving offshore? I don't know. Since the requirement for foreign investors to register with our Government has been dropped out of the trade bill—I seriously doubt it. In the 1984 tax bill, a law which collected a 30-percent tax on foreign profits made in this country was deleted.

Since that time, we have had a lot more foreign investments coming in and I suspect, we have lost a lot of taxes.

If I am right. I think we had better bring our taxing structure into the modern world and study what we can do about it.

In this whole area of computerization, I have been doing some investigating. Like many of us, in my previous professions, I was not exposed to computers—oh, the word processing, was familiar, but the information storage and retrieval, the electronic transfer of money, book keeping—all of those procedures were not familiar to me.

I have found out some interesting things which I would like to share with you. The government uses a lot of computers and many of them are made by foreign corporations. I asked about the security of the information stored in those computers and I found out that computer security is a very difficult thing to guarantee.

If you recall some of the NATO computer security was breached by "hackers"—I believe—within the last month.

I am also told by a very successful electronic inventor, that a computer—when it is built—can have a by pass manufactured inside it which would allow access to the software programs by anyone—at any time—and that it would be impossible to detect. It has been explained to me that it is similar to every hotel room having a separate key, but the maintenance man has one key which fits all doors.

This causes me grave concern when I look at the numbers of foreign national companies which have built computer hardware for the IRS, the Federal Reserve, possibly DOD—I don't know just where all this computer hardware is inside our Government, but wherever it is, after my investigation I am convinced that it cannot be proven to be secure against manufacturer's curiosity or possible cupidity.

I think that this attitude is entirely too trusting, but I really wonder if we are not in this position because we have been too unaware of bringing our institutionalized mind-sets into the computerized age? It is interesting to me that the Government of Japan will buy no foreign computer for any of its operations—not even word processing let alone critical information storage.

I think global interdependence is going too far when we are depending upon the goodwill of foreign nationals not to "peek" at critical information. And Mr. Speaker—if we are using computers—we are placing ourselves at the mercy of their goodwill. It is true of any computer hardware, but if Americans are "peeking" they are subject to our laws—foreign contractors are not.

Right now, I am concerned about the pending purchase of an Optical Disk from the Japanese Sony Corp. by the U.S. Patent Office. I would like to share with you a letter which I have sent to Secretary of Commerce Verity:

Dear Secretary Verity: For the last few weeks, I have been looking into the U.S. Patent Office decision to purchase the Sony Corporation optical disk system for storing patent information. The results of my discussions with your staff indicate a potential lack of oversight by the Commerce Department.

It also appears inconsistent for the Commerce Department to make a major purchase from Japan at the same time that Commerce is publishing statistics which show a trade deficit with the same country.

As I understand the technology concerning optical disks, they were originally invented in the U.S. and the technology was allowed to be exported to Japan. To help me in understanding the Commerce decision to purchase the Sony system, I would like your office to provide answers to the following questions:

OPTICAL DISK TECHNOLOGY

1. I understand that because of the speed and capacity of optical disks, the systems require an approved Commerce export license before they can be exported from the U.S. because they are of National Security concern. Can you explain why the original technology (produced by Drexler Technology, Energy Conversions) to make and use the optical disks was allowed to be exported by the Commerce Department in the first place?

2. I also understand that the Department of Defense publishes a list of Military Critical Technologies as a result of the Export Administration Act of 1979. Commerce was charged in that act with incorporating those technologies in its regulations. Optical disk technology is included in that list, but is not included in the list of technologies published by Commerce.

Can you explain:

a. Why Commerce has not published the Military List for the past seven (7) years?

b. What are Commerce's plans to expand the list of technologies which require an approved export license.

PROPOSED SONY OPTICAL DISK PURCHASE

1. How many U.S. companies make or sell optical disk systems and could you provide the names, addresses and names of the president of these companies?

2. I understand that Commerce did not actually conduct the study which resulted in the decision to purchase the Sony system, but made it on recommendation of a contractor.

a. Please provide me with the name and address of the contractor and the principal officers and personnel who conduct the study.

b. Provide copies of the financial statements of the contractor and Patent Office personnel associated with the Sony purchase which show that none of the parties involved had (or have) a financial interest in the decision.

c. Provide copies of reports and memorandums of telephone conversations which show that the contractor contacted the company in (1) above prior to the Sony recommendation to Commerce.

d. Provide documentation to support the qualifications of the contractor in the area of optical disk technology (i.e. how many systems have they installed to date, which were of U.S. manufacture and which were foreign, and are any of these comparable to the Patent Office project).

3. Relative to the Patent Office personnel who accepted the contractor's recommendation:

a. What independent assessment was made by the government to verify the quality of the recommendation?

b. What are the technological qualifications of the government personnel in the area of optical disk technology?

4. I realize that there are more costs associated with the Sony purchase than the initial hardware installation. Could you estimate the total cost of the purchase—including spare parts and support personnel costs—anticipated over the next ten years.

5. Based on these costs and Commerce statistics, how many U.S. jobs will be displaced by the Sony purchase?

6. In the next statement on the trade deficits, how will Commerce explain the Sony purchase to the American people?

7. Other than cost, if the contract were awarded to a U.S. company, what would be the benefits and disadvantages of such a decision?

Hopefully, the answers to these questions will clear the air on these issues and show that Commerce had conducted an indepth analysis of the factors prior to making the decision.

Thank you for the prompt attention you will give my questions.

As I said to the Secretary, and I realize he was not in office at the time that the decision was made, I am saying that I hope that the answers to these questions will clear the air on these issues and show that the Department of Commerce has conducted an in-depth analysis of the factors prior to making the decision. My information is that they did not.

But I would like to also point out that I failed, finally, I failed to ask the Secretary how much will be lost to the United States in taxes by this deal, and I wonder whether the bureaucrats in this country who work in our bureaucracies realize that it is the Americans working in the United States who pay the taxes which keep this Government going and that 46 cents out of every dollar spent in this country goes to taxes, Federal, State, local, unemployment compensation, Social Security taxes, et cetera.

I would like to emphasize some of the points I have raised.

Optical disk technology was developed in America. It was restricted for shipment offshore by defense requirements.

How did the Japanese get it? Has there been an investigation? Why has it not shown up on the list of restricted technologies and why has Commerce not published that list?

And, if indeed it needs to be protected for this country—why ever in this world would we buy from a foreign producer impacting the sales of American manufacturers who are needed to produce for our own defense industrial base?

I hope I get some good answers to these questions.

Now, in the last month observing the quick response of the stock market to the possible mischief of computers in their midst, I wondered if we—on this Hill—should not take a lesson from their book.

□ 1910

I wonder if we have not all been guilty of thinking of the computers in our office—most of them used mainly for word processing—as just advanced electric typewriters?

They are not! Not over at the White House! Not over at IRS! Not in the Federal Reserve or at Defense! I think it is time we begin to look at these remarkable little machines which turn blips into gold and collect information which may be made available to anyone.

The recent report defending secrets, sharing data: new locks and keys for electronic information advisory panel—a report put out by the Office of Technology Assessment—which addresses this very issue—seems to totally overlook foreign access to sensitive data, both in the commerical and defense sectors through the supplying of the machines.

I have read only the executive summary of the report, but at no point is the issue raised of foreign supply of hardware or software. If this is true, and I will be pursuing this issue with the Technology Assessment people, it will be a grave oversight.

During the past few days as I have been spending more and more time concerning technology transfer and the loss of United States industrial base, I was presented with a book entitled "The Japanese Conspiracy, Their Plot To Dominate Industry Worldwide and How To Deal With It." This book is not available in the United States. It was brought to me from London. I had heard about it and I asked somebody who was going over there to please bring me over a copy.

I am not going to read the entire book, but there are a few quotes in here of Martin J. Wolf's that I just want to get on the record in connection with this technology transfer that we are very concerned about, and with the possible loss of our patent secrets in this country.

It says in here that—

> These Japanese companies have worked closely together to target United States markets. It became obvious to them that adopting an American standard would open the huge Japanese domestic market to American software and later perhaps to American hardware. This deals strictly with computers.

And so they felt that they should adopt a standard solely of their own so that they could control everything that they did with the computer.

"They have laid a base for a computer invasion of Europe," the book goes on to say, "and then in late 1984 Clyde Smith predicts that the Japanese computer-makers will target the United States market" and they have. Quoting again in here, "The Japanese got ahead of us with sex appeal in cars, 'said Robert Bozeman, marketing director for Altos Computer Systems,' and if they get ahead of us on the sex appeal of computers we are dead but they are not going to do it by standardization."

Jumping over it goes on to point out that the Japanese have adopted a stealthy approach to marketing in part as a defense against trade friction. This is a Japanese euphemism for the dawning international realization that Japan is out to monopolize markets all over the world while protecting its own. The Japanese do not want protective barriers raised in countries they have targeted. Another reason for treading softly is that while the United States and North American are giant markets for computers, they are not the only ones. Japanese-style totalitarian economics demands continuously expanding markets and the Japanese, it says, "are now eyeing southeast Asia as well to sell their computers in the decades ahead. They estimate a $30 billion market in office automation by 1990." And that is what we started and we are losing that, while we are losing our industrial base.

Then in connection with telecommunications under the chapter entitled "Targets for Tomorrow" it points out that the "net effect of the ruling in 1981 where Japan supposedly lifted purchasing restrictions to encourage foreign imports," it goes on to say, "Once again over there it was an empty gesture, but the net effect of this ruling was to double the United States electronic industry's 1982 Japanese trade deficit by nearly $1 billion." It is like the semi-conductor industry; as long as the Japanese telecommunications industry can hide behind their government's wall of protection, there is a zero American competition for telecommunications in Japan. That is something that we should all be aware of.

I just want to point out, for example, that in telecommunications Japan had made an agreement with Motorola Corp. of America that Motorola would have half of a certain communications system over there and many, many months after that agreement was made Motorola still was not able to step inside that door.

My last word out of this book this evening will be that, again under "Targets for Tomorrow," "Today as more of communications has moved to digital and optical technology, Japan's strengths have been magnified." This again goes to what I was talking about on the optical disk. They have taken our technology and have magnified it into becoming the giant of the world. The big question is: How did they get it? I am asking that of the Secretary of Commerce and I hope that this Secretary will review that agreement with Japan and will say this is information that we should keep in the United States and not let any foreign contractor have access to it whatsoever.

I thank the Speaker and I yield back the balance of my time.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BUECHNER) to revise and extend their remarks and include extraneous material:)

Mr. GILMAN, for 60 minutes, December 2.

Mr. GINGRICH, for 5 minutes, today.

Mr. CRANE, for 60 minutes, November 19.

(The following Members (at the request of Ms. SLAUGHTER of New York) to revise and extend their remarks and include extraneous material:)

Mr. WRIGHT, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. BROWN of California, for 5 minutes, today.

Mr. FRANK, for 60 minutes, November 19.

(The following Members (at their own request) to revise and extend their remarks and include extraneous material:)

Mr. Dornan of California, for 5 minutes, today.

Mr. Burton of Indiana, for 5 minutes, today.

Mr. Gray of Illinois, for 5 minutes, today.

Mr. Walker, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Buechner) and to include extraneous matter:)

Mr. Dornan of California.

Mr. Gunderson.

Mr. Solomon.

Mr. Horton.

Mr. Kyl.

Mr. Lagomarsino in two instances.

Mr. Oxley in two instances.

Mr. Conte.

Mr. Lent.

Mr. Dreier of California in two instances.

Mr. Madigan.

Mrs. Bentley.

Mr. McEwen.

Mr. Mack.

Mr. Schuette.

Mr. Lewis of Florida.

Mr. Frenzel.

Mr. Wortley.

Mr. Bliley.

(The following Members (at the request of Ms. Slaughter of New York) and to include extraneous matter:)

Mr. Garcia.

Mr. Udall.

Mr. Solarz.

Mr. Montgomery.

Mr. Fauntroy.

Mr. Lehman of Florida.

Mr. Berman.

Mr. Lantos in two instances.

Mr. Hamilton in three instances.

Mr. Skelton.

Mr. Fazio in two instances.

Mr. Feighan.

Mr. Towns.

Mr. Skaggs.

Mr. Torres.

Mr. Guarini.

Mr. Miller of California in two instances.

Mr. Mavroules.

Mr. Stallings.

Mr. Schumer.

Mr. Leland.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 1451. An act to amend the Older Americans Act 1988, 1989, 1990, and 1991; to amend the Native Americans Programs Act of 1974 to authorize appropriations for such fiscal years; and for other purposes.

SENATE ENROLLED BILL AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to an enrolled bill and Joint Resolution of the Senate of the following titles:

S. 1158. An act to amend the Public Health Service Act to establish a National Health Service Corps Loan Repayment Program and to otherwise revise and extend the program for the National Health Service Corps; and

S.J. Res. 98. Joint resolution to designate the week of November 29, 1987, through December 5, 1987, as "National Home Health Care Week."

ADJOURNMENT

Mrs. BENTLEY. Mr. Speaker, I move the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 17 minutes p.m.) the House adjourned until tomorrow, Thursday, November 19, 1987, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2418. A letter from the Deputy Secretary of Transportation, transmitting a report on the safety of commercial motor vehicles being used in interstate and intrastate commerce, pursuant to 49 U.S.C. app. 2515(a); to the Committee on Public Works and Transportation.

2419. A letter from the Acting Administrator, Agency for International Development and First Vice President and Vice Chairman, Export-Import Bank, transmitting the Agency's semi-annual report on the amount and extension of credits under the Trade Credit Insurance Program to Costa Rica, Guatemala, Honduras, and El Salvador as of September 30, 1987, pursuant to 22 U.S.C. 2184(g); jointly, to the Committees on Banking, Finance and Urban Affairs and Foreign Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PEPPER. Committee on Rules. House Resolution 314. H.R. 3436, a bill to amend the Older Americans Act of 1965 to make technical corrections (Rept. 100-449. Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERMAN (for himself, Mr. Fascell, Mr. Hamilton, and Mr. Hyde):

H.R. 3651. A bill to prohibit exports of military equipment to countries supporting international terrorism, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BROOKS:

H.R. 3652. A bill to eliminate the authority for the performance of nonadvisory functions by the National Security Council; jointly, to the Committees on Armed Services and the Permanent Select Committee on Intelligence.

By Mr. GOODLING:

H.R. 3653. A bill to amend title 5, United States Code, with respect to comparability adjustments under the provisions relating to grade and pay retention for Federal employees; to the Committee on Post Office and Civil Service.

By Mr. GOODLING (for himself, Mr. Roberts, Mr. Hall of Texas, Mr. Ridge, Mr. Bartlett, Mr. Foglietta, Mr. Borski, Mr. Kolter, Mr. Yatron, Mr. Kostmayer, Mr. Shuster, Mr. McDade, Mr. Kanjorski, Mr. Murtha, Mr. Coughlin, Mr. Ritter, Mr. Walker, Mr. Gekas, Mr. Walgren, Mr. Murphy, Mr. Clinger, Mr. Weldon, and Mr. Schulze):

H.R. 3654. A bill to require the Secretary of the Treasury to mint and issue $1 coins in commemoration of the 100th anniversary of the birth of Dwight David Eisenhower; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HERTEL:

H.R. 3655. A bill to amend the Internal Revenue Code of 1986 to provide that interest on car loans will be exempt from the provisions denying a deduction for personal interest; to the Committee on Ways and Means.

By Mr. SENSENBRENNER:

H.R. 3656. A bill to establish an interagency committee to review proposed international scientific and technological agreements and increase through negotiations for such agreements equivalent technological access between the United States and foreign countries; jointly, to the Committees on Foreign Affairs; the Judiciary; Science, Space, and Technology; and Ways and Means.

By Mr. BARTLETT (for himself, Mr. Downey of New York, Mr. Brown of Colorado, Mr. Hawkins, Mr. Jeffords, Mr. Owens of New York, Mr. Gradison, Mr. Penny, Mr. Lagomarsino, Mr. Fazio, Mr. Hall of Texas, and Ms. Kaptur):

H.R. 3657. A bill to amend titles II and XVI of the Social Security Act to ensure proper payments for reimbursement for reasonable and necessary costs of vocational rehabilitation services under State vocational rehabilitation plans; to the Committee on Ways and Means.

By Mr. BROOMFIELD (for himself, Mr. Gilman, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Roth, Ms. Snowe, Mr. Hyde, Mr. Solomon, Mr. Bereuter, Mr. Dornan of California, Mr. Smith of New Jersey, Mr. Mack, Mr. DeWine, Mr. Burton of Indiana, Mrs. Meyers of Kansas, Mr. Miller of Washington, and Mr. Donald E. Lukens):

H. Res. 315. Resolution urging President Reagan to call the attention of the Soviet leader, Mikhail Gorbachev, during their upcoming meeting, to the ongoing human rights abuses in the Soviet Union which are in clear violation of the spirit and the letter of the 1975 Helsinki accords; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII.

244. The Speaker presented a memorial of the Senate of the State of Illinois, relative to free trade between the United States and Canada, which was referred to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 245: Mr. Ridge.

H.R. 513: Mr. Mollohan.

H.R. 637: Mrs. Collins and Mr. Gingrich.

H.R. 1213: Mr. Roe and Mr. Evans.

H.R. 1214: Mr. Shays and Mr. Wise.

H.R. 1235: Mr. de Lugo, Mr. Jacobs, and Mr. Leach of Iowa.

H.R. 1291: Mr. Borski.

H.R. 1645: Mr. Clay, Mr. Hawkins, Mr. Rangel, Mr. Dixon, Mr. Hoyer, Mr. Bustamante, Mrs. Bentley, Mr. de Lugo, Mr. Towns, Mr. Lancaster, Mr. Blaz, Mr. Flake, Mr. Ford of Tennessee, Mr. Owens of New York, Mrs. Collins, Mr. Lewis of Georgia, and Mr. English.

H.R. 1815: Mr. Jacobs and Ms. Kaptur.

H.R. 2138: Mr. Kolter.

H.R. 2173: Mr. Foglietta, Mr. Wheat, and Mr. Crockett.

H.R. 2214: Mr. Dowdy of Mississippi.

H.R. 2260: Mr. Wyden.

H.R. 2476: Mr. Lowery of California.

H.R. 2585: Mr. Smith of Texas and Mr. Bates.

H.R. 2724: Mr. Shays.

H.R. 2801: Mr. McDade.

H.R. 2879: Mr. Foglietta.

H.R. 2880: Mr. Fauntroy, Mr. Glickman, Mr. Emerson, Mrs. Morella, and Mr. Sabo.

H.R. 2934: Mr. Brennan and Mr. Coleman of Texas.

H.R. 3071: Mr. Downey of New York and Mr. Foglietta.

H.R. 3119: Mr. Feighan, Mr. Martinez, and Mr. Penny.

H.R. 3193: Mr. Gray of Pennsylvania, Mr. Lewis of Georgia, and Mr. Sabo.

H.R. 3199: Mr. Hiler, Mr. Emerson, Mr. McGrath, Mr. Combest, and Mr. Martin of New York.

H.R. 3259: Mr. Howard, Ms. Kaptur, Mrs. Patterson, Mr. de la Garza, Mrs. Collins, Mr. Chapman, Mr. Frost, Mr. Eckart, Mr. Wortley, Mr. de Lugo, Mr. Edwards of California, Mr. Fazio, Mr. Fuster, Mr. Fauntroy, Mr. Crockett, Mr. Dorgan of North Dakota, Mr. Lancaster, Mr. Blaz, Mr. Torres, and Mr. Richardson.

H.R. 3303: Mr. Emerson, Mr. Bustamante, Mr. Ortiz, Mr. Synar, Mr. Watkins, Mr. Sundquist, Mr. Roe, Mr. Beilenson, Mr. Mrazek, Mr. Perkins, Mr. Horton, Mr. Wortley, Mr. Hughes, Mr. Fish, Mr. Mineta, Mr. Buechner, Mr. Owens of Utah, Mr. Martinez, Mr. Oberstar, Mr. Lipinski, Mr. Levin of Michigan, and Mrs. Patterson.

H.R. 3321: Mr. DeFazio, Mr. Stark, Mr. Owens of Utah, Ms. Snowe, Mr. Fields, Mrs. Saiki, and Mr. Cooper.

H.R. 3348: Mr. Brooks, Mr. Crockett, Mr. Smith of New Hampshire, and Mr. Bilbray.

H.R. 3410: Mr. Boucher.

H.R. 3518: Ms. Kaptur.

H.R. 3598: Mr. Smith of Florida, Mr. Neal, and Mr. Biaggi.

H.R. 3614: Mr. Dicks, Mr. Swift, Mr. Lowry of Washington, Mr. Bonker, and Mr. Miller of Washington.

H.R. 3627: Mr. Smith of New Jersey.

H.R. 3628: Mr. Edwards of California, Mr. Robinson, Mr. Weldon, Mr. Dornan of California, Mr. Jacobs, Mr. Frank, Ms. Snowe, Mr. Fauntroy, Mr. Frenzel, Mr. Dwyer of New Jersey, Mr. Hawkins, Mr. Russo, Mr. Madigan, Mr. Howard, Mr. Ackerman, Mr. Foglietta, Mr. Wortley, Mr. Penny, Mr. Gunderson, Mr. Oberstar, Mr. Miller of California, Mr. Crane, Mr. Brown of California, Mr. Fazio, Mr. Ford of Tennessee, Mr. Lagomarsino, Mr. Towns, Mr. Smith of Florida, Mr. Lantos, Mr. Konnyu, Mr. Horton, and Mr. Berman.

H.J. Res. 388: Mr. Clarke, Mrs. Bentley, Mr. Bevill, Mr. Coleman of Texas, Mr. Courter, Mr. Daniel, Mr. DioGuardi, Mr. Dwyer of New Jersey, Mr. Fazio, Mr. Fields, Mr. Flippo, Mr. Gonzalez, Mr. Hefner, Mr. Horton, Mr. Lagomarsino, Mr. McCloskey, Mr. McGrath, Mr. Moakley, Mr. Montgomery, Mr. Smith of Florida, Mr. Smith of New Hampshire, Ms. Snowe, Mr. Spence, Mr. Synar, Mr. Traficant, and Mr. Weber.

H.J. Res. 389: Mr. Wyden, Mr. Sawyer, Mr. Perkins, Mr. Florio, Mr. Rodino, Mr. Gregg, Mrs. Collins, Mr. Kildee, Mr. Dellums, Mr. Conyers, Mr. Stokes, Mr. Gunderson, and Mr. Lehman of California.

H.J. Res. 390: Mr. Martinez, Mr. Dyson, Mr. Lightfoot, Mr. Vento, Mr. Smith of Florida, Mrs. Boxer, Mr. Mrazek, Mr. Applegate, Mr. Frank, and Mr. Fazio.

H. Con. Res. 192: Mr. Ackerman, Mr. Mfume, Mr. Fazio, Mr. Bliley, Mr. Upton, Mr. Hutto, Mr. Dorgan of North Dakota, Mr. Murphy, Mr. Mavroules, Mrs. Collins, Mr. Green, and Mr. Hefley.

H. Res. 272: Mr. Nielson of Utah and Mr. Dannemeyer.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

S. 1667

By Mrs. SMITH of Nebraska:

—Page 6, after line 12, insert the following:

(c) In addition to any other review which may be available by law, a decision of the Secretary to close, consolidate, automate, or relocate any Weather Service Office may be reviewed in accordance with chapter 7 of title 5, United States Code, in an action brought by any State served by such Office. For purposes of this subsection, the term "State" includes the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Island, and the Northern Mariana Islands.

(d) Any determination or decision made by the Administrator of the National Oceanic and Atmospheric Administration with respect to the closing, consolidation, automation, or relocation of a Weather Service Office shall be considered for purposes of this section to have been made by the Secretary.

EXTENSIONS OF REMARKS

THE PRESIDENT SHOULD SIGN THE HOUSING BILL

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. DREIER of California. Mr. Speaker, today, the Senate will be considering the conference report to the Housing and Community Development Act of 1987. As a member of the Housing Subcommittee, I would like to urge my colleagues in the other body to support the conference report. I would also like to urge the President to sign the measure into law. Although far from perfect, it is a significant improvement over H.R. 4 as passed by the House in June.

First, I would like to say that I think that the House Republicans did a terrific job on this bill. We held tough in the face of tremendous pressure to accept an expensive and defective housing authorization bill. While some within the housing industry were demanding that we accept a budget-busting bill that would essentially reregulate the housing industry, we Republicans were working diligently to turn H.R. 4 into a prohousing, market-oriented bill.

In my view, the $15 billion price tag is still too high given that the level of the Federal deficit threatens economic growth. There is no level of funding that would offset the damage that will be done to the housing industry should there persistent deficits lead to an economic recession.

But, on balance, the conference report is, at least, a step in the right direction. The funding level is a billion dollars lower than H.R. 4, and we will actually save about $360 million if the President does not veto this bill. The conference report also allows the manufactured housing industry to remain competitive with onsight homebuilders. It puts more emphasis on vouchers and rehabilitation of the existing housing stock, and less emphasis on expensive and inefficient new construction subsidies.

But most important, it contains a number of provisions to strengthen the FHA mortgage insurance program, which I strongly support. These changes are needed to ensure that FHA continues to meet the mortgage financing needs of low- and moderate-income homebuyers.

First, the conference report includes an amendment which I coauthored to increase FHA's mortgage insurance ceiling from $90,000 to $101,250 for homebuyers in high cost areas. It also permanently extends FHA's authority, which will guarantee the continued viability of the program by removing it from the political uncertainties that it continually faces in Congress.

Mr. Speaker, I would have preferred to see a housing bill which incorporates the approach taken in the Wylie substitute. However, I believe the conference report represents a fair compromise, and I urge the Senate and the President to support this important legislation.

A TRIBUTE TO THE BUREAU OF JEWISH EDUCATION OF THE JEWISH FEDERATION COUNCIL OF LOS ANGELES ON ITS GOLDEN ANNIVERSARY

HON. HOWARD L. BERMAN

OF CALIFORNIA

HON. HENRY A. WAXMAN

OF CALIFORNIA

HON. MEL LEVINE

OF CALIFORNIA

HON. ANTHONY C. BEILENSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. BERMAN. Mr. Speaker, we rise today to pay tribute to the Bureau of Jewish Education of the Jewish Federal Council of Greater Los Angeles on the occasion of its golden anniversary. For 50 years, this organization has dedicated itself to providing central educational planning for the Jewish community of the Los Angeles area. Beginning with a gala celebration on December 3, 1987, events commemorating this most important occasion will be held through June 1988.

For one-half century, this prominent organization has served the educational needs of Los Angeles' Jewish community. The bureau has established and maintained educational standards, developed curricula, and trained and certified some 1,000 teachers. The achievements of this organization are exceptional and important.

Through scholarship programs providing needed financial assistance to students and through special education instruction made available to students with learning disabilities, the bureau has successfully helped to meet the academic needs of the community's youth. Not only are 25,000 children of all ages coordinated through the diverse programs offered by the bureau, but parent education programs provide a bridge between the school and the home, a service which exemplifies the value of the role played by the bureau in our society.

Services provided by the bureau extend well beyond the classroom. Programs aimed at immigrants from countries such as Russia and Iran help to familiarize them with American society, preserving and enriching American Jewish culture. Social action projects involve students with timely issues which affect them as members of the Jewish and American communities, enabling them to gain a better understanding of their culture and their nation.

By offering art and cultural activities to students, the organization provides opportunities to broaden learning experiences, helping students to live and grow in an environment rich with a diversity beyond the academic sphere.

The Bureau has devoted itself to enriching the lives of those it has served, a goal it has excelled at achieving through the years. In the American tradition of upholding education as a value vital to our future, this organization has provided important opportunities to the Jewish community of Los Angeles for 50 years. It is our distinct pleasure to join with our colleagues to honor the Bureau of Jewish Education of the Jewish Federation Council.

A TRIBUTE TO PATRICK E. McDONALD

HON. RICHARD H. STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. STALLINGS. Mr. Speaker, I would like to take this opportunity to commend Patrick E. McDonald of Idaho Falls, ID, who has been promoted to the rank of captain in the Idaho State Police. He is currently commander of District Six, which covers eastern Idaho.

Captain McDonald has devoted the past 20 years to law enforcement and criminal justice, beginning his career with the Idaho State Police at Cotterell Port of Entry. He then became a trooper and was stationed in the southern Idaho town of Glenns Ferry.

In 1972, McDonald moved to Boise, ID, where he was assigned as one of the State's first motorcycle officers. In 1980, he was promoted to sergeant and in that same year moved to Idaho Falls where he currently serves. Five years later, he was promoted to lieutenant, and assigned as commander of Idaho State Police District Six.

McDonald is a graduate of the College of Southern Idaho, the Federal Law Enforcement Training Center at Glenco, GA, and the California Highway Patrol Academy in Sacramento. In 1986 he graduated from the prestigious FBI National Academy in Quantico, VA. He is a frequent lecturer to law enforcement organizations, and a regular speaker to community, civic, and school groups.

McDonald is currently majoring in corporate training at Idaho State University. His areas of specialty include training in critical incident management, post-traumatic incident reaction, and special weapons and tactics.

Captain McDonald and his wife Sarah Jane have three children.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

DIVERSE INSURANCE INDUSTRY VOICES CITED

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. FLORIO. Mr. Speaker, the insurance industry is an important industry with many capable leaders and much diversity. In these times of uncertainty and rapid change in financial markets, it is important for us in Congress to keep up with the different views of insurance industry leadership. An article from the Journal of Commerce, which I am inserting in the RECORD, focuses on the perspective of John Hancock Mutual Life Insurance Co.

[From the Journal of Commerce, Nov. 3, 1987]

JOHN HANCOCK: INDUSTRY'S BLACK SHEEP

(By Russ Banham)

Some insurers may perceive the nation's seventh-largest life insurance company as a rogue.

Straying far from the herd, John Hancock Mutual Life Insurance Co. favors diversification of financial services, unisex insurance rates and federal insurance regulation—positions contrary to what the insurance industry, and its many trade associations, espouse.

The company's maverick views haven't yet antagonized its industry brethren, said Stephen L. Brown, Hancock president and chief operating officer. In fact, he said, "many companies privately agree" with Hancock's unorthodox opinions, complaining primarily that Hancock is "premature" in expressing them.

"Most feel the visions we are painting are inevitable," Mr. Brown said.

One of those visions is a major change in the way the insurance business is regulated.

"If we were given a choice, we would opt for one federal insurance regulator rather than 50 state regulators," Mr. Brown said. "That's different than what most insurance companies publicly, but perhaps not privately, say."

Fifty state insurance regulators creates "unevenness, a lack of uniformity," he said. "Each regulator has a different idea of what an insurance policy should look like. That creates problems when it comes to filing (policies) in each state.

"In addition, the quality of regulators from state-to-state is different. You have some states, such as New York, that are particularly strong, and others, shall we say, that are less strong," Mr. Brown said.

Federal regulation would encourage innovation, Mr. Brown added, conceding though that it will be an uphill battle to put such oversight in place.

"Most insurers are afraid we might end up with a federal regulator who is unfriendly to the industry. But I think a federal regulator, with a well-staffed organization, would be less punitive . . . and could save the industry money," he said.

The Hancock president noted that most other financial services industries have federal oversight.

"Without it, we will be at a disadvantage when it comes time to regulate the financial services industry," he said.

Such future regulation of banking, insurance, securities and other financial services industries is a likelihood, he explained.

"Our feeling is that there ought to be equal access to all of these industries from any industry, including non-financial services industries. That is as long as a company can demonstrate a certain level of capital," Mr. Brown said.

If a company owns several financial services concerns, Mr. Brown said regulation should be on a "functional basis. In other words, an insurance subsidiary would come under federal insurance regulation, a banking subsidiary under banking regulations, etc., rather than the regulations affecting just the parent company.

"We have to do away with the crazy quilt of regulations that we have today," he explained.

The overall position of the insurance industry is to fight any possible entry of banks into insurance business. John Hancock does not take that view, Mr. Brown said.

"Our position is if banks are to be allowed access to expanded insurance powers, insurers will be given a quid pro quo. It will be an opportunity for insurers, in an unfettered way, to get into the banking business. And if Glass-Steagall is repealed, insurers also would have access to this business as well," he said.

The Glass-Steagall Act is a post-Depression law forbidding banking involvement in the securities business.

"Sure that runs counter to what our brethren say publicly. Their concern comes from their (independent) agents, who see banks as tough competition," Mr. Brown said. Hancock deals primarily with its own agent; rather than independent agents.

The Boston-based insurer is a member of the Financial Services Council, a group of 17 companies—Merril Lynch, Sears, Roebuck & Co and American Express are others—that is looking to revamp the regulations governing the financial services industry. Mr. Brown noted that the council has drafted a bill "providing a more open and appropriate regulatory framework" for financial services concerns, he said.

"We have found a common meeting ground," Mr. Brown said.

Hancock also diverges with the industry on unisex insurance rating. A former actuary, Mr. Brown said he understands the rationale on the part of the industry to use gender as a factor in rating automobile, life, health and other insurance policies. He said, however, that the public has "made its position known" about any differentiation between the sexes.

"The time has come from a social point of view for the industry to accept that gender-based rating criterion is not wanted by the majority of the population. We want to see the industry accept equal treatment of men and women, rather than continue to fight what is in the long-term a losing proposition.

"As long as a punitive approach is not taken—for example, making all claims on this issue retroactive—we favor unisex insurance rates. The industry says it will open the door to doing away with other rating criteria, such as age. But we doubt unisex rating will really set an unfortunate precedent," he said.

Craig Barrington, general counsel for the American Insurance Association, says the current system of state regulation has worked well.

"When you compare it to federal regulation in other areas, such as securities, it's hard to say it hasn't provided a secure, stable environment for the insurance business," he said.

He added that the banking industry "plays a critical role in society in providing for absolute safety for individual depositors. The insurance business requires other skills," he said. "The safety of the banking system is best preserved if it remains dedicated to the banking business."

In addition, Mr. Berring on said unisex rates result in subsidization of individuals whose loss histories don't justify the lower rate. You have low-loss groups subsidizing high-loss groups, and that eviscerates the concept of insurance."

A TRIBUTE TO MR. WILLIAM BOYERS

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. TOWNS. Mr. Speaker, I rise to draw the attention of my colleagues to Mr. William Boyers, who is being inducted into the Sports Hall of Fame of North Carolina A&T State University.

William Boyers was born in Milwaukee, WI, where he received his early elementary education. Having graduated from St. John's Cathedral High School, William continued his education at North Carolina A&T State University where he received a bachelor of science degree in 1956, after serving 2 years in the U.S. Army. He has furthered his studies toward an advanced degree at North Carolina A&T.

As testament to his athletic abilities, Mr. Boyers has received the following awards: All State Football, 1948; All American Football, 1949–50; All CIAA, 1950–51—tackle; All CIAA—track and shot put. He was also a participant in the Orange Blossom Classic in Miami, FL. In addition, from 1976–85, he served as a coach for the State Championship Wrestling Team.

William Boyers has been involved in programs related to education as well as coaching throughout his adult life. He has, since 1956, been employed by the Greensboro Public School system as a physical education teacher, as well as a coach for the football, wrestling, and track teams.

William and his wife, Necia Baker-Boyers, are the proud parents of two lovely children, Nathaniel III, and Robert Jeffrey.

I extend my heartiest congratulations to Mr. Boyers on this auspicious occasion. Certainly, he is deserving of this great honor.

TRIBUTE TO COUNCIL NO. 9, POLISH NATIONAL ALLIANCE OF PASSAIC, NJ, ON ITS 75TH ANNIVERSARY

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. ROE. Mr. Speaker, the bond between our great Nation and the freedom-loving people of Poland has always been a strong one. I think this is true not only because the

United States is home to so many people of Polish descent, but also because ours, as a democratic nation that gained independence just over 200 years ago, identifies closely with the Poles' struggle for freedom and with its many great heroes past and present, Casimir Pulaski, Madame Curie, Father Popieluszko, and Lech Walesa, to name just a few.

The spirit of this close bond between our country and the Polish people is kept strong and vibrant in the United States by the many groups and civic organizations which provide a focal point for Polish Americans in the United States who keep the candle of freedom burning for those back in the homeland.

Mr. Speaker, in my Eighth District of New Jersey, we have been, indeed, fortunate to have had such a group keeping the Polish community in northern New Jersey tightly knit for three quarters of a century. I speak of Council No. 9, Polish National Alliance of Passaic, NJ, which this year is marking its 75th anniversary. This most noteworthy event will be celebrated with a dinner on Saturday, November 21, at the Polish Peoples Home in Passaic. I am pleased to report that Mary Beleski and Kazimiera Bidas, and many others, have been working tirelessly to assure that this 75th anniversary celebration will be a great success.

Mr. Speaker, I would like to take this opportunity to commend the current executive board—President Joseph Lewandowski, Vice President Michael Bednarz, Secretary Mary Beleski, Treasurer John Cebrowski and Auditors Kazimiera Bidas, Adele Kempton and Eleanore Zboraj—for their efforts in guiding Council No. 9, PNA through its 75th year.

Council No. 9, PNA was organized July 28, 1912, by Mr. Joseph Jaworski at the Polish Peoples Home, 1-3 Monroe Street, Passaic, where it is still located. The council was formed by lodges that belonged to the Polish National Alliance of North America, a fraternal organization involved in a great number of community and civic activities. Lodges belonging to the original council include Lodge 18 of Paterson, Lodge 217 of Passaic, Lodge 378 of Lodi, Lodge 527 of Hackensack, Lodge 1138 of Passaic, Lodge 1475 of Bloomfield, Lodge 1738 of Passaic, Lodge 2373 of Lyndhurst, Lodge 2571 of Wallington, and Lodge 2901 of Kearny.

Many of those lodges have since merged into the six that exist today and report to the council, which in turn, is part of the national Polish American Congress located in Chicago. It is the combined efforts of these groups and so many like them which help the United States maintain a strong bond with the people of Poland in their constant struggle for freedom and human rights.

Mr. Speaker, it is with the greatest pride that I invite you and our colleagues to join me in saluting Council No. 9, Polish National Alliance of Passaic, NJ, for helping to keep the hope of freedom alive, not only for the people of Poland, but for freedom-loving peoples everywhere.

"WILL THE LAST COMMERCIAL SHIPBUILDER PLEASE TURN OUT THE LIGHTS"

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. BIAGGI. Mr. Speaker, largely unnoticed amid the sweep of major events on Wall Street and the Persian Gulf, our Nation's first industrial enterprise, commercial shipbuilding, is sinking into oblivion. From New York to Baltimore, and Los Angeles to Seattle, everywhere, we see the quickening pace of redevelopment of former shipyards into upscale condominium projects. Shipyards are closing their doors forever because of a combination of failed national policy and the fact that the land they occupy is worth more if converted to nonmaritime use.

It isn't just the land and facilities that are passing from the industrial seascape of our major ports. A recently released report of the Presidential Commission on Merchant Marine and Defense graphically chronicles the irreversible loss of skilled manpower. Seven short years ago, 50,000 shipyard workers were employed building commercial vessels. Now, no more. Gone, Forever.

This grim report coincides with the delivery of the last seagoing commercial vessel from an American shipyard—a container vessel launched by Bay Shipbuilding for Sea-Land Corp. destined for a trading life on the Alaskan run. Remember her. Like as not, she will be the last of her kind. Save the champagne. We won't need it anymore.

I'd like to know what Jack London, Richard Henry Dana, or Herman Melville would say about the irreversible loss of America's maritime heritage and tradition, forever consigned to reside in the Smithsonian or Mystic Seaport. It just somehow seems all wrong. Worse yet, we may never miss it until it's gone; as I said before, drowned out in the maelstrom of Wall Street and the Persian Gulf.

LA PURISIMA MISSION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. LAGOMARSINO. Mr. Speaker, I rise to call the attention of the Members to the bicentennial celebration of La Purisima Mission on December 8, 1987. As a vital link to the history of the State of California, this is the most completely restored of California's 21 missions.

La Purisima Mission which now stands as a State historic park is an example of the dedication which allows us to retain our heritage as Americans through the restoration of historic sites. La Purisima consists of the actual mission buildings and 507 acres of land which have been restored as a refuge of natural beauty.

At this time I would like to extend my congratulations to the La Purisima Mission State Historic Park on its 200th anniversary on behalf of the U.S. House of Representatives.

RETIREES SHOULD NOT BE ASKED TO TIGHTEN BELTS

HON. JOEL HEFLEY

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. HEFLEY. Mr. Speaker, every year there is a good deal of controversy during budget negotiations about cost of living adjustments for Social Security recipients, retired Federal employees, and retired military employees. This year is no exception, and the way we are dealing with this issue is disgraceful.

It is clear that the problem of our national debt is an issue we cannot ignore. Yet, Congress continues to pass bill after bill authorizing additional spending for domestic programs. In fact, since President Reagan was sworn in 1981, Congress has increased domestic spending by $322 billion over the objections of most Republicans.

Most people think that Congress is elected to make tough decisions, but week after week, I see many of my colleagues voting for everything—not choosing between competing priorities. Just last week, by a vote of 206 to 205 the majority of Members in the House of Representatives voted themselves another pay raise.

This week, budget negotiators are attempting to reach an accord that will reduce the Federal deficit by $30 billion. Without that savings, the Gramm-Rudman deficit reduction law will require indiscriminate, across-the-board cuts.

True to form, the negotiators may try to avoid those cuts by including $2 billion in savings from delaying cost-of-living adjustments.

This is not right. I cannot ask our retirees to tighten their belts when Congress won't do the same.

Legislation that is already passed anticipates full cost-of-living adjustments at 4.2 percent which reflects the increase in the Consumer Price Index for fiscal year 1988. Last year retirees received adjustments of 1.3 percent. The year before that, only Social Security recipients received COLA's of 3.1 percent. Because COLA's for Federal and military retirees were not then exempt from Gramm-Rudman cuts, both groups lost their COLA increases.

I oppose reducing COLA's when it is clear to me that we are not asking everyone to reduce their dependence on the Federal budget. The only time COLA reductions would make sense to me, and to most of the seniors with whom I have talked, is if every sector of our society—public officials, Federal employees, retirees, students, business—had to tighten their belts at the same time.

I will not support singling out retirees' benefits.

TRIBUTE TO HISPANIC-OWNED COMPANIES FOR BUSINESS SUCCESS

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. RICHARDSON. Mr. Speaker, I would like to commend five Hispanic owned companies in the State of New Mexico for their business success. They are acknowledged as five of the 100 fastest growing Hispanic owned businesses in the country. Advanced Sciences, Inc., of Albuquerque, Medka Construction Co., of Las Vegas, Russ Pitney Earthmoving Co., of Albuquerque, American Toyota, of Albuquerque, and Mimbres, Inc., of Santa Fe highlight the advances the minority community has made and continue to make throughout the country. The economic climate of our State is dependent on businesses such as these which provide jobs for New Mexico's residents. I would like to insert an article from Hispanic Business magazine recognizing the accomplishments of these businesses for the review of my colleagues.

[The article follows:]

[From Hispanic Business, November 1987]

OUT IN FRONT—THE 100 FASTEST-GROWING COMPANIES

The 100 fastest-growing Hispanic-owned companies flourished more rapidly than last year's group. Total gross sales of this year's 100 enterprises increased by 351 percent from 1982 to 1986, which tops the 1981-1985 growth rate of 295 percent of last year's fastest 100.

This year's growth was surpassed only by the 1984 figure, when 361 percent growth was registered—but then, only 50 companies were measured that year. Hispanic Business began tracking the fastest-growing companies in 1983. That year, six of the top 10 companies had sales growth in excess of 2,000 percent; in 1986, seven of them did, and the top three increased sales by more than 4,000 percent each during the past five years.

Sliding into the No. 1 slot as the fastest-growing Hispanic-owned business is an advertising firm that turned up on the 1986 Hispanic Business 500 directory for the first time, No. 220-ranked Garcia-Serra & Blanco Advertising, of Coral Gables, Fla. The agency grew at the sizzling rate of 12,002 percent. CEO Al Garcia-Serra reports that a combination of talented personnel, hard work and this decade's heightened awareness of the Hispanic market helped Garcia-Serra grow from a profitless, $73,542 start-up company in 1982 to an $8.9 million agency with a profit margin between 6 and 15 percent last year. Mr. Garcia-Serra; who is 41 and who oversees an equally youthful staff, rode into the advertising business on the Hispanic market but has expanded into the general market (see following story).

Only three other advertising firms made the 100 fastest-growing list. A full one-quarter of the fastest-growing companies are construction firms. No other industry was as highly represented, though service firms numbered 24, and the No. 2-ranked company was Artco Contracting Inc. of Auburn Hills, Mich. The general contractor increased sales by 8,033 percent the past five years, adding 198 people to its original two employees to place No. 1 in employment growth: 9,900 percent. Artco had only $300,000 in sales in 1982 and realized $24.4 million last year, with a profit margin above 16 percent.

Construction companies make up the highest number of firms found in any one industry, but both this category and that of service firms follow retailers in terms of share of sales. Retailers accounted for 22.4 percent of the total sales of $1.5 billion, followed by construction companies with 20.8 percent and service firms with 20.1 percent. The manufacturing industry, which had only 9 percent of sales in our 1985 directory, accounted for 16.1 percent last year.

SALES DOWN, PROFITS UP

Omitted from this year's list was the troubled health maintenance organization International Medical Centers (IMC), due to its planned acquisition by Humana Inc., and its absence is largely responsible for a decline of $214.7 million from last year's aggregate gross sales. The loss of IMC, however, renders a more level picture of the Hispanic Business 100 fastest-growing companies. With the South Florida medical provider included in our previous listing, for example, the service industry had accounted for a disproportionate 36 percent of sales, and this year's industry leader—retailers—had dropped to 15 percent.

About the same number of firms as in 1985 made a profit—92 in 1986, 91 in 1985—but the profits were higher for the most recent 100. Only eight firms had profit ranges of 16 percent or more in 1985, and that figure increased to 13 in 1986. And while 40 firms had profit margins of 6 to 15 percent last year, in 1985, 37 did; the increase in companies making high profits came out of those making low profits, as the number of firms with profits of 1 to 5 percent dropped from 46 to 39, while those breaking even or operating at a loss remained unchanged.

This year's crop of fastest-growing companies also managed to hire more employees, relative to the number they had in 1982, than last year's 100 did. The overall employment increase was 235 percent, compared with 186 percent last year. At the same time, this year's 100 were generally smaller, with an average of only 111 employees per firm, compared with an average of 145 in 1985.

The top five fastest-growing companies reflect the balance found in this year's 100: Behind advertising agency Garcia-Serra and general contractor Artco are No. 3-ranked Pacifica Services Inc., a civil engineering firm that placed No. 2 behind IMC in 1985; No. 4-ranked Golden Gate Air Freight, a specialized air transport carrier that has won more than a 100 corporate customers such as General Motors Corp., Levi Strauss & Co. and Hills Bros. Coffee Inc.; and No. 5-ranked Computer Trade Development, a retailer that has increased its number of employees from six to 65 en route to increasing sales by 2,566.7 percent, from $210,000 in 1982 to $5.6 million last year.

The 100 fastest-growing companies face varied challenges, as the following stories show. Some are growing at breakneck paces; others take their growth in stride. All are a breed apart in a highly competitive economy.

QUEENS-SEBACO SISTER CITY PROJECT

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. ACKERMAN. Mr. Speaker, the great people of Queens have done it again. They have shown their concern for the foreign policy of this Nation, and demonstrated their reserves of creative energy by developing a truly unique initiative—the Queens/Sebaco Sister City project. The project links the Borough of Queens with Sebaco, Nicaragua.

Sebaco is in the Department, or district, of Matagalpa, approximately 70 miles north of Managua. The total population is 17,818 people—roughly the equivalent of 1 square mile in Queens. Sebaco's main industries are vegetable and basic grain farming and animal husbandry.

Although we do little farming in Queens, my district has many shared interests and concerns. Sebaco's major needs are in the areas of eduction and health care, obviously very basic necessities of life. There is a health care center and a rural health outpost there, but Sebaco desperately needs medical supplies, as well as notebooks, pencils, tools, building materials, and clothing. Sebaco requires these basic necessities because Nicaragua is spending its limited resources on a civil war with the United States-backed Contras.

The people of Queens have responded to this small city's needs by forming the private Queens Sister City project. The organization is collecting school supplies, clothing, and money for medical supplies to assist Sebaco, as well as to demonstrate opposition to United States policies toward Nicaragua. The group also encourages other sister relationships between hospitals, schools, and community centers in each city.

I commend the Queens Sister City project for its citizens diplomacy and hands-on involvement in United States foreign policy and I enourage similar relationships between other United States and Nicaraguan cities.

THE 225TH ANNIVERSARY OF ZION'S REFORMED UNITED CHURCH OF CHRIST

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. RITTER. Mr. Speaker, I wish to mark an event whose roots reach deeply into our American history and which celebrates profoundly our heritage of freedom. May I direct the attenton of this House of Congress to the 225th anniversary year celebration of Zion's Reformed United Church of Christ, on Sunday, November 22, 1987.

In the foreword of the History of Zion Reformed Church, H.M.J. Klein wrote:

An old congregation is a shrine to the faith and deeds of Godly forefathers as well as to the service of God. It represents the glorious heritage of the past, and is a constant inspiration to courage and loyalty to men, women and children. . . . Without a knowledge of them we cannot understand the founding and development of our marvelous American national life. To study the origin of these churches, the struggles and sacrifices of earlier generations; the heroic souls who for conscience sake gave largely of their time, energy and means for the founding of congregations in the days of small beginnings.

1762 is the year of the founding of Allentown and the year in which members of the Reformed and Lutheran faith united in erecting a small log church on a plot of ground located on the east side of what is now called Church Street. 1765 is the beginning of the first pastorate served by the Reverend John Daniel Gros, D.D. Rev. Abraham Blumer, Rev. John Gobrecht, and the Reverend Joseph S. Dubbs, D.D., served the church through the year 1862. The Reverend N.S. Strassburger, D.D., Rev. Edwin A. Gernant, A.M., Rev. T.J. Hacker, D.D., and Rev. H.M.J. Klein, Ph.D., guided the members of the church until Rev. Simon Sipple became pastor in 1910. Rev. Ernest Andrews, still a member of the congregation, was pastor from 1937 until the present pastor, Rev. I. Ray Berrian, was appointed in 1986.

Richard I. Ludwig, president of the Consistory, is justifiably proud of the time in history when Zion's Church hid the Liberty Bell, saving it from destruction by the advancing British militia. With rising excitement, he notes that the main structure, actual sections of the wall of the church, are still in use. With equal pride, church members reflect on the use of the church as a Continental hospital, the first Allentown public school and the birthplace of Cedar Crest College.

Zion's Church well deserves her place on the National Register of Historic Places. From 1773, there has been a stone church on this site, acting as an education in history and a museum, housing the Liberty Bell Shrine for the last 25 years.

Mr. Speaker, what an honor it is for me, as the representative of the Lehigh Valley in Congress and for all of us, Members of Congress, to pay tribute to Zion Reformed United Church of Christ for her role in our history and the light she sheds on our present and future as free people.

IN HONOR OF CAPT. JOHN HUNT, A COURAGEOUS AMERICAN

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. MANTON. Mr. Speaker, I rise today to honor a brave and dedicated American hero, Capt. John Hunt. Captain Hunt, an honored member of the International Organization of Masters, Mates, and Pilots, at the helm of the American-flagged *Sea Isle City* in the Persian Gulf when it suffered a vicious surprise attack by an Iranian Silkworm missile. The attack left Captain Hunt, another officer and 10 crewmembers seriously injured.

A veteran merchant mariner, Captain Hunt went unhesitatingly to the dangerous and volatile Persian Gulf region to captain his vessel. He is an outstanding example of our merchant mariners, who are willing to go anywhere at anytime to ensure the safe and swift movement of cargo on the world's oceans. Captain Hunt's unselfish dedication is evidence that our Nation's merchant seamen are willing and able to serve our country when called upon. In many capacities, our merchant seaman plays a vital national and international role in ensuring the freedom of the seas.

As an indication of his dedication as a merchant seaman, Captain Hunt was in high spirits—even exhibiting a sense of humor—after awakening in the intensive care unit of Kuwait's Addan Hospital. He had been unconscious for over 50 hours on a respirator after many, many hours of intricate surgery. The 50-year-old seaman lost a tremendous amount of blood, received over 60 sutures, and his left arm remains in traction. However, the most tragic injury Captain Hunt received was the loss of his vision, which has apparently been irreparably damaged by the numerous glass fragments that strafed his head and body.

Mr. Speaker, I have expressed my serious reservations about the administration's policy in the Persian Gulf. I have gone on record in oppositon to many aspects of this policy and, particularly, the reflagging of Kuwaiti vessels. I have joined many of my colleagues in a law suit in Federal District Court asking that President Reagan be required to abide by the 1973 War Powers Act. Nonetheless, I believe we must all recognize that, regardless of one's position, our Nation's merchant seamen are willing to serve and are making the grand sacrifice of risking their lives.

Mr. Speaker, I have the highest regard for our Nation's valiant merchant seamen. They are ready, willing and able to man any U.S.-flagged vessel wherever it may be and whatever its mission. Captain Hunt deserves our highest praise for his unselfish dedication as a merchant seaman, and our best wishes for a speedy and full recovery.

TRIBUTE TO MRS. GRACE OHLSON

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. MATSUI. Mr. Speaker, it is with great pleasure that I rise today to pay tribute to a distinguished member of the Sacramento community, Mrs. Grace Ohlson, upon her retirement from the Los Rios Community College District Board of Trustees after 23 years of dedicated service.

Mrs. Ohlson has had a notable career as a public servant in the Sacramento community. After graduating Phi Beta Kappa from the University of California, Berkeley, she went on to do graduate work in political science and education. Mrs. Ohlson then worked as a researcher for the University of California Bureau of Public Administration, the California State Board of Equalization, and the International City Managers Association.

It was in the field of education, however, that Mrs. Ohlson truly distinguished herself. Since 1964, she has served on the Los Rios Community College District Board of Trustees. She was elected board president from 1971 to 1973 and then again as president in 1981. Mrs. Ohlson also served as vice president in 1980. Aside from the outstanding contributions to the Los Rios board, she has also functioned as a board representative for the Sacramento County School Board Association and the Yolo County School Boards Association, among many others. Mrs. Ohlson also worked on the CCJA Task Force on Programs for the Mentally Retarded and the Los Rios Board Governance Committee.

Though there are many organizations to which Mrs. Ohlson has devoted her time and energies, Mrs. Ohlson was particularly dedicated to the Regional Adult Vocational Education Council. Serving as the Los Rios representative to the organization for several years, she chaired the council in 1973. She helped the council to coordinate and develop communication between the community colleges and the area high schools. Due much to her unflagging efforts, the organization was able to become more efficient in the delivery of vocational education.

Mrs. Ohlson's commitment to her community was equally as strong as it was to education. She was the founding president of the Durham, ND, League of Women Voters and was also a member of the Davis League of Women's Voters. Moreover, Mrs. Ohlson twice served as a member of the Yolo County grand jury and other Yolo County organizations including the Youth Services Committee, the Community Council, and the Friends of the Library.

On behalf of the people of Sacramento and the State of California, I want to congratulate Mrs. Ohlson for a job well done. Mrs. Ohlson's dedication to her community is admirable, indeed, and I want to take this time to offer my warmest wishes to this outstanding individual and wish her the very best of luck in all her future endeavors.

NATIONAL ARTS WEEK

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. RODINO. Mr. Speaker, this week we are celebrating National Arts Week. Although Congress first designated this special week in 1985 to recognize the 20th anniversary of the establishment of the National Endowment for the Arts, I am pleased to have joined with my colleagues to ensure that this is an annual celebration.

It is particularly appropriate that we honor the arts in this year of the bicentennial of the Constitution. Alongside the political development of the United States, the emergence of a broad spectrum of arts that were truly and distinctly American contributed to the building of our Nation and the defining of our national character. The arts have expressed our pride as Americans, reflected the diversity of our multiracial and multiethnic society, and provided a channel for our hope and optimism in the future.

The important role the arts play in all our lives is reflected in the tremendous success and growth in National Arts Week celebrations since 1985. Last year, over 1,500 arts events took place during this week throughout the United States. From classical concerts to performances of contemporary synthesized music, from poetry readings to folklore storytelling, and from public school art exhibits to gallery competitions, the arts have been celebrated by everyone.

This year it is anticipated that the number of National Arts Week events will triple. I am particularly proud that many of the arts organizations in my own 10th Congressional District, such as the East Orange Arts and Cultural Committee, will join in observing this national event.

National Arts Week provides a unique opportunity and national focus to express our appreciation for our rich artistic heritage. The arts remain one of this Nation's greatest treasures and one of the finest expressions of the aspirations of the human spirit. By celebrating National Arts Week, we honor this contribution and offer encouragement to the artists of the future whose gifts will enrich us for years to come.

A SALUTE TO CEASARE NAPOLIELLO

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. FLORIO. Mr. Speaker, I would like to commend to the attention of my colleagues one of my distinguished constituents of the First District of New Jersey, Mr. Ceasare D. Napoliello of Cedar Brook, NJ, who is being honored with a retirement dinner on November 20, 1987.

This tribute is only fitting for a man whose efforts on behalf of his family and community have been without peer. As a lifelong resident of Cedar Brook, Ceasare has proven to be an integral part of his community as director of the Department of Public Works until 1985 and as a member of the Winslow Township Committee of which he is still an active member.

Additionally, Ceasare has lent his invaluable service to the County of Camden as supervisor of administrative services with the Camden County Municipal Utilities Authority and the Highway Department as assistant supervisor of roads.

Moreover, his work has extended to the entire southern New Jersey area as Ceasare was appointed by former Gov. Brendan Byrne to the position of director of the PATCO High Speed Line. He also served with distinction as a commissioner on the Delaware River Port Authority.

After an impressive performance in the military, Ceasare returned to his home with numerous awards and commendations. He certainly continued throughout his career to inspire all those who had the good fortune to know him and to work with him.

At this time, the community will reflect upon his contributions and the time that he has spent in worthwhile and distinguished service to his fellow citizens.

I am truly honored to consider Ceasare a friend and along with the many individuals who have gained and learned from his contributions and service, I wish him well.

A TRIBUTE TO MR. WILLIE PEARSON, JR.

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. TOWNS. Mr. Speaker, on Saturday, November 21, 1987, Mr. Willie Pearson, Jr., is being inducted into the Sports Hall of Fame of North Carolina A&T State University.

Willie Pearson, Jr., is a native of Winston-Salem, NC, where he received his early education. After graduating from Carver High School, Willie continued his education at North Carolina A&T State University where he received a bachelor of science degree in business administration.

An accomplished athlete, Mr. Pearson was cocaptain of All-State Team, member of All American District 26 NAIA, first team All-American, 1968; NAIA, Pittsburg Courier All American, and a fifth round draft choice of the Miami Dolphins, playing defensive back.

Willie has dedicated most of his adult life to helping others. He volunteered in Costa Rica as a Muslim minister. He also served as a volunteer for the Forsyth Court Volunteers.

Willie Pearson has certainly demonstrated through his outstanding athletic career that he is worthy of this singular honor. My best wishes to Willie for success in all of his future endeavors.

TRIBUTE TO ROY VAGELOS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. VENTO. Mr. Speaker, I would like to recognize the initiative and achievement of Dr. Roy Vagelos and the Merck Drug Co., for their development of the drug, Mectizan. This drug is a breakthrough in the prevention and treatment of river blindness—a disease afflicting an estimated 18 million people worldwide.

What is most remarkable is that Merck is preparing to distribute this new drug free of charge to everyone needing it. They have made a commitment to supply as much as may be needed for river blindness victims the world over.

It is refreshing to know that a powerful and wealthy corporaton such as Merck has compassion and understanding for the world's poor desperately in need of health care.

I offer this editorial for the RECORD as a tribute to Roy Vagelos and the Merck Drug Co.

The editorial follows:

[From the Star Tribune, Oct. 27, 1987]

A TEAM OF WORLD CHAMPIONS

Baseball has known team victories before—the kind toward which every player down to the most splinter-bottomed bench-warmer makes a contribution. But the 1987 World Championship won by the Minnesota Twins raises that idea to new heights. Here was a sports triumph that may well go down in history as the first earned by an entire state.

For this we cite no less authorities than the pin-striped Twins themselves. Aglow under the TV lights in the victors' club house Sunday night, the euphoric players were in an understandably expansive mood as they responded to reporters' questions. Still, they could fairly have limited the credit for their success to each other and simply have thanked Minnesota fans for their support.

But the players didn't settle for that. One by one, they generously praised Minnesota baseball fans not merely as supporters but as active participants in their team effort. And not just the 2.1 million who paid their way into the Metrodome during the regular season or the record crowds who squeezed under the Dome for each home playoff and Series game. Included was the whole state of Minnesota—with some players making room on their enlarged team for Wisconsin, Iowa and the Dakotas as well.

Rarely has the chemistry between a major-league sports team and the community it represents seemed so well mixed especially in this era of the often arrogant, allegedly overpaid professional athlete. Just as the 1987 Twins were close-knit as a team, so did they develop a remarkable rapport with their followers.

Heeding manager Tom Kelly's instructions, this was a team that amid all the hoopla, tension and big bucks still played the game for fun—one day at a time. Their enthusiasm was contagious because it was so obviously sincere—and was therefore returned with equal sincerity, often by people who just a few weeks earlier had hardly known the difference between a double play and a double header, or cared.

Thus the huge turnout of fans at the Dome when the Twins came home—teary-eyed—from winning the American League pennant in Detroit. Thus the team's return to the field Sunday night, long after the seventh game was safely won, to tip their caps to the still-cheering crowd. Thus the eagerness with which both players and fans look forward to today's victory parade through Minneapolis and St. Paul—one more chance to cheer.

This was a team that made itself Minnesota's own. This was a team whose members took personally the longstanding canard that Minnesota was a state that specialized in coming in second. And this was a team that set out not only to disprove that but to share the glory of its victory with the entire state and region. Thanks Twins. Thanks for being No. 1 and thanks for making everyone else in Minnesota feel No. 1 as well. Now the secret of the victory can be told: We outnumbered 'em.

American drug firms occasionally are accused of dumping drugs on the Third World market that they cannot sell in the United States. Now one American company has boldly announced plans to do precisely that. The announcement was greeted not with catcalls and protests, but with a chorus of hallelujahs. The praise was deserved.

Working with the World Health Organization (WHO) and university scientists from several countries, Merck Drug Co. developed Mectizan, a breakthrough in prevention and treatment of onchocereiasis, or river blindness, a disease afflicting an estimated 18

million people in Africa, the Middle East and Central and South America. Merck has announced that it will distribute the drug free because many who need it cannot afford to pay for it.

River blindness is caused by parasitic worms transmitted through the bite of the black fly, which breeds in rivers. Once a worm invades the body and grows to adulthood, it produces millions of larvae, which cause itching, skin nodules and eye lesions that can result in blindness. In some areas, the disease had forced residents to flee homes and fields near fly-breeding rivers.

WHO has long focused on combating the disease by spraying infected areas with a larvicide. The program has successfully eradicated the black fly from large areas but will "not work everywhere or kill every larva," according to a WHO spokesman. Moreover, eradication does nothing to aid those already stricken.

Mectizan both stops the disease in existing victims and retards its spread to new ones. It kills existing larva and prevents their further production by paralyzing the adult worms. WHO says the drugs will "interrupt transmission of the disease and sustain control where it has been interrupted." Other drugs also are effective against the disease, but are so toxic to humans that mass use is not possible. Mectizan produces relatively mild side effects.

In effect, Merck has made a commitment to supply—for free—as much Mectizan as may be needed to serve all river blindness victims the world over. Merck's commitment has given a new and honorable twist to the practice of dumping drugs on the Third World. Americans should praise Merck and encourage it to dump away.

A TRIBUTE TO CLAUDE J. NELSON

HON. CHARLES ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. ROSE. Mr. Speaker, I wish to pay tribute, and give due recognition to Claude J. Nelson, a man who has devoted his life and career to the service of our country abroad as a long-time member of the Foreign Service. Counselor Nelson was appointed a career member of the Senior Foreign Service, Class of Counselor, on the 15th day of June, 1987, by President Ronald Reagan and Secretary of State George P. Shultz.

The certificate of appointment reads as follows:

To Claude J. Nelson, Greeting: Reposing special trust and confidence in your Integrity, Prudence, and Ability, I have nominated and, by and with the advice and consent of the Senate, do appoint you a Career Member of the Senior Foreign Service of the United States of America, Class of Counselor, and empower you to do and perform all such matters and things as the said office do appertain, and to hold and exercise the said office, during the pleasure of the President of the United States.

In testimony whereof I have caused the Seal of the United States to be hereunto affixed. Done at the city of Washington this fifteenth day of June in the year of our Lord one thousand nine hundred and eighty-seven and of the Independence of the United States of America the two hundred and eleventh.

By the President: Ronald Reagan.

Secretary of State: George P. Shultz.

TRUE BELIEVER

HON. JON L. KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. KYL. Mr. Speaker, Clarence J. Duncan of Phoenix, Arizona is a good friend of mine, and a first-rate political thinker.

I ask that the following letter to the editor, which appeared on November 6, 1987 in the Phoenix Gazette, be inserted into the RECORD as a good example of Mr. Duncan's wit and insight.

TRUE BELIEVER

(By Clarence Duncan)

Every so often that little devil Lucy (read: Gorbachev) cons Charley Brown (read: Reagan) into believing that finally, this time, she will hold the football (read: summit meeting) while he kicks it away, only to snatch it aside (whoosh!) at the last instant, causing Charley Brown to fall heavily on his backside (whomp!).

Meanwhile Halloween was the reason for Linus (read: the American liberal) to become convinced that finally, this time, the Great Pumpkin (read: communism) will arise from the pumpkin patch with gifts (read: disarmament, freedom and peace) for all those who sincerely and truly believe.

THE LONGER EDWIN MEESE STAYS

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. FORD of Tennessee. Mr. Speaker, there comes a time when the Congress of the United States has an obligation to call to the attention of both the President and the people of the United States the abject failure of a high-ranking Cabinet member to carry out his responsibilities. The Cabinet member of whom I speak is the highest ranking law enforcement official in the Nation: The Attorney General Edwin Meese.

This Nation has come to expect that the person who occupies the august position of Attorney General be a shining example of competence in the legal profession as well as the possessor of a sterling personal reputation.

The bitter truth is that the current Attorney General has proven himself to be both incompetent and unscrupulous. Enough is enough!

As the respected columnist, David Broder, said recently, "* * * as a government official, he has been a disaster, a man whose narrowness of view is matched by his incompetence."

When the Attorney General is under investigation, when the Attorney General can't keep his personal affairs in order, when the Attorney General's personal advisors are the targets of grand juries, when the Attorney General bungles the Iran-Contra Investigation by assigning inexperienced investigators, the entire country is in serious trouble. Twice Mr. Meece has ill-served the country and the President in what is one of his most important duties: advising on the selection of a Justice of the Supreme Court. The Bork debacle and the Ginsburg fiasco made the President appear laughable. Mr. Reagan certainly has the right to select a conservative for the court but surely Mr. Meese has the responsibility to help ensure that the choice does not divide the Nation or make a mockery of the high standards required for the position of Supreme Court Justice.

In short, Mr. Speaker, Edwin Meese owes it to the people and to the President to resign so that competence and honesty may again become the hallmarks of the Office of the Attorney General.

THE LONGER EDWIN MEESE STAYS—THE GRIMMER THINGS LOOK

(By David S. Broder)

In any other democracy in the world, a Cabinet official who subjected his chief, his party and his cause to the massive embarrassment that Attorney General Edwin Meese III caused President Reagan, the Republicans and the conservative movement last week would be out of a job. He would know it was his simple duty. But in this administration, Reagan neither expects nor enforces any standard of accountability—especially toward such loyal old friends as Meese.

That is the chilling aftermath of the comic episode of the nomination of Judge Douglas Ginsburg for the Supreme Court. It is a stark reminder of the appalling ineptitude of the central figures in a government that must somehow lead this country for another 14 months.

Meese is a personally pleasant man who has had more than his share of family tragedy these past few years. But as a government official, he has been a disaster—a man whose narrowness of view is matched by his incompetence. His tangled personal affairs have twice earned him investigations by special prosecutors. He has been involved in a string of blunders, stretching from the "Why wake Reagan?" decision during the U.S.-Libyan aerial dogfight in the first year of the presidency to the bungled Iran-contra investigation, which allowed Ollie North and Fawn Hall time for their "shredding party."

Even by the elastic standards in this administration, this lastest episode fairly shouts for Meese's resignation. Consider for a moment what occurred. The chief law enforcement officer of the government, fulfilling one of his most vital duties, advised the president of the United States to nominate a certain individual for a vacancy on the Supreme Court of the United States.

"Advised" is putting it mildly, for Meese pushed hard for Ginsburg, against the advice of the White House chief of staff and the counsel to the president, who questioned whether Ginsburg could be confirmed. He vouched personally to the president that Ginsburg met the ideological standards Reagan had set for the job and was not vulnerable to the liberal counterattack that sank Judge Robert Bork.

Meese did so in the face of the fact that Ginsburg had an extremely sketchy record: no private law practice; one hour of courtroom argument on one case; the lowest pass-

ing rating from the American Bar Association for appointment to a lower level judgeship; and only one year of judicial service, with fewer than 20 opinions as a member of the U.S. Circuit Court of Appeals.

Meese failed to discover or to alert the president to other facts whose disclosure forced Ginsburg to withdraw in less than two weeks. Conservatives who were properly indignant at the defeat of Bork had to squirm at the quick revelation that dope, divorce and abortion—the unholy trio of threats to their cherished "family values"—had all been at one time or another familiar parts of the life style or medical experience of Ginsburg and his physician wife.

When Meese appeared to lack the guts to clean up the mess he had made, William Bennett, the conservative movement's favorite secretary of education, stepped forward to educate Ginsburg on the political preposterousness of the situation. For the first time in seven years, Reagan may have sensed the value of having relented on his ambition to eradicate the Department of Education.

"Do what you think is right," the ever-detached president told Bennett when the latter phoned the White House to say that he was about to push Ginsburg overboard. But Reagan would not do it himself. Indeed, far worse than the Ginsburg fiasco is the fact that Reagan tolerates it.

Why is there no hint of a shake-up? "The president couldn't stand to lose Ed Meese, especially now," said one influential Republican senator to whom I put the question. "Bill Casey is dead; Paul Laxalt has left the Senate; Cap Weinberger and Bill Clark have quit the Cabinet; Mike Deaver and Lyn Nofziger are up to here with legal troubles. Meese is about the only old ally he has left. That's a helluva spot to be in when you're 76 years old and your term is running out."

Put in those stark terms, the tolerance of Meese's towering ineptitude is both humanly understandable and profoundly unnerving. There must be 200 able conservative Republican lawyers with the right political credentials and experience whose counsel at the Cabinet table and in White House meetings would be sounder, wiser and more useful to the president and the country than Ed Meese's.

The fact that Ronald Reagan is not looking for one of them, and is not even thinking about what he is missing, indicates just how feeble the resources of this administration really are. With more than a year left for it to manage—or mismanage—the fate of this nation, keep your fingers crossed.

SUGAR SUPPLY STABILIZATION ACT OF 1987

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. GRADISON. Mr. Speaker, I am pleased to join my friend TOM DOWNEY of New York and 24 of our House colleagues in introducing the Sugar Supply Stabilization Act of 1987.

For the past 5 years, the United States has operated a Price Support Program for domestic sugar producers. As a direct result, sugar prices for American consumers are roughly three times higher than the world market price.

Proponents of the program argue that it provides stability in an otherwise volatile commodity market. In practice, however, the Sugar Program has protected inefficient producers at the expense of consumers and jobs, promoted a misallocation of agricultural resources, and considerably damaged America's friends and allies who traditionally have had access to our market.

The need to change American sugar policy is clear. The Sugar Supply Stabilization Act will establish a more competitive and reasonable price for sugar and, in the process, will address the dislocations caused by the present program. This legislation is a gradual and measured approach to a serious policy problem. I urge my colleagues to join us in support of this bill.

REPETITIVE MOTION DISORDER

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. NEAL. Mr. Speaker, I want to share with you the introduction of an impressive report on prevention of accidents in the workplace. The report was developed by the National Broiler Council's Poultry Industry Task Force. A company in my district, Holly Farms Poultry Industries, Inc., participated in the study.

The introduction points out that millions of dollars have been drained from productivity and profits because of repetitive motion disorder [RMD]. The poultry industry has responded to the challenge of preventing RMD over the last four decades and has recently established a task force on RMD.

I commend the poultry industry for its concern and action in this area, and I believe my colleagues in the House will find this idea of interest. The complete report is available through my office.

The introduction follows:

INTRODUCTION

It is estimated that millions of dollars have been drained from the "bottom line" profits of the poultry industry by one continuing problem. These dollars have been spent on workers' compensation and group health insurance costs, absenteeism, turnover, training and retraining, and loss of productivity. The underling cause of these costs is not always easy to identify or accept as a responsibility of doing business. This document addresses Repetitive Motion Disorders (RMD) as the causal factor in this loss of productivity and profit.

RMD's can briefly be defined as those medical complications resulting from the repetitive motion tasks inherent in production-line manufacturing and processing operations. This area of shared concern recently resulted in the formation of the Poultry Industry Task Force. The Task Force was established to identify the actual scope of the problem and possible solutions currently in use within the industry. The task force began this identification process by looking at the historical origins of the problem.

Task force discussion identified four major historical factors that have brought RMD's to the forefront of the industry's attention: (1) state worker's compensation laws; (2) a heightened awareness by the medical profession of RMD's, particularly carpal tunnel syndrome (CTS); (3) emphasis of industry in the 21st century on "line assembly" operations that require multiple repetitive motion tasks involving the hand, wrist, and forearm; (4) the Occupational Health & Safety Administration's (OSHA) response to the increasing incidence of RDM's and the concurrent effect on employee health and safety. These factors and their impact were identified as the motivation for the poultry industry's pursuit of the appropriate preventative measures.

The poultry industry has actively responded to the challenge of preventing RDM's over the last four decades. In the 1950's ergonomics began to be applied to individual work station design of the poultry processing work place. Job rotation and specific job-related safety training programs wer implemented in the 1960's. The "seventies" saw the introduction of ergonomically designed hand tools, an inceased emphasis on ergonomically designed work stations, and trials of vitamin therapy as a preventive medical strategy. Presently, in the "eighties," specific medical intervention programs that stress prevention through effective job placement, early identification of adverse reactions, and early intervention through appropriate medical treatment are being incorporated into the overall preventative approach. Regardless of the identified preventative efforts, RMD's remain the most frequently occurring and most costly employee injuries in some companies within the chicken, turkey, and duck processing industries.

On November 6 and 7, 1986, members of the poultry industry met with the representatives from OSHA in Washington, DC, to discuss the incidence of RMD's in the poultry industry. At this meeting, it was determined that the poultry industry has in many ways been a leader in the development of preventative approaches to RMD. The recommendation for a joint effort by members of the industry was made. The task force was then established in an effort to identify a comprehensive preventative approach which would benefit the poultry industry as a whole. Participation in the task force was solicited from companies that were recognized as having preventative programs which specifically address RMD's.

The primary stated goal of this group was to develop and distribute a "practical document" to guide the poultry processing industry towards the reduction of human suffering and the associated costs of RMD's. It was decided that this would be most effectively achieved by sharing the experiences of individual company preventative programs. Both successes and failures were reviewed in identifying possible preventative solutions to RMD. Preventative programming efforts were then classified into three areas: (1) training, (2) ergonomics, and (3) medical intervention. Subcommittees of the original task force compiled comprehensive summaries of the findings within each of these three areas.

It must be stressed that the document is by no means a standard of performance, but a guideline, which has roots planted firmly in the soil of successful programming efforts utilized by a large portion of the U.S. poultry industry. The triad strategy of training, ergonomics, and medical intervention presents a sampling of possible interventions for decreasing the incidence and costs associated with RMD's. The selection of an appropriate strategy, which fits an individual company's needs rests solely with the respective company's management. The task force representing the poultry industry supports any and all efforts in the prevention of RMD's as being proactive versus reactive and therefore definitely worthwhile. As part of this offer of support, all members of the task force are available to discuss identified concerns and questions.

THE DEATH OF SENATOR JIM TOLLESON

HON. GEORGE (BUDDY) DARDEN

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. DARDEN. Mr. Speaker, it is with profound sadness that I inform my colleagues of the death of Georgia State Senator Jim Tolleson—a man who was a dedicated public official, a devoted husband and father and a good friend.

Senator Tolleson served with distinction and integrity as a member of the Smyrna City Council before being elected to the State Senate. His easygoing, warm personality enabled him to make difficult decisions and resolve conflicts without alienating either side of a controversy.

Jim Tolleson was a loyal friend, for whom I had great trust and respect. He will be missed by all he touched. I invite my colleagues to join my wife Lillian and me in extending our deepest sympathy to Jim Tolleson's wife Barbara and his family.

COMMENTS ON PEACE INITIATIVE OF PRESIDENT ARIAS

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. GEJDENSON. Mr. Speaker, a very good friend of mine, Robert Sussler, recently had the opportunity to go to Costa Rica to talk to people about the August 7 peace initiative of President Oscar Arias. One particular interview he had with a wealthy landowner is, I think, illustrative of why so many in Central America support the Arias peace accord. I commend it to my colleagues and ask that it be inserted into the CONGRESSIONAL RECORD.

[From the New London (CT) Day, Oct. 4, 1987]

NICARAGUA—FIGHTING THE SANDINISTAS WITH PEACE

(By Robert Sussler)

Why does a wealthy, conservative Costa Rican landowner support the Oscar Arias peace plan for Central America and reject President Ronald Reagan's policy of continuing military aid to the Contras? Both the landowner and Reagan are most comfortable within a democratic society with an economy that can grow through private enterprise initiatives. Both dislike and fear any Marxist penetration of Central America.

The following interview that occurred on Sept. 19, 1987, in San Jose, Costa Rica focuses on the differences in their underlying premises that have led to opposite conclusions. It took place with the understanding that I would not identify the individual, a high government official:

Q: Is President Reagan's approach of military aid to the Contras the proper policy to achieve peace in Central America and to encourage private enterprise in Central America?

A: It is fatally flawed. The Contras cannot win without direct United States military participation and the United States will not send its soldiers into battle. By basing the policy on military aid to the Contras, the policy leaves the Sandinistas in power while it becomes the excuse for the military buildup of the Sandinista's army from 10,000 to 80,000, the excuse for the elimination of political pluralism, the shutting down of the opposition press and radio station, and cause for the curtailment of the private enterprise system. We must end the Sandinista's excuse for curtailing political freedom. If they continue these policies, thereafter the Latin American and noncommunist world can then, in unity, isolate Nicaragua.

Q: Why can't the Contras win, if the United States provides sufficient military hardware?

A: The Contras number only 10,000 to 12,000 and are no longer growing in numbers. The discontented of Nicaragua are more apt to become refugees in Costa Rica than Contras. The Contras have no clear political program to attract fighters. The Niskito Indians are now as anti Contra as they are negative on the Sandinistas.

Q: What is the effect of the Reagan military aid approach as the key to United States Central American policy?

A: We are looked upon as an area of chaos and violence. As long as this attitude prevails throughout the world's financial and corporate community, there will be little to no non-governmental private investment. Our countries will continue with precarious economies supported by large U.S. governmental aid for our annual consumption expenditures and vital economic and military support for Salvador and Honduras. In the long run, without private investment capital, such a method of economic survival is destructive to the private enterprise system.

Q: Why support the Oscar Arias peace plan as the alternative to Reagan's approach?

A: It stops the militarization now going on. It could then lead to a reduction of armies and reduce the need to spend on military equipment. Any democratization in Nicaragua, such as the publication of La Prensa without censorship and broadcast from Catholic Radio, will create new factors for pluralization within Nicaraguan society. With fewer political prisoners and allowing a right of free expression, there will be less chaos and fewer refugees. Finally, the realities of the economic failure of socialism in Nicaragua could lead to allowing private enterprise to again make a contribution to growth. The Arias plan initiates and supports these tendencies. It gives pluralism and private enterprise an opportunity in Nicaragua which now does not occur.

Q: Why trust the Nicaraguans to implement the Arias plan and to keep abiding by its terms?

A: For the same reasons they have initially agreed to it. Their economy today under socialism is 40 percent less productive than before. The eastern bloc has been cutting back aid, including oil; members of the Nicaraguan Directorate have, in the time period set out in the Arias plan, agreed to certain democratic reforms and to stopping the killing of Nicaraguans. Their motivation is not, however, their survival as a political state but as an economically viable society. To some extent all of our countries face the same problem and thus the same incentives, to reduce chaos and violence. I am aware we are taking risks, but at least these risks combine with opportunity.

Q: Are not the Contras a cause of this policy change by the Sandinistas?

A: To a certain extent yes; but more important was the failure of the Sandinista's economic policies and the cutting back of the East Block aid. An end to fighting will reduce the Nicaraguan military budget and the destruction of internal infrastructure and farm cooperatives. Since these changes improve the Sandinistas' ability to meet their social justice pronouncements, they have an incentive to remain faithful to the Arias peace plan.

Q: What are the future prospects for Central America?

A: Our countries need investment captial and a restoring of the Central American economic union for freer trade along with the Caribbean Basin plan. The Arias peace plan is the only alternative that allows each of our countries to reach out beyond their grasp with hope to achieve our needs. Unfortunately, each Central American country will need large amounts of economic aid for many years to come. Our goal must be to end the stifling of expression and opportunity which has caused the desperation that leads to civil war. We need patience to allow tomorrow's dawn to bring a better day.

THE HODAG PROGRAM

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. GREEN. Mr. Speaker, on October 29, I successfully offered an amendment to the continuing resolution during its consideration by the House Appropriations Committee that would serve to extend, from 36 to 48 months, the period of time during which commencement of construction must begin with funds appropriated under the Housing Opportunity Grant Program [HODAG].

Since the 36 month period under present law will elapse before the continuing resolution is considered by both Houses and presented to the President for signature, I want to notify the House as to my intent in offering this amendment.

Mr. Speaker, the HODAG program was created in 1984 to assist local governments in creating new housing projects that serve low and moderate income persons. Unfortunately, many cities have been burdened by bureaucratic delays both within and without the Department of Housing and Urban Development and delays created as a result of the 1986 tax bill that have jeopardized the ability of numerous projects to meet the deadline for commencement of construction. This combination of factors necessitated the offering of my amendment.

Despite that action, these projects that are in jeopardy would lose these funds by the end of November. Since it is now clear that final action on a continuing resolution will not take place until mid-December, funds under this program face administrative action leading to recapture during the several days between expiration of the 36 month period and final action on a continuing resolution.

Therefore, I wish to make it very clear that the express intent of my amendment is to avoid recapture of these funds by the Department of Housing and Urban Development and that my amendment is intended to be retroactive in nature, to cover all projects for which funding notices were issued prior to July 23, 1985.

RABBI MAURICE T. GALPERT HONORED BY PASADENA JEWISH TEMPLE AND CENTER

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. MOORHEAD. Mr. Speaker, the members of the Pasadena Jewish Temple and Center, the oldest, largest and one of the foremost Jewish religious centers in the San Gabriel Valley, are, paying special tribute to their rabbi for the best of reasons—love.

For 36 years, Rabbi Maurice T. Galpert has been the spiritual leader, teacher, and friend of the congregation of the PJTC. This enduring union has been so full of joy and success and affection that the friends of Rabbi Galpert decided to have a celebration, not because he is retiring or going anywhere, but because he is so beloved and esteemed by his numerous friends and neighbors.

This outpouring of respect and admiration will begin at services on Friday, December 4 and continue with a dinner-dance on Saturday evening, December 5. It's a 2-day "Thank You" to Rabbi Galpert for his wisdom, his devotion, his constancy and his guidance.

Rabbi Galpert was born in Canton, OH, where he also received his early education. Moving to Chicago, he attended the Hebrew Theological Institute, a school for advanced Jewish studies. He received an A.B. and B.S. in education from Kent State University and a master's in English and comparative literature from the State University of Iowa.

In 1945, he was ordained as rabbi by the late Dr. Stephen S. Wise of the Hebrew Union College Jewish Institute of Religion. During the late years of World War II and the postwar years, he served as rabbi in Pittsfield, MA, and Santa Ana, CA, before coming to Pasadena in August 1952.

Throughout his years in Pasadena as spiritual leader of the temple, he has been an active and influential figure in religious and educational circles. He has played a prominent role in the civic and social activities of Pasadena and the wider San Gabriel Valley. As pastor and friend, he as served not only his own congregation, but people of all races and creeds who have sought his help and instruction.

Since coming to Pasadena 36 years ago, Rabbi Galpert has been a willing and able participant in those agencies and organizations that make up a successful community. He has given time, effort, and experience to his city, his school district, and his business community.

He is a member of the Community Chest, the United Way, the Tuesday Evening Forum of Pasadena City College, Pasadena Planned Parenthood, and Ministerial Association. In 1965, he was the recipient of the Arthur Berman Award in Human Relations.

Under his guidance and stewardship, the Pasadena Jewish Temple has risen to a position of prominence among the outstanding houses of worship in the San Gabriel Valley. During this time, Rabbi Galpert has also become recognized as not only one of the most senior clergymen in the area but one of the most loved and admired.

Mr. Speaker, I take great pleasure in announcing to my colleagues in the U.S. House of Representatives this special tribute to a special man, Rabbi Maurice T. Galpert.

TURNING OFF IMPORTS FROM IRAN: THE PRESIDENT MAKES A WISE DECISION

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. BROOMFIELD. Mr. Speaker, I commend the President for his timely decision to terminate imports from Iran. That tough but necessary action was taken in light of Iran's unwarranted attacks against international shipping in the gulf and that Government's ongoing involvement in terrorism. Why should our country, whose citizens may be held by Iranian-backed kidnapers in Lebanon, trade with Iran? Why should America help Iran's economy by importing products from that extremist state? Why should we sell any item to Iran that would help that country's war effort? It is encouraging to note that there is support for the President's position on this issue here on the Hill. Congress is considering legislation which would take similar action against Iran.

On October 29, the President notified Congress that he had exercised his constitutional and statutory authority to prohibit the importation into the United States of all goods and services of Iranian origin. The action will halt crude-oil purchases from Iran that had reached $1 billion in 1987 along with the importation of other Iranian products.

The existing export ban was also expanded to include 14 broad categories of goods that might be of military use, such as communications equipment, inflatable boats, and portable electric generators.

As a strong supporter of bipartisanship in foreign policy, I commend the Congress for having taken action against Iran that is similar to that taken by the Chief Executive. The House and Senate have passed nearly identical embargo bills, H.R. 3391 and S. 1748, both designed to ban the importation of Iranian products. I am certain that many of my colleagues join me in praising the President for his prudent decision.

With these thoughts in mind, I commend the President's Executive order, "Prohibiting Imports From Iran," to my colleagues in the Congress.

EXECUTIVE ORDER

PROHIBITING IMPORTS FROM IRAN

By the authority vested in me as President by the Constitution and laws of the United States of America, including section 505 of the International Security and Development Cooperation Act of 1985 (22 U.S.C. 2349aa-9), and section 301 of Title 3 of the United States Code,

I RONALD REAGAN, President of the United States of America, find that the Government of Iran is actively supporting terrorism as an instrument of state policy. In addition, Iran has conducted aggressive and unlawful military action against U.S.-flag vessels and merchant vessels of other non-belligerent nations engaged in lawful and peaceful commerce in international waters of the Persian Gulf and territorial waters of non-belligerent nations of that region. To ensure that United States imports of Iranian goods and services will not contribute financial support to terrorism or to further aggressive actions against non-belligerent shipping, I hereby order that:

Section 1. Except as otherwise provided in regulations issued pursuant to this Order, no goods or services of Iranian origin may be imported into the United States, including its territories and possessions, after the effective date of this Order.

Sec. 2. The prohibition contained in Section 1 shall not apply to:

(a) Iranian-origin publications and materials imported for news publications or news broadcast dissemination;

(b) petroleum products refined from Iranian crude oil in a third country;

(c) articles imported directly from Iran into the United States that were exported from Iran prior to the effective date of this Order.

Sec. 3. This Order shall take effect at 12:01 p.m. Eastern Standard Time on October 29, 1987, except as otherwise provided in regulations issued pursuant to this Order.

Sec. 4. The Secretary of the Treasury, in consultation with the Secretary of State, is hereby authorized to take such actions, including the promulgation of rules and regulations, as may be necessary to carry out the purposes of this Order. The Secretary of the Treasury may redelegate any of these functions to other officers and agencies of the Federal Government. All agencies of the United States Government are directed to take all appropriate measures within their authority to carry out the provisions of this Order, including the suspension or termination of licenses or other authorizations in effect as of the date of this Order.

Sec. 5. The measures taken pursuant to this Order are in response to the actions of the Government of Iran referred to above, occurring after the conclusion of the 1981 Algiers Accords, and are intended solely as a response to those actions.

This Order shall be transmitted to the Congress and published in the Federal Register.

RONALD REAGAN.

THE WHITE HOUSE, *October 29, 1987.*

SAMFORD UNIVERSITY CELEBRATES 100 YEARS

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. ERDREICH. Mr. Speaker, Samford University, which I have the privilege of representing in the U.S. House, is celebrating a very important anniversary this year. This outstanding seat of higher learning is observing 100 years in Jefferson County and I would like to take a few moments to tell my colleagues in the House a little about Samford and the important role it plays in our local community, State, and Nation.

Samford University is the first and oldest university in the Birmingham area. Before its name became Samford, it was known as Howard College, founded in Marion, AL, in 1841. It moved to the East Lake section of Birmingham in 1887 as the area's first college or university, and moved to a more spacious tract of land in suburban Homewood in 1957, where it built one of the most beautiful campuses in America.

In 1965, Howard College became Samford University, reaching beyond its original role as a distinguished liberal arts college to encompass seven colleges and schools, among them the nationally recognized and prestigious Cumberland School of Law, the Howard College of Arts and Sciences, School of Business, Orlean Bullard Beeson School of Education, School of Pharmacy, School of Music, and the Ida V. Moffett School of Nursing.

SECRETARY VERITY ON THE JACKSON-VANIK AMENDMENT

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. HAMILTON. Mr. Speaker, on October 7, 1987, I initiated correspondence with Secretary-designate of Commerce Willliam Verity concerning his views on the Jackson-Vanik amendment, following his public testimony on this subject. On November 6, 1987, I received a reply from Secretary Verity.

The correspondence follows:

COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, October 7, 1987.

Mr. C. WILLIAM VERITY,
Secretary-Designate, Department of Commerce, Washington, DC.

DEAR MR. VERITY: The question of the Jackson-Vanik Amendment is one of concern to many Members of Congress, and I have read with great interest your testimony on this subject. I know that you have responded to many questions on this topic and your views are clearly on the record that you "will uphold the provisions of Jackson-Vanik."

Nonetheless, I believe that it would be useful for some further elaboration concerning your views on the circumstances that would permit a waiver of Jackson-Vanik with respect to the Soviet Union. I realize that the United States must respond to concrete circumstances as they evolve, rather than a hypothetical question, but what would you be looking for before you would recommend to the President a waiver of the Jackson-Vanik provisions?

I would also like to afford you the opportunity for any other comments you would like to make on the Jackson-Vanik provisions.

With best regards.

Sincerely yours,
LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

DEPARTMENT OF COMMERCE,
Washington, DC, November 6, 1987.

Hon. LEE HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: Thank you for your letter offering congratulations on my appointment and expressing your views on the Jackson-Vanik Amendment.

The Jackson-Vanik Amendment is the law of the land. As I said at my hearing I shall carry out the law of the land to the best of my ability. If our mission is to increase emigration from the Soviet Union, Jewish or non-Jewish, then I believe we should direct our energies to this task. I believe there are options for encouraging Soviet cooperation rather than relying on trade restrictions as a motivating force. I have always believed in seeking improvement in human rights and will work to obtain gains in this area, including freedom of emigration for all.

The principal point remains that there should be a substantial and sustained increase in emigration from present levels. At my hearing on September 10, I indicated that an emigration rate of between 15,000 and 25,000 would at least be a starting point, but this is not a specific target. I assure you that no relaxation of trade restrictions would be considered without extensive consultation among the Administration, the Congress, and all other interested parties.

Sincerely,
C. WILLIAM VERITY,
Secretary of Commerce.

NATIONAL SAFETY BELT USE DAY

HON. GEORGE J. HOCHBRUECKNER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. HOCHBRUECKNER. Mr. Speaker, on Thursday, October 15, 1987, the President signed House Joint Resolution 338 designating this day as "National Safety Belt Use Day." I would like to take this opportunity to say a few words on behalf of common sense.

On October 15, I had the opportunity to meet with Police Officer Robin Kane of the Suffolk County, NY, Police Department. Officer Kane was in Washington, along with police officers from every other State whose lives were saved by wearing seatbelts.

Robin Kane's car was rear-ended by a drunk driver on April 20, 1985, a bright Saturday morning, while she was assigned to the Suffolk County Highway Patrol. At the time of the accident, her car was parked on the median of the Long Island Expressway. The driver who hit her car was traveling faster than 60 miles per hour. Damage to the car was so extensive that the door had to be cut away to get Officer Kane out. Despite the massive damage to the car however, Officer Kane escaped the accident virtually unharmed—because she was wearing a seatbelt. As a matter of fact, the damage done to her vehicle was so severe that since the accident, Officer Kane and the car have appeared in training films and on the cover of auto safety magazines as testimony to the effectiveness of seatbelts.

Motor vehicle accidents kill more than 40,000 people each year in the United States. They also account for nearly 3 million individual injuries, more than 4 million hospital days, and over 15 million lost days of work annually. According to the National Highway Traffic Safety Administration, 91 percent of the occupants killed in auto accidents in 1985 were not wearing their safety belts. In automobile accidents, the most severe injuries are generally caused by the "second collision," in which the abrupt change in momentum accompanying the sudden stop caused by the accident causes the occupants to be thrown against the interior of the automobile. Automobile passengers can be protected from this "second collision" by seatbelts.

Seatbelts save lives. In 1986, it is estimated that safety belts saved approximately 2,200 lives and prevented over 20,000 injuries. Currently, 29 States including the District of Columbia require the use of seatbelts. However, even in these States where wearing a seatbelt is required, many drivers and passengers do not use them. This year, 42 percent of automobile occupants are using safety belts. This is a 3-percent increase over 1986, but it still means that more than half of automobile occupants are not wearing their safety belts.

The importance of wearing seatbelts cannot be underemphasized. That is why I am pleased to be able to rise to speak in support of "National Safety Belt Use Day."

THE IMPORTANCE OF PERSISTENCE

HON. DEAN A. GALLO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. GALLO. Mr. Speaker, I strongly support House Joint Resolution 376, which calls on the Government of the Soviet Union to release the wives and husbands of United States residents who have been denied the right to emigrate. We must continue to make a commitment to publicly pursue these divided spouse cases with the Soviet Government until they are all resolved.

To the men and women who face the suffering of separation every day of their lives, we must pledge our persistence in the struggle for freedom and the preservation of family values.

The cruelest possible torture often is not the threat of physical violence, but the certainty of isolation from loved ones for an indefinite period of time. This cruelty takes its toll slowly, but with a force that cannot be matched in its ability to inflict pain year after year.

The price of involuntary separation was very clear on the face of Anatoly Michelson as he sat in my Washington office in the summer of 1986 listening to an account of my visit with his wife, Galina, during my trip to the Soviet Union a month before.

He had to content himself with the pictures we brought back from our trip as his only record of his wife's reaction when she was given the wedding ring that we brought with us, on his behalf, from America.

When I presented the ring to Galina, it was a very emotional experience edged with the deep sadness that comes with knowing that it was Anatoly, not me, who should have been making this very personal presentation.

For Anatoly Michelson, this was just one more time during the more than 30 years of forced separation from his wife that he faced the emotional roller coaster of hope, followed by disappointment, in his struggle to convince the Soviet Government to free his family so that they could come and live with him in Florida.

I was very happy this week to learn from my good friend and colleague, CONNIE MACK, that the Michelson family will finally be reunited in this country. The Soviets have committed themselves to allow Galina to emigrate, and there may finally be a happy ending to this very sad story.

House Joint Resolution 376 holds importance because there are countless cases involving separated spouses that have been documented and officially registered with Soviet Foreign Ministry officials. I have joined with my colleagues in these efforts on many occasions and will continue to do so, but today we have the opportunity to remind the Soviet Government officially and publicly that its policy regarding divided spouses is unfair and should be changed.

During my trip to the Soviet Union, I also visited Abram Kagan and his family, who have been seeking visas from the Soviet Government since 1976.

Recently, I learned that Abram's wife and children were given permission to leave, but he was denied a visa on a technicality involving incomplete paperwork. In this case, the Soviets have created another divided family by their actions.

Today, we have the opportunity to formally file a clear and very public protest to the Soviet Union at a time when we seek to build a better relationship between nations. Today, we are saying that that relationship must include a commitment to bring families together, not require further separations.

RELIGIOUS PERSECUTION OF THE BAHA'IS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. ASPIN. Mr. Speaker, I rise today to call the attention of my colleagues to the plight of the Baha'is. The followers of this religion are known for their religious tolerance, yet they have been the victims of persecution by Islamic fundamentalists throughout the Middle East.

Members of Congress may not be aware that the first Baha'i community in the United States was established around the turn of the century in Kenosha, WI, just a short distance from my home town of East Troy. Baha'is are still active in that area, and from that small group of American converts, this new faith has spread across the Nation. More then 100,000 Baha'is are now active in all 50 States.

As members of a worldwide religious community of more than 4 million followers, American Baha'is are deeply concerned for the plight of their coreligionists in Iran, where Baha'is suffer vicious religious persecution. Members of Congress and all Americans who value religious freedom share that concern and express our horror at the harsh repression of Baha'is by the fundamentalist Islamic regime.

The Baha'i faith is widely known for its ideals of religious tolerance. It's particularly disturbing that members of a group which seeks the harmony of all mankind should be the victims of religious hatred in Iran.

We must continue to speak out on these injustices. Experience has shown that the Iranian Government has, in fact, responded to congressional appeals, resolutions of the United Nations, and other expressions of support for the Baha'is. Fewer Baha'is are being executed now than in the early years under the fundamentalist Islamic regime.

However, the pressures of Islamic fundamentalism have spread far beyond the borders of Iran. Fundamentalist Islamic groups in other countries are waging anti-Baha'i campaigns, condemning Baha'is as heretics and apostates. According to reports published by the State Department, during the past 3 years, Baha'is in Egypt and Morocco have been arrested, tried, and convicted on religious charges. This month, courts in both those countries are scheduled to consider the appeals of Egyptian and Moroccan Baha'is who have been sentenced to prison on account of their religious beliefs.

History shows that the virus of religious hatred has caused untold suffering. Let us work to ensure that those cases will be resolved in ways which will enhance the cause of human rights and religious toleration.

We must continue to emphasize our strong support for the principles of religious freedom which all Americans cherish.

STUDENT LOAN DEFAULTS

HON. WILLIAM F. CLINGER, JR.

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. CLINGER. Mr. Speaker, the issue of how the Government should deal with those who default on their student loans has been receiving a lot of attention lately. In particular, Education Secretary William Bennett announced a new plan of action to punish schools for the transgressions of their former students. Starting in 1990, any college, university, or for-profit school with a student default rate higher than 20 percent will be expelled from all federal student aid programs.

Secretary Bennett's attention to this problem is commendable but his approach will hurt future students and do little to get defaulters to pay up. Rather than focus solely on colleages and universities, the Federal Government should require lenders to be more active in going after defaulters and possibly look at some more creative financing for student loans.

In an op-ed piece for USA Today, Penn director of Student Aid, Robert W. Evans, makes a convincing case for lenders to take more of this responsibility. This is worthwhile reading and I urge my colleagues to seriously consider his point of view.

[From the USA Today, Nov. 9, 1987]

MAKE THE BANKS RESPONSIBLE, TOO

(By Robert W. Evans)

UNIVERSITY PARK, PA.—Colleges and universities are taking the brunt of the blame for a serious problem that has many players. The rising default rate in the Guaranteed Student Loan Program does require major attention, but from all parties involved, not only colleges and universities.

Under current law, educational institutions are required to determine only if a student applicant has a genuine need for financial aid and meets all eligibility requirements.

But the final decision for a guaranteed student loan and collection of the loan rests on the lenders, which include banks, credit unions, and other lending institutions. Lenders are not required to check a student applicant's credit history or to determine the future ability to repay the loan. No cosigner is required, and often the student does not meet with the lender prior to approval or distribution of the loan.

Currently, educational institutions are cooperating with lenders by verifying a student's enrollment status, providing loan counseling to students, and giving up-to-date addresses on former students.

Education Secretary William Bennett should also propose that lenders, not just schools, improve their default rates because it is the lenders' loans that the government is paying off.

Shouldn't lenders be required to have more regular contact with student borrowers?

Should the lender interview and counsel a student before the loan is approved, as institutions do now?

The Guaranteed Student Loan program is a moneymaker for the lender, whether the money comes from the student or the U.S. government. New proposals need to examine whether a lender's yield on its loan column should be reduced when its clients are defaulting on their student loans.

In all of the debate over default rates, let's also remember that the Guaranteed Student Loan Program was originally established to provide loans for middle-income students. As other federal and state programs for student aid have failed to keep pace with inflation and college costs, low-income students have been forced into the student loan program, and they may have more difficulties repaying loans quickly.

The student loan program does need to be examined, but the role of educational institutions is not the only one that needs serious review.

Public policy on who should be allowed to borrow and the lender's role in the loan program also must be addressed.

STEPPING STONES TO INDEPENDENCE

HON. J. ALEX McMILLAN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. McMILLAN of North Carolina. Mr. Speaker, I rise today to state my support for H.R. 4, the Housing and Community Development Act of 1987. I believe this bill represents a realistic approach to addressing housing needs and rural and urban development concerns. Furthermore, I believe it represents true bipartisan commitment to maintain a strong Federal role in housing policies and programs. The bill is fiscally responsible and consistent with the overall imperative to hold outlays at the 1987 levels.

It also includes important initiatives that have the potential to involve residents in developing patterns of self-reliance that can be both personally beneficial as well as ultimately cost-effective in maximizing the availability and affordability of housing. Resident management and enterprise zones are two such examples.

I am also very pleased to see that section 129 was included in the bill. This is an amendment that I offered if the Banking Committee, known as the public housing comprehensive transition demonstration.

The transition demonstration proposal was originally brought to my attention by the Charlotte, NC Housing Authority. It was thoughtfully prepared and addressed a complete range of needs that residents in public housing meet in their day%to-day lives. The purpose of the program is to provide transitional housing to those families who are temporarily dislocated due to a change in the labor market or changes in the head of household and who are without means to find safe and affordable housing in the existing housing market.

The demonstration emphasizes the coordination of resources already available from Federal, State, and local sources rather than the creation of new programs. Local autonomy in design and implementation of the program is necessary in order that changes may be made to suit individual families' circumstances. In order to achieve this, the commitment of private business, elected officials, community organizations, and the public housing residents themselves will be required. All residents who participate in the demonstration are expected to fulfill the requirements of their individual development program and move into private housing within 7 years.

The premise of the program is that welfare dependents make more money on welfare than "on their own." Many are only qualified for low-paying jobs, but have potential for improvement. Often, the range and amount of assistance available, the time required to secure it, and the threat of immediate discontinuance if they exceed earnings limits combine to create a powerful disincentive to self-reliance. In this demonstration, benefits will remain constant for a period of time so that participating families will be provided a stable and sufficient income to enable the transition to self-sufficiency. The exception is that rent payments will be increased proportional to income. The excess rent over base operation costs, however, is automatically held in an escrow savings account to be returned to them at the end of their participation and to be used as a downpayment on a house or a lease.

In return for this benefit, participants are required to adhere to their individual development plan as determined by themselves and social service officials. This plan is an outline of all the problems the participants must overcome to gain full-time employment and become self-sufficient. It may include remedial education, completion of high school, job training, substance abuse treatment and counseling and/or training in money management and parenting. It is the responsibility of the public housing authority and local social service organizations to assist and monitor the participants throughout the process.

I am confident that this demonstration represents true reform in the way public housing residents approach self-sufficiency. I look forward to relaying the results of this program to my colleagues in order that the expected success of the program may be considered for other aspects of welfare dependency.

IN HONOR OF ANDREA KARLIN, HEAD OF NORTHWEST NURSES ASSOCIATION

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. AuCOIN. Mr. Speaker, I would like to take this opportunity to bring to the public's attention the work of a woman who has established a unique and innovative health care facility in Portland, OR.

Ms. Andrea Karlin is the founder of Northwest Neighborhood Nurses Association, a community-based health care clinic serving the needs of elderly who might otherwise go without vital preventative care. Through sheer force of will, Andrea has put together an organization that provides affordable and convenient care—impacting the lives of hundreds of neighborhood residents.

Andrea is the recipient of the Oregon Jefferson Award presented to distinguished individuals in recognition of their outstanding public service. I can't think of a more deserving individual.

Andrea, a registered nurse with a degree from Mt. Sinai Hospital, founded the clinic in 1979. Her goal was to help the elderly remain independent and live at home rather than in an expensive nursing home. Andrea and her nurses provide the elderly with care that you and I take for granted, but that render many of these individuals paralyzed.

The clinic charges no fees and subsists on donations and money raised through fundraisers. Although the services the clinic provides are not covered by Government reimbursements, the services are saving our Government countless dollars in preventative care.

I add my thanks and congratulations to Andrea and to the many volunteers and employees of the Northwest Neighborhood Nurses Association for the invaluable services they provide northwest Portland's elderly residents.

KATHADIN FRIENDS, INC., SELECTED AS EXEMPLARY REHABILITATION PROGRAM

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Ms. SNOWE. Mr. Speaker, I would like to take this opportunity to congratulate Kathadin Friends, Inc. for being chosen as one of the exemplary rehabilitation programs in New England. Fifty-four programs were nominated for their excellence and Kathadin Friends was one of only seven programs selected for this honor by the Rehabilitation Network of New England. It was also the only program chosen which serves a rural area.

The purpose of choosing exemplary programs is to provide other programs with an example to follow. Kathadin Friends, which has been serving people with disabilities for 26 years in northern Penobscot County, is certainly worthy of this honor. Among the many aspects of this program which are particularly noteworthly are its high consumer, family and employer involvement; the provision of services that respond to consumer needs; the change from sheltered work to work in the community; and its outstanding leadership and program management.

Kathadin Friends is helping people with all types of disabilities for whom the idea of employment in a community business was only a dream in the past. The program also provides the important component of continued support once an individual has a job.

I would like to offer my congratulations to James Meehan, executive director of Kathadin Friends and his staff for the fine work they are doing in helping people move from being dependent on society to becoming contributing members. I am hopeful that this honor will allow others to use Kathadin Friends, Inc. as a model for a truly exemplary rehabilitation program.

THE MIAMI TIMES AND THE MIAMI JEWISH TRIBUNE: TAKING THE FIRST STEP

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. LEHMAN of Florida. Mr. Speaker, Miami, more than most American cities, consists of ethnic enclaves.

Hispanics, Jews, blacks and anglos make up large and distinct communities in Metropolitan Dade County. This ethnic diversity can enrich all of us. But too often, it also forms the basis for distrust and tensions caused by misinformation and ignorance. One victim of these forces has been the historic, traditional alliance that has existed between Jews and blacks on civil and human rights issues.

Garth Reeves, Sr., publisher of the Miami Times, for 64 years an institution in our black community, and Jack Levine and David Abramowitz, publishers of the recently established Miami Jewish Tribune, have decided to do something about this problem. They have agreed to write columns in each other's publications to reduce the communication gap between Miami's blacks and Jews and to help promote the mutual understanding that all agree is needed.

All people of good will applaud their initiative and purpose. I would like to share with my colleagues the following article about this matter which appeared in the Miami Herald:

[From the Miami Herald, Nov. 11, 1987]

BLACK, JEWISH PAPERS TO SHARE COLUMNS, STORIES

(By Arnold Markowitz)

Blacks and Jews, who marched and sometimes died together in the 1960s civil rights movement, have drifted apart and need to reconnect, the publishers of two ethnic Miami newspapers have decided.

Starting Thursday, they will try. Jack H. Levine and David Abramowitiz, who publish The Miami Jewish Tribune, will write for the black raders of Garth Reeves Sr.'s Miami Times, and Reeves will have a column in the Jewish Tribune.

Why?

Reeves: "Nothing breeds distrust more than ignorance—in this case of each other's communities, sensitivities, dreams, hopes and frustrations. We think we can remove this state of distrust by opening a direct link."

Abramowitz: "I don't know the depth or reasons for anti-Semitism in the black community, and I don't know if there's more there than in the white community. We think it exists, and we think we have to address that. Jews have worked so closely with the black movement in the past that the current chasm between them is even more distressing in that respect."

The calendars of 19 years have been discarded since the death of Martin Luther King, Jr. Somewhere along the way, all agree, the sons and daughters of blacks and Jews who once walked arm-in-arm with King through Alabama and Mississippi fell out of touch with each other.

Reeves, Levine and Abramowitz hope they can get something going to change that—first in the Dade and South Broward territory both weekly papers cover, eventually in other places where the ethnic press prints. The Times has a circulation of 29,400 while Levine and Abramowitz estimate the Tribune's circulation at 36,000.

The idea came from Arthur Teitelbaum, director of the Anti-Defamation League in Miami. He suggested it months ago to Levine and Abramowitz, a pair of publishing upstarts in their early 30s—with backgrounds in real estate, not news—who started the Jewish Tribune last December.

"I think it would be helpful in both communities if we were to grapple with the unfortunate reality that more often than not, Jews and blacks know each other as a series of stereotypes," Teitelbaum said.

Levine and Abramowitz liked the idea and got back to Teitelbaum. He introduced them to Reeves, 68, whose Miami Times has been the city's black forum since 1923.

"We met with Garth and hit it off," Abramowitz said. "There are layers and layers of human relations organizations, but this is an opportunity for two of the major ethnic groups and voting blocs to really talk to each other directly, not through some committee."

Reeves also is excited by the possibilities. He wants Jews to understand that blacks moved by Louis Farrakhan's urgings to gain economic independence do not necessarily agree with his anti-Semitism. Levine wants to explain to blacks that Jews fear racial quotas in employment and education because quota systems have been used to deny those opportunities to Jews.

"There are solid issues that need the cooperation of both blacks and Jews in partnership," Reeves said.

Aside from the publishers' columns, each written for the exchange, the weeklies will make other opinion pieces and news items available to one another.

They will announce their plans in Thursday's editions and wait for reaction. No one is sure if the experiment will flop or fly. They plan to try it for a year, hoping the ethnic press in other cities will follow and revive friendship between Jews and blacks.

"Young people today don't remember, but right here in Dade County, when we looked for friends to help us in the civil rights struggle years ago, we went to Miami Beach," Reeves said. "That's where our main source of allies was."

Even Reeves' memories of those days faded. When he met Abramowitz, the name sounded vaguely familiar. As they talked, Reeves realized why. In 1963, when Canon Theodore Gibson and the Rev. Edward Graham led a civil rights march in Miami, they were joined by a rabbi named Abramowitz—the young publisher's father.

SON SUNG-TAE COMPLETES CONGRESSIONAL FELLOWSHIP

HON. MERVYN M. DYMALLY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. DYMALLY. Mr. Speaker, we take our privilege to vote in this country so casually that it is necessary to work to get out the vote whenever an election occurs. A very special vote will take place on December 16 in Korea. It will be the first time that the people will have been able to elect their President. Son Sung-Tae came to the Congress thinking his fellowship would extend until the end of December. But the opportunity to vote in his country's first Presidential election is too great an opportunity. And so, it is with a mixture of regret at saying goodbye to a friend and joy at facilitating his opportunity to exercise the voting privilege, that we see Mr. Son off on his journey home. In his enthusiasm to participate in the electoral process, he sets an example that we in this country would do well to emulate.

It has been a privilege having Mr. Son among us to share his insights and to learn about our processes. Mr. Son is an accomplished scholar in Korea in addition to being a staff member of the National Assembly's House Steering Committee. His expertise is in the area of urban land use planning, and among the books he has written is one which is among the most respected on the subject of Korean urban land use. His recommendations to the President have had bearing on land use planning in Seoul, Pusan, and Taejun, the three largest urban centers in the country. Somehow, in addition to his scholarly activity and his staff commitments to the National Assembly, Mr. Son has regularly found time to teach at Tankook University and in the education of construction department of the national government.

During his fellowship in the Congress, Mr. Son has concentrated his work on understanding the relationship between Rules Committee procedures and their effect on the manner by which business is conducted on the House floor. His interest in the area is based on the duties of the House Steering Committee in the National Assembly. That committee is the nearest Korean equivalent to our Rules Committee. In addition to attending Rules Committee deliberations and then observing their effect on floor procedures. Mr. Son has been studying the technical documentation relevant to Rules Committee work. In particular, he has been translating the Congressional Oversight Manual into Korean. His work will be shared not only with political scientists in Korea but also with the members of the Steering Committee itself.

One difficult aspect of the Korean Fellows Program, which is now in its sixth year of existence, is that the fellows must leave their families in Korea for as long as 6 months while participating here in the program. The strong ties binding families together has made for high phone bills for the fellows, and has caused us to empathize with their wish to be reunited with family members. In addition to his wife, Oh Jung-Soon, Mr. Son was parted during the fellowship from his two children, Son Sang-Hyuk his 11-year-old son, and Son Gee-Hung, his 9-year-old daughter. While we are sad for ourselves because Mr. Son must leave us, we rejoice with his family which has been awaiting his return since the moment he departed. Our best wishes for Korea, for Mr. Son and for his family go with Mr. Son as he returns to Korea to play his part in the historic process that is about to unfold.

PACIFICA, CA, CELEBRATES ITS 30TH ANNIVERSARY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. LANTOS. Mr. Speaker, on November 22, the city of Pacifica, CA, will celebrate the 30th anniversary of its incorporation. I am delighted and honored today to call this significant anniversary to the attention of my colleagues in the Congress and invite them to join me in congratulating the citizens and city leaders of Pacifica.

Although the city of Pacifica is only 30 years old, the area is one of the most important areas in the history of the State of California. In 1769, a group of 63 Spanish explorers under the leadership of Don Gaspar de Portola climbed the mountain now known as Sweeney Ridge within the boundaries of the city of Pacifica. They became the first Europeans to view the San Francisco Bay. It is significant that Balaguer, Spain, the birthplace of Portola, became a sister city of Pacifica in 1970.

Through the tireless effort of many local Pacifica citizens as well as other concerned citizens of the peninsula, coupled with the consistent and long-term effort of a number of us here in the Congress, Sweeney Ridge—the Plymouth Rock of the west coast—was added to the Golden Gate National Recreation Area 3 years ago. Eighteen acres of Pacifica at the Portola discovery site have been designated as a National Historical Landmark.

As early as 1785, crops were planted in San Pedro Valley in what is now Pacifica at an outpost of Mission Delores. Lime pits beside Calera Creek furnished whitewash for the Presidio of San Francisco in 1776. In 1839 Don Francisco Sanchez was given a Mexican land grant with boundaries similar to the present city boundary lines. In 1846 he moved into the Sanchez Adobe, which still stands and is currently maintained as a San Mateo County museum and park, on Linda Mar Boulevard.

Pacifica remained an agricultural area until this century. In 1907 a quarry was opened in what is now Pacifica to provide stone for the rebuilding of San Francisco after the great earthquake. At about the same time, the Ocean Shore Railroad was extended into the area and the development of housing in the Pacifica area began. The Little Brown Church, Anderson's Store, and the San Pedro School—which later became city hall—date from this period.

After World War II, growth accelerated in an effort to meet the housing needs of the many young families moving to the peninsula. On November 22, 1957, 10 communities—Edgemar, Pacific Manor, Manor Village, Westview, Sharp Park, Fairway Park, Vallemar, Rockaway Beach, Linda Mar, and Pedro Point—were joined together and incorporated as the city of Pacifica.

"Wisdom in Progress"—the city's slogan adopted when the city was incorporated—has indeed marked the development of Pacifica since its establishment. The city has constructed a fishing pier, an important facility for visitors and residents to enjoy the ocean. The city has fostered important projects to establish and improve the excellent quality of life its residents enjoy.

Mr. Speaker, I invite the Congress to join with me today in extending congratulations and best wishes to the 36,860 residents of Pacifica on their 30th anniversary.

THE HOMELESS HAVE NOT DISAPPEARED

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. LELAND. Mr. Speaker, it's winter again. The homeless have reappeared huddling on heating grates or any other place they can find shelter from the season's inclement weather.

Mitch Snyder, the homeless crusader, has once again risen in defense of the homeless. The specific issue at hand is whether or not the homeless should be allowed to sleep at the bottom of the Farragut West Metro Station. The broader issue is where can these people find proper shelter, who is responsible for their welfare. . . where are they to go?

This year Congress took its first step to alleviate the plight of the homeless by passing the "Stewart B. McKinney Homeless Assistance Act." However, the homeless have not disappeared. Their numbers have in fact grown. Emergency shelters in cities around the country must turn away the needy because they simply do not have enough resources to handle the demand. With estimates of 3 million homeless in the United States, Congress cannot afford to overlook the continuing needs of this population. A long-term solution addressing the need for affordable housing, increased employment and proper mental health services for the homeless must be sought.

For the benefit of my colleagues I would like to share the editorial written by Mitch Snyder, appearing in the Washington Post on November 13, 1987.

LIFE AT THE BOTTOM OF THE ESCALATOR

When it comes to homelessness [editorial, Nov. 7], The Washington Post is about as subtle as a nuclear weapon. Subway stairwells are not for sleeping. Pow! A portable toilet would only serve as a magnet. Bam! Its the District government's responsibility to deal with this, not Metro's. Whap!

No one suggests that the bottom of an escalator is an appropriate place to live. Nor is a heat grate. Yet when the federal government tried to cover the heat grates several years ago, public pressure forced it to retreat.

Shelters for homeless men and women in Washington, D.C., are full. They have been for some time. While we and city officials are making provision to create more space as quickly as possible, it is impossible for there to be sufficient shelter space for D.C.'s homeless in the near future. A study conducted for the District government three years ago by the University of the District of Columbia actually counted 6,500 homeless people in the city. That number did not include the many homeless people who are hidden in abandoned buildings and similar locations and cannot be counted. Yet there are fewer than 2,000 shelter beds currently available.

Metro does have a legitimate concern. Because there are no public bathrooms open at night, homeless people have no choice but to urinate and defecate where they are. The Community for Creative Non-Violence asked Metro to allow it to place a portable toilet in an out-of-the-way place near the top of the escalator. We would do so at our own expense.

We also offered to talk with the people who sleep there at night and encourage them to keep the area clean. It certainly wouldn't be necessary to encourage them to use the portable toilet. They hate having to defecate or urinate where they sleep. But what else can they do? Last year, when a woman who sleeps at the bottom of the escalator went into a nearby alley to relieve herself, she was raped.

The homeless are dammed if they do, dammed if they don't. The Post says that if a toilet were placed at the top of the escalator, it would serve as a magnet, attracting homeless people to it.

Sure, a toilet would serve as a magnet. But remember, the shelters are full. And it's a crime to defecate or urinate in public in this city. What are the homeless to do—deny their bodily functions while waiting for more shelters to be opened?

Or should they just disappear? Is that what we really want? Do we really just want them out of sight and out of mind? Common sense, compassion and logic dictate not that we oppose placing a portable toilet near Farragut West, but rather that we make portable toilets available throughout the downtown area.

Metro says that homeless people are not their responsibility. The Post agrees. But we believe that all of us have a role to play in responding to the needs of the destitute.

We have never suggested that homeless people be allowed to sleep in the station or on the platform. All that we have ever asked is that homeless people continue to be allowed to pass the night at the bottom of the escalator, where they have been sleeping for 11 years.

Every day—between midnight and dawn—a gate is locked at the bottom of the escalator. The station is closed. The homeless have occupied that small space for more than a decade. Just a few dozen square feet. Now there is a gate at the top of the escalator. And they are literally out in the cold.

We must remember that the homeless men and women at the Farragut West station are human beings. They are there because there is no other place for them to be. They have been turned away from better places, because there is no room for them. They are simply trying to survive.

They are dirty because they have no place to bathe. They try to look like the rest of us for as long as they can, and when finally they look disheveled, we shut them out.

They are not refuse. They are castaways from varied and distant shipwrecks—individual, economic, and social—and they have washed up on our shore.

Each of these people has a right to live; each desperately needs our help. Those who are served by none of us are responsibility of all of us. We must not allow prejudice, self-interest or a sense of propriety to supersede our more basic responsibility to serve our vulnerable brothers and sisters or at a minimum, to tolerate their existence.

Gates are not the answer. Nor is burying our heads in the sand. Simple decency and compassion are. And they dictate that we do what we can to help save the lives of our neighbors.

UPPER MISSISSIPPI RIVER MANAGEMENT PLAN

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. GUNDERSON. Mr. Speaker, today I am introducing legislation which will add a full fiscal year to the life of the upper Mississippi River System Environmental Management Program. The bill is straightforward: It simply captures all authorized but unappropriated funds of this 10-year program and reauthorizes them in an additional 11th year.

Since I came to Congress in 1981, I have been involved in fashioning a multipurpose upper Mississippi River management plan—one that balances navigational and environmental interests. I have introduced legislation since 1982 to effect this goal. In 1986, my legislation was approved as part of the Water

Resources Development Act—section 1103 of Public Law 99-662. With the authorization now complete, my efforts necessarily must turn to ensuring that adequate funding is available for the program.

For fiscal year 1988, the first year in the 10-year program, the Environmental Management Program [EMP] is authorized at $16.72 million. However, the House-passed energy and water appropriations bill for fiscal year 1988 includes only $4.168 million for the EMP. The Senate Committee on Appropriations has approved $6.7 million for the EMP in its version of the energy and water funding bill.

While I hope that the full Senate will this week give its approval to the higher $6.7 million appropriation level and that this level will be approved by the conference committee, the fiscal year 1988 EMP appropriation level still will be far below its authorization ceiling. Even with the Senate funding level in place, the EMP will be short some $10 million in its first year. This becomes increasingly important when one considers that authorized funds for the EMP not appropriated in any one fiscal year will be lost forever.

This is not the case for the navigation element of this package, however. Section 1103(j) authorizes the construction of a second lock at lock and dam 26 near Alton, IL, at a cost of $220 million. But this project is not limited to a specified period of time. Therefore, its funds will not be lost if appropriations do not reach a certain level.

The environmental element, then, which is authorized over 10 years at $190 million, runs the great risk of being left far behind, unable to fulfill its mission to provide a balance to the upper Mississippi River's overall management. By capturing the authorized but unappropriated funds for the environmental program and extending that program one additional year, I am intending to ensure that this balance is not lost.

Of course, it is probable that by the end of this 10-year program more funds will be caught by this mechanism than can effectively be used in any one fiscal year. When I believe this is the case, I will modify my legislation to add further years to the environmental program.

Mr. Speaker, this legislation is in keeping with the intent of Congress when it adopted section 1103 of the Water Resources Development Act of 1986—balanced management of the upper Mississippi River System. For this reason I urge my colleagues to consider becoming a cosponsor of this bill.

Thank you, Mr. Speaker.

CAFETERIA PLANS LET EMPLOYEES CHOOSE FRINGE BENEFITS

HON. BARBARA B. KENNELLY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mrs. KENNELLY. Mr. Speaker, yesterday the Washington Business section of the Washington Post contained a front page article on so-called cafeteria plans, which are designed to allow employees to tailor their employer provided fringe benefits to their own particular circumstances.

Given the fact that more and more women are entering the work force, the greater diversity in family structures, and the increasing importance of dependent care to support this change in the workplace, I wanted to make sure my colleagues had an opportunity to read this article by placing it at this point in the RECORD.

BENEFITS A LA CARTE—"CAFETERIA" PLANS LET LOCAL EMPLOYES CHOOSE FROM MENU OF PROGRAMS

(By Sandra Sugawara)

When Marriott Corp. employes consider the company's cafeteria plan, they're not thinking about the Bethesda hotel and restaurant company's food-service operations.

Instead, they're making choices about their health, insurance, vacation and other benefits from an array of options offered through the company's flexible benefits program.

For instance, Marriott employes can choose from four levels of medical insurance or a health maintenance organization plan. Under the four insurance plans, deductibles range from $150 to $500, coverage ranges from 70 percent of costs to 90 percent, out-of-pocket requirements vary from $750 to $1,350. Two of the plans cover routine office visits and two do not.

In addition, Marriott employees are permitted to set up pretax reimbursement accounts to pay for medical and life insurance deductibles. This has made employees more willing to pay higher deductibles, company officials say.

Employees also are allowed to trade one-fifth of their vacation and sick-day time to pay for their contributions to any of the insurance programs.

Marriott, whose 210,000 employees make it one of the Washington area's largest employers, is one of several local companies that have adopted flexible benefit programs, or "cafeteria" plans, to allow employees to tailor their benefits to their needs.

In a move away from traditional strictly defined benefits plans, in which young employees with no dependents, single parents, double-income couples with children and workers with grown children all were thrown into the same benefits pot, a small but growing number of companies around the nation are adopting cafeteria-type benefit programs.

According to Hewitt Associates, a management consulting firm that specializes in employee benefits and compensation programs, the number of U.S. companies offering flexible benefits has increased sharply in recent years. In 1980, according to Hewitt, just eight U.S. companies offered flexible benefits. But by the end of this year, more than 600 major companies are expected to be offering some sort of flexible benefits plan. About 18 percent of American companies have flexible benefits plans, according to Hewitt.

There is similar interest in cafeteria benefits plans among local firms, according to a new study by Towers, Perrin, Forster & Crosby, a New York City-based management consulting firm specializing in compensation issues.

The survey of 182 companies in the southeastern United States, including 42 companies in the Washington, Richmond and Baltimore areas, found that while only 18 companies—less than 10 percent—offered flexible benefit plans, 67 percent of those that did not offer such plans were either considering the idea or planned to do so within the next 12 months.

Employers and consultants say there are two major reasons behind the sudden interest in flexible benefits. One is an effort to get control of the costs of medical benefits, which have been skyrocketing out of control in recent years.

The second reason for the move to flexible benefits is a growing realization that the demographics of the work force have changed significantly since many benefits packages were designed two or three decades ago.

Back then, the work force in many industries was thought to be comprised mainly of men who were the sole supporters of a wife and two children at home. With more working women, single and divorced employees, many of those benefit plans have become outdated.

"The one-size-fits-all benefits plan is no longer going to be as applicable as it was 20 years ago," said Jean Boyle of Hewitt Associates.

According to the Towers, Perrin survey, which covered a cross section of companies in manufacturing, wholesale, retail, health care, utilities, banking, insurance and real estate with 1,000 employees or more, companies that do not now have flexible benefits but are considering adopting such a program cited such reasons as a desire to be viewed as a progressive employer (63 percent), a desire to contain health care costs (59 percent) and a desire to better meet employees' needs (56 percent).

The companies said the major drawbacks to such a program would be concern over increased administrative burdens (59 percent), problems communicating the program to employees (56 percent) and lack of staff resources (56 percent).

Bob Dankmyer, director of employee benefits for Marriott, said employees at the company have responded enthusiastically to the flexible benefit program, which was established in 1982. He said there is heavy use of the more innovative features, such as the pretax reimbursement accounts and the program allowing vacation and sick days to be traded in.

"We're primarily nonunion, and in order to stay nonunion we have to be sensitive to employee needs," Dankmyer said.

He also said flexible benefits have saved money for Marriott. Because those employes with the fewest medical problems tend to get the least extensive coverage and those with chronic problems tend to get the highest coverage, "we are not having to set aside funds for people who don't use the benefits," he said. In addition, he said, administrative costs are minimal because the program is handled through the company's computerized central payroll and benefits system.

Roxanne Horning, director of employee benefits for Gannett Co. Inc. of Rosslyn, said flexible benefits have helped make employees at the media company more sensitive and knowledgeable about the costs of medical care and the problems of cost containment. She said Gannett switched to the flexible benefits approach in 1983.

"We wanted to make some plan improvements, such as adding dental, vision and hearing coverage," said Horning. "The company was also looking for ways to contain costs and educate employees" about medical benefits and costs.

Gannett's alternative medical plan adds an incentive for such cost-saving procedures as second options for surgery and the use of outpatient facilities. It pays a higher percentage of the cost of generic drugs than for brand name drugs. It offers better catastrophic coverage than the standard plan, but requires a higher deductible for routine office visits.

In addition to joining either of the two company-sponsored plans, most Gannett employees also have the option of enrolling in a health maintenance organization.

Gannett employees are split fairly equally among the plans, according to Horning. About 35 percent have remained with the orginal health plan, which requires premium payments that range from $18 to $30 per month for individuals, and $50 to $70 for those with families. Another 35 percent have opted for the cost-containment plan, which does not have premium payments but requires out-of-pocket payments up to $1,000. Thirty percent have taken the HMO offer, which does not require the employee to make any premium or deductible payment, but which restricts the patient's freedom to choose doctors and type of treatment. Horning said a small percentage of Gannett's 140 newspapers are located in towns that are too small to have HMOs.

Unlike Marriott, Gannett found that setting up and running the flexible plan was an enormous administrative undertaking. "It's a big job," Horning said. "Any sort of flexible benefits program is a challenging thing for a company to do."

But Horning said preliminary studies indicate that the cost-containment feature seems to be paying off. Premiums for the cost-containment plan have gone up very little in the past four years, she said, while premiums for the regular health plan have risen far more rapidly.

Likewise, Web Chamberlain, spokesman for Chesapeake & Potomac Telephone Cos., said the company has found that its cafeteria benefits program—which offers four different types of medical coverage along with optional plans covering such areas as vision care and long-term disability—has helped keep rising health care costs under control.

In a study of 20 companies that began flexible benefits in 1982 or earlier, Hewitt Associates found that the rate of increase in medical costs for those companies dropped significantly below the national medical cost inflation rate. A year before starting their flexible program, those companies had an average rate of increase that was 14.5 percent above the medical inflation rate. Three years after the programs began, the average rate of increase was 5 percent below the national medical inflation rate.

"Experience is showing that flex's cost containment capability offsets or outweighs the implementation costs," Park said.

Donald L. Park, the flexible benefits expert at Towers, Perrin's Washington office, said he expects last year's tax law changes to convince more companies to switch to flexible benefits. Previously, companies with flexible benefits plans had to prove that certain benefit plans did not discriminate in favor of better-paid employees. But under the new tax law, all employers must comply with the nondiscrimination requirements, so there is no added paperwork burden on those with cafeteria plans.

But Dankmyer and other benefit specialists say that tax changes are a mixed bag. For instance, they said that flexible plans might be discouraged by a proposal now moving through Congress that would limit to $500 the pretax contributions that employees can make to accounts that they can later use for insurance payments.

INF TREATY SHOULD NOT BE SIGNED WITHOUT AGREEMENT TO REDUCE WARSAW PACT CONVENTIONAL FORCES

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. TRAFICANT. Mr. Speaker, today I am introducing a sense of the House resolution in opposition to the proposed INF Treaty with the Soviets and urging that any agreement with the Soviets to reduce or eliminate intermediate nuclear forces should also include an agreement to reduce the size of the Warsaw Pact's conventional forces.

On the surface, the INF Treaty appears to be a good deal for the United States. However, in its present form, the treaty is fatally flawed. In the European theater, the Warsaw Pact has an average 2.5 to 1 advantage in conventional forces over NATO. According to the most recent study by the International Institute for Strategic Studies, the Warsaw Pact has 52,200 main battle tanks, as opposed to only 22,200 for NATO; the Warsaw Pact has 37,000 artillery/multiple rocket launchers/antitank guns as opposed to 11,100 for NATO; the Warsaw Pact has 1,630 armed helicopters—NATO has 780; the Warsaw Pact has 12,850 surface-to-air missiles—NATO has 2,250; and the Warsaw Pact has 1,050 helicopter borne antitank weapons as opposed to 470 for NATO.

The point here is clear—without our Tomahawk and Pershing II missiles, the Soviet military has a clear-cut advantage in conventional forces. Nuclear weapons are indeed horrifying, yet the fact is, our Tomahawks and Pershing II's have served as a viable and effective deterrent against a Soviet invasion of Western Europe. Their presence has compensated for NATO's conventional force disadvantage. Most importantly, they have kept the peace in Europe.

Mr. Speaker, I have been a strong supporter of arms control agreements with the Soviets. In order to reduce the threat of nuclear war, it is essential the United States and Soviet Union reach mutually verifiable agreements to reduce their vast nuclear arsenals. In the context of arms control, the INF Treaty represents a dramatic step forward in that, for the first time, the superpowers will actually sign an agreement eliminating an entire class of nuclear weapons. However, without a corresponding agreement to reduce the size of Warsaw Pact conventional forces, I believe the treaty will do little to enhance stability and protect our national security interests.

With the removal of our intermediate and shorter range nuclear weapons from Europe, NATO would have to rely on a relatively small conventional force to deter the Warsaw Pact from attacking. As enumerated above, the Warsaw Pact currently enjoys a sizable advantage over NATO in most categories of conventional weapon systems. A recent issue of Jane's Defence Weekly (October 31, 1987) indicated that the Soviet military is actively planning and training for a nonnuclear confrontation in Europe. Unless a corresponding agreement with the Soviet Union is reached to reduce their conventional force advantage in Europe, Soviet military planners will continue to believe that such a confrontation is winnable. This leads to an unstable scenario in Europe—a scenario the United States should avoid at all costs.

The President has indicated that if the INF treaty is approved, he will sit down again with General Secretary Gorbachev to work out an agreement to reduce conventional forces. However, once the INF Treaty is signed and ratified, the Soviets will have the upper hand when it comes time to negotiate a conventional force reduction treaty. Why give Gorbachev the luxury of negotiating from a position of strength? What guarantees do we have that the Soviets will bargain in good faith? Most importantly, conventional force reduction agreements are much harder to verify and much harder to negotiate than nuclear force reduction treaties.

Eliminating an entire class of nuclear weapons should be applauded by all of us concerned about the threat of nuclear war. However, the proposed INF treaty must be examined in a much broader context. Will the elimination of INF weapons really be to our advantage? Without a corresponding agreement on conventional forces, I believe that any INF agreement should be postponed. I believe that the House should go on record stating this position.

I urge all of my colleagues to support the resolution I have introduced. The full text of this resolution is as follows:

H. Res. 313

Resolved, That it is the sense of the House of Representatives that—

(1) the proposed treaty with the Soviet Union for the reduction of intermediate-range nuclear forces in Europe is deficient because it does not provide for the reduction of Soviet and Warsaw Pact conventional forces in Europe;

(2) the President of the United States should pursue an agreement for the reduction of Soviet and Warsaw Pact conventional forces in Europe before entering into any agreement for the reduction of intermediate-range nuclear forces in Europe; and

(3) any agreement for the reduction of military forces in Europe should result in substantial parity of the strength of Soviet and Warsaw Pact conventional forces and North Atlantic Treaty Organization conventional forces.

H.R. 1720

HON. THOMAS E. PETRI

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, November 17, 1987

Mr. PETRI. Mr. Speaker, I am disappointed that I will not be able to offer my amendments to the welfare reform proposal, H.R. 1720. I am disappointed on behalf of my colleagues as well. When the House considers such sweeping reform legislation, there ought to be the opportunity for long and full debate, and for offering amendments. Had the rule allowed, I would have offered two amendments, which I have described and reprinted here.

The first addresses the provisions of H.R. 1720 relating to benefits received by minor mothers; the other expands the earned income tax credit.

Under current law, an adolescent girl can discover that if she gets pregnant, she can leave home, and get a subsidized apartment, food stamps, and a monthly check. Now, she may not set out to get pregnant just for that reason, but there is certainly no incentive not to get pregnant under those circumstances. The incentives support having babies and breaking up families.

H.R. 1720 takes a very important step toward correcting this.

The bill requires minor mothers to live at home with their parents or guardians unless it is in the best interests of the young mother and child to move away. I think we can all agree that, in most cases, a 13-year-old girl is better off at home than living in an apartment by herself, and H.R. 1720 provides for that. It eliminates the incentive to break up families.

However, H.R. 1720 also increases the incentive to have a baby. It does that by striking a provision of current law requiring the whole household's income to be taken into consideration when figuring the amount of AFDC the minor mother and her child receive. My amendment would retain that provision of current law.

Right now, in my home State of Wisconsin, the AFDC grant for a mother and two minor children is $517 per month. If one of those minors has a child and remains at home, the grant is increased to $617. If H.R. 1720 is enacted in its present form, the minor mother will remain at home with her child, but the combined grant for the household will increase to $880 per month, because the household will be treated as two distinct family units, not one. Thus, under H.R. 1720, the addition of the baby raises the household's AFDC grant alone by $363 per month, not to mention other benefits.

I suppose it's a matter of judgment just where you cross the line from enabling a poor family to support a baby to providing large financial rewards for having it in the first place, but with this provision, clearly we will cross it.

Then there is the minor mother in the household that is not on welfare. Under the bill, even a millionaire's teenage daughter could have a baby and receive her own welfare check of $440 per month, tax free, while living in the family mansion. It seems to me that this is not the aim of our welfare programs. Nor can I find any real purpose to it. When there is in fact one household, we should not divide it artificially into two.

My amendment retains the bill's requirement that a minor mother should live at home, but also retains that provision of current law which permits the income of the parents of a minor mother to be included when figuring the AFDC grant.

My second amendment would improve the existing earned income tax credit, or EITC, by relating it to economic need as determined by family size. The EITC is in effect a welfare benefit in the Tax Code. It provides direct transfer payments, in the form of refundable credits against earned income, only to low-wage workers with dependent children. In so doing it serves as a wage enhancement device targeted at those deemed to need such an enhancement; namely, all those low-wage workers supporting at least one child. Unfortunately, the amount of credit does not vary according to the amount of need as determined by the number of children. At a given income, you get the same amount whether you have one child or four. As a result, people with larger families can often get more real income on welfare than they can working at or near the minimum wage.

Meanwhile, H.R. 1720 provides that States cannot require any welfare recipient to take a job if it would reduce his or her net income. That will undermine efforts to move people off welfare into productive employment, but there is a reason for it. Presumably those with the higher welfare benefits need them, and it's cruel to force them to reduce their already meager incomes. My amendment solves this problem by increasing the maximum EITC by $630 for each extra child up to a maximum of $2,800 for minimum-wage workers with four or more children. That's about $2,000 more than the maximum under current law, and it should be enough to make even minimum wage jobs more attractive than welfare for just about everyone. That not only solves the problem of forcing people to lower their incomes, but it should also encourage voluntary participation in Network by some who are exempted from mandatory participation for other reasons, such as the ages of their children.

The amendment pays for these increases in the EITC primarily by phasing out the credit more rapidly than in current law for those with one or two children and incomes well above the poverty line. There is also a net cost to the Treasury on the tax side, but if only 1 to 2 percent of current welfare recipients are encouraged by this change to move from welfare to work, that cost will be balanced by welfare savings.

The basic goal of this amendment is to boost work incentives by improving the net income from work for those who need it. Another way to try to achieve this goal would be to increase the minimum wage. However, that tool is much cruder and carries a lot of disadvantages, including the loss of some of the very jobs we want to move welfare recipients into. The family size adjusted EITC approach is a much more direct and efficient way of achieving this crucial goal. I ask that both of my amendments be reprinted below.

AMENDMENT TO H.R. 1720, AS REPORTED, OFFERED BY MR. PETRI OF WISCONSIN

Page 290, after line 12 insert the following:

SEC. 813. INCREASE IN EARNED INCOME TAX CREDIT.

(a) INCREASE IN AMOUNT OF CREDIT.—Subsection (a) of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) is amended to read as follows:

"(a) ALLOWANCE OF CREDIT.—

"(1) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the applicable percentage of so much of the earned income for the taxable year as does not exceed $7,000.

"(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1)—

"In the case of an eligible individual with:	The applicable percentage is:
"1 qualifying child	13
"2 qualifying children	22
"3 qualifying children	31
"4 or more qualifying children	40."

(b) ADJUSTMENTS TO PHASEOUT.—Subsection (b) of section 32 of such Code is amended—

(1) by striking out "10 percent" in paragraph (2) and inserting in lieu thereof "20 percent",

(2) by striking out "$9,000" in paragraph (2) and inserting in lieu thereof "$9,000 ($7,000 in the case of an eligible individual with 2 or more qualifying children)", and

(3) by striking out the last sentence.

(c) INFLATION ADJUSTMENTS.—Subsection (i) of section 32 of such Code is amended to read as follows:

"(i) INFLATION ADJUSTMENTS.—

"(1) IN GENERAL.—In the case of any taxable year beginning in a calendar year after 1988, each dollar amount contained in subsection (b) (and each percentage contained in subsection (a)(2)) shall be increased by the product of—

"(A) such dollar amount (or such percentage), multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins.

"(2) ROUNDING.—If any increase under paragraph (1) in any dollar amount contained in subsection (b) is not a multiple of $10, such increase shall be rounded to the nearest multiple of $10 (or, if such increase is a multiple of $5, such increase shall be increased to the next higher multiple of $10). Any increase under paragraph (1) in a percentage contained in subsection (a)(2) shall be similarly rounded to the nearest multiple of one-tenth of 1 percent."

(d) QUALIFYING CHILD.—Subsection (c) of section 32 of such Code is amended by adding at the end thereof the following new paragraph:

"(3) QUALIFYING CHILD.—The term 'qualifying child' means any child (within the meaning of section 151(c)(3)) of the eligible individual if—

"(A) such individual is entitled to a deduction under section 151 for such child or would be so entitled but for paragraph (2) or (4) of section 152(e), and

"(B) such child has the same principal place of abode as such individual for more than one-half of the taxable year."

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1987.

Page 170, in the table of contents, insert after the item relating to section 812 the following new item:

"Sec. 813. Increase in earned income tax credit.".

In section 602 of the substitute amendment of the Committee on Ways and Means:

Page 249, line 11, strike "(b)(1)(A)" and insert "(b)(1)".

Page 249, line 17, strike "subparagraph (B)" and insert "paragraph (2)".

Page 250, line 3, strike "(B)" and insert "(2)".

Page 250, line 6, 8, 12, and 14, strike "(i)", "(ii)", "(iii)", and "(iv)" and insert "(A)", "(B)", "(C)", and "(D)", respectively.

Page 250, strike lines 18 through 25.

Page 251, strike lines 20 through 23.

Page 251, line 24, strike "(c)" and insert "(b)".

PUBLIC OFFICIALS AND PERSONAL MORALITY, DEPAUW UNIVERSITY CONVOCATION, OCTOBER 23, 1987

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. HAMILTON. Mr. Speaker, I would like to insert a speech I delivered recently at DePauw University, entitled "Public Officials and Personal Morality," into the CONGRESSIONAL RECORD:

PUBLIC OFFICIALS AND PERSONAL MORALITY, DEPAUW UNIVERSITY CONVOCATION, OCT. 23, 1987

1. INTRODUCTION

Nancy and I return to DePauw University with great pleasure.

Although I made more than my share of mistakes here, not among them was my choice of a wife. She is among DPU's finest, and I am especially pleased she is with me today.

My assigned topic is Ethics in Public Office. I approach it with trepidation.

First, I think of my former professors. They would certainly be amused, and perhaps even shocked, to know that their rather undistinguished student had the temerity to return to DPU and comment on either public affairs or ethics.

Second, I think of the public opinion polls. In most surveys of Americans I have seen in recent years, politicians are ranked dead last among the professions for honesty and integrity. Such ratings do not exactly inspire this politician to speak with confidence about ethics anywhere—let alone before this distinguished audience.

Next, I am aware of the feeling that politicians who speak the loudest about ethics in public life are often more pharisee than prophet. As Senator Sam Ervin used to say, when we politicians begin pontificating, it is time for people to hang on to their wallets.

Despite these reservations and risks, I will plunge ahead with the topic assigned to me.

2. OVERVIEW OF RECENT ETHICAL PROBLEMS AMONG OUR LEADERS

Americans are uneasy about morality and ethics in high places. They are concerned about a lack of integrity in our institutions, including government. They look around and see the big money scandals on Wall Street, the political action committee abuses in Congress, the sad story of misdconduct in the Iran-contra affair, and the Praise-the-Lord money and sex scandal.

They wonder whether anyone in charge can really be trusted to do what is right. One constituent asked me recently, "Isn't there any honest official in Washington?" To my distress, he apparently had already resolved the question with respect to his own congressman. His question reminded me of another constituent who began a letter to me with the memorable phrase, "If you were only honest * * *."

Breaches of conduct, abuses of high office, and errors in judgment are not new to the American experience. Yet the recent spate of incidents involving top government leaders and politicians seems unusually high, by any standard:

First, there have been several well-publicized cases of questionable conduct by the major Presidential candidates. Front-runner Gray Hart left the race after allegations he spent the night with a Miami model. Senator Biden dropped out amid charges of plagiarism and exaggerations of the academic accomplishments. Reverend Pat Robertson was found to be covering up the fact that his wife was 5 months pregnant when they got married.

Next, there has been an unusually high number of problems with top cabinet officials in the Reagan Administration. A former presidential advisor, perhaps the President's closest advisor, is on trial for perjury. His defense is alcoholism. The Attorney General is under investigation in the Wedtech defense contractor payoff case. Several agency heads have resigned under clouds of impropriety.

Next, several Members of Congress have been charged with improper activity. One is under investigation for using his office for personal gain, increasing his personal wealth from $15,000 to $2 million after 7 years in the Congress. Another Congressman has been indicted on charges of bank, mail, and tax fraud. Still another was just convicted of graft.

Next, there has been an explosion of cases of corruption of politicians on state and local level. An ex-mayor of a major American city was just indicted on charges of receiving $1.5 million in kickbacks. Investigators have discovered similar kickback schemes in Chicago and New York City. State officials in Florida and Mississippi have been involved in public corruption linked to drug trafficking. The state treasurers in Pennsylvania, New Mexico, and Connecticut were either convicted of bribery or quit under fire.

The overall figures are not pleasant to hear. At least 21 Members of Congress have been indicted in the last decade. Over the last 6 years, more than 100 Reagan Administration officials have been in the news for alleged ethical or legal misconduct—an unprecedented number. During the past 5 years, almost every state and major city has confronted a scandal among its public officials. Last year, the Justice Department obtained more than 1,000 convictions in cases of public corruption.

This kind of behavior has led to a broad cynicism—if not ridicule—among Americans. It has made them uneasy about the health of our system of government.

3. TRYING TO EXPLAIN AWAY THE PROBLEMS

Some try to explain away the problems. They suggest several explanations. Some say that the problems are not more widespread than in earlier years, just more widely reported. For example, John Kennedy's and Franklin Roosevelt's sexual indiscretions were generally shielded from the public when they were in office. Many feel that Gary Hart and others are being judged by standards today that at least half of our previous Presidents would fail.

Some say the presidential candidates, both Democratic and Republican, are so similar on the basic policy issues and so lacking in championing major causes, that we give more attention to factors like personal character.

Some say that the presidential primary process is so long and the investigative power of the media is so strong that we are probing every statement and action of the candidates. They argue that our best investigative reporters are being assigned to each of the candidates to see if they have ever chopped down a cherry tree and lied about it, or cheated on a grade school examination.

Some say that the supporters of candidates bring it on themselves. These supporters hype the candidates to heroic dimensions, creating exaggerated expectations of them. Then when an incident occurs, their image is quickly deflated, and the expectations are shattered.

Some say that tough financial disclosure requirements, unheard of 10-15 years ago, now expose more transactions to public scrutiny, such as gifts, sources of income, and the like.

Some say that the mood of the country—encouraged by our political leadership—is an "enrich-thyself" philosophy, and we should not be surprised if the politicians do just that.

Some say that the politicians just reflect a looser moral climate in America, where sexual indiscretions, selfishness, and "white lies"—though not praiseworthy—are not that uncommon. These politicians, they suggest, are seeking only political office, not sainthood.

4. PROBING CAN GO TOO FAR

Believe it or not, some actually defend the politicians, and argue that this probing into the lives of public officials is just going too far. They say that there is a downside to our search for "ethically pure" candidates. They argue that we are passing up people who could be fine national leaders, and may be driving many excellent candidates from the field because of worries over the loss of privacy and dignity. A friend of mine says that we have now reached the point where politicians like Sam Nunn or Mario Cuomo could actually diminish their stature by running for President. If those who have nothing to hide decide that running is really not worth all the aggravation, then our system is not working properly.

Foreigners are appalled with the way Americans dig into the private lives of their leaders. They say that it is excessive and counterproductive, and feel that many of our "scandals" have been much ado about nothing.

The intense focus on candidates' personal lives often slights their policy positions on the key issues of the day. The articles in the press on Gary Hart and Donna Rice were much longer (and probably more avidly read) than the articles on Gary Hart and his views on military reform, one of his major campaign themes.

I found most people were uneasy, if not opposed, to the tactics used by the media in the Hart case. Staking out a candidate's home, trailing his car, and rushing a delicate story to meet a newspaper deadline seem extraordinary measures in monitoring a candidate's behavior.

5. DEMOCRACY REQUIRES HIGH ETHICAL STANDARDS

Yet despite these explanations, my view is that, overall, these "ethics questions" are important ones to ask. One can compellingly argue that, because these questions are asked, national politics today may actually be cleaner than it was 30 or 40 years ago: After all, our standards of accountability are higher; broad financial disclosure is now required; the political process is more open; and the level of public scrutiny is much higher.

This tough scrutiny into the lives of high public officials is important, because our system does not work unless high ethical standards prevail in government. While not every action of the candidates should be open for public scrutiny, the public does have a legitimate interest in activities that could impair the ability of candidates to carry out their official duties or which would bring discredit on the institutions of government.

The misconduct of any government official reflects on all government officials, even those who, often under the most difficult circumstances, have conducted themselves according to high ethical and professional standards. Such standards are appropriate for all public officials, but especially for those seeking the office of the presidency, because the presidency stands at the center of our government. The President, after all, sets the moral tone for the nation.

In many of the cases of misconduct, the problem is not just the initial action, but the cover-up and deception that flows from it. Thus the issue often becomes one of judgement, which bears upon an officeholder's ability to perform his duties: If someone covers up that his baby was born 10 weeks after he was married, will he cover up other things? If a candidate cannot be honest with his spouse and faithful to his marriage vows, will he be honest with the American people?

Moreover, one of the major lessons of the Iran/Contra hearings is that dishonesty and deception lead to bad policy. During the testimony we heard people claim that the ends justify the means, that lying to Congress and to the American people is OK, that laws are often impediments to goals, and could be disregarded, that key documents could be withheld, shredded, or altered, that it was all right to say one thing to our major allies in public, and do just the opposite in private. Such attitudes guarantee policy failure.

Lying and deception about our sales of arms to Iran led to confusion and disarray at the highest levels of govenrment; required sensitive diplomatic negotiations to be conducted by inexperienced negotiators with financial interests of their own; did not produce the results we wanted in the Middle East, and provided the Soviets with new opportunities; undermined our credibility with our key allies; and harmed the President's ability to gain and sustain Congressional and public support for his policies.

The damage can be long-lasting. Public opinion polls continue to indicate that the American people think that the President is covering something up, long after the Committee found otherwise.

So often during the hearings I was reminded of President Jefferson's statement: "The whole art of government consists in the art of being honest." This point was eloquently made several times by Secretary of State Shultz, who reminded us that "trust is the coin of the realm".

Our government presupposes honesty and high moral standards by our leaders. The Constitution and the rule of law work if we understand them, and if those in public life practice prudence, discretion, and honesty.

So unethical behavior undermines the proper functioning of government. It also undermines public support for our democratic institutions. Public opinion surveys indicate that the public's lack of trust in elected officials is a major reason for the low voter turngut in recent elections. Without trust in those who hold high office, democratic government just does not work.

6. LIMITATIONS OF THE LAW

Some suggest that changes in the law will resolve our concerns. Such changes may on occasion be appropriate. But the law alone cannot guarantee the proper functioning of government. No matter how carefully we draft the law, no matter how precisely we structure our democratic institutions, and no matter how meticulously we set up the checks and balances, if we do not have people with high standards operating in positions in leadership, the results can still be disastrous.

Our Founding Fathers were not embarrassed to talk about virtue. They clearly recognized that no matter how well-structured government is, it won't work unless the offices are held by people of virtue. They were concerned that public officials possess a "disinterested attachment to the public good, exclusive and independent of all private and selfish interest." They recognized that our country must have a strong moral basis if it is to succeed.

James Madison noted that our representative system of government works when we have leaders "whose wisdom may best discern the true interest of their country, and whose patriotism and love of justice will be least likely to sacrifice it to temporary or partial considerations."

Because of these limitations of law, there is a major responsibility on our leaders to provide the proper climate for good conduct.

7. HIGHER STANDARDS OF ACCOUNTABILITY

I have come to the view that we should apply a higher standard of accountability to those seeking public office than to those in private life.

Are we thus applying a different standard of morality to public officials? In one sense, no. The kinds of standards we apply to public officials—such as veracity or fidelity—obviously apply to other people as well. However, because top government officials have both visibility and influence, my feeling is that we probably do, and should, apply a higher degree of accountability to their conduct. We are right, it seems to me, to expect that our leaders will exercise good judgment and candor in both their public and private lives.

This greater accountability is particularly important in our system of government where trust between those who govern and those who are governed is essential. I find that my constituents want their political leaders to possess sound character, virtually above any other trait. For many, and I think perhaps for most Americans, an individual's character is more important than his or her specific stances on the policy issues.

The line between the public's right to know, and the candidate's right to privacy cannot be drawn with precision. But it is appropriate, it seems to me, to know a great deal about a candidate. If we have confidence in the integrity of our leaders, our democracy is enhanced. Higher standards of accountability lead to a more successful democracy.

8. IMPROVING THE APPEAL OF GOVERNMENT SERVICE

Perhaps our efforts to improve moral standards in government are too one-sided. We focus our efforts on trying to "push out" of the process those whose standards of conduct do not quite measure up. This is, unfortunately, necessary at times.

But to improve these standards in government we must also try to "pull in" to the process, Americans of fine character and sound judgment in both public and private matters. We need a "supply-side" approach, as it were.

We have an enormous pool of talented individuals with high standards in this country. No doubt many of them are turned off to a career in public service. They are, quite understandably, concerned about pleading with special interest groups to get the enormous sums of money needed to run for office; enduring harsh, negative campaigning and personal attacks; hearing their job portrayed as "dirty", and downgraded even by other politicians; deserting their families for the long months of running for elected office; answering questions from the media which poke and pry into every aspect of their personal lives; and having their real contributions ignored, while their minor mistakes are magnified. These factors work against drawing good people into government service. We must work to reduce them, and show that public service can be honorable.

Among other things, we should improve job incentives to attract top people. For example, Howard Baker, when he agreed to become President Reagan's chief of staff, accepted a salary less than 10 percent of what he was making in the private sector. At the same time he greatly increased his working hours and exposed his private life to rigorous press scrutiny. We can applaud such public-spiritedness, but the hassles and low pay are taking their toll in attracting top people into government service.

Changing the major disincentives to public service in the American political system will certainly not be easy. But we must strive to make a career in politics and government service appealing and honorable. This is especially true during the current period when many people are asking why anyone in their right mind would ever want to submit themselves to the hounding and the scrutiny.

As individuals, we must show our top candidates and officials, even while we scrutinize them, that we will not rush to judgment about their conduct, and that we will treat them fairly, with compassion, and with gratitude for their willingness to enter public service.

In the words of our Founding Fathers, we must draw into politics people of virtue. If we do not succeed in doing this, we place in jeopardy our future. Government, like many other institutions, is only as good as the people who comprise it.

9. CONCLUSION

I would hope that DPU would join the ranks of those institutions which encourage their students to go into public service. Those of us in this room have been fortunate to attend a fine liberal arts school like DePauw. Our best hope for addressing many of our nation's problems is men and women who possess the finest qualities of a liberal arts education. What disciplines, if not the liberal arts, will better cultivate the imagination, lengthen the perspective, sober the judgment, broaden the sympathies, and give direction and purpose.

If I asked this audience about career plans—how many are planning to enter politics or government service—my guess is that very few hands would be raised. Too many, understandably, see it as a career of compromises, inadequate rewards, high risks, and little privacy.

Politics is a hazardous business. A politician can do a lot of harm to his countrymen; but he can also do a lot of good. Nothing is so essential at a time when people are uneasy about the ethics of government officials and when the country confronts so many enormous challenges, than that the best men and women should be encouraged to accept the responsibilities of public service. If we are going to improve the performance of government, we will need in public service people of the highest professional and ethical standards.

Our system of government works only if it enjoys respect and trust. The place to begin is with ourselves. Each of us must seek to restore in our own lives a sense of the common good. Each of us must worry less about what happens to ourselves and to the organizations we cherish, and focus more on how to advance the common good.

But we are also right to insist on high standards for our public officials, and to subject them to rigorous scrutiny. We need a government that attracts the best and the brightest among us to serve, exhibits the highest standards, and is a source of national pride.

Achieving these goals is a formidable challenge. But fortunately, a large reservoir of decency still exists in America, both within the government and among our citizens. Benevolence, order, and trust are what make our society work. Reinforcing these virtues is not just important. It is essential for our future.

PROMOTING DEMOCRACY IN HAITI

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. LAGOMARSINO. Mr. Speaker, I want to take this opportunity to express my concern about the violence and obstructions to the democratic process occurring in Haiti. All of us in the Congress wholeheartedly support a peaceful transition to democracy in Haiti and want to see elections take place that are fair, honest, and representative. It is not clear to me, however, how we can best accomplish that objective.

In all fairness to the administration, the record should show that the State Department was fully agreeable to appear before the Subcommittee on Western Hemisphere Affairs. They asked, however, that their assessment be given in a closed hearing, not in open session. They believe, and I agree with them, that a public dissection of the problems affecting the work of the CEP [the election council] would not be productive to advancing the work of the election council. There are problems both within the electoral commission and the provisional government; but the administration correctly states that the future of Haiti has to be determined by the Haitians themselves. Also, calling attention in a public forum to the problems of the democratic institutions we are trying to promote away from their own efforts to solve their own problems.

I am seriously concerned about the continuing predisposition in the Congress to second-guess the administration and to become involved in the micromanagement of our foreign policy. It seems to me that the subcommittees hearing on Haiti is intended more to berate the administration than to find a workable, joint cooperative approach to the problems of promoting democracy in Haiti.

"OUR NUCLEAR PROGRAM IS NOT WEAPONS-ORIENTED"

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. DREIER of California. Mr. Speaker, I wish to bring to my colleagues' attention a letter, "Our Nuclear Program Is Not Weapons-Oriented," which appeared on the editorial page of the Washington Post on Friday, November 13. Mr. Jamsheed K.A. Marker, the Pakistani Ambassador, counters the objections of some Members of Congress to granting Pakistan an exemption from the 1976 Symington amendment. This law prohibits U.S. aid to countries trying to acquire or develop nuclear arsenals. Pakistan's special exemption expired on September 30 and needs to be reinstated if critical United States assistance to Pakistan is to resume. Pakistan's role in assisting the 3 million Afghan refugees has been an invaluable contribution to the cause of freedom in neighboring Afghanistan.

In light of the expected debate over this important issue in the days ahead, I urge my colleagues to give careful consideration to the Ambassador's arguments in favor of a new exemption. At this point, I would like to insert into the CONGRESSIONAL RECORD Ambassador Marker's letter.

"OUR NUCLEAR PROGRAM IS NOT WEAPONS-ORIENTED"

If the objective of Sen. John Glenn's article ["Pakistan's Bomb and the Mujaheddin," op-ed, Nov. 4] was merely to castigate Pakistan, then further comment is unnecessary, as he appears to have done a thorough job. If, however, his objective, as I believe it to be, was to address the serious issues of nuclear nonproliferation and of international security, then I may be permitted to submit a modest contribution to the debate.

In the first place, I would categorically refute the four assumptions with regard to Pakistan's nuclear program, which Sen. Glenn quotes on the basis of "reliable news reports," and I would wish to reassert, as I have done before, that our nuclear program is not weapons-oriented, and that we are prepared to accept any form of safeguards that are nondiscriminatory, particularly in the regional context.

It is necessary to recognize, as most realistic political observers have already done, that the purpose of genuine nonproliferation in South Asia can only be accomplished through a regional approach and not by unilateral assaults on the sovereignty of Pakistan. The prime minister of Pakistan, Mohammad Khan Junejo, speaking at the summit meeting of the South Asia Regional Cooperation at Katmandu, Nepal, on Nov. 2, proposed a joint renunciation of the nuclear option as a binding instrument for the countries of the region, and further suggested a regional agreement pledging a comprehensive ban on nuclear testing. These are statesmanlike proposals that combine broad vision with practical measures and characterize Pakistan's approach to this important issue.

So far as Afghanistan is concerned, Pakistan took a position of principle well before the aid package was negotiated with the United States. Under the circumstances, Sen. Glenn's assertion that Pakistan is hostage to the 3 million Afghan refugees who have taken shelter on its soil is a less-than-generous interpretation of events. I can only say that if, during the dark era of European fascism, some of the Western democracies had in their comfortable affluence displayed the same spirit of collective humanitarianism that an impoverished and embattled Pakistan has today demonstrated in absorbing more than 3 million Afghan refugees, then perhaps many lives might have been saved, and there would have been some historical mitigation for that dark era.

One final observation: Sen. Glenn, in his charitable wisdom, might be able to overlook India's considerable stockpile of unsafeguarded plutonium. We in Pakistan, unenviably situated in the vicinity of three nuclear states, and having lived since 1974 under the shadow of an Indian nuclear explosion, are necessarily less sanguine.

JAMSHEED K.A. MARKER,
Ambassador of Pakistan.

HOW NOT TO REDUCE THE DEFICIT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. MILLER of California. Mr. Speaker, the joint congressional-administration negotiations are developing plans for a substantial reduction in the deficit in the next year, and I strongly support those efforts.

There is no question that there are many areas of the budget which require review and reduction. But we must also recognize that not all portions of the budget are equally wasteful or excessive. That is why the simple solution—an across-the-board cut, like that mandated by the Gram-Rudman law, or an across-the-board freeze of all Federal programs, is shortsighted and counterproductive.

If there should be one guiding principle for where the budgetary scalpel should not cut, it should be in the area of investment in the future of this country. And the most critical area of investment should be children, especially those children at high medical risk; the handicapped children who need special education and rehabilitation; the children who need foster care services; the children who are the victims of child abuse and neglect.

We know, from the extensive record developed by the House Select Committee on Children, Youth and Families, which I chair, that these investments not only produce healthier, safer, better educated, more stable, and more productive children: they save taxpayers billions of dollars in remedial education, health care, job training, juvenile justice, and other costly services that result from ignoring the needs of the next generation of Americans.

As a result of the incontrovertible proof of the cost effectiveness of these progarms—WIC, Head Start, Prenatal Health Care, Maternal and Child Health, Chapter I Education, Child Welfare Services, to name but a few—the Committee for Economic Development, which includes many of the Nation's leading businesspeople, has strongly endorsed preventive investment in children.

And today, in its second major editorial on the subject, the New York Times again emphasizes the ill wisdom of cutting back cost-effective preventive programs for children.

THE LAST PLACE TO CUT THE BUDGET

White House and Congressional negotiators are still struggling to reduce the budget deficit in fiscal 1989 and 1990 by Friday, when the Gramm-Rudman-Hollings law requires automatic cuts. They search for the courage to touch politically untouchable programs like Social Security.

There's another way for the negotiators to demonstrate political courage—and sense: by seizing on the opportunity to save money in fiscal 1992, 1993 and beyond. How? By preserving the modest gains in programs that benefit poor children today.

In a just society, helpless poor people have a special claim on public resources; the Reagan Administration agrees, at least in principle, asserting concern for "the social safety net." Programs like food stamps, Medicaid and welfare cry out for protection. And among the helpless poor, none have a higher claim than children.

It's no secret that many of America's children are in distress; more than 20 percent are now growing up poor. Yet society knows how to do something about it. There are several child health and education programs, tried and true, that overcome some of poverty's worst effects.

Consider the programs providing prenatal services to low-income women. A dollar spent on such services saves $3.38 in the cost of care for low-birth weight infants. It's easy to understand why: *every day* such babies spend in intensive care costs $1,000. Every dollar spent on comprehensive prenatal care for Medicaid recipients saves $2 in care during a baby's first year.

Providing an enriched preschool experience through Head Start can increase later school success for a disadvantaged child. It can also sharply increase the chances of joining the work force and sharply reduce the chances of turning to crime.

Congress has already recognized that spending a little more to help disadvantaged children in their earliest years saves millions later. It has voted modest increases for programs including Head Start, WIC (Women, Infants and Children), prenatal care and remedial education. Yet even with those modest increases, the programs typically reach less than half of those eligible.

Now even those modest increases are threatened by the budget compromise as negotiators seek to cut nearly $3 billion in domestic non-entitlement programs. The deficit must be reduced, and credibly. Domestic programs will necessarily suffer. But cutting cords in the safety net is an offensive way to do the job—and reducing programs for children is an indefensible way.

At a time when less than half of all the eligible, needy children are able to receive these services because of inadequate Federal support, it is unconscionable to offer them up for sacrifice in the budget process. Any funding which might be saved in 1988 would be lost in far higher costs for years to come.

That is not only bad social policy but bad budgeting to boot. If we cannot appeal to reason and compassion as guiding principles of budgeting, at least let's fall back on good economics and support programs that invest in the future of America's children, and save billions of dollars in avoidable human and fiscal costs.

A MONUMENT TO HONOR HOLOCAUST HERO RAOUL WALLENBERG IN WASHINGTON, DC

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. LANTOS. Mr. Speaker, with over 80 of my distinguished colleagues in the House—including my cochairman of the Congressional Human Rights Caucus, Congressman Porter of Illinois; our majority leader, Congressman Tom Foley of Washington; the minority leader, Congressman Bob Michel of Illinois; the majority whip, Congressman Tony Coelho of California; the minority whip, Congressman Trent Lott of Mississippi—I have introduced House Joint Resolution 403 to authorize the establishment of a monument honoring Raoul Wallenberg, the hero of the Holocaust, in Washington, DC.

As has been the practice, the cost of erecting this monument will be paid through private contributions. A committee to raise funds for this project has been established under the able direction of my dear friend Gordon Zacks. A nationally known civic leader, philanthropist, and busifess executive from Columbus, OH, Gordon was an early supporter of the effort to make the story of Raoul Wallenberg known. I can think of no one better qualified to take the leadership of this important project.

Mr. Speaker, it is most fitting and appropriate that Raoul Wallenberg be honored with a monument in our Nation's Capital since the United States was very much involved in sending this outstanding hero of the Holocaust to Hungary to perform his mission of mercy. In 1944, Secretary of State Cordell Hull requested the cooperation of the neutral government of Sweden in protecting the lives of Hungarian Jews who were facing extermination at the hands of the Nazis. Later that summer, Raoul Wallenberg agreed to assist the United States, and he went to Hungary as secretary of the Swedish legation in Budapest. The United States provided the funds which enabled Wallenberg to carry on his activities there.

In recognition of the greatness and uniqueness of Raoul Wallenberg's actions, both Houses of Congress adopted legislation proclaiming him an honorary citizen of the United States—the second individual after Sir Winston Churchill to be so recognized.

Mr. Speaker, we are honoring a hero in an age which is so profoundly devoid of heroes, a man who voluntarily assumed a daring and dangerous assignment. Many become heroes when heroism is thrust upon them. But Wallenberg went out of his way, leaving behind the comfort and affluence, the safety and security of Stockholm to go to Budapest.

During that whole dark nightmare, no one else so directly and so successfully confronted Nazi cruelty. No one else had the audacity to follow the death marches, to jump in front of guns leveled at Jews, to pull people off deportation trains. Raoul Wallenberg not only saved 100,000 lives, he saved our faith in humanity.

In history, one can find many men who have killed 100,000 people. But how many have saved 100,000? Wallenberg has shown us that one individual—motivated by a genuine and personal concern for human rights—can face evil and triumph; that one person alone can make a difference; that there are genuine heroes to illuminate our age.

Mr. Speaker, a monument to honor such a man here in our Nation's Capital is most appropriate. I urge my colleagues to join in cosponsoring the legislation.

A SALUTE TO A LABOR LEADER

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mrs. BENTLEY. Mr. Speaker, in the 1920's a German filmmaker named Fritz Lang directed the great silent picture "Metropolis." It was a futuristic fantasy—an attempt by those in another era to predict the way things are in our day—yet it captured an idea which looms just as tall in its importance today as it did 60 years ago. The picture centers around a violent labor dispute, one which is solved in the end when it is agreed that the "head"—management—must learn to work with the "hands"—the workers—or else the body as a whole cannot function.

I mention this old film because Albert Poremski, a man who truly embodies the simple ideals it espouses, was given a very high honor last month by the Port Committee of the Baltimore Junior Association of Commerce. He was named as Port Leader of the Year, an award which many captains of the maritime industry as well as other influential people have received in the past. However, the fact that Albert Poremski has won this distinction is truly unique, for he is the first labor leader to become the Port Leader of the Year.

Mr. Poremski is vice president of Local 333 of the International Association of Longshoremen and president of the ILA's Baltimore District Council. He has indeed worked hard for labor, yet he has also, in the words of an admirer, "worked his tail off to promote the port." Albert Poremski preaches unity and cooperation between his union and management, for he rightfully knows that these are qualities that are necessary if the great Port of Baltimore is to grow into the maritime capital it once was.

Mr. Speaker, Albert Poremski is a man of vision. He sees labor and management as separate entities, yet he also sees their relationship as being symbiotic as opposed to adversarial. One can't last without the help of the other, and it takes a wise man to see this.

Therefore, I would like to salute Albert Poremski and his ground-breaking achievement. He truly understands the need of the hands to cooperate with the head. Not only will each benefit in the long run, but the magnificent body that they both make up—the Port of Baltimore—will continue to thrive and grow as a result of Albert Poremski's leadership.

Congratulations, Mr. Poremski, for a job well done.

PLAN DEMORALIZES OPPOSITION

HON. JON L. KYL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. KYL. Mr. Speaker, Richard Lessner of the Arizona Republic is one of the most respected editorial writers in the country. His consistently thoughtful and balanced writing has helped make the Arizona Republic one of America's best newspapers.

Mr. Lessner recently accompanied me to Nicaragua where we monitored Sandinista compliance with the democratization process as prescribed by the Guatemala accords. An editorial written by Mr. Lessner, a copy of which I personally gave President Reagan, perfectly sums up the situation in that country, and I request that it be inserted into the Record.

Plan Demoralizes Opposition

(By Richard Lessner)

Managua.—Perhaps the greatest irony of Costa Rican President Oscar Arias's Nobel Prize-winning peace plan is that it is viewed so much more optimistically in Washington than here.

Nicaragua's political opposition has been thoroughly demoralized by the Esquipulas Accord, as the plan is called locally. Though having to support the plan publicly, opponents of the regime privately view it as a disaster. As for the government's limited compliance with it, it sees this as a ruse meant to halt U.S. aid to the *contras.*

While crities of the Reagan administration in Washington regard continued funding for the *contras* as the last remaining obstacle to full implementation of the Arias plan and the dawn of democracy in Nicaragua, the opposition here believes that sustained U.S. support for the democratic resistance is essential if the process of democratization is to proceed beyond the cosmetic concessions that the Sandinistas grudgingly have yielded up.

Opposition leaders say privately that the intensifying military and economic pressure created by the contras' guerrilla war—not world opinion, not moral indignation, not political persuasion—has been the crucial factor in driving President Daniel Ortega to the bargaining table. A suspension of aid to the *contras,* these leaders are convinced, ultimately will doom the plan.

Meanwhile, the *commandantes* are winning the public relations war. On Sunday, five Republican congressmen led by Arizona's Jon Kyl marched through the streets here with hundreds of anti-Sandinista demonstrators.

The feared secret police, the DGSE, watched from the sidelines, doing nothing directly to disrupt the anti-government demonstration. (They were, however, careful to photograph the demonstrators for later interrogation and intimidation, the more subtle forms of repression that Nicaraguans endure daily in this evolving police state.)

The effect was just what the Sandinistas intended, Robert White, ambassador to Nicaragua under Jimmy Carter and a voluble opponent of U.S. aid to the *contras,* observed as he watched the march that the demonstration was clear evidence that Ortega was entirely sincere about complying with the Arias plan.

With the world watching, however, it was hardly likely that a peaceful and legal march joined by five U.S. congressmen would be attacked by DGSE thugs, as had happened to demonstrators a week earlier. Yet unskeptical apologists such as Ambassador White will view the march as evidence that the Sandinistas are moving hurriedly toward democratic reform.

The Sandinistas' political opponents here cannot by law advocate support for the *contras.* But in the code that everyone must employ they make clear that the Arias plan is viewed as a pretext to remove the armed opposition, allowing the *comandantes* to resume more overt repression.

In its own way, the opposition pleaded with visiting congressmen not to abandon the *contras,* but to maintain the military pressure on the Sandinistas. It is understandably jittery. On the basis of ample precedent, the oppositon fear that the Arias plan is merely an excuse for the United States to abandon it.

Unfortunately, many in Congress appear more eager to listen to Comandante Ortega's disingenuous drivel, not to mention the self-congratulatory flummery of those who prize peace at the expense of freedom, than to heed the pleas of Nicaraguans who daily confront a Marxist-Leninist police state with their courage.

FAIR WINDS AND FOLLOWING SEAS FOR CAPT. FRED P. MOOSALLY

HON. BOB McEWEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. McEWEN. Mr. Speaker, Capt. Fred P. Moosally will be leaving his position as director of the Navy/Marine Corps House Liaison Office this week. Captain Moosally has been selected to command the battleship, the U.S.S. *Iowa.* He has done an extraordinary job for the Members of the House of Representatives, and if his performance as director in the House is any indication of how he will do on the *Iowa,* Captain Moosally will be a shining example for all junior officers in the U.S. Navy.

House of Representatives,
Washington, DC, November 18, 1987.

Capt. Fred P. Moosally,
Director of the Navy/Marine Corps Liaison Office, Department of the Navy, Washington, DC.

Dear Fred: This is just a note to express my personal appreciation for the many courtesies which you have extended to my office during your tenure as Director of the Navy/Marine Corps House Liaison Office.

Your dedication and commitment to the Navy and the Congress of the United States were consistently demonstrated by your willingness to always get the job done—no matter how small or large the task may have been. Moreover, it comes as no real surprise to those of us who know you and your reputation that you have been selected to command the battleship IOWA. In my view, this assignment symbolizes the faith which the Navy and I share in your leadership abilities.

It gives me great pleasure to join with your family and many friends in extending my heartfelt congratulations and to wish you "fair winds and following seas" on the IOWA.

With warmest personal regards,
Sincerely,

Bob McEwen,
Member of Congress.

THE 60TH BIRTHDAY OF SANTA BARBARA BILTMORE

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. LAGOMARSINO. Mr. Speaker, I rise to call the attention of the Members to the Santa Barbara Biltmore's 60th birthday celebration. The Biltmore, established on December 16, 1927 has become a symbol of tradition, grace, and charm along the California coastline and an international destination for travelers around the world. The hotel has hosted European royalty, American Presidents and First Ladies, in addition to a long list of State officials.

Fritz Koeppel, general manager of the renamed Four Seasons Biltmore promises to carry on the legacy of this fine resort as he hosts this gala 60th birthday celebration.

At this time I would like to extend my congratulations to the Santa Barbara Biltmore on its 60th birthday on behalf of the U.S. House of Representatives.

HUMAN RIGHTS SITUATION IN AFGHANISTAN

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. DREIER of California. Mr. Speaker, I wish to congratulate the Independent Counsel on International Human Rights on the completion of a timely and poignant report on the human rights situation in Afghanistan. It is important to note that this organization is an independent ad hoc multinational panel of experts in international law. In particular, members of the group are scholars who have special expertise in the law of international human rights, especially humanitarian law. This panel of experts determined that a series of visits to the region was necessary to insure a full and fair analysis of the status of the protection of human rights in Afghanistan. The Independent Counsel wrote to the government in Kabul on May 18, 1987, requesting permission to visit Afghanistan in order to continue their investigations inside the country. Not surprisingly, the report states that they have not yet received a response to their letter.

I have reviewed the "Report of the Independent Counsel on International Human Rights on the Human Rights Situation in Afghanistan" and found their conclusions alarming and convincing. I recommend that my colleagues review these conclusions—including evidence of genocide taking place in Afghanistan—and commit themselves to the cause of freedom for the Afghan people.

As a member of the Congressional Task Force on Afghanistan, I have been actively involved in promoting United States assistance for the Afghan mujahedeen and raising the issue of Soviet aggression in the 8-year-old war. Of special concern to me is the targeting of Afghan women and children by Soviet and Afghan Government troops. I would like to insert into the CONGRESSIONAL RECORD the segments of the Independent Counsel report dealing with the unlawful use of weapons—or the so-called toy bombs—which are specifically designed to injure innocent Afghan children. Mr. Speaker, the following segment is the first of a series in which I will provide our colleagues with the entire report:

BOOBY-TRAPS

55. Throughout its investigations the Independent Counsel was presented with testimony concerning the use of booby-traps by Soviet forces against the civilian population. The placing of mines, grenades and other explosives in positions where such explosives are calculated to or would reasonably be expected to cause injury to civilians and not to combatants is in violation of Common Article 3.

56. Dozens of witnesses told stories of returning to their villages and homes following attacks by Soviet soldiers to find bombs and grenades placed in doorways so as to explode when a door is opened, along paths to fields and by plants and bushes which will be collected for firewood and food. Therefore, in addition then to the random placing of uncharted land mines and the aerial dispersal of anti-personnel mines, the Independent Counsel received evidence of the intentional placing of explosive material where it was calculated to cause injury to civilians when they returned to their homes following an attack.

57. Besides the classic booby-traps described briefly above, it has been alleged that "toy bombs", i.e., explosive material in the form of children's toys, cassette recorders, pens, radios, watches, cigarette packets, etc. have been left scattered throughout villages and surrounding fields following armed attacks by Soviet troops. The Independent Counsel heard repeated testimony of the use of such weapons. The items included a small red doll which exploded when pushed with a stick (which was filmed and shown on national television in the USA), pens, tape-recorders, money, naswar boxes (a form of snuffbox) and cigarette packets. The accounts were consistent but not identical, which adds to their credibility. So, for example, the descriptions given of the "cassette recorders" varied but the eyewitnesses were certain that what they had seen was supposed to be such a machine. It was clear from the detailed description of the pens that they were not being confused with "time pencils". The overwhelming evidence suggests (1) the fake items are designed to be attractive to civilians; (2) not all objects are fake—some of the objects, such as pens, are real to increase the likelihood that someone will investigate and handle the objects; and (3) the items are not likely to be attractive to the mujahedeen, who know of the likely dangers.

WHEN LOBBIES PREVAIL

HON. MICHAEL G. OXLEY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. OXLEY. Mr. Speaker, the following article appeared in the November 12 edition of the Washington Times. In it, columnist Georgie Anne Geyer quite accurately portrays the damaging effects on our foreign policy when lobbyists become too powerful. Ms. Geyer points out that the Republic of Turkey has long been taken for granted as one of the most strategic United States allies; yet anti-Turkish lobby groups have consistently opposed the formation of a stronger United States-Turkish alliance. This is but one of many examples where special interests have prevailed over effective national policy.

Mr. Speaker, I strongly encourage my colleagues to read this article and reflect on the consequences of this practice.

WHEN LOBBIES PREVAIL

(By Georgie Anne Geyer)

Here, dear reader, is a diplomatic primer on American strategic interests around the Mediterranean:

The United States has three major NATO military partners: Spain, Greece, and Turkey. Spain is demanding that American troops be withdrawn from Spain; Greece is in the hands of violently anti-American socialist Andreas Papandreou, whose virtually every act is against American interests; and Turkey consistently and honorably fulfills American needs in the area.

Turkey, therefore, should be rewarded, no? No.

In the past, Washington administrations have always taken Turkey for granted, but now the American response to Turkey has become so insulting and even so absurd that one wonders what will come next. Turkey, the most valuable American NATO ally in the near East, has become the symbol of what we might call the new American "Cost-Free Diplomacy."

What has happened in the last nine months?

Last March, the two countries' Defense and Economic Agreement came up for automatic renewal. On March 16, the two foreign ministers signed an agreement for another five years, with the understanding that the U.S. administration would propose to the Congress security assistance to Turkey commensurate with Turkey's critical role in NATO. The U.S. administration proposed $913 million in aid to Turkey, which is minimal, given Turkey's position on the Russian and Iranian borders.

But, in Congress, the House Appropriations Committee immediately lowered the amount to $490 million and then topped that insult with two outrageous new conditions: In what is called the "7-10 ratio," for every $10 given to Turkey, $7 must be given to Greece. Also, assistance funds to Turkey were attached to the withdrawal of Turkish troops in northern Cyprus.

This becomes even more curious when one realizes that Turkey has fought terrorism, whereas Greek Prime Minister Papandreou was recently accused by the U.S. ambassador to Athens of aiding terrorist chief Abu Nidal.

It becomes even more curious when one pauses to recall that it was the Greek Cypriots in the south in 1974, and not the Turkish minority in the north, who started the nasty little war that brought in the Turkish troops to protect the Turkish population there against the Greek Cypriots.

So the Turkish diplomats are understandably angered at being told that the "Greek lobby" prevents Congress from legislating anything other than what the lobby — and, thus, the anti-American Mr. Papandreou — wants.

"There are 5,000 Greek restaurants in America and almost no Turkish ones," one American congressman told a leading Turkish diplomat recently. What he was referring to is the Greek lobby, largely formed around the American-Greek community's AHEPA, or American-Hellenic Educational Progressive Association. Its influence, whether in terms of sympathy, pressures or campaign contributions, is demonstrated in its anti-Turkish campaigning, which can only weaken the defense of the Western alliance.

The decision on Turkish aid is still to be made. Sometime soon, probably in November, the Senate and House Foreign Operations subcommittees will meet to decide the amount of military aid that Turkey will get—and, thus, with the 7-10 ratio, what Greece will get.

"Any action regarding Turkey is costfree," said Turkey Ambassador Sukru Elekdag, who has worked doggedly to improve American-Turkish relations. "That is why we are so cavalierly treated." I am afraid he is right.

The Turkish situation is yet another example of minority rule on foreign policy in this country. It is not a question of which countries or leaders perform in the interests of this country; it is a question of what effective pressures one small interest group or its leaders can apply on an ever-more supine Congress.

The Turkish example shows that in even more parts of the globe, our foreign policy is being ruled by ethnic ego, by narrow national hatreds born hundreds of years ago, and by archaic and anti-universalist principles. Ironically, those imperatives were just what the United States of America, that "New World," was formed two centuries ago to escape.

PRIVATE PENSIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, November 11, 1987, into the CONGRESSIONAL RECORD:

PRIVATE PENSIONS

A Member of Congress expects to be asked questions about social security retirement benefits. What impresses me lately is the number of comments I hear about private pensions. Until recently, I had received only occasional complaints about private pensions. But now I hear that many have inadequate or unreliable pensions.

Many Americans are worried about the effect of the stock market crash on their pensions. Yet losses in most pension funds only put them back to where they were six months ago. The real troubles in private pensions existed long before the stock crash. One big problem is that nearly half of all workers are not covered by private pension plans. The number of persons with private pensions has actually declined since 1980. Coverage is strongest in manufacturing companies, but more and more Americans work in smaller, service-oriented businesses less likely to offer pensions. In an economy increasingly sensitive to world markets, workers change jobs more often and do not stay in one company long enough to earn pension benefits.

The adequacy of pension benefits is another concern. Americans are living longer, but retiring earlier. Retirees are often forced to spread what benefits they have over a longer period of time, receiving less each year. Even those receiving fixed annual benefits are seeing their pensions erode. Few private plans offer cost-of-living adjustments, and as retirement grows longer, inflation takes a heavy toll. Encouraging people to save more and plan for inflation is good advice, but hard or even impossible to carry out.

The most pressing problem for Congress is a mounting deficit at the Pension Benefit Guaranty Corporation (PBGC), the federal insurance agency for private pensions. The law requires that employers who offer pension benefits must meet minimum funding standards and insure their plans with the PBGC, so that workers receive most of their anticipated pensions, even if the company falls on hard times. Although the PBGC has always faced a gap between its assets and liabilities, its deficit has skyrocketed in recent years, particularly after the collapse of the steel industry. Generous pensions promised to steelworkers during boom years are coming due in less prosperous times. Together with increased foreign competition, heavy pension obligations forced some companies into bankruptcy, terminating their pension plans. Those plans are now the costly wards of the PBGC. In 1986, the bankruptcy of the LTV steel corporation alone added $2.2 billion to the PBGC's deficit, which is now about $4 billion. If bankruptcies and pension plan terminations continue at their current rate, the PBGC deficit could rise to $16 billion in 1996.

The current crisis dates back to enactment of the Employee Retirement Security Act (ERISA) in 1974, which established the PBGC. At that time, lawmakers agreed to insure the large liabilities already built up in many pension plans—without levying a premium on participants high enough to cover the risk. Although the premium has risen from its original level of $1 per worker per year to $8.50, the PBGC is still not equipped to assume liabilities arising from major industry downturns.

In addition, loopholes in ERISA have permitted chronic underfunding of pension plans. Financially troubled companies can waive ERISA's minimum funding requirements. Unscrupulous firms can exploit loose funding rules and remain within the letter of the law. Consequently, the amount of unfunded liabilities dumped on the PBGC has been larger than anticipated, further straining its resources.

Conversely, some pensions are overfunded, due to unexpected returns on investments. Curretly, ERISA requires that all money in a pension fund must be used to benefit workers, unless the plan is terminated. Companies with overfunded plans are tempted to terminate their pensions, pay off workers and retirees, and take the surpluses. Workers suffer because they cannot earn additional benefits if a successor plan is not established, and retirees are stuck with frozen benefits.

The federal government has begun to respond to the mounting problems in private pensions. Congress is likely to enact measures to strengthen ERISA this year, including forcing companies to increase funding of their pension plans, raising the basic PBGC premium, and assessing an additional premium on companies that underfund their plans. However, controversy surrounds the President's proposal to permit companies to withdraw surpluses without terminating their plans, as long as enough assets remain to provide a financial cushion. Opponents believe that pension surpluses belong to employees and should be used only for their benefit.

Reforms enacted in recent years made some progress against declining coverage rates and inadequate benefits. Stiffer rules ensure that benefits are shared fairly by all employees; the age for participation in pension plans was lowered from 25 to 21; survivor benefits were improved; and, beginning in 1989, employees will be fully vested after 5 years on the job, down from 10. Still, recent changes largely attack pension problems at the margin, and some fear that the constant tinkering may discourage companies from offering retirement plans at all.

Some see part of the answer in the growing use in private industry of portable "defined contribution" pensions. Typically, these plans consist of fixed contributions from the employee and employer into a tax-sheltered fund. When a worker changes jobs, he or she retains control of the fund, and few, if any, of the benefits are lost. Such plans are not without problems, the major one being uncertainty: unlike traditional "defined benefit" plans, they do not guarantee a benefit level for retirement years. Smart or lucky workers can come out ahead, but many find their retirement savings inadequate.

The underlying problem in private pensions is that those who developed the system three or four decades ago did not envision an economy in which industrial and employment conditions change rapidly, and retirement stretches on for thirty or more years. If confidence is to be restored in the pension system, government and private leaders must be more creative in finding ways to help Americans plan for a stable and secure retirement.

A BILL TO DESTROY THE SUGAR PROGRAM OF THE UNITED STATES

HON. RICHARD H. STALLINGS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. STALLINGS. Mr. Speaker, some of my colleagues have introduced a bill which is unsound, unwise, and untimely. This is yet another attempt to destroy the U.S. Sugar Program.

The proposed legislation would lower the loan rate on sugar in the United States to 12 cents per pound. Twelve cents is less than the cost of production, not only for U.S. sugar producers, but for producers anywhere in the world.

The answer to the concerns of my colleagues—the effects on impoverished exporting countries and domestic prices higher than world prices—is not to destroy our own productive capacity.

The answer is to reassign existing import quotas to countries who really need them, and that would not include Canada, South Africa, and others. The answer is to encourage Japan, a very important ally, to import more sugar from the Philippines or the Caribbean nations, rather than from Cuba.

These are actions the administration can now take and should take. The present Sugar Program works for producers, consumers, and at no cost to the U.S. Treasury.

I urge my colleagues not to be misled by yet another attempt to dismantle an effective agriculture program.

CONTRA COSTA COUNTY FUNDS INNOVATIVE PROGRAM FOR WOMEN IN JTPA

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. MILLER of California. Mr. Speaker, I would like to draw Congress' attention to a report prepared by the Contra Costa County Advisory Committee on the Employment and Economic Status of Women.

According to this report, "The Non-Traditional Jobs Project," a single mother, in order to enter the labor market and support her family, would need a starting wage of approximately $10 an hour. Yet most women enrolled in JTPA programs are lucky to earn half that amount. Too often, the most job-ready applicants are "creamed" from the list of JTPA eligible participants while applicants with less labor market experience are ignored. Experienced men get placed into higher-paying employment with on-the-job training while inexperienced women are tracked into lower-paying jobs that require little or no training.

The Contra Costa County Private Industry Council—the only PIC in the State of California to do so—funded a pilot project to improve nontraditional job opportunities for female JTPA participants. This report found that placing women in nontraditional careers could be a successful strategy in breaking the cycle of poverty in mother-only families. According to the report's findings, women in skilled blue-collar jobs can earn wages 200 percent higher than entry level pay in clerical or service jobs. Benefits and job security are better, and the skills acquired in nontraditional careers are easily transferred from one occupation or industry to another.

Why hasn't this commonsense approach to fighting poverty been adopted more widely in JTPA programs for women? The Non-traditional Jobs project cites several reasons: First, women have been socialized to disregard nontraditional employment in their search for work; second, job counselors in employment and training programs, including JTPA, reinforce this socialization by not discussing nontraditional career options with female JTPA clients; third, the performance-based standards in JTPA favor quick job placement at any wage over longer term strategies to genuinely improve employment; and fourth, only 15 percent of the JTPA budget is available to pay for child care and other services single mothers require if they are to succeed in JTPA.

H.R. 1720, the Family Welfare Reform Act of 1987, now before Congress, recognizes that genuine employment and training opportunities, including nontraditional careers, and child care and health care services, are key features of economic independence. The Contra Costa County Private Industry Council is to be commended for reminding us that without similar protections in JTPA, self-sufficiency will continue to elude single mothers in poverty.

A SALUTE TO AN OUTSTANDING ITALIAN-AMERICAN

HON. HELEN DELICH BENTLEY

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mrs. BENTLEY& Mr. Speaker, today I would like to honor a man who has certainly done everything in his power to abide by the adage "never forget your roots." This year S. Joseph Avara, a native of my great State of Maryland, was elected to serve as National President of the Supreme Lodge of the Order of the Sons of Italy in America. Mr. Avara is indeed a very special individual both in terms of the pride he takes in his heritage as well as the loyal and heroic service he gave to the Baltimore City Police Force for many years, and it is a great privilege for me to recount briefly his story of success and triumph.

Mr. Avara was born—appropriately enough—on Columbus Day in 1924. After attending school he enlisted in the U.S. Army during the Second World War, where he served as a sergeant in the field artillery. When he returned home, Mr. Avara joined the Baltimore City Police Force, where he distinguished himself for 35 years. During this period he rose from the ranks of a patrolman to that of deputy chief of police, a responsibility which placed him in charge of some 780 employees. His intense devotion and dedication to both the department and public safety earned him 2 bronze stars, 23 commendations, and a Medal of Honor for his efforts.

Mr. Avara's sense of duty to the force as well as to his family has only been challenged by his respect for his ethnic heritage. He was elected four times to the post of State president of the Order of the Sons of Italy. His involvement with many Italian-American associations earned him both the Christopher Columbus Award from the Italian-American Organizations United of Maryland and the American Award from the Sons of Italy in 1979. His involvement with the Sons of Italy has seen a great expansion of the organization both in terms of recognition and in enthusiastic support from its many members. I have little doubt that it will certainly flourish now that this good and capable man has assumed its national leaderhip.

S. Joseph Avara is without a doubt a great example of an American success story. Not only did he distinguish himself through his intense public service, he has also displayed a sincere love for and pride in his Italian heritage which has propelled him to the leadership of one of this Nation's most powerful ethnic organizations. Indeed Mr. Avara has remembered his roots, and it is to the great benefit of Italian-Americans living everywhere that he has done so.

I would like to extend my sincere congratulations and best wishes to S. Joseph Avara and his family during this time of great happiness. In addition, I would like to thank him for a job well done.

IN HONOR OF GORDON SCHABER

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. FAZIO. Mr. Speaker, I rise today to honor a distinguished educator and administrator, Mr. Gordon Schaber, on the occasion of his 60th birthday. This is an appropriate time to recognize many of his important achievements.

Mr. Schaber currently serves as dean of McGeorge School of Law, a post he has held since 1957. During this tenure, he has managed to balance his extremely busy schedule in order to play an active role in the Sacramento community. Though the list of activities in civic and professional organizations is far too numerous and diverse to list individually, they include the following: vice president, Sacramento County Bar Association; member, board of directors, Mexicare Legal Services Foundation; member, Study Committee, board of directors of Sutter Hospital of Sacramento; member, Sacramento-San Joaquin Chapter Muscular Dystrophy Association; member and past chairman, Sacramento City Planning Commission. He has also served on many committees of the State Bar of California and the American Bar Association. He was also a founding member of the Democratic Central Committee and the Harry S. Truman Club, and has served as president of both organizations.

He has compiled a long list of impressive achievements in the law. He has been an advisor to three Governors, George Deukmejian and Pat and Jerry Brown, including tutoring young Jerry through the California Bar Exam. Perhaps based on this experience, he has created an educational curriculum at McGeorge which has paid off in one of the highest bar passage rates in the State. He has taken a small commuter law school, and constructed a nationally known school of law which was awarded the highest honor in 1982, the Order of the Coif. Many of his graduates have gone on to distinguished careers in the law and the highest echelons of government. McGeorge can now claim the most recent nominee of the Supreme Court, Judge Anthony Kennedy, a Sacramento native who has taught at McGeorge since 1964.

Gordon Schaber is also the recipient of many distinguished honors. He was selected "Young Man of the Year" by the Sacramento Chamber of Commerce. He is listed in "Who's Who in the West" and is nationally recognized in "Who's Who in America." Mr. Schaber has also received honorary law degrees from John Marshall Law School and Delaware Law School, Widener University.

He is the author of numerous outlines, legal materials, and articles. His most recent writings have appeared in Pacific Law Journal, Prosecutor's Brief, and Oregon Law Review.

Mr. Speaker, it is with great pride and pleasure that I pay tribute to my good friend Gordon Schaber. Though a native of North Dakota, we in California are proud to claim him as one of our own. I am sure the other Members of this body will join me in saluting this extraordinary man.

HONORING JOE A. DUARDO

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. TORRES. Mr. Speaker, I rise today with great pleasure to honor my very good friend, Joe A. Duardo, who is retiring from the South Whittier School District Board of Trustees to take office on December 1, 1987 on the Whittier Union High School District Board of Trustees. Joe has served on the South Whittier Board for 13 years and has been an active community member in Whittier Schools for the past 15 years. Joe will be recognized for his outstanding service to the South Whittier School District on November 24 at a special community celebration.

Joe A. Duardo grew up in the barrio of east Los Angeles. As a boy, Joe spent a lot of time on the streets, spent his summers picking fruits and vegetables and hardly ever thought about his future. He never thought that one day he would become a laser specialist working on experiments that could be used to examine the Earth's atmosphere from orbiting satellites or that he would become an influential voice for education in the State of California.

Joe believes that the path to success requires more than the desire to succeed. It requires making a serious commitment to education. In his own case, it wasn't until he got married and served in the Army that he fully realized the impact a good education could have on his life. Joe has been committed ever since. He earned a bachelor of science degree in chemistry from UCLA and pursued 3 years of graduate studies in physical chemistry at the California Institute of Technology. He has pursued a successful career at the Xerox Corp., and has accumulated 23 years experience in research and development activities, as well as in laser specification development and vendor sourcing.

Joe's commitment did not end with himself. He became actively involved in his own school district in Whittier, where he was appointed to the South Whittier School District Board of Trustees in 1974, and after a few years was elected school board president. He later served as president of the Whittier Area School Trustees Association and was appointed to the executive board of the Los Angeles County School Trustees Association. This led to his appointment to the board of directors of California School Boards Association [CSBA] in 1981, where he served as president-elect in

1985 and as president in 1986, and to State Superintendent Honig's Council on Hispanic Affairs in 1984.

Mr. Speaker, I ask that my colleagues join me in saluting Joe A. Duardo, an individual that has worked tirelessly on behalf of quality education for the children of California. An individual who will continue to fight for effective and substantial programs to meet the needs of California's students.

TO RECOGNIZE THE ENTREPRENEURIAL TALENTS OF MS. DEBORAH CLEMONTS

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. FAUNTROY. Mr. Speaker, I rise today to congratulate the entrepreneurial talents of Ms. Deborah Marica Clemonts of Weldon, NC.

Ms. Clemonts, a young black professional in the field of cosmetology, was the first-place winner in the Jimco Beauty Competition earning her "The Peoples' Choice Award." She was one among approximately 20 licensed and practicing cosmetologists who participated in this annual competition.

Shear Elegance, a quaintly sophisticated beauty boutique located on Washington Avenue, the heart of Weldon, NC, is both owned and managed by Ms. Clemonts. Committed to professional development opportunities, Ms. Clemonts has expanded her business to showcase the talents of several young black professionals in the clothing and hair design industry. Under her leadership, Jazz Hair Models are gaining acclaim for innovation and style throughout eastern North Carolina as Ms. Clemonts develops her own reputation and those of her talented proteges: Betty Buffaloe, Ivan Clemonts, Gail Faulcon, Rhoda Hockaway, Anthony Wayne Ingram, Deborah Hockaday Jones, and Mildred Silver. She is admired and respected not only by her diverse clientele but also by her devoted employees: Sheila Dancy and Ivan Clemonts.

Ms. Clemonts represents the caliber of creativity, entrepreneurial spirit, and community service that those in the field of cosmetology and related professions are striving to replicate. I salute her today, not only for her own personal achievements, but also for her encouragement of other young professionals emerging in the beauty and hair industry. Ms. Clemonts has done far more than to win a competition. She has instilled the desire for excellence in those with whom she lives and works.

It is a pleasure to share the entrepreneurial talents of Ms. Deborah Marica Clemonts with my colleagues in the Congress and I ask that you join me in extending warm congratulations and best wishes for her continued success.

THE SPEAKER'S PURSUIT OF PEACE

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. GARCIA. Mr. Speaker, throughout this decade, I have in my own way worked for peace in Central America. I have learned a great deal over the past 7 or 8 years about the region and its politics. I have tried to listen to my colleagues on both sides of the aisle on the floor of this great institution, in hearings, and in private conversations. I have visited Central America; I have talked to Daniel Ortega, Napoleon Duarte, and others about their nations, their hopes, and aspirations.

Many of us who have spent time on this issue have been frustrated by the lack of progress toward achieving peace in the region. Many of us have felt that the lack of progress was due at least in part to the intransigence of the administration's position on Nicaragua. As long as the administration refused to listen, openly, to the other side, there could be no progress.

Now, because of the Arias Plan and the Guatemalan agreement, to quote the Speaker, "peace may break out in Central America." I believe that this process has moved forward because of the efforts of many individuals both here in the United States, and, of course, throughout the nations of Central America. There are, however, few people in this country who have stuck there neck out further in the name of peace than the distinguished Speaker of this House.

He suffered criticism from both sides of the aisle when he first announced that he would support a peace proposal with the President. His critics were silenced when the leaders of the nations of Central America agreed on a peace plan, similar to the one he proposed, and President Arias of Costa Rica was awarded the Nobel Peace Prize for his efforts on behalf of that plan. President Arias thanked the Speaker for his role and support.

Now the Speaker has again been called upon to use his good offices in the name of peace. He has not inserted himself in the talks, he has been asked to help, and help he has. It seems that talks may occur between the Contras and the Sandinistas. These talks are to be mediated by Cardinal Obando y Bravo. The very fact that such talks may take place is no small feat; if they succeed, it will be an event of enormous importance not only for the nations of the region but for the United States as well.

The Speaker has acted as a conduit between both sides throughout this process. I doubt that there would even be the possibility of talks if he had not personally responded to the request of the Nicaraguan Government. I for one am proud to have a Speaker who has vision and the courage to fight for peace. The Speaker is not to be condemned for his actions but loudly praised.

OCEANS AND COASTAL WATERS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, November 18, 1987, into the CONGRESSIONAL RECORD:

OCEANS AND COASTAL WATERS

This summer hundreds of dead dolphins washed ashore in New Jersey and Virginia, beaches were closed after reports of illness from swimming, and garbage from the ocean covered many beaches. Alarming on their own, these events are only symptoms of a much more disturbing problem—the deterioration of our oceans and coastal waters.

The oceans and coastal zones are important natural resources for all Americans. We depend on our oceans as a source of food, recreation, and valuable minerals. Coastal wetlands and estuaries—places where rivers mix with the sea—protect inhabited areas from flooding, provide important breeding grounds for fish, and improve water quality by filtering pesticides and wastes.

With their large volume and well-mixed waters, the oceans can accommodate diverse human activities. Yet our careless dumping of waste, over-development of coastal land, and pollution of waterways emptying into the ocean have altered the marine environment to such an extent that many harbors and coastal zones are unable to support marine life. Worldwide, coastal waters are heavily polluted with sewage and toxic chemicals.

The deterioration of water quality and the destruction of marine environments have created a risk to human health, damaged commercial fishing, and reduced property values. This year, 33 percent of U.S. shellfish beds were closed, and large numbers of fish were killed by pollution. The risk of becoming ill from eating seafood continues to rise, with cases as serious as hepatitis and cholera reported. Property near foul-smelling water devoid of life has little aesthetic or economic value. Storm damage to coastal property amounts to more than $1 billion annually, with the federal burden reaching hundreds of millions of dollars. The damage to the oceans is difficult to assess, but these indicators clearly tell us that they are in trouble.

The human activities most damaging to oceans and coastal waters are waste disposal and coastal development. Coastal real estate and infrastructure development distorts and interrupts vital natural processes. The goal of development is to stabilize the coastline, while the ocean and wind naturally shift the land around. When stabilized, the coastline erodes instead of shifts, and can no longer play a role in flood control and protecting cities from storm damage. In the face of the worldwide rise in the sea level, heavy development of protective coastal zones is particularly shortsighted.

Waste has by far the most damaging impact on the ocean. Some 2,000 U.S. industrial facilities and municipal waste treatment plants discharge sewage and toxic materials into coastal areas. Runoff from farms contains herbicides and pesticides that greatly damage aquatic life. Rainstorms flush road oil, grease, and detergents into the coastal waters. In addition, almost one billion tons of plastic are dumped from boats into the ocean each year. Since plastic does not degrade easily and floats, much of this waste returns to land with the tide, killing wildlife along the way. Government efforts to regulate waste disposal have been only partially effective and have been extremely costly to both the government and the producers of waste.

The two major federal pollutant control programs are authorized by the Clean Water Act and the Marine Protection, Research, and Sanctuaries Act. These acts regulate the discharge of wastes from specific sources and the levels of pollutants in these wastes, but they do not address all pollutants or sources. The Congress also passed the Coastal Zone Management Act, which funds comprehensive coastal management programs by the states. The Coastal Barrier Resources Act was enacted to control the destruction of protective coastal barriers by limiting federal funding for development. At the state level, shorelines have been designed as conservation areas, and funding to rebuild coastal development after storms has been limited. At the local level, some towns have implemented zoning restrictions on beachfront construction. These efforts have reduced the level of pollutants and slowed the degradation of the oceans, but the overall effort remains inadequate to deal with the problem.

A successful policy must be broad-based and forward-looking. Many of the solutions are long-term in nature. They must take into account that the stress on our oceans will only increase with a projected 75% of the U.S. population living within 50 miles of the shore by 1990 and with deepening problems of land waste disposal. Sound policy must also include a mix of regulations and economic incentives, and involve cooperation among the federal, state, and local governments. The most successful efforts have been site-specific: instead of regulating pollutants in general, an examination is made of the pollution and degradation of a particular coastal or ocean region, such as the Chesapeake Bay. Such regions sometimes occupy multiple political jurisdictions at both the national and international level, thus requiring broad cooperation.

Several specific steps at the federal level are needed. We must toughen federal enforcement of the Clean Water Act, and develop a comprehensive waste management program, with an emphasis on recycling and reducing waste generation. The Congress should complete action on legislation that would ban ocean dumping of plastics. To limit the destructive effects of development of fragile and protective coastal areas, the federal government needs to limit subsidies for rebuilding storm-damaged property and for infrastructure development. The federal government must also step up efforts to purchase coastal habitats to be set aside as national seashores. In addition, we need to expand research to learn more about which kinds of human activities the environment can sustain and which kinds damage and eventually destroy it.

We cannot lose sight of the fact that the oceans are alive, not just large bodies of water to pollute and exploit with impunity. We know how to stop the contamination and destruction, and have had some success at specific sites. We must step up our efforts at the national level and increase coordination among all levels of government before the solutions become much more difficult and costly.

VOTING RECORD

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. UDALL. Mr. Speaker, it has become my practice from time to time to list my votes in the CONGRESSIONAL RECORD. I strongly believe that the people of the Second Congressional District of Arizona have a right to know where I stand on the issues decided by this body, and I have found that printing my record here is the best way to provide that information.

This is not an all inclusive list. I have omitted noncontroversial votes such as quorum calls, motions to resolve into the Committee of the Whole House, and motions to approve the Journal of the previous day.

The descriptions are necessarily somewhat short, and I am sure that some of my constituents will have additional questions about the issues described here. So I invite them to write me for more specifics.

The votes are described as follows:

KEY

1. Rollcall number;
2. Number of the bill or resolution;
3. Title of the bill or resolution;
4. A description of the vote;
5. The outcome of the vote;
6. The vote total;
7. My vote, in the form Y=yes, N=no, and NV=not voting;
8. The vote totals of the Arizona delegation (yes-no-not voting);
9. The date.

VOTING RECORD

101. H.R. 1748. Defense Authorization, Fiscal 1988/Medical Benefits. Smith, R-N.J., amendment to continue for one year the eligibility of certain hospitals to provide heart and lung treatment under the Defense Department's hospitalization program for the dependents of military personnel (called CHAMPUS). Adopted 335-1: Y(5-0-0), May 8, 1987.

103. H.R. 1748. Defense Authorization, Fiscal 1988/Overhaul Jobs. Hunter, R-Calif., amendment to require that certain kinds of repair work on Naval Reserve ships based on the West Coast be performed in the home-port city. Rejected 133-234: NV(2-2-1), May 11, 1987.

104. H.R. 1748. Defense Authorization, Fiscal 1988/Overhaul Jobs. Hunter, R-Calif., amendment to require that bids for ship overhaul include the cost of moving the ship from its home port to the overhaul site. Adopted 229-155: Y(5-0-0), May 11, 1987.

105. H.R. 1748. Defense Authorization, Fiscal 1988/Polygraphs. Young, R-Fla., amendment to permit random polygraph tests of up to 20,000 employees of the Defense Department and defense contractors annually in fiscal years 1988-1990. Adopted 345-44: Y(5-0-0), May 11, 1987.

106. H.R. 1748. Defense Authorization, Fiscal 1988/Military Base Closing. Armey, R-Texas, amendment to establish a bipartisan commission able to close unneeded military bases. Rejected 192-199: Y(5-0-0), May 11, 1987 file A1001-3.

107. H.R. 1748. Defense Authorization, Fiscal 1988-SDI Funding. Hefley, R-Colo., amendment to authorize $4 billion for SDI research in fiscal 1988. Rejected 129-286: N(4-1-0), May 12, 1987.

108. H.R. 1748. Defense Authorization, Fiscal 1988-SDI Funding. Dellums, D-Calif., amendment to authorize $1.2 billion for SDI research in fiscal 1988. Rejected 105-307: Y(1-4-0), May 12, 1987.

109. H.R. 1748. Defense Authorization, Fiscal 1988-SDI funding. Rowland, R-Conn., amendment to provide $3.6 billion for SDI research in fiscal 1988. Rejected 207-213: N(4-1-0), May 12, 1987.

110. H.R. 1748. Defense Authorization, Fiscal 1988-SDI funding. Bennett, D-Fla., amendment to provide $3.1 billion for SDI research in fiscal 1988. Adopted 219-199: Y(1-4-0), May 12, 1987.

111. H.R. 1748. Defense Authorization, Fiscal 1988-SDI Development. Kemp, R-N.Y., amendment to require the Defense Department to begin developing an anti-missile defense system that could be deployed beginning in 1993. Rejected 121-302: N(4-1-0), May 12, 1987.

112. H.R. 1748. Defense Authorization, Fiscal 1988-Space-Based Kinetic Kill Vehicle. McCloskey, D-Ind., amendment to bar tests of the space-based kinetic-kill vehicle, an anti-missile weapon being tested as one element of SDI. Rejected 203-216: Y(1-4-0), May 12, 1987.

113. H.R. 1748. Defense Authorization, Fiscal 1988-Partial SDI Deployment. Courter, R-N.J., amendment to require the Defense Department to develop an anti-missile defense system that would be effective against an accidental missile launch. Rejected 121-297: N(4-1-0), May 12, 1987.

114. H.R. 1748. Defense Authorization, Fiscal 1988-American Work on SDI. AuCoin, D-Ore., amendment to bar the award of any SDI new development contract to a foreign firm if a U.S. firm is competent to produce the same item at the same or lower cost. Adopted 229-187: N(0-5-0), May 12, 1987.

115. H.R. 1748. Defense Authorization, Fiscal 1988-C-17 Funding. Darden, D-Ga., amendment to delete $1.7 billion earmarked to develop and produce the C-17 cargo plane. Rejected 92-321: Y(1-4-0), May 12, 1987.

116. H.R. 2360. Debt Limit Increase-Permanent Raise. Rostenkowski, D-Ill., amendment to raise the permanent ceiling of the federal debt from $2.3 trillion to $2.578 trillion. (That amount was estimated to be enough to last through the end of fiscal year 1988). Rejected 162-259: Y(1-4-0), May 13, 1987.

117. H.R. 2360. Debt Limit Increase-Final Passage. Passage of the bill to $2.3 trillion to $2.32 trillion, through July 17, 1987. (The temporary nature of the increase meant that without another increase by July 17, the debt ceiling would revert to a lower, permanent level of $2.111 trillion.) Passed 296-124: Y(2-3-0), May 13, 1987.

118. H.R. 1748. Defense Authorization, Fiscal 1988-MX Missile Rail Basing. Hertel, D-Mich., amendment to delete $250 million earmarked to develop a rail-mobile basing method for the ICBMs. Rejected 184-239: Y(1-4-0), May 13, 1987.

119. H.R. 1748. Defense Authorization, Fiscal 1988-MX Missile Production. Frank, D-Mass., amendment to delete $674 million earmarked to purchase 12 MX missiles. Rejected 163-258: Y(1-4-0), May 13, 1987.

120. H.R. 1748. Defense Authorization, Fiscal 1988-Trident II Missile Production. Weiss, D-N.Y., amendment to bar procurement of additional Trident II missiles and to authorize $2.3 billion for procurement of

Trident I missiles. Rejected 93-303: N(0-5-0), May 13, 1987.

121. H.R. 1748. Defense Authorization, Fiscal 1988-Trident II Missiles on converted submarines. Feighan, D-Ohio, amendment to bar modifications of existing missile-launching submarines to carry Trident II missiles. Rejected 109-311: Y(1-4-0), May 13, 1987.

123. H.R. 1748. Defense Authorization, Fiscal 1988-Weapons Funding. Schumer, D-N.Y., amendment to reduce the authorization for seven kinds of weapons by $800 million and to add that amount to the authorization for four other kinds of weapons. Rejected 130-270: Y(1-4-0), May 18, 1987.

124. H.R. 1748. Defense Authorization, Fiscal 1988-Mark-48 Torpedoes. Boxer, D-Calif., amendment to bar production of Mark-48 torpedoes until certain tests have been completed. Rejected 191-206: Y(1-4-0), May 18, 1987.

125. H.R. 1748. Defense Authorization, Fiscal 1988-B-1B Bomber. Boxer, D-Calif., amendment to delete from the bill $376 million for development and testing of the B-1B Bomber. Rejected 124-279: Y(1-4-0), May 18, 1987.

126. H.R. 1748. Defense Authorization, Fiscal 1988-Norfolk Navy Steam Plant. Callahan, R-Ala., amendment to the Badham, R-Calif., amendment to allow for limited reimbursement of losses suffered by a firm building a steam plant at the Norfolk, Va., Navy Yard. Adopted 260-143: N(1-4-0), May 18, 1987.

128. H.R. 1748. Defense Authorization, Fiscal 1988-ASAT Testing. Brown, D-Calif., amendment to bar tests of the anti-satellite (ASAT) missile against a target in space unless the Soviet Union conducts an ASAT test after enactment of the bill. Adopted 229-188: Y(1-4-0), May 19, 1987.

129. H.R. 1748. Defense Authorization, Fiscal 1988-Chemical Weapons. Aspin, D-Wis., amendment to bar the removal of current chemical weapons stocks from Europe unless they are replaced with binary chemical weapons. Adopted 417-0: Y(5-0-0), May 19, 1987.

130. H.R. 1748. Defense Authorization, Fiscal 1988-Chemical Weapons. Fascell, D-Fla., amendment to bar final assembly during fiscal 1988 of binary chemical munitions. Rejected 191-230: Y(1-4-0), May 19, 1987.

132. H.R. 1748. Defense Authorization, Fiscal 1988-Nuclear Testing. Broomfield, R-Mich., amendment to bar nuclear test explosions larger than one kiloton provided the Soviet Union observes the same limitation and the moratorium does not interfere with the development of warheads for the Midgetman or SRAM II missiles. Rejected 201-220: N(4-1-0), May 19, 1987.

133. H.R. 1748. Defense Authorization, Fiscal 1988-Nuclear Testing. Schroeder, D-Colo., amendment to bar nuclear test explosions larger than one kiloton provided the Soviet Union observes the same limitation. Adopted 234-187: Y(1-4-0), May 19, 1987.

135. H.R. 1748. Defense Authorization, Fiscal 1988-U.S. Troops in Central America. Mrazek, D-N.Y., amendment to bar U.S. troops in Honduras from approaching within 20 miles of the Nicaraguan border. Rejected 197-225: Y(1-4-0), May 20, 1987.

136. H.R. 1748. Defense Authorization, Fiscal 1988—Contra Aid. Boxer, D-Ca., amendment to bar the use of any facility constructed with Defense Department funds to aid the Nicaraguan "contras" directly or indirectly. Rejected 165-257: Y(1-4-0), May 20, 1987.

137. H.R. 1748. Defense Authorization, Fiscal 1988—Military Construction in Honduras. Foglietta, D-Pa., amendment to delete from the bill $4.2 million for military construction in Honduras. Rejected 126-294: Y(1-4-0), May 20, 1987.

138. H.R. 1748. Defense Authorization, Fiscal 1988—Contra Support. Davis, R-Ill., amendment to propose U.S. recognition of the Nicaraguan "contras" as the legitimate government to Nicaragua. Rejected 74-347: N(1-4-0), May 20, 1987.

139. Defense Authorization, Fiscal 1988—Laser Experiment. Lujan, R-N.M., amendment to prohibit the Defense Department from entering into any contract regarding a certain laser experiment at White Sands, N.M., that would hinder the ability of small businesses to bid on subcontracts. Rejected 93-324: N(4-1-0), May 20, 1987.

140. Defense Authorization, Fiscal 1988—Arms Control. Broomfield, R-Mich., motion to recommit the bill to the Armed Services Committee with instructions to add a provision that would waive provisions requiring continued observance of the SALT II and ABM treaties and the provision barring nuclear weapons tests if the Soviet Union was violating any U.S.-Soviet arms control agreement. Motion rejected 172-247: N(4-1-0), May 20, 1987.

141. Defense Authorization, Fiscal 1988. Passage of the bill authorizing $289,355,900,000 for military programs of the Defense and Energy departments in fiscal 1988. Passed 239-177: Y(1-4-0), May 20, 1987.

143. H.R. 5. Elementary and Secondary School Aid—Final Passage. Passage of the bill to reauthorize through 1993, 14 elementary, secondary and adult education programs: compensatory education, block grants, math and science education, magnet schools, gifted and talented programs, drug education, bilingual education, Indian education, Impact Aid, women's educational equity, Ellender fellowships, territorial assistance, Excellence in Education and emergency immigrant education. Passed 401-1: Y(5-0-0), May 21, 1987.

144. H.R. 1205. Florida Lands—Final Passage. de la Garza, D-Texas, motion to suspend the rules and pass the bill to release a revisionary interest of the United States in 1.1 acres of land located in Putnam Co., Fla. Motion agreed to 374-0: Y(5-0-0), May 27, 1987.

145. H.R. 2166. Small Business Administration Programs—Final Passage. LaFalce, D-N.Y., motion to suspend the rules and pass the bill to make changes in loan guaranty, pollution control and development financing programs run by the Small Business Administration. Motion agreed to 337-41: Y(3-2-0), May 27, 1987.

146. H.R. 1162. Multiple Appeals Court Selection—Final Passage. Frank, D-Mass., motion to suspend the rules and pass the bill to establish a new process for selecting the federal appeals court that will handle a challenge of a federal agency order. The legislation gives the Judicial Panel on Multidistrict Litigation the authority to select a court if appeals are filed in several jurisdictions. Motion agreed to 379-0: Y(5-0-0), May 27, 1987.

147. H.R. 1939. Park System Constitutional Interpretation—Final Passage. Vento, D-Minn., motion to suspend the rules and pass the bill to direct the interior secretary to establish a memorial to the U.S. Constitution at Independence National Historical Park in Philadelphia, Pa., and to provide for continuing interpretation of the Constitution there and at other appropriate units of the National Park System. Motion agreed to 370-10: Y(5-0-0), May 27, 1987.

148. H.R. 900. West Virginia River Conservation—Final Passage. Vento, D-Minn., motion to suspend the rules and pass the bill to protect from development portions of the New, Gauley, Meadow and Bluestone Rivers in West Virginia by designating them as parts of the National Wild and Scenic Rivers System or National Park System. Motion agreed to 344-39: Y(3-2-0), May 27, 1987.

149. H.J. Res. 283. Cohen Recognition. Passage of the joint resolution to recognize the contributions of the Honorable Wilbur J. Cohen, former secretary of the department of health, education and welfare, and to mourn his death. Passed 383-0: Y(5-0-0), May 27, 1987.

CONGRESSIONAL INVESTIGATION OF THE STOCK MARKET COLLAPSE

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. MADIGAN. Mr. Speaker, recent events on Wall Street have resulted in widespread debate and conjecture over the causes and ramifications of such dramatic and unprecedented market behavior. Since the 1-day drop of 508 points in the DOW index on October 19, financial experts, economists, and market watchers have been trading theories over the possible causes of the market's collapse. Mentioned in the press as possible culprits have been the Federal budget deficit, the U.S. trade deficit, the falling value of the dollar, the Persian Gulf, fear of higher interest rates, fear of renewed inflation, and an overvalued market. In addition to these theories there is speculation that computer-assisted trading strategies executed by large institutional investors, a plethora of new trading instruments in the markets, stock index futures trading, lower margin requirements for futures trading, and the specialist system of trading on the New York Stock Exchange, may have worsened the collapse of the stock market on October 19.

Congress must do its part to guard against the reoccurrence of another "Black Monday." An aggressive deficit reduction plan is one sure step that we can take to calm the markets and restore investor confidence. Another important step is to look closely at the rapidly changing securities and futures markets. Computer and communications technology now makes market information available worldwide at the press of a button. The dynamics of the markets are being changed by new investment and hedging instruments and the changing character and nature of market participants. It is possible that government oversight and regulatory activity needs to be modified to keep pace with these rapidly evolving markets.

The Committee on Energy and Commerce, which oversees the securities markets, and the Committee on Agriculture, which oversees the futures markets have already begun a review of the role of the stock and futures exchanges and their Federal regulators. While there is interplay between the stock markets and the futures markets, the committees need to keep in mind that the two markets are very different functionally and operationally. Each committee has invaluable expertise in its area of jurisdiction and, I hope, will move in an expeditious but prudent manner in full cooperation with one another.

There are a number of studies underway which will provide invaluable information to the committees. A presidentially appointed panel of experts is already working and will issue a report and recommendations within 60 days. Both the SEC and CFTC have begun investigations and should have their findings available in 2 to 3 months. In addition, the New York Stock Exchange and the Chicago Merchantile Exchange are investigating the events surrounding October 19. It would seem prudent to await the results of these studies before taking any substantive legislative action.

Mr. Speaker, we need to avoid premature finger-pointing and a rush to legislative action before the facts are before us. I am troubled by the press accounts of the stock and futures exchanges in New York and Chicago trading allegations and blaming one another for the collapse of the stock market. Both the stock markets and the futures markets play vital roles in encouraging efficient and productive economic activity. I am also troubled by reports in the press suggesting that the collapse of the stock markets would not have occurred if futures markets were regulated by the SEC. The areas of securities regulation and futures regulation are highly specialized. The combination of those two regulatory structures should not be undertaken without clear and convincing evidence that a single regulator would be superior to two separate regulators. As of this date I have not seen any evidence to support such action. It is unfortunate and counterproductive to our task if SEC officials and other Government officials have encouraged such speculation.

The performance and cooperation of the regulators and the nature and structure of capital and futures markets regulation should be carefully reviewed and considered by Congress but it is disruptive of the process and entirely premature for Government officials to make unsubstantiated remarks concerning such a sensitive and important issue.

Mr. Speaker, healthy and functional capital and futures markets are essential to the continued growth and well-being of this Nation's business and industry. In an increasingly competitive international marketplace we cannot afford to act hastily or become distracted by parochial goals and agendas that lead to onerous regulation and inefficient marketplaces.

WHY GORBACHEV SHOULD ADDRESS CONGRESS

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. BROWN of California. Mr. Speaker, earlier today a number of our Republican colleagues took the floor during the "1 minute" period to argue, in some cases quite emotionally, that Secretary Gorbachev should not be allowed to address a joint session of the Congress. I understand the strong anti-Communist sentiments which motivated our colleagues, and in fact I share their dislike of any system such as communism or fascism which fetters the mind of man. I might interject that I am paraphrasing Jefferson, in case this becomes an issue in my next campaign.

I differ very much with the point of view expressed by these colleagues, all of whom I personally respect for their strong convictions. I would never dream of denying them a platform to express their views, no matter how much I disagreed with them. I would, however, insist on equal access to such a platform, in order to express my own views, with complete confidence that the better view would prevail.

This is exactly the view which President Reagan seems to be taking. He has invited Gorbachev to address the U.S. Congress, and indeed the world, from the podium of the world's greatest democratic institution, the Congress of the United States. He has requested a similar opportunity to address the Soviet people and the world, over Soviet television. Knowing the President's convictions as to the strength of our democratic system, I am sure that he feels that the American people are not going to lose faith in democracy by listening to Gorbachev and that the Soviet people will gain a greater appreciation for democracy by hearing and seeing the President of the United States.

It is my opinion that the President is right, and those of my colleagues who attacked his decision to invite Gorbachev to address a joint session of Congress were wrong. Unaccustomed as I am to requesting my colleagues to close ranks in support of the President, in this case I am doing so.

I would also point out that despite the assertion by at least one of my colleagues that this investigation has been offered only to the heads of states committed to democratic principles, we have been sufficiently loose in our definition of democracy as to be able to invite Haile Sellassie, the Emperor of Ethiopia; Syngman Rhee, politely called the "Strongman" of South Korea; Dr. Sukarno, President, and dictator, of Indonesia; Ngo Dinh Diem of South Vietnam; Mahendra, the King of Nepal; Bhumbol Adulyade, the King of Thailand; Habib Bourguiba, the former President for Life of Tunisia; Mohammed Ayub Khan of Pakistan; the Shah of Iran; Ferdinand Marcos; Anwar Sadat; Juan Carlos I, King of Spain; William Tolbert of Liberia, and others whose commitment to our style of democracy was somewhat less than total.

I urge my colleagues to have faith in the power of democracy to both resist the wiles of Gorbachev, and to prevail in the open competition of ideas.

CONGRATULATIONS TO THE LAW FIRM OF RIECKER, GEORGE, VAN DAM & CAMP

HON. BILL SCHUETTE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. SCHUETTE. Mr. Speaker, I would like to take this opportunity to congratulate the law firm of Riecker, George, Van Dam & Camp, of Midland, MI on their 20th anniversary. November 19, the firm is having a reception in honor of 20 years of practice in the Midland community.

The firm was founded by Tyrone Gillespie and John Riecker in the late 1960's. Mr. Gillespie left in 1976 to serve as a circuit court judge. Mr. Riecker, specializing in tax law, remains as the senior partner. He was joined over the years by partners Barry George, Philip Van Dam, and David L. Camp.

Riecker, George, Van Dam & Camp, P.C., primarily serves the business community in Midland, handling corporate, real estate, banking, and hospital law, as well as any other legal needs of their clients. In addition, the firm has been active in serving the community through its role in the United Way and in the area's chamber of commerce. The firm's status and leadership in Midland is based on its fine reputation of dedication, hard work, and outstanding service to both its clients and to the community.

I was fortunate enough to have David Camp here in Washington as my administrative assistant from 1984 to 1986. I am very grateful to David for taking a 2-year leave from his firm to run my office in its crucial stage when I was a freshman Congressman. His friendship, as well as his service, have been invaluable to me and I wish he and his firm many more years of continued success on this anniversary.

Mr. George was the first of the current partners to join Gillespie and Riecker, having worked with them since 1972. Mr. Van Dam joined the firm in 1977, after having served an appointment by President Gerald Ford as the U.S. attorney in eastern Michigan.

I share with Riecker, George, Van Dam & Camp in the celebration of 20 years, years of devotion and effort this celebration signifies. This anniversary symbolizes a job well done, decisions well made, effort and energy well spent, and success well deserved.

Mr. Speaker, I hope you and our colleagues will join me in congratulating this firm on their 20th anniversary, and in my best wishes for many, many more years of the highest quality legal service in the Midland community.

HUMAN RIGHTS ABUSE BY THE SOVIET UNION

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. BROOMFIELD. Mr. Speaker, today I introduced a resolution which urges President

Reagan to raise the issue of human rights abuses in the Soviet Union during his upcoming talks with the Soviet Leader.

The United States must continue to put the ongoing violations of the basic rights of human beings on the front burner in our talks with the Soviets.

The abuse of the innocent in the Soviet Union is a tragedy that all Americans want our government to do something about.

How can we trust Mr. Gorbachev to keep an arms agreement when his government routinely denies fundamental freedoms to the citizens of that country? Trust and confidence between nations are built by actions, not just by signatures on official documents.

We all know that many of the countries which signed the Helsinki accords violate the basic human rights of their citizens on a daily basis. Do Soviet leaders really respect the freedoms of the citizens?

Ask a Soviet refusenik what he thinks about the Kremlin's attitudes toward freedom in that closed society.

Ask the imprisoned Helsinki monitors what their assessment is of human rights conditions in the U.S.S.R.

What do the divided spouses, who have been separated from their loved ones for years, think about their government's respect for human liberties?

Why would any government keep two of its citizens, Aba and Ida Taratula, from emigrating to Israel for the past 14 years?

If this is truly the age of glasnost in the Soviet Union, why would the Kremlin jam radio broadcasting coming into that country?

One ironic aspect of the tragic record of the U.S.S.R. is the fact that Soviet officials have signed the Helsinki accords and solemnly promised to follow the letter and the spirit of that international agreement.

If that government fails to comply with that agreement, what might the Kremlin leaders do with the soon-to-be-signed INF agreement. The security of all Americans could be threatened if the Soviets cheat or ignore the obligations of the INF Treaty.

While our government is making progress in arms agreements with the Soviets, now is the time to tell the Kremlin to make progress in opening up that closed society to the winds of freedom.

I urge President Reagan to raise the issue of Soviet human rights violations with Mr. Gorbachev at their upcoming meeting in Washington. Compliance with the Helsinki accords by Mr. Gorbachev must continue to be a high priority policy issue in America's dealings with that country.

I call upon my colleagues who share my concerns about human rights violations in the Soviet Union to support my resolution.

THE SECOND ANNUAL GREATER FORT LAUDERDALE FILM FESTIVAL

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. SHAW. Mr. Speaker, the Second Annual Greater Fort Lauderdale Film Festival will take place November 21-28. This weeklong event will feature over 25 films representing the best independent American films. The festival will take place at several locations throughout downtown Fort Lauderdale and kicks off with an opening night gala. Last year's festival was a tribute to Fort Lauderdale's dedication to the arts, and this year's festival promises to be even bigger.

The festival's theme will center around two tributes. The first will be to actor Elliot Gould and his fine work. Mr. Gould will be attending the festival as a guest. The other tribute will be to the famed French producer and director Barbet Schroeder and his fine work. The highlight of the festival will be the showing of the critically acclaimed movie "Gaby: A True Story." Rachel Levin, the star of Gaby will be in attendance, and will be honored for her portrayal of Gaby Brimmer and for her outstanding contribution to motion pictures and the human spirit.

This year's event also included an architectural competition. In conjunction with the University of Miami a competition was held to create an urban feature which unites, physically, visually, and symbolically, the three sites of this year's festival. The winner was Shahrizan Amir Hamzah, for his work entitled "The Dreamer."

I would also like to recognize a very dedicated group of individuals who make this festival possible. Katie Stephens is the festival director, and her work and dedication is greatly appreciated by the entire community and all those who come to enjoy the event. This festival would also not be possible without the dedication of the festival's board of directors and their president, Patricia Lombard. I would also like to honor the dedicated group of volunteers whose community spirit and involvement make this event possible.

The Second Annual Fort Lauderdale Film Festival is a tribute to the rebirth of the downtown Fort Lauderdale area, which I have the honor to represent. I hope that the festival can continue to reach new strides. It is a testimony to the city of Fort Lauderdale and its commitment to becoming a leader in culture and the arts.

H.R. 1326 AND AIDS TESTING

HON. THOMAS J. BLILEY, JR.

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. BLILEY. Mr. Speaker, I would like to respond to a comment made by the gentleman from California, Mr. WAXMAN, during consideration of an amendment to H.R. 1326. He stated that a pregnant woman who has tested positive for the AIDS antibody would "presumably have counseling to live with the fact that she may die from AIDS, but also to try to decide whether she is going to terminate that pregnancy." My colleague pointed out that this amendment is "providing a test and counseling that will probably lead to more abortions."

I sincerely hope that a child's life is not taken because of this well-meaning legislation. Abortion is not the answer. Counseling concerning AIDS and pregnancy should be based on the need to protect the lives and safeguard the health both of mothers and children before and after birth.

Whenever possible, we try to prolong the lives of AIDS patients. This includes lengthening the lives of drug addicts with AIDS, prostitutes with AIDS, homosexuals with AIDS, and those who are exposed to AIDS through blood transfusions. The underlying principle is consistently upheld: Care should be given without discrimination. Once we say that it is all right to take this life because of AIDS, by logical extension, we are saying that a life with AIDS is not worth living. No one with AIDS would be safe.

The adult patients in AIDS hospital units will almost certainly die within a few months or years, but we would not tolerate a suggestion that they be disposed of before their natural death. I don't think we should countenance shortening the lives of innocent babies just because they have a doubtful future.

On the contrary, the transmission rate from AIDS mothers to babies is somewhere between 30 and 50 percent. If a mother were to abort her child just because she tests positive for AIDS, she would have at least a 50-percent chance of destroying a healthy baby. I think the statement of the gentleman offering the amendment, Mr. DANNEMEYER, who cites the CDC, must be reemphasized. Detecting the presence of the AIDS antibody in pregnant women "is important to ensuring appropriate medical care for these women, [and] for planning medical care for their infants. . . ."

ALAN J. DUBROW HONORED

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. SCHUMER. Mr. Speaker, I would like to take this opportunity to recognize Alan J. Dubrow, a resident of New York's 10th Congressional District, who is being honored on December 3, 1987, by the Neighborhood Housing Services of Kensington-Windsor Terrace.

Public service is nothing new to Mr. Dubrow. For years he has been active in local organizations. He is a member of New York City Community Board 12, founding member and president of the Ocean Parkway Development Corp., president of the 70th Precinct Community Council, and a board member of nine other civic organizations.

Even in his professional role as first vice president at the Greater New York Savings Bank, Mr. Dubrow concentrates on the concerns and needs of New Yorkers.

Mr. Dubrow is a lifelong resident of Brooklyn and the New York City public school system. A graduate of Erasmus Hall High School, he received his B.A. from Brooklyn College, and did graduate work at the National School of Savings Banking at Brown University.

Mr. Dubrow lives in the Kensington section of Brooklyn with his lovely wife, Judith, and their two children, Wendi and Jason.

I am proud to have a constituent like Alan Dubrow, and am delighted to be able to honor him in this way.

SUPPORT FOR EL SALVADOR'S GOVERNMENT

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. MICA. Mr. Speaker, I would like to take the opportunity to share with my colleagues a letter I sent recently to President Duarte of El Salvador on the topic of the private business sector in that country.

I have been an unwaivering supporter of El Salvador's democratic government for all the years I have been in Congress and continue to wish President Duarte the best in his efforts to improve the lives of all Salvadorans.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, November 6, 1987.

JOSÉ NAPOLEÓN DUARTE,
Presidente de la Republica, Casa Presidential, San Salvador, El Salvador.

DEAR MR. PRESIDENT: I had the opportunity to meet today with several representatives from the private business sector of your country. They expressed concern and distress that the government is not encouraging private enterprise and that the result is an ominous economic situation.

I know that your government's economic policies are developed with thought and a keen sense of commitment to your people. I would encourage you to expand those policies to include incentives for those in private business to maintain their commitment to the economy of El Salvador and to work with the government in the best interests of all your citizens.

Certainly, as the United States faces up to its own economic reality, we may find it necessary to restrain some of our foreign assistance. If that day should arrive, your nation will be best prepared through a strong and flexible alliance between government and the private sector. Such a dynamic relationship between these important sectors of society can only enhance the well-being of your nation and people.

With warm, personal regards,
Sincerely,
DANIEL A. MICA.

BECAUSE WE CARE

HON. MIKE ESPY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. ESPY. Mr. Speaker, I have learned that the Smokeless Tobacco Council, Inc., has initiated a new campaign, "Because We Care * * *," which continues its effort in advising the public and retailers that smokeless tobacco products should not be marketed to America's young people.

I have written to Mr. Michael Kerrigan, president of the Smokeless Tobacco Council, acknowledging the effort of the smokeless tobacco industry. At this point, Mr. Speaker, I take the liberty of including the body of my letter to Mr. Kerrigan in my remarks:

Thank you for your letter * * * further indicating the smokeless tobacco industry's responsibility to advise the public that smokeless tobacco products are not to be marketed, sold to, or used by America's youth.

I am glad to see that this campaign is being continued by the Smokeless Tobacco Council, Inc., and hope that it will not lose its priority. The youth of this great Nation are allowed broad freedoms and our affluence allows them the opportunity to exercise that freedom. At the same time, our youth are impressionable, and our responsibilities grow because of this.

Mr. Speaker, I believe the "Because We Care * * *," campaign of the council is a good policy for the smokeless tobacco industry and it represents a maturing of the industry.

INTRODUCTION OF THE VOCATIONAL REHABILITATION AGENCY REIMBURSEMENT ACT OF 1987

HON. STEVE BARTLETT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. BARTLETT. Mr. Speaker, today I am introducing a bill entitled "The Vocational Rehabilitation Agency Reimbursement Act of 1987." This legislation will improve the ability of State vocational rehabilitation agencies to serve clients who are receiving supplemental security income [SSI] and Social Security Disability Insurance [SSDI]. The bill refines the current process of reimbursement and does not require any additional Federal spending.

Under current practice State vocational rehabilitation agencies are reimbursed for each SSI and SSDI client they rehabilitate from the Social Security Trust Fund. This legislation will provide for a prospective payment to the State vocational rehabilitation agency based upon their most recent annual reimbursement. Under the current reimbursement scheme, State vocational rehabilitation agencies may not receive their reimbursement for up to 2 years. The original purpose of the reimbursement was to provide these agencies with an incentive to rehabilitate SSI and SSDI clients. Data from the Rehabilitation Services Administration indicate that the current system is not providing the incentive that was originally envisioned.

In fiscal year 1980 7.5 percent of all persons rehabilitated were SSI clients. In fiscal year 1985, that figure had decreased to 6.1 percent. Similarly, over the same period of time the percentage of all persons rehabilitated who were SSDI clients fell from 8.2 to 5.6 percent. According to a recent GAO report—February 1987, "State Vocational Rehabilitation Agencies Reimbursement for the Disabled"—"Under the reimbursement rules established by the 1981 Social Security Amendments, SSA's funding of State VR agencies, intended originally to encourage the rehabilitation of SSDI beneficiaries, has fallen sharply." (p. 9).

This legislation provides that:

First, each State vocational rehabilitation agency will receive its reimbursement at the beginning of each fiscal year based upon the agency's most recent annual reimbursement sum;

Second, the advanced funds can only be used to rehabilitate SSDI and SSI beneficiaries;

Third, if the advance is greater than the amount earned in reimbursement, the shortfall is deducted from following year 's advance—the Social Security Administration will not have to collect the shortfall;

Fourth, the advance will go directly to the State vocational rehabilitation agency;

Fifth, the criteria to determine whether the State vocational rehabilitation agencies are entitled to such reimbursement are unchanged.

This legislation will produce a modest improvement in the current vocational rehabilitation reimbursement system. It will provide current funds to State vocational rehabilitation agencies in a timely manner and improve their ability to help disabled persons receiving SSI or SSDI to become employed.

The legislation has the bipartisan support of the chairmen and ranking members of the Committee on Education and Labor, Representative AUGUSTUS HAWKINS and Representative JAMES JEFFORDS, and the Subcommittee on Select Education, Representative MAJOR OWENS and myself with jurisdiction over the Vocational Rehabilitation Act. Also included among its original cosponsors are the chairman and ranking member of Ways and Means' Subcommittee on Public Assistance, Representative TOM DOWNEY and Representative HANK BROWN.

The legislation also has the support of the following disability organizations:

National Association of Rehabilitation Facilities,

Association for Retarded Citizens,

National Rehabilitation Association,

National Association of State Mental Retardation Program Directors,

National Mental Health Association,

National Associatrion of Developmental Disabilities Councils,

American Physical Therapy Association,

American Association on Mental Retardation,

National Head Injury Foundation,

National Alliance for the Mentally Ill,

International Association of Psychosocial Rehabilitation Services,

National Association of Private Schools for Exceptional Children,

Epilepsy Foundation of America,

American Association of University Affiliated Programs,

Goodwill Industries of America,

National Association of Private Residential Resources,

National Association of Rehabilitation Professionals in the Private Sector,

American Diabetes Association.

SENATOR MONDALE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. DORNAN of California. Mr. Speaker, one of the major differences between the Republican and Democratic parties is the way each addresses taxes and spending. Democrats are, to be sure, the party of taxing and spending, something they no longer even bother to deny. Republicans, on the other hand, are the party of low taxes and low Government spending. This fundamental difference is one reason the Republican party has won the last two Presidential elections with landslide victories.

Much to my chagrin, our party may be at a crossroads on the tax and spend issue for the 1988 elections. Given the steady drum beat of liberals and media pundits calling for tax increases since the stock market plunge, it appears that some Republican candidates may now be willing to abandon their principled position against raising taxes. This would be a mistake and I would urge all Republican candidates to come out foursquare against raising taxes or increasing the size and scope of the Federal Government.

Mr. Speaker, a recent editorial in the Orange County Register illustrates just what type of reception Republicans who reconsider our party's longstanding objection to tax increases can expect. I am submitting a copy of that editorial for the RECORD. Low taxes and spending restraint are hallmarks of republicanism. They are policies that have lead to 5 straight years of economic growth. Abandoning them now would be economic and political suicide. We as a party must have forward looking solutions to today's economic challenges. We cannot go backward to the failed policies of the Carter era.

The editorial follows:

[From the Orange County Register, Nov. 12, 1987]

SENATOR MONDALE

Sen. Robert Dole kicked off his 1988 presidential campaign this week sounding like he was reading Walter Mondale's 1984 campaign stump speech. Gloom and doom harmonically converged on Russell, Kan., where Dole retreated to throw his pith helmet into the ring.

"America must stop living for today while ignoring the implications of our decisions and actions for our children and for generations to come," Dole intoned. But even the weather didn't agree, as the sun brightly shone down, and the freezing air spiked the epidermis. It was the kind of day, not for gloomily contemplating the Olympian deeds of statecraft, but for joyfully shovelling slop to hogs.

"I offer a willingness to work hard, to hang tough, to go the distance," Dole told the 5,000 hometown sodbusters cheering him on. "I offer the strength and determination—molded in America's small towns and tempered during a career of public service—to bring common-sense answers to the complex problems facing America in its third century."

Dole offered few common-sense answers, but a lot of the bafflegab common to Capitol Hill. "The federal budget deficit is the single greatest threat to a prosperous and dynamic America," he said, again lifting a page from Walter Mondale. In fact, the greatest threat is record federal spending, which is paid for in two ways: by borrowing and taxes. Borrowing (the budget deficit) is but one part of the problem; taxes is the other part. To hold down spending and help the country, we need to reduce both the deficit and taxes. Unless Dole realizes (or admits) that, he's talking nonsense.

Dole said, "My pledge today is that we will tackle the runaway federal deficit headon without raising tax rates." Note that he mentions "tax rates," meaning the income tax. But he purposely didn't mention other taxes, such as gas or oil taxes.

Directly criticizing Vice President George Bush, his top rival, Dole said: "I offer a record, not a resume." But that's precisely the problem. He has one of the worst records in Congress. Columnist Don Feder notes that in 1982, Dole "fashioned the notorious Tax Equity and Fiscal Responsibility Act (TEFRA), the largest single tax increase in our history, designed to raise $227 billion over five years."

In 1983 Dole "enthusiastically supported a 5-cent rise in the gas tax. When popular pressure built to tax TEFRA's withholding of dividend and interest income, Revenue Enhancement Bob fought like an IRS agent to preserve the provision. In 1983, he went along with the $165 billion bail-out of Social Security, including a whopping 33 percent increase in taxes on the self-employed.

"The senator is more than just a tax collector for big brother, however," Feder notes. "He is, in fact, a prodigious spender in his own right. When it comes to pushing agricultural subsidies, the farm-state welfarist has no peer."

Revenue Enhancement Bob is scoring high in polls of Republican voters. But it's doubtful if Republicans, or the American people as a whole, will embrace his warmed-over Mondaleism any more than they did the real thing in 1984.

A TRIBUTE TO JUDGE DAVID AISENSON

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to Judge David Aisenson, an outstanding jurist. After 25 years of distinguished service on the bench, he has announced his retirement. It is my pleasure to ask my colleagues to join me in paying tribute to Judge Aisenson.

Judge Aisenson received his bachelor of arts degree in economics from UCLA and his law degree from Southwestern University. A World War II veteran, he served in the Pacific as an army radio operator. Upon being admitted to the California bar, he enjoyed a successful private practice until accepting a position as deputy district attorney for the County of Los Angeles.

In 1962, Judge Aisenson was appointed a commissioner of the superior court of Los Angeles. In this capacity, he sat as a superior court judge pro tempore in the domestic relations, civil nonjury and motion and pretrail departments. In 1966, he was elected a judge of the municipal court of the Los Angeles Judicial District, handling both civil and criminal cases. Ten years later he was elected to the superior court by an overwhelming majority of the electorate and was reelected in 1982. Over the years Judge Aisenson's reputation has been that of a fair and honest judge, with the expertise to settle cases of great complexity.

Judge Aisenson also serves on the faculty of the University of San Fernando Valley College of Law and is a member of numerous civic and professional organizations.

It is my distinct honor to salute David Aisenson for the exemplary leadership that he has shown as a judge and for his outstanding contribution to the field of law.

IN HONOR OF EXCELLENCE

HON. CONNIE MACK

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. MACK. Mr. Speaker, I would like to recognize the Council of Chief State School Officers, the National Association of Secondary School Principals and the Burger King Corp. for their achievements in the field of education through their joint establishment and continued support of a public-private program entitled "In Honor of Excellence." President Reagan recently awarded the 1987 Presidential Citation Award for Private Sector Initiatives to the Burger King Corp. for this program.

The In Honor of Excellence Program was established in 1984 to honor outstanding teachers and principals from every State, the District of Columbia, American Samoa, and Puerto Rico. Held each November in Captiva, FL, the symposium also provides a forum for these educators to exchange ideas and opinions concerning the critical issues facing education today. Leading scholars, educators and business executives are invited to attend and participate in the interchange of ideas.

The In Honor of Excellence Program honors the teachers and principals who inspire our children to achieve and to excel. The program is founded on a basic and very important principle: Partnerships between educators and private business contribute immeasurably to the advancement of education through cooperative exchanges of equipment, facilities and talent. The end result of such partnerships is a better educated and trained American work force, capable of meeting the demands of a complex and ever-changing domestic and global economy.

The theme of the 1987 In Honor of Excellence symposium is "Education and Competitiveness: the Quest for Excellence in Business and Education." Participating educators and speakers will discuss ways in which our schools can better prepare students for competitive society. Their recommendations will be announced at the conclusion of the symposium and presented to the administration.

The In Honor of Excellence Program is only one example of the many educational programs sponsored by the Burger King Corp. Among the company's educational and training programs are:

A crew education assistance program through which eligible crew members may earn bonus credits of up to $2,000 to be applied toward educational expenses at a licensed and/or accredited college, university, vocational or technical institution;

Endowment of the James W. McLamore chair in American Enterprise at the University of Miami;

Participation in the Public Schools Partnership Program in the Midwest, the Adopt A School Program in Atlanta, and the cities in schools alternative education program for potential dropouts; and

Support for the Washington DC, Public Schools Employability Skills Program.

The diverse programs which the Burger King Corp. sponsors and with which the company is affiliated clearly demonstrate Burger King Corp.'s outstanding dedication to the promotion and funding of educational and training programs both within and outside the company. Such programs are essential to the continuing development of our Nation as they play a critical role in our ability to equip our work force to meet the growing demands of international competition.

Burger King's education programs, and the public-private initiatives that make these programs possible, are to be commended and encouraged. Legislation consonant with these goals should have our support, and the Congress should continue to look for new and innovative ways to build on such positive ideas.

CONGRESSIONAL MEDAL OF HONOR DAY

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. MONTGOMERY. Mr. Speaker, I am proud to be an original cosponsor of the legislation passed by this body yesterday, House Joint Resolution 384, which sets aside next February 12 to honor the Nation's Congressional Medal of Honor recipients. Three of the recipients are from my home State of Mississippi.

In my office, I have a book listing the Medal of Honor recipients and their citations. Under their names are such comments as "magnificent conduct," "conspicuous bravery," "valiant spirit," and "courageous devotion to duty."

This is truly a fraternity to be admired. It is a group that represents the absolute best of man's spirit and determination. They are the ones who, in the tragedy and cruelty of war, performed with valor and supreme courage and heroism. They are freedom's heavy hitters.

Mr. Speaker, our Congressional Medal of Honor recipients deserve this special day of tribute, and I urge swift approval of this measure by the other body.

FLORIDA GRAPEFRUIT "PEEL-IT-OFF DIET"

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. LEWIS of Florida. Mr. Speaker, in the past decade Americans have been pursuing a rejuvenation of interest in diet, physical fitness and nutrition. Though their intent is laudable, their basic knowledge of what is appropriate in terms of physical activity and diet is often limited. To offset the limitations our country's physicians, businesses and governments are working together to offer programming, education and recommendations for a healthy America. The benefits these decisionmakers see is that the results of a good diet and fitness program can increase the longevity of Americans, create greater productivity for industry and business and reduce health care costs across the board.

To reinforce the importance of total good health, research has shown that diet and exercise often attribute to disease prevention and control. Debilitating and life threatening illnesses like heart disease, cancer, diabetes, and osteoporosis are cited as examples where diet appears to play an important role.

But, despite the conserted efforts of Government and free enterprise, Americans are still in need of consistent motivation. According to Better Homes and Gardens magazine, almost 90 percent of Americans think they weight too much. The operative word in that statement is "think" and in order to change this perception of how Americans feel about themselves, education is the key to behavior modification.

In a recent article in USA Today, futurists spoke candidly about what the year 2000 holds for all of us. Futurist Clemont Bezold believes that "by adjusting our behavior we can live longer and more vigorously—and not be older and sicker." Behavior modification begins in adjusting our eating and exercise habits.

In early October, a panel of experts commissioned by the National Institutes of Health released dietary guidelines for lowering blood cholesterol of adults who have been identified heart disease high risks. One of the panel's recommendations is to eat plenty of fruit.

Since 1932, the Florida Department of Citrus has worked diligently to provide American consumers with information to lead nutritionally healthy lives. Through FDOC supported programs and collateral materials, the agency has offered American consumers sound nutritional and educational recommendations to modify behavior habits for good health.

Based on the success of this year's Peel-It-Off Program and designation of January 1987, as National Diet Month by the 99th Congress, the FDOC will continue to renew its commitment to a healthy America.

For 1988, the FDOC will again put forth a consumer awareness campaign to reinforce the importance of nutrition, diet, and fitness and presents for consideration the recognition of January 1988, as National Diet Month. As a consumer awareness effort, the Peel-It-Off Program will focus on informing and educating the public about the benefits of a safe and healthy diet regime at a time when Americans need it most—after holiday indulgences.

As nutrition is a vital element to healthy living, citrus growers are proud of what Florida grapefruit offers in all areas. Rich in vitamin C, potassium, B vitamins and fibers, grapefruit are only 80 calories each.

Through the efforts of the peel-it-off Florida grapefruit campaign, it is the FDOC's wish to modify consumer behavior by emphasizing that nutrition and exercise can improve one's quality of life. And, when good health and wellness is achieved, eveyone benefits.

Mr. Speaker, through my capacity as Florida's only Representative on the House Agriculture Committee, and given the importance of a nutritious diet and exercise to our Nation, I hereby submit for this RECORD this outline of the Peel-It-Off Program and urge my colleagues to support the Florida Department of Citrus' efforts to promote January as National Diet Month.

BETTY SPAAR: NEW PRESIDENT OF THE MISSOURI PRESS ASSOCIATION

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. SKELTON. Mr. Speaker, I take this opportunity to commend a resident of the Fourth Congressional District, Betty Spaar, publisher of the Odessan in Odessa, Mo., who was recently elected president of the Missouri Press Association. Mrs. Spaar comes from a well known newspaper family, and has been publisher of the Odessan since 1960. She is a graduate of the University of Missouri and active in civic affairs.

I know that my colleagues join me in wishing her well as she assumes this prestigious office with the Missouri Press Association.

SYRIA: TORTURE BY THE SECURITY FORCES—AN AMNESTY INTERNATIONAL REPORT

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. FEIGHAN. Mr. Speaker, The Syrian Constitution says that torture is illegal in Syria. But a recent Amnesty International report reveals a harsh reality: torture is a "regular experience for thousands of political prisoners in Syria."

The report spells out flagrant human rights abuses in that country. Under a state of emergency, in place since 1963, thousands of political prisoners have been arrested and brutally tortured while held incommunicado by Syrian security forces. The report details no less than 38 systematic methods of torture. The victims' testimony is a sickening indictment of the barbarity of man's inhuman treatment of his fellow man. Numerous requests by Amnesty

International for investigations and appeals to Syrian authorities have been made on behalf of these men and women. No response has ever been received.

The U.S. position on torture is clear. According the Public Law 98-447, the chief of the diplomatic mission in a country where torture is regularly practiced is under instruction to examine allegations of torture; to report this information to the Assistant Secretary for Human Rights for inclusion in the Country Report on Human Rights Practices; and to express concern in individual cases of torture.

Recently, the United States resumed full diplomatic relations with Syria. The State Department should use this recently reopened diplomatic channel to present the findings of the Amnesty report to the Syrian Government, call upon the Syrians to bring those responsible to justice, and call upon Syria to implement laws that prevent the continued use of torture. I commend the report to my colleagues and I have submitted a small excerpt for your information.

SYRIA: TORTURE BY THE SECURITY FORCES AN AMNESTY INTERNATIONAL REPORT—OCTOBER 1987

Torture is illegal in Syria. It is prohibited by international covenants to which Syria is a party. Nevertheless torture is a regular experience for thousands of political prisoners in Syria.

For years Amnesty International has received reports that political prisoners are systematically tortured and ill-treated by Syrian security forces. The victims range from students to lawyers to housewives to soldiers. Anyone who opposes the government is at risk. People arrested or abducted by the security forces in those areas of Lebanon under Syrian control have described tortures similar to those suffered by detainees in Syria.

Torture is facilitated by the extensive powers of arbitrary arrest and detention conferred on the security forces by a state of emergency which has been in force in Syria since 1963. For example, they are empowered to detain without charge or trial anyone suspected of "endangering security and public order". These powers have been grossly abused, resulting in thousands of arbitrary arrests. The security forces have arrested people at will, without warrants, without any explanation of why they are being arrested and without reference to any central authority and held them incommunicado for long periods, in some cases for years. In Amnesty International's experience incommunicado detention all too often becomes an opportunity for torture.

Brutal methods of torture have been described to Amnesty International by former inmates of Syrian prisons. Similar methods have been described by former detainees tortured by Syrian forces in Lebanon. One, known as the Black Slave, involves strapping the victim onto a device which, when switched on, inserts a heated metal skewer into the anus. The Washing Machine is a hollow spinning drum, similar to that of a domestic washing machine, into which the victim's arms are pushed and spun until they are crushed. There is the Syrian Chair, a metal chair to which the victim is bound by the hands and feet. The chair's backrest is then bent backwards, causing acute stress to the spine. Meanwhile, metal blades fixed to the chair's front legs cut into the victim's ankles. People tortured on the Syrian chair are said to have suffered fractured vertebrae and near strangulation. A variation of this form of torture, known as the Confession Chair, is practiced in Lebanon.

The range of torture methods used is such that it led one former detainee to describe a Damascus detention centre as a "research centre" for new torture techniques. Amnesty International has received descriptions of no less than 35 different methods of torture, excluding the routine beatings which result in scenes such as this, described by an ex-prisoner: "One by one * * * each person was beaten 200 and 400 times on his feet. Other members of the military police were busy beating the rest of the prisoners on their backs and other parts of their bodies. When they had finished beating us, we were lined up in single file. Holding onto each other's clothes, blindfolded and with our heads lowered, we walked into the prison. We reached the fourth courtyard, a cell door was opened and we went in. Of course, until the cell door closed we continued to be whipped from every direction. Everyone was in a bad condition, their legs bleeding and covered with wounds, as were other parts of their bodies. The pain was very intense, and none of the prisoners was able to stand up as a result. If a prisoner tried doing so, he would collapse from the intensity of the pain."

This report is based on testimonies and information received by Amnesty International since 1983. Amnesty International has not been able to medically examine every former detainee who claims to have been tortured, but whenever this has been possible the results have been consistent with the tortures described. The extent of torture and ill-treatment in Syria goes beyond the specific cases described here. Amnesty International believes that in a great number of cases, allegations of torture or ill-treatment are never made for fear of reprisals against former detainees and their families. For this reason the detail of some of the cases in this report has been altered or omitted to prevent identification. Reference to other known cases has been omitted altogether. Reports of torture or ill-treatment are sometimes not received until long after the events have taken place. As far as Amnesty International knows there are no regular and independent visits of inspection to places of detention, nor is there any mechanism through which detainees can lodge complaints about their treatment. Allegations of torture or ill-treatment are therefore often only made months or even years after the detainee has been released.

Reports received by Amnesty International indicate that other fundamental rights in addition to the right not to be tortured or ill-treated are routinely infringed by the security forces. These include the right to legal assistance and to prompt medical examination after arrest. Nor do detainees receive adequate medical treatment.

Over the years Amnesty International has repeatedly urged the Syrian authorities to take steps to end torture and ill-treatment. The organization has submitted detailed accounts of human rights violations by the security forces to the authorities together with recommendations designed to end such abuses. The authorities have never responded. In this report Amnesty International once more presents the evidence that torture in Syria is widespread and systematic in the hope that the authorities will take action to prevent it.

A TRIBUTE TO THE COUNTRY OF LATVIA

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. HORTON. Mr. Speaker, I rise today to pay tribute to the country of Latvia and its people, who today will mark the 69th anniversary of the founding of the independent Republic of Latvia.

From the end of World War I until World War II, Latvia was a proud and free independent country. Sadly, that freedom was short lived, as the Soviet Army crushed Latvia and its Baltic neighbors Estonia and Lithuania in 1940. That domination and control remains in place today.

Any type of celebration by the people of Latvia today to remember and cherish their freedom will be considered a criminal offense by the ruling Soviet powers. But, Mr. Speaker, that will not stop thousands of Latvians, who will risk their personal freedom to show to the world that the people of Latvia have not and will not accept as fact that the Soviets control their destiny. We in America should honor these brave patriots expressing their desire for freedom today in that Soviet-controlled country.

By its definition, the Soviet Union considers Lithuania, Estonia, and Latvia to be regions of the U.S.S.R. itself. For the sake of freedom-loving people around the world, it is critical that we never forget that these three countries were invaded and were included as a part of the Soviet Union completely against their collective will.

Mr. Speaker, I salute those who risk possible imprisonment to remember the nearly two decades of Latvian independence.

AMERICAN EDUCATION WEEK CELEBRATES CONSTITUTION'S BICENTENNIAL

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. MAVROULES. Mr. Speaker, I would like to join with the American Legion, the National PTA, the National Education Association, the National School Boards Association, the U.S. Department of Education, parents, students, teachers, and civic and business leaders in saluting public education during, this, American Education Week.

This year's American Education Week theme, "We The People: Building Schools Together," was selected to commemorate the bicentennial of the U.S. Constitution. It underscores the role education has played in enunciating the principles of our Republic to generations of students.

Mr. Speaker, I'd like to provide a brief history of American Education Week. It was initiated after World War I when draft boards discovered that about 25 percent of draftees were illiterate and about 29 percent were physically unfit.

In 1919, the American Legion, the National Education Association, and the U.S. Office of Education discussed launching an educational campaign to solicit public support essential to correcting such deficiencies. As a result, a series of conferences that began in 1920 led to a plan for an annual nationwide observance honoring education in the United States. In 1921, the first observance of American Education Week took place.

Since its inception 66 years ago, the observance of American Education Week has served to increase public understanding and appreciation of our Nation's schools, to encourage parental involvement, and to build civic and community support to improve education.

Few things are of greater importance than a good education. Education guarantees not only the progress of a society but personal growth and development; it improves the quality of life both tangibly and intangibly. Through education our country has made great strides politically, socially, and economically over the past 200 years.

Education improvement is an imperative of increasing importance in today's world, and without it, America can no longer feel secure in its position of world technological leadership.

I am somewhat astonished that this understanding appears to prevail at the grassroots level of our society, yet, has failed to extend into the upper reaches of policy making in the present administration.

Each week I receive many letters from constituents, not middle-aged, working adults, but concerned teenagers and college students who ask what has happened to our vision, our understanding that only by building a sound academic foundation today can we ensure our ability to compete economically, socially, scientifically, and militarily tomorrow. These constituents don't understand why we have compromised the ideals upon which this great Nation is based. They ask why have we sacrificed the future for the politically expedient needs of the present. Based on these letters, I dispute the popular axiom that today's youth lack vision and seek only instant gratification. They have demonstrated an understanding, sensitivity, and foresight that is lacking in many of today's leaders.

On the Federal level, the Reagan administration continues its ideological lip service and disingenuous advocacy of education needs, while, in practice, it has only attempted to shrink or dismantle many of the programs vital to our Nation's youth and, consequently, its future. If we expect to secure a position at the forefront of technological innovation and world leadership, we must continue to invest in education for future generations. Education is the wisest investment a nation can make.

While the Federal budget deficit constitutes one of the greatest threats to our Nation's economy, future generations cannot be sacrificed on this Nation's financial pyre to appease today's economic deities. Legislators must show the moral strength and political courage to resist the entreaties of the Reagan administration to cut funding for education.

Examples of this administration's willing sacrifice of education are reflected in the cuts education has experienced at its hands since 1980: Compensatory education—cut 17 percent, bilingual education—cut 45 percent, vocational education—cut 24 percent, Federal student aid—cut 12 percent, Pell grants—cut 12 percent in addition to a tightening of eligibility resulting in a decrease of recipients from 32 percent of entering freshmen in 1980 to 17 percent in 1986.

The President's fiscal year 1988 budget proposed eliminating or reducing numerous education programs, including math-science teacher training education grants, vocational education, drug abuse education, handicapped education, college student financial assistance, and aid to historically black colleges. And, although the budget leaves some programs in place, the reduced funding renders them virtually ineffective and lacking in any true viability. It is a fraudulent policy bereft of vision and philosophical honesty.

I find it sadly ironic that the President, for all his rhetoric about revitalizing the country, is constantly either ignoring or destorying our educational system. In order for our society to progress and prosper, we must provide our young with the best possible learning opportunities.

It is incomprehensible that there is such inconsistency between this administration's words and deeds. I fear that the administration is seeking to abandon the Federal Government's long-term commitment to equal education opportunity. Already thousands of students across the Nation have been forced to drastically alter their education plans; many more have been denied access to higher education outright. We must meet our commitment to education in order to ensure our Nation's future.

We cannot meet the competition from other nations unless we have a broadly educated citizenry, trained for the increasing demands of a highly technological and culturally interrelated world. Today's students must be educated with both eyes wide open: One trained firmly on the future and one constantly searching the past. As George Santyana said, "Those who cannot remember the past are condemned to repeat it." Experience is one of our greatest teachers; let's not deny our young this educational opportunity. Without a knowledge of our past, and the history and customs of other nations, we deny ourselves the tools to work and compete effectively with other nations.

For these reasons I recognize the importance of American Education Week on the bicentennial of our Constitution as a celebration of our past accomplishments and a renewal of concern for our future. I encourage my colleagues to join me in this celebration and renew our Nation's pledge to unsurpassed academic and intellectual accomplishment.

AN EQUITABLE SOLUTION: DON'T PENALIZE CREATIVITY

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. LELAND. Mr. Speaker, on Thursday, October 29, the House passed H.R. 3545, the Omnibus Budget Reconciliation Act of 1987, which I supported. Contained in H.R. 3545 was a technical correction to the Tax Reform Act of 1986 that is very important to photographers, freelance authors, and other creators of artistic works.

The provision specifies that photographers and writers are exempt from uniform capitalization rules. Such rules would have made it virtually impossible for these creators to deduct an overwhelming portion of their reasonable business expenses. The Tax Reform Act was not meant to penalize creativity and I am glad that my colleagues and I had an opportunity to correct this inequity.

SS. PETER AND PAUL UKRAINIAN CATHOLIC CHURCH, JERSEY CITY, CELEBRATES 100TH ANNIVERSARY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18$ 1987

Mr. GUARINI. Mr. Speaker, a program of great social, religious, and historical significance will take place this weekend in the 14th District of New Jersey, which I represent.

It concerns the centennial observance of a religious parish of the Ukrainian Catholic Church. With the assistance of the pastor of SS. Peter and Paul Ukrainian Catholic Church, Father Roman Mirchuk, I am supplying the following information for this grand salute:

This Sunday, November 22, led by two Archbishops—the Most Reverend Stephen Sulyk, Archbishop of Philadelphia and Metropolitan of Ukrainian Catholics in the United States, and the Most Reverend Theodore McCarrick, Roman Catholic Archbishop of Newark, and sixteen priests, several hundred parishioners and friends will come together to celebrate the one-hundredth anniversary of Saints Peter and Paul Ukrainian Catholic Church. The celebrations will begin with solemn vespers on Saturday night, at 5 p.m. On Sunday, a solemn Poltifical Divine Liturgy, celebrated by most of the still-living former pastors and assistants of the Church, will be sung at 1:00 p.m. in the church, located in the former SS. Peter and Paul Ukrainian Catholic Church at Bentley and Bergen Avenues. Immediately afterwards, a jubilee banquet will be held at the Hi-Hat Club, 180 W. 54th Street, in Bayonne.

The Ukrainian Catholic Church is one of the twenty-one rites or branches of the Universal Catholic Church. While recognizing the Pope of Rome as Head of the Church, it is largely self-government and retains its own liturgy, calendar, customs and traditions, and laws: services are conducted in the vernacular, which for the United States is Ukrainian and English. The Church dates its beginnings to 988, when St. Volodymyr the Great of Kyiv (Kiev) officially adopted Christianity as the state religion of his Kingdom, Ukraine. Headed by a Patriarch, Cardinal Myroslav Lubachivsky, who resides in Rome, the Church has 20 bishops who serve Ukrainian Catholics scattered throughout Poland, Czechoslovakia, Europe, the Americas, and Australia. The Church in Ukraine is legally banned and proscribed, though recent reports indicate a strong underground illegal Church with 10 bishops, 400 priests, some 1000 nuns, and several million faithful. Unfortunately, "glasnost" has not been extended to the Ukrainian Catholic Church, which continues to be persecuted and denounced by the Soviet regime—which makes the centennial celebrations of SS. Peter and Paul Church all the more important for its parishioners.

The nucleus of the parish was formed in 1886 by Father John Volianskyj, the first Ukrainian Catholic priest in the United States, though it was officialy organized in 1887, when a small wooden chapel was built on 4 lots located in The Heights, at the corner of Henry and Chestnut Streets. Served intermittently by Ukrainian Catholic priests from Pennsylvania, the parish obtained its first resident pastor, Father Gregory Hrushka in 1889. Among his accomplishments, Father Hrushka constructed a new large wood-framed church in 1891; began publication of the first Ukrainian-language newspaper, "Svoboda", in the United States (which continues to be published in Jersey City as a daily, with a weekly English supplement); and helped found the Ukrainian National Association, whose headquarters are in Jersey City, on Montgomery Street.

In 1900, a more convenient location was obtained at the corner of Sussex and Greene Streets, in downtown Jersey City, where most of the congregation lived, and a new brick church, with five Ukrainian-style domes and three bells, was constructed. From 1902 till 1967, when it was sold to Colgate and demolished, this church was a landmark on the Jersey City skyline. During this period (up to about 1905), the parish occupied an honored position in the tri-state area, as it was the only Ukrainian Catholic Church and served the spiritual needs of Ukrainians living in these states.

From 1905 to 1925, the issues of lay trusteeism, episcopal control of church property, Orthodox proselytism, and political difference troubled the parish and even threatened its very existence. One such split resulted in the founding of SS. Peter and Paul Russian Orthodox Greek Catholic Church, located on Grand St. However, the timely appointment of Father Volodymyr Lotowycz in 1925 saved the parish. During his 30 year pastorate, he succeeded in resolving the most burning issues, conciliating the different factions and reuniting them around the church. He was also instrumental in organizing the first Ukrainian Catholic Holy Name Society in the United States (1937) and founding a parochial school (1949) at Bergen and Bentley Avenues. Staffed by the Ukrainian Catholic Sisters of St. Basil the Great, the school soon rated as one of the best parochial schools in the city, and many Jersey City residents, Ukrainian as well as non-Ukrainian, are graduates of the school. To provide room for the ever-increasing number of students, augmented by Ukrainian children whose parents came to the United States in the aftermath of World War II and the Soviet Russian occupation of Ukraine, a new school building was constructed in 1961-62 by Father Anthony Borsa, serving the school until it closed in 1980. Presently, the building is used by Academic High School.

From 1955 until 1984, the parish was served by Msgr. Joseph Batza, Msgr. Anthony Borsa, Father Theodore Danusiar and Father John Wysochansky; the current pastor is Father Roman Mirchuk.

In 1986, the parish purchased property on the opposite corner of Bergen and Bentley; broke ground in September of this year; and is preparing for the construction of a new church in early 1988. Plans call for the completion of the edifice in the spring of 1989, at the conclusion of year-long celebrations of the Millenium of the official Christianization of Ukraine.

At the end of April 1986, we all were shocked upon getting news regarding the nuclear disaster at Chernobyl, which was 60 miles from Kiev in the heart of the great nation that many of the parishioners, past and present, of SS. Peter and Paul Ukrainian Catholic Church, have been part of.

It will be recalled that reports received indicated that thousands of individuals died in the nuclear accident.

The world knows that the Soviet breadbasket is in the Ukraine, the area south of Chernobyl and north of the Black Sea. It produces major portions of the country's staple grains and livestock and represents the best balance of soil, rainfall, and climate for agriculture in the Soviet Union.

The world was concerned at that time, and is still concerned because clouds of radiation spread more than 1,000 miles across Poland and Scandinavian Finland and that the fallout effect regarding crops, vegetables and livestock is still unknown.

I recall meeting with Father Mirchuk, Father John Skvir of SS. Peter and Paul Russian Orthodox Church, and other religious leaders, and Steve and Judge Robert Cheloc, and others, regarding the terrible problem which caused great concern and anxiety for their friends and relatives still in that nation, and those who have to live in that part of the world.

In my district, Ukrainian Americans have been with us since the turn of the century, many residing in the Gammontown, downtown section of the city, which is along the waterfront in the shadow of the great Colgate Palmolive industrial complex. They have always been hard working, Godfearing people who placed great emphasis on their obligations to their families bringing up their children to be good Americans—giving, not taking from our society.

In Jersey City, at 30 Montgomery Street, the Ukrainian National Building operates its own newspaper, Svoboda. Also, there is a very fine Ukrainian Community Center, located on Fleet Street, in my district, which adds much to the cultural, educational, and social enrichment of all individuals.

The good work of the Ukrainian Catholics in my area was praised in remarks on October 4, 1979, by Pope John Paul II when he spoke at the Ukrainian Catholic Church of the Immaculate Conception, when he said:

> You are part of the household of God. You members of the Ukrainian tradition are part of a building that has the Apostles and Prophets for its foundation and Christ Jesus for its main cornerstone.

On that visit, Pope John Paul II said:

> For many years, I have highly esteemed the Ukrainian people. I have known of the many sufferings and injustices you have endured. These have been and continue to be matters of great concern to me. I am also mindful of the struggles of the Ukrainian Catholic Church, throughout its history, to remain faithful to the Gospel and to be in union with the successor of Saint Peter. I cannot forget the countless Ukrainian martyrs, in ancient and more recent times, most of whose names are unknown, who gave up their lives rather than abandon their faith. I mention these in order to show my profound esteem for the Ukrainian Church and its proved fidelity in suffering.
>
> I also wish to mention those things which you have preserved as your special spiritual patrimony; the Slavonic liturgical language, the ecclesiastical music and the numerous forms of piety which have developed over the centuries and continue to nourish your lives. Your appreciation of these treasures of the Ukrainian tradition is demonstrated by the way that you have maintained your attachment with the Ukrainian Church and have continued to live the faith according to its unique tradition.

The Ukrainian Americans in my district and indeed, a survey will show, throughout the Nation, have been exemplary citizens serving this Nation in war and peace, loving America while zealously continuing their traditions of their great homeland, inculcating the spirit of their forefathers in their children, while building a solid bridge of Americanization for their children's children for many generations to come.

I extend my deepest gratitude to these great people, to their religious and civic leaders and I am sure that my colleagues here today in the House of Representatives wish to join me in this centennial tribute marking the 100th anniversary of a great parish composed of great people.

FIFTY YEARS TOGETHER

HON. DAVID E. SKAGGS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. SKAGGS. Mr. Speaker, this past weekend I had the enormous privilege of joining my mother and father, Juanita and Charles Skaggs, in the celebration of the 50th anniversary of their marriage. I was unable to express very well to them at our party how proud I am of them and of being their son. So, I want to take advantage of this most public forum to say it to the world.

This was the occasion to stop for a little while to reflect. On a couple starting a lifetime together in 1937 in Depression-era Chicago. On the changes they've seen in the last 50 years. On all that has been involved in creating and keeping a family together. On their sacrifices, joys, and tears for, with and even in spite of their children and each other.

None of us can go it alone. We wouldn't be here without the help and support of many others. For me, my mother and father—good

Republicans both—are at the top of the list. They have demonstrated what love and character and loyalty are all about. I love and respect them more than I can say.

THE 169TH ANNIVERSARY OF VARICK MEMORIAL AFRICAN METHODIST EPISCOPAL ZION CHURCH

HON. EDOLPHUS TOWNS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. TOWNS. Mr. Speaker, I rise to draw the attention of my colleagues to the 169th anniversary of Varick Memorial African Methodist Episcopal Zion Church which is being celebrated at a banquet dinner on Saturday, November 21, 1987.

The Varick AME Zion Church was founded in the city of Williamsburgh, now part of Brooklyn, in the year 1818. In the early days of its history, the church was called the Union AME Zion Church.

The first site of the church was at Third and Hooper Streets in Williamsburgh. The church grew and thrived in the Williamsburgh section for 82 years. At the turn of the century, under the leadership of Rev. J. Waters, the church moved to the site of Ralph Avenue and Bergen Street to a frame structure purchased from the Bethesda Congregational Church. The church remained at this site until it was devastated by fire in the year 1919. Following the fire, Rev. John Mason moved the congregation, which by that time had become known as the Ralph Avenue AME Zion Church, to a new location at the corner of Chauncey Street and Ralph Avenue.

In the year 1939, during the pastorate of the Rev. T.C. McDougal, the corporate name of the church was changed to the Varick Memorial African Methodist Episcopal Zion Church, in honor of James Varick, the founder and first bishop of the AME Zion Church. The fire of 1919, the forced move that resulted from it, and the onslaught of the Depression in the thirties brought long years of leadership and struggle to the people of Varick Church. On more than one occasion, there was serious discussion on the floor of the New York Annual Conference as to the feasibility of keeping the doors of the church open. Great credit must be given to the lay men and women and the pastors who, through the lean years, perservered.

Dr. Samuel Hart Williams, who became the pastor of Varick Church in 1941, must be given credit for being the father of Varick Church in its modern era. Under his leadership the congregation grew and subsequently acquired the present site on Quincy Street and Patchen Avenue. The congregation purchased this historic mansion in the Bedford-Stuyvesant area from supermarket magnate, H.C. Bohack, in 1951. This beautiful building was renovated to include a seating capacity of 500, fellowship and dining halls, limited Sunday School facilities, 3 offices, and a 14-room rectory.

In 1957, Dr. Frank E. Churchill was appointed to the pastorate of Varick Church after Dr. Williams became presiding elder of the Brooklyn District. Under Dr. Churchill's brief pastorate—1957 to 1960—the membership of Varick almost doubled. It was also during Dr. Churchill's pastorate that the mortgage was burned.

The Rev. J. Franklin Smith became pastor of the Varick Church in 1960 and worked faithfully as its leader for 6 years. He was succeeded by Dr. C. Guita McKinney, who became the pastor in 1966. Dr. McKinney was instrumental in adding new organizations to the church and significantly raising the church's budget. Dr. McKinney later was appointed presiding elder of the Hudson River District.

In 1968, Dr. Calvin B. Marshall, in his 36th year, became pastor of Varick Church. Dr. Marshall, who was the youngest minister ever appointed to the church, came with the revolutionary zeal of the modern black preacher. A civil rights activist, he immediately plunged Varick Church into many community activities and gained considerable reputation for the church. His activities were recorded in the New York Times, New York Post, Time magazine, and several appearances on radio and television. In 1969, Varick Church had an entire church service broadcast on network television as an example of a socially conscious black church. It was at this point that Varick Church also became known as the Church of Black Liberation. Many young family people became members of Varick and today it remains one of the most vital churches in New York.

During the ensuing years, the members of Varick Church, under the leadership of Dr. Marshall, continued to serve the community. In the 1970's a community ministries program was begun. There Varick Church ministered to the community on a daily basis, with referrals to city agencies and an after school and summer program for the neighborhood children. For many years a successful day school was offered to the surrounding community. Low cost preschool care was provided for children between the ages of 3 and 5.

In 1978, responding to a need for larger and more versatile facilities, the Varick congregation undertook the herculean task of completely renovating and expanding the church, a project which cost in excess of $500,000 to complete. The seating capacity in the sanctuary was increased with the addition of Sunday School classrooms on the sanctuary level. The administrative offices were upgraded and increased and on the lower level a new kitchen, rest rooms, and chapel were added.

The Varick Church continues its commitment to serving the surrounding community and the city as a whole. Currently, Varick's department of christian education sponsors a weekly tutorial program for elementary through high school students. Varick also ministers to the homeless of the city with an emergency shelter which cares for 10 men on a weekly basis.

Without a doubt, the Varick Memorial Church represents the best tradition of the black church. Mr. Speaker, I am pleased and proud that the Varick Memorial AME Zion Church is part of my 11th Congressional District. I extend my very best wishes to the congregation of Varick for many, many fruitful years in ministry.

THE BAPTISTS OF BROOKFIELD AND THEIR DIVINELY INSPIRED TRADITION

HON. GEORGE C. WORTLEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. WORTLEY. Mr. Speaker, it has been said and sung that "God moves in a mysterious way." Most unusual in the town of Brookfield, NY—in the 27th congressional district—is the way God is worshipped by my constituents of the Baptist faith.

Last month, the First Baptist Church and the Seventh Day Baptist Church observed the 150th anniversary of sharing the same sanctuary and other church facilities.

In 1837, the two Baptist congregations confronted the necessity of serving their congregations nearer the center of Brookfield's growing population. While the churches shared most theological concepts, they differed on which day to observe the Sabbeth. The Seventh Day Baptist congregation conducted services on Saturdays, the First Baptist congregation on Sundays. Inspired, they jointly built a single church on North Academy Street in Brookfield.

Over the years, a single society, including trustees from each church and the voting members of each congregation, has cared for the shared church facilities. Together, the congregations have undertaken renovations. The most recent was this year's installation of a carillon system. The members of the churches also have shared common programs, including prayer meetings, vacation bible schools, sacred concerts and, occasionally, pastoral leadership.

On a Saturday and Sunday last month, the congregations celebrated the 150th year of cooperative spiritual services.

Mr. Speaker, it is with signal pride and admiration that I commend the attention of our colleagues to this event. Pastor Thomas Goldthwaite of the First Baptist Church, Pastor Ernie Clemens of the Seventh Day Church, and their congregations deserve our recognition for the nurturing of their divinely inspired tradition.

NATIONAL OPTICIANS MONTH

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. FRENZEL. Mr. Speaker, the Opticians Association of America has designated the month of January 1988, as National Opticians Month. I am particularly proud that a constituent, Dwayne Broe of Minnesota, is the current president of OAA which represents the Nation's 30,000 opticians.

Sooner or later, nearly every one of us will need help to see well. Retail opticians deliver vision care to young and old alike, guiding their customers through a vast array of choices of eyeglass lenses and frames, and a growing number of contact lenses and lens care products.

Retail opticians, like Dwayne Broe, play an important role in keeping protective and corrective eyewear available to us all. It is a pleasure for me to recognize and honor these opticians.

THE 69TH ANNIVERSARY OF THE INDEPENDENCE OF LATVIA

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. SOLOMON. Mr. Speaker, today, Wednesday, November 18, is the 69th anniversary of the day when an independent Latvia was declared to those assembled at the National Theater in the Latvian capital of Riga. After centuries of domination by their Russian neighbors, this small, Baltic nation joined a dozen other nationalities in at last winning their true independence and national self-determination.

Sadly, Latvia's fate as an independent nation was foreshadowed as, one by one, most of those other nations fell to Soviet military and political onslaughts. Even as the Bolsheviks preached solemnly of their sincere respect for self-determination for all nationalities, they moved to absorb the independent nations of Ukraine, Georgia, Azerbaijan, and the others.

Latvia itself was to come under an immediate Soviet political assault. Within a month of the Latvian declaration of independence, a Soviet Republic of Latvia was declared—not in Riga, but in Moscow. With bravery and good fortune, however, the Latvian people were able to throw back the Soviet threat to their independence and go about the business of building a democratic state where none had stood before.

This was to prove difficult in the unsettled atmosphere that was soon to sweep through much of Europe with the advent of radical movements and the onset of the world economic depression. Ironically, the Latvian people's strong desire to ensure a maximum of democratic participation through minimal requirements for official party nominations was also to make this effort difficult by causing a proliferation of political parties, which proved a dire threat to the government's continued stability.

But, without a doubt, the gravest and ultimately fatal threat to Latvia's independence lay in the hypocrisy of its Soviet neighbor. Unable to squash Latvian independence in 1918, the Soviet dictatorship quickly resorted to a duplicitous policy of publicly supporting Latvian statehood while secretly awaiting any opportunity to impose its rule on the small country.

I use the word "hypocrisy" deliberately. As early as 1920, the U.S.S.R formally recognized Latvia's independence. In 1929, the U.S.S.R. voluntarily put forth its "Litvinov protocol," saying it would observe the Kellogg-Briand pact outlawing war on a regional basis, and solemnly welcomed Latvia's signature on this document. In 1932, the U.S.S.R. also solemnly signed a treatly of nonaggression with Latvia, and then extended it into a 10-year treaty in 1934. Finally, in 1934, the U.S.S.R. joined the League of Nations, accepting the rule of respect for its neighbors' territorial integrity that was implicit in that organization's makeup.

Soviet hypocrisy perhaps lulled Latvia and its Baltic neighbors into a false sense of security, but with the Nazi-Soviet invasion of nearby Poland in 1939, there was a glasnost of sorts about the real Soviet intentions. Now operating with no real constraints, the Soviet Union moved quickly to compel Latvia and its neighbors to sign mutual assistance pacts providing Soviet access to bases on their soil. On June 15, 1940, the Soviet Army invaded nearby Lithuania, and Soviet tanks and infantry massed on the Latvian border the next day. An ultimatum was then handed over to the Latvian Government, insisting on the removal of many of the Latvian state's key officials and on the free entry of Soviet forces. By the way, whatever happened in this case to the principle of noninterference in internal affairs, which is so often admired by Soviet spokesmen in our day?

Left with no alternatives, the Latvian Government acquiesced to these demands. The appointment of a Soviet "puppet" cabinet was quickly followed by an unconstitutionally scheduled election. With the usual Soviet-style political campaign, the slate of candidates favoring the Soviet view was elected with an amazing 97.8 percent of the votes. Within 2½ weeks of this election, the new Parliament convened and immediately petitioned the Soviet Government to admit Latvia as a Soviet Republic.

This little nation's independence, lost at the point of a gun, was soon to be threatened by the deportation of thousands of its citizens to distant regions of the Soviet Union, along with the settlement of over one-half million ethnic Russians within Latvia over the following years. In the hope of crushing any thought of an independent Latvia, the Soviet leadership has in this manner lowered the number of ethnic Latvians from 75 percent of Latvia's population in 1940 to 54 percent today.

Soviet disinformation concerning what really happened in Latvia in 1940 follows a consistent line. As one Soviet official recently stated to an American reporter: "The Latvian people elected a government that asked to be readmitted to the Soviet Union."

But the Latvian people's actions can speak louder than Soviet disinformation and the two spontaneous demonstrations that broke out in Latvia earlier this year show that young Latvians know the truth. First, on June 14, 5,000 Latvians gathered in Riga to honor those who disappeared in the Soviets' mass deportations. On August 23, an estimated 10,000 Latvians assembled to protest the anniversary of the 1939 Nazi-Soviet pact to invade Poland.

The Soviet leadership has every reason to fear that such demonstrations may take place today, on the anniversary of Latvian independence, making a mockery of their pretense of a voluntary union of Latvia with their dictatorship.

Their campaign of disinformation and intimidation has been put into high gear on this occasion. The British traitor Kim Philby has been trotted out to try to discredit Latvian protestors as dupes of Western intelligence services. Latvian Communist Party Chief Boris Pugo has also said that "workers must take measures themselves" to deal with any demonstrations—an invitation to the devine mobs of the Soviet Union, the Druzhenniki, to attack any demonstrators with impunity.

The Soviet leadership has had 47 years to erase the traces of their treachery toward the Baltic peoples. I believe they will never succeed in this effort. Just as with the Ukranian, Estonian, Lithuanian, and other peoples, nothing has been forgotten in Latvia, only silenced. The Soviets can continue to impose this silence, but they cannot eradicate the Latvian people's desire for a free Latvia.

CONGRESSMAN JOHN LEWIS: LEADERSHIP DOESN'T COME EASY

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. LEHMAN of Florida. Mr. Speaker, no one has struggled harder or longer for human and civil rights than our colleague, JOHN LEWIS.

He has indeed paid his dues in blood and sweat and tears. He played a key role in the battles that helped transform the South into the kind of society in which everyone, black and white, can participate.

His journey to national leadership required courage, intelligence, and toughness as well as caring and gentleness. This is an extraordinary mix of qualities, but then, JOHN LEWIS is an extraordinary man.

I would like to share with my colleagues an article about JOHN LEWIS that appeared in Southern magazine:

[From Southern magazine, December 1987]

THE CIVIL RIGHTS OF JOHN LEWIS

(By James Wooten)

On a freezing Friday night last winter, not long after he'd taken his seat in the United States House of Representatives, Congressman John Lewis finished up the day's work in his office on Capitol Hill, took a taxi out to Washington's National Airport, flew home to Atlanta, as he does almost every weekend, and then went directly to a Hawks game, not because he's an avid basketball fan—he's a short, stocky fellow who never played the game much as a kid in Alabama—but simply because he seldom passes up an opportunity to practice the kind of old-fashioned, flesh-pressing, retail politics that got him to Washington in the first place.

"Good to see you! How you doing?" Lewis drawled over and over again as he worked the crowed at halftime, criss-crossing the gymnasium floor, munching popcorn and sipping diet soda from a paper cup, and enthusiastically greeting as many of his new constituents as possible before the game resumed. He knew some of them, of course, but the most part, he was introducing himself to an endless succession of strangers—and so was particularly pleased to spot a familiar face in the nearby bleachers.

"Good to see you! How you doing?" he said heartily, reaching his hand across the small space between them.

The distance was much greater than he realized.

"Kiss my ass, John Lewis," the man growled, his face suddently hard and hostile. "You . . . just . . . kiss . . . my . . . ass."

It was a petty little moment, of course, but it hurt Lewis nonetheless, for the angry man was James Bond, brother of Julian Bond, Lewis' opponent in a bitter Democratic Congressional primary six months before. In Lewis' mind, six months was long enough for most wounds to heal, but this wound apparently went too deep. What should have been a classic political contest between two prominent black men had become, instead, a sad and ugly brawl, and here was the result—the destruction of a valued friendship that had been forged in the risky crucible of the civil rights movement. On the morning after Lewis won, he and Bond had made an awkward joint appearance on NBC's "Today" show. That was just after Labor Day, 1986. They have not spoken since.

Now, on the blue walls of the new Congressman's Capitol Hill office, among the dozens of photographs showing him with the legendary figures of the movement—A. Philip Randolph, Bayard Rustin, Whitney Young, James Farmer, and, of course, Martin Luther King, Jr.—the handsome face of Julian Bond is conspicuously absent.

"I realize now. . . I know now," Lewis says, almost whispering from the couch beneath that impressive gallery, that it is impossible for things to be the way they used to be. There is pain in his voice, as though he is discussing a death in the family. "You pray," he continues, "you hope, you do your best, but . . ."

An awful bell suddenly shatters the quiet of his office, calling the U.S. House of Representatives into session, interrupting his thought. It does not seem to matter. There is not much left for him to say.

John Robert Lewis wears the scarred, scowling face of a pugilist, the look of a seasoned pug who's taken everybody's best shot and is still on his feet, still punching, still dangerous, still a contender—and there is about him and the record of his life an unflinching toughness consistent with that mien.

The incident with Julian Bond's brother wasn't very pleasant, but it clearly wasn't the worst thing the new Congressman from Atlanta had seen or heard in all the years of his dangerous life. In Mississippi, for example, in the spring of 1961, in the middle of the night, he and a few other prisoners, black and white—prisoners whose crime was having traveled together on the same Greyhound and having attempted to use the same bus station restroom—were herded in from their jail cells into trucks and hauled through the darkness to the state's notorious prison farm at Parchman. Stripped naked, they waited two hours in a holding block before the warden and a group of guards approached, shotguns cradled across their elbows.

"Hello there, freedom riders. Welcome to Parchman," the warden began with a smile. "You oughta know we got niggers in here eat you up. We got niggers in here never heard none of your goddamn freedom songs. We got niggers in here don't even know what freedom is, and if I tell them to, them niggers'll kill you before you can speak your mammy's name—so just get on in there and take your showers now and don't nobody say a goddamn word."

Lewis was a 21-year-old sharecropper's son from Alabama, a theology student at the American Baptist Theological Seminary in Nashville, a disciple of nonviolent social change, a veteran of several sit-ins and arrests, and the chairman of a new civil rights group called the Student Nonviolent Coordinating Committee (SNCC). He was neither sophisticated nor worldly. He had eaten the first Chinese food of his life in Washington just that spring on the night before the buses had headed south, a meal laughingly described by his fellow passengers as "the last supper"—which didn't seem nearly so funny on that chilly Mississippi morning a few weeks later. Their first bus had been burned outside Anniston, Alabama, they'd been waylaid and arrested in Birmingham (Public Safety Commissioner Eugene "Bull" Connor had escorted Lewis and a couple of others north and stranded them at the Tennessee state line), they'd been brutally attacked by a mob in Montgomery, roughed up and jailed in Jackson, and finally, there they were in Parchman, standing naked under the gaze and the guns of several men who clearly regarded them as some form of subhuman species. Lewis was as frightened as he'd ever been in his life, and, as they all shuffled slowly toward the showers, he couldn't stop thinking about the Jews in the Nazi concentration camps. The group was locked up in Parchman for five weeks, isolated from the other prisoners and allowed no visitors.

"That was the worst," he says now. "Or anyway, it was among the worst experiences of my life," he adds, remembering other incidences of similar savagery, such as his brutal beating on the Edmund Pettus Bridge in Selma.

No wonder, then, that John Lewis looks like a fighter—he's a man who has literally had to fight for his life. On the other hand, there resides in him also the gentle soul of a parish priest, one so firmly attached to an uncompromisingly kind and compassionate New Testament ethic, to a dream of helping build what he always calls "the beloved community," that both his admirers and his detractors often refer to him as the "last Christian." So sturdy is that reputation, in fact, that, in a story about him following his election last year, a reporter suggested that Lewis would no doubt be the only member of Congress forced to deal with "the sainthood issue."

From the striking contrast of these natures—the pugilist and the preacher—there now inevitably rises in Lewis the bittersweet aftertaste of his political success. Its pleasure has been diluted by its price, which he computes as considerably higher than one picayune incident at a basketball game. There is, more important, what that moment symbolizes; the traumatic and apparently permanent destruction of his friendship with Julian Bond, the seriously strained relationships with other comrades and colleagues from the movement who chose to support Bond rather than Lewis, and the ragged deterioration of the civil rights fraternity that was his family, through thick and thin, for so many years.

Still, it was bound to happen, sooner or later.

Selma's pot-bellied sheriff, Jim Clark has disappeared, and Birmingham's Bull Connor is dead, Governor George Wallace is a pitiful shell of his former self, and Lester Maddox a comic parody of his, Jack and Bobby and Lyndon are long gone, and Medgar Evers and Dr. King too, of course. But all those brash and brassy boys of the long, hot, 60s summers, the bright-eyed black kids who marched in Selma and sang in Birmingham and staged sit-ins in Nashville and Greensboro and rode those freedom ride Greyhounds and spent countless sleepless nights raising money and organizing and hand-lettering posters and mimeographing newsletters and got their heads split open and bled on the mean streets of dozens of hate-filled little towns, those lean and hungry warriors whose amazing courage and fierce pride transformed the civil rights movement into a genuine revolution that changed the South forever—they've all grown older now, just like the rest of us. They found no magic elixir in those suddenly integrated drinking foundations, and, as they now move into early middle age at least, they—like aging athletes staring down at their bulging waists as they remember the roar of the crowds—are not all adjusting well.

Most of them have wives and children and mortgages. Some have been divorced a couple of times. With few exceptions, they're all grayer or thinner on top. Several have simply declined to grow up, a common syndrome among passionate activists in any cause. And a few have doubtless come to grips with that sad but certain sense of diminished opportunity, of dwindling options, of roads not taken, of time inexorably running out.

But not all of them, of course, and particularly not those who chose to rechannel their exuberance and their energy and their instincts and their intelligence into politics. Jesse Jackson is a prime example. A principle disciple of King, now in his second pursuit of the Presidency, Jackson has never held any public office and, realistically, is not among the favorites for the Democratic nomination. Yet he has, through his political involvement, become a symbolic extension of all that righteous 60s activism and, in the process, maintained a healthy self-image as he approaches his middle years. Andrew Young also comes to mind, *Aide-de-camp* to King and a brilliant strategist for the Southern Christian Leadership Conference (SCLC), he has tracked a high visibility course from Congress to the United Nations to two terms as Atlanta's mayor and perhaps a run for governor of Georgia.

Along with the visibility and success of these veterans of the civil rights movement has come a steady increase in the number of black men and women running for, and winning, public office all across the country and, concomitantly, in the number of black men and women who'd like to do just that.

Unfortunately, what they have discovered is that although the potential pie for black politicians is slowly expanding, there is still a finite number of elective offices within reasonable reach of black candidates—and not enough to go around. Even Jackson did not get Young's support in 1984, and he isn't likely to get it next year either. There is as much ego at work as availability of opportunity. Richard Hatcher and Kenneth Gibson, for instance, the longtime mayors of Gary, Indiana, and Newark, New Jersey, respectively, have both lost reelection bids in the last year to other black men in downright bitter campaigns—but neither campaign was quite as ugly as the one last year in Atlanta, the one that not only brought John Lewis to Congress, but brought him considerable pain as well.

Early one morning, the new Congressman from Atlanta is just back in his Washington office, fresh off the plane from Ohio, where in a speech the night before he had once again told his favorite story about how, as a poor farm boy who raised chickens back home in Troy, Alabama, he had wished for an incubator from the Sears and Roebuck catalog but had never been able to save enough money to order one, and about how he had conducted childish but solemnly sincere funerals for all the baby chicks who died, including a few who perished when he tried to baptize them into the Christian faith, and about how he had righteously refused to touch a bite of the ones who survived long enough to make it into his mother's big iron skillet, and about how he had passionately urged all his brothers and sisters to follow his noble example, and about how that was the very first protest he ever staged—but not, of course, the last.

"And how much was Sears asking for the incubator last night?" one of his aides asks with a wink.

"Oh, let me see now, I guess it was. . . ." The Congressman stumbles, trying to remember, well aware that the ever-fluctuating price in his story is a never ending source of amusement to his staff.

"Was it more than $100?" the assistant teases.

"I think it was less," Lewis says, grinning sheepishly, slightly embarrassed in front of company, but playing along for the moment.

"What we got here is an incubator with a credibility problem," the aide presses, unwilling to leave well enough alone. "We need to name a price and stick. . . ."

"Nobody cares," Lewis interrupts, speaking softly, but clearly no longer amused. "What they do care about is that a black boy so poor he couldn't afford an incubator at any price is now a member of the United States Congress. That's the point of the story." He seems rather sad to have had to explain it, and there is an awkward silence in the office before his large smile suddenly restores its former warmth. "By the way, it cost $18.99," he says with a chuckle. "I just remembered—now, let's get to work."

And off he goes, headed toward his first meeting of the day, a gathering of the Subcommittee on National Parks and Public Lands, of which he is a member. On the way, Lewis is overtaken by one of his fellow Georgia Democrats, Buddy Darden, a big, gamilous man who represents some of the Atlanta suburbs and a long stretch of territory way on up to the outskirts of Chattanooga. Darden came to Congress in 1983 after defeating the widow of Representative Larry McDonald, the John Birch Society disciple killed when the Russians shot down Korean Airlines Flight 007.

"Where you been?" he asks. "I called you last night."

"Canton, Ohio," Lewis says. "Spoke to the Urban League."

"You tell the incubator story?" Darden inquires as they turn yet another corner in the endless marble labyrinth of the Rayburn House office building.

"Always do."

"Good," Darden says. "How's the house coming?"

"Closed on it last week. Lillian's over there now, waiting for some stuff to be delivered," Lewis explains. "I took your advice and went to Aaron Rents."

"I hope you mean Aaron Sells," Darden says, "unless, of course, you're not fixing to run for reelection."

"Nope," Lewis laughs, "Took too long to get here to give it up that easy."

Actually, it all started a few days before Thanksgiving, in 1969, when Lewis, then running the Voter Education Project, a nonpartisan group trying to increase black political participation in the South, sat down one afternoon in his Atlanta office and painstakingly composed a long letter to Julian Bond, a friend from their days together in SNCC. Lewis had been chairman of the group, the out-front agent, the man in the street with more than 40 arrests on his record. Bond was SNCC's scholar in residence, the cool poet and wordsmith, the philosopher. Because Lewis would not buy into the more radical aspects of the black power surge within SNCC, and because he declined to join in its castigation of King for his adamant adherence to non-violence, Stokely Carmichael usurped Lewis' leadership, to be followed eventually by H. Rap Brown. But through the years, through all the ups and downs, Bond and Lewis remained friends, bound together by the fire they'd touched. Lewis worked in Robert Kennedy's 1968 Presidential campaign and then came home to Atlanta to head the VEP. By November 1969, Bond had become a member of the Georgia State Legislature, a highly visible and vocal opponent of the Vietnam War, and a genuine national celebrity, and the sole purpose of Lewis' letter was to persuade Bond to run for Congress and to offer Bond his unqualified support.

"Some of us have said many times," he began, "that after the death of Martin Luther King and Robert Kennedy, you arose as the political leader of many. Your presence filled a vacuum, and you became the hope of millions who had previously identified with these two great men. Julian, you have an obligation to the youth of today to use your influence to let them know that there are some basic changes that can be made through the machinery of politics."

Bond chose to ignore the urgings of his friend, but Andrew Young, who had seen a copy of the letter, jumped into the Fifth District race with both feet the next year. Although he lost, Young put together precisely the sort of grassroots organization that Lewis had recommended and described in such great detail in his letter to Bond. In 1972, with that organization still intact and with the help of both Lewis and Bond, Young became one of the two black Southerners to be elected to Congress since 1901. When Young resigned his seat in early 1977 to become Jimmy Carter's ambassador to the United Nations, Lewis once again urged Bond to run. This time, when Bond declined, Lewis himself ran, but lost to a young, white liberal, Wyche Fowler.

"It hurt, I don't mind telling you," Lewis remembers now, "but not for long, and I'll tell you why—because during that campaign, Wyche and I became really good, close friends. We barely knew each other before, but, in running against each other, we became real buddies." He pauses a moment, awkwardly aware of the nasty little piece of irony waiting just around the corner of his story, for last year, when Fowler vacated his seat for a successful U.S. Senate bid, Lewis ran for Congress again—but this time, so did Bond, and in the course of that contest, the two old friends who'd known and respected and liked each other for so many years *before* the campaign watched their relationship evaporate in the boil of their conflicting ambitions.

Like any freshman Representative, Lewis is especially aware of all those bells and buzzers, the arcane and antique information system used by the House of Representatives to summon its flock together to do a little of the nation's business. But Lewis also carriers a handy-dandy beeper with him when he's away from the Capitol, a sophisticated little box that not only warns him when a vote is about to be taken, but also tells him what sort of vote it is, what it's on, and how long he has to get to the floor to record his own position.

"And if I knew how to program it," he says, fondling the tiny electronic beast, "I'm sure it would tell me my temperature, pulse rate, and favorite newspaper."

But it is for the beeper's summoning function that Lewis treasures the gadget, for he is truly *into* voting. He has made more than 95 percent of all the votes in his first year in office in the Cannon Building or some godforsaken committee room or wherever he happens to be at the clang of a bell or the chirp of a beeper. Frankly, it seems a bit much, but his intensity on the subject is really nothing more than an extension of the image his campaign against Bond sought to establish in the minds of the voters—that of an unflagging worker in the Washington vineyard. The physical act of voting is a symbolic fulfillment of his campaign.

It is, by and large, an unrewarding passion—but not always. "Let me tell you when the joy of this job really came through to me," he recalls as he heads over to the House to vote on an amendment to an amendment to a State Department authorizations bill. From inside his coat, he removes his wallet, and, from somewhere in its folds, he takes a small computer card. "One day I was walking over here, this same way, to vote to override the President's veto of the highway bill. You know, he didn't like it, called it a budget-buster, which it wasn't and we were fixing to vote on his veto. And I just walked in there and stuck this little card in the slot, and, just like that, the President's veto was up in smoke. Now, for a boy who once lived on a dirt road in south Alabama, that was something."

He steps into an elevator inside the Capitol. "Good morning, Congressman Lewis," the operators says. Damn near everybody knows him.

"Good to see you! How you doing?" he responds, and continues his discourse. "In the history of this country, only about 11,000 people have served in Congress. Now, I'm one of them, and it isn't something I take lightly. I feel blessed by the people of my district and by God—but I know that if it weren't for Martin Luther King Jr., I wouldn't be here, which is why I treat these moments in my life as a continuation of the movement."

After voting, Lewis comes meandering loose-legged down the broad steps of the Capitol, headed back to his office, where someone's waiting to see him. He's running late, as usual, but, in no apparent hurry, he saunters casually into a crowd of tourists swarming the plaza. In a moment, he has become one of them—gawking up at the splendid dome, gazing rapturously at all the magnificent statuary, pointing across the way to the Supreme Court and the Library of Congress, as unabashedly impressed with all this majestic panoply of Federal power and glory as any high school senior on his graduation trip.

"That's right, that's exactly right," he says, as he finally turns in the general direction of his office. "The out-of-towners really know what's important here. They're proud. That's why they take all those pictures, you know, so they can remember how it was to be in the middle of all this. That's how I want to feel, try to feel all the time, and, when I lose it, I always come over here with the tourists and try to find it again."

He pauses again and points west down the long, green mall, past the Washington Monument, needling its way into the summer haze, to the distant Lincoln Memorial, nearly hidden beneath the hill; the Lincoln Memorial, on whose steps John Lewis once stood as Martin Luther King Jr. delivered his electrifying "I Have a Dream" speech during the 1963 march on Washington.

If anyone cares enough to look for it, there is still archival film available from that day, film of the forgotten moments before King's speech when A. Philip Randolph leans into the microphones and, in his lugubrious baritone, announces to the teeming crowd, "I now present to you, young John Lewis." As one of the organizers of the historic march, Lewis had been to the White House for meetings with President Kennedy and his brother. He hadn't liked their ideas all that much, and he intended to say so that day, but his elders in the movement persuaded him to change his speech, to leave out words like "revolution" and "black masses." It was, nevertheless, the high point of his life up till then. He was 23 years old.

"I've never been back," he says. "It's nearly 25 years now, and I've never been back. I don't know why, really. Lots of times I've made plans to go, and then for some reason I'd change my mind. But one thing I decided when I was elected, and that is that one of these days now I will go back up there and stand on that very same spot. Maybe I'll take my boy."

His son, John-Miles Lewis, is a sixth-grader named for his mother, the former Lillian Miles, a highly respected university administrator in Atlanta. By all accounts, the Lewis marriage is strong. He has no Gary Hart-type problems, as they're euphemistically called these days. "Lillian would shoot him," one longtime friend explains tersely. A savvy newspaper editor in Atlanta describes Mrs. Lewis as one of the best connected women in Atlanta, an enormous asset to her husband's political career.

In the Lewis living room in Atlanta is a picture of Mayor Young, inscribed, "To my friend, John, the saint, and Lillian, the daughter of the devil." "I don't know why he would write a thing like that about her," Lewis says back in his office, unloading a catalog of complaints about the Mayor and his conduct during and after the 1986 campaign. Lewis went to Young before he announced and politely asked for the Mayor's support but told Young he'd accept and understand his neutrality—which is what Young promised, adding a note of biblical encouragement for his pursuit. "The seed of the righteous shall not founder," Lewis quotes the Mayor, whose announced neutrality made perfect political sense, given the presence of several candidates other than Bond and Lewis in the first Democratic primary. Those candidates included several black ones, King's niece among them. Another candidate was Mildred Glover, a popular state legislator, who threw the race into something of a furor when she challenged all the participants to take drug tests and make the results known to the public. Lewis announced his opposition to mandatory testing but his willingness to submit to Glover's plan. Bond said absolutely not. The campaign became known as "Jar Wars." It was the beginning of the end of their friendship.

But Lewis partially blames himself for another component of their animosity: his campaign slogan. In a television interview, he suggested that what the people of the Fifth District were in need of was "a workhorse, not a show horse," a line he had lifted from former Georgia Governor George Busbee. It became the essential theme of his campaign from then on, and it offended Bond. Bond was, however, the overwhelming favorite in the race, endorsed by dozens of local and national politicians and numerous theatrical celebrities. Showered with contributions from New York and Hollywood, Bond led everybody in that first primary in August. Still, he failed by a whisker to win the majority required for the nomination, so he and Lewis, who finished second but not all that close, squared off in a runoff.

It was a classic political matchup: the front-runner, handsome and articulate, hounded by a rather ordinary underdog, the plodding Don Quixote of Atlanta, whose specialty was lost causes and squeaky clean ethics. Feeling justifiably confident, Bond challenged Lewis to a debate before the final voting. It was a crucial error and a violation of one of the oldest rules in politics: If you're ahead, pay no attention to the other bastards. The two met five times on television and twice on radio—and their last confrontation was clearly critical both to the election and to their already deteriorating relationship.

Asked by a radio reporter whether a campaign contribution, however small, from a cable television employee might not constitute a conflict of interest for him, Lewis said absolutely not. Bond responded, "If it looks like a duck and quacks like a duck and waddles like a duck, then it must be a duck." Lewis was furious. Of all the people in the world, he believed, Bond should have trusted in his personal honesty and professional integrity—and Lewis thought Bond should have said so, in one way or another, despite their engagement as political opponents. In his uncharacteristic white-hot anger, Lewis raised Bond's repeated refusal to submit to a drug test, challenging him to do so right then and there. Bond declined, consistent with his view of personal privacy rights, but the damage was done. In the remaining days of the campaign, the only movement in the Bond campaign was downward. He was out of money, bleeding badly from the drug-test issue, and losing hundreds of voters daily to Lewis, who was campaigning with a dreadful energy, sometimes finishing one day's schedule just as the next one began.

It was close, of course, but the Fifth District picked the workhorse.

Julian Bond's problems went far beyond his defeat in that Congressional primary. Not long afterward, The Atlanta Constitution published the transcript of a lengthy interview with his estranged wife, Alice, by local vice-squad detectives in which she bitterly accused him of, among other things, regularly using cocaine. After Mayor Young called her, she recanted her charges, thereby calling into question the Mayor's conversation with her, which he defended as merely a friendly "pastoral" chat. Further questions were raised by the subsequent reassignment of the detectives who had conducted the original interview. The Mayor described it as a "routine administrative" transfer. A grand jury examined the whole affair, including Mrs. Bond's vague suggestions that other notable black Atlantans had also used cocaine. Although there were no indictments, it was not an altogether attractive portrait of the cream of the old civil rights leadership.

But it did seem to serve as a metaphor for the condition of the movement. With only rare defections from the spirit of his vision, King had served during his lifetime as the movement's unifying force and focus; with his death, there occurred the usual scramble for power that would follow such a loss in any institution, black or white, accompanied over the years not only by an epidemic of bickering and backbiting, with Coretta King and Ralph Abernathy often the targets, but also by the larger and move honorable instincts of decent men and women—who also had a dream to carve out their own careers, to answer their own voices and visions. Mrs. King channeled her image and her energy into the Martin Luther King Jr. Institute for Nonviolent Social Change, a memorial to her husband's remarkable life and work. Vernon Jordan headed North to run the Urban League and then settle in Washington as a highly visible, highly paid attorney, Jesse Jackson went to Chicago, first to push his own group, People United to Save Humanity (PUSH), and then to run for President. Andy Young's post-King career followed a similar political path, as did those of Hosea Williams, Julian Bond, and, of course, John Lewis.

Inevitably, as each of them moved on, the shape and form of the movement was altered until it was no longer recognizable as such. Fragmentation replaced fraternity, and in the savage sadness of the Bond-Lewis campaign there was the final irony. Each of them, all of them, had deposited a sizable part of themselves into the dangerous quest for equality, for the right of all people to conduct their lives without reference to their color—and, at last, in the shattering of this once rich friendship and the disintegration of the movement, there was the harvest of their work. Without regard to race, creed, gender, or national origin, they had shown themselves to be quite capable of bad judgment, rampant egocentricity, gossip, meanness, malice, rancor, jealousy, self-absorption, and even self-destructiveness. Of politics as usual.

Just like white folks?

"Just like white folks," Lewis answers. For so many years, his scars were hidden by his hair, but now that he's balding, they're much easier to see. The one that zigzags up his left temple is from the bus station in Montgomery, while the larger, uglier one at the crest of his skull is from the Edmund Pettus Bridge in Selma.

Any others? I ask.

"That's all," Lewis says.

I mean inside.

"Nope, not that I know of."

No malice toward Sheriff Clark or Bull Connor or Wallace?

"Nope, not really."

Then, what do you feel toward all those folks who nearly got you killed?

"Just love. They were victims, you know."

Love?

"Then and now."

And Julian?

"Pain, great pain. That's life-and-death situation there."

And Mayor Young?

"We peacefully coexist. I think."

That's all?

"Well, today that's all, but I do believe in tomorrow, you know."

One morning last spring, after the last "Amen" had been said at a prayer breakfast on Capitol Hill, a couple of Southerners who'd never actually met held an odd little reunion of sorts.

"Somebody said you were a freedom rider?" a powerful 10-term Congressman from Mississippi began.

"Sure was," said the freshman from Georgia. "Somebody said you were a general?"

"Still am," said the older man, "Mississippi National Guard."

"I know," the younger man nodded, "You all surrounded our bus at the Alabama line and escorted us into Jackson."

"I remember that, I surely do," said the white man, genuinely amazed. "And you were on that bus?"

"Right up front," The black man said.

There was a small space of silence between them.

"Well, isn't that something," said Congressman Sonny Montgomery after a while. "I guess we've both come a long way since then."

"Yes sir," said Congressman John Lewis with a wonderful smile. "I do believe we have."

HAVE THE LAWS BEEN FAITHFULLY EXECUTED?

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. CONYERS. Mr. Speaker, the select committees have issued their majority and minority findings and recommendations in the Iran-Contra affair on the basis of a lengthy record of testimony and documentary evidence.

Other Americans will be reaching their own independent conclusions about the evidence and the appropriate legal and political responses.

One of the first of those independent analyses is a thoughtful and provocative article by attorneys Morton Stavis and Daniel Crystal appearing in a journal distributed by the Center for Constitutional Rights in connection with the bicentennial of the U.S. Constitution.

It is their well-reasoned conclusion that the Iran-Contra record makes out a very compelling case for impeachment of the Chief Executive. I believe their position is worthy of careful attention, and I commend their thoughtful analysis to all of my colleagues.

The article follows:

FAITHFULLY EXECUTE THE LAWS

(By Morton Stavis and Daniel Crystal)

"Throughout the Iran Initiative, significant questions of law do not appear to have been addressed adequately."—The Tower Commission Report (Bantam Book Edition—1987), p. 78

Iran-Contragate has disclosed the existence of a profound constitutional crisis in our country. At precisely the same time that we celebrate the bicentennial of the Constitution, this nation is confronting the reality that the Reagan Administration has set up a secret, privatized government to evade laws passed by Congress. Once again, as in the Nixon presidency, the claim is seriously raised that the president's powers are unlimited in some areas. White House arguments are again being advanced that the president can flout the Constitution and laws with impunity. That this claim should be raised but 15 years after a president who made similar claims was run out of office by threatened impeachment suggests that in the absence of an informed and aroused public the Constitution is indeed a fragile document.

The striking contrast between the claims that the president can override congressional enactments in the field of foreign affairs and the ongoing rhetoric that accompanies the celebration of the Constitution's bicentennial calls for serious introspection.

Surely, nothing can be more fundamental to the Constitution than its interlinked doctrines of checks and balances, of separation of powers, and of the obligation of every president to execute the laws as enacted by Congress. Nevertheless, each of these basic underpinnings of the Constitution is challenged by Contragate. As with Nixon's plumbers, and the far more sophisticated Huston Plan of that Administration, a president has once again permitted a secret government to operate out of the White House. Again, the oversight and the appropriations powers of Congress have been envaded, this time, by the raising of private, secret funds from wealthy rightwingers and conservative foreign governments and the creation of secret armies. President Reagan, having taken an oath to faithfully enforce the laws, emerges as the chief lawbreaker of the Nation, as did Richard M. Nixon.

It is now possible to identify the several components of the grave constitutional crisis that Contragate has exposed. They include the following:

1. The persistent violation by the President and his aides of the constitutional obligation of the Chief Executive to faithfully enforce the laws.

2. Rationalization for this flouting of the Constitution and of the law by relying upon the theory that the president is above the law.

3. The privatization of the exercise of government responsibility.

The best way to celebrate the bicentennial of the Constitution is to educate the public and Congress regarding the enormity of the attempted destruction of the fundamental principles of that document by the current administration.

FAILURE TO FAITHFULLY EXECUTE THE LAWS

When our presidents take office they make the following oath: "I do solemnly swear that I will faithfully execute the Office of President of the United States, and will to the best of my ability, preserve, protect and defend the Constitution of the United States."

Article II, Section 3 of the Constitution provides that the president "shall take care that the Laws be faithfully executed." The "faithful execution of the laws" provision is a constitutional reminder of the centuries-long struggle in England against the insistence by absolute British monarchs that the King could decide for himself which laws were or were not to be obeyed.

That constitutional history is carefully reviewed by Judge Harold Ackerman in *Ameron, Inc.* v. *U.S. Army Corps of Engineers*, 610 F. Supp. 759, 754-757 (D.C. N.J. 1985), modified as imposing greater injunctive relief than warranted, 787 F. 2d 875 (3rd Cir. 1986). Judge Ackerman's ruling was that the position of the Executive Branch not to follow certain provisions of the Competition in Contracting Act, because of their purported unconstitutionality, flatly violated the express instruction of the Constitution that the president shall "take care that the Laws be faithfully executed."

Judge Ackerman's opinion reminds readers that the English Bill of Rights was enacted after the Glorious Revolution of 1689 forced King James II into exile because he claimed the power to determine which laws of parliament should be obeyed. The first article of that historic charter of freedom declared, "That the pretended power of Suspending of Laws, or the execution of Laws by Royal Authority, without Consent of Parliament, is illegal." Unmistakably, the "faithful execution of the laws" provision of our Constitution traces back to this provision of the English Bill of Rights.

The self-serving attempt to assert the inherent power of the presidency purportedly to decide which laws "faithfully to execute" finds no support whatsoever in the record of the Constitution or in the Federalist Papers. Alexander Hamilton, who discussed in detail in those Papers the authority of the judiciary to decide the constitutionality of laws, provided no such discussion of the supposedly equivalent presidential power. The Constitution was carefully crafted to achieve a system of checks and balances. Those checks and balances would be utterly negated if the president could simply ignore laws enacted by Congress.

Judge Ackerman makes clear that there is no constitutional law supporting this naked grab for executive power.

"The Executive Branch's position that they can say when a law is unconstitutional equates the powers of mere executive officials with those of the Judiciary. It flies in the face of the basic tenet laid out so long ago by the United States Supreme Court in *United States* v. *Lee*, 106 U.S. (16 Otto) 196 at page 220, 1 S. Ct. 240 at 260, 27 L. ed. 171 (1882). The Court said, 'No man in this country is so high that he is above the law. No officer of the law may set that law at defiance with impunity. All the officers of the Government, from the highest to the lowest, are creatures of the law and are bound to obey it.' "

There are ample other precedents establishing the utter lack of legal merit in the claim that the president somehow inherits the absolute right to ignore the law when he so chooses. Some 147 years ago, in *Kendall* v. *United States*, 37 U.S. (12 Pet.) (1838), the Supreme Court declared that the logical extension of an argument that the president has power to refrain from executing laws duly enacted by the Congress as those laws are construed by the judiciary would give the president authority effectively to nullify acts of Congress and to paralyze the administration of justice.

When put so crassly, the principles of law are clearly recognized. The Reagan Administration has functioned craftily through a secret apparatus operating out of the White House; the principles of law, however, remain applicable.

IS THE PRESIDENT ABOVE THE LAW?

The testimony before both the Tower Commission and the congressional committees made it increasingly clear that President Reagan's initial defense, that he had no personal knowledge of what was going on in the White House basement, was unbelievable; this was followed by the new admission that the president was both active and involved. The claim moved next to the boast to newsmen, "As a matter of fact, I was very definitely involved in the decisions about support to the freedom fighters—my idea to begin with." (New York Times, The Week in Review, Sunday, May 17, 1987, Sec. 4, p. 1). Next came the justification for ignoring the Boland Amendment. This new contention would have it that the Boland Amendment never limited Mr. Reagan's "constitutional and historial power" to manage the nation's foreign policy—only his power to spend Government money." The necessary implication of that new defense is that recourse to private funding of the contras would permit the President to do legally what the Boland Amendment sought to bar.

To those familiar with the legal claims of absolute power in the field of national security made by the Nixon Administration, there is a sense of deja vu to all this. Once again, the Imperial President is asserting the claim that he is above the law. In Nixon's case the claim was made on the basis of the supposedly limitless presidential power where, in his view, issues of national security were involved. In Mr. Reagan's case, the justification for ignoring and flouting Congressional lawmaking is, thus far, based upon the president's supposed exclusive power to manage the country's foreign policy.

As in Watergate, there is an ulcer eating away at American democracy. Until this is recognized, the Contragate hearings will trivialize the issues. The Special Prosecutor may achieve some convictions of lower-echelon operatives, and a few heads may roll. Meanwhile, the country is recklessly propelled into confrontation in the Persian Gulf and impending invasion of Nicaragua by a president who claims unlimited power to do so. The full danger of the new Reagan defense for Contragate is made clear by pondering what President Richard M. Nixon and his Attorney General, John Mitchell, were up to before the blundering of the break-in crew of Wategate exposed that Administation's illegalities to public scrutiny and rejection. Under the so-called Huston Plan the full resources of the FBI, the CIA, and the military were to be available to crush perceived threats to the security of the country—at that time oppostion to the war in Vietnam.

As Watergate made clear, the Nixon operation functioned on at least two levels. The open operations included widespread use all through the country of dragnet conspiracy indictments against the leadership of the anti-war and other people's movements. The secret phase of the operation included the so-called COINTELPRO (Counter-Intelligence Program) operations of the FBI, the activities of the so-called "Plumbers" unit operating out of the White House basement, and ultimately, the abortive wiretapping and break-in of the offices of the Democratic National Committee at the Watergate office-building and apartment house complex in Washington, D.C.

What the "inherent powers" theory lacked, however, was legality. This unparalleled attack upon the Constitution and the Bill of Rights was presented to the Court in *United States* v. *United States District Court for the Eastern District of Michigan*, 407 U.S. 297 (1972). In the case, the Department of Justice freely acknowledged that it had wiretapped a defendant in what would normally be a clear violation of the Fourth Amendment. However, the Justice Department argued that the wire tap was legal because John Mitchell, the Attorney General of the United States, declared categorically that in his judgment, acting for the president of the United States, the wiretap was necessary to protect the nation from attempts of domestic organizations to attack and subvert the government.

In a carefully prepared legal memorandum, the Justice Department argued that the failure to obtain the needed court warrant to wiretap was immaterial inasmuch as allegedly, the authorization of the Attorney General as the president's representative provided sufficient authority to legalize the electronic surveillance, regardless of the warrant requirements of the Fourth Amendment. The claim was that this power to disregard the plain provisions of the Fourth Amendment flowed from the president's "inherent power as Chief Executive officer of the United States" to "protect the security of the nation."

The case proceeded to the Supreme Court of the United States where it was argued by Professor Arthur Kinoy, distinguished Professor of Law at Rutgers University and a co-founder and a vice president of the Center for Constitutional Rights. An 8-0 decision (understandably, Justice William J. Rehnquist excused himself from participation in the argument or deliberations since he had been an important official of the Justice Department who had helped develop the inherent power theory) struck down the claim of warrantless wiretapping in the name of national security. Justice Lewis Powell, a Virginia conservative, wrote for the Court:

"History abundantly documents the tendency of Government—however benevolent and benign its motives—to view with suspicion those who most fervently dispute its policies. Fourth Amendment protections become the more necessary when the targets of official surveillance may be those suspected of unorthodoxy in their political beliefs. The danger to political dissent is acute where the Government attempts to act under so vague a concept as the power to protect domestic security."

A concurring opinion by Justice Douglas includes a detailed exposition of the widespread activities of the Nixon Administration designed to throttle growing dissent against the Administration's Vietnam policy.

The editorial in the New York Times the day after the decision put its finger on the issue; "The Supreme Court has delivered a sharp rebuke to those ideologues of the executive branch who considered the president's 'inherent powers' superior to the Constitution."

The history of Nixon's bald effort to usurp power meshes perfectly with the new legal defense advanced by President Ronald Reagan's legal staff that Irangate and Contragate are not illegal because, supposedly, the president has exclusive powers to carry out foreign policy.

Confusion about this issue is rampant. In a morning interview on June 23rd, Ex-General Brent Scowcroft of the Tower Commission said that the Constitution gave no guidelines as to which was to prevail if Congress and the president were at loggerheads on issues of foreign policy. This is nonsense. It is true that if Congress is silent on a foreign policy matter, the president may proceed on his own initiative to plan, develop and execute a foreign policy. But, when Congress acts as it did in the Boland Amendment, the Neutrality Act, or the War Powers Act, the president is absolutely required to enforce those laws and may not disregard or evade them. The Claim of unrestricted presidential power over foreign policy is even weaker than the discredited Mitchell-Nixon claim of such power in the name of national security. The Constitution in its treaty provisions clearly provides that carrying on of foreign policy is to be shared at least with the Senate. Nowhere in the Constitution is there any statement indicating that in the area of foreign policy, the president is freed from the basic constitutional requirements of checks and balances, accountability and abiding by the laws.

PRIVATIZATION OF FOREIGN AFFAIRS

One of the new claims by the Reagan Administration is that Contragate is perfectly legal and that the president did not violate his sworn obligation "to faithfully enforce the Laws" because funds were contributed by private citizens. The contention thus is that foreign policy can be successfully privatized without violating either existing laws or the Constitution.

This sweeping justification of illegal acts by the Reagan Administration is utterly without merit. Clearly, Lt. Col. Oliver North, National Security Advisor John Poindexter and others who established and carried out Contragate operations were government employees working on government time and paid by the federal treasury. So too for that matter, was President Ronald Reagan himself. Indeed, the Neutrality Act (18 U.S.C.A. 960) expressly criminalizes preparing any means of furnishing money for any military or naval operation against a country with which the United States is at peace.

It is as if a junta had taken over our government without public knowledge. Foreign policy has been privatized to nullify the oversight and revenue-raising functions of Congress. Funds have been solicited from the King of Saudi Arabia and the Sultan of Brunei. Private armies have been created and financed by such private contributions.

Perhaps the most incredible privatization of foreign policy of all is the spectacle of Albert Hakim, General Secord's partner in arms dealing, purporting to negotiate in the name of the United States with "moderate" leaders in Iran, and pledging that this country would, if necessary, go to war with the Soviet Union to help overthrow the President of Iraq.

A sober appraisal of all this dangerous nonsense from the viewpoint of constitutional scholarship is lucidly presented by Laurence Tribe of Harvard Law School in his Op-Ed piece in the New York Times, "Reagan Ignites a Constitutional Crisis," New York Times, May 20, 1987, p. A31, in which he said:

"The carefully crafted requirement of Article I, Section 9, that all funds raised by the Government or its agents must enter and leave the Federal Treasury, and must do so only pursuant to laws passed by Congress, would be utterly meaningless if the president, seeing himself not as an agent of the Government but as an outsider, could preside freely over the creation of a shadow treasury designed to aid his shadow intelligence network in pursuit of his private schemes. Congress's control over the purse would be rendered a nullity if the president's pocket could conceal a slush fund dedicated to purposes and projects prohibited by the laws of the United States."

INVESTIGATIONS WITH POLITICAL BLINDERS

Few if any of these constitutional realities are emerging from the joint House and Senate Select Committee investigations now going on. While at times there have been sharp, penetrating questions asked by committee counsel, on the whole the hearings have been marked by failure to follow up significant leads, and friendly questions to rehabilitate the various witnesses.

The reason for the obviously pulled punches of the Congressional hearings is probably rather simple. It appears clear that two-thirds of the Committee members are themselves firmly on record as supporting the Contras and they seem more concerned with justifying their political positions than dealing with the Constitutional dilemma that stares them in the face.

It is astonishing how few people are willing to recognize Contragate as a grave constitutional crisis. The Nation put it cogently in an editorial, "Silent Partners," in its June 6, 1987 issue. The right at the Congressional hearings, in the Nation's view, defines the politics and ideology. The liberals limit themselves to technical or legalistic questions. The left does not exist. The agenda of the Democrats teeters at most between those who will tolerate some slight criticism of a Republican president and those who are partisan Administration advocates on the Committee.

"Meanwhile," the Nation summarized, "the core of the crisis—the flouting of the Constitution and the conduct of global campaigns of subersion—remains unplumbed."

WHAT LAWS WERE VIOLATED?

There is merit to identifying at least some of the statutes which have been violated by this Administration. They are as follows:

1. The Boland Amendment barring expenditures for direct or indirect lethal aid to the contras, by United States intelligence agencies and the Defense Department.

2. The Arms Export Control Act, the principal federal statute governing arms sales abroad (22 U.S.C.A. 2751).

3. The provision of the National Securities Act requiring that the heads of all intelligence agencies keep the two Congressional intelligence committees "fully and currently informed" of all intelligence activities within their responsibilities. (22 U.S.C.A. 2753(a)(d)).

4. The Hughes-Ryan Amendment to the Foreign Assistance Act requiring the making of an express "finding" by the president that each "significant anticipated intelligence activity . . . "is important to the national security of the United States. (22 U.S.C.A. 2422).

5. The provision in the August 1986 amendment to the Arms Export Control Act forbidding arms sales to countries identified as supporters of terrorism by the State Department, since Iran was expressly included on such lists.

6. Conversion of government property and money which is criminalized under (18 U.S.C.A. 641).

7. Illegal acceptance of moneys from foreign governments which is (1) prohibited under the Constitution itself in Article I, Section 9, Clause 8, barring acceptance by officers of the United States of presents and emoluments from foreign powers, and (2) was barred by the Boland Amendment which permitted only the solicitation of funds for "humanitarian" needs.

8. The Neutrality Act, 18 U.S.C.A. 960.

9. Statutes requiring (1) reports on foreign currency transactions (31 U.S.C.A. 5315) and (2) reports on exporting and importing monetary instruments (31 U.S.C.A. 516).

10. Defrauding the United States, including false statements or entries (18 U.S.C.A. 371).

11. Conspiracy (18 U.S.C.A. 371).

12. Perjury before the Tower Commission and the Congressional Committees (18 U.S.C.A. 1621).

13. Obstruction of justice (18 U.S.C.A. 1505).

CONCLUSION

There is an increasing danger that while a few heads may roll as a result of prosecutions undertaken by Special Prosecutor Lawrence Walsh, the core issue may not be resolved. Having created a secret government financed by private funds in an attempt to overthrow the Nicaraguan government (even though Congress has not declared war against that government and has expressly prohibited use of federal funds to pay for weapons vis-a-vis the Boland Amendment), the Reagan Administration has evaded the law-making authority of Congress. In so doing, it has compromised the sanctity of the Constitution, violating its most fundamental provisions. This is the real crisis.

Once again, we encounter the claim of purportedly inherent presidential power to suppress constitutional protections whenever the president so chooses. That is the real meaning of Contragate. That is the meaning that Administration supporters are desperately trying to prevent from entering the public consciousness.

The problem is not that there were a few rogue operators in the National Security Council. It is the infinitely more dangerous problem presented by a rogue administration attempting to exercise unconstrained power in the nation and the world with reckless indifference to constitutional limitations and the risk of another Vietnam or nuclear Holocaust.

There is relevancy once again to the prescient words of the late Justice Louis Brandeis, dissenting in a famous wire-tapping case. *Olmstead* v. *United States*, 177 U.S. 438, 485 (1928):

"Decency, security and liberty alike demand that government officials shall be subjected to the same rules of conduct that are commands to the citizens. In a government of laws, existence of the government will be imperiled if it fails to observe the law scrupulously. Our government is the potent, the omnipresent, teacher. For good or ill, it teached the whole people by its example. Crime is contagious. If the government becomes a law-breaker, it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy."

Some Congressmen are beginning to see that the actions of the Reagan Administration call for the exercise of the impeachment panel. The Articles of impeachment proposed by Congressman Gonzalez are precisely geared to the presidential violations of law.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, November 19, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 20

9:30 a.m.
Environment and Public Works
Environmental Protection Subcommittee
To hold hearings on S. 1629, to establish a national program to reduce contaminants in indoor air.
SD-406

100:00 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1811, Steel Retirement Benefits Funding Act.
SD-430

10:30 a.m.
Select on Intelligence
To hold closed hearings on intelligence matters.
SH-219

NOVEMBER 23

3:00 p.m.
Foreign Relations
Closed briefing on the situation in the Persian Gulf.
S-116, Capitol

NOVEMBER 24

9:30 a.m.
Environment and Public Works
Hazardous Wastes and Toxic Substances Subcommittee
To hold hearings on S. 1584, Airspace Protection Act, and S. 1792, authorizing funds for fiscal years 1987, 1988, and 1989 for the Office of Environmental Quality.
SD-406

10:00 a.m.
Armed Services
To hear and consider the nomination of Samuel K. Lessey, Jr., of New Hampshire, to be Director of Selective Service.
SR-222

Banking, Housing, and Urban Affairs
Business meeting, to consider S. 1519 and H.R. 390, bills to provide for the awarding of gold medals to certain individuals for their humanitarian contributions, H.R. 2631, to authorize funds for fiscal year 1988 and 1989 for the United States Mint, proposed legislation to provide for more detailed and uniform disclosure by credit card issuers with respect to information on interest rates and other fees, and the nominations of Alfred A. Dellibovi, of New York, to be Urban Mass Transportation Administrator, and Cynthia J.G. Baker, of Colorado, to be Superintendent of the Mint of the United States At Denver.
SD-538

2:30 p.m.
Foreign Relations
To hold hearings on the status of test ban negotiations.
SD-419

NOVEMBER 30

9:30 p.m.
Finance
Taxation and Debt Management Subcommittee
To resume hearings on the effect of current tax laws on American competitiveness.
SD-215

DECEMBER 2

9:00 a.m.
Rules and Administration
To hold hearings on proposals to amend the Standing Rules of the Senate (S. Res. 274, S. Res. 276, S. Res. 277, and S. Res. 309).
SR-301

Select on Indian Affairs
To hold hearings on S. Con. Res. 76, to acknowledge the contribution of the Iroquois Confederacy of Nations to the development of the United States Constitution and to reaffirm the continuing government-to-government relationship between Indian tribes and the United States established in the Constitution.
SR-485

9:30 a.m.
Small Business
Innovation, Technology and Productivity Subcommittee
To hold hearings to review problems confronting small manufacturing firms in automating their facilities.
SR-428A

DECEMBER 3

9:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1236, authorizing funds for certain programs of the Navajo-Hopi Relocation program.
SR-485

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 1600, to create an independent Federal Aviation Administration.
SR-253

DECEMBER 8

9:30 a.m.
Commerce, Science, and Transportation
Aviation Subcommittee
To resume hearings on S. 1600, to create an independent Federal Aviation Administration.
SR-253

DECEMBER 10

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To hold oversight hearings of the modified final judgment regarding AT&T divestiture.
SR-253

DECEMBER 11

9:00 a.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue oversight hearings of modified final judgment regarding AT&T divestiture.
SR-253

POSTPONEMENT

NOVEMBER 19

10:00 a.m.
Foreign Relations
To hold hearings on the nominations of Kathleen C. Bailey, of California, to be an Assistant Director of the United States Arms Control and Disarmament Agency, and William Schneider, Jr., of New York, to be a Member of the General Advisory Committee of the United States Arms Control and Disarmament Agency.
SD-419

SENATE—*Thursday, November 19, 1987*

The Senate met at 9:30 a.m., and was called to order by the Honorable Harry Reid, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

Holy God of love and truth and justice, give us minds to understand, hearts to receive, and wills to take seriously the profound wisdom of the psalmist:

Blessed is the man that walketh not in the counsel of the ungodly, nor standeth in the way of sinners, nor sitteth in the seat of the scornful. But his delight is in the law of the Lord; and in his law doth he meditate day and night. And he shall be like a tree planted by the rivers of water, that bringeth forth his fruit in his season; his leaf also shall not wither; and whatsoever he doeth shall prosper. The ungodly are not so: but are like the chaff which the wind driveth away. Therefore the ungodly shall not stand in the judgment, nor sinners in the congregation of the righteous. For the Lord knoweth the way of the righteous: but the way of the ungodly shall perish.—Psalm 1. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The **PRESIDING OFFICER.** The clerk will please read a communication to the Senate from the President pro tempore [Mr. Stennis].

The legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, DC, November 19, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Harry Reid, a Senator from the State of Nevada, to perform the duties of the Chair.

John C. Stennis,
President pro tempore.

Mr. REID thereupon assumed the chair as Acting President pro tempore.

THE JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

GOD, THE CENTERPIECE

Mr. BYRD. Mr. President, the Chaplain, in his prayer, pointed to the fact that God is the centerpiece of righteousness, and that the Nation that turns to God is blessed. The prayer reminds us all that, in these hectic days when we are striving and struggling with budget problems, arms control matters, AIDS problems, trade crises, God is still the center of all creation and that those who will look to Him and call upon Him will receive succor and comfort, and the inner strength that is most needed to deal with these perplexing issues.

THE TOUCH OF THE MASTER'S HAND

'Twas battered and scarred, and the auctioneer
  Thought it scarcely worth his while
To waste much time on the old violin,
  But held it up with a smile:
"What am I bidden, good folks," he cried,
  "Who'll start the bidding for me?"
"A dollar, a dollar"; then, "Two!" "Only two?
  Two dollars, and who'll make it three?
Three dollars, once; three dollars, twice;
  Going for three——" But no,
From the room, far back, a gray-haired man
  Came forward and picked up the bow;
Then, wiping the dust from the old violin,
  And tightening the loose strings,
He played a melody pure and sweet
  As a caroling angel sings.

The music ceased, and the autioneer,
  With a voice that was quiet and low,
Said: "What am I bid for the old violin?"
  And he held it up with the bow.
"A thousand dollars, and who'll make it two?
  Two thousand! and who'll make it three?
Three thousand, once, three thousand, twice,
  And going, and gone," said he.
The people cheered, but some of them cried,
  "We do not quite understand
What changed its worth." Swift came the reply:
  "The touch of a master's hand."

And many a man with life out of tune,
  And battered and scarred with sin,
Is auctioned cheap to the thoughtless crowd,
  Much like the old violin.
A "mess of pottage," a glass of wine;
  A game—and he travels on.
He is "going" once, and "going" twice,
  He's "going" and almost "gone."
But the Master comes, and the foolish crowd
  Never can quite understand
The worth of a soul and the change that's wrought
  By the touch of the Master's hand.

So the psalmist would say: "Be still, and know that I am God."

The **ACTING PRESIDENT** pro tempore. The Senator from Wisconsin is recognized.

DOLLAR DROP IN VALUE—GREAT CHANCE FOR U.S. ECONOMY

Mr. PROXMIRE. Mr. President, for most Americans all the economic talk about raising or lowering the value of the dollar in terms of other currencies is so much gobbledygook. In fact, it has dynamite meaning for our economy. If the dollar drops in value or increases in value, does it affect Joe Sixpack? Yes, it is critical for the American worker. Will a decrease in the value of the dollar bring more American jobs or less? It will bring more, literally millions more. But will a fall in the dollar increase or reduce interest rates? In brief, what are the tradeoffs and what can the American Government do about it?

First, what effect does it have on the American economy when the dollar drops in value compared to foreign currencies? The first effect is that a dollar of lower value requires all of us Americans to pay more when we buy foreign goods. If the dollar over a period of time drops 25 percent in value, with respect to the currency of a particular country what does it mean? It means we eventually have to pay 25 percent more for shoes and dresses and shirts and wine, steel, autos, radios, and other goods we buy from that country. Doesn't that have the same effect as a 25-percent tariff on that particular country's imports into our country? Initially, yes. So does that mean a 25-percent drop in the dollar is the equivalent of a Smoot-Hawley 25-percent tariff, a 25-percent increase in the price of foreign goods? Yes. But it requires no legislation by the Congress. It does not necessarily require direct formal action by our country against any other country. It is not a violation of GATT, or any other treaty we have with our trading partners. But it has an economic effect that may be similar to imposing tariffs or quotas. A drop in the value of the dollar discourages Americans from buying foreign goods because foreign goods cost more in American dollars. The fall in the dollar thereby cuts our imports. In doing so it increases American consumption of American produced clothing, wine, steel, and autos. So it increases American jobs. But it does something else. As the dollar drops in value compared to a foreign currency, it is cheaper for foreigners to buy American goods. If the dollar drops 25 percent in value compared to the yen, then the Japanese can buy American food and computers and aircraft more

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

cheaply. So they buy less of their home produced Japanese products and more American, assuming relatively free trade. What does this do to American jobs and economic activity generally? Obviously American products competing abroad for export markets do better. So the falling dollar would seem to be unalloyed good news for our trading position. We sell more American produced goods abroad. Our own American consumers buy fewer foreign and more American produced goods. Our adverse balance of trade will diminish. The bigger the fall in the value of the American dollar the more our adverse trade balance will diminish, the more American jobs will increase.

But there are offsetting factors. First, we may sell more in volume of goods abroad but American firms and our Nation as a whole receive less in foreign exchange for each until sold. Our people may buy less abroad, but American consumers pay more in dollars for the same quantity of goods from abroad.

Second, this country has become far more reliant than ever before in our history on borrowing from abroad. We have, in fact, become the world's largest debtor nation. We borrow so much from foreign nations that our own interest rate depends increasingly on how much foreign nations will lend us and at what interest rates. Now what effect does a drop in the value of the dollar have on the interest we have to pay to Japanese and Germans and others who buy billions of dollars in our Federal Government securities and billions of dollars in the securities of American corporations? The drop in the value of the dollar reduces the price foreign investors have to pay for American securities. But it also reduces the value of the interest or dividends foreigners receive when transferred into their currency and the redemption value or the American security. So as the dollar falls the foreign investor has no additional incentive to buy American securities unless he can receive a higher rate of return on his American investment. So if foreign interest rates rise, foreign investors will not lend to the United States unless U.S. interest rates rise.

This is why our Secretary of the Treasury, James Baker, has pleaded so earnestly with central bank leaders in Japan and Germany to reduce their interest rates.

So in summary, Mr. President, let us consider what the fall in the value of the dollar has been doing. It has begun to diminish America's seriously adverse trade balance. If the excellent September trade statistics which saw $1.5 billion improvement in our trade balance continue, we may begin to correct our adverse trade balance. This could be a great bonanza for our economy. American production to meet foreign demand and to compete far more effectively with foreign imports in the American market would substantially increase American jobs. But we are just as dependent as ever on international interest rates for borrowing the capital we need. That means we are dependent on the monetary policy of foreign countries. Far and away the biggest contribution we could make to holding down interest rates is to reduce our own American debt—Federal debt, household debt, business debt. Congress has taken some erratic and limited steps to hold down the rate of increase in the Federal Government debt. But the private sector debt—household and business—is more than twice the size of the Federal debt and therefore more than twice as critical in bringing interest rates under control. As we reduce our overall debt—but only as we reduce it—we diminish our reliance on foreign lenders. If we reduce our foreign debt we begin to escape the power that foreigners now have to overrule whatever action we take to keep the value of the dollar at a level in relation to foreign currency that will permit us to reduce and ultimately eliminate our enormous adverse balance of trade.

Mr. President, I yield the floor and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Will the Senator withhold?

Mr. PROXMIRE. I withhold.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business, not to extend beyond the hour of 10 a.m., with Senators permitted to speak therein.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

A FULL AND FREE EXCHANGE OF IDEAS

Mr. BYRD. Mr. President, there has been considerable comment over a proposal which has been made for Soviet leader Mikhail Gorbachev to address a joint meeting of the Congress.

I think the proposal would make sense only if the Soviets would agree in advance to allow President Reagan to address the Soviet people live and unedited and through his own interpreter on prime-time Soviet television. My suggestion is that we allow the President to use his legendary communications skills to impart to the average Soviet citizen our American ideals and goals.

When Mr. Gorbachev visits the United States, whether or not he addresses a joint meeting of Congress, he will receive extensive coverage on American television and in American newspapers. Soviet TV will broadcast coverage of the summit and their leader's views of our country and its people filtered through the Communist Party apparatus. The quid pro quo I have suggested might provide the only opportunity to get President Reagan's unedited views to the Soviet people.

The President could use the address to express any ideas he cares to propound directly to the Soviet people. He might discuss perceptions—and I think he should—of Soviet behavior in such troubled areas as Afghanistan or Latvia or Central America. He might explain problems that our Government and our people have with regard to Soviet compliance with solemnly entered into agreements.

If the President continues to support the idea, such an opportunity might provide a bully pulpit from which to educate the Soviet people. Consistent with the character of our American traditions, such an arrangement might provide a real test of just how deep "glasnost" has penetrated the fabric of Soviet life.

Basic to American values is the belief in a full and free exchange of ideas. As we begin consideration of a treaty which may provide the first step on the way to a new era in United States/Soviet relations, success may be contingent upon bringing the iron wall of Soviet censorship down.

The strongest weapon in the arsenal of democracy is the compelling expression of our ideas and ideals. If Mr. Gorbachev wishes to tell our elected leaders of his vision of the world, then let Ronald Reagan send a clear-eyed view of the promise of democracy under a constitutional system which has its source of power in the people.

SENATOR CRANSTON PRESENTED THE W. AVERELL HARRIMAN DEMOCRACY AWARD

Mr. BYRD. Mr. President, I congratulate our distinguished colleague Senator ALAN CRANSTON for a special recognition that was his yesterday.

The National Democratic Institute for International Affairs has named Senator CRANSTON, as well as Argentine President Raul Alfonsin, as a winner of its W. Averell Harriman Democracy Award.

The NDI was established in 1983 by the National Endowment for Democracy Act. Since that time, the NDI has been engaged in the development of programs to promote democratic government and democratic institutions around the world. From organizing an international observer team to oversee the extemporaneous elections in the Philippines some months ago, to assisting the civic opposition in Nicaragua, the National Democratic Institute has been lending aid and encouragement to the growth of democratic causes in many areas of our world.

The W. Averell Harriman Democracy Award is given annually to individuals from the United States and abroad who exemplify NDI's commitment to democracy, internationalism, and human rights. This year's awards mark the third time that the Harriman Award has been presented. Previous winners have been Mr. John Hume, the leader of Northern Ireland's Social Democratic and Labour Party, and former Senator Thomas Eagleton from Missouri.

In naming Senator CRANSTON as one of this year's winners, NDI Chairman Walter Mondale called attention to Senator CRANSTON's leadership "in promoting international human rights as a journalist and a politician." Chairman Mondale also lauded Senator CRANSTON's involvement in the nationwide grassroots voter registration project known as "USA Votes."

Certainly, those of us who work daily with the distinguished senior Senator from California would concur with Chairman Mondale in spotlighting Senator CRANSTON for those designated reasons and for other reasons far too numerous to list here. Senator CRANSTON is an outstanding legislator of whom the people of his home State can be justly proud. I commend him on this most recent recognition, and I commend the National Democratic Institute for International Affairs for its wisdom in making its award to Senator CRANSTON.

DEFICIT REDUCTION

Mr. EXON. Mr. President, I want to briefly review the extremely difficult position on this Thursday afternoon before Friday when the Gramm-Rudman sequester ax is scheduled to fall and on the elements that I heard about this morning that indicate that despite the best efforts of the supernegotiators over the past several weeks, that they are far, far from any agreement despite the fact that we have been hearing good reports.

I would like to say that myself and others are getting together this afternoon to come up with a fallback position which we hope will be realistic and have unanimous support in the U.S. Senate.

I would hope that that kind of an arrangement would go back and focus on the freeze which myself and others have advocated to these many years. I would simply suggest that the numbers I have put together as a member of the Budget Committee would get to the heart of doing real cuts and raising real revenue, to do something real about the staggering deficit and skyrocketing debt that is sending quivers, if not deathly chills, through not only the fiscal markets of the United States but the fiscal and financial markets of the world.

Mr. President, I ask unanimous consent that a brief table be printed in the RECORD following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. EXON. Mr. President, this would require a freeze on defense and domestic budget authority, which would have a net cut of $11 billion. A 2-percent COLA cap on all entitlements with a means test on the Social Security portion thereof, would be $4.2 billion.

Another way of saying that, Mr. President, would be that all of these means test programs would receive no more than 2 percent. They would receive an increase this year.

Existing reconciliation spending cuts will be $2.4 billion; additional agricultural cuts of $0.7 billion; interest savings of $1.4 billion; for a total of $19.7 billion in actual, real cuts in the expenditure level of the Federal Government.

In addition thereto, new taxes, and they are generally referred to as revenues because that sounds better to some people than taxes. I call them new taxes and you can call them new revenues, if you wish. I would suggest that new revenues be encompassed with the $9 billion that the negotiators have tentatively agreed to in the package, which is becoming increasingly less likely to pass as the day goes on.

In addition thereto, an additional increase in taxes of $2.5 billion by delaying a portion of the top-rate tax that is scheduled to go into effect on January 1, 1988.

So that would be $19.7 billion in actual, real reductions in expenditures, and $11.5 billion in real revenue or tax increases for a total of $31.2 billion real expenditure and revenue cuts, which will do something, which will send the right signal, and also $5 billion that we can add from REA refinancing, for a total of $36.2 billion.

EXHIBIT 1

Memorandum to Senator Exon From Chris McLean on Freeze Budget With 2 Percent COLA Increase

	Billions
Freeze on Defense and domestic budget authority	$11.0
2 percent COLA cap on entitlements with means test	4.2
Existing reconciliation spending cuts	2.4
Additional AG cuts	.7
Interest savings (+/−)	1.4
Subtotal	19.7
New taxes:	
Reconciliation on which there is agreement by negotiators	9.0
Delay implementation of portion of top tax rate cut on January 1, 1988	2.5
Subtotal	31.2
REA loan refinancing (Higher estimates exist)	5.0
Total	36.2

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECESS UNTIL 11 A.M.

Mr. BYRD. Mr. President, the defense authorization conference report will be brought up today. Under the agreement, it can be expected to be taken up at any time following the hour of noon. I brought the Senate in a little earlier today thinking there might be some Senators wanting to speak on the conference report prior to noon. My intention is to recess the Senate until 11 o'clock because at this point several Senators who are vitally involved in the report and in the debate concerning the report are in meetings. And so if I recess until 11, that will give us an opportunity to contact those Senators to see if they want to come to the floor earlier than noon and if they can come to the floor prior to noon and begin their debate on the conference report.

So if there is no objection, I ask unanimous consent that the Senate stand in recess until 11 a.m. today.

There being no objection, the Senate, at 9:53 a.m., recessed until 11 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. SANFORD).

THE CONGRESSIONAL RECORD

Mr. BYRD. Mr. President, "To err is human, to forgive divine," said Pope. I would paraphrase that to say, "To err once is human, but to make it a habit is something else."

I have reference to the CONGRESSIONAL RECORD, Mr. President. And I believe that Senators ought to read the RECORD more to see if their statements are correctly presented. I think all of us—I know I do—take great pains to make sure that the edited copy is grammatically correct and accurately presents the viewpoints that we try to express.

"Reading makes a full man, conference a ready man, writing an exact man." We are all more exact in writing than we are in speaking. We speak hurriedly, extemporaneously. When we write, we take the time and we labor at it in an effort to make a statement read well and accurately. We have all marveled at the speeches of Webster, Clay, Calhoun, and others. Those men had the time to prepare their speeches in those days. Then they took the printer's proofs home or to their apartments or boarding houses and kept them a week or two to change words, change phrases, change sentences so that whatever was presented finally in the RECORD of debates was beautifully done and rhetorically perfect.

Mr. President, I was looking this morning at one sentence in my statement of yesterday. My statement was a reaction to the release of the final report of the Iran-Contra investigating committee. In that statement, I had this sentence: "Members of this committee acquitted themselves with distinction, and they are to be commended." As it reads in the RECORD, it is as follows: "Members of this committee acquired themselves with distinction, and they are to be commended."

Now, any seventh-grade student will know that the word "acquired" is out of place there. The right word could not possibly be "acquired"—members of this committee "acquired" themselves with distinction.

Now, when it is sent to the Government Printing Office in hard copy, as this was, with the word "acquitted" clearly typed in, there is just no excuse for such sloppy work on the part of the Government Printing Office.

Now, this is not just something that is trivial. And this is not to be viewed as a schoolmarm lecturing her students on spelling or on sentence construction or the proper use of words. It is serious. The CONGRESSIONAL RECORD goes out to schools and colleges, libraries, and law offices all over this country. The students in the colleges and schools, high schools and universities read the RECORD. What are they to think?

Now, no great harm is done, of course, in substituting the word "acquired" for "acquitted" here, but great harm could be done—depending upon the text of the matter, the subject that is being dwelled upon. A mistake could be very painful. I once made a statement to the effect that politicians "kiss" babies, but, in the RECORD, it came out as politicians "kill" babies, and I had constituents write in about it. And so one's career, perhaps, will not rise or fall on one mistake of that kind, but it does not help. It is not good.

What has happened to pride in one's work? I have called attention before to mistakes in the RECORD. I urge Senators to look over the CONGRESSIONAL RECORD before they send out to their constituents the excerpts of their statements. And I urge the Government Printing Office to do a better job in its proofreading.

Once Phidias stood, with hammer in his hand,
Carving Minerva from the breathing stone,
Tracing with love the winding of a hair,
A single hair upon her head.
Whereon, a youth of Athens cried,
"O Phidias, why do you dally on a hidden hair?
"When she is lifted to the lofty front of the Parthenon,
No human eye will see."
And Phidias thundered on him: "Silence, Slave! Men will not see, but the Immortals will!"

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1988 AND 1989—CONFERENCE REPORT

Mr. BYRD. Mr. President, I ask unanimous consent that the defense authorization conference report be laid before the Senate now; that no time run on the report until Mr. NUNN or a manager of the conference report arrives on the floor, and then it will be my intention to put the Senate in recess until 12 noon, or until 5 minutes till, to allow for a little morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1748) to authorize appropriations for fiscal year 1988 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for fiscal year 1988 for the Armed Forces, to authorize appropriations for fiscal year 1989 for certain specified activities of the Department of Defense, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of November 17, 1987.)

ORDER OF PROCEDURE AND RECESS UNTIL 11:50

Mr. BYRD. Mr. President, Senator DOLE and I will be participating in a ceremony honoring the late Henry M. Jackson at noon, and this is why I have asked that the conference report be made the pending order of business.

I ask unanimous consent that the Senate now stand in recess until the hour of 11:50 a.m. today; that there be 10 minutes of morning business to end at 12 noon; that Senators may speak during that period for morning business for not to exceed 5 minutes each; that at 12 noon morning business be closed and the Senate will resume consideration of the conference report but with the understanding the time shall not begin to run until Mr. NUNN is present on the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Thereupon, at 11:09 a.m., the Senate recessed until 11:50 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. SANFORD).

MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period of routine morning business for 10 minutes with Senators permitted to speak therein for not to exceed 5 minutes.

Mr. FOWLER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LAUTENBERG. Mr. President, I ask unanimous consent that I may speak as in morning business and that my remarks appear at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

GREAT AMERICAN SMOKEOUT

Mr. LAUTENBERG. Mr. President, today has been designated by the American Cancer Society as the "11th Annual Great American Smokeout." Today, the Nation's smokers are asked to refrain from smoking. The hope, of course, is that 1 smoke-free day will become a week, a month, a year that is smoke-free.

This body, Mr. President, has taken an important step toward a "smokeout" in the skies. Two weeks ago, the Senate approved my proposal to ban cigarette smoking on scheduled airline flights of 90 minutes or less. This proposal has been approved in a different form by the other body. It is not intended to punish smokers or get them to quit, but to protect the health of nonsmokers.

Everyone who flies is aware of the irritation to our eyes, noses, and throats soon after the no-smoking sign goes off on commerical airplanes. But, recent reports from the National Academy of Sciences and the Surgeon General make it clear that environmental tobacco smoke is more than an irritant: it is a health hazard.

The Surgeon General has been issuing reports on the health consequences of smoking since 1964. More than 50,000 studies have been conducted. They all show that smoking is the largest single preventable cause of premature death and disability in the United States. Scientists have also been examining a possible link between disease in nonsmokers and their exposure to the cigarette smoke of others.

In his 1986 report, the Surgeon General said, "Involuntary smoking is a cause of disease, including lung cancer, in healthy nonsmokers." He goes on to say, "* * * the time for delay is past; measures to protect the public health are required now."

Tobacco smoke in an enclosed area is an irritant. People don't like it. But, I proposed a ban on smoking because of the long-term health risk. We know that tobacco smoke harms smokers, and we have evidence to back a finding that it also harms nonsmokers who are exposed to it.

Smoking is regulated in many everyday situations. Forty-one States restrict smoking in public places. Ten States restrict smoking in the workplace. Thirty-three States restrict smoking in public transportation. A few weeks ago, the Governor of California signed into law a total ban on smoking on all intrastate airplane flights.

Current regulations require segregated airplane seating for smokers and nonsmokers. And the captain has the discretion to declare all seats on a particular flight to be nonsmoking. But the Surgeon General says flatly that separating smokers and nonsmokers in the same air space does not eliminate the nonsmokers' exposure to the environmental tobacco smoke.

The National Academy of Sciences conducted a study at the direction of Congress on the airliner cabin environment. The NAS considered the health effects of passive smoking. It considered the characteristics of the airliner cabin environment. And, the NAS concluded that no satisfactory, economically or technically feasible ways existed to reduce environmental tobacco smoke. The only answer was to ban smoking.

The smoking ban is not antismoking or antitobacco; it is prohealth. An airliner cabin is a special environment. You cannot open the windows at 30,000 feet to clear out the smoke. The flight attendants and passengers are entitled to work and travel in a safe environment. Prohibiting smoking is as much a safety and health requirement as fastening seat belts.

Public opinion is overwhelmingly behind this ban. A poll by the American Medical Association found 67 percent of those polled favored a ban. Other surveys have found similar or higher levels of support.

Mr. President, I want to congratulate the American Cancer Society for the great job they do everyday to help prevent and treat cancer. And I want to particularly congratulate them for highlighting the health risks of smoking on the annual Great American Smokeout Day. Smoking is a health problem for smokers and nonsmokers alike and that is why I support a prohibition on smoking on short airplane flights.

I ask unanimous consent to insert in the Record an article from the Newark Star-Ledger on the ways that New Jersey is observing the smokeout.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Newark Star-Ledger, Nov. 18, 1987]

Mr. Potato Head Hopes To See "Butt Kicking" During Smokeout

(By Joan Whitlow)

Tomorrow is the 11th annual Great American Smokeout—the national attempt to get one of every five people who are still smoking to give it up for a day.

And in conjunction with the smokeout, one of the country's best known personalities has agreed to hand over his pipe.

Mr. Potato Head has kicked the habit.

A staple on toy shelves for 35 years, Mr. Potato Head evolved from a kit of eyes, noses, ears and glasses that could be stuck onto a real potato, to a plastic potato figure that could be adorned with any number of accessories, including a fleet of cars, boats and planes, a bevy of tools and labor saving devices.

What was always present, and will be forever more missing from the Mr. Potato Head kits, is a pipe for children to tuck between his lips.

Playskool, the makers of Mr. Potato Head, has announced that, consistent with his image as a role model for children, Mr. Potato Head will give up his pipe, quit smoking and serve as the spokespud for the smokeout.

And the American Cancer Society, which sponsors the yearly effort to quit-for-a-day, said that the trend of quitting is being followed by the majority of people in this country.

Less than 27 percent of the population still smokes, compared to 40 percent in 1964, according to the organization.

The estimates are that a record 24 million of the nation's 54 million smokers took part in last year's smokeout.

A hallmark of the smokeout has always been the "Adopt a Smoker" buddy system, which had a nonsmoker coaching and encouraging a smoker to stay smoke-free for the full 24-hours.

This year, employees at 40 New Jersey corporations have agreed to put their money where the message is with a "Back a Quitter" program. Each nonsmoker will make a donation to the cancer society as a guarantee that the smoker they adopt will make it from midnight to midnight without lighting up.

Jeffrey Hall, spokesman for the American Cancer Society's New Jersey Division said this program was successful last year in Arizona, where it raised $60,000 for the local cancer control programs.

This year's Smokeout theme is "Take a Breather," with a special logo, and an "I'm a Born Non-smoker" baby T-shirt, created to emphasize the dangers of smoking during pregnancy.

For the New Jersey observance, students at East Brunswick High School will send thousands of balloons skyward tomorrow at noon to remind people of the smokeout. Free balloons will be offered to those who turn in their cigarettes.

In Union County, a magician will appear at Union County College tomorrow morning and at Merck & Co. in Rahway tomorrow afternoon to do disappearing cigarette tricks and hand out T-shirts and buttons to those who have the right answer to his questions about health.

The Union County Cancer Society will exhibit the winning entries from a countywide poster contest by school children, using "Smoking and Your Health" as a theme.

The smokeout has become an event where young people tell the adults what is good for them.

In this tradition, members of the Boys and Girls Club of North Newark will be at Penn Station in Newark to distribute literature about the Smokeout and the health reasons for not smoking.

Also in Newark, Public Service Electric & Gas Co. will give golf towels bearing a Smokeout message to employees who turn in the cigarettes as they enter work. The company also is sponsoring an essay contest with prizes for employees who write the best 400-word treatise about breaking the habit.

The tips the cancer society offers smokers for getting through the day smoke-free include the advice to throw out every cigarette in the house, office and car, and get rid of the matches and lighters as well.

Exercise may help reduce any stress the effort to break the habit produces. Climbing stairs instead of using the elevator, parking the car a bit farther from the destination and walking the rest of the way are some of the society's suggestions for increasing exercise.

Sugarless gum, fruit slices, carrot or celery sticks are some of the things that have become traditional Smokeout substitutes for cigarettes.

When the urge to smoke hits, the society said, the temptation can be brushed back by conjuring up negative images of smoking, such as the time a cigarette ash burned a hole in a suit or dress.

Taking a deep breath, holding it for a second and releasing it slowly, or deep rhythmic breathing that mimics smoking are other ways to get through the times when the urge to smoke is strong.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER (Mr. Fowler). Morning business is closed.

NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEARS 1988 AND 1989—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. BYRD. Mr. President, I ask unanimous consent that the time run from 12 noon with the understanding that the distinguished manager of the bill would yield to the distinguished Senator from Ohio whatever time he needs and therefore that the time that has already been used be charged against the agreement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. If no other Senator desires to be recognized at this time, I yield myself 10 minutes and ask to be notified when that time expires.

Mr. President, I am pleased that we are able to lay before the Senate today the conference report containing the National Defense Authorization Act for fiscal years 1988 and 1989.

Frankly, there have been times over the last 8 months when the prospects for this bill were uncertain.

We reported this bill from the Armed Services Committee on May 8, but the Senate was not able to begin debating this bill until September 11. We debated this bill on the Senate floor for 3 full weeks, including one Saturday session.

We had 118 amendments on the Senate floor, which is more than any other Department of Defense authorization bill since the Senate first started the authorization process for Defense programs in 1961.

And I say that in regret and not in any kind of celebration.

We also had more rollcall votes—52—than any other Defense Authorization bill.

When we finally got to conference with the House last month, we found ourselves dealing with hundreds of language differences between the House and Senate bills, and literally thousands of differences in funding for individual Defense programs. There were some policy issues, particularly in the arms control area, where there were deep and fundamental differences between the House and Senate bills, and between the Congress and the administration.

We have had some very intense negotiations with the House over the past month. It was a spirit of compromise and cooperation which finally allowed the conference to complete its work. I want to thank Chairman Aspin and Congressman Dickinson for their leadership in this conference. I also want to thank my friend and colleague Senator Warner, the ranking minority member of our committee, for his cooperation and support throughout the conference.

Mr. President, I want to take just a few moments to just highlight the major features of this conference report since everyone can see it is a massive document of some 1,700 pages. There are good reasons for the size of this document. It covers 2 fiscal years, it has two different levels for fiscal year 1988, and the Statement of Managers discusses two different sequester levels for fiscal year 1988.

We never have had a bill this complex and it has been forced on us primarily by the budget situation that has required us to deal with really four different levels of spending, two of them in great detail and two of them in a notional sense, but, nevertheless, requiring a great deal of discussion.

Also, I want to say I hope that situation never repeats itself. But we are going to, hopefully, repeat this 2-year budgeting because I think it is one of the innovations that will help the Defense Department over the long haul. We have about 60 percent, I say to my friend from Virginia, about 60 percent of the second year in this bill that is authorized. That means next year, when we begin our hearings, we are going to have to have a little different procedure and the Senator from Virginia and I will be discussing that, I am sure, at length, over the next month or so. We are not going to go back and repeat everything we did this year in terms of hearings and structure and we are not going to ask our witnesses to come back and justify everything. We will be concentrating on those items that were not authorized this year for the next year.

We will also have more time as a committee to get into specialty problems rather than having to go through the tedious repetition of the same budget details that we essentially have this year.

TWO-YEAR BUDGETING

I am very pleased that the conference agreement sustains the initiative of our committee by authorizing defense spending for a 2-year period.

This is something that I felt would improve the Department of Defense for a long time. And I also want to congratulate Secretary Weinberger for his real leadership in this regard. The Defense Department was serious about the second year and we treated it seriously in our deliberations.

In implementing the concept of biennial budgeting the conference approved two-thirds of the defense authorization request for fiscal year 1989. I am encouraged by this. The House bill had authorized 17 percent of the request for the second year while the Senate bill had authorized 73 percent. It was very difficult to authorize more for the second year of this authorization bill because the future funding of many controversial defense programs is very uncertain in light of the very uncertain budget situation which continues today in the overall budget summit conference going on.

In addition, the President's total Federal budget request for fiscal year 1989 was $20 billion short of the original Gramm-Rudman-Hollings target. This shortfall made determining the overall top line for defense for fiscal year 1989 impossible.

FISCAL YEAR 1988 AUTHORIZATION

The bill approved by the conference authorizes a fiscal year 1988 defense budget for the national defense function that is equivalent to $296 billion in budget authority. This authorization level is $16 billion lower than the President's request of $312 billion.

The $296 billion in budget authority provided by the bill is consistent with the defense funding level in the budget resolution for fiscal year 1988 passed by the House and Senate. The budget resolution provided two tiers or levels for defense spending—the high tier of $296 billion which would be effective only if the President signed reconciliation legislation into law, and the low tier of $289 billion. If the low tier becomes the effective level of defense spending, the defense bill approved by the conference authorizes, by way of a legislative contingency, the lower level.

The conference agreement is also tied to the ongoing budget negotiations between Congress and the administration.

I assume we are going to hear a lot more about those in the next 24 hours. I am hopeful they will be able to work out not only a package that is acceptable but one that does something serious about the deficit. If those negotiations result in a defense spending level greater than $289 billion, the higher authorization up to $296 billion contained in the conference agreement will be in effect.

This means the Appropriation Committee will have considerable leeway this year in making their choices. We will be working very carefully with them.

EFFECTS OF A SEQUESTER ON THE DEFENSE BUDGET

Mr. President, the conference approved report language that illustrates the harmful effects that a $23 billion "sequestration" of the defense budget would have on national defense. The sequester procedures specified by the Gramm-Rudman-Hollings Act does permit the President and the Congress to offer alternative "tailored" sequester orders that decrease some programs more in order to minimize the reductions to others.

But we have a very compressed timeframe in which to act. If, indeed, the budget summit does not produce an agreement and if we do not have a postponement of the sequester, then we will begin that process, as I understand the law, tomorrow. And that means that if we had not gone on and considered some alternative we would have a very difficult time in the compressed timeframe to come up with an alternative for our colleagues' consideration.

The conference considered two alternative sequester packages. For this reason, the first would would meet the overall sequester totals within the appropriation accounts, but would tailor the reductions among the programs, projects, and activities within those accounts. Each account would have to be decreased by 10.4 percent, while the reductions to the individual programs, projects, and activities within the account may vary. The second sequester package would limit the reductions to the operation and maintenance [O&M] account to not more than 5 percent. Sheltering the O&M account to this extent would require all remaining accounts to bear a greater reduction. And that number would come put about 19 percent to make up the difference.

Both sequester packages would exempt the military personnel accounts. So these are hard choices and I hope we do not have to make them in the closing days of this session of Congress. But it is still a very live possibility.

In the area of procurement, the conference concluded that both sequester packages would require the postponement of new starts—such as the Army tactical missile system—and the elimination of all program increases. The two sequester orders would produce reductions ranging between 23 and 31 percent from the research and development request in the President's budget. Decreases of that magnitude would result in termination of the Army's LHX helicopter, the Marine Corps' V-22 tilt rotor aircraft, and the Air Force's SRAM II missile. As a final example of the harmful effects of sequestration, funding for many badly needed military construction projects would suffer. In particular, the construction of supply depots, R&D facilities, housing, and new Navy home ports would have to be deferred.

For those who think we can live with a sequester, I urge them to look at this section of the conference report. After reviewing this material. I think they will agree that a sequester would have very harmful effects on our national security.

COMMITTEE PRIORITIES

From the outset of our review of the President's defense budget request this year, our committee sought to strike a balance among the four pillars of a sound defense: Readiness sustainability, modernization, and force structure. The Senate-House conference generally maintains the balance among these competing demands that the committee had assembled in our original markup of the fiscal year 1988-89 Defense authorization bill.

Within difficult budget constraints, the conference agreement attempts to balance these various needs: Readiness, sustainability, and modernization, as well as force structure of conventional forces. In more specific budgetary terms, this approach minimizes, to the maximum extent possible, funding reductions to readiness and sustainability programs; allows higher, more efficient production rates for important conventional weapon systems; and increases the investment in high technology research. At the same time, the conference reduced the substantial funding that had again been requested for research and procurement of strategic weapon systems.

The conference agreement also continues our committee's interest in reducing congressional micromanagement of defense activities. For example, the conference approved the committee's initiative to fund four milestone authorization programs for 5 years. Instead of having to depend upon annual authorizations for their funding, these programs have been authorized for their entire research and development and up to 5 years of their procurement. These milestone authorization programs are the Mobile Subscriber Equipment [MSE], the Army tactical missile system [ATACMS], the Trident II missile, and the T-45 trainer aircraft.

The **PRESIDING OFFICER.** The Senator has used 10 minutes, 15 seconds.

Mr. **NUNN.** Mr. President, I yield myself 5 more minutes.

ARMS CONTROL ISSUES

Mr. President, I believe the conferees achieved a fair and balanced package of agreements on the arms control issues which were in contention between the House and the Senate and between the Congress and the White House. This package fully preserves the prerogatives of Congress to control the power of the purse while also giving the President needed flexibility as the negotiations on START and defense and space approach a critical stage.

We have no guarantee that the President will sign this bill, and I do not doubt that some of our actions will not be popular down there. However, we have worked in good faith to take the adminsitration's concerns into account and, in most cases, I think we have done so.

This bill provides $3.9 billion for SDI, which is a higher figure than most people thought possible. I know from my discussions with our Geneva negotiators that they believe the one thing that gives them the most leverage with the Soviets is a steady increase in SDI funding. The $3.9 billion is an 11-percent increase over last year's amount and I think it sends a very strong message to the Soviet Union that the Congress supports a robust SDI research program.

If this bill were to be vetoed, then of course all of the things that we mentioned would have to be addressed again and I do not know how we would do it in the remaining time that we have. So I am hoping, and I expect, that the President of the United States will sign this bill. But I repeat: we have no guarantees.

One reason we were able to get a high SDI figure is that we were able to achieve a compromise on SDI testing that preserves the Congress' constitutional right to determine how expenditures will be spent. This is enormously important because the conference, and I think the great majority of people in the House and in the Senate, are simply not going to send a blank check to the White House and say, "You spend it any way you want to, notwithstanding your earlier statements before our committee as to your plans." I think that should be taken into account by the administration next year.

The bill contains a provision which requires DOD to use its funds from fiscal year 1988 and prior years to conduct the SDI Program in a manner that is consistent with the SDI plan it submitted to Congress during the budget hearings last spring. Nothing in that plan involved tests that went beyond the traditional interpretation of the ABM Treaty. The SDI provision prohibits any acquisition of long-lead hardware for a future test under the broad interpretation, just as the plan did. But the conferees have affirmed that nothing prevents the Pentagon from planning how such tests might be conducted. I would point out that nothing in the ABM Treaty—under either interpretation—would preclude such planning either.

On the issue of SALT limitations, we basically decided to take an indirect, or programmatic, approach. Our objective was to establish some rough measure of stability or interim restraint in strategic offense forces. The bill does not contain any of the SALT-related amendments passed in the House and the Senate. However, for budgetary reasons we directed the retirement of one *Poseidon*-class submarine which had been scheduled for an expensive overhaul next spring. This provides $110 million in cost savings and also has the effect of maintaining U.S. strategic launchers during fiscal year 1988 at roughly the level deployed as of the enactment of the bill.

I would repeat that that is a rough kind of equivalency and is not absolute. In short, we did not direct a rollback to the SALT II Treaty sublimits. However, we hope to send a message to the Soviet Union that as long as progress continues to be made in START, and as long as the Soviets continue to dismantle ICBM's and SLBM's that they would otherwise keep operational, we will certainly take that into consideration in looking at the size of our forces here. In addition, we will certainly, in the conference at least, continue to review this effort to stabilize the overall number of United States and Soviet launchers as a form of interim restraint. None of this should be taken in any way, though, as being a permanent arrangement because we are dealing here with only 1 year.

Finally, I would mention that we dropped the House-passed moratorium on nuclear tests above 1 kiloton but receded to the House on its extension of the current moratorium on Asat tests.

STRATEGIC FORCES AND NUCLEAR DETERRENCE

In the area of strategic forces, the conference agreement continues the ongoing strategic modernization program, both in weapons platforms and in command, control, and communications [C^3], although the conference was forced to slow several modernization programs that are still in early stages of development.

The conference agreement fully funds virtually all of the ongoing research and development and procurement programs in the critical category of surveillance, warning, and C^3, which provides important support across all forces and mission areas.

On ICBM modernization, at the high tier, the conference authorized $864 million to procure 12 Peacekeeper [MX] missiles, $1.5 billion to continue development of the small ICBM, and $300 million to continue research on the proposed rail-garrison basing concept for the Peacekeeper missile. This conference decision ensures that both the small ICBM in a hardened mobile launcher and the MX missile in a rail-garrison basing mode will be options available to the next administration. At the low tier of defense spending—$289 billion in budget authority—the conference provided $700 million for the small ICBM and $100 million for the rail-garrison MX missile. These levels of funding would result in the same delay in the actual deployment of both programs.

As I noted earlier, the conference agreement approves a combined Defense Department-Energy Department funding level of $3.9 billion for the strategic defense initiative [SDI]. This level represents an unadjusted growth rate of 11 percent over the fiscal year 1987 appropriation level, but substantially less than the request of $5.7 billion, which projected an unadjusted growth rate of 63 percent over last year's appropriation. Of the total, $3.621 billion is for the Defense Department and $279 million is recommended for authorization to the Department of Energy.

The conference authorized a prudent rate of funding for both the advanced technology bomber [ATB] and the advanced cruise missile [ACM], given the scheduled milestones they have achieved. With respect to the B-1B bomber, the conference moved to impose tighter oversight controls on corrective measures for the defensive avionics system and denied funding for the four proposed new capabilities for the bomber. The conferees agreed to the Senate position of $190 million for the SRAM II missile R&D program at the high tier and $70 million at the low tier. On the sea-based deterrent, the conference agreement authorizes the initial production lot of Trident II missiles and another Trident submarine.

Within the national security programs of the Department of Energy [DOE], the conference strongly endorsed the authorization of a new production reactor and adopted the Senate provision requiring a report on an acquisition strategy. The conference agreed to fund the restart of the N-reactor at Hanford, WA, provided that the Secretary of Energy certifies that it is safe to operate. However, if it cannot be restarted in timely fashion, it would be placed in cold standby. The conference agreement also recommends accelerating other sources of special nuclear materials. The conference agreement increases DOE's funding for safety, environmental restoration, and waste management.

CONVENTIONAL FORCES AND ALLIANCE DEFENSE

Despite severe budgetary constraints, the conference agreement preserves the committee's initiative to emphasize the modernization of our conventional forces. It increases the requested production rates for several major conventional weapon systems to more efficient levels; authorizes the procurement of more missiles than were requested; and sustains funding for vital spare parts. In reaching this agreement, the conference was mindful of the strong emphasis that the warfighting commanders in the field had placed on their sustainability needs.

At the high tier, the conference recommended substantial increases in the requested production rates for the following weapon systems: AH-64 attack helicopters—13 above the request of 67; UH-60 utility helicopters—23 above the request of 61; M-1 tanks—120 above the request of 600; multiple launch rocket systems—20 launchers above the request of 24; EA-6B jammer aircraft—6 above the request of 6; AIM-7 air-to-air Navy missiles—600 above the request of 0; AIM-7 air-to-air Air Force missiles—200 above the request of 558; and AIM-9 air-to-air Air Force missiles—300 above the request of 956. The fact that funding for so many conventional weapons was not only protected, but actually increased, reflects the conference's high priority for this part of our defense effort.

After considerable discussion, the conference assembled a procurement and research and development package that seeks to address the extremely serious problems in Navy aviation. Too many Navy aircraft are in production at very inefficient production rates. Although this situation is worrisome enough in its own right, it is unacceptable in the face of impending budget reductions.

I must say that this also applies to the other services. In this conference we concentrated on the Navy because its problems seemed to be worst at this juncture.

The conference package places highest priority on the long-term modernization of the Navy's fleet of medium attack aircraft by fully authorizing the advanced tactical aircraft [ATA] at both the high and low tiers. The conference decided that budget constraints did not permit procurement of the A-6F aircraft. The F model was designed to be an interim improvement for medium attack Navy squadrons until the ATA was fielded. The conference judged that the F model was too vulnerable to merit a major investment and that the Navy should proceed promptly with development of the ATA.

Recognizing the need to augment existing medium attack squadrons, the conference authorized $376.6 million that is available to the Navy either to procure 11 E models of the A-6 aircraft or to upgrade the existing fleet of A-6 aircraft. The conference agreement also authorizes the procurement of 24 AV-8B Harrier aircraft for the Marine Corps. Finally, the conference directed the Marine Corps to transfer A-6 aircraft in Marine Corps squadrons to the Navy. To replace those aircraft, the conference agreement requires the Navy to develop a two-seat, all-weather ground attack variant of the F/A-18 aircraft.

The conference concluded that all of these programs to modernize Navy aviation could not be afforded at the low tier of defense spending. Therefore, at that level, the conference agreement terminates further investment in A-6 aircraft and further production of the AV-8B aircraft. The conference noted that the Marine Corps' procurement plans for the AV-8B aircraft and the availability of amphibious lift for the foreseeable future do not correspond and that a fundamental reassessment is in order.

Among other major research and development decisions, the conference approved the $200 million that the committee had recommended for the NATO cooperative R&D program—

$175 million at the low tier. This level of funding will sustain the momentum of this promising initiative. In addition, the conference agreement provides $295 million—at both the high and low tiers—for research and development on the Army's LHX helicopter program and $536 million at the high tier—$508 million at the low tier—for further development of the Air Force's advanced tactical fighter program.

PROJECTION FORCES AND REGIONAL DEFENSE

In formulating its recommendations for projection forces, the conference emphasized programs that would correct deficiencies in three critical mission areas: antisubmarine warfare [ASW], strategic mobility, and special operations.

For programs other than fleet ballistic missile submarines, the conference agreement authorizes $8.2 billion in the Navy shipbuilding and conversion account for the construction of 14 ships, the conversion of 4 others, and long-lead funding for a nuclear-powered aircraft carrier. The conference also recommended long-lead funding for a second carrier in fiscal year 1989. Ships authorized for construction were three SSN-688 class attack submarines, five CG-47 class guided missile cruisers, one LHD-1 class amphibious assault ship, one LSD-41—cargo variant—landing ship dock, two T-AO fleet oilers, and two T-AGOS ocean surveillance ships. The addition to the T-AGOS ships was one of a number of initiatives to improve ASW capabilities. The four conversions recommended for authorization were an aircraft carrier service life extension program, and AO [Jumbo] oiler, and two TACS crane ships.

In other Navy accounts, the conference agreed on significant increases for antisubmarine warfare in helicopters, combat systems, and sonobuoys. The scientific base for antisubmarine warfare was strengthened by additions to certain oceanographic and meteorological programs. Antisubmarine mines received emphasis and an initiative to obtain portable, lightweight sonars for the Coast Guard was authorized.

For strategic airlift, the conference agreement authorizes $617.9 million for the procurement of the first two C-17 airlift aircraft. The conference proposed, however, a reduction in C-17 research and development.

Regarding Special Operations Forces [SOF], the conference recommended authorization of 86 percent of the total procurement request by all the military services, and 100 percent of the total request for special operations research and development. In addition, $15.3 million would be available to the commander in chief of the U.S. Special Operations Command to begin procurement of state-of-the-art secure communications for SOF units.

The conference agreement also includes a provision to promote more effective and timely implementation of the reorganization and reform of Special Operations Forces capabilities mandated in last year's Defense Authorization Act. Key initiatives would strengthen the position of Assistant Secretary of Defense for Special Operations and Low Intensity Conflict; increase the personnel strength of the Headquarters of the U.S. Special Operations Command; and give increased visibility to SOF programs and budgets.

DEFENSE INDUSTRY AND TECHNOLOGY

The conference agreed that despite the reductions required in the overall defense authorization level, funding for the science and technology base should not be decreased. While other major areas within the defense budget were reduced from the President's budget request, the level authorized for the science and technology base—not including SDI—was increased by $314.4 million over the amount requested in the President's budget. This increase underscores the importance that the conference placed on the need to provide for the Nation's future technological needs.

The conference's support for the science and technology base was highlighted by the authorization of $73 million more than the administration's request for the university research initiative. Furthermore, the conference agreement recommends extending the University Instrumentation Program for another year with an authorization of $25 million.

In addition to expressing strong support for the science and technology base, the conference also agreed that a competitive industrial base is a key component of a strong national defense, and that this base has seriously eroded. Therefore, in addition to other amounts, the conference agreement authorizes $145 million in fiscal year 1988 for a defense manufacturing initiative for the purpose of improving manufacturing technology. Of this amount, $95 million was placed in a manufacturing technology initiative account under the Assistant Secretary of Defense for Production and Logistics, with $50 million to be used by the Defense Advanced Research Projects Agency for generic manufacturing technology research, and the remaining $45 million to be used to enhance manufacturing technology efforts already underway.

The remaining $50 million for the defense manufacturing initiative for fiscal year 1988 was authorized, in addition to the $50 million requested, for the semiconductor manufacturing technology account. The resulting $100 million was specifically authorized for Sematech, a research consortium of U.S. semiconductor, materials, and equipment manufacturers established for the purpose of conducting research on advanced semiconductor manufacturing techniques.

The conferees agreed that an imbalance exists in defense research as a result of too much growth in the strategic defense initiative and too little in advanced technologies for conventional warfare needs. Accordingly, the conference agreement authorizes $300 million at the high tier—$275 million at the low tier—to continue programs, projects, and activities initiated under the balanced technology initiative [BTI] in fiscal year 1987. The conferees further recommended that an additional $200 million be identified for new and innovative BTI programs, projects, and activities. These funds were to be derived from funds already appropriated for other research and development accounts.

In the area of acquisition policy, the conferees sought to promote stability by minimizing legislative changes to the defense procurement system, and by concentrating on those procurement policy changes that can promote innovation. These changes include clarifying the rights of the Government and contractors in technical data, and establishing a statutory basis to ensure that contractors who purchase special tooling and special test equipment are appropriately reimbursed by the Government.

READINESS, SUSTAINABILITY AND SUPPORT

This area of the defense budget includes the operation and maintenance accounts; spare parts and ammunition procurement; defense stock funds; and military construction and family housing. The budget request included a total of $107.7 billion for these activities in fiscal year 1988.

The conferees were mindful that reductions in this area of the defense budget can have an immediate impact on the readiness of our military forces. As a result, the conference agreement seeks to minimize the reductions to the budget request in this area. The reductions that were necessary were made as broadly and generically as possible in order to give Defense Department managers the flexibility to implement them with the least harmful impact on military operations.

The conference recommended reductions in these accounts totaling $4.5 billion, of which $2.7 billion was in the operation and maintenance accounts; $1.3 billion was in the military construction and family housing accounts; $220 million was in the defense stock funds; and $300 million was in spare parts funding.

The conference agreement attempts to protect the spare parts and ammunition budgets from large reductions. Although funding for spare parts was reduced below the budget request, the level of funding authorized still represents 95 percent of the budget request.

The budget request for Air Force and Army level-of-effort munitions was actually increased above the budget request.

On a related matter, the conference took several steps to enhance military assistance to the Nation's Drug Interdiction Program. The successful law enforcement detachment team, or LEDET Program, which makes 300 Coast Guard personnel available for law enforcement duties on Navy ships, was increased to a total of 400 and 500 personnel in fiscal years 1988 and 1989, respectively. The conference agreement also requires the Defense Department to develop an annual plan for assisting civilian agencies, and mandates a study by the General Accounting Office of the impact of increasing the role of the Armed Forces in drug interdiction.

MANPOWER AND PERSONNEL

The conference's actions on manpower and personnel were guided by the general philosophy that it should sustain the very real gains that have been made in the manpower readiness of our Active Forces and provide the necessary tools to the Department of Defense to begin correcting some serious manpower and training problems in our Reserve Forces.

In the area of manpower strength authorizations, the conference agreement approves the Active Force strength request for fiscal year 1988. This will provide for an increase in Active Force strengths in the Army of 100 and in the Navy of 6,200. For the selected reserve, the conference approved an increase of 19,700 personnel for fiscal year 1988, including 2,500 full-time support personnel. The conference believed that the Reserve Forces need to correct individual skill qualification problems, which are the second most critical factor limiting readiness in the Reserve Forces, before adding much more to their manpower inventories.

In the pay and benefits area, the conference agreement authorizes a 3-percent pay raise on January 1, 1988 for all military personnel and an additional 3-percent increase in the basic allowance for quarters, subject to availability of the necessary budget authority. In addition, to help the military services attract and retain needed personnel, the conference approved enhancements to certain targeted entitlements and extended a number of expiring authorities.

The conference also agreed to modify certain of the joint officer management policies prescribed by the Goldwater-Nichols DOD Reorganization Act of 1986. These modifications are designed to correct unanticipated problems and to provide additional management flexibility. Among the areas addressed are overseas joint duty tours, cumulative credit for curtailed joint tours, and joint specialty officer qualifications.

In the area of military health care, the conference approved certain monetary recruitment and retention incentives to man critical medical specialties in the Reserve Forces; provided authority to assist the Department of Defense in its CHAMPUS reform initiative and in acquiring a medical information system; and provided a catastrophic cap of $1,000 per family under CHAMPUS for dependents of active duty members and $10,000 for retired beneficiaries.

CONCLUSION

Mr. President, I want to thank all of the members of the Armed Services Committee for their diligent work throughout the year on this bill. I owe a special debt of thanks to the 11 members of the committee who served with me as conferees on this huge bill. Having so many issues in conference, and bringing out a conference report at the two tiers of the budget resolution, made this an extremely complex conference.

I also want to thank the staffs of both the House and the Senate Armed Services Committee for their untiring and professional efforts on this bill. The staffs of the Armed Services Committees provide superb support year round.

I want to add a special note of thanks to Hugh Evans of the Senate legislative counsel and Bob Cover of the House legislative counsel for their support in helping to put this bill together and in writing it. Hugh and Bob have been doing this work for our committee as far back as I can remember and they do a superb and extremely professional job.

I would like to thank particularly Arnold Punaro, staff director on this side; Carl Smith, the staff director on the Republican side of the aisle, for their exemplary work on this bill.

Mr. President, this conference report represents the culmination of a great deal of hard work by many Senators. Without the help of our sterling subcommittee chairmen and their counterparts on the Republican side, we would have never gotten this conference agreement because about 90 percent of the agreement reflects the reports of our subpanels.

Mr. President, this conference report represents the culmination of a great deal of hard work by many Senators. I urge my colleagues to support it.

Mr. WARNER. Mr. President, I rise in strong support of the conference report on the National Defense Authorization Act for fiscal year 1988 and 1989.

Before turning to the specifics in that report, I want to express my most sincere appreciation to the committee's chairman, the senior Senator from Georgia, for his fair and even-handed leadership—not just in this conference—but throughout the year. We have had our differences—they are inevitable in this environment—but they have indeed been few and, without exception, all have been amicably resolved.

My experience with Chairman NUNN over the past year has confirmed that his reputation here in the Senate is well deserved. He is as wise as he is fair; he is painstakingly thorough, and objective. These, I suggest, are qualities that distinguish the most successful and respected Members of this body.

Today, Mr. President, I wish to congratulate the chairman for bringing this conference report to the floor of the Senate. Further, I commend Chairman ASPIN and the ranking Member of the House, Mr. DICKINSON. That achievement, in this most difficult of years, has not been an easy one—but the chairman has accomplished this through his perseverance and commitment to one goal about which we can all agree—the goal of assuring this Nation's defenses are strong and prepared to meet the threats to our national security.

BIPARTISANSHIP

Mr. President, earlier this year there was an unfortunate—though substantial—disagreement within the Armed Services Committee, over a provision dealing with the SDI program and the various interpretations of the ABM Treaty. At that time, there were those who suggested that this disagreement marked the beginning of the end of the bipartisan spirit supporting of a strong national defense, which has for so long been the hallmark of the Armed Services Committee, subsequently.

I am pleased that I can stand before the Senate today and report that there has been no loss of bipartisanship in our committee on the important issues relating to our national defense. The differences on this issue have been bridged to the satisfaction of all, unclearing the White House senior staff.

The conference report pending before the Senate represents many long hours of close and cooperative work between the chairman of the committee, Members on both sides of the aisle, and senior members of the administration. The agreements contained in this conference report would not have been possible but for the willingness of the chairman and the other conferees to forge workable, bipartisan compromises on a number of major and very complex national security issues.

The resolution of these issues is a clear credible chapter in the ability of the executive and legislative branches to exhibit leadership and govern the affairs of our Nation.

I wish those now engaged in deliberation of the equally difficult issues relating to the Nation's budget an equal measure of success.

So once again, Mr. President, I congratulate the chairman for his perseverance in "staying the course" and bringing this conference report to the floor of the Senate today; and I thank him for the courteous and statesmanlike manner in which he has done so.

CONCERN OVER DECLINING DEFENSE BUDGETS

Mr. President, Senator Nunn has reviewed the overall authorization levels in the bill and many of the major funding actions of the conference. I will not attempt to repeat any of those statistics.

But I do wish to express my very serious concern about the Congress continuing to impose real reductions in the defense budget. In meeting the targets of the budget resolution, this conference report, at both tiers, represents the third consecutive year of real decline in the defense budget. In the past 2 fiscal years, actual appropriations for defense declined almost 7 percent below the level of funding approved by the Congress for fiscal year 1985. At the higher tier of this bill, the defense budget would shrink by another 2.3 percent; at the lower tier, this real reduction would be 4.7 percent. When combined with the previous 2 years of decline, defense funding under this bill could be as much as 11.5 percent, in real terms, below the level appropriated in fiscal year 1985. Let us not deceive ourselves, Mr. President, such decisions do indeed have consequences.

If the defense budget continues to shrink, we cannot expect to sustain the progress we have made in improving recruiting and retention of qualified personnel, in maintaining adequate levels of readiness of our Armed Forces, and in achieving efficient production rates for major weapons systems. We cannot expect, Mr. President, to fund our defense needs "on the cheap." Stable and predictable top-line funding for defense is imperative in a frugal Federal budget, and for 3 consecutive years we have failed to provide that stability.

STRATEGIC AND ARMS CONTROL MATTERS

Turning next, Mr. President, to the arms control issues in our conference, I am pleased to report that we successfully resolved those issues through a very productive bipartisan dialog among the congressional participants, with constructive participation by the administration.

An essential aspect of the arms control package, which includes the funding level for the strategic defense initiative, is an understanding that the resolution of these issues on this bill would preclude their being reopened on any other legislative vehicle, such as an appropriations bill or a continuing resolution. This was clearly the basis for administration participation, and Senator Nunn, Mr. Aspin, Mr. Dickinson, and I committed ourselves to work with the leadership and Members of the two Houses to ensure that the resolution of these issues in this conference report will be the legislative action, absent an unforeseeable change of facts, this fiscal year.

Mr. President, the resolution of these issues, purposely, is not a matter of winners and losers. Rather, it should be viewed as a fair and balanced package, one that was constructed to recognize a President's constitutional role in arms control negotiations. Correspondingly, the role of Congress was recognized. I view the outcome as one of partnership between the administration and the Congress, rather than one of confrontation. The outcome preserves the prerogatives of the Congress with respect to our "power over the purse," and preserves the prerogatives of the President with respect to the conduct of foreign policy—especially in his role as negotiator of treaties.

SDI TESTING

The conference agreement on SDI testing deletes the so-called Levin-Nunn amendment, which was the focus of much debate in this body. In its place, the conferees agreed to a provision that requires the President, through fiscal year 1988, to conduct the SDI program in the manner described to the Congress in the fiscal year 1988 budget request. In recognition of the dynamic nature of the SDI program, the conference bill provides flexibility to plan for testing not included in the original program, and invites the President, through normal budgeting procedures, to request congressional approval to carry such testing beyond the planning stage.

SDI FUNDING

The conference agreement on SDI funding at $3.9 billion, roughly $100 million above a "split the difference" between the Senate level of $4.5B and the House level at $3.2B, represents the best outcome possible in the current budgetary situation, and should send a strong message to the Soviets that the Congress supports a robust SDI Program. Nevertheless, this figure will require significant restructuring of the program, and inevitable program delays, in order to maintain a balance between near-term and advanced technologies. An essential response of the administration to this budget figure must be the achievement of the maximum efficiency in the planning of the SDI research and testing program.

SALT II

Mr. President, the administration did not participate in the resolution of the SALT II provisions that were included in the bills of both Houses, thus reserving their right to object to the conference position on this issue. The conference took the general position that interim restraint in strategic offensive force levels at about today's level should be preserved—provided the Soviets show similar restraint. Consistent with this view, the conferees denied funding for the overhaul of a 25-year-old Posiedon-class submarine. This action would offset the effect of the 20 cruise-missile-modified heavy bombers that will enter the inventory during fiscal year 1988.

ASAT

Perhaps my greatest regret, Mr. President, is that the conferees did not agree to drop the House provision which extends the moratorium on testing of the Miniature Homing vehicles Asat against objects in space. In exchange for retaining this provision, the House did agree to drop their prohibition on nuclear testing above a 1-kiloton limit. The issue of nuclear testing had to take priority and the Asat program had to pay the heavy price.

In an age when we are demanding successful test performance for all our systems, it makes no sense to me to deny realistic testing of the MHV Asat. Notwithstanding the limitation on testing, the conferees agreed to provide $200 million in fiscal year 1988 for MHV related Asat research, including $150 million to conclude the research and development program for the F-15 launched system. My colleagues may recall that one miniature homing vehicle Asat was launched from an F-15 against an object in space and successfully destroyed the target. Under the conference agreement, the remaining test missiles will be delivered to Edwards Air Force Base, where a limited operational capability—with deterrence and military value—will be established.

OTHER ISSUES

Mr. President, there are a few other matters about which I am not totally satisfied with the conference outcome, such as the conference decision on a series of joint-officer personnel management provisions. My remarks on these matters are printed in the Record following this statement.

Mr. President, the conference report before you is, on balance, a good one. It generally represents a bipartisan compromise on a number of highly charged, important issues. While it contains a few provisions which I would have preferred to resolve in slightly different ways, nonetheless, I believe this conference report represents a positive step forward in our efforts to ensure our Nation's defenses are strong and prepared to meet the varied threats in today's uncertain world. This conference report is worthy of our support and I urge my colleagues to vote for its adoption.

Mr. President, one of the issues addressed in the fiscal year 1988 DOD authorization bill which is of continuing concern to me is the legislation on joint officer provisions.

In the Goldwater-Nichols Defense Reorganization Act of 1986, we passed legislation which laid down very specific requirements for joint training and assignment policies for the officers of our armed services, and also created a joint specialty for selected officers.

In my view, the language in the Goldwater-Nichols bill is too complex and does not provide enough flexibility for the services to manage these programs effectively, considering all the other factors which influence officer career management policies.

As a result, after extensive consultation with the DOD, we passed in the Senate several modifications which would have provided some needed flexibility and relief in the provisions relating to joint officer management policies.

Unfortunately, in our conference with the other body, we made only very limited progress in key areas of this legislation.

For example, none of the provisions dealing with joint duty tour lengths or promotion policy controls were adopted.

The conferees from the House Armed Services Committee made a commitment, however, to seriously consider these issues next year.

It is critical that we do so since the current statutes will begin to impact adversely on the services if we do not.

Therefore, I want to indicate strongly to all my colleagues that we must insist that these issues be addressed seriously in the fiscal year 1989 DOD authorization bill.

Mr. EXON. Mr. President, I rise in support of H.R. 1748, the Department of Defense authorization for fiscal years 1988 and 1989. The report that is before the Senate is a reasonable one given the serious financial constraints we face. While I have some concern with certain provisions within it, I can support the overall bill as a reasonable compromise.

Before I state these concerns, I would like to express my congratulations to the committee chairman, Senator NUNN, on a job well done. The Senator from Georgia faced great obstacles in the form of budget constraints, a filibuster on arms control provisions, a threatened Presidential veto, and a very challenging conference with the House of Representatives.

Despite this, we have a good bill before us. And, for the first time, it is one that approaches defense spending with priorities based on military strategy. It encourages long-range thought and planning through its 2 year authorization and its expanded use of multiyear contracts. It is flexible enough to deal with several spending levels as required by the budget resolution and the Armed Services Committee stands ready to deal with any sequestration. This is a tremendous accomplishment and the credit is largely due to my good friend and colleague, Senator SAM NUNN.

I would also like to express congratulations to my good friend and long-time coworker on national security, the ranking minority member of the Armed Services Committee, JOHN WARNER. The Senator from Virginia played a crucial role in the conference and the negotiations with the White House. That he did so while recovering from a painful accident is a testimony to his dedication to our Nation's defense.

I would also be remiss without mentioning the hard work and guiding hand provided by Senator STROM THURMOND. As the chairman of the Subcommittee on Strategic Forces and Nuclear Deterrence, I was pleased and honored to work closely with Senator THURMOND in his capacity as the ranking minority member of that subcommittee.

Mr. President, while I support the bill, I do have some concerns. Foremost among them is the need to continue our efforts to identify real priorities for defense spending. We cannot afford to do everything we would like and we have to make more of the tough decisions. The day of funding defense programs for political reasons is over—at least it should be. I sincerely hope that my colleagues hear and heed this. Defense programs must be decided upon their mulityear merit with real funding constraints in mind. This means taking a harder look at programs in the R&D stage.

Research and development, Mr. President, is very important, but it is also important as it affects our real needs in national defense. That is something that we have to address, and that is something that we have addressed in this bill.

With this bill, we have made tremendous progress on this. However, much remains to be done.

Last, Mr. President, let me thank the staff of the Subcommittee on Strategic Forces for their long hours and dedication. Bill Hoehn, Bob Bott, Kirk McConnell, and Sherry Goodman all made major contributions to the bill, as did my right-hand man on national defense, Mr. Jeff Subko of my office. Bob Bell and Colleen Getz faced many of the greatest obstacles to making this bill a reality. It is a pleasure to work with such outstanding professionals.

Mr. President, I urge my colleagues to carefully study this bill and understand that it accomplishes a great deal in moving forward to meeting the real and most immediate needs of our national defense at a time of budget constraints.

Mr. President, there are not things in this bill that I wish could have been funded. There are not things in this bill that, had more money been made available, I could enthusiastically support. But the facts of the matter are, as I have alluded to them earlier, that hard choices had to be made. Hard choices were made and I would say that the Armed Services Committee lived up to its responsibilities in this area very, very well.

Mr. President, I yield the floor.

Mr. GLENN addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. Mr. President, I associate myself with the remarks of the distinguished Senator from Nebraska with regard to the work of the staff and the principals involved, Senator WARNER and Senator NUNN. This has not been an easy bill to put together. I, too, disagree with parts of it as I will make clear in a little while. But, certainly, long hours have been put in. All the negotiating that went on should not pass unnoticed. It has been a tough job to put this legislation together this year.

To me it spells out once again the necessity for having multiyear budgeting, multiyear authorization, and multiyear appropriations if we can do it. This year our efforts to put together a defense budget on a 2-year basis, I think, have not been as much advanced as we had hoped because this has been a very difficult year to get a defense budget together.

I would hope that in the ensuing years we could do that as a way of progressing in our budgeting process. We have to have 1 year to do our budgeting and appropriating and another year for oversight to make sure that money is being spent efficiently and properly.

Mr. President, I do want to associate myself with the remarks of the distinguished floor manager. I am chairman of the Subcommittee on Manpower and Personnel. I will address that in a moment.

Today the military services are recruiting and retaining high-quality personnel at record levels. The manpower shortfalls in the Army and Navy of just a few years ago, which literally threatened combat readiness—in fact for a while we had ships actually laid up because we did not have the people on them to take them out—I think such situations have largely been corrected.

Now, we operate, however, on a total force concept, that is, we operate with the National Guard and the Reserves as an integrated part of our forces that we depend on to take part in combat, God forbid it ever occurs, on short order, within 30 days or so, and some units ready to go even well before that time period, ready to fill in while the Actives are at the frontline trying to hold the fort for a short period of time. So, we are committed to a total force concept of integration of Guard and Reserve with the Active Duty Forces.

Unfortunately the picture is not as bright in our Reserve Forces where there are serious deficiencies in the individual skill qualification and training of personnel. And this is particularly true in the combat support and combat service support elements of the Army Reserve. The shortfalls in medical manpower, for instance, in the Reserve Forces I see as a potential war stopper; they are that serious.

Given the current state of our manpower in the total force, the committee acted to sustain and enhance the readiness of the Active Forces, and to provide the necessary tools and guidance to the Department of Defense to begin correcting the more serious manpower and training problems in our Reserve Forces. I would like to briefly review the actions that we took.

In the area of manpower strength authorizations, we approved the Active Force strength request for fiscal year 1988. This will provide for an increase in the Active Force strengths in the Army of 100 and the Navy of 6,200. For the selected Reserve, the committee approved an increase of 19,700 personnel for fiscal 1988, or 60 percent of the increase requested by the administration. The increase in selected Reserve strength includes an increase of 2,500 full-time support personnel, full-time manning as it is called quite often, or a little over 50 percent of the increase requested by the administration.

The committee believes that the Reserve Forces needs to correct individual skill qualification problems, which is recorded as the second most critical factor limiting readiness in the Reserve Forces, that is, the skill qualification problems that we have, before adding more to the manpower inventory of the selected Reserve.

In the pay and benefits area, the committee approved a 3 percent, January 1 pay raise for fiscal year 1988 for all military personnel, and we added an additional 3-percent increase for basic allowance for quarters subject to budget authority to do so.

In addition, the committee approved enhancements to certain targeted entitlements to help the military services attract and retain needed personnel; and extended a number of expiring authorities to continue to provide targeted assistance to manning the Reserve Forces and the nuclear community in the Navy.

With respect to the pay raise, I want to point out that we had a 4-percent military pay raise in the Senate bill. I feel very strongly that we need to give our military personnel a competitive pay increase. As measured by the Employment Cost Index [ECI], the index used by the Department of Defense to compare military pay increases to the private sector, military personnel are some 9.4 percent behind private sector wage growth. I think we need to be careful about letting this gap widen.

I make this point because a recent news article in the Washington Post, on a GAO report comparing military compensation to civil service compensation, indicated that military personnel now make 27 percent more than civil servants on the average and could be misconstrued to mean that our military personnel are overpaid and therefore deserve no increase. This is not true.

What is true is that civil service pay has been capped for a number of years, wrongly I think. It has been capped for a number of years, so it is now far behind comparable pay in the private sector. So it does not mean that civil service pay should be used as a benchmark for setting military pay. It means we ought to be working to raise the civil service pay along with the military pay and compare them both with what the private sector pays.

In the area of military health care, the committee approved certain monetary recruitment and retention incentives to man critical medical specialties in the Reserve Forces; provided authority to assist the Department of Defense in its CHAMPUS reform initiative and in acquiring a medical information system; and provided a catastrophic cap of $1,000 per family under CHAMPUS for dependents of active duty members and $10,000 for retired beneficiaries.

Finally, the committee also agreed to modify certain of the joint officer management policies prescribed by the Goldwater-Nichols DOD Reorganization Act of 1986. These modifications are designed to correct unanticipated problems and to provide limited additional management flexibility. Among the areas addressed are overseas joint duty tours, cumulative credit for curtailed joint tours, and joint specialty officer qualifications.

Mr. President, as chairman of the Subcommittee on Manpower and Personnel, I can certify to my colleagues that a vote for this bill is a vote for our men and women in uniform and for the manpower readiness of our forces. It is a vote that says we support those who serve under the unique and arduous conditions of military service, that we appreciate their sacrifices, and that we are willing to back them up with fair and equitable pay.

Mr. President, before I leave this subject of manpower in the subcommittee I want to recognize the efforts of committee staff members: Fred Pang, who worked long and hard; David Lyles who held that position for this subcommittee before Fred, and who also did a great job here; Patty Watson for her fine work on medical issues, and Pat Tucker who so ably represented the minority side. All of them did the yeoman work that was necessary to make sure that we had these things included in the final legislation. So I want to give them all full credit for that.

Mr. President, moving along now to the bill as a whole, and not just continuing to concentrate on these manpower matters, as a member of the Conventional Forces Subcommittee, while I am for most of the things that we did, I do have some reservations about a particular area that I want to address today. I have a very serious concern over a provision in the fiscal year 1988-89 Defense authorization bill which could significantly reduce the combat capability of the U.S. Marine Corps. I think in crafting this bill what we provided in this particular area was absolutely inadequate, not for the Marine Corps in general, but in a specific weapons area.

Although I believe that on balance this Defense authorization bill will sustain or improve this country's warfighting capability, the budget contingency provision in the bill which would terminate the production of the Marine Corps' close air support aircraft, the AV-8B Harrier II, is a major mistake. It is one I was not able to redress either in the Senate Armed Services Committee, which did support the Harrier, or in the conference with the House.

The budget contingency provision that would terminate the AV-8B results from the fact that the authorization bill provides two tiers, or levels, for defense spending. Although 24 of the requested 32 AV-8B's for fiscal year 1988-89 are authorized at the higher level, if the low tier becomes the effective level of defense spending, the AV-8B production program would be terminated.

In my opinion, the termination of the AV-8B makes neither operational nor economic sense. We could find the money for this. But to terminate this program in midstream, a program that is on budget, on schedule, and on performance, to me borders on the ludicrous.

The AV-8B Procurement Program is currently in midstream, with only 180 of the required 328 planes funded through fiscal year 1987; further, only 5 of the planned 9 operational squadrons have been outfitted with the Harrier II. To terminate the AV-8B Procurement Program at this time would seriously degrade the combat close air support capability of the Marine Corps.

More importantly Mr. President, if this contingency occurs, we are not just talking about terminating one of

DOD's most successful aircraft development and production programs in midstream, we are talking about terminating a concept of combat air operations that has evolved over the last 30 years.

This concept involves the use of a thrust vectoring aircraft—an aircraft with a vertical and short takeoff and landing [V/STOL] capability to provide near real-time close air support for men on the battlefield. This is exactly what the Marine Corps' AV-8B Harrier V/STOL jet can do.

As the free world's only operational thrust-vectoring aircraft, the Harrier can operate from the decks of amphibious ships, or take off and land on virtually any hard surface as small as a tennis court near the battle area.

The critical element in providing effective close air support to troops on the front line is the time required to get bombs on target once the troops need help; when they need it and call for it, they need it now. They do not need it tomorrow. They do not need it hours later. They need the help now.

The objective starting out on the Harrier Program was from the time the troops in the line under fire called for close air support, to see if you could not work this time down to as little as 20 minutes in getting on target with bombs on napalm or rockets, or whatever the most effective weapon in that situation would be.

Do you know what the Marine Corps has done? In exercises to date they are getting on target in under 10 minutes. They are averaging right at 10 minutes. That is a tremendous advantage in a combat situation.

Mr. President, this real-time close air support concept using the AV-8B V/STOL aircraft is an integral and essential part of the Marine Corps' amphibious strategy. Without it the corps is virtually reduced to the same air support capability we had in World War II, Korea, and Vietnam.

Mr. President, I flew close air support missions in both World War II and Korea. I know how much this kind of support is needed for the troops on the line. We actually at one time in Korea put planes on station behind the front lines just so when the troops on the line needed help they could call for it and the planes would come right down out of orbit and be on target within a few minutes. They were elated to get that kind of support rather than waiting for the 2, 3, or 4 hours for planes to come from a carrier or come from a rear airbase someplace. It was a great leap forward in that kind of combat capability. But it was extremely expensive, and an effort that could not be sustained for long periods of time.

So we tried schemes like that to reduce the time required to get aircraft on target once a request was received from troops in trouble on the ground.

Let me back up just a little right here. In the history of warfare at one time you tried to mass your forces. We started getting away from that at the time of the ancient Greeks. They said the phalanx was dead. They said no longer are we going to keep our people tied together this closely. We need more maneuverability so we are not such a prime target for whatever—catapults, rocks fire being dumped off walls or whatever. We are not going to congregate like this, so clear back in the ancient world, the Greeks recognized the importance of mobility. In subsequent centuries armies went to as much mobility as they could get for the troops.

That is why the cavalry was developed back in those days, so that we had some mobility, so that we could mass the necessary forces rapidly to take care of the situation.

The history of warfare since that time has been along that same line, of trying to get more mobility and dispersion, and at the same time being able to mass and concentrate firepower quickly to accomplish a certain combat mission.

In the modern era the U.S. Marine Corps has taken the lead in that. As an example, post-World War II, the Marine Corps realized the value in having two or three combat elements being transported, at the same time, air transported in regular fixed wing transport but also by helicopter.

They came up with a new concept—vertical envelopment. You could mass your forces rapidly with helicopters. You had the supporting arms all together in the Marine Corps. You had all the elements right there in one combat package.

That is what the Marine Corps is all about—a ready force. If the Marine Corps ever loses this ready force concept, and the ability to perform that concept, we will have lost one of the greatest values of the corps. It is not all just esprit de corps. It's having all the supporting arms—air, artillery, tanks, the whole works, all the supporting arms in one unit under one commander, a unit that has practiced together in peacetime and is ready to go at any time. That is the value of the Marine Corps.

Air has become an even more important part of that combat equation through the years. So we not only had the post-World War II vertical envelopment concept, but also, we had developments in other areas that would provide the same kind of mobility, and provide it more rapidly.

What happened to that vertical envelopment concept? I will tell you what happened to it. It now has become the standard for military forces all over this world. The Army has copied it; it now has large helicopter forces. The Marine Corps continued to developed their concept. We now have the V-22 Osprey, which is going to give more capability in the future than even the helicopters, by doubling the speed at which held forces could be massed using a V/STOL aircraft—a small, transport type aircraft that will be able to carry 25 to 30 fully-armed combat personnel.

In close air support, previously we never were able to get the attack aircraft to really give the kind of support that is needed in a long combat situation, and to do it in minutes instead of calling for it and waiting hours for it to arrive. That has been desired by every military force in the world in modern times. The Marine Corps, fortunately, took the lead in developing this concept. In the AV-8 you turn the tailpipe down on a jet, instead of having it square, and use the power to lift it off the deck, and then vector the ducts for forward thrust. You can carry a large bomb load doing this.

The AV-8A had a small bomb load, but we wanted to try it out, to see whether it was practical, to see if you can operate off roads, beaches, a metal mat, and to use this to provide close air support where you did not have 7,000-, 8,000-, or 10,000-foot runways many miles away.

The AV-8B can be used off a road in the combat area, off a beach, off landing craft, can be used in a number of different ways, and it gives close air support within minutes. That is the important part. We will be saving lives, if we have to go into combat, by having that kind of close air support capability. That is timely response, and that is the concept.

The Marine Corps has developed mobility, mobility, mobility, with an eye toward concentrating forces and firepower rapidly. The AV-8B for the first time, gives that kind of on-target support within minutes, for close air support. In a battle situation today, you will not last too long unless you have that kind of support.

The critical element in providing effective close air support to troops on the front line is time—the time required to get bombs on target once the troops need help. The *Harrier* can accomplish this in as little time as 10 minutes. This is truly a lifesaving ability when compared to other fixed-base, strike aircraft that can take 30 minutes, or even much longer, to arrive on the battle scene.

Mr. President, this real-time close air support concept, using the AV-8B V/STOL aircraft, is an integral and essential part of the Marine Corps' employment strategy. Without it, the Marine Corps is virtually reduced to the same air support capability it had in World War II, Korea, and Vietnam. Having flown close air support missions in both World War II and Korea, I can tell you we tried many schemes to reduce the time required to get aircraft on target once a request was received from troops in trouble on the ground.

In Korea, and I understand from two members of my own personal staff who flew air support missions from land, and off aircraft carriers, in Vietnam, a concept was used whereby aircraft would take off from a fixed-base or carrier, proceed to the vicinity of the battle area, and go into a holding pattern available to provide support as needed. If air support was required, the aircraft could normally respond in a timely manner.

Although the most important requirement for close air support—timely response—is met with this concept, it is done in a most inefficient and costly manner. Inefficient in terms of not making the best use of critical assets, and costly in terms of the men and equipment required to keep aircraft airborne and on station over a long period of time.

In 1957, however, applied research began into a technology that would revolutionize the concept of combat close air support-vectored thrust. Led by Hawker Siddely Aircraft Ltd., now part of British Aerospace, the goal was to produce a practical V/STOL jet fighter. This research and development by the British eventually led to the production in 1966 of the Harrier V/STOL aircraft for the Royal Air Force.

In 1968, the U.S. Marine Corps carried out an evaluation of the Harrier for use in a close air support role. Following a licensing agreement between Hawker and the U.S. aerospace firm McDonnell Douglas Corp., in 1969, a total of 110 *Harrier* I's designated the AV-8A, were coproduced by the United States and United Kingdom.

The first Marine Corps AV-8A Harrier I squadron became operational in 1971. For the first time since close air support became part of land warfare, the AV-8A provided the ground commander, down to the battalion level, close and immediate control of his fixed-wing air support assets.

It did not carry much in those days. The bomb load and range were fairly light. It needed a great deal of fuel to take off. Through the years, it has been improved. The engine has been changed. The range has been improved. The bomb load carrying mobility has been improved.

For the next 12 years the Marine Corps would operate the AV-8A in the field, and on and off amphibious ships. During this period the AV-8A close air support concept was refined and the aircraft and weapons system performance requirements for an improved Harrier were developed. This led to the initiation of the AV-8B Harrier II development program in 1979 for the U.S. Marine Corps. Subsequently, the Royal Air Force and the Spanish Navy have chosen the Harrier II as the follow-on to their AV-8A's. The Royal Air Force intends to procure 96 aircraft and both the United States and United Kingdom Harriers will be coproduced.

We have coproduced with the British on this. This is one of those things we worked out where we are both able to work on production. The British have put their faith in us, that we are going to go ahead with this.

The first of nine planned Marine Corps AV-8B squadrons became operational in 1985. With significantly more capability than the Harrier I, the Harrier II provides the ground commander the performance and firepower he needs to meet the current threat. These improvements include:

Substantially improved takeoff, landing, and flight handling performance. In a total vertical take-off mode, the AV-8B has a combat radius of up to 80NM with 3,000 pounds of ordnance. In the short take-off and landing mode the AV-8B has nearly double the operational performance of the AV-8A. Launching from an amphibious ship with 600 feet available for take-off, the AV-8B can carry 6, MK-82 500 pound general purpose bombs out to a radius of 400NM.

That is a tremendous improvement from where we started. It shows how this program has gone ahead in a very short period of time. On land, launching from a road for example, and using only 1,500 feet of takeoff roll, the AV-8B can carry up to 15, MK-82 500 pound bombs out to a radius of 25 nautical miles.

Improvements also include:

State-of-the-art digital electronics, including an inertial navigation system, electronic countermeasures suite, and improved cockpit and heads-up displays. That means displays projected on the windshield so the pilot does not have to look down at the instruments to know what the instruments are doing. He gets the readings while still looking through the windshield.

The AV-8B also has an angle-rate bombing system and weapons system computer, which enables the AV-8B to accurately deliver a wide variety of ordnance including: laser guided weapons; air-to-ground missiles such as Maverick; fuselage mounted 25-mm cannon; and the AIM-9 Sidewinder air-to-air missile. It should be noted that the angle rate bombing system uses television as its primary target sensor; unlike radar, television is a passive acquisition system thereby helping to avoid detection by enemy defenses.

The AV-8B also has an improved self-starting capability and the unique onboard oxygen generating system [OBOGS].

So, Mr. President, as you can see, the AV-8B is a formidable weapons system that could easily operate out of an area as small as the Capitol's East parking lot outside the Chamber here. The Harrier adds a totally new dimension to close air support.

With the introduction of the V/STOL aircraft and its unique operational characteristics, the combat effectiveness of the aviation combat element of the Marine Corps' combined-arms teams has been significantly improved. As this country's ready force, responsible for rapidly deploying forces anywhere in the world in support of national strategy, now, not 30 days from now, the Marine Corps is ready to go now. The introduction of the Harrier has greatly enhanced the total warfighting capabilities of the Marine Amphibious Forces.

Mr. President, having said all of this, the obvious question then is why does the fiscal year 1988-89 defense authorization bill call for the termination of the AV-8B if the low tier becomes the effective level of defense spending? I will give you a straight forward and simple answer. That is that the House conferees insisted on it.

As detailed in the conference report language:

> The House questioned whether the AV-8B offered sufficient military value to justify the cost of continued procurement in an era of shrinking defense budgets. The House concluded that its limited payload, high maintenance requirements, and lack of radar, limit its combat utility.

Conversely, Mr. President, the Senate has consistently supported the AV-8B program since its inception. As the chairman of the Senate Armed Services Committee, Senator NUNN, pointed out last week, the Congress kept the AV-8B program going during the early stages of its development when DOD was against it. This year, not only did the Senate fully fund the request for 32 AV-8B's, we added an additional $27.5 million to improve the night attack capability.

Mr. President, for reasons I have already stated, the House insistence on terminating the AV-8B, if only at the lower tier, makes no sense to me at all. As I said in my letter to Chairman NUNN last July 27, after learning that the House Armed Services Committee had recommended termination of the AV-8B, I find it incomprehensible that the House would recommend termination of what many knowledgeable government and industry people believe to be one of the most successful development and production programs ever conducted by DOD.

They say we are going to replace it with the F-18. That requires additional carriers. Then it requires long air bases back where you can handle the F-18. That wrecks the whole concept of immediately available close air support that has been devised by the Marine Corps.

More importantly, as I detailed in my letter to Senator Nunn, the House criticisms of the operational and material performance record of the AV-8B does not stand up to close scrutiny. In fact, the record is just the opposite and indicates that the AV-8B has met or exceeded all established major operational and reliability performance goals. Highlights of that record are:

In 1983, the commander of the Navy's independent Operational Test and Evaluation Force conducted an intensive 7-month, two-phase operational and material evaluation of the AV-8B during which time 528 flights and 546 hours were flown under realistic operational conditions on land and aboard various classes of amphibious ships.

The Navy's Operational Evaluation Report on the AV-8B concluded that the Harrier II was operationally effective and recommended to the Secretary of the Navy that the AV-8B proceed to full production.

Listen to this. In a message to the Chief of Naval Operations, the commander of the test force stated that the evaluation of AV-8B was one of the most successful he had ever conducted.

This hardly sounds like an ineffective airplane.

Through 1986, the AV-8B had logged over 28,000 flight hours. During that period, operational readiness exceeded Navy readiness goals averaging a 77 percent mission capable rate with a goal of 70 percent, and a 70 percent full mission capable rate which had a goal of 54 percent, so it exceeded expectations

Organizational maintenance rates are also better than the contracted specifications with 14.5 direct maintenance man hours per flight hours being achieved against the specified goal of 15.9 hours. So, it is running about 1½ hours under projections on maintenance per flight hour.

Maintenance costs per flight hour are one of the lowest in the fleet—$365 per hour. This is less than one-third of the F/A-18 cost of $1,129 per flight hour.

Mr. President, I ask unanimous consent that my July 17 letter to Senator Nunn be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on Armed Services,
Washington, DC, July 17, 1987.

Hon. Sam Nunn,
Chairman, Senate Armed Services Committee, U.S. Senate, Washington, DC.

Dear Mr. Chairman: I am writing to express my serious concern over the action by the House Armed Services Committee to terminate the Marine Corps' AV-8B Harrier II program in the House fiscal year 1988 Defense authorization bill. In contrast, as you know, our committee fully funded the AV-8B program and added $27.5 million for initial procurement of the night attack systems in the TAV-8B training aircraft.

In my opinion, the House action makes neither operational nor economic sense. The AV-8B procurement program is currently in mid-stream with only 180 aircraft of the required 328 planes funded through fiscal year 1987; further, only five of the planned nine operational squadrons have been outfitted with the Harrier II. To terminate the AV-8B procurement program at this time would seriously degrade the combat close air support capability of the Marine Corps.

As detailed in the attached letter from the former Commandant of the Marine Corps, General P.X. Kelley, to Chairman Stratton of the HASC Procurement Subcommittee, the House action was taken ostensibly because of AV-8B operational and material deficiencies. I agree with General Kelley that the House identified deficiencies are in direct contradiction to the facts.

In this regard, I had my defense assistant conduct an independent review of the AV-8B's operational and material performance record including participating in an orientation flight in the TAV-8B. Highlights of his findings are:

The Commander of the Navy's Independent Operational Test and Evaluation Force (COMOPTEVFOR) conducted an intensive seven-month, two-phase operational and material evaluation of the AV-8B during which time 528 flights and 546 hours were flown under realistic operational conditions ashore and afloat.

The COMPTEVFOR Operational Evaluation Report on the AV-8B concluded that the Harrier II was operationally effective and recommended to the Secretary of the Navy that the AV-8B proceed to full production.

Since fleet introduction in 1984, the AV-8B has logged over 28,000 flight hours. During that period, operational readiness exceeded CNO readiness goals averaging a 77 percent mission capable rate (CNO Goal 70 percent) and a 70 percent full mission capable rate (CNO Goal 54 percent).

Organizational maintenance rates are also better than the contracted specifications with 14.5 Direct Maintenance Man Hours Per Flight Hour (DMMHPFH) being achieved against the specified 15.9 hours DMMHPFH.

Maintenance costs per flight hour are one of the lowest in the fleet—$365 per hour. This is less than one-third of the F/A-18 cost of $1,129 per flight hour.

In summary, the AV-8B has met or exceeded all established major operational and reliability performance goals. Furthermore, there are many knowledgeable government and industry people who contend that the AV-8B development and production program is one of the most successful ever conducted by DOD. More importantly, the AV-8B demonstrably is one of the most combat effective close air support aircraft in the world.

Accordingly, I find it incomprehensible that the House would recommend the termination of the AV-8B program. I strongly urge you and the committee to make every effort to sustain the Senate position in conference. If compromise becomes necessary, I would appreciate being informed and I would like to participate in any compromise negotiations.

Best regards.
Sincerely,

John Glenn,
U.S. Senator.

Mr. GLENN. Mr. President, I believe that the AV-8B is demonstrably the most combat effective close air support aircraft in the free world. I believe that. What many people do not realize, however, is that it also has a considerable capability to perform the battlefield air interdiction mission and to be an extremely effective air-to-air fighter. During the Falkland's invasion, the Royal Navy and Air Force, flying AV-8A's, the old ones, not the new ones, shot down 27 enemy aircraft without suffering a loss.

Mr. President, when you look at the tremendous capability of the AV-8B you can logically ask the question why doesn't the Air Force have a requirement for a similar aircraft.

Well, it is interesting to note that a recently published study by the Institute for Defense Analysis concluded that building a new, highly maneuverable aircraft specifically designed for close air support is the most cost-effective way to replace the Air Force's A-10 aircraft. The study, which was requested by DOD, further outlined the operational characteristics of the new aircraft. If you are familiar with the AV-8B specifications you could quickly come to the conclusion that the Institute was describing the AV-8B, Harrier II. I, for one, will certainly encourage the Air Force to evaluate the AV-8B if and when they decide to replace the A-10 as their primary close air support aircraft.

I point out one thing additional once again. The Marine Corps' willingness to go out and experiment and to try a new combat concept with the Harrier is paying off and beginning to be looked at by other people. It provides a whole new regime of close air support that we have not had available before.

And I believe the Air Force may well have to examine their requirements for an improved aircraft soon. As the leader of the opposition to the AV-8B in the House, Chairman Aspin, of their Armed Services Committee, as chairman of the committee, Les Aspin has led the opposition to the AV-8B, but he recommended in a recent Aviation Week article, one of four steps he believes that can be taken by the United States to strengthen our conventional capabilities is to: "use close air support that will quickly array our firepower against concentrated enemy armor."

Mr. Aspin, I doubt that you are watching our closed-circuit TV today, but if you are, if that does not state the requirement for an AV-8B, I do not know what does.

I agree with you 100 percent, Mr. Aspin, that we must "use close air support that will quickly array our firepower against concentrated enemy armor."

And how do you do it if it takes hours to get on the scene? You can do it with the AV-8B from roadways, from smaller airfields, from hard pads laid down there out behind the combat zone, be on target against enemy armor in a matter of minutes, as opposed to calling through headquarters and having people fly in from the big 8,000- to 10,000-foot airfields way back behind the line.

I agree, we must, to quote LES ASPIN, "use close air support that will quicky array our firepower against concentrated enemy armor."

Mr. President, I realize I have talked at some length here about my concerns over the potential loss of critical combat capability; I see that as a critical combat capability—for the U.S. Marine Corps. I have done so because I believe the termination of the AV-8B, at the midpoint of its planned production, would be a serious mistake. We are the ones that approved it. We set it up. I believe it is a mistake, and I know that a majority of the members of the Senate Armed Services Committee, we are directly responsible for the combat readiness of the armed services, do not want to see it happen.

To this end, I followed very closely the negotiations of the conference leadership on the AV-8B issue. I was disappointed that none of the alternatives that Senators NUNN and WARNER put forward that would have funded the AV-8B at both tiers was accepted by Congressmen ASPIN and DICKINSON.

Mr. President, perhaps the most troubling to me of all is the House language I read earlier justifying their position that the AV-8B was expendable at the low tier. You will recall that the language states in part:

> The House questioned whether the AV-8B offered significant military value to justify the cost of continued procurement in an era of shrinking defense budgets.

Mr. President, if you examine the bill closely, you will find the House was very selective in applying that criteria.

I do not know that it is wise for me politically or whatever to go into all of the details of the surpluses that were put on in this bill that were never asked for by the Pentagon. There are numerous examples in the major investment and military construction accounts where if this criteria—the House criteria—if the military value to justify the cost had been applied, the programs would either not have been added, would have been reduced, would have been terminated, or would not have been started at all.

Significantly there are many programs funded in this bill at both tiers for which funding was not requested by the services and many others where funding was increased above what was requested even at the low tier. A staff analysis indicates that up to $4.7 billion was added to these two categories at the low tier by the conferees.

Mr. President, when you examine these funding changes in detail you will find that the vast majority of them are well justified and improve the quality of the overall bill. Included in these changes are increased funding for more efficient production rates—something Senator LEVIN should get credit for, trying to make the per-unit costs come out better than they have been in the past.

So I favored those plus-ups, as they are called, those additions that were not asked for by the Pentagon when they submitted the defense budget to us, some of the increased funding that went for improved combat sustainability and changes requested by the services to meet requirements identified after the original budget was submitted. So I certainly am not saying that these things should not be plussed-up where we see that there is an advantage.

Mr. President, I will not put names to some of these things, but let me run through just a very few of these things, that we plussed-up.

We have the Guard-Reserves now under our total force concept. Their requirements are supposed to be taken care of now by being submitted to us right along as part of the defense budget, supposed to be given to us so we take care of them, not added on, not add things on as they had to do in years past; so their budget is submitted to us right along with the regular defense budget. And that is the way it should be or we will not be able to rely on them.

We find added on in the Navy Reserve, Air Force Reserve, Army Reserve, and the National Guard $121 million that was not requested at all by the Pentagon. Well, maybe that is a good thing.

How about the C-130's for the Reserves not requested by the Pentagon at all? This comes out to $150 million. You add some helicopter support for the Reserves again, and that brings another $88 million. That comes up to $238 million.

We have a number of things through here that you can pick out like that that are certainly questionable as to why they were not in the original budget, the original request submitted to us by the Department of Defense.

How about an arsenal, an arsenal the Army does not want, say they have no use for, but it is put into this bill? There was originally $100 million for that, finally we cut it back to $40 million, for something that we say they do not want, the Army says it does not want it, the Department of Defense says it does not want it, and yet it is in the authorization.

I am not putting names on this. Obviously there are other things to be considered.

Here is another one on the Reserves. Miscellaneous equipment Reserves, zero is asked for in C-130 aircraft, yet we added eight more. That is another one for the Reserves here besides the ones I mentioned before.

We have MILCON here that was not asked for, military construction that was not asked for by the services nor requested from the Pentagon. We added $283 million. Maybe some of that is well justified. That is fine. I do not say all these things are bad.

Then, on plus-ups that we did on the Senate side of things, the requests that the House had not requested, we come out with some $95 million that was not asked for by the Pentagon at all.

Over on the House side, on the other hand, they added theirs and it comes up to, I believe—what is the total on that one? I believe it comes up to $154 million in that.

Now, what I am pointing out is that when we get away from improving production rates, combat capability for add-ons that occurred after the Pentagon submitted their budget, which was quite justified, we probably can come out $1.5 or $2 billion that I do not know how you can term it any way than just being very blunt and straightforward about it in saying that some of these things, while they may be nice to have, and I wish we had money enough to accommodate everybody that wants something for their home districts, but, Mr. President, I am saying you just have to come out and say this is plain, pure, old, fat pork. It is goody-grabbing for back home.

Am I against that? Well, I put in a request myself. If we are going to have some additional C-130's, I would like to have some for Youngstown, OH. I wrote a letter to the Pentagon in that regard. They pointed that out to me the other day, and very properly, that I was one that asked for that. If we are going to have C-130's added, while we are providing or trying to provide for new types of aircraft, I would like to see some back home in Ohio, too.

So I wrote a letter requesting that. I am not saying I am above asking for something. But, goodness, in the $4.7 billion, a good chunk of it, as was pointed out, are for things like arsenals that people do not even want, add-ons to the 10-ton truck program beyond anything that the Army sees and the Defense Department sees they can use. They make their request for *x* thousand whatever it was, 4,000 and some, and we add a batch of new trucks on top of that that nobody has even asked for and do not know for sure what they are going to use them for. Now, if that is not pure, flat, wasteful pork, I do not know what is.

The reason I bring this up is because we say we cannot afford the AV-8B, $474.5 million to continue the next year the way we have figured it out, and here I already identified well over that, close to $1 billion for just a few things that were added on, yet we propose to cut out a combat capability for the U.S. Marine Corps to continue to develop a whole new concept that I think will be copied by other services, a program that is working well. It is on budget. It is on target. It is on performance, and we have previously approved it.

Now, we see we are going to whack this thing out. "Go get your support, Marine Corps." From what? More carriers? Where are those going to come from? Several years ago the carrier task force costed out at about $14 to $15 billion a copy, with all the support ships. You are not going to get it there. Are you going to get the air support from 8,000-foot runways behind the lines someplace? Good luck. I hope your combat situation is such that you can do that every time.

So it is not a matter of money. I just think it is tragic that in the low tier of this budget we are not providing for something the Marine Corps has spent the last 12 or 15 years developing in a new concept in warfare. It is working well, yet now we threaten to whack it off at the knees and say you are going to have to accept less combat capability. We are going to say that if you go into combat as the United States ready force, that you are going to be less capable, less capable than you otherwise could be, Marine Corps, while we fund unneeded arsenals some place, buy trucks that nobody asked for, and do things like the other plus-ups here that are spending billions of dollars while we cut out the necessary combat potential for the Marines.

I think that is tragic. What concerns me is that during a period of severely limited defense budgets the House has correctly acknowledged that this fiscal 1988-89 DOD authorization still provides funding at the low tier for programs that were not requested for the services. They can only be described as pork barrel.

Furthermore, to fund these programs at the expense of ongoing high-priority programs like the AV-8B is, in my opinion, just flat wrong.

I was very tempted to go through the whole staff analysis that we asked for the other day, this $4.7 billion in changes I spoke of earlier, and identify every single one of them and lay them out cold with Members' names attached as to who asked for what. I would then ask the Senators to come to the floor and say why; and ask for a report from the House as to why they are doing some of the things they did over there. Maybe next year that is exactly what we will do, including any I ask for. I do not ask to be exempted on this.

When we are adding billions of dollars on the defense budget while cutting out necessary combat capability to accommodate everybody's whims for their home districts and home States, that is wrong. While I was tempted to go through that staff analysis and identify specifically what I believe to be unjustified or marginal programs, certainly at this low tier level, I recognized that much of this judgment is in the eye of the beholder, and to do so would probably not be constructive at this point in the budget process.

We are down to having come out of the conference committee. Obviously, I feel a great disappointment in things not coming out better in this particular area. While I think we did a good job on that committee in many areas, this particular one is flat wrong, degrading combat readiness while at the same time spending money on these other programs, some of which I mentioned a moment ago. I strongly believe the House-sponsored provision, which would terminate the Marine Corps' AV-8B Harrier II, would be a major mistake if it were implemented. It would be a mistake that the majority of Members of this body would not want to see made.

Mr. President, all I can fall back on at this point is to implore the members of the Appropriations Committee: Save us from our folly. Save us from our folly. Do not degrade the combat capability of the Armed Forces of the United States, and the Marine Corps in this particular case. Save us from our own folly and appropriate the money for the AV-8B. I pointed out a few areas where you might be able to save well over the $474 million that is required to fund the AV-8B in this coming year. I hope that the Appropriations Committee in the House, which normally has been supportive of this program, and the Appropriations Committee in the Senate, which has been supportive of this program, will continue to provide the procurement funds for 24 AV-8B's in fiscal 1988 and the advanced procurement funds for 1989.

Mr. President, I obviously have taken a good bit of time on the floor here. It has been almost an hour, about 50 or 55 minutes, I guess. I do truly appreciate the indulgence of the floor manager of the bill in taking the lead in providing this time. I know there was a little bit of confusion as to how much time I was to get. I had requested 2 to 3 hours. It turns out I did not really need that much, but I did want to have about an hour, and he has seen to it in a very courteous and accommodating way. I do appreciate that very much. He knows how strongly I feel about this from having been in the many meetings we have been in jointly to address this situation. I regret that I had to use this amount of time because I regret that the thing came up at all. I am sorry this whole issue has gotten to this point where I have to take the floor of the Senate and ask that the Appropriations Committee save us from our own activities.

I know it was not the Senate Armed Services Committee. Let me point that out once again. I pointed it out three or four times that the Senate Armed Services Committee has supported the AV-8B because they appreciate, right along with me, the reasons I gave for why we have this airplane. I think this concept will be the new standard for the world just as Marine Corps pioneering in the area of vertical envelopment in helicopters provided a new standard for combat.

So I am not criticizing my colleagues on the Senate Armed Services Committee in this regard. What I am criticizing very, very much are the actions of the House Armed Services Committee because I think to take a combat capability like this, and for whatever advice those Members got from staff over there, and I am aware of some of the staff involved in that, from whatever advice they got I think they made a wrong decision on this, and I hope the Appropriations Committees will address this and see that the AV-8B continues to be funded.

It is well beyond the development stage. It is performing a combat role right now. If the Marine Corps has to deploy, it does not have to have ships take the Harrier. The aircraft has inflight refueling so it can get overseas anywhere the Marine Corps might need to operate. It does not need carriers or amphibious ships to do that. So Harriers can be on site wherever, anywhere in this world, in a matter of hours, wherever they may be needed. That is a tremendous addition to close air support capability.

Mr. President, I think it is important that we should put us all on record that for next year these add-ons that we accepted total up to 4.7 billion dollars, and many of them highly justified: Better procurement rates, better combat capability, add-ons that came to us after the budget was first submitted that should be added on, a lot of them fully justified—yet some of these other things cannot be termed anything but pork. In the upcoming year, when we start looking at the fiscal year 1989 defense budget in January and February and March and April and on through developing it, I say to my colleagues on the committee and to our colleagues on the committee over in the House: We have to look at requirements with a more jaundiced eye next year because of what we have seen happen in the budget process this year.

Mr. President, I yield the floor. Thank you very much.

The PRESIDING OFFICER (Mr. DASCHLE). The Senator from Nebraska.

Mr. EXON. Mr. President, let me compliment my friend and colleague from the State of Ohio for his excellent statement. He need not apologize for the time that he is taking. We have about 3 hours and we have yielded about a third of that to our distinguished friend from Ohio. He brought out some very, very important things. He need not apologize for the excellent statement because I think it does a great deal to explain the difficult position we all found ourselves in through these negotiations in the committee and through the negotiations with the House of Representatives.

I thank him for bringing out many of these facts that were vitally necessary. I do hope that when others look on down the road as to what we did here, they see that we have both indicated it is not a perfect bill but it is the best bill that we could get out at the present time.

Mr. GLENN. I thank the distinguished floor manager of the bill very much for those very kind remarks.

If we have time left at the end of the day, he might be able to accommodate some more time there. Thank you.

Mr. EXON. I thank my friend from Ohio and I want to add that of all his comments I could not agree more with the one about the AV-8B, the Marine lift vehicle. It would be a critical mistake if that were dropped. But that points out the difficult position that we collectively find ourselves in, Mr. President.

RATIONALE FOR HOUSE ACTION ON AV-8B HARRIER

Mr. WARNER. Mr. President, the decision to terminate the AV-8B is not a happy choice; it is a capable aircraft, it is just that in a tight budget environment for now and the future, the AV-8B is qualitatively a lower priority.

The AV-8B is a subsonic, single jet engined light attack aircraft to provide close air support for Marine Corps ground forces. It was designed as an improved vertical short takeoff and landing [V/STOL] aircraft based on the predecessor AV-8A. It replaces the A-4M Skyhawk and the AV-8A Harrier in the Marine light attack role.

Original service plans would have replaced the A-4's with FA-18's, however, fiscal optimism associated with the Reagan defense buildup permitted AV-8B Harrier production to provide the Marines with a unique capability to operate from small deck vessels and austere sites in the forward area. The current requirement for 328 Harriers was carved out of the existing FA-18 requirement and is sized to simultaneously support 4 Marine Amphibious Force [MAF] sized amphibious landings—the total force. In view of Department plans to procure amphibious shipping to support the simultaneous landing of but one one-third MAF's, the AV-8B requirement may be overstated. Once the MAF is established ashore, more capable conventional shorebased aircraft can provide required support.

To date, approximately 190 of the planned 328 AV-8B's have been authorized and appropriated. This would provide at least five squadrons, more than enough to support the simultaneous landing operations of the one one-third MAF's for which amphibious shipping is programmed.

Although the concept is appealing, the AV-8B does have limitations.

First, the aircraft is underpowered. When carrying the desired military payload, it is not a V/STOL aircraft. Rather, it is a short takeoff vertical landing [STOVL] aircraft. Moreover, the current engine exhibits substantial maintenance problems. Experience indicates engine removals occur at approximately 150-flight-hour intervals against a requirement for 500-flight-hour intervals. This compares with near 1,000-flight-hour intervals for other modern jets. Accordingly, the budget request includes funding for a new engine.

Second, live-fire testing results suggest that the fuel filled composite wing is susceptible to splintering and fires from ground fire. In addition, thrust vectoring, an essential element of the unique STOVL capability, directs hot jet engine exhaust toward the ground providing an ideal heat source for Stinger-type air defense weapons. These are not good attributes for a close air support aircraft.

Third, the AV-8B is the only combat jet aircraft in U.S. production that does not incorporate a radar for weapon system control functions. Without a radar, AV-8B growth potential as a weapons system is limited.

Finally, the current budget plan would reduce future procurements to 15 aircraft a year, down from 42 last year. This would add 4 years to the program and increase procurement unit costs by as much as 80 percent. According to Marine Corps testimony, this action was driven by affordability constaints. However, the same budget would fully fund the planned transition to production for the Marine Corps V-22 Osprey program now in development.

In an era of declining defense budgets, it is difficult to justify two aircraft—FA-18 and AV-8B—for the Marine light attack mission. In fact, the unique capabilities offered by the AV-8B become unaffordable as a matter of priority within the Department. Reasonable alternatives exist, such as the considerably more capable F/A-18, that should be considered to supplant the AV-8B for the balance of the Marine Corps light attack requirements.

Accordingly, the Navy was directed to initiate a program to develop a two-seat, all weather ground attack variant of the F/A-18's, and provided $40 million to initiate that upgrade program. The primary initial emphasis of this program should go to improving the radar on the F/A-18's. The Navy also should consider growth versions of the existing engine that will enable it to meet the threat of the 1990's and beyond. Once the improved two-seat F/A-18 becomes available, it should be initially deployed with the Marine Corps.

In order to maintain modernization at the contingent funding level, the Navy can negotiate a multiyear contract for purposes of procuring F/A-18 aircraft, at a rate of 84 aircraft per year to ensure Marine Corps requirements can be satisfied in a timely manner.

Consistent with efforts to consolidate production lines, provide for commonality and promote efficient production rates, no authorization for procurement of AV-8B aircraft was provided.

NAVY PRODUCTION LINES

Mr. McCAIN. Mr. President, this year considerable emphasis was placed on the production efficiency of major combat systems. As part of this emphasis, the statement of managers was critical of the Navy aircraft procurement account for its inefficient aircraft production rates and an excessive number of production lines. This is an important issue, one that deserves to be understood in the proper context.

The Senate Armed Services Committee first identified the excessive number of Navy aircraft production lines in 1982. At that time, 13 aircraft lines were operating and that number grew to 17 by 1986. However, that number dropped to 12 in 1987, and the budget request submitted this year included only 11 production lines, the lowest number in 7 years. In the event the low tier of our conference report is enacted, the Navy would reduce the number of production lines to nine, far below what this Senator feels is necessary to sustain the missions of our naval forces.

To fully understand the requirement for multiple aircraft lines, it is necessary to review the broad mission areas of the Navy. The Navy has four major mission areas which require combat aircraft. They are antisubmarine warfare, carrier assault, amphibious assault, and strategic command and control. In the antisubmarine warfare area, the SH-60 aircraft are vital in our efforts to search and destroy submarines. In the carrier assault area, the F-14 is utilized for carrier air defense along with the E-2 for early warning. The EA-6 provides electronic jamming for strike aircraft such as the A-6 medium attack aircraft and the F/A-18 strike escort/light attack aircraft. In the amphibious assault area, the CH-53 provides troop lift with the AH-1W providing armed escort and the AV-88 providing close air support after troop insertion. Finally, strategic command and control utilizes the E-6A—Tacamo replacement—for communicating with SSBN missile submarines.

The question I ask, Mr. President, is how much more can we cut before we drastically impact the Navy's war fighting capability? I submit that due to the wide variety of missions in which our Navy must function, there is indeed a requirement for a variety of aircraft production lines. The decision to terminate the A-6 was based on the followon aircraft, the ATA, being a higher priority to the Navy and the conferees, and accepting the risk of not having an upgraded interim medium attack capability through 1995. I am not comfortable with that decision, however, the termination of the AV-8B is even more discomforting. The AV-8B is the lowest cost tactical aircraft in the Navy budget. It is the most successful joint NATO program that we are now engaged in. But most importantly, the Marine Corps has developed their entire war-fighting strategy around this unique aircraft. It is the only tactical jet in the U.S. inventory with the capability to execute vertical or short take off and landings. This capability allows it to deploy in the field and not require finished runways to accomplish its mission.

In these years of reduced defense spending, I am concerned with properly managing our dwindling defense dollars, but I am most concerned with making decisions that are sound for our long-term national defense and that we, the Congress, do not take lightly the impact of our decisions on our Nations' war-fighting capability.

Mr. DIXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Will the manager yield me 5 minutes?

Mr. EXON. Mr. President, I yield 5 minutes to the distinguished Senator from Illinois.

Mr. DIXON. Mr. President, today we consider the conference report on the 1988-89 Department of Defense authorization bill. As all of my colleagues know, this bill has traveled a long, rough road through this body. I would like to offer my congratulations to the chairman of the Senate Armed Services Committee, the senior Senator from Georgia, SAM NUNN, for the outstanding job he has done in getting this important bill to the President.

As all of my colleagues know, when you go to conference sometimes there are accommodations we must make to get an agreed bill passed. This authorization bill is not different. There were many issues that had to be worked out on both sides to bring this conference report before the Senate.

As a Senate conferee and as the chairman of the Readiness, Sustainability and Support Subcommittee, I can say that almost all of the funding items in dispute were resolved at the panel level. In the operations and maintenance accounts, particularly at the low tier, the conference agreement makes some reductions that are going to have an effect on readiness. We could not avoid reducing some operating tempos and some depot maintenance programs. We just did not have the large financing savings from lower prices, lower inflation, or foreign currency that we have had in past years to help achieve these savings. However, we did try to minimize the reductions in readiness-related areas. I might add that a conference agreement with overall reductions of $4.5 billion is much better than a sequester, which would cut $11.5 billion out of O&M. A sequester would have a devastating impact on readiness. I am pleased that funding for spare parts and ammunition were protected in the conference agreement, which was one of our committee's priorities from the beginning.

There were four particularly contentious items under the readiness panel which were finally resolved by the so-called big four.

One involved the question of the sale of a portion of land at Fort Derussy, HI. We reached a satisfactory agreement for a study of this issue that will examine the Army's needs for this land and the possibility of developing the under-used portion of this military installation as a State park.

RIVERBANK

Two other issues were linked by the House conferees: the House bill included a provision requiring the Secretary of the Army to reactivate the Riverbank Army Ammunition Plant in California no later than September 30, 1988. We opposed this provision, because even in the Pentagon's 5-year defense plan with 3-percent real growth each year, funding for the Army ammunition accounts shows little or no growth. In addition, it is becoming very difficult to balance the remaining ammunition production between the current Active Army ammunition plants and the private manufacturers. Active Army ammunition plants are currently operating at only 20 to 30 percent of their capacity. Reactivating the Riverbank facility would have either increased the inefficiency of the current Active Army ammunition facilities or taken work away from private manufacturers who have won ammunition contracts through competitive bidding. The House linked the Riverbank plant with the Senate provision to fund a RDX munition facility at the Active Louisiana Army Ammunition Plant. The final agreement funds the RDX facility in Louisiana, but does not reactivate Riverbank. However, it does provide $20 million in fiscal year 1988 and fiscal year 1989 for production of ammunition components currently produced at Riverbank, and $20 million for plant modernization of Riverbank in fiscal year 1988.

OVERSEAS WORKLOAD PROGRAM

The fourth issue was the Overseas Workload Program in Europe. The House defense authorization bill contained an amendment by Mr. ASPIN that would allow Israeli companies to perform maintenance work on United States military equipment in Israel rather than in Europe. The Senate had defeated this identical amendment.

The conferees at first agreed to a Senate proposal that would require a study of the kinds of maintenance work that could be done outside Europe without a significant effect on readiness. However, the House conference leadership asked us to reopen the issue. They insisted that we allow American and Israeli companies to decide for themselves whether to perform the maintenance within Europe or in those individual countries for a 2-year period. Further, the Defense Department would decide, on a contract by contract basis, whether to restrict the maintenance work to the European theater, and require the DOD study that was the original Senate offer.

The Senate pointed out that this change, before the DOD study is done, prejudges the issue. Allowing American, as well as Israeli companies, to decide for themselves where the work would be done actually compounds, not mends, the readiness problems. The military logistics chiefs in Europe would have no flexibility or ability to require that sensitive maintenance be performed "close at hand." Readiness benefits of "close at Hand" work include:

First. Easy access to equipment in case of war;

Second. Reduced turnaround time;

Third. Lower transportation costs; and

Fourth. Overall cost savings to the military services.

In addition, many American companies have invested in facilities in Europe in order to bid on and perform these contracts. All firms that seek this work are not free to make the same investment decisions.

After many long discussions, the Senate agreed to the House proposal with strong language which says that military services can require, on a contract by contact basis, that the work be performed within Europe based on readiness requirements and international agreements. Therefore, the services can say that the work must be done within a certain distance of an American installation. Also a report will be required by December 1, 1988, which will provide information to the Armed Services Committees on the readiness requirements of the Overseas Workload Program.

As chairman of the Readiness, Sustainability and Support Subcommittee, I have stated before that I am concerned with the budget reductions in the maintenance accounts. I urge the services to give Congress a very detailed report on the need to maintain the Overseas Workload Program and, specifically, how the savings through this program offset the cuts in operating tempos and depot maintenance programs.

AV-8B

Mr. President, the Senate Armed Services Committee, under the leadership of Senator NUNN, has sought in the 1988-89 fiscal years authorization bill to emphasize the modernization of conventional forces. Recognizing the fact that we would be faced with flat defense budgets over the next few years, one way we proposed to modernize was through more efficient production rates for existing conventional systems, and to stress commonalty of systems within the services.

The committee chose to discontinue the procurement of the Navy's A-6F aircraft, and fully authorize the Navy's Advanced Tactical Aircraft [ATA] Program. The House Armed Services Committee did not fund the ATA, and also terminated the Marine Corps AV-8B line, while funding the Navy's A-6E/F.

The conferees agreed at the high tier to fund 11 A-6E, or allow the Navy to retrofit the A-6 line. The conferees further agreed to fund 24 AV-8B's. However, both plant lines would be discontinued at the low tier. I would point out that production of 11 A-6E aircraft is way below the efficient production for this line.

Mr. President, this decision by the conferees was a compromise—but one which is not logical. The Marine Corps AV-8B is the aircraft of choice for close air support. This plane satisfies all aspects of the close air support requirements—including response time, basing flexibility, weapons delivery accuracy, weapons payload, and combat radius. Further, the AV-8B in my opinion is easily the "least cost" alternative to the close air support requirement from any perspective. Combat requirements show that ordinance must be delivered on target within 20 minutes to affect the outcome of a battle. The AV-8B is the one aircraft designed to solve this vital 20-minute equation. Some Members of Congress have called for the Marines to consider an F/A 18 alternative, but after consulting with the experts, I am informed that this alternative is more costly in procurement and manpower accounts. Further it would not meet the response time or basing flexibility requirements for the Marine Corps. Some argue that the AV-8B does not appear to be consistent with the existing amphibious lift capability. As many Members of this body know, Marine Corps aviation force structure is not based solely on the requirement to support amphibious missions.

Mr. President, this country cannot afford to depend on host nation support as a necessary precursor to close air support for our combat infantrymen. The AV-8B reduces the reliance on other nations for basing and airspace support through the use of highways, damaged airfields, and small airfields that are unusable by conventional aircraft or amphibious ships. Through forward basing tactics, the AV-8B reduces our communication lines and flying distances, thus enabling the AV-8B to routinely put the first round on target in less than 20 minutes from the call for support. The decision to kill the AV-8B at the low tier by the conferees, I feel, was a great mistake.

As a member of the Subcommittee on Conventional Forces and Alliance Defense, I will urge Senator LEVIN, the chairman of this subcommittee, to hold hearings on the status of our country's close air support programs. I think it is time that we look to one aircraft to provide this type of support. The conference report on close air support directs the Secretary of Defense to provide the committees with a close air support/battlefield air interdiction master plan. I hope that the services will come together with a proper plan and that the Air Force, if it wants to keep the close air support mission, seriously consider the only modern close air support aircraft made today—the AV-8B.

Mr. President, I would like to focus briefly on some of the acquisition policy issues which have been incuded in this conference report. As a member of the Senate Armed Services Subcommittee on Defense Industry and Technology, I have had the opportunity to participate in the oversight of many of DOD's acquisiton policies. I want to again complement Senator BINGAMAN, the chairman of the subcommittee, for his guidance, attention, and support in these important matters.

TECHNICAL DATA RIGHTS

With the cosponsorship of Senators BINGAMAN and GLENN, the Senate adopted our amendment dealing with the important issue of rights in technical data. As I noted in my floor statement when this amendment passed the Senate on September 24, 1987, my amendment sought to clarify the provisions in existing law regarding the appropriate relationship between the U.S. Government, and its contractors, and subcontractors in this area. My amendment was necessitated, in part, by errors which the Department of Defense made in its May 1987, regulations to implement last year's legislation.

I am pleased that the conferees have included the basic provisions from my amendment in this conference report. I believe these clarifying provisions should satisfy the needs of the DOD to issue regulations which properly balance the interest of the Government, and its contractors. I have discussed this legislation, and the motivations behind it, with Dr. Robert Costello, the Assistant Secretary of Defense for Production and Logistics. He is also the Under Secretary of Defense (Acquisition) nominee. Dr. Costello has given me his assurance that the regulations to carry out this legislation will be drafted promptly and correctly.

Since the statement of managers on this provision is brief, I would like to offer my own view of some of the provisions. First, the conferees have retained the provision from my amendment relating to the impairment of royalties or other fees appropriately due to contractors. As I noted in my statement during the Senate's consideration of this amendment, DOD's regulations seemed to permit a method for superseding these payments. The provision adopted by the conferees makes it clear that DOD cannot override those payments except when specific provisions prohibit a third party from paying a royalty or other fee to the holder of a proprietary right.

Another provision of the conference report focuses on the requirement for the negotiation of respective rights in regard to Government technical data, and that of the contractor or subcontractor. Here again, DOD's many regulations providing for an allocation of rights, based primarily on a formula approach, is in error in my judgment. The amendments made by the conferees to paragraph (2)(E) of subsection (a) and to subsection (c) of section 2320 of title X, are designed to clarify the general rule for establishing the respective rights of the Government, and of the holder of such interest, in an arm's length open negotiation. This is regardless of whether the holder of the interest is a prime contractor or subcontractor, or a potential prime contractor or potential subcontractor. This policy is reinforced by the Congress when this new provision is read in conjunction with paragraph (2)(F) of subsection (a). However, the conferees have recognized that there may be exceptional circumstances when negotiations, particularly in advance of contract, are not feasible. In those limited circumstances, clearly identified and detailed in the regulations, an alternative procedure may have to be established. I would expect that the Under Secretary of Defense for Acquisition would be fully involved in the crafting of these regulations, and in the development of those rare appropriate circumstances.

Another provision in the conference agreement on technical data relates to the appropriate treatment of direct licensing by a holder of rights. While I recognize that direct licensing has its limitations for the Government, it should be a recognized and acceptable alternative for use to fulfill the Government's needs. Even when coupled with a proper nondisclosure agreement, using the Government as a conduit for exchanging sensitive limited rights data has its pitfalls. I know that DOD shares my concerns about this area.

Finally, I turn to the definition section of the data rights law. My colleagues will recall that last year, as part of the law, Congress directed DOD to define in regulations the term "private expense." While the law was silent on the required elements of the definition, the statement of managers was clear that certain types of costs were to be treated as "private expense" for purposes of this section. Regrettably, DOD was very selective in choosing from that statement of managers language.

My amendment, which the Senate adopted, simply sought to put into law what I believe should have been the proper regulatory definition. The conferees have determined to give the Secretary one more opportunity at clarifying this difficult area in regulations.

In particular, the conference agreement requires DOD to specify the manner in which certain types of indirect costs are to be considered within the context of "private expense." I believe Congress still generally intends "private expense" to mean, in connection with an item or process for which development was required as an element of performance under a contract, or under a subcontract awarded under such a contract, that the cost of development has not been paid in whole or in part with Federal funds. Payments to a contractor for costs other than in direct support of a development effort—that is, indirect costs—should be treated as "private expense." In any event, the conferees last year in the statement of managers, and this year in the law, recognized that independent research, development, bid and proposal costs shall not be considered to be "Federal funds" for purposes of this definition.

I am confident that the additional legislative guidelines in this area will benefit the Department of Defense in developing its additional regulatory coverage. Further, DOD has under consideration two other technical data-related cases—on nondisclosure agreements and on the definition of "commercialization"—that should finally put into place a comprehensive set of regulations on this challenging topic. If done properly, I see no reason for the Congress to revisit this issue for the Department of Defense in the near future. However, I will withhold final judgment on this until the completion of the regulatory process.

PRODUCTION SPECIAL TOOLING

A second amendment I offered during the Senate's consideration of the DOD authorization bill related to the appropriate policy for production special tooling, and production special test, equipment. I was pleased that my amendment was cosponsored by the distinguished ranking member of the Defense Appropriations Subcommittee, Mr. STEVENS, and the ranking member of the Armed Services Subcommittee on Defense Industry and Technology, Mr. GRAMM. I am pleased that the conference report retains the basic policies of the Senate-passed amendment. Again, since there is little in the statement of managers, I thought it advisable to explain my own view of how the conferees treated this issue.

The entire spectrum of activity relating to the appropriate financing policy applicable to this production equipment, has been controversial. Its origins in Navy policy, to appropriations limitations last year, and then through DOD regulations, have been confusing and conflicting. I believe this conference provision will bring clarity and sanity to this issue. The basic principles of the Senate's amendment have been retained in the conference agreement. The Secretary of Defense is directed to issue regulations which are to be applied uniformly throughout DOD. As part of the initial contract negotiation process, DOD and the contractor are expected to negotiate and agree on the types and amount of production special tooling, and production special test equipment, likely to be required by the contractor in the performance of the contract. This negotiation, in and of itself, should help to reduce the total cost of such equipment to the Government.

Once the total amount of tooling has been determined, the policies of this amendment come into play. From the outset of congressional consideration of this special tooling issue, we have held the view that in certain circumstances a contractor will be reimbursed for 100 percent of the cost of tooling, as follows:

When the equipment is to be used solely for final production acceptance testing;

When the purchase is for equipment that cannot be used for the same or similar items of production in future years; or

If the total cost of such equipment is less that $1 million.

In other circumstances, I would again anticipate the general rule to be that, after negotiation with the contractor, the Secretary of a military department will establish an appropriate first year percentage of reimbursement for costs incurred by the contractor for the agreed-upon tooling. While the law says the minimum percentage of first year reimbursement shall be no less than 50 percent, I have every reason to expect that most DOD agencies intend to return to the well-established, pre-1986 DOD practice of providing 100 percent reimbursement. In those instances when only the minimum percentage is to be applied, the law now provides that the balance of the contractor investment is to be paid for, in full, by the Government according to a mutually agreed upon amortization schedule. The conference agreement also recognizes that, in those instances where the Secretary determines, on a case-by-case basis, under the criteria established in the regulations, that a first year percentage below 50 percent is required, then the balance is still to be paid in full according to the negotiated amortization schedule.

Throughout the development of these provisions, legislatively and regulatorily, we have been seeking the proper policy for Government reimbursing of a contractor for the costs of such tooling. I do not believe there was any intention to alter any company's policies of treating production special tooling and production special test equitment as a tangible capital asset.

Finally, I would like to address the so-called indemnification provision in this conference agreement. This language is broader than the provision in section 9105 of the fiscal 1987 DOD Appropriations Act. We have included coverage for the unplanned termination of a program. We have provided for the inclusion of a negotiated clause protecting both the Government and the contractor. In this portion of the agreement, and in other places in this conference agreement, we have, out of necessity, added language conditioning the operation "subject to the availability of appropriations." I do not view this language as a ready escape valve to be used arbitrarily by the military departments to avoid meeting their legitimate obligations in the event of a termination. I will be watching the implementation, and field experience in this area, very closely.

Mr. President, this provision, too, is a good conference agreement. I again want to thank my cosponsors, and Senator **BINGAMAN**, for assisting in the negotiations in the conference that led to this provision. I have also discussed this issue with Dr. Costello. He has assured me of his interest in this matter, and that these implementing regulations will receive his personal attention.

SMALL BUSINESS

Mr. President, I introduced a third amendment with the chairman of the Small Business Committee, Senator **BUMPERS**, and the committee's ranking member, Senator **WEICKER**, to modify a series of amendments to the Small Business Act which had been included last year in the 1987 DOD authorization bill. This amendment would have completely reversed the actions taken last year.

Given the outcome of this conference, it is incumbent upon the Senate to immediately resume consideration of S. 1559. The Defense authorization bill is obviously the wrong vehicle to seek redress for the small business community. It was not a priority issue for the conference, nor were the concerns of the small business community remedied.

Those affected by this amendment have repeatedly expressed their concerns about the negative impact that enactment of this legislation will have on their small firms. We have an obligation to address the issues raised at the hearing which was held by the Senate Small Business Committee and solved when the Senate passed our amendment on the Defense authorization bill.

The conferees did, however, agree to require that a fair proportion of contracts be awarded, to small business in "each industry category"—that is, in groups of similar goods and services. The objective of this amendment is to assure small business participation in underrepresented categories.

The conference also adopted a $25,000 small purchase threshold, and eliminated the section requiring disclosure of anticipated bidders. It does not, however, eliminate the small business community concerns about goaling. Nor does it eliminate the ambiguity and confusion associated with the inconsistent use of the term "fair market price". The conference agreement also leaves the questions surrounding subcontractor limitations unanswered.

The Small Business Act is designed to address the concerns of the small business community, and to protect and assure their viability. Last year's actions by the House Armed Services Committee has caused considerable problems not only for small businesses, but also for Federal agencies. The time has come for the Small Business Committees of the Senate and the House to assert their rightful jurisdiction over these matters. Therefore, after discussions with the chairman and banking member of the Senate Small Business Committee, we will proceed to bring S. 1559 to the floor for consideration in the near future.

Mr. President, I have confidence in this final product before the Senate. As every Member of this body is well aware, many months of hard work went into this Defense bill. A great number of compromises were reached after long and exhaustive hours of negotiations. It is not a perfect piece of legislation. I do not believe there has ever been a perfect piece of legislation. However, this legislation is the best product possible given our budget constraints, and many other considerations which were raised in this conference.

This is a bill the President can sign, and must sign. It is the result of countless hours of staff work, and direct negotiations and outstanding efforts on everyone's behalf to produce a workable, responsible Defense bill. Our work is not finished. I anticipate more legislation in the future to continue on the path set in this bill. I have mentioned many of my concerns in this statement. Other Senators undoubtedly have their own concerns which they will want to address in the near future. This is natural. Today, however, it is the responsibility of the Senate to pass this conference report, and send this bill on to the President for his approval. I urge my colleagues to vote to support this conference report.

I would like to take just 1 more minute to thank the staff of the Armed Services Committee for their outstanding work. I appreciate the long hours and hard work put in by, Charles Smith, David Lyles, Bob Bayer, and Mary Kampo on my subcommittee, and the minority staff represented by Mike Kelly and Ken Johnson. During the time I was acting as floor manager of the bill, I was greatly assisted by John Hamre, Rick Finn, Bob Bell, Andy Effron, and many others on the majority staff. Thank you all for your help and guidance.

I yield the floor.

Mr. WARNER. Mr. President, I express appreciation to those Senators who have gone forward in terms of expressing their views on this conference report.

At this point I will relinquish the floor in hopes that others will speak to the pending matter. I understand the Senator from North Carolina will soon be recognized.

Mr. BINGAMAN. Mr. President, I rise in support of the conference report on H.R. 1748, the National Defense Authorization Act for fiscal years 1988 and 1989. I commend the chairman of the committee, Senator **SAM NUNN**, and the ranking member, Senator **JOHN WARNER**, for the work they have done in bringing this bill through a long and arduous conference. This is a good bill. It is the result of extensive work by the conference members who negotiated in good faith for their respective legislative bodies. I think the conferees can be justly proud of their product, and it is deserving of support by the full Senate.

Mr. President, in commenting on this bill now before us, I should like to emphasize several actions taken by the conferees regarding matters under the jurisdiction of the Defense Industry and Technology Subcommittee, which I chair and on which Senator **GRAMM** ably serves as the ranking minority member.

First, concerning a matter I have previously addressed, I want to take a moment to again comment on our steadily eroding technological and industrial bases—the long-term underpinnings of our national defense effort. Our national security strategy fundamentally relies on technology to provide us with a qualitative edge in weapons systems and to thereby overcome Soviet quantitative advantages. Yet we have been neglecting those underpinnings in recent years. The bill passed by the Senate attempted to reverse that neglect. The bill had strong contributions in this area from Senators **WIRTH**, **GLENN**, **LEVIN**, **DIXON**, and **GORE** on the committee and from Senators **BYRD** and **CHILES** on the Senate floor. I was pleased to see elements of this same concern reflected in the Defense authorization bill passed by the House.

As I have previously stated before this body, the cause of this crisis is partly rooted in the declining DOD funding share for the technology base, and in inadequate funding by the Department for industrial base modernization programs. When these factors are combined with the adversarial government-industry relationship that exists today, we see the long-term ability to provide for defense needs placed in a precarious position.

In like fashion, an imbalance of funding for strategic modernization at the expense of the conventional defense technology base has led to serious concerns about our ability to provide for strong conventional forces. As the potential for nuclear arms control agreements with the Soviets grows, and that of course is something I strongly support, it is ever more critical that we have the technology base available to provide for future increases in conventional capability.

The Senate, properly I believe, took positive action to reverse the steadily eroding technological and industrial underpinnings of defense, and demonstrated strong support for the conventional science and technology base, in particular by funding the Balanced

Technology Initiative. The long-term decline in funding for the three critical areas—the tech base, the industrial base, and the conventional force "leapfrog" technologies—was reversed in the Senate authorization bill by increasing funding for these areas. The conferees' recommendations in the bill before the Senate today sustain the Senate position in these areas—these recommendations start the funding trend in these areas upward toward the level needed to ensure our long-term ability to produce the future defense systems needed by this country.

The conferees agreed that despite the reductions required in the overall defense authorization level, the science and technology base should not be reduced. While other major areas within the defense budget realized a decline from the President's budget request, the funding level authorized for the science and technology base—not including SDI—was increased by $314.4 million over the level requested in the President's budget. This underscored the importance the conferees placed on the need to provide for the Nation's future technological needs.

The conferees' support for the science and technology base was highlighted by the recommendation that $73 million more than the administration request be authorized for the university research initiative. Furthermore, the conferees recommended extending the University Instrumentation Program for another year by recommending authorization of $25 million. The President's budget submission had requested no funding for this important research support program. Finally, the conferees agreed to a legislative provision, proposed by the House, which makes $3.47 billion available only to the technology base programs of the Services and Defense agencies, $50 million more than the request. Let me say that I truly appreciate the strong bipartisan support which both the House and Senate Armed Services Committees have given to the technology base this year. This is the seed corn of our future defense capabilities.

In addition to strong support for the science and technology base, the conferees also expressed strong support for the industrial base. The conferees agreed that a strong, competitive industrial base is a key component of a strong national defense, and expressed concern that this base has seriously eroded in recent years. Therefore, in addition to other amounts, the conferees recommended authorization of $145 million in fiscal year 1988 for the Defense Manufacturing Initiative established in the Senate authorization bill for the purpose of improving manufacturing technology.

Of this amount, $95 million was placed in a manufacturing technology initiative account under the Assistant Secretary of Defense for Production and Logistics, with $50 million to be used by the Defense Advanced Research Projects Agency for generic manufacturing technology research, and the remaining $45 million to be used to enhance manufacturing technology efforts already underway. The conferees also made clear that $5 million from this latter account was available in accordance with earlier Senate action to support the National Center for Manufacturing Sciences, a machine tool industry consortium aimed at improving manufacturing technology in that critical industry. Senators GLENN and LEVIN have been strong and effective advocates of NCMS.

The remaining $50 million for the Defense Manufacturing Initiative for fiscal year 1988 was authorized for the semiconductor manufacturing technology account to augment the $50 million requested. The resulting $100 million total was specifically authorized for Sematech, a research consortium of U.S. semiconductor manufacturers, materials manufacturers, and equipment manufacturers established for the purpose of conducting research on advanced semiconductor manufacturing techniques. The bill also sets out a workable framework for the government-industry relationship on Sematech, a framework endorsed by both the semiconductor industry and the Department of Defense. This semiconductor manufacturing program, on which I have worked very closely with Senator CHILES and Senator WIRTH, was another area in which the Senate had taken the lead. But the House conferees, in particular the chairman of the conference, Mr. ASPIN, also clearly recognized the importance of getting on with this effort.

In another critical area, the conferees agreed that an imbalance exists in the administration's defense research request which proposed too much growth in the strategic defense initiative and too little in advanced technologies for conventional warfare needs. Accordingly, the conferees recommended an authorization of $300 million to continue programs, projects, and activities initiated under the balanced technology initiative in fiscal year 1987. The conferees further recommended that an additional $200 million be identified for new and innovative balanced technology initiative programs, projects, and activities. These funds are to be derived from funds already appropriated for other research and development accounts. Senators NUNN, COHEN, LEVIN, and EXON have been leaders in defining the balanced technology initiative, and it has been a pleasure to work with them on this vitally important program.

In the area of acquisition policy, the conferees agreed with the Senate that now was not the time for further extensive changes to the defense procurement system. We agreed that the system needed a breather to absorb the numerous changes made by regulation and by law in recent years. We also felt that we needed time to sort out which of these changes had been for the better and which had actually made the system less effective. However, I do think it is fair to say that there is widespread uneasiness that our current acquisition system is not working well. Many of us are especially concerned that the acquisition system as it is currently working does not put sufficient emphasis on the timeliness of the process—taking 12 to 14 years to get weapons into the field should be unacceptable—or sufficient emphasis on innovation and risk-taking, and on quality. Fundamentally, our acquisition system may not be compatible with our national security strategy of relying on technology to give us qualitative advantages over the Soviets in weapons systems.

Our committee is undertaking a fundamental review of where we stand today in the acquisition system. We are drawing upon DOD, industry, and academia in that review. And we hope to have some results in time for next year's authorization process. But this year we made very few changes in procurement policy and those that we made were primarily concentrated on policies related to promoting innovation and to the appropriate balancing of risk between Government and industry. These include clarifying rights of the Government and contractors in technical data, and establishing a statutory basis to ensure that contractors who purchase special tooling and special test equipment are appropriately reimbursed by the Government.

Mr. President, I wish to address one last issue with which the conferees dealt. That was the issue of preference for American firms in defense contracting. The conferees of course adopted the Glenn amendment on SDI research contracts, which had been passed by both Houses. Under that amendment our allies will be able to participate in SDI contracts only to the extent they make substantial contributions of their own funds to the project. The bottom line is that the American taxpayers will not find themselves funding both sides of a competitive race to develop technologies of potentially great commercial importance.

The conferees, however, did not agree to a House provision which would have provided a broader preference for domestic firms over foreign firms in the awarding of defense contracts. The conferees did not feel that the provision was the best way to deal with the problems that clearly are evident in our defense trade. As in the area of acquisition policy, we need to do more homework on how we can better integrate our trade, industrial base, and alliance defense policies.

I think that there is strong concern that our allies are pursuing ever more protectionist policies in their own defense markets. American firms are finding themselves excluded from major international defense projects undertaken by our European allies. American firms find themselves forced into significant offset arrangements whenever they try to sell a piece of equipment to the allies. The 130-percent offsets agreed to by Boeing in order to sell AWACS to the British and French will on its face have an adverse effect on our trade balance and on the second tier suppliers in this country who are denied sales by the offset agreements. I would hate to think that 130 percent would become a new floor for offsets.

With the dollar where it is today and where it may be headed in the future, there really is no excuse for our allies not to buy our defense products, except for protectionism under the guise of their industrial policies. We invest three times as much in defense research as all of our allies combined. That does give us an overall comparative advantage, though not in every area. We should exploit that advantage, just as our allies do in areas where they have comparative advantage. But we can only do so if our allies will open their defense markets more to us. How to achieve that is a major and complex issue we need to explore more and we intend to in the coming months.

During that period the Congress will be receiving the results of both the defense industrial base study being directed by Dr. Costello and the comprehensive review of our international defense trade relations being directed by Mr. Kloske. Senator DIXON will also shortly be introducing legislation that will outline one approach to dealing with these issues. I am hopeful that after we examine these various reports, we will come up with a better approach toward integrating our trade, industrial base, and alliance defense policies.

Mr. President, this bill will protect the future by helping to strengthen the foundations of defense. It will broaden our technological base through support for the university research initiative. It will strengthen our industrial base by funding the defense manufacturing initiative introduced in the Senate bill. It will help sustain our conventional forces technology base at a level that will provide a much needed balance with our strategic modernization program. This bill will help to insure that our semiconductor manufacturing capability will not be forfeited to Japan, because it will provide the necessary resources and support for a coordinated Government-industry effort to level the playing field with Japanese industry. It deserves the support of the Senate.

Mr. President, as I said at the outset, we all owe a debt of gratitude to Senators NUNN and WARNER for their efforts in the conference. Let me add that I appreciate Senator GRAMM's strong contribution to the subpanel on which we served. He truly sought bipartisan and bicameral consensus where that was possible. I also thank Congressman MAVROULES, with whom I worked on acquisition issues, Congressman BENNETT, with whom I dealt on strategic stockpile issues, and Congressman SPRATT, who made a significant contribution on the Truth in Negotiations Act, for all the courtesies they showed us in the conference. This bill was a team effort of all the conferees and every member of the conference made significant contributions to the result.

Mr. President, before I conclude my remarks, let me also pay tribute to the staff on both sides of the aisle and both sides of the Capitol, without whose tireless efforts, the conferees would not be here before you today with this excellent bill. Kent Bankus, Andy Effron, David Lyles, Jon Etherton, and John Wildfong have all served the Defense Industry and Technology Subcommittee very ably this year. Arnold Punaro and John Hamre have made numerous contributions to tying the subcommittee's work to the work of the committee as a whole. I truly appreciate all the help they have given me.

Let me also note the contributions made by the House Armed Services Committee staff, in particular Tony Battista, Carl Bayer, Bob Schafer, Rudy de Leon, Dave Price, and Colleen Preston, who worked on the portions of the bill for which I had responsibility on the Senate side. They all served their Members, and the conferees as a whole, very well. We will miss Tony at next year's conference if he carries through with his intention to retire.

Mr. President, let me conclude by urging my distinguished colleagues to adopt this conference report. By doing so, we will be carrying out our responsibility to provide for the defense of the United States in the coming year, and we will be laying the foundation needed for future Congresses to do the same.

Mr. President, various provisions of the bill I believe are crucial to the defense of this country and provisions which I believe the conferees can be justly proud of. I can say that serving on the conference was a rewarding experience. I believe the Armed Services Committee has done its work well this year. I want to compliment once again the chairman and the ranking member for the excellent work and the long and arduous effort that they have put in to making this bill a reality.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I thank the distinguished Senator from New Mexico on behalf of the chairman and myself for his participation throughout this year's consideration of the authorization bill. Ever since the distinguished Senator from New Mexico has joined the committee he has taken a particular interest in certain areas of our work, some areas which do not, may I say, garner the highest amount of publicity in terms of outside interest, but areas which in the judgment of this Senator are just as important. And we thank him for his studious and attentive work in the chairmanship of this important subcommittee, and assisting the chairman and myself and other members of the committee in resolving the issues and making possible this conference report.

Mr. NUNN addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. Mr. President, I would like to echo the remarks of the Senator from Virginia about the Senator from New Mexico.

He has done a superb job on a difficult but extremely important assignment in the industry in the Technology Subcommittee, and the innovations that are in this bill relating to that subject have been the work of the Senator from New Mexico and his subcommittee. I think they are going to do a great deal to strengthen our industrial base and our technological base through the next several years. So I congratulate the Senator.

Mr. BINGAMAN. Mr. President, I want to thank the chairman of the committee and the ranking member for their kind comments. Again, I compliment them for the excellent work they have done on this bill.

I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I thank the Chair for recognizing me.

Let me say at the outset that Senator NUNN and I came to this Senate on the very same day. We were elected on the same day in November 1972, and I have enjoyed my friendship and relationship with him. I admire him very much. The same goes for the distinguished Senator from Virginia, Mr. WARNER, who has not been here quite as long as Senator NUNN and I have.

Mr. NUNN. I might say to my friend from North Carolina that the Senator from Virginia has been around a lot longer than we have.

Mr. HELMS. He has had a lot of experience that perhaps we envy. But that is neither here nor there.

I am going to raise some questions today that are in no way personal. And I do not want my friend from Georgia or my friend from Virginia to take any offense to them. Perhaps the inquiries I shall make and the statement I shall make have answers that are not yet clear to me. We shall see.

First of all, if I can have the Parliamentarian's attention, I have a series of inquiries that I would like to propound to the Chair to clear up an issue which I believe may be of concern to the Senate. And I do this for the purposes of the RECORD as much as for anything else.

First of all, Mr. President, is it correct as I was given to understand by the cloakroom for me to say that the papers—that is the original papers—of this conference report now before the Senate were first brought to the Senate desk by the manager on behalf of the Senate on Tuesday evening of this week?

The **PRESIDING OFFICER**. The Chair would inform the Senator that there are no official records of when the papers arrived since no formal file in that regard is maintained.

Mr. **HELMS**. I understand that. I understand that the Senate does not have a filing requirement except for budget conference reports. That issue was not included in my question. But did the original papers arrive in the Senate on Tuesday evening? Yes or no?

The **PRESIDING OFFICER**. To the best of the Chair's recollection the papers arrived and were kept at the desk Tuesday night.

Mr. **HELMS**. Is it correct to say that the House of Representatives acted on this conference report on the following day—that is to say, yesterday, Wednesday? The answer to that is yes.

The **PRESIDING OFFICER**. The Senator is correct.

Mr. **HELMS**. I thank the Chair.

Can the Chair advise the Senate whether the House indeed had the original papers before it when it acted yesterday? The Chair had already said the original papers were here Tuesday evening. Did the House have the original papers when the House acted upon it yesterday?

The **PRESIDING OFFICER**. The Chair would inform the Senator that the Chair unfortunately is in no position to detemine when the House received the papers.

Mr. **HELMS**. Let me put it another way, then, Mr. President, and I ask for the Parliamentarian's attention. The Chair has already stated that the papers were here in the Senate on Tuesday evening. Did not the Chair say that to me?

The **PRESIDING OFFICER**. The Chair would inform the Senator that was the informal recollection, as he has also indicated that there was no official record kept of when the papers arrived and it was the recollection of the Senator currently presiding in the Chair that the papers were provided informally and maintained at the desk beginning Tuesday night.

Mr. **HELMS**. The point is that the papers were seen here. And I think that question sort of answers itself. But anyway, the House acted yesterday with the papers, without question the original papers having been delivered here Tuesday evening. I do not think there is any dispute about that. It is not a matter of recollection. That is a fact.

I guess what I am saying, Mr. President, is I need an explanation as to how the papers got from the Senate Chamber to the House Chamber, and when the papers were taken from the Senate Chamber to the House Chamber, and the name of the person who took them and who instructed or otherwise requested that person, whoever he was, to take the papers from this Chamber over to the House sometime prior to the House acting yesterday.

Mr. **NUNN**. If I could say to the Senator from North Carolina, I would be glad to help him on that. The papers were being held at the desk, and the Senator from Georgia, during the dialog which the Senator from North Carolina, the Senator from West Virginia, and the Senator from Georgia had had—and the Senator from Virginia I do not believe was on the floor—informed the Senator from North Carolina that it was my desire to have the House act first, and that any unanimous-consent agreement relating to the time would have to permit the House to act first. The Senator from North Carolina posed no objection to that, as I can recall.

The Senator from Georgia then went to the desk and asked whether it was appropriate to have the papers delivered to the House of Representatives and whether the papers had been officially presented to the Senate for deliberation on the conference report. The Parliamentarian's answer was they had not been presented to the Senate. Until the conference report was called up, they had not been presented to the Senate. I then asked whether the Senator from Georgia could secure those papers for the purpose of delivering them to the House of Representatives. The Parliamentarian's answer to that was that it was perfectly appropriate within the Senate rules and Senate precedent, at which time, before the unanimous-consent request was propounded, while the Senator from North Carolina was standing on the floor, the Senator from Georgia went to the desk, secured the papers, and had them delivered to the House of Representatives before there was any unanimous-consent request for this conference report to be taken up and before this conference report had ever been called for consideration.

So, that is the best recollection of the Senator from Georgia. If the Chair has any different observations, I will be happy to hear them. That is what happened on the floor of the Senate.

The **PRESIDING OFFICER**. The Chair informs the Senator from Georgia that that is in concert with the recollection of the Chair and what I understand happened.

Mr. **HELMS**. I thank the Senator for his explanation. I am sure that is precisely the way it happened. I did not hear him, if he said to me that he was going to send the papers back to the House, nor did I hear the conversation that I know he had, as he stated he had, with the clerk, with respect to the papers.

So that clears it up. I do not question one syllable of what the Senator said. I just did not hear him say to me that he would send the papers to the House.

Mr. **NUNN**. I do not know that I said those words. I said I wanted the House to be able to take it up first, and I wanted a unanimous-consent request to permit the House to take up the legislation first.

I do not say to the Senator from North Carolina—because I do not recall—that I said anything about the papers specifically. But I did write down four points on a piece of yellow paper and handed it to the majority leader, and the Senator from North Carolina observed that, and one point was that the House be permitted to take up the legislation first.

Mr. **HELMS**. I thank the Senator. I did not know about the movement of the papers back to the House after having been here first in the Senate. It was to me, at least, perhaps it would be best to say—a mystery.

The reason I raise this question, Mr. President, is that it has a decided impact on what Senators may do with respect to a conference report. It makes a difference as to which House acts upon a conference report first. Senators, under the existing circumstances, are exceedingly limited in expressing, through a vote of the Senate, any opinion about the bill. But that is neither here nor there. We will get to some other points in a minute.

I say this reluctantly, and I might say parenthetically, that I do not believe a great deal of study of this conference report has been indulged in by Senators, because very few desks do not have a copy of the 17½-pound conference report that was put on these desks yesterday. They are still here. You can see a few that do not have the conference report, but with those few exceptions they are exactly as they were delivered. Whether that tells anything about the Senate and its careful scrutiny of this important legislation, I will leave to others to judge.

Mr. NUNN. Mr. President, will the Senator yield for an observation on that point?

Mr. HELMS. I yield.

Mr. NUNN. In deference to our colleagues who are diligent in reading conference reports, the conference report has been printed in the CONGRESSIONAL RECORD, and of course that has been available in all Senators' offices; and I say that we should leave open the possibility that all Senators have read the CONGRESSIONAL RECORD on that point.

Mr. HELMS. A few hours ago, when Senators got to their offices at 9 o'clock this morning, the Senator is right, it was printed in the RECORD for yesterday and is available in this somewhat thicker issue than usual of the CONGRESSIONAL RECORD available this morning.

I will say that yesterday I risked getting a hernia carrying my copy home to look at it. Seventeen and a half pounds is a pretty good piece of legislation, I say to the Senator from Georgia.

I have studied it as much as may be possible in a short period of time, and I have come to the reluctant conclusion that I cannot support this bill. As a matter of fact, I have reached the conclusion that having no bill will be better than having this one. I stand to be corrected on that as the debate proceeds. But let me explain why I have reached that conclusion—or give at least some of the reasons why I have reached this conclusion.

First of all, the defense conference report prevents the speedy development of the President's strategic defense initiative. The rapid deployment of this system is the best hope for this country to deter Soviet nuclear blackmail in the near term. While the Soviets are violating willy-nilly the key provisions of the ABM Treaty, Congress is de facto binding the President to an excessively restrictive interpretation of the treaty. This decision is unilateral disarmament—no other face can be put on it—unilateral disarmament in which international law is being misinterpreted, in the judgment of this Senator, and used as a sort of figleaf for the appeasement of the Soviet Union.

Second, the defense conference report forces the United States back toward compliance with the unratified, expired, and Soviet-violated SALT II Treaty. This action is not only unconstitutional, but also constitutes dangerous United States-unilateral disarmament, in the face of the Soviet breakout from all SALT treaties and agreements, including SALT I and the ABM Treaty. Here, the fig leaf that is being used is labeled "Budgetary Reasons." This step has occurred when the Soviets have begun using overt nuclear blackmail, such as their firing of the first-strike ICBM's toward Pearl Harbor purely for ICBM target practice. They were sending a message to us and we buckled. There is not much new about that.

Third, the Defense conference report sacrifices the deterrence capability we need to prevent Soviet attacks on our military and reconnaissance satellites. In the judgment of this Senator, we should be bolstering deterrence now, but instead, Congress is weakening deterrence by hamstringing SDI testing unilaterally and destroying perfectly good Poseidon submarines and preventing Asat operational testing.

Let the record be clear: The Soviets already have operational four different types of Asat systems. The Soviets have not been deterred from attacking our satellites with lasers and electronically jamming them. The Soviets have even attempted to blind United States pilots with beam weapons—and if these are not acts of belligerency, I do not know how you can describe them—to which we are responding by tearing up ballistic missile submarines and engaging in other unwise and, I think, perilous activities.

The arrangements are now in place in this defense authorization bill conference report. I say again that it weighs 17½ pounds, and most Senators have not even taken the rubberbands off them. Yet, they will march in here and undoubtedly approve this conference report, perhaps put statements in the RECORD saying that it is good, and there will be self-congratulations all around, and maybe we will sing the Doxology and go home. But, Mr. President, I am a little more fearful about the security of this country than that.

As I said, the arrangements are in place in this conference report. They include:

One, the testing of the crucial strategic defense initiative programs will be restricted to the so-called narrow interpretation of the ABM Treaty, which Congress is unconstitutionally trying to impose upon the President of the United States.

Two, funding for, to use the words of the Pentagon, bending metal, for SDI is to be denied. That means starting up actually to construct the SDI for testing purposes, as permitted under the legally correct interpretation of the ABM Treaty is to be denied.

Three, requested funding to overhaul the perfectly usable Poseidon submarine is to be denied. That is right in here. And instead, this Poseidon submarine is going to be destroyed, like others already. The report of the managers specifies that it is to be destroyed.

Forgive me, but I regard this as a ludicrous position and I fear that it is being advanced in order to make irreversible an ongoing program of dismantling perfectly usable Poseidon submarines in order to comply unilaterally with the sublimits of the unratified, expired and Soviet-violated SALT II Treaty. Incidentally, for related reasons, the testing of the United States D-5 SLBM is to be delayed, which is indeed curious now that the Soviets have used the State of Hawaii for ICBM target practice. Further sea trials of the ninth Trident submarine may be delayed—in a further attempt to appease the Soviets.

Four, funding for any operational test and for full procurement of the vital U.S. antisatellite system is to be denied, effectively setting up the Asat program to be killed outright at a later date. The scaffolding is already being erected.

This proposal also is especially curious since the U.S.S.R. already has several operational Asat systems and have been attacking, jamming, and attempting to electronically manipulate U.S. satellites.

Now, all of these arrangements were made, and I hope my friend will forgive me, contrary to Senate rules, during what they call rump sessions, rump caucuses, by some of the managers for the Senate and the House as conferees on H.R. 1748, in various closed meetings not involving all members of the conference or subconferences. Indeed, believe it or not, some of these involved members of the executive branch.

Mr. President, last year at this time the unilateral disarmament antidefense lobby in Congress succeeded in legislating these very same restrictions. The only good thing about that last year were that the restrictions were nonbinding. But this year, in this Defense conference report, the restrictions are binding in law, in the form of specific funding, or rather lack of funding, for programs. The main difference is that last year President Reagan, very properly, ignored the nonbinding congressional restrictions and this year he will not be able to do that. He will not be able to do what is in the best interest of the American people and the United States of America.

President Reagan fought long and hard for his right to interpret the ABM Treaty in a legally correct manner in order to test SDI rapidly. Now his hands are in a very practical sense tied behind his back, right here. It has already been passed by the House and undoutedly will be passed by the Senate later today.

President Reagan fought to scrap the obsolete, fatally flawed SALT II Treaty. Now, once again, where are his hands? Tied behind this back at the very moment that he must meet face to face with the Russians.

He fought for a long time to test our ASAT deterrent. He wanted to test it. Now his hands are tied.

He was successful last year on at least one count—he discarded the United States unilateral disarmament entailed in our previous one-sided compliance with the unratified, expired, Soviet-violated SALT II Treaty.

But here, right here, Mr. President, he cannot do that again, because of what this conference report does.

Let me read a letter for the purpose of having it in the RECORD written by Ronald Reagan to BOB DOLE, the distinguished Republican leader, a letter dated September 17, 1987. It says:

> DEAR BOB: I was pleased to receive your letter, cosigned by thirty-three of your colleagues, concerning the Levin-Nunn Amendment to the Defense Authorization bill. In this regard, I want to register my profound disappointment that, despite your efforts, the Senate has voted to restrict unilaterally our ability to conduct SDI tests.
>
> My Administration has given repeated assurances that we would consult fully with the Congress before making any decision to restructure the SDI program according to the broad interpretation of the ABM Treaty. Nonetheless, the Senate has chosen to preempt these consultations by the action it has taken today.
>
> The Levin-Nunn Amendment imposes unilateral restrictions on the United States that are not enforceable on the Soviet Union. It undercuts our position in sensitive negotiations with the Soviets, and it could undermine prospects for achieving effective strategic defense. I must reiterate that I will be left with no alternative but to veto this legislation if it reaches my desk with the restrictions contained in the Levin-Nunn Amendment.
>
> Sincerely,
>
> RONALD REAGAN.

Mr. WARNER. Mr. President, will the distinguished Senator allow me an observation which I think is very important to be made here?

Mr. HELMS. I yield to my friend from Virginia.

Mr. WARNER. Mr. President, the distinguished Senator from North Carolina raises some query about the conduct of the conference, but I just want to make it eminently clear that we may go back and respond to this in later detail.

At the juncture in his observations relating to SALT II the administration took no part, and I repeat, no part whatsoever, in working with the conferees on the resolution of those important items and they carefully and I think quite wisely protected themselves by not participating and thereby having the option for the President at such later time as he may desire to address the resolution of these issues by the conferees and presumably the conference report which will be adopted by the Congress.

Mr. HELMS. So the Senator is saying that the administration representatives were there as observers only?

Mr. WARNER. According to my recollection, and I was present during all the conferences, while they may have been in the room at one point, when the final resolution of the SALT II amendments were made they were not present.

Mr. HELMS. I see. I thank the Senator.

Mr. President, the Defense authorization bill conference report in fact, as the President has said in his letter which I just read, imposes unilateral restrictions on the United States that are not enforceable on the Soviet Union. And my reading of the conference report convinces me that this could undermine prospects for achieving effective strategic defense. In actual result, if not by express language, the very restrictions that the President had threatened to veto back in September are in fact in this legislation already approved by the House and undoubtedly to be approved by the Senate this afternoon.

Now, this conference report—and I say this with all charity—is a victory for those outside the Senate, outside the Congress, who have been seeking what I fear will be a weakened America. It is triumph of substance over form. The antidefense lobby of unilateral disarmers achieved the substance of their unilateral restraints on the United States. The President achieved a form of having objectionable arms control policy language deleted from the report, while the substance of the policy remains in the funding restrictions of the bill.

Now, words are not the issue. Words will not defend America. And that is why I have such concerns about this conference report.

Mr. President, to get back to my parliamentary inquiries or series of them at the outset of my remarks, we have this situation: The Senate cannot even vote about any issue. Had the Senate acted first on this conference report, then it would have been subject to a recommittal motion with instructions. But now, the House having acted first, the parliamentary situation is that nothing is left for Senators to do except maybe one or two other things that I have in mind that I am still thinking about.

All we can do is vote up or down. That is it. And I guess it is just as well, as I look at this tidal wave of paper still sitting undisturbed on the desks around the Chamber.

This parliamentary situation does not even include a motion to recommit the report to the Committee on Armed Services. I wish it did, because I have confidence in JOHN WARNER. I would like for JOHN and SAM, Senators WARNER and NUNN and their colleagues on the committee to have one more look at it and one more thought about it. But that cannot be done.

But I will say this, Mr. President: We cannot do it parliamentarily in the conference report, but that does not affect other pieces of legislation to come before this Senate in later days. And I would not be surprised to see some amendments to other legislation to correct some of the flaws that I see in this 17½ pound document.

Those amendments could come in at any time, as Senators know, under the rules. For example, they could ensure that, at this time of budget crisis and massive Soviet nuclear arms expansion, the Senate Committee on Armed Services does not succeed, as it will today, in ordering the destruction of a perfectly usable Poseidon submarine as one of many other methods of appeasing the Soviets, whether intended or otherwise. I do not say that is intended. I am saying that is the effect of it.

I do not see Senator NUNN on the floor, but when he returns, I have a number of questions that I want to ask of him.

Meanwhile, I will ask the distinguished Senator from Virginia if I read correctly in this report that there is authority to buy 4,737 10-ton trucks during the next 4 years?

Mr. WARNER. Mr. President, my recollection is there is a provision in there that does authorize the purchase of trucks. I am not sure I can recall from memory the exact number, but I think the Senator is accurate.

Mr. HELMS. I am sure I am correct. And that is 2,446 more trucks than the Pentagon requested.

Mr. WARNER. The distinguished Senator from North Carolina is putting his finger on one of the more divisive issues that the conferees had to settle. My recollection again is that he is accurate.

(Ms. MIKULSKI assumed the chair.)

Mr. HELMS. I thank the Senator. The Senator is forthright and he is completely honest and candid, and I appreciate that. He is not trying to hide anything, and I am not trying to embarras anybody.

But I will just point out, on this one item—4,737 trucks, 2,446 more trucks than the Army said it wanted or needed—you just do not go in a dealer's showroom and say, "Let me have one of those." You have to have those made and they cost between $170,000 and $200,000 each.

I inquired, "Where on Earth are these trucks manufactured?" And I was told, "In Wisconsin." I am sure Congressman ASPIN appreciates that generosity, courtesy of the American taxpayers.

Madam President, may I inquire how much time I have remaining on my hour?

The PRESIDING OFFICER. The Senator from North Carolina has 26 minutes.

Mr. HELMS. Twenty-six minutes?

The PRESIDING OFFICER. Yes, sir.

Mr. HELMS. The Chair is so gracious and I thank her very much.

Until the distinguished chairman of the committee, Mr. Nunn, returns to the floor, I reserve the balance of my time.

Thank you very much.

Mr. WARNER. Madam President, I would like, while the distinguished Senator from North Carolina is still on the floor, if it is convenient for him, to reply to some of the important issues that he has raised.

I took some notes as he was speaking. I listened very carefully to each of his observations. One was: "Congress is binding the President to the narrow interpretation of the ABM Treaty."

Madam President, it is very important that we take a very close look at the resolution of this issue reached by the conferees and now submitted to the Congress as a whole.

First, if you were to prioritize the various elements of the dispute on the SDI Program, it was absolutely essential that we obtained from the Congress the highest possible level of funding for the program in the ensuing fiscal year. And that was very much in the minds of the conferees. There was considerable disparity between the House and the Senate on those amounts. And, as my colleague knows, having participated in many conferences, the tradition followed by conferees is to split the difference when there is a dollar figure. In this instance, we not only split the difference, but the House receded to an added $100 million above that even split, bringing this authorization to $3.9 billion.

That represents progress in terms of added dollars in this fiscal year. It indicates that our President in his petition to the Congress is getting a measure of support from the Congress to increase each fiscal year the level of funding.

Now, turning to the provisions themselves, as our distinguished colleague from North Carolina will recall, the time period of the Levin-Nunn amendment originally was cast in a 2-year timeframe. That has now been reduced by one-half.

In fact, the Levin-Nunn amendment was actually deleted from the bill and in its place new language was inserted which covers but 1 fiscal year.

Second, and most importantly, the administration gets explicit confirmation, actual language to the effect that it can conduct planning for tests under the broad interpretation. While this Senator feels, and I am sure that the Senator from North Carolina feels, there was no doubt about that in terms of the interpretation of the treaty and other matters relating to that issue, nevertheless, assuming that the Congress does approve this conference report, that issue is now laid to rest very clearly.

Third, the administration gets the reprogramming option in law, to get the funds for tests under a broad interpretation if relevant committees approve that reprogramming and such other action as the Congress may deem appropriate in the event that the President comes and petitions, specifically for the dollars needed to expand whatever planning and other steps he wishes to take leading to tests and, indeed, the actual tests themselves under a broad interpretation.

Last, the amendment was modified to delete any reference to the ABM Treaty and it does not, in my judgment, prejudice the argument one way or the other on the broad versus narrow interpretation.

Mr. President, I ask unanimous consent that I can place in the Record at this point a chronology of the steps taken by the administration and administration witnesses in the presentation of the SDI Program.

There being no objection, the chronology was ordered to be printed in the Record, as follows:

Selected Citations on SDI Planning/Contracting Issue

February 17, 1987 SASC Hearing:

Senator Warner. I am looking at a bill which I think the Chairman and I hope to move to the floor at a very early time this year. Is this decision [switching to the broad interpretation] likely to impact on our deliberations with respect to the SDI program?

Secretary Weinberger. I would think that it should be an integral part of your deliberations to know exactly what it is that we plan to do, what we can do, and what we could not do.

Senator Warner. And what the President will decide to do.

Secretary Weinberger. And the amount of savings that that would make, both in time and in money.

Senator Levin. If we approve the budget as submitted to us for SDI, would we then be approving any experiment or activity which violates the narrow ABM interpretation?

Secretary Weinberger. I am not aware of anything specific, Senator. But I would also want to emphasize the point that the request, and I would hope the approval, would come in a form that would be broad enough to permit the Strategic Defense Initiative Office to conduct research that could require the broader interpretation.

March 19, 1987 SAC Defense Subcmte. Hearing:

Senator Stevens. Will the expenditure of the funds you have requested either for FY 87 or 88 be impeded in any way by a decision on narrow versus broad?

General Abrahamson. We have assembled the program now with, in accordance with the President's direction, within the narrow interpretation of the treaty.

They will not be able to launch that satellite [BSTS] until somewhere in the '91, '92 (if it slips the way things have happened in the past, maybe even '93) time frame. However, based on this contract award, they will be starting to work on a satellite that is only partially capable, partially capable because of our concern that we not try to put something in space that is capable of acting as an ABM radar would act.

Senator Stevens. But you could compartmentalize that contract so it could be expanded if we do in fact have to use the broad interpretation later, could you not?

General Abrahamson. Surely.

Senator Stevens. Is it possible for us to assure the Congress that the '87-'88 money will be spent in accordance with the President's current decision of the narrow interpretation?

General Abrahamson. That is the way the budgets were put together and that is the way our plan is presently laid out. The answer is yes, sir.

March 24, 1987 SASC Hearing:

Senator Levin. I am interested in the tests which could either be planned . . .

General Abrahamson. The answer right now is that there are none that fall into that category. The fiscal year 1988 budget was put together in such a way that all of the test planning is only within the narrow interpretation of the Treaty.

Senator Thurmond. Does our current testing policy under the ABM Treaty affect any testing for which plans are now being made, or any programs for which contracts are now being signed?

General Abrahamson. All of our testing, or all of the contracts, are being let in the context of the narrow interpretation of the Treaty at this point. We are building hardware, as I indicated on this BSTS program, that will not go outside of the narrow interpretation of the ABM treaty.

Senator Thurmond. General, from a technical standpoint, what would be the effect of legislation that prohibited expenditures of funds for testing beyond the narrow interpretation of the ABM Treaty for one year? Could you continue to conduct the program as now structured if such a prohibition was longer than one year?

General Abrahamson. As I mentioned earlier, everything that we are doing now is within the narrow interpretation of the Treaty. Therefore, we could continue to conduct the program. There is a cost and schedule implication associated with that. That does not mean that we must conduct any tests in that time frame. If there were an extended period where we were directed not to conduct any tests, if we could proceed with building hardware which may eventually allow us to conduct tests either within or external to the treaty, that would at least minimize the impact of such a decision.

April 1, 1987 SASC Hearing:

Secretary Godwin. The President has directed that the department's SDI activities be conducted according to a restrictive interpretation of the ABM Treaty. Accordingly, our assessment on all SDI activities is based on the restrictive interpretation and each SDI experiment is evaluated for compliance against this restrictive interpretation.

By direction of the President, as a matter of policy the SDI program has not been restructured to take advantage of the broader interpretation of the ABM Treaty which the President determined to be fully justified. Therefore, conduct of the program is in accordance with a restrictive interpretation of the Treaty.

The entire SDI research program is being conducted in compliance with the ABM Treaty. SDI currently plans to conduct about nine major experiments between now and the end of the FY 1989.

Senator Levin. Can you tell us whether or not there is any planned experiment now through 1992 which is not consistent with the narrow interpretation of the treaty?

Secretary GODWIN. I cannot speak through 1992, but I might ask others to do that. Through 1989, to my knowledge there are no planned experiments which would not conform to the ABM Treaty under the restrictive interpretation.

Senator LEVIN. You are responsible for making sure that any experiment complies with the ABM Treaty. You have been under guidance that the ABM Treaty interpretation, as of this point, continues to be the narrow or restrictive view. My question is have you looked at each of the experiments in this budget submission to be sure that everything in that budget submission, assumed by it and funded by it, complies with the narrow interpretation? That is my question.

Secretary GODWIN. The answer is yes. All of the experiments now planned conform to the narrow interpretation or the restrictive interpretation.

Senator LEVIN. And your office has reviewed that?

Secretary GODWIN. Yes.

Senator LEVIN. Now, if there were a broad interpretation adopted by the administration, you would be given that guidance, I presume, is that correct?

Secretary GODWIN. Yes.

Senator LEVIN. You would be bound by it.

Secretary GODWIN. Yes.

Senator LEVIN. Do you know if there would be a budget amendment sought if there was a broad interpretation? Since the current budget assumes in its experiments the narrow interpretation, if there were a broad interpretation adopted by the administration, would there not necessarily be a budget amendment sought, either upping or downing the budget?

Secretary GODWIN. I am not familiar with the detailed answer to that question. In general, the answer is that certain types of activities would be permitted which might allow the program to go more rapidly; therefore there could possibly be a budget amendment sought. I do not know if there would be, though.

Secretary GODWIN. [Responding to questions from Senator Cohen on the compliance determination process]. We would review them at the time there was a plan describing the test, and we would render a judgment as to whether or not it conformed with the ABM Treaty.

General ABRAHAMSON. The President decided in October, 1985, as a matter of policy, not to restructure the SDI program in accordance with the broader interpretation of the treaty. All statements in this testimony regarding compliance with treaty provisions should be understood to be based on the more restrictive interpretation. That is the way the program is structured. That is the way our budget is structured at this point. The President has reserved the right to restructure the SDI program to take full advantage of the broader bounds of the ABM Treaty.

The SDI Program consists of near-term technology research projects and major experiments. The research projects directly support the major experiments by providing the necessary technologies. These research activities are well defined and clearly compliant. The major experiments, most of which are to be conducted in later years, are also being planned to be fully compliant.

General ABRAHAMSON. [Responding to questions by Senator Exon concerning the narrow interpretation]. The budget has been submitted under the narrow interpretation and all of the compliance machinery is operating to insure that each test planned at this point and for this budget submission is under the narrow interpretation of the treaty. At the same time, there is an examination going on to see what the cost is, what the advantages might be, so that that could be weighed in terms of its policy implications, all of these. But you must have input to determine the technical advantages. So we are going through a process. That process will result in a report to the President [the "Wallop Report"] on how SDI would be conducted under the broad interpretation].

Senator LEVIN. General, first let me ask you about your budget request. I understand from your testimony that your budget request for 1988 and 1989 assumes compliance with the narrow interpretation of the ABM Treaty.

General ABRAHAMSON. It was assembled that way and that is the way it is being submitted. Yes, sir.

Senator LEVIN. The timetable for a presidential decision as to whether to remain within that narrow interpretation is what? Is it the end of April?

General ABRAHAMSON. [Explains that it will not likely be before the end of April].

Senator LEVIN. That would then make it impossible for us to have your conclusions prior to mark-up. That leaves us, in effect, writing a check for your projects in the dark, without knowing whether we would be contributing to what we—or I should say many of us, and not we—consider to be a violation of the traditional interpretation of the ABM Treaty.

General ABRAHAMSON. [Responding to a question from Senator Thurmond as to how he could conduct the program differently under the broad interpretation]. With a broader interpretation of the treaty, we may be able to direct people's efforts now, in such a way, that the satellite might be much more fully capable.

General ABRAHAMSON. On the tests that we are planning—yes, sir.

Senator LEVIN. How can you submit that list without the policy guidance on that critical issue which affects what is on your list?

General ABRAHAMSON. Because that list has been submitted under the concept or under the policy decision that the test program must be carried out under the narrow interpretation of the treaty.

The process of making those judgments has to be made quickly. They are being worked on, and, frankly, like everything else in this program, our technical ability to go ahead and to either plan or conduct the program is impeded more by policy than by technology.

April 1987 SDIO Report:

The SDI program is being conducted in a manner fully consistent with all U.S. treaty obligations. The President has directed that the Program be formulated in a fully compliant manner, and the DoD has planned and reviewed the program (and will continue to do so) to ensure that it remains compliant.

The President directed that as a matter of policy the SDI Program be conducted according to a more restrictive interpretation of the ABM Treaty than the United States could justifiably observe.

All statements in this appendix regarding compliance with treaty provisions should be understood to be based on the more restrictive interpretation. The President has reserved the right to restructure the SDI Program to take full advantage of the broader bounds of the ABM Treaty.

The major experiments, most of which are to be conducted in later years, are also being planned to be fully compliant.

May 1987 "Wallop Report":

The first experiments in this restructured program could occur as early as Fiscal Year 1988. Planning activities to support this challenging schedule must begin immediately.

Possible Congressional opposition to long-lead funding of non-compliant experiments could make fundamental alteration of the ABM Treaty regime an issue as early as FY 1989.

The following early system exploration experiments, which are designed to significantly reduce overall program risk, are representative of experiments which could be conducted under the broad interpretation. Because these experiments could not be conducted under the restrictive interpretation, the Congress may prove unwilling to authorize formal planning for them, such as initiating contracts and allocating funds. Consequently, a decision to restructure the program in accordance with the broad interpretation is probably required prior to beginning formal planning for these experiments.

Since major experiments require several years of preparation, SDIO budget requests will have to include early funding to prepare for experiments in the early 1990s that would violate the restrictive interpretation. These funding requests may come as early as FY 1989.

Mr. WARNER. Madam President, I would like to read from one portion of that recitation.

On March 24, 1987, at the Senate Armed Services Committee hearings, Senator LEVIN proposed the following:

"I am interested in the tests which could be either planned—" and he was stopped, and the witness, General Abrahamson replied.

"The answer right now is that there are none that fall into that category. The fiscal year 1988 budget was put together in such a way that all of the test planning is only within the narrow interpretation of the treaty."

Whereupon, Senator THURMOND interjected:

"Does our current testing policy under the ABM Treaty affect any testing for which plans now being made, or any programs for which contracts are now being signed?"

"General Abrahamson: All of our testing, or all of the contracts, are now being let in the context of the narrow interpretation of the Treaty at this point. We are building hardware, as I indicated, on the BSTS program, that will not go outside of the narrow interpretation of the ABM Treaty."

Madam President, the other portions of this recitation of chronology, I think, confirm quite clearly that the administration testified that they would, for the 1988 program, contain their activities within the narrow interpretation and such other documentation as submitted in connection with the program corroborated this testimony at that time.

Subsequently thereto, in private conversations I have had with General Abrahamson, indeed Secretary of Defense designee Frank Carlucci and others, it is clear that the rapidly unfolding dynamics of the technology of this program, which indeed is a great tribute to the technological base of this Nation, indicate that we can in a period of time much shorter than ever envisioned, proceed to work in areas planned: work, bend metal, and perhaps even test in areas within the broad interpretation.

It is for that reason that I think the administration very wisely participated in the resolution of this particular issue such as to lay a foundation that would specifically enable this President to come back during this fiscal year, if he so desired, with reprogramming actions or possible other legislative avenues, to seek the concurrence of the Congress of the United States in allowing for more steps toward a broad interpretation of the treaty and actions thereon.

Mr. HELMS. Would the Senator yield?

Mr. WARNER. Yes, of course.

Mr. HELMS. On my time.

Mr. WARNER. Mr. President, I would be glad to have the time charged against me and the Senator reserve his.

Mr. HELMS. The Senator is most kind. I did not anticipate taking a whole lot of time, and yet I have, I confess.

What the Senator said is correct about testing under the broad interpretation next year—but only if all of the relevant committees and both Houses of Congress agree. There is SDI funding but there is no guarantee that we will be able to use it under the broad interpretation. As to the SALT II restrictions, I will say to the Senator—and he had nothing to do with this, but they are in the CR—continuing resolution—as reported to the House. We drop the language in this bill, but keep the SALT II program restraints. Then the dropped language will be restored via the CR. I know the Senator knows that.

Levin-Nunn or Nunn-Levin, however you want to characterize that——

Mr. WARNER. It is important, Mr. President. It is the Levin-Nunn amendment, sponsored by the Senator from Michigan, and at a subsequent point in time joined in by the chairman.

Mr. HELMS. Correct. But Levin-Nunn language is also in the House CR. The practical effect is that there is no compromise. So I fail to see where we are making any progress. But perhaps we are. But it seems far more likely that we are losing ground and critical time in crucial defense programs.

Mr. WARNER. Mr. President, I am very pleased that the distinguished Senator from North Carolina raised that point. Indeed, there was no way for the conferees, as my friend and colleague well knows, of the Armed Services Committee, to in any way bind other Senators to this commitment; a commitment which we feel is implicit in this agreement; a commitment which I, speaking for myself, and I hope the distinguished chairman will join with me shortly, a commitment which I felt the White House, to the extent that Howard Baker and Frank Carlucci participated in these negotiations, believed that on this bill we should resolve those issues.

I say to the Senator from North Carolina and to the Senate as a whole that certainly the conferees operated under the expectation that our work in resolving these issues would hopefully be accepted by the Senate and, indeed, similarly by the House as a resolution of these issues for fiscal year 1988.

Facts may change. Senators would not be precluded from raising them again. But if we are to make any progress in governing as a Congress, working with the executive branch, then conferences such as this which reach the best possible end result are an important part of that governing process. It is my expectation and hope that the Senate today will adopt this conference report and by that action signify their willingness to accept a resolution of these issues for fiscal year 1988.

Mr. HELMS. I am sure the Senator feels that way.

Mr. WARNER. You know, if I might just add, to my good friend, earlier our party had a caucus on the difficulties faced by the budget conferees. We are here debating this important piece of legislation. They are elsewhere in the Capitol trying to resolve the difficulty of that gridlock situation. But again it comes down to: Are we going to participate as a legislative body in the governing of this Nation? I think these four arms control issues are every bit as important as the budget numbers that they are grappling with at this time. I wish them well in their deliberations and I hope, if they resolve that, that we will give due consideration to their recommendations. I am not sure whether this Senator would accept them but certainly I will give them due consideration as they are presented.

Mr. HELMS. Neither here nor there, but this Senator would rather see the sequester go in because at least that will require the Congress to exercise some responsibility.

We are in a budgetary crisis, and I certainly do not need to tell the Senator from Virginia this, because of the flakiness of the U.S. Congress in regard to the increase in Federal spending over our generation. I do not want that kind of thing to play over into the most important duty and responsibility of the Government of the United States, which is to protect the American people. Yet, here we are, for example, destroying perfectly good submarines to appease the U.S.S.R. and buying more trucks than the Army wants or needs.

I certainly am not assigning to the Senator from Virginia or anybody else any responsibility for weakening our security, but there are some things you cannot compromise. And an adequate national defense is one of them.

I said I did not want the Senator to infer that I was critical of his omission, and I will say that again for the purpose of emphasis.

Let me put it this way: The Senator did not want to chop up the Poseidons, did he?

Mr. WARNER. Absolutely not. I was going to point out that under this language we have not put in any provision that in any way indicates the future of this ship other than putting it up for the overhaul period. The overhaul will not take place, of course, because we withheld the funds. The future of that ship is still an open question mark.

I shall read the language.

> Effective March 1, 1988, no funds appropriated to the Department of Defense for fiscal year 1988 or a prior year may be obligated or expanded to overhaul, operate, maintain, or deploy the U.S.S. *Andrew Jackson*, SSPN619.

It does not in any way legislate dismantlement.

Mr. HELMS. That very language is what gave me heartburn because you say you cannot deploy, you cannot maintain, you cannot do anything with a perfectly good submarine that has been and still could defend America. Moreover, the statement of managers clearly implies that this submarine is to be destroyed. But I hope the Senator would stand there and say like to a woodsman, spare that—not tree, but submarine. We should not destroy them, in my judgment. How about Asat?

Mr. WARNER. There we had the difficult choice of prioritizing the continuing testing of nuclear weapons, testing necessary to maintain not only our inventory, the deterrence value of that inventory, for the safety of the men and women of the Armed Forces who must daily work with that inventory.

Also, it is essential that we modernize, as you well know, the strategic forces of the United States. That must be a constant program. To do that, the Senator from North Carolina knows full well we must maintain a credible and limited testing program. We had to simply make a choice between two difficult issues and we prioritized testing being the greater.

In the Asat program, we were not able to go ahead with the additional tests which I and others felt were essential and for which indeed this Senate of the United States has consistently, for 3 fiscal years that this issue has been raised, confirmed their support for the limited testing program. We had to indicate to the House in exchange for continuing the present posture on testing of all of our nuclear systems we would forgo the additional test in the Asat program, but leaving open the option to the President, the Secretary of Defense, and the Chairman of the Joint Chiefs to make the decision to declare the existing inventory of the Asat weaponry, with the S-15 system, as being operational.

Mr. HELMS. Madam President, I reserve the remainder of my time.

Mr. WARNER. Madam President, just to finish up a general observation, if I may, because I feel that our friend from North Carolina showed a measure of courage to come to the floor, indeed with just the two of us but with other Senators coming in, who came to the floor and took upon himself the responsibility as he had done so often to protect the rules and traditions of this body, to point out his views with respect to possible variations from those rules.

I understand he will discuss this further when the chairman of the committee joins us.

He has done that in the finest tradition of one we all revere, Senator Jim Allen, whom we all admired.

I suspect that if you continue you will garner a portion of that Senator's reputation.

I will say in conclusion the conferees were faced with a difficult choice. There was a clear possibility we would have no defense authorization bill for 1988 because this Chamber was in gridlock with the House, indeed gridlock with itself, on a number of issues.

We had the option of also going ahead and passing some type of bill which we knew full well the President would veto. Our President left no doubt as to his dissatisfaction with certain provisions in this bill, and he told us unequivocally that he would cast a veto.

Given those constraints, those realities, we did our very best, and while there are some imperfections and there are some portions of this bill that this Senator is grievously dissatisfied with, we did our best and it is my hope that the Chamber will accept it and pass it.

Mr. HELMS. Madam President, let me thank the Senator from Virginia for even mentioning my name in the same sentence with that of the late, great Senator from Alabama, Jim Allen. He was truly a giant in this body and a gallant and courageous gentleman. To even be remotely compared with him is an exceedingly high honor.

I thank the Senator from Virginia for his explanation and his time. I yield the floor.

Mr. DIXON. Madam President, if the Senator from North Carolina will indulge me, I want to make a response to his remarks before yielding such time as the Senator from Michigan should require.

He made some reference in his remarks, for instance, when he talked about the trucks. I do not think there is any feeling by anybody on this side in the Senate who was involved as a conferee about the question of those trucks. We will buy some more trucks. They ought to be 5-ton trucks, not 12-ton trucks. We do not have any argument with the Senator about that.

I have to say to the distinguished Senator from North Carolina that at the end of a long and arduous conference, at the end of a long and arduous conference dealing with this bill, that was part of the price it took to ultimately achieve agreement with the other body. Later my distinguished chairman of the committee will be talking about the number of hours and the number of committee and subcommittee meetings that were devoted to this bill. I think it will astound the Senator from North Carolina when he hears how much time we spent on it.

So while I agree with him about the trucks, I think he probably understands we wanted to bring this to a conclusion.

There are two other things that bother us a lot. The loss of the AV-8B was one item that we were very concerned with.

The plain fact is that we wanted to keep the AV-8B, we wanted to get rid of the A-6F. Everybody felt that was an aircraft we should have terminated, but the House persisted and regrettably that was a result that obtained in the conference.

Mr. HELMS. Where is that airplane manufactured?

Mr. DIXON. I do not even know where the A-6F is located.

Out of Long Island, NY.

In each of these cases it was part of the price to achieve a compromise that we thought was necessary.

The Senator from North Carolina referred to the work product, and I show him once again the work product. This Senator was involved, I say with some pride, in this work product, and it was a difficult job. Incidentally, and I know the Senator did not do it to mislead when he suggested we are committed here to the narrow interpretation, that really is not the result at all. The compromise I thought in that regard was simply the expeditious and pragmatic compromise in saying this year we take into account that the requests made are authorized according to the interpretation that had been employed, which is presently the narrow interpretation. I find nothing offensive about that.

But I only wanted to say in conclusion that while I would be inclined to agree with a good deal of what my friend from North Carolina has said, I would come down finally on the other side in the end about how I might vote. I would assert—and sometime soon the chairman will tell us—that after all the work we did, the result that we have here, given the amount of money that we had—some of us would like to have had the $303 billion. We have in here a choice between $296 billion or $289 billion at the high and low tiers. It will probably end up being somewhere between those when the budget is finished—is better than a sequestration that would bite even more deeply in what we intend to do here in authorization. So I would come down in the end by saying that the compromise is the best product we could get. In general, it is a good product. In general, it gives us, I think, the best bang we can get for the bucks we have allowed this year. And while I would agree with the Senator concerning a few things the House has done that I take very serious exception to, I think in the end our product is a much better product than to turn our back on this conference report and vote no. I say that with the usual warm friendship and high regard that I have for the distinguished Senator from North Carolina, not to differ with his point of view but only to suggest that in the broader and more proper sense I think the adoption of this conference report is a better result.

Mr. HELMS. I thank the Senator. He is always gracious. And I want the Senator to know that I am not at all offended by the fact that this conference report exceeds by about 3½ pounds the farm bill that the distinguished Senator from Illinois and I produced back in 1985. It only weighed 13½ pounds. Anyway, I thank the Senator very much and I thank the Chair.

Mr. DIXON. I thank the Senator from North Carolina. Madam President, we are delighted to yield to an advocate, the distinguished Senator from Michigan, one of the great Senators who contributed to this very fine 17½-pound product, so much time as he may require.

Mr. LEVIN. I thank my friend from Illinois.

Madam President, first let me say that I rise in support of this conference report. This bill will enhance our security, although in a number of ways it could be better and I will get into that in a moment. The reason we succeeded was primarily because of the herculean efforts of our chairman, Senator NUNN. He was joined by Senator WARNER, who also put forth really an extraordinary effort in this bill and made possible what at one point really looked like it was going to be impossible. Both the Nation and this institution are very much in their debt. This bill signals some progress in addressing some of the most serious national security problems we face.

DEFENSE BUDGET PRIORITIES: CONVENTIONAL VS. STRATEGIC

While that progress includes some limits on strategic weapons programs and avoidance of some key conventional weapons stretch outs by maintaining current production rates, we have not yet succeeded in fully addressing the single most serious defense problem we face: this administration's emphasis on funding strategic nuclear weapons programs at the expense of our conventional strength.

Those are precisely the wrong defense funding priorities. We should be emphasizing our conventional forces, and when cuts are required in the defense spending request we should fund conventional force improvements and cut the funding for more and more strategic nuclear weapons programs.

My reasoning is simple. Our strategic deterrent is sound, but our conventional capabilities need improvement.

Additional spending on strategic forces yields very little in terms of marginal changes in the strategic nuclear balance. The fact is, with over 12,000 strategic warheads in the arsenal of each superpower, the addition of 500 to 1,000 more on either side has little real effect on the credibility of our nuclear deterrent.

Meanwhile, each additional dollar spent wisely on our conventional forces yields tangible, usable military power. If you believe, as I do, that the most likely path to nuclear war is through the uncontrolled escalation of a conventional conflict, then it is logical to emphasize the enhancement of our conventional deterrent so as to avoid a conventional war in the first place.

Despite this logic, and despite the fact that we have had to make real cuts in defense spending from last year, the conference report before the Senate does not yet adequately redirect our spending priorities away from strategic weapons to conventional force modernization.

We attempted to avoid cuts in personal end strength and we were successful. We had to make some cuts in operations and maintenance which will exacerbate the administration's own under funding of conventional forces O&M. However, our actions in the investment accounts failed to substantially redirect our spending priorities.

Let me cite several examples of this based on a preliminary analysis of the funding provided in this bill for conventional and strategic weapons programs in the research and development and procurement accounts. Note that these figures do not include operations and maintenance or personnel because it is very difficult to break those accounts down into conventional and strategic allocations at least in this short period of time. These examples are from the high tier budget level, because that is likely to be the more relevant of the two given the hoped-for success of the budget summit negotiations.

The conference report according to preliminary analysis provides for a 0.1 percent real increase in strategic weapons procurement funding over last year, while cutting conventional weapons procurement by 10.4 percent in real terms. In other words, we protected strategic weapons procurement, while slashing conventional procurement by more than 10 percent.

In the research and development area we did much better. We increased conventional weapons R&D by 12.3 percent while cutting strategic R&D by 10.7 percent.

When both procurement and R&D are taken together, the conference report cuts strategic weapons investment by 7.1 percent in real terms, while cutting conventional weapons investment by 7.6 percent. Thus, we have cut overall conventional investment by a higher percentage than we cut strategic investment. I just do not think that makes sense.

However, I can support the conference report for two reasons:

First. Though still skewed, the spending priorities in this bill are far better than those in the President's request; and

Second. The research and development priorities we have established should help us make further improvements in the future.

To truly enhance our security at the defense budget levels we now face for the foreseeable future, we must act quickly to redirect those priorities. Doing so will require us to make some tough choices, including the termination of one or more big ticket strategic weapons and placing strict limits on SDI spending.

For instance, as the Scowcroft Commission told us, there is no strategic nuclear "window of vulnerability." Despite that fact—and the fact that in the absolute worst case, bolt-out-of-the-blue attack on the United States we would retain over 3,000 strategic nuclear warheads for retaliation—we have funded procurement of the MX missile, development of the MX rail-mobile basing mode, and continued research and development of the Midgetman missile and its mobile basing mode in an effort to address a problem that does not exist. The result is redundant redundancy in our nuclear forces at the expense of our conventional strength.

Hopefully we will not procure all those systems, and I am pleased that the conference retained my language from the Senate bill stating that the authorization of development funds for MX rail-mobile basing and Midgetman does not represent a commitment to procure either or both of those systems. I intend to continue to press for a better balance between strategic and conventional forces funding next year.

LIMITS ON STRATEGIC ARMS ACTIVITIES

The conference report contains several important limits on strategic arms activities.

Foremost among these in my mind is the provision which prohibits the expenditure of fiscal year 1988 or prior year funds for any testing or development of ABM systems or components not described in the "1987 SDIO Report to Congress." It also prohibits the expenditure of funds for the acquisition of any hardware intended for use in a test or development activity not described in that report. The conference report makes clear that no testing or development activity which would violate the traditional interpretation of the ABM Treaty is described in the "1987 SDIO Report to Congress."

This ABM testing and development limitation represents a classic, legitimate exercise of the congressional power of the purse. The Congress is simply authorizing funds, and concurrently prohibiting the expenditure of those funds for any unauthorized purpose. In this case, we are holding the administration strictly to what it told us it would do with the fiscal year 1988 and prior year SDI funding. If the President changes his mind about what ABM testing or development activities he wishes to perform, he can ask us to lift the prohibition. But he must get our approval. We are not writing the SDIO a blank check for $3.9 billion.

That is the way it should be for three reasons.

First, the provision protects the ABM Treaty against unilateral executive branch erosion by requiring congressional approval of any activity that would violate that treaty as it was represented to the Senate. In doing so, it preserves both our most important arms control agreement, the ABM Treaty, and the Senate's constitutional role in the treaty making process.

Second, it is an exercise of the congressional prerogative and duty to use the power of the purse consistent with its understanding of the laws of the United States. In effect, the Congress has said it will not authorize the expenditure of funds for a purpose it believes may be inconsistent with the law of the land. We have upheld our oath to support and defend the Constitution of the United States, and treaties entered into pursuant thereto, by adopting this provision.

Third, the ABM provision demonstrates that we can legislatively limit certain strategic arms activities without tying the President's hands at the bargaining table. Nothing in this conference report will reduce the President's flexibility or his leverage in either the upcoming summit meeting or the continuing START negotiations.

There are two other limitations on strategic arms activities in this conference report. The first continues an existing prohibition on the testing of our F-15 launched Asat weapon as long as the Soviets do not conduct an Asat test. The second denies funding for the overhaul of a Poseidon ballistic missile submarine, the U.S.S. *Andrew Jackson.*

The Asat test provision demonstrates our willingness to limit our own Asat activities as long as the Soviets do likewise. A regime of mutual Asat test restraint is in our national security interest given our asymmetrical reliance on satellites for the conduct of global military operations vis a vis the Soviet Union.

The denial of funding for the overhaul of the *Jackson* is principally a manifestation of congressional concern that we maintain some interim restraint in the deployment of strategic nuclear weapons as long as the Soviets continue to do so.

Both provisions impose limits on specific strategic arms activities in a manner which enhances our security without damaging the President's negotiating position. They are models of responsible congressional action on strategic arms.

THE AUTHORIZATION-APPROPRIATION "DELTA" PROBLEM

Because of the unique budget situation we are in this year the conference report we have brought back to the Senate creates what can be called the "Authorization-Appropriation Delta Dilemma." This problem can only be addressed through extraordinary cooperation between the Authorization and Appropriations Committees.

The "Authorization-Appropriation Delta Dilemma" is caused by the fact that the authorization bill was crafted without the benefit of knowing what the final agreed defense budget level would be. Thus, the conference report in essence contains two defense budgets: One at $289 billion—the budget resolution's so-called low tier—and one at $296 billion—the budget resolution's high tier.

The "Delta Dilemma" is that the budget summit is likely to come up with a defense budget level somewhere in between these two numbers. For purposes of this example let's assume that level is $291 billion. At that point, under the terms of the bill before us, the $289 billion authorization bill would disappear and each individual line item would be authorized at the $296 billion budget level.

However, under the example, the Appropriations Committee will be able to appropriate only $291 billion in budget authority. Thus, in this example, the appropriators would select $291 billion in programs to appropriate from the authorizations bill's $296 billion budget without the benefit of priority guidance from the authorizers. As a result, they could choose to appropriate funds for programs that were authorized only at the higher $296 billion level, while choosing not to fund programs we authorized at the $289 billion level. That would undermine the authorization process which establishes priorities within the defense budget.

This "Delta Dilemma" was unavoidable this year, so we have to make the best of it. The way to make the best of it is to do what our chairman and the Appropriations Committee chairman have done: Establish an informal consultation process between the Appropriations Committee and the Armed Services Committee that provides the Armed Services Committee the opportunity to take at least advisory action regarding which "Delta Dilemma" programs are of the highest priority. The presence of our chairman and ranking member at the Appropriations Committee markup sessions is a good step in the right direction.

This bill will enhance our security, although it could be better. We succeeded primarily because of the Herculean efforts of our chairman, SAM NUNN. He, along with Senator WARNER, whose efforts were also extraordinary, made possible what at one point in time looked just about impossible. The Nation and this institution are greatly in their debt.

Again, I want to express the gratitude of this Member and I know the whole body and I am sure the country to the chairman of the Armed Services Committee, the ranking member, and all the other members of the subcommittee who have really been laboring for months to produce this bill. It is a very heavy bill in more ways than just weight. It is a heavy bill in terms of the amount of thought which went into its production, and I commend our chairman and Senator WARNER for the extraordinary leadership that they displayed and which made it possible for us to be here today.

I yield the floor.

The **PRESIDING OFFICER.** Who yields time?

Mr. **NUNN.** Madam President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. **NUNN.** Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. **NUNN.** Madam President, may I inquire of the Chair how much time is remaining on each side and on the special orders that Senators have under the unanimous-consent agreement?

The **PRESIDING OFFICER.** The Senator from Georgia has 1 hour and 8 minutes. The Senator from Virginia has 2 hours and 38 minutes. And the Senator from North Carolina has 26 minutes.

Mr. **NUNN.** I ask my friend from North Carolina—I would be perfectly willing to defer to him at this time for as much time as he may require, whatever is convenient to him. I have some remarks that I will wait to make. I can withhold those remarks.

Mr. **HELMS** addressed the Chair.

The **PRESIDING OFFICER.** The Senator from North Carolina.

Mr. **HELMS.** I thank the Senator from Georgia. I am getting a little bit hoarse. I am sure the people who have to listen to me do not enjoy that, but perhaps some will be glad since it may help limit my remarks.

Nonetheless, I do have a few comments and then I will reserve the balance of my time. I will probably yield much of my time back anyway, inasmuch as because of the parliamentary situation resulting from the papers going back to the House yesterday it will not be possible to get specific votes. That is all right. We can do that on other legislation on another day.

Let me read with respect to the comments made by my good friend from Virginia, Mr. WARNER, from the statement of managers with respect to the Poseidon submarine. This is not JESSE HELMS talking. This is the verbatim statement of the managers on this conference report. It relates to the U.S.S. *Andrew Jackson,* and that is of particular interest to me because I was born about 10 or 12 miles from where Andrew Jackson was born. South Carolinians inappropriately say he was born in South Carolina. But those of us who live in North Carolina know that actually he was born over the border in North Carolina.

But anyway, it is headed "USS Andrew Jackson," which of course is the Poseidon.

The Navy planned to begin overhaul of the U.S.S. *Andrew Jackson,* SSVN 619 in March of 1988. In view of severe budget constraints the conferees agreed to prohibit the expenditure of funds to overhaul, maintain, operate or deploy the U.S.S. *Andrew Jackson* with the resultant savings of $110 million.

I am going to come back to that in just a second.

The conferees recognize that the service life of this 25-year old Poseidon class submarine could through an overhaul be extended for only a few years given the limited nature of the submarine's future military utility. And the conferees agreed that effective March 1, 1988 no funds could be used to overhaul, operate, maintain or deploy the U.S.S. *Andrew Jackson.* The conferees expect the Navy to dispose of this submarine in a manner consistent with the disposition of the previous Poseidon class submarines that were withdrawn from service.

Supposedly, this destruction of a perfectly good submarine will "save" $110,000,000. I wonder what building a replacement would cost—I imagine, I don't know, but I imagine about $1 million or more.

So I am not sure about that $110 million be characterized as a savings figure, but we will accept it for the purpose of argument.

But I will tell you where the conferees could truly save a lot more money. I go back to those 10- or 12-ton trucks. The conference report provides for the purchase of 2,446 such trucks more than the Army says it needs or can use. That is going to cost $420 million. If they want to save some money and not chop up the *Andrew Jackson* Poseidon, they could cut that excess number of trucks down considerably and have the money for it. As a matter of fact, I do not think one truck more than needed should have been purchased. I say again for the record that these trucks each cost the taxpayers of the United States between $170,000 and $200,000 each.

Mr. President, a while ago. I repaired to the Cloakroom to look at the rules a bit. There are two or three questions I want to ask, in perfect friendliness, of my friend from Georgia. I do not intend to put him on the spot, but I think that, for the record, the question ought to be asked.

The Senator, I am confident, is not comfortable about the totally secret meetings of the conferees, is he?

Mr. NUNN. Is the Senator proposing that to me?

Mr. HELMS. Yes.

Mr. NUNN. I say to the Senator from North Carolina, again in the spirit of friendship, that the House and Senate conferees met on October 23, 1987, at 9:45 a.m., and the House voted by rollcall vote to close the conference. Immediately following the conclusion of that vote, the Senate conferees voted, without objection, to close the conference. So the rules were completely complied with so far as the conference being closed.

I do not know whether the Senator has any other information. I will be glad to consider it. To the best of my knowledge, everything that was done in this conference was perfectly in accordance with the rules of the Senate. I do not know the rules of the House as well as those of the Senate, but I do not know of any breach of the rules in that respect. The rules provide that there can be closed sessions.

Mr. HELMS. I think there were 4 days when a closed session was held—four formal closed sessions in all. The Senate rules plainly require a separate vote for each session. Is that so?

Mr. NUNN. I do not recall. But I know that the conference proceeded this year as it has every year. We decided whether to close the conference at the beginning of the conference, and essentially that rule carries forward. I believe the motions made, as I understand the motions, really carry forward from day to day.

The same procedures applied this year as have applied in the armed services conference every year I have been on it—under the leadership of Senator Goldwater and Senator Tower when they were chairmen of the conference. I know of no deviation this year from any other. If the Senator knows of any, I would like to know about it.

Mr. HELMS. I do not know from firsthand knowledge; but, frankly, one or more of the conferees suggested that no vote was taken after the first vote. Rule XXVII(6) clearly says the vote applies only to "the meeting on the day of the vote."

The Senator is saying to me, then, that one rollcall vote was taken. Perhaps it was stipulated that this would carry over to any other time in order to have a secret session. Is that correct?

Mr. NUNN. We call it a closed session.

Mr. HELMS. Whatever. The key point is whether the requirements of rule XXVII were met since the rule contemplates a vote to close at each day of conference session.

Mr. NUNN. But the vote is not a 1-day vote. The vote is whether to close the conference or not. The vote is usually taken at the beginning of the conference to close the conference. In fact, the first day we met, we only met for 30 to 40 minutes in order to get the conference going.

The Senator from North Carolina may be the first to say that when we are discussing classified matters, we should not do that in open session. I would say that a very large percentage of what we deal with in the conference is classified. That is true, also, at the subpanel level. We have a lot of subpanel meetings, and the spirit of the closed conferences also applies to the subpanels. This is precisely the procedure always employed.

For future reference, if the Senator from North Carolina has any specific thing in mind as to what rule may apply here that we are not fully adhering to, or if the Senator has anything in mind that indicates that there was a different procedure this year than in the past, I would certainly like to know about it.

Mr. HELMS. I am really seeking information, and the Senator is giving it to me, and I appreciate it. Let me go on.

Is the Senator confident that no provision in this report includes any matter which is not a germane modification of a matter in disagreement? We called it "scoped" in conferences in which I have participated.

I might ask the Parliamentarian the same question. I am sure he sat up all night long reading this.

He is shaking his head. I guess he does not want to answer a parliamentary inquiry of that nature.

Mr. NUNN. I say to the Senator from North Carolina that I do not know of anything outside of what we call scoped. I do not know of anything. As the Senator concedes, it was a long conference. We had a 2-year authorization bill this year and two levels, plus two sequester levels. If the summit conference breaks down, we will have a possible sequester, and we want to be able to deal with that situation and probably find a better alternative than the law would require, and we have that right. I cannot certify to the Senator that it was outside the scope of this conference.

Mr. HELMS. No question was raised during the conference about it being outside the scope?

Mr. NUNN. I say to the Senator that usually that comes from the House side, more than the Senate side.

Mr. HELMS. That is right. The Senator is correct about that. But the Senate also has a rule.

Mr. NUNN. Many times, the House uses the scope procedural point tactically as well as strategically.

Mr. HELMS. Now let me get into another issue that is fresh on my mind, the issue of trespassing on the jurisdiction of other committees.

This morning we had a business meeting of the Foreign Relations Committee. There was some sharp, implicit criticism that the jurisdiction of the Foreign Relations Committee was being overrun by other committees, preempting our authority, our responsibility. There were admonitions from some members that we need to be alert against usurpation of our jurisdiction.

Now, very clearly in this conference report, I will say to my friend in all friendliness, that the horses were trotting, galloping into the turf of the Foreign Relations Committee. I hope that the Armed Services Committee will be on guard about that.

I made a few notes, and I have here the Standing Rules of the Senate. I guess what I am saying to my friend from Georgia is henceforth when there is wholesale intrusion into clearly the purview of the Foreign Relations Committee, can we agree now that conferees from the Senate Committee on Foreign Relations be included?

Let me just specify. I jotted down on page 22 of the Standing Rules of the Senate beginning with No. 7 some of the points that are clearly Foreign Relations Committee responsibility:

7. International aspects of nuclear energy, including nuclear transfer policy.

9. International law as it relates to foreign policy.

11. Intervention abroad and declarations of war.

13. National security and international aspects of trusteeships of the United States.

15. Protection of United States citizens abroad and expatriation.

Those issues are clearly none of the business of the Armed Forces Committee, if the Senator will permit me to say so.

16. Relations of the United States with foreign nations generally.

I do not think there will be any question about whose turf that is, if you will use that word.

17. Treaties and executive agreements, except reciprocal trade agreements.

I hope that the distinguished chairman of the Armed Services Committee and I can just have a gentleman's understanding that henceforth the Committee on Foreign Relations is going to be allowed to participate in conferences in matters such as these that are clearly under the purview of the Foreign Relations Committee.

Mr. NUNN. I will say to my friend from North Carolina that I wish everyone would be on the floor to hear this, because I would be the happiest person in this body to get Senators not to put any nongermane type of amendments on this bill.

Mr. HELMS. I know the Senator would.

Mr. NUNN. As the Senator from North Carolina knows we spent, I believe it was, 15 days and I do not know how many rollcalls we had, but I am told 58. We had, I think, 118 different amendments and an awful lot of those were amendments that were not germane to this bill and more properly could have been presented on another bill. But once the Senate has an amendment and takes it up and puts it on our bill we as conferees are bound to try to deal with that in good faith. We closely coordinated with the foreign relations staff and we did drop several amendments that were also in the Foreign Relations bill in fact. We dropped those and we waited to ascertain that they were going to be dealt with.

So we did everything that we could to shelve those amendments that were properly within the authority of the Foreign Relations Committee, but I say to my friend I do not know how we keep Senators from bringing up nongermane amendments under Senate rules. We do not, as a matter of fact. As the Senator from North Carolina recalls, he had an amendment relating to the State Department not being a foreign embassy and, of course, that came up on the floor and it was voted on and I think it received overwhelming approval and as I understand it that would have been within the jurisdiction of the Foreign Relations Committee. As I said to my friend from North Carolina, wait a minute, we would rather have that on the foreign relations bill. The Senate decided it was going to put it there and we have to deal with it.

Mr. HELMS. Will the Senator yield?

Mr. NUNN. I yield.

Mr. HELMS. I would certainly encourage him to say that if he would allow me to say the same thing about the Levin-Nunn amendment. That amendment actually quoted verbatim from the ABM Treaty.

Mr. NUNN. I would say that.

Mr. HELMS. Clearly that amendment was within Foreign Relations Committee jurisdiction.

Mr. NUNN. No. I would say that that was not the case, because what we had here, I say to my friend from North Carolina, was a provision in the armed services bill that directly controlled how the expenditure of SDI money was going to be undertaken by the administration, and it was not a foreign relations matter. It was in fact germane to our bill even if it had come up on the floor because it was an instruction about how SDI money would have been spent. So that provision clearly was within the jurisdiction of the Armed Services Committee.

The Senator from North Carolina may be correct to the extent it may be a joint jurisdiction matter, it may have also been within the purview of the Foreign Relations Committee. I think the rules clearly indicate we have the right in terms of the funds on the bill to make provisions as to how they will be spent just as the Foreign Relations Committee does with relationship to its funds.

Mr. HELMS. Why did the House have conferees from the Foreign Affairs Committee then? Was it this entire title of the bill, title IX, which is headed "Matters Relating to Arms Control."

Mr. NUNN. One of the reasons was that they said that the amendment of the Senator from North Carolina about the foreign embassy was within their jurisdiction.

Mr. HELMS. And also Levin-Nunn.

Mr. NUNN. No, they had nothing to do with Levin-Nunn. The Foreign Relations Committee appointees to that conference did not have any jurisdiction over Levin-Nunn. What was done, and I wish we could find a way to have the House not do this in the future, they had a special group of conferees that were appointed to have to sign off on everything relating to arms control, but that was not the Foreign Relations Committee. That was a group of conferees that were special. The Foreign Relations Committee came in on a number of amendments that were put on the bill on the Senate side that clearly should have been put on the foreign relations bill.

Mr. HELMS. And were. Or were there to begin with.

Mr. NUNN. And some of them were and we deferred on those and any of them being dealt with there, we deferred to the Foreign Relations Committee. I think that was appropriate.

I would like to join the Senator from North Carolina next year in looking at this bill carefully, and I would seek assistance, and I would hope we could keep nongermane amendments off this bill, because if that were to happen, it would probably cut in half the length of time it would take us to consider the bill.

(Mr. GRAHAM assumed the Chair.)

Mr. HELMS. I do not want the Senator to be offended in what I am about to say, but consideration of this defense authorization bill was prolonged by at least 3 months because of the Levin-Nunn language interpreting the ABM Treaty and I remember having to delay it and there were numerous rollcall votes and balking and all that. On the Republican side we had many discussions about Levin-Nunn being more appropriate to the Foreign Relations bill.

But I am saying all this in friendliness, and I thank him for the suggestion that we work together on this. I know Senator PELL would be equally appreciative. I cannot speak for Senator PELL or others on the Foreign Relations Committee but I would not mind joining as a conferee in an Armed Services Committee House-Senate conference, if that is what it takes.

Mr. NUNN. I would like to work with the Senator from Rhode Island. I talked with him about this. And I would like to work with both the Senator from Rhode Island and the Senator from North Carolina. There is no doubt about the fact that the Levin-Nunn amendment caused a great deal of controversy and there is no doubt about the fact that was the subject of a filibuster that delayed the consideration of this bill, but in my observation there was never a question raised about whether this was an appropriate measure to put on the bill on the armed services bill as far as jurisdiction was concerned. There were many people who objected to it as far as substance was concerned.

We checked rather carefully on that before it was introduced and we concluded it would have been germane to this bill had it been introduced on the floor.

Mr. HELMS. Certainly, I do not want to have an argument with the Senator because he is my friend and he has done a masterful job of moving along a masterful piece of legislation.

But I myself said on the floor many times as did I think the majority leader that if you take down this amendment you could pass this defense authorization bill before 6 p.m. It was then about 4 o'clock.

But that is neither here nor there. We have a gentleman's understanding that we will work together on the defense authorization in the future. And I thank the Senator.

Mr. NUNN. I thank the Senator from North Carolina.

I see the Senator from Illinois is on the floor, and the Senator from Nebraska, who has done a tremendous job, is also on the floor. I thank them for their help.

The PRESIDING OFFICER. Who yields time?

Mr. HELMS. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. Six minutes.

Mr. HELMS. Mr. President, we have had a useful discussion on the floor. I do not intend to prolong it further. I might say I have identified at least 7 and possibly 10 points of order that would lie against this conference report. I will not raise them, but we will just consider these issues a little later on.

I thank the distinguished manager of the bill, Senator NUNN, and the equally distinguished manager of the bill from Virginia, Senator WARNER, for their patience with me.

Having said all that, Mr. President, and I shall bring joy to the Senate, I yield back the remainder of my time.

Mr. WARNER. It would bring greater joy to the Senate if we could persuade the Senator to support the conference report, but as I understand my friend from North Carolina does have reservations and we cannot expect that support.

Mr. HELMS. I will vote very softly, but I will continue to have deep respect for my friend from Virginia.

Mr. NUNN. I thank the Senator from North Carolina for his courtesy in allowing us to move forward with this report. I think it is enormously important to get this concluded this week. I know he has concerns with some of the substance of the bill, and I understand that. Perhaps we have disagreements on some of that. The Senator has been most courteous, as he usually is, and we thank him. I will say here for the RECORD and I will stipulate that I will never accuse the Senator for voting against this report for the reason that the volume of it exceeds the agriculture bill which he handled. I will not make that accusation. I know he will vote on it relative to the concern he has for the substance.

Mr. EXON. Will the Senator yield for a question?

Mr. NUNN. I will.

Mr. EXON. The Senator from North Carolina has yielded back the remainder of his time. I know there are other Senators who want to speak. In the interest of time, so that we can get this to the House so they can act on it, when is it anticipated to have the final vote?

Mr. NUNN. It would be my hope that in the next hour or so we could come to a vote. I do not want to rush it and I do not want to cut anyone off from speaking. The Senator from Alabama has been very patient in this matter. I would hope we could complete action in an hour or an hour and a half.

We also have the confirmation of the Secretary of Defense designee, Frank Carlucci, that I hope to bring up this afternoon. I will have to consult with the majority leader on that as to his desires and schedules. I would hope we could complete this by 5 o'clock.

Mr. WARNER. I would like to add that the Senator from Virginia has indications from the distinguished minority leader [Mr. DOLE], Senator QUAYLE, and Senator DOMENICI of their desire to speak. I hope my comments now will reach them and they will come forward. As I understand it, following our distinguished committee member from Alabama, there is no one seeking recognition at this time. So it would be a most appropriate time for them to come to the Chamber.

The Senator from Virginia will wait until others have spoken before I express any further views.

Mr. NUNN. In furtherance of what the Senator has just said, we are informed that Senators LEAHY and BUMPERS would like to be heard. I would hope that notice would go to them so that we can expedite our proceedings.

At this point, I yield 5 minutes to the Senator from Alabama.

Mr. WARNER. Before the distinguished Senator from Alabama speaks, I think it would be wise for the distinguished chairman and me to approach the leadership and see if although the agreement states no later than 7, we might see if that time can be advanced so as to allow Senators to better plan their day. It seems to me in view of the expressions of other Senators wanting to speak that 5 o'clock might well be the time when the votes on both the Carlucci nomination and the bill might be taken. Of course, that is a leadership decision.

Mr. NUNN. It is a good suggestion. I hope we can be ready by then. I will consult the majority leader.

Mr. WARNER. And I will consult the minority leader.

Mr. SHELBY. I will be brief. I heed the words of my colleague from Nebraska, that it is time to move on.

I want to express my appreciation to the Senator from Georgia, the chairman of the committee, in fashioning this bill, which is a compromise. It does not have everything in it that I would want, but it has a lot of things in it that are going to be good for this country and I believe good for defense.

I also commend the ranking Republican on the committee, the Senator from Virginia, Senator WARNER, for his patience and his work in this regard. It has taken a long time, a lot of hours, and many, many meetings for this to be brought about.

This bill does a lot of things.

I will not go into the details of it, because it has been detailed well by the Senator from Georgia [Mr. NUNN]. This bill basically beefs up a lot of our conventional defense capability, and we certainly need this.

It also does some needed things in the naval area. We have to get some build-up there. And it also comes forth with $3.9 billion for SDI. I wanted the $4.5 billion that came out of the committee, but none on the committee really believed we would do this.

I thank the chairman again, Senator NUNN, and Senator WARNER, the ranking Republican, for holding forth in the committee of conference. This is basically the best we are going to do. It is a tough bill, but I believe overall it is a good bill and I am going to support it. It has some pluses in it, a few minuses, yes, but the pluses are what we have to go with. So the sooner we can vote on it, the better off we will be. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Alabama has yielded the floor. Who yields time?

If neither side yields time, time runs equally.

Mr. THURMOND. Mr. President, I yield myself 5 minutes.

I take this opportunity to congratulate the distinguished chairman of the Senate Armed Services Committee, my good friend Senator SAM NUNN, and the distinguished ranking minority Member, my good friend Senator JOHN WARNER, for their efforts in bringing this conference report to the floor. Senator NUNN is to be commended for his efforts in his first year as chairman of the committee, as is Senator WARNER for his efforts in his first year as the ranking Member. I would also like to note that my good friend from Virginia has been hampered by a very painful injury, but he did not let it keep him from fulfilling his duties, despite great discomfort. He is to be commended for his dedication to duty.

This is also the first year in which the Congress authorizes a 2-year defense budget. It has been a long effort by Senators NUNN and WARNER to accomplish this legislative achievement, and I hope that it will be the first step toward reducing congressional micromanagement of the Department of Defense. Also, I hope that the 2-year budget will add some stability to our procurement process.

Mr. President, this conference report authorizes defense spending at two levels, $296 billion for the so called high tier and $289 billion for the low tier. Either level, in my opinion, is insufficient to meet U.S. defense commitments. Our operational readiness and sustainability began to decline in 1986. The negative growth budgets that the Congress has been approving for the last 3 years are only making the problem worse. By 1991, we may very well be right back where we were in 1980 in the areas of readiness and sustainability. In an era when we are placing ever increasing importance on conventional defense capability, we are taking actions that impair that very same capability.

Mr. President, the Congress has a constitutional responsibility to provide for the national defense and it is probably the most important task of the Congress. By our refusal to fund defense spending at the necessary level, we may be forcing a reduction in the size of our force structure at a very important juncture in history.

As we move towards agreements that will reduce and even eliminate certain classes of nuclear weapons, we must be careful not to weaken our conventional capability too greatly. The defense build up that the Congress approved in the early 1980's returned the United States to a position of strength which greatly improved our negotiating position with the Soviet Union.

Mr. President, the Congress must not allow the gains made in the early 1980's to erode. It was our conventional and strategic modernization programs that brought the Soviets to the bargaining table at Geneva. If we ever hope to obtain conventional force reductions, unilateral restraint is not the path to follow. As long as we preside over a weakening of our conventional capability, we will be giving the Soviets incentive to delay agreement on conventional arms reductions. This is not in our interest, nor is it in the interest of our allies.

Mr. President, although I strongly support the Champus reform initiative, concerns have been brought to my attention regarding the request for proposal and the lack of competition in the bidding process for these contracts. Because of these concerns, I requested that the conference on the Department of Defense authorization bill for fiscal year 1988 include bill language requiring a report from the Department of Defense regarding the level of risk to be assumed by contractors under the RFP, and whether any alterations in that level of risk had been made from the time of the submission of the RFP to the present date.

This language does not require the Department of Defense to postpone the award of any contract under CRI. However, the report is requested within 30 days of the passage of this legislation.

I recently had the opportunity to meet with Dr. William Mayer, the Assistant Secretary of Defense for Health Affairs, to discuss this matter with him. During the course of that discussion, I requested that this contract not be awarded until such time as the Congress has received and evaluated the report required in this authorization bill. Dr. Mayer assured me that it would not be awarded until that time, and I appreciate his cooperation in this regard.

Mr. President, in closing I again congratulate the members of the conference committee for doing the best they could on the Senate side, and the staff, majority and minority, for being so helpful in this matter. I hope, Mr. President, that we can do better than this in the future on behalf of defense, but since the conference has acted I will now support this bill.

The **PRESIDING OFFICER.** The Senator from South Carolina has yielded the floor. Who yields time?

If neither side yields time, time will be equally divided.

Mr. QUAYLE. Mr. President, first let me congratulate the chairman of our committee, Senator NUNN, and the ranking member, Senator WARNER, for their very hard work in an intense negotiation working out a compromise with the House of Representatives, and also working out an understanding with the administration so that we can proceed with the Defense authorization bill.

It is no secret that this has been a very long, exhaustive and sometimes a very emotional debate on this Defense authorization bill, particularly as it related to the arms control provisions.

When this bill left the Senate, there were over 40 Senators I believe that voted in opposition to the Defense authorization bill. With very few exceptions, those Senators were voting against this bill because of the arms control provisions that were in it, arms control provisions particularly in the ABM interpretation and the SALT limitation that for all practical purposes were establishing Soviet positions right here in the Congress.

It is certainly not helpful to the administration, particularly as they continue their very sensitive and important negotiations with the Soviet Union, and I am happy to see what has transpired since that passage, in that we now have a bill before the Senate that I certainly will vote for, though my own personal preference is that I would like to see all of those arms control provisions dropped. At least we have gotten out references to the ABM Treaty and references to the SALT Treaty, those have been dropped, and that is good news because I do not believe this Congress wants to go on record adopting those positions that have been advocated at the bargaining table by our adversaries. It would not be helpful to this President or this administration to have those positions forced upon him by a Congress when he is negotiating with General Secretary Gorbachev.

So, Mr. President, what we have now is a bill that is a far more traditional approach to the defense authorization process. I am delighted to see the reemergence of a bipartisan consensus on the defense authorization bill, and I hope that it continues. If you have this strong bipartisan consensus, we are able to move this Nation foward in a very progressive manner; that as you have this bipartisan consensus we can stand unified in national security and not get into at times partisan bickering as to which side is going to provide for the best interests of national security. Certainly there is debate from time to time on what policies are best to see enhancement of deterrence, enhancement of peace and preservation of freedom. But this arms control compromise allows us to move forward in this area. The resolution calls for the budget submitted by the fiscal year 1988 as it was submitted. The budget request basically went along the lines of the narrow interpretation. They said even though they had the legal right to move to the broad interpretation, that in their budget request they did not request to do this.

And the compromise agreement says OK, that is what you requested, that is what we will allow you to do and if in fact you change your mind you have to go through the budget process, come back, take the reprogramming and ask for any changes. I do not anticipate that you will have any request in the fiscal year 1989, though they possibly could have.

What this compromise does is leave open in the 1989 defense authorization budget whether in fact the administration can or cannot move to the broad interpretation and whether the Congress will in fact allow the President and the administration to move to the broad interpretation. That issue is not resolved.

The fiscal year 1989 defense budget does not resolve that potential debate that looms on the horizon. Therefore, Mr. President, I hope that the administration will take this as an opportunity to figure out precisely what it wants to do in the area of SDI test and development beyond the research and the laboratory research that Gorbachev says we cannot in fact do.

I hope what happens, Mr. President, is we can get away from this legalistic argument of narrow versus broad interpretation. It has been a long argument. I am not sure it has been a helpful argument. It has been a long argument.

People feel very strongly on both sides. There are those who can stand up and make a very I think reasonable, legitimate interpretation and say it is the narrow interpretation. There are others of us who can get up and make the exact same case in a very reasonable, logical way on why it is the broad interpretation.

Reasonable men and women, intelligent men and women, people who understand the issue, can come to different legal conclusions.

I suppose an objective observer will say, well, this is perhaps a close call. Some may say at best or at worst it is ambiguous. I can argue that it is not ambiguous. Others can argue it is, and others can argue as well as I can for the broad, and they can argue for the narrow interpretation. But what we have now is an opportunity for this administration to get us out of the trenches of this legalistic argument on the ABM Treaty and to put forward on a programmatic basis where they would like to see us going in the area of test and development on SDI, that they can come forward next year in the fiscal year 1989 budget and make a specific request on a test and development that they would like to see take place that would move to the broad. Hopefully they will in fact do that.

I hope the new Secretary of Defense, as I urged him in our hearings in the Senate Armed Services Committee, will take a look at that route, to get in, take a good look at all the programs in SDI to see what kind of benefits it would be to move to not only the broad interpretation but to have a test and to see what technology will do. I hope we do not continue tests that sort of fudge the issue. And we have these tests that are confined and restricted to the narrow intepretation but we say to ourselves but we would really rather do them differiently because we have to get beyond that. This compromise in this bill allows the administration to come forward with that recommendation, put it on the table, to have a discussion and certainly if they requested it in the budget, then the Senate Armed Services Committee, this Senate, this Congress will have an opportunity to examine it.

Furthermore, I believe it is clearly pointed out in this compromise that though they cannot go with any of the bending of the metal, thay you can in fact have plans and designs for a broad test but you cannot do as it says any of the bending of the metal. But you can in fact have a plan. That does not violate the so-called narrow interpretation and will anticipate you can have plans.

So, in essence, Mr. Pesident, what we have done is say OK, what you have submitted in your budget is in the narrow interpreation. We accept that. Furthermore, what we anticipate that if you do decide to move to the broad interpretation it will probably come in the fiscal year 1989 and we will leave that question open when we are going to allow that to happen or not allow that to happen. That gives us full flexibility. It gives us greater flexibility at the bargaining table at the Soviet Union as we look beyond INF and to any kind of other arms control discussions. It also allows us the opportunity to put the SDI house in order and perhaps move to certain programmatic decisions that we have not made in the past that will have to be made in the future.

That is the compromise and the compromise that I think is certainly reasonable and prudent particularly given the circumstances of where we were as these bills passed the House and Senate.

The second issue, Mr. President, dealing with the SALT limitations, I was heartened by the fact that the Congress agreed not to cram down or tend to ram down the President's throat an unratified treaty that I quite frankly think there are certain constitutional implications. I am heartened by the fact that the references to the SALT Treaty and the binding statutory language to the unratified SALT II Treaty is not a part of this bill.

But this compromise denies funds for a Poseidon submarine, on the overhauling, refueling, refurbishing of a submarine that is in port that wants to go back out. By doing that, in essence you in fact restrict the operational capability of some of our sea-launched ballistic missiles which are SALT II accountable. And by doing that you are restricting the administration in that particular area and something that I do not think is a prudent course of action for the Congress but one that is not one to make this bill fatally flawed or to undermine any reason why we should not support this because, quite frankly, I hope that the President might want to consider the option on the Poseidon boat to turn it into and dedicate it to a cruise missile carrier, to put cruise missles on the boat. Nothing in this bill prohibits us from doing that. Put cruise missiles on that boat and I think perhaps from a military point of view and from a defense point of view, although I have not gone into it in that much detail, but on the surface it appears that might be a reasonable and just solution to this problem and perhaps from a military point of view not only equitable but a better situation than we have now.

Furthermore, there is no restriction on what we are going to do with our air-launched cruise missiles on the B-52's. There are no restrictions on moving forward with the Trident. But it does in fact deny funds for this Poseidon submarine which was in fact a compromise for those who wanted to wrap the unratified treaty around the President's neck and those that did not want to have anything, certainly a compromise.

The other two issues on the ASAT and the nuclear testing is basically a swap. We won on the nuclear testing. We lost on ASAT unfortunately and unfortunately the moratorium that we have for the past 3 years is going to be maintained. I hope sometime that the Congresss will get off that moratorium, see the prudence that you have to have an antisatellite capability, and the Soviets have that capability right now. They have an operational capability. We would like to test ours a few more times before saying it is in fact operational—test it.

The Soviets have had I do not know how many tests, 20-some tests. We have had a couple. There is no reason we should not be allowed to do more. That was an unfortunate consequence in this bill because we won that fight on the floor of the Senate and I predict we can win the fight on the floor of the Senate on that issue if in fact we have to.

So, Mr. President, we have a bill that is before us that, no, I do not particularly care for the arms control provisions. I just as soon they would not be there. But they are there. I do not believe that they are that much of an issue and I do not believe that they are injurious to the national security to the extent that they vote against this bill.

So I will be voting for it. And I believe even though we have had the long, protracted debate that in the long discussions that we have had with the things that tend to work out in the end, and I am delighted to see the reemergence and the recommitment to the spirit of bipartisanship which is so necessary and which has been so traditional on this committee and I certainly commend our chairman, in particular, our ranking member, Senator WARNER, for refortifying and reigniting what has always been a very important role of our Senate Armed Services Committee.

Those two gentlemen, along with soon-to-be Secretary of Defense Frank Carlucci, Chairman ASPIN, and ranking member DICKINSON, put in a lot of hours on this, and they have come to as good a resolution as possible.

No, I do not think it is close to being perfect. Yes, I have some problems, and if it were by itself, I would vote against it. But it is in the bill, and I will vote for the bill. They worked long and hard and put the best interests of the country first, and that is important.

What we do have here is a resurgence of that bipartisan spirit, and I congratulate the Senator from Georgia and the Senator from Virginia.

Mr. President, on another matter in the bill, one of the issues I have been involved in for approximately 3 years has been the extended air defense and the antitactical ballistic missile capability.

I believe that as we move toward a zero-zero option, the extended air defense systems in Western Europe and elsewhere are going to be very important. Western Europe is very interested in this; Israel is very interested in this.

The Senate's position on ATBM's was to take the money and spread it across the services. The House position was not that. In the compromise with the House, we were able to retain $25 million for Army program as the Senate had reported. But under the extended air defense, we took $50 million out of SDI programs that had the ATBM capability. I do not believe this is a wise decision.

I believe that the extended air defense, whether it be in Western Europe or Israel, should stand on its own feet. I do not believe it needs to be married to SDI or SDIO. That is a strategic program. That is a strategic area. The interests are strategic, not necessarily theater or tactical.

My own preference is to have that not be in the SDIO. My preference is to have that across the services, but that was not the case. The case is that it is coming out of the SDI account.

I will continue to try to work within the parameters of this bill—what the compromise has come forth with on this area. I intend to work with the Department of Defense on this issue. I know the reasons why this money was dedicated, the precise numbers, and for certain programs it was going to go to. Certain particular interests prevailed on this.

I have been carrying the water in the Senate on this particular program for a number of years now, and I will continue to do so. But in the last compromise on extended air defenses, I think we have some misunderstandings as to exactly how this program will work. That is to be expected. It is a new program, and once it gets off the ground and establishes a constituency and a role and a threat assessment on its own, perhaps we can find a more logical home for it than what we have right now.

Mr. President, one of the agreements reached in the conference process involves the Army's heavy cargo trucks.

The Army has, over the past 5 years, bought over 2,000 heavy 10-ton trucks from a single supplier. While the Army intended to buy approximately 2,300 more of these trucks, they have also indicated a clear requirement for a new heavy truck configured with a palletized loading system.

There was no disagreement between the conferees on the requirement for this new truck with palletized loading system. The differences between the House and Senate arose over how the new trucks should be procured.

The House insisted on using the technical data specifications for the truck currently under procurement as a basis for "competing" the new truck. This would have virtually assured that the current supplier would have maintained its sole source position for this class truck.

The Senate, on the other hand, supported the Army's position of competing the new truck based on performance specifications which would provide for true competition as well as the opportunity to take advantage of the latest technology with increased reliability, maintainability and effectiveness.

The use of performance specifications requires industry to use its own initiative and talent to meet Government requirements. This is certainly what the Packard Commission had in mind by suggesting that the Defense Department do more to follow commercial acquisition practices.

While we held our ground in the conference regarding the use of performance specifications for the competition for the new truck, the price we had to pay was considerable.

The House conferees insisted on a multiyear procurement for 4,737 more 10-ton trucks from the current supplier. This amounts to almost 2,500 more of such trucks than the Army intended to procure—almost one-half of a billion dollars' worth.

In addition, there is no provision requiring the usual 12-percent savings on this particular multiyear procurement. In fact, it was all we could do to persuade the House conferees to agree in report language that the price for these trucks be "fair."

This unnecessary procurement not only creates a gross imbalance in the Army's acquisition program but, in fact, through the consumption of very scarce procurement funds, jeopardizes the entire procurement of the new truck with palletized loading system.

This is one of those areas where I urge the Appropriations Committee conferees to dig in and fight this one out—to continue to insist that the competition be conducted fairly and properly through the use of performance specifications, to provide sufficient R&D funds to conduct an actual hardware competition and to reduce substantially the number of 10-ton trucks that would be procured over and above the Army's procurement objective.

Mr. President, in conclusion, let me just state again that this bill is as good a bill as you will find. I think our chairman and the ranking member and others worked very hard to come up with a product the President will sign. I think it is important that the President be able to sign and not be forced into a veto situation. I believe Senators and Representatives recognize the importance of trying to move the defense of this country along the lines of consensus, rather than along the lines of division.

I believe that the forces of consensus, the forces of giving the President full bargaining leverage, the forces that recognize that we should not establish Soviet positions in Congress, the forces that really believe and understand that you only have one person who is going to be negotiating—those forces prevailed. I am delighted that those forces prevailed. It was not an easy road. It was a rocky road. But becuase of the resolution we have here, we will be better situated for future debates and future discussions.

Again, I sincerely congratulate the chairman of our committee and the ranking member for truly an outstanding performance on a very tough series of issues and very tough but exceedingly important circumstances that this Nation finds itself in right now.

Mr. WARNER. Mr. President, I know that the distinguished chairman, the Senator from Georgia, joins me in saying our heartfelt thanks to the Senator from Indiana. He is a valued member of the committee. He never hesitates to let you know his feelings, which sometimes are not always consistent with those of the two leaders of the committee. Nevertheless, he is fair, up front, and very substantive.

You have carved out areas in this complicated area of defense, particularly procurement, and have done your homework, and we rely on it on both sides of the aisle in our committee. We thank you.

When the time comes to debate on the floor, only Thomas Jefferson could exceed you when it comes to fire in the belly on issues of national defense.

Mr. BUMPERS. Mr. President, is there a time constraint, or am I free to proceed with discussion of this for a few minutes?

Mr. WARNER. Mr. President, in the absence of the distinguished Senator from Georgia, I control time.

I know the ability of my good friend from Arkansas, and I think I might yield on a minute-by-minute basis and see how it goes.

Why do we not have such time yielded to the Senator from Arkansas as he may deem appropriate, bearing in mind that other Senators wish to speak and that the leadership is going to try to have the vote in the near future?

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. BUMPERS. I thank the distinguished Senator from Virginia.

Mr. President, a parliamentary inquiry: Is it still the consent agreement that we vote on final passage of this matter by 7 this evening?

The PRESIDING OFFICER. That is correct.

Mr. BUMPERS. Mr. President, first, I congratulate the distinguished chairman of the Armed Services Committee, Senator NUNN, and the ranking member, Senator WARNER, for the monumental task they have performed in the very best way possible.

It is not a bill that will please every Member of this body. Everyone would like to make a few changes in it, including Senators NUNN and WARNER. Given the difficulties under which they were operating, while trying to keep faith with both the House and the Senate on various provisions of the bill put in by both bodies, and at the same time deal with the administration, their task was not small. But they came up with a bill that I think is a decent, respectable one under those circumstances.

First of all, I want to say that I have always agreed with Senator NUNN on his narrow interpretation of the ABM Treaty.

I have never thought that the so-called broad interpretation that was first put forward by the administration, especially by Secretary Weinberger, had any legal or military merit.

One of the things that I have thought was a contradiction is to say that we will test our proposed SDI, and effectively scrap the AMB Treaty, and at the same time cajole or entice the Soviets into reducing the number of warheads in their arsenal by 50 percent.

Let me put it this way: Let us assume that both parties, the United States and the Soviet Union, have 13,000 warheads. The President has said time and time again that he wants to reduce these nuclear warheads by 50 percent. In other words, he wants to cut to about 6,000 warheads.

If you were a negotiator at the START talks on behalf of the Soviet Union, how would you address this with the Soviet people? Would you go back home and say, "We have entered into an agreement whereby we give up 50 percent of our offensive weapons, while the United States builds a glitzy Anti-Ballistic Missile shield, which they call Star Wars for short, and which some people think may very well give them the ability to destroy a good share of the remainder of our 6,000 warheads."

If you put the very best possible light on SDI, you will assume that 20 or 30 years from now we are able to deploy SDI it will destroy 90 percent of all incoming warheads. I think that is palpable nonsense, but for the purpose of argument let us say that is the case. Do you think the Soviet Union is going to cut out 50 percent of their arsenal while they allow the United States to build SDI which presumably would take out 90 percent of the remaining 6,000 warheads? Would we make such an agreement? Of course not. Now bear in mind that if the Soviets should launch all 6,000 of those warheads at one time and we were in fact able to destroy all but 600 of them, that is 90 percent of them, I still do not think the United States would be a very happy place to live after 600 one-megaton bombs, for example, landed on us.

But I can tell you that the Soviets may be dumb, but they aren't stupid. They are not going to sign an agreement like that. It is not because they think SDI will work or will not work. They simply know that they cannot tell the people of the Soviet Union that they have signed such a foolish agreement, any more than our President could tell the American people that he had agreed to such a proposal.

And then look at another facet. You have the right wing of the President's own party who do not even want the INF Treaty, and threaten to filibuster such a treaty even though it requires the Soviet Union to remove almost 1,600 warheads from Western Europe and the United States to remove fewer than 400. It may be as much as a 5-to-1 advantage for the United States, and yet there are Members of this body who say it is a terrible thing to do.

Talk about nonsense.

So let us reverse the START Treaty. Let us assume that President Reagan and Mikhail Gorbachev meet in Geneva next May, just an arbitrary date, and they agree to a START agreement and the President says, "OK, we will reduce our arsenal by 50 percent; you reduce yours by 50 percent, and we will give up on SDI; we will not deploy our Star Wars System that we are anticipating building."

And the President comes back to the United States and says, "Folks, I have a great treaty. We and the Soviet Union have just agreed to rid this Earth of 50 percent of all the nuclear warheads on both sides. And all I had to do to get it was to say we will not deploy SDI."

There are people in this body who will absolutely go berserk. They would filibuster that agreement from now on.

So I am just asking, does SDI make any sense under those conditions?

The Soviet Union has an economic problem that surpasses imagination in this country. We cannot envision what a basket case the Soviet economy is, and it is this Senator's opinion that Gorbachev is one of the people who understands that and he knows as long as he continues to spend 15 percent of the gross national product of the Soviet Union building weapons that economy will never get any better.

But all I want to say is I do not believe SDI is in the best interest of world peace and finally ridding the world of nuclear weapons, and I think it is a tragedy to try to convince the American people that somehow or other this big glitzy trillion-dollar shield overhead is going to save us from destruction once the nuclear war starts. It is a deceptive scam to try to convince people of that.

So I am glad that Senator NUNN has taken the lead in saying the ABM Treaty said exactly what it meant and meant what it said. The treaty prohibits testing an antiballistic missile system or any component of such a system on the sea, in the air, in space, or mobile land-based systems. As Senator Sam Ervin from North Carolina used to say, "English is the mother tongue." And the treaty is as clear as the nose on your face, and it says in the mother tongue that we will not test such an ABM system, and Senator NUNN has said we are going to comply with that treaty until we withdraw from it.

I have always said if President Reagan really believes in the narrow interpretation of the treaty that treaty also says in the mother tongue that either side can withdraw from the treaty on 6 months notice. Since we could not possibly deploy SDI for 20 years, why do we not just withdraw? We have that right. I will tell you why we do not. We want the respectability of complying with a treaty while at the same time abrogating that treaty.

That is like a sinner who attends church because he wants the respectability of the church. So he goes faithfully each Sunday morning and on Monday morning he goes right back plying his sinful ways.

In this bill before us, Mr. President, without saying anything about broad or narrow interpretations, it says that we are going to live effectively with the narrow interpretation. We are not going to start another arms race in space.

In that connection, I might just say for the record, and I am going to say this every time I get a chance, that even if we were to deploy SDI, the technology that would look most promising right now would require us to have atomic weapons on space stations circling around the globe in space. If that comes to pass, I ask the American people, How secure would you feel knowing that we now have nuclear weapons in space on space ships circling the globe, when you also know that occasionally those space stations go out of orbit and crash back to Earth, as a couple of Soviet space stations have done in the past few years?

As for the SALT II Treaty, both the House and the Senate said clearly and overwhelmingly that we want to stay in compliance with what we call the sublimits of the SALT Treaty, which is essentially that neither side shall exceed 1,320 MIRV launchers; that is multiple-warhead submarine-launched missiles, ICBM's, and bombers equipped with cruise missiles.

You all know that the President unilaterally last November decided that we would no longer comply with the 1,320 sublimit. So he continued to outfit two B-52 bombers each month with cruise missiles, even though it meant we would violate the 1,320 limit. And it is to the eternal credit of the U.S. Senate that 57 percent of the Senators stood up and were counted and said, "This is a bad policy. Mr. President, we want you to stay in compliance as long as the Soviet Union does."

There is nothing sacred about the number 1,320, except it is a constraint on the arms race. And so there was language put in the Senate bill that does not necessarily hold us at 1,320 but it does, at least for the coming year, put a cap on the number of MIRV'd launchers that we will deploy.

And while the number will go up slightly, we are going to take one *Poseidon* submarine out of action and that will help keep us near the 1,320 figure.

But I also want to say that on January 1, we are going to be at 1,345, 25 over the MIRV'd launcher limit of the SALT II Treaty. And by January 1 of the following year, unless we take another *Poseidon* out of commission, we will be at about 1,374. And if we are Senators will be hard pressed to talk about how the Soviets are violating a treaty when we are violating it in a much more substantial way than they are.

You cannot have it both ways. You cannot point to the Soviet Union saying, "You are violating it," when it is we who are indeed in a grosser violation.

I want to thank the committee for leaving in an amendment that I got put on the bill that said if we ever do build, if we ever do deploy SDI, it can only be activated by human hands and not by a computer.

I have a letter in my file, which I submitted for the RECORD when I offered that amendment on the floor, from General Abrahamson, who is head of the SDIO office. He said, "Senator, I couldn't agree with you more. We, too, do not want this system activated except by human hands."

I had said in my letter to General Abrahamson, "I do not want the planet destroyed by a malfunctioning computer chip." And he said in effect, "I couldn't agree with you more."

But in the same letter he said, "The optimum time to activate SDI is 50 seconds after the Soviet Union launches. The optimum time is 50 seconds and the last possible time to activate it is about 100 seconds."

Now, friends, I did not say minutes, I said seconds. And so you should stop to reflect on what happens if the President happens to be in the shower or down on the tennis court. Who is going to make this decision as to whether or not civilization is going to survive or not? Just another reason this whole thing does not make much sense.

Now, Mr. President, I will just conclude by saying that I wrote an article that the New York Times carried on their op-ed page yesterday, and I have had a lot of calls from press members today about the budget. Now the budget, in a sense, is only collaterally related to the defense bill. But one of them press people said, "Senator, you are proposing to raise taxes." I said, "No, I'm not proposing to raise taxes. I'm proposing not to cut taxes any further. The obscenity of all obscenities to me is for our budget negotiators to be sitting in a room just off the floor of this body negotiating on the one hand on how they are going to cut next year's deficit by $23 billion or maybe even $30 billion, on the other hand allowing a $17 billion tax cut to go into effect beginning January 1, 1988." The $17 billion includes corporate tax cuts too.

This fellow said, "Oh, you Democrats, you always want to raise taxes." I said, "I just got through telling you, I am not for raising taxes, but the obscenity is we are sitting around trying to find $23 billion on the right hand and on January 1 another $17 billion tax cut goes into effect. And for whom? Mostly people who make over $100,000 a year."

Now, if being a Democrat means that you do not think it is right for the wealthiest people in this country to get another $8.5 billion tax cut next year, I am proud to be a Democrat.

If being a Republican means you are happy to see 576,000 of the wealthiest taxpayers in America get still another tax cut come January 1, then I'm glad again to be a Democrat.

And what does all of this have to do with what I came here to talk about? I told a fellow on a live radio interview a while ago, "Everything changed on October 19." And he said, "If it all changed, why are they having such a hard time coming up with a package to deal with the deficit?" I said, "Because once the market stabilized after that big 500-point drop, we lost our enthusiasm." Nobody around here wants to invoke the War Powers Act over the Persian Gulf because there has not been anybody killed in the last 3 weeks. You let a matter settle down and you will find politicians burrowing under every fence that they cannot straddle. And on October 19, everything changed, but then it stabilized. And so now we are having a hard time getting people to face reality. But there is no place to hide, there is no place to run. We have to face it.

Is it going to take another 500-point drop in the stock market for this crowd to see what is going on in the world? Go out in the boondocks and talk to the folks and they will tell you what they think. They think that Congress and the President cannot govern anymore. And why would they not think that?

Back to arms control, is it going to take the dropping of a nuclear bomb by accident or design for the world to realize that we are living on the precipice every day that civilization—every living thing on Earth, plant and animal—is threatened every second of the day? And yet we go on in this body with a business-as-usual attitude.

And once one of those bombs drop and you see a few million people dead, everybody will say exactly what we in the South said after the Civil War: "How on earth did this happen?" Well, I will tell you how it happened. A bunch of politicians led the people of the South into believing they were invincible, leading them to believe that they were superior, that slavery was a perfectly legitimate institution. And they fed the bigotries and hostilities of the people until the war became inevitable. And when it was all over and the South lay in utter desolation: everyone asked, "How did this all happen?"

What the conferees have done in this bill is to honor as best they could, given the constraints the White House put them under, the mandate that the Senate and the House put on them by saying, "Let us bring a little sanity to this arms race and give just a glimmer of hope to future generations."

Mr. LEAHY. Will the Senator from Arkansas yield?

Mr. BUMPERS. I yield the floor, Mr. President.

The PRESIDING OFFICER. The Senator from Arkansas yields the floor.

The Senator from Vermont.

Mr. LEAHY. Mr. President, I have listened to what the Senator from Arkansas said. I always find myself in such complete agreement with what he says.

The PRESIDING OFFICER. I say to the Senator from Vermont, on whose time do you wish to speak?

Mr. WARNER. Mr. President, I yield such time as the Senator from Vermont may desire.

The **PRESIDING OFFICER**. The Senator from Virginia yields to the Senator from Vermont.

Mr. **LEAHY**. I thank my friend from Virginia in being his usual courteous self in that regard.

Mr. President, I congratulate both the distinguished chairman and the distinguished ranking member of the Armed Services Committee for getting this defense authorization bill through this year.

Mr. **WARNER**. Mr. President, I thank the distinguished Senator from Vermont for his courtesy.

I wonder if I might inquire as to the length and duration of his comments, such that the Senator from California, if it is agreeable to the chairman, might be recognized afterward.

Mr. **LEAHY**. I doubt if I will take more than 6 or 7 minutes. I do not intend to speak long.

Mr. **WARNER**. Mr. President, I then yield such time the Senator from Vermont may wish, with the understanding that he would be followed by the Senator from California for whatever time he may wish.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **LEAHY**. Again, I thank the distinguished Senator from Virginia.

Mr. President, the President of the United States and the leader of the Soviet Union will meet here in Washington in just a few weeks and I am glad to see that meeting occur. I would like to see us reach a point where the President of the United States and the leader of the Soviet Union would meet every year, 1 year in the United States, 1 year in the Soviet Union, in good times or in bad. In fact, people might say all the more important in bad times. Not because they have a treaty to sign but because the two leaders of the two most powerful nations on Earth owe it not only to their own nations but to the rest of humanity to meet.

It has been discussed that when they do meet this time they may well sign an INF agreement. That is a relatively modest agreement. I think it encompasses 3 to 4 percent of the warheads of the superpower arsenals, so it does not really amount to many warheads. Even then, it comes with its own problems of verification. But at least it is a step, a small and modest step but the first step in arms control that we have seen now in 7 years.

Let us hope that because of that small step we might go on to a greater step and start reducing the massive stockpiles of nuclear weapons on both sides. In anticipation of the fact that the President of the United States and the leader of the Soviet Union would meet at some time, the distinguished Senator from Arkansas and myself, the Senator from Pennsylvania [Mr. HEINZ], and the Senator from Rhode Island [Mr. CHAFEE], put together the so-called Bumpers-Leahy-Chafee-Heinz amendment to the defense authorization so that you try to keep some limit on the expansion of our own nuclear weapons in this country until the two superpowers could work out an agreement for some sort of arms control.

It was not a unilateral move. We would show restraints only if the Soviet Union showed restraints, but we did it so that when the two leaders met they would not have to start renegotiating the past but, instead, step into the future and a future that might start to diminish the specter of nuclear war.

I think we have done that in this authorization bill. In fact, this authorization represents the most serious effort Congress has made in a decade to do anything on real arms control. Because of that I will support it and I will vote for it. If the Congress approves this conference report, if the President signs the Defense Authorization Act, there will be some controls in the arms race, assuming the Soviet Union responds by showing restraint in its own actions. If not, even those fragile elements will collapse.

You know, we talk about the INF agreement coming up, Mr. President. The few warheads that will be removed by that are barely equal to the warheads that we add now every 18 weeks. Let us not lose sight of that. Seven years we worked to come to this INF agreement and in 18 weeks we add more warheads than will be removed by it.

There have been, within this conference report, some compromises and they were necessary. Otherwise, the President would have vetoed this bill even with the modest arms control steps in it. But look what has been accomplished.

We will have capped the buildup of strategic missiles and bombers for the next year. We will have helped the atmosphere as the President and General Secretary Gorbachev prepare for the summit where they will sign an INF treaty and seek further progress toward the strategic arms reduction agreement. They will not have to meet in a wide-open arms race where they will have to decide the past and also the future.

So, Mr. President, arms control should always be the uppermost in this body; this body especially.

There are only 100 men and women in this country who will ever be able to vote on an arms control treaty, the 100 men and women who are privileged to sit in this Chamber, to debate in this Chamber, to vote in this Chamber. Arms control, at least in my mind, transcends politics or partisanship or convenient labels like liberal, moderate, conservative. It is the only sane course thinking men and women who love this planet and its human inhabitants can possibly take.

The bill has gone through the perils of Pauline this year, and they have managed to get the lady off the railroad tracks before the train roars over her.

The Nation needs a Defense Authorization Act. It authorizes funds for weapons purchases, for research and development, for force levels, pay, and the thousand and one programs necessary to operate the Armed Forces. It sets spending priorities for a $300 billion defense budget, and gives guidance to the services for future directions in strategy and capabilities.

This particular defense authorization is unusual, because it represents the most serious effort Congress has made in a decade to do something real on arms control.

The Senate, in the version it sent to the conference, voted by 57 to 41 for the Bumpers-Leahy amendment to require President Reagan to observe weapons caps of 820, 1,200, and 1,320 so long as the Soviet Union does the same. The House had a substantively identical position.

Mr. President, it was the clearly demonstrated will of both bodies that the defense authorization bill establish by law controls on intercontinental bombers and missiles until there is a new treaty on those kinds of weapons.

The conference report before us does have an arms control regime.

It is not the unequivocal, legally binding limits both the House and the Senate voted so clearly to establish. It does not return us to the policy of adhering to the SALT limits as we did for over 6 years before this administration decided take us back into a world of a wide open nuclear arms race.

What we have, as I understand it, is a requirement that the administration dismantle one missile submarine next year at the time of its overhaul schedule. That will have the effect of cutting 16 missile launchers from our strategic forces. I understand the administration will continue the current rate of B-52 conversions to carry air-launched cruise missiles, so that by the end of this fiscal year the United States will have about 1,345 multiple warhead missiles and bombers. This will represent an informal cap on U.S. deployments. We will also remain below the 820 and 1,200 ceilings.

Mr. President, let me recapitulate.

If the Congress approves this conference report and the President signs the Defense Authorization Act, there will be some controls on the arms race, assuming the Soviet Union responds by showing restraint in its own actions.

If not, even these fragile limits will collapse.

Mr. President, I understood that a compromise would be necessary. Otherwise the President would veto this bill regardless of the disruptions to the Defense Department, and we could not override that veto. Then, we would have no arms control at all.

I am a realist and I know this partial victory for arms control is far better than continuing without any limitations whatsoever on strategic weapons. We have been able to bring the President and the administration back to at least some limits on the nuclear arms race. It is not as much as I would have wanted, but it is still important.

The distinguished chairman of the committee honored a commitment he made to me to consult about the compromise he was trying to work out with the House conferees and the White House. I thank him for his candor in explaining where he was going, and for listening to my concerns that the Senate vote on Bumpers-Leahy lead to something meaningful for arms control.

I know some of our supporters are disappointed that the clear arms control framework of Bumpers-Leahy was not fully achieved. Of course, I would have preferred complete victory, too.

But look at what has been accomplished. We will have capped the buildup of strategic missiles and bombers for next year. We will have helped the atmosphere as the President and General Secretary Gorbachev prepare for the summit where they will sign an INF Treaty and seek further progress toward a strategic arms reduction agreement. They will not have to meet in a wide open arms race where there are no rules, no limits, no predictability.

This interim restraint regime means they will have a base to start from.

Therefore, I will vote for this conference report, and I urge all Senators, especially those who voted for our amendment, to join me. Clearly, had it not been for the Senate's 57- to 41-vote, we would not have gotten even this much.

There are other gains for arms control in this bill. The moratorium on tests of antisatellite weapons as long as the Soviets do not test will continue. There is a prohibition on the ability of the administration to conduct tests of star wars weapons over the next year that would violate the traditional interpretation of the ABM Treaty.

Mr. President, as one who believes the Senate has a special responsibility in arms control, I believe we have at last done something real. These are not sense-of-the-Congress resolutions. These are not letters to the President signed by a majority of the Senate. We have done those things, and the President has refused to heed us.

With this bill, the Congress is telling the President enough is enough. We insist on some controls on this insane buildup of useless, deadly nuclear weapons.

Nuclear weapons can destroy everything. We have simply no choice but to get rid of them before they get rid of us. A modest step has been taken in this conference report. Because of that, if for no other reason, we should support it.

Mr. President, I had told the distinguished Senator from Virginia that I would yield to the distinguished Senator from California at this point and I will yield to him, I understand on the time of the distinguished Senator from Virginia.

The **PRESIDING OFFICER**. The Senator from California.

Mr. **WILSON**. Thank you, Mr. President. I thank my friend from Vermont.

Mr. President, in his remarks the distinguished Senator from Vermont made reference to the fact that had compromises not taken place on this defense authorization bill the President of the United States would have exercised his veto. That is a perfectly accurate statement. Not only would he have exercised that veto, he would have been sustained. I make that statement with assurance that it is true by virtue of the fact that a letter was circulated which gained sufficient signatures of Senators to provide the President the assurance that his veto would have been sustained.

The President would have felt compelled to exercise that veto and those of us who had pledged to him that we would vote to sustain him felt compelled to give him that assurance because of the importance that we attached to particular provisions that were in the bill as it came to the floor and, indeed, as it left, which are no longer present in it.

Not only the Levin-Nunn amendment, which was the focal point of great attention and debate both in committee and here on the floor, in the Senate version of the defense authorization bill, but in addition the House had attached other so-called arms control provisions which were equally unwise, which also are no longer a part of this conference report.

What was at stake, Mr. President, was not only the constitutional authority of the President of the United States. I have differed with my friend and chairman about that. He has said on occasion, on the floor as we contested that point, that it is the President who is the chief negotiator for the United States in the negotiation of treaties. It is my position that the Constitution confers that responsibility on the President of the United States exclusively.

I have had reason in the past to regret that that is true. I may have reason to regret it in the future when someone else is President in whom I cannot repose the same confidence. But nonetheless, the Constitution is a document for centuries, not one that should be interpreted with the shifting political whims and with focus on who it is that occupies the White House any more than it is a matter of easy flexibility and academic interpretation of the Constitution as to who it is that has responsibility for the conduct of military operations.

It is the Commander in Chief. That is the President of the United States. It is not the Congress. Congress has important roles. As it relates to treaties, our role is to ratify or to decide not to ratify a proposed treaty as, indeed, this Senate with a Democratic majority in 1979 refused to give ratification to the SALT II Treaty that had been signed and advocated by a Democratic President: Jimmy Carter.

The Congress has an important role in deciding what we will find in terms of the President's requests for the Defense Establishment. It is not something that we should treat lightly. Neither should we confuse that power of the purse with being a power to substitute our judgment and, in fact, usurp the constitutional authority of the President as the negotiator of treaties.

The conference report that is before us, Mr. President, contains some unwise provisions. It is, by and large, a good effort, and I commend my friend, the chairman, and my friend, the ranking member, for the tremendous amount of energy they have devoted to bringing to us an authorization bill that we hope can adequately fund the efforts of the United States to maintain not only its own security but that of the free world. By and large it is a good one.

But it does contain some spectacularly unwise provisions. Compromises were made and in the course of those compromises some unwise things were excised from both the Senate and the House versions of the authorization bill and do not appear in the conference report. But one provision that does for the third straight year is a ban on U.S. testing of our Asat capability, our antisatellite capability. Mr. President, that is a serious mistake. Hopefully, this is the last year when we will make that mistake so we will not allow it to ripen from a serious error into a tragic one because without the capability to test our antisatellite capability, the United States is in the position of not being adequately prepared to deal with the technology that changes daily, that increasingly threatens the United States and the free world.

The Soviet Union has been careful to conduct its testing in such a way that when they had completed theirs they could challenge us not to engage in any further testing as they enjoyed a temporary respite, having satisfied their needs for the moment.

It is unwise of us to impose upon ourselves unilateral constraints at any time, and certainly on the threshold of negotiations that we hope will lead to arms control breakthroughs.

So we have unwisely, once again, imposed upon ourselves the kind of constraint that should be won, if at all, at the negotiation table when, in fact, we gain something for it in terms of a concession from the Soviet Union. That is not the case with this important, serious mistake that we have made once more in imposing upon ourselves in return for nothing the ban on testing of our Asat capability. At the very least, we did not go further and impose upon ourselves unilaterally constraints of a kind that match the Soviet position with respect to the interpretation of the Anti-Ballistic Missile Treaty and our conduct with respect to the strategic defense initiative.

I will only say, Mr. President, that I am glad that at the last moment there was sufficient wisdom to dictate that that kind of remarkably unwise, unilateral constraint in return for no bargain for a concession has been excised from this legislation. It will avoid the necessity for a remarkably ironic veto by this President, who has made it a hallmark of his tenure in the White House to rebuild the credibility of the free world by restoring the credibility of our Armed Forces. By removing the necessity for his veto, the wisdom that has removed those offending provisions has made it possible for many of us who were pledged to support him in that veto now to be able to support this legislation, albeit somewhat grudgingly because of the unwise provisions that remain in it.

It will do a great deal of good in terms of conventional capability. It will allow if not as much as is wise, at least a sufficient amount of money for the furtherance of the Strategic Defense Initiative Program so that hopefully we will continue to have the credibility that that program, above all others, has brought to the United States in seeking to negotiate arms control concessions with the Soviet Union. Let no one be under any misapprehension as to why it is they have returned to the bargaining tables, having dropped all preconditions. Let no one be under any misapprehensions as to why it is that the Soviets insist, in a virtual obsession, in seeking to have the United States abandon the very research, the very effort, in which they are engaged and have been for decades to develop their own Soviet strategic defense initiative.

Mr. President, with these changes, it is possible for us to vote for a defense authorization bill that is needed. It is my hope that we will not play this game of congressional and Executive chicken in the future. The security of the United States is far more important than partisanship gain in an election year, out of an election year. I would hope that the time would return when short of the impetus of actual war itself, we can come back to the kind of bipartisan cooperation that marked those years when Harry Truman, a Democratic President, was able to turn to Arthur Vandenberg, the Republican chairman of the Senate Foreign Relations Committee, and seek his assistance, his active involvement, in lobbying through the Congress the kind of credibility that we gained when we provided active assistance to Greece and Turkey in the years right after World War II sufficient to allow those nations to remain free of the threat of a very real Communist takeover that then threatened.

Mr. President, that is the kind of bipartisanship that should mark deliberations on this subject, which is, after all, the primary importance. Virtually all the rest of what we seek to do to improve life in the United States for the constituents who privilege us by sending us here to serve them is dependent upon our maintaining that kind of credibility. It is by having the strength and the resolve to use that strength if we have to that we are best enabled to avoid ever having to send our sons and daughters to the actual fields of battle. History is much too clear that those democracies who, by their weakness, have encouraged aggression, have been those that have paid the price. Their good intentions have never been sufficient to safeguard their sons and daughters. I think we owe a high degree of realism to the young people who we ask to serve in uniform to protect this Nation.

The first duty of a democracy is to survive, or as Winston Churchill put it with more eloquence than I can do justice to by failing to remember his words verbatim, he stated very simply that courage is the most important of all the other virtues because it makes all the other possible.

In that similar respect, Mr. President, it is essential that we be credible in terms of our strength, in terms of our resolve to use it, if necessary, as the best guarantee that we will never have to.

Mr. President, I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from California has yielded the floor.

Who yields time?

Mr. WARNER. Mr. President, I urge all Senators who wish to address this bill to come forward at this time. The leadership as yet has not determined an appropriate time to vote on this bill, but I anticipate that decision is imminent.

I see the Senator from Iowa is on the floor, and I expect he will momentarily be seeking recognition. I know the minority leader has asked for time to make his remarks, and I am told the Senator from Idaho is anxious to make some remarks. So I hope Senators will bear in mine that the leadership is likely to make a decision on a time to vote very shortly. A number of Senators have plans this evening and we are anxious to accommodate those plans.

Mr. President, I also take this opportunity to express my deep respect for the leadership given by the chairman. It has been a difficult course of action over a very lengthy period of time. Without his determination, we would not be where we are today, acting in the interests of the defense of this Nation in what I perceive to be a totally nonpartisan fashion.

Mr. NUNN. Mr. President, I thank my friend and colleague from Virginia. He has not been on the floor the period of time I have been extoling the virtues of his leadership. I will repeat those comments because he has done a superb job.

We have gone through a 1-month conference resulting in the most complex conference report I think we have ever had, for reasons beyond our control relating to the budget. The Senator from Virginia has done his usual superb job. We have approached this matter in a spirit of total bipartisanship, and that is the reason we now have a conference report. I thank the Senator from Virginia and I thank Carl Smith and Bob Bott and others on the staff who have worked so hard in this extremely difficult undertaking.

From a Senator's point of view it was the most difficult we have had I think in terms of substance and procedure, but from the staff point of view it was 10 times more difficult and our staff on both sides has done a magnificant job in an extremely complex situation.

I do not know of any other committee in the Congress that has had to mark up a major authorization bill, first of all, for 2 years—the first time that has been done to my knowledge—second, with two budget levels, what I call very detailed budget levels, and, third, with two options on the sequester level. So we have never had a report like this from any committee and I thank the staff, Arnie Punaro and Bill Hoehn and Carl Smith and Bob Bott and many others on both sides who have worked so hard.

I thank my friend from Virginia.

Mr. WARNER. Mr. President, if I might just have a moment, indeed the Nation is now looking at the Congress to determine whether or not it can participate in governing the affairs of this Nation, with of course the focus being on the budget talks.

But as I look back on the complexity of the issues that were before the conferees, indeed, the issues that were before the Senate Armed Services Committee, I take great pride in what our members were able to do. The distinguished chairman from Georgia, the chairman of the House Armed Services Committee, Mr. ASPIN, and ranking member, Mr. DICKINSON of Alabama, and myself, to the extent that I made a contribution, were able to work with our conferees and resolve problems, indeed, of the magnitude of those facing the budget conferees in every respect.

So I say on behalf of the conferees and, indeed, the members of both committees, the total membership, I think we have fulfilled our role with a sense of humility in governing as a Congress should. And in that capacity we worked extensively with the senior staff of the White House, Mr. Baker, the Chief of Staff; Mr. Carlucci, the National Security Advisor to the President; Mr. Powell, Deputy National Security Advisor; Colonel Linhart; and a number of others. We truly had negotiations which to me are a model of how the legislative and executive branches should work together and govern the affairs of our Nation.

Mr. NUNN. I would certainly agree with the Senator from Virginia in that description of what has occurred.

Mr. WARNER. Mr. President, I also want to pay respects to Arnold Punaro, the majority staff director of the Armed Services Committee, and to his deputies; and to Carl Smith the minority staff director and his deputies, and to all other committee staff members. Under their leadership they did perform an enormous task in putting this bill together.

Mr. NUNN. I thank the Senator from Virginia.

The Senator from Iowa desires how much time?

Mr. HARKIN. If I could have 10 minutes.

Mr. NUNN. Will the Chair advise the Senator from Georgia how much time remains?

The PRESIDING OFFICER. Thirty-five minutes.

Mr. HARKIN. I do not think I will take that much time. Five minutes.

Mr. NUNN. How much time does the Senator from Virginia have?

The PRESIDING OFFICER. Eighty-two minutes, forty-four seconds.

Mr. NUNN. Mr. President, will the Senator from Virginia yield 5 minutes and let me yield 5 minutes to the Senator from Iowa, since I am running short of time? I do not know who else may want to come in.

Mr. WARNER. Mr. President, the Senator from Georgia can certainly speak for the Senator from Virginia in the allocation of time. I want to reserve 10 minutes to the distinguished Senator from Kansas, Mr. DOLE, and 10 minutes for the distinguished Senator from Idaho.

Mr. NUNN. Mr. President, I will yield to the Senator from Iowa 10 minutes equally divided.

The PRESIDING OFFICER. The Senator from Iowa has 10 minutes equally divided.

Mr. HARKIN. Mr. President, I thank the distinguished chairman and the ranking minority member for yielding me time. I do not intend to take that much. I do want to engage in a small colloquy with the distinguished chairman of the committee and that may take a couple minutes.

Mr. President, I, too, add my compliments to both the chairman and the ranking minority member of the Armed Services Committee for the diligent effort they have put forth this year. It has been a long, hard-fought battle. I did not think it was going to come to a resolution this year. Quite frankly, I voted for the defense authorization bill when it was on the Senate floor, and I have not always voted for defense authorization bills in the past. But I at least felt this one was balanced. It did not just throw a lot of money at the defense establishment. I felt some tightening-down measures were implemented.

I also felt very strongly about the provisions of both the ABM Treaty and the SALT II provisions that were added to the bill.

I also supported the amendment by Senator JOHNSTON on the further reduction on SDI. We were not successful, but in the conference it was reduced somewhat down to $3.9 billion rather than the $4.5 billion level. So I will probably also vote for the conference report, but I must say that I have some reservations about those two areas, the SALT II area and also the ABM language. I would like to restrict my comments to those two areas.

With regard to the sublimits under SALT II, I believe that the American people have spoken in poll after poll by a margin of 2 to 1, and both Houses of Congress have voted to return to the sublimits of SALT II. And yet, as I read this conference report, we have removed any limits on these offensive weapons even if the Soviet Union abides by those limits. This report allows the United States to continue at its current level, which is 22 above the limit. Worse, the addition of air-launched cruise missiles, bombers, and particularly the addition of another Trident submarine with 24 missiles next September will increase the limit on multiple warhead launchers even further. Even the language that withholds money to overhaul the Poseidon submarine, the *Andrew Jackson*, could be reversed next year allowing further erosion of the arms control regime.

So I am concerned that basically we have stepped back in a very big way from the sublimits on SALT II. I hope that this Senator is proven wrong as the events unfold next year. I hope that we do not exceed those limits. I hope that we do return to those limits especially not exceeding the 22 where we are right now.

Mr. President, I am also concerned that we have abandoned the ABM Treaty language in this conference report. I know that the distinguished chairman of the committee has worked very hard and diligently to get this language in the Senate version, and I am concerned that the conference report really does not track very closely.

It has been said that we do not need this language this year since no SDI test would violate the treaty during fiscal year 1988. But it is very clear to this Senator that SDI will be developing the space-based interceptors, one of the six programs approved by the Pentagon for the "validation demonstration phase development." This is new language we now have from the Pentagon. We do not talk about development because development is prohibited. So now we talk about validation demonstration phase, but if that is not development, then I do not know what is.

Quite frankly, the space-based interceptor is the heart of the planned early deployment of SDI. While it is going to be tested initially by launching it into space from a ground-based missile, it is clearly intended to be space based. It must be space based to intercept Soviet boosters in their boost phase. But Article V of the ABM Treaty clearly states that both sides undertake not to develop, test, or deploy ABM systems or components which are sea based, air based, space based, or mobile land based.

While the space-based interceptor may not be tested in the ABM mode next year, SDI is clearly developing a space-based weapons system which can substitute for the conventional ground-based ABM interceptor missile.

Lawyers may be able to weasel out of this by saying we are not developing the space-based interceptor. But I believe we are actively developing a space-based interceptor system that is not based on other physical principles and therefore is prohibited by any interpretation of the ABM Treaty.

I guess the question I have for the distinguished chairman basically revolves around this point. As I read the language in the report, it says that whereas the Senate bill explicitly provided that there would be no obligation or expenditure of funds for any ABM system which are sea based, air based, space based, or mobile land based unless the President proposes to Congress and we pass a joint resolution under expedited procedures. The House bill had a similar provision although the President did not have to come back for a joint resolution but he would have to report it to Congress and tell how it is in the national interest.

What this report of what the conference report seems to say to me is that they can go ahead and do everything they want to consistent with the 1987 SDI report. But I think inherently in that report it provides for this validation demonstration phase. And what I would like to ask is, would the language in the conference report prohibit during the next fiscal year the launching into space from a ground-based missile any type of space-based interceptor. Let me rephrase that. Would the language of the conference report prohibit the expenditure or obligation of any funds for the launching from a ground-based platform into space of a space-based interceptor system? Because the way I read the conference report is that basically it would allow for that. And if it would allow for that, then really the conferees have done away with both of the ABM language of the House and of the Senate. And they will be able to move ahead as they said with this validation demonstration phase.

So again if the chairman would like me to rephrase the question or to try to develop it further, I would be glad to because I want the chairman to understand what I am getting at. While both the Senate version and the House version prohibit these extra expenditures for obligations to the very narrow interpretation of the ABM Treaty, what the conference report says is that basically they can go ahead and expend the money as long as it is consistent with the 1987 SDIO report, which allows, as I understand it, for a launching from a ground-based platform into space of a space-based interceptor system.

Mr. NUNN. I would say to my friend from Iowa I believe I understand the thrust of his question. The answer I would give to my friend from Iowa is that the SDIO report of April 1987 did not describe any test that in our opinion would be violative of the traditional interpretation of the ABM Treaty, and the test that the Senator from Iowa is referring to falls short of the definition in the ABM Treaty that would be precluded under the traditional interpretation because it falls short of being a test in an ABM mode of a prototype of an ABM system or component. Those are the key words. If it is less than a prototype of a system or component, then the traditional interpretation of the ABM Treaty does not preclude it. The test described in the April SDIO report falls short of a test of an ABM prototype and therefore it is not precluded under the conference report, nor is it precluded, though, I might add, under the traditional interpretation of the ABM Treaty.

Mr. HARKIN. So the chairman is saying that even under the ABM language that we had on the Senate version of the bill, the language of the conference report will not permit any testing that goes beyond what would have been allowed under that strict interpretation of the ABM language that was in the initial Senate bill?

Mr. NUNN. The Senator is correct.

Mr. HARKIN. I appreciate the chairman answering and stating that very clearly because I was concerned that the conference report seemed to have strayed quite far afield away from that narrow interpretation and what might be allowed in that testing phase during the next fiscal year.

Mr. NUNN. The conference report makes reference to the April SDIO report and the April SDIO report, everything in that report——

The PRESIDING OFFICER (Mr. ADAMS). The time——

Mr. NUNN. I yield 2 minutes.

The PRESIDING OFFICER [continuing]. Yielded to the Senator from Iowa has expired.

The Senator is recognized for 2 additional minutes.

Mr. NUNN. Everything in that report is in compliance with the traditional interpretation of the ABM Treaty. There are tests but these tests come under the category of tests of devices or demonstrations validations of items or technologies that are less then prototypes of ABM systems or components. And therefore the very careful reading that our Armed Services Committee has given that, and the staff has given, indicates that none of those tests in that report would be violative of the traditional interpretation of the ABM Treaty.

One of the interesting things that has occurred in the last year when we have debated the broad versus the narrow interpretation is that there are those in the administration who have set forth an interpretation of the ABM Treaty under the narrow interpretation that, in the view of those on the Armed Services Committee, is narrower than the narrow interpretation really is. I think that is because they wanted to make a stronger case that we need to go to broad and that the board would save money and time. It has been interesting and backward logic in trying to make the traditional interpretation more restrictive than it really is.

Mr. HARKIN. I appreciate the chairman's explanation. I know of his support for the traditional interpretation of the ABM Treaty; and if the chairman is satisfied with that, this Senator is satisfied with it. I know of his strong commitment to adhere to what has been called the narrow interpretation of the traditional language of the ABM Treaty.

Mr. President, I still have concerns about the sublimits on SALT II. I do not know that that is necessarily enough to cause me to vote against it. I will vote for the conference report. But I want to make the record clear that I do so with some reservations, especially on doing away with the sublimits on SALT II, which both bodies have voted for. Every poll indicates that the American people support, by 2 to 1, that we have to adhere to the sublimits on SALT II.

I thank the chairman and the ranking member for yielding at this time, and I thank the chairman for clarifying the position on the ABM Treaty.

The PRESIDING OFFICER. The time of the Senator from Iowa has expired.

Who yields time.

Mr. NUNN. Mr. President, I see the Senator from Idaho on the floor. Although my time is running short, I am almost certain that I can speak for the Senator from Virginia in yielding to the Senator from Idaho the time he requires.

How much time does the Senator desire?

Mr. SYMMS. Fifteen minutes, and I will try to use less than that.

Mr. NUNN. The only thing is that we have a number of Senators on both sides who are trying to vote before 5:30, and that may not be possible.

Mr. SYMMS. Suppose I start out with 10 minutes?

Mr. NUNN. On behalf of the Senator from Virginia, I yield 10 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The Senator from Idaho is recognized for 10 minutes.

Mr. SYMMS. I thank the distinguished chairman, Senator NUNN, and the ranking member, Senator WARNER. I have enjoyed enormously the opportunity to work on the Armed Services Committee this year in the Senate. It has been quite an education for me as well as an opportunity for me to see how our defense procurement and our military institutions operate.

I appreciate that chance, and I compliment my colleagues on the committee. I know they did as well as they could do under the circumstances.

Mr. President, regrettably, I must rise in opposition to the House/Senate conference report of H.R. 1748, the Defense authorization bill. I say regrettably because as a member of the Senate Armed Services Committee, I know of the long hours spent on preparing the Senate's bill. Moreover, I know a great deal of time was spent in conference on establishing what many believed to be a workable compromise.

However, I believe the Defense authorization bill, as agreed upon by the conferees, is anything but workable. In several areas, I completely disagree with my colleagues compromises.

Sadly, I was not a member of the conference. I would like to have participated in the negotiations. In fact, an amendment which I sponsored concerning the Soviet's Mount Alto Embassy was stricken from the Defense authorization report. It is this Senator's opinion that the Mount Alto amendment was a Senate provision that should have been retained. The Senate overwhelmingly supported the measure. Now, I'm not suggesting the Senate conferees did not do their best in keeping the language, but I would have liked to personally have participated in the provision's conference consideration.

I strongly believe the so-called agreements and compromises that were reached in the conference report—from the arms control provisions to the mandate, add-ons, and sole-source procurement provisions—are detrimental to our defense capabilities overall and present a threat to our national security and that of our Western allies. The time that I have on the floor to speak against the conference report, I would like to use addressing the provisions I find totally objectionable.

First, Mr. President, I want to address the many add-ons. I have with me a list of the add-ons and a brief description of them. The total amount of these add-ons range from the low tier figure of $4.75 billion to the high tier figure of $5.7 billion. Now, I don't want to intimate this money is not without benefit. However, I do question whether each item added by House and Senate Members actually strengthens our defense, or goes to strengthen a Members reelection effort.

Another area which I find totally objectionable is the method in which the Pentagon will procure equipment. The most glaring example of pork-barrel procurement is the 2½ ton Army truck.

By their nature, trucks are not an exciting topic. When compared to the matters we are deliberating today such as our defense in space and our ability to deal on strategic terms with our potential adversaries, it seems trivial to bring up the subject of trucks in the same context. However, I would like to bring to your attention circumstances which, in my view, demand attention.

The average 2½ ton truck in the Army today is older than its driver. The truck fleet consists of nearly 100 different models. In terms of component parts, there are currently at least 10 transmissions, 7 brake systems, 8 suspension systems, 7 differentials and 8 frames—all different thereby making the supply and management of spare parts a maintenance nightmare.

The Army, to correct these circumstances, proposed a good solution—develop a family of medium and heavy trucks which would capitalize on common parts and proven new technology to provide the logistics support so desperately needed by an Army when it goes to war. The heavy trucks would be equipped with a palletized loading system, a device sort of like a dempsey dumpster—so that the driver could singlehandedly unload and load the enormous quantities of ammunition required, and consequently gain an enormous savings in manpower. The Senate heartily endorsed this concept and the Army proposal for procurement by "performance specifications."

The House of Representatives did not endorse the Army's procurement proposal. Instead, the House of Representatives proposed using the technical data specifications developed for the truck currently under procurement as a basis for "competing" the new truck. As two of the major subassemblies and two-thirds of the subcomponents in the current truck are proprietary, this virtually assured the current supplier, the Oshkosh Truck Co. of Wisconsin, maintenance of their sole source position for this class of truck.

While the Senate conferees held their position in requiring procurement of the heavy truck family and palletized loading system according to performance requirements, the House conferees insisted on a multiyear procurement for over 4,500 more 10-ton trucks from the current suppliers. This amounts to almost 2,500 more of such trucks than the Army intended to procure—almost half a billion dollars worth.

I commend the negotiators in the Senate for arriving at a position which provided the Army the palletized loading system and the family of trucks based upon performance specifications, but the cost of half a billion dollars for trucks that the Army does not want is far too great.

Mr. President, this is an example of the circumstances President Reagan mentioned when he said that the Congress was spending more than he had requested when he was discussing the reasons for the budget deficit.

I urge the Appropriations Committee conferees to fight this one out—to continue to insist that the competition be conducted fairly and properly through the use of performance specifications, to provide sufficient R&D funds to conduct an actual hardware competition and to reduce the number of 10-ton trucks to the Army's procurement objective.

I think we have to face the reality here. I find a great deal in this bill that I like. However, there are some provisions in the bill that are absolutely unacceptable to this Senator—in terms of a position for my country to be in when we are dealing with the preservation of peace and freedom and the security of the people of the United States of America in the years to come.

I recognize that in the 1986 congressional elections, a more liberal point of view prevailed in those Senate races and House races. With that in mind the political climate may not be here to do what I would like to do with respect to the defense of this country. And, I think it is a sad day when the Soviets need not negotiate with our people in Geneva because the liberals in Congress are doing it for them.

However, a lot of headway was made by the Senate conferees, and I compliment them for that. I think the administration thinks they made some headway.

Mr. President, I hope that the administration does a better job of negotiating with the Soviet Union on future arms reductions, than they did in negotiating with the liberals in Congress. I made a tongue in cheek quip to a member of my staff that if the administration does not do a better job of negotiating with the Soviets than they have done in negotiating with Congress, then the people of Alaska had better learn to speak Russian and count change in rubles, because we are not standing up as strongly as we should. When negotiating with the Soviets, or with other Members of Congress, we should be sure that we guarantee that each citizen of the United States will be able to have an opportunity to live in happiness in a free United States of America.

Having said that, I do not impugn the motives of my colleagues. I know that, politics being what it is, we simply do not have the votes to do some of the things I would like to do. But I want to point out some of the real objections I find in this piece of legislation.

One of those things is Asat capabilities. How in the world we could end up in the Congress of the United States saying that we can buy Asat equipment but we cannot test it's capabilities. How in the world we could come to that conclusion is beyond me.

I understand that the Senate conferees had to deal with the other body on this and that the number of weak on defense Democrats in the House of Representatives made the negotiation process difficult. However, in my judgment, the fact that we cannot test our Asat capabilities, is reason enough to vote against this bill.

Mr. President, the Soviets have a 10-year lead in space technology, the Soviets have four operational antisatellite systems, the Soviets have the ability to maintain and operate twice as many classes of launch vehicles, the Soviets have the ability to make five times as many launches a year as the United States, the Soviets have the ability to maintain a space station that is manned year round, the Soviets have the launch capacity to, right now, replace every one of their satellites if they were destroyed; and the Soviets' integration of this ability into their military capability boils down to one issue: resolve.

The Soviets' resolve to continue to expand their lead in space, and our lack of resolve to even face this threat.

Mr. President, our military forces, especially our Navy, depend heavily upon unimpeded access to space based communication systems.

Mr. President, the Soviets have the ability to blind our satellites, and the Soviets have already tested this capacity on our satellites. America's absolute failure to respond to this threat can only be described as a corrosion of our will to defend ourselves.

Mr. President, it is as if the American Congress has come under the spell of the Gorbachev massage: Just relax; you have nothing to worry about.

Mr. President, we have a lot to worry about. We are unilaterally disarming ourselves, by placing restrictions on ourselves. It is my suspicion that the majority of those in Congress think that unilaterally disarming ourselves in space, allowing the Soviets to continue their 10-year lead in space, and will help make the Soviets less likely to use their ability to wipe out our entire space based capacity.

Mr. President, nothing could be more false. Mr. President, the Soviets greatly outgun us in conventional weapons, nuclear weapons, and space weapons. We are doing it to ourselves again.

Mr. President, the American people will not accept the excuse that has been used on the floor today that it was a long conference, and there has been so much work done that we cannot change. This bill ties the President's hands and gives the Soviets, by self imposed restrictions, military superiority in space.

This surrender of space to the Soviets, exemplified by the ban on ASAT testing in this bill, can be only described as a collapse of American will to even attempt to defend ourselves in the space theater.

Mr. President, I ask unanimous consent to print these articles in the RECORD:

From the New York Times, "New Clues on a Soviet Laser Complex;" from the Washington Times "Soviets Reportedly Years Ahead of U.S. in Star Wars;" from the New York Times, "General Describes Soviet Laser Threat;" from Aviation Week and Space Technology, an article titled "Soviet Ground Lasers Threaten U.S. Geosynchronous Satellites;" and from the Washington Post, an Evans and Novak column titled "Blinded Satellites."

This Evans and Novak article details that in the past 6 months, the Soviets, on more than one occasion have disabled our satellites by ground based antisatellite systems. The Soviets are killing our satellites and the U.S. Senate's response is to ban any testing of an American antisatellite system.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Oct. 23, 1987]

NEW CLUES ON A SOVIET LASER COMPLEX

(By William J. Broad)

A giant laser station under construction high atop a mountain in the Soviet Union has been photographed by private cameras in space, providing civilian military experts their first glimpse of the top-secret site.

The existence of the station has been publicly known in the West for more than a year, and the United States Government has scrutinized it repeatedly in top-secret photographs taken by spy satellites.

But until now civilian experts could only guess at its location, size, power and ultimate use. The new photographs, while not conclusive, suggest strongly that the site is for weapons research or is a prototype weapon itself, according to defense experts outside the Government.

The photographs were issued yesterday by a Swedish company, Space Media Network, which markets satellite images to news organizations.

CLEARLY FOR MILITARY LASERS

Experts who examined the photographs said the Soviet site was clearly for military lasers. The question, they said, is whether the lasers are for research or could prove strong enough to damage space satellites and the rudimentary space-based weapons envisioned by the Reagan Administration for the first phase of its "Star Wars" antimissile defense.

If even more powerful than that, the lasers might be able to destroy incoming missiles and warheads, making the facility a violation of the ABM treaty. The photographs gave no evidence the lasers are that strong, although they did not rule out that possibility.

The photographs were taken by the French SPOT satellite, which orbits about 520 miles above the earth and can see ground objects as small as 10 meters in diameter.

They show a sprawing mountaintop complex, clearly not meant for civilian observatory work, that is replete with roads, buildings, laboratories and a battery of 10 domes to hold lasers and tracking telescopes. The site, 7,600 feet above sea level about 30 miles southeast of Dushanbe, the capital of the Tadzhik Republic, is surrounded by double fences and is linked by power lines to the 2,700-megawatt Nurek hydroelectric plant, one of the Soviet Union's largest, which is about nine miles to the northeast.

DWARFS ANY WESTERN FACILITY

"It appears to be larger and more elaborate than any comparable facility in the West," said John E. Pike, head of space policy for the Federation of American Scientists, based in Washington. "Whether or not this facility will be capable of shooting down satellites or 'Star Wars,' it most certainly is developing the kind of technology that would eventually be able to do so."

Peter D. Zimmerman, a physicist with the Carnegie Endowment in Washington, said: "It clearly has a military mission. The question is what that mission is. I'm not convinced it's offensive. It might be for tracking satellites or weapons research."

Powerful lasers atop mountains are generally viewed as more threatening to objects in space than those at lower altitudes because their beams of concentrated light have less atmosphere to cut through before flashing into the void of space.

No American official has publicly acknowledged the existence of the Nurek laser complex, although Federal intelligence analysts have privately expressed concern about the site for more than a year.

Space Media Network, based in Stockholm, said it had spent a year analyzing a series of images of the site and reviewing them with international defense experts. Yesterday it also issued satellite photographs of Sary Shagan, the Soviet Union's oldest and largest antimissile research center, which is situated on an arid plain in Kazakhstan.

The heart of the Nurek site consists of 10 dome-shaped white buildings, six for tracking telescopes and four for lasers, according to Space Media Network. Each building is 10 meters in diameter, just at the limit of the SPOT satellite's power to resolve objects on the ground.

"No visual outside construction work is currently going on," said a statement from Space Media Network. "This is possible to determine by comparing satellite images from 1986 and 1987." No expert is sure when the facility will be finished, although most expect it to flash to life with the firing of laser beams before the end of the decade.

UNCERTAINTY ON EXACT USES

Experts, both inside and outside the Government, are divided on the exact uses of the complex.

If relatively weak, the lasers could be used like a radar beam to track manmade objects moving above the earth, to illuminate them for satellite photography and to conduct experiments meant to perfect ways that powerful laser beams could be fired through the earth's turbulent atmosphere.

A stronger laser might damage American satellites, blind those designed to flash an early warning of a nuclear attack and threaten space-based antimissile arms and sensors.

A still more powerful laser might be able to destroy enemy warheads and missiles. A powerful laser beam generated on the ground would have to be bounced off mirrors in space in order to destroy missiles rising from a foe's territory.

Although the company that issued the photographs yesterday sells strictly to news organizations, anyone can buy civilian satellite photos, or even request that a satellite be directed to photograph a place of personal interest, through one of the companies that take and market such photos. The prices of one such company, the SPOT Image Corporation of Reston, Va., range from about $150 to $750 for each black and white print.

[From the Washington Post, Oct. 27, 1986]

SOVIETS REPORTEDLY YEARS AHEAD OF UNITED STATES IN STAR WARS

HAMBURG, WEST GERMANY.—The West German newspaper Bild says that the Soviet Union is more advanced than the United States in "star wars" technology and has used lasers to disable three U.S. satellites in space.

About 10,000 Soviet scientists are working in 12 centers on high-energy laser weapons that will be able to shoot down nulcear missiles, the newspaper reported Saturday.

Bild said its information came from "top secret U.S. and NATO papers," but did not say how it had obtained the material.

The newspaper quoted a security expert from the ruling Christian Democratic Union, Juergen Tbdenhoefer, as saying the Soviets are "years ahead" of the Americans in both anti-ballistic missile systems and laser weapons.

President Reagan's plans to develop and test the Strategic Defense Initiative, a space-based defense system, was the major sticking point at the U.S.-Soviet summit meeting in Iceland this month. Soviet leader Mikhail Gorbachev insisted that any testing of the U.S. system be limited to the laboratory, a demand rejected by Mr. Reagan.

Bild said the Soviets have been conducting research and development for ground- and space-based laser weapons since 1970.

The Soviets can disable U.S. satellites by destroying their optics and electronics with a prototype of a "strategic defense laser" at Sarychaganak, Kazakhstan, the paper said.

In addition, the Soviets are building several thousand "defensive rockets" with the code name "Giant" that can shoot down short- and medium-range nuclear missiles as well as strategic missiles, Bild said.

These defensive rockets have been successfully tested in Siberian against Soviet medium range weapons and reproductions of the U.S.-built Pershing II, the report said.

Two new radars for use in the missile defense system are being built in the area near Moscow, and another new giant radar will be built at Krasndyarsk, the paper reported. The United States says the present phased array radar is a violation of the anti-ballistic missile treaty.

[From the Washington Post, Oct. 29, 1986]

BLINDED SATELLITES

(By Rowland Evans and Robert Novak)

High-powered Soviet ground-to-space microwaves have disabled U.S. reconnaissance satellites on more than one occasion in the past six months, a space-war breakthrough causing concern among intelligence officials because of the present inability to launch new spies-in-the-sky.

At best, the Soviet capacity to "blind" a satellite in synchronous (stationary) orbit 23,000 miles in space raises an elemental question of sincerity about Mikhail Gorbachev's claim that President Reagan's Strategic Defense Initative is bellicose and provocative. Trying to choke the U.S. progam, the Soviets are doing well maintaining their own.

At worst, this space-war success combined with the U.S. space shuttle tragedy and the failure of other attempts to launch satellites endanger the United States at a time of maximum Soviet pressure against SDI. The danger was foreseen in a top-secret 1980 report to Reagan warning that the United States could be "completely blinded" by the mid-1980s.

The successful Soviet effort to disable American satellites has been accomplished by "propagating" high-powered microwaves fired from a ground station located near Dushanbe close to the Afghan border in the Soviet Socialist Republic of Tadzhikistan. When the beam of the short-wave electromagnetic pulse strikes, the satellite is unable either to receive orders from the United States or to transmit the all-important pictures that are the heart of U.S. intelligence-gathering.

In addition to this microwave bombardment, the Soviets have also had some success attacking American satellites with ground-based lasers. Intelligence specialists told us these laser transmitters are located in Moscow, at the big Soviet nuclear station in Saryshagan and at one other unidentified place.

The intelligence community believes laser attack has damaged several satellites. If so, that may mean that as of today U.S. satellite reconnaissance of the Soviet Union is limited to little more than one or two undamaged "cameras-in-the-sky," with the future uncertain.

The importance of now-imperiled existing satellites to report on offensive and defensive Soviet space and ground-based military operations is paramount. There is no apparent means available for months to launch another spy satellite. The old satellite-launching Titan missiles became obsolete with development of the shuttle. Some Titans kept in reserve have exploded this year on their pads or in early flight.

The irony of the successful Soviet assaults on American satellites is their convergence with Gorbachev's unprecedented nuclear arms-reduction "offer" to induce the president to give up SDI. Gorbachev's goal, in the view of administration strategic analysts, has now become clear. He is pressing full speed ahead to develop the Soviets' own war-in-space program and doing so under cover of an attempted U.S. satellite blackout. He also is building worldwide fear of "Star Wars" to force the president to kill SDI.

The secret transition report to Reagan immediately following the 1980 election warned with gloomy precision about the dangers of the space-warfare race—particularly the importance and vulnerability of satellites in keeping tabs on Soviet gains.

"The failure of a single launch in the early to mid-1980s could negate all our capabilities [for satellite reconnaissance] for a protracted period of time," the report warned. Such a failure, it went on, "could be disastrous for the entire technical collection effort."

That is not far from what has now happened, but not even the prophetic authors of the transition report knew six years ago how rapid would be Soviet antisatellite technology.

It is this pessimistic backdrop that has caused some of the president's strongest admirers to question his willingness to make any concessions at all to Gorbachev on developing antimissile defenses or space-warfare technology. They say privately that he is not informed about Soviet advances and that he does not understand the double-edged Gorbachev game: stall U.S. technological progress and move full speed on his own.

An incident just before Reagan went to Reykjavik enforced this critical view. A report from the CIA representing the entire intelligence community was sent to the Oval Office with this unequivocal warning: the sole reason for Gorbachev's wanting the Iceland summit was to offer unprecedented inducements for Reagan to drop SDI. The warning was ignored. There was no White House response at all.

[From the New York Times, Oct. 24, 1987]

GENERAL DESCRIBES SOVIET LASER THREAT

(By Richard Halloran)

WASHINGTON.—The general in charge of American military efforts in space said today that the Soviet Union has developed lasers powerful enough to destroy low-orbiting United States satellites and damage those farther away.

General John L. Piotrowski of the Air Force, who is chief of the Space Command at Colorado Springs, told reporters that the Soviet ground-based lasers could knock out reconnaissance satellites at an altitude of 400 miles and damage those at 750 miles.

But the general said United States military communication satellites that stay over one spot on earth in geosynchronous orbit at an altitude of 22,300 miles are safe now, although they might become vulnerable within five years. In recent years, military communications have become heavily dependent on such satellites.

In the future, Soviet lasers could also threaten American satellites that would be part of the ballistic missile defense being developed by the Pentagon's Strategic Defense Initiative Office and known popularly as Star Wars.

MORE DETAILS ON LASER

General Piotrowski, who also commanded the North American Aerospace Defense Command, disclosed details about the Soviet laser effort that were much more specific than those in previous Defense Department assessments. He went beyond earlier Pentagon statements, in which the threat to satellites from Soviet lasers was described as "probable," by suggesting that the Soviet lasers can fight an actual war.

Last winter the Pentagon's annual publication, "Soviet Military Power," said that research on Soviet lasers was being undertaken at the Sary-Shagan Missile Test Center in the central part of the nation, where antiballistic missile testing is also being conducted.

"The Soviets are estimated to have several lasers for air defense and two lasers probably capable of damaging some components of satellites in orbit, one of which could be used in feasibility testing for ballistic missile defense applications," the report said.

AIMED AT PILOT

It was not clear whether General Piotrowski's disclosure indicated that the Pentagon had obtained new information or that the Soviet Union had made progress since "Soviet Military Power" was published. The general declined to say, moreover, whether the Soviet Union had fired lasers at American satellites or tested them against Soviet satellites.

When the Soviet Union fired a ballistic missile whose dummy warheads landed within 600 miles of Hawaii recently, a laser from a Soviet ship in the region was directed at an American reconnaissance plane and temporarily blinded the co-pilot, the Pentagon said.

In addition to the laser site at Sary-Shagan, another has been spotted at Nurek in the mountains of the Tadzhik Republic of the Soviet Union, a region just north of Afghanistan. Reconnaissance photographs of the site, made by a French satellite and obtained from a Swedish company, were published in the New York Times today.

The Anti-Ballistic Missile Treaty restricts the United States and the Soviet Union to a limited number of sites for testing anti-missile technology. The main American site, which includes laser research, is at White Sands, N.M. The Soviet Union's main site is at Sary-Shagan.

If the lasers at Nurek were powerful enough to destroy missiles and warheads, that site may be in violation of the treaty, but the pictures released yesterday provided no indication that that was the case. With far less power, lasers can destroy or impair satellites, which are more fragile than hardened missiles and warheads.

Such lasers would be most effective if deployed at a high altitude, as at the Nurek site, experts said. That is why evidence of laser construction at Nurek has generated concern among American military experts even though it does not appear to constitute a treaty violation.

RESPONSE SUGGESTED

General Piotrowski asserted that the Soviet ability to destroy or damage American satellites required the United States to develop an ability to launch replacement satellites quickly so that vital military operations would not be hampered.

Those satellites could be mounted on missiles awaiting launching orders or they can be parked in deep orbit awaiting recall orders that would put them into closer orbit around the earth. At least one such satellite has been called into action from a parking orbit.

The general's commands are responsible for operating satellites that gather intelligence through photography, that eavesdrop electronically on communications lines and that carry sensors to warn of Soviet ballistic missile launches. They also operate weather satellites and those in the communications apparatus.

Today, the general told reporters, the Soviet lasers at Sary-Shagan could kill a satellite in low-earth orbit, could damage a satellite up to about 1,200 kilometers or 750 miles high and could do "in-band" damage to those in geo synchronous orbit at 22,300 miles.

"In-band damage," he said, meant that lasers could harm sensors or solar panels aboard satellites at high altitude if transmitted on the right frequency. In such a case, he noted, military communications would not be affected.

[From Aviation Week & Space Technology, Nov. 12, 1987]

SOVIET GROUND LASERS THREATEN UNITED STATES GEOSYNCHRONOUS SATELLITES

(By John D. Morrocco)

WASHINGTON.—Soviet antisatellite lasers are now capable of disrupting U.S. satellites in geosynchronous orbit and could pose a more serious threat to these high-altitude satellites in the next four to five years, according to the head of the U.S. Space Command.

USAF Gen. John Piotrowski said twin ground-based lasers located at Sary Shagan in the south-central Soviet Union are capable of killing U.S. satellites below 400 km. (248 mi.) in low Earth orbit and damaging satellites up to 1,200 km. (744 mi.) in space. The lasers also can cause inbund damage to sensors and solar panels on satellites in geosynchronous orbit at 35,880 km. (22,245 mi.) if transmitted over certain frequencies, Piotrowski said.

Virtually all U.S. military communications and missile early warning satellites, as well as most signal intelligence satellites, are stationed in geosynchronous orbit. Satellites employing electro-optical sensors are particularly vulnerable to lasers, Piotrowski said.

COUNTERMEASURES

The U.S. already has developed an upgraded Defense Support Program missile early warning satellite equipped with dual-wavelength capabilities in the satellite's 12-ft. infrared telescope to counter jamming by Soviet ground-based lasers (AW&ST Apr. 28, p. 18). The first of the improved-capability satellites could be launched as early as the end of this year.

Another Soviet laser facility is being developed at Nurek, near the border with Afghanistan. U.S. officials believe the facility is designed to counter future U.S. Strategic Defense Initiative spacecraft (AW&ST Oct. 26, p. 26).

Piotrowski noted that the Soviets also have the capability to launch a co-planar killer satellite that could destroy U.S. space-based assets. He said it was essential that the U.S. either develop a defense or a deterrent against Soviet Asat capabilities.

A U.S. effort to field an operational antisatellite, however, has been stymied by a congressional ban on further Asat tests against objects in space in Fiscal 1987, which ended Sept. 30. The U.S. conducted one test of the miniature homing vehicle (MHV) Asat system developed by LTV Corp. against a target in space in September, 1985. Piotrowski said three more intercept tests, which are needed to verify the system, are scheduled for 1988 as part of the Pentagon's Asat restructuring plan (AW&ST Mar. 16, p. 19).

Piotrowski said the miniature homing vehicle, which is designed to be launched from a McDonnell Douglas F-15, represents the best near-term threat to Soviet satellites in low Earth orbit. Late in September, the Air Force awarded a $78-million contract to LTV Missiles Div. for continued design and development of the Asat miniature homing vehicle.

New instrumented target vehicles (ITV) will have to be launched, however, if the Air Force receives congressional approval for further intercept tests. The Air Force launched a satellite containing two Asat targets in December, 1985. One of the two Kevlar target balloons was deployed from its canister and inflated for use in characterization tests last February. Its orbit has since decayed and it has reentered the atmosphere. The life of the second ITV is expected to end in December.

Piotrowski said the Air Force has another pair of instrumented test vehicles scheduled to be launched into orbit on LTV Scout boosters in May, 1988, assuming Congress does not extend its ban. Three additional sets of targets are scheduled for launch consecutively in 1989, 1990 and 1991. Congress, however, is expected to renew its ban on further Asat tests in space in Fiscal 1988.

Piotrowski also said the U.S. must develop a more robust launch capability to replace satellites that would be destroyed or damaged. "If they attack our satellites [now], we can't put them back up fast enough," he said.

Thus far, Piotrowski said, the Space Command has been able to weather the hiarus in space launches and has not had to resort to contingency plans.

Mr. SYMMS. Mr. President, in my judgment, this is a problem that we have to address. I think each Senator will have to make up their own mind as to how they wish to vote on this bill.

Like I said at the outset, there are a lot of things in this bill that I think need to be passed. However, there are some things in the bill that I find extremely objectionable and I find it very difficult to go forward with it.

The PRESIDING OFFICER. The Senator has spoken for 10 minutes.

Mr. SYMMS. Mr. President, is the minority leader coming to the floor to speak? I could wrap up in 1 more minute.

Mr. WARNER. He is awaiting the completion of the remarks by the distinguished Senator.

Mr. SYMMS. If I could have 1 minute.

Mr. WARNER. Absolutely.

While on my feet, I wish to express my appreciation for the Senator's participation as a member of the Armed Services Committee. He is a man who brings with him considerable background of service in the U.S. Marine Corps, a familiarity with military issues, and he is a very valued member of our committee.

Mr. SYMMS. I thank the good Senator from Virginia and I made some compliments with regard to him earlier when he was off the floor.

I would say as a former marine that I feel awfully bad about the fact that the Harrier aircraft was stricken from the bill. I listened to the speech of the Senator from Ohio, and I think there is no one in the Senate who has more expertise in the air-ground team of the Marine Corps and so thoroughly understands the importance of close air support. It is unfortunate that the House has taken the position they have with respect to the Harrier.

I think the Harrier is probably one of the most single important weapons systems that we have in our inventory. It is more important for the Marine Corps, in my view, to have the Harrier than it is for the Marine Corps to have the F-18's.

As a former infantry officer, I believe that is what most of the marines would tell you.

We must have air cover. That air cover needs to be provided by F-14's or F-18's from the Navy, or F-15's from the Air Force. However, the F-14 or F-18 is not a close air-to-ground support weapon. The Marine Corps needs a close air support weapon.

Furthermore, the conferees decided that "given the submarine's future military utility * * * that * * * no funds could be used to operate, maintain or deploy the U.S.S. *Andrew Jackson*."

Mr. President, with all due respect to the conferees, the U.S.S. *Andrew Jackson* is a perfectly good submarine. The real reason that funds were not authorized for the U.S.S. *Andrew Jackson*, was to unilaterally comply with the already expired, unratified, and Soviet violated, SALT II treaty.

How are the Soviets supposed to respect our resolve to defend ourselves, if we unilaterally comply with treaties they have consistently violated?

Mr. President, I just think on an issue as important as national security we should lay down the political barriers and all stand together and really push the old slogan of peace through strength. That is the way we can keep the peace and preserve our freedom.

I thank the distinguished ranking minority member and the chairman of the committee, and I yield the floor.

STUDY ON A REDUCTION OF NUC TESTING

Mr. REID. Concerning the defense authorization bill which is now before the Senate, I wish to clarify the intent of a study required in this bill. The study I am referring to is part of title I—Department of Energy National Security Programs, which your Subcommittee on Strategic Forces and Nuclear Deterrence has jurisdiction over. It is entitled: "Study of the Feasibility of Reduced Reliance on Underground Nuclear Testing."

Since this study directly affects the operations at the Nevada test site, I have some concerns over just what is to be accomplished by the study. A tremendous investment has been made by the U.S. Government over the years at the test site, and the employment at the site is an important element in the economy of southern Nevada. If the Federal Government is going to be looking at the alternatives to underground nuclear testing, then it seems that we should also be investigating alternative missions for the test site, in order to make use of our investment in the facilities and skills we have built up.

As the chairman of the Armed Services Subcommittee on Strategic Forces and Nuclear Deterrence, is it your understanding that both the Department of Energy's defense programs and the Department of Defense should describe ways and give their best recommendations on alternative defense missions for the test site?

Mr. EXON. The Senator is correct. It is the intent that both the Department of Energy's defense programs and the Department of Defense must provide in the study detailed recommendations for possible alternative defense missions for the test site to replace any decline in our underground nuclear testing program.

Mr. REID. I thank the Senator very much for confirming what I had thought.

DOD CONFERENCE REPORT BUSTS BUDGET

Mr. PROXMIRE. Mr. President, I will vote against the conference report on the fiscal year 1988 Department of Defense authorization. I do so for a number of reasons.

The conference arrived at a budget total of $296 billion with $289 billion as the backup number. Frankly I think this higher number, which the conferees support as necessary is very unrealistic given the economic summit negotiations now in progress. We are going to have to cut the Defense Department budget lower than the $296 billion recommended in this report and perhaps lower than the $289 billion in the lower tier of the budget resolution. But we have avoided making these tough choices now and have, instead, dumped the whole problem in the laps of the Appropriations Committees.

In addition there are a number of programs funded in this bill which simply must be reduced or eliminated given the budget crisis. If we are to avoid drastic cuts in manpower, readiness, operation and maintenance—all immediate outlay programs—then we should be making the difficult decisions to cancel lower priority weapon systems.

High on my list of recommended reductions would be the 12 MX test missiles and prior year MX money amounting to $1 billion. I would also reduce the growth rate of the Midgetman missile until its final true costs are better known. The Air Force should be required to absorb fully the $841 million requested as unanticipated cost growth. And we could delay expenditure of $664 million for advance procurement of two new aircraft carriers at this time.

Mr. President, the agreement the conferees worked out on the strategic defense initiative and the ABM Treaty is a bad deal. Consider for a moment the separate defense authorization bills the House and Senate passed.

The House bill banned outright any developing, testing or deployment of SDI under the so called broad interpretation of the ABM Treaty. I think that was the correct position for Congress to take. After all, the broad interpretation is the illegal interpretation of the ABM Treaty, plain and simple.

The Senate bill wasn't as strong. It allowed development and testing of SDI under the broad interpretation of the ABM Treaty for fiscal year 1988 and fiscal year 1989 if both Houses of Congress approve it.

In conference, one would expect that at the very least the Senate language would be adopted, since it was the weaker version.

What happened in conference. Well, there's no mention of the treaty anymore. And instead of requiring the President to abide by the legal interpretation of the ABM Treaty for fiscal year 1988 and fiscal year 1989, the conferees worked out a deal with the White House so that the restriction only applies to fiscal year 1988. And it just so happens that no SDI tests are planned in fiscal year 1988 anyway under the broad interpretation.

In other words, the conference report prohibits the administration from doing something it hadn't planned to do in the first place.

And to sweeten the deal for the White House the conferees agreed to increase the level of funding for the SDI Program over what everyone expected it would be.

In the House bill, SDI funding was limited to $3.1 billion. That funding level was approved by a wide margin in that Chamber.

In the Senate bill, SDI was funded at $4.6 billion. But that funding level barely survived. In fact it took the Vice President to cast a tie breaking vote to save the SDI Program from being cutback to $3.7 billion. So the Senate support for $4.6 billion was about as weak as it could ever be.

One would expect that the most the conferees would approve for SDI would be $3.8 billion—splitting the difference. In fact, considering how weak the Senate's figure was, it would have been more appropriate to fund SDI at a level lower than $3.8 billion.

What did the conference do? In order to entice the administration not to violate the ABM Treaty for just 1 year, the conference kicked in another $100 million and funded SDI at $3.9 billion.

In other words Congress is bribing the administration to abide by the ABM Treaty—to the tune of $100 million.

And on top of that it's bribing the administration not to violate the treaty during a year it wasn't planning to violate the treaty anyway.

Mr. President, I just hope the Justice Department never becomes infected with this kind of accommodation when it's enforcing our criminal statutes. They'd bust the budget paying people to stay within the law.

For this combination of reasons, I will vote against this bill and hope that its weakness can be corrected in the appropriations process.

Mr. MURKOWSKI. Mr. President, I noticed that a provision adopted unanimously by the Senate dealing with reciprocity in military construction—section 2818 in the Senate-passed measure—was dropped by the conference. Could my good friend, the distinguished chairman of the committee, indicate why this provision couldn't be held by the Senate conferees?

Mr. NUNN. Mr. President, I am happy to respond to my friend, the Senator from Alaska. When the House looked at this provision, they regarded it as a trade provision and opposed it on those grounds. While the Senate passed this provision without objection, we were not able to achieve conference agreement. I would also note that this provision has been included in the Military Construction Appropriations bill that passed the Senate, and is currently subject to conference.

Mr. MURKOWSKI. Do I understand, that the problem was a jurisdictional one?

Mr. NUNN. Mr. President, the Senator from Alaska is correct.

Mr. MURKOWSKI. I thank my good friend from Georgia. I would also echo his observation that this provision is in the Military Construction Appropriations bill as well as the Airport and Airways Improvement Act, the Department of Transportation Appropriations bill, the Energy and Water Appropriations bill, and the Trade bill. That being the case, it is clear to me that we will succeed, sooner or later, in working the will of the Senate. I thank the distinguished chairman of the Armed Services Committee, and I yield the floor.

Mr. ADAMS. Mr. President, the Armed Services Committee, as we have come to expect, has produced an authorization bill which is carefully crafted and delicately balances the need to protect our Nation and the need to respond to our existing budgetary constraints. I congratulate Senator NUNN and Senator WARNER, along with the other members of the committee for their work.

While I am pleased with the general shape of the bill, I am concerned about a particular provision which affects my State, a provision that deals with the operation of the N-reactor located in Richland, WA. As the chairman knows, the Senate bill would have placed the N-reactor in cold standby status. The conference report, while not requiring a re-start of the N-reactor, allows for resumed operations there after January 1, 1989, if certain conditions are met. I want to try to understand the implications of the conference committee's action in a couple of areas.

First, the Senate position, while recognizing a need to restore our nuclear material production capability also indicated that, if the N-reactor was closed, our ability to produce the nuclear materials we need would be sufficient, at least in the short term, to meet our needs while a new production reactor was constructed. Could the chairman indicate if that was his view and also tell me if the conference report in any way modifies that conclusion?

Mr. NUNN. The Senator from Washington has played a very constructive and active role in our discussions of this issue. I understand his concern about continued operation of the N-reactor and the conference report is designed to assure that it will be restarted if, and only if, that can be safely done.

In response to the Senator's specific question, let me begin by indicating that there are obviously serious problems in our nuclear materials production complex. If the N-reactor remains closed, that will not improve the short-term situation even though, as the Senate report suggested, the money would then be released to place the N-reactor in cold standby status and to address our long-term problems. The point made in both the Senate bill and the conference agreement is that we can continue to meet our national defense needs with the N-reactor in cold standby status. It will be harder to achieve that goal with the N-reactor down, but it can be achieved. The conference agreement contemplates—but does not require—that the N-reactor can be placed in cold standby. This will occur if the N-reactor cannot be restarted in a timely manner. And if that happens, we will still be able to meet our national security needs in the near term.

Mr. ADAMS. I thank the chairman. In terms of the decision to either restart the N-reactor or place it in cold standby status, I understand that the key decision factor will be the safety of the reactor. But I wonder if the Senator would explain in a little more detail the process that will be used to make that determination.

Mr. NUNN. I understand that the Senator is concerned about the safety of the N-reactor. I am as well. The conference agreement is designed to make safety the criteria for restart. As I have indicated, we can meet our short- term nuclear needs without the N-reactor, so there is no need to compromise on safety concerns and considerations. Accordingly, the agreement first requires a report from the National Academy on the safety of the reactor. This report will draw on previous work by the NAS and the so-called Roddis panel, but it involves more than the resubmission of previous reports. After the report is received in December, the Secretary of Energy has until January 1 to certify that the reactor is "safe to operate." This is a higher standard than normally used and is designed to impress on DOE the increased safety concerns of the Congress and it is our intent that the Secretary will address the issues raised by the National Academy of Sciences reports in making the certification that the reactor is safe. Both the Academy's report and the Secretary's certification are to be submitted to the respective Armed Services Committees and I assure the Senator that they will be given immediate consideration by this committee.

Finally, we recognize that technical or legal obstacles may prevent a restart, but we do not believe the process should drag on forever; accordingly we provide that if the restart does not take place in a timely fashion—which I would think means relatively early in the authorization process—then the reactor would go to cold standby.

Mr. ADAMS. In that context, there is a legal suit filed by the Natural Resources Defense Council seeking to require a full environmental impact statement pursuant to the National Environmental Policy Act before restart. Am I correct in assuming that the bill is neutral on that issue?

Mr. NUNN. The Senator is correct. In fact section 3133(c) specifically states that nothing in the bill "shall affect or be considered in the application or interpretation of the National Environmental Policy Act. * * *"

Mr. ADAMS. I thank the chairman. Let me conclude by indicating that I favor the original Senate language. I have not been convinced that the N-reactor can be safely operated without major changes being made. I believe that has been the thrust of all of the scientific reports we have had on this issue including the recently released National Academy of Sciences report on the Department's production reactors. I would say that I find the congressional interest in safety to be an important sign and I trust that this interest will extend to other safety concerns—particularly the cleanup of existing environmental problems at the site of the N-reactor and throughout the Hanford Reservation. In any event, I extend my congratulations to the chairman and the members of the committee for the work they have done and I look forward to supporting this conference report.

Mr. KENNEDY. Mr. President, at the outset of the budget process for the Department of Defense authorization for fiscal years 1988 and 1989, my subcommittee determined from hearings that it should give highest priority to correcting deficiencies in three mission areas: antisubmarine warfare, strategic mobility, and special operations. I am pleased to report we have been successful in preserving our priorities in the conference report.

In antisubmarine warfare we ensured full funding for key programs and, indeed, found savings to allow increases in many important antisubmarine warfare capabilities.

In the area of strategic mobility we sought to preserve the requested level of procurement authorization for the C-17 aircraft and succeeded. The research and development funding for that aircraft has been preserved, while at the contingency level it suffered, but not fatally. There is a severe problem in fast sealift for which we have directed the Navy to find a solution and the necessary funding for that investigation has been authorized.

In the area of special operations we found it was not in the interest of good management to provide funding authorization where programs were either too highly concurrent or not yet sufficiently defined. Of the requested amounts we authorized 86 percent in procurement and vitually 100 percent of research and development. At the contingent level the authorizations were less, but all programs were preserved at acceptable levels.

Mr. President, I can report to you in all candor that my subcommittee can take pride in the outcome of this conference. Our emphasis has been preserved.

Indeed, let me point out to you that despite being fiscally constrained our shipbuilding program actually contains more ships for construction, conversion and service life extension than either bill provided, originally. With the fifth *Aegis* cruiser we have a total of 19 ships in fiscal year 1988 and 13 more are authorized for 1989.

In order to begin a hard look at the affordability of Navy force structure plans, we directed a study to determine what savings might be available by selective retirement of two old and marginally capable aircraft carriers—*Coral Sea* and *Midway*. We expect this approach may be a model for the difficult problem of how to reduce defense expenditures in the least harmful way. I expect to have considerably more to say on this subject in the coming year.

Finally, I wish to join my distinguished friend from Ohio, Senator GLENN, in expressing my absolute dismay that we are even contemplating the possibility of ending production of the Marine Corps AV-8B aircraft—an aircraft that is successful and provides such a unique capability that an entire fighting concept has developed to take full advantage of it. I have been and remain a strong supporter for this aircraft. Simply put, it is the best close support aircraft in the world. When an American marine is in trouble and calls for help I want to be sure we have fulfilled our responsibility for providing the best help possible—and that's the close air support capability of the AV-8B. Conscience dictates we not do less.

Finally, Mr. President a word of thanks to the many able staff who have labored many months to bring us to this moment. Their skill and professionalism ensured there were very few unresolved issues with which we had to deal. They were able to do this despite having to craft budgets to at least four different levels. That requires not only skill, but considerable patience, and we are in their debt.

Mr. WEICKER. Mr. President, I rise in support of the conference report on the Department of Defense authorization bill.

Earlier this year, when the legislative session was just getting started, there was a general consensus in Congress that the fiscal year 1988 defense authorization bill might never see the light of day. At the time, the issues were thought to be just too complex and too controversial to resolve. Well, that thinking has been proven wrong. Those issues have indeed been resolved—due largely to the courage and leadership of two men, the chairman of the committee, Senator NUNN, and the ranking minority member, Senator WARNER.

Mr. President, Senators NUNN and WARNER have done a magnificent job, and I commend them for making the tough decisions.

The conference report that they bring to us constitutes a true compromise in the finest tradition of congressional politics.

During the floor debate on the defense authorization bill, I offered two amendments—one to improve accountability over special access programs of the Defense Department and the other mandating consistency in the future budget presentations of the Department of Defense. Both amendments were accepted by the committee, but I feared they might fall by the wayside in conference. Those concerns were unfounded.

The amendment on consistency in DOD budget presentations was adopted by the conferees and remains essentially intact as section 1203 of the bill. The amendment on special access programs was modified somewhat to conform with the wishes of the House, though much of its substance and overall purpose is clearly present in sections 1131 through 1133.

I know that these two amendments are not ends in themselves or solutions by any stretch of the imagination. They are merely a beginning—a modest first step toward real reform in defense in two very important areas. Much more remains to be done.

Mr. President, I want to put the Department of Defense on notice. I will be watching very closely to see how the Department chooses to put these two policy initiatives into practice. If they fail to follow the spirit and intent of the law, then I will be back with another amendment to close any loopholes.

Mr. President, I also wish to thank the chairman of the committee and the ranking minority member for their help and support throughout the process, especially for protecting my two amendments in conference. I look forward to working with them on these and other issues in the future.

Mr. CHILES. Mr. President, I would like to make a brief statement congratulating the distinguished chairman and ranking member of the Armed Services Committee for the outstanding work they and their staffs have done with this bill. They have negotiated many contentious obstacles from austere budget levels to numerous pieces of arms control legislation. It is indeed a compliment to them that they were able to gain an agreement on the bill considering the veto threats from the administration.

Mr. President, in the final analysis, this fine piece of legislation is a testament to the professionalism we have all come to expect from the Senator from Georgia and the Senator from Virginia. Too often in the past the DOD authorization bill was a battleground for competing ideologies. What we lost was the basic commonsense notion that national security is a bipartisan concern. This legislation is an important first step in restoring balance to the debate. We all owe a great deal to these gentlemen and their staffs, again.

Mr. President, on the long-term budget outlook for defense we may be, close to an agreement on the budget summit. It will set forth a 2-year agreement on defense which is a significant and positive precedent. The Senator from Georgia has been telling us for years of the importance of predictable budget levels to thoughtful defense planning. I believe the agreement will address this concern. Unfortunately, no reasonable agreement we make at this time can provide the funding the President has requested for the outyears. The deficit won't allow it. This means that the new Secretary of Defense, Mr. Carlucci, will have to make some difficult decisions if he is to bring his fiscal year 1989 budget and the new 5-year plan in line with the new fiscal reality.

Out of these internal Pentagon negotiations, I suspect we will see the Air Force's C-17 transport and the Navy's two carriers emerge as top priorities. They should. The CINC's have told us that they need more air lift now and that the C-17 will do the job. On the carriers the requirement is simple and straightforward. The nuclear aircraft carrier is our most powerful conventional weapon system. We are reminded of this fact on an almost daily basis. Therefore, we should move ahead while we can buy and build them in the most efficient and economical way.

Finally, Mr. President, as I said earlier, the fact that we have a bill at all is statement of what we can accomplish when we put ideology aside and look at national security in a dispassionate and logical way. It speaks highly of the spirit of cooperation we must have in the area of national security. We have seen in the days leading up to the summit what we can accomplish when we work together. In this regard, I would like to extend thanks to my friends in the defense and aerospace industry who worked closely and constructively with us. I believe that their participation has been crucial to a positive outcome.

The fact is, Mr. President, we can no longer afford the fractious debate and inefficiency we have seen in recent years. Congress, the Pentagon, and the defense industry are going to have to work together. This will call for more and better long-term planning, more effective use of multiyear procurement, and most of all, a common understanding on our plans and priorities. Based on what I have seen in recent weeks, I believe it is possible. Today, and in the coming weeks, we will take the first step in building this new relationship. We must make it work.

Mr. CONRAD. Mr. President, I will vote against the conference agreement on the defense authorization bill for several reasons.

First, the bill authorizes too much spending for the Pentagon under the high tier.

Over the past 6 years, we have doubled the national debt, and our trade deficit has increased sixfold. Further, the Federal budget deficit has reached unprecedented levels, rising from $73.8 billion a few years ago to a peak of $220 billion in 1986. Even after 4 years of recovery from a brutal recession, the "structural" component of the deficit—the part not attributable to slack in the economy—remains very large. A balanced and credible plan for reducing the deficit must exert restraint on defense spending. This bill does not.

Second, the conference agreement does not contain the Conrad-Sasser amendment approved by a vote of 90 to 4 during earlier debate by the Senate on this bill. That amendment expressed the sense-of-the-Senate that the President should negotiate with our allies for a more equitable distribution of the cost of defending our alliances. America can no longer afford to spend over $100 billion each year to provide the defense unbrella for our allies in Japan and Western Europe. Our allies will continue to ask Americans to defend them against our adversaries unless the Congress takes bold steps to insist that they do more. The Conrad-Sasser amendment was a reasonable and measured step designed to lead to bold action. Without it, Congress sends a signal that it is not serious about an issue that threatens our economic viability.

Third, this bill does not force the Pentagon to make choices. As I have stated before on this floor, the greatest danger to America's national security does not spring from diminished American military capability, but rather from American economic vulnerability. This Nation must begin to understand the consequences of huge Federal budget deficits, caused in large part by rapidly escalating defense procurements. America simply cannot afford to say "yes" to every weapons system, and we must enact a defense budget that forces the Pentagon to prioritize. The bill before us does not force the Pentagon to make those choices and, if implemented, would jeopardize our chances of bringing the budget deficit under control.

Mr. BIDEN. Mr. President, I would like to express my disappointment in the conference report to the Department of Defense authorization bill for fiscal year 1988-89. While I plan to vote in favor of the report, I am dismayed by the fact that key arms control amendments to the bill, which were passed by both Houses of Congress, were negotiated out of existence. Efforts on the part of the conferees to reduce the risk of a Presidential veto were well-intentioned, but they serve to dilute important arms control measures and delay an inevitable confrontation with the President over vital arms control issues.

Without the arms control provisions that had been included in the bill, the President will not be forced to abide by the so-called strict interpretation of the Anti-Ballistic Missile Treaty beyond next fiscal year. Furthermore, the compromise frees the President from bringing the United States back into compliance with the sublimits on long-range nuclear weapons established by SALT II.

The integrity of SALT II and the ABM Treaty must be maintained. Without both of these measures, a treaty on intermediate-range nuclear forces, which covers only a very small portion of total United States and Soviet nuclear arsenals, will be virtually meaningless. For, in the absence of the constraints imposed by SALT II, the Soviets could double their land-based intercontinental nuclear missile warheads by the mid-1990's. If the ABM Treaty is undermined, we will have a new and uncontrollable arms race, not just in space, but on land and at sea as well.

Mr. WARNER. Mr. President, the distinguished minority leader, Mr. DOLE, is anxious to speak and I yield such time as he may wish.

The PRESIDING OFFICER. The Republican leader has been yielded time. The Republican leader is recognized.

Mr. DOLE. Mr. President, I thank, first of all, the distinguished chairman of the committee, Senator NUNN, and also the distinguished ranking member, Senator WARNER, for what I consider to be a good job. I intend to vote for the conference report.

In retrospect I know there was a lot of gnashing of teeth and a lot of people were frustrated because we did not do it earlier and I know the chairman at times felt we might be obstructing the process on this side. I do not think that was the case. We had a number of discussions.

I think the product now is far from ideal but it does meet our basic need and it is better than continued partisan wrangling over our Nation's defense.

For this we should thank the distinguished managers, Senators NUNN and WARNER.

For the most part, the original bill reported by the committee was an excellent bill. It had just two or three problems on which we had basic fundamental differences. As both managers know we could have passed that bill in 2 or 3 days without those differences. We had a protracted and sometimes rather partisan discussion of the differences.

The original bill fairly balanced strategic and conventional forces, R&D readiness, procurement, and personnel. As I said, there were other parts of the bill that brought us to blows from time to time.

The bill's strongest point is that it no longer contains obstacles to the President's SDI Program—vital defense which a clear majority of Americans want. Congress does not interpret treaties—the President does. Now President Reagan can restructure SDI under the broad treaty interpretation; Congress can consider it under normal procedures; and we can press on toward phase 1.

Everyone knows that SDI must remain a priority in our budget—even as we wrestle with the budget deficit. There are tough decisions in store for everyone—including the Pentagon. The Armed Services Committee has laid out four separate authorization levels—awaiting a final budget figure for defense. That is not a good way to run a railroad—but it is the only way until we straighten out our budget deficit mess.

And, I must say, having just left that meeting a while ago, I am not sure that will happen.

Any notion that the solution to our deficit problem is more taxes and less defense, in my view, is not very sound. The hard fact is that, this year, the defense budget will decline in real terms for the third year in a row. So now, more than ever, we do need to cut waste, we need to buy smart, and we need to make tough choices.

But we simply do not have the luxury of redefining the threat we face to fit what we want to pay. The threat is real, and it will not go away. We have to figure out what we need, and then find the best way to get it. We here in Congress could help the situation by taking the defense budget off the roller-coaster and setting it on an even keel.

The defense conferees also worked long and hard on some arms control provisions. I am not at all happy with a couple of items in the final package—free standing, I would oppose them. But on balance, I think this package is an acceptable compromise. Let me just indicate some serious concerns over issues which we should monitor carefully over the coming year.

We have wisely decided to abandon the "tragi-comedy" of adhering to bits and pieces of the unratified, violated and expired SALT II Treaty. Nevertheless, by denying funds for a "Poseidon" overhaul, we are imposing unilateral restraint on American strategic programs. We cannot continue on that foolish course.

I believe we stand the best chance of getting a good "START" agreement for 50-percent cuts when we deal from strength—not unilateral concessions. I hope that, down the road, we will honestly reevaluate this action.

I am also worried about the "buy without testing" policy we are adopting for antisatellite missiles. Upon reflection, I think we will conclude that any system we buy should be thoroughly tested—especially a complex technology like "Asat." The next time the Army, or the Air Force, or the Navy, has a problem with something, I hope the authors of this provision will think twice before crying "test before you buy."

The bottom line, as I said earlier, is we are probably going to accept this conference report as the best compromise possible. Everyone has reservations. And I would guess we will be back here again next year.

I hope that the conference report will be passed and that we will commend our colleagues who have worked so long and hard.

I commend not only the managers but those essentially on this side, some on both sides, the Senator from South Carolina, Senator HOLLINGS; the Senator from Indiana, Senator QUAYLE; the Senator from California, Senator WILSON; a number of Senators on both sides who felt so strongly about some of the issues that they were willing, at some risk, to hold up the entire bill. It is another indication that we can make a difference in this body; that if there are 5 or 10 or a dozen or 20 or 30 Senators on both sides who have strongly held views, that they can make a difference.

I think the result is we are going to get a good conference report. Of course, a large share of that credit goes to the distinguished chairman and the distinguished Senator from Virginia.

Mr. WARNER. Mr. President, I rise to express my appreciation to the distinguished minority leader. At all times both the Senator from Kansas and the Senator from West Virginia, the majority leader, were available for consultation with the manager and the ranking member of the Armed Services Committee. They would literally stop what they were doing to entertain our requests for some guidance.

The distinguished Senator from Kansas has a military record unparalleled by most in this Chamber. He brings to this office as a U.S. Senator and minority leader a special expertise in the area of military affairs, and particularly an understanding for the ever-present sacrifices that the men and women of the Armed Forces must make every day of every year. I value my opportunity to serve as a Member of the Senate and to work with him on this and many other issues.

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. Mr. President, I yield such time as the Senator from New Mexico would desire.

Mr. DOMENICI. Two or three minutes.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 3 minutes.

Mr. DOMENICI. Mr. President, I would like to comment briefly on this conference report. The members of the Armed Services Committees have labored for many months to produce this report. They have done a fine job under difficult circumstances.

I would like to address several matters concerning the defense budget and the budget resolution.

This report attempts to meet the targets in the budget resolution. It authorizes $296 billion in budget authority and $289 in outlays. Those numbers are the high tier numbers in the resolution. They are included in the defense authorization conference report on the assumption that Congress will pass the necessary reconciliation and other legislation to allow defense to be funded at the high tier.

But of course we have not yet passed the necessary legislation.

This conference report also states that until reconciliation and other necessary legislation is enacted, defense will be funded at the low-tier level—at $289 billion in budget authority and $283.6 in outlays.

The conference report also caps defense spending at both the high- and the low-tier levels, depending upon whether or not the compromises necessary for the high tier have been passed.

But Mr. President, the budget resolution caps—the high- and low-tier numbers we have been wrestling with all year—require severe reductions in defense spending. We simply can't fit a realistic defense budget within the parameters set by the budget resolution without engaging in some real distortion. This bill is further proof of that.

The result is that real spending authorized in this report exceeds the budget resolution caps. Just as a character in Greek mythology chopped off the legs of people who were too tall to fit into his bed, the authors of this conference report chopped budget authority and outlays from the programmatic totals in order to make it fit within the budget resolution caps.

After they provided program level detail in the report for both high and low tier levels, and found that the totals were in excess of the caps, the conferees simply made an undistributed reduction in these totals in order to meet the budget resolution caps.

If we fund defense at the high-tier level, the programs in this bill will have to be cut $3.1 billion in budget authority from the high tier cap. If we fund defense at the low tier, we must cut an addition $3.6 billion in budget authority.

And you've got a similar problem with outlays at both levels.

That tells us, Mr. President, that you just can't really get there—to the budget resolution caps—from here, from what the conferees believe is really necessary to fund defense.

I do not criticize the Armed Services Committee. The Senate DOD Authorization bill came in at $303 billion in budget authority and $294 billion in outlays. The conferees have had to make many painful choices to get this bill down to the totals found here. And they have still been unable to live within the budget resolution caps.

WHAT IS GOOD ABOUT THIS BILL

I commend the committee for its efforts toward 2-year budgeting for defense. The Senate bill authorized 73 percent of the President's request for fiscal year 1989, while the House bill authorized only 17 percent. The conference agreement authorizes approximately 44 percent, or $144 billion of the fiscal year 1989 request. I understand that this second year authorization will expire if we do not appropriate for fiscal year 1989 this session, but I think that we have taken a very important step in the direction of stabilized funding for defense in this bill.

I am also pleased that the strategic defense initiative has been funded at the $3.9 billion level. I believe that that is what is appropriate to maintain a robust program of research in this area.

I note that we have been able to resolve a number of very difficult arms control issues on this bill as well, and I commend the conferees for dealing with these difficult matters without impinging upon the President's ability to negotiate with the Soviets.

I would also like to point out several items of particular interest to me which are in this bill. I am very pleased at the level of support for the semiconductor research effort now underway in this country. Semiconductors are vital to our defense technology base, and this bill authorizes $100 million for the Sematech proposal.

It also contains a provision which I sponsored, which will bring the national laboratories into the semiconductor research and development picture. The DOE semiconductor technology research excellence initiative will allow us to take advantage of the expertise of the labs in this rapidly changing field.

The DOD bill will also allow the Air Force and the Air National Guard to begin advance procurement of the A-7 Strikefighter, an important new aircraft for close air support. Up to $10 million can be used to begin putting this weapons system into the inventory of our Air National Guard Units.

Finally, Mr. President, I would like to take note of the role of the national labs in a new conventional weapons research and development program. This bill funds over $20 million for the joint DOD-DOE Munitions Technology Development Program, a portion of which will be used by the labs to find a means of dealing with the new armor developed by the Warsaw pact nations.

If we approve and implement at the INF treaty next year, and remove intermediate nuclear weapons from the European theater, the conventional imbalance there will be exacerbated. We cannot allow the Warsaw pact to intimidate our NATO allies, but without the technology to defeat Warsaw pact tanks, we will have a significant problem.

I ask unanimous consent that a table summarizing the budget implications be printed in the Record.

There being no objection, the table was ordered to be printed in the Record, as follows:

DOD AUTHORIZATION BILL, FISCAL YEAR 1988

[Dollars in billions]

	Budget authority	Outlays
Authorization bill: [1]		
High-tier	299.1	292.1
High-tier authorization compared to:		
Deficit summit	+7.1	+6.7
Post-sequester level	+20.2	+14.0
Fiscal year 1988 budget resolution, high-tier	+3.1	+2.6
Low-tier	292.6	289.5
Low-tier authorization compared to:		
Deficit summit	+0.6	+4.1
Post-sequester level	+13.7	+11.4
Fiscal year 1988 budget resolution, low-tier	+3.6	+5.9
Preliminary deficit summit [2]	292.0	285.4
Post-sequester level [3]	278.9	278.1
Fiscal year 1988 budget resolution:		
High-tier	296.0	289.5
Low-tier	289.0	283.6

[1] Actual programmatic levels in authorization bill.

[2] As of 11/19/87, 12 noon.

[3] OMB initial sequester estimate, October 20, 1987.

Mr. DOMENICI. Might I ask either or both of the floor managers a question? I think you both are aware of the fact that, hopefully, with some implementation potential or prospect that we are going to arrive at a budget authority and an outlay number as part of this summit that will probably set aside some money for defense that the appropriators will have for it and for nothing else.

Now, what happens, in your opinion, or what instructions do you give the appropriators if we do not get either specifically the high tier in budget authority and outlays or the low tier in budget authority and outlays? I am using high tier and low tier as you did and as the budget resolution did.

What if you are somewhere in the middle? What happens to the effectiveness of the authorization bill?

Mr. NUNN. I say to my friend from New Mexico that we have anticipated that possibility in this bill. That is the reason we have 17 pounds in front of you. We have two levels, one $289 billion and one $296 billion. But we provide a contingency that if the summit reconciliation number comes out above $289 billion, then the $296 billion authorization is applicable. And that means that the appropriators would then have a chance to choose at the delta between the increment between $289 billion and $296 billion. They would still be bound by your number that comes out of the summit, but they could arrive at that number by going up in specific items to $296 billion as they see fit.

So we have an authorization of $296 billion in the event the budget number is over $289 billion in budget authority.

Mr. WARNER. Mr. President, when the distinguished chairman used the figures that the appropriators could go up, I believe he intended to also say they could actually select programs for which we provided no funding in the low tier. So while they can go up, they can initiate funds for programs we did not include at the low tier.

Mr. NUNN. Provided they are in the high tier.

Mr. WARNER. That is correct; provided they are in the high tier.

Mr. NUNN. The Senator is correct.

Mr. DOMENICI. Let me ask one further question. Assuming the budget authority and the outlays are not appropriately matched, which you know that has been one of our problems, and you have, pursuant to your bill, more budget authority than the outlays that run with it and it has been triggered into the higher tier under your explanation, you have given some direction, nonetheless, to the committees with reference to that?

Mr. NUNN. We hope the Senator from New Mexico and others on the conference—I know the Senator from Florida and I have talked about this, as well as the Senator from New Mexico and I—we hope it will be a match between budget authority and outlays in these numbers. We think that is one of the biggest problems we have had in previous years. If there is not a match, we do not cure the problem. But we think we have given enough flexibility to the appropriators to deal with the problem. It is going to make it hard on the appropriators. I do not know if the appropriators can cure the problem on the mismatch, but if there is one there is going to cause a lot of problems.

Mr. DOMENICI. I might say, I wish I could tell the Senator—nothing would please me more than to tell both of you that we are going to fix the mismatch in the first year, but I do not think we are. Maybe we will by the second year and we will get closer in the second year. But the first year we will not.

I thank the Senator for his answers and I yield the floor.

Mr. WARNER. Mr. President, I see on the floor the distinguished Senators, the senior Senator and the junior Senator, from South Carolina. I yield such time as the distinguished Senator from South Carolina may wish.

The PRESIDING OFFICER. The Senator from South Carolina, Senator Hollings, is recognized.

Mr. HOLLINGS. Mr. President, during Senate debate on the defense authorization bill, I spoke at length against the Nunn-Levin provision in the bill that mandated enforcement of the incorrect and so-called narrow interpretation of the ABM Treaty. The thrust of that provision—while allegedly aimed at stopping President Reagan's correct, broad interpretation of the treaty—is really meant to kill the SDI Program by prohibiting the research and testing of future ABM technologies that are specifically allowed by agreed statement D of the treaty.

I do not intend to revisit the issue again at this time. It is one that will be debated repeatedly in the months ahead. What is unfolding is a struggle between those who want to deploy SDI now at any price and those who want to cancel SDI at any price. I am in the middle. We need the capability to defend ourselves. The MAD doctrine, dating back to the McNamara era, must be replaced. The only way to find out whether a defensive deterrent is feasible is to conduct an extensive research and testing program on all types of technologies. Such a program must not be inhibited by reckless excursions by the Congress subverting the responsibilities of the President. By 1993-95, we could know how or whether to proceed with SDI. That is what General Abrahamson has requested and what we should be supporting.

There is a need now to refute many of the assertions by those opposing the broad interpretation of the treaty—especially from members of the U.S. ABM negotiating team—alleging one point of view when the facts prove otherwise. I would particularly cite a recent letter to the editor in the Washington Post by Raymond L. Garthoff.

In his letter, Mr. Garthoff provides lengthy arguments about why my reasoning in support of the broad interpretation of the treaty is wrong. The only problem with Mr. Garthoff's view is that the facts support me and dispute his statements. There is one major allegation by Mr. Garthoff that he supposes firmly supports the narrow interpretation. This allegation is based on a September 15, 1971, meeting between Sidney Graybeal of the United States team and Victor Karpov of the Soviet Union that focused on article V of the treaty. In Garthoff's view, Karpov agreed that article V would cover any type of present or future component of an ABM system.

The facts prove otherwise. On 22 instances between September 15 and February 1, 1972, the Soviets steadfastly rejected all United States attempts to restrict the research and testing of future ABM technologies. Finally, in the spring of 1972, when agreed statement D was finalized, the Soviets accepted a provision that prior to deployment only of futuristic ABM systems, discussion and an amendment to the treaty would be necessary.

This view of the Soviet refusal to bind future systems was explicitly described by the same Victor Karpov on May 29 of this year in an article appearing in Pravda. Karpov stated,

> * * * it would (have been) premature to make new systems subject to the same limitations as existing ones. At the same time, we believed it necessary to supplement the treaty with a provision introducing additional limitations on the deployment of ABM systems or their components which would be created on the basis of new technologies. Agreed Statement D introduced them.

Mr. President, the facts speak for themselves. You do not have to interpret anything. The treaty is explicit in allowing research and testing on future systems. The 22 instances between September 15, 1971, and February 1, 1972, wherein the Soviets rejected United States attempts to prohibit future systems is explicit. And, Karpov is explicit in his May 1987 statement—new technologies are allowed.

Mr. President, while significant efforts were made by both the President and the conference members to soften the impact of the arms control provisions in the authorization bill, I am opposed to them while similar restraints are not placed on the Soviets and because of the restraint they have on United States technological improvements.

I ask unanimous consent that the following articles be placed in the RECORD:

First, an op-ed piece on SDI authored by me—September 29, 1987.

Second, Garthoff's letter to the editor—October 5, 1987.

Third, a record of the 22 instances between September 15, 1971, and February 1, 1972, when the Soviets rejected United States attempts to prohibit future ABM systems.

Fourth, a portion of Karpov's Pravda statement—May 29, 1987—indicating Soviet rejection for prohibition on future ABM systems.

Fifth, a copy of a letter to the editor of October 7, 1987, by me that the Post refused to publish.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPT FROM MAY 26, 1987, PRAVDA ARTICLE BY V.P. KARPOV ENTITLED "A DIFFERENT 'ANNIVERSARY'"

Nothing can be further from the truth than this assertion. What the U.S. side was proposing looked like an intention to record, in the treaty, provisions to the effect that devices capable of replacing existing ABM interceptor missiles, ABM launchers and ABM radars must be regulated in the same ways as the ABM systems that existed when the treaty was concluded. Our side rightly pointed out that since we do not yet know the precise nature of possible future ABM components based on other physical principles or their ability to replace ABM interceptor missiles and radars, it would be premature to record the same limitations for new systems as for existing ones. At the same time we believed it was necessary to supplement the treaty with a provision introducing additional limitations on the deployment of the kind of ABM systems or their components that would be developed on the basis of new technologies. And Agreed Statement D did introduce such limitations.

INTERPRETATIONS OF THE ABM TREATY

In his piece on the ABM Treaty [op-ed, Sept. 29], Sen. Ernest Hollings restates the essence of the administration's "reinterpretation" as though it was a middle course. He bases his position on the negotiating record, to which he says we must give precedence in interpretation, but his own position on the issue is regrettably based on a fatally flawed misunderstanding of that record.

Sen. Hollings states, for example, that "Article II of the treaty clearly controls those ABM systems current at the time of the signing of the treaty," while "Agreed Statement D clearly controls those ABM systems based on 'other physical principles' in the future." His dichotomy is clear, but it is not sustained by the negotiating record. Sen. Hollings quotes me as having said in 1971 that the "question of constraints on future systems would be settled elsewhere than in Article II." But in saying that constraints would be settled elsewhere, I was not saying that the definitional Article II did not apply to future systems. In fact, I said precisely the opposite. In proposing on behalf of the United States the language subsequently accepted in the treaty, on Dec. 20, 1971, I stated to my Soviet counterpart negotiator that "the Soviet side, as well as the American, recognized that there could be future systems, and while the question of constraints on future systems would be settled elsewhere than in Article II, the correct way of indicating a valid connection between components and systems in Article II would be to include the word 'currently.'" Inclusion of the words "currently consisting of" in listing ABM components based on current technology made crystal clear that the identified components were not a complete and exclusive listing.

As Ambassador Paul Nitze stated in a speech on May 30, 1985, "That future types of permitted ABM systems and components were contemplated is obvious from the language of Article II, which defines ABM systems as 'currently consisting of' ABM interceptor missiles,' launchers, and radars."

The second major point Sen. Hollings raises is that, in his reading, "Agreed Statement D clearly controls those ABM systems based on 'other physical principles' in the future." Because that statement deals only with deployment, he contends that only deployment of future systems is limited. The statement does deal only with deployment, but contrary to the senator's interpretation and that of other would-be reinterpreters, the U.S. delegation never sought to have that provision deal with anything other than deployment. The constraint banning development and testing of space-based and other mobile ABM components is contained in Article V(1): "Each Party undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based, or mobile land-based." And Article II makes clear that the treaty covers future as well as then-current components. So does the negotiating record. When Article V(1) was being agreed to, on Sept. 15, 1971, the Soviet negotiator, Victor Karpov, confirmed this understanding with his American counterpart. The record reads: "Karpov agreed with Graybeal's interpretation that the Soviet text meant 'any type of present or future components' of ABM systems."

RAYMOND L. GARTHOFF,
WASHINGTON.

The writer was on the government team that negotiated the ABM Treaty.

[From the Washington Post, Sept. 29, 1987]

FIGHTING OVER THE ABM TREATY—SAM NUNN'S INTERPRETATION IS WRONG

(By Ernest F. Hollings)

The 1972 Antiballistic Missile Treaty is a remarkably straightforward document—a model of precise, meticulously crafted language. Not surprisingly, for a decade and a half, there was no significant argument concerning the meaning and intent of the treaty.

Today, however, that placid unanimity has been shattered. Debate rages between two creative new "interpretations" of the ABM Treaty—one tailored to suit the political agenda of the left and another championed by the right. The left's "narrow" view is that the treaty bans development, testing and deployment of ABM systems such as the Strategic Defense Initiative. The right counters with the interpretation that, in effect, anything goes; we can deploy SDI next week and still abide by the treaty.

What is lost sight of in this debate is the explicit, common-sense text that was agreed to in 1972. The ABM Treaty is not a bolt of cloth we can cut to fit this or that political fashion. As one who voted for the treaty, I am duty bound to speak up for the integrity—the explicit meaning—of the treaty as it was originally negotiated and understood by the Soviet and U.S. negotiators.

The treaty interpretation touted by the "deploy now" faction failed to gain a wide following and has been successfully beaten back into its cave. But the "narrow" view, championed by Sen. Sam Nunn (D-Ga.), and now written into the Senate's 1988 defense authorization bill as the Nunn-Levin amendment, is alive and kicking. It is mischievous nonsense that cries out for rebuttal.

Sen. Nunn bases his new interpretation on statements made during the 1972 ratification process in the Senate. He insists that the treaty's meaning is determined not by the literal text of the treaty or by the negotiating record (what the Soviet and American negotiators actually said and agreed to) but by the ratification record, i.e., what senators said during debate on the treaty. This deference to the ratification record—questionable on its face—is made doubly dubious by the fact that there was next to no floor debate on the ABM Treaty. No reservation or amendment was presented. Majority

Leader Mike Mansfield complained that no senators wanted to speak and that the Senate was "twiddling its thumbs."

Surely common sense dictates that the negotiating record, in concert with the explicit text of the treaty itself, must hold precedence over various senators' "interpretations" or "readings" offered in the course of ratification debate. Let us briefly examine the text and the negotiating record.

Article II of the treaty clearly controls those ABM systems current at the time of the signing of the treaty. Agreed Statement D clearly controls those ABM systems based on "other physical principles" in the future. Development, testing and deployment of "current" (i.e., those existing in 1972) ABM systems that are sea-based, air-based, space-based or mobile land-based are clearly banned by the treaty. However, there is no such ban on the development and testing of future technologies. The treaty's Agreed Statement D says only that deployment of such future technologies is subject to negotiation and agreement.

Negotiator Raymond Garthoff stated in 1971, "The question of constraints on future systems would be settled elsewhere than in Article II." In concert with this assertion, Agreed Statement D says (the emphases are mine): "In order to insure . . . the obligation not to deploy ABM systems . . . except as provided in Article III of the Treaty, the Parties agree that in the event ABM systems based on other physical principles . . . are created in the future, specific limitations on such systems would be subject to discussion . . . and agreement. . . ." Why would the treaty spell out a contingency to cover "ABM systems based on other physical principles" "created in the future" if such systems were banned by the treaty?

Former Chief ABM Treaty negotiator Gerard Smith, testifying in 1972 on the nature of restrictions on futuristic ABM systems, virtually restated Agreed Statement D: ". . . one of the agreed understandings says that if ABM technology is created based on different physical principles . . . development work, research, is not prohibited, but deployment of systems using those new principles . . . would not be permitted unless both parties agree by amending the treaty."

Indeed, it is all but forgotten that the U.S. negotiating team worked doggedly to get the Soviets to ban future ABM technologies. Again and again, the Soviets responded with a flat "nyet." Regarding future ABM systems, former negotiator Lt. Gen. Royal Allison stated on June 21, 1972: "Constraints in the treaty apply to deployments only. Research and development are not constrained. The U.S. delegation, under instruction, sought a clear-cut ban on deployment of future ABM systems, but the Soviets would not agree."

Key U.S. and Soviet negotiators—Gerard Smith, Paul Nitze, Harold Brown, Adm. Thomas Moorer, Gens. Bruce Palmer and Royal Allison, and Victor Karpov—in the past have spoken with one voice in affirming the parties' right to test and develop future systems. Yet, despite the crystal-clear text of the treaty and the equally unambiguous testimony of the treaty's drafters, Sen. Nunn seeks to shackle the United States to his new "narrow" interpretation. Shamefully, he threatens to use his muscle as Armed Services Committee chairman to gut future SDI funding if the president vetoes the Nunn-Levin amendment. This is wrong. In effect, he seeks to ratify a new treaty by a majority vote of the Senate instead of the constitutional two-thirds. He further corrupts the Constitution by inviting House participation in this new "ratification process."

Sen. Nunn would unilaterally bind the United States to an interpretation that the Soviets' own aggressive SDI program left in the dust long ago. At the other extreme, militant conservatives are hell-bent on immediate deployment of an SDI system that, by any assessment, still requires a thorough program of research and development. Both sides are wrong. We must say no to the distortion and politicization of the ABM Treaty, whether from the left or the right. We must let the ABM Treaty speak for itself.

U.S. SENATE,
Washington, DC, October 7, 1987.

Mr. STEPHEN ROSENFELD,
Deputy Editorial Page Editor, The Washington Post, Washington, DC.

DEAR MR. ROSENFELD: Now we know who is misleading Sen. Nunn on the ABM Treaty. Raymond Garthoff (letter, Oct. 5) claims that the Soviets agreed to ban deployment of futuristic ABM technologies; indeed, he claims that the Soviets agreed to such a ban on Sept. 15, 1971. Yet even a cursory review of the negotiating record reveals at least 22 instances between late September and Feb. 1 where negotiators focused on the Soviets' steadfast rejection of U.S. proposals to outlaw futuristic ABM systems. On Sept. 20, 1971, Gartoff himself is quoted in the record as stating that a key missing element in the treaty was a provision to cover future unconventional ABM systems.

The impasse on this issue was resolved Dec. 20, when Garthoff and his Soviet counterpart agreed to defer the issue of futuristic systems to a separate addendum to the Treaty. That addendum, Agreed Statement D, communicates very clearly that future ABM systems based on other physical principles are permitted. As Soviet negotiator V.P. Karpov wrote in the May 29, 1987, Pravda on the occasion of the Treaty's 15th anniversary, ". . . it would [have been] premature to make new systems subject to the same limitations as existing ones. At the same time, we believed it necessary to supplement the treaty with a provision introducing additional limitations on the deployment of ABM systems or their components which would be created on the basis of new technologies. Agreed Statement D introduced them."

Article II, Paragraph 1 states that, "For the purposes of this Treaty an ABM system is a system . . . *currently consisting of* . . ." (my italic) Paragraph 2 further specifies that the five types of systems covered by this definition are those that are "(a) operational, (b) under construction, (c) undergoing testing, (d) undergoing overhaul, repair or conversion, and (e) mothballed." All of these are manifestly "current" in nature. Nowhere in Article II is there mention of "future" systems. Everywhere in the negotiating record and in statements by the negotiators, future systems were to be dealt with elsewhere than in Article II; and thus Agreed Statement D was included to govern future systems. The restrictions in Article V, Paragraph 1, apply only to the development, testing, and deployment of ABM systems described in Article II as "current."

Common sense says that the phrase "currently consisting of" in Paragraph 1 is a limiting phrase designed to exclude systems invented in the future. Yet Garthoff insists the opposite: that "current" encompasses "future." In a leap of faith and language, Garthoff asserts that "currently consisting of" was written into the text in order *not to exclude* future systems. If, as Garthoff claims, the research, testing, and development of "future" as well as "current" systems are governed by the main body of the Treaty, then Agreed Statement D—whose sole thrust is to spell out the treatment of "future" systems—would be superfluous.

In brief, the Soviet stance against banning futuristic systems prevailed. Under Agreed Statement D, "creation"—research and testing—of futuristic ABM systems is permitted.

Sincerely,

ERNEST F. HOLLINGS.

FUTURE ABM SYSTEMS

SOVIET REJECTIONS/QUESTIONS FROM NEGOTIATIONS RECORD—REGARDING FUTURE ABM SYSTEMS—LEADING TO DEVELOPMENT OF AGREED STATEMENT D

1. September 17, 1971.—Smith: * * * had the feeling that the Soviet position on Article 2 reflected a desire that nothing be done to prejudice the Soviet position on the issue treated in paragraph 1 of Article 6.

Semenov: * * * bearing in mind that inclusion of uncertainties in an agreement would surely lead to all sorts of misunderstandings in the future. * * * with reference to the U.S. position on Article VI * * * he would not care to say any more * * * this problem would be kept in his field of vision * * * for the next Vienna phase.

2. September 20, 1971.—Garthoff: stated there would remain seven points of difference including a provision to cover future "unconventional" ABM systems * * *

3. November 30, 1971.—Shchukin: * * * the Soviet side cannot recognize as well-founded the proposal of the U.S. involving an obligation not to deploy ABM systems using devices other than * * * missiles, * * * launchers, * * * radars * * *. The subject of a Treaty (Agreement) could only be a specific and concrete limitations of ABM systems * * *

4. December 7, 1971.—Garthoff: On Article V, both sides reiterated the strong positions which they hold on the question of the paragraph relating to future systems * * * Kishilov and Grinevsky flatly asserted that they were certain there would be no change in the position of the Soviet side.

5. December 10, 1971.—Brown: The Soviet side has objected to limits on possible future ABM systems on the basis that such systems are defined only in general terms.

6. December 14, 1971.—Nitze: noted in connection with Shchukin's comments * * * on future systems he had emphasized the inappropriateness of this subject for treaty language * * *

7. December 14, 1971.—Semenov: * * * Although Dr. Brown said that the question of future ABM systems, which do not include launchers, radars, and interceptors * * * I would like to ask what this is all about in concrete terms. In what does the U.S. side see a danger in the absence of a provision on this account in the treaty? If these systems cannot be defined now, except that they are not something known today, and, at the same time, the draft treaty includes a number of clear limitations and constraints not to deploy territorial ABM systems, not to give the capability for rapid reload, etc., is it not sufficient to have such limitations? To be sure, including in the treaty a provision covering something that is not known cannot be justified by any considerations,

and therefore this proposition cannot be the subject of a treaty.

8. December 17, 1971.—Garthoff: On future ABM systems, I suggested to Kishilov the possibility of a new approach to meeting the issue. Perhaps it would be possible to have a clear and explicit understanding, for example, in an agreed minute, that neither side would deploy a future ABM system or components without prior consultation and mutual agreement in the Standing Consultative Commission.

9. December 17, 1971.—Garthoff: Grinevsky referred to the conversation I had had that morning with Kishilov concerning a posssible alternative approach to handling future ABM systems * * * handling these matters through the Standing Consultative Commission, rather than through explicit treaty provisions, offered a possible resolution to our differences.

10. December 20, 1971.—Semenov: * * * suppose that the draft treaty * * * had a provision on limiting systems other than those now known which use interceptors and launchers * * * such a provision would create the grounds for endless arguments, uncertainties * * *. He asked if the goal of the two Delegations isn't just the opposite, that is to reach agreement on limiting known ABM systems * * * certainly such limitations on known ABM systems constitute a factor for relaxing international tension and curbing the race in strategic arms and limiting them * * * how then could an ABM treaty include a provision about whose content the sides do not have the vaguest notion? * * * Could the sides include in the ABM treaty the unknown without risk of making the treaty indefinite and amorphous? * * * The sides cannot and must not engage in discussion of questions not known to anyone. The task faced by the two sides is to erect reliable barriers against deployment of known ABM components in excess of the levels defined by the ABM treaty * * *. If it should appear necessary to supplement the ABM treaty by a provision prohibiting or limiting other ABM components in addition to those now known, this can be done in accordance with the procedures provided for in the provision on review.

11. December 20, 1971.—Grinevsky: raised the question of dealing with future ABM systems through statements on the record * * *

Garthoff: noted that the suggestion he had advanced in this respect was for an agreed minute * * * there must be a clear agreed mutual understanding that, prior to any deployment of future systems * * * there would be consultation and agreement in the Standing Consultative Commission.

12. December 21, 1971.—Grinevsky: asked if the American side had proposed language for the suggested separate agreed understanding on future ABM systems.

Garthoff: said he could provide an illustrative draft statement * * * as a possible solution to the impasse over the American proposal for a third paragraph in Article V. The Soviet Delegation has said on several occasions that it is opposed to the proposal by the United States to include a provision in the ABM agreement prohibiting ABM systems in the future which would use devices other than ABM interceptor missiles, ABM launchers, or ABM radars to perform the functions of those components. In order to contribute to negotiating progress, while maintaining our basic position on this matter, the U.S. side is willing to drop Article V(3) if there is a clear agreed understanding as part of the negotiating record. An Agreed Minute could read as follows:

"The Parties agree that the deployment limitations undertaken in Article I and Article III are not to be circumvented by deployment of components other than ABM interceptor missiles, AMB launchers, or ABM radars for countering strategic ballistic missiles in flight trajectory. They agree that if such components are developed and the question of deployment arises, neither side will initiate such deployment without prior consultation and agreement in the Standing Consultative Commission."

13. January 11, 1972.—Shchukin: * * * The Soviet side continues to believe that only quite specific ABM system components of which each side had a clear idea could be included in an ABM treaty * * *. For this reason the Soviet delegation continues to consider this point "not suitable" for inclusion in the draft ABM treaty we were negotiating.

Nitze: said he had understood from Shchukin's remarks that he believed that if ABM components other than radars, interceptors and launchers were developed, they could appropriately be the subject of consultations under Article XIII. However, if such components were developed and could, in fact, be deployed in a manner to circumvent the specific limitations of Article III of the treaty, would it not be appropriate that they also be subject to agreement between our Governments?

14. January 11, 1972.—Grinevsky: said that the treaty referred to ABM systems which were defined in Article II. It could not deal with unknown other systems.

Garthoff: challenged this interpretation on two grounds: first, the treaty dealt not only with ABM systems compromising components identified in Article II, but all ABM systems; second, the issue did not concern "other" systems but rather future ABM systems * * *. However, what Garthoff was referring to—and what the U.S. was particularly concerned about—was precisely ABM systems and components of some new kind in the future. Garthoff repeated his reference to laser ABM interceptors as an example * * *.

15. January 14, 1972.—Trusov: affirmed the Soviet position that it is premature to discuss limiting systems which are now nonexistent, and that if and when such systems appear then limitation would be subject to discussion under the provisions of Articles XIII and XIV of the Draft ABM Treaty.

16. January 14, 1972.—Shchukin: said he had a very brief comment to make. At the January 11 meeting, Mr. Nitze had asked the question whether so-called "other ABM means" would be a subject not only for appropriate consultation but also for agreement. Both sides agree that they should assume obligations not to deploy ABM systems except as provided in Article III of the draft ABM Treaty. In order to insure implementation of this provision of the Treaty, the sides could, in the event of the emergence of ABM systems constructed on the basis of other physical principles, further discuss the question of their limitation in accordance with Articles XIII and XIV of the draft AMB Treaty.

17. January 14, 1972.—Grinevsky: produced a Soviet draft, based closely upon (but not identical with) the statement made in the meeting that morning by Academician Shchukin. The statement read:

"With a view to ensuring the implementation of the provisions contained in Articles I and III of the Treaty on the limitation of ABM systems, the Parties agree that in the event of the emergence of ABM systems based on other principles questions of their limitation may be discussed further in accordance with Articles XIII and XIV of the ABM Treaty."

18. January 26, 1972.—Grinevsky: in response to the latest proposed U.S. language on the Agreed Interpretive Statement on future ABM systems strongly urged that the American side not pursue this proposed addition, i.e., a clause reading to perform the functions of ABM interceptor missiles, ABM launchers, or ABM radars. He also commented that his side had now accepted the earlier American formulation completely, and in fact had accepted the American position on the subject entirely, save only that it would be a jointly agreed interpretation rather than a paragraph in the treaty.

Draft Interpretive Statement on Future ABM Systems

In order to insure fulfillment of the obligation not to deploy ABM system components except as provided in Article III of the Treaty, it is agreed that in the even ABM system components other than ABM interceptor missiles, ABM launchers, or ABM radars are created in the future, specific limitations on such system components would be subject to discussion in accordance with Article XIII and agreement in accordance with Article XIV of the Treaty.

19. January 31, 1972.—Garthoff: I suggested that perhaps we need a fresh approach, first survey the problem and see if we agreed on the substance of the matter—which I believed we did—and then find appropriate language to express this agreed position. Grinevsky saw that I was speaking from prepared notes and seemed interested. I thereupon gave him a copy * * * after reading the talking points, Grinevsky said that he believed there was complete agreement.

Garthoff talking points: It is understood that both sides agree that:

1. ABM systems and their components, as defined in Article II, should not be deployed except as provided for in Article III.

2. The deployment of ABM system components other than ABM interceptor missiles, launchers, or radars to perform the functions of those components is banned.

3. Devices other than ABM interceptor missiles, ABM launchers, or ABM radars could be used as adjuncts to an ABM system provided that the devices could not perform the functions of and substitute for ABM interceptor missiles, ABM launchers, or ABM radars. For example, a telescope could be deployed as an adjunct to an ABM system, whereas a laser for performing the function of an interceptor missile by rendering ineffective a strategic ballistic missile in flight trajectory could not be deployed.

4. Article III should be drafted so as not to permit the deployment of devices other than ABM interceptor missiles, ABM launchers, or ABM radars to substitute for and perform their functions.

5. If such devices are created in the future, their deployment could be provided for by limitations subject to discussion in accordance with Article XIII and agreement in accordance with Article XIV.

20. February 1, 1982.—Allison: I observed that both sides have had a clear understanding for some time that within the context of our negotiations when we speak of an ABM system we are referring to a system made up of three components—ABM launchers, ABM

interceptor missiles, and ABM radars. We also appear to agree that substituting a different component for one of these three in the future would result in a "future" or "other" ABM system. It seems that * * * our Delegations should be able to agree on a set of words for the interpretative statement.

21. February 1, 1972.—Nitze: It seemed to me to be most likely that if something new were to become possible in the future, that this would be of such a nature as to substitute for either launchers or interceptors or radars, but not for all three.

Shchukin: said that if a new system were developed which could substitute either for radars or for interceptor/launchers, this would be a new system and, as such, subject to Articles XIII and XIV.

22. February 1, 1982.—Garthoff: Grinevsky called to say that he believed his Delegation could accept the proposal if the words "based on other physical principles and" were included before the phrase "including components."

Agreed Statement D to the Treaty

In order to insure fulfillment of the obligation not to deploy ABM systems and their components except as provided in Article III of the Treaty, the Parties agree that in the event ABM systems based on other physical principles and including components capable of substituting for ABM interceptor missiles, ABM launchers, or ABM radars are created in the future, specific limitations on such systems and their components would be subject to discussion in accordance with Article XIII and agreement in accordance with Article XIV of the Treaty.

Mr. WARNER. Mr. President, I yield such time to the distinguished senior Senator from South Carolina as he may wish. The Senator from South Carolina is the senior member on the Republican side of the Senate Armed Services Committee and he is a most valued and respected Member.

The PRESIDING OFFICER. The Senator from South Carolina, Senator THURMOND.

Mr. THURMOND. I wish to thank the ranking member for his kind remarks. I have already spoken on this so I do not think anything further need be said. Thank you very much.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I wonder if I might entertain a brief colloquy with the distinguished chairman.

We were discussing with the Senator from New Mexico the hope of the appropriators following certain guidance that we have incorporated in this bill. I note, also, the presence on the floor of the distinguished majority leader.

I hope that the Senator from Georgia would join me, with respect to matters in the area of arms control as were the subject of the conference, with respect particularly to four items which were resolved by the conferees and were incorporated in this bill, expressing the hope that those matters would not be addressed by the appropriators or in the context of any other legislation absent a significant change in fact during the course of the consideration by the Senate of the fiscal year 1988 budgets for the United States.

Mr. NUNN. I say to my colleague from Virginia, the Senator is absolutely correct. We cannot bind the appropriators. We have not purported to anyone that we can bind them. But we do urge our appropriators and the people on the Appropriations Committee, as well as our colleagues, to understand that this has been a very delicate negotiation; it has been a three-way discussion. It has been an enormously difficult conclusion to reach and I believe that if it is disturbed in any significant way this year, we will have a real donnybrook as far as opening debate back up.

So I hope these matters are not going to be addressed in the appropriation bill. I believe that our colleagues on the Appropriations Committee understand that it would cause a considerable amount of debate if they are.

Mr. WARNER. Mr. President, again observing the presence of the majority leader on the floor and the chairman, it would be my desire to have the yeas and nays and I would propose to seek that order.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The majority leader.

Mr. BYRD. Mr. President, this will be the only rollcall vote that I would anticipate.

WORK OF THE ARMED SERVICES COMMITTEE DURING 1987

Mr. NUNN. Mr. President, before closing the debate on this conference report I want to again express my appreciation to all of the members of the Armed Services Committee for their diligent work this year. I want to particularly thank the staff because their workload this year has been substantial.

The fiscal year 1988/89 defense authorization bill has been the primary focus of our committee's work for the past 11 months. Everyone can see that the conference report we are acting on today is unprecedented in its complexity, scope, and size.

Our 46 full committee and subcommittee hearings on this bill stretched over 2 months. We spent a full week in subcommittee markups and 2 weeks in full committee markups. We spent 7 different days between May and September debating the motion to proceed to this bill. When we finally got the bill up on the Senate floor, it was debated for 15 days, including one Saturday session. There were 118 amendments with 52 rollcall votes. And we have now spent just over a month in conference with our House colleagues on this bill. I hope that this is the last time the Senate will have to deal with this bill this year.

Mr. President, the Armed Services Committee has met a total of 128 times since January. We have had a lot of business before the committee other than the defense authorization bill this year.

We have reported two other bills to the Senate—S. 12, the New GI Bill Continuation Act and S. 1243, the fiscal year 1988 intelligence authorization bill. The committee is currently considering S. 1085, the Nuclear Protection and Safety Act of 1987, under sequential referral from the Committee on Governmental Affairs. Our Subcommittee on Strategic and Theater Nuclear Forces under the leadership of Senator EXON and Senator THURMOND has held five hearings on this bill. We have had two markup sessions on this measure and we will be reporting it to the Senate in the near future.

The committee has acted on 13 statutory nominations requiring hearings since January. Twelve of these thirteen nominations have been confirmed by the Senate; Mr. Carlucci's nomination to be Secretary of Defense is currently pending on the Executive Calendar.

The committee has also acted on, and the Senate has confirmed, 35,773 nominations in the Army, Navy, Marine Corps, and Air Force. As part of its review of military nominations, the committee met six different times to consider a list of Marine Corps nominations to the grade of major general. The culmination of the committee's oversight review of this matter was the filing in the Senate of Executive Report 100-3.

The committee has carried out its responsibilities for oversight of national defense programs throughout the year. We began our work this year with a series of 16 hearings dedicated to reviewing our overall military strategy. The record from those 16 hearings has already been published—1,112 pages, and about 6 months earlier than past printing experiences would indicate. Strategy will be an ongoing effort of the committee for the remainder of the 100th Congress.

In June the committee met five times to receive briefings and take testimony on the attack of the U.S.S. *Stark* and on the administration's plan to protect reflagged Kuwaiti tankers in the Persian Gulf. I sent an extensive report to Senator BYRD based on these hearings. We also met to receive testimony on the ongoing INF negotiations. And last month the committee met to receive testimony on the effectiveness of the 1986 legislation establishing the position of the Under Secretary of Defense for Acquisition.

At the subcommittee level, the Subcommittee on Conventional Forces and Alliance Defense under the leadership of Senator Levin and Senator Quayle has held six oversight hearings on the defense capabilities of the NATO Alliance. The Defense Industry and Technology Subcommittee under Senator Bingaman and Senator Gramm has held two hearings on the manufacturing capabilities of key second-tier defense industries and on the future of the Department of Energy's nuclear weapons laboratories. They have also formed a Defense Industry Advisory Board composed of top defense industry leaders which has met twice with the Defense Industry and Technology Subcommittee. And the Manpower and Personnel Subcommittee under Senator Glenn and Senator Wilson has held a hearing on the military services' morale, welfare, and recreation programs.

Mr. President, I have only touched on some of the highlights of the committee's work over the past 11 months. But these highlights illustrate the broad scope of our committee's activities and responsibilities.

I want to thank Senator Warner for all of his support and cooperation in our committee's work this year. I also want to thank each and every member of the committee for the extraordinary effort and dedication which they have brought to their work on the Armed Services Committee this year. And I especially want to thank the committee staff who carry the significant responsibilities of enabling the committee to do its work on a day-to-day basis.

Mr. HATFIELD. As the manager knows, the Senate bill provided no funds for operation of the N-reactor, and called for the reactor to be placed in cold standby status. The Senate Appropriations Committee agreed with that recommendation to place the reactor in cold standby. Budget figures recently obtained from the Department of Energy indicate that the cold standby option would produce a substantial amount of budget savings. The total direct operating costs of operating the reactor are about $440 million per year. The first year of standby would save $100 million, and in each of the outyears, we would save over $300 million. Assuming a 5-year remaining life of the reactor—which may be an exaggeration—our total savings would be about $1.5 billion.

With the public health, safety, and environmental problems of the weapons complex, and the troubles of the production complex, may it not be necessary under current budget constraints to redirect N-reactor funds to other activities?

Mr. NUNN. The Senator is correct. With additional budget cuts facing the Defense budget, it is vital for us to use these funds in an efficient manner.

Mr. HATFIELD. The conference report would allow the N-reactor to be restarted at the discretion of the Secretary of Energy. Section 3133 requires the Secretary to certify that the N-reactor is safe to operate. Does the bill specify any plant safety, public health and safety, or environmental criteria which must be met before certification can be granted?

Mr. NUNN. No it does not specify any particular criteria.

Mr. HATFIELD. In other words, the Secretary of Energy can base his decision to restart on whatever information he believes is relevant.

Mr. NUNN. The Secretary of Energy has the statutory responsibility to ensure the safe operation of all DOE facilities, including the N-reactor. In other words, the Secretary of Energy must be able to certify that N-reactor can be operated safely with respect to public health and safety.

Mr. HATFIELD. The statement of the managers directs the Department of Energy, in the event that it "is unable to make a timely restart of the N-reactor," to use the funds provided for operation of the facility to, in order of priority:

First. Place N-reactor in a cold standby status;

Second. Accelerate planning, design and, if possible, and construction of a new production reactor; and

Third. Accelerate construction of the special isotope separation facility.

As I read the managers' statement, there is no definition of timely manner. Does the Senator agree that the term a timely manner is not defined anywhere in the conference agreement?

Mr. NUNN. That is correct.

Mr. HATFIELD. Does the Senator have any suggestions as to the timeframe envisioned by the conferees? Perhaps May 1, 1988, or June 1, 1988?

Mr. NUNN. I would say the following in answer to that question from my colleague:

Starting from the two very divergent positions, the conferees ultimately decided to give the Secretary of Energy a chance to restart the N-reactor this fiscal year, but not to let the issue drag on for the whole fiscal year.

It is clear that there could be legal challenges by a number of organizations and individuals, to a restart decision. I think we should let the Secretary have a chance to test those challenges, to see what the courts consider their merits to be. I think it is fair to allow the Secretary to find out whether such challenges should be dismissed. However, if any challenges are not set aside, or if other legal, technical, or procedural issues delay the Department's timetable, such that restart is clearly problematic, then the N-reactor should be put in cold standby.

Thus, I do not think we can or should at this point be totally specific about this determination. We will all have to see how events transpire next spring and summer. It is everyone's intention that the issue be settled one way or the other this fiscal year—that N-reactor be restarted, or be consigned to cold storage. We do not want to have to deal with this issue all over again on the fiscal year 1989 bill.

In the meantime, Senator Warner and I have begun consultations and discussions with the Secretary of Energy, and we expect that dialog to continue.

Mr. HATFIELD. In section 3133 of the bill, the Secretary is required to request another report form the National Academy of Science on the safety of operation of the N-reactor. Is the Senator aware that there have been two reports on the N-reactor by the NAS already—the report on class A production reactors, including the N-reactor, and a review of the hydrogen mitigation plan for the reactor?

Mr. NUNN. The report on the class A production reactor is the required report; it has been delivered already, as has the review of the hydrogen mitigation plan.

Mr. HATFIELD. Is the Senator aware that a comprehensive environmental impact statement on the N-reactor has never been prepared?

Mr. NUNN. Yes, that is my understanding. However, as the Senator knows, a comprehensive environmental impact statement is not required on those facilities that predated the National Environmental Policy Act. Second, a comprehensive environmental impact statement has been prepared on the issue of waste discharges, including those at the N-reactor. Third, the Department is conducting an environmental impact statement addressing the current safety improvements at the N-reactor.

Mr. HATFIELD. In light of the fact that the N-reactor is located on the banks of the Columbia River, the Nation's second largest river system, and that the facility discharges effluent directly into the soil column at an average rate of 1,330 gallons per minute, and that approximately one-half of Oregon's population lives in close proximity to the Columbia River, does the conference report require the Department of Energy to rectify this grave environmental danger before restart is allowed?

Mr. NUNN. No, the conference report requires only a certification by the Secretary that the reactor is safe to operate. However, the discharges the Senator refers to contain very low-level radioactive wastes, and none of the reviewers of the reactor have suggested that these discharges must be rectified prior to a decision to restart the N-reactor.

Mr. HATFIELD. The conference agreement indicates that the requested NAS study in section 3133 may include a review of the recommendations of the so-called Roddis panel and other reviews. The Roddis panel, as I recall, proposed around 130 safety improvements for the N-reactor and the total number of recommendations in all the review is now over 200. In dollar terms, the Department of Energy has spent only about $68 million out of some $170 million which is planned for its own Safety Enhancement Program for the reactor. With this background, in your view, should the Department of Energy fully comply with these safety recommendations before restart of the reactor?

Mr. NUNN. In my judgment, it is the Secretary of Energy's obligation to determine whether the N-reactor can be operated without undue risk to the public health and safety. That is what the bill requires the Secretary to certify. In making that determination he will have to weigh all the recommendations that have been made from the perspective of costs and of benefits of enhanced safety.

Mr. HATFIELD. Does the conference agreement require the Department to complete the safety improvements before restart?

Mr. NUNN. No. In fact, in testimony before our committee, the NAS indicated that not all recommendations need be completed prior to restart. Some will take several years to complete.

Mr. HATFIELD. Does it require the Department to fully comply with the independent safety reviews?

Mr. NUNN. Not before a decision to restart can be made, but we fully expect and have required that no decision to restart would be made unless it is safe.

Mr. HATFIELD. I thank the Senator.

Mr. NUNN. Mr. President, I hope we are ready for the roll to be called.

The PRESIDING OFFICER. Do the Senators yield back the remainder of the time? The Senator from Virginia.

Mr. WARNER. The Senator from Virginia yields back the remainder of his time.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. NUNN. The Senator from Georgia yields back the balance of his time.

The PRESIDING OFFICER. All time has been yielded back. All time has expired.

There being no further debate, the question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arizona [Mr. DeConcini], the Senator from Tennessee [Mr. Gore], the Senator from North Carolina [Mr. Sanford] and the Senator from Illinois [Mr. Simon] are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona [Mr. DeConcini] would vote "yea."

Mr. SIMPSON. I announce that the Senator from Indiana [Mr. Lugar] is absent due to illness.

I further announce that, if present and voting, the Senator from Indiana [Mr. Lugar] would vote "yea."

The PRESIDING OFFICER (Mr. Daschle). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 86, nays 9, as follows:

[Rollcall Vote No. 384 Leg.]

YEAS—86

Adams
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Cranston
D'Amato
Danforth
Daschle
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Graham
Gramm
Grassley
Harkin
Hatch
Hecht
Heflin
Heinz
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Matsunaga
McCain
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sarbanes
Sasser
Shelby
Simpson
Specter
Stafford
Stennis
Stevens
Thurmond
Trible
Warner
Weicker
Wilson
Wirth

NAYS—9

Armstrong
Conrad
Hatfield
Helms
Hollings
McClure
Proxmire
Symms
Wallop

NOT VOTING—5

DeConcini
Gore
Lugar
Sanford
Simon

So the conference report was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NOMINATION OF FRANK CARLUCCI

Mr. BYRD. Mr. President, I would expect rollcall votes tomorrow and I hope that we can do the Carlucci nomination. I wonder if we can get a time agreement on that.

Mr. WARNER. It would be the request of the distinguished minority leader and myself that we address the nomination of the Secretary of Defense designee, Mr. Carlucci, at the earliest possible time in the morning.

Mr. NUNN. I would concur in that and I would suggest to the majority leader I would certainly be prepared to enter into an agreement. I do not know how many people want to voice opinions on the Carlucci nomination but from my perspective I would say maybe an hour equally divided would be sufficient time.

Mr. BYRD. Could we begin that hour at 9 o'clock?

Mr. NUNN. I would ask 9:30 because the Senator from Virginia and I have a meeting at the White House and we will not be back here until approximately 9:30.

Mr. BYRD. Very well, if we could begin that hour at 9:30 and Senators could count on the rollcall vote at 10:30.

Why do we not proceed with that understanding now. We are running a hotline to see if there is any objection to a 1-hour agreement and we will get that right after the vote if we can.

Mr. WARNER. Mr. President, I am advised on this side that the proposal is agreeable that we commence debate on the nomination of Frank Carlucci to be Secretary of Defense at 9:30 with the vote to take place at a time not later than 10:30 tomorrow morning.

Mr. BYRD. Very well.

The PRESIDING OFFICER. It is the understanding of the Chair that the majority leader has not placed that unanimous-consent request yet.

ORDERS FOR FRIDAY

EXECUTIVE SESSION TOMORROW AT 9:30

Mr. BYRD. Mr. President, I ask unanimous consent that at 9:30 tomorrow morning, the Senate go into executive session to consider the nomination of Mr. Carlucci, that there be 1 hour of debate to be equally divided between the chairman and ranking manager of the Armed Services Committee, and that the vote occur at 10:30; that that be a 30-minute rollcall vote with the call for the regular order, meaning that the curtains go down after 30 minutes.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

LEGISLATIVE SESSION

Mr. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the Carlucci nomination, the Senate return to legislative session on tomorrow.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, it is so ordered.

YEAS AND NAYS ORDERED

Mr. BYRD. Mr. President, I ask unanimous consent that it be in order at this time as in executive session to order the yeas and nays on the Carlucci nomination.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. NUNN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been called for. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I thank all Senators.

RECESS UNTIL 9 A.M. TOMORROW

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 9 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that after the two leaders or their designees have been recognized on tomorrow, there be a period for morning business not to extend beyond 9:30 a.m., and that Senators may speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Chair is having some difficulty hearing the majority leader. Senators will cease audible conversations.

PROGRAM

Mr. BYRD. Mr. President, for the information of Senators, the Senate will come in tomorrow at 9 o'clock. At 9:30 the Senate will go into executive session to consider the nomination of Mr. Carlucci.

There will be 1 hour of debate on that nomination, the yeas and nays have been ordered, and the vote will occur at 10:30 a.m. tomorrow.

Mr. President, there likely will be other rollcall votes tomorrow. There will not be any further rollcall votes today.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there now be a period for morning business in which Senators may speak therein for not to exceed 5 minutes each, and that the period extend until not later than 6:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE LATVIAN PEOPLE TEST THE LIMITS OF GLASNOST

Mr. RIEGLE. Mr. President, last evening, I joined members of the Latvian American community who came together from all around this country to participate in a candlelight vigil at the Lincoln Memorial. We were there to demonstrate our solidarity with the people of Latvia who, defying official warnings to stay home, ventured out into the streets of Riga to commemorate the 69th anniversary of their Independence Day.

As we gathered here in Washington last evening, our thoughts were with the thousands of Latvians, whose attempts to place flowers at the Monument to Freedom, in their capital city of Riga, were blocked by police barriers. We thought, too, of the hundreds of Latvian human rights activists who would have joined the demonstrators if they hadn't been placed under house arrest earlier in the day. Among those arrested was the Rev. Yuris Rubenis, a Lutheran pastor, and a colleague, the Rev. Maris Ludviks. Their fate, as well as that of Helsinki '86 member, Linards Grantins, continues to concern us all.

The fact that few western reporters were allowed to go to Riga to cover yesterday's event makes it no less newsworthy, and no less historic. That demonstration was the third time this year that the Latvian people have taken to the streets to express their nationalist sentiments.

Official statements and warnings issued in recent weeks left no doubt that, while the two previous demonstrations had been tolerated, a third one would not be. And so, those Latvians who demonstrated yesterday did so at considerable personal risk. We now await word of whether those who demonstrated will, in fact, suffer reprisals, as Soviet officials had warned.

The repressive response of the Soviet militia to the peaceful Latvian demonstrators contradicts the Kremlin's professed interest in promoting greater openness and democratization in their society. As Ojars Kalnins, of the American Latvian Association, stated yesterday:

> Judging from the major efforts the Soviets [made] to crush or prevent any demonstration, they are afraid of strong nationalist feeling in Latvia * * * But their efforts have failed. Popular nationalist sentiment there is growing. This repression is a condemnation of [Soviet leader Mikhail Gorbachev's] glasnost policy. If it was really there, they would let the people demonstrate."

Under these circumstances, the Latvian people look, even more urgently, to the United States to stand with them. The Congress' prompt, unanimous approval of a resolution which I introduced recently, calling on the Kremlin to respect the right of the Latvian people to commemorate their independence day without fear of reprisals, set the standard for the kind of strong support that America must continue to give to those fighting for their human rights.

Mr. President, I ask unanimous consent that a statement of Olgerts Pavlovskis, president of the World Federation of Free Latvians, regarding Soviet actions in Latvia on November 18, 1987, be printed in the RECORD:

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE WORLD FEDERATION OF FREE LATVIANS REGARDING SOVIET ACTIONS IN LATVIA ON NOVEMBER 18, 1987

If there was ever any question that the Latvian people still yearn for freedom and independence, despite over four decades of Soviet rule, that question was settled once and for all on November 18, 1987. Yesterday, in a brutal attempt to repress a widespread desire by Latvians to peacefully commemorate Latvian Independence Day, the Soviets were forced to put Riga in a state of undeclared martial law.

Based on eyewitness reports from Riga, which included Washington Post correspondent Gary Lee, armed contingents of uniformed militiamen, plainclothesmen and civilian vigilantes were used to close off the city to outside visitors, create barricades around national monuments and suppress any popular demonstrations.

Despite these extraordinary measures, it is known that thousands of Latvians did attempt to defy the Soviet ban on demonstrations. There are eyewitness reports of clashes between Latvians and the Soviet security forces, not only in Riga, but also in the Latvian port city of Liepaja.

While Moscow boasts of a new spirit of openness and democratization in the Soviet Union, it is clear that Stalinist, police-state tactics continue to be practiced to smash any form of dissent in occupied Latvia.

The World Federation of Free Latvians asks the leaders of the world community to join us in condemning the brutal and inhumane actions taken by the Soviets in Latvia on November 18, 1987.—Olgerts Pavlovskis, President, World Federation of Free Latvians.

BOYS HARBOR IS CELEBRATING 50 YEARS OF EXCELLENT WORK

Mr. PELL. Mr. President, I want to share with my colleagues the happy news that Boys Harbor, Inc., is celebrating its 50th anniversary. Literally thousands of young men and women, who otherwise might never have known their potential, have risen to realize their potential with encouragement and guidance from Boys Harbor.

It all started 50 years ago when a young man with a dream found a way to take a group of poor youths out of the streets of the Lower East Side of New York and expose them to the beauty of the country, the promise of a better life, and the possibilities within them.

Boys Harbor is the result of decades of work by many active, committed, caring people, but we should all remember that it started as a young man's dream.

That young man was Tony Duke, a youthful idealist who was too young at the time to sign the rent papers for the old hunting lodge they used on that first trip. His dream, however, has continued to grow and prosper.

I am confident that I speak for all who know him, when I express our thanks to Tony Duke for his vision and for the 50 years of good works done by him and his Boys Harbor.

The Boys Harbor Camp in East Hampton has become a model for similar programs throughout the country and the center in Harlem has provided education and training for its boys and girls that schools often fail to do.

The results have been remarkable as thousands of young men and women have been strengthened and motivated by their experiences at Boys Harbor. Many have gone on to succeed at Harvard, Cornell, Georgetown, MIT, Yale, Duke, and other leading universities.

This year, I am happy to say, Boys Harbor, Inc., is celebrating its 50th anniversary. Almost 25,000 alumni, including nearly 7,000 women, have been touched and their lives have been enriched by Tony Duke's vision.

I well remember being fortunate enough to be a counselor in one of the early years of Boys Harbor and seeing there the precursor of Outward Bound, Gordonstoun, and the various schools that were set up in the years to come in developing the qualities of character, integrity, intelligence, leadership, and physical stamina. Kurk Hahn, the great educator and founder of Gordonstoun, and Tony Duke, while not knowing each other, had the same idea in developing youngsters.

Accordingly, it is with the greatest of pleasure that I wish happy 50th birthday to Boys Harbor and its successful leader, Tony Duke.

TRIBUTE TO MY FRIEND AND COLLEAGUE, GUS HAWKINS

Mr. CRANSTON. Mr. President, on December 2, the friends and colleagues of Representative Augustus F. Hawkins plan to gather in Los Angeles to celebrate the congressional career of this most remarkable man. The occasion is the 25th anniversary of his election to the House.

In the 25 years he's been here in Washington—and in the 28 years he served in Sacramento before that—Gus Hawkins has earned an enormous amount of respect. Certainly the hard work and dedication that he applies to every job he takes on have helped to earn him that respect. But many men and women in Washington and Sacramento work hard and are dedicated.

Something else sets Gus Hawkins apart: A quality rare anywhere, but perhaps rarest of all in politics. The fact is that Gus Hawkins would rather get something done than get credit for it. Virtually everyone who has crossed his path has noticed this extraordinary trait.

A recent edition of Current Biography notes that he "avoids self-promotion and often lets others take credit for his own accomplishments." A former assistant secretary of labor who went head-to-head with the Congressman during the fight for the Humphrey-Hawkins full employment bill described him as "fair and looking for a solution—not a political advantage."

The Washington Post, in a profile, reported that he is seen as "fair, thorough, insistent, shrewd, low-key, willing to let others take the credit and win the headlines." While the 1988 edition of the Almanac of American Politics commends him for his "scrupulous courtesy and unfailing concern for the rights of other legislators."

Many members of Congress bring to Washington the goal of advancing causes near and dear to their hearts. Gus Hawkins is no exception. His favorite cause is people. His method for insuring that our Nation achieves its full potential is to make sure that each individual is given the opportunity to achieve his or her full potential.

How? First and foremost, through jobs. The Humphrey-Hawkins Full Employment and Balanced Growth Act made Gus' name synonymous with jobs. But it's far from the full story. He's given us the Equal Employment Opportunity Commission, the Comprehensive Employment and Training Act, also known as CETA, the Youth Employment and Demonstration Projects Act, job protection for pregnant women, and the Job Training Partnership Act.

Today, Gus Hawkins is helping working women by lending his considerable influence to the goal of strengthening the Federal-State-Private sector partnership upon which high quality, affordable child care depends.

I'm proud—as I know that every other member of the California delegation is—to serve in Congress with a man of Augustus Freeman Hawkins' integrity, compassion and commitment. And I congratulate him on the silver anniversary of his election to the House of Representatives.

THE GREAT AMERICAN SMOKE-OUT

Mr. MURKOWSKI. Mr. President, today the American Cancer Society is sponsoring the Great American Smoke-Out.

For nonsmokers, the day may not mean too much—other than the air may seem a little cleaner around the office. Today's a day set aside to encourage smokers to consider the consequences of their habit, and to try to quit.

I know enough about smoking to know that those who enjoy it, or smoke for whatever reason, don't care to hear lectures. My purpose isn't to preach to my smoking friends. But I would like to share with you the personal story of one of my State's great leaders—a man who smoked for many years—and who has been fighting a brave battle against cancer.

Mr. Bill Snedden has been the publisher of my hometown paper, the Fairbanks Daily News-Miner, since 1950. He was a principal advocate and mover for Alaska statehood, and has guided Alaska through many of our ups and downs. Recently he wrote an article which was first printed in the paper's employee newsletter and later reprinted in the newspaper.

Bill smoked a pipe for 40 years and developed cancer of the mouth 7 years ago. He has had surgery 15 times, interspersed with several long sessions of radiation, chemotherapy, hyperthermia or hyperbaric oxygen therapy. His account is heartbreaking and painful. To quote Bill:

> Pain is virtually constant for weeks and months and finally for years. It ranges from acute to gnawing intermittent pain which at times doesn't hurt so much as long as you don't move, or don't take a deep breath.

The Fairbanks News-Miner is posting signs saying "Absolutely No Smoking—Anytime—Any Place in the Building." That's one step the publisher is taking on behalf of his employees.

Right now, bill is in remission, but he says he doesn't know how long it will last. His story isn't preachy or condescending—it's simply factual. Bill Snedden wants to share his experience because he hopes his cancer does not happen to others.

He tells his own story much better than I can, and I ask unanimous consent that the following be entered in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Fairbanks Daily News-Miner, Nov. 17, 1987]

Painful Diagnosis Made Publisher Stop Smoking

The Great American Smoke-Out is the American Cancer Society's way to help people clear the air for at least 24 hours on Thursday.

The annual event sponsored by the Cancer Society is designed to focus increased public attention on smoking and ways to quit.

To help clear the air permanently at the Daily News-Miner, the newspaper has decided to make its offices smoke-free beginning Jan. 1, 1988.

In a recent edition of the News-Miner's in-house newsletter, Publisher C.W. Snedden offered the following thoughts on the perils of smoking. They are reprinted here in hopes that they may be of value in helping others decide to kick the habit.

It is just a matter of weeks now until the "Absolutely No Smoking—Anytime—Any Place in Building" signs are posted at the Daily News-Miner.

I know from experience that breaking the smoking habit is not easy. For some it is extremely difficult. To help our smokers make a firm decision to quit, please take a moment to consider what happened to the former smoker who hangs around the publisher's office occasionally:

I had smoked a pipe (and enjoyed it) for more than 40 years back in 1979 when I made a routine stop at the dentist for a check-up.

I was told there was an irritation in the back corner of my mouth, and was urged by the dentist to stop smoking immediately because there appeared to be a good possibility that the irritation could develop into a malignant tumor, Cancer.

Being bull-headed, and as I look back on it now, also being stupid, I ignored the dentist's advice. But not for very long: The next year, a few weeks before my regular annual check at the dentist, I noticed the little irritation in the back corner of my mouth was becoming painful. When I checked in with the dentist, he took a quick look and sent me to a series of specialists who confirmed the dentist's suspicion: I now had cancer—a malignant tumor near the hinge in the jaw.

I stopped smoking that day, and have not smoked since.

If I had not been so stupid, and had stopped smoking a year earlier when the dentist warned me, I would probably have avoided all—or at least most—of the medical problems. I have been fighting for the past seven years:

Seven major surgeries, plus eight minor surgeries. Interspersed with the surgeries have been several long sessions of radiation or chemotherapy, or hyperthermia, or hyperbaric oxygen therapy.

In case you are not familiar with what those various treatment therapies are all about, here is a brief description:

Radiation: Projecting very high frequency electronic current (i.e. X-ray) into and through cells, in tissue or bone, where malignacy or cancer exists, for a few moments at a time—usually on a daily basis for 20 to 30 days. The rays destroy everything in the tissue at which they are directed—good cells as well as malignant cells.

So in radiation therapy, one of the "tricks of the trade" is to fabricate masks which shield the good cells in areas adjoining where the cancer cells are located. The objective is to destroy all the malignant cells while destroying as few as possible of the good cells in surrounding areas.

Chemotheraphy injecting a mixture of chemicals directly into the bloodstream of the patient. Like in radiation, purpose is to kill the cancerous cells while doing as little damage as possible to the good cells. Methods by which they administer this "devil's brew" vary, according to the type of cancer and location. In some cases they only give the patient the chemicals for a couple of days at a time. For others, such as myself, the chemical treatment runs five to seven days each dose—usually three doses spread over a month to six weeks. The biggest problem for the patient in chemotherapy is that, the "devil's brew" makes the patient very ill. In fact, in the case with me, besides being very ill with nausea, vomiting, etc., I also went out of my mind for a couple of days. (Now, no wisecracks please about being out of my mind being nothing new.)

Hyperthermia: Literally burning up cancerous tissue by electronically induced high temperatures. Somewhat similar to radiation in that they attempt to shield noncancerous adjacent tissue, then beam high temperature electronic rays at the targeted malignant area. A thermometer is inserted under the skin (somewhat similar to the meat thermometer some cooks stick down into a roast or a turkey to see what the temperature is down in the tissue), then the heat is turned on, the temperature down in the tissue is brought up to 120 degrees to 130 degrees, and that area is broiled for approximately one hour for each treatment. They usually give about three treatments each week for six to eight weeks. One not-so-nice side effect is the heat leaves blisters and second-degree burns which take several more weeks to heal. (Similar blisters and burns from radiation—but more severe in the case of hyperthermia.)

Hyperbaric oxygen: Patients are placed in a heavily built steel cylinder, which in Seattle's Virginia Mason Medical Research Center is about 7 feet diameter by 7 feet high. Atmospheric pressure inside the cylinder is increased to the equivalent of being about 45 feet under water, and the patient breathes pure oxygen instead of air for two hours. (Air is only about 20 percent oxygen and 80 percent nitrogen.) The oxygen is helpful in increasing blood circulation to flesh and bone cells damaged by cancer, or by radiation treatment, or by chemotherapy, or by hyperthermia treatment. Unlike the other types of cancer treatments which involve pain and/or nausea, vomiting, etc., hyperbaric oxygen treatment is virtually painless.

So much for the various types of treatment . . . Now, what does it feel like? . . . Here's a hint:

Pain. Pain is virtually constant for weeks and months and—finally—for years. Ranges from acute to gnawing intermittent pain, which at times doesn't hurt so much as long as you don't move, or don't take a deep breath.

Inconvenience. After you lose part of the equipment Mother Nature gave you, you find you can no longer eat. At times you go for weeks eating nothing by mouth . . . you exist on a liquid formula (about what they feed little babies) through a tube going directly into your stomach via a hole punched from the outside. (Another story is what happens when that tube comes loose and comes out—which is bound to happen, I found. Messy!)

Swallowing. Starting from scratch to learn to swallow again is an interesting project. You finally reach the point where liquids can be swallowed, and you can dispense with the outside tube direct into the tummy . . . Next comes learning to swallow solids, which usually takes one-and-a-half to two years, I am told. (Can't report from experience yet on this one.)

Uncertainty. It's not possible to plan methodically to do anything, travel or what have you . . . Several times in recent years I've had to cancel plans because another tumor appeared—and I had to have more surgery, followed by more therapy. (Couple of times I had to get airline tickets reissued because they had expired.)

At the moment, the doctors say they can detect no positive signs of malignancy, and my cancer is in remission. How long it will stay in remission is impossible to predict (despite the fact that I have decided not to allow any more tumors on the premises!)

I'm aware many folks will say, "It can't happen to me." . . . But it can happen to any of us. It happened to me.

I sure hope it doesn't happen to you.

Sincerely,

C.W. SNEDDEN.

BICENTENNIAL MINUTE

NOVEMBER 19, 1945: VACANT SEAT FROM VIRGINIA

Mr. DOLE. Mr. President, on November 19, 1945, 42 years ago today, a Virginia Republican official petitioned the Supreme Court to review the status of one of the State's seats in the U.S. Senate. At that time 87-year-old Democratic Senator Carter Glass, President pro tempore and chairman of the Appropriations Committee, because of illness, had not attended the Senate since June 20, 1942—a period of more than 3 years. The Supreme Court declined to consider the matter, since constitutionally only the Senate could expel or otherwise declare vacant the seat of any Senator.

During his long career in Congress, Carter Glass had had a powerful impact, particularly on economic issues. A Lynchburg, VA newspaper publisher, Glass entered politics in the 1890's when he advocated the free coinage of silver and attacked the gold standard policies of President Grover Cleveland. He was elected to the House of Representatives in 1902 and assigned to the House Banking Committee. As chairman of the Banking Committee in 1913, he was one of the principal authors of the Federal Reserve Act, and thereafter became the Federal Reserve Board's chief advocate in Congress.

From 1919 to 1920, Glass served as Woodrow Wilson's Secretary of the Treasury, and In 1920 he was appointed to fill a vacancy in the U.S. Senate. In the Senate he served on the Banking Committee and the Appropriations Committee, and left his name on the landmark Glass-Steagall Act of 1933, which among other things established the Federal Deposit Insurance Corporation. The staunchly conservative Glass broke with the administration of Franklin D. Roosevelt over its New Deal domestic policies, but gave strong support to Roosevelt's internationalist foreign policies.

An active and effective Senator, until confined by illness in 1942, Carter Glass tenaciously held his Senate seat until he died in 1946.

AN ANSWER FROM RIGA

Mr. DOLE. Mr. President, as I indicated in remarks I made on the Senate floor 24 hours ago—yesterday, November 18, was "Latvian Freedom Day." And as I feared, Soviet authorities have again refused the people of Latvia even the most minimum freedom to exercise their rights—by forcibly blocking an attempt to hold a peaceful demonstration in the Latvian capital of Riga.

I ask unanimous consent that articles from today's Washington Post and Washington Times, reporting on the sad events in Riga, be printed in the RECORD.

Mr. President, in my comments yesterday, I indicated that the Soviets' response to the planned demonstrations in Riga would be one test of "glasnost;" would be one important sign of whether "glasnost" was real, or just a P.R. slogan.

Just read these articles from today's papers and you will have the answer!

How many more "November 18's" will pass before the Latvian people have their freedoms? How many more peaceful demonstrations will be broken up? How many more people will be thrown in jail? How many times more will we hear the Soviets piously promote "glasnost," while viciously implementing oppression?

November 18 is a proud day for Latvian people, both at home and around the world. But, once again, November 18 will be remembered as a day of shame for the Communist leaders in the Kremlin.

TRIBUTE TO RICHARD CALIGUIRI, MAYOR OF PITTSBURGH, PA

Mr. SPECTER. Mr. President, courage has many names and many faces.

Among its many aliases are bravery, fortitude, gallantry, and heroism. In plainer speech, it may be referred to as spunk and grit.

Courage is the face of every man and woman who defies physical danger or social ostracism to perform some noble act or simply to follow one's conscience and "do the right thing."

In a humbler context, it is the face of every person who continues to do a good job under trying and difficult circumstances.

The Honorable Richard Caliguiri, the mayor of Pittsburgh, PA, is one such person.

Mayor Caliguiri has been the chief executive of Pittsburgh for more than a decade. A popular leader, he has twice won reelection by wide margins.

His public career began in 1956 as a works supervisor in the city's Parks Department. Subsequently, he held supervisory positions in the Public Works Department and served as parks director and as an assistant secretary in the administration of the late Mayor Joseph M. Barr.

In 1970, he became a member of the city council when he was appointed to fill a vacancy. In the following year, he campaigned successfully for a full term.

He served as council's president pro tempore from January 1976 until March 1977, when he was elected council president. Just a month later, he succeeded Peter Flaherty as mayor of Pittsburgh, when Flaherty resigned to accept a Federal post.

During his tenure, the city has continued its rebirth with many important additions to its commercial and artistic life.

Some of the major projects brought to fruition during this decade include the Convention Center, the adjacent Liberty Center with the Vista Hotel and the Federal Investors Office Town, the six-building complex of PPG Place, the renovation of the historic Stanley Theatre into the Benedum Center for the Arts.

Other major construction has included One Mellon Bank Center, CNG Tower, Fifth Avenue Place, and One Oxford Center.

Mayor Caliguiri has provided the necessary leadership to keep Pittsburgh moving forward. He has gotten things done.

After more than 10 years as Pittsburgh's first citizen, Mayor Caliguiri's love for his city and his determination to lead it remain undiminished.

Now, however, his mettle is being sorely tested by a life-threatening illness, an incurable disease that was first diagnosed last spring.

Mayor Caliguiri has shown courage in continuing to work as hard as ever despite this grave problem.

For a lifetime of service to his city and for refusing to submit to the rigors of his infirmity, he is deserving of our admiration and esteem.

It is altogether fitting then that the U.S. Senate take note of the many accomplishments and of the courage of Mayor Caliguiri and commend him for his successful endeavors on behalf of his beloved Pittsburgh and its grateful citizens.

SOCIAL SECURITY SHOULD NOT BE ON THE TABLE

Mr. SANFORD. Mr. President, I have previously pointed out that Social Security payments should not be considered in any effort to reduce the budget deficit. The reason is simple. Cutting Social Security payments does not reduce the deficit. It is misleading for us to pretend that it does.

I ask unanimous consent to enter into the RECORD an article by Robert M. Ball, from the Washington Post of November 18, 1987, entitled "Social Security shouldn't be on the table." Mr. Ball was Social Security Commissioner from 1962 to 1973, and later served as a member of the President's National Commission on Social Security Reform. His statement follows:

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOCIAL SECURITY SHOULDN'T BE ON THE TABLE

On Nov. 8, the Post published an op-ed column by Rep. Anthony C. Beilenson—"Put Social Security on the Table"—and followed up with an editorial urging the same position on Nov. 9. Both pieces would have been quite persuasive except for the omission of some critical facts.

Beginning in January, Social Security tax rates will go up another 0.36 percentage points for employees with matching amounts from employers. Following these rate increases, the Social Security funds will grow rapidly, as they should, both because the system needs more of a cushion in case of a major downturn in the economy and to help meet higher costs later on when the baby-boomers retire. Fund growth—an annual excess of income over outgo—counts toward reducing the deficit. Thus, Social Security's contribution to deficit reduction under present law will be very large: $263 billion over the next five years under the middle-range estimate and $119 billion assuming quite poor economic performance—much more later.

With these scheduled increases and a much smaller one in 1990 (0.14 percentage points), Social Security is estimated to be in close actuarial balance over the whole 75 years for which projections are made. If benefits are cut or income increased, it is true, the Social Security annual surpluses would be even higher than under present law and would show up as further reductions in the deficit. But this is quite impossible to justify, since the system does not need higher balances. In fact, raising revenues more than is currently scheduled invites benefit increases, and cutting benefits invites reducing revenues. Either way, over time, the deficit would be unaffected.

Social Security shouldn't be part of a deficit-reduction negotiation. The program is separately financed. The money for both benefits and administration comes entirely from deductions from workers' earnings with an equal amount paid by employers, plus payments by the self-employed on their own behalf and taxes on the benefits of higher-income beneficiaries. In return for these payments, the system is committed to pay specified benefits including protection against inflation, one of the most important features of the program. Since the commitments are very long-term, the benefit structure and its financing have always been considered separately from the annual budget process.

Changes have been made in Social Security in the past, and they undoubtedly will be again. But important changes have been made only after careful consideration and have been designed to take place gradually and usually only after Congress and the executive branch sought the advice of an outside citizens' advisory group, as provided by statute. The next advisory council is scheduled for 1989.

As a matter of policy the country may someday again want to increase benefits, reduce them or change the way the system is financed, but to make sense the changes should be on both sides of the benefit and income equation. If benefits go up, so should income. If benefits go down, income should go down too.

The current enormous contribution of Social Security to deficit reduction is a byproduct of the fund buildup needed for Social Security purposes. There is no way it can be increased further for the purpose of deficit reduction without playing fast and loose with the expectations of both present beneficiaries and contributors. Social Security should stay off the table.

LITTLE LEAGUE BASEBALL AND THE HANDICAPPED

Mr. KERRY. Mr. President, I rise to share with this body a heartening event that occurred today in the world of little league baseball and the handicapped. In my home State of Massachusetts we have a little league charter in the city of Brockton that includes 3 special needs baseball teams within their 35 team certification. It is a successful program that has offered so much to the community's physically challenged children; and I applaud the citizens of Brockton who had the foresight and sensitivity to understand what it means for all kids including handicapped kids, to be little leaguers.

Mr. President, last summer, I threw out the opening pitch at their first game. It was really something extraordinary. It was so clear to me what it means to these kids. You could see it in their eyes and on the smiles of the little leaguers as they got up to bat and made their way down the first base line. Everybody knows how proud a child feels when they suit up in their little league uniform; and for a handicapped child the wonderful feeling is even greater. These kids are faced with the daily barriers of being handicapped, barriers at school, social barriers, and the barriers that come with being seen as different. The program in Brockton offers these children a tremendous chance to participate in their community and that is what America is all about, opportunities, and especially baseball.

Several weeks ago, my Boston office got a telephone call from some folks in Brockton concerned because they had heard from the Little League of America that their whole charter might be revoked if they did not eliminate the three special needs teams. To their credit, the Brockton community rallied around the special needs teams. You cannot imagine the outcry from parents of handicapped and nonhandicapped children, they were outraged at the thought that this exceptional program and their special needs athletes, would be shutdown. For the past month, we have been trying to devise a solution to the problem, and Mr. President, I am pleased to say that today one was reached.

I spoke with the league president, Dr. Cleighton Hale, and we agreed that what needed to be done, was to turn this situation around, and create an opportunity for both the Little League of America and children across the Nation both disabled and nondisabled alike. He agreed to continue to allow all of the children in Brockton the chance to be little leaguers. And suddenly, Mr. President, we have a whole new ballgame. In addition Dr. Hale agreed to set up a task force which will explore how the Little League of America can integrate handicapped children into their national system. They plan to use the lessons learned in Brockton to explore a national program. For example, the Brockton local little league charter found individuals who were trained in special needs to volunteer as coaches. Furthermore the parents pooled their resources and took care of the insurance. It is truly a model.

Mr. President, the lesson that we have learned today through Brockton and the National Little League is an important one with far-reaching implications. By allowing physically challenged kids to be a part of the little league program we have successfully broken down some significant barriers to their independence. The message to these young people is clear: it says you can be a normal participating member of society, and that is precisely the kind of thinking that needs to be created. This is what the Education of the Handicapped Act and the Rehabilitation Act are all about, creating an atmosphere and a world where handicapped children can excel in the classroom and then become young working adults who can fully participate in society. Mr. President the situation in Brockton offers us a valuable lesson and I sincerely commend and thank them for reminding us that physically disadvantaged citizens can be active members of our communities and part of America's mainstream.

A SPENDING FREEZE

Mr. SIMPSON. Mr. President, I think a freeze is something worth pursuing. I do not believe that we have really done our work, even though our Senate representatives on both sides of the aisle did all they could under the circumstances in the summit.

The Kassebaum proposal calls for $13 billion in tax increases in addition to the $17 billion savings that would be achieved through a spending freeze.

This tax figure is very close to the $10 billion to $12 billion currently being considered in the budget summit negotiations. No one is even considering raising the tax rates; rather, the increased revenues are expected to come from a combination of user fees and other tax revisions. Both the House Ways and Means Committee and the Senate Finance Committee have already devised bills in the neighborhood of $12 billion. The Kassebaum proposal could draw from a combination of these plans.

I would hesitate to mention any specific taxes at this point. What we are considering is the concept of how we are going to reach $30 billion in deficit reductions. The various committees would be charged with reaching the specific savings.

One area we might consider is increased user fees for some of the environmental programs. The Nuclear Regulatory Commission is largely self-sustaining; perhaps some of the other environmental programs should be as well.

I certainly think we must now pursue the issue of a freeze. I like what the Senator from Kansas is proposing. If not, we should consider the "2-percent solution," so-called. Things must be done, and they have to be done in the area of cost-of-living allowances. There is no other way we are going to get our work done. I say that, and I have said it before, and I will take the heat on that. If we are going to do this, we must address the cost-of-living allowance across the board. I am not talking about cutting benefits. It never gets heard that way, but I will say it one more time.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of February 3, 1987, the Secretary of the Senate, on November 18, 1987, during the adjournment of the Senate, received a message from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on November 18, 1987, are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 9:33 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1748) to authorize appropriations for fiscal year 1988 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for fiscal year 1988 for the Armed Forces, to authorize appropriations for fiscal year 1989 for certain specified activities of the Department of Defense, and for other purposes.

The message also announced that the House has passed the following bills and joint resolutions, in which it requests the concurrence of the Senate:

H.R. 3400. An act to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes;

H.R. 3471. An act to establish the Veterans' Administration as an executive department;

H.J. Res. 376. Joint resolution calling upon the Soviet Union to immediately grant permission to emigrate to all those who wish to join spouses in the United States; and

H.J. Res. 384. Joint resolution designating November 14, 1987 as "Congressional Medal of Honor Day."

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker has signed the following enrolled bill and joint resolution:

S. 1158. An act to amend the Public Health Service Act to establish a National

Health Service Corps Loan Repayment Program and to otherwise revise and extend the program for the National Health Service Corps; and

S.J. Res. 98. Joint resolution to designate the week of November 29, 1987, through December 5, 1987, as "National Home Health Care Week."

The enrolled bill and joint resolution were subsequently signed by the Acting President pro tempore (Mr. REID).

At 12:23 p.m. a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 3051) to amend the Federal Aviation Act of 1958 to establish minimum standards relating to air carrier passenger services, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as managers of the conference on the part of the House:

From the Committee on Public Works and Transportation, for consideration of all provisions, except section 4(c) of the Senate amendment: Mr. HOWARD, Mr. ANDERSON, Mr. MINETA, Mr. OBERSTAR, Mr. NOWAK, Mr. DEFAZIO, Mr. HAMMERSCHMIDT, Mr. SHUSTER, Mr. STANGELAND, and Mr. GINGRICH.

From the Committee on Energy and Commerce, for consideration of section 4(a) (jointly), and section 4(c) (exclusively), of the Senate amendment: Mr. DINGELL, Mr. THOMAS A. LUKEN, Mr. FLORIO, Mr. TAUZIN, Mr. SLATTERY, Mr. SIKORSKI, Mr. LENT, Mr. WHITTAKER, Mr. BILIRAKIS, and Mr. SCHAEFER.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 186. Concurrent resolution urging the German Democratic chief of state Erich Honecker to permanently repeal the order directing East German border guards to shoot to kill anyone who, without authorization, attempts to cross the Berlin Wall and to issue an order to tear down the Berlin Wall.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 2112. An act to authorize appropriations for fiscal year 1988 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. STENNIS).

MEASURES REFERRED

The following bills and joint resolution were read the first and second times by unanimous consent, and referred as indicated:

H.R. 3400. An act to amend title 5, United States Code, to restore to Federal civilian employees their right to participate voluntarily, as private citizens, in the political processes of the Nation, to protect such employees from improper political solicitations, and for other purposes; to the Committee on Governmental Affairs.

H.R. 3471. An act to establish the Veterans' Administration as an executive department; to the Committee on Governmental Affairs.

H.J. Res. 384. Joint resolution designating November 14, 1987 as "Congressional Medal of Honor Day;" to the Committee on the Judiciary.

The following concurrent resolution, was read, and referred as indicated:

H. Con. Res. 186. A concurrent resolution urging the German Democratic chief of state Erich Honecker to permanently repeal the order directing East German border guards to shoot to kill anyone who, without authorization, attempts to cross the Berlin Wall and to issue an order to tear down the Berlin Wall; to the Committee on Foreign Relations.

MEASURES PLACED ON THE CALENDAR

The following joint resolution was read the first and second times and placed on the calendar:

H.J. Res. 376. Joint resolution calling upon the Soviet Union to immediately grant permission to emigrate to all those who wish to joint spouses in the United States.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, November 19, 1987, he had presented to the President of the United States the following enrolled bill and joint resolution:

S. 1158. An act to amend the Public Health Service Act to establish a National Health Service Corps Loan Repayment Program and to otherwise revise and extend the program for the National Health Service Corps; and

S.J. Res. 98. Joint resolution to designate the week of November 29, 1987, through December 5, 1987, as "National Home Health Care Week."

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following reports of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SECTION 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON APPROPRIATIONS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1986

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Richard L. Collins:									
Hong Kong	Dollar		272.00						272.00
China	Dollar		672.00						672.00
Philippines	Dollar		240.00						240.00
Jeff Cilek:									
Polynesia	Franc	3,619.19	674.19					3,619.19	674.19
United States	Dollar				3,017.00				3,017.00
Senator Daniel K. Inouye:									
Israel	Dollar		300.00						300.00
Robert M. Walker:									
Germany	Dollar		150.00						150.00
Italy	Dollar		150.00						150.00
Spain	Dollar		150.00						150.00
Morocco	Dollar		150.00						150.00
Belgium	Dollar		150.00						150.00
United Kingdom	Dollar		150.00						150.00
United States	Dollar				1,873.00				1,873.00
Total		3,058.19			4,890.00				7,948.19

JOHN C. STENNIS,
Chairman, Committee on Appropriations, June 10, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ENERGY AND NATURAL RESOURCES, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1986

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Chic Hecht:									
People's Republic of China	Dollar		1,730.00				880.00		2,610.00
United States	Dollar				3,624.00				3,624.00
Hong Kong	Hong Kong dollar	1,056.70	136.00	724	93.18	224.95	28.96	2,005.65	258.14
Allen P. Stayman:									
French Polynesia	Dollar		559.83						559.83
United States	Dollar				3,675.12				3,675.12
James P. Beirne:									
French Polynesia	Dollar		788.09						788.09
United States	Dollar				3,017.00				3,017.00
Tod Neuenschwander:									
French Polynesia	Dollar		1,049.87						1,049.87
United States	Dollar				1,873.00				1,873.00
Total			4,263.79		12,282.30		908.96		17,455.05

JAMES A. McCLURE,
Chairman, Committee on Energy and Natural Resources, Apr. 3, 1987.

AMENDED CONSOLIDATED REPORT TO FOURTH QUARTER OF 1986 OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1986

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivaleni or U.S. currency
Senator Rudy Boschwitz:									
England	Pound	413.71	591.00					413.71	591.00
Belgium	Franc	7,392	177.00			1,960	39.20	9,352	216.20
Switzerland	Franc	316.40	188.00			65.18	38.80	381.58	226.80
Israel	Dollar		612.00				52.50		664.50
Jordan	Dinar	53,875	155.00					53.875	155.00
Egypt	Pound	156.62	82.00			91.30	67.13	247.92	149.13
United States	Dollar				2,617.00				2,617.00
M. Graeme Bannerman:									
England	Pound	413.71	591.00					413.71	591.00
Belgium	Franc	7,392	177.00			1,960	39.20	9,352	216.20
Switzerland	Franc	316.40	188.00			65.18	38.80	381.58	226.80
Israel	Dollar		612.00				52.50		664.50
Jordan	Dinar	53,875	155.00					53.875	155.00
Egypt	Pound	156.62	82.00			91.30	67.13	247.92	149.13
United States	Dollar				2,617.00				2,617.00
Bradley Gordon:									
England	Pound	413.71	591.00					413.71	591.00
Belgium	Franc	7,392	177.00			1,960	39.20	9,352	216.20
Switzerland	Franc	316.40	188.00			65.18	38.80	381.58	226.80
Israel	Dollar		612.00				52.50		664.50
Jordan	Dinar	53,875	155.00					53.875	155.00
Egypt	Pound	156.62	82.00			91.30	67.13	247.92	149.13
United States	Dollar				2,617.00				2,617.00
Dan Pearson:									
England	Pound	413.71	591.00					413.71	591.00
Belgium	Franc	7,392	177.00			1,960	39.20	9,352	216.20
Switzerland	Franc	316.40	188.00			65.18	38.80	381.58	226.80
United States	Dollar				2,247.00				2,247.00
Jennifer Shoham:									
England	Pound	413.71	591.00					413.71	591.00
Belgium	Franc	7,392	177.00			1,960	39.20	9,352	216.20
Switzerland	Franc	316.40	188.00			65.18	38.80	381.58	226.80
Israel	Dollar		612.00				52.50		664.50
Jordan	Dinar	53,875	155.00					53.875	155.00
Egypt	Pound	156.62	82.00			91.30	67.13	247.92	149.13
United States	Dollar				2,617.00				2,617.00
Senator Christopher Dodd:									
Guatemala	Quetzale	337.31	131.25					337.31	131.25
El Salvador	Colone	750	150.00					750	150.00
Costa Rica	Colone	9,536.60	164.00					9,536.60	164.00
Honduras	Lempira	606	303.00					606	303.00
Nicaragua	Dollar		180.00						180.00
Mexico	Peso	57,785	65.00					57,785	65.00
Robert Dockery:									
Guatemala	Quetzale	337.31	131.25					337.31	131.25
El Salvador	Colone	750	150.00					750	150.00
Costa Rica	Colone	9,536.60	164.00					9,536.60	164.00
Honduras	Lempira	606	303.00					606	303.00
Nicaragua	Dollar		180.00						180.00
Mexico	Peso	57,785	65.00					57,785	65.00
Janice O'Connell:									
Guatemala	Quetzale	337.31	131.25					337.31	131.25
El Salvador	Colone	750	150.00					750	150.00
Costa Rica	Colone	9,536.60	164.00					9,536.60	164.00
Honduras	Lempira	606	303.00					606	303.00
Nicaragua	Dollar		180.00						180.00
Mexico	Peso	57,785	65.00					57,785	65.00
Total			11,155,75		12,715.00		868.52		24,739.27

DICK LUGAR,
Chairman, Committee on Foreign Relations, July 6, 1987.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE DEMOCRATIC LEADER, FROM OCT. 1 TO DEC. 31, 1986

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Dennis DeConcini:									
Cyprus	Pound	79.55	152.00			3.74	7.15	83.29	159.15
United States	Dollar				2,418.90				2,418.90
Senator Albert Gore, Jr.									
Switzerland	Franc	455.7	264.00			772.37	459.06	1,228.07	723.06
United States	Dollar				3,578.44				3,578.44
Total			416.00		5,997.34		466.21		6,879.55

ROBERT C. BYRD,
Majority Leader, Aug. 3, 1987.

AMENDED CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, FROM OCT. 1, TO DEC. 31, 1986

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ted Stevens:									
Switzerland	Franc			201.82	119.64	482.55	288.17	684.37	407.81
United States	Dollar				1,878.00				1,878.00
Wallace D. Burnett:									
Switzerland	Franc			201.83	119.65	482.55	288.18	684.38	407.83
United States	Dollar				1,878.00				1,878.00
Total					3,995.29		576.33		4,571.64

ROBERT J. DOLE,
Republican Leader, July 22, 1987.

AMENDED TRAVEL REPORT—CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22 P.L. 95–384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM OCT. 1 TO DEC. 31, 1986

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Delegation Expense:									
Austria	Schilling			3,031	222.79	15,471.60	1,121.82	18,502.60	1,344.61
Total					222.79		1,121.82		1,344.61

ALFONSE M. D'AMATO,
April 30, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM JAN. 1, TO MARCH 31, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator William S. Cohen:									
Federal Republic of Germany	Deutsche mark	849.06	477.00					849.06	477.00
Senator Pete Wilson:									
Federal Republic of Germany	Deutsche mark	121.96	68.50					121.96	68.50
Senator Steve Symms:									
Federal Republic of Germany	Deutsche mark	849.06	477.00					849.06	477.00
Senator John McCain:									
Federal Republic of Germany	Deutsche mark	849.06	477.00					849.06	477.00
Senator Phil Gramm:									
Federal Republic of Germany	Deutsche mark	849.06	477.00					849.06	477.00
Senator Albert Gore, Jr.:									
Federal Republic of Germany	Deutsche mark	849.06	477.00					849.06	477.00
Carl M. Smith:									
Federal Republic of Germany	Deutsche mark	595.96	334.81					595.96	334.81
Judith A. Freedman:									
Federal Republic of Germany	Deutsche mark	849.06	477.00					849.06	477.00
Mark Albrecht:									
Federal Republic of Germany	Deutsche mark	849.06	477.00					849.06	477.00
Alan Ptak:									
Federal Republic of Germany	Deutsche mark	849.06	477.00					849.06	477.00
James M. Bodner:									
Federal Republic of Germany	Deutsche mark	546.46	307.00					546.46	307.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM JAN. 1, TO MARCH 31, 1987—Continued

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Dan Quayle:									
Federal Republic of Germany	Deutsche mark	271.80	145.89					271.80	145.89
Senator Dan Quayle:									
Israel	Shekel	116.60	74.74					116.60	74.74
Switzerland	Franc	486	322.83					486	322.83
Henry Sokolski:									
France	Franc	475	77.61					475	77.61
Federal Republic of Germany	Deutsche mark	271.80	145.89					271.80	145.89
Switzerland	Franc	420	278.99					420	278.99
Israel	Shekel	116.60	74.74					116.60	74.74
Senator John McCain:									
Mexico	Peso	100,000	96.25					100,000	96.25
Lorne Craner:									
Mexico	Peso	135,850	130.75					135,850	130.75
Michael C. Jimenez:									
Mexico	Peso	103,265	99.39					103,265	99.39
Total			5,973.39						5,973.39

SAM NUNN,
Chairman, Committee on Armed Services, July 20, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Terry Sanford:									
Honduras	Dollar		248.00						248.00
Nicaragua	Dollar		55.00						55.00
Costa Rica	Colon	9,692.40	164.00					9,692.40	164.00
	Dollar						19.31		19.31
William L. Green:									
Honduras	Dollar		248.00						248.00
Nicaragua	Dollar		55.00						55.00
Costa Rica	Colon	9,692.40	164.00					9,692.40	164.00
	Dollar						19.31		19.31
Barbara M. Larkin:									
Honduras	Dollar		248.00						248.00
Nicaragua	Dollar		55.00						55.00
Costa Rica	Colon	9,692.40	164.00						164.00
	Dollar						19.31		19.31
Barry Sklar:									
Honduras	Dollar		248.00						248.00
Nicaragua	Dollar		30.00						30.00
Costa Rica	Colon	9,692.40	164.00						164.00
	Dollar						19.31		19.31
Nancy H. Stetson:									
Mozambique	Meticais	23,160	118.12					23,160	118.12
Angola	Kwanza	6,920	234.00					6,920	234.00
Zambia	Kwacha	2,816	352.00			80	10.00	2,896	362.00
Botswana	Pula	127.50	75.00			28.05	16.50	155.55	91.50
Total			2,622.12				103.74		2,725.86

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, July 6, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, FROM JAN. 1 TO MAR. 31, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Keith Miles:									
Honduras	Dollar		200.00						200.00
Edward L. King:									
Honduras	Dollar		101.00						101.00
Guatemala	Quetzal	119.24	43.84					119.24	43.84
El Salvador	Colon	375	75.00	270.88	54.17			645.88	129.17
Costa Rica	Colon	9,692.4	164.00			1,141.22	19.31	10,833.62	183.31
Total			583.84		54.17		19.31		657.32

ROBERT C. BYRD,
Majority Leader, July 20, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SENATE SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION, FOR TRAVEL FROM JAN. 1 TO MAR. 31, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Joel Lisker			1,096.00		2,039.00		54.56		3,189.56
David Faulkner			1,560.00		1,134.00				2,694.00
Joel Lisker			934.00		2,202.00				3,136.00
Total			3,590.00		5,375.00		54.56		9,019.56

DANIEL K. INOUYE,
Chairman, Senate Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, July 24, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), UNITED STATES SENATE ARMS CONTROL OBSERVER GROUP, FOR TRAVEL AUTHORIZED BY THE MAJORITY AND MINORITY LEADERS, FROM FEB. 26 TO MAR. 3, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Claiborne Pell:									
Switzerland	Franc	854.6	549.78					854.6	549.78
Senator Albert Gore, Jr.:									
Switzerland	Franc	904.7	582.00					904.7	582.00
Senator Ted Stevens:									
Switzerland	Franc	904.7	582.00					904.7	582.00
Senator Richard G. Lugar:									
Switzerland	Franc	904.7	582.00					904.7	582.00
Senator John W. Warner:									
Switzerland	Franc	301.6	194.00					301.6	194.00
United States	Dollar				1736.00				1,736.00
Senator Arlen Specter:									
Switzerland	Franc	904.7	582.00					904.7	582.00
Senator Don Nickles:									
Switzerland	Franc	904.7	582.00					904.7	582.00
David Pratt:									
Switzerland	Franc	904.7	582.00					904.7	582.00
Howard O. Greene, Jr.:									
Switzerland	Franc	904.7	582.00					904.7	582.00
George W. Ashworth:									
Switzerland	Franc	904.7	582.00					904.7	582.00
Wallace D. Burnett:									
Switzerland	Franc	904.7	582.00					904.7	582.00
Lucia M. Chavez:									
Switzerland	Franc	904.7	582.00					904.7	582.00
Charles R. D'Amato:									
Switzerland	Franc	904.7	582.00					904.7	582.00
Kenneth A. Myers:									
Switzerland	Franc	904.7	582.00					904.7	582.00
Jan Paulk:									
Switzerland	Franc	904.7	582.00					904.7	582.00
David Smith:									
Switzerland	Franc	904.7	582.00					904.7	582.00
Delegation expenses [1]							9,537.63		9,537.63
Total			8,891.78		1,736.00		9,537.63		20,165.41

[1] Delegation expenses include direct payments and reimbursements to the Department of State and to the Department of Defense under authority of Section 502(b) of the Mutual Security Act of 1954, as amended by Section 22 of P.L. 95–384, and Senate Resolution 179, agreed to May 25, 1977.

CLAIBORNE PELL,
Chairman, June 21, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Patrick Leahy:									
Italy	Lira	280,350	231.00	1,896,000	1,461.00			2,176,350	1,692.00
Eric D. Newsom:									
Italy	Lira	560,750	432.00					560,750	432.00
United States	Dollar				3,350.00				3,350.00
Senator Tom Harkin:									
France	Franc	4,212	702.00					4,212	702.00
Senator Kent Conrad:									
France	Franc	4,212	702.00	395	65.83			4,607	767.83
Switzerland	Franc	288.10	194.00					288.10	194.00
Kent Hall:									
United States	Dollar				802.00				802.00
France	Franc	4,212	702.00	395	65.83			4,607	767.83
Switzerland	Franc	288.10	194.00					288.10	194.00

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987—Continued

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Ellen King-Huntoon:									
United States	Dollar				812.00				812.00
France	Franc	5,616	936.00	395	65.83			6,011	1,001.83
Switzerland	Franc	288.10	194.00					288.10	194.00
Total			4,287.00	6,622.49					10,909.49

PATRICK J. LEAHY,
Chairman, Committee on Agriculture, Nutrition, and Forestry, July 23, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Sam Nunn:									
France	Franc	2,658.66	438.00					2,658.66	438.00
Czechoslovakia	Crown	966	100.00					966	100.00
Czechoslovakia	Dollar		170.00						170.00
Poland	Zloty	86,620	335.00					86,620	335.00
Ireland	Dollar		120.00						120.00
Senator John W. Warner:									
United States	Dollar				1,161.00				1,161.00
Czechoslovakia	Crown	966	100.00					966	100.00
Czechoslovakia	Dollar		202.00						202.00
Poland	Zloty	91,500	375.00					91,500	375.00
Ireland	Dollar		183.00						183.00
Romie L. Brownlee:									
France	Franc	2,658.66	438.00					2,658.66	438.00
Belgium	Belgian Franc	7,303	192.00					7,303	192.00
Czechoslovakia	Crown	966	100.00					966	100.00
Czechoslovakia	Dollar		202.00						202.00
Poland	Zloty	91,500	375.00					91,500	375.00
Ireland	Dollar		183.00						183.00
Robert G. Bell:									
France	Franc	2,658.66	438.00					2,658.66	438.00
Belgium	Franc	7,303	192.00					7,303	192.00
Czechoslovakia	Crown	966	100.00					966	100.00
Czechoslovakia	Dollar		202.00						202.00
Poland	Zloty	91,500	375.00					91,500	375.00
Ireland	Dollar		183.00						183.00
Senator Phil Gramm:									
Turkey	Lira	211,030	269.00					211,030	269.00
Alan C. Ptak:									
Turkey	Lira	211,030	269.00					211,030	269.00
Senator Phil Gramm:									
Federal Republic of Germany	Deutsche mark	647.82	366.00					647.82	366.00
Senator John McCain:									
Federal Republic of Germany	Deutsche mark	307.98	171.08					307.98	171.08
Alan C. Ptak:									
Federal Republic of Germany	Deutsche mark	647.82	366.00					647.82	366.00
Patrick A. Putignano									
Federal Republic of Germany	Deutsche mark	647.82	366.00					647.82	366.00
Lorne Craner:									
Federal Republic of Germany	Deutsche mark	647.82	366.00					647.82	366.00
Senator Richard C. Shelby:									
United States	Dollar				899.00				899.00
Switzerland	Franc	1,134.10	776.00					1,134.10	776.00
Richard Roberts:									
United States	Dollar				899.00				899.00
Switzerland	Franc	1,134.10	776.00					1,134.10	776.00
Senator Albert Gore, Jr.:									
Federal Republic of Germany	Dollar		116.50						116.50
Leon Fuerth:									
Federal Republic of Germany	Dollar		116.50						116.50
Senator Edward M. Kennedy:									
Poland	Zloty	103,368	408.00					103,368	408.00
Italy	Lire	185,616	144.00					185,616	144.00
Switzerland	Franc	420.90	288.00					420.90	288.00
Gregory B. Craig:									
Poland	Zloty	103,368	408.00					103,368	408.00
Italy	Lire	185,616	144.00					185,616	144.00
Switzerland	Franc	420.90	288.00					420.90	288.00
Senator Strom Thurmond:									
France	Franc	7,020	1,170.00					7,020	1,170.00
Robert F. Bott:									
France	Franc	7,020	1,170.00					7,020	1,170.00
Senator John W. Warner:									
Bahrain	Dinar	73.51	195.00			24.50	65.00	98.01	260.00
Oman	Rial	59.26	154.00			10.00	26.00	69.26	180.00
Saudi Arabia	Riyal	495	132.00			56.25	15.00	551.25	147.00
Kuwait	Dinar	42.38	153.00			6.92	25.00	49.30	178.00
United Arab Emirates	Dirham					130.50	37.18	130.50	37.18
Senator John Glenn:									
Bahrain	Dinar	73.51	195.00			24.50	65.00	98.01	260.00
Oman	Rial	59.26	154.00			10	26.00	69.26	180.00
Saudi Arabia	Riyal	495	132.00			56.25	15.00	551.25	147.00
Kuwait	Dinar	42.38	153.00			6.92	25.00	49.30	178.00
United Arab Emirates	Dirham					130.50	37.18	130.50	37.18

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987—Continued

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Carl M. Smith:									
Bahrain	Dinar	73.51	195.00			24.50	65.00	98.01	260.00
Oman	Rial	59.26	154.00			10	26.00	69.26	180.00
Saudi Arabia	Riyal	495	132.00			56.25	15.00	551.25	147.00
Kuwait	Dinar	42.38	153.00			6.92	25.00	49.30	178.00
United Arab Emirates	Dirham					130.50	37.18	130.50	37.18
Gordon G. Riggle:									
Bahrain	Dinar	73.51	195.00			24.50	65.00	98.01	260.00
Oman	Rial	59.26	154.00			10	26.00	69.26	180.00
Saudi Arabia	Riyal	495	132.00			56.25	15.00	551.25	147.00
Kuwait	Dinar	42.38	153.00			6.92	25.00	49.30	178.00
United Arab Emirates	Dirham					130.50	37.18	130.50	37.18
Mark B. Robinson:									
Bahrain	Dinar	73.51	195.00			24.50	65.00	98.01	260.00
Oman	Rial	59.26	154.00			10	26.00	69.26	180.00
Saudi Arabia	Riyal	495	132.00			56.25	15.00	551.25	147.00
Kuwait	Dinar	42.38	153.00			6.92	25.00	49.30	178.00
United Arab Emirates	Dirham					130.50	37.18	130.50	37.18
James R. Locher III:									
Bahrain	Dinar	73.51	195.00			24.50	65.00	98.01	260.00
Oman	Rial	59.26	154.00			10	26.00	69.26	180.00
Saudi Arabia	Riyal	495	132.00			56.25	15.00	551.25	147.00
Kuwait	Dinar	42.38	153.00			6.92	25.00	49.30	178.00
United Arab Emirates	Dirham					130.50	37.18	130.50	37.18
Milton D. Beach:									
Bahrain	Dinar	73.51	195.00			24.50	65.00	98.01	260.00
Oman	Rial	59.26	154.00			10	26.00	69.26	180.00
Saudi Arabia	Riyal	495	132.00			56.25	15.00	551.25	147.00
Kuwait	Dinar	42.38	153.00			6.92	25.00	49.30	178.00
United Arab Emirates	Dirham					130.50	37.18	130.50	37.18
Patricia J. Buckheit:									
Bahrain	Dinar	73.51	195.00			24.50	65.00	98.01	260.00
Oman	Rial	59.26	154.00			10	26.00	69.26	180.00
Saudi Arabia	Riyal	495	132.00			56.25	15.00	551.25	147.00
Kuwait	Dinar	42.38	153.00			6.92	25.00	49.30	178.00
United Arab Emirates	Dirham					130.50	37.18	130.50	37.18
Total			18,053.08		2,959.00		1,345.44		22,357.52

SAM NUNN,
Chairman, Committee on Armed Services, July 20, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John Heinz:									
Russia	Dollar		600.00		600.00				1,200.00
United States	Dollar				2,668.00				2,668.00
Dennis Culkin:									
Russia	Dollar		600.00						600.00
United States	Dollar				2,668.00				2,668.00
Total			1,200.00		5,936.00				7,136.00

WILLIAM PROXMIRE,
Chairman, Committee on Banking, Housing, and Urban Affairs,
June 26, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384-22 U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION, FOR TRAVEL FROM APRIL 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Robert E. Eisenbud:									
England	Dollar		650.00						650.00
United States	Dollar				821.69				821.69
Svend A. Brandt-Erichsen:									
England	Dollar		629.77						629.77
United States	Dollar				2,491.23				2,491.23
Total			1,279.77		3,312.92				4,592.69

ERNEST F. HOLLINGS,
Chairman, Committee on Commerce, Science, and Transportation,
July 31, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Alan Simpson:									
Sweden	Krona	5,687.40	896.00					5,687.40	896.00
France	Franc	5,282.28	876.00					5,282.28	876.00
James R. Curtiss:									
Sweden	Krona	5,687.40	896.00					5,687.40	896.00
France	Franc	5,282.28	876.00					5,282.28	876.00
Ronald Cooper:									
Switzerland	Franc	1,176.50	1,152.00					1,716.50	1,152.00
United States	Dollar				1,847.00				1,847.00
Steven J. Shimberg:									
Switzerland	Franc	1,716.50	1,152.00					1,716.40	1,152.00
United States	Dollar				1,847.00				1,847.00
Total			5,848.00		3,694.00				9,542.00

QUENTIN N. BURDICK,
Chairman, Committee on Environment and Public Works, July 1, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON GOVERNMENTAL AFFAIRS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John F. Sopko:									
Germany	Deutsche mark	1,098	1,987.38					1,098	1,987.38
United States	Dollar				1,929.000				1,929.00
Eleanore Hill:									
Germany	Deutsche mark	1,098	1,987.38					1,098	1,987.38
United States	Dollar				1,929.00				1,929.00
John F. Sopko:									
Bahamas	Dollar		300.00						300.00
United States	Dollar				131.94				131.94
Daniel Rinzel:									
Bahamas	Dollar		287.65						287.65
United States	Dollar				131.94				131.94
Total			4,562.41		4,121.88				8,684.29

JOHN GLENN,
Chairman, Committee on Governmental Affairs, July 24, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON FINANCE, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John D. Rockefeller IV:									
Korea	Won	192,660	228.00			27,948.5	33.80	220,608.5	261.80
Japan	Yen	119,991	851.00	20,480	146.52	29,100	206.50	169,571	1,204.02
Taiwan	New Taiwan dollar	3,748	110.00					3,748	110.00
United States	Dollar				3,820.00				3,820
Ira Wolf:									
Korea	Won	192,660	228.00			27,948.5	33.79	220,608.5	261.79
Japan	Yen	119,991	851.00	20,480	146.51	29,100	206.49	169,571	1,204.00
Taiwan	New Taiwan dollar	3,748	110.00					3,748	110.00
United States	Dollar				1,940.00				1,940.00
Total			2,378.00		6,053.03		480.58		8,911.61

LLOYD BENTSEN,
Chairman, Committee on Finance, July 22, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY, SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON FOREIGN RELATIONS, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John F. Kerry:									
Guatemala	Quetzal	438.36	156.00					438.36	156.00
Costa Rica	Colon	8,064.60	144.00					8,064.60	144.00
Geryld C. Christianson:									
United Kingdom	Pound	95.08	156.85	26	42.90			121.08	199.75
Richard L. McCall:									
Guatemala	Quetzal	438.36	156.00					438.36	156.00
Costa Rica	Colon	8,064.60	144.00					8,064.60	144.00
John B. Ritch, III:									
France	Franc	7,988	1,314.00					7,988	1,314.00
United States	Dollar				791.00				791.00
Barry Sklar:									
Guatemala	Quetzal	438.36	156.00					438.36	156.00
Costa Rica	Colon	8,064.60	144.00					8,064.60	144.00
Senator Christopher Dodd:									
Panama	Dollar		145.50						145.50
Robert Dockery:									
Panama	Dollar		291.00						291.00
Janice O'Connell:									
Panama	Dollar		291.00						291.00
Total			3,098.35		833.90				3,932.25

CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, July 7, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMITTEE ON THE JUDICIARY, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Jerry M. Tinker:									
Canada	Dollar	423.05	315.00					423.05	315.00
United States	Dollar				441.36				441.36
Heather Hodges:									
Canada	Dollar	423.05	315.00					423.05	315.00
United States	Dollar				441.36				441.36
Michael Myers:									
Canada	Dollar	423.05	315.00					423.05	315.00
United States	Dollar				441.36				441.36
Ann M. Harkins:									
Switzerland	Franc	1,287.35	866.00					1,287.35	866.00
United States	Dollar				1,516.00				1,516.00
Randell Rader:									
Switzerland	Franc	1,287.35	866.00					1,287.35	866.00
United States	Dollar				1,516.00				1,516.00
Edward H. Baxter:									
Switzerland	Franc	1,287.35	864.00					1,287.35	864.00
United States	Dollar				1,602.00				1,602.00
Total			3,541.00		5,958.08				9,499.08

JOSEPH R. BIDEN, Jr.,
Chairman, Committee on the Judiciary, July 27, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), JOINT ECONOMIC COMMITTEE, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
David A. Smith:									
Italy	Dollar		500.00						500.00
United States	Dollar				2,261.00				2,261.00
Total			500.00		2,261.00				2,761.00

PAUL S. SARBANES,
Chairman, Joint Economic Committee, July 27, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON INTELLIGENCE, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Arlen Specter			889.00						889.00
C. Charles Battaglia			919.00						919.00
John Despres			514.50		1,858.00				2,372.50
Sven Holmes			468.00		2,721.00				3,189.00
James Martin			468.00		2,721.00				3,189.00
David Holliday			1,977.95		2,533.00				4,510.95
Blythe Thomas			1,977.95		2,533.00				4,510.95
Regina Genton			1,977.95		2,533.00				4,510.95
R. Charlene Packard			1,977.95		2,533.00				4,510.95
Total			11,170.30		17,432.00				28,602.30

DAVID BOREN,
Chairman, Select Committee on Intelligence, June 30, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE MAJORITY LEADER, FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Robert Dockery:									
Mexico	Peso	341,160	270.00					341,160	270.00
United States	Dollar				618.40				618.40
Yvonne L. Hopkins:									
Mexico	Peso	341,160	270.00					341,160	270.00
United States	Dollar				549.00				549.00
Janice O'Connell:									
Mexico	Peso	341,160	270.00					341,160	270.00
United States	Dollar				549.00				549.00
Luke Albee:									
Costa Rica	Colon	4,932.30	82.00					4,932.30	82.00
Honduras	Lempira	404	202.00					404	202.00
United States	Dollar				383.00				383.00
Eric David Newsom:									
Panama	Dollar		194.00						194.00
Costa Rica	Colon	9,864.60	164.00					9,864.60	164.00
Honduras	Lempira	404	202.00					404	202.00
Henry K. Giugni:									
Israel	Skekel	1,155	721.00					1,155	721.00
United States	Dollar				3,111.00				3,111.00
Patricia M. Luxenburg:									
Israel	Shekel	1,155	721.00					1,155	721.00
United States	Dollar				3,111.00				3,111.00
Patricia McNally:									
Israel	Shekel	1,155	721.00					1,155	721.00
United States	Dollar				3,111.00				3,111.00
Jan Paulk:									
Sweden	Krona	5,687.4	896.00					5,687.4	896.00
France	Franc	5,282.28	876.00					5,282.28	876.00
Christopher Doherty:									
Poland	Zloty	251,940	1,020.00					251,940	1,020.00
United States	Dollar				1,059.00				1,059.00
Nancy Soderberg:									
Poland	Zloty	251,940	1,020.00					251,940	1,020.00
United States	Dollar				1,209.00				1,209.00
Total			7,629.00		13,700.40				21,329.40

ROBERT C. BYRD,
Majority Leader, July 20, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22 P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator William V. Roth, Jr.:									
France	Franc	2,553.18	420.00					2,553.18	420.00
R. Ian Butterfield:									
France	Franc	2,553.18	420.00					2,553.18	420.00
United States	Dollar				835.00				835.00
Senator Mark O. Hatfield:									
France	Franc	7,020	1,170.00					7,020	1,170.00
Yvonne L. Hopkins:									
France	Franc	5,520	920.00					5,520	920.00
Vickie Mitchell:									
France	Franc	4,710	785.00					4,710	785.00
Jeffrey Andrews:									
France	Franc	5,968.5	994.75					5,968.5	994.75

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22 P.L. 95–384—22 U.S.C. 1754(b), FOR TRAVEL AUTHORIZED BY THE REPUBLICAN LEADER FROM APR. 1 TO JUNE 30, 1987—Continued

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Kathryn Hook:									
France	Franc	4,980	830.00					4,980	830.00
Linda Wiggins:									
France	Franc	5,370	895.00					5,370	895.00
Holly Richardson:									
France	Franc	7,020	1,170.00					7,020	1,170.00
Mary P. Wells:									
France	Franc	5,040	840.00					5,040	840.00
Jeff Kull:									
France	Franc	4,270.02	711.67					4,270.02	711.67
Total			9,156.42				835.00		9,991.42

ROBERT J. DOLE,
Republican Leader, Aug. 4, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), SELECT COMMITTEE ON SECRET MILITARY ASSISTANCE TO IRAN AND THE NICARAGUAN OPPOSITION, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Timothy Woodcock			657.00		791.00				1,448.00
Thomas Polgar			932.50		885.19				1,817.69
John Cronin					2,142.00				2,142.00
C.H. Holmes					2,142.00				2,142.00
Louis Zarnardi					2,142.00				2,142.00
Joel Lisker			188.00		215.55				403.55
John Cronin			1,358.00		1,927.00				3,285.00
Thomas McGough			438.00		791.00				1,229.00
Daniel Finn			404.00		938.00				1,342.00
Total			3,977.50		11,973.74				15,951.24

DANIEL K. INOUYE,
Chairman, Select Committee on Secret Military Assistance to Iran and the Nicaraguan Opposition, July 24, 1987.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95–384—22 U.S.C. 1754(b), COMMISSION ON SECURITY AND COOPERATION IN EUROPE, FOR TRAVEL FROM APR. 1 TO JUNE 30, 1987

Name and Country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Jane S. Fisher:									
Austria	Schilling	8,041.95	630.00					8,041.95	630.00
United States	Dollar				1,186.00				1,186.00
Total			630.00		1,186.00				1,816.00

DENNIS DeCONCINI,
Cochairman, Commission on Security and Cooperation in Europe, July 15, 1987.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment in the nature of a substitute:

S. 373: A bill to reauthorize the program of finance assistance to meet special educational needs of disadvantaged children, and to reauthorize chapter 2 of the Education Consolidation and Improvement Act of 1981, through fiscal year 1993 (Rept. No. 100–222).

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. Res. 306: A resolution authorizing supplemental expenditures for the Committee on Armed Services (Rept. No. 100–223).

S. Res. 311: A resolution authorizing supplemental expenditures by the Committee on Finance (Rept. No. 100–224).

S. Res. 319: A resolution authorizing supplemental expenditures by the Committee on Veterans' Affairs (Rept. No. 100–225).

S. Res. 321: A resolution consolidating and authorizing supplemental expenditures by the Select Committee on Indian Affairs (Rept. No. 100–226).

S. Res. 322: A resolution authorizing supplemental expenditures for the Committee on Appropriations (Rept. No. 100–227).

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. Res. 325: An original resolution authorizing supplemental expenditures by the Committee on Rules and Administration (Rept. No. 100–228).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with amendment:

H.R. 5: A bill to improve elementary and secondary education, and for other purposes.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation:

James H. Burnley IV, of North Carolina, to be Secretary of Transportation;

Mary Ann Weyforth Dawson, of the District of Columbia, to be Deputy Secretary of Transportation;

William W. Fox, Jr., of Florida, to be a Member of the Marine Mammal Commission for the term expiring May 13, 1989;

Francis F. Fay, of Alaska, to be a Member of the Marine Mammal Commission for the term expiring May 13, 1988;

Francis J. Ivancie, of Oregon, to be a Federal Maritime Commissioner for the term expiring June 30, 1992;

Thomas P. Rona, of Virginia, to be an Associate Director of the Office of Science and Technology Policy; and

Jack Edwards, of Alabama, to be a Member of the Board of Directors of the Metropolitan Washington Airports Authority for a term of six years.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. HOLLINGS. Mr. President, for the Committee on Commerce, Science, and Transportation, I also report favorably two nomination lists in the Coast Guard which have previously been printed in the Congressional Record of September 30, 1987, and, to save the expense of reprinting them on the Executive Calendar, I ask that these nominations lie at the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. Without objection, it is so ordered.

By Mr. NUNN, from the Committee on Armed Services:

Robert B. Costello, of Michigan, to be Under Secretary of Defense for Acquisition.

(The above nomination was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. NUNN. Mr. President, from the Committee on Armed Services, I report favorably the attached listing of nominations.

Those identified with a single asterisk (*) are to be placed on the Executive Calendar. Those identified with a double asterisk (**) are to lie on the Secretary's desk for the information of any Senator since these names have already appeared in the Congressional Record and to save the expense of printing again.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The nominations ordered to lie on the Secretary's desk were printed in the Record of October 28 and November 10, 1987, at the end of the Senate proceedings.)

By Mr. GLENN, from the Committee on Governmental Affairs:

Don W. Wilson, of Michigan, to be Archivist of the United States;

Ira D. Hall, of Connecticut, to be a Governor of the United States Postal Service for the remainder of the term expiring December 8, 1990;

Arthur L. Burnett, Sr., of the District of Columbia, to be an Associate Judge of the Superior Court of the District of Columbia for a term of fifteen years;

Frank Q. Nebeker, of Virginia, to be Director of the Office of Government Ethics for a term of five years; and

William H. LeBlac III, of Louisiana, to be a Commissioner of the Postal Rate Commission for the remainder of the term expiring November 22, 1988.

(The above nominations were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PELL, from the Committee on Foreign Relations:

George Southall Vest, of Maryland, a Career Member of the Senior Foreign Service, Class of Career Minister, for the personal rank of Career Ambassador in recognition of especially distinguished service over a sustained period.

(The above nominations was reported with the recommendation that it be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry:

Roland R. Vautor, of Vermont, to be Under Secretary of Agriculture for Small Community and Rural Development; and

Roland R. Vautour, of Vermont, to be a Member of the Board of Directors of the Commodity Credit Corporation.

(The above nominations were reported with the recommendation that it be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. GORE (for himself, Mr. Wilson, and Mr. Kerry):

S. 1882. A bill to authorize appropriations for the Consumer Product Safety Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DeCONCINI:

S. 1883. A bill to amend the Act entitled "An Act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes; to the Committee on the Judiciary.

By Mr. HEINZ:

S. 1884. A bill to amend the Internal Revenue Code of 1986 and title II of the Social Security Act to provide an exemption from coverage under the social security program on a current basis (pursuant to applications filed in advance) for employers and their employees in cases where both are members of faiths opposed to participation in such program; to the Committee on Finance.

By Mr. DODD (for himself, Mr. Cranston, Mr. Chafee, Mr. Hollings, Mr. Simon, Mr. Sanford, Ms. Mikulski, Mr. Harkin, Mr. Reid, Mr. Matsunaga, Mr. Mitchell, Mr. Pell, Mr. Bradley, Mr. Burdick, Mr. Moynihan, Mr. DeConcini, Mr. Riegle, Mr. Adams, Mr. Lautenberg, Mr. Kennedy, Mr. Daschle, Mr. Weicker, and Mr. Bingaman):

S. 1885. A bill to provide for a Federal program for the improvement of child care, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. DeCONCINI:

S.J. Res. 222. A joint resolution to designate the period commencing on May 1, 1988, and ending on May 7, 1988, as "National Older Americans Abuse Prevention Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. FORD, from the Committee on Rules and Administration:

S. Res. 325. An original resolution authorizing supplemental expenditures by the Committee on Rules and Administration; placed on the calendar.

By Mr. BYRD (for himself and Mr. Dole):

S. Res. 326. A resolution to authorize testimony of former Senate employee; considered and agreed to.

By Mr. BYRD (for himself and Mr. Dole):

S. Res. 327. A resolution to authorize production of records by the Senate Permanent Subcommittee on Investigation; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. GORE (for himself, Mr. Wilson, and Mr. Kerry):

S. 1882. A bill to authorize appropriations for the Consumer Product Safety Commission, and for other purposes; to the Committee on Commerce, Science, and Transportation.

CONSUMER PRODUCT SAFETY COMMISSION AUTHORIZATION ACT

● Mr. GORE. Mr. President, today I am introducing, on behalf of myself and others, the Consumer Product Safety Commission Authorization Act of 1987. This effort follows a hearing held by the Consumer Subcommittee earlier this year and several months of activity directed toward addressing some of the serious concerns surrounding the Consumer Product Safety Commission [CPSC].

The last time that an authorization bill was enacted for the CPSC was during the reconciliation process in 1981. We have been unable to move a bill through the entire legislative process since that time, but I am hopeful that this Congress will be a different situation.

It is critical that we enact such a bill now because the CPSC is a beleaguered agency. Beset by internal squabbles and demoralized staff, the CPSC has been sending the message that it's open hunting season on consumers and their interests. But it is not just the American consumer who is harmed by this message. American business as well suffers when an agency as important as the CPSC is mired in inactivity and inconsistency, for then our businesses do not even know what to expect from the very unit of the Federal Government that is charged with overseeing their activities regarding products.

Recently, the Consumer Federation of America presented testimony to the Consumer Subcommittee which showed that the creation of Federal safety agencies like the CPSC, together with certain tort law doctrines and increased consumer demand, has resulted in a significant decline in injuries and deaths. The CPSC is too important an agency to permit it to wither and die. Products of all sorts touch the lives of Americans more directly and more often than we can imagine, and it is essential that we act to stop this erosion of public confidence in the Federal Government's product safety activities.

Having said this, I am cognizant of the fact that Congress established the CPSC in 1972 with an awareness that it is not appropriate or practical for Congress to exercise day-to-day supervision of the quality of items in the marketplace. Rather, it is desirable to have a Federal entity with expertise in consumer products and safety actively oversee product safety. But if we have entrusted our safety to the CPSC, then we need to ensure that the agency will do its job. I am not interested in micromanaging the CPSC; I am interested in spurring it on to act on behalf of all of us in fulfilling its statutory mandate.

ADMINISTRATION/STRUCTURE

But how does one legislate responsibility and discretion? The short answer is that we cannot. Instead, we should seek to appoint individuals who are aware of safety issues and dedicated to furthering them. That is why this legislation requires the President to consider individuals with safety experience in making appointments to the CPSC.

When the Consumer Product Safety Act was enacted in 1972, we envisioned that a collegial body would exchange ideas and suggest alternative solutions to safety problems. That objective has succeeded to a limited extent. I continue to believe that the basic premise behind that legislative determination is valid: Several minds are better than one. However, to address some of the internal difficulties that have recently crept into the CPSC, this legislation also provides that the heads of all of the major departments at the CPSC shall be appointed by the Chairman of the CPSC, with the approval of the full Commission. Likewise, these department officials would also be subject to removal only by the full Commission, to avoid any employee from feeling that disagreement with any particular Commissioner or point of view will bring retribution.

Finally, since the CPSC is currently limited to three members, the bill provides that, during the life of this authorization, two members of the CPSC shall constitute a quorum for the transaction of business. Current law requires that three members must be present for action to occur. Today, in the event of illness or other absence of one member, the CPSC is unable to act. This bill will permit the CPSC to meet to further public safety even when it is operating with less than the full complement of members provided under the Consumer Product Safety Act.

VOLUNTARY STANDARDS

In 1981, the Congress expressed its preference that the CPSC defer to a voluntary standard developed by industry whenever the CPSC determined that substantial compliance with the standard was likely and that compliance with the standard would eliminate or adequately reduce the risk of injury involved. I believe this authority was restricted to situations in which the CPSC had already undertaken action with regard to a problem by commencing an advance notice of proposed rulemaking. It has been suggested that the authority has been misapplied and/or misperceived as an indication that the CPSC cannot or should not act to address safety matters. Some industries have been forthcoming and active participants in the development of voluntary standards; others have failed miserably.

This legislation would address the issue of voluntary standards by permitting certain parties to file a petition with the CPSC alleging that the development of a voluntary standard is either proceeding too slowly or that the standard is not adequate to address the risk of injury. The CPSC would be required to act on the petition within 120 days of its filing. This will ensure that the CPSC will focus on a potential safety matter in a timely, responsible matter.

In addition, the bill requires that the CPSC defer to a voluntary standard pursuant to section 9 of the Consumer Product Safety Act only where the standard actually exists. This should preclude even the appearance that the CPSC is to defer to a mere hope or promise that an industry will take some action. Also, the bill requires that interested persons have the opportunity to comment on a voluntary standard before the CPSC defer to it.

Finally, the bill provides that the CPSC establish a system to monitor compliance with the voluntary standards which are used by industry, to ensure that these standards are being met.

TIME LIMITATIONS ON RULES

This legislation also would require the CPSC to conclude any rulemaking proceeding within 1 year after it is begun by the publication of an advance notice of proposed rulemaking. In those circumstances where the CPSC requires more time to develop a rule—for example, because of complex subject matter—the bill permits a 6-month extension. Testimony produced at the Consumer Subcommittee hearing suggested that some rulemakings take as long as 3 or 4 years to be completed. This provision will ensure that the CPSC will act expeditiously to conclude its formal rulemaking process.

ALL-TERRAIN VEHICLES

The bill contains a provision regarding all-terrain vehicles. At the Consumer Subcommittee's hearing, testimony was presented which, in my opinion, demonstrated a lack of responsibility on the part of the manufacturers of all-terrain vehicles. These vehicles are reportedly associated with 20 deaths and 7,000 injuries each month, and yet little action has been forthcoming to address these statistics. No voluntary standard is in place for ATV's.

Though the CPSC has not acted as expeditiously as I believe the situation demanded, last December the CPSC did vote to bring an action under section 12 of the Consumer Product Safety Act alleging that all-terrain vehicles are an "imminent hazard." As permitted by that act, and because the CPSC felt that the expertise of more experienced litigators was desirable, the CPSC requested that the Department of Justice represent the CPSC in this action. That request was made in February of this year, and to date the Department of Justice has not acted on the request. Not only has the Department not yet filed the action; the Department has not even notified its client, the CPSC, that it intends to bring the action. This foot-dragging has gone on long enough.

This bill would require that the CPSC move forward immediately to protect the public safety with respect to ATV's. Negotiations are permitted for a maximum of 60 days. However, if the Commission determines after the commencement of negotiations that such negotiations will not produce an expeditious and effective means of reducing the incidence of injury and death associated with ATV's, it may file suit before the end of the 60-day period.

If the negotiations are successful, and the legislation sets out a blueprint for matters to be considered during negotiations, then the equivalent of a "consent decree" would be filed. If they are not successful, the CPSC must immediately file its section 12 action, and the court is instructed to handle the matter on an expedited basis. In any case, the CPSC is also instructed to complete its rulemaking on ATV's, which was begun in 1985, within 1 year after the bill is enacted.

The objective of this provision is to achieve the greatest improvement in ATV safety in the shortest period of time. It is my intention that this legislation send a signal that negotiations should begin now, right away. The CPSC and manufacturers need not await the passage of this bill to start talking; they should begin now. At present, America's consumers are left unprotected and subject to further injury.

The parties should take these negotiations seriously and engage in good-faith bargaining with the flexibility and fairness that will be needed to conclude this matter quickly. Let me assure my colleagues that I view this matter with great seriousness; if the actions required by this bill are not productive, I will be back with a provision that will further ensure the safety of the public.

LAWN DARTS

Lawn darts, a game intended to be played out-of-doors, have been banned under the Federal Hazardous Substances Act since 1970. However, under an exemption granted pursuant to that act, they have been permitted to be sold for adult use. They cannot be sold in toy stores, and a label must accompany the packaging of the darts.

In April of this year, a tragedy befell a young girl from California who was struck in the head and killed by one of these darts. She was the third reported fatality since 1970 from lawn darts, though the CPSC indicates that 6,100 injuries from this product have been reported between 1978 and 1986. A majority of these injuries involved the head, face, eye, or ear. Approximately 81 percent of the victims were under the age of 15. Obviously, the ban on lawn darts, with its exemption, has not kept children from using them.

On October 20, 1987, the CPSC published an advance notice of proposed rulemaking regarding actions to be taken by the CPSC to ensure that lawn darts do not continue to cause injuries. Given the fact that the exemption has been shown not to have served its purpose, this bill would require the CPSC to amend its 1970 regulation so as to extend the ban on lawn darts being sold to adults, unless the CPSC finds they do not present the possibility of puncture wound injury. I commend Senator WILSON for his interest and activity in this area, and express my willingness to work with him and others to remedy this situation.

MISCELLANEOUS PROVISIONS

This legislation would also require that the CPSC study indoor air pollution, adult sleepwear flammability, and choking hazards of small parts contained in toys. These three items are currently the subject of some action at the CPSC, and the legislation requires the CPSC to review its activities and report to the Congress.

CONCLUSION

We have, its seems to me, an obligation to ensure that America's products are not only competitive but safe. In fact, our products cannot be competitive if they are not safe and if our citizens cannot rely on their construction. The CPSC has a vitally important function to perform, and this legislation is intended to spur the CPSC on toward that goal. Some have called for more "punitive" measures with regard to certain Commissioners at the CPSC; others have encouraged that we not address any issue at the CPSC for fear of making the situation worse; still others would prefer that we ignore the situation at the CPSC. The objective of this legislation is not to "get" anyone or to target any industry, but to make the CPSC become a more vital and consistent agency. Enactment of this legislation would leave the CPSC more strengthened than it is. I invite my colleagues who share my commitment to safety to join me in cosponsoring the bill.●

By Mr. DeCONCINI:

S. 1883. A bill to amend the act entitled "An Act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes;" to the Committee on the Judiciary.

TRADEMARK LAW REVISION ACT

● Mr. DeCONCINI. Mr. President, I am pleased to introduce the Trademark Law Revision Act of 1987, a bill to amend the Trademark Act of 1946, generally referred to as the Lanham Act. This legislation is designed to bring the 41-year-old Lanham Act up to date with present day business and commercial practices and realities, to increase the value of the Federal trademark registration system for U.S. companies, to continue the protection of the public from counterfeit, confusion and deception, and to remove the current preference for foreign companies applying to register trademarks in the United States.

The status of trademark protection laws is of interest to both consumers and producers. Trademark law, which is part of the larger body of the law of unfair competition, gives consumers the assurance that they can identify brands they prefer and ones they wish to avoid, and that they can purchase these brands without being confused or misled. In addition to protecting purchasers and the consuming public, trademarks also protect trademark owners and prospective trademark owners. As the late Dr. Stephen P. Ladas, an internationally renowned expert of intellectual property law, stated when he was Chairman of the International Commission for Industrial Property of the International Chamber of Commerce:

> Free enterprise rests on trademarks and trade names. We cannot have competition if we do not distinguish the competing goods and give the purchaser a chance to choose—among—them. In protecting trademarks, we grant a remedy to the owner, but we also shield the purchaser from confusion and fraud.

At the same time, trademarks enhance the ability of businesses to compete both domestically and internationally.

Two years ago the U.S. Trademark Association formed the Trademark Review Commission to conduct a comprehensive review, analysis, and debate of the policies and components of the trademark system. That process included an exhaustive questionnaire to the trademark community, extensive study of specific topics by committees, and open debate at annual meetings. The Commission produced a lengthy report of its findings and recommended legislative changes in the trademark system. The bill I am introducing today is based on the Commission's report and recommendations. I am pleased to have the benefit of the Commission's study, which is the most comprehensive review of the trademark system that I am aware of in the last half century. I do recognize, however, that this bill is a starting point. Some of my colleagues, including my good friend and the ranking member of the subcommittee, Senator ORRIN HATCH, may have alternative approaches to amending the Lanham Act to bring it up to date with present day business practices and I welcome their views.

One of the most significant provisions in the bill I am introducing today provides for a dual system whereby trademark users can apply to register trademarks and service marks on the basis of intent-to-use in commerce, as well as actual use in commerce.

Under current U.S. law, trademark rights are based on the actual use of the mark. Unlike the practice in many other countries, a company in the United States cannot obtain rights in a new trademark until the product plans have been completed and the product has been placed on the market. Hence, the principle "no trade, no trademark." American companies can expend months or years and hundreds of thousands of dollars in developing a new product only to discover that another company has already used the same trademark. Even more disturbing is the fact that foreign companies applying to register trademarks in the United States are not subject to these same use requirements that apply to U.S. applicants. This discriminating aspect of the Lanham Act has resulted in the commercially transparent practice of "token use," in which the first sale is generally of a less than commercial quantity of the product, often one-case shipment or even as little as a single unit.

The proposed legislation provides for a dual system of filing, whereby the applicant for trademark registration can file in one of two ways, either by using the Lanham Act's existing use provision or by using the new "intent-to-use" provision. Applicants will also be subject to a more stringent definition of use in commerce, which will help to eliminate the practice of "token use." At the same time, applicants will receive the benefit of "constructive use" establishing nationwide priority from the date of filing. In addition, both domestic and foreign applicants not applying for registration on the basis of use in commerce, will have to state a bona fide intention to use the mark in commerce on or in connection with all the goods or services recited in their applications. An intent-to-use applicant would have a period of 6 months to commence use of the mark in commerce after it had cleared the Patent and Trademark Office's preregistration procedures. The 6-month period can be extended for additional periods of 6 months each for no more than 4 years by the filing of verified statements of continued bona fide intention to use the mark in commerce.

By allowing applicants to file based on an intent to use the mark in commerce, the new legislation will save time, money, and effort manufacturers must expend to market a new product. It will also eliminate the inefficient practice of "token use" which has created legal uncertainty.

The bill also addresses the problem of deadwood—the volume of abandoned or inactive marks on the Patent and Trademark Office Register. In order to reduce the deadwood, the bill proposes a stronger definition of "use-in-commerce" and a reduction of the term of registration from 20 to 10 years. The renewal fee would also be reduced along with the reduction of the registration term. In an analysis of marks registered from 1966 to 1985, the Commission found that of the active registrations over 6 years old, 23 percent were deadwood, and that approximately 58 percent of these would be removed sooner than would otherwise be the case by reducing the registration term to 10 years.

In addition, the legislation strengthens section 43(a) of the act by expressly adopting a series of court decisions holding that the remedies available to owners of federally registered marks are available under section 43(a), that the tarnishment and disparagement of trademarks is actionable, and that false advertising statements about a competitor's product are unlawful.

The bill also adds a Federal dilution section to the act. Currently, 23 States have dilution statutes. The new section provides greater protection of famous registered trademarks from unauthorized uses which lessen the distinctiveness and thus the commercial value of a mark. For example, a recent U.S. district court decision stated that the unauthorized use of marks like Buick for aspirin, Schlitz for varnish, Kodak for pianos, and Bulova for gowns would constitute dilution of these marks.

The bill also revises the incontestability provisions of the act in order to remove ambiguities and it provides for equitable defenses. In addition, it includes a provision relating to security interests in trademarks and modernizes the definitions contained in the act.

Mr. President, as chairman of the Subcommittee on Patents, Copyrights and Trademarks, I am concerned with updating and improving the laws and regulations which govern the use of trademarks and with making the laws more efficient and more useful to both producers and consumers. We must ensure that the trademark law continues to fulfill the statutory objectives which were outlined in Senate Report No. 1333 (May 14, 1946):

> The purposes underlying any trademark statutes is two fold. One is to protect the public so it may be confident that, in purchasing a product bearing a particular trademark which it favorably knows, it will get the product which it asks for and wants to get. Secondly, where the owner of a trademark has spent energy, time and money in presenting to the public the product, he is protected in this investment from misappropriation by pirates and cheats. This is the well-established rule of law protecting both the public and the trademark owner.

These purposes were reaffirmed by the Supreme Court in its 1985 Park 'N Fly versus Dollar Park and Fly, Inc. decision. The Court stated that the reason the Lanham Act nationally protects trademarks is "to secure to the owner of the mark the goodwill of his business and to protect the ability of consumers to distinguish among competing producers." The Court also recognized that trademarks desirably "foster competition and the maintenance of—product—quality."

Mr. President, I urge my colleagues to join me in ensuring that U.S. trademark law continues to adequately protect one of the most valuable asets of American business and the interests of consumers who rely on trademarks when making their purchasing decisions.

Mr. President, I ask unanimous consent that the text of the bill and the section by section analysis be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1883

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Trademark Law Revision Act of 1987".

Sec. 2. For purposes of this Act, the Act entitled "An Act to provide for the registration and protection of trade-marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes" shall be referred to as the "Trademark Act of 1946".

Sec. 3. Section 1 of the Trademark Act of 1946 (15 U.S.C. 1051) is amended by—

(1) inserting a section heading before section 1 to read as follows:

"REQUIREMENTS FOR APPLYING TO REGISTER TRADEMARKS ON THE PRINCIPAL REGISTER";

(2) striking out "may register his" and inserting in lieu thereof "may apply to register his";

(3) redesignating paragraphs (1), (2), and (3) of subsection (a) as subparagraphs (A), (B), and (C), respectively;

(4) redesignating subsections (a), (b), and (c) as paragraphs (1), (2), and (3), respectively;

(5) inserting "(a)" after "Section 1.";

(6) striking out "actually" in subparagraph (C), as redesignated herein; and

(7) adding at the end thereof the following:

"(b) A person who has a bona fide intention to use a trademark in commerce may apply to register the trademark under this Act on the principal register hereby established:

"(1) By filing in the Patent and Trademark Office—

"(A) a written application, in such form as may be prescribed by the Commissioner, verified by the applicant, or by a member of the firm or an officer of the corporation or association applying, specifying applicant's domicile and citizenship, applicant's bona fide intention to use the mark in commerce, the goods in connection with which the applicant has a bona fide intention to use the mark and the mode or manner in which the mark is intended to be used in connection with such goods, and including a statement to the effect that the person making the verification believes himself, or the firm, corporation, or association in whose behalf he makes the verification, is entitled to use the mark in commerce, and that no other person, firm, corporation, or association, to the best of his knowledge and belief, has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when applied to the goods of such other person, to cause confusion, or to cause mistake, or to deceive: *Provided,* That in the case of every application seeking concurrent use the applicant shall state exceptions to his claim of exclusive use, in which he shall specify, to the extent of his knowledge, any use by others, the goods in connection with which and the areas in which such use exists, the periods of such use, and the goods and area for which the applicant has a bona fide intention to use the mark in commerce and desires registration. However, with the exception of applications filed pursuant to section 44 of this Act, no mark shall be registered until the applicant has met the requirements of section 13(b)(2) hereof; and

"(B) a drawing of the mark.

"(2) By paying in the Patent and Trademark Office the filing fee.

"(3) By complying with such rules or regulations, not inconsistent with law, as may be prescribed by the Commissioner.

"(c) At any time during examination of an application filed under subsection (b), an applicant who has made use of the mark in commerce may claim the benefits thereof for purposes of this Act, by amending his application to bring it into conformity with the requirements of subsection (a).".

SEC. 4. Section 2 of the Trademark Act of 1946 (U.S.C. 1052) is amended—

(1) by amending subsection (d) to read as follows:

"(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark which is the subject of a previously filed pending application, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: *Provided*, That when the Commissioner determines that confusion, mistake, or deception is not likely to result from the use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this Act; or (2) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (3) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Use prior to the filing date of any pending application or a registration shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Commissioner when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Commissioner shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods in connection with which such mark is registered to the respective persons;"; and

(2) in subsection (f) by striking out "five years" through the end of the subsection and inserting in lieu thereof "five years next preceding an offer of proof by the applicant.".

SEC. 5. Section 3 of the Trademark Act of 1946 (15 U.S.C. 1053) is amended by—

(1) striking out "used in commerce" in the first sentence; and

(2) striking out the second sentence.

SEC. 6. Section 4 of the Trademark Act of 1946 (15 U.S.C. 1054) is amended by—

(1) striking out "origin used in commerce," and inserting in lieu thereof "origin,";

(2) striking out "except when" in the first sentence and inserting in lieu thereof "except in the case of certification marks when"; and

(3) striking out the second sentence.

SEC. 7. Section 5 of the Trademark Act of 1946 (15 U.S.C. 1055) is amended by adding at the end thereof the following: "First use of a mark by a person, which use is controlled by the registrant or applicant for registration of the mark in respect to the nature and quality of the goods or services, shall inure to the benefit of the registrant or applicant.".

SEC. 8. Section 6(b) of the Trademark Act of 1946 (15 U.S.C. 1056(b)) is amended by striking out "(d)" and inserting in lieu thereof "(e)".

SEC. 9. Section 7 of the Trademark Act of 1946 (15 U.S.C. 1057) is amended by—

(1) amending subsection (b) to read as follows:

"(b) A certificate of registration of a mark upon the principal register provided by this Act shall be prima facie evidence of the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate, subject to any conditions or limitations stated therein.";

(2) redesignating subsections (c), (d), (e), (f), and (g) as subsections (d), (e), (f), (g), and (h), respectively; and

(3) inserting between subsection (b) and subsection (d), as redesignated herein, the following:

"(c) Contingent on the registration of a mark on the principal register established herein, the filing of the application to register such mark shall constitute constructive use of the mark, conferring a right of priority, nationwide in effect, on or in connection with the goods or services specified in the registration against any other person except for a person whose mark has not been abandoned and, who prior to such filing—

"(1) has used the mark;

"(2) has filed an application to register the mark on the principal register and that application is pending or has resulted in registration of the mark on the principal register; or

"(3) has filed a foreign application to register the mark on the basis of which he has acquired a right of priority by the timely filing under section 44(d) of an application to register the mark on the principal register and that application is pending or has resulted in registration of the mark on the principal register.".

SEC. 10. Section 8(a) of the Trademark Act of 1946 (15 U.S.C. 1058a) is amended by—

(1) striking out "twenty" and inserting in lieu thereof "ten"; and

(2) striking out "showing that said mark is in use in commerce or showing that its" and inserting in lieu thereof "setting forth those goods or services recited in the registration on or in connection with which the mark is in use in commerce and having attached thereto a specimen or facsimile showing current use of the mark, or showing that any".

SEC. 11. Section 9(a) of the Trademark Act of 1946 (15 U.S.C. 1059(a)) is amended by striking out "twenty" and inserting in lieu thereof "ten".

SEC. 12. Section 10 of the Trademark Act of 1946 (15 U.S.C. 1060) is amended to read as follows:

"ASSIGNMENT AND GRANT OF SECURITY INTEREST

"SEC. 10. (a) A registered mark or a mark for which application to register has been filed shall be assignable with the goodwill of the business in which the mark is used, or with that part of the goodwill of the business connected with the use of and symbolized by the mark. However, no application to register a mark under section 1(b) shall be assignable prior to the filing of the verified statement of use under section 13(b)(2), except to a successor to the business of the applicant, or portion thereof, to which the mark pertains.

"(b)(1) A security interest in a registered mark or a mark for which application to register has been filed may be obtained and will be superior to any interest subsequently granted to a third party, provided—

"(A) the party granted the security interest obtains a security interest in the goodwill of the business in which the mark is used, or with that part of the goodwill of the business connected with the use of and symbolized by the mark;

"(B) the mark is not subject to a valid, prior perfected security interest; and

"(C) notice of such interest is filed in the Patent and Trademark Office within ten days after being granted.

"(2) A party granted a security interest in a registered mark or a mark for which application to register has been filed may, after default by the party granting the security interest, require the debtor to assign the mark to—

"(A) a transferee who is also being assigned that part of the goodwill of the business connected with the use of and symbolized by the mark; or

"(B) the party holding the security interest, even though such party does not presently engage in the business to which the mark relates, provided that the secured party either subsequently engages in the business to which the mark relates or holds the mark only for the purpose of subsequently transferring the mark along with the goodwill associated with the mark and that such subsequent transfer occurs prior to dissipation of the goodwill.

"(3) A security interest in a mark obtained pursuant to this section will extend to the consideration received upon the sale, exchange, collection or other disposition of the mark for ten days after receipt of the consideration by the transferor and will then lapse unless a financing statement or other document is filed as required by appropriate State law.

"(c) In any assignment of or grant of a security interest in a mark it shall not be necessary to include the goodwill of the business connected with the use of and symbolized by any other mark used in the business or by the name or style under which the business is conducted.

"(d) Assignments and grants of security interest shall be by instruments in writing duly executed. Acknowledgment shall be prima facie evidence of the execution of an assignment or a grant of a security interest and when recorded in the Patent and Trademark Office the record shall be prima facie evidence of execution. An assignment of or grant of a security interest in a mark shall be void as against any subsequent purchaser or other entity being granted an interest for a valuable consideration without notice, unless recorded in the Patent and Trademark Office within three months after the date thereof or prior to such subsequent purchase in the case of an assignment, or within ten days after the grant of any security interest.

"(e) A separate record of documents submitted for recording under this section shall be maintained in the Patent and Trademark Office. Such record shall include any release, cancellation, discharge, or satisfaction relating to any conveyance or other instrument affecting title to or any interest in a registered mark or a mark for which application to register has been filed.

"(f) An assignee or holder of a security interest not domiciled in the United States shall be subject to and comply with the provisions of section 1(d) of this Act.".

SEC. 13. Section 12(a) of the Trademark Act of 1946 (15 U.S.C. 1062a) is amended by striking out "to registration, the" and inserting in lieu thereof "to registration, or would be entitled to registration upon the acceptance of the statement of use prescribed in section 13(b)(2) of this Act, the".

SEC. 14. Section 13 of the Trademark Act of 1946 (15 U.S.C. 1063) is amended by—

(1) inserting "(a)" before "Any person"; and

(2) adding at the end thereof the following:

"(b) Unless registration is successfully opposed—

"(1) a mark entitled to registration on the principal register based on an application filed under section 1(a) or pursuant to section 44, shall be registered in the Patent and Trademark Office, and a certificate of registration issued, and notice of the registration shall be published in the Official Gazette of the Patent and Trademark Office; or

"(2) a notice of allowance shall be issued to the applicant if he applied for registration under section 1(b). Within six months following the date of the notice of allowance, the applicant must file in the Patent and Trademark Office, together with such number of specimens or facsimiles of the mark as used in commerce as may be required by the Commissioner and payment of the prescribed fee, a verified statement that the mark is in use in commerce and specifying the date of applicant's first use of the mark and the date of applicant's first use of the mark in commerce, those goods or services specified in the notice of allowance on or in connection with which the mark is used in commerce and the mode or manner in which the mark is used in connection with such goods or services. Subject to examination and acceptance of the statement of use, the mark shall be registered in the Patent and Trademark Office, and a certificate of registration issued, for those goods or services recited in the statement of use for which the mark is entitled to registration and notice of registration shall be published in the Official Gazette of the Patent and Trademark Office. The notice shall specify the goods or services for which the mark is registered.

"(A) The time for filing the statement of use shall be extended for an additional six-month period upon written request of the applicant prior to expiration of the six-month period. Such request shall be accompanied by a verified statement that the applicant has a continued bona fide intention to use the mark in commerce and specifying those goods or services identified in the notice of allowance on or in connection with which the applicant has a continued bona fide intention to use the mark in commerce. Up to six further extensions of six months each shall be obtained when requested prior to the expiration of the extended period and accompanied by a verified statement that the applicant has a continued bona fide intention to use the mark in commerce and specifying those goods or services identified in the most recent extension for which the applicant has a continued bona fide intention to use the mark in commerce. Each request for an extension shall be accompanied by payment of the prescribed fee.

"(B) The Commissioner shall notify any applicant who files a statement of use of the acceptance or refusal thereof and, if a refusal, the reasons therefor. An applicant may amend his statement of use and may seek review by the Commissioner of a final refusal.

"(C) The failure to timely file a verified statement of use shall result in abandonment of the application.".

SEC. 15. Section 14(c) of the Trademark Act of 1946 (15 U.S.C. 1064(c)) is amended to read as follows:

"(c) at any time if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 4 or of subsection (a), (b), or (c) of section 2 for a registration hereunder, or contrary to similar prohibitory provisions of such prior Acts for a registration thereunder, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services soley because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services in connection with which it has been used; or"

SEC. 16. Section 15(4) of the Trademark Act of 1946 (15 U.S.C. 1065(4)) is amended by striking out "the common descriptive name" and inserting in lieu thereof "the generic name".

SEC. 17. Section 18 of the Trademark Act of 1946 (15 U.S.C. 1068) is amended by—

(1) striking out "or restrict" and inserting in lieu thereof "the registration, in whole or in part, may modify the application or registration by limiting the goods or services specified therein, may otherwise restrict or rectify with respect to the register";

(2) striking out "or" before "may refuse"; and

(3) adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) who alleges likelihood of confusion prior to the mark being registered.".

SEC. 18. Section 21 of the Trademark Act of 1946 (15 U.S.C. 1071) is amended—

(1) in subsection (a), by striking out "section 21(b)" each place it appears and inserting in lieu thereof "subsection (b)";

(2) in subsection (a), by striking out "section 21(a)(2)" and inserting in lieu thereof "paragraph (2) of this subsection";

(3) in subsection (a)(4), by adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) who alleges likelihood of confusion prior to the mark being registered.";

(4) in subsection (b), by striking out "section 21(a)" each place it appears and inserting in lieu thereof "subsection (a)";

(5) in subsection (b)(1), by adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) who alleges likelihood of confusion prior to the mark being registered."; and

(6) in subsection (b)(3), by amending the first sentence of such paragraph to read as follows:

"(3) In any case where there is no adverse party, a copy of the complaint shall be served on the Commissioner, and, unless otherwise directed by the court, all the expenses of the proceeding shall be paid by the party bringing the case, whether the final decision is in favor of such party or not.".

SEC. 19. Section 23 of the Trademark Act of 1946 (15 U.S.C. 1091) is amended by—

(1) inserting "(a)" before "In addition" in the first paragraph;

(2) inserting "(b)" before "Upon the" in the second paragraph;

(3) inserting "(c)" before "For the purposes" in the third paragraph;

(4) striking out "paragraphs (a)," in subsection (a), as designated herein, and inserting in lieu thereof "subsections (a),";

(5) striking out "have been in lawful use in commerce by the proprietor thereof, upon" in subsection (a), as designated herein, and inserting in lieu thereof "are in use in commerce by the owner thereof, on";

(6) striking out "for the year preceding the filing of the application" in subsection (a), as designated herein;

(7) inserting before "section 1" in subsection (a), as designated herein, the following: "subsections (a) and (d) of";

(8) adding at the end of subsection (c), as designated herein, the following: "The filing of an application to register a mark on the supplemental register, or registration of a mark thereon, shall not constitute an admission that the mark is not eligible for registration on the principal register established herein."; and

(9) striking out the last paragraph.

SEC. 20. Section 24 of the Trademark Act of 1946 (15 U.S.C. 1092) is amended by—

(1) striking out "was not entitled to register the mark at the time of his application for registration thereof," and inserting in lieu thereof "is not entitled to registration,"; and

(2) by adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) who alleges likelihood of confusion prior to the mark being registered.".

SEC. 21. Section 26 of the Trademark Act of 1946 (15 U.S.C. 1094) is amended by—

(1) inserting "1(b)," after "sections"; and

(2) inserting "7(c)," after "7(b)".

SEC. 22. Section 30 of the Trademark Act of 1946 (15 U.S.C. 1112) is amended by striking out "goods and services upon or in connection with which he is actually using the mark" and inserting in lieu thereof "goods or services on or in connection with which he is using or he has a bona fide intention to use the mark in commerce".

SEC. 23. Section 33(a) of the Trademark Act of 1946 (15 U.S.C. 1115(a)) is amended by—

(1) inserting "the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and of the" after "prima facie evidence of";

(2) inserting "or in connection with" after "in commerce on"; and

(3) inserting ", including those set forth in subsection (b)," after "or defect".

Sec. 24. Section 33(b) of the Trademark Act of 1946 (15 U.S.C. 1115(b)) is amended by—

(1) amending the matter in subsection (b) before paragraph (1) to read as follows:

"(b) To the extent that the right to use the registered mark has become incontestable under section 15, the registration shall be conclusive evidence of the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 15 or, if fewer in number, the renewal application filed under the provisions of section 9 hereof, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall be subject to proof of infringement as defined in section 32, and shall be subject to the following defenses or defects:"; and

(2) adding at the end of the subsection, the following:

"In addition, equitable principles, including laches, estoppel, and acquiescence, where applicable, may be considered and applied.".

Sec. 25. Section 34 of the Trademark Act of 1946 (15 U.S.C. 1116) is amended—

(1) in subsection (a) by—

(A) striking out "of the registrant of a mark registered in the Patent and Trademark Office" and inserting in lieu thereof "protected under this Act"; and

(B) adding at the end thereof the following:

"However, no final judgment shall be entered in favor of an applicant under section 1(b) who alleges likelihood of confusion prior to the mark being registered."; and

(2) in subsection (c) by striking out "proceeding arising" and inserting in lieu thereof "proceeding involving a mark registered".

Sec. 26. Section 35(a) of the Trademark Act of 1946 (15 U.S.C. 1117(a)) is amended by striking out "of the registrant of a mark registered in the Patent and Trademark Office" and inserting in lieu thereof "protected under this Act".

Sec. 27. Section 36 of the Trademark Act of 1946 (15 U.S.C. 1118) is amended by—

(1) striking out "of the registrant of a mark registered in the Patent and Trademark Office" and inserting in lieu thereof "protected under this Act"; and

(2) striking out "registered mark" and inserting in lieu thereof "mark".

Sec. 28. Section 43(a) of the Trademark Act of 1946 (15 U.S.C 1125(a)) is amended to read as follows:

"(a)(1) Any person who uses in commerce on or in connection with any goods or services, or any container for goods, any word, term, name, symbol, or device or any combination thereof, or who shall engage in any act, trade practice, or course of conduct, which—

"(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another, or to the origin, sponsorship, or approval of his goods, services, or commercial activities by another; or

"(B) by use of a false designation of origin or of a false or misleading description or representation, or by omission of material information, misrepresents the nature, characteristics, or qualities of his or another person's goods, services, commercial activities or their geographic origin; or

"(C) is likely to disparage or tarnish a mark used by another;

shall be liable in a civil action by any person who believes that he is or is likely to be damaged in his business or profession by such action.

"(2) The relief provided in this subsection shall be in addition to and shall not affect those remedies otherwise available under this Act, under common law, or pursuant to any statute of the United States: *Provided*, That nothing in this subsection shall be construed so as to preempt the jurisdiction of any State to grant relief in cases of unfair competition.".

Sec. 29. Section 43 of the Trademark Act of 1946 (15 U.S.C. 1125) is amended by adding at the end thereof the following new subsection:

"(c)(1) The owner of a famous mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register established herein shall be entitled, subject to the principles of equity, to an injunction against another person's use in commerce of a mark, commencing after the registrant's mark becomes famous, which causes dilution of the distinctive quality of the registrant's mark, and to obtain such other relief as is provided in this subsection. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to—

"(A) the degree of inherent or acquired distinctiveness of the mark;

"(B) the duration and extent of use of the mark on or in connection with the goods or services;

"(C) the duration and extent of advertising and publicity of the mark;

"(D) the geographical extent of the trading area in which the mark is used;

"(E) the channels of trade for the goods or services with which the mark is used;

"(F) the degree of recognition of the mark in its and in the other person's trading areas and channels of trade; and

"(G) the nature and extent of use of the same or similar marks by third parties.

"(2) The registrant shall be entitled only to injunctive relief in an action brought under this subsection, unless the subsequent user willfully intended to trade on the registrant's reputation or to cause dilution of the registrant's mark. If such willful intent is proven, the registrant shall also be entitled to the remedies set forth in sections 35(a) and 36 hereof, subject to the discretion of the court and the principles of equity.

"(3) Ownership of a valid registration under the Act of 1881 or the Act of 1905 or on the principal register established herein shall be a complete bar to an action brought by another person, under the common law or statute of a State, seeking to prevent dilution of the distinctiveness of a mark, label, or form of advertisement.".

Sec. 30. Section 44 of the Trademark Act of 1946 (15 U.S.C. 1126) is amended—

(1) by striking out "paragraph (b)" each place it appears and inserting in lieu thereof "subsection (b)";

(2) in subsection (d)(2) by striking out "but use in commerce need not be alleged" and inserting in lieu thereof "including a statement that the applicant has a bona fide intention to use the mark in commerce";

(3) in subsection (d)(3), by striking out "foreing" and inserting in lieu thereof "foreign";

(4) in subsection (e) by adding at the end thereof the following: "The application must state the applicant's bona fide intention to use the mark in commerce, but use in commerce shall not be required prior to registration."; and

(5) in subsection (f), by striking out "paragraphs (c), (d)," and inserting in lieu thereof "subsections (c), (d),".

Sec. 31. Section 45 of the Trademark Act of 1946 (15 U.S.C. 1127) is amended by—

(1) amending the paragraph defining "related company" to read as follows:

"The term 'related company' means any person whose use of a mark is controlled by the owner of the mark in respect to the nature and quality of the goods or services on or in connection with which the mark is used.";

(2) amending the paragraph defining "trade name" and "commercial name" to read as follows:

"The terms 'trade name' and 'commercial name' mean any name used by a person to identify his business or vocation.";

(3) amending the paragraph defining "trademark" to read as follows:

"The term 'trademark' means any word, name, symbol, or device or any combination thereof used by a person, or which a person has a bona fide intention to use in commerce and applies for registration on the principal register established by this Act, to identify and distinguish his goods, including a unique product, from those of others and to indicate the source of the goods, even if that source is unknown.";

(4) amending the paragraph defining "service mark" to read as follows:

"The term 'service mark' means any word, name, symbol, or device or any combination thereof used by a person, or which a person has a bona fide intention to use in commerce and applies for registration on the principal register established by this Act, to identify and distinguish the services of one person, including a unique service, from those of others and to indicate the source of the services, even if that source is unknown. Titles, character names, and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.";

(5) amending the paragraph defining "certification mark" to read as follows:

"The term 'certification mark' means any word, name, symbol, or device or any combination thereof used by a person other than its owner, or for which there is a bona fide intention for such use in commerce through the filing of an application for registration on the principal register established by this Act, to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.";

(6) amending the paragraph defining "collective mark" to read as follows:

"The term 'collective mark' means a trademark or service mark used by the members of a cooperative, an association, or other collective group or organization, or which such members have a bona fide intention to use in commerce and apply for registration on the principal register established by this Act, and includes marks indicating membership in a union, an association, or other organization.";

(7) amending the paragraph defining "mark" to read as follows:

"The term 'mark' includes any trademark, service mark, collective mark, or certification mark.";

(8) amending the matter which appears between the paragraph defining "mark", and the paragraph defining "colorable imitation" to read as follows:

"The term 'use in commerce' means use of a mark in the ordinary course of trade, commensurate with the circumstances, and not made merely to reserve a right in a mark. For purposes of this Act, a mark shall be deemed to be in use in commerce (1) on goods when it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes such placement impracticable then on documents associated with the goods or their sale, and the goods are sold or transported in commerce, and (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in this and a foreign country and the person rendering the services is engaged in commerce in connection therewith.

"A mark shall be deemed to be 'abandoned'—

"(1) when its use has been discontinued with intent not to resume. Intent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie evidence of abandonment. 'Use' means use made in the ordinary course of trade, commensurate with the circumstances, and not made merely to reserve a right in a mark; or

"(2) when any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods or services or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this subparagraph.

"The term 'dilution' means the lessening of the distinctive quality of a famous mark through use of the mark by another person, regardless of the presence or absence of (1) competition between the users of the mark, or (2) likelihood of confusion, mistake, or deception arising from that use.".

SECTION-BY-SECTION ANALYSIS

SECTION 1

This section identifies the bill as the "Trademark Law Revision Act of 1987".

SECTION 2

Section 2 provides that references in the bill to the Trademark Act of 1946 are to "An Act to provide for the registration and protection of trademarks used in commerce, to carry out provisions of certain international conventions and for other purposes", commonly called the Lanham Act.

SECTION 3

The bill amends the Lanham Act to permit the filing of applications for the registration of marks on the prinicpal register on the basis of a bona fide intention to use the mark in commerce. In distinguishing those provisions of the bill relating to applications based on use from those based on intent-to-use, the issue of whether a person who has not used a mark in commerce can rightfully be called its owner is avoided. In keeping with the new definition of use in commerce set forth in section 31 of the bill, the word "actually" is deleted from section 1(a)(1)(c).

The bill requires applicants filing on the basis of intent-to-use to state their bona fide intention to use the mark in commerce. By bona fide, the bill means an intention which is firm, though it may be contingent on the outcome of an event. The goods or services specified in the application must be specific enough to permit those searching the trademark records of the U.S. Patent and Trademark Office to determine the existence of a conflict. The bill also makes specific reference to the fact that while applications for registration may be filed on the basis of intent-to-use, marks (except for those applied for registration on the basis of a foreign registration or priority date under section 44 of the Act) will not be registered until they have actually been used in commerce.

In other respects, the bill's language permitting intent-to-use applications parallels, to the greatest extent possible, the Act's existing provisions relating to applications filed on the basis of use in commerce. For example, a filing fee and a drawing of the mark will be required. In addition, it makes allowance for concurrent use applications based on intent-to-use.

The bill also provides that an applicant filing on the basis of intent-to-use who initiates use of the mark during the time that its application for registration is being examined by the Patent and Trademark Office may claim the benefits of such use by amending its application to conform to the requirements for a use-based application.

SECTION 4

The bill rewrites section 2(d) of the Act to reflect intent-to-use and to amend the concurrent use system. It also modifies the secondary meaning language of the Lanham Act.

The intent-to-use application system established by this bill provides that, subject to a mark being registered on the principal register, the filing of an application for registration on the principal register will constitute nationwide "constructive use" of the mark if the mark is registered. Therefore, the bill amends section 2(d) to make clear that if another person has previously filed an application to register the same or a confusingly similar mark and that application is pending before the Patent and Trademark Office, the later applicant should be denied registration until such time as the earlier-filed application has been disposed. This practice of suspending later-filed applications is consistent with current PTO practice with respect to use-based applications. Deleting references to continued and existing use in the proviso of section 2(d) reflects the possibility of concurrent use applications based on intent-to-use.

The proviso of section 2(d) is also amended to correct an anomaly in the law which prohibits the issuance of a concurrent use registration to a party whose first use of a mark occurred after the filing date of another's application or registration, even if the parties enter into an agreement establishing their respective rights. Presently, if the later applicant did not make use of its mark prior to another's application or registration, it would be denied registration.

Section 2(f) of the Act presently allows the Commissioner to accept, as evidence that a mark has become distinctive (i.e., that it has acquired secondary meaning), proof of substantially, exclusive and continuous use of the mark in commerce by the applicant for the five years next preceding the date of the filing of the application. The bill permits the Commissioner to accept such an offer of proof if the mark has been used for five consecutive years next preceding the date that the offer of proof is made.

SECTION 5

The bill permits the filing of applications to register service marks on the basis of intent-to-use and deletes language from the Act providing for a separate register for service marks. As service marks are presently registrable without the need for a separate register, deleting provision for a separate register for these marks will not have any practical effect beyond removing unnecessary language from the Trademark Act.

SECTION 6

Section 6 makes the same changes to the Act with respect to collective and certification marks as are made by section 5 of the bill dealing with service marks. In addition, this section makes a housekeeping change to emphasize the difference between collective and certification marks, the former of which can be used to represent that their owners (e.g., unions, associations or other organizations) make or sell the goods or perform the services in connection with which these marks are used.

SECTION 7

The bill provides that when first use of a mark is made by a related company (e.g., a licensee), that use will inure to the benefit of applicant or registrant. This reflects the prevailing view of the courts and provision for it is currently contained in the Trademark Rules of Practice (37 CFR 2.38(a)).

SECTION 8

Section 8 contains a conforming amendment necessitated by the redesignation of subsection 7(d) as section 7(e) in section 9 of the bill.

SECTION 9

Without understandable reason, the evidentiary language of sections 7(b), 33(a) and 33(b) reads differently and the bill corrects this inconsistency by amending each of these sections to read that registration provides ". . . evidence of the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services. . . .". Section 9 amends section 7(b) accordingly.

Section 9 also makes provision for "constructive use". Constructive use is an essential element of an intent-to-use system which, at the same time, furthers the purposes of the Lanham Act. Constructive use fixes an applicant's nationwide priority rights in a mark, subject to the mark's registration on the principal register, as against any other person except for a person whose mark has not been abandoned and who, prior to the applicant filing its application, used the mark, or filed an application to register the mark on the principal register and that application is pending or has resulted in registration on the principal register, or filed a foreign application to register the mark and acquired a right of priority by the timely filing of an application for registration under section 44(d). It applies to applications based on both use and intent-to-use.

Without constructive use, intent-to-use applicants would be easy targets for pirates and would be vulnerable to anyone initiating use of a mark after they had applied for registration but before they had begun to make use of the mark, thereby undermining the system's ability to increase certainty in the marketplace. Moreover, it promotes use of the registration system by offering all applicants a further incentive to apply and register their marks and encourages all persons to search the PTO's trademark records before adopting and investing in new marks.

SECTION 10

The bill makes two changes to the Act that, with the revised definition of use in commerce set forth in section 31, will help decrease the amount of abandoned or inactive marks ("deadwood") on the register. The first amendment halves the term of registration from twenty to ten years and the second requires registrants filing the required affidavit of use during the sixth year of the registration term to include a statement paralleling the statement required at the time of renewal, namely, that the mark is in use on or in connection with the goods or services specified in the registration. Any goods or services for which the mark is not used will be deleted from the registration. Presently registrants must only state that the mark is in use on commerce.

SECTION 11

Consistent with reducing the term of registration, the bill reduces the term of renewal from twenty to ten years. In reducing the term of renewal, the renewal fee would also be decreased.

SECTION 12

The bill prohibits the assignment of an intent-to-use application prior to registration of the mark unless the application is assigned to a successor to the business of the applicant to which use of the mark pertains. Permitting assignment of applications before a mark is used would conflict with the principle that a mark may be validly assigned only with some of the business or goodwill attached to use of the mark and would encourage trafficking in marks.

It also expands the Act to include provisions clarifying the nature of a security interest in a mark (i.e., what rights a secured party obtains in a debtor's mark) and the mechanics for recording and enforcing such interests (i.e., where filings should be made and how to effect foreclosure). It provides that a security interest in a registered mark or a mark for which an application for registration has been filed can be obtained only by filing in the Patent and Trademark Office, that a security interest is to be granted in both the mark and the goodwill accompanying the mark, and that the holder of a security interest has the right to foreclose on the mark and the goodwill associated with the mark and the right to proceeds from the sale of the mark.

SECTION 13

Section 13 provides for the examination of applications for registration submitted on the basis of intent-to-use. Intent-to-use applications are to be fully examined by the Patent and Trademark Office before they are published for opposition. While the absence of specimens or facsimiles of the mark as used will prevent the PTO from determining whether the application covers subject matter not constituting a trademark or service mark, whether a mark is actually being used as a mark and whether the mark as used differs materially from the drawing of the mark submitted with the application, these considerations will not affect examination of the mark for descriptiveness and confusing similarity and will be addressed when the statement of use provided for in section 14 of the bill is filed.

SECTION 14

The bill revises section 13 of the Act to reflect several aspects of a dual system under which applications to register marks on the principal register can be based on use or intent-to-use. The present language of the section, which specifically relates to oppostions to register, does not require revision because the procedure whereby a person may oppose the registration of a mark is the same whether the application is based on use or intent-to-use. Were it different, the goal of reducing uncertainty before an applicant invests in commercial use of a mark would be defeated.

Language specifically relating to the registration of marks is added to make clear the procedures that must be followed before a mark applied for registration on the basis of intent-to-use will be registered. The bill first provides that marks, other than those applied for registration on the basis of intent-to-use, will be registered if they are not successfully opposed. In this respect, it codifies what presently occurs with respect to all principal register marks, including those applied for registration under section 44 of the Act. Then it sets forth the requirements that must be met by applicants who file applications to register on the principal register on the basis of intent-to-use by providing that if registration of the mark is not successfully opposed, a notice of allowance will be issued to the applicant. Within six months after the date of this notice of allowance, the applicant must file a verified statement that the mark is in use in commerce on or in connection with the goods or services specified in the notice of allowance and must submit specimens or facsimiles of the mark as actually used. The elements of this statement of use, when combined with the requirements for applying to register, thus equal the requirements that use-based applicants must meet when they originally file their applications.

While the bill does not specify the nature of the PTO's examination of the statement of use, it is intended that this examination is simply for the purpose of determining issues that could not have been considered during the initial examination of the application. For example, whether the person filing the statement of use is the applicant, whether the mark, as used, corresponds to the drawing submitted with the application, whether the goods or services were identified in the application and not subsequently deleted, and whether the mark, as displayed in the specimens or facsimiles, functions as a mark. If the statement of use is accepted, the mark is registered and a notice of registration appears in the Official Gazette. This notice will state the goods or services for which the mark is registered because in some instances they may differ significantly from those which were specified when the mark was published for opposition. If registration is refused, the applicant would be able to appeal the refusal to the Commissioner.

The bill also provides that intent-to-use applicants will be entitled to up to six extensions of time, for six months each, to file the statement of use. This brings the total length of time between issuance of the notice of allowance and the time when use must be initiated to four years. Only one request for extension may be obtained at a time and each must be accompanied by a fee and a statement that the applicant has a continued bona fide intention to use the mark in commerce on or in connection with the goods or services recited in the notice of allowance or the most recent request for extension. Permitting applicants to obtain only one extension at a time, and requiring that a fee be paid for each, will deter applicants who do not have a serious, good faith intention to use a mark from maintaining their applications and preventing others from adopting the mark for use. The failure to timely file the statement of use will result in abandonment of the application.

SECTION 15

The bill revises section 14(c) of the Act in three respects. First, the term "common descriptive name" is replaced by "generic name" to reflect current usage of the term by the courts and in general language. Second, it provides that a petition to cancel a registration on the grounds that a registered mark has become a generic name should not extend to the entire registration if the mark has become generic for only some of the goods for which it is registered. Third, it makes provision for the cancellation of a service mark if it should become the generic name of a service.

SECTION 16

A minor change to subsection 15(4) of the Act is made to reflect use of the term "generic name" in the Act.

SECTION 17

The bill gives the Trademark Trial and Appeal Board authority to limit or otherwise modify the goods or services identified in a registration or application to avoid likelihood of confusion and to determine trademark ownership rights where they are at variance with the register. This new authority, while seemingly minor, is quite significant. With respect to the first, actual product descriptions and trade channels are highly relevant in court proceedings and, as regards the second, it may obviate the need to initiate a court proceeding in a matter that could be easily handled by the Board. It also gives the Trademark Trial and Appeal Board flexibility in addressing intent-to-use applications if testimony about intended use results in a factual determination that the goods or services specified in the application are stated too broadly.

Because rights in a mark are not created unless and until the mark is used, the bill stipulates that the Trademark Trial and Appeal Board should not enter final judgments in favor of intent-to-use applicants alleging likelihood of confusion based solely on their application until the mark is registered. This limitation applies only to likelihood of confusion cases because use would not affect determinations involving such issues as descriptiveness or priority.

SECTION 18

Section 18 of the bill provides that the courts, like the TTAB, should not enter final judgments in intent-to-use cases involving likelihood of confusion until the mark is registered, and gives the courts discretion to refrain from charging the party bringing an ex parte appeal all the costs of such a proceeding. The latter provision will assure that the PTO seriously considers the need for incurring certain expenses in ex parte cases.

SECTION 19

The bill eliminates the one-year use requirement for applying to register a mark on the supplemental register and provides that neither application to register nor registration on the supplemental register constitute an admission that the mark has not acquired secondary meaning.

Eliminating the one-year use requirement for applying to register marks on the supplemental register will have no affect on the underlying rights of the registrant as use for less than one year would not rule out that a mark is capable of distinguishing or that it is not subject to proof of secondary meaning. Doing so also precludes the need to give the Commissioner the authority to waive the one-year use requirement if registration is required to obtain foreign protection for a mark.

Section 23 also makes clear that applications for the registration of marks on the supplemental register cannot be filed on the basis of intent-to-use because these marks, by their nature, do not function as marks or become protectible until they acquire distinctiveness through use.

SECTION 20

This section of the bill makes a conforming amendment to reflect elimination of the one-year use requirement for applications to register on the supplemental register and also precludes the entry of final judgments in favor of intent-to-use applicants alleging likelihood of confusion until such applicants have obtained registrations for their marks.

SECTION 21

The amendments made by section 21 of the bill are of a conforming nature to reflect that the Act's provisions relating to intent-to-use and constructive use do not extend to supplemental register.

SECTION 22

Section 22 contains a conforming amendment necessitated by intent-to-use.

SECTION 23

Section 23 makes the evidentiary language of section 33(a) consistent with the proposed evidentiary language of sections 7(b) and 33(b) of the Act and provides that the enumerated defenses in an action for infringement of an incontestable registration are equally applicable in actions for infringement of marks which have not acquired incontestability status.

SECTION 24

This section makes clear that incontestability does not relieve a registrant from the burden of proving likelihood of confusion, conforms the evidentiary language of section 33(b) to that contained in sections 7(b) and 33(a), provides that the section incorporates section 15 limitations by reference and adds language to the Act stipulating that the exclusive right to use a mark is subject to laches, estoppel, acquiescence and other equitable defenses such as unclean hands.

SECTION 25

The bill extends injunctive relief to actions brought under section 43(a) of the Act and stipulates that injunctive relief is not available to an intent-to-use applicant prior to registration because he could not assert priority or likelihood of confusion before he initiated use. In addition, it relieves court clerks of the need to give notice to the Commissioner of cases involving unregistered marks.

SECTION 26

Section 26 makes provision for the recovery of profits, damages and costs in actions under section 43(a). Presently, these remedies are available only to owners of registered marks.

SECTION 27

The bill provides that destruction orders are also available in section 43(a) actions.

SECTION 28

Section 28 of the bill amends section 43(a) of the Act to conform to the expanded scope of protection the courts have given it, to make misrepresentations about another's goods actionable and to protect trademarks against disparagement and tarnishment. In amending section 43(a), however, there is no intent that the courts should discontinue giving the section the same innovative interpretation they have given it in the past. While the constitutionality of making tarnishment and disparagement actionable may be tested, it is believed that it will be upheld under existing authority that neither infringing trademarks nor false advertising are subject to First Amendment protection.

SECTION 29

The bill creates a federal cause of action for dilution of famous marks registered on the principal register. The language of this new section of the Lanham Act is highly selective, providing protection only to those marks which are both truly distinctive and famous and therefore most likely to be adversely affected by dilution. It would augment, not preempt, state dilution laws and would make a federal registration a complete defense to an action under state dilution law. By adding this provision to the Lanham Act, protection from dilution becomes nationally uniform and predictable and the purposes of the Act are furthered by creating another incentive for the registration of marks.

SECTION 30

The bill requires those applying for registration of marks in the U.S. on the basis of a foreign registration or a foreign priority date to state a bona fide intention to use the mark in commerce. Presently, they need not make any such statement. This requirement, in conjunction with making provision for an intent-to-use application system, reduces the disparity that now exists between the requirements U.S. applicants and foreign applicants must meet in order to apply to register their marks. While this change does not create parity, because it does not require use before registration, the difference is not significant as such registrations can still be canceled for abandonment due to two consecutive years of non-use of the mark.

SECTION 31

Finally, the bill amends several of the Lanham Act's definitions and adds a new paragraph defining "dilution." By and large, changes in the Act's existing definitions modernize and tighten their language, make them more consistent with preferable judicial interpretation and reflect the creation of an intent-to-use application system.

The definition of related company is amended to delete the word "legitimately" as being superfluous (to avoid any inference that use or control can be illegitimate, however, the word is retained in section 5 of the Act) and to address confusion about whether a related company can control the registrant or applicant as to the nature and quality of the goods or services.

Trade name and commercial name are redefined to eliminate redundancies and excess verbiage by relying on the all-encompassing definition of "person" the Act sets forth. There is no intention, however, to permit the registration of trade and commercial names when they are not used on or in connection with goods or services.

In amending the definition of trademark, service mark, collective mark and certification mark to reflect intent-to-use, the bill includes specific reference to the filing of an application for registration. This avoids questions of who might first have conceived of a mark.

The definition of trademark is also revised to broaden it to reflect contemporary marketing practices and to clarify a trademark's function of distinguishing the goods of one person from those of another. The revised definition purposefully retains (i) language relating to a trademark's ability to indicate source, (ii) the definition's current incorporation, by implication, of attributes such as standards of quality, reputation and goodwill, (iii) the requirement that a trademark should be used "on or in connection with" goods and (iv) the words "symbol, or device" so as not to preclude the registration of colors, shapes, smells, sounds or configurations where they function as trademarks.

The definition of service mark is amended to reflect intent-to-use and to conform it to the revised definition of trademark. Importantly, the new definitions of trademark and service mark are not intended to limit in any way the subject matter which historically has qualified as a trademark or service mark.

The definitions of certification and collective marks are revised only to reflect intent-to-use and to conform to the revised definition of trademark. Restrictive language is deleted from the definition of mark.

Revision of the definition of use in commerce is one of the most far-reaching amendments contained in the bill. Proposed in the context of instituting an intent-to-use system as a means of eliminating the commercially-transparent practice of token use, the revised definition will also have a measurable affect on improving the accuracy of the register (by permitting the removal of "deadwood") and determining whether a person has abandoned its rights in a mark. While the new language will require judicial interpretation, it specifically contemplates commercial use common to a particular industry and that rights would not be lost, absent an intent to abandon, if use is interrupted due to special circumstances. The definition also is revised to relax the affixation requirement in the case of bulk goods. As redefined, use in commerce does not encompass use in advertisements and promotional materials.

The definition of abandonment of mark is amended to address strictly intrastate and common law use of marks and to make it more consistent with other provisions of the Act.●

By Mr. HEINZ:

S. 1884. A bill to amend the Internal Revenue Code of 1986 and title II of the Social Security Act to provide an exemption from coverage under the social security program on a current basis (pursuant to applications filed in advance) for employers and their employees in cases where both are members of faiths opposed to participation in such program; to the Committee on Finance.

SOCIAL SECURITY EXEMPTION FOR THE AMISH

● Mr. HEINZ. Mr. President, today I am introducing legislation which my colleague, Representative RICHARD SCHULZE, has sponsored in the House to exempt the Amish and a small group of other religious sects from coverage under Social Security. The Amish are the most visible of a group of religious organizations who believe that they, with God's help, should provide for themselves in their old age as well as for their parents and other elderly members of their sect. They also believe that it is a sin to participate in government programs which provide assistance or any type of social insurance.

To respect that belief, Congress amended the Social Security law in 1965 to exempt self-employed members of certain religious sects. The exemption was extremely limited. It applied only to those few sects which have been in existence since 1950, which are conscientiously opposed to the acceptance of private or public insurance and which make provisions for the care of its own members. To be included in this exemption, a member must waive rights to all Social Security and Medicare payments which may be available to him or his dependents.

At the time of its enactment, this law applied to most of the Amish, who have traditionally been self-employed as farmers. Due to a variety of changes and economic problems in our society, that is no longer the case. Many of the Amish cannot afford to purchase their own farms and, consequently, now work for other Amish farmers.

In a 1982 Supreme Court Decision, the United States versus Lee, it was ruled that Lee, an Amish farmer and carpenter, must pay Social Security taxes on several other Amish men who worked for him because they were not included under the narrowly defined exemption in the current law. Shortly after that decision, Congressman Schulze and I introduced legislation to extend the Social Security exemption to these individuals. Once again, I am proposing an exemption for this clearly limited group of people who, due to circumstances beyond their control, have been forced into the situation of working for others. It would apply only when both the employer and the employee are Amish.

This small, well-defined group of people are not opposed to all taxes, only those which apply to inclusion in insurance programs. In addition, this bill would not encourage people to become a member of a certain sect to avoid paying Social Security taxes. With a total population of almost 90,000, the Amish have very few converts and few people leave the Amish community. Those who do are no longer exempt from Social Security provisions.

It is estimated that this exemption would apply to 8,000 workers who, on the average, might earn $7,000 a year in addition to payments in the form of pigs, chickens, vegetables, and other products of the land. Clearly, the scope of this exemption is limited. It would have minimal impact on the revenues of the Social Security trust funds. The cost of accommodating the beliefs of these unquestionably sincere religious sects is minuscule compared to the religious compromise forced upon them by requiring their participation in the Social Security system.●

By Mr. DODD (for himself, Mr. Cranston, Mr. Chafee, Mr. Hollings, Mr. Simon, Mr. Sanford, Ms. Mikulski, Mr. Harkin, Mr. Reid, Mr. Matsunaga, Mr. Mitchell, Mr. Pell, Mr. Bradley, Mr. Burdick, Mr. Moynihan, Mr. DeConcini, Mr. Riegle, Mr. Adams, Mr. Lautenberg, Mr. Kennedy, Mr. Daschle, Mr. Weicker, and Mr. Bingaman):

S. 1885. A bill to provide for a Federal program for the improvement of child care, and for other purposes; to the Committee on Labor and Human Resources.

ACT FOR BETTER CHILD CARE SERVICES

Mr. DODD. Mr. President, today the Senate takes a step toward addressing the skyrocketing demand for quality, affordable child care in this country. As chairman of the subcommittee on Children, Families, Drugs, and Alcoholism, I am very pleased to introduce a major child care initiative, the Act for Better Child Care Services of 1987. I am joined in this effort by my distinguished colleague from Rhode Island, Senator Chafee, and by other distinguished colleagues including Senators Cranston, Hollings, Simon, Sanford, Mikulski, Harkin, Reid, Matsunaga, Mitchell, Pell, Bradley, Burdick, Moynihan, DeConcini, Riegle, Adams, Lautenberg, Kennedy, Daschle, Weicker, and Bingaman. Identical legislation is also being introduced today in the House of Representatives by Congressmen Kildee, Snowe, Hawkins, and others.

Child care was the very first topic addressed by the Senate Children's Caucus which Senator Arlen Specter and I set up in 1983. At that hearing 4 years ago, we learned that somewhere between 5 to 15 million elementary school children are latchkey children: they lack adult supervision after school because their parents must work. That estimate did not include the millions of preschool age children with parents in the labor force who need child care services.

Since that first hearing, we have continued to see a skyrocketing demand for quality, affordable child care. Thirty years ago, men made up 70 percent of the work force. Today, close to 70 percent of all mothers with school-age children work outside of the home. So do close to half of all mothers with infants under 1 year old. And 85 percent of all women in the work force are expected to have children at some point during their working careers. So, the demand for child care is inescapable.

There are three buzz words that best capture the child care picture in this country. They are "available, affordable, and quality." Let's take available first. Half of all the towns in my State of Connecticut lack any formal afterschool care programs. In New York City, close to 70,000 infants and toddlers need child care while their parents work. Yet there are only 5,000 spaces for children under the age of 2 in all the licensed public and private child care programs in the city. So, only 7 percent of the youngest children in New York City are in child care that meets government standards. And going clear across the country to the city of Seattle, we find space in licensed programs for only 1 out of every 3 children who need them.

The statistics on affordable child care are no better. In Boston, the average weekly cost for family day care is $115. In Dallas, that cost is $60 a week. And in Denver, it is $75. And across the country, the cost of center or inhome child care can be even higher. When you average it all out, the average cost of full time child care for just one child is $3,000 a year.

We have to keep in mind the average income of American mothers and fathers when looking at these cost figures. In 1983, the average earnings of a female worker was only $12,758. That makes paying $3,000 a year for one child's care is one-quarter of the average mother's income. And we must keep in mind that 2 out of every 3 women who work are either the sole support for their families or have husbands who earn less than $15,000 a year.

Last but not least, we get to the issue of quality.

One of the best ways to assure quality child care is by attracting and retaining trained staff. Yet the incredibly low salaries of the vast majority of women who are child care workers make the turnover in this profession one of the highest in the country; 90 percent of all family day care workers earn less than the minimum wage. And, 75 percent of all child care workers, including those who work in centers, earn less than the minimum wage. That makes child care the second lowest paid profession in this country.

No cosponsor is treating lightly the issue of introducing a bill with a total price tag of $2.5 billion. But it is important to keep in mind that we will spend some $10 billion in Federal dollars this year on the Aid for Families With Dependent Children [AFDC] Program. Yet 2 out of every 3 welfare recipients in this country say that "trouble with finding and keeping child care" is the No. 1 problem they face in joining the work force. A democracy like ours can no longer afford to relegate the care of its youngest citizens to a system in such obvious, desperate trouble.

In closing, Mr. President, there are 91 organizations supporting this legislation. They range from children's groups to labor unions to church groups to service organizations. I ask unanimous consent the list of these groups, the text of the bill, and a summary of the legislation be printed in the Record.

We can no longer ignore the effect which the changing demographics of the work force has had on children and families. Child care is an issue whose time has come. I urge my colleagues to join me in sponsoring the Act for Better Child Care Services of 1987.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1885

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) Short Title.—This Act may be cited as the "Act for Better Child Care Services of 1987".

(b) Table of Contents.—

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SEC. 2. FINDINGS AND PURPOSE.

(a) Findings.—Congress finds that—

(1) the number of children living in homes where both parents work, or living in homes with a single parent who works, has increased dramatically over the last decade;

(2) the availability of quality child care is critical to the self-sufficiency and independence of millions of American families, including the growing number of mothers with young children who work out of economic necessity;

(3) high quality child care programs can strengthen our society by providing young children with the foundation on which to learn the basic skills necessary to be productive workers;

(4) the years from birth to age 6 are critical years in the development of a young child;

(5) high quality early childhood development programs provided during the period referred to in paragraph (4) are cost effective because such programs can reduce the chances of juvenile delinquency, adolescent pregnancy and improve the likelihood that children will finish high school and become employed;

(6) the number of quality child care arrangements falls far short of the number required for children in need of child care services;

(7) the rapid growth of participation in the laborforce by mothers of children under the age of 1 has resulted in a critical shortage of quality child care arrangements for infants and toddlers;

(8) the lack of available child care services results in many preschool and school-age children being left without adequate supervision for significant parts of the day;

(9) many working parents are unable to afford adequate child care services, and do not receive adequate financial assistance for such services from employers or public sources;

(10) a large number of parents are not able to work or to seek the training or education they need to become self sufficient because of the lack of affordable child care;

(11) making adequate child care services available for parents who are employed, seeking employment, or seeking to develop employment skills promotes and strengthens the well-being of families and the national economy;

(12) the exceptionally low salaries paid to child care workers contributes to an inordinately high rate of staff turnover in the child care field, makes it difficult to retain qualified staff, and adversely affects the quality of child care;

(13) several factors result in the shortage of quality child care options for children and parents including—

(A) the inability of parents to pay for child care;

(B) the lack of up-to-date information on child care services;

(C) the lack of training opportunities for staff in child care programs;

(D) the high rate of staff turnover in child care facilities; and

(E) the wide differences among the States in child care licensing and enforcement policies; and

(14) improved coordination of child care services will help to promote the most efficient use of child care resources.

(b) Purpose.—It is the purpose of this Act to—

(1) provide assistance to States to improve the quality of, and coordination among, child care programs, and to provide additional resources for child care services;

(2) promote the availability and diversity of quality child care services for all children and families who need such services;

(3) provide assistance to families whose financial resources are not sufficient enough to enable such families to pay the full costs of necessary child care services;

(4) strengthen the functioning of the family unit by seeking to ensure that parents are not forced by lack of available programs or financial resources to place a child in an unsafe or unhealthy child care facility or arrangement;

(5) increase the opportunities for attracting and retaining qualified staff in the field of child care to provide high quality child care to children;

(6) strengthen the competitiveness of the United States by providing young children with a sound early childhood development experience;

(7) lessen the chances that children will be left to fend for themselves for significant parts of the day; and

(8) improve the productivity of parents in the laborforce by lessening the stresses related to the absence of adequate child care.

SEC. 3. DEFINITIONS.

As used in this Act:

(1) Administrator.—The term "Administrator" means the Administrator of Child Care as established in section 15(a).

(2) Child care certificate.—The term "child care certificate" means a certificate issued by the State that parents may use only as payment for child care services that meet the Federal, State, and local standards set forth in this Act, and that provide reimbursement to child care providers at the market rate of care.

(3) Community-based organization.—The term "community-based organization" has the same meaning given that term by section 4(5) of the Job Training and Partnership Act (29 U.S.C. 1503(5)).

(4) Elementary school.—The term "elementary school" means a day or residential school that provides elementary education, as determined under State law.

(5) Eligible child.—The term "eligible child" means—

(A) a child age 15 or under;

(B) whose family income does not exceed 115 percent of the State median income for a family of the same size; and

(C) who resides with a parent or parents who are working, seeking employment, or enrolled in a job training or other educational program; or

(D) who resides with a parent or parents not described in subparagraph (C) but who is receiving, or is in need of receiving, protective services.

(6) Eligible provider.—The term "eligible provider" means a child care center, family day care provider, group care provider, or other facility which meets the Federal, State, and local standards set forth in this Act.

(7) Family support services.—The term "family support services" means services that assist parents by providing support in parenting and by linking parents with community resources and with other parents.

(8) Full working day.—The term "full working day" means a minimum of 10 hours of child care per day.

(9) Handicapping condition.—The term "handicapping condition" includes the same conditions set forth in section 602(a)(1) of the Education of the Handicapped Act (20 U.S.C. 1401(a)(1)).

(10) Institution of higher education.—The term "institution of higher education" has the same meaning given that term under section 481(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1)).

(11) Lead agency.—The term "lead agency" means the agency designated by the State under section 6.

(12) Local educational agency.—The term "local educational agency" has the same meaning given that term under section 198(a)(10) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2854(a)(10)).

(13) Parent.—The term "parent" includes a legal guardian or other person standing in loco parentis.

(14) School age child care programs.—The term "school age child care programs" means programs that—

"(A) operate during such times of the school day when regular instructional services are not in session;

"(B) are not intended as an extension of or replacement for the regular academic program but are intended to be environments which enhance the social, emotional, and recreational development of children;

"(C) include opportunities to participate in study-skill sessions, counseling, and guidance in addition to recreational activities.

(15) Secondary school.—The term "secondary school" means a day or residential school which provides secondary education as determined under State law.

(16) Secretary.—The term "Secretary" means the Secretary of Health and Human Services.

(17) School facilities.—The term "school facilities" means classrooms and related facilities used for the provision of education.

(18) Sliding fee scale.—The term 'sliding fee scale' means a system of co-payments between the State and a family based on income and size of the family with the lowest income families having to pay no co-payments.

(19) State.—The term "State" includes the District of Columbia, the Virgin Islands, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

SEC. 4. AUTHORIZATION OF APPROPRIATIONS.

To carry out the provisions of this Act, there are authorized to be appropriated $2,500,000,000 for the fiscal year 1988, and such sums as may be necessary in each of the fiscal years 1989 through 1992.

SEC. 5. ALLOTMENTS.

(a) Reservations.—

(1) Territories and Possessions.—The Secretary shall reserve not to exceed one half of 1 percent of the amount appropriated under section 4 in each fiscal year for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs.

(2) Indians.—The Secretary shall reserve an amount not to exceed 3 percent of the amount appropriated pursuant to section 4 in each fiscal year, to carry out subsection (c) regarding children on Indian reservations.

(3) Section 10 grants.—The Secretary shall reserve an amount not to exceed 5 percent of the amount appropriated pursuant to section 4 in each fiscal year, for grants under section 10(c)(2).

(b) State Allotment.—

(1) General rule.—From the remainder of the sums appropriated under section 4 for each fiscal year, the Secretary shall allot to each State (excluding jurisdictions referred to in subsection (a)(1)) an amount equal to the sum of—

(A) an amount bearing the same ratio to 50 percent of such remainder as the product of the young child factor of the State and the allotment percentage bears to the sum of the corresponding products for all States; and

(B) an amount bearing the same ratio to 50 percent of such remainder as the product of the school lunch factor of the State and the allotment percentage bears to the sum of the corresponding products for all the States.

(2) Young child factor.—The term "young child factor" means the relative number of children who have not attained the age of 5 in the State as compared to the total number of children who have not attained the age of 5 in all States.

(3) School lunch factor.—The term "school lunch factor" means the relative number of children in the State receiving free or reduced price lunches under the school lunch program established under the National School Lunch Act (42 U.S.C. 1751 et seq.) as compared to the total number of children receiving free or reduced price lunches under such program in all States.

(4) Allotment percentage.—

(A) In general.—The allotment percentage of a State is determined by dividing—

(i) the per capita income for the United States; by

(ii) the per capita income for each State.

(B) Limitations.—If the sum as determined under subparagraph (A)—

(i) exceeds 1.2, the allotment percentage of that State shall be set at 1.2; and

(ii) is less that 0.8, the allotment percentage of the State shall be set at 0.8.

(C) Per capita income.—The per capita income of the States and of the United States shall be the average of the per capita incomes of the States and of the United States for the 3 most recent consecutive years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the 2 fiscal years in the period beginning on the October 1 next succeeding such promulgation.

(5) Definition.—For the purposes of this subsection, the term "States" includes the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

(c) Payments for Indians on Reservations.—From the amounts reserved under subsection (a)(2), the Secretary shall make payments, on such terms as the Secretary determines will best carry out the purposes of this Act, to the Secretary of the Interior to enable the Secretary of the Interior to make payments for child care services for Indian children on Indian reservations.

(d) Data and Information.—Except as provided in subsection (b)(4)(B), the Secretary shall obtain from each appropriate Federal agency, the most recent data and information necessary to determine the allotments provided for in subsection (b).

(e) Reallotments.—

(1) In general.—Any portion of the allotment to a State under subsection (b) that the Secretary determines is not required to carry out a State plan approved under section 7, in the period that the allotment is made available, shall be reallocated by the Secretary to other States in proportion to the original allotment to such States.

(2) Limitation.—The amount that another State is entitled to under paragraph (1) shall be reduced to the extent that such amount exceeds the sum that the Secretary estimates will be used in that other State to carry out a State plan approved under section 7, and the amount of such reduction shall be similarly reallotted among States in which the proportionate amount is not reduced.

(3) Amounts reallotted.—Any amount reallotted to a State under this subsection shall be deemed to be part of the original State allotment under subsection (b) for that year.

SEC. 6. LEAD AGENCY.

(a) Designation.—The Governor of a State desiring to participate in the program authorized by this Act shall specify in the application to the Secretary under section 7(a) an appropriate State agency that meets the requirements of subsection (b), to act as the lead State agency.

(b) Requirements.—

(1) Administration of funds.—The designated lead agency must have the capacity to administer the funds provided to support programs and services authorized under this Act and to oversee the plan submitted under section 7.

(2) Coordination.—The designated lead agency must have the capacity to coordinate support programs and services with those of other State and local agencies involved in providing such services to children.

(3) Establishment of policies.—The designated lead agency must have the authority to establish policies and procedures for developing and implementing interagency agreements with other agencies of the State to carry out the purposes of this Act.

(c) Duties.—The lead agency designated under subsection (a) shall—

(1) assess child care needs and resources in the State, and assess the effectiveness of existing child care services and services assisted under this Act, and under other provisions of law, in meeting such needs;

(2) develop a plan designed to meet the need for child care services within the State for eligible children, including infants, preschool children and school-age children, with special attention given to meeting the needs of services for low-income children, migrant children, children with handicapping conditions, foster children, children in need of protective services, children of adolescent parents who need child care to remain in school and children with limited English-language proficiency;

(3) develop, in consultation with the State interagency advisory committee established pursuant to section 11, the State plan submitted to the Secretary under section 7;

(4) make such periodic reports to the Secretary as the Secretary may by regulation require;

(5) hold hearings, in cooperation with the State interagency advisory committee, annually in each region of the State in order to provide the public an opportunity to comment on the provision of child care within the State under the proposed State plan; and

(6) coordinate the provision of services under this Act with other child care programs and services assisted under any State, local, or other Federal law, and with other appropriate services, including social, health, mental health, and nutrition services, available to eligible children under other Federal and State programs.

SEC. 7. STATE APPLICATION AND PLAN.

(a) Application.—To qualify for assistance under this Act, a State shall submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may require.

(b) Plan.—The application of a State under subsection (a) shall include a State plan which covers a 5 year period and meets the requirements of subsection (c) of this section.

(c) Requirements of a Plan.—

(1) Lead agency.—The plan shall identify the lead agency designated, which meets the requirements of section 6.

(2) Advisory bodies.—The plan shall demonstrate that the State will establish the State advisory bodies described in sections 11 and 12.

(3) Policies and procedures.—The plan shall set forth policies and procedures designed to ensure that—

(A) all providers of child care services assisted under this Act shall be licensed or meet specified regulatory standards set forth by the State, and that all such providers shall be subject to the most comprehensive licensing requirements or regulatory standards made applicable by the State to other providers delivering child care services under the same or similar types of child care arrangements, but nothing in this subparagraph shall be construed to prohibit a State from imposing more stringent standards or requirements on providers who also receive State funds to provide child care services under contractual or other agreements with the State;

(B) procedures will be established for compliance with minimum Federal standards developed pursuant to section 18, in conjunction with State licensing or regulating of child care providers;

(C) the State will not reduce the categories of child care licensed or regulated by the State on the date of enactment of this Act, nor reduce the level of standards applicable to child care provided within that State and specifically enumerated in sections 14(a) and 18(d), even if such standards exceed the minimums promulgated by the Secretary and required under this Act;

(D) funds provided under this Act will be used only to supplement or increase the level of Federal, State, and local funds expended for the support of child care services and related programs within the State;

(E) for each fiscal year, the State will use an amount not to exceed 10 percent of the amount of funds allotted to the State for such fiscal year to administer the State plan (except that American Samoa, Guam, the Virgin Islands, the Trust Territories of the Pacific Islands and the Commonwealth of the Northern Mariana Islands will use an amount not to exceed 10 percent of the funds for administrative costs);

(F) the State will make payments to programs receiving funds under this Act in a timely fashion to ensure the continuity of services to eligible children and families;

(G) the State will, in using non-Federal funds, establish a low interest loan program that will be available to nonprofit child care centers and family day care homes to help such centers and homes meet the cost of establishing child care programs and making renovations and improvements in existing facilities;

(H) the State will establish and carry out a program to make grants to nonprofit child care centers and family day care homes to help such centers and homes meet the cost of establishing child care programs and making renovations and improvements in existing facilities; and

(I) grants and loans made under this section shall be available to all child care programs to assist such programs in meeting Federal, State, and local child care standards, with priority being given to programs serving low income children.

(4) Definition.—As used in paragraph (3)(A), the term "same or similar child care arrangements" means that all child care centers and group homes referred to in such paragraph shall be subject to the same licensing or regulatory standards, and all family daycare providers referred to in such paragraph shall be subject to the same licensing or regulatory standards.

(5) Use of funds.—The plan shall provide that—

(A) the State will use at least 75 percent of the amount allotted to the State in any fiscal year to provide child care services that meet the requirements of this Act to eligible children, including infants, toddlers, preschool and school-age children, within the State on a sliding fee scale basis, using funding mechanisms provided for in section 8(a); and

(B) the State will use at least 10 percent of the funds reserved for the purposes specified in subparagraph (A) in any fiscal year to allow for the extension of part-day programs as described in section 8(b).

(6) Child care activities.—The plan shall provide that the State will use not more than 15 percent of the amount allotted in any fiscal year for activities to improve the quality and availability of child care for all families, including—

(A) the development and funding of State and local resource and referral systems under section 13, to provide information concerning the availability, types, costs, and locations of child care services within the State;

(B) the improvement of the quality of child care services in the State by—

(i) improving the monitoring of compliance with, and enforcement of, the licensing and regulatory requirements of the State; and

(ii) providing directly, or through grants or contracts with public or private nonprofit organizations, preservice and continuing inservice training (in accordance with the requirements of section 14, and including the scholarship provisions of such section) to child care staff and personnel in centers and other settings;

(C) ensuring that sufficient funds are available to enable family day care providers and centers, that meet the requirements of this Act and applicable State and local law, to comply with the minimum child care standards for safety and health established under section 18(d); and

(D) ensuring adequate salaries, and compensation for full and part-time staff in child care programs serving eligible children under this Act.

(7) Distribution of funds.—The plan shall provide that funds will be distributed to a variety of child care providers in each community, including child care centers and family day care providers.

(8) Reimbursements.—The plan shall provide that child care services assisted by this Act shall be reimbursed at not less than the market rate for such care in the geographic area within the State in which child care is being provided, and reimbursement will reflect the additional cost to the provider of special services or the provider serving special populations of children, with a higher rate of reimbursement being provided for—

(A) care of children from birth to age 2;

(B) programs providing comprehensive child care and family support services to adolescent parents; and

(C) the care of handicapped children.

(9) Priority.—The plan shall provide that priority shall be given, in distributing funds within the State, to child care programs that—

(A) to the maximum extent feasible, have a reasonable mix of children from different socioeconomic backgrounds, including children served under this Act;

(B) provide opportunities for parent involvement; and

(C) offer family support services.

(10) Sliding fee schedules.—The plan shall provide for the establishment of sliding fee schedules requiring copayments based on the services provided and the family income (adjusted for family size) for children receiving services assisted under this Act.

(11) Description of process.—The plan shall describe the process the State will use to—

(A) ensure that resource and referral agencies will be made available to families in all regions of the State;

(B) ensure that programs assisted under this Act—

(i) give priority for services to children with the lowest family incomes, taking into account family size;

(ii) provide services for an adequate number of hours and days to serve the needs of working parents and other parents of eligible children;

(iii) comply with the minimum child care standards established pursuant to section 18 of this Act, except that State educational agencies providing child care services assisted by this Act may develop and enforce their own child care standards that meet or exceed the standards established under section 18, and the enforcement procedures pursuant to paragraph (12), and that meet or exceed applicable State licensing or regulatory requirements in areas not covered by the standards established under section 18; and

(iv) comply with the provisions of the State plan and other requirements of this Act, including the various prohibitions on expenditures of funds, and the nondiscrimination provisions of section 20;

(C) ensure that child care is available for parents who work nontraditional hours such as evenings and weekends;

(D) ensure that child care assisted under this Act is available to children with handicapping conditions;

(E) ensure that regulations will be issued governing the provision of school-age child care if the State does not already have such regulations;

(F) ensure that funds are made available so that training opportunities will be provided equitably to all child care providers within the State;

(G) encourage child care programs in the State to develop personnel policies that include compensated time for staff undergoing training required under this Act; and

(H) encourage adequate salaries, and other compensation for full and part-time staff in child care programs serving children assisted by this Act, and to the extent practicable, such staff in other major Federal and State child care programs, and for other child care personnel, at the option of the State.

(12) Parental involvement.—The plan shall establish procedures for parental involvement in State and local planning, monitoring, and evaluation of child care programs and services in that State.

(13) Licensing enforcement.—The plan shall provide that the State, within 5 years of the date of enactment of this Act, shall have in effect licensing enforcement policies and practices that will be applicable to all licensed or regulated child care services in the State, including—

(A) a requirement that licensing staff and personnel receive training in child development, health and safety, program management, and relevant law enforcement;

(B) programs making available the training required by paragraph (A);

(C) a requirement and personnel policies to ensure that individuals hired as licensing inspectors be qualified and have inspection responsibility exclusively for child care facilities;

(D) a requirement that—

(i) licensing staff make no less than one unannounced inspection of each child care center in the State annually;

(ii) licensing staff annually make unannounced inspections of no less than 20 percent of the regulated family day care homes in the State;

(iii) inspections be conducted during the normal hours of operation of State family day care homes; and

(iv) inspections of State family day care homes be confined to areas of the family day care providers' home used to provide child care services;

(E) a requirement that the ratio of licensing staff to child care centers and family day care providers in the State be maintained at a level sufficient to enable the State to conduct inspections of child care facilities and providers on a timely basis and otherwise to comply with the enforcement requirements of this section;

(F) a requirement that licensed or regulated child care programs within the State—

(i) have written policies and program goals that are made available to parents; and

(ii) provide parents with unlimited access to child care centers or providers caring for their children during normal hours of operation or when children of such parents are in the care of such centers or providers;

(G) a procedure to address complaints that will provide a reasonable opportunity for a parent, or child care program that has been adversely affected or aggrieved by a decision of the lead agency or any program assisted under this Act, to be heard;

(H) provisions that prohibit a child care facility from taking any action against an employee of such facility that would adversely affect the employment or terms or conditions of employment of the employee because such employee reports licensing deficiencies within the program;

(I) a consumer education program designed to inform parents and the general public about licensing requirements and complaint procedures, including—

(i) a provision for unlimited parental access to child care programs or providers caring for children during the hours the program is in operation;

(ii) a requirement that child care centers and family day care homes post, on the premises, the telephone number of the appropriate regulatory agency that parents may call regarding licensing complaints; and

(iii) a requirement that the State maintain a record of parental complaints and make such information available to members of the public on request.

(14) Data collection.—The plan shall provide for the establishment of procedures for data collection by the State designed to show—

(A) by race, sex, and ethnic origin, how the child care needs of the State are being fulfilled, including information on—

(i) the number of children being assisted with funds provided under this Act, and under other State and Federal child care and preschool programs;

(ii) the number of child care positions in the State;

(iii) the type and number of child care programs, child care providers, caregivers, and support personnel located in the State;

(iv) the regional cost of child care; and

(v) such other information as the Secretary considers necessary to establish how funds provided under this Act are being used;

(B) the extent to which the availability of child care has been increased, including the number of licensed or regulated child care slots; and

(C) how the purpose of this Act and the objectives of the State set forth in the State plan are being met, including efforts to improve the quality, availability, and accessibility of child care.

SEC. 8. SPECIAL RULES FOR USE OF STATE ALLOTMENTS.

(a) Funding of Child Care Services.—

(1) In general.—The child care services referred to in section 7(c)(4) that are to be provided out of the allotment to a State, shall be provided—

(A) by contracts with or grants directly to eligible child care providers (including community-based organizations), or public or private nonprofit agencies (including elementary and secondary schools and institutions of higher education), to enable such providers or agencies to operate programs directly or to subcontract with other public or private nonprofit agencies including eligible child care providers, community-based organizations, elementary and secondary schools and institutions of higher education for the operation of such programs; or

(B) by distributing child care certificates to parents of eligible children under such terms as the Secretary may prescribe to enable the recipients of such certificates to purchase child care services that meet the requirements of this Act.

(2) Limitation on certificates.—Child care certificates authorized under paragraph (1)(B) shall be issued by a State only if a resource and referral program recognized by the State pursuant to section 13 is available to help parents locate child care services that meet the requirements of this Act.

(b) Part-Day Programs.—

(1) In general.—A minimum of 10 percent of the funds available for activities under section 7(c)(4)(A) shall be reserved to enable the part-day programs described in paragraph (2) to extend existing hours of operation and provide full day child care services throughout the year, that will meet the needs of working parents and other parents of children eligible for services assisted by this Act.

(2) Eligible programs.—The part-day programs referred to in paragraph (1) include—

(A) schools and nonprofit child care programs including community-based organizations receiving State or local funds designated for preschool;

(B) programs established under the Headstart Act (42 U.S.C. 9831 et seq.);

(C) preschool programs assisted under chapter 1 of the Education Consolidation and Improvement Act of 1981 (20 U.S.C. 3801 et seq.); and

(D) preschool programs for handicapped children.

AVAILABILITY OF PLANNING GRANTS

SEC. 9. PLANNING GRANTS.

(a) In General.—A State desiring to participate in the programs authorized by this Act that cannot fully satisfy the requirements of the State plan under section 7 without financial assistance may, in the first year that the State participates in the programs, apply to the Secretary for a planning grant.

(b) Authorization.—The Secretary is authorized to make a planning grant to a State described in subsection (a) if the Secretary determines that—

(1) the grant would enable the State to fully satisfy the requirements of a State plan under section 7; and

(2) the State will apply, within a 3 month period after receiving a grant, for the remainder of the allotment that the State is entitled to for that fiscal year.

(c) Amount of Grant.—A grant made to a State under this section shall not exceed 1 percent of the total allotment that the State would qualify for in that fiscal year if the State fully satisfied the requirements of section 7 of this Act.

(d) Limitation on Administrative Costs.—A grant made under this section shall be counted as an expenditure for administrative costs by the State for the purposes of determining the compliance by the State with the limitation on administrative costs imposed under section 7(c)(3)(E) of this Act.

SEC. 10. STATE LICENSING AND ENFORCEMENT EFFORTS.

(a) Compliance With Child Care Standards.—During the 5 year period after the establishment of final minimum child care standards pursuant to section 18, a State receiving funds under this Act that is not in compliance with such standards shall use a portion of the funds available to the State under section 7(c)(5) to enable the State to comply with such child care standards. Funds under this section shall be used to—

(1) improve the quality of child care within the State; and

(2) carry out plans to improve the licensing, regulating, monitoring, and enforcement of the child care programs of the State, including the hiring and training of licensing and regulatory staff.

(b) Continuing Eligibility.—No State shall be eligible for assistance under this Act after the fifth year after issuance by the Secretary of final minimum child care standards, unless a State can demonstrate to the satisfaction of the Secretary that all licensed and regulated child care services within the State—

(A) satisfy the minimum child care standards issued by the Secretary under section 18; and

(B) are subject to the enforcement provisions specified in the State plan.

(c) Reduced State Match.—

(1) In general.—Notwithstanding the provisions of section 17(a), if a State can demonstrate that the State satisfies the requirements of subsection (b), the amount of the non-Federal matching funds required to be provided by the State shall be reduced to 15 percent, beginning with the first full fiscal year in which such requirements were met.

(2) Grant eligibility.—A State eligible for a reduced State match under paragraph (1) shall be entitled to receive a grant in an amount equal to the amount of the reduction in the match.

SEC. 11. STATE INTERAGENCY ADVISORY COMMITTEES ON CHILD CARE.

(a) Interagency Advisory Committee on Child Care.—The Governor of a State participating in the programs authorized by this Act shall establish a State interagency advisory committee on child care to assist the lead agency in carrying out the responsibilities of the agency under this Act.

(b) Composition.—The State interagency advisory committee shall be composed of not less than 15 nor more than 30 members who shall include—

(1) at least 1 representative of the lead agency designated under section 6;

(2) 1 representative of each of the State departments of—

(A) human resources or social services;

(B) education;

(C) economic development; and

(D) representatives of other State agencies having responsibility for the regulation, funding, or provision of child care services within the State;

(3) at least 1 representative of child care providers;

(4) at least 1 representative of early childhood development experts;

(5) at least 1 representative of school districts and teachers involved in the provision of child care and preschool programs;

(6) at least 1 representative of resource and referral programs;

(7) 1 pediatric or other health professional;

(8) 1 representative of a citizen group concerned with child care;

(9) at least 1 representative of an organization representing child care employees;

(10) at least 1 representative of the Head Start Agency; and

(11) parents of children receiving, or in need of, child care, including at least two parents whose children are receiving or are in need of subsidized child care.

(c) Functions.—The State interagency advisory committee shall—

(1) advise the lead agency on child care policies;

(2) provide the lead agency with information necessary to coordinate the provision of child care services within the State;

(3) otherwise assist the lead agency in carrying out the functions assigned to the lead agency under section 6;

(4) review and evaluate child care programs and services assisted under this Act and under other provisions of State law, in meeting the objectives of the State plan and the purpose of this Act;

(5) make recommendations on the development of State child care standards and policies;

(6) participate in the regional public hearings required under section 6(c)(5); and

(7) perform other functions to improve the quantity and quality of child care in the State.

(d) Meetings.—

(1) In general.—Within 30 days after the beginning of each fiscal year, the State interagency advisory committee shall meet and establish the time, place, and manner of future meetings of the committee.

(2) Minimum number of meetings.—The State interagency advisory committee shall have at least 2 public meetings each year at which the public shall be given an opportunity to express views concerning the administration and operation of the State plan.

(e) Services and Personnel.—

(1) Authority.—The lead agency is authorized to obtain the services of such personnel and to contract for such other services as may be necessary to enable the State interagency advisory committee to carry out its functions under this Act.

(2) Reimbursement.—Members of the State advisory committee shall be reimbursed, in accordance with standards prescribed by the Secretary, for necessary expenses incurred by such members in carrying out the duties assigned them as members of the State committee.

(3) Sufficiency of funds.—The Secretary shall ensure that sufficient funds are made available, from funds available for the administration of the State plan, to each State committee to carry out the requirements of this section.

SEC. 12. STATE ADVISORY COMMITTEE ON LICENSING.

(a) In General.—

(1) Establishment.—The Governor of each State participating in the program authorized under this Act shall establish a State committee on licensing.

(2) Time for establishment.—The first State committee on licensing shall be established and in existence at the time the State submits an application for assistance under this Act.

(b) Composition.—

(1) Members.—The State committee on licensing shall be composed of not more than 15 persons including at least 1 representative of—

(A) for profit and nonprofit child care programs;

(B) early childhood development academicians;

(C) pediatricians;

(D) fire marshals and building inspectors;

(E) State and local health departments;

(F) different types of child care programs, including caregivers and directors of both center-based and family day care home programs;

(G) resource and referral programs; and

(H) parents of children who are currently enrolled in, or have recently been enrolled in child care programs (including both center-based and family day care home programs).

(2) Dual service of members.—Members of the State committee on licensing may, at the option of the State, be individuals who are also serving on the State interagency advisory committee established under section 11.

(c) Functions.—

(1) Review of licensing authority.—The State committee on licensing shall review the licensing requirements, the law, and the policies of the licensing agency or agencies regulating child care services and programs within the State for eligible children, including infants, toddlers, preschool, and schoolage children, unless the State has conducted such a study within the 4 years immediately preceding the establishment of the committee under subsection (a).

(2) Report.—Not later than 12 months after designation of the State committee on licensing, the committee shall prepare and submit to the Governor a report.

(3) Contents of report.—A report prepared under paragraph (2) shall contain provisions that—

(A) separately analyzes information on center-based programs and information on family day care programs;

(B) outlines the findings and recommendations of the committee that result from the committee review under paragraph (1), including a description of the current status of child care licensing, regulating, and monitoring within the State;

(C) outlines the deficiencies in the existing licensing, regulating and monitoring programs, including an assessment of the adequacy of staff to carry out the State program effectively, and recommendations to correct such deficiencies or to improve such licensing, regulating, and monitoring programs; and

(D) comments on the minimum child care standards promulgated by the Secretary pursuant to section 18.

(d) Receipt of Report by Governor.—Within 60 days after receiving the report from the State committee on licensing the Governor shall transmit such report to the Secretary with—

(1) the comments of the Governor; and

(2) the State plan for correcting deficiencies in, or improving the licensing, regulating, and monitoring programs as provided for under this section.

(e) Services and Personnel.—

(1) Authority.—The lead agency is authorized to obtain the services of such personnel and to contract for such other services as may be necessary to enable the State committee on licensing to carry out its functions under this Act.

(2) Reimbursement.—Members of the State committee on licensing shall be reimbursed, in accordance with standards prescribed by the Secretary, for necessary expenses incurred by such members in carrying out the duties assigned them as members of the State committee.

(3) Sufficiency of funds.—The Secretary shall ensure that sufficient funds are made available to a State, from funds available for the administration of the State plan, to each State committee to carry out the requirements of this section.

SEC. 13. RESOURCE AND REFERRAL PROGRAMS.

(a) Recognition.—Each State receiving funds under this Act shall recognize private nonprofit community-based organizations, or public organizations, as resource and referral agencies for particular geographic areas within the State designated by the lead agency under section 6.

(b) Funding.—Each State receiving funds under this Act shall provide assistance to the organizations referred to in subsection (a) to enable such organizations to—

(1) identify existing child care services;

(2) provide information and referral to interested parents;

(3) provide or arrange for the provision of information, training, and technical assistance to existing and potential child care providers and others concerned with the availability of child care;

(4) provide information on the demand and supply of child care services within a community; and

(5) provide technical assistance to new child care providers to assist such providers with budgeting procedures and in understanding and complying with applicable child care regulations, relevant tax policies, and other policies affecting their operations.

(c) Requirements.—In order to be eligible for recognition as a resource and referral agency for a designated geographic area within a State, an organization must—

(1) have a database of child care services in the community that the organization continually updates, including centers, nursery schools, and family day care service;

(2) have among the staff of the organization at least 1 individual that has expertise in child development;

(3) have the capability to provide resource and referral services in a designated geographic area;

(4) have office space in a location convenient for parents and employers;

(5) be able to respond to requests for information or assistance in a timely fashion;

(6) be committed to providing services to all segments of the general public;

(7) be a public or a not-for-profit organization located within the community to be served;

(8) be able to provide parents with a checklist to identify quality child care services;

(9) be able to provide information on the availability of child care subsidies;

(10) maintain and make publicly available on request a list of all referrals made by the resource and referral agency; and

(11) otherwise satisfy regulations promulgated by the lead agency in accordance with subsection (f) of this section.

(d) Functions.—

(1) Information.—The organization recognized as a resource and referral service shall gather, update, and provide information concerning—

(A) the types of child care services available, including services provided by individual family day providers as well as centers, and information on a range of different types of providers, community organizations, employers, and public and private institutions;

(B) the costs of available child care services;

(C) the locations in which child care services are provided;

(D) the forms of transportation available to such locations;

(E) the hours during which such child care services are available; and

(F) the children eligible to enroll for such child care services.

(2) Support service.—The organization recognized as a resource and referral service shall provide directly, or through subcontract, the training, technical assistance, and support services that a State receiving funds under this Act is required to make available to family day care providers.

(e) Limitation on Information.—In carrying out the provisions of subsection (d), the organization shall not provide information concerning any child care program or services which are not in compliance with the laws of the State and localities in which such services are provided.

(f) Regulations.—Each State shall develop regulations to provide guidance to resource and referral agencies within the State, considering the model regulations developed by the National Advisory Committee pursuant to section 18(c)(3).

SEC. 14. TRAINING.

(a) Minumum Requirement.—A State receiving funds under this Act shall require that all employed or self-employed persons providing licensed or regulated child care in the State complete at least 15 hours per year of inservice, continuing education, or other training in the areas described in this section, and shall ensure that such training is available.

(b) Grants, Assistance, and Clearinghouse.—

(1) Grants and contracts.—The State shall make grants to, and enter into contracts with—

(A) State and local public agencies, private nonprofit organizations, and institutions of higher education to develop and coordinate a system of child care provider training programs under which preservice and continuing inservice training is provided to caregivers, teachers, administrative personnel, staff of resource and referral programs, and others involved in providing child care in the State; and

(B) appropriate nonprofit organizations, including resource and referral organizations, child care food program sponsors, and family day care associations, to enable such agencies to provide training and technical assistance to family day care providers.

(2) Requirements of certain grants.—Each recipient of a grant under paragraph (1)(B) shall—

(A) recruit and train new family day care providers, including providers with the capacity to provide night-time child care and emergency child care at irregular hours (as well as emergency care for sick children);

(B) provide ongoing training to family day care providers, including specialized training in working with infants;

(C) operate resource centers to make available to family day care providers developmentally appropriate curriculum materials;

(D) operate a system of substitute caregivers;

(E) furnish technical assistance to providers to assist such providers in understanding and complying with local regulations and relevant tax and other policies, and in meeting State licensing, registration, or other requirements pertaining to family day care;

(F) provide subgrants to family day care providers for the purchase of moderate cost equipment; and

(G) provide such other support to family day care providers in their communities as the State agency determines to be appropriate.

(3) Assistance.—The State shall provide scholarship assistance to—

(A) individuals seeking a Child Development Associate credential for center-based or family day care whose income does not exceed, by more than 50 percent, the poverty line (as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), in amounts sufficient to cover the costs involved in securing such credentials; and

(B) individuals seeking to meet the inservice training requirements of subsection (a) of this section.

(4) Clearinghouse.—The State shall establish within the lead agency a clearinghouse to collect and disseminate training materials to resource and referral agencies and child care providers throughout the State.

(c) Scope of Training.—

(1) In general.—Training opportunities provided to enable caregivers to meet the requirements established under subsection (a) must offer a variety of options. Such training may include—

(A) attendance at workshops and seminars;

(B) visits to other programs;

(C) access to resource materials; and

(D) inservice sessions or enrollment in courses at community colleges or technical schools.

(2) Content of training.—Such training shall address—

(A) the provision of services as appropriate to special populations of children, including disabled children, migrant children, and children with limited English language proficiency;

(B) health and safety, including training in first aid, the recognition of communicable diseases, and child abuse detection and prevention;

(C) child growth and development;

(D) guidance and discipline techniques;

(E) planning learning activities;

(F) linkages with community services; and

(G) communication with families.

SEC. 15. FEDERAL ADMINISTRATION OF CHILD CARE.

(a) Administrator of Child Care.—The Secretary shall establish within the Department of Health and Human Services an Administrator of Child Care who shall have the responsibility to carry out the provisions of this Act.

(b) Duties.—The Administrator shall—

(1) coordinate all activities of the Department relating to child care, and coordinate such activities with similar activities of other Federal agencies;

(2) annually collect and publish State child care standards and periodic modifications to such standards;

(3) evaluate the performance of programs and projects carried on with funds provided under this Act;

(4) act as a clearinghouse to collect and disseminate child care training materials and studies of the salaries of child care workers; and

(5) issue, amend, or rescind regulations to carry out the provisions of this Act, except that the Secretary shall not issue any revisions to the standards promulgated pursuant to section 18 of this Act that would make such standards any less comprehensive or stringent than the standards as initially promulgated.

(c) Procedures.—The regulations issued by the Administrator pursuant to this section shall include procedures for receiving, processing, and making determinations on complaints concerning the noncompliance of a State with the State plan or any of the requirements of this Act, including the nondiscrimination provisions of section 20, as well as procedures for the imposition of appropriate sanctions in accordance with section 16.

(d) Staff and Resources.—The Secretary shall make available to the Administrator such staff and resources as are necessary to carry out the functions of the Administrator under this Act.

SEC. 16. FEDERAL ENFORCEMENT.

(a) Review of State Plan and Compliance With Such.—The Secretary shall review and approve State plans submitted in accordance with section 7 and shall monitor State compliance with the provisions of this Act.

(b) Noncompliance.—

(1) In general.—If the Secretary, after reasonable notice and opportunity for a hearing to a State finds—

(A) that there has been a failure by the State to comply substantially with any provision or any requirements set forth in the State plan of that State; or

(B) that in the operation of any program or project funded under this Act there is a failure by the State to comply substantially with any applicable provision of this Act,

the Secretary shall notify such State of the findings and that no further payments may be made to such State under this Art (or, in the case of noncompliance by a particular program or project, that further payments to the State will be limited to programs or projects under the State plan found to be in compliance with the Act) until the Secretary is satisfied that there is no longer any such failure to comply, or that the noncompliance will be promptly corrected.

(2) Additional sanctions.—In the case of a finding of noncompliance made pursuant to this subsection, the Secretary may, in addition to the sanctions described in subsection, impose other appropriate sanctions, in-

cluding recoupment of money improperly expended for purposes prohibited or not authorized by this Act, and disqualification from the receipt of financial assistance under this Act.

(3) Notice.—The notice required under paragraph (1) shall include notification to a State of any such additional sanctions being imposed.

SEC. 17. PAYMENTS.

(a) In General.—

(1) Amount of entitlement.—Each State having a plan approved by the Secretary under section 7 of this Act shall be entitled to payment under this section for each fiscal year in an amount (not to exceed its allotment under section 5) equal to the Federal share of the total sums to be expended by the State under the plan for the fiscal year for which the grant is made.

(2) Federal share.—The Federal share for each fiscal year shall be 80 percent.

(3) Condition of entitlement.—As a condition of State eligibility for payments under this section, the State shall be required to demonstrate to the satisfaction of the Secretary that the remaining 20 percent of the total expenditures of the State will be provided from other public or private non-Federal sources.

(4) Limitation.—A State may not require any private provider of services that is funded or seeking funds made available under this Act to furnish or contribute in cash or in kind to the State match required by this section.

(b) Installments.—The Secretary may make payments to a State in installments, and in advance or, subject to the requirement of section 7(c)(3)(F), by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

(c) Spending of Funds by State.—Payments to a State from the allotment under section 5 for any fiscal year may be expended by the State in that fiscal year or in the succeeding fiscal year.

SEC. 18. NATIONAL ADVISORY COMMITTEE ON CHILD CARE STANDARDS.

(a) Establishment.—

(1) In general.—In order to improve the quality of child care the Secretary shall establish a National Advisory Committee on Child Care Standards, the members of which shall be representatives of—

(A) different types of child care programs;

(B) resource and referral programs;

(C) child care and early childhood development specialists;

(D) early childhood education specialists;

(E) pediatric health care and related fields;

(F) organizations representing child care employees;

(G) individuals who are experienced with regulating child care programs; and

(H) parents who have been actively involved in community child care programs.

(2) Appointment of members.—The Committee shall be composed of 15 members of which—

(A) 5 members shall be appointed by the President of the United States;

(B) 3 members shall be appointed by the majority leader of the Senate;

(C) 2 members shall be appointed by the minority leader of the Senate;

(D) 3 members shall be appointed by the Speaker of the House of Representatives; and

(E) 2 members shall be appointed by the minority leader of the House of Representatives.

(3) Chairman.—The Committee shall appoint a chairman from among the members of the Committee.

(4) Vacancies.—A vacancy occurring on the Committee shall be filled in the same manner as that in which the original appointment was made.

(b) Personnel, Reimbursement, and Oversight.—

(1) Personnel.—The Secretary shall make available to the National Advisory Committee adequate office facilities, personnel, technical assistance, and funds as are necessary to carry out effectively the functions of the Committee under this section.

(2) Reimbursement.—Members of the National Advisory Committee who are not regular full-time employees of the United States Government shall, while attending meetings and conferences of the National Advisory Committee or otherwise engaged in the business of the Committee (including travel time), be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the rate specified at the time of such service under GS-18 in section 5332 of title 5, United States Code. While serving on the business of the Committee away from the homes or regular places of business, such employees may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons employed intermittently in the Government service.

(3) Oversight.—The Secretary shall ensure that the National Advisory Committee is established and operated in accordance with the provisions of the Federal Advisory Committee Act (5 U.S.C. App. 2).

(c) Functions.—The National Advisory Committee shall—

(1) review Federal policies with respect to child care services and such other data as the Committee may deem appropriate;

(2) not later than six months after the date of implementation of such policies, submit to the Secretary proposed minimum standards for child care programs (setting forth separate recommended provisions for center-based programs and for family day care programs and taking into account the different needs of infants, toddlers, preschool and schoolage children); and

(3) develop and make available to lead agencies model regulations for resources and referral agencies.

(d) Minimum Child Care Standards.—The proposed minimum child care standards developed pursuant to subsection (c)(1) shall include—

(1) standards applicable to center-based programs including—

(A) group size limits in terms of the number of teachers and the number and ages of children;

(B) the maximum appropriate staff-child ratios;

(C) qualifications, training, and background of child care personnel, including ongoing training requirements for such personnel (to supplement the provisions in section 14);

(D) health and safety requirements for children and caregivers; and

(E) parental involvement in and access to child care and development programs funded under this Act; and

(2) standards applicable to family day care including—

(A) the maximum number of children which define family day care;

(B) the total number of infants permitted in care;

(C) the minimum age for caregivers; and

(D) health and safety requirements for children and caregivers.

(e) Median Standards.—The National Advisory Committee shall determine and propose to the Secretary minimum standards pursuant to subsection (d)(1)(A) and (B) that reflect the median standards for all States as of the date of enactment of this Act.

(f) Distribution and Consideration of Standards.—

(1) Within three months after receiving the recommendations of the National Advisory Committee, the Secretary shall issue a notice of proposed rulemaking concerning the proposed standards.

(2) Distribution.—Within 60 days of the issuance of proposed minimum child care standards, the Secretary shall—

(A) distribute the proposed standards to each lead agency and State advisory committee on licensing for comment; and

(B) publish the proposed standards in the Federal Register for public notice and comment.

(2) Consideration.—The Secretary shall, in consultation with the National Advisory Committee, take into consideration any comments received by the Secretary with respect to the standards proposed under paragraph (1), and within 180 days after publication of the proposed standards, publish in the Federal Register the final minimum child care standards.

(3) Additional comments.—The National Advisory Committee may submit to the Secretary and to the Congress such additional comments on the final minimum child care standards published pursuant to this subsection as the National Committee considers appropriate.

(g) Termination of Committee.—The National Advisory Committee shall cease to exist 90 days after the date of publication of the final minimum child care standards.

SEC. 19. PROHIBITION ON EXPENDITURE OF FUNDS FOR CERTAIN PURPOSES.

(a) Sectarian Purposes or Activities.—

(1) General rule.—No funds authorized by this Act shall be expended for sectarian purposes or activities.

(2) Definition.—For purposes of this subsection, the term "sectarian purposes or activities" means—

(A) any program or activity that has the purpose or effect of advancing or promoting a particular religion or religion generally; or

(B) with respect to child care services performed on the premises of a pervasively sectarian institution—

(i) any such services performed in any classroom or other immediate space in which child care is provided unless all religious symbols and artifacts are covered or have been removed from such classroom or space; or

(ii) any such services performed by persons who are otherwise employed as teachers or teachers' aides in a sectarian school of such an institution which provides full-time educational services.

(b) Capital Improvements to Sectarian Institutions.—

(1) General rule.—No funds provided under this Act shall be expended for capital improvements to sectarian institutions.

(2) Definition.—For purposes of this subsection, the term "capital improvements to sectarian institutions" shall mean the construction, repair, or renovation of any facility located on the premises of a religious institution unless—

(A) such institution is not pervasively sectarian; and

(B) the use of such facility is permanently restricted to nonreligious purposes.

(c) TUITION.—With regard to services provided to students enrolled in grades one through 12 no funds authorized by this Act shall be expended for—

(1) any services provided to such students during the regular school day;

(2) any services for which such students receive academic credit toward graduation; or

(3) any instructional services which supplant or duplicate the academic program of any public or private school.

SEC. 20. NONDISCRIMINATION

(a) FEDERAL FINANCIAL ASSISTANCE.—Any financial assistance provided to a child care provider under this Act including, a loan, grant, or child care certificate, shall constitute Federal financial assistance within the meaning of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), title IX of the Education Amendments of 1972 (20 U.S.C. 1681, et seq.), the Rehabilitation Act of 1973 (29 U.S.C. 794), and the regulations promulgated under such.

(b) DISCRIMINATION.—No child care provider receiving Federal financial assistance under this Act shall discriminate against any child on the basis of race, color, national origin, sex, religion, or handicap in the provision of any child care services, including, admission decisions, fees, and discipline.

(c) EMPLOYMENT DISCRIMINATION.—No child care provider receiving Federal financial assistance under this Act shall engage in any employment discrimination prohibited by title VII of the Civil Rights Act of 1964 (42 U.S.C. 2000e, et seq.), notwithstanding the exemption in section 703 of such Act (42 U.S.C. 2000e-2(e)). Nor shall any such provider discriminate in employment on the basis of handicap.

LEGISLATIVE SUMMARY

The Act for Better Child Care Services would authorize $2.5 billion (with a 20 percent state match) to help states:

Make child care more affordable for low and moderate income families;

Increase the number of child care facilities and the number of qualified day care staff available to all families;

Improve the quality of child care available to all families;

Coordinate child care resources to ensure their efficient use and help make a wide range of child care options available to parents enabling them to make the most suitable arrangements for their children.

AFFORDABILITY

The Act for Better Child Care Services would provide states with funds to make child care financial assistance available to working families with incomes up to 115 percent of a state's median income, adjusted for family size. Parents in school or training programs would also be eligible for assistance under the bill. The amount of subsidy a family receives would be based on a sliding fee scale which states would design. States would be able to decide whether to provide the assistance through contracts with child care providers or certificates given to parents.

INCREASING THE SUPPLY OF CHILD CARE

The Act for Better Child Care Services would make new federal funds available to states to help them increase the number of child care facilities and the number of qualified providers by:

Requiring states to establish grant and low-interest loan funds to start up and expand child care programs;

Allowing a portion of the funds to be used to recruit and train new family day care providers.

IMPROVING THE QUALITY OF CHILD CARE

The Act for Better Child Care Services would help states improve the quality of child care available to families by:

Making funds available to states to help them offer training and technical assistance to child care providers;

Ensuring salaries and compensation for full and part-time child care providers are adequate and attract and retain well-qualified individuals;

Requiring states to review and update their child care licensing standards periodically;

Requiring states to strengthen the basic health and safety protections for children in child care;

Allowing funds to be used to help providers meet child care standards;

Making funds available to states to help them improve the enforcement of child care standards by training and hiring additional staff to monitor child care programs;

Establishing consumer education programs to help parents make informed choices about child care and establishing state child care hot lines which parents may use for additional information on child care.

COORDINATION OF RESOURCES AND CHILD CARE SERVICES

The Act for Better Child Care Services would help states coordinate child care services, thereby helping to ensure an efficient use of resources and helping parents to gain access to the most appropriate child care services by:

Requiring that states establish interagency committees of all state agencies responsible for and interested in child care, to minimize duplication of services and resources;

Requiring that the state agency with primary responsibility for child care develop an overall child care plan for the state based on input from the Interagency Advisory Committee and the public;

Making funds available for the development of statewide networks of local resource and referral programs to help link parents with child care services;

Reserving a portion of the new child care funds to be paired with existing state and local early childhood development, Head Start, Chapter I and preschool handicapped program funds to extend the hours of part-day programs to meet the needs of parents who have full-time, out of home responsibilities.

ALLIANCE FOR BETTER CHILD CARE,
Washington, DC, November 16, 1987.

ABC MEMBERS

Amalgamated Clothing and Textile Workers Union.
American Academy of Child and Adolescent Psychiatry.
American Academy of Pediatrics.
American Association for Marriage and Family Therapy.
American Association of Psychiatric Services for Children.
American Association of University Women.
American Federation of State, County, and Municipal Employees, AFL-CIO.
American Federation of Teachers, AFL-CIO.
American Home Economics Association.
American Jewish Committee.
American Psychological Association.
American Public Welfare Association.
Americans for Democratic Action.
Association of Junior Leagues, Inc.
Bakery, Confectionery, and Tobacco Workers International Union B'nai B'rith Women, Inc.
BPW/USA.
Camp Fire, Inc.
CATALYST.
Catholic Charities, U.S.A.
Center for Law and Social Policy.
Child Care Action Campaign.
Child Care Employees' Project.
Child Care Nutrition Program Sponsors' Forum.
Child Welfare League of America.
Children's Defense Fund.
Church Women United.
Christian Children's Fund, Inc.
Church of the Brethren.
Coalition of Labor Union Women.
Communication Workers of America, AFL-CIO.
Community Nutrition Institute.
Council for Early Childhood Professional Recognition.
Family Resource Coalition.
Food Research Action Center.
General Board of Church and Society of the United Methodist Church.
Girls Clubs of America, Inc.
High/Scope Educational Research Foundation.
International Ladies Garment Workers' Union.
Lutheran Office for Government Affairs.
Mexican American Women's National Association.
NA'AMAT USA.
National Association of Child Care Resource and Referral Agencies (NACCRRA).
National Association for Family Day Care.
National Association for the Education of Young Children.
National Association of Community Action Agencies.
National Association of Commissions for Women.
National Association of Early Childhood Specialists in State Departments of Education.
National Association of Elementary School Principals.
National Association of Social Workers.
National Association of Hospital Affiliated Child Care Programs.
National Association of School Psychologists.
National Association of Working Women—9 to 5.
National Black Child Development Institute, Inc.
National Center for Clinical Infant Programs.
National Child Abuse Coalition.
National Coalition for Campus Child Care, Inc.
National Committee for the Prevention of Child Abuse.
National Community Action Foundation.
National Congress of Parents and Teachers.
National Council of Catholic Women.
National Council of Jewish Women.
National Council of La Raza.
National Council of Negro Women.
National Council of the Churches of Christ, Child Advocacy Project.
National Council on Family Relations.
National Education Association.
National Head Start Association.

National Jewish Community Relations Advisory Council.
National Network of Runaway and Youth Services.
National Organization for Women.
National Puerto Rican Forum.
National Women's Law Center.
NOW Legal Defense and Education Fund.
Presbyterian Church (U.S.A.).
Save the Children.
Service Employees International Union, AFL-CIO.
Society for Research in Child Development.
Southern Association on Children Under Six.
The Children's Foundation.
Union of American Hebrew Congregations.
Unitarian Universalist Association of Congregations in North America.
United Church Board for Homeland Ministries.
United Church of Christ Coordination Center for Women's Issues.
United Church of Christ, Office for Church in Society.
United Food and Commercial Workers International Union.
United Way of America.
Women's Equity Action League.
Women's Legal Defense Fund.
YMCA of the USA.
YMCA of the USA, National Board.

Mr. CHAFEE. Mr. President, our country is in the midst of a national child care crisis. Fifty-two percent of all mothers of infants under 1 year of age are now in the labor force, a 108-percent increase since 1970. Yet, our Nation's child care system remains in a state of disarray. In America, child care is hard to find, difficult to afford, and often poor in quality. It is a dilemma that threatens the well-being of a majority of our families.

Today I join my distinguished colleague from Connecticut, Senator DODD, in introducing a bill to address this dilemma: The Act for Better Child Care Services of 1987.

You don't have to look far to find what the problems are in our current child care system. The fact is, we don't have a system. As the number of children with working mothers and single parents has grown, there has been no corresponding increase in our society's commitment to quality child care. Only 3,000 out of 6 million American employers provide any child care help at all. State efforts are at best uneven and depend more on the health of each State's economy than on its child care needs. And the Federal commitment to child care has actually been weakened in recent years as spending for the title XX social services block grant has been restrained. In fact, nearly half the States offer federally funded child care to fewer children than they did in 1981.

Nine million preschoolers last year required child care. Not all of them got it. In Des Moines, IA, for example, the number of children needing child care was 47,000—child care facilities in that city can only accommodate roughly 12,000. In Seattle, licensed day care facilities have space for only 8,800 of the 23,000 children who need care. What happens when an infant or child need day care and there is none available? In some instances parents leave their children in situations that they realize are far less than satisfactory—alone or with other children far too young to be responsible.

And finding child care is just a third of the battle. Another problem is paying for it. Child care is costly. The typical cost of full-time child care in America's major cities and suburbs is $3,000 a year for one child. That means if you're a single mother with two children under 6 and you're earning the median wage earned by these single mothers, then you would have to spend approximately 94 percent of your annual income on child care. Ninety-four percent! So what happens when a working parent cannot afford child care? Children are left alone again.

There is no need to talk in the abstract. This appalling situation is very real—ask Linda Grant. She lived in Dade County, FL, with her two sons, Anthony and Maurice, aged 3 and 4. She couldn't afford child care either. While she qualified for government assistance for child care, Florida's waiting list for such assistance was 22,000 names along, a 2-year wait. In the meantime, she did the best she could, relying on friends and relatives. Some days these arrangements fell through, and she, like so many other parents, was forced to leave her two boys alone at home. On one such day, Anthony and Maurice climbed into a seemingly cozy place—a clothes dryer—to look at a magazine. When they shut the door, they burned to death.

Even if you're lucky enough to find child care and you can afford it, there still is one more problem: how can you be sure it's good child care? The answer is, you can't. On the average, child care providers earn less than bartenders and parking lot attendants. That means we pay people more to watch our cars than to watch our children. It also means that there is a high labor turnover in the child care field. States vary in their regulations, some allowing one adult to care for eight infants at a time. Some States don't require even basic training in health and safety.

The consequences of subjecting children to poor care during the formative years of their lives are far-reaching and frightening. We know that good child care ensures that children are safe, healthy, and well-nourished. It also provides them with the foundation they need to build toward success in school. We can only imagine what bad child care can do. Nine million preschoolers last year needed child care. Mr. President, we are raising a generation with our backs turned.

The Act for Better Child Care addresses each of the three major problems with child care in this country: availability, affordability, and quality. To increase the availability of child care, the act will provide funds to encourage States to broaden the number and variety of child care services. To help make child care more affordable, it will provide new funds to subsidize services for low-income families. And, to ensure quality care, it will provide funding to allow States to improve standards and enforcement mechanisms, training and technical assistance, and resource and referral programs.

The measure is very straightforward. It provides States with the necessary flexibility in determining how best to meet their unique child care needs, yet it also sets minimum Federal standards to ensure quality. The act allows States to decide whether to provide assistance through contracts with child care providers, or certificates given directly to parents. It requires States to establish grant and low-interest loan funds for the establishment and expansion of child care facilities. Also required is a State child care plan and a resource referral network, so that parents searching for child care can locate the care that they need.

It is clear that the American people support a public commitment to child care. Recent surveys show that Americans recognize the need to invest in child care, and they are willing to make that investment. A recent Harris poll showed 73 percent of the respondents indicated they would be willing to increase their taxes to pay for child care. A full 88 percent want the government to provide more day care services for children of poor mothers.

Good child care is good business too. A Fortune magazine study of 400 parents with children younger than 12 found that child care dissatisfaction was the most reliable predictor of absenteeism and unproductive work time. The Census Bureau itself has found that in 1 month, 5 percent of working parents missed work due to child care problems.

There are over 85 organizations that support this measure and this commitment.

In closing, Mr. President, I urge each of my distinguished colleagues to join me in this commitment to respond to the dilemma that Time magazine called, "the most wrenching personal problem facing millions of American families." The time for better child care has come.

Mr. CRANSTON. Mr. President, I am pleased today to join as an original cosponsor of S. 1885, the proposed Act for Better Child Care Services of 1987 [ABC]. This measure is designed to increase the availability of child care by providing grants to State to help broaden the number and variety of child care services, to help make child care more affordable by providing new funds to subsidize services for low-income working families, and to help promote quality care by providing funding for the States to improve child care standards and enforcement mechanisms, training and technical assistance, and resource and referral programs.

The lack of adequate child care is currently one of the most serious problems facing millions of families, and it serves as a major impediment to the attainment of economic security for countless numbers of women, children, and families in this country. Today, almost two-thirds of all mothers with school age children work outside the home. Tremendous demographic changes have taken place in our society during the last decade. Yet, public policies have simply not kept pace with an evolving work force and the changing needs of American families. It is imperative that we respond now to these changes through a carefully designed, long-range initiative to help meet the ever-increasing demand for quality, affordable child care.

Mr. President, the dimensions of the child care crisis in this country are enormous. It will take the combined efforts of many segments of our society to meet this challenge. On the Federal level, we must provide leadership in developing responsive public policies to support families. Further, we must encourage State and local governmental entities, as well as employers and community organizations, to work together to help resolve this crisis.

The legislative initiative being introduced today represents the kind of collaborative effort demanded by the enormity of the problem. An alliance of a broad range of national organizations, the Alliance for Better Child Care [ABC], including child advocacy groups, women's organizations, religious groups, and professional organizations, have worked together over the past year on helping to develop this new legislative proposal.

Mr. President, I strongly support the measure being introduced today. This comprehensive response to our national child care problem promises to provide a sound and realistic approach to the growing need for American families for high quality, yet affordable, child care.

BACKGROUND

Mr. President, as chairman of the Child and Human Development Subcommittee of the Senate Committee on Labor and Human Resources during the 95th and 96th Congresses and as a member of its predecessor, the Subcommittee on Children and Youth, since its creation in the 92d Congress, I have consistently worked to protect and promote the well-being of America's children and families. Because the lack of affordable child care has been and remains one of the most pressing problems facing America's families, throughout my 19 years in the Senate I have been deeply involved in and committed to issues relating to child care services for working parents.

In past Congresses, I have sponsored and cosponsored comprehensive child care measures, ranging from the 1971 child care legislation vetoed by President Nixon to the comprehensive measure, S. 4, which I have introduced since 1979. In addition, I have sponsored and cosponsored child care measures focused upon specific areas of child care, including a pending bill, S. 934, which addresses the need for the development of model child care standards. Although we have made some progress in recent years in enacting small measures dealing with child care needs, this patchwork, incremental approach has fallen far short of what is truly necessary if we are to deal effectively with meeting the child care needs of our Nation's working families.

Today's measure represents an effort to deal with this problem in a comprehensive, coordinated fashion. It is a long-overdue step that can and must be taken.

FORMATION OF THE ALLIANCE FOR BETTER CHILD CARE

Mr. President, I want to comment briefly on development of the Alliance for Better Child Care [ABC] and the proposed Act for Better Child Care Services. As I indicated at the outset, this legislation was developed with the collaboration of a broad range of organizations participating in the Alliance for Better Child Care.

It is particularly gratifying for me to see the emergence of this broad-based coalition of organizations committed to working toward achieving a comprehensive, well-designed approach on the Federal level to addressing the child care crisis. More than a year and a half ago, I wrote to the heads of many of the national organizations involved in issues relating to child care urging that they join together to develop a comprehensive child care initiative. I believe then, as I do now, that the time is ripe for such an initiative. The idea was enthusiastically endorsed, and the formation of the Alliance for Better Child Care quickly followed.

Over the past year, my staff has worked closely with members of ABC in developing and refining the legislation which is being introduced today. The drafts of the proposed legislation were widely circulated, and numerous meetings were held both in Washington and in the field with child care experts, parents, and concerned individuals so that the very best ideas and proposals could be incorporated into this legislation. When it is enacted, the Act for Better Child Care Services will move our Nation a quantum leap ahead in our efforts to address the child care crisis. This measure represents the consensus of numerous individuals and organizations who have been involved in child care issues at the local, State, and National levels.

I ask unanimous consent that a list of the members of the Alliance for Better Child Care, who have worked hard over the past year on helping develop this legislation be printed at the conclusion of my remarks.

Mr. President, I am very pleased that the chairmen of the respective subcommittees with jurisdiction over the legislation in both the House and Senate have agreed to introduce the measure and lend their strong support to this effort. With this kind of support, the ABC legislation will get the attention needed to make it a high priority measure in both Houses of Congress.

NATIONAL CHILD CARE CRISIS

Mr. President, I have had numerous opportunities to listen directly to parents who constantly struggle with child care problems. During 1986, I held an extensive series of community forums throughout the State of California focused upon the child care crisis in my own State. At these community forums, I met with and heard the concerns of hundreds of Californians regarding the inadequacy of child care services.

Mr. President, it is not an exaggeration to say that what was once a major problem is now a major crisis. During the past 7 years under the Reagan administration, the Nation's inadequate supply of child care has deteriorated even further. At the same time that the Federal Government has reduced its funding for existing child care programs, the number of mothers of young children entering the labor force has continued to grow.

In 1977, when I first began to work on a comprehensive child care proposal, an estimated 51.7 percent of the mothers of children between the ages of 6 and 17 and 37.6 percent of the mothers of children under age 6 were in the work force. Now, 10 years later the numbers have increased to 63.8 percent and 53.1 percent respectively. For 1977 these percentages translated to 22.5 million children between the ages of 6 and 17 and 6.4 million under the age of 6 with mothers in the work force. In 1987 there are 24.7 million children in the older age group and 10.5 million in the under group.

A report released last year by the Children's Defense Fund projects that if current trends continue, 34.4 million children over 6 will have a mother in the work force by 1995 and 14.6 million children under 6.

FEDERAL CHILD CARE FUNDS DRASTICALLY REDUCED

As the number of children needing care has escalated, resources for child care have been slashed. In 1981, the Social Security Act Title XX Program, the major source of direct financial assistance to child care programs, was reduced by 20 percent for fiscal year 1982 from $3.1 to $2.4 billion, and the $200 million earmarked for child care was eliminated. The estimates were at that time that some 150,000 families would lose their child care assistance under title XX as a result of those first-year Reagan cuts. Those projections have been substantiated by reports on how child care programs in various States have actually been hurt by the funding cutbacks.

Although over the past several years Congress has been able to restore some funds to title XX, following the huge cut in 1981, the fiscal year 1987 funding level of $2.7 billion remained $200 million below the fiscal year 1981 level of $2.9. In real terms, adjusted for inflation, Federal funding for title XX is now only 72 percent of the 1981 level and 52 percent of the 1977 level. Given the enormous increase in the need for child care assistance for low-income families, the decrease in support for these services is simply irrational and inexplicable as a matter of public policy.

CALIFORNIA CHILD CARE NEEDS

Mr. President, as I indicated earlier, during 1986, I conducted as extensive series of community meetings about the child care crisis in California. I held 11 of these meetings specifically focused on child care issues. The number of people attending ranged from 75 to 100 to several hundred at some of these forums. Parents, child care providers, community workers, business and civic leaders, and just concerned citizens participated in these meetings.

Mr. President, California has long been recognized as a leader in the area of child care. Indeed, after World War II, when the federally funded child care programs established under the Lanham Act were shut down throughout the Nation, the State of California took over the funding of the California programs, thereby establishing a long history and tradition of support for child care in California.

Both the public and private sectors in California have contributed to building child care resources. California enjoys a unique and extensive system of child care resource and referral agencies, providing in each of the State's 58 counties a central source of information on existing child care services and resources and technical assistance to help develop new services.

Yet, by every measure, child care needs are not being met in my State. In many areas and for many children and families, the lack of child care services constitutes a crisis which threatens economic survival. The current resouces fall well below the existing need for child care services. In the two areas of infant care and extended child care for school age children, the problems are particularly acute. Waiting lists are commonplace. By some estimates, 1 million more children need child care than can be accommodated by existing licensed facilities. By 1995, it has been projected that 200,000 more California children will need child care. My State, like the rest of the Nation, has simply not been able to keep pace with the escalating demand for services.

ECONOMIC IMPLICATIONS OF CHILD CARE CRISIS

Mr. President, as serious as the problems are in the supply of safe, affordable child care today, there is little doubt that the need will grow in the decade ahead.

It is important to understand that mothers are in the work force for one major reason: economic necessity. Two-thirds of the women in the work force are either sole providers or have husbands who earn less than $15,000. In 1983, 25 percent of the married women in the work force had husbands whose earnings were less than $10,000; 50 percent under $20,000, and nearly 80 percent less than $30,000. The earnings of these women play a critical role in the economic well-being of their families. For the one in six American families headed by a woman, of course, her earnings are a matter of simple survivial.

The cost of child care is beyond the reach of many families. A recent study found that in San Francisco the average annual cost of child care in a family day care setting for a two-year-old is over $4,000. That's a staggering amount for any family and especially for a low-income family. Two parents working full time at the minimum wage would spend 30 percent of their income just on child care. A single parent working at the minimum wage would expend a staggering 60 percent of wages on child care. For millions of families, child care costs rank at the top of the family budget, next to food and shelter costs.

Mr. President, although adequate child care is a matter which ought to concern every member of our society—male and female alike—there is little question that the lack of adequate child care has a major and profound impact upon the economic well-being of millions of women and children in this country.

SUMMARY OF LEGISLATION

Mr. President, the legislation we are introducing today attacks the child care crisis from a number of different approaches.

It authorizes the appropriation of $2.5 billion to be distributed to the States to help low-income families pay for essential child care services and improve the quality of child care for all families. States receiving these funds must demonstrate their own commitment to helping to meet the child care crisis by providing a 20-percent State match.

The bulk of the funds provided—75 percent—must be used to help families earning less than 115 percent of their State median income to pay for child care. The States must establish sliding fees scales so that families on the higher end of the scale will pay more for their share of child care costs than families with less income. As a family's income grows, its contribution to paying for child care costs would also increase. States would be required to give priority for services to those families in greatest need.

States would be encouraged to use some of the funds to maximize existing resources; for example, by requiring that a minimum of 10 percent of the funds be used to extended part-day programs like Head Start and State preschool education programs into full-day programs. The bill also provides that child care reimbursement under this program would be at the market rate for child care in the community and provides for higher reimbursement rates for services to infants and disabled children. In order to maximize parental choices, the bill authorizes the States to utilize a variety of funding mechanisms and types of child care providers, ranging from both nonprofit and profit child care centers to family day care homes.

The States would be allowed to use no more than 10 percent of their grants for administrative costs.

The remaining 15 percent of the State grants would be allocated to activities designed to improve the quality of child care services for all families.

States would be required to use a portion of this 15 percent to establish and operate child care resource and referral programs. These programs would provide a range of services to families, including providing parents with a checklist for what to look for in a child care program, providing training and technical assistance to family day care providers and centers, and offering information on how parents can get financial assistance in meeting the costs of child care. Special funding would be made available to help strengthen family day care programs, recruit new family day care providers, and provide training and other assistance to these important child care providers.

States would be required to offer training programs for all child care providers. Providers would be required to have at least 15 hours of in-service training annually.

Finally, States which receive Federal funds under this legislation would be required to meet Federal minimum child care standards. A national advisory committee would be established to develop minimum standards in five key areas: staff/child ratios, group size, parent involvement, caregiver qualifications, and health and safety. States would be allowed a 5-year period to come into compliance with the new standards. Upon complying with the standards, the State match would drop from 20 percent to 15 percent. After 5 years, States which fail to come into compliance would be ineligible for continued funding under the new act.

Mr. President, these provisions relating to child care standards are particularly important in a time of fiscal restraints and the need for accountability for Federal expenditures. If the Federal Government is going to expend Federal funds on child care services, it needs to be assured that the funds are being utilized for good quality care. The legislation requires that States accepting these funds demonstrate a commitment to monitoring the quality of child care programs. Annual visits to child care centers must be established along with complaint procedures. Parents must be assured the right to visit a program their child is enrolled in at any time.

EXPENDITURE OF FEDERAL RESOURCES

Mr. President, in a decade of fiscal restraints and the need to reduce the mounting Federal deficit, some may question the feasibility of enacting legislation to authorize any new spending programs. Although the sponsors and supporters of the proposed Act for Better Child Care Services have not deluded themselves about the task which lies ahead, the broad support for this initiative, both within and outside Congress, demonstrates a realistic recognition of the need for child care legislation of this scope. The problems which American families face in finding adequate and affordable child care are enormous. They demand a substantial and meaningful response.

Recent public opinion polls demonstrate that the majority of Americans recognize the severity of the child care crisis and its implications for our Nation's work force and economic well-being. A poll released earlier this year indicated 71 percent of those surveyed supported increased Government resources for child care programs. The child care crisis is a problem which cannot be resolved without additional Federal assistance. The Federal Government cannot and should not bear the burden alone. But it can and should play a major role in helping make sure adequate and affordable child care is available for families struggling to stay in the work force and off the welfare rolls.

It is imperative, however, that we succeed in keeping the Federal deficit down so that we can invest the necessary resources in the well-being of children and families. Our Nation must continue to address pressing new social problems. But to do so, we must get our national budget problems resolved, and our national priorities in order. I am committed to major deficit reduction efforts so that our Nation can meet the challenges in child care, education, housing, transportation, and other critical areas that face us in the years to come.

CONCLUSION

Mr. President, there is hardly a community in this country which has not experienced a crisis in the area of child care over the past few years. Throughout the country, there are long waiting lists for admission to existing child care programs. Countless parents are forced to make-do with unsatisfactory child care arrangements so that they can continue to work to support their families.

Over the past several months, I have made a series of statements which have appeared in the CONGRESSIONAL RECORD highlighting some of the aspects of the child care crisis. Those statements appeared on June 24 (S8620), July 1 (S9246), July 10 (S9765), July 28 (S10795), and October 15 (S14423). Among those statements, I discussed two incidents which underscore in the most dramatic way the need to provide adequate child care services. The first tragedy involved the death of two young boys in Florida. These two Miami brothers—3 and 4 years of age—were left alone while their mother was at work. The makeshift child care arrangements utilized while the boys were on a waiting list for admission to a subsidized child care program had fallen through. The boys, left alone, crawled into a clothes dryer which somehow turned on. The two had been on the waiting list for over a year along with some 6,000 other Florida youngsters.

More recently, two unattended children died in a fire in Reston, VA. The stories were remarkably similar: A working mother trying to stay off welfare, small children too young to care for themselves, waiting lists for affordable care, tragedy. If we fail to address the child care crisis in America, we run the risk of witnessing more tragedies like these. Our failure to act clearly places in jeopardy the lives of the children who are our Nation's greatest resource.

Mr. President, I believe that the measure being introduced today addresses the ever-growing need in this country for a comprehensive, coordinated approach to child care. There is simply no question that the demand and need for child care will continue to grow. If we take steps today to design an efficient and cost-effective mechanism for meeting those needs, the ultimate savings will far outweigh the short-term expenditure.

Indeed, child care itself is both a short-term and a long-term investment in the future. Short-term expenditures may be almost immediately offset by increased tax revenues derived from parent earnings and reductions in governmental subsistence and other expenditures necessitated by the effects of lack of adequate child care arrangements. Some longer term social costs, such as juvenile vandalism, delinquency, and child abuse and neglect, may also be reduced by prudent and cost-effective investments in child care today.

Mr. President, I applaud the many individuals and organizations that have provided their insights, guidance, and encouragement in the development and formulation of this legislation. I look forward to working with my colleagues and interested individuals and organizations to see that this comprehensive child care initiative, so sorely needed, is enacted into law.

There being no objection, the list mentioned earlier was ordered to be printed in the RECORD, as follows:

ABC MEMBERS

American Academy of Child and Adolescent Psychiatry.

American Academy of Pediatrics.

American Association for Marriage and Family Therapy.

American Association of Psychiatric Services for Children.

American Association of University Women.

Americans for Democratic Action.

American Federation of State, County, and Municipal Employees, AFL-CIO.

American Federation of Teachers, AFL-CIO.

American Home Economics Association.

American Jewish Committee.

American Psychological Association.

American Public Welfare Association.

Association of Junior Leagues, Inc.

Bakery, Confectionery, and Tobacco Workers International Union.

B'nai B'rith Women, Inc.

Camp Fire, Inc.

CATALYST.

Catholic Charities, USA.

Center for Law and Social Policy.

Child Care Action Campaign.

Child Care Employees' Project.

Child Care Nutrition Program Sponsors' Forum.

Child Welfare League of America.

Children's Defense Fund.

Christian Children's Fund, Inc.

Church of the Brethren.

Church Women United.

Coalition of Labor Union Women.

Communication Workers of America, AFL-CIO.

Council for Early Childhood Professional Recognition.

Family Resource Coalition.

Food Research Action Center.

General Board of Church and Society of the United Methodist Church.

Girls Clubs of America, Inc.

High/Scope Educational Research Foundation.

International Ladies Garment Workers' Union.

Lutheran Office for Government Affairs.

Mexican American Women's National Association.

NA'AMAT USA.

National Association of Child Care Resource and Referral Agencies (NACCRRA).

National Association for Family Day Care.

National Association for the Education of Young Children.

National Association of Commissions for Women.

National Association of Community Action Agencies.

National Association of Early Childhood Specialists in State Departments of Education.

National Association of Elementary School Principals.

National Association of Hospital Affiliated Child Care Programs.

National Association of School Psychologists.

National Association of Working Women—9 to 5.

National Black Child Development Institute, Inc.

National Center for Clinical Infant Programs.

National Child Abuse Coalition.

National Coalition for Campus Child Care, Inc.

National Committee for the Prevention of Child Abuse.

National Congress of Parents and Teachers.

National Council of Catholic Women.

National Council of Jewish Women.

National Council of La Raza.

National Council of Negro Women.

National Council of the Churches of Christ, Child Advocacy Project.

National Council on Family Relations.

National Education Association.

National Federation of Business and Professional Women's Clubs, Inc.

National Head Start Association.

National Jewish Community Relations Advisory Council.

National Network of Runaway and Youth Services.

National Puerto Rican Forum.

National Women's Law Center.

NOW Legal Defense and Education Fund.

Presbyterian Church (USA).

Save the Children.

Service Employees International Union, AFL-CIO.

Southern Association on Children Under Six.

The Children's Foundation.

United Church Board for Homeland Ministries.

United Church of Christ Coordination Center for Women's Issues.

United Church of Christ, Office for Church in Society.

United Food and Commercial Workers Union.

United Way of America.

Women's Equity Action League.

Women's Legal Defense Fund.

YMCA of the USA.

YWCA of the USA, National Board.

Mr. HOLLINGS. Mr. President, I rise to join Senators DODD, CRANSTON, and CHAFEE in introducing landmark national child care legislation, the Act for Better Child Care Services.

Once again we find ourselves responding to a crisis situation. The child care crisis, however, confronts us with a special challenge, because it is not simply about trade imbalances or budget deficits or military hardware. It is about something much more important. It is about our Nation's children. It is about a generation of children at risk.

Indeed, day care in America is not just a national crisis, it is a national disgrace. In many communities, the demand for infant care exceeds the available supply by three to one—or worse. For lack of alternatives, millions of parents leave their children in day care situations they realize are less than satisfactory, if not dangerous. Millions of low-income parents—especially single parents—face the terrible choice of placing their children in potentially harmful situations or forgoing employment or training opportunities because they cannot afford child care. Employers pay a price, too, in the coin of absenteeism and reduced productivity of workers who are distracted by child care problems.

Mr. President, the Act for Better Child Care Services tackles these problems head on. After 16 years of inadequate, piecemeal legislative palliatives and salves, we are at last introducing a comprehensive bill that addresses all the major facets of the day care crisis. It brings the Federal Government into a more active child care partnership with the States and the private sector. Its objectives are to make child care more affordable; to increase the availability of child care to all families; and to improve the quality and safety of child care.

Specifically, the Act for Better Child Care Services will provide funds and incentives to encourage States to broaden the number and varieties of child care services. It will subsidize services for low-income families. And it will provide funding to help States improve standards and enforcement, training and technical assistance.

Once again, the American people are way out in front of Congress in their support for child care legislation—and in their willingness to foot the bill for solutions. An ABC-Washington Post poll this year determined that 57 percent of Americans believe child care programs should be increased; that compares to 44 percent the year before. A recent Harris poll found that 73 percent of Americans would be willing to increase their taxes to pay for improved child care.

There are many reasons for this groundswell of public support. All have their roots in the rapidly changing demographics of the last 15 to 20 years. Today, half of all married mothers with infants younger than 1 year old also hold down jobs; this is a 108-percent increase since 1970. By 1995, two-thirds of all preschool children will have working mothers.

Of course, it would be wonderful if all mothers had the option of staying at home with their young children. The facts of life, however, are that some 70 percent of employed mothers work not as a matter of choice but as a matter of pressing economic need. Even so, the average income of two-parent families with children actually declined 3.1 percent between 1973 and 1984.

Meanwhile, the typical cost of full-time child care in our major metropolitan areas is $3,000 per year for each child. That equals one-third the annual poverty-level income for a family of three. No wonder studies show that lack of affordable child care is a key reason why many parents don't work or can work only part time.

I could go on citing statistics galore. There are countless excellent economic arguments in favor of national day care legislation. They all pale, however, in light of the one all-important consideration: the needs of our children. Our first questions must be: What is best for the children? What is the minimum that we as a society owe to our children?

Mr. President, surely the minimum standard must begin with day care services in which the children of working parents are safe, healthy, and well-nourished. In addition, we must consider the nurturing and developmental dimensions of quality child care. After all, day care centers need not be limited to the role of babysitters or warehouses. They can and should provide kids with the foundation they need to build toward success in school. Indeed, in many instances, day care centers are equipped to give children the kind of enriched developmental atmosphere that not all mothers and fathers are able to provide.

These educational opportunities are inherently worthwhile. They contribute to richer, more productive, more satisfying lives. But—for the more literal minded—we can also quantify the payoffs; we can attach dollar figures. According to a staff report of the House Select Committee on Children, Youth, and Families, $1 invested in preschool education returns $4.75 in savings because of lower special education and welfare costs, and higher worker productivity.

Just this month, the results of a landmark 10-year study by Syracuse University were published. Echoing earlier studies, the Syracuse team found that low-income children who received intensive day care and family services during their first 5 years had sharply lower delinquency rates, higher levels of self-esteem, and better school performance in adolescence than a similar group of children who received no services.

For example, children of low-income parents who participated in the Syracuse study had a 6-percent rate of juvenile delinquency compared to a 22-

percent rate for children in a control group. Over time, court and detention costs were $12,000 for the program group compared with $107,000 for the control group.

Mr. President, despite the overwhelming and urgent need for child care legislation, it is inevitable that there will be concern about the $2.5 billion price tag. Certainly, this is a legitimate concern.

The Federal Government is in the midst of a budget crisis—a budget crisis that will demand austerity for years to come. But this does not mean turning a deaf ear and a blind eye to new ideas. It does mean being rigorous and tough minded in setting national priorities. Surely, by any sane and reasonable calculation, our children must come first. We must not cheat our children.

Mr. President, I salute the efforts of my fellow cosponsors of the Act for Better Child Care Services—especially Senator DODD, who has championed day care legislation in committee, and Senator CRANSTON, who for years has been the foremost advocate of child care issues in Congress. I can think of few legislative initiatives I have been more proud to be associated with.

The Act for Better Child Care Services is an idea whose time has come—whose time is long overdue. I look forward to working hard to pass this authorizing legislation on the Senate floor. And I intend to lead the campaign to win funding for the bill in the fiscal year 1989 budget.

Mr. PELL. Mr. President, I speak today in support of an important and historic piece of legislation, the Act for Better Child Care Services of 1987, better known as the ABC bill. This legislation represents the first major Federal effort to provide for comprehensive child care services, and I am more than pleased to be an original cosponsor of it. The Act for Better Child Care Services creates a Federal structure and provides for funding to meet the widespread and pressing need for affordable, quality child care in our Nation. I commend my distinguished colleague and chairman of the Subcommittee on Children, Families, Drugs and Alcoholism for his foresight and leadership in introducing this legislation.

Mr. President, as Members of Congress we have an obligation to recognize that the rapidly changing demographics of the work force are affecting and will continue to affect children and families in this country. The statistics amply illustrate the extraordinary challenges facing families today. Fully half of the women in this country with children under the age of 3 years are currently in the labor force. Seventy percent of mothers with school-age children are employed or seeking employment. If current trends continue, and there is no reason to doubt that they will, by 1995 three out of every four school-age children and two out of three preschool children will have mothers in the labor force. The era of the traditional American family is over, and I believe that we have an obligation not only to recognize this fact, but to move swiftly to ensure that the institution of family remains strong and solid. The ABC bill will be a significant step in that direction.

The bill is straightforward in its objectives. It will increase the availability of child care for working parents. It will make child care more affordable to the growing number of families who depend on it. Probably most important of all, it will ensure that the newly established as well as the existing child care facilities are quality environments. The provisions of the bill call for funds to be allocated for several purposes: To increase the availability of quality facilities; to subsidize services for low-income families; and to put in to place mechanisms to improve standards, training, and technical assistance, and resource and referral programs.

Mr. President, the ABC bill will obviously make it easier for the modern American family not only to exist but to grow stronger. The importance of the ABC bill cannot be overstated. This most critical legislation is eminently worthy of positive consideration, and I urge my colleagues to join the distinguished Senator from Connecticut, Mr. DODD, in his outstanding efforts on behalf of children and their families.

Mr. MATSUNAGA. Mr. President, as an original cosponsor of the Act for Better Child Care Services of 1987, I rise to urge my colleagues to support this essential initiative and to move child care to a priority position on the public policy agenda.

It has been over 15 years since Congress seriously considered a major piece of legislation addressing the availability, affordability, and quality of child care. It was in 1971, that President Nixon vetoed the Mondale/Brademas antipoverty bill which included a $2 billion program to provide educational, nutritional, and health services for preschool children. Since that time, proposals to create a comprehensive Federal Child Care Program have been introduced but have never reached the floor of either Chamber.

We cannot continue to ignore the needs of our youngest segment of our population and their families, despite our concerns about establishing new Federal programs. The gap between the demand for child care and the supply of quality care is growing. The number of women, many of them single parents, returning to the work force while their babies are less than a year old has increased by 95 percent between 1970 and 1986. As of March 1987, 52 percent of mothers with infants of this age were in the work force. In 1986, 60 percent of mothers whose youngest child was 3 to 5 years old were employed—up from 45 percent a decade earlier.

Economic survival is the driving force behind these working mothers. Two-thirds of women in the labor force with preschool children are either the family's sole wage earner or are supplementing a family income of $15,000 or less. This situation is particularly acute in Hawaii, where the cost of living is much higher than the national average—62 percent of families in my State of Hawaii are comprised of two or more workers—the highest percentage in the Nation. We are fourth in the Nation with regard to the percentage of women in the work force which is now 59 percent.

Many parents have difficulty finding child care providers. On our most populous island of Oahu, there are fewer than 500 licensed spaces available for the approximately 9,300 infants, up to 2 years old, who need care. Those who do find a provider often have difficulty maintaining adequate arrangements. Turnover of staff in child care centers averages 42 percent a year, and the rate is even higher among family day care providers.

Furthermore, no Federal guidelines exist to assist States in providing adequate protection for children in child care settings. Some State child care standards are so minimal that children's health and safety are threatened. It is estimated that 75 to 90 percent of family child care, one of the most popular and available options, remains unlicensed and unregistered.

While some Federal programs subsidize families' child care costs, these funds have either been frozen at current levels or have decreased over the past 6 years, despite increased need. The largest source of direct Federal support for State child care programs is title XX of the Social Security Act. Child care is one of many social services supported by title XX. Parents with incomes below a State-established level can qualify for title XX-subsidized child care. However, with inflation factored in, 35 States spent less title XX funds for child care services in 1985 than in 1981 when services under title XX were folded into a block grant, according to the children's defense fund. As a member of the Finance Committee, I should indicate that in recent committee action on the budget reconciliation bill, title XX funding was increased by $100 million for fiscal year 1988.

In 1976, Congress enacted a child care tax credit. Indirect funding of this tax credit provides the most extensive Government support for child care. Under current law, families may claim up to $2,400 for the cost of care for one child and $4,800 for two or more children. The deduction is based on a percentage of that claim, according to the taxpayer's income. Credits range from $720 for one child for parents with income below $10,000—30 percent of expenses—to $480 for parents with income above $28,000—20 percent of expenses. For two or more children, credits range from $1,440 to $960.

The Tax Code also includes 1981 provisions designed to stimulate employer-assisted child care.

There are several other Federal programs which channel funds to States for child care. The dependent care block grant assists States in establishing community-based information and referral services on available child care, and in establishing before- and after-school child care facilities for latch-key children. The Child Care Food Program provides funds to States to initiate, maintain, and expand food service programs, including meals and snacks, for children in public or private child care. Head Start is an early childhood development program for needy children ages 3 to 5 which offers a range of educational, social, medical, and nutritional services. Under the Aid to Families with Dependent Children [AFDC] Program, a family can deduct the amount it has paid to a child care provider—up to a maximum of $160 per month per child—from its income when AFDC benefits are calculated. In addition, several of the AFDC employment programs subsidize participants' child care expenses.

The legislation that is being introduced today would provide much-needed new funds to make child care more affordable for low- and moderate-income families. It would also increase the accessibility and supply of quality child care for all families and coordinate the patchwork of child care resources; $2.5 billion would be authorized for fiscal year 1989.

A 20-percent State matching fund would be required and States would be required to supplement, not replace, existing Federal child care funds. The act for better child care targets assistance by specifying that 75 percent of a State's allotment would be reserved to help purchase child care for families earning up to 115 percent of a State's median income, adjusted for family size. These subsidies would certainly complement welfare reform efforts, enabling AFDC recipients to be able to take full advantage of education, training, and jobs.

An important goal of this bill is to improve the quality of child care. The act for better child care would provide funding for States to improve child care standards and enforcement of those standards. It would make funds available for States to offer training and technical assistance to child care providers.

Mr. President, an impressive coalition of about 100 national groups including children's advocates, labor unions, and religious organizations have been working assiduously with Senator DODD, Senator CRANSTON, other original cosponsors and their staffs in crafting this legislation. The importance of a united, comprehensive effort was recognized by all.

I hope the picture I sketched is not overly grim, for progress is being made incrementally. On October 28, 1987, the General Services Administration [GSA] announced the appointment of the first high-level Federal official responsible for creating more child care facilities at Government agencies. GSA will assist agencies in surveying employees about their child care needs and in starting centers. Currently, 12 child care centers exist in GSA-controlled buildings nationwide, including 7 in the Washington, DC, area.

Close to home, the Senate Employees' Child Care Center [SECCC] opened its doors on February 27, 1984. This nonprofit child development facility on Senate grounds reflects the achievement of many Senate employees, Senators, and Senators' wives. Nearly 50 children from 18 months to kindergarten age now attend the center which primarily serves parents working in the Senate or Senator's offices. The House of Representatives has followed suit and has recently set up a child care center.

In the State of Hawaii, the idea of employers providing child care is catching on, albeit slowly. Onsite employer-provided child care is now available for about 400 children ages 2 to 5. The city and county of Honolulu, Kuakini Medical Center, Maui Land & Pineapple Co., and the University of Hawaii-Monoa are the major employers who offer such services.

Mr. President, left to itself, this situation of a growing demand for affordable, quality child care, coupled with its inadequate supply, can only hurt our most precious resource—our children. We must invest in our future now. I strongly urge my colleagues to support and cosponsor the Act for Better Child Care.

Mr. HARKIN. Mr. President, I am pleased to join my colleagues today in introduction of the Act for Better Child Care. Access to quality child care for our Nation's families is an issue that demands our immediate attention and I commend our colleague from Connecticut for his leadership in introduction of this legislation.

The need for quality day care in the United States is of increasing importance as more parents enter the work force. Married women with children under the age of 6 are the fastest growing segment of the American labor force. Between 1973 and 1985 the number of mothers in the United States rose by more than 50 percent. Today, close to 70 percent of all mothers with school-age children work outside the home. And yet, the United States lags far behind other developed countries in the provision of child care.

Mothers are entering the work force out of economic necessity. They are single, widowed, divorced, or separated, or have husbands whose incomes are less than $15,000 a year. The number of single parent households is increasing and women are bearing much of the financial responsibility for their families and children. In 1984, more than 6 million families with children were maintained by the mother alone.

Although these women's wages are critical to the support of their families, they often are not enough to pay for quality child care. Out-of-home care can range from $1,500 to $10,000 per year. Infant care can cost an average of $450 per month.

The major problems for those seeking day care has been lack of available care, finding quality care and quality day care teachers, and finding affordable care.

And these problems affect us all. They prevent many women who would like to work to support their families from working. An Ohio study found that $2,000 a year spent per parent by the State for full-time child care to promote self-sufficiency, saved $6,000 a year in public assistance to meet basic needs.

The shortage of affordable child care affects the Nation's business productivity and absentee rates. A recent Fortune magazine survey of parents with children under age 12 found dissatisfaction with child care to be the most reliable predictor of absenteeism and low productivity. Another study in Maine reported that one or more of the adults in nearly 25 percent of all households with young children was forced to quit work, was unable to find work, or to continue with their education due to the unavailability of child care.

In my home State of Iowa, the need for day care centers in rural areas and small towns is particularly great. The idea that rural women can rely on an extended family for their day care needs is a myth. Once they find it, affording it is the other problem. Iowa parents spent an estimated $150 million a year on child care. A survey of day care providers found weekly costs running from $40 to $90 a week, with infant care the most expensive. And as in other areas of the United States, low wages, high staff turnovers and a critical shortage of qualified child care workers threaten the ability of day-care centers to offer stable, high-quality programs for our youngsters.

This bill will help Americans in three meaningful ways—it will increase the availability of child care, ensure quality day care programs, and make child care more affordable for all sectors of society.

To increase the availability of child care, the act will provide funds to encourage States to broaden the number and variety of child care services.

To help make child care more affordable, the act, will provide new funds to subsidize services for low-income families.

To ensure quality care, the act will provide funding to allow States to improve standards and enforcement mechanisms, training and technical assistance, and provide resource and referral programs.

As chairman of the Subcommittee on the Handicapped, I am also pleased that the bill recognizes the higher costs of caring for handicapped children and children with special needs, and that this is reflected by requiring higher rates of reimbursement for these children's care. It encourages improved childhood development opportunities for handicapped children.

I believe that we must begin to take a more critical look at what our country is doing for our young people. We cannot ignore this formulative time in their development. Access to affordable, quality child care is important for families and it's good for business. I believe this bill is a positive step in the right direction, and I hope my colleagues will join us in its support.

Mr. MITCHELL. Mr. President, I am pleased to join my colleagues today to introduce the Act for Better Child Care Services.

The world today is far different from the world in which we grew up. Today, nearly 1 out of every 4 children lives with a single parent. Nearly 1 out of every 5 children lives in poverty. For minority families, the situation is far more problematic. Nearly 1 out of every 2 children lives both with a single parent and in poverty.

The poverty rate for children has escalated from 14.9 percent in 1970 to over 20 percent in 1986. While children comprise about 26 percent of the U.S. population, as a group they comprise 40 percent of the poverty population. Despite the rise in poverty, more children have mothers in the work force today than ever before. While in 1950 only 18 percent of mothers were in the labor force, today over 60 percent of mothers work outside the home.

How can it be that we have more parents working and at the same time have more children in poverty?

Unfortunately, there is no single answer. In many two-parent families, both parents are forced to work out of economic necessity. In single-parent families, the choice is between finding and maintaining a job or welfare.

Future estimates by the Census Bureau indicate that the proportion of children under 6 with working mothers is expected to reach two-thirds by 1995. For school-age children, two-thirds of whom currently have mothers in the labor force, the number is expected to rise to over three-fourths in the next 10 years.

Yet, despite the increasing number of parents in the work force, the number of child care homes and facilities pales in comparison. In 1986, a survey of each State's licensing office indicated a total supply of 62,989 child care centers, with a total capacity of about 2.1 million children; 165,276 family day care homes with a total capacity of 434,603 children. What this indicates is that there are roughly 2.5 million child care slots in licensed facilities throughout the Nation and some 36.2 million children with either both or their sole parent working—10.5 million children under age 6.

The bill we are introducing today helps close the gap between poverty and employment. It is not the sole answer to prevent poverty, or to guarantee employment, but it will aid in alleviating one of the greatest burdens most families face—finding and maintaining quality affordable child care.

For most families today, child care is almost as expensive as housing, and for an increasing number of families, the amount of money spent on child care actually exceeds the amount of money spent on housing.

In August, I sent a survey to 220 child care providers throughout Maine. Based on the responses to that survey, the average cost of child care in Maine, per month per child is $289—$3,468 per year. In the Portland area alone, the average cost of child care per month per child is $372—$4,473 per year. While nearly all the facilities that have some subsidy available—either Federal, State, local, or some other source—are operating at capacity, only 57 percent of those facilities not offering any kind of subsidy are at capacity. And, interestingly enough, of the half-day-only facilities responding to the survey, only one-third were operating at capacity.

The relative income in Maine is low, and yet I don't believe that the average cost of child care in Maine is any higher than that in other States. What is clear is that there is a shortage of affordable child care; and, that part-time child care does not meet the need of many families.

Based on the Maine survey, which I conducted, and other surveys conducted by the children's defense fund, the evidence is overwhelmingly clear—there is a real need for substantially more child care facilities, with affordable rates, offering full-time care in Maine and throughout the country.

The Act for Better Child Care will increase the availability of child care by encouraging States to increase the number and variety of child care services. The act will help make child care more affordable by providing $2.5 billion in new funds to subsidize services for low- and moderate-income families.

To ensure quality care, the act will provide funding to allow States to improve training and technical assistance, to set child care standards and enforcement mechanisms, and to provide resource and referral programs.

At this point, there is no coordinated Federal system governing the provision of child care services in the United States. The limited Federal funding that is available for day care is funneled through a variety of programs, most of which fund other services.

The largest subsidy for child care is the child and dependent care tax credit. The estimated revenue loss for 1985 was $3.1 billion for 8.4 million claims. However, only a third of that revenue loss was associated with low- and moderate-income families. In fact, since the credit is not refundable, millions of families cannot take advantage of the tax credit for they have no tax liability. Under the act we are introducing today, low- and moderate-income families would be targeted for assistance.

The Social Services Block Grant Program, the largest direct source of Federal funds for child care, has been largely ineffective in providing child care for low-income families. If adjusted for inflation, the title XX SSBG has been reduced 28 percent from its 1981 funding level. As a result, half the States are now serving fewer children than they did in 1981—although the percentage of children living in poverty is now higher.

The Act for Better Child Care would authorize $2.5 billion in fiscal year 1989 and "such sums as necessary" in future years to coordinate child care at the Federal level by setting standards and subsidizing costs. The funds would be allocated to the States with the stipulation that States provide a 20-percent match for the Federal amounts allocated.

The funds would be distributed by contracts, grants or through child care certificates for use at certified child care centers—that will be established under the law, child care standards to be developed by the Child Care Commission created under the act.

Two basic facts are generally recognized about the importance of child care. The first is that child care assistance is essential if low- and moderate-income mothers are to participate in the work force. And, the second fact is that high-quality child care can help provide children with the foundation needed to do well in school and become productive adults.

Undeniably, there is a cost to this legislation. Many might ask how can we afford such a new Federal initiative at a time when deficit reductions are underway.

The answer is simply that we cannot afford not to provide funds for child care. Without child care funds, there is strong reason to believe that the welfare rolls will continue to escalate. People who can't afford the cost of child care, cannot work or seek employment.

A parent earning slightly above the minimum wage, cannot afford the cost of child care. The recent decline in jobs in the manufacturing sector and the increase in jobs in the service sector, have left numerous families earning less funds with fewer or no benefits. With Federal child care assistance, these families would have much needed flexibility to purchase other items of considerable expense such as health care insurance.

While public policymakers at one point held great faith in the private sector providing child care through company employee benefit plans, there is little indication that the private sector will ever address the issue in the comprehensive manner necessary. In 1986, about 3,000 employers out of a total 6 million provided employees with child care assistance.

Therefore, without Federal funds and guidance to provide standards for child care licensing, we jeopardize the employment of those parents who do have jobs and the safety of children who may find that they are caring for themselves.

Under the current formula as drafted in the act, Maine would receive $11.5 million in Federal funds for child care. With the State 20 percent match of $2.87 million, Maine would have $14.37 million for child care assistance. Other States would have more or less depending on the State's population, poverty statistics, and per capita income.

In the context of Federal spending, the $2.5 billion under the act is really an investment in both today's adults and the adults of tomorrow. By assisting with the cost of child care, we are giving parents the flexibility to seek and maintain employment, and increase their earnings potential. The flexibility is likely to increase revenues coming into the Government from increased earnings.

The ability to find and pay for child care is an issue with which millions of families at every income level struggle and which millions more will have to face in the future. The issue will not be resolved by private sector generosity, nor will it be wished away.

Enacting the Act for Better Child Care would be one of the first steps toward ensuring that our children will be prepared to lead us into tomorrow.

I urge my colleagues to examine the legislation and promptly act upon it.

Mr. RIEGLE. Mr. President, I am pleased to join my colleagues today as an original cosponsor of S. 1885, the "Act for Better Child Care Services." This is the most comprehensive proposal to address the lack of child care resources in the United States in over a decade.

This measure provides a long overdue program to provide states with funding to expand and improve child care options available to working families. America must be in the best position to care for its children, our nation's most precious resource.

I would like to stress the comprehensive nature of this proposed program. In the first year, the bill authorizes $2.5 billion of Federal funds with a requirement that States receiving the funds provide a 20-percent match. The funds are used to provide for two major categories of improvements: The first is to help low-income families pay for child care while the second is to improve the quality of child care for all families.

Given the overriding need to bring the Federal budget into balance, it will be necessary to readjust our current budget priorities and place the care and education of our children in the position they deserve. We cannot allow America to continue to lag behind virtually every other industrialized nation in developing a comprehensive child care system.

In 1971, Congress passed a $2 billion child care bill. But it was vetoed by President Nixon, resulting in the past 16 years of neglect. Such a bill was needed then, and it is even more needed today.

Half of all mothers of infants under 1 year of age are now in the work force, a 108 percent increase since 1970. The growing ranks of families with a single or two working parents often search in vain for a place their children can thrive until the family is reunited. What these parents discover is that care for their children is hard to find, difficult to afford and often of disappointingly poor quality. Mr. President, this country has lost track of its priorities when it comes to our children, our families and our working mothers and fathers.

Government policy must catch up with changes in the work place. Today, more than 60 percent of mothers with children under 14 are working. Many have difficulty making ends meet. The trend is toward more mothers pouring into the workplace, with one estimate that in 10 years the number of children under age 6 who need supervision will grow by 50 percent. Meanwhile, today's facilities are already inadequate. Mr. President, this problem is reaching crisis proportions.

Our families face heart wrenching decisions when they cannot gain access to safe haven care for their children, either because they cannot afford child care or cannot find the quality care they seek with their limited resources. The bill introduced today addresses those concerns. Seventy percent of the funds are earmarked to help families who earn up to 115 percent of their State's median income to pay for child care. States are required to set up sliding fee scales so that families gradually pay more for their child care services as their income increases. Another 10 percent of the subsidy funds are earmarked for a States to augment existing programs, such as Head Start and preschool programs. Remaining funds may be used for administration and a variety of quality improvements, including a resource and referral program. Under the proposed allocation formula, a State like Michigan would be allocated $71.7 million for child care programs in the first year.

Over the past years, I have been working to make child care a top legislative priority and to focus attention on this critical need across the Nation. In 1984, I crafted legislation which created a grant program for latchkey children. Congress, recognizing the success of that program, voted to significantly increase its funding for fiscal year 1988. The act for better care would build on that success by providing additional resources to provide before and after school child care programs.

One approach to stretching our Federal budget dollar is to involve American business to fill the gap in child care resources. I have introduced legislation which would bring businesses into a public-private partnership. My bill encourages businesses to join with government to expand child care services by sharing the expense. Involving the private sector is an important step in developing innovative child care programs. In an age of tight budgets, we must look to such novel approaches to find the resources necessary to truly provide for our children.

Many employers are beginning to realize that the availability of child care not only helps workers, but has returns for the employer as well. It can improve productivity, retention, and recruitment. Without adequate child care, employees understandably may miss work or be distracted on the job. It improves the quality of employees work as well as their lives and the lives of their children.

One concern I have about S. 1885 relates to the funding formula. Michigan may not receive its full share of Federal funds. As this bill moves through the legislative process, this is an area I will examine very carefully in an effort to assure that funds are allocated on an equitable basis.

This bill we are introducing today is backed by a broad consensus of major national organizations. The bill was developed in conjunction with an Alliance for Better Child Care [ABC], which is comprised of nearly 90 national organizations who seek to promote a comprehensive child care policy.

This legislation is destined to become the most significant national effort of this decade to address a massive unmet need. For all of the reasons that child care is a wise investment of government resources, with important benefits to the work force, families and children who receive care, this bill deserves strong support. Providing for our children today is an investment in America's future.

I ask my colleagues to join in cosponsoring this urgently needed legislation.

By Mr. DECONCINI:

S.J. Res. 222. Joint resolution to designate the period commencing on May 1, 1988, and ending on May 7, 1988, as "National Older Americans Abuse Prevention Week;" to the Committee on the Judiciary.

NATIONAL OLDER AMERICANS ABUSE PREVENTION WEEK

● Mr. DECONCINI. Mr. President, today I am introducing a joint resolution designating May 1-7, 1988, as "National Older Americans Abuse Prevention Week." This is the second year I have introduced such legislation and I hope that my distinguished colleagues will join me once again in this important effort.

Mr. President, although many agencies and organizations serving our older Americans have made notable contributions in improving the lives of our senior population over the past few years—by revamping rules and regulations, pin-pointing issues, disseminating information and increasing public awareness—abuse of the elderly is still on the increase and greatly misunderstood. Further, recognition of elder abuse as a social problem and the identification of abuse victims have been difficult problems to overcome.

Data generated to date clearly show that the problem is just beginning to be understood. According to a 1987 report published by the American Medical Association, one in every 25 Americans age 65 or older—approximately 1.1 million individuals—suffer from moderate or severe abuse. This represents an increase of 100,000 cases a year since 1981.

Mr. President, it is unfortunate that despite the increasing incidence of elder abuse, many people still don't believe that such abuse occurs. Further, the term "elder abuse" covers a wide variety of behaviors, conditions and circumstances. Because a formal definition has not been developed, elder abuse is potentially more dangerous than child abuse and requires immediate public attention. The most conservative estimate is that over 500,000 older Americans are victims of physical abuse. The American Public Welfare Association argues that the number of elder abuse cases should include psychological abuse and a variety of neglectful treatments. If we utilize what I believe is a more proper definition of the problem, the number of abused elder Americans approaches 2.5 million, or nearly 1 out of every 10 older Americans.

Mr. President, it is indeed appropriate that this national week of recognition of the elder abuse problem fall within the month of May as that month has traditionally been designated "Older Americans Month." It is also important that the first week of May be designated "National Older Americans Abuse Prevention Week" in order to underscore the magnitude of this tragedy. Our elders have contributed so much to our individual lives and society as a whole, and they deserve to live out their declining years with dignity and without fear and needless suffering.

As I have previously stated, Members of Congress have an opportunity to assist the many individuals, organizations and agencies that are striving to rid this great Nation of our elder abuse epidemic and to assist the victims as well. We can help focus public attention on the goals and objectives of these agencies and improve the general welfare of our elders.

The declaration of May 1-7, 1988, as "National Older Americans Abuse Prevention Week" is one way in which we in Congress can help increase public awareness of this national problems. There is help available in communities throughout the Nation, but we need to get that message out to the abused as well as the abuser. Therefore, I urge my colleagues to join me in this effort to designate May 1-7, 1988, as "National Older Americans Abuse Prevention Week."

Mr. President, I ask unanimous consent that the text of this resolution be printed at this point in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 222

Whereas each year an estimated 550,000 to 2.5 million elders are the victims of physical and emotional abuse, neglect, and denial of fundamental civil rights;

Whereas these elders represent every racial, religious and socio-economic class;

Whereas the suffering of these elders poses a threat to our families and to our society as a whole;

Whereas in most instances this neglect and abuse stems from the lack of information on intervention and prevention;

Whereas the health and well-being of our elders is, and must be, one of our Nation's highest priorities;

Whereas May, 1988, has traditionally been designated as "Older Americans Month", and provides the ideal opportunity for the people of the United States to become educated and aware of the welfare of the elderly; and

Whereas it is appropriate to focus the attention of the Nation upon the problem of elderly abuse: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the period commencing on May 1, 1988, and ending on May 7, 1988, is designated as "National Older Americans Abuse Prevention Week", and the President is authorized and requested to issue a proclamation calling upon all Government agencies and the people of the United States to observe such period with appropriate programs, ceremonies, and activities.●

ADDITIONAL COSPONSORS

S. 332

At the request of Mr. DECONCINI, the name of the Senator from Hawaii [Mr. MATSUNAGA] was added as a cosponsor of S. 332, a bill to provide for a General Accounting Office investigation and report on conditions of displaced Salvadorans, to provide certain rules of the House of Representatives and of the Senate with respect to review of the report, to provide for the temporary stay of detention and deportation of certain Salvadorans, and for other purposes.

S. 373

At the request of Mr. KENNEDY, his name, and the names of the Senator from Washington [Mr. ADAMS], the Senator from Iowa [Mr. HARKIN], and the Senator from Mississippi [Mr. COCHRAN] were added as cosponsors of S. 373, a bill to reauthorize the program of finance assistance to meet special educational needs of disadvantaged children, and to reauthorize chapter 2 of the Education Consolidation and Improvement Act of 1981, through fiscal year 1993.

At the request of Mr. PELL, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 373, supra.

S. 450

At the request of Mr. ARMSTRONG, the name of the Senator from Alabama [Mr. SHELBY] was added as a cosponsor of S. 450, a bill to recognize the organization known as the National Mining Hall of Fame and Museum.

S. 794

At the request of Mr. METZENBAUM, the names of the Senator from Montana [Mr. MELCHER] and the Senator from South Dakota [Mr. DASCHLE] were added as cosponsors of S. 794, a bill to amend chapter 13 of title 18, United States Code, to impose criminal penalties and provide a civil action for damage to religious property and for injury to persons in the free execise of religious beliefs.

S. 824

At the request of Mr. LEAHY, the names of the Senator from California [Mr. CRANSTON] and the Senator from Alaska [Mr. MURKOWSKI] were added as cosponsors of S. 824, a bill to establish clearly a Federal right of action by aliens and U.S. citizens against persons engaging in torture or extrajudicial killing, and for other purposes.

S. 889

At the request of Mr. GORE, the name of the Senator from South Dakota [Mr. PRESSLER] was added as a cosponsor of S. 889, a bill to amend the Communications Act of 1934 to provide for fair marketing practices for certain encrypted satellite communications.

S. 1188

At the request of Mr. SYMMS, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 1188, a bill to amend the Internal Revenue Code of 1986 to allow certain associations of football coaches to have a qualified pension plan which includes cash or deferred arrangement.

S. 1220

At the request of Mr. KENNEDY, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1220, a bill to amend the Public Health Service Act to provide for a comprehensive program of education, information, risk reduction, training, prevention, treatment, care, and research concerning acquired immunodeficiency syndrome.

S. 1240

At the request of Mr. SANFORD, his name was withdrawn as a cosponsor of S. 1240, a bill to amend title XVIII of the Social Security Act to provide coverage for certain preventive care items and services under part B and to provide a discount in premiums under such part for certain individuals certified as maintaining healthy lifestyle.

S. 1389

At the request of Mr. MITCHELL, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of S. 1389, a bill to amend the National Fish and Wildlife Foundation Establishment Act with respect to management requisition, and disposition of real property, reauthorization, and participation of foreign governments.

S. 1489

At the request of Mr. MOYNIHAN, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 1489, a bill to amend section 67 of the Internal Revenue Code of 1986 to exempt certain publicly offered regulated investment companies from the disallowance of indirect deductions through passthrough entities.

S. 1518

At the request of Mr. ROCKEFELLER, the names of the Senator from South Carolina [Mr. HOLLINGS], the Senator from Hawaii [Mr. INOUYE], the Senator from Tennessee [Mr. GORE], the Senator from Washington [Mr. ADAMS], the Senator from Louisiana [Mr. BREAUX], the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Kentucky [Mr. FORD], the Senator from Massachusetts [Mr. KERRY], the Senator from Florida [Mr. GRAHAM], the Senator from Arkansas [Mr. PRYOR], the Senator from Montana [Mr. MELCHER], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Alabama [Mr. HEFLIN], the Senator from Alabama [Mr. SHELBY], the Senator from Virginia [Mr. WARNER], the Senator from Illinois [Mr. SIMON], the Senator from Tennessee [Mr. Sasser], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Rhode Island [Mr. PELL], the Senator from New York [Mr. D'AMATO], the Senator from Nevada [Mr. REID], the Senator from Montana [Mr. BAUCUS], the Senator from North Carolina [Mr. SANFORD], the Senator from Iowa [Mr. GRASSLEY], the Senator from North Dakota [Mr. BURDICK], the Senator from Arizona [Mr. DECONCINI], the Senator from Delaware [Mr. ROTH], the Senator from Georgia [Mr. FOWLER], the Senator from Colorado [Mr. ARMSTRONG], the Senator from Pennsylvania [Mr. SPECTER], the Senator from Indiana [Mr. QUAYLE], and the Senator from Kentucky [Mr. MCCONNELL] were added as cosponsors of S. 1518, a bill to amend the Motor Vehicle Information and Cost Savings Act to provide for the appropriate treatment of methanol and ethanol, and for other purposes.

S. 1522

At the request of Mr. RIEGLE, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of S. 1522, a bill to amend the Internal Revenue Code of 1986 to extend through 1992 the period during which qualified morgtage bonds and mortgage certificates may be issued.

S. 1614

At the request of Mr. D'AMATO, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1614, a bill to restrict United States assistance for Panama.

S. 1622

At the request of Mr. DASCHLE, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 1622, a bill to amend the Internal Revenue Code of 1986 to treat rural electric or telephone cooperatives in the same manner as other cooperatives for purposes of the book income preference under the minimum tax.

S. 1623

At the request of Mr. DASCHLE, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 1623, a bill to amend the Internal Revenue Code of 1986 to permit rural telephone cooperatives to have qualified cash or deferred arrangements, and for other purposes.

S. 1630

At the request of Mr. HEFLIN, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 1630, a bill to provide for retirement and survivors' annuities for bankruptcy judges and magistrates, and for other purposes.

S. 1650

At the request of Mr. D'AMATO, the name of the Senator from Florida [Mr. GRAHAM] was added as a cosponsor of S. 1650, a bill entitled the "Democracy in Panama Act of 1987."

S. 1673

At the request of Mr. CHAFEE, the name of the Senator from New York [Mr. MOYNIHAN,] and the Senator from Oregon [Mr. HATFIELD] were added as cosponsors of S. 1673, a bill to amend title XIX of the Social Security Act to assist individuals with a severe disability in attaining or maintaining their maximum potential for independence and capacity to participate in community and family life, and for other purposes.

S. 1729

At the request of Mr. LEAHY, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1729, a bill to promote rural development, and for other purposes.

S. 1776

At the request of Mr. BREAUX, his name was added as a cosponsor of S. 1776, a bill to modernize U.S. circulating coin designs, of which one reverse will have a theme of the Bicentennial of the Constitution.

At the request of Mr. ARMSTRONG, the names of the Senator from Colorado [Mr. WIRTH] and the Senator from New Jersey [Mr. LAUTENBERG] were added as cosponsors of S. 1776, supra.

S. 1787

At the request of Mr. DASCHLE, the name of the Senator from New Jersey [Mr. BRADLEY] was added as a cosponsor of S. 1787, a bill to amend title 38, United States Code, to prescribe certain presumptions in the case of veterans who performed active service during the Vietnam era.

S. 1848

At the request of Mr. WILSON, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1848, a bill to authorize a Minority Business Development Administration in the Department of Commerce.

SENATE JOINT RESOLUTION 147

At the request of Mr. LEVIN, the names of the Senator from South Dakota [Mr. DASCHLE], the Senator from Georgia [Mr. FOWLER], the Senator from Tennessee [Mr. Gore], the Senator from Pennsylvania [Mr. Heinz], the Senator from New York [Mr. Moynihan], the Senator from West Virginia [Mr. Rockefeller], the Senator from Tennessee [Mr. Sasser], the Senator from Illinois [Mr. Simon], the Senator from South Carolina [Mr. Thurmond], and the Senator from Connecticut [Mr. Weicker] were added as cosponsors of Senate Joint Resolution 147, a joint resolution designating the week beginning on the third Sunday of September in 1987 and 1988 as "National Adult Day Care Center Week."

SENATE JOINT RESOLUTION 169

At the request of Mr. Moynihan, the name of the Senator from South Carolina [Mr. Thurmond] was added as a cosponsor of Senate Joint Resolution 169, a joint resolution designating October 2, 1988, as a national day of recognition for Mohandas K. Gandhi.

SENATE JOINT RESOLUTION 178

At the request of Mr. Kennedy, the name of the Senator from Louisiana [Mr. Johnston] was added as a cosponsor of Senate Joint Resolution 178, a joint resolution designating the first day of August as "National Day of Peace."

SENATE JOINT RESOLUTION 196

At the request of Mr. Packwood, the names of the Senator from Minnesota [Mr. Boschwitz], the Senator from Maine [Mr. Cohen], the Senator from Arkansas [Mr. Bumpers], the Senator from Alabama [Mr. Shelby], the Senator from Rhode Island [Mr. Pell], and the Senator from Florida [Mr. Graham] were added as cosponsors of Senate Joint Resolution 196, a joint resolution to designate February 4, 1988, as "National Women in Sports Day."

SENATE JOINT RESOLUTION 199

At the request of Mr. Byrd, the name of the Senator from Missouri [Mr. Danforth] was added as a cosponsor of Senate Joint Resolution 199, a joint resolution to designate the month of April 1988, as "Trauma Awareness Week."

SENATE JOINT RESOLUTION 215

At the request of Mr. Durenberger, the names of the Senator from Alaska [Mr. Stevens], the Senator from Michigan [Mr. Levin], the Senator from Illinois [Mr. Dixon], the Senator from Iowa [Mr. Grassley], and the Senator from North Dakota [Mr. Conrad] were added as cosponsors of Senate Joint Resolution 215, a joint resolution to authorize the Vietnam Women's Memorial Project, Inc., to establish a memorial to women of the Armed Forces of the United States who served in the Vietnam war.

SENATE RESOLUTION 325—ORIGINAL RESOLUTION REPORTED AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD, from the Committee on Rules and Administration, reported the following original resolution; which was placed on the calendar:

S. Res. 325

Resolved, That section 16(b) of Senate Resolution 80 (One Hundredth Congress), agreed to January 28, 1987, is amended by striking out "$1,231,058" and inserting in lieu thereof "1,243,558".

SENATE RESOLUTION 326—AUTHORIZING THE TESTIMONY OF FORMER SENATE EMPLOYEE

Mr. BYRD (for himself and Mr. Dole) submitted the following resolution; which was considered and agreed to:

S. Res. 326

Whereas, in the case of *General Communication Inc.* v. *Alascom, Inc. et al.*, No. C84-523C, pending in the United States District Court for the Western District of Washington, defendants Alascom, Inc. and Pacific Telecom, Inc. have caused a deposition subpoena to be issued in the United States District Court for the District of Columbia for the testimony of William D. Phillips, a former administrative assistant to Senator Ted Stevens;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needful for the promotion of justice, the Senate will take action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That William D. Phillips is authorized to testify in the case of *General Communication Inc.* v. *Alascom, Inc. et al.*, except as to matters which Senator Stevens determines that a privilege of the Senate should be asserted.

SENATE RESOLUTION 327—AUTHORIZING THE PRODUCTION OF RECORDS BY THE SENATE PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. BYRD (for himself and Mr. Dole) submitted the following resolution; which was considered and agreed to:

S. Res. 327

Whereas, during the period 1982-1985 the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs inquired into allegations of fraud and other wrongdoing in the procurement of ships for the Navy;

Whereas, the Inspector General of the Department of Defense has requested access to records of the Subcommittee's investigation for use in a current related inquiry;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that documents, papers, and records under the control or in the possession of the Senate are needful for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the Chairman and Ranking Minority Member of the Permanent Subcommittee on Investigations, acting jointly, are authorized to provide to the Inspector General of the Department of Defense records of the Subcommittee's investigation of allegations of fraud and other wrongdoing in the procurement of ships for the Navy.

AMENDMENTS SUBMITTED

MICHIGAN WILDERNESS ACT

LEVIN AMENDMENT NO. 1198

Mr. BYRD (for Mr. Levin) proposed an amendment to the bill (H.R. 148) to designate certain public lands in the State of Michigan as wilderness, and for other purposes; as follows:

On page 10, strike out line 10 and all that follows through line 14 on page 12, and insert in lieu thereof the following:

(a) subject to valid existing rights and reasonable access to exercise such rights certain lands in the Manistee National Forest, comprising approximately three thousand four hundred and fifty acres as generally depicted on a map entitled "Nordhouse Dunes Wilderness—Proposed", dated November 1987, and which shall be known as the Nordhouse Dunes Wilderness;

(b) certain lands in the Ottawa National Forest, comprising approximately eighteen thousand three hundred and twenty seven acres as generally depicted on a map entitled "Sylvania Wilderness—Proposed", dated November 1987, and which shall be known as the Sylvania Wilderness;

(c) certain lands in the Ottawa National Forest, comprising approximately fourteen thousand five hundred acres as generally depicted on a map entitled "Sturgeon River Gorge Wilderness—Proposed", dated November 1987, and which shall be known as the Sturgeon River Gorge Wilderness;

(d) certain lands in the Hiawatha National Forest, comprising approximately four thousand six hundred and forty acres as generally depicted on a map entitled "Rock River Canyon Wilderness—Proposed", dated November 1987, and which shall be known as the Rock River Canyon Wilderness;

(e) certain lands in the Hiawatha National Forest, comprising approximately five thousand five hundred acres as generally depicted on a map entitled "Big Island Lake Wilderness—Proposed", dated November 1987, and which shall be known as the Big Island Lake Wilderness;

(f) certain lands in the Hiawatha National Forest, comprising approximately twelve thousand two hundred and thirty acres as generally depicted on a map entitled "Mackinac Wilderness—Proposed", dated November 1987, and which shall be known as the Mackinac Wilderness;

(g) certain lands in the Hiawatha National Forest, comprising approximately three thousand seven hundred and ninety acres as generally depicted on a map entitled "Horseshoe Bay Wilderness—Proposed", dated November 1987, and shall be known as the Horseshoe Bay Wilderness;

(h) certain lands in the Hiawatha National Forest, comprising approximately three hundred and seventy eight acres as generally depicted on a map entitled "Round Island Wilderness—Proposed", dated November 1987, and which shall be known as the Round Island Wilderness;

(i) certain lands in the Ottawa National Forest, comprising approximately sixteen thousand eight hundred and fifty acres as generally depicted on a map entitled "McCormick Wilderness—Proposed", dated November 1987, and which shall be known as the McCormick Wilderness; and

(j) certain lands in the Hiawatha National Forest, comprising approximately eleven thousand eight hundred and seventy acres as generally depicted on a map entitled "Delirium Wilderness—Proposed", dated November 1987, and which shall be known as the Delirium Wilderness.

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding the following:

On Tuesday, November 24, 1987, beginning at 2 p.m. in Senate Russell 485, an oversight hearing on the Implementation of the Kamehameha School/Bishop Estate Kamehameha Elementary Education Program at Rough Rock, AZ.

On Wednesday, December 2, 1987, beginning at 9 a.m., in Senate Russell 485, a hearing on Senate Concurrent Resolution 76, the Iroquois Confederacy Constitution; and

On Thursday, December 3, 1987, beginning at 9 a.m., in Senate Dirksen 562, a joint hearing with the Committee on Energy on S. 1415, Colorado Ute Water Rights Settlement/Animas-La Plata Project.

Those wishing additional information should contact the committee at 224-2251.

COMMITTEE ON ENERGY AND NATURAL RESOURCES AND COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. GLENN. Mr. President, I would like to announce for the information of the Senate and the public that an oversight hearing has been scheduled before the full committees of the Committee on Energy and Natural Resources and the Committee on Governmental Affairs. The hearing will be held on Saturday, November 21, at 10 a.m. in the Dayton City Commission Chamber, 2d floor, 101 West Third Street, Dayton, OH.

The purpose of the hearing is to examine the Americium/241 leaks which occurred at Dayton's Wright-Patterson Air Force Base in the fall of 1986. Testimony will be received from the Nuclear Regulatory Commission, the Department of Energy, the U.S. Air Force, the State of Ohio, and public witnesses. The hearing will be chaired jointly by Senators JOHN GLENN and HOWARD METZENBAUM.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. FORD. Mr. President, I wish to announce that the Committee on Rules and Administration will be holding a hearing on Wednesday, December 2, 1987, in SR-301, Russell Senate Office Building. The committee will be receiving testimony from Senators on the following proposals to amend the Standing Rules of the Senate: Senate Resolution 274, to limit Sense of the Senate or Congress amendments; Senate Resolution 276, to impose a strict 15-minute limit on votes in the Senate; Senate Resolution 277, to require that amendments must be offered to a bill, resolution, or other measure in the order of the sections of that bill, resolution, or other measure; and Senate Resolution 309, to limit time on the motion to proceed.

Senators who wish to testify or submit a statement for the hearing record are requested to have their staffs contact Carole Blessington of the Rules Committee staff on 40278.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs, be authorized to meet during the session of the Senate on Thursday, November 19, 1987, to hold an oversight hearing on Federal agency actions related to the implementation of the Department of the Interior's Garrison Unit Joint Tribal Advisory Committee Final Report recommendations and draft legislation to implement report recommendations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs, be authorized to meet during the session of the Senate on Thursday, November 19, 1987, to hold a markup on S. 1684, to settle Seminole Indian land claims within the State of Florida, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, November 19, 1987, in open session to consider the nomination of Samuel K. Lessey, Jr., to be Director of Selective Service, to conclude markup on title I of S. 1085, the Nuclear Protections and Safety Act of 1987, and to act on certain pending military nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, November 19, 1987, in open session to consider the nomination of Robert B. Costello, to be Under Secretary of Defense for Acquisition.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BYRD. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Thursday, November 19, 1987, to hear the views of James H. Burny IV, with respect to the Federal-aid highway system and the Federal Highway Administration of the Department of Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, November 19, 1987, to hold a committee business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, November 19, 1987, to consider the nomination of Roland R. Vautour, of Vermont, to be Under Secretary of Agriculture for Small Community and Rural Development, and a member of the Board of Directors of the Commodity Credit Corporation.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE CREDIT CRUNCH

● Mr. COCHRAN. Mr. President, as we wrestle with the problem of deficit reduction, we are faced with tough and difficult choices. But, we have to make a decision. We either must decide against entering into an agreement with the House and the President which will trigger an across-the-board cut in spending, or accept the new revenues and more modest spending reductions the negotiators have worked out.

Neither choice is very attractive to me. But we must act and take a step, even if it is a rather small step, toward deficit reduction.

Senators may not have seen the recent article on this subject by Ross Perot in the Washington Post, so I ask that a copy of it be printed in the RECORD. It is a very strong argument for doing something rather than nothing.

The article follows:

[From the Washington Post, Oct. 25, 1987]

FIRST, LET'S ADMIT WE'VE GOT A PROBLEM

(By H. Ross Perot)

I got out of the stock market about a year ago because I couldn't understand what was happening. The optimism of the market didn't fit with the problems in the economy. So I invested instead in short-term, high-quality liquid securities—such as Treasury bills and high-grade bonds.

Last week's turmoil on Wall Street brought home to all of us how serious our economic problems are. The question we face now is whether we can summon the national will to start solving these problems and stop living for the moment.

The first thing we have to do is stop telling ourselves that everything is all right, and that all the fundamentals are sound. Such statements ignore the obvious.

A person with a drinking problem must admit that he is an alcoholic before he can be cured.

So let's take an honest look at our problems at the end of this topsy-turvy week on Wall Street. What forces caused the dramatic ups and downs in the stock market, sending economic signals flashing like the fire-warning lights on an aircraft instrument panel? Here are some of them:

The United States now has a $2.3 trillion debt and will have a $3 trillion debt by 1989.

Our country, effectively, does not have a national budget. We avoid facing the budget issue by passing continuing resolutions that put us deeper into debt each year.

There is no correlation between taxes paid by the people and money spent by the government. More and more, our national debt is being funded by foreign investors. We no longer "owe it to ourselves." These foreign investors can stop funding our debt at any time they lose confidence in the dollar, leaving us vulnerable at an inopportune moment.

We are losing in international business competition. In 1986, we lost our position as the world's leading exporter and we had a trade deficit in high-tech products, supposedly the base for the future growth.

Some of our banks have serious problems. Long-term loans to Third World countries were made with short-term dollars borrowed from Middle Eastern countries by U.S. banks. This money was loaned to countries that cannot repay their debts, leaving the lending banks exposed. Much of this burden will eventually be shouldered by the American people.

Savings and loans institutions have serious problems that will require tens of billions of dollars of taxpayer money to correct because of speculation and, in some cases, fraudulent activities. The U.S. taxpayer will ultimately bear the burden, at a time when we are already spending far beyond our means.

The typical American spends everything he makes—everything he can borrow—and keeps no savings. The individual-savings safety net does not exist. If people lose their jobs, they become instant paupers, with unpaid bills.

Our principal exports from New York harbor are scrap steel and waste paper to Japan. These materials are shipped back to America as automobiles and corrugated cardboard boxes containing sophisticated consumer electronics. It is hard be believe that the greatest nation in the world could be reduced to becoming a scrap salesman—but it's happening.

We Americans have evolved from a tough, resilient people, willing to sacrifice for future generations, into a people who want to feel good now—at any price—and let the future take care of itself. Put more directly, we have become credit junkies, shooting up huge sums of borrowed money on a government and personal level—looking for another high.

This is our country. We, the people, own it. It belongs to us, yet we are acting like the inheritors of third-generation wealth, leading the good life now, with little concern for the future. We should face these problems now and resolve them while our nation is still strong.

Don't blame our elected officals for failing to address these problems, and making soothing statements while the fire lights are flashing. They are simply reflecting our priorities, as determined by endless, but accurate, polls. Let's face it: We, not our elected officials, are the dwarfs and wings.

The fundamental laws of economics and common sense have not been repealed, even though for a time, it appeared they had been. Specifically:

The endless orgy of raids and takeovers had a lot more to do with making large fees and personal profits than with revitalizing corporations.

The multimillion-dollar executive bonuses, golden parachutes, and poison pills never made any economic sense.

Junk bonds, which by definition are junk, will be worn like anvils around the necks of both companies and junk-bond buyers for years, and will cause significant damage to our economy.

Any industry which can afford to pay 28-year-old boys $500,000 to $1 million a year for unproductive work on Wall Street sends a signal to the world that its fees are excessive.

What are we going to do about this? Like the alcoholic who wants to stop drinking, we should begin by being honest with ourselves. Perhaps the following questions will force us to face the fact that we have become credit junkies:

Will we be the generation that allowed this great country to cease being first and best in the world? Will we leave our children with an unconscionable multitrillion-dollar debt, so that we can continue our debt-spending binge? Will we be the first generation to take more than we gave, and fail to pass on a stronger country and a better life to our children?

Surely, the answer Americans would give to these questions is a resounding "No!"

We must cut spending and raise taxes to pay our bills. We all know it. Let's make sure our leaders understand that this must be done.

Ross Perot is a Texas businessman and the founder of Electronic Data Systems, which was sold to General Motors in 1984 for $2.4 billion. According to Forbes magazine, Perot's net worth totals $2.9 billion, making him the third-richest man in America.●

NUCLEAR WASTE TRANSPORTATION

● Mr. HECHT. Mr. President, before the 100th Congress adjourns, we will need to deal with the nuclear waste transportation issue. We are making significant changes in the Nation's nuclear waste management program this year, and we must also make necessary changes with regard to the transportation of this waste.

Whether we have a repository, or a monitored retrievable storage facility, or a reprocessing facility, nuclear waste will be passing through most of the States of this country, and therefore the transportation issue should concern every Senator. When Congress passed the Nuclear Waste Policy Act of 1982, little attention was given to the transportation issue. We now realize that the transportation aspect of the nuclear waste issue may actually hold the greatest potential risk to the public health and safety.

It would not be wise for us to sit back and wait until a monitored retrievable storage facility is built, or a repository site has been chosen. The Department of Energy is already exploring designs for waste containers. If we don't act now, we will have lost a significant opportunity.

When S. 1668 was marked up in the Senate Energy Committee, I successfully attached five important transportation-related amendments to improve the bill. As a result, the bill contains provisions to improve the safety of the packages used to carry nuclear waste. It provides for improved standards and testing for the casks that will carry nuclear waste. It requires the Nuclear Regulatory Commission to see if the packages used by other countries are superior to the designs being considered for use in our country. The bill now directs that tests of cask design involve actual tests on prototype casks, not computer simulations, tests with scale models, or mathematical analyses. Public health, and public confidence, require us to carry out full-scale tests on these waste containers. If we wish to assure our citizens that these containers are safe, we need to be able to kick the tires.

My transportation amendments to the bill also mandate a more significant role for local governments in nuclear waste transportation. It provides for the training of local public safety officials so they can effectively deal with any incidents that might take place involving nuclear waste transportation. The bill also enhances the ability of local governments to stay informed about the timing of nuclear waste shipments. State and local governments bear the greatest responsibility for the health and safety of their citizens. There is no excuse for keeping them in the dark. They have a need, and indeed a right, to know what's going on within their borders.

Last week here on the floor, I attached another transportation-related amendment to the bill. That amendment authorizes Federal funds to be spent for transportation improvements in a State where a repository is located. If we ever do open up a repository in this country, and let me reiterate here and now that I do not think deep geologic disposal of spent fuel makes any sense, we ought to reprocess it instead, but if we ever do open up a repository, then high-level nuclear waste from all around the country is going to be converging on that repository area. For instance, if a repository were some day to be located in Nevada, the amendment would allow Federal funds to be spent to pay for construction of a new rail line which would start outside of Las Vegas and go straight to the repository, thereby avoiding Las Vegas.

While my amendments which are now incorporated into S. 1668 do go a long way toward improving the way this Nation plans to transport high-level nuclear waste, there is still much that needs to be done. We need to reassert States' rights over the transportation of high-level nuclear waste. Finally, we need to give all our population centers a stronger hand in dealing with the Federal Government on the selection of transportation routes.

Too often in the past, Mr. President, States and local governments have been anxious and frustrated with the Federal Government over whether or not shipments of high-level nuclear waste would pass through urban areas. I feel there is no good reason to subject our citizens and local governments to this uncertainty. We should definitely take stronger steps to avoid exposing our population centers to the risk of nuclear waste transportation. If waste can be moved safely, and, at the same time, routed so that it avoids our cities, then I think this is clearly the way to go.

If we, the representatives of the American people, want to be able to influence the transportation of nuclear waste, we should take action during this Congress. I understand that the Commerce Committee will be preparing legislation during this Congress to amend the Hazardous Materials Transportation Act. Rather than offering additional nuclear waste transportation amendments to the energy and water development appropriations bill, I have agreed to work with the Commerce Committee to address the issues that are still outstanding.●

GENERAL SECRETARY MIKHAIL GORBACHEV AND THE 70TH ANNIVERSARY OF THE SOVIET REVOLUTION

● Mr. D'AMATO. Mr. President, I rise today to continue my series of remarks on developments in the Soviet Union and in United States-Soviet relations. On Monday, November 2, 1987, Mikhail S. Gorbachev delivered a major address on the occasion of the 70th anniversary of the Bolshevik Revolution. His remarks deserve close study by the Members of this body and by the American people.

Accordingly, Mr. President, I ask that the excerpts from Mr. Gorbachev's speech were published in the November 3, 1987, edition of the New York Times under the title "Revolution's Road From 1917 to Now: The Leader Takes Stock," be printed in the Record at the end of my remarks.

I ask that a number of pertinent articles published on November 3, 1987, in the New York Times and the Washington Post which I submit now to the desk be printed in the Record at the end of my remarks.

In one way, I am encouraged by the U.S. reaction to Gorbachev's "new thinking" and the new policies he is attempting to implement in the Soviet Union. Our reaction of hope and optimism reflects the American people's generally optimistic attitude toward the world at large and toward our own future. We hope that the developments now taking place in the Soviet Union reflect the beginning of the end of the protracted conflict between Soviet Communist imperial designs and our desire to live in peace and freedom.

But another way, I am disappointed by this reaction. I have followed very closely these new developments in internal Soviet policy. I have listened with care to Soviet leaders' statements and I have searched reports of Soviet activities for concrete evidence of the abandonment of Soviet imperial goals.

I am disappointed because there is ample evidence available to the United States media and the American people that the Soviets appear more determined than ever to press ahead with their imperial designs, yet that evidence is substantially ignored. Our desire for peace and relaxed tensions is so strong that even many of the best informed among us appear willing to accept sugar-coated views of the purposes and contents of Gorbachev's glasnost, perestroika, and democratizatskiya.

I'm afraid that willingness to believe in illusions is gently fostered by carefully crafted Soviet propaganda. Soviet propagandists are the masters of the peace offensive. They have learned how to generate fear and tension in the constituencies of the Western democracies. They know how to time and construct appealing international initiatives which promise release from this fear and tension. And they know the debilitating effect this desire for a release has on the Western democracies' political will to support the strong foreign and defense policies they must maintain in order to protect their freedom and sovereignty.

I find an approving tone implicit in much of the commentary on Gorbachev's new thinking. It is clear that many of the West's political leaders and commentators hope that Gorbachev's efforts will succeed.

This tone and the self-deception upon which it is based is disturbing, reflecting a failure to examine closely the goals of Gorbachev's efforts. Too many people appear to assume that Gorbachev's efforts in the Soviet Union are intended to transform the Soviet state into a different kind of nation.

If I were to attempt to characterize this belief, I would say that it reads into Soviet leaders' statements many things which are not there. It substitutes Western meanings for Soviet meanings of terms in Soviet statements.

Gorbachev's propagandists would have us believe that the Soviet Union is abandoning its worldwide imperial ambitions. They would have us believe that the KGB is being leashed, the prisons, labor camps, and special psychiatric hospitals are being emptied, human rights and fundamental freedoms are being respected, and elements of political democracy and economic freedom are entering Soviet life. In short, they would have us believe that the Soviet Union is prepared to accept the standards and values governing domestic policies and international relations which have regulated our own conduct since the end of World War II. Clearly, Soviet propagandists hope that this mistaken belief will cause cuts in Western defense budgets and relaxation of restrictions on trade and credits.

If Soviet propaganda were to have its desired effects, then the following events would probably take place: The Soviet Union would retain its present military ascendency but with a lower level of national resource commitment; the Soviet Union would gain access to additional Western economic resources; and additional Soviet domestic economic resources would be released by the two previous events to support the massive economic modernization campaign which is the heart of perestroika.

What are Gorbachev's goals? He wants to build a pragmatic, dynamic, efficient Leninist Soviet Union which is fully able to compete successfully against the West in the 21st century. To do this, he must purge Soviet society of the residual poisons of Stalin's terror and break down the rigid economic central planning and control structures Stalin built.

Gorbachev's Monday speech sheds new light on these two efforts. Concerning Stalin's terror, Gorbachev said:

> There is now much discussion about the role of Stalin in our history. His was an extremely contradictory personality. To remain faithful to historical truth we have to see both Stalin's incontestable contribution to the struggle for socialism, to the defense of its gains; the gross political errors, and the abuses committed by him and by those around him, for which our people paid a heavy price and which had grave consequences for the life of our society.
>
> It is sometimes said that Stalin did not know of many instances of lawlessness. Documents at our disposal show that this is not so. The guilt of Stalin and his immediate entourage before the party and the people for the wholesale repressive measures and acts of lawlessness is enormous and unforgivable. This is a lesson for all generations.
>
> Contrary to the assertions of our ideological opponents, the Stalin personality cult was certainly not inevitable. It was alien to the nature of socialism, represented a departure from its fundamental principles, and, therefore, has no justification.
>
> At its 20th and 22nd Congresses, the party severely condemned the cult itself and its consequences. We now know that the political accusations and repressive measures against a number of party leaders and statesmen, against Communists and nonparty people, against economic executives and military men, against scientists and cultural personalities, were a result of deliberate falsification.
>
> Many accusations were later, especially after the 20th Party Congress, withdrawn. Thousands of innocent victims were completely exonerated.
>
> But the process of restoring justice was not seen through to the end and was actually suspended in the middle of the 60's. Now, in line with a decision taken by the October 1987 plenary meeting of the Central Committee, we are having to return to this.
>
> The political bureau of the Central Committee has set up a commission for comprehensively examining new facts and documents pertaining to these matters and those known previously. Corresponding decisions will be taken on the basis of the commission's findings.
>
> All this will also be reflected in a treatise on the history of the Communist Party of the Soviet Union, whose preparation is to be entrusted to a special commission of the Central Committee. This is something we have to do, the more so since even now there are still attempts to turn away from painful matters in our history, to hush them up, to make believe that nothing special happened."

Those remarks referred to the period before World War II. Later in his speech, he discussed Stalin's postwar misconduct as follows:

> Abuses of power and violations of socialist legality continued. The "Leningrad Case" and the "Doctors' case" were fabricated. In short, there was a deficit of genuine respect for the people.

With these remarks, Gorbachev sought to assure party members and the Soviet intellectual elite that Stalin's terror is over and that resort to widespread repression would not recur. His repeated references to socialist legality are important in this context.

Gorbachev appear to be trying to assure people that those who take advantage of glasnost—within approved limits—will not be persecuted. He appears to be trying to say that the Soviet legal system will be allowed to function as a legal system and not just as a public relations fig leaf covering the naked exercise of state power by the KGB and the MVD.

That there are clear limits to glasnost is beyond question. Two events during this past week starkly illuminate those limits: The arrest of the Soviet citizens involved in the publication of the unofficial journal "Glasnost," and the treatment of Boris Yeltsin, the head of the Mosow Communist Party.

Indeed, in the article on Yeltsin—"Soviet Hints At Curb on Party Figure"—Gary Lee comments:

> The cavalier approach Moscow's propaganda specialist [Politburo member Alexander Yakovlev] took to pressing questions, however, coupled with some surprising decisions made by the Soviet leadership recently, have left some western observers feeling that the policy of glasnost, with its accents on greater criticism in the official Soviet media and more freedom of expression, *is carefully controlled.* [Emphasis added.]

Occasional sunbeams of reason and truth do penetrate the fog of illusion Soviet propaganda has worked so hard to generate. But there is still confusion and lack of understanding as well.

The Washington Post's editorial entitled "Mr. Gorbachev's Russia" displays similar doubts about Gorbachev's program. The editorial, in pertinent part, reads as follows:

> Was Stalin's terror and its sequel, the bureaucratic expansionist state, the inevitable and still inescapable result of the Lenin revolution, in which case Mr. Gorbachev is but a blip on the screen? Or is there in the revolutionary tradition a reformist potential, represented historically by Nikolai Bukharin, whom Stalin murdered in 1938?
>
> Mr. Gorbachev introduced but at once dismissed Bukarin in his address on Monday, as though to authorize discussion—a step forward—but not to position himself as an heir to Bukharin or to assume the political burden of becoming his champion. That tells a good deal about the cramped context in which the reform campaign is unfolding. Certainly it should put a brake on premature Western celebration of Mr. Gorbachev's success.

Bukharin was the subject of a major passage in Gorbachev's speech. Gorbachev said:

> At the very end of the 20's a sharp struggle ensued also over the ways of putting the peasantry on the socialist road. In substance, it revealed the different attitude of the majority in the Political Bureau and of the Bukharin group on how to apply the principles of the new economic policy at the new stage in the development of Soviet society.
>
> The concrete conditions of that time—both at home and internationally—necessitated a considerable increase in the rate of socialist construction.
>
> Bukharin and his followers had, in their calculation and theoretical propositions, underrated the practical significance of the time factor in building socialism in the 30's. In many ways, their posture reposed on dogmatic thinking and a nondialectical assessment of the concrete situation. Burkharin himself, and his followers, soon admitted their mistakes.
>
> In this connection, it is not amiss to recall Lein's opinion of Bukharin. "Bukharin," he said, "is not only a most valuable and major theorist of the party; he is also rightly considered the favourite of the whole party, but his theoretical views can be classified as fully Marxist only with great reserve, for there is something scholastic about him (he has never made a study of dialectics, and, I think, never fully understood it)."
>
> The facts again confirmed that Lenin had been right.

Yes, Gorbachev's remarks partly rehabilitate Bukharin, but, invoking Lenin, they also draw the bright line placing Bukharin's economic theories off limits for discussion. Try as I may, I find in those words no indication that Gorbachev intends to move the Soviet Union away from democratic centralism and down any Bukharinite path of reform.

Gorbachev is not engaging in reform—at least in any sense that we understand reform. Instead, he is attempting to start a Communist reformation, a return to the stern and pure ideology of Lenin, shorn of its Stalinist baggage of terror, guilt, and rigidity.

Gorbachev is no energetic Soviet Teddy Roosevelt, charging in to turn out corrupt officials and restore good government. He is far closer to a Soviet Martin Luther, whose goal is to recapture the essence of the true faith and reinvigorate the faithful in its service.

Now, let us turn to Gorbachev's remarks regarding Stalinist economic structures and his approach to their alteration. Discussing current conditions, he said:

> It was stated that in the latter years of the life and activities of Leonid Brezhnev the search for ways of further advancement had been largely hampered by an addiction to habitual formulas and schemes, which did not reflect the new realities. The gap between word and deed had widened.
>
> Negative processes in the economy were gathering momentum and had, in effect, created a pre-crisis situation. Many aberrations had arisen in the social, spiritual and moral spheres, and they were distorting and deforming the principles of socialist justice, undermining people's faith in it, and giving rise to social alienation and immorality in various forms. The growing discrepancy between the lofty principles of socialism and the everyday realities of life was becoming intolerable.
>
> The healthy forces in the party and in society as a whole were becoming more and more acutely aware of the pressing need to overcome negative phenomena, to reverse the course of events, to secure an acceleration of the country's socio-economic development, and to bring about a moral purification and renewal of socialism.

> It was in response to this extremely acute social need that the April 1985 plenary meeting of the Central Committee put forward the concept and strategy of accelerating the country's socio-economic development, and the course aimed at a renewal of socialism.
>
> These were given more elaborate theoretical and political formulations in the decisions of the 27th Party Congress and subsequent plenary meetings of the Central Committee, and assumed final shape in the general policy of a revolutionary reorganization of all aspects of socialist society's life.
>
> The prerestroika idea rests upon our 70-year history, on the sound foundation of the basically new social edifice erected in the Soviet Union; it combines continuity and innovation, the historical experience of Bolshevism and the contemporaneity of socialism.
>
> The changes taking place in the country today probably constitute the biggest step in developing socialist democracy since the October Revolution.
>
> In reorganizing our economic and political system, it is our duty to create, first of all, a dependable and flexible mechanism for the genuine involvement of all the people in deciding state and social matters.
>
> Secondly, people must be taught in practice to live in the conditions of deepening democracy, to extend and consolidate human rights, to nurture a contemporary political culture of the masses; in other words, to teach and to learn democracy.
>
> Every person has his own social experience, his own level of knowledge and education, his own distinctive perceptions of what is taking place; hence, a tremendous range of views, convictions and assessments, which, naturally, require careful consideration and comparison.
>
> We are for a diversity of public opinion, a richness of spiritual life. We need not fear openly raising and solving difficult problems of social development, criticizing and arguing. It is in such circumstances that the truth is born and correct decisions take shape.

The reader should apply Soviet definitions to these terms instead of simply assuming that they mean the same thing in Gorbachev's lexicon that they do in Ronald Reagan's. If you read Gorbachev's remarks in that light, it should become immediately apparent that Gorbachev is talking about employing democratic methods entirely within the boundaries set by the party. He is talking about restructuring the Soviet economy entirely within limits set by the party.

What Gorbachev wants is a morally reinvigorated and inspired Soviet people willing to work hard and sacrifice in return for a limited increase in personal and political freedom. He intends to get there from here through a dialectical process based upon debate among proponents of different views—all of which are still held within limits set by the party.

Pravada, the daily newspaper of the Communist Party of the Soviet Union, clearly made this point in a November 16, 1987, article reported in a Washington Post story by Gary Lee entitled "Gorbachev's Democracy Drive Hit." This article, which was published in the Post's November 17, 1987, edition, quoted the following parts of the Pravda story:

> The [Pravda] article said the drive for democracy was generating "all-permissiveness, anarchy and chaos," and it accused some Soviets of exploiting the reform drive and abusing their constitutional freedoms. * * *
>
> "Playing into democracy may result in catastrophe," the paper warned.
>
> *"It is often forgotten that discipline means obligatory submission by everybody to the established order and rules,"* it said.* * * [Emphasis added.]
>
> The Communist Party "is a ruling party," Pravda said. "Its leading role is fixed by the constitution. That is why the party committees * * * have the right to openly express their opinions on the recommended people to this or that post."
>
> Pravda called into question a multicandidate electoral system, comparing it "to the shows in the West" and asking, "To what extent is this many-month marathon * * * justified?"
>
> Another recent Pravda article retracted an attack published last September on the local party leader in the Ukraine, saying those responsible for launching the earlier criticism would be punished.
>
> Pravada also quoted a letter attacking Soviet Jews who participated in a recent Moscow demonstration as "raving like one possessed."

Mr. President, I ask unanimous consent that this Gary Lee article be printed in the RECORD at the close of my remarks.

The unstated problem with the dialectrical process is that the proponents of the view which does not become part of the ultimate synthesis have a tendency to become victims of those whose views prevail. This part of Soviet history, which is very prominent in the memory of the Soviet people, acts to discourage the kind of disciplined use of glasnost and democratic methods Gorbachev seeks.

In this connection, the highly publicized fall from power of Boris Yeltsin is a case in point. Yelstin's fate is detailed in a November 19, 1987, Washington Post story by Celestine Bohlen entitled "Yeltsin Drops to Construction Post." Yeltsin went beyond the permitted limits of party policy and suffered for it.

Mr. President, I ask unanimous consent that this Bohlen article on Yeltsin also be printed in the RECORD at the end of my remarks.

Gorbachev's desire to ignite a Soviet reformation will fail precisely because of the same fundamental contradiction which has finally undermined the socialist dream and created what Gorbachev described as a "precrisis situation." That contradiction is Marxism's denial of the nature of the individual human being and adamant refusal to recognize and respect individual rights.

Marx treated individual rights as a bourgeois invention which served capitalist interests and hampered the growth of class consciousness and the development of conditions necessary for a proletarian revolution. Gorbachev is a Marxist and shares this view.

In fact, political, social, and economic progress in the modern world rest on a foundation of true respect by government for human rights and fundamental freedoms. The contradiction between the Soviet Union's insistance upon retention of absolute state power over its citizens and the need for a protected sphere of individual rights to support the economic ferment and growth Gorbachev seeks will cause his program to fail.

Gorbachev's statement in praise of human rights does not mean human rights as we understand them. Gorbachev means human rights as the Soviet delegates to the Helsinki process meetings have spent more than a decade defining them. He means social and economic rights based upon a Marxist interpretation of society, the economy, and political structures.

Understanding Gorbachev's message is not as simple as reading his speech. Sometimes what he says is exactly what he means, but he occasionally employs terms with special Soviet definitions in contexts carefully calculated to influence and mislead Western observers. He has been quite successful in this effort.

The time has come to take him at some of his words—the words with which he closed his speech:

> In October 1917 we parted with the Old World, rejecting it once and for all. We are moving toward a new world, the world of Communism. We shall never turn off that road.

Every time a Western politician or commentator decides to take an optimistic view of Gorbachev, glasnost, perestroika, and democratizatskiya, they should read those words. Every time they fall for the glamour of some new peace proposal or trade initiative, or believe in the myth of Soviet democracy and free enterprise, they should read those words.

Do we want to live in a world of Communism? Do we want to raise our children to face such a world?

Clearly, the answer is a resounding "no." We know Gorbachev's goals and we know his methods. All that we need is the calm resolution and good judgment to preserve and protect the gift of freedom and independence for which our forefathers paid so dearly.

No one is responsible for our future but us. No one else can make the decisions we must make to sustain a strong defense and hold together our alliances. No one else can make the decisions we must make to protect our economy and keep it healthy and growing.

Most importantly, no one else can make the decision to keep our basic values, those beliefs which make us uniquely Americans, clearly in mind as we confront this whirlwind of choices an agile and clever Soviet leadership spins about us.

We have our compass. Now we must follow it. Otherwise, we can lose our way in Gorbachev's words, in his twisted definitions designed to create useful misunderstandings. The price for confusion and misdirection can be fearsome and permanent. Prudence, caution, and firm dedication to our basic principles are qualities we must display in this newest test of our resolve.

The material follows:

[From the Washington Post, Nov. 4, 1987]

Soviet Hints At Curb on Party Figure—Reports on Criticism Called "Fantasy"

(By Gary Lee)

Moscow, Nov. 3—A leading Kremlin official hinted today that Boris Yeltsin, an ally of Soviet leader Mikhail Gorbachev in an impassioned dispute over the Gorbachev's reform policies, faces internal party discipline and could be dismissed.

Asked about Yeltsin at a news conference here tonight, Politburo member Alexander Yakovlev revealed some details about the Moscow party chief's controversial speech at a closed Central Committee meeting Oct. 21 and said, "We have our internal party affairs. If someone breaks the rules, then he breaks internal party discipline and he must leave."

Yakovlev, who is said to have come to Yeltsin's defense at the plenum, dismissed as "fantasy" reports that Yeltsin had complained about a "cult of personality and the pace of *perestroika*," as Gorbachev's program of restructuring the economy is called. He stressed, instead, that the outspoken Yeltsin had supported Gorbachev's reforms.

"This is not a fire," Yakovlev told reporters in an apparent attempt to douse interest in the affair, adding that the Moscow party eventually will examine the incident. "We are not in any hurry."

Yakovlev's appearance, in connection with the celebration of the Soviet Union's 70th anniversary, gave rare exposure to the influential official who is by reputation Gorbachev's strongest supporter on the Politburo and a key architect of the Kremlin policy of *glasnost*, or open debate.

In the wide-ranging, 90-minute news conference, the 63-year-old Kremlin propaganda chief rebuffed thorny questions with a style reminiscent of an earlier generation of Soviet officials.

Asked why Gorbachev, in a major speech yesterday, had referred to the "thousands" and not the "millions" who had suffered under Joseph Stalin, Yakovlev suggested that historical accounts of the millions purged or killed through forced collectivization under the former Soviet leader were "rumors."

Western and some Soviet historians agree that at least 7 million died under Stalin in the 1930s alone.

"Why do you think that if he had said 'millions' he would have been speaking more truthfully than if he had said 'thousands?' " Yakovlev said in reference to Gorbachev. "I know the rumors that persist in the West . . . but I think many rumors lie on the conscience of certain people."

Asked by a westerner whether then-Soviet leader Nikita Khrushchev's secret 1956 speech denouncing Stalin would finally be released publicly in the U.S.S.R., Yakovlev responded with a joke. "This has not been studied yet," he said of the controversial address, which has never been printed in this country despite the policy of glasnost. "But you shouldn't worry about it; you've gotten it all published anyway"

Faced with a barrage of other inquiries about the Stalin period, Yakovlev admitted that as a young Soviet who lived and fought in the Stalin-led Red Army, he respected the Kremlin leader. "I had faith in the belief that Stalin's leadership was correct," Yakovlev said, "and that his ideas were correct."

Yakovlev displayed a crisp language, sense of humor and direct style, marks he has apparently already left on official Soviet publications and speeches. Since he started directing the Soviet Union's massive state-controlled media, official newspapers and magazines have been made more concise and sprightly, cleaned of the heavy terminology often associated with them.

The cavalier approach Moscow's propaganda specialist took to pressing questions, however, coupled with some surprising decisions made by the Soviet leadership recently, have left some western observers feeling that the policy of glasnost, with its accents on greater criticism in the official Soviet media and more freedom of expression, is carefully controlled.

When the Soviet news agency Tass issued a statement about the party controversy over Yeltsin last week, it included an advisory on an internal wire to Soviet editors not to use the material, perhaps because it indicated disagreements in the party leadership.

Asked the reason for the decision by an American journalist tonight, Yakovlev rebuked the questioner. "Why do you use the internal Tass statements," he said, "we do not use your internal things."

Asked whether glasnost would bring more publications to Soviet kiosks, where the sale of American or Western European newspapers and magazines is restricted, Yakovlev said that more foreign periodicals already are distributed in the Soviet Union than are Soviet publications in the West.

At the same, Yakovlev advocated a program of further democratization of Soviet society.

[From The Washington Post, Nov. 17, 1987]

Gorbachev's Democracy Drive Hit—Official Newspaper Pravda Mocks Some Proposals of Soviet Leader

(By Gary Lee)

Moscow, Nov. 16—The Communist Party daily Pravda today reasserted the primacy of party control and attacked efforts to augment democratic processes in Soviet society, which has been one of the cornerstones of Kremlin leader Mikhail Gorbachev's reform campaign.

An article published in the leading official Soviet newspaper mocked some of the experiments in electing factory plant managers across the Soviet Union and criticized other methods that Gorbachev has advocated for expanding Soviet democracy, including multi-candidate elections.

The article said the drive for democracy was generating "all-permissiveness, anarchy and chaos," and it accused some Soviets of exploiting the reform drive and abusing their constitutional freedoms.

The article, printed across half a page of the eight-page edition, reinforced the view among some Soviet intellectuals that a conservative backlash against Gorbachev's reforms is sweeping the capital in the wake of the ouster of Moscow party boss Boris Yeltsin.

Pravda, which routinely establishes the sanctioned position of the Soviet Communist Party on fundamental issues, would not publish such a prominent article without the approval of senior officials in the party hierarchy.

"Playing into democracy may result in catastrophe," the paper warned.

"It is often forgotten that discipline means obligatory submission by everybody to the established order and rules," it said.

However, Gorbachev reiterated his support today for expanding Soviet democracy. "The democratization of public life and political life is called upon to make working people really active participants in the process of decision making in their collectives," the official news agency Tass quoted the Kremlin leader as telling visiting Czechoslovak party official Lubomir Strougal.

In a speech to the January 1987 plenary session of the Central Committee, Gorbachev publicly endorsed the election of factory managers as a means of giving workers a greater voice. "The time has come . . . for democratizing the process of management formation," he said. In the same speech, Gorbachev also urged fielding more than one candidate for elective offices.

But Pravda made clear today that the party is not abandoning its traditional role of recommending candidates who are subsequently unanimously approved by voters.

The Communist Party "is a ruling party," Pravda said. "Its leading role is fixed by the constitution. That is why the party committees . . . have the right to openly express their opinion on the recommended people to this or that post."

Pravda called into question a multicandidate electoral system, comparing it "to the shows in the West" and asking "To what extent is this many-month marathon . . . justified?"

Another recent Pravda article retracted an attack published last September on a local party leader in the Ukraine, saying those responsible for launching the earlier criticism would be punished.

Pravda also quoted a letter attacking Soviet Jews who participated in a recent Moscow demonstration as "raving like one possessed."

The Pravda article comes one week after the removal of Yeltsin, 56, an outspoken proponent of increased democratization and Gorbachev's reform policy of glasnost, or greater openness. He served two years as Moscow party boss.

Yeltsin came under fire for an Oct. 21 speech before the Soviet Central Committee in which he is said to have blasted some party officials for braking the pace of Gorbachev's reforms.

Yeltsin was hospitalized with a heart condition last week and is still under care, an editor of the government newspaper Izvestia, Ivan Laptiev, told reporters in Innsbruck, Austria, today. Laptiev said Yeltsin had not suffered a heart attack and apparently would be given a senior job in the party. Yeltsin is still a nonvoting member of the ruling Soviet Politburo.

[From the Washington Post, Nov. 19, 1987]

Yeltsin Drops to Construction Post—Job Allows Ousted Leader of Moscow Party to Stay in Capital

(By Celestine Bohlen)

Moscow, Nov. 18—Boris Yeltsin, ousted as chief of the powerful Moscow Communist Party organization a week ago, has been given a government post with responsibilities for construction, the official news agency Tass reported tonight.

Yeltsin, 56, was publicly criticized by Communist Party leader Mikhail Gorbachev and others for challenging the party's authority. Yeltsin's removal from the Moscow job marked Gorbachev's first major political crisis, exposing a split in the top ranks of the party leadership.

Tass reported tonight that Yeltsin will become a first deputy chairman of the U.S.S.R. State Committee of Construction, with ministerial rank. The title of minister will allow him to sit on the Council of Ministers, the top administrative body in the Soviet government.

The new job is a marked demotion for Yeltsin, one of the most fervent supporters of Gorbachev's proposed reforms. As Moscow party chief, Yeltsin was made a candidate member of the ruling Politburo, a title which he is sure to lose when the party's Central Committee meets again.

Yeltsin's signature was missing Monday from the list of officials signing an obituary of a party leader in party newspapers. But the absence was seen here as a sign of Yeltsin's illness, not his loss of the Politburo title, which can be removed only by the full 300-member Central Committee.

A Foreign Ministry spokesman confirmed yesteday that Yeltsin was in the hospital with a heart condition, but denied rumors that he had a heart attack.

His new job will allow Yeltsin to stay in Moscow, saving him from an assignment to the provinces, which in Soviet terms is political exile. It also signals that despite "political mistakes" committed in an outspoken speech against party leaders Oct. 21, Yeltsin does not face expulsion from the party.

But the new position does nothing to soften the political impact of Yeltsin's humiliation, carried out with drama at a meeting Nov. 11 of the Moscow city party committee; chaired by Gorbachev. At the meeting, covered in detail by the Soviet press, several of Yeltsin's former colleagues, many of them demoted by him during his two years in the job, rose to denounce their former boss for offenses ranging from not answering phone calls to stabbing the party "in the back."

Since the meeting, several groups in Moscow have petitioned for more complete information on Yeltsin's ouster, in particular the publication of his Oct. 21 speech. The official press has remained silent, except for a brief item in today's edition of the weekly Moscow News in which Gavril Popov, a leading reform economist, notes critically that Yeltsin tried to establish his "own position" outside the party line.

Yeltsin, a native of Sverdlovsk, an industrial city in the Ural mountains, has a background in construction. In 1985, he was brought to Moscow to work first as chief of the construction department in the Central Committee, then as party secretary in charge of construction. He became first secretary of the Moscow party organization in January 1986, replacing long-time leader Viktor Grishin.

Last week, Viktor Afanasyev, editor of the party newspaper Pravda and a Central Committee member, hinted at Yeltsin's future job when he told a group of visiting American newspaper editors that Yeltsin could always find work in construction.

[From the New York Times, Nov. 3, 1987]

REVOLUTION'S ROAD FROM 1917 TO NOW: THE LEADER TAKES STOCK

(Following are key sections of Mikhail S. Gorbachev's speech in Moscow yesterday, as distributed in translation by the Soviet press agency Tass:)

It is 70 years since the unforgettable days of October 1917, those legendary days that started the count of the new epoch of social progress, of the real history of humankind.

The October Revolution is truly the shining hour of humanity, its radiant dawn. The October Revolution is a revolution of the people and for the people, for every individual, for his emancipation and development.

Seventy years is not a long time in world civilization's ascent over the centuries, but history has known no other period like it for the scale of achievements that our country has attained since the victory of the October Revolution.

There is no greater honor than to be pioneers, devoting one's strength, energy, knowledge, and ability to the triumph of the October Revolution's ideals and goals.

The jubilee is a moment of pride, pride in what has been achieved, arduous trials fell to our lot, and we withstood them honourably. We did not simply withstand them, but wrested the country out of its state of dislocation and backwardness, and made it a mighty power, transforming life and changing man's inner world beyond recognition.

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The October Road: Road of Pioneers

The past—its heroism and drama—cannot fail to thrill our contemporaries. Our history is one, and it is irreversible. Whatever emotions it may evoke, it is our history, and we cherish it.

Today we turn to those October days that shook the world. We look for and find in them both a dependable spiritual buttress and instructive lessons. We see again and again that the socialist option of the October Revolution has been correct.

The year 1917 absorbed the energy of the people's struggle for self-sustained development and independence, of the progressive national movements, and the peasant risings and wars against serfdom abounding in our history.

It embodied the spirited search of the 18th century enlighteners, the heroes and martyrs of the Decembrist movement, the splendid champions of revolutionary democracy, and the moral dedication of the eminent men of our culture.

Crucial for the future of our country was the time when at the dawn of the 20th century, Vladimir Hyich Lenin put himself at the head of a close-knit group of comrades and set out to organize a proletarian party of the new type in Russia, it was this great party of Lenin that roused the nation, its best and most devoted forces, for an assault on the old world.

The cornerstone in the success of the October Revolution was laid by the first Russian revolution of 1905–1907. This includes the bitter lessons of the Ninth of January, the desperate heroism witnessed on the Moscow barricades in December, the exploits of thousands of known and unknown freedom fighters, and the birth of the first workers' Soviets, the prototypes of Soviet power.

Year of Revolution—From Czar's Fall to Soviet Power

The victory of the October Revolution was also rooted in the gains of the February 1917 revolution, the first victorious people's revolution in the imperialist epoch. Lenin stressed that following the victory in February the revolution went forward with incredible speed.

Its leading characters were the workers and peasants wearing soldiers' greatcoats. The spring of 1917 showed all the muscle of the people's movement.

There also surfaced its limitations, the contradictions in the revolutionary consciousness of that stage, the power of historical inertia, with the result that for a time the exploiter-classes departing from the scene took advantage of the fruits of the people's victory.

The February Revolution provided October with its main weapon—power organized in revived Soviets. The February Revolution had been the first experience of tangible democracy, of political education of the masses through practice—an experience acquired in the intricate conditions of a diarchy.

The February Revolution was unique in that it provided an opportunity for power to be taken over peacefully by the working people—something which, regrettably, did not come about owing to historical circumstances.

The February Revolution was a major historical landmark on the road to the October Revolution.

The road from the February to the October Revolution was a time of swift social change, a time of a rapid political enlightenment of the masses, of a consolidation of the revolutionary forces and their vanguard, the party of Lenin.

At that time, between February and October, Lenin and his comrades demonstrated the art of political guidance with extraordinary effect, producing a good lesson in the living dialectic of revolutionary thought and action.

The party leadership showed its ability for collective creative search, side-stepping stereotypes and slogans that had only yesterday, in a different situation, seemed incontestable and trustworthy.

Let's recall the July Days of 1917. It was a painful moment when the party was compelled to give up the slogan of All Power to the Soviets. But there was no other choice, because the Soviets had, for a while, fallen into the hands of Socialist Revolutionaries and Mensheviks, and were helpless in face of the counter-revolution.

And how sensitively Lenin kept his finger on the pulse of the revolution, how brilliantly he determined the beginning of a new revival of the Soviets; they were acquiring a truly popular essence in the process of struggle, which enabled them to become the organs of a victorious armed uprising, and then also the political form of worker-peasant power.

Seizing Power—Bold Action to Stay Abreast of Events

All those are not simply pages in the chronicle of the great revolution. They are also a constant reminder to us, *those who are living* today, of the lofty duty of Communists to always be in the vanguard of events, to be able to take bold decisions, to assume full responsibility for the present and future.

The October Revolution was a powerful surge of millions of people which combined the vital interests of the working class, the everlasting aspirations of the peasantry, the thirst for peace of soldiers and sailors, and the unconquerable striving of the people of multinational Russia for freedom and knowledge.

The Bolshevik Party managed to find the main point in that intricate interlacement of diverse interests, to combine the various tendencies and aspirations, and to concentrate them on settling the revolution's main issue, that of power.

And in its very first decrees, those on peace and land, the dictatorship of the proletariat responded to the needs of the time, and expressed the vital interests of the working class and, indeed, the absolute majority of the people.

Like Marx and Engels, Lenin was convinced that the defense force of the revolution would be a people's militia. But the concrete conditions prompted a different solution. The Civil War and the intervention from outside, imposed on the people, called for a new approach. A worker-peasant Red Army was formed by Lenin's decree.

It was an army of a new type which covered itself with undying glory in the Civil War and in repulsing the foreign intervention.

Those years brought severe trials for the newly established Soviet Republic. It had to settle the elementary and crucial question of whether socialism would or would not be. The party mobilized the people to defend the socialist motherland, the gains of the October Revolution. Hungry, ill-clad and unshod, the poorly armed Red Army crushed a well-trained and well-armed counter-revolutionary host which was being generously supplied by imperialists of East and West.

The fiery dividing line of the Civil War ran right across the country, across every family, wreaking havoc with the habitual way of life, with the psychology and fate of people. The will of the nation, the striving of millions towards a new life, won out in this deadly clash.

The country did everything it could to help the newly established army; it lived and acted by Lenin's slogan: "Everything For Victory."

We will never forget the exploits of those legendary heroes—gallant sailors and cavalrymen, men and commanders of the young Red Army, and the red partisans.

They had safeguarded the revolution: Everlasting glory is their due!

The 1920's—Rebuilding Russia On New Foundations

The decision to launch a new economic policy, which substantially widened the notions of socialism and the ways of building it, was inbued with profound revolutionary dialectics.

Or take the following issue: As you know, Lenin criticized the limitations of "cooperative socialism."

Yet in the specific conditions that arose after the October Revolution when power was won by the people, Lenin had second thoughts on this score. In his article, "On Cooperation," he worked out the idea of socialism being a society of "civilized co-operators."

Such was the power of audacity of Marxist dialectics, which expressed the essence of the revolutionary doctrine and which Lenin had so brilliantly mastered. Building the new world, he held that, "Again and again we shall have to improve the work, redo it, start from the beginning."

The main purpose of the October Revolution was to build a new life. Such building did not cease for a single day. Even the short respite was used to continue building and to look for ways leading to the socialist future.

The early 20's were highlighted by a spectacular surge of popular initiative and creativity. They were a truly revolutionary laboratory of social innovation, of search for the optimum forms of the workers' alliance with the working peasantry, and the shaping of a mechanism for attaining the whole spectrum of the working people's interests.

From organizing production and consumption by methods of War Communism necessitate by war and dislocation, the party went over to more flexible, economically justified, "regular" instruments of influencing the social reality.

The measures of the new economic policy were directed to building socialism's material foundation.

These days, we turn ever more often to the last works of Lenin, to Lenin's new economic policy, and strive to extract from it all the valuable elements that we require today.

Certainly, it would be a mistake to equate the new economic policy and what we are doing now at a fundamentally new level of development.

Today, there are none of those individual peasants in the country with whom to shape an alliance, which determined the most vital aims of the economic policy of the 20's.

But the new economic policy also had a more distant target. The task had been set of building the new society "not directly relying on enthusiasm," as Lenin wrote, "but aided by the enthusiasm engendered by the great revolution, and on the basis of personal interests, personal incentives and business principles . . . that is what experience, the objective course of the development of the revolution, has taught us."

Speaking of the creative potential of the new economic policy, we should evidently refer once more to the political and methodological wealth of ideas underlying the food tax.

To be sure, we are interested not in its forms of those days that had been meant to secure a bond between workers and peasants, but the potentialities of the food tax idea in loosening the creative energy of the masses, enhancing the initiative of the individual, and removing the bureaucratic trammels that limited the operation of socialism's basic principle, "From each according to his abilities, to each according to his work."

Lenin's Legacy—A Rich Heritage of Socialist Theory

When thinking of the time when "N.E.P. Russia will become socialist Russia," Lenin could not, and never meant to, draw the picture of the future society in every detail.

But the ways and means of advancing to socialism through the building of a machine industry, through a broad establishment of cooperatives, through the enlistment of the working masses to a man in running the state, through organizing the work of the state apparatus on the principle of "better fewer, but better," and through the cultural development of the entire people, through the consolidation of the federation of free nations "without lies or bayonets"—this and this alone was to shape the face of the country as it attained a fundamentally new level of social order.

In Lenin's last works, which were extraordinarily rich intellectually and emotionally, there emerged a system of views and the very concept of socialist construction in our country. This is an immense theoretical asset for the party.

Lenin's premature death was a terrible shock for the whole party and the Soviet people. The grief was immeasurable, the loss irreparable.

The period after Lenin, that is, the 20's and the 30's, occupied a special place in the history of the Soviet state. Radical social changes were carried out in some 15 years. An incredible lot was squeezed into that period—both from the point of view of search for optimum variants of socialist construction, and from the point of view of what was really achieved in building the foundations of the new society.

Those were years of hard work to the limits of human endurance, of sharp and multifarious struggle. Industrialisation, collectivization, the cultural revolution, strengthening of the multi-national state, consolidation of the Soviet Union's international positions, new forms of managing the economy and all social affairs—all this occurred within that period. And all of it had far-reaching consequences.

For decades, we have been returning to that time again and again. This is natural. Because that was when the world's first socialist society had its beginnings, when it was being built. It was an exploit on a historical scale and of historic significance. Admiration for the exploits of our fathers and grandfathers, and the assessments of our real achievements will live forever, as well the exploits and achievements themselves.

And if, at times, we scrutinize our history with a critical eye, we do so only because we want to obtain a better and fuller idea of the ways that lead to the future.

Years of Dissension—Sharp Debate Erupts Among Party Leaders

It is essential to assess the past with a sense of historical responsibility and on the basis of the historical truth. This has got to be done, first, because of the tremendous importance of those years for the destiny of our country, the destiny of socialism.

Second, because those years are at the center of the everlasting discussions both in our country and abroad, where, along with a search for the truth, attempts are often made to discredit socialism as a new social system, as a realistic alternative to capitalism.

Lastly, we need truthful assessments of this and all the other periods of our history—especially now with perestroika in full gear. We need them not to settle political scores or, as they say, to let off steam, but to pay due credit to all the heroic [words missing] in the past, and to draw lessons from mistakes and miscalculations.

And so, about the 20's and 30's after Lenin. Although the party and society had Lenin's conception of building socialism and Lenin's works of the post-Revolution period to go by, the search of the way was not at all simple; it was marked by keen ideological struggle and political discussions.

At their center were the basic problems of society's development, and above all the question of whether socialism could or could not be built in our country.

Theoretical thought and practice cast about for the directions and forms in which to carry out socio-economic transformations, and how to accomplish them on socialist lines in the concrete historical situation of the Soviet Union.

Practical constructive work that called for a high sense of responsibility was the order of the day. Above all, the country squarely faced the question of industrialization and economic reconstruction without which building socialism and strengthening the defence capacity were unthinkable. This followed from Lenin's explicit directions, from his theoretical heritage. The question of socialist changes in the countryside, too, arose on the same plane and also according to Lenin's behests.

Thus, the question concerned large-scale and crucial matters, problems and objectives.

And though, I repeat, the party had Lenin's guidelines on these issues, sharp debates erupted over them.

It is evidently worthwhile to say that even before and after the revolution, in the first few years of socialist construction, not all party leaders by far shared Lenin's views on some of the most important problems. Besides, Lenin's recommendations could not encompass all the concrete issues concerning the building of the new society.

Analyzing the ideological disputes of those times, we should bear in mind that carrying out gigantic revolutionary transformations in a country such as Russia was then, was in itself a most difficult undertaking. Historically, the country was on the march, its development was being sharply accelerated, all aspects of social life were changing rapidly and profoundly.

Reflecting the entire range of the interests of classes, social groups and strata, the needs and objectives of the times, the historical traditions and the pressure of urgent tasks, and also the conditions of the hostile capitalist encirclement, the ideological struggle was indissolubly intertwined with events and processes in the economy, on the political scene, in all spheres of people's lives.

In short, it was supremely difficult to get one's bearings and find the only correct course in that intricate and stormy situation. To a considerable extent, too, the character of the ideological struggle was complicated by personal rivalries in the party leadership.

The old differences that had existed back in Lenin's liftetime also made themselves felt in the new situation, and this in a very acute form. Lenin, as we know, had warned against this danger. In his "Letter to the Congress" he had stressed that "it is not a trifle, or it is a trifle which can assume decisive importance." And that was largely what had happened.

Their petit bourgeois nature took the upper hand in the case of some authoritative leaders. They took a factional stance. This agitated the party organizations, distracted them from vital affairs and interfered in their work.

The leaders in question continued to provoke a split even after the vast majority in the party saw that their views were contrary to Lenin's ideas and plans, and that their proposals were erroneous and could push the country off the correct course.

Rise of Stalin—Trotsky's Faction In Party Crushed

This applies first of all to Leon Trotsky, who had, after Lenin's death, displayed excessive pretensions to top leadership in the party, thus fully confirming Lenin's opinion of him as an excessively self-assured politician who always vacillated and cheated.

Trotsky and the Trotskyites negated the possibility of building socialism in conditions of capitalist encirclement.

In foreign policy they gave priority to export of revolution, and in home policy to tightening the screws on the peasants, to the city exploiting the countryside, and to administrative and military fiat in running society.

Trotskyism was a political current whose ideologists took cover behind leftist pseudo-revolutionary rhetoric, and who in effect assumed a defeatist posture. This was essentially an attack on Leninism all down the line. The matter practically concerned the future of socialism in our country, the fate of the revolution.

In the circumstances, it was essential to disprove Trotskyism before the whole people, and denude its antisocialist essence.

The situation was complicated by the fact that the Trotskyites were acting in common with the new opposition headed by Grigori Zinoviev and Lev Kamenev. Being aware that they constituted a minority, the opposition leaders had again and again saddled the party with discussions, counting on a split in its ranks.

But in the final analysis, the party spoke out for the line of the Central Committee and against the opposition, which was soon ideologically and organizationally crushed.

In short, the party's leading nucleus, headed by Josef Stalin, had safeguarded Leninism in an ideological struggle. It defined the strategy and tactics in the initial stage of socialist construction, with its political course being approved by most members of the party and most working people. An important part in defeating Trotskyism ideologically was played by Nikolai Bukharin, Feliks Dzerzhinsky, Sergei Kirov, Grigory Ordzhonokidze, Jan Rudzutak and others.

Renewed Debate—Bukharin Dissents, But Then Recants

At the very end of the 20's sharp struggle ensued also over the ways of putting the peasantry on the socialist road. In substance, it revealed the different attitude of the majority in the Political Bureau and of the Bukharin group on how to apply the principles of the new economic policy at the new stage in the development of Soviet society.

The concrete conditions of that time—both at home and internationally—necessitated a considerable increase in the rate of socialist construction.

Bukharin and his followers had, in their calculations and theoretical propositions, underrated the practical significance of the time factor in building socialism in the 30's. In many ways, their posture reposed on dogmatic thinking and a nondialectical assessment of the concrete situation. Bukharin himself, and his followers, soon admitted their mistakes.

In this connection, it is not amiss to recall Lenin's opinion of Bukharin, "Bukharin," he said, "is not only a most valuable and major theorist of the party; he is also rightly considered the favourite of the whole party, but his theoretical views can be classified as fully Marxist only with great reserve, for there is something scholastic about him (he has never made a study of dialectics, and, I think, never fully understood it)."

The facts again confirmed that Lenin had been right.

As we see, the political discussions of that time reflected a difficult process in the party's development, marked by acute struggle over crucial problems of socialist construction.

In that struggle, which had to be endured, there took shape the concept of industrialization and collectivization.

Under the leadership of the party, of its Central Committee, a heavy industry, including engineering, a defense industry and a chemical industry abreast of the times, were built in short order practically from scratch, and the general electrification plan was completed.

A Rigid System Hurts the Peasants

The period under review also saw some losses. They were in a definite sense connected with the successes I have just referred to. People had begun to believe in the universal effectiveness of rigid centralization, in that methods of command were the shortest and best way of resolving any and all problems. This had an effect on the attitude towards people, towards their conditions of life.

A party and government leadership system of administrative command emerged in the country, and red tape gained strength, even though Lenin had warned about its danger in his day. And a corresponding structure of administration and planning began to take shape.

In industry—given its scale at the time, when literally all the main components of the industrial edifice were conspicuous—such methods, such a system of management, generally produced results. However, an equally rigid centralization-and-command system was impermissible in tackling the problems of refashioning rural life.

It must be said frankly: At the new stage there was a deficit of the Leninist considerate attitude to the interests of the working peasantry. Most important of all, there was an underestimation of the fact that the peasantry as a class had changed radically in the years since the revolution.

The principal figure now was the middle peasant. He had asserted himself as a farmer working the land he had received from the revolution and he had, over a whole decade, become convinced that Soviet government was his government too.

He had become a staunch and dependable ally of the working class. An ally on a new basis, becoming convinced in practical terms that his life was increasingly taking a turn for the better.

And if there had been more consideration for objective economic laws and if more attention had been given to the social processes taking place in the village, if in general the attitude to this vast mass of the working peasantry—most of whom had taken part in the revolution and had defended it from the White Guards and the forces of intervention—had been politically more judicious, if there had been a consistent line to promote the alliance with the middle peasantry against the kulak, the village moneybag, then there would not have been all those excesses that occurred in carrying out collectivization.

Today it is clear: In a tremendous undertaking, which affected the fate of the majority of the country's population, there was a departure from Lenin's policy towards the peasantry.

This most important and very complex social process, in which a great deal depended on local conditions, was directed by predominantly administrative methods.

A conviction had arisen that all problems could be solved at a stroke, overnight. Whole regions and parts of the country began to compete: who would achieve complete collectivization more quickly. Arbitrary percentage targets were issued from above. Flagrant violations of the principles of collectivization occurred everywhere.

Nor were excesses avoided in the struggle against the kulaks. The basically correct policy of fighting the kulaks was often interpreted so broadly that it swept in a considerable part of the middle peasantry too. Such is the reality of history.

But, comrades, if we assess the significance of collectivization as a whole in consolidating socialism in the countryside, it was in the final analysis a transformation of fundamental importance.

Collectivization—Changing the Basis Of Soviet Agriculture

Collectivization implied a radical change in the entire mode of life of the preponderant part of the country's population to a socialist footing. It created the social base for modernizing the agrarian sector and regearing it along the lines of advanced farming techniques; it made possible a considerable rise in the productivity of labor, and it released a substantial share of manpower needed for other spheres of socialist construction. All this had historical effects.

To understand the situation of those years it must be borne in mind that the administrative-command system, which had begun to take shape in the process of industrialization and which had received a fresh impetus during collectivization, had told on the whole socio-political life of the country.

Once established in the economy, it had spread to its superstructure, restricting the development of the democratic potential of socialism and holding back the progress of socialist democracy.

But the aforesaid does not give a full picture of how complex that period was.

What had happened? The time of ideological-political tests of the utmost gravity to the party was actually over. Millions of people had joined enthusiastically in the work of bringing about socialist transformations. The first successes were becoming apparent.

Yet at that time, methods dictated by the period of the struggle with the hostile resistance of the exploiter classes were being mechanically transferred to the period of peaceful socialist construction, when conditions had changed cardinally. An atmosphere of intolerance, hostility, and suspicion was created in the country.

As time went on, this political practice gained in scale and was backed up by the erroneous theory of an aggravation of the class struggle in the course of socialist construction.

All this had a dire effect on the country's sociopolitical development and produced grim consequences.

Quite obviously, it was the absence of a proper level of democratization in the Soviet society that made possible the personality cult, the violations of legality, the wanton repressive measures of the 30's.

I am putting things bluntly. Those were real crimes stemming from an abuse of power. Many thousands of people inside and outside the party were subjected to wholesale repressive measures. Such, comrades, is the bitter truth.

Serious damage was done to the cause of socialism and to the authority of the party. And we must say this bluntly. This is necessary to assert Lenin's ideal of socialism once and for all.

Stalin's Errors—A Big Contribution, And Major Abuses

There is now much discussion about the role of Stalin in our history. His was an extremely contradictory personality. To remain faithful to historical truth we have to see both Stalin's incontestable contribution to the struggle for socialism, to the defense of its gains; the gross political errors, and the abuses committed by him and by those around him, for which our people paid a heavy price and which had grave consequences for the life of our society.

It is sometimes said that Stalin did not know of many instances of lawlessness. Documents at our disposal show that this is not so. The guilt of Stalin and his immediate entourage before the party and the people for the wholesale repressive measures and acts of lawlessness is enormous and unforgivable. This is a lesson for all generations.

Contrary to the assertions of our ideological opponents, the Stalin personality cult was certainly not inevitable. It was alien to the nature of socialism, represented a departure from its fundamental principles and, therefore, has no justification.

At its 20th and 22d Congresses, the party severely condemned the cult itself and its consequences. We now know that the political accusations and repressive measures against party leaders and statesmen, against Communists and nonparty people, against economic executives and military men, against scientists and cultural personalities, were a result of deliberate falsification.

Many accusations were later, especially after the 20th Party Congress, withdrawn. Thousands of innocent victims were completely exonerated.

But the process of restoring justice was not seen through to the end and was actually suspended in the middle of the 60's. Now in line with a decision taken by the October 1987 plenary meeting of the Central Committee, we are having to return to this.

The political bureau of the Central Committee has set up a commission for comprehensively examining new facts and documents pertaining to these matters and those known previously. Corresponding decisions will be taken on the basis of the commission's findings.

All this will also be reflected in a treatise on the history of the Communist Party of the Soviet Union, whose preparation is to be entrusted to a special commission of the Central Committee. This is something we have to do, the more so since even now there are still attempts to turn away from painful matters in our history, to hush them up, to make believe that nothing special happened.

The Nazi Invasion—The Soviet Soldier Bears the Brunt

The Great Patriotic War brought out to the full the talent of outstanding military leaders who had emerged from the midst of the people; Georgi Zhukov, Konstantin Rokossovsky, Aleksandr Vasilyevsky, Ivan Konev and other distinguished marshals, generals and officers, those who commanded fronts and armies, corps, divisions and regiments, companies and platoons.

A factor in the achievement of victory was the tremendous political will, purposefulness and persistence, ability to organize and discipline people displayed in the war years by Josef Stalin.

But the brunt of the war was borne by the ordinary Soviet soldier—a great toiler of the people's own flesh and blood, valiant and devoted to his country. Every honor and eternal glory to him!

When the war ended, our ill-wishers predicted an economic decline in our country and its dropping out of world politica for a long time; they considered that it would take us half a century, if not more, to cope with the aftermath of the war.

But within an extremely short period of time the Soviet people had rebuilt the war-ravaged towns and villages, and raised from their ruins factories and mills, collective and state farms, schools and colleges, and cultural institutions.

It was the heroism of everyday work in those difficult postwar years that was the source of our achievements, of the economic, scientific and technical progress, of the harnessing of atomic energy, of the launching of the first spaceships, and of the growth of the people's economic and cultural standards.

But during this very same time—a time of new exploits by the people in the name of socialism—a contradiction between what our society had become and the old methods of leadership was making itself felt ever more appreciably.

Abuses of power and violations of socialist legality continued the "Leningrad Case" and the "Doctors' Case" were fabricated. In short, there was a deficit of genuine respect for the people.

People were devotedly working, studying, seeking new knowledge, accepting difficulties and shortages, but sensing that alarm and hope were building up in society, and all this gripped the public consciousness soon after Stalin's death.

In the middle of the 50's especially after the 20th Congress of the Communist Party, a wind of change swept the country, the people's spirits rose, they took heart, became bolder and more confident. It required no small courage of the party and its leadership, headed by Nikita Khrushchev, to criticize the personality cult and its consequences, and to re-establish socialist legality.

The 50's Thaw—Khrushchev Moves In New Directions

The old stereotypes in domestic and foreign policy began to crumble. Attempts were made to break down the command-bureaucratic methods of administration established in the 30's and the 40's, to make socialism more dynamic, to emphasize humanitarian ideals and values, and to revive the creative spirit of Lennnism in theory and practice.

The desire to change the priorities of economic development, to bring into play incentives related to a personal interest in work results, keynoted the decisions of the September 1953 and July 1955 plenary meetings of the party Central Committee.

More attention began to be devoted to the development of agriculture, housing, the light industry, the sphere of consumption, and to everything related to satisfying human needs.

In short, there were changes for the better—in Soviet society and in international relations. However, no small number of subjectivist errors were committed, and they handicapped socialism's advance to a new stage, moreover doing much to discredit progressive initiatives.

The fact is that fundamentally new problems of domestic and foreign policies, and of party development, were often being solved by voluntaristic methods, with the aid of the old political and economic mechanism.

But the failures of the reforms undertaken in that period were mainly due to the fact that they were not backed up by a broad development of democratization processes.

At the October 1964 plenary meeting of the party Central Committee there was a change of the leadership of the party and the country, and decisions were taken to overcome voluntaristic tendencies and distortions in domestic and foreign policies. The party sought to achieve a certain stabilization in the policy, and to give it realistic features and thoroughness.

The March and September 1965 plenary meetings of the party Central Committee formulated new approaches to economic management. An economic reform, and big programs for developing new areas and promoting the productive forces, were worked out and began to be put into effect.

In the first few years this changed the situation in the country for the better. The economic and scientific potential was increasing, the defense capacity was being strengthened, the standard of living was rising. Many foreign-policy moves enhanced the international prestige of our state. Strategic parity with the U.S.A. was achieved.

The country had at its disposal extensive resources for further accelerating its development. But to utilize these resources and put them to work, cardinal new changes were needed in society and, of course, the corresonding political will. There was a shortage of the one and the other. And even much of what had been decided remained on paper, was left suspended in mid-air. The pace of our development was substantially retarded.

At the April 1985 plenary meeting of its Central Committee and at its 27th Congress the party frankly identified the causes of the situation that had arisen, laid bare the mechanism retarding our development and gave it a fundamental assessment.

Brezhnev's Era—Old Formulas Hamper Development

It was stated in the latter years of the life and activities of Leonid Brezhnev the search for ways of further advancement had been largely hampered by an addiction to habitual formulas and schemes, which did not reflect the new realities. The gap between word and deed had widened.

Negative processes in the economy were gathering momentum and had, in effect, created a pre-crisis situation. Many aberrations had arisen in the social, spirtual and moral spheres, and they were distorting and deforming the principles of socialist justice, undermining the people's faith in it, and giving rise to social alienation and immorality in various forms. The growing discrepancy between the lofty principles of socialism and the everyday realities of life was becoming intolerable.

The healthy forces in the party and in society as a whole were becoming more and more acutely aware of the pressing need to overcome negative phenomena, to reverse the course of events, to secure an acceleration of the country's socio-economic development, and to bring about a moral purification and renewal of socialism.

It was in response to this extremely acute social need that the April 1985 plenary meeting of the Central Committee put forward the concept and strategy of accelerating the country's socio-economic development, and the course aimed at a renewal of socialism.

These were given more elaborate theoretical and political formulation in the decisions of the 27th Party Congress and subsequent plenary meetings of the Central Committee, and assumed final shape in the general policy of a revolutionary reorganization of all aspects of socialist society's life.

The perestroika idea rests upon our 70-year history, on the sound foundation of the basically new social edifice erected in the Soviet Union; it combines continuity and innovation, the historical experience of Bolshevism and the contemporaneity of socialism.

II

Socialism In Development And Perestroika

The changes taking place in the country today probably constitute the biggest step in developing socialist democracy since the October Revolution.

In reogranizing our economic and political system, it is our duty to create, first of all, a dependable and flexible mechanism for the genuine involvement of all the people in deciding state and social matters.

Secondly, people must be taught in practice to live in the conditions of deepening democracy, to extend and consolidate human rights, to nurture a contemporary political culture of the masses; in other words, to teach and to learn democracy.

Every person has his own social experience, his own level of knowledge and education, his own distinctive perceptions of what is taking place; hence, a tremendous range of views, convictions and assessments, which, naturally, require careful consideration and comparison.

We are for a diversity of public opinion, a richness of spiritual life. We need not fear openly raising and solving difficult problems of social development, criticizing and arguing. It is in such circumstances that the truth is born and that correct decisions take shape.

Resistance to Change—Conservatives Fear Threat to Interests

It would be a mistake to take no notice of a certain increase in the resistance of the conservative forces that see perestroika simply as a threat to their selfish interests and objectives. This resistance can be felt not only at management level but also in work collectives.

Nor can one really doubt that the conservative forces will seize upon any difficulty in a bid to discredit perestroika and provoke dissatisfaction among the people.

Even now there are those who prefer to keep ticking off the slip-ups instead of getting down to combatting shortcomings and looking for new solutions.

Naturally, these people never say that they oppose perestroika. Rather, they would have us believe that they are fighting against its negative side effects, that they are guardians of the ideological principles that supposedly might be eroded by the increasing activity of the masses.

But, comrades, isn't it time to stop trying to scare us with all sorts of slip-ups?

Of course negative side effects are inevitable in any undertaking, particularly if it is novel. But the consequences of marking time, of stagnation and indifference have a much greater impact and cost a lot more than the side effects that arise temporarily in the course of a creative effort to reshape the social fabric.

We should learn to spot, expose and neutralize the maneuvers of the opponents of perestroika—those who act to impede our advance and trip us up, who gloat over our difficulties and setbacks, who try to drag us back into the past.

Nor should we succumb to the pressure of the overly zealous and impatient—those who refuse to accept the objective logic of perestroika, who voice their disappointment with what they regard as a slow rate of change, who claim that this change does not yield the necessary results fast enough. It should be clear that one cannot leap over essential stages and try to accomplish everything at one go.

But we can see that some cities, districts and regions, and even some repulbics, have not yet got down to perestroika in earnest. This is a direct result of political and organizational inertia and lack of initiative displayed by party committees and their leaders. This must be seen as well. This is one of our realities as well.

A turn for the better is a special responsibility that now rests on the gass-roots party organizations. They are in fact the terminals of all the woes of perestroika.

It is the initiative of the grass-roots party organizations on which the progress of the transofrmations, the skill in mobilizing and inspiring perople, and the ability to achieve tangible improvements depend above all.

To sum up, comrades, perestroika will not succeed without a drastic invigoration of the activities of all party organizations.

And so we must have a more businesslike and a more democratic attitude, we must improve organization and tighten discipline. Then we will be able to put perestroika into high gear and impart a new impetus to socialism in its development.

III

The October Revolution and Today's World

The April 1985 plenary meeting of the C.P.S.U. Central Committee was a landmark in the development of Leninst thought along this line too. the new concept of foreign policy was presented in detail at the 27th Congress.

As you know, this concept proceeds from the idea that for all the profound contradictions of the contemporary world, for all the radical differences among the countries that compromise it, it is inter-related, interdependent and integral.

The reasons for this include the internationalization of world economic ties, the comprehensive scope of the scientific and technological revolution, the essentially novel role played by the mass media, the state of the earth's resources, the common environmental danger and the crying social problems of the developing world which affect us all.

The main reason, however, is the problem of human survival. This problem is now with us because the development of nuclear weapons and the threatening prospect of their use have called into question the very survival of the human race.

Acting jointly with the other countries of the Socialist community, we have submitted several important initiatives to the United Nations, including a project for devising a comprehensive system of international peace and security.

The Warsaw Treaty states have addressed NATO and all European countries with a proposal on reducing armed forces and armaments to a level of reasonable sufficiency.

We have suggested comparing the two alliances' military doctrines in order to make them exclusively defensive.

We have put forward a concrete plan for the prohibition and elimination of chemical weapons and are working vigorously in this direction.

We have advanced proposals on devising effective methods for the verification of arms reductions including on-site inspection.

We have come out resolutely for strengthening the prestige of the United Nations, for the full and effective use of the powers conferred upon it and its agencies by the international community.

We are doing our best to enable the United Nations, a universal mechanism, to competently discuss and insure a collective search for a balance of interests of all countries, and to discharge its peacemaking functions effectively.

The October 1986 meeting in Reykjavik ranks among the events which have occurred since the new stage in international affairs began, which deserve to be mentioned on this occasion and which will go down in history.

The Reykjavik meeting gave a practical boost to the new political thinking, enabled it to gain ground in diverse social and political quarters and made international political contacts more fruitful.

The new thinking, with its regard for universal human values and emphasis on common sense and openness, is forging ahead on the international scene, destroying the stereotypes of anti-Sovietism and dispelling distrust of our initiatives and actions.

It is true that, gauged against the scope of the tasks mankind will have to tackle to ensure its survival, very, very little has so far been accomplished. But a beginning has been made, and the first signs of change are in evidence.

This is borne out, among other things, by the understanding we have reached with the United States on concluding in the near future an agreement on medium- and shorter-range missiles.

The conclusion of this agreement is very important in itself: It will, for the first time, eliminate a whole class of nuclear weapons, be the first tangible step along the path of scrapping nuclear arsenals, and will show that it is in fact possible to advance in this direction without prejudice to anyone's interests.

That is obviously a major success of the new way of thinking, a result of our readiness to search for mutually acceptable solutions while strictly safeguarding the principle of equal security.

However, the question concerning this agreement was largely settled back in Reykjavik, at my second meeting with the U.S. President.

In this critical period the world expects the third and fourth Soviet-U.S. summits to produce more than merely an official acknowledgement of the decisions agreed upon a year ago, and more than merely a continuation of the discussion. The growing danger, that weapons may be perfected to a point where they will become uncontrollable is urging us to waste no time.

That is why we will work unremittingly at these meetings for a palpable breakthrough, for concrete results in reducing strategic offensive armaments and barring weapons from outer space—the key to removing the nuclear threat.

What is the world going to be like when it reaches our revolution's centenary? What is socialism going to be like? What degree of maturity will have been attained by the world community of states and peoples? Let us not indulge in guessing. But let us remember that the foundations for the future are being laid today.

It is our duty to preserve our inimitable civilization and life on earth, to help reason win over nuclear insanity and to create all the necessary conditions for the free and all-round development of the individual and the whole of humanity.

We are aware that there is a possibility for continuous progress. We realize that it is not easy to insure it. But this does not frighten us. On the contrary, this inspires us, giving a lofty and humane purpose to our life and injecting it with a profound meaning.

In October 1917 we parted with the Old World, rejecting it once and for all. We are moving toward a new world, the world of Communism. We shall never turn off that road.

[From the Washington Post, Nov. 4, 1987]

MR. GORBACHEV'S RUSSIA

The advance word on Mikhail Gorbachev's anniversary speech had been that it would rip the veil off 70 years of Communist deception. Either friends or foes could have spread this word: friends to encourage his boldness, foes to build up false expectations. But in the event, the speech was relatively retrained. Some but not much candor was restored to the official reading of Soviet history, notwithstanding Mr. Gorbachev's pledges to leave "no blank pages." Less was said about Stalin's murders, and with less passion, than Nikita Khrushchev offered 30 years ago. "Selfish" conservatives and "impatient" liberals were paired as threats to reform. The speech was essentially a rationale for tactical caution.

It seems that Mr. Gorbachev is not in total command in the Kremlin. He acknowledges "a certain increase" in resistance, and glassnot provides evidence of it. It is not surprising that ambitious plans for change should occasion argument. Mr. Gorbachev is promoting change on a scale that provokes widespread doubt and opposition in the party apparatus and state bureaucracy. Soviet liberals who embrace him have a voice that can be heard outside Soviet borders, but do not have matching political clout at home. His reach for mass support is hindered by the workers' lack of political habit and by the inability of reform to offer early visible improvement in their daily lives.

Exciting things are going on in Moscow. Sobering as it is, however, it is necessary to keep in mind the framework of the debate. Was Stalin's terror and its sequel, the bureaucratic expansionist state, the inevitable and still inescapable result of the Lenin revolution, in which case Mr. Gorbachev is but a blip on the screen? Or is there in the revolutionary tradition a reformist potential, represented historically by Nikolai Bukharin, whom Stalin murdered in 1938?

Mr. Gorbachev introduced but at once dismissed Bukharin in his address on Monday, as though to authorize discussion—a step forward—but not to position himself as an heir to Bukharin or to assume the political burden of becoming his champion. That tells a good deal about the cramped context in which the current reform campaign is unfolding. Certainly it should put a brake on premature Western celebration of Mr. Gorbachev's success.

SOVIET'S SPEECH BOWS TOWARD CONSERVATIVES

(By Gary Lee)

MOSCOW, Nov. 2.—Kremlin leader Mikhail Gorbachev, reflecting new caution toward opponents within the party who have slowed his quest for urgent reforms, injected a striking tone of conservatism today into his familiar appeal for political and economic change in the Soviet Union.

In a speech that was billed as a major policy address and that he spent weeks writing this summer, the Soviet leader weakened the impact of most groundbreaking positions he has taken. Gorbachev even rebuked his personal protege Boris Yeltsin, the Moscow party chief and outspoken advocate of *glasnost*, or openness, who is under fire from party conservatives for criticizing the slow progress of the reforms.

By the time he finished the speech, some western and Soviet observers were struck by the softened image of himself that Gorbachev presented. "There was nothing bold there," one western diplomat said.

For example, Gorbachev called for closer cooperation between socialist countries and the capitalist West an unusual step for a communist leader. But he then issued a standard prediction, doctrinaire as it was dire, of the slow demise of capitalism.

Gorbachev, who just months ago complained that his calls for *perestroika* or restructuring, were not being enforced quickly enough, also used today's speech to criticize Soviets too eager about the reforms and to appeal to them for "revolutionary self-restraint." He warned against succumbing to the pressure of overzealous supporters of reform and "those who voice their disappointment with what they regard as a slow rate of change."

The speech, which came amid signals of hardened opposition to Gorbachev's reforms within the Communist Party leadership, buttressed a widely held view among western diplomats and some Soviets that the Soviet leader is caught in a quagmire of domestic political tensions.

Western and Soviet analysts alike regarded the speech as a series of half measures—the apparent result of a mixture of Gorbachev's views and those of more conservative forces within the Communist Party. "It just didn't go far enough," one Soviet scientist said in an interview. "At this point in his reform campaign, Gorbachev has go to be more convincing if he is going to win support among those still sitting on the fence."

According to one view, the address reflects the influence of conservatives who cautioned publicly against the dangers of some of the reforms during Gorbachev's mysterious 56-day absence from public view in August and September.

Some western diplomats also speculated that Gorbachev had softened his remarks to reflect criticism raised during a review of the address at an Oct. 21 plenum of the party's powerful Central Committee. Others stressed that Gorbachev's topics, such as the Stalin era, excite so many passions across the Soviet Union that he had to broach them with a sense of balance.

The part of the speech considered by western analysts as most indicative of a conservative shift by Gorbachev was his veiled rebuke of one of the most outspoken proponents of Soviet reform.

"We must not give in to pressure to those overly headstrong and impatient people," Gorbachev said, "who do not want to take into account the objective logic of the restructuring." The comment was widely interpreted as criticism of Yeltsin, the Moscow party leader who, in the Oct. 21 meeting, reportedly railed against party leaders for slowing the pace of reform. Yeltsin later offered to resign under fire for his remarks.

According to some western diplomatic analysts here, some of the more conservative members of the new Soviet leadership gained a stronger foothold during Gorbachev's absence during August and September.

Chief party ideologist Yegor Ligachev and KGB Director Victor Chebrikov, both members of the ruling Politburo, gave public appearances espousing a more conservative line than Gorbachev's while the Soviet leader was away. Gaidar Aliyev, a conservative Politburo member who had disappeared from public view for several months after Gorbachev issued a harsh warning against the opponents to perestroika last spring, suddenly reappeared publicly while Gorbachev was away.

The echo of the plenum and the public appearances leading up to it are still lingering, according to one strongly held view among western diplomats here.

In a day of mixed signals, Gorbachev issued a warning against conservatives who seek to discredit perestroika. "Naturally these people never say that they oppose perestroika. Rather, they would have us believe that they are fighting against its negative side effects, that they are guardians of the ideological principles that supposedly might be eroded by the increasing activity of the masses."

Gorbachev Accuses Stalin of Crimes—Major Address Criticizes Those Who Want to Block, Rush Reforms

(By Celestine Bohlen)

Moscow, Nov. 2—Soviet leader Mikhail Gorbachev, in a major speech delivered today on the eve of the 70th anniversary of the Russian Revolution, accused Joseph Stalin of "enormous and unforgivable" crimes, but stopped short of a full-scale denunciation of the dictator whose policies and purges are widely believed to have caused the deaths of millions of Soviets.

In the nearly three-hour speech, Gorbachev also criticized those who are trying either to block his reforms out of fear or to implement them too quickly out of impatience. He pledged to work "unremittingly" for a "palpable breakthrough" in strategic and space-based nuclear arms negotiations with the United States.

Gorbachev acknowledged that *perestroika,* or his campaign of economic and political restructuring, had put "growing pressure" on society. He referred both to "the resistance of the conservative forces that see perestroika simply as a threat to their selfish interests and objectives" and to those who "succumb to the pressure of the overly zealous and impatient."

"It should be clear that one cannot leap over essential stages and try to accomplish everything at one go," he said, in apparent reference to the recent high-level dispute over Boris Yeltsin, the Moscow party chief who reportedly criticized the party leadership for moving too slowly to implement some of Gorbachev's programs.

Gorbachev called the treaty with the United States on medium- and shorter-range weapons to be signed at a December summit with President Reagan in Washington "the first tangible step along the path of scrapping nuclear arsenals."

Of his upcoming talks with Reagan, Gorbachev said, "The world expects the third and fourth Soviet-U.S. summits to produce more than merely an official acknowledgement of the decision agreed upon a year ago, and more than merely continuation of the discussion.

"That is why we will work unremittingly at these meetings for a palpable breakthrough, for concrete results in reducing strategic offensive armaments and barring weapons from outer space—the key to removing the nuclear threat." Gorbachev's mention of a fourth summit was a reference to an expected trip to Moscow by Reagan next year.

Today's speech had been billed in advance by Soviet officials as a major statement befitting the occasion of the 70th anniversary, which is dominating the Soviet news media and has drawn Communist Party delegations here from around the world. Almost one half of the speech was devoted to a review of history, which in Soviet terms is considered of key importance in setting current policy.

The Soviet leader cast new light on once-forbidden areas of Soviet history and sanctioned a public debate over the role of Stalin and other Communist Party leaders.

But he carefully balanced his revision of the party's official line on history, giving both liberals and conservatives equal due. Thus, Gorbachev for the first time publicly implicated Stalin in the massive repressions of the 1930s but minimized their scale by saying "thousands of people" had suffered. Even official historians here put the figure of people killed or sentenced to labor camps by Stalin in the millions.

In his review of the Soviet Union's past, Gorbachev gave different hints at his own direction. He gave a ringing endorsement of NEP, the New Economic Policy of the 1920s that permitted limited private enterprise. At the same time, he defended the policy of collectivization in the 1930s that ruthlessly eradicated independent farming in Russia, but said that "flagrant violations of the principles of collectivization occurred everywhere."

Today, the names of several former Soviet leaders were mentioned in an official setting for the first time in decades. By talking about Nikita Khrushchev, Gorbachev rescued Stalin's successor from 23 years of obscurity. He acknowledged the contributions of Nikolai Bukharin 49 years after the party theorist was executed by Stalin. However, he attacked Leon Trotsky, Stalin's chief rival, as "antisocialist."

For the first time, Gorbachev publicly linked Leonid Brezhnev with the "stagnation" of the late 1970s and early 1980s when "the gap between word and deed widened."

But for many, the key issue in the speech was Stalin, a figure who looms largest in Soviet history after V.I. Lenin, founder of the Soviet state. For many ordinary Soviet citizens, especially war veterans, and conservatives in the current debate on history, Stalin is still a great leader who gave the country order and inspiration.

Gorbachev announced that the party would name a committee to examine the Stalin era. "This is something we have to do, all the more so since even now there are still attempts to turn away from painful matters in our history, to hush them up and to make believe that nothing special happened," he said.

"We cannot agree to this. This would be disregard for historical truth, disrespect for the memory of those who were innocent victims of lawless and arbitrary actions," he said, noting that a "truthful analysis" of the Stalin era touches on problems dealt with by Gorbachev's reform program.

But Gorbachev also dwelt on the achievements of Stalin, both during the prewar period of industrialization and during the war years. He said Stalin's "tremendous political will" was a factor in winning the war. He also defended the 1939 Stalin-Hitler pact as the only option available to the Soviet Union in the face of the Nazi threat.

To remain faithful to historical truth, we have to see both Stalin's incontestable contribution to the struggle for socialism, to the defense of its gains, [and] the gross political errors and the abuses committed by him and those around him," Gorbachev said.

By taking the middle ground in the ideological debate over Stalin, Gorbachev struck a political compromise that is expected to disappoint many members of the intelligentsia while pleasing the conservative party establishment.

Still, his comments took the public exposure of Stalin's crimes considerably further than his predecessors. Although Khrushchev's secret speech against Stalin at the 20th party congress in 1956 reportedly was stronger than Gorbachev's, it was never published here. Gorbachev's speech, given to about 5,000 officials, foreign delegations and diplomats in the Kremlin's Palace of Congresses, was nationally televised and will be published in the press on Tuesday.

"It's more than before and less, than expected," said one foreign analyst. Several observers said they were disappointed by Gorbachev's measured tone, which contrasted with the increasing boldness of the historical debate in the Soviet press.

Yet others noted that the speech was not so much Gorbachev's personal statement as a political document that was approved by the full Central Committee at a meeting on Oct. 21.

According to Soviet dissident historian Roy Medvedev, the speech will release historians to touch on subjects that they had been barred from in the past. Gorbachev's mere mention of Khrushchev will restore the former leader to the history books. Medvedev said.

"In discussing these historical figures, he was in some way legitimizing them," said a western diplomat. "It may not have gone as far as some would like, but at least there are no more nonpersons, no more nonevents. That is significant."

Khrushchev became a nonperson in 1964 when he was ousted as party leader. Gorbachev today credited him with "critizing [Stalin's] personality cult and its consequences." This, Gorbachev said, "required no small courage.

In 1956, Khrushchev condemned Stalin for creating a "cult of personality" and proceeded to liberate an estimated 2 million to 3 million prisoners from labor camps. Millions more of Stalin victims were legally rehabilitated although the process was never fully completed.

Today, Gorbachev left unsettled the question of the rehabilitation of Bukharin, Lev Kamenev Grigori Zinoviev and other Bolshevik leaders who were purged and executed by Stalin. He announced a commission to be named by the ruling Politburo "to make an all-round study of new and already-known facts and documents related to these questions."

Gorbachev also announced this year's grain harvesting figures in the speech. He said that despite unfavorable weather throughout the country, "we succeeded in harvesting more than 210 million tons of grain.

"This was the result of strenuous efforts exerted by the people and by the party which encouraged them to work in a new way," he said.

"The Guilt of Stalin * * * Is Enormous and Unforgivable"

(Following are excerpts from Soviet leader Mikhail Gorbachev's speech today, as provided by the official Soviet news agency Tass and The Associated Press.)

ON THE ABUSES OF STALIN

The period after Lenin—that is, the '20s and the '30s—occupied a special place in the history of the Soviet state. Radical social changes were carried out in some 15 years. . . . Those were years of hard work to the limits of human endurance, of sharp and multifarious struggle. Industrialization, collectivization, the cultural revolution, strengthening of the multinational state, consolidation of the Soviet Union's international positions, new forms of managing the economy and all social affairs—all this occurred within the period. And all of it had far-reaching consequences. For decades, we have been returning to that time again and again. . . .

To understand the situation of those years, it must be borne in mind that the administrative-command system, which had begun to take shape in the process of industrialization and which had received a fresh impetus during collectivization, had hold on the whole socio-political life of the country. Once established in the economy, it had spread to its superstructure, restricting the development of the democratic potential of socialism and holding back the progress of socialist democracy.

But the aforesaid does not give a full picture of how complex that period was.

What had happened? The time of ideological-political tests of the utmost gravity to the party was actually over. Millions of people had joined enthusiastically in the work of bringing about socialist transformations. The first successes were becoming apparent.

Yet, at that time methods dictated by the period of the struggle with the hostile resistance of the exploiter classes were being mechanically transferred to the period of peaceful socialist construction, when conditions had changed cardinally. An atmosphere of intolerance, hostility and suspicion was created in the country.

As time went on, this political practice gained in scale and was backed up by the erroneous "theory" of an aggravation of the class struggle in the course of socialist construction.

All this had a dire effect on the country's sociopolitical development and produced grim consequences.

Quite obviously, it was the absence of a proper level of democratization in the Soviet society that made possible the personality cult, the violations of legality, the wanton repressive measures of the '30s.

I am putting things bluntly—those were real crimes stemming from an abuse of power. Many thousands of people inside and outside the party were subjected to wholesale repressive measures. Such comrades, is the bitter truth.

Serious damage was done to the cause of socialism and to the authority of the party. And we must say this bluntly. This is necessary to assert Lenin's ideal of socialism once and for all.

There is much discussion about the role of Stalin in our history. His was an extremely contradictory personality. To remain faithful to historical truth, we have to see both Stalin's incontestable contribution to the struggle for socialism, to the defense of its gains, the gross political errors and the abuses committed by him and by those around him, for which our people paid a heavy price and which had grave consequences for the life of our society.

It is sometimes said that Stalin did not know of many instances of lawlessness. Documents at our disposal show that this is not so. The guilt of Stalin and his immediate encourage before the party and the people for the wholesale repressive measures and acts of lawlessness is enormous and unforgivable. This is a lesson for all generations.

Contrary to our ideological opponents, the Stalin personality cult was certainly not inevitable. It was alien to the nature of socialism, represented a departure from its fundamental principles and therefore, has no justification.

At its 20th and 22nd congresses, the party severely condemned the Stalin cult itself and its consequences. We now know that the political accusations and repressive measures against a number of party leaders and statesmen, against many communists and nonparty people, against economic executives and military men, against scientists and cultural personalities were a result of deliberate falsification.

Many accusations were later, expecially after the 20th party congress, withdrawn. Thousands of innocent victims were completely exonerated.

But the process of restoring justice was not seen through to the end and was actually suspended in the middle of the '60s. Now, in line with a decision taken by the October 1987 plenary meeting of the Central Committee, we are having to return to this.

The Political Bureau of the Central Committee has set up a commission for comprehensively examining new facts and documents pertaining to these matters and those known previously. Corresponding decisions will be taken on the basis of the commission's findings.

All this will also be reflected in a treatise on the history of the Communist Party of the Soviet Union, whose preparation is to be entrusted to a special commission of the Central Committee. This is something we have to do, the more so since even now there are still attempts to turn away from painful matters in our history, to hush them up, to make believe that nothing special happened.

We cannot agree to this. This would be disregard for the historical truth, disrespect for the memory of those who were innocent victims of lawless and arbitrary actions. Another reason why we cannot agree to this is that a truthful analysis must help us to solve today's problems of democratization, legality, openness, overcoming bureaucracy—in short, the vital problems of perestroika, or reorganization.

ON PERESTROIKA

The economic reform and perestroika in general forcefully advance to the forefront the human being. Social justice requires that we should give more attention to a person's individual abilities and reward morally and materially those who work better and more, setting others an example.

True talents and colorful personalities are society's invaluable assets—they must be taken care of, and all the necessary conditions must be created for their work and life.

Thirty months have elapsed since the April plenary meeting of the Central Committee. . . . The general conclusion made on this score at the plenary meeting [that] the Central Committee has just held is that we are at a turning point.

The development of agriculture, particularly of animal husbandry, is showing increased stability.

You all know, comrades, how unfavorable the weather was in most regions of our country this year. Nevertheless, we succeeded in harvesting more than 210 million tons of grain. This was the result of strenuous efforts exerted by the people and by the party which encouraged them to work in a new way.

Still, all that is only a beginning. Today, we can say that we are entering a new stage of perestroika, the stage at which all our policies, all our decisions, are taking the shape of practical action, being translated into reality.

I would like to stress that viewed from this angle, the next two or perhaps three years will be particularly complicated, decisive and, in a sense, critical.

In the economic sphere, we must effect far-reaching structural changes, achieve a breakthrough in accelerating scientific and technological progress, largely reorganize the economic mechanism and, thus, take a decisive step in switching the economy to the track of intensive development.

But it would be a mistake to take no notice of a certain increase in the resistance of the conservative forces that see perestroika simply as a threat to their selfish interests and objectives. This resistance can be felt not only at management level but also in work collectives.

Nor can one really doubt that the conservative forces will seize upon any difficulty in a bid to discredit perestroika and provoke dissatisfaction among the people.

Even now, there are those who prefer to keep ticking off the slip-ups instead of getting down to combatting shortcomings and looking for new solutions.

We should learn to spot, expose and neutralize the maneuvers of the opponents of perestroika—those who act to impede our advance and trip us up, who gloat over our difficulties and setbacks, who try to drag us back into the past.

Nor should we succumb to the pressure of the overly zealous and impatient—those who refuse to accept the objective logic of perestroika, who voice their disappointment with what they regard as a slow rate of change, who claim that this change does not yield the necessary results fast enough. It should be clear that one cannot leap over essential stages and try to accomplish everything at one go.

Perestroika carries on the revolutionary cause, and today it is absolutely essential to master the skill of exercising revolutionary self-restraint.

This self-restraint does not mean that we should sit back or drift with the current. It implies an ability to assess the situation realistically, not to back down before difficulties, not to panic, not to lose one's head over either success or failure—an ability to work strenuously and purposefully every day and every hour, to find and apply the best possible solutions in everything.

ON FOREIGN POLICY

The main thrust of our foreign policy has remained unchanged. We have every right to describe it as a Leninist policy of peace, mutually beneficial international cooperation and friendship among nations.

It is true that some things could have been tackled better and that we could have been more efficient. Nevertheless, we can say on this memorable occasion that the overall thrust of our policy has remained in concert with the basic course worked out and charted by Lenin—consonant with the very nature of socialism, with its principled commitment to peace.

This is overwhelmingly instrumental in averting the outbreak of a nuclear war and in preventing imperialism from winning the Cold War.

The October 1986 meeting in Reykjavik ranks among the events which have occurred since the new stage in international affairs began, which deserve to be mentioned on this occasion and which will go down in history.

The Reykjavik meeting gave a practical boost to the new political thinking, enabled it to gain ground in diverse social and political quarters and made international political contacts more fruitful.

It is true that, gauged against the scope of the tasks mankind will have to tackle to ensure its survival, very little has so far been accomplished. But a beginning has been made, and the first signs of change are in evidence.

This is borne out, among other things, by the understanding we have reached with the United States on concluding in the near future an agreement on medium- and short-range missiles.

The conclusion of this agreement is very important in itself: it will, for the first time, eliminate a whole class of nuclear weapons, be the first tangible step along the path of scrapping nuclear arsenals and will show that it is in fact possible to advance in this direction without prejudice to anyone's interests.

However, the question concerning this agreement was largely settled back in Reykjavik, at my second meeting with the U.S. president.

In this critical period, the world expects the third and fourth Soviet-U.S. summits to produce more than merely an official acknowledgment of the decisions agreed upon a year ago and more than merely a continuation of the discussion. The growing danger that weapons may be perfected to a point where they will become uncontrollable is urging us to waste no time.

That is why we will work unremittingly at these meetings for a palpable breakthrough, for concrete results in reducing strategic offensive armaments and barring weapons from outer space—the key to removing the nuclear threat.

Since an alliance between a socialist country and capitalist states proved possible in the past, when the threat of fascism arose, does this not suggest a lesson for the present, for today's world which faces the threat of nuclear catastrophe and the need to ensure safe nuclear power production and overcome the danger to the environment?

Ever since the war, the U.S. economy has been oriented and dependent on militarism which at first seemed even to stimulate it. But then this senseless and socially useless squandering of resources led to an astronomical national debt and to other problems and maladies.

In the final analysis, it has turned out that super-militarization increasingly aggravates the domestic situation and upsets the economies of other countries.

The recent panic on the New York Stock Exchange and on other exchanges across the world—a panic without precedent in almost 60 years—is a grave symptom and a grave warning.

As long as there is a danger of war and as long as the drive for social revanchism forms the core of western strategies and militarist programs, we shall continue to do everything necessary to maintain our defense capability at a level ruling out imperialism's military superiority over socialism.

The potential of the party's influence, the party's impact on perestroika, has not yet been fully brought into play.

The preparation for and holding of the 19th national party conference should give a powerful impetus to improving the complicated and intricate work along these lines.

Today, the fate of the great cause of the revolution, of the great Leninist cause, is in our hands. Again, we are blazing the trail.

It is our duty to preserve our inimitable civilization and life on Earth, to help reason win over nuclear insanity and to create all the necessary conditions for the free and all-around development of the individual and the whole of humanity.

[From the New York Times, Nov. 3, 1987]

GORBACHEV ASSAILS CRIMES OF STALIN, LAUDS KHRUSHCHEV

(By Philp Taubman)

Moscow, Nov. 2.—Resuming a painful examination of Soviet history that was all but suspended for the last 25 years, Mikhail S. Gorbachev said today that Stalin was guilty of "enormous and unforgivable" crimes and praised two Soviet figures who had been officially repudiated.

Mr. Gorbachev, in a long-awaited speech marking the 70th anniversary of the Bolshevik Revolution, opened the door on the past more than had been allowed in recent years, but less dramatically than some of his aides had earlier predicted.

Explaining his emphasis on Soviet history, Mr. Gorbachev said the Soviet Union could plot its future only if it faced up to its past, and he linked the lessons of history to the changes he has set in motion. [Three pages of key sections, A11-13].

PRAISE FOR KHRUSHCHEV

In the speech, Mr. Gorbachev restored official respectability to Nikita S. Khrushchev, the Soviet leader from 1953 to 1964, and Nikolai I. Bukharin, a revolutionary associate of Lenin who was executed by Stalin in 1938.

But in both cases, the praise was balanced with continued criticism of their records, demonstrating the caution with which Mr. Gorbachev approached the subject. And nothing was done to rehabilitate Leon Trotsky, Grigory Y. Zinoviev and Lev B. Kemenev, three famous associates of Lenin who ran afoul of Stalin.

None of those cited by Mr. Gorbachev today are still alive, but discussion of Stalin and other figures from the past remains a sensitive political issue, with criticism of Mr. Gorbachev sometimes disguised as praise for Stalin.

COOPERATION WITH CAPITALISTS

In his 2-hour, 41-minute speech at the Kremlin, Mr. Gorbachev also touched on contemporary themes.

He said he would press President Reagan for "a palpable breakthrough" on a treaty reducing long-range nuclear weapons and banning weapons from outer space. [Page A10.]

He said the inevitability of conflict between Communism and capitalism was giving way to a new era of guarded cooperation in an "interrelated, interdependent" world.

Alluding to the Soviet Union's history of trying to maintain strict control over its Eastern European allies, Mr. Gorbachev said Moscow wanted to encourage greater independence among Communist countries. "We have satisfied ourselves that unity does not mean identity and uniformity," he said.

Mr. Gorbachev's willingness to illuminate neglected or closed chapters in Soviet history is seen by many Soviet intellectuals as a critical test of his commitment to reshaping the Communist system and to encouraging freer debate.

The nationally televised speech, given to an audience of 5,000 Soviet officials and foreign dignitaries in the Kremlin Palace of Congresses, kicked off a weeklong commemoration of the Bolshevik seizure of power in 1917 from the fledging Provisional Government, which had overthrown the Czar in March that year. The actual anniversary is on Saturday.

Urging his countrymen to press ahead with the changes he has initiated in the economy and other areas of Soviet life, Mr. Gorbachev indirectly criticized Boris N. Yeltsin, who recently threatened to resign as Moscow party leader because of the slow pace of change.

Along with exposing and overcoming conservative opponents of change, Mr. Gorbachev said it was also impermissable to "succumb to the pressure of the overly zealous and impatient."

Mr. Yeltsin, whose actions at a party meeting last week provoked a political crisis, sat expressionless two rows behind Mr. Gorbachev.

"A MOMENT OF REFLECTION"

With the members of the Politburo and other party leaders arrayed behind him in rising tiers of seats, Mr. Gorbachev said it was important to examine the past because "even now there are still attempts to turn away from painful matters in our history, to hush them up."

"The jubilee is a moment of reflection," he said, "on how difficult and ambiguous our affairs and destinies were at times."

But the speech fell short of the unstinting recapitulation of history many Russians expected from the man who has made glasnost, or openness, a key theme of his leadership.

Tempering his criticism of Stalin with praise for his wartime leadership, and undercutting his support of Khrushchev and Bukharin with critical comments, Mr. Gorbachev seemed anxious to reassure the party and country that he was not challenging the Soviet system itself.

The speech appeared to signal that a fractious exploration of history that has gained momentum under Mr. Gorbachev can continue, but probably more slowly, and with greater limits, than many scholars, dramatists and journalists had hoped.

Roy A. Medvedev, a historian whose critiques of Stalin have not been published in his homeland, said, "Some expected it to be a radical review of history. Others expected he would just scratch the surface. I expected something in between, and that's about where it came out."

"GROSS POLITICAL ERRORS" BY STALIN

Mr. Gorbachev was not as harsh, or as detailed in his indictment of Stalin as Khrushchev was in a famous speech in 1956 that opened the way to a recognition of Stalin's abuses of power.

"To remain faithful to historical truth, we have to see both Stalin's incontestable contribution to the struggle for socialism, the gross political errors and the abuses committed by him and those around him," Mr. Gorbachev said.

"Contrary to the assertions of our ideological opponents, the Stalin personality cult was certainly not inevitable," he added.

Mr. Gorbachev announced that the investigation of Stalin's actions, begun by Khrushchev in the 1950's but cut short in the early 1960's, would be renewed by a special commission appointed by the Politburo last month.

"The process of restoring justice was not seen through to the end and was actually suspended in the middle of the 1960's," he said.

Mr. Gorbachev said continued neglect of Stalin's crimes was unacceptable.

"Many thousands of people inside and outside the party were subjected to wholesale repressive measures," Mr. Gorbachev said. "The guilt of Stalin and his entourage before the party and the people for the wholesale repressive measures and acts of lawlessness is enormous and unforgiveable. This is a lesson for all generations."

Western historians generally put the number of Stalin's victims in the millions, and several Soviet scholars noted today that Mr. Gorbachev had failed to state explicitly that thousands of Stalin's perceived enemies in the party were executed.

Mr. Gorbachev's treatment of Bukharin was also ambivalent.

Bukharin, who advocated the economic liberalization that Lenin introduced in the early 1920's, and later opposed the brutal pace of collectivization and industrialization, was convicted of treason in 1938 and shot. His name was excised from the official record of the Revolution and the initial decades of Soviet history.

Mr. Gorbachev said that Bukharin, along with a number of celebrated historical figures, including Feliks E. Dzerzhinsky, who headed the secret police under Lenin, played an important role in defeating Trotsky's attempt to gain control of the party.

Soviet historians said this praise, coupled with Mr. Gorbachev's identification of Bukharin as an editor of the party newspaper, Pravda, brought him out from the shadows and signaled that the party was ready to recognize his contributions.

But Mr. Gorbachev noted that Bukharin made mistakes, and quoted Lenin's own ambivalent statement that Bukharin, while "a most valuable and major theorist of the party," developed views that "can be classified as fully Marxist only with great reserve."

Mr. Gorbachev's discussion of Trotsky contained no mention of his key roles as Foreign Minister and organizer and head of the Red Army, leaving Trotsky as the villian of the Revolution.

The treatment of Khrushchev was mixed. Mr. Gorbachev said that "a wind of change swept the country, the people's spirits rose" in the initial period of Khrushchev's leadership in the 1950's.

"It required no small courage of the party and its leadership, headed by Nikita Khrushchev, to criticize the personality cult and its consequences and to re-establish socialist legality," Mr. Gorbachev said.

"There were changes for the better in Soviet society and in international relations" under Khrushchev, Mr. Gorbachev said. But he also accused Khrushchev of capricious behavior and failing to back up his reforms with the development of democratic mechanisms.

A LOOK AT ECONOMIC POLICIES

Mr. Gorbachev discussed industrialization and collectivization, the twin pillars of early Soviet economic policy. Collectivization was, he said, "in the final analysis a transformation of fundamental importance."

But this statement was leavened with a new, critical assessment of the pace and methods used in pushing collectization—a policy that began in 1929 and, at its conclusion in the early 1930's, left large parts of the country stricken with famine and warfare between party members and dispossessed peasants.

In Mr. Gorbachev's version, a key mistake was made in failing to distinguish the kulaks—wealthy peasants Mr. Gorbachev described as the "village moneybag"—from the "middle peasants" who had been given land after the revolution.

He said, "The basically correct policy of fighting the kulaks was often interpreted so broadly that is swept in a considerable part of the middle peasantry too."

He said that "excesses" in collectivization came from a "rigid centralization-and-command system" that was "impermissible in tackling the problems of refashioning rural life."

INDUSTRIALIZATION WORKED

Industrialization, however, was a sphere in which such methods were appropriate, Mr. Gorbachev said.

"Industrialization raised the country to a fundamentally new level in one heave," he said, citing the construction of the steel works at Magnitogorsk, the electrification of vast sections of the countryside and the creation of a large defense industry, broad extension of the railway system and new dams and canals.

Mr. Gorbachev also spoke of the Soviet Union's foreign policy before World War II, describing the 1939 decision to sign a nonaggression pact with Nazi Germany as "not the best."

He justified the Ribbentrop-Molotov pact as the country's best defense at the moment against the backdrop of "Western political leaders who were cooly scheming how best to involve socialism in the flames of war and bring about its head-on collision with fascism."

He compared the circumstances of the pact to those surrounding the Brest-Litovsk treaty, the newborn Soviet Union's separate peace with the Germany during World War I. "The issue was, was our country to be or not to be independent, was socialism on earth to be or not to be."

[From the New York Times, Nov. 3, 1987]

A Signal To Keep Exploring Dark Episodes and Banned Ideas

(By Bill Keller)

Moscow, Nov. 2.—A few days ago, Fyodor M. Burlatsky was uncertain whether the censors would approve the broadcast of his latest television drama, a politically daring play sympathetic to the views of the Bolshevik theorist Nikolai I. Burkharin.

After listening to Mikhail S. Gorbachev's speech today, which rescued Bukharin from official obscurity, Mr. Burlatsky said the outlook for his drama was "90 percent positive."

To Soviet dramatists, historians, journalists and others who have pushed the limits of historical discourse, Mr. Gorbachev's speech honoring the 70th anniversary of the Bolshevik Revolution was a signal that the contentious exploration of dark episodes and the discussion of long-banned ideas is to continue.

But it will apparently proceed more slowly than many would like, and with definite limits on the scope of debate.

"Some expected it to be a radical review of history," said the historian Roy A. Medvedev, whose works on the Stalin era have not been published here, "Others expected he would just scratch the surface. I expected something in between, and that's about where it came out."

"Now it is clear that you cannot write positively about Trotsky, but you can write positively about Bukharin," Mr. Medvedev added. "You can write about the 1930's, the repression. You can write about Brezhnev."

Vitaly A. Korotich, editor of the adventuresome weekly magazine Ogonyok, said the speech opened little new ground that Soviet editors were not already exploring. But, he added with relief, it did not close any, either.

"For Gorbachev to be too far ahead of the public is not good," he said.

Mr. Gorbachev's speech was the most keenly awaited in two years.

Those who have pressed for open debate said the speech was an important step in restoring the credibility of Soviet history. The record of silence and deceit, of lurching from one approved version of history to another, they said, has contributed to a national cynicism that undermines efforts at political and economic change.

The most striking aspect of Mr. Gorbachev's speech, according to several historians and writers, was the generally sympathetic discussion of Bukharin, a popular Bolshevik leader who broke with Stalin and was executed as a traitor in 1938.

Long an official nonperson, he has emerged recently as a character in plays and historical articles, but writers have shied from full discussion of his ideas. Historians interviewed today said that would now change.

Bukharin, a strong advocate of continuing the mixed market economy begun under Lenin's New Economic Policy in the 1920's, clashed with Stalin over forced collectivization of farming and rapid industrialization.

HISTORIC ROOTS FOR CHANGE

By opening discussion, Mr. Gorbachev is seeking historic roots for his own program of economic changes, Mr. Medvedev and others said.

Mr. Burlatsky's play is a debate between two characters who represent the views of Bukharin and Stalin. It holds up Mr. Bukharin's approach as a clear alternative to Stalin's.

Admirers of Bukharin were disappointed that Mr. Gorbachev did not renounce Bukharin's show trial. But they said his rehabilitation is almost certain to be granted by a new top-level party commission.

Those interviewed today said the party commission announced by Mr. Gorbachev was a major development, renewing an examination of the Stalinist repressions that was cut short in the 1960's. They said the commission was almost certain to rehabilitate a number of Stalin enemies executed or exiled after show trials in the 1930's.

A STEP FOR KHRUSHCHEV

Mr. Medvedev said Mr. Gorbachev's speech took an important step toward restoring official respect to Nikita S. Khrushchev, the former Soviet leader.

Mr. Khrushchev, long ignored, was praised for exposing Stalin's excesses, for pushing economic reform, and for trying to improve relations with the United States. At the same time, Mr. Gorbachev portrayed Khrushchev as a failed administrator, and remarked favorably on the 1964 Communist Party gathering that ousted him.

Among many who watched the speech for clues, there was an undercurrent of disappointment that the Soviet leader did not go further in detailed condemnation of Stalin, or in rescuing other figures from obscurity.

Andrei D. Sakharov, the physicist and human rights campaigner, said he was disappointed that Mr. Gorbachev did not acknowledge the millions believed to have died as a result of the purges, or question Stalin's record in World War II, including his secret non-aggression pact with Nazi Germany in 1939, two years before the German invasion of the Soviet Union.

Aleksandr M. Samsonov, a historian who has portrayed Stalin as an inept military stragegist, said he was not surprised that Mr. Gorbachev was more generous to Stalin.

"His task wasn't to give a detailed account of the problems connected with the war," Mr. Samsonov said. "All this will take some time."

Some historians were disappointed that Mr. Gorbachev categorically dismissed Leon Trotsky, a founding Bolshevik who insisted that a Communist revolution but must be worldwide.

Mr. Gorbachev may have felt that Trotsky's view was too sharply at odds with his own declared foreign policy doctrine of peaceful coexistence and tolerance of varying social systems.

"Gorbachev did not even say two or three good words about him where he could have—that he built the Red Army and played a decisive role in the Civil War," Mr. Medvedev said. "It looks impossible for Trotsky right now."

[From the New York Times, Nov. 3, 1987]

A "Breakthrough" Sought in Summit—Gorbachev To Press for Cut in Long-Range Missiles and a Ban on Space Arms

(By Bill Keller)

Moscow, Nov. 2—Mikhail S. Gorbachev said today that he would press at the summit meeting next month in Washington for "a palpable breakthrough" on a treaty reducing long-range nuclear weapons and banning weapons from space.

Mr. Gorbachev said the treaty abolishing intermediate-range nuclear missiles, which he and President Reagan are to sign at their meeting beginning Dec. 7, was a major success. But he said it was largely settled when the two men met in Iceland in October 1986.

"In this critical period, the world expects the third and fourth Soviet-U.S. summits to produce more than merely official acknowledgement of the decisions agreed upon a year ago, and more than merely a continuation of the discussion," the Soviet leader said in a speech marking the 70th anniversary of the Bolshevik Revolution.

Mr. Gorbachev spent much of the foreign policy section of his speech outlining what he called his "new thinking" on international relations, including peaceful coexistence with the West and tolerance of widely varying policies and practices within the Socialist world.

Embellishing a theme he has developed over the past two years, he said the Communist Party had abondoned its traditional view of a single, worldwide Communist movement inexorably at war with the forces of capitalism.

He also declared that every Communist country should be free to pursue its own policies.

NO "MODEL" OF IDEOLOGY

"We have satisfied ourselves that unity does not mean identity and uniformity," he said. "We have also become convinced of there being no 'model' of socialism to be emulated by everyone."

Mr. Gorbachev held up to question several tenets of Communism: that the West cannot survive without a bloated military, that it depends on exploitation of the third world, and that it cannot be trusted to make peace with Communism.

He asked: "Since an alliance between a socialist country and capitalist states proved possible in the past, when the threat of fascism arose, does this not sugggest a lesson for the present, for today's world which faces the threat of nuclear catastrophe and the need to ensure safe nuclear powers production and overcome the danger to the environment?"

Point to Japan as evidence that industrial societies can develop without relying on military spending, he said economic troubles in the United States are forcing it to think twice about large military budgets.

"The recent panic on the New York Stock Exchange and on other stock exchanges across the world—a panic without precedent in almost 60 years—is a grave symptom and a grave warning," he said.●

DEMOCRACY IN TUNISIA

● Mr. BOSCHWITZ. Establishing a democracy in the Third World has proven to be very difficult. Having democracy survive to the second generation of leaders is even more problematic. Doing all this, while preserving moderation and openness is truly remarkable.

Nevertheless, that is what appears to be happening in Tunisia. Over the weekend of November 6, 1987, that country, long considered among the most open and tolerant societies in the Middle East and Africa, changed Presidents through it's constitutional process. This transition is all the more remarkable because the President replaced was the founding father of independent Tunisia, President Habib Bourguiba. The smooth nature of the transition is a testament to the Tunisian people, the new President Ben Ali and the legacy of Habib Bourguiba.

President Bourguiba may be the last of the great nationalist leaders who led his nation to independence after World War II. Certainly few others displayed a greater commitment to toleration and moderation. He was a courageous leader who was willing to lead his people even when his views were not popular. He was the first Arab leader to call upon his fellow Arabs to recognize the reality of Israel. He made this statement in 1965, long before such a notion was acceptable to other Arab leaders. He also refused to accept knee-jerk attacks on the West so popular among some in the Third World. At the same time, Tunisian society set the standard for openness and toleration in the Arab world.

Because of age, Mr. Bourguiba was no longer able to continue in office and power has now been legally transferred to Zine el-Abidine Ben Ali. Mr. Ben Ali was recently named Prime Minister, and assumed the Presidency upon Mr. Bourguiba's medical certification as unfit to fulfill the duties of office. Mr. Ben Ali has already enjoyued a distinguished career in the service of the Government of Tunisia, and I look forward to continuing the friendship and cooperation that has traditionally existed between our two countries.

Mr. Ben Ali deserves to be commended for his orderly ascension to the Presidency. The constitutional system of succession in Tunisia was previously untested, but the Tunisians have proven that it can work. This is especially encouraging for a region where orderly changes of power too often do not occur.

In his first statement, President Ben Ali indicated that he will move to open Tunisian society and politics even further. Tunisian traditions of toleration and moderation will continue as will friendships with free nations. Americans should be pleased that such a strong friend has made this potentially difficult transition with aplomb.

The United States must reassure the Tunisians that our friendship remains unwavering and offer whatever assistance possible. Tunisian people have once again demonstrated their commitment to values and traditions of free people everywhere.●

THE REALITY OF ABORTION

● Mr. HUMPHREY. Mr. President, I bring your attention to an article published in the October 1987 edition of Harper's magazine. Written by Sallie Tisdale, a registered nurse, it provides an insider's view into an abortion clinic. It is not a pleasant story—nothing about abortion is pleasant.

The article does at times, however, drop the usual camouflage that surrounds abortion, allowing the reader to see the reality that abortion always kills an unborn human being, that it is emotionally devastating to many women, and that it forces those who work in the clinics to deny or cover up that reality.

I do not agree with the conclusions of the author, conclusions apparently necessary for one who takes part in killing unborn children on a daily basis. Abortion can seem acceptable to some when presented in the usual euphemistic language, but it takes some significant ethical gymnastics to accept it when one knows as much as Ms. Tisdale knows. Nevertheless, the article can be enlightening for those who will read it honestly. It allows a saddening glimpse at abortion not readily provided or admitted by those who deal in it. I ask unanimous consent that the article be entered into the Record.

The article follows:

[From Harper's magazine, October 1987]

We Do Abortions Here

(By Sallie Tisdale)

We do abortions here; that is all we do. There are weary, grim moments when I think I cannot bear another basin of bloody remains, utter another kind of phrase of reassurance. So I leave the procedure room in the back and reach for a new chart. Soon I am talking to an eighteen-year-old woman pregnant for the fourth time. I push up her sleeve to check her blood pressure and find row upon row of needle marks, neat and parallel and discolored. She has been so hungry for her drug for so long that she has taken to using the loose skin of her upper arms; her elbows are already a permanent ruin of bruises. She is surprised to find herself nearly four months pregnant. I suspect she is often surprised in a mild way, by the blow she is dealt. I prepare myself for another basin, another brief and chaffing loss.

"How can you stand it?" Even the clients ask. They see the machine, the strange instruments, the blood, the final stroke that wipes away the promise of pregnancy. Sometimes I see that too: I watch a woman's swollen abdomen sink to softness in a few stuttering moments and my own belly flip-flops with sorrow. But all it takes for me to catch my breath is another interview, one more story that sounds so much like the last one. There is a numbing sameness lurking in this job: the same questions, the same answers, even the same trembling tone in the voices. The worst is the sameness of human failure, of inadequacy in the face of each day's dull demands.

In describing this work, I find it difficult to explain how much I enjoy it most of the time. We laugh a lot here, as friends and as professional peers. It's nice to be with women all day. I like the sudden, transient bonds I forge with some clients: moments when I am in my strength, remembering weakness, and a woman in weakness reaches out for my strength. What I offer is not power, but solidness, offered almost eagerly. Certain clients waken in me every tender urge I have—others make me wince and bite my tongue. Both challenge me to find a balance. It is a sweet brutality we practice here, a stark and loving dispassion.

I look at abortion as if I am standing on a cliff with a telescope, gazing at some great vista. I can sweep the horizon with both eyes, survey the scene in all its distance and size. Or I can put my eye to the lens and focus on the small details, suddenly so close. In abortion the absolute must always be tempered by the contextual, because both are real, both valid, both hard. How can we do this? How can we refuse? Each abortion is a measure of our failure to protect, to nourish our own. Each basin I empty is a promise—but a promise broken a long time ago.

I grew up on the great promise of birth control. Like many women my age, I took the pill as soon as I was sexually active. To risk pregnancy when it was so easy to avoid seemed stupid, and my contraceptive success, as it were, was part of the promise of social enlightenment. But birth control fails, far more frequently than laboratory trials predict. Many of our clients take the pill; its failure to protect them is a shocking realization. We have clients who have been sterilized, whose husbands have had vasectomies; each one is a statistical misfit, fine print come to life. The anger and shame of these women I hold in one hand, and the basin in the other. The distance between the two, the length I pace and try to measure, is the size of an abortion.

The procedure is disarmingly simple. Women are surprised, as though the mystery of conception, a dark and hidden genesis, requires an elaborate finale. In the first trimester of pregnancy, it's a mere few minutes of vacuuming, a neat tidying up. I give a woman a small yellow Valium, and when it has began to relax her, I lead her into the back, into bareness, the stirrups. The doctor reaches in her, opening the narrow tunnel to the uterus with a succession of slim, smooth bars of steel. He insert a plastic tube and hooks it to a hose on the machine. The woman is framed against white paper that crackles as she moves, the light bright in her eyes. Then the machine rumbles low and loud in the small windowless room; the doctor moves the tube back and forth with an efficient rhythm, and the long tail of it fills with blood that spurts and stumbles along into a jar. He is usually finished in a few minutes. They are long minutes for the woman; her uterus frequently reacts to its abrupt emptying with powerful, unceasing cramp, which cuts off the blood vessels and enfolds the irritated, bleeding tissue.

I am learning to recognize the shadows that cross the faces of the women I hold. While the doctor works between her spread legs, the paper drape hiding his intent expression, I stand beside the table. I hold the woman's hands in mine, resting them just below her ribs. I watch her eyes, finger her necklace, stroke her hair. I ask about her job, her family; in a haze she answers me; we chatter, faces close, eyes meeting and sliding apart.

I watch the shadows that creep up unnoticed and suddenly darken her face as she screws up her features and pushes a tear out each side to slide down her cheeks. I have learned to anticipate the quiver of chin, the rapid intake of breath and the surprising sobs that rise soon after the machine starts to drum. I know this is when the cramp deepens, and the tears are partly the tears that follow pain—the sharp, childish crying when one bumps one's head on a cabinet door. But a well of woe seems to open beneath many women when they hear that thumping sound. The anticipation of the moment has finally come to fruit; the moment has arrived when the loss is no longer an imagined one. It has come true.

I am struck by the sameness and I am struck every day by the variety here—how this commonplace dilemma can so display the differences of women. A twenty-one-year-old woman, unemployed, uneducated, without family, in the fifth month of her fifth pregnancy. A forty-two-year-old mother of teenagers, shocked by her condition, refusing to tell her husband. A twenty-three-year-old mother of two having her seventh abortion, and many women in their thirties having their first. Some are stoic, some hysterical, a few giggle uncontrollably, many cry.

I talk to a sixteen-year-old uneducated girl who was raped. She has gonorrhea. She describes blinding headaches, attacks of breathlessness, nausea. "Sometimes I feel like two different people," she tells me with a calm smile, "and I talk to myself."

I pull out my plastic models. She listens patiently for a time, and then holds her hands wide in front of her stomach.

"When's the baby going to go up into my stomach?" she asks.

I blink: "What do you mean?"

"Well," she says, still smiling, "when women get so big, isn't the baby in your stomach? Doesn't it hatch out of an egg there?"

My first question in an interview is always the same. As I walk down the hall with the woman, as we get settled in chairs and I glance through her files, I am trying to gauge her, to get a sense of the words, and the tone, I should use. With some I joke, with others I chat, sometimes I fall into a brisk, business-like patter. But I ask every women, "Are you sure you want to have an abortion?" Most nod with grim knowing smiles. "Oh, yes," they sigh. Some seek forgiveness, offer excuses. Occasionally a women will flinch and say, "Please don't use that word."

Later I describe the procedure to come, using care with my language. I don't say "pain" any more than I would say "baby." So many are afraid to ask how much it will hurt. "My sister told me—" I hear. "A friend of mine said—" and the dire expectations unravel. I prick the index finger of a woman for a drop of blood to test, and as the tiny lancet approaches the skin she averts her eyes, holding her trembling hand out to me and jumping at my touch.

It is when I am holding a plastic uterus in one hand, a suction tube in the other, moving them together in imitation of the scrubbing to come, that women ask the most secret question. I am speaking in a matter-of-fact voice about "the tissue" and "the contents" when the woman suddenly catches my eye and asks, "How big is the baby now?" These words suggest a quiet need for a definition of the boundaries being drawn. It isn't so odd, after all, that she feels relief when I describe the growing bud's bulbous shape, its miniature nature. Again I gauge, and sometimes lie a little, weaseling around its infantile features until its clinging power slackens.

But when I look in the basin, among the curdlike blood clots, I see an elfin thorax, attenuated, its pencilline ribs all in parallel rows with tiny knobs of spine rounding upwards. A translucent arm and hand swim beside.

A sleepy-eyed girl, just fourteen, watched me with a slight and goofy smile all through her abortion. "Does it have little feet and little fingers and all?" she'd asked earlier. When the suction was over she sat up woozily at the end of the table and murmured, "Can I see it?" I shook my head firmly.

"It's not allowed," I told her sternly, because I know she didn't really want to see what was left. She accepted this statement of authority, and a shadow of confused relief crossed her plain, pale face.

Privately, even grudgingly, my colleagues might admit the power of abortion to provoke emotion. But they seem to prefer the broad view and disdain the telescope. Abortion is a matter of choice, privacy, control. Its uncertainty lies in specific cases: retarded women and girls too young to give consent for surgery, women who are ill or hostile or psychotic. Such common dilemmas are met with both compassion and impatience: they slow things down. We are too busy to chew ever ethics. One person might discuss certain concerns, behind closed doors, or describe a particularly disturbing dream. But generally there is to be no ambivalence.

Every day I take calls from women who are annoyed that we cannot see them, cannot do their abortion today, this morning, now. They argue the price, demand that they stay after hours to accommodate their job or class schedule. Abortion is so routine that one expects it to be like a manicure: quick, cheap, and painless.

Still, I've cultivated a certain disregard. It isn't negligence, but I don't always pay attention. I couldn't be here if I tried to judge each case on its merits; after all, we do over a hundred abortions a week. At some points each individual in this line of work draws a boundary and adheres to it. For one physician the boundary is a particular week of gestation; for another, it is a certain number of repeated abortions. But these boundaries can be fluid too: one physican overruled his own limit to abort a mature but severely malformed fetus. For me, the limit is allowing my clients to carry their own burden, shoulder the responsibility themselves. I shoulder the burden of trying not to judge them.

This city has several "crisis pregnancy centers" advertised in the Yellow Pages. They are small offices staffed by volunteers, and they offer free pregnancy testing, glossy photos of dead fetuses, and movies. I had a client recently whose mother is active in the anti-abortion movement. The young women went to the local crisis center and was told that the doctor would make her touch her dismembered baby, that the pain would be the most horrible she could imagine, and that she might, after an abortion, never be able to have children. All lies. They called her at home and at work, over and over and over, but she had been wise enough to give a false name. She came to us as a fugitive. We who do abortions are marked, by some, as impure. It's dirty work.

When a deliveryman comes to the sliding glass window by the reception desk and tilts a box toward me, I hestitate. I read the packing slip, assess the shape and weight of the box in light of its supposed contents. We request familiar faces. The doors are carefully locked; I have learned to half glance around at bags and boxes, looking for a telltale sign. I register with security when I arrive, and I am careful not to bang a door. We are all little on edge here.

Concern about size and shape seem to be natural, and so is the relief that follows. We make the powerful assumption that the fetus is different from us, and even when we admit the similarities, it is too simplistic to be seduced by form alone. But the form is enormously potent—humanoid, powerless, palm-sized, and pure, it evokes an almost fierce tenderness when viewed simply as what it appears to be. But appearance, and even potential, aren't enough. The fetus, in becoming itself, can ruin others; its utter dependence has a sinister side. When I am struck in the moment by the contents in the basin, I am careful to remember the context, to note the tearful teenager and the woman sighing with something more than relief. One kind of question, though, I find considerably trickier.

"Can you tell what it is?" I am asked, and this means gender. This question is asked by couples, not women alone. Always couples would abort a girl and keep a boy. I have been asked about twins, and even if I could tell what race the father was.

An eighteen-year-old woman with three daughters brought her husband to the interview. He glared first at me, then at his wife, as he sank lower and lower in the chair, picking this teeth with a toothpick. He interrupted a conversation with his wife to ask if I could not tell whether the baby would be a boy or a girl. I told him I could not.

"Good," he replied in a slow and strangely malevolent voice, "'cause if it was boy I'd wring her neck."

In a literal sense, abortion exists because we are able to ask such questions, able to assign a value to the fetus which can shift with changing circumstances. If the human bond to a child were as primitive and unflinchingly narrow as that of other animals, there would be no abortion. There would be no abortion because there would be nothing more important than caring for the young and perpetuating the species, no reason for sex but to make babies. I sense this sometimes, this wordless organic duty, when I do ultrasounds.

We do ultrasound, a sound-wave test that paints a faint, gray picture of the fetus, whenever we're uncertain of gestation. Age is measured by the width of the skull and confirmed by the length of the femur or thighbone; we speak of a pregnancy as being a certain "femur length" in weeks. The usual concern is whether a pregnancy is within the legal limit for an abortion. Women this far along have bellies which swell out round and tight like trim muscles. When they lie flat, the mound rises softly above the hips, pressing the umbilicus upward.

It takes practice to read an ultrasound picture, which is grainy and etched as though in strokes of charcoal. But suddenly a rapid rhythmic motion appears—the beating heart. Nearby is a soft oval, scratched with lines—the skull. The leg is harder to find, and then suddenly the fetus moves, bobbing in the surf. The skull turns away, an arm slides across the screen, the torso Tolls. I know the weight of a baby's head on my shoulder, the whisper of lips on ears, the delicate curve of a fragile spine in my hand. I know how heavy and correct a newborn cradled feels. The creature I watch in secret requires nothing from me but to be left alone, and that is precisely what won't be done.

These inadvertently made beings are caught in a twisting web of motive and desire. They are at least inconvenient, sometimes quite literally dangerous in the womb, but most often they fall somewhere in between—consequences never quite believed in come to roost. Their virtue rises and falls outside their own nature: they become only what we make them. A fetus created by accident is the most absolute kind of surprise. Whether the blame lies in a failed IUD, a slipped condom, or a false impression of safety, that fetus is a thing whose creation has been actively worked against. Its existence is an error. I think this is why so few women, even late in a pregnancy, will consider giving a baby up for adoption. To do so means making the fetus real—imagining it as something whole and outside oneself. The decision to terminate a pregnancy is sometimes so difficult and confounding that it creates an enormous demand for immediate action. The decision is a rejection; the pregnancy has become something to be rid of, a condition to be ended. It is a burden, a weight, a thing separate.

Women have abortions because they are too old, and too young, too poor, and too rich, too stupid, and too smart. I see women who berate themselves with violent emotions for their first and only abortion, and others who return three times, five times, hauling two or three children, who cannot remember to take a pill or where they put the diaphragm. We talk glibly about choice. But the choice for what? I see all the broken promises in lives lived like a series of impromptu obstacles. There are the sweet, light promises of love and intimacy, the glittering promise of education and progress, the warm promise of safe families, long years of innocence and community. And there is the promise of freedom: freedom from failure, from faithlessness. Freedom from biology. The early feminist defense of abortion asked many questions, but the one I remember is this: Is biology destiny? And the answer is yes, sometimes it is. Women who have the fewest choices of all exercise their right to abortion the most.

Oh, the ignorance. I take a woman to the back room and ask her to undress; a few minutes later I return and find her positioned discreetly behind a drape, still wearing underpants. "Do I have to take these off too?" she asks, a little shocked. Some swear they have not had sex, many do not know what a uterus is, how sperm and egg meet, how sex makes babies. Some late seekers do not believe themselves pregnant; they believe themselves impregnable. I was chastised when I began this job for referring to some clients as girls: it is a feminist heresy. They come so young, snapping gum, sockless and sneakered, and their shakily applied eyeliner smears when they cry. I call them girls with maternal benignity. I cannot imagine them as mothers.

The doctor seats himself between the woman's thighs and reaches into the dilated opening of a five-month pregnant uterus. Quickly he grabs and crushes the fetus in several places, and the room is filled with a low clatter and snap of forceps, the click of the tenaculum, and a pulling, sucking sound. The paper crinkles as the drugged and sleepy woman shifts, the nurse's low, honey-brown voice explains each step in delicate words.

I have fetus dreams, we all do here: dreams of abortions one after the other; of buckets of blood splashed on the walls; trees full of crawling fetuses. I dreamed that two men grabbed me and began to drag me away. "Let's do an abortion," they said with a sickening leer, and I began to scream, plunged into a vision of sucking, scraping pain, of being spread and torn by impartial instruments that do only what they are bidden. I woke from this dream barely able to breathe and thought of kitchen tables and coat hangers, knitting needles striped with blood, and women all alone clutching a pillow in their teeth to keep the screams from piercing the apartment-house walls. Abortion is the narrowest edge between kindness and cruelty. Done as well as it can be, it is still violence—merciful violence, like putting a suffering animal to death.

Maggie, one of the nurses, received a call at midnight not long ago. It was a woman in her twentieth week of pregnancy; the necessarily gradual process of cervical dilation begun the day before had stimulated labor, as it sometimes does. Maggie and one of the doctors met the woman at the office in the night. Maggie helped her onto the table, and as she lay down the fetus was delivered into Maggie's hands. When Maggie told me about it the next day, she cupped her hands into a small bowl—"It was just like a little kitten," she said softly, wonderingly. "Everything was still attached."

At the end of the day I clean out the suction jars, pouring blood into the sink, splashing the sides with flecks of tissue. From the sink rises a rich and humid smell, hot, earthy, and moldering; it is the smell of something recently alive beginning to decay. I take care of the plastic tub on the floor, filled with pieces too big to be trusted to the trash. The law defines the contents of the bucket I hold protectively against my chest as "tissue." Some would say my complicity in filling that bucket gives me no right to call it anything else. I slip the tissue gently into a bag and place it in the freezer, to be burned at another time. Abortion requires of me an entirely new set of assumptions. It requires a willingness to live with conflict, fearlessness, and grief. As I close the freezer door, I imagine a world where this won't be necessary, and then return to the world where it is. ●

INFORMED CONSENT: CONNECTICUT

● Mr. HUMPHREY. Mr. President, informed consent is a general principle of law that says it is the duty of medical personnel to present sufficient facts to patients considering a procedure so that the decision whether to consent is an informed one.

Unfortunately, in the case of abortion, some medical personnel are not fulfilling that duty. Hundreds of letters received in my office from women who have undergone abortions reveal they were often not fully informed of the risks, effects and alternatives of the abortion. Given this reality, I ask my colleagues to support my informed consent legislation, S. 272 and S. 273. The bills would simply require that sufficient information be provided to women considering abortion.

I ask that a letter from Connecticut in support of informed consent be entered into the RECORD.

The letter follows:

JULY 29, 1986.

DEAR SENATOR HUMPHREY: I am a 27 year old woman. I have had four abortions. I was age 14 the first time. I was taken to New York by the mother of the baby's father. She signed the papers. I don't really remember much, except they kept telling me I was the youngest one they ever had. And I also remember the pain. The second time I was 18 and the third time was after I had my first son. I was about 22. The first three were pretty uneventful. I had to get there very early in the morning. The first thing they did was take my money in cash only. That's the only thing they really care about. Next they took my blood, for what they never told me. Then five other girls and myself went into a room to talk to a counsellor (I use the word very loosely) and she told each one of us how we had made the right decision. I think they probably say the same thing to everybody. The next thing I remember is the six of us being herded downstairs to a very cold, hard room and told to change into a Johnny Coat. The whole thing was very cold and degrading. I was called finally, taken into a small room with a table with stirrups and an awful looking machine with a tube attached to it. The first time I stayed awake and the procedure was extremely painful. The second, third and fourth times, I went to sleep, even though it cost more. When the procedure was over, I went to a room, sat in a lounge chair and ate cookies. The first three times I just got my clothes, got dressed and left. The last abortion, the most horrible thing happened. I went to a metal rack where the garbage bags of clothes were kept. I was looking for my belongings when I looked up on the top shelf. On the shelf was a tray with orange tinted jars. On the jars were names. Being very naive and stupid, I kept looking up and saw my name on one of the jars. Then I realized what was in the jars. My dead baby was in that jar!!! I went crazy! I started screaming "Are you people crazy?" and yelling every obscenity I could think of, "How could you have this here?" A nurse came to see what was going on and I grabbed her. I wanted to kill her! The rest is pretty blurry because the next thing I knew someone was sticking a needle full of valium into my arm. My husband had to come in and help me out. On the way home I swore that I would never set foot in that place again. I would never have another abortion.

They never told me about the entire procedure. They never told me that there could be long term complications. I have had two children, both caesarean sections, both hard pregnancies. I will probably never know if this was because of the abortions. My doctor suggested that I not have any more children because it is dangerous for me. I have had a tubal ligation and cannot have any more children now. I have devoted my life to fighting this injustice to women and to unborn children.

CONNECTICUT.●

NATIONAL HOME CARE WEEK

● Mr. RIEGLE. Mr. President, I am pleased to join with my colleagues as a cosponsor of Senate Joint Resolution 98, designating the week of November 29, 1987, through December 5, 1987, as "National Home Care Week." It is important that we take this opportunity to commend the more than 5,000 home care agencies across the country for their contributions to the health care industry and their dedication to the individuals they serve.

Home health care has been an important growing facet of the health care industry in our country since the late 18th century. It has been supported by the Federal Government since the inception of the Medicare Program. It has grown from under 500 agencies at that time to over 5,000 agencies across the country today.

The services provided by home care agencies such as skilled nursing, physical therapy, social services, occupational therapy and homemaker-home health aides are a vital part of the health care industry as a whole. In addition, home care services provide an important alternative to unnecessary institutionalization by providing care at home in a community-based setting. By preventing, postponing, or limiting unnecessary institutionalization, home care services foster a sense of individual independence and allow for a greater degree of personal dignity.

For these reasons, I have supported and will continue to support home care programs. I am pleased to be a cosponsor of National Home Care Week.●

THE CONSTITUTION AND THE HOOSIER STATE

● Mr. LUGAR. Mr. President, I am moved by the great expression of interest in the study of the Constitution by students in the Hoosier State. The celebration of the 200th anniversary of the creation of the Constitution has focused the attention of students in my State, and across the Nation, on the meaning of this venerable document.

I wish to recognize the students who attend schools in the Perry Township including: Abraham Lincoln Elementary School; Clinton Young Elementary School; Douglas MacArthur Elementary School; Glenns Valley Elementary School; Keystone Middle School; Mary Bryan Elementary School; William Henry Burkhart Elementary School, and Winchester Village Elementary School, for devoting their time and energy to the study of the Constitution, and for reaffirming their belief in the principles it sets forth.

It is important that the youth of our Nation gain an understanding of the principles of democracy through the study of the Constitution. Indiana and the Nation as a whole will ultimately benefit from a new generation of well-informed citizens who will continue to ensure the perpetuation of our constitutional system.

Again, I commend these schools for providing their students the opportunity to gain an appreciation of the Constitution of the United States as it affects their daily lives.●

LATVIAN INDEPENDENCE DAY AND GLASNOST

Mr. BYRD. Mr. President, on November 6, the Senate passed a resolution on Latvian Independence Day. Let me review exactly what that resolution called for.

Mr. President, that resolution asked the Secretary of State to inform the Soviet Government of United States support for the right of the Latvian people to peaceably assemble to commemorate important dates in their history. It urged the Soviet Government to apply a policy of openness and democratization to the people of Latvia—the policy called glasnost. It urged the Soviet Government to allow the people of Latvia to commemorate November 18 in whatever peaceful manner they choose, without fear of arrest, harassment, or other reprisals, and to allow the Western media access to Riga on that day. It urged the Soviet Government to halt immediately the harassment of the members of all Latvian human rights groups and to release all Latvian prisoners of conscience from internal exile, prison, and labor camps in the Soviet Union.

Finally, the resolution requested the President to direct U.S. Government agencies to monitor the events of November 18 in Riga, in particular with a representative of the U.S. Government personally in Riga that day. It called on the President and the Secretary of State to raise the issues of human rights and self-determination in the Baltic States during the next U.S.-U.S.S.R. summit.

That is what this body agreed to on November 6. Between then and November 18, the day Latvians commemorated Latvian Independence Day, there was hope that the winds of change that have been sweeping the Soviet Union under the new dynamic leader, Mr. Gorbachev, would blow into Riga, Latvia, and initiate a new era in that land.

After all, the Soviet authorities had tolerated two previous demonstrations, one on June 14, 1987, when more than 5,000 citizens gathered at the Monument of Liberty in Riga to mourn the victims of the Stalinist purges in the 1940's. On August 23, the anniversary of the Soviet annexation of Latvia, a crowd twice that size went to the monument to protest the signing of the 1939 pact between Germany and the Soviet Union, which handed to Moscow territorial control over the three Republics of Latvia, Lithuania, and Estonia. These two relatively unfettered demonstrations suggested there was reason to hope.

After all, what did Latvian citizens want to do on November 18, 1987? They wanted to lay flowers at the foot of the Freedom Monument in the center of Riga.

But, how did the Soviet authorities react yesterday in Riga? After Latvians began laying flowers at the freedom monument in the morning, several hundred Soviet police barred access to the statue by forming a human chain, shoulder to shoulder, to prevent people from reaching the monument. Then the Soviet police cordoned off the area, rerouted traffic, and removed all bus stops within the closed area. Throughout the day, hundreds of people gathered, silently, to stand in the rain, at the edge of the police barrier, to stare sadly at the monument in the distance. As one woman said, "I am here in solidarity. We should be allowed to demonstrate. We should have an independent Latvia."

In all, an estimated 700 to 1,000 Soviet policemen circulated in the streets of Riga, buttressed by a civilian vigilante force that appeared to total more than 3,000.

So this is the new Soviet Union—this is the new policy of glasnost, or openness. I must admit I am disappointed. I had hoped for better. The Soviet Union did not apply a policy of openness and democratization to the people of Latvia. It did not allow the people of Latvia to publicly commemorate November 18 in whatever peaceful manner they chose. It did not halt the harassment of members of all Latvian human rights groups. It did not release, prior to November 18, all Latvian prisoners of conscience from internal exile, prison, and labor camps in the Soviet Union.

What did it do? Well, it appears to have allowed Western media access to Riga to observe and report on events yesterday. This is a step in the right direction, but it is not enough. Perhaps yesterday's events reflect conservative backlash against Mr. Gorbachev's policy of glasnost. Or perhaps in the Soviet Union, there is only glasnost when Mr. Gorbachev wants there to be glasnost.

Mr. RIEGLE. Mr. President, will the leader yield at that point on this subject?

Mr. BYRD. Yes. I yield.

Mr. RIEGLE. First of all, I want to commend the leader on that statement and for his leadership on this issue with respect to Latvians and the captive nations.

I would like to report that last night at the Lincoln Memorial a large number of people gathered from across the country, principally Latvian-Americans and others who felt strongly about the Latvian situation. I had occasion to go down and join with that group on the steps of the Lincoln Memorial to protest what was happening in Riga, and also to make it clear that many of us here in the United States stand with the people of Latvia as they try to express their national heritage and their rights as we see them. Under the U.N. charter and other internationally recognized organizations of human rights they have the right to acknowledge their independence day, and to enjoy other human rights in their land.

So I think the statement that the leader has made, and that others have made, is very important to show the people of Latvia and the other captive nations that we stand with them in their effort to break out of this captive nation status in which they find themselves.

I think it is a great source of strength to them to know that they are not alone, and this is especially true of the leadership of the majority leader. And the rest of us stand with him, also.

Mr. BYRD. I thank the distinguished Senator from Michigan for his fine statement.

Mr. President, I yield the floor.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

DOD CONFERENCE REPORT

Mr. CHAFEE. Mr. President, the conference report on the DOD reauthorization bill for fiscal years 1988 and 1989 is the product of a great deal of hard work by the conferees. I would particularly like to commend all Senators who worked on that report, particularly the senior Senators from Georgia and Virginia who are the chairman and ranking member on the Committee on Armed Services. I think they deserve particular credit for their successful efforts to force compromises on controversial issues, most notably those dealing with arms control. I am not entirely satisfied with the report's approach to some of the leading arms control issues but I certainly recognize that compromise was necessary in order for a Department of Defense bill to emerge from Congress this year.

I have some regret that one such compromise was the decision to drop the Bumpers-Chafee-Leahy-Heinz amendment affecting strategic nuclear forces. Our goal in proposing that amendment which the Senate passed 57 to 41 was to reverse the administration's ill-advised decision last November to abandon the three numerical sublimits of the SALT II Treaty. Although the treaty itself was never ratified, and never formally took effect, its numerical limits had placed an effective cap on the strategic nuclear arms race. Both the United States and the Soviet Union had adhered to the SALT II limits for almost 6 years, and I believe the best interests of this Nation were served by this "mutual restraint" arrangement. It was not an agreement.

The President's decision took the lid off the arms race. Our amendment was an attempt to restore reason to the strategic nuclear arsenals, until a new agreement to cut these deadly weapons is signed and ratified. The amendment required the United States to abide by the SALT II numerical limitations on long-range nuclear weapons, as long as the Soviet Union abides by these same limitations.

The conference report takes a middle road, a result of the negotiations that took place between the White House and the congressional conferees on the DOD bill. Although it removes the binding language of the amendment we inserted in the Senate bill, the report retains the thrust of our measure. Rather than specifically committing the United States to the numerical limitations of SALT II, the conferees agreed to prohibit the overhaul and deployment of one Poseidon submarine, the USS *Andrew Jackson*, which carries 16 nuclear missile launchers. As a result of this decision, the U.S. total of strategic nuclear ballistic missiles and bombers equipped with cruise missiles will drop by 16.

Under this arrangement, our Nation's nuclear arsenal will be somewhat stabilized over the next year. As long as the Soviets exercise similar restraint with regard to their long-range missiles, this compromise will have a positive effect. In a largely symbolic way, it will demonstrate that the United States is serious about wanting to slow down the nuclear weapons race.

I would have preferred restoring the United States and Soviet adherence to the SALT II limitations, but nonetheless I am pleased that the Bumpers-Chafee-Leahy-Heinz amendment helped the conference achieve the agreement to decrease the number of nuclear weapons systems and stay within the range of the SALT II sublimits—not quite, but close to it. In my view, the main point about the conferees' approach to this issue is that they recognized the importance of placing some kind of limit on the growth of nuclear weapons.

At this point, Mr. President, I would like to point out that limiting long-range nuclear weapons is especially important in light of the emerging treaty on intermediate-range nuclear forces [INF]. Without some kind of rein on the Soviets' inventory of long-range missiles, they will be free to compensate for the SS-20's they destroy under an INF treaty by deploying new long-range ICBM's targeted on Europe. They can take out their medium-range weapons systems, the SS-20's; but if there are no limitations on the longer range weapons, then those longer range weapons can be changed into shorter range weapons. They just have a higher trajectory, and there it is.

INF and strategic arms control are inextricably linked, and for this reason I am particulary happy that the conferees took action on long-range forces.

It is my hope that the compromise contained in this conference report has helped pave the way for a successful United States-Soviet summit next month, for an effective, verifiable INF Treaty, and even for a subsequent long-range treaty. While I regret that the recent test of a Trident II missile equipped with 12 warheads will complicate the counting rules discussed in the strategic talks, I am optimistic that an agreement in that area is attainable.

To conclude, Mr. President, this compromise conference report is not perfect, but is worthy of Senators' support. Among other issues, I am pleased it addresses the strategic nuclear issue, I am pleased it contains the ASAT moratorium of which I was the main Senate Republican sponsor, and I am pleased it authorizes funds for a new Trident submarine.

Again, I commend the Senators responsible for their work on the conference report.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that the time for morning business be extended for an additional 15 minutes, under the same conditions.

The PRESIDING OFFICER. Without objection, it is so ordered.

MIKHAIL GORBACHEV

Mr. CRANSTON. Mr. President, I am dismayed by the efforts of some Members of Congress to block an address to Congress by the Soviet General Secretary, Mikhail Gorbachev.

This effort by these Members of Congress undermines the efforts of the President of the United States, Ronald Reagan, who will be hosting the Soviet leader as they meet to seek to take a step toward taming the dangerous and costly nuclear arms race.

It undermines the efforts of the majority and minority leadership of both Houses of Congress and a majority of both bodies of both parties in both Houses of Congress as they work together to seek to tame the dangerous and costly nuclear arms race.

This effort by a small minority of Members of Congress is inhospitable. It is boorish, and worse it is dangerous.

I strongly support inviting Soviet leader Mikhail Gorbachev to address a joint session or a joint meeting of Congress.

Members who oppose inviting him are 34 years behind the times. Gorbachev is not Stalin.

Gorbachev is a new leader, engaging openly in new thinking, attempting to make changes in the Soviet political and economic structure, changes which if he succeeds could make the Soviet Union a freer society, certainly not as free as the United States, not as free as any other Western democracy, but freer than it has been in the Soviet Union since the Bolshevik revolution.

We should try to encourage these changes. Congress should hear what Gorbachev says directly. We do not have to agree with everything he says. We probably will not agree with much that he says, but we should listen.

If we and the Soviets are going to talk to each other, we must not be afraid to listen to each other. Giving Gorbachev the cold shoulder is no way to end the cold war.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island sought recognition first.

Mr. CHAFEE. Mr. President, I would like to say in connection with the comments of the distinguished senior Senator from California, we can never forget the words of Winston Churchill in which he said it is better to jaw, jaw, jaw than war, war, war.

I do not know how this country is going to be thrown off balance by having the leader of the Soviet Union address us. If we are not firm enough in our convictions that we can be swayed by Mr. Gorbachev, we are not very fixed in our positions and we are not very deeply attached to them.

I think it makes perfect sense to extend this hospitality to a guest.

Now, there is some suggestion that there ought to be reciprocity, that our President should have a similar opportunity when he visits the Soviet Union. I agree with that, and I cannot believe that that cannot also be arranged, and if that is part of the arrangement, if that is a requisite by those who do not feel they want Mr. Gorbachev to speak, then I would like to see that take place.

I would like to ask the distinguished Senator from California if he is cognizant of any reciprocity that might be extended. I think it would be nice, although I am not sure it should be a prerequisite. Is the Senator from California familiar with any steps along those lines?

Mr. CRANSTON. I know it has been suggested that in return for an opportunity for the Soviet leader to address Congress and through Congress the country, it would be appreciated if President Reagan were given a like opportunity to address the leadership of the Soviet Union and over television the people of that country. I think that would be great.

I agree with the distinguished Senator from Rhode Island, that should not be a condition of his addressing us, but I would suspect that the Soviets would respond.

I thank the Senator from Rhode Island for his comments after I brought up this subject. He is one of the distinguished leaders of the Congress to whom I was referring when I said that bipartisan leadership on both sides of the aisle was working for peace, to end the arms race, a cause that the Senator has been devoted to and very effective in pursuing and that these efforts are being undermined by those who are seeking now to block an appearance and an address before and to the Congress by the Soviet leader.

The Senator from Rhode Island quoted Winston Churchill. I would like to quote Voltaire, who said: "I disagree with what you say, but I would die for your right to say it."

Mr. CHAFEE. Mr. President, I personally am not aware of those who would block this, so I cannot confirm the statements of the Senator from California about individuals trying to block the appearance. Of that, I do not know.

I am just saying that it makes sense and I hope it will go through. Whether or not there is a reciprocal invitation on the part of Mr. Gorbachev, I just believe that should this take place, I cannot help but believe that, when President Reagan visits the Soviet Union, he would not be extended a like privilege, either a nationwide address on television or whatever might be suitable for the occasion.

I personally think it would be interesting to see Mr. Gorbachev in action and for the American people to hear what he has to say. I think we are fixed enough in our beliefs and have enough confidence in the American people that we are not going to be torn asunder from our moorings.

I thank the Chair.

Mr. CRANSTON. I thank the Senator from Rhode Island.

Let me simply add, if I may, that it has been reported in the press and it has been reported to me by individual staff members of the other body—but this problem is not related only to the other body; it exists here, too—that there are Members who have very clearly made it plain that they will do what they can to block any appearance by the General Secretary to address Congress.

Mr. PELL. Mr. President, I rise to concur in what the Senator from California and the Senator from Rhode Island have said. I listened to discussion. I think it is really a disgrace that we should have to worry about the manners of our colleagues and that they should want to exclude us from being exposed to and listening for a few moments to the words of somebody with whom we happen to be in great disagreement, representing a country with which we are in great disagreement.

But I very much hope that this matter will be straightened out and that Mr. Gorbachev will come and address a joint meeting. I look forward to hearing him. Also the fact that President Reagan will be able to respond the next day I think is a very good idea, as well.

SMOG ALERT

Mr. WIRTH. Mr. President, in this morning's Denver Post the headline is: "Smog Alert! First of Season for Front Range."

> Keep the car in the garage and the logs off the fire: Denver is suffering its first high-pollution day of the season.
>
> Motorists from Lyons to Castle Rock are asked not to drive today and tonight as part of the Better Air Campaign, the voluntary no-drive program to reduce carbon monoxide pollution.

In this morning's Rocky Mountain News, the headline is: "Officials Expect First High Pollution Day Today."

> Clear skies, low nighttime temperatures and light snow on the ground have combined to make today the first predicted high pollution day of the 1987-1988 winter pollution season.
>
> Health officials asked Front Range residents to eliminate or reduce driving and not burn wood today as part of the fourth annual Better Air Campaign's pollution reduction efforts.

Mr. President, today is the year's first high-pollution day in the Denver metropolitan area. Colorado's health officials have asked residents along the front range, from Colorado Springs to Fort Collins, to leave their cars at home if they can, and to eliminate unnecessary trips. At midnight last night, a wood-burning ban went into effect in a number of communities, including Denver, Aurora, Lakewood, Arvada, and Westminster.

At the same time, State and local officials are taking a number of steps to reduce air pollution along the front range.

On January 1, Colorado will become the first State in the Nation to mandate the use of oxygenated fuels in the wintertime. Adding ethanol or MTBE to gasoline will significantly reduce air pollution at a very modest cost. In order to alleviate consumers' concern that these additives could harm their cars, Mayor Pena and Governor Romer have started pilot programs where city and State vehicles already are using these fuels—so far with great success. A number of businesses, including Mountain Bell and Colorado Public Service Co. also have started similar programs.

In 1986, Colorado's Legislature worked with the Governor to strengthen the inspection and maintenance program for cars and trucks in nonattainment areas along the front range. That tough new testing program went into effect on July 1, 1987. It will remove most of the human error that can occur in testing vehicles, by requiring the use of State-approved, computerized, testing equipment.

Colorado's State and local governments and our business community are working together to reduce air pollution in Colorado. They have the wholehearted support of the people of Colorado, who are committed to cleaning up our air as fast as we can. With that kind of cooperative effort, we are making progress.

But one key ingredient is missing, and that is action at the Federal level. Despite the best efforts of the people of Colorado, the Denver metropolitan area is not going to meet the Federal health standard for carbon monoxide in this century without action on the Federal level. The Federal Government has a major role to play in cleaning up the air in Denver—and in many other cities across the Western United States—but the Environmental Protection Agency has abdicated its responsibility.

Last Tuesday, the EPA Adminsitrator released his agency's draft policy for dealing with the 50 to 60 cities across the country that likely will not attain the carbon monoxide and ozone pollution standards by the end of this year. That policy statement looks like a book and must weigh several pounds, but it is not going to help clean the air in Denver or Phoenix or Salt Lake City, or anywhere else.

What EPA is going to do—or what they are going to try to do—is just extend the clean air deadlines indefinitely. They are telling the States and cities they have to reduce air pollution by 3 percent a year, but have not given them any of the tools they need to meet even that standard, which I believe is too lenient to begin with. EPA did not say anything about reducing carbon monoxide pollution from engines when they are started in cold temperatures.

When cars are started in cold weather, the pollution control systems typically are bypassed until the system warms up. As a result, emissions from cold engines significantly exceed the existing standards and many trips are short so that engines never really warm up. Thus, virtually all violations of the carbon monoxide standard in the West occur on cold days.

But did EPA do anything about cold starts which they could do administratively? The answer is no, again. EPA could go about extending the warranty period for pollution control equipment or come to us for help in doing that. Did they do that? Again the answer is no.

EPA well could require testing at high-altitude areas like Denver, but have they done so, which they could do under existing regulations? No.

Under these regulations, passenger cars are required to meet the same pollution standards at high elevations as well as low elevations. However, while EPA operates two low-elevation testing centers, it has no testing centers at high-elevation sites. It used to before this administration came to town. It used to have one, but it got taken out for the purposes of "deregulating."

What we are deregulating is the health of people at high altitudes, certainly nothing else. There is a variety of other things that the administration could do as well.

There are light-duty trucks. While passenger cars have to meet the same emission standards regardless of where the cars are sold, EPA permits manufacturers to produce two classes of light-duty trucks, one that meets low CO standards and which can be sold at low elevations, and another with weaker standards that can be sold at higher elevations.

What we ought to be doing is tightening up on emission standards for the light trucks requiring that all light trucks be certified to meet the new lower emission standards.

In addition, what we ought to be doing to clean up our air is mandating oxygenated fuel requirements and mandating that about 3 percent of the fuel used be oxygenated. This would be good for every city in the country that is out of compliance and help lower significantly the carbon monoxide pollution and make a contribution to meeting the ozone standard.

At the same time, and EPA left this on the back burner as well, the option of staying on daylight saving time during the winter and also tightening up the CO emissions standards for passenger cars.

Unfortunately, EPA has addressed none of these items. What they have done is simply pass the buck by sending up to us this voluminous report that is nothing but a toothless tiger.

It is not good enough, Mr. President. If we are serious about reducing air pollution in most of the major metropolitan areas across the country, the Federal Government must do its part. And if EPA will not tell the States and cities that it is going to get tougher on cutting pollution from cars and trucks, and major stationary sources as well, then we are going to have to do EPA's work for it. Most of the items I have mentioned, EPA could do administratively if they had the gumption. Unfortunately, they do not. But that is the same thing—we should be familiar with this—that happened in the Resource Conservation and Recovery Act, in Superfund, in the Clean Water Act, and in so many other environmental statutes. EPA in this administration has not done its job and apparently will not do its job, so once again we are going to be forced into the role of regulating in great detail.

BUDGET DEFICIT REDUCTION

Mr. BUMPERS. Mr. President, tomorrow or Monday, I will introduce a bill which will essentially freeze tax rates at the 1987 level, but pending the introduction of that bill in the morning, I want to insert in the Record to show how far the American people are ahead of this august body, a letter I received from National Small Business United. They have called for $45 billion in Federal deficit reductions, but they propose that this be achieved by at least $22.5 billion in increased revenues and by $22.5 billion in reduced spending. They even suggest that they would support a freeze on income tax rates and a temporary income tax surcharge and a freeze on all spending in order to achieve the kind of spending reductions they are talking about.

Mr. President, when the business community takes a position that I consider as responsible as this one, I think it is noteworthy and ought to be put in the Record for all of my colleagues to see.

I ask unanimous consent that the letter and enclosed news release attached be inserted in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

National Small Business United,
October 26, 1987.

Hon. Dale Bumpers,
Chairman, Senate Committee on Small Business, 428-A Russell Senate Office Building, Washington, DC.

Dear Mr. Chairman: $23 billion is—plain and simple—too little, too late.

As the budget summit with the Administration begins, National Small Business United (NSBU) urges you to make significant progress toward a balanced budget by reducing the budget deficit at least $45 billion—but with no new spending.

NSBU proposes that this be achieved by at least $22.5 billion of increased revenues and by $22.5 billion of reduced spending. To reach the necessary levels of revenue, NSBU would support a freeze on income tax rates and a temporary income tax surcharge. On the spending side, we support a real freeze on all spending except, of course, the interest on the soon-to-be $3 Trillion National Debt. If further action is needed to bring about the $22.5 billion in spending savings, then we would support an equal reduction in all federal government programs except for social security—it would remain frozen.

The $23 billion Gramm-Rudman deficit target was established for political rather than economic reasons. The current economic crisis requires an economic response. This means it's time to face up to the facts—significant progress on the federal deficit can only be made by facing the tough decisions on spending and revenues.

The future of our nation's millions of small firms is in your hands. NSBU is willing to stand with you to support responsible efforts to make that future more secure—for all of us.

We look forward to working with you!

Sincerely,

Jack Gardner,
NSBU President.
John Paul Galles,
NSBU Executive Vice President.

NSBU Calls for $45 Billion in Federal Deficit Reductions

National Small Business United today called on Congress and the Administration, now in budget summit meetings, to reduce the federal deficit by at least $45 billion.

"We have put off elimination of the federal deficit for too long," stated Jack Gardner, NSBU President and owner of Artcraft Industries, Inc., Milwaukee, WI. "Congress needs to renew confidence in the United States economy by demonstrating that it has the ability and the determination to eliminate the deficit. The $23 billion in deficit reductions targeted by the Gramm-Rudman Act is simply insufficient."

"The Gramm-Rudman target was established at $23 billion for political rather than economic reasons," he added. "The current economic crisis requires an economic response. We must make substantial cuts *now* while our economy is still growing."

"In order to achieve at least $45 billion in deficit reductions, NSBU proposes a combination of increased federal revenues and domestic spending cuts," John Galles, NSBU Executive Vice President, announced." The current budget reconciliation proposals are totally unacceptable. They raise revenues by focusing on a narrow application of user fees and tax increases that unfairly impact on small business.

"The responsibility for reducing our federal deficit must be shared by all sectors of the economy, including consumers as well as providers of goods and services." "We propose that federal revenues be increased through a temporary, freeze on income tax rates at current levels and/or a federal surtax of up to 5 percent, to be applied evenly across the board and to be used only for deficit reduction," Galles stated. "In addition, we propose that federal government spending be reduced. NSBU would accept a $50 billion decrease in the deficit by raising $25 billion in revenues and cutting $25 billion in expenses."

"If every agency of government had experienced budget cuts like those imposed on the U.S. Small Business Administration since 1981, we would not have a deficit today," Galles pointed out.

Galles also advocated the adoption of multi-year budget plans: "NSBU has supported multi-year budgets as a way to achieve deeper deficit reductions over several years," he said. "It is important to send a strong signal to financial markets that the United States will put its finances in order."

The proposal to increase revenues through a temporary tax freeze or a tax surcharge reflects the high level of concern among small business owners about the current status of the national and international economy, according to Galles. "This proposal, calling for a temporary tax freeze or a tax surcharge, is consistent with the recommendation from the 1986 White House Conference on Small Buisiness in that it calls for no intrinsic changes in the tax code."

"While small business owners are usually the least likely to support a tax increase, small business owners recognize that it is high time for the federal government to match revenues and expenses," he said. "The current international economic climate necessitates bold and expeditious action by the Administration and Congress to restore confidence in the American economy. The President and leaders of Congress must demonstrate an ability to work together and confront the economic questions before them."

"We believe that any damage caused by higher taxes pales in comparison to the damage that will be caused if the federal deficit is allowed to continue at the current level, " Galles asserted.

National Small Business United is a private, non-profit association, organized exclusively for the interests of small business, representing 50,000 small business owners from throughout the United States.

Mr. BUMPERS. Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MICHIGAN WILDERNESS ACT

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order 389, H.R. 148.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 148) to designate certain public lands in the State of Michigan as wilderness, and for other purposes, reported with an amendment in the nature of a substitute.

The Senate proceeded to consider the bill which had been reported from the Committee on Agriculture, Nutri-

tion, and Forestry, with an amendment to strike all after the enacting clause and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Michigan Wilderness Act of 1987".

FINDINGS

SEC. 2. In designating wilderness areas pursuant to this Act, the Congress—

(1) finds, as provided in the Wilderness Act, that such areas—

(A) generally appear to have been affected primarily by the forces of nature, with the imprint of man's work substantially unnoticeable;

(B) have outstanding opportunities for solitude or a primitive and unconfined type of recreation; and

(C) contain ecological, geological, and other features of scientific, educational, and scenic value; and

(2) considers significant the assurances of the Governor of Michigan that he has no intention of seeking more stringent air quality standards which would impinge on development of lands surrounding wilderness areas designated by this Act.

DESIGNATION OF WILDERNESS AREAS

SEC. 3. In furtherance of the purposes of the Wilderness Act of 1964 (16 U.S.C. 1131), the following lands in the State of Michigan are hereby designated as wilderness, and therefore as components of the National Wilderness Preservation System—

(a) "subject to valid existing rights and reasonable access to exercise such rights" certain lands in the Manistee National Forest, comprising approximately three thousand three hundred and ninety-five acres as generally depicted on a map entitled "Nordhouse Dunes Wilderness—Proposed", dated April 1987, and which shall be known as the Nordhouse Dunes Wilderness;

(b) certain lands in the Ottawa National Forest, comprising approximately eighteen thousand three hundred and twenty seven acres as generally depicted on a map entitled "Sylvania Wilderness—Proposed", dated April 1987, and which shall be known as the Sylvania Wilderness;

(c) certain lands in the Ottawa National Forest, comprising approximately fourteen thousand one hundred and thirty-nine acres as generally depicted on a map entitled "Sturgeon River Gorge Wilderness—Proposed", dated April 1987, and which shall be known as the Sturgeon River Gorge Wilderness;

(d) certain lands in the Hiawatha National Forest, comprising approximately four thousand six hundred and forty acres as generally depicted on a map entitled "Rock River Canyon Wilderness—Proposed", dated April 1987, and which shall be known as the Rock River Canyon Wilderness;

(e) certain lands in the Hiawatha National Forest, comprising approximately five thousand five hundred acres as generally depicted on a map entitled "Big Island Lake Wilderness—Proposed", dated April 1987, and which shall be known as the Big Island Lake Wilderness;

(f) certain lands in the Hiawatha National Forest, comprising approximately twelve thousand two hundred and thirty acres as generally depicted on a map entitled "Mackinac Wilderness—Proposed", dated April 1987, and which shall be known as the Mackinac Wilderness;

(g) certain lands in the Hiawatha National Forest, comprising approximately three thousand seven hundred and ninety acres as generally depicted on a map entitled "Horseshoe Bay Wilderness—Proposed", dated April 1987, and shall be known as the Horseshoe Bay Wilderness;

(h) certain lands in the Hiawatha National Forest, comprising approximately three hundred and seventy eight acres as generally depicted on a map entitled "Round Island Wilderness—Proposed", dated April 1987, and which shall be known as the Round Island Wilderness; and

(i) certain lands in the Ottawa National Forest, comprising approximately sixteen thousand eight hundred and fifty acres as generally depicted on a map entitled "McCormick Wilderness—Proposed", dated April 1987, and which shall be known as the McCormick Wilderness.

DESCRIPTION AND MAPS

SEC. 4. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file maps and legal descriptions of each wilderness area designated by this title with the Committee on Energy and Natural Resources, United States Senate, and the Committee on Interior and Insular Affairs, House of Representatives, and each such map and legal description shall have the same force and effect as if included in this Act: Provided, however, That correction of clerical and typographical errors in such legal descriptions and maps may be made. Each such map and legal description shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

ADMINISTRATION OF WILDERNESS AREAS

SEC. 5. Subject to valid existing rights, each wilderness area designated by this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act of 1964 governing areas designated by that Act as wilderness areas except that with respect to any area designated in this Act, any reference in such provisions to the effective date of the Wilderness Act of 1964 shall be deemed to be a reference to the effective date of this Act.

RARE II REVIEW

SEC. 6. (a) The Congress finds that—

(1) the Department of Agriculture has completed the second roadless area review and evaluation program (RARE II); and

(2) the Congress has made its own review and examination of National Forest System roadless areas in the State of Michigan and of the environmental impacts associated with alternative allocations of such areas.

(b) On the basis of such review, the Congress hereby determines and directs that—

(1) without passing on the question of the legal and factual sufficiency of the RARE II final environmental statement (dated January 1979) with respect to National Forest System lands in the State of Michigan; such statement shall not be subject to judicial review with respect to National Forest System lands in the State of Michigan;

(2) with respect to the National Forest System lands in the State of Michigan which were reviewed by the Department of Agriculture in the second roadless area review and evaluation (RARE II) and those lands referred to in subsection (d), that review and evaluation or reference shall be deemed for the purposes of the initial land management plans required for such lands by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, to be an adequate consideration of the suitability of such lands for inclusion in the National Wilderness Preservation System and the Department of Agriculture shall not be required to review the wilderness option prior to the revisions of the plans, but shall review the wilderness option when the plans are revised, which revisions will ordinarily occur on a ten-year cycle, or at least every fifteen years, unless, prior to such time, the Secretary of Agriculture finds that conditions in a unit have significantly changed;

(3) areas in the State of Michigan reviewed in such final environmental statement or referenced in subsection (d) and not designated wilderness upon enactment of this Act shall be managed for multiple use in accordance with land management plans pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976: Provided, That such areas need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of the initial land management plans;

(4) in the event that revised land management plans in the State of Michigan are implemented pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law, areas not recommended for wilderness designation need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of such plans, and areas recommended for wilderness designation shall be managed for the purpose of protecting their suitability for wilderness designation as may be required by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law; and

(5) unless expressly authorized by Congress, the Department of Agriculture shall not conduct any further statewide roadless area review and evaluation of National Forest System lands in the State of Michigan for the purpose of determining their suitability for inclusion in the National Wilderness Preservation System.

(c) As used in this section, and as provided in section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, the term "revision" shall not include an "amendment" to a plan.

(d) The provisions of this section shall also apply to National Forest System roadless lands in the State of Michigan which are less than five thousand acres in size.

NONWILDERNESS ACTIVITIES

SEC. 7. Congress does not intend that designation of wilderness areas in the State of Michigan lead to the creation of protective perimeters or buffer zones around each wilderness area. The fact that nonwilderness activities or uses can be seen or heard from areas within the wilderness shall not, of itself, preclude such activities or uses up to the boundary of the wilderness.

HUNTING, FISHING, AND TRAPPING

SEC. 8. As provided in section 4(d)(7) of the Wilderness Act, nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the State of Michigan with respect to wildlife and fish in the national forests in Michigan.

INHOLDERS RIGHTS

SEC. 9. As provided in section 5 of the Wilderness Act—

(1) owners of private lands within any area designated by this Act shall be assured the right of adequate access; and

(2) no privately owned lands within any area designated by this Act may be acquired without concurrence of the owner of such lands.

FIRE, INSECTS, AND DISEASE CONTROL

SEC. 10. As provided in section 4(d)(1) of the Wilderness Act, the Secretary may take such measures as may be necessary to control fire, insects, and diseases within any area designated by this Act.

AMENDMENT NO. 1198

Mr. BYRD. Mr. President, I send an amendment to the desk on behalf of the Senator from Michigan [Mr. LEVIN].

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from West Virginia (for Mr. LEVIN) proposes an amendment No. 1198.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 10, strike out line 10 and all that follows through line 14 on page 12, and insert in lieu thereof the following:

(a) subject to valid existing rights and reasonable access to exercise such rights certain lands in the Manistee National Forest, comprising approximately three thousand four hundred and fifty acres as generally depicted on a map entitled "Nordhouse Dunes Wilderness—Proposed", dated November 1987, and which shall be known as the Nordhouse Dunes Wilderness;

(b) certain lands in the Ottawa National Forest, comprising approximately eighteen thousand three hundred and twenty seven acres as generally depicted on a map entitled "Sylvania Wilderness—Proposed", dated November 1987, and which shall be known as the Sylvania Wilderness;

(c) certain lands in the Ottawa National Forest, comprising approximately fourteen thousand five hundred acres as generally depicted on a map entitled "Sturgeon River Gorge Wilderness—Proposed", dated November 1987, and which shall be known as the Sturgeon River Gorge Wilderness;

(d) certain lands in the Hiawatha National Forest, comprising approximately four thousand six hundred and forty acres as generally depicted on a map entitled "Rock River Canyon Wilderness—Proposed", dated November 1987, and which shall be known as the Rock River Canyon Wilderness;

(e) certain lands in the Hiawatha National Forest, comprising approximately five thousand five hundred acres as generally depicted on a map entitled "Big Island Lake Wilderness—Proposed", dated November 1987, and which shall be known as the Big Island Lake Wilderness;

(f) certain lands in the Hiawatha National Forest, comprising approximately twelve thousand two hundred and thirty acres as generally depicted on a map entitled "Mackinac Wilderness—Proposed", dated November 1987, and which shall be known as the Mackinac Wilderness;

(g) certain lands in the Hiawatha National Forest, comprising approximately three thousand seven hundred and ninety acres as generally depicted on a map entitled "Horseshoe Bay Wilderness—Proposed", dated November 1987, and shall be known as the Horseshoe Bay Wilderness;

(h) certain lands in the Hiawatha National Forest, comprising approximately three hundred and seventy eight acres as generally depicted on a map entitled "Round Island Wilderness—Proposed", dated November 1987, and which shall be known as the Round Island Wilderness;

(i) certain lands in the Ottawa National Forest, comprising approximately sixteen thousand eight hundred and fifty acres as generally depicted on a map entitled "McCormick Wilderness—Proposed", dated November 1987, and which shall be known as the McCormick Wilderness; and

(j) certain lands in the Hiawatha National Forest, comprising approximately eleven thousand eight hundred and seventy acres as generally depicted on a map entitled "Delirium Wilderness—Proposed", dated November 1987, and which shall be known as the Delirium Wilderness.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1198) was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute.

The committee amendment as amended was agreed to.

Mr. LEVIN. Mr. President, the legislation before us designates certain existing national forest lands in Michigan wilderness, and releases other national forest lands for multiple uses. This bill, which was recently reported favorably by the Senate Committee on Agriculture, designates as wilderness about 3 percent—92,000 acres—of the 2.8 million acres of existing national forest land in Michigan. No additional lands are being added to U.S. forest holdings in Michigan by this bill.

Currently, the national average of areas designated wilderness in national forest lands is 16 percent. The 3 percent in this bill is quite modest when compared to a national average of 16 percent. In fact, the bill designates fewer acres as wilderness than are presently being administered as wilderness in Michigan.

This legislation preserves a small amount of existing U.S. forest land in its relatively pristine condition. It assures the protection of traditional fishing and hunting rights in accordance with the existing rules of the Michigan Department of Natural Resources. The bill preserves a traditional hunting and camping corridor in the Sturgeon Gorge area as a result of a compromise between Congressman KILDEE and myself. It would also release the remaining roadless areas which have been administered as wilderness since 1980, to be managed for multiple uses.

The Governor of Michigan, James Blanchard, supports this bill. In his letter of support, which I ask unanimous consent be printed in the RECORD, Governor Blanchard states that the State's Forest Products Industry Development Council, which advises him on matters affecting that industry, also endorsed enactment of the bill.

This legislation will have no negative impact on economic development. It includes the conditions which have been proposed by the Michigan Forest Products Industry Development Council. Those conditions are: Releasing the remaining roadless acreage for multiple use; directing the Department of Agriculture not to conduct any separate statewide survey of roadless areas that could lead to further wilderness designation; and assurance from the Governor that there will be no attempt to change the air quality standards which would impinge development on surrounding lands. The position of the Forest Products Industry Development Council reinforces the conclusion that the wilderness legislation will have no adverse effect on this industry or others important to Michigan.

The 10 areas designated are as follows: Big Island Lake, Delirium, Horseshoe Bay, Mackinac, McCormick, Nordhouse Dunes, Rock River Canyon, Round Island, Sturgeon Gorge, and Sylvania.

Because of the floor amendment being offered, representing a compromise on the five areas in dispute between my bill and the House bill, I expect the House will now accept this version with no further amendment. The compromise does the following: The House yields to the Senate position on Big Island Lake and agrees to include certain existing public acreage surrounding existing private inholdings; the Senate yields to the House position on Delirium and agrees to designate the area wilderness as recommended by the Forest Service—until recently the Forest Service had not recommended Delirium by designated wilderness—the House yields to the Senate position on government Island and agrees to not designate the area wilderness; the Senate yields to the House position on Nordhouse Dunes and agrees to include an area including an extension of the dune line to the north of the area; and a compromise position on Sturgeon Gorge in which the House agrees to preserve a traditional hunting and camping corridor, and the Senate agrees to include certain acreage consistent with current Forest Service recommendations.

Today's action will help put this issue behind us in a fair and sensible way. I want to thank the chairman of the Committee on Agriculture, Mr. LEAHY, and the ranking minority member, Mr. LUGAR, for their help, and the help of their staff in resolving this issue.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

LANSING, MI,
October 1, 1986.

Hon. JESSE HELMS, Jr.
Chairman, Committee on Agriculture, Nutrition, and Forestry, Washington, DC.

DEAR MR. CHAIRMAN: I am writing to express my support for the passage of Michigan's national forest lands by adding them to the National Wilderness Preservation System. This legislation will serve the interests of both Michigan and the nation by protecting wilderness areas of national significance and by providing certainty and stability to Michigan's forest products development efforts.

The outstanding natural qualities of the lands protected as wilderness in S. 1767 are beyond question. Both the Michigan Department of Natural Resources and the U.S. Forest Service have identified many of the areas as highly scenic and unspoiled. Ranging from the rare stretch of undeveloped Great Lakes shoreline at Nordhouse Dunes to the rugged uplands and lush wetlands of the Sturgeon River Gorge, these areas represent the best of what Michigan has to offer to the National Wilderness Preservation System. Congressional action to protect these areas is needed to guard this natural endowment for the future.

It is important to note that Michigan contains approximately 2.7 million acres of national forest lands, the most of any state east of the Mississippi. None of this acreage is currently protected formally as wilderness. We are one of the few states with such significant forest land holdings that do not contain wilderness areas designated by Congress. It is clear that Michigan has areas with qualities comparable to any wilderness lands in the nation, and it is time that they are permanently protected through action by Congress.

Enactment of this legislation will be fully consistent with Michigan's forest products development program. It affects only a small portion of our national forest lands, and the proposed wilderness areas have been studied and found to have little potential commercial timber yielding in any case. The state's Forest Products Industry Development Council, which advises me on matters affecting the industry, has endorsed enactment of this bill. Further, standard release language in the bill, giving the U.S. Forest Service the ability to manage remaining lands as it sees fit, should strengthen the forest products industry program by clarifying the commercial status of those lands.

S. 1767 is a carefully crafted bill that balances the critical need to protect Michigan's most spectacular national forest lands with our need for economic development. It will protect our wild lands for the use and enjoyment of citizens now and in the future. It is in the best tradition of Michigan conservation. I encourage favorable action by the Senate Agriculture Committee on S. 1767.

Sincerely,

JAMES J. BLANCHARD,
Governor.

Mr. RIEGLE. Mr. President, I rise to again express my opposition to the Michigan wilderness bill.

Most of the areas that will be designated by this legislation are in the Upper Peninsula area of the State. As I testified before the Senate Committee on Agriculture, there is significant opposition to this designation by the people who live nearby. These are people who deeply care about preserving these lands and who believe in the sound and careful management of these areas.

The U.S. Forest Service, through its land management plans, has indicated its intention to continue to manage these areas as wilderness in the absence of a permanent wilderness designation. The development of these forest management plans is intended to make sure that all national forest land is managed with full public participation and oversight. Maintaining long-term, flexible management is a better policy for protecting these areas and making sure that the interests of the people of Michigan and our Nation are met.

It is important to note that the areas being managed as wilderness do not exist in a pristine state but have been used in various ways over the long history of the State of Michigan.

The current condition of these lands is a testament to the wise and careful stewardship they have received, together with vigilant, active and constructive participation by Michigan citizens. There is a powerful love of the land in the Upper Peninsula and a deep sense of involvement by the people who live there. These citizens feel that additional binding wilderness designations are unnecessary and I agree with them. The existing process has worked well. It is through wise management rather than nonmanagement that we can best protect that which we all value and want to maintain for future generations.

Only 39 States have Federal forest lands eligible for permanent wilderness designations, and 33 States now have received Federal wilderness designations. Michigan, then, is one of only six States that remain with lands eligible for permanent wilderness designation.

I understand the desire of the Senate Agriculture Committee to resolve this issue in the remaining six States. I further understand the decision of the committee to act despite the difference of viewpoint of the two Michigan Senators. While I do not agree with the decision, I respect the majority vote on this matter and wish it were otherwise.

Mr. LEAHY. Mr. President, I am pleased to support the legislation before us, H.R. 148, and the amendment to be offered by the junior Senator from Michigan, Senator LEVIN. I commend the Senator for his foresight in introducing wilderness legislation for the State of Michigan, and his hard work in pursuing this legislation through the 99th and 100th Congresses.

H.R. 148 would designate the first national forest wilderness areas in the State of Michigan. The bill would add nine areas, totaling 79,249 acres, to the National Wilderness Preservation System—areas that have all been recommended for wilderness designation or wilderness study by the Forest Service. The bill will also ensure that national forest lands in Michigan not designated as wilderness are released for such uses as are deemed appropriate through the national forest land management planning process.

The Committee on Agriculture, Nutrition, and Forestry considered two separate wilderness bills for the State of Michigan: S. 1036, introduced by Senator LEVIN on April 10, 1987, and H.R. 148, passed by the House on April 8, 1987, and referred to the committee. The two bills differ in the exclusion in S. 1036 of two areas, totaling 12,084 acres, that the Forest Service had opposed in testimony before the House. On October 19, 1987, the committee favorably reported H.R. 148 on a voice vote after an amendment to strike the text of H.R. 148 and insert in lieu thereof the text of S. 1036 had been agreed to.

At the time of committee consideration of the legislation, there were ongoing negotiations between the Forest Service and appellants of the Hiawatha National Forest land management plan. One of the issues under negotiation was wilderness designation for the two areas not included in S. 1036 but included in H.R. 148: the Delirium and Government Island areas.

Since committee consideration of the bill, the appeal of the Hiawatha land management plan has been settled. The agreement reached between the Forest Service and the appellants stipulates that the Delirium and Government Island areas will continue to be managed as semiprimitive nonmotorized areas, with no road construction and no timber harvest, should the areas not be designated wilderness by Congress. The agreement further states that the Forest Service's only objections to wilderness designation for the two areas are based on specific management concerns over each area.

Since the settlement of the Hiawatha final plan, the committee has worked with Senator LEVIN, the cosponsors of H.R. 148 in the House, and the Forest Service to see if the management concerns of the Forest Service over the Delirium and Government Island areas could be addressed and the areas designated wilderness. The amendment offered today by Senator LEVIN is the result of those efforts.

The amendment offered by Senator LEVIN adds the proposed Delirium wilderness area to the bill, bringing the total acreage to be added to the National Wilderness Preservation System by this bill to 91,535 acres, and addresses the management concerns voiced by the Forest Service with regards to the Delirium area. The amendment also makes small adjustments to the Sturgeon River, Gorge and the Nordhouse Dunes proposed wilderness area, adding an additional 501 acres to the bill.

Mr. President, it is my hope, and the hope of the ranking member of the committee, Senator LUGAR, that the adoption of the Senator from Michigan's amendment will make the bill acceptable to the House and will avoid the need for a conference. I therefore urge the adoption of the amendment offered by the Senator from Michigan, Senator LEVIN, and urge my colleagues to support the passage of H.R. 148.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendment and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (H.R. 148) as amended, was passed.

Mr. LEVIN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TESTIMONY BY FORMER SENATE EMPLOYEE

Mr. BYRD. Mr. President, I send to the desk a resolution on behalf of myself and the distinguished Republican leader, Mr. DOLE, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 326) to authorize testimony by a former Senate employee.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BYRD. Mr. President, the defendants in an antitrust action pending in the United States District Court for the Western District of Washington, General Communication Inc. versus Alascom, Inc., have caused a deposition subpoena to be issued for the testimony of William D. Phillips, a former administrative assistant to Senator STEVENS. The underlying matter is a dispute between two companies which provide telephone service to Alaska. This resolution would authorize Mr. Phillips' testimony except to the extent that Senator STEVENS determines that a privilege of the Senate should be asserted.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 326

Whereas, in the case of *General Communication Inc.* v. *Alascom, Inc., et al.*, No. C84-523C, pending in the United States District Court for the Western District of Washington, defendants Alascom, Inc. and Pacific Telecom, Inc. have caused a deposition subpoena to be issued in the United States District Court for the District of Columbia for the testimony of William D. Phillips, a former administrative assistant to Senator Ted Stevens;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needful for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That William D. Phillips is authorized to testify in the case of *General Communication Inc.* v. *Alascom, Inc., et al.*, except as to matters which Senator Stevens determines that a privilege of the Senate should be asserted.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE REQUEST FOR ACCESS TO PERMANENT SUBCOMMITTEE ON INVESTIGATIONS FILES

Mr. BYRD. Mr. President, I send to the desk a resolution on behalf of myself and the distinguished Republican leader, Mr. DOLE, and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 327) to authorize production of documents by the Permanent Subcommittee on Investigations.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. BYRD. Mr. President, during 1982-85 the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs conducted an investigation into allegations of fraud and other wrongdoing in the procurement of ships for the Navy. The inspector general of the Department of Defense currently is examining issues relating to the subject matter of the subcommittee's investigation and, in aid of his office's inquiries, has asked the subcommittee for access to records of its investigation.

Senators NUNN and ROTH, the chairman and ranking minority member of the subcommittee, would like to be able to respond to authorized requests for pertinent subcommittee records. This resolution would authorize the chairman and ranking minority member, acting jointly, to provide access to, and release of, records of the subcommittee's investigation, as well as to determine the mode of any disclosure.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 327

Whereas, during the period 1982-1985 the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs inquired into allegations of fraud and other wrongdoing in the procurement of ships for the Navy;

Whereas, the Inspector General of the Department of Defense has requested access to records of the Subcommittee's investigation for use in a current related inquiry;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by administrative or judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that documents, papers, and records under the control or in the possession of the Senate are needful for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That the Chairman and Ranking Minority Member of the Permanent Subcommittee on Investigations, acting jointly, are authorized to provide to the Inspector General of the Department of Defense records of the Subcommittee's investigation of allegations of fraud and other wrongdoing in the procurement of ships for the Navy.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HOUSE JOINT RESOLUTION 376, SPOUSAL REUNIFICATION POLICIES OF THE SOVIET UNION, PLACED ON THE CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that House Joint Resolution 376, dealing with the spousal reunification policies of the Soviet Union, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATOR BYRD'S BIRTHDAY TOMORROW

Mr. BYRD. Mr. President, does the distinguished assistant Republican leader have anything further he would like to say?

Mr. SIMPSON. Mr. President, tomorrow, the distinguished majority leader celebrates a birthday. I will leave for Wyoming at 6:15 a.m., for a large gathering in Casper, WY, of the Wyoming Heritage Society, and I cannot miss that.

So, do not have too many votes in my absence. One or two, perhaps; certainly nothing excessive.

I must go, but I want to congratulate you on your birthday. I understand there is a fine celebration pending, and I know that will be delightful.

I also wish to Mrs. Byrd, Erma, good health. I know that she has been indisposed of late, and I hope she is healing.

So I leave you with that dual personal message.

Mr. BYRD. Mr. President, the distinguished Senator is very kind and thoughtful and considerate, as always.

I am very grateful for his remarks, and I am sure that Erma will be most appreciative.

I hope he will have a safe journey to Wyoming and return. I look forward to seeing him after Thanksgiving, I suppose, and I hope we will be able to dispose of our remaining work in short order and go home for the Christmas holidays.

Mr. SIMPSON. Mr. President, I hope the majority leader might concur that we have tried to be, I think, cooperative in these last weeks. You have set a daunting agenda for us, and I think we have done very well plowing through it. Some significant legislation has been passed.

From the early days of the session, where we did have some strong feelings on two issues and delay occurred we have certainly tried on this side of the aisle to help the majority leader reach his goal of a tremendous calendar, and we will do it after the recess period.

Mr. BYRD. Mr. President, I thank the able assistant Republican leader.

RECESS UNTIL 9 A.M. TOMORROW

Mr. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9 o'clock tomorrow.

The motion was agreed to and at 6:54 p.m., the Senate recessed until tomorrow, Friday, November 20, 1987, at 9 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate after the adjournment of the Senate on November 18, 1987, under authority of the order of the Senate of February 3, 1987:

THE JUDICIARY

DAVID A. EZRA, OF HAWAII, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF HAWAII VICE SAMUEL P. KING, RETIRED.

DEPARTMENT OF JUSTICE

TONY MICHAEL GRAHAM, OF OKLAHOMA, TO BE U.S. ATTORNEY FOR THE NORTHERN DISTRICT OF OKLAHOMA FOR THE TERM OF 4 YEARS VICE LAYN R. PHILLIPS, RESIGNED.

PATRICK J. FIEDLER, OF WISCONSIN, TO BE U.S. ATTORNEY FOR THE WESTERN DISTRICT OF WISCONSIN FOR THE TERM OF 4 YEARS VICE JOHN R. BYRNES, TERM EXPIRED.

JOHN E. FRYATT, OF WISCONSIN, TO BE U.S. ATTORNEY FOR THE EASTERN DISTRICT OF WISCONSIN FOR THE TERM OF 4 YEARS VICE JOSEPH P. STADTMUELLER, RESIGNED.

FOREIGN SERVICE

THE FOLLOWING-NAMED PERSONS OF THE AGENCIES INDICATED FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF THE CLASSES STATED, AND ALSO FOR THE OTHER APPOINTMENTS INDICATED HEREWITH:

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS 1, CONSULAR OFFICERS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF COMMERCE

JAMES A. MOORHOUSE, OF VIRGINIA.

AGENCY FOR INTERNATIONAL DEVELOPMENT

JOHN R. DIAL, OF WASHINGTON.
ALFRED W. FORD, OF MARYLAND.
STANLEY D. HEISHMAN, OF VIRGINIA.
MARY ANN MICKA, M.D., OF TEXAS.

U.S. INFORMATION AGENCY

NYOKA WHITE, OF CALIFORNIA

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS 2, CONSULAR OFFICERS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

ABELARDO I. PEREZ, OF TEXAS.
JULIO TREJO PEREZ, OF TEXAS.
PAUL LYNDON SMITH, OF CALIFORNIA.
JOSEPH BENJAMIN TORRES, OF COLORADO.

DEPARTMENT OF AGRICULTURE

RANDOLPH H. ZEITNER, OF VIRGINIA.

DEPARTMENT OF COMMERCE

JOHN W. AVARD, OF TEXAS.
WILLIAM P. DAWKINS, JR., OF OREGON.
SAMUEL H. KIDDER, OF PENNSYLVANIA.

AGENCY FOR INTERNATIONAL DEVELOPMENT

MARILYN B. BUCHAN, OF VIRGINIA.
PIRIE MORLEY GALL, OF MARYLAND.
GREGORY F. HUGER, OF ILLINOIS.
GAIL MARILYN LECCE, OF THE DISTRICT OF COLUMBIA.
MICHAEL MORFIT, OF MARYLAND.
CHARLES RANDOLPH SADLER, OF THE DISTRICT OF COLUMBIA.
JAMES L. WALKER, OF NEVADA.

U.S. INFORMATION AGENCY

JAMES W. HUTCHESON, OF FLORIDA.

FOR APPOINTMENT AS FOREIGN OFFICERS OF CLASS 3, CONSULAR OFFICERS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

ELIZABETH JAMIESON AGNEW, OF VIRGINIA.
HERBERT RENARD BROWN, OF FLORIDA.
DAVID BUENTELLO, OF TEXAS.
CAREY EDWARD CAVANAUGH, OF FLORIDA.
HOWARD D. CLARK, OF VIRGINIA.
EFRAIM A. COHEN, OF NEW YORK.
ELLEN CONNOR ENGELS, OF VIRGINIA.
A. DANIEL HERNANDEZ, OF TEXAS.
FRANK JOHN KERBER, OF OHIO.
LISA JEAN KUBISKE, OF VIRGINIA.
GAROLD N. LARSON, OF CALIFORNIA.
CHRISTOPHER JOHN MURAT, OF CONNECTICUT.
LUIS G. MORENO, OF NEW YORK.
ROBERT A. POLLARD, OF VIRGINIA.
MARGUERITA DIANNE RAGSDALE, OF VIRGINIA.
CHARLOTTE E. ROE, OF COLORADO.
ANDREW C. ROTHMAN, OF TEXAS.
MARK DOUGLAS SCHELAND, OF NEW YORK.
PAUL NORMAN TIMMER, OF CALIFORNIA.
ROBERT EARL WHITEHEAD, OF FLORIDA.

DEPARTMENT OF COMMERCE

E. SCOTT BOZEK, OF VIRGINIA.

AGENCY FOR INTERNATIONAL DEVELOPMENT

JOHN WENDELL AIRHART, OF VIRGINIA.
RICHARD BYESS, OF CALIFORNIA.
PAMELA LOUISE CALLEN, OF MARYLAND.
TIMOTHY E. COX, OF FLORIDA.
JAMES LAURENCE GOGGIN, OF FLORIDA.
CATHERINE R. GORDON, OF THE DISTRICT OF COLUMBIA.
WILLIAM A. JEFFERS, OF OHIO.
THOMAS J. JOHNSTONE, JR., OF NEW JERSEY.
ERNA WILLIS KERST, OF CALIFORNIA.
ROBERT A. PHILLIPS, OF MARYLAND.
DIANA LEIGH SWAIN, OF VIRGINIA.
KENNETH BRUCH WIEGAND, OF FLORIDA.
JACK WINN, OF FLORIDA.

FOR APPOINTMENT AS FOREIGN SERVICE OFFICERS OF CLASS 4, CONSULAR OFFICERS, AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DEPARTMENT OF STATE

ANNA MARIA F. ADAMO, OF FLORIDA.
GARY GRANT BAGLEY, OF MAINE.
ERIC CHRISTOPHER BOTTS, SR., OF TEXAS.
JOCELYN GILBERT BREELAND, OF OHIO.
ANN KATHLEEN BREITER, OF CALIFORNIA.
JANE BURT-LYNN, OF FLORIDA.
FRANKIE REED CALHOUN, OF CALIFORNIA.
DAVID CHENG CHANG, OF MARYLAND.
DAVID MICHAEL COHEN, OF NEW YORK.
MARY SUE CONAWAY, OF VIRGINIA.
PETER E. COZZENS, OF VIRGINIA.
OSCAR G. DE SOTO, OF VIRGINIA.
CHARLES EDWARD DICKENS, OF MARYLAND.
BRIAN K. DICKSON, OF VIRGINIA.
JON P. DORSCHNER, OF ARIZONA.
JONATHAN LYMAN FISHBEIN, OF VIRGINIA.
PATRICIA BAILEY FORAN, OF NEW MEXICO.
JOSE GUSTAVO GARRIGA, OF NEW YORK.
ELIZABETH L. GELDERLOOS, OF NEW JERSEY.
MICHAEL GFOELLER, OF MARYLAND.
TATIANA CATHERINE GFOELLER-VOLKOFF, OF MARYLAND.
SABRE GILMARTIN, OF CALIFORNIA.
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DAVID MACLAIN HALE, OF NEW JERSEY.
DENNIS BRUCE HANKINS, OF WASHINGTON.
DAVID E. HENIFIN, OF VIRGINIA.
MICHAEL J. HONNOLD, OF CALIFORNIA.
L. ROBERT HUGHES, JR., OF WYOMING.
DOROTHY SENGER IMWOLD, OF FLORIDA.
RICHARD E. JAWORSKI, OF MICHIGAN.
DAVID JOEL KATZ, OF WASHINGTON.
STEPHEN K. KEAT, OF NEW YORK.
MARTHA NOVICK KELLEY, OF VIRGINIA.
JOHN MONROE KOENIG, OF WASHINGTON.
DONALD W. KORAN, OF CALIFORNIA.
PHILIP SCOTT KOSNETT, OF CALIFORNIA.
CRAIG KUEHL, OF NEW YORK.
JERRY POWELL LANIER, OF NORTH CAROLINA.
BARBARA ANNE LEAF, OF THE DISTRICT OF COLUMBIA.
LAURA R. LUFTIG, OF IOWA.
ERIC W. LUFTMAN, OF MASSACHUSETTS.
EDWARD PAUL MALCIK, OF TEXAS.
ELIZABETH LEE MARTINEZ, OF OHIO.
CATHLEEN ELEANORE MAYNARD, OF CALIFORNIA.
WALTER LLOYD MAYO, III, OF VIRGINIA.
PORTIA ELIZABETH MCCOLLUM, OF NORTH CAROLINA.
JOHN F. MCNAMARA, OF NEW HAMPSHIRE.
ROGER JAMES MORAN, OF FLORIDA.
THOMAS JOSEPH NAVRATIL, OF PENNSYLVANIA.
DAVID WOODRUFF NORLAND, OF NEW HAMPSHIRE.
SANDRA S. ODOR, OF CALIFORNIA.
JAMES RADFORD PRITCHETT, OF TEXAS.
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HELEN GREELEY RECINOS, OF CALIFORNIA.
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SANDRALEE MILLER ROBINSON, OF IOWA.
CHRISTOPHER JONATHAN SANDROLINI, OF ILLINOIS.
TIMOTHY C. SANDUSKY, OF OHIO.
KATHLEEN JUANITA SCANLON, OF CALIFORNIA.
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WILLIAM ROBERT STEIGELMANN, OF NEW JERSEY.
WILLIAM RALPH STEWART, OF CONNECTICUT.
MARK STEVEN TAUBER, OF NEW JERSEY.
STEVEN MICHAEL TOY, OF CALIFORNIA.
LUCIEN S. VANDENBROUCKE, OF MARYLAND.
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ROBERT S. WANG, OF CALIFORNIA.
ROMAN HUGH WASILEWSKI, OF MAINE.
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PAUL D. WOHLERS, OF WASHINGTON.
JUDITH ANN WOOK, OF MINNESOTA.
JOSEPH DEAN YAP, OF TENNESSEE.

U.S. INFORMATION AGENCY

JUDITH RAINE BAROODY, OF VIRGINIA.
THOMAS RILEY CARMICHAEL, OF FLORIDA.
JOHN SHIELDS DICKSON, OF NEW HAMPSHIRE.
THOMAS J. DOWLING, OF NEW YORK.
LUCY HARRIS HALL, OF NEW JERSEY.
RICHARD EUGENE HOAGLAND, OF INDIANA.
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SUSAN ROSE WAGNER, OF PENNSYLVANIA.
MARK A. WENTWORTH, OF MAINE.
REBECCA RUTH WINCHESTER, OF NEW MEXICO.

THE FOLLOWING-NAMED MEMBERS OF THE FOREIGN SERVICE OF THE DEPARTMENTS OF STATE AND COMMERCE, AND THE U.S. INFORMATION AGENCY, TO BE CONSULAR OFFICERS AND/OR SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA, AS INDICATED:

CONSULAR OFFICERS AND SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DAVID ALLAN ALARID, OF OKLAHOMA.
CONSTANCE A. ANDERSON, OF VIRGINIA.
BRUCE ARMSTRONG, OF FLORIDA.
DALE A. BAKER, OF TEXAS.
VICTORIA SINGER BELL, OF KENTUCKY.
DANIEL P. BELLEGARDE, OF NEW HAMPSHIRE.
JOHN FREDERIC BERRY, OF MICHIGAN.
BRUCE BERTON, OF WASHINGTON.
DIANA D. BESAS, OF VIRGINIA.
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KATHLEEN LOUISE BOYLE, OF VIRGINIA.
ROSS BROWN, OF THE DISTRICT OF COLUMBIA.
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DAVID CARTER, OF NEW MEXICO.
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STEFFAN E. DECLUE, OF MISSOURI.
JACOB H. DE RAAT, OF VIRGINIA.
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SAMI GEORGE HAJJAR, OF WYOMING.
ANNE HALL, OF MAINE.
STEVEN L. HALL, OF VIRGINIA.
LANCE C. HAMILTON, OF CALIFORNIA.
JOHN W. HANES, OF FLORIDA.
THEODORE EDWIN HANSEN, OF INDIANA.
CINDERELLA B. HAZEL, OF NEW JERSEY.
DONALD LEE HEFLIN, OF ALABAMA.
WILLIAM ALAN HEIDT, OF TEXAS.
DEBRA LEE PINGREE HEIEN, OF HAWAII.
THOMAS MARK HODGES, OF TENNESSEE.
BRIEN PURCELL HORAN, OF CONNECTICUT.
PAUL R. HUGHES, JR., OF THE DISTRICT OF COLUMBIA.
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ROBERT PEARCE KEPNER, OF PENNSYLVANIA.
NABEEL A. KHOURY, OF NEW YORK.
SUSAN A. KRAUSE, OF MISSOURI.
PAUL M. LAURITANO, OF NEW YORK.
KAREN T. LEVINE, OF NEW YORK.
JULIANNE H. LIEBMANN, OF VIRGINIA.
EDWARD LOO, OF CALIFORNIA.
NICOLE R. LORENZINI, OF ILLINOIS.
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TERRY D. MANESS, OF NEW MEXICO.
VICTOR E. MANLEY, OF ARIZONA.
KARI L. MASENGALE, OF ILLINOIS.
HUNTINGTON S. MASON, OF VIRGINIA.
SCOTT C. MCCARTHY, OF THE DISTRICT OF COLUMBIA.
CHRISTOPHER J. MCMULLEN, OF VIGIINIA.
ROBERT K. MCNAMARA, OF MARYLAND.
RANDOLPH A. MCNEELY, OF CONNECTICUT.
KENNETH HERBERT MERTEN, OF VIRGINIA.
VICTORIA S. MIDDLETON, OF PENNSYLVANIA.
PETER M. MORGRET, OF VIRGINIA.
MARK A. MOSER, OF VIRGINIA.
JOSEPH N. MUSKA, OF PENNSYLVANIA.
GARY G. OBA, OF ALASKA.
JUNE MARIE O'CONNELL, OF THE DISTRICT OF COLUMBIA.
JEROME JOHN OETGEN, OF PENNSYLVANIA.
MICHAEL E. O'MALLEY, OF PENNSYLVANIA.
MARK L. PEDRY, OF WYOMING.
MICHAEL PETER PELLETIER, OF MAINE.
CAROL ZELIS PEREZ, OF TEXAS.
VALERIE E. PLAME, OF VIRGINIA.
ANNE LOUISE RAFFERTY, OF MASSACHUSETTS.
MARK D. ROBERTS, OF MARYLAND.
MARC S. SAGEMAN, OF NEW YORK.
BARBARA LYNN SARNACKI, OF MICHIGAN.
MICHAEL SCHIMMEL, OF MICHIGAN.
VICTOR SCHUMANN, OF THE DISTRICT OF COLUMBIA.
JEFFREY CLAIR SCHWENK, OF ILLINOIS.
STEPHEN DAVID SELLERS, OF CALIFORNIA.
RAPHAEL SEMMES, III, OF MARYLAND.
MAGDA SELIM SIEKERT, OF VIRGINIA.
WILLIAM H. SPENCER, IV, OF CALIFORNIA.
GEORGE C. STAVROU, OF ARIZONA.
SCOTT D. THOMSON, OF SOUTH CAROLINA.
CONRAD ROBERT TRIBBLE, OF CALIFORNIA.
THEODORE TUNG, OF PENNSYLVANIA.
GARY S. WAKAHIRO, OF HAWAII.
RUFUS A. WATKINS, OF MARYLAND.
DONINE M. WILLIS, OF MARYLAND.
JOYCE SU WONG, OF CALIFORNIA.
LAWRENCE C. YONTZ, OF OHIO.
EUGENE STEWART YOUNG, OF THE DISTRICT OF COLUMBIA.
STEVEN EDWARD ZATE, OF FLORIDA.

CONSULAR OFFICERS OF THE UNITED STATES OF AMERICA:

CATHERINE HOUGHTON, OF CALIFORNIA.
JAMES M. MEDAS, OF CALIFORNIA.

SECRETARIES IN THE DIPLOMATIC SERVICE OF THE UNITED STATES OF AMERICA:

DENNIS E. BARNES, OF OREGON.
JOHN J. MUTH, OF VIRGINIA.
TIMOTHY E. RAMISH, OF VIRGINIA.
THOMAS A. ROSENGREN, OF NEW JERSEY.

THE FOLLOWING-NAMED CAREER MEMBER OF THE FOREIGN SERVICE OF THE DEPARTMENT OF STATE FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED, EFFECTIVE DECEMBER 22, 1985.

CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

PRISCILLA ANN CLAPP, OF MASSACHUSETTS.

THE FOLLOWING-NAMED CAREER MEMBER OF THE FOREIGN SERVICE OF THE DEPARTMENT OF STATE FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED, EFFECTIVE THE EFFECTIVE DATE OF THE 1987 STATE SENIOR FOREIGN SERVICE PROMOTION LIST:

CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

HENRY L. CLARKE, OF CALIFORNIA.

HOUSE OF REPRESENTATIVES—*Thursday, November 19, 1987*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We are aware, O gracious God, of the rich blessings that we have received as a nation with freedoms and opportunities and wealth and resources all about. Teach us, O God, how we may use these gifts entrusted to us, not only for our use, but in sharing with people whose opportunities have not been so great and whose needs are so basic. May we be good stewards of that which has been given to us and may we do the works of justice and charity with what we possess. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate insists upon its amendment to the bill (H.R. 1900) "An act to amend the Child Abuse Prevention and Treatment Act, the Child Abuse and Treatment and Adoption Reform Act of 1978, and the Family Violence Prevention and Services Act to extend through fiscal year 1991 the authorities established in such Acts," disagreed to by the House, and agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Dodd, Mr. Kennedy, Mr. Pell, Mr. Thurmond, and Mr. Hatch to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2112) "An act to authorize appropriations for fiscal year 1988 for intelligence and intelligence-related activities of the United States Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes."

The message also announced Mr. Hollings, Mr. Ford, Mr. Exon, Mr. Danforth, and Mrs. Kassebaum, from the Committee on Commerce, Science, and Transportation; Mr. Bentsen, Mr. Matsunaga, and Mr. Packwood, from the Committee on Finance, solely for consideration of title II; to be the conferees on the part of the Senate, to the bill (H.R. 2310) "An act to amend the Airport and Airway Improvement Act of 1982 for the purpose of extending the authorization of appropriations for airport and airway improvements, and for other purposes."

The message also announced that the Senate had passed a bill, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 1360. An act to amend the Indian Financing Act of 1974, and for other purposes;

S.J. Res. 221. Joint resolution welcoming President Yunis Khalis and the Delegation of the Islamic Unity of Afghan; and

S. Con. Res. 90. Concurrent resolution welcoming Vladimir and Maria Slepak to the United States.

DENVER POST: WRIGHT RIGHT, PRESIDENT WRONG

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, the prospect of peace in Central America is being eagerly monitored all across the country. The smokescreen battle about who is speaking to whom is not diverting observers from that prospect.

The Denver Post has written a pithy critique of the smokescreen. I commend it to my colleagues.

[From the Denver Post, Nov. 18, 1987]

PRESIDENT IS WRONG IN HIS ADMONISHMENT OF WRIGHT

In the latest Washington soap opera, President Reagan is furious with House Speaker Jim Wright for meddling in foreign policy—an area Reagan believes that the Constitution reserves exclusively for Oliver North.

Or, as presidential spokesman Marlin Fitzwater delicately put it: "The president pointed out to the speaker the confusion that arises and the misleading impressions that can be left if members of Congress, without coordination with the executive branch, involve themselves in complex negotiations with foreign heads of government."

We would applaud Fitzwater's remarks if we'd spent the last seven years sealed in a cave reading the "Federalist Papers." But spokesman Fitzwater speaks for an administration that funneled covert military aid to the Nicaraguan contras in violation of U.S. law. An administration that sold arms to Iran while cajoling our allies to embargo arms to—uh—Iran. An administration whose White House courtiers endlessly backstab Secretary of State George Shultz. An administration whose political allies promote the RENAMO terrorists in Mozambique even as Shultz courts closer ties with Mozambique.

Who can yell at Wright for intruding on presidential foreign-policy prerogatives when the president's chief defense in the Iran-contra scandal is his repeated and fervent claim that he hasn't the foggiest notion of what goes on in our foreign policy?

The tiff was started when Wright met with Nicaraguan President Daniel Ortega, leaders of the contras and Nicaraguan Cardinal Miguel Obando y Bravo, who is acting as a mediator in cease-fire negotiations. Reagan saw this as an effort by Wright to poach on the presidential foreign-policy preserves. But, oddly, Reagan didn't find anything wrong in asking Wright to co-sign the bipartisan Reagan-Wright peace plan on Aug. 5. In other words, Wright has a perfect right to dabble in foreign policy as Reagan's cheerleader. But he has no right to exercise independent judgment.

We doubt that Wright's feeble intercession will really do much for the peace process, but his motives seem honorable. He acted at the behest of the cardinal—a courageous foe of the Sandinistas who only wants to end the bloodshed that has devastated his flock. Wright, who has followed Central American affairs for 30 years, knows the cardinal well, and simply put more faith in the prelate's judgment in this area than in the fractured and bickering U.S. Central American policy apparatus under Reagan.

Given the record, who can blame him?

IN HONOR OF EXCELLENCE

(Mr. MACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MACK. Mr. Speaker, I would like to recognize the Council of Chief State School Officers, the National Association of Secondary School Principals, and the Burger King Corp. for their achievements in education through their joint establishment and support of a public-private program entitled "In Honor of Excellence." President Reagan recently awarded the 1987 Presidential Award for Private Sector Initiatives to the Burger King Corp. for this program.

The program was established in 1984 to honor outstanding educators throughout the country. Held each November in Captiva, FL, the symposium provides a forum to exchange ideas concerning the critical issues facing education.

The program was founded on a very basic principle: Partnerships between educators and private business contribute immeasurably to the advancement of education through cooperative ex-

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

changes. The end result is a better educated American work force.

The theme of this year's symposium is "Education and Competitiveness: The Quest for Excellence in Business and Education." The conclusions will be published and presented to the administration.

Programs like these recognize outstanding performance in the field of education and should be commended.

THE ALZHEIMER'S DISEASE AND RELATED DISORDERS ASSOCIATION

(Ms. SLAUGHTER of New York asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. SLAUGHTER of New York. Mr. Speaker, I rise today to recognize "National Alzheimer's Disease Month," an important first step in increasing awareness surrounding this mysterious and devastating disease.

In 7 short years, the Alzheimer's Disease and Related Disorders Association has grown to an impressive network of 179 chapters nationwide. In 1980, the energy and compassion of many concerned individuals in the 30th Congressional District of New York resulted in the creation of the ADRDA-Rochester chapter which has grown from a membership of 4 to over 1,200 individuals.

Mr. Speaker, I would like to mention two very special people from my district whose vision and courage successfully inspired the creation of the ADRDA Rochester chapter. Debra Mayberry and James Reveley have both been touched by the pain of Alzheimers—not as victims but as caregivers. Frustrated by the lack of resources available for victims and caregivers alike, they have given countless hours to create a network of community support in Rochester. The Rochester ADRDA chapter now offers services in 9 counties and coordinates 16 family support groups in these counties.

The Rochester ADRDA is continuing to play a vital role in educating both the community and policymakers about the medical, financial, and research needs surrounding Alzheimer's disease. On Friday, November 13, they held a legislative briefing in recognition of National Alzheimer's Month and to discuss issues surrounding this disabling disease.

ADRDA provides much needed support to patients, families, and caregivers. These courageous individuals need congressional support as well. Let us not stop with the naming of November as National Alzheimer's Month. Let us work throughout the year to help make the fight against Alzheimer's disease a congressional priority.

A DIFFERENT APPROACH TO SOLVING THE BUDGET CRISIS

(Mr. ROTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROTH. Mr. Speaker, for 18 days, the deficit reduction conferees have been meeting with no visible sign of success—nothing, zilch, zero. Our budget is over $1 trillion, yet they cannot find a mere $23 billion in reductions.

We have not had a balanced budget in our country since 1969, which translated means we have not had a balanced budget in the entire lifetime of a typical American college freshman. That makes Congress appear as if we in Congress cannot make the difficult decisions. It makes Congress look like we cannot say no to special interest groups. It makes Congress look like we cannot make politically painful decisions. It makes Congress look like we cannot rule. It makes Congress look like we are in gridlock. It makes Congress look impotent.

It is about time that we fish or cut bait. I think it is time that we dust off the bipartisan commission. In 1984 I introduced this proposal. For various reasons the then Speaker Tip O'Neill and President Reagan didn't agree. But now after all else has failed, many informed persons have come to the conclusion that the resolution's time has come. That means that we would take politics as much as possible out of the budget process. It gives Congress a mechanism to say no to special interest groups. It means that we can look at the American agenda and not the agenda of the special interest groups.

Mr. Speaker, I think it is about time that we try this solid approach. We have no other viable approach. So as I look at it, it is the only plausible solution open to the Congress. Let's give it a chance.

THE SPEAKER'S ROLE IN THE CENTRAL AMERICAN PEACE PROCESS

(Mr. SCHEUER asked and was given permission to address the House for 1 minute and to revise and extend his remarks, and include extraneous matter.)

Mr. SCHEUER. Mr. Speaker, there is an immutable law of nature and an immutable law of physics that nature abhors a vacuum. That is what this dispute is all about between the Speaker and our President, and hopefully it is settled now.

When the President invited the Speaker to become involved in the Central American peace process, he perhaps did not realize the nature, extent and depth of that vacuum, but it is a yawning vacuum that has been caused by the President's and the administration's systematic, unyielding, implacable, and unrelenting opposition to anything resembling a peace solution.

□ 1010

In no sense of the word has the Speaker engaged in formal negotiations as defined by the 1799 Logan Act.

The Speaker was not negotiating. The Speaker was holding out the hand of friendship, spreading a little tender loving care, getting the word out, holding up the flag and making the message that America cares about peace, and would support the Central American peace process in any way that was reasonable and sound.

U.S. SUGAR PROGRAM

(Mr. STANGELAND asked and was given permission to address the House for 1 minute.)

Mr. STANGELAND. Mr. Speaker, before anyone considers dismantling the current U.S. sugar program it is important to take a serious look at international sugar trade and the role that the European Economic Community plays in it.

Since 1977, the EEC has adopted policies which have changed its position of a net importer to that of a major exporter of sugar. In addition, price supports have increased for European sugar producers by approximately 70 percent. This results in excess production which is then dumped on the world market at prices well below any country's cost of production. This practice has drawn criticism from many agricultural experts including the Secretary of Agriculture who has labeled this move as—predatory action against some of the world's weakest economies.

Those who criticize the present U.S. sugar program continually use as an argument the price of sugar in the world market place—which is the dumping price. As I have emphasized before, no producer in the world could be expected to successfully compete at prices well below the cost of production. When determining fair and equitable sugar policy let's not try to dismantle a U.S. sugar program which in working. Instead, let us take a good look at the European Community and its attempts to destabilize international sugar trade.

CONGRATULATIONS TO SPEAKER WRIGHT

(Mr. HAYES of Illinois asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HAYES of Illinois. Mr. Speaker, I rise to be among those who support the position taken by the Speaker of our House of Representatives in his efforts to give peace a chance in Central America.

I want to commend this Speaker for taking this initiative and suggest to the President of the United States that he stop thumbing his nose at many Third World leaders; and if he is really concerned and interested in achieving peace in this world, he needs to meet with some of the opposition leaders, not just those who may agree with our position.

The right to self-determination on the part of people throughout the world is something that they hold as a right that they want to retain. We would not be able to continue to try to select leaders in many sections of the world that we would like to. We must preserve and consider the fact that these are human beings that we are dealing with, and they have a right to live in human decency.

We ought to address ourselves to eliminating, eradicating some of the poverty that exists today in Central America. You cannot do it with guns. Stay on the course, Mr. WRIGHT.

Many people in this country are with you; in fact, the majority are behind you.

LOGAN ACT ALIVE AND WELL

(Mr. WELDON asked and was given permission to address the House for 1 minute.)

Mr. WELDON. Mr. Speaker, Boland/Logan, what do these names have in common? Both are relatively inconspicuous acts of law that this body passed.

This summer, and even today, we hear many Members from the other side of the aisle railing that the administration violated the Boland amendment in the Iran-Contra incident. Shame, shame, they said, that a law passed by this body should be violated; but now we hear a silence, and even apologies from the other side telling us that the Speaker of this body did not violate the Logan Act. If he did, it really did not matter, because even though this act was passed 190 years ago guaranteeing that individual citizens would not meddle in our foreign policy, the Speaker still has his rights.

As Susan Kaufman Purcell pointed out in her excellent editorial in Tuesday's Washington Post, the Speaker's meeting shifted the focus of attention from the conflict inside Nicaragua to the conflict within the U.S. Government.

If peace is going to succeed in Central America, we must present a bipartisan front via the executive branch, by a President elected by all the people of this country.

THE ACT FOR BETTER CHILD CARE

(Mr. BRENNAN asked and was given permission to address the House for 1 minute.)

Mr. BRENNAN. Mr. Speaker, we've heard a lot of talk recently about getting people off welfare and about ending dependence on the Federal Government.

Well, I always say the best welfare program is a job.

But if you have a child you need good child care and there is very little of that around.

Only about 1,500 of the 6 million employers in this country provide any kind of child care assistance.

Yet, a high percentage of working women have children under age 5.

It doesn't take a mathematical genius to see that we have a problem here.

Fortunately, there is something we can do about it.

The act for better child care being introduced today will expand the supply of quality affordable child care.

It is an investment in our children and an investment in our future.

And I would urge every Member of this House to cosponsor this important legislation.

PEACE AT THE PRICE OF HUMAN FREEDOM IS WORTHLESS

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, we have now heard the liberal response to our concern about Secretary Gorbachev's being invited to address the joint session of Congress.

The liberals have said that they think that it is all right, because it would be to promote peace.

Let me remind the Members that we stand for another important concept in this country, human freedom. We believe that both peace and freedom are necessary, and we believe that both are God-given truths for humankind. We must always remember their proper relationship.

Sometimes we have found peace must be sacrificed in order to preserve freedom. Freedom can never be sacrificed in order to bring peace.

That kind of peace bought at the price of human freedom would be worthless, because it would be at the expense of all we hold most dear.

That is the moral issue that we face in this House. When the one man who represents a system that is the greatest threat on Earth to human freedom asks us to honor him, what will be our response?

I intend to protest. Obviously some of the liberals do not.

INTRODUCTION OF ADOLESCENT TOBACCO EDUCATION ACT

(Mr. ATKINS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ATKINS. Mr. Speaker, today is the 11th Annual All-American Smokeout, a day when the American Cancer Society estimates that 23.5 million Americans will try to kick the smoking habit. However, only about 20 percent of the smokers who try to quit each year succeed. Tomorrow, and every other day this year, almost 7,000 Americans, who are not smokers today, will start smoking and two-thirds of those new smokers will be under the age of 18.

Today, I am introducing the Adolescent Tobacco Education Act. Disease and death from smoking can only be prevented, not cured. Five million Americans under the age of 20 will die of smoking related diseases, unless we can stop them from becoming addicted to cigarettes or other tobacco products.

My bill has two parts. The first is tobacco education. My legislation will require that tobacco use and abuse be included in drug abuse education and prevention programs. Educating our kids to the dangers of smoking must be considered as important as teaching them the evils of drugs and the perils of excessive alcohol.

The second part of my bill will prohibit the sale of cigarettes and other tobacco products to anyone under the age of 18. Currently, 40 States have some kind of law regulating tobacco products to minors, however, there is no uniformity. My bill will establish a national standard, and, most important, it will limit all sales of tobacco to over-the-counter transactions in the same way that alcohol is controlled. Eliminating vending machines or any other type of mechanical dispensing devices will prevent easy and illegal access to tobacco products.

Here is my quit tip for Smokeout Day. If you are 17 years old today and quit a one-pack-a-day habit or never start smoking, you will save at least $29,000 based on an average life expectancy of 70 years. That should be reason enough not to light up.

LEGISLATION TO DESIGNATE COLUMBIA RIVER AREA FOR INCLUSION IN NATIONAL WILD AND SCENIC RIVER SYSTEM

(Mr. MILLER of Washington asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MILLER of Washington. Mr. Speaker, last week I joined in cosponsoring H.R. 3614, a bill authored by my colleague Representative SID MOR-

RISON to designate the Hanford Reach of the Columbia River for inclusion in the National Wild and Scenic River System.

The Hanford Reach of the Columbia River is the last remaining free flowing stretch of this once mighty river. For several decades, proposals have been made to alter this remnant by dredging or damming. Earlier this year, the Corps of Engineers announced their intention to study future development of the Hanford Reach. In response to this threat, I wrote the Corps of Engineers advising them that any proposed development study should, according to Federal law, include a study of a wild and scenic rivers alternative. If the corps were to compare the benefits of preserving the last free flowing stretch of the Columbia River with adding another dam or transportation channel, I believe it will find preserving the river will yield the highest benefit to the public, Congressman MORRISON's bill will provide the Hanford Reach the protection it deserves from future threats of development.

Mr. Speaker, we have an obligation to preserve the Hanford Reach of the Columbia River for our children and grandchildren. This is the only place on the Columbia where they will be able to see what Lewis and Clark saw when they first entered the Columbia Basin on their way to the Pacific shore.

Mr. Speaker, the Wild and Scenic Rivers Act is intended to protect portions of rivers like the Hanford Reach. I hope that my colleagues on the Committee on Interior and Insular Affairs will act promptly and approve H.R. 3614.

THE $23 BILLION IS A GOOD START TO DEFICIT REDUCTION

(Mr. SCHUMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHUMER. Mr. Speaker, we are down to crunch time in the budget deficit negotiations, and clearly the world is watching. From one end of the globe to the other, their eyes are on Washington to determine what we will do.

Certainly, we must reduce the deficit, and preferably we must do it by agreement rather than by the jerry-built Gramm-Rudman cuts, but something is awry.

It is clearly getting to the point of absurdity, when the focus is not on whether we reduce the deficit but exactly how much we cut.

Many seem to be saying that $23 billion of cuts is abject failure. Yet $30 billion of cuts is Nirvanic. That distinction is absurd.

We have a $4 trillion economy; $7 billion is less than one-quarter of 1 percent of that economy.

Consumer debt and corporate debt dwarf $7 billion by huge percentages, and to say that the whole world is hinged upon whether we reduce the deficit by $23 billion or $25 billion or $31 billion is simply not true.

That kind of thinking demeans what we have already done. Let me say, it seems that the markets in the world are asking us to throw a few princesses off the Capitol dome into the volcano to prove that we are serious. That is not the way to legislate.

It may be the only way to go, but it is regrettable. Let us get a little reality in here and show that $23 billion of cuts, while not the ideal, is certainly a good start.

BALANCED BUDGET AMENDMENT TO THE CONSTITUTION

(Mr. SLAUGHTER of Virginia asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLAUGHTER of Virginia. Mr. Speaker, the time has come for the House of Representatives to pass a constitutional amendment to require a balanced Federal budget. This is imperative in order to force the Congress and the President to set up the necessary spending priorities to balance the budget on a consistent basis. By passing a constitutional amendment and making it more difficult to raise taxes and overspend, Congress would be compelled to face up to the difficult, but necessary, budget choices that must be made.

The House should use the amendment process to aggressively meet one of the most serious problems facing the Congress: chronic Federal overspending. The spending situation at the Federal level has reached the point where action is imperative.

Under the current congressional budget structure, it is all too easy for the Congress to say "yes" on funding for every seemingly worthwhile Federal program. I believe the balanced budget amendment would cause the Congress to make the fundamental and necessary link between Federal revenues and outlays, thereby forcing Congress to say "no" to funding for programs of low priority while continuing to say "yes" on high priority programs.

Therefore, as an original sponsor of House Joint Resolution 321, I urge adoption of this balanced budget amendment as a critically needed measure in efforts to deal with the deficit problem.

□ 1025

SPEAKER WRIGHT SETS EXAMPLE OF STATESMANSHIP

(Mr. MARKEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MARKEY. Mr. Speaker, nothing seems to irritate the Republican rightwing more than the exercise of responsible leadership.

The administration was terribly upset because JIM WRIGHT met with Nicaraguans—at the Nicaraguans' request. But who are these people who are suddenly so terribly concerned about diplomatic protocol? Read the Iran-Contra report.

These are the people who turned our foreign policy over to Ollie North, Adnan Kashoggi, Manucher Ghorbanifar, and King Fahd.

Is Elliot Abrams the man so concerned about protocol that he launched an anonymous sneak attack on the Speaker? Elliot is not known as a strict constructionist on using proper diplomatic channels. He's the guy who secretly went and passed the hat to the Sultan of Brunei for the Contras and then lied about it to Congress.

Mr. Speaker, if President Reagan met with elderly Texas millionaires to get them to fund arms for the Contras, how can he demand that you refuse a request to meet openly with Cardinal Obando to advance the peace process?

Read this report. The Reagan administration turned our Central America policy over to a collection of loose cannons and loonie tunes that would make Walt Disney blush. They had Iranian arms traders handling our diplomacy. They had soldiers of fortune. They had elderly millionaires, shady dealers, and drug smugglers. They had King Fahd and the Sultan of Brunei. They even had the Ayatollah Khomeini in on the act.

And now they're upset that the Speaker of the House agreed to meet with Archibiship Obando?

And now my colleagues on the right are in a lather because their President has asked that Mr. Gorbachev address a joint meeting of Congress.

I note that when President Arias of Costa Rica, the greatest democratic leader in our hemisphere today, came to America to address this body, it was President Reagan who blocked a formal joint meeting.

Never mind that we gave a formal reception to General Somoza. Never mind that we gave a formal reception to Ferdinand Marcos.

In the end, it was Speaker WRIGHT who arranged a dignified reception for the Thomas Jefferson of Latin America.

He set an example that the White House should follow. These difficult times, our country needs statesmanship. Speaker WRIGHT was the statesman then, and Speaker WRIGHT is the statesman now.

The White House and the rightwing should stop attacking the Speaker's leadership, and start following his example.

LATVIAN INDEPENDENCE DAY

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, yesterday in Riga, Latvia, the democratic aspirations of an entire nation were thwarted by Soviet authorities. Highly credible news sources indicate that a planned demonstration commemorating Latvian Independence Day never got started as hundreds of policemen and civilian militiamen, standing shoulder to shoulder, cordoned off the central square of that city.

A little over a week ago this House and the other body passed a concurrent resolution asking the Soviet authorities to permit the Latvian people to be allowed to publicly commemorate their independence holiday on November 18, in whatever peaceful manner they might choose, without fear of arrest, harassment, or other reprisals.

Such did not happen. A shrill campaign by Soviet authorities warning against the protests together with a dramatic show of armed force, discouraged many Latvian citizens from participating.

Several hundred persons did gather, however, in silent celebration of the holiday, the first widespread public acknowledgment of the anniversary date in nearly four decades.

After Latvians began laying flowers at the Monument to Freedom, which was built several years before the Red army forceably abolished liberty in that country, Soviet police barred access to the statue by forming a human ring 600 yards away from it. Nevertheless, hundreds braved drizzle to stand in clusters at the edge of the police barricade, staring sadly at the monument.

In addition to threatening employees, students, and parents that any participation in publicly commemorating this holiday would be viewed as an anti-Soviet act entailing severe consequences, the Soviet authorities arrested potential leaders and organized a pseudocounter demonstration to protest the resolution adopted by both Houses of this Congress.

In doing so the Soviet Government once again showed its true colors. Once again, Mr. Speaker, we find that totalitarianism sought to extinguish the voice of liberty. And once again, Mr. Speaker, it did so in vain.

OPPOSITION URGED TO ANY PARENTAL LEAVE LEGISLATION

(Mr. DELAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELAY. Mr. Speaker, yesterday the Education and Labor Committee marked up the parental leave substitute. By reviewing the outcome of that markup it seems as if many Members of Congress still recognize that mandating benefits will be counterproductive. As far as I can tell, no one has flip-flopped on the issue. The fact that there is a watered down substitute floating around hasn't changed anybody's mind. Supporters still don't have the votes.

Passing any parental leave legislation would be a serious mistake. Any bill would set in motion the forces which almost certainly result in a negative impact on competitiveness, the likelihood of increased discrimination against women, and forced paid leave being enacted. Paid leave—likely to be achieved in small increments—would result in the same labor market problems which plague other western industrialized nations.

Advocates don't hide the fact that their goal is paid leave. That's why it is so important to oppose any parental leave legislation. Let's not let the camel get his nose under the tent. Let's not make the same mistake that our industrialized neighbors have made. There is no compromise. The best way to stop this problem is to not let it start.

THE BUDGET CRISIS

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute to revise and extend his remarks and to include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, many of our citizens are concerned about the Federal budget crisis. They are calling for a plan of action to run the Government.

Fortune magazine, December 7, 1987, asserts that:

> What the nation needs—and what the world is crying out for—is a believeable, practical program * * * that will progressively narrow the deficit over several years. One that will bring the budget into balance in the economically expansive years of the 1990's. (At p. 36.)

The preeminent public policy issue today centers on the Federal budget. Confusion abounds on the cause of the deficit. In order to prepare for the ensuing debate, I have assembled the following data that presents the budget issue in a form which is easily understood. The data clearly shows that the President and the Congress have been unwilling to pay for the cost of national defense, thus creating an unmanageable deficit, which in part has caused a lack of investor confidence.

It is conspicuously obvious that our Nation cannot indefinitely continue to ignore the cost of defense, interest on the debt and other increases without a plan to pay.

The data presented in the following table shows Government spending between the years 1980 and 1987. Several conclusions are inescapable.

First. The Government has had no financial plan since 1980.

Second. The increases in the cost of interest on the debt have been paid for by reducing Government services.

Third. If the costs of all Government services provided by the Presidency, the Congress and the Federal courts were eliminated, there would still remain a Federal deficit.

Obviously, the piecemeal, patchwork, Band-Aid approach now being used will not work. I agree with Fortune magazine. A comprehensive, long range financial plan to run the Government is needed. It is rewarding that this is finally being realized.

FEDERAL SPENDING AS A PERCENT OF TOTAL BUDGET OUTLAYS [1]

[In percent]

	Subcategory		Category	
	1980	1987	1980	1987
I. National Defense			35.4	40.9
1. Military personnel	9.9	9.8		
2. Procurement	7.0	11.0		
3. Operations and maintenance	10.9	10.4		
4. Research, development, test and evaluation	3.2	4.6		
5. Military retirement	2.9	2.5		
6. Military construction	0.6	0.8		
7. Family housing	0.4	0.4		
8. All other Defense	0.5	1.4		
II. Interest on debt			12.7	18.9
III. Entitlements and other mandatory spending			25.3	25.3
9. Medicare (general treasury financed portion)	1.9	2.7		
10. Medicaid	3.4	3.7		
11. Veterans benefits	5.0	3.5		
12. Civilian Federal retirement and disability [2]	3.6	3.5		
13. Farm price supports	0.6	3.0		
14. Public assistance (inmcludes food stamps)	8.9	7.2		
15. Student financial assistance	1.2	1.0		
16. All other entitlements/mandatory spending	0.7	0.7		
IV. All other spending			26.6	14.9
17. Transportation (except highways/airports	2.4	1.5		
18. Health (except entitlements/mandatory)	2.2	1.7		
19. Education (except entitlements/mandatory)	2.3	1.3		
20. Community and regional development	2.7	0.7		
21. Social services	1.5	0.8		
22. Law enforcement	1.1	1.0		
23. Energy (including REA and alcohol fuels)	2.4	0.6		
24. Agriculture (except farm price supports)	1.5	0.6		
25. Commerce and Housing Credit	0.2	0.7		
26. Veterans benefits	0.1	0.2		
27. Natural resources (includes flood control)	3.4	1.8		
28. Training and employment	2.5	0.8		
29. Foreign aid	2.7	1.6		
30. All other	1.6	1.6		
V. Total spending	100.0	100.0	100.0	100.0
Deficit as percent of total of actual spending			17.9	20.1

[1] Does not include trust fund spending for Social Security old age, survivors and disability pensions, Medicare, highways and airports/airways, black lung disability, railroad retirement, and unemployment compensation.

[2] Civilian Federal employees make contributions to a retirement trust fund.

Note.—Since the Department of the Treasury estimates that the actual final outlay and deficit totals for 1987 will be different from those identified in the "Final Monthly" report, the percentage share may also change as updated data becomes available.

Data sources: The "Budget of the United States Government" submitted to the Congress by the President of the United States and "Final Monthly Treasury Statement of Receipts and Outlays of the United States Government" issued by the U.S. Department of the Treasury, October 22, 1987.

COMMENDING THE PRESIDENT FOR HIS STAND ON SOCIAL SECURITY

(Mr. TRAFICANT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRAFICANT. Mr. Speaker, congressional and administration negotiators are close to an agreement on a deficit reduction package that would save this Nation the ax of Gramm-Rudman. Reports today indicate that the agreement will not touch Social Security COLA's nor retirees, senior citizens, and Federal employee COLA's.

Now, I have been one of the most outspoken critics of this President, but I have to say he made a commitment that he would not tamper with Social Security COLA's and the COLA's of Federal retirees, and today I say I take my hat off to President Reagan for standing firm and living up to his word. My district has been decimated. I have many people retired and this type of leadership will definitely help areas like mine.

So today I say to you, Mr. President, I take off my hat to you. Thank you for your leadership, and I hope we can develop a program that will save us the ax of Gramm-Rudman.

REQUEST FOR PERMISSION FOR SUBCOMMITTEE ON COMMERCE, CONSUMER PROTECTION AND COMPETITIVENESS OF THE COMMITTEE ON ENERGY AND COMMERCE TO SIT TODAY DURING THE 5-MINUTE RULE

Mr. ECKART. Mr. Speaker, I ask unanimous consent that the Subcommittee on Commerce, Consumer Protection and Competitiveness of the Committee on Energy and Commerce be permitted to sit today during the 5-minute rule, if necessary, for the purpose of continuing the markup of the bill H.R. 1115.

Mr. EDWARDS of California. Mr. Speaker, I move a call of the House.

Mr. ECKART. Mr. Speaker, do I understand that the gentleman will insist on a call of the House if my motion proceeds?

Mr. EDWARDS of California. Mr. Speaker, under these circumstances, unless the gentleman——

Mr. ECKART. Under these circumstances, then, I will withdraw my request.

Mr. EDWARDS of California. Mr. Speaker, I thank the gentleman.

The SPEAKER pro tempore. The Chair will ask, does the gentleman from California [Mr. EDWARDS] withdraw his motion as well?

Mr. EDWARDS of California. Yes, Mr. Speaker, I withdraw my motion.

The SPEAKER pro tempore. The gentleman withdraws his motion for a call of the House.

INTERNATIONAL SECURITY AND DEVELOPMENT COOPERATION ACT OF 1987

The SPEAKER pro tempore. Pursuant to House Resolution 293 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3100.

☐ 1035

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3100) to authorize international security and development assistance programs and Peace Corps programs for fiscal years 1988 and 1989, and for other purposes, with Mr. AuCoin in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, November 18, 1987, title II was open for amendment at any point. Subject to clause 6 of rule XXIII, 8 hours and 16 minutes were remaining on debate on all amendments printed in the CONGRESSIONAL RECORD on or before November 10, 1987.

Are there further amendments to title II?

Mr. FASCELL. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman from Florida is recognized.

Mr. FASCELL. Mr. Chairman, I just want to emphasize the announcement by the Chair that under the rule there is 8 hours and 16 minutes left with regard to debate on amendments.

Now, depending on how this goes, we are going to have to use some sensible judgment on both sides here to give people reasonable opportunity with respect to their amendments. Obviously, on any one of these amendments, you could talk all day and not resolve the issues; so we are going to have to use our best judgment, and I ask my colleagues for cooperation with regard to that at the appropriate time. Whenever we can reach an agreement, we should do so.

The other point I wish to make is that in consultation with the ranking minority member and the leadership, we will probably rise in the consideration of this bill at 4 o'clock today and it will be followed by other legislation. I have no idea what that is. The leadership will be prepared to announce it, I suppose, at some time later on, so that is our plan of operation today.

Our first amendment is an important amendment, Mr. Chairman, and I hope my colleagues will pay very careful attention.

AMENDMENT OFFERED BY MR. TORRICELLI

Mr. TORRICELLI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. TORRICELLI: Page 20, strike out line 17 and all that follows through line 5 on page 23 and insert in lieu thereof the following:

SEC. 206. PURCHASE OF UNITED STATES GOODS AND SERVICES WITH ESF ASSISTANCE.

Chapter 4 of part II of the Foreign Assistance Act of 1961 (as amended by sections 204 and 205) is further amended by adding at the end the following:

"SEC. 538. PURCHASE OF UNITED STATES GOODS AND SERVICES.

"(a) GENERAL POLICY REGARDING FORMS OF ASSISTANCE.—Assistance under this chapter should be provided principally through commodity import programs, project assistance, sector programs, or the provision of United States goods and services.

"(b) USE OF CASH TRANSFERS FOR UNITED STATES GOODS AND SERVICES.—Assistance may be provided to a country under this chapter as a cash transfer only pursuant to an agreement requiring that the country spend an amount equal to the amount of the cash transfer to purchase United States goods and services. Nothing in this section, however, shall prevent a country from purchasing, with United States cash transfer assistance, goods and services produced in that country. United States goods purchased pursuant to such an agreement shall be deemed to have been furnished in connection with funds advanced by the United States. The President shall ensure that purchases of United States goods pursuant to such agreements, and the ports of departure for those goods, are distributed equitably throughout the United States. The United States goods purchased pursuant to such agreements shall be United States goods which are available in the United States at fair prices for such goods.

"(c) GAO AUDITS.—Each agreement pursuant to which cash transfer assistance is provided under this chapter shall include provisions to ensure that representatives of the Comptroller General have the access to records and personnel necessary to carry out such monitoring and auditing as the Comptroller General deems appropriate.

"(d) EXEMPTIONS.—This section shall not apply to any country—

"(1) which receives cash transfer assistance under this chapter of less than $10,000,000 for a fiscal year;

"(2) which, as of April 1, 1987, was receiving cash transfer assistance under this chapter and has an agreement with the United States under which the country agrees—

"(A) to spend an amount equal to the amount of the cash transfer on the purchase of the United States goods and services, and

"(B) to carry 50 percent of all bulk shipments of United States grain on 'privately-owned United States-flag commercial vessels', to the extent such vessels are available at fair and reasonable rates for such vessels.

except that a country shall be exempted pursuant to this paragraph only so long as the country continues to agree to those conditions; or

"(3) which, as of the effective date of this section, has an agreement with the United States requiring that the country spend an amount equal to the amount of any cash transfer assistance under this chapter to purchase United States goods and services, except that a country shall be exempted pursuant to this paragraph only so long as that country continues to agree to that condition.

United States goods purchased pursuant to an agreement described in paragraph (3) shall be deemed to have been furnished in connection with funds advanced by the United States, and the last sentence of subsection (b) shall apply with respect to such goods.

"(e) WAIVER.—The President may waive the provisions of this section with respect to a country to the extent the President determines that it is important to the national interest to do so. Any such waiver shall be reported to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

"(f) DEFINITION OF UNITED STATES GOODS.—For purposes of this section, the term 'United States goods' means goods (including components) and commodities (including agricultural commodities) grown, processed, produced, or manufactured in the United States.".

Mr. TORRICELLI (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. TORRICELLI. Mr. Chairman, my amendment today offers a simple dose of economic reality, an adjustment to foreign aid to meet the simple economic facts with which we live. It is an amendment to ensure that foreign assistance provided as a cash transfer be spent to the extent possible in the United States.

The amendment does not reflect the world as I would have it, but rather as it is, for I, too, remember a time when the United States could spend untold billions without concern to our own domestic economy. That, simply stated, is no longer the Nation in which we live.

We are in debt. We do not have the accumulated world earnings that permit us to spend money without regard to where it is spent. Our farmers are not growing to capacity. Our factories are not supplying world markets. So to those who would suggest that foreign assistance legislation is no place to consider economic and trade policy, I suggest that today everything is relevant to trade and economic policy.

It is perhaps appropriate to begin as well by outlining what this amendment does not do. First, it does not require that all of our cash assistance be spent in the United States. It provides only that it be spent in the United States if a nation cannot spend it domestically, and there has been a decision to import and if the product is available in the United States.

Second, it does not impact the poorest of nations with the smallest assistance programs. They specifically are exempted, and the President is given waiver authority.

Third, if anything is true, it does not create a unique international assistance program. On the contrary, all of British bilateral assistance and 75 percent of their international assistance is tied to goods.

The Germans are using a system of advanced bidding. Contracts are secured first and then financing is provided.

In Japan, 95 percent of all foreign assistance is dedicated, and simply stated, with their other 5 percent it is understood where purchases will be made.

☐ 1040

What it does represent is a balance between our security concerns, our moral obligations and our simple economic realities.

First, my amendment keeps faith with our constituents, for it is simply not fair to propose to struggling farmers who are paying their taxes that their money be spent to buy Argentine wheat and it is simply not fair to suggest to struggling manufacturers that their tax dollars be used to buy German machine tools abroad.

Second, it is consistent with our own policies, for the reality is that today the books of foreign nations that are receiving cash assistance for America are not open and we do not know where the money is going. But there is real reason to believe that American cash transfer assistance is going to purchase Cuban sugar, and if newspaper reports are to be believed, even to provide cash assistance to the Sandinista government.

Third, it builds a constituency for foreign assistance in the United States. For years we have told our people that foreign assistance is going to support the economy of our own country. It is simply not true. But American people who understand that our foreign assistance is being used to build jobs in America and purchase products in America will understand that it is a program worth supporting.

Fourth, it is simply good foreign policy. When a check from the U.S. Treasury arrives in a developing nation, I am certain that the minister of finance is grateful, but when products arrive in American ships bearing American grain and American manufactured goods that say "Made in U.S.A.," it will not be to the gratitude of a finance minister but to the people of a nation, and building relationships with people is what this program is all about.

Fifth, this is an element of a much needed export policy. Developing nations that purchase American products through cash transfer assistance will be accustomed to our goods, confident in our quality, and they will develop patterns of trade with American corporations and the foreign assistance used today to purchase goods one day will return with a purchase using their own funds.

Sixth and finally, my amendment requires the use of U.S. ships for these exports.

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. TORRICELLI] has expired.

(On request of Mr. BERMAN, and by unanimous consent, Mr. TORRICELLI was allowed to proceed for 3 additional minutes.)

Mr. TORRICELLI. Sixth, and finally, it requires the use of American ships for half of these exports for the simple reason that it makes no sense for American taxpayers to be subsidizing American cargo ships for national security purposes and then have them lie idle. In this effort I make no apologies. Our merchant capabilities are the weakest aspect of our conventional forces. We could not hope to meet the security commitments of our Nation. Since 1970 we have lost half of our merchant capability. In the next 10 years we will lose half again. We are becoming a third-rate maritime power. In only a small way, by asking other nations that receive our assistance to use our ships to help pay for this obligation, I believe we are making a contribution.

Mr. Chairman, in another time this is an amendment perhaps that I would not offer, but there is nothing wise nor generous about distributing our dollars around the world with a mounting growing international debt, there is nothing humane about using Argentine wheat to feed people rather than American bread, and there is nothing generous or humane about using Japanese or British ships to deliver our goods rather than American-flag vessels.

Make this an American foreign assistance program, something we all participate in and benefit from, not cash transfer but the sale of the best America has to offer, not with other nations distributing goods paid for by American taxpayers but with American taxpayers paying for goods that we make in our own homes and factories.

I believe that even with this amendment we will have the most liberal foreign assistance progam on Earth and also the best.

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. TORRICELLI. Mr. Chairman, I yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, I wonder if I could ask the gentleman from New Jersey [Mr. TORRICELLI] a couple of questions. The bill before us, the bill that was reported out of the Committee on Foreign Affairs has a form of cargo preference provision, as I understand it. Is that not correct?

Mr. TORRICELLI. It does.

Mr. BERMAN. And as I understand it, the two significant differences between the bill that the Committee on Foreign Affairs reported out and the amendment that the gentleman is seeking to make is one that the bill before the Committee on Foreign Affairs applies the cargo preference to only 50 percent of the cash transfers, whereas the amendment which you offer would apply to 100 percent; and second, that the waiver provision in the committee-reported bill vests that authority with the Administrator of AID, whereas your bill seeks to elevate that waiver authority to the Presidential level. Is that a fair summary of the differences between the two provisions?

The CHAIRMAN. The time of the gentleman from New Jersey [Mr. TORRICELLI] has again expired.

(On request of Mr. BERMAN, and by unanimous consent, Mr. TORRICELLI was allowed to proceed for 3 additional minutes.)

Mr. TORRICELLI. Mr. Chairman, I say to the gentleman from California [Mr. BERMAN] that he has accurately stated the differences. The committee bill provides that 50 percent be subject to cargo perference, and since cargo preference applies the rate of 50 percent only 25 percent in fact of American foreign assistance paid for by the American taxpayer would be on American ships.

The gentleman has also accurately stated that the bill provides for waiver by AID. I provide for it by the administration. I believe the waiver should be available for other than an AID perspective. The President may find a variety of reasons to waive the measure of national security, of a drought or famine in Africa, and I believe he should be exercising that authority from a broader perspective.

Mr. BERMAN. If the gentleman will yield further, given the differences the gentleman has acknowledged exist, and taking his logic, I would ask the gentleman if he would be willing to accept an amendment which would accept his elevation from 50 percent to 100 percent and accept his removal of the waiver authority from the AID Administrator to the President so that we can have a broader perspective that considers maritime interests and national interests and economic interests and foreign policy interests blended into one rather than simply the foreign policy oriented perspective of the AID Administrator, an amendment which would simply consolidate the waiver provision to allow the President to decide which countries to waive it for if he chooses to waive it, and which commodities to waive it for if he chooses to waive it, rather than on a country-by-country, commodity-by-commodity basis.

The words of this amendment would simply strike from his waiver provision, it would be an amendment to his amendment and it would simply strike the words "with respect to a country."

I would ask the gentleman if he would be willing to accept that amendment and hear no more from me on this issue?

Mr. TORRICELLI. Mr. Chairman, I would be glad to consider it. I would appreciate if the gentleman would provide it to me and I could have a moment to look it over.

Mr. Chairman, I yield back the balance of my time.

Mr. BEREUTER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Kansas [Mr. BEREUTER] is recognized for 8 minutes.

Mr. BEREUTER. Mr. Chairman, I rise today in opposition to the Torricelli amendment. This is a detrimental amendment to the already bad language contained in the bill.

The amendment before us is being painted as something akin to God, mother and apple pie. Believe me, it's not. As usual, whenever a cargo preference amendment is proposed, a lot of disinformation is circulated on the outside to disguise what the amendment is really about, and the true impact of cargo preference.

This amendment is inappropriate and unnecessary because it will not lead to increased U.S. exports to Third World countries. The amendment directs countries to import an amount of goods equivalent to the cash transfer from the United States when they already import far greater amounts. And, this amendment is inconsistent with the purpose of the ESF assistance because it significantly reduces the value and utility of the cash transfer.

What this amendment will do is reopen the entire cargo preference issue which many of us thought was put to rest in the 1985 farm bill. Worst of all, this amendment for the first time would impose cargo preference requirements on commercial purchases of U.S. agricultural commodities.

There is a mistaken notion that countries who receive cash transfers don't buy American products, or in particular American agricultural commodities. In every case, countries that received ESF cash transfers in fiscal year 1987 purchased considerably more goods from the United States than the value of the cash transfer received. In fiscal year 1987, the 19 countries that would be affected by this amendment received cash transfers of $1,127 billion, but purchased more than $12 billion in U.S. products, including $2.36 billion in U.S. agricultural products.

If the Torricelli-cargo preference language remains in this bill, U.S. agricultural products will decline significantly. The Torricelli language in this bill would force cash grant recipient countries to choose between either paying a large portion of their cash grant to U.S. maritime shippers, or to spend the money on other products which do not have to be shipped on U.S. flag ships. Given this alternative, recipient countries will use their cash grants to purchase items which do not have to be shipped on U.S. ships. The big loser when this happens is the U.S. farmer.

Another mistaken notion being flaunted today is that many of the agricultural organizations support this amendment. That is incorrect. I have talked with many of the agriculture and commodity organizations here in Washington, and in Nebraska, and I have received a letter signed by the following agriculture and trade organizations who oppose this amendment. They include:

American Farm Bureau, Millers National Federation, American Soybean Association, The National Grange, National Grain Trade Council, National Grain and Feed Association, Western Great Lakes Maritime Association, Terminal Elevator Grain Merchants Association, and North American Export Grain Association.

While a letter signed by two commodity groups has been circulated, their State counterparts in my State, and i suspect in most States, oppose this amendment.

I am shocked that some of the farm organizations have been duped into supporting this amendment under the mistaken notion that exports of agricultural commodities will go up if they are required to be shipped on U.S. ships. They are wrong. Agricultural exports will go down if the Torricelli language remains in this bill.

I would also be disappointed if any of my colleagues who represent agricultural districts support this amendment. It is directly contrary to the interests of the farmers and agriculture in their districts. At a time, when Congress is considering a trade bill and other legislation to increase agricultural exports, we should not be passing legislation that will cause agricultural exports to go down.

It is also hypocritical for many of my colleagues on the Foreign Affairs Committee to voice their support for the cash transfer program, and yet allow the U.S. maritime industry to skim a major portion of the funding off the top of this program.

Since Congress provides no funds to AID's budget to pay for the additional cost of U.S.-flag shipping, AID financing available to purchase U.S. commodities for developing countries is effectively reduced by the additional cost of U.S.-flag shipping required by the cargo preference statute. The average rate for U.S.-flag vessels ($49.50) is over twice the rate charged by foreign flag ships ($22.90) to haul agricultural commodities.

Similarly, if the proposed amendment is adopted, the value of an ESF cash transfer will be reduced by the subsidy that the aid-recipient country will be required to pay U.S. carriers in order to comply with cargo preference laws.

The language contained in the committee bill is bad enough, but the amendment which is being offered is even worse. I urge all of my colleagues to not only vote against this amendment, but also to vote against this foreign aid bill if the Torricelli-cargo preference language is not removed from this bill.

This amendment is anti-agriculture, it is contrary to the agreement on cargo preference worked out in the 1985 farm bill, it does in effect gut the cash transfer program, and it is a costly and ineffective way to assist the U.S. maritime industry. Since the Torricelli amendment will have no positive effect on U.S. exports, and it will significantly diminish the value and utility of ESG cash transfers all members should vote to strike this language from the bill.

Mr. BIAGGI. Mr. Chairman, I rise to strongly urge support for the Torricelli amendment to H.R. 3100 regarding cash grants. This amendment has justifiably received widespread support from organized labor, management, and the agricultural community.

Following the Second World War, our Nation embarked on an unprecedented effort to improve living standards throughout the world. There have been many successes; but, unfortunately, there is a continuing need for our Nation to provide humanitarian aid and other assistance to those less fortunate.

The Torricelli amendment will continue our national policy of providing foreign aid. However, it rejects the State Department's rush to embrace so-called cash grants. The cash-grant approach favors providing money rather than material goods to recipient nations.

Part of the problem with cash grants is the absence of restrictions on their use. Thus, a cash gift from the United States could be used to purchase goods anywhere in the world. We then have the bizarre situation of the United States providing funds to a nation which then turns around and purchases goods from our international competitors.

This type of situation is particularly frustrating in the agricultural and maritime industries, where some Government agencies spend substantial amounts on subsidies to beat the foreign competition and offset the benefits of unfair practices while other agencies provide cash grants that are used to purchase goods and services from the foreign competitors of these important American industries.

The clear goal of the Torricelli amendment is to assure that American foreign aid does not aid competitors of American industry. Some will argue that requiring a nation to "Buy American" will decrease the buying power of foreign aid funds. That may be true, but it is not justification for harming American industry.

Moreover, there are numerous other benefits that will result from enactment of this provision. One of the primary goals of foreign aid is to generate good will. Clearly, we are more likely to generate good will when U.S. products and goods arrive on U.S.-flag vessels. Then, it will be clear to recipients who is providing the assistance.

The amendment will also decrease Government expenses by reducing surplus agricultural commodities now stored at a cost to the Government of approximately $1 million a day.

For all of these reasons, I urge my colleagues to support this meritorious amendment to H.R. 3100.

□ 1050

AMENDMENT OFFERED BY MR. BERMAN TO THE AMENDMENT OFFERED BY MR. TORRICELLI

Mr. BERMAN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Berman to the amendment offered by Mr. Torricelli: In subsection (e) of proposed section 538 as contained in the Torricelli amendment, strike out "with respect to a country".

Mr. BERMAN. Mr. Chairman, as I indicated in my colloquy with the gentleman from New Jersey [Mr. Torricelli] this amendment simply deletes five words from his amendment affecting the waiver provision. It accepts the principle of the amendment, it accepts the elevation of the waiver authority from the administrator of AID to the President of the United States. But it does not bind him to making country by country, commodity by commodity waivers. Its purpose is to allow the President to waive it country by country or waive it commodity by commodity, or waive for a group of countries or a group of commodities or a blanket waiver.

The logic of this amendment I think fits in with the balancing notions that we have here, some of which were raised by the gentleman from Nebraska. There can be many questions about this whole issue. We obviously need a strong maritime industry in this country.

There is a logic behind cargo preference as a general principle. But there is also compelling policy purposes and compelling purposes for American agricultural and other export commodity interests. Putting this waiver power in its most flexible form, with the President of the United States, without the bureaucracy, without the one-sided perspective that would come from giving it to the Secretary of Commerce on the one hand, or to the Department of Agriculture on the other hand, but vesting it in the President by giving him as much flexibility as possible I think serves the purposes of those who favor the amendment and those who have concerns about the amendment and allows that political tussle to take place for the person for whom is vested the broad national interest.

At this particular point I am going to yield to the other three cosponsors of this amendment, if they wish to speak, the gentleman from Wisconsin [Mr. Obey], the gentleman from Kansas [Mr. Roberts], and the gentleman from Nebraska [Mr. Bereuter].

This amendment is sponsored by the four of us.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I think it is important to clarify that the purpose of this amendment is to give the President maximum latitude to determine under what conditions this waiver ought or ought not to be provided so that he is not required to go through a series of very cumbersome approaches which might otherwise be required. But it does allow him to waive either broadly or narrowly, depending upon what he thinks is in the interest of the United States at the time.

Mr. BERMAN. I thank the gentleman for his comments and for his support.

Mr. ROBERTS. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from Kansas.

Mr. ROBERTS. Mr. Chairman, I thank the gentleman for yielding and support what amounts to a perfecting amendment.

This is a good amendment. We are talking about simply giving the President a waiver, if you will, to streamline the process.

I have a list of the countries involved here, and we are talking about 19 different payments and 19 very distinct, separate situations here with our U.S. exports. And then again, of particular interest to me in regard to the agricultural exports, and I have even gotten it broken down into wheat sales, each is different, and so the gentleman's amendment is a good one. I think it will streamline the process and I am happy to be a cosponsor.

I know of no real opposition on our side to this perfecting amendment, and I think it is a good one, and I thank the gentleman for his leadership in this regard.

Mr. BERMAN. I appreciate the comments of the gentleman from Kansas.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding and commend my colleagues, the gentleman from Wisconsin [Mr. OBEY], the gentleman from California [Mr. BERMAN], and the gentleman from Kansas [Mr. ROBERTS] for working with the gentleman from New Jersey [Mr. TORRICELLI].

I would prefer, of course, to see no change in the basic agreement put together in the 1985 farm bill. But I do believe that this opportunity for the President to exercise a total waiver, a country by country waiver of some modification thereof, will minimize the kind of damage that could be and is likely to be effective under the proposal which relates totally to the ESF cash transfers.

So I support the perfecting amendment offered by my colleagues to the Torricelli amendment, and I urge my colleagues to do likewise.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I am happy to yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I think the gentleman's amendment is vitally important to clarify the issue at hand and to assure. I think the interpretation given by the gentleman from Wisconsin [Mr. OBEY] is important to have in the legislative history, that the President be given the widest possible authority.

The CHAIRMAN. The time of the gentleman from California [Mr. BERMAN] has expired.

Mr. OBERSTAR. Frankly, I am very strongly opposed to the amendment of the gentleman from New Jersey. I cannot support the bill if that language is included unamended and unmitigated as it is by the language offered by the gentleman from California [Mr. BERMAN]. Frankly, that language offered by the gentleman from New Jersey, unmitigated, destroys the 1985 farm bill compromise and will devastate commerce on the Great Lakes.

Let us be very blunt about it. I have been one of the strongest supporters of the cargo preferences, but I just want to make it very clear, without this mitigating language, that language is a dagger aimed at the heart of the Great Lakes commerce and agriculture in mid-America.

The CHAIRMAN. The time of the gentleman from California [Mr. BERMAN] has again expired.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I am happy to yield to the gentleman from New Jersey.

Mr. TORRICELLI. Mr. Chairman, I too want to commend the gentleman for his amendment. But I have heard a variety of statements now that really for the record should be corrected.

The gentleman has said this is going to undo the agricultural compromise of 2 years ago. Indeed, I wonder if the gentleman would be so kind as to show me where in that compromise or where in that legislation this aspect of the Federal budget, cash transfer assistance, was ever mentioned. It is not. It not only does not change it, it was never even addressed in the compromise.

Second, the gentleman has said this is going to impact on commerce through the Great Lakes. The gentleman might note in my amendment there is a requirement that all of the cargo preference cargo going out of this country be distributed equally, so that in fact some of it would come out of the Great Lakes.

I further would like if I could to address the statements of the gentleman from Nebraska.

Mr. BERMAN. I am happy to yield further, but I simply would like to point out that there will be plenty of time if need be to debate the merits of the Torricelli approach. What I am hoping to do on this amendment, and would love not to have the debate on the underlying merits, is have it focused on this perfecting amendment that could make a lot of us who are torn by the competing interests here feel a lot more comfortable with what the gentleman from New Jersey [Mr. TORRICELLI] is trying to do.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. BERMAN. I am happy to yield further to the gentleman from New Jersey.

Mr. TORRICELLI. I thank the gentleman for continuing to yield. It is my intention to accept the perfecting amendment, because I believe that in this way there will be flexibility to either program by program or the entire program accept the waivers.

It is my belief, however, in this interpretation, and I hope the gentleman will agree, that the President has an aproach to go either way, country by country or by program. Is that the gentleman's own reading of his amendment?

Mr. BERMAN. My understanding of this amendment and my intention with this amendment, and I think the intention of my colleagues under this amendment is that the President, not the AID Administrator, would have the authority to waive this country by country.

The CHAIRMAN. The time of the gentleman from California [Mr. BERMAN] has again expired.

(By unanimous consent Mr. BERMAN was allowed to proceed for 1 additional minute.)

Mr. BERMAN. Or under this amendment the President could waive it for commodities within a country, or blanket, or a group of countries. It would be within his discretion to decide how to apply the waiver process.

But he would have to do it, not the AID Administrator, not the Secretary of the Department of Agriculture, no other official. It is with the purpose and flexibility that the gentleman from Wisconsin spoke of earlier that I offer this amendment.

Mr. Chairman, I appreciate very much the gentleman's willingness to accept it.

PARLIAMENTARY INQUIRIES

Mr. BEREUTER. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BEREUTER. Mr. Chairman, has the gentleman's perfecting amendment been adopted?

The CHAIRMAN. No; the Berman amendment is still pending.

Mr. MARLENEE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARLENEE. Then, Mr. Chairman, the perfecting amendment that I have will have to be heard after that, and the debate will have to be heard after that amendment has been accepted. Is that right?

The CHAIRMAN. If the gentleman is recognized, his amendment would then be in order.

Mr. BERMAN. Mr. Chairman, I ask that the perfecting amendment which I have offered be accepted.

Mr. CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. BERMAN] to the amendment offered by the gentleman from New Jersey [Mr. TORRICELLI].

The amendment to the amendment was agreed to.

Mr. BRENNAN. Mr. Chairman, I rise as a cosponsor and strong supporter of the amendment offered by the gentleman from New Jersey relating to the Cash Transfer Program of the foreign aid authorization bill.

This amendment assists U.S. foreign aid goals by providing help to our friends abroad while insuring American tax dollars will purchase American goods, services, and agricultural commodities. Foreign aid has always been a controversial program. This amendment attempts to refocus the dollars sent overseas to benefit our friends and at the same time—our economy.

While the present cash transfer program is a step in the right direction, it doesn't go far enough. This amendment institutes a stronger requirement on a nation receiving such assistance, where the recipient is required to purchase American goods, services, and commodities available in the United States at fair prices. The present purchase requirement is 50 percent and this amendment increases that level to 100 percent. It is important to note that the President may waive the 100 percent preference if he determines a waiver is in the national interest. Also, two of our largest competitors, Japan and West Germany, have similar provisions.

At a time when our economy is struggling to meet the increasing demands of the competitive world market, the objective of this amendment is to generate assistance to our hard-hit farmers, manufacturers, and shippers. I believe it makes sense to promote U.S. interests at the same time we are providing assistance to our needy friends abroad.

The vast trade deficit our Nation is running, estimated to be $170 billion this year, can be helped through the adoption of this amendment. Our domestic economy can gain significantly through the additional markets we can provide for through this revision to the Cash Transfer Program.

Our constituency will welcome the opportunity to provide American goods, services, and agricultural commodities through the approval of this amendment. I urge my colleagues to join me in strong support of this measure.

Mr. DAVIS of Michigan. Mr. Chairman, I rise in support of the amendment of the gentleman from New Jersey. This amendment would require that recipient nations of cash foreign aid spend an amount equal to the cash transfer on U.S. goods and services.

Mr. Chairman, this amendment makes good sense. While I fully believe that cash aid has its place in our Nation's foreign policy, I am not convinced that the program has been responsibly administered in the past or that the maximum benefit has been reaped for the U.S. taxpayer. First, I am disturbed by the idea of unfettered cash grants. Once the check has been written by the Department of State, there are no followup accounting procedures to determine whether the money is spent for the intended purposes. Needless to say, with such grants it is very difficult to determine whether the aid truly benefits all of the citizens of the Nation for which it is intended.

Second, there is no good reason why the U.S. taxpayers who foot the bill for this foreign aid should not receive some benefit of the aid they are providing to foreign nations. I understand the position of the Department of State, but I cannot agree that requiring the recipient nations to spend that money on U.S. goods and services will create any real foreign policy problems. With our massive trade deficit, there can be no justification in not supporting our domestic producers of goods and services, taxpayers who contribute to this foreign aid effort, by requiring that some of the foreign aid money be spent in our domestic economy rather than spent abroad. This will return the money to our economy, creating jobs, tax revenue for the Treasury, and ultimately more money to distribute in foreign aid.

Mr. Chairman, this is not an onerous amendment. The amendment allows the recipient nation to use U.S. cash aid to make purchases within that country. It exempts the smaller, poorer nations which receive less than $10 million in cash aid in a fiscal year. It gives the President the authority to waive the requirements when it is important in the national interest to do so. And it gives the General Accounting Office auditing and monitoring authority over the cash transfer agreements. Israel, one of the largest recipients of cash aid, already has a buy-United States agreement for its cash assistance.

The amendment does not tie the hands of the Department of State. It does not limit the President's discretion concerning how foreign aid may be distributed. It does make the distribution of that money more responsible and assures that the recognizable benefits of the aid seen in the recipient country will be in the form of American products. It does not help the cause of American goodwill abroad when U.S. foreign aid dollars are used to purchase Chinese tractors or Polish trucks and these are seen in the fields and on the roads of recipient countries. The U.S. taxpayers deserve better. Those should be U.S. made products purchased with U.S. aid dollars.

Mr. Chairman, this is one issue on which traditionally antagonistic interest groups are united. U.S. tax dollars spent for foreign aid should be spent for U.S. goods and services. Different sectors of the U.S. economy will benefit from this amendment: agriculture, manufacturing, and transportation services. The shipment of these goods to recipient countries will benefit the U.S.-flag merchant marine providing employment for national flag vessels and seamen. It is my hope that the amendment will provide badly needed work in all the port ranges of the United States, including the Great Lakes. I hope that the requirement that a portion of the goods purchased with cash aid be shipped aboard U.S.-flag vessels will encourage U.S.-flag service out of the Great Lakes. This amendment is good policy and I urge my colleagues to give it their support.

Mr. MANTON. Mr. Chairman, I rise in support of the amendment offered by my colleague from New Jersey, Mr. TORRICELLI. This amendment will reform our Nation's existing Cash Transfer Program by requiring the recipients of our foreign assistance to spend an equal amount on U.S. goods and services. It simply makes good sense that a country receiving cash aid from the United States should be required to purchase American products, services, and commodities with that assistance.

The amendment will serve to strengthen our Foreign Aid Program at a time when many Americans are concerned about our own economic difficulties. Clearly, foreign aid is an invaluable aspect of our foreign policy and national security. The inclusion of a buy-American provision for the Cash Transfer Program will help to increase public support for foreign aid programs in general.

This action is sorely needed to ensure the fair and equitable treatment of U.S. goods and services. We can provide needed assistance to our friends and allies and achieve our foreign policy goals while improving our Nation's agricultural and other domestic industries. Undoubtedly, a foreign aid program designed to ensure that any U.S. assistance should be provided principally through commodity import programs would only serve to improve our overall economy.

Mr. Chairman, the Torricelli amendment also would guarantee a substantial amount of new and long-term opportunities for our merchant marine. A key provision of the amendment stipulates that commodities purchased with cash transfer funds in the United States must be transported according to existing Federal maritime law, which requires the use of American-flag shipping.

This amendment is extremely important to the entire U.S. maritime industry. It will mean new jobs and cargo for the maritime industry which, after years of neglect by the current administration and unfair trading practices by other countries, desperately need both. Enactment of the amendment could mean nearly three-quarters of a billion dollars in new cargo each year for domestic maritime interests.

Mr. Chairman, this is a well-thought-out, much-needed improvement in our Nation's foreign assistance policy. It will ensure the continuance of aid while greatly enhancing many of this country's depressed industries. It will help to put America back on an equal footing with the rest of the world by ensuring that aid we give to other countries be spent on American-made, American-transported goods and services. I strongly urge my colleagues to vote in favor of this important amendment.

Mr. MILLER of Washington. Mr. Chairman, I rise in support of the Torricelli amendment to reform the Foreign Aid Cash Transfer Program. I support this amendment for two reasons. First, as guardians of the taxpayer's money, this amendment helps us monitor and audit the Cash Transfer Program by the General Accounting Office. Second, and more importantly, this amendment will help broaden support for foreign aid.

This amendment will require that when a country gets a cash transfer it must make a good faith effort to buy U.S. goods and ship them on U.S.-flag vessels. This is not a requirement to buy American, rather it asks nations getting cash from us to do what Israel does. Israel has for a number of years, signed a "side letter" promising that when it spends our aid, to do its best to purchase American goods and ship them on United States-flag vessels.

This amendment is good for foreign aid because it will allow us to explain to critics of foreign aid that we are helping U.S. businesses. We all hold townhall meetings. We all have heard a concerned constituent complain about spending money overseas, rather then the poor people in the United States. We've all heard the question "What good does it do us to give cash to another country." There are many good answers to this question relating to national security and human dignity, but this amendment helps give us another answer. Foreign aid helps buy American goods and create American jobs. The Cash Transfer Program will amount to over $2 billion this year. These funds are going to be used to purchase everything from tractors to fertilizer to grain. They will purchase typewriters, and word processors, and paper. Under this amendment, we can say to our constituents that because of this amendment Egypt, for example, will use our cash assistance to purchase American grain rather than Australian and Argentinean grain.

Mr. Chairman, this amendment makes sense. It will help our U.S. exporters, it will help our merchant marine, it will help our friends and it should be passed.

The CHAIRMAN. For what purpose does the gentleman from Washington [Mr. BONKER] rise?

Mr. BONKER. Mr. Chairman, I wish to speak on the amendment, but if the gentleman from Montana [Mr. MARLENEE] has a perfecting amendment, I will defer to him at this time.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. MARLENEE].

Mr. MARLENEE. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN., The gentleman from Montana [Mr. Marlenee] is recognized for 5 minutes.

Mr. MARLENEE. Mr. Chairman, I support, with some perfecting amendments, the amendment offered by the gentleman from New Jersey [Mr. TORRICELLI], and I urge our colleagues to adopt this provision.

When the Agriculture Committee marked up its section of H.R. 3, the trade bill, I offered a very similar amendment, which was adopted but later dropped from the bill by the Rules Committee.

The State Department went bananas then, and the State Department is going bananas now, and I suspect that is where a lot of the discussion about this amendment is coming from.

As modified by the perfecting amendment that I will offer to the Torricelli amendment, the bill will provide no expansion nor any reduction in the present cargo preference law in accordance with the 1985 farm bill amendments. It does not impact commercial sales other than those which are made with U.S. transfers and which are in addition to the normal purchasing levels of the recipient country.

Mr. Chairman, I think it is extremely important that we embody in law the fundamental principle that this amendment addresses. We should see to it that our own State Department makes every effort to let American businessmen, workers, and farm producers share in a portion of the benefits derived from our U.S. foreign assistance program.

When we provide cash assistance, Mr. Chairman, to other nations, we should expect them to at least shop in our stores with our money that we have given them instead of spending it with our foreign competitors, our trade competitors. It is the intent of the amendment that we create some additional levels of sales of U.S. goods and services over and above what recipient countries are already buying from us. One country currently receives cash transfer assistance from us and has a memorandum of agreement which meets the requirements of the Torricelli amendment, and this language will do nothing to alter or impair that agreement. What we are saying is that all other recipients of our taxpayers' generosity should do the same thing. They ought to do this instead of spending the money we give them to buy Polish tractors, Japanese computers, French vegetable oil, or Argentine wheat, and we will tell the State Department that such goods and services should be bought from American sources.

There has been some speculation that recipient countries would simply be allowed to count their existing level of U.S. purchases against the requirements imposed under this amendment, but that is not our intent. We are saying that the purchases made under this language must be in addition to that country's customary, historical, and usual level of U.S. purchases.

As I indicated earlier, Mr. Chairman, this is an extremely important principle which should be codified into law. Our taxpayers, our factory workers, our small businessmen, and our agricultural producers deserve to know that our own country will benefit from the billions of dollars that we are giving away to improve the lives of those in other nations.

Mr. Chairman, I would ask the gentleman from New Jersey [Mr. TORRICELLI] if he would be willing to accept a new amendment, an amendment which would perfect his, and which says: Nothing in this section shall be construed to apply to the requirements of section 901 through 901(k) of the Merchant Marine Act of 1936 to purchase U.S. goods and services except to the extent such purchases are attributable to cash transfer provided pursuant to this chapter and in accordance with the agreement required in subsection (b) of this section.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I am happy to yield to the gentleman from New Jersey.

Mr. TORRICELLI. Mr. Chairman, I want to congratulate the gentleman on his perfecting amendment. Indeed it makes for a better piece of legislation. By the gentleman's amendment, it makes clear that we are preserving the integrity of the 1985 Maritime Agricultural Cargo Preference Compromise clarifying that cargo preference requirements are not to be extended to USDA or CC programs exempted from cargo preference by the 1985 act.

It additionally assures that cargo preference requirements are not extended to commercial transactions or any other transactions not involved in the expenditures relating to the cash transfer program. Therefore, in fact, the gentleman is making even clearer my original intent that we are dealing exclusively with cash transfer programs.

Mr. Chairman, I would also like to thank the gentleman from Montana for helping me on this issue.

The CHAIRMAN. The time of the gentleman from Montana [Mr. MARLENEE] has expired.

(On request of Mr. ENGLISH, and by unanimous consent, Mr. MARLENEE was allowed to proceed for 2 additional minutes.)

PARLIAMENTARY INQUIRY

Mr. MARLENEE. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. MARLENEE. Mr. Chairman, I have offered an amendment, and the amendment is at the desk.

The CHAIRMAN. The Chair will tell the gentleman that he has risen to strike the requisite number of words. He has offered a pro forma amendment, but his amendment that he is discussing is not now before the committee. The gentleman is recognized under the 5-minute rule, having offered a motion to strike the requisite number of words.

Mr. MARLENEE. At what point, Mr. Chairman, may I offer the amendment?

The CHAIRMAN. The gentleman may offer his amendment after he yields back his time and if he is recognized in a timely way.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I am happy to yield to the author of the amendment.

Mr. TORRICELLI. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, it was not my intention to cause a delay but simply to compliment the gentleman on his amendment and to accept it.

I also wish to note that with the gentleman's leadership he is in fact representing the interests of a wide variety of people in the agricultural industry in this country who recognize that over $1 billion of American taxpayers' money is going to buy foreign agricultural goods. By this single act we could be improving by $1 billion our agricultural performance in the world, and for that I compliment the gentleman.

Mr. MARLENEE. Regaining my time, Mr. Chairman, then the gentleman makes clear that the language that we have before us in the perfecting amendment would not extend cargo preference to the commercial sales that already exist?

Mr. TORRICELLI. That was never this gentleman's intention, and I believe there is no way one could read this amendment to come to that conclusion.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, I am basically in support of the Torricelli amendment. I am troubled by the cargo preference provisions that the gentleman addresses with his perfecting amendment.

There is, however, a question that continues to occur that no one seems to address, and I have not really been able to determine this. How do we distinguish between dollars that have been received under the provisions of the Torricelli amendment and purchases that have simply been made from another country, say, as a result of the fact that the dollar has been reduced in value and they have increased their sales?

Can the gentleman distinguish for me those bushels of wheat that are purchased with the dollars of the Torricelli amendment, as opposed to normal purchases or increased sales that may occur as a result of a lower dollar value?

Mr. MARLENEE. Mr. Chairman, regaining my time, that is what this amendment is all about. It simply says that any additional purchases that result from cash transfer, that are purchases over and above the normal or additional sales, are then subject to the agreements of the 1985 farm bill.

The CHAIRMAN. The time of the gentleman from Montana [Mr. MARLENEE] has again expired.

(On request of Mr. ENGLISH, and by unanimous consent, Mr. MARLENEE was allowed to proceed for 1 additional minute.)

□ 1115

Mr. MARLENEE. The agreements that we reached, the compromises that we reached in the 1985 farm bill that addressed cargo preferences, then apply to those additional sales resulting from cash transfers.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, I thank the gentleman for yielding.

Let me make sure I understand what the gentleman is saying. We have the normal purchases that have been made by a particular country. Country X has made purchases, and this is what they normally buy in each year, and in a given year they have increased that purchase.

I would assume what the gentleman is saying, any increases in purchases that take place, at least up to the amount of money that they have received according to the Torricelli amendment would be subject to cargo preferences, is that correct?

Mr. MARLENEE. They will be subject to the 1985 farm bill agreement regarding cargo preference.

Mr. ENGLISH. Not subject to cargo preference?

Mr. MARLENEE. Subject to the agreement we reached in the 1985 farm bill by negotiations on cargo preference.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I do this to gain a clarification on two points.

It is important that we have a clarification on the gentleman's intent. My two questions are these to the gentleman from Montana:

First of all, the gentleman's amendment is supplementary, as I understand it, to the perfecting amendment of the gentleman from California; that is to say, the waiver provisions would continue, added to the Torricelli amendment, is that correct?

Mr. MARLENEE. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Montana.

Mr. MARLENEE. Mr. Chairman, I thank the gentleman for yielding.

That is absolutely correct.

Mr. BEREUTER. Mr. Chairman, the second question is crucial, and it relates to the purchases generally and to cash transfers.

Is it my understanding that the gentleman's proposed amendment relates to purchases only attributable to cash transfers?

Mr. MARLENEE. If the gentleman would continue to yield, I have a great deal of respect for the gentleman from Nebraska, and for the gentleman's agricultural products being shipped abroad.

That is exactly correct. Also, the gentleman from Oklahoma [Mr. ENGLISH] would be pleased to know that the State Department would be mandated to decide, or to make a decision, as to what were additional sales resulting from the cash transfer, and then would apply the provisions of this amendment to those cash transfers.

Mr. BEREUTER. I appreciate that clarification.

It does not relate to all purchases, only those that are attributable to cash transfers.

The State Department is charged with making that determination which sales are cash transfers?

Mr. MARLENEE. Yes, they are then also mandated under the Torricelli amendment to ensure that those sales, that we make sales as a result of the cash transfers.

In other words, we are giving them the money, telling them, make certain that these countries buy from us; and then, of course, we go ahead with the 1985 farm bill agreements on cargo preference.

Mr. ENGLISH. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Oklahoma.

Mr. ENGLISH. Mr. Chairman, I thank the gentleman for yielding.

Basically what we are going to be relying on is the State Department to determine what sales are directly attributable to this type of cash transfer, and whether or not that cash transfer was used to purchase agricultural products, wheat from my State, or whether they were used to purchase rice from California or some other product, or maybe widgets from Timbuktu, and so it is strictly a judgmental decision by the State Department.

Basically, our farmers are being asked to rely upon the judgment of some nameless bureaucrat in the State Department to determine whether or not Public Law 480 is going to be applied to any increase in sales that they might have to a certain country, is that correct?

Mr. MARLENEE. Mr. Chairman, if the gentleman will yield further, each country will be required to sign an agreement before receiving, and that agreement will spell out the question of additionality. First, that is the important point.

Public Law 480, according to our 1985 agreement on cargo preference, would be subject under any circumstances, whether we had the Torricelli amendment, or whether we had any kind of an agreement whatsoever, would be subject to cargo preference.

That is the agreement we reached in the 1985 farm bill. It was a good agreement that we reached in the 1985 farm bill, and Public Law 480 would go under the cargo preference, and commercial sales would not.

It was our intention in the 1985 farm bill, and the agreement was reached, that sales that resulted from commodity enhancement programs would not be under cargo preference.

All we are saying here with the Torricelli amendment and with the perfecting amendment is that those same provisions apply under the Torricelli amendment and in foreign aid.

Mr. ENGLISH. Under the 1985 farm bill, and the agreement reached on cargo preference, the line is rather clear.

It applies to Public Law 480, not to commercial sales.

With the addition of this language, and I commend the gentleman on the gentleman's efforts to try to clarify as much as he can; but still what it in effect does is, any country that receives cash transfers in which there is an increase in sales of agricultural products is basically going to be subject to a judgment call by someone in the State Department, some unknown figure in the State Department, as to whether or not Public Law 480 will fly again.

AMENDMENT OFFERED BY MR. MARLENEE TO THE AMENDMENT OFFERED BY MR. TORRICELLI, AS AMENDED

Mr. MARLENEE. Mr. Chairman, I offer an amendment to the amendment, as amended.

The Clerk read as follows:

Amendment offered by Mr. MARLENEE to the amendment offered by Mr. TORRICELLI, as amended: At the end of the amendment offered by Mr. Torricelli add the following new subsection:

"(g) Nothing in this section shall be construed to apply the requirements of sections 901 through 901k of the Merchant Marine Act, 1936 (46 U.S.C. 1101 et seq.) to purchases of United States goods and services except to the extent such purchases are attributable to a cash transfer provided pursuant to this chapter, and in accordance with the agreement required in subsection (b) of this section.".

Mr. MARLENEE. Mr. Chairman, the discussion thus far has been relative to the amendment, that it might somehow be construed to broaden or expand current cargo preference position.

I say that that is not true, and this amendment is offered to help clarify that.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding.

I compliment the gentleman on the amendment. Following up on the discussion of the gentleman from Oklahoma about the clear linkage, the words "attributable to" would be much clearer if supported by the word "directly," directly attributable to; and it is too late to try to offer a perfecting amendment at this point.

I think that we ought to make it very clear that the linkage between cash transfers and agricultural purchases is a very clear one, in that the gentleman's intent is so that the obvious language of the gentleman's amendment will not be subverted by administrative action later on, or administrative judgments later on.

Mr. MARLENEE. We need to establish in the committee report or the record here on the floor of the House that that was the intent, directly attributable to; and I would accept that clarification.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from New Jersey.

Mr. TORRICELLI. Mr. Chairman, I thank the gentleman for yielding.

I have been attempting to be involved in the colloquy taking place with the gentleman from Nebraska, because I sensed some profound misunderstanding; but I was unable to.

The answer to some of the questions that were raised is simply this: Today under the transfer program, we have no idea where the money goes, or how it is spent, no idea.

Under my amendment, segregated accounts will be established, and the books will be reviewed. That is why I rise with a suspicion on that American cash transfer, money is going to purchase French wheat, Argentine grain, and Cuban sugar.

The fact is, we do not know. The answer to the gentleman's question is, We will be able to establish what is being subjected to cargo preference under this amendment, because there will be accounts maintained by AID that will reveal it.

Mr. OBEY. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding to me.

With all due respect, I would like to know where that language is in the gentleman's amendment. I do not see that language in the gentleman's amendment, and that is not my understanding of the amendment.

I never heard that from AID.

Mr. MARLENEE. In regard to AID, I might say that AID supports the perfecting amendment that I have just offered.

Mr. TORRICELLI. Mr. Chairman, if the gentleman will continue yielding, let me first restate the position that I accept the perfecting amendment and urge its adoption.

The answer to the gentleman's question, if the gentleman would review the record of the hearings in the Committee on Foreign Affairs when this was conducted, and AID officials appeared, they made the statement that in their judgment there would have to be segregated accounts to ensure that the law was complied with.

That answers the gentleman's concern of how we will know how to apply cargo preferences.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. MARLENEE. I yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I thank the gentleman for yielding to me.

I just wanted to ask the sponsor of the amendment, which I am supporting, there is a provision, section 538C of the gentleman's amendment which provides for GAO audits, and says that each agreement, pursuant to which cash transfer assistance is provided under this chapter, shall include provisions to ensure that representatives of the Comptroller General have access to records and personnel necessary to carry out such monitoring and auditing as the Comptroller General deems appropriate, so it would seem from that language that the amendment does have provision in it which would see to it that these cash-payment moneys, if they are spent in the United States, on grain, that it could be traced to that extent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. MARLENEE] to the amendment offered by the gentleman from New Jersey [Mr. TORRICELLI], as amended.

The amendment to the amendment, as amended, was agreed to.

Mr. ENGLISH. Mr. Chairman, I move to strike the requisite number of words.

I rise in opposition to the amendment. On the face, this amendment certainly appears to move to improve our exports from the United States, and I think that all of the Members in this Chamber certainly favor that kind of action. I certainly do.

In the past I have sponsored amendments which would in fact recognize that countries who receive assistance from the United States should have some kind of obligation to purchase products from this country.

It is something that other countries around the world do.

We have not done it in the past, and I certainly think that we should in the future. If this amendment stopped right there, if that is all this amendment did, I would certainly support it.

Certainly this amendment goes further than that, as we have heard discussed. Certainly any purchase that is made from a cash-transfer country could be subject to cargo preference, if that purchase is over and above what is normally purchased.

□ 1130

As I have said, there is no way that we can determine for certain what that money was used for. We do not know whether that money was used to buy aircraft parts, whether it was to buy computer chips, whether it was to buy toilet paper, whether it was to buy wheat from Oklahoma or rice from California, or what was done. Any purchase that is about what that country has made the previous year, the previous 5 years, the previous 10 years, we do not know. We simply do not know. It is going to be subject to a judgment call. It is going to be subject to a judgment call, and there is no way that that judgment call can be made, other than to wet the finger and stick it out the window and see which way the wind is blowing, or whatever the political philosophy happens to be with the Secretary of State or the President, whoever that may be in the future, and that is what we are being asked to do is to trust any additional sales that may come about on agricultural products to the whims of somebody in the State Department.

I just find that unacceptable, Mr. Chairman. I just do not think that is the direction in which we should go.

As I pointed out, in the 1985 farm bill I had some grave reservations about that compromise. In fact I opposed it. Many of the agricultural commodity groups agreed to them. They agreed to them, and it was settled, but this goes across the line.

We no longer will have a clear demarcation line between Public Law 480 purchases and commercial sales to a given country.

At this time when the value of the dollar is being reduced, putting American farmers for the first time in a number of years in a favorable position to be able to sell our commodities overseas, this amendment could do grave damage to export sales of American agricultural products.

For that reason, Mr. Chairman, as long as this provision is in this amendment, I must most reluctantly oppose the amendment.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I am happy to yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding.

As I indicated previously, this gentleman would prefer at least the status quo, unacceptable as that was, in the form of the law on cargo preference in the 1985 farm bill. We have great uncertainty here with the Torricelli amendment as it is proposed to be perfected.

I believe the perfecting amendments to the Torricelli amendment have improved the product. The perfecting amendments that have been offered in two instances and accepted, have improved it; but I share the gentleman's reservation and I oppose the amendment, even as perfected.

Mr. ENGLISH. I would certainly agree with the gentleman, Mr. Chairman, and let me say, I want to commend certainly the gentleman from Montana and others who have perfected the amendment. I think certainly they are making efforts in the right direction.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I am happy to yield to the gentleman from New Jersey.

Mr. TORRICELLI. Mr. Chairman, I would greatly appreciate if the gentleman could cite for me where, how, and if this will in any way affect the 1985 farm bill. The farm bill did not address cash transfers. At the moment we do not know where the cash transfer money is going. That is the problem. The money will be segregated, and for the first time we will know whether it is going for American commodities.

Mr. ENGLISH. Mr. Chairman, I will be happy to respond to the gentleman. I would simply point out that is exactly the point. The 1985 farm bill and the compromise that was made did not apply to cash transfers.

The very point is that there is no way we can determine what a cash transfer is spent for. We cannot say.

If I could continue, Mr. Chairman, that is what troubles me so much. If we could go in and say, OK, country A is going to receive $20 million in cash transfers, and country A is definitely spending this money for this product, this product and that product and that product is being shipped to country A on this date, I would not have a problem with that.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(At the request of Mr. TORRICELLI, and by unanimous consent, Mr. ENGLISH was allowed to proceed for 1 additional minute.)

Mr. ENGLISH. Let me say, if I could, Mr. Chairman, even if that was wheat from my district, I would say, well, that is fine. That is U.S. Government money being spent. We are trying to increase our exports and, as I said, I wholeheartedly support what the gentleman is attempting to do in that area, and that is fine.

The thing that troubles me is that I see that we are going to have a great opportunity over the next few months to sell a lot of wheat from my district to other countries. That means there is going to be a sale in excess of what they have historically been having in the recent past, far above what they have had, and any country seizing that money, even if they spend it for some other product, we are going to get charged for it.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I am happy to yield to the gentleman from New Jersey.

Mr. TORRICELLI. We have tried, Mr. Chairman, to make clear that (a) as indicated, there will be a separate account. Audits will be conducted, so it will be clear that this is not interfering with any commercial sales or other government sales, just cash transfer money, money which at the moment none of which is going to buy wheat from the gentleman's district. For the first time, it will open that up. I do not see where there is any problem with that at all.

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

(At the request of Mrs. BENTLEY, and by unanimous consent, Mr. ENGLISH was allowed to proceed for 2 additional minutes.)

Mrs. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. ENGLISH. I am happy to yield to the gentlewoman from Maryland.

Mrs. BENTLEY. Mr. Chairman, would the gentleman please explain to me how the gentleman interprets cash transfers? Is the gentleman describing them as commercial sales?

Mr. ENGLISH. Well, obviously, we cannot distinguish. That is exactly my point. That is what troubles me so much about it, is that we cannot distinguish between what is a cash transfer sale and what is a regular commercial sale.

The thing that bothers me about it is that, as I mentioned, I think there is going to be an increase in agricultural sales that is going to come about whether we have cash transfers or not.

The thing that troubles me about it is that any country that does receive any money through the Cash Transfer Program, automatically those countries will say, "Oh, that is an increase. Therefore, it must be the result of a cash transfer. Therefore, it is subject to cargo preference. Therefore, it increases the costs. Therefore, we lose the sale." That is what troubles me.

Mrs. BENTLEY. Well, Mr. Chairman, if the gentleman will yield further, what the gentleman is saying, if I am interpreting it correctly, we are just going to let it go. We are going to give them the money and they can go out and do with it what they want.

What the gentleman from New Jersey [Mr. TORRICELLI] is trying to do is to make sure that those taxpayers' dollars are spent in this country and in American bottoms. What is wrong with that?

Mr. ENGLISH. Well, Mr. Chairman, if I can reclaim my time, as I pointed out, there is absolutely nothing wrong with that. As I said, I have no problem at all with those tax dollars being spent for that; but the trouble comes down to if it is in fact going to increase the cost of the product that I am selling in my district to the point we are no longer going to be competitive, and goodness knows we have not been competitive really for the past 4 or 5 years, as far as our agricultural products, particularly as far as grains are concerned, obviously that gives me a lot of problems.

Now, as I mentioned, if we can come down and identify specifically what those dollars are spent for, then that is another matter, but we do not. What we are down to determining, you know, we are having a lot of assurances, but what we are down to determining is we are going to have some guy over in the State Department that is going to make a judgment call, and that is what bothers me.

Mrs. BENTLEY. The provision in there for the GAO to make that determination would cover that.

Mr. ENGLISH. If we come down to the GAO, obviously that is going to be a very time-consuming process and my sales are going to be long lost after that.

Mr. BONKER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I will be brief, because this debate has been extended and I know the chairman is anxious to get through this bill.

I support the amendment, Mr. Chairman, because I believe it is necessary if we are going to deal effectively with the realities in today's global economy. One reality is that most nations use their foreign aid or government grants to help their exporters compete. We have encountered this by way of mixed credit programs, tied aid programs, and it is very prominent.

While this Congress is seemingly consumed with unfair trade practices as they relate to trade barriers, there is very little we are doing about these government policies that use their government funding programs to help their exporters compete.

Now, in the last session this Congress set up a Mixed Credit Program. The whole idea was that we would combine some of this ESF money with concessionary loans from the Eximbank in those instances where our exporters confronted mixed credit programs abroad; but for some reason this administration has not implemented, at least not fully implemented, the program. Thus, many U.S. exporters are losing out in those vital markets.

I think what is happening today is that much of our ESF money is being used for debt relief, let us face it. Many of these recipient countries are over their heads in debt. They are under the gun of IMF austerity programs and they desperately need some kind of funding to meet their external obligations. That is perhaps why we do not have any accounting.

Now, in the old days we used to use foreign aid for infrastructure programs. Then in 1973 this Congress went on record in support of something called new directions, putting that program at the local level to help the poorest of the poor. Now we are seeing much of our foreign aid go simply for debt relief.

Well, I do not think that ought to be the intent of this country's Foreign Assistance Program. I think it ought to be aimed more toward project development, especially in areas that help the poor.

Let me conclude, Mr. Chairman, by saying that I would not support this amendment if other countries did not have similar programs in effect. Perhaps at a time when the United States had a favorable trade balance and we did not have to worry about the U.S. competitive position, we could have continued the magnanimous programs of the past, but I think we are going to sharply curtail our export potential as long as other countires engage in their concessionary lending programs and combining government assistance to help their exporters compete.

So for that reason, Mr. Chairman, I think this is an imperative in the foreign aid bill. I do not like it, philosophically, but as fully committed as I am to restoring our competitive position and dealing with that trade problem, I think that we have to adopt this amendment today.

AMENDMENT OFFERED BY MRS. SMITH OF NEBRASKA TO THE AMENDMENT OFFERED BY MR. TORRICELLI, AS AMENDED

Mrs. SMITH of Nebraska. Mr. Chairman, I offer an amendment to the amendment as amended.

The Clerk read as follows:

Amendment offered by Mrs. SMITH of Nebraska to the amendment offered by Mr. TORRICELLI, as amended: In subsection (b) of the matter inserted by the amendment, after the phrase "United States goods" at the beginning of the third sentence, insert the words ", except agricultural commodities (or products derived from such commodities),".

The CHAIRMAN. The gentlewoman from Nebraska [Mrs. SMITH] is recognized for a total of 8 minutes.

Mrs. SMITH of Nebraska. Mr. Chairman, I am strongly opposed to the cargo preference requirement in this amendment and in the bill. I rise to amend the amendment of the gentleman from New Jersey by exempting agricultural commodities from the cargo preference requirements.

Simply put, this cargo preference requirement is bad for agriculture, bad for our balance of trade, bad for the countries receiving our foreign aid in the form of cash transfers, and bad policy all the way around.

Let me explain why.

The bill would require that at least half of any cash transfer to a foreign nation be used to buy U.S. goods or services.

The amendment would require that 100 percent of the cash transfer be used for the same purpose.

In addition, both the bill and the amendment would impose a U.S. cargo preference requirement on our commercial exports to countries receiving the cash transfer, by requiring that these goods be shipped on U.S. flagships.

Now, this requirement will have the same effect any cargo preference requirement has.

Because U.S. flagships charge twice as much—or more—to transport goods, the requirement will discourage foreign nations from buying U.S. goods that must be carried by ship.

And what are the U.S. exports most likely to be carried by oceangoing vessels?

Agricultural commodities, of course.

And it's significant to note here that the countries that would be affected under this amendment are major importers of U.S. agricultural commodities.

Egypt and the Philippines alone import more than one billion dollars worth of U.S. farm goods annually.

So a foreign nation faced with this obnoxious requirement would face one of two choices: either reduce the amount of agricultural commodities to offset the increased transportation cost charged by U.S. vessels—or, of course, buy U.S. goods that don't require ocean transport.

Frankly, I think that is what will happen.

These nations will buy U.S. goods that can be stuck in an envelope and sent through the mail. And both the merchant marine and agriculture will end up losers.

Now, on the issue of fairness.

This cargo preference requirement is a clear violation of the agreement reached between agriculture and maritime interests in the 1985 farm bill.

Those of us involved in that skirmish remember that the farm bill compromise exempted commercial exports from cargo preference, while increasing cargo preference on humanitarian, noncommercial export programs to 75 percent.

Well, so much for compromise.

This bill would smash that agreement by extending cargo preference to USDA commercial programs—the credit guarantee and export enhancement programs, for example—specifically exempted by the farm bill agreement.

It would also take the dangerous step of extending cargo preference—for the first time—to commercial cargoes.

Second, the supporters of the Torricelli amendment say that by requiring 100 percent of the cash transfer be spent on U.S. goods, it will increase the amount of U.S. goods bought with our foreign aid dollars.

But the facts say otherwise.

Nineteen nations are affected by the amendment. All 19 nations already spend more on U.S. exports than they received from cash transfers—almost 13 times more, in fact, in fiscal 1987.

In fiscal 1987, 12 of the 19 spent more on U.S. agricultural exports alone than they received from the cash transfers.

With this in mind, we can see that the provision will not increase U.S. exports, but is merely a vehicle to impose cargo preference on existing U.S. exports.

Third, look at this from a foreign policy standpoint.

It makes absolutely no sense to send a cash transfer to a foreign nation, then to reduce the amount of aid, in effect, by requiring that nation to subsidize our ailing merchant marine.

For this reason, the administration opposes the provision.

As an aside, I recall the arguments of my colleagues on the Merchant Marine Committee, who, during the debate on the 1985 farm bill, protested that farm legislation was no place for a discussion of cargo preference.

I must wonder, then, what makes the foreign assistance bill an appropriate vehicle for revision of cargo preference law?

One more point, Mr. Chairman:

Why, at a time when we are—or should be—doing everything we can to improve our trade deficit, do we discourage countries from buying our commodities by requiring they be shipped on U.S. flagships, which cost so much more than foreign flagships?

And so you see our dilemma.

At a time when U.S. agriculture is making every effort to improve its position in an incredibly competitive world market, we are thwarted by the merchant marine interests, who see no harm in forcing the payment of shipping subsidies to bolster their creaky, failing industry—even if those subsidies result in lost markets for American farmers.

Agriculture cannot and must not be made to bear the burden of subsidizing an outdated and inefficient merchant marine.

I urge you to support my amendment.

Exempt agriculture exports from the expansion of cargo preference requirements in the Torricelli amendment.

Mr. Chairman, I include the following letter:

North American Export
Grain Association, Inc.,
Washington, DC, November 18, 1987.

Hon. Virginia Smith,
Rayburn House Office Building,
Washington, DC.

Dear Congresswoman Smith: During today's scheduled House consideration of H.R. 3100, the Foreign Aid Authorizations bill, an amendment will be offered by Mr. Torricelli to Section 206 of the bill to extend the application of cargo preference law to commercial purchases of U.S. goods and services by cash transfer aid recipient countries. We are writing to you to express our strong opposition to the amendment, which we believe has a great potential to seriously damage U.S. agriculture.

The Torricelli amendment runs directly counter to every major effort Congress has undertaken in recent years to enhance U.S. agricultural competitiveness. The amendment would make U.S. agricultural exports more costly, lower export volumes, and provide incentives to foreign countries to purchase ocean-borne agricultural commodities and products from suppliers other than the United States. In addition, it would expand the application of cargo preference law to include U.S. government credit and enhancement programs, and normal commercial sales, which have traditionally been excluded from cargo preference requirements. U.S. agricultural exports have only recently begun a slow recovery after a long period of decline. Passage of the Torricelli amendment would impede the progress that is only now being made on the farm export front, with harmful repercussions to our Nation's farmers, exporters, and agricultural industry.

We, the undersigned, representing nearly every segment of the Nation's agricultural industry, join with many of your colleagues from agricultural producing districts in opposing the Torricelli amendment and urge you to oppose it also, in the best interests of the Nation's agriculture.

With warm regards,

Sincerely,

North American Export Grain Association, American Farm Bureau Federation, Millers National Federation, American Soybean Association, the Fertilizer Institute, National Grange, National Grain Trade Council, National Grain and Feed Association, Western Great Lakes Maritime Association, Terminal Elevator Merchants Association.

□ 1145

Mr. OBEY. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. Mr. Chairman, I yield to the gentleman from Wisconsin.

Mr. OBEY. Mr. Chairman, let me simply say that under normal circumstances I would not support the amendment of the gentlewoman from Nebraska [Mrs. Smith] because I do not like to make distinctions on broad public policy questions. But there is one reason which leads me to support the amendment in this instance. Very frankly, for years it has been extremely frustrating for me to try to explain to many other people in this country that while the principle of cargo preference might make some sense in generic terms, that when it is applied to such extremes that it begins to shut out an entire region of the country from the ability to ship goods, namely the Great Lakes, then we have gone too far.

Frankly, I am sick of being pushed to the wall by people who will not recognize the regional interests of my area of the country. That is why I want to support the amendment offered by the gentlewoman from Nebraska.

I would also say on the merits that she is absolutely correct. There is no reason why we ought to diminish the value of the aid that we provide by increasing the cost of transportation to provide that aid.

That is what the Torricelli amendment does.

Without the amendment of the gentlewoman from Nebraska [Mrs. Smith] being offered, I think we still have a bad piece of public business here. I urge my colleagues to support the amendment of the gentlewoman from Nebraska.

Mr. OBERSTAR. Mr. Chairman, will the gentlewoman yield?

Mrs. SMITH of Nebraska. Mr. Chairman, I yield to the gentleman from Minnesota.

Mr. OBERSTAR. Mr. Chairman, I support the amendment offered by the gentlewoman from Nebraska [Mrs. Smith] on the basis of equity in shipments of goods from all the coastal port regions of the United States including that of the Great Lakes where 45 percent of the Nation's agriculture is produced.

The CHAIRMAN. For what purpose does the gentleman from Florida [Mr. Fascell] rise?

Mr. FASCELL. Mr. Chairman, I can tell by the intensity of the heat that the light is disappearing.

I think the issues are quite clear. I do not want to cut anybody off, but we have been debating this issue now for a long time and I do not think that the issue is going to change any. The issue is clear. Either we exempt agriculture or we do not exempt agriculture, therefore, my colleagues are either for the Torricelli amendment or they are against the Torricelli amendment.

I would like to get some understanding about how far we are going to continue this discussion.

I do not want to be unreasonable, but we have had an awful lot of extensions of time by unanimous consent, and I want to be fair to everyone but there are a lot more amendments in this bill than this one.

Could we agree to 10 minutes on a side?

Mr. BEREUTER. Mr. Chairman, would the gentleman from Florida yield?

Mr. FASCELL. Yes, I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I feel an amendment as important to an industrial sector or agricultural sector of the country as this one is deserves full debate.

Mr. FASCELL. Mr. Chairman, I will not make the request. I understand the statement of the gentlemen from Nebraska [Mr. Bereuter].

Mr. BEREUTER. Mr. Chairman, I think there are a number of people who want to speak, but most will be relatively brief. I think that closing the time may actually extend the debate.

Mr. FASCELL. And if we continue to extend by unanimous consent, we will be here a long time.

Mr. BEREUTER. Most will commend their colleagues for their work on this bill.

Mr. FASCELL. Mr. Chairman, I am not going to make the request. I can tell the gentleman from Nebaska is not for it.

Mr. Chairman, let me just say if I can while I have the floor for a minute that we need to move along as rapidly as possible. I do not want to be cutting anybody off but I say that I want to be fair to everyone. When we started this bill, we came in here below the President's request and at a freeze level. Thanks to some of my colleagues we now have cut $163 million out of this bill and if we keep this up, there will not be anything in cash transfers to be arguing about.

Mr. BEREUTER. Mr. Chairman, if the gentlemen will continue to yield, I would say to the chairman that for a significant number of Members of this body whether or not we support the bill depends upon what happens to the Torricelli amendment.

Mr. FASCELL. I understand that, and I understand how serious it is. I am just trying to do as the manager of a bill is normally supposed to do, which is to move the bill along.

The CHAIRMAN. The Chair will state that 7 hours and 7 minutes remain under the 5-minute rule.

Mr. QUILLEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I commend the gentlemen from New Jersey [Mr. TORRICELLI] for offering his common sense amendment. I hope it will be adopted by a strong bipartisaan vote. What this amendment comes down to is that countries getting cash transfer payments through our foreign aid program have to spend an equal of money on American goods and services. There is nothing wrong with that.

It seems to me that if Congress is going to give American taxpayers' money to foreign countries, then the Congress should see to it that the money is used to buy American goods and services.

This foreign aid bill contains over $2 billion in cash transfer payments to foreign countries. That is a lot of money where I come from. Let us at least insist that the people we give it to overseas use it to buy American.

This will help our friends overseas and it will help our international trade position by increasing sales of our goods and services throughout the world. Passage of this common sense amendment means more American manufacturing jobs and more sales for our hard-pressed farmers. It means more fully loaded American-flag vessels steaming out of U.S. ports to deliver those goods to our friends overseas. Vote yes on the Torricelli amendment.

It has been referred to that no farm organizations support this amendment. Let me say this: the National Corn Growers Association, Rice Millers Association, the National Cotton Council, the National Association of Farmer Cooperatives, the National Association of Wheat Growers, and the National Sunflower Association all support this amendment.

So I think what we are doing is we are going to use the perfecting route to destroy the value of the amendment, and we should accept the Torricelli amendment as it is and vote for it because it is a commonsense amendment.

Mrs. BENTLEY. Mr. Chairman, would the gentleman yield?

Mr. QUILLEN. Mr. Chairman, I yield to the gentlewoman from Maryland.

□ 1155

Mrs. BENTLEY. Mr. Chairman, I want to commend the gentleman for his statement. I wish to point out that in the Torricelli amendment, contrary to what the gentleman from Minnesota and the gentleman from Wisconsin may not realize, it says specifically that the President shall ensure that purchases of U.S. goods pursuant to such agreements and the ports of departure for those goods are distributed equitably throughout the United States.

That would take care of the concern that the Great Lakes have that they would be shut out of it. I think that should be emphasized here today, and I thank the gentleman for yielding.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. QUILLEN. I am happy to yield to the gentleman from West Virginia.

Mr. STAGGERS. Mr. Chairman, the gentleman has said what I intended to say much better than I could have said it and I commend him for his statement.

Mr. Chairman, it is time that America stops being penalized for its good will and humanitarian spirit. Our cash assistance to foreign nations should not be used to support the economies of our competitors. If we are to continue to expand the cash transfer program as a form of economic aid to needy countries, why shouldn't American workers, taxpayers and farmers benefit as well?

The Torricelli amendment would require that a recipient nation must purchase American produced goods, services, and commodities with American provided cash assistance. This would ensure that our foreign aid dollars are benefiting the economy of not only the recipient country, but the American economy as well.

This amendment is a prudent and fair attempt to reform the cash transfer program. It provides an exemption for smaller, poorer countries which receive less than $10 million in cash aid and contains a provision which gives the President waiver authority when it is in the national interest to do so.

Mr. Chairman, this is an issue of fairness. With the enormous U.S. trade deficit we can no longer look the other way when countries receiving cash aid purchase non-American goods, services and commodities. It is time for us to become as concerned about the American economy as we are about the economies of other nations.

Mr. LENT. Mr. Chairman, will the gentleman yield?

Mr. QUILLEN. I am happy to yield to the gentleman from New York.

Mr. LENT. Mr. Chairman, I would also like to associate myself with the remarks of the gentleman.

Mr. Chairman, I rise in support of the amendment of the gentleman from New Jersey to reform the cash transfer part of our foreign aid program. In the fiscal year 1988 foreign aid budget, over $2 billion is included for the Cash Transfer Program. This program allows the United States to simply give American tax dollars to foreign nations instead of sending American goods.

The amendment before us would not prohibit those cash transfers—there are many cases where these transfers are preferable for some diplomatic or economic objective. The amendment would, however, tie the cash aid to purchases of U.S. exports whenever possible and when they are available at fair prices. In my opinion, this would be a sound policy for us to adopt.

In recent years, this cash payment practice has hurt American farmers, businessmen, and taxpayers. These foreign aid dollars leave the United States without any requirement for purchase of any American goods, services, or agricultural commodities. In these times of excessive trade deficits, it is necessary to reassess this program

The growing use of cash transfers means that nations receiving this American money will be purchasing goods from countries other than the United States. The result is that U.S. cash is used to purchase agricultural and other goods at the expense of American businesses, particularly American farmers, and also the American maritime industry is hurt because products will not be shipped on American-flag vessels.

Not only do cash transfers make no sense from the standpoint of our balance-of-trade problems, but they also aggravate the Federal deficit crisis. By giving aid in the form of cash rather than goods and commodities, the United States aggravates the drain on the Treasury.

A major part of the problem with the cash transfer program is that we have no idea how, or where, the $2 billion in cash grants included in this foreign aid bill will be spent. We do not know what goods, commodities, or services are bought.

One example illustrates the problem. The United States sends some grain to Egypt under our Public Law 480 Food-for-Peace Program. However, Egypt also receives over $100 million under the Cash Transfer Program. We know that two-thirds of Egypt's total grain imports come from nations other than the United States—Argentina and Australia are the main sources. That certainly does not help U.S. farmers, grain brokers, port authorities, or American shipowners. Because there is no audit of the cash transfer funds we do not know if Egypt has bought any United States grain.

This amendment will go a long way toward solving this aspect of the problem. It will give our Government the ability to track these cash grants and find out where the money goes.

Mr. Chairman, it is quite significant to note that in this effort to reform this aspect of our Foreign Aid Program, the agricultural and maritime industries are speaking with one voice in an effort to assist American industries at the same time that this Nation is reaching out to help other countries.

American workers and companies who contribute to the Foreign Aid Program through their taxes deserve to benefit from our national policies. In the case of the foreign aid cash transfer program, however, American businesses are being penalized. I believe it is time to change that situation.

I urge all my colleagues to join me in supporting Mr. Torricelli's amendment.

Mr. ANDERSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the amendment offered by my distinguished colleague, Mr. TORRICELLI.

From the earliest days of the Republic, our Nation has come to the assistance of those in need. The Torricelli amendment will in no way change this long tradition of generosity. This amendment would only reverse the recent trend in our Nation's foreign assistance program in favoring cash grants over commodity grants. The amendment will also assure that, in those instances when the United States provides foreign assistance in the form of cash grants, the funds will be used to purchase goods and services produced in the United States.

This amendment has attracted widespread support for numerous reasons. First, it will increase the likelihood that citizens of recipient nations will recognize the source of the assistance they are receiving. Second, it will aid American businesses, workers, and our Nation's huge trade deficit. Third, in an ERA when our constitutents are questioning the value and propriety of large expenditures for foreign aid, it will build support for our Nation's foreign aid program by generating clear benefits for our economy. Fourth, by favoring the export of U.S. farm products, it will decrease the current commodity surplus, thereby reducing the Government's huge commodity storage costs.

In addition to these general economic benefits, the amendment will strengthen our merchant marine. Traditionally, American foreign aid in the form of commodity grants has been transported on U.S.-flag vessels. However, with the increased use of cash grants, recipient nations often chose to buy commodities overseas and transport them on foreign-flag vessels. The Torricelli amendment will restore that lost cargo to American carriers.

The wisdom of this amendment is demonstrated by the widespread support it has gained. It is supported by every major maritime union and ocean carrier. It is supported by the AFL-CIO. It is supported by the national organizations representing wheatgrowers and corngrowers. It is supported by the National Council of Farmer Cooperatives, the National Cotton Council, and the Rice Millers Association.

I believe this widespread, diverse support shows the significance and worth of the amendment, and I urge my colleagues to support it.

Mr. LANTOS. Mr. Chairman, I move to strike the requisite number of words and I rise in strong support of the amendment.

Mr. ROBERTS. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment offered by the gentlewoman from Nebraska [Mrs. SMITH].

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I yield to my friend and colleague, the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, I thank my friend for yielding. I would just like to ask him a question.

As I understand the amendment, that is the cargo preference amendment, and I do not come from an agricultural district, but agricultural commodities are shipped on oceangoing vessels, so this will impact on our agricultural exports, and it will make them more costly to get the same volume, is that true?

Mr. ROBERTS. The same volume perhaps. I would inform my colleague the problem is that with the perfecting amendment of the gentleman from Montana [Mr. MARLENEE] it only refers to additional sales over normal sales. But it is those additional sales that we want to sell right now with the value of the dollar going down, and these countries, these 19 countries, represent the best possible buyers of our agriculture products.

So the gentleman's point is well taken.

Mr. HYDE. In other words, in a time of a trade deficit, that is suffocating our economy and that our friends on the other side never tire of waving in our face, this amendment will only exacerbate or increase that trade deficit because it will make it more difficult for agriculture to export its products? Is that true?

Mr. ROBERTS. I would respond to the gentleman by saying that with the 19 countries involved with this amendment, they are now purchasing $2.3 billion worth of agricultural products and $642 million of that is wheat alone. If in fact we want to increase, if we want to increase those exports, then this amendment would apply, then cargo preference applies. I would tell the gentleman then that those recipient countries will not buy grain or agriculture commodities. What they will buy is computer chips or something of that nature by plane; they will buy the grain from other sources, and that is my main concern and why we should really support the amendment of the gentlewoman from Nebraska.

Mr. HYDE. I agree with the gentleman and I thank him very much for his explanation.

Mr. MADIGAN. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I am happy to yield to my friend and colleague, the gentleman from Illinois [Mr. MADIGAN], the ranking member of the House Agriculture Committee.

Mr. MADIGAN. Mr. Chairman, I want to associate myself with the remarks of the gentleman from Kansas [Mr. ROBERTS] and the gentleman from Illinois [Mr. HYDE] in support of the amendment being offered by the gentlewoman from Nebraska [Mrs. SMITH].

A previous speaker has said that agricultural organizations support the Torricelli amendment and do not support the Smith amendment to the Torricelli amendment. As a matter of fact, major farm organizations like the American Farm Bureau and the American Soybean Association are opposed to the Torricelli amendment because they recognize that it will have a negative impact upon our ability to export agricultural commodities. And organizations like the Farm Bureau support the Smith amendment because they are concerned about the size of the budget deficit, the size of the agriculture expenditures within the deficit, and they recognize that the way we are going to deal with that is to increase our exports and Torricelli will prevent us from being able to do that.

So I would urge anyone who is concerned about the budget deficit, and anyone who is concerned about the trade deficit and interested in increasing agricultural exports to support the amendment of the gentlewoman from Nebraska [Mrs. SMITH].

I thank the gentleman for yielding.

Mr. ROBERTS. I thank the gentleman for his contribution.

Mr. Chairman, I really do not know what golden words of truth I can offer at this point that would change Members' minds, as the chairman indicated, on this issue. But I do want to speak to it at least to some degree because it affects the lifeblood of my district. We have to export two-thirds of our wheat crop.

I want to make it clear that I am for a strong U.S. merchant fleet. We have to do a better job in behalf of those folks. And I want to be a part of that partnership effort that we struck over 2 years ago when we had a portion of this debate.

That is not my point, and I know that a lot of my colleagues also are extremely concerned about this level playing field business on the entire trade picture. But let me point out that these 19 countries here purchase 10 times the amount of U.S. assistance that we are providing them. And it is the concern that the gentleman from Illinois [Mr. HYDE] raised that we should address. If the amendment of the gentleman from New Jersey [Mr. TORRICELLI] is approved here is what is going to happen, here is the practical effect: The United States will contribute $150 million in cash transfers to the Philippines. Under this amendment then the Philippines will then be mandated to purchase a matching amount of U.S. commercial exports. Now that sounds fine.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. ROBERTS] has expired.

(On request of Mrs. BENTLEY and by unanimous consent, Mr. ROBERTS was allowed to proceed for 3 additional minutes.)

Mr. ROBERTS. Further, under this amendment then the Philippines would be forced to transport 50 percent of that on U.S. merchant marine ships.

What will happen, Mr. Chairman, is this: The poor countries that we assist will continue to receive our U.S. foreign aid. They will continue to purchase U.S. exports, but the majority of the goods, in addition to what they would have purchased, and the time is right to do that for our agriculture products, they will not be commodities. They will buy computer chips, they will ship them by plane or whatever.

These countries realize if they are forced to double their transportation costs by shipping on U.S. merchant ships, and that is a dollar a bushel, they can get far more for their money if they purchase goods that can be transported by other means which are far more competitive, and then they will buy the grain from someone else.

I do not mind a strong U.S. merchant fleet, and I know we want to be fair. But I can assure my colleagues that with these 19 countries and the $642 million worth of grain, if we have any chance to sell them additional commodities with this amendment, the way it stands now, it will not happen.

Mrs. BENTLEY. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I am happy to yield to the gentlewoman from Maryland, my friend and colleague, who is about the strongest supporter and fighter for the U.S. merchant fleet that I know of, and I respect her highly for that.

Mrs. BENTLEY. I thank the gentleman and appreciate his yielding.

Mr. Chairman, I have heard remarks here this morning by the gentleman from Kansas, the gentlewoman from Nebraska, and the gentleman from Illinois about the trade deficit. And we did mention a little bit about the operating deficit that we are into.

But let us face it. If we are so concerned about the deficits, what we need to do is let us not make the cash transfers, let us keep all that money here at home and we will not have to add it into the deficit operations. But let us think of all of the deficits.

If we are going to help these countries, fine, but let us spend the bucks in America, and let us require that they are moved on American flag ships.

Mr. ROBERTS. I thank the gentlewoman from Maryland for her contribution. I have not voted for a foreign aid bill yet in the amounts they have been offered, and I respect the gentlewoman's views.

But let me point out we are spending $26 billion in income support to farmers to keep them competitive. We have an export enhancement program on the books. We have the GSM 102 program on the books. We are spending a total of $52 billion of the taxpayers' money for agriculture to get competitive, and at a time when we can make these sales over and above the sales we are making now, now is no time to go down this road.

Mr. BOULTER. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I am happy to yield to my friend, the gentleman from Texas.

Mr. BOULTER. Mr. Chairman, I appreciate the gentleman yielding.

Mr. Chairman, I just want to say that I agree with the thrust of the amendment of the gentleman from New Jersey. We ought to be encouraging the use of U.S. commodities more instead of cash transfers. We ought to use our tax dollars that we are exporting so much recently, U.S. tax dollars, we ought to be using those tax dollars for market penetration. I know that is what the gentleman is trying to do.

But it has also become clear to me during these debates that cargo preference will apply to agriculture.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. ROBERTS] has again expired.

(On request of Mr. BOULTER and by unanimous consent, Mr. ROBERTS was allowed to proceed for 1 additional minute.)

Mr. ROBERTS. Mr. Chairman, I continue to yield to my friend, the gentleman from Texas.

Mr. BOULTER. Mr. Chairman, it is also clear that cargo preference will apply to additional sales of agriculture and thus would hurt that segment of our economy and that region of our country. So, I will support the Torricelli amendment if the amendment of the gentlewoman from Nebraska [Mrs. SMITH] passes.

Mr. TORRICELLI. Mr. Chairman, will the gentleman yield?

Mr. ROBERTS. I am happy to yield to the gentleman from New Jersey, the author of the amendment, whose intent I agree with.

Mr. TORRICELLI. Mr. Chairman, the author of this amendment has tried in each way possible to assure that the cargo preference requirements of the law will apply only and solely to the cash transfer provisions in this bill. It was already written in the bill, but to assure people all the further we took the Marlenee amendment. So, it is written in stone. Cargo preference will apply only to the cash transfer provisions.

We have provided that that money will be segregated, it will be audited. We only are talking about those sales, and I know the gentleman is concerned.

Mr. ROBERTS. If I might reclaim my time just for a minute to say that this rolling stone will gather no more wheat.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. ROBERTS] has again expired.

Mr. GRANDY. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the Smith amendment.

Mr. Chairman, I yield to my colleague from Kansas [Mr. ROBERTS] for what I hope will be his concluding remarks on this subject.

Mr. ROBERTS. Mr. Chairman, I can assure the gentleman that they will be my concluding remarks. I was just using an allegory that if this were written in stone, this particular rolling stone would gather no more wheat, and I thank the gentleman for yielding.

Mr. GRANDY. Mr. Chairman, I thank the gentleman and rise in strong support of the Smith amendment which exempts agricultural products. As long as we are talking about exemptions, Mr. Chairman, I think it is probably worthwhile for this discussion to talk about what will happen to agriculture tomorrow if Gramm-Rudman kicks in or if there is some kind of summit agreement reached. Agriculture will not be exempted. There will be at least $900 million taken out of the commodity program. That will impair farm income, and everybody who lives in or near a farm district will have to go home and explain that, which we can probably do if we can use the argument that we will be able to make up the shortfall with exports.

That is the problem with the Torricelli amendment as it is presently crafted. That is the concern, that without the export mechanism, without the ability to increase those dollars through cash transfer for exports, we are not just impairing a trade policy. I agree with my colleague from Texas and my colleague from Kansas, and I think just about everybody in this Chamber agrees with the spirit of the Torricelli amendment. The problem is the implementation. The problem is the signal it sends to the market and the problem it causes to the overall language and intent of the farm bill, which is to ultimately get the Government out of farming and to allow the farmer to export his commodity and have a free flow around the world of our agricultural products.

□ 1210

However, if we cannot export them, we are going to be obliged to come back into this Chamber and increase the cost to the Farm Program, to increase the set-asides which in corn right now are 35 percent. This is already affecting the agribusiness community, the community which builds the farm equipment, hopefully, in this country, and which provides the jobs which we all are so intent on supporting. But more than that it includes and practically mandates a farm program that would ultimately be more expensive to the taxpayer and will be more heavily regulated and less export oriented. That is a direct affront to the intent of the legislation this Chamber passed 2 years ago.

So if we are going to in any way support the Torricelli amendment, then we have to consider this very important agricultural exemption. We in Iowa and Nebraska and Kansas and in the Great Plains depend for at least 30, sometimes 45 percent of our agricultural dollars to come from export markets.

Let me just say that, in closing, presently under the present cargo preference arrangement in the 1985 farm bill, cargo preference will be increased to 75 percent as of April 1, 1988. Public Law 480 is expected to move 5 million metric tons of grain of which 3.75 million metric tons are subject to cargo preference. Using USDA's conservative 30-ton cost, that result is an additional $112 million cost for cargo preference. Some people might call this a trade deficit or a trade imbalance. It may be a subsidy; that is not the point. The point is we started in 1985 on the right course; we assume it is working. We are even prepared to take some cuts in the program. But we cannot dismantle it.

I am afraid without the Smith language in the Torricelli amendment what we are really looking at here is the Long-Shoreman Enhancement Act of 1987.

Mr. DE LA GARZA. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. Chairman and my colleagues, I want to as briefly as I can try and put this debate in the proper perspective. One, I think that all of us from agriculture and rural America agree with the thrust of what Mr. TORRICELLI insists he is trying to do and that is to trace the funds, cash payment; no disagreement with that. His intention, which all of us share, if somehow the U.S. maritime industry can be assisted, we also agree.

My concern here though is that if it would be disruptive of agriculture at this point it comes at a very bad time. The 1985 act is just now coming into its own. We are just now seeing the results. The cost is coming down, the tools that we have given the farmers are beginning to work; rural America seems to be coming out of the terrible recession that it was in.

Now is not the time to mess with it. As a matter of fact, I think that we have as level a playing field as we now need, with all of the necessary tools, exporting enhancement, the safety net for the farmer, the income support, all of that is coming into play.

Regrettably, as it happens here—and I have no quarrel with it—that in another committee where the thrust is otherwise, and legitimately so, but the intention, the thrust and the expertise comes from another direction, it would have a tendency to tilt another sector of the American economy at a very difficult time.

So I would hope that we would for the time being exempt agriculture, not that we cannot keep looking at the issue, because cargo preference I think is here to stay, and I think it has a legitimate place in our Government; what I am saying is not now, not here, not while we are just coming off of our knees. Not now, because that is a problem that we have just barely—we are just barely starting to straighten out. If you tilt the playing field against us, then you would have reversed the paid and the agony of the 1985 act and the taxpayers' money that has come into it and the expectations that we have told the American people, agriculture and all who get fed by the American farmer that we would nullify by some really not intentional act but good and proper sounding activity or action in this Chamber. And I would hope that for the time being, and I commit myself and pledge that I would continue working with the gentleman, with the committee and with everyone in good faith, but that we accept this amendment for now so that we do not tilt against the unfortunates who are just now coming out of a very difficult situation.

Mr. DAUB. Mr. Chairman, I move to strike the requisite number of words and I rise in strong support of the amendment offered by my distinguished friend and colleague from Nebraska, Mrs. SMITH, which would exempt from a very well-intentioned, and one with which I have some agreement in purpose, agricultural commodities from cargo preference requirements as defined in the debate before us at this moment. I do not think it is unreasonable for those of us who are in a relationship of one to six, that is one voting Member of this body from each small State, rural State, agriculture State, have sometime when the ratio is from four to six Members who are from urban, big city, big State, and maritime coastal interests to talk about something that is very important to farming and agriculture. After nearly a 40-percent drop, farm exports are beginning to recover from the abysmally low levels of the early eighties. Cargo preference extended to the economic support fund program will help reverse this recovery which is still, as the distinguished chairman of the Committee on Agriculture just said, is still in its infancy.

A congressionally established commission on agricultural trade and export policy supports legislation "to achieve nothing less than the total exemption of all Government export programs from requirements of the cargo preference laws."

The commission's thinking is in line with the editorial boards of the New York Times, the Washington Post, and the Wall Street Journal, all of whom have written about the counterproductive nature of the cargo preference.

Now, rather then coming here to talk about a rollback of cargo preference here we are having to fight off a liberalization or an expansion of it to the economic support fund programs. Well, an old dog dressed up in new clothes, I hope, still will not hunt, because the old law does not hunt as well. Let us look at the facts. One of the reasons for such widespread opposition to the cargo preference provisions is the disastrous effect that would have on agricultural exports. It shrinks our share of agricultural markets abroad and helps to maintain price-depressing surpluses at home. It needlessly adds to the costs of taxpayer-financed storage of unsold commodities. But most importantly, cargo preference is already penalizing the world's hungry by eating up a full 10 percent of the food-for-peace budget. Unless this amendment passes, the amendment offered by the gentlewoman from Nebraska, it is going to be extended now, because of the Marlenee amendment, and I think everyone ought to look at it carefully, because of the Marlenee amendment, the gentleman from Kansas [Mr. ROBERTS] is right, it will apply only to sales over and above current levels, which means that this amendment, as well-intentioned as it is, without the gentlewoman's amendment, will depress the ability of pricing which will make our agricultural products less saleable overseas.

So for those reasons, Mr. Chairman, I say to my colleagues that time for cargo preference has passed. But if we are going to have to deal with it for the time being, let us exempt rural agricultural commodities and let people who ship steel and machine tools and gloves and automobiles and other items have the benefit of those buy-America dollars. For now that, I think, will be a very good result. It certainly will be a favor to the farmers of the country, the taxpayers of the United States, foreign policy by adopting the very distinguished gentlewoman's amendment, the gentlewoman from Nebraska.

I thank my colleagues for their time.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think it is quite obvious that it is in the best interest of this country that the gentlewoman from Nebraska's amendment be adopted. But in a sense we are talking about two aggrieved interests here, one which is trying to impose an uneconomical service on the rest of the country and people outside of the country, that is the maritime interests; and the farm interests which say, "OK, do the worst thing that you can do but include me out. Let everybody else pay the cost of this foolish amendment."

Now the points that the agriculture interests are making are dead right, and they will be the No. 1 purple-hearted martyred victim of the amendment of the gentleman from New Jersey because their products will bear the extra cost of the uneconomical ocean freight that will be required.

But, Mr. Chairman, we should not stop with agriculture. Clearly if this amendment is bad for agriculture it is bad for everybody else except the people who are employed in the maritime industry or who are owners in the maritime industry because it forces our country and others, that is sellers in our country and buyers in other countries, to buy an uneconomical service which results in less agricultural sales and less sales of everything else.

Mr. Chairman, I have supported each one of these kinds of bills over the years. They are the least attractive to our constituents. They have no constituency in the United States. Yet we must have a foreign aid program. But I am not going to vote for any bill that has a Torricelli amendment.

I urge approval of the Smith amendment and defeat of the amendment of the gentleman from New Jersey.

Mrs. BENTLEY. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the gentlewoman's amendment.

I would just like to get some facts straight here. First of all, we are going to have these cash transfers. This is additional money, because our Government is going to be very generous and make this money available to those nations overseas. So therefore, the recipients, the beneficiaries should be the people in this country, whether it is agriculture—and I do not oppose that, I am all for it—or whether it is the maritime. That is additional. It is not commercial transactions, which has been mixed up here. I also heard the chairman of the Committee on Agriculture, for whom I have the greatest respect, talk about the depressed industry, the depressed agricultural industry just coming around. Well, just this past weekend I read a report from the President's Commission on the Merchant Marine and that Presidential commission said about the condition of the American merchant marine that we would not be able to sustain even a 30-day war because of the depressed condition of that industry. And we need ships and ships need cargoes. The gentlewoman from Nebraska's amendment would take away from our fleet one of the largest sources of cargo.

The amount of grain we are talking about under this bill is extremely important to the U.S. merchant fleet but it is only a drop in the bucket in relation to the total commercial exports of agricultural products.

For example, in 1984—the latest figures I have—2.2 percent of the total U.S. agriculture exports were the result of Government donations and were shipped on U.S.-flag vessels. That means just a little more than 3 million tons out of almost 145 million tons that were sent overseas went on U.S. ships.

We have to keep these figures in mind. We are not talking about any commercial exports in this bill. We are only talking about giveaway exports. We are not talking about affecting the prices for U.S. commercial agriculture exports. The higher shipping costs for the giveaway exports are paid by the U.S. Government, not the receiving nation.

Our foreign aid programs are designed to help other nations of the world. At the same time they should help American businesses—farmers, industries, and the merchant marine. We should be sending American products overseas.

If all we were interested in doing was just feeding the hungry people of the world, we would take our foreign aid money and buy foreign crops—Argentine wheat, for example, since it costs so much less than United States produced wheat—and give them to the foreign governments. If we did that it would produce a lot more food but it would not help any American farmers, businesses, or maritime companies. I do not think that is the way we want to run our foreign aid program.

Mr. Chairman, eliminating the cargo preference requirement for our agricultural donation commodities is wrong. It is shortsighted because it would hurt a major sector of our national industry—the U.S.-flag merchant marine. It is not good fiscal policy because it will require the expenditure of more Federal funds to support additional sealift vessels instead of having them supported by carrying these Government cargoes. It also needs to be kept in mind that the agricultural products we are talking about are, in part, the result of the enormous Federal subsidies to our agriculture sector—over $25 billion last year. Compare that to the Federal operating-differential subsidy for our merchant fleet—$320 million last year.

I urge my colleagues to join me in defeating this amendment. We must think about how it will hurt the U.S. merchant fleet but not help the agricultural sector because it involves such a tiny fraction of our total agricultural exports. This is a bad amendment.

□ 1225

Mr. FASCELL. Mr. Chairman, I ask unanimous consent that all debate on the Torricelli amendment and the Smith amendment, and any amendments thereto, cease in 20 minutes, with 10 minutes for the proponents and 10 minutes for the opponents.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SCHUETTE. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the Smith amendment because the focus here this afternoon is on exports and to try to move American grain and to recapture markets that we lost through misapplied policies in years past.

I have no quarrel and no animosity toward the maritime unions and the maritime industry. In fact, I believe we need to have a strong maritime industry in this country. But let us not do that at the cost of American agriculture. Frankly, we have seen American exports dead in the water.

This amendment offered today by the gentlewoman from Nebraska [Mrs. SMITH] is an effort to move our products and exempt agricultural products from cargo preference. We have seen the heartland of America going through a tough time—rural communities, downtowns, hardware stores, and farms. Let us give American farmers the opportunity to move their grain and make additional sales with the dollar dropping. This is an opportune time to give that portion of the economy encouragement. It is time to encourage American farmers, men and women in production in agriculture, and give them the opportunity to move their grain. I say, let us give a helping hand to our farmers in the export market and support the Smith amendment.

Mr. LIGHTFOOT. Mr. Chairman, will the gentleman yield?

Mr. SCHUETTE. I yield to the gentleman from Iowa.

Mr. Chairman, I thank the gentleman for yielding.

I had a real nice, fancy statement that I was going to give, but after listening to everything that has been said today, I think I will throw it away and try to focus on where we are in this debate.

The distinguished chairman of Agriculture Committee, I think, did a very eloquent job of representing the situation as we see it in agricultural America. The gentlewoman from Maryland

[Mrs. BENTLEY] has represented the shipping interests.

That is what bothers me as we look at this. If we blow the smoke away from some of the flames and we get down to the embers, that is what is actually making this whole issue burn, and once again we have pitted one segment of America against another segment of America to try to come up with a subsidy for a group.

So why do we not just call this thing what it really is, a subsidy for the maritime industry, and present it in that particular light instead of trying to fight one against the other all the way through?

We debated this in the 1985 farm bill, we are debating it again here today, and really I think that is what it boils down to. The facts that the gentleman from Kansas [Mr. ROBERTS] presented show that many of these countries are 10 times over what we are talking about.

I commend the gentleman from New Jersey [Mr. TORRICELLI] for the intent of his amendment because I think the expansion of exports, be they agricultural or commercial, is the direction this country needs to go, and not with some of the protectionist ideas we are talking about.

So, therefore, I urge the Members to support the amendment offered by the gentlewoman from Nebraska [Mrs. SMITH].

That is the only thing we can support at this point in time. I think it is time that we called a spade a spade. As I see it, we are talking about a subsidy for the maritime industry, and this is a convoluted way to get it.

Mr. SCHUETTE. Mr. Chairman, I thank the gentleman from Iowa [Mr. LIGHTFOOT] for his comments.

In closing, Mr. Chairman, I say that we should support the amendment offered by the gentlewoman from Nebraska [Mrs. SMITH] to help the American farmer.

Let us move our grain and encourage exports in this country.

The CHAIRMAN. The Chair wishes to inform the Members that the gentleman from Michigan [Mr. SCHUETTE] has consumed 3 minutes of the 10 minutes designed for this side speaking on behalf of the Smith of Nebraska amendment.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Florida [Mr. SMITH] is recognized for 5 minutes.

Mr. SMITH of Florida. Mr. Chairman, I rise today in support of the amendment offered by the gentleman from New Jersey [Mr. TORRICELLI] and in opposition to the amendment offered by the gentlewoman from Nebraska [Mrs. SMITH], and I wish to commend the gentleman from New Jersey for his timeliness in reintroducing this amendment, which differs somewhat from the amendment that currently exists in the foreign aid bill.

America's Foreign Aid Program is the most generous foreign aid program in the world today, and rightly so. The United States has achieved a status in terms of power unparalleled in world history. Guided by the lofty morals of the American people, this Nation has committed tremendous resources to the development of the international community, which means there has been a development of America's ability to sell goods overseas.

In tandem with fostering international development, our Foreign Aid Program has made the world safer for Americans and more conducive to our economic and political goals. Yet if we are to sustain a viable and effective Foreign Aid Program, the economic foundation of our own country must remain robust and expanding.

There is a bit of irony in this debate today, as the draconian sword of Gramm-Rudman in less than 2 days may slice away a $23 billion appendage from the American body politic. If Gramm-Rudman is implemented, function 150, the foreign aid account, will inevitably absorb its share of the cuts. Yet the enactment of creative legislation such as the Torricelli amendment in the foreign aid and other budget accounts could have contributed to a less severe economic condition than we find ourselves in today.

On a purely economic level, I cannot think of an acceptable rationale for a foreign country which receives foreign aid from the United States, certainly especially in the form of cash transfers, to expend our money, this cash transfer money, on goods and services produced by other nations when U.S. producers are available and at very comparable and competitive prices.

The Torricelli amendment gets to the heart of this issue. Very simply, it requires those countries receiving cash transfers from the United States to use at least the amount of these funds to purchase U.S. goods and services. There is a very obvious symmetry in this proposition. Beyond the amendment's implicit logic, however, Congress must accept the economic reality of unprecedented budget and trade deficits and begin to ask legitimate returns in response to our generosity in these many years of sharing America's largess with many countries around the world.

This amendment, the Torricelli amendment, I might add, is sensitive to those countries whose precarious economic plight, low level of foreign aid receipts, or existing cooperation provides them with an exemption. Also the President is given the authority to waive the requirements of the Torricelli amendment when it is determined to be in the best interests of the Nation.

Enactment of this amendment would also contribute to reducing the dichotomy that exists in the cash transfer aspect of our foreign policy. Let us consider the existing situation. On the one hand, we contribute billions of dollars every fiscal year to numerous foreign governments explicitly to assist them in nation-building and security. On the other hand, these same countries turn around and kick us in our Achilles heel—the trade and budget deficit—by taking our cash and purchasing foreign products.

When will we cease chasing our tails? The second half of the Torricelli amendment deals with the use of American ship bottoms.

☐ 1235

We have heard an awful lot of demagoguery here today from the agricultural interests of this country which have been served over the years by this Congress.

This Congress has bestowed on the agricultural community in this country more largesse than any other community in the United States, more Government programs, more subsidies.

Some of the Members who are opposed to the Torricelli amendment have given us the litany of programs that they receive as largesse from the Federal Government, and I voted for them.

It is important to keep the agricultural community alive and well in this country, and so they have these; but mention that another piece of our community, mention that another segment of our society is going to get something that the farmers are not ready to accede to, and the cry goes up, and 30 or 40 members come here screaming about the fact that this may impact on them.

What about all the people that have jobs in the maritime community that have lost them, because they cannot compete? Where are they?

The CHAIRMAN. The time of the gentleman from Florida [Mr. SMITH] has expired.

Mr. SMITH of Florida. Where are they when the merchant marine asks for more money, and it is not voted?

Finally, let us come to grips with reality. Just how do we ship all of these American products when third countries buy them anyway? The countries who are buying them, they do not. Most of these countries that buy the products from America ship them on third-party carriers, not even their own countries', and not only is the United States losing out by having them buy commodities from other countries with our money, then they ship them on other countries' bottoms, not even the country they are buying the commodities from, because some of these countries do not have a merchant marine either.

It is disgraceful, and for farmers to complain about another segment of the economy trying to be involved in overall American building of economy strikes me as very disingenuous.

I ask every Member to consider that when voting against the amendment of the gentlewoman from Nebraska, and for the Torricelli amendment.

Mr. BEREUTER. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for yielding.

Equity is the issue at stake in these amendments and the amendments thereto. Equity in our Foreign Aid Program in assuring that the needy people overseas in hungry lands that are deprived of sufficient food to feed their people will have the food they need, and equity for American farmers who produce the bounty that has saved the starving world for decades, that if it is American dollars that are going to help needy people overseas, the needy farmer at home should benefit just as much.

In the shipping of those goods, as the preceding Member so eloquently said, it should be American vessels, American maritime personnel who will benefit from that largesse of the American taxpayer to the needy overseas.

As part of that effort, all port ranges in the United States should benefit, including the Great Lakes, the fourth seacoast of the United States.

This gentleman has been one of the strongest supporters of cargo preference in my service on the Committee on Merchant Marine and Fisheries, even when it was not a popular issue in my own district.

I cannot support cargo preference when the American flags will not call on Great Lakes ports. If they will not be equitable to the Nation's fourth seacoast, where 45 percent of the Nation's agriculture is produced, then they have no standing with this gentleman. That is the issue that is at stake.

I have pleaded, and the gentleman from Wisconsin and I have pleaded with maritime interests to do something to provide equity, to sustain jobs that are necessary in the ports of Duluth, Green Bay, Superior, Milwaukee, and Chicago, and Toledo, and all through the Great Lakes; but they have not done it.

Those flags have stayed away from the Great Lakes. When cargo was there, when opportunity, when specific support subsidies were available for them, and I cannot support that kind of turning my back on equity. I urge support of the Smith amendment.

Mr. BEREUTER. Mr. Chairman, I yield 2 minutes to the gentleman from Wisconsin [Mr. OBEY].

Mr. OBEY. Mr. Chairman, I thank the gentleman for yielding me this time.

Just to respond to the remarks made by the gentleman from Florida about agriculture, I would simply ask the gentleman, or any other Member on this floor, to name another sector of the American economy which has suffered a 30-percent collapse over the past 8 years.

Do not measure the welfare of farmers by the degree of Federal aid farm bills, because the programs that are in place that deal with farmers today are ridiculous and stupid and outmoded, and farmers would be better off if they were totally blown up and we started over.

Under President Carter we never exceeded more than $4 billion a year in aid to farmers, and farmers were a whole lot better off than they are today, because they were getting a decent price in the market.

We now have a totally different agricultural program in this country which is trying to drive down the price that farmers get in order to export abroad.

When you couple that with the kind of excruciating interest rates that they have experienced in the last few years, you have literally driven one-third of the value of the American rural economy down the drain. So I do not need any lectures from any Member on this floor about what farmers are getting from the Government.

They are getting a euchering, that is what they are getting; and it is about time urban Members recognize that.

The second thing I want to say is simply this: There is not a Member of this House who has had a more strong relationship with the representatives of the working people in this country through the years than I have. I have an 87-percent lifetime voting record in support of AFL-CIO. If somebody wants that to be higher, then by God they had better demonstrate they care about my region of the country.

As the gentleman from Minnesota indicates, when they insist on following policies that say we are going to cut out from shipping the Great Lakes ports, because you cannot get American bottoms into those Great Lakes, you better take a look at the problem again.

Mr. TORRICELLI. Mr. Chairman, I yield myself such time as I may consume.

I want for only a moment, having offered this amendment, to tell the Members something that is probably obvious about my district.

We do not grow any corn, any cotton, and we do not grow any wheat.

I offered this amendment, and I did so because in hard times when people are hard pressed to pay on their loans and their taxes, it is wrong that American money is being used in foreign assistance to buy foreign wheat, corn, and cotton.

Say what you will, but the simple reality is that today that $2 billion in cash assistance is not coming home. It is not that I do not believe in the program, because I do. Unlike most of the Members who spoke here today, I will vote for this foreign assistance plan, but I believe that supplying American grain and corn is just as humane as giving American money to buy Argentine grain or corn.

One more thing, I began this debate by saying what I was really offering was a dose of economic reality. Does any Member here really believe that the Japanese foreign assistance program suggests to developing nations, here are yen, buy what you will.

Ninety-five percent tied, or the German program, or the British program, is any of that money coming back to American farmers or manufacturers? The Members know the truth of the matter that some Members who represent agricultural interests here today have not supported my amendment, but to those Members who have not spoken but who do support it, let me remind those Members that my amendment is also supported by the wheat growers, the cotton council, the rice millers and others; and they support it because of one thing that has not been understood on this floor.

We are not sacrificing the chance of some of those $2 billion in sales. We have none of that $2 billion in sales.

We are not risking anything. It is going elsewhere.

Let me suggest to the Members two examples, two big American foreign assistance programs: Egypt. The United States supplies $1.4 billion in bilateral aid, and 78 percent of all the assistance going to Egypt.

France is supplying 2 percent, and Italy 2 percent; and yet what is the United States getting in grain sales that you are so desperately trying to hold on to?

France is getting 38 percent of all sales. The United States is getting 24 percent of all sales. The Egyptian Government is taking the money of your farmers and buying French wheat. In the Philippines it is not any different.

Imports from the United States have decreased by 89 percent, and where has it gone? German, Australian, and Japanese sales.

I know the Members want to think they represent the interests of American farmers. The Members are representing the interests of farmers, but they are not American, and let me tell the Members one other thing about my district.

We do not have farmers, and I have no shippers either. It is not a maritime area.

I offered this amendment as a national concern, not a regional concern. The maritime industry of America is in collapse. It lost 50 percent of all ships since 1970.

We will lose another 50 percent in the next decade.

The Members like America as a global power; and the Members are concerned about our naval presence and safety in the Persian Gulf. You want to make sure we can resupply NATO?

Come here, and vote for a strong Navy, do not bother. This is a national amendment to support agriculture and maritime.

I urge defeat of the Smith amendment, and I urge the Members to support my amendment.

Mr. BEREUTER. Mr. Chairman, I yield myself the balance of my time.

I rise in strong support of the Smith amendment and in opposition to the Torricelli amendment as it stands.

I hope that the Members will remember the cogent remarks of the chairman and ranking member of the Committee on Agriculture, and the colloquy between the gentleman from Kansas [Mr. ROBERTS] and the gentleman from Illinois [Mr. HYDE], and the strong supporting comments for the Smith amendment offered by the gentleman from Wisconsin [Mr. OBEY], and the gentleman from Minnesota [Mr. OBERSTAR], who spoke of the need for equitable treatment.

I hope the Members also will remember that those of the Members that support the Smith amendment are not picking a fight with the U.S. merchant marine.

□ 1250

That is not the situation at all. I would say that when we take a look at cash transfers, there are only two nations in the entire world that buy less products from the United States than the amount of the cash transfers they receive from the United States and they are very small nations in the continent of Africa.

When the gentleman from New Jersey talks about the Egyptian sales, he gives you total sales, but what he does not say is that in terms of agricultural sales Egypt is one of our largest purchasers of American agricultural products, $261 million in wheat sales last year.

Almost all of the major 19 countries, in fact, are buying 5, 10, even 20 times as much wheat or grain of one sort or another than they are receiving in cash transfers from the United States. And last year under the cargo preference requirements of Public Law 480 the additional or supplementary costs of moving that grain on American bottoms was $112 million; so that is about a quarter of a billion dollars in total transportation costs for cargo preference. Those dollars were thus not spent on products that are grown in America and sold for the Public Law 480 programs. Again that is supplementary cost of $112 million that went to the U.S. merchant marine companies. That is $112 million more, on average, to send the grain on American products than on foreign shipping.

No, as a matter of fact, we are not opposed to helping the merchant marine, but the fallacy of the argument and the reason we are not presenting disingenuous arguments, as the gentleman from Florida [Mr. SMITH] indicated, is that the additional sales or cash transfer will not come to the United States anyway under the Torricelli amendment. Because of those additional costs, it will make the cost of American grain products and soybeans more expensive than our competitors, and those sales will go to Australia, to France, to Canada, and to serveral other competitors.

So the passage of the Torricelli amendment, Mr. Chairman, without the Smith perfecting amendment is in effect shooting ourselves in the foot.

Mr. Chairman, I urge my colleagues to vote for the Smith perfecting amendment.

Mr. WEBER. Mr. Chairman, I rise in support of the Smith amendment, to exempt agricultural commodities from the cargo preference requirements of this measure.

If legislation had to comply with the Truth-in-Labeling Act, the Torricelli amendment would be called the Cargo Preference Expansion Act of 1987. As it stands, this amendment would not increase our exports; it would not stimulate demand for American products in developing countries. Its only practical effect would be to increase the hidden subsidy known as cargo preference, with the inevitable result of lower U.S. exports.

Cargo preference is an indefensible subsidy to an industry that cannot compete. U.S. flagships maintain freight rates that are two to four times above the world price. When we force our customers to pay these exorbitant freight rates, or when we drain funds from assistance programs to pay that subsidy ourselves, we reduce our agricultural exports.

In 1982, that subsidy amounted to $52,000 per sailor. It has continued to rise. Instead of exporting agricultural commodities and providing food relief, we are shoveling out a hidden subsidy of $100 million to the maritime industry. The Torricelli amendment, under the guise of increasing exports, only expands that parasitical subsidy.

Look at the facts. The Torricelli amendment will not stimulate increased exports to countries that get assistance. In 1987, all the affected countries already bought more in American products than the value of their cash transfer. Major recipients like Egypt, the Philippines, and Turkey bought more in agricultural commodities alone than they received in cash transfer payments. This amendment won't force them to buy more. It will only force them to ship those products on American flagships, and pay twice as much for freight.

As a result, an amendment promising to increase agricultural exports will actually undercut those exports. Our customers will not purchase U.S. goods that carry a high price tag for freight. They'll find it easy enough to shift their agricultural purchases to suppliers like the European Community, which doesn't sink its agricultural exports with exorbitant freight charges.

This provision also threatens to lead to a sweeping expansion of the Cargo Preference Program. Traditionally, cargo preference has been confined to direct assistance programs, or federally impelled cargoes. This amendment, for the first time, expands cargo preference to commercial cargo. We're not talking about food relief anymore. We're talking about a wide range of commercial purchases, totaling $1.1 billion in 1987. We're opening the lid on a very deep Pandora's box.

In addition, we are lifting the cap on cargo preference that rural lawmakers like myself insisted on as part of the 1985 compromise agreement on cargo preference.

In the 1985 farm bill, cargo preference requirements were expanded to 75 percent for food donation programs like Food for Peace. In return, all other assistance programs were specifically exempted. That increase to 75 percent drained money that would have boosted exports, and it diverted exports away from ports on the Great Lakes that already are plagued by a lack of U.S. flagships. It did, however, rule out a further expansion of the program.

This amendment reneges on that deal and expands cargo preference to over $1 billion in commercial cargo.

All of us want to increase agricultural exports, but we won't do that if we let an expansion of cargo preference masquerade as a pro-export provision. It would have the opposite effect.

It's time for some truth in labeling and some commonsense in trade policy. We need to protect our agricultural exports by not approving a Cargo Preference Expansion Act. I urge the adoption of the Smith amendment.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentlewoman from Nebraska [Mrs. SMITH] to the amendment offered by the gentleman from New Jersey [Mr. TORRICELLI], as amended.

The question was taken, and on a division (demanded by Mrs. SMITH of Nebraska) there were—ayes 18; noes 14.

RECORDED VOTE

Mr. TORRICELLI. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 225, noes 192, not voting 16, as follows:

[Roll No. 441]

AYES—225

Akaka
Alexander
Andrews
Anthony
Archer
Armey
Aspin
Atkins
Baker
Ballenger
Barnard
Bartlett
Barton
Bates
Beilenson
Bereuter
Berman
Bevill
Bilirakis
Bliley
Boucher
Boulter
Brooks
Broomfield

Brown (CA)
Brown (CO)
Bruce
Buechner
Bunning
Burton
Bustamante
Byron
Campbell
Chandler
Cheney
Coats
Coble
Coelho
Coleman (MO)
Combest
Conte
Cooper
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
de la Garza
DeLay
Derrick
DeWine
Dickinson
Dorgan (ND)
Dreier
Durbin
Eckart
Edwards (OK)
Emerson
English
Espy
Evans
Fawell
Fazio
Fish
Flippo
Frank
Frenzel
Frost
Gallegly
Gekas
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gradison
Grandy
Grant
Gregg
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Hastert
Hatcher
Hayes (LA)
Hefner
Henry

Hiler
Hopkins
Horton
Huckaby
Hutto
Hyde
Inhofe
Ireland
Jacobs
Jeffords
Jenkins
Johnson (SD)
Jones (TN)
Jontz
Kaptur
Kasich
Kastenmeier
Kennelly
Kleczka
Kolbe
Kyl
LaFalce
Lagomarsino
Lancaster
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lott
Lukens, Donald
Lungren
Madigan
Marlenee
Martin (IL)
Mazzoli
McCandless
McCloskey
McCollum
McEwen
McMillan (NC)
Meyers
Michel
Miller (OH)
Montgomery
Moody
Moorhead
Morella
Morrison (WA)
Myers
Nagle
Natcher
Neal
Nichols
Nielson
Oberstar
Obey
Olin
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease

Penny
Petri
Pickle
Porter
Pursell
Ray
Regula
Rhodes
Richardson
Roberts
Roemer
Rogers
Rose
Rostenkowski
Roth
Rowland (CT)
Rowland (GA)
Sabo
Sawyer
Scheuer
Schroeder
Schuette
Sensenbrenner
Sharp
Shuster
Sikorski
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (IA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (OR)
Spratt
Stallings
Stangeland
Stenholm
Stump
Swindall
Tauke
Taylor
Thomas (CA)
Thomas (GA)
Traxler
Upton
Valentine
Vento
Visclosky
Volkmer
Vucanovich
Walker
Watkins
Waxman
Weber
Whittaker
Whitten
Williams
Wolf
Wolpe
Wylie
Yates
Young (FL)

NOES—192

Ackerman
Anderson
Annunzio
Applegate
AuCoin
Badham
Bateman
Bennett
Bentley
Bilbray
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boxer
Brennan
Bryant
Callahan
Cardin
Carper
Chapman
Clarke

Clay
Clinger
Coleman (TX)
Collins
Conyers
Coughlin
Coyne
Crockett
Davis (MI)
DeFazio
Dellums
Dicks
DioGuardi
Dixon
Donnelly
Dornan (CA)
Downey
Duncan
Dwyer
Dyson
Early
Edwards (CA)
Erdreich
Fascell
Feighan

Fields
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Gray (IL)
Gray (PA)
Green
Guarini
Harris
Hawkins
Hayes (IL)
Hefley
Herger
Hertel
Hochbrueckner
Holloway
Houghton

Howard
Hoyer
Hubbard
Hughes
Hunter
Johnson (CT)
Jones (NC)
Kanjorski
Kennedy
Kildee
Kolter
Konnyu
Kostmayer
Lantos
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Mack
MacKay
Manton
Markey
Martin (NY)
Martinez
Mavroules
McGrath
McHugh
McMillen (MD)
Mfume
Miller (CA)
Miller (WA)
Moakley

Molinari
Mollohan
Morrison (CT)
Mrazek
Murphy
Murtha
Nelson
Nowak
Oakar
Ortiz
Owens (NY)
Owens (UT)
Pelosi
Pepper
Perkins
Pickett
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Ravenel
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Roukema
Roybal
Russo
Saiki
Savage
Saxton
Schaefer
Schneider
Schulze
Schumer
Shaw
Shays

Shumway
Sisisky
Skaggs
Smith (FL)
Smith (NJ)
Smith, Robert (NH)
Snowe
Solarz
Solomon
Spence
St Germain
Staggers
Stark
Stokes
Stratton
Studds
Sundquist
Sweeney
Swift
Synar
Tallon
Tauzin
Torricelli
Towns
Traficant
Udall
Vander Jagt
Walgren
Weiss
Weldon
Wheat
Wilson
Wise
Wortley
Wyden
Yatron
Young (AK)

NOT VOTING—16

Biaggi
Carr
Chappell
Courter
Dingell
Dowdy

Dymally
Flake
Gephardt
Kemp
Matsui
McCurdy

McDade
Mica
Mineta
Torres

☐ 1305

Messrs. CALLAHAN, LIPINSKI, MARKEY, RANGEL, CONYERS, and HERGER changed their votes from "aye" to "no."

Messrs. INHOFE, KASICH, EVANS, and SAWYER, Mrs. BYRON, and Messrs. COELHO, HAMMERSCHMIDT, WAXMAN, and SWINDALL changed their votes from "no" to "aye."

So the amendment to the amendment as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Jersey [Mr. TORRICELLI], as amended.

The question was taken.

RECORDED VOTE

Mr. FRENZEL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 350, noes 66, not voting 17, as follows:

[Roll No. 442]

AYES—350

Ackerman
Akaka
Alexander
Andrews
Annunzio
Anthony
Applegate
Aspin

AuCoin
Baker
Ballenger
Barton
Bateman
Bates
Bennett
Bentley

Bereuter
Bevill
Bilbray
Billey
Boehlert
Boggs
Boland
Bonior

Bonker
Borski
Bosco
Boulter
Boxer
Brennan
Brooks
Brown (CA)
Brown (CO)
Bruce
Bryant
Bunning
Bustamante
Byron
Callahan
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Cheney
Clarke
Clay
Clinger
Coats
Coble
Coelho
Coleman (MO)
Coleman (TX)
Collins
Combest
Conte
Conyers
Cooper
Coughlin
Coyne
Craig
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dickinson
Dicks
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Downey
Dreier
Duncan
Durbin
Dwyer
Dyson
Early
Eckart
Edwards (CA)
Emerson
English
Erdreich
Espy
Evans
Fascell
Fazio
Feighan
Fields
Fish
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Grandy
Grant
Gray (IL)
Gray (PA)
Guarini

Gunderson
Hall (TX)
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hiler
Hochbrueckner
Holloway
Hopkins
Horton
Howard
Hoyer
Hubbard
Huckaby
Hughes
Hunter
Hutto
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolter
Konnyu
Kostmayer
Lancaster
Lantos
Latta
Leach (IA)
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (GA)
Lightfoot
Lipinski
Livingston
Lloyd
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
Markey
Marlenee
Martin (IL)
Martin (NY)
Mavroules
Mazzoli
McCloskey
McEwen
McGrath
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Miller (CA)
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moody
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle

Natcher
Neal
Nelson
Nichols
Nowak
Oberstar
Ortiz
Owens (NY)
Owens (UT)
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Pickett
Pickle
Price (IL)
Price (NC)
Pursell
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Richardson
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Roemer
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Schaefer
Scheuer
Schneider
Schroeder
Schuette
Schulze
Schumer
Sensenbrenner
Shaw
Shays
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Solomon
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stenholm
Stokes
Stratton
Studds
Sundquist
Sweeney

Swift
Swindall
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Thomas (GA)
Torricelli
Towns
Traficant
Traxler
Udall
Upton
Valentine
Vander Jagt
Vento
Volkmer
Walgren
Walker
Watkins
Waxman
Weber
Weiss
Weldon
Wheat
Whittaker
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Wylie
Yates
Yatron
Young (AK)
Young (FL)

NOES—66

Anderson
Archer
Armey
Atkins
Badham
Barnard
Bartlett
Beilenson
Berman
Bilirakis
Boucher
Broomfield
Buechner
Burton
Crane
DeLay
DeWine
Dornan (CA)
Edwards (OK)
Fawell
Frank
Frenzel
Gallegly
Gibbons
Gradison
Green
Gregg
Hall (OH)
Hamilton
Hansen
Hastert
Houghton
Hyde
Inhofe
Ireland
Kolbe
Kyl
LaFalce
Lagomarsino
Lewis (FL)
MacKay
Madigan
Manton
Martinez
Matsui
McCandless
McCollum
McHugh
Michel
Moorhead
Morella
Morrison (CT)
Nielson
Obey
Olin
Oxley
Petri
Porter
Rhodes
Roth
Shumway
Smith, Denny (OR)
Stump
Synar
Visclosky
Vucanovich

NOT VOTING—17

Biaggi
Chappell
Courter
Crockett
Dingell
Dowdy
Dymally
Flake
Gephardt
Kemp
McCurdy
McDade
Mica
Mineta
Oakar
Sharp
Torres

□ 1330

Mr. GUNDERSON changed his vote from "no" to "aye."

So the amendment, as amended, was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to title II?

The Clerk will designate title III.

The text of title III is as follows:

TITLE III—DEVELOPMENT ASSISTANCE

SEC. 301. AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION.

(a) Authorizations of Appropriations.—The first sentence of section 103(a)(2) of the Foreign Assistance Act of 1961 is amended to read as follows: "There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $471,612,000 for fiscal year 1988 and $471,612,000 for fiscal year 1989.".

(b) Protecting United States Agricultural Exports.—Section 103 of that Act is amended by adding at the end the following:

"(i) None of the funds made available to carry out this chapter shall be available for any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training in connection with the growth or production in a foreign country of an agricultural commodity for export which would compete with a similar commodity grown or produced in the United States. This subsection shall not prohibit—

"(1) activities designed to increase food security in developing countries where such activities will not have a significant impact in the export of agricultural commodities of the United States; or

"(2) research activities intended primarily to benefit American producers."

SEC. 302. CHILD SURVIVAL FUND.

(a) Authorization.—Section 104(c)(2)(B) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(B)(i) Not less than $80,000,000 for fiscal year 1988 and not less than $90,000,000 for fiscal year 1989 shall be used for activities described in subparagraph (A) which are carried out with funds made available under this subsection and chapter 7 of this part.

"(ii) There are authorized to be appropriated to the President $66,000,000 for fiscal year 1988 and $76,000,000 for fiscal year 1989 for use in carrying out subparagraph (A), which are in addition to amounts otherwise available for that purpose and which are authorized to remain available until expended.".

(b) Conforming Amendment.—Section 104(c)(2)(C) of that Act is amended by striking out "Appropriations" and inserting in lieu thereof "Funds made available".

(c) Use of Funds To Reimburse Medical Personnel Detailed to AID.—Section 104(c)(2)(A) of that Act is amended by adding at the end the following: "Funds authorized to be appropriated to carry out the purposes of this subsection may be used to reimburse the United States Public Health Service or the Centers for Disease Control for the full cost of Public Health Service employees detailed or assigned to the agency primarily responsible for administering this part for the purpose of carrying out activities authorized by this paragraph.".

(d) Restrictions on Assistance Not Applicable.—Section 104(c)(2) of that Act is amended by adding at the end the following:

"(D) Except as provided in this section, assistance provided under this paragraph may be made available notwithstanding any other provision of this Act (other than subsections (a), (f), and (t) of section 620 and section 620A) or any other Act.".

(e) Effective Date.—The amendments made by subsections (c) and (d) do not apply with respect to funds appropriated prior to the date of enactment of this Act.

SEC. 303. POPULATION AND HEALTH.

(a) Authorizations of Appropriations.—Section 104(g)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(A) $223,724,000 for fiscal year 1988 and $223,724,000 for fiscal year 1989 to carry out subsection (b) of this section (relating to assistance for population planning); and

"(B) $143,161,000 for fiscal year 1988 and $143,161,000 for fiscal year 1989 to carry out subsection (c) of this section (relating to assistance for health and disease prevention).".

(b) Family Planning Projects.—Section 104(c) of that Act is amended by adding at the end the following:

"(4) In order to reduce reliance on abortion in developing countries, funds shall be available under this part only to voluntary family planning projects which offer, either directly or through referral to or information about access to, a broad range of family planning methods and services. In awarding grants for natural family planning under this part, no applicant shall be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning; and, additionally, all such applicants shall comply with the requirements of the first sentence of this paragraph.".

SEC. 304. EDUCATION AND HUMAN RESOURCES DEVELOPMENT.

(a) Authorizations of Appropriations.—Section 105(a) of the Foreign Assistance Act of 1961 is amended by striking out the second sentence and inserting in lieu thereof the following: "There are authorized to be appropriated to the President for the purposes of this section, in addition to funds otherwise available for such purposes, $122,699,000 for fiscal year 1988 and $122,699,000 for fiscal year 1989. Funds appropriated under this subsection are authorized to remain available until expended.".

(b) Global Basic Education Enhancement.—

(1) Findings.—The Congress makes the following findings:

(A) Basic education, which includes primary education for children and literacy training for adults, is necessary to promote the social and economic development of people and nations, developing the necessary knowledge, skills, and productive capacities of the workforce.

(B) Basic education increases the effectiveness of investments in other development sectors. The poorer the country, the higher the payoff for teaching its citizens to read, write, and perform basic arithmetic skills.

(C) Improvements in educational levels, particularly of women, are strongly associated with increasing agricultural productivity, improving nutritional status, declining infant and child mortality, and slowing population growth.

(D) Literacy rates in many countries which receive assistance from the Agency for International Development are very low.

(E) The Congress authorizes the appropriation of funds to the Agency for International Development under section 105 of the Foreign Assistance Act of 1961 in order "to reduce illiteracy, to extend basic education, and to increase manpower training in skills related to development".

(F) As a percentage of development assistance funding for education, funding for basic education enhancement has been declining in recent years.

(G) The Agency for International Development could have a substantial role in improving the efficiency and cost-effectiveness of educational systems in developing countries if more resources were directed toward enhancing basic education.

(2) Funding for Basic Education in Developing Countries.—Section 105 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(c) Not less than 30 percent of funds authorized to be appropriated to carry out this section each fiscal year shall be available only for programs whose effect is to reduce illiteracy and extend basic education. Basic education can include increasing the relevance of formal education systems to the needs of the poor (especially at the primary level) through reform of curricula, teaching materials, and teaching methods, and improved teacher training. It can also include expanding and strengthening nonformal education methods, especially those designed to improve productive skills of rural families and the urban poor and to provide them with useful information.".

(3) Effective date.—The amendment made by paragraph (2) shall apply with re-

spect to fiscal year 1989 and each fiscal year thereafter.

SEC. 305. COOPERATIVE DEVELOPMENT PROGRAM.

Section 106(f) of the Foreign Assistance Act of 1961 is amended by striking out "1986" and "1987" and inserting in lieu thereof "1988" and "1989", respectively.

SEC. 306. ENERGY, PRIVATE AND VOLUNTARY ORGANIZATIONS, AND SELECTED DEVELOPMENT ACTIVITIES.

Section 106(e)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(e)(1) There are authorized to be appropriated to the President for purposes of this section, in addition to funds otherwise available for such purposes, $146,699,000 for fiscal year 1988 and $146,699,000 for fiscal year 1989.".

SEC. 307. SUSTAINABLE DEVELOPMENT.

(a) AGRICULTURE, RURAL DEVELOPMENT, AND NUTRITION.—

(1) AUTHORIZED USES OF ASSISTANCE.—Section 103(a)(1) of the Foreign Assistance Act of 1961 is amended—

(A) by striking out "and" at the end of subparagraph (B);

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting the following new subparagraph (C) after subparagraph (B):

"(C) to ensure that agriculture is cost-effective and does not diminish the productivity of the natural resource base; and".

(2) METHODS AND TECHNIQUES TO BE EMPHASIZED.—Section 103(b) of that Act is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting the following new paragraph after paragraph (2):

"(3)(A) The Congress finds that organic, regenerative, and other low-cost, low-input farming methods which use affordable, low-energy, resource-conserving techniques, and agricultural methods which utilize the productivity of natural systems (for example, through wildlife ranching or sustainable use of wetlands) have great potential for increasing the sustainability and productivity of agriculture in many developing countries.

"(B) In providing assistance to developing countries under this chapter, the President should place a high priority on the use of organic, regenerative, and other low-cost, low-input farming methods which use affordable, low-energy, resource-conserving techniques and materials, and should, to the fullest extent possible, support programs and projects in a number of countries aimed at the earliest practicable development and wide application of these methods. Whenever appropriate, these projects should be managed by private and voluntary organizations or international or regional or national nongovernmental organizations.".

(3) AGRICULTURAL RESEARCH.—Section 103A of that Act is amended by striking out "and (3)" and inserting in lieu thereof "(3) place a high priority on research on organic, regenerative, and other low-cost, low-input farming methods which use affordable, low-energy, resource-conserving techniques and materials, and on research to develop methods of utilizing the productivity of natural systems (for example, through wildlife ranching or sustainable use of wetlands), and (4)".

(4) CONFORMING AMENDMENT.—Section 118(a) of that Act is amended by striking out "103(b)(3)" and inserting in lieu thereof "103(b)(4)".

(b) WATER DEVELOPMENT.—Section 103 of that Act is amended—

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following new subsection (g):

"(g) The President should, to the fullest extent feasible, encourage any country which receives assistance under this chapter for any water project to comply with following conditions:

"(1) For any such project—

"(A) conduct an assessment of all benefits and costs, including intangible and nonquantifiable costs; and

"(B) provide for early involvement in planning by those directly affected, utilizing the capabilities of local nongovernmental organizations and making information available to the public in their native language and in forms comprehensible to the illiterate.

"(2) For any project involving or potentially affecting groundwater—

"(A) conduct surveys of groundwater recharge, storage, and movement to determine sustainable withdrawal capacity;

"(B) establish an effective system for permitting and regulating pumping rates, to ensure sustainability; and

"(C) establish measures to prevent groundwater contamination.

"(3) For any irrigation project—

"(A) conduct an assessment of small-scale alternatives whenever large projects are considered;

"(B) conduct an assessment of the potential for salinization and waterlogging;

"(C) establish measures to recover costs and provide incentives for efficient water use, such as—

"(i) requirements making irrigation entities, state and provincial governments, and water users financially responsible for irrigation investments (including investments in rehabilitation),

"(ii) innovative techniques for levying water user charges, collecting irrigation rents, and valuing water at its marginal opportunity cost;

"(iii) increasing the private sector's role in irrigation development, and

"(iv) projects to rehabilitate existing systems to prevent water loss; and

"(D) establish watershed protection measures.

"(4) For drinking water and sanitation projects—

"(A) establish measures to ensure equity and prevent exclusion of the poorest;

"(B) consider wastewater recovery technologies and low-cost sanitation alternatives; and

"(C) establish user charges to recover costs.".

(c) ENERGY DEVELOPMENT.—Section 106 of that Act is amended—

(1) in paragraph (1)(D) of subsection (a), by striking out "subsection (b) of this section" and inserting in lieu thereof "paragraph (2) of this subsection";

(2) by striking out paragraph (2) of subsection (a);

(3) by redesignating subsection (b)(1) as paragraph (2) of subsection (a);

(4) by inserting at the end of that paragraph the following: "It is the sense of the Congress that assistance should not be furnished under this chapter for large-scale production of energy from fossil fuels."; and

(5) by striking out subsection (b)(2) and inserting in lieu thereof the following:

"(b)(1) The Congress finds that energy conservation and energy production from renewable, decentralized sources have great potential for meeting energy needs in developing nations, especially the needs of the rural poor. These techniques can enable developing countries to make efficient use of scarce resources, minimize environmental harm (including warming of the Earth's atmosphere due to the 'greenhouse effect'), lessen the danger of nuclear weapons proliferation, and reduce dependence on dwindling oil reserves and expensive imported energy. Often, energy needs can be met more cheaply and more employment can be generated by these methods than by production of energy from conventional sources.

"(2) The President is authorized to furnish assistance under this chapter for cooperative programs with developing countries in energy production and conservation through research on and development and use of small-scale, decentralized, renewable energy sources for rural areas carried out as integral parts of rural development efforts in accordance with section 103 of this Act. Such programs shall also be directed toward the earliest practicable development and use of energy technologies which are environmentally acceptable, require minimum capital investment, are most acceptable to and affordable by the people using them, are simple and inexpensive to use and maintain, and are transferable from one region of the world to another. Such programs also may include any type of assistance aimed at energy conservation and assistance for transmission facilities to increase the availability of energy in rural areas.

"(3) In providing assistance to developing countries under paragraph (2) of this subsection, the President should, to the fullest extent feasible, do the following:

"(A) For each country receiving such assistance, analyze (in cooperation with that country) the potential for application of these technologies on a nationwide basis, publish the resulting analysis, and use it as a basis for planning.

"(B) Support projects to develop and demonstrate small-scale, decentralized, renewable energy sources for rural areas. Such projects should seek to use appropriate technologies and methods suited to the local environment, should feature close consultation with and involvement of local people at all stages of project design and implementation, and should be directed toward the earliest possible widespread application. Appropriate technologies include but are not limited to biomass, biogas, wind energy, passive solar, solar electricity, and low-head hydroelectric generation.

"(C) Whenever appropriate, accomplish the objectives of this subsection through projects managed by private and voluntary organizations or international or regional or national nongovernmental organizations.".

SEC. 308. PRIVATE SECTOR REVOLVING FUND.

The first sentence of section 108(b) of the Foreign Assistance Act of 1961 is amended by striking out "in each of the fiscal years 1986 and 1987, up to $18,000,000" and inserting in lieu thereof ", up to $3,000,000 in fiscal year 1988 and up to $2,000,000 in fiscal year 1989".

SEC. 309. PROTECTING BIOLOGICAL DIVERSITY.

Section 119(c) of the Foreign Assistance Act of 1961 is amended by striking out "fiscal year 1987" and inserting in lieu thereof "each of the fiscal years 1988 and 1989".

SEC. 310. PRIVATE SECTOR ASSISTANCE.

(a) REPAYMENT.—Section 122 of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(f) Section 620(r) of this Act shall not apply in the case of loans made at or near market rates of interest to private borrowers pursuant to the authority contained in this chapter, chapter 7 of this part, or chapter 4 of part II if the President determines that by not applying such provisions repayment to the United States is likely to be greater than if such provisions were applicable.".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) does not apply with respect to funds appropriated prior to the date of enactment of this Act.

SEC. 311. LIMITATION RELATING TO DEVELOPMENT ASSISTANCE.

Section 122 of the Foreign Assistance Act of 1961, as amended by section 310 of this Act, is further amended by adding at the end the following:

"(g) Funds made available to carry out this chapter may be used only to provide assistance for projects or sector programs. This subsection shall not be construed to apply to assistance under chapter 7 of this part.".

SEC. 312. ENHANCING THE PRIVATE-PUBLIC PARTNERSHIP FOR FOREIGN ASSISTANCE.

(a) ADDITIONAL POLICIES AND REQUIREMENTS CONCERNING PVOs AND COOPERATIVES.—Section 123 of the Foreign Assistance Act of 1961 is amended—

(1) by redesignating subsections (b) through (h) as subsections (e) through (k), respectively; and

(2) by inserting after subsection (a) the following:

"(b) The Congress encourages the fuller utilization of private indigenous organizations and cooperatives, especially those representing women, tribal peoples, and other minorities, in the implementation and planning of activities authorized by this part. Public and private technical and financial assistance from United States private and voluntary organizations and cooperatives can accelerate the strengthening of these organizations and their ability to assist the poor.

"(c) The Congress encourages the Administrator of the agency primarily responsible for administering this part to use, in addition to funding for other activities of private and voluntary organizations, up to $20,000,000 in each of fiscal years 1988 and 1989 for private and voluntary organizations and cooperatives under this chapter, chapter 7 of this part, and chapter 4 of part II to design, initiate, expand, and enhance food assistance programs that reach the poor in conjunction with food made available under title II of the Agricultural Trade Development and Assistance Act of 1954 and section 416(b) of the Agricultural Act of 1949.

"(d) The Congress finds that one of the most effective and least costly ways to maintain and restore the natural resource base in developing countries is through small-scale, affordable, participatory projects using methods suited to the local environment. Assistance under this part may support private and voluntary organizations in carrying out resource conserving development projects, training, and education programs that promote sustainable agricultural development practices. Particular emphasis should be placed on agricultural and rural development projects which include environmentally sound land and water management technologies, including agroforestry, water harvesting, soil conservation, reforestation, range and pasture management, small-scale irrigation systems, family gardens, park management, renewable and decentralized energy techniques, and the training of local staff on more effective community-based extension techniques that promise greater choice, improved communications, and the more active involvement of farmers in projects utilizing these technologies.".

(b) FUNDING LEVELS.—Subsection (i) of that section (as so redesignated by subsection (a) of this section) is amended to read as follows:

"(i) For each of the fiscal years 1988 through 1992, funds in an amount not less than 15 percent of the aggregate amount appropriated to carry out sections 103, 104(b), 104(c)(1), 104(c)(2), 105, 106, 471, and 491 of this Act shall be made available for the activities of private and voluntary organizations and cooperatives; and the President shall seek to channel funds in an amount not less than 18 percent of such aggregate amount for the activities of private and voluntary organizations and cooperatives. Funds made available under chapter 4 of part II of this Act for the activities of private and voluntary organizations and cooperatives may be considered in determining compliance with the requirements of this subsection.".

(c) NON-FEDERAL FUNDING REQUIREMENT.—Subsection (j) of that section (as so redesignated by subsection (a) of this section) is amended to read as follows:

"(j) Funds made available to carry out this part may not be made available to any United States private and voluntary organization (other than a cooperative development organization) which obtains less than 20 percent of its total annual funding for international activities from sources other than the United States Government. In calculating the amount of Government support received by an organization, there shall be excluded the value of commodities (and related transportation) made available for overseas distribution and the value of contracts for services, grants, and other activities initiated primarily by the agency primarily responsible for administering this part.".

SEC. 313. USE OF FOREIGN ASSISTANCE LOAN REPAYMENTS FOR DEVELOPMENT ASSISTANCE ACTIVITIES.

(a) AUTHORITY TO USE.—Chapter 1 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"SEC. 129. USE OF FOREIGN ASSISTANCE LOAN REPAYMENTS FOR DEVELOPMENT ASSISTANCE ACTIVITIES.

"(a) AUTHORITY.—Subject to subsection (e), in the case of any developing country which faces severe difficulties in repaying its external debt obligations, the President may (on a case-by-case basis) permit that country to place amounts, which would otherwise be paid to the United States as payments on principal or interest on liability incurred by that country under this part, into local currency accounts (in equivalent amounts of local currency as determined by the official exchange rate for that country) for use by that country, with the concurrence of the Administrator of the agency primarily responsible for administering this part, for development activities which are consistent with section 102. Such activities may include development activities carried out by United States and indigenous private and voluntary organizations.

"(b) NOTIFICATION TO CONGRESS.—The President shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, in accordance with the procedures applicable to reprogramming notifications under section 634A, at least 15 day before each exercise of the authority contained in subsection (a).

"(c) OTHER PROVISIONS.—The authority contained in subsection (a) may be exercised notwithstanding section 620(r) of this Act and section 321 of the International Development and Food Assistance Act of 1975.

"(d) ACTING IN CONCERT WITH OTHER CREDITORS.—In exercising the authority of this section, the President should act in concert with other creditor countries.

"(e) REQUIREMENT FOR APPROPRIATIONS ACTION.—The authority of subsection (a) may be exercised only to such extent or in such amount as is provided in advance in appropriation Acts.".

(b) CONFORMING AMENDMENT.—Subsection (c) of section 124 of that Act is repealed, and subsection (d) is redesignated as subsection (c).

(c) EFFECTIVE DATE.—The amendment made by subsection (a) applies with respect to liability incurred under part I of that Act at any time before or after the enactment of this Act.

SEC. 314. PROVIDING CREDIT FOR THE POOR IN DEVELOPING COUNTRIES.

(a) FINDINGS.—The Congress makes the following findings:

(1) Hunger and hunger-related disease take the lives of 13,000,000 to 18,000,000 people annually. Three-quarters of these deaths are children under the age of 5.

(2) A primary cause of this suffering is the inability of the poor majority living in developing countries to earn incomes which would enable them to provide the nutritional and health benefits that their families need.

(3) The rural and urban poor comprise the developing world's greatest untapped resource, and the health of national economies and democratic institutions is vastly improved when opportunities for the poor to participate in the economies of their countries are actively promoted and expanded.

(4) The inability of the rural and urban poor to obtain credit to finance their economic activities (and related nonfinancial assistance) has long been an obstacle to their achievement of economic progress and well-being.

(5) This inability to obtain credit and other critical productive inputs has been a significant factor inhibiting the growth of micro and small enterprises. Even so, such enterprises still represent an important source of private sector commercial activity in developing countries, provide significant benefits for the poor majority in those countries (particularly women, tribal peoples, and other minorities), and serve to integrate them into the economic life of their countries.

(6) Formal financial institutions in developing countries have not recognized that, although the poor majority may lack collateral for loans and may not be able to comply with all the traditional loan formalities, the productive activities of micro and small enterprises can nevertheless be financially viable if access to sources of credit is expanded.

(7) Experience with making productive credit available to the poor, including to micro-enterprises and to groups of poor people, has demonstrated their ability to repay loans and to achieve significant improvements in their living standards and to

make significant contributions to the local economy.

(8) Economic policies, particularly those which are neutral as to enterprise size, are important to the encouragement and operation of micro and small enterprises.

(b) Credit Programs and Other Assistance.—The Administrator shall make assistance available, in accordance with this section, to financial intermediaries in developing countries to enable them to provide loans and other assistance for micro and small enterprises of the poor majority. In carrying out this section, primary emphasis shall be placed on making loans and other assistance available to those individuals living in absolute poverty. Funds described in subsection (f)(3) may be made available to financial intermediaries pursuant to this section for use by them—

(1) in extending credit for micro and small enterprises in order to provide such enterprises with financial resources for working capital, the acquisition of equipment and other supplies, and payment of other expenses of the enterprise;

(2) in extending credit for such purposes as the procurement of farm implements and commodities, the acquisition of livestock, the construction of storage facilities, water and soil conservation activities, and the enhancement of marketing facilities;

(3) for the startup costs incurred by a nongovernmental organization in becoming a financial intermediary, and for other institutional development expenses (including audit and evaluation costs) of the intermediary which are related to the establishment and initial operation of the credit and other business support activities assisted pursuant to this section;

(4) for expenses incurred by the financial intermediary in providing training and technical assistance for micro and small enterprises, in order to enable them to obtain and utilize credit and other nonfinancial assistance under this section; and

(5) to provide other assistance necessary to the successful functioning of micro and small enterprises.

(c) Guidelines for Program.—The Administrator shall issue guidelines for financial intermediaries providing assistance pursuant to this section. These guidelines shall seek to ensure that financial intermediaries—

(1) consult with potential recipients of credit and other assistance under this section, and include their views to the greatest extent possible, in the designing of credit projects to ensure that the projects are responsive to the credit and other productive input needs of the recipients;

(2) establish credit terms at rates of interest which reflect the prevailing market rate of interest and the real cost of providing credit to the targeted beneficiaries;

(3) utilize the assistance made available pursuant to this section to provide credit and related assistance to the poorest people, with special attention being given to the provision of credit and other assistance to women, tribal peoples, and other minorities; and

(4) minimize or remove obstacles to credit provided under this section, such as collateral and literacy requirements.

(d) Primary Emphasis.—In carrying out this section, the Administrator shall place primary emphasis on the development of the capacity of indigenous nongovernmental organizations (especially those representing women, tribal peoples, and other minorities) which will assist the development of micro and small enterprises, but the Administrator may also support other entities as appropriate. Attention shall also be directed to savings and capital formation as part of the systems support for micro and small enterprises.

(e) Advisory Committee.—The Administrator shall appoint an advisory committee to advise the Administrator with regard to the implementation of this section. This advisory committee shall be composed of individuals from nongovernmental organizations who are knowledgeable about the needs of micro and small enterprises in developing countries for credit and other assistance. Among other responsibilities, the advisory committee shall—

(1) assist the Administrator in developing the report required by subsection (m); and

(2) shall review and comment on the initial guidelines issued by the Administrator pursuant to subsection (c) before those guidelines are issued.

(f) Sources of Funds and Funding Levels .—

(1) Determination of fiscal year 1987 assistance level.—The Administrator shall conduct a benchmark survey to determine the total amount of assistance made available during fiscal year 1987 for credit and other assistance (as described in subsection (b)) for micro and small enterprises under part I of the Foreign Assistance Act of 1961 and the Agricultural Trade Development and Assistance Act of 1954. The results of this survey shall be reported to the Congress not later than September 30, 1987, or 30 days after the date of enactment of this Act, whichever is later.

(2) Assistance for fiscal years 1988 and 1989.—The total amount of assistance provided pursuant to this section—

(A) during fiscal year 1988, shall be at least $50,000,000, or 25 percent more than the amount determined pursuant to paragraph (1), whichever is greater; and

(B) during fiscal year 1989, shall be at least $75,000,000, or 50 percent more than the amount determined pursuant to paragraph (1), whichever is greater.

(3) Sources of funds.—Assistance pursuant to this section shall be provided with the following funds:

(A) Funds made available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance), chapter 7 of part I of that Act (relating to Africa famine recovery and development), and chapter 4 of part II of that Act (relating to the economic support fund).

(B) Foreign currencies acquired as payments of loans made under those chapters pursuant to the authority contained in subsection (h).

(C) Foreign currencies accruing from assistance provided under those chapters.

(D) Foreign currencies accruing or acquired under title I of the Agricultural Trade Development and Assistance Act of 1954, including foreign currencies made available to carry out section 108 and foreign currencies available for use pursuant to title III.

(E) Amounts paid to the United States on loans made to financial intermediaries pursuant to this section.

(4) Allocations of assistance for micro enterprises.—At least 80 percent of the funds described in paragraph (3) which are made available under this section each fiscal year shall be used in support of micro enterprises. Of the funds used pursuant to this paragraph—

(A) to the maximum extent practicable, at least 50 percent shall be used in support of micro enterprises with 4 or fewer workers, with special emphasis on 1 or 2 person enterprises; and

(B) at least 80 percent shall be used for loans to micro enterprises, to the maximum extent practicable in an amount of $300 or less or, in the case of an initial loan, of $150 or less.

(5) Allocations of assistance for small enterprises.—At least 50 percent of the funds described in paragraph (3) which are made available under this section each fiscal year in support of small enterprises shall be used in support of small enterprises with 10 or fewer workers.

(g) Applicable Authorities.—Except as provided in this section, assistance provided pursuant to this section shall be provided in accordance with the relevant authorities contained in the Foreign Assistance Act of 1961 or the Agricultural Trade Development and Assistance Act of 1954.

(h) Authority To Generate Foreign Currencies.—In order to generate foreign currencies which can be made available to financial intermediaries pursuant to this section, the Administrator is authorized to use funds made available to carry out chapter 1 of part I, chapter 7 of part I, and chapter 4 of part II of the Foreign Assistance Act of 1961 to provide assistance to the governments of developing countries on a loan basis repayable in foreign currencies, at a rate of exchange to be negotiated by the Administrator and the foreign government. Such loans shall have a rate of interest and a repayment period determined by the Administrator.

(i) Foreign Assistance Act Assistance to Intermediaries.—

(1) Terms.—Loans and grants made to financial intermediaries for the purposes of this section with funds described in subsections (f)(3)(A), (B), and (C), or with amounts made available pursuant to paragraph (2) of this subsection, shall be on such terms and conditions as are determined by the Administrator and the intermediary.

(2) Use of loan proceeds.—Amounts paid to the United States on loans under this section with funds described in subsections (f)(3)(A), (B), and (C) or with amounts used pursuant to this paragraph shall, as determined by the Administrator, be available for use for assistance pursuant to this section.

(j) Application of Certain Laws.—Section 122 of the Foreign Assistance Act of 1961 shall not apply with respect to loans pursuant to subsections (h) or (i). Funds described in subsection (f)(3)(B) and (C) or subsection (i)(2) which are received by the United States pursuant to this section shall not be subject to the requirements of section 1306 of title 31, United States Code, or other laws governing the use of foreign currencies accruing to the United States. New budget authority provided by this section may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.

(k) Terms of Foreign Currency Assistance Under Public Law 480.—Funds described in subsection (f)(3)(D), or in the second sentence of this subsection, which are made available to financial intermediaries pursuant to this section may be provided on a grant or loan basis, notwithstanding any provision of the Agricultural Trade Development and Assistance Act of 1954. Any foreign currencies under that Act which are repaid by financial intermediaries under this section shall be available to and used by the Administrator to make available assistance for the purposes of this section. Section 108(d) of that Act shall not apply to the use of such currencies. Section 103(m) of that Act shall not apply to agreements entered into under section 108 of that Act for purposes of this section.

(l) Notice to Congress.—At least 15 days before making funds described in subsection (f)(3) available to a financial intermediary under this section, the Administrator shall notify the Congress in accordance with the procedures applicable to reprogrammings under section 634A of the Foreign Assistance Act of 1961.

(m) Initial Report.—Not later than January 1, 1988, the Administrator shall submit to the Congress a report setting forth the manner in which this section will be implemented.

(n) Annual Reports.—Not later than February 1, 1989, and each year thereafter, the Administrator shall submit a report to the Congress describing the implementation of this section. The report shall include—

(1) a description of the activities funded under this section during the previous fiscal year and the amount of funds described in each subparagraph of subsection (f)(3) which were provided for such activities; and

(2) recommendations for procedural or statutory changes which would facilitate the implementation of this section.

(o) Economic Policies.—In policy dialogues concerning economic policies with, and efforts to reform economic policies of, countries receiving assistance under part I of the Foreign Assistance Act of 1961, the Administrator shall encourage economic policies which promote micro and small enterprises.

(p) Definitions.—For purposes of this section—

(1) the term "Administrator" means the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961;

(2) the term "micro enterprises" means enterprises which are single or family proprietorships, small-group enterprises, or cooperatives, which have 7 or fewer workers, which are wholly owned by the poor majority in the developing country, and which often lack access to credit at reasonable cost;

(3) the term "small enterprises" means enterprises which are single or family proprietorships, small-group enterprises, or cooperatives, which have between 8 and 15 workers, which are wholly owned by the poor majority in the developing country, and which often lack access to credit at reasonable cost;

(4) the term "financial intermediary" has the same meaning as is given that term in section 108(i)(2) of the Agricultural Trade Development and Assistance Act of 1954; and

(5) the term "absolute poverty" refers to those people who lack access to assets sufficient to permit them to provide for their basic human needs.

SEC. 315. ASSISTANCE FOR THE PREVENTION AND CONTROL OF AIDS IN DEVELOPING COUNTRIES.

Of the aggregate amounts made available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) and chapter 7 of part I of that Act (relating to Africa famine recovery and development), not less than $20,000,000 for each of the fiscal years 1988 and 1989 shall be available only for activities relating to research on and the treatment and control of acquired immune deficiency syndrome (AIDS) in developing countries. Of the funds made available pursuant to this section each fiscal year, at least $12,000,000 shall be programmed through international organizations, including at least $10,000,000 through the World Health Organization and the Pan American Health Organization.

SEC. 316. MINORITY SET-ASIDE.

(a) Set-Aside Requirement.—Except to the extent that the Administrator of the Agency for International Development determines otherwise, not less than 10 percent of the aggregate of the funds made available for each of the fiscal years 1988 and 1989 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) and chapter 7 of part I of that Act (relating to Africa famine recovery and development) shall be made available only for activities of business concerns owned and controlled by socially and economically disadvantaged individuals (within the meaning of section 133(c)(5) of the International Development and Food Assistance Act of 1977), historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are socially and economically disadvantaged (within the meaning of section 133(c)(5) of the International Development and Food Assistance Act of 1977). For purposes of this section, socially and economically disadvantaged individuals shall be deemed to include women.

(b) Additional Requirements.—In addition to any other actions taken to carry out this section—

(1) notwithstanding any other provision of law, in order to achieve the goals of this section, the Administrator, to the maximum extent practicable—

(A) may utilize the authority of section 8(a) of the Small Business Act (15 U.S.C. 637);

(B) may enter into contracts—

(i) using less than full and open competitive procedures under such terms and conditions as the Administrator deems appropriate, and

(ii) utilizing an administrative system for justifications and approvals that, in the Administrator's discretion, may best achieve the purpose of this section; and

(C) shall issue regulations to require, except to the extent that the Administrator determines otherwise (on a case-by-case basis or by category of contract), that any contract in excess of $500,000 entered into to carry out chapter 1 or chapter 7 of part I of the Foreign Assistance Act of 1961 contain a provision requiring that no less than 10 percent of the dollar value of the contract be subcontracted to entities described in subsection (a), except that this subparagraph shall not apply to any prime contractor that is an entity described in subsection (a);

(2) each person with contracting authority who is attached to Agency for International Development headquarters in Washington, as well as all Agency for International Development missions and regional offices, shall notify the Agency's Office of Small and Disadvantaged Business Utilization at least 7 business days before advertising a contract in excess of $100,000 under chapter 1 or chapter 7 of part I of the Foreign Assistance Act of 1961;

(3) the Administrator shall include, as part of the performance evaluation of any mission director the Agency, the mission director's efforts to carry out this section; and

(4) the Administrator shall annually submit to the Congress a report on the implementation of this section, which shall include information with respect to historically black colleges and universities and private and voluntary organizations described in subsection (a), including—

(A)(i) the number and amounts of grants to and cooperative agreements with historically black colleges and universities as compared to the number and amounts of grants to all colleges and universities under chapter 1 and chapter 7 of part I of the Foreign Assistance Act of 1961; and

(ii) the number and dollar value of contracts with historically black colleges and universities as compared to the number and dollar value of contracts with all colleges and universities under those chapters; and

(B)(i) the number and amounts of grants to and cooperative agreements with private and voluntary organizations described in subsection (a) as compared to the number and amounts of grants to all private and voluntary organizations under those chapters; and

(ii) the number and dollar value of contracts with private and voluntary organizations described in subsection (a) as compared to the number and dollar value of contracts with all private and voluntary organizations under those chapters.

(c) Regulations.—The Administrator shall issue interim regulations to carry out this section within 90 days after the date of the enactment of this Act and final regulations within 180 days.

AMENDMENTS OFFERED BY MR. FASCELL

Mr. FASCELL. Mr. Chairman, pursuant to the rule I offer en bloc amendments.

The CHAIRMAN. The Clerk will designate the en bloc amendments.

The text of the en bloc amendments is as follows:

Amendments offered en bloc by Mr. Fascell:

Page 26, after line 4, insert the following:

(c) Vitamin A Deficiency Program.—Section 103 of that Act, as amended by subsection (b), is further amended by adding at the end the following:

"(j)(1) The Congress recognizes that vitamin A deficiency is a major cause of childhood morbidity and mortality. An estimated 500,000 children are blinded every year from the vitamin A deficiency disease known as Xerophthalmia. The Congress further recognizes that vitamin A intervention programs are inexpensive, practical to administer, and cost-effective in terms of human productivity. Supplying doses of vitamin A, promoting the consumption of foods which are either good natural sources of vitamin A or fortified with vitamin A, nutrition education, and agricultural extension projects which emphasize the utility of consuming adequate amounts of dietary sources of vitamin A are essential interventions to be considered in the design of programs to eliminate vitamin A deficiency.

"(2) Of the funds authorized to be appropriated to carry out this section for each of the fiscal years 1988 and 1989, not less than $8,000,000 shall be available only for the Vitamin A Deficiency Program.".

Page 31, strike out lines 13 through 15.

Page 45, strike out line 17 and all that follows through line 22 on page 57 and insert in lieu thereof the following:

SEC. 314. PROVIDING CREDIT FOR THE POOR IN DEVELOPING COUNTRIES.

(a) Findings.—The Congress makes the following findings:

(1) Hunger and hunger-related disease take the lives of 13,000,000 to 18,000,000 people annually. Three-quarters of these deaths are children under the age of 5.

(2) A primary cause of this suffering is the inability of the poor majority living in developing countries to earn incomes which would enable them to provide the nutritional and health benefits that their families need.

(3) The rural and urban poor comprise the developing world's greatest untapped resource, and the health of national economies and democratic institutions is vastly improved when opportunities for the poor to participate in the economies of their countries are actively promoted and expanded.

(4) The inability of the rural and urban poor to obtain credit to finance their economic activities (and related nonfinancial assistance) has long been an obstacle to their achievement of economic progress and well-being.

(5) This inability to obtain credit and other critical productive inputs has been a significant factor inhibiting the growth of micro and small enterprises. Even so, such enterprises still represent an important source of private sector commercial activity in developing countries, provide significant benefits for the poor majority in those countries (particularly women, tribal peoples, and other minorities), and serve to integrate them into the economic life of their countries.

(6) Formal financial institutions in developing countries have not recognized that, although the poor majority may lack collateral for loans and may not be able to comply with all the traditional loan formalities, the productive activities of micro and small enterprises can nevertheless be financially viable if access to sources of credit is expanded.

(7) Experience with making productive credit available to the poor, including to micro-enterprises and to groups of poor people, has demonstrated their ability to repay loans and to achieve significant improvements in their living standards and to make significant contributions to the local economy.

(8) Economic policies, particularly those which are neutral as to enterprise size, are important to the encouragement and operation of micro and small enterprises.

(b) CREDIT PROGRAMS AND OTHER ASSISTANCE.—The Administrator shall make assistance available, in accordance with this section, to financial intermediaries in developing countries to enable them to provide loans and other assistance for micro and small enterprises of the poor majority. In carrying out this section, primary emphasis shall be placed on making loans and other assistance available to those individuals living in absolute poverty. Funds described in subsection (f)(3) may be made available to financial intermediaries pursuant to this section for use by them—

(1) in extending credit for micro and small enterprises in order to provide such enterprises with financial resources for working capital, the acquisition of equipment and other supplies, and payment of other expenses of the enterprises;

(2) in extending credit for such purposes as the procurement of farm implements and commodities, the acquisition of livestock, the construction of storage facilities, water and soil conservation activities, and the enhancement of marketing facilities;

(3) for the startup costs incurred by a nongovernmental organization in becoming a financial intermediary, and for other institutional development expenses (including audit and evaluation costs) of the intermediary which are related to the establishment and initial operation of the credit and other business support activities assisted pursuant to this section;

(4) for expenses incurred by the financial intermediary in providing training and technical assistance for micro and small enterprises, in order to enable them to obtain and utilize credit and other nonfinancial assistance under this section; and

(5) to provide other assistance necessary to the successful functioning of micro and small enterprises.

(c) GUIDELINES FOR PROGRAM.—The Administrator shall issue guidelines for financial intermediaries providing assistance pursuant to this section. These guidelines shall seek to ensure that financial intermediaries—

(1) consult with potential recipients of credit and other assistance under this section, and include their views to the greatest extent possible, in the designing of credit projects to ensure that the projects are responsive to the credit and other productive input needs of the receipents;

(2) establish credit terms at rates of interest which reflect the prevailing market rate of interest and the real cost of providing credit to the targeted beneficiaries;

(3) utilize the assistance made available pursuant to this section to provide credit and related assistance to the poorest people, with special attention being given to the provision of credit and other assistance to women, tribal peoples, and other minorities; and

(4) minimize or remove obstacles to credit provided under this section, such as collateral and literacy requirements.

(d) PRIMARY EMPHASIS.—In carrying out this section, the Administrator shall place primary emphasis on the development of the capacity of indigenous nongovernmental organizations (especially those representing women, tribal peoples, and other minorities) which will assist the development of micro and small enterprises, but the Administrator may also support other entities as appropriate. Attention shall also be directed to savings and capital formation as part of the systems support for micro and small enterprises.

(e) ADVISORY COMMITTEE.—The Administrator shall appoint an advisory committee to advise the Administrator with regard to the implementation of this section. This advisory committee shall be composed of individuals from nongovernmental organizations who are knowledgeable about the needs of micro and small enterprises in developing countries for credit and other assistance. Among other responsibilities, the advisory committee shall—

(1) assist the Administrator in developing the report required by subsection (m); and

(2) shall review and comment on the initial guidelines issued by the Administrator pursuant to subsection (c) before those guidelines are issued.

(f) SOURCES OF FUNDS AND FUNDING LEVELS.—

(1) DETERMINATION OF FISCAL YEAR 1987 ASSISTANCE LEVEL.—The Administrator shall conduct a benchmark survey to determine the total amount of assistance made available during fiscal year 1987 for credit and other assistance (as described in subsection (b)) for micro and small enterprises under part I of the Foreign Assistance Act of 1961 and the Agricultural Trade Development and Assistance Act of 1954. The results of this survey shall be reported to the Congress not later than September 30, 1987, or 30 days after the date of enactment of this Act, whichever is later.

(2) ASSISTANCE FOR FISCAL YEARS 1988 AND 1989.—The total amount of assistance provided pursuant to this section—

(A) during fiscal year 1988, shall be at least $50,000,000, or 25 percent more than the amount determined pursuant to paragraph (1), whichever is greater; or

(B) during fiscal year 1989, shall be at least $75,000,000 or 50 percent more than the amount determined pursuant to paragraph (1), whichever is greater.

(3) SOURCES OF FUNDS.—Assistance pursuant to this section shall be provided with the following funds:

(A) Funds made available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance), chapter 7 of part I of that Act (relating to Africa famine recovery and development), and chapter 4 of part II of that Act (relating to the economic support fund).

(B) Foreign currencies acquired as payments of loans made under those chapters pursuant to the authority contained in subsection (h).

(C) Foreign currencies accruing from assistance provided under those chapters.

(D) Foreign currenceis accruing or acquired under title I of the Agricultural Trade Development and Assistance Act of 1954, including foreign currencies made available to carry out section 108 and foreign currencies available for use pursuant to title III.

(E) Amounts paid to the United States on loans made to financial intermediaries pursuant to this section.

(4) ALLOCATIONS OF ASSISTANCE FOR MICRO ENTERPRISES.—At least 80 percent of the funds described in paragraph (3) which are made available under this section each fiscal year shall be used in support of micro enterprises. Of the funds used pursuant to this paragraph—

(A) to the maximum extent practicable, at least 50 percent shall be used in support of micro enterprises with 4 or fewer workers, with special emphasis on 1 or 2 person enterprises; and

(B) at least 80 percent shall be used for loans to micro enterprises, to the maximum extent practicable in an amount of $300 or less or, in the case of an initial loan, of $150 or less.

(5) ALLOCATIONS OF ASSISTANCE FOR SMALL ENTERPRISES.—At least 50 percent of the funds described in paragraph (3) which are made available under this section each fiscal year in support of small enterprises shall be used in support of small enterprises with 10 or fewer workers.

(g) APPLICABLE AUTHORITIES.—Except as provided in this section, assistance provided pursuant to this section shall be provided in accordance with the relevant authorities contained in the Foreign Assistance Act of 1961 or the Agricultural Trade Development and Assistance Act of 1954.

(h) AUTHORITY TO GENERATE FOREIGN CURRENCIES.—In order to generate foreign currencies which can be made available to financial intermediaries pursuant to this section, the Administrator is authorized to use funds made available to carry out chapter 1 of part I, chapter 7 of part I, and chapter 4 of part II of the Foreign Assistance Act of 1961 to provide assistance to the governments of developing countries on a loan basis repayable in foreign currencies, at a rate of exchange to be negotiated by the Administrator and the foreign government. Such loans shall have a rate of interest and a repayment period determined by the Administrator.

(i) FOREIGN ASSISTANCE ACT ASSISTANCE TO INTERMEDIARIES.—

(1) TERMS.—Loans and grants made to financial intermediaries for the purposes of this section with funds described in subsections (f)(3)(A), (B), and (C), or with amounts made available pursuant to paragraph (2) of this subsection, shall be on such terms and conditions as are determined by the Administrator and the intermediary.

(2) USE OF LOAN PROCEEDS.—Amounts paid to the United States on loans under this section with funds described in subsections (f)(3)(A), (B), and (C) or with amounts used pursuant to this paragraph shall, as determined by the Administrator, be available for use for assistance pursuant to this section.

(j) APPLICATION OF CERTAIN LAWS.—Section 122 of the Foreign Assistance Act of 1961 shall not apply with respect to loans pursuant to subsections (h) or (i). Funds described in subsection (f)(3)(B) and (C) or subsection (i)(2) which are received by the United States pursuant to this section shall not be subject to the requirements of section 1306 of title 31, United States Code, or other laws governing the use of foreign currencies accruing to the United States. New budget authority provided by this section may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.

(k) TERMS OF FOREIGN CURRENCY ASSISTANCE UNDER PUBLIC LAW 480.—Funds described in subsection (f)(3)(D), or in the second sentence of this subsection, which are made available to financial intermediaries pursuant to this section may be provided on a grant or loan basis, notwithstanding any provision of the Agricultural Trade Development and Assistance Act of 1954. Any foreign currencies under that Act which are repaid by financial intermediaries under this section shall be available to and used by the Administrator to make available assistance for the purposes of this section. Section 108(d) of that Act shall not apply to the use of such currencies. Section 103(m) of that Act shall not apply to agreements entered into under section 108 of that Act for purposes of this section.

(l) NOTICE TO CONGRESS.—At least 15 days before making funds described in subsection (f)(3) available to a financial intermediary under this section, the Administrator shall notify the Congress in accordance with the procedures applicable to reprogrammings under section 634A of the Foreign Assistance Act of 1961.

(m) INITIAL REPORT.—Not later than January 1, 1988, the Administrator shall submit to the Congress a report setting forth the manner in which this section will be implemented.

(n) ANNUAL REPORTS.—Not later than February 1, 1989, and each year thereafter, the Administrator shall submit a report to the Congress describing the implementation of this section. The report shall include—

(1) a description of the activities funded under this section during the previous fiscal year and the amount of funds described in each subparagraph of subsection (f)(3) which were provided for such activities; and

(2) recommendations for procedural or statutory changes which would facilitate the implementation of this section.

(o) ECONOMIC POLICIES.—In policy dialogues concerning economic policies with, and efforts to reform economic policies of, countries receiving assistance under part I of the Foreign Assistance Act of 1961, the Administrator shall encourage economic policies which promote micro and small enterprises.

(p) DEFINITIONS.—For purposes of this section—

(1) the term "Administrator" means the administrator of the agency primarily responsible for administering part I of the Foreign Assistance Act of 1961;

(2) the term "micro enterprises" means enterprises which are single or family proprietorships, small-group enterprises, or cooperatives, which generally have 7 or fewer workers, which are wholly owned by the poor majority in the developing country, and which often lack access to credit at reasonable cost;

(3) the term "small enterprises" means enterprises which are single or family proprietorships, small-group enterprises, or cooperatives, which generally have between 8 and 15 workers, which are wholly owned by the poor majority in the developing country, and which often lack access to credit at reasonable cost;

(4) the term "financial intermediary" has the same meaning as is given that term in section 108(i)(2) of the Agricultural Trade Development and Assistance Act of 1954; and

(5) the term "absolute poverty" refers to those people who lack access to assets sufficient to permit them to provide for their basic human needs.

Page 62, after line 7, insert the following:

SEC. 317. INTERNATIONAL COOPERATION TO PROTECT BIOLOGICAL DIVERSITY.

(a) FINDING.—The Congress finds that habitat destruction is a main cause of the accelerating extinction of animal and plant species and that increased international cooperation is essential to protect species threatened with extinction and to halt the loss of unique and irreplaceable ecosystems.

(b) STATEMENT OF POLICIES.—The Congress—

(1) supports the United States efforts, consistent with section 119(g) of the Foreign Assistance Act of 1961, to initiate discussions to develop an international agreement to preserve biological diversity; and

(2) calls upon the President to exert United States leadership in order to achieve the earliest possible negotiation of an international convention to conserve the earth's biological diversity, including the protection of a representative system of ecosystems adequate to conserve biological diversity.

(c) REPORT.—Not later than 1 year after the date of the enactment of this Act, the President shall submit a report to the Congress on progress toward the goal of negotiating such an international convention.

The CHAIRMAN. Under the rule, the gentleman from Florida [Mr. FASCELL] will be recognized for 10 minutes and a Member opposed to the amendments will be recognized for 10 minutes.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am offering the following amendments to title III en bloc. I believe these amendments are all noncontroversial and should be acceptable to everyone. The en bloc amendment includes the following four amendments:

First amendment offered by Mr. TONY HALL to earmark $8 million from the Agriculture, Rural Development, and Nutrition account for vitamin A supplemental programs. This earmark is in line with programs ongoing by the Agency for International Development, and provides an indication of strong congressional support for continued activities to provide vitamin A supplementation to children in developing countries. This simple, inexpensive intervention prevents blindness and helps children to resist the most serious ravages of other common ailments, such as measles and diarrhea.

Second amendment by Mr. TONY HALL to move forward the earmark for basic education from 1989 to 1988. This amendment modifies the provision in H.R. 3100 which requires the Agency for International Development to devote at least 30 percent of its education funds to basic education, including primary education and literacy training. This provision refocuses AID's education efforts on these vitally important activities.

Third amendment by BEN GILMAN making a minor change to the microenterprise provision, section 314 of H.R. 3100. This provision directs the Agency for International Development to enhance and expand small-scale lending programs directed to the poorest people in developing countries. These people, who frequently do not have access to formal credit, are nevertheless excellent credit risks, and small amounts of money can help them to increase their incomes and productivity. Mr. GILMAN's amendment simply provides slightly more flexibility in the definitions of micro- and small-enterprises, making the provision easier to administer.

Fourth amendment by Miss CLAUDINE SCHNEIDER calling on the President to work for negotiation of an international convention to conserve the Earth's biological diversity. This amendment is a helpful addition to the environmental protection provisions already in the Foreign Assistance Act and in H.R. 3100.

Mr. Chaiman, I yield such time as he may consume to the distinguished gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I rise to be supportive of the en bloc amendments, and I thank the chairman for accepting these en bloc amendments, they will strengthen this measure.

Mr. HALL of Ohio. Mr. Chairman, I would like first to commend the Foreign Affairs Committee for their work in producing what I consider to be an innovative and constructive bill. I am particularly appreciative of the outstanding leadership offered by Chairman FASCELL.

This amendment emphasizes the priority of basic education in the work of AID. Funding for the 105 account of the Foreign Assistance

Act, which supports basic education and other activities in education and human resources development, has drifted away from its intended focus on reducing illiteracy and extending basic education. Meanwhile, tragically, education systems across the developing world are stagnating and even declining. The figures are ominous: In many African and Asian countries fewer than 10 percent of all children complete primary school.

USAID has a small, but very effective Office of Education, and I would like to compliment them for their excellent work. They have begun exciting projects and programs, particularly in Africa, but are unable to broaden the country coverage of these because not enough money from the 105 account goes to basic education activities.

Section 304 of H.R. 3100 authorizes that not less than 30 percent of the 105 account be used to fund basic education activities. The proposed amendment does not require any additional funds for the 105 account; rather, it changes the effective date of section 304 to fiscal year 1988. Making this section effective immediately is an essential part of sending a strong message to USAID that basic education must be a central activity of the Agency. I urge my colleagues to support this effort to improve the opportunities of young children across the world to learn how to read, write, and add.

Mr. Chairman, This amendment recognizes the essential role of vitamin A in improving the health of millions of people in developing countries. An estimated 500,000 children are blinded every year from a disease which can be prevented by taking adequate amounts of vitamin A, either in pill form or by eating foods rich in this critical vitamin. The Congress has funded the Vitamin A Deficiency Program since fiscal year 1986.

Funding for this program is contained in the foreign operations and export financing, and related programs appropriation bill, H.R. 3186. I urge my colleagues to support this amendment and include the Vitamin A Deficiency Program in this authorization bill.

Mr. SCHEUER. Mr. Chairman, I am pleased to rise in support of the amendment on International Scientific Cooperation to Protect Biological Diversity which forms part of the en bloc amendment offered by Mr. Fascell to title III of H.R. 3100. This amendment calls upon the President to exert leadership in negotiation of an international convention to conserve biological diversity.

The incipient impoverishment of the world's biological diversity is one of the most crucial issues of our age. Scientists agree that we are on the verge of one of the greatest, if not the greatest, extinction episodes to occur during the 4 billion years since the origin of life on Earth. The present, human-caused rate of extinction is hundreds, perhaps thousands, of times higher than "natural" rates of extinction. We may already be losing several species a day, many of them species that have not been described and whose role in the world's ecosystems have never been assessed. The principal cause of extinction is deforestation, particularly of the tropices where 8 percent of the Earth's land surface contains 50 to 67 percent of its biological diversity. About 1 percent of the Earth is being deforested annually. At the current rate of destruction we will be losing 100 species a day before the end of this century and several hundred species daily by the early 21st century.

The result of this destruction may be the loss of 25 percent of the world's biological diversity in the next 15 years. That will be only the beginning.

I do not need to expound upon the litany of losses that this irreversable impoverishment will bring to us: the loss of genetic resources for products in agriculture, medicine, and industry; substantial disruption of global ecological processes; and a diminished biological heritage for all current and future citizens of the planet.

Much of the species extinction and loss of genetic resources is taking place outside the United States, but has direct effects on the United States from decreased populations of migratory songbirds to increased populations of hungry immigrants from the Third World.

The bad news is that this impoverishing loss of biological diversity is already occurring. The good news is that we are aware of this and can take actions to reverse the trend.

This international problem of unprecedented magnitude requires cooperative international solutions of unprecedented magnitude. Global conventions such as the Ramsar Convention to preserve wetlands and the CITIES Convention to prevent trade in endangered species have been very successful means to deal with global problems. Two such global conventions are being planned to deal with the biological diversity crisis—one by the United Nations Environmental Programme and one by the International Union for the Conservation of Nature. Scientists and conservationists from the United States have provided significant leadership in organizing these global conventions. The success of these and similar conventions depends upon continuation of such U.S. support, which must be matched by strong leadership from the President. I urge my colleagues to support this amendment calling for international cooperation to protect biological diversity.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Florida [Mr. Fascell].

The en bloc amendments were agreed to.

AMENDMENT OFFERED BY MR. RICHARDSON

Mr. RICHARDSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows.

Amendment offered by Mr. Richardson: Page 59, line 3, after "universities," insert "colleges and universities having a student body in which more than 25 percent of the students are Hispanic".

Mr. RICHARDSON. Mr. Chairman, I ask unanimous consent that the amendment be modified by inserting 40 percent in lieu of 25 percent.

The Clerk will report the amendment, as modified.

The Clerk read as follows:

Amendment offered by Mr. Richardson, as modified: Page 59, line 3, after "universities," insert "colleges and universities having a student body in which more than 40 percent of the students are Hispanic".

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

Mr. GILMAN. Mr. Chairman, reserving the right to object, I do not intend to object, but I do yield to the gentleman and ask if he would be kind enough to explain his amendment.

Mr. RICHARDSON. Mr. Chairman, first of all, the amendment has been worked out with the author of the original legislation, Congressman Gray of Pennsylvania. What this simply does is it allows in title III universities and colleges with an Hispanic enrollment of 40 percent of more to become eligible for development assistance grants. The amendments does not increase the authorized budget for development assistance, makes no funding substitutes. It just simply calls for fair representation by including Hispanic colleges in the provisions and, as I said, Chairman Fascell I believe is supportive. Bill Gray, Representative Gray of Pennsylvania, who I would ask the gentleman to yield to, supports this.

Mr. GILMAN. I would be pleased to yield to the gentleman from Philadelphia.

Mr. GRAY of Pennsylvania. I thank the gentleman for yielding.

I just say to the gentleman from New York essentially what the Richardson amendment would be doing is expanding some opportunities that we in the Congress, bipartisanly I might add, about 5 years ago that with regard to the Agency for International Development that we asked them to set a goal for economically and socially disadvantaged businesses as well as minority PVO's and historically black colleges to participate in the contracting of AID, in health care and other kinds of contractual services that are often given to universities, and to make those opportunities available to historically black colleges.

What the gentleman from New Mexico is doing is simply expanding the definition so that it can include those educational institutions that are predominantly Hispanic. Of course, as the gentleman from New York well knows, the definition for economically and socially disadvantaged businesses covers not only black Americans, Hispanic Americans, Asian Americans, Indian Americans and women, but in the educational institution there was no provision. So, essentially what the gentleman is doing is asking us to expand the program which, by the way, has been very successful. I would say to my colleagues AID has successfuly implemented the program and in fact last year the Agency for International Development of the State Department exceeded the goal by something like three or four percentage points.

So, essentially this just provides them another tool to open the doorway of opportunity for another group of Americans who historically have not been able to participate.

Mr. GILMAN. I thank the gentleman for his explanation and yield further to the gentleman from New Mexico.

Mr. RICHARDSON. I wish to once again thank Chairman GRAY, the original author of this provision, for his recognition and understanding.

The distinguished Member from New York, I would just want to explain a little further this amendment. In its current form, a minority set-aside section states that the funds available for development assistance and for the African Development Fund, at least 10 percent ought to be available for minority-owned businesses, historically black colleges and universities and minority-controlled private and voluntary organizations. This section does not authorize development assistance funds for colleges and universities with Hispanic enrollment. This is the reason for the amendment.

The amendment would qualify 29 colleges and universities with an Hispanic enrollment of at least 40 percent under the minority set-aside section. It includes schools in Arizona, California, Colorado, Florida, Illinois, New Jersey, New Mexico, New York, Texas, and others.

In comparison, 106 historically black colleges and universities are already eligible for development assistance over three times that of the Hispanic populated schools.

The amendment, as I said, does not increase the authorized budget for development assistance. It makes no funding substitutes.

The amendment calls for fair representation. It is unthinkable to exclude Hispanics, the second largest minority group in America, from minority set-asides.

That is the reason.

Mr. GILMAN. I thank the gentleman from New Mexico and, Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New Mexico?

There was no objection.

The CHAIRMAN. The gentleman from New Mexico [Mr. RICHARDSON] is recognized for 5 minutes in support of his amendment as modified.

Mr. RICHARDSON. Mr. Chairman, I yield to the gentleman from Florida [Mr. FASCELL], the distinguished chairman of the Committee on Foreign Affairs as I have already stated the purpose of the amendment. I believe it is a good amendment.

Mr. FASCELL. As far as I am concerned, Mr. Chairman, the modified amendment is thoroughly acceptable and I would hope we could go on.

Mr. RICHARDSON. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The question is on the amendment, as modified, offered by the gentleman from New Mexico [Mr. RICHARDSON].

The amendment, as modified, was agreed to.

The CHAIRMAN. Are there further amendments to title III?

Mr. GILMAN. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I yield to the gentlewoman from Rhode Island [Miss SCHNEIDER].

Miss SCHNEIDER. I thank the gentleman for yielding.

Mr. Chairman, I rise in support of the en bloc amendment offered by Mr. FASCELL to title III of H.R. 3100. This en bloc amendment includes my amendment calling on the President to achieve the earliest possible negotiation of an international biological diversity convention.

We are destroying the Earth's biological diversity at a staggering pace. Scientists estimate that the human-induced rate of extinction is hundreds—to thousands—of times higher than the natural rate of extinction. One in three of the world's 200 primate species already are in trouble and at present trends, one in seven could be extinct by the year 2000. In Madagascar, one of the most biologically diverse areas of the world, at least half of the 12,000 plant species and 190,000 animal species are extinct or close to extinction. Many of these species are found nowhere else in the world. Even more disheartening, the Office of Technology Assessment predicts that the rate of loss of biological diversity is likely to increase over the next several decades. We are destroying the resources we need as we leave the industrial revolution and enter the biological revolution.

The world's tropical forests, which contain 50 to 90 percent of the world's biological diversity, are being cut at a rate of 25 to 50 acres per minute. We are clearcutting an area of tropical forests the size of California every 2 years. In Madagascar, over 80 percent of the tropical forests have been cut. The biologically rich Atlantic forest region of Brazil was 82 percent forest in 1500 but only 8.3 percent forest in 1973. At present logging rates, the area will contain only 3 percent by the year 2000.

Maintaining diversity is critical if we are to achieve the full benefits of the biological age we are entering. For example, the Department of Agriculture estimates that contributions from plant genetic material leads to a 1-percent increase in crop productivity worth over $1 billion every year. Twenty-five percent of all prescription drugs in the United States with an estimated market value of $8-$14 billion per year are derived from plants. Worldwide, drugs, including nonprescription drugs, from wild organisms have commercial value of $40 billion per year. Biotechnology, which has given us the tools to manipulate desirable genetic properties, will continue to rely on the genetic materials found in nature. Maintaining biological resources also provides a number of free ecosystem services, including climate stabilization and protection of soils and watersheds.

The Congress has recognized the importance of protection of biological diversity in section 119 of the Foreign Assistance Act. This section requires the United States to take a number of actions to help other nations conserve biological diversity. But as evidence of increasing species extinction mounts, it is clear that additional actions are necessary. The World Commission on Environment and Development, in its new report, "Our Common Future," recommends that a biological diversity convention be developed.

I am proud to say that the United States has taken the lead in development of such a convention. At the July 1987 governing council meeting of the U.N. Environmental Program, Assistant Secretary of State John Negroponte suggested that a convention be developed. Mr. Negroponte reports that there was broad agreement at the meeting for a convention.

My amendment will foster the goals of section 119 of the Foreign Assistance Act and the initial efforts of the United States to develop a convention. My amendment:

First, establishes congressional approval of administration efforts to initiate development of a convention;

Second, calls on the President to exert U.S. leadership to achieve the earliest possible negotiation on a convention;

Third, establishes protection of a representative number of ecosystems necessary to preserve biological diversity as a prime goal of the negotiation; and

Fourth, requires the President to report to the Congress on progress toward a convention within 1 year of enactment of H.R. 3100.

I want to thank Congressman FASCELL and Congressman BROOMFIELD, chairman and ranking minority member, respectively, of the House Foreign Affairs Committee and Congressman YATRON, a leader in the effort to preserve biological diversity, and Congressman SOLOMON, chairman and ranking minority member, respectively, of the Foreign Affairs Committee's Subcommittee on Human Rights and International Organizations for agreeing to accept my amendment to H.R. 3100.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 42, strike line 17 and all that follows through page 43, line 4 and insert in lieu thereof the following:

"(i)(1) For each fiscal year, funds in an amount not less than the percentage specified in paragraph (2) of the aggregate amount appropriated for that fiscal year to carry out sections 103, 104(b), 104(c)(1), 104(c)(2), 105, 106, 471, and 491 of this Act shall be made available for the activities of private and voluntary organizations; and the President shall seek to channel funds in an amount not less than 25 percent of such aggregate amount for the activities of private and voluntary organizations.

"(2) The minimum percentages under this subsection for fiscal years 1988 through 1992 shall be as follows:

"(A) 15 percent for each of fiscal years 1988, 1989, and 1990;

"(B) 15.5 percent during fiscal year 1991; and

"(C) 16 percent during fiscal year 1992 and each fiscal year thereafter."

Page 43, strike lines 8 through 19 and insert in lieu thereof the following:

"(j)(1) Funds made available to carry out this part may not be made available to any United States private and voluntary organization (other than a cooperative development organization) which obtains less than the percentages specified in paragraph (2) of its total annual funding for international activities from sources other than the United States Government. In calculating the amount of Government support received by an organization, there shall be excluded the value of commodities (and related transportation) made available for overseas distribution and the value of contracts for services, grants, and other activities initiated primarily by the agency primarily responsible for administering this part.

"(2) The minimum percentages under this subsection for fiscal years 1988 through 1992 shall be as follows:

"(A) 25 percent during fiscal year 1988;

"(B) 30 percent during fiscal year 1989;

"(C) 40 percent during fiscal year 1990;

"(D) 45 percent during fiscal year 1991; and

"(E) 50 percent during fiscal year 1992 and each fiscal year thereafter."

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, at quick glance, this amendment looks rather complicated. But, in fact, it is really quite straightforward: Its essential purpose is to make sure that PVO's remain private.

As every Member knows, private voluntary organizations are frequently used by AID as vehicles for delivering and administering U.S. foreign assistance. In doing so, PVO's perform a very vital function that might otherwise be more difficult to achieve.

Take, for example, the great famine relief effort in Ethiopia that was mounted by our Government and others back in 1985. That effort was successful in large part, because PVO's were in the forefront. It is no secret that official relations between our Government and the Mengistu regime in Ethiopia have been very bad—even downright hostile. The Mengistu regime's reluctance to let Americans into Ethiopia during the famine crisis was mitigated largely by the fact that PVO's were designated by AID as the primary delivery vehicles for U.S. assistance. The PVO's had an entree into Ethiopia that our official personnel did not. In the end, about 75 percent of all U.S. aid during that disastrous famine was handled by PVO's. They were able to operate in a reasonably free manner so long as they were not identified as part of the U.S. Government.

My amendment is aimed, simply, at protecting the integrity of PVO's. At the present time, a PVO can receive 80 percent of its funding from the Federal Government and still be classified as a private organization. It doesn't take too great a stretch of the imagination to see that a PVO in such a situation is, in fact, a public agency in everything but name. So my amendment would establish an incremental scale with 1992 as the target date by which a PVO would have to receive at least 50 percent of its funding from private sources in order to keep its status as a private organization.

In other words, PVO's which today can accept 80 percent of their funding from the Federal Government, would by 1992 be able to accept no more than 50 percent of their funding from public sources and still retain their status as a private organization. I might add, Mr. Chairman, that right now a vast majority of PVO's would already pass this test successfully. But concerns have been raised—both inside and outside the PVO community—about protecting the integrity of these organizations, and my amendment seeks to do that.

One final thing: Given the impressive record that PVO's have compiled over the years, my amendment would escalate the percentage of AID funds which should be channeled through PVO's from the present level of 13.5 percent of AID's budget to a level of 16 percent in 1992, and would raise the nonbinding target figure from 18 percent in H.R. 3100, the committee bill, to a level of 25 percent.

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Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I rise in opposition to the Solomon amendment. The 20-percent PVO private resources requirement is a carefully crafted compromise between PVO's, Congress, and the administration which has been in effect for 2 years.

The 20-percent requirement sets reasonable standards for privateness while maintaining some flexibility to meet special needs such as the use of PVO's in Food-for-Peace and Child Survival programs.

Any funds channeled through PVO's expand the efficiency and effectiveness of U.S. foreign assistance programs at a time of shrinking Federal resources. Given the tremendous pressure to reduce expenditures for Federal programs, it is essential to channel funds directly through private voluntary organizations [PVO's] and cooperatives which have greater ability to both reach the poor at less cost and to augment U.S. official assistance with private contributions.

PVO's have a number of special characteristics that enable them to reach the poorer groups in countries where they operate, including their organizational flexibility and innovativeness, their ability to mobilize local resources, their capacity to work outside of government channels, and their ability to work in remote areas beyond the reach of their support systems.

Moreover, the Agency for International Development relies on the private voluntary sector for carrying out effective grassroots people-to-people development programs.

The Solomon amendment would have a harsh impact on small and minority PVO's which find it relatively more expensive and difficult to expand fund raising activities. It would countermand the Gray amendment which provides for increased foreign aid funding through economically and social disadvantaged PVO's.

It is also detrimental to a significant number of long-term development oriented PVO's that work on complex problems and find it more difficult to raise money for these types of projects as compared to emergency relief efforts.

Accordingly, it seems only fair that the results of the existing legislation be evaluated before any new legislation is enacted. There is no reason to suppose that a 30-, 40-, or 50-percent provision is any more efficacious than a 20-percent provision, especially since the latter has not yet been evaluated, I urge my colleagues to oppose the Solomon amendment.

AMENDMENT OFFERED BY MR. WOLPE AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. SOLOMON

Mr. WOLPE. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLPE as a substitute for the amendment offered by Mr. SOLOMON: Page 42, strike out line 17 and all that follows through line 4 on page 43 and insert in lieu thereof the following:

"(i)(1) For each fiscal year, funds in an amount not less than the percentage specified in paragraph (2) of the aggregate amount appropriated for that fiscal year to carry out sections 103, 104(b), 104(c)(1), 104(c)(2), 105, 106, 472, and 491 of this Act shall be made available for the activities of private and voluntary organizations; and the President shall seek to channel funds in an amount not less than 25 percent of such aggregate amount for the activities of private and voluntary organizations. Funds made available under chapter 4 of part II of this Act for the activities of private and voluntary organizations and cooperatives may be considered in determining compliance with the requirements of this subsection.

"(2) The minimum percentages under this subsection are as follows:

"(A) 15 percent for each of fiscal years 1988, 1989, and 1990.

"(B) 15.5 percent for fiscal year 1991.

"(C) 16 percent for fiscal year 1992 and each fiscal year thereafter.".

Page 43, strike out lines 8 through 19 and insert in lieu thereof the following:

"(j)(1) Funds made available to carry out this part may not be made available to any United States private and voluntary organization (other than a cooperative development organization) which obtains less than the percentages specified in paragraph (2) of its total annual funding for international activities from sources other than the United States Government. In calculating the amount of Government support received by an organization, there shall be excluded the value of commodities (and related transportation) made available for overseas distribution and the value of contracts for services, grants, and other activities initiated primarily by the agency primarily responsible for administering this part.

"(2) The minimum percentages under this subsection shall be 20 percent for each of the fiscal years 1988 through 1991 and shall be 30 percent for fiscal year 1992 and each fiscal year thereafter.

"(3) The Administrator of the agency primarily responsible for administering this part may, on a case-by-case basis, waive the restriction established by this subsection, after taking into account the effectiveness of the overseas development activities of the organization, its level of volunteer support, its financial viability and stability, and the degree of its dependence for its financial support on the agency primarily responsible for administering this part.".

Mr. WOLPE. Mr. Chairman, let me say to my colleagues that the amendment offered by my distinguished colleague, the gentleman from New York [Mr. SOLOMON] really does two things. First of all, it slightly increases the amount of money PVO's are guaranteed from AID, and I am in complete accord with that element of the amendment offered by the gentleman from New York [Mr. SOLOMON].

Second, it would gradually increase the amount of private funds they raise to at least 50 percent of the total funds over the next 4 years.

That is the part of the amendment with which I have some difficulty, because of the concerns that were expressed so well by the other gentleman from New York [Mr. GILMAN] just a moment ago.

It is vital to make certain that the PVO's are in fact able to continue to perform their critical mission. The concern that is raised by the PVO community is the magnitude of the new demand of 50 percent as suggested by the Solomon amendment.

I, therefore, have offered, in the spirit of compromise, a substitute which I believe should be acceptable to the gentleman from New York [Mr. SOLOMON]. It also retains the initial part of his amendment regarding funds earmarked out of AID funds for the PVO's. It would increase the current private funding requirement from 20 percent to 30 percent effective in fiscal year 1993. It further provides the Administrator of AID the authority to waive this percentage requirement on a case-by-case basis. That is the same authority which he now has under current law, and it is an authority which I believe is important to preserve.

Mr. Chairman, I urge adoption of the amendment.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to my good friend, the gentleman from New York.

Mr. SOLOMON. Mr. Chairman, let me just say that I think the gentleman has come up with a reasonable compromise. At the present time there are 210 PVO's registered with AID, and thus they receive U.S. Government funds. Of these 210 PVO's, a total of 19 of the 210 presently receive less than 50 percent of their funding from private sources, and only 5 of those 19 out of the 210 receive less than 30 percent of their funding from private sources. So in that respect the gentleman's amendment makes a lot of sense.

The whole point of my amendment in the first place was, first of all, to raise the money available to these PVO's that are doing such a great job, but also we do not want to repeat in our country what happened in Great Britain where the great private charities and philanthropic organizations that were established in the 19th century eventually became extensions of the British Government in the 20th century, moving toward socialism. There is a vital role to be played in our society by the private voluntary organizations which this amendment seeks to encourage.

So, Mr. Chairman, I do think the gentleman's amendment is a more reasonable approach. I support it 100 percent, and I would accept it as far as this side of the aisle is concerned.

Mr. WOLPE. Mr. Chairman, if I may just respond briefly, I thank the gentleman for his support and for his cooperation in working through this issue.

I certainly support the thrust of the gentleman's original amendment which is to preserve the private nature of the private voluntary organizations. My concern was that the magnitude of the initially proposed increase would deny many worthy PVO's funds and would hurt our development overseas, especially in Africa. Like the gentleman, I believe the compromise being suggested here will do the job and serve both objectives.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. WOLPE. I yield to my distinguished chairman.

Mr. FASCELL. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I just want to express my appreciation to the gentleman from New York [Mr. SOLOMON] and the gentleman from Michigan [Mr. WOLPE] for working this matter out. The amendment is certainly acceptable to us on this side of the aisle, and I assume it is acceptable on the other side also.

Mr. GILMAN. Mr. Chairman, if the gentleman will yield, the amendment is acceptable to the minority.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. WOLPE] as a substitute for the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment offered as a substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON], as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. DORNAN OF CALIFORNIA

Mr. DORNAN of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DORNAN of California: Page 28, beginning in line 19, strike out "; and, additionally, all such applicants shall comply with the requirements of the first sentence of this paragraph".

The CHAIRMAN. The gentleman from California [Mr. DORNAN] is recognized for 5 minutes in support of his amendment.

Mr. DORNAN of California. Mr. Chairman, I wonder if I may defer at this point for consultation with my staff, as I am inclined to withdraw my amendment. I am not sure of the parliamentary procedure here. I would defer to the gentleman from Indiana [Mr. BURTON] so he could present his amendment, and then I think I am, more than 60-40, leaning toward withdrawing my amendment. Is that possible under parliamentary procedure?

Mr. FASCELL. Mr. Chairman, if the gentleman will yield, yes, as far as we are concerned, it is very possible.

The CHAIRMAN. The Chair will state that all that would be required is that the gentleman make a unanimous-consent request.

Mr. DORNAN of California. Mr. Chairman, I would like to make the unanimous-consent request that I defer my amendment until the gentleman from Indiana [Mr. Burton] has offered his amendment.

The CHAIRMAN. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BURTON of Indiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Burton of Indiana: On page 58, after line 15, insert the following new section:

SEC. . AIDS EDUCATION.

Section 104 of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

"(H) AIDS Education.—As part of providing population assistance under this act, the President shall require that all individuals who ultimately receive family planning assistance are fully informed as to the risks of infection with human immunodeficiency virus through sexual activity. A grant may be made under this act for population assistance only upon assurance satisfactory to the President that the recipient of the grant will, prior to providing to any individual any such assistance, inform the individual—

"(1) of the effectiveness of the particular contraceptive method provided to the individual by the recipient as a method to prevent infection with the human immunodeficiency virus and a comparison of such effectiveness with the effectiveness of sexual abstinence outside a sexually monogomus marriage.

"(2) that many individuals who are infected with the human immunodeficiency virus will develop acquired immunodeficiency syndrome, which is a fatal disease; and

"(3) that the most effective way to avoid becoming infected with the human immunodeficiency virus is to abstain from homosexual relations, from heterosexual relations outside of marriage, and from the intravenous use of illegal drugs.".

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Mr. BURTON of Indiana. Mr. Chairman, the AIDS pandemic is worldwide in scope. The World Health Organization estimates that, I think, worldwide by the year 1995, or the turn of the century, we are going to have as many as 50 million people infected with this dread disease, and millions will be dead or dying.

Toward that end, this amendment is proposed to inform people in various parts of the world, particularly Third World countries, underdeveloped countries, of the HIV-AIDS virus and how to deal with it.

It is extremely important that we educate people in Third World countries as well as our own on how to deal with this dread, deadly disease.

Right now in Africa, I am told that the AIDS pandemic is spreading unabated, because there is no educational tool. The people over there simply do not understand how to deal with this deadly virus and how to protect themselves, so the purpose of this amendment is to instruct people who are dealing with birth control with U.S. taxpayers' dollars, to instruct those people who are coming in to get these contraceptive devices and learning about contraceptive measures to protect themselves from pregnancy, that in addition, they must be concerned about the very real threat of becoming infected with the HIV-AIDS virus, so I think that probably every Member in this Chamber and in this Congress who is aware of the spread of the AIDS epidemic realizes that education is one of the most effective tools we can use to deal with this, not only in the United States, but around the world.

Toward that end, I have offered this amendment. I hope it is adopted unanimously.

I know one of the Members on the other side of the aisle has a perfecting amendment. We have talked about it, Mr. Chairman.

Mr. BERMAN. Mr. Chairman, will the gentleman yield?

Mr. BURTON of Indiana. I yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, I thank the gentleman for yielding.

My amendment, which will be offered in a moment, recognizes the logic of education in this area. It also provides a procedure where the President, if he determines that the incidence of AIDS in that country, or that the laws and customs of that country make the inclusion of the information counter-productive and inappropriate, he could exercise his authority to provide a waiver.

It keeps the thrust of what the gentleman is trying to do, and allows at the Presidential level a waiver where that might not be appropriate for one reason or another.

Mr. BURTON of Indiana. I think the gentleman's amendment is agreeable, and I will accept it.

The President, as time goes by, may decide that we need to impose this educational mandate in some of these Third World countries where at the present time it may not be necessary because of cultural problems, or because of the laws in that country, or because the epidemic is not that prevalent.

I think the gentleman's amendment adds something to the amendment, and I gladly accept it.

AMENDMENT OFFERED BY MR. BERMAN TO THE AMENDMENT OFFERED BY MR. BURTON OF INDIANA

Mr. BERMAN. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Berman to the amendment offered by Mr. Burton of Indiana: In proposed subsection (h), strike out all that follows "AIDS education.—" and insert in lieu thereof the following:

As part of providing health and population planning assistance under this part, the President shall require that programs include information about the risks of infection with human immunodeficiency virus. This information shall include—

"(1) the effectiveness of contraceptive methods as a method to prevent infection with the human immunodeficient virus and a comparison of such effectiveness with the effectiveness of abstaining from high-risk behavior,

"(2) that many individuals who are infected with the human immunodeficiency virus will develop immunodeficiency syndrome, which is a fatal disease, and

"(3) that the most effective way to avoid becoming infected with the human immunodeficiency virus is to abstain from high-risk behavior.

This subsection shall not apply with respect to programs in a country if the President determines that the incidents of Acquired Immunity Deficiency Syndrome in that country or the laws or customs of that country, make the inclusion of such information inappropriate.".

Mr. BERMAN (during the reading). Mr. Chairman, I ask unanimous consent that the amendment to the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. BERMAN. Mr. Chairman, as the gentleman from Indiana explained, this is consistent with the gentleman's efforts to promote AIDS education in our family planning programs.

It provides a Presidential waiver in those situations where the incidence of AIDS is so low, or the education program would be so inappropriate.

I believe the amendment is not controversial.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Berman] to the amendment offered by the gentleman from Indiana [Mr. Burton].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Indiana [Mr. Burton], as amended.

The amendment, as amended, was agreed to.

The CHAIRMAN. Are there further amendments to title III?

If not, the Clerk will designate title IV.

The text of title IV is as follows:

TITLE IV—OTHER ASSISTANCE PROGRAMS AND AUTHORIZATIONS

Part A—Foreign Assistance Act Programs

SEC. 401. AMERICAN SCHOOLS AND HOSPITALS.

Section 214(c)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(c)(1) To carry out the purposes of this section, there are authorized to be appropriated to the President $35,000,000 for fiscal year 1988 and $35,000,000 for fiscal year 1989.".

SEC. 402. HOUSING GUARANTY PROGRAM.

(a) Increasing Authorized HIG Program Level.—Section 222(a) of the Foreign Assistance Act of 1961 is amended by striking out "$2,158,000,000" in the second sentence and inserting in lieu thereof "$2,308,000,000".

(b) Extending HIG Program Authority.—Such section is further amended by striking out "1988" in the third sentence and inserting in lieu thereof "1990".

(c) Borrowing Authority.—Section 223(e)(2)(A)(ii) of that Act is amended by striking out "$40,000,000" and inserting in lieu thereof "$100,000,000".

(d) Budget Act.—The authority provided by the amendments made by subsections (a) and (b) may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 403. AGRICULTURAL AND PRODUCTIVE CREDIT AND SELF-HELP COMMUNITY DEVELOPMENT PROGRAMS.

(a) Extending Program Authority.—Section 222A(h) of the Foreign Assistance Act of 1961 is amended by striking out "1988" and inserting in lieu thereof "1990".

(b) Budget Act.—The authority provided by the amendment made by subsection (a) may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 404. TRADE CREDIT INSURANCE PROGRAM.

Section 224(e) of the Foreign Assistance Act of 1961 is amended by striking out "the aggregate amount of outstanding commitments under subsection (a) may not exceed $300,000,000 of contingent liability for loan principal during fiscal year 1986 and may not exceed $400,000,000 of contingent liability for loan principal during fiscal year 1987" and inserting in lieu thereof "commitments entered into during fiscal year 1988 to guarantee loans under subsection (a) may not exceed $200,000,000 of contingent liability for loan principal and commitments entered into during fiscal year 1989 to guarantee loans under subsection (a) may not exceed $200,000,000 of contingent liability for loan principal".

SEC. 405. VOLUNTARY CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS AND PROGRAMS.

(a) Authorizations and Earmarkings.—Section 302(a)(1) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a)(1) There are authorized to be appropriated to the President $222,264,000 for fiscal year 1988 and $222,264,000 for fiscal year 1989 for grants to carry out the purposes of this chapter, in addition to funds available under other Acts for such purposes. Of these amounts for each such fiscal year—

"(A) $112,500,000 shall be for the United Nations Development Program;

"(B) $51,500,000 shall be for the United Nations Children's Fund; and

"(C) $8,000,000 shall be for the United Nations Environment Program.".

(b) International Fund for Agricultural Development.—Paragraph (2) of section 103(h) of that Act, as so redesignated by section 307 of this Act, is amended to read as follows:

"(2) In addition to any funds made available under chapter 3 of this part (relating to international organizations and programs) which are used for such purpose, other funds made available to carry out this part may be used for United States contributions to the International Fund for Agricultural Development.".

(c) Condition on Contributions to the International Atomic Energy Agency.—Section 302(a) of that Act is amended by adding at the end the following:

"(3) Funds authorized to be appropriated by paragraph (1) may be contributed to the International Atomic Energy Agency only if the Secretary of State determines (and so reports to the Congress) that Israel is not being denied its right to participate in the activities of that Agency.".

SEC. 406. INTERNATIONAL DISASTER ASSISTANCE.

(a) Authorizations of Appropriations.—The first sentence of section 492(a) is amended to read as follows: "There are authorized to be appropriated to the President to carry out section 491, $25,000,000 for fiscal year 1988 and $25,000,000 for fiscal year 1989.".

(b) Prohibition on Cash Transfers.—Section 491 of that Act is amended by adding at the end the following:

"(d) Funds made available to carry out this chapter may not be used to provide assistance on a cash transfer basis.".

SEC. 407. ANTITERRORISM ASSISTANCE PROGRAM.

Section 575(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(a) There are authorized to be appropriated to the President to carry out this chapter, $9,840,000 for fiscal year 1988 and $9,840,000 for fiscal year 1989.".

SEC. 408. TRADE AND DEVELOPMENT PROGRAM.

Section 661(b) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(b) There are authorized to be appropriated to the President for purposes of this section, $20,000,000 for fiscal year 1988 and $20,000,000 for fiscal year 1989. Amounts appropriated under this subsection are authorized to remain available until expended.".

SEC. 409. OPERATING EXPENSES OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT.

(a) Authorizations of Appropriations.—Paragraph (1) of section 667(a) of the Foreign Assistance Act of 1961 is amended to read as follows:

"(1) $340,600,000 for fiscal year 1988 and $340,600,000 for fiscal year 1989 for necessary operating expenses of the agency primarily responsible for administering part I of this Act; and".

(b) Use of Program Funds for Operating Expenses.—Section 667 of that Act is amended by adding at the end the following:

"(c)(1) Amounts authorized to be appropriated to carry out the purposes of chapter 1 and chapter 7 of part I and chapter 4 of part II of this Act for fiscal years 1988 and 1989 may be made available to carry out the purposes of this section and section 668.

"(2) For fiscal years 1988 and 1989, the Administrator of the agency primarily responsible for administering part I of this Act shall make available to the Inspector General of the Agency for International Development, from funds made available pursuant to subsection (a) or paragraph (1) of this subsection, such amount for payment of expenses described in section 668(a)(1) as the Inspector General may request. The Inspector General may not request funds under this paragraph for a fiscal year in an amount—

"(A) which is greater than 10 percent of the amount authorized to be appropriated for that fiscal year by section 668(a)(1), or

"(B) which would cause the limitation in paragraph (3) to be exceeded.

"(3) The authorities of this subsection may not be used to increase the amount available for a fiscal year to carry out this section or section 668 to an amount greater than the amount made available for the previous fiscal year to carry out the purposes described in such section, except that the amount used to cover the costs of converting to the mandatory Federal Employee Retirement System shall be excluded in applying this limitation for fiscal year 1988.".

(c) Operating Expenses of the Office of the Inspector General.—Chapter 3 of part III of that Act is amended by inserting the following after section 667:

"SEC. 668. OPERATING EXPENSES OF THE OFFICE OF THE INSPECTOR GENERAL.

"(a) Authorizations of Appropriations.—There are authorized to be appropriated to the President, in addition to funds otherwise available for such purposes—

"(1) $21,000,000 for fiscal year 1988 and $21,000,000 for fiscal year 1989 for necessary operating expenses of the Office of the Inspector General of the Agency for International Development; and

"(2) such amounts as may be necessary for increases in salary, pay, retirement, and other employee benefits authorized by law, and for other nondiscretionary costs of such office.

"(b) Authority for Extended Availability.—Amounts appropriated under this section are authorized to remain available until expended.".

Part B—Public Law 480 and Section 416 Programs

SEC. 421. PROMOTING BIOLOGICAL DIVERSITY.

(a) Self-Help Measures by Developing Countries.—Section 109(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by striking out "and" at the end of paragraph (10);

(2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (11) the following:

"(12) promoting the conservation and study of biological diversity.".

(b) Use of Local Currencies Proceeds Under Title I Programs.—Section 106(b)(2) of that Act is amended—

(1) by inserting "to carry out activities promoting the conservation and study of biological diversity," after "population planning,"; and

(2) by inserting "promote biological diversity," after "distribution of commodities,".

(c) Use of Local Currencies Proceeds Under Title II Programs.—Section 206 of that Act is amended in the first sentence by striking out "or (C)" and inserting in lieu thereof "(C) programs and projects to promote the conservation and study of biological diversity, or (D)".

(d) Use of Local Currencies Under the Title III Food for Development Programs.—Section 301(b) of that Act is amended in the second sentence—

(1) by inserting "programs to promote the conservation and study of biological diversity," after "population planning,"; and

(2) by inserting "promote biological diversity," after "distribution of commodities,".

SEC. 422. PERIOD FOR AGENCY RESPONSE; PERIOD FOR COMMENTS ON AGENCY GUIDELINES.

Title II of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end the following:

"SEC. 208. PERIOD FOR AGENCY RESPONSE.

"If a proposal to make agricultural commodities available under this title is submitted by a nonprofit voluntary agency or cooperative with the concurrence of the appropriate United States Government field mission, or if a proposal to make agricultural commodities available to a nonprofit voluntary agency or cooperative is submitted by a United States Government field mission, a response to that proposal shall be provided within 45 days following submission of the proposal. The response shall detail the reasons for approval or denial of the proposal. If the proposal is denied, the response shall specify the conditions which would need to be met for the proposal to be approved.

"SEC. 209. PERIOD FOR COMMENTS ON AGENCY GUIDELINES.

"Whenever feasible prior to the issuance of a final guideline issued to carry out this title, the President shall—

"(1) provide notice of the proposed guideline to nonprofit voluntary agencies and cooperatives that participate in programs under this title, and other interested persons, that the proposed guideline is available for review and comment;

"(2) make the proposed guideline available, on request, to such agencies, cooperatives, and persons; and

"(3) take any comments received into consideration before issuing the final guideline.".

SEC. 423. FARMER-TO-FARMER PROGRAM UNDER PUBLIC LAW 480.

Notwithstanding any other provision of law, not less than one-tenth of 1 percent of the funds available for each of the fiscal years 1988 and 1989 to carry out the Agricultural Trade Development and Assistance Act of 1954 shall be used to carry out paragraphs (1) and (2) of section 406(a) of that Act. Any such funds used to carry out paragraph (2) of that section shall not constitute more than one-fourth of the funds used pursuant to the first sentence of this section, shall be used for activities in direct support of the farmer-to-farmer program under paragraph (1) of section 406(a), and shall be administered whenever possible in conjunction with programs under sections 296 through 300 of the Foreign Assistance Act of 1961.

SEC. 424. MULTIYEAR AGREEMENTS UNDER SECTION 416(b).

Section 416(b)(4) of the Agricultural Act of 1949 is amended by adding at the end the following: "In agreements with recipients of eligible commodities under this subsection (including nonprofit agencies or cooperatives), the Secretary is encouraged to approve multiyear agreements to make agricultural commodities available for distribution or sale by the recipients if the agreements otherwise meet the requirements of this subsection. Such agreements shall be subject to the availability each fiscal year of the necessary agricultural commodities.".

SEC. 425. MINIMUM LEVEL OF FOOD ASSISTANCE.

(a) ANNUAL MINIMUM.—It is the sense of the Congress that—

(1) the United States should maintain its historic proportion of food assistance constituting one-third of all United States foreign economic assistance; and

(2) accordingly, not less than one-third of the funds available each fiscal year of foreign economic assistance programs should be used to make United States food assistance available to foreign countries pursuant to the Agricultural Trade Development and Assistance Act of 1954 and section 416(b) of the Agricultural Act of 1949.

(b) DEFINITION.—For purposes of this section, the term "foreign economic assistance" includes—

(1) assistance under chapter 1 or chapter 7 of part I of the Foreign Assistance Act of 1961, the Agricultural Trade Development and Assistance Act of 1954, or section 416(b) of the Agricultural Act of 1949; and

(2) United States contributions to the International Bank for Reconstruction and Development, the International Development Association, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, or any other multilateral development bank.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 65, after line 18, insert the following:

(d) GAO STUDY OF INTERNATIONAL ORGANIZATIONS RECEIVING EARMARKED FUNDS.—The Comptroller General shall conduct a study of the accounting practices, current financial reserves, and general level of efficiency and effectiveness of any international organization or agency which is the recipient of funds earmarked pursuant to subsection (a). The Comptroller General shall submit a report on the results of this study to the Congress not later than six months after the date of enactment of this Act.

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, this amendment would require a GAO report, within 6 months, of the three U.N.-affiliated agencies that are receiving earmarked funds under the committee bill. In other words, the U.N. Development Program, UNICEF, and the U.N. Environmental Program would be subject to GAO studies concerning their "accounting practices, current financial reserves, and general level of efficiency and effectiveness * * *."

The three agencies that would be covered by the GAO studies have all received very substantial U.S. support in the past—and the Director General's position in two of them—UNDP and UNICEF—has always been filled by an American. I might add, for my friends on the Democratic side of the aisle, that not only has the Director's job in UNDP always gone to an American, it has always gone to a Republican.

I believe this amendment is timely because these three U.N. affiliates have been subject to significant reduction in the level of U.S. financial support for the last several years, although we still remain as the largest single donor in each agency.

The UNDP, which has a larger annual budget than the entire operating budget of the U.N. Secretariat, has taken the lion's share of the U.S. cuts. Since 1984, U.S. support for UNDP has gone down by about 32 percent. Our share of UNDP's overall budget has declined from about 25 percent 3 years ago to about 18 percent today.

U.S. support for UNICEF has essentially been frozen at 1984 levels for the past 3 years, but has declined in real term by more than 5 percent. Our share of UNICEF's overall budget has gone down from 28 percent 3 years ago to about 20 percent today.

Finally, U.S. support for UNEP has been reduced by over 20 percent since 1984, and our share of UNEP's overall budget has declined from about 33 percent 3 years ago to about 25 percent today.

There are any number of questions concerning these agencies for which a GAO study could provide some answers:

To what extent are they able to attract alternative sources of funding? It is interesting to note, for example, that both UNDP and UNICEF have increased their budgets markedly since U.S. support began declining. Where is the new money coming from?

In a period of diminishing U.S. contributions, what are the prospects for continued American leadership in these agencies?

How effectively are these agencies carrying out or fulfilling their Mandates? Just what is it they should be doing? And are they doing it?

I have long been critical of the rather lax, even nonexistent, auditing procedures within the U.N. system. These three agencies are not a part of the U.N. proper, but they are affiliated with overall U.N. system of agencies and programs. How can these agencies be improved?

Finally, let me just say that I offer this amendment as part of the continuing effort by myself and many other Members in both Houses of Congress to evaluate the usefulness of the U.N. system and our continued participation in it.

Mr. BERMAN. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, this is simply to say on behalf of the Democratic majority that we support the gentleman's amendment.

The amendment makes sense. It provides the possibility of information that could be very useful to us, and we think it should be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Page 64, line 11, strike out "AND EARMARKINGS"; line 15, strike out "$222,264,000" and insert in lieu thereof "$194,000,000"; line 16, strike out "$222,264,000" and insert in lieu thereof "$194,000,000"; and beginning in line 18, strike out "Of" and all that follows through "program." in line 25.

Mr. SOLOMON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The **CHAIRMAN.** Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SOLOMON. Mr. Chairman, this amendment would change the amount authorized under section 405 for voluntary contributions to international organizations and programs.

Section 405 of the bill would authorize over $222 million for such programs, regardless of the fact that the administration requested only $194 million.

In addition, section 405 earmarks funds for three particular international organizations—the U.N. Development Program, UNICEF, and the U.N. Environment Program.

My amendment would change the authorization level so that the administration request, $194 million, is granted in full.

The amendment would also remove the earmarks for particular programs.

Unfortunately, a majority of members of the foreign affairs committee voted in favor of an authorization for international programs which is substantially in excess of that which was requested by the administration.

This offers an excellent illustration of what is wrong with the committee's approach to the authorization of foreign assistance programs.

First, it is fiscally imprudent in a year of seriously reduced funding to go over the administration's request in this area.

Second, overfunding these programs results from the particular interests of committee members in certain special programs and detracts from the ability of the executive branch to deal with such programs across the board.

Third, many of the international programs funded through this section are of questionable value. In my view, before we throw more money at these programs—especially through earmarked funds—we should examine them much more carefully.

Fourth, providing a high level of funding and providing earmarked funds lessens the ability of the executive branch to exert leverage over these programs in order to achieve greatly needed administrative reforms and improvements.

Fifth, funding these programs in excess of the administration request necessarily even further reduces the availability of funds under this act for much more important programs. This reflects the inability of the committee to establish correct priorities—especially for important security programs.

Finally, Mr. Chairman, it doesn't make sense to me to overfund these international programs when more valuable U.S. programs are being cut. This cannot serve the national security interests of the United States and in many cases does not serve our foreign policy interests either.

I urge the adoption of this amendment to reduce the funding of international programs to the level requested by the administration, and to remove earmarked funds.

□ 1410

Mr. YATRON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I strongly oppose the amendment. U.S. voluntary contributions to international organizations have been steadfastly declining since 1984. In fact, the committee's recommendation of just over $222 million for this account is $15 million below the fiscal year 1987 appropriation.

A further reduction would have a devastating impact on UNICEF's ability to fulfill its mandate of child survival. It costs about $5 to immunize a child against several diseases which kill about 38,000 children a day. With consistent support from the United States UNICEF's worldwide campaign has saved over 5 million children since 1983. Although not intended, this amendment would be a serious setback to UNICEF's battle to save children's lives.

Mr. Chairman, this reduction would more than likely result in the United States losing its leadership role of UNDP. We are dangerously close to being overtaken by Sweden as the largest donor of this outstanding organization. This program is administered under American leadership, and if we fall below other countries in contributions we will lose our ability to guide UNDP's, important development initiatives. I urge my colleagues to vote against the amendment.

Mr. SOLOMON. Mr. Chairman, will the gentleman yield?

Mr. YATRON. I yield to my distinguished colleague and the ranking member of our subcommittee, the gentleman from New York.

Mr. SOLOMON. Well, I just want to say, Mr. Chairman, that it is very rare that the gentleman from Pennsylvania and I end up on opposite sides of a not too important issue at this time. I just deeply admire and respect the gentleman. He does such a great job as the chairman of the Human Rights International Organization Subcommittee; but I just might point out to those on that side of the aisle that in the Broomfield substitute there are no dollars at all in this category. In other words, not $194 million, not $221 million, so that if this amendment passes that opens up under the rule that we are operating and allows me to put the $194 million in the Broomfield substitute, making that a much better bill from the gentleman's point of view; so I would urge all of you on that side of that aisle to support the Solomon approach, which is going to end up being your democratic approach.

Mr. BERMAN. Mr. Chairman, will the gentleman yield further?

Mr. YATRON. I yield to the gentleman from California.

Mr. BERMAN. Mr. Chairman, I appreciate the gentleman yielding, and I support him in his opposition to the amendment.

I just wanted to make sure that I understood the situation. The committee bill produces a reduction in funding for these programs already, as I understand it.

Mr. YATRON. That is correct.

Mr. BERMAN. And if the gentleman's amendment is adopted to cut the program by an additional $30 million or so, it will result in at least a 40-percent reduction in our contribution to the UNICEF program.

Mr. YATRON. The gentleman is correct.

Mr. BERMAN. Mr. Chairman, I join the gentleman in opposing the amendment.

The **CHAIRMAN.** The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The question was taken, and on a division (demanded by Mr. BROOMFIELD) there were—ayes 4; noes 11.

RECORDED VOTE

Mr. BROOMFIELD. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 190, noes 229, not voting 14, as follows:

[Roll No. 443]

AYES—190

Andrews
Anthony
Archer
Armey
Badham
Baker
Ballenger
Barnard
Bartlett
Barton
Bateman
Bennett
Bentley
Bevill
Bilirakis
Bliley
Boulter
Broomfield
Brown (CO)
Bunning
Burton
Byron
Callahan
Campbell
Chapman
Chappell
Cheney
Clinger
Coats
Coble
Coleman (MO)
Combest
Craig
Crane
Daniel
Dannemeyer
Darden
Daub
Davis (IL)
de la Garza
DeLay
Derrick
Dickinson
DioGuardi
Dornan (CA)
Dreier
Dyson
Edwards (OK)
Emerson
English
Erdreich
Fields
Flippo
Gallegly
Gallo
Gekas
Gingrich
Gordon
Gradison
Grandy
Gregg
Gunderson
Hall (TX)
Hammerschmidt
Hansen
Harris
Hastert
Hayes (LA)
Hefley
Hefner
Herger
Hiler
Holloway
Hopkins
Houghton
Hubbard
Hunter
Hutto
Hyde
Inhofe
Ireland
Jones (NC)
Jones (TN)
Kasich
Kolbe
Kolter
Konnyu
Kyl
Lagomarsino
Lancaster
Latta
Leath (TX)
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Livingston
Lloyd
Lott
Lowery (CA)
Lujan
Luken, Thomas
Lukens, Donald
Lungren
Mack
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McCurdy
McDade
McEwen
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Molinari
Montgomery
Moorhead
Myers
Nichols
Nielson
Packard
Parris
Pashayan
Petri

Pursell
Quillen
Rahall
Ravenel
Regula
Rhodes
Ridge
Ritter
Roberts
Robinson
Roemer
Rogers
Roth
Rowland (CT)
Rowland (GA)
Saiki
Saxton
Schaefer
Schuette
Schulze
Sensenbrenner
Shaw
Shumway
Shuster
Skeen
Slattery
Slaughter (VA)
Smith (NE)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stangeland
Stenholm
Stratton
Stump
Sundquist
Sweeney
Swindall
Tallon
Tauke
Tauzin
Taylor
Thomas (CA)
Traficant
Upton
Valentine
Vander Jagt
Vucanovich
Walker
Watkins
Weber
Weldon
Whittaker
Wolf
Wortley
Wylie
Young (AK)
Young (FL)

NOES—229

Ackerman
Akaka
Alexander
Anderson
Annunzio
Applegate
Aspin
Atkins
AuCoin
Bates
Beilenson
Bereuter
Berman
Bilbray
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Buechner
Bustamante
Cardin
Carper
Carr
Chandler
Clarke
Clay
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coughlin
Coyne
Crockett
DeFazio
Dellums
DeWine
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Early
Eckart
Edwards (CA)
Espy
Evans
Fascell
Fawell
Fazio
Feighan
Fish
Flake
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Garcia
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Goodling
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hamilton
Hatcher
Hawkins
Hayes (IL)
Henry
Hertel
Hochbrueckner
Horton
Howard
Hoyer
Hughes
Jacobs
Jeffords
Johnson (CT)
Johnson (SD)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kostmayer
LaFalce
Lantos
Leach (IA)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lowry (WA)
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (WA)
Moakley
Mollohan
Moody
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Nagle
Natcher
Neal
Nelson
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Panetta
Patterson
Pease
Pelosi
Penny
Pepper
Perkins
Pickett
Pickle
Porter
Price (IL)
Price (NC)
Rangel
Ray
Richardson
Rinaldo
Rodino
Roe
Rose
Rostenkowski
Roukema
Roybal
Russo
Sabo
Savage
Sawyer
Schneider
Schroeder
Schumer
Sharp
Shays
Sikorski
Sisisky
Skaggs
Skelton
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NJ)
Snowe
Solarz
Spratt
St Germain
Staggers
Stallings
Stark
Stokes
Studds
Swift
Synar
Thomas (GA)
Torres
Torricelli
Towns
Traxler
Udall
Vento
Visclosky
Volkmer
Walgren
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wyden
Yates
Yatron

NOT VOTING—14

Biaggi
Courter
Davis (MI)
Dowdy
Dymally
Gephardt
Huckaby
Jenkins
Kemp
Mineta
Morella
Murtha
Scheuer
Wilson

□ 1425

Messrs. DEWINE, LOWRY of Washington, and WHEAT changed their votes from "aye" to "no."

Messrs. THOMAS of California, GUNDERSON, ANDREWS, NICHOLS, and HEFNER changed their votes from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title IV?

If not, the Clerk will designate title V.

The text of title V is as follows:

TITLE V—INTERNATIONAL NARCOTICS CONTROL

SEC. 501. AUTHORIZATIONS OF APPROPRIATIONS.

Section 482(a) of the Foreign Assistance Act of 1961 is amended by striking out paragraphs (1) and (3) and by inserting the following new paragraph (1) after "(a)": "(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $95,750,000 for fiscal year 1988 and $95,750,000 for fiscal year 1989.".

SEC. 502. DEVELOPMENT OF HERBICIDES FOR AERIAL COCA ERADICATION.

The Secretary of State shall use not less than $500,000 of the funds made available for each of the fiscal years 1988 and 1989 to carry out chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control) to finance research on and the development and testing of safe and effective herbicides for use in the aerial eradication of coca.

SEC. 503. PROCUREMENT OF WEAPONS TO DEFEND AIRCRAFT INVOLVED IN NARCOTICS CONTROL EFFORTS.

(a) EARMARKING OF MAP FUNDS.—Of the funds available to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), $1,000,000 for each of the fiscal years 1988 and 1989 shall be made available to arm, for defensive purposes, aircraft used in narcotic control eradication or interdiction efforts. These funds may only be used to arm aircraft already in the inventory of the recipient country, and may not be used for the purchase of new aircraft.

(b) NOTIFICATION TO CONGRESS.—The Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate shall be notified of the use of any such funds for that purpose at least 15 days in advance in accordance with the reprogramming procedures applicable under section 634A of the Foreign Assistance Act of 1961.

SEC. 504. PILOT AND AIRCRAFT MAINTENANCE TRAINING FOR NARCOTICS CONTROL ACTIVITIES.

(a) EARMARKING OF FUNDS.—Not less than $2,000,000 of the funds made available for each of the fiscal years 1988 and 1989 to carry out chapter 5 of part II of the Foreign Assistance Act of 1961 (relating to international military education and training) shall be available only for education and training in the operation and maintenance of aircraft used in narcotics control interdiction and eradication efforts for countries in Latin America and the Caribbean.

(b) RELATIONSHIP TO INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAM.—Assistance under this section shall be coordinated with assistance provided under chapter 8 of part I of that Act (relating to international narcotics control).

(c) WAIVER OF SECTION 660.—Assistance may be provided pursuant to this section notwithstanding the prohibition contained in section 660 of the Foreign Assistance Act of 1961 (relating to police training).

SEC. 505. REALLOCATION OF FUNDS WITHHELD FROM COUNTRIES WHICH FAIL TO TAKE ADEQUATE STEPS TO HALT ILLICIT DRUG PRODUCTION OR TRAFFICKING.

(a) REQUIREMENT TO REALLOCATE.—Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"SEC. 486. REALLOCATION OF FUNDS WITHHELD FROM COUNTRIES WHICH FAIL TO TAKE ADEQUATE STEPS TO HALT ILLICIT DRUG PRODUCTION OR TRAFFICKING.

"(a) ADDITIONAL ASSISTANCE FOR COUNTRIES TAKING SIGNIFICANT STEPS.—If any funds authorized to be appropriated for any fiscal year for security assistance are not used for assistance for the country for which those funds were allocated because of the requirements of section 481(h) or any other provision of law requiring the withholding of assistance for countries that have not taken adequate steps to halt illicit drug production or trafficking, the President shall use those funds for additional assistance for those countries which have met their illicit drug eradication targets or have otherwise taken significant steps to halt illicit drug production or trafficking, as follows:

"(1) INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.—Those funds may be transferred to and consolidated with the funds appropriated to carry out this chapter in order to provide additional narcotics control assistance for those countries. Funds transferred under this paragraph may only be used to provide increased funding for activities previously justified to the Congress. Transfers may be made under this paragraph without regard to the 20-percent increase limitation contained in section 610(a). This paragraph does not apply with respect to funds made available for assistance under the Arms Export Control Act.

"(2) SECURITY ASSISTANCE.—Any such funds not used under paragraph (1) shall be reprogrammed within the account for which they were appropriated (subject to the regular reprogramming procedures under section 634A) in order to provide additional security assistance for those countries.

"(b) DEFINITION OF SECURITY ASSISTANCE.—As used in this section, the term 'security assistance' means assistance under chapter 2 of part II of this Act (relating to the military assistance program), chapter 4 of part II of this Act (relating to the Economic Support Fund), chapter 5 of part II of this Act (relating to international military education and training), or the Arms Export Control Act (relating to foreign military sales credits).".

(b) Effective Date.—The amendment made by subsection (a) does not apply with respect to funds appropriated prior to the date of enactment of this Act.

SEC. 506. WAIVER OF RESTRICTIONS ON UNITED STATES ASSISTANCE FOR CERTAIN MAJOR DRUG-TRANSIT COUNTRIES.

Section 481(h) of the Foreign Assistance Act of 1961 shall not apply with respect to a major drug-transit country for the fiscal year 1988 or fiscal year 1989 if the President certifies to the Congress, during that fiscal year, that—

(1) section 481(i)(5)(C) of that Act (relating to money laundering) does not apply to that country;

(2) the country previously was a major illicit drug producing country but, during each of the preceding two years, has effectively eliminated illicit drug production; and

(3) the country is cooperating fully with the United States, or has taken adequate steps on its own, in preventing narcotic and psychotropic drugs and other controlled substances transported through such country from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from being transported, directly or indirectly, into the United States.

SEC. 507. REPORTS AND RESTRICTIONS CONCERNING CERTAIN COUNTRIES.

Section 2013 of the Anti-Drug Abuse Act of 1986 is amended—

(1) in subsection (a), by striking out "Not later than 6 months after the date of enactment of this Act and every 6 months thereafter," and inserting in lieu thereof "As part of each report required by section 481(e) of the Foreign Assistance Act of 1961,"; and

(2) in subsection (b), before "unless" insert "during the one year period beginning on the date on which the report in which it was listed was submitted to the Congress".

SEC. 508. UNITED STATES RELIANCE ON LICIT OPIUM GUM FROM FOREIGN SOURCES.

(a) Review.—The President shall conduct a review of United States narcotics raw material policy to determine—

(1) the current and reserve international needs for opium-derived pharmaceutical and chemical products, and the relative capabilities for meeting those needs through the opium gum process and the concentrated poppy straw method of production;

(2) whether the United States should continue to rely on a single foreign country for all its licit opium gum;

(3) whether it should be United States policy to encourage all countries which produce licit opium to use the concentrated poppy straw method of production; and

(4) what options are available, consistent with treaties to which the United States is a party, to reduce United States reliance on licit opium gum from foreign sources.

The results of this review shall be reported to the Congress by October 1, 1988.

(b) Section 481(h) Certifications With Respect to India.—For fiscal years 1988 and 1989, the President may make a certification with respect to India under section 481(h)(2)(A)(i) of the Foreign Assistance Act of 1961 only if the President determines that the Government of India has taken steps to prevent significant diversion of its licit opium cultivation and production into the illicit market and to eliminate illicit opium cultivation and production. If that certification is made, the President shall include with that certification a detailed report on what steps were taken and an estimate of the amount of licit opium still being diverted to the illicit market.

SEC. 509. ASSISTANCE FOR BOLIVIA.

(a) Conditions on Fiscal Year 1988 Assistance.—

(1) Security assistance.—For fiscal year 1988, assistance may be provided for Bolivia under chapter 2 (relating to grant military assistance), chapter 4 (relating to the economic support fund), and chapter 5 (relating to international military education and training) of part II of the Foreign Assistance Act of 1961 and under chapter 2 of the Arms Export Control Act (relating to foreign military sales financing) only if the President certifies to the Congress that the Government of Bolivia has enacted legislation that will—

(A) establish its legal coca requirements,

(B) provide for the licensing of the number of hectares necessary to produce the legal requirement,

(C) make unlicensed coca production illegal, and

(D) make possession and distribution of coca leaf illegal (other than for licit purposes).

(2) Additional requirement for ESF.—In addition, funds may be obligated for assistance for Bolivia for fiscal year 1988 under chapter 4 of part II of the Foreign Assistance Act of 1961 only if the Secretary of State has submitted to the Congress a plan for conditioning the expenditure of those funds on the Government of Bolivia meeting specific coca eradication targets.

(3) Section 481 certification.—For fiscal year 1988, the President may make a certification with respect to Bolivia under clause (i) of section 481(h)(2)(A) of the Foreign Assistance Act of 1961 only if the Government of Bolivia has entered into the narcotics cooperation agreement with the United States specified in section 611(2)(B) of the International Security and Development Cooperation Act of 1985.

(4) Relation to other requirements.—The requirements of this subsection are in addition to the requirements contained in section 481(h) of the Foreign Assistance Act of 1961 and other applicable provisions of law.

(b) Conditions on Fiscal Year 1989 Assistance.—

(1) Section 481 certification.—For fiscal year 1989, the President may make a certification with respect to Bolivia under clause (i) or (ii) of section 481(h)(2)(A) of the Foreign Assistance Act of 1961 only if the Government of Bolivia—

(A) has entered into the narcotics cooperation agreement with the United States specified in section 611(2)(B) of the International Security and Development Cooperation Act of 1985;

(B) has fully achieved the eradication targets contained in that agreement; and

(C) has begun a program of forced eradication of illicit coca cultivation.

(2) Nonwaivability.—The authorities contained in section 614 of the Foreign Assistance Act of 1961 may not be used to waive the requirements of this subsection, and may not be used to waive the requirements of section 481(h) of that Act for fiscal year 1989 with respect to Bolivia.

(c) Development Assistance.—For fiscal years 1988 and 1989, the project agreement document for any project carried out in Bolivia pursuant to chapter I of part I of the Foreign Assistance Act of 1961 (relating to development assistance) shall contain a clause requiring that project activities be suspended if the Government of Bolivia fails to keep project areas free of illicit coca cultivation.

SEC. 510. ASSISTANCE FOR PERU.

(a) Determinations Regarding Narcotics Control Cooperation.—In making determinations with respect to Peru pursuant to section 481(h)(2)(A)(i) of the Foreign Assistance Act of 1961 for each of the fiscal years 1988 and 1989, the President shall give foremost consideration to whether the Government of Peru made substantial progress in meeting its coca eradication targets during the previous year.

(b) Upper Huallaga Valley Project.—Funds authorized to be appropriated for fiscal years 1988 and 1989 to carry out chapter 1 of part I of that Act (relating to development assistance) may be made available for the project of the Agency for International Development in the Upper Huallaga Valley of Peru only if, before obligating funds for that fiscal year, the Administrator of that Agency determines, and reports to the Congress, that such project continues to be effective in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley.

SEC. 511. ASSISTANCE FOR MEXICO.

(a) Limitation on Assistance.—Of the amounts made available for each of the fiscal years 1988 and 1989 to carry out chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control), not more than $15,000,000 may be made available for Mexico.

(b) Prosecution of Those Responsible for the Torture and Murder of DEA Agents.—Of the funds allocated for assistance for Mexico for each of those fiscal years under that chapter, $1,000,000 shall be withheld from expenditure until the President reports to the Congress that the Government of Mexico—

(1) has fully investigated the 1985 murders of Drug Enforcement Administration agent Enrique Camarena Salazar and his pilot Alfredo Zavala Avelar;

(2) has fully investigated the 1986 detention and torture of Drug Enforcement Administration agent Victor Cortez, Junior; and

(3) has brought to trial and is effectively prosecuting those responsible for those murders and those responsible for that detention and torture.

SEC. 512. COOPERATIVE NONMAJOR DRUG-TRANSIT COUNTRIES.

(a) Greater Attention.—The Congress urges the Assistant Secretary of State for International Narcotics Matters to give greater attention, and provide more narcotics control assistance, to those countries which are drug-transit countries but are not major drug-transit countries (as defined in section 481(i)(5) of the Foreign Assistance Act of 1961) and which are cooperating with the United States in its international narcotics control efforts.

(b) Earmarking of Assistance.—Of the amounts made available for each of the fiscal years 1988 and 1989 to carry out chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control), not less than $1,000,000 shall be available only for assistance to countries described in subsection (a).

SEC. 513. INCREASED FUNDING FOR AID DRUG EDUCATION PROGRAMS.

In addition to amounts otherwise authorized to be appropriated, there are authorized to be appropriated to the President $1,000,000 for each of the fiscal years 1988 and 1989 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance), which amount shall be used pursuant to section 126(b)(2) of that Act for additional activities aimed at increasing awareness of the effects of production and trafficking of illicit narcotics on source and transit countries.

□ 1435

AMENDMENT OFFERED BY MR. LEWIS OF FLORIDA

Mr. LEWIS of Florida. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LEWIS of Florida: Page 86, after line 11, insert the following:

SEC. 514. EXPRESSION IN NUMERICAL TERMS OF MAXIMUM ACHIEVABLE REDUCTIONS IN ILLICIT DRUG PRODUCTION.

Section 481(e)(4) of the Foreign Assistance Act of 1961 is amended by inserting after the second sentence the following: "Each determination of the President under the preceding sentence shall be expressed in numerical terms, such as the number of acres of illicitly cultivated controlled substances which can be eradicated."

Mr. LEWIS of Florida (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. LEWIS of Florida. Mr. Chairman, I wish to offer a modified amendment that slightly changes the one printed in the CONGRESSIONAL RECORD on November 10.

Mr. Chairman, my original amendment was designed to suspend U.S. foreign aid to three countries widely recognized as being major drug-producing nations: Bolivia, Columbia, and Peru, unless the President reports that drug production is down at least 25 percent from the previous year in that country.

Obviously such an amendment could have severe repercussions on the economic and political affairs of the three countries mentioned.

However, my main concern was not for the problems the loss of U.S. foreign assistance might present to Bolivia, Colombia, and Peru. My concern, and one which I would hope is shared by every Member of this House, is the continuing tragedy of drug abuse in this country and the emotional and physical wreckage seen in this Nation as a result of drugs produced in countries like Bolivia, Colombia and Peru.

If it sounds like I'm frustrated then you're right. I am. I'm frustrated by a loop-hole in the Anti-Drug Abuse Act of 1986. Under current law the President is required to certify that major drug producing countries have fully cooperated with the United States to control drug production, trafficking, and money laundering. If he determines they haven't, then the foreign aid we would normally give these countries could be cut back, or cut off. The problem with this process is its too subjective.

Earlier this year, on February 28, 1987, the President certified that 19 drug-producing countries including Bolivia, Colombia, and Peru, had "cooperated fully with the United States" to halt the drug trade in their countries. Unfortunately measuring this "cooperation" is difficult. How does one "quantify" the "cooperation" of these drug producing countries? How much "cooperation" is enough?

Mr. Chairman, after working with the Foreign Affairs Committee I have decided that closing this loop-hole rather than seeking the imposition of strict and possibly arbitrary reductions in illicit drug production would be a more appropriate first step. Therefore, my modified amendment would require that when the President certifies a drug-producing country he determine the "maximum achievable reduction" and express that target in numerical form. That is 5 to 10 percent, 20 percent, or whatever it might be.

Quite simply this would remove the certification process from the realm of the "subjective" and make these drug-producing countries accountable to an "objective" goal. More importantly, by expressing this maximum achievable reduction in numerical form as a percentage reduction or reductions in the number of acres producing illicit drugs. U.S. policymakers would be provided with an accurate benchmark by which the performance and commitment of these countries could be measured.

No longer could drug-producing nations put on a show of cooperativeness every now and then for the sake of keeping the pipeline of U.S. foreign aid open. With an objective standard in place these countries would have to put their money where their mouth is.

Mr. Chairman, we've got to back up our tough talk with tough action and this amendment will give us the tool to do just that. I urge the adoption of my amendment.

All of the cocaine and heroin, and most of the marijuana and other illicit drugs consumed in the United States, are of foreign origin. Coca cultivation in the major producing countries of Peru, Bolivia, and Colombia is expected to continue at high levels in the near term despite some eradication campaigns.

The following information was received from the International Narcotics Control Strategy Report, September 1987:

BOLIVIA

The United States continues to believe that the Bolivians could substantially increase the level of seizures with more energetic enforcement. The amount of narcotics seized is still relatively a small percentage of estimated total production in Bolivia. A comprehensive survey estimated coca cultivation in Bolivia at 42,000 to 53,200 metric tons in 1985 and 44,000 to 52,920 in 1986. An estimated 40,000 to 50,000 metric tons have been cultivated in 1987. Little change from 1985 if any.

COLOMBIA

In 1985 and 1986, Colombia along with Mexico, were the leading producers of marijuana available in the United States. Colombia cultivated 2,600–4,000 metric tons of marijuana in 1986 and 2,200 to 3,900 in 1987. In addition, worldwide cocaine Hydrochloride [HCl] production was estimated at 251 to 273 metric tons in 1985 and 306 to 377 metric tons in 1986; Colombia remains the principal HCl producer and distributor. While Peru and Bolivia continue to be the major cultivators of coca, Colombia still dominates final stage processing and distribution to the United States. An estimated coca cultivation in Colombia in 1985 was 12,400 metric tons and 12,000 to 13,600 metric tons were cultivated in 1986. An estimated 6,000 to 12,800 tons have been cultivated in 1987.

PERU

Coca cultivation in Peru continues to be significantly more extensive than elsewhere in South America. Although large amounts are legally farmed, much of the total crop is diverted to the illegal traffic. A comprehensive survey estimated coca cultivation in Peru at 95,200 metric tons in 1985 and 95,000 to 120,000 hectares of coca were under cultivation in 1986. It is estimated that Peru will cultivate 90,000 to 115,000 metric tons in 1987.

While eradication and enforcement gains have been made, coca cultivation will continue unless we stand firm against these major illicit drug producing countries. The narcotics situation remains serious.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of Florida. I am happy to yield to the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I commend the gentleman for an excellent amendment. He has been a long time battler in the trenches on narcotics, and I urge my colleagues to support the amendment.

Mr. SHAW. Mr. Chairman, will the gentleman yield?

Mr. LEWIS of Florida. I am happy to yield to my colleague from Florida.

Mr. SHAW. Mr. Chairman, I compliment my colleague from Florida. The gentleman has set forth a very organized way in which to deal with the drug trafficking in dealing with other countries. I compliment him for it and plan to support the amendment.

DESIGNATION OF MR. SMITH OF FLORIDA TO OFFER EN BLOC AMENDMENTS TO TITLE V PURSUANT TO THE RULE

Mr. FASCELL. Mr. Chairman, I would like for the record to designate the gentleman from Florida [Mr. SMITH] to offer the en bloc amendments pursuant to the rule on behalf of this title.

Mr. SMITH of Florida. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Florida.

Mr. Chairman, I just want to commend the gentleman from Florida for the work he has done. This area, as my colleagues know, is one of significant importance to many parts of the country, certainly to the Southeast of the United States, and certainly to Florida. This amendment is not only important to the extra ability to monitor that it brings, but it allows the Congress to have a better control over actually measuring and having a yardstick to measure the kind of success we expect to achieve with other countries who sign agreements with us or whose country has been given some target goal by the Bureau of International Narcotics matters in the State Department.

The gentleman's amendment is going to make it emphatically easier to do our job correctly. If we have that measuring stick we can determine whether or not, as we did this year, to extract the kinds of sanctions we have on countries which do not in fact cooperate with us to the extent they should. I commend the gentleman.

I will advise Members that during the time I offer the en bloc amendments to this title that the amendment of the gentleman from Florida [Mr. LEWIS] is already included in that en bloc amendment. So, there will be no loss of this amendment when the title is substituted.

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

(By unanimous consent, Mr. WALKER was allowed to speak out of order.)

GORBACHEV ADDRESS TO JOINT SESSION

Mr. WALKER. Mr. Chairman, first of all I do rise in support of the amendment of the gentleman from Florida. I think it is a good amendment.

But, Mr. Chairman, I wanted to raise a topic with the House right now that I think has been a matter of serious discussion here, and where I recently received some new information that I think the House ought to be aware of.

I just came from a conversation a few minutes ago with the President's Chief of Staff, Mr. Baker. Mr. Baker informed me that there has never, I repeat, never been a formal request by this administration that Secretary General Gorbachev speak before a joint session of Congress. The administration has made no such request.

The representations of the leadership of this House that such a request has been made are absolutely invalid. The question becomes then, who in fact then is the leadership responding to? Who has made this request? Who are they in fact going to bring into this body because a request was made?

My concern is this: We have the leadership of the Congress that has told the American people that the reason why they are going to allow Secretary General Gorbachev to address a joint session of Congress is because the President and his administration made that request. That is absolutely incorrect.

Does the gentleman from Wisconsin want to get in a debate about this, whether or not it is a good idea for Secretary General Gorbachev to address the joint session? I think the gentleman has been commenting over there.

□ 1450

What Howard Baker tells me is that they met with the joint leadership of the House one day informally and it included the minority leader, it included the Speaker, it included the majority leader of the House, it included the Senate. At that point, Howard Baker said to those people,

> We have had this request from the Soviet Union. We don't think it's a very good idea. What do you think?

At that point there was general agreement among everybody there that it was a bad idea.

Now the question is when did a bad idea become a good idea? When did we in fact decide that it would be a good idea to bring the Secretary General of the Communist Party before this body? And who made that request? It obviously was not made by the President, it obviously was not made by the administration. Who has made that request to the Congress?

I think it would be very instructive to find out. Are we, in fact, having a newfound policy where the Speaker is now directly communicating with the Soviet Union as well as the Nicaraguan Government? Who, in fact, made this request that the Secretary General speak before this body?

I think that it is a question that badly needs answering because what we have heard right now, what has been told to the American people by the leadership of this House is in fact a falsehood.

Mr. VOLKMER. Mr. Chairman, will the gentleman yield?

Mr. WALKER. I would be glad to yield to the gentleman from Missouri [Mr. VOLKMER].

Mr. VOLKMER. I thank the gentleman for yielding.

Then the gentleman is saying—what the gentleman is telling me is that the news reports that the administration agreed to having Gorbachev speak before a joint session in exchange for the President speaking before the—on television, unrestricted in Russia, those news reporters are erroneous?

Mr. WALKER. What I am saying to the gentleman is that this administration has made no request at all of this House or of this Congress that Secretary General Gorbachev be given an appearance before a joint session of the Congress.

Mr. VOLKMER. Then the President was not supposed to speak before the Russian people, that is what the gentleman is telling me.

Mr. WALKER. I say to the gentleman our concern is not whether or not Gorbachev gets on our television and whether the President gets on their television. That would be fine.

We ought not allow this podium to be used for one of the world's greatest dictators and we ought not allow that podium to be used by a man who wants to stomp out human freedom across the globe.

Mr. DORNAN of California. Mr. Chairman, would the gentleman yield?

Mr. WALKER. I would be very glad to yield to the gentleman from California [Mr. DORNAN].

Mr. DORNAN of California. I thank the gentleman for yielding.

Mr. Chairman, our distinguished Speaker can solve this mystery and here is the sequence of events as I see them.

During that brief period when our great Speaker designated himself Secretary of State, he went to Msgr. Bismarck Carballo and suggseted that Carballo and Cardinal Obando "the brave" accept four mediators, Paul Warnke, Ed King, the traveling companion of HARKIN of the other body, and two members of the Speaker's staff, Richard Pena and Morris—I forget his first name. When Secretary Shultz came down here as a supplicant on the arm of "Bob" Strauss and went into the Speaker's functionary office—not the ceremonial office—and signed that six-point plan, Mr. Morris, whose first name I forget, walked out and told the press, "We are now back in sync."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. LEWIS].

The amendment was agreed to.

AMENDMENTS OFFERED BY MR. SHAW

Mr. SHAW. Mr. Chairman, I offer amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. SHAW: Page 86, after line 11, insert the following:

SEC. 514. INFORMATION FROM OTHER AGENCIES IN ANNUAL NARCOTICS CONTROL REPORTS.

Section 481(e)(3) of the Foreign Assistance Act of 1961 is amended by adding after subparagraph (D) the following:

"(E) A section prepared by the Drug Enforcement Administration, a section prepared by the Customs Service, and a section prepared by the Coast Guard, which describes in detail—

"(i) the assistance provided or to be provided (as the case may be) to such country by that agency, and

"(ii) the assistance provided or to be provided (as the case may be) to that agency by such country,

with respect to narcotic control efforts during the preceding fiscal year, the current fiscal year, and the next fiscal year.".

Page 86, after line 11, insert the following:

SEC. 514. IMPORTANCE OF SUPPRESSING INTERNATIONAL NARCOTICS TRAFFICKING.

Section 481(a)(1) of the Foreign Assistance Act of 1961 is amended—

(1) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), repectively; and

(2) by inserting after subparagraph (A) the following:

"(B) suppression of international narcotics trafficking is among the most important foreign policy objectives of the United States;".

Page 86, after line 11, insert the following:

SEC. 514. REPORTS ON ASSISTANCE DENIED.

Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(7) Each report pursuant to this subsection shall describe the United States assistance for the preceding fiscal year which was denied, pursuant to subsection (h), to each major illicit drug producing country and each major drug-transit country.".

Mr. SHAW (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SHAW. Mr. Chairman, these amendments state our desire to show to all interested parties the need to make the suppression of international narcotics trafficking one of the most important foreign policy objectives of the United States.

Drug trafficking and its result, drug abuse, are clearly a serious problem. We must reaffirm our dedication to stop this societal plague and clearly show our concern for this important objective. A parallel can easily be drawn between the dangers and losses caused by narcotics and the damage done by war. In financial terms, a staggering amount is spent annually because the United States has yet to be able to solve this problem. Government spending amounted to over $1 billion in programs related to drug trafficking. Productivity losses, medical expenses, and rehabilitation efforts are estimated to cost society billions of dollars annually. It has been estimated that illicit drug trafficking in actuality costs the country over $46 billion a year. This astonishing amount is easily comparable to the financial costs of Vietnam or Korea and not dissimilar to the amounts spent during World War II.

The cost in human lives and suffering caused by drugs provide another parallel with war. Within the United States, in the 27 major metropolitan cities, a survey was conducted. This report showed that in the last year there were over 3,500 drug abuse deaths. To keep this in perspective, it must be pointed out that this survey only reflects deaths directly caused by drugs and ignores the thousands of fatalities that occur in related ways, such as drug trafficking murders. This survey is also just a representation of a small percentage of the population. Between 1959 and 1975, the United States lost 53,000 lives in Vietnam, about 3,500 a year. Therefore, it is evident that this problem is just as serious and deadly as any conflict the United States has ever engaged in.

Most people recognize that in times of war, victory becomes our most pressing foreign policy concern. Narcotics interdiction is a war of a different kind but no less serious or deadly. Eliminating the drug trade must outweigh other foreign policy concerns. If we must make concessions in areas such as trade, military cooperation, or economic cooperation in order to gain cooperation in combating drug trafficking, then we must be prepared to do so.

The time has come to get serious and make the type of sacrifices and commitments necessary to combat the No. 1 foreign policy concern. Since it is a foreign policy issue, the resources available to this type of problem must be capitalized on and better used. The Defense Department is known to have satellites with technology to be able to read a license plate from several hundred miles in space. Drug agents have complained that one of their major setbacks is their inability to locate production fields for drugs. Technology such as surveillance satellites must be used to locate and track narcotic crops, processing facilities, and smuggling activity. If we are to make this our No. 1 concern, we must treat it as such. Using surveillance satellites on cocoa fields is just one example of a way we can begin to show a commitment to attack the international narcotics trade.

A better allocation of resources is also needed. Instead of spending undue money on programs that are not of urgency, funds should be reallocated toward attacking the drug concern. As the time of cutbacks approaches, it must be made explicitly clear that this is one area of foreign policy that must not suffer the budget ax. Other less important policy objectives should be cut first.

One of our most important responsibilities and prerogatives as elected officials is to set priorities for the Federal Government. It is my hope that these amendments make absolutely clear the importance that Congress places on halting the international narcotics trade. It is one of our most important foreign policy objectives. Within the Western Hemisphere it is our single most important foreign policy objective.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman for his very thoughtful approach to our narcotics problems and enforcement, and I thank the gentleman and support his position.

Mr. SMITH of Florida. Mr. Chairman, I move to strike the last word and I rise in support of the amendment.

Mr. Chairman, once again I want to commend my good friend from Florida, the gentleman from Florida [Mr. SHAW] of Fort Lauderdale who, of course, has the district next to mine. He has been one of the most prolific supporters of antidrug legislation and in legislation which allows for our police and law enforcement agencies around the country, at the State, Federal, and local levels, to really be able to combat the problem of drugs.

As a member of the Select Committee on Narcotics and as a member of the Subcommittee on Crime of the Committee on the Judiciary, I share with him not only seats on those committees but the same goals.

Mr. Chairman, I want the House to be aware that the three amendments which the gentleman has en bloc are very, very important amendments which will again allow for a clearer, stronger definition of what our goals are in terms of combating narcotics around the world.

One that requires the INCSR report to include a report by the DEA, Coast Guard, and Customs is a very important issue to provide to the Congress and to the country a detailed account of what those agencies are doing overseas. The amendment that deals with the sense of Congress that suppression of international narcotics is one of our most important foreign policy objectives is a very important point because it sends, again, that message to the other countries around the world which needs to be sent, unfortunately, almost daily, that we will not back off our commitment to making the suppression and eradication of narcotics around the world one of our most important priorities.

Finally, his last amendment requiring an annual report on assistance denied as a result of drug sanctions will allow for the Congress and the country to understand how the law of this country has been implemented. And because of the fact that other countries have not cooperated, we have, as we have done in the past, placed sanctions on those countries in whatever form they have taken.

All of these are very important amendments. They are in a long line of amendments and laws which the gentleman from Fort Lauderdale has sponsored.

I am very pleased to accept these amendments as chairman of the International Narcotics Task Force for the Committee on Foreign Affairs and I commend the gentleman for all the work that he has done.

Mr. SHAW. Mr. Chairman, will the gentleman yield to me?

Mr. SMITH of Florida. I will be happy to yield to the gentleman from Florida [Mr. SHAW].

Mr. SHAW. I thank the gentleman for yielding and thank the gentleman for his support and also his continuing good work in the area of curbing the narcotics market in our area.

As the gentleman probably is aware, just this week in our district which we share spans Port Everglades, the deepest port south of Norfolk, they made twin busts, two busts on cocaine which had a street value of over one-half billion dollars which makes it the largest bust in history. They were simply finding these narcotic substances, the cocaine, inside boards that were hollowed out. It shows the extent people will go to to get drugs into this country.

It is nice to be able to report on a success story that was cracked by the Customs.

I thank the gentleman from Florida [Mr. SMITH] for his support and look forward to working with him in the years ahead on additional legislation.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Florida [Mr. SHAW].

The amendments were agreed to.

AMENDMENTS OFFERED MY MR. SMITH OF FLORIDA

Mr. SMITH of Florida. Mr. Chairman, I offer en bloc amendments pursuant to the rule.

The CHAIRMAN. The Clerk will designate the amendments.

The text of the amendments is as follows:

Amendments offered by Mr. SMITH of Florida: Page 73, strike out line 18 and all that follows through page 86, line 11, and insert in lieu thereof the following:

TITLE V—INTERNATIONAL NARCOTICS CONTROL

SEC. 501. AUTHORIZATIONS OF APPROPRIATIONS.

Section 482(a) of the Foreign Assistance Act of 1961 is amended by striking out paragraphs (1) and (3) and by inserting the following new paragraph (1) after "(a)":

"(1) To carry out the purposes of section 481, there are authorized to be appropriated to the President $98,750,000 for fiscal year 1988 and $98,750,000 for fiscal year 1989.".

SEC. 502. DEVELOPMENT OF HERBICIDES FOR AERIAL COCA ERADICATION.

The Secretary of State shall use not less than $500,000 of the funds made available for each of the fiscal years 1988 and 1989 to carry out chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control) to finance research on and the development and testing of safe and effective herbicides for use in the aerial eradication of coca.

SEC. 503. PROCUREMENT OF WEAPONS TO DEFEND AIRCRAFT INVOLVED IN NARCOTICS CONTROL EFFORTS.

(a) EARMARKING OF MAP FUNDS.—Of the funds available to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), $900,000 for each of the fiscal years 1988 and 1989 shall be made available to arm, for defensive purposes, aircraft used in narcotic control eradication or interdiction efforts. These funds may only be used to arm aircraft already in the inventory of the recipient country, and may not be used for the purpose of new aircraft.

(b) NOTIFICATION TO CONGRESS.—The Committee on Foreigns Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate shall be notified of the use of any such funds for that purpose at least 15 days in advance in accordance with the reprogramming procedures applicable under section 634A of the Foreign Assistance Act of 1961.

SEC. 504. PILOT AND AIRCRAFT MAINTENANCE TRAINING FOR NARCOTICS CONTROL ACTIVITIES.

(a) EARMARKING OF FUNDS.—Not less than $2,000,000 of the funds made available for each of the fiscal years 1988 and 1989 to carry out chapter 5 of part II of the Foreign Assistance Act (relating to international military education and training) shall be available only for—

(1) education and training in the operation and maintenance of equipment used in narcotics control interdiction and eradication efforts for countries in Latin America and the Caribbean; and

(2) the expenses of deploying, upon the request of the government of a foreign country, Department of Defense mobile training teams in that foreign country to conduct training in military-related individual and collective skills that will enhance that country's ability to conduct tactical operations in narcotices interdiction.

(b) RELATIONSHIP TO INTERNATIONAL NARCOTICS CONTROL ASSISTANCE PROGRAM.—Assistance under this section shall be coordinated with assistance provided under chapter 8 of part I of that Act (relating to international narcotics control).

(c) WAIVER OF SECTION 660.—Assistance may be provided pursuant to this section notwithstanding the prohibition contained in section 660 of the Foreign Assistance Act of 1961 (relating to police training).

SEC. 505. REALLOCATION OF FUNDS WITHHELD FROM COUNTRIES WHICH FAIL TO TAKE ADEQUATE STEPS TO HALT ILLICIT DRUG PRODUCTION OR TRAFFICKING.

(a) REQUIREMENT TO REALLOCATE.—Chapter 8 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"SEC. 486. REALLOCATION OF FUNDS WITHHELD FROM COUNTRIES WHICH FAIL TO TAKE ADEQUATE STEPS TO HALT ILLICIT DRUG PRODUCTION OR TRAFFICKING.

"(a) ADDITIONAL ASSISTANCE FOR COUNTRIES TAKING SIGNIFICANT STEPS.—If any funds authorized to be appropriated for any fiscal year for security assistance are not used for assistance for the country for which those funds were allocated because of the requirements of section 481(h) or any other provision of law requiring the withholding of assistance for countries that have not take adequate steps to halt illicit drug production or trafficking, the President shall use those funds for additional assistance for those countries which have met their illicit drug eradication targets or have otherwise taken significant steps to halt illicit drug production or trafficking, as follows:

"(1) INTERNATIONAL NARCOTICS CONTROL ASSISTANCE.—Those funds may be transferred to and consolidated with the funds appropriated to carry out this chapter in order to provide additional narcotics control assistance for those countries. Funds transferred under this paragraph may only be used to provide increased funding for activities previously justified to the Congress. Transfers may be made under this paragraph without regard to the 20-percent increase limitation contained in section 610(a). This paragraph does not apply with respect to funds made available for assistance under the Arms Export Control Act.

"(2) SECURITY ASSISTANCE.—Any such funds not used under paragraph (1) shall be reprogrammed within the account for which they were appropriated (subject to the regular reprogramming procedures under section 634A) in order to provide additional security assistance for those countries.

"(b) DEFINITION OF SECURITY ASSISTANCE.—As used in this section, the term 'security assistance' means assistance under chapter 2 of part II of this Act (relating to the military assistance program), chapter 4 of part II of this Act (relating to the Economic Support Fund), chapter 5 of part II of this Act (relating to international military education and training), or the Arms Export Control Act (relating to foreign military sales credits).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) does not apply with respect to funds appropriated prior to the date of enactment of this Act.

SEC. 506. WAIVER FOR RESTRICTIONS ON UNITED STATES ASSISTANCE FOR CERTAIN MAJOR DRUG-TRANSIT COUNTRIES.

Section 481(h) of the Foreign Assistance Act of 1961 shall not apply with respect to a major drug-transit country for the fiscal year 1988 or fiscal year 1989 if the President certifies to the Congress, during that fiscal year, that—

(1) section 481(i)(5)(C) of that Act (relating to money laundering) does not apply to that county;

(2) the country previously was a major illicit drug producing country but, during each of the preceding two years, has effectively eliminated illicit drug production; and

(3) the country is cooperating fully with the United States, or has taken adequate steps on its own, in preventing narcotic and psychotropic drugs and other controlled substances transported through such country from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from being transported, directly or indirectly, into the United States.

SEC. 507. REPORTS AND RESTRICTIONS CONCERNING CERTAIN COUNTRIES.

Section 2013 of the Anti-Drug Abuse Act of 1986 is amended—

(1) in subsection (a), by striking out "Not later than 6 months after the date of enactment of this Act and every 6 months thereafter," and inserting in lieu thereof "As part of each report required by section 481(e) of the Foreign Assistance Act of 1961,"; and

(2) in subsection (b), before "unless" insert "during the one year period beginning on the date on which the report in which it was listed was submitted to the Congress".

SEC. 508. UNITED STATES RELIANCE ON LICIT OPIUM GUM FROM FOREIGN SOURCES.

(a) REVIEW.—The president shall conduct a review of United States narcotics raw material policy to determine—

(1) the current and reserve international needs for opium-derived pharmaceutical and chemical products, and the relative capabili-

ties for meeting those needs through the opium gum process and the concentrated poppy straw method of production;

(2) whether the United States should continue to rely on a single foreign country for all its licit opium gum;

(3) whether it should be United States policy to encourage all countries which produce licit opium to use the concentrated poppy straw method of production; and

(4) what options are available, consistent with treaties to which the United States is a party, to reduce United States reliance on licit opium gum from foreign sources.

The results of this review shall be reported to the Congress by October 1, 1988.

(b) Section 481(h) Certifications With Respect to India.—For fiscal years 1988 and 1989, the President may make a certification with respect to India under section 481(h)(2)(A)(i) of the Foreign Assistance Act of 1961 only if the President determines that the Government of India has taken steps to prevent significant diversion of its licit opium cultivation and production into the illicit market, to reduce its licit opium stockpile, and to eliminate illicit opium cultivation and production. If that certification is made, the President shall include with that certification a detailed report on what steps were taken and an estimate of the amount of licit opium still being diverted to the illicit market.

SEC. 509. ASSISTANCE FOR BOLIVIA.

(a) Conditions on Fiscal Year 1988 Assistance.—

(1) Security assistance.—For fiscal year 1988, assistance may be provided for Bolivia under chapter 2 (relating to grant military assistance), chapter 4 (relating to the economic support fund), and chapter 5 (relating to international military education and training) of part II of the Foreign Assistance Act of 1961 and under chapter 2 of the arms Export Control Act (relating to foreign military sales financing) only if the President certifies to the Congress that the Government of Bolivia has enacted legislation that will—

(A) establish its legal coca requirements,

(B) provide for the licensing of the number of hectares necessary to produce the legal requirement,

(C) make unlicensed cocoa production illegal, and

(D) make possession and distribution of coca leaf illegal (other than for licit purposes).

(2) Additional requirement for ESF.—In addition, funds may be obligated for assistance for Bolivia for fiscal year 1988 under chapter 4 of part II of the Foreign Assistance Act of 1961 only if the Secretary of State has submitted to the Congress a plan for conditioning the expenditure of those funds on the Government of Bolivia meeting specific coca eradication targets.

(3) Section 481 certification.—For fiscal year 1988, the President may make a certification with respect to Bolivia under clause (i) of section 481(h)(2)(A) of the Foreign Assistance Act of 1961 only if the Government of Bolivia has entered into the narcotics cooperation agreement with the United States specified in section 611(2)(B) of the International Security and Development Cooperation Act of 1985.

(4) Relation to other requirements.—The requirements of this subsection are in addition to the requirements contained in section 481(h) of the Foreign Assistance Act of 1961 and other applicable provisions of law.

(b) Conditions on Fiscal Year 1989 Assistance.—

(1) Section 481 certification.—For fiscal year 1989, the President may make a certification with respect to Bolivia under clause (i) or (ii) of section 481(h)(2)(A) of the Foreign Assistance Act of 1961 only if the Government of Bolivia—

(A) has entered into the narcotics cooperation agreement with the United States specified in section 611(2)(B) of the International Security and Development Cooperation Act of 1985;

(B) has fully achieved the eradication targets contained in that agreement; and

(C) has begun a program of forced eradication of illicit coca cultivation.

(2) Nonwaivability.—The authorities contained in section 614 of the Foreign Assistance Act of 1961 may not be used to waive the requirements of this subsection, and may not be used to waive the requirements of section 481(h) of that Act for fiscal year 1989 with respect to Bolivia.

(c) Development Assistance.—For fiscal years 1988 and 1989, the project agreement document for any project carried out in Bolivia pursuant to chapter I of part I of the Foreign Assistance Act of 1961 (relating to development assistance) shall contain a clause requiring that project activities be suspended if the Government of Bolivia fails to keep project areas free of illicit coca cultivation.

SEC. 510. ASSISTANCE FOR PERU.

(a) Determinations Regarding Narcotics Control Cooperation.—In making determinations with respect to Peru pursuant to section 481(h)(2)(A)(i) of the Foreign Assistance Act of 1961 for each of the fiscal years 1988 and 1989, the President shall give foremost consideration to whether the Government of Peru made substantial progress in meeting its coca eradication targets during the previous year.

(b) Upper Huallaga Valley Project.—Funds authorized to be appropriated for fiscal years 1988 and 1989 to carry out chapter 1 of part I of that Act (relating to development assistance) may be made available for the project of the Agency for International Development in the Upper Huallaga Valley of Peru only if, before obligating funds for that fiscal year, the Administrator of that Agency determines, and reports to the Congress, that such project continues to be effective in reducing and eradicating coca leaf production, distribution, and marketing in the Upper Huallaga Valley.

SEC. 511. ASSISTANCE FOR MEXICO.

(a) Limitation on Assistance.—Of the amounts made available for each of the fiscal years 1988 and 1989 to carry out chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control), not more than $15,000,000 may be made available for Mexico.

(b) Prosecution of Those Responsible for the Torture and Murder of DEA Agents.—Of the funds allocated for assistance for Mexico for each of those fiscal years under that chapter, $1,000,000 shall be withheld from expenditure until the President reports to the Congress that the Government of Mexico—

(1) has fully investigated the 1985 murders of Drug Enforcement Administration agent Enrique Camarena Salazar and his pilot Alfredo Zavala Avelar;

(2) has fully investigated the 1986 detention and torture of Drug Enforcement Administration agent Victor Cortez, Junior; and

(3) has brought to trial and is effectively prosecuting those responsible for those murders and those responsible for that detention and torture.

SEC. 512. COOPERATIVE NONMAJOR DRUG-TRANSIT COUNTRIES.

(a) Greater Attention.—The Congress urges the Assistant Secretary of State for International Narcotics Matters to give greater attention, and provide more narcotics control assistance, to those countries which are drug-transit countries but are not major drug-transit countries (as defined in section 481(i)(5) of the Foreign Assistance Act of 1961) and which are cooperating with the United States in its international narcotics control efforts.

(b) Earmarking of Assistance.—Of the amounts made available for each of the fiscal years 1988 and 1989 to carry out chapter 8 of part I of the Foreign Assistance Act of 1961 (relating to international narcotics control), not less than $1,000,000 shall be available only for assistance to countries described in subsection (a).

SEC. 513. INCREASED FUNDING FOR AID DRUG EDUCATION PROGRAMS.

In addition to amounts otherwise authorized to be appropriated, there are authorized to be appropriated to the President $1,000,000 for each of the fiscal years 1988 and 1989 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance), which amount shall be used pursuant to section 126(b)(2) of that Act for additional activities aimed at increasing awareness of the effects of production and trafficking of illicit narcotics on source and transit countries.

SEC. 514. DEVELOPMENT OF MODEL TREATIES AND COMPREHENSIVE ANTIDRUG LAWS.

The Secretary of State and the Attorney General shall jointly develop a model extradition treaty with respect to narcotics-related violations (including extradition of host country nationals), a model mutual legal assistance treaty, and model comprehensive antinarcotics legislation. The Secretary of State shall distribute such treaties and legislation to each United States mission abroad. The Secretary of State shall report to the Congress, not later than six months after the date of enactment of this Act, on actions taken to carry out this section.

SEC. 515. REPORTING ON TRANSFER OF U.S. ASSETS.

Any transfer by the United States Government to a foreign country for narcotics control purposes of any property seized by or otherwise forfeited to the United States Government in connection with narcotics related criminal activity shall be subject to the regular reprogramming procedures applicable under section 634A of the Foreign Assistance Act of 1961. At the end of each fiscal year, the President shall submit a report to the Congress of all such transfers during that fiscal year, including an estimate of the fair market value and physical condition of each item of property transferred.

SEC. 516. ESTABLISHMENT OF A LATIN AMERICAN REGIONAL ANTINARCOTICS POLICE FORCE.

The President shall direct the United States representative to the Organization of American States to seek the views of other member nations on the feasibility of establishing a regional Latin American anti-narcotics force.

SEC. 517. ESTABLISHMENT OF A REGIONAL ANTI-NARCOTICS TRAINING CENTER IN THE CARIBBEAN.

It is the sense of the Congress that the Assistant Secretary of State for International Narcotics Matters should seek the establishment of, and should contribute funds or other resources to, a regional anti-narcotics training center in the Caribbean, and should seek such contributions from other countries for such a center.

SEC. 518. IMPORTANCE OF SUPPRESSING INTERNATIONAL NARCOTICS TRAFFICKING.

Section 481(a)(1) of the Foreign Assistance Act of 1961 is amended—

(1) by redesignating subparagraphs (B) through (D) as subparagraphs (C) through (E), respectively; and

(2) by inserting after subparagraph (A) the following:

"(B) suppression of international narcotics trafficking is among the most important foreign policy objectives of the United States;".

SEC. 519. INFORMATION FROM OTHER AGENCIES IN ANNUAL NARCOTICS CONTROL REPORTS.

Section 481(e)(3) of the Foreign Assistance Act of 1961 is amended by adding after subparagraph (D) the following:

"(E) A section prepared by the Drug Enforcement Administration, a section prepared by the Customs Service, and a section prepared by the Coast Guard, which describes in detail—

"(i) the assistance provided or to be provided (as the case may be) to such country by that agency, and

"(ii) the assistance provided or to be provided (as the case may be) to that agency by such country, with respect to narcotic control efforts during the preceding fiscal year, the current fiscal year, and the next fiscal year.".

SEC. 520. EXPRESSION IN NUMERICAL TERMS OF MAXIMUM ACHIEVABLE REDUCTIONS IN ILLICIT DRUG PRODUCTION.

Section 481(e)(4) of the Foreign Assistance Act of 1961 is amended by inserting after the second sentence the following: "Each determination of the President under the preceding sentence shall be expressed in numerical terms, such as the number of acres of illicitly cultivated controlled substances which can be eradicated.".

SEC. 521. REPORTS ON ASSISTANCE DENIED.

Section 481(e) of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(7) Each report pursuant to this subsection shall describe the United States assistance for the preceding fiscal year which was denied, pursuant to subsection (h), to each major illicit drug producing country and each major drug-transit country.".

The CHAIRMAN. Under the rule, the gentleman from Florida [Mr. SMITH] will be recognized for 10 minutes in support of the amendments, and a member opposed thereto will be recognized for 10 minutes.

The Chair recognizes the gentleman from Florida [Mr. SMITH].

Mr. SMITH of Florida. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to say at the outset that the en bloc amendment which is now being offered as a substitute for title V in the Bill contains amendments that the House just adopted offered by the gentleman from Florida [Mr. LEWIS] and offered by the gentleman from Florida [Mr. SHAW] so that everyone need not worry that they will not be the final version; they will be.

Secondly, let me say that the Committee on Foreign Affairs has over the last few years, I think, done a very, very valuable job for the Congress and for the people of the United States in leading the way in the fight against international narcotics trafficking. I think it is very important to understand that in the last few years we have been able to get much more cooperation even though that cooperations looks as if it is minimal, it is much more cooperation than we were getting from other countries, even very close allies just a few years previous to this.

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It is very important to understand that a lot of what this Congress did in the last few foreign aid bills with reference to narcotics had a great role to play in that new cooperation. The gentleman from Florida [Mr. SHAW] just talked about the amount of the latest two drug raids and seizures which were taken therein. That is only the tip of the iceberg. Last year over 40,000 kilos of cocaine were seized by Federal, State, and local law enforcements agencies. Forty thousand kilos is an enormous amount of cocaine. The marijuana and the acid forfeitures and other seizures amount to an enormous sum of money. The Members have heard the figures bandied about. Each year this becomes an important part, an integral part of the foreign aid bill, and I think it is one that deserves to be passed because of its inclusion.

I want to say at this time, Mr. Chairman, that I am very grateful to the Members who work with me on the International Narcotics Task Force of the Committee on Foreign Affairs. My cochairman, the gentleman from New York [Mr. GILMAN], and the gentleman from Ohio [Mr. FEIGHAN] have done tremendous service for this House and the people of the United States over the years in their dedication to making sure that the fight against drugs never wavers. The whole task force has made itself available to those agencies of government with which we deal on a consistent basis to make sure that we get all the information they have in those agencies, and that information is then passed on to those Members of Congress who need it to do their day-to-day work.

Last year the task force, after all of its hearings, compiled a tremendous record of the printed testimony and sent it to each subcommittee chairman responsible for a region of the world where we give foreign aid, indicating what was right and what was wrong with the countries in their jurisdictions, whether there was cooperation or not, and hopefully they used that information in determining the amounts of aid to be sent and whether any further work is necessary directly with those countries.

The en bloc amendments differ from the title as printed in the bill itself as follows:

Funding for international narcotics control programs is now maintained at the executive request level.

The MAP earmark for defensively arming antinarcotics aircraft is reduced from $1 million to $900,000.

The IMET earmark for antinarcotics purposes has been amended, at the request of the administration, to expand training in operation and maintenance of antinarcotics aircraft to other types of equipment, and to be used for deployment of mobile training teams in teaching host country nationals basic skills such as map reading and compass use. I would note that the teams in Bolivia have been extremely successful in increasing the professionalism of host country nationals.

We have added a provision to the certification requirements for India to encourage that country to reduce its stockpile of licit—that is, legal—opium, since there have been repeated concerns about diversions from that stockpile.

We have added several new provisions to those contained in the original committee bill, as follows:

A provision asking the Departments of State and Justice to develop model extradition and mutual legal assistance treaties, as well as model comprehensive antinarcotics legislation, for use with foreign countries;

A provision requiring reporting on U.S. assets transferred to foreign countries;

A provision asking the U.S. Ambassador to the OAS to seek the views of other member nations on the feasibility of establishing a regional antinarcotics force; and

Sense-of-the-Congress language that a Caribbean regional training center should be established with U.S. support, and a number of other minor technical changes which will strengthen the title.

I would like to thank all the members of the committee's task force, as I indicated, for their help and support, and I especially express my appreciation to the gentleman from Florida [Mr. SHAW] and the gentleman from Florida [Mr. LEWIS].

Mr. Chairman, let me close by saying this:

Those of us who agreed with our action this year in reducing the aid to Bolivia because of their noncooperation can thank many of the Members of this body who had a hand in crafting that kind of legislation, whether it was a number of years ago or even up through this year.

This is a get-tough approach which we are taking. There is no more uncertainty about the problem of drugs in this country, and we intend to do everything we can to remove the scourge of drugs at the source of irradication, by interdiction, by better law enforcement, externally and internally, and by the two areas which we do not deal with, that is rehabilitation and finally, drug education. We are going to do everything we can in that regard.

This title goes a long way toward doing that and toward making sure that all those countries that deal with us know that we indeed do force their cooperation whether they like it or not if they want to stand together with the United States and receive aid from the United States.

Mr. LEWIS of Florida. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield to the gentleman from Florida.

Mr. LEWIS of Florida. Mr. Chairman, I would like to commend the gentleman from Florida [Mr. SMITH] for the tremendous work he has done. He has been in the forefront of the fight against narcotics in this country. I served with the gentleman in the Florida legislature. He was a leader there in the fight. I worked with him there and again here in the Congress, and I feel the people of the United States owe a great debt to the gentleman from Florida for his leadership both on the Task Force of the Foreign Affairs Committee and the Select Committee on Narcotics Abuse and Control. It is a pleasure to work with the gentleman in this area and to be associated with him.

Mr. GILMAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I am happy to yield to my cochairman, the gentleman from New York.

Mr. GILMAN. Mr. Chairman, I thank the gentleman for yielding.

I, too, want to commend the gentleman for his extensive work. He and his staff have helped to bring about some significant amendments to our proposal. This is one that deserves the support of the entire Congress.

I have examined the significant en bloc amendments offered by the gentleman from Florida [Mr. SMITH] and I am pleased to support it. In essence, we make some technical amendments to our existing provisions and we lower some of the earmarks in an effort to demonstrate to the administration that we can come a bit of the way toward the administration's desired position, which has expressed its opposition to any earmarks in this bill.

This en bloc amendment includes funds for training, equipment, and initiatives to more effectively assist us in our war versus narcotics traffic and abuses.

This provision also increases the budget for international narcotics control programs to $98.75 million from $95.75 million which is the amount that the administration requests.

Mr. Chairman, I believe that this en bloc proposal is a constructive amendment and I urge its adoption.

Mr. SMITH of Florida. Mr. Chairman, I appreciate the kind remarks of the gentleman from New York [Mr. GILMAN], and I certainly appreciate the support of the Republicans.

Mr. Chairman, I would like to take this opportunity to do something I should have done earlier. I would like to commend the chairman of this committee, the gentleman from Florida [Mr. FASCELL], for having had the foresight a number of years ago to constitute the task force and for having the dedication to make sure that part of the foreign aid package each and every year has a strong title against the infiltration of drugs around the world. To me that shows a dedication to this country that is unmatched by almost anyone in the United States.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Florida. I yield to the chairman of the committee.

Mr. FASCELL. Mr. Chairman, I want to thank the gentleman for his kind remarks, and let me just rise in strong support of these en bloc amendments and commend my colleagues on the task force, the gentleman from Florida [Mr. SMITH], the gentleman from New York [Mr. GILMAN], and the gentleman from Ohio [Mr. FEIGHAN], along with the staff, both the majority and minority staff.

There has been a lot of very, very hard work done on this title, and we all appreciate very much the continuation, the oversight, the dedication, and the interest they have shown. I am extremely grateful for the excellent job these Members have done.

Mr. DURBIN. Mr. Chairman, I would like to commend the Foreign Affairs Committee for its efforts to curb the flow of international narcotics into this country. As we all know, our drug problems have both a supply component and a demand component. This bill includes several important provisions that address the supply side of the equation. Some of these provisions are included in the substitute offered by the gentleman from Florida [Mr. SMITH].

Most importantly, the bill contains a provision similar to those we included in previous foreign aid authorizations and appropriations that places conditions on aid to Bolivia, the source of nearly half the cocaine that enters this country. In the past, we have conditioned part of Bolivia's foreign assistance on its compliance with narcotics control agreements it has entered into with the United States. It has not met those conditions, for the most part, and it has lost part of its foreign assistance as a result.

The committee has continued these sanctions in this foreign aid bill in an effort to show Bolivia and other drug-producing nations that there are costs associated with its failure to take concrete steps to curb coca production.

The committee's bill includes another provision I have added to previous appropriations bills that rewards countries that have made genuine progress in limiting narcotics production. This provision is in stark contrast to the punitive approach taken with Bolivia, which has made very little progress in limiting coca production. If shifts funds from countries that do not qualify because of lack of progress in implementing narcotics agreements over to those that have cooperated in efforts to reduce narcotics production. It acknowledges that some countries have made sincere attempts to restrain narcotics production and rewards them for their efforts.

While these provisions move us in the direction of curbing the influx of narcotics into this country, they are clearly not enough. Imposing controls over the narcotics kingpins in Latin Americas and Southeast Asia has proven to be a particularly intractable problem. We must continue to work with other nations to impose order and eradicate narcotics production. It is very likely that future progress on the demand side of the narcotics equation will continue to be slow, but we must maintain our efforts to make sure that it is steady.

The CHAIRMAN. The question is on the en bloc amendments offered by the gentleman from Florida [Mr. SMITH].

The en bloc amendments were agreed to.

The Clerk will designate title VI.

The text of title VI is as follows:

TITLE VI—EUROPE AND THE MIDDLE EAST

SEC. 601. ASSISTANCE FOR ISRAEL.

(a) FMS FINANCING.—

(1) AMOUNT.—Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than $1,800,000,000 for fiscal year 1988 and not less than $1,800,000,000 for fiscal year 1989 shall be available only for Israel.

(2) TERMS.—Israel shall be released from its contractual liability to repay the United States Government with respect to the credits provided pursuant to paragraph (1).

(3) ADVANCED FIGHTER AIRCRAFT.—To the extent that the Government of Israel requests that funds be used for such purposes, credits made available for Israel pursuant to paragraph (1) shall be available for the Lavi program or for another advanced fighter aircraft (if agreed by Israel and the United States) or for other advanced weapon systems, as follows:

(A) Up to $150,000,000 for each of the fiscal years 1988 and 1989 shall be available for research and development in the United States.

(B) Not less than $300,000,000 for each of the fiscal years 1988 and 1989 shall be available for the procurement in Israel of defense articles and defense services (including research and development).

(b) ECONOMIC SUPPORT FUND.—

(1) AMOUNT.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $1,200,000,000 for fiscal

year 1988 and not less than $1,200,000,000 for fiscal year 1989 shall be available only for Israel.

(2) Terms.—The total amounts of funds allocated for Israel under that chapter for those fiscal years shall be made available as a cash transfer on a grant basis. Such transfer shall be made on an expedited basis in the first 30 days of the respective fiscal year. In exercising the authority of this paragraph, the President shall ensure that the level of cash transfer made to Israel does not cause an adverse impact on the total level of nonmilitary exports from the United States to Israel.

SEC. 602. ASSISTANCE FOR EGYPT.

(a) FMS Financing.—

(1) Amount.—Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than $1,300,000,000 for fiscal year 1988 and not less than $1,300,000,000 for fiscal year 1989 shall be available only for Egypt.

(2) Terms.—Egypt shall be released from its contractual liability to repay the United States Government with respect to the credits provided pursuant to paragraph (1).

(b) Economic Support Fund.—

(1) Amount.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $815,000,000 for fiscal year 1988 and not less than $815,000,000 for fiscal year 1989 shall be available only for Egypt.

(2) Terms.—All of the funds made available to Egypt under that chapter for those fiscal years shall be provided on a grant basis.

(3) Conditions on cash transfers.—Subject to the requirements of paragraphs (5) and (6), of the amounts provided for Egypt for each of the fiscal years 1988 and 1989 pursuant to paragraph (1)—

(A) $115,000,000 may be provided as a cash transfer with the understanding that Egypt will undertake significant economic reforms which are additional to those which were undertaken in previous fiscal years; but

(B) amounts in excess of $115,000,000 may be provided as a cash transfer (subject to the ceiling imposed by the last clause of the second sentence of paragraph (4)) only if—

(i) significant progress is being made by Egypt in implementing a comprehensive economic reform program; and

(ii) the additional funds for such transfer are derived by reprogramming equal amounts from—

(I) funds justified for project assistance for Egypt, and

(II) funds justified for Commodity Import Programs for Egypt.

(4) Derivation of funds from CIP programs.—For purposes of subclause (II) of paragraph (3)(B)(ii), funds shall be derived first from funds justified for public sector Commodity Import Programs. If all the funds justified for those programs have been used for purposes of subclause (II), funds justified for private sector Commodity Import Programs may be used for purposes of that subclause, except that not more than 75 percent of the total amount of funds justified for both public sector and private sector Commodity Import Programs may be used for purposes of subclause (II).

(5) Maintaining the level of United States exports.—In exercising the authority of paragraph (3), the President shall ensure that the level of cash transfer made to Egypt does not cause an adverse impact on the total level of nonmilitary exports from the United States to Egypt.

(6) Notice to congress.—Not less than 15 days before making any cash transfer to Egypt under subparagraph (A) or (B) of paragraph (3), the President shall notify the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate in accordance with the procedures applicable to reprogramming notifications under section 634A of the foreign Assistance Act of 1961.

(c) Public Law 480.—The Congress finds that, as a result of previous expressions of congressional concern, there has been a phased reduction in recent fiscal years in the amount of assistance provided for Egypt under title I of the Agricultural Trade Development and Assistance Act of 1954. The Congress directs that this phased reduction continue in fiscal year 1989 and subsequent fiscal years.

SEC. 603. COOPERATIVE SCIENTIFIC AND TECHNOLOGICAL PROJECTS.

Of the amounts made available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), not less than $5,000,000 for each of the fiscal years 1988 and 1989 shall be available only for regional cooperative programs in the Middle East in accordance with section 202(c) of the International Security and Development Cooperation Act of 1985.

SEC. 604. USE OF CERTAIN DEOBLIGATED FUNDS FOR PROJECTS IN THE MIDDLE EAST AND FOR ADDITIONAL ASSISTANCE FOR AMERICAN HOSPITALS ABROAD.

(a) Uses of Funds.—Funds made available pursuant to subsections (b) and (c) shall be used as follows:

(1) The first $750,000 shall be transferred to and consolidated with the funds made available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) and shall be used for scholarships for Israeli Arabs for study at institutions of higher education in the United States.

(2) The next $2,000,000 shall be transferred to and consolidated with the funds made available to carry out section 214 of that Act (relating to American schools and hospitals abroad) and shall be used to provide assistance for hospitals outside the United States. The assistance provided pursuant to this paragraph shall be in addition to the level of assistance traditionally provided for hospitals under that section.

(3) The remaining amount shall be transferred to and consolidated with the funds made available to carry out chapter 4 of part II of that Act, with—

(A) half used for regional cooperative programs in the Middle East in accordance with section 202(c) of the International Security and Development Cooperation Act of 1985, and

(B) half used for development projects on the West Bank and in Gaza.

(b) Prototype Desalting Plant in Israel.—Any unexpended amounts of the funds obligated to carry out section 219 of the Foreign Assistance Act of 1961, which are not need to carry out that section, shall be deobligated and, to such extent as may be provided in advance in an appropriation Act, shall be used in accordance with subsection (a).

(c) Deobligated Assistance for Syria.—Amounts continued available for the necessary expenses arising from the termination of assistance programs for Syria pursuant to section 1004 of the Department of State Authorization Act, Fiscal Years 1984 and 1985, and pursuant to section 101(b)(1) of Public Law 98-151, which are not needed for such expenses, shall be deobligated and, to such extent as may be provided in advance in an appropriation Act, shall be used in accordance with subsection (a), notwithstanding the paragraph relating to the "Syria Termination Account" in section 101(j) of Public Law 90-190.

(d) Continued Availability.—To such extent as may be provided in advance in an appropriation Act, funds deobligated pursuant to subsection (b) or (c) shall continue to be available until expended in accordance with subsection (a).

SEC. 605. WEST BANK AND GAZA DEVELOPMENT INITIATIVE.

(a) Findings.—The Congress finds that—

(1) the United States has shown its support for the West Bank and Gaza development initiative;

(2) United States assistance provided directly to the West Bank and Gaza, as well as through Jordan, necessitate increased cooperation between the United States and the regional states involved; and

(3) other members of the Organization for Economic Cooperation and Development have professed their desire for peace in the Middle East and their concern for the inhabitants of the West Bank and Gaza.

(b) Statement of Policy.—The United States—

(1) hereby reiterates its support for the West Bank and Gaza development initiative, and

(2) calls upon the other members of the Organization for Economic Cooperation and Development to contribute to West Bank and Gaza economic development either directly or through Jordan, as a demonstration by them of a tangible commitment toward peace and coexistence in the Middle East and toward the well-being of the inhabitants of the West Bank and Gaza.

(c) Report to Congress.—Not later than February 1, 1988, the Secretary of State shall report to the Congress on United States efforts to encourage other members of the Organization for Economic Cooperation and Development to contribute to West Bank and Gaza economic development, either directly or through Jordan.

SEC. 606. FOREIGN MILITARY SALES FOR JORDAN.

(a) Middle East Peace.—The foreign military sales financing authorized by this Act for Jordan is provided in the recognition of progress Jordan has made in the search for a just and lasting peace in the Middle East, to encourage further progress, in recognition of the continuing defense needs of Jordan, and in the expectation that Jordan will enter into direct and meaningful negotiations with Israel based on United Nations Security Council Resolutions 242 and 338 in order to resolve the state of war between those two countries.

(b) Sense of Congress.—It is the sense of the Congress that no foreign military sales financing authorized by this Act may be used to finance the procurement by Jordan of United States advanced aircraft, new air defense weapons systems, or other new advanced military weapons systems, and no notification may be made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons systems, unless Jordan is publicly committed to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

(c) Certification.—Any notification made pursuant to section 36(b) of the Arms Export Control Act with respect to a proposed sale to Jordan of United States advanced aircraft, new air defense systems, or other new advanced military weapons, shall be accompanied by a Presidential certification of Jordan's public commitment to the recognition of Israel and to negotiate promptly and directly with Israel under the basic tenets of United Nations Security Council Resolutions 242 and 338.

SEC. 607. USE OF CHEMICAL WEAPONS IN THE NEAR EAST.

(a) Findings.—The Congress finds that—

(1) there is evidence that chemical weapons have been used in the Iran-Iraq war;

(2) there are reports that Syria and Libya have the capability to engage in chemical warfare; and

(3) the existence of chemical weapons would pose a threat should wider war break out in the Middle East.

(b) Report to Congress.—Not later than February 1, 1988, the Secretary of State shall report to the Congress on the activities and capabilities of Iraq, Iran, Syria, and Libya with regard to chemical, biological, and radiological weapons, including their sources of supply for such weapons, the technology, equipment, and material each possesses, and the extent to which such weapons could affect the balance of power in the region. This report shall include a United States plan for addressing this problem.

SEC. 608. ASSISTANCE FOR GREECE.

(a) Foreign Military Sales Credits.—Of the total amount of credits extended under section 23 of the Arms Export Control Act, not less than $313,000,000 for fiscal year 1988 and not less than $313,000,000 for fiscal year 1989 shall be available only for Greece.

(b) Grant Military Assistance.—Of the funds made available to carry out chapter 2 of part II of the Foreign Assistance Act of 1961, not less than $30,000,000 for fiscal year 1988 and not less than $30,000,000 for fiscal year 1989 shall be available only for Greece.

SEC. 609. ASSISTANCE FOR TURKEY.

(a) Level of Assistance.—The aggregate amount of funds made available for assistance for Turkey under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) and under the Arms Export Control Act (relating to foreign military sales financing) may not exceed $490,000,000 for fiscal year 1988 and may not exceed $490,000,000 for fiscal year 1989, of which not more than $350,000,000 for fiscal year 1988 and not more than $350,000,000 for fiscal year 1989 may be assistance under chapter 2 of part II of the Foreign Assistance Act of 1961.

(b) Withdrawal of Turkish Military Forces From Cyprus.—It is the sense of the Congress that the President should ask the Government of Turkey to reduce substantially the number of its military personnel on Cyprus.

(c) Report on Americans Missing in Cyprus.—The President shall request from the Government of Turkey a communication regarding its efforts to determine the status of United States citizens missing since the 1974 Cyprus conflict and previously resident in areas of the country now under Turkish Cypriot control. Before providing any assistance for Turkey described in subsection (a), the President shall submit a report with respect to any communication received from the Government of Turkey pursuant to this subsection to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

(d) Report on Efforts to Resettle Famagusta/Varosha.—Before providing any assistance for Turkey described in subsection (a), the President shall submit a report, to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate, on efforts to return the formerly Greek-Cypriot occupied area of Famagusta/Varosha to the Government of Cyprus under the auspices of the United Nations for the immediate resettlement of refugees.

SEC. 610. CYPRUS.

(a) ESF Assistance.—Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $15,000,000 for fiscal year 1988 and not less than $15,000,000 for fiscal year 1989 shall be available only for Cyprus. Of these funds, not less than $5,000,000 each fiscal year shall be available only for bicommunal development projects.

(b) UN Security Council Resolution 550.—It is the sense of the Congress that there should be compliance with United Nations Security Council Resolution 550, which "considers attempts to settle any part of Varosha (Famagusta) by people other than its inhabitants as inadmissible".

SEC. 611. TURKISH OCCUPATION TROOPS AND GREEK MILITARY FORCES ON CYPRUS.

(a) Prohibition of Use on Cyprus of Military Equipment Provided by the United States.—Section 620C of the Foreign Assistance Act of 1961 is amended by adding at the end the following:

"(e)(1) Except as provided in paragraph (2), defense articles of United States origin may not be transferred to or used on Cyprus by Turkey or Greece. This subsection applies with respect to all defense articles of United States origin which are made available to Turkey or Greece after the date of enactment of this subsection.

"(2) Paragraph (1) shall not apply to the extent that the President certifies to the Congress—

"(A) that there has been an armed attack against one or more parties to North Atlantic Treaty, or there are circumstances clearly indicating that such an armed attack is imminent; and

"(B) that the President has approved the transfer to and use on Cyprus by Turkey or Greece (as the case may be) of defense articles of United States origin upon his determination that such approval is necessary to enable that country to carry out its obligation to respond to that attack pursuant to Article 5 of the North Atlantic Treaty.

"(3) As used in this subsection—

"(A) the term 'defense article of United States origin' means any article on the United States Munitions List (established pursuant to section 38 of the Arms Export Control Act) made available pursuant to this Act, the Arms Export Control Act, or chapter 138 (relating to NATO mutual support) or section 7307 (relating to disposal of naval vessels) of title 10 of the United States Code; and includes articles made available under those laws by grant, sale, lease or loan, licensed export, 3rd-country transfer, licensed production, or other means; and

"(B) the term 'transferred to or used on Cyprus' includes use in providing transportation to or from Cyprus and includes stationing or other deployment on Cyprus."

(b) Periodic Reports Regarding Activities on Cyprus of Foreign Armed Forces.—Section 620C(c) of that Act is amended by adding at the end the following: "Such transmissions shall also—

"(1) specify the number of members of the armed forces of the Government of Turkey, and the number of members of the armed forces of the Government of Greece, who were on Cyprus during the preceding 120 days;

"(2) specifying the number of members of the armed forces of the Government of Turkey, and the number of members of the armed forces of the Government of Greece, who were on Cyprus during the preceding 120 days with the permission of the Government of the Republic of Cyprus; and

"(3) describe any defense articles of United States origin (as defined in subsection (e)(3)(A)), which have been made available to Turkey or Greece, which were on Cyprus at any time during the preceding 120 days, specifying (to the extent such information can be obtained) when those articles were transferred to Cyprus and when those articles were made available by the United States to Turkey or Greece (as the case may be).".

SEC. 612. EXCESS DEFENSE ARTICLES FOR NATO SOUTHERN FLANK COUNTRIES AND MAJOR NON-NATO ALLIES ON THE SOUTHERN AND SOUTHEASTERN FLANK OF NATO.

(a) Extension of Program.—Section 516(a) of the Foreign Assistance Act of 1961 is amended in the first sentence by striking out "and 1988" and inserting in lieu thereof ", 1988, and 1989,".

(b) Major Non-NATO Allies.—Section 516(a) of that Act is amended in the first sentence by inserting ", and to major non-NATO allies on the southern and southeastern flank of NATO which are eligible for United States security assistance," after "military structure".

(c) Excess Defense Articles.—Section 516 of that Act is amended—

(1) in subsection (a)—

(A) in the first sentence, by inserting "excess" before "defense articles", and

(B) in the second sentence, by inserting "excess defense" before "articles"; and

(2) in the text of subsection (b) preceding paragraph (1), in subsection (c), and in subsection (d), by inserting "excess" before "defense articles".

(d) Notification to Congressional Committees.—Section 516(c) of that Act is amended—

(1) by striking out "and Foreign Relations" and inserting in lieu thereof ", Foreign Relations, and Appropriations"; and

(2) by striking out "and Foreign Affairs" and inserting in lieu thereof ", Foreign Affairs, and Appropriations".

(e) Maintenance of Military Balance in Eastern Mediterranean.—That section is amended—

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting the following new subsection (e) after subsection (d):

"(e) Maintenance of Military Balance in Eastern Mediterranean.—

"(1) United states policy.—The Congress intends that defense articles be made available under this section consistent with the United States policy, established by section 620C of the Foreign Assistance Act of 1961, of maintaining the military balance in the Eastern Mediterranean.

"(2) Maintenance of balance.—Accordingly, the President shall ensure that, for each fiscal year, the ratio of—

"(A) the value of excess defense articles made available for Turkey under this section, to

"(B) the value of excess defense articles made available for Greece under this section,

closely approximates the ratio of—

"(i) the amount of military assistance and financing provided for Turkey, to

"(ii) the amount of military assistance and financing provided for Greece.

"(3) Exception to requirement.—This subsection shall not apply if either Greece or Turkey ceases to be eligible to receive excess defense articles under subsection (a).".

(f) Definitions.—Subsection (f) of that section (as so redesignated by this section) is amended to read as follows:

"(f) Definitions.—As used in this section—

"(1) the term 'excess defense articles' has the meaning given that term by section 644(g) of this Act;

"(2) the term 'made available' means that a good faith offer is made by the United States to furnish the excess defense articles to a country;

"(3) the term 'member country of the North Atlantic Treaty Organization (NATO) on the southern flank of NATO' means Greece, Italy, Portugal, Spain, and Turkey; and

"(4) the term 'military assistance and financing' means military assistance authorized by section 503 of this Act and foreign military sales financing authorized by the Arms Export Control Act.".

SEC. 613. ASSISTANCE FOR POLAND.

(a) Use of Polish Currencies to Benefit the Handicapped and Orphans and For Holocaust Education.—

(1) Projects for the handicapped and orphans.—Up to the equivalent of $1,500,000 of the Polish currencies described in paragraph (3) may be made available for projects in Poland, carried out under the auspices of the Polish Catholic Church, for the benefit of the handicapped and orphans.

(2) Holocaust education.—Up to the equivalent of $500,000 of the Polish currencies described in paragraph (3) may be made available for projects, carried out under the auspices of the Institute of Jewish Culture and History of the Jagiellonian University of Krakow, for the study of events related to the Holocaust in Poland.

(3) Polish currencies to be used.—The Polish currencies which may be used pursuant to this subsection are the nonconvertible Polish currencies (zlotys) held by the United States, which have been generated by the sale to Poland of surplus United States dairy products, to the extent that such currencies are available after satisfaction of existing commitments to use such currencies for other purposes specified by law.

(4) Waiver of certain requirements.—Polish currencies may be used pursuant to this subsection without regard to the requirements of section 1306 of title 31, United States Code, or any other provision of law.

(5) Budget act.—The authority provided by this subsection may be exercised only to such extent or in such amounts as are provided in advance in appropriation Acts.

(b) Agricultural Activities.—

(1) Findings.—The Congress finds that—

(A) $10,000,000 was made available by the Foreign Assistance and Related Programs Appropriations Act, 1987, for assistance for agricultural activities in Poland which are managed by the Polish Catholic Church or other nongovernmental organizations;

(B) under the terms of that Act these funds will remain available for obligation only until September 30, 1987; and

(C) that may not allow sufficient time for the necessary agreements regarding this assistance to be reached with the Polish Catholic Church and other nongovernmental organizations.

(2) Extending period of availability.—The funds made available under "Agriculture, Rural Development, and Nutrition, Development Assistance" for assistance for agricultural activities in Poland pursuant to title II of the Foreign Assistance and Related Programs Appropriations Act, 1987 (as contained in section 101(f) of Public Laws 99-500 and 99-591), are hereby continued available for obligation until September 30, 1989, except that the new budget authority provided by this paragraph shall be effective only to such extent or in such amounts as are provided in advance in appropriation Acts.

SEC. 614. UNITED STATES CONTRIBUTIONS TO THE ANGLO-IRISH INTERNATIONAL FUND.

Section 3 of the Anglo-Irish Agreement Support Act of 1986 is amended by adding at the end the following:

"(c) Fiscal Year 1989.—Of the amounts made available for fiscal year 1989 to carry out that chapter, up to $35,000,000 may be used for United States contributions to the International Fund.".

SEC. 615. ANNUAL REPORTS ON ECONOMIC CONDITIONS IN EGYPT, ISRAEL, TURKEY, AND PORTUGAL.

Section 1205(b) of the International Security and Development Cooperation Act of 1985 is amended by adding at the end the following: "Each such report shall also include—

"(1) a description of how United States assistance for each country is designed to help it through its economic difficulties;

"(2) an assessment of the steps being taken by each country to help it overcome its economic difficulties, including a description of any economic policy reforms undertaken during the previous year;

"(3) a listing and explanation of the steps proposed by the United States to help each country overcome its economic difficulties, and a description of the means by which the United States conveys its recommendations to each country; and

"(4) such other information as the Congress may request with respect to the economic conditions in each country.".

SEC. 616. REPORTING REQUIREMENTS.

(a) Cyprus Negotiations.—

(1) Frequency of reports.—Section 620C(c) of the Foreign Assistance Act of 1961 is amended by striking out "60-day" and inserting in lieu thereof "120-day".

(2) Duplicative requirement.—Section 620(x)(2) of that Act is repealed.

(b) Multinational Force and Observers.—Section 6(b) of the Multinational Force and Observers Participation Resolution is amended by striking out "Not later than January 15 of each year (beginning in 1983)," and inserting in lieu thereof "As part of the annual congressional presentation materials for security assistance,".

AMENDMENTS OFFERED BY MR. HAMILTON

Mr. HAMILTON. Mr. Chairman, as the designee of the gentleman from Florida [Mr. Fascell] and pursuant to the rule, I offer an en bloc amendment containing six printed amendments to title VI printed in the Record, two of which have been modified.

The CHAIRMAN. The Clerk will designate the amendments.

The text of the en bloc amendments is as follows:

Amendments en bloc offered by Mr. Hamilton: Page 94, after line 21, insert the following:

(d) Funds for United States Contributions.—It is the sense of the Congress that a priority use of any funds—

(1) which are made available for fiscal year 1988 or fiscal year 1989 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) or chapter 4 of part II of that Act (relating to the economic support fund), and

(2) which are unobligated at the end of that fiscal year and would otherwise be returned to the Treasury,

should be the furnishing of assistance to Jordan or United States private and voluntary organizations to support the West Bank and Gaza development initiative.

Page 109, after line 8, insert the following:

SEC. 617. SYRIAN SPONSORSHIP AND SUPPORT FOR TERRORISM.

(a) Findings.—The Congress finds that—

(1) a terrorist operating on behalf of Syrian intelligence was convicted in London of attempting to bomb a civilian airliner in November 1986, prompting the withdrawal of the United States Ambassador to Syria and the imposition of certain sanctions;

(2) the terrorist group Saiqa is under Syrian direction, receives training from the Syrian army, and is believed to be responsible for a number of bombings in Western Europe, including the 1979 bombing of a synagogue in Vienna;

(3) while the offices of the Abu Nidal terrorist group have been expelled from Damascus, the group continues to maintain training bases in the Syrian-occupied Bekaa valley;

(4) the terrorists responsible for the April 1986 bombing of Americans in West Berlin admit to receiving explosives from the Syrian embassy in West Berlin;

(5) the Abu Moussa faction of the PLO maintains offices in Damascus, trains terrorists in Syria, receives instructions from Syrian intelligence officers, and received Syrian diplomatic support in an attempt to destroy a commercial airliner in Madrid in June 1986;

(6) the Popular Front for the Liberation of Palestine, led by George Habash, maintains terrorist forces in Syria, and has claimed responsibility for numerous attacks on Israeli civilians and assassinations of Arab mayors on the West Bank;

(7) the Democratic Front for the Liberation of Palestine maintains offices in Damascus and training camps in Syria; and

(8) the Armenian Secret Army for the Liberation of Armenia (ASALA) and the Kurdish Worker's Party (PKK) have received support from Syria for attacks against Turkish civilians.

(b) Report.—Not later than 120 days after the date of enactment of this Act, the President shall submit a report on the nature and extent of Syrian financial, political, and training support of terrorist groups. This report shall be unclassified, with a classified annex if necessary.

(c) Sense of Congress.—It is the sense of the Congress that—

(1) the United States should not rescind any of the sanctions currently in force against Syria until Syria expels all terrorist groups operating against the United States and its allies and ceases to support or allow terrorist bases on her territory; and

(2) the President should resume his request to United States corporations that, in the national interest, they voluntarily suspend operations in Syria, and United States corporations should resume their voluntary compliance with that request.

(d) Sanctions Described.—The sanctions referred to in paragraph (1) of subsection (c) are those economic and diplomatic measures that were taken with respect to Syria on November 14, 1986, and which were in effect on November 1, 1987, and include the expansion of export controls on all national security controlled items, termination of Export-Import Bank credits, termination of insurance from the Overseas Private Investment Corporation, withdrawal of the offered export enhancement program, the prohibition on the sale of Syrian Arab Airline tickets, notice of termination of the International Air Transport Agreement between the United States and Syria, reduction in the staffs of the Syrian embassy in Washington and the United States embassy in Syria, increased restrictions on visas, and restrictions on high level visits.

Page 109, after line 8, insert the following:

SEC. 618. HUMAN RIGHTS IN BULGARIA.

(a) Findings.—The Congress finds that—

(1) the Government of the People's Republic of Bulgaria is a signatory to the Final Act of the Conference on Security and Cooperation in Europe which call upon the signatory states to respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion, and belief;

(2) the Bulgarian constitution provides for certain basic rights, including free speech and press, association and demonstration, and freedom of worship;

(3) in late 1984 and early 1985, over 900,000 members of the Turkish minority were forcibly compelled to change their Turkish names to new Bulgarian names, and Bulgarian authorities imprisoned ethnic Turks for their nonviolent opposition to the name change; and

(4) the continuing repression of the Turkish minority includes the ban on the use of the Turkish language by the Turkish minority in public, the prohibition of Turkish customs, and the circumscribing of Muslim religious practices.

(b) Statement of Policy.—It is the sense of the Congress that—

(1) the Bulgarian Government should abide by its commitments under the Final Act of the Conference on Security and Cooperation in Europe; and

(2) the President, the Secretary of State, and the United States delegation to the Vienna follow-up meeting of the Conference on Security and Cooperation in Europe should continue—

(A) to speak out forcefully against violations of human rights in Bulgaria, including the Bulgarian Government's treatment of the Turkish minority, and

(B) to use all diplomatic means to resolve outstanding human rights problems in Bulgaria.

Page 109, after line 8, insert the following:

SEC. 619. HUMAN RIGHTS IN ROMANIA.

(a) Findings.—The Congress finds that—

(1) emigration rates from Romania to the United States have increased from 1,422 last year to 1,932 as of October 1, 1987;

(2) longstanding prisoner of conscience cases were successfully resolved during the summer of 1987, namely the cases of Ioan Ruta, and Erno Borbely, Laszlo Buzs, and Bela Pall;

(3) all such improvements in Romania are to be welcomed;

(4) in spite of these improvements, a number of United States-Romanian divided families cases, such as the case of Napoleon Fodor, remain unresolved;

(5) human contacts continue to be hindered by laws and decrees such as decree number 408 which prohibits Romanian citizens from communicating with foreigners; and

(6) among the rights that Romania has failed to respect are the rights of religious groups and ethnic minorities.

(b) Statement of Policy.—It is the sense of Congress that—

(1) the United States should seek improved compliance by the Romanian Government with its human rights obligations under the Helsinki Final Act of the Conference on Security and Cooperation in Europe and the Universal Declaration of Human Rights;

(2) the United States should express concern for the fate of Romanians who have not yet received permission to emigrate and who may be harassed and persecuted for their attempts to emigrate; and

(3) the Secretary of State and other executive branch officials should take every opportunity to encourage the Romanian Government to live up to its obligations under the Helsinki Final Act and other international instruments, including at the ongoing Vienna review meeting of the Conference on Security and Cooperation in Europe.

Page 109, after line 8, insert the following:

SEC. 620. PLIGHT OF JEWS IN ARAB COUNTRIES.

(a) Findings.—The Congress finds that—

(1) many Jews presently living in Israel and the Diaspora are originally from Morocco, Syria, Yemen, Iraq, Libya, Lebanon, and the other countries in the Middle East and North Africa representing the proud heritage of oriental Jewry;

(2) the number of Jews who are still citizens of these countries has dropped drastically, as can be seen when comparing 1948 to 1984; Syria, 45,000 versus 4,500; Morocco, 40,000 versus 17,000; Iraq, 125,000 versus fewer than 300; and Libya, 40,000 versus none;

(3) these numbers demonstrate that thriving Jewish cultures and communities, each unique, each historic, each contributing substantially to the enrichment of their respective countries, have been decimated; and

(4) several incidents, including the execution of the leader of the Lebanese Jewish community, the tightening of the noose by the Syrian government around the necks of its Jewish citizenry, and the shooting and stabbing of a pregnant Jewish woman and her two young children by unknown assailants in the Syrian town of Aleppo, remind us that, with the notable exceptions of Morocco and Tunisia, those Jews remaining in Arab countries continue to suffer deprivations, degradations, and hardships, and continue to live in peril.

(b) Statement of Policy.—It is the sense of the Congress that the United States Government should—

(1) call upon the governments of those Arab countries where Jews still maintain a presence to guarantee their Jewish citizens full civil and human rights, including the right to lead full Jewish lives free of fear and to emigrate if they so choose;

(2) specifically urge the Government of Syria to halt its intolerable policy of holding its Jewish citizenry hostage through harassment and intimidation and to allow them to emigrate; and

(3) commend countries such as Morocco and Tunisia for their tolerant treatment of their Jewish minorities and for the protection they have provided against attack from the Moslem majorities.

Page 109, after line 8, insert the following:

SEC. 621. UNITED NATIONS PEACEKEEPING FORCE IN THE PERSIAN GULF.

(a) Consultations Regarding Feasibility.—It is the sense of the Congress that the President should direct the United States Permanent Representative to the United Nations to explore, through diplomatic consultations with other members of the United Nations Security Council, the feasibility of creating a United Nations peacekeeping force to maintain freedom of the sea in the Persian Gulf and maintain a ceasefire in the Iran-Iraq war. These consultations should include consideration of—

(1) the possible creation of a United Nations naval force in the Persian Gulf, with the prospect of reducing, but not necessarily eliminating, the role of individual nation state activities;

(2) the possible flagging of commercial vessels by the United Nations; and

(3) the possible creation of a United Nations peacekeeping force pursuant to United Nations Security Council Resolution 598.

(b) Report.—Not later than 90 days after the date of enactment of this Act, the President shall report to the Congress on the results of consultations carried out in accordance with subsection (a).

The CHAIRMAN. Pursuant to the rule, the gentleman from Indiana [Mr. HAMILTON] will be recognized for 10 minutes in support of the amendments offered en bloc, and a Member opposed to the amendments will be recognized for 10 minutes.

The Chair recognizes the gentleman from Indiana [Mr. HAMILTON].

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Mr. HAMILTON. Mr. Chairman, I yield myself such time as I may consume.

The six amendments are noncontroversial. It is my understanding they have been cleared with the minority.

They deal with sense-of-Congress provisions concerning the West Bank and Gaza development programs, the conditions of Jews in Arab countries, the U.N. peacekeeping force in the Persian Gulf, Syrian sponsorship of terrorism, and human rights in Bulgaria and Romania.

These amendments are important bipartisan policy statements, and I urge their support.

Mr. Chairman, I yield such time as he may consume to the gentleman from New York [Mr. GILMAN].

Mr. GILMAN. Mr. Chairman, I rise in support of the en bloc amendments offered by the gentleman from Indiana. As ranking minority member of the Subcommittee on Europe and the Middle East, I would like to state that the provisions adopted by the Committee on Foreign Affairs relative to this title of the bill were essentially bipartisan in nature.

What we have today is only a series of amendments to make certain perfecting changes to the bill.

The amendment, for example, that is offered on behalf of the gentleman from Florida [Mr. LEVINE] addresses the terrible plight of Jews living in Arab countries. Just a few weeks ago, Mr. Chairman, I met with a delegation of the World Organization of Jews from Arab Countries, who described the plight of their co-religionists in Syria, in particular.

Other amendments offered by the gentleman from New Mexico [Mr. RICHARDSON] point out the human rights problems which we have with Bulgaria and Romania, and call upon those governemnts to fully live up to their commitments under the Helsinki accords and international law.

I would like to pay tribute to the chairman of the Subcommittee on Europe and the Middle East, the gentleman from Indiana [Mr. HAMILTON] who, despite the very difficult responsibilities he has been fulfilling in connection with the Iran-Contra Investigation, has admirably managed the legislative process with respect to our very significant assistance programs in the middle East and Europe.

Mr. RICHARDSON. Mr. Chairman, my amendment in H.R. 3100 on foreign assistance includes an expression of Congress' dismay and outrage over the gunpoint assimilation campaign Bulgaria has conducted against its Turkish minority.

For the first time since the 1940's, Europe has become the site of an organized, systematic, state-directed effort to obliterate by intimidation, falsification, and violence, the national, cultural, and religious identity of more than 1.5 million people.

Starting in late 1984, the Bulgarian Government began a sweeping effort to force the Turkish minority to change their Turkish/Moslem names to Bulgarian/Slavic ones. During this official campaign, travel to and from Turkish areas was restricted, and Bulgarian security forces violently suppressed the Turkish community.

The Bulgarian Government has continued its ruthless assimilation campaign using militia and paramilitary units to enforce curfews, make arrests, and imprison members of the Turkish minority. The use of the Turkish language has been banned. Religious practices have been banned. Mosques have been closed and worshipers suffer official harrassment. Requests of representatives from international human rights organizations and from journalists to travel to areas of reported violence have been denied or ignored by the Bulgarian authorities. New identity cards with Bulgarian names have been issued to ethnic Turks. Essential government services are denied to all who present the old cards showing the bearers' Turkish/Moslem names.

Our Government, our allies, and the pertinent international volunteer organizations must do all they can to bring this outrage to an end.

The CHAIRMAN. The question is on the amendments en bloc offered by the gentleman from Indiana [Mr. HAMILTON].

The amendments en bloc were agreed to.

Mr. BROOMFIELD. Mr. Chairman, I move to strike the last word.

I was prepared to offer an amendment in title VI, which I would like to discuss. Section 611 of the bill would make it illegal for Turkey or Greece to use on Cyprus any military equipment supplied by the United States after the date of enactment.

I supported the inclusion of this section by the committee in H.R. 3100.

Section 611 contains some deficiencies. The bill could permit Turkey to use in Cyprus United States military equipment that had been provided in the past, but which continues to be serviced and maintained by the United States Government and United States firms.

Section 611 could also permit United States military equipment subject to the provision to transit Cyprus without being deployed or stationed there as such.

I believe it was the intention of the committee, and should be the intent of the Congress, to also limit these situations.

My amendment would have expanded the prohibition contained in section 611 to include military equipment for which defense services are provided after the date of enactment. These services would include all such services provided under the Foreign Assistance Act, the Arms Export Control Act, and other statutes.

The amendment would also have explicitly prohibited the simple transit through Cyprus of equipment subject to the prohibition.

We need to further tighten the restrictions on the use of United States military equipment in Cyprus by Turkish and Greek forces sent to that divided island. This is necessary to distance the United States from participation in the continued division of Cyprus.

We must do everything possible to stop the militarization of Cyprus. If we do not act now, mounting tensions on that island will boil over. We will have another crisis on our hands in that strategic part of the Mediterranean.

I wish to express some reservations about the language of the bill in this regard. While the current section 611 does address defense articles of U.S. origin, the critical question of defense services is not addressed.

We need to end the continued use of United States military equipment on Cyprus. It is time to start talking peace.

Mr. MAVROULES. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Chairman, I thank the gentleman for yielding.

Let me commend the gentleman for his statements of a moment ago, and I address my remarks both to the gentleman from Michigan and the gentleman from Indiana [Mr. HAMILTON].

The gentleman touched upon a very important point. The gentlemen can talk about equipment all he wants, and numbers of different weapons systems. The real danger, as I see it, in Cyprus today is about the 30,000 to 35,000 troops in northern Cyprus. Yet, you have another danger quite imminent, and that is 65,000 settlers coming from main Turkey into Cyprus.

If we continue this, the Turkish Cypriots will lose their own identity; and that will be very bad for the Turkish Cypriot and the Greek Cypriot.

Somehow down the road we have got to take this situation in hand very, very seriously, because it is now reaching a danger point.

If that means that our country, the greatest country in the world, really wants peace in that part of the world, we have got to take a greater initiative.

I would like both of the gentlemen, if they would, to reply to me on that particular issue, because that is the danger I see at this point.

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Indiana.

Mr. HAMILTON. Mr. Chairman, I thank the gentleman for yielding to me.

Section 611 that is now in the bill which relates to the Turkish occupation troops and the Greek military forces on Cyprus is a section that was put into the bill by the gentleman from Michigan, and I believe the gentleman from Pennsylvania [Mr. YATRON].

I want to commend both of the gentlemen for their initiative, because they have put their finger on a key aspect of an explosive situation.

It is a constructive amendment, and I am deeply grateful for the gentlemen putting that amendment into the bill.

I concur in the observations made by the gentleman from Michigan [Mr. BROOMFIELD], the distinguished minority ranking member, as well as the remarks made by the gentleman from Massachusetts.

All of the Members regret very much the lack of progress toward a settlement in Cyprus.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Broomfield] has expired.

(By unanimous consent, Mr. Broomfield was allowed to proceed for 5 additional minutes.)

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Indiana.

Mr. HAMILTON. Mr. Chairman, I thank the gentleman for again yielding to me.

There has been a regrettable arms buildup on the island, and that arms buildup may have occurred on both sides, but particularly regrettable is the large increase in the number of Turkish troops on Cyprus.

Not only has there been a large increase in the number of troops, there has also been an upgrading of the military equipment there on the island, especially the Turkish tanks.

My understanding is that there are now about 30,000 troops on Cyprus and close to 275 tanks.

The committee and the Congress are on record in favor of a Turkish troop withdrawal. Our goal, of course, in all of this is the withdrawal of all foreign troops from the island.

I think the withdrawal of Turkish troops would be the single most important action that could occur that would point us toward a solution on the island of Cyprus, so let me commend the gentleman from Michigan and the gentleman from Massachusetts for their concern and their initiative.

Mr. BROOMFIELD. Mr. Chairman, I could not agree with the gentleman more about the importance of the removal of the troops, because I believe that if the troops could be removed, the Cypriots, both Greek and Turkish, could settle their differences.

No. 2, one has to also keep in mind, and I cannot understand why we will allow giving so much military aid to Turkey and then have it diverted under the pretense it is for NATO, going into Cyprus.

There is one reason for that, so they can control the situation. It ought to be controlled by the people through proper elections.

Mr. MAVROULES. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Chairman, I thank the gentleman for yielding.

I want to thank the gentleman for the gentleman's kind remarks and for the observations of the gentleman from Michigan [Mr. Broomfield].

Let me say this one more time, because it is very important. We ought to forget talking about equipment at this point and pay greater attention to the Turkish occupation of 35,000 troops, but also another issue coming down the line. There are 65,000 new settlers coming in from main Turkey, Mr. Chairman.

I would hope we pay closer attention to that issue in the future.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from New York.

Mr. SOLARZ. Mr. Chairman, I thank the gentleman for yielding to me.

I certainly share the concerns of the gentleman from Michigan, the gentleman from Massachusetts, and the gentleman from Indiana, all of whom have spoken about the desirability of the withdrawal of all foreign forces from Cyprus.

I too would like to see the Cypriot communities solve their problems, which would make possible the establishment of a bizonal establishment on Cyprus, compatible with majority rule, along the lines of the Makarios-Denktash agreement arrived at some years ago.

It is important to say that if we are going to be realistic about this, we have to recognize that the withdrawal of foreign forces from Cyprus is only going to take place in the context of a military settlement between the Greek and Turkish Cypriot communities with the support of Turkey and Greece itself rather than prior to the achievement of such a political settlement.

Therefore, I think we should be doing as a nation everything we can to encourage and facilitate a political settlement on Cyprus, because it is in fact only through such a settlement that we are ever going to get the various foreign forces on that island withdrawn to their original countries.

Finally, let me just say, and I am sure the Members would agree on this, that if and when there is a political settlement, and if and when the forces on Cyprus are withdrawn, I am sure they would agree with me that it will be essential to have arrangements which give both communities on Cyprus confidence that their fundamental rights will be respected.

There has been after all a tragic history on Cyprus of communal conflict, and even communal massacres, and there are understandable fears and concerns on both sides, I might say, and a political settlement will have to address those fears and concerns.

If it does, then I think the preconditions for the realistic removal of these forces will exist.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Broomfield] has again expired.

(By unanimous consent, Mr. Broomfield was allowed to proceed for 5 additional minutes.)

Mr. BROOMFIELD. Mr. Chairman, I disagree in one respect with what the gentleman had to say.

Basically, I think the troops should come off first, and once the troops are off, I believe the groups then could get together and work out a settlement and at least have an election.

Mr. MAVROULES. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Massachusetts.

Mr. MAVROULES. Mr. Chairman, I thank the gentleman for yielding to me.

The problem in Cyprus is very clear. When you talk about Turkish officials, they say to you, to our country, put more pressure upon the Greeks.

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When you talk with the Greek Government and Greek officials, they say, "You can do more to put more pressure on the Turks."

So, therefore, we in the United States are caught in a vise, and if we are going to be caught in a vise, where I come from I try to do something about that. If I am put in that position, then I think I would take a stronger initiative. I would take a stronger initiative with reference to both parties to try to bring them together, but you are not going to break the ice, Steve, if I may say, you are not going to break the ice until you take that threat of 35,000 military personnel now looking down at you. The other things the gentleman referred to can be worked out, and I agree with the gentleman.

Mr. SOLARZ. Mr. Speaker, will the gentleman yield?

Mr. BROOMFIELD. I am glad to yield to the gentleman from New York.

Mr. SOLARZ. This is, I think, Mr. Chairman, an interesting colloquy which we are having and I hope a useful one, because this is an important question and it is worth airing before the House.

I must say, however, to my friends that we have to deal not just in hope, but in reality. There are other places around the world where there are foreign forces of occupation where we would very much like to see those forces withdrawn; but in Afghanistan where you have a Soviet army of occupation, in Cambodia where you have Vietnamese army of occupation, in Kashmir, where there are some who say you have Indian forces of occupation, and in other countries around the world where there are foreign forces of occupation.

The reality is that the only way those forces will be removed is in the context of a political settlement which facilitates their removal.

So I think it would be wonderful if somehow or other magically the forces that are there on Cypress were withdrawn, but in reality it will not happen without a political settlement. Therefore, we should be redoubling our efforts, as I know the gentleman would like us to do, to bring about the kind of political settlement which will make the withdrawal of these forces possible.

Mr. BROOMFIELD. Well, Mr. Chairman, I would like to have our Government get off dead center and get off the back burner and on the front burner and be just as concerned about this area of the world, because I think until we have both Greece and Turkey working together in our NATO alliance, we have very little. All I am trying to do, and I know this is one of the main stumbling blocks to be resolved, it is not the only one, but a principal one, is to get some movement on this problem of Cypress.

Now, this Cypress problem has been going on for years and years. It is not merely just this administration, but this administration has not put it up on the front burner, either.

Mr. HAMILTON. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Indiana.

Mr. HAMILTON. Mr. Chairman, I thank the gentleman for yielding.

I think one of the values that may come out of this discussion, and I thank the gentleman from New York for his excellent observations, is just the remark that the gentleman from Michigan has made.

I think all of us here agree that this administration should give a much higher priority to the resolution of the conflict in Cypress and to push there toward the political solution that the gentleman from New York has mentioned, and I thank the gentleman for his contribution to this discussion.

Mr. BROOMFIELD. In closing, Mr. Chairman, I want to thank Chairman Hamilton on this whole subject matter. We have worked very swiftly together. We have had a discussion before this subject came up this afternoon and I was happy to withdraw in view of the gentleman's suggestion.

AMENDMENT OFFERED BY MR. DORNAN OF CALIFORNIA

Mr. DORNAN of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Dornan of California: On page 107, between lines 14 and 15, insert the following:

"(c) Assistance in Support of Solidarity.—Notwithstanding any other provision of law, of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for each of the fiscal years 1988 and 1989, not less than $1,000,000 shall be available only for the unconditional support of the independent Polish trade union 'Solidarity'.".

Mr. DORNAN of California (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DORNAN of California. Mr. Chairman, before Father Time and the Chair's swift gavel cut me off, I would like—no never mind.

This amendment, Mr. Chairman, has been perfected by the gentleman from New York [Mr. Solarz] in his excellent parliamentary style and with his great command of the language, whether it be Pharsi, Tagalog, Hindi, Aramaic Swahili, or whatever the language, this gentleman has a command of communication where he can perfect even something I have slaved over.

The gentleman has offered, or will offer, a perfecting amendment to my amendment which we have already agreed is a superb perfection. I accept it gladly and thank the gentleman again for his guidance and counsel.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. DORNAN of California. I yield to my distinguished friend, the gentleman from New York, the land of my birth.

Mr. SOLARZ. Mr. Chairman, I thank my dear friend, the gentleman from California, whom as I have said on many occasions is my favorite conservative in the Congress, for his kind observations.

Mr. Chairman, I have a perfecting amendment at the desk.

The CHAIRMAN. First the Chair would ask the gentleman from California if he yields back his time.

Mr. DORNAN of California. Mr. Chairman, I accept the perfecting amendment, and before I yield back my time, I wish our brothers and sisters in Poland, members of Solidarity, all the best as the democratization process creeps forward there at a glacial pace. We wish them well and commend them again for their courage and bravery. I look forward to going on a congressional delegation with the gentleman from New York [Mr. Solarz] to congratulate Mr. Lech Walesa, one of the heroes of our generation.

AMENDMENT OFFERED BY MR. SOLARZ TO THE AMENDMENT OFFERED BY MR. DORNAN OF CALIFORNIA

Mr. SOLARZ. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. Solarz to the amendment offered by Mr. Dornan of California: In lieu of the matter proposed to be added to the bill by the Dornan amendment, insert the following:

"(c) Support for Solidarity.—It is the sense of the Congress that—

"(1) Solidarity deserves special praise and recognition as the only free and independent trade union in Poland;

"(2) Solidarity reflects the Polish people's desire for free and democratic institutions and activities; and

"(3) Solidarity is one of the leading democratic representatives of the Polish working people.

"(d) Assistance in Support of Democracy in Poland.—Notwithstanding any other provision of law, of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) for each of the fiscal years 1988 and 1989, not less than $1,000,000 shall be available only for the unconditional support of democratic institutions and activities in Poland.".

Mr. SOLARZ. Mr. Chairman, this perfecting amendment simply expresses in very clear and forceful language the strong support of the Congress for Solidarity in Poland and it would facilitate the more effective distribution of the resources authorized in the amendment for the purposes that they were intended.

I am pleased to say that it has the support of the Polish-American Congress of the National Endowment for Democracy, of the AFL-CIO, and most importantly, of those activists within Poland itself whom the gentleman from California is trying to help with this amendment.

I want to commend the gentleman for his initiative here. I want to pay tribute to him for his willingness to work out our very minor differences in a way which facilitates a broad bipartisan consensus on an issue of considerable importance to the country.

The first proletariat revolution in history took place against the dictatorship of the proletariat in Poland.

I must say that Lech Walesa and his colleagues in Solidarosc stood Marx and Lenin on their heads in their courageous effort back in 1980 to establish a national and truly free trade union in Poland. Their efforts continue, and I think all of us here in the Congress who care deeply about the cause of freedom and democracy in Poland wish them well, and this amendment as perfected will enable us to translate our sympathies into some meaningful measure of concrete support.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. Solarz] to the amendment offered by the gentleman fron California [Mr. Dornan].

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. Dornan], as amended.

The amendment, as amended, was agreed to.

Mr. BROOMFIELD. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. BROOMFIELD. Mr. Chairman, I would like to inquire of the chairman of the full committee just were do we go from here?

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I am happy to yield to the gentleman from Florida.

Mr. FASCELL. Mr. Chairman, I will say to the ranking member that we have gone as far as we said we would, which was through title VI. This last amendment concludes title VI. It was my purpose to then have the Clerk designate title VII and we would rise at that point. We would come back as we announced earlier by agreement, on December 7 to take up the remaining titles.

We are about halfway through on this bill and with the kind of cooperation we have been getting with Members who have amendments and others, we have a fair chance of doing a reasonable job within the time constraints.

I must say, if the gentleman will yield further, I would like to ask the Chair how much time is left under the rule with respect to debate on amendments?

The CHAIRMAN. The Chair will tell the gentleman, 4 hours and 40 minutes remain under the rule.

Mr. FASCELL. So if the gentleman will yield further, Mr. Chairman, we have 4 hours and 40 minutes for the remaining titles in the bill, plus 1 hour, if the gentleman decides to introduce the substitute, and that would be it.

Hopefully by the time we get back after the recess we can finish the bill on that day, whenever it is.

I will tell the gentleman that I do not know what day it is scheduled for, because I have not learned.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. BROOMFIELD. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I thank the gentleman for yielding.

I would ask the Chairman a question, if he would be prepared at this point to offer the en bloc amendments to title VII so that we might know which ones we no longer need to focus on before we rise.

Mr. FASCELL. Mr. Chairman, if the gentleman will yield, I will tell the gentleman that I am not prepared to do that, because we have been moving so fast and working so cooperatively that we are not prepared with the en bloc amendments yet. I would love to have had that worked out, but unfortunately we just did not have time to do it.

Mr. BEREUTER. I understand, and I thank the gentleman.

The CHAIRMAN. Are there further amendments to title VI?

If not, the Clerk will designate title VII.

The text of title VII is as follows:

TITLE VII—WESTERN HEMISPHERE

PART A—CENTRAL AMERICA

SEC. 701. CENTRAL AMERICA DEMOCRACY, PEACE, AND DEVELOPMENT INITIATIVE.

(a) PEACE PROCESS IN CENTRAL AMERICA.—Section 463 of the Foreign Assistance Act of 1961 is amended by striking out " and which sets" and inserting in lieu thereof ", as well as the initiative of the Government of Costa Rica, which set".

(b) HUMAN RIGHTS GROUPS IN CENTRAL AMERICA.—Section 461(b) of that Act is amended—

(1) by redesignating paragraph (3) as paragraph (4); and

(2) by inserting after paragraph (2) the following new paragraph (3):

"(3) United States policy should also be designed to encourage the governments of Central American countries to provide full cooperation, protection, and other support to organizations working to advance respect for and end abuses of human rights in the region.".

(c) LEVELS OF NONMILITARY ASSISTANCE.—Section 465 of that Act is amended to read as follows:

"SEC. 465. NONMILITARY ASSISTANCE FOR CENTRAL AMERICA.—The Congress continues to support the recommendations made by the National Bipartisan Commission on Central America with respect to the provision of nonmilitary assistance for Central American countries. Consistent with the report transmitted to the Congress by the President on March 3, 1987, the Congress believes that under current budgetary constraints it would be inappropriate to provide assistance at the annual levels originally envisaged and that it is possible to furnish the needed nonmilitary assistance over a longer period of time than originally recommended by the Commission without negatively affecting the goals and objectives identified by the Commission.".

SEC. 702. MILITARY AIRCRAFT TRANSFERS.

(a) AIRCRAFT PROVIDED BY UNITED STATES.—During fiscal years 1988 and 1989, the authorities of part II of the Foreign Assistance Act of 1961 and the Arms Export Control Act may not be used to make available any helicopters or other aircraft for military use, and licenses may not be issued under section 38 of the Arms Export Control Act for the export of any such aircraft, to any country in Central America unless the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives and the Committee on Foreign Relations and the Committee on Appropriations of the Senate are notified in writing at least 15 days in advance.

(b) MILITARY AIRCRAFT PROVIDED BY OTHER COUNTRIES.—During fiscal years 1988 and 1989, the Secretary of State shall promptly notify the committees designated in subsection (a) whenever any helicopters or other aircraft for military use are provided to any country in Central America by any foreign country.

SEC. 703. ECONOMIC ASSISTANCE FOR CENTRAL AMERICA.

(a) ROCAP.—None of the funds made available for fiscal years 1988 and 1989 to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) or chapter 4 of part II of that Act (relating to the economic support fund) may be used for programs and projects administered by the Regional Office for Central America and Panama which were not being funded under those chapters as of September 30, 1987.

(b) UTILIZATION OF UNITED STATES ASSISTANCE.—Consistent with sections 103, 104, 105, 106, and 531(e) of the Foreign Assistance Act of 1961, funds made available for fiscal years 1988 and 1989 to carry out chapter 1 of part I of that Act (relating to development assistance) or chapter 4 of part II of that Act (relating to the economic support fund) which are used for assistance in El Salvador and Guatemala, and assistance made available to those countries under the Agricultural Trade Development and Assistance Act of 1954, may not be used for the forced relocation of the civilian population, for civil defense patrols, to coerce or be a condition for participation in civil defense patrols, or for political mobilization and propaganda activities. Where such assistance is used to support projects and programs for reconstruction, rehabilitation, and development in areas of recent combat or conflict, that assistance shall be used only for programs and projects which are independent of military operations and which are planned, administered, and implemented by civilian agencies or private and voluntary organizations. In Guatemala, this subsection prohibits any assistance for the Poles of Development program.

(c) REPORTS AND CERTIFICATIONS.—

(1) REPORTS.—Not less than 30 days before providing any assistance described in subsection (b) for rural resettlement programs in Guatemala, or for programs or projects in El Salvador coordinated by the National Commission on Restoration of Areas (CONARA) or under the aegis of the United To Reconstruct Program (UPR), the President shall report to the Congress on the ways in which the restrictions in subsection (b) affect the provision of assistance to that country and the steps the United States Government is taking to comply with those restrictions.

(2) CERTIFICATIONS.—Assistance described in subsection (b) may not be provided for rural resettlement programs in Guatemala, or for programs or projects in El Salvador under the aegis of the United To Reconstruct Program (UPR), until the President certifies to the Congress that the government of that country is not preventing access to conflict areas by international humanitarian organizations and religious relief agencies.

SEC. 704. SUSPENSION OF ASSISTANCE IF A MILITARY COUP OCCURS.

For fiscal years 1988 and 1989, all assistance allocated for any country in Central America under the Foreign Assistance Act of 1961 and the Arms Export Control Act shall be suspended if the elected president of that country is deposed by military coup or decree.

SEC. 705. ASSISTANCE FOR EL SALVADOR.

(a) OBJECTIVES.—The Congress expects that—

(1) the Government of El Salvador and the armed opposition forces and their political representatives will be willing to pursue a dialogue for the purposes of achieving an equitable political settlement of the conflict, including free and fair elections;

(2) the elected civilian government will be in control of the Salvadoran military and security forces, and those forces will comply with applicable rules of international law and with Presidential directives pertaining to the protection of civilians during combat operations, including Presidential directive C-111-03-984 (relating to aerial fire support);

(3) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (b), in ending political violence;

(4) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (b), in establishing an effective judicial system; and

(5) the Government of El Salvador will make demonstrated progress, during the period covered by each report pursuant to subsection (b), in implementing the land reform program.

(b) Reports.—On October 1, 1987, April 1, 1988, October 1, 1988, and April 1, 1989, the President shall report to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate on the extent to which the objectives described in subsection (a) are being met. With respect to the objective described in paragraph (4) of that subsection, each report shall specify the status of all cases presented to the Salvadoran courts since January 1, 1979, involving human rights violations against civilians by members of the Salvadoran security forces, including military officers and other military personnel and civil patrolmen.

SEC. 706. ASSISTANCE FOR GUATEMALA.

(a) Prohibition on Furnishing Weapons.—For fiscal years 1988 and 1989, funds made available to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) or the Arms Export Control Act (relating to foreign military sales financing) may not be used for the procurement by Guatemala of any weapons or ammunition.

(b) Human Rights Violations.—Not later than October 1, 1987, and not later than October 1, 1988, the President shall report to the Congress on the extent to which the Government of Guatemala has investigated and prosecuted those responsible for human rights violations against civilians.

(c) Assistance for Agrarian Reform.—It is the sense of the Congress that, of the amounts made available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), up to $3,000,000 for fiscal year 1988 and up to $3,000,000 for fiscal year 1989 should be used to assist in the implementation of agrarian reform in Guatemala if the Government of Guatemala initiates effective agrarian reform programs (such as the market oriented programs now being implemented by the Penny Foundation), as determined by the Administrator of the Agency for International Development, and if such Government requests United States assistance for that program.

SEC. 707. REFUGEES IN HONDURAS.

Funds authorized to be appropriated by this Act and funds authorized to be appropriated for the "Migration and Refugee Assistance" account for fiscal years 1988 and 1989—

(1) which are to be used for refugee assistance or other assistance for Nicaraguan Indian refugees in Honduras shall be channeled, to the maximum extent possible, through the United Nations High Commissioner for Refugees, the International Committee of the Red Cross, the Intergovernmental Committee for Migration, or other established and recognized international refugee relief organizations; and

(2) may not be used to facilitate the involuntary repatriation of Salvadoran refugees who are in Honduras.

SEC. 708. ASSISTANCE FOR COSTA RICA.

(a) Costa Rica's Peace Initiative.—The Congress applauds the efforts of Costa Rican President Oscar Arias Sanchez to establish a firm and durable peace in Central America. The Congress strongly supports and encourages such attempts to end the regional military conflict and strengthen democracy through diplomatic initiatives.

(b) Earmarking of Funds.—Of the amounts made available for each of the fiscal years 1988 and 1989 to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund)—

(1) not less than 23 percent of the aggregate amount which is allocated for country programs for El Salvador, Honduras, Guatemala, and Costa Rica (excluding the amount provided for Costa Rica pursuant to paragraph (2)), plus

(2) an additional $14,000,000,

shall be made available for assistance for Costa Rica.

SEC. 709. ASSISTANCE FOR IMPLEMENTATION OF REGIONAL PEACE AGREEMENT.

The funds which were authorized to be appropriated by section 722(h) of the International Security and Development Cooperation Act of 1985 to assist in the implementation of a Contadora agreement may also be used for expenses arising from implementation of an agreement resulting from the regional peace initiative proposed by President Arias of Costa Rica, if so provided in an appropriation Act.

SEC. 710. POLICY REGARDING PANAMA.

(a) Findings.—The Congress finds that—

(1) the United States Government has made a treaty commitment to transfer the Panama Canal to the Government of Panama;

(2) even after that transfer, the United States will continue to have a desire for friendship with the Panamanian people, a strategic concern for the Isthmus of Panama, an interest in access to and use of the Panama Canal for the benefit of the maritime commerce of all nations, and an interest in cooperation with the Government of Panama;

(3) political stability in Panama is one element, among others, which can serve to strengthen and enhance United States relations with Panama, including security relations;

(4) political stability in Panama is best achieved by support for and maintenance of genuine democratic institutions in accordance with the Panamanian constitution, including the holding of free, fair, and honest elections, the strengthening of the judicial system, and the guarantee of a professional, nonpolitical military under civilian control; and

(5) respect for internationally recognized human rights, including respect for freedom of speech, freedom of the press, freedom of assembly, and due process of law, and the restoration of other political and civil rights, is an essential precondition to democracy in Panama.

(b) Certification.—

(1) Fiscal year 1988.—None of the funds authorized to be appropriated by this Act for fiscal year 1988 may be made available for Panama unless the President certifies to the Congress that the Government of Panama is taking meaningful and appropriate steps to ensure that the 1989 presidential and parliamentary elections will be free, fair, and honest.

(2) Fiscal year 1989.—Of the funds authorized to be appropriated by this Act for fiscal year 1989 which are allocated for assistance for Panama—

(A) half shall be available for obligation for assistance for Panama only if the President certifies to the Congress after September 30, 1988, that the Government of Panama is taking meaningful and appropriate steps to ensure that the 1989 presidential and parliamentary elections will be free, fair, and honest; and

(B) the other half shall be available for obligation for assistance for Panama only if the President certifies to the Congress that the presidential elections were held in 1989 and were free, fair, and honest.

(3) Certification requirements.—Each certification required by this subsection shall be submitted in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate at least 30 days before funds are obligated for any assistance subject to this subsection, shall discuss fully and completely the justification for making the required determination, and shall describe fully the assistance proposed to be provided and the purposes to which it is directed.

(4) Nonapplicability of other conditions.—Section 761 of this Act shall not apply with respect to assistance for Panama.

SEC. 711. NICARAGUA.

Section 722(d) of the International Security and Development Cooperation Act of 1985 is amended by amending the second sentence to read as follows: "The United States shall make no agreement and shall enter into no understanding, either formal or informal, under which a recipient of United States economic or military assistance or a purchaser of United States military equipment shall provide assistance of any kind to persons or groups engaging in an insurgency or other act of rebellion against the Government of Nicaragua.".

SEC. 712. RESTRICTIONS ON ASSISTANCE TO POLICE.

(a) Prohibition.—During fiscal years 1988 and 1989, assistance may not be provided to police forces and prison authorities in El Salvador, Guatemala, and Honduras under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance).

(b) Condition on Future Assistance.—It is the sense of the Congress that before assistance is permitted after fiscal year 1989 for police forces and prison authorities in El Salvador, Guatemala, or Honduras, substantial progress must be made in that country in establishing judicial systems that demonstrate their ability to bring to justice criminals, in particular, those in the police and military forces.

(c) Definition.—As used in this section, the term "police forces" includes all members of security forces other than the regular uniformed armed forces, and in the case of El Salvador, includes all members of the National Police, Treasury Police, National Guard, and civil defense organizations.

Part B—South America

SEC. 721. MILITARY ASSISTANCE FOR PARAGUAY.

(a) Conditions on Assistance.—For fiscal years 1988 and 1989, funds authorized to be appropriated to carry out chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), chapter 5 of part II of that Act (relating to international military education and training), or the Arms Export Control Act (relating to foreign military sales financing) may not be used for assistance for Paraguay unless the

President certifies to the Congress, before providing any such assistance for that fiscal year, that the Government of Paraguay—

(1) has ended the practice of torture and abuse of individuals held in detention by its military and security forces;

(2) has instituted procedures to ensure that those arrested are promptly charged and brought to trial;

(3) has restored the political rights necessary for democracy, including freedom of speech and freedom of the press; and

(4) has taken steps toward internal reconciliation and a pluralistic democratic system.

(b) Certification Requirements.—Each certification required by this section shall be submitted in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate at least 30 days before funds are obligated for any assistance subject to this section, shall discuss fully and completely the justification for making each of the required determinations, and shall describe fully the assistance proposed to be provided and the purposes to which it is directed.

SEC. 722. ECONOMIC ASSISTANCE FOR URUGUAY.

Of the amounts authorized to be appropriated to carry out chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), not less than $6,000,000 for each of the fiscal years 1988 and 1989 shall be available only for Uruguay.

SEC. 723. SUSPENSION OF OPIC PROGRAMS FOR CHILE.

(a) Worker Rights.—The Congress hereby determines that the Government of Chile has not taken steps to adopt and implement laws that extend internationally recognized workers rights (as defined in section 502(a)(4) of the Trade Act of 1974) to workers in that country.

(b) Termination of OPIC Programs.—Accordingly, as required by section 231A(a)(1) of the Foreign Assistance Act of 1961, the Overseas Private Investment Corporation may not insure, reinsure, guarantee, or finance any project to be undertaken in Chile. The President may not use the waiver authority contained in section 231A(a)(3) of that Act.

(c) Effective Date.—This section shall apply during fiscal years 1988 and 1989.

SEC. 724. RESTRICTIONS ON TRAINING ASSISTANCE FOR ARGENTINA AND BRAZIL.

(a) Exemption from Certain Prohibitions.—Section 638 of the Foreign Assistance Act of 1961 is amended—

(1) by inserting "(a)" before "No"; and

(2) by adding at the end the following:

"(b) No provision of this Act or any other provision of law shall be construed to prohibit assistance for any training activity which is funded under this Act for Brazil or Argentina as long as such country continues to have a democratically elected government and the assistance is otherwise consistent with sections 116, 502B, 620(f), 620A, and 660 of this Act.".

(b) Effective Date.—The amendment made by subsection (a)(2) does not apply with respect to funds appropriated prior to the date of enactment of this Act.

PART C—THE CARIBBEAN

SEC. 741. ASSISTANCE FOR HAITI.

(a) Economic Assistance.—

(1) Economic support fund.—Of the amounts made available to carry out chapter 4 of part II of the Foreign Assistance Act of 1961, not less than $41,300,000 for each of fiscal years 1988 and 1989 shall be available only for Haiti, subject to paragraph (3) and subsection (c). Of these amounts, up to $300,000 for each fiscal year shall be available only for assistance for Haiti under section 534 of that Act (relating to the administration of justice program) following the transfer of the police to the Ministry of Justice pursuant to a new constitution.

(2) Development assistance.—Of the amounts made available to carry out chapter 1 of part I of that Act, not less than $40,000,000 for each of fiscal years 1988 and 1989 shall be available only for Haiti, subject to paragraph (3) and subsection (c). These funds shall be used to support a transition to and to strengthen democracy in Haiti, emphasizing job creation, rural development, health care and sanitation, small scale irrigation, reforestation, watershed conservation, swine repopulation, and literacy education. Such assistance should reflect the need to distribute development assistance resources more equitably among the various regions in Haiti in order to support sustainable development in all of Haiti.

(3) Conditions on assistance.—Funds may be obligated for assistance for Haiti pursuant to paragraph (1) and (2) for a fiscal year only if, before obligating funds for that fiscal year, the President determines the Government of Haiti is meeting the criteria specified in section 202(d) of the Special Foreign Assistance Act of 1986.

(4) Public law 480.—Of the funds made available to carry out the Agricultural Trade Development and Assistance Act of 1954, not less than $20,000,000 for each of the fiscal years 1988 and 1989 shall be available only for Haiti.

(b) Military Assistance.—

(1) Limitation on amount and uses.—For each of the fiscal years 1988 and 1989, not more than an aggregate amount of $2,400,000 may be made available for assistance for Haiti under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance) and chapter 5 of part II of that Act (relating to international military education and training). Material assistance under chapter 2 of part II of that Act shall be restricted to nonlethal items such as transportation and communications equipment and uniforms.

(2) Conditions on assistance.—Assistance described in paragraph (1) may be obligated for Haiti only if the President certifies to the Congress that the following conditions exist in Haiti:

(A) A formal written request for such assistance has been submitted to the United States by an elected civilian government which satisfies the requirements of subsection (c) and that request specifies a comprehensive plan for the reform and reorganization of the mission, command, and control structures of the armed forces of Haiti consistent with democratic processes, the rule of law, and constitutional government. Such a plan should include a publicly announced commitment by the armed forces of Haiti to abide by international human rights standards and adoption of a code of conduct to assure adherence to these standards.

(B) The Government of Haiti is making substantial efforts—

(i) to exercise effective control over the armed forces of Haiti;

(ii) to prevent the involvement of the armed forces in human rights abuses and corruption by removing from the armed forces and prosecuting, in accordance with due process, those members of the armed forces responsible for the human rights abuses and corruption;

(iii) to ensure that freedom of speech and assembly are respected;

(iv) to conduct investigations into the killings of unarmed civilians in Gonaives, Martissant, and Fort Dimanche and during the protests of June and July 1987, to prosecute, in accordance with due process, those responsible for those killings, and to prevent any similar occurrences in the future;

(v) to provide education and training to the armed forces of Haiti with respect to internationally recognized human rights and the political and civil rights essential to democracy, in order to enable those forces to function consistent with those rights; and

(vi) to take steps to implement the policy of the Government of Haiti requiring former members of the Volunteers for National Security (VSN) to turn in their weapons and to take the necessary actions to enforce this requirement.

(3) Certification requirements.—Each certification required by this subsection shall be submitted in writing to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate at least 30 days before funds are obligated for any assistance subject to this subsection, shall discuss fully and completely the justification for making each of the required determinations, and shall describe fully the assistance proposed to be provided and the purposes to which it is directed.

(4) Reports.—Not later than 90 days after the President submits his certification under paragraph (2) and 180 days thereafter, the President shall report to the Congress on the extent to which the actions of the Government of Haiti are consistent with each of the objectives specified in paragraph (2). Half of the assistance allocated for Haiti for each fiscal year pursuant to paragraph (1) shall be withheld from disbursement until the President submits the first such report.

(c) Duly Elected Civilian Government.—None of the funds authorized to be appropriated by this Act may be expended for assistance for Haiti after February 7, 1988, unless a civilian government, elected freely and fairly in accordance with the constitution approved March 29, 1987, is in power in Haiti and is exercising the full authorities entrusted to it by that constitution.

SEC. 742. CARIBBEAN DEVELOPMENT PLAN.

(a) Purpose.—In order to determine the necessary infrastructural developments that would be adequate in supporting United States economic development policies in the Caribbean region, determine the needed agricultural developments that would improve and strengthen this regional industry, and determine an effective approach by the United States to the development of the Caribbean region, it is the purpose of this section—

(1) to provide for a regional comprehensive study of the developmental needs of the Caribbean region in terms of infrastructure, human resources, transportation, tourism, and agriculture; and

(2) to provide for a feasibility study of a Caribbean food corporation.

(b) Funding.—Of the funds allocated for the Caribbean regional program under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund), up to $500,000 for fiscal year 1988 may, subject to subsection (e), be made available for the Caribbean Community group (CARICOM) for use in accordance with subsection (c). These funds shall remain available until expended, notwithstanding any other provision of law.

(c) Use of Funds.—The Caribbean Community group shall, in close consultation with countries in the Caribbean region, use the funds made available pursuant to subsection (b) for—

(1) a comprehensive study of the economic development needs of the Caribbean region, including infrastructure, human resources, transportation, tourism, and agriculture; and

(2) a feasibility study of a Caribbean food corporation.

(d) Report.—As a condition of receiving funds pursuant to this section, the Caribbean Community group shall be required to submit a report to the Agency for International Development not later than January 15, 1989. This report shall include—

(1) a full accounting of the funds utilized for the studies described in subsection (c);

(2) the overall findings of those studies; and

(3) the recommendations of the Caribbean Community group, based on those studies, for an effective development plan for the Caribbean region, including recommendations of an appropriate role for the United States regarding implementation of the plan.

The Administrator for the Agency of International Development shall immediately transmit copies of this report to the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate.

(e) Submission of Proposal on Use of Funds.—Funds authorized to be made available under subsection (b) may be provided to the Caribbean Community group only if the Caribbean Community group submits to the Administrator of the Agency for International Development, not later than 90 days after the date of enactment of this Act, a proposal describing in detail how the Caribbean Community group will use the funds to carry out the objectives of this section. If the Administrator of the Agency for International Development does not receive such a proposal within that 90-day period, the funds authorized to be made available under subsection (b) may be used for other purposes under the Caribbean regional program.

(f) Definition of Caribbean Region.—As used in this section, the term "Caribbean Region" includes—

(1) Antigua and Barbuda, the Bahamas, Barbados, Dominica, the Dominican Republic, Grenada, Haiti, Jamaica, St. Christopher and Nevis, St. Vincent and the Grenadines, St. Lucia, Trinidad and Tobago, Belize, and Guyana;

(2) Anguilla, Cayman Islands, Montserrat, Netherlands Antilles, Turks and Caicos Islands, and the British Virgin Islands; and

(3) French Guiana, Guadeloupe, and Martinique.

SEC. 743. ASSISTANCE FOR THE EASTERN CARIBBEAN.

Of the aggregate amounts made available to carry out chapter 1 of part I of the Foreign Assistance Act of 1961 (relating to development assistance) and chapter 4 of part II of that Act (relating to the economic support fund), not less than $1,500,000 for each of the fiscal years 1988 and 1989 shall be available only to assist electric utilities in the Eastern Caribbean in developing a common services program and to provide technical assistance and training to such utilities.

SEC. 744. ANNUAL REPORT ON SOVIET MILITARY ASSISTANCE TO CUBA.

Section 25 of the Arms Export Control Act, as amended by section 905 of this Act, is amended by adding at the end of subsection (d) the following: "The information required by subsection (a)(9) shall be transmitted to the Congress no later than May 1 of each year.".

Part D—Provisions Relating to the Region Generally

SEC. 761. CONDITION ON MILITARY ASSISTANCE FOR LATIN AMERICA AND THE CARIBBEAN.

For fiscal years 1988 and 1989, assistance may be provided for a country in Latin America or the Caribbean under chapter 2 of part II of the Foreign Assistance Act of 1961 (relating to grant military assistance), under chapter 5 of part II of that Act (relating to international military education and training), and under the Arms Export Control Act (relating to foreign military sales) only if that country has a democratically elected civilian government and requests such assistance.

SEC. 762. ALLOCATIONS OF ECONOMIC SUPPORT FUND ASSISTANCE.

For each of the fiscal years 1988 and 1989, not more than 30 percent of the amounts allocated for assistance for Latin America and the Caribbean under chapter 4 of part II of the Foreign Assistance Act of 1961 may be allocated for any single country.

SEC. 763. INTER-AMERICAN FOUNDATION.

The first sentence of section 401(s)(2) of the Foreign Assistance Act of 1969 is amended to read as follows: "There are authorized to be appropriated $16,000,000 for fiscal year 1988 and $16,000,000 for fiscal year 1989 to carry out the purposes of this section.".

SEC. 764. ADMINISTRATION OF JUSTICE PROGRAM.

Section 534 of the Foreign Assistance Act of 1961 is amended to read as follows:

"SEC. 534. ADMINISTRATION OF JUSTICE.

"(a) General Authority.—Subject to the provisions of this section, the President is authorized to furnish assistance to countries and organizations, including national and regional institutions, in order to strengthen the administration of justice in countries in Latin America and the Caribbean. To the fullest extent possible, such assistance shall be provided through multilateral or regional institutions. Such assistance shall be designed to—

"(1) promote respect for the rule of law and internationally recognized human rights by all elements of society;

"(2) improve the professionalism and effectiveness of the judicial system and increase the accessibility of the judicial system and its capabilities to operate humanely and fairly; and

"(3) promote the development of civilian democratic institutions, including an effective legal profession; an independent judiciary; professional, modern, and humane law enforcement agencies; and effective application of the principle of equal justice under law.

"(b) Types of Assistance Authorized.—Assistance under this section may only include the following:

"(1) Programs to support specialized professional training, scholarships, and exchanges for continuing legal education.

"(2) Programs to enhance prosecutorial and judicial capabilities and protection for participants in judicial cases.

"(3)(A) Programs to enhance investigative and forensic capabilities, conducted under judicial or prosecutorial control. Among the programs conducted under this subparagraph shall be programs of training in procedures to investigate allegations of human rights violations and other crimes by law enforcement and military personnel.

"(B) Programs to assist in the development of academic instruction and curricula for training law enforcement personnel.

"(C) Programs to improve the administrative and management capabilities of law enforcement agencies, especially their capabilities relating to career development, personnel performance evaluation, and internal discipline procedures.

"(D) Programs, conducted through multilateral or regional institutions, to improve penal institutions and the rehabilitation of offenders.

"(4) Programs to strengthen professional organizations in order to promote services to members and the role of the bar in judicial selection, enforcement of ethical standards, and legal reform.

"(5) Programs to increase the availability of legal materials and publications.

"(6) Programs to provide seminars, conferences, and training and educational programs to improve the administration of justice and to strengthen respect for the rule of law and internationally recognized human rights.

"(7) Programs to revise and modernize legal codes and procedures.

"(c) Prohibition on United States Military Involvement in Program.—Personnel of the Department of Defense and members of the United States Armed Forces may not participate in the planning, management, training, or implementation of programs authorized by this section.

"(d) Equipment.—In carrying out this section, primary emphasis shall be placed on the provision of training and other services, rather than the provision of equipment. Not more than 25 percent of the funds made available each fiscal year for programs under subsection (b)(3) may be used to provide equipment. Funds made available to carry out this section may not be used to provide any lethal equipment.

"(e) Consultation With Assistant Secretary for Human Rights.—The Assistant Secretary of State for Human Rights and Humanitarian Affairs shall be consulted in the development and implementation of programs under this section, including determinations of the countries that will receive assistance and determinations of the nature of the assistance to be provided.

"(f) Advance Notice to Congress.—

"(1) In general.—Funds may not be obligated for assistance under this section unless the Committee on Foreign Affairs of the House of Representatives and the Committee on Foreign Relations of the Senate are notified in writing in accordance with the procedures applicable to reprogrammings pursuant to section 634A of this Act. Such notification shall specify the country which will receive the assistance and the amount, purpose, and nature of the assistance, including a detailed description of the assistance. Except as provided in paragraph (2), such notification shall be provided at least 15 days before the funds are obligated.

"(2) Special requirements.—In the case of assistance under subsection (b)(3), such notifications shall be given at least 30 days in advance and shall specify where the assistance is to be provided and the persons who will receive the training or otherwise be the recipients of the assistance.

"(3) Determinations.—Assistance may be provided under subsection (b)(3) only if the President determines, and certifies to the Congress in the notification required by this subsection, that the government of the recipient country, during the preceding 6 months, either—

"(A) made significant and demonstrated progress in eliminating human rights violations, including torture, incommunicado detention, detention of persons solely for the non-violent expression of their political views, and prolonged detention without trial; or

"(B) respected internationally recognized human rights and did not engage in any of the human rights violations specified in subparagraph (A).

Each certification under subparagraph (A) shall discuss fully and completely the justification for making the determination with respect to each type of human rights violation specified in subparagraph (A).

"(g) Annual Report.—As part of the annual presentation materials on foreign assistance, the President shall submit a report to the Congress—

"(1) describing in detail the assistance provided to each country under this section during the preceding fiscal year, planned for the current fiscal year, and proposed for the coming fiscal year; and

"(2) describing, for each country receiving assistance under this section, how such assistance enhances judicial authority, humane and professional law enforcement, and respect for internationally recognized human rights, in particular internal disciplinary procedures and prosecutions of police and military personnel who are alleged to have engaged in human rights abuses and crimes, and the extent to which increased arrests and prosecutions have occurred or can be expected to occur as a result of the assistance.

"(h) Funding.—

"(1) ESF funds.—Not more than $28,000,000 of the funds made available to carry out this chapter for each of fiscal years 1988 and 1989 shall be available to carry out this section, in addition to amounts otherwise available for such purpose.

"(2) Transfer of MAP funds.—Not to exceed $6,000,000 of the funds made available to carry out chapter 2 of this part for each of fiscal years 1988 and 1989 may be transferred for use under this section. Any funds so transferred shall be counted against the $28,000,000 ceiling established by paragraph (1). Any transfer of funds under this paragraph shall be subject to the advance notification requirements specified in subsection (f)(1).

"(3) Reduction of earmarkings.—If the amount made available to carry out this section for fiscal year 1988 or for fiscal year 1989 is less than $28,000,000, the amounts specified in paragraphs (2), (4), and (5) of subsection (i) shall be deemed to be reduced for that fiscal year to the amount which bears the same ratio to the amount specified in that paragraph as the amount made available to carry out this section bears to $28,000,000.

"(4) Limitation on funding of certain programs.—Not more than $7,000,000 of the funds made available for each such fiscal year to carry out this section shall be used for the programs described in subsection (b)(3), excluding programs for El Salvador and Guatemala.

"(i) Assistance for Specific Countries.—

"(1) El salvador.—Of the funds made available for each of the fiscal years 1988 and 1989 to carry out this section, not more than $3,000,000 may be used for El Salvador for programs described in subsections (b)(3).

"(2) Guatemala.—Of the funds made available for each of the fiscal years 1988 and 1989 to carry out this section, not less than $2,000,000 shall be available only for Guatemala for programs described in subsection (b)(3).

"(3) Honduras.—Of the funds made available for each of the fiscal years 1988 and 1989 to carry out this section, not more than $2,000,000 may be used for assistance for Honduras under this section.

"(4) Peru.—Of the funds made available for each of the fiscal years 1988 and 1989 to carry out this section, not less than $1,000,000 shall be available only for assistance for Peru under this section.

"(5) Colombia.—Of the funds made available for each of the fiscal years 1988 and 1989 to carry out this section, not less than $3,000,000 shall be used to provide to the Government of Colombia such assistance as it may request to provide protection against narcoterrorist attacks to judges, other government officials, and members of the press. The assistance authorized by this paragraph for Colombia is in addition to the programs authorized by subsection (b) of this section.

"(6) Haiti.—Section 741(a) of the International Security and Development Cooperation Act of 1987 authorizes up to $300,000 for each of the fiscal years 1988 and 1989 for assistance for Haiti under this section.

"(7) Paraguay.—Assistance may not be provided for Paraguay under this section for fiscal years 1988 and 1989.

"(8) Chile.—Assistance for Chile under this section is subject to the limitations contained in section 726(b) of the International Security and Development Cooperation Act of 1981.

"(j) Waiver of Certain Laws.—Assistance under this section may be provided without regard to section 660 of this Act. Notwithstanding any other provision of law which restricts assistance to foreign countries, assistance may be provided under this section for fiscal years 1988 and 1989 for programs for Peru and for programs for Brazil and Argentina which only involve their participation in regional and multilateral projects and activities.

"(k) Expiration Date.—The authority of this section shall expire on September 30, 1989.".

SEC. 765. CARIBBEAN-CENTRAL AMERICAN SCHOLARSHIP PARTNERSHIP.

(a) Establishment of Scholarship Program.—The Administrator of the Agency for International Development shall establish and administer a program of scholarship assistance, in cooperation with State governments, universities, community colleges, and businesses, to provide scholarships in the form of loans to enable students from eligible countries in the Caribbean and Central America to study in the United States.

(b) Grants to States.—In carrying out this section, the Administrator may make grants to States to provide scholarship assistance for undergraduate degree programs and for training programs of one year or longer in study areas related to the critical development needs of the students' respective countries.

(c) Consultation with States.—The Administrator shall consult with the participating States with regard to the educational opportunities available within each State and on the assignment of scholarship recipients.

(d) Selection Panels.—The Administrator shall establish a selection panel for each eligible country to select the individuals from that country who will receive scholarships under this section. The panel shall consist of—

(1) one or more representatives of the Agency of International Development mission for that country;

(2) one or more representatives of the government of that country; and

(3) representatives of academic and other appropriate institutions of that country, who shall constitute a majority of the panel.

(e) Federal Share.—The Federal share for each year for which a State receives payments under this section shall be not less than 50 percent.

(f) Non-Federal Share.—The non-Federal share of payments under this section may be in cash, including the waiver of tuition or the offering of in-State tuition or housing waivers or subsidies, or in-kind fairly evaluated, including the provision of books or supplies.

(g) Private Sector Participation.—To the maximum extent practicable, each participating State shall enlist the assistance of the private sector to enable the State to meet the non-Federal share of payments under this section. Wherever appropriate, each participating State shall encourage the private sector to offer internships or other opportunities consistent with the purposes of this section to students receiving scholarships under this section.

(h) Funding.—Funds allocated for Latin American and Caribbean regional programs under chapter 4 of part II of the Foreign Assistance Act of 1961 (relating to the economic support fund) may be used in carrying out this section.

(i) Eligible Countries.—As used in this section, the term "eligible country" means any country which is designated by the President as a beneficiary country pursuant to the Caribbean Basin Economic Recovery Act.

Mr. HAMILTON. Mr. Chairman, I rise in support of H.R. 3100, the International Security and Development Cooperation Act of 1987.

This legislation was passed by the Committee on Foreign Affairs on August 5, 1987, and authorizes appropriations for fiscal years 1988 and 1989 of over $11.4 billion annually. This level of funding is close to $500 million less than the amount requested by the administration for foreign assistance in fiscal year 1988 and some $47 million below the continuing resolution appropriations which Congress voted for fiscal year 1987.

These funds, which include military assistance, economic support and development and humanitarian assistance, are an essential component of American foreign policy. They help protect and promote United States political and military interests around the world as well as help others help themselves. They also contribute to our national economy. Close to 70 percent of these funds will be spent in the United States and represent hundreds of thousands of American jobs.

The interrelationship between our ability to protect key American national interests, and the economic and security program contained in this legislation, can be dramatically illustrated by a quick review of how H.R. 3100 affects the Middle East and Europe. These two regions are to receive over 55 percent of the funds for fiscal year 1988 and 1989 contained in this bill.

EUROPE

In Europe, Mr. Chairman, this bill supports the continued vitality of NATO's southern flank and the strengthening of Western security interests in the Mediterranean region.

Four key NATO allies—Portugal, Spain, Greece, and Turkey—are to receive over $150 million in economic support fund money, $460 million in grant military assistance and over $500 million in foreign military sales financing during fiscal years 1988 and 1989, much of it on concessional terms, in addition to military training funds.

Together these four nations, along with Italy and France, have important responsibilities in NATO's southern region, an area which is increasingly vital to Western security. The political instability of the Middle East and Africa offers possible opportunities for expanded Soviet interference in the Mediterranean, where the Soviet Navy is already strong. We must help these southern Mediterranean countries, which serve as a bridge linking the United States and the Atlantic to the Middle East and Persian Gulf.

The United States has important military facilities access agreements in each of these four countries. Each agreement is critical for the United States and, taken together, the four agreements provide NATO with a military and communications link across the northern edge of the Mediterranean Sea. At the present time, negotiations and reviews of these base access agreements are underway, or about to begin in each of these countries. This is not the time to reduce further important commitments to our NATO allies.

These allies look to the United States for assistance to augment their own contributions to Western security. All of these countries are upgrading their military forces and need American assistance and equipment to meet their goals. Thus, the assistance provided to these countries is among the most efficient forms of national defense expenditure and can make a substantial addition to U.S. national security interests and world peace.

Given Greece's important geopolitical location and our mutual security interests, Greece's continued close relationship with the United States is of vital importance. For this reason there is $343 million in security assistance for Greece in this bill. Greece has a socialist government and we have had differences with the government over the last 5 years, but we also have a mutual stake in maintaining a close and frank dialog with that government and in preserving our security relations. Our long-term mutual interests will outlast our differences with any single government. The United States and Greece have just begun crucial base access negotiations and the assistance in this bill is an important indication of our resolve to continue to promote a mutually beneficial United States-Greek security relationship.

Historical and cultural ties between Greece and the United States remain strong. Many of America's leading citizens are of Greek lineage. The essence of our political cultures are the same. America's system of government is descended from ancient Greece—the cradle of democracy.

Turkey is also an important country for the United States and its contribution to NATO is critical. A new base access agreement in force until 1990 was signed in March 1987 and we expect its implementation to proceed. Turkey is NATO's major link with the Middle East. It is the only Islamic member of NATO. We need to help with the Turkish Government with its own impressive efforts to rebuild Turkey economically and militarily after years of instability in the 1970's. We should also encourage the ongoing political changes in Turkey, especially the return to a fully democratic and open government and Turkey's efforts to grapple with difficult problems in the area of human rights.

The United States does have differences with Turkey on the Cyprus issue and on some human rights matters and these issues affect policy, but it is also true that Turkey, an Islamic nation, is a key pro-West country in a turbulent region with common borders with such States as Bulgaria, the Soviet Union, Iran Iraq, and Syria. We neglect Turkey at our own peril. This bill contains $490 million in military assistance, over $75 million in economic aid and $3.5 million in military training for Turkey.

The $15 million fiscal year 1988 economic program supported by this bill for Cyprus is another key sign of strong U.S. support for this island nation. Continued United States assistance supplements efforts to help facilitate a negotiated settlement of the Cyprus dispute. The frustrations of many Americans over the lack of progress toward a settlement of the Cyprus dispute and over the recent arms purchases and military build-up on the island are understandable, but I hope my colleagues realize that it is important not to let the situation on Cyprus deteriorate and it is crucial to try to buttress UN diplomacy. I am sure my colleagues are aware of the continued importance of U.S. economic assistance for Cyprus, including bicommunal projects that foster contacts between the Greek-Cypriot and Turkish-Cypriot communities.

Spain is another country in Europe which is key to Western defenses and with whom we are currently in the midst of crucial base access negotiations. Spain seeks to integrate its military more effectively into the Western security system and will receive both economic and military assistance in this legislation to facilitate its efforts in this area. This assistance, which contains $105 million in FMS concessional credits, $12 million in economic aid and $3 million in military training, is important if Spain's membership in NATO is to be consolidated and we are to build a constituency for NATO in Spain. It will also help Spain's democratic government define a new and clear role for its military forces in the Atlantic alliance.

Portugal is also to receive substantial economic and security assistance in this bill—some $80 million in MAP security assistance and $65 million in economic aid. The United States renewed its bilateral base agreement with Portugal in December 1983. This agreement provides the United States continued use of Lajes Air Base in the Azores Islands. Prime Minister Cavaco Silva has stated that his government may call for a review of this important base access agreement in 1988.

U.S. assistance will promote Portugal's security, strengthen its democracy, and enhance its contribution to NATO and the defense of Western security. It will also help alleviate the financial burdens of Portugal's troubled economy. Portugal is taking difficult steps to reform its economy. It is in our interest to help the Portuguese Government succeed in these efforts.

Our assistance programs for these four NATO allies serves to buttress vital Western security interests. This bill contains an additional authorization of $400 million in assistance for base rights countries, significant portions of which will go to these southern European allies. Without the assistance in this bill, American access to key military facilities is compromised and the ability of our allies to strengthen their own defenses is weakened. NATO's southern flank is vital to United States interest and we must not let its security be undermined.

MIDDLE EAST

Mr. Chairman, the Middle East will receive over 40 percent of the funds authorized in fiscal year 1988 in this bill. These funds are closely related to American efforts to promote and expand the Middle East peace process and to strengthen moderate forces in the region. While efforts to restart the Middle East peace process proceed in the coming weeks and months, it is critically important to maintain the security and economic well-being of our friends in the region in the expectation that new opportunities for further progress toward a comprehensive peace will be created and that no party will foreclose those possibilities:

H.R. 3100 provides for:

An authorization for Israel in fiscal year 1988 and fiscal year 1989 of $3 billion annually in economic and military assistance to be provided on a grant basis. The United States has a historic commitment to Israel's security and economic well-being and U.S. assistance provides a tangible demonstration of the strength and durability of that commitment. The United States seeks to give Israel the confidence to take the risks necessary to pursue the peace process. It is a continuing principle of U.S. security assistance to enable Israel to maintain a qualitative edge in military technology in the Middle East. This is especially important because of the Soviet shipment of sophisticated arms to other countries in the region and especially to Syria. Economic assistance provided to Israel helps to supplement Israel's own efforts to address its economic problems. Israel has undertaken some important steps over the last 2 years and the economy is much improved. I think a vast majority of Israelis understand that further action is essential to sustain the improved economic situation in Isreal.

An authorization for Egypt for fiscal year 1988 and 1989 of some $2.3 billion annually, including $1.3 billion in military assistance, $815 million in economic assistance and $180 million in food aid in fiscal year 1988 and $165 million in fiscal year 1989. Egypt remains critical to the success of U.S. regional political and strategic policies and these requests support U.S. policy. The United States and Egypt have shared strategic interest in the stability of the Middle East and the surrounding region, especially Africa, and a shared strategic commitment to a peaceful solution of the Arab-Israeli conflict. Egypt has been an active partner in the Middle East peace process and a strong supporter of U.S. policy in the Persian Gulf. Continued Egyptian support is crucial to the ultimate success of United States policies in the Middle East and Persian Gulf.

Smaller authorizations for economic and military assistance for other countries in the region: Jordan is to receive $60 million, Oman $20 million; and the Yemen Arab Republic $31 million. We have important ties to these countries and a stake in what happens to each. Our programs with these countries promote broad U.S. policy objectives in the Middle East. In the case of Oman, our program is directly related to a military facilities access agreement for U.S. forces; Oman is located near the entrance to the Persian Gulf and abuts the Strait of Hormuz.

And an authorization of $20 million for special Middle East programs to promote regional cooperative programs involving both Israelis and Arabs, economic development projects in the critical West Bank and Gaza area where significant proportions of the Palestinian people live, and regional program support and development. These programs are small in amounts but touch the lives of many people and promote the cause of peace.

Mr. Chairman, the United States continues to have a stake in what happens in the Middle East. We cannot walk away from the region because of frustrations with the peace process or the tense situation in the Persian Gulf. We have important and interrelated interests in the stability and well-being of friends in the region, in access to oil, in reducing regional tensions and in preventing the Soviets from obtaining an enhanced position in the area. The funds in this legislation help us in promoting these interests. Without these programs, efforts to energize the peace process will be hampered.

ESF ACCOUNTABILITY PROVISION

H.R. 3100 also contains a series of seven provisions which seek to insure better use and accountability of the ESF account, especially for those funds which are provided as cash transfers.

These amendments are designed to achieve four principal goals. First, they strengthen the accountability of our foreign assistance by requiring the establishment of separate accounts for all cash transfers, by calling for more complete reporting to the Congress on the use of these funds and by prohibiting development assistance funds to be used as cash transfers. Second, they require that a greater portion of our ESF assistance be used to promote long-term development in recipient nations and that local currency proceeds not required for local U.S. costs be available for development assistance. Third, they limit, with a waiver, the amount of reprogramming of foreign assistance funds to ensure that the intentions of the Congress are not undermined by unilateral executive action. And fourth, they prohibit the diversion of foreign assistance funds for corrupt or unintended purposes and require mandatory sanctions for such diversions.

These provisions strengthen oversight of the ESF program and insure greater accountability of funds provided. They help make H.R. 3100 a better bill.

SUMMARY

In conclusion, Mr. Chairman, I wish to reiterate my support for H.R. 3100. Many Members may feel it is not a good time for any foreign aid bill, that the mood of the American people is against the legislation and that, given the amendments being proposed, this bill should not be supported.

It is clear that due to our significant domestic needs and priorities, the amount of resources being provided for assistance overseas is declining. Nevertheless, we must remember that as a country we cannot confront the foreign policy challenges we face and counter aggressive policies of our adversaries without the prudent use of economic and military assistance programs such as those contained in H.R. 3100. This bill supports key national interests overseas, promotes trade, and represents well over 400,000 American jobs.

Mr. Chairman, let me add one final plea. This bill strikes a careful balance between security and economic programs and contains important policy guidelines. I would hope that any amendments retain this important balance.

Mr. Chairman, I urge the adoption of H.R. 3100 to let the authorization process proceed.

Mr. SCHEUER. Mr. Chairman, I rise in support of title VIII of H.R. 3100, the provisions of Africa recovery and development, authored largely by the distinguished Chairman of the Africa Subcommittee, Mr. WOLPE.

Last year, the Science, Space, and Technology Committee issued a major report on the problems facing sub-Saharan Africa in feeding its own population. That report was based on 5 days of hearings before the Subcommittee on Natural Resources, Agriculture Research, and Environment, which I chair. I am pleased to note that title VIII contains many of the recommendations included in that report.

Title VIII marks a bold step forward in our efforts to implement well-conceived policies and programs to promote long-range economic growth in Africa.

The bill embodies many of the reforms proposed during last year's U.N. Special Session on Africa and it outlines the steps necessary to promote development and eliminate much of the suffering in famine-plagued sub-Saharan Africa.

The Science Committee report found that "prospects for improving sub-Saharan Africa's food security rests in part upon the adoption of long-term development strategies which will restore damaged natural resources, promote sustainable agricultural practices, improve natural resource management, and slow population growth."

This bill will go a long way in implementing these policies. It pays close attention to Africa's natural resources and its fragile environmental base, promoting increased food production using appropriate and sustainable methods.

The bill also recognizes the vital role of women in African society, particularly in agricultural production. African women currently do 60 to 80 percent of the work involved in growing, processing, and marketing food, yet few programs focus on improving the farming skills and economic potential of women.

The bill addresses this shortcoming by requiring AID development efforts to significantly expand the participation of African women in the critical development sectors, including in decisionmaking roles.

There is widespread agreement that the status of African women must be improved for development efforts to succeed. Increased efforts to improve family planning and maternal child and health programs are urgently needed, and women must gain equal access to education, job training, and employment.

Again, the bill responds to these needs by targeted AID development for increased training for women and expansion of family planning programs.

Africa's population growth rate has reached crisis proportions. Ten years of annual population increases exceeding 3 percent across the continent, accompanied by 1-percent annual increases in food production, have reduced the food supply by 20 percent per capita over the last decade.

Mr. Chairman, Africa is poised for change. Last year, I had the privilege, as the Chairman of the Global Committee on Parliamentarians on Population and Development, to attend a conference in Zimbabwe on the devastating effects of Africa's soaring birth rates. Representatives from 39 African countries attended. For the first time, the African leaders at that conference embraced the need for family planning programs.

Robert Mugabe, Zimbabwe's Prime Minister, Abdou Diouf, the President of Senegal and the Chairman of the Organization of African Unity, and Ide Oumarou, the Secretary General of the OAU, all expressed strong support for family planning programs.

What is driving this new attitude is an understanding of how the unchecked rate of population growth inexorably dooms any effort to develop. If population growth rates continue, Africa's population will double in 22 years.

As Bernard Chidzero, Zimbabwe's Economic Minister testified at the conference, no development program could possibly create the jobs, the schools, the health clinics, the food to meet the needs of a population that doubles every 18 to 20 years.

The continent's leaders are seeking our help and they have made it clear that they intend to pay more than lip-service to programs to effect the necessary changes.

This bill will start the process and show the world that the United States is prepared to play a major role in Africa's future development.

I congratulate the chairman of the committee, Mr. FASCELL, and the chairman of the Africa Subcommittee, Mr. WOLPE, for their leadership in drafting this innovative approach and bringing it to the floor. I urge my colleagues to support this important new approach to development assistance.

Mr. FASCELL. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. SMITH of Florida, having assumed the chair, Mr. AUCOIN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3100) to authorize international security and development assistance programs and Peace Corps programs for fiscal years 1988 and 1989, and for other purposes, had come to no resolution thereon.

□ 1545

SUPPORTING THE TRANSITION TO DEMOCRACY IN HAITI

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. CROCKETT] is recognized for 5 minutes.

Mr. CROCKETT. Mr. Speaker, today, along with my colleagues Mr. GILMAN and Mr. FAUNTROY, I will introduce a resolution expressing the sense of the Congress in support of the electoral process now taking place in Haiti. His resolution also urges the United States, international and regional organizations, and countries throughout the world to support that process with all the resources at their command.

This resolution is a product of our growing concern that not enough is being done to stem the violence that now plagues Haiti. The Subcommittee on Western Hemisphere Affairs, which I chair, held a hearing earlier this week and heard testimony that reflected that same concern from those most active in support of the process of democratization in Haiti.

It is time for the United States government to make abundantly clear its support for the electoral process and the importance of the success of the November 29 national election, and the subsequent regional election, for our relationship with Haiti.

The Government of Haiti must provide security for the presidential candidates and the members and facilities of the Provisional Electoral Council as well as logistical and administrative support to the elections, as has been requested on a number of occasions. Failure to do so will have serious repercussion in their relationship with our Government.

During this period of transition which began on February 7, 1986, the people have been steadfast in their determination to establish a strong and workable democracy for themselves. They have thrown off the dictatorship that stifled political and economic progress; they have overwhelmingly adopted a new constitution, and they have strongly supported the Provisional Electoral Council in its mandates to register voters and to provide the necessary framework for the election.

They have been faced with strong and violent opposition;

Two presidential candidates have been murdered;

Several hundred people were massacred during a demonstration in Jean Rabel, in northern Haiti;

Death squad violence has continued, resulting in random and unprovoked killings and the "dumping" of bodies in Port-au-Prince and elsewhere;

The Provisional Electoral Council headquarters has been burned and the lives of its members threatened; and

Despite repeated requests, the provisional government has, for all practical purposes, abandoned the electoral council without the benefit of security or support.

Yet, despite these dismal developments, the Haitian people continue to dedicate themselves wholeheartedly to the election effort. Over 1.5 million Haitians have registered to vote in the upcoming election; and the electoral council continues its efforts to find secure polling places, produce ballots, and provide logistical support so that the elections take place on schedule.

This process cannot be completed, however, without the cooperation of the provisional government and the continued assistance of the United States and other governments who are committed to seeing a real transition to democracy in Haiti.

There are several concrete steps the United States can take to assist the Haitian people in their effort.

We must continue to send financial assistance as necessary to the electoral council in an expeditious manner, and ensure, in every way possible, that that funding reaches the appropriate recipient;

We must make clear the strong intention, on the part of both the executive and the legislature, to consider the conduct of free and fair elections an essential element in the consideration of future assistance to Haiti;

We must encourage the provisional government, in the strongest possible terms, to do what is necessary to cooperate with the electoral council to provide the appropriate security, administrative and logistical support to allow the electoral council to carry out its mandate; and

We must encourage international and regional organizations to lend their support to the efforts for an independent election in Haiti.

These actions, while specific, are nonetheless general in nature. I would also propose more specific assistance which would be appropriate and helpful, including assisting in the printing of ballots, and providing one or more helicopters to provide security and transportation for those ballots to and from the polling places.

As the strongest democracy in the world, and one which is trying its best to foster democracy throughout the hemisphere, we should make every possible effort to support the Haitian people in their dedicated efforts toward a democratic society.

WHAT TO EXPECT FROM THE BUDGET CONFERENCE

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin [Mr. OBEY] is recognized for 5 minutes.

Mr. OBEY. Mr. Speaker, I would like to take just a few moments to discuss the prospects facing us in terms of the agreement which we hope is going to be coming out of the domestic budget summit. I think there is a misunderstanding in this country about exactly what it is that we can expect from that group.

From what I hear, we are going to have a very limited agreement which comes out of that group and it will provide deficit reduction of around $23 to $25 billion. I think virtually everybody in this House had hoped it would be more. But before we start jumping off cliffs because it is not more, we ought to ask ourselves why, in fact, those conferees have not been able to produce a larger package.

I would suggest that the problem does not lie with the individuals who are members of the conference. The problem lies, I think, with a lot of people who are outside the conference doors. And it is just not the politicians. I find for instance in a good many polls that I have done in my own district that when I ask people if they favor deficits they will say, "Oh, no!" They do not want deficits.

But then when they are asked what they would like to see cut, they will say, "No, we do not want to see education cut, we do not want to see health cut, we want to see farmers receive more help, not less, we want to see more AIDS research." In fact, in my district the only three items which people indicate they would like to see cut are welfare, foreign aid, and military spending.

In most districts in the country I think we will not see a majority for military spending but when we get beyond welfare and get beyond foreign assistance, the going gets mighty tough. So I do not see very many people giving the conferees much help in terms of reaching larger numbers, and that includes the White House.

I find it interesting, for instance, that the White House seems to prefer larger foreign aid spending than the country prefers; it seems to prefer larger military budgets than the country prefers; yet it does not want to pay for those programs with increased revenues.

I hope that whatever is reported out by the conferees is not rejected simply on the grounds that it is too small.

Mr. Speaker, more important almost than the content of the deficit reduction package that comes out of the conference is simply a demonstration of the ability of both parties to jointly govern. For us to be unable to compromise and to allow that lack of compromise to take place in the teeth of what has happened in the economy over the last few months would be irresponsible. It would be mindless.

If political ideology on either side of the aisle is so rigid that we cannot reach agreement between Americans on something as benign as the question of whether there should be $1 or $2 billion more or less in military spending, $1 or $2 billion more or less in domestic spending, then I do not know how we can responsibly expect that we can reach agreement with the Soviet Union or any other country on any other subject.

To me it would be the height of immaturity, it would be the height of irresponsibility for us to say that our own personal beliefs, our own personal preferences, our own personal ideologies are more important than compromising for the good of the country.

It would have been ideal if we could have had coming out of that conference with a budget reduction package of at least $40 billion this year and at least $50 billion next year. At one point I thought that was possible and I deeply regret that it appears not to be possible. But I certainly hope that the perfect will not become the enemy of the good. I hope that we will not wind up telling the country that because we cannot do any better, we are not going to do anything at all. The worst thing that could happen at this point would be to tell the markets, to tell our own districts, to tell our own constituents that because the only compromise that we can reach is an imperfect one that we are therefore going to abandon all efforts and allow the magic sequesterer to mindlessly chisel at budgets regardless of their value, regardless of their utility in terms of building the economy or building the strength of this society.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF A BILL TO AMEND THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

Mr. FROST, from the Committee on Rules, submitted a privileged report (Rept. No. 100-451) on the resolution (H. Res. 316) providing for the consideration of a bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to revise the date of the final order of the President for fiscal year 1988, and for other purposes, which was referred to the House Calendar and ordered to be printed.

THE STATUS OF THE INVITATION TO GORBACHEV TO ADDRESS A JOINT SESSION OF CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. Dornan] is recognized for 5 minutes.

Mr. DORNAN of California. Mr. Speaker, there is a considerable body of our fellow Americans who follow the written Record of this Chamber carefully. After all, it goes out to most schools in America and to almost every public library. The question is on what is the status of the invitation to the General Secretary of the world's largest dictatorship and the world's only other superpower with nuclear weapons of sizable numbers, and the other one being the world's greatest republic, the United States of America.

□ 1555

In trying to put this together, it is becoming similar to a detective story. And I think I am as close to the truth as anybody on the Hill, certainly closer to the truth than anybody in the media, print or electronic.

There is a great old black and white film, a Japanese film called "Roshamon," where you have seven witnesses to a story, and each person told a different story in the film. And there is the old Texas expression, probably born in the Alamo in the argument between the one last survivor of the Alamo who left and General Santa Ana's version of how the Texarkans and the Texans went down fighting.

We now from the diary of a soldier, a Mexican soldier, that they took the few survivors and tortured them to death. We had been led to believe that Jim Bowie went down on his sick bed, and with his knife killing a couple of Mexican soliders, and been told that Travis went down shooting, and Davie Crockett was swinging his rifle as John Wayne portrayed him in the movie. And it turns out that all of the men were wounded, the last survivors, and captured and tortured to death.

It is like the old Texas expression, there is your story, there is my story, and there is the truth. I do not really have a story. I am just looking for the truth, and here is what I think has happened.

Mr. Wright, our distinguished Speaker, got himself in a mess progressively by trying to insert himself into the foreign policy of this country as determined by the executive branch and a man who won 54,455,000 votes and took 49 States, and almost took his opponent's State, Mr. Mondale's. One more Reagan visit and he would have taken all 50 States and he would have taken Mr. Mondale's home State.

Mr. Wright, whom I dearly love, won in the last election, and let me see if I can remember this from last week, 84,831, votes. But that is not fair, because that was what we call an off-election, an off-year congressional election. Let us go back to 1984 when he won 186,200. I was opposed and I got 110,000 one year running opposed, and Gregory Peck's son got 100,000, but I got 110,000, 106,299 for Mr. Wright. Folks, that many votes ain't 54 million votes in 49 States.

Mr. Reagan sets the foreign policy, not our great Speaker.

Now Mr. Wright got in deeper and deeper and deeper until finally the head of Radio Catolica, which has been censored almost 2 years, and a Catholic priest, Msgr. Bismark Carballo, who was threatened by Tomas Borge, head of the Interior Ministry in Nicaragua, the Communist-Marxist theoretician for the Ortega brothers, twice the age of the Ortega brothers, this man's head of secret police, Borge said to this secret police, the head, a man named Lenin Cerna, and he told Bismark Carballo, when he shut down the radio, he said, "I am going to kill you, Priest, myself, with this gun." So when Bishop Carballo tried to listen to this priest, this heroic priest who was up here in town with Cardinal Obando y Bravo, I call him Obando the Brave, and I was in the room when he was elevated to a cardinal, and I went to Bishop Carballo, and there was Archbishop Law of Boston, and Archbishop O'Connor of New York, but I got to shake his hand when he was a brand new cardinal, and I was with him in six 1-hour meetings, a tremendous hero, and if any man can bring democratization in Nicaragua, he can, and put an end to the Ortega brothers and this Communist junta.

But when Jim Wright went to Monsignor Carballo, the archbishop of Nicaragua, he suggested that four people become mediators. I think Mr. Wright realized this was not his role. He suggested Warneke, a known name; he suggested Ed King, a name known only to me and a few Members in the other Chamber, a man who hates the military, and probably got passed over for bird colonel so he hates the military, and works for a Senator who hates the Navy, and as a matter of fact hates his military career; and two members of Mr. Wright's staff, Mr. Richard Pina, whom I like, and Mr. Wilson Morris. I just talked to Mr. Morris.

Mr. Morris did not necessarily want the job, and Jim Wright realized that he should not have submitted the four names. So he told me on the floor that he wants Warneke, and I do not want him, and he wants Philip Habib, and I do not want him. And he wants my former colleague, Tom Loeffler of Texas, and I do not want him. I do not want Tom Loeffler to be involved in this anymore.

The SPEAKER pro tempore (Mr. Darden). The time of the gentleman from California [Mr. Dornan] has expired.

Mr. WALKER. Mr. Speaker, I ask unanimous consent I be permitted to address the House for 5 minutes as a special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

Mr. AuCOIN. Mr. Speaker, reserving the right to object, I did not hear the unanimous-consent request.

Mr. WALKER. I requested a 5-minute special order.

Mr. AuCOIN. I object.

The SPEAKER pro tempore. Objection is heard.

DRAZA MIHAILOVICH

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois [Mr. Crane] is recognized for 60 minutes.

Mr. CRANE. Mr. Speaker, before beginning my special order I yield to the gentleman from California [Mr. Dornan], my distinguished colleague, so that he may complete his remarks.

THE STATUS OF THE INVITATION TO GORBACHEV TO ADDRESS A JOINT SESSION OF CONGRESS CONTINUED

Mr. DORNAN of California. Mr. Speaker, for people who follow the parliamentary procedure of this Chamber, I have never in my 9 years in the House ever seen anybody object to a unanimous-consent request for a 5-minute special order at the end of the day.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, that is a very unusual thing to happen, and let us identify who did the objecting.

Mr. DORNAN of California. I say to the gentleman from Pennsylvania, one of the finest Parliamentarians in the House, it was my good friend, Mr. Les AuCoin. And he knows I would not do that to him and I will not do it to him in the future, because I do not think he thought it through, because I am entitled to finish that story. And I am going to help the gentleman from Illinois [Mr. Crane] on his special hour, which is a special order on Draza Mihailovich, a hero of Yugoslavia, a friend of the American people who was brutally murdered.

Mr. WALKER. If the gentleman will yield, the only conclusion one can draw when that happens on the floor is that there are people here who do not want to hear the truth, and did not want to hear the gentleman finish his story, and I appreciate the gentleman yielding.

Mr. DORNAN of California. I thank the gentleman. My colleagues heard me say at the beginning that there is your story, my story and the truth. I do not necessarily have a story in this or an axe to grind. I am trying to put together pieces of a puzzle, like a mosaic, and if the gentleman from Oregon, my distinguished friend and colleague, Mr. AuCoin, has a different version, help me out. In the last two evenings we have been joined in special orders, and I have never seen this happen in 9 years, by the Republican leader, Mr. Michel, and by the distinguished Speaker of the House, the gentleman who is to preside over both sides of this aisle who joined us in this special order, and when Mr. Wright joined us he left out the names of his staffers, Richard Pina and Wilson Morris and replaced them with Tommy Loeffler and former Ambassador, Middle East specialist, who knew nothing about Central America, Habib, whom I love, but I am glad that he has gone off of this case and the President's foreign policy as Ambassador at Large. And he clung to Mr. Warneke, the father of SALT II, probably of SALT I. I rejected SALT II, a nonratified, expired treaty, and we do not need any of these people getting involved.

But the point is the Speaker did recommend to Cardinal Obando y Bravo, and his principal assistant, Msgr. Bismark Carballo, that they accept as mediators in our foreign policy, people normally appointed by a State Department, in this whole negotiating process the Communist brothers Ortega in Nicaragua.

Now what happened after that? I have been down there 13 times. The President has allowed me to come up three times now and give a report on my most recent trip. I brought the gentleman from Indiana [Mr. Burton] along from the trip last month, and I brought four Members that I had joined on the Jon Kyl of Arizona codel, and we were in the White House with the President.

We come out from the meeting with the President to talk to the press. You know this is what they call the most famous press ambush in the world with about 100 microphones and about 8 or 9, 10 cameras that sit on the driveway right in front of the west entrance to the White House, and they are all out there. And Sam Donaldson, in his inimitable, Loosie Goosie college coed style gets right in between the five Congressmen, and poor Bill Plante, of CBS, trying to copy Donaldson's style, gets in there with us, and he and Donaldson start taunting me and saying Gorbachev is going to address a joint session, Gorbachev is going to address a joint session. I am trying to talk about Central America, Ortega, Mr. Wright's involvement. I said what are you talking about. It is a rumor, it is not going to happen. And they said, oh, yes, it has just been announced.

I found out who announced it. The Speaker's distinguished staffer, Mr. Wilson Morris, in announcing to the world that the Secretary of State came up to Capitol Hill on the arm of my favorite Democratic Texan, Bob Strauss, and was brought into Speaker Wright's not ceremonial office but into his functioning work-a-day office, room 204 in the Capitol, and together, without the President's knowledge, or getting a chance to look at it, signed together a 6-point plan, a sort of namby-pamby plan, weak, and designed more to cover Mr. Wright than it is to put forward more of George Shultz's prerogatives as Secretary of State. And as this six-point plan is given to the world, and I saw it presented to the President of the United States with my own eyes, with four congressional witnesses in the Cabinet Room. I see the Secretary of State hand it to a Congressman before he gives it to the President, and then the President looks at it, we saw it, and we all say, what is this. We hear about the Shultz-Wright six-point plan, and it was at that moment in Mr. Wright's office, room 204, that the press asked Mr. Wilson Morris, according to what Wilson Morris just told me, "Is Gorbachev going to speak?" And Mr. Morris tells me he told the press yes. And I said, Why did you say that, Mr. Morris? And he said because it was my understanding at the breakfast that I went to that Howard Baker, former Senator, former minority and majority leader, and now the Chief of Staff at the White House, that Howard Baker was asking, Can we have a joint session?

Mr. Baker today told the gentleman from Pennsylvania [Mr. Walker] that he did not ask for a joint session of Congress, that what he asked for, that what he said was the Soviets are pressing us on this, they are going to submit a formal request for a joint session in this Chamber. I mean that is with the Supreme Court, the Chairman and the four Joint Chiefs of Staff, all of the foreign ambassadors that get the privilege to come into this Chamber. This is a full court here with the media using our electronic national technical means in this House to broadcast this to the world, including the Soviet Union.

Now Mr. Baker, according to Mr. Walker, said we do not think this is a good idea, and he is telling this to the majority leader and the minority leader of the other body, and he is telling it to our Speaker, and to our great majority leader, Tom Foley, and to Bob Michel, who has since confirmed this to me, that, "I don't think it's a good idea." And everybody agreed, according to Howard Baker, that it is not a good idea, and it was left at that.

In other words, my fellow Americans, this Member is led to believe that at this moment the Soviets are thinking of making a formal request, which they have not yet made, that the White House has told them is not a good idea, that all of the leaders of this and the other body have agreed it is not a good idea, but suddenly at the moment that a staffer of the Speaker is presenting to the world the Shultz-Wright six-point plan on who runs foreign policy in this country in Central America, then at that moment Mr. Wilson Morris says yes, there is going to be a joint session. And then all hell broke loose and started to involve this Member.

I have done more research than anybody except probably our own distinguished Parliamentarian, and historians, on people around here who get to speak at this incredible lectern in this citadel, this temple of liberty.

Do my colleagues know that Thomas Jefferson has never spoken at that platform or in the old Chamber which we had when he was the President, nor has Andrew Jackson, a war hero and 8 years a President. Nor has Abraham Lincoln, and we then were in this very Chamber. This opened up in December 1857, 3½ years before the Civil War. Abraham Lincoln was not allowed to stand there.

As a matter of fact, except for 9 appearances of George Washington in the other Chamber, and 6 of our second President, John Adams, his former Vice President in the other Chamber, no American President was ever allowed in this room or in the other Chamber until Woodrow Wilson stood there for 21 times, most of it giving reports before and during the First World War.

Then we had after Wilson 7 appearances by Harding until he died, only 2 by Calvin Coolidge, and a tie between Franklin Delano Roosevelt and Harry Truman, with 16 each. We had only eight appearances by President Eisenhower, but President Eisenhower is a historically fascinating case. He stood there twice as a four-star general and a five-star general and one time, the first time was 7 years and 7 months before he stood there as the President giving his first State of the Union. So he was there 10 times, twice as a commander of military forces, and 8 times as our President.

Only three times for John F. Kennedy, an assassination cruelly striking down that handsome young President, eight times for L.B.J., only five times for Richard Nixon, and except for those Presidents, Mr. Wilson through our current President, and President Reagan has only been there a handful of times, I repeat, these heroes that we have memorials around this city like Lincoln, our greatest President, and Andy Jackson, and every President. Teddy Roosevelt has never stood at that platform or addressed a joint session or either body of this Congress.

We suddenly start inviting heads of state. When did that start? It started with this general whose statue is to my left, General Lafayette. On December 10, 1824, when he came back to this city as an old man, he only had about 10 years to live, this city went absolutely wild with celebrations for Gilbert Lafayette, one of the heroes of the Revolution.

Interestingly, the first general to ever speak there was John J. Pershing, my father's commander, Blackjack, a six-star general, if there is such a rank, the highest ranking man we have ever had in our military.

☐ 1610

The man who said when he arrived from Europe, "Lafayette, we are here." He got to give a report a year after World War I, but that is an American. Let us go back to the foreigners.

Lafayette; 50 years and 8 days later comes the King of Hawaii, but I do not want to count him. Do you know why? Because he is giving us the Hawaiian Islands as a territory and becoming a U.S. citizen, although I assume we let him keep his kingly title and he probably became the Governor General of the Hawaiian Islands which became our 50th and final State.

So 50 years from Lafayette to the King of Hawaii; then guess what? Nobody for another half a century except for John Pershing. Until the French Ambassador gets to come and speak from there. Seated in the front row is the great grandson of guess who, Lafayette. But we do not let him speak. But we let the French Ambassador speak, because it is the 100th year anniversary of Lafayette's death.

Of course, our country is over a century and a quarter old at that point.

Now comes King George and Queen Elizabeth of England. Do you remember that American lady Simpson that made King Edward give up his throne? Here comes his younger brother, King George and the Queen. But did they get to speak? No. We called a joint session and adjourned to the rotunda and the King and Queen spoke to Members of both bodies in the rotunda.

So then we go another few years and here comes the first foreigner since Lafayette. And he has been there three times. He is the preeminent citizen of the Western World in my lifetime.

He said from that platform "But for my mother's marriage I might be sitting among you." His mother was Jenny, an American. That was Winston Churchill. Winston Churchill spoke, as I said here the other day, 18 days after Pearl Harbor, 18 days after because now he knew that England would survive, that their cousins, the United States, had joined the great war against Adolf Hitler and we had been attacked by Japan. We declared war against Germany, not Germany against us, same as World War I.

Now 2 years later, or just a few months later in mid-1942 comes Queen Juliana. Did she stand there, the Queen of the Netherlands when all of her Dutch ships are being sunk in the Dutch East Indies and being crushed by the war forces of the warlords of Japan under Tojo? No, no; we called a joint meeting, not a session and adjourned to the rotunda or to the Senate side actually and the House Members are informally invited to come to the Senate Chamber.

So much for Juliana.

So now we are through the Second World War and there are only two people, Lafayette and Winston Churchill. Churchill comes back in 1943 and then he comes back later in 1952.

So now we start with people of other nations. Who was the first one? It is the British Prime Minister Clement Attlee, another Englishman from our mother country. By the way, we have had one Secretary of State by this point, Cordell Hull in the middle of the war, November 18, 1943, to report on the Moscow conference.

Now Roosevelt has his State of the Union Message read in January 1945, he is so sickly. His wheelchair is brought in here, he can barely get out of the chair to report on Yalta on March 1, 1945, and he dies about 5 weeks later on April 12. I remember it well. I was 12 years old. I remember people crying.

Now we start the postwar period.

Harry Truman comes in here with a general, George C. Marshall. But they had business to do. They pinned the Medal of Honor in this well or maybe up there on T. Sgt. Jake William Lindsey. And I will report on that fine sergeant. I do not know if he is still alive. I do not know if I bumped into him in Anaheim this week when the other Medal of Honor winners were convened in my district just this last week. I will have to find out if he was there.

Then comes a series of military people, Chester Nimitz reporting on the war in the Pacific. Then Clement Attlee comes, then a former Ambassador to the United Kingdom. But remember these are Americans.

Now we start: The President of Mexico, the President of Brazil, the President of Ecuador, the President of Italy, then Winston Churchill comes back again. Matthew Ridgway reporting on the war in Korea; Juliana, Queen of the Netherlands, finally makes it up here to the rostrum, as Wilhelmina did not. Now we start in real earnest in the midfifties when Eisenhower was President, with the President of Turkey, the Governor General of Canada. That is the first time a Canadian made it, Prime Minister Vincent Massey.

Haile Selassie of Ethiopia. Syngman Rhee just a year and a day after the conclusion of the no-win war in Korea. At least we kept half the country at the cost of 33,629 American fighting men and over 2,000 or more missing in action, many of them to this day, we still believed 389 were alive and healthy at the end of the war, the beginning of the current agony of MIA's and POW's.

Now we start going down: President of Haiti, Italy, Indonesia, Vietnam is our ally, West Germany; well I went down all these countries and guess what, they are all allies in NATO or the now defunct SEATO Treaty, that would be Vietnam, Philippines, Thailand, or they are members of the Pan American Union of our fellow Americans in this hemisphere from Canada down to Chile.

Here are some exceptions. Anybody want to quarrel with this: How about Eamon de Valera of Ireland up there, how about Mr. O'Toole of Ireland up there, how about the President of Israel up there, how about the President of Nepal, does that blow anybody's mind? Does anybody know about Nepal running a system of gulag concentration camps? Maybe they take exception with the President of Tunisia who only died here recently, was in office about 30 years. Maybe he should have retired after 8 years like one of our amendments to the Constitution.

It goes down the line here. Then we start having astronauts come in here. Then just in recent times Rajiv Gandhi, a former 747 Boeing commander who, when his mother was assassinated, became President of India. That is only the world's largest democracy. They may have a friendship treaty with the Soviet Union where they occasionally lick their boots and Mr. Gandhi may stand up here and lecture me which caused me to leave the last row and walk out. I did not need a lecture by a young man who had a royal family manner who takes over because his mother is assassinated. I do not resent any of these people speaking here although some of them have warts that turned out to be disastrous, such as the Shah of Iran with his SEBAK secret policy torturing people. When he came here that was not in his background yet. Power corrupted him as it does all people who stay in office too long. And Haile Selassie, the Speaker said to me what about Haile Selassie? Do you know who said that to me last night? Peter Jennings when we did this live "World To World," Russian Soviet program. I said, "Haile Selassie went before the United Nations, Peter, in 1936 to plead with the world to get Mussolini off his back with his poison gas and predicted the demise of the League of Nations." We would not listen to him. Yes; the poor old man stayed in office too long so that the Communist thugs running Ethiopia now either allowed him to starve to death in his bed in 1984 or, the rumors are, suffocate him in his bed. So much for the Lion of Judah who claimed to be a direct descendant of King Solomon.

So where did I see Haile Selassie last? Marching at the front of John F. Kennedy's catafalque, which was Lincoln's catafalque, he was the first one who laid in state on that.

I followed that entire cortege from Saint Matthew's Cathedral, where John F. Kennedy received the last blessing, all the way out to the cemetery and stood there at attention in my Air Force captain's uniform at his funeral. I was honored to see Charles de Gaulle and Haile Selassie with a grieving Jackie Kennedy and a broken Bobby Kennedy marching at the front of that terrible funeral. "Days of lightning and drums" was what we had to send Kennedy to his eternal rest. I thought how great of De Gaulle to come over here in uniform and Haile Selassie in uniform to lead that respect.

What does Peter Jennings, a Canadian by the way, tell me last night? He said, "Well, there is a dictator, de Gaulle." Charles de Gaulle stood there, yes; our ally, the man who Patton let lead our troops into Paris out from under the jackboot of the Nazi occupation.

Yes; Haile Selassie stood there.

My point is that when I do an exegesis of all the people who have been here, there has never been a known dictator with political prisoners the likes of the Soviet Union. My friend, Mr. SOLARZ, we traded compliments today, he told me it is inappropriate because this man is the major perpetrator of human rights violations on the planet today. I agree with that. If there is no formal request to the Soviet Union, if they have not yet asked for a formal request, then I say that this distinguished Member walking in front of my face, Mr. DARDEN of Georgia, he is a good Member and I am glad he is here, but he is here in this Chamber because the Soviet Union murdered his predecessor, Congressman Larry Patton McDonald and he will acknowledge that. He does a good job here. But that man walking by is here because they killed a Congressman.

As I said on that television show last night, "Can't we expect the General Secretary of the Soviet Union to at least appologize for murdering a United States Congressman who used to sit in that middle chair in that aisle all the time?" I am telling you that the White House or the Speaker's office, the President, Ronald Reagan, or JIM WRIGHT has to come forward here in the next 24 hours and bite the bullet. There has been a Cabinet meeting on this very day, going on at this moment for all I know, to tell the Soviets it is inappropriate, given the vicious atrocities in Vietnam, the murder of Larry McDonald, the allowing after they shoot him of a U.S. officer, Arthur D. Nicholson, to bleed to death while Gorbachev was the General Secretary. He must not stand here.

I even question if we should let him come in the rotunda. There is plenty of hotels around here with auditoriums. The Hilton has been redesigned for security like we have never seen because President Reagan was almost assassinated there. There are all sorts of Federal auditoriums. There are all sorts of places. There is a new convention center. What did we build it for?

Let Mr. Gorbachev meet with all of us and let him have a microphone and take Q and A through his translators. That is the way we should meet with this dictator.

I will close on this, because I am taking all of my colleague's time: I went to a human rights meeting this morning on Afghanistan and I learned about atrocities I never dreamed of. Just as I asked Natan Shcharansky, he said it is a disgrace to have him come; all the people on that panel, Belgium, British, all of them who worked on this Independent Human Rights Committee on Afghanistan say that General Secretary Gorbachev knows about the toy bombs, knows about the helicopter gunships, knows about the chemical warfare, knows about poisoning the well, knows about burning up 105 people with petrol who were hiding under the ground in an Afghan village. This I learned and also about surprise packages that they throw out of helicopters that look like gifts. The Afghan families take them and they open them up and they blow their faces off. I was given family names, incidents, eyewitness accounts. The chairman was SANDER LEVIN, a liberal Democrat of stature in this House who was chairing this as does STENNY HOYER chair the Human Rights Committee.

No human rights violator with this bloody trail of Mr. Gorbachev's as head of that Government should be allowed to stand in that sacred, in a secular sense, position where MacArthur has stood, Pershing, Nimitz, Marshall, astronauts, and a handful of U.S. Presidents. I feel like—what just popped in my head is a Patrick Henry line: "God forbid it." I thank my colleague, because he knows this is a historical point with me and I thank him for yielding so much time and want to join him on a hero who loved America, Col. Draza Mihailovich.

Mr. CRANE. I thank my colleague for his statement and commend him for it. I simply want to join in support of the position he has taken about the pending obscenity of inviting such a man to appear in this Chamber. I would agree wholeheartedly that if anyone wants to hear what he has to say, put it on an invitational basis, put him over in the Cannon Caucus Room and anyone who wants to go over there and get the snow job from the charming Mr. Gorbachev, fine, be my guest. But do not defile this body.

Mr. Speaker, on April 6, 1941, the German Government made an unprovoked attack on Yugoslavia. By April 13, the Germans captured Belgrade. By April 18, the Yugoslav Army officially surrendered. Col. Draza Mihailovich did not surrender, but retreated to the mountains where he organized resistance to the enemy occupying forces. King Peter promoted him to general and appointed him Minister of War. In this capacity he was recognized as an ally by the United States during World War II.

For a brief period following the German invasion, there is evidence that General Mihailovich and his Serbian forces were not the only Yugoslavs resisting the Nazi invasion. But in the autumn of 1941, the so-called Partisans—Yugoslav Communists—ceased cooperation in resisting the Nazis and began attacking the Mihailovich forces from the rear. At the time, General Mihailovich was acting as the duly authorized Minister of War of the recognized Yugoslav Government. That was 46 years ago this month, Mr. Speaker, and today in the United States Congress we are gathered together, as in the past, to pay our respects to General Mihailovich upon the anniversary of his betrayal and execution at the hands of the Communists in Yugoslavia.

Abandoned by the Allies, General Mihailovich was captured by the Communists, tried in a kangaroo court, and "convicted" because of his commitment to freedom. This was his reward for contributing to the allied victory and giving democratic vision to the people of Yugoslavia.

The reason for our tribute to General Mihailovich is first and foremost our gratitude to him for saving the lives of over 500 American airmen whom he rescued. Those of us in Congress who have studied the history of this period have striven to fulfill the desire of those saved American airmen to memorialize General Mihailovich with the erection of a monument in his honor in our National Capital. Despite Communist disinformation both during World War II and after, preserved historical documents and facts conclusively demonstrate that General Mihailovich was an heroic anti-Nazi, but also an anti-Communist. It was the latter that led to his murder, but also the effort by our own State Department to conceal the fact that President Truman—upon the recommendation of Gen. Dwight Eisenhower—had conferred the highest honor upon General Mihailovich that this Nation awards to foreign nationals: the Legion of Merit. The official United States policy position after World War II was to accept the fiction that Yugoslavia was a nonaligned Communist state and thus acting wholly independent of the Soviet Union. To nurture this fiction, any information that confirmed the Yugoslavian Communists' betrayal of our war objectives had to be suppressed. It took over a decade for Under Secretary of State, Ed Derwinski, when he was a Member of Congress, to make public the heroism of General Mihailovich and to reveal the betrayal of the United States commitment to freedom by the Communists in Yugoslavia both during and following World War II.

Through the historical documentation of Communist methods, yesterday and today, a clear picture emerges of the Communist clique which murdered General Mihailovich as well as a majority of his followers and soldiers. The Communist successors to Nazi tyranny destroyed and knowledge of Mihailovich in his own country and benefited through financial assistance from the United States as well as other Western democracies.

Reasonable questions arise, after all these years and the irrefutable documentation of the Communist betrayal of freedom in Yugoslavia after defeat of the Nazis, as to why our State Department continues to attempt to perpetuate the absurd notion that Yugoslavian communism represents some kind of blessing to the West. Stalin has to be laughing at Western gullibility from the grave.

Why are the lifestyles of the red and famous untouchables? Why is there so little challenge to the reliability of Communist-produced evidence? Is there something in the generous, compassionate nature of Americans that precludes a recognition that the world is divided between the good guys and the bad guys? Do our own State Department bureaucrats succumb to the charm school appeal of a Gorbachev because his background and Communist history dictate that, or are they simply wishful thinkers? America, as the torch of freedom for mankind at this juncture in history, must critically evaluate the players in the world arena. Why, for example, is General Mihailovich still off limits?

His relegation to nonperson status by the Communists who stole Yugoslavia is understandable, for General Mihailovich detested Red Nazis as vehemently as he did Black Nazis, and he was fully aware of the ideological kinship between the two. For freedom loving allies to succumb to a phony distinction between these mutual affronts to every decent value emerging from Western civilization would have baffled General Mihailovich as it baffles every student of history. And yet the United States State Department has still suppressed the mistakes of policymakers who were misled by Communist moles both in British intelligence and our own at the end of World War II.

The consequence of this logic tight compartment mentality is that 41 years after the brutal murder of General Mihailovich by the Communists, there is still no record, no memory, no grave, no monument to a certified Western hero.

As a result, it is incumbent upon the Congress of the United States to expose the coverup and deceptions both for the sake of history and to vindicate a great patriot. Our efforts to memoralize courage, justice, integrity, honor, and truth today is essential to secure freedom tomorrow.

Hopefully, we can generate within our State Department and amongst our Western allies an awareness of the plight of the defenseless people of Yugoslavia. Just as we must account for every idle word, we must account for every idle silence. Silence, in this instance, means that we have failed our task—that of carrying forward the torch of freedom.

Simply labeling the clique of dictators around the world "Marxist"—as if they represent a kind of humanistic approach to life that differs from traditional belief only on the question of embracing transcendentals—is in fact an obscenity.

General Mihailovich, ruthlessly murdered by the Communists and relegated to obscurity, is in fact a victim of this obscenity.

Suppressing documented facts is a part of the 40-year campaign of disinformation directed against General Mihailovich and his Serbian freedom fighters. God willing, the battle for truth and justice will ultimately prevail, and General Mihailovich's dream for a Yugoslavia free from tyranny will at last become a reality.

Mr. Speaker, the following statement comes from Alexsandar Milosevic, who served as an artillery commander under General Mihailovich. He was an eyewitness to the heroic efforts and sacrifices of the Serbian people to save the lives of downed American airmen:

Windsor, Ontario, Canada.

Following the catastrophic war effort in Yugoslavia as early as the middle of July in the year 1941, I placed myself under the command of the then Colonel, Draza Mihailovich. Within the structure of the resistance movement under his command I was assigned the following responsibilities: organizer in the movement, commander of Lepenica Detachment, commander of the Lepenica Brigade, commander of the Second Corps of Sumadia as a permanent unit, commander of the Western Morava Group of Corps as a temporary strategical unit in the summer of 1944, and the chief of staff of the Sumadia Assault Corps in the reorganization of 1945 during the movement through Bosnia. During the later transformation into guerrilla forces, in May of the same year, I was once again placed in command of the Second Corps of Sumadia. I remained in that capacity until June 10, 1946 when, following Draza Mihailovich's fall into communist hands, I crossed the border into Greece.

In light of the time I had spent under the command of General Mihailovich and in light of the responsibilities that I had, I was in a situation where I was familiar with many events and circumstances. As the commanding officer in charge of operations in that area I would like to offer eyewitness testimony regarding the rescue and evacuation of American Airmen who were forced to parachute into Serbia.

We, under the command of General Mihailovich, in a state of civil war while simultaneously under enemy occupation, entered the year 1944 with a great deal of anxiety as a result of the external political stance towards us, but not without hope. As the year progressed, it became increasingly apparent that the war was ending and that the axis forces would be defeated. As a result, General Mihailovich, began preparations for a final reckoning with the enemy. Orders clearly indicated a shift from guerrilla activities to conventional military actions.

By mid-February of 1944, with few exceptions, this was accomplished in the formation of groups of corps tied territorially to fixed districts. Shortly after this, orders were given to form assault corps subdivided into groups which were then sent to strategically significant regions. In the beginning of July of the same year, the Western Morava Group of corps was formed. I was given the order to assume command of this Group of corps. It was centered in the region of Pranjani as the strategical reserve of the High Command which was situated in that region.

While all this was in the process of being enacted, a completely new phenomenon began to occur. With the beginning of spring, U.S. bomber squadrons began to pass over this region. The frequency of these flights gradually increased until they were daily occurrences. With these aerial operations, we were assigned completely new additional duties. Many crews were forced to parachute from damaged aircraft. The units of the Ravna Gora Movement, under the command of General Mihailovich with the assistance of all the Serbian people, rescued these fliers and kept them from falling into the hands of the enemy. This was often in battle with full knowledge of the risks.

The number of these incidents grew quickly. The High Command, encouraged by the suitability of the terrain as well as its proximity to these occurrences, issued a general order stating that all rescued airmen should be directed to Pranjani, and that the commander of the first Ravna Gora Corps situated there organize their reception, lodging, and food as well as the continuous protection required. The question of their evacuation was undefined for many reasons. For one thing, this was an entirely new situation. Moreover, the position of the West towards us was uncertain. Very soon, however, the conditions for the evacuation of the airmen were created.

As it developed, there were many evacuations. But the largest of them occurred on August 10, 1944, from the airfield at Pranjani. From midnight until some time in the morning there were evacuated 252 fliers in sixteen transport planes escorted by fighters.

Several days prior to this evacuation there were gathered at the airport at Pranjani a portion of the Western Morava Group of Corps along with the rescued airmen. General Mihailovich inspected the troops present and this was followed by a processional march. He then gave a speech before all those present regarding our situation and following this he bade farewell to the airmen. He then spent some time in conversation with the committee representing the airmen under the shade of a stand of oak trees not far from the battlefield while the remaining fliers mingled with the Serbian soldiers and exchanged souvenirs while saying goodbye to one another.

The supply and defense of this operation was given by the Western Morava Group of Corps as it was situated in the region where this took place. This was a military operation with all the necessary precautions and preparations taken in the event of an attack from either land or air. Fortune had it that preoccupations of the enemy elsewhere prevented any battle from occurring. Irrespective of this, the operation itself was a significant and major united military effort between the U.S. Air Force and the entire Ravna Gora Movement under the command of General Draza Mihailovich. Specifically, it included the Western Morava Group of corps which consisted of the First and Second Corps of Sumadia, the First and Second Corps of Ravna Gora, the Corps of Valjevo and the Corps of Pozega. The strength of these corps numbered some 7,500 men.

At the end of August, there followed two smaller evacuations from Pranjani. Then three more evacuations, also of a smaller scope, followed. One took place in the village of Svileuva not far from Kiceljeve around September 17th, and two in the region of Boljanicij not far from Doboj. The first occurred at the end of October, and the second on December 27, 1944. All in all there were approximately 600 airmen evacuated of which over 500 were Americans while the remainder were from other allied forces.

It would take many more words if I were to begin to cite examples which would show with what love and sacrifice the Serbian people, through their Ravna Gora Movement headed by General Mihailovich, participated in these rescues. I leave this to the rescued airmen with the deep belief that among them there is not one who does not have at least one souvenir of remembrance to that effect. I also leave it to these men to tell the American people how much truth there is in the spurious disinformation since emanating from the communist government of Yugoslavia. I would, however, like to emphasize, as commander of the Western Morava Group of corps, that were to Germans to have attacked during the evacuation of August 10, 1944, our units, although poorly armed and low on ammunition, would have defended the American Fliers to the last man.

A.M. Milosevic.

Mr. Speaker, to summarize the expressions of appreciation to General Mihailovic and his Chetnik forces for their devotion to liberty, their courage and heroism, and their commitment to the United States, the Allied cause, and a free Yugoslavia, let us turn to the remarks of one of the over 500 downed American airmen whose lives were saved by General Mihailovic. I refer, Mr. Speaker, to Maj. Richard L. Felman, USAF, retired, who in a speech before the Serbian National Federation, on July 17 of this year, summarized the feelings of the surviving American airmen as well as those of freedom lovers everywhere:

President Stone, Reverend Clergy, Distinguished guests, members of the SNF, and fellow Chetniks:

Moja braco i sestre: May I first express my deep appreciation to President Stone and all members of the Serbian National Federation for inviting me to your 3-Day Serbian Day Weekend. I know it is a most important event and I am delighted you have asked me to share it with you.

Before getting into my speech I would like to acknowledge how appropriate it is that today (July 17th) is the very day in 1946 that General Mihailovich lost his life to a Communist Firing Squad. I say it is appropriate because were it not for Draza Mihailovich and the grace of God, I would not be standing here before you today. I have said it before and will say it again: I owe my very life to General Mihailovich, the Chetniks and the Serbian People and because of this whenever I get together with the Serbian people it is like a family reunion and fills me with much emotion. If I may state it as simply as possible "OO MOM SERTZU YA SAM SERBEEN".

My feelings, however, go far deeper than just gratitude for saving my life. I say that because when I was shot down in Yugoslavia, I had the opportunity to know first hand what truly remarkable people the Serbians are . . . and the bond of brotherhood that we formed during the war continues to this day. In every Serb I met I always found a sense of honor and sense of freedom that is second to none. . . and in this day and age I feel privileged to know people who still maintain these values and have such a strong commitment to their God, their family and their heritage.

I was in England a while ago to celebrate the European Chetnik Congress and Karageorgevich Day. Needless to say the Serbian Hospitality and food were out of this world. But the outstanding part of my visit was meeting with the Serbian Youth and seeing how intense they were about carrying on their priceless heritage. . . Their parents told them about the American Airmen that Mihailovich had rescued but I was the first one they met and their questions were endless. I spent a great deal of time with them and came away inspired by their enthusiasm.

I am reminded of them as I see the young people in the audience today. If I may I would like to say to them; "Thank God you were blessed with such a proud heritage. I saw with my own eyes the blood shed by your parents and grandparents just so it could be passed on to you. . . Be proud of this priceless treasure you have and preserve it the rest of your days. . . So many of today's youth are troubled and searching for answers in many strange ways. You have all the answers you need right here in your own church and your own heritage."

So much for the Sunday Sermon, and now I would like to tell you of my first introduction to the Serbian people and how I won my Ravna Gora Badge as an honorary chetnik. The one good thing the Germans did during WWII was shoot me down, giving me a chance to meet the Serbian people. During World War II, I was returning from an air raid on the Ploesti oil fields in Roumania when my B-24 Bomber was attacked by German ME-109s over Yugoslavia. We managed to shoot down two of them before my plane caught fire and we were forced to bail out from 20,000 feet.

As soon as I landed I was immediately surrounded by about 20 Chetniks all shouting "Amerikanski" . . . Before I knew it they each took turns hugging and kissing me (only the men mind you, not the women). As my leg was bleeding, they carried me to a nearby kucha for treatment. They had no medical supplies, but they did have a bottle of slivovitza and used it to clean my wound . . . once that was done, we all sat around and drank what was left in the bottle.

Shortly after that, an elderly man about ninety motioned for me to follow him. I had no idea what he wanted but limped after him until we came to a small wooden chapel. He then got down on his knees, clasped his hand in prayer and motioned for me to kneel down beside him. It was a most unforgettable sight! Here we were: strangers from 2 different countries, we spoke two different languages and practiced two different religions. But in those few moments we were united as brothers kneeling to give thanks for my rescue to the one God we all worship. It was one of the most moving experiences of my life.

It would be impossible for me to relate all the many wonderful things the chetniks and the Serbian people did for me and my fellow American flyers. As our numbers increased, each man would tell of his own personal experiences. They told how the people went hungry in order to give them what little food they had. How many of them slept on the floor so that the Airmen could have the comfort of their beds. How they risked their lives to protect us from the German patrols. Not once did I hear anything but the highest praise from the 500 Americans rescued by General Mihailovich.

I feel I should also mention a few words about one of my favorite chetniks, Corp. Miodrag Stepanovich from Chacak. Miodrag was assigned as my personal bodyguard and was to protect me at all times at the risk of his life. He said Mihailovich told him if he brought news that one hair on my head had been harmed he would be shot on the spot for that meant he had not done his duty.

Miodrag was with me at all times while I was hiding out at different farmhouses. At night we would sit around the fire and talk about our families, our homes and our dreams for the future when the war was over. No matter where we went Miodrag would brag about how he taught me to count in Serbian. Let's see if I still remember . . . Yeadan, dva, tree, chetire, pet, shest, sedam, osam, devet, deset . . . He also taught me to dance the kola and drink slivovitza. How to ask for things such as: Molim, dye-me voda, pelle, yaya, gebonitza and whenever we saw a pretty girl it was "Lepa devoyka" . . . Dobar dan, yutro, veche.

There are many memories, pleasant and otherwise, that still live with me after all these years. But the one I am about to relate had the biggest effect on me because it contained all the values that Mihailovich and the Serbian people stand for:

A few days after the Germans had seen us bail out and counted ten parachutes, they sent an ultimatum to the chetnik Commander in the hills to either turn over my crew of ten to them or they would wipe out an entire village of 200 women and children. As strangers in their land, I expected we would turn ourselves over to the Germans and be put in a prison camp. This we felt would be small enough price to pay for saving the lives of 200 of their own people.

But Gen. Mihailovich would hear none of it . . . He told us how life is just as precious to the Serb as it is to the American. But because it is so precious, the price comes high! The Serb had spent his entire history fighting off different enemies in order to protect his freedom, and that life without freedom meant nothing to them.

He said one American flyer returning to his base and dropping one bomb on our common enemy could do more for their cause of freedom than 200 of their women and children whom they dearly love. The Serbs have a saying he told me: "Bolye grob, nego rob." "Better a grave than a slave." Their choice was as simple as that. The next day I watched as the Germans burned down the village.

I could go on for hours telling of the many other moving experiences I had, but knowing of the cruel fate that lay in store for Gen. Mihailovich would open up old wounds and make further speaking very difficult.

The highlight of my stay, needless to say, was meeting our beloved "Chica Draza." The first time I saw him he was walking up a hill surrounded by laughing children throwing flowers in his path. I couldn't believe my eyes. Here was the Commander-in-chief of an allied army of over 300,000 doing away with all the fancy protocol of his high office and dressed like any other soldier. It was then I understood why everyone spoke of him with such love and admiration practically every Serb I spoke with told me of the time Chica Draza ate at his farmhouse, christened his baby or danced the kola with him.

On that particular day, Gen. Mihailovich had come to greet us and assure us every possible protection for our safety. After greeting each one of us personally, his troops put on a review in our honor. Mind you, this was done with the Germans just a few miles away.

After the review, the Airmen gathered around the General and we all sat on the ground under a huge tree. Speaking thru an interpreter he told us how he had always admired the freedom-loving principles of America and of his dream that someday his people could enjoy these same liberties. He then went on to relate how disappointed he was that the Allies had abandoned him. But then, without any bitterness, he asked only that we take the truth back to our Homeland about the cruel lies invented about him by his communist enemies.

Gen. Mihailovich then went on to say that with or without allied support he would continue his fight against any and all Dictatorships that threatened his homeland be they the Nazis or the Communists. As I recall his actual words on that day were: "I will continue to fight this curse of mankind no matter what form it comes in. If I am to die, then die I shall . . . sad because I have been deserted by those who profess to believe in democracy, but gratified that I have fought bravely and honestly and refused to compromise my cause.

As he spoke these words, I could see there were tears in his eyes. At the time, I did not fully understand what he meant, but years later, after I got to know Serbian history, about Kosovo, the Turkish Invasion and St. Sava, only then did I understand the depth of his emotion that day.

Before getting into the concluding part of my speech, I would like to make brief mention of a matter of a personal nature which is added reason for my admiration of the Serbian people.

Besides being one of the American Airmen rescued, by the Serbian people, I am also a Jew! It is a matter of historical fact that Serbia was one of the very few countries where Antisemitism was not permitted.

In the old kingdom of Serbia, and later in the Kingdom of Yugoslavia, the Jews were, by law, equal members of the community and enjoyed all the rights and privileges of other citizens. This is so very remarkable when you consider the persecution of the Jewish people throughout history.

The historical goodwill between the Serbs and the Jews does not seem strange when you consider the many parallels in our history. We both suffered cruel persecution, both have been driven from our homeland and today we are both dispersed throughout the world.

One other amazing similarity is that both our peoples fought battles to the death for their belief in the freedom and dignity of man. The Jews at Masada and the Serbs in Kosovo.

In keeping with this same love of freedom, many Serbs risked their lives during World War II to save countless Jews from Nazi death camps. This is something we can never forget and for which I and The Jewish People will always be grateful.

If I may, I would like to move on now to more current matters. Last year the American airmen commemorated the 40th Anniversary of the tragic death of General Mihailovich. It was also the year we celebrated the fact that we finally fulfilled our wartime promise to him that we would bring the truth back when we returned to our homeland.

Probably the most gratifying moment in that 40th Anniversary Year was the day General Smith and I (in the name of over 500 Americans, and for the first time on American soil) dedicated a Plaque to Gen. Mihailovich and affixed it to his statue on the grounds of the St. Sava Monastery in Libertyville.

On our Plaque is inscribed the words of gratitude from the airmen and their families and a replica of the Legion of Merit post-humously awarded to him by President Truman.

Permit me to read what President Truman had to say in awarding him the highest combat award our nation can bestow on a foreign national:

LEGION OF MERIT—CHIEF COMMANDER

General Dragoljub Mihailovich distinguished himself in an outstanding manner as Commander-in-Chief of the Yugoslavian Army Forces and later as Minister of War by organizing and leading important resistance forces against the enemy which occupied Yugoslavia, from December 1941 to December 1944. Through the undaunted efforts of his troops, many United States airmen were rescued and returned safely to friendly control. General Mihailovich and his forces, although lacking adequate supplies, and fighting under extreme hardships, contributed materially to the Allied cause, and were instrumental in obtaining a final Allied victory.

We now know that from this day forward there is a symbol on American soil that establishes a permanent bond between Gen. Mihailovich, President Truman and 500 grateful Americans . . . and it is here for all the world to see!

Since the end of WWII we have made great strides in trying to repay our debt of honor to the man who saved our lives. Permit me to read just a partial list of those who have joined us in support of General Mihailovich:

Presidents Truman, Eisenhower, Nixon and Reagan; The United States Senate; hundreds of United States Congressmen; the Secretary of the Air Force, Thomas Reed; The Department of Interior; The National Capital Memorial Advisory Committee; the United States Ambassador to Yugoslavia, Laurence Silberman; the Chairman of the House Committee on Foreign Affairs, Clement Zablocki; a United States Commission of Inquiry; the Arizona State Senate; the governors of Alaska, Kansas, Kentucky, Indiana, Massachusetts, Nebraska, and Texas; the mayor of Los Angeles, Tom Bradley; Bishops Firmilian, Iriney and Manning; John Wayne; The American Legion; Polish War Veterans; George Meany and the AFL-CIO); the Teamsters Union; The Heritage Foundation; The Coalition for America; The New York Times; Washington Post and Washington Times, Toronto Sun, Christian Science Monitor, etc. etc.

And this is only a partial list.

Incredible as it may sound, the only ones in the entire world who have not supported and continue to oppose us are the Communist Government of Yugoslavia and our own State Department.

With all that has been accomplished there is still one more goal we would like to attain that would make our success complete. And that is why we have petitioned Congress for permission to build a Memorial as a symbol of our appreciation for the greatest rescue of American lives in our nation's history, permission to build this Memorial has already been granted us by Legislation unanimously passed by the United States Senate in 1976 and again in 1977.

Unfortunately, since then we always run into difficulty in the House because of State Department opposition and their fear of offending the present Government of Yugoslavia.

It seems strange to me that after losing 100,000 American lives fighting Communism in Korea, Vietnam and Grenada and desperately fight Communism in Nicaragua, that our State Department would consider it proper to embrace the Communists in Yugoslavia.

On July 12, 1985, the Committee of American Airmen appeared in Washington before the United States Congress at a hearing to once again appeal for permission to erect a Memorial at no government expense. Now that the full truth had been made known and we had what we felt was the support of the entire nation, we did not think we would run into any difficulty.

Unfortunately this was not to be. Once again our group of over 500 former MIAs was confronted with the opposition of a foreign totalitarian government and a handful of ole world political leaders who insist on carrying on the Yugoslav Civil War in this country and at our expense. What is even more bizarre is that our own State Department chose to take sides against us (its own combat veterans) and side with a Communist government that openly supports and justifies International Terrorism.

Bob Stone was there in the hearing room and I'm sure he can tell you more about the most incredible alliance of opponents American ever had to face in their own country. Had this been a court of law, the opposition would have been thrown out as completely irrelevant—but this was the political arena where truth takes a back seat to what is politically expedient.

If even the slightest semblance of doubt existed as to what the truth was, it was exploded beyond all recognition when the Encyclopaedia Britannica published its revised account of Gen. Mihailovich and the CIA released (under the Freedom of Information Act). The previously unpublished top secret intelligence file on the activities of all parties in Yugoslavia during WWII. Here was the on-the-scene American intelligence reports to the President of the United States exposing all the propaganda lies that have stood in our way since 1944. If ever there was a smoking gun, this was it. And those who still insist on the propaganda fairy tale about Mihailovich's collaboration, I suggest they join hands with those who believe in the tooth fairy, the Easter bunny and the flat earth theory.

Now tha we have the top secret CIA Intelligence File and the same opposition continues to stand in our way, the American Airmen are publicly offering to pay the sum of $100,000 to the United States Government if the State Department or any of Mihailovich's political opponents can prove in an American court of law the treacherous lies they continue to make against him in opposing our petition before congress.

What's more, if they have any respect for the service to the United States of America, The American Veteran represents, I suggest they should speak up now or forever hold their peace. We do not have another 40 years to fight these lies and would like to get on with fulfilling our goal. After waiting 43 years you can bet your life we are justifiably outraged and fighting mad. Quite frankly, even if our offer were for ten times that amount, we have no fear it will ever be accepted. Under the close scrutiny of an American Court, the facts contained in the CIA file would prove to be an embarrassment and even humiliation to all those parties who continue to oppose us.

The philosopher Santayana once said: "There is nothing as powerful as idea whose time has come. "Now that the truth has become known the American airmen are hopeful we will finally be permitted to realize our ultimate goal.

Are we mad? You can bet your sweet life we're mad, madder than hell and we are not going to take it anymore. We did not risk our lives, or watch our buddies' arms, legs and heads blown off so that some foreign nation could dictate what we could or could not do in our own country.

I would like to make one thing abundantly clear about our petition before Congress for the Mihailovich memorial—we do not ask for handouts, social benefit or come to make any political statement. Outside of a fierce love for our country and the responsibility that goes with it there is absolutely no personal gain involved for us.

All we seek and have sought for over 40 years is a few feet of American soil to repay our debt of honor. Certainly one American life is worth 6 inches of American soil. Multiply that by 500 American lives and we will have enough for a grateful nation to join us in saying:

"Thank you Gen. Mihailovich for saving over 500 of our boys while they fought to preserve our sacred heritage. No one else in our entire history has ever done that and we as a nation and as a people are mighty grateful."

There is not a single American worthy of the name that could object to that if ever one person personified the proud Serbian freedom-fighting tradition of "Boyle grob, nego rob" it was Draza Mihailovich. And his name is Serbian history will forever more rank alongside such giant names as Kosovo, St. Sava and Tsar Lazar.

In conclusion, I would like to note our thanks to God for allowing us to make the truth known and clear his name. I am reminded that back in 1946 when Gen. Mihailovich was standing trial in a Communist court on false charges, your beloved Bishop, Vladika Nikolai, invited me to his St. Sava Church in New York and told me how much he and his people appreciated the Airmen's offer to travel to Belgrade at their own expense to testify in his behalf. As much as Mihailovich was loved by his people, Bishop Nikolai told me whether Mihailovich lived or died was not as important as clearing his name. This I believe is what we have finally done.

I would like to end on one final note which I hold to be of great importance.

After the war, Draza's enemies lined him up before a firing squad and on false charges pumped his tortured body full of bullet holes. After it was done, it was reported they cut out his heart and threw his body in an unmarked grave. But no matter how hard they tried, the one thing they could not do was destroy his sacred memory.

And sure as there is a God above us, the glorious name of Gen. Mihailovich will live forever. Not only in the hearts of the Serbian people but with freedom-loving people throughout the world.

Slava Chicha Draza. Thank you and God bless you all.

(Richard L. Felman is president of the National Committee of American Airmen Rescued by General Mihailovich, Inc.)

Mr. Speaker, when it was apparent that the conflict with the Nazi invaders was successfully ending, a national congress of King Peter's supporters was convened with a view toward what kind of postwar Yugoslavia would emerge. Draza Mihailovich, the celebrated military hero in defense of his homeland, delivered an opening declaration which follows:

DECLARATION OF DRAZA MIHAILOVICH—FIDELITY TO KING, FATHERLAND, PEOPLE AND DEMOCRACY

Thanking you for your invitation, my dear brethren, I consider it my duty as a man and as a responsible leader of today's struggle for the right to live of our tri-nominal people, to bow in reverence to the fallen heroes, innocent victims in this struggle.

I believe that I shall be the interpreter of your wishes if from this historic gathering I declare that the families of the fallen victims shall forever be the subject of our care and our pledge for their future.

In the name of the Royal Government and the Yugoslav Army I greet you as the representatives of the organizations of the democratic people of Yugoslavia and wish you a felicitous work at this great national and state task.

Though few in numbers but great in spirit, our people, which throughout all of its history was always and is today the object of admiration of the entire world in the struggle for their survival, has forced even its enemies through a strenuous struggle to respect them.

Passing over the history and causes of the temporary loss of the state in the past and in this imposed war, I call to the attention of the whole world the fact that our people emerged from every battle as victors because they lived and died for freedom.

In this war the antagonists and aggressors have invented a new weapon. They live in the delusion that they will be able to gain that which they cannot attain through brutal force by slandering the leading men of such a people and by deceiving an uninformed world.

As a soldier who by birth and characteristics belong to such a free and heroic people, I could not nor would I wish to abandon my King or my Fatherland.

I have given my oath that I will give my life for King and Fatherland.

I have fulfilled my oath.

I was certain that the people to which I belonged would never submit to a life of slavery. The Yugoslav Army under my leadership and I personally were and will forever remain loyal and devoted to the Commander-in-Chief, His Majesty King Peter II.

We, the Army and I personally, are loyal now and will be loyal in the future to the constitutional and legal order in Yugoslavia just as we are and will be forever the defenders of her territorial integrity.

We, the Army and I personally, regard it the exclusive right of the free and democratically elected representatives of the people to carry out the organization of the state in a constitutional way.

Most categorically with disgust I deny the malicious rumors or collective vengeance against no matter whom.

The question of the treatment of war criminals has been decided at the interallied conferences whose decisions bind us as well. And our laws are guarantee enough for everything and everybody that justice will be satisfied. Therefore, the innocent cannot suffer for they will enjoy not only my personal protection but that of our Army as well. No individual action during the transition period to normalcy will be tolerated by myself or the Army.

I trust that in this manner I have answered the wishes and disposition of our people which you today at this great people's Congress represent in imposing numbers.

Long live the Democratic Yugoslav People!

Long live the Kingdom of Yugoslavia!

As it developed, Mr. Speaker, the dream of General Mihailovich to see a free, democratic Yugoslavia emerge in the postwar world was dashed. The oppression of the Nazis was replaced by the oppression of Tito's communism. General Mihailovich was arrested, charged with collaboration with the Nazis, tried, and convicted by his Communist adversaries, and mercilessly executed and mutilated.

Prior to these actions, a committee was formed in the United States with the noted historian George Creel as its chairman to conduct an inquiry into the allegations made by the Communist government in Yugoslavia against General Mihailovich. The members of the committee represented a bipartisan group of distinguished academicians, public figures, clergy, military, justices, and professionals. The names of the members of this committee are impressive:

MEMBERS OF COMMITTEE

Dorothy Thompson, Honorary Chairman.
George Creel, Chairman.
David Martin, Secretary.
Christopher T. Emmet, Treasurer.
Hon. Alfred M. Landon.
Gov. Dwight Griswold (Nebr.).
Gov. Ernest Gruening (Alaska).
Gov. Frank J. Lausche (Ohio).
Gov. Coke Stevenson (Texas).
Gov. Simeon Willis (Ky.).
Sen. Thomas C. Hart (Conn.).
Sen. Robert LaFollette (Wis.).
Sen. Jos. C. O'Mahoney (Wy.).
Sen. Robert Taft (Ohio).
Sen. Millard Tydings (Md.).
Sen. Milton R. Young (N.D.).
Rep. J. Lindsay Almond Jr. (Va.).
Rep. Wesley A. D'Ewart (Mont.).
Rep. John Lesinski (Mich.).
Rep. Clare Boothe Luce (Conn.).
Rep. Mike Mansfield (Mont.).
Rep. Karl E. Mundt (S.D.).
Rep. Chas. A. Plumley (Vt.).
Rep. Jerry Voorhis (Calif.).
John Dewey.
Roger Baldwin.
The Very Rev. Robert I. Gannon.
The Rt. Rev. William T. Manning.
Sumner Welle.
Dorothy Thompson.
George Creel.
Virginia C. Gildersleeve.
The Rev. John Haynes Holmes.
Justice Ferdinand Pecora.
Joseph H. Choate Jr.
Hon. Matthew M. Levy.
James M. Byrne.
Charles C. Burlingham.
Hon. Francis E. Rivers.
Major George Fielding Eliot.
Capt. Walter Mansfield.
Oswald Garrison Villard.
Elliot V. Bell.
Norman Thomas.
Dr. William Bohn.
Edgar Ansel Mowrer.
Christopher Emmet.
Fred Vanderschmid.
Harry Scherman.
Eddie Dowling.
Mirian Hopkins.
Isaac Don Levine.
William Green.
Gene Tunney.
Ray Brock.
William Philip Simms.
William Smyth.
John Dos Passos.
Louis Waldman.
Arthur J. Goldsmith.
Col. Arnold Whitredge.
Luigi Antonini.
Dr. L. M. Birkhead.
Frank Crosswaith.
Prof. Horace M. Kallen.
Christopher La Farge.
Edward Skillen Jr.
Harold K. Guinzberg.
G. Prescott Low.
William Astor Drayton.
Ruth Mitchell.
Chauncey Stillman.
Rev. Sturgis Lee Riddle.
Eugene Lyons.
Alexander Kahn.
Lionel Trilling.

The report issued by this committee, after extensive public hearings including interviews with many American eyewitnesses, could find no evidence of collaboration with the enemy by General Mihailovich. Quite the contrary. Even after the Allies ceased aid to General Mihailovich, he and his men conducted offensives against the Axis powers which were witnessed by American officers. This report of commission of inquiry follows:

REPORT OF COMMISSION OF INQUIRY OF THE COMMITTEE FOR A FAIR TRIAL FOR DRAJA MIHAILOVICH

(Arthur Garfield Hays, Chairman; Members of the Commission: Adolph Berle, Charles Poletti, Theodore Kiendl.)

The undersigned, members of the Commission of Inquiry in this matter, submit the following report:

Preliminarily, and to avoid any possibility of misunderstanding, we emphasize the fact that the functions of this Commission were limited to providing an opportunity for American military personnel, who desired to do so, to testify under oath to facts within their knowledge regarding the matters charged against General Mihailovich, and to report thereon. Our assignment did not contemplate the formulation or expression of any views regarding any question of internal politics in Yugoslavia. We are convinced, however, for reasons hereinafter assigned, that the testimony given before us is material on the question of the guilt or innocence of General Mihailovich as a war criminal, and that under standards of justice which have been recognized by civilized nations throughout the years the exclusion of such testimony from the trial of the charges against General Mihailovich would be so highly prejudicial as to prevent the possibility of his obtaining a fair trial. Further than that, we do not go.

The Commission opened its public hearings at the New York County Lawyers Association on May 13, 1946. Those hearings continued on May 14, 15, 16, 17 and 18, 1946. The proceedings were reported, and the witnesses were duly sworn, by Clarence Bonynge, Esq. a duly qualified Notary Public of the State of New York, a Certified Shorthand Reporter of the State of New York, and a member of the New York Bar. A copy of the transcript of the proceedings is annexed to this Report.

In Sections I to VII we have summarized the outstanding features of the testimony.

I. GENERAL BACKGROUND

On April 6, 1941, the German Government attacked Yugoslavia. At that time, Draja Mihailovich the subject of this inquiry, was serving as a Colonel in the Yugoslav Army.

On April 13, 1941, the Germans captured Belgrade. Shortly thereafter they occupied the rest of Yugoslavia; and on April 18, 1941, the Yugoslav Army officially surrendered. The Yugoslav Government joined other Governments-in-exile in London.

Colonel Mihailovich did not surrender, but immediately went into the mountains to organize and continue resistance to the enemy occupying forces. He was promoted to General, and was appointed Minister of War by the Yugoslav Government. In that capacity, he served as commander of the field forces of a Government recognized as an Ally by the United States in the late war.

On March 24, 1946, the present Yugoslav Government, headed by Marshal Tito, announced that General Mihailovich had been captured on March 13, and would shortly be brought to trial on charges of treason, collaboration with the Germans, and surrendering Allied personnel to the Germans. Such charges against General Mihailovich are of particularly grave concern to the United States for the reason that during the period of his alleged collaboration, General Mihailovich was not only regarded as an Ally by the United States, but was being advised by American military personnel operating under authority of the Joint Chiefs of Staff.

On March 30, 1946, the United States Government addressed a Note to the Yugoslav Government, stating that General Mihailovich "without adequate supplies and fighting under the greatest hardships contributed with his forces materially to the allied cause," and that members of the American armed forces who had served in Yugoslavia during the war desired to testify at his trial. The United States inquired whether their testimony would be received.

On April 5, 1946, the Yugoslavia Government answered that Note, stating in substance that it was solely within the province of the Military Court as to what witnesses would be summoned, and adding:

"The crimes of the traitor Draza Mihailovich against the people of Yugoslavia are far too big and horrible that it could be or should be allowed to be discussed whether he is guilty or is not."

On April 22, 1946, the Minister of the Interior of the present Yugoslav Government stated:

"* * * it is expected that Draja Mihailovich will be charged with collaboration with the occupiers, assisting the Axis powers in the struggle against United Nations, as well as with concrete crimes against our people, such as murder, arson, plundering and the handing over to the Germans of members of our National Liberation Army and Allied airmen."

The undersigned Commission of Inquiry was thereupon selected to take testimony of American military personnel, present within the United States, who might have knowledge of the matters charged, with a view to presenting their testimony to the Yugoslav Government and to the Yugoslav Court. It proceeded to do so, upon the dates and at the place specified. The hearings of the Commission were public. All persons having knowledge of matters material to the inquiry were invited to testify. The Yugoslav Government was invited to be represented and to participate in the proceedings.

Upon the evidence taken, the Commission unanimously finds as follows:

II. WITNESSES EXAMINED

All of the witnesses who appeared before the Commission were American citizens. With two exceptions noted below*, they were members of the United States armed forces who had been in Yugoslavia during the late war. Those witnesses fell into three categories:

(1) Member of American missions officially attached to General Mihailovich.

(2) Members of American missions officially attached to Marshal Tito.

(3) American airmen forced down by enemy action in Yugoslavia.

There was no conflict in the testimony of these three classes of witnesses.

III. DEFINITIONS

The official title of the forces serving under General Mihailovich was "The Yugoslav Army in the Homeland." Unofficially they were known as "Chetniks."

The forces serving under Tito were known as "Partisans."

The evidence indicates that at various times guerrilla bands, organized and paid by the Germans, but not recognized or controlled by General Mihailovich, masqueraded under the name of "Chetnik." Wherever the term "Chetnik" is used in this report, unless otherwise stated, it is to be understood as referring to the genuine Chetnik forces commanded by General Mihailovich.

IV. ALLEGED COLLABORATION WITH THE ENEMY

No evidence was adduced before the Commission which tended to show any collaboration between General Mihailovich and the Axis powers. On the contrary, all of the evidence tended strongly to disprove the existence of any such collaboration. In this connection it should be noted that all classes of witnesses were constantly on the lookout for collaboration, had full opportunity to discover it, and would be expected to have discovered it if it had existed. The members of the American missions sent to both Mihailovich and Tito had been especially instructed to look for, and report, any evidence of collaboration by Mihailovich with the Axis forces.

With respect to opportunities for observation, all the witnesses testified that in Mihailovich's territory they were allowed to go freely, and without escort, wherever they wanted, to talk without restriction to civilians and soldiers alike, and to make whatever observations they wished. Several witnesses testified, in fact, that General Mihailovich himself had asked them, as a personnal favor, to make their own independent observations and to report just what they had seen when they left Yugoslavia.

There is substantial evidence to show that charges of collaboration were current at Tito's headquarters. In this connection, the following examples may be cited from the testimony:

(i) An American officer** who parachuted into Tito's area with an Anglo-American mission which included Randolph Churchill, son of the Prime Minister, testified that on his arrival, the local Tito commander called his troops together and made them a speech to the effect that the arrival of the Anglo-American mission at Tito headquarters conclusively proved that General Mihailovich was a collaborator.

(ii) The same American officer later saw an American bomber forced down by German action. Eight members of the crew (three of them badly wounded) parachuted into Chetnik territory. Shortly afterward, the Partisans attacked the Chetniks and forced them to retreat, taking with them the five unwounded American airmen. The partisans reported to the American officer that the Chetniks were seen taking the Americans to the nearest German garrison. Upon later investigation, he discovered that all five had been safely evacuated from Chetnik territory. The three wounded Americans, whom the Chetniks had been forced to leave behind, were tended by a Chetnik doctor who came back secretly at night through Partisan lines to administer to their needs.

(iii) Another American officer saw in operation at Tito's headquarters a photographic laboratory at which a fake photograph, purporting to show fraternization between Chetniks and Germans, had been manufactured and was shown to him.

One instance of alleged collaboration by a subordinate of General Mihailovich, and its aftermath, as testified to by an American officer serving with Tito, deserves notice:

A corps commander under Mihailovich was accused of harboring at his headquarters a female spy in the pay of the Germans. For this offense General Mihailovich ordered him court-martialed. Before the order could be carried out, the offender escaped to Tito's headquarters, where he was received in a friendly manner, and was reported to have received a commission as a lieutenant-general.

As contrasted with the foregoing, the following episode, testified to by an American officer attached to Mihailovich's forces, may be noted:

In September, 1944, the American officer in question was serving with the commander of a corps of Chetniks under General Mihailovich's command. The American officer, with the approval of the Chetnik corps commander, attempted to negotiate the surrender of a German garrison. At the same time, he attempted to negotiate with the local Partisan commander for a truce and for a combination of his forces with the Chetniks for a joint attack against the Germans. The Partisan commander rejected the offer. The Chetniks, after beating off Partisan attacks, then proceeded to assault and capture the town and take the German garrison prisoner. They then delivered the town to the Russians, who were advancing in the vicinity. A few hours later, the American officer was imprisoned by the Russians in the same jail with some of his late German opponents and the Russians then proceeded to disarm and imprison the Chetniks who had taken the town. According to the Belgrade newspapers, the Chetnik corps commander has since been executed after "confessing" that he was guilty of collaboration.

V. OPERATIONS AGAINST THE ENEMY

The evidence of American officers before the Commission indicated not merely the absence of collaboration between General Mihailovich and the Axis powers, but also established that General Mihailovich and his men continued to conduct hostile operations against both the Germans and the Italians, even after the Allies had stopped sending him supplies and had concentrated their support in favor of Marshal Tito, and even after the date of the Italian surrender.

American officers testifed to numerous specific operations of this kind in which they had themselves participated with General Mihailovich or with troops acting under his direction. Among such instances the following are cited:

(i) On at least two occasions, when American officers were present, German forces made direct attacks on General Mihailovich's headquarters, and were driven off, with casualties, by detachments led by General Mihailovich in person.

(ii) On several occasions, American officers participated with Mihailovich troops in attacks on German and Italian garrisons.

(iii) On other occasions, General Mihailovich directed and his troops carried out, the destruction of specific military targets recommended by U.S. or British officers attached to his headquarters. On one such occasion, an operation jointly planned by General Mihailovich and the American officer on the spot was countermanded by radio from Cairo, on the ground that the Allies were switching their support to Marshal Tito and for reasons of policy did not wish Mihailovich troops to carry the operation out.

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*The wife of an American colonel now stationed abroad, and an officer attached to the Escape and Evacuation Section of Fifteenth Air Force Headquarters in Italy. The testimony of both these witnesses was corroborated by witnesses present in Yugoslavia at the time.

**In the interest of brevity, the names of witnesses are omitted from the text of this Report. Their names, and the full testimony of each, will be found in the annexed transcript of evidence.

(iv) With the assistance of guides furnished by General Mihailovich, an American officer was enabled to penetrate into the Belgrade area, at that time garrisoned by three German divisions, traveled around in that area for the purpose of securing intelligence on the enemy force, and was then safely returned to his headquarters.

(v) In various instances witnessed by American officers, Mihailovich troops engaged in battle against the Germans were compelled to break off combat with the enemy to defend themselves against attacks on their flanks or rear by Partisans.

Members of the American missions stationed with General Mihailovich were given free access to operational reports and orders, both incoming and outgoing, and participated freely in conference with the General and his staff. Their testimony tends to establish that not only General Mihailovich, but all personnel under his command, as well as the civilians in his area, entertained feelings of bitter hostility against the Germans, and that they were prevented or deterred from carrying out more extensive operations than they did by the following factors, among others:

(1) Inadequacy of supplies and equipment.
(2) Reprisals conducted by the Germans.
(3) Attacks by Partisans.

The statement in the Note delivered by the United States State Department to the present Yugoslav Government on March 30, 1946, that General Mihailovich and his forces "without adequate supplies and fighting under the greatest hardships" contributed materially to the Allied cause seems fully borne out by the facts. The testimony indicates that General Mihailovich's forces had little or no equipment, their weapons consisting chiefly of rifles and other small arms of various calibers, with very inadequate supplies of ammunition. A small amount of supplies, consisting largely of German equipment captured in North Africa, was dropped in by planes of the Royal Air Force (British) at various dates prior to October, 1943; but the supplies thus sent in were totally inadequate to equip or maintain any sizeable force or to enable General Mihailovich to conduct extensive operations. From October, 1943, onwards, even those supplies ceased to be delivered, apparently because of a switch of Allied policy in favor of Marshal Tito. The policy of the German forces appears to have been to conduct savage reprisals against civilians whenever hostile actions were carried out by the Chetniks. The destruction of a section of railway line, which could easily be repaired, would be followed by the burning of an entire village in the neighborhood and the execution of a number of local peasantry.

Under such circumstances, and in view of the inadequacy of his equipment, General Mihailovich stated to members of the American mission that it was his policy to conserve his forces, to conduct only operations which promised substantial military benefits, and to call for general mobilization and all-out effort only in conjunction with a major allied offensive. It appears that the intent and effect of his operations was to pin down substantial numbers of Axis troops who might otherwise have been employed elsewhere against the Allies. It does not appear that either he or members of the American or British missions were ever informed of Allied plans in such a way as to enable him to use his forces to the best advantage.

Notwithstanding the difficulties outlined above, at the time of the Allied landings in Italy, General Mihailovich gave orders for a step-up in operations, which resulted in the capture of substantial Axis forces and other results. Approximately a year later, in September, 1944, he directed a general mobilization and announced to American officers at his headquarters that he would endeavor to take Belgrade, at that time strongly held by the Germans. His plans for a general offensive at that time were frustrated by a large-scale Partisan attack upon his headquarters, which compelled him to retreat.

After September, 1943, apparently because of a change in Allied policy, the British Broadcasting Company, whose broadcasts into Yugoslavia were the principal source of information from the outside world, appears to have adopted the policy of crediting all resistance activities to Marshal Tito and the Partisans, without mention of General Mihailovich or the Chetniks. American officers testified to several instances where they had participated with Chetnik troops in operations against the Germans or in the capture of German garrisons, only to hear the particular operation shortly afterward announced by the BBC as having been carried out by Partisan troops under Marshal Tito.

The German occupying authorities distributed indiscriminately offers of reward for the delivery, dead or alive, of either General Mihailovich or Marshal Tito. The amount offered (100,000 gold Reichmarks) was the same in both cases. In some of the posters General Mihailovich was described by the Germans as a "British agent" and Marshal Tito as a "Russian agent."

VI. HOSTILITIES BETWEEN CHETNIKS AND PARTISANS

The statement by the Minister of the Interior of the present Yugoslav Government, already quoted in this report, says that in addition to charges of collaboration, it is expected that General Mihailovich will be charged with "concrete crimes against our people, such as murder, arson, plundering and the handing over to the Germans of members of our National Liberation Army."

No evidence was adduced before the Commission which tended to support these charges; and several witnesses testified that they had never seen nor heard of any such instances.

There is no doubt that hostilities amounting in substance to a civil war, existed between the Chetniks and the Partisans. No evidence was adduced before the Commission which would enable it to make findings as to the precise origin or causes of that strife. There is some indication from the evidence that for a brief period following the German invasion in 1941, both sides co-operated against the Axis powers and refrained from hostilities against each other, but that in the autumn of 1941, such co-operation ceased and hostilities broke out. General Mihailovich, who at that time, and for a considerable period thereafter, was acting as the duly authorized Minister of War of the recognized Yugoslav Government, claimed that his forces, while engaged in operations against the Germans, had been attacked in the rear by the Partisans. Despite the distractions caused by the Partisan attacks, he appears to have continued to do his best to maintain the fight against the Germans, even after the withdrawal of Allied support.

VII. RESCUE OF ALLIED AIRMEN

Evidence of American personnel before the Commission tended to disprove completely the charge that General Mihailovich or his forces surrendered Allied airmen to the Germans. On the contrary, that evidence establishes beyond any reasonable doubt that General Mihailovich and his people (both soldiers and civilians) made every effort to rescue, protect and return to Allied territory Allied airmen of all nationalities forced down in areas under their control, and that those efforts were successful.

The testimony indicates that upwards of 500 Allied airmen were thus rescued and repatriated. The overwhelming majority of those airmen were Americans; but other Allied personnel, including British, French and Russians, were similarly treated. All of the numerous witnesses interrogated on this issue, including officers of the Air Crew Rescue Mission and a number of airmen themselves, were unanimous and emphatic in stating that they had never known or heard of a case where an Allied airman failed to receive the best possible treatment from the Chetniks, or where any such airman was ever turned over or abandoned to the enemy. All of them were loud in their praises of the co-operation and assistance which they received. An officer on duty at headquarters of the Fifteenth U.S. Air Force in Italy testified, on the basis of his official records and investigations, that there had been no known case where Allied personnel had been surrendered by the Chetniks to the enemy. In one instance, personally investigated by an American officer attached to Marshal Tito's headquarters, a false charge that Allied airmen had been surrendered to the Germans was shown to have emanated from Partisan troops. In another instance, personally investigated by another American officer likewise attached to Marshal Tito's headquarters, Partisan troops produced a badly-beaten Chetnik prisoner whom they accused of having murdered an American airman. The prisoner denied the charge, and it was later ascertained that the airman in question had been safely evacuated by Chetnik help.

Where the rescue of Allied airmen was concerned, General Mihailovich and his forces appear to have spared no efforts, and did not hesitate to engage in hostilities with the Germans, or to incur reprisals. One rescued airman stated that instructions had been issued by authority of General Mihailovich to the effect that a single American airman rescued and returned to Allied territory was worth more to the Allied cause than 150 Chetnik soldiers.

The evidence indicates that those instructions were loyally and cheerfully carried out by both the Chetnik forces and the peasantry. The German authorities had outstanding offers of a substantial reward for the surrender of any Allied airmen; but there appears to have been no instance where such offers had any effect.

The Note from the Yugoslav Government to the United States State Department of April 5, 1946, states in part:

"The Government of the FPRY admit and believe that Draza Mihailovich assumed the appearance as though he had a loyal attitude toward America, and that a number of American airmen forced to land on territory under his control were saved. But could he do elsewise—the more because he expected assistance in food and weapons for this favour?"

The implication in the second sentence above quoted appears contrary to the evidence. The evidence in fact indicates that the great majority of Allied airmen involved were rescued and repatriated after October, 1943, when Allied support had been switched to the Partisans and all supplies to

General Mihailovich had been cut off. One American officer, in charge of the Air Crew Rescue Mission, testified that he himself told General Mihailovich that in return for the rescue of Allied airmen he could expect no further Allied assistance or supplies. Efforts by the Chetniks to rescue Allied airmen appear to have continued unimpaired, notwithstanding that announcement and the cutting off of Allied supplies.

For the purpose of evacuating American airmen, General Mihailovich directed the construction of an airstrip in a field near Pranjani, and disposed a substantial part of his meager forces around it, to protect the field from German attack and to safeguard Allied airmen collected there to await evacuation. The field was operated with substantial success, and a large number of American planes flew in, landed and evacuated Allied personnel.

The circumstances under which this field was abandoned are perhaps worth noting. The American transport planes which came into the field to evacuate American airmen from Chetnik territory arrived empty, or carrying only a small amount of supplies specifically earmarked for the immediate needs of the American airmen to be evacuated. Before landing at the Chetnik airfield, however, those planes, pursuant to instructions, had circled over Partisan territory and had dropped to the Partisans loads of supplies, weapons and ammunition. In September, 1944, with the aid of those American supplies, the Partisans attacked the airfield, and the American rescue mission, together with General Mihailovich and his troops, were compelled to withdraw.

General Mihailovich thereafter, in the course of his retreat, built other airstrips which were similarly used for the evacuation of Allied personnel. There is also evidence that the Chetniks, when unable through lack of facilities to evacuate American airmen direct from their own territory, arranged for such airmen to be passed through the lines to Partisan territory from which they could be evacuated, the evacuation in such cases being credited to the Partisans.

Several of the rescued airmen, as well as members of the American missions, had opportunities for extended interviews with General Mihailovich. In the course of those interviews even after Allied support had been switched to Marshal Tito, General Mihailovich uniformly expressed, in strong terms, his admiration for the United States and his hopes for a post-war settlement based on the principles of the Atlantic Charter. The last American officer on duty at General Mihailovich's headquarters, at a time when all Allied recognition and supplies had been long cut off, offered General Mihailovich an opportunity for evacuation with him by air to Allied territory. The General refused, saying that he felt that it was his duty to stay with his country to the end.

VIII. CONCLUSIONS AND RECOMMENDATIONS OF THE COMMISSION

In the opinion of this Commission the evidence of the American military personnel who testified before it is material and relevant, under commonly accepted standards of civilized justice, on the issue of the guilt or innocence of General Mihailovich. The witnesses who testified were in an excellent position to have known of collaboration, if any, and were under a duty to report it; but they testified to none. On the contrary, there is abundant testimony of facts inconsistent with the existence of collaboration.

Substantially all of the witnesses who appeared before the Commission stated publicly under oath that they would be willing to go to Yugoslavia, if opportunity were given, to testify at any trial of General Mihailovich in the same way and to the same effect as they testified before the Commission. Since it appears that such an opportunity may not be afforded, the Commission recommends that a copy of this report and of the accompanying testimony and exhibits be delivered to the State Department, with a request that it be forwarded to the Yugoslav Government, and that another copy be sent directly to the Tribunal having charge of the case.

Dated: New York, N.Y., May 24, 1946.

Respectfully submitted.

ARTHUR GARFIELD HAYS,
Chairman,
CHARLES POLETTI,
ADOLPH BERLE,
THEODORE KIENDL,
Members of the Commission.

STATEMENT OF COL. ROBERT H. MCDOWELL TO COMMISSION OF INQUIRY INTO CASE OF DRAJA MIHAILOVICH

I. PERSONAL BACKGROUND

The undersigned, as part of a total 25 years residence in the Near East and adjoining countries, acquired a broad general knowledge of Yugoslavia. Prior to the recent war, as a professor at the University of Michigan, he taught Modern Balkans History. During the war he has been concerned with Balkans intelligence since the autumn of 1942; has been in close touch with all Allied groups covering this area; and has had access to all pertinent material.

The undersigned was employed by the army because of his broad and intimate background of experience and study and because he had established a certain scholarly reputation for objective approach to and consideration of research problems. The Army record of the undersigned demonstrates that in war service this objectivity and balance have been maintained.

The undersigned was sent on a mission to General Mihailovich in August, 1944, and left Mihailovich territory on 1 November, 1944. During this interval of almost constant travel in Western Serbia and Eastern Bosnia, the undersigned, the U.S. officers attached to him and the rescued U.S. airmen who were encountered were all given complete liberty of movement and of access to the population. Unlike the situation which prevailed where U.S. officers were attached to Yugoslav Partisan Headquarters, the U.S. personnel in Mihailovich territory on the one hand were permitted to be present at important staff conferences, on the other hand could pick their route, their night's lodging, and their associates, unaccompanied by Mihailovich officers or men.

Finally, it should be emphasized that the undersigned has been a lifelong liberal, at times labeled as a "pink" or Communist.

In 1942, before Tito received general recognition, he advocated military aid to the Partisans on the same basis as to the Nationalists. After the mission to Mihailovich, he volunteered to return to Yugoslavia for further investigation in the company of Partisans and Allied officers who supported the Partisans. This offer was refused.

2. SUMMARY OF CONCLUSIONS

a. The undersigned has seen and heard of absolutely no evidence serving to connect General Mihailovich personally, or officers under his direct command, with any form of collaboration with the Germans. This evidence includes not only personal observation but the totality of the documents seen and conversations held with U.S., Allied, and even enemy, personnel. This includes very highly placed and responsible British officials.

On the other hand, a very substantial body of evidence supports the conclusion, to which the undersigned completely subscribes, that General Mihailovich, a known bitter anti-Nazi before the war, devoted himself wholeheartedly to the task of driving the Germans and their satellites out of Yugoslavia. That he accomplished relatively little toward this end was due to circumstances beyond his control, particularly the civil war fostered by the Yugoslav Communist Party.

b. The evidence on which General Mihailovich is accused in part is false, in part is a distortion of truth. His accusers, whatever the mouthpieces they find, are the few Yugoslav Communists who, by deception, have prostituted and destroyed the popular resistance movement which they led and who, during the war, were repeatedly proved guilty of gross falsehood and misrepresentation.

The real crime for which General Mihailovich is accused is that in the minds of 80 percent of the Yugoslav population he became, and remains, the symbol of the simple, sturdy Yugoslav peasant resistance to tyranny, whether foreign or domestic.

c. The nature of the movement led by General Mihailovich is widely misunderstood outside the country. As the General repeatedly emphasized to the undersigned, the Nationalist movement of resistance against the Axis invasion came into being spontaneously all over the country. As in the American Revolution, the primary loyalty of the followers in each district was to the local leader, of whom there were, and are, thousands. The role of General Mihailovich was to attempt to co-ordinate all activities, and the General was sincerely embarrassed by the propaganda outside the country which misrepresented his position. This form of organization gives strength to a movement—since its roots are so widespread—but is also a source of weakness in that co-ordination and discipline suffer. General Mihailovich was in full control of only his own small force and of the forces of a few other leaders. He was in partial control of numerous bands, whose leaders accepted the broad strategy laid down by the General, but had no control whatsoever of other bands of Chetniks.

d. The term "Chetnik" is equivalent to guerrilla. There were Chetniks serving Mihailovich, but Chetnik bands also were raised by the Serb Puppet Government, by the Germans, and by the Italians, and some bands accepted no higher sponsorship.

e. In addition to the Axis-sponsored bands, various resistance leaders, including both Communists and Nationalists, at various times made accommodations with the Axis authorities. As stated above, neither Mihailovich or those directly under his command can be accused of such accommodations. But certain leaders, Communist as well as Nationalist, made truces or agreements not to operate in certain areas, or exchanged supplies for munitions, etc. German authorities constantly worked to bring about an increasing measure of collaboration. The Yugoslav Communist leaders today ignore their own record of accommodation and occasional outright collaboration with the

Axis, and impute to Mihailovich actions with which he was not concerned.

f. The relative contributions to the Allied cause made by the Nationalists and Mihailovich on the one hand and by the Partisans and their Communist leaders on the other, is a moot point. The evidence on both sides possessed by the undersigned may be summarized as follows:

(1) Throughout the period of Axis occupation of the Balkans, on the average, Axis troops were concentrated as heavily in Nationalist territory as in Partisan territory.

(2) Axis reprisals against Nationalists, and particularly against men known to be loyal to Mihailovich, on the average were heavier than were those directed against Communists. There is ample evidence that over all the Germans were more fearful of, and displayed greater venom against Mihailovich than Tito; Mihailovich Serbs suffered greater reprisals than did Czechs or Western European resistance groups.

(3) Mihailovich was particularly active against the Axis during 1941 and 1942, when he made a very real confirmed, contribution to the Anglo-American campaigns in Africa through harassing of German lines of communication. During 1943 and the first half of 1944, the strength of German reprisals led him to adopt a more cautious policy, similar to that ordered by the Allies for other resistance groups in Europe. At the same time the Nationalists suffered constant attacks on the part of the Communist-led bands.

(4) When the undersigned reached Mihailovich Headquarters in August, 1944, a general Nationalist mobilization had already been ordered. The undersigned was shown the plans and orders issued for an all out attack on Axis forces and, along with the other U.S. officers, personally witnessed the troop dispositions made for this offensive. The evidence was unmistakable that General Mihailovich has disposed his forces properly for a major effort against the German garrisons, depots, and lines of communication, but in doing this had been obliged to leave his rear and left flank exposed to attack on the part of major Partisan concentrations which only recently had been attacking the Nationalists.

Insofar as the small group of American officers were able to cover the front and make observations, during September the Nationalist forces engaged German and Bulgarian forces to the extent of their capability in equipment. Axis movements were thoroughly disrupted and considerable quantities of munitions and prisoners were taken.

At this moment the Communist-led forces of Marshal Tito attacked the Mihailovich forces on a broad front. This attack was personally witnessed by the undersigned and his staff. In attacking the Mihailovich forces, the forces of Tito passed through the German line of garrisons on the Zap Morava River and ignored the Germans in favor of this attack against men already engaged against the Germans. Thereafter the principal effort of Tito's forces in Western Serbia was directed not against the Germans but toward the capture of General Mihailovich and the American Mission. These series of attacks forced General Mihailovich to retreat into Bosnia.

(5) There is good evidence, including the observations of a U.S. officer attached to the undersigned, that the forces of General Mihailovich, during October, were reorganized in Serbia and during that month, as well as subsequently, made a very substantial contribution to the defeat of German forces, including joint operations with the Soviet forces, until Communist intrigue and attacks led to their dispersal.

(6) The communiques issued by the Communist-led Yugoslav forces consistently presented a false picture of military operations. In Cairo during the first half of 1944, the undersigned was directly concerned with an Allied committee to evaluate the state of Axis lines of communication in the Balkans. This group had at its disposal all sources of information. The Communist communiques of their operations against German communications proved themselves so consistently untrustworthy that their evidence was finally deemed worthless.

As a result of the above experience the undersigned maintained a group of personnel to evaluate these Communist communiques on the basis of their own evidence. This long range study revealed that Communist claims of territory liberated in Yugoslavia and of defeats of Axis forces were consistently contradicted by subsequent communiques. It was evident that they were put out as propaganda, and they put in serious doubt all Yugoslav Communist claims of contribution to the Allied cause other than those actually witnessed by Allied officers.

Prior to the departure of the undersigned behind the lines in Yugoslavia, he was shown the official maps of the Yugoslav Communist Headquarters, showing the respective territory held by Mihailovich and Tito. The area into which the undersigned planned to drop to make contact with Mihailovich was shown as part of a larger area of Western Serbia allegedly liberated and held by Tito's forces. The U.S. Air Rescue Mission and the undersigned with his group landed in this area and traveled all over Western and much of Central Serbia. Outside of the German held towns the whole countryside was held by the forces and administration of Mihailovich. There was no evidence that Communist control had ever been established in this area.

Subsequently, when the undersigned retreated into Northeast Bosnia with Mihailovich, he found all that area, outside the Axis held towns, held by Mihailovich forces.

□ 1625

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I am pleased to join with our colleagues in commending the gentleman from Illinois [Mr. CRANE] for his outstanding, highly laudable efforts to keep the case of Draza Mihailovich alive in the Halls of Congress.

Gen. Draza Mihailovich was a patriot and a hero in every sense of those words. As such, he is worthy of our praise and honor.

However, recounting the life of Draza Mihailovich has a much more practical aspect. The life and tragic death of Draza Mihailovich bears some serious lessons for us today—lessons that we as a freedom-loving people should heed.

Recently, I had the privilege of participating in a broadcast of the "Capital to Capital" program, which was simulcast over the ABC television network here in the United States of America, and across the Soviet Union. One of the Soviet participants castigated Americans for their alleged ignorance of the Soviet people, decrying with horror a recent poll showing that some 40 percent of the American people think the U.S.S.R. fought on the side of Nazi Germany during World War II.

What our Russian friend failed to point out, however, is the ease with which such a misunderstanding could arise. They would like us to forget that the Soviet Union and Nazi Germany were indeed allied, from the signing of the notorious Berlin-Moscow Pact of August 1939 until Hitler's surprise attack against the U.S.S.R. on June 22, 1941. During the 22-month duration of that friendship, the Soviets afforded themselves of the opportunity to seize and gobble up half of Poland; to launch an aggressive and one-sided war against courageous Finland; to rape, crush, and annex the freedom and peace-loving nations of Lithuania, Latvia, and Estonia; and to grab oil-rich territory away from Romania.

Today, nearly half a century later, the Soviets would like us to forget these aggressions. Nearly half a century later, not 1 square inch of the territory conquered by the U.S.S.R. during the time of the infamous Hitler-Stalin pact has been returned. The Soviet Government would like nothing better than for us to forget that the friendship between Stalin and Hitler was so firm that Stalin refused to believe his own intelligence reports that told him the Nazis were about to invade.

It is for these reasons that the Soviets want us to forget Draza Mihailovich, one of the giants of that sad, tragic era.

General Mihailovich was a dedicated individual, who put the good of his native land, Yugoslavia, ahead of all other considerations. When, during that era, Nazi intrigue was plotting the takeover of Yugoslavia, with the full cooperation of the Kremlin, it was Draza Mihailovich who organized the freedom fighters who courageously stood for independence and liberty, and were prepared to fight the Nazi invaders when they finally crossed the frontiers. It was General Mihailovich who realized that the Kremlin-backed forces of Marshal Tito were as much a threat to Yugoslavian freedom as were the Nazis, and who was prepared to fight them both.

On June 22, 1941, when Hitler stabbed his ally Stalin in the back, the world turned upside down. Suddenly, allies became enemies and enemies became friends. Winston Churchill stated at that time that he would make a pact with the devil, if need be, to defeat Hitler.

Tragically, the allies turned their backs on General Mihailovich and his courageous freedom fighters. This was despite the fact that they had achieved success after success on the battlefield against the numerically superior and well-equipped Nazis. Instead, the allies chose to support the forces of Marshal Tito, a dedicated Communist who got his supplies—and his marching orders—directly from the Kremlin.

Accordingly, the western allies turned their backs on Mihailovich in favor of Marshal Tito, Despite this, Mihailovich continued the fight against both the Nazis and the Communists, who he considered equal enemies of the Yugoslav people.

It was in this context that some 500 American airmen, shot down over Yugoslavia in the closing days of World War II, were rescued by General Mihailovich's forces. The general saw to it that the men were well cared for and kept safe in territory controlled by the Nazis. This was despite the fact that the United States had already turned their backs on his cause, and explains why the National Committee of American Airmen to this day has dedicated itself to keeping the memory of Draza Mihailovich alive.

Despite the rescue of our 500 brave Americans by Mihailovich, despite the fact that these services were rendered after all allied aid had been cut off to him, and despite the heroic patriotism exhibited by the general and his forces, the absurd allegation was made at the time that Mihailovich was a Nazi collaborator. How such an absurd charge could be given any credence whatsever has recently been uncovered by scholarly research. A book written by David Martin in 1980, and several subsequent articles based on analysis of OSS intelligence reports, indicate that the unfavorable reports on Mihailovich's activities were due to a Soviet "mole" in the British foreign service who altered reports from the eastern European front. These reports painted a false portrait of this hero, and an equally false portrait of Marshal Tito who the world soon thereafter learned was but another cruel dictator.

Mr. Speaker, today we sit on the eve of another Soviet-American summit conference. The world is waiting with bated breath for a realistic arms agreement, one that can lay a firm foundation for peace and stability in the world.

Perhaps before we get our hopes too greatly aroused, we can recall the tragic life and death of Gen. Draza Mihailovich, a patriot who allied himself with neither right wing nor left wing dictatorship, but only with the cause of freedom.

And, Mr. Speaker, we can perhaps recall the cruel suppression of the many nationalities of Eastern Europe that took place in the 1940's at the hands of the Soviets, and that continues until this day.

And let us keep in mind the stark heroism of Gen. Draza Mihailovich, a symbol of the courage and the love of liberty which lives on in the hearts of eastern Europeans today and forever.

□ 1635

Mr. DORNAN of California. Mr. Speaker, will the gentleman yield?

Mr. CRANE. I yield to the gentleman from California.

Mr. DORNAN of California. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the gentleman from Illinois [Mr. CRANE] has been loyal to history and to truth by keeping this alive. One of our great former Members, Edward Derwinski, the gentleman's close friend, was also a champion of Draza Mihailovich. We have come very close to having a monument in this city to this true hero, and to add a simple story, I have met pilots who bailed out over Yugoslavia coming back from missions into Germany who said they never met a more gentle person, never met a better friend or ally of the United States, and how he guarded and cared for them.

At the loss of the lives of some of his troops, he guarded our American pilots, and some of these grateful airmen, crewmen, enlisted men and officers, who have kept the torch alive for his memory, in spite of the course of the Communist dictator, Tito's life, even to the point of sending his pilots coming through pilot training with me under President Eisenhower, this world got so mixed up, and now that Tito is long gone, it is only fitting that the memory of Draza Mihailovich should come to the floor again.

Mr. CRANE. Mr. Speaker, I thank the gentleman for those remarks.

Unfortunately, the efforts on the part of the American heroes whose lives were saved by this great man have been thwarted in many instances, and clouded by unfortunate misunderstandings that there is some kind of an ethnic quarrel or feud that produces the support on the part of many of us to honor a bona fide hero from World War II.

The fact of the matter is, the Government of Yugoslavia is persecuting Muslim Albanians. It is persecuting Serbian Orthodox Christians, and it is persecuting Croatian Roman Catholics, and exploiting in fact all of the people, as witnessed most recently revelations about the issuance on the part of prominent Communist officials running major industries in that country, issuing perhaps up to $2 billion of foreign promissory notes, and simultaneously maintaining a kind of slavelabor environment.

We had hearings before the Committee on Ways and Means, and Lane Kirkland protested the fact that Korean workers in the production line making the Hyundais were earning only $5 an hour. Those workers in the Yugo facility in Yugoslavia, a car they are selling here to undercut all American cars, are being paid only about 25 cents an hour; and if there is a basis for feeling there is exploitation of labor in Korea, that pales in insignificance to abuses existing in the country of Yugoslavia, which today is an economic basket case.

It owes about $17 billion to the West, and still qualifies for IMF loans, despite the atrocities still being perpetrated by that Communist government in that country.

The fact of the matter is, we are supportive of all the peoples of Yugoslavia who suffer under the inequities of a tyrannical Communist dictatorship. When we honored General Mihailovich, General Mihailovich is just one of untold thousands of unsung heroes who have resisted that tyranny without success.

Mr. KOLBE. Mr. Speaker, I rise today to honor the memory of General Draza Mihailovich. His is a memory which many veterans and their families will never relinquish. It is only fitting that we help these American heroes in their quest to build a monument in memory of the man who saved their lives.

Who is General Mihailovich, you might ask. He was a Yugoslavian resistance leader who, with the help of his Chetnik resistance troops, saved the lives of 500 American airmen downed on bombing missions. According to some accounts, the Chetniks repatriated many of the 500 flyers by plucking them from the heart of occupied Yugoslavia through a series of dramatic air rescue missions. The Americans were then flown to Italy from where they could rejoin their units. Many said that this was the largest American rescue effort in the war.

The general's efforts have been hailed by many distinguished Americans, including three former Presidents. Almost 40 years ago President Truman awarded the Legion of Merit in the Degree of Chief Commander to General Mihailovich. Presidents Eisenhower and Nixon also expressed their support for the general in the past.

In 1979, then Governor Reagan, in noting General Mihailovich's considerable legacy, praised him as: "a symbol of resistance to all those across the world who have had to fight a similar heroic and lonely struggle against totalitarianism".

These airmen who owe their lives to General Mihailovich are still working today to preserve the memory of their rescuer in a tangible way. Despite the intransigence of several Congresses and administrations, this group, known as the National Committee of American Airmen Rescued by General Mihailovich, has tirelessly lobbied for a permanent monument to the general here in Washington. I am pleased to note that the president of the National Committee, retired Maj. Richard Felman is a constituent of mine from Tucson.

But we need to honor General Mihailovich not for the special place he holds in the heart and mind of Major Felman or any of the other 500 airmen whom the general saved, but rather for the significant place he rightly deserves in history as a leader in the fight against totalitrarianism—both of the right and of the left. If you are a student of history, you will know that he fought against both Hitler and Tito.

While much has been done to obscure his contributions and efforts to secure the freedom of men of many nations from Nazi totalitarianism, it is not too late to clarify the situation. Through a series of errors and miscommunications, our Government did not always support the general in his fight against Hitler. Nevertheless, the general continued to help our airmen. Building a monument is the least we can do to honor a man that never lost sight of the cause.

In erecting a monument, we will do several things. Most importantly, we will honor a man who risked his life and that of his countrymen in the fight against totalitarianism. We will help our fellow Americans honor the man to whom they owe their lives. And finally, we will take but a small and long overdue step to right one our Nation's errors. General Draza Mihailovich deserves our support.

Mr. BILIRAKIS. Mr. Speaker, I rise today to pay tribute to a great Yugoslavian patriot, a hero of World War II and the friend and savior of some 500 United States airmen shot down behind Nazi lines during World War II.

I do not have the words to praise General Draza Mihailovich highly enough for his tremendous efforts in aiding the Allied cause during the dark days of the mid-1940's. As Hitler's troops rolled through the Balkans, General Mihailovich valiantly led his Serbian forces against them. These brave Serbian resisters faced the German juggernaut virtually alone, as at the time, the British were the only other force actively engaging the Nazis in Europe.

Yet, the words must be offered, for sadly, I find it necessary to wash clean the reputation of this great man, a reputation that was soiled falsely by deceit on the part of the Communist Yugoslavian forces under General Tito.

My colleagues have risen here in the well of the House of Representatives in the past to clear this man's name, yet the lies persist. As long as they do, then we must—we will—persist in answering these lies with truth.

We will answer that far from the collaborator the Communists tried to paint him as, General Mihailovich bravely stood against the Nazi invaiders, and rather it was the duplicitous Tito who was the tool of the Nazis.

Indeed, Draza Mihailovich ardently clung to the ideals of liberty and justice, ideals trampled by the Nazis and the Communists who villified him, ideals that would cost him his life at Tito's hands.

General Mihailovich would have been 94 this year, and if 94 years is not enough to clear this great leader's name, then those who would see peace and freedom defended will continue to answer for 94 more years—until the lies are silenced and General Mihailovich is permitted to take his honored and deserved place among the patriots in the eyes of everyone.

Mr. LIPINSKI. Mr. Speaker, I rise to pay tribute to a man of great courage and conviction, Gen. Draza Mihailovich. And I would like to take this opportunity to commend the gentleman from Illinois, Mr. CRANE, for holding this special order to remember him.

General Mihailovich, the great Serbian hero, fought the Germans from April 1941 until the end of the war when the Soviet troops entered Yugosloavia from Bulgaria and installed the Communist dictator Tito. During those years, the general distinguished himself by rescuing nearly 500 American airmen shot down behind enemy lines and sending them back to safety.

One of the remarkable facts about Mihailovich is that he was provided with very little help from the allies, and yet still was able to operate an effective resistance organization. Unlike Tito, who was able to transmit propaganda from the U.S.S.R. and was given large quantities of material aid by the Russians, the general was given next to nothing. Yet, Mihailovich and his Chetniks (guerillas) were responsible for decimating the 22 German divisions located in the Serb-Greece area—from April 1941 to December 1944 the Germans lost 80,000 killed and 125,000 wounded.

I would like to conclude, Mr. Speaker, with the words President Harry S. Truman Spoke as he awarded the Legion of Merit to General Draza:

> General Dragoljub Mihailovich distinguished himself in an outstanding manner as Commander-in-Chief of the Yugoslav Army Forces and later as Minister of War by organizing and leading important resistance forces against the enemy which occupied Yugoslavia, from December 1941 to December 1944. Through undaunted efforts of his troops many United States airmen were rescued safely to friendly control. General Mihailovich and his forces, although lacking adequate supplies, and fighting under extreme hardships, contributed materially to the Allied cause, and were instrumental in obtaining final Allied Victory.

Mrs. VUCANOVICH. Mr. Speaker, today we are commemorating the 41st anniversary of the death of an undisputed hero of World War II—Yugoslavian General Draza Mihailovich. As we take note of this anniversary, let us reflect on the courage and patrotism of this remarkable man.

General Mihailovich was a hero with a special tie to our country—a very personal tie for over 500 U.S. airmen who fought in Europe, and for their families. Not only was he a leader of his country's resistance to the Nazi occupation. But also, he spearheaded an operation designed to rescue American airmen who had been shot down in Yugoslavia behind the Nazi line. This operation sheltered and cared for our countrymen until they were rescued, and in fact, saved their lives.

In 1948, in recognition of General Mihailovich's heroism and in gratitude for his help to the hundreds of U.S. airmen saved through his rescue operation, President Harry Truman posthumously awarded him the Legion of Merit.

However, General Mihailovich has yet to receive all the recognition due him. This delay in affording the general the recognition he deserves resulted from actions taken by a high-level Communist mole, James Klugman, who was able to hide the truth for years and was successful in maligning General Mihailovich. Now we know the truth—we know that Klugman falsified British intelligence coming out of Yugoslavia, and that he drafted bogus reports that depicted Mihailovich as a Nazi collaborator. Of course, nothing could be further from the truth. General Mihailovich was a patriot, in every sense of the word. The real story is now well-known. He was a patriot of his country; he was a friend of the United States; and he was an example for all mankind.

Let us keep his memory alive—let us pay proper tribute to this hero for his courageous and selfless acts of bravery, and for his unwaivering dedication to freedom.

Mr. ROE. Mr. Speaker, the National Committee of American Airmen Rescued by Gen. Draza Mihailovich has been, for nearly 40 years, desperately attempting to properly honor the man who was responsible for those servicemen's survival during the Second World War. The persistence of these men who have carried on their quest for proper recognition of their savior is commendable and, when taking into account the horrifying conditions they were rescued from, understandable.

On March 29, 1948, President Harry S. Truman conferred the decoration, Legion of Merit in the Degree of Chief Commander, on Gen. Draza Mihailovich. The award was given in recognition of his role in the rescue of some 500 American airmen during the latter days of the Second World War. This award is one of the highest honors that can be bestowed upon foreign individuals by the Government of the United States, and it, along with the accompanying citation, is ample proof of the gratitude then felt by this Nation toward Gen. Draza Mihailovich.

Even with the strong recommendation of President Truman, the Congress has not granted the wish of these surviving airmen to have the U.S. Government build a monument in honor of Gen. Draza Mihailovich. Beginning in 1974, and for each successive Congress since that time, this group of American veterans has petitioned Congress for permission to repay their debt to the general by erecting a memorial in his honor. This permission has twice been granted in legislation that passed the U.S. Senate, in 1976 and 1977. To date, the House of Representatives has failed to seriously consider identical legislation.

The least we can do now is honor Gen. Draza Mihailovich, who was born on March 27, 1893. Although 94 years have now passed since his birth, we should nevertheless acknowledge this day and pay tribute to this great man.

GENERAL LEAVE

Mr. CRANE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the subject of my special order tonight.

The SPEAKER pro tempore (Mr. LEWIS of Georgia). Is there objection to the request of the gentleman from Illinois?

There was no objection.

THE HOUSE ARMED SERVICES COMMITTEE PANEL ON MILITARY EDUCATION: FOCUSING THE SPOTLIGHT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri [Mr. SKELTON] is recognized for 10 minutes.

Mr. SLATTERY. Mr. Speaker, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Kansas.

CADET NURSE BILL

Mr. SLATTERY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, last year the World War II cadet nurse bill was signed into law by President Reagan. It basically allowed those women who were currently employed by the Government and who had served in the U.S. Cadet Nurse Corps during World War II, to credit the time they served in the Cadet Nurse Corps toward their civil service retirement.

Today I introduced legislation which allows those women who retired from service before the World War II cadet nurse bill was signed into law, to receive credit toward their civil service retirement.

Many women who served as long if not longer than those currently employed by the Government, in many cases up to 20 and 30 years, simply happened to retire months or even days before last year's bill was signed into law. They should receive credit for the time they spent in the Cadet Nurse Corps just as their counterparts who still remain in service.

The women who served in the U.S. Cadet Nurse Corps provided two-thirds of this country's nursing services during World War II. They deserve this credit. This legislation will give it to them and I hope my colleagues will support it.

Mr. SKELTON. Mr. Speaker, I rise today to deliver the last in my series of five speeches on strategy and military education. These addresses should serve as a constructive starting point for the Panel on Military Education of the House Armed Services Committee as it begins its work in early December. Though these speeches, I have attempted to highlight some of the important issues upon which the panel will focus its attention. In this speech today I want to give a brief description of the Panel's charter and a more detailed description of the issues that the panel should explore in its investigation.

PANEL CHARTER

The charter of the Panel on Military Education of the Committee on Armed Services is twofold: First, to review Department of Defense plans to implement the education provisions of the Goldwater-Nichols Act; second, to address the ability of the present Department of Defense military education system to encourage the development of exceptional military thinkers, planners, and strategists.

As many of my colleagues know, Mr. Speaker, last year the Congress led the way in promoting the most extensive reorganization of the Department of Defense since its creation in 1947. This was done when the Congress passed and the President signed into law the Goldwater-Nichols Department of Defense Reorganization Act of 1986. One of the most important, and for certain the most contentious, portions of the act was title IV, which established a whole new category of joint specialty officers. These are officers of the four services who are trained in and oriented toward matters relating to the integrated employment of land, sea, and air forces—be these matters of strategy, contingency planning, or actual combat operations.

As part of the act a number of educational requirements were established to foster the idea of jointness. A short passage found in title IV gives a flavor of the intent of the legislation:

> The Secretary of Defense * * * shall periodically review and revise the curriculm of each school of the National Defense University (and any other joint professional military education school) to enhance the education and training of officers in joint matters.

In a narrow sense, the Panel will review the work of the Department of Defense in implementing this and the other educational requirements of the act. In other words, we want to see how well this effort is going. Yet, at the same time, I believe the work of the panel should focus on a broader effort, on an examination of the entire military education system in order to determine whether it is producing professional military thinkers—strategists—and officers competent in the strategic, operational, and tactical employment of joint military forces. As we go about our work, the members of the Panel on Military Education should have a rough outline which we can follow. The following is a list of suggested topics that the panel may wish to explore.

ISSUES FOR THE PANEL

As noted previously, the Panel will review the present effort by the Defense Department to implement the educational requirements mandated by the Goldwater-Nichols Act. The Panel also needs to look at the professional military education system in a comprehensive manner so as to get a solid foundation as it proceeds with its inquiry. With respect to the staff colleges and the war colleges this means looking at such matters as curricula, research programs, faculty, missions, and budgets.

CURRICULA

The matter of curricula is an important one. On a basic level the Panel needs to look at the curricula of the individual staff and war colleges. The war colleges, for example, differ in the number of topics they attempt to cover in a brief 10 month term. Most try to cover a broad range of topics but in little detail. A frequent criticism is that the course content is a mile wide and an inch deep. Much of a student's time is spent passively in class listening to lectures. Education—what we are trying to achieve—requires time to read and reflect; training—a rote process of learning—doesn't. Students need time to read, think, and write if truly creative military strategists are to emerge from this lengthy educational process. The Panel needs to explore the various curricula and teaching methods which best fullfill this purpose.

As part of this review the Panel should explore the relationships between the curricula of the intermediate level staff colleges and the senior war colleges. The mission of the intermediate service staff colleges is to prepare midlevel officers to function effectively within a staff environment as well as to teach them techniques and tactics for the employment of weapons, units, and other resources of their respective services. The war colleges, on the other hand, focus on strategy and integration of joint capabilities within the primary environment of their service—that is integrated use of land, sea, and airpower—in the context of the international environment. The Panel needs to explore how well these missions are accomplished and how complementary the coursework and curricula are.

RESEARCH PROGRAMS

Closely related to the issue of curricula is the matter of research. In the learning process there is no substitute for conducting original research, be it with experiments conducted in the laboratory or term papers written in the library. Too often the war colleges confuse education with training. Research and small seminars tend to foster education. Unfortuntely, the terms at the war colleges are too short and too crowded with topics to allow students the time necessary to learn to think critically and independently. The Panel should explore ways to foster original thinking. It may mean extending the term a student stays at the college or may mean revising the curriculum and teaching methods. Other options come to mind, yet whatever the solution, the question must be addressed.

FACULTY

If the war colleges are to become the institutions that foster the kind of strategic thinking that we desire, the role of the faculty is critical. Once again the war colleges vary in their approaches concerning the role and composition of the faculty. At one of the colleges the effort has been made to get first rate scholars to teach, do research, and conduct seminars. This faculty is made up of both civilian and military.

At some of the other war colleges, however, the faculty includes a heavy proportion of military members who were students at their respective institutions the previous academic year. As a result, these institutions have to supplement their educational programs by bringing in a variety of guest lecturers. At first glance this appears to be a weakness for an institution calling itself a college. I could be wrong, but the Panel needs to delve into this matter and be prepared to make recommendations for change at the end of its period of investigation if such changes are required, keeping in mind that budget constraints will only grow tighter in the coming years. The investigative process may reveal the need to revise the missions of the war colleges in order to acquire the resources necessary to enhance these institutions of higher learning.

GRADING

Another area that merits investigation by the Panel is the matter of tests and grades. Currently only the Naval War College grades the efforts of its students. The other senior colleges believe that grading creates a negative atmosphere of competition among officers whom they wish to see evolve into a cohesive group.

In the past, education opportunities, especially at the senior war college level, were often viewed by students as a year off from strenuous troop assignments, a time to get reacquainted with family and friends. Consequently, the appropriate emphasis on education seemed to be lacking in some of the schools. Maybe such a relaxed atmosphere developed because no grades or tests were given. This issue promises to be a controversial one.

SELECTION STANDARDS

The Panel will undoubtedly touch upon the matter of selection standards. Each service views professional military education in a different way. For the Army, attending intermediate and senior level military institutions is vital to the career of the individual officer. In a certain sense it is a ticket that has to be punched. The attitude of the Air Force is a somewhat different, less rigorous one. Though the service does send its best officers, the idea is one of education for education's sake. Traditionally, the Navy has thought it very important to select an officer to go off to school, be it the staff college or the war college level. While important for the individual officer to be selected, it was less important that he attend. The service viewed selection, not necessarily attendance, as the important consideration for career advancement. As a result, we have a number of captains and admirals in the Navy in key positions who have never been to either the intermediate or senior level course at the Naval War College. As for the Marine Corps, it seems to combine the attitudes of the Army and the Navy, an important ticket to be punched but not necessary for advancement.

Yet it is important to make sure that since only a small percentage of the officer corps has the opportunity to attend the intermediate and senior service schools that only the best be admitted. One possible way to improve admission standards at the senior level might be to limit attendance only to those officers who have a chance to be promoted to flag rank. It will be an alternative the panel will study. Another possibility includes changing the Defense Officer Personnel Management Act of 1980, the law which regulates the appointment, promotion, separation, and retirement of regular officers in the military. Simply stated, the length of office careers may have to be lengthened to accommodate the requirements of military education.

INTERSERVICE RELATIONSHIPS

In the wake of the Goldwater-Nichols Act, as the staff and war colleges go about revising their curricula, the issue of jointness, interservice cooperation, has taken on a new importance. Striking the proper balance between service-specific requirements and interservice ones promises to be a difficult and contentious issue for the staff and war colleges. An officer not completely familiar with the requirements, procedures, customs, strengths, and weaknesses of his own service may not be of much value on a joint staff no matter how much he knows about the other services.

The issue of interservice relationships also extends to such matters as the mix of students at the various senior service schools and also to the communication and feedback there is among the schools themselves. The degree to which each of the separate service colleges should stress interservice matters will be another area of interest to the panel.

MILITARY EDUCATION IN OTHER COUNTRIES

Britain, France, Germany, and the Soviet Union are countries with strong military traditions, and, more to the point, they are countries with a strong tradition in the area of military education and strategy. In an earlier speech I mentioned the examples of the German Army's educational establishment of the 19th and early 20th century, the Kriegsakademie. That tradition of the general staff and the rigorous educational requirements associated with it has been adopted by the Soviet Armed Forces.

Too often we limit ourselves by only looking at what takes place in this country. The prevailing attitude has been that "if it ain't made here it ain't worth it." That attitude may be changing as many American consumers have discovered various foreign products. The panel may want to look at the military educational systems of these countries; it may indeed be able to put to good use some of the ideas of the British, the French, the Germans, and even the Soviets.

CONCLUSION

In concluding this speech, I want to stress that the above mentioned topics are just a few of the ones the Panel may want to examine. Other topics that come to mind include: Looking at graduate degree programs at civilian colleges that many officers utilize during their military careers; examining the relationship between resident and nonresident instruction at both the command and staff colleges and the war colleges; and establishing a separate institution for military strategy.

One final thought. Few people associated with the military educational system would argue that the system is being used to the best possible advantage. It is a good one, but we can make it better. The Panel will be positive and constructive as it goes about its work, and I hope that it can help make our intermediate and senior level military colleges tremendous resources not just for the armed services but for our country as a whole.

□ 1650

THE FUTURE SECURITY OF THE UNITED STATES AND OUR FOREIGN POLICY

The SPEAKER pro tempore (Mr. LEWIS of Georgia). Under a previous order of the House, the gentleman from Indiana [Mr. BURTON] is recognized for 60 minutes.

Mr. BURTON of Indiana. Mr. Speaker, I have three brief things I would like to talk about tonight, because they are weighing heavily on my heart as respects the future security of the United States of America and our foreign policy.

First of all, General Secretary Gorbachev is going to be coming to the United States in early December to meet with our President for a summit meeting, during which time he is going to be talking about signing an agreement called the INF Treaty. The INF Treaty has been touted as a giant step forward in taking the world back from the possibility of nuclear war.

I do not think there is anybody in their right minds who does not want to see nuclear weapons destroyed or dismantled. The problem is you have to make sure that the other guy is playing by the same rules you are. Unilateral disarmament, a weakening of your position militarily, generally leads to war.

Winston Churchill once said, and if I may paraphrase him just a little bit, he said, "Does anyone believe that a call to arming is a call to war? Quite the contrary. I declare it to be the sole guarantee of peace."

What he was saying was that if you want to keep peace, you have to be so strong the other guy is not going to hit you in the mouth. That is just as true today as it was then.

Now, as respects this INF Treaty, the proposal is that the Soviet Union will destroy about 1,400 nuclear warheads that are mounted on the top of SS-20 intermediate range ballistic missiles, in exchange for the United States of America dismantling about 400 nuclear warheads that are mounted on top of Pershing II missiles. Now, that sounds like a good deal. They are going to give up 1,400 warheads. We give up 400 warheads.

The problem is, what are they going to do at the same time that they are destroying those warheads? The Soviet Union is now building a new generation of intercontinental ballistic missiles, called the SS-24's and the SS-25's. These missile systems are mounted on the back of trucks and flatcars that are on railroad tracks. They are going to be extremely difficult to monitor and to verify.

Now, the problem with these missiles in addition to them being intercontinental in scope is that according to the Defense Intelligence Agency and the people over at the Defense Department, they can be retargeted on short and intermediate range targets.

Now, the SS-20's that they are going to be taking apart, these 1,400 warheads, are targeted on our allies in NATO. Now, if they destroy those and we destroy ours, it is a good deal, but if they replace theirs with a new generation of weapons called the SS-24's and SS-25's that can be retargeted on our allies, we have given up a lot and they have not given up anything and there is no limitation that I know of on the deployment and manufacturing of new SS-24's and SS-25's.

So from the standpoint of nuclear parity in Western Europe and the Warsaw Pact countries, I think are getting an empty sack and we are going down a dark alley with a villain.

The United States of America from the standpoint of nuclear parity and nuclear deterrents is making a big mistake, unless somebody brings to my attention something I have not yet found out, and I am still studying the agreement. I am still studying everything I can get from the Pentagon and from the State Department, but so far everything that I see points in the direction of the Soviet Union coming out way ahead on this agreement and it is going to endanger our allies in the NATO countries.

Many of our allies have contacted Members of Congress and have indicated privately that they are very apprehensive about this agreement.

Now, in addition to that, we have a terrible problem with the Soviet Union and the Warsaw Pact countries having a superior conventional force over there. They have about a 2-to-1 advantage as far as military manpower over our NATO allies and the 350,000 American troops that are stationed in Western Europe.

In addition to that, they outnumber us as far as tank forces are concerned by about 4-to-5-to-1 ratio.

Now, Congressman Les Aspin, the chairman of the Armed Services Committee on the Democratic side of the aisle here said recently on national television that if we go along with this INF agreement, we are going to have to bring our conventional forces up to par with the Soviet Union, and in order to do that we are going to have to bring about 10 new divisions into the NATO alliance, 10 new American divisions.

First of all, we do not have the manpower to do that, not without a draft, in my view.

Second, what is it going to cost? I do not know whether anybody has been watching recently, but we have a terrible budget problem in this country. Right now we have negotiators from the House and the Senate meeting with the White House trying to figure out ways to cut $23 to $30 billion out of spending this year. Now, $30 billion would be great if they could reduce spending by $30 billion.

Do you know how much it is going to cost to send 10 new divisions to NATO if we have to because of this INF agreement? We would need $75 billion, plus $2 billion for each division in order to maintain them over there each year thereafter; so it is going to cost $75 billion the first year, plus $20 billion a year in additional expenditures to keep them in NATO. We do not have that kind of money.

So what does the INF Treaty garner for the United States of America and for our NATO allies in the free world? An inferior position as far as nuclear parity is concerned; they are going to have more, we are going to have less, and only the good Lord knows how many more because we will not be able to verify the deployment of the SS-24's and SS-25's, plus because of the tremendous advantage they have in conventional strength, we are going to have to deploy additional troops over there or spend billions of dollars paying for European troops to bring up their force strength in order to keep parity as far as conventional forces are concerned.

□ 1705

So I think on the surface, at the very least the INF Treaty is very, very bad and from everyone I have talked to at the Defense Department and the Defense Intelligence Agency it is just as bad as I thought in the first place.

As I said before, I still have an open mind although it is closing rather rapidly.

ON GORBACHEV ADDRESSING A JOINT SESSION OF CONGRESS

Now let us talk about another thing, Secretary Gorbachev wants to come to this body, this bastion of freedom, and we have Lafayette's picture here, George Washington's picture there, and they fought against the repression of King George to make this country free, and after all this General Secretary Gorbachev wants to come to that podium and speak to a joint session of Congress which has been reserved for democratic leaders in the past, at a time when the Soviet Union continues to perpetuate atrocities on independent, free countries across the world.

I want to read to my colleagues an article that was in the paper today about what it going on in Afghanistan at the hands of Soviet troops.

I hope everyone, all my colleagues in their offices and everyone who may be watching, will listen to what they are doing. This article was written by Bryan Brumley of the Associated Press.

> Soviet and allied troops in Afghanistan have sexually mutilated political and religious opponents, an international team of attorneys said yesterday. Their report cited systematic violations of Geneva Convention bans on genocide, torture and the use of chemical weapons.
>
> The Independent Counsel on International Human Rights, a group of lawyers funded by a conservative group, the Committee for a Free Afghanistan, said its report was based on interviews with Afghan refugees in Pakistan as well as a visit to Afghanistan.
>
> The report said Soviet and allied Afghan government troops systematically destroyed farms and villages in order to depopulate large regions of Afghanistan, including the Wakhan corridor bordering on China, which it said has been "effectively annexed by the Soviet Union."
>
> [Zbigniew Brzezinski, moderator of a symposium here presenting the findings, said such violations undoubtedly would be continuing on Dec. 9, when Mikhail Gorbachev is scheduled to address a joint meeting of Congress.
>
> ["This is a real moral problem," the former national security adviser said.
>
> [That the Soviet leader would be addressing Congress under these circumstances should "give us bit of a jolt," he said.]

I think that is an understatement.

> The report also said the communist forces undertook a campaign against Afghan culture and the Moslem religion, including the forced removal of children to the Soviet Union in violation of the Geneva Conventions governing the conduct of war, the report said.
>
> Officials of the Soviet-backed government regularly enter schools and select children and send them to the Soviet Union for up to several years over parents' protests, the report said. The intent is to produce a new generation of Afghans who share the values of the Soviet Union rather than those of their parents, it said.
>
> Red Army and Afghan government actions also allegedly violate Geneva Conven-

tion protections on religion. A former Afghan Air Force officer testified that after "a fellow officer's wife had been found praying," pilots in the unit "were called together and given a political lecture and told that their families should not be praying. The breasts of the pilot's wife were then dropped in front of him in a plastic bag."

Because they caught this lady praying, they cut off her breasts and showed them to the other pilots whom they were informing that they should not be praying, not should their families be praying.

Mosques, Moslem worship places, are used as latrines by Soviet troops occupying villages, and pages of the Koran used as toilet paper, the report said.

Among the witnesses interviewed were two who had been tortured as recently as last summer at a prison run by the government in Kabul.

One of them "had been shackled to a wall while an empty, heated soda bottle was repeatedly forced in and out of his rectum," the report said.

Another, released in June, reported similar torture. "On one occasion, his urinary tract was cut off, he was forced to consume a large quantity of liquid and was then beaten on the stomach," the report said.

The report did not specify whether those victims were tortured by Soviets or Afghans. But it concluded after interviews of 40 torture victims that "Soviet advisers are allegedly often present, either in the same room or an adjacent room. In addition, there have been reports of Soviets torturing Afghan prisoners."

The torturers reportedly were seeking information on activities of anti-communist guerrillas "and details of foreign involvement in the conflict."

The lawyers' group also found evidence that Red Army and Afghan government forces violate Geneva Convention prohibitions regarding the use of violence against civilians and refugees and the use of chemical weapons.

"Many persons provided evidence on the use of chemicals to poison food and water supplies," the report said.

The attorney said they witnessed an air attack on a column of refugees on the Afghan-Pakistan border.

They also heard testimony that one group of refugees headed for Pakistan this year "were captured by Soviet troops in helicopters and thrown while alive into a bonfire made up of the possessions they have been carrying . . . All captured were killed."

The report said: "Dozens of witnesses told stories of returning to their villages and homes following attacks by Soviet soldiers to find bombs and grenades placed in doorways so as to explode when a door is opened, along paths to fields and by plants and bushes which will be collected for firewood and food."

I think that is pretty much all I need to go into. I believe my colleagues have a pretty good picture of what the Soviet Union is doing in Afghanistan, the torture, the repression, and as a result 1 million Afghans have been killed since the invasion took place starting in 1979 and 4 million have been forced out of their country and are living in those refugee camps inside Pakistan, another country. Yet they are still being bombed in those refugee camps. They are still being tortured and they are being captured and burned alive as we see from this article that I referred to.

The man who leads that nation wants to speak from this podium to the people of this country and to the Congress of the United States. I say not if I have anything to do with it.

It is an honor to address a joint session of the Congress of the United States, the bastion of freedom in this world, and no Soviet tyrant should have that honor.

To add just a little bit more to this, last night we had on television Peter Jennings with a capital-to-capital dialog. There were members of the Soviet Politburo talking with Members of the United States Senate and the United States House of Representatives, and my colleague who is now coming down the aisle, the gentleman from California [Mr. DORNAN], posed a question to the Soviet leaders. I will not read his entire question because he is here and can speak for himself, but the gist of the question is pretty much as follows.

Mr. DORNAN of California. Go ahead and read it.

Mr. BURTON of Indiana. All right, I will read it.

This is a direct quote from Congressman DORNAN and this was in questioning the Soviets:

Congressman Dornan (asked of the Soviet panel): "You killed a United States Congressman and promoted the fighter pilot who shot down the gigantic airliner and killed 269 people. Some months ago you shot one of our young Army officers, who had a right to be where he was, and wouldn't let his sergeant stop his bleeding and he bled to death in front of the Soviet soldiers who shot him. You have paid no reparations. You have not even apologized. Couldn't General Secretary Gorbachev find it in his heart to apologize to the family of Congressman Larry McDonald and all the people on that KAL 007 airliner and then pay reparations. And then apologize to the wife and parents of Lt. Col. Aurthur Nickleson."

Leonid Zolotarevsky (Soviet panel member and member of the international department) answered: "I view what you said as a direct attack on a person very highly esteemed, our esteemed leader who in two weeks will be a guest of yours and what you said was not only tactless but politically irresponsible.

Yevgeni Primakov (economist and member of the Soviet Central Committee): "Thank God that this viewpoint is not held by the majority of American people. I just want to say that individual voices don't add anything here.

Dornan: What about the family of Larry McDonald?

Peter Jennings (ABC moderator): "You still have not answered Congressman Dornan's question.

Yevgeni Primakov: I don't think it has meaning at all.

What he was saying is that it does not matter. We do not think it is important to answer.

I can tell my colleagues, Congressman DORNAN and Congressman BURTON of Indiana think it is important to answer that question. I think the families of the 269 people, the innocent victims who were shot down by a Soviet missile fired from a Soviet aircraft have a right to reparations and an apology.

☐ 1715

I think the family of Major Nicholson has a right to reparations and an apology and a whole lot more. But they are not going to get it, not from this Communist dictator, not from any Communist dictator.

So I say to my colleagues who may be watching and to anyone else who may be watching across this Nation that we ought to look upon the Soviet leader's visit with respect, because that is the kind of people we are, but also with a great deal of concern. And as respects what they are doing in Afghanistan, and what they did with KAL-007, and what they did with Major Nicholson, with disdain. And while we are talking about them, because they are a powerful nation, and while we are negotiating with them because Mr. Gorbachev is a powerful leader, we must not allow him the honor of speaking to the U.S. people, the people of this country, a free Nation, and to a joint session of this Congress that is afforded only to democratic leaders who share our views and concerns and goals in this world, that being freedom and democracy for all.

So I hope that everybody on both sides of the aisle, the Democrats and Republicans alike, will join with me and Congressman DORNAN and others in opposing Secretary General Gorbachev addressing this great body.

Mr. DORNAN of California. Mr. Speaker, will the gentlemen yield?

Mr. BURTON of Indiana. I am happy to yield to the gentlemen from California.

Mr. DORNAN of California. Mr. Speaker, I thank the gentleman for pointing out to America and to our colleagues, many of whom are watching in their offices, due to national technical means, NTM, not because I was involved, but because it keeps alive the memory of Lawrence Patton McDonald, and his wife, his widow, Cathy, who I was with in Tennessee just the other day at a conservative conference. It keeps his memory alive. He was in his ninth year of this House and all of those 9 years served on the Armed Services Committee.

One of his fellow colleagues sarcastically said last night after the program, one of our colleagues, a high-ranking chairman said, "Oh, DORNAN, you ask such crazy questions." I said you mean you do not think it is a valid question to ask about the only colleague in 200 years to ever be killed by a hostile power? He said, "Oh, I pray for him every night before I go to bed," and he said it dripping with sarcasm, and "S" eating grin planted across his face.

Mr. BURTON of Indiana. This is one of his colleagues from his own party?

Mr. DORNAN of California. One of his colleagues who served on the Armed Services Committee with him for all of his 9 years. And I said, "You know nothing, Mr. Chairman. You make me sick. I am tired of your fast mouth, and I am tired of your disrespect. You don't mean one blankety-blank word of that, and you are blankety-blank just full of it to say that, and I don't want to hear any more, I am sick of it, I am sick of talking to you," and then I walked away. And there was a group of young people that followed us out, and he turned around, and they shook his hand sort of perfunctorily, and he left, and the young people said they could not believe that he said what he said.

But do you know what is interesting is that today we dedicated a bust to a great former Member of the other Chamber who came to this House Chamber at 29 years of age, Henry Jackson, the conservative soul of the Democratic Party on defense and national security. And we dedicated a bust for him and an award was given to him, in his name today to Anatoly Shcharansky. Because of our House business I missed this luncheon. This award, I do not know what Shcharansky said, but this award is well named the Henry Jackson Award, and a grant of money, because he was the preeminent voice on the majority side, and it was a majority almost all of his life. He died the same day as the murder of Larry McDonald. He died of natural causes.

Although we were shocked to be informed of Larry McDonald's death on August 31, and Larry died at 3 a.m. across the international date line, as his plane plunged 35,000 feet into the Sea of Japan, and that was September 1 for Larry. As that world turned in that day and light began to reach this country, Henry Jackson died on September 1. Within hours they had designated one of our new giant ballistic missile submarines, they took the name of a President off of it and named it the Henry Jackson.

I went up to the Secretary of the Navy a few days later, supposed to be on our side, and I said are you going to name a frigate after Capt. Larry McDonald, and that is a naval full colonel type rank, Larry McDonald, a doctor, a House Member for 9 years on the Armed Services Committee. This Secretary, who otherwise I rather liked, started backing away from me like, goodbye, not a good idea. And do you know that nothing has been named after Larry McDonald, not so much as a minesweeper, a coastal PT boat, not a garbage scowl in the Navy.

Mr. BURTON of Indiana. If I might interrupt, I will be more than happy to sponsor a resolution urging the Navy to do just that.

Mr. DORNAN of California. I know what the embarrassment is. I do not think it is embarrassing. He was the most conservative Member of the majority side. So what? If he was the most liberal Member of this House, and I do not know who that would be, the furtherest to the left on most issues, and he was on an airliner shot down by Soviet fighter aircraft, I would instantly want some object, a building, a part, if the man did not like the military defense systems, all right, not a ship, but I would name something after him. I just think the memory of Larry McDonald was forgotten so quickly around here.

Let me talk about some of the scandals on our side. I consider them scandals, they just consider it a disagreement with me, and I will not mention any Member's name, I will not even mention gender because it involves both genders. Is the gentleman in the well aware that there are many Members on our side, many, more than a few, who want General Secretary Gorbachev to stand right there?

Mr. BURTON of Indiana. I am aware of that.

Mr. DORNAN of California. Where Jefferson, Lincoln, and most of the Presidents have not stood.

Mr. BURTON of Indiana. I know that. But I think they are in the vast minority.

Mr. DORNAN of California. They are. They are in our party. I do not know if they are a minority in the other party. But do you know what they say, and it is the attitude of the news media, they say it is free speech.

Mr. BURTON of Indiana. I just want to say those who think Secretary Gorbachev should speak before our body most certainly will get a chance to vote on it, because if we have a unanimous-consent request for Secretary Gorbachev to speak I am going to object, and that is going to necessitate a rollcall vote. So everybody in the country will have a perfect opportunity to find out exactly how you feel about having Mr. Gorbachev speak to our joint session of Congress, particularly with everything going on that we are going to be enumerating every single night that we have a chance, all of the atrocities, all of the torture and the heartaches that are being caused by this Communist leader.

Mr. DORNAN of California. Let me tell you some good news for you to do that. A lack of fair play around here is the exception. I mean that very much so. Fair play is generally the rule around here. In that sense of fair play, because we have had some bad moments in the last few weeks, the Parliamentarians have agreed, and I am sure the Speaker wants this, that there will be no quick asking for unanimous consent to have any appearances of anybody here without our side being informed so that the gentleman in the well, who has sort of staked a claim to this, but if he is not available and not on the floor they will call on or inform BOB MICHEL, our Republican leader, and Mr. WALKER from Pennsylvania, who is kind of our excellent Parliamentarian on the floor, self trained, or myself, one of us will be available to politely object. And then they will call upstairs for a rule, because this is not an automatic House joint resolution, the House and the other Chamber to decide that some world leader will get the privilege or you know that if the President will come here for a joint session that is formal. I am learning all of this after 9 years because of this Gorbachev flap. This is called a joint meeting when it is a foreign government head or some other person who is not an American, and so the meeting, if it is objected to, they will send up for a rule. The rule will come down and we will vote on the rule up there in lights whether or not to allow for the first time a dictator with a system of gulag camps for political prisoners, and the first Communist ever—we have not even had somebody we did not know was a Communist show up. You know some people were suggesting that Castro should speak before us while he was up in New York and still fooling people that he was a democratizer before we found out. But the vote will go up in lights, and I predict something. It is not going to happen, because now we know that the President is saying and his Chief of Staff, former Senator Howard Baker is saying they did not formally ask Mr. WRIGHT and Mr. BYRD. Mr. WRIGHT and Mr. BYRD are saying that if there was some misapprehension, fine, that is the problem of the White House. They are not suggesting he come, and if there is no formal request, fine. The Soviets have not formally requested this. They have been suggesting it hard, that they are going home to think about a formal request.

Mr. BURTON of Indiana. Do you get the feeling that there is a lot of backtracking on this all of a sudden?

Mr. DORNAN of California. Let me tell you why I do not like nonattributions first.

Mr. BURTON of Indiana. They are backtracking now because of the hue and cry that is coming from this Chamber faster than Apollo dropped back away in Rocky I.

Mr. DORNAN of California. Yes, there is backtracking. I will tell you one of the root causes that has to be rooted out at the White House in our administration on our side of the aisle. An unidentified White House staffer said in response to the great distinguished Speaker's staff member, who told the press yes, there is going to be a joint session, a White House staffer said, well, the request has gone back to the Kremlin—their request that they had not made formally—with the counter request that President Reagan would have to make a television address in the Soviet Union at a similar time period. So that White House unnamed staffer—why is he asked to be unnamed? I am sick of that stuff coming out, this bipartisan mess, and with all of the White House saying, why is he saying that if all the White House, if Mr. BYRD and Mr. WRIGHT, and I accept their word, have not asked for this, and if the White House has not formally asked for it, but it was suggested by Howard Baker, and we are in a leadership meeting with all of the leaders saying we do not think it is a good idea, and he is now telling BOB WALKER that they agree it was not a good idea, why is some White House staffer now saying I guess it is happening. You see, the reason why is because it is becoming a self-fulfilling prophecy. We have an announcement on both sides, and the White House staffer said then, however, the Soviets have not agreed yet to President Reagan going on Soviet television.

I would like the opinion of the Member in the well. Has the gentleman ever been in the Soviet Union?

Mr. BURTON of Indiana. Not yet.

Mr. DORNAN of California. When you turn on the TV at 10 o'clock do you know what you see? Nothing. They do not have TV during the day. Great Britain did not even have daytime TV for a couple of years. The Soviet Union does not have television sets, and we all know about it because they are sending $4 million a day to the Ortega brothers, $13 million a day to the Castro brothers, $9 million every day to Hanoi to run their prison camps and continue to occupy physically Cambodia and Laos, because they are spending their people's money, 70 percent of their GNP, and they have a 3-year draft, and 9 percent is in their military salaries compared with 42 percent of our defense budget, and they are running a police state, and a military machine. And I asked one of our Members who is for Gorbachev coming, I said, be fair, answer this question. If the Soviet Union did not have nuclear weapons, would Mr. Gorbachev be invited here to speak, or would he just be considered a Mr. Botha running a police state, or would he just be considered a Pinochet popinjay with white ribbons on his shoulders, never having been in a military battle, never having heard even a gun shot except from his hotel room trying to suspend demonstrators in the streets. I asked would we have that person, and this person said, she said, no, we would not, but there would probably be a whole list of reasons why. I said the truth is that Bill Buckley is correct. If you take away the military power from the Soviet Union, they cannot even come close to India's standard of living and level of democracy, a nation twice their size, three times, pushing 750 million. They are the third largest country on Earth after China and India. They have 278 million people, give or take a million. They do not take real census. They might be 280 million or 260 million. We are already 241 million.

They do not have any TV's over there, and to tell you the truth, I love the man, but I think some of the impact is missing from the last few presidential addresses. What is a 30-minute address on tape delivered to a country with very few televisions, who does not have daytime TV, who is not going to blanket the country and say, hey, turn on your sets tomorrow, you will not get a pattern, you are going to get the President of the United States, the leader of the free world really reading us the riot act on human rights. Turn on your television sets tomorrow.

That is not equal to Gorbachev coming through that door with a delegation of honor. Not after the atrocity stories I heard at the feet of Chairman SANDER LEVIN of the Human Rights Committee or STENY HOYER, who is the capable chairman and who since runs that committee. Not after that news story I heard on Afghanistan today is that court of honor bringing him in.

Then is he going to come in a court of honor with the gentleman running for the Presidency from Kansas, and I do not know if I can use the term now, but now that he is a Presidential candidate I can talk about BOB DOLE, is he going to come in with an honor guard, is JACK KEMP, who is running for the Presidency, going to be in that honor guard, is Mr. GEPHARDT, who has been a distinguished Member running for the Presidency? Are they going to create personal self-inflicted problems by walking down that aisle in an honor guard for the Soviet dictator?

I asked PAT SCHROEDER, I said, PAT, if you were still in the race and running for the Presidency would you be in that honor guard before this distinguished body, and she said, no way, of course not.

So he is not going to come down, and the President is not going to come down here. This is why we have this confrontation. Is the President going to be in the gallery with Nancy and Maureen Reagan watching? No, they are going to be watching on television at the White House, and the whole world is going to be watching, and C-SPAN is going to be live, and CNN, the Nation's most important network, self-proclaimed, and there is going to be satellite coverage from Indonesia to Siberia, all over the world. And we are going to have this very excellent coverage of this man with the map of New Jersey birthmark on his head, and he is going to tell the whole world his vision of freedom in our Chamber, the first Communist, the first acknowledged self aware dictator in a totalitarian power, a police state.

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Mr. SOLARZ, my good friend, said it is inappropriate because he runs the government of the world's major human rights violator.

Mr. BURTON of Indiana. Let me say one thing: One of the reasons he wants to address us I am sure is because he wants to come across as a peacemaker, by saying that the INF Treaty is taking us back from the nuclear precipice.

Before the gentleman from California came down here, I pointed out some things that I had learned just recently and that is with the destruction or dismantling of the SS-20's and our Pershing II's we are not going to get parity because they are replacing those with SS-24's and SS-25's, because they are mobile-launched missiles and can be retargeted on short- and intermediate-range targets. In addition, we are going to have to send 10 new divisions to NATO to take up the slack to make sure that there is some parity as far as conventional forces are concerned.

Mr. DORNAN of California. Ten divisions we do not have.

Mr. BURTON of Indiana. And that will not even do it. Yes, and the $75 billion that we do not have and the $20 billion it costs to maintain those forces over there. So, Mr. Gorbachev will be saying to the world that he is for peace and freedom and for a reduction in nuclear weapons when in fact he knows he would be lying at that precise moment.

Mr. DORNAN of California. The symbolism which our President has been so astute in analyzing, right up to that March 8, 1983, speech in Orlando, FL, 15 days to the day before his speech on SDI, March 23, when he called the Soviet Union an evil empire, he knew exactly what he was saying, and it is. And the chairman of the Committee on Armed Services, Mr. ASPIN, has taken to calling it an evil empire ever since although sometimes his tongue was firmly planted in the corner of his cheek.

When the President fails to grasp the symbolism of that man speaking here and what it would do to every young man and woman and boy and girl in Angola or in Nicaragua, fighting for freedom everywhere in the world, I just repeat the words of Natan Shcharansky who I signed a letter to get him to speak in that sacred spot, in a secular sense, and wiser heads said, "No, Mr. DORNAN, we will have him in the Rotunda. We will have a big affair for Natan Shcharansky in the Rotunda." And our great Speaker Tip O'Neill was excellent in introducing him and everybody fell all over. I had my little moment when everybody said, where people said, "What is DORNAN doing there?"

Well, I had my right. I had worn his bracelet for over 7½ years, I had the right to approach him and to give it back to him. He said, "Let's break that chain." He bends it and breaks it and gives it to me. I still keep that at home as a keepsake. And Shcharansky gave a beautiful address on persecution in the Soviet Union and the spark of freedom.

Shcharansky is barely 5 feet 1, a little tower of dynamite, with a big smile, that irrepressible disposition. That is how he survived 8 years in the gulags. Guess what he told me last night with our colleague Mr. BEN GILMAN as a witness. I said "Natan" that is his assumed Jewish name, Anatoly was his Russian given name. I said, "Natan, what do you think about the General Secretary of the Soviet Union addressing the world from the platform in our House of Representatives in the joint session, or joint meeting?" He said, and these are his exact words, because I memorized it, because I did not really know what he was going to say. He said, "Oh really? This is a disgrace."

Mr. BURTON of Indiana. Let me just say one thing: The other night I attended a dinner at which a former prisoner in the Soviet Union received a great honor and award. The chairman of the dinner, the MC was William Buckley, you alluded to him a few moments ago. Mr. Bukofsky was the gentleman's name, which I am sure you have heard.

Mr. DORNAN of California. I presented him to the House as a 6-week member in February 1977. He is my Russian Jimmy Cagney, as hard as tempered steel. I love him.

Mr. BURTON of Indiana. But he shares the same view as Shcharansky does. What really bothers me about this great Nation of ours and I think it was expressed very well in the book, "Why Democracies Perish." We are such a good people we want to believe the best, we expect the best, we hope for love and friendship. We are so reluctant to do anything of an aggressive nature. We would walk a mile to stay out of a fight. Because of that we continue, like other democracies, like Great Britain when they almost lost their freedom, they continued to back away and back away and back away so many times and they backed away so far that they are really jeopardizing their own freedom. The United States of America, the people of this country need to be awakened to the fact there is a real threat out there, that the Soviet empire in the last 15 years has taken 11 countries away from the free bloc and put them into the Communist bloc behind the Iron Curtain, so to speak.

Mr. DORNAN of California. The gentleman from Indiana [Mr. BURTON], mentioned a book, "Why Domocracies Perish." He did not mention the author, Jean Francois Ravel, he did for France what the late distinguished James Burnham, a liberal who evolved into a conservative in his middle years did with his book, "Will the West Surrender?" He only died last year. They had a beautiful cover to him, a eulogy in National Review, sponsored at the dinner the other night where Bukofsky spoke. I was stuck here on business and did not get to that dinner. I want the gentleman to tell me what Bukofsky said. I only feel sorry that he moved to London after he came to Congress in 1977 and spoke to us in room 227. It was the front page of my first news letter 12 years ago—11 years ago.

Now that gentleman, Jean Francois Ravel, reminded me of a story and it will be the end of my participation in the gentleman's special order: There have been very few heavyweights in our country, I think Floyd Patterson and the great Cassius Clay, later to be known as Mohammed Ali, retired as champs although he did come back and lost.

We have had very few heavyweights retire. Somebody has to reach his peak and then he starts going downhill and some young challenger takes him out.

The first summit was in Geneva. Mr. Gorbachev, new to the world scene was like a young heavyweight in the arena for the first time. He was uneasy, his footing was not exactly right.

I think Ronald Reagan was dressed better, better overcoat, better scarf, symbolism, better look, better manner, I think Reagan put him away.

Also, Mr. Gorbachev hated the Jewish refusenik demonstrations in the city of Geneva. Next venue is moved to Paris. That is where Jean Francois Ravel comes in. He organizes demonstrations. Gorbachev, the young fighter, up against a tough situation here in Paris, he goes to take on the world press and he gets his nose bloodied, gets smashed in the face good. He did not like freedom at all. His wife, Raisa, was moving through all the department stores of Paris having a ball but he is taking it on the chin with the world news media.

He did not exactly like that.

Now comes the next match. What does he ask for? Like Jess Willard punching it out with Jack Dempsey, they go to a tiny little dirt town out in Nevada, Las Vegas. They put Las Vegas on the map, in the hot burning Sun.

He says, "We are going to Iceland." Remember, he sprung it on the President? He said the President got caught, that the East and West should have another summit. He went there and though I think he did pretty well, why did Gorbachev ask for that meeting in Iceland? It was his call. It was to get away from Paris and Geneva and demonstrators.

Mr. BURTON of Indiana. That is right, but I have a better question. Why did Secretary of State Shultz lead our President down that dark alley in Reykjavik? That was the responsibility of the State Department to make sure he did not get put in that position. I think that was a terrible mistake.

Mr. DORNAN of California. Let me finish. One of my excellent staff corrected me on the title James Burnham, because I think it should be in every library and I want people to get James Burnham's book, "Suicide of the West." "How Democracies Perish," by Jean Francois Ravel is an even better recounting of Burnham's book, "Suicide of the West."

He called for the meeting in Iceland. They go to Iceland. Very hard to get to Iceland. I have only been there once on the way to Europe. It is kind of cold there. That was in November.

Iceland gets cold sooner than most places in the world. And there were very few demonstrations. I do not recall any.

But now the new world heavyweight is sure of his footing, he is getting good, he is analyzing Reagan's style.

You know where I think we are at this point? He is my hero and I believe he is the gentleman's hero too, our great President. He is now beyond that peak and he is now the champion and now this newcomer is taking him on.

Look, we have watched Ortega in 4 years evolve from the worst speaker, the most awkward dull crowd-numbing nothing to a dynamic emerging young Adolf Hitler if I could use a tough analogy or like his hero Castro. He has now got the crowds chanting, and this is an unfair comparison, but the best shot I ever saw of getting a crowd in a happy way to respond was against my candidate, Barry Goldwater, by one of the great speakers in the other Chamber, Hubert Humphrey when he says in chant, "Not Barry Goldwater." I went "Wooo, are we taking it on the chin" at the Democratic convention in 1964.

Well, what does this guy Ortega now do, this great speaker, he goes, "Aqui" here and the crowd yells, "Alla el yanqui morira," here, "there the yankee will die." Five times he chants it. The crowd responding like the Mormon Tabernacle Choir on cue. Who is sitting in the front row? My former colleague, the mayor of New York, Mayor Koch. Thank God he had the good sense not to get up on the dais. Then when he said "we are going to kill the yankees here, there," he said, "Of course, we don't mean our good friend Mayor Koch." And Mayor Koch is saying, "Get me out of here" to his staff.

I will tell you, as a speaker Ortega is nothing compared to this emerging heavyweight Mikhail Gorbachev. He is now ready to take on the world's great communicator. He wants to come into this Chamber. He has now got his footing, he is good, he has that dynamite smile. He may not have the Tip O'Neill beautiful head of hair, he may have this strange looking birthmark that some people say is a biblical representation of Afghanistan where his troops are perpetuating a genocide; but that man has got the smile, he has the personality, he has the charm, he is honing it and he wants to do it in our arena right here in front of our faces in an orgy of press coverage. He wants to knock out the world and give us his view of freedom. There are Members on that side of the aisle and Members on this side of the aisle who, with a completely twisted vision of free speech, want to give him the bully pulpit in spite of the orgy he will have outside here anyway. "Larry King Show" is fighting to get him. I admire him for trying to do it.

The late David Susskind has a coup by putting Khruschev on an American talk show when that art form, where I earned a living for 6 or 7 years, was in its embryonic stages because television was in its infancy.

In this country, where we are now electronically wired down to almost the poorest home? No, we do not give him that bully pulpit. I do not even want to mention giving him the rotunda. Give him the Washington Hilton with its new security entrances, give him the departmental auditorium, which I do not think five Members in this Chamber have been in. And I do not know why. It is the biggest auditorium in the city, right there across from the American History Museum on Constitution Avenue. Let him go to the caucus rooms if you want to bust up the House and the Senate. Let him have what they did to us in the Soviet Union with the Speaker's delegation, a quiet session with leadership, with a Q and A period. After all, this man gave a private session to our good friend and distinguished chairman of the Committee on Foreign Affairs, DANTE FASCELL and our our ranking Republican BROOMFIELD got to meet with him alone. When the Speaker, the former Speaker took his trip over there, Gorbachev said, "I will only meet with three of you" out of a big delegation. This was the first one to ever go over there when he took over the General Secretaryship.

They said, "Why? We have 10 Members here."

His answer was, "When I first met Reagan in Geneva I was only allowed—when the first Russian delegation was received at the White House only three Russians were accepted by Reagan." So they argued back and forth that we have two parties over here, not one party like the Soviet Union and we had to have two Republicans. So it was BOB MICHEL and SILVIO CONTE and the Speaker, Tip O'Neill and ROSTENKOWSKI. He received four.

Then he received this little private thing, getting his muscles again, with BROOMFIELD and DANTE FASCELL, our two distinguished people on foreign affairs.

Then comes the big gaggle earlier this year with the Speaker and the whip and the chairman of the Committee on Armed Services. DANTE FASCELL opted out of that one, the chairman of the Committee on Foreign Affairs. There were 20 people, 15 Democrats and 5 Republicans tagging along who did not have much to do on that codel I understand.

Now Gorbachev is taking on Congressmen in groups of 20.

He now wants to graduate from 20 to 435 at a command performance with 100 Senators in this Chamber. We have one empty seat, the mayor of Nashville, BILL BONER is leaving us. So we have 434 and 100 Senators. What does he want? All the diplomats and the chairmen of the Joint Chiefs and all our military leaders and the Supreme Court Justices of which there are only eight, because there is a vacancy. They are taking some time to fill it.

No, this is the most obtuse idea. And now the bad idea has no father. It is not Mr. WRIGHT's idea. I talked to BOB BYRD out there at the dedication of the new west central front. It is not BOB BYRD's idea.

BOB DOLE rolled his eyes to me when I asked, "Are you going to lead him in with the honor guard when they show him in?" And he just rolled his eyes.

The Senator from North Carolina said, "Not me. Get a vote, get a vote," he tells me.

No, nobody is the father of this idea. So let it die and stop this press speculation and end all this agony and tell the Russians they need a cowardly out. And I am speaking now of all parties.

Give him the same excuse they gave to Khrushchev on why he could not come to Disneyland in my district, "It is too hard on security, Mr. Khrushchev." Tell them you cannot secure this Hill, that those big giant flower pots out there to stop the terrorists unleashed by 4 years of a weak foreign policy where we have hit teams coming in here from the Middle East to kill Members of Congress, where they wanted to put a fence around this whole Hill which I am against. But the flower pots I guess we will live with, these giant concrete roadblocks and huge metal roadblocks. But that is not going to help us when we have Hungarian Americans, Czech Americans, Cambodian Americans, Lao Americans, Vietnamese Americans of which I have more than anybody else in my district.

Mr. BURTON of Indiana. Jewish Americans.

□ 1745

Mr. DORNAN of California. Every group that has ever been oppressed by the Soviets, including Soviet Jewry that is being oppressed right now—and we forget to mention usually the 100,000 to 200,000 Pentecostals who cannot practice their religion in the Soviet Union—every person who has ever had a family member killed or threatened or kicked out of their country or wanted out or wanted to try and leave their homeland, all those people are going to want to demonstrate on this Hill.

As I have tried to tell the White House, we have a massive security problem for real. It is not like Khrushchev's Disneyland problem. That was in a little detente dip there when a five-star general was in the White House and they had them outgunned 20 to 1, so did not have to worry too much, and President Kennedy has not been assassinated yet, so we were in a more innocent period of history.

No, they got their security copout. Why do they not in a manly way say, "If you are going to cancel this summit over a denial to speak in a chamber where no Communist has ever spoken, then go ahead and cancel it."

And has our great President not called his bluff once before when just a few weeks ago he said, "It's all off. SDI is back on the table." So the President very calmly waited—and this is one time that I would like to compliment George Shultz—and everybody commented, "It's OK, that's fine, let him think about it over the weekend." Then 48 hours later Khrushchev caved and said, "OK, forget SDI, forget about defending your homeland as we defend ours. We'll have the summit."

Let us tell them they cannot come in the House Chamber but they can go anywhere else in the city. Let him do the "Larry King Show." Larry does a good interview.

Mr. BURTON of Indiana. Mr. Speaker, I agree with my colleague on just about everything he said.

Mr. DORNAN of California. No, not on just about everything; on everything. Somebody will think the gentleman disagrees with me on something.

Mr. BURTON of Indiana. All right, everything you said.

Mr. DORNAN of California. All right.

Mr. BURTON of Indiana. Mr. Speaker, let me just say that I would like to end my special order by stating that freedom is not free. There is a very high cost attached to freedom, and that is that you have to be constantly vigilant and constantly aware of what your adversaries are doing and you have to do what is necessary to ward off any threat by them.

This INF Treaty, I think, deserves closer scrutiny. I urge the President and the Senate to really look at it, because I think it has gaping flaws, and we must not let our guard down as Great Britain did while Hitler was in the process of the greatest military buildup in the world's history at that time.

Lord Chamberlain, who was the Prime Minister of Great Britain, unilaterally started to disarm Great Britain, and when the threat became so real, he flew to Munich in August, 1938 with hat in hand and asked Hitler what had to be done to guarantee peace, even though Hitler had violated the Treaty of Versailles and was building a huge army in violation of that treaty. And Herr Hitler said, "Give me half of Czechoslovakia," which Prime Minister Chamberlain agreed to, and he flew back to Great Britain with this appeasement piece of paper in his hand and shouted to the British people, "Peace in our time. You can sleep well tonight."

We all know that was the beginning of the sowing of the seeds of World War II, and it led to the greatest war we have ever faced in the history of mankind.

If we appease Mr. Gorbachev and the Soviet Union, if we appear weak, if we have a vacillating foreign policy, if we acquiesce to the pressure they exert on us, then we are going to be sowing the seeds of war, not unlike the situation we faced in 1938.

So I say to my President and to the negotiators who are negotiating that INF Treaty right now, look at everything the Soviet Union does with a jaundiced eye. Look at history; they have violated almost every treaty they have ever signed with the United States, with the West or the free world. Make sure we do not walk down a dark alley with this adversary again, because they are likely to hit us on the head.

As far as allowing Gorbachev to speak in this Chamber, I urge President Reagan, whom I love and revere, to use his influence to make sure that no invitation is extended to Mr. Gorbachev to speak to a session of Congress. And if one has been extended, albeit quietly, I sincerely hope he will rescind that invitation no matter how much it may hurt Mr. Gorbachev.

FRAUD AMENDMENTS ACT OF 1987 AND THE REPUBLICAN FORM OF GOVERNMENT CLAUSE OF THE CONSTITUTION

The SPEAKER pro tempore (Mr. LEWIS of Georgia). Under a previous order of the House, the gentleman from Michigan [Mr. CONYERS] is recognized for 5 minutes.

Mr. CONYERS. Mr. Speaker, on August 4, 1987, I introduced H.R. 3089, the "Fraud Amendments Act of 1987, to deal, among other things, with State and local corruption. H.R. 3089 was drafted to set aside the decisions of the Supreme Court in *McNally* v. *United States* and *Gray* v. *United States,* 107 S. Ct. 2875 (1987). In McNally and Gray, the Supreme Court rejected the "intangible rights theory" and cut back on the scope of the Mail Fraud Statute (18 U.S.C. § 1341). As such, it delivered a serious blow to Federal anti-corruption investigations and prosecutions. Those decisions must be reversed legislatively. Indeed, they are already having an adverse impact. In *United States* v. *Gimbal,* No. 86-1808 (7th Cir. Aug. 6, 1987), the Seventh Circuit extended them to the Wire Fraud Statute (18 U.S.C. § 13144), which contains similar wording. The Court, which sits in Chicago, reversed the conviction of a former Milwaukee lawyer, who had been convicted of wire fraud in connection with a sophisticated drug laundering scheme. In reversing the conviction, however, the Court lamented the demise of the "intangible rights" theory in McNally and Gray, observing that it "had enabled the government to root out deeply entrenched wrongdoing. (Natl. L.J., Mon., Aug. 24, 1987 at 1)

Mr. Speaker, one innovative aspect of The Fraud Amendment Act of 1987 is its reliance on United States Constitution Art. IV, Sec. 4, the Republican Form of Government Clause, as a basis for the exercise of legislative power. The suggestion that Art. IV, Sec. 4 might be used in the area of State and local corruption was among the recommendations of the National Commission on Reform of Federal Criminal Law. Study Draft of a New Federal Criminal Code 133 (1970). The Commission was chaired by Hon. Edmund A. Brown; its Vice Chairman was our distinguished former colleague, now a Justice of the Virginia Supreme Court, Richard H. Poff. Other members of that signal Commission included the late Senators Sam J. Ervin, Jr. and John L. McClellan, former Congressman, now Judge Abner J. Mikva, and our distinguished colleagues Congressmen ROBERT W. KASTENMEIER and a former colleague, Senator Roman L. Hruska. Before I included this aspect of the bill in it I carefully examined the Commission's recommendation in light of the history and development of Art. IV, Sec. 4. I now rise to share the results of that examination with the House.

I—EXPRESSING THE REPUBLICAN IDEAL: THE CONVENTION OF 1787

"Our true situation appears to be this.—" commented delegate Charles Pinckney of South Carolina to his fellow delegates at the Constitutional Convention, "a new extensive Country containing within itself the materials for forming a Government capable of extending to its citizens all the blessings of civil and religious liberty—capable of making them happy at home. This is the great end of Republican Establishments." J. Madison, Notes of Debates in the Federal Convention of 1787, at the achievement of this end, Edmund Randolph of Virginia offered a resolution that provided that the new Federal Government should guarantee a Republican form of government to each State.

Exactly what the Founders meant by "Republican" is not clear. If the word meant anything, however, it meant "nonmonarchial." (See, e.g., U.S. Const. Art. I, Section 9, Clause 8: "No Title of Nobility shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign state."). But "Republican" also did not mean "democratic," at least not in the pure sense of direct popular control and frequent elections. See W. Wiecek, The Guarantee Clause of the U.S. Constitution 18-19 (1972) ("Republican government was thought to be an alternative to these extremes, a middle course between the Scylla of tyranny and the Charybdis of anarchy.") (cited as Wiecek) Yet the Founders appeared to realize that the idealistic "middle course" of Republicanism was not without its own shortcomings. In order to be viable, the New Government of the United States would have to be able to resist two principal threats to its integrity: "faction" and "corruption."

"By a faction," James Madison of Virginia later wrote, "I understand a number of citizens, whether amounting to a majority or minority of the whole, who are united and actuated by some common impulse of passion, or of interest, adverse to rights of other citizens, or to the permanent and aggregate interests of the community." The Federalist, No. 10, 78 (J. Madison) (C. Rossiter ed. 1961) (cited as The Federalist). Because of Shays' Rebellion during the winter of 1786-1787, the consequences of faction were frighteningly familiar to the participants at the Convention. Advocating a strong Federal power to suppress such rebellions, Colonel George Mason of

Virginia stated, "If the Genl. Govt. should have no right to suppress rebellions agst. particular States, it will be in a bad situation indeed. As rebellions agst. itself originate in & agst. individual States, it must remain a passive Spectator of its own subversion."—Convention, at 321.

The Founders perceived susceptibility to corruption as another principal weakness of "Republican" governments:

> Mr. Madison * * * observed that the great difficulty in rendering the Executive competent to its own defence arose from the nature of Republican Govt. which could not give to an individual citizen that settled pre-eminence in the eyes of the rest, that weight of property, that personal interest agst. betraying the national interest, which appertain to an hereditary magistrate. In a Republic personal merit alone could be the ground of political exaltation, but it would rarely happen that this merit would be so pre-eminent as to produce universal acquiescence. The Executive Magistrate would be envied and assailed by disappointed competitors: His firmness therefore wd. need support. He would not possess those great emoluments from his station, nor that permanent stake in the public interest which wd. place him out of reach of foreign corruption: He would stand in need therefore of being controlled as well as supported.—Convention, at 79.

Although the delegates were principally concerned with foreign corruption, they were not unaware of the potential for equally destructive effects from domestic sources. As recognized by delegate Pierce Butler of South Carolina, "The two great evils to be avoided are cabal at home, & influence from abroad." Convention, at 366. Rumors of a return to monarchical rule were also well on the minds of the framers in drafting a Guarantee Clause.—Wiecek, 11, 27-42.

The Clause that finally emerged from the deliberations of the Convention to address these concerns, Article IV, Section 4 of the United States Constitution, provides:

> The United States shall guarantee to every State in this Union a Republican Form of Government, and shall protect each of them against Invasion; and on Application of the Legislature, or of the Executive (when the legislature cannot be convened) against domestic violence.

According to Madison, "Randolph [noted that] The Resoln. has 2. objects. I. to secure Republican Government. 2. to suppress domestic commotions. He urged the necessity of both these provisions." Convention, at 321 (footnotes omitted).

The delegates also expressed their concern for corruption elsewhere in the Constitution. Notably, they placed bribery right after treason on the list of impeachable offenses (*See* U.S. Const. Art. II, Section 4: "The President, Vice-President, and all civil Officers of the United States, shall be removed from Office on Impeachment for, and Conviction of, Treason, Bribery, or other high Crimes and Misdemeanors.").

II—ADOPTING THE CONSTITUTIONAL PLAN: THE FEDERALIST PAPERS

Advocating the new Constitution, Madison, Alexander Hamilton, and John Jay attempted to articulate the concerns that had motivated the delegates at the Convention. Beginning Federalist No. 3, Jay of New York wrote, "I mean * * * to consider [the public safety] as it respects security for the preservation of peace and tranquility, as well as against dangers from foreign arms and influence, as from dangers of the like kind arising from domestic causes."—The Federalist No. 3, 43 (J. Jay) (emphasis in original).

Dealing specifically with the threat to the new government posed by faction, Madison wrote, "If a faction consists of less than a majority, relief is supplied by the republican principle, which enables the majority to defeat its sinister views by regular vote." Id., No. 10 at 80 (J. Madison). "To secure the public good and private rights against the danger of * * * a faction [that includes the majority], and at the same time to preserve the spirit and the form of popular government, is then the great object to which our inquiries are directed." Id.

No doubt conscious of the merchant government of Massachusetts that had caused Shays' farmers to rebel, Madison attempted to allay fears that the new Federal Government would be similarly susceptible to domination by a particular group:

> If it be asked, what is to restrain the House of Representatives from making legal discriminations in favor of themselves and a particular class of the society? I answer: the genius of the whole system; the nature of just and constitutional laws; and, above all, the vigilant and manly spirit which actuates the people of America—a spirit which nourishes freedom, and return is nourished by it.
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> * * * * *
>
> Such will be the relation between the House of Representatives and their constituents. Duty, gratitude, interest, ambition itself, are the cords by which they will be bound to fidelity and sympathy with the great mass of the people. It is possible that these may all be insufficient to control the caprice and wickedness of men. But are they not all that government will admit, and that human prudence can devise? Are they not the genuine and characteristic means by which republican government provides for the liberty and happiness of the people? Are they not the identical means on which every State government in the Union relies for the attainment of these important ends?—The Federalist, No. 57, 353 (J. Madison).

Madison's idealistic words indicate, too, that the framers were quite concerned with the "intangibles" of government: "duty," "gratitude," "fidelity," and "sympathy"—not with respect to particular persons, but to "the great mass of the people." Madison's words are of particular significance, as the Supreme Court in McNally and Gray—wrongfully in my judgment—excluded those considerations from animating the scope of the Mail Fraud Statute. Sadly, but not unexpectedly, those decisions now have been extended to the Wire Fraud Statute.

Yet Madison was keenly aware of the practical inevitability of faction:

> As long as the reason of man continues fallible, and he is at liberty to exercise it, different opinions will be formed. As long as the connection subsists between his reason and his self-love, his opinions and his passions will have a reciprocal influence on each other; and the former will be objects to which the latter will attach themselves.—The Federalist, No. 10, 78 (J. Madison).

He was also sensitive to the causes of faction:

> [T]he most common and durable source of factions has been the various and unequal distribution of property. Those who hold and those who are without property have ever formed distinct interests in society. Those who are creditors, and those who are debtors, fall under a like discrimination. A landed interest, a manufacturing interest, a mercantile interest, a moneyed interest, with many lesser interests, grow up of necessity in civilized nations, and divide them into different classes, actuated by different sentiments and views. The regulation of these various and interfering interests forms the principal task of modern legislation and involves the spirit of party and faction in the necessary and ordinary operations of government—Id. at 79.

Echoing another of the concerns expressed during the Convention (see supra at 2) (Remarks of Madison). Hamilton of New York warned "One of the weak sides of republics, among their numerous advantages, is that they afford too easy an inlet to foreign corruption." The Federalist, No. 22, 149 (A. Hamilton). In making his introductory remarks on the delegates' concern with corruption, however, Hamilton indicated that foreign governments were but one potential source of destructive influence:

> Nothing was more to be desired than that every practicable obstacle should be opposed to cabal, intrigue, and corruption. These most deadly adversaries of republican government might naturally have been expected to make their approaches from more than one quarter, but chiefly from the desire of foreign powers to gain an improper ascendant in our councils.—The Federalist, No. 68, 412 (A. Hamilton).

Hamilton added:

> In republics, persons elevated from the mass of the community by the suffrages of their fellow-citizens to stations of great preeminence and power may find compensations for betraying their trust, which, to any but minds actuated by superior virtue may appear to exceed the proportion of interest they have in the common stock, and to overbalance the obligations of duty. Hence it is that history furnishes us with so many mortifying examples of the prevalency of foreign corruption in republican governments.—The Federalist, No. 22, 149 (A. Hamilton).

A concern with corruption as a danger for free peoples was not solely on the minds of those who supported the Constitution. Anti-Federalist critics were also vehement that the Constitution did not go far enough to prevent corruption, particularly domestic corruption:

> In so small a number of representatives, there is great danger from corruption and combination. A great politician has said that every man has his price: I hope this is not true in all its extent—But I ask the gentlemen to inform, what government there is, in which it has not been practiced? * * * This is an extensive country, increasing in population and growing in consequence. Very many lucrative offices will be in grant of the government, which will be the object of avarice and ambition. How easy will it be to gain over a sufficient number, in the bestowment of these offices, to promote the views and purposes of those who grant them! Foreign corruption is also to be guarded against. A system of corruption is known to be the system of government in Europe. It is practiced without blushing. And we may lay it to our account that it will be attempted amongst us.—Speech of Melancton Smith at the New York Convention (June 21, 1788) (in R. Ketcham, ed., The Anti-Federalist Papers and the Constitutional Convention Debates 346 (Mentor, 1986).

In response to such criticism, the Guarantee Clause was often presented as an integral part of the constitutional plan to deal with both faction and corruption. Commenting on Article IV, Section 4, for example, Madison wrote: "In a confederacy founded on republican principles, and composed of republican members, the superintending government ought clearly to possess authority to defend the system against aristocratic or monarchical innovations."—The Federalist, No. 43, at 274 (J. Madison).

As expressed by Hamilton,

> The additional securities to republican government, to liberty, and to property, to be derived from the adoption of the plan under consideration, consist chiefly in the restraints which the preservation of the Union will impose on local factions and insurrections, and on the ambition of powerful individuals in single States who might acquire credit and influence enough from leaders and favorites to become the despots of the people; in the diminution of the opportunities to foreign intrigue, which the dissolution of the Confederacy would invite and facilitate; in the prevention of extensive military establishments, which could not fail to grow out of wars between the States in a disunited situation; in the express guaranty of a republican form of government to each; in the absolute and universal exclusion of titles of nobility; and in the precautions against the repetition of those practices on the part of the State governments which have undermined the foundations of property and credit, have planted mutual distrust in the breasts of all classes of citizens, and have occasioned an almost universal prostration of morals.—The Federalist, No. 85, at 521-22 (A. Hamilton).

Anticipating what would today might ironically be termed a "federalist" argument in opposition to the Clause, Madison wrote:

> It may possibly be asked what need there could be of such a precaution, and whether it may not become a pretext for alterations in State governments, without the concurrence of the States themselves. These questions admit of ready answers. If the interposition of the general government should not be needed, the provision for such an event will be a harmless superfluity only in the Constitution. But who can say what experiments may be produced by the caprice of particular States, by the ambition of enterprising leaders, or by the intrigues and influence of foreign powers? To the second question it may be answered that if the general government should interpose by virtue of this constitutional authority, it will be, of course, bound to pursue the authority. But the authority extends no further than to a guaranty of a republican form of government, which supposes a pre-existing government of the form which is to be guaranteed. * * * The only restriction imposed on [the States] is that they shall not exchange republican for anti-republican Constitutions; a restriction which, it is presumed, will hardly be considered a grievance.—The Federalist, No. 43, 275 (J. Madison) (emphasis in original).

Similarly, Hamilton defended the clause:

> The inordinate pride of State importance has suggested to some minds an objection to the principle of a guaranty to the federal government, as involving an officious interference in the domestic concerns of the members. A scruple of this kind would deprive us of one of the principal advantages to be expected from union, and can only from a misapprehension of the nature of the provision itself. It could be no impediment to reforms of the State constitutions by a majority of the people in a legal and peaceable mode. This right would remain undiminished. The guaranty could only operate against changes to be effected by violence. Towards the preventions of calamities of this kind, too many checks cannot be provided. The peace of society and the stability of government depend absolutely on the efficacy of the precautions adopted on this head. Where the whole power of the government is in the hands of the people, there is the less pretense for the use of violent remedies in partial or occasional distempers of the State. The natural cure for an ill administration in a popular or representative constitution is a change of men. A guaranty by the national authority would be as much leveled against the usurpations of rulers as against the ferments and outrages of faction and sedition in the community.—The Federalist, No. 21, 140 (A. Hamilton).

III—INTERPRETING THE GUARANTEE CLAUSE THE JUDICIARY

As a result of the Supreme Courts decision in *Luther* versus *Borden*, 48 U.S. (7 How.) 1 (1849), the courts have generally held that enforcement of the Guarantee Clause is the principal task of the Congress, not the Judiciary. In Luther, Justice Taney opined:

> Under this article of the Constitution it rests with Congress to decide what government is the established one in a State. For as the United States guarantees to each State a republican government, Congress must necessarily decide what government is established in the State before it can determine whether it is republican or not. And when the senators and representatives of a State are admitted into the councils of the Union, the authority of the government under which they are appointed, as well as its republican character, is recognized by the proper constitutional authority. And its decision is binding on every other department of the government, and could not be questioned in a judicial tribunal.—Id at 42.

Although Wiecek correctly noted that the language is dictum, he recognized that it was "cited as the holding of Luther versus Borden in later years." Wiecek, at 122. The Clause was, however, "pushed to the forefront" of the debates over Reconstruction following the Civil War. Introducing the Wade-Davis bill, Congressman Henry Davis states:

> That clause vests in the Congress of the United States a plenary, supreme, unlimited political jurisdiction, paramount over courts, subject only to the judgment of the people of the United States, embracing within its scope every legislative measure necessary and proper to make it effectual; and what is necessary and proper the Constitution refers in the first place to our judgment, subject to no revision but that of the people.—Congressional Globe, 38 Cong., 1st sess., App. 82-85 (22 Mar. 1864). See also, id at 2.

Nevertheless, as Wiecek notes:

> The clause emerged [in the Reconstruction period], stood forward in time in nearly all its inherent power, and then sunk back to a state of disuse as congressmen, for reasons unrelated to the clause's meaning, abandoned their early determination to hold the people of the southern states to a strict account as the price of readmission to full rights in the Union. Wiecek, at 208.

CONCLUSION

Mr. Speaker, I draw from these materials the firm judgment that the Congress has, as a matter of original intent, the power to act to protect State and local governments, not only from foreign intrigue or domestic violence, but also corruption. If I am correct in this judgment—and I believe that I am—we not only have the power to act, we have the duty to act. The Constitution does not say we "may." It says that we "shall" guarantee to every State a republican form of government. In 1789, the chief danger from corruption was foreign gold. Today, it is domestic cash. Either way, it is the people who are cheated out of the blessings of liberty. I look forward, therefore, to the speedy enactment of the Fraud Amendments of 1987.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. WALKER) to revise and extend their remarks and include extraneous material:)

Mr. HUNTER, for 5 minutes, today.

Mr. BURTON of Indiana, for 60 minutes, today.

Mrs. MORELLA, for 60 minutes, on December 2.

Mr. DORNAN of California, for 5 minutes, today.

(The following Members (at the request of Mr. KLECZKA) to revise and extend their remarks and include extraneous material:)

Mr. CROCKETT, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. SKELTON, for 5 minutes, today.

Mr. GLICKMAN, for 15 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. OBEY, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. LIPINSKI (at the request of Mr. CONYERS), for 5 minutes, today.

Mr. CONYERS (at his own request), for 5 minutes, today.

(The following Members (at the request of Mr. WALKER) and to include extraneous material:)

Mr. DAUB in two instances.

Mr. PORTER.

Mr. BROOMFIELD.

Mr. RHODES.

Mr. HASTERT in two instances.

Mr. CHANDLER.

Mr. DIOGUARDI.

(The following Members (at the request of Mr. KLECZKA) and to include extraneous material:)

Mr. BONKER.

Mr. LEHMAN of Florida.

Mr. BROOKS.

Mr. EDWARDS of California.

Mr. SMITH of Florida in two instances.

Mr. COLEMAN of Texas in two instances.

Mr. FEIGHAN.

Mr. ST GERMAIN.

Mr. LANTOS.

Mr. ROE.

Mrs. BOXER.

Mr. MILLER of California.

Ms. PELOSI.

Mr. DELLUMS.

Mr. STARK.

Mr. FLORIO.

Mr. RANGEL.

SENATE BILL JOINT AND CONCURRENT RESOLUTIONS REFERRED

A bill joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 1360. An act to amend the Indian Financing Act of 1974, and for other purposes; to the Committee on Interior and Insular Affairs.

S.J. Res. 221. Joint Resolution welcoming President Yunis Khalis and the delegation of the Islamic Unity of Afghan; to the Committee on Foreign Affairs.

S. Con. Res. 90. Concurrent resolution welcoming Vladimir and Maria Slepak to the United States; to the Committee on Foreign Affairs.

ENROLLED BILL SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2112. An act to authorize appropriations for fiscal year 1988 for intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes.

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H.R. 1451. An act to amend the Older Americans Act of 1965 to authorize appropriations for the fiscal years 1988, 1989, 1990, and 1991; to amend the Native Americans Programs Act of 1974 to authorize appropriations for such fiscal years; and for other purposes.

ADJOURNMENT

Mr. CONYERS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 55 minutes p.m.) the House adjourned until tomorrow, Friday, November 20, 1987, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2420. A letter from the Assistant Secretary of the Air Force (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to repeal the limitation on the total amount of basic allowance for quarters and variable housing allowance [VHA]; payable to a member of the Uniformed Services; to the Committee on Armed Services.

2421. A letter from the Comptroller General, General Accounting Office, transmitting a list of reports issued during the month of October 1987, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

2422. A letter from the Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use of the Lower Brule Sioux's judgment funds in docket 116 before the United States Claims Court, pursuant to 25 U.S.C. 1402(a), 1404; to the Committee on Interior and Insular Affairs.

2423. A letter from the Attorney General, transmitting his report, in consultation with the Secretary of Labor and the Secretary of Health and Human Services, on the use of a telephone verification system for determining employment eligibility of aliens, pursuant to 8 U.S.C. 1324a nt.; to the Committee on the Judiciary.

2424. A letter from the Administrator, Federal Aviation Administration, transmitting the semiannual report on the effectiveness of the Civil Aviation Security Program for the period January 1, 1987, through June 30, 1987, pursuant to 49 U.S.C. app. 1356(a); to the Committee on Public Works and Transportation.

2425. A letter from the Deputy Secretary of Transportation, transmitting the Department's report on the results of the Parking for Handicapped Persons Study, pursuant to Public Law 100-17, section 161; to the Committee on Public Works and Transportation.

2426. A letter from the Deputy Administrator, General Services Administration, transmitting an amended prospectus for an IRS Service Center in Austin, Texas, pursuant to 40 U.S.C. 606(a); to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STOKES: Permanent Select Committee on Intelligence. Report on intelligence support to arms control (Rept. 100-450). Referred to the Committee of the Whole House on the State of the Union.

Mr. MOAKLEY: Committee on Rules. House Resolution 316. Resolution providing for the consideration of a bill to amend the Balanced Budget and Emergency Deficit Control Act of 1985 to revise the date of the final order of the President for fiscal year 1988, and for other purposes (Rept. 100-451). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ATKINS:

H.R. 3658. A bill to require that grant funds provided under the Drug-Free Schools and Communities Act of 1986 be used to provide education relating to the use of tobacco products, and to prohibit the sale of cigarettes to minors; jointly, to the Committees on Education and Labor and Energy and Commerce.

By Mr. BROOKS:

H.R. 3659. A bill to amend the Department of Energy Organization Act to authorize protective force personnel who guard the strategic petroleum reserve or its storage and related facilities to carry firearms while discharging their official duties and in certain instances to make arrests without warrant; to establish the offense of trespass on property of the reserve, and for other purposes; jointly, to the Committees on Energy and Commerce and the Judiciary.

By Mr. KILDEE (for himself, Ms. SNOWE, Mr. HAWKINS, Mr. MILLER of California, Mr. GILMAN, Mr. RICHARDSON, Mr. HAYES of Illinois, Mr.

Owens of New York, Mr. Hyde, Mr. Martinez, Mr. Garcia, Mr. Fuster, Mr. Roybal, Mr. Skaggs, Mr. Bustamante, Mrs. Kennelly, Mr. Ford of Michigan, Mr. Matsui, Miss. Schneider, Mr. Torres, Mr. Gonzalez, Mr. Solarz, Mr. Vento, Mr. Perkins, Mr. Edwards of California, Mr. Frank, Mr. Wise, Mr. Rodino, Mr. Waxman, Mr. Lehman of Florida, Mr. Smith of Iowa, Mr. Cooper, Mr. Murphy, Mr. Sikorski, Mr. Clay, Mr. Florio, Mr. Howard, Mr. Gray of Illinois, Mr. Rahall, Mr. Brennan, Mrs. Boxer, Mr. Sabo, Mr. Berman, Mrs. Schroeder, Mr. Dymally, Ms. Oakar, Mr. Visclosky Mr. Rangel, Mr. Stark, Mr. Williams, Mr. Lantos, Mr. Crockett, Mr. Sawyer, Mr. Traxler, Mr. Atkins, Mr. Jontz, Mr. Fazio, Mr. Kolter, Mr. Evans, Mr. Hoyer, Mr. Coelho, Mr. Biaggi, Mr. Weiss, Mr. Feighan, Mr. Savage, Mr. Swift, Ms. Pelosi, Mr. Levin of Michigan, Mr. Dellums, Mr. Markey, Mr. Lowry of Washington, Mr. Traficant, Mr. Torricelli, Mr. Scheuer, Mr. Anthony, Mr. Bonior of Michigan, Mr. Stokes, Mr. Conyers, Mr. Mfume, Mr. Foglietta, Mr. Downey of New York, Mr. Udall, Mr. Dixon, Mr. Fauntroy, Mr. Coyne, Mr. Towns, Mr. Roe, Mr. McCloskey, Mr. Ackerman, Mr. Leland, Mr. Akaka, Mr. Oberstar, Mrs. Saiki, Mrs. Morella, Mr. de Lugo, Mr. Durbin, Mr. Gejdenson, Mr. Price of Illinois, Mr. Robinson, Mr. Smith of Florida, Mr. Mineta, Mr. Ford of Tennessee, Mr. Lehman of California, Mr. Sunia, Mr. Mrazek, Mr. Kostmayer, Mr. Kastenmeier, Mr. Lewis of Georgia, Mr. Bruce, Mr. McHugh, Mr. Morrison of Connecticut, Mr. Bonker, Mrs. Collins, Mr. Yates, Mr. Coleman of Texas, Mr. Studds, Mr. Flake, Mr. Wolpe, Mr. Wheat, Mr. Whitten, Mr. Kennedy, Mr. Horton, Mr. Lipinski, Mr. Espy, Mr. Anderson, Mrs. Boggs, Mr. Bates, Mr. Levine of California, and Mr. Cardin):

H.R. 3660. A bill to provide for a Federal program for the improvement of child care, and for other purposes; to the Committee on Education and Labor.

By Mr. CONTE:

H.R. 3661. A bill to recognize the service of the former Speaker of the House by means of the Thomas P. O'Neill Jr. Library; to the Committee on Education and Labor.

By Mr. GLICKMAN (for himself, Mr. Fish, Mr. Staggers, Mr. Moorhead, Mr. McCollum, and Mr. Slattery):

H.R. 3662. A bill to amend title 28, United States Code, with respect to U.S. District Court jurisdiction regarding certain actions involving citizens of the United States and foreign persons; to the Committee on the Judiciary.

By Mr. RANGEL (for himself and Mr. Frank):

H.R. 3663. A bill to amend the Internal Revenue Code of 1986 to provide incentives to prevent the loss of low-income housing; to the Committee on Ways and Means.

By Mr. WYDEN (for himself, Mr. Panetta, Mr. Goodling, Mr. Jeffords, and Mr. Bruce):

H.R. 3664. A bill to amend Internal Revenue Code of 1986 to provide that Christa McAuliffe Fellowships shall not be included in gross income; to the Committee on Ways and Means.

By Mr. GONZALEZ (for himself, Mr. St Germain, Mr. Wylie, and Mrs. Roukema):

H.J. Res. 404. Joint resolution to provide for the temporary extension of certain programs relating to housing and community development, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CROCKETT (for himself, Mr. Gilman, and Mr. Fauntroy):

H. Con. Res. 219. Concurrent resolution expressing the sense of the Congress in support of the electoral process in Haiti and urging all possible assistance to that process; to the Committee on Foreign Affairs.

By Mr. CHANDLER (for himself, Mr. Bonker, Mr. Dicks, Mr. Lowry of Washington, Mr. Miller of Washington, and Mr. Morrison of Washington):

H. Res. 317. Resolution expressing the sense of the House of Representatives with respect to Brazil's informatics policies and supporting the President's action to impose sanctions against certain products of Brazil in response to such policies; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

245. The SPEAKER presented a memorial of the House of Delegates, Second Olbiil Era Kelulau, Republic of Palau, relative to the distribution of War Claims awards to Micronesian Claimants; to the Committee on Interior and Insular Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 81: Mr. Kostmayer, Mr. Moakley, Mr. Bilbray, Mr. Gray of Pennsylvania, Mr. Kildee, and Mr. Traficant.

H.R. 93: Mr. Schaefer, Mr. Schuette, and Mr. Shaw.

H.R. 94. Mr. Schaefer.

H.R. 1228: Mr. Green and Mr. McMillen of Maryland.

H.R. 1435. Mr. Coelho.

H.R. 1467: Mr. Dwyer of New Jersey.

H.R. 1834: Mr. Pease.

H.R. 1975: Mr. Morrison of Washington.

H.R. 1986: Mr. Panetta and Mr. Hawkins.

H.R. 2041: Mr. Stokes.

H.R. 2173: Mr. Hawkins and Mr. Gray of Pennsylvania.

H.R. 2405: Mr. Dellums.

H.R. 2609: Mr. Lipinski, Mr. Kostmayer, and Mr. Clinger.

H.R. 2670: Mr. Edwards of Oklahoma, Mr. Herger, and Mrs. Roukema.

H.R. 2690: Mr. Saxton.

H.R. 2726: Mr. Early.

H.R. 2737: Mrs. Morella and Mr. Campbell.

H.R. 2762: Mr. Roe, Mr. Scheuer, Mr. Smith of Florida, Mr. Gordon, Mr. Perkins, Mr. Moakley, Mr. Jontz, Mr. Hutto, Mr. Stokes, Mr. Kostmayer, Mr. Fish, Mr. Bennett, Mr. Rangel, Mr. Bryant, Mr. Dwyer of New Jersey, Mr. Mollohan, Mr. Tallon, Mr. Gejdenson, Mr. Fauntroy, Mr. Mrazek, Mr. Miller of California, Mr. Kolter, Mr. Oberstar, Mr. Schumer, and Mr. Hawkins.

H.R. 3009: Mr. Ford of Tennessee.

H.R. 3062: Mr. Towns and Mr. Bryant.

H.R. 3064: Mr. Smith of Texas.

H.R. 3112: Mr. Lantos, Mr. Dixon, Mr. Murphy, Mr. Robinson, Mr. Lowry of Washington, Mr. Pepper, Mr. Perkins, Mr. Young of Alaska, Mr. Skaggs, Mr. Penny, Mr. Coelho, Mr. Crockett, and Mrs. Collins.

H.R. 3133: Mr. Evans, Mr. Martinez, Mr. Foglietta, and Mr. Torres.

H.R. 3156: Mr. Stratton, Mr. Boehlert, Mr. DioGuardi, Mr. Schumer, Mr. Garcia, Mr. Green, Mr. Fish, Mr. Lent, Mr. Manton, Mr. McHugh, Mr. Molinari, Mr. Scheuer, Mr. Solomon, Mr. Mrazek, Ms. Slaughter of New York, Mr. Flippo, Mr. Martin of New York, Mr. Lewis of California, Mr. Lagomarsino, Mr. Wortley, Mr. Horton, Mr. Bevill, Mr. Montgomery, Mr. Thomas A. Luken, Mr. Brown of Colorado, Mr. Weiss, Mr. Lipinski, Mr. Frenzel, Mr. Anderson, Mr. de la Garza, Mr. Lujan, Mr. Hughes, Mr. Dornan of California, Mr. Levin of Michigan, Mr. Quillen, and Mr. Schulze.

H.R. 3171: Mrs. Collins.

H.R. 3179: Mr. Kolter, Mrs. Boxer, Mr. DeFazio, and Mr. Owens of New York.

H.R. 3193: Mr. Foglietta, Mr. Garcia, Mr. Ford of Tennessee, Mr. Studds, Mr. Savage, Mr. Skaggs, and Mr. Walgren.

H.R. 3199: Mr. Chandler and Mr. DioGuardi.

H.R. 3288: Mr. Cooper.

H.R. 3291: Mr. Scheuer, Mr. Boucher, Mr. Mavroules, Mr. Weiss, Mr. Bilirakis, Mr. Mfume, Mr. Petri, Mr. Jones of Tennessee, Mr. Garcia, Mr. Lantos, Mr. Traxler, Mr. Bevill, Mr. Tallon, Mr. Nagle, Mr. Kolter, Mr. Anderson, Mr. Markey, Mr. Jontz, Mr. Dellums, Mr. Bonker, Mr. Chapman, Mr. Dymally, Mr. Florio, Mr. Alexander, Mr. Kostmayer, Mr. Martinez, Mr. Hertel, Mr. Panetta, Mr. Stallings, and Mr. Synar.

H.R. 3303: Mr. Lancaster.

H.R. 3304: Mrs. Martin of Illinois.

H.R. 3341: Mrs. Bentley, Mrs. Saiki, and Mr. Lowry of Washington.

H.R. 3342: Mr. Hiler, Mr. Kastenmeier, Mr. Marlenee, Mr. Penny, and Mrs. Bentley.

H.R. 3343: Mr. Ford of Tennessee.

H.R. 3440: Mr. Levin of Michigan, Mr. Dellums, and Mr. Bates.

H.R. 3478: Mr. Weldon.

H.R. 3561: Mr. Chapman, Mr. Lancaster, and Mr. Smith of New Hampshire.

H.R. 3584: Mr. Dwyer of New Jersey, Mr. Dingell, Mr. Cardin, Mr. Hayes of Illinois, Mr. Udall, Mr. Ford of Michigan, Mr. Stark, Mrs. Johnson of Connecticut, Mr. Neal, and Mr. Rodino.

H.R. 3607: Mr. Miller of California, Mr. Towns, Mr. Lagomarsino, Mr. Boehlert, Mr. Foglietta, Mr. Henry, Mr. Crockett, Mrs. Collins, Mr. Williams, Mr. Biaggi, Mr. Dornan of California, Mr. Wolpe, Mr. Smith of Florida, Mr. Bilbray, Mr. Lantos, Mr. Jones of North Carolina, and Mr. Weiss.

H.J. Res. 140: Mr. Torres.

H.J. Res. 196: Mr. Florio, Mr. McCloskey, Mr. Green, Mr. Miller of Washington, Mr. Kleczka, Mr. Foglietta, Mr. Bustamante, Mr. Wolpe, Mr. Flake, Mr. Hutto, Mr. Fish, Mr. Daub, Mr. Brown of Colorado, Mr. Foley, Mrs. Vucanovich, Mr. Torres, Mr. Coelho, Mr. Panetta, Mr. Rose, Mr. Dorgan of North Dakota, Mr. Skaggs, Mr. Kolbe, Mr. Torricelli, Mr. Hawkins, Mr. Miller of California, Mr. Bennett, Mr. McCollum, and Mr. Nelson of Florida.

H.J. Res. 315: Mr. Lehman of California, and Mr. Bonior of Michigan.

H.J. Res. 318: Mr. Visclosky, Mr. Ackerman, Mr. Bliley, Mr. Cardin, Mr. Carper, Mr. Feighan, Mr. Taylor, Mr. Bryant, Mr. Sisisky, and Mr. Hammerschmidt.

H.J. Res. 386: Mr. Garcia, Mr. Guarini, Mr. Morrison of Connecticut, Mr. Nowak, Mr. Schumer, Mr. Udall, Mr. Valentine, Mr. Yatron, and Mr. Young of Alaska.

H. Con. Res. 204: Mr. Lagomarsino, Mr. Quillen, Mrs. Vucanovich, Mr. Ireland, Mr. Mack, Mrs. Johnson of Connecticut, Mr. Lujan, Mr. Vander Jagt, Mr. Blaz, Mr. Solomon, Mr. Sweeney, Mr. Boehlert, Mr. Bereuter, Mr. Clinger, Mr. Shumway, Mr. Oxley, Mr. Gekas, Mr. Skeen, Mr. Madigan, Mr. Lowery of California, Mr. Badham, Mr. Miller of Washington, Mr. Dreier of California, Mr. Buechner, Mr. Fawell, Mr. Inhofe, Mr. Emerson, and Mr. Nielson of Utah.

H. Con. Res. 211: Mr. Solarz.

H. Res. 283: Mr. Atkins, Mr. Fazio, Mr. Oberstar, Mr. Towns, Mr. Bliley, Mr. Levin of Michigan, Mr. Lancaster, Mr. Carper, Mr. Dymally, Mr. Bennett, Mr. Fish, Mr. Conte, and Mrs. Boxer.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

S. 1667

By Mrs. SMITH of Nebraska:

—Page 5, strike out line 16 and all that follows through page 6, line 12, and insert the following:

CLOSURE, AUTOMATION, AND RELOCATION OF FIELD OFFICES

Sec. 202. (a) The Secretary of Commerce, at least 60 days before making a determination as to the necessity for the closing, consolidation, automation, or relocation of any Weather Service Office or Weather Service Forecast Office, shall provide adequate public notice of his intention to make such a determination in order to ensure that all persons served by such Offices will have an adequate opportunity to present their views.

(b)(1) The Secretary, in deciding whether or not to close, consolidate, automate, or relocate a Weather Service Office, shall take fully into account any views expressed by persons served by such Office during the 60-day period described in subsection (a), and shall specifically consider—

(A) the effect of such closing, consolidation, automation, or relocation on the community served by such Weather Service Office;

(B) the effect of such closing, consolidation, automation, or relocation on employees of the National Weather Service employed at such Office;

(C) the economic savings to the National Weather Service resulting from such closing, consolidation, automation, or relocation; and

(D) such other factors as the National Weather Service determines are necessary.

(2) In making a decision under paragraph (1) the Secretary may hold such hearings as he deems necessary.

(3) The Secretary shall compile a written record including or reflecting all views presented and information received or developed in the course of his consideration of the matters involved in making such a decision, whether or not hearings are held with respect thereto as authorized by paragraph (2). The Secretary shall retain all written materials received or developed in the course of such consideration, for possible use in any review under subsection (e).

(c) Any decision of the Secretary to close, consolidate, automate, or relocate a Weather Service Office shall be in writing and shall set forth the findings of the Secretary with respect to the matters set forth in subparagraphs (A) through (D) of subsection (b)(1) along with a statement of the reasons for such findings and of the basis on which the decision was made. The Secretary's decision shall be made available to persons served by such Weather Service Office.

(d) The Secretary shall take no action to close, consolidate, automate, or relocate a Weather Service Office until 60 days after his written decision is made available to persons served by such Office as required by the last sentence of subsection (c).

(e) In addition to any other review which may be available by law, a decision of the Secretary to close, consolidate, automate, or relocate any Weather Service Office may be reviewed in accordance with chapter 7 of title 5, United States Code, in an action brought by the State served by such Office. For purposes of this subsection, the term "State" includes the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

(f) Any determination or decision made by the Administrator of the National Oceanic and Atmospheric Administration with respect to the closing, consolidation, automation, or relocation of a Weather Service Office shall be considered for purposes of this section to have been made by the Secretary.

—Page 5, line 23, after "the Secretary has" insert ", at least 60 days prior to taking such action,".

Page 6, after line 12, insert the following:

(c) In addition to any other review which may be available by law, a decision of the Secretary to close, consolidate, automate, or relocate any Weather Service Office may be reviewed in accordance with chapter 7 of title 5, United States Code, in an action brought by any State served by such Office. For purposes of this subsection, the term "State" includes the District of Columbia, Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands.

(d) Any determination or decision made by the Administrator of the National Oceanic and Atmospheric Administration with respect to the closing, consolidation, automation, or relocation of a Weather Service Office shall be considered for purposes of this section to have been made by the Secretary.

EXTENSIONS OF REMARKS

LATVIAN INDEPENDENCE DAY

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. CONTE. Mr. Speaker, today, November 18, marks the 69th anniversary of the proclamation of independence by the people of Latvia. However, unlike the observation of our own Independence Day, which is a day of celebration, a day of enjoyment, and a day to reaffirm our commitment to liberty, the people of Latvia observe theirs in a different way. Since 1940 their nation has been occupied by the Soviet Union. Despite the hardship, injustices, and violation of basic human rights, the people of this proud country continue in their struggle for freedom. On June 14 and August 23 of this year the Latvian people took to the streets to demonstrate against the puppet Government of the Soviet Union. Today, these same brave people will again voice their frustration against the government and reaffirm their dedication for an independent nation. I hope my colleagues will join me in expressing support for their struggle. I hope that some day the people of Latvia will be able to celebrate their independence day in the same way we here in the United States do, secure in the knowledge that our rights, freedoms, and personal liberties are protected from the forces of oppression and totalitarianism.

HONORING THE 69TH ANNIVERSARY OF LATVIAN INDEPENDENCE

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 18, 1987

Mr. LENT. Mr. Speaker, I rise today in recognition of the 69th anniversary of the proclamation of an independent Latvia. Sadly, freedom and independence remain only a distant memory for the Latvian people who have lived under the oppression of Soviet Communist rule since 1940.

As a Nation of the free world, America must stand strong in support for human rights and self-determination. We must let the Latvian people know that they are not forgotten in their fight for freedom. According to reports from Russian occupied Latvia, protesters have held public demonstrations to make their sentiments known to the Kremlin. The freedom to petition our Government is a constitutional right we here in America take for granted. Such is not the case in the Soviet Union. These Latvian protesters are openly testing the Soviet government's new policy of glasnost, but in doing so, they assume great personal risk.

I commend the Latvian-American Republican National Federation for its untiring commitment to the emancipation of Soviet occupied Latvia. The federation's vigilant work brings hope to those who can only dream of freedom. I hope all of us will take a moment today, on this 69th anniversary of Latvian independence, to give thanks for the many rights and privileges we enjoy as Americans and rededicate ourselves to achieving peace and freedom around the world.

THE ACT FOR BETTER CHILD CARE SERVICES

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. BONKER. Mr. Speaker, I rise today in support of the Act for Better Child Care Services, a comprehensive child care initiative which provides assistance to low- and moderate-income families. The bill would authorize $2.5 billion for fiscal year 1989 which would be allocated to the States according to per capita income, population of children under 5, and number of children receiving free and reduced price lunches.

Under the proposed bill, each State would receive assistance to expand child care services, train child care workers, develop resource and referral programs, improve child care standards, recruit new child care providers, and provide grants to help begin new and renovate existing child care programs.

Mr. Speaker, Congress has not fully addressed the issue of child care since 1971. Sixteen years later, the statistics show that we have a reason to be seriously concerned. In 1985, the number of women in the civilian work force averaged 51.5 million, or 54.5 percent, of women 16 years and over. Helen Blank of the Children's Defense Fund noted that by 1995, two-thirds of all preschool children, or nearly 15 million children, will have a mother in the work force. In my own State of Washington, over 42 percent of working mothers have children that are under 6 years of age.

A number of States, including Washington, have reasonably good child care programs, but many do not. The quality and availability of child care facilities vary widely from State to State—many are unlicensed and conducted in individual's homes or churches. Acts of violence against children by child care workers who are not checked out or qualified are more prevalent in the news as our society increasingly relies on this service.

Opponents to this legislation may argue that it is too costly in a time when we need to be watchful of excessive spending. I do not believe that it is excessive to invest in our children today to insure that they have every opportunity to contribute their talents to this country in the future. There are many ways to balance our Nation's budget without turning our backs on problems that will only become more difficult and more expensive later on.

Congress needs to confront the issue of inadequate child care head on. I urge my colleagues to support this measure and to continue to work for better child care services, nationwide.

WINNING ESSAYS ON THE 200TH ANNIVERSARY OF THE CONSTITUTION

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. DAUB. Mr. Speaker, I would like to take this opportunity to recognize two outstanding students from the Second Congressional District of Nebraska. The students are Tara Ann Pfeffer and Jonathan Schrier, and they attend Ralston High School and Papillion High School respectively.

Tara Ann and Jonathan presented the two winning essays entitled "Celebrating 200 Years of Constitutional Democracy" to the Papillion Masonic Lodge, who sponsored the essay contest.

Tara Ann and Jonathan will each receive a $100 U.S. Government Savings Bond, a night on the town for two, an American flag, and a certificate of recognition for their achievements.

These two students are to be commended for understanding the importance of our Constitution and the role it has played in the freedom our country has enjoyed for 200 years.

I am pleased to be able to represent such fine citizens as Tara Ann and Jonathan, and I encourage my colleagues to recognize their exemplary accomplishments.

A TRIBUTE TO THE CLEVELAND FEDERATION OF MUSICIANS

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. FEIGHAN. Mr. Speaker, today I would like to take this opportunity to pay tribute to the Cleveland Federation of Musicians, which will celebrate its 100th anniversary on December 4.

On that date in 1887, the federation was established as the Musicians Mutual Protective Association. After splitting into two groups in 1910, the two were reunited in 1962 and the durable organization was christened "Cleveland Federation of Musicians."

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Since its inception, the federation has been the strongest and most respected voice for artistic freedom in the Cleveland area. Despite changes in name and membership, it has never deviated from its admirable goal: "to unite instrumental musicians for protection and the establishment of minimum prices to be charged by members for services, enforcement of good faith and fair dealings between members." The federation must also be commended for admitting women into its ranks in 1901.

This dynamic group has also helped orchestrate the formation of unions locally and nationally. Of particular note are the Cleveland and the American Federations of Labor and the United Trade and Labor Council in Cleveland. Through its distinguished membership in these organizations, the federation was actively involved in establishing the Cleveland Citizen, the oldest labor newspaper in Ohio, and the Cleveland Musician. Scores of workers owe a debt of gratitude to this exemplary group.

Not surprisingly, the federation's membership includes Cleveland's most talented musicians from such troupes as the Cleveland Ballet, the Cleveland Opera, and the Cleveland Orchestra, which is the most recorded orchestra in the world. It just completed a recorded tour of three countries.

The incredible longevity of the federation must be credited to a tradition of committed leaders. Its current president, Henry S. George, has been spearheading a drive to increase the union's membership, which stands at 1,976. His three most recent predecessors, Mike Scigliano, Tony Granata, and Lee Repp, all were strong promoters of the union's goals.

For a century, the federation has helped bring distinction to Cleveland as a major musical mecca. It has also ably served its members. I am honored to know many of this group's members and would like to offer my sincere congratulations and best wishes on this 100th anniversary.

IMMINENT BUDGET COMPROMISE MUST INCLUDE REAL DEFICIT REDUCTION

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. COLEMAN of Texas. Mr. Speaker, all reports indicate that the congressional and White House negotiators are on the verge of a final agreement to reduce the Federal deficit in fiscal year 1988 to at least the point where the mindless, devastating across-the-board cuts of the Gramm-Rudman deficit reduction process can be avoided.

I want to take this opportunity, accordingly, to call on my House colleagues and the others to think big, to go beyond the mere $23 billion in deficit reduction that will be needed by close of business tomorrow to avoid the automatic cuts.

The dramatic and unsettling economic events of this year, and in particular, the Wall Street crash of October, should have sent a strong message to America's leaders in the White House and in the Congress that real, tough deficit reduction must be enacted.

The signal that the economy and the American people need to receive is one of strong, decisive leadership. That signal will only be sent if the agreement reached is one that goes beyond the barely acceptable minimum. We have the responsibility to show the world we are serious, and I believe we are, but I must tell my colleagues that we will be judged only by the elements and the integrity of the final agreement.

Mr. Speaker, we will be sending the wrong signal if we appear to only go through the motions. We need to show the American people and the world that we are not reducing the deficit only because of the threat of automatic cuts, and grudgingly so at that, but instead because we understand as leaders that America's fiscal house must be put in order.

The compromise must be an equitable one, too. We must take into account sacrifices made by people and by groups over the last several years when determining the equity of cuts and freezes, which is an important consideration when you consider that the poorest sectors of society have borne a disproportionate share of the deficit reduction burden.

Mr. Speaker, it is my fervent hope that the budget negotiators will combine common sense and compassion to produce a compromise that will put us back on the road to fiscal recovery, not one that barely squeeks by with the bare minimum, and I urge them to do so.

SHARON E. SOLOMON PROJECT

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. SMITH of Florida. Mr. Speaker, the Sharon E. Solomon Project, a committee of community leaders in Broward County, FL, was formed to continue the work of an extraordinary woman whose life was cut short by cancer. Sharon's influence was felt by many through such programs as Hospice Care of Broward for the care of the terminally ill, Women in Distress, and the Human Rights Advocacy Committee. Perhaps her greatest influence was on the children of our community. Through such organizations as Outreach Broward, Children's Consortium, Florida Center for Children and Youth, the Solomon Center for Boys, and the Solomon Center for Girls, Sharon was an outspoken advocate for children's rights, fighting single-handedly in defense of those who could not fight for themselves.

Sharon served as a commissioner for the North Broward Hospital District for many years, taking particular interest in the district's major commitment to infant needs in its neonatal intensive care unit. The committee's first project is the dedication and renaming of the pediatric unit of Broward General Medical Center at a ceremony tonight, November 19, 1987. The unit will be renamed, "Sharon E. Solomon Children's Center."

The Sharon E. Solomon Project hopes to raise funds in order to continue Sharon's lifelong work and to keep her dreams alive.

IN SUPPORT OF THE SUPERCONDUCTING SUPER COLLIDER

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. HASTERT. Mr. Speaker, last Saturday was a beautiful day in Illinois, a day when most would have enjoyed a day of recreation and relaxation. But in Batavia, IL, men and women took their time to do something more important—to canvass their fellow citizens in support of the superconducting super collider.

The SSC has been often spoken of in this House since President Reagan announced his support of the project last January. Many in this House have joined with those in the scientific community to voice the belief that we need to build this machine and enter a new generation of high energy physics research if we are to maintain the scientific and technological edge that has driven our economy for decades.

Last Saturday, more than 150 men and women from all walks of life, representing service clubs, educators, and senior citizens groups, fanned out to contact each of the 5,000 households in their community. As of today, more than 4,000 signatures of support have been collected in this one small community, and the results are still coming in.

Mr. Speaker, these men and women gave of their time because they wanted to demonstrate their support, and that of their neighbors, for this vital national research project. They are also proud of the fact that their community, Batavia, IL, is presently the home of the world's most powerful accelerator: the Tevatron at Fermilab. By expanding that existing facility to incorporate the SSC they recognize that the Department of Energy can save some $400 million in construction costs and about $60 million in annual operating expenses.

Mr. Speaker, the people of Batavia, IL, know how important the superconducting super collider is to America's future and they would be proud to host it in their community. They have demonstrated their resolve. It is now time for Congress to demonstrate its own resolve to commit the necessary funding to bring this project into reality.

I would like to commend the Batavia Chamber of Commerce and those who went door to door for their efforts.

COMMEMORATING THE 50TH ANNIVERSARY OF BOYS HARBOR

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. RANGEL. Mr. Speaker, I stand before you today to bring you a story of success. Exciting and refreshing, Boys Harbor expresses the promise of and offers the greatest sense of hope to the children and young adults who receive the benefit of its services. Boys Harbor helps young men and women develop to their fullest potential, instilling in them the virtues of pride, self-appreciation, and determination.

Established in the summer of 1937 as a small summer camp for New York inner-city boys, Boys Harbor has grown to encompass full-scale, comprehensive education programs. And, unlike most social services organizations, Boys Harbor reaches out to children before they have become a problem child in school or for the family. Crisis intervention is not the purpose of Boys Harbor activities.

The most unique aspect of the Boys Harbor's program is its strong emphasis on education. With an array of classes from astronomy to zoology, computer technology to philosophy, individual study at Boys Harbor teaches children to think.

In addition to the aforementioned qualities, the programs offer continuity for its students. At Boys Harbor, more often than not, young men and women remain in the program throughout their educational career. In a world where so many young people lose hope in the future because of the despair in the present, a consistent level of support can make the difference between a life in the streets or a life in education.

Founded by Anthony J. Drexel Biddle Duke, the program at Boys Harbor helps the youth of East Harlem realize their dreams. In describing his experience with the first group of young men to participate in the Boys Harbor program, Tony Duke said:

> I got very involved with 10 or 15 boys, and I found that they were no different from myself and friends of my strata. They had less education, less discipline, but as much potential.

My hat goes off to the unselfish commitment of Tony Duke, and the persistence he has exhibited in touching the lives of the young people in my district. The disparaging elements in the world today—drugs, crime, and teenage pregnancy to name a few—are turning too many of our young people to the streets. However, with programs like Boys Harbor, our children, the future of this country, are given the opportunity for survival.

Mr. Speaker, I appreciate the opportunity to share with the Members of this body stories of success. To further inform my colleagues on the activities of Boys Harbor, I would like to submit for the record the following article from the New York Newsday, "A Millionaire Mentor to 25,000."

A MILLIONAIRE MENTOR TO 25,000

(By Rebecca Morris)

In the heart of the Depression, a young socialite and his prep-school buddies rounded up a dozen sick and hungry boys in New York City, borrowed some land on Jessup Neck in Peconic Bay and gave them two months in the country.

The venture seemed to reflect a budding sense of noblesse oblige one would expect in a young man of privilege. But 50 summers later, it is clear that it was, and remains, much more than that.

The young socialite was Anthony Drexel Duke, heir of the tobacco Dukes and the banking Drexels and Biddles, grandson of "The Happiest Millionaire," Anthony J. Drexel Biddle, the endangering and eccentric subject of the Disney movie.

Despite such an upbringing, one that would have allowed him to sit back and write annual checks to charities, Tony Duke is still taking disadvantaged kids to camp, and still sending them off to colleges or jobs that might be out of reach otherwise. He still frequently gives kids the run of his summer house on the edge of the camp at Three Mile Harbor, and is unsurprised when nothing is broken.

At 69, Duke remains the hands-on chairman, chief visionary and fund raiser, surrogate father and pal to the hundreds of children at "Boys Harbor, the Harbor for Girls and Boys," a school in East Harlem and a camp in East Hampton.

And what started in that summer of 1937 as a simple camp has grown into what social-service officials say is one of the most comprehensive and well-regarded schools and programs of its type in the country, one that has served more than 25,000 children.

Unlike programs that intervene only in crises or offer periodic services, the Harbor works with children from East Harlem from the time they enter, often at age 6, until they graduate from high school. "It's a whole effort where you don't lose children," says Sandy Owens, the Harbor's director of development. "You don't ever give up on anybody."

Most of the children are poor, and many live in apartment buildings where drugs and alcohol abuse are common, but many have parents who are anxious for them to do better. "They are people who are focused on their kids," says teacher Lou Polese. "It has a self-selecting quality that way."

During the school year, children finish with their regular classes and immediately head for yet another school, this one in the old Heckscher building at 104th Street and Fifth Avenue. But the learning here is different.

In one choral class, an older girl learns how to conduct while the younger children simply learn how to sing and work with others in harmony. A group of 7-year-olds discover Kantian philosophy, while a group of slightly older kids hears about Picasso and Matisse from Rosamond Bernier, an art historian whose lectures at the Metropolitan Museum of Art are usually sold out before they're announced.

These are just some of the courses offered in the core program that ranges from science and math to cooking and law. There are athletic facilities and special services for homeless children, a top-ranked Junior High School of Performing Arts that has produced several professionals, and specialized programs in career counseling, drug and alcohol abuse and teen pregnancy.

Even the two weeks at camp are devoted to learning. In one cabin, children study marine biology and computers in a game in which they must survive being stranded on an island.

Teachers here have more energy, more patience with the kids than at regular school," says 15-year-old Eddie Lewis, a Harbor student since elementary school and now in the Upward Bound class, preparing for college. "Some teachers at regular school don't care what you do. They go on and on but they don't get to the point. Here they get to the point."

The point is that they are at the Harbor to learn—to have fun doing it, but to learn. "When the kids come in the front door, we just tell them, you're going to leave your attitude outside, park it," says Lonnie Williams, an alumnus and the executive director who has, since 1969, developed the Harbor's programs and staff. "We view our agency as a place where children must learn. And the only way you're going to learn is by disciplining yourself to learn."

Gregory Armstrong, in fact, remembers that "the Harbor was really on my back about doing well." He was a student there in the late 1960s and early 1970s, and now works as an assistant district attorney in Manhattan. "I never thought I had a whole lot on the next kid around the block, except for the Harbor," he says. "The Harbor gave me the first impressions that there was a lot I could do beyond the streets."

The Harbor also has provided more tangible support. Duke regularly arranges college scholarships for children who otherwise couldn't afford to go to college, puts kids in touch with alumni who in turn offer jobs, training or advice, and arranges other opportunities.

Now, on the Harbor's 50th anniversary, Duke is trying to raise $10 million for an endowment that will keep all this going after he and his wife, Luly, are no longer around to constantly ask their well-heeled friends for help. "If all government support were gone," he says, "we'd be able to carry on with a reasonable number of children on a permanent basis."

For now, however, Duke is still very much around, congratulating campers on their smallest achievements, asking about their families encouraging their college plans. "Good for you! That's really wonderful!" he says over and over to them. There is no patronizing here; the children treat Duke as their equal. "Hey, Mr. Duke!" little Tinequea Saunders screams as she runs to pat his dog and remembers to call it by its name, Duchess. Duke manages to find something worth praising even in that. "You are wonderful the way you remember things," he tells her.

The importance of attention to the individual was instituted in Duke when he was in school. At St. Paul's in New Hampshire, a prep school attended by many young lords of Society, the priests instilled a sense of service, but on traditional terms. Paul Moore, then a classmate of Duke's and now the Episcopal bishop of New York, recalled how students were required to visit an on-campus orphanage on Sunday afternoons. "You had to serve your fellow man, as it was called in those days," he remembers. ". . . It was demanded that a Christian gentleman quote, would serve the poor, quote."

But by that time, Duke's grandfather Biddle had already introduced him to the notion that appearances were not all they seemed. Biddle ran a Bible class for poor children in Philadelphia that young Tony often attended. "He often said, 'Don't be surprised if some of these kids are brighter than you are,' and that upset me when I was a kid.' But it came back on me later as a counselor"—first at a St. Paul's camp for underprivileged children, and later at his own camp.

"I got very involved with 10 or 15 boys, and I found that they were no different from myself and friends from my strata," Duke remembers. "They had less education, less discipline, but as much potential. That always fascinated me."

After 15 years, three locations, and a five-year hiatus for World War II, Duke bought 130 acres in East Hampton that would become his summer home and the home of Boys Harbor. When he first opened it in 1952, anonymous signs appeared out front accusing him of being a "nigger lover," while well-off friends, in a less crude way, passed the same message by giving him the silent treatment.

"But I was used to that," Duke says. "I thought it's just going to take a little time. This is an educational institution for young Americans, to teach kids who have the odds against them how to survive, how to achieve, how to live a good life. That's apple pie, you know."

The accusations and suspicions dissipated fairly quickly as the Harbor became one of the fashionable charities of the Hamptons. But there were other questions, especially in the late 1960s, about whether Duke was merely a do-gooder soothing his own ego, Williams remembers.

"He involved us in his life." Williams says, by inviting campers into his home for talks and drinks with his friends. "Any time a person involves you in his life and family, that's not paternalistic . . . It was coming from the heart."

Today the two men share a close relationship and similar values. Williams first attended the East Hampton camp when he was 17. The Jersey City kid had a flair for working with children, and Duke quickly made him a counselor and the next year the Harbor's first full-time social worker, following the kids through the winter months—a move that Duke now calls "the best thing I ever did." Williams was so successful in tracking the kids that he and Duke soon started looking for an office, and ultimately a school facility, in the city.

What has grown from those beginnings is a conviction by both men that, in helping children, they are preserving what is most important. "This country, with its rapid development, has drifted away from the age-old percept of service," Duke says. "People get carried away with money and they don't look very deep. They don't see the seeds of disaster that are being fertilized all over this country. You get too many people who are not truly participating in a democracy, and the democracy is weakened and gets into danger."

RALLIES FOR FREEDOM IN TIBET

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. LANTOS. Mr. Speaker, a remarkable demonstration in support of human rights in Tibet occurred on November 17, on the steps of the U.S. Capitol. Organized by the U.S. Tibet Committee and the Congressional Human Rights Caucus, the rally attracted some 300 participants from as far away as California, all intensely concerned with the flagrant violation of Tibetans' human rights at the hands of the Chinese.

Similar rallies were held in San Francisco and Los Angeles

Wearing native Tibetan dress, the demonstrators waved the Tibetan flag and displayed banners pleading for the preservation of Tibetan culture. Later, they paraded through downtown Washington to the Embassy of the People's Republic of China, where they prayed for Tibetan religious freedom and inplored Chinese officials to seek a diplomatic solution to problems in Tibet.

A number of speakers from many religious faiths, as well as several of my colleagues in the Congress, all addressed the common theme that repression of Tibetans by the Chinese must stop, and that Tibetan religious freedom be allowed to flourish. Purple robed Tibetan monks offered several prayers for peace, while playing ancient music.

Mr. Speaker, as you know, the Dalai Lama, the spiritual leader of Tibet, has been in exile from his own country since 1959. That was 9 years after the Chinese annexed Tibet in 1950. He came to Washington in September as a guest of the Congressional Human Rights Caucus and offered a five point plan for turning Tibet into a "zone of peace." The Chinese reply? Two Tibetan nationalists were publicly executed at a mass rally of 15,000 people, and Western journalists and all foreigners were expelled from the country.

My congressional colleagues who joined me in speaking at the rally were: CHARLIE ROSE of North Carolina, BEN GILMAN of New York, DAN BURTON, ANDY JACOBS, and FRANK MCCLOSKEY, all of Indiana, and Senator CLAIBORNE PELL of Rhode Island. Several other Members submitted statements and I would like to enter them into the RECORD now:

STATEMENT BY THE HONORABLE DANIEL PATRICK MOYNIHAN

Human rights conditions in Tibet are unacceptable, and have been for quite some time. Since the Chinese occupied Tibet in 1951, and especially since they crushed the 1959 rebellion, the government of the People's Republic of China has sought to impose its culture and traditions on a society thousands of years old. These changes continue to be resisted by ethnic Tibetans, and the Tibetans' plight has recently garnered a great deal of public support.

Though the heavy-handedness of Chinese rule in Tibert seems to have been on the decline in recent years, the situation remains serious.

Last month, the Senate unanimously voted to condemn Chinese actions in Tibet. I will continue to monitor conditions in Tibet closely.

STATEMENT BY THE HONORABLE RICHARD LUGAR

This week the U.S. Senate passed a resolution 98-0 condemning the harsh methods used by the Chinese in handling disturbances in Tibet. We also reiterated our call for that country to make good on it's 1979 commitment to improving human rights conditions in Tibet.

We are all saddened and disturbed by the recent development in Tibet. The recent demonstrations that regrettably led to violence underscore the need for the Chinese government to begin serious reforms which lead to the fair treatment of the Tibetan population.

STATEMENT BY THE HONORABLE GUS YATRON

I wish I were able to join you today as you show your strong support for the Tibetan people. Looking at suffering and inequity is not an easy task, but the U.S. Congress has recently taken a hard look at the plight of Tibetans. You gathered here today to force others to open their eyes to the human rights problems in Tibet.

As chairman of the Subcommittee on Human Rights and International Organizations, I felt it necessary to hold a hearing on Tibet so the struggle of these brave people would remain firmly entrenched in the minds and hearts of Americans. I am deeply concerned about their welfare, as are many of my colleagues. I can assure you that what they stand for will not be forgotten. Any threat to Tibetan survival will be met with strong opposition by the U.S. Congress, for any threat leveled at these heroic people is a threat to all who believe in the preservation of individual dignity and liberty.

STATEMENT BY THE HONORABLE LEE HAMILTON

I appreciate the opportunity to comment on the situation in Tibet and the welfare of the Tibetan people, and I share many of your concerns about developments there.

The recent outbreak of violence in the Tibetan capital of Lhasa and elsewhere in Tibet represents the most serious expression of internal unrest in 28 years. Of the more than 4 million Tibetans in China, 2 million live in the Tibetan autonomous region around Lhasa, along with some 70,000 Chinese residents and approximately 350,000 Chinese troops. These numbers demonstrate that nationalist Tibetan sentiment is strong and will not go away. A solution must be found to avoid further bloodshed and to protect the human rights of the Tibetan people and their right to have a greater voice in their own affairs.

Earlier this year, the House Foreign Affairs Committee passed an amendment to the State Department authorization bill expressing congressional concerns about the situation in Tibet. A similar amendment was also passed in the Senate and a final House-Senate version is currently being discussed in the conference negotiations on the State Department bill. The House resolution on Tibet has five major elements. It:

Expresses sympathy for the suffering of Tibetans;

Urges China to respect the human rights of the Tibetan people;

Commends the Dalia Lama for his efforts to preserve Tibetan culture and religion;

Urges the State Department to pay greater attention to this problem; and

Calls for the release of all political prisoners in Tibet.

I support this statement and support the inclusion of a provision on this important subject in the final State Department authorization legislation.

I commend you all for your strong interest in this issue and your commitment to keep the memory of recent events in Tibet before the public eye. There are, unfortunately, few people in this country who are knowledgeable about Tibet or the history of the Chinese-Tibetan relationship. This makes your task more difficult, but I urge you to continue your efforts on behalf of Tibetan human rights. The Congress shares your concerns about this issue, and wants to play a constructive role.

Mr. Speaker, I also wish to submit the following resolution passed by the American Buddhist Congress:

RESOLUTION REGARDING THE SITUATION IN TIBET

Whereas, there are thousands of documented human rights violations against the Tibetans in Tibet, including many cases of imprisonment and of monks and lamas, desecration of temples and religious objects, and other atrocities,

Whereas the very existence of the Tibetan peoples is threatened by the present policy of the PRC with regard to population transfer,

Whereas, his Holiness, the Dalai Lama, the leader of the Tibetan people, has offered a five point program for peace in Tibet.

1. Transformation of the whole of Tibet into a zone of peace;

2. Abandonment of China's population transfer policy which threatens the very existence of the Tibetans as a people;

3. Respect for the Tibetan people's fundamental human rights and democratic freedoms;

4. Restoration and protection of Tibet's natural environment and the abandonment of China's use of Tibet for the production of nuclear weapons and dumping of nuclear waste;

5. Commencement of earnest negotiations on the future status of Tibet and of relations between the Tibetan and Chinese people.

Therefore, we the delegates to this historic first national council of the American Buddhist Congress declare our support for the work to free monks, nuns, lamas, and others imprisoned in Tibet for their religious beliefs, and we call upon the government of China to free these prisoners, to desist from excessive population transfer and other threats to the people of Tibet, and to kindly begin negotiations with His Holiness the Dalai Lama and the leadership of Tibet to resume normal governance of the Tibetan people.

IN HONOR OF DELANCEY STREET

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. LEVINE of California. Mr. Speaker, I rise today to pay tribute to a good friend and strong leader, Mimi Silbert, president of Delancey Street Foundation. I have known Mimi Silbert and the work of Delancey Street in San Francisco, New Mexico, New York and Los Angeles for a number of years, and I concur with all the experts and officials who have called them "the most successful program in the country" teaching former criminals and drug addicts to build legitimate and successful lives. Their work is exemplary, and they provide their residential services at no cost to the taxpayer.

Mimi Silbert has led Delancey Street with strength and determination; she deserves enormous credit and praise for her unstinting efforts over the years for this vital cause. Mimi is an inspiration to the community she serves.

Mimi Silbert continues to enrich the lives of many through her work at Delancey Street. I would like to share with my colleagues in the House of Representatives an article that recently ran in Parade magazine, written by Michael Ryan, on this dynamic individual and determined organization:

THEY EARN THEIR WAY BACK

[From Parade Magazine, Nov. 8, 1987]

(By Michael Ryan)

As I compose these words, I am spending the night in an institution. In the rooms around me are former drug addicts and pushers, ex-convicts and prostitutes, people with records of conviction for armed robbery and attempted murder. Yet I feel as safe as I ever have.

I am visiting the Delancey Street Foundation, a place that can safely claim to be like no other in the world. The building I am to sleep in—one of the two Delancey Street residences in San Francisco, five nationwide—is a mansion on the Pacific Heights that once housed the Soviet consulate. Its residential suites, offices and conference rooms, appointed with decorous furniture and original artworks, look out on a view that sweeps majestically from the Golden Gate Bridge down the bay past Alcatraz.

Normally, only a handful of the very wealthy could afford to live in such splendor. But this house, like all the Delancey Street buildings, was bought and paid for by the people who live in it and run it—onetime drug abusers and felons. Today, they run businesses that make millions of dollars; they take not a penny of government money. One of Delancey Street's 3000 successful graduates sits on San Francisco's elected Board of Supervisors. Others serve as deputy sheriffs and police officers, lawyers and business executives. Nobody, including themselves, ever believed that they would be anything but worthless.

"I was in prison most of my life before I came to Delancey," says Abe, an assistant to the foundation's president. "I was in San Quentin for armed robbery." Abe, who had picked me up at the San Francisco airport, is a tall, articulate man, fashionably dressed and physically impressive. If he did not have the style and manners of a college English professor, he might be intimidating. Once, he was. "I was in a prison gang," he recalls. "I was using drugs. I had to turn my life around. Delancey Street helped me to do that." Abe left San Quentin more than a decade ago; today, he spends his life helping others to turn their lives around.

"Delancey Street functions as several opposite things at the same time," explains its president, Mimi Silbert, who holds a doctorate in criminology. "It is a treatment place. It is a vocational school. It has residential and educational facilities that make it like a college in some senses. Because we make our own money by ourselves, it really functions as a business.

Delancey Street was started 16 years ago by a group of former drug addicts who borrowed $1000 from a loanshark for their working capital. From their own experience, they knew that the usual government-financed drug treatment and correctional programs were failing for the vast majority of drug abusers. Silbert signed on to help and suggested a name for the group. Delancey Street was a place on New York's Lower East Side where immigrants congregated at the turn of the century.

"When people first come in here," she says, "we call it immigrant." They are a group of people who don't know how to make their way in American society. Like immigrants, they have to bond together, to get strength from supporting each other.

"The first things we do in immigration is change your image. We break the street and prison image. Everybody gets his or her hair cut short. Women remove all their makeup and fake jewels that adorn them—almost every woman who comes into Delancey Street, in addition to everything else she's done, has been a prostitute. We work from the outside in. If you act like you're okay, like your're a solid and respectable person who has dignity and pride, you'll start to became one."

At "The Club," a converted hotel where most "immigrants" reside dinner is served at cloth-covered, candelit tables. Residents come home from work, then dress before eating; many are learning the proper use of utensils for the first time.

A Delancey Street car takes us around the foundation's San Francisco buildings. John, the driver, wears a tweed jacket, button down shirt, and flannel slacks. "I was in San Quentin for attempted murder," he says as he works his way through traffic. "I was paroled and had two parole violations. Two years ago, I was on my way to another. They tested for drug use twice a month, and I was turning in dirty tests. I was desperate for something else."

John arrived at Delancey Street on drugs, and drunk as well. He was made to sit on a bench in the lobby of the Club until he sobered up. "We don't have a formal detoxification program," Silbert says. "We have a living room couch. You can detox from heroin on the couch. It's like having a bad flu. We cook a lot of homemade chicken soup and provide a lot of concern. The second that you look at all functional, you stand up, we stick a broom in your hand, and you sweat out the rest."

Like everyone who comes to Delancey Street, John promised to stay at least two years—and to take part in what is less a drug-treatment program than a life-treatment program. "It isn't enough to say, 'Hello, I'm not a drug addict. Isn't that a great accomplishment?'" explains Silbert. "We don't spend a lot of time teaching people how not to be addicts. We hardly ever talk about drugs. We teach them how to have a life." John, who had dropped out of school in the 10th grade, earned his high school equivalency diploma, then worked at Delancey Street's moving company and eventually was promoted to the head office. "I finally have a future," he says.

Mimi Silbert, at 45, is a concentration of energy, capable of operating virtually without sleep and of promoting Delancey Street with a visionary intensity. But even her words pale before the realities we encounter on a tour of the facilities. Delancey Street Christmas Trees does business by phone with corporations like Bank of America and Transamerica, at corner lots throughout the city, its trees and shrubs are sold by people like Laurent, who came all the way from Paris for help in beating an almost-lethal heroin addiction. Here, ironically, he has earned a certificate as a French chef. At a huge old warehouse, Leon, with drugs just 19 months behind him, leads a crew that rebuilds auto engines. Deirdre, an ex-addict, works in a design shop; she has had two gallery shows of her art. Brian, in a gray suit and a salesman's smile, sells Delancey Street promotional items to Fortune 500 companies; soon, he will "graduate" to a job on the outside.

"Did you ever do any sales before?" Silbert asks Brian. "It's what I was arrested for," he answers, deadpan.

Delancey Street has spread now to Los Angeles, New Mexico and Brewster, N.Y., and it still has more applicants than it can take. But the need is great. Although she and many of her staff already are working 18-hour days, Silbert has taken on a new project: overseeing the opening of a branch in Greensboro, N.C. The city, which had been the site in recent years of Ku Klux Klan violence, was determined to improve its image. A group of community leaders and law-enforcement officers invited Delancey Street in, and Silbert was unable to turn down the invitation. The Greensboro branch will open soon.

This fall, the foundation also has begun work on a new project on San Francisco's waterfront. With the blessings of the area's building contractors and unions, residents will be taught construction skills and then will help to build a complex of shops, restaurants and housing. Eventually, Delancey Street residents will live in the housing they construct. That required a special act of the California Legislature. "It took two years," Silbert says triumphantly, "but we never give up."

Like every Delancey Street project, this will be self-supporting—though the foundation is soliciting private donations to help with building costs, until the new complex opens. Delancey Street is filled to its capacity of 350 in San Francisco, 800 nationwide. Since 75 percent of those who begin the program stay on until they graduate to a real job—an average stay of four years—few spaces will be available for new people in the near future.

Reaching the Christmas tree warehouse, Silbert leads the way up a flight of stairs to the main office, where a young woman is working the telephone. Her name is Stephanie.

"I started using drugs when I was 12," says Stephanie. "I came to Delancey Street when I was 27. I lived in the streets, selling drugs or selling something. You can imagine the kind of degrading things one does to oneself to maintain that kind of lifestyle. I thought that was all I would ever be. When I got here, they said, 'You can do it.' But I thought I was hopeless."

All around, people are working, taking orders and turning to Stephanie for guidance. Business for the season recently passed the $150,000 mark—a record. Stephanie is proud, and she should be. Just five years away from the streets, she now is in charge of the entire operation.

As we leave, I ask Mimi Silbert whether her plan for a new development might not be a little too ambitious. The new housing, after all, will cost about $25 million, an enormous amount for a self-supporting charitable agency.

"We'll build it," she says unhesitatingly, her face hardening in determination. "We've got to."

WHO'S LOOKING OUT FOR THE CONSUMER?

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. MILLER of California. Mr. Speaker, 3 weeks ago, I testified before the Subcommittee on Consumer Protection, which was examining the dismal record of the Consumer Product Safety Commission in carrying out its legislative mandate to safeguard the American consumer from hazardous products.

As I indicated in that testimony, the Commission has been grossly negligent, repeatedly failing to act against toys and other products which threaten the safety of children throughout this country. Products which have proven to present serious dangers to children—including lawn darts, infant cribs, pool covers, bunk beds, and all-terrain vehicles—remain insufficiently regulated, and consumers remain unaware of the dangers these products present.

Now we are informed of yet another consumer hazard of which the public remains virtually unaware thanks to the Consumer Product Safety Commission's abdication of authority, and the apparent negligence of manufacturers.

Over 170 Americans, many of them children, have lost their lives in the past decade through electrocutions from hair dryers which remain dangerous even when turned off. Underwriters Laboratory has finally implemented a standard requiring all hair dryers manufactured after October 1, 1987, to present no threat of electrocution even if submerged in water when turned off.

However, products which do not meet this essential safety standard will still be available for sale until current supplies are exhausted. Will consumers be informed of the hazard? Probably not, according to a recent article in the New York Times, which I am submitting for my colleagues to review.

[From The New York Times, Nov. 13, 1987]

ELECTROCUTION, MADE EASY

(By Steven Leveen)

BELMONT, MASS.—Attention, shoppers! For limited time only, you can buy a hair dryer that is fully capable of electrocuting you even when it's turned off. But hurry, before the supply runs out. Only those hair dryers manufactured before Oct. 1 qualify.

Ridiculous? Yes. Impossible? No. For this is exactly what is happening.

Most of us know that hair dryers can be dangerous—we instinctively distrust any electric appliance in watery environs like a bathroom. But we assume that we are safe if the thing is turned off. Wrong.

Even when turned off, most hair dryers still circulate a current strong enough to electrocute a person. Manufacturers built them that way because it's cheaper and nobody told them they couldn't. In the last 10 years, as a result, 172 people have been electrocuted when hair dryers that were turned off fell into sinks or bathtubs filled with water. Most of the people were children.

Recently, Underwriters Laboratories Inc., an influential, nonprofit safety and testing laboratory, set forth a new standard. To carry the UL label, all hair dryers manufactured after Oct. 1 must pass an immersion test. Now, hair dryers that are plugged in but turned off must not release dangerous levels of current.

However, for the next several months, including the Christmas buying season, the public will find a mix of new and old hair dryers on the shelves—both with exactly the same UL label. Apparently, some manufacturers and retailers are less than anxious to educate the public, until their inventory of old shockers is depleted.

One store manager quoted in a trade magazine explained it this way: "I don't want a panic among customers, with everyone bringing back what they've bought from us. I still have a lot of inventory that I have to sell."

Moreover, some manufacturers and retailers argue, counter-intuitively, that the higher safety standards might be more dangerous because people will then think that hair dryers are totally safe, whether on or off.

Other manufacturers, I hasten to note, have rushed out models that meet and even exceed the new UL standard. They hope informed consumers will help their companies gain a greater share of the market.

Consumer product safety improvements seem always to raise the same issue—whether manufacturers should make foolproof products or whether consumers should be more careful. One industry representative said, "Of course, the whole problem could be avoided if people remembered to unplug their dryers."

Sure. And we wouldn't need seat belts if people would just drive safety. A lot of pesky things could be avoided, if people weren't human.

The answer is to make products that are safe, which hair dryer manufacturers will do next year. But what about the other issue—allowing the industry to sell its inventory of dangerous products? That is plainly cynical and immoral. It makes me wonder for whom the industry, retail stores and the Government are all looking out—business or the lives of children who will inevitably die of electrocution from a hair dryer bought in the next few months?

Alerting the public should help, but that alone isn't enough. If a product is recognized as dangerous, then it should come off the shelves immediately. Anything less is an abdication of responsibility.

Mr. Speaker, I am calling upon the CPSC to issue a regulation immediately which at least alerts retailers and consumers of the hazard presented by these defective hair dryers. The CPSC, however, has the power to remove defective merchandise from store shelves once a safety standard has been developed—

The CPSC is negligent when it fails to closely examine these products as they first enter the marketplace. I recognize that there are some who will undoubtedly argue that restricting the sale of such dangerous, but improvable products, will only discourage manufacturers from developing safer products which would force the dangerous ones from the shelves. Such an argument is too cynical to be embodied in public policy.

For many years, we in Congress have heard the call of industry to enact legislation which restricts the rights of injured consumers to seek damage awards against manufacturers and others in product liability cases. At the same time, we see resistence by manufacturers to effective regulation by government, and indifference by industry itself, to known hazards in the workplace and the marketplace.

Restriction on product liability are inappropriate unless we can be certain that all reasonable and practical steps have been taken to minimize the risk. As the hair dryer case shows, that is not always the case.

So long as a small and unresentative group of manufacturers places their own profits above the well-being of their employees and customers, it would be exceedingly poor judgment by the Congress to restrict their rights of injured parties to seek full restitution for their damages. To do so will encourage the kind of negligent behavior described in the Times and too often sanctioned by the appropriate regulatory agencies of our Government.

THE ACT FOR BETTER CHILD CARE SERVICES

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mrs. MORELLA. Mr. Speaker, I rise today in support of the act for better child care services, a bill introduced today by the gentleman from Michigan [Mr. KILDEE] and I urge my colleagues to join me in cosponsoring this legislation.

This bill is the culmination of months of work by over 90 organizations across the country and is a comprehensive package which provides a basis for States to aid working parents with their child care needs through the development of model child care programs. The bill provides funding to make child care more affordable for low and moderate income families and to increase the accessibility of quality child care for all families. It strengthens the quality of day care through basic and necessary protections for children and provides funding to resource and referral agencies to assist working parents to find appropriate child care.

Mr. Speaker, I believe the need for affordable and accessible day care is one of the key issues of this decade. As two-wage-earner families and single heads of households make up a greater and greater percentage of the work force, the demand for day care services will continue to expand. As a Representative from Montgomery County, MD, I represent a district in which 61 percent of the work force are women. It is estimated that out of the estimated 79,700 children under the age of 10, almost 48,000 of those children are in need of care. Yet, as of July 1987, Montgomery County has only 14,000 registered and licensed full day child care spaces. Nearly 11,000 additional requests are made each year—almost one-half of which are for infants.

Clearly, there is a strong need for expanded child care services in my district and nationwide. I believe the act for better child care services will provide an important contribution to expanding accessible, affordable, and quality child care services. I urge my colleagues to join me in cosponsoring this legislation and working for its passage.

A BILL TO LIMIT ADVERTISING TAX DEDUCTIONS

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. DIOGUARDI. Mr. Speaker, I rise to draw the attention of Congress to a very urgent matter.

In more short-sighted efforts to solve the Federal budget deficit, legislative proposals are being discussed that would limit advertising tax deductions. Such legislation would have a serious negative impact on our economy, with all evidence indicating that it would result in a loss of jobs and revenues.

In addition, by unreasonably raising the cost of advertising, the Government would effectively be restricting the public's access to information and placing financial conditions on the right to commercial free speech.

We have recently seen the practical results of advertising taxes in the State of Florida where such a tax has had severe economic repercussions. Rather than generating additional revenues, the Florida tax has resulted in a loss of revenues and jobs, along with cutbacks in spending by advertisers.

Federal legislation which would defer 20 percent of all advertising tax deductions would have similar, highly negative results. A Wharton econometric study released last year emphasized the need for unimpeded truthful advertising of legal products.

The study predicted that the elimination of 20 percent of advertising tax deductions would lead to a $5.1-billion rise in the national debt by 1994. The study went on to conclude that, should such legislation be enacted, 185,000 jobs would be lost in the first year alone, and it estimated that $522 per household in real disposable income and $76.7 billion in output would be lost cumulatively over 5 years.

In addition to these practical economic arguments, there are important constitutional issues at stake here. The freedom of speech is a cornerstone of our democracy and should not be restricted. And while some may argue that commercial speech is less important than speech about religion, politics, science or art, shouldn't it be up to each individual to decide which messages are important and which are not?

If we allow such decisions to be made by the Government or others who control access to the media, we will be taking the power of economic choice away from the consumer and placing it in the hands of an elite minority.

Commercial freedom of speech is one of the most potent conveyors of information and ideas in modern society. All those who would place restrictions on paid access to the media should realize that censorship is a concept that most Americans have rejected for over 200 years.

GARLAND G. THOMPSON: OFFICER OF GOOD WILL

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. STARK. Mr. Speaker, a very fine public servant on Capitol Hill is U.S. Capitol Police Officer Garland G. Thompson, a 12-year veteran of the force.

Everyday he brings a fresh and friendly approach to the sea of visitors and staff who come his way.

The Hill Rag of July 3, 1987, carried a story about the specially memorable service that Officer Thompson gives. It is worth repeating here as a reminder to all of us of how we should treat visitors and guests to our Nation's Capitol.

[From the Hill Rag, July 3, 1987]

GARLAND G. THOMPSON—U.S. CAPITOL POLICEMAN BRINGS WARMTH AND HAPPINESS TO CAPITOL HILL VISITORS

(By Mark A. Guzman)

"Good morning, how are all of you good people doing this morning?" is how Garland G. Thompson greets me every morning on my way to work. On his beat at First and C Sts, SE, one of the busiest corners in the Nation's capital—a stone's throw from the U.S. Capitol, a block from the Republican National Headquarters, and spitting distance to the Library of Congress Madison Building, the Cannon House Office Building and the Capitol South Metro Stop—Private First Class Officer Garland G. Thompson wants people to remember him as the friendliest police officer that they met in Washington. He succeeds. He has hundreds of letters that express appreciation for his being a friendly, helpful and courteous host.

Upon meeting Officer Thompson, many people are impressed with his enthusiasm and altruistic attitude. He has made an indelible impression on many people, residents and visitors alike.

People have sent letters complimenting him on his good manner, and not only out-of-town visitors. Rep. Norman Shumway (R-CA) wrote, ". . . I greatly appreciate the courtesies extended by Officer Garland Thompson to one of my constituents. Each experience such as this reflects favorably not only on the individual but upon the entire [United States] Capitol Hill Police Force."

A businessman from Pittsburgh, Pennsylvania wrote, "I frequently have the opportunity to observe Officer G.C. Thompson efficiently and cordially handle his responsibilities at the corner of 1st and C Streets, SE. He is a consistently effective traffic policeman as well as an ambassador of good will to visitors and residents alike."

He enjoys the short-term rewards of his work more than the long-term benefits. He gets satisfaction by putting people in a good mood. He fashions relationships with people by being friendly and by trying to help them the best way that he can.

Officer Thompson also has a great desire to help people find their way around town. He does not simply say, "Turn right around the corner." Instead, he gives detailed directions to help people reach their destination—He mentions every street by name and every building by name. He said that many people returned to thank him for giving such good directions.

Officer Thompson does more than direct traffic and help people cross the street. Since anything can happen at any given time, he is alert. "An officer, especially a Capitol Hill officer, must be conscientious of his surroundings," said Officer Thompson.

Being a US Capitol Police Officer involves a great deal more than what people might think. Not only must they learn laws pertaining to the District (e.g. to effect an arrest), but also regulations pertaining to the jurisdiction of the US Capitol Police. They have to learn how to respond to suspicious looking people, sick people and VIPs.

Officer Thompson said that the most enjoyable aspect of his job is "meeting people, assisting them and helping the best way that I can as a police officer. I thank God for giving me motivation, understanding and knowledge to work with people. It is important that we all work together no matter what occupation we are in."

Officer Thompson, who was born in Burlington, North Carolina, first worked for the Justice Department before working for the US Capitol Police. This past June 9th marked his 12th anniversary of working on the force. Officer Thompson, his wife Gail Allison, and their two daughters, Grace (3) and Gloria (1) live in St. Mary's County, Maryland.

MEDICARE LONG-TERM HOME CARE CATASTROPHIC PROTECTION ACT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. MILLER of California. Mr. Speaker, yesterday, I had the opportunity to testify before the Subcommittee on Rules in support of the Medicare Long-Term Home Care Catastrophic Protection Act. This legislation would protect thousands of chronically ill or disabled children, as well as disabled adults and the elderly. It is critically needed to prevent the emotional and economic devastation of families that so often accompanies a catastrophic, long-term illness or disability of a family member.

My statement follows:

MEDICARE LONG-TERM HOME CARE CATASTROPHIC PROTECTION ACT

Mr. Chairman, I want to thank you for your tireless efforts to protect the health of the nation's chronically ill and disabled children, disabled adults, and the elderly. H.R. 3436, the "Medicare Long-Term Home Care Catastrophic Protection Act," is a long overdue measure that would provide comprehensive homecare to individuals of all ages who need such care. In addition to basic medical care and social services, this legislation would ensure everyday assistance families need to stay together, such as family caregiver education, training, counseling, respite care and other family support and homemaker services.

For all of us concerned about the fiscal impact of such legislation, the bill eliminates the cap on which the Medicare payroll tax is paid, raising the revenue needed to finance this bill in an equitable way. Additional budget savings will be achieved because this legislation will promote home-based medical care, which we know is far more cost-effective in many cases than hospital or institutional care.

MORE CHILDREN UNINSURED THAN EVER BEFORE

The need for this legislation is especially urgent today. The Select Committee on Children, Youth, and Families has documented that millions of Americans, largely children, are at extreme risk of receiving inadequate health care, or of being unable to pay for the quality care that should be available to them.

Thirty-five million Americans lack health insurance, one-third of them—11 million—are children. These are not merely the children of the unemployed. In fact, nearly 30% of today's uninsured children have employed parents with employer-sponsored health plans which fail to cover their children. This scenario is likely to worsen as new entrants into the workforce find that available jobs are in the traditionally low-wage, low benefit service sector.

Already in California, 32% of all children living in families below 200% of the poverty level have no health insurance of any kind.

Nationally, fewer than half of all poor children, and only 60% of low-income disabled children, are covered by Medicaid. Even in California, which has one of the highest per capita incomes of all states, only 59% of all poor children are covered by Medicaid. For low-income families, even the cost of routine medical care or care for a minor illness or surgery can be catastrophic.

I have attached a summary of the Select Committees' joint hearing on "Catastrophic Health Insurance: The Needs of Children," and a fact sheet prepared for that hearing so that you may have a record of all of our findings.

Earlier this year, when the House approved legislation to protect the elderly against extraordinary expenses in the event of catastrophic illness, I expressed my hope that Congress would afford similar protections to children. For we have recognized, as generations working together, catastrophic or chronic illness knows no age limitations. Extraordinary and burdensome medical costs can befall children and their families as well as the elderly. This year, the Select Committee on Aging joined the Select Committee on Children, Youth, and Families, to focus attention on the effect of catastrophic illness on children and their families. Let me highlight some of our findings:

INADEQUATE INSURANCE CAN IMPOVERISH A FAMILY AND THREATEN ITS STABILITY

Few issues are of greater concern to this nation than ensuring family stability. Yet the stability of millions of American families is at risk when a child's illness or disability severely strains their finances, and in many cases, forces them into poverty.

More often than not, families with chronically ill or disabled children are denied health insurance when they need it most. These families face extraordinary out-of-pocket medical expenditures that wipe out savings or result in family bankruptcy. They are forced to make a morally unsound and financially unnecessary choice betwen poverty or their child's institutionalization.

Consider the experience of parents and their disabled youngsters who testified before our committees:

Jeff Reckeweg, a five-year old from Clinton, Maryland, was born with a severe breathing disorder resulting in a lengthy hospital stay. His family's private insurance was exhausted in less than nine months because of a $100,000 cap on reimbursement. Now the family faces an $800,000 debt.

Twenty-five year old Joe became paralyzed after a bicycle accident in 1985. While his parents' employer-based insurance covered much of his initial medical care, recently his mother was forced to quit her job to care for him at home. As a result, her health insurance policy will soon lapse, leaving them with no way to pay the bills.

Robert Bachschmidt is a four-year old with muscular dystrophy from Washington, D.C. Because reimbursement for home care was so difficult for his parents to obtain, Robert stayed in Children's Hospital for 18 months at a cost of $865,800.

These families want, more than anything, to be able to care for their children at home, to rid themselves of debt, and to get on with their lives. The inadequacy of their insurance coverage was a significant barrier to achieving the family stability that you and I take for granted every day.

It is painfully clear that the chronic illness or disability of a child severely compounds the natural stresses and strains of marital relationships and relationships among their children. Yet our current policies deny these families both the financial support they need and other supports—such as respite care and attendant care which would help them maintain basic family stability.

The legislation the Rules Committee is considering today takes an important step toward enhancing family stability by assuring adequate reimbursement for home-based medical care and family supports. As a result, families will no longer have to resort to placing their child out-of-home and disrupting their family's economic and emotional well-being.

This legislation builds on the effective approaches in the cases of education for the handicapped and foster care where the Congress found excessive utilization of institutional settings instead of more appropriate, and less costly, alternatives.

HOME CARE FOR CHRONICALLY ILL AND DISABLED CHILDREN IS MORE HUMANE, LESS COSTLY THAN INSTITUTIONALIZATION

Both of the Select Committees have documented that home-based care is inherently less costly than hospital-based care for these most vulnerable children. In Robert Bachschmidt's case, home care for the same period of his hospitalization could have been provided at one tenth of the cost.

In California, the cost of institutionalization for a child with cerebral palsy is $1,400 per month, twice the $700 monthly cost of home care.

In Maryland, the cost of home care for ventilator dependent children is $9,000 per month, 36% of the cost of hospital care ($24,800 per month).

A twenty-state hospital survey, released by the American Association for Respiratory Therapy in 1984, found that the average cost of care for ventilator dependent persons was $270,830 per person per year in a hospital versus $21,192 per person per year at home. The estimated annual savings for children in this sample alone would be $64.4 million.

DISABLED WORKING ADULTS NEED HELP TO KEEP WORKING

I am especially pleased that the legislation establishes a demonstration program to assist working disabled adults who are not recipients of Social Seurity benefits for SSI. This demonstration effort will reveal that such protection serves as incentives to enable disabled individuals with severe functional limitations to participate in the workforce. The World Institute on Disability, a San Francisco Bay Area based organization, is to be commended for bringing this important issue to our attention and making sure that it was included in the bill.

CONCLUSION

This legislation will significantly begin to fill the gaps in home health care that exist for children and adults who face long-term catastrophic illness or disability. We still have a long way to go, but without this legislation, many families will continue to face more costly, less humane treatment in institutions, no treatment or support at all, or catastrophic health expenses that leave their families in poverty.

I urge my colleagues on the Rules Committee to allow this important bill to come to the floor for a vote in a timely fashion.

ONE MAN'S FIGHT AGAINST AGENT ORANGE

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. BONKER. Mr. Speaker, for too long, questions about the health problems associated with agent orange exposure have gone unanswered. In the meantime, Vietnam veterans have lived with the anxiety and uncertainty about whether their exposure during the war has led to serious health problems for them and their families.

Over the past 2 years, I have worked closely with one of these veterans, Joe Cole. Joe has led a personal crusade to bring a resolution to this issue and in the process has brought an increased awareness of the problem.

Recently, Fred Case of the Seattle Times wrote an excellent article about Joe and his work. I'd like to request that it be reprinted in its entirety below.

The article follows:

[From the Seattle Times, Nov. 4, 1987]

AGENT OF DESTRUCTION—VIET VET IS CONVINCED OF HERBICIDE'S HEALTH RISKS

(By Frederick Case)

Watching his daughter being born with a cleft lip, Joe Cole saw red about Agent Orange.

Cole, 37, vividly remembers the moment—11:30 p.m. May 10, 1984—when he stood near the delivery table in Overlake Hospital in Bellevue and noticed the flaw.

Cleft lip is a deformity that some researchers report more common among children born to Vietnam veterans exposed to toxic herbicides such as Agent Orange. So is foot deformity, which Cole's son, Jeremy, was born with in 1980.

He remembers leaving the delivery room and standing outside in anger as he reflected back 19 years to an April day on a brush-covered mountainside in Vietnam.

Once again he heard the clank and chatter of the big D-8 bulldozer he drove as B Company of the 25th Engineer Battalion repaired sabotaged Highway One from Da Nang to the Demilitarized Zone.

He remembered three huge Air Force C-123 cargo planes 100 feet above the trees, thundering over the engineers, spraying a mist of concentrated poisonous herbicide.

A day or so later the brush was gone. "It was cleared a lot better than we could do it by hand, or even by hand grenade," says Cole. "But we didn't even imagine the spray was zapping us as well."

Six days later, Specialist E-4 Cole got stomach cramps so bad the Army flew him to the Philippines for treatment of "illness of unknown origin."

After 10 days the combat engineer was sent back to his unit. In the next several months before a severe shrapnel wound disabled his arm and hand, Cole grew familiar with the diesely smell of Agent Orange spraying missions.

Since then he's become acquainted with chronic symptoms he believes have shattered his life and that of thousands of other Vietnam veterans. In fact, more than 5,000 state vets have filed claims in a national class-action lawsuit claiming Agent Orange has harmed their health.

ORGANIZED FOR BATTLE

Cole is Northwest representative for the Independent Agent Orange Network, a nationwide coalition of about 200 activists including doctors, scientists and lawyers. The group has operated informally for about three years, but Cole coined its name only six months ago.

He sees it as a David ranged against a government-and-chemical-industry Goliath.

"We pool information," the ex-soldier says, "and we try to draw a coherent understanding of what's going on in connection with Agent Orange."

Shortly after Jennifer was born, Cole's persistent ill health forced him to close his Olympia-area plumbing business and retire on permanent Social Security disability. He became part of an anguished subculture of Vietnam postwar casualties, wounded deep in their souls and fighting mysterious infirmities.

Cole is bitter that the Veterans Administration demands absolute scientific proof of a link between Agent Orange and the ailments of some Vietnam veterans and their children. The veteran says that on the day Children's Orthopedic Hospital surgeons corrected Jennifer's cleft lip, four other Vietnam veterans brought their babies to the hospital for similar birth-defect surgery. "The (the connection) would be impossible to prove," says Cole, "unless we'd all lived in a test tube since the Vietnam War."

LOCAL CLAIMANTS WAIT

In Seattle, some 800 Vietnam veterans have claims against the chemical industry on file with the Schroeter Goldmark & Bender law firm. The veterans believe they or their children are Agent Orange victims.

But lead lawyer Robert E. McCluskey, himself a former infantryman in Vietnam, doesn't believe the veterans ever will be adequately compensated. "It may be many years before science knows definitely what this stuff really does to people," he says. "By that time, it will probably be too late for the Vietnam vets."

Some states have embarked on their own herbicide research programs.

Twelve of the states—Massachusetts, New Jersey, Connecticut, West Virginia, Virginia, Michigan, Rhode Island, Delaware, Pennsylvania, Oklahoma, Rhode Island and Florida—have pooled resources of State Agent Orange programs.

West Virginia corroborated a Massachusetts study and reported "strong statistical evidence to suggest that Hodgkin's disease, testicular cancer and soft-tissue tumors were more common among veterans who served in Vietnam than among veterans who did not."

New Jersey announced that its test of blood and fat in a group of exposed veterans showed levels of the carcinogenic chemical dioxin 10 times higher than normal. Dioxin is a component now viewed with dread even in tiny quantities.

In this state, the Senate issued a resolution last year commending Cole for his diligence in pursuing the Agent Orange issue. While Cole is proud of the citation, he is disappointed that state officials have rejected his request to study the mortality rate among Vietnam veterans.

Undaunted, Cole is canvassing state legislators for support.

ORANGE TAKES ITS TOLL

Cole looks healthy, with a plump, ruddy face and stalwart torso.

But then he lifts his shirt to show the cruel, festering chloracne (a skin affliction that government and industry agree is caused by heavy Agent Orange exposure).

You learn also that Cole's facial plumpness is really puffiness linked to the cortisone medication he must inject into his torso daily for chloracne control. His medicine chest brims with pills he must take daily to lessen lung congestion and blood pressure. Even at rest, he has a pulse rate of about 130.

His headquarters is a neat little barn-red rambler house on the outskirts of Lacey, in Thurston County, where he lives with his wife, Colleen, 37, and their three children.

Except for the computer he uses to write letters, the living room is pure Norman Rockwell Americana, with figurines, a Westminister-chime grandfather clock and a small portrait of Christ.

Files of Agent Orange information he's gathered over the past four years overflow even into his garage. The high-school dropout (for financial reasons, he went to work at Simpson Timber Co. in Shelton when he was 15), has turned himself into an encyclopedic authority on herbicide use in Vietnam.

For efficiency, his network's members have specialized assignments. Cole's task is to expose "what we believe to be a conspiracy to cover up the truth." New Jersey and Oklahoma members work on research. Michigan analyzes studies by the Veterans Administration. New York works on how the body can be detoxified.

Many members of his group also belong to the 30,000-strong national Vietnam Veterans Association. Cole is former chairman of VVA Chapter 130, but says he quit the organization because it considers him an impatient maverick.

Almost every day he spends an hour or two writing letters and reading material sent to him by other activists. When he's not doing that, he's calling on officials, napping to conserve his strength or telephoning. He squeezes the family budget with a monthly $125 in calls to network members in such locations as Bakersfield, Calif., Brooklyn, N.Y., and Shreveport, LA.

"Maybe I devote more of the family budget to this issue than I should," he says, "But my wife understands how important this is."

Says Colleen, "I'm just thankful that he's taking an interest in life again. Like a lot of Viet war veterans, for a long time he just sat and sat and sat. He was so depressed that I grew very worried.

LOBBYING WITH A GOAL

Often Cole pulls on rumpled slacks and a sports shirt, and in his drab brown 1973 American Motors Hornet visits the offices of Rep. Don Bonker, state Rep. Jennifer Belcher and state Sen. Mike Kreidler to supply them with the latest network information.

Just what do Cole and the Independent Agent Orange Group hope their campaign will achieve?

Cole will tell you: Compensate and treat Vietnam veterans for cancers linked to chemical exposure; help the veteran who can't afford health care except from a state agency; and investigate taxpayer-financed studies of herbicides and their affect on veterans.

STUDIES IN FRUSTRATION

Eight years ago, Congress ordered a major scientific undertaking on the health effects of Agent Orange exposure.

But after much delay and the expenditure of $150 million, government scientists have canceled one major study by the Centers for Disease Control on grounds that they can't find enough soldiers with sufficient exposure to qualify.

Anyway, says Dr. Vernon Houk, a CDC official, their earlier pilot study on 600 soldiers showed that "for most ground troops, the exposure to Agent Orange was not significant."

Cole says the CDC put so many restrictions on the study—for example, disqualifying soldiers who were in a unit for less than 180 days—that the project was doomed before it began.

Also, Cole says the CDC didn't explore damage from all toxins, which he says is a flaw.

Says Dr. James Woods, a toxicologist and epidemiologist at Battelle Institute in Seattle: "We're learning that chemical exposure in Vietnam was intense. And I don't mean just Agent Orange. There were innumerable cancer-causing chemicals such as arsenic and DDT.

"So, while many studies don't show a risk for veterans exposed to Agent Orange, a significant question remains on whether the combination of chemicals they were exposed to might have increased their long-term risk of getting chronic diseases."

Rep. Don Bonker, D-Olympia, has charged that the failure of the CDC study is "an affront to veterans."

"In my view," Bonker says, "cancellation of the CDC study should not mean that veterans harmed by Agent Orange are going to be left out in the cold. Congress should conduct hearings on this study and its cancellation . . . and do all we can to clear up confusion about what the various studies indicate."

The government denies any misconduct or deliberate delay in the Agent Orange investigation. It points out that years of multimillion-dollar federal studies on veterans exposed to herbicides in Vietnam failed to find a relationship between cancer and herbicide exposure.

However, a VA study released Sept. 3 showed that Marine veterans of Vietnam had a 58 percent higher lung-cancer death rate than expected, and a 110 percent higher death rate from non-Hodgkin's lymphomas.

But Dr. Alvin Young, senior analyst with the White House Office of Science and Technology, is skeptical, saying those results may be "no more than a statistical fluke."

SKEPTICS QUESTION TEST

In turn, Cole's group is skeptical about previous government studies—particularly an Air Force one called Ranch Hand—that failed to find a link between herbicide and illness in Viet veterans.

The $11 million study, released in 1984, appeared to be the decisive word on Agent Orange. It said Vietnam veterans who served in sprayed areas didn't have a higher incidence of cancer. It compared the health of some 1,200 airmen who had flown spraying missions with a similar number who hadn't.

But Dr. James Rogers, a Montana member of the Independent Agent Orange Group and the only physician on the Vietnam Veterans Association national board, says it's more likely that the only airmen significantly exposed were the ones who filled the tanks and the flight engineers who turned on the spray valves.

The clincher came when Cole discovered that one member of the Air Force's "non-exposed" comparison group was a former employee of the Dow Chemical Co.'s 2,4,5-T chemical manufacturing plant in Midland, Mich., and was totally disabled by chemical exposure.

Cole says that with the help of Bonker's office, he extracted information from the Air Force that showed the control group included an additional 28 chemical-company workers, and that some of them were also disabled because of their exposure.

In the meantime, Cole watches the body count rise around him as he ferries fellow Viet vets to hospitals for treatment.

One network member, Harvey Cotner, a Twisp tavern owner, died last April of colon cancer while being treated for leukemia at the VA Hospital in Seattle. Leukemia is recognized as service-connected if it occurs within eight years of departure from the military.

But Cotner's leukemia was diagnosed 20 days too late for him to qualify for medical benefits. So Cotner lost his business and the property he owned to pay medical bills, and died penniless.

"In the past year," Cole says quietly, "leukemia or cancer has taken five of my Viet vet friends who were working with me on this project. All five had been exposed to spraying."

Cole's remaining comrades include Scott Mills of Shelton, who served alongside Cole in A Company of the 35th Engineer Batallion in Vietnam. Mills has developed multiple sclerosis, a disease that researchers at the University of Illinois and elsewhere say can be caused by herbicide.

IN PAIN, BUT FIGHTING

Bill Michelsen, 38, a former Signal Corps sergeant who served in defoliated areas between 1969 and 1971, joined Cole last year to testify at a congressional hearing.

In 1975, the same year Cotner was diagnosed as having leukemia, Michelsen learned that he had Hodgkin's disease. Despite his pain, the tall, blond former private investigator from Twisp maintains a big grin as he limps around leaning on a walking stick.

Last year, when the House Veterans Affairs Committee held hearings on Agent Orange studies, the pair flew to Washington, D.C., and spent four days hobbling and wheezing around the Capitol lobbying lawmakers.

"Both of us being disabled, we didn't cover as much ground as healthy people could," says Cole with a self-deprecating chuckle. "But we stopped at about 200 offices and passed out about $1,000 of literature on Agent Orange."

They also visited newspapers and TV stations. And suddenly, says Cole, the sparsely attended committee hearing because standing-room-only. Then the Senate scheduled a similar hearing.

Bills to provide VA medical compensation for Vietnam veterans suffering from non-Hodgkin's lymphoma or lung cancer recently have been introduced into the veterans affairs committees of both the House and Senate, but no hearing dates have been scheduled.

The bills would establish a presumption that certain cancers in Viet veterans, such as non-Hodgkin's lymphoma, were caused by toxic herbicides, and so the Veterans Administration must provide medical compensation.

Until now, the VA has denied virtually all such claims.

"The momentum for change has been building for years," says Robert Griffith, an aide to Tim Wirth, a Colorado senator and Vietnam veteran who is co-sponsoring the Senate committee bill. "It's been an inordinately long educational process. We shall have to see how the Veterans Administration and the government responds to this legislation, which potentially could be very expensive."

Cole and Michelsen are eager to get back to Washington, D.C., and testify once more.

Meanwhile, the Vietnam War rages on for them and their network. Fought with phone calls and letters instead of bullets. And with only a glimmer of light at the end of a long, long bureaucratic tunnel.

NO TO THE GORBACHEV VISIT

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. DAUB. Mr. Speaker, I stand today in utter disbelief that the American freedoms and the civil liberties that we defend everyday as legislators could be so contemptuously debased by inviting the leader of a country which has failed to recognize even basic human freedoms to speak in this Chamber.

To bestow the honor of speaking before the preeminent democratic assembly to the leader of a Communist regime is confusing to those struggling to be free from Soviet rule.

If this is some gesture of openness, or glasnost, on the part of our country, I would like to remind the Speaker that it is not our country who has a problem being "open."

This invitation controversy does not represent some esoteric difference between democracy and communism. This is an issue of honor and whom we honor. I, for one, cannot stand in this Chamber and receive the words of a leader who has failed to allow basic human rights of political and religious expression.

LATVIAN INDEPENDENCE DAY

HON. EDWARD F. FEIGHAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. FEIGHAN. Mr. Speaker, yesterday marked the 69th anniversary of Latvian Independence Day—a day honored by Latvians throughout the world. But perhaps the most important gathering—the one planned to take place yesterday in Riga, Latvia's capital city—was prevented from taking place.

For the past several weeks, the Soviet leadership mounted a campaign, warning Latvians against participating in the demonstrations planned to protest Soviet rule. The secretary of the Latvian Communist Party Central Committee warned that demonstrating on November 18 would be considered an anti-Soviet activity. Schoolchildren and students were warned against demonstrating as well, and warnings were broadcast through the media.

On Latvian Independence Day itself, hundreds of armed Soviet police stood shoulder to shoulder, blocking Latvians from the Freedom Monument, the planned site for the demonstration in the central square of Riga. These Soviet police were reinforced by civilian militiamen, moving throughout the streets of Riga, reportedly totaling several thousand. Janis Barkans, the leader of the human rights Helsinki '86 Group in Riga, was kept under house arrest throughout the entire day. There were also reports that as many as 40 persons were arrested for trying to reach the Liberty Monument.

In spite of these barriers, hundreds of Latvians gathered throughout the day in the first widespread public celebration of Latvian Independence Day in almost 40 years. People stood in drizzling rain next to the police barricade—in silent and brave celebration.

Mr. Speaker, I rise today to protest Soviet interference with Latvian Independence Day. In 1975, the Soviet Union signed the Helsinki accords, pledging to "respect human rights and fundamental freedoms, including the freedom of thought, conscience, religion or belief, for all, without distinction as to race, sex, language or religion."

Yesterday, the Soviet leadership showed the world, once again, how it has not honored these commitments. I urge my colleagues in the U.S. Congress to protest these acts. The brave people of Latvia deserve nothing less than our full and unwavering support.

VOTE WILL STILL TAKE PLACE TO OPPOSE CONGRESSIONAL PAY RAISE

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. COLEMAN of Texas. Mr. Speaker, I wanted to take this brief opportunity to clarify a misconception that might have arisen over the intentions of this House to give Members the opportunity to vote to oppose the raise in congressional pay called for in the recently-passed budget reconciliation legislation.

Under the law, as I am sure you are aware, compensation for Members of Congress is tied to that of other Federal employees for the purposes of determining salary levels when increases or decreases are determined. The President called for an increase of 2 percent, and the House legislation included a 3-percent raise for Federal employees. Although I do not believe it was the intention to provide Members of Congress with that pay raise, they would receive it unless a separate vote takes place to exempt them from that pay raise.

Last week, the announcement was made that a vote to exempt Members of Congress from the pay raise would take place this week. It would have taken place as an amendment to the fiscal year 1988 continuing resolution, the catchall spending bill for the Federal Government. Because of the emergence of a bipartisan budget deficit compromise between congressional and White House negotiators, however, it would not be appropriate to vote on a continuing resolution this week until either a compromise is finalized and voted on or the Gramm-Rudman cuts are put into effect.

This delay of the continuing resolution, however, should not be interpreted as a weakening of the commitment to hold this vote to exempt Members of Congress from the Federal pay raise. I have been assured that this vote will take place as soon as the upcoming events of the next couple of days are sorted out. I remain steadfast in my opposition to this pay raise, and I would like to restate my firm intention to vote against it as soon as the opportunity presents itself.

A SALUTE TO EBY-BROWN COMPANY

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. HASTERT. Mr. Speaker, recently, I had the opportunity to tour the Eby-Brown Co. in Aurora, a wholesale distributor that is celebrating its 100th anniversary.

From its beginning in the late 1800's as a small tobacco and candy wholesaler with fewer than 10 employees, it has grown into a company with 500 employees, $550 million in sales and it services more than 20,000 businesses.

The president and chief executive officer, William Wake, took me on a tour of the warehouse. And although tobacco and candy are still the major category of goods, Eby-Brown distributes over 3,000 products including groceries, health and beauty aids, snack foods, sundries and a full line of deli products.

Eby-Brown is a splendid example of how hard work, efficient management and marketing innovations have, over the years, resulted today in the largest single-owned tobacco distributorship in the United States. On this anniversary, we salute the founders, those who lead the company today and the employees.

OUTLAW PLASTIC HANDGUNS

HON. LAWRENCE J. SMITH

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. SMITH of Florida. Mr. Speaker, on October 30, 1987, the Hollywood (FL) Sun-Tattler published an editorial which will be of interest to all Members of Congress. The Sun-Tattler, which is located in my congressional district, has taken the editorial position that plastic handguns should be banned.

The newspaper article follows:

[From the Sun-Tattler, Oct. 30, 1987]

OUTLAW PLASTIC HANDGUNS

Attorney General Edwin Meese again is carrying water for the National Rifle Association.

After having supported the NRA last year on legislation that weakened the 1968 federal Gun Control Act, Meese now has sidetracked a proposal that would ban plastic handguns.

Naturally, the NRA favors the manufacture of plastic handguns. It has never found a gun it didn't like, even machine guns. The organization, you may recall, vigorously protested when the government imposed a ban on the sale of machine guns to private citizens.

So, there was no surprise when NRA officials hightailed it to Meese's office after certain top officials of the Justice Department drew up legislation to ban plastic handguns that can escape detection by security equipment. Treasury's Bureau of Alcohol, Tobacco and Firearms is responsible for enforcing gun laws.

The legislation would prohibit the manufacture and sale of plastic guns that contain less than 8.5 ounces of steel. Any gun with less than that amount of metal was deemed by government experts to be difficult or impossible for detection equipment to identify.

The ban's main purpose would be to prevent terrorists from slipping plastic guns through metal detectors and X-ray machines at airports and elsewhere. The NRA argues that instead of banning plastic guns, airport security efforts should be intensified. That's on a par with the organization's foolish slogan, "guns don't kill people, people kill people."

In any event, Meese apparently was won over by the NRA. He withdrew the proposed legislation from final consideration by the Office of Management and Budget.

That may not end the matter, however. A ban on plastic guns has strong support from police agencies, including the U.S. Secret Service, which says that non-metallic handguns "could have a devastating impact on our protective mission." The Secret Service is charged with protecting Meese's boss, President Reagan, as well as some other top government officials and presidential candidates. Several members of Congress also support a ban.

There is no need for plastic handguns. With or without Meese's support, Congress should pass a law outlawing them.

AIDS AND THE COMMUNITIES

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. RANGEL. Mr. Speaker, on October 19, 1987, I was privileged to cohost with our former colleague, Edward I. Koch, mayor of New York City, the "Mayors' Conference on AIDS." The conference brought together mayors and local chief executives from across the country to discuss the impact of the AIDS epidemic on our cities and localities.

The keynote address was given by Dr. June Osborn, dean of the School of Public Health of the University of Michigan. Her presentation was often disquieting, sometimes critical, but always thought-provoking.

In confronting the AIDS crisis, Dr. Osborn challenges all policymakers—Federal, State, and local—to modulate our public and private responses to fit the facts, as we learn them, and to use those facts to form the centerpiece of our policymaking. I believe that her remarks are worth taking time to consider. Therefore, I would ask that the following excerpts from Dr. Osborn's presentation before the "Mayors' Conference on AIDS" be included in the RECORD.

AIDS AND THE COMMUNITIES

(By June E. Osborn)

For the first time in human history, we have all the information we need to avoid an epidemic by personal decisions about behavior. There will never be a better vaccine tan that! We should celebrate the fact that in just six short years, biomedical and epidemological scientists have constructed a firm foundation of abundant data on which to build carefully focussed policies which are responsible to the precise contours of the epidemic. The good news is that our seemingly extravagant investments in basic research were in the nick of time, and we are in a position to respond to a major plague without panic and without resort to draconian extremes of social action.

But we have quite an agenda! We need to find ways to educate our people to those things that are risky and those that are not. We need to find ways to provide many levels of care to young adults stricken in the prime of life. We need to be addressing cruel questions about housing and employment and insurance and provision of health care for persons with AIDS, about burnout and postgraduate education for health care professionals, and about realistic and unreasoning fears of health care workers—the list seems almost endless.

Immersed as I am in these matters, I find it startling that much of the political dialogue about AIDS has little to do with the realities of the epidemic, its control and its containment. Instead the proposals put forward in the name of public health and public policy seem to ignore all that we have learned about the virus and its modes of transmission and, worse yet, to be predicated on stark unrealism. The general public indulges itself in complaints about the tastelessness of condom advertising and perseverates about the ephemeral risk of mosquitoes; and many public policy makers seem to be operating on the notion that we are coping with a short-term or finite problem; that the good old days will return in 1991 or soon thereafter.

Let us dispense with those dreams quickly: AIDS is here to stay! It is like the day after Pearl Harbor—the world has changed and will never be the same again. AIDS will be a fact of life for our children's children; we can exert great influence on how dominant a force it will be, but we cannot make it disappear. The awful projections of a quarter-of-a-million Americans dead or dying of AIDS by 1991 are based on sufficiently valid data that, while they might be low, they will assuredly not be high. And nothing says that there won't be a further stepwise increase in 1992 and beyond, in the absence of public education and effective warnings—a national effort still not launched in the U.S. more than six years into the epidemic!

While the options of quarantine, of universal mandatory testing, or of "not delivering health care" are easily invoked, they are in reality unthinkable. If we have learned one thing in the twentieth century, it should have been that there are no "others"—that to declare one group of lesser value or beyond help is to degrade us all in intolerable ways.

For instance, let's look at quarantine more closely. In America we are talking about as many as two million individuals in whom infection and infectiousness are lifelong. They do not represent a threat to others except by the closest kind of consensual behavior; and yet in vague opinion polls, quarantine has sometimes had the support of 25 percent or more of the American people. The logistics would be daunting, to say the least: how would we do that, even if we could find an appropriate island or enclave? Would we feed them? Would we have them make license plates for a living? We would certainly have to guard them to keep them from slipping out; and I guess we would also have to guard the guards, since the temptation to slip in would always be there for family members, loved ones or individuals whose responsiveness to pathos or sexual allure might overcome their caution. This all sounds so perverse that I hate to discuss it; but the winds of society are blowing strong in this irrational and dangerous direction, and silent contemplation of such atrocious options haunts the public policy debate in significant ways.

Indeed, I am suspicious that some thought of quarantine lies in the back of the minds of policy makers who seem to be positively possessed with the tenacious wish to screen. When pressed to justify their position, advocates of mandatory or very widespread antibody testing to detect asymptomatic infected individuals fall back on the rationale that it would be desirable to know with greater accuracy how many people are infected. Since they aren't doing much with the information we already have in hand, I find that argument peculiarly unconvincing; and anyway, we don't have to violate people's privacy and autonomy to do that; we can get a very good idea of virus prevalence through anonymous samplings of collected sera.

But a more fundamental argument arises concerning mandatory testing: given that the very restricted modes of transmission are consensual and private in nature, limitation of virus spread is based of necessity on voluntary changes in behavior. Since intravenous drug use is already illegal, the use of mandatory urine testing for drugs is an interesting "trial run." Thus far the chief results of such programs of which I am aware are—first—a black market in "negative" urine and—second—(in reaction to that) a level of intrusion in observing the donation of the urine to verify its authenticity that makes one shiver at the implication for AIDS control.

Mandatory premarital screening would detect fewer than one-tenth of 1 percent of those currently infected, and the cost of doing it right would exceed $100 million.

The very gravity of our epidemic situation, it seems to me, demands that we be honest in our critical assessment of past policies. If we are honest with ourselves, then in point of fact I think penicillin, rather than public health officialdom, deserves the credit for curtailing syphilis; and the explosive spread of antibiotic-resistant gonococci and the advent of chlamydia and a host of untreatable sexually transmitted diseases among both homosexuals and heterosexuals should warn us not to be so uncritical of past strategies. Even in the instance of smallpox—the only disease we have ever managed to eradicate—it is clear that administrative brilliance and focussed efforts based on a refined knowledge of the virus' properties and modes of spread accomplished in a decade what a vaccine had failed to achieve in nearly two centuries.

Let me be very clear: the horror of AIDS and its inexorable progress to an unpeaceful death is such that any political or ethical analysis would mandate whatever public health policies were best designed to abort the epidemic at the earliest opportunity. But even our immigrant screening plan is "off the wall" and dangerous in its thoughtlessness, for AIDS is, after all, the only category I know of in which we are not exporters, not importers, and that policy, which goes into effect December 1, is likely to provoke retaliation so massive that we will all do well to remember the stimulus and try to avoid similar xenophobic nonsense in the future. As to civil liberties and public health, it is a happy fact that the data lead to the conclusion that wise policies will optimize them both.

Just so you don't go away saying that I saw no use for the antibody screening test, let me describe what I believe to be its proper uses. First, mandatory screening of the donors of blood and blood products and of organs/tissues/cells is clearly important and warrants the investments in its deployment that have been made. Second, I am fully in favor of voluntary testing in the context of counselling, confidentiality, and anonymity (if deemed necessary by the participant).

We should facilitate the use of the test, but there is much work to be done here, for many communities have located their alternative test sites in the heart of the inner city or in the sexually transmitted diseases clinic, and the social disincentive to use their services can be quite strong for the worried well. Furthermore, the medical profession is not yet well educated about the epidemic. Bisexuality, closet homosexuality and the patronization of prostitutes—not to mention experimental use of illicit intravenous drugs—are not common topics of discussion in the present-day patient-physician relationship; and the CEO of a company may well hesitate to confide in his physician, with whom he also plays golf on Wednesdays. Our policies should recognize this and facilitate realistic testing opportunities so that worried individuals can learn their status and behave responsibly toward their loved ones, as most wish to do.

In short, we haven't tried the voluntary approach to control of the virus of AIDS nearly as energetically as I believe we must. Our data tell us that in both the U.S. and Europe, when high risk individuals have been educated to recognize the specific behaviors that put them at risk, the results in terms of behavior modification have been truly astonishing. Compared to prior efforts at any sort of health education, much less sex education, the magnitude of change has been dramatic. And there is a special urgency about individuals who have yet to adopt lifestyles: about adolescents and children. We need their willing attention, not their surly compliance; the tone of our preventive programs will do much to determine which we get.

The central point about testing is that the antibody test is most useful as an adjunct to behavioral councelling, not the converse; and change in intimate sexual and drug-using behavior is far less likely to occur under mandate than it is by voluntary participation and cooperation. The human resources necessary for effective counselling are in short supply right now, what with blood screening and alternative test site needs; and wasting such resources on poorly targeted mass programs is hardly wise.

Let us look at some other things we should be doing, besides optimizing the use of the antibody test through well-conceived programs of voluntary participation. Well, obviously we should have been conducting public education campaigns long since; in fact, I find myself quite embarrassed when I am at the World Health Organization in Geneva to try to explain to my colleagues from other industrialized countries that we have yet to mount a coordinated program of public education in the United States. With two dozen or two hundred cases, the vast majority of countries who can afford to have deployed the full power of their media and government access to warn their people of the new threat; and we, with 43,000 cases, 1-2 million infected, and the experience from which they are all learning, have been officially mute!

Would you believe that October is U.S. AIDS Awareness and Prevention Month? Have you heard so much as an official whisper? Isn't it embarrassing! The federal government seems to be too impoverished to buy prime t.v. time, so they tried radio; and the pamphlet that was to have gone to every household in the land has once again flunked the censors and had to be withdrawn. Oh how I wish we would at least do it right if we are going to be this late about it. People ask me sometimes how much I think would be "enough" in a public education campaign. I tell them that I don't want us public health people to seem greedy, so I would settle, for starters, for equal time with the U.S. military recruiting advertisements! We could even borrow the Army's theme song—"Be all that you can be!"—for while they are talking about what to do with a kid's future, we are talking about whether that kid has a future.

Our official silence is almost eerie—for there is an urgent duty to warn. We must be sure that the elegant science which has brought us so far so fast in understanding transmission patterns of HIV is not neutralized completely by a moralism which rejects discussion of any options except monogamy or chastity. I know of no society in which those are the sole patterns of sexual behavior, and ours is surely not going to be the first! Failure to warn about the new virus and its lethal consequences is an extraordinary punishment for unapproved sexual activity. We do need some media time, for there is really quite a lot to talk about. While we would like everyone to conform to the safest of sexual mores and to abstain from drugs, I honestly don't think we need to restrict our messages during precious media minutes simply to tell them that; anyway, Secretary Bennett has now helped us out with his own pamphlet which is rather exclusively devoted to extolling the virtues of the moral life.

But the average age of onset of sexual activity in some surveys is sixteen; we have the worst epidemic of teenage pregnancy in the industrialized world; and given those realities, alternatives do need to be discussed. Condoms, for instance, are quite effective (although not foolproof) in preventing the spread of the virus of AIDS during intercourse when used appropriately; and it is hard for me to believe, when condoms are among the perilously few defenses we have to turn to in limiting the spread of a killer, that someone could perceive silence as an ethically defensible stance. Not only do we not have national educational programs about this, but our public laws—enforcing an unreal morality—mitigate against prudent behavior; for instance I am told that there are still many cities where a woman found carrying a condom could be arrested for prostitution!

What about drug users? and needles—how about free needle exchanges? As commonly happens with a good catch-phrase, the notion of "free needles" sets morals aflame and distorts the discussion. It is contended that easy access to needles and syringes would encourage drug use. I don't know whether it would or not—some European countries have needle exchanges which have worked well and have not had that effect. Clearly the issue is not a simple one, but the fact is that drug use is the open avenue to the epidemic's future and we should not spend time quarrelling but find out! It was with that in mind that the Institute of Medicine/National Academy of Sciences study group recommended that this issue be put to experimental test.

The needle argument is a distraction of course, from the shocking omission in our so-called "war on drugs." What sort of a moral crusade is it when no accommodation is made for prisoners of war! There are not now enough treatment slots in the United States to accommodate those addicts who already "want out." Can you imagine putting a heroin addict on a six-month waiting list when she seeks treatment?

It has been said that we haven't yet made an impact about AIDS on drug users; but how would you ever know, when there is no opportunity for them to react? I believe we should not consider our policies even vaguely rational with respect to the AIDS epidemic (not to mention the drug epidemic) until the treatment centers have openings going begging and until sexual partners of addicts are found, organized and mobilized into self-help groups.

I have spent quite a bit of time on drugs, for it is difficult to overemphasize the role drug users will play in the future of the epidemic. By 1991 the percent of women involved will have increased from 7 percent to 9 percent, with drug use or sexual partnership with a drug user as the major vehicle. More than 90 percent of pediatric AIDS will be the direct or indirect result of drugs. Even in the context of female prostitution, the likelihood of a prostitute being infected and therefore potentially infectious tracks dominantly with i.v. drug use.

The challenge to health care is so large a topic that I cannot grapple with it meaningfully in a brief overview. The provision of beds may present a bit of a problem as our numbers of AIDS cases increase ten-fold; but the hospitals had overbuilt in recent decades and we may be able to reopen some olds wards if we can figure out the financing. But ominously, there are many places where AIDS patients are unwelcome; the reason given is fear, and yet there is the strongest kind of evidence that they present far less threat to their caretakers than do persons infected with half a dozen more familiar pathogens. Indeed, if health care workers were well protected against hepatitis B, their protection against HIV would be one hundred times greater than required, for the virus of AIDS is a puny thing indeed when it comes to transmission.

Even if acute care hospitals can get their act together, there is another kind of problem with provision of health care. AIDS patients don't really need to be hospitalized for the rest of their lives once the diagnosis is made. They can continue to function, to create and to contribute to society if they are supported in ways molded to their needs, which will change gradually over time. There need to be options which can account for this: outpatient care for those who can function; home care for those whose only medical need for the moment is intermittent intravenous therapy; long-term care for those whose debility is substantial but whose acute care needs are very limited; and finally, hospice care for those who have nearly reached the end of the dreadful road and should be helped to die with dignity. And all along this continuum of care there must be compassion, for to withhold it and allow the institutionalization of blaming the victim is to wound our society seriously if not mortally.

This is really a familiar list of needs, for our elderly register almost exactly the same set of requirements to complete their lives optimally—and yet we lack the institutions to meet these needs, and even where they exist, AIDS patients are being turned away out of misplaced fear. That is only a sample of a daunting health care agenda, and we had better hop to it, for even the short-term coping strategies are being swamped as the numbers of AIDS cases increase inexorably. We should fear the consequences of inaction, for it may be hard to reconstruct our jerry-built health care system once it is overwhelmed.

Our generation has spent much time worrying about thermonuclear bombs, for good reason. But while we were doing so, less than thirty years ago, a veritable microbiological bomb was quietly detonated in our midst. Now it is up to us to see whether we can mobilize what we have learned—and ironically, in an era in which science and technology have been turned to with almost blind confidence, it will be our challenge to face this new pandemic microbe without immediate recourse to drugs or vaccines.

JONESTOWN—NINE YEARS LATER

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. LANTOS. Mr. Speaker, 9 years ago this week 913 people, including Congressman Leo J. Ryan, were murdered or committed suicide at Jonestown, Guyana. The world was stunned. Some of us recall catching the first snatches of the story breaking on the radio. Then the television pictures followed which ended when cameraman, Bob Jones, died from the gunfire. Finally, there was the now famous aerial footage of the hundreds of bodies, like grotesque flowers, spread out across the Guyana countryside.

Jim Jones, who perpetrated this horror had, however, enjoyed a prominent position as leader of his People's Temple in the San Franciso area. He was courted by powerful politicians who knew that Jones could deliver votes. As the People's Temple grew in size, so did Jones' influence. He became a figure of statewide interest.

But the politicians saw only the public side of the People's Temple—free medical care, children's day care programs, food handouts, and drug rehabilitation were among Jones' projects. Behind this facade was a world of brutality, humiliation, and appalling tyranny. In one horrifying example, Michele Brady, a 12-year-old girl with a history of mental instability, was locked in a wooden box measuring 3 feet wide, 4 feet long, and six feet high. She was left there for a week with only two tiny holes for air, a can for a toilet, and just water to drink. This was but one action of the man who would later compel his followers, including little Michele, to commit suicide.

So what did we learn from Jonestown? Although we recall the carnage, did we take any steps to prevent a comparable tragedy in the future? Apparently not, for destructive cults using techniques pioneered by Jim Jones abound today. Such is the power of these groups that to name them results in harassment and threats of violence. The results are terrifying but America is turning a deliberately blind eye to these atrocities. In our midst we have an invisible Jonestown.

In an effort to help increase our knowledge of these destructive cults, I am sponsoring House Joint Resolution 390 which designates the week of November 13–19, 1988, as "National Cult Awareness Week." I urge my colleagues to support independence of thought and freedom from the ultimate tyranny, mind control, and to join with me in backing this initiative.

If anyone doubts the severe damage inflicted by these destructive cults, I commend the following article by Gary Scarff who fled from the People's Temple shortly before Jonestown. It is vital that we all remember his story for, in the words of Jim Jones "Those who forget the past are condemmed to repeat it."

[From the Cult Awareness Network News, Jonestown Edition 1987]

A LIGHT AT THE END OF THE TUNNEL

(By Garry L Scarff)

"Be patient with yourself. There is a light at the end of the tunnel." I never knew until these last few years how much truth there would be in these words. Ten years ago in the summer of 1977, I fled the People's Temple, leaving behind my beloved father, my "brother" Mike Prokes, whom I drew very close to, and the man from whom I sacrificed my soul, my love, and my identity—Rev. Jim Jones.

It was 10 years ago when disillusionment with the Temple and "Dad" (the nickname I was forced to use to refer to Jim) took its course. The disillusionment became more profound than all of my feelings of hopelessness and personal failure that I knew would follow if I left the church.

There was a constant barrage of humiliation, never-ending catharsis sessions, homosexual abuse. I was totally devoted and loyal to Dad, whose conduct alternated between drug-induced, violent vituperation and fatherly affection. There were incidents of "disciplinary actions" performed in more severe and creative fashion as time passed, and perverse and criminal acts that I was a loyal participant in and which stood against every moral and Christian standard I had ever abided by.

I remember my defection from the Temple well. It's like it happened yesterday. It was July 14, 1977, and I decided to share my disillusionments with Dad. It was hard because the last time I was disciplined for my rebellion, I was held down and paddled with the 'Board of Education' 38 times. The resulting pain and injury lasted several months.

But, I decided I must act like a man and get it off my chest. I consulted with my father who was doing some construction repair in Dad's library. With my father in tow, we approached Dad's office, and we went in. In the office was Dad and three of his lieutenants.

My father told Dad why we were there. Dad told his aides to leave the office, and he assured me that everything was all right. Dad reminded me of when I first came to the Temple, how hard I worked to convert my father into the fold, how irresponsible and troubled I was before I came to him, and how much he loved me. He told me that if I left, I may never see my father or Mike again.

Dad acted very compassionate and understanding. My father and I started to cry. I was confused and in pain. I didn't want to leave my father and Mike, whom I revered as a "brother" I never had.

June Crym, Dad's secretary, came into the room and told my father he was needed downstairs. I didn't want him to leave. He became angry and told me to "grow up". He told me that Dad loved me very much and that I should have more respect for him.

After my father left, three of Dad's aides came back into the room. They looked very angry. Dad now was seething. He told me that I didn't want to leave, that I was too "sick and retarded" to know what I really wanted and that he was getting sick of arguing with me. Dad told me that I must be punished.

I knew what this meant, and I was paralyzed with fear and hurt. He told me that I must be punished to kill the rebelliousness that could land me in prison for the rest of my life.

The aides forced me out of the room and downstairs. I resisted to no avail. They took me to a room and shoved me on the floor and discussed how I should be punished.

They were enjoying this. One of them produced a gun and taunted me with it, pointing it at me and clicking the trigger. I was scared and crying. They were laughing and calling me names. They decided to "box" me.

One of the aides started punching me with his fists. The aide with the gun told me that after they were through, they were going to shoot me in the crotch to cure me of my homosexuality. They were really laughing now.

As the aide approached, something in me snapped. I burst out of the room and ran out of the building into the compound. I ran to the fence, but there was a guard at the gate and he started to come toward me. I ran to a school bus parked parallel to the fence, and climbed to the roof of the bus.

I heard a noise like a firecracker and a whizzing sound. I felt a sharp pain in my right forearm. I leapt to the fence and climbed over. I fell to the ground on my ankle and sprained it.

Blood was all over my shirt and my arm. I was scared stiff and I ran to get away from my pursuers.

I spent the rest of the day and night hiding out in parks and behind buildings. I called Deanna Mertle, a fellow member who defected from the Temple earlier and whom Jim called a "lesbian enemy." I told Deanna where I was and she picked me up and hid me from Dad.

Much has happened in the 10 years since I fled the Temple, so much that it would fill many chapters in a book. The mass murder-suicides took the life of my father, and good friend Phil Blakey. Phil's wife Debbie, escaped with the help of the U.S. Mission in Guyana.

Several months later, and three days after I visited with him, my "brother" Mike Prokes called a news conference and committed suicide a few feet away from reporters.

Fifteen months after the murder suicides, my 'savior' Deanna Mertle (later changed to Mills), her husband Al, and their daughter Daphne, were murdered execution-style in their Berkeley home. The case has never been solved. I later took legal action against the assets of the Temple and was awarded damages.

One of the most disturbing post-cult experiences I faced, which seems little changed today, is the societal attitudes toward cults and its members: ignorance, hatred, misunderstanding and widespread attitudes reflected in the adage, "What doesn't happen in our backyard, is not our problem."

Ironically, this is the same attitude reflected by then-President Jimmy Carter after the Jonestown tragedy.

My post-cult journey took me to many priests, ministers, doctors, psychologists, and others in the mental health community who treated me like an outcast, a "space cadet", one not to be taken seriously. Only after the Jonestown incident, did some change occur in the mental health community, but not much.

In 1979, I was involuntarily committed by my mother to a state mental institution for serious psychological trauma and suicidal tendencies. During this time, I was victim to numerous threatening phone calls from surviving Temple members, and in one incident, my family pet was strangled and hanged outside our front door with a note stating that I was next.

The police refused to acknowledge it as anything other than a demented joke of pranksters. The incidents were serious enough to warrant my mother and I going to court and having my name permanently changed as protection.

The counseling at the mental hospital helped to diffuse some fears and paranoias, but did nothing to rescue me from the feeling and psychosis that I brought out of the People's Temple. The mental health community, though concerned and having their hearts in the right place, simply was not familiar with cults, thus it did nothing to rid me of the shame, frustrations, and trauma I earned as a defector, a traitor, and a survivor.

In 1980, after years of living in a dissasociated state, I found a 'light at the end of the tunnel', Anne and Adrian Greek, without whose assistance I would have died long ago—another People's Temple suicide statistic. They helped me to assimilate back into society, without pressuring me to forget who I was or what cult I came from.

I gravitated toward the Greeks, to a new friend, Chris Rudie, an ex-Moonie turned deprogrammer and the Citizens Freedom Foundation (now Cult Awareness Network), where I was accepted as a normal human being, where I could relate to people who understood my frustrations, and with whom I shared a common experience and goal in life.

The greatest achievement which I credit the Greeks with is in helping me to overcome my ingrained inability to escape or cope effectively with the past or to venture in the present, let alone take any steps to plan for the future. For years after my contact with the Greeks, I longed for the Temple again, to be with my church family, to be with my father and Mike, aching to die and to be with those who had perished in Jonestown, inwardly cursing fate for allowing me to survive.

What has society learned from the People's Temple? Should we forget that it happened and allow it to fade as an unpleasantry in American history? Can we carry that experience forward and learn something from it? When President Carter tried to diffuse the Jonestown situation by telling the U.S. that "we have no responsibility" for what happened in South America, it was a very painful moment for me.

The same attitude was shared by many in American society, who would rather dissasociate themselves from any act that they were not personally involved with. That attitude is reflected even today.

In fact, I was confronted by two such examples in my own "backyard". At the national CFF Conference in Los Angeles (1983), I was confronted by several participants who, noting my affiliation with the People's Temple, inquired as to whom my "guru" was? Ironically, it was Los Angeles where I first met Rev. Jim Jones and joined the People's Temple.

Last year, a CFF member labeled me as a "token People's Temple member" and stated that "we should forget Jonestown because it happened a long time ago . . . and should concern ourselves with cults in existence today." People fail to realize that the initial need for a cult awareness movement arose after the calamity of the People's Temple and Jonestown.

It is my sincere hope that the Cult Awareness Network will continue to thrive, grow and succeed in its goals to educate and serve mankind.

And for the cult members, may I say that one of the most important things we can offer is HOPE, with positive direction, encouragement, and believability. We should all remember the adage which, ironically, was often repeated by Jim Jones: "Those who forget the past are condemned to repeat it."

THE 10TH ANNIVERSARY OF THE PACIFIC JEWISH CENTER

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. LEVINE of California. Mr. Speaker, I rise today to congratulate the Pacific Jewish Center which is celebrating its 10th anniversary serving the Venice-Santa Monica area.

It started in 1977 as a tiny synagogue on the Venice oceanfront. From its original membership of only three families, it has grown into an institution which now serves over a thousand people. Its dynamic educational, religious, and social service programs are so unique and outstanding that they have gained national prominence. And a remarkably gifted author, my friend Michael Medved, serves as its president.

The synagogue was dying of lack of membership until the founding members of the Pacific Jewish Center arrived. Under the leadership of Rabbi Daniel Lapin, a recently naturalized American citizen, the size of the membership has grown tremendously. Sixty marriages have been celebrated and over 100 children have been born in the last 10 years.

But now a new crisis has arisen. The 70 year old building fails to meet the 1983 earthquake safety standards and, therefore, has been condemned by the city of Los Angeles.

On Thursday, December 17th, the third night of Hanukkah, a gala banquet will be held at the Beverly Hilton Hotel in Beverly Hills to raise the funds necessary to save the synagogue and the fine programs it sponsors.

The dinner will honor Mr. Elliot Gould, who, in addition to being one of the most distinguished actors in America, has long been active in philanthropic causes and is deserving of this tribute. The remarkably talented composer and pianist Marvin Hamlisch will be flying out from New York to be the master of ceremonies.

I am looking forward to the success of this banquet and to the long life of this historic "little shul by the beach."

PREPARED TESTIMONY OF BRIAN WILLSON, OFFERED TO THE SUBCOMMITTEE ON INVESTIGATIONS, COMMITTEE ON ARMED SERVICES

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mrs. BOXER. Mr. Speaker, on September 1, my constituent, Mr. S. Brian Willson, lost both his legs and suffered other serious injuries in a tragic incident—he was run over by a train near the Concord Naval Station. On November 18, he came all the way from his home in California to Washington to appear before the Subcommittee on Investigations and to tell his story.

For nearly 5 hours, Mr. Willson sat patiently, listening to other witnesses testify, but when it came his turn, the subcommittee acted to exclude from the hearing record most of his prepared statement.

Mr. Speaker, I am truly dismayed by the failure of the subcommittee to allow Mr. Willson to enter into the hearing record his entire prepared statement. The right of every American to free speech, to express his or her views—even unpopular or minority views—is the very foundation of our democracy.

Because my colleagues from California—Representatives RON DELLUMS, GEORGE MILLER, and NANCY PELOSI—and I feel so strongly that Brian Willson has the right to be heard, and that anything less diminishes the rights of all Americans, we include the attached copy of Mr. Willson's statement in the Extension of Remarks:

THE SEPTEMBER 1, 1987, TRAGEDY AT CONCORD, CA, NAVAL WEAPONS STATION (CNWS): PERSPECTIVE OF THE PEOPLE INVOKING THE NUREMBERG PRINCIPLES AT CNWS

(For hearings conducted by the House Armed Services Subcommittee on Investigations, Washington, DC, November 18, 1987)

(Prepared and presented by S. Brian Willson)

INTRODUCTION

Nonviolence and pacifism are traditions in the United States with roots back to the colonial period. During the 17th century recognition was legally granted to religiously principled colonists who refused to bear arms. According to The Power Of The People: Active Nonviolence In The United States (New Society Publishers, 1987), "other components of contemporary nonviolence, such as the insistence upon freedom of conscience, the struggle to find a correct relationship with established authority, and the quest for community and a just social order can also be traced to the colonial period."

The right to dissent by the people against policies of our government has been a cherished protection since the beginning of our republic. On the eve of our own revolution, the Boston Tea Party of December 1773, committed a simple, but dramatic, act of disobedience against the laws of the British. The British declared martial law in Massachusetts, dissolved the colonial government, closed the port and sent in troops. As we all know town meetings and mass meetings arose in opposition leading to the Revolutionary War, our liberation from monarchial British rule, and creation of our guiding document, the Constitution of the United States of America, which begins with the words, We The People. Eleven years earlier, on July 4, 1776, the Declaration of Independence was signed declaring that "Governments are instituted among Men, deriving their just powers from the consent of the governed." In the 20th century, we have witnessed many movements of dissent using nonviolence against war, for woman's suffrage, promoting the organizing of labor, for disarmament, for civil rights, promoting peace, etc.

PART I. THE ILLEGAL AND IMMORAL POLICIES OF THE UNITED STATES GOVERNMENT: VIETNAM AND CENTRAL AMERICA; SIGNIFICANCE OF NUREMBERG

In 1966 I left graduate school to become an officer in the U.S. Air Force. In 1969 I was assigned to be a section leader as a security officer at Binh Thuy Air Base in Vietnam. During and after my tour of duty there, I either participated in, witnessed, or heard the testimonies of other military personnel, of behavior of our military forces in Vietnam that sickened me. After my discharge in 1970 as a Captain, I completed law school and become a member of the District of Columbia Bar. As I pondered Vietnam in my new profession I realized that we had participated in a massive way in the violations of many international laws, including the Hague Convention of 1907, the Geneva Convention of 1949, the Nuremberg Principles of 1946/1950, the United Nations Charter, among others. The common torture, mutilation and murder of prisoners and civilians, the destruction of thousands of huts and villages, coastal and aerial bombardment of civilian targets, defoliation and destruction of crops and massive land areas, the forced transfer of much of the population into "strategic hamlets", the use of forbidden gas and chemicals, the seizure and destruction of medical resources, among other behaviors, were all violations of international law and fundamental standards of decency and fair rules.

Though for many years the memories and thoughts of Vietnam began to fade, they become revived in the 1980s as I begin to learn more about our policies in El Salvador, Guatemala, and Nicaragua. I began to become interested in studying the Nuremberg Trials and the Principles that grew out of those Tribunals. My uncle had been a young military officer serving with the U.S. prosecution team at Nuremberg, under the chief U.S. prosecutor there, Justice Robert H. Jackson, who took leave from the Supreme Court to be in charge of U.S. interests at Nuremberg. Jackson had grown up in Jamestown, N.Y. area, a few miles from my home town, providing me with more than a passing interest in his role, both at Nuremberg and on the Supreme Court. Upon signing the London Agreement creating the basis for and existence of the International Military Tribunal, Jackson stated: "For the first time, 4 of the most powerful nations (U.S., France, Great Britain, Soviet Union) have agreed not only upon the principle of liability for war crimes of persecution, but also upon the principle of individual responsibility for the crime of attacking international peace." (Jackson, Statement of Chief Counsel Upon Signing of the Agreement, 19 Temp. L.Q. 169 [1945-6])

As it seemed more clear from my readings, and separately, from conversations with people returning from Central America, I became alarmed that again I was aware of potential or actual violations of international law by my own government's policies. At the end of 1985, I resigned as director of a Vietnam Veterans Outreach Center and traveled to Nicaragua to experience the effects of the monies appropriated by this Congress for the contras fighting the sovereign elected government and people of Nicaragua. I found that the contras regularly attack and destroy civilian targets such as health clinics, schools and farms, and torture and murder many of the civilians. During my first and 3 subsequent trips to Nicaragua I continued to witness the aftermath of contras atrocities and I was shockingly reminded of the war crimes we had committed in Vietnam. I wondered whether we learned from Vietnam? I wondered about the Nuremberg Principles. If my own government was to violate international law, domestic law and our own Constitution, what responsibility do I have in upholding the law? WE THE PEOPLE remain the basis of and authority for our government. This is called "popular sovereignty". If the government of the people no longer complies with its own laws, and no branch or institution of that government is able or willing to assure compliance, then the people who form the basis of and authority for the government must, in fact, take whatever reasonable action is necessary to stop those violations and restore integrity of the government and collective life in the society. The killing of civilians and their children and the destruction of civilian targets is illegal and immoral. Furthermore, the intervention into the sovereignty of another nation violates numerous international laws including the charters of the United Nations and the Organization of American States.

See Appendix for statements summarizing my observations in Nicaragua: 13 January 86 letter from Esteli, Nicaragua; 3/7/86 essay, "Disinformation About Nicaragua: Prelude To Another Vietnam"; and April 4, 1987 Veterans Peace Action Teams letter to the President and members of the Senate and House of Representatives. For information regarding the violation of laws by the U.S. government, see in Appendix items: February 1987 memo, "U.S. Aggression Violates Domestic And International Laws"; a 1987 comment on the 1794 Neutrality Act; and portions of the August 12, 1949 "Geneva Convention Relative To The Protection of Civilian Persons In Time Of War". For items related to the June 27, 1986 World Court Judgment against the United States, ordering us to immediately cease and refrain from continuing any further aid to the contras, see in Appendix, "History of U.N. Charter, World Court, and this Judgment". We committed an act of unprecedented lawlessness when ignoring and defying this judgment of the World Court. For information relating to the Nuremberg Principles, see items: "A Mini-History of the Nuremberg Principles"; "Commentary On Nuremberg Principles"; and Nov. 18, 1985, newspaper article, "New Holocaust Waits If World Forgets Principles Of Nuremberg". Also see "Veterans Resolution", dated November 23, 1986, from El Salvador resolving to "change the disastrous policies of the U.S. government" in El Salvador.

PART II. DEVELOPMENT OF THE NUREMBERG ACTIONS AT CONCORD, CA NAVAL WEAPONS STATION (CNWS)

The Concord, CA Naval Weapons Stations is one of the largest munitions depots on the west coast of the United States. It has been the source of deployment of military munitions during World War II, Korea, Vietnam, and now Central America, among other military theaters. It also stores nuclear weapons.

CNWS has been the site of citizen opposition to the movement of its munitions during the Vietnam War. Marches, lengthy vigils, and frequent blocking of trucks and trains carrying munitions occurred throughout the period of the War. In the 1980s, there have demonstrations protesting the presence of nuclear weapons, and the movement of munitions to Central America. It has been reported that the most violent harassment on the West Coast against anti-Vietnam War protesters was at CNWS.

In the spring of 1987, having returned from trips to Nicaragua, Honduras, and earlier from El Salvador, I was in deep anguish over the number of amputees I had met as a result of the wars, most of them civilians, and the number of deaths I had observed, also mostly of civilians. Most of these deaths and amputations had occurred due to the actions of the U.S. financed contras in Nicaragua and Honduras, and the death squads in El Salvador. Most of the death squads in El Salvador have been shown to come from the police or army, both funded with U.S. dollars.

Meeting with a few friends committed to nonviolently resisting the U.S. militarization of the Central American region, we decided to revive the historic Bay Area focus on the role of CNWS in killing of civilians in violation of international, domestic and Constitutional Law. We had copy of a contract with the Government of El Salvador procured through the Freedom of Information Act disclosing a number of bombs, white phosphorous rockets, and other munitions having been shipped from CNWS in June 1985. (See item in Appendix, "Stop The Arms Shipments" and attached 21 Aug 1986 Department of the Air Force cover letter and "U.S. Dept. of Defense Offer And Acceptance"). I had learned of substantial bombings of El Salvadoran civilians while in El Salvador and an item in the July 1987 Harper's magazine indicated that 230 El Salvadoran villages had been bombed or strafed by the Salvadoran Air Force in 1986. Furthermore, I had spent time with Eugene Hasenfus while he was incarcerated in Nicaragua and learned of the air drop routes of U.S. military supplies from bases in El Salvador to their ultimate destination to contras in Nicaragua. We had plenty of reason to ask that the CNWS exercise their duty to uphold the law and refrain from any further shipment of munitions directed toward Central America where thousands of civilians were being mained and murdered.

We were committed to a sustained presence at CNWS, using nonviolent attitudes and actions in making our case that the movement of the munitions was in furtherance of the violations of International, domestic and Constitutional Law in the killing and maining of civilians in Central America and the invasion of sovereignty of nations. Our government remained in definace of an order of the World Court. In effect, we decided to invoke the Nuremberg Principles which imposes a duty upon all citizens, wherther civilian or military or other government employees, to uphold the law. Furthermore, under Nuremberg, complicity continues the crime and the citizen has a duty to make known the violations of law committed by his or her government and to do everything reasonable to stop those violations from continuing—even when ordered otherwise by a superior. We desired to uphold the law.

Utilizing the philosophy of nonviolence, we believe in open communications with all people, including officials, about our activities. We believe in not directing any ill will toward any persons, no matter what the circumstances. We detest the violent actions of people, but express our respect and love for the soul and humanity of every person. We believe that we must never inflict violence on another person, but, instead, will receive their violence in the process of seeking transformation of the violent heart. We believe in active nonviolence where we must place our bodies between the bombs and their intended victims elsewhere. We developed a "Covenant of Nonviolence: Nuremberg Actions—Concord" which you can find in Exhibit A to the Appendix of my lawyer's "Summary of Events of September 1, 1987", dated Nov. 18, 1987.

We began our sustained presence on June 10, 1987, and everyone who desired to participate was required to experience several hours of nonviolent training. Participation at CNWS consisted in vigiling, blocking trucks, and providing various support services for the vigilers and blockers. The presence continued throughout the summer, always at the same location on the Port Chicago side of the public highway in the area where the munitions trains cross the highway from the Weapons Station. There was nearly always one or more, sometimes a couple of dozen, persons present during daylight hours from June 10 to September 1. Occasionally participants in the Nuremberg Actions would place their bodies in front of munitions trucks. Each participant would have previously received nonviolent training. The main gate personnel would have been notified in advance of the plan, consistent with our philosophy of open communication. The blockers would either be arrested or moved out of the way by law enforcement officers. On one occasion, a lone individual apparently did stand on the tracks in view of a moving munitions train. The train stopped before striking the individual.

TESTIMONY OF BRIAN WILLSON

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. MILLER of California. Mr. Speaker, I wish to associate myself with the comments of Representative BOXER, regarding the decision of the Armed Services Subcommittee on Investigations not to allow S. Brian Willson's testimony to be included in its entirety in the official transcript of the November 18 hearing.

I join with her and with Representatives PELOSI and DELLUMS in expressing my dismay at that action. Mr. Willson was struck and severely injured by a train just outside the Naval Weapons Station in Concord, CA, in my congressional district, while conducting a peaceful protest.

What occurred at the protest, and its aftermath, have attracted the attention of people from around the country; in fact, the repercussions have extended well beyond our own borders.

Mrs. BOXER has already included parts I and II of Mr. Willson's prepared testimony in today's edition of the CONGRESSIONAL RECORD. I wish to contribute part III of Mr. Willson's testimony at this point, Mr. Speaker, so that any citizen will be able to read and understand more completely Mr. Willson's actions, the philosophical underpinnings of those actions, and the organization of the demonstration which ended so tragically for Brian Willson:

PART III. PREPARATION FOR THE 40 DAY WATER ONLY VETERANS/CITIZENS FAST FOR LIFE AND PEACE ON THE RAILROAD TRACKS COMMENCING SEPTEMBER 1, 1987

I decided during the summer that I would escalate my own participation in Nuremberg Actions by commencing a 40 day water only fast on September 1, 1987. This would be conducted on the railroad tracks themselves in an attempt to block movement of munitions trains every day for that 40 day period. Others were invited to join and several persons agreed to participate. September 1 was the 1 year anniversary of the Veterans Fast For Life that I had participated in on the Capitol steps in Washington, D.C. Duncan Murphy, a World War II veteran participant in the 1986 Fast also agreed to be part of the 40 day Fast on the tracks.

We would fast on the tracks adjacent to the location where the Nuremberg presence had occurred since June 10. No surprise locations were desired. We had examined the history of people blocking trains and had concluded that certainly they would stop if notified in advance of our action. We had looked at pictures of other train blockades and the trains always had stopped. See copies of pictures in Appendix: "Hands Across the Tracks That Stopped The Trains", *Life*, Oct. 8, 1956; 5/19/72, a/*Life* photo of a stopped locomotive for protesters; *Ground Zero* photos of people on the tracks anticipating blocking movement of a missile-laden train; and a September 4, 1987 *Boston Globe* photo of veterans blocking movement of a commuter train which sits idly in the background while police move in to arrest the blockers.

In preparing for the 40 day water only fast I volunteered for a physical examination with a medical doctor who in turn was planning to monitor my condition throughout the fast to warn me of any complications that might arise suggesting I prematurely end the fast. I also expected to spend some or most of the 40 days in jail and had briefed the doctor on my need for potassium supplements during the fast to protect nutrition of the heart and asked that he talk to the jailers about the importance of my receiving these supplements.

The plan to fast on the tracks was freely discussed with many people and on August 21, 1987, I sent a letter to Commander Lonnie Cagle of CNWS explaining in detail the nature and philosophy of the September 1 plans that would last for at least 40 days. Copies of that letter were sent to the Contra Costa Sheriff, the Concord Police Department, the California Highway Patrol, and a number of other elected officials, including Reps. Boxer and Miller of this panel today. A copy of the letter to Cagle is found in Exhibit I of the Appendix of my lawyer's written "Summary . . .", dated November 18, 1987, of which you have a copy. A flier publicizing the commencement of the 40 day fast and nonviolent civil obedience by blockading trains shipping weapons is exhibit K in the laywer's Appendix. This flier was generally distributed.

On Friday, August 28, 1987, the *Contra Costa Times* printed an article on page 5A, "Peace Group Sets Arms Blockade: Will Block Weapons Hauls At Concord Naval Station" where it is reported that we are "expected to start blocking trains Tuesday morning" (Sept. 1) The *Contra Costa Times* is the daily newspaper of the area in which the CNWS is located.

On September 1 we planned a worship service on the tracks prior to a press conference announcing the formal launching of the fast and the train blockage. Having never been arrested or jailed before, I was a bit anxious. I was most concerned about the fact that as the fast progressed, I might be hurt in the arresting process by officers removing me from the tracks repeatedly. Fasting on the Capitol steps seemed easy in comparison to fasting on tracks attempting to block munitions trains subjecting myself to continual arrests.

On the morning of Tuesday, September 1, Holley, my wife, and Gabriel, my stepson, drove to CNWS with fellow faster Duncan Murphy and another friend in time for the worship service we had planned. Shortly after arrival, standing at the summer long location of the Nuremberg Actions and near where the fast on the tracks was to begin in about an hour and a half, I remembered seeing my friend Michael Kroll drive up to be part of the morning events. Two photographer friends and a Video friend were present to record the worship service, press conference, blocking action and anticipated arrests. Gabriel was going to witness his stepdad's first likely arrest. I greeted Michael Kroll as he arrived at our site after parking his car.

The next thing I remember is hearing a male voice speaking into my right ear saying: "You are in the John Muir Hospital in Walnut Creek and you were run over by the train." It was about 2 days later now and I remember thinking: "You must be kidding. They wouldn't run over me."

I have what the doctors call regional amnesia. Though I'm told that I was conscious the entire time prior to and after being struck by the train except for the time in the hospital under anesthesia during surgery, I have no memory of an approximate 2 day period. Though receiving a serious blow to the head, I suffer from no brain damage. I will need a subsequent operation to place a protective material over the hole in my skull to safeguard the brain from further potential penetrations in the area of the current skull opening.

My left ear was severed but was replaced during surgery. My right shoulder blade and right wrist were cracked. My right kidney was severely bruised. I experienced many skin lacerations and bruises. As you know both my legs were amputated below the knee, requiring me to learn to walk on artificial legs, or prostheses. The biggest challenge is learning to walk safely.

I am excited to be alive to be here talking with you today. However, I am deeply concerned over the trauma that my stepson experiences from having witnessed the violent and egregious act of the locomotive running me down as two members of the train crew stood on the front of the engine and as nearly 40 participants of Nuremberg Actions looked on with horror. One of those 40 was also my wife, Holley, who has also experienced tremendous stress since the tragedy. She literally saved my life by stopping the bleeding while a Navy ambulance team refused to help in either first aid or transport to a hospital. A Navy fire department crew did administer minor assistance awaiting arrival of a county ambulance.

I remain ever more committed in my resolve to wage unconditional peace, nonviolently, with my life. There is no higher value or goal than peace with justice for all of humanity. Being a citizen of the United States, aware of the tremendous number of lives being maimed and murdered, or threatened with same, places a duty upon me to uphold not only international law, but fundamental standards of justice and fairness required by our tradition and Constitution. I choose to be a citizen promoting decency and not barbarity, lawfulness and not lawlessness, and dignified and not diabolical behavior.

SUMMARY

1. Nonviolent resistance and dissent are a traditional method for expressing outrage and opposition to illegal and immoral governmental policies in the United States. Dissent is a cherished right.
2. The United States is violating a number of international and domestic laws and Constitutional provisions in its militarization of Central America—funding the equivalent of terrorism with the contras in Nicaragua and Honduras and death squads in El Salvador and Guatemala.
3. The ultimate authority in a democracy is WE THE PEOPLE. The government of the United States is violating its own Supreme Law. That leaves the people as the ultimate enforcer of law and morality.
4. The Nuremberg Principles are part of the body of law of the United States that require individual responsibility and duty to uphold the law even if superiors are not.
5. Nuremberg Actions—Concord Campaign is a citizen's effort invoking the Nuremberg Principles, upholding international law by stopping the movement of munitions that are in furtherance of a U.S. policy violating international law and our own Constitution.
6. Nuremberg Actions—Concord Campaign is committed to nonviolence in spirit, attitude and action. Everything is done openly and with efforts to respect all human beings, no matter the circumstances.
7. The action commencing on September 1, 1987 was in furtherance of exercising a duty of citizenship according to the above ideas.

SOME QUESTIONS

Why are there no eyewitnesses, members of the train crew, or members of the command structure of CNWS testifying at this hearing?

A few minutes before I was struck, a delegation from Nuremberg Actions notified the CNWS duty officer at the main gate in writing and orally that we were now on the tracks prepared to block a munitions train. Why was this information not conveyed to the train crew? Or was it?

Why was there a truck load of marines within a few yards of our blocking action dressed in flak jackets and armed with M-16s for a few minutes prior to the tragic incident? They witnessed the entire scenario without responding to the train or the Nuremberg Action people on and around the tracks. Why? Why did they say there was going to be violence that day when we reiterated that we were committed to nonviolence?

Why did the train crew not stop the train? Two crew members standing above the cowcatcher had to have seen the people sitting on the tracks with a large banner stradling the tracks behind them, with many other people adjacent to the tracks. What possible explanation can there be for they not seeing us as there was plenty of visibility at that location?

Why were the police conspicuously absent when they knew we were planning to block a train that morning and had been there earlier in the morning?

Why did the Navy ambulance crew not assist a person near death on the tracks?

Why did it take so long for a county ambulance to arrive?

Why was the train moving at least 17 miles an hour across a public highway loaded with munitions, when it previously had almost always traveled so much more slowly?

13 January 86 letter from Esteli, Nicaragua.

3/7/86 essay, "Disinformation About Nicaragua . . ."

April 4, 1987 VPAT letter to Pres. Reagan, members of Senate and House of Representatives.

February 1987 memo, "U.S. Aggression Violates . . ."

Memo on Neutrality Act, dated 1987.

Portion of August 12, 1949 Geneva Convention.

"History of U.N. Charter, World Court, and this Judgement" and attachment.

"A Mini-History of the *Nuremberg Principles.*"

Nov. 18, 1985 newspaper article, "New Holocaust . . . Principles of Nuremberg."

November 23, 1986 "Veterans Resolution" from El Salvador.

Cover page with "Stop The Arms Shipments" at the top with attached 21 Aug. 1986 letter from Dept. of Air Force and contract with El Salvador for shipment of munitions from CNWS.

October 8, 1956 *Life* photo of "Hands Across the Tracks . . ."

5/19/72 *Life* photo of locomotive stopped by demonstrators.

Summer 1987 photos of people on the tracks from *Ground Zero.*

September 4, 1987 *Boston Globe* photo of veterans blocking a commuter train.

S. Brian Willson résumé.

I am currently living in Esteli, Nicaragua with a local family. There is a group of us here, 24 total, mostly from North America. We are students, health care workers, professionals, a Vietnam Veteran, old and young, here to study Spanish and learn about Nicaragua firsthand.

On Friday, January 10, U.S.-backed Contras ambushed and killed an agronomist and two aides on a road four miles outside of Esteli. The dead included two Estelianos. The next day, government militia pursued the Contra and at least two more people were killed, including a man whose job was to defend his local coffee cooperative.

Meanwhile, my group had gone to a cooperative nearby to help with the all-important coffee harvest. When I returned home, my Nicaraguan family greeted me with news of the attacks. One of those killed was from my family's neighborhood. I had missed the funeral where, as the Nicaraguans say, "a mountain of people" came to share the grief; the Nicaraguans bury their dead immediately.

Last night, the U.S.-backed Contras bombed an electricity tower, cutting off all power and the water pumps to Esteli, affecting the town of 60,000 people and the surrounding zone. Today, a truck dispensed water to all those who came with buckets. There's no electricity in the hospital where premature babies may die. This letter is being written by the light of a candle. The entire town is in darkness, on alert, forced to prepare against further terrorist attack.

Attacks by CIA-trained Contras against a civilian population is a violation of international law and the laws of the U.S. Constitution. To foment this kind of terrorism is not becoming of my country, or any civilized nation. Article 6 of our Constitution states that all treaties entered into are part of the supreme law of the land. The charter of the Organization of American States and numerous treaties call for non-aggression and peaceful resolution of conflict.

I call on my people to urge an end to all U.S. directed military, financial, and logistical aid to the Contra. A dialogue should be resumed between Nicaragua and the USA, and the embargo against Nicaragua lifted. Nicaraguans have the sovereign right to self-determination.

As a North American, I have come to Nicaragua to learn why my government makes war against this country. I have learned that the people of Esteli have a history of heroic resistance, first against the U.S.-supported dictator Somoza and now the Contras. These people have long suffered at the hand of U.S. foreign policy, yet they intend to persevere, to rebuild their country after years of war. The victims of U.S. aggression are the everyday people, the kids in the street, the mothers, the men and farmworkers. Our group is contributing material and money to aid the displaced persons and families of the dead.

My duty is to name the nameless people who are dying: Bayardo Aguilera, Bayardo Ruiz, Virgilio Talavera, Gilberto Diaz and Uriel Tercero.

Sincerely,

S. Brian Willson and on behalf of 23 other North Americans.

TESTIMONY OF BRIAN WILLSON

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mrs. PELOSI. Mr. Speaker, I join my colleagues in taking the opportunity to ensure that Mr. Brian Willson's testimony is heard by the Congress. I, too, am disappointed in the subcommittee's decision to prevent him from offering his full testimony.

I will now continue with Mr. Willson's testimony beginning with his experiences while in Nicaragua titled "Disinformation About Nicaragua: Prelude to Another Vietnam:"

DISINFORMATION ABOUT NICARAGUA: PRELUDE TO ANOTHER VIETNAM

(By S. Brian Willson)

For nearly two months, I lived and freely traveled in Nicaragua, attending a language school in Esteli, residing with a Nicaraguan family, and talking with a variety of people in and out of government. I also talked with a number of imprisoned Contras.

As a former officer in the U.S. Air Force and combat veteran of Vietnam, I have long been distressed with the emerging revisionist interpretation promoting the nobility of our Vietnam history. Now I return from Nicaragua concerned that disinformation is now serving as a prelude to our increasing military intervention in that country of 3 million people.

As veterans, our service and responsibility continues, requiring us to tell the truth as we see it to our country about the special burden and wisdom we possess from the realities of the Vietnam experience.

The truth about Nicaragua, as I experienced it, is quite the opposite from what the Reagan administration, much of Congress, and most of the media are espousing. There is overwhelming support for the Sandinista government, and the society is a very open, not totalitarian, one. The 1984 elections were exceptionally fair as witnessed by a number of international observers. There is virtually no popular support for the terrorists organized and paid for by the United States, and euphemistically called "democratic freedom fighters" by our leaders.

I became acquainted with these terrorists my first week. They attacked just north and south of Esteli, killing 11 people, including a government agronomist. Two women cooks from a farming cooperative were also kidnapped. Several electric towers were blown up cutting off electricity for 3 days. Then a week before my departure a Swiss agronomist and 18 mothers and children were savagely ambushed northeast of Esteli. The Swiss and 5 mothers were murdered. The remaining mothers and children were seriously injured having received over 200 bullets collectively. Two of the injured were 1 year old babies.

For the past 4 or 5 years, the Contras have frequently kidnapped, tortured, then killed local civilians, with the mutilated corpses deposited at visible locations. in an attempt to intimidate the populace. My Nicaraguan mother painfully described her journey to the mountain prior to the 1979 triumph over Samoza to recover the remains of her son killed by the National Guard. After seeing his dismembered body she prayed that his killers had awaited his death before mutilating him. The tactics of today's terrorists are virtually identical to those of the Guard, understandable since the "special warfare" military training is conceived, financed, and conducted by the same agency—the U.S. Government.

Despite the cruel and senseless war being waged against the Nicaraguan people, they remain steadfast in their continued support of a revolutionary development process which in a few short years has produced dramatic declines in illiteracy and infant mortality rates, earning special recognition from the United Nations. Numerous construction projects are underway of housing, schools, health clinics, ets., frequently with the help of people from any one of dozens of countries from Europe, New Zealand, Australia, Canada, as well as the U.S. Nearly 1500 schools and 400 health centers have been built since the exit of Samoza. The land reform program has given idle land previously owned by Somacistas to over 60,000 landless rural families. As my Nicaraguan mother said, "The triumph and the years since have been like a dream come true." And a Sandinista soldier told me, "We don't choose death; we worship life, and that is why we are prepared to die to preserve it."

As a student of prisons in the U.S. and Holland, I was struck by the exceptional open and positive spirit in the Nicaraguan prison I visited. Comprised of a large number of Contras as well as Nicaraguan army offenders and common criminals, there was a strong self management council of the prisoners, and a literacy program where even the military offenders teach the Contras to read and write. The Contras were receiving good medical care for war injuries and there was no sign of any torture or human rights violations. Many of the Contras articulated an appreciation for their treatment and for learning about the dramatic development of the society.

During a visit to the U.S. Embassy, the political consular explained that one of "our" goals, assuring ultimate "freedom" for Nicaraguans, and therefore, "peace", required the use of "violent" means through the "fortunes" of the Contras. I felt ashamed to be a North American with this kind of policy being uttered in my name.

What mentality trains and pays for murder and torture of innocent people? What mentality lies and distorts facts continually? What mentality ignores the rule of law as if it doesn't matter? What mentality is it that fosters the very behavior we claim we are trying to prevent?

I wonder if this atmosphere is similar to that present when Hitler was hyping Nazi Germany in their terror campaign against the Jews and Europe? It certainly reminds one of the hype and lies leading up to Vietnam.

I fear that our freedom and dignity are at stake because our freedom and dignity are only as good as our honesty and adherence to principles of fairness, justice and law. If the government refuses to comply with the rule of international and national law, then efforts by citizens to stop illegal activity and to refuse complicity with it, under the Nuremberg Charter and our own Constitution, are, in fact and law, safeguarding the supreme law of our country.

We do not need, nor do we want, another Vietnam to learn the most fundamental of lessons—that people are people and we all have basic needs to be met, that can be met, if we work together in a community of nations to more fairly share our resources with all the people. Ultimately only justice can provide the basis for peace.

VETERANS FAST FOR LIFE/VETERANS PEACE ACTION TEAMS

April 4, 1987.

To: The President of the United States;
Members of the United States Senate;
Members of the United States House of Representatives.

DEAR FELLOW CITIZENS: The first Veterans Peace Action Team has completed its mission in Nicaragua. We wish to speak to you from our hearts about what we have seen and heard and to share with you what we have concluded about the illegal and immoral war which the United States is waging against the sovereign nation of Nicaragua.

We spent much of our six weeks in Nicaragua in the war zones where we heard numerous testimonies by the victims of U.S. terrorism. We have seen the recent destruction of peasant homes, schools and coffee processing plants. We have seen and spoken to the children, mothers and elderly who have lost arms and legs as a result of the explosion of our diabolical anti-tank mines. We have talked to victims minutes after bloody ambushes. What we have concluded is that what you euphemistically call low intensity warfare is one of the most vicious and barbarous forms of warmaking devised in the history of mankind. While you would have the people of our nation believe that the killing and maiming is an unintended consequence of the war, we have come to a realization of a far different truth: This is not a war between two armies over territory but a war whose objective is the demoralization of the Nicaraguan people and the disintegration of their government. It relies on terror and fear and economic deprivation to accomplish its immoral and illegal ends. The acts of terror against innocent civilians is deliberate and intentional; it is conceived, organized and carried out by the United States government and its proxies and paid for by the tax dollars of United States citizens. Our hands are all stained by the blood of the war's innocent victims. You, we and the North American people have much to answer and atone for.

We concluded our mission by walking 73 miles unarmed and undefended through the war zones of Nicaragua from Jinotega to Wiwili. On the walk we each felt the terror and fear the United States is causing. We experienced the same apprehension felt by the Nicaraguan people who walk or ride along the road; that at any moment they may be maimed or killed by ambush or mines. We witnessed funerals and the grief of mothers and children because of the death of their loved ones. We were given 22 letters with nearly 800 signatures appealing to the United States to "stop attacking us so that we may live and raise our children and return to our land to raise crops without having to carry weapons to defend ourselves." We found in these brave people a faith, an endurance, a dignity and a spirit of forgiveness that broke open all of our hearts.

We also found that the people strongly support their government. They perceive it as striving mightily under increasingly difficult conditions to achieve the objectives of their revolution, especially humanizing and empowering the lives of the poor. We heard testimonies about how individuals who were exploited and repressed by the United States proxy government of Somoza now actively support the Sandinista government with full freedom of dissent and criticism. Despite the terrible sufferings caused by this U.S. imposed war, the people show no signs of giving up on themselves or their government. Indeed they are prepared to defend the hard-won fruits of their revolution—their freedom and their independence—to the last man, woman and child.

Mr. President, Senators and Members of the House: Dr. Martin Luther King challenged us in the United States to "get on the right side of the world revolution." We invite you to remember our own revolutionary values and our ideals of equality, justice and self-determination, and reconsider what you are doing to the nation of Nicaragua . . . and to ourselves.

While we are deeply ashamed and outraged by the suffering we have seen, we are inspired by the hope, the courage and vision of the Nicaraguan people and their revolution. we are committed anew to our own revolutionary values and principles. We are committed anew to stopping the violation of those principles in Nicaragua. To that end some of us will remain in Nicaragua where we will continue to place ourselves at risk in the war zones. We will be joined by new teams of veterans who will rebuild what is being destroyed by U.S. warmaking. Where our government is offering death, hate and despair, United States veterans will bring life, compassion and hope. Others of us will return to the United States where we will engage—and invite others to engage with us—in tireless and unremitting resistance to the immoral and unjust war through tax refusal, civil disobedience and other forms of noncooperation.

Mr. President, senators and Members of the House: We re outraged that you continue to support and finance the barbaric terrorism in Nicaragua which is violating international and U.S. law, our own constitution, various treaties and an order of the world court. It has earned our country the contempt of peace-loving nations throughout the world. Stop the support of the Contra terrorists. Call home the troops from Honduras. End the economic embargo. Support the Contadora peace process. In the words of Archbishop Oxcar Romera: "We implore you, we beseech you, we order you to stop the killing."

Nicaragua must live and be free. To this we commit ourselves.

MEMBERS OF THE FIRST VETERANS PEACE ACTION TEAM.

U.S. AGGRESSION VIOLATES DOMESTIC AND INTERNATIONAL LAWS

(Prepared by Brian Willson, February 1987)

"Indeed, I tremble for my country when I reflect that God is just; and that his justice will not sleep forever * * *"—Inscription on the Jefferson Memorial.

Enumerated below is a list of laws violated by the government of the United States in its actions directed against the sovereign nation of Nicaragua since the Reagan administration came into power in 1981. These laws have been violated by individually elected officials, including President Reagan, appointees, as well as employees. Collectively, the government through its institutions and individual decisions emanating therefrom has manifested an almost complete lawless pattern of behavior in its relations with Nicaragua.

CONSTITUTION

Article I. Section 1. "The Congress shall have power to declare war." The President does not possess this power. Congress has not declared war.

Article II. Section 1. The President "shall take the following Oath or Affirmation: 'I do solemnly swear (or affirm) that I will faithfully execute the Office of President of the United States, and will to the best of my Ability, preserve, protect and defend the Constitution of the United States.' "

Section 3. The President "shall take Care that the laws be faithfully executed . . ."

Article VI. "This Constitution, and the Laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land . . . The Senators and Representatives before mentioned, and the members of the several State legislatures, and all executive and judicial officers, both of the United States and of the several states, shall be bound by oath or affirmation, to support this Constitution. . . ."

NATIONAL LAWS

The National Security Act of 1947—requires Congressional notification of covert foreign operations conducted by U.S. intelligence agencies; President is required to give personal approval of each covert operation by signing a "finding" that the action is justified.

The Neutrality Act—prohibits furnishing money for or taking part in any military or naval expedition or enterprise carried on from the U.S. against any foreign state, colony, district or people with whom the U.S. is at peace and/or maintains diplomatic relations. (18 USC 960; 1794)

The Arms Export Control Act—Limits and regulates openly the export of military arms from this country to overseas locations; requires the President to notify Congress within 48 hours of, or a change in the status of significant hostilities . . . which may endanger U.S. lives or property.

Intelligence Oversight Act of 1980—Requires Congressional leaders be briefed prior to, and to be kept current with, in a full manner all intelligence activities.

The Intelligence Authorization Act of 1985—Precludes U.S. intelligence agencies from "participation in the planning or execution of military or paramilitary operations in Nicaragua by the Nicaraguan democratic resistance" or "participation in logistics activities integral to such operations."

The Military Construction Codification Act—Operational and Maintenance funds may only be spent on military construction projects which cost less than $200,000. By its own accounts, DOD violated this funding restriction in the various military construction projects underway in Honduras.

Boland Amendment—Prohibited federal agencies from providing military aid to be used for the overthrow of the Nicaraguan government. This prohibition was lifted by congress on October 16, 1986.

Executive Order 112333—Prohibits involvement of U.S. government in assassination: "No person employed by or acting in behalf of the United States government shall engage in or conspire to engage in assassination . . . No agency of the intelligence community shall participate in or request another person to undertake activities forbidden by this order."

Foreign Assistance Act of 1961—Security assistance prohibited to countries the government of which engages in a consistent pattern of gross violations of internationally recognized human rights. This would apply to funds provided Honduras and El Salvador and used to finance operations relating to efforts to overthrow the Nicaraguan government.

International Emergency Economic Powers Act (IEEPA) of 1977—The embargo imposed on Nicaragua by President Reagan is based on a fraudulent interpretation of this Act by declaring a nonexistent "national emergency".

War Powers Resolution (1973)—Requires the President to submit to Congress within 48 hours after U.S. military forces have been introduced into hostilities. Requires termination of such military activity after a maximum of 90 days unless Congress has declared war or has enacted a specific authorization for such use of U.S. armed forces.

Defense Supply Appropriation Act of 1983 & 1984 & Oct. 21 Continuing Resolution—Limited funding for military or paramilitary operations against Nicaragua to specific monetary caps.

INTERNATIONAL LAWS AND EDICTS.

Military and Paramilitary Activities in and against Nicaragua: Nicaragua v. United States of America—June 27, 1986 Judgement of the International Court of Justice (World Court)—Decides that the United States of America, "by training, arming equipping, financing, and supplying the contra forces or otherwise encouraging, supporting, and aiding military and paramilitary activities in and against Nicaragua, has acted against the Republic of Nicaragua in breach of its obligation under customary international law not to intervene in the affairs of another state." Further, decides that the U.S. of A., "is under a duty immediately to cease and to refrain from all such acts as many constitute breaches of the foregoing legal obligations." Article 94 of the United Nations Charter provides "Each member of the United Nations undertakes to comply with the decision of the International Court of Justice in any case to which it is a party."

The United Nations Charter, Article 2 (4)—Prohibits the use of force by one state against the territorial integrity or political independence of another state.

The Charter of the Organization of American States, Article 18—Prohibits intervention by one state in the internal or external affairs of another state; Article 19—state; Article 20—Prohibits the violation of one state's territory by another state; Article 21—Prohibits use of force by one state against another state.

The 1956 Treaty of Friendship, Commerce and Navigation between the United States and Nicaragua—Guarantees freedom of commerce and navigation between Nicaragua and the U.S. Treaties of Friendship, like other treaties to which the U.S. in a party, bind every citizen to personally uphold the agreements entered and impose upon the citizens a legal obligations to act when having knowledge of war crimes as defined by the Nuremberg Charter.

Principles of Customary and General International Law—Prohibits force against another state except where it is clearly done for self-defense purposes. See U.N. G.A. Resolutions below.

United Nations General Assembly Resolutions. No. 2160—Strict observance of the prohibition of the threat or use of force in international relations; No. 2625—Declaration on principles of International Law concerning friendly relations and cooperation among states; No. 3314—Definition of aggression; No. 36/103—Declaration of the inadmissibility of intervention and interference in the internal affairs of states.

Hague Convention of 1907, Article 4—Regarding the rights and duties of neutral powers and persons in case of war on land, provides that "corps of combatants must not be formed nor recruiting agencies opened on the territory of a neutral power, to assist the belligerants."

Organization of American States Convention on Terrorism, Article 2—"For the purposes of this convention, kidnapping, murder, and other assaults against the life or personal integrity of those persons to whom the state has the duty to give special protection according to international law . . . shall be considered common crimes of international significance, regardless of motive" Article 8—"To cooperate in preventing and punishing the crimes contemplated in Article 2 of this convention, the contracting states accept the following obligations: a) To take all measures within their powers, and in conformity with their own laws, to prevent and impede the preparation in their respective territories of the crimes mentioned in Article 2 that are to be carried out in the territory of another contracting state."

General Agreement on Tariffs and Trade (1958)—Multilateral prohibition of using Economic Coercion (as in Charters of U.N. and O.A.S.).

Inter-American Treaty of Recipocal Assistance (The "Rio Treaty"), Article 5—Requires states or parties to submit to international arbitration activities undertaken or in contemplation in the exercise of the right of self-defense.

Geneva Conventions (1929, 1949)—Humanitarian assistance in wartime distributed independent from the parties in conflict and recognized as such by the international community; aid to be distributed directly on the basis of need to only noncombatants; aid offered impartially to all affected civilians on both sides. Prohibits violence to civilians and prisoners and prohibits abuse to the wounded and sick.

Charter of the International Military Tribunal (1946), Articles 6, 7, & 8—Enunciates acts constituting crimes against peace, war crimes against humanity and for which there would be individual responsibility. This was affirmed as principles of international law recognized by the Charter of the Nuremberg Tribunal and the Judgment of the Tribunal in 1946 by Resolution 95 (I) of the United Nations.

The Nuremberg Principles (1950)—Essentially restate the provisions of the Charter identified immediately above. These were formulated by the International Law Commission on the instruction of the General Assembly of the U.N. in 1950. The international Law Commission, acting on the instructions of the U.N. General Assembly, expanded the Nuremberg Principles into a Draft Code of Offences Against the Peace and Security of Mankind. Like the Nuremberg Principles, the Draft Code contains, in its Article 3, a provision that Heads of State or government officials shall not, by reason of their official capacities, be relieved from responsibility. Under the Charter, Nuremberg, and the Draft Code, individuals as well have a positive obligation, under international law, to take steps to stop war crimes, crimes against peace, crimes against humanity and offences against the peace and security of mankind.

NEUTRALITY ACT, 18 U.S. Code Sec. 960 (1794)

Whoever, within the United States, knowingly begins or sets on foot or provides or prepares a means for or furnishes the money for, or takes part in, any military or naval expedition or enterprise to be carried from thence against the territory or dominion of any foreign prince or state, or any colony, district, or people with whom the United States is at peace, shall be fined not more than $3,000 or imprisoned not more than three years, or both.

COMMENTARY

This law makes such actions not only illegal, but criminal. Whoever applies to anyone—there is no exception in the act for actions of government officials, whether acting officially or unofficially, publicly or privately. The language is all-encompassing, directed as much at government as at private individual actions.

The Reagan administration is blatantly violating the law. The facts of the CIA participation in planning, assisting, financing, and executing military actions against the sovereign government and people of Nicaragua is outrageous and barbaric.

The Congress that enacted this Act was mindful of the dangers of involving the U.S. in foreign conflicts, issues and wars. Such involvement requires public debate and accountability before subjecting the U.S. people to foreign interventions, a serious matter indeed. For our territory and resources to be used in expeditions against other countries without democratic processes serving as the authoritative basis for such actions, totally undermines the integrity of our democracy.

By its present actions in both creating and supporting the contras, the Reagan administration is doing precisely what the Neutrality Act was intended to prevent. Furthermore, the Congress has become complicit in this illegal and criminal behavior. The Whoever, in the Act applies to anyone who violates the prohibition specified in its explicit language.

(Prepared by S. Brian Willson, VPAT.)

GENEVA CONVENTION RELATIVE TO THE PROTECTION OF CIVILIAN PERSONS IN TIME OF WAR,* AUGUST 12, 1949

The undersigned Plenipotentiaries of the Governments represented at the Diplomatic Conference held at Geneva from April 21 to August 12, 1949, for the purpose of establishing a Convention for the Protection of Civilian Persons in Time of War, have agreed as follows:

PART I: GENERAL PROVISIONS

Article 1—The High Contracting Parties undertake to respect and to ensure respect for the present Convention in all circumstances.

Article 2—In addition to the provisions which shall be implemented in peacetime, the present Convention shall apply to all cases of declared war or of any other armed conflict which may arise between two or more of the High Contracting Parties, even if the state of war is not recognized by one of them.

The Convention shall also apply to all cases of partial or total occupation of the territory of a High Contracting Party, even if the said occupation meets with no armed resistance.

Although one of the Powers in conflict may not be a party to the present Convention, the Powers who are parties thereto shall remain bound by it in their mutual relations. They shall furthermore be bound by the Convention in relation to the said Power, if the latter accepts and applies the provisions thereof.

Article 3—In the case of armed conflict not of an international character occurring in the territory of one of the High Contracting Parties, each Party to the conflict shall be bound to apply, as a minimum, the following provisions:

(1) Persons taking no active part in the hostilities, including members of armed forces who have laid down their arms and those placed *hors de combat* by sickness, wounds, detention, or any other cause, shall in all circumstances be treated humanely, without any adverse distinction founded on race, colour, religion or faith, sex, birth or wealth, or any other similar criteria.

To this end, the following acts are and shall remain prohibited at any time and in any place whatsoever with respect to the above-mentioned persons:

(a) violence to life and person, in particular murder of all kinds, mutilation, cruel treatment and torture;

(b) taking of hostages;

(c) outrages upon personal dignity, in particular humiliating and degrading treatment;

(d) the passing of sentences and the carrying out of executions without previous judgment pronounced by a regularly constituted court, affording all the judicial guarantees which are recognized as indispensable by civilized peoples.

(2) The wounded and sick shall be collected and cared for.

An impartial humanitarian body, such as the International Committee of the Red Cross, may offer its services to the Parties to the conflict.

The Parties to the conflict should further endeavour to bring into force, by means of special arrangements, all or part of the other provisions of the present Convention.

The application of the preceding provisions shall not affect the legal status of the Parties to the conflict.

TESTIMONY OF BRIAN WILLSON

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. DELLUMS. Mr. Speaker, I join with my colleagues today in urging the Congress and the American people to read the full text of Mr. Brian Willson's eloquent statement to the Congress, the final portion of which is printed below.

Mr. Willson served as a combat intelligence officer in Vietnam. He was severely injured on September 1 of this year when he was run over by a Navy weapons train outside the Concord Naval Weapons Station, where he and others were peacefully protesting against criminal U.S. policies in Central America.

Yesterday, despite the protests of my bay area colleagues and myself, Mr. Willson was denied the opportunity to have the full text of his opening statement entered into the official record of the House Armed Services Subcommittee investigating the circumstances surrounding his injury.

This ill-considered action represents a serious setback for the democratic process in the Congress. Regardless of our personal politics—be they left, center or right—the common denominator for all in Congress should be a dedication to maintaining the integrity of the democratic process so that all parameters of the political debate may be heard—fully and fairly. Only then can the Congress and the American people make the proper value judgments on the critical issues of our time.

Mr. Willson served with distinction in Vietnam—and then came home to suffer as a casualty of our surrogate war in Central America. His statement to the Congress was one of peace and hope—and a direct challenge to us to live up to the ideals professed in the Declaration of Independence and the Constitution. He deserves to be commended for his courage and commitment, rather than ignored or demeaned by those who fear the fire of truth and the cleansing waters of peaceful ideas advocated in a nonviolent context.

The final section follows:

HISTORY OF U.N. CHARTER, WORLD COURT, AND THIS JUDGMENT

Judgment of the World Court: "The United States of America is under a duty immediately to cease and to refrain from . . . training, arming, equipping, financing and supplying the contra forces or otherwise encouraging, supporting and aiding military and paramilitary activities in and against Nicaragua. . . ."

1946–1984, U.S. involved in 10 of the 48 cases the Court had dealt with. Never since 1946 had the U.S. suspended World Court jurisdiction in a bilateral international dispute.

Apr. 6, 1984, U.S. files letter with World Court attempting to exclude any dispute with a Central American country from the World Court's jurisdiction.

Apr. 9, 1984, Nicaragua files suit in World Court against United States' aggression.

May 10, 1984, World Court issues "provisional measures" ordering U.S. to halt mining Nicaragua's harbors and to cease other aggression.

Nov. 26, 1984, World Court rules it possesses jurisdiction.

Jan. 18, 1985, U.S. announced it would not participate further in the Court's proceedings in this case.

Fall 1985, Court proceeds to hear evidence and oral arguments.

Oct. 7, 1985, Pres. Reagan personally authorized funding for contras after Congress's Oct. 1, 1984 ban on such funding.

Oct. 7, 1985, U.S. gives notice of its intention to revoke previous general acceptance of compulsory jurisdiction of World Court, to be effective April 7, 1986.

June 25, 1986, Democratically controlled U.S. House of Representatives approves $100 million in addition to the contras for their war against Nicaragua.

June 27, 1986, World Court renders its judgment (see above).

THE UNITED STATES AND THE WORLD COURT

June 26, 1945, U.S. signed United Nations Charter.

Oct. 24, 1945, U.S. Senate ratified Charter and it became part of Supreme Law of the Land.

Aug. 14, 1946, U.S. accepts jurisdiction of World Court after receiving advice and consent of U.S. Senate on Aug. 2. Acceptance accompanied by Declaration requiring 6 months notice before it could ever terminate World Court jurisdiction. A Senate report at the time stated that such Declaration was a "renunciation of any intention to withdraw our obligation in the face of a threatened legal proceeding."

Aug. 26, 1946, U.S. files acceptance and Declaration with World Court, further reconizing Court's compulsory jurisdiction.

Article 92 of the United Nations Charter establishes the International Court of Justice (World Court) as the "principal judicial organ of the United Nations."

Article 94 of the U.N. Charter requires each member of the U.N. to comply with the decision of the Court in any case to which it is a party.

Article 60 of the Statute of the International Court of Justice provides that the judgment is final and without appeal. In the event of dispute as to the meaning or scope of the judgment, the Court shall construe it upon the request of any party.

Judgment of the World Court, June 27, 1986, In the Case, *Nicaragua* v. *United States of America*, Military And Para-military Activities In And Against Nicaragua By The United States:

The Court: By twelve votes to three, "The United States of America is under a duty immediately to cease and to refrain from . . . training, arming, equipping, financing and supplying the contra forces or otherwise encouraging, supporting and aiding military and paramilitary activities in and against Nicaragua. . ."

In favor: Pres. Singh, India; V. Pres. de Lacharriere, France; Judges Lachs, Poland; Ruda, Argentina; Elias, Nigeria; Ago, Italy; Sette-Camara, Brazil; Mbaye, Senegal; Bedjaoui, Algeria; Ni, China; and Evensen, Norway; Judge ad hoc Colliard, France;

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*English language text from a copy certified by the Swiss Federal Council.

Against: Oda, Japan; Schwebel, United States; and Jennigs, Britain.

Operative part of the judgment of the World Court delivered on June 27, 1986, In the case, military and paramilitary activites in and against nicaragua by the United States: *Nicaragua* v. *United States of America*:

The Court: (2) By twelve votes to three, rejects the jurisdiction of collective self-defense maintained by the United States of America in connection with the military and paramilitary activities in and against Nicaragua the subject of this case;

(3) By twelve votes to three, decides that the United States of America, by training, arming, equipping, financing and supplying the contra forces or otherwise encouraging, supporting and aiding military and paramilitary activities in and against Nicaragua, has acted, against the Republic of Nicaragua, in breach of its obligation under customary international law not to intervene in the affairs of another state;

(12) By twelve votes to three, decides that the United States of America is under a duty immediately to cease and to refrain from all such acts as may constitute breaches of the foregoing legal obligations;

OPERATIVE PARTS OF U.N. CHARTER AND WORLD COURT STATEMENT

Article 94 of the Charter of the U.N. provides:

1. Each member of the United Nations undertakes to comply with the decision of the International Court of Justice in any case to which it is a party

Note.—In 1946, the United States issued a declaration requiring 6 months notice before it could ever terminate World Court jurisdiction. A Senate report at the time stated that such declaration had been "a renunciation of any intention to withdraw our obligation in the face of a threatened legal proceeding."

Article 60 of the Statute of the International Court of Justice provides:

The judgment is final and without appeal. In the event of dispute as to the meanig of scope of the judgment, the Court shall construe it upon the request of any party.

A MINI-HISTORY OF THE NUREMBERG PRINCIPLES

May 7, 1945, Germany surrendered; Aug. 15, 1945 Japan surrendered;

June 26, 1945, Charter of United Nations at San Francisco signed;

Aug. 8, 1945, London Agreement and Charter signed by the 4 major victorious allies—the U.S., France, Great Britain, and the Soviet Union. Nineteen additional nations signed, including Honduras, Panama, and Venezuela. The Agreement provided that the major war criminals whose offenses had no particular geographical location would be tried by an International Military Tribunal. Justice Robert H. Jackson, on signing the Agreement for the U.S., stated: "For the first time, 4 of the most powerful nations have agreed not only upon the principle of liability for war crimes of persecution, but also upon the principle of individual responsibility for the crime of attacking international peace."

Nov. 14, 1945-Oct. 1, 1946, International Military Tribunal Conducts major trials. Tribunal consisted of one member from each of the 4 major victorious allies, including Francis Biddle of U.S. Committee of the Chief Prosecutors was composed of one member for each of the same allies, including Justice Jackson of U.S.

Dec. 20, 1945, Control Council Law No. 10 enacted by the 4 allies to conduct subsequent Nuremberg trials for the remaining war criminals;

Oct. 1946-Apr. 1949, Control Council Law No. 10 trials, 12 in number altogether;

Dec. 11, 1946, United Nations General Assembly unanimously affirmed "the principles of international law recognized by the Charter of the Nuremberg Tribunal and the Judgment of the Tribunal."

Nov. 1945-Apr. 1949, Nuremberg Trials (see above) conducted by the 4 major victorious allies in Nuremberg, a city of N. Central Bavaria in West Germany with nearly 500,000 population.

Aug. 12, 1949, Geneva Convention signed which in effect prohibits war crimes as part of our treaty law

Jun-Jul 1950, Nuremberg Principles, which essentially restate the provisions of the London Charter, formulated by the International Law Commission on the instruction of the General Assembly. The International Law Commission is an organ of the United Nations composed of experts in international law representing all the legal systems of the world and expected to promote the progressive development and condification of international law.

1954, International Law Commission, acting on the instruction of the U.N. General Assembly, expanded the Nuremberg Principles into a Draft Code of Offenses Against the Peace and Security of Mankind.

COMMENTARY TO NUREMBERG PRINCIPLES

The Nuremberg Principles as derived from the London Charter and the International Military Tribunal enunciated acts which would thenceforth constitute crimes against peace, war crimes, and crimes against humanity and for which there would be an individual responsibility.

The practical and legal question of Nuremberg may be summed up in a question often asked of the German people: "Where were you and what were you doing when these crimes were being committed?"

The principles formulated include the principle that the crimes defined "are punishable as crimes under international law." One cannot commit an act that is illegal under international law even if commanded by one's government. In other words, there is an obligation of individual citizens to refuse to commit an act that he/she knows is a crime under international law even if ordered to do so by the laws of the country or commands of government. Nuremberg is the world's most determined effort to establish rules of civilized behavior that would apply to all in international and national affairs alike. Complicity is also made a crime under Nuremberg; i.e., participation in any act which furthers the illegal act is a crime. If one has knowledge that something illegal is happening, then one is complicit if his or her behavior furthers its happening.

Nuremberg does not settle the question of guilt but it established rules which assist in a process of removing individuals from the anonymity of the collective and establishing responsibility on him or her. These rules say that the individual's international duties transcend national obligations of obedience. Reliance upon obedience to state commands are not valid or legal if those commands are criminal under international law. If a nation engages in an illegal war or in war crimes and crimes against humanity, each of its citizens who is aware of the violation possesses an obligation and duty to disobey orders that further the crimes against peace, the crimes against humanity, and war crimes. The test of complicity is whether each person possessed in fact a moral choice in acting.

The entire history of Nazi Germany could be summarized as a triumph of pragmatism over principle, utilitarianism and expendiency over humanity and justice.

The Nuremberg Principles are widely if not universally accepted as binding norms of international law. Under Article VI of the U.S. Constitution, these principles are part of our Supreme Law.

[From the Upper Connecticut River Valley News, Nov. 18, 1985]

NEW HOLOCAUST WAITS IF WORLD FORGETS PRINCIPLES OF NUREMBERG

(By Robert Conot)

Forty years ago this month, shortly after the conclusion of World War II, the United States, Great Britain, France and the Soviet Union agreed to try major Axis war criminals. The driving force for the establishment on the precepts of law and humanity came from the United States. The attitude of the other Allied powers, interested primarily in purging Nazis, was exemplified by British Prime Minister Winston Churchill, who said, "It is beyond question that Hitler and a number of arch criminals associated with him must suffer the penalty of death for their wickedness in the conduct of the war. . . . Execution without trail is the preferable course."

The Americans, conversely, insisted that summary justice would violate the very principles for which the war was fought, that the facts must be ascertained and the guilt proven. Imagine what a field day the neo-Nazis and revisionists would be having if the British course of action had prevailed.

The initial Nuremberg Trial of the so-called major war criminals, and a dozen others that followed, documented a litany of inhumanities and a regression to barbarism. Supreme Court Justice Robert Jackson, the American prosecutor noted in his opening statement: "The wrongs which we seek to condemn and punish have been so calculated, so malignant and so devastating that civilization cannot tolerate their being ignored, because it cannot survive their being repeated."

Yet the Nazis were not, as popular image would have them, the special creations of the devil. For the most part, they were not psychopaths or natural killers. Rather, they tended to be weak and venal men of mediocre talent, corrupted by power they never could have attained except as adherents of Adolf Hitler. Theirs was no plunge to damnation from conscious decision, but a step-by-step descent into darkness, each step marking a small erosion of ethics and morality. The entire history of Nazi Germany could be summarized as a triumph of pragmatism over principle, of utilitarianism and expediency over humanity and justice.

While racism was the philosophical core of the Nazi state, the Nazis' incompetence and aberrant pseudoscience was what led to the most abominable of the horrors. The exterminations did not begin with the Jews but, in a climate of threatening food shortages and shrinking social services, with those people designated as "useless eaters"—the physically handicapped, the mentally defective, the inmates of old age homes, and even men hopelessly crippled in war. As food shortages became a fact and were ever more exacerbated by Hitler's war, the designation of "useless eaters" was extended to Jews, Soviet prisoners of war and people of every stripe considered valueless to the German economy. When Jews were rounded up for forced labor, those considered too old, too young, or too infirm for work here were dispatched, as the other "useless eaters" had been before them, in the gas chambers. Only in this fashion could the German people themselves continue to be relatively well fed.

This was pragmatism, carried to the ultimate Nuremberg demonstrated clearly that, as in every conflict, the helpless, the innocent, those without power and those caught between the warring factions are the ones who suffer the most. (The Nazis, for example, never deliberately touched Jews who were nationals of Allied or neutral countries, for fear of retaliation by these nations against Germans.) It was these "crimes against humanity" that Nuremberg sought, above all, to end by establishing standards of international conduct.

Tragically, the International Military Tribunal had no sooner completed its task than its work was forgotten. The nations of the world went right back to policies governed by few considerations other than pragmatism and self-interest, as if the Holocaust, the massacres, the atomic bomb, and 30 million dead were valueless as warnings to mankind.

Most dismaying of all is that those very nations which were the champions of international law and human rights, those which would have the most to gain—and even peoples who were victimized—have mindlessly turned their backs on the lessons of the past.

The United States has condemned interference in other nations' affairs by the Soviet Union and even by its own staunch allies, such as Great Britain, France and Israel—but has allowed the CIA to attempt destabilization of regimes not to its liking in such places as Iran and central America. In Vietnam the United States discovered that democracy is no safeguard against the brutalization of guerrilla warfare and the commission of atrocities. In Cambodia, the United States still lends support to the Pol Pot regime, which exterminated up to 20 percent of its own population while practicing an Asiatic version of Nazi xenophobia and anti-intellectualism.

In South Africa, the Boers, who were the original victims of concentration camps during their turn-of-the-century war against the British, and who gained political dominance in the anti-colonial climate of Nuremberg, turned right around and established apartheid and the world's most racist regime in order to suppress blacks and retain power. In the Middle East, right wing Israeli elements became accomplices in the Falangist massacres of Beirut Palestinian camps, an action that smacked of Nazi exterminations in eastern Europe.

It is true that, in retrospect, the Nuremberg view of the world turned out to be simplistic. The jurists never anticipated chronic strife and guerrilla warfare on virtually every continent; pervasive aerial piracy; governments, such as in Lebanon, that lose the capacity to govern, and regimes like those of Khadafy and Khomeini that lend themselves to international terrorism.

But Nuremberg was the world's most determined effort to establish rules of civilized behavior that would apply to all in international and national affairs alike. If we choose not to remember or not to practice the principles that we espoused at Nuremberg, international conduct will take place in nothing more than a kind of worldwide Wild West, where justice is dependent upon the fastest gun. In such a climate, where pragmatism is the principal guide, the pragmatic inevitably becomes a guide to principles. Should that happen, we will have a universal order of the likes of Nazi Germany, and civilization may indeed have difficulty surviving.

(Robert Conot is the author of Justice at Nuremberg," an account of the Nuremberg trials.)

Veterans Resolution

Date: November 23, 1986.

Circumstances: Conference In Search of Peace, El Salvador-United States, sponsored by UNTS (National United Workers of El Salvador), University of Central America (UCA), San Salvador, El Salvador.

Whereas: We are veterans of WW II, Korea, and the Vietnam Era, we are familiar with the consequences of war, which have resulted in death, destruction, terror, and injustice;

Whereas: Unlike countries in the Third World, we have not had to fight a war in our country and at the same time have to protect our families;

Whereas: We have witnessed the sacrifice of our brothers and sisters for nothing more than the benefit of multinational corporations and the aristocracy in the countries being exploited;

Whereas: the spiritual forces of the people can never be continually dominated by physical force;

Be It Resolved: That we join forces in solidarity with the people of El Salvador to change the disastrous policies of the U.S. government;

Be It Further Resolved: That by sharing our military and El Salvadoran experiences, we will work to awaken the hearts and minds of the people in the U.S.—San Salvador, Nov. 23, 1986, Conference in Search of Peace, El Salvador—U.S., UNTS.

S. Brian Willson, c/o Veterans Fast For Life, P.O. Box 53211, Wash., D.C.; Duncan Murphy, c/o Veterans Fast For Life, P.O. Box 53211 Wash., D.C.; Bob Barracca, 1155 Riverside Ave., Baltimore, Md.; Authur Standley, 459 Columbia Rd., Dorchester, Mass.; Howard Moody, Judson Memorial Church, New York, N.Y.; Paul D. Raymond, 928 13th Ave. E., Seattle, Wash.; Brian McQuerrey, 616 Victoria Ave. No. A, Venice, Calif.; Michael Webster, 426 3 Mi. Rd., Apt. D-5, Raine, Wisc.; Edmund L. Kaminsky, 98 Drummers Lane, Wayne, Pa.;

Jaime Vazquez, City Hall, 280 Grove St., Jersey City, N.J.; David Cortright, 711 G St., S.E., Wash., D.C.; F.X. Martin Del Campo, 580 Todd Rd., Santa Rosa, Calif.; Dave Worthington, 1861 Barnes Ave., SE, Salem, Ore.; Rudy Simons, 22610 Rosewood, Oak Park, Mich.; Bill Watkins, 230 Martin Dr., Aptos, Calif.; Macceo Pettis, 633 NE Morris, Portland, Ore.; Brett Bursey, 18 Bluff Rd., Columbia, S.C.; Francisco Manzanares, Col. Luz. 2418; 26 C. Pte., San Salvador, El Salvador, C.A., (Ex combatant in El Salvadoran Army).

Stop the Arms Shipments!

Concord Naval Weapons Station shipped 80% of the bombs and ammunition used by the U.S. in the Vietnam war. Now it is shipping bombs to El Salvador. Below are sections of the contract for one such shipment in June 1985. It was obtained by the Bay Area Pledge of Resistance through the Freedom of Information Act.

(Complete offer and acceptance form offered as appendix to Willson testimony.)

Excerpts of the United States Department of Defense Offer and Acceptance form.

(Description of document offered as appendix to testimony.)

1725 Bomb GP MK82 500 lb Test—Comment of Willson: *General Purpose Bomb* used to destroy villages in El Salvador.

2,700 Warhead 2.75 WP M156—Comment of Willson: White Phosophorus Rockets filled with a chemical that burns through to people's bones.

1,760 Fuze Ext M1A1—Comment by Willson: Fuze Extenders attached to general purpose bombs to increase the shrapnel effect.

4M CTG 7.62 MM Link 9-1—Comment by Willson: Ammunition for a General Electronic machine gun that fires 100 Bullets a second. Mounted on helicopter gunships that are the most feared weapon in El Salvador.

Estimated total cost: $6,394,434.

Department of the Air Force,
Headquarters U.S. Air Force,
Washintgton, DC, August 21, 1986.

Mr. John Lindsay-Poland,
Emergency Response Network, Pledge of Resistance, 1101 O'Farrell Street, San Francisco, CA.

Dear Mr. Lindsay-Poland: This responds to your 9 April 1986 Freedom of Information Act request received in this office 4 August 1986 from Headquarters Air Force Legistics Command.

Attached are copies of Letters of Offer and Acceptance (DD Form 1513) representing United States Air Force sponsored material shipped on 19 November 1984 and 10 June 1985.

Sincerely

Anne W. Turner,
HQ USAF Freedom of Information Manager.

A series of photographs were offered as an appendix to the testimony of Brian Willson. Following are the captions to those photos:

Hands across the tracks that stopped the trains: In Philadelphia, train service for thousands of elevated-subway travelers was halted by a wall of striking workers. Protesting the layoff of a fellow employee, they walked off their jobs and sat down on the tracks. Then they got up and formed a chain across the rails, stopping the traffic beyond the chain and advancing toward the center of the city until they had completely choked off the elevated service. For nearly 12 hours the trains were stopped. When the company agreed through arbitration to take back the discharged worker, the sympathy strikers went back to their jobs.—Life October 8, 1956.

Attempting "a blockade of military supplies just like Nixon's," demonstrators held up a Southern Pacific freight near Davis, Calif. for six hours, protesting the President's Vietnam escalation.—Life May 19, 1972.

Source: Ground Zero, Summer 1987, Vol. 6, No. 2 Ground Zero Center for Nonviolent Action, Poulsbo, WA 98370:

June 19th: Pan American security guards prepare to arrest those kneeling in the path of a missile motor train. During the preceding vigil, people wrote the names of loved ones on "paper people leis" which were then worn onto the tracks. Five women go to trial in Federal Court in Seattle this Fall.

April 15th: Tax day fell in the middle of Holy Week this year, and another Burlington Northern train arrived with its Trident missile motor parts. The train was stopped for half an hour as 75 vigilers watched intently while 5 people on the county side of the tracks and then 9 on the federal side were removed and arrested. Trial is set for Sept. 8th, Federal Court in Seattle.

[From the Boston Globe, Sept. 4, 1987]

Demonstrators organized by the Veterans for Peace Inc. sit on tracks near the MBTA's Longwood Station in Brookline at about 8 a.m. yesterday as a gesture of support for S. Brian Willson, who was struck by a train at a naval weapons station in California. The 10-minute protest ended peacefully after an MBTA police sergeant asked the demonstrators to move and warned them they risked arrest. A spokesman said the group believes the Navy deliberately injured Willson, and it demands courts-martial for those in charge of the base and a full investigation.

S. BRIAN WILLSON

Education: 8th Gr. Dipl., Ashville, N.Y. Union Free School, 1955; Valedictorian; H.S. Regents Dipl., Chautauqua, N.Y. Central School, 1959; National Honor Society; AAS Math & Science, Jamestown, N.Y. Community College, 1961; Studied Mathematics and Russian, George Washington University, Wash., D.C., 1961-62; BA Sociology, Eastern (Baptist) College, St. Davids, PA, 1964; Claghorn Law Prize; MS Correctional Administration, American Univ., Wash., D.C., 1968; JD (Juris Doctor), American Univ, 1972; book award as outstanding student for course, "Law and the Mentally Ill".

Military service: U.S. Air Force, 1966-1970. Inspector General's staff (security branch), AF Systems Command, Andrews AFB, Wash., D.C., 1966-68 (2nd Lt.); Section Leader of an "Operation Safeside" combat security police unit in Vietnam, responsible for security and incidental intelligence at Binh Thuy Air Base, 1969 (1st Lt.); Supply squadron executive officer at England AFB, Alexandria, LA, 1970 (Capt.)

Past employment: Director, Vietnam Veterans Outreach Center and Western MA Agent Orange Information Project, Greenfield, MA, 1984-85; Part-time instructor, SW Residential College, Univ. of MA/Amherst, 1984; Worker/owner and Vice President of marketing, New England Country Dairy, Inc., Greenfield, MA, 1982-84; Legislative Aide, Issues relating to veterans and prisoners, Joint Legislative Committee on Human Services, co-chaired by Sen. Backman and Rep. DeNucci, Boston, MA, 1980-81; Owner/operator, Charlotte Highlands Dairy Farm, Town of Charlotte, Chautauqua Co., N.Y., 1978-80; Assessor & Bldg. Inspector (appointed), Town of Charlotte, Chautauqua Co., N.Y. 1978-80; Project Attorney, Unitarian Universalist Service Committee, Boston, MA, 1974-78. Coordinated the establishment of their National Moratorium on Prison Construction project in Wash., D.C.; Consulting penologist, Cincinnati City Council, Ohio, 1973; Program Developer, Offender Rehabilitation Division, Public Defender Service, Wash., D.C., 1971-72; Classification intern, Wash., D.C., Jail, 1965-66.

Current activities: Study and travel throughout Nicaragua, January and February, 1986; November and December 1986; February March and April 1987; and May 1987; Visits to El Salvador, November 1986, and Honduras, May 1987; Member Veterans Fast For Life, Capitol steps, Wash., D.C., September-October 1986; Member, Coordinating Committee, Veterans Peace Action Teams, Santa Cruz, CA, December 1986 to present; Member, 1st Veterans Peace Action Team in Nicaragua, February-April 1987.

Memberships: Veterans Peace Action Teams; Vietnam Veterans Peace Education Network; Veterans Peace Coalition; Veterans For Peace, Inc., Vietnam Veterans Against the War; Bill Motto VFW Post 5888, Santa Cruz, CA; District of Columbia Bar, 1973-.

BORDER RATE

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. COLEMAN of Texas. Mr. Speaker, yesterday the Mexican peso lost anywhere from 25 to 50 percent against the dollar at the free-market rate. The term free-market rate emphasizes an important distinction. The controlled rate, used to govern most international trade and business transactions, rose only modestly. But the free market rate is in a sense the "border rate." It is the amount at which tourists buy pesos when passing through El Paso, TX—and it is the rate available to Mexican consumers crossing over to do their shopping in the retail areas of Brownsville, Laredo, and San Ysidro.

In conversations with our embassy in Mexico City, the Treasury Department was unable to understand either the motivation for or the timing of the decision to allow the peso to drop. The facts, as we know them are these: on Tuesday evening, the peso, at both rates, stood at 1,720 to the dollar. By Wednesday evening, according to the New York Times, pesos were being sold at up to 2,500 to the dollar. One report from El Paso referred to a sign showing pesos for sale at 4,400 to the dollar. That would represent a 250 percent depreciation in 1 day's time.

The problem is simply that in a country where the banking system is nationalized, if the banks don't set the free rate, then traders make up their own rates. The only signal from the Banco de Mexico has been that it has felt its dollar reserves were in danger of slipping. When there is nervousness in the Mexican economy, the reaction is to buy dollars. The irony, of course, is that the dollar itself has been spiralling downward against the yen, the deutchmark and the pound. On Monday of this week, inflation in Mexico reached an annualized rate of 140 percent. The same day, the Mexican Stock Market lost 18 percent of its value, the largest 1-day loss in its history. It is no wonder that dollar reserves may have been eroded.

Mr. Speaker, I offer these remarks because the administration, and even the majority of my colleagues, despite their good intentions, have no idea how the border economy works. On the border, as far as retailers are concerned, the panic is real. But the collapse is localized—it is as though "Black Monday" hit a second time, but hit an area only 10 miles wide and 2,000 miles long.

On the border, we can only hope that the rate settles back to a reasonable level before even more capital takes flight. Friday is a bank holiday in Mexico. That will help. The stock market in Mexico City, it should be noted, jumped significantly even while the peso plummeted.

But, as we proceed with our debate on foreign policy and trade, I would urge my colleagues to remember that when we talk about the generalized system of preferences and the politics of the developing nations, we are also referring to a country that is no farther from at least eight congressional districts than a walk across a bridge.

SIDNEY AND HERMIONE SPAHN HONORED FOR COMMUNITY SERVICE

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. LEHMAN of Florida. Mr. Speaker, in south Florida, it is a tradition that many of our retired residents work as long and hard for good and worthy causes as they once did to earn a living.

No one in north Dade has been more diligent in this regard than my good friends, Sidney and Hermione Spahn of Jade Winds Condominium. Time and time again, this remarkable couple has rallied their friends and neighbors to produce amazing results.

The standard of sharing and service Hermione and Sidney have established has not gone unnoticed, for they have been presented a special award from the Greater Miami Israel Bonds Organization for their outstanding community, charitable, and philanthropic work.

Mr. Speaker, Hermione and Sidney Spahn continue to prove that voluntarism is alive and well in this country. Our community is better for their efforts, and I know my colleagues join me in congratulating them for a job well done.

OMNIBUS BUDGET RECONCILIATION ACT OF 1987

HON. C. THOMAS McMILLEN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. McMILLEN of Maryland. Mr. Speaker, by a slim margin, the House of Representatives passed H.R. 3545, the Omnibus Budget Reconciliation Act of 1987 on October 29, 1987. I did not join a number of my colleagues in supporting this measure. My reasons are quite straightforward.

First, we must be careful not to preempt or endanger the progress made by budget negotiators from the administration and from Congress. Their work is at a crucial juncture; we must be sure not to dictate terms that could upset the careful balance being sought at these meetings.

Second, I am concerned that as presently constructed, this budget bill does not do enough in the way of substantive, long-term budget adjustments. I feel that the proposed mix of spending cuts and revenue increases is not enough to communicate to the global marketplace that Congress and the administration are serious about meaningful changes to our national budgeting process. By some economists' estimations, a recession may loom in the not too distant future if we do not get our economic house in order. If we find ourselves faced with an extended recession, the impact on our economic landscape would be devastating.

Slowed economic activity would make our Gramm-Rudman-Hollings targets even more difficult to achieve. What we need is a concerted plan of long-term revenue options and spending cuts, deficit reduction measures that will reinstill confidence in Washington's ability to manage our economic future. Renewed confidence in our markets is central to averting a recession. This reconciliation bill is not sufficient to convey to Wall Street, as well as main street, that Congress and the President have the courage to tackle tough budget issues.

While commendations are in order for our colleagues on the Ways and Means Committee who have labored to reach a consensus on the revenue enhancement features, I was concerned over one certain discriminatory provision of the bill—proposal to eliminate the interest deductibility for boats purchased as second homes.

Contrary to the sentiments of those who support the measure, boat ownership is not the province of the so-called fat cats. In fact, 90 percent of all boats purchased in the United States are under 17 feet long and cost less than $15,000. Also, the boating industry is much larger, and employs many more people than most Americans realize. Pleasure boating companies in this country employ over 600,000 people; some estimates indicate that as much as one-sixth of this work force will lose their jobs as a result of this change in the tax statutes.

Possibly the most bothersome aspect of this Tax Code change is that it singles out a select group for unfair treatment. This measure seeks to eliminate the interest deductibility for boat purchases; it does not speak to other second home options that many people choose—condominiums at the beach or ski chalets. Fair and equitable treatment is what all of us desire in Tax Code revisions. This proposal flies in the face of that noble goal.

My concerns and reservations about this reconciliation package should be construed as constructive criticism; they are offered in the interest of serving our constituencies in this critical time. The issue at stake here is sending the proper message to the stock exchanges and bourses of the world, to let them know that the U.S. Government is committed to thoughtful management of our economy's future direction.

I believe that the House of Representatives should view this reconciliation package as more as a foundation on which to build. H.R. 3545 should be supplemented in outlying fiscal years with additional deficit reduction measures. Only then can we achieve the disciplined approach to our budget that is necessary to ensure a bright future.

BERGEN RECORD LAUDS FLORIO PROPOSAL TO EXTEND MEDICAID TO DEINSTITUTIONALIZATION

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. ROE. Mr. Speaker, my distinguished colleague from New Jersey, the Honorable James Florio, recently introduced legislation which would allow retarded children access to the greatest of all rights, that to be cared for and nutured at home. Under Mr. Florio's bill, Medicaid would be extended to cover such home care.

On November 10, 1987, the prestigious record newspaper of Hackensack, NJ, ran an editorial strongly supporting this approach for dealing with retarded children and helping make them productive members of our society. For the benefit of all of my colleagues, I would like to insert this editorial in the Record because it provides a number of fundamentally sound reasons why we should all lend this legislation our strong support.

A Fine Proposal

There's no harsher decision for parents than the reluctant one to send a retarded child or one who is developmentally disabled to an institution. No institution, no matter how sympathetically it is run, can replace the care and affection the child finds in his own home and his community. Yet parents without a lot of money often find they have no choice. They can't afford the complicated apparatus that is sometimes needed, and can't pay for specialized training even if it were widely available outside of institutions. Medicaid will pay for those items, but only if the child is formally institutionalized. Last month, Rep. James Florio, D-N.J., introduced legislation to extend Medicaid coverage to the deinstitutionalized as well. His bill, which has 30 cosponsors in the House and powerful support in the Senate, would pay for care at home or in group homes where disabled people learn social skills and are taught to manage their own affairs and even to hold jobs. Experience in this and many other states has shown that the supportive presence of peers in a family-like setting motivates disabled people to learn skills, once thought beyond their capacities.

Under the provisions of the Medicaid Home and Community Quality Services Act, the federal government would provide matching grants to states for the care, supervision, and training of people with speech and learning disabilities, Downs syndrome and less severe forms of retardation, as well as restricted mobility and similar handicaps.

To qualify, the states would have to agree to intervene in any situation of suspected abuse, State caseworkers would be assigned to oversee the training plans and would provide vocational classes where appropriate. State agencies already have in place the bureaucratic mechanisms for such oversight, so that added cost to the states would be negligible.

As for the federal contribution, the Congressional Budget Office estimates that extension of Medicaid to home and group-home care for the developmentally disabled would actually save about $130 million a year now paid for institutional care. This bill has the support of a score of advocacy groups, ranging from the American Academy of Pediatrics to the United Cerebral Palsy Association. It's too bad someone didn't think of it sooner.

THE PLIGHT OF THE HOMELESS

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. ST GERMAIN. Mr. Speaker, a little over a week ago, when an unexpected blizzard left Washington beneath a thick blanket of snow, it was an inconvenience for the Members of this distinguished body. We sat in airports, our flights delayed interminably; we sat in our homes, our cars transformed into mounds of white powder. As I said, an inconvenience.

For others, however, this "inconvenience" was a life-and-death matter. I am referring of course to those for whom subway stations are home and grates in the street are beds: the homeless.

The homeless represent many ills of our society, Mr. Speaker, conditions for which we are all responsible. But the plight of the homeless takes on new significance in light of the recent troubles the housing authorization bill has encountered in the Senate.

Over the last 7 years, the homeless have become a major political issue, the focus of considerable media attention. The number of those Americans forced to sleep in dumpsters and bus shelters and live out of shopping carts has increased dramatically. Not coincidentally, during that same period of time this administration has driven the percentage of the total budget devoted to housing down from more than 5 percent to less than 1 percent.

As an editorial in today's Washington Post said, "The greatest unmet need of the Nation's poor is decent housing." The homeless are visile evidence of that claim's validity; yet the administration has consistently done everything in its power to avoid meeting that need.

The cost of housing has risen dramatically during the Reagan years, to the point that it has become nearly impossible for the poor to afford even the shabbiest of roofs over their heads. You will be as dismayed as I was to learn, Mr. Speaker, that 78 percent of this Nation's households with incomes under $7,000 per year pay more than 35 percent of that income in rent.

With a situation such as this, where private housing costs are sky-high and Federal housing programs have been cut to practically nothing, it is not surprising that many of the poor are forced to live on the streets. They have been left little choice.

But it is not just the homeless that signal the need for immediate action on the housing bill. Lower-middle and middle-income families are also being hit hard by the housing crunch. Consider: 59 percent of the households with incomes between $7,000 and $10,000 pay more than 35 percent of their income for rent;

and 36 percent of those households earning between $10,000 and $15,000 do the same.

Equally alarming are statistics showing that the Nation's homeownership rate has been declining since 1980 for the first time in 40 years. In the past 7 years alone, homeownership has dropped from 43.3 to 35.5 percent among those aged 25 to 29 and from 61.1 to 53.3 percent among those between the ages of 30 and 34.

Mr. Speaker, I bring these figures to the attention of you and my colleagues as a simple informative gesture. In the swirl of debate surrounding the housing bill, it is all too easy to lose sight of the hard facts that make it so necessary.

The housing crisis is hitting America on many fronts. It is important to see that fact clearly, and to know that while we cannot legislate away all of the factors that force many of our poor onto the streets, we can take good, solid steps to give them a chance at having a roof over their heads.

WINNING IN THE WORLD MARKET

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. FRENZEL. Mr. Speaker, arriving in congressional offices this week was a report of a 9-month study commissioned by the American Business Conference and conducted by McKinsey & Co. of the international management practices of some of the members of ABC.

The report was particularly interesting because it illustrated how American firms which are neither large nor wealthy, nor even experienced in international trade, have been successful in establishing themselves rather quickly, and profitably, in foreign markets. The report stands in stark contrast to the usual complaints of American companies who make the development of international markets a sideline and then are aggrieved when they are not successful.

Admittedly, ABC is full of dynamic, entrepreneurial, growing companies. All companies are not going to enjoy the same levels of success, but the ABC study has certainly shown what can happen to companies which hustle and work the problem of international markets as though it were a major goal.

Another interesting aspect of the study is that the firms involved continued to create jobs in this country at an average annual rate of 14 percent. They were not exporting jobs. They were creating American jobs, often by the mere fact of creating a foreign presence as well.

Because the report has been furnished to congressional offices, I have not asked that it be printed in this RECORD, but have only respectfully invited members' attention to it. The ABC's press release on the subject does a better job of describing the report than I can and therefore it follows:

COMMITMENT TO INTERNATIONAL MARKETS URGED BY LEADING ENTREPRENEURIAL CHIEF EXECUTIVE OFFICERS

WASHINGTON, D.C. (November 11, 1987).—Large size and deep financial pockets are not necessary to succeed overseas, according to a new study of American companies successfully operating abroad released today by the American Business Conference (ABC). The report, entitled "Winning in the World Market," reveals that America's best midsize firms are outpacing the rest of the economy in exploiting foreign markets. In describing the success of these companies, it paints a far less bleak picture of American competitiveness and of access to foreign markets than do advocates of protectionism.

"Winning in the World Market" should help to correct misconceptions about how companies win internationally, according to Arthur Levitt, Jr., the organization's chairman who also serves as Chairman of the American Stock Exchange. "Notwithstanding assertions made to Congress that foreign markets are closed to U.S. products, American firms can show strong growth and high profits from foreign sales by following the same common-sense business strategies they use in domestic markets."

The American Business Conference is a coalition of 100 midsize, high growth companies whose domestic growth rate for sales and profits exceeds 15 percent per year.

The report is the fruit of a nine-month research effort conducted by McKinsey and Company management consultants. Using American Business Conference companies as a laboratory of management practice, McKinsey explored how and why they have succeeded in doing business around the world. "Much of what we found falls into the category of common sense," according to Richard E. Cavanagh, partner at McKinsey and Company. "In general, the same principles of competition—innovation, competing on value not price, creating and leading in niche markets, and getting and staying close to customers—work as well in Paris as in Peoria."

According to the report, firms showing success abroad have several common characteristics:

1. Making international expansion an integral component of their firm's future, not a sideline.

2. Understanding that successful export strategies must often be accompanied by investment in a permanent foreign presence.

3. Focusing on the products of human capital—technology, innovation, maketing and managment—rather than trying to compete on the basis of traditional comparative advantages, such as cheap labor and economic scale.

4. Establishing a presence abroad and competing with foreign firms on their turf to defend and enhance their position in the American market.

5. Getting close to the customer, serving growing markets efficiently and effectively, exploiting favorable capital costs and capturing innovation.

6. Recruiting and utilizing talented foreign nationals—individuals who best understand local markets, business practice and employees. Use of foreign nationals allows ABC companies to become melting pots of talent.

The report notes that the international businesses of ABC's firms outpaced the international expansion of other American firms by a factor of five—with foreign sales increasing between 1981 and 1984 17 percent annually and exports by 15.2 percent. From 1984 to 1986, they posted even higher gains in sales and exports, growing by 31.5 percent in sales and 20.8 percent in exports.

ABC firms expanded their international operations during a period characterized by a high dollar and deteriorating trade and payment balances (1981-1986).

"The experience of our executives shows that international competitiveness depends increasingly on investment—investment in the creation and development of an overseas marketing capability, the establishment of sales and distribution networks and the deployment of foreign-based production, service and research facilities," said William Lilley III, the organization's president.

"Investment by ABC companies in overseas facilities has not cost American jobs," said Lilley. "On the contrary, ABC companies create jobs in the United States at an average annual rate of nearly 14 percent. Nor do ABC firms move abroad to exploit cheaper labor."

BENEFITS OF GOING ABROAD

The report refutes the conventional paradigm of how companies compete in the world marketplace. In the past, economists have taught that comparative advantage derived from natural resources, factor costs (such as cheap labor) and economic scale. ABC executives believe that intellectual rather than physical factors determine the difference between winners and losers in international markets. Technology, innovation, marketing skills and good management—products of human capital—increasingly drive competition.

Among the midsize companies outpacing other U.S. companies in sales and profit growth and included in the report are: Cray Research, Inc., Grey Advertising, Dunkin' Donuts Incorporated, Western Digital Corporation, Pall Corporation, Millipore Corporation, Brown Forman Corporation, A.T. Cross Company, Sealed Air Corporation, Hasbro, Inc., Peat Marwick Main & Company, Comdisco, Inc., Xidex Corporation and Analog Devices, Inc.

LONG-TERM IMPLICATIONS FOR THE UNITED STATES

Winning in the World Market shows that economic isolationism will not help meet the challenge of foreign competition and that protectionism is inimical to firms that successfully compete in the world market. The report shows that the best defense of American markets is a strong offense—meeting foreign competitors in their home markets.

ABC executives say that U.S. companies' ability to compete is threatened by the relatively high cost of capital caused by the high Federal deficit and a low savings rate and high rate of consumption.

CHILD CARE LEGISLATION URGENTLY NEEDED

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. EDWARDS of California. Mr. Speaker, today I joined with a number of my colleagues from both sides of the aisle in introducing the Act for Better Child Care Services, authored by our colleague, the gentleman from Michigan, Mr. KILDEE. I want to commend the gentleman for introducing this bill and I look forward to working with him to get it enacted.

American families have always needed child care. Latchkey children are not a phenomenon of the 1980's. It's just taken us this long to figure out we need to do something about them. Recent tragedies such as the death of one child by fire in Virginia in a condominium prohibiting child care, and the apparent drowning of another in Maryland in an unlicensed day care center illustrate the urgent need for the legislation.

These deaths are tragic evidence of children either being left alone to care for themselves, often because their working parents cannot afford child care, or being left in inadequate facilities.

More and more, economic realities require that care-giving parents work. For the health and safety of our children we must support the Act for Better Child Care Services.

PRESIDENT DESERVES SUPPORT FOR SECTION 301 ACTION AGAINST BRAZIL

HON. ROD CHANDLER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. CHANDLER. Mr. Speaker, on November 13, the President announced that he would raise tariffs on Brazilian exports to the United States and prohibit imports from Brazil of certain computer products in response to Brazil's unfair trade practices.

The President's decision is not only important to the Microsoft Co. of Redmond, WA, the target of Brazil's unfair practices, but it is a major step on behalf of fair trade.

Last year, the office of the U.S. Trade Representative initiated action under section 301 of the Trade Act of 1974 because of the obstacles encountered by American software companies.

In December, the President suspended the market reserve and administrative portions of the section 301 investigation in response to Brazil's commitment not to extend the market reserve policy into new areas, nor beyond 1992, when the market reserve policy is scheduled to expire.

Then, in June, the lower House of the Brazilian Legislature passed a software bill. The bill carved out a market reserve for domestic software that is "functionally equivalent" to any foreign product. While this legislation is pending, the Special Informatics Agency [SEI] of the Ministry of Science and Technology decided to support the policy.

Because Brazil has clearly decided not to honor its commitment, the President has decided to impose sanctions against certain Brazilian exports to the United States.

The extent of the retaliation will reflect the average annual sales opportunities the United States software industry has lost in Brazil—about $105 million. In addition, the administration will restrict imports of informatics products from Brazil which are covered under the Brazilian market reserve policy. Although Brazil does not export these products to the United States at this time, this action will prevent the Brazilian informatics industry from entering the United States market as long as it imposes a market reserve on computer software.

The President is to be commended for taking this positive step on behalf of fair trade. Several of my colleagues from the Washington delegation have joined me in introducing a resolution expressing the support of the House of Representatives for this action.

I would like to urge my colleagues to support the resolution, and insert the text at this point in the RECORD.

H. RES. —

Whereas in September 1985 an investigation was initiated under section 301 of the Trade Act of 1974 against the trade and investment restrictions that the Government of Brazil imposes on foreign participants in its information market;

Whereas in October 1986 the President determined, pursuant to that investigation, that such policies of the Government of Brazil are unreasonable and burden and restrict United States commerce;

Whereas by June 1987 the President had suspended the investigation under section 301 of the Trade Act of 1974 against such Brazilian policies on the basis of an understanding that the Government of Brazil would not support the enactment of laws or regulations which continued or strengthened such unreasonable and discriminatory policies;

Whereas the Government of Brazil recently implemented a market reserve policy for its computer software manufacturers which denies United States manufacturers of computer software a fair opportunity to participate in that market;

Whereas the United States Government considers such a market reserve policy to be an unreasonable burden on United States commerce; and

Whereas the market for computer software and related equipment and services in Brazil is one of the fastest growing markets in the world and the policies of the Government of Brazil toward this industry may establish likely precedents for other developing countries in the world: Now, therefore, be it

Resolved, That—

(1) it is the sense of the House of Representatives that the current policies of the Government of Brazil toward the informatics industry impose an unreasonable burden on United States commerce and have, in fact, become more burdensome on United States commerce since the initiation, in September 1985, of an investigation of such policies under section 301 of the Trade Act of 1974; and

(2) the House of Representatives wholeheartedly supports the action announced by the President on November 13, 1987, to retaliate against certain products of Brazil in the amount of $105,000,000.

PROTECT OUR SPR SITES

HON. JACK BROOKS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. BROOKS. Mr. Speaker, today I am introducing legislation to increase security efforts at the Nation's strategic petroleum reserve sites.

At the request of DOE, similar legislation was introduced in, and passed by, the Senate earlier this year. However, the General Accounting Office, in a report prepared for the Committee on Government Operations and its Subcommittee on Environment, Energy and Natural Resources, which is being released today, recommended certain changes in the Department's proposals in order to broaden enforcement authority for employees at SPR sites in a manner similar to that already in place for the Department's nuclear facilities.

This bill, together with plans already implemented by the Department, will go a long way in safeguarding all six storage sites by granting authority to certain DOE, contractor and subcontractor personnel to make arrests and to carry firearms as a means of preventing unlawful intrusions at SPR facilities located throughout southern Texas and Louisiana.

Now that the Department of Energy is completing the final phase of developing our SPR sites, it is time to concentrate on measures to enhance the protection of what will be our only source of emergency crude supplies in the time of a national emergency.

I am hopeful that my colleagues will support this measure so that we can quickly move to increase protection of this vital resource.

IN CELEBRATION OF LATVIAN INDEPENDENCE DAY

HON. THOMAS J. MANTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. MANTON. Mr. Speaker, I am honored to join with many of my colleagues in commemorating the 69th anniversary of the Latvian Declaration of Independence. As we give thanks during the Thanksgiving season for the rights, privileges, and freedoms with which we are endowed, I urge all Americans to pause and think of those in other countries who do not share these freedoms. In the midst of our celebration we must remember the people of Latvia who today are forbidden to mark the anniversary of the founding of the Independent Republic of Latvia.

Mr. Speaker, for 22 years the people of Latvia enjoyed the privileges of nationhood. From the country's founding 69 years ago until 1940, Latvia was recognized in the international community as a sovereign state and was a member of the League of Nations. Yet, for the past 69 years, the sovereignty of the Latvian people has been denied. Under a secret accord adjoining the Nazi-Soviet Non-Aggression Pact, the Soviet Union laid claim to Latvia and its Baltic neighbors, Lithuania and Estonia, in disregard of the treaty they signed 2 years earlier relinquishing all claim to Latvia. Thus began the Soviet military occupation of Latvia which continues today.

Yesterday, on Latvian Independence Day, the Soviet Government vowed to consider any commemoration of that day a criminal offense. Yet, the people of Latvia have shown they will not be broken. For example, on August 23 of this year, the anniversary of the signing of the Hitler-Stalin pact, which engineered the destruction of Latvian statehood, nearly 10,000 people gathered in demonstration. As expected, the Soviets greeted the demonstration with violence against the demonstrators. This act of repression and brutality, however, did not deter the Latvian people from their cause of freedom. In the face of almost certain repercussions, thousands attempted to gather at the Latvian Freedom Monument, in Riga, the Latvian Capitol to commemorate this day.

Mr. Speaker, I want to commend the people of Latvia for their courage and assure them that we Americans who are so fortunate to live with the assurance of freedom every day, have not forgotten too many people in the world are living without it. I want the people of Latvia to know we have not forgotten their cause, and we join with them in celebrating Latvian Independence Day. In their struggle for freedom, we will not relax our efforts until their rights are restored. The Latvian people and their families in America, have my support and my prayers that one day Latvia will again be a sovereign nation.

CONGRATULATIONS MR. AND MRS. GRUNDWERG AND MR. AND MRS. ZIERING

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. DIOGUARDI. Mr. Speaker, I rise today to announce the upcoming dinner at the Tarrytown Marriott at which Mr. and Mrs. Saul Grundwerg and Mr. and Mrs. Gerald Ziering will be honored for their many contributions to Jewish education in Westchester County. Unfortunately, I will not be able to attend the dinner because of family matters but it is a privilege for me to announce my congratulations here today.

Mr. and Mrs. Grundwerg, active members of Young Israel of Scarsdale, have been involved for many years with the Westchester Day and Hebrew High Schools and with the United Jewish Appeal. Their leading role in education deserves high praise. Mr. and Mrs. Ziering have played an integral role at Young Israel of New Rochelle, Mr. Ziering having served as president for the past several years. They too have contributed substantially to the Westchester Day and Hebrew High Schools.

Mr. Speaker, please join me in congratulating Mr. and Mrs. Grundwerg and Mr. and Mrs. Ziering. Their participation in and contribution to Jewish education serves as a model to all those who seek the best in education for their children.

CYPRUS

HON. ROY MARLENEE

OF MONTANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. MARLENEE. Mr. Speaker, reference to Cyprus in the foreign assistance bill is inappropriate. Underlying its inclusion is an understanding of the Cyprus issue which is wildly askew.

The problem of Cyprus is one which the Greek Cypriots and Turkish Cypriots must iron out on their own. Greece and Turkey for their part can do much to foster an agreement between the parties. However, I fail to see how reference to the Cyprus problem in this bill has any relevance whatsoever to the quest for a solution on that island. Yes, there is a Turkish peacekeeping force on the island. We should all remember, however, the Turkish intervention in 1974 was the action of a treaty guarantor of Cyprus' independence. It was prompted by the 1974 Greek-engineered coup to annex the island to Greece, whose leader, Nikos Sampson, avowedly aspired "to attack the Turkish-Cypriots suddenly everywhere on the island. To eliminate them once and for all."

About 2 years ago, the Turkish Cypriots, with Turkey's encouragement, accepted, in total, the United Nation's Draft Cyprus Agreement. The U.N. Secretary General painstakingly consulted with both sides to develop the draft as a basis for a just and equitable settlement. The territorial and constitutional concessions made by the Turkish Cypriots were courageous in view of past efforts to exterminate their presence from the island. The rejection by the Greek Cypriots of the U.N. draft, which our own administration publicly supported, reflects, I strongly suspect, the stated Greek preference for a Soviet proposal for an international conference. Incidentally, the Soviet plan includes removal of two British bases on the island.

Indeed, there is little evidence that Greece has any interest whatsoever in a settlement of the Cyprus problem on any basis other than renewed subjugation of the Turkish-Cypriots. In Greek Prime Minister Papandreou's words, "Cyprus is part of Greek national soil." This unusual candor points to a central aspect of the Cyprus problem: episodic manifestations of ambitions to annex the island, only 40 miles from the Turkish mainland, to Greece, 600 miles distant. Greece simply has not reconciled itself to Cyprus' independence, let alone the equality of the Turkish Cypriots with the Greek Cypriots as cofounders of an independent Cyprus.

The Turkish-Cypriots, with Turkish encouragement, continue to work for creation of an independent, bizonal federal Cyprus, in which they will have the protections to ensure they will never again be victims in their own country.

One fact is unarguable. In the period subsequent to the Turkish intervention, Turkish Cypriots and Greek Cypriots have been spared the ravages of armed hostilities. Peace has prevailed on the island. Surely we would do well to free our assistance relationships with Turkey and with Greece of conditions that relate to Cyprus and let the Cypriots solve their own problems.

THE U.N. FINALLY GETS INVOLVED IN THE FIGHT AGAINST NARCOTICS

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. BROOMFIELD. Mr. Speaker, I commend the United Nations for finally getting serious about the war on drugs. While many of us have criticized the United Nations for failing to do the job for which that organization was created, I believe that progress is being made in the U.N.'s international efforts to face up to the drug problem and the need to mobilize international assets in the struggle against illegal narcotics, an international menace that ruins lives and undermines societies everywhere. I commend the Bureau of International Narcotics Matters at the Department of State for continuing to urge greater U.N. involvement in the battle against drugs.

Last summer, the U.N.'s International Conference on Drug Abuse and Illicit Trafficking was a classic example of how international cooperation can produce impressive results in the war on narcotics. Only by working together will the nations of the world be able to stop drug abuse, end illicit production and stop criminal trafficking in illegal narcotics.

The United Nations is in the unique position to meet the challenge of having a drug free world. I hope that the many countries in that international body will cooperate as a family of nations to defeat drug addiction. Given the seriousness of the challenges facing mankind, the U.N. can no longer afford to be an elite debating society generating resolutions having a clearly anti-Western bias.

With these thoughts in mind, I commend the following statement by Assistant Secretary of State for International Narcotics Matters, Ann B. Wrobleski, to my colleagues in the Congress.

[From the U.S. Mission to the United Nations, New York, NY, Nov. 2, 1987]

STATEMENT BY HON. ANN. B. WROBLESKI

Mr. Chairman, as we assess the progress that has been made during the momentous year since we last met, the United Nations has good reason to be proud of its leadership in bringing nations together in a commitment to action against drug production, trafficking, and abuse. The United Nations is in an ideal position to solve the drug problem because it is one which affects all people and cannot be solved without the community of nations acting together in a common purpose.

We are called to action now as never before. There is no room for ideology or rhetoric. Ideologies prove irrelevant before the human misery that drug abuse wreaks. The lost dreams of the world's drug victims dictate that nations can no longer hide behind rhetoric that often masks inaction. Despite public claims from some quarters, no nation is immune from drugs and no nation can truthfully deny its obligation to take part in the world battle against drugs.

Spurred by the leadership and dedication of Secretary-General Perez de Cuellar, the United Nations has elevated the drug problem to its rightful place as a key social and economic issue. Drug production, trafficking and abuse rank with world hunger and human rights abuse as modern day thieves of human dignity. The drug problem has no easy solution. The United Nations is confronting this spreading social evil and all member states must work together to defeat it. We cannot afford to lose. For our part, the United States will continue to support the important work of the United Nations and its drug agencies.

Last June's highly successful International Conference on Drug Abuse and Illicit Trafficking (ICDAIT) stands as eloquent proof that together we can accomplish more than we ever imagined. Five years ago—perhaps even two years ago—no one could foresee a ministerial-level gathering of one hundred thirty-eight countries that would face up to the range of narcotics challenges. For too long, nations handled the drug problem much as families around the world did, by sweeping it under the rug, denying its existence, hoping it would go away: and in their understandable efforts at denial, they only made it worse. Thanks to the courageous work of the United Nations, the world had brought the drug problem into the open.

A momentum has been created that we must capitalize on. At the ICDAIT, phrases like "political will" and "national commitment" were used repeatedly. Indeed, these terms have been used generously throughout the world in the past four months to symbolize a new consciousness that the drug problem is universal and requires urgent attention. The question now is how we, the nations represented here today, can collectively channel our energy and political will into tangible actions aimed at complete elimination of drug abuse, illicit production, and criminal trafficking.

The Secretary-General has been looking into just this question. The Commission on Narcotic Drugs in its role as the key policy body on drug control will have to do the same at its February meeting. But it is up to us, the nations represented here, to provide the guidance from which the United Nations system can mover forward. To do that we must establish priorities for focusing the limited resources of the United Nations.

We all agree the ICDAIT was a complete success and Assistant Secretary-General, Mrs. Oppenheimer, deserves great credit and thanks for her dedication and untiring efforts to bring about that success. The CMO defines several targets for action at various levels and the declaration gives the impetus from which all of us must now carry forward the work of ICDAIT. How should be undertake this task?

Our greatest resource is the United Nations system itself—in particular the Division of Narcotic Drugs, the Secretariat of the International Narcotics Control Board, the Board itself, and the United Nations Fund for Drug Abuse Control. These institutions have served us well over the years. But now, the ICDAIT, the new convention, and the world-wide demand for drug control resources have placed new and unprecedented burdens on the system.

My government is most grateful to Under-Secretary-General Anstee and Mrs. Oppenheimer for their contributions to the informative and thought-provoking report contained in document A/42/594. The report is an able attempt at defining these emerging demands and in providing proposals on how to proceed. The United States wants to keep the ICDAIT flame burning. How do we do that?

The key is strengthening the existing system so it can meet these new challenges. We should build on what we created years ago and avoid new structures or responsibilities that would require new resources—which we know we do not have—or redeploying resources from the Division or the INCB Secretariat. If new resources become available from other parts of the overall United Nations system then we should have the opportunity to consider new ideas during the February commission meeting. For now, however, we should concentrate on building up the existing structure by filling long-standing vacancies in the Division and the INCB Secretariat, deciding which activities should be undertaken by these bodies on a priority basis and getting those programs moving.

I want to give Under-Secretary Anstee my strongest assurances that the United States is ready and willing to assist in meeting this challenge. My government is prepared to make a special contribution of one million dollars to be used to strengthen the staffs of the Division and the INCB Secretariat and to support the program mandates of the Board and the Division.

We see these agencies as the fundamental building blocks to construct and pursue new courses of international action. I hope that my comments today will be viewed in the very positive context from which we regard the work of the United Nations bodies, UNFDAC, the ICDAIT Secretariat, and the office of the Under-Secretary-General. Some of the proposals contained in A/42/594 may not be fully mature but they challenge us all to build on what we created some years ago.

Another international initiative requiring our full attention is the Convention Against Drug Trafficking in Narcotic Drugs and Psychotropic Substances. The second meeting of experts ended just two weeks ago and solid progress was made, although issues of utmost importance still need to be addressed. Let us resolve to maintain this extraordinary momentum so that we can conclude these negotiations as soon as possible. My government supports holding another meeting of experts prior to the next CND session and we fully support plenipotentiary conference at the earliest possible time. The political will we have spoken of so often in our deliberations here, in the CND and at the ICDAIT, must govern our efforts as we complete work on the new convention.

I also want to stress the paramount role UNFDAC is playing in international drug control. It is clear that the budget of the Fund will continue to increase as will the demands for its money and expertise. While my government is not prepared at this time to compete with the generous contribution of the Government of Italy. I want to assure Executive Director di Gennaro that the United States is willing and eager to work with him in developing effective programs in areas where the United States has expertise. Dr. di Gennaro has made extraordinary progress in acquiring substantial new contributions to the Fund and in spreading the Fund's work to all corners of the world.

The challenge now is to channel requested for assistance and resources into programs that promise long-term effect on the world problem. To assure fulfillment of its highest priorities, my government feels strongly that the Fund must augment its staff and deepen its development expertise. Dr. di Gennaro and I have discussed the question of priorities and staff enhancement before, but all the major donors, who govern the Fund's work, need to increase the time they devote to understand the many initiatives underway. I hope we can give this further consideration—with the guidance and full participation of the Executive Director and his staff.

The United Nations has the moral obligation to lead the world community against illicit trafficking and abuse of narcotics. My government is convinced that the United Nations has the unique stature to marshal world opinion around the fight to end drug exploitation and that it must speak out against the tendency of some nations to opt for rhetoric, not action, in the fight against drugs.

I believe the time has come for the United Nations to use its prestige to single out, and isolate if necessary, those few countries that fail to cooperate in international narcotics control, or turn a blind eye to trafficking, or refuse to take action to end illicit production in their own territory. Most nations view the drug threat seriously and have dedicated human and financial resources to fight it. Most nations have seen their people suffer at the hands of drug traffickers and many of their judges and law enforcement officers have died in the struggle against narcotics. The burden of fighting drugs is a heavy one and most nations have taken on their share. The time has come to ask the question: "Is it fair that some nations act with impunity, encouraging, as a matter of government policy, narcotics production and trafficking?"

We wonder if it is not time that the United Nations, as a leader in the drug fight, takes steps to spotlight those countries in which narcotics trafficking is perpetuated. Is that not a modern day equivalent of aggression against their neighbors? Is it not an insult to human dignity for outlaws to exploit a handful of sovereign states—and because they are sovereign we tend to turn a blind eye to them—and traffic drugs that poison the world's children, undermine societies and fuel insurgencies? Why should outlaws be permitted to hide behind a national flag and mock the rest of the nations of the world as we try to save our peoples from the ravages of narcotics? We can no longer afford to make gains against trafficking, at great cost to all our societies, and then see our work undercut by clever outlaws who exploit national states and wage war on the international community via government-sponsored drug trafficking.

We have a long road to travel in the years ahead to create a drug-free world. We must travel this road together, striving to leave our children a healthy, decent, peaceful environment, free of criminal narcotics trafficking, and the social dissolution drug addiction brings. Thank you, Mr. Chairman, for the opportunity to speak with you today.

BURLINGTON COUNTY COLLEGE LIBRARY NAMED AS PINELANDS COMMISSION REPOSITORY AND PINELANDS COLLECTION ARCHIVES

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. FLORIO. Mr. Speaker, it is a pleasure for me to bring to the attention of my colleagues the designation of the Burlington

County College Library as the repository for the official documents of the New Jersey State Pinelands Commission.

In addition, the Burlington County College Alumni, the Friends of the Library and the Pinelands Commission have collected scientific journals, artifacts, rare books on Pinelands folklore, maps, and numerous works on the history and ecology of the Pinelands.

On Saturday, November 7, 1987 the dedication of the Burlington County College Library Pinelands Collection was held. In recognition of the individuals involved in coordinating the Pinelands Collection, the following statement, done in calligraphy by Mr. Glenn Malsby, was distributed on the day of the dedication:

> The involvement of the Burlington County College Alumni Association Inc. in the efforts to establish a Pinelands Collection in the College Library can be traced to the period of June-December 1983.
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> Having recently begun to raise funds for alumni via annual direct mail and phonathon campaigns, the Association's Board of Trustees authorized a survey of the organization's donors to determine some ways to spend the money. With successful scholarship and alumni recognition programs already in place, the Alumni Board had decided to do some additional things to benefit the college. The donor survey was designed to produce ideas.
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> Shortly thereafter, in January 1984, the Alumni Board voted to make annual purchases of academic equipment and books which would benefit students, alumni and the community. The Association's executive director and his assistant then met with members of the college academic staff to elicit ideas. The first items to be authorized for purchase were a set of career development books for the Division of Business Studies and College Library, and several pieces of exercise equipment for the Physical Education complex.
>
> Following these initial purchases, Dr. Thomas Lord, Professor of Biology, came forth with an idea which intrigued the Alumni Board: the Alumni Association would provide seed money to expand the College Library's existing collection of scholarly, fiction and non-fiction works about the New Jersey Pinelands and to establish a permanent Pineland Collection room. Dr. Lord also discussed his ideas with the library staff.
>
> At the August 21, 1985 meeting of the Alumni Board Association President Kathleen Burgess appointed a special committee to begin serious work on the Pinelands Collection. Committee members began developing lists of books and the Pinelands Collection idea was subsequently discussed at the meetings in October and November 1985. Preliminary discussions were held with the Library director, who was enthusiastic about the Alumni Association's involvement.
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> At its February 24, 1986 meeting the Alumni Board reviewed a preliminary list of Pinelands books prepared by a local book shop.
>
> Matters then began to move more rapidly. On July 7, 1986 the Alumni Board authorized its first expenditure, $500, toward the Pinelands Collection. The Library director, Judith Olsen, was informed of this authorization and met with representatives of the Alumni Board to discuss details. Part of the Alumni funds were designated for the purchase of rare, out-of-print books.
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> While the Alumni Board worked on its portion of the Pinelands Collection project, Mr. Olsen worked closely with representatives of the Pinelands Commission to have the college library designated as the official repository for Commission documents. This designation was approved by the Commission during the fall of 1987.
>
> As the result of the efforts of many people—members of the Alumni Board, Library staff and Pinelands Commission—the Burlington County College Library now and for years to come, will have one of the finest collections of books, reference materials and documents anywhere in the U.S. on the ecologically-unique N.J. Pinelands.

In the 1970's, protecting the Pinelands became one of my priorities, and in 1978, legislation which I had introduced to preserve the critical land and water resources in the Pine Barrens became law.

Subsequent State legislation became a mandate for the preservation of one of the most precious resources on the east coast. In 1983, the United Nations further recognized the importance of the Pinelands by designating the region an International Biosphere Reserve.

I commend the Burlington County College Alumni Association, the New Jersey State Pinelands Commission and the Friends of the Library for their foresight in coordinating this comprehensive collection. It is gratifying to know that the collection will be preserved along with the over 1 million acres of Pinelands including the pigmy pines, the rare curly grass fern and the Pine Barrens tree frog.

THE ADOLESCENT TOBACCO EDUCATION AND PREVENTION ACT

HON. CHESTER G. ATKINS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. ATKINS. Mr. Speaker, today is the 11th Annual All-American Smokeout, a day when the American Cancer Society estimates that 23.5 million Americans will try to kick the smoking habit. However, only about 20 percent of the smokers who try to quit each year succeed. Tomorrow, and every other day this year, almost 7,000 Americans, who are not smokers today, will start smoking and two-thirds of those new smokers will be under the age of 18.

Today, I introduced the Adolescent Tobacco Education and Prevention Act. I am sponsoring this bill because disease and death from smoking can only be prevented, not cured. The list of statistics which spell out the consequences of using tobacco products is as lengthy as it is frightening. A few of the most worrisome are:

More than 350,000 Americans will die prematurely this year of diseases linked to smoking. That's as many Americans dying in a single year as have been killed in all the wars fought in this century;

Five million Americans under the age of 20 will die of smoking related diseases, unless we can stop them from becoming addicted to cigarettes or other tobacco products;

It is estimated by the Office of the U.S. Surgeon General that 60,000 Americans will die this year from chronic obstructive respiratory conditions such as emphysema and chronic bronchitis. Between 80 and 90 percent of these deaths are attributable to smoking, and therefore can be considered preventable and premature;

All forms of tobacco use, including cigars, pipes and smokeless tobacco, put the user at increased risk of cancer with the risk of developing lung cancer being 10 times greater for smokers than nonsmokers;

Use of tobacco products has a high cost for society as well as for the individual with an annual production loss of $43 billion and $22 billion to treat smoking-related diseases.

After thinking about the consequences of using tobacco products most of us must wonder why many people continue to smoke. The main reason is that they are addicted to the nicotine in the tobacco product. Studies have shown that 90 percent of smokers say they would like to quit and a great many have tried, but failed, to stop at some time in their lives. Therefore, my bill is directed at preventing our Nation's teenagers from ever becoming addicted. The Adolescent Tobacco Education and Prevention Act will do this in two ways: the first is by teaching teenagers the dangers of tobacco and the second is by preventing persons under the age of 18 access to tobacco products.

The first thing my bill would do is require that the use and abuse of tobacco products be included in the drug abuse and prevention programs. In the last Congress, we passed the Anti-Drug Abuse Act which established drug abuse and tobacco education and prevention programs. We did this because we found that the use of drugs and the abuse of alcohol by students constitute a grave threat to their physical and mental well-being. Despite the overwhelming and conclusive evidence that tobacco use is addictive and life-threatening, tobacco education was omitted from these education programs. My bill would remedy this by requiring that tobacco use and abuse are included in drug abuse and education programs. Educating our kids to the dangers of smoking must be considered as important as teaching them the evils of drugs and the perils of alcohol.

The second thing that my bill would do is prohibit the sale of cigarettes and other tobacco products to anyone under the age of 18. Currently, 40 States have some kind of law regulating tobacco products to minors, however, there is no uniformity. Ten States lack any regulation and 14 others have set the minimum age below 18. My bill would establish a national standard and it would provide an effective method of denying minors access to cigarettes by limiting all sales of tobacco products to over-the-counter transactions in the same manner in which alcohol is controlled. Every retail establishment selling tobacco products would be required to conspicuously post a sign stating, "The Sale of Cigarettes to Minors is Strictly Prohibited."

One year after my bill is enacted into law, tobacco products will no longer be available from vending machines. In 1986, each minute of every day, 5,000 cigarettes were dispensed from vending machines. This totaled 50 billion cigarettes accounting for sales of $3,242,000,000. The ban on sales from vending machines is crucial to effective enforcement of a sales prohibition to persons under 18.

I have included appropriate penalties for violating the prohibition on sales to minors. Any person who sells tobacco to a minor would be fined $250 for the first offense and $50 for each subsequent offense. Any person violating the requirement that the sale of tobacco be restricted to over-the-counter transactions will be subject to a fine of $1,000 or be imprisoned for not more than 1 year, or both, for the first offense and a fine of $10,000 or be imprisoned for not more than 3 years, or both. My bill will be enforced through the U.S. Attorney's Office.

I believe that comprehensive tobacco education and effective enforcement of the restrictions of sales will prevent hundreds of thousands of teenagers from becoming smokers each year.

To celebrate this All-American Smokeout, here is my quit tip for smokeout day: If you are 17 years old today and quit a one-pack-a-day habit or never start smoking, you will save at least $29,000, based on an average life expectancy of 70 years. That should be reason enough not to light up. And, the bill appears as follows:

H.R.—

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Adolescent Tobacco Education and Prevention Act".

SEC. 2. FINDINGS.

The Congress finds the following:

(1) Cigarette smoking is a leading cause of preventable death and disease in the United States, causing more than 350,000 premature deaths per year.

(2) A 1985 study conducted by the Office of Technology Assessment estimated that smoking costs the people of the United States $43,000,000,000 in lost production and $22,000,000,000 for related diseases each year.

(3) 90 percent of all smokers start smoking before they are 21 years old; 60 percent of all smokers start smoking before they are 14 years old; and 22 percent of all smokers start smoking before they are 9 years old.

(4) Unless current trends can be changed, 25,000,000 of the 75,000,000 children in the United States that are less than 20 years old on the date of the enactment of this Act will begin to smoke, and at least 5,000,000 of such children will eventually die as a result of smoking.

(5) Tobacco products contain nicotine, a poisonous addictive drug.

(6) The use of tobacco is habit-forming, with only 20 percent of the millions of people who try to quit using tobacco each year succeeding.

(7) The highest rate of snuff use is among boys under the age of 19.

(8) The use of tobacco may lead to the use of marijuana or abuse of alcohol.

(9) The Congress has a major policy-setting role in ensuring that the use of tobacco products by minors is prohibited.

SEC. 3. TOBACCO EDUCATION.

(a) Local Education Programs.—Section 4125(a) of the Drug-Free Schools and Communities Act of 1986 is amended—

(1) by striking "and" at the end of paragraph (11);

(2) by redesignating paragraph (12) as paragraph (13); and

(3) by inserting after paragraph (11) the following new paragraph (12):

"(12) instruction relating to the use of tobacco products, including descriptions of—

"(A) the variety of tobacco products available;

"(B) the short- and long-term physical and psychological effects on the human body of the inhalation of tobacco smoke, ingestion of tobacco products, and any other use of tobacco products;

"(C) the addictive nature of tobacco products; and

"(D) the connection between use of tobacco products and other forms of substance abuse, specifically use of marijuana and abuse of alcohol; and."

(b) Definitions.—

(1) Illicit drug use.—Paragraph (2) of section 4141(b) is amended to read as follows:

"(2) The term 'illicit drug use' means the use of illegal drugs, the abuse of other drugs and alcohol, and the use of tobacco products.".

(2) Tobacco products.—Such section is further amended by adding at the end the following new paragraph:

"(9) The term 'tobacco products' includes cigarettes, cigars, little cigars, smokeless cigarettes, pipe tobacco, snuff, chewing tobacco, loose tobacco, and any other form of tobacco intended for human consumption.".

SEC. 4. PROHIBITED ACTS.

(a) Age.—It shall be unlawful for a tobacco product to be sold to any person under the age of 18 or such other age as a State may by statute establish. Any person who sells tobacco to such a person shall be fined not more than $250, except that if such a person makes such a sale after a conviction under this subsection has become final, the fine shall be $500.

"(b) Vending machines.—It shall be unlawful to sell or cause to be sold any tobacco product unless—

(1) the product is sold—

(A) as an over-the-counter product, and

(B) by the legal owner or proprietor (or by the designated employee of the owner or proprietor) of the establishment in which the product is sold, and

(2) the legal owner or proprietor of the establishment in which the product is sold has posted in a conspicuous location in the establishment a sign which states "The Sale of Cigarettes to Minors is Strictly Prohibited".

Any person who sells or causes to be sold a tobacco product in violation of the preceding sentence shall be fined $1,000 or imprisoned for not more than one year, or both, except that if such a person makes such a sale after a conviction under this subsection has become final, such person shall be fined $10,000 or imprisoned for not more than 3 years, or both.

(c) Effective Date.—Subsections (a) and (b) shall take effect upon the expiration of one year after the date of the enactment of this Act.

USE OF THE ARTS IN THERAPY FOR MENTAL AND EMOTIONAL DISORDERS

HON. J.J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. PICKLE. Mr. Speaker, the American Academy of Poetry Therapy was chartered by the State of Texas in 1977 for training, treatment, and research in the use of poetry and other creative arts in mental and emotional illness therapy. Although this type of therapy is relatively new, I think it is important that we continue to encourage the exploration of new areas of treatment and therapy for mental and emotional problems. With that in mind, I want to commend this organization for its promotion of the use of the arts as a form of therapy. I would further like to call to the attention of my distinguished colleagues an interesting statement by Dr. Morris R. Morrison, founder and director of the American Academy for Poetry Therapy in Texas.

Statement by Dr. Morris R. Morrison

It was not until 1979 that the arts in therapy were elevated to an equivalent status with the other psychotherapies. Dr. Israel Zwerling, chairman of the Department of Psychiatry at Hahnemann Medical College and Hospital in Philadelphia, had begun to urge upgrading the characterization of the arts therapies from "adjunctive therapies" to equal status with other psychotherapies.

In 1979, Dr. Bertram Brown, then Assistant Surgeon-General of the United States and former director of the National Institute of Mental Health, predicted that the use of the arts in treatment would "trigger an important revolution" since "they deal with all three levels of the human brain." The focus of this research is on the theme that creative arts therapies evoke responses precisely at the level at which psychotherapists seek to engage their patients and do so "more directly and immediately than do the more traditional therapies."

Dr. Robert Gibson observed in 1981 that "major advances have been made to establish a scientific basis for the creative arts therapies." Professionals in these fields have worked toward their status by developing a body of scientific knowledge, accrediting training programs, establishing systems for credentially and registration of practitioners, setting standards for practice, and instituting mechanisms for self-discipline and maintenance of professional criteria."

Dr. Henry Bill, psychiatrist and director at Pilgrim State Hospital, wrote that "we are witnessing a renaissance. Poetry therapy was well described in ancient Greek literature. It still appears to retain its value for purging the soul and cleansing the mind."

Dr. Bruno Bettleheim, the noted psychiatrist, Distinguished Professor of Education and professor of both psychology and psychiatry at the University of Chicago, discussed creativity and mental health at a 1982 symposium. He noted that the deep inner conflicts that characterize the insane person are similar to those of the creative personality. However, while the insane people lets himself be overwhelmed by his inner chaotic pressure, the creative person creates a new and better order out of this inner chaos which is not only a personal benefit but, in consequence of the achievement, an enrichment to all of mankind.

St. Edwards University in Austin, Texas, included in its 1986 summer catalogue of courses a class in "Poetry as Therapy", a three-credit course applicable to the Department of Psychology and Gerontology, noting that poetry is in widespread use today as a structured component in therapeutic programs at hospitals, rehabilitation facilities, educational institutes, and correctional institutions.

During three years as Director of the Creative Writing Program at Huntsville State Prison in Huntsville, Texas, Grady Hillman worked with thousands of inmates at 18 different facilities. Workshops were conducted in three maximum security prison units on a weekly basis. According to Hillman, very few of those who participated in his sessions were returned to prison after discharge. According to Meta Metrics, an independent evaluation agency, the incidence rate of offenses committed by inmates ranging from fatal stabbings and suicides to simply talking to a guard dropped from 90 percent to 57 percent during program participation.

Hillman said that his greatest anxiety upon initiating the classes was that the inmates would already have made up their minds about poetry and considered it "sissified business". What he found was the exact opposite. The poetry writing prison population came to about 40 percent of the total. When questioned why members of his workshop turned to poetry, the prisoners responded that poetry writing provided a means of expressing the softer emotions in an environment where tenderness is perceived as weakness. Men and women behind bars put on masks of insensitivity to survive. Yet, worn too long, those masks can become real.

Poetry writing provides a means for self-reflection. In the Texas Department of Corrections (TDC), the inmates all wear the same uniform, have the same haircut, and "as far as the system is concerned, differ only in the numbers they wear on their chests." Through writing, they were enabled to maintain a sense of personal identity.

Poetry writing afforded a release from tension and a means of emotional escape. The creation of images in fantasy or the reliving of images found in memory served the purpose of displacing the immediate environment and transported the consciousness elsewhere. The recording of memories in poems infuses strength and stability into the writer's recollection, restoring a sense of reality to his condition.

The ongoing scientific and technological revolution in the health field has stimulated a surge of publications raising a theme as ancient as medicine itself, namely, that psychological factors can affect every aspect of human illness. These factors were already recognized by practitioners of Hippocratic medicine about 2,500 years ago. The cure they preached resided within the patient. The function of medicine was merely to activate and support this process. In this context, Dr. Bernard Lowen, Professor of Cardiology at Harvard University School of Public Health, said that the problems of many patients are better comprehended through art and literature than through the facts revealed by science. While science can help explain how a virus multiples, it leaves unanswered why a tear is shed.

Dr. John F. Whitaker of the University of Texas Health Science Center Southwestern Medical School in Dallas, Texas, testified to his use of poetry as a "powerful psychotherapeutic modality."

Dr. Whitaker said "The poetic communication style invites integration of the functions of the right and left hemispheres of the brain. Poetry speaks to the imaginative, intuitive and emotional aspects of the right hemisphere as it speaks to the mathematical, logical, and linguistic functions of the left. It is a blending of art and science. Writing, reading, reciting, and listening to poetry enables individuals to be aware of the universality of human experience and help to delineate individual uniqueness. Poetry speaks to the conscious and the unconscious mind simultaneously. By activation of hormonal and neuronal systems, every cell in the body is biochemically and physiologically affected. Moreover, through the connectiveness promoted by communication with others, poetry is a highly effective social psychotherapeutic vehicle.

It traverses the intra-psychic, interpersonal, and spiritual dimensions of human existence. Consequently, poetry therapy satisfies the complete biopsychosocial model of psychiatric treatment.

CENTRAL AMERICAN POLICY TOUGH GO FOR UNITED STATES

HON. JOHN J. RHODES III

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. RHODES. Mr. Speaker, on August 7, I rose to address this body to thank you for your efforts in putting forward the Wright-Reagan proposal for peace and democracy in Central America.

Today, I again rise to address this issue of peace and democracy in Cental America, because this issue is extremely important. The Congress, the President, and the American people, that is all the American people: Central, South, and North Americans alike, must face this issue with a clear sense of reality. We must clearly understand the facts of this situation, from their historical evolution to their current context. Our understanding must include a clear and honest appraisal of our humanitarian concern for the people of Central America, as well as the reality of the strategic security interest for this hemisphere. Elected officials and citizens alike must have a clear perception of the reality regarding Central America.

At times, elected officials underestimate the perception of the citizens in matters such as Central America. However, the citizenry is often able to cut through all the debate to the simple truths of the matter. A constituent, campaign volunteer, and friend of mine from Mesa, AZ, has done just that in an editorial which I wish to share with my colleagues. Like myself, Paul Sowards, has been to Central America. He has worked with the people as a missionary with the Mormon Church, and I believe gives him a closer touch with the reality of Central America than many who do not have a firsthand knowledge. He is a perceptive young man, and his views merit consideration.

Mr. Speaker, I support the peace plan signed by the Central American Presidents and I am hopeful that these efforts will bring peace and democracy to all the nations of that region. However, Paul Soward's perceptive look at the Central American explains why I am cautiously hopeful, as we all should be, that the peace process will be fruitful. I want to give peace a chance in Central America; but, I want to give democracy a chance as well.

Mr. Speaker, I am pleased to share this editorial with my fellow Members because I believe this editorial expresses clearly the reality of the situation in Central America. Also, as one who has been to Nicaragua, I urge any of my colleagues who have not been, to go there. The firsthand perspective is of great value in achieving the clarity Paul Sowards achieved. It will be needed to assure the American people that this distinguished body makes its decision concerning the future of democracy in Central America based on a clear understanding and reasoning.

CENTRAL AMERICAN POLICY TOUGH GO FOR UNITED STATES

The following editorial was submitted by Paul M. Sowards, Mesa, Ariz. He is currently serving on mission with the Church of Jesus Christ of Latter Day Saints in Delano and has spent time in Central America.

Viewing Central America and the Caribbean Basin, many people see only poverty, murder, civil war and Communist insurrection.

Often, they do not understand the deeply rooted problems that have created the current political unrest. This unrest stems from years of extreme poverty, dictatorial regimes, human rights violations and social systems that kept the masses very poor and the privileged few rich. These are prime conditions for revolt.

The problems of Central America greatly concern the United States. Besides humanitarian interest, Communist gains in the Caribbean Basin might give the Soviet Union or Cuba a potential base for aggression against the U.S. or its allies, and might also increase the number of refugees seeking admission into the U.S.

The Monroe Doctrine of 1823 was the first U.S. Government position to establish U.S. policy in Central America. Later in 1947, the Inter-American Treaty of Reciprocal Assistance was established, both forming today's policy in Central America.

It's important to realize that the intentions of the Monroe Doctrine were not limited to Communist expansionism in the Western Hemisphere, but pertain to all incursions of imperialistic powers of Europe or Asia which would threaten the security of the U.S.

With this in context, most will agree that Nicaragua has become a State of Marxism and militarism, laying basic preambles of Communism.

The strategic goal of the Soviet Union in Central America is to force the U.S. to divert political attention and military resources to its southern flank and away from areas of the world vital to the Soviets.

To achieve this goal, the Soviets and their proxies, Cuba and Nicaragua, are arming, training and increasingly controlling Marxist Leninist guerrillas, most notably in El Salvador, but in other Central American countries as well.

The U.S. implements policy based primarily upon four separate, but mutually reinforcing elements: democracy, economic development, diplomacy and defense. Over the last four years, this country's economic aid to countries of Central America has been three times greater than military assistance.

The Soviet-Cuban connection has enabled the current government in Nicaragua, known as the Sandinistas, to impose their will on the Nicaraguan people and carry out aggression against neighboring countries.

Frustrated by the Sandinistas' betrayal of the 1979 democratic revolution, nearly 20,000 Nicaraguans have joined a growing armed resistance movement, called the counter-revolutionaries or contras.

The U.S. Congress has concluded that Nicaragua has consistently intervened in the internal affairs of El Salvador and other Central American countries such as Honduras and Costa Rica, its border countries.

It may appear that the question at hand for our government is now whether the United States should continue to provide assistance to the resisting forces in Nicaragua, but rather, do we want another Communist state on the steps of our southern door.

It would create a precarious situation to assume that this problem will vanish and we will no longer be bothered by its demerits.

It will continue to haunt us until the Monroe Doctrine and others are faithfully fulfilled with the support of all branches of government.

A LOOK AT THE U.S. SUGAR POLICY

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1987

Mr. PORTER. Mr. Speaker, I would like to recommend the following issue brief by Jasper Womach as excellent reading on the U.S. Sugar Program. I found it enlightening and a fair commentary on the winners and losers of one of our agricultural price support programs.

[Extracted from Congressional Research Service, Issue Brief IB87141]

SUGAR: REEXAMINING U.S. POLICY

(By Jasper Womach)

The Federal sugar price support, always a controversial element among farm commodity programs, is once again on the legislative agenda. Pressure for change is coming from the domestic and foreign interests who feel harmed by the program. Additionally, this Nation's approaching self-sufficiency in sweeteners could necessitate changes in the program even before the scheduled review of authorizing legislation in 1990.

The sugar price support program is believed critical to the survival of at least a portion of the U.S. sugar industry. Those who support continuation of the current program argue that it creates substantial direct benefit for the sugar industry, as well as indirect benefit for the corn sweetener industry, and at little cost to the Government. Also, practically all sugar producing nations maintain some form of government support.

Those who wish to change the sugar program argue that it imposes economic costs on the food industry and consumers, distorts international trade, and promotes an undesirable foreign policy. Critics note that while benefits from the sugar program are concentrated among a relatively small number of farms and processing plants, the costs are widely dispersed among consumers, food manufacturers, and foreign nations.

SUGAR PRODUCTION, CONSUMPTION, AND TRADE

Sugar, with its almost universally pleasing taste, is a concentrated source of dietary calories. Compared to other foods, sugar can be produced inexpensively from cane in tropical climates and from beets in temperate climates. Thus, in a world historically short of food, sugar has become a widely produced agricultural commodity. Both cane and beets must be processed soon after harvest using costly machinery. When farmers reduce production because of low prices, processing plants typically shut down, never to reopen. This close link between production and capital intensive processing make price stability important to industry survival. Governments intervene in almost every sugar producing nation to protect the domestic industry from fluctuating market prices.

Since not every nation is self-sufficient in sugar production, there is substantial world trade in sugar. Worldwide sugar production is estimated by the U.S. Department of Agriculture (USDA) at 102.4 million metric tons (mmt) in 1986-87. About 25 mmt will be traded internationally. Just as governments have intervened in their domestic sugar markets, they have also entered into special bilateral and multilateral supply and purchase arrangements. The sugar traded under special arrangement is typically protected from abnormally low prices. About 16 mmt is traded in the open market at competitive prices. This "free market" can be characterized as a residual market because it is the outlet for sugar that exceeds quantities utilized in the protected domestic and agreement markets. Relatively small production shortages or surpluses on a global scale are translated into large price changes in the free market, causing the market to be characterized as volatile.

Sugar consumption worldwide has followed a stable upward trend, increasing about 1.5 percent per year. This global trend disguises some important differences between nations. Alternative sweeteners have cut into the sugar market in some industrialized nations. This is dramatically true for high fructose corn syrup (HFCS) and noncaloric sweeteners in the United States. In 1971, sugar had 80 percent of the U.S. sweetener market; by 1986, sugar's share was down to 41 percent of the U.S. sweetener market. In contrast, sugar consumption has increased substantially in the developing nations as their incomes have increased.

Although sugar production has historically followed a cyclical pattern of surplus and shortage, a swing toward reduced supplies and higher prices is now questionable. For the past 5 years there has been a large surplus of sugar. Currently, sugar stocks amount to about 37 percent of annual consumption. Historically, stock levels much above 25 percent of consumption have typically resulted in depressed free market prices. In fact, world sugar prices have held below 7 cents per pound during 1987, about equal to the 6.4 cent average for the previous 5 years, and far below the approximately 12 cent average cost of production for the major sugar exporting nations.

Part of the reason that world prices are not expected to recover in the near future is that few farmers are responding to the oversupply situation with cutbacks in production. In the United States, for example, sugar production increased 3.2 percent in 1985-86; 11.3 percent in 1986-87; and is projected to increase an additional 4.3 percent in 1987-88. Farmers in the United States have not been affected by the low world price. Their production decisions are in response to an average New York spot market price over the past 5 years of 21 cents. The relatively high price for sugar in the United States results from the mandatory Federal sugar price support program.

HOW THE U.S. SUGAR PROGRAM WORKS

Congress, in the Agriculture and Food Act of 1981 and subsequently in the Food Security Act of 1985, mandated that sugar prices in the United States be supported each year at minimum specified levels. The required minimum is 18 cents per pound for the current year through 1990. The support price is guaranteed by the Government's Commodity Credit Corporation (CCC) through the use of nonrecourse commodity loans available to sugar processors. Processors can offer sugar as collateral to obtain the loans. If market prices are not profitably higher than the loan proceeds, processors can, without penalty, forfeit the collateral sugar. To profitably repay the loans and sell in the market, the processors need to recover the loan principal of 18 cents, accrued interest, as well as handling, freight, and other marketing costs. It is calculated that a 1987-88 market price of 21.76 cents (called the market stabilization price, MSP) is high enough to avoid loan defaults.

Should processors default on any nonrecourse loans, title to the sugar is transferred to CCC. CCC then becomes responsible for the storage and ultimate disposal of the sugar. During 1985, CCC ended up owning sugar on which it had loaned $107.6 million. Much of the sugar was sold to China at a price of about 4.75 cents per pound and the remainder was sold domestically at 3 cents for refining into ethanol. The loss on these loan defaults amounted to about $83 million. In reponse to the sugar loan loss experience, Congress mandated that the sugar program be administered in the future so as to prevent any losses to the Federal Government.

Domestic sugar prices are maintained high enough to prevent loan defaults (above the current MSP level of 21.76 cents) by limiting the supply of sugar. Only nations that have traditionally exported sugar to the United States are allowed to sell sugar to this country, and the amount is limited by import quotas. If the U.S. global quota is sufficiently restrictive (which failed to be the case in 1985), then market prices can be pushed above the MSP. The global sugar quota for 1987 is 1.003 million short tons. The sizeable increase in U.S. sugar production in the coming year points toward a further cutback in the import quota. This quota is allocated among 39 countries, which are predominately developing nations in the Caribbean, South America, Africa, and the Pacific.

WHO BENEFITS FROM THE SUGAR PROGRAM?

The direct beneficiaries of the sugar price support program are the sugar growers and processing companies, who are guaranted at least the mandatory support price. The price guarantee has been sufficiently high to encourage industry expansion. Indirectly benefiting from the sugar program is another agricultural industry that produces competitive sweeteners, the corn sweetener industry. Some sugar program benefits also fall outside the borders of the United States. Sugar-exporting nations with access to the U.S. market have received preferential prices on sugar sold in the United States. Foreign food manufacturers with access to low-priced world sugar have gained a cost advantage over their U.S. competitors and are increasing sales in the United States of prepared foods containing sugar. Finally, the major sugar importing nations of the world (including the USSR, Japan, and China) have access to more plentiful and lower priced sugar because the sugar program increases U.S. sugar production and reduces consumption.

U.S. Sugar Growers and Processors.—Some 9,750 farmers raise sugar beets, primarily in Minnesota, California, Idaho, North Dakota, and Michigan. Cane is grown on some 1,400 farms in Florida, Hawaii, Louisiana, and Texas. Combined beet and came acreage is 2.1 million acres in 1987-88. Sugar production (calculated as raw value equivalent) will total about 7.1 million short tons, about half from beets and half from cane. The farm value of beet and cane production should exceed $1.7 billion for the 1987-88 crop. After processing and refining into white sugar, the wholesale value of the 1987-88 crop should be about $3.1 billion.

U.S. sugar production, with the benefit of federally supported prices and protection from imports, is greater than it would be otherwise. Farm revenues are enhanced by both the greater production and higher prices. Similarly, sugar processors are doing a larger volume of business than otherwise. The value of sugar industry production has been estimated at more than twice what it would have been without the price support program ("Impacts of the 1981 Sugar Program," be Economic Perspectives, Inc., July 1985).

Corn Sweetener Manufacturers.—Sugar has never been without its competitors in the sweetener market. There have long been corn-based glucose and dextrose, which consistently hold about 17 percent of the U.S. market for caloric sweeteners. New to the scene in the early 1970s was high fructose corn syrup (HFCS). The consumption of HFCS has grown from 1 pound per capita per year in 1971 to over 46 pounds in 1987. Sugar consumption over the same time period has dropped from 102 pounds per capita to 62 pounds.

Much of the displacement of sugar by HFCS has been in soft drinks, which is also a large user of noncaloric sweeteners (saccharin and aspartame). Corn sweeteners in total held 52 percent of the caloric sweetener market in 1987. Further gains are expected once a competitively priced crystalline fructose is available.

The sugar price support program has indirectly helped its competition by holding sugar prices at nearly twice the cost of producing HFCS. Further aiding the corn wet millers, who manufacture HFCS, is the Federal corn subsidy program which keeps corn prices low. The corn wet millers have been able to undercut the price of sugar and still make enough profit to more than double their output in the past five years. As with sugar, the value of HFCS production has been estimated at about twice what it would have been without the sugar price support program (Economic Perspectives, Inc.).

Allied with the corn wet millers in support of the sugar program are the corn farmers. They now see HFCS as an important market for corn. In fact, some 484 million bushels of corn, 6 percent of the 1986 corn crop, went into corn sweeteners in 1987.

The by-products of corn wet-milling include corn gluten feed, meal, and oil, which compete directly with soybean meal and oil. So, while the increased production of HFCS has created a sizable market for corn, there has been a small displacement of soybean products. More importantly, maintaining unrestricted entry of wet-milling by-products into the European Community has contributed to strained trade relations. The EC contends that corn gluten is displacing its own grain in the livestock sector.

Foreign Food Manufacturers.—Food manufacturers outside the United States have access to lower priced sugar than do domestic manufacturers. This, among other things, gives the foreign manufacturers an important cost advantage over their American counterparts, and the cost advantage shows up as lower prices. Food wholesalers in the United States have responded to the lower priced foreign foods, and consequently imports have increased. The U.S. Government has imposed quotas to restrict imports of sugar blends and mixtures and some high-sugar-content foods. However, numerous food products containing sugar are not now subject to quota.

According to an estimate by the USDA, U.S. imports in 1981-82 of a range of sugar-containing foods had a value of $677 million and sugar content of 371.5 thousand short tons. In 1985-86, imports of these assorted foods were valued, at $1,511 million and had a sugar content equal to 949.5 thousand short tons. Foreign nations thus benefit from increases in the value of food exports as well as from the jobs created in their food manufacturing plants.

Sugar Importing Nations.—By restricting imports, the sugar program has encouraged increased production in the United States, thereby adding to the large worldwide surplus and further depressing world prices. At the same time, the program keeps U.S. sugar prices high and thereby discourages consumption, further compounding the problem of surpluses and low prices The low prices may be damaging for nations that export sugar, but they are a windfall for nations that import sugar. The major sugar importing nations are the USSR, Japan, and China, which together account for nearly 30 percent of world imports. On a much smaller scale individually, but regionally important as importers, are nations is the Middle East, North Africa, and the Far East.

In some cases, importing nations are paying higher than world prices for at least a portion of their imports under terms of long-term purchase agreements. As purchase agreements are renewed, the terms reflect low world prices. In other cases, importers are paying higher than world prices as a means of funneling economic assistance to political allies (some observers characterize U.S. import quotas as economic assistance to the quota holders). In these situations, the low world sugar prices serve to raise the assistance portion of the sugar payment, but, at the same time, raise the need for assistance on the part of sugar exporters.

WHO PAYS FOR THE SUGAR PROGRAM?

The economic benefits that the sugar program creates for some people are a cost for others. Those most directly incurring higher costs are the buyers of sweeteners in the United States, including household consumers and food manufacturers. To the extent that imported foods displace domestic foods, workers in the U.S. food manufacturing industry lose their jobs. The reduction of raw sugar imports has led to the closing of sugar refineries in the United States. The reduction in U.S. sugar consumption without a commensurate decline in U.S. sugar production has contributed to the world surpluses and reduced earnings for sugar exporting nations. Finally, U.S. taxpayers have been in the past and could be in the future required to finance a portion of the sugar program cost.

Consumers and Food Manufacturers.—As a consequence of the sugar program, those in the United States who purchase sweeteners, including the users of sugar and corn sweeteners, are paying prices substantially higher than the world price for sugar. A recent analysis puts the estimated cost of the sugar program to sweetener users at about $2.0 billion in 1986 (see Borrell, Sturgiss, and Wong, "U.S. Sugar Policy—Its Effect on the World Sugar Market," a February 1987 report by the Bureau of Agricultural Economics, Australia). This estimate incorporates a world price that is higher than the actual 1986 average of 6.05 cents, because an increase in U.S. imports would cause a rise in the world price.

The higher prices paid for sugar and corn sweetners are only part of the cost of the sugar program within the United States. Lost jobs are another cost. Jobs have been lost due to the closing of sugar refiners that used to handle imported raw cane sugar. The number of refineries has declined from 21 to 14 between 1982 and 1986. With the closing of these 7 plants went 7,000 jobs. More difficult to count are the jobs lost in the food manufacturing industry as the United States imports more sugar containing products from abroad. Corn wet milling capacity has expanded but with little additional employment because of the automated nature of the factories.

U.S. Taxpayers.—The sugar program is now required by the Food Security Act of 1985 to be operated at no cost to the Government. This requirement was imposed after defaults on 1984 crop sugar loans created losses amounting to about $83 million. There is now a real concern that dometic sugar production is getting close to the point where import quotas will not serve as an adequate supply control mechanism to support sugar prices. Moreover, some analysts believe that the current sugar support price is enough incentive for domestic production to exceed consumption in as soon as 2 years, at which point the CCC will end up acquiring the surplus sugar. There is disagreement among analysts on this point. Others believe there will actually be a need for increased sugar imports the next few years.

Sugar Exporting Nations.—Though the U.S. sugar program is designed to benefit the domestic sugar industry, it has adversely affected sugar exporting nations worldwide. The United States was long the world's single largest sugar importer. Sugar imports reached a peak of 6.1 million short tons in 1977. For the 7 years preceding the imposition of qoutas, 1975-81, imports averaged 4.2 million tons. The import quota has become more and more restrictive and is 1.003 million tons for 1987. This is an 84 percent decline from the peak, and a 76 percent decline from the pre-quota average. As mentioned, some analysts are now projecting that the United States could become a net exporter of sugar within 2 to 4 years.

The decline in U.S. imports has had a depressing effect on world prices. It is estimated that over the past 5 years, U.S. policy has depressed world sugar prices by about 28 percent (Borrell, Sturgiss, and Wong). The countries with access to the U.S. market have received higher prices for a portion of their sugar. However, as the qouta has declined, so have the earnings from sales to the United States. On the basis of price impacts alone, it is estimated that the quota countries are now earning less revenue on their total sugar exports than they would without the U.S. sugar program. Without the sugar program, not only would world prices be higher but so would world volume.

Major sugar exporting nations view the U.S. sugar program as highly protectionist and harmful to nations that have low production costs. The major sugar exporters have an average production cost of 12 cents per pound compared to an average U.S. cost of 17 cents. Developing nations whose production costs are higher argue that they still have a comparative advantage in sugar because of the few production alternatives available to them compared to numerous higher return opportunities for resources in the United States. Sugar production is profitable in the United States only if it is subsidized and protected from foreign competition.

The European Community does not complain about U.S. sugar policy, though it is a major exporter of sugar and a large gainer from any increase in world prices. The silence underscores its own internationally disruptive sugar policy. The EC has traditionally supported sugar prices at levels even higher than in the United States. Moreover, the EC become a surplus producer and exporter of sugar as long ago as 1977. The EC now subsidizes the annual sale of about 3-4 mmt. of sugar into the world market by making restitution payments to its exporters to make up the difference between world and EC prices.

PRICE SUPPORT PROGRAM POLICY OPTIONS

The level of price support has been large enough that the Nation is approaching self-sufficiency and may soon produce a surplus of sugar. If import restrictions become inadequate to support the price of sugar at the required minimum, the CCC may start to incur the costs of acquiring and disposing of domestically produced surplus sugar. At that point the sugar program would, contrary to law, operate at a cost to the Federal Government. Such a situation would necessitate changes.

Critics of the sugar program feel that it should be changed because in their view: it misallocates the use of this and other nations' resources while benefiting a relatively small number of sugar producers; it provides unintended but greater benefits to HFCS manufacturers than to sugar producers; it creates higher food costs for consumers, with low income households suffering disproportionately; it is costing jobs in the food manufacturing industry and simultaneously harming the Nation's trade balance as more sugar containing products are imported; and, it is creating substantial economic harm to many less developed and strategically important nations as well as several developed nations that are important political and military allies.

Supporters of the sugar program, including domestic sugar producers and processors, corn wet millers, and corn producers, argue that almost all sugar producing nations protect their own markets. Revenues to the domestic sugar industry and the producers of HFCS have been estimated at approximately double what they would have been without the sugar program. The producers of HFCS have doubled output over the past 5 years by capturing nearly all of the caloric beverage market that once used sugar. This has boosted corn utilization in an otherwise depressed market and added jobs to a new corn wet milling industry. Without the program, cropland in sugar would likely have been devoted to less profitable commodities, and most likely commodities that are already in surplus and receive Federal price support. With less sugar production there would not be as many jobs in domestic sugar processing.

Lower Support Combined with Direct Payments.—A policy option, designed by the Reagan Administration and sponsored in pending legislation, is the gradual transition to a less protectionist U.S. market. The legislative proposal under consideration would reduce the support price, beginning with the 1987-88 crop, from 18 cents per pound to 12 cents. There would be an offsetting direct payment to farmers of 6 cents per pound in fiscal year 1988, declining to 1.5 cents per pound in fiscal year 1991. The payment rate would decline on successively larger output levels from each producer. Payments are estimated to total $1.1 billion over a 4 year period.

Control Domestic Production.—Some supporters of the sugar program are encouraging the domestic industry to voluntarily restrict its growth and prevent a crisis of excess domestic production. Voluntary production restraint has little to no historical record of success in this Nation; that is largely why Federal supply controls were initiated in the 1930s. The problems are compounded with sugar because of competition from corn sweeteners. This situation suggests Federal production controls on either sugar, corn sweeteners, or both, as a policy option. Other nations, the European Community being a case in point, have used controls on HFCS as a mechanism to protect the sugar industry.

Maintain Support and Subsidize U.S. Sugar Exports.—As the level of domestic sugar production approaches the level of domestic consumption, import quotas will no longer be successful in boosting domestic prices. At that point, sugar loan defaults can be expected and there will be costs incurred in the storage, handling, and disposal of surplus sugar. This creates an apparent paradox for the Secretary of Agriculture, who is instructed in the current law to operate the sugar program at no cost to the Federal Government. In response to the legal paradox Congress could eliminate the no cost requirement. The CCC could then subsidize the export of surplus sugar as it currently does for other surplus commodities.

Mandate Quota Increase for Caribbean Countries.—The use of quotas to support U.S. sugar prices enabled Caribbean Basin countries, as well as other foreign quota holders, to receive a price nearly as high as the U.S. price on their shipments to the United States. This was a desirable arrangement while quotas were comparatively high. Low world sugar prices and the now low U.S. sugar quotas have created severe economic stress in the sugar sectors of the CBI countries. The quotas are so low that the CBI countries would likely be better off with no U.S. sugar program. The restoration of U.S. sugar imports to previously higher levels from CBI countries is a proposal now before Congress. Any preferential treatment given Caribbean countries would likely find objection from other quota countries who have likewise been harmed by declining quotas.

Multilaterally Reduce Support and Protection.—A goal of the United States and other participants in the current Uruguay Round of multilateral trade negotiations under the General Agreement on Trade and Tariffs is to move toward free international trade in agricultural commodities. This means reducing domestic farm subsidies that encourage production, eliminating export subsidies that make it possible to sell below the cost of production, and removing import barriers that restrict and limit entry of foreign products. It is expected that a successful agreement would include sugar as one of a large number of affected commodities.

HOUSE OF REPRESENTATIVES—*Friday, November 20, 1987*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Help us, O God, to see beyond our own needs to the needs of Your entire human community. May we learn to act for the good of every person by honestly hearing views from every side, by tempering our words, and by listening for the truth that truly makes us free. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

Mr. BROWN of Colorado. Mr. Speaker, pursuant to clause 1, rule I, I demand a vote on agreeing to the Speaker's approval of the Journal.

The SPEAKER. The question is on the Chair's approval of the Journal.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. BROWN of Colorado. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 273, nays 112, not voting 48, as follows:

[Roll No. 444]

YEAS—273

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Archer
Atkins
AuCoin
Barnard
Bartlett
Bateman
Bates
Beilenson
Bennett
Berman
Bevill
Bilbray
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Bustamante
Callahan
Campbell
Carper
Carr
Chapman
Chappell
Clarke
Coats
Coelho
Coleman (TX)
Collins
Combest
Conte
Cooper
Coyne
Craig
Daniel
Darden
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Dyson
Early
Eckart
English
Erdreich
Espy
Evans
Fascell
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Frank
Frost
Gaydos
Gejdenson
Gibbons
Gilman
Glickman
Gonzalez
Gordon
Grandy
Grant
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Hansen
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Hertel
Hochbrueckner
Holloway
Horton
Houghton
Howard
Hoyer
Hubbard
Hughes
Hutto
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jontz
Kanjorski
Kaptur
Kasich
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kostmayer
LaFalce
Lancaster
Lantos
Latta
Leath (TX)
Lehman (CA)
Lehman (FL)
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McEwen
McHugh
McMillen (MD)
Mfume
Mica
Miller (CA)
Miller (WA)
Moakley
Mollohan
Montgomery
Moody
Moorhead
Morrison (CT)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Packard
Panetta
Pashayan
Patterson
Pease
Pelosi
Perkins
Petri
Pickett
Pickle
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Ravenel
Ray
Richardson
Rinaldo
Ritter
Robinson
Rodino
Roe
Rose
Rostenkowski
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schneider
Schulze
Schumer
Sharp
Shaw
Shumway
Shuster
Sisisky
Skaggs
Skelton
Slattery
Slaughter (NY)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Solarz
Spence
St Germain
Staggers
Stallings
Stenholm
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauke
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traxler
Valentine
Vento
Visclosky
Volkmer
Walgren
Watkins
Waxman
Weiss
Wheat
Whitten
Williams
Wise
Wolpe
Wortley
Wyden
Yates
Yatron

NAYS—112

Armey
Badham
Baker
Ballenger
Barton
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Brown (CO)
Buechner
Bunning
Burton
Chandler
Cheney
Clinger
Coble
Coleman (MO)
Coughlin
Dannemeyer
Daub
Davis (IL)
DeLay
DeWine
Dickinson
DioGuardi
Dornan (CA)
Dreier
Edwards (OK)
Emerson
Fawell
Fields
Frenzel
Gallegly
Gallo
Gekas
Goodling
Gregg
Hastert
Henry
Herger
Hiler
Hopkins
Hunter
Hyde
Inhofe
Ireland
Jacobs
Kolbe
Konnyu
Kyl
Lagomarsino
Lent
Lewis (CA)
Lewis (FL)
Lightfoot
Lloyd
Lott
Lukens, Donald
Martin (IL)
McCandless
McGrath
McMillan (NC)
Meyers
Michel
Miller (OH)
Molinari
Morrison (WA)
Nielson
Oxley
Parris
Penny
Porter
Pursell
Regula
Rhodes
Ridge
Roberts
Rogers
Roth
Roukema
Rowland (CT)
Saiki
Saxton
Schaefer
Schuette
Sensenbrenner
Shays
Sikorski
Skeen
Slaughter (VA)
Smith (TX)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Stangeland
Stump
Sundquist
Sweeney
Swindall
Thomas (CA)
Upton
Vander Jagt
Vucanovich
Walker
Weber
Whittaker
Young (AK)
Young (FL)

NOT VOTING—48

Aspin
Bentley
Biaggi
Byron
Cardin
Clay
Conyers
Courter
Crane
Crockett
Dowdy
Dymally
Edwards (CA)
Fazio
Ford (MI)
Ford (TN)
Garcia
Gephardt
Gingrich
Gradison
Gray (IL)
Huckaby
Jones (TN)
Kemp
Kolter
Leach (IA)
Leland
Livingston
Lowery (CA)
Lungren
Mack
Madigan
Marlenee
McDade
Mineta
Morella
Neal
Pepper
Roemer
Schroeder
Spratt
Stark
Traficant
Udall
Weldon
Wilson
Wolf
Wylie

☐ 1010

Mr. KYL changed his vote from "yea" to "nay."

So the Journal was approved.

The result of the vote was announced as above recorded.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1748) "An act to authorize appropriations for fiscal year 1988 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for fiscal year 1988 for the Armed Forces, to authorize appropriations for fiscal year 1989 for certain specified activities of the Department of Defense, and for other purposes."

☐ 1025

REQUEST FOR EXPLANATION OF LEGISLATIVE PROGRAM

(Mr. MICHEL asked and was given permission to address the House for 1 minute.)

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Mr. MICHEL. Mr. Speaker, I have asked for this one moment so that I may make an inquiry to the majority side of the aisle.

Mr. Speaker, we have not been meeting very regularly on Fridays, and this is the first Friday for some time and Members are always plagued with travel plans. I know that has got to be a concern of all our Members today.

It is my understanding that the motion that might have been offered with respect to the delay of sequestering has been pulled. If I am not correct, somebody please correct me, and that we are now going to proceed with the bill of the gentleman from New Jersey. Is that not correct? Would the gentleman mind telling us how long that might take?

The SPEAKER pro tempore (Mr. DOWNEY of New York). Would the distinguished minority leader withhold his request? It is the intention of the Chair to recognize Members for unanimous-consent requests for 1-minute speeches until the leadership is on the floor, and at that time the Chair will recognize the distinguished minority leader again.

Mr. MICHEL. Mr. Speaker, I thank the Chair, and withdraw my request.

PERMISSION FOR COMMITTEE ON SMALL BUSINESS TO HAVE UNTIL MIDNIGHT, WEDNESDAY, NOVEMBER 25, 1987, TO FILE A REPORT ON H.R. 1807, AMENDING SMALL BUSINESS ACT

Mr. LAFALCE. Mr. Speaker, I ask unanimous consent that the Committee on Small Business may have until midnight Wednesday, November 25, 1987, to file a report on the bill (H.R. 1807) to amend the Small Business Act, to reform the Capital Ownership Development Program, and for other purposes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

Mr. SOLOMON. Reserving the right to object, Mr. Speaker, may I inquire if this has been cleared with the minority?

Mr. LAFALCE. Mr. Speaker, if the gentleman will yield, yes, it has been cleared with the gentleman from Pennsylvania [Mr. MCDADE].

Mr. SOLOMON. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

AUDITORS OF THRIFT INSTITUTIONS MUST BE MORE RESPONSIBLE

(Mr. ST GERMAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ST GERMAIN. Mr. Speaker, portions of the thrift industry remain in a state of financial crisis. As problems in the industry persist, it is imperative that reliable and timely financial information be available to accurately assess the extent of the problems and to develop effective strategies to resolve them.

The public accounting profession plays a key role in providing financial information to depositors and shareholders of thrift institutions, as well as to the Congress and Federal regulators who oversee those institutions. Independent audits performed by public accounting firms determine whether thrift institutions are fairly reporting their financial condition, and whether the institutions are providing sufficient disclosure of all matters necessary to ensure that financial statements are not misleading.

To date, the public accounting profession has a questionable record in conducting independent audits of thrift institutions. An example here is enlightening. Vernon Savings & Loan Association of Vernon, TX, is a much discussed recent thrift institution failure. At the time Vernon was closed by the Texas Savings and Loan Commissioner, it was insolvent by over $350 million—an amount difficult to overlook.

According to the Federal home loan bank of Dallas, in a memo to the Federal Home Loan Bank Board which recommended the institution be closed, Vernon had committed numerous regulatory violations and engaged in unsafe or unsound practices. Specifically, Vernon had engaged in reckless and imprudent underwriting and lending practices and had violated several Bank Board regulations, including the regulations regarding loans to one borrower, conflicts of interest, and loan documentation.

In addition, Vernon had excessive concentrations in acquisition, development, and construction loans and loans secured by the stock of other FSLIC-insured institutions. Vernon paid substantial amounts to key officers and its parent holding company and excessive dividends on the basis of inflated profits. As a direct result of reckless operations and unsound practices, Vernon suffered substantial dissipation of its assets and earnings.

The purpose of an independent audit is to render assurance that management has fairly represented the institution's financial position and to disclose all material facts about the institution's financial health to the readers of those statements. A CPA firm has an obligation to state whether it feels an institution's condition is so precarious as to make questionable the continued existence of that entity.

Vernon's auditor apparently failed to fulfill this responsibility. This is further supported by statements made by outside consulting firm engaged by the Dallas Bank to examine and investigate Vernon for the purpose of exposing and documenting any past or present criminal activity of the directors, officers, employees, and agents of the association or any third parties in connection with or relating to the association. The consulting firm identified significant concerns with the association's independent auditor.

For example, their report noted that—

> The independent accountants "did not complete their audits in accordance with generally accepted auditing standards and therefore failed to require adjustments to reported net income and financial position which could have resulted in earlier action by cognizant regulatory authorities and prevented the continued payment of dividends by VSLA [the association] to DFC [Dondi Financial Corp.] as well as bonuses to key personnel."
>
> The independent accountants "audit failure may have resulted from negligence and disregard of information that was readily available to" the accountants.
>
> Statements made by the independent accountant's audit partner, principal and manager were in direct conflict with information presented in the audit firm's working papers.
>
> The independent accountant's review of "loans to one borrower for six separate individuals totaling $369 million" did not require establishing a loss reserve. The consulting firm uncovered that the independent accountants evaluation relied primarily upon statements by senior officers of the association that such individuals had a good reputation with a proven track record. They did no work regarding the likelihood of collection, no appraisals were reviewed, no financial statements were reviewed, nor were other normal accepted auditing procedures employed.
>
> The independent accountant's audit procedures to confirm loan participation sales to purchasing institutions were deficient. The auditors did not address such basic information as:
>
> (1) Whether or not there was any security for the loan.
>
> (2) The terms of the loan including date of loan, interest rate and any outstanding accrued interest.
>
> (3) Whether or not the loan was purchased with or without recourse.

Vernon's auditor had many other thrift institution clients in Texas. Upon further examination, committee staff has found that two other thrift clients also failed because of poor underwriting standards, generally unsafe operating practices, and speculative lending. The Dallas Bank estimates that this firm had gross billings from thrift institution clients of $5 to $10 million per year in its district alone.

When thrifts fail, or otherwise incur financial difficulty, the Federal Government often bears the brunt of the cost through losses of the Federal Savings and Loan Insurance Corporation [FSLIC] insurance fund. The Federal

Home Loan Bank Board is currently suing or considering legal action against a number of public accounting firms for substandard thrift institution audits. These suits are aimed at recovering damages from the firms for losses to the FSLIC insurance fund.

Separate legal actions against public accounting firms for individual audits are both costly and time consuming. Because of this, and because the extent of audit problems is, at present, unknown, I have requested the General Accounting Office [GAO] to review the quality of thrift institution audits by the public accounting profession.

I directed that GAO identify specific audit problems at individual institutions or auditing firms, as well as those audit problems that GAO sees as pervasive across the thrift industry. Further, GAO was instructed to inform the committee of the steps it believes the public accounting profession should take to improve the overall quality of audits in the thrift industry.

NEBRASKA VERSUS OKLAHOMA

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, I have with me this morning a Nebraska "Good Life" basket stuffed full of goodies that represent the success of Nebraska agriculture and the "heartland" ingenuity of Nebraska business.

And I want my colleagues to note that this basket is in the shape of a big red Nebraska "N."

For those of you familiar with first-rate college football, you will recognize this "N" as the same that adorns a Cornhusker football helmet.

This is significant because this basket of Nebraska products is my offering in a friendly little wager with the distinguished gentleman from Oklahoma, Mr. MICKEY EDWARDS, a 1958 journalism graduate of the University of Oklahoma.

Tomorrow our alma maters—Nebraska and Oklahoma—meet in what promises to be the best college football game of the year and, in all likelihood, the game to determine this year's national championship.

More than 76,000 people will assemble tomorrow afternoon in Memorial Stadium in Lincoln, NE, making the stadium for the day the third largest city in Nebraska.

And I am confident that those fans, Coach Tom Osborne, and the No. 1 Nebraska Cornhuskers have a very, very long day planned for the No. 2 Oklahoma Sooners.

So in a way I am sorry, Mr. EDWARDS, because tomorrow evening when the game is over, Nebraska will be making travel plans for the Orange Bowl, I will have won our wager, and you will not get the opportunity to sample some of Nebraska's finest from this basket.

You will, however, have seen the finest on the gridiron—the 1987 Nebraska Cornhuskers.

Go Big Red!

ROBERT KENNEDY MEMORIAL AWARDED TO SOUTH KOREAN COUPLE

(Mr. FOGLIETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOGLIETTA. Mr. Speaker, today, the Robert Kennedy Human Rights Award will be granted to a South Korean couple who opened the doors on the torture and human rights abuses inside Korea. Kim Keun Tae and his wife, In Jae Keun, have focused world attention on the plight of political prisoners in their country. Mr. Kim a political prisoner himself, first exposed the systematic beatings at his trial in 1985. It was during those proceedings, in which, Mr. Kim revealed that he underwent electric torture over a 16-day period. Tragically, Mr. Kim was not released along with several thousand political prisoners this year.

In Jae Keun had devoted her life to Kim's release. She formed an organization to increase awareness of this issue and to provide support for political prisoners and their relatives. She has done this at great risk to herself and to her family. The Robert Kennedy Memorial duly recognizes her efforts.

Unfortunately, neither Mrs. In or her husband will be able to receive the award in person; Mr. Kim remains in prison while In Jae has been denied a passport by the South Korean Government.

Mr. Speaker, I am very upset by these circumstances. The recent turn toward democracy in South Korea gave me great hope that the detention of political prisoners and government control on the travel of certain individuals would be a thing of the past. I urge my colleagues to take note of these actions and call on them to register their disappointment with the South Korean Government.

THE GLOCK 17 AND AIRPORT SECURITY

(Mr. INHOFE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. INHOFE. Mr. Speaker, as a member of the Aviation Subcommittee of the Committee on Public Works and Transportation, I share the concerns of most Americans with the state of airport safety and security. These concerns arise from the brutal acts of international terrorists.

Unfortunately, special interest groups opposed to gun ownership have spread fear about a new firearm to advance their own antigun agenda. The firearm, the Glock 17, is partially constructed of hard polymers and is being used and tested by numerous law enforcement agencies as well as the FBI and our NATO allies. But by no stretch of the imagination can the Glock 17 be considered a "plastic" gun. Its primary components are, by necessity, constructed of metals.

Mr. Speaker, there is no question there is a threat to airport security in this country. But it does not come from the Glock 17 or any other so-called plastic guns, which in fact do not exist. The real threat to airport security is a lack of state-of-the-art detection systems and professionals to operate them.

We will never keep guns from terrorists but we can keep the guns off our planes. I am requesting the Federal Aviation Administration to conduct a study to recommend action for increasing the effectiveness of screening equipment and procedures.

Let's commit ourselves to this approach and not waste our time and energy trying to ban something that really does not even exist.

SPEAKER WRIGHT GIVES US HOPE FOR PEACE

(Ms. PELOSI asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Ms. PELOSI. Mr. Speaker, at the invitation of the White House last summer, Speaker Wright became personally involved in the Central American peace process. His involvement was instrumental in breaking a deadlock of rhetoric, posturing and failed talks, and helped pave the way for the progress achieved by the Guatemalan peace plan.

Then the White House, whose support for peace in Central America has been at odds with its policies of providing aid to the Contras, became upset by the active role which Speaker WRIGHT has taken. The administration has insisted that the road to peace in Central America requires a militaristic approach. This hardline approach has meant missed opportunities at dialog and negotiation.

Speaker WRIGHT, however, is a wise man who understands that seizing the opportunity for peace may require steps out of the ordinary. His role as Speaker of the House and his intimate knowledge of Central American issues place him in an excellent position to provide active encouragement to the parties in the peace process. I commend him for his courage and strength in working to promote peace over war in Central America. As we approach Thanksgiving I thank the Speaker for giving us hope.

TIME FOR COURAGE ON CAPITOL HILL

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, as the vote rolled up the other day in support of a Cabinet-level position for veterans, I heard from everyone around me on the floor what a terrible idea it was. Yet practically every Member voted for it. Why?

At a time when deficits have reached crisis proportions and courage to make the tough decisions is needed more than ever before, the Congress, Mr. Speaker, is obviously still gripped in the craven fear of special interests.

I do not use the term "special interests" in any perjorative sense. "Special interests" are the handicapped and disabled, educators, union members, our Armed Forces, and our business community. Congress has done a magnificent job of responding to their concerns, but we have lost the bottom line. We have failed to add up the burden on our economy and on the American people of doing so.

While Americans are Social Security recipients or teachers or businessmen or government employees I believe they understand that first they're Americans. And Americans are looking for courage in the Congress, men and women willing to risk offending the lobbyists to come to grips with the crisis that is upon us.

Business as usual has brought us to where we are, Mr. Speaker. It's time to end business as usual on Capitol Hill and stand up and be counted on the tough choices that must be made. It's time for courage, Mr. Speaker.

□ 1040

THE TIME IS RIGHT FOR CONGRESSIONAL ACTION ON THE DEFICIT

(Mr. BRENNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRENNAN. Mr. Speaker, the hour has arrived for congressional action on the budget deficit. Much like the student who fails to do his homework until the night before the big exam, Congress faces a big exam requiring serious actions to reduce the budget deficit. I hope it is not to late for Congress to pass that big exam.

Tonight at midnight the blinders are applied to OMB bureaucrats who will slash the Federal budget in a mindless across-the-board fashion. As one Member of Congress who has consistently opposed the Gramm-Rudman legislation, I urge our leadership to agree to delaying the draconian budget reductions scheduled to begin in 14 hours.

On Wall Street and on Main Street, there is a nervous constituency awaiting congressional action which avoids the across-the-board "automatic pilot" type of spending cuts. We can no longer maintain the partisan bickering and finger pointing over the blame for high deficit spending. I believe there is a climate in the Congress to see meaningful progress toward deficit reduction and regaining conrol of Federal spending practices.

Although, at this 11th hour, it may be difficult to delay the cutting of student loans, air traffic controllers, and elderly housing assistance, we owe it to our constituents to give it a try. After all that's what we were elected to do. I urge this body to delay the automatic mindless cuts.

THE CONGRESS IN FAILURE HAS SUCCEEDED IN REDUCING THE DEFICIT

(Mr. GEKAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GEKAS. Mr. Speaker, the Congress of the United States has failed again in the eyes of Wall Street at least, it has failed because the deficit summit has not come to a satisfactory conclusion by the date of Gramm-Rudman's time on November 20, 1987.

But has it really failed? The Congress of the United States has at least succeeded sometime earlier this year in anticipating its failure and in passing Gramm-Rudman guaranteed, and Wall Street knows this, reduction of the deficit by at least $23 billion by midnight November 20. So in effect, the Congress in anticipating failure has succeeded in reducing the deficit.

There is talk now of postponing the timetable of Gramm-Rudman. That would thereby guarantee failure in the future. I for one will not participate in any movement to delay the implementation of Gramm-Rudman. It may not be the perfect deficit reduction, but it is deficit reduction and, therefore, the Congress succeeded in its own failure.

AND THEN THERE WERE NINE

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, and then there were nine. Earlier this week we considered a resolution calling upon the Soviet Government to reunite 12 remaining divided spouse and blocked marriage cases. This resolution passed unanimously. I am pleased to announce that three of the cases named in that legislation were resolved this week.

We were all elated when we heard that Elena Kaplan, Galina Goltzman Michelson, and Yuri Balovlenkov will soon be permitted to join their loved ones here in the United States.

You may also recall, Mr. Speaker, that over the past 2 weeks I have issued a challenge to Mr. Gorbachev to bring the remaining spouses with him when he comes to Washington on December 7. Well his job has been made a little easier with this most recent announcement.

Yet, Mr. Speaker, nine prisoners of love remain. What about: Victor Faermark, Sergei Petrov, Pyatras Pakenas, Victor Novikov, Andrei Zhitkov, Leonid Sheiba, Vladislav Kostin, Yevgeny Grigorishin, and Tatiana Alexandrovich.

Nine individuals the Soviets only need to say yes to. Yes they can live where they want with the ones they love. It is not that difficult.

So, Mr. Speaker, I again issue my challenge to Mr. Gorbachev to bring these divided spouses and fiances with him.

GROSSLY UNFAIR BARRIERS PREVENT U.S. FIRMS BIDDING ON CONSTRUCTION CONTRACTS IN JAPAN

(Mr. SCHULZE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCHULZE. Mr. Speaker, I am deeply concerned over the grossly unfair barriers used by Japan to prevent United States firms from bidding on, and being awarded, construction contracts in that country.

On September 21, 1987, Mr. Nakasone promised President Reagan that procurement procedures for the Kansai Airport project would serve as a model for future construction projects in Japan. Ambassador Matsunaga, however, says that these procedures will serve as a model only for the coming Tokyo Bay highway project, and not for all future projects. The Japanese simply must make up their minds.

It defies common sense how Japan can criticize the protectionist provisions in our trade bill while maintaining some of the most stringent import barriers in the world.

If Japan wants free and fair trade with the United States, I am behind that 100 percent. If, however, Japan wants to prevent market access to our goods, then perhaps we should provide its products with similar opportunities.

SEQUESTRATION—THE DESTRUCTION OF THE FOUNDATION OF DEMOCRACY

(Mr. DELLUMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DELLUMS. Mr. Speaker, when this body debated and enacted Gramm-Rudman, I opposed it on the grounds that I believed that it was a mindless approach to budgeting, a mindless approach that lacked compassion and, more importantly, lacked accountability, but many of my colleagues felt we must place the gun of sequestration to our collective heads in order to challenge us to be responsible with respect to the budget deficit.

There are many things that one could call a person who places a gun to his head, but one who pulls the trigger can certainly be called seriously disturbed and very dead.

I would admonish my colleagues that if we ever place this country on automatic pilot we will destroy the very fabric and foundation of a democratic form of government that requires accountability on the part of our colleagues.

I would remind my colleagues that many years ago many of us never believed that the continuing resolution would ever be a way that we would engage in the process of appropriation, but now we do it routinely. I would suggest, Mr. Speaker, that once we cross the Rubicon of sequestration and Members survive that moment and go home and tell their constituents, "I did not do it, Gramm-Rudman did it," that we will continue to engage in sequestration every year in perpetuity.

I think that that will destroy the very foundation and fabric of this Government.

GAG ORDER ON WELFARE REFORM

(Mr. BROWN of Colorado asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BROWN of Colorado. Mr. Speaker, the Committee on Rules has issued a gag order on welfare reform. The rule that we have come up with prohibits a large number of amendments, thoughtful amendments designed to improve the measure.

Even that bastion of conservatism, the Washington Post, this morning is editorializing for a different rule. Reasonable men and women are going to disagree about welfare reform. The tragedy would be if we do not have a chance to improve that bill.

Restricting welfare recipients from being referred to jobs is just plain silly. Almost no one supports that kind of nonsense. In the provisions to require Government regulation and inspection of children staying in their own home with their own grandmother, that is absolutely ludicrous. It may win the authors a prize in the overregulators hall of fame, but it does not fit this Chamber, and it does not make common sense.

Mr. Speaker, democracy is a great system. I hope this Chamber will try it.

□ 1050

BIPARTISAN DEFICIT REDUCTION

(Mr. SLATTERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SLATTERY. Mr. Speaker, I remain hopeful that the economic summit will produce a bipartisan deficit reduction plan that totals at least $30 billion. If we cannot reach agreement on a reduction plan, I oppose any attempt to delay the sequestration deadline. We must keep the pressure on.

I recognize that to achieve the $30 billion, we must have everything on the table.

I believe all Americans who are able should be asked to help solve our deficit crisis.

If everyone is asked to help a little, no one will be devastated and automatic Gramm-Rudman cuts can be avoided.

We all know the facts—we all know what choices need to be made—and we have known for months.

Now is the time to make the hard choices necessary to restore confidence in our Government and stop mortgaging the future of America.

LACK OF PROGRESS IN DEFICIT REDUCTION

(Mr. PACKARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PACKARD. Mr. Speaker, I rise today to express my frustration and anger at the lack of real progress regarding our most important priority—that of lowering the budget deficit. Congressional and administrative representatives have spent weeks negotiating on this issue and they have not produced anything of real substance, just more smoke and mirrors.

It is time that this Congress and this administration face up to what must be done, and that is, cut spending and not increase taxes. The American people have spoken on this issue, certainly my constitutents have spoken and their voice has come through loud and clear: do not raise our taxes. It is my experience that people prefer by far to have an across-the-board cut than to have their taxes raised.

We all know that cuts hurt, they hurt individuals in our districts and across this country. However, it is time that we make honest, substantial cuts in the deficit. The budget summit proposal that I have see does not do this. Therefore, I cannot support it and I urge each of my colleagues to also oppose it when it comes to the floor. While sequestration is not the final answer, at least it forces real cuts in the deficit that will make a difference.

I believe the negotiators have missed a historic opportunity to truly reduce the deficit and therefore believe that sequestration is the only logical choice we have at present to truly reduce the deficit.

BUDGET COMPROMISE

(Mr. HUGHES asked and was given permission to address the House for 1 minute.)

Mr. HUGHES. Mr. Speaker, it is so very important for us to see some success in this economic summit. Member after Member gets up and tells why they cannot support any compromise, but compromise is the art of legislating. Everyone in this House could conceive perhaps a better vehicle for reducing the deficit than is being offered, but that is not going to get us anywhere.

In the meantime, the country is going down the tube. We have to work together to try to achieve deficit reduction. And if Gramm-Rudman-Hollings II goes into effect, we have lost, we have all lost, because that represents, in fact, a setback for us.

If in fact Gramm-Rudman-Hollings goes into place, it means that we are going to see arbitrary cuts, no prioritizing. That is not why we are sent here. We are sent here to work out our differences.

I am concerned that we do not see more cuts in the nondefense, nonentitlement areas of the budget. I am concerned that not everything is on the table, and it is not the kind of a compromise that I would in fact work out if I had my way. But that is not what the legislative process is all about.

Let us work together and vote for, in fact, the best that we can achieve and avoid the impact of Gramm-Rudman-Hollings. That is what we have to do.

GORBACHEV SHOULD NOT SPEAK BEFORE A JOINT SESSION OF CONGRESS

(Mr. DORNAN of California asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DORNAN of California. Mr. Speaker, just an aside. You look marvelous today. Lose those bow ties.

Mr. Speaker, if the leadership of this Congress, our great Speaker, and the majority and minority leaders in the other body and the President of the United States, if they were to somehow or other start to defy the will of what I think is growing to be the majority of this Chamber, and press on with an invitation to the Secretary General of the Communist Party, the head of state of the Soviet Union, the world's largest terrorist state, if they were to do that I think they would destroy a sacred tradition in this Chamber that is two centuries long.

Mr. Speaker, I will include in the Record at this point the countries whose heads of state, 64 only, have appeared here, all but 2 of them since the Second World War. They are allied nations of ours in NATO, for example, who would die at our side in combat if the Soviet Union is ever bereft of its senses and attacks Western Europe. And their heads of state have never been at that special spot right there, Norway, Denmark, and several other NATO countries. The list of the 64 countries who have not appeared, which every Member should see, include countries such as Ireland before we add to that distinguished list the name of Mikhail Gorbachev. God forbid it, and I mean that.

WHO INVITED GORBACHEV TO A JOINT SESSION OF CONGRESS?

(Mr. WALKER asked and was given permission to address the House for 1 minute.)

Mr. WALKER. Mr. Speaker, last evening our colleague from Utah, Wayne Owens and I appeared on C-SPAN debating the issue of whether or not Mikhail Gorbachev should address a joint session of Congress.

If present sentiment as expressed in that show is any indication, there is overwhelming public sentiment against that particular appearance. In light of that public onslaught, the defense of our colleague from Utah was that the Speaker has a letter from the President requesting this and we have to live up to what the President wants.

I do not believe that letter exists. I have checked with the White House this morning. They tell me that no such letter was ever signed by the President of the United States.

If there is such a letter, Mr. Speaker, I think we deserve to see it. Bring it to the floor. I think that this is a matter of crucial importance in this whole issue as to who issued this invitation. Did the Speaker issue the invitation or did the President issue the invitation?

I think the Speaker has once again stepped out and become a Secretary of State on his own accord. There is no letter, I do not believe, and if there is a letter let us see it, Mr. Speaker. Bring it to the floor.

AUTHORIZING THE SPEAKER TO APPOINT ADDITIONAL CONFEREES ON H.R. 3051, AIRLINE PASSENGER PROTECTION ACT OF 1987

Mr. GLICKMAN. Mr. Speaker, I ask unanimous consent that the Speaker be authorized to appoint five additional conferees on the part of the House to the conference committee on the bill (H.R. 3051) to amend the Federal Aviation Act of 1958 to establish minimum standards relating to air carrier passenger services, and for other purposes.

This has been cleared with the minority. It has to do with an antitrust section of the Airline Passenger Protection Act.

The SPEAKER pro tempore (Mr. Downey of New York). Is there objection to the request of the gentleman from Kansas?

Mrs. ROUKEMA. Mr. Speaker, reserving the right to object, and I do not intend to object, has this been cleared with the minority?

Mr. GLICKMAN. Mr. Speaker, if the gentlewoman will yield, it has been cleared.

Mrs. ROUKEMA. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

HUMAN RIGHTS IN ROMANIA

(Mr. WOLF asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WOLF. Mr. Speaker, events in Romania in the past few months point to a pattern of religious and human rights repression that the United States can no longer be associated with. Recent atrocities include:

The Romanian Government's winter decree to reduce energy consumption per family to 35 kilowatts a month—that's the equivalent of burning one 70-watt bulb for 20 days—forces Romania's population to fend for their survival in a cold, harsh winter when the average home in the Washington, DC, area is heated by 2,500 kilowatts per month.

The Olteni Church, built in 1722 and one of the older churches in Bucharest, was demolished with no plans made to furnish another building for the worshippers.

The Holy Trinity Church, built in 1803 in the Bucharest suburb of Dudsti was demolished.

The Bradu Sdaicu Church, of Bucharest was built in 1740. It was bulldozed on October 9, 1987.

On Sunday, November 15, a group of workers from the red banner plant in the Romanian city of Brasov surged into the streets to protest the conditions and carried banners and shouted "We want bread," "Down with the dictator and his wicked people," "Wake up Romania." Western diplomats numbered the crowds in the thousands as they burned chairs and portraits of Ceausescu.

These demonstrations are significant because the demonstrators looked past the consequences of repression and imprisonment as their places of worship are being demolished and the health of their families are being threatened because they do not have heat or enough to eat.

According to a leading Romanian dissident, United States trade with Ceausescu is seen by the Romanian people as propping up the Ceausescu cult of personality. They are looking to the Soviet Union in their hope that the winds of glasnost will blow into Romania.

LET US NOT CHANGE THE CURRENT U.S. SUGAR PROGRAM

(Mr. STANGELAND asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. STANGELAND. Mr. Speaker, this week legislation was introduced which would in effect do away with the current U.S. sugar program.

At a press conference, this legislation was lauded as the return of the 5-cent candy bar, implying that a current sugar program kept sweetener prices too high—making products made from sweeteners more expensive than they should be.

Nothing could be further from the truth. For example, the total value of sweetener in a 50-cent can of soda and a 45-cent candy bar is about 2 cents. Furthermore, when it comes to sugar, U.S. producers are efficient even by world standards. The sugar that they produce is used mostly in products such as processed foods, baked goods, candy, and cereals. And while U.S. consumer prices of these items have risen, the price of sugar used to produce them has actually dropped since the present sugar program was created.

Given these facts, it is difficult to believe that prices would actually decline for products that contain sweeteners. Furthermore, I would suggest, that even if sugar, for example, were given free to manufacturers of products that contain sugar—that prices would either be the same or continue to rise. The current sugar program is important and effective for consumers and producers alike. It does not need to be changed.

TEMPORARY EXTENSION OF CERTAIN PROGRAMS RELATING TO HOUSING AND COMMUNITY DEVELOPMENT

Mr. GONZALEZ. Mr. Speaker, I ask unanimous consent that the Committee on Banking, Finance and Urban Affairs be discharged from further consideration of the joint resolution—House Joint Resolution 404—to provide for the temporary extension of certain programs relating to housing and community development, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the joint resolution.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

Mrs. ROUKEMA. Mr. Speaker, reserving the right to object, I do not intend to object, and I yield to the distinguished gentleman from Texas [Mr. GONZALEZ], the chairman of the Subcommittee on Housing and Community Development, for an explanation of this unanimous-consent request.

Mr. GONZALEZ. Mr. Speaker, I thank the gentlewoman for yielding and want to say at the outset that her cooperation and that of the minority on this committee has made it possible for us to avoid some crisis in the mortgage market insurance area of activities.

Mr. Speaker, House Joint Resolution 404 would extend the FHA insuring authorities and other expiring authorities, including FmHA rural housing, which expire on December 2, until December 16. Since the House will be in recess next week and we will not have enough time upon our return to enact an extender before the authorities expire on December 2, it is necessary for us to take up this joint resolution and pass it today so that the Senate might also act on this resolution before they recess for Thanksgiving.

Mr. Speaker, unfortunately, we must act on another extender resolution since the Senate has been unable to complete consideration on the conference report on the housing bill because of some technical problems with budget act violations that apply in the Senate, but not in the House. We are endeavoring to assist the Senate to overcome these budget act violations, as well as some minor problems with regard to a very few provisions contained in the conference report. It is my expectation that over the Thanksgiving recess that we will be able to resolve these last-minute difficulties and have an agreement on the housing bill approved by both Houses and awaiting the President's consideration.

I appreciate the patience of my colleagues in the House with our continued requests to extend these authorities, and I know that there is overwhelming support to continue these authorities while we complete our considerations on the housing conference report.

Mrs. ROUKEMA. Mr. Speaker, I wish to state the minority fully supports House Joint Resolution 404, legislation to extend certain authorities relating to housing and community development programs that fall under the jurisdiction of the Banking Committee.

These authorities are due to expire December 2 and as the chairman of the subcommittee, Mr. GONZALEZ, has indicated, this further extension is necessary to come to final resolution of the reconsideration of the conference report on S. 825 the 1987 housing authorization bill.

As my colleagues may recall, the conference report passed the House on November 9 by an overwhelming vote of 391 to 1, however, this past Tuesday the Senate failed to waive provisions of section 311 of the Budget Act and the conference report was rejected. The ranking minority member of the full committee, the gentleman from Ohio [Mr. WYLIE] and I have been assured by the majority leadership of the Senate Banking Committee that the budget problems with the conference report under the Senate rules will be resolved. Also, negotiations pertaining to other objectional aspects raised in the Senate this past week are being negotiated and should be resolved.

Mr. Speaker, I am hopeful that we can still come up with a housing bill this year that can pass Congress and be signed by the President. Many of us have put too much time and effort in the process to let it fail now. This further extension to December 16 will provide us sufficient time to resolve the pending objections and permit us time to bring the conference report to our respective bodies for final resolution.

Mr. Speaker, I urge adoption of the joint resolution, and I withdraw my reservation of objection.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 404

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That each provision of law amended by Public Law 100-170 is amended by striking "December 2, 1987" each place it appears and inserting "December 16, 1987".

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1105

SECURITIES LAW TECHNICAL AMENDMENTS ACT OF 1987

Mr. MARKEY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1452) to amend the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisers Act of 1940 to make certain technical, clarifying, and conforming amendments, to authorize appropriations to the Securities and Exchange Commission, and for other purposes, with House amendments and a Senate amendment to the House amendments thereto, and concur in the Senate amendment to the House amendments.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendment to the House amendments, as follows:

Senate Amendment to House Amendments:

In lieu of the matter proposed to be inserted by the House amendment to the text of the bill, insert:

SECTION 1. This Act may be cited as the "Securities and Exchange Commission Authorization Act of 1987".

TITLE I—AUTHORIZATION

SEC. 101. Section 35 of the Securities Exchange Act of 1934 (15 U.S.C. 78kk) is amended to read as follows:

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 35. (a) There are authorized to be appropriated to carry out the functions, powers, and duties of the Commission—

"(1) $158,600,000 for fiscal year 1988; and

"(2) $172,200,000 for fiscal year 1989.

"(b) Of the amounts authorized by subsection (a), the amount which may, subject to section 35A, be obligated or expended by the Commission for the purpose of funding a contract for the establishment and operation of the electronic data gathering, analysis, and retrieval ('EDGAR') system shall not exceed—

"(1) $15,000,000 for fiscal year 1988; and

"(2) $20,000,000 for fiscal year 1989.".

SEC. 102. The Securities Exchange Act of 1934 is amended by inserting after section 35 the following new section:

"REQUIREMENTS FOR THE EDGAR SYSTEM

"SEC. 35A. (a)(1) Of the funds appropriated to the Commission pursuant to section 35 of this title for fiscal year 1988 which are available pursuant to section 35(b) for establishment or operation of the electronic data gathering, analysis, and retrieval ('EDGAR') system, the Commission may not obligate or expend more than $5,000,000 for the establishment or operation of the EDGAR system unless the Commission has

made the certification required by subsection (c) of this section.

"(2) Notwithstanding section 35(b), no funds appropriated for fiscal year 1989 may be obligated or expended for the establishment or operation of the EDGAR system, unless the Commission has—

"(A) filed each report required during fiscal year 1988 by subsection (b) of this section; and

"(B) made the certification required by subsection (c) of this section.

"(3) Amounts which are available to the Commission under section 35(b) for the EDGAR contract shall be the exclusive source of funds for the procurement and operation of the systems created under that contract by or on behalf of the Securities and Exchange Commission—

"(A) for the receipt of filings under Federal securities laws, and

"(B) for the automated acceptance and review of the filings and information derived from such filings.

"(b) The Commission shall submit a report to the Committees on Banking, Housing, and Urban Affairs and Governmental Affairs of the Senate and the Committees on Energy and Commerce and Government Operations of the House of Representatives on the status of EDGAR development, implementation, and progress at six-month intervals beginning December 31, 1987, and ending at the close of 1990 (unless otherwise extended by the Congress). Such report shall include the following:

"(1) The overall progress and status of the project, including achievement of significant milestones and current project schedule.

"(2) The results of Commission efforts to test new or revised technical solutions for key EDGAR functions. In particular, the following functions shall be addressed and the indicated information provided:

"(A) Automating receipt and acceptance processing, including—

"(i) development and testing progress and results;

"(ii) actual versus estimated development cost; and

"(iii) actual effect of this function on Commission staff needs to assist filers.

"(B) Data tagging (identifying financial data for analysis by EDGAR), including—

"(i) description of the approach selected, identifying the types of financial data to be tagged and the calculations to be performed;

"(ii) comments by the filer population on the approach selected;

"(iii) the results of testing this approach, including information on the number of filers taking part in the test and their representativeness of the overall filer population;

"(iv) actual versus estimated development cost; and

"(v) effect of implementing this function on EDGAR benefits.

"(C) Searching text for keywords, including—

"(i) the technical approach adopted for this function;

"(ii) development and testing progress and results;

"(iii) data storage requirements and search response times as compared to EDGAR pilot system experience;

"(iv) actual versus estimated development cost; and

"(v) effect of implementing this function on EDGAR benefits.

"(3) An update of cost information for the receipt, acceptance and review, and dissemination portions of the system including a comparison of actual costs with original estimated costs and revised estimates of total system cost and total funding needs for the contract.

"(4) The status of Commission efforts to obtain and maintain staff with the proper contractual, managerial, and technical expertise to oversee the EDGAR project.

"(5) The fees, revenues, costs, and profits obtained or incurred by the contractor as a result of the required dissemination of information from the system to the public under the EDGAR contract, except that the information required under this paragraph (A) need be obtained from the contractor no more frequently than once each year, and (B) may be submitted to the Congress as a separate confidential document.

"(6) Such other information or recommendations as the Commission considers appropriate.

"(c) On or before the date the Commission enters into the contract for the EDGAR system, the Commission shall submit to the Committees on Banking, Housing, and Urban Affairs and Governmental Affairs of the Senate and the Committees on Energy and Commerce and Government Operations of the House of Representatives a certification by the Commission—

"(1) of the total contract costs to the Federal Government of the EDGAR system for each of the 3 succeeding fiscal years;

"(2) that the Commission has analyzed the quantitative and qualitative benefits to be obtained by the establishment and operation of the system and has determined that such benefits justify the costs certified pursuant to paragraph (1);

"(3) that (A) the contract requires the contractor to establish a schedule for the implementation of the system; (B) the Commission has reviewed and approved that schedule; and (C) the contract contains adequate assurances of contractor compliance with that schedule;

"(4) of the capabilities which the system is intended to provide and of the competence of the contractor and of Commission personnel to implement those capabilities; and

"(5) that mandatory filings from a significant test group of registrants will be received and reviewed by the Commission for a period of at least six months before the adoption of any rule requiring mandatory filing by all registrants.

"(d) The Commission, by rule or regulation—

"(1) shall provide that any information in the EDGAR system that is required to be disseminated by the contractor—

"(A) may be sold or disseminated by the contractor only pursuant to a uniform schedule of fees prescribed by the Commission;

"(B) may be obtained by a purchaser by direct interconnection with the EDGAR system;

"(C) shall be equally available on equal terms to all persons; and

"(D) may be used, resold, or redisseminated by any person who has lawfully obtained such information without restriction and without payment of additional fees or royalties; and

"(2) shall require that persons, or classes of persons, required to make filings with the Commission submit such filings in a form and manner suitable for entry into the EDGAR system and shall specify the date that such requirement is effective with respect to that person or class; except that the Commission may exempt persons or classes of persons, or filings or classes of filings, from such rules or regulations in order to prevent hardships or to avoid imposing unreasonable burdens or as otherwise may be necessary or appropriate; and

"(3) shall require all persons who make any filing with the Commission, in addition to complying with such other rules concerning the form and manner of filing as the Commission may prescribe, to submit such filings in written or printed form—

"(A) for a period of at least one year after the effective date specified for such person or class under paragraph (2); or

"(B) for a shorter period if the Commission determines that the EDGAR system (i) is reliable, (ii) provides a suitable alternative to such written and printed filings, and (iii) assures that the provision of information through the EDGAR system is as effective and efficient for filers, users, and disseminators as provision of such information in written or printed form.

"(e) For the purposes of carrying out its responsibilities under subsection (d)(3) of this section, the Commission shall consult with representatives of persons filing, disseminating, and using information contained in filings with the Commission.".

TITLE II—AMENDMENTS TO THE SECURITIES ACT OF 1933

SEC. 201. Section 2(5) of the Securities Act of 1933 (15 U.S.C. 77b(5)) is amended by striking out "Federal Trade Commission" and inserting in lieu thereof "Securities and Exchange Commission".

SEC. 202. Section 2(6) of the Securities Act of 1933 (15 U.S.C. 77b(6)) is amended by striking out "Canal Zone,".

SEC. 203. Section 3(a)(1) of the Securities Act of 1933 (15 U.S.C. 77c(a)(1)) is amended by striking all that appears therein and inserting in lieu thereof "(1) Reserved."

SEC. 204. Section 3(a)(5)(A) of the Securities Act of 1933 (15 U.S.C. 77c(a)(5)(A)) is amended by striking out ", except that the foregoing exemption shall not apply with respect to any such security where the issuer takes from the total amount paid or deposited by the purchaser, by way of any fee, cash value or other device whatsoever, either upon termination of the investment at maturity or before maturity, an aggregate amount in excess of 3 per centum of the face value of such security".

SEC. 205. Section 6(e) of the Securities Act of 1933 (15 U.S.C. 77f(e)) is repealed.

SEC. 206. Section 9(a) of the Securities Act of 1933 (15 U.S.C. 77i(a)) is amended—

(1) by striking out "Circuit Court of Appeals" and inserting in lieu thereof "court of appeals";

(2) by striking out "Court of Appeals of the District of Columbia, by filing in such court" and inserting in lieu thereof "United States Court of Appeals for the District of Columbia, by filing in such Court"; and

(3) by striking out "sections 239 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 346 and 347)" and inserting in lieu thereof "section 1254 of title 28, United States Code".

SEC. 207. Section 19(c) of the Securities Act of 1933 (15 U.S.C. 77s(c)) is amended by adding at the end thereof the following new paragraph:

"(6) Notwithstanding any other provision of law, neither the Commission nor any other person shall be required to establish any procedures not specifically required by the securities laws, as that term is defined in section 3(a)(47) of the Securities Ex-

change Act of 1934, or by chapter 5 of title 5, United States Code, in connection with cooperation, coordination, or consultation with—

"(A) any association referred to in paragraph (1) or (3) or any conference or meeting referred to in paragraph (4), while such association, conference, or meeting is carrying out activities in furtherance of the provisions of this subsection; or

"(B) any forum, agency, or organization, or group referred to in section 503 of the Small Business Investment Incentive Act of 1980, while such forum, agency, organization, or group is carrying out activities in furtherance of the provisions of such section 503.

As used in this paragraph, the terms 'association', 'conference', 'meeting', 'forum', 'agency', 'organization', and 'group' include any committee, subgroup, or representative of such entities.".

SEC. 208. (a) Section 20(b) of the Securities Act of 1933 (15 U.S.C. 77t(b)) is amended by striking out the first sentence and inserting in lieu thereof the following: "Whenever it shall appear to the Commission that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this title, or of any rule or regulation prescribed under authority thereof, the Commission may, in its discretion, bring an action in any district court of the United States, or United States court of any Territory, to enjoin such acts or practices, and upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond.".

(b) Section 20(c) of such Act (15 U.S.C. 77t(c)) is amended to read as follows:

"(c) Upon application of the Commission, the district courts of the United States and the United States courts of any Territory shall have jurisdiction to issue writs of mandamus commanding any person to comply with the provisions of this title or any order of the Commission made in pursuance thereof.".

SEC. 209. Section 22(a) of the Securities Act of 1933 (15 U.S.C. 77v(a)) is amended—

(1) by striking out "United States, the" in the first sentence and inserting in lieu thereof "United States and";

(2) by striking out ", and the United States District Court for the District of Columbia"; and

(3) by striking out "sections 128 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 225 and 347)" and inserting in lieu thereof "sections 1254, 1291, 1292, and 1294 of title 28, United States Code,".

TITLE III—AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

SEC. 301. Section 3(a)(6)(C) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(6)(C)) is amended by striking out "under section 11(k) of the Federal Reserve Act, as amended" and inserting in lieu thereof "under the authority of the Comptroller of the Currency pursuant to the first section of Public Law 87-722 (12 U.S.C. 92a)".

SEC. 302. Section 3(a)(16) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(16)) is amended by striking out "the Canal Zone,".

SEC. 303. Section 3(a)(22)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(22)(B)) is amended—

(1) by striking out "association or any" and inserting in lieu thereof "association, or any"; and

(2) by striking out "own behalf in" and inserting in lieu thereof "own behalf, in".

SEC. 304. Section 3(a)(34)(C) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(34)(C)) is amended by striking out "state" each place it appears and inserting in lieu thereof "State".

SEC. 305. Section 3(a)(39)(B) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(39)(B)) is amended—

(1) by striking out "months, revoking" and inserting in lieu thereof "months, or revoking"; and

(2) by striking out "barring his" and inserting in lieu thereof "barring or suspending for a period not exceeding 12 months his".

SEC. 306. Section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)) is amended—

(1) by inserting after paragraph (46) the following:

"(47) The term 'securities laws' means the Securities Act of 1933 (15 U.S.C. 77a et seq.), the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.), the Public Utility Holding Company Act of 1935 (15 U.S.C. 79a et seq.), the Trust Indenture Act of 1939 (15 U.S.C. 77aaa et seq.), the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.), the Investment Advisers Act of 1940 (15 U.S.C. 80b et seq.), and the Securities Investor Protection Act of 1970 (15 U.S.C. 78aaa et seq.)."; and

(2) by adding at the end thereof the following:

"(49) The terms 'person associated with a transfer agent' and 'associated person of a transfer agent' mean any person (except an employee whose functions are solely clerical or ministerial) directly engaged in the management, direction, supervision, or performance of any of the transfer agent's activities with respect to transfer agent functions, and any person directly or indirectly controlling such activities or controlled by the transfer agent in connection with such activities.".

SEC. 307. Section 4 of the Securities Exchange Act of 1934 (15 U.S.C. 78d) is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of law, whenever any fee is required to be paid to the Commission pursuant to any provision of the securities laws or any other law, the Commission may provide by rule that such fee shall be paid in a manner other than in cash.".

SEC. 308. (a) The Securities Exchange Act of 1934 is amended by inserting after section 4 (15 U.S.C. 78d) the following new sections:

"DELEGATION OF FUNCTIONS BY COMMISSION

"SEC. 4A. (a) In addition to its existing authority, the Securities and Exchange Commission shall have the authority to delegate, by published order or rule, any of its functions to a division of the Commission, an individual Commissioner, an administrative law judge, or an employee or employee board, including functions with respect to hearing, determining, ordering, certifying, reporting, or otherwise acting as to any work, business, or matter. Nothing in this section shall be deemed to supersede the provisions of section 556(b) of title 5, or to authorize the delegation of the function of rulemaking as defined in subchapter II of chapter 5 of title 5, United States Code, with reference to general rules as distinguished from rules of particular applicability, or of the making of any rule pursuant to section 19(c) of this title.

"(b) With respect to the delegation of any of its functions, as provided in subsection (a) of this section, the Commission shall retain a discretionary right to review the action of any such division of the Commission, individual Commissioner, administrative law judge, employee, or employee board, upon its own initiative or upon petition of a party to or intervenor in such action, within such time and in such manner as the Commission by rule shall prescribe. The vote of one member of the Commission shall be sufficient to bring any such action before the Commission for review. A person or party shall be entitled to review by the Commission if he or it is adversely affected by action at a delegated level which (1) denies any request for action pursuant to section 8(a) or section 8(c) of the Securities Act of 1933 or the first sentence of section 12(d) of this title; (2) suspends trading in a security pursuant to section 12(k) of this title; or (3) is pursuant to any provision of this title in a case of adjudication, as defined in section 551 of title 5, United States Code, not required by this title to be determined on the record after notice and opportunity for hearing (except to the extent there is involved a matter described in section 554(a) (1) through (6) of such title 5).

"(c) If the right to exercise such review is declined, or if no such review is sought within the time stated in the rules promulgated by the Commission, then the action of any such division of the Commission, individual Commissioner, administrative law judge, employee, or employee board, shall, for all purposes, including appeal or review thereof, be deemed the action of the Commission.

"TRANSFER OF FUNCTIONS WITH RESPECT TO ASSIGNMENT OF PERSONNEL TO CHAIRMAN

"SEC. 4B. In addition to the functions transferred by the provisions of Reorganization Plan Numbered 10 of 1950 (64 Stat. 1265), there are hereby transferred from the Commission to the Chairman of the Commission the functions of the Commission with respect to the assignment of Commission personnel, including Commissioners, to perform such functions as may have been delegated by the Commission to the Commission personnel, including Commissioners, pursuant to section 4A of this title.".

(b) The Act of August 20, 1962 (Public Law 87-592; 76 Stat. 394) is hereby repealed.

SEC. 309. The first sentence of section 6(c)(2) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(c)(2)) is amended by striking out "protection shall" and inserting in lieu thereof "protection of investors shall".

SEC. 310. Section 6(c)(3)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(c)(3)(A)) is amended by striking out "association" and inserting in lieu thereof "associated".

SEC. 311. Section 6(c)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(c)(4)) is amended by striking out "may (A) limit" and inserting in lieu thereof "may limit (A)".

SEC. 312. Section 6(e) of the Securities Exchange Act of 1934 (15 U.S.C. 78f(e)) is amended—

(1) by striking out "paragraph (4) of this section" in paragraph (1) and inserting in

lieu thereof "paragraph (3) of this subsection";

(2) by striking out paragraph (3) thereof and by redesignating paragraph (4) as paragraph (3); and

(3) in paragraph (3)(E) (as so redesignated)—

(A) by striking out "fixes" and inserting in lieu thereof "fixing";

(B) by striking out "paragraph (4)(A)" and inserting in lieu thereof "subparagraph (A) of this paragraph"; and

(C) by striking out "paragraph (4)(B)" and inserting in lieu thereof "subparagraph (B) of this paragraph".

SEC. 313. Section 11A of the Securities Exchange Act of 1934 (15 U.S.C. 78k-1) is amended—

(1) by striking out "transaction" in paragraph (2) of subsection (b) and inserting in lieu thereof "transactions"; and

(2) by striking out everything after the first sentence in paragraph (4) of subsection (c).

SEC. 314. Sections 11A(e) and 12(m) of the Securities Exchange Act of 1934 (15 U.S.C. 78k-1(e) and 78l(m)) are repealed.

SEC. 315. Section 13(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(c)) is amended by striking out "thereof of" and inserting in lieu thereof "thereof".

SEC. 316. Section 13(h) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(h)) is repealed.

SEC. 317. Section 15(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78o(b)) is amended—

(1) by striking out "fiduciary, or any" in clause (ii) of subparagraph (B) of paragraph (4) and inserting in lieu thereof "fiduciary, transfer agent, or";

(2) by striking out subparagraph (C) of paragraph (4) and inserting in lieu thereof the following:

"(C) is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an investment adviser, underwriter, broker, dealer, municipal securities dealer, government securities broker, government securities dealer, transfer agent, or entity or person required to be registered under the Commodity Exchange Act, or as an affiliated person or employee of any investment company, bank, insurance company, or entity or person required to be registered under the Commodity Exchange Act, or from engaging in or continuing any conduct or practice in connection with any such activity, or in connection with the purchase or sale of any security.";

(3) by striking out "or seeking to become associated," in the first sentence of paragraph (6) and inserting in lieu thereof "seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated"; and

(4) by striking out "17A(b)(4)(B)" in paragraph (10) and inserting in lieu thereof "17A(b)(4)(A)".

SEC. 318. Section 15B(b)(2)(C) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(b)(2)(C)) is amended—

(1) by striking out "security" and inserting in lieu thereof "securities";

(2) by striking out "or the securities"; and

(3) by striking out "burden or competition" and inserting in lieu thereof "burden on competition".

SEC. 319. Section 15B(c)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(c)(4)) is amended by striking out the first sentence and inserting in lieu thereof the following: "The Commission, by order, shall censure or place limitations on the activities or functions of any person associated, seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated with a municipal securities dealer, or suspend for a period not exceeding twelve months or bar any such person from being associated with a municipal securities dealer, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or bar is in the public interest and that such person has committed any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of section 15(b) of this title, has been convicted by any offense specified in subparagraph (B) of such paragraph (4) within 10 years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4).".

SEC. 320. Section 15B(c)(6)(A) of the Securities Exchange Act of 1934 (15 U.S.C. 78o-4(c)(6)(A)) is amended by striking out "board" and inserting in lieu thereof "Board".

SEC. 321. Section 17 of the Securities Exchange Act of 1934 (15 U.S.C. 78q) is amended—

(1) by striking out subsection (c)(2) and inserting in lieu thereof the following:

"(2) The appropriate regulatory agency for a clearing agency, transfer agent, or municipal securities dealer for which the Commission is not the appropriate regulatory agency shall file with the Commission notice of the commencement of any proceeding and a copy of any order entered by such appropriate regulatory agency against any clearing agency, transfer agent, municipal securities dealer, or person associated with a transfer agent or municipal securities dealer, and the Commission shall file with such appropriate regulatory agency, if any, notice of the commencement of any proceeding and a copy of any order entered by the Commission against the clearing agency, transfer agent, or municipal securities dealer, or against any person associated with a transfer agent or municipal securities dealer for which the agency is the appropriate regulatory agency.";

(2) by adding at the end of subsection (f)(2) the following: "Notwithstanding any other provision of law, in providing identification and processing functions, the Attorney General shall provide the Commission and self-regulatory organizations designated by the Commission with access to all criminal history record information."; and

(3) by striking out "paragraphs (1) and (2)" in subsection (f)(3)(A) and inserting in lieu thereof "paragraph (1)".

SEC. 322. Section 17A of the Securities Exchange Act of 1934 (15 U.S.C. 78q-1) is amended—

(1) by inserting after "concerning such transfer agent" in subsection (c)(2) "and any persons associated with the transfer agent";

(2) by striking out "thirty" in subsection (c)(2) and inserting in lieu thereof "45";

(3) by redesignating subparagraphs (B) and (C) of subsection (c)(3) as subparagraphs (A) and (B), respectively, of new subsection (c)(4);

(4) by striking out subsection (c)(3)(A) and inserting in lieu thereof:

"(3) The appropriate regulatory agency for a transfer agent, by order, shall deny registration to, censure, place limitations on the activities, functions, or operations of, suspend for a period not exceeding 12 months, or revoke the registration of such transfer agent, if such appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such denial, censure, placing of limitations, suspension, or revocation is in the public interest and that such transfer agent, whether prior or subsequent to becoming such, or any person associated with such transfer agent, whether prior or subsequent to becoming so associated—

"(A) has committed or omitted any act enumerated in subparagraph (A), (D), or (E) of paragraph (4) of section 15(b) of this title, has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4); or

"(B) is subject to an order entered pursuant to subparagraph (C) of paragraph (4) of this subsection barring or suspending the right of such person to be associated with a transfer agent.";

(5) by inserting after subsection (c)(4)(B) (as redesignated) the following new subparagraph:

"(C) The appropriate regulatory agency for a transfer agent, by order, shall censure or place limitations on the activities or functions of any person associated, seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated with the transfer agent, or suspend for a period not exceeding twelve months or bar any such person from being associated with the transfer agent, if the appropriate regulatory agency finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or bar is in the public interest and that such person has committed or omitted any act enumerated in subparagraph (A), (D), or (E) or paragraph (4) of section 15(b) of this title, has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4). It shall be unlawful for any person as to whom such an order suspending or barring him from being associated with a transfer agent is in effect willfully to become, or to be, associated with a transfer agent without the consent of the appropriate regulatory agency that entered the order and the appropriate regulatory agency for that transfer agent. It shall be unlawful for any transfer agent to permit such a person to become, or remain, a person associated with it without the consent of such appropriate regulatory agencies, if the transfer agent knew, or in the exercise of reasonable care should have known, of such order. The Commission may establish, by rule, procedures by which a transfer agent reasonably can determine whether a person associated or seeking to become associated with it is subject to any such order, and may require, by rule, that any transfer agent comply with such procedures.";

(6) by striking out "clearing agency or transfer agent" in subsection (d)(3)(B) and

inserting in lieu thereof "clearing agency, transfer agent, or person associated with a transfer agent"; and

(7) by striking out "or transfer agent" in subsection (d)(4), and inserting in lieu thereof ", transfer agent, or person associated with a transfer agent,".

SEC. 323. Section 21 of the Securities Exchange Act of 1934 (15 U.S.C. 78u) is amended—

(1) by striking out "Wherever" in subsection (d) and inserting in lieu thereof "Whenever";

(2) by striking out ", the United States District Court for the District of Columbia," in subsection (e); and

(3) by striking out the second sentence of subsection (g).

SEC. 324. Section 23(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78w(a)) is amended—

(1) by inserting "or" before "any self-regulatory organization" in the last sentence of paragraph (1); and

(2) by inserting "shall" after "section 19(b) of this title," in paragraph (3).

SEC. 325. Section 23(b)(4)(F) of the Securities Exchange Act of 1934 (15 U.S.C. 78w(b)(4)(F)) is amended by striking out "The" and inserting in lieu thereof "the".

SEC. 326. Section 27 of the Securities Exchange Act of 1934 (15 U.S.C. 78aa) is amended—

(1) by striking out ", the United States District Court for the District of Columbia,"; and

(2) by striking out "sections 128 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 225 and 347)" and inserting in lieu thereof "sections 1254, 1291, 1292, and 1294 of title 28, United States Code".

SEC. 327. Section 28(c) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(c)) is amended by striking out "self-regulatory organization or a member thereof" and inserting in lieu thereof "self-regulatory organization on a member thereof".

SEC. 328. Section 28(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(d)) is amended by striking out "change is beneficial" and inserting in lieu thereof "change in beneficial".

SEC. 329. Section 28(e)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78bb(e)(1)) is amended by striking out "Amendments in 1975" and inserting in lieu thereof "Amendments of 1975".

SEC. 330. Section 211 of the Securities Exchange Act of 1934 (15 U.S.C. 78jj) is hereby repealed.

TITLE IV—AMENDMENTS TO THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

SEC. 401. Section 8 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79h) is amended by striking out "otherwise, —" and inserting in lieu thereof "otherwise —".

SEC. 402. Section 18 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 78r) is amended—

(1) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively; and

(2) in subsections (e) and (f) (as so redesignated), by striking out ", the district court of the United States for the District of Columbia,".

SEC. 403. Section 24 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 78x) is amended by striking out "sections 239 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 346 and 347)" and inserting in lieu thereof "section 1254 of title 28, United States Code".

SEC. 404. Section 25 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79y) is amended—

(1) by striking out ", the district court of the United States for the District of Columbia,"; and

(2) by striking out "sections 128 and 240 of the Judicial Code, as amended (U.S.C., title 28, secs. 225 and 347), and section 7, as amended, of the Act entitled 'An Act to establish a court of appeals for the District of Columbia', approved February 9, 1893 (D.C. Code, title 18, sec. 26)" and inserting in lieu thereof "sections 1254, 1291, 1292, and 1294 of title 28, United States Code".

SEC. 405. Section 30 of the Public Utility Holding Company Act of 1935 (15 U.S.C. 79z-4) is amended by striking out the last sentence thereof.

TITLE V—AMENDMENTS TO THE TRUST INDENTURE ACT OF 1939

SEC. 501. Section 303(4) of the Trust Indenture Act of 1939 (15 U.S.C. 77ccc(4)) is amended by striking out "undertaking" and inserting in lieu thereof "undertaking".

SEC. 502. Section 303(12) of the Trust Indenture Act of 1939 (15 U.S.C. 77ccc(12)) is amended by inserting "(including a guarantor)" after "person" each place it appears.

TITLE VI—AMENDMENTS TO THE INVESTMENT COMPANY ACT OF 1940

SEC. 601. Section 2(a)(19) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(19)) is amended by inserting "completed" before "fiscal years" each place it appears.

SEC. 602. Section 2(a)(39) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(39)) is amended by striking out "the Canal Zone,".

SEC. 603. Section 2(a)(48)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a-2(a)(48)(B)) is amended by striking out "sections 55(a)(1) through (3)" and inserting in lieu thereof "paragraphs (1) through (3) of section 55(a)".

SEC. 604. Section 3(c)(3) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(3)) is amended—

(1) by inserting "or" after "therefore;"; and

(2) by inserting a period after "guardian" and striking out all that follows through "principal to another or others.".

SEC. 605. Section 3(c)(7) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(7)) is amended to read as follows:

"(7) Reserved.".

SEC. 606. Section 3(c)(11) of the Investment Company Act of 1940 (15 U.S.C. 80a-3(c)(11)) is amended—

(1) by striking out "Code of 1954" each place it appears and inserting in lieu thereof "Code of 1986";

(2) by striking out "or which holds only assets of governmental plans" and inserting in lieu thereof "; or any governmental plan"; and

(3) by striking out "trusts;" and inserting in lieu thereof "trusts or governmental plans, or both;".

SEC. 607. Section 5(a)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a-5(a)(2)) is amended by striking out "Close-end" and inserting in lieu thereof "Closed-end".

SEC. 608. Section 6(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-6(a)) is amended—

(1) by striking out "the Canal Zone," in paragraph (1); and

(2) by striking out paragraph (2) and redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

SEC. 609. Section 9 of the Investment Company Act of 1940 (15 U.S.C. 80a-9) is amended by striking out paragraphs (1) and (2) in subsection (a) and inserting in lieu thereof the following:

"(1) any person who within 10 years has been convicted of any felony or misdemeanor involving the purchase or sale of any security or arising out of such person's conduct as an underwriter, broker, dealer, investment adviser, municipal securities dealer, government securities broker, government securities dealer, transfer agent, or entity or person required to be registered under the Commodity Exchange Act, or as an affiliated person, salesman, or employee of any investment company, bank, insurance company, or entity or person required to be registered under the Commodity Exchange Act;

"(2) any person who, by reason of any misconduct, is permanently or temporarily enjoined by order, judgment, or decree of any court of competent jurisdiction from acting as an underwriter, broker, dealer, investment adviser, municipal securities dealer, government securities broker, government securities dealer, transfer agent, or entity or person required to be registered under the Commodity Exchange Act, or as an affiliated person, salesman, or employee of any investment company, bank, insurance company, or entity or person required to be registered under the Commodity Exchange Act, or from engaging in or continuing any conduct or practice in connection with any such activity or in connection with the purchase or sale of any security; or".

SEC. 610. Section 12 of the Investment Company Act of 1940 (15 U.S.C. 80a-12) is amended—

(1) by striking out "Treasury" in subsection (d)(1)(A)(iii) and inserting in lieu thereof "treasury";

(2) by striking out "it reasonably possible" in subsection (d)(1)(G) and inserting in lieu thereof "is reasonably possible"; and

(3) by striking out "only thereof" in subsection (f) and inserting in lieu thereof "thereof only".

SEC. 611. Section 15 of the Investment Company Act of 1940 (15 U.S.C. 80a-15) is amended—

(1) by striking out "(40)" in subsection (d) and inserting in lieu thereof "(42)"; and

(2) by striking out the period at the end of subsection (B) of paragraph (3) of subsection (f) and inserting in lieu thereof a comma.

SEC. 612. Section 17 of the Investment Company Act of 1940 (15 U.S.C. 80a-17) is amended by striking out the second sentence of each of subsections (h) and (i).

SEC. 613. Section 18(e) of the Investment Company Act of 1940 (15 U.S.C. 80a-18(e)) is amended by striking out paragraph (1) and by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 614. Section 20 of the Investment Company Act of 1940 (15 U.S.C. 80a-20) is amended—

(1) by striking out the second sentence of subsection (b);

(2) by striking out the first sentence of subsection (d); and

(3) by striking out "at any time after the

effective date of this title" in subsection (d).

SEC. 615. Section 21(b) of the Investment Company Act of 1940 (15 U.S.C. 80a–21(b)) is amended by striking out "to the extension or renewal of any such loan made prior to March 15, 1940, or".

SEC. 616. Section 22 of the Investment Company Act of 1940 (15 U.S.C. 80a–22) is amended—

(1) by striking out "subsection (b)(8)" in paragraph (1) of subsection (b) and inserting in lieu thereof "subsection (b)(6)";

(2) by striking out paragraph (2) of subsection (b) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively;

(3) by striking out "section 15A(k)(2)" in subsection (b)(2) (as so redesignated) and inserting in lieu thereof "section 19(c)";

(4) by inserting in the first sentence of subsection (e) a comma after the word "redemption" where it first appears and where it appears for the third time; and

(5) by striking out the last sentence of subsection (e).

SEC. 617. Section 24(d) of the Investment Company Act of 1940 (15 U.S.C. 80a–24(d)) is amended by inserting a period immediately after "issuer" in the second sentence thereof and by striking out all that follows in such sentence.

SEC. 618. Section 26(b) of the Investment Company Act of 1940 (15 U.S.C. 80a–26(b)) is amended by striking out "intend" and inserting in lieu thereof "intended".

SEC. 619. Section 26(c) of the Investment Company Act of 1940 (15 U.S.C. 80a–26(c)) is amended by striking out "contract of agreement" and inserting in lieu thereof "contract or agreement".

SEC. 620. Section 28(a)(2)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a–28(a)(2)(B)) is amended by striking out "subsection" and inserting in lieu thereof "paragraph".

SEC. 621. Section 28(d)(2) of the Investment Company Act of 1940 (15 U.S.C. 80a–28(d)(2)) is amended by inserting "of" immediately before "subsection (a)".

SEC. 622. Section 36 of the Investment Company Act of 1940 (15 U.S.C. 80a–35) is amended—

(1) by striking out "loans" in paragraph (4) of subsection (b) and inserting in lieu thereof "loads";

(2) by redesignating subsection (d) as subsection (c); and

(3) in subsection (c) (as so redesignated), by striking out "through (c)" and inserting in lieu thereof "and (b)".

SEC. 623. Section 42 of the Investment Company Act of 1940 (15 U.S.C. 80a–41) is amended by redesignating subsection (e) as subsection (d).

SEC. 624. Section 53 of the Investment Company Act of 1940 (15 U.S.C. 80a–52) is amended by inserting a period in the first sentence thereof immediately after "1941" and by striking out everything that follows in such sentence.

SEC. 625. Section 54(a) of the Investment Company Act of 1940 (15 U.S.C. 80a–53(a)) is amended by striking out "defined in sections" and inserting in lieu thereof "defined in section".

SEC. 626. Section 55(a)(1)(B) of the Investment Company Act of 1940 (15 U.S.C. 80a–54(a)(1)(B)) is amended by striking out "described in sections" and inserting in lieu thereof "described in section".

SEC. 627. Section 57(i) of the Investment Company Act of 1940 (15 U.S.C. 80a–56(i)) is amended by striking out "sections 17 (a) and (d)" each place it appears and inserting in lieu thereof "subsections (a) and (d) of section 17".

TITLE VII—AMENDMENTS TO THE INVESTMENT ADVISERS ACT OF 1940

SEC. 701. Section 202(a)(19) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–2(a)(19)) is amended by striking out "the Canal Zone,".

SEC. 702. Section 203 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–3) is amended—

(1) by inserting "transfer agent," after "fiduciary," in subsection (e)(2)(B);

(2) by inserting "transfer agent," after "government securities dealer," in subsection (e)(3);

(3) by striking out "or seeking to become associated" in the first sentence of subsection (f) and inserting in lieu thereof ", seeking to become associated, or, at the time of the alleged misconduct, associated or seeking to become associated"; and

(4) by striking out "subsection (d)" in subsection (g) and inserting in lieu thereof "subsection (c) or subsection (e)".

SEC. 703. Section 205 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–5) is amended to read as follows:

"INVESTMENT ADVISORY CONTRACTS

"SEC. 205. (a) No investment adviser, unless exempt from registration pursuant to section 203(b), shall make use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, to enter into, extend, or renew any investment advisory contract, or in any way to perform any investment advisory contract entered into, extended, or renewed on or after the effective date of this title, if such contract—

"(1) provides for compensation to the investment adviser on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client;

"(2) fails to provide, in substance, that no assignment of such contract shall be made by the investment adviser without the consent of the other party to the contract; or

"(3) fails to provide, in substance, that the investment adviser, if a partnership, will notify the other party to the contract of any change in the membership of such partnership within a reasonable time after such change.

"(b) Paragraph (1) of subsection (a) shall not—

"(1) be construed to prohibit an investment advisory contract which provides for compensation based upon the total value of a fund averaged over a definite period, or as of definite dates, or taken as of a definite date;

"(2) apply to an investment advisory contract with—

"(A) an investment company registered under title I of this Act, or

"(B) any other person (except a trust, governmental plan, collective trust fund, or separate account referred to in section 3(c)(11) of title I of this Act), provided that the contract relates to the investment of assets in excess of $1 million,

if the contract provides for compensation based on the asset value of the company or fund under management averaged over a specified period and increasing and decreasing proportionately with the investment performance of the company or fund over a specified period in relation to the investment record of an appropriate index of securities prices or such other measure of investment performance as the Commission by rule, regulation, or order may specify; or

"(3) apply with respect to any investment advisory contract between an investment adviser and a business development company, as defined in this title, if (A) the compensation provided for in such contract does not exceed 20 per centum of the realized capital gains upon the funds of the business development company over a specified period or as of definite dates, computed net of all realized capital losses and unrealized capital depreciation, and the condition of section 61(a)(3)(B)(iii) of title I of this Act is satisfied, and (B) the business development company does not have outstanding any option, warrant, or right issued pursuant to section 61(a)(3)(B) of title I of this Act and does not have a profit-sharing plan described in section 57(n) of title I of this Act.

"(c) For purposes of paragraph (2) of subsection (b), the point from which increases and decreases in compensation are measured shall be the fee which is paid or earned when the investment performance of such company or fund is equivalent to that of the index or other measure of performance, and an index of securities prices shall be deemed appropriate unless the Commission by order shall determine otherwise.

"(d) As used in paragraphs (2) and (3) of subsection (a), 'investment advisory contract' means any contract or agreement whereby a person agrees to act as investment adviser to or to manage any investment or trading account of another person other than an investment company registered under title I of this Act.".

SEC. 704. Section 209 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–9) is amended by redesignating subsection (e) as subsection (d).

SEC. 705. Section 211(b) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–11(b)) is amended by striking out "the Federal Register Act" and inserting in lieu thereof "chapter 15 of title 44, United States Code,".

SEC. 706. Section 213(a) of the Investment Advisers Act of 1940 (15 U.S.C. 80b–13(a)) is amended by striking out "sections 239 and 240 of the Judicial Code, as amended" and inserting in lieu thereof "section 1254 of title 28, United States Code".

SEC. 707. Section 214 of the Investment Advisers Act of 1940 (15 U.S.C. 80b–14) is amended by striking out "sections 128 and 240 of the Judicial Code, as amended, and section 7, as amended, of the Act entitled, 'An Act to establish a court of appeals for the District of Columbia', approved February 9, 1893", and inserting in lieu thereof "sections 1254, 1291, 1292, and 1294 of title 28, United States Code".

TITLE VIII—AMENDMENTS RELATING TO GOVERNMENT SECURITIES ACT OF 1986

SEC. 801. (a) Section 15C(a)(1)(B)(i) of the Securities Exchange Act of 1934 (15 U.S.C. 78o–4(a)(1)(B)(i)) is amended by striking out "When" and inserting "When such".

(b) Section 17(f)(1)(A) of such Act (15 U.S.C. 78q(f)(1)(A)) is amended by striking out "government securities," and inserting "securities issued pursuant to chapter 31 of title 31, United States Code,".

SEC. 802. Section 16(12) of the Securities Investor Protection Act of 1970 (15 U.S.C. 78111(12)) is amended by inserting before *the period at the end thereof the following: "other than a government securities broker or government securities dealer registered under section 15C(a)(1)(A) of the 1934 Act".*

Mr. **MARKEY** (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment to the House amendments be considered as read and printed in the RECORD.

The **SPEAKER** pro tempore. (Mr. DOWNEY of New York). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The **SPEAKER** pro tempore. Is there objection to the initial request of the gentleman from Massachusetts?

Mr. **RINALDO**. Mr. Speaker, reserving the right to object, and I will not object, I would ask that the gentleman from Massachusetts explain why the House has called up the Senate bill with higher funding levels for the Securities and Exchange Commission than was provided in the House bill.

Mr. **MARKEY**. Mr. Speaker, will the gentleman yield?

Mr. **RINALDO**. I yield to the gentleman from Massachusetts.

Mr. **MARKEY**. Mr. Speaker, recent market events have clearly demonstrated the need for the slightly higher funding level approved by the Senate. Moreover, this level of funding is further justified by the fact that the SEC likely will continue to generate fee revenues substantially in excess of its budget during the period of authorization. The excess fees to the Treasury are the result of high levels of market activity, underscoring the increased regulatory demands placed on the Commission.

Mr. **RINALDO**. Mr. Speaker, further reserving the right to object, I want to thank the gentleman for his explanation.

I would point out that I believe the increased funding level in this legislation is critical, particularly in light of recent market events. The recent market decline requires the SEC to perform extensive analyses and studies to determine the cause of market volatility and what responses, if any, may be appropriate. This added burden comes at a time when the SEC's resources already have been strained by the explosive growth in the securities markets and by its continuing investigations on Wall Street. While the SEC has increased its efficiency in recent years, it is apparent that additional resources are necessary if it is to continue to perform as well as it has in the past. Accordingly, the House should approve these higher funding levels.

In addition, I am satisfied that this bill will permit the SEC to go forward with its EDGAR electronic filing system. I also wish to express my support for the technical and minor amendments to the securities laws that are included in the bill. These amendments, made at the SEC's request, will correct errors, resolve ambiguities, and make other necessary changes to the Federal securities laws. Accordingly, I urge my colleagues to support this bill.

Mr. Speaker, I want to commend the gentleman from Michigan [Mr. DINGELL], and the gentleman from Massachusetts [Mr. MARKEY] for their fine efforts on this bill, as well as my distinguished colleague, the gentleman from New York [Mr. LENT] for his leadership.

Mr. **MARKEY**. Mr. Speaker, will the gentleman yield further?

Mr. **RINALDO**. I am pleased to yield to the gentleman from Massachusetts.

Mr. **MARKEY**. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I would like to compliment the gentleman from New Jersey for the cooperative way in which the minority and the majority have worked together in crafting this bill. I would also like to compliment the chairman of the committee, the gentleman from Michigan [Mr. DINGELL], the gentleman from New York [Mr. LENT], and all the members of the committee.

The stock market lost one-third of its value over one 4-day trading period last month. We have had insider trading scandals, and we have the EDGAR system which we are trying to put on line, along with a whole host of other things we are trying to put in to encourage the Securities and Exchange Commission to move forward on investigations and technology and new programs.

I think this bill reflects the need for augmented resources at that agency. I think it is going to become a much more visable and important agency in the coming years. Just the events of October 19 give us evidence of that. I think this bill fully reflects the importance we attach in Congress to the increased funding needs which this agency in fact has at this very important time in our economic history.

I thank the gentleman from New Jersey [Mr. RINALDO] very much for his help. He really has been great.

Mr. Speaker, I rise in support of S. 1452. This bill provides the full level of funding sought by the Securities and Exchange Commission to enable the Commission to fulfill its critical missions to protect the investing public and preserve integrity in our capital markets.

Never have these missions been more important than today. The Commission must use every resource at its disposal to stabilize our securities markets and to restore investor confidence. The individual investor remains the lifeblood of our markets, and the Commission has the dual charge of encouraging that investor to participate in the capital formation process and creating a market environment that both stimulates and protects individual investments.

When the SEC testified before the Subcommittee on Telecommunications and Finance with regard to the Commission's authorization, the Acting Chairman stated that the amount of funding requested by the SEC would permit the Commission to fulfill its statutory and regulatgory responsibilities. That was in June 1987. Since that time, several significant events have occurred. First, the Commission has pressed forward its investigation of insider trading and market manipulation, especially as they relate to corporate takeovers. This investigation is fundamental to the fair working and continued vitality of our securities markets. The Commission must have the resources necessary to pursue this investigation to a conclusion that assures potential investors that our markets are fair and that inside dealing and manipulation—in whatever forms—will not be tolerated.

Second, last month the Dow Jones Industrial Average lost one-third of its value over the course of only 4 trading days. The initial tremors of this historic quote were the market's 91 point drop on October 5. On October 6, I asked the Commission to undertake a study of the increased volatility in our securities markets. I asked the Commission specifically to determine the impact of program trading and portfolio insurance on market stability, and to assess the possible consequences of the interrelationship of the world's securities markets on individual market volatility. Following the October 19 crash, my friend, the gentleman from New Jersey [Mr. RINALDO] and I commenced, on behalf of the subcommittee, a bipartisan investigation of the causes of the market's collapse. The SEC will be a principal factfinder in this inquiry and must be in a position to perform timely and intensive market analysis to assist us in preventing a recurrence of such a cataclysmic decline.

Congress must be certain that the Commission has the resources to complete all of these investigations in a timely and thorough manner. As Chairman DINGELL alluded, although it may be heroic to try to do more with less, it may not always be practical or effective. Therefore, the Commission must determine whether its existing resources, particularly as they are allocated to the divisions of market regulation and investment management, are appropriate to the tasks ahead of it.

Let me add a word about the truly bipartisan nature of this authorization. The House bill was prepared jointly by the full committee, the subcommittee and the minority and was approved by both the subcommittee and full committee by unanimous votes. I wish to commend the gentleman from Michigan, the gentleman from New York, and the gentleman from New Jersey, and their staffs, for their leadership and support in developing this comprehensive authorization. I urge all of my colleagues to support S. 1452.

Mr. RINALDO. Mr. Speaker, I thank the gentleman from Massachusetts [Mr. MARKEY] for his comments, and I urge my colleagues to approve this legislation.

Mr. DINGELL. Mr. Speaker, the fundamental purpose of this bill is to authorize sufficient funds for the SEC to carry out its statutory mandate.

Over the past decade, the SEC's workload has increased dramatically but the agency and OMB have resisted additional funding.

My longstanding contention that the Securities and Exchange Commission has been chronically underfinanced throughout the Reagan years has been confirmed by the General Accounting Office in a recent report, "Securities Regulation: SEC Budget and Workload Statistics, FY 1979–1988."

In the past decade, the number of registered broker-dealers, investment advisers and investment companies has doubled; consolidated stock exchange volume has quadrupled; NASDAQ trading volume has increased tenfold; and indicators of fraud—the number of stock watch alerts and parameter breaks—have quadrupled. The SEC reportedly received 10,392 customer complaints about broker-dealer sales practices last year, up 121 percent from 1982. The NASD recorded a startling 171 percent increase. At the same time, SEC staff positions allocated to these areas have declined from 2,125 in fiscal year 1979, to a constant 2,021 in fiscal years 1981–1984, and stands at 2,086 in fiscal year 1987.

The GAO report says that the SEC's own data "show relatively constant Commission staffing levels, while indicators of market activity have increased disproportionately." The SEC cannot do more with less; it can only do less with less.

The Wall Street Journal in July under the headline "Sleepy Watchdogs" reported on increasing breakdowns in the securities industry's system of self-regulation, and ran an equally devastating piece on how Wall Street's growth is seriously outpacing its management and supervisory systems. Last month, the stock markets here and abroad suffered record declines under intense selling pressure. The SEC is devoting significant resources to monitoring trading activity and to conducting a study of the recent stock market activity to determine what steps should be taken to ameliorate future market volatility. A number of operational and structural issues are also under review.

As my colleagues are aware, the Committee on Energy and Commerce will be bringing to the floor bills to cure these ills, as well as abuses in the tender offer process, as soon as practicable. But first we must get the SEC adequate staff resources to go after illegal conduct now.

Thorough review by the SEC of the information sent to investors, careful oversight of market professionals, and swift enforcement action against violators are absolutely essential if we are to maintain investor confidence and market integrity. Failure to provide adequate funding for these functions is unwise and clearly does not serve the public interest. The SEC collects well over its budget in fees which are sent to the Federal Treasury. In 1986 the SEC's total fee revenue was $215.3 million or 203 percent of its appropriation.

In an effort to manage its growing workload, the SEC has conducted a pilot program to automate the processing, filing, and dissemination of its more than 9 million pages of filings. The legislation wisely puts conditions on the funding for this so-called EDGAR system to make sure that the system performs the promised functions and comes in at a reasonable cost to the Federal Government.

The SEC must have the resources necessary to respond to the insider trading scandal, the recent bond market debacle, and to rapidly evolving global trading markets. In line with this need, I urge approval of the authorization legislation (S. 1452) before us to enable the SEC to carry out its responsibilities.

Mr. LENT. Mr. Speaker, I wish to add my support to this bill reauthorizing the SEC for fiscal years 1988 and 1989. The SEC must have the funds it needs to police the securities markets and ensure their continued vitality. I believe that this bill achieves that goal. The SEC needs additional resources to keep pace with the manyfold increases in trading volumes, the development of new securities products and trading strategies, and the internationalization of the securities markets.

The taxpayers have earned a great return on their investment in the SEC. The Commission has been a profit center for the United States returning 203 percent of its budget in fiscal year 1986 to the Treasury. In addition, the SEC extracted $100 million in fiscal year 1987 from Ivan Boesky alone in a year when the SEC's budget was about $120 million. If every Federal agency returned as big a percentage to the Treasury as the SEC does, the U.S. Government would run a surplus, not a deficit, of $2 trillion. Accordingly, the funding of the SEC has been money well spent.

I view this bill as a congressional vote of confidence in the SEC and the fine job it is doing to police the markets. The SEC has exposed insider trading and modernized its disclosure regulation to improve investor protection and lower costs, to name just a few of its initiatives. I believe that the time has come to augment the SEC resources to continue and expand this fine work. For these and other reasons, I support S. 1452 and urge the other Members to support it as well.

Mr. RINALDO. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Massachusetts?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MARKEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROVIDING FOR CONSIDERATION OF S. 1667, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION ATMOSPHERIC AND SATELLITE PROGRAM AUTHORIZATION ACT OF 1987

Mr. MOAKLEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 307 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 307

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 1667) to authorize certain atmospheric and satellite programs and functions of the National Oceanic and Atmospheric Administration, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and which shall not exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Science, Space, and Technology, the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Science, Space, and Technology now printed in the bill as an original bill for the purpose of amendment under the five-minute rule, said substitute shall be considered for amendment by titles instead of by sections, each title shall be considered as having been read, and all point of order against said substitute for failure to comply with the provisions of clause 7 of rule XVI and clause 5(a) of rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

The SPEAKER pro tempore. The gentleman from Massachusetts [Mr. MOAKLEY] is recognized for 1 hour.

Mr. MOAKLEY. Mr. Speaker, I yield the customary 30 minutes to the gentleman from Tennessee [Mr. QUILLEN], and pending that, I yield myself such time as I may use.

Mr. Speaker, House Resolution 307 is an open rule providing for the consideration of the bill S. 1667, the National Oceanic and Atmospheric Administration Authorization Act of 1987.

The rule provides 1 hour of general debate, equally divided between the chairman and ranking minority member of the Committee on Science, Space, and Technology. The rule also makes in order an amendment in the nature of a substitute recommended by the Committee on Science, Space, and Technology, now printed in the bill as original text for the purpose of amendment. The substitute shall be considered by titles instead of by sections and each title will be considered as having been read.

Mr. Speaker, the rule also provides two waivers of points of order against the committee substitute. The first waiver is clause 7 of rule XVI, the germaneness rule. This is necessary because an amendment that makes permanent changes in law, is not germane to a bill that only makes changes in authorization levels. The committee amendment in the nature of a substitute makes several permanent changes in law. Because of this, a waiver of the germaneness rule is required.

The second waiver provided by the rule, Mr. Speaker, is of clause 5(a) of rule XXI, which prohibits appropriations in a legislative bill. This waiver is necessary because of section 403 of the committee substitute. This section authorizes NOAA to collect user fees for access to satellite data maintained by the National Satellite Data and Information Services, and in turn allows for the spending of those fees for the improvement of that agency. Because the spending of the fees is considered to be an appropriation, a wavier of clause 5(a), of rule XXI is necessary.

Finally, Mr. Speaker, the rule provides for one motion to recommit with or without instructions.

Mr. Speaker, S. 1167 authorizes $770 million for fiscal year 1988, and $870 million for fiscal year 1989 for the National Oceanic and Atmospheric Administration. The responsibilities of the Administration are to provide weather information and alerts, climate research, satellite information, and atmospheric and environmental research. The bill further provides for studies of the potential danger of the destruction of the ozone shield, that filters out harmful radiation from the Sun and the chemicals that may be causing the destruction.

Mr. Speaker, the bill also authorizes $84 million for fiscal year 1988, and $132 million for fiscal year 1989 for the development, acquisition, and implementation of a major new public warning and forecast system. One only has to look at the weather reports the past few weeks, from a snowstorm in the Washington, DC, area, to the killer tornadoes in Texas. Both of these severe weather systems appeared without any prior warning. This bill would enable the National Weather Service to acquire more modern weather forecasting technology instead of the outdated system that is presently in use.

Mr. Speaker, this is a good bill, it provides funds for an agency that has at times been neglected and at times taken for granted. It is for that reason that I urge my colleagues to adopt the rule and to pass S. 1167.

□ 1115

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the able gentleman from Massachusetts has explained the rule in detail, also the provisions of the measure.

It is important that we enact this legislation. What it does makes a difference to every American in providing weather service and predictions, and other related matters.

Mr. Speaker, I urge adoption of the rule and the measure when it is debated.

Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALKER].

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the rules of this House, rule XXI, clause 5, part (a) make it quite clear that no bill or joint resolution carrying appropriations shall be reported by any committee not having jurisdiction to report appropriations.

This bill has a problem and so, therefore, the Committee on Rules once again has granted a waiver.

Let the Members understand what the Committee on Rules has decided is that we are going to permit a legislative bill to come to the floor with an appropriation measure in it.

This particular waiver is not as serious as some of the ones we have had on the floor before; but the fact is that every rule we bring out here ignores the basic rules of the House.

Do we have total anarchy here? Why is it that the rules that were passed earlier in this Congress, rules I must say I did not vote for, but the entire majority party voted for them, why can we not obey them and live by the rule of the law.

The Committee on Rules has instead become a committee that has decided that the rules have no meaning, and that day after day they will bring rules to the floor that set the rules aside.

We have another rule that might come to us later today that waives all the rules, all points of order.

I do not know whether that is going to get out here or not, but we have had all kinds of rules before us.

Almost a quarter of the rules we have brought to the floor this year have been to waive all the rules, all of the laws as they apply to the House.

I think we have got a problem here, and I think it is high time that the Committee on Rules does its job, enforces the rules of the House.

This rule does not do that. It should be voted down.

Mr. QUILLEN. Mr. Speaker, I yield 3 minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, I thank the gentleman for yielding me this time.

Mr. Speaker, I too rise in opposition to the rule, and would like to help the gentleman from Pennsylvania in his rather lonely attempt to try to provide some regular order around here.

This is perhaps not a terribly serious matter, but the bill contains a double flaw in the waiver that the gentleman from Pennsylvania noted for the Members.

On page 12 and page 13 of the bill in section 403, the authority is provided for the Secretary in this case, Commerce, I guess, to assess fees.

Over on page 13, subparagraph (e) of the same section, the fees are available for expenditure.

In subparagraph (a), the committee of jurisdiction dips into the authority of the Committee on Ways and Means and is in effect establishing a tax.

In section E they are dipping into the authority of the Committee on Appropriations and are expending money without the approval of that committee and of the regular procedures of this body.

It does seem to me ironic that on the very day that we are expecting an announcement of some kind of agreement on the budget, here is the Congress passing another open sore from which the revenues that belong to the taxpayers of the United States are going to be dispersed without congressional control.

Mr. Speaker, if this were the only instance, one would probably say it is a modest instance; and if we had a chance to run this through the normal procedures, we might agree to it, but as a part of a pattern of systematic destruction of the rules of the House to take care of the wanton spending needs of the committees of jurisdiction, this is just more, I think, than I can take, and that this House should be willing to take.

We do not know what the schedule of fees is. The committee report, for instance, says that it is going to be a carefully phased in program of user fees.

I cannot imagine what those fees are. I am certain somebody knows. I am also sure they are going to be reasonable fees, because the legislation requires that they have some relation to market value, although there may be no other source that can provide these fees, which will make market value very difficult to ascertain.

It is bad enough that we invade the jurisdiction of two committees and stomp on them, as our Committee on Rules has so frequently asked us to do this year; but I think it is doubly bad that we on the day that we are trying to scam the public into thinking we are solving our fiscal problem, we are simply opening up another running sore.

Mr. Speaker, I urge defeat of the rule.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge the adoption of the rule. The major programs of NOAA are the National Weather Service, the Office of Atmospheric Research, and the National Environmental Satellite, Data, and Information Service. This is an important bill and I support it.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MOAKLEY. Mr. Speaker, I have no further requests for time, I yield back the balance of my time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER pro tempore (Mr. DOWNEY of New York). The question is on the resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 269, nays 139, not voting 25, as follows:

[Roll No. 445]

YEAS—269

Ackerman
Akaka
Alexander
Anderson
Andrews
Annunzio
Anthony
Aspin
Atkins
AuCoin
Barnard
Bates
Beilenson
Bennett
Berman
Bevill
Bilbray
Bilirakis
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Brennan
Brooks
Brown (CA)
Bruce
Bryant
Bustamante
Byron
Campbell
Cardin
Carper
Carr
Chapman
Chappell
Clarke
Coelho
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coyne
Daniel
Darden
Davis (MI)
DeFazio
Dellums
Derrick
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Downey
Durbin
Dwyer
Dyson
Early
Eckart
Erdreich
Espy
Evans
Fascell
Feighan
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gilman
Glickman
Gonzalez
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefner
Hertel
Hochbrueckner
Horton
Howard
Hoyer
Hubbard
Hughes
Hutto
Ireland
Jacobs
Jeffords
Jenkins
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kostmayer
LaFalce
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lloyd
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
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Owens (NY)
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Price (IL)
Price (NC)
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Regula
Richardson
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Rowland (GA)
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Sawyer
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Slaughter (NY)
Smith (FL)
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Thomas (GA)
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Young (AK)

NAYS—139

Archer
Armey
Badham
Baker
Ballenger
Bartlett
Barton
Bateman
Bentley
Bereuter
Bliley
Boehlert
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Broomfield
Brown (CO)
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Burton
Callahan
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Coleman (MO)
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Davis (IL)
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DeWine
Dickinson
Dornan (CA)
Dreier
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Edwards (OK)
Emerson
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Johnson (CT)
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Lewis (CA)
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Lowery (CA)
Lukens, Donald
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Madigan
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Martin (IL)
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McCandless
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McEwen
McGrath
McMillan (NC)
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Michel
Miller (OH)
Miller (WA)
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Morrison (WA)
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Rogers
Roth
Roukema
Rowland (CT)
Schaefer
Schneider
Schuette
Sensenbrenner
Shaw
Shays
Shumway
Shuster
Slaughter (VA)
Smith, Denny (OR)
Smith, Robert (NH)
Smith, Robert (OR)
Solomon
Spence
Stenholm
Stump
Sundquist
Sweeney
Swindall
Tauke
Taylor
Thomas (CA)
Upton
Vander Jagt
Vucanovich
Walker
Weber
Whittaker
Wolf
Wortley
Young (FL)

NOT VOTING—25

Applegate
Biaggi
Clay
Courter
Crockett
de la Garza
Dowdy
Dymally
Edwards (CA)
Fazio
Gephardt
Gradison
Huckaby
Kemp
Kolter
Leach (IA)
Livingston
Mack
McDade
Mineta
Roemer
Schroeder
Weldon
Wilson
Wylie

□ 1130

Mr. ENGLISH and Mr. TAUKE changed their votes from "yea" to "nay."

Mr. PURSELL and Mr. PACKARD changed their votes from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON GOVERNMENT OPERATIONS TO HAVE UNTIL 6 P.M., WEDNESDAY, NOVEMBER 25, 1987, TO FILE SIX OVERSIGHT REPORTS

Mr. BROOKS. Mr. Speaker. I ask unanimous consent that the Committee on Government Operations may have until 6 p.m., Wednesday, November 25, 1987, to file six oversight reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION ATMOSPHERIC AND SATELLITE PROGRAM AUTHORIZATION ACT OF 1987

The SPEAKER pro tempore. Pursuant to House Resolution 307 and rule XIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the Senate bill, S. 1667.

□ 1145

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 1667) to authorize certain atmospheric and satellite programs and functions of the National Oceanic and Atmospheric Administration, and for other purposes, with Mr. Carr in the chair.

The Clerk read the title of the Senate bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New Jersey [Mr. Roe] will be recognized for 30 minutes and the gentleman from New Mexico [Mr. Lujan] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. Roe].

Mr. ROE. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, few agencies touch the day-to-day lives of as many Americans as much as the National Oceanic and Atmospheric Administration. This is true whether you are watching the evening news, reading the weather forecast in your local newspaper, or planning to plant strawberries or go skiing.

An all too grim reminder of this fact occurred in the southern United States just last Sunday. Between 1:30 and 6 p.m., tornadoes smashed across more than 200 miles of eastern Texas, killing 9 people, injuring at least 130, and damaging hundreds of thousands of dollars' worth of property. Before any warnings were issued this storm had killed four people and traveled 50 miles.

The central problem appears to be that weather forecasters just did not understand the severity of this storm. In large measure, this failure was attributable to the outmoded technology with which the weather service has been operating since the 1950's. The antiquated radars were unable to detect and differentiate the devastating tornado storm track from the nonlethal thunderstorm that was occurring at the same time. These tornadoes graphically illustrate the weakness in our present storm forecasting capability and the need for new technologies to safeguard the lives of our citizens.

Mr. Chairman, the bill we have before us provides that better future. It authorizes sufficient funding to enable the weather service to bring on line new sophisticated radars, automated surface observing systems, and an integrated communications network that will bring our capability to predict severe storms into the 21st century. Moreover, this bill restores funding—$6.7 million—for much needed modeling research into large scale tornado systems. Finally, it provides a framework for long-term planning, by requiring NOAA to develop a broad-based 10-year plan setting out the objectives of weather service modernization.

In addition, we have required an annual indepth implementation plan to assure that we are fully informed of new techniques, facilities, staffing levels, and funding requirements for the new system. Mr. Chairman, it is our goal to make tragedies like the fatalities of the past few days a thing of the past. This bill, in my view, goes a long way toward that goal.

This bill also authorizes a number of other important activities. Regional weather forecasts, flash flood warnings, seasonal climate change research, and satellite imagery of the Earth are all services and responsibilities of the National Oceanic and Atmospheric Administration [NOAA].

Through the satellite information provided by NOAA, not only will we be able to make more accurate, short term weather forecasts possible, but also better monitoring of crop production to aid in planning for agriculture, fishing and water management.

Through the ocean research conducted by NOAA, we have a better understanding of ocean warming events which cause major changes in our weather such as the storms that caused the mudslides and beach erosion in California in the winter of 1982, and the extremely cold winter experienced in the Eastern United States during the winter of 1976.

Due in large part to NOAA's observations of the Antarctic ozone hole, the nations of the world have agreed on a plan to reduce worldwide consumption of chloroflurocarbons that many scientists believe are destroying the Earth's protective ozone shield.

Mr. Chairman, S. 1667, as amended, authorizes $769,766,000 in fiscal year 1988 for NOAA's atmospheric and satellite activities. That amount is equal to the amount appropriated in H.R. 2763, the Commerce, Justice, State, and Judiciary appropriations bill which passed the House of Representatives on July 1, 1987.

For fiscal year 1989, the bill authorizes $870,423,000 for NOAA, reflecting an increase in the funding requirements for weather satellites such as the geostationary orbiting environmental satellite system [GOES] and the polar orbiting environmental satellite system [POES], and major hardware procurements to modernize the National Weather Service, such as Nexrad [the next generation doppler radar system] and the automated surface observation system.

In addition to the reauthorization of the various NOAA activities, the bill contains several new requirements:

The bill requires NOAA to provide to Congress an analysis of trends in global climate change, and submit to Congress a program plan for a ground-based system to monitor the chemical components that are destroying the ozone shield that protects us from harmful solar radiation.

The bill requires that prior to any closure of any weather service office, the Secretary of Commerce must certify that such action will not result in any degradation of weather services provided to that particular area.

The bill authorizes the Secretary of Commerce to charge user fees for access to the environmental data collected by NOAA. Universities, nonprofit organizations, Federal, State, and local governments, however, would continue to have access to the data at cost, if it is to be used for research, and not for commercial purposes.

Mr. Chairman, the bill also reflects our continued commitment to maintain the unique and specialized weather programs for agriculture weather, fire weather, and fruit frost warnings.

Mr. Chairman, S. 1667 contains the minimum amount necessary to enable NOAA to fulfill the important responsibilities that Congress has mandated for the agency. These responsibilities include a number of crucial programs such as severe storm forecasting, agricultural weather, remote sensing, and research on ozone depletion and the greenhouse effect. I urge my colleagues to support this important legislation.

Mr. Chairman, I reserve the balance of my time.

Mr. LUJAN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of S. 1667, the National Oceanic and Atmospheric Administration [NOAA] Act of 1987.

S. 1667 authorizes NOAA's program's to:

Operate and modernize the National Weather Service;

Conduct research on atmospheric processes involved in ozone depletion and global climate change;

Operate weather and environmental satellites; and

Manage environmental data archives.

The bill authorizes almost $770 million in fiscal year 1988 for NOAA's atmospheric and satellite programs. This is $79 million below the Senate-passed level, and is roughly equal to the amount contained in the House version of H.R. 2763, the appropriations bill approved by the House on July 1 by a margin of 292 to 102.

For fiscal year 1989, the bill authorizes $870 million, which is $146 million less than the Senate-passed version. The 1989 level recommended by the committee includes the administration's planned weather and satellite procurements and a 4-percent inflation increase.

Mr. Chairman, I want to take a few moments to address the administration's opposition to this bill. Few Members of this body have been more supportive of the administration than

I. However, I believe the administration is wrong on the three points of objection it has raised.

The administration's first objection states that the bill authorizes $40.7 million more in fiscal year 1988 than was requested. Actually, the committee recommends an increase of $11.9 million above the request as follows:

There is plus $2.3 million for Landsat 4 and 5 and advanced system studies. Both Landsat 4 and 5 are operating beyond their designed lifetime, but continue to provide data to users through Eosat. The additional $2.3 million provided by the committee in fiscal year 1988 will assure continued operation of the system through the fiscal year, as well as provide additional funds to begin development of a much-needed advanced technology civil Earth remote sensing satellite.

There is plus $6.7 million for severe storm research. These additional funds maintain this important research at the fiscal year 1987 level aimed at a wide variety of activities including industry and agriculture, and protecting the lives and property of our citizens.

There is in this bill plus $1.7 million for fire weather, agriculture weather, and fruit frost warnings. These consist of daily forecasts for fire danger rating computations, spot forecasts for wildfires, and onsite mobile units for large fires within national parklands. They include observations, forecasts, warnings, and advisories, and issuing of warnings of low temperatures that are especially important in citrus-fruit-growing areas. These are services central to the mission of the National Weather Service, and should be maintained.

Finally, plus $1.2 million for climate forecast centers. These funds are necessary to maintain the current centers. These centers are an important link that bring together Federal, State, and private institutions to produce and disseminate climate data and information. The committee intends that these climate forecast centers continue, and that access to climate data and products be maintained.

The administration's second objection is that the bill would "prematurely authorize appropriations for fiscal year 1989." I cannot agree with this, Mr. Chairman. The Committee on Science, Space, and Technology is very familiar with the programmatic and funding needs of NOAA for fiscal year 1988 and fiscal year 1989, and these are covered in this bill. There is no need for either the committee or the House to devote additional time to NOAA's fiscal year 1989 authorization.

Finally, the administration objects that the bill would "impose restrictions on the Department of Commerce's ability to manage effectively the National Weather Service through closings or consolidations of offices." All the bill requires, Mr. Chairman, is certification from the Secretary of Commerce prior to any closing, consolidation, automation, or relocation of any weather service office. This provision does not, in any way, hinder the Secretary from taking such actions, but only that Congress be notified in advance. It should be noted, Mr. Chairman, that the National Weather Service has proposed to close 7 offices and reduced staffing in 21 other offices in each of the last 3 years without success because of congressional actions. By establishing a procedure for such closings or consolidations, the committee has improved, rather than hindered, the Department's ability to manage the National Weather Service.

In summary, Mr. Chairman, I cannot agree with any of the administration's objections to S. 1667. I want to reaffirm my strong support for the bill, and I urge my colleagues to vote for it.

□ 1155

Mr. ROE. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from New York [Mr. SCHEUER] the chairman of the Subcommittee on Natural Resources, Agricultural Research, and the Environment.

Mr. SCHEUER. Mr. Chairman, I rise in strong support of the National Oceanic and Atmospheric Administration [NOAA] reauthorization bill (S. 1667).

This bill provides funding for NOAA's weather, satellite, ocean and atmospheric research, and environmental programs.

A major aspect of this bill is directed toward providing funding and program direction for NOAA's weather service activities.

The importance of NOAA's role in weather processing, predicting, and dissiminating is all too clear in a week in which we have experienced freak snow storms, deadly severe storms in the Southwest, and blizzard conditions in the Rocky Mountains.

Mr. Chairman, in the last few days more than 70 tornadoes have cut paths of death and destruction in the Southern United States.

Regrettably this is to be expected due to the unique geography of this country.

The United States experiences an average of 1,000 tornadoes annually, 10 times as many as any other nation in the world.

On average there are 1,000 flash floods, 10,000 servere thunderstorms, 10 severe winter storms, and 10 hurricanes or tropical cyclones every year affecting the United States.

Yet, NOAA's ability to provide the public with early warnings about severe storms is hampered by the Agency's reliance on outmoded, outdated, and antiquated equipment and technology which dates back to the 1950's.

This problem has been compounded by the continued reduction in Weather Service warning and forecast personnel.

The administration cut the personnel 15 percent in the last 2 years.

They are currently proposing a further reduction of 4 percent for fiscal year 1988.

We must maintain a sufficient level of trained personnel to provide essential weather services.

At the same time, it is essential that we move ahead expeditiously with the modernization of the National Weather Service through the procurement of advanced doppler radar [Nexrad], automated weather observation systems [Asos], and advanced computer weather data processing and communication systems [Awips].

The bill before us accomplishes these goals.

Accurate weather forecasts are important to large segments of our economy in such diverse areas as agriculture, construction, transportation, and fishing.

Although weather conditions are generally uncontrollable, advanced planning based on knowledge of developing weather often minimizes business losses.

A NASA study, for example, indicates that when weather differs from traditional patterns, annual business-cost increases can approach $30 billion.

And this is precisely what has happened in 6 of the last 10 winters where the United States has experienced extreme temperatures.

Although difficult to estimate, a large portion of these costs are avoidable with accurate long-term forecasts.

Moreover, NOAA forecasts can, when used in conjunction with other information, result in improved productivity.

For example, weather information has always been important to farmers.

However, when accurate weather information is coupled with agricultural research, the result is greater production and lower costs to the farmer.

Recent research at NOAA's Agriculture Weather Service Center in Stoneville, MS, in cooperation with local colleges, produced a computer model now used by 2,400 rice growers in Louisiana, Arkansas, and Mississippi.

The model provides farmers with information to best determine when to irrigate, flood the fields, and even when to schedule harvests.

The use of the rice production model and specialized forecasts have increased rice production by 10 bushels an acre.

In the broader context, it is estimated that weather forecasts save the U.S. farmer at least $750 million a year in production costs of major commodities such as corn, wheat, soybeans, and fruit.

Ironically, the Stoneville facility was proposed for closure, along with six other facilities that make up the core of the agricultural weather services program.

This bill rejects that proposal and restores funding for Agriculture Weather Service, as well as the fruit frost advisory.

Mr. Chairman, the modest restoration made in this bill are cost-effective and are intended to maintain the flow of essential information to important segments of our economy and permit the development of forecasting technology as part of the modernization of the weather service.

Mr. LUJAN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Rhode Island [Miss SCHNEIDER], the vice chairman of the subcommittee.

Miss SCHNEIDER. Mr. Chairman, I would like to talk about three significant points of S. 1667, and I do rise in strong support of the Atmospheric and Satellite Program authorization. I think that one of the most significant aspects of the entire piece of legislation has to do with NOAA's research program. The 1988 budget request that we received provided us with some proposals for the largest decreases, actually 23 percent, the largest decreases in all Federal research and development programs, a decrease that I and my committee felt was terribly inappropriate. So as a result I rise in very strong support of this particular bill for the global climate change severe weather and ocean research. The National Science Foundation programs have received large increases, and I felt it only appropriate that S. 1667 allocate funds to restore some of those proposed cuts, and to increase NOAA's global climate and severe weather research program.

Let me just mention a few things about the global climate change program. Before our Science, Space, and Technology Committee we had scientists testify that increases in greenhouse gases are expected to cause an unprecedented temperature increase of 1½ to 4½ degrees centigrade, and the recommendation was that we take action now. In order to take appropriate policy action, it is absolutely essential that we have good scientific data on which to base that policy. So the increase would, as they had predicted, change weather patterns that could adversely affect the U.S. agriculture, the breadbasket of the world.

In addition, the predictions were that it could cause sea levels to rise 20 to 80 inches, leading to flooding of coastlines. People from coastal States like my oceanside State of Rhode Island, and for many other coastal regions, recognize the economic impact that could have on our cities and States.

Third, the indications and scientific data indicated that it would result in dramatic geographic shifts of entire ecosystems which may cause the extinction of a number of different species of both plants and animals.

So our solution to the challenge is that S. 1667 requires NOAA's national climate program to undertake studies of both policy options that would reduce the likelihood of human induced global warming trends, and second, to prepare climate change reports every 5 years so we can more appropriately monitor our access to information and the impact of the changes that are taking place.

In addition to that, the second point I would like to raise is the ozone monitoring amendment that is included in this bill. In September 1987 the international ozone agreement that was raised would reduce by 50 percent the 1986 levels in emissions of ozone destroying chemicals by 1999. EPA, however, says that an 80 percent reduction of CFC emissions is really what is needed to have a long-term impact on the stratosphere.

So the solution that we have proposed in this legislation is to require NOAA to submit a plan to construct and operate a worldwide system of ground based remote sensors to monitor atmospheric levels of ozone and chemicals which do destroy the ozone.

The third particularly important aspect, and I believe it to be a significant element of reform which I congratulate the committee for being so creative on, is that of user fees. NOAA can now recover only the cost to reproduce and transmit its archived environmental data, and what with the increase of new satellite information and radar information, last year the National Academy report indicated that the growth of data could completely overwhelm the current system. The data that is now held by NOAA has doubled since 1984, and it is expected to double again over the next 4 years.

So the Committee on Science, Space, and Technology has chosen to require NOAA to charge user fees for archived data to commercial users based on fair market value, and to raise one-half to $1 million per year when fully phased in.

As a result, I feel that S. 1667 is not only fiscally responsible, but it is creative in its approach to taking on the challenge of investing in research which can provide the data to better help us make our policy decisions in the future.

Mr. ROE. Mr. Chairman, I yield whatever time he may consume to the distinguished gentleman from North Carolina [Mr. VALENTINE].

May I say for the benefit of our colleagues that the distinguished gentleman from North Carolina has expended a great deal of energy and a great deal of leadership on this legislation, and the committee is indeed proud of the efforts he has put forth for the benefit of the people of this country.

Mr. VALENTINE. Mr. Chairman, I thank the gentleman for yielding time to me, and I appreciate those very generous remarks.

Mr. Chairman, I am pleased that the House Science Committee has moved to bring the NOAA authorization bill to the House floor today. The programs and activities of NOAA are extremely important to us all.

The chairman of the Science Committee, Mr. ROE, mentioned a recent tragedy that occurred in eastern Texas where several people were killed and more than 100 injured. This scene is familiar to me and to those of us whose districts have suffered devastation as a result of natural catastrophes.

A few years ago, the worst series of tornadoes to strike the Southeastern United States in 60 years claimed 59 lives and caused hundreds of millions of dollars in property damage in North and South Carolina.

These tornadoes were personal tragedies for the many thousands of people whose property was damaged or destroyed and who, unfortunately, lost loved ones. Many of the communities in our State were left totally devastated.

Many factors contributed to this situation. Among them, based on a field hearing held in my district after the tornadoes by the Natural Resources, Agriculture Research and Environment Subcommittee, were the lack of state-of-the-art weather forecasting technology, the lack of appropriate staff at the regional airport, and the lack of coordination with media and local public safety officials.

I believe, as do many of those who experienced the tragedy, that many, if not most, of those deaths could have been avoided if the appropriate technology and personnel had been available. That tragic day and the recent occurrence in eastern Texas should be a painful reminder that the weather service's ability to predict and disseminate weather information is only as good as the technology in use.

Mr. Chairman, certainly we cannot prevent the occurrence of severe and sudden weather changes. We can, however, provide mechanisms to ensure that we can forecast these changes accurately and disseminate our predictions in a timely manner. The bill before the House today provides such a plan.

The level of funds authorized in the bill will enable the National Oceanic and Atmospheric Administration and the National Weather Service to modernize its equipment and operations in both agencies to ensure better weather predictions and forecasts. The legislation will also require NOAA to develop long-term plans for the modernization of its weather services over the next 10 years. These services are an essential part of our daily lives. The bill also authorizes a number of other important programs as well.

Above and beyond this, the bill is fiscally responsible. It is equal to the appropriation passed by the House in July. It is 10 percent under the Senate authorization bill for fiscal year 1988, and it is 17 percent under the Senate authorization bill for fiscal year 1989.

This legislation is critical to maintaining public confidence in Government agencies aimed at enhancing public safety and emergency preparedness programs. I commend the chairman of the full committee, Mr. Roe, and the chairman of the Natural Resources Subcommittee, Mr. Scheuer, for their diligent and tireless efforts in bringing this matter before the House. I also commend my colleagues on the Science Committee for their unwavering bipartisan support for the authorization of the National Oceanic and Atmospheric Administration and urge my colleagues in the House to support of the bill.

Mr. LUJAN. Mr. Chairman, I yield such time as she may consume to the gentlewoman from Nebraska [Mrs. Smith].

Mrs. SMITH of Nebraska. Mr. Chairman, I rise to wholeheartedly support and recommend approval of this bill, S. 1667, an act to authorize certain atmospheric and satellite programs and functions of the National Oceanic and Atmospheric Administration, particularly the modernization of the National Weather Service.

First, I wish to commend the distinguished chairman of the Science and Technology Committee, the gentleman from New Jersey [Mr. Roe], and the ranking minority leader, my good friend, the gentleman from New Mexico [Mr. Lujan], as well as the Members of both sides of the aisle who have worked so hard to perfect this bill and expedite its passage, particularly the subcommittee chairman, the gentleman from New York [Mr. Scheuer], and the subcommittee vice chairman, the gentlelady from Rhode Island [Miss Schneider].

I wish to take this opportunity to thank this committee for incorporating into its legislation my bills over the past 5 years aimed at providing an objective, orderly procedure for modernizing, closing, consolidating, relocating, and automating our National Weather Service system in this country.

I know that despite the administration's implacable opposition to my bill, this committee never blinked and pushed the language through on at least two occasions, only to see it vetoed, along with all the other provisions in the bills.

The committee has listened to me and other concerned Members of the House, heeded our concerns, and tried mightily to address the problems.

I fully understand why the committee has taken a different approach in this bill before us today in an attempt to reach the same goal: greater accountability by the Secretary of Commerce for his decisions with respect to the National Weather Service and the impending major changes in that vital service.

I do have an amendment at the desk related to section 202 of title II of the bill, which addresses the terms and conditions under which Weather Service stations may be automated, relocated, consolidated, or closed.

My amendment would add language designed to provide judicial review to this process to strengthen the bill's wise provisions for "certification" to the appropriate committees of Congress.

I have been listening carefully to the discussion about this section, and I have decided not to offer the amendment, if the managers of the bill will engage in a brief colloquy with me.

If I may have the attention of the committee's chairman, the gentleman from New Jersey [Mr. Roe] and/or the vice chairman, my good friend, the gentleman from New Mexico [Mr. Lujan], I would like to ask him if the certification approach to monitoring changes in the modernizing of the National Weather Service was worked out in cooperation with the professionals at the National Oceanic and Atmospheric Administration [NOAA]?

□ 1210

Mr. ROE. Mr. Chairman, will the gentlewoman yield to me?

Mrs. SMITH of Nebraska. Of course, I yield to the gentleman from New Jersey [Mr. Roe].

Mr. ROE. I thank the gentlewoman for yielding.

May I say before I answer the question of the gentlewoman from Nebraska, however, this gives me an opportunity to express to her, the Members of the House and the people of this Nation the extraordinary leadership that the gentlewoman from Nebraska has extended over the years on this very, very important piece of legislation, and her great contribution to the entire overall weather monitoring program of our country. I wanted to compliment her on those efforts.

May I say in answer to the question that we did work very closely and very diligently with the professional folks and the leaders of the agency on this program and they are highly aware of the direction the committee is going.

Mrs. SMITH of Nebraska. I thank the gentleman for his kind words and also for that good answer.

Now, did the new Secretary of Commerce have any input into the language of the pertinent section which is section 202 of this bill?

Mr. ROE. I have to answer that that is unknown to me. I just have not had a chance to check that. I hope he would, he is chairman of that committee. I am sure he is aware of the issue.

Mrs. SMITH of Nebraska. What is the committee likely to do if the Secretary refuses to cooperate providing the certification required in this bill?

Mr. ROE. Well, we feel all the signs indicate we are going to get the cooperation. NOAA has been very cooperative and they have made this commitment and we expect them to follow through with it.

Mrs. SMITH of Nebraska. I am glad to hear that.

Now has the Department or NOAA confided with the committee full details of its modernization plans for the National Weather Service?

Mr. ROE. No; I do not believe they have finished that as yet, if the gentlewoman would continue to yield. This is really why we put in, with the help of the gentlewoman from Nebraska, the language into the bill that would require them to come back and certify their plans and programs to the committee. And if they do not perform the way the committee believes they should perform, the committee will take further action.

Mrs. SMITH of Nebraska. When does the committee expect to receive these details, if they do receive it?

Mr. ROE. We will receive it and we have requested it be done within 90 days upon enactment of the legislation.

Mrs. SMITH of Nebraska. I thank the gentleman very much for the helpful responses.

Now I want this bill enacted into law. I understand that the administration opposes it in this form but as for me I think the bill is wonderful as far as it goes. This is a positive step. It may be the very best we can do.

But I do wish to put the House on notice that we must be on the alert about the so-far amorphous plans to modernize the National Weather Service.

While I have all the faith in the world in the diligence of this committee in conducting the oversight necessary to see that provisions of this bill are carried out, I do pledge that, as a member of the Appropriations Committee, I plan to ask permission of my good friend and colleague, the gentleman from Iowa, Mr. Neal Smith, the distinguished chairman of the House Appropriations Subcommittee on Commerce to question NOAA and Commerce Departmental witnesses with respect to these modernization plans at every step of the way.

I have been totally unsuccessful in my persistent efforts to find out any details at all relating to numbers of stations, personnel shifts, relocations, equipment changes, or the impact of any of the so-called modernization proposals.

As far as I can tell there are no really solid, workable plans for modernizing the National Weather Service. And so I do have grave reservations about provisions of the bill for accountability and oversight.

Unfortunately, the Congress has absolutely no reason to trust the wisdom of the Department of Commerce in modernizing the vital weather information system.

Since this distinguished committee finished its hearings and reported out its bill, I have received disturbing information leaking out of regional offices of the National Weather Service about certain restructuring plans directly affecting Nebraska.

At the request of mayors and civil defense officials in my State, I have written—twice—to the Secretary of Commerce for a full, comprehensive, detailed discussion and briefing of the Department's modernization plans for the National Weather Service and related services, particularly the Department of Transportation's flight service station consolidation.

So far, I have received only one interim response. Sad to say, it is extremely unsatisfactory. So I wrote again, renewing my request for full information. I have been eagerly awaiting a response for 3 weeks. For the benefit of my colleagues, I submit these letters for the record.

The text of the letters is as follows:

HOUSE OF REPRESENTATIVES,
Washington, DC, November 2, 1987.

Hon. C. WILLIAM VERITY, Jr.,
Secretary, Department of Commerce, Washington, DC.

DEAR MR. SECRETARY: As dean of the Nebraska congressional delegation, I am writing to renew my request for a lucid, comprehensive discussion of your plans for the future presence in Nebraska of the National Weather Service and the interrelated Flight Service Stations operated under jurisdiction of the Department of Transportation's Federal Aviation Administration.

In two letters earlier this year to your Clarence J. Brown, then Acting Secretary, I asked for such a discussion and that it address the following issues:

1. Time and placement of the next generation of weather radar systems, known as NEXRAD, and the impact of the system on all aspects of government operations, personnel, payroll, and on the citizenry, with special reference to agriculture, business, aviation, and commerce in general.

2. Availability of your old radar equipment for use in certain weather stations, such as the Valentine Weather Station, that do not at present have radar of any kind and desperately need effective protection. Under what terms and conditions could such outmoded but still useful equipment be utilized and operated in critical locations?

3. Restructuring of your table of organization, including numbers and types of weather service personnel and any changes in locations of facilities in Nebraska.

4. Impact of the continuing consolidation of Flight Service Stations upon availability of weather information to the vital aviation community in Nebraska.

For your information, I enclose the disappointing letter from your Bruce Smart, who responded to my letters to your Mr. Brown. Disturbing rumors and gossip continue to circulate in Nebraska about your future plans. Therefore, I hope that you and your department can be far more forthcoming than has been possible heretofore.

I also enclose copies of four thoughtful letters from responsible constitutents raising these issues, letters that accompanied my original inquiries to your Mr. Brown.

I am renewing my request for a careful, detailed discussion of these issues also because I have scrutinized, in vain, the official hearing record of the Appropriations Subcommittee on Commerce, Justice, and State, the Judiciary, and related agencies, Part 6, for clues to your future plans about these matters in fiscal year 1988 and beyond.

Additionally, I have discussed these problems with my colleagues on the House Appropriations Committee, on which I have the honor to serve. They, too, are concerned and may also have written to you about these issues.

As you may know, people in rural areas are extremely sensitive to talk about changes in the National Weather Service and in Flight Service Stations. This is because the economic well-being of Nebraska's vital agricultural complex is so heavily dependent upon accurate weather information.

Once the requested comprehensive discussion is provided, I intend to share it with my constituents as well as with the pertinent administrative and executive officials of the State of Nebraska. I hope that your discussion can provide a framework for more effective communications between all interested parties—perhaps in the form of seminars or conferences of policymakers, scientists, and others directly impacted.

Belated congratulations upon becoming Secretary of Commerce in the cabinet of President Reagan. I hope that you are beginning to feel at home in your vital new position. I look forward to working with you in coming months.

With best wishes, I am,

Sincerely,

VIRGINIA SMITH,
Member of Congress.

SECRETARY OF COMMERCE,
Washington, DC, October 1, 1987.

Hon. VIRGINIA SMITH,
House of Representatives, Washington, DC.

DEAR MS. SMITH: Thank you for your letter regarding National Weather Service (NWS) operations in Nebraska. You have raised a number of technical and policy questions that cannot be answered completely at this time.

You are correct that decisions have been made about the deployment of the Next Generation Weather Radar (NEXRAD) system. Based upon technical evaluations, we expect high quality radar information across the Nation. This new Doppler radar capability will improve the observation and detection of severe weather and flash flood events compared to the existing radar network. I have enclosed a map showing the planned NEXRAD coverage in Nebraska.

With respect to routine weather observations, we plan to install the new Automated Surface Observing System at every NWS facility now in Nebraska. These instruments will provide expanded, 24-hour measurements that will serve aviation operations, as well as assist the forecaster in assessing changing weather conditions.

Detailed plans for the NWS organizational structure and the implementation of the modernization are under discussion and review in the Executive Branch. This planning task is complex. As soon as planning is completed in the Executive Branch, we would welcome the opportunity to discuss with you the various improvements in weather and flood warning services that we envision in your state.

We appreciate your strong interest in weather warning and forecast services in Nebraska.

Sincerely,

BRUCE SMART,
Acting Secretary of Commerce.

HOUSE OF REPRESENTATIVES,
Washington, DC, September 1, 1987.

Hon. CLARENCE J. BROWN,
Acting Secretary, U.S. Department of Commerce, Washington, DC.

DEAR MR. SECRETARY: Recently, I sent to you some letters and notes for your review and detailed discussion with respect to news reports about forthcoming deployment of the next generation of weather radar systems (NEXRAD). Enclosed is another letter expressing the same concerns from the Scotts Bluff County/Twin City Civil Defense, Nebraska.

An additional issue raised in this latest letter is the proposed loss of the Flight Service Station in addition to expected loss of the National Weather Service Office and the federal payroll with it.

Please address this additional concern in the discussion that I requested in my letter to you dated August 31, 1987. A copy of that letter also is enclosed for your reference.

These issues are of deep concern to the people of Nebraska. I ask that your discussion be lucid as well as comprehensive, including suggestions for optional courses of action that may be available to us.

With best wishes, I am,

Sincerely,

VIRGINIA SMITH,
Member of Congress.

HOUSE OF REPRESENTATIVES,
Washington, DC August 31, 1987.

Hon. CLARENCE J. BROWN,
Acting Secretary U.S. Department of Commerce, Washington, DC.

DEAR MR. SECRETARY: Enclosed are letters and notes inspired by news reports about forthcoming deployment of the next generation of weather radar systems, known as NEXRAD.

I am writing to request a lucid, comprehensive discussion of your plans to explace this equipment, how it will affect weather data service for communities in Nebraska, whether old radar will continue to operate or be discarded, and how you plan to restructure your weather station personnel in Nebraska. I request also that your discussion cover the points raised in the enclosures.

As a member of the House Committee on Appropriations, I have followed the development of this system with intense interest because the economic well-being of Nebraska is so heavily dependent upon accurate weather information.

In vain, I have scrutinized the official hearing record of the Appropriations Subcommittee on Commerce, Justice, and State, the Judiciary, and related agencies, Part 6, for clues to your implementation plan in your justifications for your budget requests for fiscal year 1988. I do find much about development and procurement of NEXRAD.

As you know, people in rural areas are extremely sensitive to talk about changes in the National Weather Service. I assure you that I will give your discussion the widest possible dissemination because of the intense interest in this issue.

With best wishes, I am,

Sincerely,

VIRGINIA SMITH,
Member of Congress.

Mrs. SMITH of Nebraska. Mr. Chairman, my amendment is designed to confer legal standing upon the Governors of each State and territory to obtain judicial review of the Secretary of Commerce's decision to close, consolidate, automate, or relocate any Weather Service Office or Weather Service Forecast Office.

Such judicial review would not be on the merits of such actions but rather on whether the Secretary of Commerce had obeyed both the spirit and letter of this fine law and the procedures it sets forth after it is enacted.

The judicial review specified here is the sort of usual, routine review available to any person damaged by any action of a Federal official, as contained in chapter 7 of title V of the United States Code. All my amendment does is in effect to specify only the Governor of a State or his designated agent as the only person who can seek this routine, ordinary, usual, and customary review.

I realize that the bill clearly provides for congressional review of the Secretary's decisions. And perhaps that is enough.

Because of the well-intentioned but totally inept decisions of both the Carter administration and the Reagan administration, I have one of the most famous weather stations in the country.

For those who may not remember, it is located at Valentine, NE. It was 1 of 72 stations that both administrations proposed to close in the years between 1978 and 1982.

It was a classic struggle between Members of Congress beholden directly to its constituents and the executive branch of two administrations who thought they could reach certain budgetary goals by picking on sparsely populated rural States. They were wrong. We won. The score was Congress 72, the executive branch 0.

We all remember that this struggle went on every year—even though the administration admitted that the budget savings would have been less than $5 million if every one of the 72 stations were closed.

Many of my colleagues will remember that four different hit lists were submitted, with only a few of the same weather stations appearing on each one. Valentine, NE, was on every list.

But the vast differences in lists was proof that there was no objective, reasonable criteria for deciding which weather stations could safely be closed.

To provide just such criteria and an orderly procedure for closing, consolidating, relocating, and automating weather stations, I introduced legislation patterned precisely on the Postal Reform Act of 1976, under which more than 1,000 post offices have now been closed almost without a political ripple in Congress.

In contrast, after nearly a decade of trying, the Commerce Department has not succeeded in persuading Congress to formally approve closing even 1 of the 72 on the original hit lists. It is true, of course, that some stations are closed as a result of what I would call abandonment by the Government upon retirement of some officers in charge of one-man stations.

My bill was passed on at least two different occasions in the House and once in the Senate as part of authorization bills. The language of my bill had the distinction of being cited as one of the reasons given for a Presidential veto of the legislation in late 1984.

This bill before us today, S. 1667, takes a slightly different approach, but its intent is identical: To make the Secretary of Commerce directly and specifically accountable for his decisions impacting directly on the operations of the National Weather Service.

My old bill would have imposed a strict pattern of periods of notice, comment, public hearings, written findings, and judicial review.

This bill before us today sets no deadlines and provides no judicial review, but it does require the Secretary of Commerce to "certify" to the appropriate committees of Congress that modernizations decisions to automate, relocate, consolidate, or close National Weather Service stations will not result in "degradation" of weather services provided to the affected area.

This bill provides that such certification shall include a detailed comparison of the services provided in a given area both before and after modernization, any improvement of services, and evidence based on operational demonstration of modernization that supports the conclusion that weather services will not suffer.

The question is, does the bill provide adequate review of the Secretary of Commerce's decisions with respect to the National Weather Service changes just ahead?

I yield to the gentleman to address my concerns.

Mr. LUJAN. Mr. Chairman, I yield myself such time as I may consume.

Let me just take this opportunity to congratulate the gentlewoman from Nebraska on her tenacity with this particular program and the valuable contribution that she has made in this area. She has introduced a number of bills on this issue since 1982. In 1984, the committee included Mrs. SMITH's Weather Service office closure language in the authorization bill, the NOAA authorization bill.

The bill, however, was vetoed and the administration cited that language as the reason for the veto.

This year we have taken a different approach to the Weather Service office closure issue with her guidance. Her efforts on this issue have been very important to the committee and I want to commend her for her efforts in this matter.

Mr. ROE. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Oklahoma [Mr. MCCURDY].

Mr. McCURDY. Mr. Chairman, I rise in strong support of this NOAA authorization bill. I believe it is a very vital agency of the Federal Government, one that has continued to provide important services throughout the country and for those of us who are accustomed to severe weather, including tornadoes, we have a firsthand experience with NOAA and the importance of the National Weather Service and the agencies that continue to work with them.

At this point, Mr. Chairman, I would like to enter into a colloquy with the chairman of the full committee, the gentleman from New Jersey [Mr. ROE].

I thank the chairman. During hearings in the Subcommittee on Transportation, Aviation, and Materials, which I chair, it has come to our attention that the Federal Aviation Administration has been experiencing technical difficulties in measuring headwinds and tailwinds and crosswinds in its efforts to predict windshear formation and to develop operational storm-scale forecast models. Since Doppler radars can only measure wind movement toward or away from the radar, a single Doppler is unable to observe all the important wind fields. Because of the importance of overcoming these problems and the prohibitive cost of a dual Doppler radar system—$562.4 million—the University of Oklahoma has been involved in developing mathematical techniques to achieve such predictions by using a single Doppler radar.

Since this research is of obvious importance to NOAA as well as the FAA, would it be appropriate for us to expect the Administrator of NOAA to explore the possibility of entering into an agreement with the University of Oklahoma, the Cooperative Institute for Mesoscale Meteorological Studies, and the National Severe Storms Laboratory for the purpose of Doppler radar research on the retrieval of three dimensional wind and temperature fields from a single Doppler radar?

Mr. ROE. Mr. Chairman, will the gentleman yield to me?

Mr. McCURDY. I yield to the gentleman from New Jersey [Mr. Roe], the chairman of the full committee.

Mr. ROE. I thank the gentleman for yielding. I certainly think it would be appropriate for the Administrator to explore this possibility and report his findings to the full committee early in the budget cycle next year so that the committee will be appropriately advised on any action it might take in the future regarding this potential breakthrough.

Mr. McCURDY. I thank the gentleman for his comments and his support. I would also like at this point to again commend Chairman Roe for the direction not only of bringing this authorization bill to the floor in such timely fashion but also for the inspiration and direction he has given to the full committee in this, his first year as chairman.

I would also like to commend the chairman of the subcommittee, Mr. Scheuer, whom I have the pleasure of serving under and I have continued to enjoy his efforts and his concern, not only for NOAA and for the important efforts that that agency undertakes but for his concern for the environment as a whole.

Mr. ROE. Mr. Chairman, I yield such time as he may consume to the distinguished gentleman from Maryland [Mr. McMillen].

Mr. McMILLEN of Maryland. Mr. Chairman, I rise in strong support of the fiscal year 1988 authorization for the National Oceanic and Atmospheric Administration. I cannot say enough about the importance of fully funding this arm of the Department of Commerce. The amount requested for fiscal year 1988 is entirely justified, especially in light of the increase in congressionally mandated responsibilities in recent years. As of today, there are over 119 different statutes that govern NOAA's activities. Among the most important of the NOAA's congressional directives is the National Climate Control Program of 1978. Under the dictates of this act, NOAA has been assigned to monitor important changes in global climate patterns, and to measure and assess the impact of so-called greenhouse gases, such as methane, chlorofluorocarbons, and ozone. The existence of these gases in excess quantities poses a hazard of monumental proportions to the well-being of the Earth's ecosystem. NOAA operates the satellites that survey changes in the Earth's atmosphere and other parameters that are critical to our mapping of global climate changes. Maintaining this survey will ensure a continuous stream of relevant information and analysis on the atmosphere. Viewed from this perspective, full funding of NOAA is an important investment in our future.

Mr. Chairman, NOAA's work has lasting value well into the 21st century. Importantly, the provisions of S. 1667 will assure that the Congress has access to all of the information and analysis necessary to make informed policy choices affecting our global environment.

Mr. Chairman, I strongly urge passage of the bill. I commend the committee and the subcommittee chairmen for their good work.

Mr. LUJAN. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. ROE. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to the rule, the committee amendment in the nature of a substitute, now printed in the reported bill shall be considered as an original bill for the purpose of amendment and each title shall be considered as having been read.

The Clerk will designate title I.

The text of title I is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—NATIONAL WEATHER SERVICE

OPERATIONS AND RESEARCH

Sec. 101. There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out the operations and research duties of the National Weather Service under law, $277,628,000 for fiscal year 1988 and $288,733,000 for fiscal year 1989. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to National Weather Service operations and research specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and any other law involving such duties. Such duties include meteorological, hydrological, and oceanographic public warnings and forecasts, as well as applied research in support of such warnings and forecasts.

SYSTEMS ACQUISITION

Sec. 102. (a) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its public warning and forecast systems duties under law, $84,000,000 for fiscal year 1988 and $132,800,000 for fiscal year 1989. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to public warning and forecast systems specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.) and any other law involving such duties. Such duties include the development, acquisition, and implementation of major public warning and forecast systems.

(b) In procuring information processing and telecommunications services of the National Oceanic and Atmospheric Administration for the Advanced Weather Interactive Processing System, the Secretary of Commerce may provide, in the contract or contracts for such services, for the payment for contingent liability of the Federal Government which may accrue in the event that the Government decides to terminate the contract before the expiration of the multiyear contract period. Such contract or contracts for such services shall limit the payments which the Federal Government is allowed to make under such contract or contracts to amounts provided in advance in appropriation Acts.

Mr. ROE. Mr. Chairman, I ask unanimous consent that the remainder of the committee amendment in the nature of a substitute be printed in the Record and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The text of the remainder of the committee amendment in the nature of a substitute is as follows:0

TITLE II—WEATHER SERVICES MODERNIZATION

MODERNIZATION PLANS

Sec. 201. (a) The Secretary of Commerce (hereafter in this Act referred to as the "Secretary") shall prepare and submit to the Congress, not later than 90 days after the enactment of this Act, a 10 year strategic plan for the comprehensive modernization of the National Weather Service. The strategic plan shall set forth basic service improvement objectives of the modernization as well as the critical new technological components and the associated operational changes necessary to fulfill the objectives of weather and flood warning service improvements.

(b) The Secretary shall prepare and submit to the Congress, by the beginning of the fiscal year following the submission of the strategic plan required by subsection (a) of this section, a National Implementation Plan for modernization of the National Weather Service. The National Implementation Plan will describe the schedules for necessary actions to accomplish the objectives described in the strategic plan, and the National Implementation Plan shall include—

(1) detailed requirements for new technologies, facilities, staffing levels, and funding during the following two fiscal years in accordance with the overall schedule for modernization;

(2) special measures to test, evaluate, and demonstrate key elements of the modernized National Weather Service operations prior to national implementation, including a multistation operational demonstration which tests the performance of all components of the modernization in an integrated manner for a sustained period; and

(3) detailed plans and funding for meteorological research to be accomplished under title III of this Act to assure that new techniques in forecasting will be developed to utilize the new technologies being implemented in the modernization.

(c) The Secretary shall submit a revised National Implementation Plan to the Congress at the beginning of each successive fiscal year.

CLOSURE, AUTOMATION, OR RELOCATION OF FIELD OFFICES

SEC. 202. (a) The Secretary shall not close, consolidate, automate, or relocate any Weather Service Office or Weather Service Forecast Office except in accordance with this section.

(b) The Secretary may not close, consolidate, automate, or relocate any such office unless the Secretary has certified to the House Committee on Science, Space, and Technology and the Senate Committee on Commerce, Science, and Transportation that such action will not result in any degradation of weather services provided to the affected area. Such certification shall include—

(1) a detailed comparison of the services provided to the affected area and the services to be provided after such action;

(2) any recent or expected modernization of National Weather Service operations which will enhance services in the affected area; and

(3) evidence, based upon operational demonstration of modernized National Weather Service operations, which supports the conclusion that no degradation in services will result from such action.

COOPERATION WITH OTHER AGENCIES

SEC. 203. In reviewing and revising the National Implementation Plan, the Secretary shall consult, as appropriate, with other Federal and public agencies responsible for providing or utilizing weather services.

TITLE III—ATMOSPHERIC RESEARCH

CLIMATE AND AIR QUALITY RESEARCH

SEC. 301. (a) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its climate and air quality research duties under law, $40,521,000 for fiscal year 1988 and $42,142,000 for fiscal year 1989. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to climate and air quality research specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (U.S.C. 311 et seq.), the Act entitled "An Act to define the functions and duties of the Coast and Geodetic Survey, and for other purposes", approved August 6, 1947 (33 U.S.C. 883a et seq.), and any other law involving such duties. Such duties include the interannual and seasonal climate research, long-term climate and air quality research, and the National Climate Program.

(b) Of the sums authorized under subsection (a) of this section, $2,424,000 for fiscal year 1988 and $2,521,000 for fiscal year 1989 are authorized to be appropriated for the activities under the National Climate Program Act (15 U.S.C. 2901 et seq.).

NATIONAL CLIMATE PROGRAM ACT AMENDMENT

SEC. 302. The National Climate Program Act (15 U.S.C. 2901 et seq.) is amended as follows:

(1) Section 5(d) is amended—

(A) by striking "and" at the end of paragraph (8);

(B) by redesignating paragraph "(9)" as "(10)"; and

(C) by inserting after paragraph (8) the following new paragraph:

"(9) studies on policy options for reducing the impact of man's activity on global climate change. The studies will be made available to Federal agencies, the Congress, and the public; and".

(2) Insert, after section 5, the following new section:

"SEC. 6. CLIMATE CHANGE REPORT.

"The Secretary shall submit to the President and the House Committee on Science, Space, and Technology, and the Senate Committee on Commerce, Science, and Transportation, not later than January 30, 1990, and each 5 years thereafter, a report that includes—

"(1) an updated historic record of the major parameters that indicate the long-term trends in global climate change and an analysis of these trends;

"(2) an analysis of the current status of climate understanding and forecasting, and the research priorities for reducing the uncertainty in understanding and forecasting long-term change;

"(3) an analysis of the current trends in global climate change and projections for man-induced versus natural change for the next 50 to 100 years;

"(4) the regional areas in the world vulnerable to this climate change; and

"(5) the identification and analysis of actions that are recommended to (A) reduce human-induced climate change, (B) alleviate regional vulnerability to climate change, and (C) improve man's ability to respond to change."

GROUND-BASED STRATOSPHERIC MONITORING

SEC. 303. The Secretary of Commerce, in consultation with the Secretary of State, the Administrator of the National Aeronautics and Space Administration, and appropriate non-Federal organizations shall submit to the House Committee on Science, Space, and Technology, and the Senate Committee on Commerce, Science, and Transprotation, a plan to construct and operate a worldwide system of ground-based remote sensors to monitor the stratospheric levels of chemicals which can affect the level of ozone in the stratosphere and to use these results to improve our understanding of the possible changes in stratospheric ozone due to man's activities. The plan shall include time lines for construction and operation of the system, a description of the roles of the National Oceanic and Atmospheric Administration, non-Federal organizations, other nations and international organizations in constructing and operating the system and estimates of the costs to construct and operate the systems. The report shall be submitted by July 1, 1988.

ATMOSPHERIC PROGRAMS

SEC. 304. There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its atmospheric research duties under law, $44,404,000 for fiscal year 1988 and $46,180,000 for fiscal year 1989. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to atmospheric research specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), and by any other law involving such duties. Such duties include research for developing improved prediction capabilities for atmospheric processes, as well as solar-terrestrial services and research.

TITLE IV—NATIONAL ENVIRONMENTAL SATELLITE, DATA, AND INFORMATION SERVICE

SATELLITE OBSERVING SYSTEMS

SEC. 401. (a) There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its satellite observing systems duties under law, $298,326,000 for fiscal year 1988 and $334,685,000 for fiscal year 1989. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to data and information services specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), and by any other law involving duties. Such duties include spacecraft procurement, launch, and associated ground station system changes involving polar orbiting and geostationary environmental satellites and land remove-sensing satellites, as well as the operation of such satellites.

(b) This authorization provided for under subsection (a) of this section shall be in addition to moneys authorized under the Land Remote-Sensing Commercialization Act of 1984 (15 U.S.C. 4201 et seq.) for the purpose of carrying out such duties relating to satellite observing systems.

ENVIRONMENTAL DATA MANAGEMENT

SEC. 402. There are authorized to be appropriated to the Department of Commerce to enable the National Oceanic and Atmospheric Administration to carry out its data and information services duties under law, $24,887,000 for fiscal year 1988 and $25,883,000 for fiscal year 1989. Moneys appropriated pursuant to this authorization shall be used to fund those duties relating to data and information services specified by the Act entitled "An Act to increase the efficiency and reduce the expenses of the Signal Corps of the Army, and to transfer the Weather Service to the Department of Agriculture", approved October 1, 1890 (15 U.S.C. 311 et seq.), and by any other law involving such duties. Such duties include climate data services, ocean data services, geophysical data services, and environmental assessment and information services.

USER FEES

SEC. 403. (a) Except as otherwise provided in this section, the Secretary is authorized to assess fees, based on fair market value, for access to environmental data archived by the National Environmental Satellite, Data, and Information Service of the National Oceanic and Atmospheric Administration.

(b)(1) The Secretary shall provide data described in subsection (a) to Federal, State, and local government agencies, to universities, and to other nonprofit institutions at the cost of reproduction and transmission, if such data is to be used for research and not for commercial purposes.

(2) The Secretary shall waive the assessment of fees under subsection (a) as necessary to continue to provide data to foreign governments and international organiza-

tions on a data exchange basis or as otherwise provided by international agreement.

(c) The Secretary shall, before September 1, 1988, before each subsequent amendment to such schedule, and at least annually thereafter, publish in the Federal Register a schedule of fees to be assessed under this section.

(d) Fees shall be assessed under this section as follows:

(1) No fees shall be assessed until after September 30, 1988.

(2) With respect to the period beginning October 1, 1988, and ending September 30, 1989, fees shall be assessed at one-third of the full amount indicated in the fee schedule.

(3) With respect to the period beginning October 1, 1989, and ending September 30, 1990, fees shall be assessed at two-thirds of the full amount indicated in the fee schedule.

(4) With respect to the period beginning October 1, 1990, fees shall be assessed at the full amount indicated in the fee schedule.

(e) Fees collected under this section shall be available to the National Environmental Satellite, Data, and Information Service for expenses incurred in the operation of its data archive centers.

(f) The Secretary shall, before July 1, 1988, submit to the House Committee on Science, Space, and Technology and the Senate Committee on Commerce, Science, and Transportation a report which—

(1) sets forth the Secretary's plan for assessing fees under this section, including the methodology and bases by which the amount of such fees shall be determined, and the estimated revenues therefrom; and

(2) sets forth the Secretary's plan for using revenues generated from such fees, as well as other resources, to improve the capability of the National Environmental Satellite, Data, and Information Service to collect, manage, process, archive, and disseminate the increasing amounts of data generated from satellites, radars, and other technologies.

(g) The authority of the Secretary to assess fees under this Section shall expire on September 30, 1993.

AMENDMENT OFFERED BY MR. SMITH OF NEW HAMPSHIRE

Mr. SMITH of New Hampshire. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. SMITH of New Hampshire: Page 3, after line 10, insert the following new section:

DISSEMINATION OF ACID PRECIPITATION INFORMATION

SEC. 103. (a)(1) The National Weather Service of the National Oceanic and Atmospheric Administration shall issue periodic reports describing the acid content in precipitation in the United States, using information from Federal acid precipitation monitoring sites.

(2) Such reports shall be issued by Weather Service Forecast Offices in the National Weather Service, or through such other facilities or means as the Assistant Administrator of the National Weather Service shall direct, for those areas of the United States where such information is presently available, within 120 days after the date of the enactment of this Act.

(3) Such reports shall be issued on a weekly basis as a part of the local weather information made available by the National Weather Service for the purpose of informing the public of local weather conditions.

(4) Where other Federal agencies collect such data in the course of carrying out their statutory missions, the heads of those agencies and the Administrator of the National Oceanic and Atmospheric Administration shall arrange for the transfer of such data to the National Weather Service.

(b) Nothing in this section shall be construed to require any Federal agency to establish any new acid precipitation monitoring site.

Mr. SMITH of New Hampshire (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New Hampshire?

There was no objection.

Mr. SMITH of New Hampshire. Mr. Chairman, this is a noncontroversial amendment that has, as I understand it, passed the House before. It simply adds a new section 103.

Mr. ROE. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Hampshire. I am happy to yield to the gentleman from New Jersey.

Mr. ROE. Mr. Chairman, I want to thank the gentleman for offering this amendment again. It is a very important amendment, and it is one that should be enacted. It should have been in the law a long time ago.

Mr. Chairman, I thank the gentleman for his perseverence and for the work he has done on this amendment. The amendment is an improvement to the bill. This side of the aisle totally supports the amendment, and we have no objection to it.

Mr. SMITH of New Hampshire. Mr. Chairman, I thank the chairman of the committee for accepting the amendment.

Mr. Chairman, my amendment to title I creates a new section 103 of the bill. It allows data on the pH of rainfall that is currently collected by the Federal Government to be made available for reporting to the public, through the routine information provided by the National Weather Service of NOAA. Our local weather reporters could then voluntarily choose to report the average weekly acidity of rainfall.

This information on rainfall, measured by the pH of wet deposition, is currently collected by NOAA and other Federal agencies on a weekly basis at over 200 sites across the country. Since taxpayers are paying for the collection of this data, it is the intention of this amendment that the public be informed on the results. Again, I wish to emphasize that the Federal Government is collecting this information now, on a weekly basis, and my amendment does not authorize NOAA to do any additional data collection.

There is precedent for this amendment, as an earlier version of it was offered in 1984 by my predecessor from New Hampshire, former Congressman Norman D'Amours, and accepted by the House of Representatives. Rainfall pH reporting is already done on a daily basis by our neighbors to the north in Canada. In many cities across the country our local weather stations already report the air quality index or smog index.

Since the Federal Government is collecting this data, where does this information go right now, why isn't it available? Right now the data is centralized at the Department of Energy Pacific Northwest Laboratory and complied and correlated on a yearly basis as part of the 10-year National Acid Precipitation Assessment, or NAPAP Program. It is available to the public upon request, which is fine for research purposes, but the average American probably would not be aware of this information.

What other agencies besides NOAA, which is a co-chair of the NAPAP Program, are collecting this data?

PH is being collected at over 200 sites across the country run by NOAA, EPA, Department of Agriculture, and the National Park Service.

My amendment would require these agency sites to notify the weather service offices in their regions by phone each week to report the pH measurement collected for that week.

As I mentioned earlier in my remarks, an earlier version of this amendment passed the House back in January 1984. What happened to the D'Amours of New Hampshire amendment?

Well, first, the D'Amours amendment differed from the one before us today in two significant aspects:

First, the D'Amours amendment required daily pH reporting. My amendment requires this to be done weekly, consistent with our collection efforts.

Second, the D'Amours amendment required reporting of dry deposition data as well as wet deposition data.

The D'Amours amendment passed the House but was dropped in conference with the Senate.

To be consistent with the work currently being done, I have worked directly with NOAA in ironing out the language of this amendment. The agency has informed me that there is no significant cost and no technical problems in implementing my amendment; simply the cost of a phone call.

Mr. Chairman, I believe publication of this information would be helpful for purposes of public education. Like air quality and smog levels, rainfall pH is a useful index of environmental awareness. This is valuable information. We are taking the time to collect it. Why not make it available to our constituents?

In conclusion, I would like to thank Congressman SHERWOOD BOEHLERT for his leadership and support in helping to crafting this amendment, and express my appreciation to my subcommittee chairman, JIM SCHEUER, and CLAUDINE SCHNEIDER, the ranking Republican on the NRARE Subcommittee, for their help in bringing this amendment to the floor today.

Mr. BOEHLERT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Hampshire. I yield to the gentleman from New York.

Mr. BOEHLERT. Mr. Chairman, I rise in strong support of the amendment offered by my friend and colleague from New Hampshire, Mr. SMITH. Acid rain is the most serious, unattended environmental issue of the 1980's. Anything we can do to promote greater public awareness of the problem through the weather service is a step in the right direction.

The American people are deeply concerned about acid rain and air pollution. A recent Gallup poll shows that more than 60 percent of Americans in every region feel acid rain is a serious problem, and that the Government isn't doing enough about it.

In Oneonta, NY, a beautiful town which I am privileged to represent, the Delaware-Otsego Audubon Society is ready to implement the Smith amendment already. They just opened an acid rain monitoring station on Monday, and the data they collect will be shared with Congress, weather forecasters, and the public. I congratulate them for this effort, and think the National Weather Service should follow their example in spreading acid rain information.

I was also pleased to see in this morning's paper that the American Forestry Association has moved beyond their previous position calling simply for more studies. The Forestry Association now joins a growing list of supporters of strong, new clean air legislation. I insert today's Washington Post article reporting on the American Forestry Association position on this critically important, health sensitive issue.

Here in Congress, we have all kinds of resources to help us understand the growing mountains of research on acid rain. But the average American family does not. The average American family might not even realize that dirty air is wreaking slow, silent damage right in their backyard, whether they live near the eastern mountains, the Florida panhandle, the Ohio River Valley, or the San Fernando Valley. In dozens of cities, they might not realize that they are breathing air that is deemed hazardous to their health.

My colleague's amendment goes to the heart of this public information problem, in an inexpensive, prudent, largely voluntary manner. I commend the gentleman for his leadership, and urge my colleagues to support his amendment.

And in the days to come, I hope my colleagues will demonstrate the clear intent of this House to deal immediately with clean air issues in a measured, responsible way. Anything less will be a lasting blow to the health of millions of Americans and their environment.

[From the Washington Post, Nov. 20, 1987]

TOUGH LAWS TO PROTECT FORESTS URGED

(By Cass Peterson)

The American Forestry Association urged Congress yesterday to pass tougher air-pollution laws to protect the nation's forests, saying that the risks of delay outweigh the costs of additional regulations.

The association is the first national forestry organization to endorse broad new emission controls, joining a chorus of conservation groups and scientists whose main concern is acid rain. The forestry association is a citizens' organization that usually works closely with timber industry groups.

"There is little scientific doubt in our mind that acid rain is damaging the forest ecosystem," said R. Neil Sampson, executive vice president. He said, however, that the association wants Congress to address a "broad array" of pollutants, not just the sulfur dioxide and nitrogen oxides linked to acid rain.

"Although acid rain has been at the center of the debate, our research indicates that this is too narrow a focus to accurately address air pollution's full threat to forests," Sampson said.

A forestry association task force concluded that trees may be suffering more severe damage from pollution problems other than acid rain, including toxic metals leached from the soil and ozone formed by hydrocarbons.

The association's new position puts it at odds with trade groups representing the timber industry, including the American Paper Institute and the National Forest Products Association. John A. Thorner, environmental counsel for both groups, said yesterday that the industry sees "no convincing evidence that controlling air pollution on a national scale will improve the health of the forests."

The industry believes there is "no imminent crises" and supports continued air-quality research, he said.

But David W. Schindler, a research scientist at the Freshwater Institute in Canada and an adviser to the forestry association task force, said that scientist may have underestimated the speed with which manmade pollutants are altering aquatic and forest systems.

"What we see is running far ahead of what scientists were predicting 10 years ago," he said. "Ecologists have been far too conservative in their projections."

Mr. SIKORSKI. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Hampshire. I yield to the gentleman from Minnesota.

Mr. SIKORSKI. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New Hampshire [Mr. SMITH].

Mr. LUJAN. Mr. Chairman, will the gentleman yield?

Mr. SMITH of New Hampshire. I yield to the gentleman from New Mexico.

Mr. LUJAN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I want to join with the chairman of the full committee, the gentleman from New Jersey [Mr. ROE], and with the gentleman from New York [Mr. BOEHLERT] in commending the gentleman for offering this amendment. I think it is a very good amendment, and from this side I would like to tell the gentleman that we are pleased to accept it.

Mr. SMITH of New Hampshire. Mr. Chairman, in closing, I would like to thank the ranking minority member as well as my chairman and all those Members who helped to bring about the consideration of this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire [Mr. SMITH].

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. HOWARD] having assumed the chair, Mr. CARR, Chairman of the Committee of the Whole House on the State of the Union, reported that the Committee, having had under consideration the Senate bill (S. 1667) to authorize certain atmospheric and satellite programs and functions of the National Oceanic and Atmospheric Administration, and for other purposes, pursuant to House Resolution 307, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on the amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the Senate bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. FRENZEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The **SPEAKER** pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 341, nays 65, not voting 27, as follows:

[Roll No. 446]

YEAS—341

Ackerman
Akaka
Alexander
Anderson
Annunzio
Anthony
Applegate
Aspin
Atkins
AuCoin
Barnard
Barton
Bateman
Bates
Beilenson
Bennett
Bentley
Bereuter
Berman
Bevill
Bilbray
Bliley
Boehlert
Boggs
Boland
Bonior
Bonker
Borski
Bosco
Boucher
Boulter
Boxer
Brennan
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Buechner
Bustamante
Byron
Campbell
Cardin
Carper
Carr
Chandler
Chapman
Clarke
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Collins
Conte
Conyers
Cooper
Coyne
Daniel
Darden
Daub
Davis (MI)
de la Garza
DeFazio
Dellums
Derrick
DeWine
Dicks
Dingell
DioGuardi
Dixon
Donnelly
Dorgan (ND)
Downey
Duncan
Durbin
Dwyer
Dyson
Eckart
Edwards (OK)
Emerson
English
Espy
Evans
Fascell
Fawell
Feighan
Fields
Fish
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frost
Gallegly
Gallo
Garcia
Gaydos
Gejdenson
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Gunderson
Hall (OH)
Hall (TX)
Hamilton
Hammerschmidt
Harris
Hastert
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hefley
Hefner
Henry
Herger
Hertel
Hochbrueckner
Hopkins
Horton
Houghton
Howard
Hoyer
Hubbard
Hughes
Hunter
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson (CT)
Johnson (SD)
Jones (NC)
Jones (TN)
Jontz
Kanjorski
Kaptur
Kastenmeier
Kennedy
Kennelly
Kildee
Kleczka
Kolbe
Konnyu
Kostmayer
LaFalce
Lagomarsino
Lancaster
Lantos
Leath (TX)
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (CA)
Lewis (FL)
Lewis (GA)
Lipinski
Lloyd
Lowery (CA)
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Madigan
Manton
Markey
Martin (NY)
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCollum
McCurdy
McDade
McGrath
McHugh
McMillan (NC)
McMillen (MD)
Meyers
Mfume
Mica
Michel
Miller (CA)
Miller (OH)
Miller (WA)
Moakley
Molinari
Mollohan
Montgomery
Moody
Morella
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Myers
Nagle
Natcher
Neal
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Olin
Ortiz
Owens (NY)
Owens (UT)
Oxley
Packard
Panetta
Parris
Pashayan
Patterson
Pease
Pelosi
Pepper
Perkins
Petri
Pickett
Porter
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Ravenel
Ray
Regula
Rhodes
Richardson
Ridge
Rinaldo
Ritter
Robinson
Rodino
Roe
Rogers
Rose
Rostenkowski
Roukema
Rowland (CT)
Rowland (GA)
Roybal
Russo
Sabo
Saiki
Savage
Sawyer
Saxton
Scheuer
Schneider
Schuette
Schulze
Schumer
Sharp
Shays
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Slaughter (NY)
Slaughter (VA)
Smith (FL)
Smith (IA)
Smith (NE)
Smith (NJ)
Smith (TX)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solarz
Spence
Spratt
St Germain
Staggers
Stallings
Stangeland
Stark
Stokes
Stratton
Studds
Sundquist
Swift
Synar
Tallon
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Watkins
Waxman
Weiss
Weldon
Wheat
Whitten
Williams
Wilson
Wise
Wolf
Wolpe
Wortley
Wyden
Yates
Yatron
Young (AK)
Young (FL)

NAYS—65

Archer
Armey
Badham
Baker
Ballenger
Bartlett
Bilirakis
Brown (CO)
Bunning
Burton
Callahan
Cheney
Coble
Combest
Coughlin
Craig
Crane
Dannemeyer
Davis (IL)
DeLay
Dickinson
Dornan (CA)
Dreier
Erdreich
Frenzel
Gekas
Gibbons
Grandy
Gregg
Hansen
Hiler
Holloway
Inhofe
Kasich
Kyl
Latta
Lightfoot
Lukens, Donald
Lungren
Marlenee
Martin (IL)
McCandless
McEwen
Moorhead
Nielson
Penny
Roberts
Roth
Schaefer
Sensenbrenner
Shaw
Shumway
Shuster
Smith, Denny (OR)
Solomon
Stenholm
Stump
Sweeney
Swindall
Tauke
Thomas (CA)
Upton
Walker
Weber
Whittaker

NOT VOTING—27

Andrews
Biaggi
Chappell
Clay
Courter
Crockett
Dowdy
Dymally
Early
Edwards (CA)
Fazio
Gephardt
Gradison
Huckaby
Kemp
Kolter
Leach (IA)
Livingston
Lott
Mack
Mineta
Pickle
Pursell
Roemer
Schroeder
Udall
Wylie

□ 1250

Mr. **KYL** and Mr. **COUGHLIN** changed their votes from "yea" to "nay."

Mr. **BUECHNER** and Mr. **DORGAN** of North Dakota changed their votes from "nay" to "yea."

So the Senate bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous material, on S. 1667, the Senate bill just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

SUNDRY MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mrs. Emery, one of his secretaries.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 148. An act to designate certain public lands in the State of Michigan as wilderness, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2939) "an act to amend title 28, United States Code, with respect to the appointment of independent counsel."

REPORT ON IRAN-UNITED STATES CLAIMS TRIBUNAL—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-137)

The **SPEAKER** pro tempore laid before the House the following message from the President of the United States; which was read, and, without objection, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of today, Friday, November 20, 1987.)

LEGISLATIVE PROGRAM

(Mr. **MICHEL** asked and was given permission to address the House for 1 minute.)

Mr. MICHEL. Mr. Speaker, I have asked to proceed for 1 minute so that I might inquire of the distinguished majority leader the program for the balance of this day and next week, and if the gentleman could take a look into his crystal ball.

Mr. FOLEY. Mr. Speaker, will the distinguished minority leader yield to me?

Mr. MICHEL. I am happy to yield to the distinguished majority leader.

Mr. FOLEY. Mr. Speaker, the program for the House of Representatives for today is completed, with the exception of the consideration of adjournment resolution, which will immediately follow our colloquy. Under this resolution, the House will not be in session unless an emergency arises next week, Thanksgiving week, but would return on November 30 at noon for a pro forma session and on Tuesday, December 1, the House would meet at noon to consider the Private Calendar and five bills under suspension of the rules:

H.R. 2142, Nevada Wilderness Designation Act of 1987;

S. 1297, De Soto National Trail Study Act;

S. 578, to designate the Trail of Tears as a national historic trail; and

S. 860, to designate "The Star and Stripes Forever" as the National March of the United States.

We had hoped to have a small musical interlude while I announced that, but it has not been possible to arrange it.

And H.R. 1807, to amend the Small Business Act to reform the capital ownership development program.

Then on Wednesday, December 2, subject to a unanimous-consent request which I shall offer, the House will meet at noon to consider H.R. 791, the National Ground Water Contamination Research Act of 1987, subject to a rule being granted.

We intend that recorded votes ordered on suspensions debated on Tuesday, December 1, be then considered at the close of the action on H.R. 791 on Wednesday afternoon.

On Thursday, December 3, and the balance of the week, the House will consider House Joint Resolution 395, the continuing resolution for fiscal year 1988, subject to a rule being granted.

Of course, conference reports may be brought up at any time and any further program will be announced later; but that constitutes our present plans for the week of the 30th of November.

Mr. MICHEL. Mr. Speaker, I thank the distinguished leader.

I assume, as the gentleman indicates, that the balance of our business here would be the consideration of an adjournment resolution, and we may or may not anticipate a rollcall on that particular resolution.

But let me just voluntarily say something here, that we have for quite some long time set aside this next week, Thanksgiving week, for Members to go back to their districts and do the ususal things you do during the Thanksgiving week. If there are Members who feel because they have been kind of left out of the action with respect to summitry and deficit reduction during the last 2 weeks, let me assure those Members that if it were possible to have everybody participating on a daily basis, it would have been fine, but it is a little bit impractical.

That does not suggest that you folks have not been doing your normal work, as we have been trying to do ours.

Then finally, that if there is, would be or could be, some final resolution of what we have been laboring over later this afternoon, we could not possibly within the next week or 10 days do some of the things we would all like to do to help the process along, because we are waiting on the other body, frankly, to take up what I understand would be the reconciliation measure that we passed in this body, and then if I could maybe look into my scenario as I see it unfolding, the other body will certainly want to work its will on that measure, and then ultimately I suspect it will be different from what we pass here in the House.

The normal procedure is to go to conference, and so you see, we have no control over that situation whatsoever here in the House.

For those who might think that we ought to all stick around here next week, for whatever reason, admittedly you could find all kinds of things to do; but on that key issue, it is impractical to think that we can do anything more until the other body acts, and then we will respond appropriately. The majority leader and I have been talking about ways and means by which we might give our membership here the opportunity to express their will on the things we have tentatively put together, which obviously do not meet with unanimous approval on either side, and frankly which is going to take one whale of a lot of give and take to reach a final conclusion on.

I apologize to the distinguished majority leader for volunteering that, but I think it might help to clear the air here a little bit to facilitate the business at hand and let Members do what they want to do.

Mr. FOLEY. I agree with the comments of the distinguished Republican leader. I think it is very helpful that he makes them.

We are in a position to implement through the normal legislative process any undertakings to meet the deficit reduction, but there would be in my judgment nothing accomplished by attempting to meet next week before we have an opportunity to actually consider what the Senate will do in its legislative schedule. So I would suggest, as the distinguished gentleman says, that is not likely to produce any faster resolution of the issue.

Mr. WALKER. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Pennsylvania.

Mr. WALKER. Mr. Speaker, I thank the gentleman for yielding.

Do I understand that the sequester order now will be signed prior to midnight, is that where we are headed, in terms of both sides of the conflict?

Mr. FOLEY. Mr. Speaker, if the gentleman will yield further to me, I think the gentleman from Wisconsin was about to ask a similar question. He expressed some concern about that.

It is our information that the sequester order will be signed by the President tonight and that any legislation which would have authorized a delay in the sequester order which might have been considered by the House and the Senate today would not be agreed to by the President and would not be signed, but would be vetoed if it were presented to him.

We had arranged yesterday for a meeting of the Committee on Rules and they had reported a resolution eligible for today to postpone the sequestration effective immediately, but we have been advised that the President will not agree to such a resolution and will exercise his constitutional authority not to approve such a resolution.

Under the circumstances, there is no practical expectation that this House or the other body could effectively delay sequestration at this point.

On the other hand, there is what I might call a high degree of optimism, at least some would find optimistic aspects of it, that the agreement that has been under consideration will be effective today and that it can be brought into fully legislative effect in the coming weeks, and that when that is accomplished we would assume the termination of any sequestration activity with the adoption of measures which otherwise meet the goals of the Gramm-Rudman-Hollings Deficit Reduction Balanced Budget Act of 1987.

I would also suggest to the Members that we hope the executive department will exercise its best efforts within the requirements of the law to minimize to the extent possible by law any adverse or inequitable effects of the sequestration order.

□ 1305

This would be as a matter of course perhaps for later consideration of committees of both bodies and the President to consider whether any action might ultimately be taken that would extinguish any adverse, any negative consequences of the sequestration order's temporary operation.

Mr. OBEY. Mr. Speaker, will the gentleman yield on that point?

Mr. MICHEL. I will be happy to yield to the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman for yielding. First of all, I want to personally extend my gratitude to the minority leader and to the majority leader for what I know have been herculean efforts on both their parts to try to bring that conference to a successful conclusion and a rational compromise among everybody. I think it is safe to say that if the conference had had the same willingness to look at larger questions on the part of all of the Members of the House that we have had on the part of both of our colleagues that the country would be in a whole lot better shape today than it is.

Having said that, let me simply follow up the point made by the majority leader. It was my understanding, and what the majority leader was saying is that it was originally the intent, at least in the House, if there had been an agreement reached, it was the intent to bring up the motion to postpone sequestration on the grounds that there had been an agreement reached which would supersede that, but the majority leader is now indicating that there is no practical possibility that the President would sign that.

Mr. FOLEY. If the gentleman will yield, that is correct.

Mr. OBEY. It is my understanding that it has been indicated that it would be difficult and probably impossible to get it through the Senate, also.

My question is, What does that mean in terms of how they are going to repair the damage to some of the groups in this society who may suffer immediate damage because sequestration is going into effect? It would have seemed to me the better part of judgment for the White House to agree to accept a delay of sequestration as long as we had to deal further, because otherwise we are going to have groups like dairy farmers, for instance, who are expected to suffer an immediate 90-cent-per-hundredweight reduction in the milk checks they would get. I wonder if there are any plans afoot on the part of the White House to restore those reductions?

Mr. FOLEY. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Mr. Speaker, I yield to the majority leader.

Mr. FOLEY. There is no specific undertaking to do that, but I personally feel that if we are successful, as I hope we will be very shortly, in reaching an agreement and it is implemented, that in the implementation of that agreement we ought to consider and act upon any groups that are especially disadvantaged by the temporary operation of the sequestral order.

I would be willing to do my best to see that is accomplished. It is a matter for the judgment of the collective bodies and the President in any legislation that might come forward in the coming weeks. But I certainly think it would be fair and equitable not to put the burden of sequestration accidentally, accidentally on certain groups that would be affected during this interim period.

Mr. OBEY. If the gentleman will yield further, I certainly appreciate that attitude on the part of the majority leader. I have to say again that I really believe it would have been better for us to vote to delay sequestration. I wish the President had not indicated that he would have vetoed that but I also want to say that I think it is important for people on both sides of the aisle to understand that any problems that occur are not going to happen because of the failings of either the minority leader or the majority leader, or anybody else in that conference. If we had had the same kind of flexibility exhibited by a whole lot of people outside of the room that I think we had inside the room, we would not be in this mess today.

Mr. MICHEL. Mr. Speaker, if I might make a comment at this point briefly, I recognize there are probably going to be some mismatches here if this runs the next week or 2 weeks. I am not altogether sure under one set of circumstances one program actually fairs better or gets reduced. I cannot imagine that within the timeframe that we have scheduled for ourselves to resolve this overall issue that it is going to be that profound a thing. But I think when the time comes we might very well take a look at what that mismatch is, and redress it in whatever form we feel appropriate at that time.

Mr. GUNDERSON. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. Mr. Speaker, I yield to the gentleman from Wisconsin.

Mr. GUNDERSON. Mr. Speaker, I appreciate the leader yielding. I share the concerns of my colleague from Wisconsin [Mr. OBEY]. I want to make one thing clear that we ought not leave this Chamber in any way, shape, or form blaming the President of the United States for what is going to be a temporary problem in dairy. We brought this up when we considered the Gramm-Rudman conference report, pointed out that this was the one difference between this Gramm-Rudman conference and what we did under Gramm-Rudman 2 years ago, and I have to tell my friend and colleague from Wisconsin that your leadership promised me this correction was going to be taken care of.

So let us not blame this on the President of the United States at this point.

Mr. TAUKE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I am happy to yield to the gentleman from Iowa.

Mr. TAUKE. Mr. Speaker, I thank the gentleman for yielding. I am interested in knowing how the negotiated agreement will be implemented. From what I have heard from the discussion, it appeared as if we would not have an opportunity to act on any portion of that agreement until after the Senate had acted on reconciliation, and then it came back to us in the form of a conference report and reconciliation which would mean of course an up-or-down vote on the tax portions and the entitlement portions at that point. Then I would assume that our only other opportunity would be under the continuing resolution.

Should I perceive that we will never get an opportunity to vote on the package as a whole, first; and second, that the only way we will have an opportunity to consider portions of the package will be under the conference report on reconciliation and under the continuing resolution?

Mr. MICHEL. I wish I were knowledgeable enough to give my colleagues a clear definitive answer to both of those questions. I think what we are in the process of formulating hopefully as soon as we are concluded here with our duties, hopefully in a final agreement downstairs, but it would involve the sending to the President simultaneously a continuing resolution and a reconciliation measure upon which the President can exercise his judgment one way or another, signing or vetoing. Frankly, the majority leader and I have also been discussing very preliminarily the plight that the gentleman so well describes here of many in the House who have had under that given set of circumstances, or have been denied the opportunity to at least have some further play in the makeup of what is finally agreed to.

If we can orchestrate the kind of situation that gives the Members the kind of opportunity other than normally that straight up-or-down vote on a conference report that we are usually confronted with, we are going to try and make every attempt to do that because my understanding on both sides of the aisle is that there are Members who have some other ideas that they would like to put together in some form, but that is very preliminary at this particular juncture.

I cannot give a definitive answer.

The **SPEAKER** pro tempore (Mr. HOWARD). The time of the gentleman from Illinois [Mr. MICHEL] has expired.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY, DECEMBER 2, 1987

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday, December 2, 1987.

The **SPEAKER** pro tempore (Mr. HOWARD). Is there objection to the request of the gentleman from Washington?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, DECEMBER 2, 1987

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, December 1, 1987, it adjourn to meet at noon on Wednesday, December 2, 1987.

The **SPEAKER** pro tempore (Mr. HOWARD). Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING THE SPEAKER TO ACCEPT RESIGNATIONS AND APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ADJOURNMENT

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, November 30, 1987, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

The **SPEAKER** pro tempore (Mr. HOWARD). Is there objection to the request of the gentleman from Washington?

There was no objection.

PROVIDING FOR ADJOURNMENT OF THE HOUSE FROM FRIDAY, NOVEMBER 20, 1987, OR MONDAY, NOVEMBER 23, 1987, OR TUESDAY, NOVEMBER 24, 1987, TO MONDAY, NOVEMBER 30, 1987, AND OF THE SENATE FROM FRIDAY, NOVEMBER 20, 1987, OR MONDAY, NOVEMBER 23, 1987, OR TUESDAY, NOVEMBER 24, 1987, TO MONDAY, NOVEMBER 30, 1987

Mr. FOLEY. Mr. Speaker, I offer a privileged concurrent resolution (H. Con. Res. 220) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 220

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Friday, November 20, 1987, or Monday, November 23, 1987, or Tuesday, November 24, 1987, pursuant to a motion made by the majority leader, or his designee, in accordance with this resolution, it stand adjourned until 12 o'clock meridian on Monday, November 30, 1987, and that when the Senate adjourns on Friday, November 20, 1987, or Monday, November 23, 1987, or Tuesday, November 24, 1987, pursuant to a motion made by the majority leader, or his designee, in accordance with the resolution, it stand adjourned until 10 o'clock ante meridiem on Monday, November 30, 1987.

The **SPEAKER** pro tempore. Without objection, the previous question is ordered on the concurrent resolution.

There was no objection.

The **SPEAKER** pro tempore. The question is on the concurrent resolution.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

RECORDED VOTE

Mr. GUNDERSON. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 210, noes 181, not voting 42, as follows:

[Roll No. 447]

AYES—210

Ackerman
Akaka
Annunzio
Anthony
Applegate
Aspin
Atkins
Barnard
Bates
Bennett
Berman
Bevill
Bilbray
Boggs
Bonior
Bonker
Borski
Bosco
Boucher
Boxer
Brooks
Brown (CA)
Bustamante
Campbell
Cardin
Clarke
Coelho
Collins
Conyers
Cooper
Coyne
Daniel
Darden
de la Garza
DeFazio
Dellums
Dicks
Dingell
Dixon
Donnelly
Downey
Durbin
Dwyer
Espy
Evans
Fascell
Flake
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Frank
Frenzel
Frost
Gallo
Garcia
Gaydos
Gejdenson
Gibbons
Gonzalez
Goodling
Gordon
Grant
Gray (IL)
Gray (PA)
Green
Guarini
Hall (OH)
Hamilton
Hansen
Hatcher
Hawkins
Hayes (IL)
Hayes (LA)
Hertel
Hochbrueckner
Horton
Houghton
Howard
Hoyer
Hutto
Hyde
Jacobs
Jenkins
Johnson (SD)
Jones (NC)
Jontz
Kaptur
Kastenmeier
Kennedy
Kildee
Kleczka
LaFalce
Lancaster
Lehman (CA)
Lehman (FL)
Leland
Lent
Levin (MI)
Levine (CA)
Lewis (GA)
Lipinski
Lowry (WA)
Lujan
Luken, Thomas
MacKay
Manton
Markey
Martinez
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McGrath
McHugh
McMillen (MD)
Mfume
Mica
Michel
Miller (CA)
Moakley
Mollohan
Montgomery
Moody
Morrison (CT)
Mrazek
Murtha
Nagle
Natcher
Nelson
Nichols
Nowak
Oakar
Oberstar
Olin
Ortiz
Owens (NY)
Owens (UT)
Panetta
Pashayan
Patterson
Pease
Pelosi
Perkins
Pickett
Price (IL)
Price (NC)
Quillen
Rahall
Rangel
Ravenel
Ray
Richardson
Rodino
Roe
Rose
Rostenkowski
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Savage
Sawyer
Scheuer
Schumer
Shumway
Shuster
Sikorski
Sisisky
Skaggs
Skeen
Skelton
Slattery
Smith (FL)
Smith (IA)
Smith (NJ)
Smith (TX)
Smith, Denny (OR)
Solarz
Spratt
St Germain
Staggers
Stallings
Stokes
Stratton
Studds
Swift
Tauzin
Taylor
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Vento
Volkmer
Walgren
Waxman
Weiss
Wheat
Whitten
Wilson
Wise
Wolpe
Wortley
Yates

NOES—181

Anderson
Archer
Armey
AuCoin
Badham
Ballenger
Bartlett
Barton
Bateman
Beilenson
Bentley
Bereuter
Bilirakis
Bliley
Boehlert
Boulter
Brennan
Broomfield
Brown (CO)
Bruce
Bryant
Buechner
Bunning
Burton
Byron
Callahan
Carper
Carr
Chandler
Chapman
Cheney
Clinger
Coats
Coble
Coleman (MO)
Coleman (TX)
Combest
Conte
Coughlin
Craig
Crane
Daub
Davis (IL)
DeLay
Derrick
DeWine
Dickinson
DioGuardi
Dorgan (ND)
Dornan (CA)
Dreier
Duncan
Dyson
Eckart
Edwards (OK)
Emerson
English
Erdreich
Fawell
Feighan
Fields
Fish
Gallegly
Gekas
Gilman
Gingrich
Glickman
Grandy
Gunderson
Hall (TX)
Hammerschmidt
Harris
Hastert
Hefley
Hefner
Henry
Herger
Hiler
Holloway
Hopkins
Hubbard
Hughes
Hunter
Inhofe
Jeffords
Johnson (CT)
Kanjorski
Kasich
Kennelly
Kolbe
Konnyu
Kostmayer
Kyl
Lagomarsino
Latta
Leath (TX)
Lewis (CA)
Lewis (FL)
Lightfoot
Lloyd
Lowery (CA)
Lukens, Donald
Lungren
Madigan
Marlenee
Martin (IL)
Martin (NY)
McCandless
McCollum
McDade
McEwen
McMillan (NC)
Meyers
Miller (OH)
Miller (WA)
Molinari
Moorhead
Morella
Morrison (WA)
Murphy
Myers
Neal
Nielson
Obey
Oxley
Packard
Parris
Penny
Petri
Porter
Regula
Rhodes
Ridge
Rinaldo
Ritter
Roberts
Robinson
Rogers
Roth
Rowland (CT)
Saiki
Saxton
Schaefer
Schuette
Schulze
Sensenbrenner
Sharp
Shaw
Shays
Slaughter (NY)
Slaughter (VA)
Smith (NE)
Smith, Robert (NH)
Smith, Robert (OR)
Snowe
Solomon
Spence
Stangeland
Stenholm
Stump
Sundquist
Sweeney
Swindall
Synar
Tallon
Tauke
Thomas (CA)
Traxler
Upton
Valentine
Vander Jagt
Visclosky
Vucanovich
Walker
Weber
Weldon
Wolf
Wyden
Yatron
Young (AK)
Young (FL)

NOT VOTING—42

Alexander
Andrews
Baker
Biaggi
Boland
Chappell
Clay
Courter
Crockett
Dannemeyer
Davis (MI)
Dowdy
Dymally
Early
Edwards (CA)
Fazio
Gephardt
Gradison
Gregg
Huckaby
Ireland
Jones (TN)
Kemp
Kolter
Lantos
Leach (IA)
Livingston
Lott
Mack
Mineta
Pepper
Pickle
Pursell
Roemer
Schneider
Schroeder
Stark
Udall
Watkins
Whittaker
Williams
Wylie

□ 1330

So the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT OF CONFEREES ON H.R. 2310, AIRPORT AND AIRWAY IMPROVEMENT AMENDMENTS OF 1987

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to take from the

Speaker's table the bill (H.R. 2310) to amend the Airport and Airway Improvement Act of 1982 for the purpose of extending the authorization of appropriations for airport and airway improvements, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The **SPEAKER**. Is there objection to the request of the gentleman from New Jersey? The Chair hears none, and appoints the following conferees:

From the Committee on Public Works and Transportation, for consideration of titles I and III of the House bill and title I of the Senate amendment, and modifications committed to conference: Messrs. Howard, Anderson, Mineta, Oberstar, Nowak, Rahall, Visclosky (for consideration of section 109 of the Senate amendment only, in lieu of Mr. Rahall), Hammerschmidt, Shuster, Stangeland, Gingrich, and Packard (for consideration of section 120 of the Senate amendment only, in lieu of Mr. Shuster).

From the Committee on Science, Space, and Technology, for consideration of section 102(b) of the House bill and sections 107 and 120 of the Senate amendment, and modifications committed to conference: Messrs. Roe, McCurdy, Glickman, Lujan, and Lewis of Florida.

From the Committee on Ways and Means, for consideration of title II and section 114 of the House bill and title II and section 114 of the Senate amendment, and modifications committed to conference: Messrs. Rostenkowski, Gibbons, and Pickle, Mrs. Kennelly, Mr. Duncan, and Mr. Daub.

APPOINTMENT OF ADDITIONAL CONFEREES ON H.R. 3051, AIRLINE PASSENGER PROTECTION ACT OF 1987

The **SPEAKER**. Pursuant to the authority granted earlier today, the Chair names the following additional conferees on the bill H.R. 3051:

From the Committee on the Judiciary, as additional conferees for the consideration of section 5 of the Senate amendment and modifications committed to conference, and as exclusive conferees for the consideration of section 6 of the Senate amendment and modifications committed to conference, (in lieu of conferees from the Committee on Public Works and Transportation previously named): Messrs. Rodino, Edwards of California, Glickman, Fish, and Dannemeyer.

The Clerk will notify the Senate of the change in conferees.

PROVIDING FOR POSSIBLE ADJOURNMENT TO MONDAY, NOVEMBER 23, 1987

Mr. **COELHO**. Mr. Speaker, I ask unanimous consent that when the House adjourns today, unless it adjourns pursuant to the provisions of House Congressional Resolution 220, that it stand adjourned to meet at noon on Monday next.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

Mr. **WALKER**. Reserving the right to object, is that a change in the schedule as previously announced?

Mr. **COELHO**. No. This is just in case something would happen that we are protected and can meet if necessary.

Mr. **WALKER**. I would like to have an explanation of this.

The **SPEAKER**. Let the Chair respond to the inquiry of the gentleman from Pennsylvania.

This is only a stand-by in the event that the Senate failed to complete the action on the adjournment resolution so that we would have a pro forma session. We do not expect that to occur.

Mr. **WALKER**. I thank the Speaker.

Mr. Speaker, I withdraw my reservation of objection.

The **SPEAKER**. Is there objection to the request of the gentleman from California?

There was no objection.

CONFERENCE REPORT ON H.R. 2939, INDEPENDENT COUNSEL REAUTHORIZATION ACT OF 1987

Mr. **GLICKMAN** submitted the following conference report and statement on the bill (H.R. 2939) to amend title 28, United States Code, with respect to the appointment of independent counsel.

Conference Report (H. Rept. 100-452)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2939) to amend title 28, United States Code, with respect to the appointment of independent counsel, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Independent Counsel Reauthorization Act of 1987".

SEC. 2. AMENDMENTS RELATING TO INDEPENDENT COUNSEL.

Chapter 40 of title 28, United States Code, is amended to read as follows:

"CHAPTER 40—INDEPENDENT COUNSEL

"Sec.

"591. Applicability of provisions of this chapter.

"592. Preliminary investigation and application for appointment of an independent counsel.

"593. Duties of the division of the court.

"594. Authority and duties of an independent counsel.

"595. Congressional oversight.

"596. Removal of an independent counsel; termination of office.

"597. Relationship with Department of Justice.

"598. Severability.

"599. Termination of effect of chapter.

"§591. Applicability of provisions of this chapter

"(a) Preliminary Investigation With Respect to Certain Covered Persons.—The Attorney General shall conduct a preliminary investigation in accordance with section 592 whenever the Attorney General receives information sufficient to constitute grounds to investigate whether any person described in subsection (b) may have violated any Federal criminal law other than a violation classified as a Class B or C misdemeanor or an infraction.

"(b) Persons to Whom Subsection (a) Applies.—The persons referred to in subsection (a) are—

"(1) the President and Vice President;

"(2) any individual serving in a position listed in section 5312 of title 5;

"(3) any individual working in the Executive Office of the President who is compensated at a rate of pay at or above level II of the Executive Schedule under section 5313 of title 5;

"(4) any Assistant Attorney General and any individual working in the Department of Justice who is compensated at a rate of pay at or above level III of the Executive Schedule under section 5314 of title 5;

"(5) the Director of Central Intelligence, the Deputy Director of Central Intelligence, and the Commissioner of Internal Revenue;

"(6) any individual who leaves any office or position described in any of paragraphs (1) through (5) of this subsection, during the incumbency of the President under whom such individual served in the office or position plus one year after such incumbency, but in no event longer than a period of three years after the individual leaves the office or position;

"(7) any individual who held an office or position described in any of paragraphs (1) through (5) of this subsection during the incumbency of one President and who continued to hold the office or position for not more than 90 days into the term of the next President, during the 1-year period after the individual leaves the office or position; and

"(8) the chairman and treasurer of the principal national campaign committee seeking the election or reelection of the President, and any officer of that committee exercising authority at the national level, during the incumbency of the President.

"(c) Preliminary Investigation With Respect to Persons Not Listed in Subsection (b).—The Attorney General may conduct a preliminary investigation in accordance with section 592 if—

"(1) the Attorney General receives information sufficient to constitute grounds to investigate whether any person other than a person described in subsection (b) may have violated any Federal criminal law other than a violation classified as a Class B or C misdemeanor or an infraction; and

"(2) the Attorney General determines that an investigation or prosecution of the person, with respect to the information received, by the Attorney General or other offi-

cer of the Department of Justice may result in a personal, financial, or political conflict of interest.

"(d) EXAMINATION OF INFORMATION TO DETERMINE NEED FOR PRELIMINARY INVESTIGATION.—

"(1) FACTORS TO BE CONSIDERED.—In determining under subsection (a) or (c) (or section 592(c)(2)) whether grounds to investigate exist, the Attorney General shall consider only—

"(A) the specificity of the information received; and

"(B) the credibility of the source of the information.

"(2) TIME PERIOD FOR MAKING DETERMINATION.—The Attorney General shall determine whether grounds to investigate exist not later than 15 days after the information is first received. If within that 15-day period the Attorney General determines that the information is not specific or is not from a credible source, then the Attorney General shall close the matter. If within that 15-day period the Attorney General determines that the information is specific and from a credible source, the Attorney General shall, upon making that determination, commence a preliminary investigation with respect to that information. If the Attorney General is unable to determine, within that 15-day period, whether the information is specific and from a credible source, the Attorney General shall, at the end of that 15-day period, commence a preliminary investigation with respect to that information.

"(e) RECUSAL OF ATTORNEY GENERAL.—

"(1) WHEN RECUSAL IS REQUIRED.—If information received under this chapter involves the Attorney General or a person with whom the Attorney General has a current or recent personal or financial relationship, the Attorney General shall recuse himself or herself by designating the next most senior officer in the Department of Justice whom that information does not involve and who does not have a current or recent personal or financial relationship with such person to perform the duties assigned under this chapter to the Attorney General with respect to that information.

"(2) REQUIREMENTS FOR RECUSAL DETERMINATION.—The Attorney General shall, before personally making any other determination under this chapter with respect to information received under this chapter, determine under paragraph (1) whether to recuse himself or herself with respect to that information. A determination to recuse shall be in writing, shall identify the facts considered by the Attorney General, and shall set forth the reasons for the recusal. The Attorney General shall file this determination with any notification or application submitted to the division of the court under this chapter with respect to the information involved.

"§ 592. Preliminary investigation and application for appointment of an independent counsel

"(a) CONDUCT OF PRELIMINARY INVESTIGATION.—

"(1) IN GENERAL.—A preliminary investigation conducted under this chapter shall be of such matters as the Attorney General considers appropriate in order to make a determination, under subsection (b) or (c), on whether further investigation is warranted, with respect to each potential violation, or allegation of a violation, of criminal law. The Attorney General shall make such determination not later than 90 days after the preliminary investigation is commenced, except that, in the case of a preliminary investigation commenced after a congressional request under subsection (g), the Attorney General shall make such determination not later than 90 days after the request is received. The Attorney General shall promptly notify the division of the court specified in section 593(a) of the commencement of such preliminary investigation and the date of such commencement.

"(2) LIMITED AUTHORITY OF ATTORNEY GENERAL.—(A) In conducting preliminary investigations under this chapter, the Attorney General shall have no authority to convene grand juries, plea bargain, grant immunity, or issue subpoenas.

"(B)(i) The Attorney General shall not base a determination under this chapter that information with respect to a violation of criminal law by a person is not specific and from a credible source upon a determination that such person lacked the state of mind required for the violation of criminal law.

"(ii) The Attorney General shall not base a determination under this chapter that there are no reasonable grounds to believe that further investigation is warranted, upon a determination that such person lacked the state of mind required for the violation of criminal law involved, unless there is clear and convincing evidence that the person lacked such state of mind.

"(3) EXTENSION OF TIME FOR PRELIMINARY INVESTIGATION.—The Attorney General may apply to the division of the court for a single extension, for a period of not more than 60 days, of the 90-day period referred to in paragraph (1). The division of the court may, upon a showing of good cause, grant such extension.

"(b) DETERMINATION THAT FURTHER INVESTIGATION NOT WARRANTED.—

"(1) NOTIFICATION OF DIVISION OF THE COURT.—If the Attorney General, upon completion of a preliminary investigation under this chapter, determines that there are no reasonable grounds to believe that further investigation is warranted, the Attorney General shall promptly so notify the division of the court, and the division of the court shall have no power to appoint an independent counsel with respect to the matters involved.

"(2) FORM OF NOTIFICATION.—Such notification shall contain a summary of the information received and a summary of the results of the preliminary investigation.

"(c) DETERMINATION THAT FURTHER INVESTIGATION IS WARRANTED.—

"(1) APPLICATION FOR APPOINTMENT OF INDEPENDENT COUNSEL.—The Attorney General shall apply to the division of the court for the appointment of an independent counsel if—

"(A) the Attorney General, upon completion of a preliminary investigation under this chapter, determines that there are reasonable grounds to believe that further investigation is warranted; or

"(B) the 90-day period referred to in subsection (a)(1), and any extension granted under subsection (a)(3), have elapsed and the Attorney General has not filed a notification with the division of the court under subsection (b)(1).

In determining under this chapter whether reasonable grounds exist to warrant further investigation, the Attorney General shall comply with the written or other established policies of the Department of Justice with respect to the conduct of criminal investigations.

"(2) RECEIPT OF ADDITIONAL INFORMATION.—If, after submitting a notification under subsection (b)(1), the Attorney General receives additional information sufficient to constitute grounds to investigate the matters to which such notification related, the Attorney General shall—

"(A) conduct such additional preliminary investigation as the Attorney General considers appropriate for a period of not more than 90 days after the date on which such additional information is received; and

"(B) otherwise comply with the provisions of this section with respect to such additional preliminary investigation to the same extent as any other preliminary investigation under this section.

"(d) CONTENTS OF APPLICATION.—Any application for the appointment of an independent counsel under this chapter shall contain sufficient information to assist the division of the court in selecting an independent counsel and in defining that independent counsel's prosecutorial jurisdiction so that the independent counsel has adequate authority to fully investigate and prosecute the subject matter and all matters related to that subject matter.

"(e) DISCLOSURE OF INFORMATION.—Except as otherwise provided in this chapter, no officer or employee of the Department of Justice or an office of independent counsel may, without leave of the division of the court, disclose to any individual outside the Department of Justice or such office any notification, application, or any other document, materials, or memorandum supplied to the division of the court under this chapter. Nothing in this chapter shall be construed as authorizing the withholding of information from the Congress.

"(f) LIMITATION ON JUDICIAL REVIEW.—The Attorney General's determination under this chapter to apply to the division of the court for the appointment of an independent counsel shall not be reviewable in any court.

"(g) CONGRESSIONAL REQUEST.—

"(1) BY JUDICIARY COMMITTEE OR MEMBERS THEREOF.—The Committee on the Judiciary of either House of the Congress, or a majority of majority party members or a majority of all nonmajority party members of either such committee, may request in writing that the Attorney General apply for the appointment of an independent counsel.

"(2) REPORT BY ATTORNEY GENERAL PURSUANT TO REQUEST.—Not later than 30 days after the receipt of a request under paragraph (1), the Attorney General shall submit, to the committee making the request, or to the committee on which the persons making the request serve, a report on whether the Attorney General has begun or will begin a preliminary investigation under this chapter of the matters with respect to which the request is made, in accordance with subsection (a) or (c) of section 591, as the case may be. The report shall set forth the reasons for the Attorney General's decision regarding such preliminary investigation as it relates to each of the matters with respect to which the congressional request is made. If there is such a preliminary investigation, the report shall include the date on which the preliminary investigation began or will begin.

"(3) SUBMISSION OF INFORMATION IN RESPONSE TO CONGRESSIONAL REQUEST.—At the same time as any notification, application, or any other document, material, or memorandum is supplied to the division of the court pursuant to this section with respect to a preliminary investigation of any matter with respect to which a request is made under paragraph (1), such notification, application, or other document, material, or memorandum shall be supplied to the committee making the request, or to the committee on which the persons making the

request serve. If no application for the appointment of an independent counsel is made to the division of the court under this section pursuant to such a preliminary investigation, the Attorney General shall submit a report to that committee stating the reasons why such application was not made, addressing each matter with respect to which the congressional request was made.

"(4) DISCLOSURE OF INFORMATION.—Any report, notification, application, or other document, material, or memorandum supplied to a committee under this subsection shall not be revealed to any third party, except that the committee may, either on its own initiative or upon the request of the Attorney General, make public such portion or portions of such report, notification, application, document, material, or memorandum as will not in the committee's judgment prejudice the rights of any individual.

"§ 593. Duties of the division of the court

"(a) REFERENCE TO DIVISION OF THE COURT.—The division of the court to which this chapter refers is the division established under section 49 of this title.

"(b) APPOINTMENT AND JURISDICTION OF INDEPENDENT COUNSEL.—

"(1) AUTHORITY.—Upon receipt of an application under section 592(c), the division of the court shall appoint an appropriate independent counsel and shall define that independent counsel's prosecutorial jurisdiction.

"(2) QUALIFICATIONS OF INDEPENDENT COUNSEL.—The division of the court shall appoint as independent counsel an individual who has appropriate experience and who will conduct the investigation and any prosecution in a prompt, responsible, and cost-effective manner. The division of the court shall seek to appoint as independent counsel an individual who will serve to the extent necessary to complete the investigation and any prosecution without undue delay. The division of the court may not appoint as an independent counsel any person who holds any office of profit or trust under the United States.

"(3) SCOPE OF PROSECUTORIAL JURISDICTION.—In defining the independent counsel's prosecutorial jurisdiction, the division of the court shall assure that the independent counsel has adequate authority to fully investigate and prosecute the subject matter with respect to which the Attorney General has requested the appointment of the independent counsel, and all matters related to that subject matter. Such jurisdiction shall also include the authority to investigate and prosecute Federal crimes, other than those classified as Class B or C misdemeanors or infractions, that may arise out of the investigation or prosecution of the matter with respect to which the Attorney General's request was made, including perjury, obstruction of justice, destruction of evidence, and intimidation of witnesses.

"(4) DISCLOSURE OF IDENTITY AND PROSECUTORIAL JURISDICTION.—An independent counsel's identity and prosecutorial jurisdiction (including any expansion under subsection (c)) may not be made public except upon the request of the Attorney General or upon a determination of the division of the court that disclosure of the identity and prosecutorial jurisdiction of such independent counsel would be in the best interests of justice. In any event, the identity and prosecutorial jurisdiction of such independent counsel shall be made public when any indictment is returned, or any criminal information is filed, pursuant to the independent counsel's investigation.

"(c) EXPANSION OF JURISDICTION.—

"(1) IN GENERAL.—The division of the court, upon the request of the Attorney General, may expand the prosecutorial jurisdiction of an independent counsel, and such expansion may be in lieu of the appointment of another independent counsel.

"(2) PROCEDURE FOR REQUEST BY INDEPENDENT COUNSEL.—(A) If the independent counsel discovers or receives information about possible violations of criminal law by persons as provided in section 591, which are not covered by the prosecutorial jurisdiction of the independent counsel, the independent counsel may submit such information to the Attorney General. The Attorney General shall then conduct a preliminary investigation of the information in accordance with the provisions of section 592, except that such preliminary investigation shall not exceed 30 days from the date such information is received. In making the determinations required by section 592, the Attorney General shall give great weight to any recommendations of the independent counsel.

"(B) If the Attorney General determines, after according great weight to the recommendations of the independent counsel, that there are no reasonable grounds to believe that further investigation is warranted, the Attorney General shall promptly so notify the division of the court and the division of the court shall have no power to expand the jurisdiction of the independent counsel or to appoint another independent counsel with respect to the matters involved.

"(C) If—

"(i) the Attorney General determines that there are reasonable grounds to believe that further investigation is warranted; or

"(ii) the 30-day period referred to in subparagraph (A) elapses without a notification to the division of the court that no further investigation is warranted,

the division of the court shall expand the jurisdiction of the appropriate independent counsel to include the matters involved or shall appoint another independent counsel to investigate such matters.

"(d) RETURN FOR FURTHER EXPLANATION.—Upon receipt of a notification under section 592 or subsection (c)(2)(B) of this section from the Attorney General that there are no reasonable grounds to believe that further investigation is warranted with respect to information received under this chapter, the division of the court shall have no authority to overrule this determination but may return the matter to the Attorney General for further explanation of the reasons for such determination.

"(e) VACANCIES.—If a vacancy in office arises by reason of the resignation, death, or removal of an independent counsel, the division of the court shall appoint an independent counsel to complete the work of the independent counsel whose resignation, death, or removal caused the vacancy, except that in the case of a vacancy arising by reason of the removal of an independent counsel, the division of the court may appoint an acting independent counsel to serve until any judicial review of such removal is completed.

"(f) ATTORNEYS' FEES.—

"(1) AWARD OF FEES.—Upon the request of an individual who is the subject of an investigation conducted by an independent counsel pursuant to this chapter, the division of the court may, if no indictment is brought against such individual pursuant to that investigation, award reimbursement for those reasonable attorneys' fees incurred by that individual during that investigation which would not have been incurred but for the requirements of this chapter. The division of the court shall notify the Attorney General of any request for attorneys' fees under this subsection.

"(2) EVALUATION OF FEES.—The division of the court may direct the Attorney General to file a written evaluation of any request for attorneys' fees under this subsection, analyzing for each expense—

"(A) the sufficiency of the documentation;

"(B) the need or justification for the underlying item; and

"(C) the reasonableness of the amount of money requested.

"(g) DISCLOSURE OF INFORMATION.—The division of the court may, subject to section 594(h)(2), allow the disclosure of any notification, application, or any other document, material, or memorandum supplied to the division of the court under this chapter.

"(h) AMICUS CURIAE BRIEFS.—When presented with significant legal issues, the division of the court may disclose sufficient information about the issues to permit the filing of timely amicus curiae briefs.

"§594. Authority and duties of an independent counsel

"(a) AUTHORITIES.—Notwithstanding any other provision of law, an independent counsel appointed under this chapter shall have, with respect to all matters in such independent counsel's prosecutorial jurisdiction established under this chapter, full power and independent authority to exercise all investigative and prosecutorial functions and powers of the Department of Justice, the Attorney General, and any other officer or employee of the Department of Justice, except that the Attorney General shall exercise direction or control as to those matters that specifically require the Attorney General's personal action under section 2516 of title 18. Such investigative and prosecutorial functions and powers shall include—

"(1) conducting proceedings before grand juries and other investigations;

"(2) participating in court proceedings and engaging in any litigation, including civil and criminal matters, that such independent counsel considers necessary;

"(3) appealing any decision of a court in any case or proceeding in which such independent counsel participates in an official capacity;

"(4) reviewing all documentary evidence available from any source;

"(5) determining whether to contest the assertion of any testimonial privilege;

"(6) receiving appropriate national security clearances and, if necessary, contesting in court (including, where appropriate, participating in in camera proceedings) any claim of privilege or attempt to withhold evidence on grounds of national security;

"(7) making applications to any Federal court for a grant of immunity to any witness, consistent with applicable statutory requirements, or for warrants, subpoenas, or other court orders, and, for purposes of sections 6003, 6004, and 6005 of title 18, exercising the authority vested in a United States attorney or the Attorney General;

"(8) inspecting, obtaining, or using the original or a copy of any tax return, in accordance with the applicable statutes and regulations, and, for purposes of section 6103 of the Internal Revenue Code of 1986 and the regulations issued thereunder, exercising the powers vested in a United States attorney or the Attorney General;

"(9) initiating and conducting prosecutions in any court of competent jurisdiction, *framing and signing indictments, filing informations, and handling all aspects of any case, in the name of the United States; and*

"(10) consulting with the United States attorney for the district in which any violation of law with respect to which the independent counsel is appointed was alleged to have occurred.

"(b) COMPENSATION.—An independent counsel appointed under this chapter shall receive compensation at the per diem rate equal to the annual rate of basic pay payable for level IV of the Executive Schedule under section 5315 of title 5.

"(c) ADDITIONAL PERSONNEL.—For the purposes of carrying out the duties of an office of independent counsel, such independent counsel may appoint, fix the compensation, and assign the duties of such employees as such independent counsel considers necessary (including investigators, attorneys, and part-time consultants). The positions of all such employees are exempted from the competitive service. No such employee may be compensated at a rate exceeding the maximum rate of pay payable for GS-18 of the General Schedule under section 5332 of title 5.

"(d) ASSISTANCE OF DEPARTMENT OF JUSTICE.—

"(1) IN CARRYING OUT FUNCTIONS.—An independent counsel may request assistance from the Department of Justice in carrying out the functions of the independent counsel, and the Department of Justice shall provide that assistance, which may include access to any records, files, or other materials relevant to matters within such independent counsel's prosecutorial jurisdiction, and the use of the resources and personnel necessary to perform such independent counsel's duties.

"(2) PAYMENT OF AND REPORTS ON EXPENDITURES OF INDEPENDENT COUNSEL.—The Department of Justice shall pay all costs relating to the establishment and operation of any office of independent counsel. The Attorney General shall submit to the Congress, not later than 30 days after the end of each fiscal year, a report on amounts paid during that fiscal year for expenses of investigations and prosecutions by independent counsel. Each such report shall include a statement of all payments made for activities of independent counsel but may not reveal the identity or prosecutorial jurisdiction of any independent counsel which has not been disclosed under section 593(b)(4).

"(e) REFERRAL OF OTHER MATTERS TO AN INDEPENDENT COUNSEL.—An independent counsel may ask the Attorney General or the division of the court to refer to the independent counsel matters related to the independent counsel's prosecutorial jurisdiction, and the Attorney General or the division of the court, as the case may be, may refer such matters. If the Attorney General refers a matter to an independent counsel on the Attorney General's own initiative, the independent counsel may accept such referral if the matter relates to the independent counsel's prosecutorial jurisdiction. If the Attorney General refers any matter to the independent counsel pursuant to the independent counsel's request, or if the independent counsel accepts a referral made by the Attorney General on the Attorney General's own initiative, the independent counsel shall so notify the division of the court.

"(f) COMPLIANCE WITH POLICIES OF THE DEPARTMENT OF JUSTICE.—An independent counsel shall, except where not possible, comply with the written or other established policies of the Department of Justice respecting enforcement of the criminal laws.

"(g) DISMISSAL OF MATTERS.—The independent counsel shall have full authority to dismiss matters within the independent counsel's prosecutorial jurisdiction without conducting an investigation or at any subsequent time before prosecution, if to do so would be consistent with the written or other established policies of the Department of Justice with respect to the enforcement of criminal laws.

"(h) REPORTS BY INDEPENDENT COUNSEL.—

"(1) REQUIRED REPORTS.—An independent counsel shall—

"(A) file with the division of the court, with respect to the 6-month period beginning on the date of his or her appointment, and with respect to each 6-month period thereafter until the office of that independent counsel terminates, a report which identifies and explains major expenses, and summarizes all other expenses, incurred by that office during the 6-month period with respect to which the report is filed, and estimates future expenses of that office; and

"(B) before the termination of the independent counsel's office under section 596(b), file a final report with the division of the court, setting forth fully and completely a description of the work of the independent counsel, including the disposition of all cases brought, and the reasons for not prosecuting any matter within the prosecutorial jurisdiction of such independent counsel.

"(2) DISCLOSURE OF INFORMATION IN REPORTS.—The division of the court may release to the Congress, the public, or any appropriate person, such portions of a report made under this subsection as the division of the court considers appropriate. The division of the court shall make such orders as are appropriate to protect the rights of any individual named in such report and to prevent undue interference with any pending prosecution. The division of the court may make any portion of a final report filed under paragraph (1)(B) available to any individual named in such report for the purposes of receiving within a time limit set by the division of the court any comments or factual information that such individual may submit. Such comments and factual information, in whole or in part, may, in the discretion of the division of the court, be included as an appendix to such final report.

"(i) INDEPENDENCE FROM DEPARTMENT OF JUSTICE.—Each independent counsel appointed under this chapter, and the persons appointed by that independent counsel under subsection (c), are separate from and independent of the Department of Justice for purposes of sections 202 through 209 of title 18.

"(j) STANDARDS OF CONDUCT APPLICABLE TO INDEPENDENT COUNSEL, PERSONS SERVING IN THE OFFICE OF AN INDEPENDENT COUNSEL, AND THEIR LAW FIRMS.—

"(1) RESTRICTIONS ON EMPLOYMENT WHILE INDEPENDENT COUNSEL AND APPOINTEES ARE SERVING.—(A) During the period in which an independent counsel is serving under this chapter—

"(i) such independent counsel, and

"(ii) any person associated with a firm with which such independent counsel is associated,

may not represent in any matter any person involved in any investigation or prosecution under this chapter.

"(B) During the period in which any person appointed by an independent counsel under subsection (c) is serving in the office of independent counsel, such person may not represent in any matter any person involved in any investigation or prosecution under this chapter.

"(2) POST EMPLOYMENT RESTRICTIONS ON INDEPENDENT COUNSEL AND APPOINTEES.—(A) Each independent counsel and each person appointed by that independent counsel under subsection (c) may not, for 3 years following the termination of the service under this chapter of that independent counsel or appointed person, as the case may be, represent any person in any matter if that individual was the subject of an investigation or prosecution under this chapter that was conducted by that independent counsel.

"(B) Each independent counsel and each person appointed by that independent counsel under subsection (c) may not, for 1 year following the termination of the service under this chapter of that independent counsel or appointed person, as the case may be, represent any person in any matter involving any investigation or prosecution under this chapter.

"(3) ONE-YEAR BAN ON REPRESENTATION BY MEMBERS OF FIRMS OF INDEPENDENT COUNSEL.—Any person who is associated with a firm with which an independent counsel is associated or becomes associated after termination of the service of that independent counsel under this chapter may not, for 1 year following such termination, represent any person in any matter involving any investigation or prosecution under this chapter.

"(4) DEFINITIONS.—For purposes of this subsection—

"(A) the term 'firm' means a law firm whether organized as a partnership or corporation; and

"(B) a person is 'associated' with a firm if that person is an officer, director, partner, or other member or employee of that firm.

"(k) CUSTODY OF RECORDS OF AN INDEPENDENT COUNSEL.—

"(1) TRANSFER OF RECORDS.—Upon termination of the office of an independent counsel, that independent counsel shall transfer to the Archivist of the United States all records which have been created or received by that office. Before this transfer, the independent counsel shall clearly identify which of these records are subject to rule 6(e) of the Federal Rules of Criminal Procedure as grand jury materials and which of these records have been classified as national security information. Any records which were compiled by an independent counsel and, upon termination of the independent counsel's office, were stored with the division of the court or elsewhere before the enactment of the Independent Counsel Reauthorization Act of 1987, shall also be transferred to the Archivist of the United States by the division of the court or the person in possession of such records.

"(2) MAINTENANCE, USE, AND DISPOSAL OF RECORDS.—Records transferred to the Archivist under this chapter shall be maintained, used, and disposed of in accordance with chapters 21, 29, and 33 of title 44.

"(3) ACCESS TO RECORDS.—

"(A) IN GENERAL.—Subject to paragraph (4), access to the records transferred to the Archivist under this chapter shall be governed by section 552 of title 5.

"(B) ACCESS BY DEPARTMENT OF JUSTICE.—The Archivist shall, upon written application by the Attorney General, disclose any such records to the Department of Justice for purposes of an ongoing law enforcement investigation or court proceeding, except that, in the case of grand jury materials, such records shall be so disclosed only by order of the court of jurisdiction under rule

6(e) of the Federal Rules of Criminal Procedure.

"(C) EXCEPTION.—Notwithstanding any restriction on access imposed by law, the Archivist and persons employed by the National Archives and Records Administration who are engaged in the performance of normal archival work shall be permitted access to the records transferred to the Archivist under this chapter.

"(4) RECORDS PROVIDED BY CONGRESS.—Records of an investigation conducted by a committee of the House of Representatives or the Senate which are provided to an independent counsel to assist in an investigation or prosecution conducted by that independent counsel—

"(A) shall be maintained as a separate body of records within the records of the independent counsel; and

"(B) shall, after the records have been transferred to the Archivist under this chapter, be made available, except as provided in paragraph (3)(B) and (C), in accordance with the rules governing release of the records of the House of Congress that provided the records to the independent counsel.

Subparagraph (B) shall not apply to those records which have been surrendered pursuant to grand jury or court proceedings.

"§595. Congressional oversight

"(a) OVERSIGHT OF CONDUCT OF INDEPENDENT COUNSEL.—

"(1) CONGRESSIONAL OVERSIGHT.—The appropriate committees of the Congress shall have oversight jurisdiction with respect to the official conduct of any independent counsel appointed under this chapter, and such independent counsel shall have the duty to cooperate with the exercise of such oversight jurisdiction.

"(2) REPORTS TO CONGRESS.—An independent counsel appointed under this chapter shall submit to the Congress such statements or reports on the activities of such independent counsel as the independent counsel considers appropriate.

"(b) OVERSIGHT OF CONDUCT OF ATTORNEY GENERAL.—Within 15 days after receiving an inquiry about a particular case under this chapter, which is a matter of public knowledge, from a committee of the Congress with jurisdiction over this chapter, the Attorney General shall provide the following information to that committee with respect to that case:

"(1) When the information about the case was received.

"(2) Whether a preliminary investigation is being conducted, and if so, the date it began.

"(3) Whether an application for the appointment of an independent counsel or a notification that further investigation is not warranted has been filed with the division of the court, and if so, the date of such filing.

"(c) INFORMATION RELATING TO IMPEACHMENT.—An independent counsel shall advise the House of Representatives of any substantial and credible information which such independent counsel receives, in carrying out the independent counsel's responsibilities under this chapter, that may constitute grounds for an impeachment. Nothing in this chapter or section 49 of this title shall prevent the Congress or either House thereof from obtaining information in the course of an impeachment proceeding.

"§596. Removal of an independent counsel; termination of office

"(a) REMOVAL; REPORT ON REMOVAL.—

"(1) GROUNDS FOR REMOVAL.—An independent counsel appointed under this chapter may be removed from office, other than by impeachment and conviction, only by the personal action of the Attorney General and only for good cause, physical disability, mental incapacity, or any other condition that substantially impairs the performance of such independent counsel's duties.

"(2) REPORT TO DIVISION OF THE COURT AND CONGRESS.—If an independent counsel is removed from office, the Attorney General shall promptly submit to the division of the court and the Committees on the Judiciary of the Senate and the House of Representatives a report specifying the facts found and the ultimate grounds for such removal. The committees shall make available to the public such report, except that each committee may, if necessary to protect the rights of any individual named in the report or to prevent undue interference with any pending prosecution, postpone or refrain from publishing any or all of the report. The division of the court may release any or all of such report in accordance with section 594(h)(2).

"(3) JUDICIAL REVIEW OF REMOVAL.—An independent counsel removed from office may obtain judicial review of the removal in a civil action commenced in the United States District Court for the District of Columbia. A member of the division of the court may not hear or determine any such civil action or any appeal of a decision in any such civil action. The independent counsel may be reinstated or granted other appropriate relief by order of the court.

"(b) TERMINATION OF OFFICE.—

"(1) TERMINATION BY ACTION OF INDEPENDENT COUNSEL.—An office of independent counsel shall terminate when—

"(A) the independent counsel notifies the Attorney General that the investigation of all matters within the prosecutorial jurisdiction of such independent counsel or accepted by such independent counsel under section 594(e), and any resulting prosecutions, have been completed or so substantially completed that it would be appropriate for the Department of Justice to complete such investigations and prosecutions; and

"(B) the independent counsel files a final report in compliance with section 594(h)(1)(B).

"(2) TERMINATION BY DIVISION OF THE COURT.—The division of the court, either on its own motion or upon the request of the Attorney General, may terminate an office of independent counsel at any time, on the ground that the investigation of all matters within the prosecutorial jurisdiction of such independent counsel or accepted by such independent counsel under section 594(e), and any resulting prosecutions, have been completed or so substantially completed that it would be appropriate for the Department of Justice to complete such investigations and prosecutions. At the time of such termination, the independent counsel shall file the final report required by section 594(h)(1)(B).

"(c) AUDITS.—After the termination of the office of an independent counsel, the Comptroller General shall conduct an audit of the expenditures of that office, and shall submit to the appropriate committees of the Congress a report on the audit.

"§597. Relationship with Department of Justice

"(a) SUSPENSION OF OTHER INVESTIGATIONS AND PROCEEDINGS.—Whenever a matter is in the prosecutorial jurisdiction of an independent counsel or has been accepted by an independent counsel under section 594(e), the Department of Justice, the Attorney General, and all other officers and employees of the Department of Justice shall suspend all investigations and proceedings regarding such matter, except to the extent required by section 594(d)(1), and except insofar as such independent counsel agrees in writing that such investigation or proceedings may be continued by the Department of Justice.

"(b) PRESENTATION AS AMICUS CURIAE PERMITTED.—Nothing in this chapter shall prevent the Attorney General or the Solicitor General from making a presentation as amicus curiae to any court as to issues of law raised by any case or proceeding in which an independent counsel participates in an official capacity or any appeal of such a case or proceeding.

"§598. Severability

"If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the remainder of this chapter and the application of such provision to other persons not similarly situated or to other circumstances shall not be affected by such invalidation.

"§599. Termination of effect of chapter

"This chapter shall cease to be effective five years after the date of the enactment of the Independent Counsel Reauthorization Act of 1987, except that this chapter shall continue in effect with respect to then pending matters before an independent counsel that in the judgment of such counsel require such continuation until that independent counsel determines such matters have been completed.".

SEC. 3. STATUS OF INDEPENDENT COUNSEL AS A SPECIAL GOVERNMENT EMPLOYEE; FINANCIAL DISCLOSURE REQUIREMENTS.

(a) AMENDMENT TO TITLE 18.—The first sentence of section 202(a) of title 18, United States Code, is amended—

(1) by striking out "or" after "United States commissioner" and inserting in lieu thereof a comma; and

(2) by striking out the period at the end of the sentence and inserting in lieu thereof the following: ", or, regardless of the number of days of appointment, an independent counsel appointed under chapter 40 of title 28 and any person appointed by that independent counsel under section 594(c) of title 28.".

(b) FINANCIAL DISCLOSURE REQUIREMENTS.—

(1) FILING OF REPORTS.—Section 203(b) of the Ethics in Government Act of 1978 is amended by striking out "and the Vice President" and inserting in lieu thereof ", the Vice President, and independent counsel and persons appointed by independent counsel under chapter 40 of title 28".

(2) LIMITATION ON PUBLIC DISCLOSURE.—(A) Section 203(d) of the Ethics in Government Act of 1978 is amended by inserting before the period at the end thereof the following: ", except that any report filed by an independent counsel whose identity has not been disclosed by the division of the court under chapter 40 of title 28, and any report filed by any person appointed by that independent counsel under such chapter, shall not be made available to the public under this title".

(B) Section 205(a) of the Ethics in Government Act of 1978 is amended by striking out "Each" in the first sentence and inserting in lieu thereof "Except as provided in section 203(d) of this Act, each".

SEC. 4. CLERK OF THE DIVISION OF THE COURT.

Section 49(a) of title 28, United States Code, is amended by adding at the end thereof the following: "The Clerk of the United States Court of Appeals for the Dis-

trict of Columbia Circuit shall serve as the clerk of such division of the court and shall provide such services as are needed by such division of the court.".

SEC. 5. TECHNICAL AMENDMENTS.

(a) TITLE 28, UNITED STATES CODE.—Section 49(f) of title 28, United States Code, is amended by striking out "a independent" and inserting in lieu thereof "an independent".

(b) CONTINGENCY FUND.—Section 601(c) of the Ethics in Government Act of 1978 (28 U.S.C. 591 note) is amended by striking out "39 (relating to special prosecutor)" and inserting in lieu thereof "40 (relating to independent counsel)".

SEC. 6. EFFECTIVE DATE.

(a) IN GENERAL.—Subject to subsection (b), the amendments made by this Act take effect on the date of the enactment of this Act.

(b) PENDING PROCEEDINGS.—With respect to any proceeding under chapter 39 of title 28, United States Code (before the redesignation of such chapter as chapter 40 by section 144(g) of Public Law 99-554)), or under chapter 40 of such title (after such redesignation), which is pending on the date of the enactment of this Act, the following shall apply:

(1) Except as provided in paragraphs (2) and (3), the provisions of chapter 40 of such title as in effect on the day before such date of enactment shall, in lieu of the amendments made by this Act, continue to apply on or after such date to such proceeding until such proceeding is terminated in accordance with such chapter.

(2) The following provisions shall apply to such proceeding on or after such date of enactment:

(A) Section 593(f) of title 28, United States Code, as amended by section 2 of this Act, relating to the award of attorneys' fees.

(B) Section 594(d)(2) of such title, as added by section 2 of this Act, to the extent that such section 594(d)(2) relates to reports by the Attorney General on expenditures by independent counsel, except that the first such report shall be made only with respect to expenditures on or after the date of the enactment of this Act.

(C) Section 594(h)(1)(A) of such title, as added by section 2 of this Act, relating to reports by independent counsel, except that the 6-month periods described in such section 594(h)(1)(A) shall be calculated from the date of the enactment of this Act.

(D) Section 594(i) of such title, as added by section 2 of this Act, relating to the independence of the office of independent counsel for certain purposes.

(E) Section 594(k) of such title, as added by section 2 of this Act, relating to custody of records of independent counsel.

(F) Section 596(a)(3) of such title, as amended by section 2 of this Act, relating to judicial review of the removal of an independent counsel from office.

(G) Section 596(c) of such title, as added by section 2 of this Act, relating to audits of expenditures of independent counsel.

(H) The amendments made by section 3 of this Act, relating to the status of independent counsel and their appointees as special government employees and to their financial disclosure requirements.

(3) Section 594(j) of title 28, United States Code, as added by section 2 of this Act, relating to certain standards of conduct shall, 90 days after the date of the enactment of this Act, apply to a pending proceeding described in this subsection.

And the Senate agree to the same.

PETER RODINO,
B. FRANK,
DAN GLICKMAN,
E. CLAY SHAW,
PAT SWINDALL,
Managers on the Part of the House.

JOHN GLENN,
CARL LEVIN,
BILL COHEN,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2939) to amend the Ethics in Government Act to provide a continuing authorization for independent counsel and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in this conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, structural changes, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

SECTION 591(a): ALLEGATIONS OF CRIMINAL CONDUCT PRIOR TO ASSUMING OFFICE

Current law

Current law contains no explicit provision on whether the crimes alleged to have been committed by covered persons must occur before, during or after the period in which they assume the office or position which is covered by the independent counsel statute.

House bill

The House bill provides expressly in section 591(a) that persons who assume an office or position covered by the independent counsel statute may be investigated and prosecuted through the independent counsel process for crimes which occurred prior to the time the person assumed that covered office or position.

Senate amendment

The Senate amendment has no explicit provision on this subject.

Conference agreement

The conference agreement follows the Senate amendment. The conferees agree that the explicit statement in the House bill is unnecessary. The history of the statute clearly demonstrates that the independent counsel process may be used to investigate and prosecute crimes which have allegedly occurred prior to, during or after the time the subject occupied a covered office. *See In re Donovan; In re Olson; In re Nofziger.* Coverage under the statute is determined according to the status of an individual as set forth in Section 591(b) and (c), not according to when the alleged criminal activity took place.

SECTION 591(b)(6): LENGTH OF COVERAGE

Current law

The current independent counsel statute applies to persons who assume certain high government offices or positions. Those persons are also covered by the statute after they leave the covered office or position during the period consisting of the incumbency of the President under whom they served plus one year after such incumbency, but in no event for longer than 2 years after the person has left the covered office or position.

House bill

The House bill follows current law.

Senate amendment

The Senate amendment changes the overall limit on the time that covered officials are subject to the statute from two years to five years.

Conference agreement

The conference agreement changes the overall limit on the time that covered officials are subject to the statute from two years to three years.

SECTION 591(b)(8): CAMPAIGN OFFICERS

Current law

Current law provides the independent counsel statute applies, on a mandatory basis, to the chairman and treasurer of the President's principal national campaign committee and to any other officer of that campaign committee who exercised authority at the national level during the campaign. Those persons are covered during the entire time that their candidate occupies the office of President of the United States.

House bill

The House bill follows current law, but contains clarifying language.

Senate amendment

The Senate amendment clarifies current law and expands coverage of the provision to include officers of the national political parties' campaign committees seeking election or re-election of the President.

Conference agreement

The conference agreement follows the House bill, with an amendment to further clarify but not change the scope of the provision. The new language makes it clear that the statute covers only those campaign officers whose candidate has won election or re-election as President of the United States. It also makes it plain that the provision applies to any campaign officer of the candidate's principal campaign committee who exercised authority at the national level during the campaign including, but not limited to, any campaign manager or campaign director. The provision does not extend coverage to officers of the national political parties' campaign committees. The provision is intended to apply only to those persons who are campaign officers during the general election—not the primary—campaign.

SECTION 591(D): DECISION TO CONDUCT A PRELIMINARY INVESTIGATION

Current law

Current law provides that, in deciding whether sufficient grounds exist to conduct a preliminary investigation in a case, the Attorney General shall consider the specificity of the information received about the case and the credibility of the source of that information.

House bill

The House bill follows current law.

Senate amendment

The Senate amendment adds the word "only" to the statutory standard to clarify that the Attorney General is required to consider *only* the specificity of the information received and the credibility of the source of that information in deciding whether to initiate a preliminary investigation in the case.

Conference agreement

The conference agreement follows the Senate amendment as a clarification of current law. This limitation applies, of course, only to that early stage of the case in which the Attorney General is deciding whether to initiate a preliminary investigation of the matter; it does not apply to the preliminary investigation itself, in which the Attorney General may consider additional factors.

SECTION 591(d): JUDICIAL REVIEW OF DECISIONS BY ATTORNEY GENERAL NOT TO CONDUCT PRELIMINARY INVESTIGATION

Current law

Current law contains no explicit provision on whether a court may review a decision by the Attorney General not to conduct a preliminary investigation in a particular case. However, published appeals court decisions hold that no judicial review is available.

House bill

The House bill follows current law.

Senate amendment

The Senate amendment contains a new provision, codifying case law, which expressly prohibits judicial review of a decision by the Attorney General not to conduct a preliminary investigation in a particular case.

Conference agreement

Although the conferees agree that no judicial review is available of decisions by the Attorney General not to conduct preliminary investigations, the conference agreement follows the House bill. The conferees agree that the unavailability of such review is a matter of settled law and affirm the court decisions as properly reflecting legislative intent: See, e.g., *Dellums* v. *Smith*, 797 F.2d 817 (9th Cir. 1986); *Banzhai* v. *Smith*, 737 F.2d 1167 (D.C. Cir. 1984). The conference agreement does not contain the new Senate provision, however, because the conferees did not wish to suggest, by indicating a lack of judicial review of Attorney General decisions on preliminary investigations, that judicial review might be available of other Attorney General decisions under this chapter. The conferees agree that an Attorney General's determinations under the independent counsel law are not subject to judicial review. This includes such determinations as whether to investigate a person under section 591(c), whether to exercise recusal from a case, and whether to request appointment of an independent counsel. An exception is the Attorney General's decision to remove an independent counsel from office; judicial review of that determination is available.

SECTION 591(d) AND 591(a)(1); TIME LIMITS RELATED TO PRELIMINARY INVESTIGATIONS

Current law

Current law does not expressly limit the amount of time that an Attorney General has to decide whether or not to commence a preliminary investigation in a particular case. In some instances during the past five years, the Attorney General has taken months to make this decision, conducting a so-called "threshold inquiry" in each case to determine whether or not a preliminary investigation should be initiated. Once a preliminary investigation is commenced, current law states that it may not exceed 90 days. Confusion has arisen, however, over whether this 90-day period begins at the time the case is first opened under the independent counsel statute or at the time the Attorney General makes a specific decision to commence that preliminary investigation.

House bill

The House bill follows current law, except that it requires the Attorney General to notify the Independent Counsel Division of the United States Court of Appeals for the District of Columbia Circuit ("special court") of the date a preliminary investigation is commenced.

Senate amendment

The Senate amendment contains new language making it clear that both threshold inquiries and preliminary investigations by the Attorney General are subject to the 90-day time period specified in the statute and that this 90-day period begins running from the date that a case is first opened under the independent counsel statute. The Senate amendment also requires the Attorney General to file reports on any threshold inquiries which last more than 30 days and do not result in a preliminary investigation. The purpose of this provision is to increase the Attorney General's accountability for cases which are closed after a lengthy threshold inquiry but prior to a preliminary investigation.

Conference agreement

The conference agreement accepts the Senate position that clarification of current law is needed with respect to the time that an Attorney General may spend on a case in the early stages of the independent counsel process. Rather than subjecting the threshold inquiry and preliminary investigation to a combined limit of 90 days, however, the conference agreement sets specific limits for each stage in the process. It limits any threshold inquiry to 15 days. After first receiving information in a case under the independent counsel law, the Attorney General has 15 days to decide whether that information is specific and from a credible source, thus requiring the commencement of a preliminary investigation. Once a preliminary investigation is commenced (during or at the end of that 15-day period), that preliminary investigation may not exceed 90 days from the date of its commencement. The conference agreement drops the Senate's new reporting requirement, but includes the House provision requiring the Attorney General to inform the special court of the date that a preliminary investigation is commenced.

The conference agreement thus strengthens the statute's limits on the time that an Attorney General may spend on a case before deciding whether or not to request appointment of an independent counsel. the Attorney General retains the authority to close frivolous cases quickly, prior to a preliminary investigation. The agreement also provides a full 90-day period for preliminary investigations. However, the Attorney General would be unable to continue to indefinitely review a matter without statutory limit and without accountability.

SECTION 591(e): RECUSAL

Current law

Current law contains no explicit provisions on when an Attorney General must exercise recusal in a case under the independent counsel law and what procedures must be followed.

House bill

The House bill follows current law.

Senate amendment

The Senate amendment provides a recusal standard and requires that all recusal decisions by the Attorney General be in writing.

Conference agreement

The conference agreement follows the Senate amendment with two changes. First, the reference to the United States Attorney for the District of Columbia is deleted. Instead, in the event an Attorney General exercises recusal from a case under the independent counsel law, the Attorney General must appoint the next most senior officer in the Department of Justice, who does not have a conflict of interest as described in the statute, to assume decisionmaking responsibility in the case.

Second, the conference agreement adds the word "personally" to the statutory language to make it clear that the recusal requirement applies only when an Attorney General participates personally in a case. Prior to such participation, lower-level Department of Justice employees may process a case, through investigation, analysis and other activities, without a written recusal decision having been completed. It is only when the Attorney General personally takes an action in the case that the bill requires a prior, written recusal decision to be completed by the Attorney General.

SECTION 592(a)(2): STATE OF MIND

Current law

Current law contains no explicit statutory provision on whether an Attorney General may close a case, either before or after a preliminary investigation, because the person alleged to have violated criminal law lacked the state of mind necessary to commit a crime.

House bill

The House bill prohibits the Attorney General from closing a case, either before or after a preliminary investigation, on the basis that the subject lacked the state of mind necessary to constitute an element of the offense.

Senate amendment

The Senate amendment prohibits an Attorney General from closing a case, either before or after a preliminary investigation, due to a lack of evidence of the subject's state of mind, unless the Attorney General has "clear and convincing evidence" that the person lacked the state of mind necessary to commit a crime.

Conference agreement

The conference agreement combines the provisions from the House bill and Senate amendment. It provides that: (a) prior to a preliminary investigation, the Attorney General may not close a case based upon the subject's state of mind, and (b) after a preliminary investigation, the Attorney General may not close the case based upon the subject's state of mind unless the Attorney General has "clear and convincing evidence" that the necessary state of mind was absent.

The conferees believe that it will be a rare case in which the Attorney General will be able to meet the clear and convincing standard and in which such evidence would be clear on its face. It would be unusual for the Attorney General to compile sufficient evidence at that point in the process. Clear and convincing evidence will be difficult to collect because of the demanding nature of the proof necessary to establish the absence of intent, and because the Attorney General has no access during a preliminary investigation to important investigative tools such as grand juries and subpoenas. In the rare case that clear and convincing evidence does exist, the Attorney General should, as part of the summary of the results of the preliminary investigation, set forth this evidence in detail in the report which the Attorney General files with the special court after a preliminary investigation.

SECTION 592(g): CONGRESSIONAL REQUESTS

Current law

Current law specifies in Section 595(e) that Members of the House or Senate Judiciary Committee may ask the Attorney General to request appointment of an independent counsel and that the Attorney General must reply in writing.

House bill

The House bill restructures this provision, places it in Section 591, and establishes more specific procedures and time frames for the response of the Attorney General to such requests.

Senate amendment

The Senate amendment follows current law, but also authorizes Members of the Judiciary Committees to ask the Attorney General to: conduct a preliminary investigation of a matter or request amendment of the prosecutorial jurisdiction of an independent counsel.

Conference agreement

The conference agreement follows the House bill but places the provision in Section 592. The conference agreement does not include the Senate language which made it explicit that the provision authorizes requests to the Attorney General to initiate a preliminary investigation or to amend an independent counsel's jurisdiction. Such authority is clearly included in the existing provision which authorizes requests for the appointment of independent counsels.

SECTION 593(b)(2): QUALIFICATIONS OF INDEPENDENT COUNSEL/FULL TIME REQUIREMENT

Current law

Current law contains no express requirements regarding the qualifications for independent counsels except the provision which prohibits the United States Court of Appeals for the District of Columbia Division for the Purpose of Appointing Independent Counsels ("special court") from appointing as independent counsel any person who holds or recently held a position with the United States Government.

House bill

The House bill contains the provisions of the current law on qualifications. However, it also establishes a new requirement in Section 594(b) that the position of independent counsel is a full time position.

Senate amendment

The Senate amendment establishes several new requirements for the special court to meet in selecting an independent counsel, including the requirement that the court select an individual who will carry out the appointment in a prompt, responsible, and cost-effective manner. The court is also directed to select an individual with appropriate prosecutorial experience. The provision precludes judicial review of this determination by the court. Finally, in a change from current law, the Senate amendment allows the special court to select persons who recently held public office.

Conference agreement

The conference agreement adopts the provision of the Senate amendment which requires the special court to select an independent counsel who will be prompt, responsible and cost-effective in the conduct of the investigation and any prosecution. It also reflects the concerns of the House regarding the amount of time an independent counsel must commit to the investigation by directing the special court to seek appointment as independent counsel an individual who will serve to the extent necessary to complete the investigation and any prosecution without undue delay.

The conferees agree that independent counsels should conduct their activities expeditiously and should complete their cases without delay. At the same time, they recognize that criminal litigation inevitably entails delays and periods in which counsel will not have sufficient work to attend to the case on a full time basis. For example, appeals which take place after ciminal trials may last years with much of the time spent in waiting for court dates and judicial decisions. Also, during the early stages of a criminal case, an independent counsel may be forced to await key documents, as happened in the Iran/Contra matter with Swiss bank records. Special circumstances may also arise as in the second independent counsel investigation of former Secretary of Labor Raymond Donovan, where the special court specifically directed the independent counsel to delay an investigation of certain allegations until completion of related State criminal proceedings pending in New York, the outcome of which could have been influenced by public knowledge of this second independent counsel investigation. As a result of this directive from the special court, the independent counsel had to wait almost two years while those proceedings continued, until a nearing statute of limitations led him to request permission of the court to begin work on the case.

While the conferees agree that an absolute requirement instructing independent counsels to work on a full time basis is not practical or economical, they also agree that the statute should require independent counsels to devote as much time to their cases as is necessary to move the cases expeditiously to completion.

The conference agreement directs the special court to select an individual with appropriate experience to serve as an independent counsel. The conferees agree that prosecutorial experience should be a primary factor considered by the court in choosing an independent counsel, as individuals with such experience are likely to conduct criminal investigations must expeditiously and efficiently. The conferees did not restrict the court, however, to choosing only individuals with prosecutorial backgrounds, as they recognize that individuals with other experience, such as solicitors general or state attorneys general, could be qualified to serve as independent counsels, and that independent counsels with little or no prosecutorial experience have served successfully in the past. Moreover, the conferees agree that the associates and staff that serve with the independent counsel can also provide the prosecutorial experience that is so crucial to these investigations.

The conferees agree that the court should consider the investigative and trial experience of the individual, the nature of the case to be investigated, and the expertise of the individual in the area of the law allegedly violated. The conferees intend that the special court should consider all relevant factors and appoint as an independent counsel the person who is the most qualified to conduct the investigation and prosecution.

Finally, the conference agreement allows the special court to select as an independent counsel a person who recently held public office. This change was made to enable the court to appoint, for example, an individual who recently held a federal prosecutorial position such as a United States Attorney. However, in selecting such persons, the special court must be sensitive to real and perceived conflicts of interest. It should select only a person who will have and who will be perceived as having the independence necessary to conduct an impartial investigation under this statute.

SECTION 593(b)(3): SCOPE OF PROSECUTORIAL JURISDICTION

Current law

Current law contains no explicit standards for the special court to follow in establishing the scope of the prosecutorial jurisdiction of an independent counsel.

House bill

The House bill clarifies current law by stating expressly that the special court should establish a prosecutorial jurisdiction which will assure that the independent counsel has: (a) adequate authority to fully investigate the subject matter of the case plus all related matters, and (b) authority to investigate and prosecute crimes arising out of the independent counsel's investigatory and prosecutorial efforts, such as perjury.

Senate amendment

The Senate amendment changes current law in provisions similar to those in the House bill.

Conference agreement

The conference agreement follows the House bill with changes. The list of federal crimes which may arise out of an independent counsel's investigation is illustrative and not comprehensive. The conference agreement deletes the reference to "conspiracy." The conferees intend that an independent counsel who has authority to investigate and prosecute such federal crimes as perjury would also have authority to investigate a conspiracy to commit such perjury.

The provision "and all related matters" simply reflects the customary practice of the special court in establishing the jurisdiction of former and current independent counsels. The conferees agree that independent counsels should have adequate authority to fully investigate the case for which they have been appointed. The conferees also agree that the Attorney General should provide sufficient information to the special court so as to enable the court to adequately set the independent counsel's prosecutorial jurisdiction. Therefore, the conferees inserted additional language in the provision concerning the contents of the application filed by the Attorney General with the special court.

SECTION 593(C): JURISDICTION OF INDEPENDENT COUNSELS

Current law

Current law permits the special court to expand the prosecutorial jurisdiction of an independent counsel upon the request of the Attorney General. In a separate provision, upon the request of either the Attorney General or the independent counsel, the special court is permitted to refer to an independent counsel matters which are related to his or her original jurisdiction.

Under current law, it is unclear whether, in the case of a referral requested by an independent counsel, the special court must solicit the Attorney General's views on the request. It is also unclear whether the special court may refer a matter to the independent counsel who asked for it, if such referral is opposed by the Attorney General.

House bill

The House bill makes it explicit that the special court may expand the jurisdiction of an independent counsel upon that counsel's request, as well as in response to the request of the Attorney General. The bill also requires the special court to notify the Attorney General before deciding the matter, so that the Attorney General may comment on the request for expansion. Finally, the House bill makes it clear that the court may expand an independent counsel's investigation to include additional persons as well as matters related to the independent counsel's original prosecutorial jurisdiction.

The House bill also changes the wording of the referral provision set forth in Section 594(e) to clarify but not change its scope.

Senate amendment

The Senate amendment follows current law with respect to the provision permitting the expansion of an independent counsel's prosecutorial jurisdiction. It allows an expansion only upon the request of the Attorney General and does not contain a new provision permitting independent counsels to request expansion of their investigations.

The Senate amendment substantially redrafts the provision on referral of matters to independent counsels. The Senate amendment maintains a provision which permits the Attorney General to initiate the referral of related matters to a sitting independent counsel. But the Senate amendment establishes a new, expedited procedure for an independent counsel who discovers information outside his or her original jurisdiction which the Attorney General has not referred, but which the independent counsel is willing to investigate personally or believes should otherwise be handled under the independent counsel statute.

In such circumstances, the Senate amendment requires the independent counsel to submit the information to the Attorney General. The Attorney General must then conduct a preliminary investigation, not to exceed 30 days in length, and decide whether to refer the matter to a sitting independent counsel, request appointment of a new independent counsel, or to close the matter without further investigation. In making this decision, the Attorney General is required to give "great weight" to any recommendations of the independent counsel who provided the information. If the Attorney General makes the appropriate request, the special court may then refer the matter to a sitting independent counsel (which may or may not be the one who provided the information) or may appoint a new one.

Conference agreement

The conference agreement includes provisions from both the Senate amendment and the House bill. It follows the House language on the procedures to be followed by an independent counsel in seeking referral of a related matter under that independent counsel's jurisdiction or by the Attorney General in referring such matters to an independent counsel. It follows the Senate language limiting the authority of the special court to expaned an independent counsel's jurisdiction, only upon request by the Attorney General. It follows the Senate language on the procedures to be followed by an independent counsel when the independent counsel obtains information about possible criminal conduct by a covered person involving a matter not within the independent counsel's jurisdiction.

Thus, when an independent counsel is confronted with new information about a criminal allegation involving a covered individual, depending upon the extent to which the matter may or may not fall within the independent counsel's original grant of jurisdiction, he or she must follow one of two procedures. For related matters, he or she must apply to the special court or ask the Attorney General for a referral of such matter pursuant to the jurisdiction originally set by the special court (or the Attorney General may refer such matter to the independent counsel on the Attorney General's own initiative). For matters outside the scope of the independent counsel's jurisdiction, he or she must forward the information to the Attorney General for the conduct of a preliminary investigation which could result in the expansion of that independent counsel's jurisdiction or the appointment of a new independent counsel.

SECTION 593(d): RETURN TO ATTORNEY GENERAL

Current law

Current law does not have a provision which explicitly allows the special court to ask the Attorney General for more information as to the Attorney General's reason for not seeking an independent counsel.

House bill

The House bill follows current law.

Senate bill

The Senate bill adds a new section to the authority of the special court which permits the special court to ask the Attorney General to provide the special court with a further explanation of the reasons for the Attorney General's findings that there are no reasonable grounds to believe that further investigation is warranted.

Conference agreement

The conference agreement follows the Senate amendment with a modification. The conferees agree that since the Attorney General's filing with the special court is an important aspect of accountability by the Attorney General in the independent counsel process, the special court should have, at its discretion, the authority to attempt to make the Attorney General's filing as complete as necessary for a satisfactory understanding of the Attorney General's decision. The provision makes it absolutely clear that in no event does the special court have any authority to overrule or affect the determination by the Attorney General that there are no reasonable grounds to believe that further investigation is warranted.

The modification offered by the House and accepted by the conferees is to name this new authority of the special court a "return" of a filing instead of a "remand".

SECTION 593(f): ATTORNEY FEES

Current law

Current law authorizes the payment of attorney fees to subjects of independent counsel investigations, if they are not indicted and the attorney fees "would not have been incurred but for the requirements" of the independent counsel statute.

House bill

The House bill follows current law, but adds clarifying language and requires the special court to notify the Attorney General of any fee request made under the section.

Senate amendment

The Senate amendment follows current law but adds clarifying language and new provisions. It clarifies that recovery is limited to "reasonable" attorney fees, adds an express limit to the hourly rate that may be claimed by defense counsel, and authorizes the special court to obtain an evaluation of any fee request from the Department of Justice.

Conference agreement

The conference agreement follows the House bill but includes elements from the Senate amendment. It clarifies the language of the provision, expressly limits recovery to "reasonable" attorney fees and authorizes the special court to obtain the Justice Department's evaluation of any fee request.

The conferees do not include the provision in the Senate amendment which expressly limits defense counsel to the same hourly rate as that paid to the independent counsel in the case. Instead, the hourly rate is left to the judgment of the special court using the standard of reasonableness. In determining the proper rate, the special court should consider the prevailing community standards and any helpful case law. The conferees encourage the special court to obtain the Justice Department's opinion on the reasonableness of the hourly rate being claimed by counsel in a particular case.

Also, in determining the amount of attorneys fees to be awarded, the special court should pay particular attention to the reasonableness of the underlying items. Reimbursable attorneys fees are for reasonable legal expenses arising from the independent counsel process. Attention should also be paid to the number of hours claimed for performing particular services, again to ensure the reasonableness of the underlying item.

Finally, another limit on recovery of attorney fees requires further explanation—the statutory direction that only those fees may be recovered which would not have been incurred "but for" proceedings under the independent counsel law. This provision was included in the statute in 1982, because Congress learned that certain government officials, Hamilton Jordan and Timothy Kraft, had been subjected to investigations by independent counsels that the Department of Justice would not have conducted had these officials been private citizens. These officials, whose cases were closed without indictment, were alleged to have used or possessed a minimal amount of cocaine. Under established policy, the Department of Justice does not perform federal criminal investigations of such allegations. Thus, these officials were subjected to a harsher standard than ordinary citizens and incurred legal expenses no ordinary citizen would have incurred, but for the independent counsel statute. In such cases, reasonable attorney fees should be awarded. In 1982, Congress enacted amendments to the statute which require the independent counsel investigations to be conducted in accordance with the established policies of the Department of Justice. The statute as amended now ensures that government officials covered by the independent counsel process are subjected to the same standards as everyone else.

SECTION 593(h): AMICUS CURIAE BRIEFS

Current law

Current law has no provision regarding the circumstances under which the special court may, when presented with legal issues, disclose information for the purpose of permitting the timely filing of amicus curiae briefs.

House bill

The House bill contains a provision which allows the special court, when presented with "precedential" legal issues, to disclose information to permit filing of amicus briefs by the Attorney General and Members of Congress.

Senate amendment

The Senate amendment contains a provision similar to that in the House bill; however, the Senate amendment refers to "important" legal issues and places no limit on those to whom disclosure may be made.

Conference agreement

The conference agreement follows the Senate bill with a modification which allows disclosure as to "significant" legal issues. This word more accurately expresses the concept that amicus briefs may be sought by the special court when the legal issue under consideration has ramifications beyond the individual case involved.

SECTION 594(a): REFERRAL OF ETHICAL VIOLATIONS

Current law

Current law contains no explicit provision on whether an independent counsel may refer possible ethical violations to appropriate agencies. For example, one independent counsel did not refer noncriminal ethical violations to federal agencies on the ground that he believed he did not have the authority to do so.

House bill

The House bill contains no explicit provision on this subject.

Senate amendment

The Senate amendment expressly authorizes an independent counsel to refer possible ethical violations to the Office of Government Ethics and other appropriate federal agencies.

Conference agreement

The conference agreement does not include the new Senate provision, because the conferees agree that independent counsels, like all other federal prosecutors and federal employees, already have the authority to refer possible ethical violations to appropriate agencies like the Office of Government Ethics should an independent counsel incidentally discover evidence of such violations. The conferees expect independent counsels to report such possible ethical violations to appropriate authorities. At the same time, they agree that, like other federal prosecutors, independent counsels are precluded from using a grand jury for the purpose of gathering evidence of noncriminal ethical violations and are precluded from disclosing grand jury materials except in accordance with Rule 6(e) of the Federal Rules of Criminal Procedure.

SECTION 594(d): DEPARTMENT OF JUSTICE ASSISTANCE

Current law

Current law requires the Department of Justice to provide assistance to independent counsels.

House bill

The House bill follows current law.

Senate amendment

The Senate amendment follows current law, but adds new provisions clarifying the obligation of the Department to provide funding for independent counsel activities and requiring the Department to file quarterly reports with the Congress on the amount of funds used to pay for these activities.

Conference agreement

The conference agreement follows the Senate amendment with changes. The Department of Justice is required to file annual rather than quarterly reports. The reference to the source of funding is deleted from the bill.

SECTION 594(F): COMPLIANCE WITH DEPARTMENTAL POLICIES

Current law

Current law requires independent counsels to comply with Justice Department policies "except where not possible."

House bill

The House bill follows current law.

Senate amendment

The Senate amendment follows current law, but removes the phrase "except where not possible."

Conference agreement

The conference agreement follows the House bill.

SECTION 594(H): REQUIRED INDEPENDENT COUNSEL REPORTS

Current law

Current law requires an independent counsel to file with the special court a "final report" on his or her activities after the conclusion of the case and prior to termination of the office.

House bill

The House bill follows current law, but also requires each independent counsel to file with the special court an annual report on the independent counsel's budget.

Senate amendment

The Senate amendment follows current law, but also requires each independent counsel to file an initial report and a bimonthy status report.

Conference agreement

The conference agreement requires independent counsels to file status reports at six-month intervals, in addition to a final report as required by current law. The status reports are to focus on cost matters and should not reveal confidential information about an independent counsel's investigatory or prosecutorial activities. The purpose of the status reports is to provide a general cost accounting and a mechanism for planning future expenditures. The final report retains its character as a substantive account of an independent counsel's activities.

SECTION 594(I): INDEPENDENCE FROM DEPARTMENT OF JUSTICE

Current law

Current law does not explicitly state that independent counsels are separate from the Department of Justice. However, the Congress intended that independent counsels have such independence, an intent which was, in fact, a primary reason for the enactment of the statute.

House bill

The House bill contains an explicit statement (which confirms current law) that independent counsels are separate from and independent of the Department of Justice.

Senate amendment

The Senate contains a similar provision which states that independent counsels are separate from the Department of Justice for purposes of federal criminal conflict of interest provisions (18 U.S.C. 202-209).

Conference agreement

The conference agreement follows the Senate amendment as clarifying the status of current law. This explicit provision is included only because of claims this year by the Department of Justice that independent counsel are part of the Department for purposes of federal criminal conflict of interest provisions. The language of the Senate amendment is used, because the conferees recognize that the "good cause" standard for removal itself makes it clear that the decisionmaking of independent counsels is independent from the Department of Justice. Therefore, this provision makes it explicit that the existing and reauthorized statutes provide for the independence of independent counsels and their staffs from the Department for purposes of federal criminal conflict of interest statutes.

SECTION 594(J): STANDARDS OF CONDUCT

Current law

Current law does not specify the standards of conduct applicable to independent counsels and their staffs.

House bill

The House bill specifies the standards of conduct applicable to independent counsels, their staffs, and the law firms with which they are or may become associated.

Senate amendment

The Senate amendment specifies the standards of conduct applicable to independent counsels and their staffs, in provisions different from the House bill.

Conference agreement

The conference agreement combines elements from the House bill and Senate amendment. It imposes certain standards of conduct on independent counsels, their staffs and their law firms, during the time that the independent counsels and their staffs are serving in office and for certain periods of time after they have left office. The conferees agree that the definition of persons who are "associated" with a firm includes persons who serve in an "of counsel" capacity with that firm. The conferees agree that an independent counsels failure to abide by the standards of conduct set forth in Section 594(j) could constitute good cause for removal of such independent counsel.

SECTION 594(K): CUSTODY OF RECORDS

Current law

Current law contains no express provision on the storage of records from closed independent counsel cases.

House bill

The House bill includes a provision which requiries the storage of records from closed independent counsel cases by the Archivist of the United States.

Senate amendment

The Senate amendment contains a slightly different provision on the storage of records from closed independent counsel cases.

Conference agreement

The conference agreement follows the House bill with changes to further clarify the section.

SECTION 595: CONGRESSIONAL OVERSIGHT

Current law

Current law contains provisions on reports by independent counsels to Congress and expressly directs independent counsels to cooperate with Congressional oversight activities.

House bill

The House bill follows current law.

Senate amendment

The Senate amendment follows current law, but also adds a provision clarifying the Attorney General's duty to respond to inquires by Congress conducting oversight of the independent counsel process.

Conference agreement

The conference agreement follows the House bill with two changes.

The conferees agree that the right of Congress to information and documents in the custody of the Department of Justice in cases involving the independent counsel statute derives from its inherent right of access to information under the Constitution. The conferees agree that by directing in law the Department of Justice to disclose certain documents, the unintended inference could be that Congress is limiting its right of access to information under this statute. That is not the intention of the conferees. Consequently the conferees agree to add an explicit statement to the legislation that nothing in the independent counsel statute should be construed as authorizing the Department of Justice or the special court to withhold information from Congress. The conferees recognize, of course, the importance of treating with great care documents and information about ongoing criminal investigations, particularly ones not known to the public.

The requirement contained in the Senate amendment for the Department of Justice to disclose certain documents to Congress is based on an authority the Congress has without any need for statutory specification and that upon request by the appropriate Congressional committees, the items referred to in the Senate amendment are to be made available by the Department of Justice.

In addition, the conferees agree to include the provision in the Senate amendment requiring the Department of Justice to respond to a Congressional inquiry on the status of cases being considered under the independent counsel statute. The conferees agree that since the purpose of the provision is to obtain a prompt response from the Department of Justice, a specified time limit of 15 days is appropriate.

SECTION 596(A): REMOVAL

Current law

Current law provides that an independent counsel may not be removed from office except for good cause or disability and that an independent counsel who is removed from office may obtain judicial review by the special court under a specified standard.

House bill

The House bill follows current law, but clarifies the standard for removal without changing it substantively. It also makes two changes in the provision permitting judicial review of an independent counsel's removal from office. It lodges authority to review the removal in the United States District Court for the District of Columbia rather than in the special court, and it provides that no member of the special court may participate in the judicial review of such a removal decision.

Senate amendment

The Senate amendment follows current law, but makes three changes. It clarifies the "good cause" standard by stating that: "refusal of an independent counsel to obey an order of the President is not good cause for removal if that order would compromise the independence of proceedings under this chapter or otherwise violate the purposes of this chapter." It lodges the authority for judicial review of a removal decision in the federal district courts rather than in the special court, and it deletes any statutory standard governing that judicial review of the removal decision.

Conference agreement

The conference agreement follows the House bill with changes. The conferees do not include the new statement in the Senate amendment regarding the "good cause" removal standard, because they agree that this statement is clearly included in the standard itself, and therefore need not be expressly stated in the text of the statute. While the conferees remain extremely concerned about recent erroneous statements by the Department of Justice that an independent counsel, may be fired for failing to obey any Presidential order—even an order which would compromise the very integrity of an independent counsel's proceedings—the conferees are confident that any court reviewing the removal of such an independent counsel would reject the Department's reasoning.

The "good cause" removal standard is at the heart of the statutory mechanisms protecting the independent counsel's ability to act independently of the President's direct control. This standard prohibits removals at the will of the President or the Attorney General; it permits removals only where an independent counsel has engaged in misconduct. Independent counsels who resist Presidential orders that would violate the integrity of their proceedings—such as orders to grant unwarranted prosecutorial immunity to the targets of the independent counsel's criminal investigation—are acting, not improperly, but in accordance with the statute's purposes. The conference are confident that the courts will ensure this interpretation of the "good cause" standard.

The conference agreement also deletes the sentence whcih establishes the standard for the courts to apply in reviewing the removal of an independent counsel from office. This standard was included when the satute was originally enacted as a reflection of existing law regarding officials subject to removal only for good cause. However, the conferees want to avoid any possibility that it would be viewed as having established a different standard. The intent of the statute as originally enacted, and as reauthorized, is that the courts should apply the standards established by existing case law on the removal of such officials. Because the "good cause" standard for removal incorporates this existing standard of review, the explicit statement in the independent counsel statute is deleted.

SECTION 596(C): FISCAL CONTROL OF INDEPENDENT COUNSEL EXPENDITURES

Current law

Current law contains no express fiscal controls on independent counsels.

House bill

The House bill follows current law.

Senate amendment

The Senate amendment includes new provisions which require the Comptroller General to audit the expenditures of every independent counsel office and which require independent counsels to conduct their activities with due regard for expense, authorizing only reasonable expenditures.

Conference agreement

The conference agreement includes the Senate provision requiring audits of independent counsel expenditures. The conference agreement does not include the second Senate provision, because it is not self-enforcing. The conferees agree that independent counsel must conduct their activities with due regard for expense. They agree that independent counsels must authorize only reasonable expenditures. The audit provision will provide needed accountability for the funds actually spent by independent counsels and will deter the authorization of inappropriate or excessive expenditures. It will also provide accurate information as to whether additional fiscal controls are needed for independent counsel proceedings.

SAVINGS PROVISION AND EFFECTIVE DATE

House bill

The House bill applies only to independent counsel cases initiated after enactment of the legislation and only to independent counsels appointed after such enactment, except that the provisions implementing new standards of conduct apply immediately to current as well as future independent counsels and their staffs. The House bill also contains a provision which continues the authority of the existing statute for current independent counsels.

Senate amendment

The Senate amendment is intended to apply, after the date of enactment, to current as well as future independent counsel proceedings to the full extent permitted by the Constitution, except that independent counsels and their staffs are given 90 days to take any steps necessary to comply with the new standards of conduct. The Senate amendment also contains a provision stating expressly that current independent counsel cases are not terminated by the legislation's striking current law and replacing it with new provisions.

Conference agreement

The conference agreement follows the House bill with changes. It provides that the legislation applies only to new independent counsel proceedings and new independent counsels that come into existence after enactment. It provides that all existing independent counsel proceedings continue under the provisions of the statute in force the day before enactment of the legislation, with a few exceptions specifically enumerated.

All of the specifically enumerated provisions apply immediately to existing independent counsel proceedings on the date the legislation is enacted into law, with one exception. The exception concerns the new standards of conduct imposed on independent counsels, their staffs and law firms. With respect to these provisions, independent counsels, their staffs and their law firms are given 90 days to take any steps necessary to assure their compliance with the new standards of conduct.

Four of the enumerated exceptions (on the award of attorney fees, the status of independent counsels and their staffs as special government employees, the independent counsels' separateness from the Department of Justice for certain purposes, and the independent counsels' obligation to file financial disclosure forms with the Office of Government Ethics) are included in the legislation merely as clarifications of current law. The new provisions are included to resolve current confusion and avoid future problems.

The conference agreement makes three new reporting requirements applicable to existing as well as new independent counsel cases. These are reports by the attorney General under section 594(d), by independent counsels under section 594(h), and by the Comptroller General under section 596(c). By applying these requirements to existing cases, the conferees do not intend, however, to require retroactive reports covering past years or closed matters. Such reports would be difficult and time-consuming to complete and may duplicate various reports already provided to Congress without statutory direction.

The provisions in the legislation which affect such matters as the standards for initiating a preliminary investigation, requesting appointment of an independent counsel and determining the period during which persons are covered by the independent counsel process, do not apply to existing cases under the independent counsel statute. These provisions apply only to cases opened after the date of the enactment of this Act.

And the Senate agree to the same.

That the House recede to the Senate's amendment to the title of the bill, so that it will be the "Independent Counsel Reauthorization Act of 1987."

PETER RODINO,
B. FRANK,
DAN GLICKMAN,
E. CLAY SHAW,
PAT SWINDALL,
Managers on the Part of the House.
JOHN GLENN,
CARL LEVIN,
BILL COHEN,
Managers on the Part of the Senate.

NINETEENTH ANNUAL REPORT ON HIGHWAY SAFETY ACT AND NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, referred to the Committee on Public Works and Transportation and the Committee on Energy and Commerce and ordered to be printed.

(For message, see proceedings of the Senate of today, Friday, November 20, 1987.)

ANNUAL REPORT OF RAILROAD RETIREMENT BOARD, FISCAL YEAR 1986—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Ways and Means and the Committee on Energy and Commerce and ordered to be printed.

(For message, see proceedings of the Senate of today, Friday, November 20, 1987.)

MICHIGAN WILDERNESS HERITAGE ACT OF 1987

Mr. VENTO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 148) to designate certain public lands in the State of Michigan as wilderness and for other purposes, with a Senate amendment thereto and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SHORT TITLE

SECTION 1. This Act may be cited as the "Michigan Wilderness Act of 1987".

FINDINGS

SEC. 2. In designating wilderness areas pursuant to this Act, the Congress—

(1) finds, as provided in the Wilderness Act, that such areas—

(A) generally appear to have been affected primarily by the forces of nature, with the imprint of man's work substantially unnoticeable;

(B) have outstanding opportunities for solitude or a primitive and unconfined type of recreation; and

(C) contain ecological, geological, and other features of scientific, educational, and scenic value; and

(2) considers significant the assurances of the Governor of Michigan that he has no intention of seeking more stringent air quality standards which would impinge on development of lands surrounding wilderness areas designated by this Act.

DESIGNATION OF WILDERNESS AREAS

SEC. 3. In furtherance of the purposes of the Wilderness Act of 1964 (16 U.S.C. 1131), the following lands in the State of Michigan are hereby designated as wilderness, and therefore as components of the National Wilderness Preservation System—

(a) subject to valid existing rights and reasonable access to exercise such rights certain lands in the Manistee National Forest, comprising approximately three thousand four hundred and fifty acres as generally depicted on a map entitled "Nordhouse Dunes Wilderness—Proposed", dated November 1987, and which shall be known as the Nordhouse Dunes Wilderness;

(b) certain lands in the Ottawa National Forest, comprising approximately eighteen thousand three hundred and twenty seven acres as generally depicted on a map entitled "Sylvania Wilderness—Proposed", dated November 1987, and which shall be known as the Sylvania Wilderness;

(c) certain lands in the Ottawa National Forest, comprising approximately fourteen thousand five hundred acres as generally depicted on a map entitled "Sturgeon River Gorge Wilderness—Proposed", dated November 1987, and which shall be known as the Sturgeon River Gorge Wilderness;

(d) certain lands in the Hiawatha National Forest, comprising approximately four thousand six hundred and forty acres as generally depicted on a map entitled "Rock River Canyon Wilderness—Proposed", dated November 1987, and which shall be known as the Rock River Canyon Wilderness;

(e) certain lands in the Hiawatha National Forest, comprising approximately five thousand five hundred acres as generally depicted on a map entitled "Big Island Lake Wilderness—Proposed", dated November 1987, and which shall be known as the Big Island Lake Wilderness;

(f) certain lands in the Hiawatha National Forest, comprising approximately twelve thousand two hundred and thirty acres as generally depicted on a map entitled "Mackinac Wilderness—Proposed", dated November 1987, and which shall be known as the Mackinac Wilderness;

(g) certain lands in the Hiawatha National Forest, comprising approximately three thousand seven hundred and ninety acres as generally depicted on a map entitled "Horseshoe Bay Wilderness—Proposed", dated November 1987, and which shall be known as the Horseshoe Bay Wilderness;

(h) certain lands in the Hiawatha National Forest, comprising approximately three thousand and seventy eight acres as generally depicted on a map entitled "Round Island Wilderness—Proposed", dated November 1987, and which shall be known as the Round Island Wilderness;

(i) certain lands in the Ottawa National Forest, comprising approximately sixteen thousand eight hundred and fifty acres as generally depicted on a map entitled "McCormick Wilderness—Proposed", dated November 1987, and which shall be known as the McCormick Wilderness; and

(j) certain lands in the Hiawatha National Forest, comprising approximately eleven thousand eight hundred and seventy acres as generally depicted on a map entitled "Delirium Wilderness—Proposed", dated January 1987, and which shall be known as the Delirium Wilderness;

DESCRIPTION AND MAPS

SEC. 4. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file maps and legal descriptions of each wilderness area designated by this title with the Committee on Energy and Natural Resources, United States Senate, and the Committee on Interior and Insular Affairs, House of Representatives, and each such map and legal description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal descriptions and maps may be made. Each such map and legal description shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

ADMINISTRATION OF WILDERNESS AREAS

SEC. 5. Subject to valid existing rights, each wilderness area designated by this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act of 1964 governing areas designated by that Act as wilderness areas except that with respect to any area designated in this Act, any reference in such provisions to the effective date of the Wilderness Act of 1964 shall be deemed to be a reference to the effective date of this Act.

RARE II REVIEW

SEC. 6. (a) The Congress finds that—

(1) the Department of Agriculture has completed the second roadless area review and evaluation program (RARE II); and

(2) the Congress has made its own review and examination of National Forest System roadless areas in the State of Michigan and of the environmental impacts associated with alternative allocations of such areas.

(b) On the basis of such review, the Congress hereby determines and directs that—

(1) without passing on the question of the legal and factual sufficiency of the RARE II final environmental statement (dated January 1979) with respect to National Forest System lands in the State of Michigan; such statement shall not be subject to judicial review with respect to National Forest System lands in the State of Michigan;

(2) with respect to the National Forest System lands in the State of Michigan which were reviewed by the Department of Agriculture in the second roadless area review and evaluation (RARE II) and those lands referred to in subsection (d), that review and evaluation or reference shall be deemed for the purposes of the initial land management plans required for such lands by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, to be an adequate consideration of the suitability of such lands for inclusion in the National Wilderness Preservation System and the Department of Agriculture shall not be required to review the wilderness option prior to the revisions of the plans, but shall review the wilderness option when the plans are revised, which revisions will ordinarily occur on a ten-year cycle, or at least every fifteen years, unless, prior to such time, the Secretary of Agriculture finds that conditions in a unit have significantly changed;

(3) areas in the State of Michigan reviewed in such final environmental statement or referenced in subsection (d) and not designated wilderness upon enactment of this Act shall be managed for multiple use in accordance with land management plans pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976: *Provided*, That such areas need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of the initial land management plans;

(4) in the event that revised land management plans in the State of Michigan are implemented pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law, areas not recommended for wilderness designation need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of such plans, and areas recommended for wilderness designation shall be managed for the purpose of protecting their suitability for wilderness designation as may be required by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law; and

(5) unless expressly authorized by Congress, the Department of Agriculture shall not conduct any further statewide roadless area review and evaluation of National Forest System lands in the State of Michigan for the purpose of determining their suitability for inclusion in the National Wilderness Preservation System.

(c) As used in this section, and as provided in section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, the term "revision" shall not include an "amendment" to a plan.

(d) The provisions of this section shall also apply to National Forest System roadless lands in the State of Michigan which are less than five thousand acres in size.

NONWILDERNESS ACTIVITIES

SEC. 7. Congress does not intend that designation of wilderness areas in the State of Michigan lead to the creation of protective perimeters or buffer zones around each wilderness area. The fact that nonwilderness activities or uses can be seen or heard form areas within the wilderness shall not, of itself, preclude such activities or uses up to the boundary of the wilderness.

HUNTING, FISHING, AND TRAPPING

SEC. 8. As provided in section 4(d)(7) of the Wilderness Act, nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the State of Michigan with respect to wildlife and fish in the national forests in Michigan.

INHOLDERS RIGHTS

SEC. 9. As provided in section 5 of the Wilderness Act—

(1) owners of private lands within any area designated by this Act shall be assured the right of adequate access; and

(2) no privately owned lands within any area designated by this Act may be acquired without concurrence of the owner of such lands.

FIRE, INSECTS, AND DISEASE CONTROL

SEC. 10. As provided in section 4(d)(1) of the Wilderness Act, the Secretary may take such measures as may be necessary to control fire, insects, and diseases within any area designated by this Act.

Mr. **VENTO** (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The **SPEAKER** pro tempore (Mr. DICKS). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The **SPEAKER** pro tempore. Is there objection to the initial request of the gentleman from Minnesota?

Mr. **KILDEE**. Reserving the right to object, Mr. Speaker, I do not object, but I yield to the gentleman from Minnesota for an explanation.

Mr. **VENTO**. I thank the gentleman for yielding.

Mr. Speaker, the House passed the Michigan Wilderness bill on April 7 of this year. The Senate has now returned the bill to us with a few amendments, which we are today asking the House to accept.

Essentially, the Senate version differs from the bill passed by the House in four respects.

Most notably, the Senate version does not deal with one area that the House bill would have designated as wilderness. That area is an island known as Government Island, part of the Hiawatha National Forest, which the House bill would have designated as the Les Cheneaux Wilderness. In agreeing to omission of this area from the wilderness bill, I think it important to note that its designation as Wilderness was recommended by the Forest Service in the RARE II process, and that current management plans call for its continued management in Federal ownership and to protect its undeveloped character.

With regard to the Big Island Lakes area, the Senate version of the bill would designate a slightly larger area as wilderness than was the case with the bill as passed by the House. It is my understanding that this change reflects some recent land acquisitions by the Forest Service.

The Senate-passed bill has enlarged the "cherry stem" area of nonwilderness on the northeast side of the Delirium Wilderness which was provided so that the Forest Service may continue to use a trail for motorized entry to maintain a dam, also outside the wilderness. The House-passed bill provided a narrow corridor only for this administrative purpose. The Forest Service has suggested that the swampy terrain may require relocation of the trail and that it needs a larger nonwilderness exclusion.

While the use of motorized vehicles by the agency is a reasonable use of this corridor, the House accepts the enlargement of the cherry stem with the understanding that the agency will otherwise manage the area for nonmotorized primitive recreation purposes and will neither allow timbering or motorized use beyond the minimum necessary for administrative purposes.

Another change from the House-passed bill in the bill we consider today is the eastern boundary of the Sturgeon River Gorge Wilderness along Forest Road 191. The House-passed bill places the boundary close to Road 191. The Senate bill places the boundary further to the west along the escarpment of the gorge itself.

The House accepts this change with the understanding that the Forest Service intends to manage the area between the road and the escarpment for primitive recreation and its scenic values including the possible location of the North Country Trail. The Forest Service is not to manage this special travel corridor along Road 191 for general commercial purposes.

Mr. Speaker, by our agreement to the Senate version we would designate 10 wilderness areas in the national forest of Michigan, totaling more than 90,000 acres. It would complete the RARE II process for Michigan and would release for uses other than wilderness other areas which were reviewed as part of the RARE II process. After its enactment, about 3.4 percent of the Michigan's National Forest lands would be designated as wilderness and the remaining 96.6 percent would be nonwilderness.

The areas dealt with in the bill are diverse and contain a multitude of natural, scenic, historic, and other resources and values. They are without exception well-deserving of wilderness designation and the protection that goes with it. They include one of the last remaining undeveloped stretches of land on Lake Michigan's eastern shore; dozens of major lakes, often connected with canoe portage trails; spectacular waterfall and canyon areas; forests and swamps; rapid-flowing streams; and islands. Together, they represent a priceless part of the natural heritage of the upper midwest.

Mr. KILDEE. Mr. Speaker, as the principal sponsor of the Michigan Wilderness Heritage Act of 1987, I rise in strong support of the bill we have before us today. It has been many years coming for this piece of legislation, and I want to thank my friend and colleague, Senator CARL LEVIN, who has worked so diligently with me over the last few years to draft this wilderness legislation for the State of Michigan.

From the very beginning, I have maintained that we needed to strike a balance with this legislation between the conservation and development of Michigan's natural resources. I believe that the bipartisan support this bill enjoys from the Michigan congressional delegation, from Governor Blanchard, from local and environmental groups, and from the timber industry are ample proof that we have succeeded in achieving that balance. Just yesterday, my staff was working with various members of the Forest Service to ensure that these areas will be properly managed by the Forest Service. Although this bill does not include all the areas that were contained in my bill that passed the House of Representatives earlier this year, I believe this measure represents a tremendous victory for those people who value wilderness areas.

Mr. Speaker, the Michigan Wilderness Heritage Act of 1987 is one of the largest national forest wilderness bills to be enacted by the U.S. Congress east of the Mississippi River. This measure designates over 92,000 acres of pristine land in Michigan as wilderness areas. I have always believed that my home State of Michigan contains some of the most beautiful land areas in the country, and by approving this bill, Congress will permanently preserve these lands for our children, and our children's children. Not only will these areas be protected from manmade disturbances, but they will also be free from changes in the bureaucratic whims of each new administration here in Washington.

Mr. Speaker, at this time I would like to address some specific provisions contained in the bill and how I expect them to be implemented by the Forest Service. First of all, this legislation designates the Sturgeon River Gorge area as wilderness. However, along the eastern boundaries of this bill, Senator LEVIN and I have agreed to exclude from wilderness designation a 200-yard tract of land parallel to route 191 in sections 22, 26, 27, 35, as designated by the maps. Furthermore, all roads leading into the Sturgeon River Gorge Wilderness Area will be clearly closed to motorized travel by appropriate signing, or the construction of berms, gates, or other devices to bar motorized use.

Second, our bill allows the Forest Service to use a small tract of land—as specified in the maps—to manage the manmade earthen dam on the northeastern part of Sylvester Pond in the Delirium Wilderness Area. In addition, while the maps will show that Sylvester Pond will be included within the Wilderness area, it is not my belief that we should preclude the Forest Service from adjusting the water levels in the pond as necessary. The Forest Service will be able to undertake additional wildlife management activities pursuant to the Wilderness Act of 1964. It is also my belief that the area leading into the Delirium Wilderness Area will be restricted to semiprimitive, nonmotorized usage except for Forest Service administrative purposes.

Although this bill does not include Government Island as wilderness designation, it is my clear intention that this area will be managed by the Forest Service essentially as if it were a wilderness area. I would note for the record that the amended Hiawatha National Forest management plan provides for Government Island to be managed essentially as wilderness for the next 10 to 15 years.

Finally, in the event that the acreage number cited in the bill conflict with the land areas as shown by the maps which accompany the bill, the maps shall rule.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the initial request of the gentleman from Minnesota?

There was no objection.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate amendment just concurred in.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

THE ECONOMIC SUMMIT

The SPEAKER pro tempore (Mr. BRYANT). Under a previous order of the House the gentleman from Virginia [Mr. PARRIS] is recognized for 5 minutes.

Mr. PARRIS. Mr. Speaker, all of us in the Nation's Capital this week have witnessed with great interest the sincere labors of those Members of this body and the other body that make up the economic summit. They have labored mightily and I do not discourage in any way, nor discredit their efforts. But the thing that I object to, Mr. Speaker, is that they have apparently attempted to reduce the Nation's unfortunate level of deficits by raising taxes. I would remind my colleagues, Mr. Speaker, that if you confiscate all of the income of all Americans who make more than $30,000 a year, not just the taxes they pay but if you take all of the income they make, of everybody that makes $30,000 a year or more, it would run this Nation for 45 days—1½ months.

If you are going to reduce this Nation's deficit by increasing the taxes, Mr. Speaker, taxes would have to be doubled, pretty close to, almost 60 percent increase. You would have to double the taxes of every member of this society in order to balance the deficit in that way.

So now we have witnessed the requirement of triggering in the automatic sequestration. That is being done today, I am told, by Executive order of the President of the United States in accordance with his responsibilities.

I listened earlier in the debate on the floor of the House this morning, to my friend from California [Mr. DELLUMS] who said that he opposed the Gramm-Rudman automatic sequestration legislation in part because it basically had no accountability to it in terms of Members of this body, that it was an automatic, mindless cut across-the-board; and it is. But I take this time on the floor of the House, Mr. Speaker, to suggest that there is some accountability of the Members of this body and that is on the original vote by which we adopted the legislative measures that brought us to this point.

The fundamental principle of democracy is an informed electorate. I would hope that over this holiday season when perhaps the news media has not too many other things to concentrate on, they could perhaps go back and recreate the voting history of those of us in this House who have the awesome responsibility of administering this Nation's Government.

□ 1345

And they should remind our individual constituents of where we stand on some of these important issues.

We have, unfortunately, come to what I call the point of unrealistic expectations, where regardless of what happens in the summit negotiations or in the applicability of Gramm-Rudman in the reduction of the deficit in the future, it will not be considered to be enough by Wall Street nor Main Street. I think that is an unfortunate circumstance, but unrealistic expectations are always unrealistic expectations, and regardless or what we now do or what we do in the future, it will not be enough to restore confidence and stability in the Nation's financial markets.

I think, Mr. Speaker, that those of us who have the privilege of serving in this body are largely responsible for that, and I sincerely regret that we have not comported ourselves in a better way.

CENTENNIAL OF THE CITY OF MESQUITE, TX

The SPEAKER pro tempore (Mr. DICKS). Under a previous order of the House, the gentleman from Texas [Mr. BRYANT] is recognized for 5 minutes.

Mr. BRYANT. Mr. Speaker, December 3, 1987, marks the 100th anniversary of the city of Mesquite, TX, which I am privileged to represent in the U.S. Congress.

The third city in Dallas County to incorporate after the county seat of Dallas and the city of Lancaster, Mesquite had a population of 135 when the first U.S. Census was conducted in 1890.

Today, Mesquite is a prosperous and growing city of 100,000 citizens, a population increase of one-third since the last census.

It is home of the renowned Mesquite Championship Rodeo, the Mesquite Air Show, Eastfield Community College, and AT&T's largest power equipment manufacturing facility, as well as other strong community, cultural, and commercial activities.

Located on the rich blackland and prairie grasslands of the three forks of the Trinity River, Mesquite's roots extend to long before its formal establishment. The area was home to native Americans and Indian traders; it was explored and traversed by settlers moving west during the century prior to the founding of the city.

A detailed account of the city of Mesquite and its origins can be found in the Mesquite Historical Committee's "A Stake in the Prairie: Mesquite, Texas."

In that book can be found such interesting facts as the observation of Warren Angus Ferris, a young surveyor of Dallas working out of Nacogdoches, who, in the words of the book poetically compared the Three Forks to areas of the Rocky Mountains which he had observed. In one of the earliest known letters from the Dallas area, dated Aug. 20, 1840, Ferris relates:

> I saw in the picturesque regions there much of the wild, soul-stirring scenes with which I had been so familiar in the mountains. Thousands of buffalo and wild horses were everywhere to be met with. Deer and turkey always in view and an occasional bear would sometimes cross our path. Wolves and buzzards became our familiar acquaintances, and in the river we found abundance of fish from minnows to 8 footers. The Prairies are boundless and present a most beautiful appearance being extremely fertile and crowned with flowers of every hue.

It was these attractive features which began drawing settlers to the region especially with the encouragement of the new Republic of Texas in the mid-19th century.

Yet it was the coming of the railroad—the Texas and Pacific, connecting Marshall in east Texas with Dallas in north central Texas—in 1873 that established the beginnings of the new railroad depot town of Mesquite.

"By 1887, several citizens felt the time had come to incorporate their town," says "A Stake in the Prairie."

> J.M. Knox and 24 other residents submitted an application to the county judge on Nov. 16, 1887, requesting an election to determine whether the town should incorporate under Texas laws. R.S. Kimbrough was appointed presiding officer, and the election was held Dec. 3, 1887. Incorporation carried by a vote of 25 to 14.

Cotton was king in the fertile farmland of the area for many years, and Mesquite thrived as a commercial hub at the eastern edge of Dallas County. But, by 1950, it had a population of only 1,696. The real boom came in the years between then and 1980, by which time the population stood at 67,053. And clearly Mesquite is still growing and prospering.

Like many a growing town, Mesquite over the years has produced its share of leaders and heroes, talent and innovation.

It's strength and its beauty lies in the energy and commitment of its citizens, as well as in a hundred colorful years of history.

From December 3 through 6, 1987, the city of Mesquite will be observing its centennial celebration. I urge the Nation to join with me in wishing Mesquite, TX, a happy birthday as it begins its second century of productive service to Texas and to our country.

DESIGNATION OF PRO TEMPORE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS UNTIL MONDAY, NOVEMBER 30, 1987

The SPEAKER pro tempore (Mr. DICKS) laid before the House the following communication from the Speaker.

> WASHINGTON, DC,
> *November 20, 1987.*
>
> I hereby designate the Honorable Thomas S. Foley to act as Speaker pro tempore to sign enrolled bills and joint resolutions until Monday, November 30, 1987.
>
> JIM WRIGHT,
> *Speaker of the House of Representatives.*

The SPEAKER pro tempore. Without objection, the designation is accepted.

There was no objection.

THE 1988 ELECTION YEAR MAILING RESTRICTIONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arizona [Mr. UDALL] is recognized for 5 minutes.

Mr. UDALL. Mr. Speaker, with the 1988 election year rapidly approaching, the House Commission on Congressional Mailing Standards wishes to remind Members of the House about the franking statutes, rules, and regulations governing mass mailings by candidates prior to elections.

Generally, Members of the House seeking reelection are prohibited from sending franked mass mailings during the 60-day period immediately before the date of any public election—whether primary, general, special, or runoff—in which the Member's name appears on the ballot.

Further, any Member who is a candidate for other public office may not frank mass mailings outside of the congressional district from which the member was elected, beginning at the time the Member is certified for candidacy.

Members should ensure that staff persons responsible for mass mailings are knowledgeable concerning State election laws as they affect mailing privileges during the period prior to primary and general election periods. Members' staff seeking advisory opinions from the Commission must certify that, to the best of their knowledge, the frankability of the proposed mailing is not adversely affected by applicable State election laws.

Mr. Speaker, I cannot emphasize strongly enough the importance of compliance with these regulations. I urge my colleagues to ensure that their staffs are familiar with the statutes, rules of the House, and pertinent regulations and guidelines governing the proper use of the franking privilege.

The Commission staff is ready to assist in every possible way.

A detailed explanation of the mass mailing provisions, along with a listing of cutoff dates for the congressional primaries in the various States, follows:

LIMITATIONS ON THE USE OF THE FRANK BY CANDIDATES FOR PUBLIC OFFICE

39 U.S.C. 3210(a)(6)(A) provides that, "It is the intent of Congress that a Member of, or Member-elect to, Congress may not mail any mass mailing as franked mail—

(i) if the mass mailing is mailed fewer than 60 days immediately before the date of any primary election or general election (whether regular, special, or runoff) in which the Member is a candidate for reelection; or

(ii) in the case of a Member of, or Member-elect to, the House who is a candidate for any other public office, if the mass mailing—

(I) is prepared for delivery within any portion of the jurisdiction of or the area covered by the public office which is outside the area constituting the congressional district from which the Member or Member-elect was elected; or

(II) is mailed fewer than 60 days immediately before the date of any primary election or general election (whether regular, special or runoff) in which the Member or Member-elect is a candidate for any other public office.

Mailings made through the facilities of the Publications Distribution Service of the House of Representatives (House folding room) shall be deemed in compliance with this statute if such mailings are delivered to the House folding room not less than 62 days before the date of such election, with instructions for immediate dispatch.

DEFINITIONS

Mass Mailings

Mass mailings are defined by law [39 U.S.C. 3210(a)(6)(E)] as newsletters and other similar mailings (including town meeting notices) of more than 500 pieces in which the content of the matter mailed is substantially identical. Mail matter is deemed to be a mass mailing when the total number of pieces exceeds 500, whether in a single mailing or in cumulative mailings during the 60-day period.

Candidate for election or reelection to the House of Representatives

For purposes of the subject statutes and regulations, a Member of or a Member-elect to the House of Representatives is deemed to be a candidate for public office at any election if his or her name appears anywhere on any official ballot to be used in a public election.

Candidate for "any other public office"

For the purpose of 39 U.S.C. 3210(a)(6)(A)(ii), "any other public office" means any local, State, or Federal office. (Examples: President, Governor, U.S. Senator, State Supreme Court Justice, State Senator, Assemblyman, etc.) "Candidate" means a Member who has qualified under State or local law for the official ballot in a primary, runoff, special, or general election, or who has been certified for candidacy by an appropriate State or local election official.

EXCEPTIONS

The subject statutes, rules, and regulations provide three exceptions to the mass mail prohibition prior to elections, as follows:

(i) mailings which are in direct response to inquiries or requests from the persons to whom the matter is mailed;

(ii) mailings to colleagues in Congress or to government officials (whether Federal, State, or local); and

(iii) mailings of news releases to the communications media.

The Commission believes the latter two exceptions are self-explanatory.

In application of the first exception, the Commission stresses the phrase "direct response to inquiries or requests". Therefore, response to a signed petition with a form of identical letter individually addressed to each of the signers of the petition is frankable. However, a followup letter to the same list of petitioners is not frankable under this section in that it would not be in direct response to an inquiry.

Similarly, follow-up letters to persons who had previously written and had been answered on a particular subject, if such letters by their form and volume constitute a mass mailing, are not frankable during the 60-day period prior to elections. Also, requests for questionnaire results or other materials, when solicited by Members on questionnaire forms or newsletters, are not deemed to be in direct response to any inquiry or request.

The above restrictions on mass mailings by candidates do not apply to mass mailings by the chairman of any standing, select, joint or other officials committee of the Congress, or subcommittee thereof, and which relate to the normal business of the committee [39 U.S.C. 3210(a)(6)(B)].

TIME OF MAILING

Processing by a postal facility

Mass mailings as defined under 39 U.S.C. 3210(a)(6)(E) may not be mailed as franked mail by a Member of or a Member-elect to the House of Representatives when the same is mailed at or delivered to any postal facility other than the Publications Distribution Service of the House of Representatives, hereinafter referred to as the House folding room, less than 60 days immediately before the date of any primary or general election (whether regular, special, or runoff) in which such Member or Member-elect is a candidate for any public office.

Processing by the House folding room

Such mass mailings, if processed through the House folding room, shall be deemed to be in compliance with the subject rule and these regulations, if delivered to the House folding room, with instructions for immediate dispatch, not less than 62 days immediately before the date of any such election. In the case of mass mailings delivered to the House folding room prior to the 62 day cutoff period, the requirement of instructions for "immediate dispatch" may be modified to the extent that instructions are given for delivery of the mailing to the addresses not later than the 60th day immediately before the date of such election.

The House folding room shall issue a receipt, which shall specify the date and time of delivery and a brief description of the matter to be processed, to the Member at the time he or she delivers such mass mailings to the House folding room.

1988 CONGRESSIONAL PRIMARY DATES

[Alphabetical list by State]

State	Primary date	60-day cutoff (postal facility)	62-day cutoff (folding room)
Alabama	June 7	Apr. 8	Apr. 6.
(Runoff)	June 28	Apr. 29	Apr. 27.
Alaska	Aug. 23	June 24	June 22.
Arizona	Sept. 13	July 15	July 13.
Arkansas	Mar. 8	Jan. 8	Jan. 6.
(Runoff)	Mar. 22	Jan. 22	Jan. 20.
California	June 7	Apr. 8	Apr. 6.
Colorado	Aug. 9	June 10	June 8.
Connecticut	Sept. 14	July 16	July 14.
Delaware	Sept. 10	July 12	July 10.
Florida	Sept. 6	July 8	July 6.
(Runoff)	Oct. 4	Aug. 5	Aug. 3.
Georgia	Aug. 9	June 10	June 8.
(Runoff)	Aug. 30	July 1	June 29.
Hawaii	Sept. 17	July 19	July 17.
Idaho	May 24	Mar. 25	Mar. 23.
Illinois	Mar. 15	Jan. 15	Jan. 13.
Indiana	May 3	Mar. 4	Mar. 2.
Iowa	June 7	Apr. 8	Apr. 6.
Kansas	Aug. 2	June 3	June 1.
Kentucky	May 24	Mar. 25	Mar. 23.
Louisiana	Oct. 1	Aug. 2	July 31.
Maine	June 14	Apr. 15	Apr. 13.
Maryland	Mar. 8	Jan. 8	Jan. 6.
Massachusetts	Sept. 20	July 22	July 20.
Michigan	Aug. 2	June 3	June 1.
Minnesota	Sept. 13	July 15	July 13.
Mississippi	Mar. 8	Jan. 8	Jan. 6.
(Runoff)	Mar. 29	Jan. 29	Jan. 27.
Missouri	Aug. 2	June 3	June 1.
Montana	June 7	Apr. 8	Apr. 6.
Nebraska	May 10	Mar. 11	Mar. 9.
Nevada	Sept. 6	July 8	July 6.
New Hampshire	Sept. 13	July 15	July 13.
New Jersey	June 7	Apr. 8	Apr. 6.
New Mexico	do	do	Do.
New York	Sept. 13	July 15	July 13.
North Carolina	May 3	Mar. 4	Mar. 2.
(Runoff)	May 31	Apr. 1	Mar. 30.
North Dakota	June 14	Apr. 15	Apr. 13.
Ohio	May 3	Mar. 4	Mar. 2.
Oklahoma	Aug. 23	June 24	June 22.
(Runoff)	Sept. 20	July 22	July 20.
Oregon	May 17	Mar. 18	Mar. 16.
Pennsylvania	Apr. 26	Feb. 26	Feb. 24.
Rhode Island	Sept. 13	July 15	July 13.
South Carolina	June 14	Apr. 15	Apr. 13.
(Runoff)	June 28	Apr. 29	Apr. 27.
South Dakota	June 7	Apr. 8	Apr. 6.
(Runoff)	June 21	Apr. 22	Apr. 20.
Tennessee	Aug. 4	June 5	June 3.
Texas	Mar. 8	Jan. 8	Jan. 6.
(Runoff)	Apr. 12	Feb. 12	Feb. 10.
Utah	Sept. 13	July 15	July 13
Vermont	do	do	Do.
Virginia	June 14	Apr. 15	Apr. 13.
Washington	Sept. 20	July 22	July 20.
West Virginia	May 10	Mar. 11	Mar. 9.
Wisconsin	Sept. 13	July 15	July 13.
Wyoming	Aug. 16	June 17	June 15.
American Samoa	Nov. 8	Sept. 9	Sept. 7.
(Runoff)	Nov. 22	Sept. 23	Sept. 21.
District of Columbia.	May 3	Mar. 4	Mar. 2.
Guam	Sept. 3	July 5	July 3.
Puerto Rico	June 12	Apr. 13	Apr. 11.
Virgin Islands	Sept. 13	July 15	July 13.
1988 General Election.	Nov. 8	Sept. 9	Sept. 7.

Note.—The 60-day and 62-day cutoff regulation also apply to runoff elections in which the Member is a candidate.

1988 CONGRESSIONAL PRIMARY DATES

[Chronological list by election date]

State	Primary date	60-day cutoff (postal facility)	62-day cutoff (folding room)
Arkansas	Mar. 8	Jan. 8	Jan. 6.
Maryland	do	do	Do.
Mississippi	do	do	Do.
Texas	do	do	Do.
Illinois	Mar. 15	Jan. 15	Jan. 13.
Arkansas (Runoff).	Mar. 22	Jan. 22	Jan. 20.
Mississippi (Runoff).	Mar. 29	Jan. 29	Jan. 27.
Texas (Runoff)	Apr. 12	Feb. 12	Feb. 10.
Pennsylvania	Apr. 26	Feb. 26	Feb. 24.
Indiana	May 3	Mar. 4	Mar. 2.
North Carolina	do	do	Do.
Ohio	do	do	Do.
District of Columbia.	do	do	Do.
Nebraska	May 10	Mar. 11	Mar. 9.
West Virginia	do	do	Do.
Oregon	May 17	Mar. 18	Mar. 16.
Idaho	May 24	Mar. 25	Mar. 23.
Kentucky	do	do	Do.
North Carolina Runoff.	May 31	Apr. 1	Mar. 30.
Alabama	June 7	Apr. 8	Apr. 6.
California	do	do	Do.
Iowa	do	do	Do.
Montana	do	do	Do.
New Jersey	do	do	Do.
New Mexico	do	do	Do.
South Dakota	do	do	Do.
Puerto Rico	June 12	Apr. 13	Apr. 11.
Maine	June 14	Apr. 15	Apr. 13.
North Dakota	do	do	Do.
South Carolina	do	do	Do.
Virginia	do	do	Do.
South Dakota (Runoff).	June 21	Apr. 22	Apr. 20
Alabama (Runoff).	June 28	Apr. 29	Apr. 27.
South Carolina (Runoff).	do	do	Do.
Kansas	Aug. 2	June 3	June 1.
Michigan	do	do	Do.
Missouri	do	do	Do.
Tennessee	Aug. 4	June 5	June 3.
Colorado	Aug. 9	June 10	June 8.
Georgia	do	do	Do.
Wyoming	Aug. 16	June 17	June 15.
Alaska	Aug. 23	June 24	June 22.
Oklahoma	do	do	Do.
Georgia (Runoff)	Aug. 30	July 1	June 29.
Guam	Sept. 3	July 5	July 3
Florida	Sept. 6	July 8	July 6.
Nevada	do	do	Do.
Delaware	Sept. 10	July 12	July 10
Arizona	Sept. 13	July 15	July 13.
Minnesota	do	do	Do.
New Hampshire	do	do	Do.
New York	do	do	Do.
Rhode Island	do	do	Do.
Utah	do	do	Do.
Vermont	do	do	Do.
Wisconsin	do	do	Do.
Virgin Islands	do	do	Do.
Connecticut	Sept. 14	July 16	July 14.
Hawaii	Sept. 17	July 19	July 17.
Massachusetts	Sept. 20	July 22	July 20.
Washington	do	do	Do.
Oklahoma (Runoff).	do	do	Do.
Louisiana	Oct. 1	Aug. 2	July 31.
Florida (Runoff)	Oct. 4	Aug. 5	Aug. 3
American Samoa	Nov. 8	Sept. 9	Sept. 7.
1988 General Election.	Nov. 8	Sept. 9	Sept. 7.

Note.—The 60-day and 62-day cutoff regulations also apply to runoff elections in which the Member is a candidate.

INTRODUCTION OF SENSE-OF-CONGRESS RESOLUTION RENOUNCING FIRST USE OF NUCLEAR WEAPONS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. WEISS] is recognized for 5 minutes.

Mr. WEISS. Mr. Speaker, the United States and the Soviet Union are poised to sign an agreement to eliminate short and intermediate range nuclear weapons. This agreement marks the first time that any class of nulcear weapons has been reduced, let alone eliminated, as a result of an arms negotiation. It is my hope that Congress and the American public will unite to ensure that the treaty is ratified.

The upcoming signing of the INF Treaty represents a milestone in United States-Soviet relations, and it holds out the hope of future progress in the areas of nuclear testing and strategic arms.

However, progress on the INF Treaty has been accompanied by heightened concerns about the cohesion of the NATO alliance and its conventional warfighting capability. Moreover, many believe that any effort to achieve large reductions in strategic arms could undermine our ability to deter Soviet aggression.

It is clear that arms control cannot simply be a matter of arms reductions, but must involve an overall strategy on the part of the United States to enhance deterrence, protect the alliance, and reduce the risk of both conventional and nuclear war.

Therefore, I am today introducing a resolution expressing the sense of Congress that the United States should renounce the first use of nuclear weapons and implement specific changes in our defense policy that will reduce the likelihood of the first use of nuclear weapons. A policy of no first use, if properly implemented, will contribute substantially to the security of the United States, substantially enhance NATO's ability to wage a conventional war, and provide an overall framework for future arms negotiations between the United States and the Soviet Union.

I have been a longtime advocate of the adoption of a policy of no first use and have introduced resolutions on this subject in the past. However, the resolution I am introducing today is different from earlier no first use resolutions in a number of ways.

First, the resolution recognizes that a simple declaration of no first use by the United States is of limited value. This resolution goes further by calling for specific policy changes that will reduce the likelihood of the first use of nuclear weapons. In doing so, it follows the recommendation of 10 former Government officials and academics who endorsed a policy of no first use in an August 1986 article in the Atlantic. This group includes McGeorge Bundy, Morton H. Halperin, George F. Kennan, Robert S. McNamara, Gerard Smith, and Paul Warnke.

Second, while the resolution recognizes the importance of changing our defense posture to implement a policy of no first use, it also recognizes the importance of consulting with out allies before such policy changes are accomplished. Thus, the resolution specifically calls for such consultation to be carried out before any changes are implemented.

Finally, the resolution takes notice of the fact that the current United States first use policy has harmed allied security by reducing our conventional warfighting capability. In fact, adoption of a no first use policy, when accompanied by specific steps to implement such a policy, would contribute substantially to NATO's conventional capability. In doing so, it will strengthen the cohesion of the alliance. At a time when the INF Treaty has renewed the debate over the disparity between NATO and Warsaw Pact conventional forces, this point deserves considerable emphasis.

It is important to make clear that current NATO policy envisions the early first use of nuclear weapons. While most Americans believe that it is our policy not to initiate the use of nuclear weapons unless the Soviets have used them first, this is not the case. Reliance on the use of nuclear weapons pervades American nuclear planning, and our nuclear forces remain poised to be launched against any adversary within seconds.

Yet this policy is based on a fundamental inaccuracy. Nuclear weapons cannot be used to our advantage for one simple reason: nuclear conflict will inevitably escalate to global warfare, resulting in the very destruction of that which the weapons are intended to defend. Rather than defending our interests, the current policy of threatening the first use of nuclear weapons has actually increased the risk of nuclear war.

NATO's reliance on nuclear first use has also substantially reduced our ability to fight a conventional war. The 1986 Atlantic article, titled "Back From the Brink," elaborates on the many reasons why this is the case.

First of all, statutory limits on the overall number of U.S. troops in Europe have forced the United States to reduce the number of troops devoted to conventional tasks as we have increased our nuclear forces.

In addition, most of our tactical nuclear weapons rely on dual-capable launchers that can deliver nuclear or conventional munitions. In the event of a conventional conflict, European commanders would be forced to withhold a portion of these forces for potential nuclear missions. This would occur at the very time that a full conventional force would be most needed.

Further, nuclear weapons require extensive safety precautions and command, control and communications arrangements. These arrangements consume scarce resources that could otherwise be devoted to a conventional defense.

Finally, NATO's forward-based nuclear arsenal is concentrated and highly visible. As a result, it remains vulnerable to conventional attack by Warsaw Pact forces. This fact could force NATO decisionmakers to resort to the nuclear option in the earliest stage of a conflict, rather than risk the loss of these nuclear forces. This escalation to the nuclear level might occur well before a conventional defense had been fully mounted.

These facts clearly indicate that the adoption of a no first use policy by the United States would contribute to the ability of our Nation to fight a conventional war. This improvement in conventional capability would come about whether or not the United States decides to devote a larger share of its resources to conventional forces.

There are a number of actions that the United States should take in implementing a no first use policy. First, the United States could adopt a policy of "no early use." By pulling back our forward-based forces and securing them from conventional attack, we will significantly reduce the risk of a rapid escalation to the nuclear level.

Second, the United States should halt the development of certain weapons that are consistent with a strategy of early use. We should eliminate dual-capable launchers from our forces, and we should place our tactical nuclear forces under safety and command procedures that are separate from those used for conventional forces.

Third, the United States should adopt a policy of "no early second use." This means that the United States should seek to identify the source, location and effects of nuclear explosions before responding.

Fourth, the United States should adopt a policy of no first use, both in relation to tactical and strategic nuclear weapons. We should scale down the number of nuclear weapons based overseas, and eliminate those strategic forces that will not survive a first strike or that have a first strike capability.

One of the most important advantages of a no first use policy is that it provides us with a framework within which to make overall defense decisions. Most recent arms control proposals offer piecemeal solutions that address the dangers of individual nuclear systems. Many of these initiatives are worthy of continued support. Yet each weapons system is only one part of an overall nuclear posture. Without a broad focus on overall nuclear strategy, arms control proponents face the risk of winning the battle and losing the war.

Adoption of a no first use policy will afford us with the perspective necessary to better pass judgment on individual weapons systems. For instance, if we were to pledge not to initiate the use of nuclear weapons, we would clearly have no need for weapons, such as the MX, that cannot survive a first strike by the Soviet Union. Further, we would have no need for weapons, such as the Trident II, that are designed to destroy Soviet missiles before they leave their silos.

A no first use policy would also help confirm the growing case against the strategic defense initiative [SDI]. Though we know that a leakproof missile defense shield is an impossibility, even a limited SDI defense could give us the capability to overcome a Soviet retaliatory strike. This would add to our ability to initiate the use of nuclear weapons, and it could give us the ability to overwhelm Soviet forces in a disarming first strike. Either development would enhance the threat of miscalculation or accidental war.

As I noted earlier, the signing of the INF Treaty represents a milestone in United States-Soviet relations. At the same time, it represents only a first step on the road toward a safer world. If we are to move beyond the INF Treaty to additional achievements that will enhance our security, we need to completely rethink our current first use strategy. The adoption of a no first use policy is a practical step that will reduce the threat of nuclear war, strengthen relations with our allies, and improve our ability to fight a conventional war.

I urge my colleagues to join me as cosponsors of the resolution that I am introducing today, which I hope will help focus the debate on where we should be headed in the post-INF world.

A copy of the resolution follows:

H.J. RES. 409

Joint resolution to provide that the United States shall implement changes in defense policy that will reduce the likelihood of the first use of all nuclear weapons, renounce the first use of all nuclear weapons, and conclude treaties with all nations renouncing the first use of all nuclear weapons

Whereas the United States and the Soviet Union both have developed nuclear weaponry to retaliate in response to a nuclear attack with equal or greater force;

Whereas this capability for retaliation has created a condition of mutual deterrence;

Whereas a well-developed capability for the first use of nuclear weapons is a prominent feature of current United States and Soviet force postures;

Whereas this first-use capability undermines mutual deterrence, contributing to the likelihood that nuclear weapons will be used accidently or in the event of a crisis;

Whereas this first-use capability has undermined our ability to deter aggression through conventional means;

Whereas the first use of nuclear weapons, whether tactical or strategic, would likely result in a full-scale nuclear exchange and the subsequent destruction of much or all of civilization;

Whereas the United States and all nations face no more solemn duty than preventing such a nuclear cataclysm; and

Whereas renouncing the first use of all nuclear weapons will enhance deterrence and reduce the likelihood of a nuclear war: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States shall, follow appropriate consultation with our allies—

(1) implement specific changes in defense policy, including changes in deployment and modernization of weapons systems, that will reduce the likelihood of the first use of nuclear weapons;

(2) Formally renounce the first use of all nuclear weapons;

(3) conclude treaties with all nations renouncing the first use of all nuclear weapons.

DENY TAX BENEFITS FOR CONSTRUCTION JOBS INVOLVING JAPANESE GOODS AND SERVICES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, each day, we run a trade deficit with Japan of about $164 million.

Each month, we run a trade deficit with Japan of about $4.9 billion.

Each billion dollars worth of trade deficit equals about 10,000 American jobs.

Today the press reports that Japan has refused to allow successful United States participation in the bidding on $62 billion in pending Japanese public construction jobs. The reason: The construction industry is very important to the ruling Liberal Democratic Party.

Well, jobs are important to my constituents.

Over the Thanksgiving recess I will prepare a tax bill to deny tax depreciation on buildings constructed with Japanese building materials or using Japanese engineering and architectural services. The bill will deny tax exempt status for bonds used to finance public projects using Japanese materials and services.

What's good for the goose is good for the gander.

SPEAKER WRIGHT'S LEADERSHIP FOR PEACE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas [Mr. ALEXANDER] is recognized for 5 minutes.

Mr. ALEXANDER. Mr. Speaker, today I commend once again our great Speaker, JIM WRIGHT, for his leadership in the quest for peace in Central America. Initially, the Speaker was criticized for his bold initiatives in supporting the peace plan of Nobel Laureate President Oscar Arias, but he has recently been praised by many thoughtful leaders for his leadership in ending the strife in the war-torn region of Central America.

By conferring with both the Contras and the Nicaraguan Government, the Speaker has demonstrated his determination to take an evenhanded approach in addressing the grievances of both sides. His initiative has focused the attention of millions of Americans on the peace talks, thus providing a forum for the American people to learn about the negotiations that are intended to bring stability and peace to Central America.

I also applaud the Speaker for his efforts to work together with the administration in the quest for peace. On Tuesday, he and Secretary of State George Shultz announced that they will cooperate in an effort to see that the peace plan signed August 7 by the Presidents of five Central American countries is successfully implemented.

One example of the perceptive editorials praising the Speaker was the November 18 editorial in the Arkansas Gazette, the largest and most prestigious newspaper in Arkansas. As the Gazette correctly observed, "* * * the evidence is that the Washington meetings served to nudge the process along, and that WRIGHT was present during some of them only at the invitation of the parties." I ask that the editorial be printed at this point in the RECORD.

We should also commend President Arias, Cardinal Miguel Obando y Bravo, and Speaker WRIGHT for their efforts to lead the way to peace in a region of the world that has been plagued by war for so many years.

INTRODUCTION OF THE REAL ESTATE APPRAISAL REFORM ACT OF 1987

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. BARNARD] is recognized for 5 minutes.

Mr. BARNARD. Mr. Speaker, I am today introducing the Real Estate Appraisal Reform Act of 1987. This legislation requires the establishment, by the Federal Government, of uniform appraisal standards and appraiser qualification requirements for real estate transactions in which the Federal Government has substantial financial or public policy interests. These appraisal standards and appraiser certification requirements will be enforced by State appraiser certifying agencies, authorized in the legislation.

Mr. Speaker, each year, billions of dollars in real estate loans and investments are made in which appraisals play a crucial role. Whether the transaction involves a multimillion-dollar commercial real estate project, the sale of hundreds of millions of dollars of mortgage backed securities, or the issuance of a $90,000 residential mortgage, it is a real estate appraiser who establishes the value of the property which collateralizes the loan or investment. It is a real estate appraiser who provides lenders and investors with assurance that in the event of a default, the property securing the project will be sufficient to cover all or most of the outstanding loan balance or the financial commitments made to investors. Without a real estate appraisal, most lenders will not lend and most investors will not invest in real estate related financial transactions.

But if there is a default in a real estate transaction and the appraisal has been faulty or abusive—if through incompetency or a desire to please a participant in the transaction, it grossly overvalues the collateral—the consequences can be catastrophic: Financial institutions can fail or sink into problem status; arms-length investors can lose their investments; financial markets can be disrupted; and innocent mortgage borrowers forced into backbreaking debt.

Mr. Speaker, the Federal Government has a vital financial and public policy interest in all of this: The Federal Deposit Insurance Agencies—the FSLIC and FDIC—are obligated to pay off depositors in financial institutions that fail because of bad real estate loans buttressed by bad appraisals. Agencies like the Federal Housing Administration, the Veterans' Administration, and the Farmers Home Administration, are required to reimburse commercial lenders when borrowers default on federally guaranteed residential mortgages and collateral is insufficient to pay off outstanding loan balances. Fannie Mae and Freddie Mac suffer millions of dollars in losses when there are defaults on mortgages they have purchased and collateral has been overvalued. The SEC's responsibility to assure accurate public disclosure of the market values assigned by appraisers to real estate securing mortgage backed securities, suffers when those appraisals are negligent. The statutory functions of other Federal agencies, like the General Services Administration and the Federal Highway Administration, have even been compromised because appraisals commissioned by those agencies turned out to be faulty.

The central cause of these problems, Mr. Speaker, is that the real estate appraisal industry is basically unregulated throughout the country. In more than 40 of the 50 States, anyone can perform real estate appraisals without having to demonstrate basic competency and without having to obtain a real estate appraisal license. If an individual wants to be a barber, a beautician, a plumber, or an electrician anywhere in America—let alone a physician, an attorney, an accountant, an engineer, or an architect—they are required to prove basic skills and submit to supervision by an appropriate State agency. Moreover, if an attorney or an accountant wishes to practice before the Federal Government or in areas governed by Federal statute, their professional conduct and the standards they use in their practice, are subjected to Federal supervision. But a real estate appraiser, who is responsible for establishing the value of properties collateralizing loan and investment transactions worth tens and even hundreds of millions of dollars each, is not subject to any systematic competency testing or supervision.

Mr. Speaker, the nature and extent of real estate appraisal abuses and their impact on Federal and private sector interests, have been carefully documented by the Government Operations Committee's Commerce, Consumer and Monetary Affairs Subcommittee, which I chair. In the mid-1980's, a series of hearings by the subcommittee into financial institution insolvencies and the role of insider misconduct in those insolvencies, uncovered a startling number of faulty and fraudulent appraisals in the real estate loan portfolios of virtually every failed and failing institution. What we found was that these abusive appraisals were used to fool bank examiners. They were used to make a dangerous or even fraudulent real estate loan appear secure, by having in the loan file an appraisal which assigns an unrealistically high market value to the property collateralizing the loan. As a consequence of these findings, the subcommittee launched a separate 15-month probe into the nature and extent of real estate appraisal abuse and their impact on Federal and private sector interests. The result of that probe was a report issued by the subcommittee in September of last year entitled "Impact of Appraisal Problems on Real Estate Lending, Mortgage Insurance, and Investment in the Secondary Market." That report concluded that "faulty and fraudulent real estate appraisals have become an increasingly serious national problem whose effects are widespread, prevasive, and costly. Abusive appraisals have contributed directly to the insolvency of hundreds of the Nation's financial institutions and have helped cause billions of dollars in losses to mortgage lenders, private mortgage insurers, investors in mortgage backed securities, and to numerous Federal agencies, particularly those that administer the Federal Deposit Insurance funds and mortgage guaranty programs." The report assigned blame for this problem in equal parts to real estate appraisers; to individuals involved in real estate transactions who pressure appraisers into overvaluing collateral sufficiently to "make the deal go"; and to the Federal Government itself, whose appraisal policies and practices in connection with their statutory functions, is disjointed, uneven, and ineffective.

Mr. Speaker, as a former banker and as a strong advocate of marketplace solutions to marketplace problems, it is not often that I offer legislation that provides for governmental action. But this is such an occasion. The Federal Government has a pressing financial and public policy interest in assuring that real estate appraisals are performed professionally and independently by truly qualified individuals. Just yesterday at subcommittee hearings on fraud by senior officials of financial institutions, the U.S. attorney for the Northern District of Illinois testified that at seven recently failed S&L's, senior officers, "working with corrupt appraisers, have falsely inflated the value of security for loans to finance projects in which the officers had an interest, or could receive kickbacks or 'commissions.' Typically, a condominium development carrying a high interest rate was inflated in value so that the savings and loan was financing the project at a rate of 100 percent or more. This is a pattern of fraud seen throughout the country in failed institutions." This results in losses in the hundreds of millions of dollars.

My bill requires a new Federal Interagency Appraisal Council, with advice from appraisers, to establish uniform appraisal standards and appraiser certification requirements in connection with real estate transactions in which the Federal Government has substantial interests. It leaves to the 50 States, primary enforcement responsibility for these standards and requirements. There is no Federal "grab for power" here. Only a recognition that both Federal and State governments have legitimate interests to protect. Nor is any massive bureaucracy created by my bill. In point of fact, the legislation merely articulates and centralizes in a new agency statutory powers already available to—but ineffectively or unevenly exercised by—more than half a dozen Federal agencies. Moreover, taxpayers will not—I repeat, will not—pay for the activities of the new Federal Interagency Council. Costs of the Council will be borne by extremely small fees imposed on commercial, for-profit users of federally certified appraisals and on certified appraisers themselves. We estimate that the annual fee imposed on certified appraisers will be no more than $75 per year; and that even a multimillion-dollar commercial transaction would produce user fees of only several hundred dollars.

Mr. Speaker, my legislation represents a carefully crafted solution to a serious national problem. In some measure, appraisers themselves are the principal victims of the current unregulated status of their industry. When appraisers are pressured to overvalue property in order to make a speculative real estate transaction look sound, there is little incentive for the appraiser to say "No." If they resist the pressure, they are fired from the job, never to be hired again. On the other hand, if the appraiser produces the market valuation demanded, he or she has repeat business to gain and little to lose: There is no certification or license to lose; and no supervisory system to monitor the appraiser's conduct. All of that would change under my legislation.

In a very real sense, Mr. Speaker, the real estate appraisal industry is at a crossroads: If appraisers want to be recognized and respected as the professionals they truly are, then they have to be willing to assume the obligations of professionalism. That means the ability to demonstrate competency; to be bound by an enforceable code of ethics; and to meet continuing education requirements. If, on the other hand, real estate appraisers are content with the status quo and with "business-as usual;" if they wish to continue as the "handmaidens" of others, then I predict perilous times for their industry, including an increase in law enforcement and liability problems. I also fear a continuing loss of public confidence in the safety and soundness of many real estate transactions.

There are those, undoubtedly, who will oppose some of the specifics of my legislation and others who will resist any Federal involvement in this area, notwithstanding the Federal interests that are at stake. And there will be time during hearings on the bill to debate its merits and for others to propose different solutions. While I am strongly convinced of the merits of my approach and will press hard for its adoption, I do intend during the course of legislative hearings to keep an open mind, particularly on those provisions that make Fannie Mae and Freddie Mac part of the Interagency Council.

I am including at this point, Mr. Speaker, a section-by-section analysis of my bill:

SECTION-BY-SECTION ANALYSIS OF H.R. 3675, THE REAL ESTATE APPRAISAL REFORM ACT OF 1987

SUMMARY

The Barnard bill requires the establishment of federal appraisal standards and appraiser qualification requirements for real estate transactions in which the Federal Government has substantial financial or public policy interests. These standards and requirements will be enforced by state appraiser certifying agencies, authorized in the legislation.

The bill establishes a Federal Interagency Appraisal Council composed of representatives of existing federal agencies whose functions encompass real estate related financial transactions and whose programs have been negatively impacted by faulty and fraudulent appraisals. It also authorizes the establishment of state appraiser certifying boards. The Federal Interagency Appraisal Council would exercise three standards-setting functions: (1) determining which categories of real estate related financial transactions are of sufficient financial or public policy importance to the Federal Government to require, in connection with those transactions, that appraisals be performed according to uniform standards and by qualified individuals; (2) establishing uniform appraisal standards for such "federally covered" real estate transactions; and (3) setting minimum qualification or certification requirements for individuals who appraise property in federally covered transactions. So that appraisal standards and appraiser qualification requirements are uniform throughout the Federal Government, the existing authority of twelve federal agencies to promulgate such standards and requirements is transferred to the new Interagency Council. Members of the Council will serve on a full-time basis, only for 3 years after the date of enactment (final standards must be adopted within that timeframe) and on a part-time basis thereafter. A small staff structure will remain in place. The activities of the Council will be funded by small user fees imposed on commercial, for-profit real estate projects using certified appraisers; and, by a small annual fee on certified appraisers, not to exceed $100.

The legislation authorizes and provides incentives for the creation of state appraiser certifying agencies. These agencies or boards will be responsible, under grants of authority from state legislatures, for enforcing the federal appraisal standards and certification requirements.

Section 1. Short Title—The Act is cited as the "Real Estate Appraisal Reform Act of 1987".

Section 2. Findings—Expresses a congressional finding that (1) appraisals of property collateralizing real estate loans and investments are a critical component of such loans and investments because they provide lenders and investors with assurance that in the event of a default, loans can be repaid and investment losses minimized; (2) faulty and fraudulent real estate appraisals that substantially overvalue property securing loans and investments have become a pervasive national problem whose effects are extremely harmful and costly to the Federal Government and to private sector mortgage lenders, insurers, and investors; and (3) the quality of appraisals and the independence of appraisers would be greatly enhanced by the establishment of a regulatory structure requiring the adoption of federal appraisal standards and appraiser certification requirements, with enforcement by approved state appraiser certifying agencies.

Title I: Federal Interagency Council

Section 101. Establishment—Establishes the Federal Interagency Appraisal Council.

Section 102. Transfer of Functions—The bill transfers to the Council the existing statutory authority of twelve federal agencies to promulgate appraisal standards and appraiser qualification requirements, assuring uniformity among the numerous federal agencies presently exercising such authority. Except for appraisal standards and appraiser qualification requirements, the affected federal agencies will retain their authority to enforce compliance with their statutes and regulations (so that, for example, the banking agencies would retain authority to treat appraised market values of financial institution real estate assets in any way they saw fit for regulatory purposes; and the VA and FHA would continue to be able to suspend fee appraisers who violate those agencies' policies, practices, and procedures).

Section 103. Functions of Council—

(a) In general: Describes the major functions of the Council as follows: The issuance of rules describing categories of real estate-related financial transactions which are sufficiently important to the Federal Government so as to constitute "federally covered transactions" under the Act; the adoption of uniform standards for the performance of real estate appraisals in connection with federally covered transactions; the establishment of minimum qualification requirements for the certification of persons who will be performing appraisals in connection with such transactions; the monitoring of the activities of state appraiser certifying agencies; and, transmittal of an annual report to the Congress describing the Council's work.

(b) Uniform appraisal standards: Uniform standards prescribed by the Council for performance of real estate appraisals in federally covered transactions shall be designed to produce an accurate assessment of the market value of the subject property, including recognition of differences in the types of property to be appraised (i.e., residential vs. commercial); shall describe the contents of and the manner in which an appraisal shall be performed for such transactions; shall permit certain functions in connection with the appraisal to be performed by non-certified persons so long as the final appraisal document is approved and signed by a certified person; shall prohibit the performance of appraisals by persons who have any financial interest in the property being appraised; and may incorporate appraisal standards promulgated by a government agency or by the appraisal industry itself, if such standards meet the requirements of the Act.

(c) Appraiser certification requirements: Requirements prescribed by the Council for the certification of persons to perform appraisals in federally covered transactions shall prescribe a code of ethical responsibility and a level of education (the bill does not require a college degree); work experience, knowledge, and continuing education, which must be satisfied; shall recognize and reflect different skill levels necessary to appraise different types of property; shall describe procedures, including testing requirements, under which a certification will be granted; shall modify certification requirements in the case of appraisers who can demonstrate 5 years of satisfactory appraisal practice; shall set forth criteria under which disciplinary action shall be taken against a certified appraiser.

(d) Procedures for establishing appraisal standards and appraiser certification requirements: Appraisal standards and appraiser certification requirements shall be adopted only after public hearings and an opportunity for interested parties to be heard.

(e) Time for proposal and adoption of standards and requirements: Uniform appraisal standards shall be proposed not later than 18 months and adopted in final form not later than 24 months after enactment. Appraiser certification requirements shall be proposed not later than 12 months and adopted not later than 18 months after enactment.

(f) Overseeing approved state appraiser certifying agencies and certified appraisers: Whenever the Council determines that an action of an approved state appraiser certifying agency or of a certified appraiser is contrary to the purposes of the Act, the Council may request modification of a certifying agency's policies or practices as they apply to certified appraisers. With respect to certified appraisers themselves, the Council itself can take disciplinary action for serious violations of appraisal standards and appraiser certification requirements, if a state certifying agency does not exist. In taking such actions, the Council shall adopt written procedures and provide all affected parties with an ample opportunity to be heard. Disciplinary actions taken against certified appraisers, shall be subject to judicial review.

(g) Designation of certain real estate transactions as federally covered: Rules prescribed by the Council may designate as a federally covered transaction any transaction involving a purchase, lease, or sale of, or investment in, real estate or real estate related securities if in connection therewith (1) an agency or instrumentality of the United States purchases or sells real estate or real estate related securities or leases real estate; insures the deposits of a financial institution making real estate loans or investing in real estate projects; insures or guarantees the payment of a mortgage loan in the event of a borrower default; or regulates the offering and sale to the public of mortgage-backed securities; or (2) the Council determines that the public policy interest of the United States requires a designation as a federally covered transaction. Any real estate related financial transaction described above which involves the appraisal of property having a value of $1 million or more, shall be a federally covered transaction.

Section 104. Council Membership—The Council shall have twelve voting members from each of the following federal agencies: the five federal bank regulatory agencies, the Securities and Exchange Commission, the Veterans Administration, the Federal Housing Administration of DHUD, the Federal National Mortgage Association, the Federal Home Loan Mortgage Association, GSA and Farmers Home Administration. Persons appointed by the President shall serve for a 3-year fixed term. The Council shall have two nonvoting ex officio members from each of the following agencies: Internal Revenue Service of Treasury and the Department of Transportation.

Council members shall serve on a full-time basis only during the 36-month period following enactment and shall serve on a part-time basis thereafter.

Section 105. Chairman; Meetings—The chairman of the Council shall be elected for a 3-year term by the Council members. Meetings may be held at the call of the Chair or by a majority of Council members.

Section 106. Administrator and Staff—The Council shall have an administrator, who shall carry out the general administrative functions of the Council; a general counsel; a chief counsel for enforcement; and eight additional officers including a director for appraisal standards, a director for appraiser certification, and a coordinator for state certifying activities.

Section 107. General Powers of Council—The Council is authorized to hold hearings, sit and act, take testimony, receive evidence, issue subpoenas, and provide information and perform research. Rules promulgated by the Council shall be subject to the provisions of the Administrative Procedure Act. A seal of office shall be made for the Council and judicial notice shall be taken of such seal.

Section 108. Advisory Committees—There shall be within the Council two advisory committees which shall provide advice, information, analyses, and recommendations to the Council concerning its functions. The Real Estate Appraiser Committee shall consist of twelve members, ten from the appraisal industry and two from the public. The Real Estate Appraisal User Committee shall consist of fourteen members appointed by the chairman, as follows: two members each from the thrift industry, the commercial banking industry, the mortgage banking industry, the mortgage insurance industry, the securities industry, the home builders and the real estate industry. The Council shall meet with and consult the advisory committees before adopting uniform appraisal standards and appraiser certification requirements and at such other times as the Council considers necessary.

Sections 109 and 110. Appropriations and User Fees—The legislation authorizes a 2-

year appropriation of $19 million to the Council and establishes a user fee mechanism for funding the future work of the Council and for paying back the initial $19 million appropriation. Specifically, the bill authorizes the Council to assess and collect (1) from each person who obtains an appraisal for a federally covered transaction that is a commerical, for-profit transaction, a small, graduated fee based on the appraised value of the subject property not to exceed $5,000 (even a multi-million dollar project would result in a user fee of only several hundred dollars); and (2) from each person who receives a certification under the Act, an annual fee not to exceed $100. Although Council funding will be from non-taxpayer sources, the Council will continue to be subject to the congressional budget process.

Section 111. Transfer and Allocation of Appropriations and Personnel—Directs OMB to determine which unexpended appropriations and personnel from agencies performing appraisal standards and appraiser qualification functions, should be transferred to the new Council.

Section 112. Savings Provisions—Establishes that Executive Branch and judicial proceedings underway at the time of enactment shall not be affected by the transfer of functions.

Title II: Establishment and Approval of State Appraiser Certifying Agencies

Section 201. Establishment and Approval of State Appraiser Certifying Agencies—

(a) Establishment: Authorizes the establishment of state appraiser certifying agencies in order to assure state supervision of the activities of certified appraisers. Permits a state to establish requirements for appraisers in addition to any federal requirements for certification, if such additional requirements pertain to appraisals in non-federally covered transactions and if the additional state imposed requirements do not discriminate against certified appraisers. The legislation also requires a state appraiser certifying agency to recognize a certified appraiser who has been certified by another state in connection with "temporary practice" in the state.

(b) Approval of state appraiser agency by Council: Requires that a state appraiser certifying agency under the Act be approved by the Federal Interagency Council. Establishes criteria for such approval including, a grant of authority by the state adequate to permit the certifying agency to properly monitor and discipline appraisers; assurance that the state's laws require appraiser access to adequate and reliable information regarding property values and the terms and conditions of real estate sale transactions; independence of the agency from state licensing agencies, such as a real estate licensing board.

(c) Revocation of approval: The Council may revoke approval of an approved state appraiser certifying agency upon a written determination that any of the major conditions on which the approval was based has changed significantly. Before any such revocation, the Council shall furnish the state with 90-days advance notice and an ample opportunity to provide rebuttal information or to correct the changed conditions.

Section 202. Certification of Appraisers—Establishes procedures for obtaining a certification. Requires a state agency to grant a certification to perform appraisals in federally covered transactions in that state, if the person is found by the certifying board to satisfy the certification requirements established by the Federal Interagency Council. This section also authorizes the Federal Interagency Council to directly certify a person to perform appraisals in federally covered transactions in a state if the person meets certification requirements and if the state in which the person will be appraising does not have an approved state appraiser certifying agency. During the 24-month period following the date of enactment of the Act, the Council is required to certify a person to perform appraisals in federally covered transactions if the person registers with the Council and agrees to abide by generally recognized appraisal standards and a code of ethics. This interim certification can be extended for 12 additional months if the Council determines that the state in which the person is certified to perform appraisals is in the process of establishing a state certifying agency. The Council is also authorized to waive any requirements under the Act relating to certification of a person to perform appraisals if it makes a written determination that there is a scarcity of certified appraisers in a particular state and if the person for whom such requirements are to be waived has a satisfactory record of appraisal performance.

Section 203. Government Employees Who Perform Appraisals—This section permits federal and state government employees who perform appraisals in connection with their official responsibilities, to be exempted from the requirements of the Act unless the heads of their agencies decide otherwise.

Title III: Appraisals in Federally Covered Transactions

Section 301. Violations in Obtaining and Performing Appraisals—It shall be a violation of the Act for a person to (1) knowlingly seek, obtain or give money or any other thing of value in exchange for the performance of an appraisal by a person who is not a certified appraiser in connection with a federally covered transaction; and (2) for a person who is not a certified appraiser to knowingly provide an appraisal to a person in connection with a federally covered transaction. Fines are established for such violations. Proceedings for violations of this provision may be conducted by an approved state appraiser licensing agency or by the Council. Decisions are subject to judicial review.

Section 302. Use of Certified Appraisers by Federal Agencies—Beginning 24 months after enactment, federal agencies using fee appraisers shall use only certified appraisers in a federally covered transaction.

Title IV: General Provisions and Definitions

Section 401. Definition of terms found in the Act.

Section 402. Responsibilities Under State and Federal Law Not Affected—Nothing contained in the Act shall be construed to alter, modify or impair any responsibility under state or federal law imposed on appraisers, lenders and other persons who are parties to real estate related financial transactions.

Section 404. Federal Agency Reports Regarding Disciplinary Actions—Any federal agency that initiates a disciplinary action against a certified appraiser shall report that fact to the state certifying agency and to the Council.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. GINGRICH] is recognized for 60 minutes.

[Mr. GINGRICH addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]

A HISTORY OF RECENT REFORMS IN THE HOUSE OF REPRESENTATIVES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, at this moment, when the Members of the Congress are, quite understandably, rushing to go back to their respective districts to enjoy the company of their families and constituents and observe the most American of all holidays, Thanksgiving Day, next Thursday, I think we ought to be reminded of the backdrop or the environment that envelops us as we leave.

Rightly or wrongly, of course, the last vote on the adjournment resolution clearly recognizes the fact that there were more than one-third of the Members who felt that it was not time to adjourn. However, be that as it might, I happen to be one that under the circumstances decided that I should join the majority and vote for the adjournment resolution, in view of the explanations given by both the majority as well as the minority leadership. Nevertheless, I believe that every one of us should leave with a very, very thoughtful and serious consideration of what is not being debated, what is not appearing in the headlines at this moment, but what I feel could be brought forth at any moment, and perhaps even during the break while we are back in our districts.

In the first place, we are leaving immediately after the printing and the publication of the joint committee report, the so-called Iran-Contra Committee report. And that was an unusual body. I do not think there has been much legislative history or precedent for the formation of a House and Senate type of aggroupation for an ad hoc purpose of this nature of such a size and cumbersome structure. Nevertheless, in the light of that handicap to begin with, I want to compliment those who formulated and signed the report, a report that I believe deserves our most sober and serious consideration.

On March 5 of this year I introduced House Joint Resolution 111, an impeachment resolution directed to President Ronald W. Reagan. At the time I introduced it there was the most impelling reason for that timing, though I had, since November 11, 1986, been involved in its actual preparation. November 11, 1986, I might remind my colleagues, was the occasion when President Reagan on national television proclaimed to all and sundry that he had violated our laws.

Now, I think that the report, which I happen to be studying at this moment, of this Iran-Contra Committee clearly indicates that we have reached a stage of decomposition in our National or Federal Government, and particularly with respect to the Federal branch. I might say, by way of explanation or parentheses, that since 1974, with the so-called legislative reforms, I have said that the Congress or the House of Representatives has been in a state of erosion, institutional integrity erosion. I think that what I was saying then in 1974 in the context of that environment was seen, after the introduction of the impeachment resolution on this last March 5, as something that was stretching things, straining things, overreaching things, but in the light of what we now set out as natural turbulences that are impeding effective legislative action, we now realize, for example, that in 1974 we had more than the Legislative Reform Act. We had the Budget Reform Act, and I voted against it. I was 1 of 10 who voted no, even though the pressure was immense.

Everybody was thundering, the electronic media, the political scientists, all of the majority on both sides of the Capitol, saying that budgetary reform was long overdue, that the whole processes were just absolutely unacceptable.

What was happening that led to this great pressure? Well, it coincided with the fact that, for the first time in about 170 years, in the membership of the House of Representatives over 60 percent of its Members were either first-term or second-term Members. These two watershed developments, I think, coincided in 1974.

What I could see in both the Budget Reform Act and the Legislative Reform Act was that the House had lost control of its own real legislative integrity or processes. I predicted that there would be a flux, that there would be no ability to concentrate leadership power, and it sounded farfetched. I was, if not kind of laughed at, criticized, but I spoke about it and I wrote about it. I have a news letter that I have been accustomed to circulating to my constituency since I came to the Congress, and I spoke at length about it through that news letter.

In the case of the legislative reform, what I saw was that in the name of streamlining committees we proliferated the number of subcommittees by 500 percent. This was true even in my own prime standing committee assignment, the Banking Committee, then known as the Banking and Currency Committee. In fact, the Reform Act changed its title to the Committee on Banking, Finance and Urban Affairs. I saw a situation where the reason for the proliferation was to make everybody who had been here at least for one Congress a chairman of something.

□ 1400

So what has happened now? Well, if some of us, the chairman of a certain committee or subcommittee, calls for a meeting, we have to wait a long time before we get a quorum because most other Members are attending other simultaneously called committee or subcommittee hearings or markups; so we are now in dire need of reform of the reform.

In the case of the budget, the reason I voted no is because generally I vote in such a way that if I go back home and somebody asks me, "Why did you vote aye, or why did you vote nay?" I can say, well, for this reason or this reason.

When there is any doubt in my mind, I will vote present.

Again, I am going to enlarge on this discussion by giving a little bit of personal history. When I first came here 26 years ago, it was unheard of to have any kind of discussion, much less mandatory processes, on tax bills; so that the chairman of the Ways and Means Committee would come on the House floor with a tax bill, or a modification of a tax bill, and within a matter of less than 20 minutes, sometimes even on a voice vote, no recorded vote, the bills were passed. All you could do was maybe ask a question or two.

Coming from the State senate of the State of Texas where this was the mother place of unlimited debate, or the filibuster, I just could not quite get over it. I understood why there should be limitations on debate, because whereas in the State senate we had a membership of 31, I came to this committee known as the Banking and Currency Committee, and that was its exact size in 1961, 31 members. Today it is 51 members, but you have 2½ times or 3 times the number of subcommittees we had then.

The Budget Reform Act was brought forth because there was some anxiety expressed about how the Congress was careless or irresponsible in the budgetmaking processes. There was a lot of confusion outside of the context of the Halls of Congress because there was no differentiation in the minds of many of the citizens between the President's presentation of the budget and the congressional reaction, which is what it turned out to be.

I had predicted 5 years before, in 1969, when Mr. Nixon took his oath of office as President on January 20, 1969, and did not present for the first time in peacetime a budget message, some of us wondered about it.

Now, it was unheard of when I came to the House that there would be such a thing as a continuing resolution. As a matter of fact, the first real continuing resolution did not happen until a few years later, and that was with respect to defense appropriations because of Vietnam. The very first continuing appropriation resolution I recall was somewhere around 1965, and then it was because all of the budgetary projections that had been made in anticipation, based on some faulty assessments of the dimensions of the problem and the involvement in Southeast Asia surfaced, and all of a sudden you had immediate and intense requirements for additional funds, and everything was conducted on the basis of a fixed annual appropriation bill.

Now, there was no Budget Committee that came in as sort of a sandwiched-in process. All through our history, legislatively speaking, all of our actions are taken on a two-rail track. One is the authorization, or the substantive legislation, and the other is the appropriation. You have to have both to have any meaningful implementation of any kind of a program or policy that the national policy body, known as the Congress, wishes to effectuate.

So when I saw the budget reform bills languish, I realized that the Budget Committee as set up had the potential of in effect vetoing or overriding or superseding not only the substantive or the authorization committees, but the Appropriation Committee.

There was one section, if I recall correctly, that was in title III, and if I remember correctly, and I am subject to correction, I am doing this all out of memory, section 7, had language that was quite impossible for me to figure out; so I went to my fellow Texan, the great chairman of the Appropriations Committee, Mr. George Mahon, may his soul rest in peace, and I said, "Mr. Chairman, if I interpret this language correctly, it means that you, the Appropriation Committee, may be preempted."

And he said, "I can't tell you anything about it. I think you may be right, you may be wrong, but it doesn't make any difference to me, because it is going to pass and we will just have to face it," he said, "but I tend to agree with you that it might preempt the time-honored jurisdiction of the appropriation processes."

So when I failed to get a clarification from the chairman handling the legislation, the manager of the legislation, who was kind of impatient, I then decided I could not vote for it.

It so happens, my colleagues, that that section is what is now known as the reconciliation process, which was used for the first time in 1981 adroitly by the executive branch to in turn in effect negate the constitutional mandate and responsibility placed in the Congress exclusively as the manager of the pursestrings.

For the first time, the Congress in effect was canceled out by the President and we ended up with what I consider to be the most disastrous action ever taken on tax matters, and that was the 1981 so-called economic recovery and reform tax bill.

Now, I do not know of anyone who is either an expert on tax matters or on history or on political science who can figure out an economic recovery tax. It is a contradiction in terms, yet the net effect of it was to take away 755 billion dollars' worth of tax responsibility on the richest, the most powerful corporations and individuals in America.

This is why 5 years, even less than 5 years later, we have entered into this era of gigantic deficits. It could not be any other way. How can you drain revenues from our Treasury in the amount of $755 billion over a 5-year period without either: One, shifting the source of those revenues or taxation to somebody else's shoulders, as in fact it was done in the 1983 and 1984 tax bills which the President signed, because they were not called tax bills. They were called revenue enhancement, user fees.

So with this, I think it is enough to show that my misgiving, unfortunately, turned out to be justified, tragically. I wish I had been wrong, so I wish on other matters I have spoken out on.

So what we now have become inured to is something that sooner or later would wreck the efficient and good management of such a tremendously large operation as the administration of the Federal Government, and that is that no good manager can travel on a budget for his office or department that he does not know exactly what it is going to be, with no longer than 6 months' preparation, because we have now been going not only within a session of the Congress, but from one session to the other; not only within a Congress, but from one Congress to another, and not only from one Congress to another, but from one administration to another on continuing resolutions.

Should we be surprised, I ask my colleagues who are listening in their offices or who might take the time to read this, that we now are confronted with a real snowballing proportion of a problem, in conjunction with other things over which we do not have any real control, external forces over which we no longer have control and about which I have spoken?

So much for the way things were done, the reason the need for reform was so exaggerate, even in the case of postal reform in 1970. Now, there, yes, you had a lot of debate. In fact, if I recall correctly, I think we debated the Postal Reform Act for a whole week and maybe a day more than a week; but if you had been here, you would have thought, listening to the proponents of reform—and reform what? Actually, to divert the constitutional intent to provide a postal system which had been in place since 1792, and that was as a service, a postal service; but here comes this concept in 1970 that we are going to make it a quasi-private corporation with a principle of paying its way, maybe perhaps even a profit.

Well, that is like saying you are going to contract out the Defense Department and see if you can make a business venture out of it.

As a matter of fact, we used to do that in the beginning of our Nation. We did that clear into the 1800's. We would go out and contract with the military, who in turn would hire soldiers, but I think that we can see that, of course, is absolutely untenable today; yet we suffer this other.

When the Congress approved the Postal Reform Act, it did so out of tremendous pressure, because it was supposed to be collapsing around our ears.

Now, what has happened in the interim? The Congress still has to appropriate even more moneys than it did at that time for the postal system; but how it operates, what control the people's representatives have over the actual processes of that quasi-public corporation, or quasi-private, depending on your point of view, is very little.

We should not then be complaining if postage rates are 22 cents and going to go up soon. This should have been expected, once we divert from the fundamental constitutional purpose of providing a service.

As a matter of fact, it was cheaper when they used to have to deliver the mail from Philadelphia to New York, there were horrendous road conditions and all, but it would take no more than 10 cents. Yes, you try to equate 10 cents then with 10 cents now and, of course, it is hard to do; but what I am trying to say is that we cannot stray from the fundamental law. We cannot stray from the charter of our liberties and Government and our governmental structure, without great calamity and evil consequences.

□ 1415

This is what I think is clearly reflected in the report just publicized yesterday on the Iran-Contra so-called committee findings.

I want to support those leadership members because despite the horrendous awkward constitution of that committee, and one will remember the Watergate Committee, so called. That was the Senate Committee on the Judiciary with one of the greatest legislators and jurists, Senator Sam Ervin, that we have ever had the great privilege of enjoying as a representative of his State in the U.S. Senate.

History speaks for itself. The efficacious work he did is in the history. As I reminded my colleagues just this last Monday, what has been lost sight of and what the Congress did not follow through on was on the lawlessness that led to such a thing as Watergate, just as now with the Iran-Contra matter. So what? The Iran-Contra Committee has labored and produced an excellent report, it is documented, it is sober, it is restrained in its language, it is evenhanded in its judgment, but so what, unless the Congress is going to stand up to its constitutional responsibilities?

When I introduced the impeachment resolution, I did not make any kind of newspaper releases nor did I circulate any dear colleague letters asking for cosponsors because I never do that on such a matter of import.

To explain a little bit of my philosophy, back home when I first realized that I was going to be in politics, which I had not intended, I never at any time have ever gone out and bothered an incumbent officeholder to seek his support or endorsement or for that matter any organization unless I was invited to address them to consider my candidacy. Then I was delighted, and I would go. I found that spontaneously and without any pressure or solicitation even if I could exert pressure, I had a host of serious and respected public officials endorsing me. So all that I ask in the introduction of a resolution or a bill is that it be considered by the proper committee or subcommittee to which it is eventually referred. That is all. Then I rely on the processes 100 percent because I have uncompromising faith in these wonderful liberty given processes.

I realize that were it not for that I would not be here as an elected Representative at all. Certainly no other place would I have this opportunity with complete and total freedom.

That is all I ask, that in this great open market of competition, ideas, and legislative proposals that they be considered with that seriousness and gravity with which I have introduced the matter.

Had I done so in bombast or to create some kind of publicity, I think I should and properly would be faulted but I never have done that. I have never abused this great privilege and responsibility of being part of a lawmaking process in America by levity in the processes, or by any kind of irresponsible presentation of amendments or of bills or resolutions.

I think the thing that came to my mind when I read this report all last night was an inscription that most of my colleagues and all of the persons and Americans who visit our great Hall in the House of Representatives will see in the first corridor leading in from the entrance to the Capitol, the southeast entrance, where we find inscribed above one of the rooms in the

Hall there, "The greatest encroachment to liberty lurks in insidious encroachments by men of zeal, well-meaning, but without understanding."

I think that covers the ground. It seems that the minority report as written in the full committee report printed yesterday castigates and has a shotgun allegation that the majority report was simply a witch hunt.

I regret very much that lack of restraint. It is the only unrestrained, and what I consider to be irresponsible portion of that report because the idea if it was to protect the President, nothing can protect any man from himself. Nothing.

The President, whether my impeachment resolution is even considered much less ever adopted, will I think in history be impeached by history on his own for I have related the specific instances from this well of the House and I have not done this in some back room somewhere, of where our President however well-meaning, zealous, yes, he is an ideolog, the first ideolog President we have had in the history of our country. But the American people made their choice. They are entitled to evaluate that. They made their choice twice and they are entitled to their judgment in retrospect. But the only way one can judge is through the actual occasion of facts and occurrences. A President in my opinion, and I might say that in the 26 years I have been here I have worked with six different Presidents so I think I have developed a pretty good criteria of assessment, and I say that one cannot save an individual from himself.

God made each one of us in His own image. We have free will. We make our choice.

My opinion after observing six Presidents is that there is only one real power over which the President has total control, and I recall vividly President Johnson saying, "I may order this, I may want this and say I want it, but I cannot guarantee you, HENRY, that down the line that is going to happen." And that is true.

In this vast realm of America and its tremendous system of government both on the Federal, and State and local level today, complex and complicated as our society is indeed today, I can understand that. But one thing he did have full power over, and that was with whom did he choose to surround himself and advisers and as determiners of Presidential policy.

This also brings to mind what I am sure sounds confusing to those not knowledgeable in the context of this world, but this and the proceedings that have been going on with respect to the budget resolution and sequestration as we call it now, which in effect is a child of what I was speaking of a moment ago, reconciliation. That reminds me of the story they tell about a school board that mandated that a new school be constructed provided, however, that it be constructed out of the material from the old school but that the old school could not be destroyed until the new school was built.

This is about where we are here today.

So I want to continue now because to me it is very fundamental to what we are going to be facing. If we have this illusion in the executive branch, and we have had it since 1973-74, we have had great calamitous events happen. I am sure that had the men who wrote the Constitution visualized even the outlines of 20th-century society, that they still would have been far more agitated with respect to not creating the equivalent of a king or an all-powerful singular body or individual, that in the clear reflections of their deliberations was uppermost in their minds, the idea that a war and that Americans could be compelled into a war presidentially mandated, not by the Congress as the Constitution compels and where the Constitution is clear, and it is succinct with no equivocation that only the Congress has the power to declare war. Only the Congress.

This is what has led me since 1982 to introduce three resolutions alleging that President Reagan is in violation of the War Powers Limitation Act which the Congress itself approved that same year of 1974.

But in the meanwhile, as I have said, we must be prepared to account for that which we have been, in my opinion, haphazard about in our kowtowing to the executive branch. That is our fear of the President's threat of this or threat of that or threat of the other thing.

I can understand this, because in 1981 when the critical votes were coming up on the tax bill in July 1981, I received 157 telegrams, the most awesome experience in the 35 years more or less of serving as a publicly elected official and each one of the telegrams was from the top corporations of the country. In other words, if we had the top 500, these 157 would be right there.

Each one said the same thing, "We demand that you vote for this tax bill without any changes whatsoever. We have economic activity in your area," and some said, "in your State," and as a matter of fact I think that they were sent to every one of us, and had they checked, they would have found out that in my own district as it is now, they did not. But that made no difference. That does not mean that I would be discharged from responsibility of seriously considering it.

☐ 1430

But the imperiousness of the tone, we demand. Second, we have economic activity in your area or in your district or in your State, and if the tax bill is not approved we may not be able to continue such economic activity.

I do not know what more one would want. It so happens that each one of these corporations had the newly developed for them PAC's, political action committees.

In my State, the reports emanating from the congressional races for the House revealed that every one of these corporations had PAC contributions to those who had accepted no less than $5,000. Now if I had received $5,000, or $1,000 and the donor had said, look, I think you ought to do this, I would at least feel, even if he talked to me imperiously, I would say I have a moral obligation to consider, and maybe if I can I will go along. So we cannot say that those things do not influence. Of course they do.

So with this awesome development of the PAC's which in the last year's congressional races for the House alone amounted to more than $125 million where we had several House races that involved budgets of $1 million, and the average in Texas to lose with was a quarter of a million in the contested races. So together with that disillusioned process in the legislative, accompanied by equally disillusioned process of erosion in the executive branch, the American people, in my opinion, are faced with a terrible dilemma at a critical time or juncture in our historical evolvement. And as we rush off I think we ought to realize the headlines in Mexico, for example, our next southernmost neighbor, or that its exchange, the value of its peso is absolutely non-existent. It had been, in my opinion, absolutely moribund. It was over 1,500 pesos for $1 just a few days ago. As of today it is over 2,500.

In 1982, when the first crisis reared its ugly head in Mexico, September of 1982, I realized that very few in the Congress realized, even Members from some sections of States like Texas, that we have developed a tremendous comity in the border areas. It is fine to think that Mexico was suffering, but immediately I had a merchant 154 miles down in Texas, in my district, saying, HENRY, you know my business is mostly to Mexican customers. They pay me in pesos. When I went to the First National Bank this morning, the bank said they would not exchange pesos the thing was so volatile. They could not take a risk. What do I do? How do I get the means for my inventory and everything?

I sat down then and addressed a lengthy letter to the chairman of the Federal Reserve Board, then Mr. Paul Volcker, and one of the Secretary of the Treasury of the United States, Mr. Donald Regan. And when I suggested essentially the same thing except that the Treasury has one account loosely called a swap account, technically known as a currency stabilization account. The Fed had more. What I did not know until the next day was that actually the Mexican financial leaders had been at an all night conference the day before the crisis with the Federal Reserve Board. Now mind you, I am not one of those who believes that in order to prove we are a good neighbor we have to give away our family jewels. But I think that it is a matter of self interest when we have such interdependence commercially that we had better make sure that that house of the neighbor does not catch fire and endanger ours.

So my suggestions to the Federal Reserve Board chairman that he exercise a leveling influence both domestically with our domestic national banks and make sure that they would restrain and help the Mexican Government stabilize.

I waited one whole month and only after I had written another letter, before I had a response from Paul Volcker, and I had to wait 1½ months before I had a response from the Secretary of the Treasury. Both of them it seemed to me had been delegated to somebody, and I do not think they even examined the suggestions. I came to the conclusion I guess they looked at the source and said, well, who is he, he is no big wheel and so what.

History reveals now that had action been taken promptly then, we would not have had these subsequent crises which have now degenerated into being unmanageable.

If we have not been able to succeed after 6 years in the smallest country in Central America, in El Salvador, where we have poured arms, materiel, men, $4.5 billion just to that one country, that is registered and unregistered, and we are no closer to a solution, if you want to call it that, than we were 6 years ago, even with the man that we have put in there and that we all blessed, Napoleon Duarte, in fact, from a certain standpoint it is worse. Why should we have expected success when we turned a deaf ear, averted our eyes to the bloodletting there that we helped create, the death squads that murdered the Archbishop Romero, the four American nuns. They were all cheek by jowl with our CIA. That sounds horrible, but it is the truth, it is the truth. Who gave a hoot? Who is giving a hoot?

If this is our experience in the smallest country, should we wonder that we have far more problems in such much bigger countries as are developing now in Guatemala and have been for some time, Guatemala, one jump over right next to Mexico? And then Nicaragua, which is of course a lot bigger in size than El Salvador. What has been our anticipation, what has been the evolvement and development of either short range, long-range policy? None whatsoever, none whatsoever, so the record speaks for itself. As we have learned, by the fruits ye shall know them. A good tree produces good fruit. A bad tree cannot produce good fruit. Here are the results.

No matter how much we want to defend and protect the President of the United States, we cannot do it. He and only he can, and if he cannot, then we are all involved. The Congress has a responsibility under the Constitution, and that is to exact from the executive branch compliance with the constitutional provisions, not the least of which is the either derelict, negligent or irresponsible or worse behavior on the part of any executive branch official, be he President, be he a Federal judge, be he a Secretary of some department.

But we have reached a point in our country where we have more or less endowed the office of the presidency. No President has done this on his own. We the people have done it. We have allowed ourselves to turn our backs on the prime constitutional questions involving the most sacred of liberties.

Before I came to the Congress I pondered how during Korea a President could conscript an unwilling American, select him and not others and sending him into an undeclared war. I researched the Draft Act of 1941 when it had the one vote margin that kept it alive in peacetime about some 4 months before December 7, Pearl Harbor. I discovered that the main thing that led to its final passage by one vote was the inclusion of a clause that said notwithstanding any of the herein above, no person shall be compelled under this Act to serve unwillingly outside of the continental United States, except in the case of a declaration of war by Congress or explicitly provided so by the Congress.

Nobody has ever wanted to confront that because we in effect did have a declaration of war on December 8 and, of course, that triggered everything. What we did not catch up with, like we have not today, with the subsequent events in Beirut, Granada, Central America, is with the developments that we did not either catch up after the so-called postwar, which I think also is a contradiction in terms. If World War II had been settled we would have a peace treaty. Would we have 300,000 of our soldiers in Germany alone; would we have 45,000 in Korea? I do not know. All I know is that in my book World War II is not over with, and we do not seem to confront the fact that the world then was a different world, and that when the hot shooting phase of the war collapsed and wound down and we were most zealous as good Americans to get our boys back home and take them out of uniform, and we did. At the height of the war, 1945, over 46½ percent of the gross national product that was being consumed on the Federal level naturally was for the prosecution and the winning of the war. By 1948 that had gone down to 13½ percent. From 14 more or less million men in uniform in 1945, by 1947 you had less than 3 million or about 3 million. This is how fast we did defederalize.

So we cannot ever accuse the American people of having lost control.

However, to sum up, I will say that as we leave we ought to be very much aware of the powder keg south of the border, with a 50-percent unemployment rate, with a 50-percent inflation rate, with the currency destroyed, its value gone. We have a real problem.

We should have had anticipatory action as long ago as 1982. As of the latest, we have not. So I have submitted some suggestions I hope that I can get the Committee on Banking, Finance and Urban Affairs to help me with, because I alone do not have that kind of weight in trying to evaluate and see what paths we can chart in the way of evolving and anticipating so that this problem does not become such a hot potato that we cannot handle it.

PROVIDING FOR ADJOURNMENT OF THE HOUSE IF THE SENATE DOES NOT ADOPT HOUSE CONCURRENT RESOLUTION 220 BY NOON ON MONDAY, NOVEMBER 23, 1987

Mr. DONNELLY. Mr. Speaker, I have a unanimous consent request which has been cleared with the minority leader.

I ask unanimous consent that if the Senate does not adopt House Concurrent Resolution 220 by noon on Monday next, that when the House adjourns today, it adjourn to meet at noon on Monday next, but that if the Clerk receives a message prior to noon Monday next that the Senate has adopted House Concurrent Resolution 220, then the adjournment of the House today shall be deemed an adjournment pursuant to House Concurrent Resolution 220.

The SPEAKER pro tempore (Mr. BRYANT). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

□ 1445

BREAKTHROUGH WITH CUBA

The SPEAKER pro tempore (Mr. BRYANT). Under a previous order of the House, the gentleman from New York [Mr. FISH] is recognized for 5 minutes.

Mr. FISH. Mr. Speaker, the Secretary of State announced today that the agreement between the United States and Cuba entered into on December 14, 1984, has been reinstated. This means that we can now resume the humanitarian task of allowing separated families to be reunited under our immigration law, as well as upholding our pledge to welcome long-time ex-political prisoners.

It was in 1981, on a visit to Cuba with my colleagues, Congressmen Gilman and Garcia, that we broached the subject of immigration with Fidel Castro—after his 1980 action of sending some 127,000 Cubans to the United States from Mariel. As we learned later, along with the worthy family members who were allowed to embark from Mariel, he opened his jails and dumped thousands of criminals into boats to come to our shores.

In retaliation, normal immigration relations between the United States and Cuba were halted when Castro refused to accept the return of the criminals he had sent to us. This meant that some 20,000 approved petitioners for immigration to the United States were unable to exercise their prerogative of continuing their immigrant visa processing.

On this visit, my colleagues and I obtained Castro's agreement that he would be willing to negotiate separately on only immigration matters. He tentatively agreed to accept those Marielitas who were excludable because of criminal activities, as well as those who came here but wanted to go back to Cuba. In return, our interest section in Havana, was to process normal immigration visas to qualified petitioners under the Immigration and Nationality Act. Also, arrangements were to be made to accept a number of ex-political prisoners who had been scheduled for admission as refugees, under a prior agreed upon ad hoc arrangement.

These were the basic elements which led to the agreement in 1984 whereby Cuba was to take back some 2,700 excludables in return for our accepting immigrants and political prisoners.

We all know that the agreement entered into on December 14, 1984, was abruptly and unilaterally broken off by Castro when Radio Marti went to the air in 1985.

Negotiations have been going on since then to reinstate this agreement, which caught up innocent persons in intransigent attitudes of governments.

The news today is in fact a true indication that interest in this matter had not waned and that more than lipservice was being given to the resolution of this impasse.

I feel fortunate that I had a little part to do in the resolution of this problem which will mean renewed hope for some 25,000 Cuban nationals and over 3,000 ex-political prisoners.

This has also been an extremely difficult problem in forcing us as a government to keep incarcerated at considerable cost some 2,700 Marielitas who had no hope of leaving our jails because of the danger they posed to our communities.

I compliment the State Department and the Department of Justice for breaking the deadlock.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Hallen, one of its clerks, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 220. Concurrent resolution providing for an adjournment of the two Houses until November 30, 1987.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Walker) to revise and extend their remarks and include extraneous material:)

Mr. Lungren, for 60 minutes, on December 2.

Mr. Lungren, for 60 minutes, on December 3.

Mr. Parris, for 5 minutes, today.

(The following Member (at his own request) to revise and extend his remarks and include extraneous material:)

Mr. Fish, for 5 minutes, today.

(The following Members (at the request of Mr. Gonzalez) to revise and extend their remarks and include extraneous material:)

Mr. Bryant, for 5 minutes, today.

Mr. Glickman, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Udall, for 5 minutes, today.

Mr. Weiss, for 5 minutes, today.

Mr. Stark, for 5 minutes, today.

Mr. Alexander, for 5 minutes, today.

Mr. Barnard, for 5 minutes, today.

Mr. Gonzalez, for 60 minutes, today.

Mr. Gonzalez, for 60 minutes, on November 30.

Mr. Gonzalez, for 60 minutes, on December 1.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Walker) and to include extraneous matter:)

Mr. Hiler.

Mr. Lagomarsino.

Mr. Dornan of California.

Mr. Lott.

Mr. Gilman in two instances.

Mr. McDade.

Mr. Hastert.

Mr. Dreier of California.

Mr. Gekas.

(The following Members (at the request of Mr. Gonzalez) and to include extraneous matter:)

Mr. Rodino.

Mr. Bonior of Michigan.

Mr. Lehman of Florida.

Mr. Florio.

Mr. Rangel.

Mr. Skelton.

Mr. Fazio.

Mr. Morrison of Connecticut in two instances.

Mr. MacKay.

Mr. Berman.

Mr. Levine of California.

Mr. Evans.

Ms. Pelosi.

Mr. Richardson.

Mr. Hamilton.

Mr. Traficant.

Mr. Akaka.

ADJOURNMENT TO MONDAY, NOVEMBER 30, 1987

Mr. GONZALEZ. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 220 of the 100th Congress, the House stands adjourned until 12 o'clock meridian, Monday, November 30, 1987.

Thereupon (at 2 o'clock and 50 minutes p.m.), pursuant to House Concurrent Resolution 220, the House adjourned until Monday, November 30, 1987, at 12 noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports and an amended report of various House committees concerning the foreign currencies and U.S. dollars utilized by them during the first and third quarters of calendar year 1987 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE OF RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1987

Name of Member or employee	Date		Country	Per diem [1]		transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Claude Pepper	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE OF RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1987—Continued

	Date			Per diem [1]		transportation		Other purposes		Total	
Name of Member or employee	Arrival	Departure	Country	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Hon. Anthony Beilenson	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Hon. Martin Frost	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Mr. Thomas J. Spulak	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Ms. Rita Harris	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Mr. George Crawford	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Mr. John Daniel	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Mr. Charles Nichols	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Mr. Jack Dooling	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Ms. Kristi Walseth	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Ms. Rondalyn Kane	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE OF RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1987—Continued

Name of Member or employee	Date		Country	Per diem [1]		transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Mr. William Crosby	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Mr. Richard Diehl	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05
Frances H. Campbell	1/9	1/10	Spain		578.00		737.00		764.63		2,079.63
	1/11	1/13									
	1/19	1/20									
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military transportation							14,135.34				14,135.34
Committee total					1,761.00		15,080.43		1,717.62		18,559.05

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CLAUDE PEPPER, Chairman, Oct. 27, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Anita R. Brown	9/19	9/27	Kenya		588.00						588.00
	9/28	9/30	Italy	507,590	386.00						386.00
Commercial transportation							3,332.00				3,332.00
Committee total					974.00		3,332.00				4,306.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

E de la GARZA, Chairman, Oct. 30, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Daniel Akaka	7/2	7/5	Norway		552.00						522.00
	7/5	7/9	Soviet Union		628.00						628.00
	7/9	7/11	Finland		360.00						360.00
	7/11	7/12	Iceland		201.25						201.25
Military transportation							[3] 3,448.00				3,448.00
Hon. Tom Bevill	7/2	7/5	Norway		552.00						522.00
	7/5	7/9	Soviet Union		628.00						628.00
	7/9	7/11	Finland		360.00						360.00
	7/11	7/12	Iceland		201.25						201.25
Military transportation							[3] 3,448.00				3,448.00
Hon. Bill Chappell	8/23	8/26	Germany		546.00						546.00
	8/26	8/29	Italy		672.00						672.00
	8/29	9/1	Yugoslavia		387.00						387.00
	9/1	9/4	Germany		552.00						552.00
	9/4	9/7	England		663.00						663.00
Military transportation							[3] 5,658.00				5,658.00
Hon. Ronald Coleman	8/23	8/26	Germany		546.00						546.00
	8/26	8/29	Italy		672.00						672.00
	8/29	9/1	Yugoslavia		387.00						387.00
	9/1	9/4	Germany		552.00						552.00
	9/4	9/7	England		663.00						663.00
Military transportation							[3] 5,658.00				5,658.00
Hon. Bernard Dwyer	7/2	7/5	Norway		552.00						522.00
	7/5	7/9	Soviet Union		628.00						628.00
	7/9	7/11	Finland		360.00						360.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	7/11	7/12	Iceland		201.25						201.25
Military transportation							[3] 3,448.00				3,448.00
Hon. Joseph Early	7/2	7/5	Norway		552.00						522.00
	7/5	7/9	Soviet Union		628.00						628.00
	7/9	7/11	Finland		360.00						360.00
	7/11	7/12	Iceland		201.25						201.25
Military transportation							[3] 3,448.00				3,448.00
Hon. Jerry Lewis	8/10	8/11	Panama		147.00						147.00
	8/11	8/14	Chile		417.00						417.00
	8/14	8/17	Argentina		435.00						435.00
	8/17	8/18	Panama		147.00						147.00
Military transportation							12,635.00				12,635.00
Hon. Bill Lowery	8/23	8/26	Germany		546.00						546.00
	8/26	8/29	Italy		672.00						672.00
	8/29	9/1	Yugoslavia		387.00						387.00
	9/1	9/4	Germany		552.00						552.00
	9/4	9/7	England		663.00						663.00
Military transportation							[3] 5,658.00				5,658.00
Hon. Matt McHugh	9/27	10/1	France		346.00		3,865.00				4,211.00
Hon. Clarence Miller	8/23	8/26	Germany		546.00						546.00
	8/26	8/29	Italy		672.00						672.00
	8/29	9/1	Yugoslavia		387.00						387.00
	9/1	9/4	Germany		552.00						552.00
	9/4	9/7	England		663.00						663.00
Military transportation							[3] 5,658.00				5,658.00
Hon. John Murtha	8/23	8/25	Bahrain		75.00		[3] 4,823.00				4,898.00
Hon. John Myers	7/2	7/5	Norway		552.00						522.00
	7/5	7/9	Soviet Union		628.00						628.00
	7/9	7/11	Finland		360.00						360.00
	7/11	7/12	Iceland		201.25						201.25
Military transportation							[3] 3,448.00				3,448.00
Hon. John Myers	8/23	8/26	Germany		546.00						546.00
	8/26	8/29	Italy		672.00						672.00
	8/29	9/1	Yugoslavia		387.00						387.00
	9/1	9/4	Germany		552.00						552.00
	9/4	9/7	England		663.00						663.00
Military transportation							[3] 5,658.00				5,658.00
Hon. Harold Rogers	7/2	7/5	Norway		552.00						522.00
	7/5	7/9	Soviet Union		628.00						628.00
	7/9	7/11	Finland		360.00						360.00
	7/11	7/12	Iceland		201.25						201.25
Military transportation							[3] 3,448.00				3,448.00
Hon. Neal Smith	7/2	7/5	Norway		552.00						522.00
	7/5	7/9	Soviet Union		628.00						628.00
	7/9	7/11	Finland		360.00						360.00
	7/11	7/12	Iceland		201.25						201.25
Military transportation							[3] 3,448.00				3,448.00
Hon. Louis Stokes	8/8	8/12	France		320.00				200.00		520.00
	8/12	8/14	England		352.00				100.00		452.00
Commercial air							951.00				951.00
Hon. Frank Wolf	8/31	9/1	Netherlands								
	9/1	9/1	Belgium								
	9/1	9/4	Germany								
Commerical air							2,728.00				2,728.00
George Allen	8/23	8/26	Germany		546.00						546.00
	8/26	8/29	Italy		672.00						672.00
	8/29	9/1	Yugoslavia		387.00						387.00
	9/1	9/4	Germany		552.00						552.00
	9/4	9/7	England		663.00						663.00
Military transportation							[3] 5,658.00				5,658.00
Richard Efford	8/28	9/8	United Kingdom		1,242.00		1,607.00		190.79		3,039.79
Jim Fairchild	7/2	7/5	Norway		552.00						522.00
	7/5	7/9	Soviet Union		628.00						628.00
	7/9	7/11	Finland		360.00						360.00
	7/11	7/12	Iceland		201.25						201.25
Military transportation							[3] 3,448.00				3,448.00
William Marinelli	8/23	8/26	Germany		546.00						546.00
	8/26	8/29	Italy		672.00						672.00
	8/29	9/1	Yugoslavia		387.00						387.00
	9/1	9/4	Germany		552.00						552.00
	9/4	9/7	England		663.00						663.00
Military transportation							[3] 5,658.00				5,658.00
Bruce Meredith	8/23	8/26	Germany		546.00						546.00
	8/26	8/29	Italy		672.00						672.00
	8/29	9/1	Yugoslavia		387.00						387.00
	9/1	9/4	Germany		552.00						552.00
	9/4	9/7	England		663.00						663.00
Military transportation							[3] 5,658.00				5,658.00
John G. Osthaus	7/2	7/5	Norway		552.00						522.00
	7/5	7/9	Soviet Union		628.00						628.00
	7/9	7/11	Finland		360.00						360.00
	7/11	7/12	Iceland		201.25						201.25
Military transportation							[3] 3,448.00				3,448.00
Terry R. Peel	8/26	8/28	Greece		536.00				33.00		569.00
	8/29	8/31	Cyprus		200.00						200.00
	8/31	9/1	Greece		134.00						134.00
	9/1	9/2	England		222.00				59.00		281.00
Commercial air							2,406.00				2,406.00
John Plashal	8/23	8/25	Bahrain		75.00						75.00
Military transportation							[3] 4,823.00				4,823.00
Hunter Spillan	7/2	7/5	Norway		552.00						522.00
	7/5	7/9	Soviet Union		628.00						628.00
	7/9	7/11	Finland		360.00						360.00
	7/11	7/12	Iceland		201.25						201.25
Military transportation							[3] 3,448.00				3,448.00
Committee total					44,320.50		113,582.00		582.79		158,485.29

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Appropriations, surveys and investigative staff:											
Alfred J. Finch	8/25	8/27	Canada		187.50		659.77		4.20		851.47
Robert E. Jamison	8/8	8/12	Italy		554.50		2,429.00		72.30		3,055.80
	8/12	8/14	Sicily		180.00						180.00
	8/14	8/15	Italy		185.00						185.00
Francis J. King	8/25	8/27	Canada		187.50		645.80		12.75		846.05
James P. Mansfield	9/13	9/23	Germany		898.50		2,186.00		68.28		3,152.78
	9/23	9/26	England		513.00						513.00
Roy T. Mason	9/13	9/23	Germany		898.50		2,186.00		24.48		3,108.98
	9/23	9/26	England		513.00						513.00
Douglas D. Nosik	9/21	9/23	Germany		162.00		2,488.00		64.28		2,714.28
	9/23	9/26	England		513.00						513.00
James J. O'Kane	8/8	8/12	Italy		554.50		2,429.00		77.45		3,060.95
	8/12	8/14	Sicily		180.00						180.00
	8/14	8/15	Italy		185.00						185.00
John J. Pugh	9/13	9/23	Germany		898.50		2,186.00		55.56		3,140.06
	9/23	9/26	England		513.00						513.00
William H. Roscoe	9/13	9/23	Germany		898.50		2,186.00		27.48		3,111.98
	9/23	9/26	England		513.00						513.00
A.M. Statham	8/17	8/20	England		396.00		3,062.10		20.00		3,478.10
	8/20	8/24	Pakistan		423.00						423.00
	8/24	8/25	England		176.00						423.00
Graham W. Van Note	8/20	8/24	Pakistan		423.00		2,459.00		58.63		2,940.63
	8/24	8/25	England		176.00						176.00
R.W. Vandergrift	8/20	8/24	Pakistan		423.00		2,459.00		76.20		2,958.20
	8/24	8/25	England		176.00						176.00
Committee total					10,728.00		25,375.67		561.61		36,665.28

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[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Costs shown are comparable 1st-class rates.

JAMIE L. WHITTEN, Chairman, Nov. 12, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND LABOR, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Representative Augustus Hawkins	8/9	8/13	France	7,106.40	1,128.00	6,337.80	1,006.00			13,444	2,134.00
	8/13	8/17	Sweden	4,497.10	832.00	7,555	1,191.23			12,052.10	2,023.23
	8/17	8/19	Germany	710.64	376.00					710.64	376.00
	8/19	8/23	France								
Commercial transportation							[3] 3,805.00				[3] 3,805.00
Representative Charles Hayes	8/9	8/13	France	7,106.40	1,128.00	6,337.80	1,006.00			13,444	2,134.00
	8/13	8/17	Sweden	4,497.10	832.00	7,555	1,191.23			12,052.10	2,023.23
	8/17	8/19	Germany	710.64	376.00					710.64	376.00
	8/19	8/23	France								
Commercial transportation							[3] 3,805.00				[3] 3,805.00
Representative William Goodling	8/9	8/13	France	4,347	690.00	3,528	560.00			7,876	1,250.00
	8/13	8/17	Sweden	4,497.10	832.00	7,555	·1,191.23			12,052.10	2,023.23
	8/17	8/19	Germany	710.64	376.00					710.64	376.00
Commercial transportation							[3] 3,805.00				[3] 3,805.00
Representative Susan McGuire	8/9	8/13	France	7,106.40	1,128.00	6,337.80	1,006.00			13,444	2,134.00
	8/13	8/17	Sweden	4,497.10	832.00	7,555	1,191.23			12,052.10	2,023.23
	8/17	8/19	Germany	710.64	376.00					710.64	376.00
	8/19	8/23	France								
Commercial transportation							[3] 3,805.00				[3] 3,805.00
Representative Carole Stringer	8/9	8/13	France	7,106.40	1,128.00	6,337.80	1,006.00			13,444	2,134.00
	8/13	8/17	Sweden	4,497.10	832.00	7,555	1,191.23			12,052.10	2,023.23
	8/17	8/19	Germany	710.64	376.00					710.64	376.00
	8/19	8/23	France								
Commercial transportation							[3] 3,805.00				[3] 3,805.00
Representative Andrew Hartman	8/9	8/13	France	7,106.40	1,128.00	6,337.80	1,006.00			13,444	2,134.00
	8/13	8/17	Sweden	4,497.10	832.00	7,555	1,191.23			12,052.10	2,023.23
	8/17	8/19	Germany	710.64	376.00					710.64	376.00
	8/19	8/23	France								
Commercial transportation							[3] 3,805.00				[3] 3,805.00
Committee total					27,244.00		41,676.08		234.36		69,157.44
Representative Jo-Marie St. Martin	8/19	8/25	England	861.49	1,356.00		1,613.00	24.66	39.11	886.15	3,008.11
	8/25	9/1	Germany	2,114.84	1,162.00	71.25	39.13	32.81	18.00	2,218.90	1,219.13
	9/1	9/3	Italy	467,784	356.00	41.40	22.77	27,606	21.01	495,390	399.78
										41.40	22.77
	9/3	9/7	Spain	86,864	712.00					86,864	712.00
Representative Patricia Morrissey	8/19	8/25	England	861.49	1,356.00		1,613.00	24.66	39.11	886.15	3,008.11
	8/25	9/1	Germany	2,114.84	1,162.00	71.25	39.13	32.81	18.00	2,218.90	1,219.13
	9/1	9/3	Italy	467,784	356.00	41.40	22.77	27,606	21.01	495,390	399.78
	9/3	9/7	Spain	86,864	712.00					86,864	712.00
										41.40	22.77
Representative Adrienne Fields	8/19	8/25	England	861.49	1,356.00		1,613.00	24.66	39.11	886.15	3,008.11
	8/25	9/1	Germany	2,114.84	1,162.00	71.25	39.13	32.81	18.00	2,218.90	1,219.13
	9/1	9/3	Italy	467,784	356.00	41.40	22.77	27,606	21.01	495,390	399.78
										41.40	22.77
	9/3	9/7	Spain	86,864	712.00					86,864	712.00

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Representative Joseph Gaydos	7/30	7/31	Canada				(4)				
Representative Michelle Vanhagen	8/5	8/16	England		1,600.00		756.00				2,356.00
Representative Marilyn O. Athens	8/5	8/16	England		1600.00		778.00				2,374.00
Committee total					13,958.00		6,554.70		234.36		20,747.06

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] United States/France/United States. Military transportation provided for points within Europe.

[4] Military transportation.

AUGUSTUS F. HAWKINS, Chairman, Oct. 30, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ENERGY AND COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Codel Dingell [3]	4/16	4/17	Netherlands, Antilles						2,499.85		2,499.85
Edward Markey [3]	4/13	4/20	U.S.S.R						1,073.88		1,073.88
Bill Richardson, MC [3]	4/10	4/14	Spain		672.00		31.13		316.52		1,019.65
	4/14	4/15	France		219.00						219.00
	4/15	4/16	Bulgaria		161.00						161.00
	4/16	4/20	Hungary		520.00		147.00				667.00
Military air fare							1,916.88				1,916.88
Commercial air fare							2,449.95				2,449.95
Dennis Eckhart, MC	9/13	9/14	Canada		197.00						197.00
Commercial air fare							285.54				285.54
David Finnegan	9/8	9/16	Canada		1,176.00						1,176.00
Commercial air fare							288.71				288.71
Gregory Wetstone	9/14	9/16	Canada		294.00						294.00
Commercial air fare							288.78				288.78
Teresa Gorrman	9/8	9/16	Canada		1,176.00						1,176.00
Commercial air fare							543.74				543.74
Michael Bilrakis, MC [3]	1/9	1/10	Spain								
	1/11	1/13	Spain								
	1/19	1/20	Spain		578.00		737.00		764.63		2,079.63
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military air fare							14,135.34				14,135.34
Howard Nielson, MC [3]	7/17	7/18	Panama		244.00						244.00
	7/18	7/19	El Salvador		125.00						125.00
	7/19	7/20	Honduras		92.00						92.00
Military air fare							5,138.28				5,138.28
Gerry Sikorski, MC [3]	1/9	1/10	Spain								
	1/11	1/13	Spain								
	1/19	1/20	Spain		578.00		737.00		764.63		2,079.63
	1/10	1/11	Portugal		310.00		76.37		412.12		798.49
	1/13	1/16	Morocco		375.00		47.67		278.14		700.81
	1/16	1/19	Ivory Coast		498.00		84.05		262.73		844.78
Military air fare							14,135.34				14,135.34
Norman Lent, MC	8/23	8/26	Germany		546.00						546.00
	8/26	8/29	Italy		672.00						672.00
	8/29	9/1	Yugoslavia		387.00						387.00
	9/1	9/4	Germany		552.00						552.00
	9/4	9/7	England		663.00						663.00
Military air fare							5,658.00				5,658.00
Bruce Chafin	8/24	8/27	Germany		(4)						
	8/27	9/5	France		1,620.00		60.23				1,680.23
Commercial air fare							2,069.00				2,069.00
Peter D.H. Stockton	8/24	8/27	Germany		(4)						
	8/27	9/5	France		1,620.00		60.23				1,680.23
Commercial air fare							2,069.00				2,069.00
Edward Markey, MC	8/14	8/17	England		678.00						678.00
Commercial air fare							914.00				914.00
James Florio, MC	8/13	8/16	Korea		456.00						456.00
	8/16	8/19	Philippines		240.00						240.00
Commercial air fare							3,990.00				3,990.00
Matthew Rinaldo, MC	8/9	8/11	Netherlands		332.00						332.00
	8/11	8/13	France		460.00						460.00
	8/13	8/15	Portugal		318.00						318.00
	8/15	8/16	Morocco		125.00						125.00
	8/16	8/17	England		226.00						226.00
Military air fare							4,713.55				4,713.55
Commercial air fare							617.00				617.00
Herny Waxman, MC	8/9	8/11	Netherlands		332.00						332.00
	8/11	8/18	France		1,150.00						1,150.00
Military air fare							2,828.43				2,828.43
Committee total					18,775.00		64,230.31		7,325.49		90,330.80

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Supplemental entry.

[4] Returned.

JOHN D. DINGELL, Chairman, Nov. 17, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT OPERATIONS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Richard C. Barnes	8/14	8/17	Germany		532.00						532.00
	8/18	8/21	India	4,084.10	312.00					4,048.10	312.00
	8/22	8/22	Thailand		97.00						97.00
	8/23	8/26	Hong Kong	4,686	600.00		2,725.26				3,325.26
Chris P. Cooper	8/14	8/17	Germany		532.00						532.00
	8/18	8/21	India	4,084.10	312.00					4.048.10	312.00
	8/22	8/22	Thailand		97.00						97.00
	8/23	8/26	Hong Kong	4,686	600.00		2,725.26				3,325.26
Committee total					3,082.00		5,450.52				8,532.52

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JACK BROOKS, Chairman, Oct. 30, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE JUDICIARY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Eric Sterling, staff	7/4	7/22	England		3,723.00						3,723.00
Commercial transportation							718.00				718.00
Arthur P. Endres, Jr., staff	8/29	9/1	Korea		492.00						492.00
	9/1	9/3	Singapore		280.00						280.00
	9/3	9/8	Thailand		882.00		92.16		98.14		1,072.30
Commercial transportation							4,810.50				4,810.50
Rick Boucher, MC	8/30	9/1	Korea		328.00						328.00
	9/1	9/3	Singapore		280.00						280.00
	9/3	9/8	Thailand		882.00		92.16		98.14		1,072.30
Commercial transportation							3,211.55				3,211.55
Committee total					6,867.00		8,924.37		196.28		15,987.65

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

PETER W. RODINO, JR., Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Donald Barry	7/11	7/22	Canada	1,477.30	1,100.00		244.08				1,344.08
Gina DeFerrari	7/12	7/15	Canada	402.90	300.00		244.08				544.08
McCallum	9/27	9/30	Korea	396,550	492.20		2,225.00				
	9/30	10/4	Japan	124,392	852.00						3,569.00
Thomas O. Melius	7/12	7/16	Canada	537.20	400.00		244.08				644.08
Rodney H. Moore	9/27	9/30	Korea	396,550	492.00		2,225.00				
	9/30	10/4	Japan	124,392	852.00						3,569.00
Jeffrey R. Pike	9/27	9/30	Korea	396,550	492.00		2,225.00				
	9/30	10/4	Japan	124,392	852.00						3,569.00
Committee total					5,832.00		7,407.24				13,239.24

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

WALTER B. JONES, Chairman, Nov. 10, 1987.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Anthony Beilenson	7/2	7/5	Norway		522.00						522.00
	7/5	7/9	Soviet Union		628.00						628.00
	7/9	7/11	Finland		360.00						360.00
	7/11	7/12	Ireland		201.25						201.25
Military transportation							3,448.00				3,448.00
Committee total					1,711.25		3,448.00				5,159.25

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

CLAUDE PEPPER, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 1987

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Robert J. Fitch, staff	8/15	8/28	Europe		2,230.00		31.48				2,261.48
Commercial air							2,137.00				2,137.00
Military air							1,127.26				1,127.26
Hon. Louis Stokes	8/17	8/18	Europe		517.00						517.00
	8/23	8/26									
	8/18	8/23	Asia		529.00						529.00
Military air							14,801.00				14,801.00
Hon. Bernard J. Dwyer	8/17	8/18	Europe		517.00						517.00
	8/23	8/26									
	8/18	8/23	Asia		529.00						529.00
Military air							14,801.00				14,801.00
Hon. Henry J. Hyde	8/17	8/18	Europe		517.00						517.00
	8/23	8/26									
	8/18	8/23	Asia		529.00						529.00
Military air							14,801.00				14,801.00
Hon. Bud Shuster	8/17	8/18	Europe		517.00						517.00
	8/23	8/26									
	8/18	8/23	Asia		529.00						529.00
Military air							14,801.00				14,801.00
Martin C. Faga, staff	8/17	8/18	Europe		517.00						517.00
	8/23	8/26									
	8/18	8/23	Asia		670.00						670.00
Military air							14,801.00				14,801.00
Duane P. Andrews, staff	8/17	8/18	Europe		517.00						517.00
	8/23	8/26									
	8/18	8/23	Asia		670.00						670.00
Military air							14,801.00				14,801.00
Stephen D. Nelson, staff	8/17	8/18	Europe		517.00						517.00
	8/23	8/26									
	8/18	8/23	Asia		670.00						670.00
Military air							14,801.00				14,801.00
Delegation expenses			Europe				144.93		146.89		291.82
			Asia				1,194.49		328.08		1,522.57
Committee total					9,975.00		108,242.16				118,692.13

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

LOUIS STOKES, Chairman, Oct. 28, 1987.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2427. A letter from the Secretary of Agriculture, transmitting notification of a revision to one system of Federal records maintained by the Animal and Plant Health Inspection Serivce [APHIS], pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2428. A letter from the Secretary of Agriculture, transmitting notification of two proposed new Federal records systems submitted by the Farmers Home Administration, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2429. A letter from the Acting Assistant Secretary of the Army (Civil Works), transmitting the first report of a list of projects which have been authorized, but for which no funds have been obligated during the preceding 10 full fiscal years, pursuant to 33 U.S.C. 579a; to the Committee on Public Works and Transportation.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and references to the proper calendar, as follows:

Mr. RODINO: Committee of conference. Conference report on H.R. 2939. (Rept. 100-452). Ordered to be printed.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2677. A bill to establish procedures for review of tribal constitutions and bylaws or amendments thereto pursuant to the act of June 18, 1934 (48 Stat. 987); with an amendment (Rept. 100-453). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on going to pot: Marijuana cultivation on public lands and the Federal response. (Rept. 100-454). Referred to the Committee of the Whole House on the State of the Union.

SUBSEQUENT ACTION ON A REPORTED BILL SEQUENTIALLY REFERRED

Under clause 5 of rule X the following action was taken by the Speaker:

The Committees on Agriculture and the Judiciary discharged from further consideration of H.R. 2851; H.R. 2851 referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONYERS:

H.R. 3665. A bill to amend title 18, United States Code, to provide for criminal penalties for Government officials who commit national security offenses; to the Committee on the Judiciary.

By Mr. CONYERS (for himself, Mr. Horton, Mr. Fish, Mr. Coelho, and Mr. Edwards of California):

H.R. 3666. A bill to establish national standards for voter registration for Federal elections, and for other purposes; jointly, to the Committees on House Administration and the Judiciary.

By Mr. BLILEY:

H.R. 3667. A bill to enable the Secretary of Health and Human Services to fund a program to demonstrate innovative methods to address the problem of high infant mortality among the Medicaid-eligible population, and other high-risk groups, through case-managed, comprehensive services, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DORNAN of California:

H.R. 3668. A bill to amend the Internal Revenue Code of 1986 to allow a deduction for dividends paid by domestic corporations; to the Committee on Ways and Means.

By Mr. LELAND (for himself, Mr. Waxman, Mr. Foglietta, Mr. Fuster, Mr. Towns, Mr. Penny, Mr. Berman, Mr. Ackerman, Mr. Frost, Mr. Bilbray, Mr. Edwards of California, Mr. Rangel, Mr. Fauntroy, Mr. Frank, Mr. Matsui, Mr. Kildee, Mr. Kostmayer, Mr. Gejdenson, and Mr. Ford of Tennessee):

H.R. 3669. A bill to amend the Public Health Service Act to establish an International Health Corps; jointly, to the Committees on Energy and Commerce and Foreign Affairs.

By Mr. DREIER of California:

H.R. 3670. A bill to establish a system for regulating depository institutions to be known as consumer banks, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MFUME (for himself and Mr. Hayes of Illinois):

H.R. 3671. A bill to amend the Job Training Partnership Act to establish a demonstration program for employment opportunities for severely disadvantaged youth, and for other purposes; to the Committee on Education and Labor.

By Mr. SCHUMER:

H.R. 3672. A bill to amend the Fair Credit Reporting Act to establish certain requirements and restrictions respecting the retention and furnishing of information by consumer reporting agencies on individuals renting residential property; to the Committee on Banking, Finance and Urban Affairs.

By Mr. SLATTERY:

H.R. 3673. A bill to provide that periods of training in the Cadet Nurse Corps during World War II be made creditable for Federal retirement purposes with respect to annuitants and certain other individuals not included under Public Law 99-638; to the Committee on Post Office and Civil Service.

By Mr. STUDDS (for himself and Mr. Young of Alaska):

H.R. 3674. A bill to provide for Congressional approval of the Governing International Fishery Agreement between the United States and Japan; to the Committee on Merchant Marine and Fisheries.

By Mr. BARNARD:

H.R. 3675. A bill to reorganize and consolidate in a new Federal agency certain functions of the Federal Government relating to real estate appraisals and to authorize State appraiser certifying agencies, for the purpose of protecting the financial and public policy interests of the United States in certain real estate-related financial transactions; to the Committee on Government Operations.

By Mr. FLORIO (for himself, Mr. Montgomery, Mr. Solomon, Ms. Oakar, Mr. Parris, Ms. Kaptur, Mr. Fauntroy, Mr. Lent, Mr. Bilirakis, Mr. Matsui, Mr. Durbin, Mr. Evans, Mr. Spratt, Mr. Sisisky, Mr. Levine of California, Mr. Torres, Mr. Roe, Mr. Sunia, Mr. Wortley, Mr. English, Mr. Kanjorski, Mr. DioGuardi, Mr. Bates, Mr. Wilson, Mr. Rowland of Connecticut, Mr. Markey, Mr. Gray of Illinois, Mr. Staggers, Mr. Hertel, Mr. Morrison of Connecticut, Mr. Conte, Mr. Rahall, Mr. Daniel, Mr. Kostmayer, Mr. Brown of California, Mr. Moakley, Mr. Ackerman, Mr. Murtha, Mr. Frank, Mr. Stark, Mr. Perkins, Mr. Lantos, Mr. Applegate, Mr. Coelho, Mrs. Roukema, Mr. Yatron, Mr. Fawell, Mr. Hayes of Illinois, Mr. Guarini, Mr. Berman, Mr. Towns, Mr. Akaka, Mr. Molinari, Mr. de la Garza, Mr. Dornan of California, Mr. Ireland, Mr. Bateman, Mrs. Lloyd, Mr. Howard, Mrs. Bentley, Mr. Murphy, Mr. Smith of Florida, Mr. Rodino, Mr. Donnelly, Mr. Horton, Mr. McEwen, Mr. Bevill, Mr. Young of Alaska, Mr. Mrazek, Mr. Moody, Mr. Dwyer of New Jersey, Mr. Scheuer, Mr. Hughes, Mr. Nelson of Florida, Mr. Smith of New Jersey, Mr. Wolf, Mr. Gray of Pennsylvania, Mr. Bryant, Mr. Dowdy of Mississippi, Mr. Marlenee, Mr. Lehman of California, Mr. Conyers, Mr. Daub, Mr. Lowry of Washington, Mr. Hammerschmidt, Mr. Shaw, Mr. Sabo, and Mr. Bustamante):

H.J. Res. 405. Joint resolution approving pursuant to Public Law 99-652 the location of the Korean War Veterans Memorial in the portion of the District of Columbia known as area I; to the Committee on Interior and Insular Affairs.

By Mr. GEKAS (for himself, Mr. McDade, Mr. Gaydos, Mr. Yatron, Mr. Coughlin, Mr. Murtha, Mr. Shuster, Mr. Schulze, Mr. Goodling, Mr. Walgren, Mr. Walker, Mr. Murphy, Mr. Clinger, Mr. Gray of Pennsylvania, Mr. Ritter, Mr. Coyne, Mr. Foglietta, Mr. Ridge, Mr. Kolter, Mr. Borski, Mr. Kostmayer, Mr. Kanjorski, and Mr. Weldon):

H.J. Res. 406. Joint resolution commemorating the bicentennial of the December 12, 1787, ratification of the Constitution of the United States of America by the Commonwealth of Pennsylvania and congratulating the citizens of the Commonwealth of Pennsylvania on the occasion of such bicentennial; to the Committee on Post Office and Civil Service.

By Mr. INHOFE:

H.J. Res. 407. Joint resolution designating the week of January 17-23, 1988, as "National Jaycee Week"; to the Committee on Post Office and Civil Service.

By Mr. SKAGGS (for himself, Mr. Traficant, Mr. Gordon, Mr. Schumer, Mr. Fauntroy, Mr. Roe, Ms. Pelosi, Mr. Lagomarsino, Mr. Horton, Mr. Owens of New York, Mr. Smith of Florida, Mrs. Boxer, Mrs. Collins, Mr. Cardin, Mr. Mrazek, Mr. LaFalce, Mr. Conyers, Mr. Wyden, Mr. Sikorski, Mr. Brooks, Mr. Lipinski, Mr. Wilson, Mr. Hughes, Mr. Fazio, Mr. Neal, Mr. Waxman, Mr. Dymally, Mrs. Patterson, Mr. Kleczka, Mr. Leland, Mr. English, Mr. Weiss, Mr. Flake, Mr. Martinez, Mr. Savage, and Mr. McMillen of Maryland):

H.J. Res. 408. Joint resolution to designate March 16, 1988, as "Freedom of Information Day"; to the Committee on Post Office and Civil Service.

By Mr. WEISS:

H.J. Res. 409. Joint resolution to provide that the United States shall implement changes in defense policy that will reduce the likelihood of the first use of all nuclear weapons, renounce the first use of all nuclear weapons, and conclude treaties with all nations renouncing the first use of all nuclear weapons; jointly, to the Committees on Foreign Affairs and Armed Services.

By Mr. FOLEY:

H. Con. Res. 220. Concurrent resolution providing for an adjournment of the two Houses until November 30, 1987; considered and agreed to.

By Mr. SOLOMON:

H. Con. Res. 221. Concurrent resolution expressing concern over the condition of human rights in the Socialist Federal Republic of Yugoslavia; to the Committee on Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 39: Mr. Mavroules.

H.R. 128: Mr. Gordon, Mr. Leland, Mr. Gonzalez, Mr. Bennett, Mr. Wortley, Mr. Blaz, Mr. Smith of Iowa, Mr. Lantos, Mr. Clay, Mr. Erdreich, Mr. Owens of Utah, Mr. Mavroules, Mr. Frank, Mr. Horton, Mrs. Boxer, Mr. LaFalce, Mr. Smith of Florida, Mr. Frost, Mr. Weiss, Mr. de la Garza, Mr. Early, Mr. Boland, Mr. Kolter, Mrs. Collins, Mr. Fazio, Mr. Coyne, Mr. Atkins, Mr. Oberstar, Mr. Rangel, Mr. de Lugo, and Mr. Hyde.

H.R. 190: Mr. Ford of Tennessee and Mr. Hochbrueckner.

H.R. 458: Mr. Darden, Mr. Durbin, Mr. Feighan, Mr. Lott, Mr. Montgomery, and Mr. Roemer.

H.R. 578: Mr. Foglietta.

H.R. 632: Mr. Fauntroy.

H.R. 755: Mr. Hochbrueckner and Mr. Foglietta.

H.R. 925: Mrs. Roukema, Mr. Jeffords, Ms. Snowe, Mrs. Johnson of Connecticut, Miss Schneider, Mr. Panetta, Mr. Torres, Mr. Shays, Mr. Smith of Florida, Mr. Annunzio, Mr. Lipinski, Mrs. Boggs, Mr. Hertel, Mr. Williams, Mr. Boehlert, Mr. Hochbrueckner, Mr. DeFazio, Mr. Clinger, Mr. Bonker, Mr. Wise, Mr. Bruce, Mr. Davis of Michigan, Mr. Dwyer of New Jersey, Mr. Perkins, Mr. Dowdy of Mississippi, Mrs. Saiki, Mr. Pease, Mr. Swift, Mr. Bates, and Mr. Espy.

H.R. 1016: Mr. Kennedy, Mr. MacKay, Mr. Robinson, and Mr. Wolpe.

H.R. 1195: Mr. Boland, Mrs. Smith of Nebraska, Mr. DeLay, and Mr. Johnson of South Dakota.

H.R. 1726: Mr. Penny, Mr. Lightfoot, Mr. Roberts, Mr. Marlenee, and Mr. Bereuter.

H.R. 1782: Mr. Thomas A. Luken.

H.R. 1807: Mr. LaFalce, Mr. Roemer, Mr. Cooper, Mr. Mazzoli, Mr. Wheat, and Mr. Smith of Iowa.

H.R. 1842: Mr. Bryant, Mr. Coble, Mrs. Roukema, Mr. Leland, Mr. Richardson, and Mr. Florio.

H.R. 2494: Mr. Lagomarsino, Mr. Morrison of Connecticut, Mr. English, Mr. Stokes, Mr. Coelho, Mr. Kanjorski, Mr. Lancaster, and Mr. Gilman.

H.R. 2532: Mr. Murtha.

H.R. 2570: Mr. Evans, Mr. Atkins, Mr. Morrison of Connecticut, Mr. Foglietta, and Mr. Tauke.

H.R. 2793: Mr. Dorgan of North Dakota.

H.R. 2870: Mr. Mavroules.

H.R. 2879: Mr. Horton.

H.R. 2934: Mr. Jacobs.

H.R. 2955: Mr. Bryant, Mr. Foglietta, Mr. Ritter, and Mr. Hyde.

H.R. 2983: Mrs. Collins, Mr. Towns, Mr. Hayes of Illinois, Mr. Anthony, Mr. Slattery, Mr. Smith of New Hampshire, and Mr. Thomas A. Luken.

H.R. 3066: Mr. Rogers, Mr. Martin of New York, Mr. Gingrich, Mr. Burton of Indiana, Mr. Swindall, Mr. Sweeney, Mr. Lipinski, Mr. Fields, Mr. Skeen, Mr. Miller of Ohio, Mr. Chappell, Mr. Nielson of Utah, Mr. Houghton, Mr. Hutto, Mr. Lewis of Florida, Mr. Young of Alaska, Mr. Herger, Mrs. Martin of Illinois, Mr. Bliley, Mr. Lungren, Mr. Young of Florida, and Mr. Armey.

H.R. 3070: Mr. Sikorski, Mr. Bruce, Mr. Pease, and Mr. Foglietta.

H.R. 3129: Mr. Herger and Mr. Smith of New Hampshire.

H.R. 3143: Mr. Russo and Mr. Ortiz.

H.R. 3265: Ms. Pelosi and Mr. Foglietta.

H.R. 3332: Mr. Hughes, Mr. Moody, Mr. Ford of Tennessee, Mr. Brennan, Mr. Towns, and Mr. Robinson.

H.R. 3342: Mr. Stallings.

H.R. 3359: Mr. Hayes of Illinois, Mr. McCurdy, Mr. Fauntroy, Mr. Lewis of Georgia, Mr. Kanjorski, Mr. Fuster, Mr. Crockett, Mr. Coyne, and Mr. Edwards of California.

H.R. 3470: Mr. DANIEL, Mrs. VUCANOVICH, Mr. OXLEY, Mr. BUNNING, Mr. STANGELAND, Mr. DONALD E. LUKENS, Mr. BATES, Mr. ACKERMAN, Mr. COATS, Mr. MCEWEN, Mr. ROBERT F. SMITH, Mrs. COLLINS, Mr. MCMILLAN of North Carolina, Mr. DERRICK, Mr. HUGHES, Mr. LIVINGSTON, Mr. ERDREICH, Mr. MARLENEE, Mr. NICHOLS, Mr. MILLER of Washington, Mr. DYSON, Mrs. MEYERS of Kansas, Mr. LEWIS of Georgia, Mr. WHITTAKER, Mr. DEFAZIO, Mr. BILBRAY, Mr. ECKART, Mr. DEWINE, Mr. ESPY, Mr. GILMAN, Mr. WALGREN, Mrs. BOXER, Mr. PRICE of North Carolina, Mr. CLARKE, Mr. LOWRY of Washington, Mr. IRELAND, Mr. GONZALEZ, Mr. SMITH of New Jersey, Mr. LANCASTER, Mr. EMERSON, Mr. GUNDERSON, Mr. WISE, Mr. WYDEN, and Mr. BROOKS.

H.R. 3627: Mr. BUSTAMANTE.

H.R. 3638: Mr. FOGLIETTA.

H.J. Res. 92: Mr. DELAY, Mr. MCCLOSKEY, Mr. OWENS of Utah, Mr. STALLINGS, Mr. UPTON, Mr. LIGHTFOOT, Mr. MILLER of California, Mr. DIOGUARDI, Mr. UDALL, Mr. RAVENEL, Mr. ORTIZ, Mr. MCMILLEN of Maryland, and Mr. LELAND.

H.J. Res. 315: Mr. SMITH of Florida and Mr. FRENZEL.

H.J. Res. 337: Mr. VOLKMER, Mr. HAYES of Louisiana, Mrs. KENNELLY, Mr. MCCLOSKEY, Mr. GEJDENSON, Mr. LOTT, and Mr. SISISKY.

H.J. Res. 377: Mr. BENNETT, Mr. ATKINS, Mrs. BENTLEY, Mr. BOLAND, Mr. COELHO, Mr. MCHUGH, Mr. MCMILLEN of Maryland, Mr. PANETTA, Mr. SCHUETTE, Mr. VENTO, Mr. WHEAT, Mr. WOLF, Mr. TALLON, Mr. MARTINEZ, Mr. SISISKY, and Mr. DIOGUARDI.

H.J. Res. 383: Mr. BILIRAKIS, Mr. COUGHLIN, Mr. CROCKETT, Mr. HAMMERSCHMIDT, Mr. GILMAN, Mr. TORRICELLI, Mr. HUGHES, Mr. SMITH of Iowa, and Ms. KAPTUR.

H. Con. Res. 192: Mr. DIXON, Mr. LELAND, Mr. WHEAT, Mr. BROWN of California, Mr. BATES, Mr. FAWELL, Mr. HALL of Ohio, Mr. UDALL, Mr. LEVIN of Michigan, Ms. OAKAR, Mr. MARKEY, Mr. KOSTMAYER, Mr. LEWIS of Florida, and Mr. STANGELAND.

H. Con. Res. 205: Mr. WAXMAN, Mr. NIELSON of Utah, and Mr. DEFAZIO.

H. Res. 226: Mr. OBERSTAR.

SENATE—*Friday, November 20, 1987*

(Legislative day of Thursday, November 19, 1987)

The Senate met at 9 a.m., on the expiration of the recess, and was called to order by the majority leader, ROBERT C. BYRD, a Senator from the State of West Virginia.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

* * * *in quietness and in confidence shall be your strength* * * *.—Isaiah 30:15.

Be still, and know that I am God * * *—Psalm 46:10.

Trust in the Lord with all thine heart; and lean not unto thine own understanding. In all thy ways acknowledge Him, and He shall direct thy paths.—Proverbs 3:5-6.

Loving God of infinite wisdom, I acknowledge my personal sense of inadequacy as I try to pray for the Senate in these crucial days. You know the frustration—the discouragement—the confusion—the despair of futility—that seems to paralyze action. You know the convergence of explosive, potentially destructive issues—Wall Street—conflict and controversy over budget—trade deficit—the threat of an AIDS epidemic—all under the pressure of the relentless ticking of the clock. Help the Senators to realize You are not a God far off, but near. You are not only a God transcendant but imminent. You are not an indifferent deity but a caring, loving Father who knows all about our situation, individually and collectively. Teach us to look to You, to call upon You, to wait upon You, to find strength in You.

And Father in heaven we pray a very special blessing upon our beloved leader on his birthday and his wife. In the name of Him who led by serving. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, November 20, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. BYRD thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDING OFFICER (Mr. GRAHAM). The majority leader is recognized.

MY CUP RUNNETH OVER

Mr. BYRD. Mr. President, I am grateful for the Chaplain's prayer. He was kind to mention my birthday. And it is with grateful heart and humility that I thank the good Lord for letting me live the psalmist's span.

> The days of our years *are* threescore years and ten; and if by reason of strength *they be* fourscore years, yet *is* their strength labour and sorrow; for it is soon cut off, and we fly away.

So, I have many things to be thankful for.

Mr. President, one of the things I have to be thankful for is the companionship here with a fine, fine group of dedicated Americans, the Members of the U.S. Senate, the officers of the Senate, the employees of the Senate. And to have their confidence and their friendship makes my cup of blessings run over.

Mr. President, the Chaplain spoke of the perils that presently beset our country, the complex problems, the great divisions and inflammatory issues, and the mad rush of events. We can have confidence that this Nation, which has faced complicated, arcane problems in the past, and yet it came through stronger than ever, can and will do so again.

Longfellow had that faith in the future and faith in this great country when he wrote The Building of the Ship.

Thou, too, sail on, O Ship of State!
Sail on, O Union, strong and great!
Humanity with all its fears,
With all the hopes of future years,
Is hanging breathless on thy fate!
We know what Master laid thy keel,
What Workmen wrought thy ribs of steel,
Who made each mast, and sail, and rope,
What anvils rang, what hammers beat,
In what a forge and what a heat,
Were shaped the anchors of thy hope!
Fear not each sudden sound and shock,
'T is of the wave and not the rock;
'T is but the flapping of the sail,
And not a rent made by the gale!
In spite of rock and tempest's roar,
In spite of false lights on the shore,
Sail on, nor fear to breast the sea!
Our hearts, our hopes, are all with thee,
Our hearts, our hopes, our prayers, our tears,
Our faith triumphant o'er our fears,
Are all with thee,—are all with thee!

RECOGNITION OF THE REPUBLICAN LEADER

The PRESIDING OFFICER. Under the standing order, the Republican leader is recognized.

THE MAJORITY LEADER BYRD'S BIRTHDAY

Mr. DOLE. Mr. President, as the distinguished majority leader just noticed, this is a special day for him.

I, too, thank the Chaplain.

On this special day I would like to take a page from his book, and he is so good at this poetry business. So I found a poem by an unknown Kansas poet and I shall recite a little poetry in his honor.

When you stand and face your brother,
With an aisle between the two,
There are times when clouds hang thick and dark,
And won't let the sunshine through.
It's a better thing between you,
If you'll just extend your hand,
And signal that you're ready,
Just to meet like man-to-man.
For the world's a curious compound,
It's got honey, it's got gall * * *
It has cares and it has crosses,
But a good world after all;
And a good God must have made it,
At least that's what I say,
When a hand extends in friendship,
On this your own birthday.
—Unknown Kansas poet.

Mr. BYRD. Thank you, BOB. That is very nice of you.

Mr. DOLE. Thank you.

I reserve the remainder of my time.

LET GORBACHEV FIND ANOTHER PLATFORM

Mr. DOLE. Mr. President, it is obvious that the plan to have Soviet General Secretary Gorbachev address a joint session, or a joint meeting, of Congress has raised very serious concerns on the part of some in Congress and, judging by my mail and phone calls, on the part of many in this country.

No one's interest will be served if an address to the Congress is firmly laid on for Gorbachev's schedule and later has to be canceled, or generates demonstrations on the floor of the House.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

It is in our interest to have a dialog with Gorbachev—the President will; and Members of Congress should, too. I hope that an appropriate venue for discussions between Gorbachev and the congressional leadership can be worked out.

It seems to me that kind of dialog—two-way; he presents his views; we have the opportunity to make him aware of our concerns and views—is the way to go. It just makes more sense than a one-way address.

So I would hope that this idea of an address can be shelved, now, in the planning stage, and before anything is set in concrete.

I would have no objection—in fact, I would suggest that strong consideration be given—to offering General Secretary Gorbachev 10 to 15 minutes on television to address our Nation, provided only that President Reagan be accorded the same opportunity for a direct, live address to the Soviet people. I must say it is pretty much the suggestion the distinguished majority leader made a few days ago. In fact, with modern technology, there is no reason the two leaders could not speak back-to-back the same evening.

And let me stress: This kind of address by Gorbachev would not be any kind of special honor for him. I certainly feel no impulse to accord him, or the Communist regime he leads, any particular honor. But the fact is that there are two superpowers on this Earth; and the better we can communicate and understand each other's views, the better off all of us probably will be in the future.

So it seems to me this would be a simple, straightforward way to resolve this matter before it turns into a problem. I hope the White House, and the Soviets, will consider it.

BICENTENNIAL MINUTE

NOVEMBER 20, 1829: SHELBY M. CULLOM

Mr. DOLE. Mr. President, this weekend will mark the 158th anniversary of the birth of Senator Shelby M. Cullom, on November 22, 1829. Author of the Interstate Commerce Commission Act, a landmark statute of the late 19th century, Cullom also served as chairman of the Senate Commerce and Foreign Relations Committees, and as chairman of the Senate Republican Caucus.

Although born in Kentucky, Shelby Cullom grew up on an Illinois prairie farm, where his antislavery father had moved in 1830. Unhappy with the hard life of a farmer, Cullom studied law and embraced a political career. An early member of the Republican Party, he enthusiastically supported Abraham Lincoln's campaigns for U.S. Senator in 1858, and President in 1860. Cullom served as speaker of the Illinois State Legislature, as a Member of the House of Representatives, and as Governor, before he entered the Senate in 1883.

During the 1880's the Midwest felt much discontent against the high-handed business and political tactics of the railroads. In the State legislature, and as Governor, Cullom had strongly endorsed State regulation, but realized its inadequacy against an interstate enterprise. He used his position as chairman of the Senate Committee on Interstate Commerce to enact the first national regulatory legislation, 100 years ago in 1887.

For all this, why is Shelby Cullom so little known today? The Dictionary of American Biography blames his even-handed temperament:

> He was a man of facts; even-tempered, conservative "regular," conscientious * * *; fairminded * * *; thoroughly democratic. For these reasons and others (he did not, for example, drink or smoke) he was colorless.

It is too bad that historians, like journalists, seem to prefer flashier, more eccentric politicians. They may make better stories; but we ought not to forget the contributions of diligent, hard-working Senators like Shelby M. Cullom.

MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of morning business for not to extend beyond the hour of 9:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Wisconsin.

AMBASSADOR KAMPELMAN IN GENEVA

Mr. PROXMIRE. Mr. President, Max M. Kampelman was named by President Reagan in January 1985 to lead the Geneva arms reductions talks. Ambassador Kampelman heads the U.S. delegation and is the U.S. negotiator at the defense and space panel.

When Mr. Kampelman was appointed to his present position, I quoted his own statement acknowledging that he had virtually no experience in arms control and that there were many others in Washington better qualified for the job.

Since that time I have followed Mr. Kampelman's negotiations as closely as possible although I have not been a participant or congressional advisor. My observation is that Mr. Kampelman has shown an excellent blend of toughness, substance, and willingness to bargain in good faith. These negotiations have varying periods of positive and negative moods. At each point, Ambassador Kampelman has retained composure and has kept his focus clearly on the potential outcome of the talks. He has rejected Soviet propaganda ploys while continuing to suggest areas of potential common agreement.

In sum, I give Mr. Kampelman high marks and even given my prior concerns about his lack of direct arms control experience, I believe he has done as professional a job as any other person that could have been named.

THE GREAT MARKET FORECASTING ILLUSION

Mr. PROXMIRE. Mr. President, one of the great illusions in our free market, free enterprise society is that experts can actually predict whether overall stock prices on the New York Exchange and other exchanges will rise or fall in the next few days or weeks or months. They cannot. Recently the usually excellent MacNeil-Lehrer nightly news analysis program wasted its time interviewing economic forecasters who had successfully advised their clients to sell their stocks and get out of the market before the great October 19 crash. Robin MacNeil asked these successful forecasters: What's going to happen to the stock market now? Should an investor sell or buy stock? One said sell. One said buy. One wasn't sure. This Senator can say right now which of those three experts was right. It was the one who said he wasn't sure. The fact is that unless the prices of particular stocks are rigged because, for example, they are being manipulated by an acquisition group or there is inside nonpublic information on a surprising surge or drop in earnings or some other significant piece of good or bad, not yet publicly released development about a corporation, no one can know in the next day or week or month whether the stock will rise or fall. Insiders can get rich by trading on inside information. A prudent, diligent investor can generally improve his investment prospects by thorough and intensive study of the details affecting a particular corporation's earning prospects. But no Nobel Prize winning economist or combination thereof or any other gaggle of geniuses can predict whether the stock market is going up, going down, or going nowhere.

Whether the level of the Dow Jones index tomorrow or next week or 6 months or a year from now will be higher or lower, or precisely where it is now is beyond the ability of man to predict, any man. Anyone who really could predict would make King Midas look like a homeless pauper. Short-term weather forecasts can be based on measurable scientifically adduced fact. Long-term weather forecasts we leave to the Farmer's Almanac which all of us know is a joke. Any prediction of stock market direction is on the Farmer's Almanac level. It is preposterous, ridiculous, in a word phony. This is why it is sad to see such a uniquely informative program like MacNeil-Lehrer wasting its time by interviewing so-called experts on the direction of the stock market.

Now, Mr. President, none of this is to say that investment advice is not useful. It can be extraordinarily useful. Professionals who spend years diligently poring over the massive public data concerning the earnings and prospective earnings of corporations can help instruct investors on sound and unsound stock investments. But there is no known way even the most skilled and diligent professional can forecast the future of the U.S. economy and the world economy on which it depends. That future depends on a large series of variables including among many others: the course of interest rates, the direction of consumer saving and spending, the rise and fall of employment, changes in Government tax policy, the psychology of public expectations, shifts in the availability or scarcity of commodities. All of these and other critical variables are significant. Few are predictable. Some forecasters because there are so many of them may, for a while, predict economic developments with phenomenal accuracy without paying any attention to any of these factors. Their predictions are right by sheer luck. The actual skill of overall market forecasting should depend heavily on thorough and detailed knowledge of the future course of all the economic variables. So why can't some genius or group of geniuses assemble the data and use it? The reason they cannot is because the future course of each of these variables is not knowable.

Is this to say that calling the turns in a stock market like the New York Stock Exchange is a matter of luck and only luck? Absolutely. It is no more scientific than predicting the winner of tomorrow's lottery. And the saddest consequence of this public illusion is the concentration of intelligent press and public criticism of national short-term economic policy of the Congress and the President as the real basis for what is going to happen to the international financial markets for any time period in the next few months.

Ever since the October stock market crash, Congress has been bedeviled by the ridiculous fiction that it could succeed in determining the course of the financial markets by making changes in Federal spending and taxing that would reduce the deficit by somewhere between $30 and $40 billion. How insane can we get? The deficit is only a single element in the factors that affect our economy and the psychology of international investors. It is a tiny blip in the U.S. economy that $4 trillion is more than 100 times greater than $40 billion. It is an even smaller blip in the world economy that really determines our economic fate. Furthermore, the only direct effect on the U.S. economy of reducing the deficit would not be to encourage the economy to grow. It would be to slow the economy. This Senator believes fervently that the fiscal policy pursued by the Congress and pushed by the administration over the past 7 years has been grossly irresponsible. I believe it's a long-term economic disaster. But to contend that any correction the Congress can make will have anything but a very brief, and very transitory, psychological effect on the short-term behavior of the stock market is nonsense.

THE ANTI-TERRORISM ACT OF 1987

Mr. GRASSLEY. Mr. President, 2 weeks ago, I addressed this body in regard to the current debate over closing the Palestine Liberation Organization's offices in the United States until the PLO renounces its policy of terrorism.

As I noted then, this debate is taking place among the conferees to the State Department authorization bill over an amendment I sponsored, referred to as the Anti-Terrorism Act of 1987.

Today, I want to bring to the attention of my colleagues and the American people some of the discussion and debate that has gone on behind the scenes, leading up to the conference.

On May 14, I, along with 23 colleagues, introduced S. 1203, the Anti-Terrorism Act of 1987, which now has 51 cosponsors. In July, I received a letter from Secretary of State George Shultz explaining the State Department's position on the bill. Secretary Shultz stated the following:

> First and foremost, I want to emphasize that this administration shares the concerns evident in the legislation. We condemn, unequivocally, terrorist acts by all groups, including acts associated with the PLO. We also deplore the failure of the PLO to accept U.S. Security Council Resolutions 242 and 338 and to recognize Israel's right to exist. We have consistently made clear our view, that the PLO's negative role has been one of the serious obstacles in the Middle East peace process. The issue facing us now is how best to respond to the PLO's negative actions.

The Secretary goes on to explain that the closing of the PLO office in Washington by the administration would be a strong possibility. Of course, in the meantime, the administration has ordered this office to be closed. Unfortunately, however, the closure has been postponed for the time being, and a lawsuit has been filed to prevent the closure.

Nevertheless, the most troubling statements in the letter referred to the PLO observer mission at the United Nations. As I detailed earlier in a statement on the Senate floor, the United States has no international legal obligation that would preclude it from closing the PLO observer mission. An internal State Department report from last April substantiates this fact. Incredibly, however, Secretary Shultz either didn't know about this report or he decided to ignore it. Nevertheless, in his letter, which was sent 2 months after the report was circulated, the Secretary stated:

> As far as closure of the PLO observer mission is concerned, this would be seen as a violation of a U.S. treaty obligation under the U.N. headquarters agreements.

It's interesting to note that the Secretary didn't say that closing the office would be a violation. He said it "would be seen as a violation." So, instead of protecting American rights, the Secretary has bowed to international powers that have tried to twist the law to meet their own self-interests.

An example of this foreign pressure occurred last month, when United Nations Secretary-General Perez De Ceullar sent a very disturbing letter to our U.N. representative, Ambassador Walters. The letter was reportedly sent after a meeting between the Secretary-General and Zehdi Terzi, the PLO permanent representative. In this letter, the Secretary General stated the following:

> I would trust, in the circumstances, that the United States Government will continue to vigorously oppose any steps in the Congress to legislate against the Palestine Liberation Organization observer mission to the United Nations. Since the legislation runs counter to obligations arising from the headquarters agreement, I would like to underline the serious and detrimental consequences that it would entail.

Mr. President, notwithstanding the fact that the Secretary-General fails to realize that the Congress is part of the U.S. Government, I have real concerns about the contents of this letter. Here, we have an example of a foreign leader lobbying one branch of our Government to oppose another branch. In other words, a foreign power attempted to provoke a conflict within our Government and, unfortunately succeeded.

I hope this interference in our internal affairs will not be tolerated by the Congress or even the administration. We all know that nothing unifies Americans more than a foreign leader trying to manipulate U.S. policy.

Mr. President, I urge my colleagues to stand up to this international pressure, and protect American interests by supporting the Anti-Terrorism Act of 1987.

CONGRATULATIONS TO SENATOR BYRD ON HIS BIRTHDAY

Mr. WIRTH. Mr. President, I also want to take this opportunity this morning to congratulate our distinguished and very capable majority leader on the occasion of his birthday today. As we all know, no Senators now serving—and few if any in the history of the Senate—have invested themselves in this institution to a greater degree than has ROBERT BYRD.

Ever since he first arrived in the Senate in 1959, he has tirelessly, and virtually ceaselessly, immersed himself in the very important work that occurs here. Equally notably, he has distinguished himself by devotion to the study of the procedures by which the Senate operates and without which it either would cease to function entirely or, maybe most importantly, would be forced to curtail the great latitude and freedom accorded to every individual Senator—characteristics which contribute substantially to making the Senate unique among all national legislative bodies in the world. ROBERT BYRD is the acknowledged master without peer. I have had the privilege of membership in this body, as you have, Mr. President, for only 1 year. But I dare say, based on my observations during that period, that we who serve here do not fully realize—and perhaps cannot realize—how much more difficult it would be for the Senate to accomplish the work which the Nation depends on us to accomplish if someone with ROBERT BYRD's skills and knowledge were not available to steer it and to allow us to have that very freedom which makes the U.S. Senate the institution it is.

There is another perspective worthy of comment at a time such as this. ROBERT BYRD's story is a classicial American success story. I need not go on at great length; but it is no myth that he emerged from a childhood in the West Virginia coal fields to gain election to State office, then to the U.S. House of Representatives, and then to the U.S. Senate, and here he has served for nearly 29 years, in virtually every conceivable kind of leadership position—from subcommittee chairman to whip to minority leader to majority leader. Along the way, he put himself through school—and completed work on his law degree at American University while a Member of Congress. His story can be an inspiration to any child in the Nation—where they can see what personal determination and commitment can yield.

I know I am not alone in offering my congratulations and best wishes to him today, and the hope that he will see many more birthdays in the future. Happy birthday, Mr. Leader.

Mr. BYRD. Mr. President, how nice it is of the distinguished Senator from Colorado to say what he has said. I am very grateful and I thank him very much. I deeply appreciate what he said. I appreciate even more deeply his friendship, and I treasure the opportunity to serve with him as he goes about his work every day, contributing to the welfare and good of his constituents and his country.

ONE-WAY TRADE

Mr. BYRD. Mr. President, a recent article in the Wall Street Journal brought home to me the long-term difficulties we face on the trade front. The Journal looked at a day in the life of Kennedy Airport.

The article is written by George Anders, and it appeared in the Wall Street Journal of Wednesday, November 18, the day before yesterday. The title of the column is as follows: "At Kennedy Airport, Imports Rain Down From All Directions."

Mr. President, when the Wall Street Journal looked at arrivals they found jumbo jets jammed full with imports from Japan, Europe, and East Asia.

But when the planes went back to Japan, or Europe or Korea, more often than not they were carrying nothing more than hopes of American exporters. Bad news for American export industries and the size of America's foreign debts and deficits. The empty space has slashed freight rates on flights returning to Asia. In fact, Mr. President, so many planes have empty return cargo space that European shippers have begun rerouting their Asian exports through New York to take advantage of the low rates.

Since the dollar's peak exchange value in February of 1985, Mr. President, the Japanese and German currencies have risen sharply relative to the dollar. Yet, except for a few luxury goods, the exchange rate has made barely a dent in Japanese and German exports.

Specialists point to several factors that help to explain the striking trade imbalance that the Journal found at Kennedy Airport. First, 5 years of an overvalued dollar gave the world's exporters an opportunity to solidify their position in the American market. Now, they simply do not want to give it up.

The costs of German and Japanese goods have gradually risen, but not nearly as much as the yen itself has. The failure of Japan to raise its prices has finally caught the eye of the Reagan administration. In preparing for his trip to Japan, the new Secretary of Commerce said that "* * * Japanese firms are impeding the power of currency adjustments to help correct our trade imbalance." He went on to warn them that they were running the risk of "* * * additional antidumping cases."

The yen and the mark are not the only problem. Where exchange rates have made European or Japanese goods too expensive, others have taken their place. Korea, Taiwan, Brazil, and others have been only too willing to rush in where the Japanese can no longer tread.

Here again, the failure of currencies to adjust is part of the problem. Many of the newly industrialized countries keep their currencies in close alignment with the dollar. For these countries, the sharp fall in the dollar simply opens up opportunities in Japan and Europe. They have lost little or nothing in their ability to compete in the American market.

Finally, Mr. President, we have to turn again to the problem of closed markets overseas. Because we still have a technological edge in a number of products, many of our exports have retained their markets despite the burden of an overvalued dollar. Just as a high dollar gave imports an extra edge, the competitive dollar should open new markets to Americans. But even if we beat a path to the world's door, we cannot sell if that door is closed.

Mr. President, the picture of jumbo jets arriving at Kennedy Airport is a reminder that we still have a jumbo problem in putting our economy back on the path to trade balance.

Mr. President, I ask unanimous consent that the article "At Kennedy Airport, Imports Rain Down From All Directions" be inserted in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, Nov. 18, 1987]

AT KENNEDY AIRPORT, IMPORTS RAIN DOWN FROM ALL DIRECTIONS—TRADE GAP BECOMES PALPABLE IN A FLOOD OF ITALIAN CARS AND TEXTILES FROM INDIA

(By George Anders)

NEW YORK.—At 11:45 p.m., John F. Kennedy International Airport is practically deserted—except for the cargo department of Korean Air.

As a jumbo jet arrives from Seoul, the ground crew rolls out an arsenal of unloading equipment. The plane has crossed the Pacific without a single paying passenger but with 237,130 pounds of cargo instead. Buzzers blare and forklifts groan in the midnight rain, as workmen start plucking microwave ovens, cameras and hundreds of other products from the belly of the plane.

This is the U.S. trade deficit in the making. Like the national debt as a whole, America's trade gap has grown so huge it is hard to grasp. For the record, the trade deficit narrowed slightly in September, to $14.08 billion. That was welcomed as good news when it was announced last week, but imports still are running more than $160 billion a year ahead of exports.

On the tarmac, it is easier to comprehend the vastness of America's appetite for foreign goods. At Kennedy Airport, 125 overseas flights a day bring in everything from Italian sports cars to Indian textiles. Economists and policy makers may quarrel about how to fix the U.S. trade deficit or how much of a problem it is. But while they dither, America is importing like never before.

SCOPE OF THE TRAFFIC

Of course, a single airport—even one that handles 11% of all dutiable goods brought in by land, air or sea, as Kennedy does—can't show the entire U.S. trade picture. Big imports such as oil and steel don't show up here, for example.

But the airport workers who handle imports all day have a clear sense of how dependent U.S. consumers and business are on overseas goods. The dollar's latest declines seem to matter only on the margin, making some foreign luxury products too expensive. Much of the rest of the trade deficit looks as if it could persist at almost any exchange rate.

"You'd be surprised at what's imported," says Lawrence Rosenzweig, a customs official, as he picks up a sheaf of folders. At the top of his stack are documents for aerosol valve parts from West Germany. A little farther down is the paper work for a shipment of Brazilian leather belts. After that comes a filing for $54,000 of what a Hong Kong exporter has described as "designer telephone" accessories.

EVERYTHING IS URGENT

At Kennedy, all the shipments seem to be urgent. With overseas freight rates as low as $1 a pound, air cargo no longer is limited to exotic, high-priced products. Much of the freight is ordinary manufactured goods. "To some people, even clothing is a perishable item," says Mr. Rosenzweig. So as fashions change, exporters fly in the blouses, jackets or shirts that they figure Americans will buy.

The huge U.S. trade imbalance troubles some people. Bruno Sabbatini, the New York cargo manager for Italy's Alitalia airline, says the U.S. "is a country that can do anything if it sets its mind to it, but something needs to be done to wake people up about the problem."

Back when trade was fairly balanced in the 1970s, Mr. Sabbatini divided his warehouse shelves 50-50 between imports and exports. These days, however, Italy sends over so many goods that imports crowd into what was once export space. Among the recent arrivals are three shiny Lamborghini sport cars, which sit on blocks at the back of the warehouse.

"It costs about $3,000 or $4,000 to fly the cars over, " says Mr. Sabbatini. "But when you're paying $100,000 for the car, maybe that isn't a lot of money."

Price hardly seems to matter for Japanese and West German goods, either. Those nations' currencies have climbed more than 50% against the dollar the past two years, but that has barely dented U.S.-bound shipments for Japan Air Lines and West Germany's Lufthansa. "It's amazing to me, but imports have stayed strong even with the dollar so weak," says Peter Hees, Lufthansa's New York cargo chief.

Taking a visitor through his giant warehouse, Mr. Hees walks past a freight box that may hold part of the answer. In bold letters, the German label reads: *"Originale Teile. Gepruefte Qualitaet." Original Parts. Proven Quality.*

At Japan Air Lines, freight manager Michio Uchida talks at length about how the strong yen has hurt Japanese exporters. But he concedes, "With desperate efforts, they are surviving."

Mr. Uchida has a gift for understatement. Crates of Japanese goods are stacked more than 20 feet high in the JAL warehouse. There are film, specialty chemicals, lathe parts and even spare parts for Toyotas. As fast as U.S. trucks can arrive each day to spread these imports throughout the East Coast, JAL's 10 weekly cargo flights dump 1,000 more tons of freight into the warehouse each week.

TEXTILES FROM INDIA

Elsewhere, because Indian textile shipments have become so huge, six customs officials do nothing but process rayon goods from India. (Another team does Indian cotton.) In the cramped quarters of the rayon crew, the second-floor window is partly blocked by a basket of more than 100 unprocessed shipment folders.

For optimists, Kennedy holds some signs that the weak dollar is easing the U.S. trade imbalance a little. JAL says it is flying more U.S. cigarettes to Japan, for instance. And George Fellouris, an import broker at Kennedy Airport, says clients such as Tiffany & Co. are ordering less Italian jewelry, "especially after the stock-market crash."

At a passenger arrival counter, customs agent William Kuntz adds that "a lot of people are coming back from Europe without buying anything, because they say everything is too expensive."

But across the tarmac, Korean Air's bustling warehouse tells another story. Much U.S. trade is with developing or newly industrialized nations that don't have very strong currencies, either. No matter how much the dollar falls against the German mark or the Japanese yen, it won't make the U.S. much more competitive against the Brazilian cruzado or even the Korean won.

AIRLINE'S BUSY SCHEDULE

Korean Air had its busiest month ever in October, importing 4,981 tons of freight into New York. The airline currently has seven jumbo cargo flights into New York each week, up from six a week last year. "We'd like to buy more freight planes," says O.B. Park, Korean Air's cargo manager. "But none of the other airlines wants to sell us one," and delivery times for new planes are too long.

After Korean Air's flight from Seoul arrives this night with 99.6% of its allowable cargo weight, a huge crate of women's clothes is packed so tight that it jams on an unloading roller. Mr. Park has an idea. He slides another crate behind the clothes and uses it as a battering ram.

"I think this load is electronic circuit boards," Mr. Park yells as three men began pushing on the rear crate. The circuit boards survive the shaking, and the improvised remedy works. Two minutes later, both crates roll into the warehouse.

At 2:30 a.m., the plane heads home for Korea, nearly empty. This was a Monday, "an especially bad day" for trade imbalances, Mr. Park asserts. American factories take the weekend off, Mr. Park explains, so their early-week exports are minimal. By contrast Korean factories work Saturdays and some Sundays, producing reams of exports to the U.S.

ENTERPRISING IRISH

Still, the empty-plane syndrome is common on Asian return flights, and some enterprising Irish have found a way to exploit it. The Irish airline, Aer Lingus, flies refrigerated cargoes of fish to New York. These fish, not for American palates, are quickly loaded onto Japan Air Lines cargo planes—and flown on to Tokyo.

"I know it sounds like a roundabout route," says Tom Cooney, an Aer Lingus official. But westbound cargo rates for Japan Air Lines are dirt-cheap, because so few goods go from the U.S. to Japan. And the Irish shippers have realized another trend in world trade: European exports to Japan have increased much faster than U.S. ones. Aer Lingus could save 5,000 miles by routing the fish through London or Frankfurt, Mr. Cooney says. But it doesn't do so, because the fish might spoil while waiting for a free plane. Most of the European cargo jets flying into Tokyo "are pretty full," Mr. Cooney reports.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

JOE C. MORRIS ENDS TERM AS CHAIRMAN OF U.S. LEAGUE OF SAVINGS INSTITUTIONS

Mr. DOLE. Mr. President, a fellow Kansan concluded a very important chapter in his life last week. He is Joe C. Morris of Emporia, KS, who for the past year has served as the chairman of the U.S. League of Savings Institutions, representing 3,400 savings institutions and business assets of $1.4 trillion.

Mr. Morris—Jody, to his friends, and I am one of them—has led the U.S. League through a most difficult year, a year in which his primary agenda item was the recapitalization of the Federal Savings and Loan Insurance Corporation. At the outset of his term of office, confidence in the FSLIC had been badly shaken. But under Mr. Morris's leadership, the FSLIC, has begun the recapitalization process and the faith of the American people in their Federal deposit insurance system is being restored. For his work in this effort, for the many long hours he devoted, the many miles he traveled, the vision and counsel he provided both to his membership and to many of us in this Congress, Jody Morris has earned a special place in the history of America's savings institutions.

Mr. Morris will now be spending more time in Kansas, though I know that the U.S. League will be turning to him regularly for his insights and advice as they have in the past.

I know my colleagues join me today in saluting Joe Morris, and wishing the very best in all future endeavors to him, his wife, Susan, and his sons, Joe, David, and Scott.

TRIBUTE TO W.R. AND LILA GRACE

Mr. SASSER. Mr. President, I rise today to honor W.R. and Lila Grace of Tullahoma, TN, on their 50th wedding anniversary. Their life together is a shining example of what can be accomplished through dedication to each other, dedication to community and dedication to country.

W.R. and Lila Grace were married on December 24, 1937, in Lawrenceburg, TN. They owned and operated a small business, a dry cleaning shop, in Lawrenceburg until the early 1940's. At that time, the call of public service brought W.R. and Lila to Washington, DC.

W.R. served the Capitol Hill community in many ways. First, as a Capitol policeman and then as an Assistant Senate Doorkeeper, W.R. brought special effort to the job at hand. W.R. eventually joined Senator Kenneth McKellar of Tennessee as a staff assistant. As my colleagues will recall, Senator McKellar was one of the great leaders of the Senate. As chairman of the Senate Appropriations Committee, he played a pivotal role in resolving many problems of the day. Senator Kenneth McKellar represented the people of Tennessee for some 36 years and W.R. Grace played a key role in his office for much of this service.

Their dedicated efforts through the years can also be seen in their family. Throughout their stay in Washington DC, Lila, a former school teacher and graduate of Martin College in Pulaski, was busy attending to their growing family. They have three children, Sara, Mark, and Kenneth. In 1953, they decided it was time to return to Tennessee and they settled in Tullahoma.

Since their return to Tullahoma, W.R. and Lila continued to exhibit their commitment to hard work. W.R. has pursued a career as a corporate development and governmental affairs consultant for a number of Tullahoma firms. Lila has remained active as a volunteer in the Harton Hospital Volunteer Program and Tullahoma Woman's Club. Both W.R. and Lila have been involved with First Methodist Church in Tullahoma.

I am proud to honor W.R. and Lila Grace on their golden anniversary. They have led active lives of exemplary community service and I wish them 50 more happy years together. In today's world of turmoil, the dedication, stability and happiness demonstrated by W.R. and Lila Grace are truly an inspiration to us all.

BICENTENNIAL PROJECT-WORLD AND I

Mr. THURMOND. Mr. President, on September 17, 1987, the Nation celebrated the 200th anniversary of the signing of the Constitution of the United States. This historic occasion was marked by many celebrations including events designed to educate the public on the Constitution. These numerous events were made possible, in part, because many individuals and companies gave generously of their time, financial resources, and services.

Today, I would like to highlight the contribution of The World and I magazine. As a tribute to the bicentennial, The World and I included a series of constitutional essays in the September issue. In order to provide an educational experience to high school students around the country, The World and I contacted every Member of Congress and offered to provide high school students in their respective States an excerpt from the series of constitutional essays along with a student work sheet and a teacher's guide. The World and I shouldered the entire expense of this educational project. I have been informed that 75 Members of Congress requested these materials. As a result, 75,000 students in 7,250 high schools throughout the United States received them. I was pleased that students from my home State of South Carolina benefited from these materials.

I commend The World and I for taking on this patriotic project. I hope this will encourage others to provide similar resources to the students and schools of our great Nation in the future.

BIRTHDAY CONGRATULATIONS TO SENATOR BYRD

Mr. PRYOR. Mr. President, today Democratic leader ROBERT BYRD is celebrating his 70th birthday. For many of those 70 years, ROBERT BYRD has devoted his life to serving the people of West Virginia as a public servant in the Congress.

We are fortunate to have him as our forward-thinking leader in the conduct of the Senate's business. There is no one in Senate who has better command of the parliamentary protocol in running this body.

Mr. President, in addition to this service as our leader, he is in the forefront of documenting the history of this body. His periodic contributions in the RECORD are a fitting chronicle of this body's deliberations and our history. I look forward to the compilation of these speeches in book form for posterity. As well as in his role of leadership, he will also be remembered as our historian.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the hour of 9:30 a.m. having arrived, the Senate will now go into executive session to consider the nomination of Frank C. Carlucci, of Virginia, to be Secretary of Defense. The clerk will report the nomination.

DEPARTMENT OF DEFENSE

The legislative clerk read the nomination of Frank C. Carlucci, of Virginia, to be Secretary of Defense.

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum having been suggested, the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. NUNN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I ask unanimous consent that the time of the quorum call which has just been completed be equally divided.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NUNN. Mr. President, I strongly support the nomination of Mr. Frank C. Carlucci III to serve as Secretary of Defense.

The Armed Services Committee held a hearing on this nomination last Thursday and favorably reported the nomination on Friday by a unanimous vote of 20-0. The committee's unanimous approval of Mr. Carlucci reflects the committee's highly favorable assessment of both his substantial experience in national security affairs and his outstanding policymaking and management skills.

The committee has received, and reviewed, all the required background information, financial and otherwise, on the nominee.

In recent days certain allegations have appeared in the news media concerning Mr. Carlucci's role as the head of Sears World Trade and a possible connection between Sears World Trade and the sale of high technology equipment by Toshiba to the Soviet Union. These allegations derive from the fact that Sears World Trade had a business relationship with a Japanese trading company, C. Itoh, and that C. Itoh allegedly had a role in the sale of high technology equipment from Toshiba to the Soviet Union. The implication is that, as a result, Mr. Carlucci may have had some "connection" to the sale. Finally, the press stories have implied that Mr. Carlucci, when he served as the Assistant to the President for National Security Affairs, sought to "block" legislation in the Congress which would have imposed sanctions on Toshiba and C. Itoh for the sale.

When Senator WARNER and I learned of these allegations and implications, we directed the staff to look into them. They did so and also directly questioned Mr. Carlucci on these allegations.

Mr. President, I would like to read into the RECORD two letters that I received from Mr. Carlucci responding to questions on this subject. We do not pretend that we have made an exhaustive investigation of C. Itoh. What we have done is we have looked at the Carlucci role as the head of Sears World Trade. So this is not represented as an exhaustive study of C. Itoh or Toshiba and those matters which are already being looked at in other jurisdictions. We have confined our inquiry to the role of Frank Carlucci himself because he is before the Senate of the United States for confirmation. His conduct is what is relevant to this consideration by the Senate.

This is a letter dated November 19, 1987, from Frank C. Carlucci, directed to me as chairman of the Armed Services Committee, and I quote from that letter.

Dear Mr. Chairman: I have taken note of certain press reports about the Toshiba Corporation which have raised allegations in connection with consideration of my nomination to be Secretary of Defense. The following comments may be of assistance to you as the Senate considers this nomination:

Prior to the time I assumed my responsibilities as CEO of Sears World Trade, my predecessor, Roderick Hills, had negotiated a Memorandum of Understanding with C.Itoh. To the best of my recollection, the Memorandum of Understanding (MOU) simply stated that the two companies would make their best efforts to do business together. The MOU also provided that each company would place a staff member in the other's headquarters, which was done. The business that resulted from this relationship was negligible.

Shortly after I became CEO, I undertook a restructuring of Sears World Trade, as a part of which effort I terminated the exchange of personnel with C.Itoh. I did not rescind the MOU, but for all practical purposes it was defunct.

The allegations that Sears World Trade was engaged in arms sale during my tenure are false. In consultation with Sears, Roebuck and Co. I issued strict guidelines saying that Sears World Trade would never take title to any merchandise that would fall into the category of arms. These instructions were never breached. We did have a Sears World Trade subsidiary that engaged in consulting relationships with a limited number of defense contractors. We did not lobby on contractors' behalf but simply gave them advice in such areas as product design and marketing.

Sears World Trade conducted no business in the high technology areas with the Soviet Union or any other communist country. For a time we had a high technology unit that dealt mainly in the area of computers, but this unit was dissolved in the restructuring I referred to earlier. The only business Sears World Trade conducted with the Soviet Union was via a UK subsidiary engaged in the brokering of timber pulp and paper products.

I am not personally aware of any transactions between C.Itoh and the Soviet Union. My staff at the NSC has informed me that C.Itoh was involved in the Toshiba technology diversion, but I am not acquainted with the details.

The Administration position on the Toshiba/Kongsberg issue and pending Toshiba/Kongsberg legislation evolved through a normal interagency process, including meetings of Assistant Secretary-level officials of all interested departments and agencies chaired by Robert Dean of the NSC staff. Mr. Dean conducted these meetings, as he should have done, without policy guidance or participation by me. Through this process, the Administration determined to oppose such legislation, for good and sufficient reasons; Mr. Dean has had numerous meetings with members of Congress, personal staff, and professional staff of relevant congressional committees on this subject.

I had no contact with C.Itoh, Roderick Hills, Senator Dixon or, to the best of my recollection, any other member of Congress on the Dixon legislation. In the course of his normal duties, Mr. Dean met with Senator Dixon and his staff to explain the Administration's position on Toshiba/Kongsberg and related issues generally. He took with him the responsible CIA analyst, for purposes of briefing the Senator on intelligence relating to C.Itoh's role in the illegal Toshiba technology diversion. I learned that this meeting had taken place two months after the fact, when Mr. Dean told me that he had had a subsequent press inquiry concerning C.Itoh.

Sincerely,

FRANK C. CARLUCCI.

Mr. President, I have another letter dated November 20. Although we looked into these matters prior to our confirmation hearing, these articles appeared after our hearing. That is the reason Mr. Carlucci's letters are dated yesterday and today.

This is quoting from Frank Carlucci's letter dated November 20, 1987.

DEAR MR. CHAIRMAN: With respect to today's press article on the subject of my letter to you of November 19, I wish to note the following:

First, I am not aware of what activities, if any, Roderick Hills has undertaken on behalf of C. Itoh. As indicated in my letter of yesterday, I have had no communications with him on this subject.

Second, Robert Dean of the NSC Staff does not know Mr. Hills and has never met or communicated with him on the subject of C. Itoh or any other subject.

Third, at no time have I authorized or directed the NSC Staff to engage in any effort to restrict the public release of information on alleged high-tech diversions in order to limit embarrassment to Japan or any other nation.

I believe my letter of November 19 responds to any other aspects of today's story, in sofar as they relate to myself or the NSC Staff.

Mr. President, we have checked with Senator DIXON who is the sponsor of the legislation in question. He confirms the accuracy of these two letters by Mr. Carlucci.

Mr. President, in addition to looking into the specifics of these allegations, Senator WARNER and I reviewed the FBI files of their investigation of Mr. Carlucci. The FBI had conducted a full field background investigation of Mr. Carlucci in 1986 prior to his nomination as Chairman of the General Advisory Committee of the Arms Control and Disarmament Agency. Subsequent to that full field investigation, he was the subject of a supplemental FBI report in December 1986. In February 1987, in connection with his appointment as Assistant to the President for National Security Affairs, the FBI conducted an expanded name check. Most recently, the FBI conducted an expanded agency check in which they requested that the following agencies provide any records relating to Mr. Carlucci:

Office of Personnel Management.
Central Intelligence Agency.
Defense Central Index of Investigations.
Defense Industrial Security Clearance Office.
Securities and Exchange Commission.
Department of Defense.
Department of Energy.
Food and Drug Administration.
Department of Agriculture.
Department of State.
Public Integrity Section, Department of Justice.
Department of Commerce.
Federal Communications Commission.
Federal Trade Commission.
Customs Service.
United States Secret Service.
The White House Office.

In addition, searches for information relevant to the nominee were made of FBI Headquarters and selected field office records as part of the expanded name check.

Senator WARNER and I find nothing in this material which gives any reason why Mr. Carlucci should not be confirmed.

Mr. President, Mr. Carlucci has had a long and distinguished career of Government service. In fact, this is the seventh time that he has been nominated to a position by the President that requires the advice and consent of the Senate. During the past year, Mr. Carlucci has served as the Assistant to the President for National Security Affairs. At the beginning of this administration, he held for 2 years the position of Deputy Secretary of Defense. Prior to that time, Mr. Carlucci served as Deputy Director of the Central Intelligence Agency and U.S. Ambassador to Portugal. Earlier in his career, he was assigned to a number of key positions in the Foreign Service and other Federal Government departments and agencies.

The Nation is extremely fortunate, Mr. President, to have such a talented and dedicated public servant nominated to assume the demanding responsibilities of Secretary of Defense. He will be taking on these responsibilities at a time requiring difficult decisions.

During his confirmation hearing, Mr. Carlucci demonstrated that he was well aware of the tough defense budget decisions that will be needed. I was particularly impressed, Mr. President, with his attitude on improving the efficiency in the production of major weapon systems. Inefficient production rates have become a serious problem; I was gratified to hear that Mr. Carlucci understands the gravity of the current situation. Mr. Carlucci spoke of decisive actions that may be needed to solve this problem, and I quote:

> It does mean terminating some programs in order to fund others more fully. It does mean delaying some new starts, and it may mean taking money from other areas of the budget * * *. For the purpose of developing more efficient production rates.

Mr. Carlucci also spoke forcefully on the need to maintain a balance between modernization and readiness. We have seen, Mr. President, the beginnings of troubling downward trends in readiness indicators. If we do not reorder certain priorities, we may be on a path toward the "hollow forces" that plagued our defense posture in the past. Mr. Carlucci clearly understands the pitfalls of such an outcome. He commented as follows:

> I would rather have a smaller force that is effective and that has the necessary equipment, the necessary ammunition, the necessary personnel, than have a larger structure that is not effective.

On a last point, Mr. President, Mr. Carlucci communicated his desire to work closely with the Congress in meeting the challenges of the next 14 months. His statement at the hearing clearly presented his attitudes in this regard, and I quote:

> * * * During the past several months I have had the opportunity to work with many members on both sides of the aisle, solving problems and resolving issues of great importance to the President and the Nation. This recent experience, as well as my 27 years in Government, tells me that virtually all of the challenges ahead will be successfully met if we can focus on the common objective of doing what's best for the country. The key, of course, is for the executive branch and Congress to work closely together. My style in the past has been to function in close collaboration with the Congress. That will continue to be my style in the future.

Mr. President, in Frank Carlucci, we have a nominee for Secretary of Defense who has the right background, attitudes, and approaches to provide effective leadership of the U.S. Department of Defense at this critical juncture.

I urge my colleagues to join me in supporting this nomination.

Mr. President, Senator WARNER is in a meeting that he and I had scheduled for several weeks with a number of officials. He will be here in a moment.

I do not know whether anyone else wishes to speak on this nomination in the immediate future, but until Senator WARNER arrives, I suggest the absence of a quorum, the time to be equally divided between both sides.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEVIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CONRAD). Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I support the confirmation of the nomination of Frank Carlucci to be our next Secretary of Defense. Mr. Carlucci has appeared before the Armed Services Committee. We had a very useful and helpful confirmation hearing.

He made it clear during that meeting that his priorities are that we have a military structure that is in good fighting shape and that we will not ever again—at least during his reign—have a hollow army, an army which has a force structure that does not have all the spare parts, that does not have all the munitions, that does not have all the gasoline, that does not have all the flying hours, that does not have all that is necessary to make it ready to go to war, if necessary.

Mr. Carlucci combines devotion to this country and loyalty to this country and a commitment to a strong defense with some commonsense pragmatism. I believe that the confirmation of his nomination as Secretary of Defense is going to add an important measure in terms of congressional relationships with the Defense Department. He has already indicated in many ways that he is open, that he is accessible, and that he will be working with Congress. All those are great pluses.

He has been thoroughly reviewed by the FBI and has passed muster totally in that regard. I hope we will give him a strong, if not a unanimous, vote of confirmation later on this morning.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. NUNN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr DIXON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection it is so ordered.

Mr. DIXON. Mr. President, in view of the fact that my name has been mentioned in the discussions this morning and particularly with reference to a column by Mr. Anderson mentioning Carlucci I feel that I should make a very brief statement just to clarify the record.

I have observed here and read two letters from Mr. Carlucci, dated November 19 and November 20, to the distinguished chairman of the Armed Services Committee, Senator NUNN, from Mr. Carlucci. I must say to you I do not know the accuracy of all of the content of these letters because a good portion of it is matters I have no information about. But I would state for the record to the extent that Mr. Carlucci said that he never talked to me about the question of C. Itoh, a Japanese trading company and their relationship with the Toshiba matter, I will confirm that he never did speak to me.

Mr. Anderson's columns are accurate. I prepared legislation on the question of Japanese trading companies and their relationship with Toshiba. It is also accurate that at first I had mentioned C. Itoh in that legislation and that later I took out the name of C. Itoh and made the legislation generic in character regarding Japanese trading companies and their relationship with Toshiba.

So far as Mr. Carlucci is concerned, he never talked to me about it. The people who came to see me were from the CIA and the NSC. I am sure they were.

Mr. Charles Smith, my legislative assistant for the Armed services Committee, was with me that morning.

The point I want to make is I never talked with Mr. Carlucci about it. The people who came to see me never stating that they were representing Mr. Carlucci.

As the President knows, the Record shows I introduced legislation generic in character. As I have said before, you do not make laws against John Dillinger and Jesse James, you make laws against bank robbery. I want to be clear that I want to go after all trading companies, past and future, who are involved in illegal sales. That legislation is pending. I am a member of the conference on the trade bill. But I do want to make it clear that the chairman was right in putting these statements from Mr. Carlucci in the RECORD because he never did contact me.

I would be delighted to answer any questions.

Mr. WARNER. Mr. President, I say to my good friend from Illinois I concur.

The distinguished chairman, Mr. NUNN, and I have had several meetings with Mr. Carlucci over the past several days, and indeed we had breakfast with him this morning, at which time we covered in complete detail a variety of recent press allegations, and speaking for myself they certainly, in my judgment, do not provide any basis for questioning the integrity of this distinguished public servant.

It is the intention, of course, of this Senator to vote for him. I will momentarily make a statement. I believe I can accurately represent the chairman, who was present at each of the meetings I attended when this subject was discussed, and Chairman NUNN, like myself, I think perhaps at the statement this morning was not present, because the two of us were trying to cover the same meeting at different times this morning. I am certain that he touched on this important matter.

Mr. DIXON. I thank my friend from Virginia.

I want to again say, Mr. President, that the Anderson column is correct in that it says that I did mention C. Itoh in the first draft and did not in the last draft.

I would again say that as a lawyer with considerable trial experience and criminal trial experience on both the prosecution and defense side, it just came down in the end to my own opinion that you ought not to mention a company in a degree of specificity in legislation when there seemed to be some dispute about the culpability of the company.

I certainly intend to vote for Carlucci. I hold him in the highest personal regard.

I thank my friend, the ranking member. If there are any other questions I will answer them. I presume there are not.

I thank the President.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call to roll.

Mr. WARNER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objective, it is so ordered.

Mr. WARNER. Mr. President, I rise to join the others here this morning in support of the President's nominee, Mr. Frank Carlucci, to the office of Secretary of Defense. Having served under three Secretaries of Defense in the Department of the Navy from the years 1969 to 1974, this position has been of great interest to this Senator for a long time.

It was my particular privilege this morning to join our distinguished chairman, Mr. Nunn of Georiga, with the designee, Frank Carlucci, at breakfast. Later, we went in to visit briefy with the President. The President was in great form, looking forward to the Senate confirmation of his new Secretary of Defense today.

I predict that the working relationship between Mr. Carlucci and the Senate and, hopefully, the House will be one of the best working relationships in the history of that office between our Secretary of Defense and the Congress of the United States.

Mr. Nunn and I have met with Mr. Carlucci I think about six to eight times in the last several weeks. We have seen firsthand how this very able man intends to work in an open and candid fashion with the Congress in the best interests of the United States, recognizing that the subject of national defense rises above any partisanship. And he is prepared to take on this important position with that in mind.

I have known Mr. Carlucci on a professional basis and personally for over two decades and observed with great interest and admiration how he has handled a number of positions on behalf of the United States as a public servant. During that period he successfully served in a number of senior policy and management positions in the executive branch under several Presidents.

It is interesting, I just left a meeting where former Secretary of Defense Harold Brown was present and we were discussing the nomination now pending. Secretary Brown wishes Mr. Carlucci the best of luck and, with a sense of humor, he reminded me that Mr. Carlucci served with great distinction in the Carter administration. And indeed that is to his credit. He served a number of Presidents and has done it with great success.

He was Director of the Office of Economic Opportunity, Associate Director and then Director of the Office of Management and Budget, Under Secretary of Health, Education, and Welfare, Ambassador to Portugal, Deputy Director of Central Intelligence, Deputy Secretary of Defense, and now serving as the National Security Advisor to the President of the United States.

Mr. President, during my association—and, indeed, it has been a long and valued one—I have always found this nominee to be, although quiet in manner, a very decisive man, willing to make the toughest of decisions in the best interest of our Nation.

He injects leadership and confidence into the Department of Defense at this particular, critical time in the same manner that he injected leadership and confidence in the NSC staff at a time when it badly needed only the finest of leadership.

During his confirmation hearing before the Senate Armed Services Committee last week, Mr. Carlucci pledged to work closely with Congress as we wrestle with the very difficult issues involving our Nation's defense in these critical times when, because of fiscal realities, defense spending is being reduced. I think all Senators who attended that session came away with the impression that he did not dodge a single question. He answered every one. And some of the answers, I am quite certain, raised a few eyebrows in this town because of his frankness and his candor.

He understands the choices facing the United States. He has pledged to work with the Congress, and I think we can count on him.

I would also like to say that by his side is a very lovely and competent professional wife. And that is important. Anyone going to that Department has to make an incredible commitment of time, particularly time away from one's family. And Mr. and Mrs. Carlucci are ready to make that sacrifice on behalf of our country.

Mr. President, at the conclusion of my brief statement this morning, I would like to also include in the Record his official biography so it will be a matter of public record. I ask unanimous consent that it be printed in the Record.

There being no objection, the biography was ordered to be printed in the Record, as follows:

Frank C. Carlucci

Frank C. Carlucci was sworn in as Assistant to the President for National Security Affairs on January 2, 1987.

Mr. Carlucci had been Chairman and Chief Executive Officer of Sears World Trade, Inc., since October 1984, after serving as President and Chief Operating Officer since January 1983.

A retired Career Minister in the U.S. Foreign Service, Mr. Carlucci was born in Scranton, Pennsylvania, on October 18, 1930. He graduated from Princeton University in 1952. He served for two years as a Lieutenant (junior grade) in the Navy aboard the USS ROMBACH (DE-364). Thereafter, he attended the Harvard Graduate School of Business Administration and joined the Jantzen Company in Portland, Oregon, in 1955.

In 1956, Mr. Carlucci joined the Department of State as a Foreign Service Officer and was assigned, from 1957 to 1959, as Vice Consul and Economic Officer in Johannesburg, South Africa. He was subsequently assigned as Secretary and Political Officer in Kinshasa, Congo, for two years.

From 1962 to 1964, he was Officer-in-Charge of Congolese Political Affairs in Washington and from 1964 to 1965 was the Consul General in Zanzibar. From 1965 to 1969, he was Counselor for Political Affairs in Rio de Janeiro, Brazil.

Mr. Carlucci was appointed Director of the Office of Economic Opportunity in December 1970, after having served as Assistant Director of OEO from June 1969. He was then appointed Associate Director of the Office of Management and Budget and was later appointed Deputy Director. For the next two years, until 1974, Mr. Carlucci served as Under Secretary of the Department of Health, Education and Welfare, followed by appointment as Ambassador to Portugal. He returned to the United States in February 1978 and served as Deputy Director of Central Intelligence until January 1981. From February 1981 until January 1983, Mr. Carlucci served as Deputy Secretary of Defense.

His awards and honors include: Presidential Citizens Award, 1983; Distinguished Intelligence Medal, 1981; National Intelligence Distinguished Service Medal, 1981; Defense Department Distinguished Civilian Service Award, 1977; Department of Health, Education and Welfare Distinguished Civilian Service Award, 1975; State Department Superior Service Award, 1972; and State Department Superior Honor Award, 1969.

Mr. Carlucci is married to Marcia McMillan Myers of Madison, Wisconsin, and has three children: Karen, Frank and Kristin.

Mr. WARNER. I would like to close by saying that at this meeting this morning was my former boss, former Secretary of Defense, Dr. Schlesinger, who, likewise, has known Mr. Carlucci for many years and has nothing but the highest praise for him. Dr. Schlesinger reminded us all that a sense of humor is quite essential, not only in this office, but all public offices. Dr. Schlesinger, although he did not give me permission, stated, and I will quote it for the Record:

> Never in the course of human history will an office be so upgraded as that of Secretary of Defense upon the assumption to that office of Frank Carlucci, with the advice and consent of the United States Senate.

I thank the Chair.

Mr. JOHNSTON addressed the Chair.

THe PRESIDING OFFICER. Who yields time?

Mr. WARNER. I yield to the distinguished Senator 3 or 4 minutes.

Mr. JOHNSTON. Mr. President, I would just like to say how very pleased I am that Frank Carlucci will be the new Secretary of Defense. I predict he will be not only very successful from the standpoint of maintaining a strong national defense, but that he will be very successful in his realtionship with the Congress.

I think the just-concluded defense authorization bill, which dealt with those difficult arms control treaties, is a good indication of what we can expect from Mr. Carlucci. I wonder whether this town knew what a terrible crisis we were facing over the Nunn-Levin amendment. People had been locked in very strongly to their positions. On the one hand, the pro-SDI people were ready to throw their bodies personally in front of the oncoming tank in order to ensure the SDI in not one whit or jot or title was changed.

On the other hand, the arms control people, among whom I measure myself, those who strongly felt that the Nunn-Levin amendment—that we should not have a premature, inadvertent, unintentional breaking of the ABM Treaty and were not going to accept anything less.

We had the setting, Mr. President, for a terrible, difficult, divisive fight here on the floor of the Senate which, in my view, would have poisoned the well of national affairs; it would have absolutely frozen any progress on any other front while the CR date, the continuing resolution date, approached.

Frank Carlucci immediately saw the problem. Senator Nunn and Senator Warner immediately saw the problem and, as reasonable people, they got together and were able to declare victory and, indeed, it was a victory for all sides. It was a victory for SDI because SDI got to do everything they were going to do anyway. They did not plan any tests which were going to violate the treaty. They wanted a higher number and they got it, $3.9 billion more than they were going to get out of our committee, that is the Defense Appropriations Committee.

The Nunn-Levin group got what they wanted because they were assured that there was no testing that was going to be done beyond that which was planned which, in turn, did not violate the treaty.

Mr. President, that seems like eminent good sense. It is eminent good sense, but this issue has not been marked by eminent good sense in the past. The fact now that Frank Carlucci can come in as Secretary of Defense, recognize not just the middle ground, not just moderation—because moderation and middle grounds are sometimes nothing more than a lukewarm solution to a problem which demands courage and difficult solutions. I do not mean that. I mean a man who can recognize the sensible solution when the alternatives are divisive, difficult, self-defeating, and against the national interest.

I think he is able to do that, Mr. President.

The PRESIDING OFFICER. Will the Senator suspend? The Senator's 3 minutes has expired.

Mr. WARNER. I recognize the presence on the floor of the distinguished Senator from Alabama, who is also on the Armed Services Committee. I know he wishes a little time. If the Senator is about to complete his remarks?

Mr. JOHNSTON. May I have 30 seconds?

Mr. WARNER. Yes.

Mr. JOHNSTON. I simply wanted to say that Frank Carlucci is able to do that not just by experience, by seasoning, but by real judgment which will be of great use to this Nation. I applaud his nomination.

Mr. WARNER. Mr. President, before the distinguished Senator from Louisiana departs, I wish to express my appreciation for his coming to the floor and making those statements this morning which carry a significance of great importance to the Senate; namely, I presume, that he will in the course of the appropriation process try and accept the package; that is, urge the acceptance of what the Armed Services Committee as a whole recommended to the Congress.

Mr. JOHNSTON. Mr. President, the distinguished chairman of the Armed Services Committee, Mr. Nunn, has consulted with me during those negotiations and floated out the fact that, as part of the deal which he was striking, that we would probably need a higher SDI number.

While he did not ask for me to be bound by that number, nor did I agree to be bound by it, I said I thought it was good sense. Now that it is done, I have agreed to accept it, first, because I simply want to encourage Frank Carlucci to be reasonable, which he has been. I think to now come in and try to undercut him on that number would undermine what was really a good faith effort to solve a difficult problem.

I think the Defense Appropriations Committee, not speaking for the whole committee, but I think I can predict what the committee will do. I think you will see that $3.9 billion number, which is considerably less, of course, than the administration wanted; less than the Armed Services Committee—

Mr. WARNER. Mr. President, I thank the distinguished Senator from Louisiana. It is critical that the package of the arms control compromise will be adopted in the course of the appropriation process.

Mr. President, I now yield to the Senator from Alabama such time as he may wish.

Mr. SHELBY. Thank you. I thank the Senator from Virginia for yielding.

Mr. President, I rise today in support of the nomination of Frank C. Carlucci to be Secretary of Defense.

We have an extremely difficult job ahead of us in working to balance the level of spending necessary for our national security with the need for fiscal constraint. Reaching this goal requires a person willing to work in close collaboration with Congress. There is no individual better suited to this unenviable task than Frank Carlucci.

Mr. Carlucci, a career Foreign Service officer, has a most impressive record of 27 years of service to America. Positions held include Ambassador to Portugal, Deputy Director of the Central Intelligence Agency, Deputy Secretary of Defense, and Assistant to the President for National Security Affairs. The New York Times could not have said it better when in writing: "* * * Frank Carlucci has probably held a wider range of senior Government positions than anyone in Washington."

As a member of the Senate Armed Services Committee, I had the opportunity to enter into frank discussions with the nominee, both at his confirmation hearing and in my office on the course this administration is taking and expects to take in the year ahead. We dealt with issues from arms reduction talks with the Soviet Union, to the strategic defense initiative, to state of readiness of NATO forces in Europe. Though we will not always agree, I came away from our deliberations much impressed with his knowledge of the issues and dedication to the task ahead.

Mr. President, in his remarks prepared for his confirmation hearing, Mr. Carlucci stated: "* * * virtually all of the challenges ahead will be successfully met if we can focus on the common objective of doing what's best for the country." I do not believe it could have been stated better.

Once again, I want to express my full support for the nominee and look forward to working with Secretary Carlucci in the coming year.

At this time I would like to ask the Senator from Virginia, the ranking Republican on our committee, the Armed Services Committee, about any role that Frank Carlucci may have played in the Toshiba affair, dealing with C. Itoh, the Japanese trading company.

This was not part of our hearing record in the committee last week on the Frank Carlucci nomination. But as the Senator from Virginia knows, this Member has been involved in the Toshiba-C. Itoh affair, and there have been allegations in the press that Frank Carlucci was involved in some way.

I would wonder if the ranking distinguished Senator from Virginia has had an opportunity to look at the FBI report on Mr. Carlucci's background investigation. I know he and the chairman, Senator NUNN, were going to do this. What have you been able to find out regarding Toshiba-C. Itoh affair as far as Frank Carlucci himself is concerned?

Mr. WARNER. The chairman, Senator NUNN, and myself will respond more fully to this question; given, too, the fact we only have 2 or 3 minutes. Seeing the chairman present, I will yield to him momentarily, but I would say that the chairman and I met on several occasions with the White House counsel, FBI, and others participating in the background examination of this nominee. Speaking for myself, all questions relating to this issue were answered to my satsifaction.

Specifically, Mr. Carlucci severed the contract between his organization, with Sears, and Toshiba or the representative that was an intermediary of Toshiba, very shortly, just a matter of months after he became CEO of the Sears organization.

Mr. SHELBY. I wonder if the chairman would yield—I have the same basic question.

Mr. NUNN. Would the Senator propound the question again so I make sure I understand the question?

Mr. SHELBY. What role, if any, did Frank Carlucci play in the C. Itoh-Toshiba affair that has been in the news? As the chairman knows, this Member has been very involved in the Toshiba affair, as it has been called. There have been some allegations in the press earlier this week that perhaps he was involved in that in some way.

I have been a friend and supporter of Frank Carlucci. These questions were not asked, as the chairman knows, in the Armed Services Committee last week. I know you have had a chance to look at the FBI report, talk to counsel, make your own investigation.

Mr. NUNN. The scope of what Senator WARNER and I have looked into is really limited, and I want everyone to understand that. We have not pretended to do an investigation of Toshiba. We have not intended, nor have we done, an investigation of C. Itoh, or Sears World Trade or its subsidiary. We have looked very intensely at the subject of Frank Carlucci's involvement, or lack of involvement, in the sale. There is nothing in the FBI report that would in any way implicate Frank Carlucci in the Toshiba sale or the C. Itoh sale.

Mr. President, I ask unanimous consent we could have an additional 4 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. NUNN. There is nothing in the conversations we have had with Frank Carlucci that in any way casts any aspersions or doubt on that basic question. He has negated every innuendo relating to his involvement.

He terminated, when he was the head of Sears World Trade, the relationship with C. Itoh. That was not done because of the Toshiba sale because that had not even come to light. At that stage there was no connection between the two. He did it for business reasons. He has had nothing to do in lobbying people on the Hill. Senator DIXON has already spoken to that subject. The National Security Council staff and the CIA and some others were against the Toshiba legislation. They met with Senator DIXON, but Frank Carlucci himself was not involved in that. So I do not know of anything that would cast any doubt on Frank Carlucci's role in that overall transaction.

Mr. SHELBY. I appreciate the remarks of the chairman. I thought it appropriate that this come out before we have a vote. I have been a supporter of and intend to vote for Frank Carlucci. However, as a result of recent news stories, I think they ought to be debated.

Mr. NUNN. I agree with the Senator from Alabama completely. There are stories that contain a number of facts that are accurate facts, but those facts do not lead to the conclusion even in the stories that Frank Carlucci has done anything amiss here.

Now, Roderick Hills has had involvement, and I do not make any charges or allegations here, but Frank Carlucci had nothing to do with that.

Mr. SHELBY. I appreciate the chairman clearing the air.

Mr. DOLE. Mr. President, Frank Carlucci has been nominated to assume the reins at the Department of Defense at the most challenging of times. And President Reagan has indeed chosen the right person for the job.

Defense is unlike any other department because its mission is to defend America. Unfortunately, we can't redefine the threat to fit what we want to pay. The threat is there, and it won't go away.

Nevertheless, as we wrestle with our budget deficit we will have to make tough choices for everyone. Our new Secretary of Defense will have to cut waste, buy smart, and simply get us more for our defense dollar. But make no mistake—we can't lower our shield a single inch.

That's a tall order, but one the President thinks Frank Carlucci can fill. Let's recall that he began his service to the Reagan administration at the Pentagon—as Deputy Secretary. So he is no stranger to the vital mission of DOD, and all the challenges that brings with it.

The coming months will also bring us challenge and opportunity on the international relations front—in particular in arms control. Let's face it—arms control must be part of our national security policy—it makes no sense in any other context. It follows that DOD needs a forceful advocate for its position as the administration forms a security policy for all our people.

Again, Frank Carlucci brings the right experience to the job. After serving in the Navy he served in the Foreign Service, and was later Deputy Director of the Central Intelligence Agency.

As President Reagan's National Security Adviser, he's been a key player on all the issues he'll have to go to work on—his first day on the "other side of the Potomac." He knows how our foreign policy is made, and he knows the importance of a strong defense.

Our country was well served by the talents and integrity of the outgoing Secretary of Defense, Caspar Weinberger. We're sorry to see him go, but it's good to know that Frank Carlucci can pick up the ball and run with it—on day 1. He brings with him all the experience and expertise to do the job. President Reagan has placed his trust in him, and so should we. Good luck, Frank.

Mr. CHILES. Mr. President, we are very fortunate this morning to have the opportunity to vote on the confirmation of Mr. Frank Carlucci as Secretary of Defense. Mr. Carlucci has a long and distinguished record as a public servant at the Department of State, Central Intelligence Agency, and the Department of Defense.

He has established himself as a tough, dedicated and clear thinking man with significant problem-solving capabilities. Indeed, he represents what is today the rare and exceptional person who is chosen to serve in highly responsible positions in both

Republican and Democratic administrations. This fact may be the most noteworthy, Mr. President, because Mr. Carlucci can serve as an example to us all that national security concerns are indeed bipartisan. I look forward to working with him. He is a superb choice.

Mr. WILSON. Mr. President, I join my colleagues in the warm endorsement of Frank C. Carlucci to be our next Secretary of Defense.

Frank Carlucci is an unusually qualified candidate for this post who will bring important strengths to our defense establishment. His breadth of experience in Government, including his experience in the Defense Department, will give him instant credibility within the Pentagon and in the executive branch. He will need this credibility as he will soon face some of the toughest decisions any Secretary of Defense has ever faced.

These decisions, Mr. President, would test the best of men, and they will surely test Mr. Carlucci. I am confident, Mr. President, that Frank Carlucci will be equal to the test.

Let me suggest just two of the important decisions Mr. Carlucci will face.

First, the new Secretary of Defense will have to face a declining defense budget. He must choose between presenting a budget that the Nation needs and a budget that Congress may ultimately pass. This is not a decision to be taken lightly, for however circumscribed realistic budget submissions may be, they cannot help but be interpreted as reduced commitments to defense. On the other hand, a defense submission that reflects our true national security needs cannot help but be dismissed as not serious by many in Congress.

Second, the Secretary of Defense bears a special burden in providing for the defense of America and our allies. Nowhere will this special burden be felt more heavily than in judgments regarding arms control treaties. The new Secretary will be torn between the political benefits that such treaties afford and the plain facts regarding the military balance such treaties may induce.

These choices, Mr. President, are but two of the many Frank Carlucci will face. I pledge my assistance to the new Secretary in meeting these challenges and have every confidence that Mr. Carlucci will make these tough choices with wisdom and a true spirit of the defense of freedom.

Mr. HELMS. Mr. President, it is no pleasure for me to vote against the nomination of Mr. Carlucci. He is an amiable man, with whom I feel I have a pleasant working relationship. I wish him well in his new assignment, and I hope that he will, as Secretary of Defense, implement a strong defense policy in the best traditions of the Reagan administration.

Nevertheless, I have apprehensions about Mr. Carlucci when I reflect on his career in previous Government posts involving foreign policy. To some extent, the foreign policy of any administration is a big stew, involving ingredients from many sources. Aside from the President and the Secretary of State, who pro forma take responsibility for all foreign policy decisions, it is hard to pinpoint any single individual and say that he or she is responsible for a certain policy. It is not my intention to do so. At the same time, those who are in command when certain events happen on their watch are, and should be, held responsible. That is true of Senators, and should be. We are obliged to be judged by how we voted and the positions we have taken.

Mr. President, the points which I am about to make are offered in that spirit. Mr. Carlucci was deeply involved in implementing policies which I believe are reprehensible, even though they are commonly accepted, by the foreign policy establishment in this town, as successful and even laudable. I believe that the fundamental interest of the United States is to oppose communism in all its forms; it is my judgment that Mr. Carlucci shares that opinion. But there is more to the American interest than personal anticommunism. It is my belief that U.S. foreign policy should work to strengthen other basic principles of American society in our country's relations with other countries.

For example, I fully believe that we should work with those groups and countries which are seeking to implement free enterprise in a free market economy, strong and balanced constitutional systems, preservation of traditional cultural patterns, and the dignity of the individual and of the family system. No other country in the world has the ability to make social reforms or to make progress at the rate we have enjoyed. But we ought to make our commitment to political forces around the world that are seeking to emulate the United States.

In my view, this principle would dictate that we do not support socialist or so-called social democrat political forces around the world. Some of these socialist or social democratic regimes may be anti-Communist. But in the long run, there is a great community of purpose among all varieties of socialism, including communism, than there is between socialism and the United States. Thus, every time we help a socialist regime or movement, we are ultimately and unquestionably undermining freedom and dignity in the United States. The American people do not want socialism in the United States, and there is no reason why they should be forced to support socialism in other countries through a misguided foreign policy.

We don't have to impose freedom and free enterprise on Socialist countries, but we certainly should not be using the prestige, power, money, and influence of the United States to impose and sustain socialism.

In the seventies, Mr. Carlucci was the U.S. Ambassador to Portugal. He represented the United States at a time when the African overseas provinces of Portugal were handed over to Communist governments. I do not believe that he could have prevented that, but the collapse of freedom in Africa should have been a warning to Mr. Carlucci of the danger of communism. At best, he remained passive about it. The fact is, to be candid, that Mr. Carlucci, while in Portugal, directed himself with considerable energy to the election of the Socialist Party candidate, Mario Soares. Mr. Carlucci later took umbrage at the suggestion that he had anything to do with that election, claiming that it was the Portuguese people who deserved the credit for rejecting the Communist candidate.

The point is this: There were anti-Socialist, pro-American candidates in that election, some perhaps like the late Sa Caneiro with a better chance of winning than the Socialist. Yet Mr. Soares, the Socialist, had the assistance of millions of dollars in funding from outside Portugal. Indeed, there have been credible reports in the press that the U.S. Central Intelligence Agency poured millions of dollars into the Soares campaign. It is only this year that the Portuguese have been able to recover from Mr. Carlucci's ministrations.

In February 1978, Mr. Carlucci returned to the United States and became Deputy Director of the Central Intelligence Agency, a post he held until January 1981. I do not suggest that this was a post where the buck stops, but I do contend that it is a post where the implementation starts. It is a post that is deeply involved not only with intelligence gathering, but with the implementation of covert policies. I am not privy to classified information describing Mr. Carlucci's activities in this role, but he was in place, in this key post, during one of the most disastrous years of U.S. foreign policy. Consider the following:

I. IRAN

On January 16, 1979, the Shah left Iran at the urging of his CIA handlers. The deep involvement of CIA, in company with British intelligence, in the Shah's rule has been well documented in memoirs and scholarly books on the period. At the same time, the Shah's fall has been called a massive intelligence failure by the CIA, which failed to predict the coming revolution. The

U.S. Embassy was seized on November 4, 1979. Iran remains the festering sore of the Middle East.

II. NICARAGUA

On July 17, 1979, Somoza left Nicaragua. Whatever Somoza's faults, they pale into insignificance when compared with the Communist regime which has followed. The CIA had an informant in the well-known meeting between Castro and the Sandinista leaders in Havana in 1978, and knew well that the Sandinistas had accepted Castro's support and control of the movement. Yet the CIA played a significant role in helping the Sandinistas come to power. Nicaragua remains the festering sore of Central America.

III. ZIMBABWE

On July 4, 1979, Bishop Muzorewa, the Prime Minister of Zimbabwe, came to Washington to talk to President Carter to seek his support for a settlement that would include all parties opposed to violence and terrorism. But the talks came to nothing because the CPA was working to undermine Bishop Muzorewa with covert action in favor of the Communist terrorists led by Robert Mugabe in the Patriotic Front [PF]. The head of Bishop Muzorewa's Central Intelligence Organization [CIO], the late Mr. Ken Flower, has described this in his memoirs "Serving Secretly" recently published:

> CIO were in the process of uncovering extensive CIO operations in Zimbabwe-Rhodesia and other African countries, designed to undermine Bishop Muzorewa. This indicated, in effect, that the CIA were helping the PF.

The United States failure to support Bishop Muzorewa has resulted in the imposition of a one-party Communist government in Zimbabwe strongly aligned with the Communist in Mozambique and Angola.

IV. EL SALVADOR

The overthrow of the constitutional government of El Salvador in October 1979. El Salvador was then one of the most successful Latin American countries; it had developed an export economy, and had one of the highest rates of equitable wealth distribution south of the Rio Grande. Yet United States covert action encouraged a leftist military coup which abolished the Salvadoran Constitution, installed a self-acknowledged Socialist, Napoleon Duarte, as head of a three-man junta, and imposed a land reform which destroyed the nation's economy; 5 years later, the CIA funneled millions of dollars into El Salvador to rig the elections so that Duarte could be an "elected" leader instead of an open CIA puppet. In this position Duarte has presided over the destruction of the economic and political vitality of his country.

V. SALT II

During the period 1978-79, the Carter administration was busily engaged in negotiating the fatally flawed SALT II Treaty. A key element in these flaws was the chronic underestimate of Soviet military capability. The treaty failed to be presented in the Senate because of the CIA failure to warn of the impending Soviet invasion of Afghanistan.

In reviewing all of this, I do not lay all of the failures of the Carter administration at the doorstep of Frank Carlucci. But I say again, he was at best passive while the failures were occurring. And each of these failures resulted from a preference for Socialist forces over the forces of freedom and constitutionalism, and a willingness to use nondemocratic means to achieve a Socialist result. Mr. Carlucci held a very important job in the intelligence community at the time when these failures, so often a failure of intelligence estimates as well as of policy, took place. Yet is it not a matter of record that Mr. Carlucci, even once, criticized the work of the CIA or the Carter administration in this period.

Perhaps Mr. Carlucci will do a fine job as Secretary of Defense. For the sake of the country and for the sake of the administration, I hope that he will. I pray that I am mistaken in my apprehensions. We are entering a period of a new relationship with the Soviet Union, a period fraught with dangers. Indeed, the greatest danger is that we will relax our guard in the hope that communism has somehow become a less virulent form of socialism. I urge Mr. Carlucci to keep on his guard, to keep our country strong, and our people safe and secure. If he will do that, I wish him well.

Mr. SHELBY. I again voice my support for the nomination of Frank Carlucci to be the next Secretary of Defense. I yield the remainder of my time.

Mr. NUNN. Mr. President, I will yield back any time we have remaining as managers on behalf of myself and the Senator from Virginia.

The PRESIDING OFFICER. The question is on the confirmation of the nomination. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arizona [Mr. DECONCINI], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I further announce that, if present and voting, the Senator from Arizona [Mr. DECONCINI] would vote "yea."

Mr. DOLE. I announce that the Senator from Wyoming [Mr. SIMPSON], the Senator from Virginia [Mr. TRIBLE], the Senator from Wyoming [Mr. WALLOP], and the Senator from California [Mr. WILSON] are necessarily absent.

I further announce that, if present and voting, the Senator from Wyoming [Mr. WALLOP] and the Senator from California [Mr. WILSON] would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 91, nays 1, as follows:

[Rollcall Vote No. 385 Ex.]

YEAS—91

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Warner
Weicker
Wirth

NAYS—1

Helms

NOT VOTING—8

DeConcini
Gore
Kennedy
Simon
Simpson
Trible
Wallop
Wilson

So the nomination was confirmed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of this nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now return to legislative session.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for morning business not to exceed 45 minutes and that Senators may speak therein up to 10 minutes each.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

KANSAI AIRPORT: WHAT DO WE WANT?

Mr. MURKOWSKI. Mr. President, I take this opportunity to inform my colleagues that evidently the Japanese Government has seen fit to stage a massive retreat from agreed-upon negotiating positions on a major public works project in Japan, the Kansai airport and additional public works projects in Japan. In essence we apparently are where we were 2 years ago. The Japanese Government position has been officially communicated to Commerce Secretary Verity by Foreign Minister Uno and the other Japanese officials he has met in Tokyo over the past 2 days.

It appears that the Japanese wish to continue to exclude American and other foreign architecture, engineering and construction firms from the expanding Japanese market, just as they have been excluded for the past 25 years. In the meantime they wish to further entrench themselves in the wide-open U.S. market as they have, particularly in the past 5 years. They have only agreed to talk about things in the upcoming GATT round of negotiations, some time in the future. Secretary Verity has labeled this position as unacceptable, and so it is, especially since the GATT presently does not apply to services such as construction, architecture, engineering, and so forth.

Our Japanese friends have asked us, "What do you want?" What is fair and how can it be communicated in a clear and concise manner.

First we want a complete dismantlement of the formal system of barriers surrounding the bidding and contract letting of major projects in Japan. The essence, we want all the fairness and transparency demands on the U.S. Commerce Department negotiating list.

Second, we want a complete dismantlement of the informal system of barriers surrounding bidding and contracting of major projects in Japan. This is really the infamous "dango" system of antitrust conspiracy which is officially tolerted. A sign of sincerity would be the bringing of major antitrust suits by the Japanese Fair Trade Commission against known violators.

Third, we want a strong, positive statement that the Japanese Government will facilitate the entry of United States firms into the Japanese construction market as sole entities rather than merely as joint venture partners of Japanese firms.

Fourth, we want Japanese officials to immediately let a number of major contracts to foreign architecture, engineering and construction firms from the standpoint of allowing them to come in and competitively bid. These measures indeed would be proof of sincerity and good faith on the part of the Government of Japan.

American architecture, engineering and construction firms are the best in the world, the No. 1 exporter of design and construction services in the world today by indeed a significant margin.

Finally, this program must apply to all major civil works projects in Japan, not just Kansai airport and the Tokyo Bay Bridge project.

Japanese construction firms have done over $7 billion in business in the United States over the past 3 years while the United States firms have have been excluded from the Japanese market. The Japanese Government proposes to continue, evidently, this totally one-sided system.

Mandatory section 301 action is in both sides of the trade bill H.R. 3. Reciprocity language is pending in conferences on airport construction, military construction, DOT appropriations and Energy and Water appropriations. Given the negotiating stance we face, it is absolutely imperative that these provisions be enacted into law.

In conclusion, Mr. President, we are not embarking on a bashing mission. We are simply recognizing an inequity that does exist, the inability to penetrate Japanese markets. We are only asking for the same treatment. We welcome competitive Japanese bidding in U.S. construction, architecture, engineering and design. We feel we have every right to expect the same consideration in the markets of Japan.

It is indeed disappointing to assume that the information that we are getting is an indication of a rather negative attitude by the new Japanese Government under the leadership of Prime Minister Takeshita, after we were encouraged by the previous Prime Minister, Prime Minister Nakasone, who has indeed stated time and time again that the markets of Japan must be opened to the West.

I thank the Chair. I yield the floor.

NOMINATION OF FRANK C. CARLUCCI TO BE SECRETARY OF DEFENSE

Mr. STENNIS. Mr. President, I will be brief and not take over 2 or 3 minutes.

I was misinformed as to the time of the discussion of the Carlucci nomination for Secretary of Defense and got here after the vote had already started.

Mr. President, I have been very much impressed with the record of solid leadership Frank Carlucci has established. I look forward to his service as Secretary of Defense at this crucial time which demands a firm, steady hand to give direction to our military forces.

It is clear indeed that we must work continually to make sure that every dollar we spend for national defense, as well as for everything else, is carefully accounted for and wisely spent. The American people recognize the need for a strong national defense, but they will not support any waste. The challenge facing Mr. Carlucci at this time is to give leadership and direction in defense spending that will assure our citizens that their tax dollars are being spent in the most efficient and effective way. Of course he will also have other important duties.

We all are aware of the tremendous demands on our military around the globe, and it is no easy task to keep our defenses ready and equipped for all the situations that may arise. I have great confidence that Mr. Carlucci is a man equal to the task ahead, and I pledge my full support to him, as I know other Members of this body do, as he assumes this vitally important role in our government.

Mr. President, I personally think—and this is based on my observations of Mr. Carlucci over a period of years—that he is a very outstanding and capable man. My prediction is and my expectation is that he will make an exceptionally fine Secretary of Defense.

I wanted to emphasize, though, to the membership that it is not just the amount of money that is spent that is so important in this office that I have been observing for a good number of years. It is a question of how it is spent, whether you get full value for your dollar or not. I think this cost is fine and I support the cost. But I think it is going by time that we can reasonably stand and that there is more room to be made available through a wise expenditure of these dollars that he will have primary responsibility for.

I urge him to do his very best and predict that he will do just that, and that he will be a very effective Secretary of Defense.

The **PRESIDING OFFICER.** The Chair, in his capacity as a Senator from North Dakota, suggests the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

THE STATE OF OUR ECONOMY

Mr. MURKOWSKI. Mr. President, I would like to speak briefly on the state of our economy. I think we are all very much aware that there has been a great deal of time and effort given by Members of this body, as well as the

House, to try and address the necessary corrections to again regain confidence. We are continually faced with the question of what action must be taken, what will be accepted, and just how we are going to structure it.

It is my understanding a number of our colleagues this morning will take advantage of this morning business time to address the various proposals. It is not my intent to detract from any of their individual efforts, but I think it is appropriate and I would hope that we can develop a sense of the Senate with regard to the issue before us.

There is no question that we are in a financial squeeze. We have a runaway accumulated debt, somewhere in excess of $2.3 trillion. I have reminded my colleagues on numerous occasions that when I came here to the Senate in 1981 that figure was about $757 billion

Our current interest on that accumulated debt is costing us some 15 to 16 cents out of every dollar. It does not provide one job in this country. It does not provide for one program. Our public and financial markets are looking for leadership to help restore confidence and stability of our economy and our Nation.

We have seen various proposals, deficit reduction plans, but for the most part a plan that is going to be acceptable has to be equitable, has to be fair, has to be across the board. It also has to recognize that indeed our system itself is at stake. The financial system of this country is shaking at this time. They are looking for leadership from the Congress.

Now as we address the alternatives, whether it is an across-the-board freeze, including defense, nondefense discretionary, COLA freezes, Medicare providers debt service, and an increase in revenues, as well, we have to recognize that our obligation is to address the severity of the problem.

There are those that have a very uncomfortable feeling of the merits of any across-the-board freeze on COLA's. First of all, let me point out that we are not talking about cutting any programs as we look at the corrections that are anticipated to be necessary to bring back confidence in the economy. As we look at the obligations we have in the area of Social Security, one has to reflect on just what happened to Social Security beneficiaries as a consequence of the market collapse of Black Monday. It is estimated that about 210 billions of dollars were wiped out that were held primarily by profit sharing and various pension plans that recipients basically anticipated for continuation of their individual retirement purposes.

As we reflect on just what Social Security was designed to do, we are reminded that Social Security was designed to supplement retirement. But at the same time, if the pensions that are invested in the market through the profit-sharing programs are undermined as a consequence of the losses, that, indeed, is significant and I think underlines my concern that the system itself is at stake.

We are all going to have to make a sacrifice. The time to do it is now, because if we do not do it now, Mr. President, the next time we might not be talking about just a freeze; we might be talking about significant cuts, deep cuts. And that, I think, is what concerns and should concern all of us.

So, as a consequence, Mr. President, as we reflect on the decisive action that we are going to have to initiate, we are going to have to call on all Americans. We are going to have to call on all programs. I personally can think of no fairer way than an absolute across-the-board freeze. Again, it does not cut into what anybody is currently getting. The significance of that I think was expressed in this body earlier last week when I had an opportunity to rise on this topic and communicate to you the attitudes of various service organizations that stated that we would be willing to accept a COLA freeze, if, indeed, it were uniform, if it was across the board, if it was equitable. And, as we reflect on those recipients of COLA freezes, I can think of no other group that we have a greater obligation to than those who fought for the freedom and liberties that we enjoy. They are saying, Mr. President: Yes, we will stand up and be counted; yes, we will take the freeze and make the sacrifice as long as it is equitable and across the board.

So, Mr. President, it is indeed my intent to urge my colleagues that our actions are being examined. The market is looking for the leadership. It is going to take decisive action. I am not condemning my colleagues, who have spent a great deal of time and effort during past weeks to try and reach a summit agreement. But, really what we are talking about, Mr. President, is whether or not we finally believe that the system is under significant jeopardy so that we are willing to make the sacrifices necessary to correct it. That, Mr. President, is going to take, I think, the leadership that this body is expected to rise to. I think it is what the public wants. It establishes a credible debt reduction series of targets and, by freezing across the board, Mr. President, as well as the adjustment on revenues, I think we can achieve the type of message that America is waiting to hear from the Congress of the United States.

I yield the floor.

The **PRESIDING OFFICER**. The Senator from Iowa.

NATIONAL SECURITY ADVISER

Mr. **HARKIN**. Mr. President, we here on the Senate floor just voted to confirm, by an overwhelming vote, Mr. Carlucci to be the new Secretary of Defense.

What that means, Mr. President, now, is that the position of the National Security Adviser to the President of the United States is open. Now, it has come to our attention that the President intends, I understand, at this point in time to place in that position an active duty military officer, Lt. Col. Colin L. Powell.

Mr. President, I think this, again, would be compounding the mistake that was made by President Reagan last year when he put Admiral Poindexter in as the National Security Adviser. Because, since the establishment of the National Security position within the White House underneath President Truman, no one served in that position as an active duty military adviser until Admiral Poindexter.

Now, I think, by putting another active duty military person in there, I believe this really compounds the problem.

Mr. President, the report of the Iran-Contra Committee released the other day includes the recommendation that no active duty military officer serve as the National Security Adviser to the President. This common sense prohibiton avoids the appearance, or any chance of conflict of interest by an official called on to provide information and recommendation to the President from various departments, including the Department of Defense. This recommendation by the Iran-Contra Committee adds to a growing list of influential panels and individuals who have come to this same conclusion.

First, Mr. President, Gen. Brent Scowcroft perceived the conflict of interest and he resigned his commission before accepting the National Security Adviser position. Later on General Scowcroft stated:

> The job of National Security Adviser could not be separated from the President in all his aspects as a political leader * * * and, therefore, it was incompatible to remain on active duty.

Mr. President, I will return to this theme in just a moment, but I want to keep that in mind. He said the position of National Security Adviser could not be separated from the President in his aspects as a political leader.

Then the Tower board, chaired by the former distinguished Senator from Texas, Senator Tower, investigating the Iran-Contra affair, concluded that the National Security Adviser should be an "honest broker" who gives advice to the President "unalloyed by institutional responsibilities and biases."

So I ask, Mr. President, could an active duty military officer, whose next promotion is decided in the Pentagon and by the President, provide such unbiased advice?

Next, Adm. William J. Crowe, the Chairman of the Joint Chiefs of Staff, testified that he does not approve of a military person in this delicate post: "I don't think an active military man should lead the NSC. I just don't believe that." He went on to say that if the President wants military views, he should come through the normal chain of command and to the Chairman of the JCS, not to the NSC adviser.

Finally, the current nominee or selectee for this post, Lt. Gen. Colin L. Powell, told the New York Times before he was nominated that the NSC adviser should be a civilian. Well now, Mr. President, we are going to see if his convictions will lead him to resign his commission, following the fine tradition established before by General Scowcroft.

Mr. President, my concern about the potential for conflict of interest in the National Security Adviser position does not in any way reflect on the qualifications or the personage of General Powell to fill this post. In fact, I introduced S. 715 calling for this prohibition on March 11 of this year, long before the recent nomination. From all reports, General Powell is well-qualified, and has the respect of his colleagues and subordinates. Based on the glowing praise of General Powell, I assume he will serve the President well in the remaining months of the administration.

I assume that he would serve the President well in the remaining months. But again I raise the suggestion and the point that he could remove any doubt, remove any appearance of any conflict of interest, and also set an example for future administrations, by resigning his commission now.

Mr. President, this is an important point because the President of the United States is indeed the Commander in Chief of our Armed Forces. As such, he should get information on which to base decisions from the military, from the Joint Chiefs of Staff. That is what they are there for. But the President of the United States is also a political leader, not only a political leader of this country but a political leader of the free world. Therefore, the NSC Adviser who fills that position has to be able to operate within that political structure and advise the President of the United States in matters dealing with political policies.

I do not mean just Republican-Democratic policies. I mean political decisions as to how we are going to do certain things in the world that may not be of a military matter or of a political nature.

It may also have to do with internal problems of a political nature.

Therefore, the person who fills that position of National Security Adviser has to operate within a political structure. I do not believe that that person ought to be a full-time military officer or military person because then you bridge that gap between the military and the civilian, and it clouds whether or not a military person is a military officer or is he a political adviser, a political confidant of the President of the United States.

Mr. President, I believe this is a serious matter. I entered into a colloquy during the initial debate on the defense authorization bill on this issue. I was going to offer an amendment at that time saying that the Senate would take the position that that person should be a civilian. I was persuaded from doing so in a colloquy with the distinguished chairman of the Armed Services Committee and the chairman of the Iran-Contra Committee, the distinguished Senator from Hawaii, because I wanted to see what the Iran-Contra Committee would suggest.

Again, Mr. President, I would read into the RECORD recommendation No. 23 of the Iran-Contra Committee:

> The Committees recommend that Presidents adopt as a matter of policy the principle that the National Security Adviser to the President of the United States should not be an active military officer and that there should be a limit placed on the tour of military officers assigned to the staff of the National Security Council.

Mr. President, this issue is not going to go away. It is here. It is now. We are going to have to address this issue at some point, I think before the year is out, because of the nature of the person now asked by the President to serve in that position, a three-star lieutenant general. I would hope that General Powell would be sensitive enough to this to do one of two things: Either follow on the path set by Gen. Brent Scowcroft or ask the President to find someone else to fill that position. I yield the floor.

EXPRESSING CONDOLENCES OF THE SENATE TO THE FAMILIES OF AIRCRAFT CRASH VICTIMS AT STAPLETON INTERNATIONAL AIRPORT, DENVER, CO

Mr. BYRD. Mr. President, the two Senators from Idaho, Senator MCCLURE and Senator SYMMS, and the two Senators from Colorado, Senator ARMSTRONG and Senator WIRTH have a resolution which they wish to call up. It has been cleared on this side. I ask unanimous consent that there be a time limitation of 2 minutes on the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

> A resolution (S. Res. 328) to express the sincere condolences of the Senate to the families of victims of the aircraft crash at the Stapleton International Airport in Denver, Colorado.
>
> Whereas a commercial aircraft crashed on take-off from Stapleton International Airport in Denver, Colorado, on November 15, 1987;
>
> Whereas the aircraft was bound for Boise, Idaho, carrying 77 passengers and 5 crew members;
>
> Whereas 27 people on board the aircraft died and many more were injured: Now, therefore, be it
>
> *Resolved*, That the Senate expresses its sincere condolences to the injured victims of this accident and the families and friends of those who died.

Mr. McCLURE. Mr. President, today a memorial service is being held in Boise to remember the 27 people who died in the airline crash at Stapleton Airport on November 15. The plane was bound for Boise and most of those onboard were from Idaho. Senator SYMMS and I have introduced a resolution which expresses the Senate's condolences to the family and friends of the accident's victims.

Tragedies like this are never easy to understand. There are really no words that will make people who lost loved ones feel any better, so I won't even try. To those who were injured, I send hope for a speedy recovery. To the family and friends of those killed, I send my deepest sympathies and my heartfelt wish that their pain will begin to ease.

Mr. SYMMS. Mr. President, last Sunday, a tragic accident occurred at Stapleton International Airport in Denver. A Continental Airlines jet, carrying 77 passengers and 5 crew members and bound for Boise, ID, crashed on takeoff; 27 people, including 3 crew members, died and at least 34 others were injured in the wreck. Many of the victims were from my State of Idaho, including several high school students returning from a Future Farmers of America convention.

Accidents of this kind are always sad, and one feels a real sense of loss even if one doesn't know the victims personally. However, the loss is particularly striking for people in a rural State like mine, where each individual is an integral part of his or her school, church, and community. I know that all Idahoans feel that loss and mourn for those who were injured and the loved ones of those who died.

I hope passage of this resolution expressing the condolences of the U.S. Senate will be some small measure of comfort to those who lost loved ones or suffered serious injury in that accident. I want to thank my colleagues, especially the majority leader, Senator BYRD, and the Republican leader, Senator DOLE, for working with Senator MCCLURE and me to get the resolution agreed to expeditiously.

The Senate proceeded to consider the resolution.

The PRESIDING OFFICER. Is there further debate? Does the Senator yield back his time?

Mr. SYMMS. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 328) was agreed to.

The preamble was agreed to.

Mr. SYMMS. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. MCCLURE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

INDEPENDENT COUNSEL ACT—CONFERENCE REPORT

Mr. BYRD. Mr. President, I submit a report of the committee of conference on H.R. 2939 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2939) to amend title 28, United States Code, with respect to the appointment of independent counsel, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the House proceedings of the RECORD.)

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, this is the conference report on the independent counsel bill. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. LEVIN. Mr. President, the Senate and House bills passed by an overwhelming bipartisan majority, 85 to 10 in the Senate and 322 to 87 in the House of Representatives. These bills were relatively close to each other in content to begin with. The final bill, the conference report, in my opinion, takes the best of both bills. The key aspects in the bills were the same. They provide for a court-appointed prosecutor independent of the Department of Justice, removable only for good cause, in order to investigate and possibly prosecute persons who are close to the President. These are the key mechanisms to preserve the independence and integrity of the independent counsel. They are unchanged from current law.

The differences that we had relative to the expansion of the jurisdiction of the independent counsel and relative to recusal of the Attorney General, have now been worked out in conference between ourselves and the House.

This bill, in my opinion, is an improvement over the bill which President Reagan signed in 1982, and I hope that he will sign this bill as well because of the overwhelming bipartisan support of both Houses which has been achieved.

I want to thank Chairman RODINO, of the House Judiciary Committee; Representative FRANK; and, of course, on this side, Senator BYRD, our majority leader, who facilitated this bill and conference report coming to the floor; also, Senator GLENN, the chairman of our committee. First and foremost I should have thanked Senator COHEN, my ranking member, who cannot be on the floor at this moment but who has been with this issue right from the beginning in the 1970's, who carries historical memories, as a matter of fact, on this issue; who has been eloquent, forceful, tenacious, and determined, and whose efforts have led in large measure to the conference report's being before us today.

Mr. President, I do not know if there is anybody who wishes to speak on the conference report. The yeas and nays have been ordered. I yield the floor.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the conference report. The yeas and nays have been ordered. The clerk will call the roll.

The bill clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Texas [Mr. BENTSEN], the Senator from Arizona [Mr. DECONCINI], the Senator from Tennessee [Mr. GORE], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I further announce that, if present and voting, the Senator from Tennessee [Mr. GORE] and the Senator from Arizona [Mr. DECONCINI] would each vote "yea."

Mr. DOLE. I announce that the Senator from Wyoming [Mr. SIMPSON], the Senator from Virginia [Mr. TRIBLE], the Senator from Wyoming [Mr. WALLOP], and the Senator from California [Mr. WILSON] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 85, nays 7, as follows:

[Rollcall Vote No. 386 Leg.]

YEAS—85

Adams
Baucus
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Bumpers
Burdick
Byrd
Chafee
Chiles
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Graham
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Hollings
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Specter
Stafford
Stennis
Thurmond
Warner
Weicker
Wirth

NAYS—7

Armstrong
Cochran
Gramm
Helms
Humphrey
Stevens
Symms

NOT VOTING—8

Bentsen
DeConcini
Gore
Simon
Simpson
Trible
Wallop
Wilson

The conference report was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the conference report was adopted.

Mr. HOLLINGS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER (Mr. DODD). The Senator from South Carolina.

Mr. BYRD. Mr. President, will the distinguished Senator yield to me?

Mr. HOLLINGS. Yes.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, will the distinguished Senator indicate how long he wishes to speak?

Mr. HOLLINGS. Four to five minutes.

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for morning business not to extend beyond 15 minutes, that Senators may speak therein, and that at the conclusion of that period the Chair recess the Senate until 5 o'clock p.m. today.

Mr. WEICKER. Reserving the right to object, I wonder whether or not I can ask the question of my distinguished colleague from Kansas as to whether this is an arrangement which she has been informed of or whether additional time might not be needed to discuss the matter which I know she and other Members have been having discussions on.

Mr. BYRD. Mr. President, do other Senators wish to speak?

Mrs. KASSEBAUM. Mr. President, if the majority leader will yield, there are a number of us who would like to speak just briefly, perhaps for 1 minute or 2 minutes, on a sense-of-the-Senate resolution that we are going to introduce.

I wonder if I could ask for some additional time in which to do that.

Mr. BYRD. Absolutely. As I understand it, the resolution will be introduced for appropriate referral, and there will not be any effort to call it up.

Mr. EXON. Mr. President, could we have order?

Mrs. KASSEBAUM. The leader is correct.

The PRESIDING OFFICER. The Senator from Nebraska is correct. The Senate will be in order. There is important colloquy going on. Senators will please refrain from conversations.

The majority leader.

Mr. BYRD. Mr. President, whatever time Senators would wish may be arranged, if they would like 30 minutes or 45, or whatever they wish. I simply want at the close of morning business the Senate to go into recess so we—the leadership and others—can give our attention to the budget deficit matter. And there will be various meetings going on.

How much time would the Senator need?

Mr. WEICKER. Reserving the right to object, obviously the distinguished majority leader is aware of the fact that there are matters to be discussed by various Senators on both sides of the aisle to deal with the very subject that he mentioned, the budget deficit.

And I was wondering exactly what it is that is going to transpire at 5 o'clock this afternoon if we are to stand in recess until 5. I do not quite understand the pattern of things.

I was wondering whether the distinguished majority leader might illuminate.

Mr. BYRD. Yes. I will be happy to.

Mr. PRYOR. Mr. President, there is not order. I am sitting right by the majority leader and I cannot hear him.

The PRESIDING OFFICER. The Senator from Arkansas is correct. The Senate will come to order.

The majority leader.

Mr. BYRD. Mr. President, as to the figure of 5 p.m., I just reached up and selected it. I thought it would take at least that long for the negotiators to have some meetings, and hopefully there will be a meeting at the White House later today. It could be 6 o'clock, or it could be 7. There is nothing that I know of that is going to happen at all as far as I know. We have had the last rollcall vote today. I do not know, however, whether to put the Senate out and close until Monday, and have 2 days of session next week or whether to put it out until Monday the 30th. I will not know until we see how these meetings develop today.

So there is nothing that is going to happen at 5. There is not going to be any rollcall at 5 that I know about. We do not have other business to transact that would require a rollcall vote.

The concurrent resolution, if it is agreed to, I would assume would not require a rollcall vote. It is not debatable. I just thought 5 p.m. possibly would give us enough time, Senator DOLE and I and others, to participate and be away from the Senate.

Mr. WEICKER. I have no objection. I just wanted to make sure that Senator KASSEBAUM and others have sufficient time.

Mr. BYRD. Yes.

Mr. EXON. Reserving the right to object, Mr. President, if I might suggest to the majority leader, and there are several of us, as indicated, who wish to talk on a very important subject. And I am just wondering if it would be appropriate for us to continue in morning business until at least the matters that several of us want to talk on—and it would take I would suggest longer than an hour if we could continue as if in morning business until further notice.

Mr. BYRD. Mr. President, I ask unanimous consent—if the Senator will yield—that there be a period for morning business to extend not beyond 6 o'clock p.m. today; that Senators may speak during that period for not to exceed 10 minutes each; and that no motions be in order during that period; that Senators may introduce bills, petitions, resolutions, and so forth, but that no business be transacted without the presence of the majority leader on the floor.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Several Senators addressed the Chair.

Mr. BYRD. Mr. President, does the Senator from South Carolina yield to the distinguished Republican leader?

Mr. HOLLINGS. I yield.

Mr. DOLE. I asked the majority leader on the way into the Chamber—I thought there might be a likelihood of bringing up the nomination for Secretary of Transportation. Apparently, there are still a couple of people that the nominee, Mr. Burnley, needs to contact. Maybe that cannot be done today. I assume that would require a rollcall. I do not know.

Mr. HOLLINGS. I was prepared to bring it up, but I understand that two of our distinguished colleagues on this side want to be able to have a chat with the Secretary of Transportation and are at a hearing.

I am as anxious as the Republican leader. I wanted to do it before Thanksgiving. If it does get cleared and we make that contact, I am ready to bring it up.

Mr. BYRD. Mr. President, if the distinguished Senator will yield, further anent that, I understand the Committee on Environment and Public Works is awaiting answers that committee wants.

Mr. HOLLINGS. Very good.

Mr. BYRD. Mr. President, I thank the distinguished Senator for his courtesy and understanding and patience in yielding.

A BUDGET FREEZE

Mr. HOLLINGS. Mr. President, I have been very careful to be indulgent with respect to our budget summiteers. They have a very difficult task. Nonetheless, I must point out that, 4 weeks ago, the summiteers promised to scale the fiscal Alps. But their final product is shaping up as a budget molehill.

However, I think we ought to emphasize that there is a way out. There are alternatives that are not all that terribly difficult or painful. I wholeheartedly join with the Senator from Kansas on her resolution to freeze the 1988 budget at 1987 level. On this subject, I know that Senators automatically look in my direction, remembering very well that I submitted the original budget freeze proposal back in 1982 at the request of the then majority leader, the distinguished Senator from Tennessee, who is now the White House chief of staff.

He said, "Fritz, as leader I am obliged to support the President's program, but I want you to take the floor in the morning with your freeze proposal. We have got to generate movement toward holding the line and drawing down these deficits."

Neither Senator Baker nor I knew that later that same evening in Indianapolis the President would make a very eloquent TV speech in which he would say, "If you don't like my program, put up or shut up."

The next morning, when I put up, the White House said, "Shut up." [Laughter.]

Don Regan assembled his demolition crew, and when I presented the freeze at 10 o'clock, it was dead by 12 noon.

We have been trying to resurrect and legislate the idea ever since. We all remember the Kassebaum-Grassley-Biden-Baucus freeze and other initiatives. They are all variations on the original theme.

If you were a mayor of a city in this Nation of ours and you faced a deficit problem, you would get together with your city council, and you would say, "Look, we can't print money like that crowd in Washington. We don't want to fire the policemen and firemen. We want to keep our programs going. We had a good year last year. Let's take this year's budget and keep it in place for next year—no cuts, no increases."

Mr. President, I ask unanimous consent to have printed in the RECORD a table to see exactly how that would look in fiscal year 1988 at the Federal level.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Hollings budget freeze—1988 MODEL

[Billions of dollars]

Spending freeze:	
Nondefense discretionary	4.7
Defense	6.4
COLA's	7.0
Medicare	1.5
Debt service	1.4
Subtotal	21.0
Revenues: Freeze 1987 tax rate schedule:	
1 yr. on individuals	9.0
1 yr. on corporate	8.2
Subtotal	17.2
Total savings	38.2

Mr. HOLLINGS. Mr. President, that is a budget freeze right straight across the board—no funding, no exceptions, no add-ons, and you achieve an immediate savings of 38.2 billion bucks. You hold the line on defense, COLA's nondefense discretionary spending, and you freeze the tax rate schedules at 1987 levels for individuals and corporations—just no increases, no cuts, just straight across the board. The result is some $19.6 billion in spending savings and some $17.2 billion in revenues. That is not increasing taxes or decreasing taxes; that is not increasing Social Security or decreasing Social Security.

Let me observe that I was in this town and on this floor when in December 1968 we did not have these COLA's. We did not have a COLA for veterans. I know about being fair to them. I want to be fair to them, too, but I also want to start paying our bills.

This is the seventh year in a row of deficits upward to $200 billion. The ox is in the ditch. I am sick of the empty rhetoric about sacrifices, hard choices, tough decisions, and so on. The "economic summit" crowd has indulged in that rhetoric for 4 weeks. The summiteers have agonized as though they were giving birth to a porcupine. Instead they have brought forth a mouse.

I ask unanimous consent to print in the RECORD here draft compromise No. 1. As of this morning, this is where the summiteers were.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DRAFT COMPROMISE NO. 1

	Fiscal year—	
	1988	1989
Revenues:		
Hard taxes	9.0	[1] 14.0
IRS compliance (net)	1.6	2.9
User fees	.4	.4
Subtotal, revenues	11.0	16.3
Spending:		
Defense (function 050)	4.9	9.2
Non-defense discretionary	2.6	3.2
Entitlements:		
Medicare	2.0	3.5
Farm price supports	.9	1.6
GLS balances	.2	.0
Lump-sum CSR payments	.4	.5
Pay reform	.4	.4
Subtotal, entitlements	4.0	6.0
Debt service	1.3	3.5
Subtotal, spending	12.8	21.9
Additional savings:		
PBGC premiums	.4	.3
VA origination fee extension	.2	.2
VA loan guarantee	.8	.8
Asset sales	5.0	3.0
Subtotal	6.4	4.3
Grand total	30.2	43.5

[1] (RI-gross versus net revenues).

Mr. HOLLINGS. What we see is that they begin with a major budget increase, namely last year's budget plus inflation. Then we look at their proposed cuts on defense and discretionary programs, here is what they arrive at. I ask unanimous consent to print this table in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

GROWTH IN OUTLAYS IN FISCAL YEAR 1988 RELATIVE TO FISCAL YEAR 1987 UNDER CURRENT NEGOTIATION PLANS

[Dollar amounts in billions]

	1987 current services	1988 Gradison inflated	Negotiation 1988 savings	Resulting fiscal year 1988 outlays	Growth from fiscal year 1987	Percent
Defense:						
Budget authority	$291.0	$303.0				
Outlays	282.5	290.5	$-4.9	$285.6	$+3.1	1
Nondefense discretionary:						
Budget authority	161.1	168.5				
Outlays	175.0	184.7	-2.6	182.1	+7.1	4
Entitlements and mandatory [1]						
Budget authority						
Outlays	465.8	506.5	-3.8	502.7	+36.9	8
Total savings			-11.3			

[1] Includes Social Security.

Figures based on OMB estimates.

Mr. HOLLINGS. In capsule, you find proposed cuts of $30 billion. I wish that news crowd would learn how to write a story. Under the $30 billion alleged cuts, do you know what happens? Defense increases 1 percent. Likewise, nondefense discretionary spending increases 4 percent over from fiscal year 1987, entitlements and mandatory spending rise 8 percent. These are not true cuts. They are all increases over the fiscal year 1987 spending level. So we have to start using the same vocabulary. What is a cut and what is an increase? You have to act like people back in the city hall and back in the statehouse, and talk about real cuts.

This crowd here in Washington is mired in politics. It is the worst case of political paralysis I have ever seen. As never before, the rule should apply that the best politics is no politics. Let's set aside partisan jockeying. Put away all the scare talk about Mondale and taxes and "over Reagan's dead body."

I believe in the social agenda and a strong defense. I also believe in paying the bill. I do not share the prevailing knee-jerk paranoia about proposing taxes, but that is a subject for another occasion.

Those of us who support the freeze do not seek to create another dissident group. We don't seek to write off the "budget summit" effort. We do seek to offer a constructive approach that will get the job done.

So I join the Senator from Kansas and the Senator from Delaware and others. Let us start talking sense.

We have done it before in a Democratic Congress. We gave President Nixon a balanced budget. For fiscal year 1988, we can take the $38 billion savings and combine it with $11.5 billion in new revenues proposed by the Finance Committee, in its reconciliation savings, and that gives you a $50-billion package. That will send a clear message to the markets that we are back in control of our economic destiny.

Again, what we are talking about is a level, across-the-board freeze; no cuts, no increases. And what do we end up with? We end up with a savings of $38.2 billion. You can add on the Finance Committee's reconciliation savings of $11.5 billion and other things, and get a $50 billion or $60 billion package.

We came down this past year from $221 billion in 1986 down to $148 billion in 1987. Of that $73 billion in savings, some $18 billion was a one-time windfall from tax reform. In essence, in true hard cuts, we reduced the deficit only down to $166 billion. So before we give ourselves a good government award, realize that we have only just begun the fight. If the crash and Black Monday are any indication, we've got a lot of hard work still ahead of us.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, I send to the desk a sense-of-the-Senate resolution and ask for its appropriate referral.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

Mrs. KASSEBAUM. Mr. President, I am sending this resolution to the desk on behalf of myself, Senators EVANS, BOREN, BIDEN, MCCLURE, PRYOR, BAUCUS, DASCHLE, STEVENS, WEICKER, SIMPSON, STAFFORD, DODD, GLENN, EXON, HOLLINGS, BUMPERS, CONRAD, DIXON, NUNN and BREAUX.

What this resolution says is in a very forceful way. There are those of us on both sides of the aisle who care about what is happening today in our economy and want to lend strong support to our negotiators who are working out a deficit reduction package.

This is essentially a freeze across the board with two adjustments that help balance it out for the spending side and the revenue side. On the spending side on the cost-of-living adjustments there would be a 2-percent cost-of-living adjustment increase and the full allowance for the SSI benefits. On the revenue side it is a freeze in the tax rate structure in 1988 to the 1987 level. It is except for an increase which would take place by law in the personal exemption and the standard deduction.

Mr. President, this would give us a savings in 1988 of $30.2 billion, but what I think is significant in this is the fairness and the equitableness of this, the message it sends of strong leadership in a bipartisan fashion in the U.S. Senate. And for having frozen 1 year, one accumulates a savings by 1990 of $100 billion just by holding that rate for 1 year, which allows you then to work off the base of a lower rate the preceding fiscal years.

The reason that we feel so strongly about this is not that anyone wants to deal with the crisis or austerity but really what we want is a restoration of confidence and believe that if we do not take the necessary action now we are not going to have the options open to us in the future to address the needs of both the elderly and the young in this society, and we believe this is the fairest way in which we can address this.

Without going into any further details at this time, Mr. President, I yield the floor to others who wish to speak on behalf of this proposal.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. BIDEN. Mr. President, I will be very brief.

Senator KASSEBAUM has laid out the essence of what our resolution is, and I would like to emphasize one point. Our colleague from South Carolina said it very well and very eloquently. Senator HOLLINGS began this notion under this administration of attempting to freeze the budget and had we listened back in 1982 we would not be in the problem we are in today.

In 1984, when Senators KASSEBAUM, BAUCUS, GRASSLEY, and myself and others attempted it then, if we had moved then with a freeze, we would find ourselves in much better shape than we are now.

I know a number of my colleagues in the House and the Senate are very worried about a freeze, even a freeze with the two exceptions we have allowed in here, that is the exception of allowing a 2-percent raise in COLA's and shielding SSI completely, and on the tax side allowing the standard deduction to go forward and the personal exemption increase. Even with that, they are a little skittish around here because there are some in both the House and the Senate, and I suspect at the White House, who I think drastically underestimate both the resolve and the sense of fairness and equity the American people have and how smart they are.

The American people are pretty darn smart. They have watched the smoke and mirrors routine that has gone on with this administration and this Congress over the last 6 or 7 years. How many times have they heard about deficit reduction packages? They have heard it and heard it and heard it.

I will not repeat what Senator HOLLINGS said, but I would just once again emphasize what the table he put in the RECORD pointed out. I hope my colleagues will read it tomorrow. The net result of what is being talked about in the budget conference now—or in the summit, I guess we are calling it now—results in increases across the board: defense, nondefense, discretionary, entitlements, the whole works. And what everybody understands is that is about time there be a little truth in labeling. We are not very truthful about how we label what we do here.

What we are proposing, all of us who have spoken and will speak, is in fact real. The effect of it is real. The impact is real. They are not phony savings. They are not phony reductions. They are not phony dollars. They are real dollars.

The effect is that we are essentially saying to all Americans, with the exceptions I mentioned, we are saying, "Look, we realize you expected an additional piece of a tax cut next year, some of you. We realize some of you, in educaiton and other areas that I and I know the Presiding Officer care a great deal about, were expecting maybe a little more. But we are in trouble. America is in trouble. And, to put it very bluntly, when America is in trouble, the world is in trouble."

And so everything changed. Everything changed on Black Monday. Everything in terms of perception; not reality. It was just as bad before Black Monday as it is after. But what happended is we were forced to face what was going on. So these are real.

The second point I will make and I will stop, and that is that those who are concerned about the social agenda, the social programs, both discretionary and nondiscretionary, I respectfully suggest to you that if you want to "save" those programs, freeze them.

When is the last time that we have gotten into budget cutting and discretionary social programs have ended up better off after there has been a cut? Usually what happens is, our team gives at the office and the other team does not bother to give. And in all my years on the Budget Committee, we would go through this process and get down to the last minute, like we are now, and we would say, "Well, we can't touch the big ticket items. We can't touch defense. We can't touch entitlements. We can't touch"—then we end up with a list of about 15 percent of the programs, the handicapped, education, all those areas—student aid—they all get cut.

And who were the first people, when Senator KASSEBAUM and Senator BAUCUS and I introduced a freeze in 1984, who came running to us: "Oh, my God, don't do that. Don't do that"? It was many of the people in 1984 who we were trying to save.

So those who are going to hear this and listen to it, keep in mind three points: One, it is real, the numbers are firm; two, the American people are a lot smarter—and they know we have to act quickly and firmly—than we give them credit for, and they will accept it if it is fair and across the board like we are saying; and, three, if you really care about the social agenda, you better do something by freezing it, because it is best off if it is frozen rather than the way it will end up if we go the route I think we are going to go.

I thank my colleagues and compliment my colleague from Kansas, who has been the spearhead of ths again. It is to her great credit, and I compliment her for her willingness to take the time.

The PRESIDING OFFICER. Who seeks recognition?

The Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise to support the effort led by my distinguished colleague from Kansas and by my good friends on both sides of the aisle. I think the word "fairness" that has been used is correct in this matter, to which I would add "result." You need both those, fairness and result. Any plan that involves fairness and a result that reduces the deficit is going to be met with approval. If we attempt anything else, we misuse our authority and we use up our credibility.

Now, I do not mean in any manner, shape, or form to demean those that have been engaged in the negotiating process, both Republican and Democrat in the executive and legislative branch. Theirs has been a good faith effort.

But the difficulty is this: They took on their task and used as criteria the circumstances that existed a year ago, or more ago, both in an economic and political sense. And the fact is that politics and economics in the world and the Nation changed several weeks ago.

It does not do any good, in other words, for Democrats to say, "Well, we lost the last Presidential election because we were the ones to go ahead and advocate revenues." Or, for those on my side of the aisle to say, "We lost the last senatorial election because we advocated that there be a freeze across the board which included Social Security." It does no good if everybody views the matter before them in a political sense when what is demanded is a realistic view of the world and Nation as it exists today.

I do not know why matters turned as they did several weeks ago. I do not think it is simply what we have done or not done. If you ask me to speculate, I would say it was probably a combination of the Iran-Iraq war, the trade deficit, the budget deficit, and the fact that the market itself was too high.

But it really does not make any difference as to what led to that particular moment of accounting. The fact is the accounting took place. And, as the distinguished Senator from South Carolina said, it then became obvious we have not paid our bills for too long; or, more to the point, we have asked others to pay our bills for us.

So now comes the time when we have to address that which is our responsibility. Inflated stock prices are not the responsibility of 100 U.S. Senators. The deficit is.

That is why I applaud all those that have signed on here. It is an exercise, First, in responsibility, and it certainly is an exercise also in courage. But, most importantly, it is a truthful exercise and one that addresses the problem honestly.

As the distinguished Senator from Delaware said, these reductions are real. There are no smoke and mirrors involved here. It is incredible to me that the leadership of this Nation has had a problem on its hands for as long as it has without dealing with it in a real and realistic and a truthful way.

I have just a few more remarks as to the alternatives that are involved. No. 1, if the last plan I saw proposed is adopted, both sides of the equation will be in here after the first of the year—the President asking for more money for defense and, as a price, the other side will ask for more money for domestic programs—and nothing will have been achieved.

The sequester route likewise makes no sense whatsoever. It is one of the reasons I voted against Gramm-Rudman. It is totally mindless in the circumstances that have changed around us.

Let me give you a good example on both sides of the agenda. We did not have a Persian Gulf situation a year ago. That is a large expenditure of funds which is ongoing. We did not have the dimensions of the AIDS crisis that we know we have to answer. That is on the other side of the agenda. To go ahead and sequester now makes it impossible to deal effectively with those new events that confront the Nation at this moment. So sequester is not the route.

In contrast, what is done here is a freeze across the board, with the slight exceptions that have been mentioned, one on either side is simple, fair, and meaningful.

Now, I would like to make one last remark and then I will yield the floor. I would like to address a few remarks to those who would lose part of their cost-of-living adjustment.

No Senator has been more involved with the elderly than this speaker. I do not have and never have had under my jurisdiction Social Security policy. But I have had health policy under my jurisdiction. Proper care of the elderly of this Nation in terms of the National Institute of Aging, in terms of geriatric training for our medical personnel, housing for our elderly—all these are as much a part of the quality of life of the elderly of this Nation as is the Social Security payment. Yet, under the plans that we have seen before us, all that goes down the chute. And there are those who would stand up and say: "Well, I saved your Social Security cost-of-living adjustment" without explaining how the rest of the quality of life was left behind. That is not taking care of the elderly of this Nation.

Then, what kind of a nation is it that says we are going to protect the elderly of the Nation while, for example, maternal and child health care—mothers and their unborn children—get slashed? What has happened to this country that used to live for its children? Yet they are asked to stay on the ship while others get off. I do not understand that in any sort of artificial compromise or a sequester.

So, Mr. President, I am sure that all of us are sorry that we even have to talk in these terms. But at least there are 20 or so that have the courage to talk and to tell it like it is. We cannot do anything for the elderly, for the young, for the sick, for the ignorant, for the diseased, unless this Nation is economically strong. We can do nothing and we are getting to that point. What is being said by 20 or so of my colleagues—and I am not trying to put words in anybody's mouth—is we are willing to take this solid step for 1 year in order that we can afford those opportunities to all of our population for decades ahead. But unless we take it, then there is no hope and no opportunity, only despair.

So I support this effort in candor and this effort in reality and hope that the message will get across. Let me assure those that are within the sound of my voice: If the present plan that we read about and we saw on our screens last night is adopted, then unfair sacrifice will have been asked of many of our citizens with absolutely no guarantee of result. And we will be revisiting this issue and eventually it will come to this answer. It was with Senator BRADLEY and Senator BOREN 2 years ago, after I voted against Gramm-Rudman, that three amendments were presented on this floor: One, to cut defense spending; two, to put the entitlements on line; three, to go ahead and raise revenues. All of which together, all three votes, garnered a total of about 25 votes. If we had done it then we would not be sitting here talking today.

So, no political punishment, if you will, for speaking honestly. Rather, hopefuly, somebody will listen and we will not be back asking this type of sacrifice in the future. Otherwise it will go on year after year after year and, believe me, what no nation has been able to take away from us militarily, we will have done to ourselves economically. I yield the floor.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I want to associate myself with the remarks by my colleagues who preceded me by rising today in basic support and speaking out on what we feel is a beginning of a getting a real handle, a constructive accomplishment, if you will, with regard to the obvious difficulties that our negotiators are going through and have been pursuing for the last several weeks. Here we are on Friday, the day of the Gramm-Rudman sequester, Mr. President, marking time while negotiators try to hammer things out. I think it is a general consensus on the floor of the Senate as well as in the House of Representatives that whatever they hammer out over there is not going to be enough. It is going to be considerably less than what many of us think is necessary to do now, with regard to the economic and fiscal crisis that confronts America.

I heard the leadoff statements by my friend and colleague from South Carolina. This Senator from Nebraska was with him in putting together the package in 1982 that would have put a freeze in effect. It did not pass. I do not remember how many votes we got, but it was not very encouraging, as I remember it. I also remember and recall very vividly that, in different desks in this Chamber, this Senator had been talking for years about my concern with the deficit of the United States of America when it was somewhere in the area of $50 billion. I was even warning against this before the national debt busted through the $1 trillion ceiling. As you know, now it has been authorized to go up to $2.8 trillion or almost $3 trillion eventually.

I want to compliment all the Senators who have been involved. We worked very hard under some time pressures in a true bipartisan basis, the greatest bipartisan thrust that I have ever seen, to address this problem. Regardless of what we did or did not do in the past, the time for action is now. I think our central message is, as has been said previously, this does not cut anything. That is the good news. The further good news, Mr. President, is if the desired effect of this action today gives our negotiators some strength and some understanding to do much more than they are doing right now in that conference, as we talk here on the floor of the U.S. Senate, it is going to give them a chance within the next 10 days to recognize and realize that if we come up with something that is fair, if we come up with something that is reasonable, if we put sound minds together, we can do much more than anyone thought was possible in this area.

This plan, Mr. President, is basically a freeze. It is a commonsense approach. It envelops an approach, as I say, Mr. President, that should have been the approach with the Gramm-Rudman whole proposal in that if we did not meet reasonable and attainable and well-thought-out goals with regard to the amount of reduction in the deficit, that then there should be a freeze across the board. I still see reports in the press that if we do not accomplish anything with a compromise that there is going to be a Gramm-Rudman freeze across the board.

It is an extremely short board, Mr. President. Because, as I said before, under that ill-fated, and I think ill-thought-out Gramm-Rudman sequester proposal, only 20 percent, only 20 percent, Mr. President, of the total budget of the United States would be adversely affected. Therefore, the proposal that we have come up with is much sounder; it is much fairer; it recognizes, indeed, Mr. President, some special consideration for those on pensions and our Social Security recipients. It is a good plan. I hope it will be the forerunner to accomplishing something that is meaningful and I think that is the goal of all of us in this time of extreme fiscal concern in the United States and the entire world.

I yield the floor.

The **PRESIDING OFFICER.** The Senator from Washington.

Mr. **EVANS.** Mr. President, I sometimes wonder in the last few weeks as we have struggled with this problem of deficits, after the attention getter on Wall Street a little less than a month ago, whether we should be dressed like we are in these modern times or whether we should all be clad in togas sitting as a Roman Senate with Nero as the emperor fiddling while the economy slowly sags and while our allies look on in dismay and while our constituents wonder what in the world they sent us here for.

Mr. President, we have introduced this morning a resolution, a resolution supported by about 25 of our colleagues, a resolution which does not have the force of law but a resolution which I hope will gain the attention not only of our other colleagues but particularly the leadership, which has been trying for a month now to come up with a package. I hope that once we return from a Thanksgiving recess we will translate—in fact, I promise, and I am sure I am speaking on behalf of my colleagues who have sponsored this resolution—we will translate it into a bill, a proposal, which we will find some way to get to the floor, to have debated, and to have voted upon by the Members of this body.

Mr. President, I am disappointed, I am disappointed by those in this country who, in spite of the crisis which is so obvious, want to preserve their own position. Let us try to look ahead to January 1989, a little more than a year from now. If we do nothing, or if we adopt the minimal package which so far has leaked out of the leadership group, where will we be in January 1989?

The new administration, whether Democrat or Republican, on the eve of the inauguration will be facing a country and an economy in shambles. I do not think there is much question that if we fail to be bolder than we so far have been willing to be, there will be a recession, a recession of substantial proportion; that that recession, just as surely as one month follows another, will lead to increased deficits; we will only be able to finance those increased deficits by increased interest rates.

So far, what I have talked about is beyond most people, like, "So what about deficits and interest rates? How does it affect me?" It is the next step that affects all of us because with increased deficits and increased inflation, which comes right along with it, comes increased rents, increased food costs, increased clothing costs, and all of the fundamental things we need to survive.

That will far exceed, in terms of cost to our constituents and our citizens, any small COLA increase that might be protected, or any small tax benefit which might be protected.

Mr. President, I think those who purport to represent the elderly ought to rethink their position. I think they honestly would find that it is far better in the longrun to forego a full COLA for 1 year and keep an economy strong and vital and prices down and inflation down. Each individual citizen would be better off.

Mr. President, I have talked to a number of my colleagues who generally like the idea of freezing on the spending side but they do not like the freezing on the tax side. They want a tax cut. Why? Mr. President, I am afraid I have to say that it is probably as fundamental as anything because few in this Chamber are directly affected by cost of living increases on Social Security or any other entitlement program, but we are all directly affected by tax cuts because we are all in an income bracket that looks forward to a tax cut of substantial proportions next year.

Is that fair, in this time of crisis, that we blithely go ahead with a tax cut which was promised, which was part of the tax package of last year? But that was before October 19; it was before the crisis which now confronts us.

I would hope, Mr. President, that we can put our own personal concerns one step aside and recognize that for those who would not get as large a tax cut. Let me emphasize that we are not talking about tax increases at all. We are talking about delaying a tax cut next year.

What is the trade for that? The trade is a better economy. The trade is little or no recession. The trade is a more stable cost of living. I think that is a pretty good trade.

Mr. President, it is time to freeze for 12 months, to have all of us share that burden, one small 12-month period. And what is the reward? The reward is not only in the 1 year, the reward is not only in the almost $40 billion which comes from this proposal plus the asset sales and other elements which have already been agreed to; it is in the several-year savings of more than $100 billion, as my colleague from Kansas mentioned.

We gain a lot more than just money out of it. We help to rebuild confidence in our economy. If we are any good at all as politicians, for Heaven's sake, and we were good enough to get here in the first place, we ought to be good enough to explain carefully that this is a proposal, a burden which everyone is being asked to share and share in roughly equal proportions.

Mr. President, finally, I think it is important for us now to show that we know how to govern. I think it is important for us to show our overseas friends that we do have some political courage. I think it is important to show our constituents that we can act decisively in spite of organizational opposition. It is important to show our leadership and our leadership committees which have worked hard to try to come to a package that we here are willing to do more than they think we can.

Finally, Mr. President, I think we need to show the President himself that there is a bipartisan group who want action, who want action now, who want action that is fair and action that we can be proud of.

Mr. President, I hope that in the course of the next 10 days, our colleagues who have not signed up so far would read carefully what we have proposed and would join with us to make a majority in this Senate who then can send a real message not only to the Nation, but to our colleagues who need to act.

Finally, Mr. President, I ask unanimous consent that Senator STAFFORD of Vermont be added as a cosponsor to the resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIXON. Mr. President, I am honored to have the opportunity to once again join an attempt to achieve fiscal sanity in this Congress through a simple, across-the-board freeze.

In 1984, I participated, as a member of a small group—equally divided on both sides of the aisle—with the goal of establishing a budget freeze of this kind.

I think it is amazing that some in Government do not yet understand the inherent fairness of the American people. Americans understand the problem that the country faces and are willing to do what is necessary to address the problem provided it is fair. This is the simple and eloquent message that this resolution sends to the country—fairness and equal treatment for everybody.

Mr. President, you and I make up the very small Democratic class of 1980. I think we know a little bit about the concerns of the people. We demonstrated that we could win in a very bad year. Many times I have heard the phrase, "We ought to check and see how it plays in Peoria." Well, I am a Senator from Illinois and I know; a freeze plays well in Peoria.

After I took my position for a freeze in 1984, I went back home to Illinois and talked with groups throughout the State. I talked with chambers of Commerce, Rotarians, exchange clubs, and Kiwanians. In every place where I spoke, I asked the question, "How many here favor a freeze?"

Mr. President, I want my colleagues in the Senate to know that—almost without exception—every person in the room would raise their hand toward the ceiling to say, "I vote for a freeze."

"I vote for a freeze."

Mr. President, I do not understand what the leadership is hearing in that room down the hall when they meet. They have spent 4 weeks discussing this issue, and in the 4 weeks that they have discussed this issue their resolve seems to have lessened by the day.

I do not criticize them as individuals. I understand the difficulty of achieving a compromise agreement. But, I say to the leadership in that room, the people of this country are ready for a real resolution of the budget deficit problem. A resolution that will save $30 billion over 3 years, into 1990, almost $100 billion of total reduction. No smoke and mirrors, no voodoo economics, the real, honest-to-goodness stuff—$30 billion-plus this year, $100 billion in 3 years.

Mr. President, this is only my seventh year here. But I have spent 20 years in the Illinois Legislature, 12 years in the House, 8 years in the Senate, and belonged to the leadership in both places; 10 years as an executive, as treasurer and then secretary of my State. We had to balance our budget under our Constitution—and every time we resorted to a freeze, and every time it worked.

This is not a new idea. But, it is an idea that will work. It is an idea that will send a strong message to the financial marketplace in America and to the world at large. And, the people of America will support it because it is fundamentally fair.

I would point out that of the 25 cosponsors some are of the most liberal persuasion in this place, some are of the most conservative persuasion in this place, some are centrists, some are people who care a lot about domestic programs. One is the chairman of the Armed Services Committee, who cares a lot about our national defense. Every possible point of view, Mr. President, is represented in the 25 cosponsors of this resolution.

Now, the message for the leadership down the hall and the message for the country ought to be that the resolve to solve this problem is here in the Senate. We ought to all come together as quickly as possible to effectively cut our budget deficit!

I thank the President and my colleagues for giving me an opportunity to participate, and I yield the floor.

Mr. MELCHER. Mr. President, earlier speakers have laid out a case for the Kassebaum resolution now pending and I want to make a couple comments on that.

First of all, as to the general thrust, I favor action by the Senate and the House of Representatives to solve our very critical Federal budget problem. I believe it is our responsibility—that is obvious; it is a constitutional responsibility—to take the appropriate action to reduce the deficit.

A Senator in speaking on the floor just a few minutes ago mentioned the impracticality in the result of last year's tax bill that would allow a tax cut for the very wealthy. I might add that in some instances the tax bill will cause some of those who are not very wealthy, who are very much in the middle income, to have to pay more taxes.

So there is justification for some of the provisions in this resolution, but I want to point out, in a moment of truth, where a part of it, indeed, is not fair; instead it is unfair.

I refer specifically to part 2(b), which states, "Inflation adjustments for all Federal entitlement beneficiaries should be limited to 2 percent except for SSI recipients." It appears that means that all of us here as Senators will get a 2-percent pay increase. It also means that those on Social Security will get a 2-percent cost-of-living adjustment. I believe this is unfair, and I am going to speak on behalf of those on Social Security who are low income. I want to speak for people who are helpless, for older Americans who are helpless to make up any shortage that is necessary for them to survive. And there are such people. There are millions of them.

The 2-percent pay increase, when you add it to what we had last year for ourselves of 3 percent, is 5 percent for the cost-of-living adjustment over 2 years, and those on Social Security received last year 1 percent. It was just 1 percent or slightly more, 1.3 percent—but 1 percent. And the cost-of-living adjustments that they would receive if we do not act to prevent it beginning in January would be 4 percent. And the 1 percent added to the 4 percent is 5 percent. If we adopt this, it appears we would limit ourselves to a 3 and a 2-percent pay increase which is 5 percent.

Mrs. KASSEBAUM. Mr. President, I wonder if the Senator from Montana would yield for just a moment?

Mr. MELCHER. I am glad to yield to the Senator from Kansas.

Mrs. KASSEBAUM. I would like to clarify that in the resolution in which we are speaking of the freeze, Members of Congress and Federal employees would receive no cost-of-living adjustment. The 2-percent adjustment comes only for retirees.

Mr. MELCHER. Mr. President, I thank the gracious Senator from Kansas for clarifying that because it is pertinent. I interpret now the language to mean that Federal entitlement beneficiaries only refers to retirees. And that takes us out of it because we are indeed not retired.

But the cumulative effect of the 1-percent cost-of-living adjustment that those on Social Security received for 1987 added to the 4 percent that they will be entitled to as of January is only 5 percent. That 5 percent for those people on Social Security who are on fixed income of very limited means is absolutely necessary for them to survive. So on that portion of the resolution I must speak out and point out that it would be indeed for them unfair.

That is not satisfactory to me. After only a 1-percent cost-of-living adjustment for last year the elderly on very modest limited income badly need the 4-percent increase as catch up just so they can survive.

It is not popular with constituents. But the fact is part of this is absolutely wrong. I think many people in the Congress just have not stopped to consider why it is wrong. First, if we cut the cost-of-living adjustment for people on Social Security, that means we cut their real income. Let us not kid ourselves. Take Wisconsin as an example. I have just gotten this, this morning. It was just an hour ago that it was handed to me from the U.S. Department of Health and Human Services with respect to Wisconsin. It says retired workers in Wisconsin receive on Social Security an average of $502 per month; widows and widowers, $459 a month; disabled workers $491 a month; average payments for children were $366 for children of deceased workers and so forth.

Madam President, if we cut the cost-of-living as this proposes to do to 2 percent, that means in effect somebody who is getting $502 a month would lose 10 bucks. That does not sound like much to a Senator, but to someone getting $502 a month eking out a bare living on it, it is a lot.

Madam President, I yield the floor.

Mr. PROXMIRE and Mr. BAUCUS addressed the Chair.

The PRESIDING OFFICER (Ms. MIKULSKI). The Senator from Wisconsin.

Mr. PROXMIRE. Madam President, I regretfully oppose parts of this freeze. I think it does not have a lot of merit. I realize it takes a lot of courage to come forward with something like this. I think it is wrong. It is a very, very serious mistake.

Mr. BAUCUS. Would the Senator yield for a question?

Mr. PROXMIRE. I am happy to yield to my good friend from Montana.

Mr. BAUCUS. My understanding it is not a cut. It is a 2-percent increase, not a cut.

Mr. PROXMIRE. It is a cut in the real income, the 4-percent increase that they would normally receive, and it would cut down to 2 percent which keeps them level with the cost of living. In real terms it is a cut. In nominal terms it is not. But they live on real terms, not nominal.

Mr. BAUCUS. The point is there are more dollars in their pockets although the rate of inflation will cut into some of that. It will still be more dollars.

Mr. PROXMIRE. It will be more dollars but the dollars will not buy as much as far as people are concerned. That is the real cost.

Mr. President, what happens when we cut the cost-of-living adjustment? It means the real income, whether a retired or disabled worker, falls ever further below the poverty line.

What does that really accomplish? I think we ought to consider what it does accomplish. It has one effect. It increases the Social Security reserve. This cannot be paid for national defense. This cannot be paid for environmental protection. This cannot be used for housing. It cannot be used for any other purpose—only for benefits to Social Security recipients.

This year, that Social Security reserve had a mammoth surplus of $37 billion. Next year, it will be higher. By 1992, it will be something like $59 billion. That $37 billion is one-quarter of the entire deficit. That is what the Social Security system is contributing now to keeping the deficit down.

Madam Persident, consider what is going to happen over the years. On the basis of the most pessimistic kind of assumptions with respect to the economy, that Social Security reserve, by the year 2020, will be $2.5 trillion. It will be bigger than the present national debt. If you take realistic, slightly less pessimistic but fundamentally pessimistic assumptions, it will be $9.6 trillion. If you take a realistic shading toward optimism, $10.4 trillion. If you take an optimistic assumption, $12.7 trillion. That is more than four times the present national debt. It does not make any sense to cut Social Security COLA's under those circumstances.

Madam President, let us keep in mind how regressive this tax is. It is a tax on employment. It hits low- and moderate-income workers much harder than high-income executives. It is a tax paid by the worker, out of his pay. It is withheld by the employer. Otherwise, it would all go to the worker.

For the overwhelming majority of the American people, it is the biggest tax they pay. For people with income of less than $30,000 a year, a one-earner income, it is bigger than the Federal income tax. I should say that for a two-earner family income, unless thay make $40,000 a year, they pay more in Social Security than in income tax.

Furthermore, anybody who makes less than $42,000 a year pays twice as much of their income in Social Security taxes as a Member of Congress. We make $89,000 a year. We only pay a tax on the first $42,000. A chief executive officer making $500,000 a year pays one-tenth of his income, less than that, in payroll taxes, compared to the worker who makes $10,000, $15,000, or $20,000 a year.

It is a regressive tax, and the only justification for that tax is the return to the beneficiary. It cannot be used for any other purpose.

Madam President, some people say, all right, let us mean test it. Let us say that the people with low incomes are not going to have their COLA's cut. This is a bad idea, too, because it makes Social Security a handout program. People who get Social Security are proud of the fact that they have earned it. It is forced savings for them, taken out of their pay, and it is coming back to them. It is something that was taken away from them, matched by their employer, and over a period of 10, 20, 30, or 40 years, has been earning interest for them; and they are entitled, therefore, to get the real income, particularly when this is already contributing an enormous surplus.

It is just a gimmick to say that you are going to take from the Social Security recipients the cost-of-living adjustment they need to keep their income at a reasonable level and at a stable level and a real level.

I am very much against this resolution as long as it contains this provision. I think that otherwise I could support it. But the fact that this hits Social Security recipients so unfairly and accomplishes absolutely nothing except to swell that reserve—it cannot be used for any other purpose.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. RIEGLE. I appreciate the Senator yielding.

I strongly support the comments he has made. They are important.

I, too, am attracted to the idea of a freeze as an alternative. I think there is some real merit in that argument. But to pull in Social Security when it is not contributing to the deficit, when, in fact, the large surpluses in Social Security right now are actually hiding part of the operating deficit of the Government, I think there is no reason for Social Security to be here.

If we get a chance to vote on the freeze, I would hope we could join in an amendment to that package that would take Social Security out. We will have a clear vote on that issue, and I think that the Senate, in voting on that issue, will probably agree that it should not be in there. If that is taken out, I may vote for the freeze.

Mr. PROXMIRE. The Senator from Michigan is absolutely right. I understand that he is going to offer that kind of amendment. I am all for it. Make it the Riegle-Proxmire amendment, and I will vote for it. Maybe we can get some Republicans to vote for it, and I think we can.

Mr. BOSCHWITZ. Mr. President, will the Senator from Wisconsin yield for a question?

Mr. PROXMIRE. I yield.

Mr. BOSCHWITZ. Would the Senator also exempt the Medicare trust fund?

Mr. PROXMIRE. I would have to take a look at that, I have not considered it. It sounds like you could justify that. But with respect to this particular freeze on the cost of living——

Mr. **BOSCHWITZ.** The Medicare trust fund is a separate trust fund.

How about the highway trust fund, I ask the Senator from Wisconsin, which is in surplus? Would he exempt that, as well?

Mr. **PROXMIRE.** I think you could make a strong case for it, but not nearly as good as the cost of living for Social Security recipients. I would consider it, but I am not sure.

The principle that the Senator is stressing is that when you have a fund in surplus, it does not make sense under those circumstances to say it should be in bigger surplus. Maybe it should be in bigger surplus for the highway trust fund.

Mr. **BOSCHWITZ.** The airport trust fund is in surplus. Should it also be excluded?

Mr. **PROXMIRE.** It may be. It depends on the condition. I have not had a chance to look at that. In the Social Security trust fund, it is absurd, because it is going to be between $2.5 trillion and $12 trillion in 25 years. What good does it do to make it bigger?

Mr. **BOSCHWITZ.** There is the trust fund for civil service retirees. Should it also be eliminated? Should the trust fund for military retirees be eliminated? There is a trust fund, I say to the Senator from Wisconsin, when you buy a fishing license. I believe that goes into a trust fund, so it is used for specific purposes.

As a matter of fact, there are trust funds in the scores in the Federal Government that account for about 35 percent of the budget. Is the Senator from Wisconsin suggesting that all of them be taken off?

Mr. **PROXMIRE.** It might be a good principle to do that. However, I would not do that without examining them. I do not think any of them have anything like the obvious need in Social Security to pay people who worked for a lifetime and are getting compensation that is below the poverty line, to maintain it in real terms.

Mr. **BOSCHWITZ.** I say to the Senator from Wisconsin that civil service retirees, frankly, have paid more into that trust fund than have Social Security recipients as well as other people who benefit from trust funds.

As we talk about the Social Security trust fund—and I pose this in the way of a question to the Senator from Wisconsin—we have to keep in mind that there are scores of other trust funds and that pretty soon the budget is going to come in bits and pieces, and there will be no way of balancing it.

It is like you having two bank accounts and two checkbooks and one is withdrawn and you use the other.

Mr. **PROXMIRE.** I say to the Senator that when we pass a tax for a specific purpose, and only for that purpose, and say it can only be used for that purpose, there is a strong argument that it makes absolutely no sense to make it better from a bookkeeping standpoint to say, "Make this bigger, and if we extend that purpose too far, we are not going to save enough."

By and large when we pass a tax for a purpose it ought to be used for that purpose or we should change the law.

If the Senator wants to change the law, then make the regressive Social Security tax to provide for what we need for national defense, and so forth. He can do it. I will vote against it. I do not think I will get more than 1 or 2 votes, if that.

Mr. **BOSCHWITZ.** I will say to my good friend from Wisconsin there are a series of trust funds that are in surplus at the present time, and since he feels that way I would hope that when the Senator from Michigan, who I see is no longer on the floor, Senator RIEGLE, introduces his amendment with respect to Social Security and when the Senator from Wisconsin becomes a part of it, as he said he wants to, I hope he will expand it to include other trust funds that are in surplus, and there are many of them, most of them, that are part of the Federal Government budget.

I thank the Senator.

I yield.

The **PRESIDING OFFICER.** The Senator from Idaho.

Mr. **McCLURE.** Madam President, I rise to support the effort that is being made by several of us in a bipartisan sense on both sides of the aisle seeking to do something to avoid the consequences of failure to come to grips with the Federal budget deficit. I cannot help but listen to friends of mine, I think dedicated and sincere people, who come to the floor and say, no, not this way.

There are a number of things in this particular resolution that I could find fault with. I prefer an absolute across-the-board freeze. I think everyone is going to be affected by the financial debacle that will afflict this country if we do not come to grips with the budget deficit. The old certainly will be most affected among all of our society. The disadvantaged in our society are the ones who are least capable of dealing with the ravages of inflation in an economy. It is the people at the margins of our society who are first unemployed and last to be reemployed.

So let us have no doubts or illusions about who is going to pay the price of failing to deal with a budget deficit, and for someone to get up and say for whatever reason based upon whatever perception they have, that, no, we must protect some particular group or individual or program against the restraint that is necessary to reduce the Federal deficit, is simply to expose them to the ravages of inflation and recession in this country. It is the least compassionate approach to a problem that could possibly be formulated to say, no, let us do nothing, let us go ahead, let us have that recession, let us have that financial debacle for this country, and then we will go around trying to protect people against its defects.

There have been generations of politicians who have gotten away with that, generations of people who in the old euphemism have said they will be passengers in the canoe and rock the canoe and create waves and convince the public they are the only ones that can prevent the catastrophe that comes from the chaos they have wrought.

There will be chaos in this country if we are unable to solve the problems of the budget deficit, and I would say to my friend from Wisconsin who just spoke that indeed the trust funds for the Social Security recipients will not be anything like he is talking about unless we have a stable, productive economy.

There is not any way that that trust fund is going to grow as he has projected it as long as we have fiscal chaos in this country, people who are unemployed, inflation that ravages with an automatic cost-of-living escalation on the benefits structure that will cause that fund to dissipate very rapidly, and the scenario he paints is simply just absolutely impossible to forecast with the same assurance that he gives to the people of this country.

Now, instead of that trust fund rising, the trust funds would be rapidly dissipated to the point we experienced very recently when there was less than a 60-day reserve against which those checks were to be drawn.

If indeed we are to tell the people on Social Security this year and next year and the year after that and 5 years from now and 10 years from now there will be enough money to pay their claims, we must do something now about the Federal budget deficit or that trust fund will not have a surplus. Instead of talking about a $2.5 trillion surplus or reserve in the trust fund, you will be talking about a $2.5 trillion addition to the national debt. That is what will be growing, not the reserves for the Social Security trust fund.

When we start talking to the old folks of this country about the difference between a $20 raise that they might have gotten or a $10 raise they might have gotten in the size of their benefit check under this resolution, as the Senator from Wisconsin made reference a moment ago, we will be talking to them about how in the world can they make that $10 or $20 addition cover the additional costs that they are going to have, additional cost for medicine, additional cost for heating, for rent, for housing, for clothing, for transportation, for all the things they need, because there is not any way you are going to avoid the consequences to people at the margins in our society against the ravages of inflation that will be caused by deficit spending.

Certainly, even the Senator from Wisconsin will remember the difficulty we had in 1980, 1981, and 1982 as we went through a similar period not nearly as fundamentally destructive as the one we are entering now if we do not control it.

I would say to my friend from Wisconsin and to anyone else, my friend from Michigan, the distinguished senior Senator from Michigan has spoken just a moment ago about making sure Social Security is not touched by this. There are a lot of people on Social Security who are at the margins of our society who are just barely surviving on the payments they are now getting. Unquestionably true.

But it is also unquestionably true there are many people drawing Social Security benefits who are not on the fringes of our society, just barely hanging on. To guarantee to all recipients of the Social Security system the full benefit of a cost-of-living increase while inflation destroys the capability of people who are below the poverty line just simply begs for refutation here.

It is simply impossible for us in the name of protecting people who really need to suggest that we are going to protect people who do not really need while trying to protect people who do and creating even greater hardship for those who are in real need in our society and who are benefiting from and dependent upon programs that will be cut in lieu of a restraint on the growth of Social Security.

So I think Social Security must be in that mix for two reasons. One is in order to get the kind of across-the-board package that will indeed reduce the deficit and so that we can more compassionately respond to the needs of people who cannot defend themselves in the event of the inflation and economic chaos that confronts this country.

Second, there is another reason to include them in this package and that is the necessity for fairness. How can you say to a disabled veteran who is totally dependent on his pension that it is fair to freeze his COLA while you leave Social Security unfrozen? How can you say to someone else in fairness to have their program decimated in order that we have no sacrifice on the part of another great number of people who are involved as recipients of the Social Security program? How can we say to the young person paying into Social Security that your benefit 20 or 30 years from now is guaranteed when we refuse to take the steps that will bring economic stability that makes that guarantee worthwhile?

There is fairness, there is equity, and there is necessity in approaching this problem from the standpoint of a package which will do what has to be done in reducing the Federal budget deficit.

I can find fault with some of the details of this resolution. As I said at the outset, I would rather it be an across-the-board freeze than an across-the-board limit on the size of the increase in some programs, which says those programs will get increases while others get cuts.

And that is the choice we have. For everything we allow an increase in one area of the budget, there will be a cut somewhere else to offset that. Let us have no illusions about this is somehow cost free, that we can grant to one group of people increases, whatever their size will be, at the same time not recognizing that for other people there will be real cuts to offset those increases.

I can also be critical and I am of the portion of this resolution that deals with the treatment of tax revenues. I have spoken on this floor before in opposition to tax increases and I am still in favor of allowing the package to go forward which was embedded in the tax law.

Let us do not get ourselves misled, as I heard a moment ago, that this is not a tax increase, to fail to put into effect a scheduled decrease in the rates, because that package had in it real tax increases and the offsets for some of the treatment was a reduction in the rate while we changed the structure of what was taxable income.

So if you do not reduce the rates while you take away that which changes the structure of taxable income there is a real increase in taxation.

I am opposed to that part of this resolution, but I will tell you this, that it is important for this Congress to provide the leadership that is necessary to put together a package of fiscal restraint and fiscal policy or we will have a financial debacle in this country.

And I think that is the thing we must keep our attention focused upon, not the things that divide us or the individual criticisms we may have over the details of a plan; keep before us always the alternative of failing to do what must be done. And that to me is the fundamental issue before us today and why I support this resolution and hope it puts pressure upon those who are negotiating a package to bring to us so that we may indeed take the appropriate action.

Madam President, I yield the floor.

The **PRESIDING OFFICER**. The Senator from Montana.

Mr. **BAUCUS**. Madam President, this resolution which I strongly support is necessary basically because it is an extraordinary remedy for an extraordinary time. Our country is in trouble. It is in financial trouble because the debt has gone up so much.

The stock market crashed on October 19. That was a bullet. This country basically dodged that bullet. It was a superficial wound, maybe a shoulder wound; not a mortal wound.

But I am not so sure whether we will be able to dodge the next bullet. It might be fatal. And it will be fatal unless we here today, or in the next several days, or in the next week begin to show to the budget summit negotiators, to the country, to the financial markets and to the world that America can begin to govern again.

I think the critical question here is whether America can govern. It is a question that certainly is being asked by foreigners, asked by Japanese who invest in America, asked by the Germans, asked by people around the world who are looking for American leadership. We provided that leadership since the war. But, now many people are wondering whether we will continue to provide that leadership. Can America govern?

In the last 4 weeks since October 19, Black Monday, representatives from the White House, representatives from the Senate, and representatives from the House have been trying to negotiate a reduction to our Federal budget deficit. They have not gotten very far. They are not doing very well.

So far, if what we read is true, they are going to come up with a budget deficit reduction of about $24 to $25 billion and maybe an additional $5 billion in soft deficit cuts. Not very much. We all know it is not very much. We all know it is not enough. And we all know that those who study these matters are going to know that that is a very tepid solution. Someone once said it is a mouse; just a mouse.

We all know that we are going to be just lumbering along in facing this question. And the question of whether America is drifting will continue. It will look like America is continuing to drift into decline because we Americans will not be getting our act together and not governing.

Sure, all kinds of efforts to reduce the budget deficit are painful. They are all painful. Nobody likes to have the budget deficit reduced. It means cutting some programs and it means raising some revenue. Nobody likes that.

We Americans have become, I think, debt junkies. We are addicted to debt. We are addicted to the good life and the easy life. We all want more, more, more. Congress will provide more because people want more. It is just a matter of human nature. The status quo is never enough. You always want more. We have been going down that road for too long. Now we are paying the price.

I think, frankly, that our negotiators, for whom I have the utmost respect, are not listening enough to the good common sense of the people in the country. They are listening too much, by contrast, to the leaders of special interest groups that do not want their ox gored.

Madam President, 3 years ago, I joined with Senator KASSEBAUM, from Kansas; Senator BIDEN, from Delaware; and Senator GRASSLEY, from Iowa, in advocating an across-the-board freeze on spending. In my State of Montana, I advocated that. I went to senior citizens groups. I went to Rotary luncheons, Kiwanis luncheons, knife and fork luncheons. I spoke all across the State of Montana.

I can tell you, just as the Senator from Illinois said this afternoon, people at home are in favor of an across-the-board, fair freeze. They are in favor of it because they know it is fair.

There are all kinds of people that can nitpick and find problems with a freeze, but, Madam President, I am convinced that the most fair way, the way that is most likely to find a solution that is meaningful, is a freeze.

It is an extraordinary remedy. It is simple. It is not a matter of adding here and cutting there. It is a solution that says everybody is in the same boat together. We are all going to stay in the same boat together. We are going to have all our programs treated evenly and across the board.

Frankly, Madam President, I think there is another reason why we should adopt this proposal, and that is to restore American economic strength. I am not talking only about getting the deficit reduced in the short term so there is less pressure on interest rates and so forth. I am talking more about the psychological factor of American resolve.

Benjamin Franklin, at the signing of the Declaration of Independence, said that we either have to hang together or most assuredly we are going to hang separately. The message that an across-the-board freeze sends is that we Americans are going to hang together. We are all going to go through this together. Nobody is better off than anybody else. That potent message will, I think, begin to cause America to come together as a people and a country and to begin to undertake those methods we have to take to restore our strength.

So it is not only textbook economic strength, it is also moral strength, it is character strength. We Americans are finally beginning to pay the bill. We are going to finally stop living beyond our means. We are finally going to begin to undertake the hard work so that we can later reap those benefits.

Madam President, this is a very critical time for America. It is not as easily seen as say, World War II. It does not hit us like we saw Sputnik up in the skies. But, in my judgment, we are being tested. We are being tested as a people. Who are we as Americans? What is our fiber? What are we made out of?

In my judgment, if we adopt this resolution, the American people will welcome it. Sure, they will see it as a little bit extraordinary. Sure, they will be a little shocked. "My gosh, the Congress is finally doing something." Sure, it may even hit me a little bit. But I think in a matter of just a few minutes, when somebody starts thinking about what we have done, if we do it, that they will be relieved—relieved that finally we are doing something in Congress. It is straight talk. It is honest. It is not smoke and mirrors.

And they will also be relieved in another sense; in fact, even gratified. They will be proud. They will be proud of the people they sent to Congress and proud that they as people are sharing together, evenhandedly, a shared effort to try to get this country back on the right track again. That is the real pride.

And I think, Madam President, that after we adopt this, that not only will that pride be reflected in how they feel good about themselves, but they will be telling us we have done a good thing and we will feel better about our jobs here, having done what we know is right.

I just am saddened, Madam President, when the heads of interest groups drum up their troops back home, get them all agitated for their narrow, short-term interests. And, unfortunately, we back here still tend to respond too much to that agitation that the heads of those interests groups have ginned up.

We all know that is what is going on. So why do we not act a little more courageous around here? Why do we not cut through the nonsense, cut through that smoke and mirrors and, instead, act for America?

I think the Senator from Kansas has done this body a terrific service in bringing this resolution forward. I commend all the cosponsors of this resolution. It takes a little guts for Senators around here to say, "OK, no increases in entitlements for a year," It takes courage around here for some Senators to say, "OK, we are going to delay the reduction in the rates of corporate income taxes for a year." That is an extraordinary solution, but I say it is an extraordinary time. That is why I support this resolution and I hope that it is adopted.

I yield the floor.

Mr. BOSCHWITZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. BOSCHWITZ. Madam President, I rise as a cosponsor of this resolution and rise simultaneously to express my reservations with respect to some portions of the resolution. However, it certainly is a much better approach than the patch-and-fill type of approach that is being taken by the budget agreement that is a patch-and-fill approach that might go as long as the next election.

We need some structural changes in our budget. We need some structural changes that are going to bring the budget back into balance over a period of years. Only with structural changes are we going to achieve those results.

So the patch-and-fill approach of the negotiating group simply is not good enough. Structural changes must be undertaken and, indeed, this resolution, although it is imperfect, indeed this resolution does those things.

I, too, as some of the Senators have stated, would prefer a freeze across the board, but a 2-percent increase gives us some opportunities. Frankly, I wish it were done for 2 years. Then the 2-percent increase could, perhaps, be changed a little bit and rather than giving every recipient 2 percent, give the people on the lower end a little higher percentage or a little higher amount.

One of my colleagues from Minnesota, Congressman PENNY, has suggested as I have suggested in the past, that perhaps we should give those recipients of Social Security fixed amounts, be it $11 a month extra, $10, $12, so the people in the lowest rung would receive a larger percentage and the people at the top end of the scale would receive less. I compliment the Congressman from Minnesota for making that suggestion. It is a good suggestion and it is a way that perhaps you could work with this 2-percent increase and mold it in some way that those who really rely on Social Security for the entirety of their income, as the Senator from Idaho was speaking about, that they would, indeed, be improved perhaps even beyond 2 percent as they should be if they are relying on Social Security and if their Social Security check is a small one.

But the idea of patching and filling, as the leadership has returned to us with a package that really is a patch and fill approach, is something that is unsatisfactory. The fact that about a quarter of the Senate has joined very quickly in this resolution is an indication that Senators are willing to adopt a more forceful approach; that Senators are willing to make difficult votes, votes that politically, perhaps, should not be cast but nevertheless must be cast if we are going to make structural changes in the budget rather than take the patch and fill approach as the leadership has taken.

You know, the word "cut" really is often misused when we talk about the budget. We are not going to cut the budget. Spending is going to go up this year by $75 or $80 billion, unless we do something about it. And the reductions are from that increase. We are not going to spend less than last year. In my State, and in my experience in business and in life, if you cut you actually spend less than the year before. We are going to spend at least $50 or $60 billion more than last year. It is just a question if we spend as much as people expect us to spend.

The CBO, the Congressional Budget Office, says we are going to spend about $1,075 to $1,080 billion this year. Last year we spent about $1,000 billion. So the increase is very large. We are going to cut the increase but we are not going to cut below last year and it is important that the American people should understand that. Indeed, if programs rise slowly for a couple of years we can balance the budget, we can make some meaningful progress toward reducing the deficit. If for 2 years we had a 2-percent across-the-board increase, the 2 plus 2 plan that Senator DOMENICI introduced into the conference, into the negotiation, we indeed would be much better off than this resolution that has been offered that I cosponsor. I do not like certain aspects of this resolution and I hope they are changed in the legislative process as it goes through the works here in the House and Senate and conference as it approaches the President's desk. I do not like the idea of not giving the decline in tax rates that has been promised.

Somehow, by not giving a decline in tax rates, you do not affect anybody but somehow by not giving them an increase, you do affect some people. I think that they can work in tandem and that is why I am on this particular resolution.

Let me talk just for a moment, again, about trust funds. The Senator from Wisconsin was saying they should be exempted from the budget process. Trust funds account for 35 to 36 percent of the entire budget. They are all funded, to the best of my knowledge, with specific taxes. Most of them are in surplus. If we are to remove all of them from the budget, we are going to remove that 35 percent. And since interest is 14 percent of the budget, if you take all the trust funds and interest—you simply have to pay the going rate of interest, that is not a negotiable part of the budget—you would effectively sweep half of the budget aside and say we are going to have to try to cut and try to balance the budget from the other half.

Well, that is patently unfair. Everybody has to give. Everything has to give if we are going to be able to balance the budget. If we try to balance the budget with only half the expenditures of the Federal Government, we are going to cast a great injury upon farmers, for instance, upon others—upon education, upon many of the most vital parts of our economy. We are not going to make it possible for the Coast Guard to interdict the drug smugglers who come from the other parts of the world. All of those things are in the other half of the budget. We simply cannot exempt a large chunk of the budget and say it is off limits, but we will balance the budget from the rest of the people of the United States. Everybody has to give and that is the way I think it can be done.

I believe that across the board is something that is fair. I have been talking about it on this floor and writing about it for some years. One of the unfairnesses of allowing Social Security to not be part of it is demonstrated by a letter to the editor that appeared in this morning's St. Paul Pioneer Press, I believe. A fellow by the name of Sulo Tahti—I hope I am pronouncing it right—wrote and said he has been retired from the Postal Service for almost 7 years. "Every cost-of-living adjustment I was supposed to get was canceled, delayed, reduced or mangled in some manner except in 1982." Hardly a fair-play approach, while others received theirs.

Are we to do it again to the postal workers, the civil service retirees, the veterans who may receive a very small veterans pension, to whom we have held down increases, or the military and other retirees? I think that is patently unfair. I think that whatever is done should be done across the board. That writer, Mr. Tahti, continues by pointing out that last winter we gave ourselves a raise in this body and in the House. We actually voted against it here and in the House they voted for it by voting against it after the time to vote against it had expired. It was a rather neat trick. He points out that we are getting a substantial increase; that we, too, should be made to fall into line with all others if it is to be a fair-play approach. I would agree with that and I would certainly support any resolution or any amendment that would bring that back into line with what Social Security recipients, postal retirees or others are receiving.

So, Mr. President, some years ago I wrote about the fair-play budget. I wrote to my constituents about a year and a half after I arrived in the Senate and that was 7½ years ago. The deficit at that time was $70 billion. As I watched the Congress work its will I said: The only way to do it is across the board.

Well, some of my constituents said: We sent you down there to make choices, not to have a mindless across-the-board approach.

I said that, regretfully, if it is not a little mindless, if it is not across the board, it is simply not going to work because so many different priorities exists here among the 535 Members of Congress that unless it is across the board, nothing seems to get done.

I still hold to that viewpoint, Madam President, and I still believe that across the board is fair.

I yield the floor.

The **PRESIDING OFFICER**. The Senator from North Dakota.

Mr. **CONRAD**. I thank the Chair.

Madam President, I commend the Senator from Kansas, Senator KASSEBAUM, for taking the leadership in putting together this resolution. As someone who has been involved as a member of the Budget Committee, as someone who has been involved in many negotiations over the past series of weeks on a series of attempts to bring the deficit under control, I am pleased to join as a cosponsor of this resolution.

I am reminded of the question, "If not us, who? If not now, when?"

That series of questions applies to the deficit, and whether or not we have the political will to face up to the greatest challenge this country confronts in our time. It is time to be bold, it is time to be brave, and it is time to be bipartisan. This resolution meets all of those tests. It is bold, it is brave, and it is bipartisan.

Everyone knows that these deficits threaten our economic future. In just these few short years we have seen the national deficit triple, we have seen the trade deficit increase sixfold, and we have become a debtor nation for the first time since 1914. Our economic sovereignty is being threatened.

Some people will ask is this resolution perfect. No, it is not. I think we should all be quick to acknowledge there is no perfect plan. I have problems with this plan. I have problems with the military number, $219 billion, being $2 billion more than has been adopted in the negotiating session which is going on just several hundred feet from this Chamber. I would prefer to see a lower number.

I am someone who said no to a package this morning, but that was a different package. That was a package that provided no increase for COLA's, and, frankly, Madam President, I could not buy that kind of package. I could not go to the very poorest among us and say, "You will get no additional help from the Federal Government."

But I can look every one of my constituents in the eye and say, "All of us must contribute to solving this problem because unless everyone is in, we are not going to solve the deficit crisis facing this country, and all of us will pay the price for a failure to act; all of us will suffer grievously if we do not summon the political will and courage to face this problem."

The next question is, Is this plan better than the plan that is being negotiated, as I said, just several hundred feet away? I believe absolutely that it is better.

Let me describe briefly why.

The plan that is being worked on just several hundred feet away provides about $30 billion of deficit reduction. But not really. Not really. The press has been reporting over and over to the American people that this plan that is being talked about will reduce the deficit $30 billion.

The public should know it does not reduce last year's deficit by $30 billion. In fact, it does not reduce last year's budget deficit by one nickel.

Instead, we will have the same level of budget deficit in 1988 as we had in 1987. The $30 billion reduction that you hear so much about is a reduction from a projection of next year's deficit. It is not a reduction of last year's deficit. And that is not good enough.

Happily, Senator KASSEBAUM and the others who have come forward to cosponsor this resolution, have put together a package that will provide real year-to-year deficit reduction, precisely the medicine that this country requires.

This is a deficit reduction plan that will save $100 billion over 3 years. It is bipartisan. It is brave. It is bold. And it asks all to contribute to the solution.

Those who say, "I cannot support it because it does something on entitlements," those who say, "I cannot support it because it does something to the military," those who say, "I cannot support it because there is a revenue component," have not been in the negotiations over and over that have been held in the past several weeks and months. If there is one thing that those of us who have been in the negotiations have learned is that unless everybody gives, there will not be a package.

You cannot convince those who are opposed to a revenue component to have one unless entitlements are in, unless the defense budget is in, and you cannot convince those who are opposed to entitlements that we should go forward and deal with entitlements without dealing with revenue and defense. And so it goes.

Madam President, it is time for us to be courageous and it is time for us to produce for the American people a solution that is convincing and credible and that will work; a solution in which everyone participates.

This resolution, while not perfect, meets those tests. For that reason, Madam President, I am happy to rise in support of the resolution introduced by Senator KASSEBAUM today.

Madam President, I yield the floor.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Madam President, I am a cosponsor of the Kassebaum resolution. It is simply long overdue that we take a bipartisan, balanced, honest, straightforward action. In one sense, it is a revolution, because it pulls together 25 of us from both sides of the aisle who have different priorities from each other. Some of us want to protect defense more than domestic, some of us want to freeze the tax rates, some of us want to freeze the COLA, some of us want the new tax rates to go into effect.

People in this Chamber who have very different priorities have come together and said, "We are either going to be all in the solution or the problem is going to remain and fester."

This is a bipartisan, balanced, honest, essential freeze.

As some of our colleagues have pointed out, if this had a total freeze on COLA's, a number of our names would not be on this resolution, and I am one of those persons. Senator CONRAD just pointed out that if there were a total freeze on COLA's in this resolution, his name would not have been on this resolution because then it would not have been fair.

But there was a change made this morning which provided that there will be a COLA permitted of 2 percent. This resolution allows for a 2-percent increase in COLA's and a full increase in COLA's for those who are receiving SSI.

That then, becomes that issue.

Would those of us who would like to protect COLA's be willing to allow any reduction in COLA's in exchange for freezing the tax rates and doing something significant and dramatic and direct and straightforward and honest on the revenue side?

Those of us who would like to protect COLA's, who have signed this resolution, have said, "Yes, allow for a partial COLA and freeze those tax rates so that the wealthiest among us do not get large tax cuts next year and at the same time middle-income people are being hurt. You do that, allow for a partial COLA and freeze those tax rates, provide some real revenues, and at that point you have some additional names on this package."

I am one of those names.

It is straightforward; it is honest. There are not a lot of nooks and crannies, a lot of transition rules, a lot of exceptions for our favorite causes and our favorite constituents. We put everybody in this boat together. There is some shared sacrifice in this package.

Now, there will be some who will come along and say, "Wait a minute; you mean you want to touch that particular group, too, even though it has a high priority? You are going to freeze education?" And there is no higher priority in my book than education. And my answer is, "Yes."

Yes, we are going to do a lot of things which provide for a little bit of sacrifice and a little bit of pain for everybody. It is not perfect because a little bit of pain for one person is a lot of pain for another person at the same amount of dollars. But there is shared sacrifice in this package.

And so what we have come up with is something which is honest, bipartisan, balanced, provides for shared sacrifice, and freezes the tax rates so that we do not have the absurdity, the abomination in my view, of the wealthiest among us receiving tax cuts next year at the same time that others of much lesser means are being expected to contribute.

Madam President, this package is supportive of our negotiators. Senator KASSEBAUM made that very clear in presenting it. This is not being offered in lieu of, and it is not being offered to undermine. It is being offered to support our negotiators, to tell those negotiators that a significant number of Senators are willing to do something which involves sacrifice for the American people. We are willing, each of us who have signed this resolution, to do some things which we are not particularly happy doing, that touch groups that we are not particularly happy touching, in order that we can address this problem and save this economy. There is not one group that we do not want to protect, be it seniors or students or whoever, that would be anything other than devastated if this Congress does not come up with a significant deficit reduction package and if this President does not finally become responsible in the area of deficit reduction and sign on to a package which involves some shared sacrific for all.

So this package is intended to be supportive of our negotiators, not to be a substitute for what they are trying to do. And it is clear from the way it was presented by Senator KASSEBAUM that it is intended, indeed, to send them a message saying, "call on us for some shared sacrifice." You can call on us to freeze those tax rates, and as a price for doing that you can call on those of us who would like to protect COLA's for a partial freeze on COLA's as well."

We are all responsible for the situation in which we find ourselves. We are jointly responsible for it. The solution to the situation we are in and the way out has to be joint as well.

I do not know of many instances in this body, at least in the years I have been here, where we have had such a bipartisan cross section of Senators sign on to something as challenging, as bold, as gutsy, as courageous, as difficult politically as this package. It is no mean feat what Senator KASSEBAUM and others have done. We have gathered together, I believe, a broad cross section for an essential freeze. It is not a complete freeze. It is not complete because it allows the increase in the standard deduction and the increase in the person on exemption to take effect next year in the Tax Code. And it also allows for a 2-percent COLA, which again is the price a number of us insisted on in order to become cosponsors of this package. But it is an essential freeze, essential because it covers just about everything so essential for the future of this country.

For that reason I am proud to be 1 of the 25 or so cosponsors of this resolution.

Mr. DODD addressed the Chair.

Mr. BOREN addressed the Chair.

The PRESIDING OFFICER (Mr. BREAUX). The Senator from Oklahoma is recognized.

Mr. BOREN. Mr. President, I thank the Chair and I thank my my distinguished colleagues from Colorado and Florida for allowing me to move ahead in the order to make some very brief comments. I commend the Senator from Michigan and the others who have joined in cosponsoring this particular resolution. It is an extraordinary event that almost one-fourth of the membership of the Senate, virtually equally divided between the two parties, comes together in a bipartisan proposal of this kind.

The Senator from Michigan had it right when he said that this is a "one boat" plan. It calls upon all of the American people without exception, with no one being left out. It brings all Americans into the boat together, for each one of us to make the sacrifice to do something important for the future of this country and for the next generation.

I would not be in favor of constraining the COLA's and asking the people on Social Security to make all the sacrifice by themselves. I would not be in favor of asking the farmers, "Please step forward and make a sacrifice to solve this problem for the rest of the country."

I would not be in favor of just singling out those who have been paying the bulk of the income tax in the past and ask them to pay the full price tag for what needs to be done, because they have been burned so many times in the past when taxes have been raised, only to have seen the proceeds spent on new programs rather than getting the budget deficit down.

This does not ask, however, any one group of Americans to bear the full responsibility for solving this problem. It asks all Americans to join in doing something about the crisis which we face. The question which all of us as elected officials have to ask ourselves is a very simple: Do the American people care enough about this country and its economic future to be willing to band together and each and every one of them make a small sacrifice to turn the situation around?

Mr. President, I have confidence in the patriotism of our people. I do not believe there is any single group of Americans that is not ready and willing to do its part as long as they know that every other American is in the boat with them. Let us quit underestimating the patriotism of the American people. Let us band together and give a great people the leadership that they are longing to have so that we can turn this situation around. I thank the Chair and I thank my colleagues for allowing me to speak.

Mr. DODD. Mr. President, this subject has been talked about now for the last 2½ hours, the Kassebaum resolution, of which I and 23 others or 24 others are cosponsor, I would point out. I think it is somewhat interesting that going back to 1982 with the Hollings freeze proposal, it has been about 25 of us that have pretty much supported across the board those various proposals. I was a cosponsor in 1982 of the Hollings approach and offered a pay-as-you-go proposal at the time that required revenues to support any increase in any domestic spending program. Of course there was the Kassebaum-Grassley-Biden-Baucus approach. I was a sponsor of that as well.

There have been any number of proposals like the one that we have before us today that have been submitted that calls for a freeze and deals both with revenues as well as spending. As has been said over and over again but deserves repeating, this is a fair program. My colleague from Connecticut, Senator WEICKER, I think most of us would agree here is an ardent advocate of the handicapped or those who are usually in the shadows of life and yet he is a cosponsor of this resolution as well. Senator NUNN, who feels passionately about the national security of this country and has led this Chamber on many occasions reminding us of things we must do, is a cosponsor of this resolution. My colleague from Michigan, Senator LEVIN, who has been an extremely strong advocate of countless social domestic programs affecting children, women, and others is a cosponsor of this proposal. Senator MCCLURE of Idaho, an individual who is a guardian of fiscal conservatism, if you will, is a cosponsor of this resolution.

So it has been said by others but maybe it is important to keep on saying this afternoon, to those summiteers who are meeting possible even within earshot of this Chamber that there are 25 of us or so, a quarter of this body, who are willing to take the plunge, if you will, to meet, and face if you will the respective constituencies who I am sure are going to be in touch with us and asking us why we are supporting a proposition that is going to be harmful to them in terms of the amount of revenues they will be receiving.

As my colleague from Connecticut and others have said, I think accurately, it is not at all going to be a question of hurting them. If we do nothing, they will really be hurt. And if we go about a process that tries to juggle constituencies we inevitably find that those who come out on the short end at least over the last 7 years have been the very constituencies who may be the first to complain about this freeze proposal.

So, Mr. President, I am delighted to support this proposition, this resolution. I think it is extremely important if the summiteers are trying to fashion a proposal that will work, and that will be meaningful. I presume they are also trying to fashion one that will fly. If you have a wonderful idea, maybe the best idea ever fashioned, and you cannot get 51 votes for it in this body, and a 50-percent plus 1 in the other, it is not worth much as an idea. It has got to be an idea that will build or have or construct a political base of support that will sustain it. When you have a quarter of the U.S. Senate representing virtually every element and winning, if you will, ideologically, philosophically, that is a profound and serious political message.

So on top of it being real money, equitable, straightforward, without a lot of nooks and crannies, as our colleague from Michigan said, and will fly politically, my hope would be that the summiteers might listen or read this record that has been accumulated over the last hour or so and may come out of that room with something very much like what is being advocated by the Senator from Kansas and 24 of her colleagues on both sides of the aisle here.

Mr. President, I urge that something like that be submitted sooner rather than later. I do not think we have a week. I will tell you honestly, I do not think you can go a week or so. That market today may be up a little bit, but it was down some 35 points earlier. I am told that it is down about 14 or 15 the last hour or so.

I would like to think that they are listening to some of this chatter that has been going on for the past few hours and that they will join in a meaningful legislative package. I do not think you can go another week with this kind of situation.

With all due respect to the summiteers, a month of chattering in a room is silly. You should not have to take that amount of time on something like this.

The political will is here, I think, to make the hard choices. That is the important thing, it seems to me.

So I hope that this afternoon, before the sun sets, the summiteers will come back, go to the other body, and present a plan along the lines proposed by Senator KASSEBAUM and others; and I think we can leave here, go home for Thanksgiving, and we would have done our business and have done a good job at our business.

ORDER OF PROCEDURE

Mr. DIXON. Mr. President, I was prepared to say something, but I see the distinguished majority leader on the floor. Somehow, my political instincts tell me that he is prepared to say something, so I would like to yield to the distinguished majority leader and ask that I may have the floor later to introduce a bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank the very distinguished Senator from Illinois for his typical courtesy and consideration. I assure him that I will not take more than a couple of minutes.

There is a message from the other body, and once it is received, I would like to take it up. It involves the adjournment resolution. It has been cleared with the Republican leader; and as soon as it is received, I am going to ask that we proceed with it.

MESSAGES FROM THE HOUSE

At 2:27 p.m., a message from the House of Representatives, delivered by Ms. Goetz, announced that the House agrees to the amendment of the Senate to the amendments of the House to the bill (S. 1452) to amend the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisors Act of 1940 to make certain technical, clarifying, and conforming amendments, to authorize appropriations to the Securities and Exchange Commission, and for other purposes.

The message also announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 404. Joint resolution to provide for the temporary extension of certain programs relating to housing and community development, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 220. A concurrent resolution providing for an adjournment of the two Houses until November 30, 1987.

HOUSE CONCURRENT RESOLUTION 220—ADJOURNMENT OF THE TWO HOUSES OF CONGRESS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Concurrent Resolution 220.

The PRESIDING OFFICER. The concurrent resolution will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 220) providing for an adjournment of the two Houses until November 30, 1987.

The PRESIDING OFFICER. Is there objection to the present consideration of the concurrent resolution?

There being no objection, the concurrent resolution (H. Con. Res. 220) was considered and agreed to.

The concurrent resolution reads as follows:

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Friday, November 20, 1987, or Monday, November 23, 1987, or Tuesday, November 24, 1987, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stand adjourned until 12 o'clock meridian on Monday, November 30, 1987, and that when the Senate adjourns on Friday, November 20, 1987, or Monday, November 23, 1987, or Tuesday, November 24, 1987, pursuant to a motion made by the Majority Leader, or his designee, in accordance with this resolution, it stand adjourned until 10 o'clock ante meridiem on Monday, November 30, 1987.

Mr. BYRD. Mr. President, I again thank the distinguished Senator.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DIXON. Mr. President, may I say to the majority leader that I was about to publicly congratulate him on his birthday, just prior to my remarks.

It is customary, of course, for the warm admirers and friends of an individual to give him a gift on his birthday. But, contrary to ordinary practice, the majority leader, in his usual wisdom, has extended a gift to his friends and his loyal followers by giving us off the balance of the month. So we thank him for the gift, Mr. President, which is greatly appreciated by his 99 colleagues, all his friends. We wish him a very happy birthday, and we hope he lives forever, although there is only one precedent for that.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

The adjournment resolution provides for the Senate to go out either at the close of business today or on Monday next or on Tuesday next.

If some agreement can be reached before this day is over concerning the budget deficit reduction problem, then indeed there will not be any session next week. If no agreement is reached today I anticipate that the Senate will still be in on Monday and Tuesday.

But I thank my dear friend for his kind words. I assure him that I would like to live forever. I hope to in another world but not in this one. But I am glad that I have been able to reach the age of 70. I am not longer in my sixties. I do not like to grow old. I never will grow old in spirit. But when one thinks of the alternative I guess it is better just to grow old.

I thank my friend.

Mr. DIXON. I thank the majority leader. He remains young of heart. That is valuable in his leadership to all of us.

DEFICIT REDUCTION

Mr. NICKLES. Mr. President, I wish to compliment many of my colleagues who I have listened to today and I have been discussing with for the last couple of days concerning the need and the necessity to make significant real reductions in deficit reductions. We have heard more good speeches in the last week from Members of the Senate about the need for deficit reduction than probably any time in several years.

If you look at a lot of the proposals that have been bandied about, some of the resolutions that have been discussed today and the last couple of days, and some of the proposals for capping spending, I think many are very significant, very real, very positive.

I made the statement on the floor several days ago stating, in my belief, that we could do something really significant if we could just freeze or hold down the total amount of money that we spend if we could just do what we did last year. Because last year, total outlays grew by $12 billion, that is only a 1.2-percent increase. This is the lowest increase in outlays in years. If we could just hold total spending to that type of growth level it would be very, very significant and very real. We would see significant deficit reduction, possibly as much as we saw last year. Last year we had a deficit reduction of $73 billion.

Today we are discussing deficit reductions for next year, or the year that we are in, fiscal year 1988, of $23 billion or $30 billion; some of the proposals have been more aggressive and said $35 billion. But if we could hold Federal spending down to 1 or 2 percent, we could have even greater deficit reductions.

My fear is that we are not really going to be successful in holding total spending down. And I say that, Mr. President, with some regret because I think that we could and I think that we should.

I serve on the Appropriations Committee with several of my colleagues. I have monitored the appropriations levels and we see in appropriated accounts spending has increased by an average of all the appropriation bills which we have handled, which in the Senate includes all bills except for defense and foreign operations, the total increase for 1988 compared to 1987 is an increase of 7 percent. Some committees increased substantially, some a little bit, but an average of 7 percent, a difference of $21 billion. We are going to appropriate $21 billion more for 1988 than we did in 1987.

Keep in mind Mr. President, I said for 1987 the total spending for everything, including Social Security, including defense, only went up $12 billion. Yet in the appropriated accounts, we are looking at a $21 billion increase, minus the largest appropriated account, and that is the Department of Defense.

So we see big increases coming in appropriated accounts. We see increases coming about because COLA's and others are escalated to increase. We have had a lot of people today, probably more than we have ever had in the past, saying that they are willing to take a difficult step and freeze COLA's or limit COLA's and cap COLA's. I congratulate them for that courage and I think we need to make those type of difficult, tough decisions.

Likewise, we should be working on limiting the amount of money that we spend in appropriated accounts. A lot of people say, "Well, we are taking care of that because we are reducing these appropriated accounts by $2.6 billion or maybe by $5 billion," but I need to tell my colleagues you are working off of an escalated base. A lot of people call it the Gradison baseline. It has 4.2 percent built in automatically, plus whatever current services would be.

If you follow that guideline, you are looking at, for fiscal year 1988, $1,065 trillion, as compared to last year's $1,002 trillion, an increase of $63 billion, because we are working on a higher base. We are working on a higher baseline, a baseline that has inflation already calculated in for every single account. I think that is a real mistake and that is one of the areas that needs to be addressed.

We should be working off of last year's figures, noninflated. Let us work off 1987 so if we tell somebody we are cutting spending, we are really cutting spending. Cutting spending means you get less than you got last year. We need to be working off last year's figures. That is what we do in the private sector. That is what people do in their personal accounts. That is what we should do in the Federal Government. Then, if we make any reductions, at least we are pulling teeth and making decisions.

A lot of our colleagues have said, "We can't allow sequestration to go forward." I do not think it makes that much difference. Yes, it is going to cut 10 percent from defense, 8 percent from all these programs. The facts are quite different.

I will put in the RECORD a table that I have done that would compare what would happen if we allow the sequester to go forward, which may well go forward tonight, and compare that to the 1987 level. I think my colleagues would be interested to know that in many areas you do not see spending going down, but in many areas, because you are working off of a higher base, spending goes up and spending goes up substantially. Defense spending does go down. I ask unanimous consent that this table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ANALYSIS OF FEDERAL SPENDING

	1987 actual	1987–88 increase/ (decrease)		1988 CBO sequester base	1987–88 increase/ (decrease)		1988 CBO post sequester	1988 CBO budget authority freeze
		Amount	Percent		Amount	Percent		
Defense	282.01	8.39	0.03	290.40	−3.11	−0.01	278.90	284.10
International Affairs	11.76	4.64	.39	16.40	3.74	.32	15.50	16.00
General Science	9.19	1.81	.20	11.00	1.21	.13	10.40	10.70
Energy	4.17	−.17	−.04	4.00	−.47	−.11	3.70	3.80
Natural Resources	13.22	1.58	.12	14.80	.58	.04	13.80	14.30
Agriculture	26.49	.91	.03	27.40	−.19	−.01	26.30	27.20
Commerce and Housing Cr	5.23	.77	.15	6.00	.47	.09	5.70	5.90
Transportation	26.23	1.87	.07	28.10	1.07	.04	27.30	27.70
Community and Reg Dev	5.33	1.27	.24	6.60	1.17	.22	6.50	6.60
Educ, Training, Emp	28.72	4.78	.17	33.50	3.88	.14	32.60	33.10
Health	39.97	4.33	.11	44.30	3.73	.09	43.70	43.90
Social Security	207.35	13.35	.06	220.70	13.15	.06	220.50	220.50
Medicare	75.12	7.18	.10	82.30	5.68	.08	80.80	82.20
Income Security	123.50	9.20	.07	132.70	8.50	.07	132.00	132.40
Veterans Benefits	26.80	1.20	.04	28.00	.80	.03	27.60	27.50
Admin of Justice	7.50	1.60	.21	9.10	1.00	.13	8.50	8.80
General Government	6.00	1.10	.18	7.10	.50	.08	6.50	6.70
Gen Purp Fiscal Asst	1.62	.28	.17	1.90	.08	.05	1.70	1.80
Net interest	138.52	11.48	.08	150.00	10.58	.08	149.10	149.60
Allowances	.00	.00		.00	.00	ERR	.00	.00
Undist offset receipts	−36.62	−1.38	.04	−38.00	−1.38	.04	−38.00	−38.00
Total budget	1,002.15	74.15	.07	1,076.30	50.95	.05	1,053.10	1,064.80
Receipts	854.14	48.86	.06	903.00	48.86	.06	903.00	903.00
Deficit	148.01	25.29	.17	173.30	2.09	.01	150.10	161.80
GNO growth	3.80							
CPI	4.30							

Note—Totals may not add up due to rounding.

Last year's outlays—and I am talking about outlays in all of these figures I am using—but last year's outlays for defense were $282 billion. Under the post-sequester, it would be $279 billion. This is a reduction of about $3 billion.

International affairs—last year's outlays were $11.76 billion. Under sequestration, it would be $15.5 billion. This is still a very significant increase.

General science, last year we spent $9.91 billion. This year, after sequestration, it would be $10.4 billion. Still a very significant, over 10 percent, increase.

Energy would have a reduction, going from $4.1 to $3.7 billion.

Natural resources, last year, we spent $13.22 billion. This year, after the sequester, it would be $13.8 billion. It would still have an increase.

In agriculture, last year we spent $26.49 billion. After sequestration, it would be $26.3 billion; almost the same.

Commerce and housing, last year, we spent $5.23 billion. After sequestration, it would be $5.7 billion. Still an increase.

For transportation, last year, $26.23 billion. After sequestration, it would be $27.3 billion. Transportation, after sequestration, is still higher.

And on and on, all the way down the list. I will include this analysis of Federal spending in the RECORD because I think it is important that people know this.

I think a lot of people have just heard "sequestration" and think, "Oh, my goodness, the sky is falling. We are not operating. We are going to slash and gut all these programs." That is not really the case.

I think if you look at most of these figures you would find out that even after the sequestration goes forward—which it may well go forward tonight—that they still have more money to spend in 1988 than they had in 1987. So I do not find that totally fiscally irresponsible, as a lot of people may be alluding to.

I will tell you what I do think is fiscally irresponsible, and I think probably one of the bigger challenges that we have. We have talked about deficit reduction but at the same time we are talking about deficit reduction we have a multitude of programs that are mushrooming from either the House and/or the Senate that are well outside of any of the budget negotiations that I hear, but they are moving and they are moving rapidly and they are extremely expensive and I question whether or not we can afford these.

If we are going to be serious about deficit reduction we should be telling our negotiators, in addition to the negotiations, let us make sure we do not add a bunch of new, expensive programs. Let us make sure that that caveat is on there because every single day there have been reports of a new program that has been introduced. I have heard several of my colleagues say yes, we need to be across the board and we need to contain entitlements. Just a couple of weeks ago in the Senate and in the House we passed the most expensive, most expansionistic example of an entitlement program in our country's history, certainly since 1965, with the so-called catastrophic health insurance amendments with the drug benefit.

In the Senate bill we said that by 1993 we are going to pay for all drugs. All drugs will be covered and that goes into effect under the House bill effective next year, Effective 1988 or 1989, all drugs will be covered, 80 percent of the cost above $500, estimated cost: $6 billion by 1990 and in my opinion they grossly underestimated the cost.

The demand for that program will be enormous, not to mention the cost of catastrophic health coverage for the long-term health care costs. That is another $6 billion per year by the year 1990.

That has already happened. What about all those examples that say: "Hey, wait a minute, we want to be fiscally prudent. That is a pay-as-you-go program." The demands on that program will greatly exceed our ability to pay and then we are going to be in a real dilemma. Are we going to tell people what drug you are going to be able to pay for? Who is going to be able to get what drug because we do not have enough money? So you are going to have the Secretary of HHS playing God, trying to determine which drugs will be covered and which ones will not.

There are other examples of such programs. In today's newspaper, the Washington Post, today it says a $2.5 billion day care bill is proposed, introduced in the Senate, I believe, with 22 cosponsors; $2.5 billion. This is a new program as of today. It is interesting, the same day that we have been talking about deficit reduction.

Yesterday there was an article in the paper that talked about a House welfare program. It is going to move forward. It is going to have a cost of $5.5 billion over a 5-year period of time. We passed, and I know the Presiding Officer is aware of this, an energy appropriation bill on the floor of the Senate earlier this week. We passed it. We told the State, whoever would take the nuclear repository, that is $100 million per year; whoever would take the monitored retrievable storage, that is $50 million a year that we will give you forever. This is kind of expensive.

We have other situations? We have got a bill pending that will probably come up in another week or so that says well, we are going to pay reparations for people who were interned during World War II, Japanese internment; costs $1.25 billion.

We have a trade bill in conference that has new budget authority of $4 plus billion. It has a $980 million program for worker training.

We have a housing bill that the Senate has sent back to the conferees. Hopefully they will work it out and make it more financially responsible.

The President asked for $10 billion in the Housing bill. The Senate has the bill that says well, it is $15.6, but OMB says it is really closer to $19 billion per year. Do you know what? OMB is right because in that $15.6 billion we kind of forgot, well, there is a Nehemiah program in there. But it said such sums are necessary. It is in there. It is going to cost money.

What is the Nehemiah program? It is a program for housing. You say, well, I am for housing. This is a program that says we are going to give you a $15,000 loan but in the $15,000 loan, whoever happens to get it, you do not have to pay any interest or principal. It is a heck of a loan and yet it is in the housing bill which is pending. It is going to be sent to the President in the not-too-distant future, and I hope he vetoes it and I hope we have the courage to sustain the veto.

The costs of that bill is $19 billion and again, the President was asking for $10. Last year we spent about $15 and now we have got a housing bill before us that is $19 billion. Again, you talk about fiscal irresponsibility; that bothers me.

What I liked, what I heard today and what I heard yesterday, what I heard from several of my colleagues over the last couple of weeks, they said: We have got to do something. We have got to make difficult decisions. We have got to be courageous. We have got to bring the deficit down and I applaud those decisions and I compliment them for their courage and conviction, and I say let us take them up on it. Let us do it. Let us come up with a significant package.

I know that right now or in another 3 or 4 minutes our negotiators are going to be meeting with the White House personnel and they are going to be working to come up with the final touches on a package. Maybe they will come up with a package. I think a lot of us have concluded that the package does not do enough towards real deficit reduction. I would like to see us do more. Many of us have stated that we could do more and we should do more. I just hope that we will have the courage to do more than the deficit package. I also hope that we will have the courage when we see long-term health care at a cost of $25 billion or child care at $2.5 billion or House welfare provision at $5.5 billion or a trade bill that costs $4 billion plus.

I hope that we will have the courage, then, as well, to start staying no; to start turning down those bills; start sustaining vetoes. I hope the President will have the courage to veto and then I hope that we would sustain those vetoes.

I think that is really where the battle needs to be fought, where the battle will be fought and unfortunately where the taxpayers have been losing the battle for the last several years. I hope that we can see the fiscal responsibility that we have heard talked about this last Friday.

Mr. President, I ask unanimous consent that the Washington Post newspaper article by Sandra Evans and the analysis of appropriations from the Senate Committee on Appropriations be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

$2.5 BILLION DAY CARE BILL PROPOSED—FAST-TRACK LEGISLATION CALLED RESPONSE TO 'CHILD CARE CRISIS'

(By Sandra Evans)

Congressional child care advocates, backed by 95 national organizations, introduced a $2.5 billion bill yesterday that would fund more day care slots, help families pay for care and set minimum federal standards.

The sponsors, including key Democrats but only a few Republicans, promised to put the legislation on a fast track for consideration next year. While acknowledging the difficulty of getting such an expensive new program approved, especially during such budget-conscious times, proponents said the magnitude of what they called "child care crisis" warrants the cost.

"The horror stories [about child care] are going to continue unless we do something about them," said Rep. Dale E. Kildee (D-Mich.), who introduced the bill in the House with 126 cosponsors.

The Senate bill was introduced by Sen. Christopher J. Dodd (D-Conn.), chairman of the Senate Labor and Human Resources Subcommittee on Children. With 22 cosponsors, the bill is supported by eight of nine Democratic members of the full committee, including Chairman Edward M. Kennedy (D-Mass.).

The legislation, called the Act for Better Child Care Services, would put 75 percent of its funding into financial assistance for working parents with incomes up to 115 percent of their state median. It also provides for:

Development of minimum federal child care standards, including staff-to-child ratios and personnel qualifications.

A 20 percent state match to federal funds.

Grants and loans to expand child care programs, train workers, create information and referral services and to monitor programs and enforce standards.

Sen. Orrin G. Hatch (R-Utah), ranking minority member of the labor committee, meanwhile has introduced his own child care bill. The proposal, costing a more modest $375 million the first year, would give communities "seed money" to start child care projects and relies on the states to set child care standards with federal assistance.

The Hatch bill also would give employers tax incentives to set up worksite day care centers and would simplify tax requirements for home-based providers. Hatch, a conservative, said he wants to work with Dodd and Kennedy to fashion a child care bill that can make it through Congress with conservative support.

"This is going to be my number one legislative priority," Hatch said yesterday in an interview, acknowledging that he had had to be "educated" on the need for child care.

"It's preferable to have parents raise the children in the home, but with 54 percent of women working, it's apparent that no one is in the home," he said.

Proponents of the $2.5 billion bill were encouraged by Hatch's legislation, but they expect a fight with the Reagan administration.

"I am sympathetic with the need to push the child care agenda," said Dodie Livingston, Health and Human Services commissioner of children, youth, and families, but she added that "the administration is going to choke over the $2.5 billion."

The administration generally has opposed federal regulation of day care, she noted.

ANALYSIS OF APPROPRIATIONS, FISCAL YEARS 1987–88

[Amounts in millions; as of Nov. 5, 1987]

Subcommittee	Fiscal year 1987	Percent change	Senate fiscal year 1988
Agriculture	55,273	3	56,966
Commerce-Justice	13,289	7	14,234
Defense	275,702	NA	NA
District of Columbia	580	−3	564
Energy and Water	15,007	6	15,920
Foreign Operations	13,925	NA	NA
HUD	56,738	1	57,294
Interior	8,354	20	10,003
Labor HHS	114,809	12	128,218
Legislative	1,775	5	1,866
Military Construction	8,156	4	8,502
Transportation	10,525	6	11,105
Treasury Postal	14,050	7	15,067
Other		ERR	0
Less Defense and Foreign Operations	298,556	7	319,739
Total Federal spending	1,002,147	6	1,066,000

Source: Senate Committee on Appropriations.

Mr. NICKLES. Mr. President, I yield the floor and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Delaware is recognized.

CUTTING THE DEFICIT

Mr. ROTH. Mr. President, here we are, 1 month after the decline on Wall Street, staring at mandatory across-the-board budget cuts imposed by Gramm-Rudman, and what is Congress doing? Nothing. Empty rhetoric has infested the Halls of this Hill and been inflicted on the American public—people who have been supportive enough to believe that something was going to be done. But today, the darkest secret on Capitol Hill is what we are going to do to restore the confidence of America by cutting our deficit.

For 5 weeks, now, we have been banking on the work of a summit, members of the administration and Members of Congress who were supposedly working toward a solution. What is the result? Rumors of an agreement which apparently would include only minimal spending cuts and a major tax increase for the American people.

Frankly, I am disappointed with the direction taken in these budget negotiations. While the intentions of the negotiators were honorable, I believe the outcome is a sham, coordinated, and executed to placate the hardworking American taxpayer. The proposed package will do little or nothing to cut Government spending while virtually assuring a giant tax increase for the American taxpayer.

For me, the only disappointment greater than the drop in the stock market is Congress' inability to deal with the deficit. To me, the actions represent an irony. The package being considered will contain something like $9 billion in new taxes in 1988. These will be increased to $14 billion in 1989. And by contrast, as I said, the spending cuts are minimal. They are intended only to be a sugar-coating to convince the American taxpayer to swallow a tax increase. But I, for one, believe it will not work.

However, the irony is compounded when we consider that as we try to send a message of stability and even improvement to Wall Street, we do just the opposite by passing appropriation bills whose levels are much higher than last year, and new programs, such as a catastrophic health insurance program, whose self-financing is questionable, at best.

Unfortunately, this is not surprising. Our history clearly demonstrates that Congress cannot restrain its spending habits. It is not on a sound budget, and consequently—according to a study I released—we found that every $1 of tax increases generates $1.58 in additional spending.

Unfortunately, what has happened in Washington is that Congress has found it easier to trim the taxpayer rather than to trim spending. Even now, there is an unfair proposal to take back the reduction of tax rates that we promised last year. This becomes even more unfair when we still take away the deductions that were to be exchanged for those lower tax rates. Simply, Congress is considering to renege on the bargain it made with the American taxpayer.

This is not only unfair, but, again, it is not the message we want to send to our constituents—that we are going to take their deductions, but keep their tax rates the same. The American people know that if their rates are frozen this year, they are likely never to get the reductions they have been promised.

Mr. President, we must allow the recovery to continue. We are in the 60th month of growth. We must encourage the entrepreneurial spirit of America to flourish and create new markets, invent new products, grow excellent produce, manufacture quality merchandise, and create new jobs. And while we allow the economy to continue strong, we must take action to overcome the deficit through reductions in spending.

One little known fact is that, according to Congressional Budget Office estimates, revenues will grow an average of $70 billion a year over the next 5 years without—and I emphasize without—legislative tax increases. By 1992, about $350 billion will have been added to Federal revenues. If only Congress can restrain spending growth, we should be able to achieve our goal of a balanced budget.

There are a number of areas where closer scrutiny can provide greater efficiency and cost-effectiveness. Simply, government can cut back. The time has come to make the "harder choices," to get the President and Congress together, to examine real spending cuts and the real role of the Federal Government.

Consequently, I have sponsored or endorsed several proposals to cut Government spending. I endorse the ideal of legislation for a modified freeze on discretionary spending for savings of $6 to $7 billion. This, of course, does not include a reduction in Social Security or Federal retiree cost-of-living increases. I also believe we should proceed ahead and enact the spending reductions agreed upon by the congressional authorizing committees.

I believe we should phase out subsidies on agricultural products. And we should enact legislative proposals mandating a Federal employee early retirement option. It surprises me that as we look for sure-fire, easy ways to cut back, we cannot get agreement on this one proposal—a proposal that is supported by Federal workers, and will create better career opportunities for women, minorities, and our young work force. This proposal, alone, could save as much as $3 billion over the next 5 years. But we shouldn't stop here.

We should also close unnecessary military bases. And finally, we should trim the growth in military procurement by postponing acquisition of additional aircraft carriers.

You all know my feelings about military waste and abuse. Our Government can save literally billions of dollars by demonstrating the same care in shopping for hardware that the American consumer must demonstrate. Our defense programs must operate with a mentality of finite resources.

These, however, are only a few, preliminary areas where we can become more financially responsible. To care for the people's taxes is an extremely important trust, and I hope that as the White House team meets with our colleagues we will find these ideas and others more thoroughly developed. Today, the deficit is a problem. In fact, it is the problem. And if we take action, our future will be bright and prosperous. And in my book, that is the kind of future that Americans want. And frankly, that is the kind of future that Americans deserve.

Mr. BUMPERS. Mr. President, I am one of about 25 Senators, who are cosponsors of the freeze resolution which has just been introduced by Senators KASSEBAUM, HOLLINGS, EXON, and a host of others. When I speak of a freeze, I am talking about a freeze on spending and a freeze on tax rates for 1988.

This was a very difficult decision for me, Mr. President, because it is unpleasant and it works a hardship on a lot of people. But the truth is, and it has been said here many ways and many times in the past 30 days, the party is over. As former Secretary of the Treasury Pete Peterson said in a recent article in Atlantic, "We're in the morning after." You can point to the blame in a lot of different directions, but that doesn't solve the problem, though it sometimes helps to understand it. When it comes to the freeze that we are proposing on all spending and a freeze on tax rates, let me first discuss the freeze on tax rates. But before I do that, let me say that this is a sense-of-the-Congress resolution. It will not be binding. But if we can get over 50 votes in both Houses for this freeze, in my opinion, the next step will be to make it become law.

Now I have heard arguments that if we freeze tax rates at the 1987 level, the wealthiest people in this country will not get a cut of 10 percent in their tax rates next year. That's true. As you know, the highest tax rate this year is 38½ percent. That is the highest rate. And if we allow the next tax cut to go into effect next January, that rate is cut to 28 percent. And you just heard it said that this would be a betrayal of faith by the Congress in denying those people the cuts they have been promised.

First I want to say, Mr. President, October 19 changed everything in this country, and if we do nothing we are saying please give us another 500-point drop in the market so we can screw up our courage and do what we need to do. And second, when it comes to promise to the American people, it is the chief executive officers in New York and Boston and Los Angeles and Chicago who are calling up here and saying, "Raise taxes or do whatever you have to do, but, for Pete's sake, get that deficit down."

This is an opportunity to comply with what they are asking and allow them to share in the sacrifice of doing it.

Third, Mr. President, when it comes to promises to the American people, let me refresh everybody's memory, including the 89 Senators who voted for the tax cut in 1981. I did not vote for it. I think it was probably the proudest moment of my political career when I voted no to the so-called Economic Recovery Tax Act of 1981, which caused the U.S. Treasury to start writing $200 billion worth of hot checks a year just to keep this place operating.

What was the promise then? The promise was that we can cut your taxes by $750 billion over the next 3 years, spend $1.5 trillion on defense and balance the budget because we are going to create so much economic activity in this country the Treasury will not be able to hold all the taxes we are going to collect.

I said and I still say my second-grade arithmetic teacher would be whirling in her grave if she thought I believed that.

It made no sense then and now we know it never made any sense period. So to all the Senators who say this will be breaking faith with the American people, how about the promise that you made in 1981 to the American people that you could have it all, tax cuts, defense increases and a balanced budget. Talk about a siren song, talk about a broken promise—not just a broken promise to the people who believed it then but a breach of faith with my children and yours and your grandchildren, who are ultimately going to be the ones who suffer for the profligate, irresponsible fiscal policies of the past 7 years.

Mr. President, just to make sure everybody understands what I am talking about and that this is not pure rhetoric, let me give you the figures of what has happened. In 1986, the tax cut of 1981 cost the Treasury $209 billion. In 1986, we did not collect $209 billion that we should have otherwise collected if we had not passed that irresponsible tax cut of 1981.

By 1982, when the Republicans were in control of the U.S. Senate—they had taken control in 1980—even they said this is going to be an unmitigated disaster and went to the White House and said, "Mr. President, if we do not rectify this terrible mistake, you are going to have deficits that we cannot print enough money to cover." And so we passed a tax increase in 1982 and that tax produced $46.7 billion last year. And then we passed a Social Security Reform Act in 1983 and another tax increase in 1984, and when you deduct all the tax increases that we have passed since that unfortunate day in 1981, we still have a net loss in 1986 of $132 billion.

Let me tell you another piece of unhappy news. You heard the President the other night trying to calm Wall Street. He finally felt compelled to go on all three networks and tell Wall Street that we are really moving down here, deficit reduction is in progress. And he said we reduced the deficit this past year, 1987, from $221 billion to $148 billion.

What the President did not tell you is that the way we did that was by using surplus trust funds. What is a trust fund? Social Security is a trust fund. The highway funds are trust funds. The airport fund is a trust fund. The unemployment insurance fund is a trust fund and that means that money cannot be spent for any other purpose.

Well, what happened last year? The reason the deficit went from $221 billion to $148 billion was because we took $73 billion in surplus trust funds, put it in the Treasury. For example, Social Security took in $23 billion more last year than it paid out. We put that on the deficit. All the trust funds took in more than they paid out, and we took that money and put it into the Treasury to reduce the deficit. And that is one of the reasons the deficit was down. If you take that out, the structural deficit would still have been $221 billion last year.

So, Mr. President, when it comes to promises, can you think of a worst breach of faith ever in the history of this country than the promise of 1981 that we can cut taxes by these colossal sums, which was called the Kemp-Roth bill, and still balance the budget? And what happened? I will tell you what happened. I stood right here at this very desk in 1981 and said if you vote for this, you are going to create deficits big enough to choke a mule. There is no way to avoid it. I would like to feel like a prophet but it was only common sense. We wound up creating deficits bigger than required to choke a mule.

As for the President of the United States—the linchpin of his entire public career, and every public utterance he ever made before he became President was, "There is no free lunch". And the minute he became President, he started trying to prove he was wrong. But the truth is he was right when he said it the first time. There is no such thing as a free lunch.

Mr. President, the negotiators who have sat off the Senate floor here for the past 4 weeks trying to come up with a plan to reduce the deficit so the sequester of the Gramm-Rudman-Hollings Act would not take effect. I know they are men of good will. They are intelligent men. I know they have done the best they could given the constraints under which they operate. When they are told that you may not raise taxes one dime more than you cut spending and you may not include this and that and the other, they have had a very tough time coming up with a $30 to $31 billion cut for 1988. And they have done it in a way that is not going to be very popular when it hits the floor of the Senate.

In my opinion the freeze that Mrs. KASSEBAUM and the rest of us have introduced here today is an infinitely better way. But that is not to say that this is the only way. This freeze would reduce the deficit next year by about $32 billion and you can add a lot of money that the negotiator found sitting off the Senate floor here in the last 4 weeks, and in my opinion we could reduce the deficit next year between $40 billion and $45 billion without really seriously and adversely affecting anybody.

In our proposal we set out $13.2 billion that we gained by not giving away that tax cut starting January 1. In my opinion, that figure is low. I think the figure is closer to $16.5 billion. But let me also ask Mr. President, who is going to be affected if we do not cut taxes again January 1?

Under our proposal, under a bill that I will introduce momentarily, the people who make over $200,000 a year. If we do not freeze these rates, these taxpayers will get an average of almost $5,000 in tax cuts. Can you think of anything more obscene than for this body to be negotiating cuts in the cost-of-living increases for retirees and veterans and Social Security recipients while at the same time giving away $8 billion more dollars in tax cuts to the people who make over $200,000 a year?

If being a Democrat says that is obscene, I am a Democrat. And I must say on behalf of those people the very rich, they have more to lose, and in my opinion they would be happy to support this freeze. They are not asking for another $5,000 cut.

Did you know, Mr. President, that the average income of the 596,000 taxpayers in this country who made over $200,000 in 1987 was $480,000, and it is estimated by the Joint Tax Committee that in 1988 their income will average $529,000. Those people surely can forego one Mercedes to try to save this country. That does not seem to be asking too much.

I am not denegrating those people. I have been trying to join them all my life. But I know a lot of the chief executive officers in this country. They would be delighted with what we are doing because they know it is real. And they would know that Congress is finally facing up to its responsibilities.

So, Mr. President, if we are really serious around here about wanting to send a message to the financial markets of this country, and indeed to the world, if we want to tell the American people that we suddenly realize the party is over, this freeze is an ideal way to do it. And I hope we can get well over 50 votes for this proposition.

I know there are some politically volatile things in this freeze. But we have straddled all the fences that can be straddled around here. So it is time to face up to our responsibilities.

Mr. President, I ask unanimous consent that my very brief comments which follow this be treated as a separate speech in order to introduce a bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

S. 1893—RELATING TO EXTENSION OF INDIVIDUAL INCOME TAX RATES IN EFFECT IN 1987

Mr. BUMPERS. Mr. President, I am a cosponsor of the Kassebaum, and others freeze which includes a freeze on tax rates for 1988. And it says that instead of cutting tax rates to 28 percent next year, we will leave the top rate at 38½ percent; and that we will also allow the capital gains rate to stay in effect at 28 percent. The business community ought to like that. But we would also continue phasing out passive losses, phasing out all other deductions that we partially eliminated last year such as deductions on consumer interest. I am told by the Joint Tax Committee—and I will introduce this in the RECORD, Mr. President—that a simple freeze on personal income—bear in mind the freeze proposal that has been offered here today includes a freeze on both corporate rates and personal rates will produce $8.2 billion. This bill only includes personal rates. But to give you some idea of what we are talking about, by freezing rates, increasing the standard deduction to $5,000, and the personal exemption to $1,950, we give a small tax cut to persons making under $50,000 next year. The people who make between $50,000 and $75,000 on average would pay $158 more. And the $8.2 billion would come from people who make over $75,000 a year but principally from the people that are making over $100,000 a year.

If we do not do this, Mr. President, people making over $200,000 a year will receive a new tax cut next year, on average, of $4,384 while people making $20,000 to $75,000 would get an increase in taxes.

For example, if we let the new rates go into effect in 1988, those in the $20,000 to $30,000 income category would pay $109 more; $30,000 to $40,000 would pay $178 more; $40,000 to $50,000 would pay $249 more.

Mr. President, I will insert this table in the RECORD in a moment.

I simply want to say that this proposal does not break faith with the American people. What it does is to restore the faith of the American people in the ability of Congress and the President to address the most dramatic economic problem this country has faced since the Great Depression.

There is no doubt in the mind of a single Member of the U.S. Senate what is going to happen if we do nothing. There is not a doubt in the mind of anybody in the U.S. Senate that if we only reduce the $23 billion required by the Gramm-Rudman-Hollings bill, we are not going to get a deficit reduction next year.

I find it galling and appalling to hear people saying we cannot raise taxes more than $10 billion. Do you know what $10 billion in tax increases amounts to next year? It is 1 percent of the amount that was lost on the stock markets in one 6-hour period on October 19. The stock markets and the investors in the stock markets lost $1 trillion in one 6-hour period, and the tax increase of $10 billion that the negotiators have been talking about represents 1 percent of our total budget for 1988, and to hear some people around here tell it, the economy will come apart if you increase taxes by that amount.

My bill does not raise taxes a dime. It just says that this is no time to be cutting taxes. I cannot imagine a sane, rational person not believing that that was a perfectly acceptable part of the solution.

So, Mr. President, I urge my colleagues to cosponsor this bill in conjunction with the freeze on all spending and tax brackets that has already been introduced today.

Mr. President, I ask unanimous consent to have the following material printed in the RECORD: a schedule of the net effect of major enacted legisla-

tion for years 1986, 1987, 1988, 1989, and 1990; a letter I have received this day from the Joint Tax Committee setting out that my bill would save $8.2 billion in 1988, $17.1 billion in 1989, and $20.5 billion in 1990; an article I wrote which was published in the New York Times on November 18, 1987.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NET EFFECT OF MAJOR ENACTED LEGISLATION ON RECEIPTS [1]

[In billions of dollars]

	1986	1987	1988	1989	1990	1986–90
Economic Recovery Tax Act of 1981	−209.8	−238.5	−258.7	−282.0	−309.4	−1,298.4
Tax Equity and Fiscal Responsibility Act of 1982	46.7	56.8	58.8	58.2	59.9	280.4
Highway Revenue Act of 1982	4.5	4.7	4.9	5.1	5.1	24.2
Social Security Amendments of 1983	10.2	12.1	24.6	31.0	23.8	101.7
Interest and Dividends Tax Compliance Act of 1983	−2.1	−1.7	−1.8	−2.0	−2.5	−10.0
Railroad Retirement Revenue Act of 1983	1.1	1.1	1.0	1.1	1.1	5.4
Deficit Reduction Act of 1984	16.1	22.0	25.3	27.7	31.1	122.1
Considated Omnibus Budget Reconcillation Act of 1985	0.9	2.7	3.0	3.0	3.1	12.7
Federal Employees' Retirement System Act of 1986		−0.4	−0.8	−0.8	−0.9	−2.9
Omnibus Budget Reconcillation Act of 1985		2.6	2.8	2.4	1.0	8.8
Superfund Amendments and Reauthorization Act of 1986		0.6	1.0	1.1	1.1	3.9
Continuing Resolution for 1987		1.9	2.7	2.4	2.5	9.5
Tax Reform Act of 1986 [2]		−18.6	−0.9	−11.7	−9.0	−1.2
Net tax reduction	−132.4	−117.5	−136.4	−164.4	−193.1	−743.8
ADDENDUM						
Net effect on receipts by source:						
Individual income taxes	−134.4	−157.0	−186.2	−216.9	−238.6	−933.2
Corporation income taxes	−14.8	18.5	19.7	20.6	24.2	68.3
Social insurance taxes and contributions	11.3	13.8	27.3	33.4	25.1	110.9
Excise taxes	11.3	14.4	11.2	8.7	8.5	54.0
Estate and gift taxes	−5.9	−7.9	−9.2	−11.0	−12.4	−46.4
Customs duties	*	0.6	0.5	0.6	*	1.8
Miscellaneous receipts	0.1	0.2	0.3	0.1	0.1	0.8

* $50 million or less.

[1] These estimates are based on the direct effect only of legislative changes at a given level of economic activity. Induced effects on the economy are taken into account in forecasting incomes, however, and in this way affect the receipts estimates by major source and in total.

[2] The Tax Reform Act of 1986 also increases outlays by the following amounts: 1987, $0.1 billion, 1988, $1.7 billion; 1989, $2.8 billion; and 1990, $2.8 billion. The cumulative amount for 1987-90 is $7.4 billion.

JOINT COMMITTEE ON TAXATION,
Washington, DC, November 20, 1987.

Hon. DALE BUMPERS,
U.S. Senate,
Washington, DC.

DEAR SENATOR BUMPERS: This is a revised revenue estimate of your request relating to a proposal that would modify the 1986 Tax Reform Act. The proposal is a modified freeze of the tax rates, to all individual taxpayers at the 1987 level for tax years 1988, 1989 and 1990.

Standard deductions under present law are set at $5,000 for joint returns, $3,000 for single returns, and $4,400 for head of household returns, and indexed starting in 1989. These standard deductions and the 1987 rate brackets are indexed starting in 1988 in the same manner as under present law. The personal exemption under present law is set at $1,950 in 1988, $2,000 in 1989 and indexed starting in 1990.

We have estimated this proposal to have the following effect on fiscal year budget receipts:

Fiscal year:	*Billions*
1988	$8.2
1989	17.1
1990	20.5
1988–90	45.8

A distributional analysis is provided in the attached table for calendar years 1988, 1989 and 1990.

If we can be of any additional help in this matter, please feel free to contact me.

Sincerely,

DAVID H. BROCKWAY.

DISTRIBUTIONAL IMPACT OF APPLYING 1987 TAX RATES IN 1988, 1989, 1990 WITH INDEXING ADJUSTMENT, FOR ALL TAXPAYERS IN EACH INCOME CLASS

Income class (thousands of 1987 dollars)	Change in average tax liability	Percentage change in tax liability	Tax change as percent of income
Calendar year 1988:			
0 to $10	−$58	−70.5	−0.3
$10 to $20	−81	−9.4	−.4
$20 to $30	−89	−4.6	−.3
$30 to $40	−91	−3.1	−.2
$40 to $50	−29	−.7	−.1
$50 to $75	158	2.0	.3
$75 to $100	1,049	7.5	1.2
$100 to $200	2,465	9.2	1.7
$200 plus	20,704	15.2	3.3
Total	176	4.0	.4
Calendar year 1989:			
0 to $10	−$61	−64.4	−0.3
$10 to $20	−83	−9.6	−.4
$20 to $30	−89	−4.5	−.3
$30 to $40	−92	−2.9	−.2
$40 to $50	−20	−.4	−.0
$50 to $75	192	2.4	.3
$75 to $100	1,164	7.9	1.2
$100 to $200	2,687	9.5	1.8
$200 plus	21,975	15.7	3.5
Total	267	4.6	.5
Calendar year 1990:			
0 to $10	−$63	−54.3	−0.3
$10 to $20	−86	−9.7	−.4
$20 to $30	−92	−4.4	−.3
$30 to $40	−98	−3.1	−.2
$40 to $50	−14	−.3	−.0
$50 to $75	198	2.3	.3
$75 to $100	1,226	7.9	1.3
$100 to $200	2,794	9.4	1.8
$200 plus	23,371	15.5	3.5
Total	320	4.8	.5

Joint Committee on Taxation November 20, 1987.

TO CUT THE DEFICIT KEEP '87 TAX RATES

(By Dale Bumpers)

WASHINGTON.—If President Reagan is serious about everything being on the table, there are $50 billion in deficit reductions that the budget negotiators have left untouched and, indeed, undiscussed. This $50 billion is not money that would be extracted from taxpayers but money that will be lost unless something is done.

Here is the proposal: Leave the 1987 personal income tax rates in effect for 1988, 1989 and 1990. This would save $9 billion in 1988, $19 billion in 1989 and $23 billion in 1990, in a way that is patently equitable.

I can already hear the howls that this would breach our contract with the American people and abrogate the tax reform law. Believe me, this is one contract a vast majority of Americans would love to see broken, especially if they were assured it was going for deficit reduction.

Freezing rates at the 1987 levels means that wage earners making $75,000 or less (about 90 percent of the taxpayers) would almost all be better off than they would under the 1988 rates. Why? Because there are five tax brackets in the 1987 law, beginning with 11 percent and going to 38.5 percent, whereas there are only two rates in 1988: 15 percent and 28 percent.

As the Joint Tax Committee has pointed out, even though many tax loopholes and deductions have been eliminated, taxpayers earning more than $200,000 annually would pay on average $4,384 less if the 1988 rates are allowed to go into effect. Those earning between $75,000 and $200,000 would receive very modest tax cuts, while those earning between $20,000 and $75,000 would actually pay more than they would in 1987: $100 to $450 more on average.

In other words, next year's cut will go almost exclusively to the wealthiest taxpayers. I believe that when it finally dawns on people earning $30,000 a year that they are paying the same tax rate as T. Boone Pickens, they're going to be offended, and may even ask how this all happened.

The President would argue that my proposal represents a tax increase. But how can leaving existing rates where they are be an increase? There is one thing for sure, and that is that if nothing is done, a $17 billion personal and corporate tax cut will take effect in January 1988. And will all those who favor cutting taxes again, given our deficit problems please stand up?

Freezing tax rates would be attractive to the business community because it would leave the maximum capital gains rate at 28 percent instead of letting it rise to 33 percent as scheduled.

In 1981, the top rate on personal income was 70 percent; under the tax bill of 1981, it was reduced to 50 percent; this year, it was reduced to 38.5 percent, and next year it will drop to 28 percent—about where it was under Calvin Coolidge. In a slightly longer period, the maximum capital gains rate went from 49 percent to 28 percent to 20 percent, and the holding period was reduced from one year to six months.

Last year's deficit cut was deceptive because it resulted from a prodigious, one-time windfall in capital gains taxes. Revenues increased $85 billion—$50 billion more than the average increase we have seen in recent years. And our trust funds ran an unprecedented $73 billion surplus—$23 billion from Social Security alone. In short, without using surpluses from trust funds, the deficit would have been $221 billion last year rather than $148 billion and, but for the revenue windfall, would have been even greater.

When we consider the revenues lost from the market crash, the billions lost if we allow the 1988 rates to take effect and an almost certain slower growth rate in 1988, it goes without saying that if $23 billion to $30 billion is all our budget negotiators can come up with, the deficit will rise again next year. And with confidence in our economy shaken to its foundation, President Reagan is one of the few people I know who think cutting taxes again is a swell idea.

Finally, there has been talk that the budget compromise might include a cut in cost of living benefits for Social Security recipients, veterans and retired people, based on the argument that we must all share in the sacrifices. If it does, how in the world can we reconcile that with whopping tax cuts for the rich?

QUORUM CALL

Mr. BUMPERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

NATIONAL BIBLE WEEK OBSERVANCE

Mr. FORD. Mr. President, as we prepare to celebrate Thanksgiving and then Christmas, it is appropriate that the Congress and the Nation give renewed attention to the meaning behind these important holidays.

The 47th annual observance of National Bible Week will take place throughout the United States from November 22 to 29, 1987. This nonsectarian celebration is sponsored by an interfaith organization of lay men and women, the Laymen's National Bible Association.

Ever since it was first observed in 1941, the purpose of National Bible Week has been to remind all Americans of the Bible's importance, to motivate Bible reading and study, and to reaffirm the founding principles of the United States. The goal of this observance is to renew the sense of religious heritage and purpose among all Americans.

This observance seems of special importance this year in which we are celebrating the bicentennial of the Constitution of the United States. The teachings found in the Bible have been a profound influence in shaping the history and character of our great Nation, and they continue to act as a vibrant force guiding us in national and personal life.

The wisdom, ethics, and beauty found in the Bible's pages make this book a marvelous resource for knowledge as well. A recent Gallup Poll found that 79 percent of the American public would not object to using the Bible in a constitutionally approved way as a learning tool in literature, history, and social study classes to better understand our laws, our culture, and all humankind. This is testimony to the confidence our people place in the Bible as well as the immediacy of its message as seen by an overwhelming majority of the American people.

Representative DAN COATS and I are currently serving as congressional cochairmen for National Bible Week. We invite our congressional colleagues to call this important interfaith observance to the attention of their constituents and to the States.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WIRTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

EXPANSION OF MAJOR LEAGUE BASEBALL

Mr. WIRTH. Mr. President, I thank the distinguished President for allowing me this opportunity to make a few comments.

Mr. President, 10 days ago 14 Members of the Senate joined together and formed the task force on the expansion of major league baseball. We represent areas, States of the country that believe that it is time for major league baseball to allow the free market to work, that it is time for major league baseball to recognize the facts that there are major population centers around the country that desire baseball, can support baseball and certainly ought to have baseball, and we are dedicated to doing everything that we can to encourage major league baseball to expand.

Needless to say, the city of Denver and the State of Colorado is one of the primary candidates, and we are deeply concerned and interested as Senators from a number of other States.

Yesterday in the Rocky Mountain News, a very distinguished retired baseball executive, Mr. Robert Howsam, Sr., outlined a blueprint for the expansion of major league baseball.

I wanted to share that with my colleagues and include the rather extensive article from the Rocky Mountain News in the RECORD.

Mr. Howsam has had a long and extremely distinguished history in baseball. His family initially owned the Denver Bears in the old Western League in the American Association.

Mr. Howsam went on to become the architect of three World Series champions: St. Louis in 1964, Cincinnati in 1976 and 1977.

Mr. Howsam, with Branch Rickey in the late 1950's and early 1960's was one of the founders of the Continental League, which was then an attempt to get major league baseball to expand in other areas in the country. This was before major league baseball began its expansion program in 1961.

I would also add that the Howsam family has been long-time friends of my family's and Bob Howsam, Sr.'s sons and I went to grade school together many years ago in Denver.

Howsam's blueprint has four distinct elements in it: First, to award four new franchises, three to the National League and one to the American League, raising the number of major league teams to 30; second, giving the four new franchises 4 years to leadtime to build organizations and develop minor league farm systems and the fourth year to allow the new teams to take part in an expansion growth of major league players and enter the big leagues that season; third, realign the 30 teams into six five-team leagues with three divisions in each league or create a three-league setup with five clubs in each division and two divisions in each league. Under a three-league setup the World Series would be decided through a round robin format. And, fourth, help Congress realize the importance of antitrust protection not only for baseball but for all sports.

Mr. Howsam has put together a very thoughtful and thorough presentation, and I think his is precisely the kind of dialog and the kind of response that those of us on the Senate task force on the expansion of major league baseball would like to be able to enter into with the owners of major league baseball.

We are looking forward to meeting very soon with the Commissioner of Baseball, Mr. Peter V. Ueberroth and looking forward to following that with discussions with A. Bartlett Giammati of the National League and Dr. Bobby Brown of the American League and other individuals to continue to express our concern that we allow the marketplace to operate and to get major league baseball to work with us in expansion.

I ask unanimous consent that this very careful article by Mr. Norm Clarke, a very distinguished sports writer with the Rocky Mountain News be printed in the RECORD following my comments.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

EXHIBIT 1

[From the Rocky Mountain News, Nov. 19, 1987]

HOWSAM OFFERS EXPANSION PLAN

(By Norm Clarke)

Convinced that a budding confrontation between politicians and Major League Baseball must be avoided, Robert Howsam Sr. is proposing a compromise that "has a chance to make baseball stronger than ever."

It is Howsam's blueprint for expansion.

Howsam, the architect of three World Series champions (St. Louis, 1964, and Cincinnati, 1976 and 1977), believes a congressional group that is pressing for expansion should proceed with caution.

Heated words could lead to hardened positions and hurt expansion efforts, he said yesterday in an interview with the *Rocky Mountain News.*

"Pressure only builds a wall and that's not what is needed at this time," said Howsam, who has found himself aligned with both sides of the expansion issue at different times during his illustrious 40-year career in professional sports.

Responding to questions in the wake of a move by 14 U.S. senators to pressure Major League Baseball into hastening the arrival of expansion, Howsam outlined a step-by-step plan that urges the major league owners to:

Award four franchises, three to the National League and one to the American League, raising the number of major league teams to 30.

Give the new franchises four years of lead time to build their organizations and develop farm systems.

Either realign the 30 teams into six five-team divisions, three in each league, or create a three-league, or create a three-league setup, with five clubs to each division and two divisions to each league. Advantages would be having more games in a team's own trade area, cutting down on travel and having more suitable time zones. With the three-league format, a round-robin World Series among the three champions would have to be considered.

Help Congress realize the importance of some antitrust protection not only for baseball, but for all professional sports.

Formed and chaired by Sen. Tim Wirth, D-Colo., the Senate Task Force on Expansion of Major League Baseball has asked for meetings with commissioner Peter Ueberroth and league presidents A. Bartlett Giammati of the National and Dr. Bobby Brown of the American.

Several senators on the task force have said inaction by baseball could lead to the loss of its antitrust exemption.

Howsam praised Wirth for not taking a shrill approach. In an interview with the *News* last week, Wirth refrained from pointedly referring to the antitrust threat.

"I was happy to see that. Cooler heads must prevail," said Howsam. "What is needed is a solution that is fair for everybody concerned. Fair to the fans who now have Major League Baseball in their cities. Fair to the present owners who have an investment to be protected. Fair to baseball fans in areas that don't have major league teams.

"In trying to be all things to all people, it's not easy," said Howsam.

He said his proposals "might be an answer to that solution, or be, in a way, a foundation for it.

"I've been on both sides of the expansion question," said Howsam, 69, one of the founders of the Continental League, which was formed in 1959 to bring big-league baseball to new regions through the formation of a third league. He was also the founding owner of the Denver Broncos in the old American Football League.

As a major league executive, Howsam fought National League expansion in the mid-1970s "because of the problems we faced—a shortage of player talent as well as contracts involving labor and other matters."

Howsam's plan takes into account the short supply of quality players.

"There is no doubt in my mind that the major league owners have a justifiable concern about the shortage of talent available at the big-level," he said. "The major league clubs must be protected so that the quality of the game does not to drop to such a low that fans would not support it."

Which is one of the reasons why Howsam recommends a four-year plan, a break from the traditional two-year startup.

"I think four years would be more palatable to the owners. That kind of lead time gives baseball an opportunity to solve some of the problems that expansion clubs faced in the past," he said. "In addition, it would allow the major league clubs time to adjust and the new clubs to start to develop. The longer timetable would allow cities time to meet such criteria as the construction of new stadiums."

Since 1961, when Major League Baseball awarded the first of 10 expansion franchises over a 15-year period, no club has been given more than 18 months to prepare for entry into the big leagues. Toronto and Seattle, the last two expansion teams, had one year and two weeks to organize before joining the American League in 1977.

In 1959, Howsam, whose family owned the Denver Bears, joined Branch Rickey in forming the Continental League. With the Brooklyn Dodgers and New York Giants having moved to the West Coast, the Continental League founders saw an opportunity to have Major League Baseball expand into New York, Houston, Denver, Toronto and Minneapolis-St. Paul.

The plan worked, for a few cities. New York and Houston got teams—the Mets and Colt 45s (later the Astros). A year later, the Washington Senators moved to Minnesota, triggering a series of expansion moves. But Denver was left out in the cold.

Howsam's plan comes at a time when Major League Baseball is caught in an expansion dilemma.

American League owners want expansion to ease scheduling problems associated with having a 14-team league. The National League, with two fewer clubs since 1977, opposes expansion for reasons tied to the economy and scheduling.

By adding four teams, Major League Baseball would avoid a legislative fight, have more workable numbers for scheduling, appease the players union by creating new jobs, and start an overdue realignment process.

"From what is being said, two teams would be too few and four would be the most likely number able to be accommodated," said Howsam, speaking from his home in Glenwood Springs.

Any more than four teams would be "a shock to the system," he said, referring to the number of players that would be needed to stock the new teams. Four teams would require 98 players; there are now 624 active roster players.

Under Howsam's plan, the major league owners would spend the first year screening and naming the cities in four areas and selecting ownership fitting the commissioner's and owners, criteria.

The second year would involve the development of the new teams' organization and farm clubs. The third year of development would enable clubs to form a nucleus so they could be more competitive when they enter the big leagues.

Early in the fourth year, an expansion draft would be conducted to add major league players to the new franchises before spring training.

One of Howsam's main hopes is that the legislators will realize the importance of the antitrust exemption.

"I hope what will come out of this (Senate) committee's effort is that they will recognize the soundness of not only retaining antitrust for baseball, but granting some antitrust protection for all sports." In that way, he said, the sports would be more stable for the future.

I thank the distinguished Chair and I note the absence of a quorum.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. D'AMATO. Mr. President, I ask unanimous consent that the order for the quorum call be recinded.

The PRESIDING OFFICER (Mr. WIRTH). Without objection, it is so ordered.

JAPAN'S REFUSAL TO JOIN THE UNITED STATES OIL EMBARGO ON IRAN

Mr. D'AMATO. Mr. President, I rise today to express to my colleagues my frustration and disappointment with Japan's continuing refusal to join our embargo on Iranian oil. Unfortunately, Mr. President, this refusal seems to fit into a pattern of Japanese failure to live up to cooperative responsibilities, or to see beyond the narrowest and most short-sighted view of its own best interests.

On October 7, this body unanimously passed legislation to prohibit the import into the United States of all products of Iran. This was not a hollow gesture without cost or meaning. In 1986 and the first 7 months of 1987, the United States imported over $1.5 billion of Iranian products—mostly oil. In essence, this country was helping to fund Iran's war with Iraq and its attempt to restrict the freedom of the seas in the Persian Gulf. So finally, at long last, we acted.

Iran continues to thwart United Nations efforts to bring hostilities to an end. While Iraq is not without fault in this conflict, it is, at least, prepared to stop fighting, and support United Nations Security Council Resolution 598, calling for a cease-fire and a negotiated solution to the Iraq-Iran conflict. Iran has refused to agree.

Increased international pressure on Iran is therefore essential. I applaud our administration's efforts in the Persian Gulf to demonstrate American determination to keep the seas open, and prevent Iran from spreading the war. I also applaud the President's October 29 decision to embargo Iranian imports. But the United States cannot take this responsibility alone. Our allies, particularly those who benefit most from open sea lanes in the gulf, must pull their own weight. The fact of the matter is, Mr. President, that the Japanese are not and have refused to do so.

I should note that, at this point, many of our European allies are providing substantial assistance. Frankly, Mr. President, it is in their best interest. Much of the oil in the Persian Gulf is destined for Western Europe. A significant share of Persian Gulf oil, however, is destined for Japan. Japan's contribution to allied efforts in the gulf is abysmal.

Japan is Iran's biggest oil customer. Over 20 percent of Iran's oil exports are bound for Japan. A Japanese embargo on Iranian oil would be a significant blow to Iran's ability to sustain its war effort. Unlike that with the United States, trade between Iran and Japan is substantial.

Japan could therefore play an influential role in ending the conflict and yet it chooses not to.

Western Europe, while also heavily dependent on Persian Gulf oil, nonetheless has helped tremendously with our efforts to keep the sea lanes open. In refusing to join the United States in an oil embargo on Iran, Japan again rejects an appropriate opportunity to help the United States and her European allies.

Mr. President, Japan cannot continue to have it both ways. As a major maritime economic power, Japan has the responsibility to do its share to keep free the flow in the Persian Gulf of the world's economic life-blood, oil.

The United States has assumed more than its fair share of responsibilities. Japan, however, wrings its hands and shies away from its commitments. I will remind my colleagues, Mr. President, that the United States receives less than 7 percent of its oil from the gulf while Japan receives over 60 percent. Here we are keeping these sea lanes open in order to help Western Europe and the Japanese and they wring their hands and shy away from their responsibilities because, after all, it may hurt their trade.

Japan's recent offer of economic assistance was heartening. They may have to buy spot oil on the open market at a higher cost, however.

But, Mr. President, this offer took much urging, and is not nearly sufficient. Japan plans to provide navigational aid systems; economic loans to Oman and Jordan; and a few million for U.N. peace efforts in the gulf.

This is helpful, of course. But, Mr. President, it is unclear whether this commitment is any greater than that of Belgium or Holland.

No one is asking Japan to make impossible sacrifices. While it imports almost all of its oil, so do most Western nations, particularly those in Europe. Japan's abdication of a meaningful role in addressing the problems in the gulf places an unfair and undue burden on other nations in the free world.

This policy of having it both ways—of accepting benefits without sharing burdens—appears pervasive in Japan's international marketing policies as well. Just this morning, Mr. President, the Washington Post reported that the Commerce Department ruled for the third time in 3 months that Japanese companies have violated international law in trading with the United States. I ask unanimous consent that a copy of that newspaper article be reprinted in the RECORD immediately following my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. D'AMATO. Commerce Secretary William Verity, presently in Japan, explicitly warned the Japanese regarding their slashing of export prices, in some cases significantly below their own wholesale prices, in order to prevent American companies from benefiting from improved currency values. Mr. Verity is no one's idea of a protectionist, Mr. President.

Many in this body will doubtless recall that during his confirmation process, I was not a great fan of many of the Secretary's views on trade policy. But I want to assure him, Mr. President, that to the extent he continues this straight talk to the Japanese and focus on the unfairness of their conduct, he will have this Senator's strong support.

A glaring example of this unfairness, and one about which, according to the Post, Verity was unable to make headway, is the closing of Japan's own public works contracts to foreign bidders.

While the United States has been open to, and aggressively exploited by, the Japanese, Japan's public works market, representing about $60 to $65 billion, has been effectively closed to United States architectural, engineering and construction firms.

The Kansai Airport project is unfortunately typical. That project has been made infamous in this body by my good friend and distinguished colleague from Alaska, Senator MURKOWSKI. His efforts in this matter have been Herculean. He has attached this legislation, mandating reciprocity in bidding opportunities in public contracts, to fewer than six different bills, five presently in conference. I have been proud to be his cosponsor each time. If an American company ever does get to participate in that airport construction, they ought to name a runway after him. Without him, American bids would never have gotten off the ground.

That project, involving an $8 billion airport and another $6 to $8 billion for a connecting bridge across Tokyo Bay, is typical in that no U.S. firm has been allowed to participate. No one. It has been kept deliberately closed.

Mr. President, this is not "Jap-bashing." This Senator does not seek to lay at Japan's doorstep all of America's diplomatic and economic shortcomings. What I am pointing out is that a great nation—and Japan is a great nation—has great responsibilities. Our Government must use every opportunity to urge and persuade Japan to live up to those responsibilities, rather than continuing to take its almost free ride on the efforts and sacrifices of others, like a stowaway on the ship of its own destiny.

For Japan to fail to do so is irresponsible, unfair, and ultimately against its own long-term interests.

Mr. President, once again I do not think we should simply be quiet in the face of Japan's failure to do its part, whether it is in financing the cost of seeing to it that the sealanes are kept open, as it is the major beneficiary of the oil moving through those passageways, whether it is their systematic way of depriving our industries of opportunities to fairly compete, or whether, as our Secretary of Commerce has pointed out, it is the opportunity for our goods to be sold at fair prices and to see to it that their pricing structure is one that is fair so that they do not engage in the policy of dumping or subsidizing their goods at the expense of the American consumer and manufacturer.

Mr. President, I would hope Japan would begin to recognize its responsibilities.

Mr. President, I yield the floor.

EXHIBIT 1

JAPANESE COMPANIES VIOLATED TRADE LAWS, COMMERCE SAYS

(By Stuart Auerbach)

For the third time since August, the Commerce Department ruled yesterday that Japanese companies violated international trade laws by failing to increase their prices to match the sharp rise in the value of the yen in the past two years.

The ruling yesterday was against seven Japanese manufacturers of forklift trucks and follows findings last week against manufacturers of color picture tubes and in August against makers of roller bearings.

These decisions are seen as precedents that will be used by American companies that have not regained domestic sales from Japanese competitors despite a 50 percent increase in the value of the yen since September 1985.

"We are looking into possible dumping in a variety of products," Commerce Secretary C. William Verity said in a speech prepared for delivery today to the Japan National Press Club.

Verity has warned Japanese companies during his visit to Tokyo that their pricing practices are distorting world markets and undercutting international efforts to help ease the United States' record trade deficits through currency adjustments.

"By failing to price in line with the appreciated yen in order to maintain market share, Japanese firms are impeding the power of currency adjustments to help correct our trade imbalance," he said in another speech prepared for delivery today, this one to the American Chamber of Commerce in Japan.

Verity said Japanese export prices have declined 23 percent and now are as much as 10 percent below wholesale prices.

"What this means is that Japanese exporters are trying to save market share by maintaining a constant or even [a] declining dollar price," the Commerce secretary said. "We estimate that price cuts by Japanese exporters have offset half the increase in the value of the yen since January 1985."

Verity's comments thus took the concerns of American manufacturers to a high political level, with the Reagan administration taking a position on the need to drive up Japanese prices, and added one more irritant to U.S.-Japanese trade relations.

Verity's visit to Japan, the first by a Reagan administration Cabinet member since Noboro Takeshita took over as prime minister two weeks ago, has focused on trade despite efforts to paint it in broader terms of the trans-Pacific relationship.

Verity struck out on one key trade issue, the participation of U.S. construction and engineering companies in $62 billion worth of Japanese public works projects, when he was told yesterday that the question should be taken up in global trade talks since other countries—especially the Europeans—restrict foreign participation in their public work projects.

Aides traveling with the commerce secretay said Verity told the Japanese their position was unacceptable to the United States.

Verity also said Japanese companies win contracts for U.S. public works projects, showing that Europe's practices are not this country's.

Administration trade officials here saw the Japanese position as a retreat from specific commitments and said government retaliation might follow.

One official predicted that a decision by President Reagan to institute an unfair trade case against Japan could be made within 10 days, although there were reports that Secretary of State George Shultz, who opposes retaliation, would try to postpone it until Takeshita makes his first visit to the United States as prime minister in January.

The issue of allowing foreign participation in public works projects, which came to a head over plans to build the $8 billion Kansai International Airport at Osaka, is a ticklish one in Japan because much of Talkeshita's political support comes from Japanese construction companies.

U.S. trade officials, who have been holding negotiations with Japan on the issue for more than a year, are convinced that all major contracts for the airport and for a project to build a $6 billion bridge over Tokyo Bay have been let secretly to Japanese companies. So they want any agreements reached on those two projects to cover $48 billion in other jobs that are under consideration for the next 10 years.

The Takeshita government has refused to go that far, despite a commitment to President Reagan in September by Prime Minister Yasuhiro Nakasone, administration officials said.

Mr. WIRTH addressed the Chair.

The PRESIDING OFFICER (Mr. REID). The Senator from Colorado.

DEFICIT REDUCTION

Mr. WIRTH. Mr. President, the leadership has just announced an agreement at the White House. I assume they will arrive at the Capitol shortly.

In the meantime, I wanted to add my voice to those who have supported the resolution offered by the distinguished Senator from Kansas [Mrs. KASSEBAUM].

I would say that the big issue which has been holding us up is obviously a real concern about the COLA's, the Social Security Program, retirement incomes, and so on, politically very important issues. On that, let me tell a brief story.

Last Monday, I was in Pueblo, CO, a city with a lot of retired people, a real blue-collar American city. I was speaking at a large lunch and one of the topics that came up in the question and answer session related to the budget deficit, at which point I said to them that difficult as it was I thought what we ought to do was to go right across the board, that there was an equity in freezing, an equity in treating all people alike, and that one of the things we had to do in addition to having that kind of equity was to assure that while we are maintaining the benefit of programs for senior citizens, that we remember as well the young people of the country and the absolute necessity for investing in our future as we invest in the health care and housing facilities and income programs for our senior citizens; that that was the kind of equity we had to think of as well.

In this audience, there was universal nodding of heads and applause for the notion of equity and the notion of investing in our young, in particular.

I think that is an attitude, Mr. President, that is shared very broadly by Americans all across the country. The Kassebaum proposal begins to move us in that direction. I hope that at least the principles of the Kassebaum proposal are ones that we will be able to pursue.

NATIONAL DEFENSE AUTHORIZATIONS ACT, 1988-1989—CONFERENCE REPORT

Mr. WIRTH. Mr. President, if I might, I would like to present a few remarks concerning the DOD conference report providing realistic defense, the conference report that we passed yesterday.

I supported the conference report on the Department of Defense authorization bill for fiscal years 1988 and 1989, and I want to congratulate the Senate conferees on both sides of the aisle for the success of their deliberative efforts.

Mr. President, I supported the conference report on the Department of Defense authorization bill for fiscal year 1988, and I want to congratulate the Senate conferees on both sides of the aisle for the success of their deliberative efforts. The report demonstrates what reasonable men and women can accomplish when they work together in a spirit of cooperation rather than confrontation. The conferees have produced an agreement that realistically provides for the national defense while beginning to address the serious budget deficit that confronts us. They have accomplished this without creating new tensions that threaten the precarious balance in armament levels in our world today.

As the distinguished chairman of the Senate delegation to the conference said yesterday, the conference report authorizes two levels in overall spending. If Congress and the administration are successful in reaching an agreement on a deficit-reduction plan for fiscal year 1988, the agreement authorizes a total of $296 billion in defense spending. If we fail to agree on a deficit-reduction plan on which our negotiators are now working, the conference agreement authorizes expenditures of $289 billion. In the event automatic cuts under the provisions of the Gramm-Rudman-Hollings Act are imposed, the report recommends reductions according to priorities the conferees consider appropriate rather than across the board. Accordingly, the report proposes a smaller reduction in operations and maintenance funds, in the event of a sequestration, in order to preserve the readiness level of our defense forces. This is a good piece of legislation, Mr. President, one that I think makes a great deal of sense procedurally and one that I think also provides for our national security in this dangerous world.

The conference report begins to redress the imbalance that has existed in recent years between strategic and conventional forces. While the conferees agreed to continue to fund all current strategic modernization programs, they have, in most cases, done so at reduced levels. On the other hand, the conferees have increased authorization levels for major conventional weapons systems in order to achieve more cost-efficient production rates and to speed delivery of these vital weapons to our forces in the field. In similar fashion, the conferees have preserved, and in some cases increased, authorization levels for programs designed to improve strategic mobility and support of our military forces.

In the area of arms control, certainly one of the most contentious parts of the bill this year, the conferees and the administration have reached what I consider to be an acceptable compromise. The Senate conferees agreed to drop the Levin-Nunn provision—which required congressional approval of any tests that violated the traditional interpretation of the 1972 Anti-Ballistic Missile Treaty—with the understanding that the strategic defense initiative office will not conduct any tests that violate that interpretation in fiscal year 1988. The bill authorizes $3.9 billion for SDI research and development that will comply with the traditional interpretation of the ABM Treaty—that is more than enough to support a robust research effort for future strategic defenses. The conferees also agreed to drop language that required the administration to abide by the sublimits of the unratified Strategic Arms Limitation Treaty of 1979, in return for assurances from the administration that it would dismantle one Poseidon submarine.

This agreement will still leave the United States in violation of the SALT II limits because of bombers equipped with air launched cruise missiles, but the overall level of violation will be lower than planned by the Reagan administration, and our willingness to exercise restraint in strategic force modernization thereby is signaled. This is the absolute minimum I believe we can do to attempt to preserve the bilateral adherence to SALT sublimits—the only current restraints which have been adhered to by both the United States and the Soviets in terms of the numbers of nuclear weapons. The conferees extended the test ban on antisatellite systems, provided the Soviets continue to honor such a ban, and deleted funds for unitary chemical weapons.

The conference report did not include a provision on a nuclear testing moratorium, and I am troubled by that omission. The House had earlier passed an amendment that imposed a 1-year moratorium on nuclear tests over 1 kiloton, provided the Soviets observed the same restriction. Unfortunately, the Senate failed to pass similar language which I had supported. Such a moratorium—mutually observed—would have reassured the world's citizens of the superpowers' willingness to exercise restraint in nuclear testing as they continue to pursue a formula for strategic arms reductions. I regret that the administration is unwilling to take the lead in negotiating such a bilateral moratorium.

Colorado is actively involved in the effort to provide for the Nation's security and this conference agreement strengthens my State's role in many ways. We are proud—but not surprised—that the Strategic Defense Initiative Organization selected Colorado Springs as the site for its national test facility. The agreement authorizes expenditures of up to $70 million from SDI research and development funds for construction of the facility which is part of the program to evaluate and design advanced computer technologies and software for missile defenses and other applications.

There was a spirited competition for this site. Some of our colleagues in the Senate pushed very hard for the site to be shifted to their States, but the Department of Defense has maintained Colorado Springs as the home for the national test facility and, as General Abrahamson has said, this is one of their very highest priorities.

The agreement also authorizes the Pentagon to procure nine new Titan IV satellite launch vehicles, which are manufactured in Denver, and four medium-launch vehicles—Delta II's—assembled by McDonnell-Douglas at a new plant in Pueblo. The addition of these launch vehicles will help redress our current insufficient capability to launch military satellites.

The agreement also provides needed military construction funds for the improvement of the military infrastructure in Colorado, notably at Pueblo Army Depot Activity; Fort Carson; the Army Reserve Center at Rocky Mountain Arsenal; Lowry, Peterson, and Buckley Air Force Bases; and the U.S. Air Force Academy. Coloradans are justifiably proud of their contributions to the national defense and the opportunity to continue to provide for it, and these provisions in the authorization bill will enhance Colorado's ability to do this.

I am also particularly pleased that the conferees agreed to authorize an initiative in which I took a special interest—Sematech. Sematech, which stands for Semiconductor Manufacturing Technologies Institute, is a consortium of semiconductor manufacturers who will contribute $150 million a year for 6 years to establish a manufacturing technology research and development center to improve the processes used in producing the tiny but vital chips used in computers to store, process, and retrieve information. The agreement provides $100 million of defense funds as a grant to Sematech in fiscal year 1988. That commitment will help preserve a viable U.S. commercial semiconductor industry and the U.S. defense industry's access to a secure on-shore, modern source of state-of-the-art semiconductors. Just this past week, we have been pleased to learn that Colorado Springs is one of 12 sites, narrowed from a list of more than 30, being considered for the home of this new and very important national research facility.

It is fitting and necessary that I express my appreciation to the distinguished chairman of the Senate Armed Services Committee, Senator NUNN, for what properly is recognized as a masterful performance in bringing this bill before the Senate, gaining Senate passage, and playing a central and critical role in achieving a conference agreement. This bill touches some of the most controversial, highly charged, and vital issues to come before the 100th Congress. Elements within the administration and this Congress were determined to prevent the enactment of any bill that contained features to which they objected. But the chairman persisted. He refused to be deterred from his objective of bringing this important legislation to the floor and see it through to final passage. The result is that large majorities of the Members of both the House and the Senate—on a bipartisan basis—have been able to reflect their judgments in this key authorization bill for defense programs.

I express my admiration and respect for SAM NUNN. The Nation is more secure as the result of his leadership. The other members of the committee who served as conferees also deserve our appreciation.

Finally, Mr. President, we too often pass over without commentary the skilled professionals who serve on the Senate staff, and without whom our responsibilities of decisionmaking could never be performed adequately. The staff of the Senate Armed Services Committee is distinguished by its expertise and its professionalism. Much credit for the passage of the conference agreement belongs to them, and I compliment and thank them for their role in this endeavor.

COSPONSORSHIP OF THE CLEAN AIR STANDARDS ATTAINMENT ACT OF 1987

Mr. MITCHELL. Mr. President, I ask unanimous consent that Senators BURDICK, STAFFORD, CHAFEE, MOYNIHAN, BAUCUS, DURENBERGER, LAUTENBERG, MIKULSKI, REID, GRAHAM, CRANSTON, DODD, GORE, KENNEDY, KERRY, LEAHY, PELL, RUDMAN, WEICKER, WILSON, and WIRTH be added as cosponsors of the Clean Air Standards Attainment Act of 1987, and further, that such action be effective as of the close of today's Senate session, so that the addition of these cosponsors will not affect the Senate's practice of not printing cosponsors on an original bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MITCHELL. Mr. President, I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I have the approval of the Republican leader, Mr. DOLE, in proceeding with the following.

SENTENCING ACT OF 1987

Mr. BYRD. Mr. President, on behalf of Mr. BIDEN, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 1822.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 1822) entitled "An Act to make certain amendments to the Sentencing Reform Act of 1984 and to improve certain provisions relating to imposition and collection of criminal fines, and for other purposes", do pass with the following amendments:

STRIKE OUT ALL AFTER THE ENACTING CLAUSE, AND INSERT:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Sentencing Act of 1987".

SEC. 2. PROSPECTIVE APPLICATION OF SENTENCING REFORM ACT.

(a) Application.—Section 235(a)(1) of the Comprehensive Crime Control Act of 1984 is amended by inserting after "date of enactment" the first place it appears the following: "and shall apply only to offenses committed after the taking effect of this chapter".

(b) Conforming Amendments.—(1) Section 235(b)(1) of the Comprehensive Crime Control Act of 1984 is amended by striking out "convicted of an offense or adjudicated to be a juvenile delinquent" and inserting in lieu thereof "who committed an offense or an act of juvenile delinquency".

(2) Section 235(b)(3) of the Comprehensive Crime Control Act of 1984 is amended by striking out "that is within the range that applies to the prisoner under the applicable parole guideline" and inserting in lieu thereof "pursuant to section 4206 of title 18, United States Code".

SEC. 3. STANDARD FOR DEPARTURE.

Section 3553(b) of title 18, United States Code, is amended—

(1) by striking out "an aggravating or mitigating circumstance exists that was" and inserting in lieu thereof "there exists an aggravating or mitigating circumstance of a kind, or to a degree,";

(2) by striking out "guidelines and" and inserting in lieu thereof "guidelines"; and

(3) by inserting after the first sentence the following: "In determining whether a circumstance was adequately taken into consideration, the court shall consider only the sentencing guidelines, policy statements, and official commentary of the Sentencing Commission.".

SEC. 4. PROCEDURE FOR APPEALING SENTENCE IMPOSED BY A MAGISTRATE.

Section 3742 of title 18, United States Code, is amended by adding at the end the following new subsection:

"(f) Application to a Sentence by a Magistrate.—An appeal of an otherwise final sentence imposed by a United States magistrate may be taken to a judge of the district court, and this section shall apply as though the appeal were to a court of appeals from a sentence imposed by a district court.".

SEC. 5. REVIEW OF A SENTENCE FOR WHICH THERE IS NO APPLICABLE GUIDELINE.

Section 3742 of title 18, United States Code, is further amended—

(1) in subsection (a)(4), by inserting "plainly unreasonable or" before "greater than" and by striking out ", if any,";

(2) in subsection (b)(4), by inserting "plainly unreasonable or" before "less than" and by striking out ", if any,";

(3) in subsection (d)—

(A) by striking out "or" at the end of paragraph (2);

(B) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

(C) by inserting after paragraph (3) the following new paragraph:

"(4) was imposed for an offense for which there is no applicable sentencing guideline and is plainly unreasonable.";

(4) in subsection (e)(2), by inserting "or was imposed for an offense for which there is no applicable sentencing guideline and is plainly unreasonable" after "is outside the range of the applicable sentencing guideline and is unreasonable"; and

(5) in subsections (e)(2)(A) and (e)(2)(B), by striking out "the court shall" and inserting in lieu thereof "and".

SEC. 6. CLARIFICATION OF BASIS FOR AFFIRMING AN APPEAL.

Section 3742(e)(3) of title 18, United States Code, is amended to read as follows:

"(3) is not described in paragraph (1) or (2), it shall affirm the sentence.".

SEC. 7. CORRECTION OF PROBATION EXCLUSION FOR ORGANIZATIONS CONVICTED OF SERIOUS OFFENSES.

Section 3561(a)(1) of title 18, United States Code, is amended by inserting after "Class B felony" the following: "and the defendant is an individual".

SEC. 8. EXTENSION OF MAXIMUM TERMS OF SUPERVISED RELEASE.

Section 3583(b) of title 18, United States Code, is amended—

(1) in paragraph (1), by striking out "three years" and inserting in lieu thereof "five years";

(2) in paragraph (2), by striking out "two years" and inserting in lieu thereof "three years"; and

(3) in paragraph (3), by inserting after "misdemeanor" the following: "(other than a petty offense)".

SEC. 9. INCLUSION OF PROTECTION OF PUBLIC AS FACTOR IN DECIDING WHETHER TO IMPOSE SUPERVISED RELEASE.

Section 3583(c) of title 18, United States Code, is amended by inserting "(a)(2)(C)," after "(a)(2)(B),".

SEC. 10. CLARIFICATION OF PROCEDURE FOR MODIFYING CONDITIONS OF PROBATION.

Section 3563(c) of title 18, United States Code, is amended—

(1) by striking out "revocation or modification of probation" and inserting in lieu thereof "the modification of probation and"; and

(2) by striking out the comma after "may".

SEC. 11. CLARIFICATION OF PROCEDURE FOR EARLY TERMINATION OF PROBATION.

Section 3564(c) of title 18, United States Code, is amended by inserting after "may" the following: ", pursuant to the provisions of the Federal Rules of Criminal Procedure relating to the modification of probation,".

SEC. 12. CLARIFICATION OF PROCEDURE FOR EARLY TERMINATION OF SUPERVISED RELEASE.

Section 3583(e) of title 18, United States Code, is amended—

(1) in paragraph (1), by inserting "pursuant to the provisions of the Federal Rules of Criminal Procedure relating to the modification of probation," after "one year of supervised release,"; and

(2) in paragraph (2)—

(A) by striking out "after a hearing,"; and

(B) by inserting "the provisions of the Federal Rules of Criminal Procedure relating to the modification of probation and" after "pursuant to".

SEC. 13. REMEDIES FOR FAILURE TO PAY RESTITUTION.

Section 3663(g) of title 18, United States Code, is amended in each of the second and third sentences by inserting "or a term of supervised release" after "probation" and by inserting "probation or" after "conditions of".

SEC. 14. DETERMINATION OF GUIDELINE SENTENCE FOR PRISONERS TRANSFERRED PURSUANT TO TREATY FROM FOREIGN COUNTRIES.

Section 4106 of title 18, United States Code, is amended to read as follows:

"§ 4106. Transfer of offenders on parole; parole of offenders transferred

"(a) Upon the receipt of an offender who is on parole from the authorities of a foreign country, the Attorney General shall assign the offender to the United States Parole Commission for supervision.

"(b) The United States Parole Commission and the Chairman of the Commission shall have the same powers and duties with reference to an offender transferred to the United States to serve a sentence of imprisonment or who at the time of transfer is on parole as they have with reference to an offender convicted in a court of the United States except as otherwise provided in this chapter or in the pertinent treaty. Sections 4201 through 4204; 4205 (d), (e), and (h); 4206 through 4216; and 4218 of this title shall be applicable.

"(c) An offender transferred to the United States to serve a sentence of imprisonment may be released on parole at such time as the Parole Commission may determine.

"(d) This section shall apply only to offenses committed before November 1, 1987, and the Parole Commission's performance of its responsibilities under this section shall be subject to section 235 of the Comprehensive Crime Control Act of 1984.".

SEC. 15. PROCEDURE FOR RELIEF OF LABOR DISABILITIES FOLLOWING CONVICTION.

(a) LMRDA Amendment.—Section 504(a) of the Labor Management Reporting and Disclosure Act of 1959 (29 U.S.C. 504(a)) is amended—

(1) by striking out "the United States Parole Commission" and inserting in lieu thereof "if the offense is a Federal offense, the sentencing judge or, if the offense is a State or local offense, the United States district court for the district in which the offense was committed, pursuant to sentencing guidelines and policy statements under section 994(a) of title 28, United States Code,";

(2) by striking out "Commission" and "Commission's" and inserting in lieu thereof "court" and "court's", respectively; and

(3) by striking out "an administrative hearing" and inserting in lieu thereof "a hearing".

(b) ERISA Amendment.—Section 411(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1111(a)) is amended—

(1) by striking out "the United States Parole Commission" and inserting in lieu thereof "if the offense is a Federal offense, the sentencing judge or, if the offense is a State or local offense, the United States district court for the district in which the offense was committed, pursuant to sentencing guidelines and policy statements under section 994(a) of title 28, United States Code,";

(2) by striking out "Commission shall" and inserting in lieu thereof "court shall";

(3) by striking out "Commission's" and inserting in lieu thereof "court's";

(4) by striking out "such Parole Commission" and inserting in lieu thereof "such court"; and

(5) by striking out "an administrative hearing" and inserting in lieu thereof "a hearing".

SEC. 16. PETTY OFFENSE.

(a) Sentence to be Imposed in the Absence of an Applicable Sentencing Guideline.—Section 3553(b) of title 18, United States Code, is amended by striking out the last sentence and inserting in lieu thereof the following: "In the absence of an applicable sentencing guideline, the court shall impose an appropriate sentence, having due regard for the purposes set forth in subsection (a)(2). In the absence of an applicable sentencing guideline in the case of an offense other than a petty offense, the court shall also have due regard for the relationship of the sentence imposed to sentences prescribed by guidelines applicable to similar offenses and offenders, and to the applicable policy statements of the Sentencing Commission.".

(b) Conforming Amendment.—Section 994(w) of title 28, United States Code, is amended by inserting after "each sentence imposed" the following: "(other than a sentence imposed for a petty offense, as defined in title 18, for which there is no applicable sentencing guideline)".

SEC. 17. MODIFICATION OF REQUIREMENT OF STATING REASONS FOR CHOOSING A POINT WITH THE PRESCRIBED SENTENCING RANGE.

Section 3553(c)(1) of title 18, United States Code, is amended by inserting after "in subsection (a)(4)," the following: "and that range exceeds 24 months,".

SEC. 18. CLARIFICATION OF AUTHORITY OF BUREAU OF PRISONS TO ACCEPT COMMITMENTS TO ITS COMMUNITY CORRECTIONS FACILITY AS CONDITION OF PROBATION OR SUPERVISED RELEASE.

Section 3563(b)(12) of title 18, United States Code, is amended by inserting after "community corrections facility" the following: "(including a facility maintained or under contract to the Bureau of Prisons)".

SEC. 19. APPOINTMENT OF COUNSEL IN RELATION TO SUPERVISED RELEASE.

Section 3006A(a)(1) of title 18, United States Code, is amended—

(1) by redesignating subparagraphs (E) through (H) as subparagraphs (F) through (I), respectively; and

(2) by inserting after subparagraph (D) the following new subparagraph:

"(E) is charged with a violation of supervised release or faces modification, reduction, or enlargement of a condition, or extension or revocation of a term of supervised release;".

SEC. 20. AUTHORITY OF DIRECTOR OF ADMINISTRATIVE OFFICE OF UNITED STATES COURTS TO CONTRACT FOR PSYCHIATRIC AFTERCARE.

Section 3672 of title 18, United States Code, is amended—

(1) by amending the seventh undesignated paragraph to read as follows:

"He shall have the authority to contract with any appropriate public or private agency or person for the detection of and care in the community of an offender who is an alcohol-dependent person, an addict or a drug-dependent person, or a person suffering from a psychiatric disorder within the meaning of section 2 of the Public Health Service Act. This authority shall include the authority to provide equipment and supplies; testing; medical, educational, social, psychological and vocational services; corrective and preventative guidance and training; and other rehabilitative services designed to protect the public and benefit the alcohol-dependent person, addict or drug-dependent person, or a person suffering from a psychiatric disorder by eliminating his dependence on alcohol or addicting drugs, by controlling his dependence and his susceptibility to addiction, or by treating his psychiatric disorder. He may negotiate and award such contracts without regard to section 3709 of the Revised Statutes of the United States."; and

(2) by adding at the end the following new undesignated paragraph:

"Whenever the court finds that funds are available for payment by or on behalf of a person furnished such services, training, or guidance, the court may direct that such funds be paid to the Director. Any moneys collected under this paragraph shall be used to reimburse the appropriations obligated and disbursed in payment for such services, training, or guidance.".

SEC. 21. EMERGENCY GUIDELINES PROMULGATION AUTHORITY.

(a) In General.—In the case of—

(1) an invalidated sentencing guideline;

(2) the creation of a new offense or amendment of an existing offense; or

(3) any other reason relating to the application of a previously established sentencing guideline, and determined by the United States Sentencing Commission to be urgent and compelling;

the Commission, by affirmative vote of at least four members of the Commission, and pursuant to its rules and regulations and consistent with all pertinent provisions of title 28 and title 18, United States Code, shall promulgate and distribute to all courts of the United States and to the United States Probation System a temporary guideline or amendment to an existing guideline, to remain in effect until and during the pendency of the next report to Congress under section 994(p) of title 28, United States Code.

(b) Expiration of Authority.—The authority of the Commission under paragraphs (1) and (2) of subsection (a) shall expire on November 1, 1989. The authority of the Commission to promulgate and distribute guidelines under paragraph (3) of subsection (a) shall expire on May 1, 1988.

SEC. 22. APPLICATION OF RULE 35(b) TO CONDUCT OCCURRING BEFORE EFFECTIVE DATE OF SENTENCING GUIDELINES.

The amendment to rule 35(b) of the Federal Rules of Criminal Procedure made by the order of the Supreme Court on April 29, 1985, shall apply with respect to all offenses committed before the taking effect of section 215(b) of the Comprehensive Crime Control Act of 1984.

SEC. 23. GRADING OF OFFENSES AND DEFENDANT PETITIONS.

(a) Postponement of Deadline for Commission Report Making Recommendations on the Grading and Penalties for Offenses.—Section 994(r) of title 28, United States Code, is amended by striking out "one year" and inserting in lieu thereof "two years".

(b) Elimination of Requirement That Sentencing Commission Respond to Defendant Petitions for Guidelines Modifications.—Section 994(s) of title 28, United States Code, is amended by striking out the last three sentences.

SEC. 24. AUTHORITY TO LOWER A SENTENCE BELOW A STATUTORY MINIMUM FOR OLD OFFENSES.

Notwithstanding section 235 of the Comprehensive Crime Control Act of 1984—

(1) section 3553(e) of title 18, United States Code;

(2) rule 35(b) of the Federal Rules of Criminal Procedure as amended by section 215(b) of such Act; and

(3) rule 35(b) as in effect before the taking effect of the initial set of guidelines promulgated by the United States Sentencing Commission pursuant to chapter 58 of title 28, United States Code,

shall apply in the case of an offense committed before the taking effect of such guidelines.

SEC. 25. LIMITATION ON TERM TO BE SERVED FOR VIOLATION OF CONDITIONS OF SUPERVISED RELEASE.

Section 3583(e)(4) of title 18, United States Code, is amended by striking out "Commission." and inserting in lieu thereof "Commission, except that a person whose term is revoked under this paragraph may not be required to serve more than 3 years in prison if the offense for which the person was convicted was a Class B felony, or more than 2 years in prison if the offense was a Class C or D felony.".

SEC. 26. GENERAL EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to offenses committed after the enactment of this Act.

Amend the title so as to read: "An Act to amend title 18, United States Code, and other provisions of law relating to sentencing for criminal offenses.".

Mr. BYRD. Mr. President, I move that the Senate concur in the amendments of the House.

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. BIDEN. Mr. President, I join my colleagues, Senators THURMOND, HATCH, and KENNEDY today in concurring in the House amendments to the Senate bill, S. 1822, which makes minor and technical amendments to the Sentencing Reform Act of 1984. This bipartisan bill, along with H.R. 3483, makes changes needed to ensure the smooth implementation of the Sentencing Reform Act with regard to the application of the new sentencing guidelines and the collection of criminal fines. These amendments represent a reasonable compromise of some of the provisions of S. 1822, which unanimously passed the Senate on October 28, 1987.

The House has placed some comments and section-by-section analysis of S. 1822 in the CONGRESSIONAL RECORD. I want to point out that that analysis was not presented to the Senate for review in advance and was not part of the compromise regarding either this bill or H.R. 3483. Senators KENNEDY, THURMOND, HATCH, and I have joined in an explanation that responds to some aspects of the House comments that are inconsistent with the Senate's understanding of S. 1822.

Mr. President, I ask unanimous consent that the text of this joint explanation be entered at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

JOINT EXPLANATION BY SENATORS BIDEN, THURMOND, KENNEDY, AND HATCH ON S. 1822

On October 28, 1987, the Senate unanimously passed S. 1822, a bill designed to make technical and clarifying changes to the Sentencing Reform Act of 1984, to ensure the smooth and effective implementation of the new sentencing guidelines and related provisions of law. S. 1822 was drafted by the chairman and ranking members of the Senate Judiciary Committee following detailed consultations with other members of the committee, the Department of Justice, the Sentencing Commission and the Administrative Office of the United States Courts.

Because the guidelines were to take effect shortly thereafter, on November 1st, it was important that the bill be enacted as quickly as possible. Members of the House Judiciary Committee, however, initially took the view that they would oppose any effort in the House to consider S. 1822 expeditiously. After a period of negotiation, House Judiciary Committee members modified this view and offered to support immediate passage of S. 1822 in return for an agreement by the Senate sponsors that they drop or limit the scope of several sections of the bill. The House also asked that language be added in one instance, to clarify the standards for departure from the guidelines. Weighing the need for expedition, and determining that the proposed addition to the departure standard was merely clarifying, the Senate sponsors accepted this compromise.

When the House passed S. 1822 on November 16, 1987, a section-by-section analysis of the bill was included in the Congressional Record. This section-by-section analysis was not part of the compromise that the Senate sponsors entered into with the House and, indeed, had never been discussed with the Senate sponsors of the bill. Moreover, the Senate sponsors wish to make clear that they do not subscribe to a number of assertions made in the House's section-by-section analysis of the Senate bill.

First, in discussing the effective date provision in Section 2 of S. 1822 the House states that "the provisions of the Sentencing Reform Act of 1984 would not apply to an offense begun before November 1, 1987 and completed after that date." This was not the intent of the Senate. It is the view of the Senate sponsors, and the view of the Department of Justice, that the sentencing guidelines should be given effect with respect to any continuing offense completed after November 1, 1987. Application of the guidelines to such offenses would not violate the ex post facto clause of the Constitution and, indeed, would seem to be the settled interpretive approach to construing the effective date of a criminal statutory provision. See *United States* v. *Campanale,* 518 F.2d 352, 364-65 (9th Cir. 1975) (and cases cited), cert. denied, 423 U.S. 1050 (1976; *United States* v. *Baresh,* 790 F.2d 392, 404 (5th Cir. 1986); *United States* v. *Todd,* 735 F.2d 146, 150 (5th Cir. 1984), cert. denied, 469 U.S. 1189 (1985). As the Senate's section-by-section analysis of S. 1822 indicates, the purpose of Section 2 of the bill (formerly Section 102) is to avoid possible ex post facto problems with current law. This section should not be construed to limit the application of the sentencing guidelines beyond what the Senate—the body that originated this legislation—has deemed necessary to guard against those possible constitutional problems.

The Senate sponsors also wish to state for the record that they do not subscribe to three other assertions in the House's section-by-section analysis. These assertions are less problematic because they do not seek to explain provisions of the bill but rather attempt to construe provisions of the Sentencing Reform Act passed three years ago. As such, these assertions carry no weight as legislative history. Nevertheless, the sponsors wish to make clear that they do not support them. The first assertion is that 18 U.S.C. Sec. 3535(a) provides authority for sentencing courts to depart from the guidelines. The Senate sponsors think it is clear that while many statutory provisions bear on the sentencing decision, 18 U.S.C. Sec. 3553(b) exclusively governs the sentencing judge's authority to depart from the guidelines. An alternative view, such as that proposed by the House, would permit courts to circumvent the central purposes of guideline sentencing, a result Congress clearly never intended.

Relatedly, the House challenges a statement by the Sentencing Commission that, "in principle, the Commission, by specifying that it has adequately considered a particular factor, could prevent a court from using it as grounds for departure." The House contends that a statement by the commission that it had adequately considered a factor in formulating the guidelines would not necessarily bar a sentencing court from considering that factor. While it is doubtless true that a sentencing court should assess the scope and meaning of this kind of statement by the commission, the Senate sponsors believe it is indisputable that the court would be precluded from departing unless, as a threshold matter, the court reasonably determined that the factor was *not* meant to be covered by the commission's statement. Any contrary view would be fundamentally at odds with the Sentencing Reform Act of 1984 and its goal of ensuring consistent sentencing decisions.

Finally, the Senate sponsors also do not agree with the House's suggestion that the United States Sentencing Commission has an "obligation to promulgate guidelines for petty offenses." The Senate sponsors of S. 1822 believe the commission is under no such obligation.

Mr. HATCH. Mr. President, I would like to expand upon the analysis contained in the joint statement submitted by my colleagues and me. I took great interest in the Sentencing Reform Act when it passed in 1984 and it is of great concern to me that in its comments, the House has introduced some unnecessary confusion to the standard for departure from the guidelines. Specifically, as mentioned in the joint statement, the House cites 18 U.S.C. 3553(a) as possibly having some relationship to departure. In fact, this suggestion is contradicted by the legislative history accompanying that provision.

When the language stating that a court "shall impose a sentence sufficient, but no greater than necessary, to comply with the purposes" of sentencing was added as an amendment in 1984, I explained that the amendment was of a clarifying nature. At the time the amendment was added, I stated: "Sentences must be designed so that they fully meet the various purposes of sentencing. Those purposes cannot be met by sentences that are plainly excessive or by sentences that are plainly insufficient."

In short, the phrase merely clarified the purposes of sentencing and did not provide an additional basis for departure. Frankly, I would not have agreed to this amendment offered in 1984, and I do not believe the managers of the bill or the Senate would have accepted this amendment, had it been interpreted in the manner now being urged by the House. The suggestion promoted by the House in this statement would be a radical change in the Sentencing Reform Act and does not have the concurrence of the Senate.

In fact, it is section 3553(b), not section 3553(a), that provides the basis for departure. Section 3 of S. 1822 amends section 3553(b) and clarifies the standard for departure, but it does not broaden the departure standard in any way. Section 3 adds the words "of a kind or to a degree" to the existing standard for departure. The standard for departure is vital to the proper functioning of the guidelines system. It tells judges when, under the law, they are permitted to impose a sentence outside the guidelines promulgated by the Sentencing Commission. If the standard is relaxed, there is a danger that trial judges will be able to depart from the guidelines too freely, and such unwarranted departures would undermine the core function of the guidelines and the underlying statute, which is to reduce disparity in sentencing and restore fairness and predictability to the sentencing process. Adherence to the guidelines is therefore properly required under the law except in those rare and particularly unusual instances in which the court concludes that there is present in the case an aggravating or mitigating circumstance of a kind or to a degree not included in the guidelines, and that the presence of this circumstance should result in a sentence different from that described.

Of course, there are also factors that were considered and rejected by the Commission, and therefore do not appear in the text of any guideline. But, in fact, these factors are implicitly present in every guideline in the negative. For example, the policy statements indicate that the presence of drug dependence or alcohol abuse may not be used by the court as a mitigating factor in cases before it. Therefore, departure would be inappropriate for such reasons. An examination of the policy statements and official commentary, as well as the guidelines, will guide the court in an examination of what factors were "adequately considered."

At this time, I would like to question the managers of the bill as to their understanding of section 3 of S. 1822. Is it the understanding of Senators BIDEN and THURMOND that this amendment will in no way broaden or substantively alter the departure standard?

Mr. BIDEN. Yes; that is my understanding. The amendment merely clarifies that the court should not depart from the guidelines unless the court finds that the case before it contains a circumstance that was not included within the applicable guidelines, or one that was included within the applicable guidelines but not in the unusual or extreme form that is present in the case before the court. The amendment leaves unchanged the second requirement for departure, which is that the court find that the circumstance, whether it was included within the applicable guideline or not, is one that should result in a sentence different from the one prescribed by the guidelines.

Moreover, as a coauthor and manager of the 1984 comprehensive crime control bill, I agree with the Senator from Utah's analysis of the way in which the House misrepresented the meaning of section 3553(a). It would have been inconsistent with the sentencing legislation adopted by the Senate to give this minor, clarifying amendment the independent force urged by the House. The House interpretation of this 1984 Senate amendment allegedly would permit courts to circumvent a sentence called for by the guidelines based on the argument that some lesser sentence would be sufficient to meet the purposes of sentencing or, alternatively, that a greater sentence is necessary to meet those purposes. That notion of allowing the courts to, in effect, second-guess the wisdom of any sentencing guideline is plainly contrary to the act's purpose of having a sentencing guidelines system that is mandatory, except when the court finds a circumstance meeting the standard articulated in 3553(b). It is also contrary to the purpose of having Congress, rather than the courts, review the sentencing guidelines for the appropriateness of authorized levels of punishment.

Mr. THURMOND. I agree with Senator HATCH's and Senator BIDEN's understanding of section 3 of S. 1822. It is important to note that our mutual understanding of the meaning of the departure standard is reflected in the Senate Judiciary Committee Report on the Sentencing Reform Act of 1984. I would add that the portion of section 3 that reads: "In determining whether a circumstance was adequately taken into consideration, the court shall consider only the sentencing guidelines, policy statements, and official commentary of the Sentencing Commission," was added for the protection of the Sentencing Commission. There was some concern that failure to specifically designate the materials that may be used in determining the appropriateness of departure could result in members of the Commission, or their notes and other internal work products, being subpoenaed. This was never intended by Congress, and section 3 clarifies that only those items listed may be used in a departure determination.

Mr. HATCH. I also wonder whether my colleague from Massachusetts, Senator KENNEDY, who was the principal sponsor of the sentencing reform legislation that Congress enacted in 1984, agrees that the proposed amendment to section 3 is merely clarifying in nature?

Mr. KENNEDY. I do agree. Congress gave the Sentencing Commission authority to determine what level of detail the guidelines should contain. An introductory policy statement to the guidelines indicates that the Commission chose to draft guidelines, based on an empirical study of actual sentencing decisions that it expects will govern the great majority of cases. In the words of the policy statement, "[t]he Commission intends the sentencing courts to treat each guideline as carving out a heartland, a set of typical cases embodying the conduct that each guideline describes." Consistent with this approach, the policy statement further notes that there will also be factors, aggravating and mitigating, that the Commission has not covered—or, using the statutory departure language, has not "adequately considered"—in its guidelines. Some factors may not have been considered, as the policy statement notes, because of "the difficulty of forseeing and capturing [in] a single set of guidelines . . . the vast range of human conduct potentially relevant to a sentencing decision." Other factors were not included in the guidelines because the data indicated they occur infrequently, and therefore did not justify a specific guideline directive. The Commission cites as an example physical injury to the victim in a fraud case.

Where a factor that was not adequately considered is present in a particular case, the current statutory departure language, 18 U.S.C. 3553(b), directs the judge to depart if that factor or circumstance "should result in a sentence different from that described" in the guidelines. The proposed amendment in section 3 of the bill merely clarifies the present approach. The addition of the words "of a kind or to a degree" is intended to make clear what is already implicit in current law, that a factor can be found not to have been adequately considered either first, because it is not reflected in the applicable guidelines at all, or second, because it is not reflected to the unusual extent that it is present in a particular case. The bill further makes clear that the ultimate test of whether a factor was adequately taken into consideration by the Sentencing Commission in formulating the guidelines rests on a fair reading of what the guidelines, policy statements and official commentary of the Commission actually say. These are the official pronouncements of the Commission, and departure will not be appropriate if these pronouncements indicate that the factor was included in the guidelines by the Commission.

I want to join the remarks made by my colleague from South Carolina with respect to the subpoena protection language in section 3. Clearly, Congress never intended that the sentencing courts would look to items other than the guidelines, policy statements and the Commission's official commentary in determining what the Commission has adequately considered. Again, the bill merely clarifies this understanding.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CRIMINAL FINES IMPROVEMENTS ACT

Mr. BYRD. Mr. President, on behalf of Mr. BIDEN, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 3483.

The **PRESIDING OFFICER** laid before the Senate the following message from the House of Representatives.

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 3483) entitled "An Act to amend title 18, United States Code, to improve certain provisions relating to imposition and collection of criminal fines, and for other purposes", with the following amendment:

In lieu of the matter inserted by said amendment, insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Criminal Fine Improvements Act of 1987".

SEC. 2. DUTIES OF THE DIRECTOR OF THE ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS IN RELATION TO FINES.

Section 604(a) of title 28, United States Code, is amended—

(1) by redesignating paragraph (17) as paragraph (18); and

(2) by inserting after paragraph (16) the following new paragraph:

"(17) Establish procedures and mechanisms within the judicial branch for processing fines, restitution, forfeitures of bail bonds or collateral, and assessments;".

SEC. 3. SPECIAL ASSESSMENTS.

Section 3013 of title 18, United States Code, is amended by adding at the end the following:

"(c) The obligation to pay an assessment ceases five years after the date of the judgment.

"(d) For the purposes of this section, an offense under section 13 of this title is an offense against the United States.".

SEC. 4. DEFINITION OF PETTY OFFENSE.

(a) IN GENERAL.—Chapter 1 of title 18, United States Code, is amended by adding at the end the following new section:

"§ 19. Petty offense defined

"As used in this title, the term 'petty offense' means a Class B misdemeanor, a Class C misdemeanor, or an infraction.".

(b) TECHNICAL AMENDMENT.—The table of sections for chapter 1 of title 18, United States Code, is amended by adding at the end the following new item:

"19. Petty offense defined.".

(c) CLARIFYING AMENDMENT TO EARLIER TECHNICAL PROVISION.—Section 38(a) of the Criminal Law and Procedure Technical Amendments Act of 1986 is amended by striking out "section 23" and inserting in lieu thereof "section 34(a)".

SEC. 5. ELIMINATION OF OBSOLETE PROVISION.

Subsection (b) of section 3559 of title 18, United States Code, is amended by striking out "except that:" and all that follows through the end of the subsection and inserting in lieu thereof ", except that the maximum term of imprisonment is the term authorized by the law describing the offense.".

SEC. 6. AUTHORIZED FINES.

Section 3571 of title 18, United States Code, is amended to read as follows:

"§ 3571. Sentence of fine

"(a) IN GENERAL.—A defendant who has been found guilty of an offense may be sentenced to pay a fine.

"(b) FINES FOR INDIVIDUALS.—Except as provided in subsection (e) of this section, an individual who has been found guilty of an offense may be fined not more than the greatest of—

"(1) the amount specified in the law setting forth the offense;

"(2) the applicable amount under subsection (d) of this section;

"(3) for a felony, not more than $250,000;

"(4) for a misdemeanor resulting in death, not more than $250,000;

"(5) for a Class A misdemeanor that does not result in death, not more than $100,000;

"(6) for a Class B or C misdemeanor that does not result in death, not more than $5,000; or

"(7) for an infraction, not more than $5,000.

"(c) FINES FOR ORGANIZATIONS.—Except as provided in subsection (e) of this section, an individual who has been found guilty of an offense may be fined not more than the greatest of—

"(1) the amount specified in the law setting forth the offense;

"(2) the applicable amount under subsection (d) of this section;

"(3) for a felony, not more than $500,000;

"(4) for a misdemeanor resulting in death, not more than $500,000;

"(5) for a Class A misdemeanor that does not result in death, not more than $200,000;

"(6) for a Class B or C misdemeanor that does not result in death, not more than $10,000; and

"(7) for an infraction, not more than $10,000.

"(d) ALTERNATIVE FINE BASED ON GAIN OR LOSS.—If any person derives pecuniary gain from the offense, or if the offense results in pecuniary loss to a person other than the defendant, the defendant may be fined not more than the greater of twice the gross gain or twice the gross loss, unless imposition of a fine under this subsection would unduly complicate or prolong the sentencing process.

"(e) SPECIAL RULE FOR LOWER FINE SPECIFIED IN SUBSTANTIVE PROVISION.—If a law setting forth an offense specifies no fine or a fine that is lower than the fine otherwise applicable under this section and such law, by specific reference, exempts the offense from the applicability of the fine otherwise applicable under this section, the defendant may not be fined more than the amount specified in the law setting forth the offense.".

SEC. 7. IMPOSITION OF A SENTENCE OF FINE AND RELATED MATTERS.

Section 3572 of title 18, United States Code, is amended to read as follows:

"§ 3572. Imposition of a sentence of fine and related matters

"(a) FACTORS TO BE CONSIDERED.—In determining whether to impose a fine, and the amount, time for payment, and method of payment of a fine, the court shall consider, in addition to the factors set forth in section 3553(a)—

"(1) the defendant's income, earning capacity, and financial resources;

"(2) the burden that the fine will impose upon the defendant, any person who is financially dependent on the defendant, or any other person (including a government) that would be responsible for the welfare of any person financially dependent on the defendant, relative to the burden that alternative punishments would impose;

"(3) any pecuniary loss inflicted upon others as a result of the offense;

"(4) whether restitution is ordered or made and the amount of such restitution;

"(5) the need to deprive the defendant of illegally obtained gains from the offense;

"(6) whether the defendant can pass on to consumers or other persons the expense of the fine; and

"(7) if the defendant is an organization, the size of the organization and any measure taken by the organization to discipline any officer, director, employee, or agent of the organization responsible for the offense and to prevent a recurrence of such an offense.

"(b) FINE NOT TO IMPAIR ABILITY TO MAKE RESTITUTION.—If, as a result of a conviction, the defendant has the obligation to make restitution to a victim of the offense, the court shall impose a fine or other monetary penalty only to the extent that such fine or penalty will not impair the ability of the defendant to make restitution.

"(c) EFFECT OF FINALITY OF JUDGMENT.—Notwithstanding the fact that a sentence to pay a fine can subsequently be—

"(1) modified or remitted under section 3573;

"(2) corrected under rule 35 and section 3742; or

"(3) appealed and modified under section 3742;

a judgment that includes such a sentence is a final judgment for all other purposes.

"(d) TIME, METHOD OF PAYMENT, AND RELATED ITEMS.—A person sentenced to pay a fine or other monetary penalty shall make such payment immediately, unless, in the interest of justice, the court provides for payment on a date certain or in installments. If the court provides for payment in installments, the installments shall be in equal monthly payments over the period provided by the court, unless the court establishes another schedule. If the judgment permits other than immediate payment, the period provided for shall not exceed five years, excluding any period served by the defendant as imprisonment for the offense.

"(e) ALTERNATIVE SENTENCE PRECLUDED.—At the time a defendant is sentenced to pay a fine, the court may not impose an alternative sentence to be carried out if the fine is not paid.

"(f) RESPONSIBILITY FOR PAYMENT OF MONETARY OBLIGATION RELATING TO ORGANIZATION.—If a sentence includes a fine, special assessment, or other monetary obligation (including interest) with respect to an organization, each individual authorized to make disbursements for the organization has a duty to pay the obligation from assets of the organization. If such an obligation is imposed on a director, officer, shareholder, employee, or agent of an organization, payments may not be made, directly or indirectly, from assets of the organization, unless the court finds that such payment is expressly permissible under applicable State law.

"(g) SECURITY FOR STAYED FINE.—If a sentence imposing a fine is stayed, the court shall, absent exceptional circumstances (as determined by the court)—

"(1) require the defendant to deposit, in the registry of the district court, any amount of the fine that is due;

"(2) require the defendant to provide a bond or other security to ensure payment of the fine; or

"(3) restrain the defendant from transferring or dissipating assets.

"(h) DELINQUENCY.—A fine is delinquent if a payment is more than 30 days late.

"(i) DEFAULT.—A fine is in default if a payment is delinquent for more than 90 days. When a fine is in default, the entire amount of the fine is due within 30 days after notification of the default, notwithstanding any installment schedule.".

SEC. 8. REVISION OF MODIFICATION OR REMISSION PROVISION.

(a) OFFENSE.—Section 3573 of title 18, United States Code, is amended to read as follows:

"§ 3573. Petition of the Government for modification or remission

"Upon petition of the Government showing that reasonable efforts to collect a fine or assessment are not likely to be effective, the court may, in the interest of justice—

"(1) remit all or part of the unpaid portion of the fine or special assessment, including interest and penalties;

"(2) defer payment of the fine or special assessment to a date certain or pursuant to an installment schedule; or

"(3) extend a date certain or an installment schedule previously ordered.

A petition under this subsection shall be filed in the court in which sentence was originally imposed, unless the court transfers jurisdiction to another court.".

(b) TECHNICAL AMENDMENT.—The table of sections for subchapter C of chapter 227 of title 18, United States Code, is amended by striking out the item for section 3573 and inserting in lieu thereof the following:

"3573. Petition of the Government for modification or revision.".

SEC. 9. RECEIPT OF FINES—INTERIM PROVISIONS.

(a) NOVEMBER 1, 1987, TO APRIL 30, 1988.—Notwithstanding section 3611 of title 18, United States Code, a person who, during the period beginning on November 1, 1987, and ending on April 30, 1988, is sentenced to pay a fine or assessment shall pay the fine or assessment (including any interest or penalty) to the clerk of the court, with respect to an offense committed on or before December 31, 1984, and to the Attorney General, with respect to an offense committed after December 31, 1984.

(b) MAY 1, 1988, TO OCTOBER 31, 1988.—(1) Notwithstanding section 3611 of title 18, United States Code, a person who during the period beginning on May 1, 1988, and ending on October 31, 1988, is sentenced to pay a fine or assessment shall pay the fine or assessment in accordance with this subsection.

(2) In a case initiated by citation or violation notice, such person shall pay the fine or assessment (including any interest or penalty), as specified by the Director of the Administrative Office of the United States Courts. Such Director may specify that such payment be made to the clerk of the court or in the manner provided for under section 604(a)(17) of title 28, United States Code.

(3) In any other case, such person shall pay the fine or assessment (including any interest or penalty) to the clerk of the court, with respect to an offense committed on or before December 31, 1984, and to the Attorney General, with respect to an offense committed after December 31, 1984.

SEC. 10. RECEIPT OF FINES—PERMANENT PROVISION.

(a) IN GENERAL.—Section 3611 of title 18, United States Code, is amended to read as follows:

"§ 3611. Payment of a fine

"A person who is sentenced to pay a fine or assessment shall pay the fine or assessment (including any interest or penalty), as specified by the Director of the Administrative Office of the United States Courts. Such Director may specify that such payment be made to the clerk of the court or in the manner provided for under section 604(a)(17) of title 28, United States Code.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to any fine imposed after October 31, 1988. Such amendment shall also apply with respect to any fine imposed on or before October 31, 1988, if the fine remains uncollected as of February 1, 1989, unless the Director of the Administrative Office of the United States Courts determines further delay is necessary. If the Director so determines, the amendment made by this section shall apply with respect to any such fine imposed on or before October 31, 1988, if the fine remains uncollected as of May 1, 1989.

SEC. 11. COLLECTION AMENDMENTS.

(a) NOTIFICATION OF RECEIPT AND RELATED MATTERS.—Section 3612(a) of title 18, United States Code, is amended to read as follows:

"(a) NOTIFICATION OF RECEIPT AND RELATED MATTERS.—The clerk or the person designated under section 604(a)(17) of title 28 shall notify the Attorney General of each receipt of a payment with respect to which a certification is made under subsection (b), together with other appropriate information relating to such payment. The notification shall be provided—

"(1) in such manner as may be agreed upon by the Attorney General and the Director of the Administrative Office of the United States Courts; and

"(2) within 15 days after the receipt or at such other time as may be determined jointly by the Attorney General and the Director of the Administrative Office of the United States Courts.

If the fifteenth day under paragraph (2) is a Saturday, Sunday, or legal public holiday, the clerk, or the person designated under section 604(a)(17) of title 28, shall provide notification not later than the next day that is not a Saturday, Sunday, or legal public holiday.".

(b) INFORMATION TO BE INCLUDED IN JUDGMENT.—Section 3612(b) of title 18, United States Code, is amended to read as follows:

"(b) INFORMATION TO BE INCLUDED IN JUDGMENT; JUDGMENT TO BE TRANSMITTED TO ATTORNEY GENERAL.—(1) A judgment or order imposing, modifying, or remitting a fine of more than $100 shall include—

"(A) the name, social security account number, mailing address, and residence address of the defendant;

"(B) the docket number of the case;

"(C) the original amount of the fine and the amount that is due and unpaid;

"(D) the schedule of payments (if other than immediate payment is permitted under section 3572(d));

"(E) a description of any modification or remission; and

"(F) if other than immediate payment is permitted, a requirement that, until the fine is paid in full, the defendant notify the Attorney General of any change in the mailing address or residence address of the defendant not later than thirty days after the change occurs.

"(2) Not later than ten days after entry of the judgment or order, the court shall transmit a certified copy of the judgment or order to the Attorney General.".

(c) TECHNICAL AMENDMENTS.—

(1) Section 3612(d) of title 18, United States Code, is amended by striking out "section 3572(i)" and inserting in lieu thereof "section 3572(h)".

(2) Section 3612(e) of title 18, United States Code, is amended by striking out "section 3572(j)" and inserting in lieu thereof "section 3572(i)".

(d) INTEREST ON FINES.—Section 3612(f) of title 18, United States Code, is amended to read as follows:

"(f) INTEREST ON FINES.—

"(1) IN GENERAL.—The defendant shall pay interest on any fine of more than $2,500, unless the fine is paid in full before the fifteenth day after the date of the judgment. If that day is a Saturday, Sunday, or legal public holiday, the defendant shall be liable for interest beginning with the next day that is not a Saturday, Sunday, or legal public holiday.

"(2) COMPUTATION.—Interest on a fine shall be computed—

"(A) daily (from the first day on which the defendant is liable for interest under paragraph (1)); and

"(B) at a rate equal to the coupon issue yield equivalent (as determined by the Secretary of the Treasury) of the average accepted auction price for the last auction of fifty-two week United States Treasury bills settled before the first day on which the defendant is liable for interest under paragraph (1).

"(3) MODIFICATION OF INTEREST BY COURT.—If the court determines that the defendant does not have the ability to pay interest under this subsection, the court may—

"(A) waive the requirement for interest;

"(B) limit the total of interest payable to a specific dollar amount; or

"(C) limit the length of the period during which interest accrues.".

(e) PENALTY FOR DELINQUENT FINE; WAIVER OF INTEREST OR FINE BY ATTORNEY GENERAL.—Section 3612 of title 18, United States Code, is amended by adding at the end the following new subsections:

"(g) PENALTY FOR DELINQUENT FINE.—If a fine becomes delinquent, the defendant shall pay, as a penalty, an amount equal to 10 percent of the principal amount that is delinquent. If a fine becomes in default, the defendant shall pay, as a penalty, an additional amount equal to 15 percent of the principal amount that is in default.

"(h) WAIVER OF INTEREST OR PENALTY BY ATTORNEY GENERAL.—The Attorney General may waive all or part of any interest or penalty under this section if, as determined by the Attorney General, reasonable efforts to collect the interest or penalty are not likely to be effective.

"(i) APPLICATION OF PAYMENTS.—Payments relating to fines shall be applied in the following order: (1) to principal; (2) to costs; (3) to interest; and (4) to penalties.".

SEC. 12. RECEIPT OF RESTITUTION PAYMENTS BY COURTS.

Section 3663(f)(4) of title 18, United States Code, is amended by inserting "or the person designated under section 604(a)(17) of title 28" after "Attorney General".

SEC. 13. EFFECTIVE DATE.

This Act shall take effect on the date of the enactment of this Act, except that the amendment made by section 209 shall take effect as provided in such section and the amendments made by sections 203, 204, 205, 206, 207, 210, and 211 shall take effect on the date of the taking effect of section 212(a)(2) of the Sentencing Reform Act of 1984.

AMENDMENT NO. 1199

(Purpose: To make certain technical corrections)

Mr. BYRD. Mr. President, I move that the Senate concur in the amendment of the House to the amendments of the Senate with a further amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from West Virginia [Mr. BYRD] proposes an amendment numbered 1199.

Mr. BYRD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In section 6 of the bill, in proposed section 3571(c) of title 18, United States Code, strike out "an individual who" and insert in lieu thereof "an organization that".

In section 13 of the bill—

(1) strike out "section 209" and insert in lieu thereof "section 9"; and

(2) strike out "203, 204, 205, 206, 207, 210 and 211" and insert in lieu thereof "3, 4, 5, 6, 7, 10, and 11".

The PRESIDING OFFICER. The question is on agreeing to the motion.

The motion was agreed to.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. BYRD. Mr. President, I ask the acting Republican leader if the following nominations have been approved on that side of the aisle: Calendar

Order No. 419 under Department of Education, page 2; Calendar Orders numbered 421, 422, 423, 424, and 425 on page 3 of the Executive Calendar; all nominations on page 4 of the Executive Calendar under the Army; all under the Army on page 5; all under the Army on page 6; and Calendar Orders numbered 430, 431, 432, 433, and 434 on page 7; Calendar Orders Nos. 435, 436, and 437 on page 8; and all nominations placed on the Secretary's desk in the Air Force, Coast Guard, Marine Corps, and Navy, on page 9.

Mr. HECHT. I ask the distinguished majority leader, was 426 included?

Mr. BYRD. 426 was not included.

Mr. HECHT. They have all been OK'd.

Mr. BYRD. Mr. President, I thank the distinguished Senator.

I ask unanimous consent that the Senate go into executive session to consider the aforementioned nominations en bloc, that the nominations be confirmed en bloc, that the President be notified of the confirmation of the nominees, that the motion to reconsider be laid on the table, and that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF EDUCATION

Linus D. Wright, of Texas, to be Under Secretary of Education, vice Gary L. Bauer, resigned.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

Don W. Wilson, of Michigan, to be Archivist of the United States, new position.

U.S. POSTAL SERVICE

Ira D. Hall, Jr., of Connecticut, to be a Governor of the U.S. Postal Service for the remainder of the term expiring December 8, 1990, vice Peter E. Voss, resigned.

THE JUDICIARY

Arthur L. Burnett, Sr., of the District of Columiba, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years, vice Luke C. Moore, retired.

OFFICE OF PERSONNEL MANAGEMENT

Frank Q. Nebeker, of Virginia, to be Director of the Office of Government Ethics for a term of 5 years vice David H. Martin, resigned.

POSTAL RATE COMMISSION

William H. LeBlanc III, of Louisiana, to be a commissioner of the Postal Rate Commission for the remainder of the term expiring November 22, 1988, vice Henrietta Faye Guiton, resigned.

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States in the grade indicated under the provisions of title 10, United States Code, sections 611(a) and 624:

To be brigadier general

Col. Richard A. Behrenhausen, [redacted], U.S. Army.

Col. Jack A. Pellicci, [redacted], U.S. Army.

Col. Marvin L. Covault, [redacted], U.S. Army.

Col. William M. Boice, [redacted], U.S. Army.

Col. Robert C. Lee, [redacted], U.S. Army.

Col. Steven L. Arnold, [redacted], U.S. Army.

Col. Dennis P. Malcor, [redacted], U.S. Army.

Col. John R. Landry, [redacted], U.S. Army.

Col. Fred N. Halley, Sr., [redacted], U.S. Army.

Col. John A. Leide, [redacted], U.S. Army.

Col. Robert S. Frix, [redacted], U.S. Army.

Col. Robert D. Orton, [redacted], U.S. Army.

Col. Robert B. Rosenkranz, [redacted], U.S. Army.

Col. Thomas C. Jones, [redacted], U.S. Army.

Col. William M. Matz, [redacted], U.S. Army.

Col. Dennis L. Benchoff, [redacted], U.S. Army.

Col. Nicholas R. Hurst, [redacted], U.S. Army.

Col. John F. Stewart, Jr., [redacted], U.S. Army.

Col. William Fedorochko, Jr., [redacted], U.S. Army.

Col. Richard S. Siegfried, [redacted], U.S. Army.

Col. David E. Cooper, [redacted], U.S. Army.

Col. William W. Hartzog, [redacted], U.S. Army.

Col. David J. Baratto, [redacted], U.S. Army.

Col. Floyd J. Walters, Jr., [redacted], U.S. Army.

Col. Frederick E. Vollrath, [redacted], U.S. Army.

Col. James R. Harding, [redacted], U.S. Army.

Col. Gary L. Brown, [redacted], U.S. Army.

Col. James M. Jellett, [redacted], U.S. Army.

Col. John A. Hedrick, [redacted], U.S. Army.

Col. Anson W. Schulz, [redacted], U.S. Army.

Col. Richard F. Keller, [redacted], U.S. Army.

Col. Dennis A. Leach, [redacted], U.S. Army.

Col. John D. Howard, [redacted], U.S. Army.

Col. Robert G. Sausser, [redacted], U.S. Army.

Col. Robert L. Stephens, Jr., [redacted], U.S. Army.

Col. Larry G. Lehowicz, [redacted], U.S. Army.

Col. John C. Ellerson, [redacted], U.S. Army.

Col. Kenneth R. Wykle, [redacted], U.S. Army.

Col. David C. Meade, [redacted], U.S. Army.

Col. Ronald V. Hite, [redacted], U.S. Army.

Col. Robert A. Goodbary, [redacted], U.S. Army.

Col. Thomas M. Montgomery, 311-38-3708, U.S. Army.

Col. Daniel W. Christman, [redacted], U.S. Army.

Col. Robert J. Jellison, [redacted], U.S. Army.

Col. Richard E. Davis, [redacted], U.S. Army.

Col. William J. Schumacher, [redacted], U.S. Army.

Col. Carl R. Morin, Jr., [redacted], U.S. Army.

Col. James M. Lyle, [redacted], U.S. Army.

Col. William H. Campbell, [redacted], U.S. Army.

Col. Robert T. Howard, [redacted], U.S. Army.

Col. Julius F. Johnson, [redacted], U.S. Army.

Col. Marvin E. Mitchiner, Jr., [redacted], U.S. Army.

Col. Richard G. Larson, [redacted], U.S. Army.

Col. Johnnie E. Wilson, [redacted], U.S. Army.

Col. Sam A. Gray, [redacted], U.S. Army.

Col. William F. Garrison, [redacted], U.S. Army.

MARINE MAMMAL COMMISSION

William W. Fox, Jr., of Florida, to be a member of the Marine Mammal Commission for the term expiring May 13, 1989, vice Karen Pryor, term expired.

Francis H. Fay, of Alaska, to be a member of the Marine Mammal Commission for the term expiring May 13, 1988, vice William Evans, resigned.

FEDERAL MARITIME COMMISSION

Francis J. Ivancie, of Oregon, to be a Federal Maritime Commissioner for the term expiring June 30, 1992, reappointment.

EXECUTIVE OFFICE OF THE PRESIDENT

Thomas P. Rona, of Virginia, to be an associate director of the Office of Science and Technology Policy, vice Ronald B. Frankum.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

Jack Edwards, of Alabama, to be a member of the Board of Directors of the Metropolitan Washington Airports Authority for a term of 6 years, new position.

DEPARTMENT OF STATE

The following-named career member of the Senior Foreign Service, class of Career Minister, for the personal rank of Career Ambassador in recognition of especially distinguished service over a sustained period:

George Southall Vest, of Maryland.

DEPARTMENT OF AGRICULTURE

Roland R. Vautour, of Vermont, to be Under Secretary of Agriculture for Small Community and Rural Development, vice Frank W. Naylor, Jr.

Roland R. Vautour, of Vermont, to be a member of the Board of Directors of the Commodity Credit Corporation, vice Frank W. Naylor, Jr.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, COAST GUARD, MARINE CORPS, NAVY

Air Force nominations beginning Peter D. Abler, and ending James H. Wright, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 28, 1987.

Air Force nominations beginning Maj. John F. Ammerall, [redacted] and ending Maj. Margaret A. Holmes, [redacted], which nominations were received by the Senate on November 9, 1987, and appeared in the CONGRESSIONAL RECORD of November 10, 1987.

Coast Guard nominations beginning Edward A. Hemstreet, and ending Neal B.

Thayer, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 30, 1987.

Coast Guard nominations beginning Thomas W. Purtell, and ending Robert J. Fuller, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of September 30, 1987.

Marine Corps nomination of Mark E. Yapp, which was received by the Senate and appeared in the CONGRESSIONAL RECORD of October 28, 1987.

Navy nominations beginning Arthur C. Burns, and ending Timothy J. Bond, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD of October 28, 1987.

NOMINATION OF DONALD W. WILSON

Mr. ROTH. Mr. President, today the Senate will act on the nomination of Donald W. Wilson, the director of the Gerald R. Ford Presidential Library, to be the Archivist of the United States. As the ranking Republican on the Governmental Affairs Committee, it is a pleasure to bring you a nominee with Mr. Wilson's credentials. This also gives us an opportunity to contemplate the importance of the National Archives and Records Administration to the Government and the people of this country.

Chiseled into the National Archives building in Washington is the phrase, "What is past is prologue." This Nation looks to its past for principles to apply to problems faced by the Nation today. Whether one tries to divine the "original intent" in the Constitution or to understand the rationale for actions taken by the Government, the primary source of such knowledge is records made by Government officials.

Situations from the past have led us to where we are today. An example of those would be:

When George Washington left the White House, he took the papers of the Presidency with him; he died before realizing his intention to sort and arrange them and construct a building to accommodate them so that histories might be written. Congress eventually purchased the papers from the family.

When William Wirt became Attorney General in 1817, no records of any of his predecessors' actions—including legal opinions—were to be found.

Original copies of the Declaration of Independence, the Constitution, and the Bill of Rights for over 150 years were not stored or displayed in a manner to assure their preservation.

The concerns which first motivated Congress to act to preserve Government records were the need, as felt by Attorney General Wirt, to record what had been done in the past, as well as the twin threats of fire and theft of documents. It took the foresight of officials like Wirt to establish recordkeeping practices, and it took many more years for the threat and actual incidence of fires in Government buildings to motivate Congress to build fireproof storage.

Meanwhile, the Government was growing; so, too, grew the number of records and the need to make choices as to what to keep and what to dispose. Ultimately, Congress authorized construction of a "Hall of Records": the National Archives building, completed in 1935.

In 1934, Congress created an agency, the National Archives, to take responsibility for the building and the records stored in it. Faced with rapidly growing numbers of records during the Government activism of the 1930's, the new agency developed records management concepts which were enacted by Congress in the Federal Records Act and the Records Disposal Act.

Congress also created the National Historic Publications and Records Commission and appropriated to it funds to be granted to scholars to collect, annotate, and publish the papers of important citizens, such as Jefferson and Madison, and important institutions and events such as the Constitutional Convention and the First Congress. These publications make the records of our Founding Fathers and of our early history more readily available to our citizens through libraries around the country. Soon Congress will consider reauthorizing this program.

Regarding Presidential records, Congress showed an awareness of the historical value and the administrative usefulness of the papers of certain former Presidents by appropriating funds for the purchase of the papers of Washington, Jefferson, Madison, and Monroe from their families. In 1939, President Franklin Roosevelt announced his intention to donate the papers of his Presidency to the Government and to house them in a building which also would be donated to the Government, In 1955, Congress passed the Presidential Libraries Act which authorized the Archivist of the United States to accept the donation of Presidential papers and buildings in which to house them along the lines of the Roosevelt donation. Subsequently, the papers of Presidents Hoover, Truman, Eisenhower, Kennedy, Johnson, Ford, and Carter were donated along with buildings located around the country in which the papers are housed and available for research. These libraries are operated by the National Archives.

President Nixon conditioned the donation of his papers, reserving the right to dispose of documents and tape recordings of his Presidency. Congress passed legislation requiring the Archivist to take possession of the Nixon Presidential records and to preserve them for use by the Government and, ultimately, by researchers. This legislation led further to enactment of the Presidential Records Act of 1978. That act, which took effect in 1981, with the advent of the Reagan administration, declares that Presidential, as opposed to personal, records are the property of the U.S. Government. The act provides that when a President leaves office, the Archivist will take possession of the Presidential records; the former President may impose restrictions on access to those records for up to 12 years, but after that time, they will be available to the public under the terms of the Freedom of Information Act.

The National Archives is, thus, more than just a treasure house containing over 3 billion documents recording the Nation's history. In 1984, Congress emphasized the importance of this agency by reestablishing it as an independent entity in the executive branch upon the recommendation of the Committee on Governmental Affairs.

The independence of the National Archives has created additional management responsibilities for the position of Archivist. Mr. Wilson has made it clear that he is anxious to undertake this challenge and devote his energies toward improving and expanding the role of the National Archives. He has a strong background and the unique expertise that comes with serving as the director of former President Ford's library. That experience will be extremely valuable in overseeing the function of all Presidential libraries, the Presidential Records Act and the Presidential Transition Act.

Also, at this time I think the Senate should note that since the retirement of Robert Warner as Archivist over 2 years ago, Frank Burke has served in the post as Acting Archivist; and we would be remiss not to thank him for his efforts during this lengthy transition period.

In closing, I would simply restate my feeling that Mr. Wilson is eminently qualified for the position of Archivist, and I believe he will provide the leadership necessary in that position to retain the history of our Nation for future generations.

Mr. NUNN. Mr. President, among the nominations that the Committee on Armed Services has recommended to the Senate for confirmation is an Army list of 56 colonels to be promoted to brigadier general. I would like to make a few brief comments about this list.

Mr. President, I am concerned that a large number of the officers on this promotion list have no joint duty experience. Current DOD regulations require that line officers selected for promotion to one-star rank should have at least one tour of joint duty or joint equivalent duty. These regulations also require that line officers without this joint experience who are selected for promotion to one-star rank must receive a waiver from the Secretary of Defense and serve in a joint tour on their next assignment.

This year, 14 of the 56 Army officers nominated to be brigadier general, or 25 percent of the list, do not meet the joint tour or equivalent experience requirement contained in DOD's own directives. Last year, 23 percent of the Army's brigadier general nominees had no previous joint tour experience. So this year, the Army is going backward, not forward, as far as joint tour experience for its brigadier general nominees is concerned. This is according to DOD's own critieria which have been in place for at least a decade.

Mr. President, I want to point out here that we strengthened the requirement for joint duty as a prerequisite for selection to the general and flag officer ranks in the Goldwater-Nichols Department of Defense Reorganization Act last year.

I realize that neither the Army nor any of the other military services will be able to meet the more stringent joint duty requirements of the DOD Reorganization Act for years to come. However, I want to go on record as emphasizing that we consider joint duty experience an important criteria for selection to the general and flag officer ranks.

Mr. President, I hope the Army—and the other military services—will take heed of this concern and do better in this regard in the future.

UNANIMOUS CONSENT AGREEMENT ON BURNLEY NOMINATION

Mr. BYRD. Mr. President, I ask unanimous consent that at 4 p.m. on Monday, November 30 the Senate proceed to executive session to consider the nomination of James H. Burnley IV of North Carolina to be Secretary of Transportation, Calendar Order 428, that there be a time limit for debate thereon of 30 minutes to be equally divided between the chairman and ranking member of the Committee on Commerce and that the vote on the nomination occur at 4:30 p.m. It will be a 30-minute vote but there may be other rollcall votes during the day prior to that. In any event that will be a rollcall and I include that request that that be a 30-minute vote and it will be by rollcall once we get it ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent then that upon the disposition of the nomination of Mr. Burnley on Monday, November 30, the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent as in executive session that it be in order to order at this time a rollcall vote on Mr. James H. Burnley IV to be Secretary of Transportation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask for the yeas and nays on this nomination as in executive session.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, is the Senate in morning business at this time?

The PRESIDING OFFICER. The Senate is in morning business.

Mr. BYRD. And it will be in morning business for how long?

The PRESIDING OFFICER. Until 6 o'clock.

Mr. BYRD. I thank the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. BYRD. Mr. President, will the distinguished Senator yield for a request only?

Mr. GRAHAM. Yes.

ORDER FOR RECESS

Mr. BYRD. Mr. President, I ask unanimous consent that upon the completion of the statement by the distinguished Senator from Florida [Mr. GRAHAM], and the action upon the resolution which he has submitted that the Senate stand in recess pending the call of the Chair to accommodate a conference.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank the distinguished Senator.

Mr. GRAHAM. I thank the majority leader. I appreciate his courtesy in this matter and I wish to add my voice to many who have been extending their birthday greetings. We share this month as a birthday month and November is a very propitious month on the calendar for birth. I extend my best wishes to Senator BYRD, and for may more celebrations to come.

Mr. BYRD. Mr. President, I thank the distinguished Senator. His kind felicitations have made my birthday very much happier than it would otherwise have been, and I thank him very much.

PRESIDENTIAL ELECTION PROCESS IN HAITI

Mr. GRAHAM. Mr. President, there is another important date which will occur in November and that, Mr. President, is a week from Sunday when the most important political event of this century will take place in our neighbor country of Haiti. For the first time in a generation, democratic elections are scheduled to occur in that nation. These elections offer not only the opportunity for the open and democratic election of a new President of that nation but also the beginning of a new future for a country which has suffered too much pain, too much anguish, too much impoverishment.

That happy prospect of democratic elections on November 29, however, is still in doubt; in doubt to the potential that it could fall victim to violence and greed for power which have in the past turned Haitian society inside out.

Those of us in the United States of America, Democrat and Republican alike want to see democracy and social and economic progress in Hati.

We share the desire of this overwhelming majority of the Haitian people who simply want the opportunity to choose their leaders freely and fairly.

We want those elections and that chance at a real democracy and social and economic progress for Haiti as much as the Haitian people do, and our desire, when strongly and repeatedly articulated, is heard in Haiti. It lends hope to those struggling to make sure these elections take place, it gives pause to those forces who would thwart the elections for their own gain.

Because we speak with a voice that is loud in Haiti, I am today introducing a sense of the Senate resolution to underline, once again, that we encourage and expect those elections to happen as planned on November 29, we saw the overwhelming mandate of the referendum in Haiti to schedule elections after the long nightmare of the Duvalier regime was over, we saw, too, the attempts to intimidate the provisional elections council and the assassinations of political candidates and the bloodbath of those who tried to exercise their right to protest.

We cannot stand silent if there is any threat that tragic repression will once again overtake the Haitian people and condemn them to more suffering, endless impoverishment, we must speak out for the ideals we would share with all nations of this hemisphere, by supporting and protecting the right of Haitians to determine freely their own future, we witness our own democracy, our own good fortune, our own responsibility to safeguard liberty and human rights and peaceful progress for all who aspire to them.

Mr. President, this weekend we are asking across this land that we celebrate a sabbath of remembrance and hope for the people of Haiti. As we stand on the eve of our own national celebration of Thanksgiving, we should include in that prayer of thanks for what we have received a prayer that the Divine will extend the benefits of democracy and a vision of a better future for our neighbors in Haiti.

I applaud the national religious leaders who have joined in this weekend of sabbath prayer for the peoples of Haiti and hope that millions of Americans will join in that prayer over the next 3 days.

Mr. President, I ask that this resolution be taken up and adopted. After the adoption of this resolution and the statement I have made, I submit for the RECORD and request unanimous consent that several recent news accounts detailing the conditions in Haiti be included in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Times, Nov. 20, 1987]

OFFICIAL SUPPORT GROWING FOR HAITIAN ELECTION

(By Joseph B. Treaster)

PORT-AU-PRINCE, HAITI, November 19.—With 10 days remaining before the scheduled date for presidential elections in Haiti, election officials say the Government has finally begun lending its support, and concern about a possible postponement appears to be fading.

In the last week or so a terror campaign apparently intended to disrupt the elections Nov. 29 has all but stopped in the capital with a few incidents continuing to be reported in the countryside.

"I think the skies are clearing up," said Alain Rocourt, the treasurer of the Electoral Council, which is trying to organize the elections.

Several important tasks remain to be accomplished such as setting up about 6,000 polling places. But Marc-Antoine Noël, the executive director of the Electoral Council, said, "I'm more or less sure we can do it."

After weeks of ignoring requests for protection and logistical support from election officials, the military-dominated provisional Government has made no announcement of a change in policy. But for the first time, senior military officers have been meeting with election officials, and Mr. Noël of the Electoral Council said there appeared to be "a new attitude" on the part of the Government. He and others said the Government had taken several steps that indicate "a willingness to be helpful" with security and logistics.

Lieut. Gen. Henri Namphy, who became head of the provisional Government 22 months ago with the collapse of the dictatorship of President Jean Claude Duvalier, made to speeches Wednesday in celebration of Armed Forces Day but did not mention the elections or refer directly to the latest surge of violence.

"The order of the day," he said at one point, "is to serve for the benefit of the collective interest."

Haitians and Western diplomats said they suspected this might have been a veiled indication of support for the elections, but added it was unclear whether he was referring to the collective interest of the army or the nation.

VIOLENCE NOT MENTIONED

Throughout his speeches, the general appeared to be defending the armed forces. He did not mention the violence this summer in which soldiers killed 30 civilians and wounded 200 in protests after he briefly seized control of the election process. But he told his troops, "You have been good soldiers," adding that "the fatherland will be eternally grateful to you."

The United States Embassy, which along with other foreign diplomatic missions here had persuaded General Namphy's critics during the summer that he offered the best hope for seeing the elections through on schedule, refused to comment on his remarks.

Mr. Noël said the Government had "more or less said O.K." this week to a request for helicopters and possibly light planes to transport ballot boxes, ballots and other voting materials throughout the country.

Most of the country's elections offices are still without military protection. But Mr. Rocourt said that in the southeast region in the town of Jacmel the Government was "cooperating fully" in providing security and added: "We hope this will generalize throughout the country as time goes by."

TERROR SUSPECTS ARRESTED

Diplomats say security forces arrested three men on suspicion of involvement in the terror campaign and released them after questioning, telling them "in no uncertain terms: don't create any more problems."

It was the first known reaction of the military-dominated provisional Government to the pre-election violence and the diplomats say they believe it was intended as a signal that immunity for the attacks had come to an end.

René Belance, a spokesman for the electoral council, said he had also received reports that truckloads of soldiers had begun patrolling the streets of the capital in the late night and early morning hours.

While there is a palpable feeling of less insecurity in the capital, most residents still follow a self-imposed curfew of about 9 P.M. Before dawn Wednesday two people were shot to death five blocks from the presidential palace and more gunshots were heard near the palace late in the evening.

[From the New York Times, Nov. 15, 1987]

HAITIAN ELECTIONS FEARED IMPERILED—OFFICIALS SAY THEY STILL NEED $2.5 MILLION AND SECURITY FROM THE GOVERNMENT

(By Joseph B. Treaster)

PORT-AU-PRINCE, HAITI, November 14.—Two weeks before Haiti is supposed to have its first presidential election in 30 years, the place designated as national election headquarters is still filled with carpenters and the racket of hammers and power saws.

Telephone and radio communications between regional voting offices have yet to be hooked up, and there is still no plan for delivering ballots and other voting materials to the more than 6,000 polling stations.

Since the original election headquarters was gutted by arson earlier this month, the nine-man council trying to organize the elections scheduled for Nov. 29 has been working in a small conference room in the offices of the Methodist Church of Haiti, with secretaries and other staff members scattered around the capital.

The members of the electoral council — lawyers, small-business men and members of the academic community with little administrative experience — refer to these matters as "technical problems." What really worries them, they said, is that they are $2.5 million short of what they think they need to bring off the elections and that the Government is still ignoring their pleas for protection from those trying to disrupt the elections.

HOPE FOR A MIRACLE

"It looks extremely difficult," said Alain Rocourt, the treasurer of the electoral council and head of the Methodist Church. "But in Haiti miracles do happen."

Mr. Rocourt said that if the major problems were not resolved by early next week "we may have to ask the nation, 'Do you want to continue? Do you want to have the election?' "

Presidential candidates, rural church workers and Western diplomats said they had found enthusiasm for the elections throughout the country despite a campaign of terror and intimidation. The campaign started two weeks ago after a dozen candidates who had been closely associated with the former Haitian dictators, François Duvalier and his son, Jean-Claude, were disqualified in accordance with a new constitution that prohibits prominent members of the family dictatorship from holding office for 10 years.

23 PRESIDENTIAL CANDIDATES

After the disqualifications, 23 candidates for president remained. The elected president would succeed an army-dominated provisional Government that has been administering the country since the younger Duvalier fled into exile on Feb. 7, 1986.

The candidates include several lawyers, clergymen and the head of the Communist Party in Haiti. In addition to the presidential election, there will be legislative elections.

Election officials said that they did not know how many Haitians had registered to vote, but that there indications that a third or more of the three million who are eligible had not.

The attacks on election facilities diminished markedly this week and Haitians and diplomats said that they were mystified, particularly because the assailants had been operating with apparent immunity.

There has been little campaigning in the capital, where the violence has been most intense, but candidates have been holding rallies throughout the country. Some of the disqualified former Duvalier associates have also put up a few billboards and made television and radio campaign speeches, and they have been trying to challenge the ruling against them in the courts.

UNITED STATES CONTRIBUTIONS

Partly because of damage inflicted on election facilities in the terror campaign and underestimations on a range of expenses, the electoral council found this week that it needed about $10 million rather than the $6 million originally expected.

On Friday the United States, which had provided more than 80 percent of the first $6 million, gave another $1.5 million and said it hoped the remaining $2.5 million would come from other, unnamed international donors.

"That is a pious wish," Mr. Rocourt said. "We know very well that the United States has given a lot of money. But they are the only ones in this part of the world who can help the elections be a success."

"If they tell us all you've got is $7.5 million," he added, "we must say we cannot do it."

Several countries, including Canada and France, have contributed equipment and technical advice, and Western diplomats said they thought it unlikely that the United States and the others would permit the elections to fail for lack of money.

On Friday, in its first significant offer of logistical support, the provisional Government said public schools would be available as polling places.

Candidates and election officials took this as a hopeful sign, but noted that the 22-month-old Government, which is led by Lieut. Gen. Henri Namphy, had still done virtually nothing to restore order and a sense of security.

The Government has also failed to provide trucks, jeeps and its two helicopters to transport materials such as ballots and ballot boxes, and election officials said it appeared they would have to try to rent vehicles.

"Normally, the government in place does something to help organize elections," one diplomat said. "In this case, we don't see anything being done by the Government."

General Namphy, who seldom appears in public and and rarely addresses the nation, has not directly acknowledged the election crisis or explained his failure to provide support.

[From the New York Times, Nov. 8, 1987]

HAITI TERROR: THE OLD ORDER VS. THE NEW

(By Joseph B. Treaster)

PORT-AU-PRINCE, HAITI, Nov. 7.—For the last week, Haitians have been witnessing the unfolding of a campaign of terror apparently intended to disrupt elections and preserve the old order of the Duvalier family dictatorship.

Every night since national election headquarters was gutted by flames last Monday night, there have been arson and machine-gun attacks against election participants. Before dawn this morning the violence spread outside the capital for the first time, with three incidents in towns along the central coast.

Although the dictatorship founded by Francois Duvalier in 1957 meant misery for most people in the country, thousands of Haitians, rich and poor alike, received such benefits as jobs, freedom to collect graft, and business monopolies.

THE OLD ORDER THWARTED

Until last Monday night, when a dozen men who had worked closely with Mr. Duvalier and his sons Jean-Claude were disqualified as candidates in the Nov. 29 presidential election, many from the old order thought there was still a chance to preserve their privileges.

With even this long shot shattered, the terror campaign started. Although widespread support both here and abroad makes the election seem inevitable at some point, many Haitians and Western dipolmats say that Duvalier allies seem determined to try to block them.

Lieut. Gen. Henri Namphy, who rose to head a provisional government with the collapse of the dictatorship 22 months ago and pledged to guide the country to elections, has stunned the nation and much of the world by all but ignoring the pre-election violence as well as desperate pleas for protection from election officials and candidates.

Friday, in his first public appearance in weeks, the reclusive and often incommunicative general bestowed upon himself the formal title of Commander in Chief of the armed forces, but barely mentioned the spreading terror.

A BITTER FEUD

Haitians and diplomats trying to explain General Namphy's failure to exercise the sort of responsibility normally expected of a chief of state say they believe his behavior is evidence of a bitter feud that has been going on between him and the civilian Electoral Council since midsummer.

General Namphy was rebuffed by street protests when he briefly seized control of the election process. The protesters and the nine-member Electoral Council insisted that the army, which has historically manipulated elections, leave the election to civilians.

When the Electoral Council asked for administrative support, the Namphy Government replied that such assistance would contravene its neutrality. In response to an early request for protection, the Government said it would make arrests if election officials could name the culprits, which to this day no one has been able to do.

General Namphy, true to form since his earliest days in office, has given no explanation for his lack of action. Some Haitians say it seems that he does not want the election to take place. Others, however, have begun saying lately that they think he is trying to punish the election officials and candidates who he has always regarded contemptuously and has consistently refused to meet.

"I think the army wanted to prove to the Electoral Council and the political leaders that we could not have the election without their help," said Grégoire Eugène, a leading candidate who has tended to count the army as among his supporters.

"That is the reason they have let the situation go from bad to worse," he said. "I think they will probably do something in the next few days."

United States officials say they have been trying to persuade General Namphy to take steps to curb the violence. But he has proved to be a difficult ally.

On Thursday, after General Namphy took the initial step of posting five soldiers at the temporary offices of the Electoral Council, a United States official was asked if this was in response to United States pressure.

"Certainly we've been talking to them," the official said. "But they move at their own good time and who knows why."

[From the Miami Herald, Nov. 4, 1987]

HAITIAN ELECTION FILES BURNED AFTER CANDIDATES ARE REJECTED

PORT-AU-PRINCE, HAITI.—Fires broke out Tuesday at the office of the Provisional Electoral Council and at a business run by a council member, hours after the council disqualified several former officials of the ousted Duvalier dictatorship from running for president.

An electoral council member said that the fire at council headquarters was arson, and he blamed "the enemies of democracy." Speculation centered on followers of former Haitian President Jean-Claude Duvalier, who fled to France on Feb. 7, 1986, ending nearly three decades of family dictatorship.

Council member Alain Rocourt, a Methodist Church leader, said in a radio interview that arsonists broke into the building during the night and had complete freedom of the offices before starting the fire.

The heavy iron door was smashed at the downtown council headquarters on Pavee Street in Port-au-Prince and the first floor was destroyed by fire shortly after midnight. The second and third floors also were damaged.

Most of the council's material was destroyed, including thousands of posters calling upon Haitians to vote. Copies of electoral law, and books, banners and leaflets also were burned.

"We hope that we can still do the elections even if the fire destroyed the records," Rocourt said in a telephone interview with the Herald. He acknowledged, however, that loss of the records "would hamper us quite a bit."

Rocourt said at midday Tuesday that the full extent of the damage had not yet been assessed because it was feared that there "might be some booby-traps inside."

Presidential and legislative elections are scheduled Nov. 29. Local elections had been scheduled for Nov. 15. But the independent nine-member electoral council announced Monday night that due to technical and merchanical reasons local voting would be delayed until Dec. 20. That is the same day as the runoff presidential and legislative elections.

A few blocks away from the downtown electoral council headquarters, Continental Trading S.A., a business operated by electoral council member Emmanuel Ambroise, was destroyed by a fire that began about the same time. Both buildings were smoldering nearly eight hours later.

Asked if he thought the fires were a result of Monday night's announcement disqualifying a dozen of the 35 presidential candidates, Rocourt said, "That's what all Haitians think."

Radio Haiti Inter said that in addition to the apparent arson incidents, shots were fired in the regional electoral office in Delmas, on the north side of Port-au-Prince, wounding a security guard.

Also early Tuesday, shots reportedly were fired in the party headquarters of Sylvio Claude, considered to be one of the leading centrist presidential candidates.

Shots also were fired at the home and car of senatorial candidate Reynold Georges, the radio said. Georges told Radio Metropole that he believed Duvalierists angered at the electoral council decision were responsible.

The offices were reported riddled by bullets.

The nine members of the independent electoral council (CEP), had vowed to risk their lives to uphold the ban on Duvalierists from running for public office for at least 10 years.

On Monday, the council released the names of 23 approved presidential candidates, thereby disqualifying 12. At least seven of those disqualified were officials in the Duvalier government. They included Clovis Desinor, a finance minister under Duvalier, who warned last month in announcing his candidacy that if it were rejected, the CEP "would be sowing the seeds of civil war."

[From the Miami Herald, Nov. 8, 1987]

HAITI VIOLENCE PUTS DRIVE TO DEMOCRACY AT THE CROSSROADS

(By Don Bohning)

PORT-AU-PRINCE, HAITI.—With three weeks to go until Nov. 29 national elections, Haiti's return to democracy remains precariously on track, having survived in recent days perhaps its stiffest challenge.

However, with terrorists on the loose and time running out to overcome a multitude of technical problems, events of the past week are likely to have provided only the latest—not the last—challenge.

But the week also could have marked a watershed of sorts in Haiti's troubled effort to restore democratic rule after 29 years of Duvalier family dictatorship that ended Feb. 7, 1986.

The process survived, for the moment at least, a week of terrorism and intimidation by the vestiges of Duvalierism.

In doing so, it appeared to have strengthened the resolve of both Haiti's independent Provisional Electoral Council, or CEP, and the so-called "democratic forces" to get to elections.

They are reinforced by a population that has confidence in the integrity of the nine CEP members to carry out free and honest elections. That confidence was bolstered at the beginning of last week when the CEP disqualified 12 of 35 presidential candidates because of their links to the Duvalierist past.

None of the 12 candidates appears to have any significant constituency and at least some of the candidates seemed to be designed more at disrupting the process than at winning the presidency.

Had the CEP not disqualified them, observers believe, it could have had a demoralizing effect on much of the electorate, generating disillusionment over the prospects for significant change through the ballot box.

The disqualifications, however, did have a galvanizing effect on what is believed to be a small band of Duvalierist terrorists, perhaps former members of the Ton-Ton Macoutes, the Duvalier dictatorship's private army of enforcers and informers.

Just hours after the Monday announcement, arsonists set fire to the CEP headquarters in downtown Port-au-Prince. They also torched the nearby business of a CEP member.

Two nights late, arsonists struck again at the electoral process, this time at one of three companies contracted to print ballots for the Nov. 29 presidential and legislative elections.

The plant's printing capacity was destroyed, but officials said the ballot paper can be replaced and new printing facilities found in time to go ahead with the vote.

Also during the week, gunmen raked with machine-gun fire from passing vehicles the homes or offices of four presidential candidates and made several other unsuccessful arson attempts on election-related targets.

For a moment, the CEP wavered but announced Friday its determination to "fulfill our constitutional mission" and not postpone the elections.

Human fights activits Jean-Claude Bajeux said of the arson-terrorists: "To me all that is useless. The result will always be counterproductive for the Duvalierists. I think it will reinforce the democratic sector."

Another by-product of the electoral terrorism has been increased public and international pressure on the military-dominated provisional government to provide security for the CEP. By week's end, it appeared to be doing so.

The government, headed by Gen. Henri Namphy, has given only minimal support of any kind to the CEP, apparently out of pique at losing control of the electoral process to the nine-member provisional council created by the new constitution.

The image of the Namphy government and Namphy himself—he began as somewhat of a hero—has become increasingly tarnished and their commitment to democracy questioned.

Namphy has done little to dispel the doubts, rarely appearing in public in the past few months. And when he does, such as Friday to be sworn in as commander-in-chief of the armed forces, he only increases the unanswered questions about his and the army's intentions.

While his designation to the post was carried out under new army regulations mandated by the constitution, some Haitians see in it an attempt by Namphy to position himself for Feb. 7, 1988, when the elected civilian government is to be inaugurated.

"Everyting goes on behind closed doors," Louis Roy, a consultant to the CEP and member of the Constituent Assembly, said of the Friday ceremony. "No one explains anything to anybody."

Meanwhile, the armed forces have done little to curtail the waive of electoral violence, which most Haitians believe is being carried out by former Duvalierists. Authorities are said to believe that the actions are being carried out by a small number of people, perhaps 10 or 20, with targets selected and attacks prepared well in advance.

There has yet been no indication of any widespread nationwide Duvalierist conspiracy of terror to disrupt the elections, and most of the reamining 23 candidates are continuing their campaigns throughout the country.

On Friday, however, several incidents were directed for the first time at electoral facilities were reported in towns to the north of the capital. They included the burning of a CEP vehicle in Gonaive and threats against the owners of buildings housing CEP offices in St. Marc and Lestere.

The major unanswered question now is whether the electoral violence represents the final twitches of a dying dictatorship or the prelude to even greater troubles.

[From the New York Times, Nov. 5, 1987]

Election Panel Officials in Haiti Flee New Violence in the Capital

(By Joseph B. Treaster)

Port-Au-Prince, Haiti, Nov. 4.—Several members of the Haitian electoral commission were in hiding today after a second night of arson attacks against election officials.

A 75-year-old election official whose home was a target bitterly accused the army-dominated provisional Government of complicity in the violence.

Addressing Haitians and the "international community," on capital radio stations, the official, Emmanuel Amboise, charged that "assassins and arsonists," were running Haiti. He made a desperate appeal for protection.

Two days after arsonists heavily damaged local election headquarters and gunmen sprayed machine-gun fire at a district voting office and the office and home of two candidates, the Government still had not assigned security forces to protect election officials and offices.

Several election officials expressed serious doubts today that the presidential elections could be held as scheduled on Nov. 29.

"TOTAL INSECURITY"

"We are in the midst of total insecurity," said Alain Rocourt, the head of the Methodist Church in Haiti and treasurer of the nine-member Electoral Council.

The national election headquarters was set afire Monday, hours after the Electoral Council had rejected the presidential candidacies of a dozen associates of the former dictators of Haiti, François Duvalier and his son, Jean-Claude, who fled to France 21 months ago. Haiti's new constitution bars key officials of the family dictatorship from elections for 10 years.

In another attack on Monday, arsonists also destroyed a hardware store owned by Mr. Amboise. On Tuesday night, they unsuccessfully tried to set fire to Mr. Amboise's home and the family car.

After ignoring two earlier written requests for protection from the Electoral Council, the Government said in a statement last night that it had instructed the "appropriate authorities" to "determine the necessary security measures" to be taken "to guarantee the progression of the electoral process."

By midday, Mr. Rocourt said the Government had done "nothing at all" to provide security for any council members or the council's offices. Mr. Recourt said a high-ranking Government official suggested that the council hire a private guard to protect the charred equipment and files in the headquarters.

ATTACKS ON OFFICES

According to witnesses, Mr. Rocourt said, a half-dozen men with submarine-guns blocked the intersections at both ends of the street on which the headquarters is located by firing bursts into the air shortly before midnight Monday. Then, he said, men with chisels and metal cutters chopped through the steel doors of the offices and started the fire.

Mr. Rocourt said a neighbor of Mr. Amboise telephoned him last night to say she could see men trying to set fire to the Amboise home.

"She said she had called the police and they said they wouldn't come," Mr. Recourt recalled.

Mr. Amboise said he held the three members of the provisional Government, whose names he recited, "responsible for the security of my family's lives."

Mr. GRAHAM. Mr. President, I send to the desk a resolution which has been cleared on both sides and ask for its immediate consideration. This is a resolution which is being cointroduced by Senators Durenberger, Kennedy, Kerry, Chiles, DeConcini, Dodd, and Symms.

Mr. BYRD. Mr. President, this request has been cleared on this side of the aisle and I believe on the other side as well.

Mr. HECHT. The distinguished majority leader is correct.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 330) on the integrity of the presidential election process in Haiti.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the resolution.

The resolution (S. Res. 330) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. Res. 330

Whereas The Haitian people and the Provisional Electoral Council are struggling to create conditions in Haiti in which a free, fair, and independent election can be held;

Whereas the Provisional Electoral Council, acting under provisions of the Haitian Constitution, recently ruled that those presidential candidates who had been associated with the rule of the Duvaliers were ineligible to run in the upcoming election; and

Whereas immediately following that ruling the headquarters of the Provisional Electoral Council was attacked and burned, and other attacks have been made on electoral officials and facilities; and

Whereas in recent days there has been new evidence of renewed cooperation and commitment to free, fair and open elections: Now therefore, be it

Resolved by the Senate that it is the sense of the Senate that—

(1) all parties in Haiti should refrain from violence and that the National Governing Council should act effectively on its pledge to apprehend and bring to justice all those reponsible for attacks of violence against officials of the Provisional Electoral Council;

(2) the National Governing Council should cooperate fully with the Provisional Electoral Council to assure a free and fair election and to assure respect for the rights of the people of Haiti to participate in a democratic process free from intimidation and fear;

(3) the National Governing Council should provide security and protection, as requested, to the Provisional Electoral Council and candidates for President and should cooperate fully with the Provisional Electoral Council in providing administrative and logistical support for the Provisional Electoral Council; and

(4) the President should suspend all military assistance for the Government of Haiti, if the President determines that the National Governing Council fails to take appropriate steps to protect the integrity of the presidential election, to provide security and protection for the provisional Electoral Council and the presidential candidates, to provide adequate administrative and logistical support for the elections, and to protect the right of the people to participate in a free and fair election.

Mr. GRAHAM. Mr. President, I move to reconsider the vote by which the resolution was agreed to and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination, which was referred to the Committee on Labor and Human Resources.

(The nomination received today is printed at the end of the Senate proceedings.)

REPORT ON NATIONAL EMERGENCY WITH RESPECT TO IRAN—MESSAGE FROM THE PRESIDENT—PM 89

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

This report is made pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), and, as with previous reports, discusses only matters concerning the national emergency with respect to Iran that was declared in Executive Order No. 12170 of November 14, 1979. This report covers events through October 15, 1987, including those that occurred since my last report on June 16, 1987.

1. The Iran-United States Claims Tribunal (the "Tribunal"), established at The Hague pursuant to the Claims Settlement Agreement of January 19, 1981 (the "Algiers Accords"), continues to make progress in arbitrating the claims before it. Since my last report, the Tribunal has rendered 14 awards, for a total of 318 awards. Of that total, 237 have been awards in favor of American claimants; 142 of these were awards on agreed terms, authorizing and approving payment of settlements negotiated by the parties, and 95 were decisions adjudicated on the merits. The Tribunal has dismissed a total of 21 other claims on the merits and 44 for jurisdictional reasons. Of the 16 remaining awards, one represented a withdrawal and 15 were in favor of the Iranian claimant. As of October 9, 1987, total payments to successful American claimants from the Security Account held by the NV Settlement Bank stood at approximately $983 million.

To date, the Security Account has fallen below the required balance of $500 million seven times. Each time, Iran has replenished the account, as required by the Algiers Accords, by transferring funds from the separate account held by the NV Settlement Bank in which interest on the Security Account is deposited. Iran has also replenished the account once when it was not required by the Accords, for a total of eight replenishments. The most recent replenishment occurred on October 13, 1987, in the amount of $170,000, bringing the total in the Security Account to $500,000,000.00. The aggregate amount that has been transferred is approximately $483 million.

In claims between the two governments based on contracts, the Tribunal to date has made four awards in favor of the United States and four in favor of Iran. The Tribunal has dismissed two claims that had been filed by the United States and dismissed 11 claims that had been filed by Iran. In addition, Iran has withdrawn 13 of its government-to-government claims, while the United States has withdrawn three.

In July, the Government of Iran appointed Mr. Assadollah Nouri to replace Dr. Mohsen Mostafavi as the Iranian arbitrator in Chamber One.

2. As stated in my last report, the Tribunal continues to make progress in the arbitration of claims of U.S. nationals for $250,000 or more. Over 60 percent of the non-bank claims have now been disposed of through adjudication, settlement, or voluntary withdrawal, leaving 207 such claims on the docket. The largest of the large claims, whose progress has been slowed by their complexity, are finally being decided, sometimes with huge damage awards to the U.S. claimant. In one recent decision, a U.S. company received an award for $117 million, while another U.S. company was awarded $58 million. The Tribunal rendered interlocutory decisions on legal issues in two large oil company claims, finding liability on the part of Iran in both instances. These decisions pave the way for determinations of damages and an ultimate resolution of these cases.

3. The Tribunal also continues to process claims of U.S. nationals against Iran of less than $250,000 each. As of October 15, 1987, a total of 139 small claims have been resolved, 12 of them since my last report, as a result of decisions on the merits, awards on agreed terms, or Tribunal orders. Two contested claims were decided in awards issued by the Tribunal since my previous report, raising the total number of contested claims decided to 13, eight favoring the American claimant. These decisions will help in establishing guidelines for the adjudication or settlement of similar small claims. To date, American claimants have also received 20 awards on agreed terms reflecting settlement of claims under $250,000.

Since my last report, the three Tribunal Chambers have selected 65 claims for active arbitration, bringing the total number of small claims currently under active Tribunal consideration to 206. The Tribunal has held hearings in two of these claims since my last report, and the Department of State has filed additional pleadings in 45 such claims.

4. The Department of State continues to coordinate efforts of concerned governmental agencies in presenting U.S. claims against Iran, as well as the response of the United States Government to claims brought against it by Iran. Since my last report, the Department has filed six pleadings in government-to-government claims based on contracts for the provision of goods and services. Two such claims have

been settled, so 35 government-to-government claims remain pending.

Since my last report, the Tribunal has held two hearings on government-to-government contract claims. On October 5-8, 1987, it heard Iran's claim against the United States for allegedly defective helicopters sold to Iran under the Foreign Military Sales program. On November 4-5, a hearing was held on Iran's claim for the return of military property held by the United States Government.

The Tribunal has recently issued opinions in two claims brought by Iran concerning the interpretation and/or performance of various provisions of the Algiers Accords. On May 4, 1987, the Tribunal denied Iran's request to find the United States responsible for the payment of Tribunal awards in favor of Iran against nationals of the United States. On September 30, 1987, the Tribunal issued a decision holding that it has the authority, inherent in the Algiers Accords, to award interest as compensation for damages suffered. This was the position advocated by the United States. The Tribunal further stated that each of its three chambers may decide in each case whether interest should be awarded and how it should be calculated.

5. Since my last report, two bank syndicates have been paid a total of $989,751.88 for interest accruing for the period January 1-18, 1981 ("January Interest"), on the basis of settlements reached with Bank Markazi Jomhouri Islami Iran ("Bank Markazi," Iran's central bank). These payments were made from Dollar Account No. 2 at the Bank of England. Settlements have been signed between Bank Markazi and three other bank syndicates for the payment of $691,912.40 from Dollar Account No. 2. Apparently there are certain other settlements awaiting Bank Markazi's approval.

6. Since my last report, there have been no amendments to the Iranian Assets Control Regulations, 31 C.F.R. Part 535, administered by the Office of Foreign Assets Control at the Treasury Department.

7. The situation reviewed above continues to implicate important diplomatic, financial, and legal interests of the United States and its nationals and presents an unusual challenge to the national security and foreign policy of the United States. In particular, the Iranian Assets Control Regulations issued pursuant to executive Order No. 12170 continue to play an important role in structuring our relationship with Iran and in enabling the United States properly to implement the Algiers Accords. I shall continue to exercise the powers at my disposal to deal with these problems and will continue to report periodically to the Congress on significant developments.

RONALD REAGAN.

THE WHITE HOUSE, *November 20, 1987.*

REPORT ON THE ADMINISTRATION OF THE HIGHWAY SAFETY ACT AND THE NATIONAL TRAFFIC AND MOTOR VEHICLE SAFETY ACT—MESSAGE FROM THE PRESIDENT—PM 90

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation:

To the Congress of the United States:

The Highway Safety Act and the National Traffic and Motor Vehicle Safety Act, both enacted in 1966, initiated a national effort to reduce traffic deaths and injuries and require annual reports on the administration of the acts. This is the 19th year that these reports have been prepared for your review.

The report on motor vehicle safety includes the annual reporting requirement in title I of the Motor Vehicle Information and Cost Savings Act of 1972 (bumper standards).

In the Highway Safety Acts of 1973, 1976, and 1978, the Congress expressed its special interest in certain aspects of traffic safety that are addressed in the volume on highway safety.

The National outrage against drunk drivers, combined with growing safety belt use and voluntary cooperation we have received from all sectors of American life, have brought about even more improvements in traffic safety.

The fatality rate, a measure of the risk of motor vehicle travel, decreased in 1985 to 2.47 percent, the lowest in more than two decades. This is a reduction of 26 percent over 1980 when the rate was 3.35 percent. In 1985, there were 43,795 fatalities, down from 44,257 fatalities in 1984 and a significant percent decline from the 51,091 deaths that occurred in 1980 before this administration took office.

The progress we have made is, of course, no consolation to the relatives and friends of those 43,795 people who, despite the safety advances and greater public awareness, lost their lives in 1985. But it is indicative of the positive trend this administration has established to make our roads safer.

While a decrease in the number of fatalities is encouraging during a time of economic prosperity and lower gas prices, the loss of approximately 120 lives per day on our Nation's highways is still too high. Also, with the increasing motor vehicle travel, we are faced with the threat of an even higher number of traffic fatalities. Therefore, there is a continuing need for effective motor vehicle and highway safety programs.

We will continue to pursue highway and motor vehicle safety programs that are most effective in reducing deaths and injuries. We are convinced that even during these times of fiscal austerity, significant progress in traffic safety can be achieved through the combined efforts of government, industry, and the public.

RONALD REAGAN.

THE WHITE HOUSE, *November 20, 1987.*

ANNUAL REPORT OF THE RAILROAD RETIREMENT BOARD MESSAGE FROM THE PRESIDENT—PM 91

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

I hereby submit to the Congress the Annual Report of the Railroad Retirement Board for Fiscal Year 1986, pursuant to the provisions of section 7(b)(6) of the Railroad Retirement Act, enacted October 16, 1974, and section 12(l) of the Railroad Unemployment Insurance Act, enacted June 25, 1938.

The rail industry pension fund has nearly gone broke three times since 1974. Significant declines in rail employment have eroded the pension fund's contribution base. Refinancing legislation enacted in 1974, 1981, and 1983 has failed to provide long-term solutions for the rail pension system. The Railroad Retirement Board's chief actuary is again predicting cash-flow problems and recommends an upward adjustment in the rail sector's contributions.

Rail industry pensions should be fully financed from rail sector resources. As long as the Federal Government has a fiduciary responsibility for rail pensions, I will work to ensure that rail sector contributions are adequate to finance rail retirees' benefits. I therefore concur with the chief actuary, Board Chairman Gielow, and Board Member Chamberlain that the rail sector's contributions should increase to prevent the pending financial crisis and to ensure adequate financing for rail industry pensions. I renew my August recommendation for a 3-percent rail sector contribution rate increase on January 1, 1988, and a 1.5-percent increase on January 1, 1989.

I strongly oppose suggestions by some to restart American taxpayer subsidies to the rail sector by transferring Federal income taxes collected on rail pensions to the rail industry pension fund. As the Congress recognized in 1983 and 1986, rail pensions—the amounts above social security equivalent levels—are private pensions and should be treated like all other private industry pensions. Income taxes collected on these private pensions should go to the general fund, not be converted to subsidies to the rail sector.

The long-term solution for the rail pension system lies in the private sector, where all other industry pension systems reside. Rail labor and management should be allowed to determine pension financing and payment provisions free from Federal intrusion and participation. I therefore reaffirm my position that the rail pension system should be restored to the private sector and terminated as a Federally administered program.

RONALD REAGAN.

THE WHITE HOUSE, *November 20, 1987.*

MESSAGES FROM THE HOUSE

At 2:27 p.m., a message from the House of Representatives, delivered by Ms. Goetz, announced that the House agrees to the amendment of the Senate to the amendments of the House to the bill (S. 1452) to amend the Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utility Holding Company Act of 1935, the Trust Indenture Act of 1939, the Investment Company Act of 1940, and the Investment Advisors Act of 1940 to make certain technical, clarifying, and conforming amendments, to authorize appropriations to the Securities and Exchange Commission, and for other purposes.

The message also announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 404. Joint resolution to provide for the temporary extension of certain programs relating to housing and community development, and for other purposes.

The message further announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 220. A concurrent resolution providing for an adjournment of the two Houses until November 30, 1987.

ENROLLED BILL SIGNED

At 4:38 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1452. An Act to extend and amend the authorization of appropriations for the Securities and Exchange Commission, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore [Mr. STENNIS].

MEASURES PLACED ON THE CALENDAR

The following joint resolution was read the first and second times and placed on the calendar by unanimous consent:

H.J. Res. 404. Joint resolution to provide for the temporary extension of certain programs relating to housing and community development, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FORD, from the Committee on Rules and Administration, without amendment:

S. Res. 304. A resolution to increase the amount allocated to the Committee on Agriculture, Nutrition, and Forestry by S. Res. 80 relating to committee funding for fiscal year 1988 (Rept. No. 100-229).

By Mr. LEAHY, from the Committee on Agriculture, Nutrition, and Forestry, with an amendment in the nature of a substitute:

S. 1665. A bill to amend the Farm Credit Act of 1971 to ensure the continuation of the Farm Credit System as a source of agricultural credit at fair and competitive rates; to increase farmer and rancher participation in the Farm Credit System; to restore the impairment of borrower stock in Farm Credit System institutions; to reform the lending practices on the Farm Credit System; to require forbearance on and restructuring of certain high-risk and nonaccrual loans; and for other purposes (Rept. No. 100-230).

By Mr. MITCHELL, from the Committee on Environment and Public Works, without amendment:

S. 1894. An original bill to amend the Clean Air Act to establish new requirements for areas that have not yet attained health-protective ambient air quality standards, to provide new deadlines for such attainment, to delay the imposition of sanctions, to better protect against interstate transport of pollutants, to control existing and new sources of acid deposition, and for other purposes (Rept. No. 100-231).

Mr. BURDICK. Mr. President, I am proud to join Senator MITCHELL and my other colleagues in the introduction of the Clean Air Amendments of 1987. The Environment and Public Works Committee has had a very productive year. We have enacted the clean water bill and reauthorized the highway bill. Today with the introduction of this bill we culminate the lengthy consideration of amendments to the Clean Air Act by the committee.

The Clean Air Act has not been significantly amended for a decade. This comprehensive package of amendments reflects the changes that have taken place over that period. The amendments also address many of the shortcomings in the existing act. I believe all of us have learned a great deal over the past two decades about effectively improving the quality of our air. The committee's amendments build upon that experience.

The December 31, 1987, deadline for attainment of Clean Air Act standards is only weeks away. Since January, Senator STAFFORD, the ranking minority member of the committee, Senator MITCHELL, chairman of the Environmental Protection Subcommittee, and Senator CHAFEE, the ranking member of the subcommittee and I have been committed to reporting amendments to the Clean Air Act in a timely fashion. The Environment and Public Works Committee has worked with diligence and in responsible fashion to report a bill prior to the deadline.

We have reached this milestone, in no small measure, because of the efforts of Senator MITCHELL. He has labored to craft a bill that is comprehensive and fair but above all one that is workable and effective. In recognition of his leadership he is reporting the bill on behalf of the committee. This is a fitting testament to his dedication to improving the quality of the air we breathe.

This legislation is in the national interest. It is vital to the health of all Americans. Air pollution is a leading cause of lung damage. In this country we spend $16 billion each year due to health care costs associated with air pollution and another $40 billion on lost worker productivity associated with air pollution. Seventeen years ago when the Clean Air Act was enacted we thought that air pollution could be easily reduced. Today, we know better. The committee amendments reflect the complexity and the pervasive nature of our air pollution problems.

The version of the bill being introduced this afternoon is by no means the final iteration. The bill will now be considered by the Senate. Additional amendments and compromises will be considered and acted upon. As chairman of the committee I welcome that discourse and deliberation. This bill is a first step. The committee has fulfilled its responsibility in reporting a comprehensive bill. Now it is time for the Senate to consider the committee's work product. This bill is by no means a perfect solution. We look forward to the suggestions of our colleagues on how to improve it as we seek to reach our common objective—improved air quality for all Americans.

Mr. DODD. Mr. President, I am pleased to join Senator MITCHELL in introducing the "Clean Air Standards Attainment Act of 1987."

The comprehensive legislation we are introducing today will strengthen the Clean Air Act and is vital to the long-term health of our Nation's citizens, its natural resources, and its economy.

Ten years have passed since Congress reauthorized the Clean Air Act; it has been due for reauthorization since 1981. Although progress has been made in reducing mobile source and other air pollution problems since the act was originally passed, all of its goals have not been achieved and many new air pollution problems have come to light. Congress in 1977 provided for reauthorization of the Clean Air Act to deal with new and continuing problems, yet every Congress since

1981 has neglected this responsibility to the Nation's citizens.

The need is now urgent for action to correct the array of pressing air pollution problems, including acid deposition, visibility degradation, air toxics, depletion of stratospheric ozone, as well as ground level ozone. Together, these pollutants threaten public health, degrade resources, and cause untold billions of dollars in damages to crops, forests, lakes, buildings, and monuments across the country.

More than 100 million Americans live in areas where the air fails to meet the health-based standards of the Clean Air Act. As a consequence, these people are risking their health every day from exposure to unsafe levels of air pollution.

There is broad consensus in the scientific, medical, and public health communities that we in the Congress must act now to prevent further disease and degradation by dramatically reducing air pollution.

The American people are counting on the 100th Congress to protect our health, environment, and economy from the air pollution plague. The "Clean Air Standards Attainment Act of 1987" will promote our Nation's commitment to clean air and a healthy environment and I urge my colleagues to support it.

By Mr. NUNN, from the Committee on Armed Services, with an amendment:

S. 1085. A bill to create an independent oversight board to ensure the safety of United States Government nuclear facilities, to apply the provisions of OSHA to certain Department of Energy nuclear facilities, to clarify the jurisdiction and powers of Government agencies dealing with nuclear wastes, to ensure independent research on the effects of radiation on human beings, and for other purposes (Rept. No. 100-232).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE (for himself and Mr. Garn):

S. 1886. A bill to modernize and reform the regulation of financial services, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DASCHLE:

S. 1887. A bill to amend the Agricultural Act of 1949 to adjust the acreage reduction program for oats; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON:

S. 1888. A bill to establish national standards for voter registration for Federal elections, and for other purposes; to the Committee on Rules and Administration.

By Mr. MELCHER (for himself and Mr. Hecht):

S. 1889. A bill to amend the Geothermal Steam Act of 1970 to provide for lease extensions and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. DURENBERGER:

S. 1890. A bill to amend the Internal Revenue Code of 1986 to retain a capital gains tax differential, and for other purposes; to the Committee on Finance.

By Mr. WIRTH (for himself and Mr. Graham):

S. 1891. A bill to establish a Financial Services Oversight Commission, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DIXON (for himself, Mr. Ford, and Mr. Glenn):

S. 1892. A bill to amend title 10, United States Code, and other provisions of law to maintain and improve the defense industries base of the United States by specifying the management responsibilities of the Under Secretary of Defense for Acquisition, encouraging investment in emerging technolgies and modernized production facilities, fostering the dedicated participation of private domestic sources, and discouraging unfair practices by foreign sources; to the Committee on Armed Services.

By Mr. BUMPERS:

S. 1893. A bill to amend the Internal Revenue Code of 1986 to extend the individual income tax rates in effect in 1987 for 3 years but to provide cost-of-living adjustments in such rates, and for other purposes; to the Committee on Finance.

By Mr. MITCHELL from the Committee on Environment and Public Works:

S. 1894. An original bill to amend the Clean Air Act to establish new requirements for areas that have not yet attained health-protective ambient air quality standards, to provide new deadlines for such attainment, to delay the imposition of sanctions, to better protect against interstate transport of pollutants, to control existing and new sources of acid deposition, and for other purposes; placed on the calendar.

By Mr. BRADLEY:

S. 1895. A bill to temporarily suspend the duty on methyl and ethyl parathion; to the Committee on Finance.

By Mr. CRANSTON (for himself, Mr. Matsunaga, Mr. DeConcini, Mr. Rockefeller, Mr. Burdick, Mr. Daschle, and Mr. Stevens):

S. 1896. A bill to authorize the Vietnam Women's Memorial Project, Inc., to construct a statue in honor and recognition of the women of the United States who served in the Vietnam conflict; to the Committee on Energy and Natural Resources.

By Mr. THURMOND (for himself and Mr. DeConcini):

S. 1897. A bill to recognize the organization known as the National Association of State Directors of Veterans' Affairs, Incorporated; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SYMMS (for himself, Mr. McClure, Mr. Armstrong, and Mr. Wirth):

S. Res. 328. A bill to express the sincere condolences of the Senate to the families of victims of the aircraft crash at the Stapleton International Airport in Denver, Colorado; considered and agreed to.

By Mrs. KASSEBAUM (for herself, Mr. Evans, Mr. Boren, Mr. Biden, Mr. McClure, Mr. Pryor, Mr. Baucus, Mr. Daschle, Mr. Stevens, Mr. Weicker, Mr. Simpson, Mr. Stafford, Mr. Dodd, Mr. Glenn, Mr. Exon, Mr. Hollings, Mr. Bumpers, Mr. Conrad, Mr. Dixon, Mr. Nunn, Mr. Breaux, Mr. Boschwitz, Mr. Fowler, Mr. Levin, and Mr. Wirth):

S. Res. 329. A resolution to urge significant deficit reduction by enacting at a minimum an across-the-board freeze of all Federal spending and existing Federal tax rates; to the Committee on Governmental Affairs.

By Mr. GRAHAM (for himself, Mr. Durenberger, Mr. Kennedy, Mr. Kerry, Mr. Chiles, Mr. DeConcini, Mr. Dodd, and Mr. Sanford):

S. Res. 330. A resolution regarding the integrity of the Presidential election process in Haiti; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (for himself and Mr. Garn):

S. 1886. A bill to modernize and reform the regulation of financial services, and for other purposes; referred to the Committee on Banking, Housing, and Urban Affairs.

FINANCIAL MODERNIZATION ACT

Mr. PROXMIRE. Mr. President, today, I join with Senator Jake Garn to introduce formally the Financial Modernization Act of 1987. This bill represents a constructive effort to reshape our financial system in response to the widespread changes that have revolutionized our financial marketplace.

The Financial Modernization Act sets forth a careful framework to increase competition in the banking and securities industries. The benefit is clear: Through increased competition, companies and consumers will be able to raise capital through these two industries at less expense. In legal terms, this bill repeals the so-called Glass-Steagall separation between investment and commercial banking.

At the same time, safety and soundness of the banking industry is of paramount concern, and the bill includes several measures designed to insulate banks from any new risks of engaging in securities activities.

In addition, the bill calls for a strict limit on concentration, barring the largest 15 banks and securities firms from merging. This promotes competition through clearly defined antimonopoly guidelines. This provision also serves to prohibit large foreign financial concerns from acquiring the largest U.S. financial firms.

Glass-Steagall and Stock Market Volatility

Some have cast the issue over the repeal of Glass-Steagall as one of trading increased risk in the banking system in exchange for greater efficiency in the market for underwriting services. They've seized on the recent market crash as evidence that securities underwriting is an excessively risky business—certainly not a proper domain for our banks.

I, too, am concerned by the implications of excess volatility in U.S. financial markets.

But this argument, frankly, is wrong. I do not agree that we need to forego the benefits of cutting the monopoly profits of the middlemen in the underwriting business because of the stock market crash.

A properly insulated securities affiliate of a bank holding company would not threaten the safety and soundness of our banking system.

In fact, reports from the London stock market in the aftermath of its deregulation a year ago—the so-called big bang—indicate that the safety and soundness of the London financial system was buttressed by the influx of new firms. According to David Neeson, managing director of international equities at Morgan Stanley International, who is quoted in the Wall Street Journal on October 26, 1987:

> (London) stood up better than it could have a year ago. * * * As a whole the market is in better shape by having introduced more and better-capitalized players, and by introducing more visibility into the system.

In short, there need be no tradeoff between safety and soundness and increasing competition in corporate securities underwriting.

The Need for Legislation

Mr. President, Glass-Steagall does not apply to overseas securities activity of U.S. banks, and American banks have taken advantage of this exception with vigor. In addition, technological change, increasing global integration of capital markets, and perforation of the Glass-Steagall through built-in loopholes have combined to erode Glass-Steagall's impact. In short, the principle of Glass-Steagall that commercial and investment banking should be separate has been overtaken by events.

Paul Volcker in his capacity as Federal Reserve Chairman, frequently urged Congress to take the initiative in recognizing all these changes. Last year before this committee, he presented the case bluntly:

> Whether you like it or not, these questions are on the table. They are on the table for the Federal Reserve. They are on the table for some states. Changes are being made. * * * A decision will be made if you don't act. A decision will be made if you do act. The question is whether that decision is going to be rational and logical. We have long supported as a matter of competitive equity better competition in markets, better services to customers, and consistent with safety and soundness, that banks holding companies affiliates be permitted to underwrite (certain securities). * * * And I think that authority should be provided straightforwardly by Congress with appropriate safeguards.

In brief, here are the elements of the bill:

Banks can engage in securities activities through separately capitalized holding company affiliates. Likewise, securities firms can establish separate affiliate banks.

Mergers between bank holding companies with more than $30 billion in assets and securities firms with more than $15 billion in assets are prohibited. This prevents mergers between the 15 largest domestic banks and securities firms or with a large foreign firm.

Banks may not lend to their securities affiliate, or make loans to finance the purchase of securities being underwritten by the securities affiliate.

In the remainder of my statement, let me explain in some detail: why the Glass-Steagall separation between banking and securities is untenable; how consideration of legislation to redefine the separation between commercial and investment banks will promote competition and benefit our companies and consumers who use credit; and how the particular plan set out in this bill will accomplish this goal while protecting the safety and soundness of the financial system.

The Perforation of the Glass-Steagall Barriers

Those who would defend the separation of commercial and investment banking must confront the reality that this principle has been violated. American banks underwrite securities all over the world, except in America. For years banks have underwritten securities issued in the Euromarkets through their offshore affiliates. In 1985, for example, 11 American banks underwrote about $16 billion worth of Eurobonds. Compare this figure with the $105 billion worth of corporate bonds underwritten in the U.S. markets.

That some U.S. banks already undertake sizable underwriting activities is not merely evidence of the breakdown of Glass-Steagall. It also illustrates that the banks currently have the ability and expertise to perform these services.

From a regulatory standpoint, these offshore markets do not require that underwriters submit to the same discipline that is required of underwriters in the U.S. market because of the laws requiring public disclosure.

We have chased our banks offshore where issuance is, if anything, riskier and the possibilities of conflicts of interest are greater. Permitting banks to establish securities affiliates in the U.S. market would bring some of this business back home and contribute to the safety and soundness of our financial system. This would also enhance the worldwide competitiveness of U.S. based firms who seek to provide a full range of services. As it is right now, some foreign banks can underwrite securities in the U.S. market as a result of grandfather provisions in the International Banking Act of 1978. Allowing bank securities affiliates would redress this competitive imbalance.

Glass-Steagall also does not apply to bank underwriting of general obligation bonds. Nor does Glass-Steagall presently apply to thrifts. One of the largest thrifts in America—Sears Savings Bank in California—is affiliated with Dean Witter Reynolds, which is one of the largest securities firms. Both are owned by Sears.

In recent congressional testimony, Treasury Under Secretary George Gould emphasized the hollow nature of the Glass-Steagall principle:

> Commercial banks today are permitted to underwrite and distribute obligations of the World Bank for economic development in third world countries, but they are largely precluded from underwriting and dealing bonds for local economic development efforts in this country. Banks can underwrite the general obligation bonds of states or their political subdivisions, but they cannot underwrite securities backed by a non-tax revenue stream such as tolls or other fees. They can underwrite and deal in the full range of corporate securities abroad, but cannot compete for the long-term capital needs of American companies at home. Finally, banks can underwrite bonds to support public housing and dormitories for our students, but they are precluded from underwriting mortgage-backed securities to help finance housing for middle-income Americans.

Still More Regulatory Loopholes

And the loopholes proliferate. For example, banks and bank holding companies may now offer discount stock and bond brokerage services, as a result of a Supreme Court case that tested the ownership by Bank America Corporation of Charles Schwab & Co., the largest discount brokerage firm in the Nation.

This power was broadened to include permitting banks to provide investment advice and brokerage services to large institutional clients, if performed through a subsidiary. This power came when the Fed approved an application by the American division of National Westminster Bank of London, and was upheld by the U.S. Court of Appeals for the District of Columbia.

In the so-called Bankers Trust case, the Fed held that banks may engage in the private placement of commercial paper without violating Glass-Steagall, a decision upheld in June 1987 by the Supreme Court. Commercial paper is a security that has long been the exclusive domain of securities firms.

Recently, several bank holding companies have received Fed approval to underwrite and deal in municipal revenue bonds, mortgage-backed securities, consumer-receivable-related securities, as well as commercial paper. These also were once considered strict securities functions.

Changes in Technology

In addition to the globalization of the securities market, and other challenges to the principle of Glass-Steagall, we have witnessed a revolution in financial technology. Just as many of the loopholes described above have permitted banks to enter the securities industry, these advances in technology have enabled securities firms to enter the traditional areas of banking.

Bankers of the past were analysts of risk and credit, providers of costly information services. By assessing collateral, credit, and character, bankers made the sensitive decisions as to which companies were worthy of the commercial loan made up of depositors funds.

Now, through computer and telecommunications technology, this credit information is available to hundreds of money managers. This has made it possible to package loans in the form of securities to be sold directly to investors.

Because of the trend toward securitizing loans, commercial paper has replaced most short-term commercial loans. Commercial paper issues, which are short-term notes issued by major corporations, can be analyzed by money managers who track the creditworthiness of companies directly, with no need of bankers.

Is this a safe venue for banks? Yes; it is. In fact, it's safer than lending. It is difficult to argue that it is prudent for a bank to make a loan to a company for working capital but that if the same loan for working capital is securitized through the commercial paper market that it is too risky for the bank to underwrite that security. In the former case, the bank holds the entire loan until maturity. In the latter, the bank may hold the commercial paper issue in its inventory for only a few days and at worst, for a time not to exceed the maturity of the loan.

Financial technology has also promoted the securitization of other types of loans such as home mortgage loans. According to McKinsey and Co., in 1986, more than two-thirds of all mortgages were packaged in securities and sold into the so-called secondary market. The first car loan was securitized in 1984, and by 1986, reached $8.5 billion in volume. Credit card receivables were first securitized last year, and volume by the end of 1987 promises to reach about $3 billion.

In the aggregate, of the $4.4 trillion in outstanding loans in the United States, about $620 billion, or 14 percent of all loans are already securitized. Some commentators, such as McKinsey & Co. director Lowell L. Bryan, predict securitization will replace conventional banking altogether within 15 years. Yet because of Glass-Steagall, banks are restricted from taking advantage of this trend. Banks sit idly by, a wasted competitive resource in a 1933 model straitjacket.

History of Glass-Steagall

As a final comment, let me place Glass-Steagall in its historical context. The Glass-Steagall Act was a part of the financial legislation passed by Congress in the 1930's in the aftermath of financial calamities of the Great Depression.

Economists and historians who have carefully examined the facts agree that the separation of commercial and investment banking was not an essential element in restoring the integrity of our financial system in the 1930's. It was the creation of Federal deposit insurance and the Securities and Exchange Commission that reestablished faith in the financial system and has reinforced that stability and confidence since the 1930's.

While experts agree that Glass-Steagall did not address the causes of the Great Depression, some cite the abuses of bank securities affiliates uncovered by the Pecora Commission as the justification for the divorce of commercial and investment banking. But most of these abuses concerned problems within the investment banking industry itself and were not unique to the securities affiliates of banks. Both bank affiliates and securities firms were underwriting questionable securities, manipulating the market, and engaging in other dubious practices. With passage of the Securities Act of 1933, extensive disclosure is required for all underwriting. Market manipulation is specifically forbidden by the Securities Exchange Act of 1934 and Congress is currently at work strengthening the law with regard to takeover abuses. Needless to say, Glass-Steagall did not address any of these problems.

Senator Carter Glass himself recognized that his law went too far. In 1935, he supported a proposal, just 2 years after Glass-Steagall's passage, to allow national and member banks to underwrite investment securities.

In sum, the contributions of Glass-Steagall to restoring financial stability have been vastly overstated. Moreover, whatever the merits of the original act, a lot of changes have occurred since 1933 that clearly have made the law obsolete.

Benefits from New Competition

If Senator Glass recognized in 1935 that the barrier between investment and commercial banking was untenable and undesirable, the case today is overpowering.

The principal result of the barrier is monopoly.

As Harvard Business School professor Samuel Hayes wrote, if Glass-Steagall was in part an attempt to promote greater competition between bankers and securities firms, the result was somewhat different.

> Despite this flurry of organizational rearrangement, investment banking houses still provided much the same range of services as they always had. Indeed, the most significant result of the Act was that it froze investment banks out of commercial banking and commercial banks out of investment banking. Thus, in effect, it precluded entry into investment banking by a group of institutions that had formerly been among the industry's heartiest competitors—the commercial banks.

In the areas where the barriers remain solid, economists have uncovered alarming examples of concentration:

In 1986, five securities firms dominated the commercial paper underwriting market, accounting for an astounding 96 percent of the business.

In 1986, the 10 largest investment houses accounted for 85 percent of stock underwriting.

In the first 6 months of 1987, the 10 largest securities firms underwrote more than 90 percent of mortgage-backed securities.

During the first half of this year, the 10 largest securities firms dominated some 67 percent of municipal bond underwriting.

These aggregates reveal a highly concentrated market structure in underwriting services overall. But certain market segments are even more concentrated. According to Under Secretary Gould, 99.9 percent of the dollar total of all underwritten asset-backed securities issued in the first half of 1987 were managed by five securities firms. This data suggest that new competition in underwriting services could have strong procompetitive effects.

Available evidence on underwriting activities suggests that the cost of underwriting services is cut roughly in half when barriers to competition are removed. In the market for municipal revenue bonds, where banks cannot by law participate, underwriting spreads are double the percentage spread on general obligations of municipalities where banks and securities firms compete for provision of underwriting services.

It has been estimated that bank entry into municipal revenue bond underwriting would save State and local governments substantial sums in financing costs annually.

Similarly, the National Association of Home Builders has stated that home buyers would save considerably on fees related to home-financing as a result of bank entry in the underwriting of mortgage-backed securities.

Commercial paper, which has become central in short-term finance for major corporations, will become less expensive with bank competition. In a letter to the committee, Coca-Cola Co. chairman M. Douglas Ivester noted:

> Bank participation in the commercial paper market will also enhance competition among underwriters in that market. At the present time, the market is dominated by a small number of large investment banking

firms. Increased competition will help reduce costs and also improve the opportunities for all businesses to participate in the market.

With greater competition, firms of all size would benefit, including middle-sized and smaller firms that don't enjoy the strength or status to win help from established securities firms.

Statistics cited by Thomas Pugel and Lawrence J. White in their study of the economics of securities underwriting show that, on average, the initial public offering of new stock is underpriced by over 18 percent as measured by the price in the offer market. Moreover, underwriting fees average 9 percent of the value of the security offered. Bank entry into the equity underwriting business would increase competition and substantially lower the cost of raising equity capital for U.S. corporations.

Treasury Under Secretary Gould recently testified that—

> The Glass-Steagall Act is essentially protectionist legislation, and in the long run, artificial economic barriers do more harm than good. Competition is a prerequisite not only for the advancement of economic well-being in our society but also for safety and soundness in the long run.

Beyond competition, allowing bank holding companies to underwrite securities can promote greater risk diversification for banks. Instead of being forced into making more and more marginal loans in order to replace business lost to the securities industry, banking organizations can be allowed to keep their better risks by offering a fuller range of financial products.

Breaking down the barriers to entry between banks and securities firms is of concern to all who are interested in the health and dynamic vitality of our economy. This legislation brings banking law forward products.

Breaking down the barriers to entry between banks and securities firms is of concern to all who are interested in the health and dynamic vitality of our economy. This legislation brings banking law forward to the reality of the 1980s, to the benefit of the economy that the financial sector is designed to serve. Glass-Steagall is a protectionist dinosaur. A fossil held over from a bygone era. The American economy and the American people deserve better.

PROVISIONS OF THE FINANCIAL MODERNIZATION ACT OF 1987

This bill represents a rational financial structure appropriate for the modern marketplace. It rests on the principle that elimination of barriers that both prohibit banks from engaging in securities underwriting, and forbid securities firms from competing in banking markets, can be accomplished in a manner that promotes competition and ensures safety and soundness.

Technically, Glass-Steagall refers to four sections of the Banking Act of 1933. Section 16 of the Banking Act provides that national banks may not underwrite any securities except general obligation government bonds.

Section 20 bars banks from affiliating with securities firms. Specifically, it provides that a bank that is a member of the Federal Reserve System, known as a "member bank," may not affiliate with a company "engaged principally" in underwriting securities. Member banks include all national banks and those State banks that choose to join the system. This section does not apply to State banks that are not members of the Federal Reserve System or to thrift institutions.

Section 21 prohibits all deposit-taking institutions from underwriting securities. This expands on section 16, though it does not address affiliations with securities firms, which is addressed in section 20.

Section 32 prohibits a member bank from employing officers, directors or employees who are also employed by a firm "primarily engaged" in securities underwriting.

Under this legislation, sections 20 and 32 would be repealed. Banks would be able to affiliate with securities firms, and some overlap between officers and directors would be allowed under certain circumstances.

At the same time, sections 16 and 21 are retained. As a practical matter, this means that a bank may be able to affiliate with a securities firm, but it may not itself directly own the securities firm.

Under the provisions of this bill, all firms desiring to engage in both banking and securities activities must do so through adopting the holding company structure.

The adoption of the holding company structure, coupled with additional interaffiliate restrictions contained in the bill, are necessary to insure the safety and soundness of the banking system, promote impartial credit decisions, and prohibit self-dealing.

I believe that conducting the bank-securities activities through affiliates of a holding company is a much sounder alternative than allowing subsidiaries of the bank to engage in a full range of new securities activities.

There are a number of reasons for this structure.

The temptation for the bank to support an ailing subsidiary would be very strong given that the consolidated balance sheet of the bank would directly reflect the securities activity. In addition, keeping the decisions of the securities subsidiary distinct from the aims of the officers and directors of the bank would be infinitely more difficult than insuring that separately capitalized banking and securities affiliates of the holding company acted independently.

The administration took the same view of the problem in 1983 and 1984 when the Banking Committee was considering legislation to grant new bank powers.

The Secretary of the Treasury testified that "the administration believes strongly that the holding company structure is the only acceptable means of expanding nonbanking activities." The Secretary then stated emphatically that the administration did not believe "that nondepository institution activities should be conducted through a subsidiary. * * * In which a bank or thrift has a direct equity investment. Such bank or thrift investments would be at risk if the subsidiary's activities were to falter, and the subsidiary's cost of capital would be lower as a result of Federal assistance not available to competitors. Neither problem arises if the holding company approach is adopted."

A further consideration, which reinforces the choice of the holding company structure, is the recognition that permitting several different forms of bank-securities unit structure would lead to a competition in regulatory laxity, as each regulatory agency sought to make its structural alternative more attractive to potential "clientele". Such an interaction could, over time, significantly erode the prohibitions on exploiting self-dealing possibilities and the safety of the banking system.

Several academic observers have upheld this view. Robert E. Litan, in his recent book "What Should Banks Do?", summarizes the case:

> Requiring all nonbank activities to be operated within a holding company structure would end the growing disparity between the range of nonbank activities open to bank holding companies, which the Fed regulates, and those open to state-chartered banks in certain states where banks may directly engage in nonbank activities not approved for bank holding companies. More important, the holding company approach, however imperfect, is more likely to prevent deposit insurance from subsidizing nonbanking activities, as would occur if banks were allowed to invest directly in nonbank enterprises. In the holding company mechanism, the nonbank activities do not appear on the asset side of the bank's balance sheet; under the alternative structure, they clearly would. Finally, requiring that financial activity diversification proceed only through the holding company mechansim would vest agencies at the Federal level with all responsibility for supervising the transactions and affiliations between the nonbank and bank activities. This requirement would minimize jurisdictional overlaps between State and Federal agencies, as well as unnecessary duplication in overseeing nonbank activities in which depository organizations may be engaged.

I am not unmindful that this structure would submit all investment firms to scrutiny by the Federal Reserve. As banking regulators go, the Fed is one of the most rigorous. Sensitive to the argument that such time-consuming rigor may be inappropriate for some firms, I have included provisions to facilitate "fast track" formation of a holding company by firms wanting to set up a securities affiliate. There is also a provision exempting a holding company that is at least 80 percent in the securities business from Federal Reserve safety and soundness examinations or capital requirements with respect to its nonbanking activities.

At the same time, the holding company structure is an essential provision of the bill; I could not support a bill which did not adopt this structure as its basis. The holding company approach is the only way to promote competition while adequately safeguarding the credit allocation system.

RESTRICTIONS ON INTER-AFFILIATE TRANSACTIONS

Beyond the structural insulation between bank and securities affiliates created by the holding company structure, the bill proposes a number of direct safeguards.

A bank is prohibited from lending to: its securities affiliate or a mutual fund it advises; a company for the purpose of repaying the principal or interest on the issuers securities underwriting by the bank's affiliate; and to investors for the purpose of purchasing securities underwritten by the bank's affiliate.

There are a number of reasons for these lending restrictions. First of all, deposit insurance and the access to the discount window are government safeguards that also lower the cost of funds to banks. This system was not created to provide a public subsidy to securities activities. Deposit insurance, which carries the full faith and credit backing of the Federal Government, has enabled banks to gather funds at an effectively subsidized cost.

The Federal Reserve's discount window provides low cost funds to bank borrowers. It is made available as a matter of daily activity to member banks, and constitutes essentially the cheapest source of cash in America. Together, the insurance protection and discount window access comprise a competitive advantage for the bank. To the extent that securities firms are not allied with a bank, they would operate at a disadvantage.

In addition, the bank's credit should not be used to support a troubled securities affiliate or to intervene and support the market for a security underwritten by the bank's securities affiliate merely to maintain the underwriters reputation.

Finally, while I am committed to the principle that underwriting and commercial lending be strictly separated, I propose that municipal revenue bond underwriting be permitted for the bank itself. In addition, banks that have no securities affiliate could distribute mutual funds shares and sponsor unit investment trusts.

Even when Glass-Steagall was approved in 1933, banks were permitted to continue underwriting general obligation bonds. At the time, municipal revenue bonds were a minuscule area, and it was essentially an oversight that the exception was not extended to cover this area as well.

Now, however, municipal revenue bonds are an important source of funding for local governments. By 1970, municipal revenue bonds accounted for 34 percent of long-term municipal financing, according to figures from the National League of Cities. By 1978, this figure rose to 63 percent, and by 1984, reached 70 percent.

Clearly, increased competition will reduce the costs to municipalities, and in turn, to taxpayers who effectively service this debt. A review of Professor William Silber of New York University of 12 studies by nine different research teams found that increased competition by banks and bank holding companies would result in savings to State and local governments of between 6.7 and 13.3 basis points. This corroborates a conclusion by the Government Finance Officers Association that found a 5 to 10 basis points savings.

As stated by Richard B. Geltman, general counsel of the National Governors' Association, "Municipal revenue bonds are important to State and local governments because they provide financing for public power, toll roads, toll bridges, water and sewer facilities, and similar infrastructure improvements supported by user charges or dedicated revenue rather than from the general taxing authority. * * * Increased competition in the market, now served exclusively by securities firms, will reduce the fees imposed by underwriters for bringing new issues to market."

Richard Guthman, an Atlanta councilmember, testified on behalf of the National League of Cities that "we can no longer afford, now more than ever, to reserve the underwriting and reoffering business from these issues to a small number of firms. Commercial banks should be allowed to participate in this market place in order to assure greater competition so as to keep costs to the issuers as low as possible and to assure that enough capital is available to handle the market."

MERGERS PROHIBITED BETWEEN LARGE BANKS AND LARGE SECURITIES FIRMS

A final, and very important provision of the bill prohibits mergers between bank holding companies whose assets have exceeded $30 billion any time in the last 24 months and securities firms whose assets were greater than $15 billion over the same period. In effect, this provision would stop mergers between the 15 largest banks and the 15 largest securities firms. Furthermore it would stop large foreign banks and securities firms from combining with the large U.S. firms as well.

Former FDIC Director William Isaac identified the importance of limiting concentration in our financial industry with an appropriate understatement: "Making sure that there are plenty of alternative means of gaining access to credit is more important than making sure you have, say, plenty of choices of beer."

Few observers contest the need for concentration limits. Notes former S.E.C. Commissioner Stephen J. Friedman, "It would not be desirable for Morgan Stanley, Salomon, Goldman Sachs, and Merrill Lynch to each be acquired by a major bank. But it is hard to see why it would not be very procompetitive for major banks to compete with those firms on a de novo basis."

The limits contained in this bill are designed to inhibit development of megafinancial services firms who could translate the benefits of consolidation into monopoly profits rather than into greater competitive efficiency.

Banking research shows that economies of scale are exhausted long before one reaches this size of firm so one cannot argue, based on available research, that this restriction would hurt the competitiveness of U.S. firms.

Economic studies confirm that unconcentrated industries foster competition and growth. Studies by Herbert Baer and Sue Gregorash for the Federal Reserve Bank of Chicago, along with the International Monetary Fund show that countries with unconcentrated financial industries experienced stronger overall growth. The five largest banks in the United States have never accounted for more than 19 percent of total banking assets. In Japan, the five largest have never controlled more than 32 percent. And these two countries have led the world in economic growth. By contrast, the five largest banks in the United Kingdom constitute 73 percent of total bank assets. In France, the five largest have accounted for as much as 87 percent. Among developed countries, these two have traditionally lagged in overall economic growth.

Economists at Morgan Guaranty Trust Co. have argued that high profits at investment banks derive from monopoly positions. For example, mortgage-backed security underwriting is commanded by a few firms. At two of the leaders, this one activity has accounted for more than 40 percent of profits, according to McKinsey & Co.

Prohibiting undue concentration is the best assurance we can provide that credit will be extended fairly and across a wide spectrum of activities. This is of particular importance to small and regional borrowers who fear that they would be overlooked by financial goliaths. Such a development would, in my opinion, hamper the dynamic flexibility that has been the hallmark of this country's success for 200 years.

Taken together, concentration limits, direct restrictions on affiliate transactions, and a clear structural division between banking and securities should serve as appropriate regulation. In molding the Financial Modernization Act, I am reminded of the role that regulation plays, as described by Adam Smith in his "Wealth of Nations," in protecting the free flow of credit:

> To restrain private people * * * from receiving in payment the promissory notes of a banker * * * or to restrain a banker from issuing such notes * * * is a manifest violation of that natural liberty which it is the proper business of law, not to infringe, but to support. Such regulations may, no doubt, be considered as in some respect a violation of natural liberty. But those exertions of the natural liberty of a few individuals, which might endanger the security of the whole society are, and ought to be, restrained by the laws of all governments. * * * The obligation of building party walls, in order to prevent the communication of fire, is a violation of natural liberty, exactly of the same kind with the regulations of the banking trade which are here proposed.

CONGRESSIONAL RESPONSIBILITY

There are those serious-minded Senators who may consider that the best regulation is the maintenance of the Glass-Steagall barrier. For many years, I could be counted in that group.

But times have changed. As outlined above, the principle of Glass-Steagall can no longer be defended. The barrier between investment and commercial banking has been profoundly eroded, and there is no possibility to put it back together.

Our choice then, is between acting to make sure that conflicts are regulated; and not acting, and thereby permitting further, hapless erosion devoid of proper insulation from conflicts.

Politically, Mr. President, if we opt for the second alternative, let me assure you that the financial landscape will shape itself not only with inequities and monopolies, but also erect barriers against even the most zealous efforts by Congress to legislate reform.

In moving ahead on legislation, we confront a self-imposed deadline of responsibility. With the passage earlier this year of the Competitive Equality Banking Act, Congress approved a moratorium on limited new banking powers. That moratorium was part of a political device designed to encourage legislative initiative. For too long, financial legislation has been caught in a quagmire of vested interests attempting to protect their turf. Now, we enjoy a chance to make important progress. That moratorium constitutes a scandal waiting to happen. Should we extend it, we will be breaking an oath. Most of us on this committee signed a pledge that we would not extend it; the moratorium itself contains a sense of the Congress that it not be extended.

Should it expire without legislative action, we are surrendering our ability to legislate to the courts. We are acknowledging that we lack the political will to shape legislation.

The purpose of the moratorium was to permit Congress time to act affirmatively. The clock is running and we must seize the opportunity to exercise Congress' authority to serve as architects of the future of our Nation's financial structure.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1886

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Financial Modernization Act of 1987".

(b) TABLE OF CONTENTS.—

TITLE I—SECURITIES AFFILIATES OF BANK HOLDING COMPANIES

Sec. 101. Amendments to the Banking Act of 1933.
Sec. 102. Authorization for bank holding companies to acquire securities affiliates.
Sec. 103. Definition of securities affiliate.
Sec. 104. Ninety-one day rule for securities affiliate applications.
Sec. 105. Effect on State laws prohibiting the affiliation of banks and securities companies.
Sec. 106. Amendment to the Federal Reserve Act.
Sec. 107. Securities affiliations of FDIC-insured banks.
Sec. 108. Authorization for national banks to underwrite municipal revenue bonds, sponsor unit investment trusts, and distribute investment company securities.

TITLE II—EXPEDITED PROCEDURES

Sec. 201. Expedited procedures for forming a bank holding company.
Sec. 202. Exemption of certain bank holding company formations from registration under the Securities Act of 1933.
Sec. 203. Expedited procedures for bank holding companies to seek approval to engage in nonbanking activities.
Sec. 204. Reduction of post-approval waiting period for bank holding company acquisitions.
Sec. 205. Reduction of post-approval waiting period for bank mergers.

TITLE I—SECURITIES AFFILIATES OF BANK HOLDING COMPANIES

SEC. 101. AMENDMENTS TO THE BANKING ACT OF 1933.

Section 20 (12 U.S.C. 377) and section 32 (12 U.S.C. 78) of the Banking Act of 1933 are repealed.

SEC. 102. AUTHORIZATION FOR BANK HOLDING COMPANIES TO ACQUIRE SECURITIES AFFILIATES.

Section 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)) is amended by adding at the end thereof the following new paragraph:

"(15)(A) SECURITIES AFFILIATES.—shares of a securities affiliate which may, in accordance with this paragraph—

"(i) engage in underwriting, distributing, or dealing in securities of any type;

"(ii) engage in securities brokerage, investment advisory, private placement, or other securities activities permitted for brokers or dealers registered under the Securities Exchange Act of 1934 or for investment advisers registered under the Investment Advisers Act of 1940; and

"(iii) engage in, or acquire the shares of a company engaged in, any activity that is not described in clause (i) or (ii) of this subparagraph, if another provision of this section permits a bank holding company or subsidiary thereof to engage in that activity or acquire those shares, and—

"(I) the Board permits the bank holding company to engage in that activity or acquire those shares through the securities affiliate, or

"(II) that provision permits the bank holding company or a subsidiary thereof to engage in that activity or acquire those shares without the Board's approval.

"(B) APPLICATION REQUIREMENTS.—

"(i) The following provisions shall apply during the 2 years following the date of enactment of the Financial Modernization Act of 1987:

"(I) A bank holding company shall not acquire shares of a securities affiliate pursuant to this paragraph without the Board's prior approval.

"(II) In acting on an application under this paragraph, the Board shall apply the criteria specified in this subparagraph and in paragraph (8)(B)(iv) of this subsection.

"(III) The Board shall not approve an application under this paragraph unless the Board is satisfied that the bank holding company possesses the managerial resources to conduct the securities activities safely and soundly. In making that determination, the Board shall take into account the experience of management and its record of successfully managing the bank holding company or enterprises engaged in activities that are the same as or similar to those authorized for securities affiliates under this paragraph.

"(ii) Beginning 2 years after the date of enactment of the Financial Modernization Act of 1987, a bank holding company seeking to acquire shares pursuant to this paragraph shall comply with paragraph (8)(B) of this subsection. In making a determination under that paragraph, the Board shall apply the criteria specified in clause (iv) of that paragraph.

"(C) CONCENTRATION OF RESOURCES.—

"(i) The Board shall not approve any acquisition pursuant to this paragraph that would result in the affiliation of—

"(I) a bank holding company or bank that has, or had on average during any of the 8 calendar quarters preceding the date of the application, total assets of more than $30,000,000,000, with

"(II) an investment banking organization that has, or had on average during any of the 8 calendar quarters preceding the date of the application, total assets of more than $15,000,000,000.

"(ii) The dollar limitations in clause (i) of this subparagraph shall be adjusted annually after December 31, 1988, by the annual percentage increase in the Consumer Price Index as described in paragraph (8)(C) of this subsection.

"(D) FUNDING OF A SECURITIES AFFILIATE.—

"(i) A bank holding company shall not acquire control of a securities affiliate pursuant to this paragraph if that acquisition would reduce the bank holding company's capital below the minimum levels established by the Board for bank holding companies.

"(ii) A bank holding company shall not directly or indirectly make any additional equity investment in a securities affiliate that it has acquired control of pursuant to this paragraph unless it gives the Board prior written notice of the investment and—

"(I) the Board issues a written statement of its intent not to disapprove the notice; or

"(II) the Board does not disapprove the notice within 30 days after the notice is filed.

"(iii) The Board may disapprove a notice filed under clause (ii) if the Board finds that the investment would reduce the bank holding company's capital below the minimum levels established by the Board or would otherwise be unsafe or unsound or inconsistent with the bank holding company's obligation to serve as a source of strength to its subsidiary banks.

"(E) CAPITAL ADEQUACY.—(i) In determining whether a bank holding company complies with the capital requirements or guidelines established by the Board for bank holding companies—

"(I) the assets and liabilities of the securities affiliate shall not be consolidated with those of the bank holding company,

"(II) the bank holding company's equity investment in and extensions of credit to any securities affiliate shall be excluded, and

"(III) the bank holding company's total liabilities shall be reduced by an amount equal to the amount of the bank holding company's extensions of credit to any securities affiliate.

"(ii) Clause (i) of this subparagraph does not apply to the extent that the Board determines by order that an item described in that clause relates to activities that are not described in clause (i) or (ii) of subparagraph (A) of this paragraph.

"(F) LIMITATIONS ON SECURITIES AFFILIATES AND THEIR AFFILIATES.—

"(i) No bank or insured institution affiliated with a securities affiliate shall, directly or indirectly—

"(I) extend credit in any manner to the securities affiliate or a subsidiary thereof,

"(II) purchase for its own account assets of the securities affiliate or a subsidiary thereof,

"(III) issue a guarantee, acceptance, or letter of credit, including an endorsement or standby letter of credit, for the benefit of the securities affiliate or a subsidiary thereof, or

"(IV) extend credit in any manner to any investment company advised by or the shares of which are distributed by the securities affiliate.

"(ii) Subclauses (I) and (II) of clause (i) do not apply to any extension of credit by a bank or insured institution made to acquire or sell any securities of the United States or its agencies or securities on which the principal and interest are fully guaranteed by the United States or its agencies if—

"(I) the extension of credit is to be repaid on the same calendar day,

"(II) the extension of credit is incidental to the clearing of transactions in those securities through that bank or insured institution, and

"(III) both the principal of and the interest on the extension of credit are fully secured by securities of the United States or its agencies or securities on which the principal and interest are fully guaranteed by the United States or its agencies.

"(iii) No bank or insured institution affiliated with a securities affiliate shall directly or indirectly extend credit, or issue or enter into a standby letter of credit, asset purchase agreement, indemnity, guarantee, insurance, or other facility, for the purpose of enhancing the marketability of a securities issue underwritten or distributed by the securities affiliate.

"(iv) No bank holding company or subsidiary thereof (other than a securities affiliate) shall knowingly extend or arrange for the extension of credit, directly or indirectly, secured by or for the purpose of purchasing any security while, or for 30 days after, that security is the subject of a distribution in which a securities affiliate of that bank holding company participates as an underwriter or a member of a selling group.

"(v) No bank or insured institution affiliated with a securities affiliate shall, directly or indirectly, extend credit to an issuer of securities underwritten by the securities affiliate for the purpose of paying the principal of those securities or interest or dividends on those securities. Nothing in this clause prohibits an extension of credit for a documented purpose (other than paying principal, interest, or dividends) if the timing, terms, conditions, and maturity of the credit are substantially different from those of the securities being underwritten.

"(vi)(I) No officer or director of a securities affiliate shall serve at the same time as an officer or director of any affiliated bank or insured institution.

"(II) Notwithstanding subclause (I) of this clause, an officer or director of a securities affiliate may serve at the same time as an officer or director of an affiliated bank or insured institution if the securities affiliate and the affiliated bank or insured institution are subsidiaries of a bank holding company that has total banking assets of not more than $500,000,000.

"(III) The dollar limitation in subclause (II) of this clause shall be adjusted annually after December 31, 1988, by the annual percentage increase in the Consumer Price Index as described in paragraph (8)(C) of this section.

"(IV) The Board may, by order or by regulation, grant exemptions from subclause (I) of this clause. In determining whether to grant such exemptions, the Board shall consider the size of the bank holding companies, banks, and securities affiliates involved, any burdens that may be imposed by subclause (I), the safety and soundness of the banks and securities affiliates, and other appropriate factors.

"(vii) Pursuant to regulations issued by the Securities and Exchange Commission, a securities affiliate shall prominently disclose in writing to each of its customers—

"(I) that the securities affiliate is not a bank or insured institution and is separate from any affiliated bank or insured institution; and

"(II) that securities sold, offered, or recommended by the securities affiliate are not deposits, are not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, are not guaranteed by an affiliated bank or insured institution, and are not otherwise an obligation of such a bank or insured institution.

"(viii) No bank, insured institution, or subsidiary thereof shall express an opinion on the value of, or the advisability of purchasing or selling, securities underwritten, dealt in, or distributed by its securities affiliate unless the bank, insured institution, or subsidiary discloses to the customer that the securities affiliate is underwriting, dealing in, or distributing the securities.

"(ix) No bank, insured institution, or subsidiary thereof shall disclose to its securities affiliate, nor shall a securities affiliate disclose to an affiliated bank, insured institution, or subsidiary thereof, any nonpublic customer information (including an evaluation of the creditworthiness of an issuer or other customer of that bank, insured institution, subsidiary, or securities affiliate) without the consent of that customer.

"(x) A securities affiliate shall not underwrite or distribute securities secured by or representing an interest in mortgages or other obligations originated by an affiliated bank, insured institution, or subsidiary thereof unless those securities are rated by an unaffiliated, nationally recognized statistical rating organization.

"(xi) Each appropriate Federal banking agency shall establish a program for—

"(I) enforcing compliance with the requirements of this paragraph on the part of banks or insured institutions under its supervision; and

"(II) responding to any complaints from customers about inappropriate cross-marketing of securities products or inadequate disclosure.

"(xii) Nothing in this paragraph limits—

"(I) any authority of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, or the Securities and Exchange Commission; or

"(II) any disclosure or registration requirements under the securities laws (as defined in section 21(g) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(g)).

"(G) SECURITIES AFFILIATES APPROVED UNDER PARAGRAPH (8).—

"(i) No bank holding company may engage in, or retain the shares of any company engaged in, activities of the type described in clause (i) of subparagraph (A) of this paragraph on the basis of the Board's approval of an application under paragraph (8) of this subsection—

"(I) unless the bank holding company obtains the Board's approval to retain the shares of that company pursuant to this paragraph; or

"(II) except to the extent that those activities are specifically authorized by statute for a national bank and involve securities that are expressly described in that statute, or that a regulation promulgated by the Comptroller of the Currency pursuant to that statute before November 18, 1987, expressly describes as being authorized for a national bank to underwrite or deal in.

"(ii) The Board shall, after the date of enactment of this paragraph, disapprove any notice by a bank holding company under paragraph (8) of this subsection to engage in, or acquire the shares of a company engaged in, any activity that is described in clause (i) of subparagraph (A), except to the extent that the activity is described in subclause (II) of clause (i) of this subparagraph.

"(H) ACTIVITIES PERMITTED FOR BANK AFFILIATES.—A bank holding company that acquires control of a securities affiliate under this paragraph shall not, after one year from the date of that acquisition, permit a bank or insured institution that it controls or any subsidiary thereof to engage, directly or indirectly, in the United States—

"(i) in activities described in clause (i) of subparagraph (A) (except to the extent that those activities are described in subclause (II) of clause (i) of subparagraph (G)); or

"(ii) in underwriting or distributing securities backed by or representing an interest in mortgages or other obligations originated or purchased by the bank or its affiliates.

"(I) WAIVER OF EXAMINATION AND CAPITAL REQUIREMENTS.—

"(i) A bank holding company that controls a securities affiliate pursuant to this paragraph, and any subsidiary (other than a bank) of that bank holding company, shall not be subject to inspection or examination or to reporting or capital requirements established by the Board under this Act or the International Lending Supervisory Act of 1983, if—

"(I) on average during the preceding calendar year, 80 percent or more of the bank holding company's consolidated revenues were derived from securities activities and 80 percent or more of the bank holding company's consolidated assets were devoted to securities activities; and

"(II) the bank holding company maintains the capital of each of its subsidiary banks or insured institutions at or above the levels established for that bank or insured institution by the appropriate Federal banking agency.

"(ii) Notwithstanding clause (i), the Board may examine or require reports of a bank holding company that qualifies under clause (i), and any nonbank subsidiary thereof, in order to—

"(I) determine whether the bank holding company qualifies under clause (i);

"(II) assure compliance by the bank holding company or nonbank subsidiary with the provisions of this Act, the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972), and sections 23A and 23B of the Federal Reserve Act (12 U.S.C. 371c, 371c-1); or

"(III) assure that the safety and soundness of the bank holding company's subsidiary banks are not threatened by the activities or condition of the bank holding company or its nonbank subsidiaries whenever the Board determines that emergency conditions exist requiring such assurance.

"(iii)(I) If a bank holding company that has claimed qualification under clause (i) fails to maintain the capital of each of its subsidiary banks at or above the level established for that bank by the appropriate Federal banking agency, the Board shall advise the bank holding company of the capital deficiency and provide the bank holding company 30 days in which to restore the capital of that bank to the level required by the appropriate Federal banking agency.

"(II) If the Board determines that the bank holding company is unable to restore the capital of its subsidiary bank to the required level, the Board may issue an order requiring the holding company to terminate its ownership or control of the bank within 180 days of the date of the order.

"(iv) For purposes of this subparagraph, the term 'securities activities' means underwriting, dealing in, distributing, or selling securities, securities brokerage activities, investment advisory activities, and such other investment banking activities as the Board determines should be classified as securities activities or as activities incidental thereto.

"(J) DEFINITIONS.—For purposes of this paragraph—

"(i) a branch or agency of a foreign bank or a commercial lending company controlled by a foreign bank (as the terms 'agency', 'branch', 'commercial lending company', and 'foreign bank' are defined in section 1 of the International Banking Act of 1978 (12 U.S.C. 3101)), shall be considered a bank;

"(ii) the term 'appropriate Federal banking agency' means the agencies referred to in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)) with respect to banks referred to in that section and the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation) with respect to insured institutions; and

"(iii) the terms 'deal in' and 'dealing in' do not include purchasing or selling securities for the account of another person.".

SEC. 103. DEFINITION OF SECURITIES AFFILIATE.

Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended by adding at the end thereof the following new subsection:

"(n) SECURITIES AFFILIATE.—

"(1) The term 'securities affiliate' means any company that—

"(A) is engaged in the United States pursuant to section 4(c)(15)(A) of this Act in one or more of the activities described in clause (i) of that subparagraph; and

"(B) is registered as a broker or dealer under the Securities Exchange Act of 1934.

"(2) A company is described in paragraph (1) only so long as it is owned or controlled by a bank holding company.".

SEC. 104. NINETY-ONE DAY RULE FOR SECURITIES AFFILIATE APPLICATIONS.

(a) NINETY-ONE DAY RULE.—Section 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)) is amended by striking out "paragraph (8)" in the penultimate sentence and inserting in lieu thereof "paragraph (15)".

"(b) SUNSET PROVISION.—The penultimate sentence of section 4(c) of the Bank Holding Company Act of 1956 (as amended by this Act) is repealed, effective 2 years after the date of enactment of this Act.".

SEC. 105. EFFECT ON STATE LAWS PROHIBITING THE AFFILIATION OF BANKS AND SECURITIES COMPANIES.

Section 7 of the Bank Holding Company Act of 1956 (12 U.S.C. 1846) is amended by inserting before the final period the following: ", except that no State may prohibit a bank or bank holding company from being affiliated with a securities affiliate solely because the securities affiliate is engaged, pursuant to clause (i) of section 4(c)(15)(A) of this Act, in activities described in that clause".

SEC. 106. AMENDMENT TO THE FEDERAL RESERVE ACT.

Section 23B(b)(1)(B) of the Federal Reserve Act (12 U.S.C. 371c-1(b)(1)(B)) is amended by inserting "and for 30 days thereafter" after "during the existence of any underwriting or selling syndicate".

SEC. 107. SECURITIES AFFILIATIONS OF FDIC-INSURED BANKS.

(a) SECURITIES AFFILIATIONS.—Section 18(j)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1828(j)(3)) is amended to read as follows:

"(3) SECURITIES AFFILIATIONS.—

"(A) GENERAL RULE.—Except as provided in section 4(c)(15) of the Bank Holding Company Act of 1956, an insured bank shall not be an affiliate of any company that directly or indirectly acts in the United States as an underwriter or dealer of any security, other than a security that a national bank is specifically authorized by statute to underwrite or deal in and—

"(i) that is expressly described in that statute; or

"(ii) that a regulation promulgated by the Comptroller of the Currency pursuant to that statute before November 18, 1987, expressly describes as being authorized for a national bank to underwrite or deal in.

"(B) EXCEPTIONS.—This paragraph does not apply to—

"(i) an insured bank that is described in subparagraph (D), (F), or (I) of section 2(c)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)(2)); or

"(ii) a foreign bank, as defined in section 1(b)(7) of the International Banking Act of 1978 (12 U.S.C. 3101(7)), solely because it has an insured branch in the United States.

"(C) GRANDFATHER PROVISION.—This paragraph does not prohibit the continuation of an affiliation that existed on March 5, 1987.

"(D) TRANSITION RULE.—An affiliation that became unlawful as a result of the enactment of the Competitive Equality Amendments of 1987, or that becomes unlawful as a result of the enactment of the Financial Modernization Act of 1987, may continue until August 10, 1989.

"(E) ACTIVITIES CONDUCTED DIRECTLY BY INSURED BANK.—Nothing in this paragraph restricts an activity that is conducted directly by an insured bank and is subject to section 21 of the Banking Act of 1933 (12 U.S.C. 378).

"(F) DEFINITIONS.—As used in this paragraph—

"(i) The term 'affiliate' has the meaning given to that term in section 2(k) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(k)).

"(ii) The term 'company' has the meaning given to that term in section 2(b) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(b)).

"(iii) The term 'dealer' has the meaning given to that term in section 3(a)(5) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(5)).

"(iv) The term 'security' has the meaning given to that term in section 3(a)(10) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(10)).

"(v) The term 'underwriter' has the meaning given to that term in section 2(11) of the Securities Act of 1933 (15 U.S.C. 77b(11)).".

(b) CONFORMING AMENDMENTS.—Clause (i) of section 408(m)(1)(A) of the National Housing Act (12 U.S.C. 1730a(m)(1)(A)) is amended by inserting after "clause (iii) of this subparagraph," the following: "and in section 18(j)(3) of the Federal Deposit Insurance Act,".

SEC. 108. AUTHORIZATION FOR NATIONAL BANKS TO UNDERWRITE MUNICIPAL REVENUE BONDS, SPONSOR UNIT INVESTMENT TRUSTS, AND DISTRIBUTE INVESTMENT COMPANY SECURITIES.

(a) AUTHORIZATION.—Paragraph Seventh of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended by adding at the end thereof the following:

"The limitations and restrictions contained in this paragraph as to dealing in, underwriting, and purchasing for its own account, investment securities shall not apply to obligations issued or guaranteed by or on behalf of a State or any political subdivision thereof or any agency or instrumentality of either of the foregoing, except industrial development bonds as defined in section 103(b)(2) of the Internal Revenue Code of 1986 (other than industrial development bonds on which the interest is exempt from Federal income tax under section 103(a) of the Internal Revenue Code of 1986), if (i) a State, territory, or possession of the United States, any political subdivision of the foregoing, or the District of Columbia pledges its full faith and credit for the payment of all principal and interest on such bonds or (ii) the issuer, or the State or local governmental unit on behalf of which the industrial development bonds were issued, is considered the sole owner, for Federal income tax purposes, of the facility with respect to which financing is to be provided from the proceeds of such industrial development bonds. If the association is not an affiliate of a securities affiliate (as the terms 'affiliate' and 'securities affiliate' are defined in section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841)), the limitations and restrictions contained in this paragraph as to dealing in, underwriting, and purchasing for its own account, investment securities shall not apply to (1) the securities of unit investment trusts (as defined in section 4(2) of the Investment Company Act of 1940 (15 U.S.C. 80a-4(2)) holding only securities that the association is specifically authorized by statute to underwrite and that are expressly described in that statute, or expressly described as being authorized for a national bank to underwrite in a regulation promulgated by the Comptroller of the Currency pursuant to that statute before November 18, 1987, and (2) the distribution of securities issued by investment companies (as defined in section 3 of the Investment Company Act of 1940 (15 U.S.C. 80a-3)) that are not organized, sponsored, managed, or controlled by the association or any affiliate of the association.".

(b) TECHNICAL AMENDMENT.—The sixth sentence of paragraph Seventh of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended by striking out "or general obligations of any State or of any political subdivision thereof,".

TITLE II—EXPEDITED PROCEDURES

SEC. 201. EXPEDITED PROCEDURES FOR FORMING A BANK HOLDING COMPANY.

Section 3(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)) is amended—

(1) by striking out "or (B)" and inserting in lieu thereof "(B)",

(2) by inserting before the period at the end of the second sentence the following: "; or (C) with 30 days prior notification to the Board, the acquisition by a company of control of a bank in a reorganization in which a person or group of persons exchange their shares of the bank for shares of a newly formed bank holding company and receive, after the reorganization, substantially the same proportional share interest in the holding company as they held in the bank except for changes in shareholder interests resulting from the exercise of dissenting shareholder rights under State or Federal law if, immediately following the acquisition, the bank holding company meets the capital and other financial standards prescribed by the Board by regulation for such a bank holding company and the holding company does not engage in any activities other than those of banking or managing and controlling banks. In promulgating regulations pursuant to this subsection, the Board shall not require more capital for the subsidiary bank immediately following the reorganization than is required for a similarly sized bank that is not a subsidiary of a bank holding company".

SEC. 202. EXEMPTION OF CERTAIN HOLDING COMPANY FORMATIONS FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933.

Section 4 of the Securities Act of 1933 (15 U.S.C. 77d) is amended by adding at the end thereof the following new paragraph:

"(7) transactions involving offers or sales of equity securities, in connection with the acquisition of a bank by a company under section 3(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842(a)), if the acquisition occurs solely as part of a reorganization in which a person or group of persons exchange their shares of a bank for shares of a newly formed bank holding company and receive, after that reorganization, substantially the same proportional share interests in the bank holding company as they held in the bank, except for changes in shareholder interests resulting from the exercise of dissenting shareholder rights under State or Federal law.".

SEC. 203. EXPEDITED PROCEDURES FOR BANK HOLDING COMPANIES TO SEEK APPROVAL TO ENGAGE IN NONBANKING ACTIVITIES.

Paragraph (8) of section 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)) is amended—

(1) by redesignating clauses (i) and (ii) of subparagraphs (C), (D), and (E) as subclauses (I) and (II), respectively;

(2) by redesignating subparagraphs (A) through (G), and any cross references thereto as clauses (i) through (vii), respectively; and

(3) by striking out all that precedes "purposes of this subsection it is not" and inserting in lieu thereof the following:

"(8)(A) ACTIVITIES CLOSELY RELATED TO BANKING.—In accordance with the limitations and requirements contained in subparagraphs (B) and (C) of this paragraph, shares of any company whose activities the Board has determined (by order or regulation) to be so closely related to banking or managing or controlling banks as to be a proper incident thereto, after taking into account technological or other innovations in the provision of banking or banking-related services.

"(B) NOTICE REQUIREMENTS.—

"(i) No bank holding company shall engage in any activity or acquire the shares of a company pursuant to this paragraph, either de novo or by an acquisition in whole or in part of a going concern, unless the Board has been given 60 days prior written notice of that proposal and, within that period, the Board has not issued an order—

"(I) disapproving the proposal, or

"(II) extending the time period in accordance with clause (iii) below.

"(ii)(I) An acquisition may be made prior to the expiration of the disapproval period if the Board issues a written statement of its intent not to disapprove the proposal.

"(II) The Board may provide for no notice under this paragraph or notice for a shorter period of time with respect to particular activities.

"(III) No notice under this paragraph is required for a bank holding company to establish de novo an office to engage in any activity previously authorized for that bank holding company under this paragraph or to change the location of an office engaged in that activity.

"(iii) The notice submitted to the Board shall contain such information as the Board shall prescribe by regulation or by specific request in connection with a particular notice, except that the Board may require only such information as may be relevant to the nature and scope of the proposed activity and to the Board's evaluation of the notice under the criteria specified in clause (iv). If the Board requires additional relevant information beyond that provided in the notice, the Board may by order extend the time period provided in clause (i) of this subparagraph until it has received that information, and the activity that is the subject of the notice may be commenced within 60 days of the date of that receipt unless the Board issues a disapproval order as provided in clause (i). Such an extension order is reviewable under section 9 of this Act.

"(iv) In determining whether to disapprove a notice under this paragraph, the Board shall consider whether the performance of the activity described in the notice by a bank holding company or subsidiary thereof can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices. In orders and regulations under this paragraph, the Board may differentiate between activities commenced de novo and activities commenced by the acquisition, in whole or in part, of a going concern.

"(v) The Board shall by order set forth the reasons for any disapproval or determination not to disapprove a notice under this paragraph.

"(C) INSURANCE ACTIVITIES NOT CLOSELY RELATED TO BANKING.—For".

SEC. 204. REDUCTION OF POST-APPROVAL WAITING PERIOD FOR BANK HOLDING COMPANY ACQUISITIONS.

Section 11(b)(1) of the Bank Holding Company Act of 1956 (12 U.S.C. 1849(b)(1)) is amended by adding before the period at the end of the fourth sentence thereof the following: "or such shorter period of time as may be prescribed by the Board with the concurrence of the Attorney General, but in no event less than 5 days".

SEC. 205. REDUCTION OF POST-APPROVAL WAITING PERIOD FOR BANK MERGERS.

Section 18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(6)) is amended by adding before the period at the end of the last sentence thereof the following: "or such shorter period of time as may be prescribed by the agency with the concurrence of the Attorney General, but in no event less than 5 days".

Mr. GARN. Mr. President, I am pleased to join Senator PROXMIRE today in introducing a bill that will substantially reform the Glass-Steagall Act. This legislation, the Financial Modernization Act, will enhance competition within the financial services industry, lower the cost of financial services, and contribute to the safety and soundness of our banking system.

I applaud the chairman for taking this truly dramatic initiative, and I pledge to work hard to make this bill law.

Under Senator PROXMIRE's chairmanship and under my chairmanship, the Banking Committee has conducted extensive hearings on the rapid changes that are transforming financial markets. One thing is clear from that hearing record: whatever relevance the Glass-Steagall Act had in the past, today it is serving to undermine the safety and soundness of the financial system by preventing it from responding to the rapid changes in financial markets.

In particular, new securities products are providing a cheaper means of fulfilling the financial needs of the banking industry's traditional customers. The Glass-Steagall Act prevents banks from being able to respond to their traditional customers' demands for these more efficient and less expensive financial products. The result is a loss of market share which, together with shrinking margins, is undermining the safety and soundness of the banking system.

At the same time, the securities industry keeps pushing to offer products and services that most people associate with banks. Many securities firms have grandfathered nonbank banks to do the job, but many do not. And for those that don't the Glass-Steagall Act imposes real limitations on the ability to expand into banking.

The legislation Senator PROXMIRE and I are introducing today would enable banks to continue to compete for their traditional customers, and it would also contribute to the safety and soundness of the banking system by enabling banks to offset their declining margins through a broader array of products. At the same time, the bill would permit securities firms to engage in the full range of banking activities.

This is good news for the American consumer. Under the bill, a single company could offer its customers all banking and securities products under the same roof. Even better news for the consumer would be the lower prices that greater competition would produce, particularly for securities products.

Mr. President, let me discuss some of the specific details of the Financial Modernization Act. I spoke to this body on November 3 about an earlier draft that I could not support. I described some of my concerns, and I asked the chairman if we could work together to iron out some of our differences. I am happy to say that since then we have obviously done just that. The bill we introduce today is a compromise that we both can support. It does not take all the steps I would like to bring full competition to the financial services industry. But it is certainly a move in the right direction, particularly by increasing competition for the highly concentrated and highly protected securities industry.

Let me describe how the final version of the bill addresses some of my principal concerns. First, I want to say at the outset that I have agreed that the new securities activities will be carried out by affiliates of banks through the holding company structure. While Chairman PROXMIRE believes strongly in this principle, I still believe that, given proper safeguards, the activities could be carried out just as safely through subsidiaries of banks. I also am very reluctant to take away the authority of the States to legislate in this area, and I'm just as reluctant to concentrate too much authority in the Federal Reserve Board.

On balance, however, I have decided to go along with the affiliate structure for two reasons. First, securities activities have traditionally been regulated primarily at the Federal level, with much less State involvement than has been present with other activities. Second, the bill has moved a long way from earlier versions toward restraining the overreaching authority of the Fed, especially by moving towards the principle of "functional regulation."

Let me emphasize, however, that I do not see this as a precedent for the Federal Government to extend its tentacles into other financial areas regulated primarily by the States. I will fight tooth and nail any efforts by anyone that would have that effect.

Mr. President, as I mentioned, the bill adopts more completely the principle of "functional regulation." That means that a company's different financial services are regulated by different regulators according to the nature of the financial activity—and no activity is regulated by more than one regulator. So for a holding company that owns a bank and a securities firm, the appropriate bank regulator would regulate the banking affiliate, the Securities and Exchange Commission would regulate the securities affiliate, and the Federal Reserve Board would regulate the holding company.

The final bill moves much more in that direction by preventing the Fed from subjecting the activities of the securities affiliate to layers of regulation beyond SEC regulation. The securities affiliate is expressly granted the authority to engage in any activity authorized for a securities firm unaffiliated with a bank, and it will be regulated in the same way, too.

For instance, the affiliate will only be subject to SEC capital requirements rather than Fed capital requirements as well. The bill no longer intrudes on the normal funding process of the securities affiliate by requiring prior Fed approval for loans from the holding company to the securities affiliate. In approving applications to establish a securities affiliate, the Fed will look at the financial and managerial resources of the holding company, but the SEC will examine those same resources for the securities affiliate itself. And the SEC, not the Fed, will be in charge of the tough disclosure requirements imposed on securities affiliates to ensure that customers know that securities products are not backed by the Federal insurance that applies to bank deposits.

Functional regulation is essential to achieving equality of competitive opportunity. If a securities affiliate of a bank were subject to higher capital requirements than other securities companies, if it were prevented from funding itself as cheaply as other securities firms, or if it were limited in the range of securities products it could offer, the bank securities affiliate would be put at a permanent competitive disadvantage. This, of course, would prevent bank securities affiliates from providing the needed increase in competition in the securities sector of the financial services industry.

Beyond functional regulation, the final version of the bill takes into account another critical issue: The plight of the thrift industry. It no longer applies the proposed regulatory scheme for securities activities to thrifts. This maintains the flexibility of the Federal Home Loan Bank Board to continue to adopt policies that encourage the sale of failing thrifts and attract new capital and management to the thrift industry. It is absolutely critical to achieve these goals in order to fend off efforts to sink taxpayer money into the thrift system.

Let me make one other specific observation. The bill makes a good effort at trying to differentiate between organizations that are primarily banking-oriented and those that are primarily securities-oriented. It subjects banking organizations to the full panoply of bank holding company regulation, but creates certain exceptions for securities organizations. That is a step in the right direction for companies that have activities that are otherwise prohibited by the Bank Holding Company Act—it may not go far enough, but it is a step in the right direction.

For all these reasons, I believe that this is now a very good bill. It promotes competition; it imposes tough safeguards to insulate the bank from the new securities activities; and it does not concentrate an excessive amount of authority in the Federal Reserve Board. It is very similar, Mr. President, to the bill that passed the Senate in 1984 by the overwhelming margin of 89 to 5—and in some ways it is even better.

But like all bills, Mr. President, the Financial Modernization Act is not perfect. As I mentioned at the outset, there are some areas where I might have preferred to go further. There are proposals under discussion that would involve companies in the whole range of financial services that certainly have merit. But this is not a perfect world, and we must concerntrate on what can be done now, or very soon, to address the competitive and safety and soundness problems that now confront the financial system. We can pass this bill, or something like it, in this Congress. I'm not sure we can say the same thing about any of the other proposals, and frankly, we cannot afford to wait until 1989 to act.

Mr. President, let me make one final point about the moratorium on new products and services for banks, which expires on March 1, 1988. Senator PROXMIRE and I have repeatedly committed ourselves in both public and private to oppose any attempt to extend the moratorium, even if Congress has passed no new legislation. Let me say emphatically that our commitment has not changed. But let me add that Congress can and should pass the legislation we have proposed today so that the moratorium issue becomes irrelevant.

This is a sound bill that moves us in the right direction. Let me say again that I will work hard with Senator PROXMIRE, as he has with me, to move this bill through the Senate.

By Mr. CRANSTON:

S. 1888. A bill to establish national standards for voter registration for Federal elections, and for other purposes; to the Committee on Rules and Administration.

UNIVERSAL VOTER REGISTRATION ACT

Mr. CRANSTON. Mr. President, today I am proud to introduce the Universal Voter Registration Act of 1987. This legislation will eliminate the electoral barriers that keep people from voting. This legislation is designed to make it possible for everyone who wants to register and vote in a Federal election to do so more easily and conveniently. It is also designed to eliminate the discriminatory effects of our current registration procedures. Literacy tests and poll taxes were removed during the civil rights movement of the 1960's, but registration laws still remain a barrier to voter participation.

Mr. President, the United States is in grave danger of becoming a nonparticipatory democracy. Barely one-third of eligible voters actually voted in the 1986 congressional elections and little more than half the eligible voters turned out at the last Presidential election. There are many reasons why citizens don't vote. Not all of these are amenable to legislative solutions. But barriers to registration hinder turnout, and we can remove those barriers through legislation.

Mr. President, in the very early years of our country very few citizens were eligible to vote, and very few did. Suffrage was limited to white adult male property-owners. In some States less than 10 percent of the citizenry were eligible to vote. With such restrictive voting requirements, estimates are that only 3 percent of the adult population actually voted in the first election for the House of Representatives in 1788.

Gradually the franchise was expanded. By 1850 a few States still had requirements of property ownership for voting, but restrictions on white males had almost disappeared. With fewer restrictions on voting, turnout increased, and by the last half of the 19th century turnout in Presidential elections fluctuated between 70 and 80 percent. The highest turnout in our country, almost 82 percent, occurred in 1876, exactly 100 years after our Nation was founded.

Mr. President, during the first century of our young country we witnessed a steady increase in participation in Federal elections. During the second century we witnessed just the opposite. Since the turn of the century there has been a steady, deplorable decline in the number of people who vote. Our Nation's future depends on our reversing this trend. Our goal must be rising participation in the third century of our country.

Mr. President, registration began to appear in the separate States not long after the Civil War, coinciding with mounting demands that blacks and women be allowed to vote. Along with poll taxes and literacy tests, registration served, often deliberately, sometimes inadvertently, to block full voter participation. As a result, there has been a steady erosion of voter participation that has been going on since 1876.

Mr. President, the idea that governments instituted among men should derive their powers from the consent of the governed launched the American Revolution for human freedom and democracy. Today we must ignite a second American revolution—an explosion of participation in our democracy that will strengthen our institutions and guarantee our freedoms, no matter what crises lie ahead.

Mr. President, the majority of people who register, vote. But many people don't register because the process is cumbersome and complicated. Let me describe some of the registration barriers which still exist in this country. In some States registration is limited to a single location in a county, often the county courthouse. Registration offices are open only during normal business hours. Some close for lunch. In these States individuals must take time off from work, and often travel long distances, to register. In other States, the hours of registration offices are neither predictable nor regular. In still others, the deadline to register to vote is a month or more before the election occurs—long before many people are even thinking about voting.

Mr. President, the legislation which I am introducing today will mandate election day registration for Federal elections. I do not think it necessary to require citizens to register 30 days, or even 20 days, before an election, as is the case in all but 11 States in this country.

Mr. President, three States—Maine, Minnesota, and Wisconsin—already have election day registration. Turnout in those three States is among the highest in the country and there is no evidence of election fraud in any of them. Those States are a model for the rest of the country.

Mr. President, by requiring citizens to register 20 to 30 days before an election, or even more, as is the current law in the majority of States, many citizens who want to vote in an election are disenfranchised. Many citizens simply do not pay attention to elections until the final weeks of a compaign. If these citizens have not registered prior to the registration deadline, they cannot vote in the election, despite their interest. I think this is wrong, and allowing citizens to register on election day will correct this injustice.

Mr. President, this legislation has other important provisions as well. It will provide for mail-in registration for Federal elections. Many of our citizens are unable to register in person. In some States, many citizens find the location and the hours of registration offices inconvenient. Mail-in registration will correct these inequities. Registering to vote should not be a hardship.

Twenty-three States currently have mail-in registration. Nationwide mail-in registration will allow all citizens to register to vote in a timely and convenient manner.

This legislation will require the chief election official of each State to develop and submit to the Federal Election Commission for approval a mail-in voter registration form. Such a form currently is used by the Department of Defense for the military, their families, and citizens living overseas. The key to successful mail-in registration systems is the widespread availability of registration forms. This legislation will require that mail-in registration forms be available for distribution in all Government agencies and be available to all individuals and organizations who want to assist in voter registration. The legislation that I am introducing today will make mail-in registration the law of the land.

Mr. President, it should be the policy of the Federal Government, and the policy of State and local governments, to facilitate the registration of its citizens. Every time a citizen comes in contact with the Federal, State or local government agency he or she should have the opportunity to register to vote. This legislation will remove the barriers to agency-based registration that exist under current law. No longer will agencies be prohibited from providing registration services to individuals who seek assistance for other services.

Also, I am proposing that Federal grants be made available to States to develop voter registration systems. These grants will be used to create the mail-in and election day registration programs established by this legislation. States also may request grants to develop other registration programs, such as door-to-door registration, as is done in some parts of Idaho, motor-voter registration, as in Colorado, and to computerize and centralize registration rolls. Both the States and the Federal Government can go a long way toward increasing registration in this country, and the legislation I am proposing today will enable State and local governments to greatly expand their voter registration programs.

The final piece of this legislation is a fair system of registration confirmation. We need to develop a system of registration confirmation which removes from registration rolls citizens who have died or moved, but which prevents indiscriminate purging. No citizen should be removed from the rolls for failure to vote, for failure to receive registration information, or for administrative errors.

Mr. President, this legislation is desperately needed. We cannot tolerate a system in which only one-half of the eligible voters vote in a Presidential election and barely a third of the electorate votes in congressional elections. Very few people are deciding who governs in the United States. This system must be corrected, and it must be corrected now.

There are many reasons why people don't vote. Some people may not vote because of apathy. Some may not vote because of disillusionment with the political system. We must try to find ways to motivate these people to become involved in the electoral process.

However, we know that some people don't vote because the registration process is too complicated. We do know that once people are registered, the majority of registered votes vote. We know that restrictive registration requirements hamper registration and depress turnout. To increase turnout we must make it easier for people to register. The legislation I am proposing today will do that. It will establish election day registration. It will establish mail-in registration. It will make it Federal policy to assist in the registration of our citizens. And it will create and maintain accurate voting rolls.

Mr. President, we must reverse the downward trend in turnout. In our Nation's third century, as in our Nation's first, we must see an expanding, not a declining, electorate. I hope that the Rules Committee will hold hearings on this legislation promptly, and report the legislation to the full Senate for timely consideration.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1888

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Universal Voter Registration Act of 1987".

SEC. 2. FINDINGS AND PURPOSES.

(a) Findings.—The Congress finds that—

(1) the right to vote is fundamental in a democracy, and it is the duty of the Federal Government to maximize, to the fullest extent possible, the exercise of that right in elections for Federal office;

(2) the Congress has authority, under provisions of the Constitution of the United States in sections 4 and 8 of article I, section 1 of article II, article VI, sections 1 and 5 of article XIV, article XV, the thirteenth, fourteenth, and fifteenth amendments, and other provisions of the Constitution of the United States, to regulate the time and manner in which citizens may register for, and vote in, elections for Federal office;

(3) the establishment of national standards for voter registration with respect to elections for Federal office would facilitate the participation of citizens in the electoral process and would remove barriers regarding such participation and thereby maximize the right to vote;

(4) restrictions on the ability of citizens to register have a direct and damaging effect upon voter participation in elections; and

(5) restrictions on the ability of citizens to register have disproportionately harmed voter participation by various groups, including racial minorities.

(b) Purposes.—The purposes of this Act are—

(1) to establish national standards which will increase registration of eligible citizens in elections for Federal office in order to maximize voting participation;

(2) to provide financial and other assistance to enable States to provide expanded opportunities for voter registration before and on the date of Federal elections and to modernize the administration of elections and voter registration; and

(3) to maximize the voting participation of eligible citizens in elections for Federal office.

SEC. 3. NATIONAL STANDARDS FOR VOTER REGISTRATION.

Notwithstanding any other provisions of law, any individual who is eligible to register shall be entitled to apply for registration for any Federal election—

(1) by mail;

(2) in person—

(A) at a place designated for this purpose for the current address of such individual;

(B) at any Federal, State, county, or municipal agency that serves the public directly; or

(C) at any agency receiving grant-in-aid monies and serving the public directly; or

(3) on the day a Federal election is held, at the polling place designated as the appropriate polling place for the current address of such individual.

SEC. 4. STATE PLANS.

(a) Requirement.—Where a State establishes and maintains a system of voter registration, the State shall allow an individual to register to vote for elections held on the date of Federal elections, in the manner provided by a State plan which has been approved pursuant to the provisions of this Act.

(b) Contents.—The State plan shall include—

(1) the voter registration form to be used in the State for mail registration;

(2) provisions to allow for the widespread distribution of such registration forms;

(3) election day registration of voters in accordance with section 6;

(4) voter registration in Federal, State, county, and municipal agencies which serve the public directly and any agency receiving grant-in-aid monies which serve the public directly;

(5) provisions for the prompt notification of registration acceptance;

(6) provisions to provide registrants with information on voting places and times;

(7) registration confirmation to insure accurate, inclusive, and uniform voter registration lists;

(8) provisions for procedures and basis for registration challenges; and

(9) a description of State efforts to actively increase voter registration.

SEC. 5. REGISTRATION AND CONFIRMATION BY MAIL.

(a) Development of Form.—The chief election official of each State shall develop and submit to the Commission for its approval a voter registration form pursuant to the provisions of this section which allows for the registration of voters by mail. Such form may be similar to or identical with the Federal postcard application forms as provided in section 101(b) of the Uniformed and Overseas Citizens Absentee Voting Act (Public Law 99-410), and shall—

(1) require the signature of the individual who is registering to vote;

(2) provide for a postage paid return delivery of the completed form to the appropriate State or local official;

(3) require such data as will enable the appropriate State or local official to positively identify and assess the eligibility of an individual applying to register under this Act in order to minimize or prevent fraudulent registrations;

(4) include a statement of penalties provided by law for attempting fraudulently to register under this Act;

(5) comply with the Voting Rights Act of 1965 (42 U.S.C. 1973aa); and

(6) contain any other matter or information that the Commission deems appropriate to carry out the provisions of this Act.

(b) Year-Round Registration.—Notwithstanding any other provision of law, all Federal, State, county, and municipal agencies which serve the public directly and all agencies receiving grant-in-aid monies which serve the public directly shall, during the entire year, offer non-partisan voter registration services including distributing voter registration forms, answering questions, assisting in completing such forms, and collecting and forwarding completed registration forms to the proper local election officials.

(c) Availability of Forms.—State and local election officials shall provide for the preparation of sufficient quantities of registration forms to accommodate an individual, group, or organization requesting such registration forms for the purpose of conducting or participating in a voter registration program. Registration forms may be reproduced, either as an individual item or in newspapers or newsletters.

(d) Exemptions for States.—(1) The Commission may provide by regulation that this section shall not apply to any State which—

(A) provides for voter registration procedures which meet or exceed the standards set forth in section 4(b) and any rules or regulations prescribed by the Commission, and for purposes of this Act—

(i) a provision shall be deemed to exceed a provision set forth in section 4(b) if its substance is more apt to result in the registration of citizens to vote in elections for Federal office than the national standard; and

(ii) a provision shall be deemed to meet a provision set forth in section 4(b) if its substance is the same as, or the equivalent of, the corresponding national standard;

(B) does not require voter registration; or

(C) adopts the Federal postcard application form as provided in section 101(b) of the Uniformed and Overseas Citizens Absentee Voting Act (Public Law 99-410).

(2) The chief election official of the State shall establish a program to confirm the registration of voters of such State. Such a program shall include—

(A) automatic notification systems whereby State and municipal agencies which, in the regular course of business, receive information about deaths, and the Federal postal service which, in the regular course of business, receives information about changes of address, shall provide such information to the appropriate voting registration officials;

(B) provisions assuring that no voter will be removed from the list of eligible registered voters unless such voter has—

(i) died,

(ii) moved, more than 30 days previously, from the voting jurisdiction in which the voter was previously registered,

(iii) been convicted of a criminal offense which under State law results in the denial of the right to vote, and all appeals have been exhausted, or

(iv) been institutionalized for mental incapacity which, under State law, results in the denial of the right to vote; and

(C) provisions whereby individuals whose registration cannot be confirmed will be maintained on a list of voters whose vote may be challenged on election day.

(3)(A) All challenges made shall be made by official voter election checkers, as provided by State law. The reasons for the challenge shall be those provided in the approved State plan and shall be clearly posted at each polling place.

(B) Challenged individuals who have sufficient documentation, as established by the chief State or local election official, shall be allowed to vote as if previously registered.

(C) Challenged individuals who do not have sufficient documentation shall be allowed to vote at their polling place by affidavit ballot, as defined in subparagraph (D), in such a form that their vote remains secret.

(D) For purposes of this paragraph, an "affidavit ballot" means a document or set of documents including:

(i) a statement, made under penalty of perjury as provided by the applicable State or Federal law, signed by the affiant—

(I) certifying that he or she is qualified to vote in that election;

(II) providing the address for which he or she was most recently registered to vote; and

(III) providing his or her current residence address; and

(ii) a ballot for the appropriate election—

(I) which will be separated from the statement described in clause (i) once the voter qualifications have been determined as prescribed in subsection (e);

(II) which contains no information by which the identity of the voter may be determined; and

(III) which is designed and handled in such a way as to preserve the complete security of the ballot.

(E) Challenges to voters shall be put in writing and election officials shall inform challenged voters of the reasons for the challenges and of their right to vote an affidavit ballot. The validity of the challenge shall be determined within 10 days after the polls close and those persons eligible to vote shall have their votes added to the official tally.

(F) Where a voter's eligibility is affirmed, the voter's name shall be added to the registration list for the appropriate jurisdiction.

SEC. 6. ELECTION DAY REGISTRATION.

(a) In General.—Each State and unit of general local government shall permit any individual who is eligible to register to vote in any Federal election under the laws of the State involved, or under any applicable Federal law, to register and vote on the date of the Federal election involved at the appropriate polling place, as defined in this section.

(1) The appropriate polling place is the polling place at which such individual would have been permitted to vote if such individual registered to vote before the date of such election.

(2) Notwithstanding the provisions of paragraph (1), if a registered individual has changed his residence by moving to a different State within 30 days before such election, and because of such change in residence is not eligible to vote at the polling place for such new residence but is otherwise eligible to vote, such individual shall be allowed to vote at such new polling place.

(3) Each State and unit of general local government shall maintain and maximize efforts to encourage registration by individuals before the date on which a Federal election is held.

(b) Establishment of Voter Identity.—(1) Any individual who registers to vote at a polling place on the date of any Federal election in accordance with subsection (a) shall establish such individual's identity, place of residence, and qualifications at the time of such registration either—

(A) by executing at such polling place an affidavit which the State or unit of general local government involved shall provide, in a form which has been approved by the Commission and which—

(i) attests that such individual is a citizen of the United States and states his name, residence address, and date and place of birth;

(ii) attests that such individual meets the qualifications for voting under the laws of such State or under any applicable Federal law, other than the State residency deadline;

(iii) lists such qualifications; and

(iv) attests that such individual has not voted in the election involved; or

(B) by submitting either—

(i) a form or forms of identification, which have been approved by the Commission, establishing the identity and place of residence of such individual; or

(ii) an affidavit in a form which has been approved by the Commission and which includes on its face a summary of the penalties established by section 12 and by any applicable State law, attesting to the identity and place of residence of the individual desiring to register to vote under this section, which is executed by a person who (I) has registered to vote at the polling place involved on a previous date, (II) is present at such polling place with such individual, and (III) has personal knowledge of the actual residence of the individual seeking to register to vote, except that no such individual seeking to register may then attest to the residence of any other individual to register for that election. The requirement of the submission of such an affidavit shall not be considered to be a test or device within the meaning of the Voting Rights Act of 1965 (42 U.S.C. 1973aa).

(2) A State or unit of general local government may require an individual to submit more than one form of identification under paragraph (1)(B)(i) only if the identification submitted by such individual does not contain both the identity and place of residence of that individual.

(3) The effective period of any registration made by any individual under subsection (a) may not be less than the effective period applicable to any registration made by any other method or procedure which is permitted by the State or unit of general local government involved.

(4)(A)(i) Each State and unit of general local government shall provide at each polling place a means of processing individuals registering to vote, as provided in this section, separately from individuals voting at such polling place who registered to vote before the date of the election involved. Such means shall be conspicuously publicized inside and outside each polling place on election day.

(ii) The ballots of those registering on election day shall be kept separate from those previously registered and voting, until such time, not to exceed 10 days, as the registration of each such person voting on election day at such polling place has been checked and it is determined that all such votes have been cast properly by qualified registrants, or the votes not properly cast have been identified and separated. All necessary precautions shall be taken to assure that all ballots and votes remain secret.

(B) The Commission may, upon application or by general rule or regulation, exempt any State or unit of general local government from the application of subparagraph (A) with respect to any polling place at which the Commission considers the separate processing required by such subparagraph to be impracticable or unnecessary.

(C) All individuals who register on election day shall be mailed a nonforwardable registration verification card. Cards which are returned as nondeliverable shall be forwarded to election officials for investigation. Cases which cannot be resolved by such officials shall be forwarded to the United States Attorney for such jurisdiction, for further investigation.

SEC. 7. RESPONSIBILITY OF THE COMMISSION.

(a) Administration of Act.—The Federal Election Commission is authorized to administer this Act and to make such rules, regulations, and orders as it deems necessary or appropriate for the efficient and expeditious administration of this Act.

(b) Advice and Technical Assistance.—The Commission shall provide advice and technical assistance to States in developing their voter registration plans and in establishing and maintaining their voter registration systems in accordance with national voter registration standards.

(c) Report.—The Commission shall report to the Congress every 2 years on—

(1) the effectiveness of efforts to establish and maintain voter registration procedures that broaden the American electorate;

(2) the administration of voter registration programs; and

(3) their recommendations to the Congress on action regarding national voter registration standards.

(d) Judicial Reveiw of Orders.—Any order of the Commission entered under this Act shall be reviewable, by the United States court of appeals for the circuit in which the State involved is located, on the filing of a petition by any aggrieved party. The appellee shall not be liable for costs in such court.

(e) Assistance to States.—The Commission shall make grants to the chief election official of each State in accordance with this section in order to assist States and units of general local government in establishing voter registration programs under the provisions of this Act after such State has a plan approved by the Commission. Such grants shall be made in a manner designed to facilitate the establishment of such programs for use in the first general election for Federal office held after the date of the approval of the State plan and in each applicable election thereafter. Such grants shall be made to enable and encourage States to computerize voter registration lists and to undertake alternative methods of voter registration, including—

(1) door-to-door registration; and

(2) voter registration accomplished simultaneously with an application for a driver's license and other human services in the State.

(f) Advisory Councils.—The Commission may establish an advisory council of State and local election officials to advise States about their voter registration systems.

(g) Allocation of Funds.—Except as provided in subsection (h), in submitting voter registration programs to the Commission in accordance with this Act, each State desiring funds also shall submit a request for funds to implement such programs, including a description of the intended uses of such funds. The Commission shall develop a formula for the allocation of funds to the States and shall allocate funds to the States. In allocating funds the Commission shall take into account the voting age population of the State, as established by the current population survey of the Bureau of the Census, the percentage of registered voters in the State, and the current voter registration programs in the State.

(h) Reallocation.—If the Commission determines that any amount made available to a State will not be required by that State or that a program proposed by a State does not qualify under this Act, the amount not used shall be available for reallocation as determined by the Commission, except that the Commission shall deposit in the Treasury, as miscellaneous receipts, any amount that is unused at the end of the fiscal year for which such amount was appropriated.

SEC. 8. STATE ADMINISTRATION OF GRANTS.

(a) Reports.—The Secretary of State (or other officer having responsibility for election administration) of each State shall administer grants made to that State under this Act and shall make such reports with respect to grants as the Commission may prescribe by regulation.

(b) Allocation to Sub-Units.—Each State may allocate any part of a grant under this Act to a city, county, or other political subdivision of such State if such subdivision conducts voter registration.

SEC. 9. FEDERAL CLEARANCE.

(a) Submission of State Plan.—(1) Within 2 years after the date of enactment of this Act the chief election official of each State shall submit to the Commission for its approval a State plan for voter registration. Such plan shall be submitted in accordance with this Act and shall contain the national standards set forth in this Act.

(2) Nothing in this subsection shall be construed to effect any procedures required by the Voting Rights Act and any preclearance or other requirement of such Act shall be complied with prior to the submission of such State plan to the Commission pursuant to this subsection.

(b) Decision by Commission.—The Commission shall, within 120 days after the date required for submission of a plan under subsection (a), approve or disapprove such plan or portion thereof. The Commission shall approve such plan if it determines that it was adopted after reasonable notice and hearing and includes provisions which meet or exceed the substance of each provision set forth in section 4(b).

(c) Application of Plan.—Once the State plan has been approved by the Commission, such plan shall apply to the first Federal general election following approval, and to all Federal elections thereafter.

(d) Changes in Plan To Be Approved.—Any changes which are made in a State's voter registration plan after the plan has been approved by the Commission shall be submitted to the Commission for approval.

SEC. 10. COMMISSION ENFORCEMENT.

The Commission shall, after consideration of any State hearing record, prepare and publish proposed regulations, within 120 days, setting forth an implementation plan, or portion thereof, for a State if—

(1) the State fails to submit a State plan for voter registration, pursuant to section 9(a), which meets the requirements of this Act; or

(2) the plan, or any portion thereof, submitted for such State is determined by the Commission not to be in accordance with the requirements of this Act or any rules or regulations prescribed by the Commission and such State fails, within 90 days after notification by the Commission, to revise a State plan for voter registration as required by the Commission.

SEC. 11. FEDERAL ENFORCEMENT PROCEDURES.

(a) Notification.—Whenever, on the basis of any information available to it, the Commission determines that any person, State or other governmental body is in substantial violation of any requirement of a voter registration plan, the Commission shall notify such person, State or governmental body in violation of the plan, and the State in which the plan applies, of such finding. If such violation extends beyond the 30th day after the date of the Commission's notification, the Commission shall either—

(1) issue an order requiring such person, State or governmental body to comply with the requirements of such plan; or

(2) bring a civil action in accordance with subsection (b) of this section.

(b) Commission's Civil Action.—The Commission may commence a civil action for a permanent or temporary injunction against any person, State or other governmental body that—

(1) violates or fails or refuses to comply with any order issued under subsection (a) of this section; or

(2) violates any requirement of a voter registration plan more than 60 days after being notified by the Commission under subsection (a)(1) of a finding that such person, State or body is violating such requirement.

Any action under this subsection may be brought in the district court of the United States for the district in which the violation occurred or in which the defendant resides, and such court shall have jurisdiction to restrain such violation, to require compliance, and to assess such civil penalty.

(c) Preventive Relief.—Whenever any person has engaged or there are reasonable grounds to believe that any person is about to engage in any act or practice prohibited by this section, the Attorney General or any aggrieved person may institute an action for preventive relief, including an application for a temporary or permanent injunction, or a restraining order.

(d) 3-Judge Court; Appeal to Supreme Court.—Any action pursuant to this section shall be heard and determined by a court of three judges in accordance with the provisions of section 2284 of title 28 of the United States Code, and any appeal shall lie to the Supreme Court.

(e) Actions Against Governmental Bodies.—(1) Except as otherwise provided in subsection (c), any person may commence a civil action—

(A) against any person, including the United States or any State, or other governmental instrumentality, who is alleged to be in violation of a voter registration plan or the national standards as set forth in section 4(b);

(B) against the Commission where there is alleged a failure of the Commission to perform any act or duty under this Act which is not discretionary with the Commission.

(2) The district courts shall have jurisdiction, without regard to the amount in controversy, to enforce such an approved State plan or national standard, or to order the Commission to perform such act or duty, as the case may be.

(f) Limitation Commencement.—No action may be commenced—

(1) under subsection (a)(1) of this section—

(A) before 60 days after the plaintiff has given notice of the violation (i) to the Commission, (ii) to the State in which the violation occurs, and (iii) to any alleged violator of the plan or national standard, or

(B) if the Commission or State has commenced and is delinquently prosecuting a civil action in a court of the United States or of a State to require compliance with the plan or standard, but in any such action in a court of the United States any person may intervene as a matter of right; or

(2) under subsection (a)(2) of this section before 60 days after the plaintiff has given notice of such action to the Commission.

Notice under this section shall be given in such manner as the Commission shall prescribe by regulation.

(g) INTERVENTION BY COMMISSION.—In any action under this section, the Commission, if not a party, may intervene as a matter of right.

(h) ATTORNEY'S FEES.—(1) In any action or proceeding under this chapter, the court, in its discretion, may allow the prevailing party a reasonable attorney's fee.

(2) For purposes of this section, fees incurred in complying with the notice requirements of this section or in pursuing the vindication of rights protected under this Act through administrative proceedings, shall be recoverable by a prevailing party.

SEC. 12. PENALTIES.

(a) FIRST OFFENSE.—Any person, including any election official, who knowingly and willfully—

(1) registers, or attempts to register to vote under this Act for the purpose of voting more than once in any Federal election;

(2) conspires with any person for the purpose of enabling such person to make false registration to vote in a Federal election or for the purpose of enabling or encouraging any individual to make such false registration to vote in a Federal election;

(3) falsifies any information with respect to the name, residence, or age of such person, or any other information for the purpose of establishing eligibility to register to vote in a Federal election under this Act; or

(4) takes action which results in the improper removal of any voter from the list of eligible voters based on race, color, membership in a language minority, sex, religion, political affiliation, or for nonvoting;

shall be fined not more than $10,000, or imprisoned for not more than 5 years, or both.

(b) SECOND OR SUBSEQUENT CONVICTIONS.—In the case of any second or subsequent conviction under this section, the person convicted shall be fined not more than $25,000, or imprisoned for not more than 10 years, or both.

SEC. 13. SAVINGS PROVISION.

Nothing in this Act shall be construed to restrict any right which any person may have under any statute, the common law, or the Constitution, to seek enforcement of any voter registration requirement or to challenge any voter registration requirement or plan, or to seek any other relief.

SEC. 14. DEFINITIONS.

For purposes of this Act, the term—

(1) "approved State plan" means a State plan for voter registration which has been approved by the Commission in accordance with national standards established by this Act;

(2) "Commission" means the Federal Election Commission;

(3) "chief local election official" means the individual who exercises primary responsibility with respect to the registration of qualified voters in a unit of local government, and who is the chief custodian of voter registration records in that unit of local government;

(4) "chief State election official" means the official, agency, or board of a State who exercises primary responsibility with respect to the registration of qualified voters or with respect to the conduct or supervision of any Federal election, or any election to a statewide office in such State, as certified to the Commission by such State;

(5) "election" or "Federal election" has the meaning given such term in section 301(1) of the Federal Election Campaign Act of 1971 (2 U.S.C. 301(1));

(6) "Federal office" means the office of President or Vice President, or an Elector for President or Vice President, or the office of Senator or Representative in, or Delegate or Resident Commissioner to, the Congress;

(7) "national standards" means the substance of all the provisions set forth in section 4;

(8) "State" means each State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and any territory or possession of the United States;

(9) "unit of general local government" means any city, county, town, parish, village, or other general-purpose political subdivision of a State; and

(10) "voter registration list" means the list of all voters registered and eligible to vote in a Federal election on the date of such election.

By Mr. MELCHER (for himself and Mr. HECHT):

S. 1889. A bill to amend the Geothermal Steam Act of 1970 to provide for lease extensions, and for other purposes; to the Committee on Energy and Natural Resources.

GEOTHERMAL STEAM ACT AMENDMENTS

Mr. MELCHER. Mr. President, I have a very brief statement. Today I introduced on behalf of myself and Senator HECHT, of Nevada, a geothermal bill to amend the Geothermal Steam Act of 1970. There are two significant parts of the bill. One part deals with the Federal leases for geothermal development and the second part concerns geothermal development near national treasures such as Old Faithful and the unique Geyser Basin in Yellowstone National Park.

Yellowstone is the granddaddy of all national parks. It was set aside for that prupose by a prudent Federal Government in 1972. And the crown prince of Yellowstone is Old Faithful; and the princess entourage is the other geysers and natural thermo features of Yellowstone. Imagine, if you will, the awe of the first native Americans as they witnessed the hourly great eruptions of Old Faithful spewing its fumes of hot water and steam hundreds of feet into the brilliant big sky country shared by what is not Wyoming and Montana.

Mr. President, the bill we introduce today just simply says there will not be any geothermal development near or very close to the border of Yellowstone and very close to Old Faithful in an area known as Corwin Springs, MT. It is necessary and wise in order to make certain that damage is not done to this magnificant geyser basin and that that prohibition be part of the Geothermal Act.

As to the other necessities the bill permits extension of Federal leases for geothermal development in areas of the country where natural thermal features will not be jeopardized.

The first white man to report the spectacular Old Faithful was John Colter, a member of the Lewis and Clark expedition, who found that he wished to return to the unspoiled land of Indians and wildlife, the land of mountains, plains, and rivers that are the trademarks of what is now Montana and northern Wyoming.

In this bill we continue to respect the glories of Old Faithful by preventing geothermal development near Yellowstone's boundary at Corwin Springs, MT. That is necessary and wise in order to make certain that damage is not done to this magnificant geyser basin.

As to other necessities, the bill permits extension of Federal leases for geothermal development in areas of the country where natural thermal features will not be jeopardized. These extension of leases have been reviewed and found to be in the public interest for development of clean domestic energy resources.

This bill is prudent and necessary. I recommend its passage promptly.

Madam President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1889

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Geothermal Steam Act Amendments".

SEC. 2. The following subsection is inserted at the end of section 2 of the Geothermal Steam Act of 1970 as amended (30 U.S.C. 1001):

"(f) 'Substantial investment' means expenditures at an amount per acre as specified by the Secretary. Such expenditures shall be made on one or more of the following: drilling exploratory, development, or temperature gradient wells; geological, geochemical, or geophysical surveys; environmental studies; architectural and engineering services procured in connection with design of generating facilities; or other expenditures approved by the Secretary."

SEC. 3. Section 6 of the Geothermal Steam Act of 1970 as amended (30 U.S.C. 1005(a)) is amended by striking subsection (a), and inserting in lieu thereof, the following:

"(a) Geothermal leases shall be for a primary term of ten years. If geothermal steam is produced or utilized in commercial quantities within this term, or any administrative extension thereof as provided under subsection (c), such lease shall continue for so long thereafter as geothermal steam is produced or utilized in commercial quantities, but such continuation shall not exceed an additional forty years.".

SEC. 4. Subsection 6(c) of the Geothermal Steam Act of 1970 as amended (30 U.S.C. 1005(c)) is amended by designating the current language as paragraph 6(c)(1), and by inserting the following as a new paragraph 6(c)(2):

"(c)(2) Any geothermal lease issued pursuant to this Act and in effect on or after the date of enactment of the Geothermal Steam Act Amendments of 1987 shall be extended for successive five-year periods, but totaling not more than fifteen years, if—

"(i) the lessee has submitted a report to the Secretary detailing bona fide efforts to bring such lease or approved cooperative or unit plan of development into commercial production, given the then current economic conditions; and either

"(ii) actual drilling operations, to a depth specified by the Secretary, were commenced prior to the end of its primary term and prior to the end of each successive five-year extension period and such drilling operations have not been used in obtaining a prior extension on any other lease and are being actively pursued on the lease to be extended or on another lease where, at the time application for extension is made and such drilling occurs, such leases are included in the same approved cooperative or unit plan of development or operation; or

(iii) in the opinion of the Secretary, substantial investment has been made during the primary term and during each successive five-year extension on such lease where, at the time the substantial investment is made, such leases are included in the same approved cooperative or unit plan of development or operation and such expenditures have not been used to obtain an extension on any other lease."

SEC. 5. Section 6(d) of the Geothermal Steam Act of 1970 as amended (30 U.S.C. 1005(d)) is amended by striking subsection 6(d), and inserting in lieu thereof the following:

"(d) For purposes of subsection (a) of this section, the term "produced or utilized in commercial quantities" includes the completion of a well capable of producing geothermal steam in commercial quantities."

SEC. 6. Section 18 of the Geothermal Steam Act of 1970 as amended (30 U.S.C. 1017) is amended by inserting the following new paragraph after the first full paragraph of that section:

"No more than five years after approval of any cooperative or unit plan of development or operation, and at least every five years thereafter, the Secretary shall review each such plan and, after notice and opportunity for comment, eliminate from inclusion in such plan any lease or part of a lease not regarded as reasonably necessary to cooperative or unit operations under the plan: *Provided,* That such elimination is based on scientific evidence, and occurs only when it is determined by the Secretary to be for the purpose of conserving and properly managing the geothermal resource. Any lease or part of a lease so eliminated would be eligible for an extension under section 6(c) of this title within 2 years if it separately meets the requirements for such an extension.".

SEC. 7. For purposes of section 115(2)(a) of Public Law No. 99-591, significant thermal features within the national park system shall include, but not be limited to, the following: thermal features designated as significant in the Federal Register notice of August 3, 1987 (Vol. 52, No. 148 Fed. Reg. 28790);

SEC. 8. The first sentence of section 115(2)(d) of Public Law No. 99-591 is amended to read as follows:

"(d) With respect to all geothermal leases and drilling permits issued, extended, renewed or modified, the Secretary shall include stipulations in leases and in drilling permits necessary to protect significant thermal features listed pursuant to subsection (a) of this section where a determination is made based on scientific evidence that the exploration, development, or utilization of the lands subject to the lease or drilling permit is reasonably likely to adversely affect such significant features."

SEC. 9. As part of the monitoring program required by section (2)(b) of Public Law No. 99-591, the Secretary of the Interior shall establish a research program to collect and assess data on the geothermal resources within units of the National Park System with significant thermal features. Such program shall begin with the collection and assessment of data for significant features near current or proposed geothermal development.

SEC. 10. (a) The U.S. Geological Survey, in consultation with the National Park Service, shall conduct a study of the impact of present and potential geothermal development in the vicinity of Yellowstone National Park on the thermal features within Yellowstone National Park. The area to be studied shall include the lands within the Corwin Springs Known Geothermal Resource Area as designated in the July 22, 1975 Federal Register (Fed. Reg. Vol. 40 No. 141). The study shall be transmitted to Congress no later than December 1, 1990.

(b) Any production from existing geothermal wells or any development of new geothermal wells or other facilities related to geothermal production is prohibited in the Corwin Spring Known Geothermal Resource Area until 180 days after the receipt by Congress of the study provided for in subsection (a) of this section.

(c) If the Secretary determines that geothermal drilling and related activities within the area studied pursuant to subsection (a) of this section may adversely affect the thermal features of Yellowstone National Park, the Secretary include in the report required under subsection (a) of this section recommendations regarding the acquisition of the geothermal rights necessary to protect such thermal resources and features.

(d) The Secretary may not issue, extend, renew or modify any geothermal lease or drilling permit pursuant to the Geothermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) in the Corwin Spring Known Geothermal Resource Area until 180 days after the receipt by Congress of the study provided for in section 10(a) of this Act. This section shall not be construed as requiring leasing subsequent to the 180 days after study submittal.

(e) Nothing contained in this Act shall affect the ban on leasing under the Geothermal Steam Act of 1970, as amended, with respect to the Island Park Geothermal Area, as designated by the map in the "Final Environmental Impact Statement of the Island Park Geothermal Area" (January 15, 1980. p. XI), and provided for in Public Law 98-473.

By Mr. DURENBERGER:

S. 1890. A bill to amend the Internal Revenue Code of 1986 to retain a capital gains tax differential, and for other purposes; to the Committee on Finance.

RETENTION OF CAPITAL GAINS DIFFERENTIAL

● Mr. DURENBERGER. Mr. President, I rise to introduce legislation that would restore a set of exclusions for long-term capital gains. I believe this legislation will help to encourage a shift in investment strategy away from the short-term, and will help funnel capital into the evolving small businesses that will provide the largest share of employment growth for the foreseeable future.

This legislation establishes three levels of capital gains exclusions. For assets held for more than 4 years, the exclusion is 40 percent. Assets held for more than 6 years would qualify for a 60-percent exclusion. And assets held for more than 8 years would qualify for an 80-percent exclusion. Under this formula, the top capital gains rates would be respectively 16.8 percent, 11.2 percent, and 5.6 percent.

Mr. President, the steady erosion of our industrial base and the recent decline of our high-technology industries raises issues both of national security as well as the future economic competitiveness of our society. Why are we losing our supremacy in semiconductor manufacturing to the Japanese? Why have the Japanese and European machine tool industries succeeded in endangering the viability of our domestic industry? Why have the Japanese taken over the consumer electronics market and been able to claim more than 25 percent of domestic auto sales? Why has our steel industry been able to barely survive only with the assistance of Government programs limiting imports of foreign steel?

If we are to find truly meaningful answers and solutions to these questions, I believe we must give serious consideration to a fundamental issue; Does the American investor's focus on short-term corporate profitability inevitably dooms us in our competition with foreign corporations who have a long-range competitive vision.

Much has been written about the short-term quarterly profit mentality of American business. I'm not convinced that keeping a close watch on short-term profits is inherently bad. Yet, the constant pressure that quarterly reporting puts on management makes it extremely difficult for American companies to gain footholds in new markets, and instead encourages companies to close marginally profitable divisions that in 3 to 5 years could become important sources of profits and jobs.

In the past, we have allowed long-term capital gains exclusions for assets held for 1 year. In recent years we have allowed an exclusion for assets held for only 6 months. In my view, such short-term holding periods have encouraged churning of assets and have contributed to the emphasis on short-term returns at the expense of long-term growth.

Mr. President, people in our country spend years building up profitable small businesses, or developing successful farms, only to find that when they decide to sell the business and retire, their gains from years of building the business are taxed at the same level as someone who has held an asset for barely 6 months. That makes no sense. My legislation recognizes that long-term investments—at least 4 years—should be taxed more favorably than quick speculative profits.

Moreover, our current system of taxation encourages people to sell capital assets within short periods of time. This results from the fact that our current tax system does not factor in the impact of inflation when assets are held for a substantial period of time. For example, if an investor purchases shares in a company at $50 per share, and 4 years later sells the shares at $60, under current law, the investor would pay tax on a $10 gain. However, if, during that 4 year period, inflation averaged 4 percent, the investor's real gain would only be $1.25. By allowing for an exclusion for truly long-term gains, my legislation diminishes the impact of inflation on asset values, and reduces the possibility that investors are taxed on phantom gains.

There are various studies which suggest that a capital gains differential would actually generate additional revenues to the Federal Government. Although I am not totally convinced that is always the case, I am convinced that over the long-term—4, 5, 10 years—a real long-term capital gains differential will spur improved growth and larger profits which will translate into greater revenues for the Federal Government.

Mr. President, today the world markets are awaiting a decision from the congressional leadership and the President as to whether we can craft an agreement that move toward reduction of the deficit. It is my hope that the budget summit will achieve a reasoned compromise. But that is for the short-term. We must refocus our attention toward the long-term investment climate for America. Restoration of a real long-term capital gains exclusion should send an important signal to the investment community that long-term planning, and long-term commitments, are the only way that American industry will regain its international competitiveness.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1890

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RESTORATION OF CAPITAL GAINS DEDUCTION.

(a) IN GENERAL.—Subtitle A of title III of the Tax Reform Act of 1986 (relating to individual and corporate capital gains treatment) is hereby repealed.

(b) CONFORMING AMENDMENT.—The Internal Revenue Code of 1986 shall be applied and administered as if such subtitle A (and the amendments made by such subtitle) had not been enacted.

SEC. 2. AMOUNT OF DEDUCTION FOR CAPITAL GAINS BASED ON HOLDING PERIOD OF ASSET.

(a) IN GENERAL.—Subsection (a) of section 1202 of the Internal Revenue Code of 1986 (relating to deduction for capital gains) is amended to read as follows:

"(a) DEDUCTION ALLOWED.—If for any taxable year a taxpayer other than a corporation has a net capital gain, there shall be allowed as a deduction from gross income an amount equal to the sum of—

"(1) 80 percent of the lesser of—

"(A) the net capital gain, or

"(B) the qualified 8-year net capital gain, plus

"(2) 60 percent of the lesser of—

"(A) the net capital gain, reduced by the amount taken into account under paragraph (1), or

"(B) the qualified 6-year net capital gain, plus

"(3) 40 percent of the lesser of—

"(A) the net capital gain, reduced by the amounts taken into account under paragraphs (1) and (2), or

"(B) the qualified 4-year net capital gain.".

(b) QUALIFIED 8-YEAR, 6-YEAR, AND 4-YEAR NET CAPITAL GAIN.—Subsection (c) of section 1202 of the Internal Revenue Code of 1986 is amended to read as follows:

"(c) QUALIFIED 8-YEAR, 6-YEAR, AND 4-YEAR NET CAPITAL GAIN.—For purposes of subsection (a)—

"(1) QUALIFIED 8-YEAR NET CAPITAL GAIN.—The term 'qualified 8-year net capital gain' means the amount of net capital gain determined for the taxable year by taking into account only capital assets with a holding period of at least 8 years at the time of the sale or exchange.

(2) QUALIFIED 6-YEAR NET CAPITAL GAIN.—The term 'qualified 6-year net capital gain' means the amount of net capital gain determined for the taxable year by taking into account only capital assets with a holding period of at least 6 years but less than 8 years at the time of the sale of exchange.

"(3) QUALIFIED 4-YEAR NET CAPITAL GAIN.—The term 'qualified 4-year net capital gain' means the amount of net capital gain determined for the taxable year by taking into account only capital assets with a holding period of at least 4 years but less than 6 years at the time of sale or exchange.".

(c) INCREASE IN HOLDING PERIOD REQUIRED FOR LONG-TERM CAPITAL GAIN TREATMENT.—

(1) IN GENERAL.—

(A) CAPITAL GAINS.—Paragraphs (1) and (3) of section 1222 (relating to other terms relating to capital gains and losses) are each amended by striking out "1 year" and inserting in lieu thereof "4 years".

(B) CAPITAL LOSSES.—Paragraphs (2) and (4) of section 1222 are each amended by striking out "1 year" and inserting in lieu thereof "4 years".

(20 CONFORMING AMENDMENTS.—The following provisions are each amended by striking out "1 year" each place it appears and inserting in lieu thereof "4 years":

(A) Paragraph (1)(B) of section 166(d) (relating to nonbusiness debts).

(B) Subsection (a) of section 341 (relating to treatment of gain to shareholders in the case of collapsible corporations).

(C) Subparagraph (L) of subsection (e)(4) of section 402 (relating to capital gains treatment for certain distributions in the case of a beneficiary of an exempt employees' trust).

(D) Paragraph (1) of section 423(a) (relating to employee stock purchase plans).

(E) Paragraph (2) of section 582(c) (relating to capital gains of banks).

(F) Paragraphs (1) and (2) of section 584(c) (relating to inclusion in taxable income of participants in common trust funds).

(G) Paragraphs (3) and (4) of section 642(c) (relating to charitable deductions for certain trusts).

(H) Paragraphs (1) and (2) of section 702(a) (relating to income and credits of partner).

(I) Subparagraph (a) of section 818(b)(1) (relating to certain gains and losses in the case of life insurance companies).

(J) Subparagraph (B) of section 852(b)(3) (relating to taxation of shareholders of regulated investment companies).

(K) Subparagraph (A) of section 856(c)(4) (relating to definition of real estate investment trust).

(L) Paragraphs (3)(B) and (7) of section 857(b) (relating to taxation of shareholders of real estate investment trust).

(M) Paragraphs (11) and (12) of section 1223 (relating to holding period of property).

(N) Section 1231 (relating to property used in the trade or business and involuntary conversions).

(O) Subsections (b), (d), and subparagraph (A) of subsection (e)(4) of section 1233 (relating to gains and losses from short sales).

(P) Paragraph (1) of section 1234(b) (relating to treatment of the grantor of an option in the case of stock, securities, or commodities).

(Q) Subsection (a) of section 1235 (relating to sale or exchange of patents).

(R) Paragraph (4) of section 1246(a) (relating to holding period in the case of gain on foreign investment company stock).

(S) Subsection (i) of section 1247 (relating to loss on sale or exchange of certain stock in the case of foreign investment companies electing to distribute income currently).

(T) Subsections (b) and (g)(3)(C) of section 1248 (relating to gain from certain sales or exchanges of stock in certain foreign corporations).

(U) The first sentence of subsection (a) and subsections (b) and (c) of section 631.

(d) CONFORMING AMENDMENTS.—

(1) Section 57(a) of the Internal Revenue Code of 1986 (relating to items of tax preference) is amended by adding at the end thereof the following new paragraph:

"(8) CAPITAL GAINS.—

"(A) INDIVIDUALS.—In the case of a taxpayer other than a corporation, an amount equal to the net capital gain deduction for the taxable year determined under section 1202.

"(B) PRINCIPAL RESIDENCE.—For purposes of subparagraph (A), gain from the sale or exchange of a principal residence (within the meaning of section 1034) shall not be taken into account.

"(C) SPECIAL RULE FOR CERTAIN INSOLVENT TAXPAYERS.—

"(i) IN GENERAL.—The amount of the tax preference under subparagraph (A) shall be reduced (but not below zero) by the excess (if any) of—

"(I) the applicable percentage of gain from any farm insolvency transaction, over

"(II) the applicable percentage of any loss from any farm insolvency transaction which offsets such gain.

"(ii) REDUCTION LIMITED TO AMOUNT OF INSOLVENCY.—The amount of the reduction determined under clause (i) shall not exceed the amount by which the taxpayer is insolvent immediately before the transaction (reduced by any portion of such amount previously taken into account under this clause).

"(iii) FARM INSOLVENCY TRANSACTION.—For purposes of this subparagraph, the term 'farm insolvency transaction' means—

"(I) the transfer by a farmer of farmland to a creditor in cancellation of indebtedness, or

"(II) the sale or exchange by the farmer of property described in subclause (I) under the threat of foreclosure,

but only if the farmer is insolvent immediately before such transaction.

"(iv) INSOLVENT.—For purposes of this subparagraph, the term 'insolvent' means the excess of liabilities over the fair market value of assets.

"(v) APPLICABLE PERCENTAGE.—For purposes of this subparagraph, the term 'applicable percentage' means that percentage of net capital gain with respect to which a deduction is allowed under section 1202(a).

"(vi) FARMLAND.—For purposes of this subparagraph, the term 'farmland' means any land used or held for use in the trade or business of farming (within the meaning of section 2032A(e)(5)).

"(vii) FARMER.—For purposes of this subparagraph, the term 'farmer' means any taxpayer if 50 percent or more of the average annual gross income of the taxpayer for the 3 preceding taxable years is attributable to the trade or business of farming (within the meaning of section 2032A(e)(5)).".

(2) Subparagraph (B) of section 170(e)(1) of such Code (relating to certain contributions of ordinary income and capital gain property) is amended by striking out "40 percent" and inserting in lieu thereof "100 percent minus the percentage described in paragraph (1), (2), or (3) of section 1202(a), whichever is applicable".

(3) Paragraph (4) of section 691(c) of such Code (relating to deduction for estate tax) is amended by striking out "section 57(a)(9)" and inserting in lieu thereof "section 57(a)(8)".

(4) Section 852(b)(3) of such Code (relating to capital gains) is amended by adding at the end thereof the following new subparagraph:

"(E) 4-YEAR AND 6-YEAR CAPITAL GAIN.—The company in the written notice under subparagraph (C) shall designate the portion of the capital gain dividend which is qualified 4-year net capital gain and qualified 6-year net capital gain (within the meaning of section 1202(c))."

SEC. 3. EFFECTIVE DATE.

(a) IN GENERAL.—The amendments made by this section shall apply to sales or exchanges after the date of the enactment of this Act.

(b) COORDINATION WITH TAX REFORM ACT OF 1984.—

(1) IN GENERAL.—Notwithstanding section 1001(e) of the Tax Reform Act of 1984, and except as provided in paragraph (2), the amendments made by section 1001 of the Tax Reform Act shall not apply to property acquired or sold or exchanged after the date of the enactment of this Act.

(2) ELECTION.—A taxpayer may elect, in such manner and at such time as the Secretary of the Treasury or his delegate may prescribe, not to have the amendments made by this Act apply to any sale or exchange after the date of the enactment of this Act.●

By Mr. WIRTH (for himself and Mr. GRAHAM):

S. 1891. A bill to establish a Financial Services Oversight Commission, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

FINANCIAL SERVICES OVERSIGHT ACT

Mr. WIRTH. Mr. President, today my distinguished colleague from Florida, Mr. GRAHAM, and I are introducing legislation, S. 1891, the Financial Services Oversight Act, to develop a new functional structure to regulate our financial services markets.

Many of the legislative proposals discussed to date focus only on expanding powers in the financial markets. The primary issue, however, is not one of which powers to grant which financial institution. Rather, we need to put into place a farsighted structure to oversee these markets as they evolve and change in a dynamic international financial arena.

We are faced today with an antiquated financial infrastructure—resembling a model T automobile—that is forced to travel on a modern electronic highway. Our public sector model T cannot keep up with our domestic private sector. As a result, our domestic financial markets are at a distinct disadvantage with our international competitors.

In addressing the issue of financial restructuring, I believe we must be guided by several critical public policy goals:

To strengthen the regulation, supervision and the public safety surrounding banking and finance;

To consolidate supervision by function rather than by institutional distinctions;

To protect depositors, policyholders and investors by ensuring the integrity of institutions and markets, and by providing safeguards from excessive risk;

To assure fairness in accessibility of capital and credit, ensure impartial credit decisions, promote balanced distributions of credit in the marketplace, preserve competitive equity and market efficiency and prevent conflicts of interest, excess concentration of financial resources or unfair competitive practices.

While chairman of the House Subcommittee on Telecommunications, Consumer Protection and Finance, I addressed many of those same principles and sought a regulatory structure that would achieve them. I proposed a Capital Markets Commission, whose goal was to evaluate the Nation's long-term capital requirements and examine changes in financial structure and regulation from a broad public policy perspective. The subcommittee held exhaustive hearings on restructuring and introduced legislation that focused on the regulatory structure rather than powers as the primary objective.

I believe Congress' first priority is to ensure that the Government's responsibilities for maintaining a stable and sound financial environment can be met. Evidence of the need to strengthen the framework and tools Government uses to perform that task is abundant. Our priority needs must include:

First, a framework for supervision and regulation that fits the kind of system that has evolved over the last decade, and can adapt as the system continues to evolve in the future;

Second, a payments system that can respond to the pressures of crisis conditions, rather than contribute to or even cause further crises; and

Third, a financial safety net that can truly protect the small saver from the loss and inconvenience of financial failures without encouraging risk taking and rewarding the speculator.

With all of this in mind, Senator GRAHAM and I incorporated into legislative form a proposal put forth by Gerald Corrigan, president of the Federal Reserve Bank of New York. It is a thoughtful blueprint for modernizing ways in which Government can meet its responsibilities.

We currently have an environment in which financial services have become homogenized and barriers between sectors and products have fallen. The Corrigan proposal provides a framework for coordinating diverse and often contradictory regulatory strategies. Specifically:

A 15-member Financial Services Oversight Commission would be created made up of nine voting members and six advisory members.

The nine voting members would be the chairmen of the national regulatory agencies and the six advisory members would represent State regulators. This Commission would provide an umbrella supervisory structure.

The Commission could regulate activities of banking, financial and commercial holding companies and establish minimum standards of capital adequacy for financial holding companies.

The separation of banking and commerce would be preserved.

Bank (thrift) holding companies could own and control banks or thrifts, and could engage in a broad range of financial services. Bank holding companies could not be controlled by a nonfinancial commercial concern or engage in nonfinancial activities.

Financial holding companies could not be owned by a commercial firm. They could offer noninsured transaction accounts. A financial holding company could also choose to own and control insured banks and thrifts, thereby voluntarily shifting its status to a bank or thrift holding company.

Commercial holding companies could engage in commercial enterprises of their choice, including nonbank activities.

Commercial holding companies could not own or control a bank or thrift, would be barred from direct access to the payments system and would not receive liquidity assistance from the central bank.

The legislation Senator GRAHAM and I are introducing today embodies the essence of the Corrigan proposal. The bill reflects a realistic assessment of the extent to which financial functions and products have been regulated to date. But more importantly, it provides an orderly framework for further integration of financial services well into the future.

We are introducing the bill to broaden and to complement the debate as the Banking Committee, under Chairman PROXMIRE's able direction, enters a new series of hearings on financial restructuring. We reserve the right to alter the proposal as we proceed through the deliberative process.

For example, we may find that this proposal gives too much policymaking authority to the regulators, powers that are primarily the responsibility of Congress. We may also need to extend the transition periods for the proposed structural changes that would take place. In addition, it is clear to me that we need to address the financial safety net in its entirety, and this proposal does not do so. As financial services become more integrated there will be increased pressures on the existing Government guarantee programs. This is a vital problem that Congress must soon address.

Mr. President, we introduce the Financial Services Oversight Act as a functional regulatory framework. We are experiencing a time of increased interdependence and inherent fragility of our financial system. The bill we introduce today is directed toward maintaining and enhancing public confidence in our financial markets, so that these markets can continue to raise the capital needed to fund long term economic growth.

Mr. President, I ask unanimous consent that the text of the legislation, a summary of the legislation, and a report by the president of the Federal Reserve Bank of New York be printed in the RECORD.

Mr. GRAHAM. Mr. President, when the Congress passed the competitive equity banking bill this past summer we said we had a "plumbers' bill" to take care of the immediate weak spots in an outdated system, at the same time we promised the review of our financial industries that responsible planning for the future requires, we called that the "architects' bill" and this legislation looks at the entire edifice of banking and commercial money operations and provides a new framework for soundness and intelligent expansion.

This legislation designs a "user friendly" banking industry for the 21st century, the users of financial services all benefit from the increased competitiveness and security and availability of those services.

The small depositor gets greater security.

The government users (municipal bond financing for public projects) get a more competitive market.

The corporate community can more readily access U.S. banks for its needs because those banks can be more active in the existing global financial market.

At present the traditional narrow lines of banking and commerce are blurring as the industry responds to change. Loopholes and court challenges and the variable nature of international and domestic economics have altered the landscape.

While Congress has waited the world has not.

This is a patchwork approach to change. Patches in a climate as volatile as the global financial market are too risky. If we are to allow the industry to develop naturally without sacrificing security—then we must allow for more choices and we must provide for accountable regulation.

The Congress must reassert its traditional primary role in establishing the structure of America's financial systems.

The Financial Services Oversight Act will create a 15-member Financial Services Oversight Commission made up of both private and public sector. The Commission will be made up of nine voting members from the national financial regulatory agencies and six advisory members representative of State regulators. The Oversight Commission will act as an umbrella supervisory structure.

Among other things—under that structure banking and commerce would be kept separate but financial institutions could engage in a broader range of financial services.

Commercial holding companies could not own or control a bank but they could engage in all nonbank activities.

Financial holding companies could not be owned by a commercial firm. They could offer transaction accounts but would not be eligible for Federal insurance. However, if they chose to own and control an insured bank or thrift, they could shift their status to that of a bank holding company.

The act would terminate the grandfather status of nonbank banks and amend sections 20 and 32 of the Glass-Steagall Act.

It would also set up a National Electronic Payments Corporation to coordinate and speed up existing technologies to facilitate large dollar transactions and to increase liquidity and safety in electronic payments.

This legislation puts the many of the ideas set out in New York Federal Reserve Bank President, E. Gerald Corrigan's report on a longer view of the financial market structure, on the table. We are confident the bill will encourage the kind of probing and exhaustive consideration of the future of our financial industries which an architectural approach demands.

Whether or not it survives intact as a piece of legislation the Financial Services Oversight Act will start the discussion and debate and for the American consumer and the financial industry the debate should conclude with a realistic and contemporary, secure and prudently regulated system to provide America's financial services—now and well into the 21st century.

Mr. DIXON. Mr. President, as a member of the Banking Committee, I am singularly impressed by the very fine thought process that has been involved in the introduction of a bill by my warm friends, the distinguished Senator from Colorado [Mr. WIRTH] and the distinguished Senator from Florida [Mr. GRAHAM]. They are bright and very thoughtful and very hard-working members of the Banking Committee. All of us on the committee are indebted to them for their contribution to the very serious process that is going on right now in this committee, which I hope will lead to major banking legislation in the very early part of next year and immediately prior to March 1.

Mr. DODD. Mr. President, very, very briefly, first of all, let me commend my colleague from Colorado and my colleague from Florida. I am not yet a cosponsor of their proposal. They are just introducing it at this very moment. But I must say I find it to be a most attractive proposal and one that incorporates a lot of what must be done, I think, if we are going to deal with this issue of financial institutions and not only deals, as the Senator from Colorado has so eloquently pointed out, with the question of powers where we seem to focus most of our attention, but goes far beyond that. It talks about the structures and the schemes which must be in place if we are going to have a changed environment, if you will, a regulator to the environment for financial institutions.

As the Senator from Colorado has pointed out we are in the process of having discussions among ourselves as to how best to proceed in the next several weeks when we will begin a markup process to deal with this legislation under the scheme of the moratorium, of course, which was adopted and as the Chair, the Senator presiding in the chair, was deeply involved in last year to try to meet those targets and goals with what we promised would be a comprehensive approach in dealing with our financial institutions. So I compliment both of my colleagues.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1891

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Financial Services Oversight Act".

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SEC. 2. DECLARATION OF PURPOSES.

The purposes of this Act are—

(1) to preserve and strengthen the regulatory and supervisory frameworks associated with banking and other financial services,

(2) to preserve continuity and flexibility of the public safety net surrounding banking and finance,

(3) to respond to functional rather than institutional distinctions with respect to banking and other financial services,

(4) to provide for an appropriate degree of consolidated supervision of diversified financial firms.

(5) to protect depositors, policy holders, and investors by ensuring the integrity of institutions and markets, by providing safeguards from excessive risk, and by ensuring the banking and financial system exercises its fiduciary responsibility with respect to maintaining the value of financial investments,

(6) to assure fairness with respect to the accessibility of capital and credit,

(7) to ensure credit decisions are made impartially,

(8) to promote a balanced distribution of credit in the marketplace,

(9) to preserve competitive equity and enhance market efficiency, and

(10) to prevent conflicts of interest, concentration of financial resources and unfair competitive practices.

TITLE I—FINANCIAL SERVICES OVERSIGHT COMMISSION

SEC. 101. ESTABLISHMENT OF COMMISSION.

There is established in the executive branch a Financial Services Oversight Commission (hereafter referred to as the "Commission") which shall be an independent agency of the United States.

SEC. 102. MEMBERSHIP.

(a) IN GENERAL.—The Commission shall consist of 9 voting members.

(b) VOTING MEMBERS.—

(1) COMPOSITION.—The Commission shall consist of the following voting members:

(A) The Chairman of the Board of Governors of the Federal Reserve System.

(B) The Comptroller of the Currency.

(C) The Chairman of the Board of Directors of the Federal Deposit Insurance Corporation.

(D) The Chairman of the Federal Home Loan Bank Board.

(E) The Chairman of the Securities and Exchange Commission.

(F) The Chairman of the Commodity Futures Trading Commission.

(G) The President of the National Association of Insurance Commissioners.

(H) A Chairman.

(I) A Vice Chairman.

(2) QUALIFICATIONS, TERM, AND APPOINTMENT OF CHAIRMAN AND VICE CHAIRMAN.—

(A) APPOINTMENT.—The Chairman and Vice Chairman shall be appointed by the President, by and with the advice and consent of the Senate.

(B) TERM.—The Chairman and Vice Chairman shall each hold office for a term of 6 years, except that the initial term of the Chairman shall be 5 years and the initial term of the Vice Chairman shall be 2 years. The Chairman and Vice Chairman may hold office until a successor is appointed and qualified.

(c) ADVISORY COMMITTEE.—The Commission shall establish an advisory committee which shall consist of the following members:

(1) A representative of State bank supervisors,

(2) A representative of State thrift supervisors,

(3) A representative from the National Association of Securities Dealers,

(4) A representative of State securities administrators,

(5) The Chairman of the Pension Benefit Guaranty Corporation,

(6) A representative of the State credit union supervisors, and

(7) such other members as the Commission may determine to be necessary to carry out the purposes of this Act.

(d) COMPENSATION OF MEMBERS.—Each member of the Commission who is not otherwise an officer of the Government of the United States shall be entitled to compensation at a rate not to exceed the daily equivalent of the rate of pay provided for a GS-18 under the General Schedule for each day on which the member is engaged in carrying out responsibilities of the Commission and shall be entitled to reimbursement for travel expenses and per diem in connection with attendance at meetings and hearings of the Commission to the same extent and in the same manner as employees of the Federal Government under subchapter I of chapter 57 of title 5, United States Code.

SEC. 103. DUTIES OF THE COMMISSION.

(a) IN GENERAL.—The Commission shall—

(1) promulgate regulations defining the types of activities in which bank holding companies, financial holding companies, and commercial holding companies may engage;

(2) take appropriate action to enforce compliance with such regulations either directly or through referrals to primary regulatory agencies;

(3) establish minimum standards of capital adequacy for financial holding companies and their affiliates;

(4) coordinate its activities with the rulemaking and enforcement activities of other Federal agencies and State agencies; and

(5) promulgate regulations to assure that transactions between financial services subsidiaries of all holding companies are conducted in a manner consistent with the purposes of this Act.

(b) CONSULTATION WITH ADVISORY COMMITTEE.—The advisory committee members may attend and participate fully in all formal rulemaking proceedings of the Commission. A proposed rule or regulation may not take effect prior to the expiration of 120 days after submission to the advisory committee which shall have 120 days to review and comment on such proposal.

(c) MAJORITY APPROVAL.—No final action shall be taken with respect to a proposed rule or regulation unless approved by an affirmative vote of not less than 6 voting members of the Commission.

(d) BALANCE OF COMPETITION.—In carrying out its functions, the Board shall—

(1) avoid concentration of financial services in the marketplace, and

(2) assure that there is a balance of competitive equity between nonbank financial companies that are affiliates of banks or financial holding companies on the one hand, and affiliates of commercial firms on the other.

(e) REFERRAL.—The Commission shall refer any violation of its regulations to the agency having primary regulatory jurisdiction. Such violation shall also be referred to the Board of Governors, if the Board of Governors is not the agency with primary regulatory jurisdiction.

SEC. 104. PERMISSIBLE ACTIVITIES AND INVESTMENTS OF HOLDING COMPANIES.

(a) BANK AND FINANCIAL HOLDING COMPANIES.—A bank holding company or financial holding company may not control any commercial company or engage in any commercial activity.

(b) COMMERCIAL HOLDING COMPANIES.—A commercial holding company may not control a bank or a financial company which holds or offers transaction accounts.

(c) TRANSITION RULES.—The Commission shall by regulation establish a reasonable period of time to provide for the divestiture or other cessation of investments or activities made or first engaged in prior to the date of enactment of this Act.

SEC. 105. RULEMAKING AUTHORITY.

(a) IN GENERAL.—The Commission may issue rules and regulations to carry out the purposes of this Act.

(b) FORMAL RULEMAKING.—Any rule or regulation issued pursuant to this Act shall be made on the record after opportunity for hearing in accordance with sections 553, 556, and 557 of title 5, United States Code.

SEC. 106. REPORTING REQUIREMENTS.

(a) IN GENERAL.—The Commission shall monitor the activities of bank, financial, and commercial holding companies to insure compliance with this Act and the rules and regulations promulgated thereunder. To that end, the Commission may periodically require reports under oath, in such scope and detail as it may determine necessary and proper to insure the purposes of this Act are accomplished.

(b) INFORMATION EXCHANGE WITH APPROPRIATE FEDERAL AND STATE AGENCIES.—The Commission may make available any reports required under this section to the regulatory agency having primary jurisdiction. In the event an agency other than the Board of Governors has primary regulatory jurisdiction, the Commission may make such reports available to the Board of Governors.

SEC. 107. ENFORCEMENT.

(a) IN GENERAL.—If in the opinion of the Commission, any bank holding company, financial holding company, or commercial holding company—

(1) is engaging, has engaged, or is about to engage in, a practice or activity prohibited by the Commission's rules or regulations, or

(2) is in violation of or about to violate a law, rule, or regulation, or any condition imposed in connection with its conduct of a financial service over which the Commission has oversight authority,

the Commission shall immediately notify the regulatory agency having primary jurisdiction and shall forward all supporting documentation to such agency. In the event an agency other than the Board of Governors has primary regulatory jurisdiction, the Commission shall also notify the Board of Governors.

(b) ENFORCEMENT ACTION BY REGULATORY AGENCY.—After notice and hearing, the agency with primary regulatory jurisdiction, or, if appropriate, the Board of Governors, shall have authority with respect to any bank, financial, or commercial holding company, or any other entity engaging in financial services to—

(1) require divestiture with respect to the conduct of any activity which violates the Commission's rules or regulations,

(2) impose additional capital requirements,

(3) issue an order to cease and desist from such violation or practice, or

(4) issue an order imposing civil penalties in an amount not greater than $10,000 per day for each day a prohibited activity or practice is engaged in or a violation is committed, and

(5) bring action in the appropriate United States district court or any other court of competent jurisdiction to enforce an order issued under this title.

(c) DEFINITION OF AGENCY WITH PRIMARY REGULATORY JURISDICTION.—For purposes of this title, the term "agency with primary regulatory jurisdiction" means—

(1) the Financial Services Oversight Commission in the case of a financial holding company or a commercial holding company;

(2) in the case of an insurance company, the State Insurance Commission or Board of the State in which an insurance company is incorporated;

(3) the Securities Exchange Commission in the case of a broker or dealer in securities or in the case of a company which is a holding company with respect to a broker or dealer in securities;

(4) the Comptroller of the Currency in the case of a national banking association, a District bank, or a Federal branch or agency of a foreign bank;

(5) the Board of Governors of the Federal Reserve System—

(A) in the case of a bank holding company and thrift holding company,

(B) in the case of a State member insured bank (except a District bank),

(C) in the case of any branch or agency of a foreign bank with respect to any provision of the Federal Reserve Act which is made applicable under the International Banking Act of 1978,

(D) in the case of any foreign bank which does not operate an insured branch, and

(E) in the case of any agency or commercial lending company other than a Federal agency;

(6) the Federal Deposit Insurance Corporation in the case of a State nonmember insured Bank (except a District bank) or a foreign bank having an insured branch; and

(7) the Federal Home Loan Bank Board in the case of an insured Federal savings bank.

SEC. 108. POWERS OF THE COMMISSION.

In addition to the powers granted to the Commission elsewhere in this title, for purposes of carrying out the provisions of this title, the Commission shall have power—

(1) to enter into contracts, to execute instruments, to incur liabilities, and to do any and all other acts as may be necessary and incidental to the conduct of its business;

(2) to sue and be sued, complain and defend, in any court of law or equity, State or Federal;

(3) to use the United States mails in the same manner and under the same conditions as other Federal agencies;

(4) to appoint and fix the compensation of such officers, attorneys, and other experts as may be necessary, and, subject to the civil service laws, appoint such other officers and employees as are necessary in the execution of its functions and to fix their salaries in accordance with chapter 51 and subchapter III of chapter 53 of title 5, United States Code;

(5) to lease, purchase, or otherwise acquire, own, hold, improve, use, or otherwise deal in or with, and sell, convey, mortgage, pledge, lease, exchange or otherwise dispose of, any property, real, personal, or mixed, or any interest therein, wherever situated;

(6) to adopt, amend, and repeal regulations relating to the conduct of its business and the exercise of all other rights and powers granted by this Act; and

(7) to secure information directly from any Federal or State regulatory agency. In any case in which the Commission receives any information from a Federal or State agency, the Commission shall not disclose such information to the public unless such agency is authorized to disclose such information pursuant to Federal or State law.

SEC. 109. DEFINITIONS.

For purposes of this title:

(1) BANK HOLDING COMPANY.—The term "bank holding company" means any company which controls any other company that holds accounts insured under the Federal Deposit Insurance Act or title IV of the National Housing Act.

(2) FINANCIAL HOLDING COMPANY.—The term "financial holding company" means any company (other than a bank holding company) which controls any other company that offers transaction accounts.

(3) COMMERCIAL HOLDING COMPANY.—The term "commercial holding company" means any company which controls any other company engaged in financial activities (as defined in regulations of the Financial Services Oversight Commission) and which is not a bank holding company or a financial holding company.

(4) CONTROL.—The determination whether any company has control over any other company shall be made in the same manner as under section 2(a)(2) of the Bank Holding Company Act of 1956.

(5) TRANSACTION ACCOUNT.—The term "transaction account" has the same meaning as under the last sentence of section 19(b)(1)(C) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(C)).

(6) BOARD OF GOVERNORS.—The term "Board of Governors" means the Board of Governors of the Federal Reserve System.

SEC. 110. AUTHORIZATION.

There are authorized to be appropriated such sums as are necessary to carry out the provisions of this title.

TITLE II—AMENDMENTS TO BANKING AND SECURITIES LAWS

SEC. 201. AMENDMENTS TO THE BANK HOLDING COMPANY ACT OF 1956.

(a) TERMINATION OF GRANDFATHER STATUS OF NONBANK BANK HOLDING COMPANIES.—

(1) IN GENERAL.—Section 4(f) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(f)) is amended by adding at the end thereof the following:

"(11) TERMINATION.—Paragraph (1) shall cease to apply to any company described in such paragraph on January 1, 1998.".

(2) EXEMPTION.—The Board may exempt from the application of the amendment made by paragraph (1) any company to which such provision applies for an additional period or periods aggregating not to exceed 1 year where necessary to provide for the orderly disposition of insured bank subsidiaries of affected companies.

(b) BANK HOLDING COMPANY ACTIVITIES AFTER MARCH 1988.—Section 4(c)(8) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)(8)) is amended to read as follows:

"(8)(A) shares of any company the activities of which the Board, after notice and opportunity for hearing, has determined (by order or regulation)—

"(i) to be so closely related to banking or managing or controlling banks as to be a proper incident thereto; or

"(ii) are financial services described in regulations of the Financial Services Oversight Commission.

"(B) In determining for the purpose of subparagraph (A)(i) whether a particular activity is a proper incident to banking or managing or controlling banks, the Board shall consider whether its performance by an affiliate of a holding company can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices.

"(C) In orders and regulations under this subsection, the Board may differentiate between activities commenced de novo and activities commenced by the acquisition, in whole or in part, of a going concern.

"(D) Notwithstanding any other provision of this Act, if the Board finds that an emergency exists which requires the Board to act immediately on any application under this subsection involving a thrift institution, and the primary Federal regulator of such institution concurs in such finding, the Board may dispense with the notice and hearing requirement of this subsection and the Board may approve or deny any such application without notice or hearing;".

SEC. 202. AMENDMENTS TO TITLE IV OF THE NATIONAL HOUSING ACT.

(a) TERMINATION OF UNITARY THRIFT HOLDING COMPANY STATUS.—

(1) IN GENERAL.—Section 408(c)(3) of the National Housing Act (12 U.S.C. 1730a(c)(3)) is repealed.

(2) EXEMPTION.—The Board may exempt from the application of the amendment made by paragraph (1) any company to which such provision applies for an additional period or periods aggregating not to exceed 10 years where necessary to provide for the orderly disposition of insured institution subsidiaries of affected companies.

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall take effect on January 1, 1998.

SEC. 203. AMENDMENTS TO THE FEDERAL RESERVE ACT.

(a) RESERVE REQUIREMENTS APPLICABLE TO CERTAIN TRANSACTION ACCOUNTS.

(1) DEFINITIONS.—

(A) DEPOSITORY INSTITUTION.—Section 19(b)(1)(A) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(A)) is amended—

(i) by striking out "and" at the end of clause (vi);

(ii) by striking out the period at the end of clause (vii) and inserting in lieu thereof "; and"; and

(iii) by adding at the end thereof the following:

"(viii) any other organization that the Board determines by regulation holds transaction accounts which shall be subject to paragraph (2).".

(B) TRANSACTION ACCOUNT.—Section 19(b)(1)(C) of the Federal Reserve Act (12 U.S.C. 461(b)(1)(C)) is amended by adding at the end thereof the following: "Such term also includes, to the extent that the Board by regulation may prescribe, accounts that are held by depository institutions described in subparagraph (A)(viii) against which balances can be drawn by the account holder at par within 24 hours without prior notice for payment to third parties, and that are not insured under the Federal Deposit Insurance Act, title IV of the National Housing Act, or title II of the Federal Credit Union Act.".

(2) AUTHORITY TO IMPOSE.—Section 19(b)(2) of the Federal Reserve Act (12 U.S.C. 461(b)(2)) is amended by adding at the end thereof the following:

"(E) Notwithstanding any other provision of this paragraph, reserves may be required to be maintained with respect to transaction accounts described in the last sentence of paragraph (1)(C)—

"(i) only if the Board makes a determination that such action is necessary in the public interest; and

"(ii) in such ratio or ratios as the Board may prescribe.".

(b) LIQUIDITY RESERVE.—Section 19(b) of the Federal Reserve Act (12 U.S.C. 461(b)) is amended by adding at the end thereof the following:

"(12) ELECTRONIC PAYMENTS SYSTEM LIQUIDITY RESERVE.—Each major direct user of large-dollar electronic payment systems shall maintain a liquidity reserve balance in an amount equal to that percentage of its average daily transactions as may be specified by the Board. The Board shall pay interest on liquidity reserve balances maintained under this subsection at a rate for any period that is not lower than the average yield on short-term United States Treasury obligations issued during the preceding period.".

(c) INTEREST ON DEMAND DEPOSITS.

(1) MEMBER BANKS.—Section 19(i) of the Federal Reserve Act (12 U.S.C. 371a) is repealed.

(2) INSURED BANKS.—The first sentence of section 18(g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1828(g)) is repealed.

SEC. 204. AMENDMENTS TO THE INTERNATIONAL BANKING ACT OF 1978 AND RELATED LAWS.

Section 4 of the International Banking Act of 1978 is amended by adding at the end thereof the following:

"(k)(1) If the National Electronic Payments Corporation determines that any foreign bank doing business through a Federal branch or agency or through a corporation organized under section 25(a) of the Federal Reserve Act is a major user of the national electronic payments system, the Corporation may, after notice and opportunity for a hearing, issue an order requiring that foreign bank to reorganize in order to conduct all of its activities in the United States through a subsidiary or affiliate of the foreign bank organized under the laws of the United States.

"(2) For the purpose of this subsection, the National Electronic Payments Corporation, the Comptroller of the Currency, and the Board of Governors of the Federal Reserve System are authorized to issue such rules and regulations as may be necessary.".

SEC. 205. AMENDMENTS TO THE BANKING ACT OF 1933.

(a) AFFILIATIONS PERMITTED.—Section 20 of the Banking Act of 1933 (12 U.S.C. 377) is amended—

(1) by inserting "(a)" after "20", and

(2) by adding at the end thereof the following new subsection:

"(b) Notwithstanding any other provisions of this section, a member bank may be affiliated in any manner determined by the Board of Governors of the Federal Reserve System with a company engaged in activities permitted under section 4(c)(8) of the Bank Holding Company Act of 1956."

(b) INTERLOCKING DIRECTORATES.—Section 32 of the Banking Act of 1933 (12 U.S.C. 78) is amended by adding at the end thereof the following: "Notwithstanding any other provision of this section, an officer, director, or employee of any member bank may serve at the same time as an officer, director, or employee of an affiliate engaged in activities permitted under section 4(c)(8) of the Bank Holding Act of 1956 and the Board of Governors of the Federal Reserve System determines that such service would not unduly influence investment policies of such member bank or the advice it gives its customers regarding investments.".

SEC. 206. AMENDMENTS TO SECURITIES EXCHANGE ACT OF 1934.

(a) REGISTRATION OF BROKERS AND DEALERS.—Section 15 of the Securities Exchange Act of 1934 is amended by adding at the end thereof the following new subsection:

"(f) The Commission shall not grant registration to any broker or dealer unless such broker or dealer establishes to the satisfaction of the Commission that all requirements established by the Financial Services Oversight Commission in connection with the activities of such broker or dealer (including any capital adequacy requirement) have been met.".

(b) REGULATION OF BROKERS AND DEALERS.—

(1) Section 15(b)(4) of the Securities Exchange Act of 1934 is amended by inserting "the Financial Services Oversight Act," after "the Commodity Exchange Act," in subparagraph (D).

(2) Section 15(b)(4) of the Securities Exchange Act of 1934 is amended by inserting "the Financial Services Oversight Act," after "the Commodity Exchange Act," in subparagraph (E).

TITLE III—NATIONAL ELECTRONIC PAYMENTS CORPORATION

SEC. 301. SHORT TITLE.

This title may be cited as the "National Electronic Payments Corporation Act".

SEC. 302. PURPOSE.

It is the purpose of this title to establish a National Electronic Payments Corporation—

(1) to muster the equity investment needed to materially upgrade and streamline the crucial operational systems and backup systems needed to enhance the reliability and integrity of the large-dollar electronic payments system;

(2) to achieve a major step forward in providing finality of payments;

(3) to augment the cash and liquidity balances associated with the operation of the system;

(4) to provide a vehicle through which public and private institutions can work together in securing a safer and more efficient payments mechanism; and

(5) to establish a vehicle which can materially reduce the susceptibility of the payments system to shocks whether they are operational, liquidity, or credit in nature.

SEC. 303. DEFINITIONS.

For the purpose of this title:

(1) BOARD OF DIRECTORS.—The term "Board of Directors" means the Board of Directors of the Corporation.

(2) CORPORATION.—The term "Corporation" means the National Electronic Payments Corporation established by this title.

(3) BOARD OF GOVERNORS.—The term "Board of Governors" means the Board of Governors of the Federal Reserve System.

(4) PRIVATE SHAREHOLDER.—The term "private shareholder" means any depository institution, bank holding company, or financial holding company which the Board of Directors determines has a sufficient level of large dollar transactions to require, or make appropriate, access to the national electronic payments system of the Corporation.

SEC. 304. ESTABLISHMENT OF THE CORPORATION.

(a) ESTABLISHMENT.—There is established the "National Electronic Payments Corporation" which shall be a body corporate and shall be under the direction of a Board of Directors which shall consist of 4 members selected by the Board of Governors and 3 members selected by the private shareholders. The principal office of the Corporation shall be in the District of Columbia or at such other place as the Corporation may prescribe.

(b) POWERS.—The Corporation is authorized—

(1) to adopt, alter, and use a corporate seal;

(2) to have succession until dissolved by Act of Congress;

(3) to make and enforce such bylaws, rules, and regulations as may be necessary or appropriate to carry out the purposes or provisions of this title;

(4) to make and perform contracts, agreements, and commitments;

(5) to prescribe and impose fees and charges for services by the Corporation;

(6) to settle, adjust, and compromise, and with or without consideration or benefit to the Corporation to release or waive in whole or in part, in advance or otherwise, any claim, demand, or right of, by, against the Corporation;

(7) to sue and be sued, complain, and defend, in any State, Federal, or other court;

(8) to acquire, take, hold, and own, and to deal with and dispose of any property;

(9) to determine its necessary expenditures and the manner in which the same shall be incurred, allowed, and paid, and appoint, employ, and fix and provide for the compensation and benefits of officers, employees, attorneys, and agents, all without regard to any other law. Nothing in this title or any other law shall be construed to prevent the appointment, employment, and provision for compensation and benefits, as an officer, employee, attorney, or agent of the Corporation, of any officer, employee, attorney, or agent of any department, establishment, or corporate or other instrumentality of the Government; and

(10) with the consent of any department, establishment, or instrumentality of the Government, to utilize and act through any such department, establishment, or instrumentality and avail itself of the use of information, services, facilities, and personnel thereof, and may pay compensation therefor, and all of the foregoing are authorized to provide the same to the Corporation as it may request.

(c) INVESTMENTS.—Funds of the Corporation may be invested in such investments as the Board of Directors may prescribe. Any Federal Reserve bank or any bank as to which at the time of its designation by the Corporation there is outstanding a designation by the Secretary of the Treasury as a general or other depositary of public money, may be designated by the Corporation as a depositary or custodian or as a fiscal or other agent of the Corporation, and is hereby authorized to act as such depositary, custodian, or agent. When designated for that purpose by the Secretary of the Treasury, the Corporation shall be a depositary of public money, under such regulations as may be prescribed by the Secretary of the Treasury, and may also be employed as fiscal or other agent of the United States, and it shall perform all such reasonable duties as such depositary or agent as may be required of it.

(d) JURISDICTION OF COURTS.—Notwithstanding section 1349 of title 28, United States Code, or any other provision of law, (1) the Corporation shall be deemed to be an agency included in sections 1345 and 1442 of such title 28; (2) all civil actions to which the Corporation is a party shall be deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of all such actions, without regard to amount or value; and (3) any civil or other action, case or controversy in a court of a State, or in any court other than a district court of the United States, to which the Corporation is a party may at any time before the trial thereof be removed by the Corporation, without the giving of any bond or security, to the district court of the United States for the district and division embracing the place where the same is pending, or, if there is no such district court, to the district court of the United States for the district in which the principal office of the Corporation, is located, by following any procedure for removal of causes in effect at the time of such removal. No attachment or execution shall be issued against the Corporation or any of its property before final judgment in any State, Federal, or other court.

SEC. 305. DUTIES OF THE CORPORATION.

(a) IN GENERAL.—Subject to policies prescribed by the Board of Directors, the Corporation shall—

(1) establish, operate, and maintain a national electronic payments system to facilitate large dollar transactions, such as funds transfers and transfers of book entry United States Government securities, drawn on accounts at Federal Reserve banks;

(2) promulgate and enforce policies governing standards for utilization of the national electronic payments system, including requirements for the maintenance of liquidity reserve balances in Federal Reserve banks, including a stock subscription requirement;

(3) provide for the development or improvement of telecommunications facilities to operate the national electronic payments system, with appropriate levels of backup and bypass facilities to assure operational reliability of the system;

(4) prescribe procedures relating to the operation of the system, including procedures to enforce compliance with orders of the Financial Services Oversight Commission or the Board of Governors of the Federal Reserve System relating to intraday overdrafts; and

(5) take such other actions as may be necessary to carry out the purpose of this title.

(b) FINALITY OF PAYMENTS.—All payments made through the national electronic payments system shall be final and irrevocable upon receipt. To assure that the purpose of this subsection is carried out, the Corporation shall require its shareholders and other persons using the system to establish and maintain appropriate levels of liquidity reserve balances in Federal Reserve banks.

SEC. 306. CAPITALIZATION.

(a) CAPITAL CONTRIBUTIONS.—The authorized equity capital of the Corporation shall be $900,000,000, of which—

(1) not to exceed $500,000,000 shall be paid in by the Federal Reserve System; and

(2) not to exceed $400,000,000 shall be paid in by Class A shareholders.

The Board of Directors shall provide for the issuance of stock certificates evidencing ownership of the Corporation.

(b) DIVIDENDS.—The Corporation may from time to time pay dividends to its shareholders. The dividend rate shall be established from time to time by the Board of Directors, taking into account the need to retain sufficient earnings to assure continuing research and development on payment system technology and the establishment and maintenance of an adequate level of capital.

SEC. 307. ACCESS TO THE SYSTEM.

(a) IN GENERAL.—The Board of Directors shall establish a list of banking and other financial organizations which have transactions in funds and government securities of a sufficient magnitude to make their participation as shareholders in the Corporation appropriate. After establishing such list, the Board of Directors shall invite the participation of those organizations as shareholders in the Corporation. In order to encourage membership, the Board of Directors may limit access to the payment system to only those organizations which are shareholders and which have established adequate reserve balances in Federal Reserve banks in accordance with rules prescribed by the Board of Directors.

(b) FEES.—The Board of Directors shall establish and may adjust from time to time a schedule of fees for use of the Corporation's facilities. The initial schedule and any modification thereto shall be subject to approval by the Board of Governors.

SEC. 308. REPORTS TO CONGRESS.

The Corporation shall transmit to the Congress not later than November 1 of each year a report on its activities during the preceding fiscal year.

SEC. 309. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as are necessary to finance the organization costs of the Corporation.

SUMMARY OF THE FINANCIAL SERVICES OVERSIGHT ACT

Based upon "Financial Market Structure: A Longer View" by E. Gerald Corrigan, President Federal Reserve Bank of New York

A PURPOSE OF THIS ACT

The purpose of this Act is to preserve and strengthen the regulatory and supervisory frameworks and the public safety net surrounding banking and finance;

To respond to functional—rather than institutional distinctions—by ensuring an appropriate degree of consolidated supervision of diversified financial services;

To protect depositors, policy holders and investors by ensuring the integrity of institutions and markets, by providing safeguards from excessive risk, and by ensuring the bank and financial system exercises its fiduciary responsibility with respect to maintaining the value of financial investments;

To assure fairness in accessibility of capital and credit, ensure impartial credit decisions, promote balanced distributions of credit in the market place, preserve competitive equity and market efficiency,

And prevent conflicts of interest, concentration of financial resources and unfair competitive practices.

B. TITLE I—CREATION OF THE FINANCIAL SERVICES OVERSIGHT COMMISSION

Membership: The Commission shall be made up of 9 voting members who will appoint an advisory council made up of at least 6 advisory members. The nine voting members are made up of the national financial regulatory agencies. The advisory members represent the state regulators who will participate fully in all discussions of the Commission. No rule will take effect until the advisory members have had time to comment.

Duties: The duties of the Commission will be to promulgate regulations defining the types of activities in which bank holding companies, financial holding companies, and commercial holding companies may engage and to assure that transactions between financial services subsidiaries of all holding companies are conducted in an appropriate manner to reflect the purposes of this Act; to take appropiate action to enforce compliance with such regulations either directly or through referrals to primary regulatory agencies; to establish minimum standards of capital adequacy for financial holding companies and their affiliates; to coordinate its activities with the rulemaking and enforcement activities of other Federal and State agencies; and to consult with the advisory members.

Permissible Activities: Describes the powers of bank holding companies, financial holding companies and commercial holding companies and preserves the separation of banking from commerce.

Bank (thrift) holding companies could own and control one or more banks or thrifts and could engage in a broad range of financial services but could not be owned or controlled by a nonfinancial-commerical concern nor be engaged in "nonfinancial" activities.

Financial holding companies could not be owned by a commercial firm; they could offer noninsured transaction accounts; at their option, they could obtain access to the payments system and in that process gain limited access to the discount window; and in such circumstances, be subject to interest earning liquidity reserves. A financial holding company could also choose, at its option, to own and control insured banks and thrifts thereby voluntarily shifting its status to a bank or thrift holding company.

Commercial holding companies may engage in any commercial enterprise they choose and may also engage in nonbank financial activities. Commercial holding companies may not own or control a bank or thrift, and are barred from any direct access to the payments system and may not receive liquidity assistance from the central bank.

Enforcement and Regulatory Jurisdiction: Pending or actual violations will be referred to the current primary regulator in most cases. For the Financial and Commercial Holding Companies the primary regulator will be the Commission. If violations are found by the primary regulator, he can require divestiture with respect to the conduct of any activity which violates the Commission's rules or regulations, impose additional capital requirements, or issue an order to cease and desist.

Powers of the Commission: Enables the Commission to do what is necessary and commensurate to carry out the powers of this Act.

C. TITLE II AMENDMENTS TO BANKING AND SECURITIES LAWS

Amends the bank holding company act and the securities laws to effect the purposes of this Act by:

Terminates the grandfather status of nonbank banks.

Amends the Bank Holding Company Act after March 1, 1988 to allow banks to engage in regulations allowed by the Commission.

Amends the National Housing Act to eliminate the unitary thrift holding company status.

Amends the Federal Reserve Act to permit the expansion of the imposition of reserves on transaction accounts, provides for the maintenance of liquidity reserve balance for shareholders in the National Electronic Payments Corp. on which the Fed will pay interest and repeals the payment of interest on demand deposits.

Amends the International Banking Act to say that foreign banks who are major users of the National Electronic Payments Corp. may be required to set up subsidiaries after a hearing by the Corporation.

Amends Sections 20 and 32 of the Glass-Steagall Act.

D. TITLE III—NATIONAL ELECTRONIC PAYMENTS CORPORATION

Purpose: The purpose of this title is to provide capital needed to modernize the large dollar electronic payments system; to speed its operation; to increase liquidity associated with its operation; to provide a vehicle through which public and private institutions can work together in securing a safer and more efficient payments mechanism; and to establish a vehicle which can materially reduce the susceptibility of the payments system to shocks whether they are operational, liquidity, or credit in nature.

Duties: The National Electronic Payments Corporation shall consist of 7 members, 4 members selected by the Board of Directors of the Corporation and 3 members selected by the private shareholders of the Corporation.

The Corporation shall establish, operate, and maintain a national electronic payments system to facilitate large dollar transactions, funds transfers, and transfers of book entry U.S. Government securities, drawn on accounts at Federal Reserve banks;

Promulgate and enforce policies governing standard for utilization of the national electronic payments system including requirements for the maintenance of liquidity balances in Federal Reserve banks, including a stock subscription requirement;

Provide for the improvement of telecommunications facilities including backup and bypass facilities;

Prescribe procedures relating to the operation of the system, including those that deal with intraday overdrafts.

Access to the System: The Corporation will invite participation of those organizations which deal in large volumes of funds and government securities. The Corporation may limit access to the payment system to only those organizations which are shareholders and which have established adequate reserve balances in Federal Reserve banks.

Reports to Congress: The Corporation shall send an annual report to Congress on its activities during the preceding fiscal year.

FINANCIAL MARKET STRUCTURE: A LONGER VIEW

(E. Gerald Corrigan, President, Federal Reserve Bank of New York, January 1987)

INTRODUCTION

In recent years the pace of change and innovation in financial markets and institutions here and around the world has increased enormously as have the speed, volume and value of financial transactions. The period has also seen a greatly heightened degree of aggressive competition in the financial sector. All of this is taking place in the context of a legal and a regulatory framework which is increasingly outdated and ill-equipped to meet the challenges of the day. This has led to a widespread sense of both frustration and concern—frustration with real and perceived competitive inequities growing out of the current situation; frustration with the inability to reach anything resembling a consensus as to what should be done; and concern that the fragility of the system has increased in part because the degree of operational, liquidity and credit interdependency has risen sharply.

In this setting, the Federal Reserve Bank of New York has undertaken a series of interrelated initiatives designed to enhance our understanding of these developments. This was done in order to help us better discharge our day-to-day responsibilities, but also in the hope that these efforts could contribute to a more coherent vision of the steps that might be taken over time to strengthen both the workings of the financial system and the functioning of the supervisory framework associated with banking and finance. These efforts have concentrated in three areas. First, the Bank, in cooperation with the G-10 central banks, completed and published a study, *Recent Innovations in International Banking* which, among other things, served as the catalyst for a two-day conference of about 80 international financial leaders—both public and private—which was held at the Federal Reserve Bank of New York in May 1986. Second, the Bank has also published a comprehensive study, *Recent Trends in Commercial Bank Profitability,* with emphasis on the role and viability of the traditional "bank" as the major credit intermediary, the operator of the payments mechanism, and the repository of the bulk of society's liquid assets. Finally, the Bank has undertaken a series of studies regarding the operation of large-dollar electronic payments systems with emphasis both on their operational characteristics and the credit and liquidity risks they may pose for individual institutions and for the banking and financial system as a whole.

The purpose of this paper is to bring these elements together in a fashion that suggests a long-run approach to the structure of the financial system and the official supervisory apparatus associated with the system. The paper is divided into five sections. The first looks at recent patterns of behavior in banking and finance with emphasis on emerging trends which are of particular concern from the vantage point of the prospective stability of the system. The second attempts to set forth a view of the *functions* of the banking and financial system which are of particular importance from a public policy perspective. The third section looks at the broad public policy options that are available regarding the future evolution of the structure of the financial system. The fourth section lays out, in general terms, alternative approaches aimed at strengthening the structure and workings of large-dollar electronic payments systems—systems which have become the vehicle through which financial shocks can quickly be transmitted to a large number of institutions on a worldwide basis. The final section sets forth a general and longer-term proposal which could serve as a series of guideposts relating to the evolution of the financial structure in the years ahead. The paper concludes with a brief summary of its major proposals.

At first blush, the proposals contained in the paper appear controversial, if not radical, in scope and character. In fact, the proposals are financially conservative because they seek to better rationalize and strengthen the financial system in a manner that relies heavily on competitive and market forces, while at the same time providing greater continuity and flexibility in the workings of the public safety net surrounding banking and finance. Moreover, when looked at in the light of what has already occurred, and/or when compared to the available alternatives, the proposals are certainly not radical. This is especially so when it is recognized that movement toward any such structure would have to be phased in over a period of years. Most importantly, the package of suggested changes should produce a stronger and more flexible system than the one we have today or certainly the one we will have if we continue to permit the system to evolve by loophole exploitation, legislative inertia and the tendency for banking and financial activities to seek out the point of least supervisory resistance.

BANKING AND THE PUBLIC INTEREST

The paper and its proposals take as a basic point of departure that, even in this age of deregulation, there are public interest considerations associated with the operation of the banking and financial system that call for a higher degree of official supervision and regulation than is needed in other kinds of business enterprise. The specific emphasis of the broad public interest considerations associated with banking and finance—including, for example, concerns about concentration, conflicts of interest, investor or depositor protection and unfair competition—may and do change from time to time and from place to place. However, the fundamental considerations which give rise to public policy concerns about banking were recognized long ago and even in such libertarian treatises as Adam Smith's *The Wealth of Nations*. Indeed, it was in *The Wealth of Nations* that the issue of systemic risk in banking was put forward as the fundamental rationale for the regulation of banking even though, in Smith's words, such regulation is a manifest violation of natural liberty. Specifically, Smith wrote:

"To restrain private people, it may be said, from receiving in payment the promissory notes of a banker, for any sum whether great or small, when they themselves are willing to receive them; or, to restrain a banker from issuing such notes, when all his neighbours are willing to accept of them, is a manifest violation of that natural liberty which it is the proper business of law, not to infringe, but to support. Such regulations may, no doubt, be considered as in some respect a violation of natural liberty. But those exertions of the natural liberty of a few individuals, which might endanger the security of the whole society, are, and ought to be, restrained by the laws of all governments; of the most free, as well as of the most despotical. The obligation of building party walls, in order to prevent the communication of fire, is a violation of natural liberty, exactly of the same kind with the regulations of the banking trade which are here proposed."

The debate about how best to adapt the contemporary legislative and regulatory framework associated with the financial system has been raging for some time. However, far too often that debate seems to be fueled by self-interest considerations as to whose ox will be gored or whose nest will be feathered by a particular change. While those competitive issues are present and must be taken into account, what is at stake is far more important, for it ultimately involves the stability and well-being of the system as a whole. Looked at in that light, my purpose in making this paper public at this time is, in part, an effort to focus the debate on the broader threshold issues associated with the structure and workings of the financial system and, in part, to suggest an approach that seeks to look not just at discrete pieces of the problem but rather to look at the situation as an integrated whole. Thus, the paper is intended to sharpen the focus of the debate and thus enhance the likelihood that needed reforms will be forthcoming in a way that is sensitive to competitive considerations but also, and more importantly, that work in the direction of strengthening the system.

I. A SUMMARY VIEW OF THE CURRENT SITUATION

While it would be impossible to attempt to capture in a few pages all that is going on in the financial marketplace, the changes we are seeing are so profound and so complex that it does seem important—as a matter of perspective—to cite briefly some of the more significant influences and to summarize their implications.

Money and capital markets are now truly international in character. Markets for U.S. Government securities, interbank lending and borrowing, foreign exchange trading—to cite a few examples—operate continuously and in enormous size around the clock and around the world. As a result, there is a greater danger that disruptions or problems in one institution, one segment of the market, or one geographic location can quickly be transmitted to other institutions, other segments of the markets or other geographic locations.

Barriers between classes of financial institutions are becoming increasingly blurred. Indeed, at present the historic separation of banking and investment banking is being seriously challenged in both directions. Here at home, investment banks and securities companies are now major providers of "banking services;" they are direct suppliers of credit to a wide range of financial and nonfinancial clients; they offer to the public financial instruments which are very close substitutes for interest-earning demand deposits; in increasing numbers they own and operate "nonbank" banks which, among other things, provide access to the payments mechanism; and finally, abroad, they are beginning to acquire traditional banking institutions. On the other hand, commercial banks have made major inroads into investment banking activities in the United States and in many instances own and operate full-blown investment banking affiliates abroad. This ad hoc breakdown of the separation of banking and investment banking is not something that can easily be reversed, especially in the face of its international dimensions.

The separation of "banking" and "commerce" more generally is also being increasingly challenged. For a long period of time, there have been certain generally accepted "incursions" of nonfinancial business into banking and finance, as, for example, via the captive auto finance companies. In recent years, however, the nature and extent of the incursion of commercial firms' ventures into banking and finance have resulted in a situation which is not just a change in degree but rather is a change in kind. Combinations of major retailers and manufacturers with securities companies, insurance companies, thrift institutions and with nonbank banks are now commonplace. The once narrow financial activities of the captive financial companies of major manufacturing firms, in a number of cases, have expanded enormously such that several of these entities have become significant competitors to traditional financial institutions offering, as they do, a wide range of credit, investment banking and insurance services to corporate and household clients alike.

The nature and incidence of interest rate, exchange rate, and credit risk are changing in ways that may have longer-term and cyclical implications that are not fully understood at the present time. In some instances, the ways in which, say, interest rate risk is shifted is conceptually straightforward as in the case of the floating rate loan which shifts interest rate risk from the intermediary to the borrower. In other cases—as with complex options, futures or swap transactions—price and credit risks may be redistributed in ways that are not fully understood by the parties to such transactions. While there can be no doubt that these devices provide a vehicle by which individual counterparties can protect themselves from certain contingencies, several other things are equally clear. For example, we know that there is no such thing as a perfect hedge, and we know that the system as a whole cannot be hedged. Stated differently, in the aggregate these devices cannot reduce risk and in some indirect ways may even increase systemic risk. Similarly, it is important to keep in mind that many of the devices now widely used to redistribute or transform price and credit risk have not been put to the test on a large scale over one or more full interest rate and business cycles nor have they been widely tested in the courts.

The securitization of the liabilities of households and businesses is spreading very rapidly. This process of securitization generally takes two forms: the direct issuance of securities or the packaging of "conventional" loans by banks and other intermediaries for sale to the market in the form of some kind of a pass-through or other security. The wave of securitization reflects two broad considerations: first, for many the cost of financing in the securities markets is less than the cost of bank financing; and, second, for intermediaries it has become desirable—whether for purpose of greater liquidity or to provide more flexibility within capital constraints—to off-load certain classes of assets by "securitizing" classes of debt instruments and selling them into the market.

However, in either case, the securitization process is one in which the traditional intermediary may maintain very sizable contingent credit or liquidity responsibilities for the securities in question. Indeed, one reason for the recent rapid growth in securitization is that in many instances the securities in question are issued with features by which at least some of the contingent liquidity or credit risk is assumed by the banking or other intermediaries. It is perhaps ironic that while many observers regard securitization as the greatest threat to the continued economic viability of the traditional bank intermediary, it is in no small way the standbys and guarantees of the banks that make the securitization process attractive to investors and issuers alike. That apparent anomaly notwithstanding, the rapid growth of securitization is having a profound impact on the credit origination process in the United States and elsewhere. Indeed, to the extent that securitization continues to grow rapidly and to spread to other categories and classes of credit, even larger questions will arise relating to the role of the intermediary, the size and implications of contingent claims on financial institutions and the capacity of the system to "workout" problems.

As an extension of the securitization process, the credit intermediation process is being "unbundled" into multiple discrete pieces with different entities having particular responsibilities for debt origination, debt placement, debt servicing, debt insuring, and debt liquidation. This unbundling process presumably reflects the benefits of specialization but it also raises questions as to how well the system as a whole can respond to credit and/or liquidity shocks.

At least for large banks, the rate of profitability in intermediation activities is under pressure. Indeed, while the level of profits is generally rising, the rate of profitability—especially in traditional commercial lending activities—seems relatively low and under pressure. While some, and perhaps much, of this situation may be an outgrowth of asset quality problems arising in part from the extraordinarily difficult economic environment of the past decade, a good part of it also seems to reflect structural factors as highlighted by the loss of the lending relationship with blue chip corporate borrowers. To some extent, the structural predicament of large banks may reflect the cost of being "regulated" institutions, but on examination, the direct costs of reserve requirements, FDIC insurance, etc., simply are not large enough to be decisive, especially when it is recognized that these features also produce benefits to traditional banks. Nevertheless, the force of events in the marketplace—including new and multi-faceted forms and sources of competition—is at least raising a question as to whether, over the long haul, traditional banking organizations can—within existing restraints—maintain the competitive edge needed to ensure adequate returns in a more complex and perhaps more risky environment.

Spreads and fees associated with at least some financial services may not be providing returns that are commensurate with risks. Theoretically, underpricing cannot exist as a long-run condition. However, in the case of the theoretical model, underpricing is eliminated by a shrinkage in the number of suppliers brought on by economic losses and failures. At least at the moment, the opposite seems to be the case in banking and finance. Indeed, when one takes account of function rather than form and foreign as well as domestic competition, the current situation in banking and finance seems, if anything, to be one in which large numbers of firms seem to believe they can feather their own nests at the expense of someone else while that someone else has the same motivation but in the opposite direction. Regrettably, it would seem this process can only put further pressures on prices and spreads and thereby elevate the risk that the transition process will be disorderly—something that we must be especially sensitive to in banking and finance.

We are seeing a virtual explosion in financial transactions and short-run volatility in the prices of most classes of financial instruments. It is difficult to judge just how large the daily flow of financial transactions is, but transactions observed daily by the Federal Reserve Bank of New York exceed $1 trillion, on average. While we can't be certain, it is entirely possible that transactions in the New York financial marketplace that bypass the New York Fed could easily be 50 percent of those we see such that total payments in the New York market may be approaching one-third or more of the annual GNP per day. Similarly, the extent of financial instrument price volatility is hard to pin down accurately. Surely, conventional statistical measures of price changes suggest that daily, weekly, monthly and quarterly price volatility for many classes of financial instruments is greater than it once was. But those conventional measures do not fully capture the extent to which we now see intraday or even intrahour movements in financial asset prices that not long ago would have been unthinkable. Such price volatility can, of course, be the source of sizable trading profits but the opportunity for profit, of necessity, implies the opportunity for loss, and the event of large losses in a highly interdependent system can inflict serious damage on parties far removed from the initial point of loss.

Payment and settlement risk have increased sharply in recent years. Insofar as the system as a whole is concerned, these risks are heavily concentrated in large-dollar electronic payments systems—primarily the Fed's own funds and securities transfer systems and the New York Clearing House CHIPS system—but they are also present in a series of domestic and international clearing and settlement systems. These large-dollar payments systems link together all major financial institutions on a worldwide basis—but especially the large banks and large securities houses—in ways that create operational, liquidity and credit interdependencies that stagger the imagination. Because they are so large, so fast and so interdependent, even temporary computer or mechanical failures can be highly disruptive beyond the institution where the breakdown originates. Needless to say, these large-dollar payments systems are even more sensitive to a major credit or liquidity problem of any direct participant. Indeed, either a major mechanical disruption or the inability of a major participant to meet its obligations could produce a problem that could spread quickly to many other participants and in the process bring on a major disruption in the financial markets generally.

Finally, it should also be recognized that many of the trends cited above have materialized in force over the past three or four years. As such, they have not been tested over one or more interest rate or business cycles—cycles which at some point surely will reappear.

Summary

The speed and scope of change we are seeing in our financial markets and institutions have taken on a revolutionary character. But, revolutions do not occur in a vacuum—they have their causes. In this particular case, many of the causes are to be found in patterns of economic performance here and around the world over the past decade or more. Over the same time frame, innovation has fostered the application of very sophisticated forms of mathematics and computer technology to the financial marketplace, making possible the design of new techniques, new instruments, and worldwide trading and funding strategies. These developments have worked to highlight longstanding differences in supervisory, tax, accounting and regulatory treatment of classes of institutions here and abroad, thereby further sharpening competitive differences and incentives for patterns of behavior which exploit loopholes and circumvent supervisory policies. Thus, while it is beyond debate that the process of change and innovation has brought with it important benefits, there persists a nagging sense of unease—a sense of unease that is prevalent among financial market practitioners themselves—that all is not well. To some considerable extent, that sense of unease seems to grow out of the concern that legitimate broad-based public interest considerations about the structure and stability of financial markets and institutions are being swept aside in a helter-skelter of events that lacks an underlying sense of direction and may be weakening the system.

In considering this crosscurrent of events and circumstances that is at work in the financial marketplace, there is one further point that should be raised. Namely, there is also the subtle danger that the developments we are witnessing—at least at the margin—are being reinforced by a belief that the public safety net associated with banking and finance will protect not just the system as a whole but also all of its individual component parts, including those who have acted in an irresponsible and undisciplined manner. To the extent that perception exists, it must be changed, for of all the freedoms contemplated by the current environment, the freedom to fail must be part of the equation.

II. FINANCIAL FUNCTIONS AND THE PUBLIC INTEREST

There can be no doubt that there are aspects of banking and finance which are cloaked with a public interest. Indeed, while the details differ from time to time and place to place, here and around the world, banking and finance are subject to a higher degree of official oversight or regulation than is the case for most classes of business enterprises.

In the United States, much of the focus of such official supervisory efforts is aimed at specific types of institutions which in turn reflects our historical bias in favor of specialized financial institutions. While that system worked very well for many years, the progressive blurring of the lines of distinction among classes of institutions which took hold in earnest in the late seventies and has accelerated in the eighties has, to put it mildly, confused matters. Thus, in order to provide a framework for further analysis, it would seem useful to identify what it is about banking and finance in functional terms that really matters from a public policy perspective, without particular regard to what forms of institutions provide those functions. To the extent we can identify the functions we care about, it may be easier to form a coherent view as to how institutional arrangements can best be adapted to the public policy concerns associated with those functions without exclusive regard to the institutional trappings within which those functions take place.

There are two underlying functions of a banking and financial system: first, to provide an institutional framework which can efficiently bring together savers and investors and thereby facilitate an efficient allocation of scarce capital resources; and, second, to provide an efficient mechanism through which the payment flows needed to sustain economic growth and prosperity are maintained. In looking at the banking and financial system in this very broad light, several other things stand out. First, both of the fundamental functions of the financial system cited above imply the use of credit; that is, one part having the use of some other party's money. In turn, since the extension of credit is so vital to the financial system, the credit decision-making process must be rigorous and yet flexible, and it must provide a mechanism that can solve problems and supply liquidity without undue dependence on the central bank or other public bodies. Finally, because of these functions, the banking and financial system is the hub of the overall economic system through which changes in monetary policy influence the economy at large. Since this role has been discussed at such great length elsewhere, that particular aspect of banking and finance will not be treated in this discussion.

In order for a banking and financial system to be able to provide these basic functions, it must be equipped to perform certain more specific functions as outlined below.

The need for liquid transaction balances

The efficient working of a large modern economy clearly requires the presence of a stock of financial assets which are highly liquid and readily transferable, thereby facilitating the broad range of transactions needed to sustain the real and financial sectors of the economy. To be highly liquid, such assets must be available to the owner at very short notice (a day or less) at par. To be readily transferable, ownership rights in such assets must be capable of being readily shifted to other economic agents, also at par and in a form in which they are acceptable by that other party. For many years, financial assets which satisfied these criteria were largely confined to currency and bank-issued demand deposits. To be sure, there were other financial assets—such as savings deposits—which were in practice (but not in law) payable on demand at par but even those assets could not be directly transferred to a third party.

The dictates of efficiency require, of course, that if we are to have this class of liquid transaction balances we must, as a practical matter, look to some form of institutional arrangement as the mechanism through which that degree of liquidity and transferability can be provided. In other words, there must be some kind of an institution which can gather liquid assets from households, businesses and others and convert them into a form in which they can serve an economic purpose when not being used by the owner, while at the same time insuring that they are available for use by the owner, on demand, to facilitate transactions. And, needless to say, the institution providing that service must be able to earn a high enough return to attract the capital resources needed to support such activities.

However, when an institution finds itself in a position in which a significant percentage of its liabilities is, in fact or in perception, payable or transferable on demand *and* when such liabilities represent the liquid savings of a diverse group of households, businesses and other enterprises, that institution takes on a very special burden and trust. In its simplest form, that special fiduciary burden means that the institution holding such liquid assets of the public must lend and invest such monies in a way that is safe and prudent, while at the same time earning sufficient profits to attract capital. If for any reason, but most often because of poor quality assets, the owners of such liquid claims conclude that the issuing institution cannot meet its obligations *or* third parties will not accept payment order drawn on that institution, the institution in question is in severe difficulty for the holders of such liquid assets will, quite naturally, seek to reposition such assets in another, safer, institution. Taken one step further, if the owners of such claims begin to question the condition of a group of such institutions, the specter of highly destabilizing deposit runs and panics is raised. By extension, of course, all of this implies that public confidence in such institutions is the bedrock upon which such arrangements ultimately rest. If that confidence is undermined, liquidity strains—or worse—are inevitable.

As noted earlier, until fairly recently bank-issued demand deposits were the predominant form of these highly liquid assets held by the public at large. Dating back to the thirties, some threshold level of such deposits was federally insured in part to protect small depositors but also to mitigate destabilizing and confidence-shaking deposit runs. However, over the past decade, the marketplace has successfully developed a range of new products which are very close functional equivalents of demand deposits.

The fact that financial markets and institutions have developed these close substitutes for demand deposits has, of course, important implications. For one thing, all of this has severely complicated the definition, measurement and control of the money supply. More to the point in the current context, however, it has also carried with it important competitive implications in that less-regulated or even essentially unregulated institutions are now able to compete directly with "banks" in the transaction account business. While added competition is generally to be welcomed, if the function of providing liquid transaction balances is central to the public policy interests associated with the workings of the financial system and the economy, that function should be of concern regardless of the class of institution within which it is housed.

The operation of the payments system

An economic system and a financial system can only be as efficient and as safe as its payments system. In turn, the efficiency and safety of the payments system rests importantly on the extent of which the maker or recipient of a payment for a good, a service, or a financial transaction has confidence that the payment can and will be honored since this process—by its very nature—entails timing gaps of varying lengths. In turn, these timing gaps necessarily imply that the process of making and receiving payment is the process of extending credit, even if that credit is extended only for a day or an hour. In short, the payments system as we know it today is a credit system.

In some instances, the party extending credit in the process of making payments is willing to do so because that party has detailed knowledge of all creditworthiness of the other party. But, in most transactions, that condition is not present—especially when an individual payment is part of a chain of payments—and yet the system works, and works remarkably well. The reason for this, of course, is that the millions of economic agents who daily make and receive payments look to others—and especially to banking and financial institutions—to provide the credit and control checks which they cannot reasonably be expected to provide on their own.

The payments mechanism is the U.S. can be viewed as having a "retail" and a "wholesale" component, a "paper" and an "electronic" component, and a "domestic" and an "international" component. All are important; all entail extensions of credit; and all are vulnerable to financial disturbances, especially disturbances growing out of serious problems at individual financial institutions that are the conduits through which payments are made. Indeed, the failure—especially the sudden failure—of even small financial institutions inevitably raises very difficult questions bearing on the status of payments in the process of collection which are drawn on the failed or failing institution. However, while there are important questions bearing on the safety and reliability of "retail" and "paper" based payments systems, of greatest importance for the safety and stability of the financial system as a whole are those questions relating to the operation of "wholesale" or large-dollar electronic payments systems which increasingly entail foreign as well as domestic transactions and institutions.

The Large-Dollar Payments Systems

In the U.S. the size and speed of large-dollar electronic payments systems are staggering: daily payments over these systems are well in excess of $1 trillion or about one-quarter of the annual GNP. The vast majority of payments made over these large-dollar payments systems are associated with wholly financial transactions such as the buying and selling of funds among banks, purchases and sales of securities, purchases and sales of foreign exchange, etc. Also, since under current arrangements the vast majority of all dollar-denominated payments must ultimately be settled in the U.S., these large-dollar payments systems have a distinctly international character which link not just major financial institutions in the U.S. but all major financial institutions on a worldwide basis. The large-dollar payments systems in the U.S. are operated jointly by the commercial banking system and the Federal Reserve Banks. While there are thousands of banking institutions which have direct access to the payments system, there is a comparative handful of large organizations which accounts for a very sizable percentage of the hundreds of billions of dollars in transactions which flow through the large-dollar electronic payments system in the typical day.

As noted earlier, the operation of the large-dollar electronic payments system is centered in two institutions: the Federal Reserve Banks and the New York Clearing House Association. In addition, in recent years a number of other clearing arrangements for various classes of securities and financial instrument derivatives such as futures and options have been developed that would fit most definitions of "large-dollar payments systems" and entail clear elements of systemic risk. But as of now, the Fed system and CHIPS are by far the most important.

The New York Clearing House Association operates CHIPS, which is a provisional payments system used largely for making and settling dollar-denominated international payments. Daily payment flows on CHIPS average $450 billion. Peak volume days have entailed transactions of about $800 billion. these payments are made on a provisional basis during the course of the day subject to final settlement at the Federal Reserve Bank of New York late each afternoon.

The Fedwire system consists of the Federal Reserve's nationwide telecommunications system for the movement of funds and U.S. Government securities among foreign and domestic banks and thrifts operating in the U.S. The daily volume and value of payments made over Fedwire are enormous. For example, at the New York Fed alone, the daily average volume of funds and securities transfers approximate $400 billion and $250 billion respectively. Peaks in the neighborhood of $500 billion per day have been experienced on *both* the funds and securities wires.

Direct access to both CHIPS and Fedwire is limited to banking institutions while bank customers, whether they are securities firms, insurance companies, manufacturing companies, or households, gain access to the system only on the terms and conditions—including credit conditions—permitted by their depository institutions. For large users of these systems—whether through direct access of the banks or the indirect access of bank customers—access is via computer-to-computer linkages such that the speed with which payments are made and exposures incurred is enormous.

The day-to-day operation of these large-dollar payments entails very sizable amounts of credit exposure by all participants—including the Federal Reserve Banks—to a wide array of institutions in every part of the world. The amount and incidence of such exposure varies from one institution to another and is generally confined to relatively short periods of time, but the hard fact of the matter is that linkages created by the large-dollar payments systems are such that a serious credit problem at any of the large users of the systems has the potential to disrupt the system as a whole. Moreover, as we have seen, even a significant computer or mechanical problem at a major institution can be highly disruptive and, if extended over more than a day, could force these systems to grind a halt, throwing into question contractual and other obligations associated with hundreds of billions of dollars in payments. Therefore, even with mechanical problems, but especially with credit problems, the large-dollar payments systems—because of their size, speed and interconnections—have the potential to trigger the feared chain reaction whereby a problem at one major institution can all too quickly cascade to other institutions and markets.

While the likelihood of such an event is remote, the fact remains that if such a problem were to develop, its consequences could be highly destabilizing to any number of institutions and to the markets more generally. Thus, while there are important public policy issues associated with the safe and efficient operation of the "retail" and "paper" based aspects of the payments systems, the safe and uninterrupted operations of the large-dollar electronic payments system is absolutely indispensable to the safe and prudent operations of the banking and financial system and to the economy at large.

The enormous volume of payments made daily—most of which relate to wholly financial transactions and most of which are associated with a relative handful of financial institutions—are supported by a relatively small pool of "cash" balances in the system as a whole, balances which in relation to transactions volume are becoming even smaller. These cash balances include interbank demand deposits, the reserve balances held at the Fed by depository institutions and the demand balances held at banks by the nonbank users of the large-dollar electronic payments systems. Since the volume of transactions is such a large and growing multiple of the stock of cash balances in the system as a whole, the amount of credit associated with the operation of the system at discrete points in time is also large and growing. For example, the reserve balances held at Reserve Banks by individual banking organizations may turn over one hundred times per day or more while the aggregate intraday overdrafts can exceed $100 billion at specific points of time over the course of the day. This, of course, merely reinforces the point that the operation of the payments system—but especially the large-dollar electronic payments system—is essentially the operation of a credit system; a system in which the duration of exposures may be short but the amounts of exposures and the interconnections associated with them are very large indeed.

The credit decision-making process

The financial system is a credit system in that its very essence reduces to institutions making informed and objective decisions about the creditworthiness of those to whom credit is extended. An efficient financial system can bring together savers and borrowers in two principal ways. The first is via the traditional intermediation process whereby the financial institution makes loans and investments with the funds it has garnered through its deposit-taking, market borrowings and other sources of funding. Within this framework, the financial institution makes the credit decisions subject, of course, to the constraint that a pattern of faulty credit decisions will ultimately jeopardize its capacity to retain liabilities—especially demand-type liabilities.

The second mechanism for bringing together savers and borrowers is via the securities markets wherein debt or equity securities are sold directly to investors. In this context, however, the credit judgment is ultimately made by the individual investor with important assistance from underwriters and rating agencies and, as illustrated by recently enacted legislation governing the government securities market, an ever-widening network of investor protection regulations and financial backstops.

For those who have access to the securities markets, the choice of raising funds via the intermediary or the securities markets is often a straightforward matter based on lowest cost. However, in looking at the system as a whole, things are not that simple. Access to securities markets for private borrowers does not occur in a vacuum; it is earned and importantly so through banking relationships. Moreover, securities markets are not particularly well-equipped for coping with severe liquidity strains or "workout" problems for individual borrowers. It is primarily for these reasons that bank intermediaries often provide the backup facilities that permit the securities markets to function as they do. Thus, in the most fundamental ways the credit intermediaries and the securities markets surely compete with each other, but they also complement each other in some essential respects. Moreover, while one can readily picture a financial system in which the role of the securities markets is very limited, one is hard pressed to visualize a contemporary financial system in which credit intermediaries are not a major feature of the financial and economic landscape. To put it directly, the credit intermediaries provide certain functions which cannot be as readily performed by the securities markets, at least as we know them.

Regardless of the precise way in which credit is extended, the stability of the system requires that the credit decision-making process be rigorous and objective and that it be able to screen out, or at least isolate, bad credits while at the same time reasonably insuring that economic agents with legitimate credit and liquidity needs have the capacity to borrow at reasonable costs. However, an effective credit apparatus must, by its nature, entail risk-taking and as an extension of that must also provide room for the extension of credit to borrowers in the face of adversity. Finally, an effective credit apparatus must also have the flexibility to solve problems when, as will be inevitable, they arise, in a manner which is not disruptive or destabilizing to the system as a whole. Among other things, this requires that the system have the capacity to absorb losses in an orderly way since some losses are an inevitable part of the risk-taking which is, and must be, part of the process of economic growth and innovation.

Looked at in this light, the credit decision-making process must be not only rigorous and objective, but it must also be continuous. The process does not end when a loan is made or a security is issued but rather, it must remain operational—even in a different way—so long as the commitment, the loan, or the security is outstanding.

The Role of Commercial Banks

In the United States, as elsewhere, the commercial banking system has, historically, been at the center of the credit decision-making apparatus. For one thing, private firms or entities typically do not enjoy stand-alone direct access to the securities market without having first earned and demonstrated their creditworthiness in their conventional banking relationships. Indeed, even the recent wave of "securitization" which has broadened the population of those with direct access to markets is occurring in part because many of the securities in question are issued with some kind of a credit or liquidity backup facility in the commercial banks. The increased use of these backup facilities reflects another unique feature of the banking system. That is, because the bank historically carried the debt instrument on its books, and because it was—and is—the backup source of liquidity to its clients, the bank played the role not just as the originator of the credit, but also as the ongoing credit watchdog and the specialist in resolving credit problems in an orderly way once they arose. In contrast, when the credit extension process takes the form of securities issuance, the holder of the security does not typically have the same capacity to monitor the credit standing of the issuer over the life of the security. More importantly, because security holders tend to be diverse and large in number, such suppliers of credit have little capacity for after-the-fact problem-solving short of triggering default provisions which, of their nature, can give rise to disruptive proceedings.

Looked at in this light, the commercial bank's role as a credit intermediary was special not only because it originated credit subject to the quality constraint imposed by the presence of demand liabilities but also because its liability structure and its ongoing profitability required that its association with the credit decision-making process was both rigorous and continuous. The bank's business relationship with its customer gave it a strong comparative advantage in makeing credit judgments, in the first instance, but also in continuously monitoring the credit once it was extended and, where necessary and appropriate, in helping to overcome adversity by the classic "workout" of the problem loan. Looking at the stability of the system, the continuous association of the bank with the debtor—including the "workout" of problem situations—is just as central to the credit decision-making process as the initial extension of credit. More importantly, if the functions of the credit watchdog, the workout specialist and the backup source of liquidity to others are essential to the stability of the system, some class of institution short of the central bank, regardless of what it is called, must be positioned to provide these functions in an otherwise profitable context.

To some unknown extent, traditional commercial banks have lost some of their comparative advantage in the credit decision-making process. The institutionalization of savings, the growth of credible debt rating services and the spread of technological and market innovation have produced a situation in which a broad range of institutions and market participants are able to make informed credit judgments even though, as noted earlier, many of those judgments are still indirectly resting on established banking relationships, including backup or contingent credit and liquidity arrangements.

Because of this curious blend of circumstances, the bank's role as the originator and holder of credit to high-quality borrowers has been significantly undercut. Moreover, recent events illustrate that even lower credit quality borrowers have direct access to the credit markets—aided in some instances, ironically, by the bank backup facilities.

Striking a Balance

Therein lies the dilemma. On the one hand, the direct extension of credit via the securities market can be highly efficient, especially for high quality borrowers, but perhaps increasingly to others as well. On the other hand, traditional intermediation provides the process and the profits to grant credit and to monitor it over time, to provide a liquidity backstop short of the central bank and to solve problems in an orderly way when they arise. Thus, as events seem to work in the direction of unbundling the credit process there is at least a question as to whether that unbundling yields results which will preserve the integrity of the credit decision-making process as a whole, while still providing an institutional mechanism that can solve problems and provide liquidity in a manner consistent with the dictates of profitability and stability.

One thing, however, is clear: credit is central to the operation of the financial system and the payments system; as such, decision to grant or to deny credit must be made consciously, objectively and rigorously. And, a credit system must have safety valves which permit the inevitable credit problems to be isolated from the system as a whole and worked out by those who have not just a financial interest in the workout but also have a perspective on what is good for the system as a whole. Achieving that balance was never easy, but in today's high-speed and highly interdependent financial system, it is all the more difficult but, also all the more essential.

Seeking to achieve that necessary balance in current circumstances runs afoul of many practical difficulties but it also is hampered by an intellectual barrier. Namely, in looking at the three specific functions of the banking and financial system enumerated earlier which are of particular importance in a public policy perspective, there is something of a natural tendency to view them in isolation. That is, there is a tendency to say there is nothing unique or special about extending credit; nothing unique about making or receiving payments; or, nothing unique about issuing transaction or demand balances. The difficulty, of course, is that these functions cannot be looked at in isolation but rather, must be viewed as something of a trinity—the unifying force for which is that the system as a whole is a credit system in which very large amounts of claims on financial institutions must be satisfied on demand or on very short notice. Those claims include not just the stock of conventional "demand" deposits housed in depository institutions but also the hundreds of billions of dollars in debit and credit entries made daily that are now associated with our highly integrated financial markets on a worldwide basis. Therefore, each institution in the loop must, of course, satisfy itself that it is making all of its credit judgments in a rigorous and objective manner, but it must also have confidence that others to whom it may be indirectly exposed to are doing the same. For these reasons, and because the business of banking and finance is essentially the business of public and mutual confidence, the public at large and market participants more specifically have expected and demanded a degree of official surveillance over the system—a system in which credit and credibility is the unifying force.

III. FINANCIAL MARKET STRUCTURE: WHAT ARE THE ALTERNATIVES?

As discussed in the preceding section, there are certain functions of the financial system which are of particular importance to the smooth workings of the economy at large. The importance of these functions provides the basis for the public interest and public policy concerns historically associated with banking and finance, but they also help to illustrate why the business of banking and finance is essentially the business of public confidence. Yet, as illustrated in the first section, developments in the marketplace are eroding the traditional role of specialized financial institutions which had been the hallmark of the banking and financial system in the United States. Moreover, these same market forces have almost certainly introduced new elements of risk and uncertainty into the financial system while rendering increasingly outdated important elements of the supervisory and regulatory structure surrounding banking and finance.

Thus, it is important to consider what options and alternatives may be available in seeking to fashion a more evenly competitive and, most of all, a more stable financial system. In the broadest sense, there would seem to be only four alternatives available. first, to resist, and indeed to seek to reverse, the forces of market change and innovation, thereby forcing practices and institutions back into the legal and regulatory framework of the past. Second, to stay on the present course of piecemeal change—some by regulation and judicial proceedings, a little by legislation, but much by a helter-skelter of events in the marketplace in the hopes that somehow that curious combination of forces will produce a result that makes sense from a public policy perspective and does not yield so many casualties along the way so as to undermine public confidence in the system as a whole. A third alternative would entail wholesale deregulation including, among other things, the systematic relaxation of (or elimination of) the separation of banking and commerce, the dismantling or scaling back of the public safety net associated with banking and a willingness to allow market forces, and market forces alone, to run their course at any, or virtually any, cost. Finally, the fourth broad alternative would entail moving in the direction of a more uniform and integrated approach to the operation and supervision of the banking and financial system while still preserving the distinction between "banking" and the remainder of the economy.

Re-regulation

The first of these alternatives is the easiest to discard because virtually all observers would admit that it cannot be done. Indeed, given the realities of contemporary markets—especially the technologically-driven globalization of banking and finance—attempting to systematically reverse what has already happened would be highly impractical both politically and substantively. That is not to say that certain selective measures are wholly beyond the realm of possibility, but rather to emphasize that technological and competitive forces that are now operating in a global contest are simply too powerful to be overcome by a regulatory or legislative regime based on the past.

Muddling through

The second alternative must have some attraction since that is what we are doing now. Indeed, the lack of consensus in the banking industry—to say nothing of banking and finance more generally—as to what should be done to better rationalize the structure of the system would seem to reflect a willingness, if not a desire, to "muddle through." Moreover, even the banking and financial authorities don't always agree on certain issues and, in these circumstances, the Congress itself seems paralyzed. Yet, on reflection, the inability to carve out a coherent course of action does not seem to reflect a deep-seated satisfaction with current arrangements nearly as much as it is an effort on the part of many to support only those changes which seem to meet the specific business strategies and perceived profit opportunities of individual institutions. In the current circumstances, the measure of effective lobbying is not what legislation gets passed but what gets blocked.

When that approach is combined with a pell-mell push by market participants to force many activities through regulatory and statutory loopholes, the result is dangerous to the health of the system especially if such patterns of behavior implicitly assume that the public sector will take care of any serious problems that may arise.

Thus, "muddling through" is not the answer even for those who believe they are clever enough to exploit, for a time, the current situation to their own advantage. Indeed, in the aggregate, it is an obvious contradiction in terms to assume that each institution or even each class of institutions will be able to maximize its market share and its profits at the expense of the next firm or the next class of institution. And, as we are seeing today, such a market environment can produce competitive pressures to take on high-risk activities in a setting in which those same competitive pressures produce patterns of pricing which may not adequately compensate for the risks being carried.

Finally, the "muddling through" approach will also work to further accentuate already apparent competitive anomalies as well as gaps and inconsistencies in the regulatory/supervisory process. For example, if one looks at the types of firms that supply one or more of those special banking or financial functions outlined in the preceding section, the differences in the nature and scope of supervision are striking, to put it mildly. At the extreme, the activities of some such firms are hardly regulated at all, while others are regulated largely at the state level where pressures to provide a favorable regulatory environment in the interests of economic and job development are great. Still other firms are subject to multiple, if not redundant, forms of supervision that can directly impinge on the relative cost of providing certain services. These differences in regulatory treatment of different classes of institutions providing essentially similar services carries with it obvious problems of competitive inequities. But it also contains the potential for greater risks to the system in a setting in which the authorities may not be well positioned to make prompt and informed decisions in the face of problem situations or may be inhibited in calling for higher (and more costly) standards of prudential behavior.

Wholesale deregulation

The third broad alternative available is to allow unbridled market forces to run their course. That would entail, among other things, permitting any financial institution to offer any service it wishes and, more importantly, permitting the full range of commercial firms to own and control the full range of banking and financial firms. Conceptually, such an approach would be quite radical. For one thing, it collides head-on with the widely held view that "banking" and commerce should be separated *insofar as ownership and control of "banking" institutions are concerned.* However, when one takes account of the changing patterns of ownership and control of thrift institutions, insurance companies, securities companies (to say nothing of nonbank banks) and when one takes account of the fact that several of the largest manufacturing companies in the U.S. already own very large and increasingly diversified financial subsidiaries, it is clear that we are already witnessing something of a breakdown in the separation between "banking" and commerce.

In the current circumstances, the problems in the thrift industry and the presence of the nonbank bank loophole may be particularly relevant insofar as the future distinction between "banking" and commerce is concerned. Indeed, the legitimate need for fresh sources of capital in the thrift industry and the politically attractive case for "consumer banks" threaten to encourage a further and potentially systematic breakdown of the separation of "banking" and commerce. All of this takes place, of course, in a context in which it is argued that there can be "exceptions" to the rule. In fact, however, there is a point at which multiple exceptions to a rule create a new rule. To put it differently, we may be approaching a point where, as a practical matter, the distinction between banking and commerce could be irreversibly breached. If that point is reached, it potentially implies, as a matter of logic, that (1) either the "safety net" surrounding banking will have to be extended, at least to an extent, to those who own and control "banks," (2) that the "safety net" should be eliminated altogether, or (3) that the "bank" must be fully insulated from the balance of the business entity.

The question of whether, *or the extent to* which, a middle ground can be struck between these extremes while at the same time permitting commercial firms to own banks ultimately reduces *to the extent to which affiliated* and subsidiaries of the same business entity can *in fact and appearance* be operated independently of other parts of the firm and from the firm itself. Absent such independence, concerns about conflicts of interest, unfair competition, concentration of economic power, and breaches of fiduciary responsibilities can only increase, and increase sharply. In practice, unless that separation is complete and virtually fail-safe, it would be difficult, if not next to impossible, to see how the workings of the official supervisory and safety net functions could be applied only to selective parts or functions of the corporate entity as a whole.

Obviously, it is not possible to design a system in which the potential for problems in these areas is not present to some degree. However, what is at issue is the extent to which the potential for problems is present and the extent to which the supervisory apparatus can readily deal with such problems when they arise. Indeed, if banking subsidiaries cannot be fully "walled-off" from the balance of a commercial enterprise, the supervisory dilemmas can become very acute. On the other hand, if there are substantial economic benefits from linking banking and commercial enterprises, then efforts to achieve that separation by regulation would, almost certainly, fail or, if somehow successful, would remove the very economic incentives for such combinations in the first instance. Beyond that, unless the separation is fail-safe, it is difficult to see how a part of such an entity can have a call on official sources of liquidity and capital unless, at the very least, the authorities have some supervisory influence over the entity as a whole. Leaving aside for a moment questions of conflicts of interest and the like, the acid test of the corporate separateness doctrine arises not in fair weather but in times of stress and strain.

Looked at in that light, experience with problems in the banking and financial sector tells us, in a rather convincing manner, that affiliates find it very difficult to disavow each other or their parents and vice-versa in times of stress. This tendency seems to reflect at least two major considerations; first, when one part of a financial entity has problems, the marketplace generally attributes those problems to the entity as a whole; and, second, when that great intangible—public confidence—is so central to the "going concern" value of the enterprise, overt decisions to "cut and run" simply do not come easily. Strength surely begets strength, but weakness even more surely begets weakness.

In short, the blending of "banking" and commerce raises a host of potential problems ranging from its consequences for the impartiality of the credit decision-making process to the operation and reach of the supervisory system and the public safety net more generally. In considering these potential problems, some would suggest that the concerns are remote and that adequate regulatory protections can be put in place to protect against actual problems arising. These arguments are made with particular vigor in the context of a partial blending of banking and commerce as, for example, with the nonbank bank of the "consumer" bank. The problem with this line of reasoning, however, is that once that partial blending and commerce gains momentum, it will be very difficult to contain, absent a supervisory and regulatory framework which would be so cumbersome as to be ineffective or, if effective, would defeat the purpose of the combination in the first place. In short, if there are reasonable alternatives to the blending of banking and commerce, those alternatives should be actively and fully pursued before accepting the view that blending the two is desirable.

A better alternative

Fortunately, there is still another alternative: namely that we accept the blurring between classes of financial institutions and financial functions but seek to preserve the distinction between banking and finance, broadly defined, on the one hand and commerce, more generally, on the other. This fourth and, in my view clearly preferred alternative is discussed in greater length in the fifth section. That discussion takes as its point of departure that (1) certain "banking" functions are indeed special; (2) because they are special, a federal safety net surrounding banking and finance is both appropriate and necessary, and (3) the distinction between banking and finance on the one hand and commerce more generally on the other should—to the maximum extent possible—be preserved in a context in which competitive inequities among financial firms are narrowed and the strength and stability of the banking and financial system are enhanced.

Seeking to preserve a distinction between "banking" and commerce is neither new nor is it unique to the United States. This tradition was evident in colonial America and to a greater or lesser degree has been a feature of banking structure throughout the history of the United States. Similarly, while there are differences in banking structure from country to country, current practices in the major industrial countries suggest of a general preference in the direction of maintaining such a distinction.

Despite the burden of history and despite the general preference in many other countries to avoid combinations of banking and commerce, there are those who would view the call for such a separation as unnecessary and unworkable. Most who would take such a view would not seriously disagree with the proposition that certain "banking" functions are "special" but rather would argue either that (1) the interrelationship between those special functions is not all that important (e.g., if an institution takes "demand deposits" and confines its lending to certain type of loans but not others, all is well) or (2) that these special functions can be protected by regulation and by a fail-safe firewall between affiliates of the same company. As outlined earlier, both of these propositions seem to me highly questionable. Yet, it remains true that the choice of moving in the direction implied by these arguments is there. Looked at in that light, the debate really comes down to a debate as to what kind of risks do we, as a nation, want to incur as a matter of public policy.

The question of whether the nation will be better served by seeking to maintain a distinction as to who can own and control "banking" institutions would seem to stand or fall on three central questions: first, is a halfway house in which some commercial firms can own and control at least some banks, while others cannot, workable without having to extend the supervisory oversight function—in important ways—to all who would wish to own and control depositories? Second, can the official safety net apparatus—including liquidity support from the central bank—be available to part of a firm without, at least by implication, it being available to the firm as a whole? And, finally, will the all important impartiality of the credit decision-making process—including associated questions of concentration, conflicts and unfair competition—be better served by preserving such a separation?

As noted earlier, one's judgment as to those questions, and therefore one's judgment as to the risks associated with scuttling the separation doctrine, come down importantly to how one views the so-called corporate separateness doctrine. In this regard, it is interesting to note that Walter Wriston has said:

"If the National Bank Act was amended to say that everything a bank holding company can do, the national bank can do, I'd be extremely happy. It would simplify administration and would make it perfectly clear to the customers that our $7 billion of capital is behind everything that we do."

Furthermore, Wriston notes:

"For example, it is inconceivable that any major bank would walk away from any subsidiary of its holding company. If your name is on the door, all of your capital funds are going to be behind it in the real world. Lawyers can say you have separation, but the marketplace is persuasive, and it would not see it that way."

Summary

Taking a broad view, our choices as to the future shape and structure of the financial system are quite limited. Indeed, while the details can be varied somewhat from alternative to alternative, the practical and philosophical options are few. As of the moment, we are "muddling through" without dire visible consequences. But, that approach is not sustainable. Since "re-regulation" cannot provide a satisfactory and practical solution and since "wholesale" deregulation seems to entail unacceptable risks from the vantage point of public policy, the clear choice seems to me to be one in which we seek to maintain a distinction between banking and finance on the one hand and the balance of the economy on the other. Such an approach is outlined in some detail in Section V.

IV. THE LARGE-DOLLAR ELECTRONIC PAYMENTS MECHANISM

While many have seen the need for strengthening the structure of the financial system, the case for enhancing the reliability and safety of large-dollar electronic payments systems seems to me also compelling. Moreover, it happens that this objective *could* be realized in a setting that can also help rationalize the overall structure of the financial system. The ensuing discussion sets forth alternative approaches to strengthening the reliability and safety of large-dollar electronic payments systems. One such alternative could also complement a longer-term approach to restructuring the financial system which is the focus of the next section.

As discussed earlier, the large-dollar electronic payments mechanism plays a vital role in the day-to-day, hour-by-hour functioning of the financial system. The fact that these systems are able to process tens of thousands of transactions daily aggregating well in excess of $1 trillion is testimony to their effectiveness, but it also underscores the urgency of insuring that these systems are as reliable as possible and are capable of dealing with operational, credit or liquidity shocks.

Indeed, because the systems are so very large and because of the nature of the credit, liquidity and operational interdependencies they create, any major disruption in the workings of the large-dollar payments systems can quickly impair the workings of many institutions and the markets generally. Even significant computer problems at any one of the dominant participants in the system can give rise to very serious problems for markets and for institutions generally. And operational problems of a potentially serious nature occur with some frequency. These problems present their own challenges but they are incidental compared to the kinds of problems that would arise if the system were once again confronted with a serious credit shock such as the Herstatt problem of 1974.

As things now stand, these large-dollar electronic payments systems represent the instrumentalities through which a major operational, liquidity or credit shock can quickly spread to any number of institutions domestically and internationally, thereby amplifying the initial problem.

The case for strengthening current arrangements

There are several features of the current arrangements which give rise to particular concerns regarding the workings of the systems. Among them are the following:

First, a sizable fraction of large-dollar payments is provisional for at least periods of many hours. The absence of finality in such payments implies that countless institutions and their customers may be at risk in the event of serious problems at another institution. Indeed, the nature of payments chains is such that even institutions that are not direct counterparties to the troubled institution can be impaired by such an event.

Second, the operational characteristics of the system as a whole and of many of its key component parts do not provide adequate levels of compatibility, reliability, and backup capabilities. As an extension of this, the operational systems for most, if not all, of the system's major component parts have little or no capability to serve as substitutes for each other. And, the operating systems in place at virtually every major participant lack both the capability to bypass other component parts that may be experiencing operating problems and the ability to dislodge payment instructions and transactions which may be "trapped" in their own systems when they are down. To put it bluntly, the system as a whole is a hodgepodge of facilities, equipment, software and controls that have little in common with each other and in many instances, are facilities which were not designed or built with the degree of operational reliability that should be required by today's pace of financial transactions. The system as a whole is only as reliable as its least reliable major component part.

Third, the speed and the around-the-clock, around-the-world nature of financial markets make it inevitable that huge amounts of credit exposures are incurred in the course of making and receiving payments. The extent of those credit exposures—and the intricate web of interdependencies they create—are exacerbated by the fact that, as noted above, hundreds of billions of dollars in payments are provisional for at least much of the business day.

Fourth, there is a major question as to whether the "conventional" approach to establishing fees for services—tempered as it is by strong competitive forces—provides the suppliers of such services, including the Federal Reserve, with returns that adequately compensate them for the credit risks incurred. Nor may such fees provide the returns needed to finance adequate levels of investment in operational systems and controls, including backup systems.

Fifth, there is no convenient mechanism or authority in place to bring about needed reform in the operation of the system as a whole. The Federal Reserve has, through a variety of initiatives, made significant inroads in this regards, as have other federal bank supervisory agencies. However, there is some doubt as to whether these efforts can go far enough and fast enough, especially since some major participants are entirely outside the reach of the federal bank regulatory apparatus and, at the extreme, are beyond our national boundaries.

Looked at in this light, greater attention to and investment in improving the reliability and safety of those large-dollar electronic payments systems seems to me essential. The needed enhancements in these systems will require a blend of public and private initiative. The Federal Reserve, as the ultimate source of liquidity and finality of payment, must be involved in this process; but so too must the private firms whose initial credit decisions and operating systems provide the linkages which permit the system to reach out and encompass thousands of institutions—financial and nonfinancial alike—around the country and around the world.

That blend of public and private participation must, among other things, provide a vehicle that can muster the resources needed to create a system in which the degree of operational reliability is materially enhanced while also establishing a framework of operational rules and guidelines in which private participants have a major voice so as to provide reasonable assurances that the dictates of efficiency as well as safety will be well served.

Objectives and alternatives

What is needed is an approach which would aim at the following objectives: (1) a further major shift in the direction of making payments final when they are made; (2) a significant strengthening in operational reliability; (3) a strengthening of the system's capacity to absorb shocks; (4) a major role in both the design and operation of the system for its private sector participants; and (5) providing all participants with a proprietary interest in the success of the system.

These objectives are clearly ambitious and will, at the very least, require concerted effort on the part of many over a period of time. As with any complex problem involving the specific interests of a large number of individual institutions, there are several ways in which one could go about the process of achieving these goals. The most obvious alternative would entail an extension of initiatives which are already underway in the Federal Reserve and in the private sector. Such an approach would entail at least five major elements, as follows:

Within the broad framework of Fedwire operations as we know them today, the Federal Reserve Banks would embark on a further program of upgrading their operational and back-up systems aimed at achieving state-of-the-art processing capabilities including the capacity of individual Reserve Banks to provide backup and bypass capabilities for each other.

As a condition for access to Fedwire, the Federal Reserve would require a comparable degree of operational reliability, backup, and bypass capabilities among the major banking institutions that are direct participants in the system.

Since there probably are limits as to how far efforts to reduce daylight overdrafts can go, the current daylight overdraft control program would have to be augmented by some combination of clearing balance requirements for major users of Fedwire and explicit charges for daylight credit although the latter could have serious adverse side consequences.

All same-day settlement, private sector large-dollar payments systems would be required by regulation to implement procedures to ensure settlement finality in order to obtain Federal Reserve same-day net settlement privileges.

Finally, private sector participants in the system would continue to have a strong informal and advisory role but would remain outside the final decision-making process.

Approaches along these conventional lines could produce important gains relative to current arrangements. However, whether enough could be achieved and whether enough could be achieved rapidly enough is a matter of considerable conjecture—especially in a setting in which transaction volumes and counterparty risks (including their international dimensions) are rising rapidly and many major participants are at least one step removed from the reach of the Federal Reserve in terms of both supervision and access to the system of final payments.

Because there is a major question in my mind as to whether this "conventional" approach is up to the task, consideration should also be given to another, and more sweeping, alternative. That more sweeping alternative would entail an explicit recognition that certain of these large-dollar payments systems are in the nature of a public good or utility and should be so structured and operated.

One approach which would be consistent with that view would center on the establishment of a "National Electronic Payments Corporation" to be jointly owned and operated by the Federal Reserve and major private sector participants in the large-dollar electronic payment network. As envisioned, all funds and U.S. government securities payments made via this entity would be final payments in the form of debit and credit entries to accounts on the books of the Reserve Banks. Such arrangements could also be structured in a manner in which access to such payments facilities could be made available to certain nonbank financial firms in accordance with the proposed restructuring of the financial system set forth in the next section of this paper. In this context, and for purposes of illustration, the appendix to this paper sets forth in somewhat greater detail how such a "National Electronic Payments Corporation" might be structured, including how that approach could be coupled with the discussion which follows. While this particular approach is, no doubt, controversial, one thing should not be; namely, that important enhancements to the safety and reliability of large-dollar payments are needed and are needed sooner rather than later.

V. FINANCIAL MARKET STRUCTURE—A LONGER VIEW

Building on the earlier discussion, this section seeks to lay out an approach to a long-term view of the structure of financial markets in the United States. The approach suggested is intended as a broad objective rather than a precise formulation of near-term legislative or regulatory strategies. Indeed, given the current state of affairs, and even assuming there was a complete consensus as to what should be done to better rationalize financial market structure, any far-reaching set of structural initiatives would have to be phased in over a period of time. However, if that evolution of the financial system is to have an underlying cohesion that makes sense both from a competitive *and* a public policy perspective, it is essential that there be broad-based agreement as to what the structure should look like so that there is a "model" which can be used as a yardstick against which to evaluate the reasonableness of specific changes over the transition period.

Guiding principles

In considering what might constitute a desirable long-term view of financial market structure, important weight was given to six broad guiding principles, as follows:

First, the separation of "banking" from commerce should be preserved.

Second, in the interest of competitive equity and supervisory harmony, the regulatory costs associated with special "banking" functions should, to the fullest extent possible, be neutralized or eliminated across classes of institutions.

Third, the approach should provide scope for achieving the benefits of greater competition in the marketplace for financial services while preserving the important public benefits growing out of an appropriate degree of supervisory oversight of the system.

Fourth, supervision should take account of function, not merely institutional form.

Fifth, the structure of the system should incorporate principles of "volunteerism" whereby individual firms can choose their position on the financial landscape based on their own corporate strategies and their own assessments of the costs and benefits of one form of corporate organization over others.

Sixth, and most importantly, the approach should strengthen the stability and soundness of the system in part by providing greater room for self- and market discipline but also by enhancing the strength and flexibility of the official supervisory apparatus where necessary.

The framework visualized would contemplate four categories of banking and financial firms, the first of which would be the thousands of "stand-alone" banks, thrifts, or other "financial" firms including broker/dealers, insurance companies, finance companies, etc. For the most part, these institutions would be unaffected by the direct impact of these proposals. However, over time, these proposals would, in all likelihood, give rise to some degree of consolidation and, almost certainly, some degree of product diversification even among smaller institutions. Nevertheless, one can reasonably postulate that even over the long run, we would continue to have a very large number of small to medium-sized specialized banks, thrifts and other "financial" institutions.

Categories of Institutions

Apart from those institutions the proposal contemplates three major categories of diversified financial institution as follows:

First: bank (or thrift) holding companies having one or more nonbank financial subsidiaries. Such companies could own and control one or more banks or thrifts—as later defined—and could, in time, engage in a broad range of "financial" services including banking, insurance and securities services, but could not be owned or controlled by a nonfinancial-commercial concern nor be engaged in "nonfinancial" activities.

Second: financial holding companies whose overall activities are wholly financial in nature but which choose not to own or control deposit-taking institutions. If such firms also choose not to be owned or controlled by commercial concerns they *could*, at their own option and under certain circumstances, obtain direct access to the payments system and limited direct access to the discount window. In return, they would be subject to some form of consolidated prudential supervision and could be subject to an interest-earning liquidity reserve to be held at a Federal Reserve Bank. Of course, a financial holding company could also, at its option, acquire depositories thereby becoming a bank holding company with payments systems access and discount window access available to the depository on normal terms and conditions.

Third: nonbank financial companies that are owned and controlled by a commercial concern. Such companies and their parents could not own or control banks or thrifts, could not have any direct access to the payments system and could not qualify for credit or liquidity assistance from the central bank but could offer nonbank financial services as well as be engaged in any nonfinancial activities they might choose.

Definition of Terms

In order to illustrate the details of how such a scheme might work, it is necessary to define certain terms and introduce certain concepts. These terms and concept are outlined below.

Definition of bank and thrift: A depository institution would be defined as any institution that holds transaction deposits as defined below and makes loans of any kind. All such institutions would be eligible for federal deposit insurance. Commercial banks would be distinguished from thrift institutions in that the latter would have an asset test whereby some large percentage of assets would be devoted to housing.

As an extension of this approach, the prohibition against paying interest on demand deposits would be lifted in part for competitive reasons but also in order to discourage the enormous volume of day-to-day transaction flows that arise as economic agents seek to, in effect, circumvent the prohibition against paying interest on demand deposits.

Transaction deposits: A workable definition of transaction deposits which is functionally rather than institutionally driven is central to the structure of the system. The most straightforward such definition is any liability which can be drawn down by the depositor at par within 24 hours without prior notice and the proceeds of which can be paid to third parties by instruction of the depositor. Such transaction deposits would be subject to reserve requirements and the deposits of any institution holding such deposits would be eligible for federal deposit insurance.

Transaction accounts: Nonbank financial entities would be free to offer noninsured transaction accounts, such as money market mutual funds with check-writing features. The key distinction between a transaction account and a transaction deposit would be: first, that there be a strict and low limit on the number of transactions against transaction accounts in a given period of time; and second, that the principal amount of the transaction account may be subject to capital losses or gains. Of course, such transaction accounts would not have federal deposit insurance.

Because such transaction accounts would remain very close substitutes for transaction deposits, they would be subject to reserve requirements even though the presumption would be that such authority would be used only in extraordinary circumstances—circumstances which are even less likely to arise on a setting in which the prohibition against paying interest on demand deposits is lifted and interest may be paid on required reserves as discussed below.

The Federal Reserve Board would have cease-and-desist authority to prevent a nonbank entity from issuing transaction deposits and similar authority to prevent a commercial entity from issuing transaction accounts or deposits although some room might be provided to permit a nonbank financial affiliate of a commercial firm to offer certain such accounts.

Required reserves: Any depository issuing transaction deposits would be subject to reserve requirements as would nonbank issuers of certain transaction accounts although, as noted above, reserves would not, in normal circumstances, be extended to transaction accounts. Resulting required reserve balances should be interest-earning at some rate modestly below the federal funds rate.

If transaction accounts—including those issued by nonbank financial firms—are subject to required reserves and depositories can pay interest on demand deposits, the competitive problem associated with close substitutes for transaction deposits would be narrowed appreciably.

As a corollary to this and as discussed later, the proposal would also contemplate the elimination of required reserves on nonpersonal time deposits which would also work in the direction of further narrowing competitive disparities among classes of financial institutions. However, this change would in all likelihood have to be coupled with the introduction of something along the lines of the liquidity reserve concept outlined below.

Financial services: Following a phase-in period, all bank, thrift and financial holding companies could offer a full range of financial services including securities and insurance activities subject, of course, to their ability to meet financial and other regulatory standards associated with specific activities. By the same token, any financial holding company could, at its option, own insured banks, thereby becoming a bank holding company. As discussed later, the scope of financial services would be defined by a newly established supervisory board. Given the definition of financial services, individual businesses would be free to choose their places on the financial landscape, and, over time, could shift from one category to another via acquisition or divestiture.

Access to the payments system: The concepts outlined here would be compatible with two approaches to the question of access to the payments system. The first and more conventional approach would continue to limit access to depositories as defined above. However, because financial holding companies could at their option own depositories, the depository affiliates of such a firm would in those circumstances have "normal" access to the payments system. Subject to this very important difference, and to the evolution of policies regarding efforts to better control payment and settlement risk, under this approach the Federal Reserve Banks would continue to provide payments services to depository institutions in much the fashion and under the same general terms as it does today.

An important variation on this basic alternative could arise in the context of efforts to establish something along the lines of the "National Electronic Payments Corporation" described in the previous section and in the appendix. Specifically, such a corporate entity could be structured in a manner that would permit certain financial holding companies to own shares in such an entity thereby obtaining direct access to the payments system. Presumably, this option would only be available to financial holding companies whose payments flows were large and such access would also have to be coupled with some form of access to the discount window. Of course, in combination, access to the payments system and even limited access to the discount window would also have to be conditioned on some form of consolidated supervisory oversight by the Federal Reserve.

Liquidity reserve: All institutions that are major direct users of large-dollar electronic payments systems would be subject to a liquidity reserve requirement to be held at the Federal Reserve Banks. The liquidity reserve would be some very small percentage of total exposures (on- and off-balance sheet). The liquidity reserve would earn a market rate of return and would be used as a working transaction balance subject to any evolving prudential payment risk policies. However, there would be a strong presumption that some fraction of the total liquidity reserve would be held as a nonworking balance available only to meet emergency situations.

For example, if something like the hundred or so largest banking and financial institutions were subject to the liquidity reserve requirement—keeping in mind that such liquidity reserves would earn a full market rate of interest—the total amount of such balances at the Fed might be in the area of $50 billion. Something like one-third of such balances might be nonworking balances, while the remainder could be used as working transaction balances much as required reserve balances are today. Indeed, for depository institutions that are subject to required reserves, the working fraction of the liquidity reserve could be combined with the traditional reserve balance for day-to-day operational purposes.

The immediate result of the liquidity reserve proposal would, other things being equal, significantly reduce intraday credit exposure in the payments system. But, the presence of such balances at the Fed would also mean that the system as a whole would have a greater store of liquidity which could be brought to bear in a variety of circumstances, thereby providing a liquidity cushion short of the discount window. Of course, in case of need, the Fed would still provide its traditional lender of last resort function subject, of course, to traditional conditions.

Access to the discount window: Access to the discount window could also become a two-tiered arrangement. For chartered and insured banks and thrifts, discount window access would remain as it is today, both in regard to "normal" liquidity use of the window and as regards seasonal and other special discount window access.

However, in a context in which selective financial holding companies had direct access to the payments system via the equity interests in a National Payments Corporation, such institutions might also have access to the discount window in extraordinary circumstances. There would, however, be no presumption whatsoever that such firms would have "normal" access to the window as would be the case for banks. And, even extraordinary usage of the window would be subject to customary collateral and other terms as well as being granted on the premise that the liquidity reserve cushion will be utilized prior to the discount window.

The alternative structure

To summarize the discussion this far, the exhibit following summarizes the major characteristics of the three classes of institutions discussed earlier. In considering the exhibit, it might be most useful to focus first on the differences between the classes of institutions. For example:

Commercial-financial conglomerates may, of course, engage in any commercial enterprise they choose and may also engage in nonbank financial activities. A nonbank financial affiliate of a commercial concern might also issue certain types of noninsured transaction accounts, subject to appropriate restraints. However, commercial-financial conglomerates may not own or control a bank or thrift, are barred from any direct access to the payments system and may not receive liquidity assistance from the central bank. This approach would mean—as a matter of logical consistency—that commercial firms that now own insured thrifts and nonban banks should be required to divest such holdings. While a very long divestiture period could be provided, divestiture is ideally preferable to grandfathering.

Financial holding companies would differ from commercial-financial conglomerates in that (1) they could not be owned by a commercial firm; (2) they could offer noninsured transaction accounts; (3) they could, under one alternative and at their option, obtain access to the large-dollar payments system and in that process gain limited access to the disount window; and, in such circumstance, would be subject to interest earning liquidity reserves. It should also be stressed that a financial holding company could also, at its option, choose to own and control insured banks and thrifts thereby voluntarily shifting its status to a bank or thrift holding company. By the same token, a financial company could be acquired by a commercial concern but, having done so, would have to forego access to the payments system, etc.

THE ALTERNATIVE STRUCTURE

	Bank-Thrift Holding Co.	Financial Holding Co.	Commercial Financial Co.
Owned by commercial firms	No	No	Yes.
Offer full range of nonbank financial services.	Yes	Yes	Yes.
Own and control full range of commercial enterprises.	No	No	Yes.
Own and control federally insured depositories.	Yes	No[1]	No.
Issue transaction deposits	Yes	No	No.
Issue noninsured transaction accounts.	Yes	Yes	No.[2]
Pay interest on transaction accounts or deposits.	Yes	Yes	No.
Subject to required reserves on transaction accounts and deposits.	Yes	Yes	No.
"Normal" access to payments system.	Yes	No	No.
"Normal" access to discount window.	Yes	No	No.
Access to large-dollar final payments system.	Yes	Yes[3]	No.
Subject to liquidity reserves.	Yes	Yes[3]	No.
Limited access to discount window.	Yes	Yes[3]	No.

[1] A financial holding company could, at its option, acquire insured depositories, thereby becoming a bank holding company and in the process obtain access to the payments system and the discount window.

[2] Subject to certain limitations, a financial affiliate of a commercial concern might be authorized to issue certain noninsured transaction accounts.

[3] Within the context of something along the lines of the National Electronic Payments Corp. (see appendix).

Bank and thrift holding companies would differ in two ways from financial holding companies. While still fully independent from commercial concerns and free to offer the full range of financial services they could—(1) own insured banks and thrifts which in turn would have "normal" access to both the payments system and the discount window; and (2) they would be subject to liquidity reserves where payments flows were large relative to capital. Of course, and as discussed later, there would be differences in supervisory treatment of bank/thrift holding companies versus purely financial holding companies.

While the differences among classes of institutions that emerge under this proposal are important, what is more important is the manner in which the framework as a whole departs from current arrangements. Looked at in that light, there are several major differences which should be singled out:

First, the existing legal barriers preventing various classes of financial institutions from engaging in various types of financial activities would be largely eliminated. As a consequence, individual firms would be free to choose their own position on the financial landscape, including exercising the choice to remain a traditional bank, thrift, etc. Of course, in order for firms to move into new financial enterprises, they would have to meet various supervisory and regulatory requirements. However, affiliations among banks, thrifts, insurance companies, securities companies and other wholly financial firms would not be precluded as a matter of law. The structure would thus have much in common with the post-Big Bang environment in London as well as the structures in several major European countries and the environment under consideration at present in Canada.

Second, because commercial firms could not own and control insured depositories (even though they could own nonbank financial firms), the separation of "banking" from commerce would be better preserved than under current and prospective arrangements.

Third, under appropriate and limited circumstances, financial holding companies might gain access to the payments system and to the discount window. Such firms would, as part of that process, be subject to a degree of consolidated supervision by the Federal Reserve and would be subject to interest-earning liquidity reserves.

Fourth, in one alternative, a joint Federal Reserve/private sector large-dollar payments corporation would be created. Bank and thrift holding companies—depending on the volume of their payments flows—would be required to join the Corporation while financial holding companies could join at their option. All payments made through the Corporation would be final and irrevocable.

Fifth, bank, thrift, and financial holding companies that are major direct users of large-dollar payments systems would be subject to interest-earning liquidity reserves held at the Fed.

Sixth, to a very significant degree, the question of where an individual firm falls on this financial landscape would no longer be a matter of chance or accident but rather a matter of their own choice. In that most fundamental sense, the system is voluntary even though that ultimate choice will be conditioned by each firm's assessment of the trade-offs associated with particular mandatory features of one form of organization or the other.

Supervisory considerations

Needless to say, sweeping changes in the structure of the financial system such as those outlined above would—even if phased in over a period of time—require important changes in the supervisory apparatus. However, because the system will go through a period of transition and evolution, it will not be necessary, or for that matter desirable, to immediately restructure the entire federal and state regulatory apparatus governing financial institutions until some experience is gained with the financial structure as it unfolds. However, even during the transition period, certain changes would have to be made. Those necessary interim changes would include the following:

First, the Federal bank regulatory agencies should proceed with the implementation of risk-based capital adequacy standards for banking organizations. This step is important because it (1) makes sense on its merits; (2) will permit greater harmony in capital adequacy standards on an international scale; and (3) will permit authorities to take direct account of off-balance sheet activities. However, it also creates a framework in which, over time, it may be more possible to apply similar capital requirements to similar classes of activities regardless of whether those activities happen to be carried out in a bank, a subsidiary of a bank or bank holding company, or even in a nonbank financial entity. Moreover, such an approach to capital adequacy—especially if accompanied by "zones" above some regulatory minimum—could provide a rigorous initial set of threshold criteria that firms would have to pass in order to be able to engage in new financial services of a higher risk nature or profile. Ideally, this implies that competitive inequities growing out of diverse capital standards for different types of institutions engaged in the same functional types of activities can be narrowed and, in the process, the inhibitions of regulators to call for higher levels of capital also reduced. While reaching that ideal will not come quickly or easily, the necessary first step is to try to achieve a basic structure which is at least conceptually compatible with the goal.

Second, the establishment of a "Financial Services Oversight Board" would be necessary in order to insure that the definition of "financial services" was uniformly applied to bank, thrift and financial holding companies. Absent that commonality, a meaningful distinction between "banking/finance" and "commerce" could not be maintained, and prudential and other competitive disparities would quickly emerge between classes of institutions. While such an oversight board could be structured in a number of ways, it would seem that the board should be comprised of the heads of the appropriate agencies, even though much of its work could be carried out by deputies or by self-regulatory organizations. Whatever its precise structure, it would seem very important to construct the board in such a way that decisions could be reached only by some formulation of a "super-majority".

Third, any bank, thrift or financial holding company that has access to the Fed's discount window and access to the large-dollar electronic payments system would be subject to a degree of consolidated supervision by the Federal Reserve. The focus of such supervision would be aimed at (1) ensuring that activities were financial in nature; (2) ensuring that the institution maintains an appropriate degree of financial and managerial strength consistent with the nature and scope of its overall activities; (3) ensuring that intracompany and affiliate transactions are consistent with law and regulation; (4) ensuring that broad financial standards, such as capital adequacy standards, are being satisfied by the entity as a whole as well as by its component parts; and (5) ensuring that adequate safeguards against excessive concentration are maintained.

For bank holding companies, these arrangements would differ from current ones only in that the supervisory standards and procedures would have to be adapted to an environment in which bank holding companies are more diversified. However, in a context in which the incentives for loophole exploitation have been appreciably narrowed, and in a context in which the emphasis of such supervision is on financial strength, there should be some considerable room for supervisory simplification.

For the relative handful of thrift holding companies that might be subject to a degree of supervisory oversight by the Federal Reserve, the discharge of those responsibilities could be undertaken jointly with or perhaps even largely delegated to the Federal Home Loan Bank Board.

Financial holding companies that choose to acquire depositories or financial holding companies that have direct access to large-dollar electronic payments systems would, for the first time, be subject to a degree of consolidated supervision by the Federal Reserve. While much of that supervision would, de facto, be carried out in a day-to-day setting by present regulators, certain broad prudential financial standards would be applied to the consolidated entity by the Federal Reserve.

Fourth, as implied above, the component parts of bank, thrift, financial, and commercial-financial holding companies would be subject to functional supervision as appropriate, but in most respects in much the fashion as they are today. Thus, the primary supervisor of a bank, a securities company, an insurance company or other affiliate would be largely unchanged except for the fact that all supervisory efforts will have to adapt to the changing financial environment as symbolized by greater diversity of activities on- and off-balance sheets, greater speed and complexity and greater elements of interdependency among financial institutions.

In summary, a change in the financial structure along the broad lines discussed earlier carries with it, by implication, the need to alter the supervisory system to at least ensure that all bank, thrift and financial holding companies are subject to the same rules regarding the types of financial services they may engage in and to provide for a degree of common consolidated supervision by the Federal Reserve for those holding companies that have access to the discount window and to the large-dollar electronic final payments system. Within that general framework, much of the day-to-day supervision can be conducted on a functional basis, but in time consistent supervisory standards would have to be developed governing the specific conditions under which bank, thrift or financial holding companies could engage in new financial activities. As experience is gained with the operation of the system, it will in all likelihood be possible to further adapt the supervisory structure in more fundamental ways. However, as noted above, it would probably be short-sighted, if not counterproductive, to attempt to prematurely attempt such a fundamental restructuring of the regulatory apparatus until we have a better idea as to how the financial system itself evolves.

While a framework of this nature raises many questions that are not addressed here, it does seem to generally respond to the guiding principles mentioned on pages 33 and 34. Indeed, while no structure can do all we may wish, moving in this broad direction provides some clear advantages relative to the other options available as discussed in Section III. However, there are drawbacks to the proposal; for one thing, it can raise questions about the monetary control process but, on reflection, those questions are there in any event; for another, the proposals, in the aggregate, would reduce Federal Reserve payments to the Treasury; for another, it would be difficult to phase in even over a period of time; for another, it raises some difficult questions regarding the maintenance of a balance of competitive equity between nonbank financial companies that are affiliates of banks or financial holding companies on the one hand, and affiliates of commercial firms on the other; for still another, it entails a willingness to abandon certain time-honored traditions such as the separation of banking and investment banking; and, finally, it will probably encounter strong political opposition from certain quarters. However, if we are to better rationalize and strengthen the system, and if we are to build into it a greater measure of safety and stability, then we must have a goal or a target in mind that can best meet the blend of public and private objectives that are associated with the structure and operation of the financial system.

Related issues

There are at least four major related issues that arise in this broad context that have not been treated in this discussion. The first interstate banking. The framework suggested here can be considered independently of interstate banking although there is something to be said for joining the issues at some point. However, at present, it would appear that initiatives at the state and regional level are generating major inroads to the issue of interstate banking. Permitting things to evolve in that manner for a period of time seems quite reasonable, especially if those developments are accompanied by some future trigger date were set well into the future.

The second issue, which was referred to in passing, is the matter of the status of the thrift industry in the face of its capital requirements. As things now stand, the acquisition of troubled thrifts by commercial firms—among others—is viewed by many as a necessary source of capital to the industry. That, of course, would be incompatible with the nature of the "separation" approach suggested here. Ideally, one would hope that the need for such arrangements could be avoided by such devices as the recapitalization of the Federal Savings and Loan Insurance Corporation and by an environment in which banks and other financial firms could more readily acquire thrifts. However, if the capital needs of the thrift industry were such to necessitate some exception, it should occur in the context of a very strict "thrift test" such that thrifts acquired by commercial firms would be, in fact, home mortgage lenders and little else.

Third, the approach suggested brings into sharper focus the status of foreign banking entities operating in the United States. At the very least, it would imply that any foreign entity that is a major user of the large-dollar payments system might be required to operate in the U.S. as a full banking affiliate of its foreign parent rather than as a branch, agency or Edge corporation, thus ensuring that capital and liquidity resources are available here in the United States and also providing for a higher level of supervisory parity, with domestic institutions within the United States.

Finally, and perhaps most importantly, these proposals do not systemically come to grips with these same structural, stability and supervisory issues on an international scale—at least among major financial centers such as London, Tokyo, New York and a few other such centers. Every one of the major issues raised in this paper—ranging from large-dollar electronic payments, to access to the lender of last resort—has an international counterpart issue. What this means, of course, is that much greater harmony in structural, supervisory, accounting and tax policy as they apply in international banking and financial matters is needed and needed badly. That higher level of international harmony will not come quickly or easily. But, it will be all the more difficult to achieve so long as our system here in the U.S. is in such a state of flux. Indeed, reforming our system in a manner that makes sense from an internationally competitive view is a prerequisite to dealing with many of these other issues. Looked at in this light, moving along the lines suggested here would constitute a large step in the direction of establishing the conditions that would permit a higher degree of success in achieving that necessary degree of greater international harmony in financial structure, supervision and stability.

SUMMARY AND CONCLUSIONS

The proposals set forth in this paper are designed to provide an overall and integrated framework to guide the much-needed restructuring of the banking and financial system in the United States. As such, they are designed more as a conceptual framework than they are as a precise legislative or regulatory agenda. Taken as a whole, the proposals rest heavily on three premises: first, that banking and finance ought to be subject to a higher degree of official supervision and regulation than most other forms of business enterprise; second, that any effort aimed at reform should have as its primary objective measures that can work in the direction of enhancing the safety and stability of the system; and third, that efforts aimed at reform must realistically take account of market realities as they bear on competitive forces impacting classes of institutions and activities both here and abroad.

In considering the approach suggested here, it should be abundantly clear that no set of proposals—no matter how well-conceived—can achieve a perfect balancing of the many competing considerations that are at issue in seeking to forge a more coherent approach to financial market structure. Similarly, any approach—narrow or broad—will inevitably entail arbitrarily distinctions at the margin. However, these considerations should not stand in the way of moving forward with an integrated and comprehensive effort aimed at reform while recognizing that subsequent events may well require further refinement and adaptations.

In that spirit, the proposals set forth in this paper can be summarized as follows:

First, the approach would maintain a basic separation between banking and commerce while permitting firms engaged in providing financial services to operate in a broad range of banking and financial product and service markets. That is, common corporate ownership of banks, thrifts, insurance companies, and securities companies would be permitted—subject to appropriate regulatory restraints—as would combinations of commercial firms and nonbank financial concerns. However, under no circumstances could a commercial firm own and control an insured depository. On the other hand, securities, insurance or other financial concerns could own and control insured depositories, thereby becoming bank or thrift holding companies. The approach is fully consistent with the view that "banks are special" while at the same time sensitive to the market realities associated with the provision of financial services in a contemporary setting here and abroad.

Second, the approach recognizes that competitive realities require that artificial distinctions between classes of financial institutions offering functionaly similar financial services must be narrowed, especially as they pertain to those financial services which are of particular concern from a public policy perspective. Accordingly, the proposals would:

Eliminate the prohibition against paying interest on transaction deposits.

Provide for the payment of interest on required reserves.

Make all transaction *accounts* subject to required reserves.

Eliminate required reserves on nonpersonal time deposits.

Establish an interest-earning liquidity reserve applicable to all major direct participants in the large-dollar electronic payments network.

Broaden the class of institutions that have some form of direct access to the payments mechanism and the discount window.

Broaden the class of integrated financial institutions that are subject to a degree of consolidated official supervision by the Federal Reserve.

Third, the approach would also usher in a greater degree of more balanced competition in the marketplace for banking and financial services. Indeed, by permitting combinations of financial and banking entities in a setting in which commercial firms may continue to offer a full range of nonbank financial services, the thrust of competitive forces would be driven more by market considerations. However, all of this would take place in a framework in which the supervisory apparatus associated with banking and finance would be preserved and enhanced. And, it would also be possible to phase in such arrangements over a period of time in a manner not unlike that in which regulation Q ceilings were reduced and then eliminated over a period of time under the provisions of the 1980 Monetary Control Act.

Fourth, official supervision would increasingly take account of function, not merely form. This goal is achieved in several ways, including by virtue of the steps outlined in the second item above. Beyond those particular suggestions, the approach also contemplates:

The adoption of risk-based capital standards for U.S. banking organizations which would permit a convergence in such standards between U.S. banks and foreign banks and over time would also be conceptually compatible with the goal of achieving a greater degree of convergence in capital requirements as among like classes of activities in banks and other financial entities.

The creation of an interagency "Financial Services Oversight Board" to insure, among other things, that a uniform definition of financial services is applied to all classes of banking and financial entities.

That component parts of bank, thrift and financial holding companies would be subject to direct supervision on a functional basis in much the same fashion as is the case today.

That any financial organization that has access to the discount window and is a major user of the large-dollar electronic payments system would be subject to a degree of consolidated supervision by the Federal Reserve.

That, as a general matter, supervisory standards will have to further adapt to contemporary practices of banking and financial firms.

Fifth, taken as a whole, the proposals provide for a high degree of choice or "volunteerism" on the part of individual business enterprises. That is, any firm that wishes to be in the business of providing banking or financial services has clear options available to it depending on how that firm weighs the costs and benefits of one corporate form versus others. Beyond that, and within each major category of enterprise, the firm would have considerable discretion—subject, of course, to appropriate regulatory restraints—to choose the specific types and forms of services it might wish to provide. And, it would also be possible for firms to shift from one category to another recognizing, of course, that shifting from the status of a bank holding company to a financial/commercial enterprise would require prompt divestiture of banking interests.

While all of the above considerations are important, the acid test of the approach is whether it would work in the direction of reducing systemic risk while at the same time leaving ample room for market discipline to play its necessary and appropriate role. Insofar as the stability of the system as a whole is concerned, there are several aspects of these proposals which clearly work in the direction of reducing vulnerabilities. For example:

The narrowing of artificial distinctions among classes of financial institutions would work in the direction of reducing inhibitions on the regulatory side in calling for stronger prudential standards in such areas as capital adequacy.

The incentives to move activities offshore or to the point of least supervisory purview would be reduced.

The payment of interest on demand deposits and reserves would reduce the incentives for intraday and day-to-day churning in financial markets.

The liquidity reserve would dramatically increase the cushion of cash balances in the system, thereby reducing intraday credit exposure and providing a thicker liquidity cushion—short of the central bank—for individual institutions and for the system as a whole.

More open access to the payments system and finality of payment in large-dollar electronic payments systems would reduce the systemic risks in the payments system while also working in the direction of isolating problems at their source which, in turn, would provide a degree of greater flexibility in official responses to problems if and when they arise. In addition, adopting the concept of the National Payments Corporation would accelerate and facilitate the efforts and investments needed to strengthen the operational reliability of such systems thereby reducing the danger of destabilizing problems of an operational nature.

Providing for a degree of consolidated supervision of diversified financial firms would appreciably narrow a major gap in the official supervisory network.

In considering the factors outlined above, the most difficult question is not whether they will work in the direction of strengthening the system but rather whether they might work too well. By that, of course, I mean that there is always a danger that they will be perceived merely as extending the "safety net" and thus running the risk that the result will be a further erosion of discipline in the marketplace, since market participants may conclude that the safety net will protect not just the system but all of its component parts, even those who have acted in an irresponsible or undisciplined, fashion. That perception, to the extent it does or might exist, must be changed. To put it directly, the freedoms contemplated by the current market environment must include the freedom to fail. And, by extension, the financial system must be a system in which discipline operates through prior restraints—saying "no" to unduly risky activities and transactions—and not by falling into situations in which restraint and discipline are achieved only as a by-product of instability and failure.

If inhibitions about running the risks of permitting even large institutions to fail are to be reduced, we must have confidence that individual failures can be handled swiftly, effectively and with force, while not triggering more generalized problems. Achieving that objective will not be easy in today's highly interdependent banking and financial markets. At the very least, it means that the authorities must have the information and the expertise to quickly fashion solutions to problem situations. Stated differently short-term liquidity support operations which buy time to fashion permanent solutions to problems must not slip into long-term bailouts of those responsible for the problem. Finally, it must be recognized that the initial burden of responsibility for the well-being of the system must lie with the prior restraints exercised by the management of banking and financial institutions.

Looked at in this broad light, the proposals contained in this paper may rightfully be viewed as building blocks, since an indispensible part of that larger objective entails efforts to better rationalize the system itself while adapting—even if slowly at first—the regulatory and supervisory apparatus associated with the system in ways that can foster greater strength and greater flexibility. That process of reform and adaptation cannot be delayed further, for to do so would only increase the risk that distortions would magnify and raise the specter of coping with today's somewhat latent problems in a less hospitable economic and financial environment somewhere down the road.

APPENDIX

In the discussion of possible enhancements to the large-dollar electronic payments systems contained in Section IV, one of the alternatives mentioned centered on the concept of a "National Electronic Payments Corporation." Such a concept would, of course, represent a major change from current arrangements but is deserving of serious consideration, especially if financial transaction volume continues to grow at anything resembling the experience of the past several years. It would, among other things, provide a vehicle that could more easily muster the hard-dollar investment needed to upgrade and harmonize processing systems (including backup systems), but it could also be structured to serve the objectives cited on page 31 while at the same time complementing the proposed change in financial market structure outlined in Section V.

While such a corporation could be structured in any number of ways, the discussion which follows outlines one possible approach for purpose of illustration.

1. The Corporation would be jointly owned and operated by the Federal Reserve and by those banking and/or financial concerns making *equity* investments in the corporation. While private participants would have a major role in the design and operation of the system, the Federal Reserve would have a majority and controlling ownership interest in the Corporation because the Federal Reserve's discount window apparatus would, subject to collateral and other constraints, provide the backup liquidity needed to ensure payment finality.

2. The Corporation would have a board of directors with the chairman and a simple majority of such directors drawn from the Federal Reserve. Private sector directors would be carefully selected to ensure broad representation by class, size and location of shareholding institutions. The board of directors would have, subject to a degree of oversight by the Federal Reserve Board, broad policy-making authority ranging from the promulgation of policies governing minimum standards for backup facilities to procedures governing daylight overdrafts.

3. Payments made via the Corporation would be limited to transactions drawn on accounts at the Federal Reserve Banks, including funds transfers of reserve and liquidity balances and transfers of book-entry U.S. government securities.

4. All payments made through the Corporation would be final and irrevocable upon receipt, with the Corporation and ultimately the Federal Reserve providing the liquidity to ensure finality. Finality of payment means that once institution "A" (or its customer) has received a payment from institution "B," those funds are final and irrevocable. Thus, even if within a matter of minutes the sending institution ("B" in the above example) failed, the receiving institution would have "good" money and the problems growing out of a sudden failure would be concentrated at the source of the problem—the failed institution. Clearly this arrangement does not solve problems arising from a sudden systemwide credit shock, but it does go a long way toward localizing a specific problem within the troubled or failed institution.

5. The Corporation would have a large initial equity capitalization perhaps as much as several hundred million dollars with capital contributions roughly pro rata between the Federal Reserve and private shareholders as a group. The initial equity investment in the Corporation would be used largely to upgrade or if necessary build a wholly new telecommunications network with multiple layers of backup and bypass capabilities such that operational reliability would be as close to fail-safe as possible.

6. The Corporation would be profit-making in that transaction and account fees would be established such that all shareholders—public and private—would earn a "market" rate of return on their equity investments. Assuming some "market" driven dividend payout ratio, the retained earnings of the Corporation would be used exclusively (1) to fund research and development on payments technology and (2) to build contingent capital resources.

The fee schedule adopted by the Corporation's board of directors would be subject to approval by the Federal Reserve Board. Needless to say, the transaction cost for large-dollar payments under this arrangement would be higher than they are today but they would, in effect, be financing a materially better and safer system and providing a market rate of return on equity investments of shareholders, including the Federal Reserve Banks.

7. The private sector would be expected to develop, in a fully competitive environment, clearing and settlement services for all classes of securities, financial instruments and derivative financial investments except those funds and U.S. government securities transactions that can be effected directly on the books of the Federal Reserve Banks. To

the extent that these private sector providers of such clearing and settlement services wish to have same day net settlement services on the books of the Reserve Banks, the rules governing such services would be established by the Corporation's board of directors.

8. As discussed in Section V, because each of the private shareholders in the Corporation would be subject to interest-earning liquidity reserves the liquid resources available to cope with problems would be materially greater than is the case today. Indeed, as visualized, the cash balances of financial institutions on the books of the Federal Reserve Banks would increase from the current level of $35 billion to about $85 billion.

9. Finally, because the hub of the operating systems would be at the Reserve Banks—as would the cash and securities balances—the Reserve Banks would routinely have the hands-on operating experience as well as instant access to information needed to objectively and impartially solve problems—especially problems of a liquidity or credit nature—if and when they arise.

While this description of a National Electronic Payments Corporation should be viewed as conceptual, it could provide the necessary vehicle to (1) muster the equity investment needed to materially upgrade and streamline the crucial operational systems and backup systems needed to enhance the reliability and integrity of the large-dollar electronic payments systems; (2) achieve a major step forward in providing finality of payments; (3) augment the cash and liquidity balances associated with the operation of the system; (4) provide a vehicle through which public and private institutions can work together in securing a safer and more efficient payments mechanism; and (5) establish a vehicle which can materially reduce the susceptibility of the sytem to shocks whether they be operational, liquidity or credit in nature. But, in a larger context, these arrangements could also help to facilitate a generalized restructuring of the financial system as outlined in Section V.

By Mr. DIXON (for himself, Mr. FORD, and Mr. GLENN):

S. 1892. A bill to amend title 10, United States Code, and other provisions of law to maintain and improve the defense industrial base of the United States by specifying the management responsibilities of the Under Secretary of Defense for Acquisition, encouraging investment in emerging technologies and modernized production facilities, fostering the dedicated participation of private domestic sources, and discouraging unfair practices by foreign sources; to the Committee on Armed Services.

DEFENSE INDUSTRIAL BASE PRESERVATION ACT

Mr. DIXON. Mr. President, yesterday the Senate approved the conference report on H.R. 1748, the "National Defense Authorization Act for Fiscal Years 1988 and 1989". We tackled and squarely addressed many tough issues vital to the defense posture of the United States. Difficult choices were made. But as we complete that important effort, with the satisfaction that such an accomplishment rightfully brings, I would like to look to another challenge that I believe we must address, and address soon—the condition or our defense industrial base and what can be done to preserve and strengthen it.

The gradual erosion of the defense industrial base has been a source of growing concern within the Congress, the Defense Department, and industry since the mid-1970's. There have been numerous studies and reviews by the Department of Defense, the General Accounting Office, and the industry. In 1980, the House Armed Services Committee established a defense industrial base panel under the leadership of Representative Richard Ichord. The panel conducted 13 days of hearings, compiling 1796 pages of testimony that carefully cataloged the problem and explored the unacceptable consequences for our national defense capabilities. The panel concluded its efforts with a December 1980 report, whose title captures the essence of the panel's findings: "The Ailing Industrial Base: Unready for Crisis". Further analyses of the loss of essential productive capacity, especially at the subcontractor and supplier levels, could be found in the report on industrial responsiveness issued by the Defense Science Board in January 1981. In the Senate, the Committee on Small Business, on which I served as a member of the procurement subcommittee, took the lead with hearings in July 1981, on deterioration of the U.S. Defense industrial base.

Mr. President, clearly the problems and their consequences have been thoroughly reviewed. Just as clearly, however, the record reflects that workable solutions have proved to be elusive. But most disturbingly, the zeal within the Defense Department to fashion and implement workable solutions seems to have waned. That is my reading of one of the findings made by the GAO in its 1984 report entitled "Assessing Production Capabilities and Constraints in the Defense Industrial Base".

I believe that we are now on the threshold of renewed emphasis on addressing the problems of the defense industrial base. Legislation which I initially introduced in the 99th Congress created the position of Under Secretary of Defense for acquisition. We charged this senior acquisition manager for the Defense Department with responsibility for defense industrial base programs. Yesterday, the Senate Armed Services Committee held the confirmation hearing for Robert B. Costello, the President's nominee to hold this vital post. Presently, Dr. Costello serves as Assistant Secretary of Defense for Production and Logistics. In that position, he made revitalization of the defense industrial base one of his top five initiatives for action. His testimony affirmed that he will carry this priority into his new position, if confirmed by the Senate.

Mr. President, it is time that we move to take action. The dangers and the potential consequences of inaction continue to grow. Let me quote from the 1980 Defense Science Board report: "A soldier can survive forever without mail, 30 days without food, 3 days without water, 3 minutes without air, but not a second without ammunition." That is what preserving the defense industrial base is all about.

We must assure that the U.S. Armed Forces have the material needed to fight anywhere in the world. We must assure that we can supply and sustain our Armed Forces in conflicts of every intensity. We must asssure that the United Sttes can respond in defense of our allies by sending arms and materiel.

In a recent interview, retiring Army Chief of Staff, John Wickham, noted that "The Army can fight a sustained operation . . . (but) where we may be in trouble is in terms of supplies." He stated that we may not have enough ammunition to fight. "We may not have enough to sustain ourselves beyond a month and a half, two months," he said, and we would be in trouble until the "production base in the United States builds up to flow in." He also expressed concerns regarding the level of our military stockpile.

There are many reasons why some segments of the American defense industrial base are eroding. They are complex and not the fault of any single Government component. American industry must also share in the blame, but industry's participation will be critical to any workable solutions.

Our tax, investment, and trade policies will have a dramatic impact on the overall national industrial posture. The Congress is taking action on many of these policies.

In February, I took the floor to call for a focused effort on preserving and rehabilitating the Nation's defense industrial base. Since that time I have sought the advice and counsel of many experts on these complex issues, both within Government and within industry. The objective was to craft a bill that would be a strong catalyst, a rallying point, to move us toward concrete remedial action, both by the Congress and by the administration, a concerted and cooperative effort of legislative and executive initiatives. Informal discussions were held, outlines of legislation developed, ideas tried and discarded, others retained and developed. Discussion drafts of the bill followed. More comments were generated; additional changes made. The "Defense Industrial Base Preservation Act of 1987" which I am introducing today, is a product of this lengthy process. Yet, the bill is what I sought—a sound point of departure, a catalyst for intense effort by the

Senate and the Department of Defense aimed at effective remedial actions to arrest the alarming course of deterioration and dangerous foreign dependency. I look forward to careful review of my bill during hearings by the Committee on Armed Services, and especially the defenses industry and technology subcommittee of which I am a member. It is chaired by my good friend from New Mexico, Mr. BINGAMAN. To explore the important role that small subcontractors and suppliers play in the vitality of a healthy defense industrial base, I also expect to seek hearings in the Small Business Subcommittee on Government Contracting, which I chair.

Mr. President, this legislation is designed to ensure that this Nation has the capability to surge into production to meet emergency situations. We need to halt the debilitating trend of dependence on foreign suppliers for those parts necessary for the Defense of the United States. The people of this country need to have unwavering confidence that we have the ability to defend ourselves and our allies should it ever be necessary.

I would like to express my appreciation to Bill Montalto of the Small Business Committee, and Christine Lundregan and Matt Littlejohn of my staff, for the many hours of effort and hard work they put into this legislation.

I ask unanimous consent, Mr. President, that the Defense Industrial Base Preservation Act of 1987, along with a section-by-section analysis, be inserted into the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1892

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE

This Act may be cited as the "Defense Industrial Base Preservation Act of 1987".

SEC. 2. FINDINGS

The Congress finds that—

(1) a strong defense industrial base in the United States significantly enhances the capability of United States manufacturers and producers—

(A) to develop technologically superior defense material rapidly and to produce such material efficiently in cost-effective quantities during peacetime; and

(B) to expand productive capacity rapidly to meet the demands of a national emergency;

(2) a strong and responsive defense industrial base is a major deterrent to aggression and, thus, helps to preserve peace;

(3) a series of studies conducted over a 10-year period by Congress, the General Accounting Office, the Department of Defense, and others have consistently shown a steady, unchecked erosion of the defense industrial base in the United States;

(4) despite the uniformly adverse findings contained in the reports on such studies, the United States still lacks a coherent industrial base policy that is directly linked to national security strategy;

(5) reliable methods for assessing the weaknesses and strengths of the defense industrial base have not been developed;

(6) the development and implementation of an effective program for the restoration and maintenance of the defense industrial base is unlikely to occur without improved centralized management;

(7) existing programs and authorities designed to restore and maintain the defense industrial base have received inconsistent and, frequently, inadequate allocations of resources and management attention from the military departments and the Defense Agencies because the Office of the Secretary of Defense has not exercised strong leadership in defense industrial base management; and

(8) procurement policies, regulations, and practices do not encourage—

(A) investment in advanced manufacturing technology and modernization of manufacturing facilities and equipment;

(B) the entry of efficient producers, especially small businesses, from the commercial sectors of the economy into the defense procurement market; and

(C) continued participation of efficient producers in the defense procurement competitions.

TITLE I—DEFENSE INDUSTRIAL BASE

SEC. 101. MAINTENANCE AND IMPROVEMENT OF THE DEFENSE INDUSTRIAL BASE

(a) IN GENERAL.—Part IV of subtitle A of title 10, United States Code, is amended by inserting after chapter 169 the following new chapter:

"CHAPTER 170—DEFENSE INDUSTRIAL BASE MANAGEMENT AND SUPPORT PROGRAMS

"Subchapter	Sec.
I. Definitions	2871
II. Management and Planning for Industrial Readiness	2881
III. Encouraging Entry Into the Defense Industrial Base	2891
IV. Defense Products Exporting Assistance Program	2901
V. Unfair Foreign Competition	2911

"SUBCHAPTER I—DEFINITIONS

"Sec.
"2871. Definitions

"§ 2871. Definitions

"In this chapter:

"(1) The term 'foreign firm' means a business entity owned or controlled by one or more foreign nationals or a business entity in which more than 50 percent of the voting stock is owned or controlled by one or more foreign nationals.

"(2) The term 'domestic firm' means any business entity which is not a foreign firm.

"(3) The term 'major defense acquisition programs' has the same meaning provided for such term in section 2430 of this title.

"SUBCHAPTER II—MANAGEMENT AND PLANNING FOR INDUSTRIAL READINESS

"Sec.
"2881. Centralized guidance, analysis, and planning for programs affecting the defense industrial base.
"2882. Analysis of the capability of the defense industrial base to support certain defense acquisition programs.
"2883. Planned commercial alternatives for military standard items.
"2884. Improved utilization of Government-owned industrial plant equipment.

"§ 2881. Centralized guidance, analysis, and planning for programs affecting the defense industrial base

"The Under Secretary of Defense for Acquisition shall, subject to the authority, direction, and control of the Secretary of Defense—

"(1) provide overall policy guidance and direction to the military departments and the Defense Agencies on matters relating to the maintenance, expansion, and readiness of the industrial base of the United States;

"(2) analyze, on a continuing basis, the capabilities of the industrial base of the United States to meet national security requirements in time of peace and the requirements for expanded production in time of war or national emergency; and

"(3) develop plans and programs that promote the ability of the industrial base to meet the requirements referred to in clause (2).

"§ 2882. Analysis of the capability of the defense industrial base to support certain defense acquisition programs

"(a) The Under Secretary of Defense for Acquisition shall ensure that the program management and acquisition plan for each major defense acquisition program (as defined in section 2430 of this title), and the program management and acquisition plan for any other acquisition program of the Department of Defense designated by the Under Secretary, provides for a continuing analysis, during the research and development and production phases of such program, of all factors that affect the capability of the defense industrial base to manufacture the system to be acquired under such program and to support the maintenance of such system during the service life of such system. The factors to be analyzed shall include the following:

"(1) The availability of essential raw materials, special alloys, and composite materials.

"(2) The availability of castings and forgings.

"(3) The availability of components or essential subsystems essential for—

"(A) the production of a system that is fully capable of performing its purpose;

"(B) the maintenance and repair of such system; or

"(C) the operation of such system.

"(4) The manufacturing capacity of the prime contractor, subcontractors at all tiers, and component suppliers to maintain peacetime production rates and to accelerate production to production rates planned for times of national emergency.

"(5) The availability of required production test equipment to assure quality.

"(6) The identification of components or subsystems that are available solely from sources outside the United States.

"(7) Any planned alternatives for meeting requirements that, during peacetime, the United States depends solely on sources outside the United States to meet.

"(b) The Under Secretary of Defense for Acquisition shall be responsible for compiling and analyzing the data obtained under subsection (a) in order to insure that, in the case of each program referred to in such subsection—

"(1) the capabilities of the industrial base of the United States to meet program requirements has been assessed by the military department or Defense Agency carrying out such program; and

"(2) the capabilities of the industrial base of the United States to meet the aggregate requirements for all such programs has been assessed in the Office of the Secretary of Defense.

"§ 2883. Planned commercial alternatives for military standard items

"(a) IN GENERAL.—The Secretary of each military department and the head of each Defense Agency shall—

"(1) identify items of supply that—

"(A) are suitable substitutes for military standard items of supply, or suitable substitutes for subsystems or components of military standard items of supply, that are projected to be unavailable from existing sources in quantities that are sufficient to meet wartime or other national emergency requirements; and

"(B) are commercially available from sources in the United States; and

"(2) plan for the procurement of such substitute items of supply.

"(b) PROGRAM COORDINATION AND OVERSIGHT.—The Under Secretary of Defense for Acquisition shall coordinate and monitor the actions taken by the Secretary of a military department or the head of a Defense Agency pursuant to subsection (a).

"§ 2884. Improved utilization of Government-owned industrial plant equipment

"(a) INVENTORY.— The Secretary of each military department and the head of each Defense Agency shall prepare and maintain inventory records of all Government-owned industrial plant equipment furnished to a contractor by such military department or Defense Agency.

"(b) EMPHASIS ON INDUSTRIAL READINESS.—The Secretary of each military department and the head of each Defense Agency, in furnishing equipment to contractors, shall give preference to each manufacturer and producer who has entered into an agreement with such Secretary or head of a Defense Agency to expand production of supplies and equipment in the event of war or other national emergency.

"SUBCHAPTER III—ENCOURAGING ENTRY INTO THE DEFENSE INDUSTRIAL BASE

"Sec.

"2891. Domestic set-aside program for the application of emerging technologies.

"2892. Procurement of critical items of supply.

"2893. Recognition of planned mobilization sources in contract competition.

"2894. Recognition of production equipment modernization in the award and administration of contracts.

"2895. Joint program agreements.

"§ 2891. Domestic set-aside program for the application of emerging technologies

"(a) SET-ASIDE AUTHORIZED.—The Secretary of each military department and the head of each Defense Agency is authorized to restrict to domestic firms the competition for all or a portion of a contract opportunity to fulfill such department's or agency's requirements for material, components, or items of supply that are the products of, or are manufactured through the application of, an emerging technology listed pursuant to subsection (c). The procurement requirement to be set aside under each contract solicitation shall be defined on a case-by-case basis and shall represent not more than the minimum aggregate quantity necessary to sustain at least one domestic source determined by the Under Secretary of Defense for Acquisition to be essential to national security.

"(b) COORDINATION WITH UNDER SECRETARY OF DEFENSE FOR ACQUISITION.—The Under Secretary of Defense for Acquisition, in consultation with the Secretary of each military department and the head of each Defense Agency, shall ensure that the authority provided in subsection (a) is exercised only in connection with a coordinated program that provides for the support of the development and application of emerging technology by domestic firms.

"(c) EMERGING TECHNOLOGIES.—The Under Secretary of Defense for Acquisition shall, for the purposes of subsection (a), develop, maintain, and publish in the Department of Defense Supplement to the Federal Acquisition Regulation a list of emerging technologies that, upon development, will substantially enhance the capabilities of the industrial base of the United States to meet national security requirements.

"§ 2892. Procurement of critical items of supply

"(a) SET-ASIDE AUTHORIZED.—The Secretary of each military department and the head of each Defense Agency is authorized to restrict to domestic firms the competition for all or a portion of a contract opportunity to fulfill such department's or agency's requirements for the procurement of critical items of supply, if such Secretary or head of a Defense Agency would otherwise be likely to procure more than 50 percent (determined on the basis of cost) of such items in such fiscal year from a source or sources that manufacture or produce such items outside the United States. The procurement requirement to be set aside under each contract solicitation shall be defined on a case-by-case basis.

"(b) MAINTAINING DOMESTIC SOURCES.—The Secretary of a military department and the head of a Defense Agency may award a contract in any fiscal year, under the authority provided in section 2304(c)(3)(A) of this title, for the procurement of any critical item of supply to a contractor that manufactures or produces such item in the United States if such Secretary or head of a Defense Agency would otherwise be likely to procure more than 70 percent (determined on the basis of cost) of such items in such fiscal year from a source or sources that manufacture or produce such item outside the United States. The requirements of section 2304(f) of this title shall apply to a contract awarded pursuant to this subsection.

"(c) MULTIPLE AWARDS TO SUSTAIN DOMESTIC SOURCES.—The Secretary of a military department and the head of a Defense Agency may award more than one contract for the procurement of any critical item pursuant to one solicitation if—

"(1) the contractor that has submitted the apparently successful offer in the case of such solicitation manufactures or produces such item outside the United States;

"(2) it is necessary to award one or more additional contracts to one or more additional contractors that manufacture or produce such item in the United States in order to ensure that at least a percentage, specified in the solicitation and determined on the basis of cost, of the items to be supplied are manufactured or produced in the United States; and

"(3) the solicitation includes a statement that multiple contracts may be awarded as provided in this subsection as a result of such solicitation.

"(d) SUBCONTRACTING.—(1) Each solicitation issued by a military department or Defense Agency for the procurement of a weapon system or other item of equipment pursuant to a major defense acquisition program shall—

"(A) specify any critical items of supply that are components of such weapon system or other item of equipment or are needed for the operation, maintenance, or repair of such system or equipment;

"(B) specify, with respect to each such critical item of supply, the minimum percentage, stated on the basis of cost, of such item that must be furnished by one or more domestic firms in connection with the performance of any contract awarded to a foreign firm pursuant to such solicitation; and

"(C) include a provision that requires each foreign firm submitting a bid or proposal pursuant to such solicitation to include in the bid or proposal a subcontracting plan that provides for one or more domestic firms to furnish each such critical item of supply at least to the extent of the percentage specified in the solicitation pursuant to clause (B).

"(2) In the event that a foreign firm is awarded a contract to which paragraph (1) applies, it shall be a material element of the performance of such contract for the foreign firm to implement the subcontracting plan that it submitted pursuant to such paragraph.

"(e) CRITICAL ITEMS OF SUPPLY.—The Under Secretary of Defense for Acquisition shall—

"(1) determine, for the purposes of this section, what items of supply are critical items; and

"(2) publish a list of such critical items in the Department of Defense Supplement to the Federal Acquisition Regulation.

"§ 2893. Recognition of planned mobilization sources in contract competition

"(a) IN GENERAL.—In evaluating offers for a contract for the procurement of any item of supply, the Secretary of each military department and the head of each Defense Agency may provide a preference to each domestic firm which is designated by such Secretary or head of an agency as a planned source for the procurement of such item in time of war or other national emergency.

"(b) LIMITATION ON PRICE PREFERENCES.—If a preference provided under subsection (a) is stated as a price differential, the price differential may not exceed 10 percent.

"(c) NOTICE OF PREFERENCE.—Any preference provided under subsection (a) in the case of a contract shall be specified in the contract solicitation.

"§ 2894. Recognition of production equipment modernization in the award and administration of contracts

"(a) IN GENERAL.—(1) The Secretary of each military department, with respect to each major defense acquisition program conducted by the department and any other acquisition program of such department designated by the Secretary, and the head of each Defense Agency, with respect to each major defense acquisition program conducted by such agency and any other acquisition program of such agency designated by the head of such agency, shall ensure that, to the maximum extent practicable, the acquisition plan provides for contract solicitations to include provisions which encourage competing offerors to acquire, for utilization in the performance of the contract, modern production equipment that increases the productivity of the offerors.

"(b) AUTHORIZED SOLICITATION PROVISIONS.—Contract solicitation provisions referred to in subsection (a) may include any of the following provisions:

"(1) A price evaluation advantage, not to exceed 10 percent, to apply in the contract award determination.

"(2) An increase, by not to exceed 10 percent, in the percentage which would otherwise apply in the computation of the amount which the Secretary of a military department or head of a Defense Agency is required to reimburse the contractor as the department's or agency's share of costs incurred by the contractor for the acquisition of production special tooling and production special test equipment for use in the performance of the contract.

"(3) A provision for the contractor to share in any demonstrated cost savings that are attributable to increased productivity resulting from the following contractor actions not required by the contract:

"(A) The acquisition and utilization of modern production equipment for the performance of the contract.

"(B) The utilization of other manufacturing technology improvements in the performance of the contract.

"§ 2895. Joint program agreements

"The Secretary of Defense, with the prior approval of the Attorney General, may approve any joint program agreement entered into by two or more domestic firms for the purpose of carrying out a research and development or manufacturing program utilizing emerging technologies or advanced manufacturing technology in ways that enhance the defense industrial base. The Under Secretary of Defense for Acquisition shall ensure that such program is coordinated with other programs carried out by the Department of Defense that maintain the defense industrial base and shall make recommendations to the Secretary regarding the approval or disapproval of any joint program agreement proposed pursuant to this section.

"SUBCHAPTER IV—DEFENSE PRODUCTS EXPORTING ASSISTANCE PROGRAM

"Sec.

"2901. Definitions.
"2902. Purposes.
"2903. Cooperative agreements.
"2904. Limitation.
"2905. Distribution.
"2906. Regulations.

"§ 2901. Definitions

"In this subchapter:

"(1) The term 'eligible entity' means any of the following:

"(A) A State.

"(B) A local government.

"(C) A private, nonprofit organization.

"(2) The term 'Secretary' means the Secretary of Defense or any executive agent designated by the Under Secretary of Defense for Acquisition.

"(3) The terms 'State' and 'local government' have the same meanings as are provided in section 6302 of title 31.

"§ 2902. Purposes

"The purposes of the program authorized by this subchapter are—

"(1) to provide assistance by the Department of Defense to eligible entities furnishing technical assistance to business entities on matters relating to the export of defense-related products and services; and

"(2) to assist eligible entities in the payment of the costs of—

"(A) establishing and carrying out new technical assistance programs on matters relating to the export of defense-related products and services; and

"(B) maintaining existing technical assistance programs on such matters.

"§ 2903. Cooperative agreements

"(a) Authority To Enter Into Agreements.—The Secretary, in accordance with the provisions of this subchapter, may enter into cooperative agreements with eligible entities to carry out the purposes of this subchapter.

"(b) Required Provisions.—Under any such cooperative agreement, the eligible entity shall agree to sponsor programs to furnish technical assistance to business entities and the Secretary shall agree to defray not more than one-half of the eligible entity's cost of furnishing such assistance under such programs.

"(c) Regional Program Requirements.—In entering into cooperative agreements under subsection (a), the Secretary shall ensure that at least one technical assistance program is carried out in each Department of Defense contract administration services region during each fiscal year.

"§ 2904. Limitation

"The value of the assistance furnished by the Secretary to any eligible entity to carry out a technical assistance program under a cooperative agreement under this subchapter during any fiscal year may not exceed $150,000.

"§ 2905. Distribution

"(a) Fiscal Years 1989 and 1990.—(1) During a fiscal year specified in paragraph (2), the Secretary shall reserve the applicable percentage prescribed in paragraph (2), out of funds appropriated to carry out this subchapter in such fiscal year, for the purpose of furnishing assistance pursuant to cooperative agreements entered into under section 2903 of this title with eligible entities which have carried out a technical assistance program on matters referred to in section 2902 before such fiscal year. The Secretary may use the remainder of such funds during such fiscal year for the purpose of furnishing assistance pursuant to cooperative agreements entered into under such section 2903 with eligible entities which have not carried out a technical assistance program on such matters before such fiscal year.

"(2) For the purposes of paragraph (1), the applicable percentage during fiscal years 1989 and 1990 is 75 percent.

"(3) This subsection shall not apply with respect to any amount appropriated to carry out this subsection in any fiscal year in excess of $3,000,000.

"(b) Fiscal Years After Year 1990.—During any fiscal year after fiscal year 1990, the Secretary shall allocate assistance under this subchapter in accordance with such cooperative agreements as the Secretary enters into pursuant to section 2903 of this title.

"(c) Distribution of Assistance Among Regions.—If the amount appropriated to carry out this subchapter in fiscal year 1989 or 1990 exceeds $3,000,000, the Secretary shall allocate an equal share of the total amount of the funds available for assistance under this subchapter to each Department of Defense contract administration services region. If, in any such fiscal year, there is an insufficient number of satisfactory proposals for cooperative agreements in a region to allow effective use of the funds allocated to that region, the funds remaining with respect to that region shall be reallocated among the remaining regions.

"§ 2906. Regulations

The Secretary of Defense shall prescribe regulations to carry out this subchapter.

"SUBCHAPTER V—UNFAIR FOREIGN COMPETITION

"Sec.

"2911. Suspension and debarment for engaging in an unfair trade practice.
"2912. Liquidated damages for violations of licensing agreements.

"§ 2911. Suspension and debarment for engaging in an unfair trade practice

"(a) Findings.—The Congress finds that the commission of any of the following acts by a contractor, whether a domestic firm or a foreign firm, may indicate a lack of business integrity or business honesty that seriously and directly affects the responsibility of the contractor to perform any contract awarded by the Federal Government or a subcontract under such a contract:

"(1) An unfair trade practice, as determined by the International Trade Commission.

"(2) A violation of any agreement of the Coordinating Committee on Export Controls or any similar bilateral export control agreement, as determined by the Secretary of Commerce.

"(3) A false certification concerning the foreign content of an item of supply, as determined by the Secretary of Defense.

"(b) Suspension or Debarment Authorized.—Any contractor that has committed any act referred to in subsection (a) may be suspended for a period of 12 months and may be debarred for a period not to exceed 36 months if such violation—

"(1) is likely to have a serious adverse effect on the defense industrial base of the United States; or

"(2) is likely to have a less than serious effect on the defense industrial base of the United States but is the latest instance of a pattern of business activities of such contractor that cumulatively might significantly contribute to the deterioration of the defense industrial base.

"(c) Waiver.—The Secretary of a military department or the head of a Defense Agency may award a contract for supplies or services to a contractor suspended or debarred under subsection (b) or approve an award of a subcontract under such a contract to such contractor if the Secretary of Defense has determined that the vital defense interests of the United States will be harmed unless the supplies or services are procured from such contractor.

"(d) Definitions.—In this section:

"(1) The term 'debar' means to exclude a contractor from Government contracting and Government-approved subcontracting for a reasonable period.

"(2) The term 'suspend' means to disqualify a contractor temporarily from Government contracting and Government-approved subcontracting.

"§ 2912. Liquidated damages for violations of licensing agreements

"(a) In General.—The Secretary of Defense shall prescribe the form and manner of use of a clause to be included in each licensing agreement entered into between a domestic firm and a foreign firm for the purpose of performing any contract awarded by the Department of Defense or any subcontract at any tier under such a contract. Such clause shall provide for the payment of liquidated damages to the United States by the foreign firm for any breach of the licensing agreement by such foreign firm.

"(b) DEPOSIT OF PAYMENTS INTO MANTEC PROGRAM FUND.—Any liquidated damages paid to the United States pursuant to a clause prescribed under subsection (a) shall be available to the Department of Defense for the conduct of projects under the Department of Defense Manufacturing Technology program.".

(b) CONFORMING AMENDMENT.—The tables of chapters at the beginning of such part and such subtitle are each amended by inserting after the item relating to chapter 169 the following:

"170. Defense Industrial Base Management and Support Programs .... 2871".

SEC. 102. EXPANSION OF THE MANUFACTURING TECHNOLOGY PROGRAM

Funds appropriated for the use of the Army, Navy, Marine Corps, Air Force, and Defense Agencies of the Department of Defense for procurement in each of fiscal years 1989, 1990, and 1991 shall be available to the Secretary of Defense to carry out the Department of Defense Manufacturing Technology program in the following amounts:

(1) For fiscal year 1989, ¼ of one percent of such funds.

(2) For fiscal year 1990, $\frac{4}{10}$ of one percent of such funds.

(3) For fiscal year 1991, ½ of one percent of such funds.

SEC 103. EXPANSION OF THE INDUSTRIAL MODERNIZATION INCENTIVES PROGRAM

Funds appropriated for the use of the Army, Navy, Marine Corps, Air Force, and Defense Agencies of the Department of Defense for procurement in each of fiscal years 1989, 1990, and 1991 shall be available to the Secretary of Defense to carry out the Department of Defense Industrial Modernization Incentives program in the following amounts:

(1) For fiscal year 1989, ½ of one percent of such funds.

(2) For fiscal year 1990, $\frac{6}{10}$ of one percent of such funds.

(3) For fiscal year 1991, ¾ of one percent of such funds.

SEC. 104. AUTHORIZATION OF APPROPRIATIONS FOR THE DEFENSE PRODUCTS EXPORTING ASSISTANCE PROGRAM

There is authorized to be appropriated for each of the fiscal years 1989, 1990, and 1991, the sum of $5,000,000 to carry out the Defense Products Exporting Assistance program under subchapter III of chapter 170 (as added by section 101(a)).

SEC. 105. PROCUREMENT OF MACHINE TOOLS BY THE DEPARTMENT OF DEFENSE

(a) IN GENERAL.—Chapter 141 of title 10, United States Code, is amended by inserting after section 2409 the following new section:

"§ 2410. Procurement of machine tools

"(a) IN GENERAL.—Except as provided in subsection (b), the head of an agency may not procure machine tools manufactured in whole or in part outside the United States.

"(b) WAIVER.—The head of an agency may waive the prohibition in subsection (a) in the case of any contract for the procurement of machine tools referred to in such subsection if—

"(1) the head of such agency determines, that—

"(A) no such tools are manufactured in the United States; or

"(B) the manufacturers or other suppliers of machine tools manufactured in the United States are unable to supply, on a timely basis, sufficient quantities of such tools to meet the agency's needs; or

"(2) the tools are not to be used in any facility owned or otherwise under the control of the Federal Government.

"(c) APPLICABILITY.—This section applies only to machine tools specified in the Federal supply classes for metalworking machinery numbered 3405, 3408, 3410 through 3419, 3426, 3433, 3438, 3441 through 3443, 3445, 3446, 3448, 3449, 3460, and 3461.

"(d) DEFINITIONS.—In this section:

"(1) The term 'head of an agency' has the same meaning as is provided in section 2302 of this title.

"(2) The term 'United States' includes the Commonwealth of Puerto Rico and the territories and possessions of the United States.".

(b) CONFORMING AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2409 the following:

"2410. Procurement of machine tools.".

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect with respect to contracts for the procurement of machine tools awarded by an agency named in section 2303 of title 10, United States Code, on or after October 1, 1989.

TITLE II—INVOLVEMENT OF MILITARY FACTORIES, ARSENALS, AND DEPOTS IN INDUSTRIAL READINESS

SEC. 201. REVISION OF AUTHORITY TO MANUFACTURE ARMY AND AIR FORCE SUPPLIES AT FACTORIES, ARSENALS, AND DEPOTS OWNED BY THE UNITED STATES

(a) MANUFACTURE OF ARMY SUPPLIES.—Subsection (a) of section 4532 of title 10, United States Code, is amended to read as follows:

"(a)(1) Except as provided in paragraph (2), the Secretary of the Army shall procure supplies needed for the Department of the Army from private sector sources that manufacture or produce such supplies in privately owned facilities located in the United States.

"(2) The Secretary of the Army may have supplies needed by the Department of the Army made in factories or arsenals owned by the United States to the extent that—

"(A) it is necessary, by reason of the inadequacy or unavailability of private sector sources of such supplies in the United States, to make the supplies in those factories or arsenals in order to maintain an adequate industrial capacity in the United States to meet the needs of the Army for such supplies in time of war or other national emergency; and

"(B) those factories and arsenals can make the supplies on an economical basis determined in accordance with a cost evaluation formula prescribed by the Secretary of Defense for the purpose of this paragraph.".

(b) MANUFACTURE OF AIR FORCE SUPPLIES.—Subsection (a) of section 9532 of title 10, United States Code, is amended to read as follows:

"(a)(1) Except as provided in paragraph (2), the Secretary of the Air Force shall procure supplies needed for the Department of the Air Force from private sector sources that manufacture or produce such supplies in privately owned facilities located in the United States.

"(2) The Secretary of the Air Force may have supplies needed by the Department of the Air Force made in factories, arsenals, or depots owned by the United States to the extent that—

"(A) it is necessary, by reason of the inadequacy or unavailability of private sector sources of such supplies in the United States, to make the supplies in those factories, arsenals, or depots in order to maintain an adequate industrial capacity in the United States to meet the needs of the Air Force for such supplies in time of war or other national emergency; and

"(B) those factories, arsenals, or depots can make the supplies on an economical basis, determined in accordance with a cost evaluation formula prescribed by the Secretary of Defense for the purpose of this paragraph.".

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect with respect to supplies procured by the Army and the Air Force on or after October 1, 1989.

"DEFENSE INDUSTRIAL BASE PRESERVATION ACT OF 1987"

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title.—This section establishes the bill's citation as the "Defense Industrial Base Preservation Act of 1987".

Section 2. Findings.—This section enunciates a series of Congressional findings relating to the defense industrial base. The first Congressional finding recognizes that the overall health of the defense industrial base enhances the capability of American industry to effectively meet the Nation's defense requirements in both peacetime and national emergency. In peacetime, a strong industrial base will substantially improve industry's capability to develop technologically superior defense material as rapidly as possible, and then to produce such material in cost-effective quantities.

During national emergency, a strong industrial base will significantly contribute to industry's ability to rapidly expand its productive capacity to meet the Nation's expanded requirements for defense materiel. The second Congressional finding recognizes that a strong defense industrial base is, itself, a major deterrent to aggression and, thus, helps to preserve peace. The next series of Congressional findings catalogue many of the reasons why the erosion of the Nation's defense has continued, despite an exhaustive analysis of the problem by the Congress, the GAO, the Defense Department, and many in the private sector.

The section specifically notes the absence of a coherent industrial base policy linked to national security strategy, that is, some definition of the defense material requirements that industry will be expected to fulfill in time of national emergency. It also notes the absence of reliable techniques for assessing its weaknesses and strengths. Further, it notes that defense industrial base programs have suffered from inconsistent and, frequently inadequate resources and management attention due to the absence of a high-level management focal point within the Office of the Secretary of Defense. Finally, the section notes that current procurement policies, regulations, and practices fail to encourage investment in advanced manufacturing technologies and modernization of manufacturing facilities and equipment by those already within the defense industrial base, and may discourage the entry of efficient producers, especially small businesses, from the commercial sectors of the economy.

TITLE I—DEFENSE INDUSTRIAL BASE

Section 101. Maintenance and Improvement of the Defense Industrial Base.—This section creates a new Chapter 170, Defense Industrial Base Management and Support

Programs, in Title 10 of the United States Code. For the first time, a focal point for Congressional policy relating to this important subject has been created. The new chapter is divided into five subchapters. Subchapter I is entitled "Definitions". Subchapter II is entitled "Management and Planning for Industrial Readiness". Subchapter III is entitled "Encouraging Entry into the Defense Industrial Base". Subchapter IV is entitled "Defense Products Exporting Assistance Program". Subchapter V is entitled "Unfair Foreign Competition".

Management and Planning for Industrial Readiness

Subchapter II adds four new sections, 2881-2884, to Title 10.—Section 2881 (Centralized guidance, analysis and planning for programs affecting the defense industrial base) specifies the authority of the Under Secretary of Defense for Acquisition regarding overall management of defense industrial base programs. The purpose of this section is to create the management focal point within the Office of the Secretary of Defense, which many have suggested is organizationally essential to effectively arrest the deterioration of the defense industrial base. Section 2882 (Analysis of the capability of the defense industrial base to support certain defense acquisition programs) is designed to inject on-going defense industrial base analysis and planning into the management plans for major defense acquisition programs, something that has heretofore been lacking.

The analyses requires that industrial base considerations are addressed throughout the program's full cycle from initial design for producibility through maintainability with minimum unique repair parts. The section also seeks to assure that the "vertical" analysis conducted on a program-by-program basis by the individual Military Services are also analyzed on a cross-Service basis. The GAO found that such a "horizontal" analysis was essential to provide a truly accurate picture of the demands that might be placed on the defense industrial base in a national emergency. Again, the Office of the Under Secretary of Defense for Acquisition has been selected as the logical focal point for such a DOD-wide look.

Section 2883 (Planned commercial alternatives for military standard items) provides a statutory basis for, and Congressional encouragement of, the program to identify commercial sector substitutes for military standard items of supply, produced in the United States. The program looks at end items, subsystems, and components. Again, the section accords a coordination role to the Office of the Under Secretary of Defense for Acquisition. Section 2884 (Improved utilization of Government-owned industrial plant equipment). This section also provides a statutory basis for, and Congressional encouragement of, the program which will provide industrial plant equipment to selected government contractors. The section seeks to place additional emphasis on the allocation of such equipment to enhance the capacity of contractors to "surge" production in a national emergency.

Encouraging Entry into the Defense Industrial Base

Subchapter III adds five additional sections, 2891-2895, to Title 10.—Section 2891 (Domestic set-aside program for the application of emerging technologies) provides the authority to set-aside up to 55 percent of the procurements for materials or components developed from "emerging technologies" to domestic companies. The objective of this provision is to permit the Defense Department to stimulate the growth of companies investing in technological advances important to the Nation's defense. The Under Secretary of Defense for Acquisition is charged with the coordination of this program, and the specification of the technologies eligible for the program.

Section 2892 (Procurement of critical items of supply) establishes an array of flexible authorities pertaining to the procurement of items of supply designated as "critical" by the Under Secretary of Defense for Acquisition. Under the authority provided by Section 2892(a) (Set-aside Authorized), procurements of critical items may be set-aside for exclusive competition among domestic sources, upon a finding that such restricted competition is essential to maintain domestic sources. The section also authorizes both noncompetitive award and multiple award contracts to assure domestic sources for critical items. If a military department or a Defense Agency would otherwise have to be dependent on non-domestic sources for more than 70 percent of its requirements in a given fiscal year, under the authority of Section 2892(b) (Maintaining Domestic Sources), an award may be made on a noncompetitive basis to maintain a domestic source of supply.

To provide adequate safeguards in the use of this "sole source" authority, the contracting agency is required to comply with the stringent justifications and approvals demanded by the Competition in Contracting Act of 1984. Under Section 2892(c) (Multiple Awards to Sustain Domestic Sources), a contact requirement may be split between a foreign source and a domestic source, in order to maintain a domestic supplier. Finally, under the authority of Section 2992(d) (Subcontracting), a foreign firm awarded a contract for a weapon system that includes designated critical items of supply could be required to subcontract to domestic sources a specified percentage of the production of the designated critical items.

Section 2893 (Recognition of planned mobilization sources in contract competition) authorizes an advantage in contract competitions to a "planned producer", that is, a contractor that has agreed to be "surge" producer for one or more designated items in times of national emergency. Under the authority of this section, the contracting agency may accord the planned producer a price advantage "not to exceed 10 percent" of the otherwise lowest offer. Section 2894 (Recognition of production equipment modernization in the award and administration of contracts) provides the authority to establish a variety of incentives to encourage contractors to invest in modernized production plant equipment and to utilize various manufacturing technology improvements.

Section 2894(a) (Recognition in Contract Award Decisions) provides the contracting agencies with broad authority to consider production equipment modernization proposals from the competing contractors during the process of selecting the winning contractor. The provision specifically authorizes a price evaluation advantage of not more than 10 percent. Section 2894(b) (Recognition during contract performance) authorizes a contracting agency to permit a contractor to share in cost savings attributable to improved productivity resulting from the contractor's installation of modernized production equipment or the application of improved manfacturing technology. Section 2895 (Joint Program Agreements) provides domestic businesses engaged in research and development or manufacturing activities relating to the use of "emerging technologies" or the advancement of manufacturing technologies with protection from what would otherwise be antitrust violations. Any agreement among eligible firms must be approved by the Attorney General.

Defense Products Exporting Assistance Program

Subchapter IV, which consists of Sections 2901 through 2906 of Title 10, establishes a cooperative agreement program to provide assistance to American companies seeking to market their defense products to foreign nations. Small businesses are the likely beneficiary of this new program, which has been modeled after the successful Procurement Technical Assistance Cooperative Agreement Program, Chapter 142 of Title 10, which was established in the Department of Defense authorization act for FY 1985.

Unfair Foreign Competition

Subchapter V adds two new sections, 2911 and 2912, to Title 10.—Section 2911 (Suspension and debarment for engaging in unfair trade practices) recognizes a series of unfair trade practices as activity that strongly indicates a lack of business integrity or business honesty that seriously and directly affects that present responsibility of a prospective Government contractor or a prospective subcontractor to a Government contractor. A prospective subcontractor to a Government contractor. A prospective contractor must be determined to be "responsible" in order to be eligible for the award of a contract. Similarly, a Government contractor may only make subcontract awards to "responsible" subcontractors. The section recognizes the following as causes for "suspension" or "debarment": (1) a finding by the International Trade Commission that the firm engaged in unfair trade practices; (2) a finding by the Commerce Department that a firm has violated the agreements of the Coordinating Committee on Export Controls (COCOM) or any similar bilateral export control agreement; or (3) a finding by the Defense Department that a firm has furnished a false certification concerning the foreign content of an item of supply.

Upon any of the enumerated findings, the firm may be suspended for a period of 12 months, and subsequently be debarred for a period not to exceed 36 months, depending upon the seriousness of the adverse impacts on the defense industrial base flowing from these business activities. An opportunity for a hearing in accordance with Subpart 9.4 (Debarment, Suspension, and Ineligibility) of the Federal Acquisition Regulation would be afforded to the firm. The section provides a waiver authority in the event that "vital defense interests" will be harmed unless the Defense Department can obtain the supplies or services of a suspended or debarred firm.

Section 2912 (Liquidated Damages for Violations of Licensing Agreements) requires the payment of liquidated damages to the U.S. Government by a nondomestic firm that is found to have violated a licensing agreement with a domestic DOD contractor or subcontractor. The provision authorizes the payment of such sums into the DOD account for the Manufacturing Technology (MANTEC) Program. This program, which is substantially strengthened by the bill seeks to foster the practical application of new technology designed to enhance the "producibility" of military hardware.

Section 102. Expansion of the Manufacturing Technology Program.—This section assures consistent funding for the Manufacturing Technology (MANTEC) Program throughout all segments of the Defense Department over the next three fiscal years, FY 1989-FY 1991. The MANTEC Program has a demonstrated track record for the development and practical application of manufacturing technologies which have made major improvements in the productivity, quality, and responsiveness of the defense industrial base. This is accomplished by specifying the MANTEC Program funding authorization as a percentage of the procurement budgets for the Military Services and the Defense Agencies. In the past, budgetary support for the MANTEC Program has not been consistent among the various elements of DOD, having taken a backseat to the drive for the development and production of a large array of new weapons systems. In addition to assuring consistent funding for the program, the section assures some growth by gradually increasing the applicable percentages.

Section 103. Expansion of the Industrial Modernization Incentives Program.—This section assures consistent funding for the Industrial Modernization Incentives (IMIP) Program over FY 1989 through FY 1991. The objective of this program is to provide contractual incentives to contractors and subcontractors to invest in modern production equipment that will substantially expand their productivity, and in the long-haul decrease the cost of production for major weapons systems as well as for components and spare parts. As in the case of the MANTEC Program, the budgetary support for the IMIP Program has not been consistent among the various Military Services or the major Defense Agencies. Again, the solution is to authorize IMIP funding as a percentage of the procurement budgets for the Military Services and the Defense Agencies, with gradually increasing percentages for FY 90 and 91. This should assure adequate funding of the program to fully capitalize on the program at both the prime contractor and subcontractor levels across a broader range of potential projects.

Section 104. Authorization of Appropriations for the Defense Products Exporting Assistance Program.—This section authorizes $5 million in each of the next three fiscal years, FY 1989-FY 1991, to support the Defense Products Exporting Technical Assistance Program established under Subchapter III of the bill, as previously described.

Section 105. Procurement of Machine Tools by the Department of Defense.—This section enacts into permanent law a provision contained in the last appropriation's act covering the Department of Defense and relating to the procurement of machine tools. Essentially, the provision prohibits the Defense Department from procuring certain classes of defense production-sensitive machine tools for use in various Government-owned facilities from nondomestic sources. The objective of the provision is to assure a domestic source of supply for the specified types of machine tools, which have been determined to be critical to defense production. The restriction may be waived if no domestic source of supply is available or capable of meeting the Government's requirements in the time specified.

TITLE II—INVOLVEMENT OF MILITARY FACTORIES, ARSENALS, AND DEPOTS IN INDUSTRIAL READINESS

Section 201. Revision of Authority to Manufacture Army and Air Force Supplies at Factories, Arsenals, and Depots Owned by the United States.—This section amends Section 4532(a) and Section 9532(a) of Title 10, United States Code, pertaining to the use of Government-owned facilities for the manufacture of supplies needed by the Army and the Air Force. Section 201 of the bill establishes a statutory preference for relying upon domestic business concerns, utilizing privately owned facilities located in the United States, to produce supplies required by the Military Services. Under the proposed amendments, Government-owned facilities could continue to be used to produce needed supplies in order to maintain an adequate industrial capacity in the United States, if domestic business concerns were either not capable or not interested in performing contracts to furnish such supplies. The proposed amendments would maintain the current statutory requirement that a Government-owned facility, even if operated by private sector contractor, would have to demonstrate its ability to produce such supplies on an economical basis. The amendment would require that the Secretary of Defense prescribe a cost evaluation formula for the purpose of making such a determination.

By Mr. BUMPERS:

S. 1893. A bill to amend the Internal Revenue Code of 1986 to extend the individual income tax rates in effect in 1987 for 3 years but to provide cost-of-living adjustments in such rates, and for other purposes; to the Committee on Finance.

(The remarks of Mr. BUMPERS on this legislation appear elsewhere in today's RECORD.)

By Mr. CRANSTON (for himself, Mr. MATSUNAGA, Mr. DECONCINI, Mr. ROCKEFELLER, Mr. BURDICK, Mr. DASCHLE, and Mr. STEVENS):

S. 1896. A bill to authorize the Vietnam Women's Memorial Project, Inc., to construct a statue in honor and recognition of the women of the United States who served in the Vietnam conflict; to the Committee on Energy and Natural Resources.

VIETNAM WOMEN'S MEMORIAL PROJECT

Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I am introducing today S. 1896, a bill to authorize the Vietnam Women's Memorial Project [VWMP] to erect a statue of a woman veteran at the Vietnam Veterans Memorial [VVM] site in Washington, DC. Joining me in this effort are my colleagues on the Veterans' Affairs Committee, from Hawaii [Mr. MATSUNAGA], Arizona [Mr. DECONCINI], and West Virginia [Mr. ROCKEFELLER], and the Senators from North Dakota [Mr. BURDICK], from South Dakota [Mr. DASCHLE] and from Arkansas [Mr. STEVENS].

Mr. President, the purpose of this legislation is to authorize the establishment of a statue of a servicewoman at the VVM. As a supporter of the VWMP since it began in 1984 and as a charter member of its Congressional Advisory Panel, I have great admiration and respect for the commitment, effort, and fine work of the individuals associated with the VWMP. Supporters of the project have made substantial gains in obtaining the necessary approval for the statue and have gained the wide support of organizations including the Vietnam Veterans' Memorial Fund, The American Legion, The Veterans of Foreign Wars, the Disabled American Veterans, Vietnam Veterans of America, the Military Order of the Purple Heart, the Reserve Officers Association, the Jewish War Veterans, the American Nurses Association, the Association of Critical Care Nurses, and the Association of Operating Room Nurses. Unfortunately, their efforts have recently been stymied.

Earlier this year, Secretary of the Interior Donald P. Hodel concluded that the VWMP's proposal did not need special legislative authorization—that the public law which authorized construction of the VVM was sufficient because the statue would be an addition to the VVM and not a separate memorial—and endorsed the project. Indeed, section 1 of that law—Public Law 96-297—specifically dictates the memorialization is in "honor and recognition of the men and women * * * who served in the Vietnam war." With Secretary Hodel's support, and the support of every major veterans organization and several Members of Congress, the VWMP's proposal was presented to the Commission of Fine Arts [CFA] for consideration. Despite the strong support for the project, late last month the CFA turned down the proposal.

Mr. President, I am deeply disappointed that the CFA decided to reject the VWMP proposal and, in so doing, has so unfairly slighted the courageous and invaluable efforts of the women of this Nation who served in Vietnam.

The Vietnam Veterans Memorial, during its 5-year history, has served as an emotional focal point for Vietnam veterans and the Nation as a whole. The wall also serves as a historical reference point, educating those too young to remember the Vietnam conflict about the sacrifices made by those who served. Women who served in and with our Armed Forces have done so with honor, strength, and commitment, yet they are often overlooked when our Nation recognizes its veterans. Women veterans are still much less likely than their male counterparts to use veterans' benefits such as home loan guaranties and VA health care—in part because they are not aware that such benefits are available. Statuary representation of the 10,000 women who served in Vietnam—approximately half in uniformand half as civilians—would appropriately recognize the contributions of these women and would help reverse the perception that the term "veteran" means male veteran.

The wall has greatly facilitated the healing process for many of the individuals involved in the Vietnam conflict. Because the contributions of women in protecting our national security are often overlooked, many people do not realize that women veterans have also suffered from the trauma of war. Indeed, many women veterans themselves do not realize they are experiencing stress-related symptoms caused by their service in Vietnam because their role has been generally overlooked. The VWMP's proposed statue, by acknowledging the sacrifices of women during the Vietnam conflict, would greatly aid the healing process for these women who served our country during this very difficult time.

Mr. President, Commission Chairman J. Carter Brown, in a letter to Interior Secretary Hodel explaining the CFA's rejection of the VWMP's proposal, said "the Commission believes that any added elements such as the proposed statue will have the appearance of an afterthought." Since I began working with the VWMP, I have been impressed by the project's dedication to ensuring, through careful planning, that the addition of the proposed statue would complement the existing memorial. The bronze statue proposed by the VWMP is similar in appearance and demeanor to the statue of the three combat soldiers already in place at the Memorial. The proposed placement of the statue at the opposite end of the wall at which the existing statue is placed, would, as Interior Secretary Hodel has pointed out, provide a sense of completion and balance to the Memorial allowing visitors to walk in a full circle as they visit the different elements at the Memorial site.

Commission Chairman Brown also stated that the Commission does not want to begin a process of recognizing individual groups because "no one knows where the end would be." Our bill provides that answer by a provision in section 1(b) that would express the sense of Congress that with the establishment of the VWMP's proposed statute the VVM would be considered complete and that no further additions to the site should be authorized or undertaken. It is true that many different groups made great sacrifices on behalf of this Nation during the Vietnam conflict. But no group has suffered more than women veterans from the lack of recognition for their services throughout history.

Mr. Brown has further said that women are recognized through the symbolism in the statue of the three male combat soliders and by the inscription on the wall of the names of the eight women who died in Vietnam. I do not agree that women veterans are sufficiently represented at the VVM. The "Three Fighting Men" statute has eloquently captured the emotions felt by many of those who were involved in the Vietnam conflict. However, a statue portraying a profession—the combat soldier—from which women are legally barred does not adequately represent the sacrifices made by women veterans. In addition, few visitors to the Wall have the opportunity to read each of the 58,146 names inscribed there, hence, a majority of the individuals who visit the Wall are likely unaware of the presence of the women's names. A statuary representation of the 10,000 women who served would provide a vivid reminder of the sacrifices and contributions made by these women during the Vietnam conflict.

Our legislation would require that the VWMP statute be approved by the same process as was the approval process for the VVM itself—approval by the Secretary of the Interior, the CFA, and the National Capital Planning Commission. My distinguished colleague from Minnesota, Senator DAVID DURENBERGER, last week introduced similar legislation, Senate Joint Resolution 215. I had intended to join with him in that measure, but we could not reach agreement on the specifics of the approval process. Although Senate Joint Resolution 215 would also authorize establishment by the VWMP of a statute of a servicewoman at the VVM, the Secretary of the Interior would not be required to seek the approval of the CFA, in the "selection of a site for the statue or in the selection of the design and plans for the statue."

Mr. President, I believe that bypassing CFA approval would send the wrong signal as to the value and merit of the proposed statue. The CFA has advised the President, Members of Congress, and various governmental agencies on matters pertaining to the appearance of Washington since the Commission was established for just that purpose by Congress in 1910. Throughout the controversy over the competition-winning design for the VVM and the addition of the "Three Fighting Men" and the flag standard, the notion of abrogating the approval process was never pursued. Indeed, just last Congress, Public Law 99-652—an act "to provide standards for placement of commemorative works on certain Federal lands in the District of Columbia and its environs"—was enacted, mandating that all proposed memorials must follow the tripartite approval process—the same approval process specified in Public Law 96-297, for the construction of the VVM.

Since the passage of Public Law 99-652, legislation authorizing memorials in honor of Francis Scott Key, Public Law 99-531, the Korean conflict veterans, Public Law 99-572, black patriots who served this Nation during the American Revolution, Public Law 99-558, women who have served in the U.S. Armed Forces, Public Law 99-610, and the American Armored Force, Public Law 99-620, have all specified that each memorial must obtain approval by the process established in Public Law 99-652. Excluding the CFA from that approval process because of its recent decision would detract from the significance of the proposed statue and the recognition it so greatly deserves. Moreover, it would establish a very unwise precedent in departing from the uniform guidelines established by that public law.

Mr. President, as noted actress Loretta Swit said in a passionate speech on behalf of the VVMP at a press conference last week here in Washington, we must convince the CFA of the desirability and merit of this project. I recognize that doing so will not be easy. But with the strong support of Congress—which I believe will be forthcoming—behind this proposal and a greater coalescing of support at the grassroots level in addition to the existing support of every major veterans organization and the Secretary of the Interior, I am confident we can overcome this obstacle and convince the CFA that this proposal is a most fitting and appropriate addition to the VVM.

We should attempt to go this route rather than undertaking to slide through the back door as though we did not have a quality product to promote.

I hope that Senator DURENBERGER will come to this view as well so that we can go forward together on this mission—just as I hope that the chairman of the Committee on Energy and Natural Resources, Mr. JOHNSTON, will lend us his support.

With the addition of the servicewoman, the VVM would fulfill the original intent of the legislation enacted to authorize establishment of the memorial by honoring the dedication and sacrifices of both the men and the women who served on behalf of this Nation during the Vietnam conflict.

Mr. President, I ask with unanimous consent that the text of our bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1896

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the

Vietnam Women's Memorial Project, Inc., a non-profit corporation authorized to operate in the District of Columbia, is authorized to construct a statue of a woman Vietnam veteran on public grounds within the 2.2 acre Vietnam Veterans Memorial site in the District of Columbia, in honor and recognition of the women of the United States who served in the Vietnam conflict.

(b) It is the sense of the Congress that after the addition of a statue of a woman Vietnam veteran, the Vietnam Veterans Memorial is complete, and no further additions to the site should be authorized or undertaken.

SEC. 2. (a) The Secretary of the Interior, in consultation with the Vietnam Women's Memorial Project, Inc., is authorized and directed to select, with the approval of the Commission of Fine Arts and the National Capital Planning Commission, a suitable site for the statue within the 2.2 acre Vietnam Veterans Memorial site in the District of Columbia.

(b) The design and plans for the statue shall be subject to the approval of the Secretary of the Interior, the Commission of Fine Arts, and the National Capital Planning Commission. If the Secretary of the Interior, the Commission of Fine Arts, or the National Capital Planning Commission fails to report the Secretary's or the Commission's approval of or specific objection to such design and plans within 90 days of their submission, the Secretary's or the Commission's approval shall be deemed to be given.

(c) Neither the United States nor the District of Columbia shall be put to any expense in the construction of the statue.

SEC. 3. The authority conferred pursuant to this Act shall lapse unless (1) the construction of the statue is commenced within 5 years from the date of the enactment of this Act, and (2) prior to groundbreaking for actual construction on the site, funds are certified available in an amount sufficient in the judgment of the Secretary of the Interior, based upon the approved design and plans for the statue, to ensure completion of the construction of the statue.

SEC. 4. The maintenance and care of the statue constructed under the provisions of this Act shall be the responsibility of the Secretary of the Interior.

By Mr. THURMOND (for himself and Mr. DECONCINI):

S. 1897. A bill to recognize the organization known as the National Association of State Directors of Veterans' Affairs, Inc.; to the Committee on the Judiciary.

NATIONAL ASSOCIATION OF STATE DIRECTORS OF VETERANS' AFFAIRS, INC.

Mr. THURMOND. Mr. President, today I am introducing, along with Senator DECONCINI, legislation to grant a Federal charter to the National Association of State Directors of Veterans' Affairs, Inc.

Mr. President, many of our colleagues may already be familiar with the work of this fine organization. The National Association of State Directors of Veterans' Affairs is a nonprofit service organization comprised of professionals dedicated to assisting veterans and their families without regard to affiliation with any special interest veterans group. The association has a distinguished record of concern for the welfare of all veterans—regardless of the length or branch of service, their background, or their experience in the armed services.

The National Association of State Directors of Veterans' Affairs had its inception in early 1945 at a conference of State representatives sponsored by the U.S. Army Air Corps. The organization was founded the following year under the direction of Gen. Graves B. Erskine, then Administrator of the Federal Retraining and Reemployment Administration. Its primary purpose was to encourage each State to provide services to veterans returning from World War II.

The National Association of State Directors of Veterans' Affairs was incorporated in the District of Columbia on March 12, 1973. It is the only organization representing the veterans' affairs agencies of the various States. The functions of the association are: To advise veterans of available benefits and services; to coordinate the activities and purposes of the various State and territorial agencies affecting veterans; to serve as liaison between the Governors and concerned officials on the Federal level; and to maintain contact with all branches of the armed services. The association operates wholly for charitable, educational, historical, patriotic, and research purposes.

The national scope of the association is clear from its membership, which currently consists of representatives from 48 States, 4 territories, and the District of Columbia. In addition to its other services, the association coordinates the efforts and policies of the State and territorial veterans affairs agencies in order to ensure the fair and equitable treatment of veterans throughout our country. It performs the vital role of liaison between the Federal structure of veterans' services and entitlements and the various State structures of resources devoted to serving the Nation's veterans and their families.

The National Association of State Directors of Veterans' Affairs has unselfishly served the needs of veterans for 41 years. This association epitomizes commitment and dedication to all veterans who have served their country to keep it free. A Federal charter will express the recognition of Congress of the efforts of the association on behalf of countless veterans and their families. I call upon my colleagues to support this legislation and urge early enactment of this bill.

ADDITIONAL COSPONSORS

S. 9

At the request of Mr. CRANSTON, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 9, a bill to amend title 38, United States Code, to increase the rates of disability compensation and dependency and indemnity compensation for veterans and survivors; to provide additional eligibility for certain educational or rehabilitation assistance to veterans and other eligible individuals with drug or alcohol abuse disabilities; to increase the maximum amount of a home loan which is guaranteed by the Veterans' Administration; to improve housing, automobile, and burial assistance programs for service-disabled veterans; and to extend and establish certain exemptions from sequestration for certain veterans' benefits; and for other purposes.

S. 533

At the request of Mr. THURMOND, the names of the Senator from Iowa [Mr. GRASSLEY] and the Senator from Minnesota [Mr. DURENBERGER] were added as cosponsors of S. 533, a bill to establish the Veterans' Administration as an executive department.

S. 1518

At the request of Mr. ROCKEFELLER, the names of the Senator from Wyoming [Mr. SIMPSON], the Senator from Michigan [Mr. LEVIN], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Oklahoma [Mr. BOREN] were added as cosponsors of S. 1518, a bill to amend the Motor Vehicle Information and Cost Savings Act to provide for the appropriate treatment of methanol and ethanol, and for other purposes.

S. 1519

At the request of Mr. LAUTENBERG, the name of the Senator from Alabama [Mr. HEFLIN] was added as a cosponsor of S. 1519, a bill to authorize the President of the United States to award congressional gold medals to Lawrence Doby and posthumously to Jack Roosevelt Robinson in recognition of their accomplishments in sport and in the advancement of civil rights, and to authorize the Secretary of the Treasury to sell bronze duplicates of those medals.

S. 1601

At the request of Mr. MCCAIN, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 1601, a bill to permit the immigration of Vietnamese Amerasians to the United States.

S. 1625

At the request of Mr. SANFORD, the name of the Senator from Mississippi [Mr. COCHRAN] was added as a cosponsor of S. 1625, a bill to enhance the effectiveness and independence of the U.S. Court of Military Appeals.

S. 1678

At the request of Mr. HATCH, the names of the Senator from California [Mr. WILSON], the Senator from Utah [Mr. GARN], and the Senator from Wyoming [Mr. WALLOP] were added as cosponsors of S. 1678, a bill to establish a block grant program for child care services, and for other purposes.

S. 1722

At the request of Mr. INOUYE, the name of the Senator from Washington [Mr. ADAMS] was added as a cosponsor of S. 1722, a bill to authorize the establishment of the National Museum of the American Indian, Heye Foundation within the Smithsonian Institution, and to establish a memorial to the American Indian, and for other purposes.

S. 1731

At the request of Mr. METZENBAUM, the name of the Senator from South Dakota [Mr. DASCHLE] was added as a cosponsor of S. 1731, a bill to amend the Job Training Partnership Act to establish a demonstration program employment opportunities for severely disadvantaged youth, and for other purposes.

S. 1752

At the request of Mr. BAUCUS, the names of the Senator from New Mexico [Mr. BINGAMAN] and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 1752, a bill to establish a commission to study the effects of deregulation of the airline industry.

S. 1761

At the request of Mr. DURENBERGER, the name of the Senator from Minnesota [Mr. BOSCHWITZ] was added as a cosponsor of S. 1761, a bill to amend the Internal Revenue Code of 1986 to provide that a decedent's spouse may enter into a cash lease of farm and other real property with family members and still qualify for the special estate tax valuation of the property.

S. 1776

At the request of Mr. ARMSTRONG, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 1776, a bill to modernize United States circulating coin designs, of which one reverse will have a theme of the bicentennial of the Constitution.

S. 1777

At the request of Mr. ARMSTRONG, the names of the Senator from California [Mr. WILSON] and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of S. 1777, a bill to amend title II of the Social Security Act to phase out the earnings test over a 5-year period for individuals who have attained retirement age, and for other purposes.

S. 1811

At the request of Mr. HEINZ, the name of the Senator from New York [Mr. MOYNIHAN] was added as a cosponsor of S. 1811, a bill to provide a transitional funding method to ensure continued pension payments to steel industry retirees and to assure the viability of the private pension system, and for other purposes.

SENATE JOINT RESOLUTION 48

At the request of Mr. HATCH, the name of the Senator from Oklahoma [Mr. NICKLES] was added as a cosponsor of Senate Joint Resolution 48, a joint resolution designating the week of September 14, 1987, through September 20, 1987, as "Benign Essential Blepharospasm Week".

SENATE JOINT RESOLUTION 59

At the request of Mr. THURMOND, the name of the Senator from Ohio [Mr. METZENBAUM] was added as a cosponsor of Senate Joint Resolution 59, a joint resolution to designate the month of May 1987 as "National Foster Care Month".

SENATE JOINT RESOLUTION 177

At the request of Mr. THURMOND, the names of the Senator from Utah [Mr. HATCH], the Senator from Massachusetts [Mr. KERRY], and the Senator from New York [Mr. MOYNIHAN] were added as cosponsors of Senate Joint Resolution 177, a joint resolution to authorize and request the President to designate the month of December 1987 as "Made in the U.S.A. Month".

SENATE JOINT RESOLUTION 178

At the request of Mr. KENNEDY, the name of the Senator from Rhode Island [Mr. CHAFEE] was added as a cosponsor of Senate Joint Resolution 178, a joint resolution designating the first day of August as "National Day of Peace".

SENATE JOINT RESOLUTION 190

At the request of Mr. WALLOP, the names of the Senator from Indiana [Mr. QUAYLE], the Senator from North Dakota [Mr. BURDICK], the Senator from Minnesota [Mr. BOSCHWITZ], the Senator from Alabama [Mr. HEFLIN], the Senator from Missouri [Mr. DANFORTH], the Senator from Delaware [Mr. BIDEN], the Senator from Hawaii [Mr. INOUYE], the Senator from Mississippi [Mr. COCHRAN], the Senator from Utah [Mr. HATCH], the Senator from North Carolina [Mr. HELMS], the Senator from New Jersey [Mr. LAUTENBERG], the Senator from Indiana [Mr. LUGAR], the Senator from Wisconsin [Mr. KASTEN], the Senator from Alaska [Mr. STEVENS], the Senator from New York [Mr. D'AMATO], the Senator from Texas [Mr. GRAMM], the Senator from Hawaii [Mr. MATSUNAGA], the Senator from Ohio [Mr. METZENBAUM], the Senator from Arkansas [Mr. PRYOR], the Senator from New Hampshire [Mr. HUMPHREY], the Senator from Michigan [Mr. LEVIN], the Senator from Rhode Island [Mr. PELL], the Senator from Idaho [Mr. MCCLURE], the Senator from Colorado [Mr. WIRTH], the Senator from Florida [Mr. CHILES], the Senator from Nevada [Mr. HECHT], the Senator from Oklahoma [Mr. BOREN], the Senator from California [Mr. WILSON], the Senator from Wyoming [Mr. SIMPSON], the Senator from Nebraska [Mr. EXON], the Senator from Iowa [Mr. GRASSLEY], the Senator from Kansas [Mr. DOLE], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Missouri [Mr. BOND], the Senator from Alabama [Mr. SHELBY], the Senator from Georgia [Mr. NUNN], the Senator from Maine [Mr. MITCHELL], and the Senator from Arizona [Mr. DECONCINI] were added as cosponsors of Senate Joint Resolution 190, a joint resolution to authorize and request the President to issue a proclamation designating June 6-12, 1988, as "National Fishing Week".

SENATE JOINT RESOLUTION 203

At the request of Mr. D'AMATO, the names of the Senator from Ohio [Mr. GLENN] and the Senator from Massachusetts [Mr. KENNEDY] were added as cosponsors of Senate Joint Resolution 203, a joint resolution calling upon the Soviet Union immediately to grant permission to emigrate to all those who wish to join spouses in the United States.

SENATE JOINT RESOLUTION 215

At the request of Mr. DURENBERGER, the names of the Senator from Rhode Island [Mr. PELL], the Senator from New Mexico [Mr. BINGAMAN], and the Senator from Colorado [Mr. WIRTH] were added as cosponsors of Senate Joint Resolution 215, a joint resolution to authorize the Vietnam Women's Memorial Project, Inc., to establish a memorial to women of the Armed Forces of the United States who served in the Vietnam war.

SENATE CONCURRENT RESOLUTION 23

At the request of Mr. CRANSTON, the names of the Senator from Nevada [Mr. HECHT] the Senator from Kansas [Mrs. KASSEBAUM], the Senator from Pennsylvania [Mr. SPECTER], and the Senator from Missouri [Mr. DANFORTH] were added as cosponsors of Senate Concurrent Resolution 23, a concurrent resolution designating jazz as an American national treasure.

SENATE CONCURRENT RESOLUTION 76

At the request of Mr. INOUYE, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of Senate Concurrent Resolution 76, a concurrent resolution to acknowledge the contribution of the Iroquois Confederacy of Nations to the development of the U.S. Constitution and to reaffirm the continuing government-to-government relationship between Indian tribes and the United States established in the Constitution.

SENATE RESOLUTION 248

At the request of Mr. GRAHAM, the name of the Senator from New Mexico [Mr. BINGAMAN] was added as a cosponsor of Senate Resolution 248, a resolution supporting the people of Haiti in their efforts to obtain respect for human rights and the holding of free and fair elections in Haiti, and for other purposes.

SENATE RESOLUTION 270

At the request of Mr. LAUTENBERG, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of Senate Resolution 270, a resolution paying special tribute to Portuguese diplomat Dr. de Sousa Mendes for his extraordinary acts of mercy and justice during World War II.

SENATE RESOLUTION 328—EXPRESSING THE CONDOLENCES OF THE SENATE TO FAMILIES OF THE VICTIMS OF THE AIRCRAFT CRASH AT STAPLETON INTERNATIONAL AIRPORT

Mr. SYMMS (for himself, Mr. MCCLURE, Mr. ARMSTRONG, and Mr. WIRTH) submitted the following resolution; which was considered and agreed to:

S. RES. 328

Whereas a commercial aircraft crashed on take-off from Stapleton International Airport in Denver, Colorado, on November 15, 1987;

Whereas the aircraft was bound for Boise, Idaho, carrying 77 passengers and 5 crew members;

Whereas 27 people on board the aircraft died and many more were injured: Now, therefore, be it

Resolved, That the Senate expresses its sincere condolences to the injured victims of this accident and the families and friends of those who died.

SENATE RESOLUTION 329—URGING DEFICIT REDUCTION BY ENACTMENT OF AN ACROSS-THE-BOARD FREEZE ON ALL FEDERAL SPENDING AND EXISTING GENERAL TAX RATES

Mrs. KASSEBAUM (for herself, Mr. BAUCUS, Mr. BIDEN, Mr. BOREN, Mr. BOSCHWITZ, Mr. BREAUX, Mr. BUMPERS, Mr. CONRAD, Mr. DASCHLE, Mr. DIXON, Mr. DODD, Mr. EVANS, Mr. EXON, Mr. FOWLER, Mr. HOLLINGS, Mr. LEVIN, Mr. MCCLURE, Mr. NUNN, Mr. PRYOR, Mr. SIMPSON, Mr. STAFFORD, Mr. STEVENS, Mr. WEICKER, Mr. STAFFORD, and Mr. WIRTH) submitted the following resolution; which was referred to the Committee on Governmental Affairs:

S. RES. 329

Whereas, the recent crash and continuing instability in the stock market reflects widespread and deep concern within the United States and throughout the free world about the economic impact of persistent, massive U.S. budget deficits;

Whereas, the President and Congressional leaders responded quickly to the crash by convening high level talks focused on deficit reduction;

Whereas, current federal law mandates that spending be reduced automatically by $23 billion unless an alternative deficit reduction plan is passed by both Houses of Congress and signed into law by the President;

Whereas, the public demands that the deficit be reduced by more than the amount anticipated under current law;

Whereas, an across the board budget freeze adopted in 1984 would have resulted in savings over three years of $168 billion and dramatically improved our current fiscal situation;

Whereas, the American people have clearly indicated their willingness to help resolve our economic crisis as long as the burden is shared by all;

Whereas, recent discussions among Congressional leaders and the President have to date failed to result in a definite plan for substantial deficit reduction: Now, therefore, be it

Resolved,

(1) That a one-year across-the-board freeze of all federal spending and existing federal tax rates should be adopted at the earliest possible date to help restore national and international confidence in the economy of the United States.

(2) That such freeze should encompass:

(a) all appropriated accounts for defense and nondefense discretionary spending and should maintain spending at fiscal year 1987 budget authority levels;

(b) inflation adjustments for all federal entitlement beneficiaries should be limited to 2 percent, except for SSI which would be a full COLA;

(c) existing federal tax rates for all individuals and corporations; and

(d) Inflation adjustments and tax rates should be frozen for only one year, after that time, the adjustments provided by current law and the scheduled tax rate reduction would automatically take place.

(3) That such a one-year freeze should be considered as the minimum acceptable step toward deficit reduction and that asset sales, improved tax compliance, and other deficit reduction measures should be seriously considered as additional steps toward budgetary balance.

SENATE RESOLUTION 330—RELATING TO THE INTEGRITY OF THE PRESIDENTIAL ELECTION PROCESS IN HAITI

Mr. GRAHAM (for himself, Mr. DURENBERGER, Mr. KENNEDY, Mr. KERRY, Mr. CHILES, Mr. DECONCINI, Mr. DODD, and Mr. SANFORD) submitted the following resolution; which was considered and agreed to:

S. RES. 330

Whereas the Haitian people and the Provisional Electoral Council are struggling to create conditions in Haiti in which a free, fair, and independent election can be held;

Whereas the Provisional electoral Council, acting under provisions of the Haitian Constitution, recently ruled that those presidential candidates who had been associated with the rule of the Duvaliers were ineligible to run in the upcoming election; and

Whereas immediately following that ruling the headquarters of the Provisional Electoral Council was attacked and burned, and other attacks have been made on electral officials and facilities; and

Whereas in recent days there has been new evidence of renewed cooperation and commitment to free, fair and open elections: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) all parties in Haiti should refrain from violence and that the National Governing Council should act effectively on its pledge to apprehend and bring to justice all those responsible for attacks of violence against officials of the Provisional Electoral Council;

(2) the National Governing Council should cooperate fully with the Provisional Electoral Council to assure a free and fair election and to assure respect for the rights of the people of Haiti to participate in a democratic process free from intimidation and fear;

(3) the National Governing Council should provide security and protection, as requested, to the Provisional Electoral Council and candidates for President and should cooperate fully with the Provisional Electoral Council in providing administrative and logistical support for the Provisional Electoral Council; and

(4) the President should suspend all military assistance for the Government of Haiti, if the President determines that the National Governing Council fails to take appropriate steps to protect the integrity of the presidential election, to provide security and protection for the Provisional Electoral Council and the presidential candidates, to provide adequate administrative and logistical support for the elections, and to protect the right of the people to participate in a free and fair election.

AMENDMENTS SUBMITTED

CRIMINAL FINES IMPROVEMENT ACT

BIDEN (AND THURMOND) AMENDMENT NO. 1199

Mr. BYRD (for Mr. BIDEN, for himself and Mr. THURMOND) proposed an amendment to the amendment of the House to the amendment of the Senate to the bill (H.R. 3483) to amend title 18, United States Code, to improve certain provisions relating to imposition and collection of criminal fines, and for other purposes; as follows:

In section 6 of the bill, in proposed section 3571(c) of title 18, United States Code, strike out "an individual who" and insert in lieu thereof "an organization that".

In section 13 of the bill—

(1) strike out "section 209" and insert in lieu thereof "section 9"; and

(2) strike out "203, 204, 205, 206, 207, 210, and 211" and insert in lieu thereof "3, 4, 5, 6, 7, 10, and 11".

NOTICE OF HEARING

SUBCOMMITTEE ON WATER AND POWER AND THE SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. BRADLEY. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a joint hearing before the Subcommittee on Water and Power of the Committee on Energy and Natural Resources and the Select Committee on Indian Affairs.

The hearing is scheduled for December 3, 1987, beginning at 9 a.m. in room SD-562 of the Dirksen Senate

Office Building. Testimony is invited regarding S. 1415, the Colorado Ute Indian Water Rights Settlement Act of 1987.

For further information regarding the hearing, you may contact Russell R. Brown of the subcommittee staff at 224-2366. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Subcommittee on Water and Power, room SD-364, Dirksen Senate Office Building, Washington, DC 20510.

AUTHORITY FOR COMMITTEES TO MEET

SELECT COMMITTEE ON INTELLIGENCE

Mr. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on November 20, 1987, to hold a hearing on intelligence matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON LABOR

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Labor, of the Committee on Labor and Human Resources, be authorized to meet during the session on Friday, November 20, 1987 to conduct a hearing on "Pensions."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENVIRONMENTAL PROTECTION

Mr. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Environmental Protection, Committee on Environment and Public Works, be authorized to meet during the session of the Senate on Friday, November 20, beginning to conduct a hearing on S. 1629, the Indoor Air Quality Act of 1987.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

TESTIMONY OF ANN ROCKEFELLER ROBERTS BEFORE SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. INOUYE. Mr. President, on November 18, 1987, the Select Committee on Indian Affairs and the Committee on Rules and Administration held a joint hearing on S. 1722, a bill to authorize the establishment of the National Museum of the American Indian, Heye Foundation within the Smithsonian Institution, and to establish a memorial to the American Indian, and on S. 1723, a bill to authorize the establishment of certain regional exhibition facilities as part of the Museum of the American Indian. Although many witnesses presented testimony at the hearing, I found the testimony of Mrs. Ann Rockefeller Roberts particularly moving and inspiring and it is for that reason that I wish to share her statement with my colleagues. Mrs. Roberts is the daughter of the late Nelson D. Rockefeller, and in appearing before the committees in support of the establishment of a Museum of the American Indian on the national mall as part of the Smithsonian Institution, she carries on the proud work her father began in the early 1970's to achieve this long overdue commemoration honoring this Nation's first Americans.

Mr. President, I ask that the testimony of Mrs. Ann Rockefeller Roberts be printed in the RECORD.

The testimony follows:

STATEMENT OF ANN ROCKEFELLER ROBERTS

It is an honor and a privilege to have the opportunity to testify today on behalf of a National American Indian Museum on the Mall in Washington, D.C.

In preparing these remarks I asked myself what was important here? Why has this issue mattered so much for so long? Why should there be a permanent collection of American Indian art and artifacts on the mall? Why should the great collections of the Heye Foundations be in such a museum? Why persist in this path that has engendered so much difficulty and disappointment, so much controversy?

Margaret Mead always said that we should raise the level of the dialogue in order to understand more fully what we do. I understand that to mean that we must look to the heart of the matter, that we need to seek the truths that are central to the situation and lie behind our disagreements.

It seems to me that the answer lies simply in the character of our nations capitol, in the nature of the Heye Collections and in the relationship between our two cultures.

Washington is the symbolic center of our nation. It is the seat of our national government and furthermore it houses in its extraordinary museums the materials that reflect the general American experience. It is the place we go in order to understand who we are. We send our young in bus loads each year to teach them what it means to be American. We invite our visitors here to show them our ideals and our government.

Washington is in a district rather than a state—the District of Columbia—setting it apart from the states with their own governing bodies. It is therefore a neutral zone that speaks to all Americans, is available to all Americans—not political or partisan. It is a place where we can reflect, where we can renew our ideals without being limited by any particular region or group.

It is a giant living archive, a repository for our legacy—our past and present—our hopes for the future. It seeks to be complete—we need it to be complete—to describe the American experience in its entirety. That experience includes the legacy of the American Indians, the original inhabitants of this land.

Their history, culture and art. Their understanding of the land, their ideology and spiritual values are a part of what this country is and of who we all are. Now that piece is missing—like the front tooth.

It seems inevitable, normal, necessary that there is one remaining space on the mall. Having a National American Indian Museum in that space would allow a fullness of how we understand ourselves, a completion of the experience that is uniquely American.

The Heye Foundation Collection indicates itself to be a collection of major significance suitable to be in such a museum. It is the only collection existing of comparable breadth and depth. There are other superb local or regional collections across the country but none that represent the fullness of the Indian experience in both North and South America as extensively as it does. Shouldn't such a collection be in the symbolic center of our country where it can speak to all Americans? Shouldn't it be available to the public at large and not just the citizens of one city? Eight to ten million visitors come to Washington each year, one to two million to New York City. Shouldn't such a collection be located next to other museums of a similar cosmopolitan nature? Shouldn't such a collection be where the people it represents can have more extensive access to it?

The Heye Foundation is located in New York simply because that is where George Heye lived. It is not in New York because its collections are intrinsically related to New York or particular to one kind of expression—such as the Iroquois-Mohawk Confederacy. It is not a regional or provincial collection. It is national even continental in its scope and it demands to be in a national setting.

Native American culture permeates our white European culture at every level. In the 1920's when C.G. Jung visited the U.S. he spoke about the "mysterious Indianization" of the American soul as the result of living on this shared soil. He commented that the Yankee-American presence was remarkably different from the European presence both physically and psychologically. He went on to say that as he worked in depth with white Americans in analysis he found over and over that our symbols of the ideal were Indian. "The hero," he says, "is always the embodiment of man's highest and most powerful aspiration, or of what this aspiration ought ideally to be and what he would gladly realize. It is therefore of importance what kind of fantasy constitutes the hero motif. In the American hero fantasy the Indians' character plays a leading role."

We have put an indealized Indian Head on our five cent piece. Many of our public buildings and public spaces have Indian sculpture as adornment—signifying our desire to emulate traits of dignity, courage, endurance and personal strength.

At the level of governance our constitution and our representative system of government are based on that of the Five Nations. There are records in the New York State Museum of Albany of a meeting of colonists in Lancaster in 1744 where an Iroquois orator suggested they from a union. In 1775 commissioners of the Continental Congress officially thanked the Iroquois for suggesting such a union to them. It is also known that both Benjamin Franklin and Thomas Paine recommended the Iroquois system of government to the colonies. Felix S. Cohen wrote, "Politically, there was nothing in the kingdoms and empires of Europe in the 15th and 16th centuries to parallel the democratic constitution of the Iroquois Confederacy with its provisions for initiative, referendum, and recall, and its suffrage for women as well as men." And Sylvester M. Morey wrote, "Today the union of our Thirteen Colonies is so obviously right that no one ever wonders what

North America would be like if it had become a land of numerous small countries like South America. By keeping the states separate and yet binding them together, we brought the strength of the union into each individual state and at the same time allowed enthusiasm and love of liberty to pour from the states back into the union." This is truly a unique and ingenious system.

Then there is the Eagle—the emblem of the U.S. and a central symbol to the Indian people as well. To the Indians and to all ages it is honored as the messenger from heaven. He is referred to constantly in the Bible

"They that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles."

"The bird of the air shall carry the voice and that which hath wings shall tell the matter.

The names of many of our towns and cities, our lakes and rivers bespeak our Indian heritage as well. Names such as The Penobscot, Mt. Kaatahin, The Mohawk Valley, Sebago Lake, The Kennebunk River, Niagara Falls, Saratoga Springs. We give our businesses and our teams Indian names as well. These names are everywhere in the east and west, in the north and south.

In the world of sports and the outdoors we are indebted to the Indian for lacross, the canoe and canoeing, snow shoes, camping, summer camps, the Boy Scouts and the Girl Scouts.

Our Boy Scout movement and later the Girl Scouts became a way of character building through contact with the out-of-doors—a way of recognizing the importance of the values of native people.

When we shop or sit down at table we are surrounded by the foods of Native Americans. We use their cooking techniques as well. Avocados, beans, both white and sweet potatoes, peanuts, peppers, pineapples, sunflower seeds, squash, pumpkins, turkey, tomatoes, wild rice and, of course, the fundamental, scared grain corn were all under cultivation here when the first colonials arrived. The clambake, baked beans and the idea of barbecue, steamed lobster, spoonbread, cranberry sauce and mincemeat pie—many of our classic American dishes are American Indian as well.

American Indian arts and crafts have greatly enriched our heritage and are perhaps the most well-known, acknowledged and accepted influence and contribution. Their skills in silversmithery, pottery, basketry, sculpture, beadwork, leatherwork, featherwork and quilt work are outstanding. Their workmanship is beautiful and of high technical quality. Their imagry is not only precise and particular to them it is universal. Yet the materials they use are immediate, particular to the earth—wool from the sheep, birch bark, grasses, feathers, quills.

It is this combination of precise images, universal symbols going beyond the object to something larger combined with the particulars of the earth resonant materials that speak immediately to our earth rootedness, our humanness.

Finally the land—the earth common to us all—our Indian brothers and sisters have always understood that the land is sacred that it is our life, our mother. We have largely ignored this teaching until recently. Now we again can turn to the Indian traditions and find much to guide us in understanding how to live in harmony. They have practiced the ideals of Thoreau and Emerson always—accepting the divine presence as manifest in the natural world.

"This we know. The earth does not belong to man; man belongs to the earth. This we know. All things are connected like the blood which unites one family. All things are connected.

Whatever befalls the earth befalls the sons of the earth. Man did not weave the web of life, he is merely a strand in it. Whatever he does to the web, he does to himself.

One thing we know—our God is the same God. He is the God of man and His compassion is equal for the red man and the white. This earth is precious to Him and to harm the earth is to heap contempt on its Creator." Chief Seattle.

And the depth of their spiritual tradition is as equal to all the other great traditions—their great spiritual leaders speak the same universal truths.

All these things are what come to my mind not as a scholar of an expert of any kind but as one white American living in the most urban of cities. As a child, a young girl, a woman my psyche was informed by these things. They were part of a growing awareness of this culture that began to be accumulative. They evoked a response in my humanness from the depth of their humanness.

We have taken all of that richness all these years while refusing to fully receive its people or to recognize the integrity of their culture. It is surely time that we honored the source of so much. This we can do by creating an outward, visible form—a building—a museum in our country's center and sacred place—filling it with the signs and symbols of these people.

We can do this with admiration, not pity or guilt. With a final realization of the true value of this part of ourselves as Americans. By so doing we can restore the balance within our culture.

We each are Indian in that sense—my life experience is of theirs—the totality of who I am includes them—their values inform mine, their health or sickness is my health or sickness.

So why do we wait? Let us give up the arguments born of partisanship's politics and cleave to the truth that we are indeed one people born of this land of America and it is surely time to acknowledge our Indianness by building a monument at our sacred center to house its presence.

It is time to celebrate our Indian heritage—to make manifest in an outward form what is already so within us.

"It is in remembering that our power lies,
and our future comes
This is the Indian way."

Anna L. Walters, "Come My Sons".

"Heritage is people: people are the earth:
earth is heritage
By remembering these relationships—to the people.
The land, the past—we renew in strength
our continuance as a people."

Geary Hodson "The Remembered Earth."●

● Mr. STAFFORD. Mr. President, in March of this year, I joined my good friend from New Jersey, Senator BRADLEY, and became the principal cosponsor on a Senate joint resolution to designate the period commencing November 15, 1987 and ending November 21, 1987 as "Geography Awareness Week." The President signed this important resolution into law on July 24, 1987. Mr. President, since that time I have become more and more aware of the widespread geographic illiteracy among America's young people. This week should be a time for teachers, students, university geographers, public officials, parents, school administrators and concerned citizens to focus attention on the need for more geography in the curriculum of our Nation's schools. I rise today to emphasize the importance of geography education and the effect it has on our Nation's social and economic prosperity.

On October 29 of this year, the Senate Subcommittee on Education, Arts and Humanities held an oversight hearing on geography education at the National Geographic Society. The hearing was successful in bringing to light some of the critical problems we have in our schools in failing to teach our children about the world around them, as well as the serious repercussions of geography illiteracy. Mr. President, our children do not know what countries border our own, let alone where the Persian Gulf, Vietnam, or the Soviet Union are located. If our students cannot read maps intelligently, how can they begin to learn about cultures, climates, politics and environmental concerns in the world around them? In my home State of Vermont, WCAX-TV in Burlington conducted a poll among high school seniors and found that 44 percent of those tested could not name three countries in South America; 59 percent could not name the seven continents and 41 percent could not name the six New England States. This Senator is concerned that prior to World War II geography was a staple in school curricula, yet only 14 percent of U.S. secondary school students took geography courses in 1960-61, and by the midseventy's the figure had slipped to 9 percent. Today, 20 percent of U.S. teachers assigned to teach geography have taken no classes in the subject.

There are wonderful activities planned for this week across the Nation. A foreign Ambassador from Uganda will teach a junior high school class in Washington, DC about people and places in Africa; Governor Baliles of Virginia will tell students how roads from his State lead to the world; and Senator BRADLEY will officiate a New Jersey Statewide Geography Bee. The chairman and president of the National Geographic Society, Gilbert Grosvenor opened the week by speaking in Dallas to the National Council for the Social Studies. Teachers across the country will be stressing the importance of geography in their classrooms. Geographic alliances in several States will conduct balloon launches at schools. Students will launch balloons with postage-paid reply cards attached. When the balloons land, finders will mail the reply cards to a central location where the data will be collected to make a national map. Projects and activities such as these should take place in schools every day in every school across the country.

This Senator believes that geography education must be put back into our schools. Such teaching will foster students' respect for the environment, their interest in the way people live in other countries, and even how weather and time can effect the world around them. Geography literacy can give students a valuable perspective as they learn about people and events in history. When our world is made to seem increasingly smaller due to rapid communications, satellites and the like, it becomes increasingly important that all of our citizens know basic geography. I hope that observance of this Geography Awareness Week can help us meet the challenge of geographic literacy in classrooms across the country. I urge my colleagues to join me in promoting geography awareness this week and many weeks to come.●

YALE STUDENTS FOR LIFE

● Mr. HUMPHREY. Mr. President, according to a column by Nat Hentoff which appeared in the Washington Post last week, a Yale University campus pro-life group was denied access to the Women's Center of Yale facilities because of their pro-life views. In my opinion, this denial represents a censorship of ideas and an attempt to designate as outcasts those who believe in the right-to-life. I ask that the column by Mr. Hentoff be entered into the RECORD at the conclusion of my remarks.

It is time that those who have truths to share about the issues of life be allowed their voice in the media, in academia, and where women are directly faced with the choice of abortion. I commend Yale Students for Life for not giving up:

AT THE YALE WOMEN'S CENTER, SOME WOMEN AREN'T WELCOME

Yale University's current Policy on Freedom of Expression begins: "Nothing is more conducive to the . . . search for truth, to individual growth and fulfillment and to basic human liberties than a community, rare in human history, where all shades of opinion can be voiced and all avenues of thought and research pursued."

Accordingly, at Yale, "the expression of all views" is to be protected. And "access to facilities" is to be open to holders of "all opinions."

Last spring, the Women's Center of Yale appeared to be in enthusiastic agreement with the college's policy. It declared the center to be "a place for all women—of every race, ethnicity, age, ability, class, sexual orientation, religion. . . . We work toward a world without discrimination. . . . We invite everyone in our communities to join us in the challenge of creating such a world." The center said it wished "to break down the barriers between women."

In the fall, Yale Students for Life, welcoming this invitation to diversity, applied for space at the Women's Center. Yale Students for Life is not affiliated with any national right-to-life group and, in fact, goes further than any of them in its development of a consistent ethic of life. That is, it connects abortion to such other life issues as infanticide, euthanasia, capital punishment and nuclear war. It opposes all of the above.

When Yale Students for Life came knocking at the door, the Women's Center barred the group and decided to draw up a new set of rules as to what sort of women could be admitted. In order not to be shunned, it was decided, prospective members had to pledge their support for full rights for women, freedom of sexual orientation and expression—and reproductive freedom.

During a lively series of exchanges in the Yale Daily News, the pro-life group noted: "This demand for unanimity of outlook is antithetical to the spirit of feminism and has no place in a community dedicated to the free expression of ideas." One of the outcasts told me, "I would have no objection if they named it the Yale Center for Reproductive Freedom, but it is called the Yale Women's Center."

A petition was circulated on campus asking students, whatever their views on abortion, to oppose "inappropriate discrimination by organizations, such as the Women's Center, which use Yale facilities and receive Yale funding." Somewhat to the surprise of Yale Students for Life, the petition attracted more than 300 signatures. Many who signed made clear they were in favor of abortion but were offended by the banning of these women from a Yale facility solely because of their views.

At last, an array of Yale deans has decided that Yale Students for Life should be admitted to the Women's Center, provisionally. What is now being worked on by the administration is suitable definition of a women's group. If Yale Students for Life meets that definition, it can stay at the center.

Until now, there have been no official criteria for admission to the Women's Center. The need for such guidelines at this very moment created a certain amount of suspicion on the part of Students for Life after they were told by a dean that they are currently "in limbo." Says one of the pro-lifers: "We wonder if they're trying to find a way to exclude us by working out a definition of eligibility that keeps us second-class citizens. After all, we're still very much seen as illegitimate interlopers."

Meanwhile, in an editorial, the Yale Daily News—while castigating the administration for making its provisional decision unilaterally—was also critical of the incumbents at the Women's Center:

"The Women's Center advertises itself as 'a place for all women . . . to explore the richness and diversity of people's lives' . . . Where is the diversity in attracting only those who agree with your position?"

Katie Oberlies, a graduate of Yale College, a third-year law student at Yale and active in Students for Life, says the fundamental issue is that "a small group of women should not be allowed to define for all women at Yale what it means to be feminist."

As Elizabeth McAlister—a thunderous pro-life feminist, long active in civil rights and antiwar work—once wrote from prison after damaging some nuclear missiles: "We must widen the frame." Especially, one would think, at a university.●

INFORMED CONSENT: FLORIDA

● Mr. HUMPHREY. Mr. President, I urge my colleagues to support informed consent legislation, S. 272 and S. 273. The bills would require that women considering abortion be presented with sufficient information so as to make an informed choice.

Mr. President, given the fact that abortion is a medical procedure that cannot be undone, women must be told the risks, effects, and alternatives of abortion before consent. Otherwise, chances are she may make a decision she later regrets.

I ask consent that four letters from Florida in support of informed consent be entered into the RECORD.

The letters follow:

FLORIDA, *February 9, 1987.*

DEAR SENATOR HUMPHREY: In 1973, I had a first-trimester abortion. There is nothing in my life that I regret more. Although at the time it seemed like an "easy out" from a very difficult situation, it has caused me years of unforseen problems: multiple miscarriages, depression, other Post Abortion Syndrome symptons.

I know if I had had one word of counseling about abortion alternatives, my whole life would be healthier, "whole-er," saner. I know I would have made a better choice of action. But there was no one, no counseling, not even an explanation of the procedure to be used.

If the "D&C" procedure had been explained, if fetal development had been explained, I would have been saved years of grieving.

Please do something so others won't also suffer.

NAME WITHHELD.

FLORIDA, *February 17, 1987.*

DEAR MR. HUMPHREY: This is a very hard letter to write as I have tried for over nine years to put it out of my mind.

But to help others, I will tell about my abortion—I was married with two children—from a previous marriage—my husband was paying child support on his two children from a previous marriage and so nobody wanted another child. So comes the termination of pregnancy as called by the clinic—so easy, no pain—go home right after and only $100.00, but they didn't tell me one thing that has haunted me ever since, that when they did the procedure you start to cry immediately, not from physical pain but something else, then they tell you that it is common all of us do that. Why didn't they tell me before—my soul and my body felt the loss and knew then it was wrong—too late!

I now have rededicated my life to the Lord and am pro-life—any answer is better than abortion.

Thank you,

T.L.

FLORIDA, *April 1987.*

DEAR SENATOR HUMPHREY: I have had three abortions and were it not for the blood of Jesus Christ, I would be a statistic by now. An R.N. arranged for the first & second abortions through Planned Parenthood. By the third baby, I knew who to call first hand. The same doctor who murdered all three babies (I was an accomplice). I had absolutely no counseling. It was all very mechanical & as a result of the abortions, I became a manic depressive, suicidal, and to be very honest a menace to society and myself. If women really knew what the consequences of abortion were, unless they were absolutely insane, they would never even consider having one. By murdering babies, women open themselves up to a pandora's box full of self-destructive repercussions. The physical, mental, emotional and spiritual consequences are intermittently if not continually life threatening. By that I mean one is never truly at peace until the Spirit of the Living God intervenes to deliver and set one free from the very obvious sin of premeditated murder. I am such a one who has been saved from the torment & guilt.

Sincerely,

CHRISSY MORRISON.

FLORIDA, *April 1987.*

DEAR SIR: I am writing this letter in support of the Informed Consent Bill. I know personally the importance of being informed fully on the nature and consequences of the Act of Abortion. I had one about 2 years prior to the birth of my second child Ashley who is now 5. I had no one to even try to inform me of the fact that the child inside of me, was just that, a child and of the joy that child would bring me. The Lord has forgiven me, but it's really hard to forgive yourself and forget. I don't care how many educated people try to tell us that the child inside is not a child. You know for yourself, I knew and I've said time and time again if someone would have just talked to me a little I would have changed my mind. I think this is the very least we could do for these women and babies. I don't even understand how women could work in these places and not hurt deeply, especially those with children. I would like to say that I sound like a fanatic somewhat but it just gets me a little angry, very angry. I'm just a housewife and mother who knows how precious these gifts from God are. I feel this is the key right here, really give these woman and sometimes children a real choice. Those young mothers will learn the meaning of responsibility & love a lot easier this way, than to someday grieve and suffer over this loss and possibly resent it. Thank you for your time.

JEANETTE SMITH.[1]

FRAUD OF THE DAY—PART 17

● Mr. HEINZ. Mr. President, most of the frauds I have shared with the Senate have involved financial injury. That has been deliberate on my part in order to make clear that fraud is not a victimless crime—there are real people with real jobs in this country who suffer because of it. However, today's fraud is different. It is important not only because of the financial injury that will result from it, although that will be great, but because of the injuries, deaths, and catastrophies which could easily result. It might be easy to dismiss a fraud which costs some unknown victim $10,000. It is far more difficult to dismiss a fraud which is responsible for destruction and death.

In the early 1970's, American importers went to Japan and initiated what has turned out to be probably the most damaging and pervasive customs fraud of our time. These importers convinced Japanese fastener companies to build substandard bolts and label them with a higher specification than they warranted. So what, you might say. Some shelves may collapse, or a go-kart might fall apart. Unfortunately, these bolts are not your garden variety bolt, but rather critical application bolts. These bolts are not used for simple plumbing repairs, but are used in nuclear reactors, highrise buildings, defense installations, and bridges, to name but a few of their sensitive uses. The Customs Service is currently investigating 30 cases of fastener mismarking, and two firms, Edgewater Inc., and Aircom, have been indicted. The Service expects many more indictments in the near future.

Mr. President, one particular example clearly illustrates the gravity of this situation. After investigation, it was discovered that a certain nuclear reactor had 2,000 mismarked fasteners in very critical locations. These bolts had to be decontaminated before they could be tested. They were found to be of a lesser quality than their markings indicated. If this problem had not been discovered, a severe, life-threatening disaster could easily have occurred.

Mr. President, it is estimated that 100 million substandard fasteners are now in place. The original cost of the bolts is not overwhelming, but the cost of replacing them, or the cost of the failure of these bolts, could easily rise into the billions of dollars.

Even so, it is not the cost of replacing the bolts or the cost of replacing the structures which might collapse due to their failure which makes this fraud important. It is the potential for crippling injuries and violent deaths which ought to make us all determined to find some way of preventing this kind of outrage. I am not naive enough to believe that by passing legislation we can completely and permanently stop customs fraud. I do believe, however, that a private right of action, as provided in the Senate amendment currently in conference, will help prevent all types of customs fraud, including today's devastating, potentially crippling, example.●

MS. RUTH RAND AND JOHN BENSON, MODELS OF EDUCATIONAL EXCELLENCE

● Mr. DIXON. Mr. President, I would like to take this opportunity to recognize the outstanding achievements of Ms. Ruth Rand and Mr. John Benson of Illinois, who are the recipients of 1987 Presidential awards for excellence in science and mathematics teaching. They, along with the awardees from every State in the Nation, are being recognized here in Washington this week.

All of these individuals deserve our heartfelt thanks. The examples set by these men and women are an inspiration to educators, parents, and students.

The recipients from Illinois, Mr. President, reflect the diversity of the educational system in our country. Ms. Ruth Rand, who received an award for excellence as a science teacher, teaches at the Latin School, a private school located on the near north side of Chicago. Mr. John Benson, recognized for excellence as a teacher of mathematics, teaches at Evanston Township High School, a public high school in Evanston, IL.

What makes a teacher outstanding? I believe it is the ability to inspire, to motivate, to make subject matter meaningful for students. It is a monumental task, one which Ruth Rand, John Benson, and all the Presidential recipients, undertake each day. The measure of their success cannot be found in an award, or in a plaque, but in the students they teach.

In the short term, we can thank teachers in a manner such as the Presidential awards for their efforts, dedication, and their willingness to share knowledge with students. In the long run, their efforts will shape future educators. One generation passes to the next knowledge coupled with enthusiasm and commitment.

It is important to recognize these educators this week, Mr. President. However we must not let this be the only outward sign of our support of educators and education. I have consistently supported efforts to improve and promote education in this country.

We cannot provide leadership for our Nation if our citizens cannot read, write or compute. We stand to lose our prominence in science and technology if we do not stand committed to the improvement of education in the sciences and mathematics.

Ruth Rand and John Benson are two Illinoisans who show us what it means to be educators. They along with all the other 1987 Presidential recipients represent the best in their profession. I am most grateful to Ruth and John for their commitment to their students and their profession and wish them continued success.●

FARMERS DANNY TAWCZYNSKI AND BILL ROSE COMMENDED

● Mr. KERRY. Mr. President, I would like to take this opportunity to commend two farmers from my home State of Massachusetts for their excellence in conservation and environmental protection.

As the Washington Post pointed out today, Danny Tawczynski, a potato farmer from Great Barrington, and Bill Rose, and apple grower in Phillipston, have embraced a technique known as integrated pest management [IPM]. This technique has successfully thwarted bug infestation naturally, while drastically diminishing the dependency on potentially harmful pesticides.

Both farmers have been aided by programs initiated by Gov. Michael Dukakis at the University of Massachusetts and the Massachusetts Department of Agriculture under the direction of the Commissioner of Food and Agriculture, August Schumacher, Jr. Mr. President I am proud that Massachusetts has taken the role of innovator among States in environmentally safe pest control programs and look forward to continued success in this area.

I think that my colleagues will find the Washington Post article "The Message on the Potato Bag" of interest, and ask that the article be inserted in the RECORD.

The article follows:

THE MESSAGE ON THE POTATO BAG

(By Ward Sinclair)

It had all the earmarks of another one of those dreary seminars for which this capital city is justly famed: stacks of scholarly papers at the door, a program studded with convoluted panel discussion themes, and attendees restless for lunch.

And so it was that World Bank staff members converged on the meeting room of a suburban hotel yesterday, likely primed for another one of those mind-deadening excursions into theory that seem far from the reality of underdevelopment and desperation in the Third World.

Well, so much for the symbols.

By the time Danny Tawczynski finished telling the magic story of his paper potato bags and by the time apple grower Bill Rose had gently pointed out ways to change the world, it was clear something different was going on at a local institution that, rightfully or not, is considered staid and predictable.

Farmers, in an unusual turn of the screw, were taking part in an experts' seminar on farming techniques, not only as invited guests but right up front as featured speakers. Tawczynski and Rose, it can be reported, were eloquent.

The new word at the World Bank, by order of President Barber B. Conable Jr., the former New York Congressman, is that unless the environmental consequences of any given project are weighed, development loans won't be made.

Which explains in part why the bank turned for advice yesterday to a couple of Massachusetts farmers, both highly successful practitioners of a technique known as integrated pest management (IPM). Simply put, IPM means growing farm crops with fewer chemical pesticides and more natural pest controls.

As part of the Conable doctrine, the bank is entering a period of change that could mean, for example, that Third World agricultural development funding will be linked increasingly to diminished use of pesticides for environmental, public health and economic reasons. Thus the interest in IPM.

Along with the two farmers came other officials and farming specialists from Massachusetts, who explained in detail how a state-promoted IPM program has brought a major decrease in pesticide use there.

Tawczynski told how, by careful monitoring for pests and by rotating his plantings, he had virtually eliminated the use of pesticides on his extensive crops of sweet corn and potatoes, both of which are susceptible to heavy bug infestations.

"When the IPM program became available, the University of Massachusetts taught me what the real world was. Their people taught me that some bugs are my friends. . . . And now IPM has become a valuable tool for marketing," he said.

Whereupon Tawczynski unfurled a large paper potato bag, imprinted on one side with a notice that his spuds were grown in an IPM program "with little or no pesticides." They used to be grown with a little; today they're grown with almost none.

"This turned our operation around," he said. "This may be like carrying coals to Newcastle, but people drive all the way from Long Island to buy our potatoes. The notice on the back of the bag is why they're doing it. A growing number of people are concerned about what they are eating."

Tawczynski's farm, it should be noted, is near Great Barrington, Mass., a pretty good haul from Long Island.

Rose, who grows apples at Phillipston, Mass., told a similar story. With IPM techniques, he has reduced chemical sprays by 60 percent "and maintained the quality of the apple." A stack of brochures depicting lush-looking Rose apples provided visual verification.

"This would not have happened without support from the technical people, whether they are in the public or private sector," he said. "We know that by staying with this and by knowing the pests, we are able to do it."

Their success stories are but a small part of what is happening in their state, where the Dukakis administration has embarked on a full-court press to reduce farmers' use of toxic chemicals. It is driven in part by environmental concerns, in part by a desire to cut farmers' operating costs and to keep agriculture solvent in Massachusetts.

According to August Schumacher Jr., who left the World Bank in 1985 to become Dukakis' commissioner of food and agriculture, the IPM program has led to dramatic changes in Massachusetts. Pesticide usage is down considerably and the state is on track toward its goal of cutting use of the most toxic chemicals by half by 1995.

Danny Tawczynski provided an epilogue. "The single biggest benefit of IPM is reeducational," he said. "We're all brought up believing we have to spray. We should be encouraged to use other methods."

Expert heads in the audience nodded in agreement. Most notably, perhaps, no one really wanted to break for lunch. It was that good.●

REFUSENIKS AND DIVIDED SPOUSES IN THE SOVIET UNION

● **Mr. GRAHAM.** Mr. President, for 31 years Anatoly Michelson has waited for his wife and daughter to be allowed to leave the Soviet Union and to join him in the United States, during that time the Michelsons applied for exit visas 24 times and were refused every time—without explanation.

Last week Mr. Michelson heard from an Associated Press reporter that his family has been authorized to leave Russia. Galina Michelson, her daughter, Olga, and a grandson, Anatoly, named for a grandfather he has never seen, all have permission to exit. We rejoice in Mr. Michelson's great happiness at the prospect of seeing his family again.

But we are concerned that needless bureaucratic procrastination may delay this long overdue reunion by weeks or even months. We urge the Soviets to expedite the emigration of the Michelsons so that 31 years of loneliness and pain will finally come to an end.

And Mr. Michelson's reunion with his family reminds us that others are still waiting. Dr. Galina Vileshina's husband has been unable to practice law since he requested an exit visa 7 years ago. Dr. Vileshina lives in Boca Raton, FL, where she is a respected member of the community. She has seen her husband once in the last 7½ years.

And there are others, lives fragmented by time and distance, ordinary people who simply want to live freely with their families in an open society.

Lev and Marina Furman.
Mark and Svetlana Terlitsky.
Yuri and Tanya Zeiman.
Oscar and Shelly Mendeleev.
Marat and Klaudia Osnis.
Alexander and Pauline Paritsky.
Lev Shapiro.
Mikhail Lerman and his family.
Dr. Alexander Ioffee.
Roald Zelichonok.
Evgeny Lein.
Boris Chernobilsky.

They are names from a list long and sorrowful. Each name is the beginning of a story—of frustrated plans and dreams, of grief at parting, of unrelieved absence, of careers cut short, of endless days and nights in which hope itself seems cruel.

The callous detention of these people is a terrorism of the heart. It mocks human emotion and human rights. No power that calls itself great can condone the deliberate infliction of such suffering. Any attempt at international dialog must be choked off by the anguish of the refuseniks and separated families.

We call upon the Soviet Union to halt this voiceless persecution of Soviet Jews who wish to leave Russia. There are countries—and families—to welcome them.

Soon we will celebrate Chanukah, the festival of lights. It is a celebration when families can gather together to count their blessings and to rejoice in each other's presence. The best gift for the holiday season would be a mother, a husband, a son, a granddaughter, reunited.

On December 6, the day before United States and Soviet leaders meet in Washington to discuss a peaceful future for our world—concerned Americans from all over the United States will gather on the Mall outside the Capitol. They will be there as a show of solidarity for Soviet Jewry. For all the people who cannot join them—all the people still suffering inside the Soviet Union, pawns in an arbitrary and brutal game.

Just as civilization is imperiled by the presence of too many missiles, the human spirit is imperiled by the absence of the most basic freedoms.

If we are to begin a new relationship with the Soviets our most basic principles of human rights must be respected. Human rights—the release of the divided spouses and the refuseniks—is a simple, but essential ingredient in building that relationship.●

CARBON-CARBON GIVEAWAY

● Mr. GRASSLEY. Mr. President, we are all aware of the dangers posed by the leaking of Western technology to the Soviet Union, especially when it is military critical. The Soviets have acquired much of their Western knowhow by stealth. But sometimes it is through the shear incompetence of officials of the U.S. Government, and those of our allies.

I would like to briefly relate to my colleagues one such instance that has recently come to light. It involves the transfer of critical technology—carbon-carbon—that allows the Soviet Union to substantially increase the accuracy of its nuclear warheads. That, obviously, would increase the capability of the Soviets to be successful with a preemptive nuclear strike.

And that's not the worst of it, Mr. President. The worst part is that the Soviets got it for free. The irony of the circumstance is that the business deal that provided the Soviets with this new capability was subsidized by British taxpayers. The Soviets didn't even have to pay. Compounding the outrage is the fact that the Defense Department told Congress in a report last year that President Reagan and Prime Minister Thatcher had scuttled the transfer. This turned out not to be true, and the Pentagon report may have been an attempt to mislead the Congress.

Mr. President, I would like to provide for the Record, and for the awareness of my colleagues, a series of investigative articles that recounts the circumstances of this tragic blunder. The series appeared in Newsday and was written by reporters Knut Royce and Earl Lane. It is an immeasurable public service not only because it fleshed out all the troubling facts of this story, but because it may also embarrass the U.S. Government, and the British Government, into plugging up all the loopholes that allowed such an egregious occurence to transpire.

The articles follow:

A Transfer of Technology

Aug. 13, 1982: Consarc Engineering asks the British Department of Trade and Industry whether the machines it wants to ship to the Soviet Union require licenses.

Oct. 18, 1982: Consarc is told it can ship the machines without a license.

Feb. 2, 1983: James Farol Metcalf, Consarc director and key architect of the sale, visits the U.S. Commerce Department and describes what he will ship. He elicits no response.

March 23, 1983: Consarc Engineering and Machinoimport of Moscow sign an $11 million contract for delivery and installation of the equipment—Isostatic processes and vacuum induction furnaces.

July-December, 1984: The equipment is delivered.

Oct. 31, 1984: The Pentagon advises the U.S. embassy in London that "an entire plant" for processing carbon-carbon is being shipped to the Soviet Union.

Nov. 12, 1984: A British delegation arrives in Washington. The machinery transfer is discussed.

Late November, 1984: British Customs officials for the first time inspect the Consarc plant and ask for a delay in further shipments. A few days later, the request for delay is lifted.

Dec. 13, 1984: British Customs tells its American counterpart that "95 percent of the order has already been shipped."

Dec. 19, 1984: A U.S. team of Pentagon, CIA and Commerce Department officials arrives in London and meets the following day with British officials to try to get the remaining shipments halted.

End of December, 1984: The final major shipment is rushed to the Soviet Union by Metcalf, who is now afraid of an imminent embargo.

Feb. 8, 1985: Britain passes emergency regulations blocking sale of the equipment, although it has all been shipped. The government seizes and destroys a shipment composed mostly of substandard insulation. British national insurance has to pay most of the $11 million contract for equipment already shipped.

February, 1985: Several days after the embargo, Metcalf and another company official travel to Moscow to explain the seizure. The Soviets say they expect the contract to be honored.

April 3, 1985: U.S. Commerce Department imposes an embargo similar to the British one.

July 8, 1985: Commerce Department tells Metcalf he can go to the Soviet Union and assemble the equipment.

July 25, 1985: Metcalf, using a new company he controls, signs a new contract with Machine import to supervise the installation and adjustment of the equipment.

August, 1985: Consarc Engineering delivers a shipment of spare parts to the Soviet plant. Again, British national insurance picks up the tab.

Sept. 21, 1985: Commerce Department reverses, telling Metcalf he can't go to the Soviet Union to work on the machines. Metcalf then writes to ask whether he can work on equipment at the plant not controlled by the Coordinating Committee for export controls, but gets no reply.

Oct. 4, 1985: Henry Rowan, president of Inductotharm, Consarc's parent company, miffed at all the flip-flops by England and U.S., orders his companies to do no more work for the Soviet plant.

February, 1986: Under a contract signed before Rowan's edict, a Consarc affiliate in Scotland, Calcarb, ships the Soviet plant $700,000 of what Metcalf calls substandard insulation.

Current: Britain cannot restrict the movement of its engineers, so Thomas Dick, former Consarc official, has provided engineering services to the Soviet plant through a firm he formed after the embargo.

The Cast

Some principal characters in the carbon-carbon drama:

James Farol Metcalf: A 56-year-old, self-styled North Carolina "hillbilly" who engineered the sale of the carbon-carbon processing plant to the Soviets. At the time, he was director of Consarc Engineering in Scotland, as well as vice president and director of its New Jersey parent, Consarc Corp. Metcalf, who completed one year of college, married his Soviet wife, Vera, on Christmas Day, 1979.

Thomas R. Dick: A salty-tongued, 64-year-old Scot who was managing director of Consarc Engineering at the time of the sale. Today he runs Vacua-Therm, an engineering firm that dispatches British technical personnel, with Britain's approval, to the Soviet plant. He, too, married a Soviet woman, Alla, last December.

Nikolai Ivanov: A senior official of the Moscow-based buying house, Machinoimport, who was chief Soviet negotiator for the plant purchase. Well-versed in western export regulations, Ivanov prodded Metcalf into signing new contracts for spare parts and technical assistance even after Britain and America embargoed the already-delivered machines.

Stephen Bryon: Deputy assistant secretary of defense for international economic, trade and security policy, and the lead U.S. official in the failed attempt to prod the British into stopping the shipments to the Soviets. In a report to Congress last year, his office declared that quick action by Prime Minister Margaret Thatcher and President Reagan thwarted the transfer of the equipment "literally as a Soviet ship was coming into Britain to pick it up."

Henry Rowan: A Reagan Republican who dislikes the Soviet system and who is CEO of Inductotherm Industries, which controls both Consarc Corp. in New Jersey and its Scottish subsidiary, Consarc Engineering. Rowan approved the sale because he believed the equipment would be used for commercial products. Then, reacting to indecision and flip-flops by the United States and Britain in 1985, he directed his subsidiaries to halt their work on the contract with the Soviet plant.

Ray Roberts: President of Consarc Corp. Roberts also approved the sale by the Scottish subsidiary. He said he told U.S. intelligence officials about the equipment before the first shipment went out in mid-1984. According to Metcalf, Roberts ordered him to sell Bepa Ltd. to Consarc after Bepa had obtained a new and potentially lucrative Soviet contract to assemble the plant after the British and U.S. embargoes of the equipment.

The Making of Carbon-Carbon

One method used in the U.S.:

Fibers derived from carbon-rich materials such as rayon are woven into semi-rigid bundles called preforms.

The preforms are immersed in a carbon-rich adhesive such as pitch, which soaks into the open spaces within the weave.

The pitch is squeezed more deeply into the bundle of carbon fibers in a vessel called an isostatic press, which created uniform pressures of 2,000 pounds per square inch or more.

The pitch-soaked weave is charred in a furnace, like wood being converted to charcoal. The cooking process vaporizes any non-carbon materials. The carbon molecules in the weave bind to the carbon molecules in the pitch, creating an extremely strong, stable material.

The carbon-dense composite is heated in a special induction furnace to temperatures of more than 2,600 degrees C. The molecular structure of the material changes to the even more durable, semi-crystalline form of carbon called graphite.

Steps 3 through 5 can be repeated a half-dozen times or more, increasing the material's density and heat resistance.

A Transfer—An American-Based Firm in Scotland Sells the Soviets the Means To Improve the Accuracy of Nuclear Warheads, and the U.S. and Britain Fail To Stop the Deal in Time

(By Knut Royce and Earl Lane)

An American-owned company in Scotland has provided the Soviet Union with vital equipment for the processing of a material that can significantly improve the accuracy of nuclear warheads, Newsday has learned.

This transfer of technology, for which the Soviets have paid nothing, is described by a Democratic congressional leader as "a national blunder" and by a former Reagan administration official as "among the most serious cases that have come to light."

Similar specialized equipment is used in the United States for a classified process to manufacture a durable and heat-resistant material called carbon-carbon. Experts said that such equipment might save the Soviets five years or more in research and development time and help give them an ability to manufacture advanced materials with a variety of military and aerospace uses. "This is one where they [the Soviets] are going to pick up time," said Adm. Bobby R. Inman, former deputy director of the CIA.

Since 1978, carbon-carbon has been used on the nose tips of America's newest strategic warheads on the MX, the Trident D-5 and the Minuteman 3 missiles, according to nuclear weapons experts. In the United States, carbon-carbon also is used in rocket nozzles, for the nose and wing edges of the space shuttle, and in brakes of high-performance aircraft. It is being explored for use in next-generation space planes and as a shielding for satellites against laser attack. Nuclear weapons specialists said carbon-carbon nose tips help make the free-falling warheads more accurate than those equipped with preceding generations of nose tips. The material burns off—or ablates—in a slow, predictable manner as the warheads re-enter the atmosphere. There is less "wobble" in the trajectory of the warhead as it nears its target, experts said.

The possibility of a surprise or "first strike" by either of the superpowers, with pinpoint attacks on missile silos and command centers, remains the subject of a spirited debate.

But the potential vulnerability has led both sides to spend billions on "hardening" bunkers and developing mobile strategic weapons. The threat of a first strike is a major topic in current arms negotiations between Washington and Moscow.

"Improving warhead accuracy helps increase the danger of a nation being successful in a preemptive nuclear strike," said Sen. John Kerry (D-Mass.), who sits on the Senate subcommittee that oversees international trade issues.

The equipment sent to the Soviet Union slipped through a loose net of inadequate regulations and confused actions by the governments of the United States and Great Britain between 1982 and 1985. A commerce official said that the department on occasion fails to spot critical technology and that this may have been such an instance. U.S. Customs and the FBI have since investigated the case according to principals who were interviewed by the two agencies, but no charges have been brought. Company officials, noting that the sale was legal under British rules, said they believed the equipment would be used for nonmilitary purposes.

In a report to Congress last year, the Pentagon claimed that quick action by President Ronald Reagan and Prime Minister Margaret Thatcher had thwarted the transfer in early 1985 "literally as a soviet ship was coming into Britain to pick it up."

However, Newsday has learned that the equipment already had reached the Soviets and that Western technicians were later permitted to supervise the assembly of the equipment in the Soviet Union.

Rep. John Dingell (D-Mich.), chairman of the House Energy and Commerce Committee said Friday that his staff had sought an explanation after being queried by Newsday and had been told that the Pentagon report was in error.

"Contrary to the administration's claim that this is a 'good news' story—this was a national blunder" Dingell said. "We have been told by a top administration official that in its attempt to stop the sensitive export, they only caught the 'tip of the rat's tail.' The evidence bears this out. It appears the administration clearly attempted to mislead Congress."

Richard Perle, at the time assistant secretary of defense and the Pentagon's chief watchdog on technology transfer matters, said he had been told by his staff that the crucial equipment had not been shipped.

The official to whom Perle had given the day-to-day responsibility for halting the transfer of militarily critical technology, Stephen Bryen, declined several requests for an interview on the carbon-carbon case. It was Bryen's Office of Trade Security Policy that issued the report to Congress claiming the transfer had been aborted.

Perle now compares the transfer to the sale by Japan's Toshiba Corp. and Norway's Kongsberg Co. of milling machines and computer controls that may help the Soviets produce quieter submarine propellers. "It certainly would be in the same category as Toshiba," Perle said of the carbon-carbon transfer. "If you set up categories of 'serious', 'most serious,' etc., this would be a 'most serious' case."

Kerry, who said he would look into the matter, said, "This appears to be an outrageous failure to protect United States national security."

The three-month investigation by Newsday was based on a review of contracts between the seller, Consarc Engineering Ltd., and the Soviet buyers, as well as interviews with current and former Consarc employees, British engineers currently working at the Soviet plant, experts in the field and U.S. and British officials.

Consarc Engineering is the subsidiary of Consarc Corp. in Rancocas, N.J. Both are controlled by another Rancocas company, Intuctotherm Industries, whose chief executive describes himself as a staunch anti-communist and Reagan Republican.

The equipment is located at a Soviet plant named "Elektroizolit" in Khotkovo, a town about 40 miles north of central Moscow.

Among Newsday's findings:

U.S. intelligence officials had been aware of the sale months before the first shipment left Scotland, yet Washington appears to have alerted England only after much of the equipment was already in Soviet hands. Then, while officials of the two countries argued for three months about what action to take, the buyer rushed the last major shipment through.

When England, on Feb. 8, 1985, finally restricted the sale of the machines and seized and destroyed what the seller would later describe as "scrap . . . of no value whatsoever," it unwittingly picked up the obligation to pay most of the $11 million cost of the plant. Under the contract, the Soviets were required to pay only after the final shipment was delivered. The company had insured all of the equipment with a British national insurance agency. So the seizure of the equipment freed the Soviets from making payment and triggered an insurance settlement to Consarc by the British government.

Despite the concerns that led to their unsuccessful embargo, both countries later allowed technicians to travel to the USSR to help make the factory operational. The U.S. Commerce Department permitted the architect of the sale, an American, to work on the machines at the Soviet plant, though it later rescinded that approval. Great Britain is still permitting British engineers to work at the plant.

What was delivered, according to the contracts and company officials, were specialized industrial furnaces and presses that can heat and compress pitch, a petroleum by-product, into woven carbon fiber forms to produce carbon-carbon. In all, there were nine vacuum induction furnaces and two isostatic presses, together with the cooling equipment, insulation, controls and other components required to make them work. Experts said the equipment also would be useful in processing other advanced composite materials.

R. Judd Diefendorf, a pioneer in the carbon-carbon processing technology, reviewed Consarc's contracts with the Soviet Union for Newsday and concluded the equipment represents "the best facility (for processing carbon-carbon) anywhere in the world in one place."

Diefendorf is on the faculty at the Rensselaer Polytechnic Institute in Troy, N.Y. He said that under good weather conditions, carbon-carbon nose tips offer three times better accuracy than warheads fitted with nose tips made with the composite it replaces, carbon phenolic.

But the key architect of the sale, James Farol Metcalf, insists that the machinery itself "won't take the wobble out of rockets." Metcalf, in one of several interviews that spanned nearly 10 hours, agreed that the equipment "can cook anything." But he said, "You're not a French chef just because you've got a frying pan."

At the same time, Metcalf admitted that he suspected all along that the machinery might be useful for processing the high-grade carbon-carbon required for strategic components such as the hot parts of rocket motors and nose tips.

"At what point did I recognize that the equipment could be used to make the high-strength product that could be used in rocket motors?" he said in one interview. ". . . Probably always. Probably always."

In a letter to Newsday last month he defended the sale but acknowledged, "I have never doubted that the customer [the Soviet Union] did intend a wide range of carbon graphite products, including . . . if he was qualified, to produce military and aerospace products."

Industry officials agree that the equipment cannot be put to efficient use unless the Soviets understand the processing technology, which involves carefully controlled heat and pressure parameters.

In addition, before the material is processed in the furnaces, the underlying fibers must be woven in complex patterns to help provide the shape and durability required for such products as warhead nose tips and rocket nozzles.

Diefendorf and industry officials with firsthand knowledge of Soviet efforts over the past decade to acquire carbon-carbon technology and equipment said they believe much of that weaving technology may now be in Soviet hands.

Jacob Vydra, a Soviet emigree who worked on materials research, said the Soviets have been making a big push on composite materials in recent years. He said he has "no doubts" that the Soviets have a technical understanding of the carbon-carbon process. Vydra is technical director for ASIST, an Ohio firm that assesses technical developments in the East bloc. Vydra said his files contain several hundred Soviet technical papers on aspects of carbon-carbon.

Perle said the transfer of furnaces and pressure vessels by Consarc Engineering Ltd. involved "generic technology."

"This is not a widget, the acquisition of which teaches you nothing," he said. "It's technology from which they will now gain hands-on experience. In that sense it is the most serious type of technology transfer, and the technology happens to be a militarily critical one. So in both respects it's very damaging."

Inman said the Soviets have mounted a determined effort in recent years to obtain manufacturing equipment to make numerous copies of a particular product rather than trying to acquire just the end product itself. "That is something they have been organizing to do," Inman said.

It could not be learned what the Soviets are now processing at the Khotkovo plant. A British source who frequently visits the site told Newsday that he is never allowed there when the equipment is in operation.

Thomas Dick, Consarc Engineering's managing director at the time of the sale and now head of a firm that dispatches Scottish engineers to the Soviet plant, said that is is not yet fully operational and will manufacture only commercial products.

Yet in its report to Congress touting what it claimed was an "attempted diversion," the Pentagon said the Soviets intended to use the machines to "manufacture critical components (which would) provide greater accuracy and throwweight for its strategic missiles."

Metcalf, who admits he had the equipment built in Scotland instead of New Jersey, in part, because of "uncertainty of USA policy on exports to the USSR," said he doubts even the managers of the Soviet plant knew precisely what they intended to do with the factory.

As for himself, he said, "I do not, did not want, and will never know all the uses."

Metcalf, who at the time was a director of Consarc in Scotland and New Jersey and vice president of the New Jersey firm, said the sale was fundamentally a commercial enterprise, albeit one with "expectations of high profits."

Ray Roberts, president of Consarc in New Jersey, agreed that the company saw the sale as an innocent commercial venture that violated no American laws. He said the Soviets had claimed the machines would be used only for commercial products.

Henry Rowan, president of Inductotherm, said he is a Reagan Republican who has avoided bidding on other Soviet orders that "looked sensitive." On this order, he said, "We were pretty much convinced it was for commercial application."

The isostatic presses were designed to fall just short of the pressure benchmark that would have required licensing at the time for export to the Soviet bloc. Toward the end, Metcalf said, he fretted he may have violated one of the U.S. export control regulations. But he said he was reassured by his attorney that the sale was by the book.

Metcalf, a savvy entrepreneur who prefers to describe himself as a "hillbilly," is clearly contemptuous of the regulations and the regulators.

"The [export-control] law intends a purpose," Metcalf said, "but it don't know how to enforce it and don't know how even to write it."

The United States, in fact, had long been aware of the strategic value of carbon-carbon. The State Department's Office of Munitions Control had banned the export, without a license, of technical data useful for the manufacture of carbon-carbon. Vernon Edler, president of a California engineering firm bearing his name, was successfully prosecuted under the Munitions Control legislation in 1976 for having sold carbon-carbon technical data and services to two French companies. The French and the United States are considered the leaders in the military uses of carbon-carbon, though other nations—including West Germany and Japan—are considered knowledgeable on the process.

Export of the industrial hardware for making carbon-carbon falls under the jurisdiction of the U.S. Commerce Department. Commerce regulates the sale and re-sale abroad of a wide range of "dual use" items that can be used for both civilian and military purposes.

Commerce and its British counterpart, the Department of Trade and Industry, operate under a list of common export regulations adopted by an alliance that includes most of NATO and Japan. The alliance, which meets periodically to update its control list, is called the Coordinating Committee for export controls (COCOM).

At the time of initial Consarc shipments to the Soviet Union, the specific type of furnaces and pressure vessels being shipped were not under restriction by either the United States or its COCOM partners, according to Commerce Department officials.

After Britain passed an emergency law on Feb. 8, 1985, to restrict the sale of the furnaces and presses sold by Consarc Engineering, the United States and the rest of COCOM adopted similar restrictions.

While the alliance shares a common list of controlled commodities, its members vary broadly on interpretation of that list and on enforcement. As one British defense source put it, with only some exaggeration, "There is no COCOM."

British officials declined, however, to discuss the case on the record, citing that country's Official Secrets Act.

Perle reacted to the news of the transfer with a bitter allusion to a statement often attributed to Vladimir Lenin: "Capitalism will sell us the rope with which we hang it."

"Lenin was right," Perle said.

A "HILLBILLY" ENTREPRENEUR: "JUST A GOOD SALESMAN"

(By Knut Royce and Earl Lane)

NEW YORK.—James Farol Metcalf, the American entrepreneur who sold the Soviets equipment that could help them improve the accuracy of their nuclear warheads, sat at the foot of his hotel bed, smiled and said, "I'm a good salesman."

The irony was unintended. The message was pride.

In 10 hours of interviews over the past three weeks, including a four-hour session in his room at a midtown Sheraton here, Metcalf argued that he had done nothing wrong, that if anyone should be faulted for the sale, it is the governments of the United States and Great Britain.

He referred frequently to his humble beginnings, as if to underscore the irony in the turmoil he caused by engineering the sale of the equipment through the bureaucracies of three nations.

"I'm just a plain old hillbilly," he said. "You remember Mr. Biden? One of them people that ran for president and overrelated his abilities. Well, I stopped doing that 10 years ago and jest became Jimmy.

"I went to a Baptist college (Mars Hill, N.C.) to learn how to trust God. One year. Then I went to a mountain college to become a schoolteacher and I finished almost three months of that. But I flunked. I flunked the English language cause us hillbillies never learned to understand the nuances of that language. It's the truth. I ain't ashamed of it no more."

After leaving Mars Hill Junior College and flunking out of the mountain school (Western Carolina Teachers College at Cullowhee, N.C.) he enlisted in the Army in 1951, served in Korea and received an honorable discharge.

He then held several sales and technical jobs at a number of U.S. companies specializing in metallurgy. In 1965 he started his own business and eventually merged it into Inductotherm Industries. Inductotherm is the parent of Consarc Corp. and the Scottish subsidiary that sold the machines to the Soviets, Consarc Engineering.

Some U.S. intelligence officials say they believe there is more to Metcalfs biography. They have tracked his long business ties with the Soviet Union and his 1979 marriage to a Soviet woman, Vera. They say she may be KGB. The government file contains such information as the location of moles on her body.

Metcalf laughed it off. The Soviets, he said, believe she's CIA. He called her a "Red lady."

He also spared no criticism for the Soviet Union, especially its debilitating bureaucracy and pervasive corruption. "It's worse than our government will ever be," he said.

But he also described it as a marketplace of vast potential and said that he had forged valuable connections with that bureaucracy in the more than 10 years of selling industrial furnaces there. The past was good but the future could be better.

As it turned out, Metcalf said, the Consarc sale did not live up to the "expectations of high profit." But the fact that it turned any profit at all is largely attributable to Metcalfs resourcefulness. Where other businessmen lick their wounds after a reversal, he prides himself on turning setbacks into profit.

He had hoped, for instance, that the Commerce Department, after embargoing in 1985 the equipment he already had sold to the Soviets, would bar him from returning there to make the machines work. A denial would have allowed his company, Consarc Engineering, to close its contract without incurring Soviet legal action for breaking it.

Instead, the Commerce Department said he could go ahead and work on the machinery.

The setback was only fleeting. Metcalf quickly saw opportunity. "Bingo! Now I'm legal," he declared and then described how he rushed back to Russia and, through another company he had formed, entered into a new contract with the Soviets for the same work Consarc would have performed.

When the new machinery didn't work quite right, he would convince the Soviet buyer to accept changes to the specifications, or promise him new gadgets.

He referred to these changes as "Jimmyisms."

Metcalf said that a number of those "Jimmyisms" were spun from whole cloth, especially in late 1984. That's when banks were clamoring for payments, he feared the imminent embargo and the Soviets were fuming because of problems in the isostatic presses.

"I'm beginning to promise a lot of things," Metcalf said of that frantic period. He said that among the promised commodities were exotic add-ons to the machines, the technology to process carbon insulation and an alarm system for the automobile of one of the Soviet plant's officials.

None of that was delivered, he said. The promises were a ruse to prod the Soviets into signing off on the final shipments before Britain embargoed the machines and his company defaulted on its $11 million contract.

The ruse worked.

He bedazzled even the Soviet buyer, Nikolai Ivanov of Machinoimport.

"Jimmy, you don't have the moral right to do what you do," he said Ivanov told him, referring to his wheeler-dealer business style. "You subvert Lenin." At another point, Metcalf said, Ivanov remarked, "Jimmy, 23 years I've been working in this position and never did I have to put up with something like you."

Metcalf admits to just one fleeting moment of fear that the sale could affect national security. At the end of 1964, when most of the equipment had already been shipped, he called a friend who is an engineer involved in the making of carbon-carbon nose tips for the United States.

He said the friend told him, "Jimmy, you're doing something wrong."

"That bothered me a little bit," he said. "This guy has military contracts, and he says you're doing something wrong, shouldn't be doing it. That bothered me."

The engineer, who asked to remain anonymous, confirmed that account.

But Metcalf's concern was momentary. Soon after, he rushed the final shipment through ahead of the embargo he was expecting.

He said he knows the equipment can be used to process the high-grade carbon-carbon that has strategic military importance. But he claims he doesn't know if the Soviets have either the desire or the technical know-how to use the machines for military purposes.

For Metcalf, the question is academic.

"I do not, did not want, and will never know all the uses" for the equipment sold to the Soviets.

Metcalf earlier this year retired as director of Consarc in Scotland and New Jersey. He now consults for Consarc 100 days a year.

He said he hopes to continue selling, especially in the Soviet Union.

"I only sell to the people that want to buy from me," he said. "Life's too short. If you don't want to buy my product, then I show my knees. You get to see the rest of my legs if you marry me . . . I'm a peddler and proud of it."

MORE THAN JUST A BUSINESS TRANSACTION

(By Knut Royce and Earl Lane)

To the seller in the deal, it was just another business transaction, a chance to provide merchandise to an eager customer.

But the seller was the Scottish subsidiary of an American company and the buyer was the Soviet Union.

The merchandise was equipment useful for the production of an advanced, heat-resistant material that can increase the accuracy of nuclear warheads.

The Soviets—who acquire much western know-how by stealth—were acquiring valuable technology right under the eyes of unwary export control agencies.

They were already well-known to each other, the energetic American entrepreneur and the Soviet trade officials.

James Farol Metcalf had more than a decade of experience selling industrial equipment to the USSR. In early 1982, he was just finishing a sale of equipment to a steel plant in the Urals for Consarc Engineering, Ltd., the Scottish subsidiary of a large New Jersey firm.

A Russian acquaintance approached him with a new proposal. The Soviets were interested in buying some furnaces and other equipment for a factory in a little town called Khotkovo, about 40 miles north of central Moscow.

The stated purpose of the equipment was the heat-treatment of materials such as electrodes used in power plants and other electrical facilities.

It also had possible military uses. According to one of Metcalf's friends in the materials industry, who asked not to be identified, Metcalf did not have enough technical background to assess these uses. Metcalf says now that he had suspicions all along.

In any case, the deal sounded like a winner, Consarc Engineering Ltd., Metcalf's employer in Scotland, was eager for export business. The Scottish economy had fallen on hard times and the proposed Soviet project—eventually worth about $11 million—would be the biggest export sale in the firm's history, according to company sources.

Although the Conservative government of Prime Minister Margaret Thatcher supported President Ronald Reagan's "get tough" military approach toward the Soviets, British firms and the British political leadership had long treated the Soviet Union as just another business market rather than an "evil empire."

Consarc officials in Scotland discussed the proposed deal with the parent company, Consarc Corp. in Rancocas, N.J. Metcalf said a decision was made to handle the Soviet project from Scotland because costs were cheaper, exports were eligible for government-backed insurance and—perhaps most importantly—there was an "uncertainty of USA policy on exports to the USSR."

British export regulations at the time allowed the sale. The U.S. Commerce Department's control list also allowed shipment of virtually all the equipment. But the U.S. regulations didn't really matter. Although Consarc was American-owned, the equipment was to be built and shipped from outside the United States. Under international agreement, the American rules did not apply.

Still, the Soviets were well aware of the complexities of western export regulations and how quickly the trading climate can change. Machinoimport—the Moscow-based agency that was to serve as the buyer in the deal—asked Metcalf to get a written OK from the British government on the acceptability of the proposed sale.

In an Aug. 13, 1982, letter to the British Department of Trade and Industry, Consarc listed the equipment it wanted to sell: Nine high-temperature furnaces, and one hot isostatic press (two presses eventually were shipped). The letter specified that the isostatic press would operate well below the pressure ceiling of 5,000 pounds per square inch specified in the U.S. and British export regulations.

The Consarc letter was signed by managing director Thomas R. Dick, a salty-tongued Scot who, along with Metcalf, was to become one of the major players in the deal with the Soviets. Dick handled the engineering specs for the plant during negotiations with the buyers, according to Metcalf. Dick's letter to the British trade department gave no hint that there was anything extraordinary about the equipment to be shipped.

R. Judd Diefendorf, an American carbon-carbon specialist who reviewed copies of the letter and other Consarc documents obtained by Newsday, said the letter seemed written in a way that would not set off any alarm bells. Two of the furnaces were described as "laboratory" design. The letter did not mention that Consarc was going to supply a pitch impregnating station, which would have required an export license had it been shipped from the United States. Such equipment is important for a preliminary step in the processing of high-strength materials known generically as carbon-carbon.

Also, the pressure limit on the isostatic presses was stated as 300 kilograms per square centimeter, comfortably below the cutoff of 351 kg/cm^2—or 5,000 pounds per square inch—contained in the American regulations. The maximum operating temperature for the isopresses was said to be 600 C (1,112 F).

But the contract documents obtained by Newsday tell a different story. They show that Consarc agreed to provide the Soviet buyers with an isopress capable of temperatures up to 2,012 F—a more useful range for working on carbon-carbon products. And the pressure limit was specified to be 350 kg/cm^2—or just one kg/cm^2 below the level that would have required Consarc to apply for an export license.

Also, there was room for confusion on the size of the furnaces. In the letter to the Department of Trade and Industry, Consarc stated that the "charge"—the maximum size of the product to be cooked—would be "500 mm." Taken literally, Diefendorf said, that would mean a lump about the size of a sugar cube. Company officials said that there was no intent to deceive and that they had meant the 500 millimeters to refer to the length of the side of the charge, or a cube about a foot and a half long on each side.

The contract documents specify work zones that are nearly seven feet in diameter, 6½ feet high. The large size of the furnace chambers was permitted by the export regulations. But if the size had been spelled out explicitly in Dick's letter, it might have alerted export officials about the scope of the planned facility. As several experts have pointed out, the furnaces are large enough to "cook" just about anything the Soviets desired—from nose tips to heat shields to large segments of wing edges or other structures.

Still, the equipment fell within the letter of the law. The Department of Trade and Industry—the British counterpart to the U.S. Commerce Department—approved the proposed deal on Oct. 18, 1982, a few months after receiving Consarc's letter. The department told Consarc that "our technican advisers have now confirmed that all of the items specified in your letter are not subject to embargo restrictions and does [sic] not require export licensing."

To play it safe, Metcalf says, he also told the U.S. Commerce Department about the impending deal on Feb. 2, 1983, during a visit to Washington. Metcalf says he told a Commerce aide that he was planning to sell up to five furnaces to the Soviets at a cost of $3 million to $10 million. Metcalf said he was told that the furnaces and pressure vessels he planned to sell did not require any U.S. licenses.

Thus reassured, Metcalf entered into final negotiations with the Soviets in early 1983. "In Moscow, we wrote up a document saying it looks like we can do the job if we design it right," he said. That meant, among other things, keeping the pressure in the isostatic press just under the legal limit. The Soviets were satisfied. The contract was signed March 23, 1983.

"So that was that," Metcalf said, "We had a nice banquet. Called the gypsies in. Spent $1,500 entertaining my new clients."

The Soviets had stipulated in the contract that they would not be responsible for any payments on the plant until it was fully delivered and checked out. But Consarc was protected. The firm signed up with a British government program designed to shield exporters from any sudden changes in government regulations, among other things.

For a premium of about $150,000, the company was able to insure 90 percent of its $11 million Soviet deal with the Export Credits Guarantee Department, an agency of the Department of Trade and Industry. So when the British government eventually moved to seize a shipment of Soviet-bound equipment, Consarc avoided ruinous losses, thanks to a handsome insurance settlement from an arm of the same government agency that decided to impose the embargo.

At the time of the contract signing, however, the future looked bright. A company source said the firm's largest previous sale had been a $2.5 million order from China in 1980 for industrial furnaces. (That was a year before Consarc bought the firm, then known as Scot-Vac.) With the Soviet deal, Consarc Engineering was entering the big time.

At a long, blue warehouse in an industrial suburb outside Glasgow, Consarc engineers set to work on the furnaces shortly after the March contract signing. It takes 15 to 18 months to build the furnaces from scratch, a company official said. As was customary, key components were purchased from other companies—automatic controls were bought from Eurotherm International in England; cooling equipment from Baltimore Air Coil; furnace switch gears, starters and relays from Siemens of West Germany; General Electric capacitors were used in the power supplies, and so on.

Metcalf made no secret of his big score with the Soviets and word started to spread within the tight little community of specialists who manufacture and use high-temperature furnaces. A source with knowledge of the impending sale notified technical experts in the Pentagon in mid-1983 that Consarc was preparing to ship nine vacuum induction furnaces to the Soviets and that the sale was worth investigating further.

The American intelligence community would eventually raise an alarm about the deal. But apparently there was little sense of urgency at the outset, even though the United States had long sought to protect carbon-carbon technology and, in 1976, successfully prosecuted an American contractor for giving technical data and advice on the process to two French firms.

It is possible that warnings from the CIA or others were hung up within the bureacracy, said Richard Perle, former assistant secretary of defense for international security policy. "This happens rather more often than one would wish," he said. "The agency [CIA] or someone in the intelligence community has information and does not pass it."

At the same time, Metcalf's early contacts with the Commerce Department apparently failed to stir questions. Lee Mercer, who helps direct export policy at the Commerce Department, said such contacts might easily have been overlooked. "We meet with exporters continually who come in asking technical questions," Mercer said. He said busy department aides rarely write reports on such contacts, particularly if no export license is being sought.

Metcalf said he visited Commerce for a second time in early December, 1983, to ask whether pending technical changes in U.S. export regulations had any impact on his contract with the Soviets. Metcalf said he received little guidance and "felt I had wasted company money on a visit." Metcalf describes the Commerce Department officials he dealt with as being even less familiar with the potential military uses of the Consarc equipment than he was.

One industry source, who asked not to be identified, said the CIA was starting to ask American experts questions about the Consarc deal by late 1983.

Whatever the discussions by technical experts, top policy officials within the Pentagon and Commerce Department said they did not learn about the case until late in the game. Perle said that his office did not know the full scope of the deal until late 1984. "The moment we knew about it, we did what we could," Perle said.

The administration mounted a belated and increasingly frantic effort to convince the Thatcher government that the Consarc deal was unwise. The induction furnaces and isostatic presses, many specialists agreed, could be adapted for use in processing high-strength carbon-carbon materials for nose tips of warheads, rocket nozzles, aircraft brakes and other uses.

Even Metcalf now acknowledges that the equipment could be modified to "to cook anything." But as U.S. agencies started to take increasing interest in the deal, Metcalf was more concerned about money matters. "I told the Russians . . . 'we are at the point right now if I can't get this job closed and shipped and get our money, I run the risk of going bankrupt.' Plus, I said, 'I'm feeling the governments are going to embargo this stuff.' "

Metcalf's instincts were right. In late September or early October, Consarc was visited by engineers from a research arm of the British Ministry of Defense. The engineers extensibly were seeking a technical briefing on Consarc's product line, but Metcalf believed the visit was no coincidence. The engineers were particularly interested in looking at a furnace similar to the ones that were being shipped to the Soviet Union. The visitors crawled all over the machine, Metcalf said.

According to a U.S. intelligence source, who asked not to be identified, the Pentagon's Defense Intelligence Agency sent an urgent cable to London on Oct. 31, 1984, warning British authorities that "an entire plant" for the processing of carbon-carbon composite materials was being delivered to the Soviets by Consarc.

A delegation of British authorities traveled to the United States and met with American officials on Nov. 12, according to the source. The British apparently resisted U.S. efforts to halt the sale but agreed to study it further. An authoritative British source said the decision to block further shipments was difficult because the sales were authorized and the government was under pressure from Parliament not to restrict exports. It was clear, however, that officials were starting to take an unusual interest in the deal with the Soviets. In late November, a team of British customs officials paid a visit to the Consarc plant, Metcalf said. One of the visitors suggested that the company delay any further shipments. But on Dec. 3, the Department of Trade and Industry confirmed again to Consarc that the shipments were legal.

Metcalf left a few days later on a scheduled trip to the Soviet Union to help oversee installation of furnaces that had been shipped during autumn. He was feeling pressure from the Soviet side as well. The equipment was not operating properly and the Soviet buyer with whom Metcalf dealt was getting anxious for results. "Unbelievable pressure he's putting on me," Metcalf said. In addition, three Soviet engineers who had been serving as go-betweens at the Consarc plant in Scotland were getting restless and wanted to return home.

Metcalf tried to convince an official at the Soviet plant that the finished factory would give him technology "that's worth millions to you." But he hedged his grand appeal with a bit of business realism, "I agreed to bring him a security system for his automobile, especially designed so he would get an alarm up in his room in case someone messed with his car," Metcalf said. Through such promised favors, Metcalf was able to retain his influence with the Soviets.

While Metcalf was trying to soothe his Soviet customers, discussions about his project continued back in Britain. On Dec. 7, the British Department of Trade and Industry informed the United States that Consarc was shipping equipment that did not require an export license and was not considered militarily sensitive. A week later, British customs officials also informed the U.S. that "95 percent of the order has already been shipped."

A group of American officials, still anxious to halt what they could, arrived in London on Dec. 19. The discussions, according to one source familiar with them, were strained. Customs officials in both Britain and the United States had been attempting to determine just what sort of equipment was being shipped by Consarc. But officials on both sides were reluctant to disclose to their counterparts all that they knew. The Americans were initially reluctant to press the British on the matter, the source said.

"When you have a contact that is so good to you on so many levels, you avoid asking the question that can become embarrassing or make him uneasy," the source said. "The rule of thumb over there was maybe if it was a violation of both country's laws, maybe we would have gotten involved. If it's sensitive at all, forget it. That's what we had to live under." Still, according to another source familiar with the discussions, cables from Washington to London regarding the Consarc deal became angrier in tone. "There are nasty dialogues that went back and forth between our government and theirs," said an official familiar with the cable traffic.

The U.S. delegation was headed by Michael Maloof of the Pentagon's export monitoring office. On Dec. 20, they met with British counterparts. U.S. customs officials had no authority to investigate cases in Britain. When they requested permission to visit the Consarc plant in Scotland, British authorities refused, the source said.

Even after the British later impounded a shipment of spare parts and other gear headed for the Soviet Union, tension between British and U.S. customs officials continued. Customs officials on both sides met and apparently had similar instructions. "Don't answer any questions until the other side answers," the source said. "So you had a Mexican standoff you couldn't believe." Several sources said British customs authorities declined to provide the United States with a list of the goods seized. (The Americans were to learn what was seized through other sources, according to one official knowledgeable about the deal.)

While U.S. and British customs officials were having their showdown in London, James Metcalf was taking care of business. On Dec. 20—the same day U.S. and British officials were meeting—Metcalf signed an amended contract with the Soviets in Moscow. It gave him more time to fix the equipment that already had been delivered and allowed him to ship the bulk of the remaining equipment as soon as possible. Metcalf said the shipment went out by the end of the month. He and his Russian wife stayed in Moscow over the holidays, a relaxed time that Metcalf always enjoyed on his visits to the Soviet Union.

When Metcalf returned to Scotland in January, a British customs agent was waiting, accompanied by several defense aides. They visited the Consarc plant near Glasgow on Jan. 23 to ask Metcalf what he was up to. When Metcalf saw the uniformed customs inspector, he said, "I went into an absolute fright." He cooperated with them, and told them that the next shipment of equipment was scheduled to leave Feb. 4 on a Soviet freighter. It was not until Feb. 8 that British customs officials passed emergency regulations and moved to seize the shipment, which had been delayed several days at the dock. The Soviet ship Mekhanik Yevgrafov was en route to pick up the furnaces when the authorities finally acted. Metcalf said he suspects that British officials were not as keen to stop the equipment as their American counterparts.

But once the seizure was made, the British tried to portray its importance in much the same light as the United States. "When we realized there was, in fact, a gap in our security controls, we acted to close that gap in the interests of national security," a British government spokesman said at the time of the seizure. In a report last year to Congress on the effort to keep high-tech secrets from the Soviets, the Pentagon claimed similarly that quick bilateral action with Britain had averted the "attempted diversion . . . literally as a Soviet ship was coming into Britain to pick it up."

A British government spokesman said at the time of the seizure that "although 95 percent of the contract had been fulfilled, it's the remaining 5 percent which is vital equipment necessary for the [Soviet] plant to operate."

In fact, Metcalf, other company officials and two intelligence sources agree: the most vital equipment already had been shipped. The seized goods included substandard furnace insulation, a roll of nichrome heating wire that Metcalf said was of poor quality, plastic mixing barrels and pieces of steel that fit on the bottom of the isostatic presses.

What was really necessary for the plant to operate was a continuing infusion of western expertise. For that, the Soviets were able to turn to some of the same people—including Metcalf and Thomas Dick—who had shipped them the equipment in the first place.

AFTERMATH OF A FAILED EMBARGO—BRITAIN'S BELATED ATTEMPT TO HALT FLOW OF KEY TECHNOLOGY TO SOVIET UNION CAME TOO LATE

(By Knut Royce)

The British government, after weeks of prodding by the United States, acted to seize a shipment of equipment on the docks at the North Sea port of Hull, England, on Feb. 8, 1985.

With the seizure, a two-year effort by Consarc Engineering Ltd. of Scotland to sell high-temperature furnaces and other equipment to the Soviet Union abruptly halted.

Both company officials and intelligence sources agree that the British action came too late. The bulk of the equipment—useful for processing a heat-resistant material called carbon-carbon—already had been shipped and installed at a factory north of Moscow.

Now, James Metcalf, the principal architect of the deal, had to fly to Moscow to explain what had happened dockside. The Soviets—eager to finish the deal—were not sympathetic.

First, Metcalf said, they asked him to return nearly $2 million they had paid as an advance on the $11-million contract for the processing equipment. That was no problem for Metcalf. Since the Soviets refused to pay, Consarc's government-backed insurance policy was to promptly reimburse the company 90 percent of the total cost of the equipment.

Metcalf said the Russians also threatened to sue Consarc of Scotland, its New Jersey parent and the American company that owns both of them, Inductotherm Industries.

"You, Mr. Metcalf, are not a little company that's going to go bankrupt," he said the Russians warned him. "You are part of Inductotherm and you're worth $250 million. So you live up to your international contract or if you don't we'll sue."

He said Nikolai Ivanov, a gruff Soviet buyer with whom Metcalf had been dealing, reminded him that British law permitted British engineers to work on equipment in the Soviet Union, even if the equipment itself had been embargoed.

But Metcalf is an American citizen. He was worried that any additional work after the British embargo would require approval by the U.S. government. In fact, the United States already was moving to enact a parallel embargo on the type of equipment shipped by Consarc. The ban went into effect April 3, 1985. To reinforce the point, assistant secretary of defense Richard Perle fired off a letter to the Commerce Department, urging the agency to be vigilant in its efforts to prevent any further leakage of equipment or know-how to the Soviet plant.

Metcalf went to Washington, retained a lawyer, and asked Commerce whether he could complete the original contract with the Soviets. Commerce asked him to provide information "on a zillion things," Metcalf said. He then wrote a letter "in as plain English as we could write, [saying] that if I went out there I'd get it [the Soviet plant] running."

Metcalf said he believed—and hoped—the U.S. Commerce Department would forbid him to continue work on the Soviet plant. He planned to take the rejection letter to the Soviet Union, "put it on the desk of Mr. Ivanov, and say, 'Mr. Ivanov, the Americans are saying this and I'm an American company and I can't do it.'"

But surprisingly, Commerce agreed to let Metcalf go.

On July 8, Henry D. Mitman, an official in Commerce's international trade administration, wrote Metcalf's attorney that "Mr. Metcalf's visit may be carried out . . . to assist the USSR . . . in the assembly and testing of nine induction furnaces and the isostatic press." As justification, Mitman invoked a section of the Commerce regulations that allows exporters to work on previously shipped equipment for up to a year after delivery. Andrew Vollmer, Metcalf's attorney, told him the decision was "contrary to our hope and expectation."

Lee Mercer, a top export official at the Commerce Department, said Metcalf's plans were probably approved before word had filtered down about the sensitivity of the equipment sent to the Soviets. "In any bureaucracy, there is always the danger of a disconnect and a time lag," Mercer said.

Although the letter of approval was not what he had counted on, Metcalf did not long languish on his misfortune. He spotted a new opportunity.

"Bingo! Now I'm legal," he reflected. ". . . Now I not only have permission, but informed permission. I'm not just legal because I tricked someone. I'm legal because I did it legally. Now I'm going to be a big hero. I've given them (the Soviets) the damn equipment. I've given them the money [the $2 million] back. Now I'm going to come and make it work for them."

So once again James Metcalf headed for the Soviet Union. Armed with Commerce's go-ahead, he decided not to entangle Consarc Engineering Ltd. any further. Instead, he began to operate through a consulting firm he had formed in May, 1985, called Bepa Ltd. (Bepa is the Cyrillic spelling for "Vera" the name of Metcalf's Russian wife.)

Metcalf enlisted some of the same Consarc engineers who had supervised the construction of the Soviet plant, including Thomas Dick, whom Metcalf made a director of Bepa.

Even as the tiny consulting firm launched its first venture, Metcalf said, "I knew damn well it ain't going to last too long." It was only a matter of time, he figured, until the

U.S. government realized what it had allowed.

Still, Metcalf—who remained on the Consarc payroll as well—was eager to resume business with the Soviets.

But the Russian buyers were playing hardball. They insisted on delivery of a load of spare parts (with an invoice value of about $375,000) that Consarc Engineering had guaranteed under its original contract. Metcalf convinced the Department of Trade and Industry to let him ship virtually all of the spare parts under the terms of the original contract. And Metcalf didn't have to worry about taking a big loss on the parts shipment (which eventually was shipped in August). Reimbursement for the spare parts already had been included in Consarc's post-embargo insurance settlement. The Soviets were given the spare parts for free.

With the spare parts issue out of the way, Metcalf was able to resume negotiations with the Soviets. On July 25, he signed a contract with Ivanov calling for Bepa Ltd. to "supervise erection, adjustment [and] testing" of the furnaces and other equipment already shipped by Consarc. The agreement had the effect of canceling Consarc's obligations. Bepa Ltd., with its complement of former Consarc employees, would do the job instead. The corporation singed a contract with the Soviets for engineering fees and another for $700,000 in supplies.

This time, Metcalf made the Soviets agree in writing that the equipment in question would not be used for military purposes. Article 10 of the contract stipulates: "The buyers advise the sellers that the end use of the project is not military."

Asked recently if he believed the Soviets, Metcalf said, "I knew damn well that was a lie, but at least it got me to sign the contract with them . . . I wasn't going to do anything illegal." In several other conversations, however, Metcalf said that he isn't really sure what the Soviets planned to do with the equipment.

With Bepa Ltd. in business, Metcalf was happy. But Metcalf's American bosses back at Consarc Corp. in New Jersey were not.

Metcalf had formed Bepa, applied for and received the Commerce Department approval and negotiated a new contract with the Soviets without notifying the parent company's directors.

When Metcalf finally cabled the board in early August, informing it of his new arrangement with the Soviets, he was promptly summoned to New Jersey to explain. According to the participants, there followed a tense board meeting in which officials were torn between their displeasure with Metcalf and the possibility of continued cash flow from the Soviet venture.

Metcalf was still a Consarc Corp. vice president at the time. He said he told the board members that his actions had benefited the company. He had allowed the Scottish subsidiary to withdraw from the Soviet contract without liability. The parent companies and the Scottish firm would be spared a blackballing by Moscow on future sales, he said.

Ray Roberts, president of Consarc in the United States, was skeptical. "Roberts thought he had been maneuvered and I had taken advantage of the situation for my own private account," Metcalf recalled. "He obviously saw me now making a considerable amount of money."

Metcalf said that Roberts told him to write a contract selling Bepa Ltd.—including its new Soviet contract—to Consarc for $1. Roberts later "offered to sue me if I didn't," Metcalf said.

The conflict between the two men did not sit well with Henry Rowan, Inductotherm's chairman. "Mr. Rowan didn't like it," Metcalf said. "[He] didn't like the way it felt, and said, 'What would "60 Minutes" do with that one?' "

Rowan was a Reagan Republican who, Metcalf said, "all the time had big misgivings about us shipping things to Russia." But Metcalf said Rowan did not interfere with Roberts. As Metcalf put it, "Business is business."

Rowan and Roberts have different recollections of the episode, however. According to Roberts, Metcalf told the board that he had no intention of making a profit with Bepa Ltd. and had formed it merely as a vehicle to clear Consarc's Scottish subsidiary of possible liability with the Soviets. Roberts recalls that Metcalf then voluntarily offered to sell Bepa Ltd. "We said okay," Roberts said.

Rowan, too, recalls that it was Metcalf who broached the idea of selling Bepa Ltd. for a dollar. But, according to Rowan, the offer came only after the board had challenged Metcalf. As Rowan put it, there was "concern that he [Metcalf] might be going ahead on his own to start up shop so Bepa would become profitable." Whatever the case, Metcalf said that he refused to draft any contract to sell Bepa and the matter subsequently was dropped.

For all of the corporate intrigue back in New Jersey, tiny Bepa Ltd. did not turn out to be a money machine. In the weeks after signing the contract with the Soviets, Metcalf said, he performed little work on the project. Bepa Ltd. grossed only about $23,000 in engineering fees and expenses, he said. Metcalf decided to subcontract the $700,000 supply contract to yet another Consarc subsidiary in Scotland called Calcarb Ltd. That firm was to supply the Soviets with heat-resistant insulation materials to surround the furnace chambers.

On Sept. 21, 1985, nearly three months after giving Metcalf permission to return to the Soviet plant, the U.S. Commerce Department did what Metcalf had anticipated all along. It reversed itself, ruling that Metcalf could no longer work on the embargoed equipment at the Soviet plant.

As Metcalf tells it, the reversal came only after he showed an official in the British Department of Trade and Industry the U.S. letter allowing him to continue work on the plant. The British official, still smarting from the intense American pressure to stop the Soviet project, "fell off a chair," Metcalf said. The official rushed off to Washington to demand an explanation.

Commerce officials were unable to confirm that account. Lee Mercer of Commerce suggested it was likely that Metcalf had been allowed to continue his work on the Soviet plant due to bureaucratic inertia at Commerce.

"It's like the ocean when the wind blows," Mercer said. "There's a lot of waves and there's a lot of motion. But if you go down 4 or 5 meters, the ocean is still running pretty smoothly."

Even after Commerce ordered Metcalf to stop his efforts on the Soviet furnaces, Metcalf persisted. He asked the department whether he could work on equipment at the Soviet plant that was not specifically subject to the embargo. He says he never got an answer.

By now Henry Rowan, president of Inductotherm, was becoming increasingly annoyed at the indecision of both the United States and Britain.

"Apparently no one in the U.S. government or the British government has the authority, power or inclination to order us not to send personnel to complete the contract or to start up the equipment," Rowan wrote Metcalf on Oct. 4, 1985. "On the other hand, they seem very anxious that these activities not go forward . . . In view of all of this confusion, it would appear that we have to make the decision."

The decision: "No Consarc personnel . . . are to do any further work on the . . . contract either in Scotland or in the U.S.S.R. and nothing is to be done that will contribute toward the operation and startup of this equipment.

The Rowan ultimatum ended Metcalf's involvement for he was anxious to continue his relationship with Consarc (for whom he now consults 100 days a year).

Enter Thomas Dick, formerly managing director of Scottish Consarc and a partner in Bepa Ltd. with James Metcalf, Dick was intimately involved with the Soviet project from the beginning. He had recently retired from Consarc and saw an opportunity to pick up the loose ends on the Soviet deal for himself. Like many others in specialized industries, Dick had set up his own consulting firm to continue peddling his expertise to former clients. He called his firm Vacua-Therm Ltd.

Dick moved to fill the void left as Consarc and Bepa Ltd. dropped out of the Soviet project. Vacua-Therm started providing the technical and sales service to make his machines at the Soviet plant work, with an okay from the same British Department of Trade and Industry that reportedly had demanded to know why the United States had allowed Metcalf to continue his work at the plant. Department of Trade officials, citing the Official Secrets Act and confidential communications between the department and the British companies, declined to be interviewed on any aspect of the case.

But an authoritative British source said the Department of Trade cannot, under British law, prevent engineers from working in the Soviet Union, even on sensitive projects. "Our laws control the export of goods and diagrams and tangible things," he said. But they do not forbid an engineer from taking his know-how abroad. "We are a free society," he said.

In a telephone interview, Thomas Dick defended his work at the Soviet plant, which continues to this day. "All of this waffle and piss and bloody rubbish about nosecones, that's just a load of hogwash," he said.

"What's happening in Russia (at the plant) I can live with," he said when asked what the Soviets were producing with the furnaces. "I know exactly what they are doing . . . and it does not offend me in any way as regards the safety of my country. That's all I will give you."

Later Dick said he believed that the first commodity to be processed will be carbon brakes for aircraft, and that the plant will only process commercial products.

As might be expected, official agencies are now keeping a nervous eye on Dick's enterprise. Callum Dick, Dick's son and a director of Vacua-Therm, confirmed that the British Department of Trade and Industry and the British customs service have been taking considerable interest in the operations of Vacua-Therm.

In May, customs officials pulled a surprise inspection of equipment bound for the Soviet Union. "The containers were opened and searched" without a company official present, an incident Callum Dick described as unusual. The shipment was allowed.

Late last month, seven customs officials inspected a small isostatic press that Vacua-Therm was shipping to the Soviet Union. The laboratory press—with a work chamber less than five inches in diameter—meets the requirements of the toughened export regulations in Britain and the United States.

Experts say it is entirely possible that work on the small, laboratory-sized press will give the Soviets useful "process" information that can be applied to the larger-scale equipment previously acquired from Consarc.

In the immediate aftermath of the Consarc sale, there was little controversy. Officials in both the British and American governments publicly declared that the embargo had been slapped on the equipment in time.

Informed of Newsday's findings, John Reid, a Labor member of Parliament from the Glasgow area, said that he would ask for a parliamentary investigation. "If the substance of the allegations are true," he said, "it seems quite incredible that we seemed to be financing and subsidizing Soviet . . . offensive systems through western expertise and the free-market operation. The irony is exceeded only by the incompetence of the Department of Trade."

Even some of the company officials express bewilderment at the whole episode. "It blows my mind," said Roberts. Referring to flip-flops by British and American authorities in the case, Roberts said, "If there is stupidity in all this, it is after the embargo. If both governments had taken steps at that time to shut everybody off, then the embargo would have accomplished its end. The Russians would have had a dickens of a time [putting the equipment to work] without the assistance of the people who had the knowledge of how the equipment was designed and what was intended."

Adm. Bobby R. Inman, a former deputy director of the Central Intelligence Agency who has taken a special interest in technology transfer, said that the Consarc case suggests how difficult it can be for governments to decide what manufacturing processes need strict controls.

"It's pretty easy to identify a particular weapons system—a radar or a sensor—and get the wraps put on it," Inman said. "It is much harder to do that with a process," he said, particularly when equipment used in the process has commercial application as well.

Inman said the Consarc sale might have been prevented if partners in COCOM, the international Coordinating Committee for export controls, had done a better job of deciding "what are the very specific things to look out for" with carbon-carbon processing. "You've got to get that all defined at a very early stage," Inman said.

[From Newsday, Nov. 8, 1987]

HIGH-TECH RECIPE FOR MAKING A BATCH

(By Knut Royce and Earl Lane)

WASHINGTON.—The furnaces and presses acquired by the Soviet Union can be used to process a material that has helped change the face of American aerospace technology during the past two decades, experts said.

The material, called carbon-carbon, can be made lighter and tougher than steel, able to withstand temperatures hotter than a blowtorch and capable of being formed into structures that will hold their shapes under tremendous stress.

Carbon-carbon—a composite or hybrid material—has been used in the rocket nozzles and nose tips of U.S. long-range missiles. It is ideal for brakes on high-performance aircraft. It is used on the leading edges of the space shuttle wings. It is being studied for extensive use in the planned "Orient Express," or National Aerospace Plane, a craft that would be able to fly into orbit at speeds up to 17,000 miles an hour. The material also is being studied for Star Wars uses, such as to shield satellites from laser attack.

Carbon molecules tend to form strong, stable chemical bonds among themselves that can withstand extremely high temperatures and pressures. Moreover, the rate at which carbon-carbon burns off—or abates—at high temperatures is steady and predictable, experts say. There is less "wabble" in the warhead as it encounters atmospheric drag. That allows engineers to better calculate the flight path of a warhead as it heats up on reentry into the Earth's atmosphere.

Assuming good performance by the rocket and its warhead guidance systems, the use of carbon-carbon nosetips can add an extra margin of accuracy that turns a good missile into a great missile. One carbon-carbon expert, who has worked on the manufacture of American warhead nosetips, said the Minuteman 3 missile warheads can strike within 800 feet of a target using carbon-carbon tips, compared to 1,250 feet using graphite tips. He said that under ideal conditions, the newer MX missile can lob its 10 warheads into a football stadium from more than 6,000 miles away, thanks in part to the use of carbon-carbon warhead tips.

While all nuclear warheads have devastating effects, the potential to land one within 300 or 400 feet of a target gives much better odds of knocking out reinforced missile silos and other hardened targets in a "first strike" attack.

* * * * *

Scientists have long known that when a material is produced in the form of thin fibers, its strength can be greatly increased. A pane of glass readily shatters under stress. But spun fibers of glass can have a tensile strength of more than a half-million pounds per square inch (or six times the tensile strength of steel).

A bundle of fibers alone—no matter how strong—has no structural value, however. You can't build a rocket nozzle out of rope. In composite materials, scientists harness the strength of the fibers by surrounding them with a material that can be solidified.

In the case of carbon-carbon, the fibers come from carbon-rich yarns such as rayon. The surrounding adhesive is also a carbon-rich material such as pitch.

The methods of making carbon-carbon were derived from those used for other composite materials. They have been evolving since the early 1960s. Key information on the process is classified, but the general methodology has been described in open scientific literature.

A review of the Consarc deal, several experts said, suggests the Soviets were able to order a flexible facility that is capable of all the important steps in making carbon-carbon materials, except the weaving of the fibers into three-dimensional shapes.

Although Consarc does not make such weaving equipment, several experts interviewed said it is possible the Soviets have obtained that capability from other western firms or have developed it themselves. Even in the United States, the woven "preforms," in some cases, are made by hand by workers using long needles. Complex geometric patterns have been derived to minimize the amount of space among the fibers in the preforms. But machine weaving methods can be adapted from the textile industry, several specialists said.

Experts consulted said there is little question that the Soviets can process the preform into finished carbon-carbon products using the furnaces and other equipment obtained from Consarc, although one specialist said the equipment might simply be intended for traditional processing of graphite powder into high-quality industrial graphite.

But R. Judd Diefendorf, a carbon-carbon specialist at Rensselaer Polytechnic Institute in Troy, N.Y., said it is more likely the furnaces can be used for carbon-carbon processing. Dick Williams, vice president for manufacturing at Poco Graphite in Decatur, Texas, agreed. "You don't need vacuum induction furnaces to process graphite," Williams said. The underlying technology for that was invented in the 1880s, he said.

Assessing the impact of any technology acquired by the Soviets necessarily involves a degree of uncertainty. Obtaining the equipment is one thing; making proper use of it is another. James Metcalf, who put together the Consarc deal, maintains that the project was plagued by poor equipment design and faulty execution. But a source who has recently visited the plant said the furnaces are working better than their design specifications.

Told of the equipment the Soviets obtained, Paul Rolincik, a carbon-carbon specialist at Avco Systems in Wilmington, Mass., said, "From my viewpoint, I would say this is definitely useful for carbon-carbon processing." But he added, "The question is did they get the specs on how to operate it. If they didn't, they could spend ten years" trying to develop the process.

Jacob Vydra, a Soviet emigre who assesses technology developments in the East bloc, said the Soviets have published numerous research papers on properties of carbon-carbon and other composites. "They do okay for small research projects," Vydra said. He said the Consarc equipment "will give them a chance to leap from the research stage" into development and production. "That's what they need," Vyrda said.

There are different grades of carbon-carbon. They range from high-density materials of great strength and durability to low-density materials that have excellent heat resistance but that can be broken apart with bare hands.

The properties of a specific carbon-carbon product are determined by the raw materials selected—the type of carbon fiber, the complexity of the weave, the type of impregnant—and the quality of the processing. Even a few minutes at the wrong temperature can destroy the batch, experts said.

High-temperature applications such as rocket nozzles and warhead nose tips require carbon-carbon that is generally more dense than that used for aircraft brakes or wing edges. The Consarc equipment, as outlined in company contracts obtained by Newsday, should allow the Soviets to "densify" carbon-carbon materials to suit a range of uses, experts said. (Several spoke only on condition that they not be identified. One government scientist described the Consarc sale and its aftermath as "a very touchy issue.")

The major equipment obtained by the Soviets and its potential uses:

Impregnation tanks for soaking the preformed fibers in pitch. The Soviets received six "vacuum pitch degassing and prefilling stations," according to the contracts. The setup included a vacuum pumping station and a control station.

In the equipment, pitch is melted under vacuum in a heated reservoir. At the same time, the fiber bundles are heated to the same temperature in an adjacent tank. The hot pitch is then transferred via pipes into the tank containing the fiber bundles, also called preforms. This process is done at normal atmospheric pressure and typically yields material that is 50 percent carbon by weight after all the processing has been completed.

Two isostatic presses. Under high pressure, the pitch will be squeezed deeply into a bundle of carbon fibers. Such high-pressure methods yield materials that are even denser in carbon. The Soviets received two isostatic presses capable of operating pressures of just under 5,000 pounds per square inch (p.s.i.) during the impregnation of the fibers with pitch. The system includes gas storage tanks, high-pressure gas transfer lines, compressors and controls.

The pitch-soaked fiber bundles are placed into metal containers and then put into the isostatic press (isostatic means simply that the pressure on the containers will be applied uniformly from all directions).

The temperature in the press typically is raised to a range from 550 degrees to 650 degrees centigrade while the pressure also is increased. The thin metal can holding the fiber bundles acts like a "rubber bag," transmitting pressure to the pitch-soaked products within. Typically, it will take about 24 hours to complete a single processing cycle in the press. The final carbon densities using this method are more than 90 percent by weight, ideal for military uses.

Metcalf said the isostatic presses were not operating properly in 1985, shortly after delivery. The current status of the presses could not be learned. The Soviets had bought hot isostatic presses previously from Asea, a Swedish firm, and sources said those presses—while apparently intended for other uses—could be adapted for the Consarc-supplied facility if needed.

Nine vacuum induction heating furnaces. These furnaces can be used to heat and solidify material at very high temperatures. Unlike standard furnaces that have electric-resistance heating elements like those on a household stove, an induction furnace has a heating element—called a susceptor—made of a material like graphite that can withstand extreme temperatures without melting. Powerful coils induce currents in the susceptor, causing it to heat up.

The heating of carbon-carbon composites takes place in two phases. The first is carbonization when the pitchbaked assemblage is charred, like food being converted to charcoal. The carbon-carbon materials in the pitch are vaporized. The result is a material which is in a form of carbon called coke.

The soaking and heating steps can be performed a half dozen times or more. Each time the material becomes more and more dense. Carbonization is carried out by controlled heating in a range from 650 degrees to 1,100 degrees Centigrade.

While this heating step can be carried out within an isostatic press, it usually is done in a separate furnace that allows slow, even heating. Congsarc sold the Soviets three bell-shaped retort furnaces that experts said would be suitable for carbonizing the products after they come out of the isostatic press.

The final stage of heating is called graphitization, when the carbon-dense composite is heated to a very high temperature and changes its molecular structure to the semicrystalline form of carbon, called graphite. This step is carried out in an induction furnace at temperatures in the range of 2,000 degrees to 2,750 degrees Centigrade. A source who has seen the Consarc furnaces in the Soviet Union said at least several have been operating at temperatures as high as 2,950 degrees Centigrade.

An alternative method to deposit carbon among the fibers of the preform is called chemical vapor deposition or CVD. Rather than using a liquid pitch, the manufacturer uses a hydrocarbon gas such as methane. The gas is pumped into a vacuum furnace. Carbon molecules in the gas are liberated by heating. They infiltrate the woven fiber structure and build up a matrix of carbon.

Chemical vapor deposition yields materials of somewhat less density but better mechanical properties than the standard pitch impregnation produces. According to one description, such materials have a 50 percent better tensile strength and more than double the flexural strength of carbon-carbon that has pitch as the impregnant. Chemical vapor deposition techniques also can be combined with other densification processes, depending on what properties are desired to the final product.

It is unclear whether the Soviets have modified the furnaces to do chemical vapor deposition. But specialists said the task would be simple enough. The engineers would have to install a methane gas line or modify one of the three existing gas lines to the furnace. "That's something you can do in a half-hour," one technician said. The susceptors that were shipped with the furnaces are of a "log cabin" design that is not particularly suited for chemical vapor deposition work. But replacement susceptors using commercial grade graphite can be readily installed, several specialists said.

One carbon-carbon expert with long experience on American military contracts said he was disturbed by the scope of the equipment that was shipped. "No matter what disclaimers are made, that kind of processing equipment is nicely suited for carbon-carbon materials," the expert said. He said the dimensions of the furnaces are considered very large by specialists in the field. The working zones are 82.7 inches in diameter by 76.8 inches in height. "Nine units of that capacity are a nice production operation," the expert said. "That's not the kind of equipment that is tied to exploratory technical development."

Diefendorf and others said it is likely the Soviets could develop carbon-carbon production lines on their own. (And one specialist said the Soviets made no secret that they were interested in acquiring technical data on the process from western journals and scientific meetings.) But Diefendorf said the ability to get proven equipment from western suppliers could prevent costly mistakes in setting up a production line. "You can't afford to fail," he said. A furnace-load of carbon-carbon materials can cost $1 million, Diefendorf said. Being able to take shortcuts on the development costs could save millions of dollars, he said.

[From Newsday, Nov. 9, 1987]

POLICING THE FLOW OF TECHNOLOGY

(By Knut Royce and Earl Lane)

While the United States has sought to prevent militarily useful equipment and know-how from reaching the Soviet Union since the Cold War, the system for policing such technology transfer has been the subject of sharp and continuing debate.

The Consarc case, involving shipment of furnaces useful in making carbon-carbon composites and other advanced materials, offers a glimpse at some of the issues:

The complexity of the regulations. Critics complain the control lists are too cumbersome and involve many obsolete items. The sheer volume of transactions subject to review, one study found, sharply limits the ability of regulators to focus on the more critical items.

Inherent tensions between the Defense Department, which wants to clamp down on sales of technology, and the Commerce Department, which wants to encourage U.S. trade.

Dissatisfaction among American allies, who view the U.S. control effort as too restrictive and who sometimes allow shipment of technology against American wishes.

While there have been efforts to simplify and streamline the rules governing technology exports, the case-by-case application of those rules still can lead to uncertainty and confusion, experts said.

The Commodity Control List administered by the Commerce Department contains 128 pages of items in 240 general entries. There are several hundred pages of supplementary opinions and rule changes. The list contains items that can be shipped only with an export license (even to allies) and specifies which items cannot be sold to East bloc nations.

The list covers the commonplace ("horses for export by sea") and the bizarre ("specically designed implements of torture.") The descriptions range from the very specific ("'digitally controlled' equipment capable of automatic X-ray orientation and angle correction of double-rotated stress compensated crystals . . . with a tolerance of 10 seconds of arc maintained simultaneously in both angles of rotation") to the very general ("other electronic and precision instruments, including photographic equipment and film, not elsewhere specified . . .").

James F. Metcalf, the architect of the Consarc Engineering Ltd. deal, says he received mixed signals from the Commerce Department after the British had decided to restrict further shipments of furnace equipment to the Soviet Union in early 1985. When Metcalf asked one Commerce official whether he—as an American citizen—would be allowed to provide technical advice on assembly of the equipment that already had been shipped, Metcalf says he was told he would face a jail term if he did. Two months later he received a letter from Commerce giving him permission to proceed. That permission was revoked three months later.

But many of the complaints deal with the scope of the regulations rather than their interpretation. "We've been trying to stop so much that it's just impossible," said Ray Roberts, president of Consarc's American parent company, Consarc Corp. "You read those export regulations—it's hundreds of pages of detailed text. The other problem is that the way the government draws a line and describes something, a good technologist can always find a way around those regulations."

The Pentagon maintains its own detailed list—the Militarily Critical Technologies List—that is kept secret. It serves as the government's technical reference on items the military wants Commerce to embargo. Small business firms complained that the classified nature of the list often made it impossible for them to determine what items were being considered for embargo. The Pentagon now releases a non-classified version of its list.

A research panel of the National Academy of Sciences, in a report released earlier this year, found "no effective mechanism" for weeding out products and technologies that have ceased to be strategic or that have become so widely available that control, for all practical purposes, is impossible. "The momentum is to add, not delete," the report said.

"I think the United States errs in its administration of export controls by having too inclusive a list," said Lew Allen, head of the academy panel and director of the Jet Propulsion Laboratory in California. "You have to pick a few items that are of real importance and then work very hard to convince your allies that they should join with you in controlling those."

The question of just what technology exports to approve always has been a touchy one. The State Department's Munitions Control Office (with input from the Pentagon) licenses sales of arms and military equipment while the Commerce Department licenses "dual use" technologies which can have both civilian and military applications. The problem is that virtually all modern technologies can be dual use.

The Soviets bought a western-built air-traffic control system for a Moscow airport. It can also be used for air defense and control of fighter aircraft. Precision ball bearings bought from a Vermont firm were used in the production of warhead guidance systems. The Kama River truck plant—built with western technology—can build military as well as civilian vehicles.

While not quarreling with the underlying intent of export controls, many business groups have complained that the execution of the policy has been cumbersome and discourages U.S. sales abroad. The Electronic Industries Association estimates that export controls are costing the United States $9 billion a year in lost business as foreign firms fill orders that American companies are unwilling or unable to take. For 1985, the academy panel found, 5 percent of the 122,606 applications for export licenses required processing times of more than 100 days. Lee Mercer, a top official in Commerce's export administration office, said the agency's processing times have dropped substantially, particularly for shipments to western allies. He said such shipments can be approved in five working days.

The Commerce Department is developing a system to allow firms to make applications electronically via computer links to further speed the processing times, Mercer said. Commerce officials say they also are doing a better job in rendering timely opinions on whether a particular item is widely available from foreign sources. The Pentagon has been computerizing its processing of export cases to provide prompter opinions.

Still, there remains widespread dissatisfaction with the licensing process. One expert who serves as a consultant to the Customs Bureau said, "The government doesn't have the people to technically evaluate applications . . . industry knows what's high tech and what's not because they compete against each other." The expert, who asked not to be identified, said that the quality of the Pentagon's review process has dropped since Frank Carlucci—formerly deputy defense secretary and now national security adviser and Secretary of Defense-designate—gave final authority to policy staffers rather than the engineering and technical staff.

Allen agreed. "I believe there have been more errors since it was taken away from the technical people than there were before," he said.

Without whole-hearted allied cooperation, as the Consarc case suggests, the United States can do little to stem the flow. "The United States cannot succeed in its efforts to block Soviet acquisitions of military sensitive western technology unless it has the full cooperation of the (increasing number of) other technologically advanced countries," the academy report found.

At the same time, the United States—far more than its COCOM allies—uses export controls as a tool of foreign policy, according to Robert Kerr of the International Institute for Strategic Studies in London. European countries are more dependent upon international trade for economic survival, Kerr said.

Even without requesting exceptions, entrepreneurs can find ways around the export regulations. They can ship equipment to front corporations in approved countries and then re-sell the equipment to East bloc buyers. Determined sellers can write up orders that remain within the letter, if not the spirit of the law.

"There's a judgment call involved," said one Commerce official, who asked not to be identified. "It really depends on what the person comes and tells you. It's how it is portrayed."

"When it finally comes down to it, you've got to rely almost on the people to look after themselves and say, 'All right, what's the potential use of this stuff,'" said R. Judd Diefendorf, a carbon specialist at the Rensselaer Polytechnic Institute.

Congressional Panel To Probe Sale

(By Knut Royce and Earl Lane)

WASHINGTON.—A congressional panel has launched an investigation into a sale to the Soviet Union by an American firm in Scotland of machines that can be used for processing a material that improves the accuracy of nuclear warheads.

The House Commerce subcommittee on oversight and investigations also wants to learn why the Pentagon, which took the lead in the failed attempt to block the transfer, told Congress last year that the transfer had been thwarted.

Rep. John D. Dingell (D-Mich.), chairman of the committee, said, "It appears that the administration clearly attempted to mislead Congress. The subcommittee will be holding hearings on this matter in the near future."

Subcommittee sources said they have asked the Commerce Department to turn over all its records on the sale of the equipment by the Scottish subsidiary of Consarc Corp. in Rancocas, N.J.

The panel's investigation was prompted by reports in Newsday yesterday that the United States failed to prod Britain to ban the sale of the machines that process the material, known as carbon-carbon, before they were all shipped.

Newsday disclosed that when the Thatcher government finally acted in 1985, it seized a shipment consisting mostly of substandard insulation, but as a consequence had to pay for most of the machines already delivered to the Soviet plant.

Newsday also reported that the U.S. Commerce Department, which followed Britain in restricting the sale of the equipment, then allowed the American architect of the sale, James Farol Metcalf, to return to the Soviet Union and help assemble the machines.

Committee aides said they will seek records from the Defense Department and the CIA.●

TRADE LEGISLATION

● Mr. LUGAR. Mr. President, Senate and House conferees are now discussing the outline of major new trade legislation. Some of the most blatantly protectionist provisions of this legislation may ultimately be removed before a bill is submitted to the President. However, I think that it is fair to say that even without these provisions, the spirit of both the Senate and House bills is to encourage retaliation against our trading partners rather than to redouble our efforts to increase our own export capability.

Removing arbitrary and unfair foreign restrictions against U.S. goods and services is reasonable enough. But study after study has revealed that even if no barriers to U.S. exports existed, the United States would still run large trade deficits with many leading trading partners. Formal and informal trade restrictions against U.S. exporters are frustrating and must be dealt with vigorously; but the fact is that we must look to ourselves if we wish to seriously redress our trade deficit.

What we need, therefore, is to focus on positive measures to expand our export capability. Rhetoric about retaliation and demands about currency realignment will take us only a small part of the way. A level playing field and a balanced currency system are only the framework within which exports can and will occur. By themselves, they will not produce one additional dollar of U.S. export revenue.

We need to ask ourselves how we can be more competitive. We need to uncover the specific problems which potential U.S. exporters face. We need to find ways to address these problems and to offer incentives for more American firms to enter into the export market.

I am pleased to say that the Indiana Economic Development Council and the Hudson Institute have begun to address this difficult problem. Recently, they brought together in Indianapolis a diverse group of exporters, bankers, academics, and State and local officials to uncover the specific problems which exporters and potential exporters face in expanding their activities. Their detailed recommendations will be completed within the next month or so, and I am confident that they will provide the basis for many solid legislative initiatives. For now, several conclusions are already apparent.

The principal conclusion is that substantial increases in the export of U.S. goods and services will come from medium- and small-sized firms. Large U.S. corporations are thoroughly familiar with the export market. For them, changes in the value of the dollar may be beneficial in expanding sales in an already established market. So, too, might these firms benefit if specific foreign restrictions are reduced or eliminated in a given market sector. The key top secular increases in U.S. exports, however, will be the entry of large numbers of medium and small competitive U.S. firms into the export market.

What are the special problems which medium and small firms face? Why are not more of these firms aggressively exporting their products? Small- and medium-sized firms that wish to enter into the export market face two critical problems:

First, the cost of market development. Getting the first new sales in a foreign market can be time-consuming and expensive. Unlike large firms, which can afford to devote considerable resources to the development of the market, smaller firms need quicker, more likely sales if they are to take the risk and to expend limited funds in areas in which they are not historically familiar.

Second, financing. In a related way, small- and medium-sized firms do not have the same access to financing as do large U.S. firms. Current guarantee programs are limited in scope and uneven in implementation.

Mr. President, these realities lead to a number of considerations which ought to find their place in any broad-gauged trade legislation which is really designed to reduce our trade deficit. Let me suggest several ideas for the consideration of my colleagues:

First, we must address the question of market development costs for small and medium businesses. Other nations have experimented with programs that show some sign of promise. Under one scheme, potential exporters pay a premium to an export fund. When a small business decides to expend funds to market its product abroad, it does so out of its own pocket. These costs are then reimbursed by the fund up to a certain established level. If the firm in question makes a sale within a year, it then returns the reimbursed money to the fund. In this way, risk is reduced for that critical—and expensive—first step of sending one or more employees abroad to develop a new export market. If implemented properly, after a small initial capitalization from the Federal Government, such a fund could operate on a self-sustaining basis.

Second, several States have begun to experiment with arrangements to assist in export financing for small- and medium-sized businesses. Under one arrangement, for example, a State might sell a bond and use the proceeds from the sale to counterwrite with a commercial bank the financing of export sales. These arrangements and others ought to be given serious consideration as a means to encourage the export of new goods and services.

Third, serious consideration needs to be given to making the U.S. Department of Commerce more efficient in assisting export sales. The Department of Commerce accumulates massive amounts of information about trade leads, export opportunities, and foreign market conditions. The key to success, however, lies in getting this information into the hands of people for whom it will do some good in a timely way. The Department of Commerce ought to be moving aggressively to computerize its information to make it available to any U.S. firm which owns a personal computer.

Beyond this, we ought to consider reorganizing the Department of Commerce's district office structure. Given the U.S. Federal system, there exist 50 natural and accountable political entities which would make excellent vehicles for the transmission of timely trade information to individual firms. The respective State Departments of Commerce would provide an ideal vehicle for export promotion if they were to become the "field offices" of the foreign commercial and agricultural services.

A serious cost-benefit analysis should be done on all Commerce Department export-related programs.

Beyond these suggestions, of course, much remains to be done. We have made considerable progress in removing legal obstacles to cooperate between firms for the purpose of making export sales. Much remains to be done, even at the level of the largest U.S. corporations. There is something wrong if a large U.S. steel corporation cannot buy another large U.S. steel corporation, while it is possible for an even larger Japanese steel corporation to do so.

Finally, considerable attention should be devoted to the improvement of the foreign language skills of Americans. Readily available technical translation services and other similar services offer a start. But until many more Americans become conversant in the language and cultures of other nations with whom we wish to do business, we will remain at a considerable disadvantage compared with our more disciplined and enterprising competitors.

Mr. President, I offer these thoughts as an initial stimulus to reconsider exactly what we are and what we are not doing in the trade legislation which is now in conference. Trade is an issue on which it is easy to make political headway through demagoguery and hyperbole. But reality will not be transformed by rhetoric. If we wish to do U.S. exporters a genuine service, we should turn our attention to those measures which will encourage and support the individual firms which, in the last analysis, must go out into the world and make actual export sales.●

GEOGRAPHY AWARENESS WEEK

● Mr. DOMENICI. Mr. President, I am very pleased that this week has been designated "Geography Awareness Week." I hope it will bring greatly needed attention to what is a very serious problem in America today.

It has been an unfortunate trend over the past decade or so that just as Americans have needed to become more aware of the world around them, our knowledge of world geography—and even the geography of our own country—has been declining.

Technological and economic advances are bringing America into contact with markets and cultures from lands all over the globe.

If America's students are going to be able to function effectively in an increasingly interdependent world we need to instill in them at a young age a thorough appreciation for, and an understanding of, foreign lands and cultures.

It seems to me, Mr. President, that geography education is almost fundamental to education about the world of which our students are to become a part.

However, its frightening to hear how little today's students know about the geography of the world and even of our country. When you compare today's students with American students of past decades, we see a very disturbing trend that students' geographical understanding is shrinking, not growing.

Several of my colleagues have cited studies giving evidence to this problem. Note some of the following findings: a group of 12th graders could identify only 41 percent of the States of the United States; 95 percent of college students could not identify countries like Vietnam on a world map; only 12 percent of college students in 1984 could name all the Great Lakes, compared to 46 percent in 1950.

Geographic ignorance is a problem I and my fellow New Mexicans face almost daily. It is frustrating that our State, which recently celebrated its 75th anniversary as a member of the Union, is often confused with Mexico, our neighbor to the south, and even other Western States.

People sending mail to New Mexico are occasionally told that the postage they have affixed is insufficient for sending mail to a foreign country. While former New Mexico Gov. David

Cargo was running for the U.S. House of Representatives last year he was notified by the IRS that taxes were going to be levied on Treasury notes that he held because his residence, Albuquerque, was in a foreign country.

Geographic mistakes about New Mexico are sometimes even taught in our schools. New Mexico magazine reported earlier this year that an American history book, "America, a Narrative History," published by W.W. Norton & Co., contains a map of railroad lines in the 1880's in which the New Mexico and Arizona territories were both designated, but switched.

To help raise awareness about New Mexico's membership in the Union, last year I introduced a resolution establishing "New Mexico is a State Day."

Though offered in good humor, the resolution pointed out a very important problem. Much of what makes up America is almost a great mystery to too many Americans.

This cannot continue if Americans are to be able to even function in the world of the future. Our political and economic systems depend upon our awareness and understanding of the many vibrant cultures and fascinating lands that inhabit our Nation and our world.

Improving geographic education in our schools will not in itself give our students the rich understanding they should have about our world, but it seems to me a necessary first step.

I commend Senator BRADLEY for introducing Senate Joint Resolution 88 that established this week as "Geography Awareness Week." I was pleased to cosponsor the resolution and hope it will serve to generate the changes needed to correct this serious problem.●

TUNISIAN DEMOCRACY

● Mr. LUGAR. Mr. President, earlier this month, a major political event occurred in the history of our long-term friend in North Africa—Tunisia. Since independence in 1956, Tunisia has been governed by the hero of her independence struggle—Habib Bourguiba. President Bourguiba guided independent Tunisia with moderation, humanity, and democracy in a time and region where these values were not always appreciated.

In the early years of his rule, the revolution in neighboring Algeria created many problems for newly independent Tunisia. Since then, the spreading of the Arab-Israeli conflict, the growth of the influence of unstable Qadhafi in neighboring Libya and the rise of Islamic fundamentalism have created innumerable difficulties. Throughout it all, under President Bourguiba's leadership, moderation, and openness marked Tunisia's policies. Bourguiba's Tunisia was the most open and democratic of all the Arab and African states. Women participate freely in all aspects of society and the youth of Tunisia are well educated. Popular participation marks the governing process.

In recent years, however, concern arose among the friends of Tunisia that no matter how benevolent President Bourguiba's rule may have been, his continuance as President was creating difficulties. Tunisian society was changing rapidly and the elderly President appeared unable to adjust and adapt to the changes. Challenges to his rule were sometimes being met by an autocratic response rather than the more flexible and moderate approaches that had been the hallmark of the Tunisian Government. Most importantly, friends of Tunisia were troubled by whether the transition to the second President in Tunisia's history could occur smoothly while maintaining the moderate and democratic traditions of the Bourguiba legacy.

This month these concerns were laid to rest. After a medical team, including the President's own doctors, examined President Bourguiba and determined that he was no longer able to continue in office, he was replaced by Prime Minister Ben Ali. Under the Tunisian Constitution, if the President is unable to rule, the Prime Minister becomes President for the remainder of his term in office. In this case, President Ben Ali has about 4 years left in his term.

The new President has begun his Presidency with the same openness and moderaton that were the hallmark of this predecessor. Less than half a dozen close advisers to the former President gave up their offices. This is a remarkable testament to the commitment to continuity. In a speech before Parliament the new President has moved quickly to open the way for all Tunisians to participate in the governing process. Political parties, which had been banned in recent years for antidemocratic activities, were told they could once again operate. Press restrictions were lifted. The President appears committed to build upon the strengths of the previous regime and to correct the problems which have developed in recent years.

The new President certainly will have his hands full. The Tunisian economy has had its difficulties in recent years. Intolerant and antidemocratic elements have found some support with Islamic fundamentalists. Nevertheless, the Tunisians have 30 years of moderate pro-Western Government behind them. With the help of Tunisia's friends, the new President should be able to guide his nation along the admirable path established by his predecessor.

Many skeptics are undoubtedly surprised that Tunisian democracy weathered this transition as easily as it has. This development is a great tribute to the Tunisian people and their leaders.●

RECOGNIZING THE ENGINEERS' ROLE IN THE RESTORATION OF THE U.S. CAPITOL BUILDING

● Mr. D'AMATO. Mr. President, a transformation occurred recently in our Nation's Capitol. After 3 years of restoration, the west front of the U.S. Capitol building has been successfully lifted. I rise today to recognize George M. White, Architect of the Capitol, and his staff, and Edward Cohen, partner in charge of Ammann & Whitney Consulting Engineers, of New York City, and his partners and staff for conquering all the obstacles and accomplishing this great feat in engineering.

After a 21-year debate between the House and the Senate, it was decided to restore rather than extend the west central facade of the U.S. Capitol Building. The Architect of the Capitol and Ammann & Whitney came up with a restoration program designed to return the west central facade to its original appearance and strengthen the existing elements to provide a safe, durable structure for the foreseeable future. The program entailed removal of up to 40 layers of paint from the sandstone walls; rebuilding and strengthening the walls, foundation, and porticos; and replacing disintegrated stone, windows, and carvings. This team of experts met the challenge and finished the projedct nearly 150 days ahead of its 3-year schedule and $21 million under its $50 million budget.

The Architect of the Capitol and Ammann & Whitney completed one of the most challenging restorations ever undertaken. The team's great skill, creativity, and resourcefulness are a winning combination. Their ability to work without original building plans while preserving the integrity of the U.S. Capitol Building demonstrate their extensive capabilities.

We, the Congress, share pride in having insured that this historic building will be standing proudly for future generations, and I am especially pleased that a New York engineering firm shares responsibility for this outstanding achievement.

Thank you Mr. President.●

ROBERT F. KENNEDY HUMAN RIGHTS AWARD

● Mr. KERRY. Mr. President, for the people of South Korea today is a day to rejoice. Two brave Koreans, Kim Kuen, Tae and his wife, In Jae Kuen, have been honored as the recipients of the 1988 Robert F. Kennedy Human Rights Award. Unfortunately, the pride which South Koreans feel must be tempered by sadness as neither Kim Kuen Tae nor In Jae Kuen could attend the awards ceremony. Kim Kuen Tae is in Kyongju Prison serving a 5-year sentence on trumped up charges of disseminating North Korean propaganda. In Jae Kuen was denied a visa to enter the United States despite personal appeals from the Secretary of State, the American Ambassador to South Korea, and Senator KENNEDY. While it is a shame that neither of these patriots could come to the United States and physically receive their award, the tribute to them remains undiminished.

Kim Kuen Tae is one of South Korea's best known political prisoners. The former president of the National Youth Alliance for Democracy, he attracted worldwide attention during his 1985 trial when he testified to beatings and torture endured over a lengthy period following his arrest. Under his leadership, the Alliance for Democracy emerged as South Korea's most important organization for students and workers interested in human rights and democracy.

In Jae Kuen is general affairs chairman of Minjahyop, an association of over 300 families that represents the relatives of over 80 percent of South Korea's political prisoners. She has been an eloquent spokesman for the rights of her husband and all political prisoners in South Korea.

It seems fitting that two such prominent South Koreans should be the recipients of the 1987 Robert F. Kennedy Human Rights Award. After all, the people of South Korea have taken extraordinary steps this year to democratize their country. Students, laborers, middle-class workers, and the clergy have all joined in the quest to transform their society. This December the first open elections in nearly two decades are to be held. South Korea is indeed on the threshold of democracy. It is therefore sad that the current government cannot bring itself to join in the spirit of openness and democracy by releasing Kim Kuen Tae and allowing he and his wife to accept this award.●

RECESS SUBJECT TO THE CALL OF THE CHAIR

The PRESIDING OFFICER. Under the previous order, the Senate will now stand in recess subject to the call of the Chair.

Thereupon, at 4:44 p.m., the Senate recessed, subject to the call of the Chair.

Whereupon, the Senate reassembled at 5:53 p.m., when called to order by the Presiding Officer [Mr. DASCHLE].

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, the distinguished Republican leader has no objection to the Senate going out now under the provisions of House Concurrent Resolution 220 and also these requests have been cleared on the other side.

ORDER PLACING MEASURE ON THE CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that House Joint Resolution 404, a joint resolution providing for a temporary extension of the FHA programs, be placed on the calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, NOVEMBER 30, 1987

RESOLUTIONS AND MOTIONS OVER, UNDER THE RULE

Mr. BYRD. Mr. President, I ask unanimous consent that no motions or resolutions over, under the rule, come over on Monday, November 30.

The PRESIDING OFFICER. Without objection, it is so ordered.

WAIVER OF CALL OF THE CALENDAR

Mr. BYRD. Mr. President, I ask unanimous consent that the call of the calendar under rule VIII be waived on Monday, November 30.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I do not believe morning business has been provided for on Monday, November 30; has it?

The PRESIDING OFFICER. The leader is correct.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that following the two leaders under the standing order on Monday, November 30, there be a period for morning business not to extend beyond 10:30 a.m. and that Senators may speak therein for not to exceed 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. BYRD. Mr. President, there is a rollcall vote ordered on Monday, November 30, on the nomination of Mr. James H. Burnley IV, of North Carolina, to be Secretary of Transportation. There will be 30 minutes of debate on that nomination. The Senate will begin the debate on the nomination at 4 p.m. on Monday, November 30, and the vote will occur at 4:30 p.m. on November 30, and as has already been ordered, I should say that the vote will be a 30-minute rollcall vote. So all Senators should be notified by their offices that there will be a rollcall vote at 4:30.

There may be other rollcall votes during the day, but let me say that that being a Monday, and the Senate has not been in on Mondays for a long time, but we are getting down, hopefully to the very last lap of the home stretch, we will be in on Monday, November 30. That being a Monday and being just at the end of a recess for a week, there will not be early votes scheduled that day. If we can get other business up, I would like to do it so that the time can be taken advantage of.

The adjournment resolution calls for a 10 o'clock convening on the morning of November 30. Now, I cannot change that by unanimous consent; I do not believe, can I?

The PRESIDING OFFICER. The majority leader is correct.

Mr. BYRD. So we have to come in at 10 a.m. The first vote, as I have already indicated, will occur at 4:30 p.m. and I would rather not see all of that time go by if work can be done. I would like to have work during the day and if votes are ordered, we will try to schedule those following the 4:30 vote on the nomination.

So I say that so that all Senators will be forewarned not only that there will be at least one rollcall vote that day, but hopefully there will be others. There will be other business transacted if at all possible, but the explanations will be in the RECORD as to why the vote or votes are being scheduled late on that day.

ADJOURNMENT UNTIL MONDAY, NOVEMBER 30, 1987

Mr. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the provisions of House Concurrent Resolution 220, that the Senate stand in adjournment until the hour of 10 a.m. on Monday, November 30, 1987.

The motion was agreed to; and, at 5:57 p.m., the Senate adjourned until Monday, November 30, 1987, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate November 20, 1987:

NATIONAL ADVISORY COUNCIL ON EDUCATIONAL RESEARCH & IMPROVEMENT

ROBERT LEE MCELRATH, OF TENNESSEE, TO BE A MEMBER OF THE NATIONAL ADVISORY COUNCIL ON EDUCATIONAL RESEARCH AND IMPROVEMENT FOR A TERM EXPIRING SEPTEMBER 30, 1990, REAPPOINTMENT.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 20, 1987:

DEPARTMENT OF EDUCATION

LINUS D. WRIGHT, OF TEXAS, TO BE UNDER SECRETARY OF EDUCATION.

DEPARTMENT OF DEFENSE

FRANK C. CARLUCCI, OF VIRGINIA, TO BE SECRETARY OF DEFENSE.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

DON W. WILSON, OF MICHIGAN, TO BE ARCHIVIST OF THE UNITED STATES.

U.S. POSTAL SERVICE

IRA D. HALL, JR., OF CONNECTICUT, TO BE A GOVERNOR OF THE U.S. POSTAL SERVICE FOR THE REMAINDER OF THE TERM EXPIRING DECEMBER 8, 1990.

THE JUDICIARY

ARTHUR L. BURNETT, SR., OF THE DISTRICT OF COLUMBIA, TO BE AN ASSOCIATE JUDGE OF THE SUPERIOR COURT OF THE DISTRICT OF COLUMBIA FOR A TERM OF 15 YEARS.

OFFICE OF PERSONNEL MANAGEMENT

FRANK Q. NEBEKER, OF VIRGINIA, TO BE DIRECTOR OF THE OFFICE OF GOVERNMENT ETHICS FOR A TERM OF 5 YEARS.

POSTAL RATE COMMISSION

WILLIAM H. LEBLANC III, OF LOUISIANA, TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION FOR THE REMAINDER OF THE TERM EXPIRING NOVEMBER 22, 1988.

MARINE MAMMAL COMMISSION

WILLIAM W. FOX, JR., OF FLORIDA, TO BE A MEMBER OF THE MARINE MAMMAL COMMISSION FOR THE TERM EXPIRING MAY 13, 1989.

FRANCIS H. FAY, OF ALASKA, TO BE A MEMBER OF THE MARINE MAMMAL COMMISSION FOR THE TERM EXPIRING MAY 13, 1988.

FEDERAL MARITIME COMMISSION

FRANCIS J. IVANCIE, OF OREGON, TO BE A FEDERAL MARITIME COMMISSIONER FOR THE TERM EXPIRING JUNE 30, 1992.

EXECUTIVE OFFICE OF THE PRESIDENT

THOMAS P. RONA, OF VIRGINIA, TO BE AN ASSOCIATE DIRECTOR OF THE OFFICE OF SCIENCE AND TECHNOLOGY POLICY.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

JACK EDWARDS, OF ALABAMA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE METROPOLITAN WASHINGTON AIRPORTS AUTHORITY FOR A TERM OF 6 YEARS.

DEPARTMENT OF STATE

THE FOLLOWING-NAMED CAREER MEMBER OF THE SENIOR FOREIGN SERVICE, CLASS OF CAREER MINISTER, FOR THE PERSONAL RANK OF CAREER AMBASSADOR IN RECOGNITION OF ESPECIALLY DISTINGUISHED SERVICE OVER A SUSTAINED PERIOD:

GEORGE SOUTHALL VEST, OF MARYLAND.

DEPARTMENT OF AGRICULTURE

ROLAND R. VAUTOUR, OF VERMONT, TO BE UNDER SECRETARY OF AGRICULTURE FOR SMALL COMMUNITY AND RURAL DEVELOPMENT.

ROLAND R. VAUTOUR, OF VERMONT, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE COMMODITY CREDIT CORPORATION.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS FOR APPOINTMENT IN THE REGULAR ARMY OF THE UNITED STATES IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 611(A) AND 624:

TO BE BRIGADIER GENERAL

COL. RICHARD A. BEHRENHAUSEN, [redacted] U.S. ARMY.

COL. JACK A. PELLICCI, [redacted], U.S. ARMY.

COL. MARVIN L. COVAULT, [redacted], U.S. ARMY.

COL. WILLIAM M. BOICE, [redacted], U.S. ARMY.

COL. ROBERT C. LEE, [redacted], U.S. ARMY.

COL. STEVEN L. ARNOLD, [redacted], U.S. ARMY.

COL. DENNIS P. MALCOR, [redacted], U.S. ARMY.

COL. JOHN R. LANDRY, [redacted], U.S. ARMY.

COL. FRED N. HALLEY, SR., [redacted], U.S. ARMY.

COL. JOHN A. LEIDE, [redacted], U.S. ARMY.

COL. ROBERT S. FRIX, [redacted], U.S. ARMY.

COL. ROBERT D. ORTON, [redacted], U.S. ARMY.

COL. ROBERT B. ROSENKRANZ, [redacted] U.S. ARMY.

COL. THOMAS C. JONES, [redacted], U.S. ARMY.

COL. WILLIAM M. MATZ, [redacted], U.S. ARMY.

COL. DENNIS L. BENCHOFF, [redacted], U.S. ARMY.

COL. NICHOLAS R. HURST, [redacted], U.S. ARMY.

COL. JOHN F. STEWART, JR., [redacted], U.S. ARMY.

COL. WILLIAM FEDOROCHKO, JR., [redacted] U.S. ARMY.

COL. RICHARD S. SIEGFRIED, [redacted], U.S. ARMY.

COL. DAVID E. COOPER, [redacted], U.S. ARMY.

COL. WILLIAM W. HARTZOG, [redacted], U.S. ARMY.

COL. DAVID J. BARATTO, [redacted], U.S. ARMY.

COL. FLOYD J. WALTERS, JR., [redacted], U.S. ARMY.

COL. FREDERICK E. VOLLRATH, [redacted] U.S. ARMY.

COL. JAMES R. HARDING, [redacted], U.S. ARMY.

COL. GARY L. BROWN, [redacted], U.S. ARMY.

COL. JAMES M. JELLETT, [redacted], U.S. ARMY.

COL. JOHN A. HEDRICK, [redacted], U.S. ARMY.

COL. ANSON W. SCHULZ, [redacted], U.S. ARMY.

COL. RICHARD F. KELLER, [redacted], U.S. ARMY.

COL. DENNIS A. LEACH, [redacted], U.S. ARMY.

COL. JOHN D. HOWARD, [redacted], U.S. ARMY.

COL. ROBERT G. SAUSSER, [redacted], U.S. ARMY.

COL. ROBERT L. STEPHENS, JR., [redacted] U.S. ARMY.

COL. LARRY G. LEHOWICZ, [redacted], U.S. ARMY.

COL. JOHN C. ELLERSON, [redacted], U.S. ARMY.

COL. KENNETH R. WYKLE, [redacted], U.S. ARMY.

COL. DAVID C. MEADE, [redacted], U.S. ARMY.

COL. RONALD V. HITE, [redacted], U.S. ARMY.

COL. ROBERT A. GOODBARY, [redacted], U.S. ARMY.

COL. THOMAS M. MONTGOMERY, [redacted] U.S. ARMY.

COL. DANIEL W. CHRISTMAN, [redacted], U.S. ARMY.

COL. ROBERT J. JELLISON, [redacted], U.S. ARMY.

COL. RICHARD E. DAVIS, [redacted], U.S. ARMY.

COL. WILLIAM J. SCHUMACHER, [redacted] U.S. ARMY.

COL. CARL R. MORIN, JR., [redacted], U.S. ARMY.

COL. JAMES M. LYLE, [redacted], U.S. ARMY.

COL. WILLIAM H. CAMPBELL, [redacted] U.S. ARMY.

COL. ROBERT T. HOWARD, [redacted], U.S. ARMY.

COL. JULIUS F. JOHNSON, [redacted], U.S. ARMY.

COL. MARVIN E. MITCHINER, JR., [redacted] U.S. ARMY.

COL. RICHARD G. LARSON, [redacted], U.S. ARMY.

COL. JONNIE E. WILSON, [redacted], U.S. ARMY.

COL. SAM A. GRAY, [redacted], U.S. ARMY.

COL. WILLIAM F. GARRISON, [redacted], U.S. ARMY.

IN THE AIR FORCE

AIR FORCE NOMINATIONS BEGINNING PETER D. ABLER, AND ENDING JAMES H. WRIGHT, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF OCTOBER 28, 1987.

AIR FORCE NOMINATIONS BEGINNING MAJ. JOHN F. AMMERALL, [redacted] AND ENDING MAJ. MARGARET A. HOLMES, [redacted] WHICH NOMINATIONS WERE RECEIVED BY THE SENATE ON NOVEMBER 9, 1987, AND APPEARED IN THE CONGRESSIONAL RECORD OF NOVEMBER 10, 1987.

IN THE COAST GUARD

COAST GUARD NOMINATIONS BEGINNING EDWARD A. HEMSTREET, AND ENDING NEAL B. THAYER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 30, 1987.

COAST GUARD NOMINATIONS BEGINNING THOMAS W. PURTELL, AND ENDING ROBERT J. FULLER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF SEPTEMBER 30, 1987.

IN THE MARINE CORPS

MARINE CORPS NOMINATION OF MARK E. YAPP, WHICH WAS RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF OCTOBER 28, 1987.

IN THE NAVY

NAVY NOMINATIONS BEGINNING ARTHUR C. BURNS, AND ENDING TIMOTHY J. BOND, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD OF OCTOBER 28, 1987.

EXTENSIONS OF REMARKS

FIGHTING DISCRIMINATION AGAINST ASIAN AMERICANS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. MILLER of California. Mr. Speaker, I want to bring to the attention of my colleagues the growing incidence of anti-Asian violence in our country. This tragic issue was the subject of a recent hearing in the Subcommittee on Civil and Constitutional Rights.

Asian Americans have long faced discrimination. From World War II detention camps to today's general attitude of exclusion and racial attacks, Asian Americans have endured a legacy of injustice. As Congressman MINETA testified at the subcommittee hearing:

> No matter how much Asian immigrants contributed, no matter how hard they worked, no matter how much they loved their new country, the first generation from Asia was seen as something apart from the mainstream of American life. And today's Americans of Asian and Pacific ancestry continue to be viewed as a people apart, no matter how long they or their families have been here.

I am submitting for the RECORD the complete text of Congressman MINETA'S statement and the remarks of Congressman MATSUI, who also participated in this extremely important hearing. Both statements superbly outline the problems millions of American citizens face each day.

I urge my colleagues to read them, and to join the battle to stop the shame of anti-Asian violence, abuse, and discrimination:

TESTIMONY OF HON. NORMAN Y. MINETA

Mr. Chairman, thank you for holding this hearing to discuss the vital issue of racial violence. I am honored to have the opportunity to address the subcommittee on this topic.

The goal of this great nation is equality and freedom for *all* of its citizens. This ideal has yet to be achieved. Unfortunately, the United States is no stranger to incidents in which hatred and intolerance have erupted in the form of harassment or violence or vandalism.

We are here today to discuss the experiences of one group, Americans of Asian and Pacific ancestry: a group which remains a target for much violence and abuse. Mind you, this is not to minimize attacks upon other individuals, individuals who become victims of violence merely because of their heritage or beliefs. All such attacks are appalling and destructive.

Worse still, acts of racial, religious, ethnic or sexual intolerance appear to be on the upswing. I say "appear to be," because we do not yet have hard facts about the scope of this problem nationally. I commend Mr. Conyers for his leadership in moving along the Hate Crimes Statistics bill, which will require the collection of the necessary data to find out the true incidence of racial, ethnic and religious crimes.

We do know, however, that among localities who have shown the foresight to collect statistics on such attacks, an alarming, increasing wave of hate crimes has been reported.

Our society can no longer ignore the widespread, and often unrecognized, incidence of harassment and violence against Americans of Asian ancestry.

Asians are the fastest growing group of immigrants to the United States, and they are feeling a backlash. Boats of Vietnamese fishermen in the Gulf of Mexico have been torched. Cambodian and Hmong refugees have been victims of beatings and vandalism. Last year, our own nation's capital was host to a string of fire-bombings of small Korean-owned neighborhood stores.

I am not here to present a poignant and painful list of such examples. I will leave to others the sad recitation of the catalogue of outbreaks of hate and racism. I *am* here to discuss why Americans of Asian and Pacific ancestry are targets of such hatred.

The violence and vandalism Americans of Asian and Pacific ancestry are experiencing now did not just mushroom into being: these roots are deeply embedded in our nation's history.

Many immigrants—not just those from Asia—faced discrimination and had to struggle for full acceptance in the mainstream of America. I am not discounting the barriers they faced. Yet the experience of Americans of Asian and Pacific ancestry is unique.

Well into this century, the Federal government both restricted immigration from Asia and outright prohibited Asians from becoming citizens. Asians were thereby excluded from political activity and limited in their ability to build a secure future and to play a full role in their community.

In places such as California, state laws were cut from the same jib as Federal laws and restricted further the rights and activities of Americans of Asian and Pacific ancestry. For example, it was no coincidence that California instituted laws prohibiting non-citizens from owning land at the time when Federal laws prohibited Asian immigrants from becoming citizens.

The most tragic manifestation of this government-instituted racism occurred in 1942. Without a charge filed, without a trial, without a chance to confront their accusers, 120,000 loyal Americans were rounded up and sent to camps. Half of those interned were citizens; the rest were legal resident aliens who were, as I said, unable to become citizens. They lost their homes, their businesses, and worst of all, they lost their constitutional rights. These Americans were evacuated and interned only because they were Americans of Japanese ancestry.

Our government did not incarcerate German Americans or Italian Americans. It only imprisoned Japanese Americans, from the smallest toddler to the most fragile grandmother. The Commission on the Wartime Relocation and Internment of Civilians said the internment was due to wartime hysteria, a failure of political leadership, and racial prejudice.

Today, we can see remnants of the jingoistic anti-Asian sentiment which was encouraged by our military involvements in Asia over the last generation.

Some of these events happened long ago; but the stigma of the government's "stamp of approval" of such discrimination remains powerful. These past policies walked hand-in-hand with society's general exclusionary attitudes toward Asian and Pacific Americans. To many people then and now, Americans of Asian ancestry are more Asian than they are American.

And this sad history continues to be reinforced by comments from some of our high-placed officials today.

When the Secretary of Commerce uses the term "J-A-P-S" to refer to the people of Japan, or when a U.S. Senator says, "Asians have no respect for life," they are not only expressing racist sentiments against Asians, they are sanctioning the expression of these racist feelings against Americans of Asian and Pacific ancestry.

No matter how much Asian immigrants contributed, no matter how hard they worked, no matter how much they loved their new country, the first generation from Asia was seen as something apart from the mainstream of American life. And today's Americans of Asian and Pacific ancestry continue to be viewed as a people apart, no matter how long they or their families have been here.

The immigrants who came just yesterday still face the same challenges of hard work and mistrust as those who came many years ago.

No one would doubt a black American's ability to speak or understand English. No one would question the loyalty of an American who happened to be Hispanic.

Yet, although my family has been in this country for more than 85 years, people still tell me with genuine surprise that I speak English remarkably well and without a trace of accent.

Although Senator Daniel Inouye should not need visible proof of his loyalty to the United States, he has such proof—he was wounded several times, and lost his arm while fighting in the 442nd Regiment—the Japanese American regiment—during World War II. This regiment received the most decorations and suffered the most casualties of any U.S. regiment in World War II. If ever one needed proof of loyalty, there it is.

Yet this evidence has not affected the people who have sent hate mail to this fine Senator. These calls and letters express not just political differences with the job he has done as chair of the Iran-Contra panel, but racial epithets and aspersions cast upon his loyalty as well.

As evidenced by the letters Senator Inouye has received, Americans of Asian ancestry are still seen as some kind of "enemy." As long as our nation accepts the precedent of the evacuation and internment, a shadow hangs over the honor and loyalty of 120,000 Americans.

So, when economic or trade conditions lead to tension with Asian nations, Americans of Asian and Pacific ancestry feel the backlash. The acceptance of Americans of

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.
Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

Asian ancestry rides a roller-coaster trip tied to our nation's relationship with the nations of Asia.

One night in Detroit several years ago, two unemployed auto workers were frustrated over the loss of their jobs, and blamed Japan for their unemployment. How did they express this frustration? They took a baseball bat and beat to death an American—for Vincent Chin's race made him not only an enemy, but somehow less than a United States citizen.

And our government institutions appeared to share that view. The men who killed Vincent Chin have yet to spend even one night in jail. It was a great struggle simply to get the Justice Department to bring his killers to justice.

I believe that with leadership from public officials, we can halt this history of discrimination and violence.

We must fight to prevent trade tensions from escalating to an explosion of racial animosity. Our leaders in government and elsewhere—especially corporate executives—must be careful in voicing their unhappiness with other nations. It is one thing to criticize another nation's harmful or unfair policies. It is quite another to stir up racial tensions or to descend into racist stereotypes and attitudes.

We must enact the Hate Crimes Statistics bill, and local law enforcement officials must be willing to recognize a pattern of harassment and terrorism, and realize that anti-Asian violence is both real and wrong.

And, although one would think that this would be obvious, many Americans need to be taught that Americans of Japanese ancestry have nothing to do with the policies of the government of Japan. Period. Americans of Asian ancestry have as much to do with the policies of Asian nations as Lee Iacocca has to do with the policies of Italy.

Americans of Asian and Pacific ancestry have struggled hard to reach the basic and unquestioned status of being, simply, all-American. But no matter how hard we have struggled, it never seems to be enough. Our nation's leaders, institutions and laws must join in rejecting racism in any form, and to fully affirm the rights and contributions of Americans of Asian and Pacific ancestry.

TESTIMONY OF HON. ROBERT T. MATSUI ON ANTI-ASIAN VIOLENCE

Mr. Chairman, today your subcommittee confronts the issue of anti-Asian violence. I applaud your efforts because the time to combat this despicable phenomenon is now. We can no longer turn our heads to the growing number of racially motivated crimes in this nation by calling them "isolated incidents." Too many such crimes are being committed against Asian Americans for that to be the case. The bottom line is that anti-Asian violence is increasing in this nation. What today is a pernicious problem could soon explode into a national tragedy.

Let me first emphasize that existing evidence does indeed show an increase in racially motivated crimes, known as "hate crimes". To cite some examples, the Los Angeles County Human Relations Commission reported that Asians were victims of 24 percent of the hate crimes committed in 1986, up from 14 percent in 1985. In Boston, Asians constitute three percent of the population but were victims of nearly one third of the attacks police considered racially motivated last year.

Since 1984, Korean businesses have been firebombed in Washington, D.C., and Korean merchants harassed in the Los Angeles area as a result of racial tension. Laotian refugees who settled in largely black West Philadelphia have been assaulted and seen their homes vandalized. Vietnamese fishermen have been brutalized in Texas, Florida, and California.

In the New York Times, Los Angeles Times, and the Wall St. Journal, in-depth stories have appeared documenting the countless examples of anti-Asian violence and the growth of that violence. The latest of these appeared in the Los Angeles Times under the headline, "Wave of Violence Against Asians Plagues the Nation," and I would like to submit the article for the record.

Mr. Chairman, despite the abundance of news accounts, only a fraction of the number of racially motivated acts of violence are actually being documented. For a variety of reasons, many Asians and Asian Americans are not reporting "hate crimes". One reason is that many hate crimes are being committed by people who came from totalitarian regimes where going to the police is simply not standard practice. Tragically, many of these immigrants also believe that the violence they face here is simply part of life in America. Language barriers have also proven a major obstacle in getting victims to come forth.

Equally important, only a few U.S. cities require the police to specify when a crime or act of violence is racially motivated. As a result, agencies and organizations that track hate crimes are forced to rely on those incidents that get reported in the newspapers.

Mr. Chairman, to understand anti-Asian violence today, we must view it in its historical perspective. Anti-Asian violence is not new to this nation, and it has occurred in the past for many of the same reasons we are seeing it today. As was the case in California in the second half of the 19th Century, a rise in Asian immigration and the perception that Asians are somehow taking away American jobs is fueling acts of violence. The unemployed steelworker who viciously clubbed to death young Vincent Chin suffered the same xenophobia and misplaced anger as those early white vigilantes who terrorized Chinese immigrants working on the Transcontinental Railway.

Aggravating the situation today, are American government and business leaders who inflame passions by gross sterotypes and oversimplifications. When a deputy U.S. Trade Representative refers to the Japanese as "Nippers" or when the chairman of a major U.S. auto manufacturer says that his goal is to "beat the hell of the Japs", tension is created and scapegoats are found. The result of these stereotypes—whether created by business leaders, public officials, or Hollywood—is that the public lumps all Asians together and the fact that an Asian may be American becomes of no consequence.

The problem of anti-Asian violence is therefore complex, often rooted in latent racist attitudes that are difficult to change. In high schools in Southern California, for example, white attacks against Asian students are increasing because of academic jealousy. Today's anti-Asian violence is also being sparked by our nation's economic rivalry with Asia and by an influx of immigrants who are perceived as competition for limited resources. Solutions, therefore, can only be found on a broad range of fronts.

In looking to an appropriate response, we can begin by enacting H.R. 3193, the Hate Crimes Statistics Act of 1987, introduced by Congressman John Conyers. There are at present no comprehensive, accurate and up-to-date statistics kept on the national incidence of hate crimes. We simply must know more about hate crimes and their frequency if we are to deal with this problem effectively. H.R. 3193 is a good first step. It would require the Attorney General to collect and publish statistics, for a period of five years, on crimes which manifest prejudice based on race, religion, sexual orientation or ethnicity. We simply must know more about hate crimes and their numbers if we are to respond to them effectively.

In Congress, we must encourage the productive efforts being started in communities throughout the nation to combat anti-Asian violence. Those efforts include the establishment of Hate Crime hotlines, liaisons between police departments and Asian communities, and support services for Hate Crime victims.

We must also consider legislation imposing stiffer penalties for hate crimes, including vandalism of religious institutions and houses of worship. These crimes are tragic and heinous in nature, and we should be prepared to make those responsible pay the price.

Mr. Chairman, our nation cherishes and protects the notion that all persons are created equal. We take pride and strength by the knowledge that we are a melting pot of cultures and backgrounds. Anti-Asian violence contradicts those principles and beliefs. It is committed by people who are motivated by a hatred of a person merely because of the color of their skin. We in Congress cannot tolerate these assaults because they are an attack on the very ideals on which our country rests.

IN COLOMBIA, DEATH IS ROUTINE AS POLITICAL VIOLENCE SOARS

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. GEJDENSON. Mr. Speaker, I would like to call to your attention the recent state of affairs in Colombia. On October 11, 1987 Jaime Pardo Leal, the head of the Patriotic Union Party was killed by three unidentified assassins. This incident marks the rising tide of political and criminal violence that has been growing since 1985.

Since its founding, the lives of 450 leaders of this party as well as 11,000 others have been taken. There is widespread concern of a resurgence of the bloody era known as "La violencia" of 1948–58 when more than 200,000 people were killed following the assassination of populist leader Jorge Eliecer Gaitan. The struggle for political power between the Patriotic Union Party and the two traditional parties, the Liberal and Conservative parties, is seen to be at the core of the killings.

Mr. Speaker, I ask that two articles on Colombia's troubles be inserted today into the CONGRESSIONAL RECORD. The first article appeared in *The Christian Science Monitor* on October 15, 1987. The second is from *The Wall Street Journal* of November 17, 1987. I hope that our colleagues will have a chance to read both of these compelling articles.

[From the Christian Science Monitor, Oct. 15, 1987]

In Colombia, Death Is Routine As Political Violence Soars

(By Merrill Collett)

BOGOTA, COLOMBIA.—The gate is open to the mansion owned by former Foreign Minister Alfredo Vázquez Carrizosa. Mr. Vázquez himself answers the door with no obvious concern that his name has appeared on a death list.

"You have to go on living," he says. "You can't stay shut up inside your house."

Death threats and death itself have become routine for those who, like Vázquez, favor opening Colombia's tightly controlled two-party system to allow in a third political party linked to leftist guerrillas. There is evidence that elements in the Army have unleashed a "dirty war" against the left.

Since the founding of the party in 1985, assassins have murdered more than 450 leaders of the Patriotic Union Party (UP). The most recent target was UP leader, Jaime Pardo Leal, who was killed Sunday. The country's oldest and largest guerrilla group, the Revolutionary Armed Forces of Colombia (FARC), created the Patriotic Union to run candidates in last year's congressional and presidential elections. Since then, four of 14 UP congressmen have been killed.

Authorities have jailed no suspects in any of the killings. But a report last month by Amnesty International accused security forces and their civilian accomplices of murdering more than 1,000 people.

Last year, Amnesty International accused authorities of complicity in 600 deaths in the first half of 1986. And former Attorney General Carlos Jimenez said security forces had mounted a campaign of "official violence." In August, the killer of a UP mayor was found with a gun permit signed by a captain in the Army's intelligence division. The captain claimed the permit was forged.

The Permanent Committee on Human Rights, lead by Vazquez, says a rising tide of political and criminal violence claimed 11,000 lives in Columbia in 1986.

There is widespread concern Colombia is on the threshold of another bloody epoch like "La Violencia," when more than 200,000 people died in a decade of slaughter set off by the assassination of populist leader Jorge Ebecer Gaitan in 1948.

In sheer numbers, street crimes, drug trafficking, and personal disputes account for more than 90 percent of current homicide victims, according to a recent government authorized study. But Vazquez and others say the struggle for political power is at the core of the killings, just as it was during "La Violencia." Vazquez calls it "an offensive against traditional democratic methods" against the leaders of the UP.

"They're talking about a series of perfectly normal reforms," said Vazquez, a member of the Conservative Party. "It's a totally unjustified violence."

The UP's main reform is the opening of Colombia's tightly controlled two-party system to accept the UP as a third contender for political power. During the last 150 years the Liberal and Conservative parties have used ballots and bullets to consolidate political power.

Former President Belisario Betancur challenged the system by beginning peace talks with the guerrillas in 1982. These peace talks led to a cease-fire between the Army and the FARC, and to the formation of the UP.

There are four main guerrilla groups in Colombia with about 6,000 armed members. The Moscow-line FARC has about two-thirds of these members. Mr. Betancur allowed the FARC to keep its weapons—a decision bitterly opposed by the Army general staff—and FARC leaders now are saying they will abandon the cease-fire if the UP killings continue.

Vazquez and others who say a dirty war is under way see great significance in the murder of revered human rights activist Dr. Hector Abad Gomez. Abad was a Liberal Party candidate for mayor of Medellin whose appeal was widespread and nonpartisan.

Four years ago former Attorney General Jimenez linked 59 duty officers to national death squads founded by drug traffickers, but the Defense Ministry dropped the matter. Mr Jimenez's name was included on a recent death list.

[From the Wall Street Journal, Nov. 17, 1987]

In Colombia, Killings Just Go On and On

(By Mary Williams Walsh)

BOGOTA, COLOMBIA.—Jaime Pardo Leal had been getting death threats almost daily, but on the Friday before Columbus Day, the leader of the left-wing Patriotic Union opposition party gave his bodyguards the holiday weekend off. On Sunday, three strangers machine-gunned him to death. In the riots that followed, at least 11 more people were killed.

The tide of murder is rising in Colombia. Union leaders, judges, doctors, city councilmen and even children are being gunned down with almost monotonous regularity. One man was shot to death in his hospital bed as he recovered from bullet wounds. A 14-year-old girl who had witnessed a grenade attack in an ice-cream parlor was riddled with bullets on her way home from church.

People used to blame drug lords or political radicals for all the bloodshed. "But it's more than that," says Clara Lopez, a Bogota city councilwoman. "They kill beggars, homosexuals, petty thieves, labor leaders, civic leaders, teachers, priests. We have a dirty war that doesn't respect anybody."

The killings make Colombia a puzzle: It is the rare Latin American debtor nation that seems to do practically everything by the book, paying its foreign debt on schedule, courting foreign investment, opening up its polls to opposition parties. The economy is expected to grow about 6% this year, and unemployment is falling.

A WAY OF LIFE

The unpleasant truth seems to be that Colombian violence has become a national habit, almost a way of life. So endemic is it that an entire field of study has sprung up around it, populated by analysts called *violentologos*—people who study violence. One such analyst, Gonzalo Sanchez, theorizes that the "infrastructure" of death—informants, hitmen, private armies—was set up years ago by Colombia's celebrated drug traffickers. By the time someone decided to start killing social critics, the apparatus was already in place.

Mr. Sanchez fears that the spread of political slayings, in turn, is creating a climate of bloodshed that encourages the killings of crime and passion that have haunted Colombia for decades. "People are beginning to solve all the problems of everyday life with violence," he says.

Statistics bear out his observation. Police reported some 14,000 murders in Colombia last year. In a population of about 28 million, that works out to one killing for every 2,000 people, the highest ratio in the world for a country that isn't at war.

Americas Watch, the human-rights watchdog group, says about 1,000 of those were political assassinations. The government recently released a list of about 140 Colombian vigilante groups and death squads, with names like Rambo, the Crickets, and Death to Anti-Socials, Unionists and Communists.

Anonymous death lists have been circulating here since summer, bearing the names of Patriotic Union members, human-rights workers, reporters, a former attorney general and even a soap-opera actress. Political activists get black velvet condolence cards in the mail, with their own names typed inside. Some get dolls with red gashes painted on their necks.

Garbage-pickers are torched while they sleep in their carts. Homosexual street-walkers say they have been stalked for the past six months by killers in a black car, who leave pamphlets calling Bogota "the land of men." Minor traffic disputes end in the blaze of gunfire.

Says Mr. Sanchez, the analyst, "We're not going into a civil war. We're not going into a revolution. We're heading into complete anarchy."

It wouldn't be the first time. From 1948 to 1953, Colombians endured a bloodbath they now call, simply, *la violencia*. That undeclared civil war was touched off by a single murder: A populist politician was gunned down in the heart of Bogota, poor people rallied, the police mutinied, and the army went in shooting. In the years that followed, the dead man's allies and opponents—lined up in Colombia's two major parties, the Liberals and the Conservatives—attacked each other and avenged each other's deaths. Historians estimate 200,000 people died.

A SPLIT OF 50-50

In 1957, the warring politicians agreed to form a coalition government. For the next quarter-century, Liberals and Conservatives traded off the presidency every four years. They split all cabinet posts and governorships 50-50. The governors appointed the mayors.

The agreement quelled the killing, but it offered little for anyone who wasn't a Liberal or a Conservative. For nearly three decades, whole regions were forgotten by the central government and left without roads, electricity or drinking water. Guerrillas moved in, robbing banks, hijacking trucks, opening jails, extorting and kidnapping the rich.

The government in power from 1978 to 1982 took a hard line against the guerrillas. The next government, from 1982 to 1986, tried a cease-fire, but it unraveled. The current administration of Virgilio Barco Vargas has decided to counter the rebellion with an assault on rural poverty. It is also liberalizing the political system, announcing that in 1988, for the first time in history, Colombians will be able to elect their own mayors. Since then, the biggest guerrilla group has come out into the open, forming the Patriotic Union, whose leader was killed on the Columbus Day weekend. And the killings have surged.

Vilam Velasquez's husband, Rafael, was a guerrilla. When the government turned conciliatory, she says, he took it at its word and returned to civilian life. He even wrote a short story about a subversive who turns in his gun; he entered the story in a fiction contest and won a cash prize.

Then one day, plainclothes police picked him up and drove him around the city, asking questions. "When they let him out of the car, they told him to be careful because something terrible might happen to him," she says. A few days later, Rafael disappeared. Two weeks after that, Ms. Velasquez gave birth to their daughters. Today she still carries in her purse a battered letter he wrote his unborn child. "There are many cases like mine," she says.

But none of the killings has ignited Colombians like that of Mr. Pardo, the Patriotic Union leader. Within hours of his death, working-class protesters filled the streets of Colombia's slums and villages. They lit bonfires, smashed windows and threw stones at police.

"The attorney general, the president—they know who's doing this, but there hasn't been a single arrest," says one late-night protester, the flames of a bonfire reflecting off his face. "They don't really want democracy. They want to keep Colombia the way it is."

Far from the protests, on a hillside overlooking the city, a successful Bogota businessman sits in an easy chair, listening to the fray on his police radio. Light music oozes from his tape player. An Uzzi submachine gun gleams on the shelf.

"We are on the doorstep of the civil war," he says. "I think the Colombian political class has been sleeping on its own power, just as the czars in Russia slept on their feather beds."

As he talks, his wife and two teen-age daughters hurry in from the rain and kiss him on the cheek. The mother reports that all the shops were closed and she couldn't find any bread. He chats with her briefly, then resumes his political analysis. "We have a dirty war—exactly the same as in Argentina," he says. "It isn't acceptable, but it's understandable." And what should the government do about the murders? "Nothing," says the businessman. "An eye for an eye."

ALCOHOL FUELS CAN HELP NONATTAINMENT AREAS MEET CLEAN AIR STANDARDS

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. DURBIN. Mr. Speaker, the Environmental Protection Agency announced recently that 14 metropolitan areas in our country, including Chicago, Cleveland, Atlanta, Dallas, Denver, and Los Angeles, will not meet a December 31, 1987, deadline for reducing air pollution. Those areas will be subject to sanctions that include a ban on any new power plants and certain kinds of industrial facilities, because of their failure to reduce carbon monoxide and ozone emissions to levels specified in the Clean Air Act.

In addition to the 14 metropolitan areas identified so far, as many as two dozen additional areas will probably be identified by the end of the year as being subject to sanctions. These sanctions will have a substantial impact on the regional economies of these areas, slowing economic growth and hampering the creation of new jobs that depend on industrial construction or expansion.

I would much rather see these cities reduce their carbon monoxide and ozone levels and continue their economic growth than continue with their high levels of air pollution and suffer Federal sanctions as a consequence. Unfortunately, many of these metropolitan areas have not taken the steps necessary to reduce their air pollution levels.

Mr. Speaker, I would like to focus the attention of my colleagues today on a strategy that can be used by nonattainment areas to reduce automobile emissions, which are the largest source of air pollution. The strategy involves mandating the use of alcohol fuels in nonattainment areas. This strategy is already being considered by several States and should be examined carefully by others.

The State of Colorado has led the way in this field by deciding to mandate the use of oxygenated fuels such as ethanol blends during the winter months. In a Denver area, the carbon monoxide problem is so bad that the Rocky Mountains, which rise majestically outside the city, frequently cannot be seen. After carefully examining the options and researching the beneficial effects of ethanol-blended gasoline, the Colorado Air Quality Control Commission concluded that mandating ethanol blends would produce a far greater reduction in carbon monoxide emissions than any other step they could take.

A study by the Colorado Department of Health demonstrated that the use of ethanol blends reduces auto emissions by 24 percent to 34 percent, depending on the type of emission equipment on the car. After a great deal of analysis, the Enivornmental Protection Agency has concluded that the use of ethanol blends can reduce overall ambient carbon monoxide levels in the Denver area by around 20 percent. Other high-altitude cities can expect similar reductions, and even low-altitude cities can obtain reductions about two-thirds as great as high-altitude cities.

Meanwhile, another alcohol fuel, methanol, can provide substantial reductions in the hydrocarbon emissions that are precursors to ozone. There are some technical obstacles to the use of methanol in gasoline blends, but vehicles that run on neat or 100 percent methanol are already helping to reduce ozone levels in many large cities. The State of California is encouraging the use of methanol in fleet vehicles because of the substantial reduction of ozone precursors that can be achieved.

Mr. Speaker, for my colleagues who represent localities that may be subject to EPA sanctions in the near future, there is a simple action they can take in response to the serious air pollution problems experienced by their constituents. They can encourage their State and local governments to take a look at Colorado's actions. They can encourage them to consider mandating the use of alcohol fuels to help clean up the environment.

It will be a great day when the EPA announces that sanctions are no longer necessary because our urban areas meet national air quality standards. We can hasten that day by encouraging the use of alcohol fuels.

IN HONOR OF JUDGE HARRY PREGERSON

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. LEVINE of California. Mr. Speaker, I rise today to salute a distinguished jurist and strong American, Harry Pregerson, who has served on the Federal bench for 20 years. Judge Pregerson is being honored by the American Friends of Hebrew University with its prestigious Louis D. Brandeis Award for the standards of excellence he has set and for the contributions he continues to make to American jurisprudence.

Harry Pregerson was born and raised in Los Angeles and attended Roosevelt High School, where his leadership abilities were first recognized as student body president. He went on to UCLA and graduated in June 1947 with a B.A. degree. He again was elected student body president from June 1943 to February 1944. Like many Americans of this time, Judge Pregerson's college education was interrupted by World War II. When called by his country, he served in the U.S. Marine Corps Reserve as a first lieutenant. Harry Pregerson was awarded the Purple Heart Medal for gunshot wounds sustained during the battle of Okinawa in May 1945.

Judge Pregerson attended the school of law at the University of California, Berkeley—Boalt Hall—and received his LL.B. degree in June 1950.

Throughout all his endeavors Harry Pregerson has had the support and love of his family. He was married in 1947 to Bernadine, who is now professor of microbiology at Pierce College in Woodland Hills. They have two children: Dean Pregerson, an attorney in Los Angeles; and Kathryn Ann Pregerson Rodan, a dermatologist in Fremont, CA.

Harry Pregerson has an impressive background of philanthropic, civic, and professional accomplishments. He is a member of the community relations committee of the Jewish Federation Council, a board member of the Marine Corps Reserve Toys for Tots Program, president of the San Fernando Valley Chapter of the Marine Corps Reserve Officers Association, member of the advisory board of International Orphans, Inc., and member of the advisory board of Jewish Big Brothers Association.

As a jurist Harry Pregerson has been asked to represent his colleagues on many occasions, most recently serving as a panelist for the California Continuing Education of the Bar, Ninth Annual Federal Practice Institute, on "Appellate Practice and Procedure." He has also served as a panelist for the International Academy of Trial Lawyers on a panel which addressed the question, "Will the Judiciary Be Ready for the 1990's, or Even the Year 2000?" and he has provided professional service as a speaker for the Los Angeles Chapter of the Federal Bar Association on the topic of "Bridging the Gap in Federal Court."

Judge Pregerson has been the recipient of many distinguished awards, including the Honorary Big Brother of the Year by the Catholic

Big Brothers of Los Angeles and Jewish Big Brothers of Los Angeles, an Appreciation Award from the International Academy of Trial Lawyers, the Winston Crouch Award of the American Society of Public Administrators, and the Professional Achievement Award of the Los Angeles Athletic Club.

Before serving as a circuit judge for the U.S. Court of Appeals for the Ninth Circuit, Judge Pregerson was a district judge of the U.S. District Court for the Central District of California, judge of the Los Angeles Superior Court, judge of the Los Angeles Municipal Court, and a partner in the law firm of Pregerson & Costley in Van Nuys.

Judge Harry Pregerson's following statement of professional achievements gives us insight into his effectiveness and compassion as a jurist: "I have served as judge for over 22 years. During these years I have handled thousands of cases. I have achieved my most important accomplishments, however, in those cases dealing with civil rights, consumer protection, employment discrimination, environmental protection, freedom of speech and press, fair housing, immigrants' rights, labor law, Native Americans' rights, race relations, and women's rights issues," stated Judge Pregerson.

It is a pleasure to bring Judge Harry Pregerson's outstanding record of public service to the attention of my colleagues in the House of Representatives and I ask that they join me in paying tribute to him.

EXEMPTING THE CHRISTA McAULIFFE FELLOWSHIP FOR TEACHING EXCELLENCE FROM TAXATION

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. PANETTA. Mr. Speaker, I rise today to introduce with my distinguished colleagues, Representatives WYDEN, JEFFORDS, and GOODLING, legislation that would exempt the Christa McAuliffe Fellowships from inclusion as gross income for purposes of taxation. As you know, this fellowship program for outstanding teachers was established in honor of Christa McAuliffe, an exceptional teacher who tragically lost her life in the explosion of the space shuttle, *Challenger.* Had she completed her mission, she would have traveled throughout the country for a number of months afterward, in effect making her assignment a year-long mission to use what she had learned in the space program to help improve education nationwide. The Christa McAuliffe Fellowship is intended to enable a small number of teachers, chosen after a thorough evaluation process, to be able to do this in their own districts. I am honored to be given the privilege of introducing this legislation with Mr. WYDEN, as he was the original sponsor of the McAuliffe Fellowship.

In addition to generally feeling that money from this particular fellowship should not be included as gross income for taxation purposes, I have a special personal reason for being concerned about this matter: one of the 114 recipients of the fellowship, Ms. Amy Ish, resides in Salinas, in my district, and I have become acquainted with the difficulties she is experiencing. While Ms. Ish is certainly honored and excited to have been chosen as a recipient, her enthusiasm was tempered somewhat when she found out that the fellowship, which she had initially thought would be tax-free, would probably add significantly to her family's tax burden. Although Ms. Ish of course fully believes, as do I, that all Americans should pay their fair share of taxes, she is finding herself, along with a number of other fellowship recipients, in the situation having her and her family's tax burden unexpectedly and significantly increased because of the fellowship money than she would be without it. It was not the intention or expectation of the authors of this legislation that the award would be considered taxable like ordinary income. The fact that it is now considered fully subject to taxation could act as a major disincentive in future years against even accepting the fellowship, a situation that would truly be sad.

In addition to the above, why should the Christa McAuliffe fellowship not be included for taxation purposes? After all, are not many other Government fellowship programs subject to taxation like other income? A look at the McAuliffe Fellowship shows that it is unique in a number of ways. First, it is the only fellowship specifically awarded by the Federal Government for outstanding teaching. While there are other fellowships, such as the Paul Douglas Teacher Scholarship, intended to encourage persons to become or remain teachers, the McAuliffe Fellowship is the only one specifically intended to honor outstanding teachers for achievement in their field.

Second, while a fellowship recipient has fairly wide latitude in deciding how to use the funds, there are definitely requirements and expectations as the purpose of the fellowship, both during and after the year for which it is specifically awarded. The types of projects for which fellowship recipients may use the funds include: sabbaticals for study, research, or academic improvement; consultation with or assistance to other school districts or private school systems; development of special, innovative programs; or model teacher programs and staff development. The teachers who are receiving the fellowships are all dedicated professionals, and over 75 percent are using their grants totally or in large part for hands-on projects in schools, often in their own schools and communities. In my district, Ms. Ish is planning to use her funds for an exciting project using "American Heroes" as the focus for an integrated, multidisciplinary approach to teaching fifth grade American history. She plans to work actively with students and fellow teachers throughout Salinas and the surrounding area during her entire year.

Third, a fellowship winner's obligation is by no means complete after their year is finished. Recipients of the fellowship are required to return to their current school district or teaching position for at least 2 years after their "fellowship year" is completed, or they will have to repay the award in its entirety to the Federal Government. While those chosen for the fellowships would probably be likely to remain in their communities after the first year anyway, this provision helps ensure that the benefits of their fellowship projects, and increased overall knowledge, will extend well beyond the first year itself.

Fourth, unlike numerous other fellowships, this one is not intended mainly to help the recipient continue education. If the funds were used directly for that purpose, the fellowship would be exempt from taxation and the problem would be solved. However, as was already mentioned, most recipients are using the funds largely for creative, hands-on projects in the classrooms and schools they know and love, not for coursework. The fellowship program was, as you know, authorized before the Tax Reform Act of 1986, and Mr. WYDEN, and the other originators of the McAuliffe Fellowship program here in Congress, were under the expectation that the recipients would not have their tax burden increased as a result of receiving the fellowship. Had it been written afterward, and therefore with another expectation regarding taxation, the program would definitely have been written in a different manner to take this into account.

Mr. Speaker, we all know that improving our Nation's education system is a goal of greatest importance to this Nation. Giving recognition to outstanding educators, and, more importantly, the opportunity for them to enrich their knowledge and that of their schools and colleagues, should be a key part of this process. The Christa McAuliffe Fellowship, established in honor of a creative, dedicated, and courageous educator who gave her life for the sake of expanding knowledge, takes an important step in this direction. This bill, by exempting the fellowship from consideration as income for taxation, would preserve the program as it was written and intended, and would cost the Federal Government very little in lost revenue. I therefore urge my colleagues to support this relatively small but important piece of legislation.

ASSURANCES CONCERNING THE SALE OF F-15'S TO SAUDI ARABIA

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. HAMILTON. Mr. Speaker, on November 12, 1987 National Security Adviser Frank C. Carlucci sent a letter to Senator PELL, chairman of the Senate Foreign Relations Committee, regarding the conditions under which the sale to Saudi Arabia of F-15 attrition aircraft and the Multi-Stage Improvement Program [MSIP] for existing F-15 aircraft would be made.

A copy of that letter was transmitted to me by the National Security Council. The text of the letter follows:

THE WHITE HOUSE,
Washington, November 12, 1987.

Hon. CLAIBORNE PELL,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: During discussions with you and members of your committee, as well as other Senate leaders, a number of questions were raised regarding the conditions under which the sale to Saudi Arabia of F-15 attrition aircraft and the Multi-Stage Improvement Program (MSIP) for existing F-15 aircraft would be made. I would like to reiterate the assurances which we agreed would condition this sale.

As you know, the Saudis have used the F-15 in a responsible and capable manner, providing the principal element in the defensive shield against Iranian air incursions against Saudi Arabia and other Gulf states. The Administration has now notified the Congress of its intent to sell twelve additional F-15C/D aircraft to Saudi Arabia, two to replace planes lost to date and an additional ten aircraft in anticipation of future attrition replacement requirements. The estimated value of this sale is $502 million.

I wish to confirm my assurance that the in-Kingdom strength of F-15 aircraft will not exceed sixty, as authorized by the Congress in the original sale. Delivery of two aircraft will be made as soon as possible to replace two F-15s which have already been lost. The Government of Saudi Arabia has agreed that the remaining ten aircraft will be retained in the United States, at their expense, until needed for actual replacement on a one-for-one basis.

The Government of Saudi Arabia has reaffirmed that it has no aggressive intentions against any state, that it will use the F-15 aircraft only in furtherance of its legitimate self-defense, and that it will not employ the aircraft offensively. The Saudi Arabian Government has similarly assured us that it will not transfer the F-15 aircraft to any third country or permit the nationals of such country to train on the F-15 aircraft, serve as pilots, or otherwise to have access to the aircraft without the authorization of the United States. The assurances regarding the basing of F-15s within the Kingdom will remain in effect.

Questions were also raised on whether MSIP would provide Saudi Arabia with an increased ground attack capability. I want to assure you that MSIP will not in itself markedly increase F-15 combat capability. The Saudi MSIP will be specifically tailored to comply with assurances provided at the time of the original F-15 sale. Since the Saudi F-15s are not used in the same multiple roles as those of the USAF, the Saudi MSIP will not include some upgrades planned for U.S. Air Force F-15s, such as the state-of-the-art AN/APG-70 radar, which is designed for the ground attack mission.

While MSIP modifications would provide hardware changes necessary to accommodate more advanced "smart" weapons, the sale of such weapons would remain subject to Congressional review. In addition, Saudi F-15s will not be able to utilize such weapons until separate software changes are made to the onboard computer systems. The security of these systems is such that the software changes can only be performed by the USAF. Saudi Arabia has not requested nor do we intend to sell any other systems or armaments that would enhance the ground attack capability of the F-15.

In sum, I believe these sales serve and protect the national security interests of the United States at a time when Saudi Arabia faces very real threats and is actively helping us in the Gulf. I can assure you that these sales will not alter the military balance in the region, nor will they introduce a fundamentally new military capability. On the contrary, we seek only to maintain current levels of Saudi weaponry and make routine upgrades or provide replacements of existing systems as necessary.

I hope the foregoing information will be helpful and that you and the members of your committee will join in support of the Administration's current proposals as we seek to maintain and strengthen security cooperation for the future.

Sincerely,

FRANK C. CARLUCCI.

SPEECH BY THE HONORABLE ANDY JACOBS

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. SHARP. Mr. Speaker, on Veterans Day, my distinguished colleague from Indianapolis, ANDY JACOBS, was grand marshall for the city's annual Veterans Day celebration.

His speech was of honor and remembrance of those who made the supreme sacrifice so that our Nation can remain free.

Because of the eloquence of his remarks and their message, I would like to share his speech with the rest of the House of Representatives.

REMARKS BY CONGRESSMAN ANDY JACOBS, JR., VETERANS DAY MEMORIAL SERVICE, NOVEMBER 11, 1987

"In a just world," wrote Homer, "there would be no need for valor." On the cusp of the eleventh hour of the eleventh day of the eleventh month of the two hundred eleventh year of the Republic, in a bleak week, the clouds parted, the sun shone and God smiled on the few, the very few, who came to this hallowed place to remember. To remember those who went forth to do their duties as defined by the duly constituted authorities of the land we love. To do their duties to endure the mud, the snow, the exposure, the loneliness, the fire, the thunder, the chaos, the bone-chilling terror, the torture and, for many, the unspeakably horrible deaths which ended their worlds, their dreams, their hopes and their ambitions. The philosopher said, "Civilization progresses because young men die for their countries and old men plant trees under which they will never sit."

Once upon a time, in the place of their memories, there were laughing, breathing, loving people, our fellow and fallen citizens. To give one's life for one's country is love than which there can be no greater. Valor is a beautiful thing, which should not be wasted on unworthy public officials who seek self-aggrandizement through unnecessary war, who seek to be vicarious heroes by wasting forever the lives, the very beings, of brave men and women, some of whom are here today as members of the loyal armed services of the United States.

God grant that we be worthy of the supreme sacrifice of those we profoundly honor here today, that we be granted the wisdom to match their courage, the wisdom to choose national leaders with sufficient vision and integrity to accept the simple and well-known truth that if our marvelous nation ever goes to war again, it should be because we have to, not just because we have a chance to.

Thy will be done, Almighty God.

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123 VOTES FOR AFGHANISTAN

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. GEJDENSON. Mr. Speaker, regretfully, December of this year will mark the eighth anniversary of the Soviet invasion of Afghanistan. The brutal occupation of this country is a tragedy of monumental proportion. Nearly one third of Afghanistan's population has fled the war and is now living in squalid, overcrowded refugee camps in Pakistan and Iran. Mr. Speaker, the toll of the occupation and the war on the children is particularly devastating; they are blown apart by explosive toys dropped from Soviet planes, they are forced to spend their childhoods in dismal camps and they then grow up to fight in a horrible war against massive occupying forces.

Mr. Speaker, I hope that we will all continue to state our most vehement opposition to the occupation of Afghanistan and today I would like to have an editorial from The Washington Post inserted into the CONGRESSIONAL RECORD. The editorial, dated November 18, 1987, is as follows:

123 VOTES FOR AFGHANISTAN

The new face Mikhail Gorbachev has put on Soviet foreign policy came up for judging in the United Nations the other day. The Soviets had spent a year preparing to blunt the annual condemnation they receive for their aggression in Afghanistan. Having anticipated last November the withdrawal of Soviet troops "in the near future," Mr. Gorbachev had licensed the Soviet press to spread publicly—and Soviet diplomats to spread privately—hints of discontent with the war and of readiness to consider a political compromise to end it. Moscow's man in Kabul, Dr. Najib, had launched a program of "national reconciliation" and had spruced up some of the prisons enough to permit a first on-site inspection by a U.N. human rights investigator. A deflecting resolution was prepared for the General Assembly debate.

The whole effort collapsed. A year earlier, 122 nations had demanded immediate Soviet withdrawal. This year the figure was 123. There are political stirrings on the Afghan scene, and the human rights investigator, Austrian Felix Ermacora, found "some improvements" in government-controlled areas. To most people in Afghanistan, however, the Soviets remain brutal invaders, and the Afghans they have tried to prop up remain without legitimacy. To most members of the General Assembly, the Soviets are still killing in a foreign country. The ambassador of Iran, which the Kremlin is assiduously courting in another context, found the United Nations text weak—for one thing, he complained, it did not name "Soviet aggressor forces"—but noted that an invasion of one Islamic country constitutes an attack upon them all.

Mr. Gorbachev, it is said, needs a face-saver: a great power cannot simply call it quits, cut its own losses and abandon (or carry out to safety) Afghans who relied on it and whom it used. It is precisely the search for a face-saving middle ground, however, that now sustains the war. The Soviets have one possible alternative—hoping that Afghan bombs or American antinuclear passions will limit the crucial support that Pakistan provides to the Afghan resistance. But otherwise they cannot avoid recognizing the dead end to which their own past choices have brought them. The United States pledges—and the logic of the situation reinforces the pledge—not to exploit a Soviet withdrawal for American strategic purposes. The Kremlin, however, must withdraw.

HEALTH CARE COVERAGE

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. DURBIN. Mr. Speaker, the discussion on safeguarding the elderly against the financial devastation of a catastrophic illness is now in full swing.

The administration's current plan represents an encouraging first step. But clearly, our efforts must go beyond coverage of the over-65 population.

There are over 37 million Americans uninsured for even basic health care coverage of which, 36 percent are children. Of the 13 million children living in poor or near-poor households, one in three have no insurance or are insured only part of the year.

The lack of insurance impacts the life of a child early on. The largest single portion of hospitals' uncompensated care costs is for neonatal intensive care. According to the Select Panel for the Promotion of Child Health, early prenatal care lowers the incidence of mortality and low birthweight infants by more than 25 percent. And yet, one in three working women do not have basic coverage. Furthermore, one in three women of childbearing age have no health insurance. Poor prenatal care can contribute to a host of problems that may follow a child throughout life.

By providing basic health care coverage for the uninsured and underinsured, we can cut down on the high level of uncompensated care, we can cut down on infant mortality, and we can even cut down on catastrophic health care expenses. Our discussion of providing peace of mind for the elderly is vitally important. However, it is only the initial step. We must go beyond the current discussion to also address the need to provide the uninsured population with affordable and decent health care coverage.

IN HONOR OF SIMHA AND SARA LAINER

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. LEVINE of California. Mr. Speaker, I rise today to honor Simha and Sara Lainer, dedicated and loving people, as they are honored by the Fellowship Society of the University of Judaism at the Twenty-Third Annual Fellowship Breakfast on Sunday, December 6, 1987.

Simha and Sara Lainer are a truly unique and beloved couple dedicated to the enrichment of Jewish culture and Jewish family life. For more than 30 years the Lainers have immersed themselves in the welfare and betterment of our community. Their devotion in many organizations and movements, especially the University of Judaism, has helped the Los Angeles Jewish community to flourish.

Sara's involvement in Jewish education began many years ago in Mexico City as a teacher at the Jewish Teachers Seminary and on the board of the curriculum committee of the Yiddish Day School. Since her move to Los Angeles, Sara has continued to dedicate herself to Jewish enrichment. Her participation in such organizations as Hadassah, Pioneer Women, General Israel Orphans Home, Yiddish Culture Club, Histadruth Ivrith, and Chug Hatanach (Bible Society) demonstrate her commitment to the future of Jewish heritage. She received the Deborah Award for the Los Angeles Pioneer Women Na' amat. As an author, her articles have appeared in Cheshbon and the Yiddishe Shtime in Yiddish and in Hadoar in Hebrew. Her lectures in Yiddish and Hebrew to groups in Los Angeles, Israel, and Mexico have inspired others to continue to build the spiritual foundations of Judaism.

Simha's involvement in community affairs also began in Mexico City where he was active in the Labor Zionist Organization and on the board of directors of the Yiddish Day School. Today he continues his involvement by serving on the advisory board of the Jewish Community Foundation, the regional advisory board of the Anti-Defamation League, the board of trustees of the West Coast Friends of Bar Ilan University, and is a founder of the Western Friends of the Hebrew University in Jerusalem.

Appropriately, the entire family received the Torch of Learning Award from the Hebrew University. Over the years, the Lainers have been involved in and supported a wide gamut of Jewish institutions, locally and in Israel.

Simha is a member of the board of directors and the President's Council of the University of Judaism. Together Sara and Simha are founders of the University of Judaism.

Originally from Europe, both Sara and Simha studied in gymnasiums—secondary schools for university preparation—before leaving for Mexico and Palestine, respectively. Eventually Simha left Palestine and made his way to Peru and Ecuador where he became established in the textile industry. On a visit to Mexico City in 1938 he met and married Sara and together they left for Venezuela. After 3 years they returned to Mexico City and made their home there until they moved to Los Angeles in 1951. Then Simha became involved in industrial real estate development in the San Fernando Valley. The Lainers have three marvelous sons—Mark, Nahum, and Luis, who with their wives, Ellie, Alice, and Lee, are also very active in the Jewish community.

I am proud to share the Lainer's accomplishments with my colleagues in the U.S. House of Representatives.

THE 65TH WEDDING ANNIVERSARY OF FRANCES AND FRANK GUERRA

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. PANETTA. Mr. Speaker, it is with great pleasure that I inform my colleagues of the 65th wedding anniversary of Frances and Frank Guerra. They were married in San Francisco on November 25, 1922, and they are celebrating their anniversary this coming weekend.

Frank was born in San Jose, CA, and Frances was born in San Francisco. They have two children, Anthony Guerra and Josephine Miller. They also have five grandchildren—Albert, Gary, and Frank Vincent Guerra, and Francine Ann and Steven Miller—and 11 great grandchildren.

Frank and Frances were in the canning business before they started Guerra Nut Shelling Co. 40 years ago.

Mr. Speaker, the Guerras are dear friends of me and my family. My father was a business associate of Frank's decades ago. I know my colleagues join me in congratulating the Guerras on their 65th anniversary and in wishing them many more such happy occasions.

HAROLD GOLDBERG

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. LEHMAN of Florida. Mr. Speaker, on Monday, November 9, 1987, Harold Goldberg, a fighter for human rights, passed away. Only 50 years old, Harold Goldberg already had become a guiding force behind the successful resettlement of Jewish refugees in Israel. For the last 14 years, as associate executive vice chairman of the United Israel Appeal, Hal—as his friends knew him—had been the key link between Congress and the Israeli Government's program of absorbing thousands of refugees from the Soviet Union, Eastern Europe, Ethiopia, and Iran.

The United Israel Appeal, for which Hal served as chief financial officer, is responsible for the disbursement in Israel of philanthropic funds and an annual United States grant to aid the refugee resettlement process. Hal brought leadership and creativity to this task and was profoundly committed to the rescue of Jews in distress.

The opportunities and freedom enjoyed by so many immigrants in Israel is in no small part a result of Hal's untiring efforts and his compassion. With his untimely passing, those of us in Congress who strongly support and care deeply about the resettlement of Jews in Israel, have lost a valued counsel. The cause of human rights has lost a firm friend. He will be missed by us all.

I wish to extend my deep sympathy to his wife Rosalind, to his mother Rose, and to his children Andrew and Dana. It may give them some comfort to know that their sense of personal loss is shared by all who were privileged to know Harold Goldberg.

CONSUMER BANKING ACT

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. DREIER of California. Mr. Speaker, at long last, the House Banking Committee is engaged in a substantive attempt to make comprehensive and fundamental reforms to the outdated legal and regulatory structure of our Nation's banking system. In doing so, I believe it is imperative that the separation of banking and commerce be seriously reevaluated as part of any future legislation that Congress may enact. In my view, by failing to provide for a completely level playing field, we would be blocking the way to a more consumer-oriented, competitive, and safe banking system.

For this reason, I have today introduced the Consumer Banking Act. Specifically, the bill would allow for the creation and regulation of a new type of bank, to be known as a "consumer bank." Combined with diversification in the commercial and investment banking field, consumer banks would promote the development of a more efficient financial services industry that is more responsive to the needs of consumers.

A consumer bank could be owned by other banks, or by commercial and retail firms. Consumer banks would be excluded from the legal definition of a bank. However, they would be subject to strict requirements, which include: First, a prohibition against making commercial loans; second, a requirement to maintain investments in specified types of consumer loans, and; third, a requirement to make available in a State an aggregate amount of loans equal to 65 percent of the consumer deposits held by such institution which were received from consumers residing in such State.

Antitying provisions and the Community Reinvestment Act would also apply to consumer banks and consumer bank holding companies. Consumer banks would be fully regulated and insured, and would be restricted in the types of loans and financial services they could provide. They would be subject to normal capitalization requirements, a higher community reinvestment standard, and all consumer protection measures that are required of full-service banks.

Consumer banks would be subject to the same laws and regulations as other banks. These include the National Banking Act, the Federal Reserve Act, the FDIC Act, the Monetary Control Act, the Equal Credit Opportunity Act, the Home Mortgage Disclosure Act, and the Consumer Credit Protection Act, which includes the Truth in Lending Act. In addition, consumer banks will be subject to antitrust and securities laws, and examination by State and Federal regulatory agencies.

Mr. Speaker, the benefits that consumer banks would bring to the marketplace are vast. They would bring increased capital and competition to the banking system. The retailing expertise of some of these firms would help to increase attention to consumer responsiveness by banks. Consumer banks would be able to meet the needs of many consumers that are not being adequately served by the existing banking system. For instance, they would provide greater access to banking services to low-income families, minorities, and women who are heads of households.

It is important that any financial restructuring be done so in a way that meets the growing and complex needs of consumers. My consumer bank proposal, combined with product deregulation among financial firms, will help to provide for a strong, efficient, and competitive financial services industry. I urge that this proposal be given serious consideration as Congress moves forward on financial restructuring.

A TRIBUTE TO MR. FRANK GAWL

HON. NANCY L. JOHNSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mrs. JOHNSON of Connecticut. Mr. Speaker, I would like to take this opportunity to recognize Mr. Frank Gawl, an outstanding educator from Connecticut. Today, Mr. Gawl was named the State of Connecticut 1988 Teacher of the Year by Education Commissioner Gerald Tirozzi.

Chairman of the social studies department at Enfield High School, Mr. Gawl teaches 11th and 12th grade students. Thirty years ago he accepted the vitally important challenge of teaching, and since then has been devoted to educating the youth of Enfield with his own personal, enthusiastic style.

Through the encouragement of this knowledgeable historian, students are not only excited to learn about the history of our country, but have become proud of their heritage as well.

In this age of increased focus on excellence in our educational system, it is a pleasure to see Frank Gawl's selfless dedication to preparing this Nation's future leaders. He is certainly a fine example of the ideals the State of Connecticut has set for its teachers, and should serve as a model for educators everywhere.

Years of love for and devotion to teaching has caused Mr. Gawl to be deeply respected by the generations of students, parents, and colleagues he has touched during the course of his distinguished career.

I salute Mr. Frank Gawl and am proud to have him educating the youth of my district. He is truly an inspiration to all.

TRIBUTE TO DR. RICHARD KRAUS

HON. WILLIAM H. GRAY III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. GRAY of Pennsylvania. Mr. Speaker, it has been said by the great musician Jascha Heifetz that "The greatest job of teachers is to cultivate talent until it ripens for the public to reap its bounty."

I rise today to pay tribute to Dr. Richard Kraus, a distinguished professor in the recreation and leisure studies department at Temple University in Philadelphia.

After 45 years of scholarship, teaching, and research, Dr. Kraus is retiring. America has been enriched by his contributions and his commitment.

Many of his books and monographs have become standards in the field.

He is the author or coauthor of seven textbooks on recreation. These books focus on recreation management, urban recreation, the history of recreation and leisure, and the needs of special populations—including the physically or mentally disabled and racial and ethnic minorities.

Among his other books are works on folk dancing, play, activities for boys and girls, camp counseling, and dances for the elementary.

Last year, Dr. Kraus received the National Literary Award from the National Recreation and Parks Association.

He was cited for making a "significant contribution to a better understanding of the recreation, parks and conservation movement."

The awards committee said:

> Dr. Kraus' works are thorough, accurate and well documented. His dedication to truth is unerring.
>
> Rarely does one graduate from a curriculum in parks and recreation without having used a textbook by Dr. Kraus. His work on urban recreation, particularly for minority groups, is a classic study.

In 1981, Kraus received the achievement award for urban recreation research from the U.S. Secretary of the Treasury and the Heritage Conservation and Recreation Service.

In 1985, Dr. Kraus was a member of the planning group for the President's Commission on American Outdoors.

FOR GREAT AMERICAN SMOKE-OUT DAY

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. DURBIN. Mr. Speaker, the Great American smoke-out day came at a particularly fitting time, as millions of children, parents, and grandparents will be flying home for the Thanksgiving and Christmas holidays. Both the House and Senate have acted to make those holiday trips safer and healthier for all families by voting to ban smoking on most domestic airline flights.

In the next few weeks, we will be going to conference on the fiscal 1988 transportation appropriations bill. A partial smoking ban has been included in that bill by both the House and by the Senate, although in slightly different versions—on 2-hour flights in the House bill, and 90-minute flights in the Senate.

Mr. Speaker, the basic policy has been agreed to by both sides; what remains to be settled are relatively minor differences between us. It is absolutely critical that we carry through on that decision in the coming weeks, and make sure that smoking ban survives and is signed into law.

Mr. Speaker, the American public wants a Christmas present from us: they want clean air in airplanes. It is a simple, reasonable and valuable gift that we can give them, and it's absolutely free. As we recall the message of national smoke-out day, let's make sure we deliver.

"ABC" CHILD CARE LEGISLATION URGENTLY NEEDED FOR AMERICAN FAMILIES

HON. DAVID E. SKAGGS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. SKAGGS. Mr. Speaker, the Act for Better Child Care Services, the "ABC" bill, is legislation that American families want, need, and deserve.

Child care has become the fourth largest budget item for the average American family, after housing, food, and taxes. Child care can easily take 10 percent of family income, with full-time care costing $4,000 a year or more.

Meeting this cost is not a problem facing women only. Single-parent men and two-earner families will tell you it's not an issue limited by gender. It's a problem facing most American families. And it's a problem that threatens one of our most deeply held American ideals—that people who want to work hard to better their lives ought to have the opportunity to do so.

The fact is, the last few decades have brought tremendous changes in American family life. Today, fewer than 15 percent of our families can be called traditional American families, with a husband who works for pay and a wife who works at home. More and more women have entered the work force—single mothers, widows and divorcees, women who must work for the family to make ends meet, or women who want a career.

For example, in Colorado, 57 percent of women with children under age 16 work outside the home. And two-thirds of the women with schoolaged children in Colorado are in the labor force. If national trends continue, three of every four schoolaged children and two of every three preschool children will have mothers in the work force by 1995.

For our children's sake, we need a child care system that will respond to this change.

This bill goes a long way toward meeting this child care challenge. It embarks upon a comprehensive program to expand child care services to meet the needs of working parents, especially targeting the working poor and lower middle class. It broadens parental options by allowing these funds to be used in a wide range of child care programs. It addresses the health and safety issues that determine the quality of child care.

This bill takes to heart the advice given the Nation 2 months ago by the committee for economic development, a distinguished council of business and education leaders. The CED called our children our country's most important investment, and emphasized that the fate of our Nation rests upon how we bring them up. One of the CED's top recommendations was to improve and expand "quality child care arrangements for poor working parents."

Child care also makes important financial sense in the short run. The Colorado Department of Social Services has estimated that to provide low-income working families with child care assistance would cost only 38 percent of what it would cost to provide those same families, unemployed due to lack of child care, with AFDC and Medicaid benefits. By and large, people do want to work, and this bill will help our working poor stay in the work force, and off the welfare rolls.

It will also help employers. It is estimated that businesses lose an average of 8 working days per year for every employee with children under age 13, due to child care problems.

In fiscal year 1988, the Federal Government expects to spend $3.5 billion to store surplus soybeans, corn, and other foodstuffs. If we can pay that kind of money for the custodial care of grains and vegetables, can't we do the same for our children?

It's about time we started caring more about our real national treasure, our children. It's a question of priorities. I think our Nation's children are worth the $2.5 billion investment this bill makes in their and our own future, and that's why I'm a cosponsor and strong supporter of this bill.

INTRODUCTION OF JOINT RESOLUTION TO SITE THE KOREAN WAR MEMORIAL

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. FLORIO. Mr. Speaker, as the sponsor of a law enacted last year to build a Korean War Memorial in Washington, DC, I am pleased that we have reached another milestone. I am today introducing legislation that will approve the siting of the Korean War Memorial in area I, the special mall area in our Nation's Capital.

Mr. Speaker, over 5.7 million Americans served in the military forces in the 3 years of the Korean war. Of these, 33,600 were killed in action, 103,000 were wounded, 21,400 died of nonbattle causes and 8,200 were listed missing in action. And yet, we have never built a memorial to honor the 5.7 million Americans who fought for their country and for democracy.

As a member of the House Veterans' Affairs Committee, I was struck by this inequity and last Congress, introduced legislation to erect a national memorial. With the support of my colleagues, we enacted this legislation last year. The Korean War Memorial Advisory Board, which was appointed this past summer, is now proceeding on efforts to select a site, a design, and raise the necessary $5 million in private funds that will be needed to make this dream a reality.

Under a law governing the placement of memorials in Washington, the siting of a military memorial in area I is restricted unless the Secretary of the Interior requests a waiver and the Congress approves this waiver within 150 days. On Veterans Day last week, I was pleased that Interior Secretary Hodel requested a waiver to permit the Korean War Memorial to be sited in this special area. I am today introducing the joint resolution required to approve the waiver.

My resolution, which has the support of the leadership of the Veterans' Affairs Committee, SONNY MONTGOMERY and GERALD SOLOMON, is a bipartisan effort that will finally correct the inequities of the past and recognize the contributions made by the servicemen who participated in the Korean war. It is yet another stepping stone on the road to paying tribute to the 55,000 servicemen who lost their lives and the 5.7 million Americans who answered their Nation's call.

I urge the support of my colleagues for this effort.

TRIBUTE TO THE EASTERN MICHIGAN UNIVERSITY FOOTBALL TEAM

HON. DENNIS M. HERTEL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. HERTEL. Mr. Speaker, today I would like to take this opportunity to pay tribute and congratulate the Eastern Michigan University Hurons for winning the Mid-American Conference in football.

On Saturday, November 14, the Hurons successfully defeated Bowling Green to clinch the title for the first time in the history of Eastern Michigan University. This successful season can be attributed to the coaching of Jim Harkema and the determination of the fine athletes that played this season.

This year's team set records at Eastern Michigan for most wins in a season and most Mid-American Conference wins ever for the Hurons.

The people associated with the football program at Eastern Michigan deserve the celebration and recognition of this accomplishment, and I would like to wish them luck in the California Bowl against San Jose State on December 12.

DEPARTMENT OF VETERANS AFFAIRS

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. MAVROULES. Mr. Speaker, on November 17, by an overwhelming vote of 399 to 17, the House of Representatives approved the establishment of the Department of Veterans Affairs. I was pleased to cosponsor H.R. 3471.

I want to take a moment to thank my colleagues—Chairman JACK BROOKS, Chairman SONNY MONTGOMERY, and Representative JERRY SOLOMON and Representative FRANK HORTON—for expediting passage of this vital legislation. With President Reagan's announcement on November 10 that he will support this legislation, it only remains for our colleagues in the Senate to give final approval to the creation of a Cabinet-level Department of Veterans Affairs.

With the second largest personnel force in the Federal Government, and the fourth largest budget, the Veterans' Administration operates the largest medical care facilities in the free world for over 21.5 million patients annually. The VA also administers one of the largest home loan programs in the Nation, and numerous education and training benefit programs for hundreds of thousands of veterans under the Vietnam-era GI bill, the new GI bill for the All-Volunteer Force, and the vocational rehabilitation programs for service-connected veterans. These programs constitute the most extensive outreach services that virtually touch upon the lives of approximately 27 million Americans.

Keeping in mind the budget constraints the Federal Government is faced with, the new Department of Veterans Affairs would be more accountable to Congress by requiring that its principal officers receive Senate confirmation. This action would allow for greater congressional oversight of all the programs affecting veterans and their families.

It is not only appropriate but long overdue that a Federal agency of this magnitude be elevated to a Cabinet-level agency. In this way, the Veterans' Administration would report directly to the President and policy would be established at the Cabinet level rather than under the direction of the Office of Management and Budget.

I was pleased to support H.R. 3471 and commend my colleagues and the veterans organizations who actively worked for passage of this important bill.

LET'S NOT TINKER WITH THE SUGAR PROGRAM

HON. RICHARD J. DURBIN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. DURBIN. Mr. Speaker, my corn producers understand they're in the sweetener business and the quantity of corn they sell to the corn sweetener industry adds as much as 25 cents per bushel to the value of the entire corn crop. That means for the 1987-88 crop a total value increase of $1.8 billion.

The sweetener business is intensely competitive in the United States because corn sweeteners compete directly against sugar made from cane or beets on a price basis. In fact, during the second quarter of 1987, the USDA estimates that corn sweeteners sold at a 31-39-percent discount under sugar on an equivalent basis. That's good old-fashioned American competition.

Unfortunately, we don't have that kind of competition in the rest of the world. There, it's government subsidy against government subsidy. For example, the EEC is currently paying its sugar producers an export subsidy of 24.1 cents per pound for sugar sold into the world market at 10 cents per pound refined while it also discriminates against production of lower cost corn sweeteners.

The Sugar Program temporarily insulates U.S. sweetener producers from such economic nonsense. Let's not tinker with the Sugar Program.

IN SUPPORT OF EQUITABLE TREATMENT FOR PUBLIC SECTOR RETIREES

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. GILMAN. Mr. Speaker, I rise to call attention to a grave inequity which was inadvertently included in the House-approved version of H.R. 2470, the Medicare Catastrophic Protection Act of 1987. I am referring to the formula that was included to calculate Medicare supplemental premiums. Under the House provision, this formula would unjustifiably tax Federal employees and compound an already grievous inequity in the Internal Revenue Code.

Under current tax laws, Federal employees suffer from an artificially inflated adjusted gross income [AGI]. Since the premium formula adopted in the House measure is tied to a retiree's AGI, Federal employees would suffer through the payment of much higher supplemental premiums than private-sector employees. Mr. Speaker, Federal employees have already borne an inordinate share of the sacrifices required by rising budget deficits. There is no reason why they should now be forced to pay higher premiums than other employees in order to receive similar benefits.

Fortunately, however, there is a solution. Senators PRYOR and DOMENICI in the other body have attached an amendment to the Senate version of the catastrophic health legislation. The Pryor-Domenici amendment rectifies the situation by adjusting the formula to provide equal treatment for all employees when calculating premium assessments. Mr. Speaker, several of my colleagues and I have written to the House conferees on the catastrophic health care legislation urging their acceptance of the Senate provision. My colleagues and I feel that it is appropriate for the House to recede in this instance due to the unforeseen detrimental consequence which the House action would have upon Federal employees.

Mr. Speaker, in order to share our views, I request that a full copy of our letter in support of this position be set forth at this point in the RECORD:

HOUSE OF REPRESENTATIVES,
Washington, DC, October 28, 1987.

"DEAR CONFEREE: We are contacting you to express our strong support for the Pryor-Domenici amendment which corrects the formula used to compute supplemental premiums for the Medicare Catastrophic Health Care Act.

"This amendment represents a fair and equitable solution to a serious problem in the House passed legislation and the original Senate bill. The amendment rectifies the situation where public sector retirees would have to pay more than other retirees for the same new Medicare benefits. This amendment is budget neutral and would only cost one penny per month for other beneficiaries, according to the Joint Taxation Committee and the Senate Finance Committee. Without this amendment, the legislation would greatly compound an existing inequity in the U.S. Tax Code and further penalize public sector retirees. The inequity stems from the fact that the premium is based on Adjusted Gross Income (AGI) or tax liability. Public sector retirees have artificially high tax liability and AGI's because their pension benefits are almost entirely subject to taxation, whereas, Social Security benefits are almost entirely excluded from taxation.

"Public sector employees and retirees have sacrificed enough during this time of fiscal constraint. It would be fundamentally unfair to charge public sector retirees a higher supplemental premium for the same new Medicare catastrophic health care benefit provided to other retirees. This situation must be rectified by retaining the Pryor-Domenici amendment in the final conference report.

"We strongly urge your support for the amendment to provide equitable treatment for public sector retirees."

TRIBUTE TO MR. MARVIN JACKSON

HON. WAYNE DOWDY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. DOWDY of Mississippi. Mr. Speaker, I would like to ask my colleagues here in the U.S. House of Representatives to join me in offering our congratulations to a very special person, Mr. Marvin Jackson.

A national service officer with the Paralyzed Veterans of America, Mr. Jackson is being honored for his outstanding service by his many friends and associates at a luncheon in Jackson, MS.

We are indeed fortunate to have people like Mr. Jackson working so diligently in behalf of our Nation's veterans. Please join me in saying thanks to Mr. Jackson for a job well done.

TWO SOUTH KOREANS RECEIVE HUMAN RIGHTS AWARD

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. BONIOR of Michigan. Mr. Speaker, in October, two prominent South Korean dissidents, Kim Kuen Tae and In Jae Kuen, who are husband and wife, were named as recipients of the 1987 Robert F. Kennedy Human Rights Award.

The Kennedy award is given in honor of only the most distinguished and courageous records in the area of human rights.

Today is the day that these two prominent human rights activists were to be in Washington to receive this award. Mr. Speaker, Mr. Kim and Mrs. In will not be at the Georgetown University ceremony honoring them today because the South Korean Government has refused to release the imprisoned Mr. Kim, or grant an exist visa to Mrs. In.

In recent months, we have been heartened by the developments in South Korea that are hopefully the dawning of a new age for democracy and political pluralism in that country. Much progress has been made, and the South Korean Government should be recognized for actions taken to date. But unfortunately, Mr. Speaker, these accomplishments are scarred by the government's refusal to recognize the work of Mr. Kim and Mrs. In and release all remaining prisoners held because of their political beliefs.

HAWAII DOES NOT WANT AN OIL IMPORT FEE

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. AKAKA. Mr. Speaker, I am disturbed by the continuing discussion about imposing an oil import fee. When I think of a fee on imported oil, I am reminded of the words of H.L. Mencken:

There is always an easy solution to every human problem—neat, plausible, and wrong.

If H.L. Mencken were alive today, I am sure he would use those words to characterize the dangerous appeal generated by proposals to establish an oil import fee. Economists and politicians on both sides of this issue will continue their lively argument about the impact an import fee may have on domestic oil production and world oil prices.

What is not debatable, however, is the adverse affect that such a tax would have on many areas of the country, including Hawaii. The thought of imposing a fee on imported oil is enough to send a chill down the spine of consumers and businesses in Hawaii that depend on foreign sources of oil.

Few people understand this better than Mr. Robert G. Reed, chairman of Pacific Resources, Inc. I want to share with my colleagues a recent letter to the editor from Mr. Reed which appeared in the Honolulu Star Bulletin. Mr. Reed's letter responds to a column in support of the import fee written by William Safire.

[From the Honolulu Star Bulletin, Nov. 6, 1987]

PRI CHIEF RAPS OIL IMPORT FEE

Columnist William Safire's call for an import oil fee must not go unchallenged.

He contends that imposing a $10 per barrel fee on imported oil would help reduce our federal budget, spur domestic oil exploration and production, and deal a severe blow to Iran.

Island residents should know that his arguments, while persuasive, fail to explore the real consequences of such a fee. Hawaii residents would feel the effects of an import fee most severely because of our great dependence on imported oil.

With an import fee, the cost of all crude oil, both foreign and domestic, would increase and be passed on to Hawaii's consumers. And, as the competition for domestic crude oil grew under the forces of the import fee, all prices for refined petroleum products would spiral upward.

Consumers would face higher prices not only at the gasoline pump, but also for all products that require fuel in their manufacture or distribution. (Imagine the effects of higher petroleum prices on the visitor or agriculture industries, for example.)

Mainland states have sources of energy other than oil—natural gas, hydroelectric plants, coal, and nuclear power—to meet many of their needs. Hawaii does not have these resources, which means higher prices for oil products would be felt more severely here.

This led both houses of the state Legislature to adopt resolutions calling on the members of our Congressional delegation to oppose an import fee.

Nor is there any guarantee that an import fee would lead to increased domestic exploration and production. It will happen in time, but only if oil companies used the increased revenue for exploration and production, and if the federal government opened protected, environmentally-sensitive oil reserves, such as the outer continental shelf, and Alaska's National Wildlife Refuge.

I would also challenge claims that the national deficit would be reduced by revenue from an import fee. In fact, a study released in March by the Secretary of Energy reported that an import fee would have a negative effect on the deficit. Essentially, an oil import fee would raise energy costs and almost everything in our economy. In other words, it would be inflationary.

By stemming international demand, an oil fee would reduce the cost of oil in global markets—at the same time it was raising prices at home. This would reduce our nation's competitiveness in foreign markets. Higher business outlays for energy would also mean less money for investment.

And while employment in the oil industry could expand by 120,000 jobs, the fallout from high oil prices and investment cutbacks could reduce national employment by 400,000 jobs, according to the Secretary of Energy.

Lower world prices and volumes would also reduce the incomes of our oil-exporting allies and trading partners. All together, given the conditions cited above, federal revenues from income and payroll taxes would surely fall. Government would pay more for its energy. There would be increased costs in programs tied to inflation like Social Security. The end result would be a deepening of the deficit.

At first glance, Mr. Safire makes an attractive case for an oil import fee. Unfortunately, his is a superficial examination of a complex situation, and Hawaii residents can ill afford to bear the burden of an oil import fee.

ROBERT G. REED III,
Chairman, president and chief executive officer, Pacific Resources, Inc.

THE 200TH ANNIVERSARY OF PENNSYLVANIA RATIFICATION OF U.S. CONSTITUTION

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. GEKAS. Mr. Speaker, this past year the citizens of our Nation have been swelling with patriotic pride over the 200th anniversary of the establishment of our democratic government under the U.S. Constitution. Up until September 17, the focus of attention has been on our famous forefathers and their ingenious formulation of a governing document that has been able to take us through the past 200 years with little change.

But September 17, 1987, did not signify the end of our celebration, but only the beginning. The focus of activity has now turned to the States and their respective citizens, for without State approval the Constitution would not have been ratified.

Tomorrow marks an important, although little known, anniversary; it is the opening of the Pennsylvania ratification convention. Two hundred years ago tomorrow the citizens of Pennsylvania sent delegates to a convention to discuss the recently presented Constitution and decide whether or not Pennsylvania wanted to continue to be governmentally associated with the other States with whom it fought for independence from Great Britain. Over the next 3 weeks, the debate went on in that ratifying convention and on December 12, 1787, the convention agreed to join its neighboring State, Delaware—who had ratified the document on December 7—in accepting the new Constitution.

This event was significant not only for the Commonwealth of Pennsylvania and its citizens but for the entire Nation because it sent a sign to the States who had yet to ratify the Constitution that a populous State, such as Pennsylvania, believed that their concerns and interests would not be compromised in accepting the new Constitution as their base of government. The differing concerns of small versus large States had plagued the Constitutional Convention throughout the summer of 1787.

Today, I have introduced a resolution which commemorates the 200th anniversary of Pennsylvania's ratification of the Constitution and congratulates its citizens on such a momentous occasion. This resolution recognizes the significant contributions Pennsylvania and its citizens made in the creation of a free, independent United States of America and in the formulation of this Constitution. I am joined in offering this resolution by the entire Pennsylvania delegation to the House of Representatives. The text of the resolution follows:

H.J. RES. 406

Whereas citizens of the Commonwealth of Pennsylvania were leaders in efforts to unite the Thirteen Original Colonies, in particular William Penn who in 1697 proposed annual meetings of delegates from such colonies and Benjamin Franklin who in 1754 proposed a grand council of such colonies;

Whereas distinguished citizens of the Commonwealth of Pennsylvania played a significant role in the preparation of the Declaration of Independence;

Whereas the delegates to the Constitutional Convention from the Commonwealth of Pennsylvania played a significant role in the preparation of the Constitution of the United States of America, in particular Benjamin Franklin who was the distinguished elder statesman of the Convention, James Wilson who was one of the intellectual architects of the Constitution, and Gouverneur Morris who helped write the final draft of the Constitution;

Whereas the Commonwealth of Pennsylvania ratified the Constitution of the United States of America on December 12, 1787, was the second State to ratify the Constitution, and was the first populous State to ratify the Constitution;

Whereas the ratification of the Constitution of the United States of America by the Commonwealth of Pennsylvania sent a signal to the other States that the Commonwealth of Pennsylvania believed the large and small States could join together under the Constitution to form a lasting government;

Whereas the Commonwealth of Pennsylvania was recently the site of the celebration of the bicentennial of the signing of the Constitution of the United States; and

Whereas December 12, 1987, is the bicentennial of the ratification of the Constitution of the United States of America by the Commonwealth of Pennsylvania: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the bicentennial of the ratification of the Constitution of the United States of America by the Commonwealth of Pennsylvania is hereby commemorated, and the citizens of the Commonwealth of Pennsylvania are hereby congratulated on the occasion of such bicentennial.

INTRODUCTION OF THE INTERNATIONAL HEALTH CORPS ACT

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. LELAND. Mr. Speaker, today, I am introducing the International Health Corps Act, a humanitarian proposal to share the abundant health care resources of the United States and other cooperating nations with the developing countries of the world.

We are all only too aware of the grim statistics surrounding chronic hunger, malnutrition, and inadequate health care in this world. Over 40,000 people—primarily children—are lost each day due to the ravishes of hunger and the onset of infectious diseases associated with severe malnutrition. Most of these people succumb to preventable and treatable diseases and many could be saved with simple, inexpensive inoculations or basic health care services.

The International Health Corps will launch a coordinated international health assistance program. The United States, with its substantial health care expertise and capabilities, is in a unique position to assist developing countries establish sustainable and effective health care systems. We can help countries lower the toll of those who needlessly die, become blind or handicapped or lose the ability to become productive members of society from a lack of basic health care.

These efforts will not only promote our commitment to improved world health standards, but will also build trust through humanitarian cooperation with other nations. I believe such an effort will help foster world peace.

The International Health Corps is comprised of the International Health Emergency Corps and the International Health Development Corps. In addition to a permanent staff, the International Health Corps is comprised of commissioned officers of the Public Health Service, practicing physicians and other health care professionals who agree to volunteer their time. Upon the formal request of a country needing health care assistance, the Secretary of Health and Human Services may assign members of the International Health Corps to serve in that country.

The goal of the International Health Emergency Corps is to provide short-term assistance in responding to an emergency involving a significant number of persons who are at risk with respect to health and safety, including those at risk from acute malnutrition and imminent starvation. The International Health Emergency Corps will provide temporary medical assistance in response to natural or manmade disasters such as the earthquake in Mexico City, the famine in Ethiopia and the accident at the Chernobyl nuclear plant.

The purpose of the International Health Development Corps is to increase the capacity of developing countries to meet their long-term basic health care needs. After returning to the United States, health professionals who participate in the International Health Development Corps will serve as a resource pool which could be called upon to respond to international emergencies through the International Health Emergency Corps.

A Loan Repayment Program will be established to assure an adequate supply of trained physicians, dentists, nurses, and other health care professionals for the International Health Corps. The primary individuals eligible for the program are those persons who: Are full-time students in their final year of medical or dental school; are working to complete a residency or graduate program; or have received their degrees and completed any residency or post-degree program.

Under the Loan Repayment Program, up to $20,000 in educational loans may be forgiven for each year an individual spends in the International Health Corps.

Mr. Speaker, I insert a section-by-section summary of this bill in the RECORD for the benefit of my colleagues:

A SECTION-BY-SECTION SUMMARY OF THE INTERNATIONAL HEALTH CARE ACT

SECTION 395—ESTABLISHMENT AND COMPOSITION OF THE IHC

The IHC will be established within the Public Health Service (PHS), consisting of an International Health Development Corps (IHDC) and an International Health Emergency Corps (IHEC). [See Sec. 396.]

The IHC will be comprised of officers of the PHS, civilian employees and volunteers. [See Sec. 297.]

SECTION 396—PURPOSE AND PROCEDURE

A country must make a formal request to the United States government for assistance from the IHC. The request must be approved by the Secretaries of State and Health and Human Services. The requesting country must agree to provide financial assistance to the IHC, to the extent practicable, as determined by the Secretary of HHS.

In addition, a request for IHDC assistance must identify the specific forms and length of assistance requested and the goals expected to be achieved during such assistance.

The IHDC will help train local health care professionals in the development of the infrastructure necessary to meet the long-term health care needs of the country.

The IHEC will provide short-term assistance to a country experiencing a medical emergency.

SECTION 397—UNCOMPENSATED SERVICE BY HEALTH CARE PROFESSIONALS

The Secretary of HHS shall disseminate information about the IHC and recruit health care professionals. The Secretary may provide for subsistence and transportation for professionals who volunteer their services.

To participate in the IHC, health care professionals shall agree to volunteer their services for at least three months.

SECTION 398—LOAN REPAYMENT PROGRAM

A Loan Repayment Program will be established to assure an adequate supply of trained physicians, dentists, and nurses for the IHC, and—if necessary—other health care professionals, such as optometrists, pharmacists, veterinarians, and nurse practitioners.

The primary individuals eligible for the Loan Repayment Program will be: (1) full-time students in their final year of medical or dental school; (2) individuals working to complete their residencies or graduate programs; and (3) individuals who have received their degrees and finished any residencies or post-degree programs.

Up to $20,000 in loans may be forgiven for each year an individual spends in the IHC. The forgiveness will apply to loans for reasonable educational expenses.

SECTION 399—INTERNATIONAL COOPERATION

To the extent practicable, the activities of the IHC will be undertaken in a cooperative effort with other countries.

SECTION 399A—ADVISORY COMMITTEE

The members of the advisory committee for the IHC shall include representatives of the Health Resources Services Administration, the Alcohol, Drug Abuse and Mental Health Administration, the Centers for Disease Control, the Peace Corps and the United States Agency for International Development. The chairperson shall be the administrator of the Health Resources Services Administration.

SECTION 399B—BUDGET AUTHORITY

Such sums as may be necessary shall be authorized to carry out the IHC Act for each of fiscal years 1988 through 1990.

THE BALANCED BUDGET AMENDMENT

HON. ANDY IRELAND

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. IRELAND. Mr. Speaker, last week the House Judiciary Committee held a long overdue hearing on the proposal for a constitutional amendment to balance the Federal budget. Today marks the beginning of sequestration as mandated by the Gramm-Rudman-Hollings Act. These forced, unprioritized budget cuts are clear evidence of the need for a balanced budget requirement to become part of our Constitution.

Mr. Speaker, I would like to submit my entire statement regarding House Joint Resolution 321 in the RECORD:

STATEMENT OF THE HONORABLE ANDY IRELAND BEFORE THE JUDICIARY SUBCOMMITTEE ON MONOPOLIES AND COMMERCIAL LAW, NOVEMBER 17, 1987

Mr. Chairman, I appreciate the opportunity to present my comments to you today in support of H.J. Res. 321, the Balanced Budget Amendment to the Constitution. I have been a cosponsor of this proposal in several Congresses and contend that had we adopted it many years ago we would not find ourselves in a constant, time-consuming struggle to get control of the U.S. budget.

Congress faces a number of budget challenges in this one week alone. The President's staff and a bipartisan group of Congressional negotiators continue their attempts to develop a package of budget cuts and revenue increases which will be acceptable to a majority in the House and Senate and which will, at the same time, reduce the deficit. A sequestration order is only days away. And, while the House has passed 10 out of 13 regular appropriations bills, another massive continuing resolution appears to be the only way to keep the government running into next year. All these events are testament to the fact that we need a Constitutional requirement to balance the federal budget. This mish-mash of fiscal policymaking cannot continue if we are to survive as a nation.

I recognize that in its first 200 years the Constitution of the United States has served us well with a minimal number of amendments. I do not take changing the Constitution lightly. It is perhaps unfortunate that making a balanced federal budget a requirement of law is the only way to restore the fiscal integrity of the United States.

Statutory requirements and procedural changes "mandating" a balanced budget have not worked. The Gramm-Rudman-Hollings law, for instance, has provided budget targets at which Congress should aim. But if we are serious about heading off the economic disaster proffered by record deficits, we need to make a balanced budget a constitutional requirement.

We are on the brink of doing so now. As you know, more than half the Members of the House of Representatives are current cosponsors of H.J. Res. 321. A similar measure missed passage in the Senate last session by only a single vote. And 32 of the required 34 states have approved resolutions calling for a Constitutional convention to pass a balanced budget amendment.

Results of a CBS/New York Times poll released in May show that the American people, realizing the danger posed by the increasing public debt, overwhelmingly support the initiative. An amazing 85 percent responded in favor of a balanced budget amendment.

The current proposal to amend the Constitution would accomplish several fundamental changes:

Both the Congress and the President would be required to draft balanced budgets (the President could also offer an alternative providing for a deficit);

Congress and the President would have to set a single revenue estimate, which total spending could not exceed;

Congress would be required to provide for the repayment of any actual deficit incurred during the previous fiscal year;

The public debt could not be increased unless approved by a three-fifths roll call vote of both Houses; and

The passage of any bill to increase government revenues would require a majority of the total membership of both Houses by a roll call vote.

These provisions could be waived during times of war, when national security concerns would necessarily take precedence. The setting of a single revenue estimate would eliminate the political taint that currently overshadows economic projections and discussions of revenue needs. And requiring roll call votes would bring public pressure to bear on those who vote on the side of fiscal irresponsibility.

Mr. Chairman, the recent volatility of the stock market is no doubt the result of a complex of dynamic factors. One of these is surely the federal budget deficit. And it is one we can do something about now. If we demonstrate our commitment to reducing the deficit, which I believe we must do with budget cuts, not tax increases, we will send a signal to the world that the United States can control its own destiny.

A balanced budget amendment would bring this country out of the deficit morass that erodes our economy and undermines our global position. Clearly, the Constitution provides the only serious prospect to force the necessary fiscal responsibility on the government. The Founding Fathers set up the system to allow for such improvement in the document, and we should take advantage of their wisdom now. America cannot afford to wait.

ROMANIA

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. RICHARDSON. Mr. Speaker, I am introducing an amendment to the foreign aid authorizations bill concerning human rights in Romania. As a member of the Helsinki Commission, I participated in the Helsinki delegation to Romania this year. I was able to experience human rights conditions in Romania. I am concerned about the many Romanians persecuted and harassed by their Government.

In the past year, Romania has taken many encouraging steps to improve human rights conditions. Emigration rates from Romania to the United States have increased this year to a total of 1,932 as of October 1987. This summer, a few longstanding prisoner of conscience cases were successfully resolved. These improvements are welcomed, but there is much to be resolved.

There are numerous United States-Romanian families who remain divided. Romanian laws and decrees prohibit Romanian citizens from communicating with foreigners. The rights of religious groups and ethnic minorities continue to be denied. Such restrictions contradict the spirit and the letter of the Final Act of the Helsinki accords and the Universal Declaration of Human Rights.

My amendment calls on the Romanian Government to abide by the human rights obligations it has committed itself to under the Helsinki accords. It expresses concern for the many Romanians persecuted for their attempts to emigrate. Finally, it urges the Department of State and the executive branch to encourage the Romanian Government to live up to its obligations under the Helsinki Final Act, including the ongoing Vienna review meeting of the Conference on Security and Cooperation in Europe.

SCIENCE COMMITTEE EXAMINES THE WORKPLACE OF TOMORROW

HON. DAVID E. PRICE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. PRICE of North Carolina. Mr. Speaker, on November 9 the Subcommittee on Science, Research, and Technology of the House Committee on Science, Space, and Technology held a field hearing in Research Triangle Park, NC, on the education and training requirements of the workplace of tomorrow.

I was pleased to host these hearings, which were ably chaired by Subcommittee Chairman DOUG WALGREN and also attended by Mr. VALENTINE, with whom I share representation of North Carolina's research triangle area. We are especially grateful to full committee Chairman ROE for authorizing these hearings and to Donald Beilman and his staff at the Microelectronics Center of North Carolina for graciously making their facilities available to the subcommittee.

As our country advances toward the 21st century, one of the greatest challenges facing our political, business, and educational leaders is the successful preparation of future generations of American workers for the demands of an increasingly technological and sophisticated workplace. The future strength and prosperity of our Nation will depend in large measure upon our ability to outfit the American worker with the skills he or she will require for success in the factory or office of tomorrow.

The magnitude of our task becomes evident when we realize that, by conservative estimates, some 30 to 40 million Americans still lack the basic ability to read and write, and that in many areas our school dropout rate is actually increasing. In the meantime, our traditional concept of literacy is fast becoming outmoded, going far beyond the three R's. Tomorrow's workplace will demand of workers, in both blue and white collars, a new level of reasoning ability and technological competence. Our notions of basic education must begin to reflect the necessity for new standards of mathematical and scientific ability.

Mr. Speaker, I commend Chairman WALGREN and the Science, Research, and Technology Subcommittee for their interest in these education and training needs and for their recognition of the linkage between the meeting of the needs and the maintenance of our country's competitive position in manufacturing, research, and trade. I also appreciate the subcommittee's willingness to travel into districts like mine and Mr. VALENTINE'S where members can discuss our needs with people who deal with these challenges on the front lines every day.

On November 9 we heard from a diverse group of educators, business executives, community leaders, and literacy volunteers and students. We learned what kinds of skills our businesses will require in the next decade, and what kind of education and training young people and adults in a State like North Carolina will need to qualify for those jobs and to reap the benefits of high-quality economic growth. We heard reports of cooperative efforts between businesses and our community college system and of the in-house training programs pioneered by some businesses—and of how much more remains to be done. We saw heartening evidence from literacy programs that work—but also learned what a small percentage of the eligible population we have reached. We saw the benefits of diverse and flexible and nonconventional approaches to literacy training—but also heard pleas for more adequate funding and for improved targeting and coordination. It was, in short, a useful and enlightening day. It is my hope that from experiences such as this we may begin to define a national agenda in literacy and job training, adequate to the workplace of tomorrow.

Finally, Mr. Speaker, I want to recognize and convey my special thanks to those who testified before the subcommittee for the high quality of their presentations and the contributions they are already making to the challenges we face:

Former Gov. Robert Scott, president, North Carolina Community College system.

Dr. William Friday, former president of the University of North Carolina and chairman, Governor's Commission on Literacy.

Richard Daugherty, general manager, IBM.

William Grigg, vice president, Duke Power.

Theodore Drain, assistant superintendent, support services, North Carolina Public Schools.

Bruce Howell, president, Wake Technical College.

Dr. John Kasarda, professor of sociology, University of North Carolina at Chapel Hill.

Dr. Kenneth Spenner, professor of sociology, Duke University.

Brad Thompson, former president, Raleigh-Wake Citizens Association.

Dr. Arlene Fingeret, professor of education, North Carolina State University.

Charles Robeson, literacy student, Orange County Literacy Council.

Pendi Stephens, director, Orange County Literacy Council.

Anne Tindall, director, North Carolina Literacy Association.

Jane Williams, director, North Carolina Public Libraries.

Tom Rideout, senior vice president, First Union National Bank, and congressional liaison, Charlotte-Mecklenburg Coalition on Literacy.

Dan Lacy, vice president, Business Council for Effective Literacy, New York.

Joel New, director, employment and training division, North Carolina Department of Natural Resources and Community Development.

YOUTH EMPLOYMENT SERVICES ACT

HON. KWEISI MFUME

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. MFUME. Mr. Speaker, we face a great challenge when we move to assure that at-risk youths become productive workers, nurturing members of families, and effective citizens. We often fail our Nation's children by not meeting that challenge.

Today, I invite all Members of Congress to step out and meet this challenge by cosponsoring the Youth Employment Services Act of 1987 [YES Act].

The YES Act creates a nationwide demonstration program to provide intensive training and employment opportunities to unskilled, unemployed young people. This program joins the public and private sectors in partnerships and authorizes these partnerships to design programs that will lead youths who are dropouts or who graduate with less than eighth grade reading and math skills levels to successful job placement or advancement in education.

Specifically, the YES Act creates a $100 million, 3-year program in which 75 to 100 partnerships will receive grants from the Department of Labor and these partnerships will be composed of public agencies or nonprofit organizations and business concerns or associations.

While the YES Act calls for new budget authority, it will more than pay for itself by reducing the Federal deficit in a manner which has a positive impact on people—putting them to work. Creating productive workers not only helps lower our budget deficit by increasing Federal revenues through income taxes, it also lowers our payments for unemployment and welfare benefits. Additionally, the Congressional Budget Office tells us that for every 1-percent reduction in the unemployment rate, the Federal deficit is reduced by $36 billion.

In following the lead of our colleague from Ohio, Senator HOWARD METZENBAUM, in introducing this legislation, I am asking that you "Just Say Yes" to young people who are seeking a chance to become productive, contributing members of society. This legislation will be introduced today by myself and my colleague from Illinois, Mr. HAYES, and we would like your support for the YES Act.

VIRGINIA H. BENTLEY

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. LAGOMARSINO. Mr. Speaker, I rise to remind this Congress that in spite of all the depressive news that seems to prevail around us, especially those that seemingly suggest the unraveling of government itself, there are, in fact, many faithful and dedicated acts of public service performed by many unsung Federal employees that go unnoticed day in and day out. Acts which, in fact, bind the very fabric of good government of the people and for the people. If there is any hope for us as a people and a Nation it may very well rest on how we, the representatives of the citizens, restore trust in government and on how effectively our Federal employees continue to underpin the structure through which we govern.

Today, Mr. Speaker, I offer to recognize one of those unsung and very special Federal employees, Virginia H. Bentley, who has served her country for 31 years and 4 months. Mrs. Bentley hails from the great State of California and the flower seed capitol of the world, Lompoc, CA. She was born in the land of our faithful neighbor to the north, Saskatchewan, Canada. She was raised in Minneapolis, MN, where she attended the University of Minnesota. She earned her associate of arts degree from Allan Hancock College in Santa Maria, CA. Virginia Bentley has spent all of her life serving in public positions beginning with the board of education in Minneapolis, followed by assignments with the Veterans' Administration in St. Paul, the Department of the Navy in Washington, DC, the Department of the Air Force in Tachikawa, Japan, and later Headquarters 8th Air Force, Westover Air Force Base. She joined the western test range, Vandenberg Air Force Base, in 1967, where she has made her mark as a superior employee. She has earned 14 recognitions, 7 of which are for superior performance over the last 9 years. In 1987 she was honored with a letter that read:

> In recognition of your professional performance noted during the inspection general conducted by the Air Force Systems Command Inspector General.

It was through these individual acts that earned the Western Space and Missile Center an "excellent" unit rating. Virginia is known for her fast pace, long work hours, and quality results. This mark of excellence at the end of her career truly reflects her commitment and dedication to duty. It is the role model of public leadership that we cherish in government.

Virginia H. Bentley's community service is also well known through her support of the Friends of the Lompoc Library and her work with the Volunteer Inter-Valley Animal Program, a truly magnificent effort to shelter and place abandoned pets.

Mr. Speaker, I am pleased and honored to make this entry into the CONGRESSIONAL RECORD. It is a record of personal accomplishment and distinction by a Federal employee who believes in the greatness of our form of government and who has lived out her career being the best that she can be. In grateful appreciation I wish her and her husband, Robert, her daughters Judith Lynn and Cynthia Ann, much happiness and good health as she enters the ranks of many other distinguished retired Government employees.

A SALUTE TO CAPT. HARRY O'NEAL AND THE CREW OF THE NORTH CAROLINA FERRY "GOVERNOR EDWARD HYDE"

HON. WALTER B. JONES

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. JONES of North Carolina. Mr. Speaker, today I rise to commend the brave men of the North Carolina ferry *Governor Edward Hyde* for their daring rescue of two survivors from a plane crash in Pamlico Sound.

On the evening of August 18, 1987, a small plane crashed into the waters of Pamlico Sound. The pilot of the plane was killed in the crash, but two passengers, Martha Prescott-Gaskill and Anna Gaskill, survived. After spending 14 cold and trying hours in the waters of Pamlico Sound, the survivors were beginning to lose hope that they would be rescued. Just then, the North Carolina ferry *Governor Edward Hyde* appeared on its midday run from Ocracoke to Cedar Island. The crew of the *Governor Edward Hyde* spotted the survivors in the water and the ferry began to make her way toward them. At the same time a string of severe thunderstorms passed through the area. The 47-knot winds generated by the thunderstorms whipped the previously calm waters into 4-foot waves, and rain fell so heavily that visibility was reduced to 100 yards.

Despite these terrible weather conditions, Captain Harry O'Neal was able to determine that Ms. Prescott-Gaskill would not be able to survive long enough for the crew to lower a small boat. Seizing the initiative, Captain O'Neal ignored the danger to the ferry and himself and maneuvered the over-100 foot vessel through the shallow waters to her rescue. After the crew had brought Ms. Prescott-Gaskill aboard, a small boat was lowered and Ms. Gaskill was rescued. It is without a doubt that the valiant actions of Captain O'Neal and his crew saved the lives of Ms. Prescott-Gaskill and her sister-in-law.

It is, therefore, with great pleasure that I rise today to pay tribute to Captain O'Neal and his crew: Grady Fulcher, Donald Piper, Charles L. Mason, James Gaskins, and William S. Sawyer. Their actions demonstrated a dedication to their fellow man and level of job expertise that we should all strive to achieve. The bravery of men such as these makes me proud to represent the First District of North Carolina.

IN HONOR OF SOPHIA "BACHI" DUBOWSKY

HON. VIC FAZIO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. FAZIO. Mr. Speaker, I rise today to salute a dear friend of mine, Sophia "Bachi" Dubowsky, who celebrated her 80th birthday on November 11, 1987. Sophia has been an outstanding citizen, political activist and supporter of the community her entire life. I have known Sophia and her family for years and am proud to be her friend. I know my colleagues will agree that Bachi, as her family and friends call her, is a truly remarkable woman.

Sophia leads a full and active life. She has devoted many years to public service in the Sacramento area, especially in her Jewish community organizations. At 80 years of age, Sophia continues to work full time at Harold's Plumbing, owned by her son-in-law Sy Opper, and it doesn't look like she is slowing down at all. She has continued to keep current on the issues facing our country and her family has told me that they believe she has never missed a chance to vote in an election.

Sophia was born on November 11, 1907, in New York City to Ida and Abraham Pockrass, Russian immigrants. She is devoted to giving to her friends, family, and community. For many years, Bachi has been actively involved with the Temple B'Nai Israel. She was honored by the Israel Bond Committee at a special dinner in her honor for her contributions.

Sophia also has the great love and respect of her family. I join her children, Estelle and Caroline, their spouses, Sy and Izzy, her grandchildren, Shelley, Michael, Gayle, Arlen, Marlena, and Bryan, her great-grandchildren, Leah, Matthew, Melissa and Stephen in wishing her a very happy birthday.

Mr. Speaker, for 80 years Sophia Dubowsky's energy and enthusiasm for life has provided love and support to her family, her friends and her faith. I hope that Sophia will accept this small token of my congratulations and gratitude and will display it proudly in her office at Harold's as a remembrance that we in Congress are thinking of her. I know all of my colleagues join me in extending a warm happy birthday to Bachi, and we look forward to celebrating her 90th birthday in 1997.

NATIONAL JAYCEES WEEK

HON. JAMES M. INHOFE

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. INHOFE. Mr. Speaker, today I am introducing a bill to designate the week of January 17-23 as National Jaycees Week in honor of the Jaycees volunteer organization composed of young men and women between 21 and 40. I am proud to speak on behalf of the Jaycees because this fine group has its headquarters in my district.

The purpose of this resolution is to provide recognition to the U.S. Jaycees for its dedicated and faithful service to this country. Since its inception, the Jaycees organization has exemplified all the qualities our Nation cherishes. While this group has meant many things to many people, its purpose and character can be best up in three words—service to humanity. This selfless philosophy should be honored by a showing of our respect, our praise, and our hope that others will emulate the fine traits of these Americans.

I am sure that there are many colleagues who want to join this deserving tribute to the U.S. Jaycees.

REMEMBERING J.F.K.

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. MAZZOLI. Mr. Speaker, despite the approaching holiday season, countless millions of Americans remember the month of November with sadness for the memory of the dark, tragic days of 1963 when our Nation and the world was thrown into tumult by the assassination of President John F. Kennedy.

I was reminded recently of those particularly traumatic days by a thoughtful constituent of mine, Mrs. Frances V. Filburn, who feels we should extend appropriate recognition to our 35th President.

J.F.K.'s spirit speaks strongly and the legacy of his "New Frontier" remains a visible landmark of his life and service.

A remarkable legislative program for civil rights and of antipoverty social programs—in education, medical care to the elderly, and housing for the needy in America—was initiated. The need to uphold and strengthen this agenda is no less compelling today.

The issues which face us today—domestic and foreign—are not unlike those which faced the America of 1963. Nuclear confrontation, a faltering economy, trade imbalances, unemployment, and hunger are all still very much with us.

Now, as we are poised to conclude significant nuclear arms reductions, we stand at a crossroads for ensuring the peace and security of future generations.

Many of us here in Congress owe in large measure our interest in government and public service to his outstanding example. And, perhaps an even more important quality which the Kennedy era gave us was the spirit and devotion to public service which J.F.K. engendered in a generation of young American men and women.

At this time of year we should honor John Kennedy's memory and rededicate ourselves to the proud ideals and sense of commitment which he showed us. This translates to an America whose people are resolute and whose future is bright, and, in John Kennedy's own words, "commands respect throughout the world not only for its strength but for its civilization as well."

STOCK MARKET INVESTMENT ACT

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. DORNAN of California. Mr. Speaker, apart from the well-known reasons for the stock market plunge—that is, the usual Democratic proposals to destroy the economy—there was another reason that had to do with the market itself. Under the current market system, underlying stock values are being overwhelmed by broad market moves, moves triggered in many cases by a futures market that has turned individual stocks into speculative bets. For instance, it is not unusual to see all 30 stocks in the Dow go up or down together, something that never used to happen when the underlying value of a stock was what affected its price.

I think it is time that we in Congress do something to curb the speculation that has turned our securities markets into nothing more than casinos. The Government's policy ought to be to make stock market investment more attractive and speculation less attractive, providing natural incentives to stable behavior. One such obvious change is to reduce the long-term capital gains rate to 15 percent, and I have supported legislation to this effect.

Moreover, in order to make stocks more like investments and less like a hot deck in blackjack, I have introduced legislation—the Stock Market Investment Act—allowing corporations to deduct dividend payments from their taxable income. In the short-term this would entice money into the market as stocks became more valuable. In the long term it would eliminate one of the most powerful disincentives to real investment: the double taxation of dividends. If you remove this disincentive, you make it easy to transmit to shareholders the real wealth created by corporations and you make stocks an investment again.

I invite my colleagues to join me in this effort.

THE 100TH ANNIVERSARY OF THE SCALABRINI FATHERS

HON. BRUCE A. MORRISON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. MORRISON of Connecticut. Mr. Speaker, on Sunday, November 29th, I will be attending the annual dinner of St. Anthony's Church of New Haven. This year's dinner is dedicated to the 100th anniversary of the founding of the Pious Society of the Missionaries of St. Charles, better known as the Scalabrini Fathers or Scalabrinians. The commemoration events will also include a Mass to be celebrated by His Excellency, Bishop Peter A. Rosazza, with various concelebrants.

The Scalabrini Fathers bear the name of their founder and guiding force, John Baptist Scalabrini. As bishop of the city of Piacenza in northern Italy during the late 1800's, Father Scalabrini became troubled about the problems faced by the thousands of Italians migrating to the Americas and Australia. Most immigrants arrived alone, jobless, and unable to speak the native language of their adopted lands. Often they were even afraid to practice their religious faith.

On November 28, 1887, Bishop Scalabrini founded the Missionaries of St. Charles to minister to migrant Italians in their new homes. The following year the Scalabrini Fathers started arriving in the "Little Italys" of the East Coast of the United States. In 1889, they came to New Haven and founded St. Michael's Parish. The Scalabrini Fathers had care of all Italian immigrants in New Haven, and in 1903 assumed pastoral responsibility for St. Anthony's Parish.

Along with the Missionaries of St. Charles, Bishop Scalabrini also co-founded the Zelatrices of the Sacred Heart with Mother Cabrini. This community came to New Haven in 1906 to care for orphans and nursery children, and later expanded into education. Today the Apostles of the Sacred Heart, based in Hamden, are an active international religious community of the Roman Catholic Church.

Bishop Scalabrini first came to the United States himself in 1901 to observe the work of his missionaries. While in Washington, DC, he discussed the inhuman treatment of immigrants at Ellis Island with President Theodore Roosevelt. Soon after his visit, President Roosevelt established a special commission to investigate the administration of Ellis Island and its services.

While many of Bishop Scalabrini's recommendations were considered unacceptable by the Vatican during his lifetime, most have since been adopted. Scalabrini suggested that a central body in the Holy See be established to provide direction to migrants of all countries. He asked that diocesan centers of immigration be established in the various host countries under the jurisdiction of the bishop. He even suggested that bishops be selected from the various migrant communities to serve their own people in the countries of settlement. These suggestions were all to become topics of recommendation in the Apostolic Constitution Exul Familia in 1952.

The Scalabrini Fathers continue their ministry to migrant and refugee peoples. Scalabrinians now serve migrants from all the nations of Europe, the Americas, Southeast Asia, the Philippines and Australia. They work in 20 countries, in 51 cities, and they staff 64 parishes.

Mr. Speaker, I urge my colleagues to join me in honoring the good works of the Pious Society of the Missionaries of St. Charles and of Bishop Scalabrini, whose intellect, compassion, and foresight have benefitted so many.

SALUTING THE HI-RISE CLUB IN DE KALB

HON. J. DENNIS HASTERT

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. HASTERT. Mr. Speaker, I had the opportunity to join Housing Secretary Samuel Pierce earlier this week in recognizing members of the Hi-Rise Club at the De Kalb County Housing Authority's Golden Years Plaza in Illinois.

This group was one of 15 nationwide to receive a special commendation from HUD for its involvement in community service activities. The club is composed of residents of this senior citizen high rise apartment building and are involved in many activities aimed at making their community a better place to live.

They sponsor numerous fund raising events, such as bake sales and the sale of arts and crafts, to benefit many community groups such as the Salvation Army, the fire department, and the paramedics.

I especially want to commend Lucille Burtzos, the president of the club and club member Dorothy Abbott; Chuck Kittleson, executive director of the housing authority, and Robert Steinkamp, the chairman of the housing authority.

All were present for the award presentation here and I join Secretary Pierce in commending the group for improving their quality of life and for demonstrating an unusual interest in their neighbors and community.

TRIBUTE TO MEMBERS OF PACIFIC GAS & ELECTRIC'S GROUP LOAD CURTAILMENT PROGRAM

HON. NANCY PELOSI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Ms. PELOSI. Mr. Speaker, I would like to recognize the services provided by San Francisco businesses and governmental entities through their participation in Pacific Gas & Electric Co.'s Group Load Curtailment [GLC] Program.

Members of the GLC Program help PG&E prevent blackouts, or rolling brownouts, when the demand for electricity threatens to exceed the supply. This situation can result from hot summer afternoons when air conditioners are in heavy operation or when a natural disaster may disrupt services. Since 1980, large users of electrical energy have joined together in this cooperative effort, lowering their electric usage whenever a critical need arises.

The voluntary assistance of GLC members enables our communities to maintain a more dependable energy supply. By working as a team, they help to make sure that vital services are delivered without electrical interruptions.

San Francisco members which deserve our sincere appreciation are the Bechtel Power Corp., C&C Investments, California State Automobile Association, Chevron Corp., Embarcadero Center, Federal Reserve Bank, Hilton Hotel and Towers, Milton Meyer & Co., Pacific Bell, Pacific Gas & Electric Co.'s corporate headquarters, the Phillip Burton Federal Building and Court House, St. Mary's Hospital, the State of California, the U.S. Postal Service

General Mail Facility, and the University of California Medical Center.

I know my colleagues join in saluting PG&E and all the members of the GLC Program. We commend them for their community service and wish them continued success in the future.

A TRIBUTE TO DAVID TRESSLER

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. McDADE. Mr. Speaker, A very special event honoring an outstanding individual will be held in Scranton, PA, on December 2, when the Kiwanis Club Charity Fund honors David Tressler.

I regret that I cannot be in Scranton for this community salute, but I do want to acknowledge in the CONGRESSIONAL RECORD my high regard for David Tressler and the innumerable contributions he has made to his community and his profession.

Dave Tressler is a citizen in the finest sense of the word. He is one of those people who make their community a better place. Whether its charity, economic development, health care, or education, Dave Tressler is there to devote his time and talents to enriching his community.

I have known Dave Tressler for a good number of years. I value his friendship, his good sound judgment and his advice about the needs of the Scranton area. As I look at Dave's accomplishments, I have to wonder how he packed it all into just 51 years.

Dave Tressler's list of charitable and civic affiliations is impressive not only for its length, but also for the variety. To mention just a few, he has served on the Board of Directors of Mercy Hospital, Marywood College, Blue Cross, the Economic Development Council of Northeastern Pennsylvania, Scranton Chamber of Commerce, Human Resources Foundation and the United Way. He has also been involved with public broadcasting, Pennsylvania Bankers Association, numerous service clubs and the Small Business Administration National Advisory Council.

In addition to community service, Dave Tressler is a respected member of the banking profession, currently serving as chairman of the board and chief executive officer of the Northeastern Bank of Pennsylvania and vice chairman of the board of directors of the PNC Financial Corp. Not to be overlooked is the fact that Dave is a devoted husband, father and grandparent.

Mr. Speaker, it is with great pride and pleasure that I pay tribute to David Tressler, an outstanding citizen of this country and the Scranton community. His recognition by the Kiwanis Club is richly deserved.

THE DEPARTMENT OF VETERANS' AFFAIRS: GIVING AMERICA'S VETERANS A VOICE IN THE WHITE HOUSE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. BROWN of California. Mr. Speaker, on Tuesday the House approved legislation elevating the Administrator of Veterans' Affairs to a Cabinet-level position by creating a new Department of Veterans' Affairs. Enacting this legislation into law will mark a vital step toward guaranteeing adequate representation in the White House for the brave men and women who have made great sacrifices to preserve the freedom and prosperity we enjoy today. America's veterans have earned the right to be heard at the highest levels of the American Government, and I am pleased the House has upheld the commitment made to our Nation's veterans by approving this legislation.

Above all else, their service to our Nation qualifies America's veterans for a position in the President's Cabinet. Virtually every other group in American society is represented in the White House. The men and women who have stepped forward to defend our country, however, are not, and it is time we rectify this unfortunate situation.

In addition to this most important consideration, however, lies both the size and scope of the Veterans' Administration [VA], and the growing needs of the individuals it serves. The VA represents a constituency of over 28 million veterans, as well as their 66 million survivors and dependents. The 1988 VA budget will exceed $27 billion, and will provide employment to over 244,000 individuals—second only in size to the Department of Defense. The VA administers the largest health-care system in the free world, employing over 12,000 doctors and more than 30,000 nurses. VA education programs work with virtually every institution of higher learning in the country. Finally, placing this issue in proper perspective is the simple fact that, as an independent agency, the VA is today larger than any one of the Departments of State, Interior, Labor, Commerce, Education, Transportation, Energy, Housing and Urban Development, and Justice.

Behind these numbers and comparisons, however, lie the human beings who are the focus of the VA's work. And these individuals deserve our special attention, for without their sacrifices our country today might look quite different. Taken together, these individuals comprise an aging veteran population, however, which will pose an increasingly difficult challenge for the VA. By the year 2000, almost two-thirds of U.S. males over the age of 65 will be veterans. This group will face rising health care needs which will further burden an already overburdened veterans health care system. Members of Congress such as myself are painfully aware of the deficiencies in our veterans health care system, and have made this issue a priority during this session of Congress. Adequately meeting the challenge of veterans' health care, as well as the broader challenge of fulfilling the commitment made to America's veterans, will require the consistent and focused attention of our Nation's most senior policymakers. Having a Secretary of Veterans' Affairs seated with the President in the White House will ensure that veterans receive the attention they deserve.

Creating a Department of Veterans' Affairs is long overdue. This legislation has the support of all the major veterans organizations, and just last week we learned of its support by President Reagan as well. If we truly value the freedoms and liberties we enjoy, then we must be unsparing in our support of those individuals who have actually fought to preserve these privileges for our children and us. The approval, of this legislation will convey an important message to America's veterans: That we care enough to represent veterans interests at our Government's highest level.

AMENDMENT TO H.R. 3100

HON. BUDDY MacKAY

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. MACKAY. Mr. Speaker, I rise today to speak on the significance of the Fascell amendment to H.R. 3100, the International Security and Development Act. The bill authorizes a total of $11.45 billion in 1988 for foreign assistance programs including $3 billion for aid to Israel. The Fascell amendment strengthens our commitment to Israel and curbs the proliferation of dangerous weapons.

The Fascell amendment is significant because it codifies the existing agreement between the executive branch and the Congress on the sale of F-15's to Saudi Arabia and strengthens congressional review of all missile and rocket launcher sales regardless of the dollar value.

In the wake of the report of the congressional committees investigating the Iran-Contra affair, our efforts to fight international terrorism must be strengthened. The report documents the flaws in the Arms Export Control Act and in the current system of congressional approval of arms sale. Currently, under the Arms Export Control Act, Congress can only disapprove missile sales of more than $14 million.

The amendment prohibits the sale of the manned portable Stinger antiaircraft missiles to all countries except NATO and major non-NATO allies unless explicitly approved by Congress. The proliferation of Stingers could pose the greatest potential threat to commercial aircraft if such weapons were to fall into the hands of terrorists. I am particularly alarmed by revelations that 30 Stinger missiles now in the hands of the Iranians were acquired from the Afghan rebels.

I commend Congressman FASCELL and Congressman SMITH for their work on this amendment that makes important strides in stemming the proliferation of Stinger missiles and locking in place agreements which protect Israel's security concerns.

CHET GULINSKI SHOW CELEBRATES 33D ANNIVERSARY

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. LIPINSKI. Mr. Speaker, on November 5, the Chet Gulinski Show began its 33d consecutive year of radio broadcasts. The first Chet Gulinski Show was a 30-minute program broadcast between 7:30 and 8 p.m. Sunday evening. There have been thousands of Chet Gulinski shows, some broadcast Sunday evenings, others Sunday morning, Saturdays and Friday evenings. There were and are daily morning shows. The Chet Gulinski shows included broadcasts over stations WPNA, WVVX-FM, WAIT, WIVS, WEAW, WBMX, WOPA, WTAQ, WYLO, WRIN, and WONX. Some of you may remember the Chet Gulinski TV show telecast initially on channel 44 and then on channel 26.

Thousands and thousands of people have seen and enjoyed the live broadcast of the Chet Gulinski shows from many locations, such as the world famous Aragon Ballroom, Navy Pier, Chicagoland's Lake Front, The Free Fair, Tony Piet's Pontiac City, Delta Wholesale, Heights Restaurant and Lounge, Fireside Federal, Erhard's Grove, Pulaski Village, Wozniak's Casino, Polonia Grove, Polonia Ballroom, Lucy's Wisconsin Rendezvous, St. Joseph's Acres of Fun Carnival, Harmony Hall, Maple Lanes, Len's Polka Den, and others. More Chet Gulinski shows were broadcast in the Chicagoland area than any other polka show.

A few personal facts about Chet Gulinski. He was a staff announcer at WTAG, general sales manager for Station WOPA and WGLD. Presently he is the sales manager and program director for WPNA. Chet has earned a bachelors degree from De Paul University, graduated from Five Holy Martyrs Grade School and St. Joseph's High School. His wife, Evelyn, manages Action Tours and Travel. They have four children, three sons and a daughter.

Chet Gulinski has been presented with more than 50 awards, plaques, and commendations for his continued work and efforts in the polka field. He has been associated with three recording companies: Ridgemoor, Ampol, and Mil-Pol. Chet helped organize the Senior Polka Association which now has four branches, a membership exceeding 2,000. He was also instrumental in organizing the Brick Yard Senior Citizens Organization which claims a membership of almost 1,000. Chet serves as president of both organizations. He has also been director of the IPA and UPA. These are a mere sampling of the activities in which Chet Gulinski has been involved during the past 30-plus years. He continues to broadcast a daily polka show over WVVX-FM at 9:30 a.m., and a Sunday 3½-hour Chet Gulinski Show, from 8:30 a.m. until noon on WPNA, 1490 on the AM dial.

I am sure that my colleagues join me in congratulating Mr. Gulinski upon this 33d anniversary of his show and in thanking him for his community service.

IN HONOR OF CONCETTA Q. SCHMITZ

HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. APPLEGATE. Mr. Speaker, it is with pleasure that I pay tribute to Ms. Concetta Schmitz, lead secretary with the Office of Transportation, who was recently awarded the honor of Superior Service by the Department of Agriculture. Ms. Schmitz received the award for saving a coworker's life by quickly and accurately analyzing a critical situation and taking decisive action.

On September 20, 1986, Ms. Schmitz and Mr. Ron Vail, Chief, Domestic Services Branch, were on a business trip from San Antonio to Minneapolis, when Ms. Schmitz became alarmed by Mr. Vail's increasingly severe pain and discomfort. While en route to the first stopover in Houston, Ms. Schmitz alerted the pilot that an emergency medical crew should be available upon landing in order to examine Mr. Vail. The medical unit arrived at the plane immediately and after examining Mr. Vail, advised Ms. Schmitz to take Mr. Vail to the hospital by taxi, as an ambulance would require too much time. She escorted Mr. Vail to the hospital in Houston, where he was examined and then transferred to another facility by helicopter for surgery to correct a hematoma, or pressure on the brain. The doctor who performed the surgery credited Ms. Schmitz' insistence that Vail get medical help with saving his life.

Mr. Speaker, Ms. Schmitz personifies the instinctive sense of heroism in all of us to react in life and death situations and is to be honored for her efforts.

IN COLOMBIA, KILLINGS JUST GO ON AND ON

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. RANGEL. Mr. Speaker, I wish to call to the attention of my colleagues and the public a distressing article which appeared in the Wall Street Journal of November 17, 1987. The article which is entitled "In Colombia, Killings Just Go On and On" describes an escalating pattern of violence in Colombia.

Violence among Colombian drug traffickers is well-known. Over 30 jurists in Colombia have been murdered by narcotraffickers. A former attorney general of Colombia was assassinated, and the head of the Colombian National Police was also murdered. This violence has intimidated the Colombian judiciary and placed the status of the Colombian-United States Extradition Treaty in jeopardy.

The Wall Street Journal article mentions the murder of Jaime Pardo Leal, the leader of the leftwing Patriotic Union opposition party in Colombia. The article, written by Mary Williams Walsh, states:

Police reported some 14,000 murders in Colombia last year. In a population of about 28 million, that works out to one killing for every 2,000 people, the highest rate in the world for a country that isn't at war.

Colombia has a history of violence. Between 1948 and 1953 Colombia experienced an undeclared civil war, known as the violencia. The current level of violence makes it extremely difficult to conduct effective narcotics eradication programs in Colombia. What is most distressing about the situation in Colombia, however, is that killings and violence are becoming an accepted part of Colombian society, even the killing of children. Unfortunately, there is no easy answer to this problem.

H.R. 3100, International Security and Development Cooperation Act includes $3 million for the Administration of Justice Program in order to provide assistance to Colombia in combating narcotics-related violence.

Mr. Speaker, I ask that the article from the Wall Street Journal entitled "In Colombia, Killings Just Go On and On" be inserted into the CONGRESSIONAL RECORD at this point.

The article follows:

[From the Wall Street Journal, Nov. 17, 1987]

IN COLOMBIA, KILLINGS JUST GO ON AND ON

(By Mary Williams Walsh)

BOGOTA, COLOMBIA.—Jaime Pardo Leal had been getting death threats almost daily, but on the Friday before Columbus Day, the leader of the left-wing Patriotic Union opposition party gave his bodyguards the holiday weekend off. On Sunday, three strangers machine-gunned him to death. In the riots that followed, at least 11 more people were killed.

The tide of murder is rising in Colombia. Union leaders, judges, doctors, city councilmen and even children are being gunned down with almost monotonous regularity. One man was shot to death in his hospital bed as he recovered from bullet wounds. A 14-year-old girl who had witnessed a grenade attack in an ice-cream parlor was riddled with bullets on her way home from church.

People used to blame drug lords or political radicals for all the bloodshed. "But it's more than that," says Clara Lopez, a Bogota city councilwoman. "They kill beggars, homosexuals, petty thieves, labor leaders, civic leaders, teachers, priests. We have a dirty war that doesn't respect anybody."

The killings make Colombia a puzzle: It is the rare Latin American debtor nation that seems to do practically everything by the book, paying its foreign debt on schedule, courting foreign investment, opening up its polls to opposition parties. The economy is expected to grow about 6% this year, and unemployment is falling.

A WAY OF LIFE

The unpleasant truth seems to be that Colombian violence has become a national habit, almost a way of life. So endemic is it that an entire field of study has sprung up around it, populated by analysts called *violentologos*—people who study violence. One such analyst, Gonzalo Sanchez, theorizes that the "infrastructure" of death—informants, hitmen, private armies—was set up years ago by Colombia's celebrated drug traffickers. By the time someone decided to start killing social critics, the apparatus was already in place.

Mr. Sanchez fears that the spread of political slayings, in turn, is creating a climate of bloodshed that encourages the killings of crime and passion that have haunted Colombia for decades. "People are beginning to solve all the problems of everyday life with violence." he says.

Statistics bear out his observation. Police reported some 14,000 murders in Colombia last year. In a population of about 28 million, that works out to one killing for every 2,000 people, the highest ratio in the world for a country that isn't at war.

Americas Watch, the human-rights watchdog group, says about 1,000 of those were political assassinations. The government recently released a list of about 140 Colombian vigilante groups and death squads, with names like Rambo, the Crickets, and Death to Anti-Socials, Unionist and Communists.

Anonymous death lists have been circulating here since summer, bearing the names of Patriotic Union members, human-rights workers, reporters, a former attorney general and even a soap-opera actress. Political activists get black velvet condolence cards in the mail, with their own names typed inside. Some get dolls with red gashes painted on their necks.

Garbage-pickers are torched while they sleep in their carts. Homosexual streetwalkers say they have been stalked for the past six months by killers in a black car, who leave pamphlets calling Bogota "the land of men." Minor traffic disputes end in the blaze of gunfire.

Says Mr. Sanchez, the analyst. "We're not going into a civil war. We're not going into a revolution. We're heading into complete anarchy."

It wouldn't be the first time. From 1948 to 1953, Colombians endured a bloodbath they now call, simply, *la violencia.* That undeclared civil war was touched off by a single murder. A populist politician was gunned down in the heart of Bogota, poor people rallied, the police mutinied, and the army went in shooting. In the years that followed, the dead man's allies and opponents—lined up in Colombia's two major parties, the Liberals and the Conservatives—attacked each other and avenged each other's deaths. Historians estimate 200,000 people died.

A SPLIT OF 50-50

In 1957, the warring politicians agreed to form a coalition government. For the next quarter century, Liberals and Conservatives traded off the presidency every four years. They split all cabinet posts and governorships 50-50. The governors appointed the mayors.

The agreement quelled the killing, but it offered little for anyone who wasn't a Liberal or a Conservative. For nearly three decades, whole regions were forgotten by the central government and left without roads, electricity or drinking water. Guerrillas moved in, robbing banks, hijacking trucks, opening jails, extorting and kidnapping the rich.

The government in power from 1978 to 1982 took a hard line against the guerrillas. The next government, from 1982 to 1986, tried a cease-fire, but it unraveled. The current administration of Virgilio Barco Vargas has decided to counter the rebellion with an assault on rural poverty. It is also liberalizing the political system, announcing that in 1988, for the first time in history, Colombians will be able to elect their own mayors. Since then, the biggest guerrilla group has come out into the open, forming the Patriotic Union, whose leader was killed on the Columbus Day weekend. And the killings have surged.

Vilam Velasquez's husband, Rafael, was a guerrilla. When the government turned conciliatory, she says, he took it at its word and returned to civilian life. He even wrote a short story about a subversive who turns in his gun; he entered the story in a fiction contest and won a cash prize.

Then one day, plainclothes police picked him up and drove him around the city, asking questions. "When they let him out of the car, they told him to be careful because something terrible might happen to him," she says. A few days later, Rafael disappeared. Two weeks after that, Ms. Velasquez gave birth to their daughter. Today she still carries in her purse a battered letter he wrote his unborn child. "There are many cases like mine," she says.

But none of the killings has ignited Colombians like that of Mr. Pardo, the Patriotic Union leader. Within hours of his death, working-class protesters filled the streets of Colombia's slums and villages. They lit bonfires, smashed windows and threw stones at police.

"The attorney general, the president—they know who's doing this, but there hasn't been a single arrest," says one late-night protester, the flames of a bonfire reflecting off his face. "They don't really want democracy. They want to keep Colombia the way it is."

Far from the protests, on a hillside overlooking the city, a successful Bogota businessman sits in an easy chair, listening to the fray on his police radio. Light music oozes from his tape player. An Uzi submachine gun gleams on the shelf.

"We are on the doorstep of civil war," he says. "I think the Colombian political class has been sleeping on its own power, just as the czars in Russia slept on their feather beds."

As he talks, his wife and two teen-age daughters hurry in from the rain and kiss him on the cheek. The mother reports that all the shops were closed and she couldn't find any bread. He chats with her briefly, then resumes his political analysis. "We have a dirty war—exactly the same as in Argentina," he says. "It isn't acceptable, but it's understandable." And what should the government do about the murders? "Nothing," says the businessman. "An eye for an eye."

SUPPORT A NATIONAL MUSEUM OF THE AMERICAN INDIAN

HON. SANDER M. LEVIN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. LEVIN of Michigan. Mr. Speaker, our capital city is encompassed by commemorative monuments and museums. Perhaps more than 500 of these structures dot our capital, representing Presidents, civic leaders, war heroes, and other distinguished groups and individuals. Yet no monument exists for the first Americans.

My distinguished colleague in the Senate, DANIEL INOUYE, is seeking to change this oversight. He, along with other Members of Congress, is proposing to move the present Indian Museum in New York to a more prominent location in Washington, DC.

The current location of the museum of the American Indian is entirely insufficent. The only reason it remains in New York is because of legal stipulations placed upon the museum by its founder, Mr. George Heye. Mr. Heye's request was to have a symbol of the American Indian heritage placed in the State of New York, "unless facilities are not available."

Yet over 1 million Indian artifacts and items of historical value remain locked in a New York warehouse for lack of a suitable home. When you walk through a museum filled with artifacts of our Native Americans' rich cultural heritage, you do not expect to view them lying in the dust. It's only proper that they be displayed in a protective setting. It is clear that the present New York address is not an appropriate home.

The Indian people support this move to the Mall, and the Smithsonian has set aside space for a museum. Native Americans want maximum exposure for a heritage of which they are proud. Shelves and warehouses should not be the ultimate destiny of their sacred artifacts. The true home is in a dignified setting here in our Nation's Capital.

RECOGNIZING FELLOW NEVADANS FOR THEIR HUMANITARIAN EFFORTS IN BREAKING NEW GROUND

HON. JAMES H. BILBRAY

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. BILBRAY. Mr. Speaker, I rise today with deep respect and a profound sense of admiration to pay tribute to seven outstanding community leaders of Nevada. On November 28 The Links, Inc. Las Vegas chapter will be honoring these men for their dedication to develop and better the quality of life for the citizens of this Nation: Dr. William "Bob" Bailey, the Honorable Howard Cannon, the Honorable Oran Gragson, Mr. Hank Greenspun, Dr. James McMillan, the Honorable Grant Sawyer, and the late Dr. Charles J. West.

Each of these outstanding individuals have all been instrumental in the civil rights movement in Las Vegas, an issue which remains vital to Nevada and our Nation.

Specializing in business development, Dr. Bailey has made great contributions to the economic viability of minority-owned businesses. Under his direction during the past 15 years, the Nevada Economic Development Company, Inc. (NEDCO) has established itself as a leader in minority business enterprises. This company, providing assistance in the areas of finance, accounting, marketing, and management, has witnessed millions of dollars in activities and is truly a leading firm of its type. Nevada continues to benefit greatly from the tremendous work accomplished by NEDCO and Dr. Bailey.

Serving as Senator for the State of Nevada for 24 years, Senator Howard Cannon has generously dedicated his time in serving his State and country. Senator Cannon first achieved recognition for his contribution to the defense of our country. As a member of the U.S. Army Air Force, he nobly served during the Second World War. Among his long and distinguished list of achievements, upon election to the U.S. Senate he served as chairman of the Tactical Air Power Subcommittee, and of the Rules and Administration Committee. In addition, Senator Cannon served as Senate advisor to the United Nations on peaceful uses of outerspace and the treaty to ban nuclear tests in the atmosphere, outerspace, and under water. His actions in Washington and in Nevada served as a cornerstone for forwarding the civil rights movement.

A leader in the true sense of the word, Mayor Oran Gragson has played a major role in influencing major expansions and developments in virtually every facet of the economic, social, and cultural life of Las Vegas, NV. Becoming the only four term mayor in the history of Las Vegas, Mayor Gragson brought an end to the dusty, desert trails that characteristically described Nevada's transportation system. In pursuit of his dream, he fought until he convinced the Nevada legislature of the need for area-wide, or "regional" planning and construction of streets and major traffic arterials, plus the need for definite and reliable revenue sources for such construction. In addition to his political career, Mayor Gragson has been a member of a wide variety of organizations dedicated to the enhancement of community and the rights of all citizens.

An articulate and tenacious advocate of civil rights, Mr. Hank Greenspun early championed the movement through his involvement in the media. Having founded the Las Vegas Sun in 1950, Mr. Greenspun spoke with compassion of the rights of all members of society, and in particular brought his extensive energies to bear against those in Nevada who would deny equal consideration under the law. As the owner and operator of the television station KLAS-TV, and a current partner in cable television, he has diligently kept the public informed of current events. Prior to his entry into the media, Mr. Greenspun served in the defense of our Nation in the U.S. Army during World War II. In addition to his military and communications career, Mr. Greenspun has passionately supported our fellow democracy in the Middle East, Israel, and in recognition has received the highest honors from that state. Mr. Greenspun has served Nevada and our country with distinction.

Making great gains for the civil rights movement, Dr. James B. McMillan was the first black dentist in the State of Nevada. As president of the Las Vegas chapter of the NAACP and chairman of the overall economic development plan committee, Dr. McMillan has been instrumental in improving the quality of life for black Americans. As an acknowledged leader in improving the quality of life for blacks in Nevada, Dr. McMillan has fought with courage, dignity and diligence in the pursuit of his vision of an improved life for all citizens, recognizing that should the rights of any one be denied, the rights of all suffer. He has been active in integration of neighborhoods, schools, and in employment. Dr. McMillan is most deserving of this honor for his dedication toward the desegregation movement.

Governor Grant Sawyer has been active in a variety of different areas in his quest for a better Nevada. A true patriot, Mr. Sawyer saw combat in the pacific theater in the 1940's. An accomplished member of the bar, Governor Sawyer was a district attorney in Elko County, NV, and currently serves as a senior partner in the prestigious Nevada law firm Lionel, Sawyer & Collins. Included in his long record of contributions is service as former chairman of the National Governors' Conference and of the National Council of State Governments. During his tenure as Nevada's chief executive, Governor Sawyer pioneered Nevada's efforts to the enhancement of the rights of her citizens. In addition to his careers in the military, Government, and law, Governor Sawyer serves his community and Nation greatly, giving generously of his time and energies.

An individual highly noted for his hard work and dedication to develop the State of Nevada and better the lives of her citizens, Dr. West was a pioneer in the truest measure of the word. A distinguished professional, Dr. West was the first black physician to take the Nevada State Board of Medicine and was the State's first black doctor to practice medicine in Nevada. The gains he achieved for the State will long be remembered, blazing the path for future generations of minority professionals in Nevada.

Mr. Speaker, on behalf of Nevada, I wish to commend each and every one of these men for their lifetime dedication in breaking new gound. I offer my sincere congratulations to these highly respected individuals, and I join all Nevadans with a profound sense of gratitude in thanking them for their outstanding work.

INTERNATIONAL FAMILY PLANNING

HON. JIM MOODY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. MOODY. Mr. Speaker, this month I attended a screening of an important documentary about the need for Federal funding for voluntary family planning services in developing countries. The film, "Increase & Multiply?" was produced by the Better World Society, International Planned Parenthood Federation, and the Pathfinder Fund.

The film shows graphically the human, natural resource, and social impacts of the current exponential population growth in the Third World. For example, "Increase & Multiply?" illustrates the horrible effects of excessive population growth in Kenya, Zimbabwe, Guatemala, and Mexico. It shows desperately poor families barely able to scrape a living. It shows the now nonarable desert in Africa, a land that people depend upon to grow food for their large families.

The documentary also highlights the need for the United States to retake its position as a world leader in family planning and development assistance. Under the Reagan administration, the United States has adopted a policy of decreased funding and increased restrictions that has seriously undermined the future physical and economic health of the developing world.

The Better World Society, along with the Alan Guttmacher Institute, Planned Parenthood Federation of America, Population Crisis Committee, Population Institute, and Zero Population Growth, is launching a national television campaign to build public support for increased U.S. funding for international family planning efforts. The documentary was telecast last week over the Turner Broadcasting System.

I hope many people had a chance to view this film and recognize the need for grassroots support for this important aspect of U.S. Government foreign assistance. Members wishing to view the film or receive a viewers guide can contact the Better World Society at 1140 Connecticut Avenue, NW, Suite 1006, Washington, DC 20036; 202-331-3770.

REGARDING SOUTH KOREAN HUMAN RIGHTS

HON. LANE EVANS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. EVANS. Mr. Speaker, Kim Keun Tae and In Jae Keun will be honored today at Georgetown University with the Robert F. Kennedy Human Rights Award for their efforts on behalf of the oppressed citizens of South Korea. The only problem is that the South Korean Government won't allow the couple to be there to accept the award.

Despite strong pleas from the State Department, Mrs. In was denied a passport from her Government, and Mr. Kim remains in jail as one of a myriad of little-known prisoners of conscience who must continue to suffer gross mistreatment for his nonviolent quest for democracy and human rights within his nation's borders.

While it is disappointing that Mr. Kim and Mrs. In are not able to be personally recognized for their courageous efforts to strike out against injustice and repression in South Korea, their commitment to human rights and social justice should not go unnoticed by the American people.

The following article from the July 30, 1987, Far Eastern Economic Review further documents the courageous struggle of Mr. Kim and Mrs. In.

PRISONERS OF THE PAST—DETAINEES MAJOR OBSTACLE TO POLITICAL RESOLUTION

(By John McBeth in Seoul)

Once every month, In Jac Keun, 35, boards an express bus in the South Korean capital for the tiring 10-hour round-trip journey to the southeastern city of Kyongju, a favoured destination for tourists anxious to see the historic seat of the 7th century Unified Shilla Kingdom. There, for a brief half-hour or so, she is permitted to visit the local prison and talk through the iron bars to Inmate No. 125—her husband.

A shadow of the man she married more than a decade ago and by whom she has two children, Kim Keun Tac, 41, is one of South Korea's best known political prisoners. He is also one of many who the government refused to include in the recent mass prisoner release because he falls into the category of those who have been part of or have given support to so-called anti-state organizations.

The former president of the National Youth Alliance for Democracy is serving a five-year sentence for allegedly disseminating North Korean propaganda. But what attracted the most international attention was Kim's lurid testimony during his 1985 trial in the Seoul District Court in which he claimed he was beaten and underwent agonising electric torture over a 16-day period—not because he refused to confess, but because it was planned from the start. The torture, he said, "brought me within the shadow of death."

His wife says he still suffers from the after-affects of that torture. "He suffers all the time from headaches and indigestion and most of the time he can only eat soup," she told the REVIEW. He also suffers from internal bleeding, she claims. A doctor visits the jail once a week, but so far the government has ignored her repeated requests for improved medical assistance.

In Jae Keun is general affairs chairman of Minjahyop, a 300-strong association which represents the relatives of more than 80% of South Korea's political prisoners. Working in a dingy sixth-floor office in Seoul's Chunggu district, the group has made its presence felt with politicians on both sides of the political fence. Right now, it is pressing the opposition Reunification Democratic Party (RDP) not to enter into constitutional talks until after all political prisoners are released.

Kim Keun Tae is the only political prisoner at Kyongju. The rest are spread out through 35 other facilities across the country, with many concentrated in Seoul's Sodaemun and Yongdongpo detention centres. Government officials claim there are slightly more than 200 prisoners serving time for politically related offences, and another 400 going through the court system, most of whom are likely to be released. But the National Council of Churches in Korea (NCCK) counts 900 among the total number, or 300 above the official figure.

Diplomats with a human-rights brief admit they are as confused as anyone about the true situation, but tracing the chronology of events they say the lowest number of political prisoners at any one time was 80 in early 1985. Among them were about 40 Korean residents of Japan jailed in South Korea on subversion-related charges, 16 alleged members of the South Korean National Liberation Front, most of whom were picked up in 1979, and five South Koreans accused of belonging to the Unification Revolutionary Party and sentenced to life imprisonment in the late 1960s.

The number began to increase however in May of that year when 73 students took over the US Information Service (USIS) building in downtown Seoul. Twenty of those stood trial and were sentenced to prison terms, including Han Yun Kyong, leader of the newly emergent Samintu activist group.

Over the next year, the political-prisoner population swelled to about 700 as police cracked down on Samintu, a student body which was far less radical than those which have surfaced in the past year or so but which caused considerable alarm in government circles at the time because of its ideological slant.

The next sharp increase in arrests came in May 1986 following riots in the port city of Inchon. This time, police attention focused on Mintongnyon, the 30,000-strong umbrella organisation for a collection of dissident religious and worker groups, and on two new and decidedly more radical student groups, Chamintu and Minmintu.

In August 1986, the NCCK estimated there were 1,200 activists in custody, which diplomats regarded then as an accurate figure, and by December the number had risen to between 1,800 and 2,000. What caused some confusion in the intervening period, however, was the unannounced release of inmates and the difficulties involved in generally keeping track of the shifting prison population. In several instances, for example, diplomats and journalists only became aware that certain people had been freed when they ran into them on the street.

In any event, the NCCK continues to stick by its estimate of 1,850 political detainees before the recent mass releases—a figure which independent analysts feel may have been a little on the high side, but which they say was not grossly exaggerated. Included in that total appear to be about 70 disputed espionage cases, mostly involving Korean students resident in Japan but studying at Seoul universities, where the trial evidence was considered to be insufficient.

Still to be resolved as well is the status of an estimated 1,300 people, including newly freed Mintongnyon leader Rev. Moon Ik Hwan, who have yet to have their civil rights restored.

NCCK sources say the real litmus test of government sincerity in dealing with the political prisoner issue rests on Kim Keun Tae, who is now not due for release until 1990; Lee Tae Bok, 36, arrested in 1981 and serving a 20-year term for leading the National Democratic Student Federation and the National Democratic Workers Federation; Chang Ki Pyo, Mintongnyon's political strategist who began a seven-year sentence last year; and Lee Boo Yong, another Mintongnyon member arrested after the Inchon incident.

Human-rights groups apparently believe that by releasing these particular prisoners, the government will feel obliged to free others who were jailed on what are claimed to be treasonable offences. The NCCK maintains that only detainees who freely acknowledge their communist beliefs should continue to be held, not those who were tortured into signing confessions or who have been simply given a communist label because of their anti-government activities.

"A real communist will never say he is not a communist," says opposition leader Kim Dae Jung, who has often had the same tag applied to him. "The evidence in many cases was fabricated. They needed an excuse to label them pro-communist so now they can not easily release these people." Kim told the Review that the fact he himself is now finally free of sedition charges makes the continued detention of political prisoners meaningless.

In, for her part, believes the government is reluctant to free the remaining dissidents not simply because of their past political activities, but because of what she calls their "administrative abilities," or what may be better interpreted as proven leadership qualities. Asked directly about her husband's ideological beliefs, she smiled and said: "How can you think you are a communist when you are living in this country."

A graduate in economics from Seoul National University, Kim was actively involved in organising support for Kim Dae Jung when he ran against Park Chung Hee in the 1971 presidential election. Sought by police for alleged anti-government acts, he went underground for much of the rest of the decade, working in factories and at the Inchon Urban Industrial Mission. In says if he was freed, he would probably go into active politics.

RDP president Kim Young Sam says he intends taking up the political prisoner issue in concert with the talks on constitutional reform—a course of action Kim Dae Jung also favours. "I think if the RDP maintains persistent efforts, we can solve most of these cases," he said. Relatives of detainees, however, are not relaxing their campaign—even if an opposition victory in the year-end presidential elections would no doubt open most cell doors.

Many Koreans who have suffered under the heavy hand of authoritarian rule are equally wary of taking things at face value. But given the startling developments so far, one part of Kim Keun Tae's evidence now makes poignant reading.

Recalling a broad-shouldered policeman who always carried torture tools in his briefcase, Kim quoted him as saying before one interrogation session: "Our undertaking business is about to start. Do you know how Lee Jae Mun died? He died when his internal organs burst. Now it's your turn. I'll allow you to retaliate after you achieve democracy. Then I'll be on the torture rack instead of you.

TRIBUTE TO MRS. LOUISE N. SKAGGS

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. SKELTON. Mr. Speaker, I rise today to pay tribute to an outstanding and truly dedicated public servant, Mrs. Louise N. Skaggs of Fort Leonard Wood, MO. Mrs. Skaggs was awarded the Decoration for Exceptional Civilian Service by the Secretary of the Army on November 18, 1987.

Mrs. Skaggs' citation cited "her exemplary professional accomplishments during more than 46 years of Federal service have resulted in enhanced civilian payroll service throughout the Army and other Federal agencies and the personal appreciation of employees for timely, accurate pay services."

Mrs. Skaggs is the sole remaining member of the original work force that opened Fort Leonard Wood back in 1941. Her selfless toil and dedication in quiet anonymity is an example for all of us. It gives me tremendous pride to represent Mrs. Skaggs here in Washington.

SCOUTING FOR FOOD GOOD TURN

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. ROTH. Mr. Speaker, I rise today to recognize the laudable efforts of more than 7,500 Scouts to aid the hungry in northeastern Wisconsin. This extraordinary project, appropriately named "Scouting for Food Good Turn," took more than a year to coordinate, and was the largest food collection ever attempted in Wisconsin. Scouts joined their parents and friends to collect the staggering amount of more than one-half of a million cans of food. The Scouts dropped off empty bags to homes throughout the area, and a week later collected the bags which had been filled with food.

The National Guard boxed the food and distributed it to food pantries which feed the hungry. More than 100,000 Wisconsinites donated goods for the cause.

Mr. Speaker, I would like to point out to my colleagues in the Congress these selfless acts by the residents of this great State. Wisconsin, in the heart of the Midwest, is one of the most productive agricultural States. Indeed, it is common knowledge how much food "America's Dairyland" produces for the rest of the country. However, hunger still exists in Wisconsin and today I call the attention of all Americans to the magnanimous example that these volunteers have set by attempting to combat the problem in their own areas.

The record breaking efforts of these fine young Scouts is a deed that sets a standard by which all future collections will be judged. But, more importantly, it reflects the concern of the Scouts to reach out to other youngsters their own age.

As the Thanksgiving holiday draws near, I ask my esteemed colleagues to join me in reflecting upon this spirit of generosity exemplified by the people of my State, and to encourage all Americans to heed this model of volunteerism.

A TRIBUTE TO MERLE HUTSON

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. TRAFICANT. Mr. Speaker, today I rise in order to pay tribute to Mr. Merle Hutson, a very special resident of my 17th Congressional District. This outstanding addition to the human race will be honored for his awe-inspiring life with a testimonial on November 28, 1987. It is one of my proudest moments as a Congressman to be able to inform my fellow Members of the U.S. House of Representatives about this wonderful human being's astounding accomplishments.

Mr. Hutson began his outstanding athletic career at Heidelberg College. He pounded opposing quarterbacks as an All-Ohio tackle for 3 years, and led his team as captain of the 1931 Heidelberg team. In addition, he played on the basketball team for 3 years, and served as a weight man on the track team. October 11, 1986, was one of the greatest days of Merle Hutson's life, for that was the day he was inducted in the Heidelberg College Hall of Fame for his numerous sports skills.

With the exception of the 3 years he spent fighting for America in the U.S. Army, Merle Hutson's name has been synonymous with Crestline High School sports in Crestline, OH from 1932 until his retirement in 1953. He won 11 championships in football and basketball during his tenure, and his 1939 football won the class-B Ohio State Championship due to Mr. Hutson's deft, sublime, and wizardly coaching. One of the most amazing testimonials to his stunning coaching skills is the fact that he turned Crestline High School into the cradle of coaches, with over 40 of the players he tutored going on to be extremely successful coaches in either high schools or colleges.

Merle Hutson certainly deserves every honor now coming to him, for his life is a role model for coaches everywhere. Merle, I tip my hat off to salute your greatness. Thus, it is with thanks and special pleasure that I join with the residents of the 17th Congressional District in paying tribute to the truly amazing achievements and very noble and majestic character of Mr. Merle Hutson.

WAIVING HOUSE RULES

HON. TRENT LOTT

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. LOTT. Mr. Speaker, the House Rules Committee is rapidly becoming the ruleless committee. This week alone, of the four rules we granted for the consideration of bills and conference reports, all four waived all points of order against consideration. In other words, for all we know, each of those measures could have violated every rule in the book, including the entire Budget Act, but the Rules Committee was saying, "It's okay."

Mr. Speaker, about 9 years ago, when Congressman Bolling became chairman of the Rules Committee, a conscious policy was instituted to avoid blanket waivers of the rules in favor of specified waivers. This policy has proved extremely useful to Rules Committee members, the rest of the House, and to committees.

When our current chairman, Senator PEPPER, took over in 1983, he continued to observe this policy, and, according to my research, during his first term as chairman in the 98th Congress, 1983–84, not once did we have a blanket waiver for a bill, a substitute made in order as original text, or a conference report. In the last Congress, though, such blanket waivers comprised 17 percent of all rules. And thus far in this Congress, they constitute 23 percent of all rules.

Mr. Speaker, I don't think committees have become all that more flagrant in their violations of rules than before to warrant such a heavy reliance on blanket waivers. It's just that such rules are easier to draft and explain away. In short, we are becoming sloppy and lazy, and, in so doing, we will eventually be encouraging committees to become so as well when it comes to complying with House rules.

I have therefore today written to Chairman PEPPER, urging that we return to our policy of specifying waivers in the rules we grant. This is the best way Members will know what's involved with both the rules we report and the bills they make in order. And, it is the best way to keep committees honest and ensure that our rules are honored to the maximum extent possible.

At this point in the RECORD, Mr. Speaker, I will insert my letter to Chairman PEPPER and two tables I have prepared on blanket waivers. The materials follow:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, DC, November 20, 1987.

Hon. CLAUDE PEPPER,
Chairman, House Committee on Rules,
Washington, DC.

DEAR MR. CHAIRMAN: Several years ago, the Rules Committee made a conscious decision to avoid waiving all points of order against measures, and instead to specify in our rules just which House rules and Budget Act provisions were being waived.

As a result of this policy, our Committee Members were better prepared to explain the potential rules violations that were being protected; House Members were consequently better informed about the necessity for the rule and problems with the bills made in order; and, I think, committees were likely to be more careful about not violating House rules in drafting their bills and reports.

In reviewing rules granted in the last three Congresses, I was pleased to learn that none of the 190 rules granted in the 98th Congress waived all points of order against a bill or its consideration, against a substitute as original text, or against a conference report. However, in the 99th Congress, such waivers comprised 17% of all rules, and, in this Congress, amount to 23% of the rules reported to date. In fact, in this week alone, all four of the rules reported waived all points of order against the measures involved. (See enclosed tables.)

I would like to strongly urge that our Committee return to our former policy of specifying waivers for the benefit of our Committee members, the rest of the House, and as a deterrent against even more violations by committees. While waiving all the rules may be easy and convenient on the surface, it only glosses over deeper troubles that are bound to disrupt surface appearances and conditions the more the practice is relied on.

With warm personal regards, I am
Sincerely yours,
TRENT LOTT.

Enclosures.

RULES WAIVING ALL POINTS OF ORDER, 98TH TO 100TH CONGRESSES

Congress	Total rules granted	Rules waiving all points of order [1]	Percent of total rules
98th	190	0	0
99th	167	28	17
100th	80	18	23

[1] Includes all rules in which all points of order are waived against a bill or its consideration, against an amendment in the nature of a substitute made in order as original text, or against a conference report or its consideration, but does not include waivers of all points of order against specified amendments. Instances in which all points of order are waived more than once in a rule (e.g., against the bill and a substitute made in order as orginal text) are not double counted here.

Sources: The final Legislative Calendar of the Committee on Rules, 98th and 99th Congresses; and "Notices of Action Taken" by the Committee on Rules, 100th Congress, as of Nov. 19, 1987.

Prepared by Minority Staff, Subcommittee on the Legislative Process, House Committee on Rules.

RULES WAIVING ALL POINTS OF ORDER AGAINST MEASURES

Rule No.	Measure No.
99th Congress	
H. Res.:	
136	H.J. Res. 239.
177	H. Con. Res. 152.
251	H.R. 1460 (CR). [1]
253	S. Con. Res. 32 (CR).
296	H.R. 3500.
299	S. 1160 (CR).
317	H.R. 3722.
331	H.R. 2817.

RULES WAIVING ALL POINTS OF ORDER AGAINST MEASURES—Continued

Rule No.	Measure No.
336	H.R. 3838.
343	H.R. 3838.
344	H.J. Res. 491.
348	H.J. Res. 465 (CR).
350	H.R. 3992.
456	H.R. 4800.
458	H.R. 2672 (CR).
534	H.R. 5395.
541	H.R. 5484.
557	S. 1965 (CR).
558	H.R. 5300.
568	H.R. 4116 (CR).
569	H.R. 4021 (CR).
577	H.R. 2005 (CR).
587	H.R. 6 (CR).
588	S. 1128 (CR).
590	H.R. 4613 (CR).
591	S. 2638 (CR).
592	S. 1200 (CR).
593	H.J. Res. 738 (CR).
100th Congress (as of Nov. 19, 1987)	
H. Res.:	
38	H.R. 2.
124	H.R. 2 (CR).
116	H.J. Res. 175.
151	H.R. 3.
191	H.R. 4.
227	H.R. 2470.
233	H.R. 3022.
236	H.R. 27.
238	H.J. Res. 132.
247	H.J. Res. 324 (CR).
265	H.R. 3030.
296	H.R. 3545
298	H.R. 3545.
308	H.R. 1451 (CR).
309	H.R. 1748 (CR).
310	H.R.1720 (CR).
314	H.R. 1346.
316	H.R.—.

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[1] (CR) denotes conference report.

ICTA SEEKS BEST BUYS FOR EAGLE CONSUMERS

HON. JOHN HILER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. HILER. Mr. Speaker, during the course of the debate on the authorization bill for the U.S. Mint on October 13, my friend and leader, the chairman of the Consumer Affairs and Coinage Subcommittee took the floor to express his views on statements made by the President of the Industry Council for Tangible Assets, Howard Segermark.

I have known Howard for some years, and I respect his judgment about matters relating to the coin and precious metals business. He does not have the experience that our chairman has when it comes to coin programs, of course, but I know he is sincere in his desire to see the American Eagle Bullion Program succeed.

ICTA is the Nation's largest association of coin dealers and its members provide the major source of retail bullion coins to the consumer. They also provide the major means of reselling those coins when a consumer no longer wishes to hold them. In this regard, ICTA's members and ICTA's president have every reason to see a successful—and that means equitably administered—Bullion Coin Program.

A number of arguments that the chairman raised have been addressed by Howard Segermark in a letter sent on November 4. Howard's letter is convincing and reflects the complexities of the coin markets and the crucial difference between numismatic coins, which include commemorative coins, and bullion coins.

Mr. Speaker, I ask unanimous consent that Mr. Segermark's letter to Chairman ANNUNZIO be printed in the RECORD at this time.

INDUSTRY COUNCIL FOR TANGIBLE ASSETS,
Washington, DC, November 4, 1987.

Hon. FRANK ANNUNZIO,
Chairman, Subcommittee on Consumer Affairs and Coinage, U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: I recently had an opportunity to review the debate in the House on the '88 Mint Authorization. I wish to send my wholehearted thanks and congratulations to you for supporting certain revisions from the initial Subcommittee approved version of the bill. The changes went in the right direction toward preserving a viable American Eagle coin program.

I also had an opportunity to review your comments on page H8590 of the Congressional Record and I regret that my representations of our association's members' views differ from yours as to the merits of the distribution system of the Eagle. I know that we share the same goal of a successful bullion coin program. Please do not construe my criticism of some of the analysis contained in the report issued by your Subcommittee staff as being critical of your desire to see the American consumer served.

In my view, getting the Eagle into the hands of the consumer at the lowest possible cost is key in making the program a success. Secondly, when the consumer wishes to sell an Eagle, making it possible for him or her to get the best price possible is also key to making the program a success.

With those basic goals, let me address the issues you raised in your statement.

In paragraph one, you suggest that Mr. Bruce Kaplan (former Chairman of ICTA and Senior Vice President of A-Mark Precious Metal) and I differ on the merits of the present distribution system because of allegations made against the distribution system used by the Mint in 1986 contained in a suit filed by others at A-Mark.

As you may know, the courts never ruled on those allegations, and the suit was withdrawn. It is my understanding that the Mint's changes in their rules resulted in several additional firms being added to the roster of bulk distributors.

In paragraph five you raise the issue of the net worth of the bulk distributors. The purpose of net worth requirements is first, to make sure that any firm doing business with the federal government will be able to live up to its commitments and that the government not be exposed to unnecessary economic risk.

A related issue is the volume of business done by a firm and its maintenance of a two-way market, two factors which may relate to economic size. These factors are important not only to insure that an agency of the government is doing business with an established, reputable firm, but to make sure that the consumer will have a place to sell his Eagle at the highest possible price, when that time comes.

Without a number of large firms willing to purchase Eagles from dealers or others with a surplus of the coins, a consumer would likely have to sell his Eagle at the melt price of gold. When, for example, the American Arts Medallion was being distributed through the Post Office, it often sold in the secondary market for 80% of the melt price of gold. There was no secondary market maker.

To best serve the consumer, the spread between the price paid for the coin and the price received for the coin should be as small as possible. To do that, a liquid two-way market is required. The Mint, certainly, can not be in the business of buying back the coins. Major firms, then, must do it. That is why the present distribution system requires bulk purchasers of the coin to maintain a two-way market. That is why they are usually the bigger firms.

In paragraph nine you state "The [sic] Mr. Segermark claims that nobody expected the high initial demand for the coins," and you quote the A-Mark suit in stating, "the period immediately following the first offering of the American Eagle coins will provide a unique opportunity to the gold coin distributors. Historically [other gold coins] experienced very high sales in the weeks following the introduction of those coins."

The A-Mark statement is not contradictory. In fact, ICTA recommended that the Mint produce coins in such volume so as to avoid any shortage of the coin which could result in a higher premium. To prepare a recommendation, we surveyed all the experts we could. Everyone expected "very high demand" for the coin in the weeks following introduction. But the industry-wide expectation of "very high demand"—which the Mint prepared for—and the extraordinary demand that we witnessed was not anticipated.

As you suggest in paragraph eleven ("Perhaps Mr. Segermark needs to consult with his membership about the demand for new issues of gold coins."), consulting with our membership is exactly what I and my staff did. I understand that, in addition, the Mint conducted its own survey and came up with an estimated demand not far from the one ICTA developed. Orders for blanks and other needed items for coin production were made on these estimations. Demand swamped them. In fact, the Mint acted with surprising speed increasing production to get more coins out to meet demand.

Those that infer that the bulk purchasers of the gold Eagle can somehow profit illegally, or set prices for the coins, do a disservice to many honest taxpayers with valuable reputations based on their integrity. First, there are legal barriers and effective enforcement of laws against such action. But, perhaps most graphically, a visit to learn the trading system would reveal the intense competition that exists in the bullion coin market today. Prices change constantly, and margins are often measured in cents per coin. At your convenience, ICTA would be glad to sponsor a trip for your Subcommittee to visit trading rooms of bulk distributors—and to visit ICTA members who are not bulk distributors.

In fact, a majority of bulk distributors are not members of the Industry Council for Tangible Assets. The vast majority of our members are small coin dealers who trade with the bulk distributors of secondary distributors to obtain the Eagles they sell and to sell excess Eagles they may take in from consumers. In our trade associations, it would be the small dealers—the non-bulk distributors—which would be hurt most by actions which would destroy the secondary market. In addition, it would be the small dealer—the retailer—which would be hurt by putting the government into competition with him.

Finally, a word should be said as to the Federal government's ability to provide good retail services to the consumer. We already know that the federal government can not repurchase Eagles. They can't provide that important service to the consumer. But what about getting the coin to the consumer at the lowest price?

Certainly, it might be possible for the government to "set" the price consumers can buy the coin at, and ignore the real costs to the federal government of distributing the coin at the retail level. In which case, the taxpayer would bear: (1) the cost of arbitraging the constantly fluctuating gold market, (2) the inventory costs of coins, (3) the cost of additional staff that would be necessary to provide security and inventory control, (4) the cost of transportation to various retail locations, and (5) the cost of employee training. In addition, there would be a number of retail coin dealers who would go out of the business or lay off employees, and there would be a commensurate loss of tax revenues and increased costs of social benefits to the unemployed.

Today, it is possible to buy a single one-ounce Eagle coin from a retail dealer approximately $30 or 5.7% over the spot price of gold. As you know, the bulk distributors are able to purchase the one-ounce Eagles at 3% over the spot price of gold. The $30 mark-up covers a multitude of costs, and provides dealers with a small profit.

I'm sure you will agree it is simply not possible to honestly attribute all cost of government retailing of gold coins and sell those coins at a 2.7% markup. (I should note that for purchases of 5 or more, a mark-up of 2% is obtainable.)

I hope that this information may help show that our mutual commitment to defending the best interests of the consumer is being served by the present distribution system.

I hope you and your staff will feel free to call on me at any time—we would welcome opportunities to provide the views of our members and information about the operations of coin businesses in America.

My best.

Sincerely,

HOWARD SEGERMARK,
President.

PRESERVING THE MEMORY OF ELIZABETH STEINBERG THROUGH THE REAUTHORIZATION OF THE CHILD ABUSE PREVENTION AND TREATMENT ACT

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. OWENS of New York. Mr. Speaker, the cruel fate of 6-year-old Elizabeth Steinberg in New York recently has focused sharp attention on the plight of literally thousands of children who die or are violently abused at the hands of their parents. According to the National Committee for the Prevention of Child Abuse 1,300 children are reported to have died in 1986. As we mourn for Elizabeth Steinberg let us continue to pray that the next time any child shows signs of the kind of abuse that this poor girl suffered, someone somewhere will be able to avert a potentially tragic ending.

Whether the systems of child and family violence protection already in place will help us in this regard is still very much an open question. As many commentators have observed, the Steinberg case illustrated the way the current social service system is stretched beyond the limit. Forced to deal with dramatic increases in child abuse and family violence, it is now becoming increasingly apparent that communities are faced with huge gaps in services. According to a recent report completed by the Select Committee on Children, Youth and Families, there has been a 55-percent increase in children reported as victims of child abuse or neglect between 1981 and 1985, while over the same period resources in a majority of States increased by less than 2 percent. As one expert quoted in a recent article in the New York Times—11-9-87, attached for the record—many workers have caseloads of 60 at a time, so that it becomes extremely difficult to provide necessary follow-up.

The same report illustrates the need for trained personnel who are skilled in knowing when intervention is called for; however, agencies are experiencing high degrees of staff turnover as low salaries make it impossible to attract and keep good workers. Additionally the report brings into focus Ms. Nussbaum's status as an abused spouse; her plight is shared by thousands of other women who take their children with them to shelters each year as they fear for the safety of themselves as well as their young.

Mr. Speaker, as chairman of the Select Education Subcommittee who will shortly be conferencing with the Senate concerning differences between bills that would reauthorize the Child Abuse Prevention and Treatment Act, it is imperative that we strengthen current law and provide needed resources for the crisis affecting the abused children and family members of our country. We face however a great difficulty in making the kind of national commitment that is necessary. The source of that difficulty is located right here in Washington, at the White House. I am attaching for the record a letter that was sent to Chairman HAWKINS 2 months ago, concerning, among other things, the administration's objection to the reauthorization of the Family Violence Prevention and Treatment Act, as well as the administration's recommendation that 50 percent be cut from the authorization for the Child Abuse Prevention and Treatment Act. This letter graphically illustrates the basic callousness that underlies the attitude of this administration to programs designed to help those with the least amount of power in our society. No sophisticated manipulation of the media can hide the patent lack of compassion for the tormented lives of abused children and women that this letter reveals. While the costs of these programs hardly amounts to a fraction of the B-1 bomber program, the administration is willing to place in jeopardy the lives of children like Elizabeth Steinberg.

H.R. 1900, which would reauthorize the Child Abuse Prevention and Treatment Act for the next 5 years, was reached as the product of a bipartisan consensus. It is designed to respond to the urgent needs experienced by the States in the area of child and family violence protective service programs. The bill does make a modest attempt at trying to avert the possibility that other Elizabeth Steinbergs might slip through the system in some specific ways:

First, the legislation proposes that school personnel be involved in the early identification of child abuse, and generally strengthens prevention efforts.

Second, an amendment to the Family Violence Prevention and Treatment Act would set up a demonstration program to allow a battered spouse to be given some clear alternatives to pressing charges against her husband. Such alternatives might include being notified of counseling and other services available in the community. When the police were called to the Steinberg home Ms. Nussbaum decided not to file charges against her husband.

Third, the reorganized National Center on Child Abuse and Neglect [NCCAN] would specifically include grant funding for prevention efforts focused on the prevention of alcohol and drug abuse. There is evidence that drug use may have been a factor in the Steinberg case.

In short, Mr. Speaker, H.R. 1900 provides the groundwork for a positive response to the tragedy of child abuse and family violence in this country. The administration must face the reality that the American people will not tolerate a move backward on these issues that are so fundamental to our society. How many more children will have to experience brutal deaths before this administration realizes this basic point?

[From the New York Times, Nov. 9, 1987]

MANY CHILD-ABUSE DEATHS COME IN CASES WHERE RISK IS KNOWN

(By Mark A. Uhlig)

When she was fatally beaten one week ago, 6-year-old Elizabeth Steinberg was no stranger to New York City social workers. Over four years, they had twice visited her home to investigate reports of possible mistreatment and had at least once inspected her body for bruises and other signs of abuse.

But despite such early hints of trouble, the scrutiny and attention of city officials was not enough to save Elizabeth's life. And experts say hers is not an isolated case. Of the estimated 2,000 to 5,000 deaths that result nationwide each year from child abuse, 25 to 50 percent occur in families that have already been singled out as high-risk cases.

The failure of the authorities to protect high-risk children has raised deep concern and frustration among child-abuse experts, who note that the number of fatal child-abuse cases across the United States increased by more than 23 percent in 1986. And it is a particularly sensitive issue in New York City, which was censured by the State Social Services Department in 1984 for giving inadequate attention to high-risk child-abuse cases.

"The families where deaths occur tend to be families that are known to have problems," said Anne H. Cohn, executive director of the National Committee for the Prevention of Child Abuse, a private advocacy group that tracks abuse reports. "When the children die, it doesn't come as a surprise."

In assessing the weaknesses of the existing child protection network, professionals point to a number of common concerns, ranging from inadequate manpower and funds to poor coordination of the services now in place. But there also remain key areas of disagreement about where child protection ends and rights to family privacy begin. And researchers continue to be handicapped by a lack of reliable nationwide statistics on the causes and cures of a problem that is by nature complex and often hidden from public view.

According to professionals familiar with the system, the single greatest source of problems in current child-protection efforts is a shortage of skilled, experienced caseworkers.

"Special Services for Children is struggling to do a mammoth job with adequate resources," one social worker said, referring to the agency that investigates child-abuse cases in New York City. "They have turnover and turnover and turnover of personnel. A worker can be assigned to do an investigation, and before it reaches the 90-day limit you could have three different workers who have been responsible for it."

"You'll see workers with caseloads of 60 families at a time," Ms. Cohn said. "Can you imagine? You can barely get them all on the phone in a given week, let alone provide them with counseling."

The shortage of manpower not only limits the attention that can be paid to any given case, experts say, but also fosters an atmosphere of haste and credulity in a realm where patience and skepticism are vital.

"There is just too much of tendency to accept explanations or justifications offered by the parent," said Nanette Dembitz, a former Family Court judge in New York City who headed a recent study of the city's child-protection system. "We need to find ways to overcome a degree of inertia, or burnout, or feeling snowed under with work—the various reactions that diminish the zest of a worker to explore a situation sufficiently."

"Another common criticism that seemed to us borne out," Ms. Dembitz said, "was that the level of supervision of the worker has to be more diligent. It's important to remember that it's a supervisor's function to be the one who says, 'Hold on a minute—how can you believe that such and such actually happened?' "

ESTABLISHING A DIALOGUE

One recommendation made by Ms. Dembitz's group was that social workers be required to report back to the individuals who first reported a suspected case of child abuse, in order to establish what she termed "a dialogue rather than simply receiving a report and disposing of it."

But that idea, like many other attempts to strengthen the child-abuse reporting system, has drawn fire from those who contend that it invites misuse.

"You can't take a family's case back and discuss it with a disgruntled neighbor who may have an ax to grind," argued Donna Santarsiero, executive director of the Brooklyn Bureau of Community Service, a private volunteer organization that provides abuse-prevention services on contract to the city government.

DEBATE AND DISAGREEMENT

Another major area of debate and disagreement centers on the proper way to coordinate the various city services that may be in a position to identify potential child abusers and shape their behavior.

Often, some experts say, officials in one branch of the social-welfare network—such as income-maintenance programs, educational services and even sports activities—will see signs of possible child abuse or neglect but will not have the knowledge or incentive to act on their suspicions.

"We stand behind the guise of not wanting to interfere in people's lives—how they raise their kids or treat their loved ones," said Minna Shulman, director of training programs on domestic violence for the Victims Services Agency, a private nonprofit agency founded in New York City in 1978. "We don't pick up on signs or take action."

Many child-welfare professionals tend to stress, in particular, the relationships between child abuse and reports of other forms of domestic violence that for bureaucratic reasons do not trigger the same kind of mandatory investigations required in reports specifying child abuse. A prominent example is wife beating, which is ordinarily reported as a routine policy matter, outside the child-welfare network.

AN "INCREDIBLE" HOLE

"There's an incredible systemic hole between wife abuse and child abuse," said Susan Scheechter, the author of "Women and Male Violence." "One protects kids better by protecting their mothers."

Similar considerations apply in drug abuse, which many experts believe is a key factor behind recent increases in child-abuse cases.

The problems of interagency coordination can persist after a family has been identified as having a high risk of abuse—or even after a criminal act of child abuse has been committed.

Social workers often resent the intrusion of the police and prosecutors, whom they see as a threat to their efforts to hold families together and counsel potential abusers.

POOR COOPERATION

On similar grounds, medical professionals often oppose the presence of police investigators and other outsiders at hospitals, asserting that their actions can disrupt efforts at treatment and can frighten patients. And police and other law-enforcement officials say poor cooperation from doctors and social workers causes them to lose criminal cases against child abusers.

Fostering greater cooperation between such important parts of the child-protection system has now become a priority in many communities.

"One of the real downfalls of the system now is that when we identify a family, we rarely do a thorough assessment of what that family needs," Ms. Cohn said.

"If you have just a social worker looking at that family," she said, "they can't take into account some of the psychiatric or medical or educational problems that the family may be facing. It's only when those different professions work together that you get a really complete understanding."

THE SECRETARY OF
HEALTH AND HUMAN SERVICES,
Washington, DC, September 17, 1987.

Hon. AUGUSTUS F. HAWKINS,
Chairman, Committee on Education and Labor, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: We take this opportunity to inform you of the department's views on H.R. 1900, the "Child Abuse Prevention, Adoption, and Family Services Act of 1987". The bill passed the House of Representatives on June 8, 1987.

The bill extends authorizations of appropriations for programs under the Child Abuse Prevention and Treatment Act (Child Abuse Act), title II of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (Adoption Opportunities Act), and the Family Violence Prevention and Services Act (Family Violence Act), and makes other amendments to these authorities.

In summary, we strongly support the reauthorization of the Child Abuse and Adoption Opportunities Acts, which continue to provide national support for increasing public awareness of child abuse and neglect and for promoting the adoption of children with special needs. In addition, we recognize that many improvements were made in the bill during House consideration. Nevertheless, we have reluctantly concluded that we would have to recommend that the President not approve the bill as currently drafted. We are prepared to work with the Congress to improve the bill, and are hopeful that we can develop a bill acceptable to both the Administration and the Congress.

Our most serious objections are to amendments made by the bill concerning the timetable for grant awards, the peer review process for grant applications, and the composition and functions of the proposed Advisory Board and Interagency Task Force on Child Abuse and Neglect. These amendments, which would severely impede the effective administration of programs under the Child Abuse Act, and the excessive authorizations of appropriations, force us to oppose enactment of the bill.

In addition, we oppose the reauthorization of the Family Violence Act. . . .

A TRIBUTE TO MR. STEVE RAYNOR

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, November 20, 1987

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to an outstanding member of my community, Mr. Steve Raynor. I ask my colleagues to join me in honoring Steve who has served for the past year as the president of the San Fernando Board of Realtors. Steve will be honored for his service to the board at their annual recognition breakfast on December 4.

Under Steve's strong leadership, the San Fernando Board of Realtors has grown significantly during the past year and now boasts a membership of 8,600. Steve has helped to improve the public image of realtors and of the board through weekly columns in the local media. Steve has also overseen the development of a television program in conjunction with the Real Estate Broadcast Network in an effort to further communicate with the public.

During the past year, the San Fernando Board of Realtors has been active in a number of projects. The Board implemented a video listing service which is the first of its kind in the country. This year, many of the board's annual projects such as their Walk-a-Thon, the Golf-Tennis Tournament and the BORPAC Auction were more successful than any previous year.

It is my pleasure to join with my colleagues and the San Fernando Board of Realtors to pay tribute to Steve Raynor, whose work and leadership have benefited not only the board, but also the entire San Fernando community.

HOUSE OF REPRESENTATIVES—*Monday, November 30, 1987*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. Foley].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

Washington, DC,
November 25, 1987.

I hereby designate the Honorable Thomas S. Foley to act as Speaker pro tempore on Monday, November 30, 1987.

Jim Wright,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Grant us the wisdom, O gracious God, to discover those moments in life of quiet reflection and prayer. We thank You for Your gifts through which we can listen to Your voice, we can hear Your Word and be led by Your spirit. May we know those special moments, O God, when we can move away from the busy actions of living and grasp the stillness of Your presence and be renewed by the hopes and promises that You have given. This we pray. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

Washington, DC,
November 24, 1987.

Hon. Jim Wright,
The Speaker, House of Representatives, Washington, DC.

Dear Mr. Speaker: Pursuant to the permission granted in clause 5 of rule III of the Rules of the U.S. House of Representatives, the Clerk received at 10:59 a.m. on Monday, November 23, 1987 the following message from the Secretary of the Senate: That the Senate passed S. 1475; agreed to House amendments to S. 1822; and agreed with amendments to House amendment to Senate amendment to H.R. 3483.

With great respect, I am,
Sincerely yours,
Donnald K. Anderson,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. Foley). The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled bill on Friday, November 20, 1987:

S. 1452. An act to extend and amend the authorization of appropriations for the Securities and Exchange Commission, and for other purposes.

And the Speaker signed the following enrolled bills on Tuesday, November 24, 1987:

H.R. 148. An act to designate certain public lands in the State of Michigan as wilderness, and for other purposes; and

S. 1822. An act to amend title 18, United States Code, and other provisions of law relating to sentencing for criminal offenses.

And the Speaker signed the following enrolled bill on Wednesday, November 25, 1987:

H.R. 1748. An act to authorize appropriations for fiscal years 1988 and 1989 for military activities of the Department of Defense, for military construction, and for defense activities in the Department of Energy, to prescribe personnel strengths for each fiscal year for the Armed Forces, and for other purposes.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

Washington, DC,
November 25, 1987.

Hon. Jim Wright,
The Speaker, House of Representatives, Washington, DC.

Dear Mr. Speaker: Pursuant to the permission granted in clause 5 of rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from the White House as follows:

(1) At 7:52 p.m. on Friday, November 20, 1987 and said to contain a message from the President whereby he transmits a report of the Director of the Office of Management and Budget and a copy of the final sequester order of the President under the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987; and

(2) At 4:45 p.m. on Tuesday, November 24, 1987 and said to contain a message from the President whereby he transmits the report proposing alternative sequestration reductions for the Department of Defense for Fiscal Year 1988, together with a proposed joint resolution that provides for adoption of the report.

With great respect, I am,
Sincerely yours,
Donnald K. Anderson,
Clerk, House of Representatives.

REPORT OF DIRECTOR OF OFFICE OF MANAGEMENT AND BUDGET AND FINAL SEQUESTER ORDER OF PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-138)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Union Calendar and ordered to be printed:

(For message, see proceedings of the Senate of today, Monday, November 30, 1987.)

REPORT PROPOSING ALTERNATIVE SEQUESTRATION REDUCTIONS FOR DEPARTMENT OF DEFENSE FOR FISCAL YEAR 1988—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-139)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Appropriations, and ordered to be printed:

(For message, see proceedings of the Senate of today, Monday, November 30, 1987.)

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. Skaggs) laid before the House the following communication from the Clerk of the House of Representatives:

Washington, DC,
November 23, 1987.

Hon. Jim Wright,
Speaker, House of Representatives, Washington, DC.

Dear Mr. Speaker: I have previously notified you of the receipt of subpoenas issued by the United States District Court for the Southern District of New York. After consultation with the General Counsel to the Clerk, pursuant to Rule L(50) of the Rules of the House of Representatives, I have determined that compliance with the subpoenas would be consistent with the privileges and precedents of the House.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The **SPEAKER** pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
November 23, 1987.

Hon. JIM WRIGHT,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you, pursuant to Rule L(50) of the Rules of the House of Representatives, that I have been served with subpoenas issued by the United States District Court for the Southern District of New York. After consultation with my General Counsel, I will notify you of my determinations as required by the House Rule.

With great respect, I am,
Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

THE TRAGEDY OF HAITI

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from North Dakota [Mr. DORGAN] is recognized for 5 minutes.

Mr. DORGAN of North Dakota. Mr. Speaker, I rise today to express my profound disappointment at the tragedy that occurred in Haiti yesterday. Haiti is a country in our hemisphere that is about as close to Washington, DC, as my congressional district is to Washington, DC. It is one of the poorest countries, perhaps the poorest country in our hemisphere.

Several months ago I was in Haiti and as part of a Select Hunger Committee delegation I was struck by the most gripping, wrenching poverty that I have ever witnessed anywhere on Earth.

You cannot help but understand that when you land at the airport at Port-au-Prince and see the adjacent slum area of Cite-Soleil, 150,000 people living in the most desperate kinds of conditions.

Understand the paradox in this world: we live in a country where our grain bins bulge, while Haitians are starving. We have what is called a surplus and somehow our food production by some is considered a liability, and yet in Haiti, not many miles away, people live in this desperate kind of poverty, hungry, sick, and in desperate need of education.

After suffering through the Duvaliers, the Papa Doc and Baby Doc regimes, the people of Haiti were finally promised an election. These are a proud people who desperately want to experience democracy. Yesterday was scheduled an election in Haiti. For reasons that I do not quite understand, whether it is General Namphy or whether it is the military or the Ton-Ton Macoutes, for reasons I do not quite understand, that election was not able to be held because of the violence around the country of Haiti.

President Reagan yesterday suspended nonhumanitarian aid to Haiti, and I support that move. I think we have no choice. There is very little military aid going to Haiti, but what little military aid has gone has been suspended by the President and again I think the President made the right choice.

But our task now is to analyze what can we do to help the people of Haiti. If all the Members of Congress and if in fact all the American people could go to Haiti and see the patient people, a poor but very proud people, who desperately want a taste of democracy, who were looking forward very much to this election, they would want to help them. What is it we in America can now do to put the election back on track?

They did adopt a new constitution in Haiti. They were moving to elections scheduled yesterday. Now that is off the track.

What can we do to help? A couple thoughts have come to mind. No. 1, we ought to try to give whatever aid we can, humanitarian aid, to address the problems of Haiti.

No. 2, I would hope that the administration and the leaders of Congress could work with other institutions here and around the world to see what we can do to help promote democracy in Haiti.

Specifically, for example, the Organization of American States [OAS], perhaps there is something that can be done within the structure of the OAS to put together some type of a team that could supervise elections in Haiti. Perhaps, although I think it is probably unprecedented, the United Nations might play a role.

Somehow, we, the administration and Congress, must attempt to try to find a way to give the Haitian people the democracy they pray for.

□ 1215

Again, if you could walk up and down the streets and the rural communities of Haiti or walk up and down the streets of Port-au-Prince, you would understand the dream of democracy is a very real dream in the hearts and minds of those people. In fact, men and women went to the polls and risked their lives. Presidential candidates were shot in front of the police station in Port-au-Prince and killed risking their lives for democracy. They care that much about democracy, they care that much about their opportunity for their future.

I hope we as good neighbors and as American neighbors in this hemisphere will exhibit the same care. Again, I am disappointed by what happened yesterday. I think it is a tragedy, a tragedy for the Haitian people, but I hope all of us who are neighbors of those Haitian people can now work together and see what we can do to put this back on track and give the Haitian people the opportunity for a democratic government in Haiti.

IMPEACHMENT OF RONALD REAGAN

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I guess this is a continuation of the discussions that up to the last day we were in session before the Thanksgiving break I referred to as the impeachment discussions of Ronald W. Reagan, based on the impeachment resolution I introduced last March 5.

As I said earlier, it was not anything that I circulated; any "Dear Colleague" letters or requests for cosponsorship. I seldom ever have, except in those matters such as resolutions marking a special event where today's rules call for the cosignature of about 220 of our colleagues. But also, I had no press releases. I seldom do, because my reason and motivation that led to the introduction of House Joint Resolution 111 was the result of over 1 year's careful evaluation and assessment of President Ronald Reagan in his role as both the chief administrator charged by the Constitution to faithfully execute the laws, and as Commander in Chief.

Over this period of time I had made such an assessment that the decision was irrevocable that it would be necessary in order to uphold a constitutional responsibility of the first branch of Government, the U.S. Congress, and particularly the House of Representatives where the Constitution provides impeachment resolutions should be initiated. However, with the advent of November 11 last year, 1986, and the President's admission on national television that he had specifically violated specific statutes, laws of our land, and added to the violations of laws when on the occasion of the invasion of Grenada where the President not only violated some of our domestic laws but violated three of our solemn international treaties, two which we had initiated, and which constitute the corpus of law. Treaties under the Constitution, once approved by the Senate, are given the status of the codignity of statutory enactment. They are laws of the land.

So in studying and evaluating, even though in the context of the environment that has prevailed here until very recently, it seemed quixotic, it seemed as if it were a sort of bombastic, flamboyant type of action. But in my 35 years of experience as an elective representative, first to the local city legislative body, then 5 years in the State Senate of the State of Texas, and for the past 26 years a Member of the U.S. House of Representatives, I have never once ever used levity or frivolity in the consideration, introduction, or deliberation of any of the legislative processes. For one thing, I am too much in reverence and reverential respect for these great processes of freedom, the likes of which exist nowhere else, even in the mother country, where we attribute the cradle or foundation of our liberties.

As I reminded my colleagues as on the occasion during the Vietnam war, and then more recently on the occasion of the British war in the Falklands, I have always pointed out that Britain or England does not have a first amendment. This, I think, is a most significant difference. As a matter of fact, I will say that the terrible, bloody strife, ceaseless almost in Northern Ireland would perhaps have been abbreviated long ago if Great Britain did have a first amendment.

So we must keep in mind that even though we have lived here at a time when we had a so-called charismatic, exceedingly popular image of a President, the facts were that his actions were violative of the processes. They were violative of the Constitution. So President Reagan had ended up in being a President that has done everything that America has been against, all through its history. It has attempted assassination of foreign, unpopular, and hateful figures and foreign leaders as he did when he ordered the bombing for the express purpose of doing that of Tripoli in Libya. He has issued Executive orders that have curtailed and abridged our liberties, invoking the Espionage Act of 1917, for example. The residual delegation of constitutional powers that the Congress gave the President at the time of World War I through the Espionage Act of 1917, some of which have not been recalled by the Congress, has been used by the President with very little or no public comment or notice, the latest being the issuance of the embargo against the Nicaraguan people and government in May 1985 when he unilaterally invoked, but which no Member of Congress, as far as I know, noticed that in order for the President to declare an embargo, he first had to make the finding, an executive finding, that Nicaragua was an immediate, a clear and a present danger to our national security. This is what triggers off that part of the Espionage Act of 1917.

This is why in our long travails in the so-called postwar period of these twilight wars, Presidential wars, if you please, where there is no declaration of war, as mandated by the Constitution, and the Constitution says clearly and emphatically and unmistakably that only the Congress shall declare war. So when you do not have that legal, constitutional framework of reference in time of hot shooting conflict, many forces come into play that will militate against the Commander in Chief's actions in waging war. I think that after our more painful incursion and experience in Southeast Asia that it should have been clear, emphatically clear that what some of us had been saying, and again I take no pride in telling you I was the only voice, but the record will show that I was. All during that conflict in the 1960's and up to the extension of the Draft Act of 1971 I was the lone voice that was protesting the exercise of power by a President compelling and conscripting an unwilling American to serve outside of the continental United States in an undeclared war. This is the still unresolved constitutional crisis that the American people have refused to confront, and the only way they can is through their elected Representatives.

So this in effect is saying the elected Representatives have not wanted to, and I dare say that it is something that needs our attention, and which I know it is fruitless to raise at this point because the theory is that there is no ongoing draft, and so therefore, there is no problem. But the President has the residual powers even in that, and since it was never called into question since the enactment of the first peacetime Draft Act in 1941, which passed by one vote, and that one vote came only after a clause had been placed in that law that simply said that no American, notwithstanding any of the provisions hereabove, shall be compelled to serve against his will outside of the continental United States, unless declaration of war or expressly provided so by the Congress. With the advent and the declaration on December 8, 1941, of war by Congress, that was lost sight of. What we have not caught up with is with the march of time and the changing world, and that World War II really has not been settled, and that even though we have had a lull, with the exception of the sequella wars such as Vietnam and Korea, that we really have not faced this dilemma.

This is the reason why in 1917 as a result of the Espionage Act, labor leaders such as Eugene versus Debbs were arrested and imprisoned. Why, because they were guilty of espionage, not because they were criticizing the war, and they were put in the penitentiary. About 1,111 Americans were arrested under that act during the first World War, but of those 1,111 only about 11 were really charged with anything having to do with so-called espionage.

So in Vietnam what we took as something that was in the nature of our constitutional privileges, such as demonstrations and the like, would never have been possible in time of war. But we were at war, there were Americans dying. In fact, 55,000 died in Vietnam. Some did, some did not. Some were chosen, some were not.

How in the world, I said repeatedly on this House floor, time after time, it is all in the Record, it is not something I am saying now in hindsight, how in the world could any country at any time, even during the Roman imperial era, Rome would not allow slaves as soldiers, and they would not draft slaves. Britain at the height of its imperial might never had draftees, cockneys drafted to go fight in India. They had professionals. Why did not the French have conscripts in Indochina, in Vietnam? At the fall of Dien Bien Phu, most of the troops were Foreign Legion volunteers, or mercenaries, West German professional soldiers, some American professional soldiers of fortune, some European, some from India, some from Asia itself. But not one conscripted Frenchman, because the French Parliament forbade the drafting of any French citizen to go anywhere, compelled by the government to serve in a military sense except in French territories, and of course Indochina was not.

□ 1230

So that we try to do that which no country in mankind's history has done and failed because it divided the country. And at the root of it, I am convinced as I was in the sixties, that it is that inability of us to see that, once giving the power to one man, be he a President, be he a legislator, be he anybody, to compel an American to go fight somewhere in an undeclared war that we, in effect, had no liberties and that we, in effect, had reached that point which the men who wrote the Constitution feared the most.

This is the reason why they waited so long in establishing the office of the Presidency which at first during the constitutional discussions they called the "Chief Magistrate", not President, and they limited him and made it a coordinate branch of Government.

So that today I want to continue where I left off on that last day of the session before we went off on the Thanksgiving Day break, that week. On that day I took the floor and I referred to the fact that, as everybody was rushing out pellmell to go home, understandably, that there were broiling, churning, events that were going to confront us, if not inundate us, beginning to take place mostly south of the border. And that is those things happening, and which will impact upon us adversely, unfortunately, are the direct result of abdication of leadership on the part of our executive branch. I consider this one of the reasons why President Reagan's abysmal failure to settle an administration—it is in open chaos now, there are a couple of vacancies of the Cabinet itself—but it never has been settled and no orderly coordination of the Cabinet was ever achieved from the very beginning, and the disarray was obvious when, during the first week, if not the second week that the President, after he was sworn in and announced his Cabinet, Secretary of State Haig came out denouncing, in fact the newspapers said that they picked up the phone and called the Prime Minister of England, the then French leader D'Estaing, and the then German leader Helmut Schmidt to advise them that Secretary Weinberger, who had just come out and said that the United States was not only going to develop the neutron bomb, but it was going to deploy it, and this scared every European that you could point to; so General Haig picks up the phone, calls and says, "Hey look, the Secretary of Defense doesn't speak for the policy of this Government. I am the Secretary of State and I have certainly not approved any such policy."

What did President Reagan do? This was an obvious disarray between the Secretary of State and the Secretary of Defense. He grinned.

But now this is not the first time, in all fairness. I said the same thing about President James Carter. I said that he never had settled any real administration, and I said that he too from the very beginning revealed fatal flaws. And I spoke about them at that time.

It caused some of the loyal supporters of the party that I come from to criticize me. However, I said the same thing when Gerald Ford—of course, Gerald Ford never had much of a chance to settle an administration and he never did, did not really complete his own Cabinet.

But even before that, the disarray was obvious with President Nixon where his Secretary of State Kissinger was so distrustful that somebody—and he never said whom but it was commonly discussed that it was the Joint Chiefs of Staff at Chairman Admiral Moorer, who not only distrusted but disliked Secretary of State Kissinger; in fact, he said on more than one occasion that Kissinger was a tool of Soviet Russia and that he was wittingly or unwittingly a tool of communism. Leaks began to happen. Kissinger was so distrustful of his own White House comrades and the CIA and the so-called Security Council that he called on the Navy and the Navy intelligence to give him intelligence protection. And of course the White House was pressured and in the autumn of 1972 formed what later was called the plumbers or the White House security team.

And it brought in such questionable individuals as E. Howard Hunt, Gordon Liddy, James McCord. Every one of them were still CIA agents even though they were on paper supposed to have been retired.

It was in that period of time that they were concocting, taking what they had been used to doing outside of the United States against foreign leaders, executive action; that is knock them out, assassinate. And it reached such preposterous proportions—and I have repeatedly said that since the Congress failed to follow through to look into and evaluate the fact that the CIA was totally out of control, even within the CIA itself there are closets and closet groups that are working on their own—the Office of Security, OES within CIA, for instance, was even eavesdropping on the Director when he had a meeting in a downtown hotel with a columnist, Jack Anderson, who became suspect in December 1972.

So they hauled themselves up, this group of plumbers, into the Executive Building across the street from the White House. And Gordon Liddy says, "Well, I'll tell you what, why don't we call that expert over in the CIA who has developed all kinds of potions and things that will take care of the situation?"

Who was the target? A foreign agent? Foreign enemy? No, an American citizen, to wit, Jack Anderson, a columnist who was suspected of having printed some information that he must have gotten through a leak, rightly or wrongly. They called in this individual who also was supposed to have been retired from the CIA. He reports, "Well, hey wait a while. I don't want to have anything to do with that. If you really want to embarrass the guy, yes, we have something, if you can find a way to administer it to him say an hour before he addresses a speech at the Press Club, in the middle of his speech he will be a jibbering idiot. And that will discredit him."

Gordon Liddy said, "That is not enough; no, sir. Listen we ought to be able to find out, does he jog in Georgetown where he lives? What are his habits? You can find a truck to come around at the right time." This is impossible to believe today, but it happened here in America. And the reason it happened here in America is that we had Americans that had been totally unrestrained, unaccountable to anybody, the President, CIA Director, much less the Congress. The Congress created in the National Security Act of 1947 this institution known as the CIA. It limited its powers. By law the CIA is limited. It is against the law for it to have done what it did in 1972 and 1973 because finally in January of 1973 the CIA delegated 12 agents to run around-the-clock surveillance of the Jack Anderson home in Georgetown.

They kept it up until April.

Now that was in direct violation of the statute limiting the powers of the CIA.

After all, if we have reached the point, because of our obsession and our slavery to so-called security that we allow the emergency in our governmental setup of a special class who shall, shall account to nobody, who shall be masters as well as rulers and who, in effect, will be shaping the policy in the external world of our Government, then what have we got left?

I say we have canceled and abrogated the Constitution. This has happened again. Certainly the revelations, if they were not startling in nature, they were after you give a careful reading to the report just issued 2½ weeks ago by the so-called bicameral Committee on the Iran-Contra scandal.

But my goodness, that is just something that you can say affects a remote situation, beyond the ken of even the average Congressman who is prohibited from knowing by express rule, even, the amount that the Congress appropriates for the CIA; that is totally unknown.

I dare say there is not one Member of this Congress that knows the sum total of moneys that the CIA can call upon for whatever purpose it or the President decides. And I think that is bad. But then who dares bell the cat? If we do not hold the Chief Executive responsible, then who is? If the Congress fails and abdicates that trust and responsibility that the Constitution places on its shoulders, to ride herd, to oversight and zealously guard and compel the faithful discharge of the Presidential oath, then the American people are stripped naked and in danger of gradual but inevitable loss of their freedoms and basic liberties.

Those are the basic overall conclusions. However, as I said the last day as everybody was leaving this place to go home or someplace for Thanksgiving, I said in the meanwhile things are going to be developing, and they may make the headlines or they may not. Well they did. In fact, some papers did, some papers did not. And some papers placed the news on the business page; some others did not, they put it on page 2. One or two of the Texas newspapers put it on page 1. And that was the final report or communique of the eight, so-called, Latin American Presidents, of the chief countries in Latin America, Mexico, Argentina, Venezuela, and the like. And I will say to my colleagues it would have been unthinkable during the regime of President Johnson, President Kennedy, who took the lead, did not wait, much less such seminal progressive enlightened administrations such as Franklin Roosevelt's and the founding of the so-called Good Neighbor Policy. All of that is wrecked because out of that came the formation of the Organization of American States.

Now I have never gone around and pretended to be an expert because I do not pretend that which I am not. But being that I also have been charged with knowledge, because not only the environment out of which I have come, but the geographical situation of my district, of things that I can see clearly are overlooked or not considered or are totally unaware to the leadership in our country, both in the Congress, the executive branch or any other visible place, even including the press. The communique as it was briefly summarized said two very disturbing things.

□ 1245

But as I have said before, that the floodgates were now open because this President had abdicated leadership, either through inability and ignorance or just plain incompetence, I do not know which, and it makes no difference. The result is the same.

When the Arias plan was put together, the so-called Arias plan was put together by the Central American countries, they did so mostly in defiance of the United States and then in open defiance of the United States, because the bankruptcy and the total failure of the Reagan approach since 1981 has been abundantly clear to every nation, even every one of the nations that share the Western Hemisphere with us, from Canada to Argentina.

I have been reporting this, but my first remarks on the House floor with respect to Central America specifically, and Latin America generally, and as I said then, not that I was an expert, were not at a time when President Reagan was President. It was the last year of President Jimmy Carter, and in fact it was on April 1, 1980, the record will show what I said. I pointed out that the United States was losing fast the last meager vestiges of leverage of leadership in the New World, that it was ignoring, sidetracking mechanisms, such as the Organization of American States, the OAS.

Now, in 1966, July 1, the OAS selected me as one of the many observers to go to Santo Domingo and oversee the Santo Domingo election and the electoral processes there.

I came back. I made a report. It is nothing that I felt qualified me as an expert in any way whatsoever, because I am cognizant and knowledgeable of the history. I know that rather than the simplistic view that seems to predominate in our country, it is a complicated, highly interesting, absorbing, and a very cosmopolitan issue. Santo Domingo by no means, even though it had its individual history, and by way of parenthesis I will tell my colleagues on the record that one of the greatest historians of Santo Domingo, the one who wrote a two volume definitive history of Santo Domingo, was our great American Under Secretary of State for Latin American Affairs, Sumner Wells, whom I credit with the good neighbor policy concept that President Franklin Roosevelt developed.

I would advise my colleagues to read that book. The title of it is "Naboth's Vineyard." He extracted that from a passage in the Scriptures where Naboth says, "No, I shall not sell my inheritance, I shall not allow it."

What Sumner Wells was saying was, yes, we have invaded with impunity Santo Domingo and other Latin American entities, but sooner or later, these being agripatients of nations and entities that have their own history, their own culture, and they are all different, contrary to our mass conception that we lump together as Latin America, and he was saying that we are going to have to develop enlightened approaches, because the world is beginning to shrink.

I often wonder what a man and a mind such as Sumner Wells, living in this day and time, where electronic possibilities are such that we have instantaneous conveyance of information, how the world has really shrunk, I almost can tell from reading his writings what he would say. I have tried to visualize that and have incorporated into much of the thinking that I can now put forth in what I have uttered here.

Now, this communique of yesterday should be disturbing. If the President, who is still talking about his request to Congress come this January, that is just a month or so, a little more than a month away, for over $300 million for aid to the so-called Contras, he is still talking about that, even though that is so antagonistic to anything that could be called in compliance with the Arias plan. Here he is still speaking about that and still uttering vague apprehensive utterances about, "Well, something is going to have to be done. I'm not going to leave it—" meaning Nicaragua—"to my successor."

Now, what does he mean by that? Does it mean that the plans that have been in place now for more than 2 years that call for invasion on the part of our country, does that mean that has not been given up? Does it mean that we are so totally unaware of what that defiant pronunciomento of these leaders, all of whom, I do not think any one of them can be accused of being really bitterly anti-American, and we are fortunate that they are not, but they reached a point where they said, "Look, you, the United States, instead of being a force of leadership for peace and tranquility and progress in our area, are deliberately dividing, invading us with arms, equipment and mercenaries, and we are not going to tolerate it because we are adults enough where we ourselves will reach some agreements."

Preceding the Arias plan and hardly reported in our press, was the agreement between Costa Rica and Nicaragua; 3 years ago they entered into an agreement where they pledged to resolve all differences, even though our Ambassador in Costa Rica did everything he could to prevent that. That was a harbinger, that was a clear signal, I said so on this House floor, but it just seems like a Greek tragedy. It seems like the automatons are in motion. Nothing is going to change, even though the disaster is clearly indicated, and this is why I have made reference time after time and in fact put into the RECORD about 3½ weeks ago the article by this outstanding historian, Barbara Tuchman, and while I make reference to her book, "The March of Folly," in which she goes all through history, down through the Trojan War and up to Vietnam, and says:

> How could great leaders, otherwise intelligent, able, capable, with full charge of the facts, still commit this utter folly?

And she answers in a very philosophical way and then, of course, in the article that she wrote for the New York Times Magazine that I placed in the RECORD earlier this month, she clearly states that America, and she is looking at it from this historical perspective, along the style of Arnold Toynbee, who long ago wrote about Latin America and used that beautiful phrase in which he said:

> The Americans, when will they learn that what the Latin American nations want is for America to help them not raise armies, but raise their standard of living?

It was Arnold Toynbee, the historian, looking at it from a world historical perspective that even in the pre-Christian era and watching this cycle of events, human events, these great empires, Nineveh, Persia, Rome, all decline, not trying to find why or this or that, but just annotating the common strands that seem to be in this fabric of this unfolding history, because as he pointed out, history is not chapters, it is a seamless web or fabric, one goes into the other.

It is the same thing with Barbara Tuchman. I respect her very much. I think she has been and should be very helpful to my colleagues in understanding and looking at ourselves from this external perspective. It is not only our misperception of that external world, be it Europe or be it Latin America, but our perceptions or misperceptions of ourselves that count the most.

The communique ends up by saying:

> We have concluded that the time has come when we have got to incorporate Cuba into our organizational entity—

Meaning the OAS.

Well, here is a President all upset because the Arias plan would call for sitting down at the same table with what he calls these Communists in Nicaragua.

Well, what would he say about what General Haig said is the source, No. 1, Cuba? It reveals a total ignorance of what is going on down there. To compare Nicaragua with Cuba is utter folly. Even with all the mouthings of the so-called Marxist-Leninist jargon that some in the ruling government class in Nicaragua use, not one of them has called for any implementation on the lines that Fidel Castro has in Cuba. Yet we dump them all together, as we have. We have learned nothing since 1918 when we together—I do not know who snookered whom, but together with France and England in 1918 we invaded Russia. We lost 300 American soldiers in that misadventure.

We moved in with the naive idea that we could put down the Russian Revolution and, of course, that was folly itself, as foolish as it is for us to think that we can, in the words of that great U.S. Representative and later U.S. Senator from the State of New York during the Civil War and Reconstruction Period, Roscoe Conklin, who said, "This"—meaning the Civil War—"this revolution is a moral earthquake."

Then when he was a member of the committee of 15 on reconstruction, said that no matter what you try to do, from here on out and as a result of this moral earthquake, because all wars and revolutions are levelers, no black man now will count as three-fifths. He will be five-fifths. He will be an integer and a cipher.

It is the same thing in Latin America. The only difference being that there we have had for over 300 years the great masses exploited, tyrannized, badly ruled, badly exploited, hated by the upper class rulers.

The world has shrunk. That world is not even the same world anywhere to compare to what it was in 1960-61 when President Kennedy announced the so-called Alliance for Progress. Were President Kennedy President today and were he to attempt to spring that in that form and shape in the eighties, as he did in the sixties, it would be total failure, because that was a unilateral thing. Those days are gone and what we have allowed ourselves to do in the name of anticommunism is to have been snookered into the side, not of the people, but against the people, and we cannot succeed. There is no way we will be able to succeed.

□ 1300

Guatemala, which is in a state of great ferment, it will erupt. Mexico, with 50 percent unemployment, 50 percent inflation, is bound to have social consequences.

What is going to be our response? Should we sit here as we are now and just wait for things to happen, or should we anticipate and take anticipatory action? Should we not take the leadership?

Why build Fidel Castro, why make him the leader? You cannot talk to any responsible Latin American intellectual who will not tell you that Fidel Castro was really made No. 1 by the United States. Instead of the wit and the will, such as was developed by Sumner Wells, even by those with the best of intentions with Kennedy, who looked upon it with a perception that was more akin to what has been happening, this churning process that is going on in these countries, the world has shrunk, those masses will no longer take what they have for 300 years. It is just a question of whether we can develop that wit and then have the will to carry on first.

First we have to conceptualize. The last words of the communique were and we hereby agree that we have got to make Cuba a copartner. The President of Mexico further said the OAS, we consider it over with, it has not proved equal to the task. In other words, that is it. But the OAS was the mechanism by virtue of which the United States, which helped install it, could still have utilized its leverage instead of losing as in El Salvador and investing over $4 billion in the last 6 years, creating a horrible bloodletting of over 50,000 lives in the smallest of the countries in Central America. Our money, our training, and we are no closer to any kind of a happy solution there.

Our man, Napoleon Duarte, is obviously in trouble. So why in the world should we have not used our wit and the will and used the proffered offers of some of the leaders of these countries?

I will give you one further example. In 1981, soon after being installed Secretary of State, General Haig came out with the statement that what was happening in El Salvador was an East-West confrontation, and that if necessary he would go to the source. Everybody interpreted that to mean Cuba. In other words, the Salvadoran revolutionary effort was Cuban inspired, Cuban dominated, Cuban led, none of which is true.

The Nicaraguan as well as the Salvadoran are indigenous, indigenous revolutions. In fact, one of the young men, just about 28 years of age, the son of one of the ministers in the first junta that Duarte belonged to, was disobeying his father and was making friendly and clucking sounds toward the ideals of what he called the revolution. Now the Salvadoran revolutionary effort consists of five different groups, all the way from the so-called professed Marxist-Leninist to the so-called Communist, because there are those differences among the so-called intellectuals, to the moderate, and the others in between.

The least numerous, which has been the least important or effective, has been the Communist. When Nicaragua had its election, and despite the fact that we have propagandized that it was not legitimate at all, it was more legitimate than the election in Salvador which we paid for, and the reason is they had candidates from every party, the Marxist, the Leninist, the Communist, the so-called Christian Democratic. Then they had the Sandinista junta followers, the junta that had ruled after the revolution and up until 1984. When they counted the ballots, all put together the Communists and the Marxists did not even get 5 percent of the vote.

The reason is that our definition of that outward, external world we call communistic is not a true to life definition of what is going on there. What the Presidents themselves involved see themselves as being, as being involved, what I am saying is that the communique was disturbing yesterday only because it is furthering the independence, the separation, the breaking away from America, from the United States of America, if you please, and I think that is most unfortunate because it is not fair to the American people.

I think most knowledgeable and educated leaders in Latin America realize that the vast conglomeration of American people are not only very sympathetic, but they are very desirous of having the formulation of policies. Naturally, if we exalt the passions by saying we have to put down communism because we say that is what it is and we define it as such, though it may not be as in the case of El Salvador.

This young man that I spoke of a while ago told me that his only resentment toward us was that it seemed that every American seemed to think that unless Castro did something they were not smart enough to have their own revolution. He said, look, I have no desire of going to Cuba, I have not been, I have no desire of knowing Fidel Castro. We do not have any use for his likes around here, and he is not offering anything.

So when Secretary of State Haig gave Fidel Castro credit for the Salvadoran revolution, he was actually surprising Fidel Castro, who made a speech in Havana and said so. He said if you want to give me credit, fine, but he only wishes he had been invited.

The fact is that I believe this administration, for whatever reason, has failed in leadership, and particularly in that respect.

On the domestic front, what need I say. I have been a member of the Banking Committee since I have been here, 26 years. I have spoken out on this. There is no use enlarging on that today. Also one of the underlying reasons why I believe that the Congress has to have a review of Presidential behavior, be it as late as it is, of all places, I found in a little publication in a little small grocery store whose owner I have known forever, on what we call the Near East Side of San Antonio, which is a mixed neighborhood, predominantly black and Mexican-Americans, and there on a little stand they had this little magazine, free of charge. In fact, you can subscribe to it free of charge. It is published by the World Church of God, and the title of the magazine is "The Plain Truth." What caught my eye was this front page with bold lettering, "Worldwide Economic Problems and Their Effect on Your Life."

So I turned to the article and it is written by Paul Kroll. I insert that article in the RECORD.

The article referred to follows:

[From the Plain Truth, March 1987]

WORLDWIDE ECONOMIC PROBLEMS AND THEIR EFFECT ON YOUR LIFE

(By Paul Kroll)

What has the price of oil in Bahrain or wheat in Australia to do with your well-being if you live in the United States or somewhere in Europe?

Is there really a connection, for example, between Mexico's $105 billion debt and a burgher's life in Stuttgart, Germany?

The answer is that the world is an economic rug and we are all strands interwoven together. But the personal effects of some far distant crisis may easily be disguised.

WORLD CRISES, ECONOMICS AND YOU

Today, almost anything of import that occurs in our world has "This Affects You" stamped on it.

Defense spending, for example, deeply impinges on our personal prosperity—our pocketbook, our land and our security. The health of a people may affect the nation's productivity, as well as burden its economy.

Cocaine and heroin usage are linked to crime. Crime, in turn, is linked to what we as victims of crime may lose in money and possessions, or pay in greater costs for insurance or for the maintenance of prisons.

Defense, health and crime are but three strands woven into the complex fabric of the world's economy. Here personal needs, governmental decisions and individual or international crises all find themselves inextricably bound together.

THAT WAS THEN, THIS IS NOW

A thousand years ago families in Europe were tied together by a lord of the manor in small social and economic communities.

People often lacked protection and freedom from the ravages of nature as well as the local lord. But humans had within their grasp an economic boon that eludes us today. The yeoman's paradise of the romantics may be hard to find. But it was often a fact of existence that most people could either work on their own land or that belonging to a nobleman.

Who wants to be a farmer, you might ask? The point is not one of preference but rather a realistic economic fact. A family had access to a *producing* homestead, however humble it may have been. Even a serf could grow his own food. A well-stocked barnyard could ensure eggs, milk and poultry. There was no need for a central water supply stretching hundreds of miles. Wells on the land or in the community could provide much of the needed water.

The central power-generating station did not exist. Wood was used as fuel. (But the forests were depleted through misuse, forcing the Europeans to turn to coal and the steam engine.) Transportation was also literally homegrown on local lands, in the form of, say, horses or mules. No need for expensive capital outlays, such as for tractors. A healthy beast of burden did the job.

The use of living things had one important aspect: They were economic assets as *each was self-replicating.* Seeds came from crops; a cow would give birth to a calf; a horse to a colt; a goat to a kid. The economy of people in the Rhone-Saone valley in France did not depend on a Japanese car, oil from Saudi Arabia and a computer from America.

For most people, things economic were limited to family, or at most the village where basic products and services were traded in fairs or bazaars.

The other side of the economic coin was the scant protection from drought, flood, disease epidemics or a harsh nobleman. These were real economic as well as personal bugbears that man hoped would disappear as the Industrial Revolution and the Age of Rationalism held out promise of utopia. In the late 1700s a new world was dawning. New technologies, new political and economic systems were emerging, all holding out hope for a better future.

WE ARE ONE ECONOMIC WORLD

Today, we control floods, droughts are circumvented, disease epidemics are nipped in the bud, and voters can turn out any "nobles" of government with which they are not satisfied.

Paradoxically, we have *not gained* our economic freedom. We have, in effect, become each other's economic serf and slaves of the very technology and socioeconomic system on which this freedom is based.

No longer do we have *personal access* to the basic means of production and necessities of life. We are, for the most part, dependent on other people and nations for our food, our fuel, our transportation, our machinery and our clothes. We must often borrow our capital from abroad.

If basic services were cut, we would be unable to survive for the most part. In that sense, economically speaking, *we have never in the history of our existence been more helpless.*

International dislocations and crises become our own. The long economic arm of government or corporate policy can reach deeply into our pocketbooks or lift the bread from our table. Such unwanted relationships are often paradoxical and take on a life of their own. Some examples:

An American in Chicago or a Japanese citizen in Osaka may heartily welcome lower gasoline and heating oil prices. But these savings mean *increased* economic woes for citizens in Mexico City, Lagos, Nigeria, and even among the Chicagoan's kinsfolk in Houston, Texas.

If the U.S. government makes a deal to sell its wheat to the Soviet Union, then Australia will be left literally holding its bag of wheat. Such ironies exist everywhere in the world economy.

BIZARRE EFFECTS OF WORLD ECONOMY

Most governments employ subsidies to protect their industries, whether in Europe, Latin America, Japan or the United States. The result can often be economic musical chairs.

A case in point. A part of an urbane New Yorker's tax dollars may be earmarked to pay a Wisconsin dairy farmer so that their mutual government can purchase some of the dairy farmer's cheese and distribute it for free to the poor. The same New Yorker must now pay more for his cheese than he would have had to if he hadn't supported the Wisconsin dairy farmer in the first place. But if he hadn't supported the dairy farmer, the New Yorker might not have any cheese at all. Why? Because the dairy farmer could not afford to produce it at a lower sales price.

Let's look at a few other paradoxes of this global economic village we all inhabit.

A lending nation such as the United States may counsel debtor nation Brazil to "trade away" its debts by increasing exports. But the United States may deny Brazil access to its markets by raising barriers to Brazilian products.

If the government of say West Germany is asked by the United States to help drive down the value of its dollar, it may mean the Japanese yen will rise against the dollar. The final result may be that the American consumer may be forced to pay more for his Japanese car.

Britain may pay into the European Economic Community farm subsidy fund. This fund, in turn, will pay the French farmer so that he can sell his wheat at a lower price to the Soviet Union.

THE REAL WORLD AND YOU

Things "economic" occur in the context of real world happenings, not in abstract graphs. An economic crisis may be the result of a deep social problem. A case in point. If someone in Los Angeles, California, desires cocaine, another someone in La Guajira, Colombia, is happy to supply it. As long as enough dollars chase cocaine, a supplier will surface.

In the process, innocent citizens may suffer. A Colombian may not want cocaine produced in his country and an American may not want it used in his. But the Colombian may be murdered and leave a wife and children without economic support. The American may be robbed of all that he has by the hooked user supplied with cocaine from Colombia. The outcome in both cases has its economic dimension; both American and Colombian citizens have been devastated financially as well as socially speaking.

Another situation. Tribal farmers in an African nation may starve but not solely because of drought or poor farming. It may be politically or militarily expedient for the military to destroy the crops of those opposing them.

War and social evils stand in the way of prosperity for all. There are others, of course. Ignorance, poor health are two. Natural disasters have taken their toll.

GROPING FOR SOLUTIONS

Economic systems such as feudalism, capitalism, socialism and communism were devised in hopes that they could provide abundance and prosperity. The political arms of these economic philosophies would ensure the implementation of good economic strategies and protect the citizenry. But the world is yet searching for the utopia of perfect economic theory and practice.

Capitalism, for example, claimed that the *individual* is the most important part of economic growth. Adam Smith, in his 1776 book, *The Wealth of Nations* (the "bible" of capitalism), argued that each individual should be allowed to pursue his own interest and personal gain. By so doing, his selfishness would actually promote the common good. "And he is in this led by an Invisible Hand to promote an end which was no part of his intentions," Smith argued.

It is no coincidence that while in 1776 Smith's book was on English printing presses, across the Atlantic, the Declaration of Independence was being signed. Both ideas had a common root. A politically free individual would guarantee his nation *political* prosperity in the same way that the individual free from government interference in the market would usher in economic prosperity.

It soon became apparent that capitalism had deep social problems of injustice and inequality. Within 75 years a new economic philosophy was born—communism. In the year 1848 the communist Bill of Rights was published under the title *The Communist Manifesto.* Karl Marx's *Das Kapital* (the "bible" of communism) was published in 1867.

Marx claimed that communism was the wave of the future. It would supplant a decadent capitalism as capitalism had overthrown feudalism. But the death notice of capitalism was, as they say, slightly exaggerated.

Communism had its first say in 1917 in the Soviet Union, as Nikolai Lenin came to power. The ensuing history under Stalin proved once again that economic theory cannot be separated from political and social reality. Human problems were, unfortunately, alive and well under communism as well as capitalism.

Many nations have flirted with varying degrees of socialism while capitalist nations have become mixed economies brushing with ever greater government interference in the marketplace.

But war, greed, desire for profit, scarcity and other social and political problems—the things of the *spirit*—have always had more cavernous appetites than any economic philosophy or government structure, which might claim to be amoral. Even the United States is now discovering this painful fact of life. No nation that has succumbed to the weaknesses of the human spirit—its own or others—can survive hale and hearty, economically speaking.

CHOICES RIGHT AND WRONG

Individuals, businesses and governments all must make important choices on spending and production. But these three groups do not always make wise economic decisions. Often, they are forced by circumstances to make decisions that have unsatisfactory results.

Nations as individuals may borrow beyond their capacity to pay. Or purchase that which they do not need. Or be unable to sell at a profit that which they have produced.

But in all cases it is people who must write the check covering the debit in the economy's account. "The buck stops here" is an old cliché. In economics, the buck stops at you and me.

These are the economic enigmas that this *Plain Truth* special section addresses. Each article in this 16-page overview emphasizes a single face of our multifaceted economic world. It tells the direction our world is heading as well as what might happen to our economic well-being. Above all, this special issue focuses on vital aspects of the world economy and explains how they impose on our personal lives.

I have included this article because of the beauty of America is that the people are there. I think we, the elected officials, are the nobility, that is those in Government are our modern-day version of nobility, and we tend to underestimate, and terribly so. Here in this publication, free of charge on a little magazine stand, sponsored by this religious organization, this church, is one of the most knowledgeable, informative, evaluative articles I have seen or read anywhere, and seldom have heard from all of these expert economists. I think we have had in my 26 years that I have been here every one of them that anybody mentions from Walter Heller to Herbert Stein or Alan Greenspan before he was named Chairman. They have all been before the committee, but no one, even from academia, has done as good a job.

In fact, I am going to quote:

In Western civilization the old pre-industrial world no longer exists. We live in a global economic village. No individual, village or nation lives or dies to itself economically.

Things economic occur in the context of real world happenings, not in abstract graphs. An economic crisis may be the result of a deep social problem. A case in point. If someone in Los Angeles, California, desires cocaine, another someone in La Guajira, Colombia, is happy to supply it. As long as enough dollars chase cocaine, a supplier will surface.

Then he goes on in the other context into the range of international finances and brings it down as to how this impacts on some remote happening on the other side of the world.

If the government of say West Germany is asked by the United States to help drive down the value of its dollar, it may mean the Japanese yen will rise against the dollar. The final result may be that the American consumer may be forced to pay more for his Japanese car.

But more to the point is his statement:

Today, we control floods, droughts are circumvented, disease epidemics are nipped in the bud, and voters can turn out any nobles of government with which they are not satisfied.

Paradoxically, we have not gained our economic freedom. We have, in effect, become each other's economic serf and slave of the very technology and socioeconomic system on which this freedom is based.

Again, this was in this little magazine, and he has some more relevant technical factual statistics connecting the underlying thrust of these statements.

I am an avid reader of the foreign press. I can read the Spanish press in mainland Europe, I can read some of the Latin American press that is available to me, the French, some of the English, but then there is also a magnificent publication called the World Press which I also would like to read because the editor, and his name is R. Edward Jackson, World Press, published by the Stanley Foundation based in New York, has a beautiful wrapup of some of the more prominent journals and newspapers in Italy, West Germany, France, London, Tokyo, and the like. Here is what they say of us at this point:

Misguided policies—

Meaning the Reaganomics, as they call it—

supply side misadventure—

Now this is a foreigner saying this, not an American—

instead of tax and tax, spend and spend, as President Ronald Reagan ran for office and won on, he seems to have resorted to spend spend and just borrow. Even with a crisis on his hands, there is no sign that Reagan is gripped by a sense of reality. Reagan has given up on fiscal policy. The superhuman task of steering the United States from recession, inflation and sharp devaluation of the dollar falls to Alan Greenspan. There is no mistaking the difficulty of the task. As former Federal Reserve Governor Lyle Gramley puts it, "It is a no win game." The U.S. is suffocating under an excess of unsold products, 150 million tons of steel, 218 million tons of grain.

Then the article goes on and this particular one comes from the Italian and the French and the Canadian press.

□ 1315

They have got a better sense of evaluation of what it takes. Now it so happens that it coincides with what I have been trying to bring to the attention of my colleagues, the general membership of the House, my colleagues, and specifically to my colleagues in the Committee on Banking, Finance and Urban Affairs, for some years, and particularly with what some have considered obnoxious steadfastness since 1979 when it was obvious that the handwriting was on the wall for anybody who really wanted to know, to see. And then exacerbated by the notions that we could borrow ourselves into prosperity. And the fact that as far as I could tell no one in the Congress—I do not say this by way of braggadocio, in fact, it makes me feel badly that I should say here on the House floor that I am the only Member of Congress either on this side or on the other side of the Rotunda who has even mentioned the European currency unit and the European monetary system. It pains me greatly because that was first revealed in a similar communique to the Latin American presidents, in the last sentence of the communique issued in May of 1979 at the Bonn summit economic meeting. President Carter was President, it was not Ronald Reagan.

In other words, what I am trying to say is that these problems are not partisan, they are not Republican, they are not Democrat, they are not conservative, they are not liberal. In fact, even the words "liberal" and "conservative" have been so abused that one of the writers in, I believe it was the London newspaper, was saying that when Americans use the word "liberal" they use it in a different context from what the Europeans use it. When the Europeans use the word "liberal" they are talking about laissez faire; that is, the free market, let everything take its course and the market will take care of itself.

Whereas in America, the definition of liberalism is on a different type of political spectrum. So we are not even talking the same words. And I know this is true with respect to the Spanish-language countries and I know that were it not for the fact that at least their upper educated classes have had an opportunity to know America, some of them to benefit by having been educated in America, that were it not for that fact we would really be victimized by this ignorance.

The chart referred to by Mr. Gonzalez is as follows:

Guns Versus Butter

(Prices are for individual items and are in U.S. dollars)

1 M-16 automatic rifle ($660) equals 82 garden spades ($8).

1 M-1 Abrams battle tank ($2,800,000) equals 6,222 farm bullocks ($450).

1 F-15 fighter jet ($27,000,000) equals 1,350 U.S.-made 78 hp. tractors ($20,000).

1 Trident missile submarine ($2,000,000,000) equals 25,000 suburban homes ($80,000).

Note: Prices for spades, tractors and homes are average U.S. Prices for farm bullocks are an average in Thailand.

THE DUTY OF THE HOUSE REPUBLICAN PARTY AND THE BUDGET SUMMIT

The SPEAKER pro tempore (Mr. Skaggs). Under a previous order of the House, the gentleman from Georgia [Mr. Gingrich] is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, I will talk today on the House Republican Party's duty and the budget summit. I will strongly urge House Republicans to vote against the proposals of the budget summit.

I would like to place in the Record my reasons for suggesting that the budget summit came up with phony conclusions, they will not be effective, they will not save the economy; they are in fact not in the values of the people who elect House Republicans or in the values of the people who gave Ronald Reagan victory in 49 States, and they are a mistake.

It is fascinating to look at three recent current events; issues of Time, Newsweek, and U.S. News, and to look at the Associated Press article of just a few minutes ago which points out that—

> The United States dollar plummeted in hectic European trading today, trading at record lows against the West German mark and the Japanese yen and a five and a half year low against the British pound. Gold prices surged above $490 an ounce in both London and Zurich for the first time since January of 1983 and there was speculation it might break through the $500 an ounce level during the day. Foreign currency dealers said there were no fresh reasons for the dollar's plunge but they remain pessimistic about its immediate trend in the absence of favorable news that could move it higher. It is just the same old story, the deficit, the lack of leadership in the United States said one dealer at a United States bank in Frankfurt, there isn't any support for the dollar.

That is today, after 2 weeks of absorbing the news of the budget summit.

U.S. News described it in an article entitled "A Wimp Budget, Washington's Best Offer." Time magazine presented it in an article entitled, "Turkey and Trimmings, at the Last Moment a Half-Baked Deal Is Cut." Newsweek called it, "Stumbling at the Summit, the Budget Negotiators Reached an Agreement, But It Doesn't Even Come Close To Balancing the Books."

When I was asked on the Friday before Thanksgiving what I thought of it I said at the time that I thought it was a perfectly appropriate budget agreement for the Thanksgiving season because it was a turkey, and I do not think it would in the long run solve anything because turkeys do not fly.

There is a large, a sadly large amount of truth in that quip; this is a turkey. Now that we can calmly look at it a week after Thanksgiving we have to confront how big a turkey it is. It is a turkey at two levels; first of all, it is bad in substance and second, it is bad in symbolism. Those who would argue that we have to pass something in order to prove that we can pass something, are I think sadly underestimating the intelligence of the American people, of the news media, and of financial analysts. The idea that stamping the title "Budget Change" on a document, whipping it through the House and the Senate, getting the President to sign it and holding a press conference to announce how successful it was, would impress Wall Street or would impress the Japanese or German investors I think was the ultimate in foolishness.

Abraham Lincoln once said you can fool all of the people some of the time, some of the people all of the time, but you cannot fool all of the people all of the time.

This view that the budget package tried to fool all the people all the time comes from a wide range of analysts and a wide range of political figures. Consider, for example, the following from Time magazine:

> Many Wall Streeters regarded the budget plan as too little too late. "We would have been better off if the talks hadn't even happened," declared John Paulus, a managing director and chief economist at Morgan Stanley. "The difficulty in reaching an agreement shows a lack of determination, a lack of discipline and a lack of leadership in Washington." Steven Einhorn, portfolio strategist at Goldman Sachs, was equally unimpressed. "They went down to the wire, then delivered what the market expected anyway," said Einhorn. "Washington took four weeks to make cuts, and we aren't even sure if the cuts are good ones. About all you can say is 'Thank God they could negotiate something.'"

Listen to the introductory description of what happened, again from Time magazine:

> In the dark days after last month's stock-market crash, there was one glimmer of hope: the calamity would shock Washington out of its derelict disregard of the deficit and force some courageous budget decisions on Congress and the White House. With great fanfare and high expectations, a "domestic summit" was convened. President Reagan agreed to drop his reflexive opposition to any taxes. Congressional leaders made so many declarations about the need for cooperation that they began to sound almost sincere. Partisan quarrels would be set aside. Now was the time for bold action.
>
> After four intensive weeks, the talks ended last Friday with a fizzle.

That was Time magazine. Now Newsweek described it as follows:

> In Washington, it helps to spread the blame evenly. Ronald Reagan stood among five congressional leaders in the White House press room last week to evoke bipartisan support for a deficit reduction plan that nobody liked.

U.S. News & World Report described it as follows:

> In a Congress where the primary drive is for political survival, bold action is not the lifestyle of choice and the domestic economic summit may well have been doomed to mediocrity from the start.

Let me cite one of the more knowledgeable and more serious members of the Republican Party in the House, a man who has worked very hard to master the budget process, a member of the Committee on Ways and Means, Congressman Bill Gradison, in a "Dear Colleague" dated November 25 said the following:

> House of Representatives,
> *Washington, DC, November 25, 1987.*
>
> Dear Republican Colleague: I am deeply disappointed in the summit budget agreement and so apparently are the financial and credit markets. The on-going difficulties facing the dollar are evidence of what many of us were saying at last week's Republican Conference. There is widespread disillusionment with this summit package.[1]
>
> I think of myself as a rank and file Republican unable to support the agreement hammered out in good faith by our leaders. The

proper course of action now is to send our hard working and dedicated negotiators back to the bargaining table. Tom Foley says this summit agreement is the first step. Let's lose no time in taking the second step.

I was with the President when taxes were raised in 1982 and again in 1984. But I cannot support him this time. If I'm going to go along with a tax increase, I want to get something for it. My constituents deserve nothing less.

Without a doubt, the tax increases in this package are real—very real, and they hit most heavily on business. So where are the savings on the spending side of the budget? Absent the arbitrary and artificial new baseline, the advertised savings either evaporate or fall to gimmickry:

With respect to "new" discretionary spending, for example, both the defense and non-defense categories actually increase in 1988 over 1987 levels, and total outlays also increase by an even wider margin.

The same is true of entitlement "savings." These programs are not cut; they are not even frozen. The ink on the Gramm-Rudman "fix" is hardly dry and already we violate the provision against jiggling dates in order to claim savings.

And, of course, the $5 billion in asset sales fools no one. So much for the provision in the "GRH-fix" prohibiting the scoring of asset sales as deficit reduction! There are plenty of good reasons for selling assets, but deficit reduction isn't one of them.

It's bad enough for us (and in effect for those we represent) to be stomped on and treated like second-class citizens by the majority. But to ask us to support a measure so similar to the reconciliation bill we Republicans rejected nearly unanimously a few weeks ago is the ultimate humiliation.

I disagree that the summit plan is a signal that our system can still work. Indeed, resorting to the rhetoric of "sending signals" is a sure sign of a weak case. To the extent this package sends any signal at all, it is this—in Washington, it's still business as usual.

Sincerely,

Bill Gradison,
Representative in Congress.

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[1] As an example, consider the following headlines: "Turkey and Trimmings; at the last moment, a half-baked deal is cut" (Time); "Stumbling at the Summit; the budget negotiators reach an agreement, but it doesn't come even close to balancing the books" (Newsweek); "The politics of Obscurity * * * a triumph of obfuscation" said columnist Robert J. Samuelson.

That was a Republican "Dear Colleague" letter from Congressman Bill Gradison who is on the Committee on Ways and Means.

Consider what Robert Samuelson said in Newsweek November 30:

REDUCING THE BUDGET DEFICIT IS SO DIFFICULT BECAUSE NO ONE WANTS TO MAKE TOUGH CHOICES

You couldn't watch the murky budget negotiations of the past month without a growing sense of bewilderment and dismay. They recall what Lord Palmerston once said of a fine point of European politics: "Only three men have ever understood it. One was Prince Albert, who is dead. The second was a German professor, who has gone mad. I am the third, and I have forgotten all about it."

The budget process is shrouded in a deep and deliberate obscurity. No one expects you to follow the debate. No one wants you to. Both Congress and the White House want to be seen pursuing the twin—though opposed—goals of reducing the deficits while protecting constituents from tax increases or spending cuts. The players instinctively promote confusion and boredom. The negotiations are endless, the compromises complex and the procedures mysterious.

The whole point is to convey the impression that things are being done that, in fact, aren't—or to conceal genuine changes. Budget packages are splintered into so many small pieces that the details are overwhelming. The sequence of decision making has so many stages that it's never clear whether today's action affirms or reverses yesterday's. The smog is thickened by accounting gimmicks. In the 1987 budget, the deficit was "cut" $2 billion by delaying the mailing of monthly military paychecks until after the start of fiscal 1988 (Oct. 1).

Congress and the White House have been playing this game for the past month. Theirs has been a triumph of obfuscation, as became clear last week. Yes, there was a rough agreement to cut the 1988 deficit by $30 billion. No, it wasn't final. Yes, it would contain about $22 billion of higher revenues. No, the detailed tax increases haven't been decided. (They'll probably be a hodgepodge of small changes.) Yes, the $23 billion of Gramm-Rudman-Hollings spending cuts were automatically triggered because the compromise didn't meet the Nov. 20 deadline. No, the cuts probably won't last long because they'll be superseded by the negotiated compromise. Got it?

☐ 1330

The point of all this is simple. The United States is in the middle of what Norman Podhoretz called total war, and only by understanding this political warfare between a leftwing European socialist style Democratic Party, which is now increasingly at odds with the American people, and a center-right coalition that is a national majority but lacks power in Washington, only by looking at this larger picture can the current mess be made sensible. The fact is that Capitol Hill is dominated by a left-of-center Democratic Party increasingly like the German SDP, or like the British Labour Party. That is, the ideas of a bigger and bigger Federal Government, more and more bureaucracy, higher and higher taxes, a bigger and bigger welfare state, unilateral disarmament and appeasement in foreign policy, the broad range of issues that Neal Kinnick represents in the British Labour Party, the broad range of issues that in the German Socialist Party form the core of that party's values, those values over the last 25 years have come to the values of the modern national Democratic Party.

That party in the Capitol dominates Congress. Its senior Members are committed to a higher tax, a bigger welfare state, larger domestic spending, weaker defense, and a softer foreign policy approach, which is the antithesis of the values of about 60 to 65 percent of the American people. Everytime at a national level the choice has been made clear in the last 25 years, the American people have chosen a center-right coalition of more traditional American values of referred free enterprise, of smaller Federal Government, of workfare rather than welfare, of a strong national defense, and of a firm profreedom foreign policy.

The last time leftwing values won at the Presidential level was 1964, when Lyndon Johnson was President. In 1968 Hubert Humphrey, the standard bearer of the left, got 43 percent of the vote. In 1972 George McGovern got 38 percent. In 1976 Jimmy Carter ran as a centrist, a populist from Georgia, in opposition to the left. In fact, in some polls he was actually seen more conservative than Gerald Ford. In 1980, Jimmy Carter, although his Presidency was failing, was still strong enough to defeat Edward Kennedy in the primaries, and then he received only 41 percent in the general election.

In 1984 Walter Mondale was nominated as a true liberal, gave a speech in San Francisco as a true liberal, the country agreed that Mondale was a liberal, and he got 41 percent and carried only his home State, and that only by a 7,000-vote margin.

So consistently at the Presidential level, for a generation leftwing values, the European socialist, larger welfare state, higher tax rate party has been decisively defeated. Yet in the Congress it survives. It survives by a variety of techniques of cheating, the most powerful of which is the incumbency advantage which means a taxpayer-financed campaign for incumbents of about a million dollars per election cycle involving staff, offices, travel, telephones, computers, direct mail, mass mailings, all the advantages which meant that in 1986 only 1.5 percent of House incumbents were defeated.

In effect, what happened when the 1974-76 Watergate generation of leftwing Democrats, the activists who had been busy in the McGovern campaign and then ran for Congress, were elected—and there was a huge leftwing Democratic victory in 1974—they realized they would not survive without the advantages of taxpayer-financed campaigning for incumbents. They knew that if they had to go back home on a fair playing field in essentially Republican districts, they would lose in 1976 or 1978. The result was a massive increase in taxpayer-financed advantages for incumbents, and today we have what is in effect an aristocracy of incumbency—people who are able to do anything they want to because the people back home literally do not have the power to fire them. The result is that we see an increasingly out-of-touch, arrogant, isolated leftwing domination of the House and a commitment to a set of values more like the German SPD or like the British Labour Party than like anything we have seen in the United States.

Podhoretz captures it well in a column from the New York Post of October 6, 1987, in an analysis of what happened in the Bork judgeship fight:

> Two crucial truths about the current political situation in America have been given a kind of high-resolution clarity they did not possess before. The first is that a war is going on in this country, the second is that until a few days ago only one side, the side opposing Bork, seemed to know it.

Podhoretz goes on to explain the nature of the war the left is waging in America, the systematic organization, the ruthlessness, the willingness to smear, the willingness to destroy personalities. He describes it as a relentless and lethal barrage, a civil war rather than a civil debate.

He then asks the question:

> Why did it take so long for the conservatives to recognize the true nature of the struggle they were in? Surprising as it may seem, the main reason was shear naivete.
>
> The conservatives knew, of course, that the "special interests" would set up a ferocious clamor, and they knew that the leftwing of the Democratic Party would go all-out against Bork. But they could not believe that anyone else would wish to line up against so brilliantly qualified and so morally spotless a nominee. In particular, they did not anticipate that so many lawyers and law professors would find rationalizations for denying a seat on the Supreme Court to one of their own intellectual stars.
>
> Indeed, for all the endless complaining by conservatives about liberal domination of the media and the universities (including the law schools), they did not fully realize just how far this process of politicization has gone. And they could not take it in that liberal opinion still regards their ideas not as a respectable point of view to be debated but as an evil to be wiped out.
>
> In saying all this, I am speaking with the wisdom of hindsight. I, too, for example, thought at first that Bork's professional colleagues would have no choice but to rally around him even if they disagreed with some of his opinions.

He goes on to say this—and I am quoting again from Norman Podhoretz:

> If that is now the name of the game, then no quarter should be given by conservatives to any liberal a future Democratic President might nominate to the Supreme Court, beginning with Professor Tribe himself.
>
> But hoisting Tribe and his ilk by their own petard will come later. For now, conservatives will have to figure out new ways of responding to the lesson of the Bork nomination, which is that the war against them and their ideas has heated up again and that it is being conducted as nothing less than a war to the death.

Now, what is the war that Norman Podhoretz is describing? Let me put it in historic contex. The rise in America of the European socialist was a liberal welfare state party, a party which is comfortable with the survival of a Communist dictatorship in Nicaragua, a party which is comfortable with withdrawing from the Persian Gulf, a party which is comfortable weakening America's military strength, a party which is comfortable raising taxes against the will of 90 percent of the American people, a party which is comfortable with the level of ethical confusion and ethical misconduct most recently characterized in a Regardies article which I commend to every one of my colleagues entitled "The Speaker and the Sleeze."

All of these things are now so new in the American system, less than 20 years old, combined with an incumbency advantage amounting to a new aristocracy, which itself is only about a dozen years old, that we have not yet begun to analyze it. Those people who come to Washington believing in the good government analysis of Congress that was originally developed in political science classes in high school government courses might expect reasonable people to meet to have reasonable discussions, and to expect that is to misunderstand what is going on in Washington today. What we are living through is a fundamental civil struggle, a civil war fought at the ballot box rather than on battlefields, a civil war fought in public speeches rather than with armies, but nonethless a fundamental conflict over the nature of America, over the nature of the world, and over the kind of future we are going to have.

We had seen how bad the left was by the end of the Carter administration. We had seen the collapse of the American will, the weakening of the American military, the expansion of the welfare state, 13-percent inflation, 22-percent interest rates, and the collapse of the U.S. dollar. We knew how bad the Democratic left was, and in 1980 the country gave the Senate to the Republicans, elected Ronald Reagan, elected 33 additional Republicans to the House, and for a brief period, for about a year, there was a fundamental change. Taxes were cut, spending was cut, and defense was rebuilt.

The fact is that Ronald Reagan was a wonderful President for helping us recover from the 1970's. He has not been an effective President in helping us prepare for the 1990's. Singlehandedly, he moved this country from malaise to hope, from welfare to opportunity, from despair to optimism, from weakness to strength, from a welfare state back to free enterprise, and from higher taxes to lower taxes. It was an extraordinary achievement. Ronald Reagan's first term was the equivalent of Franklin Roosevelt's. He was a magician, a great leader. But he had two enormous problems. He had a Republican Party which did not understand the scale of the challenge ahead of it, one which was prepared for a hike in the Shenandoah Mountains but was not prepared for the climbing of Mount Everest or seizing power in Washington. It was not ready for the difficulties ahead, it was not trained, it was not disciplined, and it was not prepared to confront intellectually and morally the forces of European socialism which now are loose in America.

Second, the city of Washington itself remained anti-Reagan, a city committed to the liberal welfare state. The President's advisers went to cocktail parties every afternoon, read newspapers every morning, and went to lunches at which those around them derided, ridiculed, and laughed at the President, scorned Reaganism, despised Reaganomics, and talked again and again about the "fantasyland of free enterprise," lower taxes, lower spending, and stronger defense, those things that Reagan seemed committed to.

By 1987 we have suffered by having failed to win decisively. We have suffered because we have been unable to make our case clearly, we have been unable to confront the left directly, and we have been unable to communicate with the vast majority which believes in our values but is confused by our behavior.

We now come to the events of the last few weeks, and from the standpoint of any House Republican who has any sense of self-respect, they have been frustrating, infuriating, intolerable weeks. We can begin with the reconciliation bill, having two legislative days in one day to ram through a bill by a 206-205 vote, an effort by the leftwing through its control of the Democratic majority to impose its will to raise taxes and do what it wants to on its own terms.

That was compounded then by the Speaker meeting then with a Communist dictator on Veterans Day, holding secret meetings with the Communist dictator, failing to inform the executive branch, and at a point when the National Establishment had begun to see just how illegitimate and unacceptable the Speaker's behavior was, we then have Secretary of State George Shultz coming to the Capitol in an act of appeasement, surrending unilaterally, gaining nothing for Ronald Reagan's values while surrendering to an opponent who, in fact, has made himself vulnerable.

And then we had the budget summit. We had a House Republican conference in which all but one of the Members who spoke from the floor spoke against the summit agreement, and within 24 hours we had precisely the agreement we had spoken against.

All of this forces us to ask ourselves, what are we doing here? What do we stand for? What is the point of it all?

Let me suggest as a basic rule for all Republicans to remember in the future that if we do not respect our own values, ourselves, and our institutions enough to fight for them, we can hardly expect others to fight for us. If we are not willing to stand up and confront the left in its ultimate stronghold, the House of Representatives, which has made itself insulated from the public by an incumbency advantage, which has created an aristocracy of the left, which is capable of ignoring the popular will, if we do not have the courage to fight it head on, how then can the average American, the average reporter, or the average analyst see what is happening?

So, from a Republican standpoint, several key questions must be asked of the budget summit. Will we truly use the illegitimate reconciliation bill that only passed by a vote of 206 to 205 as our vehicle? Will that be the conference report which comes back? Will we truly allow a doctrine which every single Republican voted against to be a part of a so-called bipartisan compromise? Will that bill contain any of the goodies that are being given away to the Democratic leadership? Will there still be $4 million in a gift to one family in Fort Worth? Will there be $42 million for one company in Spokane? Will we continue to hand out money in the guise of fighting the defict?

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Will Republicans in Ways and Means have a role in writing a new bill? Will they be included as though they were citizens, as though they were Members of Congress, or will they be excluded by the leftwing machine, which allowed them to see nothing of the tax bill before it was passed, which did not show them any of the goodies, did not allow them to debate any of the specific privileges?

Will Republicans in Appropriations be included in writing the continuing resolution which will be so necessary in December? Will it be a bipartisan resolution, or will once again the left give away goodies to its side, take care of its own, write a rule that is rigged and then ram something through by the sheer power of the machine?

Finally, will we get rules to debate these changes that are fair, that are open, that allow everyone to have a chance to participate, or once again will the Rules Committee be the instrument of the Speaker, doing only what the Speaker tolerates on the Speaker's terms?

I think every Republican with any level of experience knows the answer. The answers are that we were bamboozled in conference. The administration foolishly allowed itself to be talked into a room where it was outnumbered, and instead of taking its case to the country where it is strong, it took its case to back rooms in the Capitol where it is weak.

The administration's leaders, all but one of whom came to Washington before Ronald Reagan and who basically do not understand Reagan's values, the values that carried 49 States, those leaders behave like typical Washingtonians. They felt they had to get a deal, any deal, rather than go to the public and say, "The Left if the Congress is adamant in retaining its welfare state. It refuses to manage the Federal Government. It will not cut spending. It wants to take money out of your family budget so that it can pay off its own friends."

The country, in my judgment, would rally stronger to a party that believed it was time to control the government, a party that believed it was time to be tough-minded about spending, to a party that believed it was time to take seriously the process of shrinking the Federal Government, but that party would have to be willing to fight head on with the basic habits of the Capitol. It would have to be willing to fight head on with the way the procedures are rigged to make sure the left always dominates. It would have to fight head on to communicate just how fundamentally distorted, unfair, and in my judgment in many ways in violation of the trust of the American people many of the habits of this Hill are. It will have to be willing to take on the Ways and Means Committee leadership and expose the kind of back room deals that are normal. It would have to be willing to insist that we actually know who gets what goodies before a bill is voted on.

It would have to be willing, in other words, to take on the game.

For a long time that kind of behavior was just plain not done on Capitol Hill, because for a long time you had Democrats and Republicans who broadly shared the same values, who broadly believed in the same patterns; but I must report to my colleagues that is no longer true. The majority of the Democractic Caucus is clearly committed to a higher tax increase, bigger welfare state, European Socialist style government, fundamentally antithetical to the values of most Americans.

The fact is, we are involved in a fundamental struggle over whether that system will succeed or whether we will retain the traditional American system of reliance on refereed free enterprise, reliance on hard work, development of an opportunity for people to have more take-home pay, the kind of values which for 200 years have made America the most dynamic society on the planet.

What then should House Republicans do, given the mess we are now in? I think there are a couple simple steps. First of all, we should tell the truth. The truth is the budget summit was phony. The agreement was phony. The left will try to avoid everything which involves real spending cuts, while passing everything which involves real tax increases.

Second, the budget summit is a bad deal. The tax increases are permanent. They go on year after year after year, raising money from the American people, shrinking take-home pay, crippling business and jobs, while the spending cuts are at best for 1 year; so 10 years from now we will still have those taxes in place. We will still be paying for that summit and that press conference, but in fact the spending cuts will disappear.

Third. The game as it is played on Capitol Hill today is an affront to the American system and an affront to the American people and it needs to be taken apart. We have an obligation to do that. We should insist on truly fair bipartisan efforts, but we should refuse to lend the term bipartisan to them. If the left is going to dominate, if the left is going to run the machine, then it is explicitly in our interest to stand to one side, to point out to the American people exactly what is happening and to make the left to bear the burden of being that machine.

In addition, we have an obligation to stand up for our values. We are a party that is against tax increases. We have been fighting that fight for 4 years.

We are a party that believes in stronger defense and a solid America. We have been fighting that fight for 4 years.

We are a party that believes in shrinking the government, rather than shrinking take-home pay. Therefore, we should fight for our values. We should be willing to tell the truth about the Democratic leadership, about the phoniness of the budget summit, about the process we are going through.

We should then look not to Washington, not to Capitol Hill, but to the country at large and we should rally the Nation to take back the Capitol. We should be prepared to debate the procedures because in the long run, procedures are substance.

I think it is vital for us to recognize that if we are willing to be co-opted by a phony summit, we can hardly expect the country to understand what is going on.

Mr. DORGAN of North Dakota. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I am glad to yield to my friend, the gentleman from North Dakota.

Mr. DORGAN of North Dakota. I was listening to the gentleman's comments. The gentleman from Georgia and I have had the opportunity previously to discuss how we think the country ought to conduct its business, but I thought I would take the opportunity to come over today and ask the gentleman a couple questions about where this notion of pursuing these values would lead to.

I would like to ask specifically, what kind of a budget would the gentleman propose for this country if the gentleman was the President, knowing that we have rather significant budget deficits, significant Federal debts, debts around $2.2 trillion, a Federal budget deficit of around $145 billion.

They spend about 24 percent of the GNP. We raise revenues around 19 percent of the GNP. In the last 7 years, if we take inflation out of the picture, interest on the debt has increased somewhere around 50 percent. The defense spending has increased around 40 percent. Nonmeans tested entitlements have increased around 20 percent and all other spending has decreased around 20 percent.

Knowing all of those things and knowing that we have fiscal problems here and hearing the gentleman's statements about what the summit has done—incidentally, I share a few of those statements, I share a few of those sentiments, because I am not real crazy about some of the things that came out of that summit—but the question is, what would the gentleman do? Where would the gentleman have us cut spending and/or increase revenues in order to get this country back on track with its fiscal policy, to lead toward some sort of stability and hopefully some sort of balanced budget at some point in the future?

Mr. GINGRICH. Well, let me make a couple points about the statistics the gentleman cited.

First of all, the notion that there is a magic percentage of GNP is itself a static concept. The fact is revenues are today, I believe, $240 billion higher than they were when Jimmy Carter left office, because the GNP is larger.

I just want to make the first point that to talk in static terms of 24 and 19 percent is misleading.

Mr. DORGAN of North Dakota. Well, if the gentleman will yield further, it is not misleading, because the point is that the 24 and 19 are exactly the same percentages of spending and revenue that existed when President Carter left office.

Mr. GINGRICH. Well, as a matter of fact, Samuelson in the article in Newsweek that I was quoting argues that we now have a higher percentage of taxation at the Federal level than we had when Carter left office. That is particularly true if you add in Social Security, which has been increasing steadily. If you take total Federal tax revenues, they are a higher percentage of the GNP by about a half point than they were when Carter left office.

The Federal income tax came down, but other taxes went up, the gasoline tax, Social Security tax, and so forth.

Second, I would argue the following. You cannot get to a balanced budget in less than 5 years, that the President, this President, should have sent up a 5-year plan, that it should include a fundamental overhaul of defense, but you cannot, in my judgment, you cannot manage the Defense Department as it is today with the rules of the game we have today and, therefore, we are wasting money; that the President should be prepared to appoint a bipartisan commission or a nonpartisan commission to look at base closings, to look at a variety of steps in defense, to shrink defense spending a little bit.

As the gentleman knows, I helped found the Military Reform Caucus. I am not an automatic type hawk. I am a cheap hawk. I think we ought to be a strong country, but that does not mean we should throw money away just because it is in uniform.

Second, I am very strongly in favor of true welfare reform. Every study that I have seen on real workfare suggests that if you have true workfare, that is, if you require able-bodied adults who are under the age of retirement to work in order to get a check, that you will dramatically change the whole pattern of their behavior and you would change the amount of money that it costs, so I favor doing something like that.

Mr. DORGAN of North Dakota. But if the gentleman will yield further at that point, let us explore that just for a minute, because I happen to favor workfare as well, but I favor the steps to get there.

Let us take the welfare system that we have talked about for just a minute. Somewhere around two-thirds of the welfare recipients in America are under 16 years of age. The gentleman is not suggesting that we take out the 12 year olds and tell them to get a job. What the gentleman is talking about is the people who are able-bodied.

Mr. GINGRICH. I am suggesting that their mothers work.

Mr. DORGAN of North Dakota. All right, I accept that.

Mr. GINGRICH. I think that if middle-class women can work, then I think that poor women can work. In fact, I think poor women can be better off if they worked than they are sitting in a public housing project watching television, waiting for the welfare check.

Mr. DORGAN of North Dakota. And I think poor women will agree with the gentleman. In fact, the reason the gentleman mentioned the word women is that the welfare problem is increasingly a feminine problem.

Mr. GINGRICH. The gentleman is exactly right.

Mr. DORGAN of North Dakota. It is single mothers, and I think the gentleman probably understands that one of the traps in this cycle of poverty from which in most instances they cannot escape is a trap that prevents them from having any child care capability if they go to the workplace. It prevents them from having any health care capability. They lose their Medicaid immediately when they get $3.40 an hour for whatever minimum wage job they can get; so the question is, if you are going to deal with the welfare problem, and I want to and I support workfare, are we going to support the steps that get us there, including child care and medical help?

Mr. GINGRICH. I would strongly favor developing a transition for medical help, and I agree with the gentleman on the point.

I would also strongly favor the notion that part of workfare ought to be child care, but I would not favor what I understand to be the liberal democratic bill that has been produced in the House, which in fact makes it less likely to offer a job, less likely to be able to go to work, and which makes it dramatically more expensive.

Let me suggest to my friend that if you look at the Swedish system, which is very, very tough on requiring you to take a job, it guarantees you work, but it also makes you work, and compare that with either the American or the British system, which are very, very soft about whether or not people on welfare have to take jobs. There is a study that just came out last week in Britain that offered, I think it was 840,000 hard-core unemployed interviews that led to 4,000 jobs, because in fact it is economically better in Britain right now to stay on welfare than it is to take the first job that moves you off welfare.

Now, I am just suggesting, the gentleman asks how I would change the budget. I think this President should have proposed a dramatic welfare to workfare shift. He should have included as part of that package child care as a legitimate function of workfare and I think that that would substantially lower the cost of the budget.

Mr. DORGAN of North Dakota. I do not disagree with the gentleman, but I am saying this. To do that costs some money in the front end. That child care and that medical care is an investment in the front end.

Mr. GINGRICH. I am not sure that is accurate. That cannot be accurate. Let me tell the gentleman why it cannot be accurate. If you take all the current spending on the welfare, all the various bureaucracies, all the public housing, all the public health care, et cetera, and you simply say we are not going to repackage this as work, here is a check; and by the way, every seventh person out there who is now on welfare, when you go to work your job will be child care—that cannot possibly be significantly more expensive than the current mess. It would only be more expensive than the current mess if we insisted on doing it with the kind of rules and the kind of bureaucracy and the kind of redtape that we currently have.

Mr. DORGAN of North Dakota. Is the gentleman going to take every seventh welfare recipient and say you are a doctor?

Mr. GINGRICH. No.

Mr. DORGAN of North Dakota. I mean, I do not quite understand the gentleman's reference to child care. Certainly you need child care capability if you are going to reform the welfare system and you need the extension of Medicaid in the interim sense.

Mr. GINGRICH. The question becomes, I think this may be a fundamental difference between what I described earlier as the European Socialist tradition and the older American tradition. The question becomes, who do you trust to monitor child care?

I am willing to suggest to the gentleman that if we had a public housing project of 1,000 homes and we had say 600 people in that project who were eligible for workfare and to keep the numbers simple, 100 of those were in effect going to end up running small child care centers, that would be their job and they would have 9 children, they currently have 2 because they are mothers, they would have 9 children. I would suggest to the gentleman that could be done with a minimum of bureaucracy.

Now, that is not the way the leftwing in the House would do it. The leftwing in the House would establish a mammoth Federal inspectorate, a State inspectorate, a licensing procedure, would drive it, as I understand the bill in its current form, would actually make it illegal—this is according to Congressman BROWN of Colorado, who is working on it, not me, but Congressman BROWN explains that it would make it illegal for your grandmother to watch your kids. That is my understanding of the current liberal democratic proposal. I find that irrational.

I would suggest to the gentleman that I would like to see a child care voucher that says in effect, here is how I think this can be structured, but let me go a stage further rather than just get bogged down in workfare, although that is an important point.

□ 1400

The next step I would look at is what are the things the Federal Government is doing that ought to be privatized. I think very strongly that Amtrak ought to be privatized. I think there are other steps we can take that are worth looking at that basically get them off the budget, get them away from the Federal Government. These are not major items.

Mr. DORGAN of North Dakota. As the gentleman is an historian, he will recognize that Amtrak was privatized. That is precisely why we now have Amtrak. The fact is, the railroad system in this country did not and could not apparently provide rail passenger service, and this country decided to provide Amtrak service for its citizens.

Mr. GINGRICH. Let me offer another alternative explanation that draws the difference between European socialist tradition and our more traditional American values.

Amtrak was dominated by railroad unions and was incapable of nationalizing its work force in a way that allowed it to be both effective and efficient. Therefore, in order to subsidize the labor unions, the Democrats felt comfortable with nationalizing the railroad. That is something we saw in Great Britain from the 1920's in the coal fields, and that problem is a problem they still have not gotten out of.

I would suggest if you look at the airline industry, which has had to go through some tremendous changes, and I represent Hartsfield, and we certainly have had a great many changes going on at Eastern Airlines, and it is very wrenching, it is very difficult, but in a competitive environment it is happening. If we had a powerful enough leftwing who thought about airlines, we would have nationalized all the airlines just as we nationalized Amtrak. But I do not think that socialist railroads work particularly well, and I do not think we ought to subsidize a socialist railroad, and that is what Amtrak is.

Mr. DORGAN of North Dakota. The gentleman is sort of ranging far afield here from the budget deficit, but I would hope that he is not suggesting that current experience in the airline industry, the experience that the American public has with the airlines in some sort of victory trophy from the rightwing. I do not think that is necessarily a model of success. We are going to end up with a few behemoths in America running all of the airline schedules, telling us when we are going to fly and at what cost. The question is are the skies going to be safe when you get up there. Is the plane going to leave on time when you get to the airport. It is not a model of efficiency.

Mr. GINGRICH. But it is a model of efficiency in this sense: More Americans flew cheaper this Thanksgiving and more people got to go home and see grandmother this Thanksgiving, more of the people that I would think that the Democrats would want to represent, precisely the marginal workers whose families never flew before deregulation now fly.

Mr. DORGAN of North Dakota. Let me ask a question. Are there more questions of safety with respect to the airlines these days than there were when you came to Congress?

Mr. GINGRICH. There are more questions of safety, but in fact statistically it is the safest period in the history of aviation. I am being quite candid. The gentleman ought to at least think about this. More people fly more miles more safely. You are in greater danger driving to the airport than you are flying.

Mr. DORGAN of North Dakota. I understand the use of statistics. I just ask the question: Are there not more concerns being expressed from virtually every quarter in this country about airline safety these days than there were when you came to Congress? I think the answer is "yes" for a number of reasons.

I understand the points you are making here about privatization and all. There are many areas where we share views.

Mr. GINGRICH. Well let me ask the gentleman since he got off on this thing. You tell me would you make a serious argument that Amtrak is a better mechanism for the delivery of transportation; that is, a Government-run labor union dominated railroad is a better mechanism, a better model than is the current aviation system?

Mr. DORGAN of North Dakota. It is hard for me to judge the current aviation system because of the mergers.

Mr. GINGRICH. Come on, now, which do you think it is? They are both a mess. Which mess do you think is more likely to be productive?

Mr. DORGAN of North Dakota. Because of the mergers we only have one aviation company flying in our part of the country, the northern tier up through North Dakota. We only have one airline company, so it is hard for me to judge what is going on with respect to the competitive juices in the industry. All I can do is tell you what I have read.

Mr. GINGRICH. How many passenger railroads do you have coming through your part of the country?

Mr. DORGAN of North Dakota. We have had Amtrak.

Mr. GINGRICH. Which do you think provides more systematic and adequate service to your State?

Mr. DORGAN of North Dakota. Amtrak I think has a very good record and is generally well accepted by the consumers in this country. Were it not for Amtrak, we would not be hauling passengers by rail, and I think the gentleman knows that.

Mr. GINGRICH. Do more people in North Dakota choose Amtrak or the airlines?

Mr. DORGAN of North Dakota. More people choose the airlines for obvious reasons.

Mr. GINGRICH. The airline is not subsidized by the Government everywhere as every Amtrak ticket is subsidized.

Mr. DORGAN of North Dakota. The gentleman does not understand the airlines if he says that. Who do you think pays for the VOR out there that sends out the signal to the airlines so they can hone in on it to fly into the airport?

Mr. GINGRICH. A user tax does. There are no user taxes on Amtrak.

Mr. DORGAN of North Dakota. No, but if the gentleman would understand the aviation industry he would understand that there is a massive subsidy for every passenger that gets on an airline.

Mr. GINGRICH. That is not true.

Mr. DORGAN of North Dakota. It is true. That is not something we should debate about. There is no question that is true.

Who pays for the air traffic controllers? Is that a user fee? We appropriate money here on the floor of the House to have the air traffic controllers who control those airways so that when you fly you are not running into somebody else flying between Minneapolis and Miami. So who pays for that? The public pays for it.

Mr. GINGRICH. That is fair enough. By the way, the Air Transportation Association has suggested they would be willing to move to a privatized air traffic control system that would be entirely paid by user fees.

Mr. DORGAN of North Dakota. Yes, but my point to you was that there is substantial subsidy. I do not remember the numbers now, but the numbers are not much different between a passenger who gets on an Amtrak train and a passenger who gets on an airplane at airports. It is just that the subsidy occurs differently with respect to the aviation industry.

This is something that we can talk about at some point later on, but I would like to come back to the budget and ask the gentleman a question. I think I heard you say that we cannot lick the budget deficit for 5 years. I would hate to think that is true.

Mr. GINGRICH. I did not say that. I said if you are going to be honest with the American people, to move from where we are today to a balanced budget, it cannot be done in 1 year.

Mr. DORGAN of North Dakota. But you also said 5 years.

Mr. GINGRICH. I said my hope would have been that at some point in this presidency, preferably a lot earlier than this, Reagan would have come up with a 5-year plan that would have gotten us to a balanced budget and said, for example, as you know if you close a military base, the first year you lose money because the cost of closing it down is actually greater than the normal operating costs. But over 5 years you gain money. So, there are a number of places where if you keep trying 1 year at a time to achieve your goal, you cannot get an honest management grab of the Federal Government.

Mr. DORGAN of North Dakota. I guess in order to solve something a person has to agree on what the problem is.

Does the gentleman agree with David Stockman in his book, "Triumph of Politics," when he said look, we just made a colossal mistake, we made a giant error in all of our projections in what could be done, what would be done, we made a big error and the fact is that error led to massive deficits and we should have known it. Do you agree with that?

Mr. GINGRICH. No; I think it is as disingenuous for him to have said that in the book as it was for him to have done it.

The fact is as early as the summer of 1981 I was looking at numbers that fit exactly the point you are talking about. They were given by David Stockman. They said projections are 24 percent spending of GNP, assuming a static model, 19 percent taxes, 5 percentage point deficit. That was as early as December 1981 that those figures were out.

But the question then becomes so do we raise taxes and have a larger Government or do we cut spending. And, second, if we raise taxes, and I would remind you of the personal experience we have both had over the last 20 years of the average tax increase of a dollar leads to $1.58 increase in spending. That happens statistically, and that was a statistic of the Congressional Budget Office study, I believe. Therefore, my assumption is every time we raise taxes we just encourage the spenders. They go out and spend more.

Mr. DORGAN of North Dakota. So, why have any taxes?

Mr. GINGRICH. I am willing to retain 19 percent and shrink the Government down to 19.

Mr. DORGAN of North Dakota. Let us find out where you get the 19 percent, because the only way you get that is either a substantial cut in defense—I do not think you are prepared to vote for that, frankly, and most Members on your side of the aisle are not for substantial cuts in defense, or a substantial cut in Social Security. Social Security is a fund that is now being paid for on a yearly basis with more revenue per year than the outgo. So, we now have put in place a system that at least on a yearly basis is running a surplus. It should not even be in the unified budget, because having it there distorts what we see in the unified budget.

Mr. GINGRICH. Exactly.

Mr. DORGAN of North Dakota. I had an amendment which passed in the Ways and Means Committee some years ago that takes it out of the unified budget. Unfortunately, they amended it when it was moving, and it is now 1991 when it happens.

But what we have is a situation where we have over $225 billion of the Federal budget is Social Security. That is paid for with dedicated taxes.

If you take a look at what has happened since 1981, three major components. One, the 1981 tax cut of very substantial reductions in what otherwise would have come into the Federal Government as revenue.

Mr. GINGRICH. That is not true.

Mr. DORGAN of North Dakota. Yes; it is true.

Mr. GINGRICH. Let me explain why it is not true.

What happened is we have created 13 million jobs over the last 5 years. In that sense, supply side economics worked. We are far and away the most productive society on the planet in creating new jobs, and even Paul Simon, one of the candidates for President in your party, is now running around saying that we can achieve a balanced budget by economic growth.

Today, on the one hand you are going to get 13 million new jobs, so therefore you have this size GNP, but by the way what led the old taxes is I think to deny the whole argument. Our argument always was if you will cut taxes to increase the incentive to work and invest the people will go out and work harder. Therefore, you will get a bigger economy. We have $240 billion more in revenue now than we had under Jimmy Carter. We do not have less revenue, we have more revenue.

Mr. DORGAN of North Dakota. That is not what I said. You did not understand what I said.

I said the 1981 tax cut cut revenue that otherwise would have been expected with the 1981 Tax Code, and we have lost that.

Mr. GINGRICH. Unless the economy continued to decay.

Mr. DORGAN of North Dakota. That is true. But are you working harder because you had a tax rate cut?

Mr. GINGRICH. I think most Americans are, sure.

Mr. DORGAN of North Dakota. You work harder now than you would have?

Mr. GINGRICH. I work harder if I am allowed to keep the money I earn.

Mr. DORGAN of North Dakota. Your work ethic is tied to the IRS Code, then?

Mr. GINGRICH. I, certainly, have more of a disinclination if I know people are going to take it away. As a simple example, how many of our colleagues will go out and make speeches under the honoraria who will not go out when they are above the limit and they cannot get the money? I think that a very significant number, 70 percent, 80 percent.

Mr. DORGAN of North Dakota. I would guess 90 percent of the Members of the House say they work hard because of the challenge of the job and that is the way they are.

Mr. GINGRICH. Wait a second. Are you saying to me, and this may be the fundamental difference as I said earlier between the Tom Sawyer traditional American approach and the European socialist approach, are you honestly saying to me that you believe if you go out here to somebody, to a young man and you say you have a chance to clear snow. You have two options. You can clear snow for $5 an hour and keep all $5, or we will hire another of these extra Internal Revenue agents we are talking about as part of the budget summit and you only get to keep $2. Do you think the average young man is going to jump up and say my work ethic is so wonderful I do not care how much the IRS kept, please give me a shovel? You are not serious about that?

Mr. DORGAN of North Dakota. I am not saying that. In fact, let me say I think the Laffer curve at both zero and 100 percent option is probably accurate, but a joke most of the places in between.

What the gentleman does not understand is I am saying that in 1981 we changed the Tax Code. The 1981 Tax Act changed the Tax Code and it decreased the amount of revenue that would be expected in the 5 years by somewhere around $750 billion. That was what the measurement was at that time.

Then I am saying what also happened was this: The defense budget increased somewhere around $140 billion during the same period.

Mr. GINGRICH. The gentleman understand I explicitly reject the way that he just framed that.

Mr. DORGAN of North Dakota. Let me finish it and then you can explicitly object.

I am saying the Defense Department increased, went close to double, $140 billion over that period. Interest on the debt, which is the second biggest item increase in the same period increased $80 to $90 billion. So, there you have an increase in spending of somewhere around $200 to $230 billion in a 6- or 7-year period.

With that increase in spending, was there a corresponding decrease in other areas of spending? The only opportunity to have done that, to have made a corresponding decrease in other areas of spending would have been a substantial spending cut for Social Security, which would not make any sense, because I think if you had a Social Security, substantial Social Security spending cut you have a responsibility to all of those folks out there who have paid the taxes month after month from their paychecks to reduce their tax, would you not?

Mr. GINGRICH. Wait a second.

Mr. DORGAN of North Dakota. The question is, Where do you get the cut to accommodate the increase in the Defense Department versus what came from the deficit?

Mr. GINGRICH. You yourself just said the key thing a minute ago, and I strongly supported your amendment. If you take Social Security off budget, because it is self-financing, it tells you the true deficit of the current government. I am arguing first of all, and I think I should get at least a minor bonus for having said this, I am arguing first of all we have to overhaul the Pentagon. I do not think the Reagan buildup was waste free, and I do not think they have done a serious job of managing the Pentagon. So first of all, I would overhaul the Pentagon. I do not think you can do that on a 1-year plan.

Mr. DORGAN of North Dakota. Does that mean you want to cut the budget for the Pentagon?

Mr. GINGRICH. That means I would be willing to cut the budget of the Pentagon.

Mr. DORGAN of North Dakota. By how much?

Mr. GINGRICH. Personally, I am today prepared to see Gramm-Rudman go into effect and have the $11 billion hit on defense. I am prepared to say now what I would like to do is to give Mr. Carlucci a lot more authority to run the building and to be in charge of the Defense Department. But I think that if you cut out some redtape and you close some of the bases and you are willing to be pretty tough minded about military muscle rather than military pork, I think that we could in fact get a good bit done.

But let me go to two quick points before we run out of time. First, I think your point about Social Security is the key to this whole game. Social Security is and should be a self-financed system. It ought to be out of the budget fight totally.

Now we come back to the rest of the budget. The rest of the budget is a mess. You and I probably and 30 of our friends on both sides of the aisle in an open dialog could do more in a day to talk about changes in American government than 20 days of that budget summit talking about numbers.

□ 1415

And my argument is we have to reorganize the Government, we have to rethink what we are doing, that every time we try to find one of these phony budget summits we end up avoiding real change. One other point which I think the gentleman may want to comment upon and we are going to run out of time in just a couple of minutes, but I think we ought to go frankly to some fixed standard of value for the dollar. I think that all this argument about cost of living is in essence an argument for cheating those who are on entitlements. If we were to issue gold-backed bonds, two things would happen. The gold-backed bond simply says you get back the value in gold of what you loaned the Government rather than getting back the value in pure dollars. Alan Greenspan suggested this in 1981: The first thing that would happen is that interest rates would come down dramatically and that, of course, would be good because interest rates now are the third highest item in our budget. You would dramatically lower them because people would take the gamble on the value of the gold.

The second is you would build in an enormous pressure against inflation because the Government could not afford to inflate its way out of its debt. That would change the budget pattern significantly. The initial effect of that would be I think to save $20 to $30 billion the first year in interest payments. That also would fix the value of the dollar and force other disciplines on us.

I think those disciplines, and this is where we may disagree, but I think those disciplines ought to involve a very tough systematic rethinking of how we spend our money in Washington rather than imposing on the American people, rethinking how they spend their family budget by raising taxes on them. One or the other of them has to do the rethinking. I just think it is our turn in Congress for us to do the rethinking. That means, for example, no big continuing resolutions, because a big continuing resolution is an automatic grab bag of goodies. That is how it passes.

I yield to the gentleman from North Dakota.

Mr. DORGAN of North Dakota. The gentleman would find no disagreement with this Member on the motion of a continuing resolution. I think it is a terrible way for us to legislate.

But I want to get back to the fundamental point. I am not here defending what is. I think much of what is must be reformed if we are going to succeed. But I want the gentleman to understand that I view some people out there on the stump who make statements about the painless way to deal with this deficit problem as people who simply say what was being said in 1981, "We are going to bet our future on growth." I am for growth, I hope we have it. God knows I hope this country has plenty of economic opportunities and growth in the future. But I do not think that is what is going to solve our deficit problems. I would like to make this point statistically: If you take Social Security out of the budget and perhaps with it Medicare because Medicare is one of the categories I am going to mention, defense has increased, again adjusted for inflation—you take inflation out—defense has increased 50 percent, interest on the debt 40 percent, and all other domestic programs that are the nonmeans tested entitlements have decreased 21 percent in the same period, the same 7 years.

The question is if you are going to get the solution in budget cuts alone, are you going to be able to get the solution from that portion of the budget, again taking away defense because there are not 10 people on that side of the aisle who believe as the gentleman does that they are willing to cut defense.

Mr. GINGRICH. Well, I do not believe that is fair. I think that you would get a majority of Republicans.

Mr. DORGAN of North Dakota. But will you really be able to solve the problem by the kind of deep cuts that are necessary to balance the budget in the domestic programs that are not part of the nonmeans tested entitlements, Social Security and Medicare? The answer is in my judgment "No."

If you are going to emasculate the National Institutes of Health, the research, the air traffic control system——

Mr. GINGRICH. I did not say that.

Mr. DORGAN of North Dakota. All of these programs we are talking about you would have to have massive cuts in each and every one of them in order to solve what I think is the major problem with the deficit.

Mr. GINGRICH. If I may use the last 30 seconds of this special order, all I am saying is the cuts are a simplistic way of approaching it. We need to change the Government. When you take out Social Security that leaves a Government of $750 billion. Now I refuse to believe this year, for example, that we cannot find an additional $9 billion in cuts and changes rather than raise $9 billion in taxes. I think we are caught in a voodoo kind of debate as possible.

Mr. DORGAN of North Dakota. I agree with the gentleman.

Mr. GINGRICH. My last point is that the Dow Jones at 2'clock was down 110 points. I think we have to confront the need for real change and not a phoney budget summit.

Mr. DORNAN of North Dakota. Maybe our discussion will give them confidence.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Gingrich) to revise and extend their remarks and include extraneous material:)

Mr. Gingrich, for 60 minutes, today.

(The following Members (at the request of Mr. Gonzalez) to revise and extend their reiarks and include extraneous material:)

Mr. Owens of New York, for 5 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Dorgan of North Dakota, for 5 minutes, today.

Mr. Owens of New York, for 5 minutes each day, on December 1, 2, 3, and 4.

Mr. Gaydos, for 60 minutes each day, on December 2 and 3.

Mr. Dymally, for 60 minutes, on December 2.

(The following Member (at the request of Mr. Gingrich) to revise and extend his remarks and include extraneous material:)

Mr. Glickman, for 10 minutes, on December 1.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Member (at the request of Mr. Gingrich) and to include extraneous matter:)

Mr. Gingrich.

(The following Members (at the request of Mr. Gonzalez) and to include extraneous matter:)

Mr. Anderson in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Coelho.

Mr. Bennett in three instances.

Mr. Tallon.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 1475. An act to establish an effective clinical staffing recruitment and retention program, and for other purposes; to the Committees on Interior and Insular Affairs and Energy and Commerce.

ENROLLED BILLS SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that the committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 148. An act to designate certain public lands in the State of Michigan as wilderness, and for other purposes, and

H.R. 1748. An act to authorize appropriations for fiscal years 1988 and 1989 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for each fiscal year for the Armed Forces, and for other purposes.

SENATE ENROLLED BILLS SIGNED

The **SPEAKER** announced his signature to enrolled bills of the Senate of the following titles:

S. 1452. An act to extend and amend the authorization of appropriations for the Securities and Exchange Commission, and for other purposes, and

S. 1822. An act to amend title 18, United States Code, and other provisions of law relating to sentencing for criminal offenses.

BILL PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following date present to the President, for his approval, a bill of the House of the following title:

On November 20, 1987:

H.R. 2112. An act to authorize appropriations for fiscal year 1988 for intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, for the Central Intelligence Agency Retirement and Disability System, and for other purposes.

ADJOURNMENT

Mr. GINGRICH. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 20 minutes p.m.), the House adjourned until tomorrow, Tuesday, December 1, 1987, at 12 noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2430. A letter from the Acting Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Volunteers in the National Forests Act of 1972 to permit volunteers to be considered employees under 31 U.S.C. 3721; to the Committee on Agriculture.

2431. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting a copy of the supplemental contract award report for the period November 1 to December 31, 1987, pursuant to 10 U.S.C. 2431(b); to the Committee on Armed Services.

2432. A letter from the Assistant Secretary of the Army (Installations and Logistics), transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for more efficient and expeditious disposal of lost, abandoned, or unclaimed property in the custody of the military departments; to the Committee on Armed Services.

2433. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the fifth annual report of net worth certificates purchased, pursuant to 12 U.S.C. 1823 nt.; to the Committee on Banking, Finance and Urban Affairs.

2434. A letter from the Chairman, Council of the District of Columbia, transmitting a copy of D.C. Act 7-102 "D.C. Public School Support Initiative of 1986," and election results, pursuant to D.C. Code section 1-233(c)(1); to the Committee on the District of Columbia.

2435. A letter from the Secretary of Education, transmitting a copy of final regulations for the Paul Douglas Teacher Scholarship Program, pursuant to 20 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

2436. A letter from the Secretary of Education, transmitting a copy of final regulations for the State Student Incentive Grant Program, pursuant to 29 U.S.C. 1232(d)(1); to the Committee on Education and Labor.

2437. A letter from the Secretary of Health and Human Services, transmitting the annual report for 1987 on compliance by States with personnel standards for radiologic technicians, pursuant to 42 U.S.C. 1006(d); to the Committee on Energy and Commerce.

2438. A letter from the Chairman, Securities and Exchange Commission, transmitting a draft of proposed legislation to amend the Trust Indenture Act of 1939; to the Committee on Energy and Commerce.

2439. A letter from the Director, Defense Security Assistance Agency, transmitting a copy of the price and availability report for the quarter ending September 30, 1987, pursuant to 22 U.S.C. 2768; to the Committee on Foreign Affairs.

2440. A communication from the President of the United States, transmitting a bimonthly report on progress toward a negotiated settlement of the Cyprus question, pursuant to 22 U.S.C. 2373(c) (H. Doc. No. 100-140); to the Committee on Foreign Affairs and ordered to be printed.

2441. A letter from the Principal Deputy Assistant Secretary (Force Management and Personnel), Department of Defense, transmitting a report on the audit of the American Red Cross for the year ending June 30, 1987, pursuant to 36 U.S.C. 6; to the Committee on Foreign Affairs.

2442. A letter from the Chairman, National Drug Policy Board, transmitting the quarterly report, United States/Bahamas Drug Interdiction Task Force, prepared by the Board, pursuant to 21 U.S.C. 801 nt.; to the Committee on Foreign Affairs.

2443. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2444. A letter from the Director, Office of Workers' Compensation Programs, Employment Standards Administration, Department of Labor, transmitting notification of a proposed new Federal records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

2445. A letter from the U.S. Information Agency, transmitting the semiannual report of the activities of the inspector general covering the period April 1, 1987, through September 30, 1987, pursuant to 5 U.S.C. app.; to the Committee on Government Operations.

2446. A letter from the Vice President, Human Resources, Farm Credit Services, transmitting the annual report for the year ended December 31, 1986, for the 12th district farm credit retirement plan and thrift plan, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

2447. A letter from the Deputy Associate Director of Collection and Disbursements, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to 43 U.S.C. 1339(b); to the Committee on Interior and Insular Affairs.

2448. A letter from the Commissioner, Immigration and Naturalization Service, transmitting copies of orders entered into for certain persons, pursuant to 8 U.S.C. 1255b(c); to the Committee on the Judiciary.

2449. A letter from the Director of Finance and Administration, The American Council of Learned Societies, transmitting a copy of the organization's audited financial statement for fiscal year 1987, pursuant to 36 U.S.C. 1101(56), 1103; to the Committee on the Judiciary.

2450. A letter from the Director, Office of Personnel Management, transmitting a report on the final plan for the Pacer Share demonstration project at McClellan Air Force Base submitted by the Department of the Air Force, pursuant to 5 U.S.C. 4703(b)(4)(B), (6); to the Committee on Post Office and Civil Service.

2451. A letter from the Chairman, U.S. Merit Systems Protection Board, transmitting a report titled, "Working For the Government: Job Satisfaction and Federal Employees," pursuant to 5 U.S.C. 1205(a)(3); to the Committee on Post Office and Civil Service.

2452. A letter from the Special Counsel, U.S. Merit Systems Protection Board, transmitting a copy of a report by the Administrator of Veterans' Affairs of the conclusion of his investigation into allegations of violations of law and possible fraud by building contractors and employees of the Veterans' Administration Regional Office, St. Petersburg, FL, pursuant to 5 U.S.C. 1206(b)(5)(A); to the Committee on Post Office and Civil Service.

2453. A letter from the Acting General Counsel, Department of Energy, transmitting a draft of proposed legislation to amend the Uranium Mill Tailings Radiation Control Act of 1978; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Pursuant to the order of the House on Nov. 20, 1987, the following reports were filed on Nov. 23, 1987]

Mr. BROOKS: Committee on Government Operations. Report on HUD's regulations implementing the Emergency Shelter Grants Program erect unnecessary barriers for religious groups to receive funds for sheltering the homeless (Rept. 100-455). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on overhauling the Federal EEO complaint processing system: A new look at a persistent problem (Rept. 100-456). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on Nov. 20, 1987, the following reports were filed on Nov. 24, 1987]

Mr. BROOKS: Committee on Government Operations. Report on landfills on Department of the interior lands violate Federal environmental standards (Rept. 100-457). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on promoting safer highway routing of ultrahazardous cargoes: DOT oversight (Rept. 100-458). Referred to the Committee of the Whole House on the State of the Union.

Mr. BROOKS: Committee on Government Operations. Report on soaring subsidies for banned pesticides stymie safety reviews (Rept. 100-459). Referred to the Committee of the Whole House on the State of the Union.

[Pursuant to the order of the House on Nov. 20, 1987, the following report was filed on Nov. 25, 1987]

Mr. LaFALCE: Committee on Small Business. H.R. 1807. A bill to amend the Small Business Act to reform the Capital Ownership Development Program, and for other purposes; with an amendment (Rept. 100-460). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII.

[Submitted Nov. 30, 1987]

Mr. FOLEY introduced a bill (H.R. 3676) to authorize the water resources activities of the U.S. Geological Survey, to coordinate and improve ground water research, development and demonstration activities of Federal agencies, to improve understanding of the relationship between agricultural practices and ground water use, to provide assistance for small communities with ground water radium contamination, and for other purposes; jointly, to the Committees on Interior and Insular Affairs; Agriculture; Energy and Commerce; Public Works and Transportation; and Science, Space and Technology.

MEMORIALS

Under clause 4 of rule XXII.

246. The SPEAKER presented a memorial of the Second Olbiil Era Kelulau, Republic of Palau, relative to funds to satisfy the judgment of the district court concerning discriminatory damages; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 190: Mr. SAVAGE and Mr. OBERSTAR.

H.R. 241: Mr. FAUNTROY.

H.R. 588: Mr. GOODLING, Mr. BUSTAMANTE, Mr. BADHAM, Mr. FAUNTROY, Mr. LANTOS, and Mr. NIELSON of Utah.

H.R. 613: Mr. COURTER and Mr. SHUMWAY.

H.R. 792: Mr. RICHARDSON.

H.R. 1259: Mr. COBLE, Mr. SHAW, Mr. CARDIN, and Mr. RODINO.

H.R. 2051: Mr. FOGLIETTA.

H.R. 2363: Mr. HERGER.

H.R. 2522: Mr. DELLUMS.

H.R. 2692: Mr. MFUME, Mr. FAZIO, and Mr. NIELSON of Utah.

H.R. 2883: Mr. HYDE, Mr. PARRIS, Mr. MURPHY, Mr. ANDERSON, Mr. SOLOMON, Mr.

Hayes of Illinois, Mr. Olin, Mr. McCurdy, Mr. Dixon, Mr. Flake, Mr. Wolpe, Mr. Bates, Mr. Walker, Mr. Donnelly, Mr. St Germain, and Mr. Stallings.

H.R. 3005: Mr. Foglietta.

H.R. 3241: Mr. Fauntroy and Mr. Dymally.

H.R. 3290: Mr. Chappell.

H.R. 3303: Mr. Conte.

H.R. 3432: Mr. Dornan of California, Mr. Mavroules, Mr. Borski, Mr. Evans, Mr. Thomas A. Luken, Mr. Kolter, and Mr. Murphy.

H.R. 3517: Mrs. Collins and Mr. Foglietta.

H.R. 3581: Mr. Savage.

H.R. 3582: Mr. Savage.

H.R. 3627: Mr. Smith of New Hampshire and Mr. Smith of Florida.

H.J. Res. 332: Mr. Conte, Mr. DeWine, Mr. Hubbard, Mr. Foglietta, Mr. Kastenmeier, Mr. LaFalce, Mr. Mica, Mr. Nowak, Mr. Packard, Mr. Thomas of California, and Mr. Upton.

H.J. Res. 383: Mr. Murtha, Mr. Rodino, Mr. Erdreich, Mr. Hutto, Mr. Kostmayer, Mr. McDade, Mr. Dixon, Mr. Wolpe, Mr. Traficant, Mr. Lewis of California, Mr. Levine of California, Mr. St Germain, Mr. Coleman of Texas, Mr. Fuster, and Mr. Quillen.

H.J. Res. 399: Mr. Bonior of Michigan, Mr. Borski, Mr. Boucher, Mr. Bustamante, Mrs. Byron, Mrs. Collins, Mr. Daniel, Mr. Daub, Mr. DioGuardi, Mr. Feighan, Mr. Fish, Mr. Frost, Mr. Hayes of Illinois, Mr. Jenkins, Ms. Kaptur, Mr. Kolter, Mrs. Lloyd, Mr. McDade, Mr. McGrath, Mrs. Meyers of Kansas, Mr. Morrison of Washington, Mr. Neal, Ms. Oakar, Mr. Parris, Mr. Price of Illinois, Mr. Roberts, Mr. Sabo, Mr. Sikorski, and Mr. Sunia.

H. Con. Res. 83: Mr. Thomas of California, Mr. Stump, Mr. Montgomery, and Mr. Campbell.

H. Con. Res. 192: Mr. Stokes, Mr. Sweeney, Mr. Stallings, Mr. Glickman, Mr. Hammerschmidt, Mr. Stark, Mrs. Boxer, Mr. Weiss, Mrs. Martin of Illinois, Mr. Martinez, Mr. Walgren, Mr. Harris, Mr. Conte, Mr. Lipinski, Mr. Holloway, Mr. Bennett, Mr. Barnard, and Mr. LaFalce.

H. Con. Res. 216: Mr. Stokes.

PETITIONS, ETC.

Under clause 1 of rule XXII,

100. The SPEAKER presented a petition of the Charge d'Affaires, Embassy of Fiji, Washington, DC, relative to House Resolution 248, recently adopted by the House; which was referred to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 791

By Mr. PASHAYAN:

—Strike out all after the enacting clause and insert in lieu thereof the following:

TITLE I—NATIONAL GROUND WATER QUALITY INFORMATION ACT

SEC. 101. SHORT TITLE AND TABLE OF CONTENTS.

Sec. 101. (a) Short Title.—This title may be cited as the "National Ground Water Quality Information Act of 1987."

(b) Table of Contents.—

Sec. 101. Short title and table of contents.
Sec. 102. Findings.
Sec. 103. Definitions.
Sec. 104. National policy.
Sec. 105. Federal interagency coordination.
Sec. 106. Assessment of the Nation's ground-water quality information activities.
Sec. 107. Savings provisions.

SEC. 102. FINDINGS.

Sec. 102. Recognizing the dependence of the Nation on its ground-water resources, the Congress finds that—

(a) deterioration of ground-water quality has occurred in every State in the Nation and is being detected with increasing frequency;

(b) although considerable scientific progress has been made in our knowledge about ground-water resources, there remain significant gaps in scientific knowledge and data making it virtually impossible to quantify the status of and trends in the Nation's ground-water quality in a comprehensive manner;

(c) some States have responded to the need to protect and manage their ground-water resources by establishing comprehensive ground-water protection and management programs;

(d) scientific uncertainties, lack of adequate technologies, lack of basic data, and shortage of skilled scientific personnel hinder the ability of Federal, State, and local governments to develop and implement effective ground-water management, protection, and remediation policies; and

(e) greater efforts are necessary to prevent ground-water contamination today and to preserve this invaluable resource for current and future generations of Americans.

SEC. 103. DEFINITIONS.

As used in this Act:

(a) The term "assessment", when used with respect to ground water or ground-water resources, means to describe the extent and hydrogeologic properties of aquifers; recharge and discharge areas, and flow paths; and the status of and trends in the quantity and quality of ground water, at national, regional, and local scales.

(b) The term "contaminant" means any organic or inorganic substance found in ground water thought to adversely affect human, plant, or animal health; or cause adverse environmental, economic, or social impacts.

(c) The term "Federal agency" means any department, agency, or other instrumentality of the Federal Government, including any Government corporation.

(d) The term "ground water" means water below the land surface.

(e) The term "local government" means any city, town, borough, county, parish, district, or other public body which is a political subdivision of a State and which is created pursuant to public law.

(f) The term "nonprofit organization" means any organization, association, or institution described in section 501(c)(3) of the Internal Revenue Code of 1986 which is exempt from taxation pursuant to the provisions of section 501(a) of such Code.

(g) The term "person" means an individual, trust, firm, joint stock company, corporation (including government corporation), partnership, association, consortium, joint venture, State, local government, commission, regional agency, interstate agency, or Federal agency.

(h) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and federally recognized Indian tribes.

SEC. 104. NATIONAL POLICY.

Sec. 104. It is national policy that—

(a) the primary responsibility for ground-water protection and management shall reside with State and local governments;

(b) the Federal mission shall be to carry out the provisions of existing Federal statutes that relate to ground water; conduct basic and applied research; conduct resource assessments; provide data and information; and provide technical assistance, training, and education for State and local governments for their use in managing ground-water resources and in carrying out the provisions of statutes which delegate Federal responsibilities to them;

(c) the long-range goal of Federal ground-water quality programs shall be to provide technical information and capabilities for State and local governments to prevent ground-water contamination—recognizing that prevention is more effective and less expensive than remediation;

(d) joint funding agreements between Federal and State or local governments shall be used to the maximum practicable extent to provide essential Federal support, encourage effective transfer of scientific knowledge and data, provide consistent data upon which to base national ground-water policy, and maintain a spirit of Federal-State partnership; and

(e) Federal ground-water quality research, assessment, and technology programs shall be afforded a high priority, reflecting the critical importance of the quality of the Nation's ground-water.

SEC. 105. FEDERAL INTERAGENCY COORDINATION.

Sec. 105. (a) In General.—The President shall coordinate activities conducted by the Federal agencies to assess and improve the understanding of ground-water resources, and to disseminate information useful to State and local governments and other persons for use in their conduct of programs aimed at the assessment, management, protection, or remediation of ground water.

(b) Specific Activities.—In carrying out subsection (a), the President shall undertake each of the following:

(1) Utilize appropriate mechanisms to facilitate the coordination of research, development, technology transfer, technical assistance, training, and information dissemination activities with respect to ground water conducted by Federal agencies. Such coordination mechanisms should recognize the principal roles of the:

(a) Department of the Interior, acting through the Geological Survey, for appraising the Nation's water resources and for providing hydrologic information.

(b) Environmental Protection Agency for research on health effects and on prevention and remediation measures and technologies.

(c) Department of Agriculture for research on the impact of agricultural practices on ground-water quality, and development of agricultural best management practices, systems, and technologies designed to protect ground-water quality.

(2) Establish an interagency committee to coordinate research, development, demonstration, resource assessment, information management and dissemination, technical assistance, and training and education activities with respect to ground water conducted by Federal agencies. Such committee shall be established within 90 days from the date of the enactment of this Act. As a mini-

mum the membership of such committee shall include a representative of each Federal agency involved in ground-water related activities. The committee shall:

(a) identify major data needs and scientific uncertainties regarding ground-water monitoring, assessment, protection, management, and remediation;

(b) develop overall priorities and a coordinated research plan for addressing the data needs and scientific uncertainties identified;

(c) address specific programmatic and operational issues and problems which affect two or more Federal agencies;

(d) encourage and facilitate, through joint funding and other means, interagency cooperation and coordination of ground-water programs;

(e) consult with State and local governments, nonprofit organizations, the scientific community, and other persons having responsibility for protecting or managing ground-water resources to determine their research, technology, and information needs; and

(f) review and evaluate the Assessment of the Nation's Ground-Water Quality Information Activities report, required under Sec. 106 of this Act.

(3) Continuing review of each relevant agency to determine the effectiveness of its efforts in fulfilling the purposes of this Act.

(4) Identify and eliminate duplication or overlap between or among programs of the various agencies.

(5) Identify the technical capabilities needed by various Federal, State, and local agencies to conduct activities with respect to ground water assessment, management, protection, and remediation, and request federal resources to increase the availability of these capabilities.

(6) Review the ground-water information reporting requirements imposed by various Federal agencies and modify the requirements to maximize the usefulness of the information collected for use in all protection and management programs conducted by agencies of the United States and by State and local governments.

SEC. 106. ASSESSMENT OF THE NATION'S GROUND-WATER QUALITY INFORMATION ACTIVITIES.

SEC. 106. (a) REPORT.—The President, in consultation with the committee established under Section 105, shall prepare an Assessment of the Nation's Ground-Water Quality Information Activities report which includes each of the following—

(1) an evaluation of the adequacy of existing ground-water information dissemination systems, and resource assessment and monitoring programs conducted by Federal, State, and local governments to support the objectives of the Federal and non-Federal users of such programs and systems;

(2) a national data inventory; including a description of types of areas and contaminants for which insufficient information is available to support existing ground-water assessment, protection, management, and remediation programs; and an evaluation of the adequacy of available information to meet the needs of Federal, State, and local governments;

(3) an overview of the Nation's ground-water quality, based on readily available data;

(4) a description of projected changes and trends in the quality of the Nation's ground-water resources, to the extent that current scientific knowledge and data coverage permit;

(5) an evaluation of the adequacy of research and development efforts aimed at facilitating management and protection of ground-water quality; and of the adequacy of federally-provided technical assistance, information dissemination, and training for State and local governments; and

(6) a listing of major policy decisions affecting ground-water resources which are likely to be pending before Federal agencies within the succeeding 3 fiscal years and the types of scientific information needed for such policy decisions.

(b) TIMING OF REPORT.—The Report shall be delivered to the Committees on Appropriations and Interior and Insular Affairs of the House of Representatives and the Committees on Appropriations and Energy and Natural Resources of the Senate within 2 years of the enactment of this Act.

SEC. 107. SAVINGS PROVISIONS.

SEC. 107. Nothing in this Act shall be construed to limit, restrict, supersede, or displace the authorities, rights, or responsibilities of Federal agencies under any statute, Executive Order, or common law, to conduct ground-water related research, to collect or disseminate ground-water related information, to undertake enforcement actions against any violators of any law, or to carry out other ground-water related activities pursuant to their authorized mission responsibilities.

TITLE II—WATER RESOURCES AUTHORITY OF THE GEOLOGICAL SURVEY

SEC. 201. SHORT TITLE.

SEC. 201. This title may be cited as the "Geological Survey Water Resources Organic Act."

SEC. 202. WATER RESOURCES AUTHORITY.

SEC. 202. (a) MISSION.—The U.S. Department of the Interior, acting through the Geological Survey, has the principal Federal responsibility for appraising the Nation's water resources and for providing hydrologic information

(b) AUTHORITY.—The Secretary of the Interior (hereinafter referred to as the "Secretary"), acting through the Geological Survey, is authorized to undertake basic and applied research; collect hydrologic and related data on surface- and ground-water quantity and quality; conduct national, regional, and local investigations, resource assessments, and surveys; and undertake other activities related to the Nation's water resources. The Secretary is authorized to undertake such activities in cooperation with other Federal, State, and local governments and agencies, and academic institutions. The Secretary is further authorized to disseminate the results of such activities by means of publication, data dissemination, cataloging and referral services, training and education, and technical assistance to Federal, State, and local governments, and to private persons.

(c) REIMBURSEMENT.—The Secretary may undertake the activities described in subparagraph (b), on a reimbursable basis, with other Federal agencies, or Federal permittees or licensees, only after execution of an agreement which outlines for whom such reimbursable activities are being undertaken, and the purpose, cost, and duration of the activities. The Secretary shall transmit on a yearly basis a summary of the agreements executed to the Committees on Appropriations and Interior and Insular Affairs of the House of Representatives and the Committees on Appropriations and Energy and Natural Resources of the Senate.

SEC. 203. AUTHORIZATION OF APPROPRIATIONS.

SEC. 203. For the purpose of carrying out the water resource activities of the Secretary authorized by this Act, there is authorized to be appropriated $164,000,000 for each of the fiscal years 1988, 1989, and 1990.

TITLE III—AGRICULTURAL PRODUCTION AND WATER USE

SEC. 301. SHORT TITLE.

This title may be cited as the "Agricultural Ground Water Management Act of 1987".

SEC. 302. FINDINGS.

The Congress finds that—

(1) ground and surface waters are interconnected and the quality and availability of these waters are of critical importance to our Nation,

(2) agriculture is the largest single consumer of water in rural America, with irrigation used on more than 41,000,000 acres,

(3) 95 percent of all rural residents in the United States are dependent upon ground water as a source of potable water,

(4) ground and surface water contamination from a number of sources, including contamination from agricultural operations, is a major national concern which can cause adverse social, economic, health, and environmental impacts,

(5) technology and education on soil and tissue testing, in managing both economic and environmental concerns of agriculture, deserve renewed emphasis by the Department of Agriculture in view of changing farmer needs,

(6) careful selection of the proper combination of agricultural practices and technologies, including proper water management, will help farmers reduce the effect of agricultural practices on water quality,

(7) efficient plant use of agricultural nitrogen is essential to maximize the farmer's return on investment and to minimize agricultural nitrogen losses from erosion and leaching,

(8) least-cost production strategies continue to offer the best long-term hope for sustaining American agriculture,

(9) farmers must be fully informed to ensure that agricultural operations are agronomically, economically, and environmentally sound, and

(10) present water quality and use data collection, analysis, and information dissemination programs are insufficient to provide farmers and decision makers with the bases for formulating sound water quality and use policies and programs.

SEC. 303. AGRICULTURAL WATER QUALITY AND USE STUDY.

The Secretary of Agriculture shall conduct an investigation and analysis of the relationship between agricultural practices and water use and quality and shall, within 90 days of the date of the enactment of this title, submit a report to Congress on the results of the investigation and analysis. The report shall include—

(1) the current status and level of effort of programs at the Department of Agriculture to evaluate present agricultural water use and predict future use and availability of water for agricultural and rural residents,

(2) the current status and level of effort of programs at the Department of Agriculture to evaluate, prevent, and mitigate water quality problems in both surface and ground water,

(3) the current status of efforts to coordinate the undertakings described in paragraphs (1) and (2) both within the Department of Agriculture and within other departments and agencies of the Federal Gov-

ernment, including a detailed description of how the water quality and use issues are being included in management plans for lands of the Department of Agriculture,

(4) an estimate of the extent of the water quality problem, in both surface and ground water, due to agricultural operations and an examination of the extent to which these problems are due to identifiable organic and inorganic sources of pollution,

(5) an estimate of the availability of water for agricultural uses on a geographic area basis, based upon current and predicted levels of use and withdrawal,

(6) an analysis of the interrelationships and compounded problems, if any, between agricultural water use and water quality,

(7) the policy of the Department of Agriculture on water quality and use which should be used to guide programs associated with agricultural and rural water needs, and

(8) specific recommendations for changes in existing programs and new initiatives in monitoring, research, extension, and technical assistance efforts to address present and potential water quality and quantity problems.

SEC. 304. AGRICULTURAL NITROGEN BEST MANAGEMENT PRACTICES TASK FORCE.

(a) Establishment.—The Secretary of Agriculture shall establish an Agricultural Nitrogen Best Management Practices Task Force. The Secretary shall appoint as members of the Task Force—

(1) the Administrator of the Agricultural Research Service,

(2) the Administrator of the Extension Service,

(3) the Chief of the Soil Conservation Service,

(4) the Administrator of the Agricultural Stabilization and Conservation Service,

(5) the Administrator of the Cooperative State Research Service,

(6) the Manager of the National Fertilizer Development Center of the Tennessee Valley Authority,

(7) the Director of the Office of Ground Water Protection of the Environmental Protection Agency,

(8) one representative of persons engaged in the agricultural production,

(9) one representative of the fertilizer industry,

(10) one representative of State government,

(11) one representative of the public with expertise in agricultural practices, and

(12) the Director of the United States Geological Survey.

(b) Functions.—The Task Force appointed under subsection (a) shall—

(1) review the status of current information on the relationship between agricultural nitrogen and water quality, including the quality of both surface and ground water,

(2) develop and improve agricultural best management practices, systems, and technologies for (A) improving nitrogen utilization in agricultural production, and (B) reducing or mitigating any negative effects of agricultural nitrogen and environmental nitrogen on water quality, and

(3) develop educational and training materials for providing information and technical assistance to farmers through appropriate means to encourage the adoption of the recommendations developed under paragraph (2).

(c) Report.—The Task Force shall report to the Secretary of Agriculture and to Congress one year after the date of the enactment of this title and annually thereafter on the progress of its efforts under subsection (b). Each report shall include a description of—

(1) the extent of problems posed by agricultural nitrogen and environmental nitrogen for water quality,

(2) the agricultural best management practices recommended by the task force with particular emphasis on practices to minimize the impact of agricultural nitrogen and environmental nitrogen on ground and surface water quality,

(3) the means for disseminating to farmers and producers data and information relating to environmental nitrogen sources as they may impact on agricultural best management practices,

(4) the educational and training materials developed to promote adoption of agricultural best management practices and the strategy for their dissemination, and

(5) progress made by the agricultural community, to date, to address these problems, including progress in disseminating information to agricultural procedures.

(d) Definitions.—For the purpose of this section—

(1) Agricultural nitrogen.—The term "agricultural nitrogen" means nitorgen in all forms (whether manmade, chemical, or biological) which may be present or available, for crop production including nitrogen supplied by leguminous plants, animal manures, decaying leaves, and other vegetation, commercial fertilizers, applied human and industrial sewage, and such other nitrogen sources that are within the control of a farmer or producer.

(2) Environmental nitrogen.—The term "environmental nitrogen" means nitrogen fixed or occurring in the soil by means not under the control of a farmer or producer, including nitrogen from naturally occurring sources, such as precipitation and dustfall, and nitrogen from non-naturally occurring sources, such as air and water pollution.

(3) Agricultural best management practices.—The term "agricultural best management practices" means generally recognized management practices under the control of farmers engaged in crop production that may be designed to reduce or prevent contamination of ground and surface water.

SEC. 305. NONPOINT SOURCE MANAGEMENT PROGRAMS.

(a) State Reports and Management Programs.—Section 319(c) of the Federal Water Pollution Control Act (33 U.S.C. 1329(c)) is amended by adding at the end thereof the following new paragraph:

"(3) Consultation requirement.—Any report required by subsection (a) and any management program and report required by subsection (b) shall be developed in consultation with the Agricultural Nitrogen Best Management Practices Task Force of the Department of Agriculture established by section 304 of the Agricultural Ground Water Management Act of 1987.".

(b) Reports of the Administrator of EPA.—Section 319(m) of such Act (33 U.S.C. 1329 (m)) is amended by adding at the end thereof the following new paragraph:

(3) Consultation requirement.—In preparing the reports under this subsection, the Administrator shall consult the Agricultural Nitrogen Best Management Practices Task Force of the Department of Agriculture established by section 304 of the Agricultural Ground Water Management Act of 1987.".

SEC. 306. AUTHORIZATION.

There are authorized to be appropriated to carry out this title such sums as may be necessary for each of the first 3 fiscal years beginning after the date of the enactment of this title.

TITLE IV—GROUND WATER RADIUM CONTAMINATION

SEC. 401. ASSISTANCE FOR SMALL COMMUNITIES WITH GROUND WATER RADIUM CONTAMINATION.

(a) Radium Removal Demonstration Program.—The Administrator of the Environmental Protection Agency, in cooperation with State public authorities, may assist local governments in demonstrating mitigation of radium contamination in ground water. Upon application of any State public authority, the Administrator may make a grant to that authority for such purposes. Assistance provided pursuant to this subsection shall be used for financing the acquisition and installation of ground water treatment technologies needed to remove radium from ground water used as a source of public drinking water for residents of small communities under the jurisdiction of such local governments.

(b) Level of Contamination.—A grant may only be made under subsection (a) for removal of radium from ground water if the level of contamination from such radium exceeds the maximum contaminant level for radium established under title XIV of the Public Health Service Act (relating to safe drinking water).

(c) Purposes of Grants.—Funds made available through grants under subsection (a) may only be used by the grant recipient for one or both of the following purposes:

(1) Providing insurance or prepaying interest for local obligations issued by a local government to finance the acquisition and installation of treatment technologies described ion subsection (a).

(2) Paying for the costs of administration for establishment and operation by such authority of a program to provide financing for such acquisition and installation.

(d) Definitions.—For purposes of this section—

(1) Small community.—The term "small community" means a political subdivision of a State the population of which does not exceed 20,000 individuals.

(2) State public authority.—The term "State public authority" means an agency or instrumentality of a State which is established for the purpose of assisting local governments in financing capital improvements on a statewide or regional basis.

(e) Authorization of Appropriations.—The following sums are authorized to be appropriated to carry out this section:

Fiscal Year:	*Amount*
1988	$4,000,000
1989	$5,000,000
1990	$5,000,000

Amend the title so as to read: "A Bill to coordinate, improve and establish National policy for the ground water research activities of Federal agencies, to authorize the water resources activities of the United States Geological Survey, to improve understanding of the relationship between agricultural practices and ground water quality, to provide assistance for small communities with ground water radium contamination, and for other purposes.".

SENATE—*Monday, November 30, 1987*

The Senate met at 10 a.m., and was called to order by the Honorable HARRY REID, a Senator from the State of Nevada.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray.

Our Father which art in heaven, hallowed be thy name. Thy kingdom come. Thy will be done in earth, as it is in heaven. Give us this day our daily bread and forgive us our trespasses as we forgive those who trespass against us.—Matthew 6:9-11.

Gracious God, all the hopes and dreams and needs of mankind are covered by that simple prayer which Jesus taught. Help us to realize that the glory of Your name, the coming of Your kingdom, the doing of Your will on Earth as it is in heaven, comprehend the universal aspirations of the human heart throughout the ages. Forgive us the pride and greed and lust that demand more—the indifference and apathy and laziness which makes us satisfied with less. Give to leadership the wisdom to see—the will to seek—and the courage to pursue these minimum necessities and maximum fulfillment of humanity's longing. "For thine is the kingdom and the power and the glory forever." Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, November 30, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HARRY REID, a Senator from the State of Nevada, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. REID thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the majority leader is now recognized.

THE JOURNAL

Mr. BYRD. Mr. President, I ask unanimous consent that the Journal of proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT—SENATE JOINT RESOLUTION 217

Mr. BYRD. Mr. President, I ask unanimous consent that Senate Joint Resolution 217, discharged from Foreign Relations, not become the pending business automatically under the statute, but the majority leader, after consultation with the minority leader, may bring it up at any time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SCHEDULE

Mr. BYRD. Mr. President, I perhaps should just take a minute or so. As we look down the road—I believe the expiration date on the continuing resolution is the 16th—it seems to me that we have the following legislation that must be done in any event before we adjourn sine die: the reconciliation bill, the continuing resolution, the conference reports on appropriations bills.

In addition thereto, I would judge the following measures to be legislation that we ought to try to get done: the Elementary and Secondary Education Act extension, the AIDS legislation, farm credit, and veterans' compensation. Those, in varying degree, it seems to me, ought to be the principal measure that we try to give our attention to.

May I say to the distinguished Republican leader that if we had reconciliation finished and the continuing resolution with appropriations bills, if those were done, the Senate could adjourn sine die tomorrow. So, all deliberate speed is going to be needed to deal with the reconciliation measure.

In the meantime, the Senate can utilize its time to good advantage if we can agree to take up the other measures that I referred to and possibly work out some time agreements on them.

Mr. DOLE. Will the majority leader yield?

Mr. BYRD. Yes; I am happy to yield.

Mr. DOLE. It is my understanding that we may be able to get an agreement fairly quickly on elementary and secondary under sort of a limited time. On farm credit, we are just waiting to finally work that out. So, that would take care of those two.

On AIDS, it is my understanding that some of those on each side may prefer to take care of a portion of it on the continuing resolution rather than face a possible extended debate on the Senate floor. But I will doublecheck that on this side.

So, I would just say I think both sides can accommodate the majority leader's request.

Mr. BYRD. Mr. President, I thank the able Republican leader.

I yield the floor.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the standing order, the Republican leader is now recognized.

Mr. DOLE. Mr. President, I reserve my time.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business for not to extend beyond the hour of 10:30 a.m., with Senators permitted to speak therein for not to exceed 5 minutes each.

The Senator from Wisconsin is recognized for 5 minutes.

THE PRESIDENT IS WRONG: UNITED STATES SDI TECHNOLOGY IS WAY AHEAD OF SOVIETS

Mr. PROXMIRE. Mr. President, on November 24 President Reagan addressed strategic defense initiative workers at the Martin Marietta plant in Waterton, CO. The President announced his intention to push for vigorous funding of SDI because, said he, we are in a hard race in missile defense with the Soviet Union. The President said that the Soviets are pushing ahead of us in this life and death struggle. Just before the President took the podium, Frederick Seitz, president emeritus of Rockefeller University said:

> The Soviets should have it all together, ready to break out of the treaty—the ABM Treaty—if and when they wish. It will be their gain. Restrictions on the U.S. program are the death knell of SDI and could deliver us into the hands of the potential enemy.

Mr. President, I do not doubt the President and Mr. Seitz are sincere in making statements of this kind. But

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

they are absolutely 100-percent wrong. The President should talk with his Under Secretary of Defense for Research and Development. For the third consecutive year, the Under Secretary of Defense has reported to the Congress on the "U.S.-U.S.S.R. Standing in the 20 Most Important Basic Technology Areas." The standing in the latest report flatly contradicts the President. DOD figures show, just as they did in 1985 and 1986, that the United States remains overwhelmingly ahead and particularly far ahead in those technologies essential to the strategic defense initiative.

Mr. President, 16 of these 20 areas of technology apply directly to SDI. They are in the judgment of the Under Secretary the 16 most important technological areas for SDI. So who is ahead? Mr. President, in a report dated November 17, 1987, the Under Secretary of Defense for Research and Development—the Nation's top military expert on the status of our military technology—announced the following. Of the 16 technology areas crucial to SDI, the United States is ahead in 13. The two superpowers are about the same in three. The Soviets are ahead in exactly none.

Mr. President, this is a crying shame. There are few statements so little noticed as a speech like this on the floor of the Senate. There are few statements as widely noticed as a speech by the President of the United States. But the fact is that the President is absolutely wrong on this matter that is so critical for both our budget and our national security. Let me repeat—President Reagan has told the country that the Soviets are ahead in the great technology race for strategic defense initiative superiority. His own expert on technology has just issued a report that flatly contradicts the President's assertion.

Let us consider these 16 SDI technologies deemed by the President's own Defense Department as most important.

The first SDI technology field is aerodynamics or fluid dynamics. This technology is used to build faster and lighter weight ground-based rocket interceptors for SDI. In this SDI area, our military experts tell us the United States is ahead of the U.S.S.R.

The second field covers computers and software. These will be needed for the battle management and command and control system for SDI. The DOD military experts again say the United States is ahead.

The third field is directed energy. This technology is used for the lasers that will be SDI's weapons of the future, plus interactive discriminators. Here the two superpowers are judged by DOD to be on the same technology level.

The fourth SDI technology is electro-optical sensors. This would be used by SDI for discriminating and tracking targets like missiles and warheads. Status? The United States leads.

Fifth—guidance and navigation. This would be used by SDI for guiding rockets or kinetic kill vehicles to their targets. Again the United States is ahead.

Sixth—materials. Because of the speeds SDI rockets will travel, they'll need high stress materials. The United States leads.

Seventh—microelectronic materials. SDI will need space battle stations with light weight survivable materials. The United States is ahead.

Eighth—optics. This technology is used by SDI to track and discriminate missiles and warheads. DOD tells us that the superpowers are about the same in this area.

Ninth—power sources. SDI battle stations and sensors in space will require vast power sources that are efficient. The United States and the U.S.S.R. are considered equal by DOD.

Tenth—production and manufacturing. SDI will require radically new production and manufacturing techniques to produce their missiles and satellites cheaply. The United States leads.

Eleventh—propulsion. SDI's high-speed missile interceptors require new propulsion technology. The United States is ahead.

Twelfth—radar sensor. SDI uses ground, air and space-based radars to track warheads. DOD says United States is ahead.

Thirteen—robotics and machine intelligence. SDI will use this for the battle management of the star wars system. The United States leads.

Fourteen—signal processing—SDI will need sensors to process tracking and discrimination data that will be fed to the SDI weapons. Who's ahead? The United States.

Fifteen—signature reduction. SDI will use this to assess Soviet countermeasures to its defense system. DOD tells us the United States is ahead.

Sixteen—telecommunications—this technology will be used by SDI for the command and control system that will manage the defense. According to DOD the United States leads.

So, once again in summary the United States leads in the 13 of the 16 most important technological areas according to a report released on November 17—this year. The United States and the U.S.S.R. are about the same in three important technology areas. And in how many does the Soviet Union lead? None. Zero. Zip. Nowhere.

Mr. President, the President of the United States is wrong in his SDI assessment. The country should know it.

TAX LOOPHOLE WINS FLEECE

Mr. PROXMIRE. Mr. President, last week, while the Senate was in recess, I awarded my Golden Fleece for November to the Treasury Department for a world-class $1.2 billion a year tax loophole which can only be used by U.S. citizens who live and work in foreign countries. This loophole allows these citizens to exclude a $70,000 chunk of their income from our income tax. What a nice reward for working in London, or Paris, or other hardship posts favored by big multinational corporations.

Charity may begin at home, but when it comes to tax breaks they get a running start in the old country. This loophole is enough to tax the patience of the long-suffering, home-bound taxpayer who may soon see his taxes increased.

Imagine the outcry if a Member of Congress proposed a new entitlement program which had the following provisions. Americans who decided to work overseas would be entitled to a $25,000 a year grant, which is the approximate cash value of a $70,000 a year tax exclusion. They would receive this grant no matter their income and no matter where they worked. This new program would cost the taxpayer about $1.2 billion a year. It would stand about as much chance of passage as would a hard freeze in Hades.

The continued existence of this loophole is especially ironic, given the huge trade deficit we face. If economists agree on anything it is that we need to reduce the Federal fiscal deficit in order to improve the trade deficit.

Yet proponents of this loophole argue that we need it in order to—you guessed it—reduce the trade deficit. They contend that Americans need a tax break before they will work overseas and that these Americans are better able to sell American made products.

A decade ago, a thread-sized version of this loophole earned a Fleece. Then, the exclusion was $20,000, which cost the taxpayer about $400 million, and our trade deficit was less than $10 billion. Now, the exclusion is $70,000; it costs a cool $1.2 billion; and the trade deficit is in the range of $150 billion. At best, these facts demonstrate that the exclusion has no effect on that deficit. At worst, it appears that the higher the exclusion, the worse the deficit. Then, as now, the argument that this exclusion is vital to our international trade simply doesn't stand up to examination.

A Fleece results in less spending or a program's elimination about two-thirds of the time. This one is a whopper that got away. Despite a decade of efforts to reduce the deficit, this loophole has not only survived but prospered.

I believe the reason this loophole survives has more to do with living well than with the trade deficit. American executives who live and work overseas generally do quite well, thank you. If this loophole were eliminated, they would have to become lean and mean instead of fat and sassy. That would be difficult for them, but good for the country. And we could sure use that $1.2 billion.

WHY KEEP WOMEN OUT OF COMBAT?

Mr. PROXMIRE. Mr. President, the General Accounting Office recently released an important report which identifies inconsistencies in the interpretation and application of the combat-exclusion law among the three branches of the service. These inconsistencies ultimately result in inhibition of "the career progression of women in the military by excluding them from some jobs they are capable of filling."

This report was prepared for me as the preliminary step of a larger study the GAO is preparing on women in the military and was presented as testimony at the House Armed Services Committee's Subcommittee on Military Personnel and Compensation.

Are the individual services to blame for the inconsistencies? Of course not. The services are in the difficult position of trying to apply a 40-year-old statute to the realities of modern warfare and the changing role of women in society. This statute is the Women's Armed Services Integration Act of 1948 which institutionalized the role of women in the services by establishing career opportunities for them. In addition, this law restricts the number of women in the services, the type of jobs they can hold and the military rank they can achieve.

War has changed a great deal since 1948—there is an equal, if not a greater, emphasis on technology as there is with physical strength in handling military equipment and weapons. Battle lines have blurred because of the change in strategies and tactics due to technological achievements. In addition, GAO cites the "capability to deliver weapons from remote locations" which "increases the vulnerability of civilians and military alike."

On a different front, inconsistencies result from the changing role of women in our society over the past 40 years. We have grown accustomed to women filling nontraditional and in some cases, dangerous positions, in all walks of life including construction workers, fire fighters, police officers, and law enforcement agents. It appears that it is time to adjust the laws governing the services to the realities of the present.

How are the services interpreting the law, and what are the specific inconsistencies? According to the GAO report, the "common theme in the application of the combat-exclusion provisions seems to be an effort to preclude women from the most frequent or severe exposure to the risks of war." However, in the context of modern warfare, this criteria can be difficult to implement. In the Air Force, on one hand, women are capable of serving successfully on combat aircraft, but are excluded because of the combat exclusion law. Yet "Air Force women do perform fighting roles as missile crew members. As of November 1987, there were 13 women on the firing crews of the ground launched cruise missile [GLCM]."

In the Navy similar inconsistencies exist. The Navy has established two different types of combat-support ships: the combat logistics force [CLF] and the military sealift command [MSC]. The CLF and the MSC perform identical functions with the difference being that the CLF is allowed to travel continuously with the combatant group and the MSC is not. Women are therefore allowed to serve on the MSC, but not the CLF because of the combat distinction. But as GAO points out, in a time of conflict, "MSC will be targets and will be required to defend themselves" thus making the distinction between the MSC and the CLF largely irrelevant.

Although the Army has no statutory combat restrictions for women, they do have a formula known as the direct combat probability code which ranks the probability of direct physical combat. Women are assigned to those positions with the lowest probability of facing hand-to-hand combat. In other words in a battle field situation, women would be assigned to the very rear lines providing combat service support. According to the GAO report, in the event of a real combat situation it appears unlikely that it would be possible to protect women in the rear boundaries.

The GAO report draws several conclusions from their study of the implementation of the combat-exclusion law. First, they cite the declining pool of 18- to 26-year-old males and contend that "restrictions on the jobs that women may hold may exacerbate any recruiting problems that may arise because of the population decline." Second, GAO concludes that the "restrictions impede the most effective management and assignment of personnel." Highly qualified women may be unnecessarily excluded from support, high technology and aircraft crew jobs. Finally, GAO states that "impediments to the most effective management of personnel assignments can negatively effect the morale and retention of both men and women. For example, if women cannot go to sea, then men must serve longer tours of sea duty."

Several months ago, I spoke to this body regarding the findings of DACOWITS in their trip to the Pacific. They cited widespread sex discrimination, harassment, and lack of career opportunities for women in the Navy and Marines. I believe the DACOWITS Report and the GAO Report are consistent and complementary in discussing the problems facing women in the military today. I urge my colleagues to read this significant and timely report and ask them to join me in seeking a solution to the problems described so women can truly "be all that they can be" in the U.S. military.

Mr. President, I ask unanimous consent that a copy of the report be entered into the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

COMBAT EXCLUSION LAWS FOR WOMEN IN THE MILITARY

(Statement of Martin M. Ferber)

Madam Chairwoman and members of the subcommittee, we are pleased to be here today to discuss the military services' interpretation and application of the combat exclusion laws for women in the military. As you know, we are reviewing this and other women in the military issues for Senators William Proxmire and William Cohen.

Since the inception of the All-Volunteer Force in 1973, women have become a significant and integral part of our military services. In 1986, they constituted 10.1 percent of our overall forces, up from 2.5 percent in 1973, and the kinds of jobs held by women have continued to expand. Statutory restrictions, however, limit the jobs available to women and as a result, the number of women in the military.

My testimony today provides background on the statutory restrictions which were enacted almost 40 years ago, and the services' policies for implementing those restrictions. While the services are making a concerted effort to apply the restrictions accurately in the changed warfare environment, their applications have resulted in questions concerning the impact of the restrictions on military women's career progression and the military jobs they can hold.

LEGISLATIVE HISTORY AND CURRENT STATUTORY PROVISIONS

In 1948 Congress acknowledged the quality and value of the contribution women made in World War II and passed the Women's Armed Services Integration Act of 1948. That Act institutionalized the role of women in the services by establishing career opportunities for them in the regular active duty components as well as the reserve forces. The Act, however, also restricted (1) the total number of women in the services, (2) the kinds of jobs they could hold, and (3) the military rank they could achieve.

The total number of women in the Air Force and Army, and the total number of enlisted women in the Navy could not exceed 2 percent of total authorized strengths. Women Navy officers could not exceed 10 percent of the total female enlisted strength in the Navy.

Air Force, Navy, and Marine Corps women could not be assigned to aircraft which were engaged in combat missions, and Navy and Marine Corps women could not serve aboard any Navy vessel except hospital ships and navy transports. (Existence of the Women's Army Corps with its own exclusions precluded the need for separate statutory combat exclusions for Army women.)

With the exception of the medical field, women could not serve in command positions or hold a permanent grade above lieutenant colonel or Navy commander.

In 1948, some in the Congress believed combat required physical strength that women did not possess. In addition, women's role in society was such that a policy of having women in combat was almost unthinkable.

The weapons of war and battle strategies have changed dramatically since 1948. Military equipment and weapons now require technological skills as much, if not more so, than physical strength. Also, the capability to deliver weapons from remote locations increases the vulnerability of civilians and military alike. Modern technology and the strategies and tactics it enables, blur the boundaries of the "battlefield".

In addition to these changes in the conduct of warfare, the role of women in society has undergone dramatic changes, particularly since the 1960s. Today, women pursue careers in fields that were largely closed to them 40 years ago.

As a result, the services are faced with the dilemma of applying a 40-year-old statute in the context of modern warfare and the changing role of women in American society.

There have been two amendments to the 1948 Act which affect the numbers of women in the military services and the kinds of jobs they can hold. In 1967, the statutory strengths and grade limitations were lifted. In October 1978, a substantive change was made in the types of jobs women could hold. Restrictions on Navy and Marine Corps women were reduced to allow them to fill permanent assignments on noncombat ships such as tenders, repair ships, and salvage and rescue ships. It was this change that enabled women to serve on the U.S.S. *Acadia*, a destroyer tender, which provided repair and logistics support to the U.S.S. *Stark* in the Persian Gulf this spring. Of the 1336 crew members, 240 were women. The 1978 statutory change also allowed women to fill temporary assignments for up to 6 months on any ship that was not expected to have a combat mission during that time.

CURRENT SERVICE INTERPRETATION AND APPLICATION OF THE STATUTES

The services has identified the kinds of assignments that are available to women based on their understanding and interpretation of the statutes.

Air Force

The statutory exclusion for the Air Force, as provided for by the 1948 Act, is included in title 10, United States Code, section 8549. Under that law, women cannot be assigned to aircraft engaged in combat missions. The Air Force has defined combat mission aircraft as those whose principal mission is to deliver munitions or other destructive materials against an enemy. On this basis, women cannot be assigned to Air Force fighter and bomber aircraft.

Air Force officials told us that the Air Force believes the restriction against flying combat mission aircraft is intended to provide women some degree of protection. Therefore, the Air Force also excludes women from aerial activity over hostile territory where they would be exposed to both hostile fire and substantial risk of capture. Women are also excluded from certain duties, such as combat control, tactical air command and control, aerial gunner, and pararescue and recovery, and certain units, such as tactical air control parties and air support radar teams, where there is also a high probability of exposure to hostile fire and substantial risk of capture.

This interpretation has evolved over time. Prior to 1985, exposure to either hostile fire or substantial risk of capture alone could have excluded women from some jobs. However, an Air Force review of (1) its policy and the legislative history of the combat exclusion statute, and (2) how that related to the conduct of modern warfare, resulted in the combined use of the hostile fire and risk of capture tests. Under this policy revision, the Air Force, in December 1986, opened up to women the RC-135 reconnaissance aircraft, and two EC-130 electronic warfare aircraft missions, on the basis that, while the crews might be subject to enemy fire, they would not also be subject to a substantial risk of capture. However, it is this same criteria which excludes women from reconnaissance aircraft over hostile areas—they would be subject to capture if shot down.

Navy/Marine Corps

The statutory exclusion for the Navy, as provided for in the 1948 Act, is contained in title 10, United States Code, section 6015. Under the law, Navy and Marine Corps women cannot be assigned to aircraft or naval vessels engaged in combat missions. The Navy defines combat mission as seeking out, reconnoitering or engaging the enemy. This precludes assignment of women to such ships as aircraft carriers, destroyers, and submarines. The Navy also excludes jobs on ships which travel with the combatant group even though, in and of themselves, they would not have a combat mission under the Navy definition. Thus, jobs on Mobile Logistics Force Ships, which were renamed in late November 1986 to Combat Logistics Force (CLF) ships, are closed to women on the basis that they travel with the combatant group. The Navy justifies this decision by reference to a 1978 Defense Department definition of combat missions where "task organizations" were included as units that could have combat missions.

The statute that applies to the Navy also applies to women in the Marine Corps. Marine Corps women cannot be assigned to combat ships or aircraft. Further, a Marine Corps official told us that it is Marine Corps policy to transport Marines on combat ships in wartime. Therefore, Marine Corps women assigned to units that will deploy on those ships cannot deploy with their units unless other transportation is available.

With the Marine Corps, the level of physical risk is also a factor. As a result, women can pursue 33 of the 37 Marine occupational fields; the 4 that are closed are infantry, artillery, tanks/amphibious vehicles, and naval aviator flight officer. Further, the Marine Corps' combat exclusion rules prohibit women from being assigned to units with the greatest physical risk, such as infantry regiments. Women, therefore, may not be assigned to any unit that is likely to become engaged in direct combat, which the Marine Corps defines as seeking out, reconnoitering, or engaging hostile forces in offensive action. Women may, however, be assigned to combat support and combat service support units in a designated hostile fire area where they could become involved in defensive combat action resulting from an enemy attack.

Army

There are no statutory combat restrictions for Army women. The Women's Army Corps, in existence as a separate unit since 1942, had its own exclusions. With the dissolution of the Corps in 1978 and the subsequent integration of women into the mainstream of the Army, the Army developed its own combat exclusion policy based on its interpretation of congressional intent as reflected in the statutes affecting the other services.

Army policy is intended to open to women all jobs except those having the highest probability of engaging in direct combat. The policy recognizes that the modern battlefield is fluid and lethal and that all soldiers, male and female, will be exposed to the threat of injury or death throughout the theater of operations. There is no intent to remove women from jobs that would expose them to the threat of injury or death because the Army recognizes that soldiering is inherently dangerous.

Army policy is governed by the Direct Combat Probability Code system, introduced in 1983, which ascribes to each Army job an assessment of the probability of that job participating in direct combat. The Army defines direct combat as engaging an enemy with individual or crew-served weapons while being exposed to direct enemy fire, a high probability of direct physical contact with the enemy, and a substantial risk of capture. Direct combat occurs while closing with the enemy in order to destroy or capture, or while repelling assault by fire, close combat, or counterattack. The policy was derived from an analysis of four criteria: the duties of the job specialty, the unit's mission, tactical doctrine, and location on the battlefield. Jobs are assigned a code, P1 through P7. P1 represents the highest probability of engaging in direct combat and P7 the lowest. Women cannot be assigned to P1 jobs.

Army officials told us that battlefield location has the greatest impact on the "P" rating of a position. Jobs in areas located forward of the brigade's rear boundary are generally rated P1 and therefore closed to women. However, with the exception of the battalion's infantry and tank system support teams, women may fill jobs in forward support battalions (FSB) which provide combat service support forward of the brigades rear boundary.

Formation of the FSB resulted from a reorganization of support services as part of the Army's transition to the Army of Excellence. Previously, separate medical, maintenance and supply and transportation battalions, were located outside, or behind, the brigade's rear boundary. Under Army "P" rating criteria women were assigned to those units. The reorganziation transferred those services to one main support battalion still located outside the brigade and three FSB's now located forward of the brigade's rear boundary. Each FSB provides all three types of support functions.

The initial effect of the location change was the coding of all FSB positions as P1, closing jobs which women had formerly held. After a review of this effect, which the Army called unintentional, and with strong support from field commanders, the Army opened the FSB's to women, except for the infantry and tank system support teams which worked closely and continuously with the maneuver battalions and would therefore be highly likely to engage routinely in direct combat. In addition, women may serve in other jobs which require them to periodically transit the maneuver brigade rear boundary and there is no limit on how far forward a woman may travel during a temporary excursion.

Coast Guard

There are no statutory restrictions on the kinds of jobs Coast Guard women may hold. They can be assigned to any kind of duty on any kind of Coast Guard vessel. During peacetime, the Coast Guard falls under the jurisdiction of the Department of Transportation, but in wartime it is transferred to the Secretary of the Navy. However, according to a Navy Judge Advocate General opinion, the statutory restrictions on Navy women will not apply to Coast Guard women. The Secretary of the Navy, however, has the authority to decide whether or not to apply those same or similar restrictions.

APPLICATION OF EXCLUSION PROVISIONS

Given the complexity and fluidity of modern warfare and the considerably changed social role of women, it is difficult to draw clearcut lines which identify safe versus dangerous locations, military jobs women can or cannot do, or military jobs women should not do. By restricting certain assignments without specifying an objective or, in lieu thereof, the parameters of what constitutes a "combat mission", the statutes leave to the services the responsibility for determining the coverage of the exclusion.

While the services are trying to apply the statutes accurately, the language of the statutes permits different interpretations in the context of modern warfare. The common theme in the application of the combat exclusion provisions seems to be an effort to preclude women from the most frequent or severe exposure to the risks of war. Below this apparent overall criteria, however, the extent to which degrees of danger can be reliably differentiated in the context of modern warfare is questionable. As a result, women are excluded from some "fighting" jobs, but not others, and may be "protected" in some jobs but are at substantial risk in others.

Air Force

Air Force officials told us that women can successfully serve on combat aircraft. For example, there is a woman F-16 pilot in the Netherlands Air Force. Further, both the Danes and Canadians are experimenting with women serving in combat positions. However, American women are barred from such assignments. Since the prohibition is not based on an inability to do the job, the basis for maintaining the restriction appears to be that fighting is not a proper role for women or that they should be protected from the dangers of flying combat aircraft, or both.

Air Force women, however, do perform fighting roles as missile crew members. As of November 1987, there were 17 women on the firing crews of the Ground Launched Cruise Missile (GLCM) and women also serve in GLCM maintenance and support functions. Because the GLCM is currently deployed throughout Europe they are primary targets in a conflict. Additionally, 74 women serve on Minuteman missile firing crews.

The Air Force has stated that there really are not going to be any safe places in a theater of conflict. For example, in 1984, the Assistant Secretary of the Air Force for Manpower and Reserve Affairs told the House Armed Services Committee that it is not only the people sitting in the cockpits who are going to be killed in war. He said that Air Bases are going to be vulnerable, and they will be attacked, and people are going to have to carry rifles and defend the air bases. Women are stationed at U.S. Air Bases throughout Europe.

Army women also serve on missile crews, including the Pershing missile, and the Hawk and Patriot air defense missiles. All of these can be found deployed in West Germany and hence will be targets in any Europe conflict.

Navy/Coast Guard

Navy women are excluded from serving on Combat Logistics Force ships because the Navy includes these ships as part of the combatant group. The CLF ships do not individually have a combat mission under the Navy's definition. They provide support services to the other ships in the combatant group. However, the Navy ascribes the combat mission of a task group to all the ships that travel as part of that group.

The reason for such an exclusion would appear to be protection since the ship does not have an offensive fighting role. Navy and civilian women, however, can serve on Military Sealift Command (MSC) ships which perform the same function as CLF ships, but they do not travel continuously with the combatant group. However, in a conflict, MSC ships will be targets and will be required to defend themselves.

Coast Guard women can serve on any Coast Guard ship, some of which are expected to have combat missions in wartime. The Coast Guard believes that its women crew members are an integral part of the crew and that their removal would be detrimental to ship operations. Therefore, in wartime, unless the Secretary of the Navy decides differently, Coast Guard women may perform in jobs from which Navy women are excluded.

Army

The Army's coding system will normally exclude women from positions located forward of the brigade's rear boundary whether or not the positions are fighting positions. The impact is to preclude women from front line fighting roles and to provide some degree of protection. However, in our opinion, the extent to which women can be protected is questionable. Women are now stationed forward of the brigade's rear boundary on a continuing basis as members of forward support battalions which provide combat service support. And they may travel as close to the battlefront as they need to, on a temporary basis, to do their job. As we have mentioned already, women are also in fighting positions as members of missile crews. Further, Army officials told us that there is an action pending to open up positions in the Lance missile firing batteries. Those batteries, which are currently closed to women, are located behind the brigade's rear boundary, and they only traverse that boundary to fire their weapons close to the battle front.

Marine Corps

Marine Corps policy acknowledges that women may be assigned to support units in designated hostile fire areas where they could become involved in defensive combat action resulting from an enemy attack. Thus, women are exposed to a strong possibility of capture.

IMPACT OF COMBAT EXCLUSIVE LAWS/POLICIES

As you know, our work focused on the policy level and was not designed to identify the specific impact of the application of the combat exclusion policy. However, as has been stated by the Chairwoman of the Defense Advisory Committee on Women in the Services, a major impact has been to inhibit the career progression of women in the military by excluding them from some jobs they are capable of filling.

There are also some overall impacts on Defense's force management. First, there is some concern that the declining pool of 18-26 year old males in the 1990s will make recruiting difficult. Restrictions on the jobs that women may hold may exacerbate any recruiting problems that may arise because of the population decline. The restrictions close off an excellent source of high quality recruits.

Second, restrictions impede the most effective management and assignment of personnel. Women may be unnecessarily excluded from high technology, support, and aircraft crew jobs, no matter how capable they are of doing those jobs.

Lastly, impediments to the most effective management of personnel assignments can negatively affect the morale and retention of both men and women. For example, if women cannot go to sea, then men must serve longer tours of sea duty.

There are, however, several valid concerns expressed by the services as the role of women in the military has increased. DOD and the services have maintained that a policy which opens combat positions to women is a social question which DOD is poorly equipped to address, rather than a question of military operations. Other concerns include the higher attrition rates of women, pregnancy, and the potential problems caused by an increase in single parents in the services.

Madam Chairwoman, I have presented here today a discussion on how applying the combat exclusion provisions affect the kinds of jobs open to women in the military services. While the impact on jobs open to women tends to raise questions about the services' practices, we believe the services are making a concerted effort to apply the statutes accurately in the changed warfare environment facing them today. The differing applications of the statutes do raise questions. Yet, there is no easy solution. The services are different, and establishing hard and fast criteria in today's military and social environment is not easy. But the effects of the current situation are clear—military women are being impeded from progressing in their chosen fields.

That concludes my prepared statement. We will be happy to respond to questions.

CONGRATULATIONS TO SENATOR BREAUX

Mr. PROXMIRE. I want to congratulate my good friend from Louisiana for the fine job he has done in the very trying and dangerous area in Louisiana for the negotiations he entered into and handled extremely well. I was very impressed with everything he has done in the work down there.

Mr. BREAUX. I thank the Senator for his generous comments.

THANKSGIVING FOR PEACEFUL RESOLUTION IN LOUISIANA PRISON

Mr. BREAUX. Mr. President, over the Thanksgiving recess when most Americans were enjoying the Thanksgiving holidays with their families, their friends, and their loved ones, the people of Louisiana and particularly the people of Oakdale, LA, were treated to a real reign of terror. For approximately 8 days 28 hostages were held captive by approximately 1,000 Cuban inmates, who were armed with machetes and with knives and with spears. They kept the families of Oakdale, LA, in absolute terror, not knowing what was going to happen from 1 minute to the next.

Obviously this morning we all have a lot to be thankful for as that situation has now come to a conclusion. All of the hostages have been released, all of them apparently in good condition. We are all thankful for that.

There will be plenty of time, Mr. President, to analyze and to consider what went wrong and why it occurred and could it have been prevented. But my purpose in taking the floor this morning is not to look back and decide why this terrible incident happened, but rather to commend the people of Oakdale, LA, who really opened their homes and their hearts and their lives to do whatever was necessary in order to help end this terrible period in their lives.

I would also like to commend Louisiana State Police and the Louisiana sheriffs departments for the work they did in ensuring the safety of the people in the surrounding community.

I also want to express a special note of gratitude and respect for the very professional job that was done by the Federal negotiators, in this case led by the Bureau of Prisons officials, Immigration and Naturalization Service officials, as well as the FBI. In particular I would like to commend the work of J.D. Williams from the Bureau of Prisons and Jack O'Connor from the FBI, who headed up the negotiating team, for their assistance and their professionalism. It is no question, they got a great deal of advice. They got a great deal of offers from people who wanted to go in and negotiate. But they were the professionals who kept their cool and negotiated carefully on an hour-to-hour, 24-hour-a-day basis with the inmates.

The question is: Did they do a good job? I think the answer to that question was clearly spelled out when the 28 hostages walked out of that institution. It was spelled out on the face of the many families who waited for their loved ones. The answer is very clear that they did a good job.

We value human life in this country, Mr. President, more so perhaps than other countries. Many suggested that the answer to the confrontation was to storm the detention center. Cooler heads prevailed and, as a result, no lives were lost, showing that we in this country have a very high value on the individual human life; in this case 28 who were being held hostage during that period.

On the question of whether these inmates should have been in Oakdale, LA, in the first place, and on the question of whether the State Department should have made a public announcement of an agreement with the country of Cuba that at best was inflammatory to the inmates residing in these prison facilities in the United States, we need to take a close look at both of those questions.

I personally feel that, clearly, mistakes were made and we as a Nation need to look at those areas to decide what went wrong, why it occurred, and what we can do in order that we may not make those mistakes again.

But this morning, Mr. President, I take the floor to say I join with all the citizens of Oakdale, LA, and, truly in America, to say how thankful we are that the resolution of this confrontation—which could have been potentially so violent—ended on a peaceful note, a safe note. And we extend our very best wishes to those families of the hostages being held in the Atlanta Penitentiary that they, too, may in a very short time experience the same sense of thanksgiving that we in our area now have experienced.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. DOLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The minority leader is recognized.

DEATH OF CHICAGO MAYOR HAROLD WASHINGTON

Mr. DOLE. Mr. President, today the people of Chicago mourn the death of their mayor, Harold Washington. I want to offer my condolences to the Washington family and the citizens of Chicago.

As the chief operating officer of one of this Nation's premier cities, Harold Washington excelled in bringing every segment of the community together.

Although Harold Washington served one term here as a U.S. Congressman, his heart and soul were always in Chicago. He knew that city, its people, its potential, its power. He brought it all together and made it work.

In his first inaugural address as mayor in 1983, Harold Washington said:

> I hope someday to be remembered by history as the mayor who cared about people and who was, above all, fair. The mayor who helped, really helped, to heal our wounds and stood the watch while the city and its people answered the greatest challenge in more than a century.

I think the men and women of Chicago would affirm that Harold Washington gave everything he had to live up to that epitaph.

BICENTENNIAL MINUTE

NOVEMBER 21, 1800: SENATE MEETS IN WASHINGTON FOR THE FIRST TIME

Mr. DOLE. Mr. President, 187 years ago this month, on November 21, 1800, the Senate met for the first time in Washington, DC, in the unfinished Capitol Building. This important event was actually to have taken place on November 17, but when that day dawned, only 15 of 32 Senators has arrived in the new Capitol City. Members had to wait for 4 more days until a quorum could be raised to bring the Senate to life in its new home.

Though Federal officials had had a decade to carve out a town along the Potomac for the Government's permanent home, it was a sorry sight that greeted those first arrivals. As he tried to find decent accommodations, New York Senator Gouverneur Morris caustically observed that the new seat of Government needed only "houses, cellars, kitchens, well informed men, amiable women, and other little trifles of this kind to make our city perfect." Aware of grumblings like Morris', town boosters planned a huge parade to welcome the sixth Congress. But nothing went as intended. First, a heavy snow blanketed the area on November 16, and then, when quarrels broke out over who should be grandmarshal, the procession was abandoned entirely. When so few Members actually showed up for opening day, everyone was disheartened. In view of the difficulty of getting to the new Capital, It was remarkable that a quorum was mustered so soon. Even under the best of conditions, which seldom prevailed, the stage journey from Philadelphia to Washington took a minimum of 33 hours.

Finally, on November 21, the Senate notified President John Adams that a quorum was present. The President himself appeared before the assembled Congress in the Senate Chamber the next day. While Members still complained about conditions that one called "both melancholy and ludicrous," Adams congratulated them "on the prospect of a residence not to be changed." As we all know, Washington indeed became the Government's home, and, as Adams predicted that day, conditions have improved a great deal.

Mr. President, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The PRESIDING OFFICER (Mr. DASCHLE). The Chair, in his capacity as a Senator from South Dakota, notes the absence of a quorum, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. **BYRD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BYRD**. Mr. President, the request I am about to make has been cleared with the distinguished Republican leader and he has authorized me to proceed with it at this time.

ORDER FOR CONSIDERATION OF S. 373 AND S. 1665 TOMORROW

Mr. **BYRD**. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 373, the special education reauthorization bill, at 10 o'clock tomorrow morning, December 1, and that the majority leader after consultation with the minority leader many call up S. 1665, the Farm Credit Act, at any time but not prior to 2 p.m. Tuesday.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BYRD**. Mr. President, I think this will enable us now to proceed with the two measures, the special education reauthorization and the Farm Credit Act, on tomorrow and without any problem in proceeding to them. I feel that this is something by way of an accomplishment.

ORDER OF PROCEDURE

RECESS UNTIL 3:30 P.M.

Mr. **BYRD**. Mr. President, I ask unanimous consent that the Senate stand in recess now until the hour of 3:30 p.m. today, that there then be 30 minutes for morning business prior to the hour of 4 p.m., and that Senators may speak therein not to exceed 3 minutes each.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Thereupon, the Senate, at 11:09 a.m., recessed until 3:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. CONRAD].

VITIATION OF AUTOMATIC CALL FOR THE REGULAR ORDER

Mr. **BYRD**. Mr. President, I ask unanimous consent that the automatic call for the regular order at the end of 30 minutes on the upcoming rollcall in executive session be vitiated.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BYRD**. It will be a 30-minute rollcall vote. It may go longer. I had a call from Senators who have been attending the memorial service for Mayor Washington in Chicago, and they are having problems getting off with their planes for return.

So that the rollcall vote will begin, as earlier stated, at 4:30 p.m.; but it would be my intention, and I ask unanimous consent, that I may be permitted to extend the rollcall vote for not to exceed 45 minutes.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **BYRD**. Mr. President, I yield the floor.

REPORT ON VISIT TO CENTRAL AMERICA

Mr. **PRESSLER**. Mr. President, it was my pleasure to accompany the chairman of the Foreign Relations Committee to Nicaragua, Costa Rica, and Belize over this recess.

Let me begin by paying a tribute to Senator PELL for his leadership on the Foreign Relations Committee and his willingness to allow me to accompany him and to participate in the events which we experienced, along with staff members, in Nicaragua, Costa Rica, and Belize.

Senator PELL, very correctly and in a manner of good leadership, arranged for us to meet the top leadership. In addition, he guided us to look at some of the prisons in Nicaragua, with emphasis on the human conditions. I commend him for that.

Let me summarize some of my observations. First of all, in our meeting with Mr. Ortega, the leader of Nicaragua, we had the opportunity to ask him a number of questions about the compliance with the Arias peace plan and what his intentions were. I asked him if he were a Communist. He responded by saying that he was a Sandinista and that he viewed his revolution more in terms of the Mexican revolution.

I believe that he is a Communist, but I sensed that he is changing somewhat from the hard line, Stalinist-type of Communist to one who is seeking some accommodation. I hope my impression was not ill founded.

It is my judgment that Nicaragua is in great economic strife; that Nicaragua is in trouble in terms of their own economy. However, I believe that Ortega is very much a Communist, very much intent upon expansionism if he can do so, but the economic events of the last year may have given him reason to pause. The Arias peace plan may put pressure on him that he had not previously experienced, in terms of complying with certain things that other nation's can measure and observe.

We did visit two prisons in Nicaragua—one of which was the El Chapitan prison, which was Somoza's prison. We were escorted there by Tomas Borge, the Minister of the Interior, who himself had been tortured there during the Samoza regime.

We also asked the Red Cross to recommend a prison, which was picked at random, to visit. So far as I could see, there were no violations of human rights. Of course, I am sure they do not show visitors violations of human rights, but at least they did make an effort to show us their prisons. I will give them credit for that.

We also had lengthy meetings with other Nicaraguan officials and with our American Embassy people about whether or not Nicaragua intends to comply with the Arias peace plan.

One thing that troubles me is that Nicaragua will not have an election until 1990, so we cannot tell what will happen in that area or if they are willing to comply with the election requirement in the Arias plan. I wish we could have some tests of that before we were to withdraw Contra aid. Indeed, I speak as one who has voted for Contra aid. I am prepared to support future Contra aid if necessary. But I hope the Arias peace plan will provide us a way out of this situation.

We had lengthy talks with our Embassy people. We also visited a hospital. While departing from the hospital, we noticed that across the way was the Karl Marx Hospital, which has been built by the East Germans.

United States AID money has built many of the hospitals in Nicaragua, although we do not get the credit. Perhaps we should name them Abraham Lincoln hospitals or something of that sort to memorialize our efforts.

In Costa Rica, we had the honor of meeting with Nobel Prize winner and President, Mr. Arias. I was very impressed with him. In my judgment, he is a very good man. I also believe he is basically a man of the left. That is not necessarily bad but I think we should recognize it. On the other hand, he is struggling to come to a consensus, and whatever his personal beliefs are, his leadership is much needed.

It is my judgment that President Arias is very much against the use of force, per se. His own country is celebrating the fact that it has no military and has not had any military, I think, throughout its history, or only briefly, once or twice. I sensed that he believes there can be a peaceful resolution in this area, and his plan is the only one on the table that has received international attention. Since he has won the Nobel Peace prize his plan will be the criterion on which many people throughout the world will base their conclusions. We might be critical of it, but it is the only plan in town right now, so I must give him credit for that.

We also had the opportunity to meet with some of the Contra leaders in Costa Rica, such as Mr. Chimmore, who is one of the directors. I talked to them about the human rights violations and their ability to win the war.

In part, their objective is not necessarily to overthrow the government but to bring about democratic institutions so that there can be free elections, with observers.

It is my general observation that we have a very difficult role in Central America. I happen to agree with John F. Kennedy, that we cannot afford to let a major military power be located on our doorstep in the Caribbean or in Central America. On the other hand, there are many people living in poverty there, and we will have to find a way to use our aid money, Food for Peace, developmental type things, to solve some of those poverty problems, if we are to stamp out communism.

Also while in Costa Rica I visited National University's branch. It is a California-based graduate business school that is making an enormous contribution to Costa Rica. It is my honor to have received an honorary doctorate at National University's graduation in San Jose, Costa Rica. We spend millions in AID to Costa Rica and in student exchanges, and so forth. We should not overlook the value of having a U.S. school in some of these countries. I personally gave our U.S. Ambassador a copy of their last graduation program which includes the thesis topics the Costa Rican students had written. I feel our Embassy could benefit much by reading some of these thesis.

We were one of the first congressional delegations recently to stop in the tiny country of Belize. It has been my contention that some of the small countries that are our best friends get the worst treatment from the United States, and I have long felt that we should upgrade our treatment of some of the smaller countries. The Russians do a good job of this.

Belize has been very pro-American. It does not have an insurgency. It is sort of overlooked by a lot of our visiting congressional delegations and our diplomats. It is an example of a small country that is doing everything right.

As the Prime Minister of Belize said to me, the squeaky wheel gets the grease. Belize has not been very squeaky and has not gotten the attention from us that some other countries have.

But I think that we should continue our aid program there. We should treat the Belizeans at a very high level. Our congressional delegation should try to stop there and we should learn more about that country and become closer to it.

Mr. President, I shall be using the experiences of my visit to that area to learn more and also to help decide how to vote on future Contra aid and on future aid packages to that area of the world.

We have a very severe budgetary deficit. We have a very severe shortage of funds here in this Congress.

It is my sincere hope that something like the Arias plan could work, but we cannot be naive about Nicaragua's true intentions. They have released some political prisoners, but they have not released all of them. They have not agreed to a free election until 1990.

We must keep the pressure on in terms of human rights violations on both sides.

We must continue to keep the pressure on for a lessening of human rights violations on both sides.

Mr. President, there have been some very fine reports written regarding human rights violations. I tend to feel personally that Amnesty International and some of the people who write those reports start with a predisposed point of view. I also tend to believe that the American Watch is the same way. However, I read a very balanced report by a Lawyer's Report on human rights in Central America. I do not know exactly who finances the Lawyer's Report, but it was one of the most balanced reports I read. It said both the Contras were making human rights violations and the Sandinistas were making human rights violations. This is part of the very confusing picture you get. When you go there for a visit, you get information that is 180 degrees apart, and there seems to be no way to verify it.

For example there are rumors there are hundreds of Russians in Nicaragua. There are rumors there are hundreds of Cubans there. Certainly some are there. East Europeans are there. Exactly how many, nobody seems to know.

On human rights violations, it depends on who is funding the study as to whether the Contras are committing most of the human rights violations or the Sandinistas.

One thing that I did observe on the agricultural front was that Nicaragua is not producing enough food. It has a wonderful climate. Because of the collective farms and because of the war, they are running short of food. It is getting very expensive.

This is something that we with our terrific surpluses of food can, in a very useful way, perhaps be of assistance at some future time if the political climate is right. Food may be our "ace in the hole."

So, Mr. President, I pay tribute to Senator PELL for leading us on such a fine trip, for encouraging us to go into some of the prisons and for his great concern for human rights. I must say that I am concerned about that, but I would not have taken so much initiative in that area if it were not for Senator PELL's leadership. I thank him for sensitizing us all in this area.

Finally on this trip I was very impressed with the desire of Central Americans to determine their own destiny.

The Russians and the United States have both put a great deal of military equipment and a great amount of military hardware into that area. Both the United States and the Soviet Union are trying to dominate that area. The Arias plan is the surface of a great desire on the part of the people there to determine their own destiny.

I do not agree with everything in the Aries plan. I fear it will give the Nicaraguans more time than they deserve, but it is a framework that we can work within, and it is a set of ideals that we should try to accomplish.

Mr. SYMMS. Mr. President, in today's Washington Post there is an excellent open letter to President Reagan from Mr. Frank Gaffney, Jr. I ask unanimous consent that it be placed in the RECORD along with an article entitled "Communist Death Toll: 160 Million"; "Chronology of Communist Imperialism," a quote from Dimitry Manuilsky, and two articles from the Washington Times by Patrick Buchanan, one titled "What a Friend We Have in Gorby," and the other titled "The Coming War Within the GOP."

There being no objection, the material was ordered to be printed in the RECORD, as follows:

TAKE A "TIMEOUT" ON THE INF TREATY

(Frank J. Gaffney, Jr.)

Dear Mr. President,

In your recent moving statement accepting Caspar Weinberger's resignation, you praised your secretary of defense for his service to the country in many ways. One of the most striking to me was the recognition you extended to him for his handling of several controversies for which he has been roundly criticized by others.

I am speaking of the highly publicized revelations during Secretary Weinberger's tenure of several instances of cost overruns and other failures of the Defense Department's procurement system. Despite the fact that for most of the past seven years, Cap has been caricatured with a $500 toilet seat around his neck, you rightly credited him with finding and fixing these problems. In thus commending Secretary Weinberger for his unwillingness to tolerate inadequate performance and unsatisfactory products where they were found, you have set an example that we all should emulate.

In this spirit, I write to express my concern that your administration and the nation may shortly become embroiled in a new controversy over inadequate workmanship and insufficient quality control. This one doesn't involve coffeepots or "gold-plated" hammers; rather, it involves an agreement with our adversary to eliminate all intermediate-range nuclear missiles from Europe. The analogy, however, may be useful in illuminating the causes of my concern.

Like so many of the procurement horror stories, the basic approach was entirely acceptable, Your administration has for six years sought an INF agreement based on a sound structure—the so-called "zero option." As a direct result of our patience, tenacity and alliance cohesion, an accord based on this principle is at hand.

If there is a problem with the INF treaty, it will in all likelihood be a result of the same phenomena that occasionally mar defense procurements; unexpected complexity, unanticipated scheduling pressures and corners that had to be cut to get the job completed within the time and resources available. The responsibility for such a problem would not, of course, lie with some contractor or procurement official; indeed, it may not lie with any single individual. Yet the consequences can be every bit as unpleasant and contrary to the national interest—or more so.

My guess is that, if there are resultant problems with the treaty, they will lie in the area of verification. This may seem incredible in view of its unprecedented provisions for intrusive on-site inspection and continuous monitoring of selected U.S. and Soviet facilities. On the face of it, such measures seem to go so far beyond what has been negotiated in support of past arms control agreements that many will conclude that the treaty is, by definition, verifiable.

Unfortunately, the INF treaty can have a range of novel verification measures undreamed of by the framers of the flawed SALT II accord and still not enable us to ensure Soviet compliance. It is for precisely this reason that your administration early on enunciated as a matter of policy a requirement for "effective verification" of any future agreement.

While this term can mean many things, for us it has always had certain cardinal features in the INF context: elimination of the entire infrastructure for supporting INF missiles; comprehensive exchanges of detailed, internally consistent data about the forces being controlled; clear, unambiguous treaty text; and short-notice on-site inspection not only at present and formerly declared facilities associated with treaty-limited items, but also at suspect sites.

This sound verification agenda was made necessary by bitter past experience with Soviet cheating on arms control agreements. If we have failed to keep in mind past lessons in the rush to finish an accord on INF in time for the summit, the risks to the national interest will vastly exceed the damage done by high-priced coffeepots and toilet seats. The prescription for addressing the problem should be the same, however: spare no effort to uncover and assess the errors and accept whatever inconvenience might be caused in fixing them.

In this vein, Mr. President, I urge you to do what Cap Weinberger would have done in a comparable procurement situation, namely call a "time-out," take stock of the situation with the best experts you can find and, if necessary, make adjustments to correct any deficiencies revealed in the process. A week remains before you will be asked to sign the INF Treaty; I strongly recommend that you use that week to review the treaty with key individuals, particularly members of the Senate and others outside the government who are likely to be influential in the upcoming ratification debate. After you and they have had a chance to read the fine print, several questions must be addressed:

Does the treaty actually eliminate the Soviet Union's INF missile infrastructure and capacity?

Is the Soviet-supplied data complete, consistent and compatible with our own intelligence estimates of treaty-limited systems and activities?

Does the treaty language have important ambiguities or loopholes or provisions that otherwise might lend themselves to future debates about meaning and interpretation?

Is there an effective on-site inspection regime for suspect facilities?

If the answer to one or more of these questions is no, by finding it out now—before you sign the treaty—it is possible to seek adjustments with the Soviet Union and avoid these issues becoming a matter of Senate debate and amendment.

Naturally, many will say such an idea is out of the question. They will maintain that this is the best agreement we can get with the Soviet Union, that it cannot be improved. In this regard, I remember how often Cap Weinberger was told that a nonperforming contractor was doing the best he could or that there was no alternative to accepting an inferior product. To my knowledge, he never failed to reject that advice and to set in train the necessary, albeit sometimes inconvenient, corrective steps.

For that matter, your own experience in negotiating with the Soviet Union has decisively demonstrated that determined insistence on sound arms control terms is rewarded in due course by Soviet movement toward our position. Nowhere should this be a more likely outcome than in the area of verification, where Soviet rhetoric about openness and transparency have recently reached new heights.

So, if it comes to that, "Just say no." The United States will not accept another unverifiable arms control agreement, no matter how smartly it is packaged in verification "breakthroughs," steps which for all their novelty will not materially alter the difficult task of ensuring Soviet compliance. After all, there is a lot more riding on this than a bad report card from the General Accounting Office.

COMMUNIST DEATH TOLL: 160 MILLION

(By Albert L. Weeks)

"It's a poor sort of memory that only works backward," observed Lewis Carroll. The past, indeed, is "prologue" to the present, and future.

The lives of 160,000,000 people or more were sacrificed—officially—for attaining socialism and Communism in several countries. In actual fact, however, their lives have been sacrificed to uphold the one-leader dictatorships and oligarchies of Lenin, Stalin, Mao, Ho Chi Minh, Casto, Mengistu, Oretgega, et al.

The accompanying chart depicts in graphic form the almost unimaginable genocide which has resulted from Communist tyranny.

The rest of the non-communist world should also reflect on another category of victims of left-wing totalitarianism: the ubiquitous refugees—the "boat people," the millions who have streamed to the West from the Communist East, often risking their lives in the process, as they scramble over the Berlin Wall, hijack a locomotive or plane, swim, hike, or even float by balloon in their escape from Communism to freedom in the West.

The toll in disrupted lives is enormous. Like the fatalities listed above, this travail is still growing, with the menace of an accelerated rate of emigration looming in the distance if Central America turns out to be another locus of refugees seeking freedom from Communism.

From Vietnam alone, since the war there, at least 750,000 refugees have left the communist New Order, sometimes at the rate of 40,000 per month. To these must be added 10,000,000 refugees from communism—as tabulated by the United Nations High Commission for Refugees and other reliable sources counting escapees.

From East Germany alone, 3 million have made it to the West, while the same number of Afghans have streamed and continue to stream into Pakistan. More than 1½ million Ethiopians have fled the communist regime in Addis Ababa into neighboring Somalia during the recent years of the Ogaden crisis, and hundreds of thousands more continue to pour into neighboring Sudan.

Putting together the figure for refugees with the fatalities suffered under Communism, the following staggering figure for human suffering is on the bottom line: 170,000,000-plus, and still growing.

CHRONOLOGY OF COMMUNIST IMPERIALISM

Post-World War I period

1917—Soviet Communist state—Created Nov. 8, 1917 following the Bolshevik coup d'etat, which overthrew the Provisional Government headed by Alexandr Kerensky.

1919—Ukraine	Annexed by the Soviets.
1919—Byelorussia	Annexed by the Soviets.
1920—Kazakhstan	Annexed by the Soviets.
1920—Azerbaijan	Annexed by the Soviets.
1921—Armenia	Annexed by the Soviets.
1921—Georgia	Annexed by the Soviets.
1921—Mongolia	Colonized by the Soviets.
1922—U.S.S.R. officially created December 1922.	

World War II and Post-World War II period

1939—eastern Poland	Annexed by the U.S.S.R.
1940—eastern Romania	Annexed by the U.S.S.R.
1940—northern East Prussia.	Annexed by the U.S.S.R.
1944—Lithuania	Annexed by the U.S.S.R.
1944—Latvia	Annexed by the U.S.S.R.
1944—Estonia	Annexed by the U.S.S.R.
1944—Poland	Colonized by the U.S.S.R.
1944—Bulgaria	Colonized by the U.S.S.R.
1944—Romania	Colonized by the U.S.S.R.
1944—eastern Finland	Annexed by the U.S.S.R.
1944—Tannu-Tuva (central Asia).	Annexed by the U.S.S.R.
1944—Hungary	Colonized by the U.S.S.R.
1945—Yugoslavia	Colonized by the U.S.S.R.
1945—Albania	Colonized by the U.S.S.R.
1945—East Germany	Colonized by the U.S.S.R.
1945—eastern Czechoslovakia.	Annexed by the U.S.S.R.
1945—eastern Austria	Colonized by the U.S.S.R.
1945—North Korea	Puppet state of the U.S.S.R.
1945—Kuril Islands	Annexed by the U.S.S.R.
1945—Sakhalin Island	Annexed by the U.S.S.R.
1948—Czechoslovakia	Colonized by the U.S.S.R.
1948—East Berlin	Colonized by East Germany and U.S.S.R.
1948—Yugoslavia	Left Soviet bloc; still communist.
1949—China	Client state of U.S.S.R.
1950–53—North Korea invaded South Korea.	[Failed].
1951–59—Tibet	Annexed by China.
1954—North Vietnam	Client state of U.S.S.R.
1955—[eastern Austria]	Soviets depart in exchange for Austrian neutrality in Europe.
1956—Hungary	Re-colonized by U.S.S.R.
1959—Cuba	Puppet state of U.S.S.R.
1960–62—China	Left Soviet bloc; still communist.
1962—Albania	Left Soviet bloc; still communist.
1968—Czechoslovakia	Re-colonized by the U.S.S.R.

Post-Vietnam war period (detente)

1975—South Vietnam	Annexed by North Vietnam.
1975—Laos	Colonized by Vietnam.
1975—Cambodia	Puppet state of China.
1975–76—Angola	Colonized by Cuba and U.S.S.R.
1975–76—Mozambique	Colonized by Cuba and U.S.S.R.
1977–78—Ethiopia	Colonized by Cuba and U.S.S.R.
1977–78—South Yemen	Puppet state of U.S.S.R.
1978—Afghanistan	Puppet state of U.S.S.R.
1979—Cambodia	Colonized by Vietnam.
1979—Grenada	Colonized by Cuba and U.S.S.R.
1979–80—Nicaragua	Puppet state of Cuba and U.S.S.R.
1979–80—Afghanistan	Colonized by U.S.S.R.
1980—Poland	Re-colonized by U.S.S.R.
1980—Suriname	Puppet state of Cuba.
1983—Grenada	Liberated by U.S. forces.

QUOTE

Dimitry Z. Manuilsky: "Today, of course, we are not strong enough to attack. . . . To win we shall need the element of surprise. The bourgeoisie will have to be put to sleep. So we shall begin by launching the most spectacular peace movement on record. There will be electrifying overtures and unheard of concessions. The capitalist countries, stupid and decadent, will rejoice to cooperate in their own destruction. They will jump at another chance to be friends. As soon as their guard is down, we shall smash them with our clenched fist."—Stated in a lecture at the Lenin School on Political Warfare in Moscow, 1931.

[From the Washington Times, Nov. 25, 1987]

THE COMING WAR WITHIN THE GOP

(Patrick Buchanan)

Since the Democratic Party seems to be steering toward the nomination of another Northern liberal (i.e. Simon, Dukakis, Gephardt or Cuomo), cut from the same rough bolt of cloth as George McGovern and Walter Mondale, the GOP seems well-positioned to hold onto the White House. But a battle is beginning to take shape, inside the GOP, which could tear apart the New Orleans convention.

The smoldering issue is nothing less than the national security of the United States.

With the prodding of President Reagan, and the boundless enthusiasm of the State Department, the administration is driving to wrap up an INF agreement that would pull all U.S. Pershing II and cruise missiles out of Europe. Behind the urgency is not only the pressure of the summit deadline, but also Mr. Reagan's desire to sign, before leaving office, a strategic arms agreement, cutting in half the arsenals of the Soviet Union and United States.

The president wants this deal, because, deep in his heart, Ronald Reagan believes in universal nuclear disarmament, believes the world would be safer if we could rid it of nuclear weapons.

Back of this conviction is the president's belief that Soviet General Secretary Mikhail Gorbachev is a new kind of communist, a pragmatic leader not necessarily wedded to the determinist ideology of Lenin, which holds the East-West struggle is irreconcilable, that a funeral dirge must one day be sung over them or us. The president believes the Soviet leadership is equally anxious for disarmament, to ease the economic crisis inside the Empire.

Some of Mr. Gorbachev's hostility, Mr. Reagan feels, is rooted in ignorance—from his upbringing—of who we are and what we intend. Hence, the president's stated desire to show Mr. Gorbachev around the United States, to persuade the leader of Lenin's Party that we Americans are, truly, a peaceful people.

Neither in public nor private does the president deviate from these views, though they seem inconsonant with the candidate who campaigned against "detente," who called SALT II "fatally flawed," who makes no apologies for having called the Soviet Union an Evil Empire.

While (at this writing) the INF treaty appears a certainty, four of the six Republican candidates—Rep. Jack Kemp, Pete du Pont, Alexander Haig and Pat Robertson—have already declared their opposition; and Minority Leader Robert Dole, a candidate in search of an issue on which to engage George Bush, is withholding judgment.

The Senate battle, centered within the GOP, over INF ratification, however, is going to be a dinner-party discussion compared to the brawl that is coming, if the president brings home an agreement to slice in half the U.S. strategic arsenal.

Reports and rumors are rife, all over this city, that the deal has been cut, that the administration is prepared to pay Moscow's asking price for the big SALT agreement: an extension of the ABM Treaty, putting off for years any decision to deploy the Strategic Defense Initiative.

If such a deal is cut, whereby the White House accepts an extension of restrictions on space testing and early deployment of SDI—in exchange for cutting our strategic deterrent in half—the GOP could come apart at the New Orleans conclave.

For, even as President Reagan is devoted to his Utopian vision of a world without nuclear weapons, his friends on the right—and not only on the right—are convinced such a world would be a living hell for human freedom.

Down deep, the president's friends are against INF, because they believe 108 lightning-fast Pershing II missiles, which could devastate the strategic reserve and command-and-control of an attacking Red Army, are a better guarantee that NATO Europe will not be attacked, than yet another piece of paper co-signed by the biggest pack of diplomatic deceivers since the Ribbentrop gang of Nazi Germany.

The president's friends are also alarmed by the proposed cut in strategic weapons, because every such cut reduces the number of targets Soviet war-planners have to attack. As for SDI, a space-based defense that could so degrade a Soviet first-strike as to make it unthinkable, no deal Moscow will offer is worth putting it off, or giving it up.

The conservatives are less interested in what Mr. Gorbachev is saying about poor Comrade Yeltsin, than in what he is doing: Specifically, the crash modernization of the Soviet missile force, and the immense resources being poured into Moscow's SDI.

What the right fears is that Moscow wants America's SDI killed, until its own defensive system is in place. Then, America would become permanent victim to Soviet blackmail, and permanently vulnerable to Soviet attack. Indeed, with 10,000 nuclear warheads in place, all of which can strike the United States—and America defenseless—why is Mr. Gorbachev building more?

Given the determination of the president and Secretary of State George Shultz to plunge ahead along the road to arms reduction, a reenactment of Kansas City—where President Ford was nominated while his detente policy was denounced—may be the Republican future.

[From the Washington Times, Nov. 30, 1987]

WHAT A FRIEND WE HAVE IN GORBY

(By Patrick Buchanan)

(Gorbachev is the only sane leader in the world. He is like Jesus. He just keeps giving out good things like arms control proposals and [getting] hit with rejections.—Helen Caldicott, peace activist.)

Clearly, something is going on inside the Soviet Union. And with Mikhail Gorbachev, Michael the Good to the left, on his way to the United States, perhaps it is time to take stock. What do Mr. Gorbachev's twin policies of "glasnost" (openness) and "perestroika" (restructuring) mean to the Soviet Empire? What do they mean for us? Do Americans have a vested interest in helping Mr. Gorbachev prevail against the "hard-liners"? Is he a different leader, with a different agenda, as even the president of the United States seems to suggest? Is the Gorbachev difference cosmetic or real?

Foreign policy: Even though Moscow has been talking of withdrawing from Afghanistan since prior to the Geneva summit in 1985, two years ago, reaping a windfall of favorable publicity for noble intentions, Moscow has not even begun to pull out.

Moreover, Soviet military shipments into Nicaragua have reached record levels under Mr. Gorbachev, and Soviet officers in Angola commanded that Marxist regime's 1987 fall offensive against the prowestern forces of Jonas Savimbi.

Military buildup: Despite relentless Soviet propaganda against "star wars," Mr. Gorbachev has stepped up Moscow's investment in strategic defense; and the Soviets remain outside the limits of Salt II and in flagrant violation of the ABM treaty. Meanwhile, a new generation of Soviet missiles, the 10-warhead, rail-mobile SS-24, the road-mobile SS-25, and the huge land-based SS-26, are all being deployed; and, in a deliberately provocative act, Soviet rocket forces recently fired their new ICBM north and south of Pearl Harbor, bracketing Hawaii, while an American pilot observing the splashdown was temporarily blinded by a Soviet sea-based laser.

Propaganda: Under "glasnost," the propaganda of hatred against the United States continues. Soviet newspapers continue to promote the Big Lie that AIDS was invented at Fort Detrick, Md., as a weapon in biological warfare. A Soviet journal reports that Jessica Savage, the NBC-TV newswoman killed in a 1983 auto accident, was "murdered" by "CIA agents" and "Zionists," for narrating a documentary protraying unhappy Soviet emigres in the United States.

Izvestiya, the Soviet daily, charges the United States with murdering the 918 members of Jim Jones Peoples Temple who committed mass suicide in Guyana in 1978—to prevent their emigrating to the Soviet Union. Western broadcasts are still being jammed.

Internal repression: While Natan Sharansky and other dissidents have been released, one by one, for maximum publicity, Anatoly Marchenko died in prison. Peaceful protests by Jewish women in Moscow, by Latvian patriots in Riga, by Kazakh nationals in Alma Ata, are still being broken up with clubs and batons. Never before has the KGB had so powerful a representation in the highest councils of the Communist Party.

Despite Mr. Gorbachev's indulgent Western press, nothing he has done to date is without precedent in the Lenin, Stalin, Khruschev or Brezhnev eras. From 1921 to 1929, Lenin and Stalin pursued a New Economic Policy far bolder in its openness than anything envisioned in "perestroika."

In 1956, Nikita Khruschev savaged the paranoid character and murderous policies of Stalin in a speech that made Mr. Gorbachev's recent address seem even more sycophantic than it was. During the "thaw" three decades ago, Alexander Solzhenitzyn's Ivan Denisovich was published; today, simple possession of Mr. Solzhenitzyn's "Gulag Archipelago" remains a state crime. In 1979, under Bolshevik Brezhnev, 50,000 Jews were released; under Mr. Gorbachev, perhaps one-fifth that many may depart this year.

The best and the bravest still rot in insane asylums and prisons in the Soviet Union, while the worst walk the corridors of power.

Poor Comrade Yeltsin, the late Moscow party boss. He discovered what the West will, once again, be slow to wake up to "Perestroika" is an effort to reform the collapsing Marxist economic system in order to preserve and strengthen the Leninist dictatorship. "Glasnost" is yet another change of Communist face, masquerading as a change of heart. Together, they are "maskirovka," a strategic deception to dupe the West into,

> once again, dropping its guard. As Mr. Gorbachev said on the 70th anniversary of Lenin's October Putsch, "Our 'perestrokika,' with all its international effects, is eliminating a fear of a 'Soviet threat' with militarism losing its political vindications." Translation: Believing we have changed our spots, comrades, the West is disarming—intellectually, psychologically, militarily.
>
> While the U.S.S.R. remains the greatest military power in history, the Communist Empire is a social, economic, political and moral ruin. Three times in its history, however—during the NEP in the 1920s, the Lend-Lease era in the '40s and detente in the '70s—the West has rescued the Soviet regime from the consequences of its anti-human ideology.
>
> This time, we ought not to lift a hand. As Nietzsche reminded us, in this world, "when you see something slipping, push it."

Mr. SYMMS. Mr. President, with the General Secretary of the Soviet Union coming to this country next week I think it is appropriate, before this INF Treaty is signed, that Members of the Senate see a copy of the treaty. I hope that President Reagan and the administration would walk interested Senators through this treaty, and answer the questions that Mr. Gaffney, in his open letter to President Reagan, brings before the country.

No. 1, Does the treaty actually eliminate the Soviet Union's INF missile infrastructure and capacity?

I personally believe that the Soviets now have devised a system to cheat on the SS-20 missiles because the missiles electronic signature gets blurred with that of the SS-25's because it is so similar. The Soviets think now that they can cheat on this treaty, while they take the Pershing II and cruise missiles out of Europe which target the command and control centers of an advancing Red army. Further, they believe this is the best way for them to get us to remove our missiles, and they will be able to keep theirs because they are masters of camouflage, of concealment and deception. They have mastered this technique on the SALT II Treaty. The Soviets think they have developed a system by which they can cheat and get away with it. I think this question needs to be answered, not after the treaty is signed, but before it is signed.

Question 2, Is the Soviet-supplied data complete, consistent, and compatible with our own intelligence estimates of treaty-limited systems and activities?

Question 3, Does the treaty language have important ambiguities or loopholes or provisions that otherwise might lend themselves to future debates about meaning and interpretation?

Question 4, Is there effective onsite inspection regimen for suspect facilities?

In other words, if you suspect some other facility, do you really have the ability to look at it in very short notice, or does it take a bureaucratic methodology which might take 30 days or 10 days before you can look at that spot? In the meantime the Soviets have moved the suspected equipment out of the way.

Mr. President, it is important that these questions be answered prior to this meeting next week, before the treaty is signed.

Then, Mr. President, just from a philosophical point of view, I think that as we go into this big lovefest that seems to be coming between Mr. Gorbachev and the President next week, we should just examine for history's sake, and talk about, how many people the Soviets have murdered since 1917, when the Communists took over what is now the Soviet Union by the force of arms.

Mr. President, Communism has cost the lives of 160 million people in 70 years. This number exceeds the combined death totals of all the wars in this century.

The Communist governments of this world have killed, on average, 2.3 million people a year.

The Soviet Union is responsible for an estimated 69.7 million deaths. Refugees from Soviet sponsored aggression is staggering. From Afghanistan, there are 3 million refugees. From Ethiopia, where State controlled food distribution and collectivism has created mass starvation, there are 1.5 million refugees. When we pulled out of Vietnam, millions became boat people to flee the tyranny of Communism.

The Soviets killed over 20 million people after their revolution. In his book "The Great Terror," British scholar Robert Conquest quotes the philosophical father of modern day Communism, V.I. Lenin, who said:

> Not a single revolutionary government can dispense with the death penalty for the exploiters [i.e. capitalists and landlords].

Lenin chastized those who objected to the use of terror in a Communist party meeting in June 1918, saying:

> This is unheard of. The energy and mass nature of terror must be encouraged.

Then there is the famous terror-famine in the Ukraine where the Soviets cut off the supply of grain and food to the area and removed all other sources of food to kill off those objecting to Communism. Eleven million people died from the terror-famine.

Of course, today, people will say that can not happen, but is happening in Ethiopia. The use of Western food aid to depopulate areas that are revolting against the Marxist Leninist government there is notorious.

In Mozambique, FRELIMO, the Soviet backed Marxist-Leninist government uses the death penalty as a means of crushing dissent and intimidating the population.

Ex-FRELIMO member Jose A. Francisco, now a U.S. citizen testified before the U.S. Senate Committee on Foreign Relations African subcommittee saying:

> The FRELIMO defense chief to ex-President Samora Machel, Alberto Chipande, personally executed his own father in the presence of 1,000 FRELIMO cadres as an example for establishing the new order. This public murder was committed by stabbing his father in the stomach and ripping upwards until he died.

Mr. Francisco witnessed mass executions. He said in his testimony:

> Young Frelimo cadres returning from indoctrination in Russia and other East-bloc countries were secretly identified by their instructors as being either converted communists or unconverted. The unconverted were met at the airport in Dar es Salaam with orders for special missions. They were transported into the operational area of Cabo Delgado only to find themselves in a detention center. Here they were executed by bayonet, first being sexually dismembered. This was a regular occurrence; the largest single massacre I witnessed involved 120 individuals.

Mr. President, it is clear that Communist regimes around the world are following Lenin's advice that:

> Not a single revolutionary government can dispense with the death penalty for the exploiters [i.e. capitalists and landlords].

DEFICIT REDUCTION—A BABY STEP

Mr. DOLE. Mr. President, the stock market closed a few moments ago down 76 points. I think that is another indication that we have a lot of work to do, and that little, measly package that we put together after about 30 days of effort I know will be attacked by some as not enough and talked about by others as doing too much in some areas. It does seem to me that we have a real responsibility now to move as quickly as we can because the commentators are starting to say, "Well, Congress can't even pass this little package." And it is not a very big package. It is a baby step in deficit reduction. It is not the kind of package anybody I see on the Senate floor would have put together on either side of the aisle, including the Presiding Officer, who has spoken eloquently on this subject.

But that is all we can do. I would guess in that 4-week period there were 20 or more different options considered. Whether the drop in the market today was because of a lack of confidence, I do not know, a lack of confidence in the White House, a lack of confidence in the Congress, a combination of each, but I think I do know that if we do not act very quickly on what we did put together and what is now supported by the leadership in the Congress and the President of the United States, then we are going to have more and more difficulty in the next few weeks as far as not only the stock market is concerned but the economy generally, and the signal we send not just around this country but around the world. I hope this drop is only temporary. We have just finished our 60th month of economic growth. That is 5 years. That is a great record. But I do believe that deficit reduction is public enemy No. 1. Until we address it, it is going to be right out there causing us problems down the road.

AN INCREASE IN SPENDING

Mr. HOLLINGS. Mr. President, the distinguished Republican leader and I have worked on the same side with respect to trying to reduce the deficit. But in all candor, Mr. President, our problem here in the national government is a reduction of a projected deficit, not a reduction in spending. The truth of the matter is that we take last year's budget, the 1987 spending level, and we thereupon add an inflationary amount and then reduce from that inflated amount, which at the bottom line means an addition of $3 billion on defense, $7 billion on discretionary programs, and some $37 billion in entitlements.

So the so-called deficit reduction package, if you please, Mr. President, is not that at all. It is really an actual increase in spending of some $47 billion, and to my mind the market is doing exactly what it should. It is reading it as anyone else in city hall, in the State house, or anywhere else in government or in business would read financial figures.

Now, an actual freeze of the 1987 level of spending and taxes, no increase in taxes, no increase in spending, would save you $38.2 billion. I think that is what the market is looking for. I think it has gone down 76 points, I most respectfully say to our distinguished Republican leader, because they are afraid that is what we will adopt, which shows no discipline whatsoever or recognition of the problem.

OGLE HARDEN: 50 YEARS OF SERVICE IN REAL ESTATE

Mr. DOLE. Mr. President, it is my pleasure to congratulate today Ogle E. Harden of Coffeyville, KS, who was recently recognized by the Kansas Association of Realtors for 50 years in the real estate business. This outstanding award of achievement is an important symbol of the distinguished career Ogle Harden has had.

Opening his own real estate office in Coffeyville on July 16, 1937, Ogle Harden built his business in southeast Kansas until 1950 when he moved to form a partnership in Springfield, MO. In 1952, he moved back to Coffeyville and reestablished his own office where he remains today.

Ogle Harden is an active member of the Coffeyville Board of Realtors, where he is a past president, and the National Association of Realtors. In 1982 he received the first "Realtor of the Year" Award in Coffeyville.

I salute Ogle Harden and his wife Jane of 52 years. I wish them both many more years of continued success.

TRIBUTE TO DOUGLAS ARANT

Mr. HEFLIN. Mr. President, it is with great sorrow that I rise, today, in tribute to William Douglas Arant, a man who dedicated his life to the service of the people of both Alabama and America. Mr. Arant recently passed away, leaving all in my State at a great loss. Few have devoted themselves with such vigor to the common good. Few have taken the care and dedicated the efforts to travel such a path of outstanding public service. Mr. Arant left a deep mark on my State and our Nation. Besides his extended active involvement in civic affairs, he was a giant in the legal community of Alabama, and enjoyed a fine national reputation for his work. Mr. Arant will be long missed and long remembered by the many, many people who were fortunate enough to have known his friendship and his gracious manner. I have no doubt but that he will live on for many years to come as an example of the great standard of devotion to community and dedication to the law.

Mr. Arant was born in Waverly, AL, just before the turn of the century. After receiving both B.S. and M.S. degrees from the University of Virginia, he attended the Yale University School of Law, where he served as editor-in-chief of the Yale Law Journal. In fact, the Arant family enjoyed quite a reputation at Yale. Both Mr. Arant and his brother served as editors-in-chief of the Law Journal, and have been the only siblings in the history of that institution to enjoy this common distinction. After being graduated cum laude from the Yale Law School, Mr. Arant joined the Birmingham law firm, Tillman, Bradley & Baldwin, the firm which eventually adopted the name, Bradley, Arant, Rose & White.

Throughout his lifetime, Mr. Arant was known in both Alabama and the Nation for his proficiency as an attorney. In him were combined a deep knowledge and thorough understanding of the rules and concepts of the law, an overriding sense of moral conduct and ethical standard, a sharp, disciplined mind, and a gifted tongue. When any one attorney possesses two or three of these qualities, he is usually well-regarded, indeed. However, Mr. Arant possessed all four of these qualities, and was well-endowed with a full complement of each. In the courtroom, he was a feared opponent, and a strong ally. But above all else, he was a fair, just, and respected advocate, always exemplifying all that is good in the practice of law.

Mr. Arant's legal expertise and devotion to the public good were early recognized and, during his lifetime, he was chosen to serve on various special committees, and in many different positions. In 1933, he was appointed as a special assistant to the U.S. Attorney General serving as chief counsel for the Petroleum Administrative Board. In 1936, he was elected president of the Alabama State Bar. He was probably the youngest member of the bar to be elected to head this association. At his death, Mr. Arant was the most senior former president of any State bar association in the Nation. He also served as a member of the Alabama State Bar Association Board of Commissioners from 1931 to 1940. In 1938, during a period of intense national constitutional questioning, Mr. Arant was appointed to the American Bar Association's Committee on the Bill of Rights, and was named as the committee's first chairman in 1941. Interestingly, Justice Lewis Powell also served as a member of that committee, and has spoken very highly of Mr. Arant's able leadership. In 1953, at the request of the U.S. Attorney General, Mr. Arant was appointed a member of the National Committee to study the Antitrust Laws. Finally, Mr. Arant was recently formally recognized for his outstanding service to Birmingham and to Alabama by being named the "Lawyer of the Year" in 1976 by the Birmingham Bar Association.

One quality Mr. Arant possessed that I most admired was his determination to work for a cause, speak his convictions or take a position, based on what he knew to be right or wrong, despite the consequences. The best example of this quality with which I am acquainted is his 1937 chairmanship of the National Committee for Independent Courts. Mr. Arant was a strong Roosevelt supporter beginning in 1932 and continuing throughout FDR's tenure. In 1937, however, he fervently opposed Roosevelt's attempt to pack the U.S. Supreme Court, and agreed to head the Committee for Independent Courts, which organized support against Roosevelt's court packing plan. I have heard that were it not for this action which incurred Roosevelt's wrath, Mr. Arant was slotted for appointment as the Nation's Solicitor General. All Democrats who opposed Roosevelt's plan paid some price for what Roosevelt perceived as disloyalty. Some, like Vice President Henry Wallace paid a great price, indeed. However, I am sure that Mr. Arant was well-rewarded by the knowledge that he well-served his country and Constitution.

Mr. Arant served his community, our State, and Nation in numerous other ways, as well. Some dealt with the legal profession, such as his work in organizing the Legal Aid Society of Birmingham and his later service as president of that organization. Yet there were countless other efforts in which he was involved that dealt with civic affairs. He served as president of both the Birmingham Civic Opera, and the Birmingham Civic Symphony Association, and was an early organizer and supporter of both organizations. He was a trustee of the Brookhill School, the Eye Foundation, and a member of the Chauncey Sparks Center for Developmental and Learning Disorders. Mr. Arant was also active in improving institutions of higher learning, and received honorary degrees from the University of Alabama, Birmingham Southern College, and Rhodes College in Memphis, TN.

Mr. President, I felt a deep sense of loss when I learned of the passing of Douglas Arant. Alabama and America have lost a devoted servant. I have lost a dear friend. Yet also, with his death, I sensed the passing of an era in which individuals may have possessed an easier manner, a deeper obligation to pursue truth, and justice, and a stronger feeling that one must fulfill an obligation and responsibility to others inherent in the definition of citizenship. Mr. Arant was the epitome of his age. I believe that his life and record stand as an example of this time. In the future, I hope that not only attorneys, but that all citizens should strive to emulate his standard.

Mr. President, I ask unanimous consent that the attached article describing Mr. Arant's death be printed in the RECORD.

Thank you, Mr. President.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Birmingham News]

WILLIAM DOUGLAS ARANT

Birmingham civic leader Douglas Arant, a former president of the Alabama Bar Association, died Friday. He was 90.

Arant was a senior partner in Bradley, Arant, Rose & White, the state's largest law firm. He was with the firm for more than 60 years.

"I consider him the dean of Alabama attorneys," Drew Redden, former president of the Birmingham and Alabama bar associations, said this morning. "He delivered as great a service to the profession and its integrity as any attorney in this state."

James North, a Birmingham attorney who was president of the state bar in 1985, said Arant was "a wonderful man and a great lawyer.

"He was one of the most prominent lawyers Alabama has ever had," he said. "He really was a nationally respected lawyer."

Arant received a science degree from the University of Virginia in 1920 and graduated magna cum laude from Yale University Law School in 1923, where he was editor of the *Yale Law Journal*.

After graduation, he joined Tillman, Bradley & Baldwin and was named a partner in the firm soon after.

In 1933-34, Arant was a special assistant to the U.S. Attorney General, serving as chief counsel for the Petroleum Administrative Board.

In 1937, Arant became chairman of the National Committee for Independent Courts, a nationwide organization opposed to FDR's attempt to pack the court.

In 1953, by request of the attorney general, Arant was appointed a member of a "National Committee to Study the Antitrust Laws."

In addition to serving as president of the Alabama State Bar Association in 1936-37, he was a fellow of the American Bar Foundation and past chairman of the American Bar Association's Committee on the Bill of Rights.

Arant was a member of the Board of Bar Commissioners of the Alabama State Bar, a charter member of the Counsel of the Alabama Law Institute, and the Farrah Law Society, and a honorary chairman of the Law School Completion Campaign.

He also was a member of the American Law Institute, the Association of the Bar of the City of New York and the Birmingham Bar Association.

In 1976 he was named "lawyer of the year" by the Birmingham Bar, based on the professional achievement and service to the community, state and nation.

Arant was one of the organizers of the Legal Aid Society of Birmingham and served as president of that organization and president of the Birmingham Civic Opera, and past president of the Birmingham Civic Symphony Association.

He was trustee of Brookhill School and the Eye Foundation, charter honorary member of the University of Alabama at Birmingham President's Council, and a member of the Friends of the Chauncey Sparks Center for Developmental and Learning Disorders.

He received honorary doctorate degrees from the University of Alabama, Birmingham Southern College and Rhodes College in Memphis.

He was a member of Beta Theta Phi, Phi Delta Phi, Phi Beta Kappa, the Order of the Coif, and the Yale Club. He was also a member of the Redstone Club, the Mountain Brook Club, the Jefferson Club, and St. Mary's Episcopal Church. Funeral will be at 2 p.m. Monday at the church with burial in Elmwood, Johns-Ridouts's, Southside directing.

Survivors include three daughters, Letitia Arant and Mrs Adele Stockham, both of Birmingham, and Mrs. Fairlie Maginnes, Washington, D.C.

S.S. MURPHY HIGH SCHOOL RECEIVES EXCELLENCE IN EDUCATION AWARD

Mr. HEFLIN. Mr. President, earlier this year, the U.S. Department of Education announced that the S.S. Murphy High School, located in Mobile, AL, had been selected to receive the "Excellence in Education Award." I am proud to rise, today, to congratulate the students, teachers, and parents of the S.S. Murphy High School on receiving this award. Murphy High is one of only two schools chosen for this award in my home State of Alabama. It is the only public school to be so honored, and it is 1 of only 271 other junior high, middle, and high schools so honored in the entire Nation. I am sure that everyone who is involved with Murphy High School is delighted by the recognition, as they should be. I commend the efforts of those at Murphy for bringing such distinction to my State, and for setting such a fine example for all of the schools in the Nation.

On October 5, 1987, the former principal of Murphy High School, Mr. Paul Sousa, traveled to Washington along with Billy Salter, the acting superintendent of the Mobile County School System, and Judy McCain, a member of the board of education, to accept the Excellence in Education Award from President Reagan and Secretary of Education William Bennett at the White House. I hope their visit was a delightful one. A representative from the Department of Education will soon travel to Mobile to make a presentation of the award at the school. This will doubtless be a memorable event for the students and faculty members alike.

The S.S. Murphy High School was chartered in 1928, and is the oldest accredited school in Alabama. It is also the largest school in Alabama with an enrollment of approximately 2,760 students. There are over 60,000 alumni of Murphy, including a member of my staff. I have visited Murphy High on two occasions. Therefore, I know from firsthand experience the high caliber of graduates that Murphy produces. Boys and girls are molded into young men and women who possess confidence, a sound foundation in the basics of education, an intellectual curiosity, and an enthusiasm for knowledge.

Murphy High School offers one of the strongest curricula of any school in my State—public or private. Over the last 8 years, they have had a strong Advanced Placement Program, offering 14 actual college courses. They offer six foreign languages, including Russian and German. Murphy has been designated as an outstanding high school in Alabama on many occasions. The knowledge and preparation the students at Murphy receive are evident in the competition among colleges and universities for Murphy graduates. Last year, roughly $9 million in scholarships were awarded to the graduating seniors by colleges and universities throughout the country.

The facilities that Murphy has to offer are almost unparalleled in the Nation. The campus is located on 40 acres of land. There are 17 separate buildings, including a math building, science building, and an arts building. Furthermore, Murphy is listed on the National Historic Register for the historic architectural beauty of its buildings, which are of Spanish origins, reflecting the early history of Mobile.

With such a large campus, it may appear to an outsider that the school would be somewhat like a university, possibly lacking in old high school spirit that is so special and important to students. However, I can assure anyone that this is most certainly not the case. Indeed, because of the school's greatest asset, its students, the S.S. Murphy High School possesses a tremendous school spirit.

The students at Murphy have been able to capture the school spirit in their activities, conveying their emotions to all. The Murphy High School yearbook was selected last year as one of the top five in the whole United States. The school band traveled here to Washington last year for the Cherry Blossom Parade and took first place. There are all types of clubs and organizations that the students are very active in, and the accomplishments in sports activities are outstanding. Murphy was the State champion in football 3 years ago, and always fields a competitive team. The girl's track team won first place last year, and the students are able to compete with other schools in all sports.

In addition to standard academic offerings and extracurricular activities, Murphy High School possesses one of the most outstanding vocational education programs in the State of Alabama. It is designated as an area vocational school, and offers training and hands-on experience in many areas of concentration. Murphy is also dedicated to education for older citizens and has an excellent adult and veteran audit education program.

Mr. President, in every way, the Murphy High School is dedicated to excellence in education. I am proud of them for this accomplishment, but more than that, I am thankful for their efforts. For these efforts of all involved with the Murphy High School will result in a better and brighter future for citizens in my State and our Nation. I believe that education and knowledge are a key to the future and to the continued success of the United States of America. Again, I commend the S.S. Murphy High School for their efforts, congratulate them on their success, and I know that their future accomplishments will be equally, if not more, remarkable. They cannot miss with the tremendous dedication to excellence in education that is shared by students, faculty members, and parents, alike.

Thank you, Mr. President.

JOAN BOYLE—1987 CITIZEN OF THE YEAR

Mr. RIEGLE. Mr. President, on Friday, December 5, my good friend and former staff member, Joan Boyle, will be honored as Citizen of the Year by the Milford Area Chamber of Commerce. I can think of no one more deserving of this honor.

Joan has dedicated her life to her family and her community. With her husband, Marty, she has raised five wonderful children. Even with the pressures and hectic life that raising a large family brings, Joan has always found time for her community. As a lifelong resident of Michigan's Huron Valley, her service to the community dates back many years. She has been active in the Milford area public schools, the Cancer Foundation, the Girl Scouts and has served on the board of directors of numerous organizations including the human relations council for the Huron Valley area, the Oakland County Family Services, the St. Vincent Sarah Fisher Children's Center, and the Highland Township Senior Citizens Center, to mention only a few.

Despite the many difficulties she has faced in her own life, Joan Boyle cares about all people and always goes that extra mile to help. As a caseworker on my staff in 1978-79, as well as in all her dealings with others, Joan has brought warmth, compassion, and insight to her work. Her good humor, courage, and personal strength are characteristics I particularly admire and set an example for us all.

Joan Boyle is one of those unique individuals whom others admire and seek out. I suspect she does not expect any public recognition for her work; in fact, she is probably embarrassed by it. But speaking for myself, and all who know Joan, I am pleased by this well deserved recognition from her community, and I am honored to be her friend.

THANKSGIVING FOR THE AMERICAN FAMILY

Mr. HEFLIN. Mr. President, Senate Joint Resolution 66, a bill that I was proud to sponsor, designated the week of November 22-28, Thanksgiving week, as "National Family Week." I believe that the week of the Thanksgiving holiday was a highly appropriate time, indeed, to count the blessings of, and to offer thanksgiving for our families that are often, unfortunately, taken somewhat for granted in this day and age.

The secret of America's success has been our drive to excel, a spirit born in and nurtured by our families. With dreams and hard work, families have built our Nation, establishing the tradition of greatness that pervades the character of every American citizen. Everything that has been accomplished by our fathers and forefathers was made possible through the values and beliefs which have been fostered by and passed down through generations of the American family. There is no institution that is more vital to the survival of our Nation and of our democracy than the family, for in the family are planted the seeds of personal character. It is the family that nutures the roots of public virtue, and encourages the respect and love for our fellow man. Through love and instruction, discipline, guidance and example, we learn from our mothers and fathers, and from our brothers and sisters, as well, the values that will shape our private lives and our public citizenship.

Mr. President, I believe that since we have just celebrated the Thanksgiving holiday week, and since we have just observed National Family Week, this is a good time to examine the state of our Nation's families. In the past few years, I have watched with growing alarm as the family in America has been besieged by various factors which could conceivably undermine our Nation's families, and rob this country of our greatest national resource.

In the last 20 years, there has been a dramatic increase in the incidence of drug and alcohol abuse among citizens of all ages—children included. The emotional effects of the family and on children in particular caused by this substance abuse are disastrous. I believe that we, in Congress, and that we, as a nation, must redouble our efforts to curb this incidence of drug and alcohol abuse, and so come to the aid of the American family.

Another problem that daily confronts the family is pornography. Access to pornographic magazine and movies has undoubtedly increased in the last few years. Indeed, I recently received a letter from a constituent who had been contacted by an organization offering the sale of pornographic movies through a mail order catalog. The letter was unsolicited. It was one of the most offensive, grotesque things I have seen. I shudder to think of the result if some youngster opened the letter, the content of which was unidentifiable from the outside envelope. What if some young child ordered such material. We must work to see that American families do not have to be daily offended by such affronts.

Television has also become increasingly violent, and there is a great deal of evidence to suggest that watching excessive amounts of TV violence can cause violent behavior and other emotional problems among young and old, alike, particularly in those very young children who are highly impressionable, and in those individuals who already have some emotional disabilities. Each of these trends and factors undermines the strength of the family. I am not calling for the establishment of some censorship board, or for the creation of a "Spanish Inquisition" type of inquiry, but I strongly believe that effective regulation would go a long way in helping our families, while still not infringing upon first amendment rights of free speech. After all, families have the right to be spared from being assaulted with offensive and violent material. And parents have the right to raise their children in an environment that is free of drugs, alcohol, and pornography.

There exist many areas that are beneficial to the family. Patriotism and the celebration of citizenship on both national holidays and everyday helps to strengthen the family and the Nation. I believe that religion and family workship work to strengthen the family enormously, and instill in all a sense of caring, of neighborly love, and of moral responsibility. One of the great builders of the family is religion. A family that attends church together stays together through thick and thin. A family that prays together survives most problems.

In my opinion, our Government could play a more beneficial role in strengthening and helping the family than it now does. I believe that Government has the potential to be helpful to the family, but it could be as harmful as it could be helpful.

The Congress and the administration—indeed, every facet of Government—should be more mindful of the needs of the American family when considering legislation and appropriations for various programs and areas. The areas of education shows how Government can be helpful, but also how it can result in harm, as well. The Congress, the administration, and the Government as a whole could work to ensure that our schools and colleges could be of tremendous importance in helping to promote the family. An excellent education will help improve the standard of living that our families enjoy. The subjects learned in school can help to reinforce the values learned in our family lives. A growing concern in my mind and among the people of America is that schools do not adequately focus on lessons that reinforce and uphold family values. We must strive to ensure that schools will work hand in hand with the parents of America to see that our young people hold as important the crucial values of sharing, of caring, and of responsibility to others.

On the other hand, Government could drastically harm the family through its position in education. In this Congress, for example, the administration has proposed a budget which will drastically cut the amount of financial assistance that will be available to college students. Such a measure would appear to be only an educational issue. However, who will bear the brunt of such an action—colleges, professors, students? Yes, they will all suffer. Yet, the present and future families of America will suffer, as well. If a college education is denied to a bright young man or woman he or she will be less able to provide for a family when married or when faced with the demands—financial and otherwise—that children and a family make.

Another example one can consider is the impact of taxation, and, recently the Tax Reform Act of 1986 on the families of America. There are thousands of young married couples who have no children or house of their own, but who both work and try to save money so that some day they can afford to meet all the financial obligations that having children brings, or to buy a house so that their family will be comfortable. However, for the simple reason that they are married, their Federal income taxes will be higher than would be the combined taxes of two single people who were earning the same salaries. This is because of the repeal of the marriage deduction. So, those young married couples will actually be penalized for starting a family. Is this any way to promote the family? The elimination of this deduction was one of the many reasons why I opposed the final version of the tax bill.

I believe that Congress should identify other areas that have an impact on the families of America, and Government should work in these areas to help the family. Areas such as law enforcement, drug control, housing, employment, taxes, and others should be identified and should be used to help the American family.

But, I am afraid that our Government has not been giving the family adequate consideration. In recent years especially, I am fearful that policymakers and legislators have introduced and instituted laws which have been detrimental to the American family. This not been deliberate, but, rather, stems from a certain negligence which arises during the legislative process. However, this negligence is, in my judgment, inexcusable.

The interests, the goals, the concerns and the necessities of the family must be a primary priority of Government, and must be kept in mind in all workings of the Government, and throughout the legislative process. All policymakers and legislators must be aware of the full impact their actions will have on the families of America.

In the 100th Congress, there are various issues which occupy the forefront of national attention, and are the focus of legislative consideration. However, I believe that the Congress and the administration should begin to consider one issue that, through the years, has received neither its rightful recognition, nor its appropriate share of attention—the condition of the American family. In my mind, this concern should surpass all others, for the American family is the backbone of our Nation and provides all hope for the future of this country. I am hopeful that the commemorative legislation proclaiming "National Family Week" helped to bring attention to the tremendous benefits, as well as the great needs of families to the entire Nation.

Only in this way will we allow the American family to continue in its position as our greatest natural resource, and as the cornerstone of American values and strengths. Only in this way will the family be able to continue as the foundation of American life.

During the Thanksgiving holidays, I hope that families throughout the Nation had the chance to pause and take a moment to recognize the benefits, strengths, and values that families have and encourage. If these assets were recognized, then I believe that National Family Week was an overwhelming success. Moreover, I am also hopeful that those in the administration, in Congress and elsewhere will pause and consider how their actions affect the family on a daily basis. If they realize this impact, and work, as I have attempted to do throughout my service, to strengthen and bolster the family, then National Family Week will have had an immediate and lasting value.

MARS HILL BIBLE SCHOOL RECEIVES EXCELLENCE IN EDUCATION AWARD

Mr. HEFLIN. Mr. President, earlier this year, the Mars Hill Bible School was selected as by the U.S. Department of Education to receive the Excellence in Education Award for 1987. I am both delighted and honored to congratulate everyone at the Mars Hill Bible School, which is located in Florence, AL, on this outstanding award. This is quite an achievement, indeed. Mars Hill is one of only two schools that were recognized in my home State of Alabama, one of only 54 private schools that were selected for this honor in the country, and one of only 271 other junior high, middle, and high schools so honored in the entire Nation. I am very proud of the students, faculty, parents, and administrators of Mars Hill for bringing such distinction to Alabama. They should be proud of this great honor, and for the outstanding example they have set for schools and students in Alabama and in America. On Monday, October 5, Dr. Milton Sewell, the president of the Mars Hill Bible School; Dr. Kenny Barfield, the Bible teacher, academic dean, and assistant principal; and Mr. Lawrence Williams, the high school principal, traveled to Washington to accept the Excellence in Education Award from President Reagan and Secretary of Education William Bennett at the White House. I hope that their visit was a delightful one.

The Mars Hill Bible School was established in 1947 and is accredited by the Southern Association of Colleges and Schools and the Alabama Department of Education. Last year's enrollment was 809, and enrollment for this year has increased by 9 percent to 880 students. Mars Hill has been dedicated to excellence in education since it was founded, and this is evident in the thousands of graduates who bring distinction to their school and to our State through their knowledge and strong foundation in the basics of education. Mars Hill is just as dedicated to the pursuit of education in their 41st year as they were in their first year.

The Mars Hill Bible School begins with a 3- and 4-year-old preschool program, and extends through the 12th grade. Ninety-five percent of the 1987 graduates planned to go on to attend college. Advanced placement college credit courses will be available by the fall of 1988. Mars Hill students scored well above the national average on their Stanford Achievement Tests, scoring an average of 91.6 while the national average was 50.

However, test scores are not the only indication of excellence in education. Mars Hill Bible School's philosophy is based on the Biblical principle found in Luke 2:52, which states, "And Jesus increased in wisdom and stature, and in favor with God and man." Mars Hill educators and students share the belief that no person is truly educated who does not grow mentally, physically, spiritually, and socially to the best of his or her ability. It is to this end that Mars Hill classes and extracurricular activities are developed to provide such growth opportunities for each student. And it is in this effort that the Mars Hill family has succeeded. The Mars Hill Bible School has provided a superior education to thousands of young people, but it has also molded boys and girls into men and women. It has provided young students with a thirst and an enthusiasm to learn.

I believe that this recognition of everyone involved with the Mars Hill Bible School is appropriate and very well-deserved. I also believe, however, that this award does not adequately reward the school for all of its great successes. Those successes are exhibited in the lives of the young men and women who are graduated each year from the Mars Hill Bible School, and who endowed with an appreciation of knowledge, an intellectual curiosity, and a deep respect for and love of God.

I know that, in the years to come, the Mars Hill Bible School will continue to enrich the lives of all the people of our communities and in our State. And I am sure that it will continue to bring distinction to Alabama and to help Alabamians prepare for the future. Again, I congratulate them on this great award and commend them for their excellence in education.

Mr. President, I ask unanimous consent that the attached materials be printed in the Congressional Record. The first is a resolution presented by the mayor of Florence, AL, congratulating the Mars Hill Bible School on the award. The second is an article that appeared in the Times/Daily newspaper which describes the outstanding achievements that everyone at Mars Hill Bible School has worked for and has accomplished.

There being no objection, the material was ordered to be printed in the Record, as follows:

Resolution

Whereas, Mars Hill Bible School was established in 1947 as a private school and is accredited by the Southern Association of Colleges and Schools and the Alabama Department of Education; and

Whereas, Mars Hill was chosen to receive the Excellence in Education Award this year by the United States Department of Education; this award was one of 271 awards given to schools across the United States; only 54 were given to private schools and only 2 were chosen from the State of Alabama with Mars Hill receiving one of these; and

Whereas, Mars Hill students scored 91.6 on their Stanford Achievement Tests while the national average is 50; they also have 90 percent of their students who go on to attend college; and

Whereas, the City of Florence is proud to have such a fine institution whose success lies not only in its ability to teach students academics but also in its ability to build strong character and mold young lives to achieve the very best they can in whatever career they choose to pursue;

Now, Therefore, I, Eddie Frost, Mayor of the City of Florence, Alabama, do hereby extend my sincere and heartiest congratulations to Mars Hill Bible School and its faculty and students in receiving this prestigious and honorable award. This outstanding achievement exemplifies the highest standard of education and we are very proud of you!

Presented this the 7th day of July, 1987.—Eddie Frost, Mayor.

Mars Hill Chosen for Honor

Washington.—Two Alabama schools came out tops with 271 other junior high, middle and high schools when the U.S. Department of Education named the nation's outstanding schools.

Mobile's S.S. Murphy High School and Florence's Mars Hill Bible School were chosen from the 670 schools for the honor.

The winning school principals and superintendents will be invited to Washington at their own expense this fall for a ceremony. Education Secretary William J. Bennett will bestow on each a "Flag of Excellence."

The State Departments of Education in all 50 states had nominated 670 schools for the honor. Four states came up empty: North Dakota, Oklahoma, South Carolina and West Virginia.

The schools were judged by a panel of 71 reviewers, only a third of them educators, on a wide range of attributes. They took into account the school's climate, attendance rates for students and faculty, student test scores, dropout rates and whether it is drug free. Federal officials also check the school's civil rights record.

It was the fifth year for the recognition program which costs taxpayers 728 thousand dollars.

MESSAGES FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT

Under the authority of the order of the Senate of February 3, 1987, the Secretary of the Senate, on November 24, 1987, during the adjournment of the Senate, received a message from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on November 24, 1987, are printed at the end of the Senate proceedings.)

FINAL SEQUESTRATION ORDER OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT—PM 92

Under the authority of the order of the Senate of February 3, 1987, the Secretary of the Senate, on November 20, 1987, during the adjournment of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975 as amended by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on the Judiciary, the Committee on Labor and Human Resources, the Committee on Rules and Administration, the Committee on Small Business, the Committee on Veterans' Affairs, the Select Committee on Intelligence, the Select Committee on Indian Affairs, and the Special Committee on Aging:

To the Congress of the United States:

In accordance with the requirements of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, Public Law 100-119, and to ensure the timely implementation of the Act, I hereby transmit the following:

(1) Report of the Director of the Office of Management and Budget; and

(2) Final sequester order of the President.

RONALD REAGAN.

THE WHITE HOUSE, *November 20, 1987.*

PROPOSED ALTERNATIVE SEQUESTRATION REDUCTIONS FOR THE DEPARTMENT OF DEFENSE—MESSAGE FROM THE PRESIDENT RECEIVED DURING ADJOURNMENT—PM 93

Under the authority of the order of the Senate of February 3, 1987, the Secretary of the Senate, on November 24, 1987, during the adjournment of the Senate, received the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975 as amended by the order of April 11, 1986, was referred jointly to the Committee on Appropriations, the Committee on the Budget, and the Committee on Armed Services:

To the Congress of the United States:

In accordance with the requirements of section 252(c)(2)(C)(i) of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987, Public Law 100-119 (the "Act"), I hereby transmit my report proposing alternative sequestration reductions for the Department of Defense for Fiscal Year 1988, together with a proposed joint resolution that provides for adoption of my report.

The alternative proposal exempts only the Strategic Defense Initiative, based on the priority of the program, and multi-year/firm fixed-price contracts, based on the need to preserve the economies inherent in our acquisition strategy. The exemptions in the alternative proposal are offset by reductions distributed uniformly across all other programs and accounts.

In making calculations for this joint resolution, we have used account outlay rates identical to those used in the November 20, 1987, sequester report issued by the Director of the Office of Management and Budget. The outlay increases that would result from adoption of the alternative sequestration reductions in my report would be offset by the outlay reductions also contained in the report.

As provided in section 252(c)(2) of the Act, I request prompt congressional passage of a joint resolution affirming these changes.

RONALD REAGAN.

THE WHITE HOUSE, *November 24, 1987.*

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting a nomination, which was referred to the Committee on the Judiciary.

(The nomination received today is printed at the end of the Senate proceedings.)

IMPLEMENTATION OF COMPACT OF FREE ASSOCIATION WITH THE GOVERNMENT OF PALAU—MESSAGE FROM THE PRESIDENT—PM 94

The **PRESIDING OFFICER** laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Energy and Natural Resources:

To the Congress of the United States:

I transmit herewith for the consideration of the Congress a proposed Joint Resolution that, in accordance with Section 101(d)(B) of Public Law 99-658, would enable the Government of the United States and the Government of Palau to implement the "Compact of Free Association" on a date mutually agreed to by our Governments.

In accordance with Section 101(d)(A) of Public Law 99-658, I hereby certify to the Congress that the Compact of Free Association between the United States and Palau has been approved in accordance with Section 411 (a) and (b) thereof, and that there exists no legal impediment to the ability of the United States to carry out fully its responsibilities and to exercise its rights under Title Three of the Compact.

The foregoing certification is based upon notification by the Government of Palau that its internal constitutional approval process has been completed. Specifically, on August 29, 1987, President Lazarus E. Salii certified in writing to the Department of State that 73 percent of the people of Palau voting in a plebiscite observed by the United Nations on August 21, 1987, approved the Compact. The Palau National Congress gave its final approval to the Compact on August 27, 1987. Under their constitution, the people of Palau have freely chosen self-government and free association with the United States.

The proposed Joint Resolution would also amend Section 104(e) of Public Law 99-658 in two ways. First, additional language would be added to the first sentence of this subsection, stating that money payable by the United States to Palau shall be paid to Palau in accordance with procedures provided by the Compact and its related agreements. For example, Palau may wish to issue a bond and grant its creditor a security interest in some of the anticipated Compact funds from the United States, a procedure possible under the Fiscal Procedures Agreement with Palau. The additional language would clarify that payment into such an encumbered bank account would be consistent with U.S. responsibilities to Palau. This would place Palau on an equal footing with the other freely associated states.

Second, the proposed Joint Resolution would repeal the last sentence of Section 104(e), which purports to strip United States courts of jurisdiction over commercial litigation now pending in the Federal courts between Palau and certain of its creditors. This attempt to grant Palau sovereign immunity for a single case relating to a power plant project is inconsistent with United States law and policy as embodied in the Foreign Sovereign Immunities Act of 1976. Repeal of this provision would protect the reputation of the United States as an international financial center and allow Palau and its creditors to pursue the rights and remedies available to them through the judicial process. Such repeal would also permit the routine application of the Foreign Sovereign Immunities Act. This would not in any way prejudge the matter, but merely enable the case to be heard in the courts of the United States.

Approval of the enclosed Joint Resolution would enable the United States to bring the Compact into effect and end application of the 1947 Trusteeship Agreement with the United Nations Security Council, under which the United States has administered Palau. The end of the trusteeship would mean the beginning of a new era of political, economic, strategic, and cultural partnership between the United States and Palau.

Therefore, I urge the Congress to pass the attached proposed Joint Resolution authorizing entry into force of the "Compact of Free Association."

RONALD REAGAN.

THE WHITE HOUSE, *November 30, 1987.*

AGREEMENT BETWEEN THE UNITED STATES AND FRANCE ON SICL SECURITY—MESSAGE FROM THE PRESIDENT—PM 95

The **PRESIDING OFFICER** laid before the Senate the following message from the President of the United States, together with accompanying papers; which was referred to the Committee on Finance:

To the Congress of the United States:

Pursuant to Section 233(e)(1) of the Social Security Act, as amended by the Social Security Amendments of 1977 (P.L. 95-216, 42 U.S.C. 433(e)(1)), I transmit herewith the Agreement between the United States of America and the French Republic on Social Security that consists of two separate instruments: a principal agreement signed at Paris on March 2, 1987, and an administrative agreement signed at Washington on October 21, 1987.

The U.S.-France Agreement is similar in objective to the social security agreements already in force with Belgium, Canada, the Federal Republic of Germany, Italy, Norway, Sweden, Switzerland, and the United Kingdom. Such bilateral agreements provide for limited coordination between the United States and foreign social security systems to ovecome the problems of gaps in protection and of dual coverage and taxation for workers who move from one country to the other.

I also transmit for the information of the Congress a comprehensive report prepared by the Department of Health and Human Services, which explains the provisions of the Agreement and provides data on the number of persons affected by the Agreement and the effect on social security financing as required by the same provision of the Social Security Act.

The Department of State and the Department of Health and Human Services join with me in commending the U.S.-France Social Security Agreement and related documents.

Ronald Reagan.

The White House, *November 30, 1987.*

MESSAGES FROM THE HOUSE RECEIVED DURING ADJOURNMENT

ENROLLED BILLS SIGNED

Under the authority of the order of the Senate of February 3, 1987, the Secretary of the Senate, on November 24, 1987, during the recess of the Senate, received a message from the House of Representatives announcing that the Speaker had signed the following enrolled bills:

S. 1822. An act to amend title 18, United States Code, and other provisions of law relating to sentencing for criminal offenses; and

H.R. 148. An act to designate certain public lands in the State of Michigan as wilderness, and for other purposes.

Under the authority of the order of the Senate of February 3, 1987, the enrolled bills were signed on November 24, 1987, during the adjournment of the Senate by the President pro tempore (Mr. Stennis).

MESSAGES FROM THE HOUSE

At 10:03 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 148) to designate certain public lands in the State of Michigan as wilderness, and for other purposes.

The message also announced that the House disagrees to the amendment of the Senate to the bill (H.R. 2310) to amend the Airport and Airway Improvement Act of 1982 for the purpose of extending the authorization of appropriations for airport and airway improvements, and for other purposes; it agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and appoints the following as members of the conference on the part of the House:

From the Committee on Public Works and Transportation, for consideration of titles I and III of the House bill and title I of the Senate amendment, and modifications committed to conference: Mr. Howard, Mr. Anderson, Mr. Mineta, Mr. Oberstar, Mr. Nowak, Mr. Rahall, Mr. Visclosky (for consideration of section 109 of the Senate amendment only, in lieu of Mr. Rahall), Mr. Hammerschmidt, Mr. Shuster, Mr. Stangeland, Mr. Gingrich, and Mr. Packard (for consideration of section 120 of the Senate amendment only, in lieu of Mr. Shuster).

From the Committee on Science, Space, and Technology, for consideration of section 102(b) of the House bill and sections 107 and 120 of the Senate amendment, and modifications committed to conference: Mr. Roe, Mr. McCurdy, Mr. Glickman, Mr. Lujan, and Mr. Lewis of Florida.

From the Committee on Ways and Means, for consideration of title II and section 114 of the House bill and title II and section 114 of the Senate amendment, and modifications committed to conference: Mr. Rostenkowski, Mr. Gibbons, Mr. Pickle, Mrs. Kennelly, Mr. Duncan, and Mr. Daub.

The message further announced that pursuant to the authority granted the Speaker earlier, the Speaker appoints the following as additional conferees in the confernce on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3051) entitled "An act to amend the Federal Aviation Act of 1958 to establish minimum standards relating to air carrier passenger services, and for other purposes":

From the Committee on the Judiciary, as additional conferees for the consideration of section 5 of the Senate amendment and modifications committed to conference, and as exclusive conferees on section 6 of the Senate amendment and modifications committed to conference (in lieu of conferees from the Committee on Public Works and Transportation previously named): Mr. Rodino, Mr. Edwards of California, Mr. Glickman, Mr. Fish, and Mr. Dannemeyer.

ENROLLED BILL SIGNED

The message also announced that the Speaker has signed the following enrolled bill:

H.R. 1748. An act to authorize appropriations for fiscal years 1988 and 1989 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for each fiscal year for the Armed Forces, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. Stennis).

At 3:41 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, with an amendment, in which it requests the concurrence of the Senate:

S. 1667. An act to authorize certain atmospheric and satellite programs and functions of the National Oceanic and Atmospheric Administration, and for other purposes.

MEASURES PLACED ON THE CALENDAR

Pursuant to the provisions of section 6 of Public Law 93-148, the Committee on Foreign Relations was discharged from the further consideration of the following joint resolution; which was placed on the calendar:

S.J. Res. 217. Joint resolution providing specific authorization under the War Powers Resolution for the continued use of U.S. Armed Forces on the Persian Gulf, consistent with the foreign policy objectives and national security interests of the United States.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on November 25, 1987, he had presented to the President of the United States the following enrolled bills:

S. 1452. An act to extend and amend the authorization of appropriations for the Securities and Exchange Commission, and for other purposes; and

S. 1822. An act to amend title 18, United States Code, and certain other provisions of law relating to sentencing for criminal offenses.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2164. A communication from the Acting Director of the Congressional Budget Office, transmitting, pursuant to law, a revised sequestration report for fiscal year 1988; pursuant to the order of January 30, 1975, referred jointly to the Committee on Agriculture, Nutrition, and Forestry, the Committee on Appropriations, the Committee on Armed Services, the Committee on Banking, Housing, and Urban Affairs, the Committee on the Budget, the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, the Committee on Environment and Public Works, the Committee on Finance, the Committee on Foreign Relations, the Committee on Governmental Affairs, the Committee on the Judiciary, the Committee on Labor and Human Resources, the Committee on Rules and Administration, the Committee on Small Business, the Committee on Veterans' Affairs, the Select Committee on Intelligence, the Select Committee on Indian Affairs, and the Special Committee on Aging.

EC-2165. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals dated November 1, 1987; pursuant to the order of January 30, 1975, referred jointly to the Committee on Appropriations and the Committee on the Budget.

EC-2166. A communication from the Assistant Secretary of the Air Force (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to repeal the limitation on the total amount of basic allowance for quarters and variable housing allowance (VHA) payable to a member of the Uniformed Services; to the Committee on Armed Services.

EC-2167. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, selected acquisition reports (SARs) and summary tables for the quarter ending September 30, 1987; to the Committee on Armed Services.

EC-2168. A communication from the Assistant Secretary of the Army (Installations and Logistics), transmitting, a draft of proposed legislation to amend title 10, United States Code, to provide for more efficient and expeditious disposal of lost, abandoned, or unclaimed property in the custody of the military departments; to the Committee on Armed Services.

EC-2169. A communication from the Chairman and Members of the Interagency Committee on Cigarette and Little Cigar Fire Safety, transmitting, pursuant to law, the final technical report of the Committee; to the Committee on Commerce, Science, and Transportation.

EC-2170. A communication from the Deputy Secretary of a communication from the Deputy Secretary of Transportation transmitting, pursuant to law, a report containing information concerning the safety of commercial motor vehicles being used in interstate and intrastate commerce under Section 218 of the Motor Carrier Safety Act of 1984, Public Law 98-554; to the Committee on Commerce, Science, and Transportation.

EC-2171. A communication from the Administrator of the Federal Aviation Administration, U.S. Department of Transportation, transmitting, pursuant to law, the Federal Aviation Administration's Semiannual Report to Congress on the Effectiveness of the Civil Aviation Security Program; to the Committee on Commerce, Science, and Transportation.

EC-2172. A communication from the Secretary of the Interior transmitting, pursuant to law, the study report on the Jedediah Smith Trail, Arizona, California, Idaho, Nevada, Oregon, Utah, and Washington; to the Committee on Energy and Natural Resources.

EC-2173. A communication from the Secretary of the Interior, transmitting a draft of a bill to redesignate certain units of the National Park System as National Battlefields; to the Committee on Energy and Natural Resources.

EC-2174. A communication from the Secretary of the Interior transmitting a draft bill entitled "The Federal Coal Amendments Act of 1987"; to the Committee on Energy and Natural Resources.

EC-2175. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the NRC report on abnormal occurrences at licensed nuclear facilities; to the Committee on Environment and Public Works.

EC-2176. A communication from the Deputy Administrator, General Services Administration, transmitting a prospectus for an IRS Service Center in Austin, Texas; to the Committee on Environment and Public Works.

EC-2177. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, a report of the nondisclosure of Safeguards Information by the Nuclear Regulatory Commission for the quarter ending September 30, 1987; to the Committee on Environment and Public Works.

EC-2178. A communication from the Assistant Secretary, Department of Treasury, transmitting, pursuant to law, the Final Monthly Treasury Statement of Receipts and Outlays of the U.S. Government for Fiscal Year 1987; to the Committee on Finance.

EC-2179. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements other than treaties entered into by the United States in the 60 days prior to November 19, 1987; to the Committee on Foreign Relations.

EC-2180. A communication from the Special Counsel, U.S. Merit Systems Protection Board, transmitting, pursuant to law, a copy of a letter of the Administrator of Veterans Affairs which sets forth the conclusion of the Administrator's investigation into allegations of violations of law and possible fraud by building contractors and employees of the Veterans Administration Regional Office, St. Petersburg, Florida; to the Committee on Governmental Affairs.

EC-2181. A communication from the Chairman of the U.S. Merit Systems Protection Board, transmitting, pursuant to law, a report titled "Working for the Government: Job Satisfaction and Federal Employees"; to the Committee on Governmental Affairs.

EC-2182. A communication from the Executive Secretary of the Federal Deposit Insurance Corporation, transmitting, pursuant to law, a report on a proposed system of records titled the Insured Bank Liquidation Records; to the Committee on Governmental Affairs.

EC-2183. A communication from the Secretary of Agriculture, transmitting, pursuant to law, reports for two revised Privacy Act Systems of Records; to the Committee on Governmental Affairs.

EC-2184. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a notice of a revision to one system of records maintained under the Privacy Act of 1974 by the Animal and Plant Health Inspection Service; to the Committee on Governmental Affairs.

EC-2185. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of General Accounting Office reports issued and released in October 1987; to the Committee on Governmental Affairs.

EC-2186. A communication from the Assistant Secretary of the Interior (Indian Affairs), transmitting, pursuant to law, a proposed plan for the use and distribution of Lower Brule Sioux judgment funds; to the Select Committee on Indian Affairs.

EC-2187. A communication from the Acting General Counsel of the Department of the Treasury, transmitting a draft of proposed legislation to amend section 709 of title 18, United States Code, to protect the name of the United States Secret Service from commercial exploitation; to the Committee on the Judiciary.

EC-2188. A communication from the Attorney General of the United States, transmitting, pursuant to law, a report on the study on the use of a telephone verification system for determining employment eligibility of aliens; to the Committee on the Judiciary.

EC-2189. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report for 1987 on compliance by States with personnel standards for radiologic technicians; to the Committee on Labor and Human Resources.

EC-2190. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for the Minority Science Improvement Program; to the Committee on Labor and Human Resources.

EC-2191. A communication from the Secretary of Education, transmitting, pursuant to law, final regulations for Research in Education of the Handicapped Program; to the Committee on Labor and Human Resources.

EC-2192. A communication from the Principal Deputy Assistant Secretary of Defense (Force Management and Personnel), transmitting, pursuant to law, the audit of the American Red Cross Combined Statement of Public Support, Revenues, and Expenses and Changes in Net Assets; and Combined Statement of Functional Expenses for the Year Ended June 30, 1987; to the Committee on Labor and Human Resources.

EC-2193. A communication from the Architect of the Capitol, transmitting, pursuant to law, a report of all expenditures during the period April 1, 1987, through September 30, 1987, from the moneys appropriated to the Architect of the Capitol; to the Committee on Appropriations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-358. A resolution adopted by the Senate of the State of Michigan; to the Committee on Environment and Public Works.

"SENATE RESOLUTION NO. 259

"Whereas, The amount of low level radioactive waste projected to be generated in 1990 will be approximately one-third of the amount generated in 1980; and

"Whereas, Serious questions have been raised regarding the Low Level Radioactive Waste Policy Act (42 USC 2021b et seq.). This statute places no limit on the number of low level waste disposal sites or compacts that can be created under the act, and as many as thirteen facilities are currently under consideration by compacts and "go-it-alone" states. In addition, differing safe construction costs from one region of the country to another may create substantial economic inequities in utility costs and rates; and

"Whereas, There are also serious liability questions regarding these sites. The act makes no provision for liability coverage for sites constructed under the act, and private liability coverage is not currently available; and

"Whereas, The law also does not address the complex issue of the disposal of mixed wastes, and the Nuclear Regulatory Commission and the Environmental Protection Agency have been unable to reconcile their regulatory schemes; and

"Whereas, The act actually discourages source and volume reduction of low level radioactive wastes by generators; and

"Whereas, The act provides no funding mechanism for the construction of low level waste sites nor for the long-term care or maintenance of the sites, thus placing host state taxpayers at substantial economic risk; and

"Whereas, In light of these many concerns, it would be in the public interest to make a thorough review of this law and recommend appropriate changes: Now, therefore, be it

"*Resolved by the Senate,* That we hereby memorialize the United States Congress to review the Low Level Radioactive Waste Policy Act of 1980; and be it further

"*Resolved,* That the United States Congress be urged to:

"(1) Consider the inclusion of the environmental impact of a low level radioactive waste facility as a critical factor in its siting.

"(2) Review the liability problems and the availability of liability insurance coverage.

"(3) Address the issue of the disposal of mixed wastes.

"(4) Develop a standard national approach to the management of naturally occurring or accelerator produced radioactive material, known as NARM waste.

"(5) Explore ways to assure long-term financial support and stability of each host state disposal facility, in the event of future changes in federal law or policy, or compact changes.

"(6) Consider providing a funding mechanism for the construction and long-term maintenance of low level radioactive waste facilities; and be it further

"*Resolved,* That we urge the United States to review the current classification of Class C wastes and amend federal law to restrict the classification and relieve the states of responsibility for disposing of Class C wastes by January 1, 1989; and be it further

"*Resolved,* That a copy of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the Michigan congressional delegation."

POM-359. A resolution adopted by the Bay County, Florida Chamber of Commerce, opposing any legislation which would increase the cost of electricity to the citizens of Northwest Florida; to the Committee on Environment and Public Works.

POM-360. A resolution adopted by the Senate of the State of Illinois; to the Committee on Finance.

"SENATE RESOLUTION NO. 652

"Whereas, Canada is a close ally of the United States in the defense of North America, and through membership of NATO, of the Western Democracies; and

"Whereas, There are substantial historical, cultural and economic links between the State of Illinois and Canada; and

"Whereas, Canada is the United States' and the State of Illinois' major trading partner; in 1986 Illinois imported from and exported to Canada more than $3 billion of merchandise; and

"Whereas, More than 200 companies headquartered in Illinois have invested in Canada and that many Canadian companies have invested in the State and that others are contemplating such investment; and

"Whereas, Illinois is advantaged in trading with Canada by reason of proximity as well as the existence of excellent transportation, communication and financial service links with that country; and

"Whereas, Tariff and nontariff barriers continue to impede trade and distort investment location between the United States and Canada, to the detriment of both countries and the State of Illinois; and

"Whereas, An agreement in principle was reached between the United States and Canada on October 4, 1987, to establish a free trade area; and

"Whereas, This Free Trade Agreement, when enacted, would remove, on a phased basis, all tariff barriers between Canada and the United States; would reduce the trade-distorting effects of nontariff barriers; would establish new international rules for services; would remove all limitations on crossborder trade in energy products; and would lead to a more secure and fair North American investment climate; and

"Whereas, Implementation by both the United States and Canada of the measures set out in the October 4, 1987 accord would be advantageous to the State of Illinois in terms of job creation by promoting rationalization, improved productivity and greater competitiveness; therefore, be it

"*Resolved, by the Senate of the Eighty-Fifth General Assembly of the State of Illinois,* that the President is urged to enter into a Free Trade Agreement with Canada; and be it further

"*Resolved,* That the Members of the United States Congress are urged to give favorable consideration to the Free Trade Agreement with Canada when it is referred to the Senate and House of Representatives for adoption; and be it further

"*Resolved,* That copies of this preamble and resolution be delivered to the President, Speaker of the United States House of Representatives, the President of the United States Senate, and all Members of the Illinois Congressional Delegation."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE, from the Select Committee on Indian Affairs, with an amendment in the nature of a substitute:

S. 1645: A bill to reauthorize certain Indian educational programs, and for other purposes (Rept. No. 100-233).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. SPECTER:

S. 1898. A bill to amend chapter 1 of title 1, United States Code, to include in the definition of fraud for the purposes of Federal laws frauds involving intangible rights; to the Committee on the Judiciary.

By Mr. DOLE (for Mr. EVANS):

S. 1899. A bill to provide for participation by the United States in replenishments of the International Development Association and the Asian Development Fund and in a capital increase of the African Development Bank, for membership for the United States in the Multilateral Investment Guarantee Agency, for United States acceptance of the merger of the capital resources of the Inter-American Development Bank, for United States approval and acceptance of a proposed amendment to the Articles of Agreement of the International Bank for Reconstruction and Development, and for other purposes; to the Committee on Foreign Relations.

By Mr. THURMOND:

S. 1900. A bill to temporarily suspend the duty on dimethylbenzylidene sorbitol and 4,4'-isopropylidenedicyclohexanol; to the Committee on Finance.

By Mr. REID:

S. 1901. A bill to designate the Federal Building located at 600 Las Vegas Boulevard in Las Vegas, NV, as the "Alan Bible Federal Building"; to the Committee on Environment and Public Works.

By Mr. NUNN (for himself, Mr. MCCAIN, Mr. BOREN, Mr. BUMPERS, Mr. BURDICK, Mr. CHAFEE, Mr. CHILES, Mr. COCHRAN, Mr. CRANSTON, Mr. DECONCINI, Mr. DOLE, Mr. DOMENICI, Mr. GARN, Mr. GORE, Mr. GRAHAM, Mr. HECHT, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. INOUYE, Mr. KASTEN, Mr. LEVIN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. PRYOR, Mr. QUAYLE, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SHELBY, Mr. SIMON, Mr. STENNIS, Mr. THURMOND, Mr. WALLOP, Mr. WARNER, Mr. WILSON and Mr. WIRTH):

S.J. Res. 223. A joint resolution to designate the period commencing on April 10, 1988, and ending on April 16, 1988, as "National Productivity Improvement Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DOLE (for Mr. EVANS (for himself, Mr. ADAMS, Mr. DURENBERGER, Mr. MATSUNAGA, Mr. ROCKEFELLER, Mr. WILSON, Mr. DOLE, Mr. ROTH, Mrs. KASSEBAUM, Mr. GARN, Mr. DOMENICI, Mr. LAUTENBERG, Mr. DODD, Mr. DANFORTH, Mr. HEINZ, Mr. BINGAMAN, Mr. CHILES, Mr. BENTSEN, and Mr. MCCONNELL)):

S. Res. 331. A resolution expressing the sense of the Senate in support of the President's section 301 action concerning Brazil's informatics policies; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. SPECTER:

S. 1898. A bill to amend chapter 1 of title 1, United States Code, to include in the definition of fraud for the purpose of Federal laws frauds involving intangible rights; to the Committee on the Judiciary.

FRAUD AMENDMENTS ACT

Mr. SPECTER. Mr. President, today I am introducing the Fraud Amendments Act of 1987. This statute has a simple purpose—it restores the ability of the Federal Government to prosecute those who use the mail or wires in furtherance of a scheme to defraud the public, or others, of a duty they are obligated to perform.

This legislation is necessary because on June 24 of this year, in the case of McNally v. The United States, the Supreme Court sharply curtailed the use of the Mail Fraud Statute, 18 USC 1341. Prior to this decision, a long line of cases had held that prosecution under the Mail Fraud Statute was available when a defendant's alleged scheme was designed to deprive the Government of the faithful service of its officials and employees. Known as the "intangible rights doctrine," this theory often was used to prosecute corrupt public officials who had used their positions of public trust for self-enrichment. In many of these cases it is difficult, if not impossible, to prove that the State or local government's treasury was adversely impacted by the official's actions, even though it is clear that the official has abused his power and deprived the citizens of the services to which they are entitled.

The decision in McNally sharply restricted the utility of the Mail Fraud Statute in combating public corruption. The Supreme Court held that violation of the Mail Fraud Statute cannot be established by resort to the intangible rights doctrine. Rather, conviction can be obtained only if the prosecution establishes that the scheme to defraud has as its object obtaining money or property by false pretenses.

The dire implications of the McNally decision for the prosecution of public corruption cases are illustrated by the facts of the case. The Court overturned the convictions of two men who had enriched themselves by over $100,000 by trading on their personal relationship with the individual responsible for securing insurance for the Commonwealth of Kentucky. Their scheme was to require, as a condition of its continued retention, the insurance agency that handled the State's insurance business to share its commissions with other designated insurance agencies. In fact, however, some of the agencies so designated were sham companies whose only activity was to receive these payments and funnel them to the defendants. Although there was no showing that Kentucky paid more for insurance or received less protection because of this scheme, there is no doubt that the defendants were unjustly enriched and that the people of Kentucky did not receive the loyal services to which they were entitled. Nevertheless, under the McNally Court's interpretation of the statute, the defendants' convictions were overturned.

Fortunately, the Court's opinion recognized that we in the Congress can correct this situation. The Frauds Amendments Act of 1987 that I am introducing today would reestablish the ability of prosecutors to prosecute under our Federal fraud statute those who, using the Federal wires or mail, abuse their positions of public trust and defraud our citizens of the faithful services of government officials and employees. The bill will do this by making clear that the terms "fraud" and "defraud" include defrauding a person of intangible rights. Companion legislation, H.R. 3089, has been introduced in the House of Representatives by Congressman CONYERS.

Given the all to frequent revelations of public corruption in States and localities around the country, I urge my colleagues to act quickly on this legislation and restore the Mail Fraud Statute to the arsenal available to Federal prosecutors in their battle to combat such affronts to honest and effective Government.

Mr. President, I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1898

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fraud Amendments Act of 1987".

SEC. 2. INTANGIBLE RIGHTS AND BREACHES OF FIDUCIARY RELATIONSHIPS.

(1) IN GENERAL.—Chapter 1 of title 1, United States Code, is amended by inserting at the end thereof the following new section:

"§ 7 'Fraud' or 'defraud' as including fraud involving intangible rights and breaches of fiduciary relationships

"The term 'fraud' or 'defraud' includes defrauding another—

"(1) of intangible rights of any kind whatsoever in any manner or for any purpose whatsoever; or

"(2) by using material private information wrongfully stolen, converted, or misappropriated in breach of any statutory, common law, contractural, employment, personal, or other fiduciary relationship.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 1 of title 1, United States Code, is amended by adding at the end the following:

"7. 'Fraud' or 'defraud' as including fraud involving intangible rights and breaches of fiduciary relationships.".

SEC. 3. CONSTITUTIONAL BASIS.

This Act is enacted on the basis of the following Articles of the Constitution of the United States:

(1) Article I, Section 1 (legislative power).

(2) Article I, Section 8 (specific powers and those necessary and proper thereto).

(1) Article IV, Section 4 (republican form of government).

SEC. 4. CONSTRUCTION.

This Act shall be broadly construed to achieve its remedial purposes.

By Mr. DOLE (for Mr. EVANS):

S. 1899. A bill to provide for participation by the United States in replenishments of the International Development Association and the Asian Development Fund and in a capital increase of the African Development Bank, for membership for the United States in the Multilateral Investment Guarantee Agency, for United States acceptance of the merger of the capital resources of the Inter-American Development Bank, for United States approval and acceptance of a proposed amendment to the Articles of the International Bank for Reconstruction and Development, and for other purposes; to the Committee on Foreign Relations.

UNITED STATES PARTICIPATION IN CERTAIN MULTILATERAL DEVELOPMENT BANKS AND INVESTMENT GUARANTEE AGENCIES

● Mr. EVANS. Mr. President, I am introducing a bill today that authorizes U.S. commitments to certain activities of multilateral financial institutions such as the World Bank. I strongly believe that the Congress must continue to honor our commitments and provide fresh impetus to these valuable institutions. Continuing U.S. leadership in these institutions is essential for world economic growth and prosperity. Multilateral institutions such as the World Bank, African Development Bank, Asian Development Bank, and the Inter-American Development Bank provide the necessary financial resources to the developing countries in order for them to share fully in world economic prosperity. As the world changes, we need to change the way in which the U.S. Executive Director to the Board of Directors participates in each bank. Congress plays an important role in setting the appropriate terms and conditions for the U.S. participation in these institutions. This bill clarifies those areas in which the Congress believes that the U.S. Executive Director of each bank should play a more active role in its lending activities for development projects, such as the environment, human welfare, the poorest of the poor, women, and indigenous people.

Titles I, II, and III authorizes U.S. contributions to replenishments of the International Development Association [IDA] and the Asian Development Fund and to a capital increase of the African Development Bank. The amount of appropriations authorized by each title is limited for fiscal year 1988. The overriding necessity to reduce our budget deficit has wrecked havoc on all foreign assistance programs, including bilateral foreign assistance programs, participation in the multilateral development banks and international organizations, and the continued operation of the Department of State. In light of these constraints it is imperative that the authorizing language establish priorities among the various programs. Should a higher level of funding be provided for in the International Affairs account of the budget (Account Number 150), we should review the limitations on appropriations set forth in this bill, particularly that on the IDA-VIII replenishment. Such a review, however, should encompass all programs within the 150 account.

Specifically, title I provides an authorization of $2,875,000,000 for the eighth replenishment of IDA. I believe it is terribly important that we move promptly to authorize our participation in this replenishment. IDA is the single largest source of highly concessional loans to the world's poorest countries. While IDA-VIII represents an increase in IDA resources, the increase is justified as it is part of a multilateral effort to compensate for the economic decline suffered by the poorest nations, particularly sub-Saharan Africa, over the past decade.

Title II provides authorization for a U.S. contribution of $584,280,000 to the Asian Development Fund. Title III provides authorization for a U.S. subscription to 58,632 shares of the African Development Bank.

Title IV of the bill authorizes an appropriation of $222 million for the Multilateral Investment Guarantee Agency [MIGA], of which the Administration seeks $44.4 million—20 percent—in appropriations for fiscal year 1988. This provision allows the President to ratify the convention and to accept membership in this new multilateral agency, affiliated with the World Bank, to which 61 nations have signed and 21 nations have ratified over the past 2 years. The concept for establishing a multilateral investment guarantee agency has been discussed for many years in the international financial community, but the actual convention was not held until October 1985, under the auspices of the World Bank. The administration has played an active role in the discussions leading to the convention and in the development of the rules and regulations governing its operation and management. The authorization of U.S. participation, with the necessary appropriations, by the Congress will allow the United States to fulfill its commitments and play an active role in this new agency.

The stimulation of greater flows of direct investment to the developing countries is an essential part of the administration's international debt strategy. The purpose of MIGA is to ensure, through the provision of investment guarantees and insurance, that each recipient country provide equitable and nondiscriminatory treatment toward equity investments from other countries which are MIGA signatories. I believe that greater U.S. direct investment in developing countries will lead to higher economic growth and, in turn, to greater exports of U.S. products to those countries. It is no secret that one of the causes of the decline of U.S. exports over the past 6 years has been stagnant economic growth in the LDC's: LDC's took only 35 percent of U.S. exports in 1986 compared to 41 percent in 1982. MIGA will provide insurance and guarantees in four categories: expropriation risk, currency transfer blockage, loss of assets due to war and civil disturbance, and losses caused by breach or repudiation of a contractual commitment by the host government under limited conditions. It will complement the role of OPIC and other bilateral guarantee agencies. Finally, MIGA will charge market-related fees to private companies for its insurance coverage and will therefore be financially self-sustaining.

Title VII of the bill sets out new policies for the banks in several important new areas. The Secretary of the Treasury is required to provide new instructions to the U.S. Executive Director of the World Bank, IDA, and each regional bank in the following areas: the protection of the environment; preventing excessive agriculture and commodity production; improving human welfare, focusing in particular on the poorest of the poor and women; and recognizing the rights of indigenous peoples. In addition, title XV of the bill requires the Treasury Department to propose as the principal point of negotiations in prospective replenishments or capital increases institutional reforms of the banks which reflect our concerns in these areas. These provisions reflect areas of importance that many Members of Congress and our constituents don't believe receive adequate attention in the MDB's today. It is important for our Executive Director to the Board of Directors of each bank to recognize these new realities and to urge other member governments to help us incorporate new criteria in the lending policies and management practices of the banks.

With respect to the need for protecting the environment, the bill requires the Treasury Secretary to raise regularly the need for continued progress in improving the environmental performance of each bank. Quoting from a recent report of the United Nations' World Commission on Environment and Development: "* * * it is impossible to separate economic development issues from environmental issues; many forms of development erode the environmental resources upon which they must be based, and environmental degradation can undermine economic development." The banks must seek to manage the world's environmental resources to ensure both sustainable human progress and human survival. I recognize that the MDB's have made considerable progress in this area recently. That progress must be sustained and strengthened. It is my hope that the provision of this bill will provide the necessary framework to achieve that.

For agriculture and commodity production, title XIV is intended to address the concerns of some Members of Congress and domestic producer organizations that the multilateral banks are lending to uneconomic, nonsustainable projects that aggravate existing world surpluses in a particular commodity or to projects subsidized by the host government. This provision establishes a framework under which the U.S. Executive Director is instructed to oppose the financing of projects which produce agricultural commodities, products, or minerals for export which:

(a) are subsidized in a manner inconsistent with our GATT obligations;

(b) are likely to be in surplus in world markets; and

(c) are likely to cause injury to U.S. producers under the GATT definition.

In the past, the least advantaged members of society—women and indigenous peoples—have been excluded from the development process. Ignoring the substantial development potential of these groups has led to a lesser overall development effort in each LDC. This bill includes several new titles that: Address the needs of the poorest of the poor; seek to incorporate women in the planning and implementation of development programs and strengthen the role of women in the banks' activities; and address the need to protect the rights of indigenous peoples.

The essential and constructive role of nongovernmental organizations [NGO's] in alleviating poverty and protecting the environment is well recognized in the international development community. The bill requires U.S. representatives to the banks to establish programs to more fully involve NGO's in the planning, implementation, and monitoring of projects funded by the banks.

Mr. President, I urge my colleagues to support these provisions which strengthen and improve the role of the United States in the multilateral development banks. These banks look to direction from the United States in establishing their lending policies, and the Congress can provide the necessary guidelines to the U.S. Executive Directors to improve our effectiveness. While we must remember that these are multilateral institutions not subject to control by any one country, the United States will continue to play a strong leadership role in working cooperatively with other member countries if we continue to provide the necessary financial resources and appropriate guidelines. I believe that this bill achieves that goal.

Mr. President, I ask that a copy of the bill and a section-by-section analysis be entered into the RECORD at the appropriate place.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1899

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—INTERNATIONAL DEVELOPMENT ASSOCIATION

SEC. 101. The International Development Association Act (74 Stat. 293, as amended, 22 U.S.C. 284, et seq.) is amended by adding at the end thereof the following new section:

"SEC. 20. (a) The United States Governor is hereby authorized to agree on behalf of the United States to pay to the Association $2,875,000,000 to the eighth replenishment of the resources of the Association, except that any commitment to make such contributions shall be made subject to obtaining the necessary appropriations.

(b) In order to pay for the United States contribution provided for in subsection (a), there are authorized to be appropriated, without fiscal year limitation, $2,875,000,000 for payment by the Secretary of the Treasury, except that of such amount not more than $845,000,000 may be appropriated pursuant to this subsection for fiscal year 1988.".

TITLE II—ASIAN DEVELOPMENT FUND

SEC. 201. The Asian Development Bank Act (80 Stat. 71, as amended, 22 U.S.C. 285, et seq.) is amended by adding at the end thereof the following new section:

"SEC. 29. (a) The United States Governor of the Bank is authorized to contribute on behalf of the United States $584,280,000 to the Asian Development Fund, a special Fund of the Bank, except that any commitment to make such contributions shall be made subject to obtaining the necessary appropriations.

(b) In order to pay for the United States contribution provided for in subsection (a), there are authorized to be appropriated, without fiscal year limitation, $584,280,000 for payment by the Secretary of the Treasury, except that of such amount not more than $91,000,000 may be appropriated pursuant to this subsection for fiscal year 1988.".

TITLE III—AFRICAN DEVELOPMENT BANK

SEC. 301. The African Development Bank Act (95 Stat. 357 at 741, 22 U.S.C. 290i, et seq.) is amended by adding at the end thereof the following new section:

"SEC. 1343. (a) The United States Governor of the Bank is authorized to agree to subscribe on behalf of the United States to fifty-nine thousand, six hundred and thirty-two shares of the capital stock of the Bank, except that the subscription shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

(b) In order to pay for the United States subscription authorized in subsection (a), there are authorized to be appropriated, without fiscal year limitation, $719,370,633, for payment by the Secretary of the Treasury, except that of such amount not more than $9,000,000 may be appropriated pursuant to this subsection for fiscal year 1988 to provide paid-in capital to the Bank.".

TITLE IV—MULTILATERAL INVESTMENT GUARANTEE AGENCY

SEC. 401. This title may be cited as the "Multilateral Investment Guarantee Agency Act."

SEC. 402. This title shall be codified as Subchapter XXVI of Chapter 7 of Title 22 of the United States Code.

ACCEPTANCE OF MEMBERSHIP

SEC. 403. The President is hereby authorized to accept membership for the United States in the Multilateral Investment Guarantee Agency (hereinafter the "Agency") provided for by the Convention Establishing the Multilateral Investment Guarantee Agency (hereinafter the "Convention") deposited in the archives of the International Bank for Reconstruction and Development (hereinafter the "Bank").

GOVERNOR AND ALTERNATE GOVERNOR

SEC. 404. The Governor and Alternate Governor of the Bank, appointed under section 3 of the Bretton Woods Agreements Act, as amended (59 Stat. 512, 22 U.S.C. 286, *et seq.*), shall serve as Governor and Alternate Governor, respectively, of the Agency.

INSTRUCTIONS FOR UNITED STATES DIRECTOR

SEC. 405. Promptly after taking office, the United States Director of the Agency shall propose to the Board of Directors that the Board adopt policies and procedures under which the Agency would refrain from issuing guarantees in respect of any proposed investment that would:

(a) be in a country which has not taken or is not taking steps to afford internationally recognized workers' rights to workers in that country; or

(b) be subject to trade-distorting performance requirements imposed by the host country that are likely to result in a significant net reduction in (i) employment in the other member countries, or (ii) other trade benefits likely to accrue to other member countries from the investment; or

(c) likely increase a country's productive capacity in an industry already facing excess worldwide capacity for the same, similar or competing product, and cause substantial injury to producers of such product in another member country.

SEC. 406. Consistent with the purposes of Section 405, the Secretary of the Treasury shall:

(a) instruct the United States Director to oppose any guarantee or other investment promotion under consideration by the Agency if the proposed investment would:

(1) be in a country which is not a beneficiary developing country for purposes of Title V of the Trade Act of 1974 because it has not taken or is not taking steps to afford internationally-recognized workers' rights to workers in that country; or

(2) be subject to trade-distorting performance requirements imposed by the host country that are likely to result in a significant net reduction in (i) employment in the United States or (ii) other trade benefits likely to accrue to the United States from the investment; or

(3) likely increase a country's productive capacity in an industry already facing excess worldwide capacity for the same, similar or competing product, and cause substantial injury to producers of such product in the United States.

(b) within eighteen months after the United States becomes a member of the Agency, conduct an independent evaluation of the United States investments which have been guaranteed by the Agency to determine:

(1) the anticipated net impact of such investments on employment in and exports from the United States, and

(2) the extent to which such investments were made in countries which had not taken or are not taking steps to afford internationally-recognized workers' rights to workers in those countries.

The Secretary shall furnish such evaluation on its completion to the Congress.

SEC. 407. Recognizing that United States participation in the Agency represents an effort to enhance U.S. trade prospects and strengthen the role of the United States private sector in the development process, the Secretary of the Treasury shall ensure periodic consultations with United States private sector representatives, through appropriate mechanisms, on policy directions and operations of the Agency, and shall take account of those consultations in determining the policies of the United States toward the Agency.

APPLICABILITY OF BRETTON WOODS AGREEMENTS ACT

SEC. 408. The provisions of section 4 of the Bretton Woods Agreements Act, as amended, shall apply with respect to the Agency to the same extent as with respect to the Bank and the International Monetary Fund. Reports with respect to the Agency under sections 4(b) (5) and (6) of that Act shall be included in the reports made thereunder after the United States accepts membership in the Agency.

RESTRICTIONS

SEC. 409. Unless authorized by law, neither the President nor any person or agency shall, on behalf of the United States—

(a) subscribe to additional shares of stock of the Agency;

(b) vote for or agree to any amendment of the Convention 'which increases the obligations of the United States, or which changes the purpose or functions of the Agency'; or

(c) make a loan or provide other financing to the Agency.

FEDERAL RESERVE BANKS AS DEPOSITORIES

SEC. 410. Any Federal Reserve bank that is requested to do so by the Agency shall act as its depository or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

SUBSCRIPTION OF STOCK

SEC. 411. (a) The Secretary of the Treasury is authorized to subscribe on behalf of the United States to twenty thousand five hundred and nineteen shares of the capital stock of the Agency, except that the subscription shall be effective only to such extent or in such amounts as are provided in advance in appropriations Acts.

(b) In order to pay for United States subscription authorized in subsection (a), there are authorized to be appropriated, without fiscal year limitation, $222,015,580, for payment by the Secretary of the Treasury.

(c) Any payment of dividends made to the United States by the Agency shall be deposited into the Treasury as a miscellaneous receipt.

JURISDICTION OF UNITED STATES COURTS AND ENFORCEMENT OF ARBITRAL AWARDS

SEC. 412. For the purposes of any civil action which may be brought within the

United States, its territories or possessions, or the Commonwealth of Puerto Rico, by or against the Agency in accordance with the Convention, including an action brought to enforce an arbitral award against the Agency, the Agency shall be deemed to be an inhabitant of the Federal judicial district in which its principal office within the United States or its agent appointed for the purpose of accepting service or notice of service is located, and any such action to which the Agency shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States, including the courts enumerated in section 460 of title 28, United States Code, shall have original jurisdiction of any such action. When the Agency is a defendant in any action in a State court, it may at any time before the trial thereof remove the action into the appropriate district court of the United States by following the procedure for removal provided in section 1446 of title 28, United States Code.

SEC. 413. Articles 43 through 48, inclusive, of the Convention shall have full force and effect in the United States, its territories and possessions, and the Commonwealth of Puerto Rico, upon the entry into force of the Convention for the United States.

SEC. 414. (a) An award of an arbitral tribunal resolving a dispute arising under Article 57 or Article 58 of the Convention shall create a right arising under a treaty of the United States. The pecuniary obligations imposed by such an award shall be enforced and shall be given the same full faith and credit as if the award were a final judgment of a court of general jurisdiction of one of the several States. The Federal Arbitration Act (9 U.S.C. 1, et seq.) shall not apply to enforcement of awards rendered pursuant to the Convention.

(b) The district courts of the United States (including the courts enumerated in section 460 of title 28, United States Code) shall have exclusive jurisdiction over actions and proceedings under subsection (a) of this section, regardless of the amount in controversy.

TITLE V—INTER-AMERICAN DEVELOPMENT BANK

SEC. 501. The Inter-American Development Bank Act (73 Stat. 299, as amended, 22 U.S.C. 283) is amended by adding at the end thereof the following new section:

"SEC. 32. The United States Governor of the Inter-American Development Bank is hereby authorized to agree to and to accept the amendments to the Articles of Agreement in the proposed resolution entitled 'Merger of Inter-regional and Ordinary Capital Resources.' ".

TITLE VI—INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

SEC. 601. The Bretton Woods Agreements Act (59 Stat. 512, as amended, 22 U.S.C. 286) is amended by adding at the end thereof the following new section:

"SEC. 52. The United States Governor of the Bank is hereby authorized to agree to and to accept the amendment to the Articles of Agreement in the proposed resolution entitled 'Amendment to the Articles of Agreement of the Bank,' forwarded to the United States on February 27, 1987."

TITLE VII—POLICIES FOR THE MULTILATERAL DEVELOPMENT BANKS

SEC. 701. The International Financial Institutions Act, as amended, 91 Stat. 1067, 22 U.S.C. 262c, et seq., is further amended by adding at the end thereof the following new titles XIII, XIV, XV, and XVI:

TITLE XIII—THE ENVIRONMENT

"SEC. 1301. The Congress finds that:

(a) United States assistance to the multilateral development banks should promote sustainable use of natural resources and the protection of the environment, public health, and the status of indigenous peoples in developing countries;

(b) multilateral development bank projects, policies and loans have failed to provide adequate safeguards for the environment, public health, natural resources, and indigenous peoples;

(c) many development efforts of the multilateral development banks are more enduring and less costly if based on consultations with directly affected population groups and communities;

(d) developing country governments sometimes do not ensure that appropriate policies and procedures are in place to use natural resources sustainably or consult with affected population groups and communities, where costs could be reduced or benefits made more enduring; and

(e) in general, the multilateral development banks do not yet provide systematic and adequate assistance to their borrowers to encourage sustainable resource use and consultation with affected communities, where costs could be reduced or benefits made more enduring.

SEC. 1302. The Secretaries of Treasury and State, in cooperation with the Administrator of the Agency for International Development, shall vigorously promote mechanisms to strengthen the environmental performance of these banks. These mechanisms shall include, but shall not be limited to, strengthening organizational, administrative and procedural arrangements within the banks which will substantially improve management of assistance programs necessary to ensure the sustainable use of natural resources and protection of indigenous peoples.

SEC. 1303. (a) In the course of reviewing assistance proposals of the multilateral development banks, the Administrator of the Agency for International Development, in consultation the Secretaries of Treasury and State, shall ensure that other agencies and appropriate U.S. embassies and overseas missions of the Agency for International Development are instructed to analyze the environmental impacts of multilateral development loans well in advance of such loans' approval by the relevant institutions to determine whether the proposals will contribute to the sustainable development of the borrowing country. Such reviews shall address the economic viability of the project, adverse impacts on the environment, natural resources, public health, and indigenous peoples, and recommendations as to measures, including alternatives, that could eliminate or mitigate adverse impacts. If there is reason to believe that any such loan may have such adverse impacts, the Administrator of the Agency for International Development, in consultation with the Secretaries of Treasury and State, shall ensure that the mission or embassy, as the case may be, undertakes an affirmative investigation of such impacts in consultation with relevant federal agencies. If not classified under the national security system of classification, the information collected pursuant to this paragraph shall be made available to the public.

(b) The Secretary of the Treasury shall instruct the Executive Directors representing the United States at the World Bank, the Inter-American Development Bank, the Asian Development Bank, and the African Development to urge the management and other directors of each such bank, to provide sufficient time between the circulation of assistance proposals and bank action on those proposals, in order to permit their evaluation by major shareholder governments.

(c) Based on the information obtained during the evaluation referred to in subsection (a) and other available information, the Administrator of the Agency for International Development, in consultation with the Secretaries of Treasury and State, shall identify those assistance proposals likely to have adverse impacts on the environment, natural resources, public health, or indigenous peoples. The proposals so identified shall be transmitted to the Committee on Appropriations and the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Appropriations and the Committee on Foreign Relations of the Senate, not later than June 30 and December 31 of each year following the date of enactment of this title.

(d) The Secretary of the Treasury shall forward reports concerning information received under subsection (a) to the Executive Director representing the United States in the appropriate Bank with instructions to eliminate or mitigate adverse impacts which may result from the proposal.

SEC. 1304. The Secretary of the Treasury, in consultation with the Secretary of State and the Administrator of the Agency for International Development, shall create a system for cooperative exchange of information with other interested member countries on assistance proposals of the multilateral development banks.

SEC. 1305. The Secretary of the Treasury shall instruct the U.S. Executive Directors of the multilateral development banks to support the strengthening of educational programs within each multilateral development bank to improve the capacity of mid-level managers to initiate and manage environmental aspects of development activities, and to train officials of borrowing countries in the conduct of environmental analyses.

SEC. 1306. (a) The Secretary of the Treasury shall instruct the U.S. Executive Director of each multilateral development bank vigorously and continuously to urge that each bank identify and develop methods and procedures to insure that in addition to economic and technical considerations, unquantified environmental values be given appropriate consideration in decision-making, and include in the documents circulated to the Board of Executive Directors concerning each assistance proposal a detailed statement, to include assessment of the benefits and costs of environmental impacts and possible mitigating measures, on the environmental impact of the proposed action, any adverse environmental effects which cannot be avoided if the proposal is implemented, and alternatives to the proposed action.

(b) The Secretary of the Treasury shall instruct the United States Executive Directors to each multilateral development bank vigorously and continuously to promote—

(1) increases in the proportion of loans supporting environmentally beneficial policies, projects, and project components;

(2) the establishment of environmental programs in policy-based lending for the purpose of improving natural resource man-

agement, environmental quality, and protection of biological diversity;

(3) increases in the proportion of staff with professional training and experience in ecology and related areas and in the areas of anthropological and sociological impact analysis to ensure systematic appraisal and monitoring of environmental and sociocultural impacts of projects and policies;

(4) active and systematic encouragement of participation by borrowing countries nongovernmental environmental, community and indigenous peoples' organizations at all stages of preparations for country lending strategies, policy based loans, and loans that may have adverse environmental or sociocultural impacts; and

(5) full availability to concerned or affected nongovernmental and community organization, early in the preparation phase and at all subsequent stages of planning of full documentary information concerning details of design and potential environmental and sociocultural impacts of proposed loans.

(e) The Secretary of the Treasury shall instruct the United States Executive Director to the International Monetary Fund to promote the requirement that the Fund conduct an in-depth analysis of the possible impact of its adjustment policies and conditionality of its lending facilities on the environment, public health, natural resources, and indigenous peoples.

(f) The Secretary of the Treasury shall, within one year of the enactment of the Act, adopt voting instructions, in consultation with interested members of the public, for environmentally sensitive sectors and ecosystems pursuant to which the United States Executive Directors of each multilateral development bank shall oppose all loans for projects or policies which have unjustifiable adverse effects on the environment, natural resources, public health, or indigenous peoples.

SEC. 1307. Not later than January 15 of each year after the date of the enactment of this title, the Secretary of the Treasury, in consultation with the Secretary of State and the Administrator of the Agency for the International Development, shall submit an annual report on the progress being made to implement the objectives of this title to the Committee on Appropriations and the Committee on Banking, Finance and Urban Affairs of the House of Representatives and to the Committee on Appropriations and the Committee on Foreign Relations of the Senate.

TITLE XIV—AGRICULTURAL AND COMMODITY PRODUCTION

SEC. 1401. The Congress hereby finds the following:

(a) the financing of certain programs and projects by multilateral development banks has been of great concern insofar as the programs and projects have been detrimental to the interests of American farmers and the agribusiness sector.

(b) an increase in rural income in developing countries will generally result in an increase in exports of United States agricultural and food products.

SEC. 1402. The Secretary of Treasury, after consultations with the Secretary of Agriculture and the Secretary of the Interior (to the extent appropriate) on markets and prices for commodities, shall periodically instruct the United States Executive Director of each multilateral development bank to work with other executive directors of the respective bank to continue to:

(a) support activities which result in broad increases in income and employment and enhance purchasing power in developing countries, particularly among the rural poor; and

(b) encourage diversification away from single crop or product economies in developing countries to help reduce wide fluctuations in commodity prices and the adverse impact of abrupt changes in the terms of trade.

SEC. 1403. (a) The Secretary of the Treasury shall take all appropriate steps to discourage multilateral development banks from financing projects which will result in the production of commodities, products, or minerals for export that will be in surplus in world markets at the time such production begins.

(b) The Secretary of the Treasury shall instruct the United States Executive Directors of the multilateral development banks to use the voice and vote of the United States in the respective banks:

(1) to oppose financing by the respective bank of projects which produce, or will produce, commodities, products, or minerals for export if:

(A) the commodity, product, or mineral is subsidized in a manner which is inconsistent with Article XVI.3 of the General Agreement on Tariffs and Trade or Article 10 of the Agreement on Interpretation and Application of Articles VI, XVI, XXIII of the General Agreement on Tariffs and Trade; and

(B) support from financial sources other than multilateral development banks does not accompany such financing; and

(2) to oppose financing by the respective bank for production of a commodity, product, or mineral for export which

(A) is likely to be in surplus on world markets at the time such production begins; and

(B) when exported, is likely to cause injury to United States producers within the meaning of Article 6 of the Agreement on Interpretation and Application of Articles VI, XVI, XXIII of the General Agreement on Tariffs and Trade."

TITLE XV—OTHER POLICIES

SEC. 1501. (a) In any negotiations concerning replenishment or an increase in capital for any multilateral development bank, the Secretary of the Treasury shall propose, as a principal point for negotiations, the following institutional reforms:

(1) the establishment of a unified program within each multilateral development bank to assess the extent to which bank lending benefits the least advantaged members of society, particularly women and the poor, and to increase the extent to which such members benefit from future bank lending.

(2) the establishment of an office or other administrative procedures within each multilateral development bank to:

(A) provide in-country liaison services for nongovernmental organizations operating at the community level;

(B) monitor the impact of project and nonproject lending on local populations; and

(C) ensure compliance with loan conditionalities, especially loan conditionalities relating to the protection of the quality of life of the poor and the rights of aboriginal minorities.

(3) a major increase in the number of members of the professional staff of each regional multilateral development bank with training in environmental or social impact analysis or natural science, including:

(A) recruitment of additional permanent professional staff; and

(B) training programs for existing staff members in these subject areas.

(4) with respect to the International Bank for Reconstruction and Development, the establishment of a program for policy-based lending to promote the sustainable use of renewable resources and the protection of the environment in borrowing countries.

(5) an increase in the length of any review period established by any multilateral development bank for board review of staff recommendations by such time as would be sufficient to allow the governments of member countries to review and comment on the staff recommendations before any action is taken by the board of directors of such bank on the recommendations.

(b) The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to request the management of such bank to prepare an annual report which identifies and describes the most exemplary lending practices or loan components implemented during the preceding year with respect to each of the following lending policy goals for each major borrowing country or country group:

(1) benefit to the poor;

(2) involvement of nongovernmental organizations and local and indigenous populations in loan design, implementation, planning, and monitoring;

(3) integration of, consideration of and concern for environmental quality and the sustainable use of natural resources into loan design, implementation, planning, and monitoring.

(4) recognition of and support for the economic and social development of women.

TITLE XVI—HUMAN WELFARE

SEC. 1601. (a) The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development and the International Development Association to initiate discussions with other directors of the respective institutions and to propose that:

(1) guidelines be established which reflect clear and tangible concern for the impact adjustment lending programs, and the activities in support of which such lending is made, have and will have on human welfare; and

(2) impact statements be required which assess the effect an adjustment lending program, and the activities in support of which such lending is made, will have on the poor of the country to which such lending is made.

(b) In the discussions referred to in subsection (a) with respect to the impact statement described in paragraph (2) of such subsection, the United States Executive Director should propose that such impact statements:

(1) specify what the projected effects of the adjustment loan will be on the poor;

(2) explain what procedures have been or will be taken to strengthen the in-country capacity of the borrower to:

(A) monitor nutrition levels in a timely manner; and

(B) measure the impact an adjustment loan, and the policies and activities in support of which such loan is made, has on the living standards of the country's population, especially the poorest; and

(3) indicate specifically what steps the borrower will take to:

(A) mitigate any adverse effect the policies and activities in support of which an adjustment loan is made are expected to have on the living standards of the poor (including the use of the proceeds of any adjustment loan, project aid, or other compensatory measure to mitigate such effect); and

(B) maximize the extent of the participation of the poor in the economic benefits resulting from an adjustment loan.

(c) The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development and the International Development Association to request the management of the respective institutions to prepare a report for distribution to member governments no later than June 30, 1988, that:

(1) assesses the impact on the poor of structural adjustment in countries to which structural adjustment lending has been made; and

(2) specifies the steps that have been or will be taken by the respective institution to:

(A) mitigate any adverse effect of adjustment lending, and the activities in support of which such lending is made, on the living standards of the poor in the countries to which such loans are made; and

(B) ensure the participation of the poor in the economic benefits resulting from adjustment lending and the activities in support of which such lending is made.

(d) For purposes of this section and section 1302, the term "adjustment lending" means nonproject lending in support of structural macroeconomic reforms or sectoral economic reform.

SEC. 1602. (a) The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development and the International Development Association to initiate discussions with other directors of such institutions and to propose the establishment of a Grassroots Collaboration Program to develop improved mechanisms for involving, directly or indirectly, nongovernmental organizations in the design, implementation, and monitoring of development projects financed by, or development policies established by, such bank or association in order to alleviate poverty and promote environmental protection, including:

(1) encouraging nongovernmental organizations in borrowing countries to participate in all stages of project planning and country strategy activities to

(A) minimize any adverse impact of such projects or activities on the poor people of such country;

(B) minimize any adverse impact of such projects or activities on the environment of such country; and

(C) maximize the extent to which such projects or activities will benefit the poor people of such country;

(2) increasing the direct involvement of nongovernmental organizations in project design, implementation, or monitoring whenever such organizations have a distinct comparative advantage over other entities in providing such services by virtue of their grassroots involvement with poor people, especially women, in a borrowing country;

(3) providing microenterprise credit for small scale economic activities through nongovernmental organizations;

(4) supporting the enhancement of the institutional capacity of nongovernmental organizations in borrowing countries as development practitioners; and

(5) establishing or supporting jointly funded intermediary mechanisms with nongovernmental organizations to facilitate increased collaboration between such bank or association and nongovernmental organizations in borrowing countries.

(b) It is the sense of the Congress that the Grassroots Collaboration Program described in subsection (a) should be implemented and financed as part of the normal operations of the International Bank for Reconstruction and Development and the International Development Association.

(c) To the extent the activities under the Grassroots Collaboration Program described in subsection (a) need more flexible financing, it is the sense of the Congress that—

(1) such activities could be funded through a grant from the net income of the International Bank for Reconstruction and Development; and

(2) an initial grant of not less than $50,000,000 should be made for such activities with subsequent annual allocations of such additional amounts as may be necessary to allow the Grassroots Collaboration Program to maximize collaboration with nongovernmental organizations in the alleviation of poverty and the protection of the environment.

(d) Before the end of the six month period beginning on the date of the enactment of the International Financial Institutions Amendments of 1987, the Secretary of the Treasury shall submit a report to the Committee on Banking, Finance and Urban Affairs of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate on the steps taken by the United States Executive Director of the International Bank for Reconstruction and Development and the International Development Association to advocate the establishment of the Grassroots Collaboration Program described in subsection (a), the response of the other executive directors of such bank or association to such proposal, and the status of the establishment of the Program.

(e) Each annual report to the Congress by the National Advisory Council on International Monetary and Financial Policies shall describe the status of the establishment and operation of the Grassroots Collaboration Program described in subsection (a), the activities undertaken by the Program, and the sum of the amounts expended by the Program.

SEC. 1603. (a) The Secretary of the Treasury shall instruct the United States Executive Director of the International Bank for Reconstruction and Development and the International Development Association to initiate discussions with other directors of such Bank or Association and to propose that

(1) in carrying on the activities of the Bank or Association, the Bank or Association take such steps as may be necessary to increase access for the poor people of a borrowing country to formal sources of credit;

(2) the Bank or Association include a requirement in all appropriate project and nonproject agreements, as a condition for assistance under such agreements, that the borrowing country identify and remove unreasonable legal and regulatory barriers to

(A) the establishment or operation of organizations which extend credit; and

(B) the provision of credit to microenterprises for small scale economic activities.

(b) The Secretary of the Treasury shall instruct the United States Executive Directors of the African Development Bank and the Asian Development Bank to initiate discussions with other directors of the respective banks and to propose that each such bank—

(1) examine the Program for the Financing of Small Projects of the Inter-American Development Bank and the steps taken by such bank to link the Program to the mainstream operation of the bank; and

(2) explore ways and means to establish similar programs within the respective banks to provide credit to microenterprises for small scale economic activities.

(c) Each annual report to the Congress by the National Advisory Council on International Monetary and Financial Policies shall describe the status of the microenterprise credit promotion activities of each of the institutions referred to in subsection (a) or (b).

SEC. 1604. (a) Congress hereby declares that it is the policy of the United States that multilateral development banks should

(1) fully involve women in borrowing countries in the identification, planning, implementation, and evaluation of mainstream development activities financed by such banks;

(2) recognize and support women's direct and indirect roles in the economic development of their countries and communities;

(3) recognize and support women's direct and indirect roles in the education and social development of, the maintenance of the health of, and in the provision of adequate nutrition for, family members and communities, especially children;

(4) work to remove legal and customary barriers which impede the full participation of women in economic and social development, such as lack of access to credit, property rights, education, health care, and government services; and

(5) involve women's groups in borrowing countries in project identification and preparation in order to factor their assessments of women's economic and social needs into project design.

(b) The Secretary of the Treasury shall instruct

(1) the United States Executive Director of the International Bank for Reconstruction and Development and the International Development Association to support attempts to strengthen the role of the Women in Development division in policy development, project design and implementation, and evaluation; and

(2) the United States Executive Directors of the regional multilateral development banks to support exploring the establishment of a mechanism, or the strengthening of an existing mechanism, within each of the respective banks, to advise, advocate, and promote the full integration of women in the planning, design, implementation, and evaluation of lending activities both in borrowing countries and within the banks.

(c) Each annual report to the Congress by the National Advisory Council on International Monetary and Financial Policies shall describe the actions taken by the multilateral development banks to implement the policies established under this section.

SEC. 1605. The Secretary of the Treasury shall instruct the United States Executive Director of each multilateral development bank to initiate discussions with other executive directors of the respective bank and to propose that the bank take such steps as may be necessary

(1) to determine, at the time an initial feasibility study is conducted with respect to a proposed project and to the fullest extent possible, the impact such project would

have on indigenous people in the borrowing country;

(2) to ensure compliance with loan conditionalities relating to the protection of the rights of indigenous people to lands and resources; and

(3) to consult with indigenous people, and nongovernmental organizations representing indigenous people, at every phase of loan design, planning, implementation, and monitoring.

SEC. 1606. For purposes of Titles XIV, XV, and XVI

(a) the term "multilateral development bank" means the International Bank for Reconstruction and Development, the International Development Association, and the regional multilateral development banks.

(b) the term "regional multilateral development bank" means the Inter-American Development Bank, the African Development Bank, the African Development Fund, and the Asian Development Bank.

SECTION-BY-SECTION ANALYSIS

TITLE I—INTERNATIONAL DEVELOPMENT ASSOCIATION

Section 101 of the bill authorizes a United States contribution of $2,875,000,000 toward the eighth replenishment of the International Development Association. It also authorizes the appropriation of that sum, except that not more than $845 million may be appropriated for FY 88.

TITLE II—ASIAN DEVELOPMENT FUND

Section 201 of the bill authorizes a United States contribution of $584,280,000 to a recently negotiated replenishment of the Asian Development Fund. It also authorizes the appropriation of that sum, except that not more than $91 million may be appropriated for FY 88.

TITLE III—AFRICAN DEVELOPMENT BANK

Section 301 of the bill authorizes a United States subscription to 59,632 shares of the African Development Bank, 3,727 of which are paid-up, and the balance of which are callable. The United States subscription will involve a budgetary outlay of $44,960,665 to pay for paid-up shares, and a program limitation of $674,409,968 for subscription of callable shares. The total of those sums is authorized to be appropriated by the Title, except that not more than $9 million may be appropriated for paid-in capital for FY 88.

TITLE IV—MULTILATERAL INVESTMENT GUARANTEE AGENCY ACT

Section 401 provides that title IV may be cited as the "Multilateral Investment Guarantee Agency Act.".

Section 403 authorizes the President to accept membership for the United States in the Multilateral Investment Guarantee Agency (MIGA). Under the Convention Establishing the Multilateral Investment Guarantee Agency (Convention), the President (or his designee) will accept membership by depositing an instrument of acceptance or ratification with the International bank for Reconstruction and Development (Bank), which will act as depository for the Convention. (Articles 61, 63)

Section 404 provides that the United States Governor and Alternate Governor for the Bank will serve as Governor and Alternate Governor in MIGA. Under the Convention, the United States has the right to appoint a Governor and Alternate (Art. 31(b)). As long as it is one of the largest shareholders, the United States also has the right to elect separately a Director (Arts. 32, 41; Commentary, para. 58), who may appoint an Alternate (Art. 32).

Section 405 instructs the U.S. Executive Director in the Agency to propose that the Board of Directors adopt policies assuring that the Agency will not issue guarantees in host countries which are not taking steps to afford internationally recognized workers' rights, or which impose on investments trade-distorting performance requirements which are likely to lead to a net reduction in employment in other member countries, or to a net reduction in trade benefits likely to accrue to other member countries. Those policies will also assure that guarantees are not issued to host countries when a proposed investment is likely to increase a countries' productive capacity in an industry already facing worldwide capacity for similar products, and cause substantial injury to producers in another member country. Section 406 requires the Secretary of Treasury to instruct the U.S. Executive Director to oppose guarantees which may be issued in these circumstances, and to conduct an evaluation of U.S. investments guaranteed by the agency to determine their impacts in U.S. employment and exports. That evaluation will also examine whether those investments were made in countries which were not taking steps to afford internationally recognized workers' rights to workers in host countries. Section 407 requires the Secretary of the Treasury to ensure periodic consultations with the U.S. private sector on policy directions and operations of the Agency. The Secretary is to take those consultations into account in determining U.S. policy toward the Agency.

Sections 408 through 411 are similar to provisions contained in legislation for the multilateral development banks. Section 408, for example, provides for oversight, interagency coordination, and reporting to the Congress by the National Advisory Council on International Monetary and Financial Policies ("NAC"). Sections 409 (requiring prior congressional approval for certain acts) and 410 (authorizing any Federal reserve bank to be depository for MIGA) also parallel provisions in development bank legislation.

Section 411 authorizes the Secretary of the Treasury to subscribe to the 20,519 shares allocated to the United States by the Convention. $222,015,580 is authorized to be appropriated to that end. Of that amount, 10 percent will be paid in cash. An additional 10 percent (which is not expected to result in any budgetary outlays) will be paid by letter of credit or similar instrument, to be encashed by the Board to meet the MIGA's obligations. The Administration will seek appropriations for that 20 percent portion of the price of shares as part of the FY 1988 budget. The balance of the share price will be subject to call by MIGA when required to meet its obligations; the Administration will seek program limitations for the 80 percent portion for FY 1988.

Section 412 contains provisions like those in legislation for the multilateral development banks regarding MIGA's amenability to suit in the United States. In general the MIGA is not subject to suit on actions within the scope of Articles 57 and 58 of the Convention prior to a final arbitral award. Those Articles provide mechanisms (notably arbitration) for resolving disputes between MIGA and members, and disputes arising under a contract of guarantee or reinsurance between the parties thereto. MIGA is also not subject to suit by members or persons acting for or deriving claims from members, or (reflecting current law) on personnel matters.

However, the Convention recognizes the remote possibility that suits may be brought against MIGA in the courts of the United States. An investor holding a MIGA guarantee, for example, may go to arbitration to resolve a dispute arising under a contract of guarantee or reinsurance with MIGA, and then seek to enforce a final arbitral award against the MIGA in the courts of the United States. Section 412 establishes the jurisdiction of United States courts in such a situation.

Section 413 is also like provisions in multilateral development bank legislation, and gives full force and effect, within the United States, its territories, possessions and Puerto Rico, to defined privileges and immunities accorded under the Convention to enable the MIGA to fulfill its functions. Those privileges and immunities will take effect upon the entry into force of the Convention for the United States.

The Convention will enter into force for the United States when a prescribed number of members (including the United States) have deposited ratifications (Article 61), or, if the Convention has already entered into force, when the United States deposits its instrument of ratification.

The privileges and immunities set out in Chapter VII of the Convention, among other things, provide that:

1. The property and the assets of MIGA, wherever located or by whomsoever held, shall be immune from expropriation or any other form of seizure by executive or legislative action. (This provision would not affect the judicial execution of a final arbitral award, as noted above.) That property and those assets are also to be immune from all taxes. Assets are defined as including "other assets administered by the (MIGA) in furtherance of its objective." Those assets could include assets contributed by public agencies and held by MIGA in trust as an insurance fund to promote direct investment in developing countries consistent with MIGA's purposes, but would not include other assets held in trust for reasons unrelated to the MIGA's objective to "encourage the flow of investments for productive purposes among member countries, and in particular to developing member countries. . . ."

2. Taxes are not to be levied on expense allowances, salaries or other emoluments paid by MIGA to its officials or staff, except in the case of local nationals. The provisions in the Convention on this point parallel those in the Articles of Agreement of the Bank, and, in similar fashion, MIGA staff and officials who are United States citizens or nationals will not be exempted by the Convention from tax in the United States on salary income and other emoluments paid by MIGA.

Section 414 follows the language of the Convention on the Settlement of Investment Disputes Act of 1966 (80 Stat. 344), to assure the enforceability within the United States of arbitral awards rendered to resolve disputes arising under Articles 57 and 58 of the Convention. The exemption from the Federal Arbitration Act aims at avoiding some of the questions associated with enforcing awards under that Act.

TITLE V—INTER-AMERICAN DEVELOPMENT BANK

Section 5 of the Inter-American Development Bank Act, as amended (73 Stat. 299, 22 U.S.C. 283) provides that, unless Congress by law authorizes such action, neither the

President, nor any person or Agency, may "accept any amendment under article XII of the" Agreement Establishing the Inter-American Development Bank.

The Committee of the Board of Governors of the Inter-American Development Bank (IDB) has agreed to a proposed resolution entitled "Merger of Inter-regional and Ordinary Capital Resources," which amends many of the Articles of Agreement of the Bank in order to strengthen the financial structure of the IDB.

Section 501 of the proposed legislation authorizes the United States Governor to the IDB to agree to the proposed resolution.

TITLE VI—INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Section 5 of the Bretton Woods Agreements Act (59 Stat. 512, 11 U.S.C. 286, as amended) requires Congressional authorization for the United States to accept any amendment to the Articles of Agreement of the International Bank for Reconstruction and Development ("the World Bank").

Section 601 authorizes the United States Governor to the World Bank to accept an amendment to the Articles of Agreement to increase the majority of the total voting power necessary to accept an amendment of the Articles from 80% to 85% (except for amendments requiring unanimity.) This amendment would assure the United States a veto over amendments to the Articles, provided its share of the total voting power is at least 15%.

TITLE VII—POLICIES FOR THE MULTILATERAL DEVELOPMENT BANKS

Section 701 amends the International Financial Institutions Act (22 U.S.C. 262c) to establish four new Titles stating policies for United States vis-a-vis the multilateral development banks ("MDBs") with respect to the environment, agricultural and commodity production, and in certain other areas.

A new Title XIII establishes policies for the U.S. in the area of the environment.

Section 1301 of that Title finds that United States assistance to the multilateral development banks should promote sustainable use of natural resources and the protection of the environment, public health, and the status of indigenous peoples in developing countries. It states Congress' view that multilateral development bank projects, policies and loans have failed to provide adequate safeguards, for the environment, public health, natural resources, and indigenous peoples, and that developing country governments that borrow from the MDBs sometimes do not ensure that natural resources are used sustainably. MDB efforts will also be more enduring if based on consultations with affected groups.

Section 1302 of the Title directs the Secretaries of the Treasury and State to vigorously promote mechanisms to strengthen the environmental performance of the banks. The measures are to include, but are not limited to, organizational, administrative, and procedural arrangements within the banks. Such measures could possibly include:

Organizational changes to increase environmentally beneficial projects; and

Systemic procedures to conduct consultations with environment, health or comparable officials in borrowing countries and with nongovernmental organizations.

Section 1303 establishes an early-warning system where the Administrator of AID ensures that other USG agencies, embassies, and AID missions are instructed to analyze environmental aspects of assistance proposals being considered by the multilateral development banks. That analysis is to be well in advance of approval of such loans by the relevant institutions; reviews are to include recommendations as to measures, including alternatives, that could eliminate or mitigate adverse impacts on the environment, natural resources, public health, and indigenous peoples. If any such loan may have such impacts, the AID Administrator is to ensure that the mission or embassy undertakes an affirmative investigation of such impacts in consultation with relevant federal agencies. An unclassified information thus collected is to be made available to the public. A list of proposals likely to have such adverse impacts will be prepared semi-annually and be circulated to interested members of the public and designated committee chairmen of the Congress. The Secretary of the Treasury will furnish information obtained under this early warning system to the U.S. Executive Director in the appropriate MDB, and instruct him to eliminate or mitigate any adverse impacts resulting from the proposal.

Section 1304 requests that the Secretary of the Treasury study the feasibility of establishing a cooperative exchange of information on assistance proposals with other interested member countries of the multilateral development banks.

Section 1305 requires that the U.S. Executive Directors be instructed to support the strengthening of environmental skills of mid-level managers and training borrowing country officials in the conduct of environmental analyses.

Section 1306 directs the Secretary of the Treasury to instruct U.S. Executive Directors in the multilateral development banks to vigorously and continuously urge that each institution identify and develop procedures to give appropriate consideration to environmental values in decisionmaking, include within each assistance proposal circulated to the board a detailed environmental statement (including an assessment of costs and benefits) analyzing the environmental impact of the proposed action, the adverse environmental impacts should the proposal be implemented, and alternatives to the proposed action.

The Secretary of the Treasury is also to instruct the United States Executive Directors to each MDB vigorously and continuously to promote increases in the proportion of loans supporting environmentally beneficial policies, as well as the establishment of environmental programs in policy-based lending for the purpose of improving natural resource management. The instructions will also oblige the Director to seek increases in the proportion of staff with professional training and experience in ecology, anthropological and sociological impact analysis, and related areas, and to encourage participation by NGO environmental, community and indigenous peoples' organizations at all stages of project preparation and implementation. Those organizations are to have full documentary information concerning details of design and potential environmental and sociocultural impacts of proposed loans.

Section 1307 directs the Secretary of the Treasury, in cooperation with the Secretary of State, to submit an annual report concerning progress made in implementing the objectives of this title.

A new Title XIV establishes policies for the United States with respect to programs and projects financed by the MDBs in the area of agricultural and commodity production.

Section 1401 of this new Title states Congressional findings that certain MDB financing in these areas has been of concern insofar as it has been detrimental to the interests of U.S. farmers and the agribusiness sector. At the same time the Congress recognizes that MDB programs, by helping to increase rural income in developing countries, can lead to increased exports of U.S. agricultural and food products.

Section 1402 of this new Title requires the Secretary of the Treasury to instruct the U.S. Executive Directors in the MDBs to work with other Directors to support activities which result in broad increases in income and employment and encourage diversification away from single crop or product economies.

Section 1403 requires the Secretary to discourage the MDBs from financing projects resulting in the production of surplus commodities, and to instruct the U.S. Executive Directors to oppose financing by the MDBs—without other financial support—for the production of commodities, minerals or products for export when subsidized inconsistently with the General Agreement on Tariffs and Trade or its Subsidies Code. The Secretary is also to instruct the U.S. Executive Directors to oppose financing for the production of commodities, products or minerals for export which are likely to be in surplus on world markets at the time production begins, and which, when exported, are likely to cause injury to U.S. producers within the meaning of Article 6 of the Subsidies Code.

A new title XV establishes policies for the United States with respect to certain institutional reforms within the MDBs.

Section 1501 requires the Secretary of the Treasury to make certain proposals in negotiations for replenishments or capital increases, e.g., that each MDB establish programs for determining how lending benefits the least advantaged members of society. The proposals will also suggest the establishment of offices or other procedures within MDBs to provide in-country liaison services with non-governmental organizations ("NGOs") and to ensure compliance with loan conditions relating to protecting the poor and minorities. The proposals will also urge an increase in the numbers of professional staff in the regional MDBs with training in social impact analysis, and, for the World Bank, the establishment of a program for policy-based lending to promote the sustainable use of renewable resources. The Secretary will also instruct the U.S. Executive Directors in the MDBs to request that the MDBs prepare a report on such policy goals as benefiting the poor, involving NGOs in loan design, protecting the environment, and supporting the economic and social development of women.

A new Title XVI addresses issues of human welfare.

Section 1601 of that Title requires the Secretary of the Treasury to instruct the U.S. Executive Directors in the MDBs to consult with other Directors and to propose that the MDBs establish guidelines for, and prepare impact statements relating to, the effects of adjustment lending on human welfare. Those impact statements are to examine the effects of each adjustment loan on the poor, the procedures which the borrowing country has taken or will take to measure those effects (including the monitoring of nutrition levels), and the steps the borrowing country will take to mitigate adverse effects on the poor, and to maximize the benefits to them. The Secretary is to also instruct the U.S. Executive Director in the World Bank to request a report from management on these topics.

Section 1602 requires the Secretary of the Treasury to instruct the Executive Director in the World Bank to propose establishing a "Grassroots Collaboration Program" to integrate NGOs in the design and implementation of projects financed by the Bank and IDA, in order to alleviate poverty and promote environmental protection. Specific tasks are described for the Program, such as supporting the enhancement of the institutional capacity of the NGOs. If more flexible financing is needed to implementing the program, Congress expresses its sense, in Section 1602(c), that the activities should be funded through a grant from the net income of the World Bank. Reports are required on progress toward achieving the goals of the Program.

Section 1603 obliges the Secretary of the Treasury to instruct the Executive Director in the World Bank to consult with other Directors and propose that the Bank or IDA take necessary steps to increase access for the poor to formal sources of credit, and include, in appropriate loan agreements, a requirement that the borrowing country identify and remove unreasonable legal and regulatory barriers to the establishment of credit institutions, and the provision of credit to microenterprises for small scale economic activities. The Executive Directors in the Asian Development Bank and the African Development Bank are to propose that each bank examine the IDB's Program for the Financing of Small projects, and to explore similar programs to provide credit for small scale economic activities. The NAC is to report on progress in the banks on these issues.

Section 1604 declares U.S. policy for the MDBs on issues involving the role of women in development. A U.S. goal, thus, is to fully involve women and women's groups in MDB project design, implementation and evaluation. U.S. policy is also to support women and women's groups in economic and social development in their countries, particularly their roles in education, health and nutrition, and to remove legal and customary barriers which hamper their participation in this process.

In light of these policies, the Secretary of the Treasury is to instruct the U.S. Executive Director in the World Bank to strengthen the role of the Women in Development division, and the U.S. Executive Directors of the regional banks to promote the full integration of women in the design, implementation, and evaluation of lending activities, both in borrowing countries and in the banks.

Section 1605 requires the Secretary of the Treasury to instruct the Executive Directors in the MDBs to propose that the banks take appropriate steps to measure the impacts of projects on indigenous peoples in borrowing countries, and to ensure compliance with loan conditions protecting the rights of these peoples to lands and resources. The proposal will also seek to have the banks consult with these peoples and the NGOs representing them.

Section 1606 contains definitions relating to the MDBs.●

By Mr. THURMOND;

S. 1900. A bill to temporarily suspend the duty on dimethylbenzylidene sorbitol and 4,4'-isopropylidenedicyclohexanol; to the Committee on Finance.

TEMPORARY SUSPENSION OF DUTY

Mr. THURMOND. Mr. President, today I am introducing legislation to temporarily suspend the duty on the chemicals dimethylbenzylidene sorbitol [MDBS] and isopropylidenedicyclohexanol [HBPA]. MDBS is used as a clarifying agent or nucleator in polyolefin in plastic resins, and HBPA is used as a chemical intermediate for polyester and epoxy compounds.

Mr. President, with the enactment of the Trade and Tariff Act of 1984 (Public Law 98-573), the duties on a wide array of items, including numerous chemicals, were temporarily suspended. The suspended duties generally involved items not domestically manufactured or produced and for which there is no readily available substitute produced domestically. MDBS and HBPA meet this criteria. However, because they were not brought to the attention of Congress during consideration of the Trade and Tariff Act of 1984, their duties were not suspended. Therefore, the duties on MDBS—13.5 percent ad valorem—and HBPA—$0.017/lb., plus 16.8 percent ad valorem—were unaffected by enactment of that measure.

Mr. President, the policy consideration surrounding the issue of duty suspension on items or substances for which there is no domestic manufacturers nor a readily available domestically produced substitute, strongly favor suspension of those duties. Suspending the duties on such imported items benfits customers, as well as industries in which those items are critical to the production process. These policy considerations justify the supension of duties for MDBS and HBPA.

In the case of MDBS and HBPA chemicals, suspension of the currently imposed duty will lessen the cost of production. As a result, the competitiveness of our domestic producers in the world market will be strengthened, American jobs will be preserved, and consumers will gain the benefit of lower prices. In addition, as I mentioned earlier, suspension would also eliminate an inequity which currently exists in our tariff laws.

Mr. President, I urge my Senate colleagues to join me in supporting swift passage of this measure.

By Mr. REID:

S. 1901. A bill to designate the Federal Building located at 600 Las Vegas Boulevard in Las Vegas, NV, as the "Alan Bible Federal Building"; to the Committee on Environment and Public Works.

ALAN BIBLE FEDERAL BUILDING

Mr. REID. Mr. President, it is my great pleasure to today introduce legislation designating the Federal building located at 600 Las Vegas Boulevard in Las Vegas, NV, as the "Alan Bible Federal Building."

I am sure that my Senate colleagues know of Alan Bible, an effective, 20-year veteran of this body. A considerable number of you had the pleasure of working with him and, consequently, know from a personal standpoint of his compliment to this body. Chairman STENNIS and Alan Bible, for example, served together many years on appropriations. Senator STENNIS and I have often spoken of our mutual friend, Alan Bible.

This body will remember Senator Bible's efforts to ensure that all Americans are treated as equals. During the tenure in the Senate, he was a champion of civil rights legislation. In his nearly 20 years here, he also took an active interest in, establishing national policies on land management, parks, and recreation. During his term as chairman of the National Parks Subcommittee of the Appropriations Committee, more national parks were created than during any other comparable time period.

As chairman of the District of Columbia Committee he worked tirelessly for the District and was a proponent of home rule. His greatest public service related to his efforts for Nevada. As a young man growing up in Fallon, NV, Alan Bible learned the importance of water and wetlands to arid regions. His mark runs from the southern Nevada water project to the Fallon Naval Air Station. Without the Nevada water project, Las Vegas would not have had enough water to build and sustain its world famous strip. In addition, he was the author of the Washoe project which provided upstream water storage along the Truckee River. That project has also prevented major floods that earlier plagued the area. I have learned a great deal from him and often derive strength for sustaining my own legislative efforts by remembering his low-profile but highly effective efforts on behalf of the causes he believed in.

Senator Bible was born in Lovelock, Pershing County, which is located in northern Nevada. He obtained a B.A. degree from the University of Nevada, Reno and graduated from Georgetown University Law School. After a succesful career practicing law he became attorney general of Nevada. He was elected to the Senate in 1954 to fill the unexpired term of Senator Pat McCarran. In 1974 he chose not to seek reelection and, instead, retired to teach at the University of Nevada, Reno.

I still stay in contact with Senator Bible. While his physical condition is not what it once was, I can assure this body that his mind remains clear. Designating the building at 600 Las Vegas Boulevard the Alan Bible Federal Building is for this Congress a token of our esteem for the valued service he rendered to his State and country.

I urge each of you to join with me in honoring this great man.

By Mr. NUNN (for himself, Mr. McCain, Mr. Boren, Mr. Bumpers, Mr. Burdick, Mr. Chafee, Mr. Chiles, Mr. Cochran, Mr. Cranston, Mr. DeConcini, Mr. Dole, Mr. Domenici, Mr. Garn, Mr. Gore, Mr. Graham, Mr. Hecht, Mr. Heflin, Mr. Helms, Mr. Hollings, Mr. Inouye, Mr. Kasten, Mr. Levin, Mr. Metzenbaum, Ms. Mikulski, Mr. Moynihan, Mr. Pryor, Mr. Quayle, Mr. Riegle, Mr. Rockefeller, Mr. Sarbanes, Mr. Shelby, Mr. Simon, Mr. Stennis, Mr. Thurmond, Mr. Wallop, Mr. Warner, Mr. Wilson, and Mr. Wirth):

S.J. Res. 223. Joint resolution to designate the period commencing on April 10, 1988, and ending on April 16, 1988, as "National Productivity Improvement Week;" referred to the Committee on the Judiciary.

NATIONAL PRODUCTIVITY IMPROVEMENT WEEK

Mr. NUNN. Mr. President, for several years it has been my pleasure to introduce a Senate resolution designating a week as "National Productivity Improvement Week." I am pleased once again to offer this resolution on behalf of the Institute of Industrial Engineers. The measure calls on the President of the United States to proclaim April 10 through April 16, 1988 as "National Productivity Improvement Week."

At first glance, productivity figures seem to show that the United States is more productive than our main competitors, Japan and West Germany. According to the Bureau of Labor Statistics, the average American worker produces $17 of product per hour while in West Germany the average hourly output is $15 and in Japan it is $12. Obviously, the United States is leading in production but West Germany and Japan are increasing at a higher rate and will soon surpass us. From 1980 to 1985, Japan's gross national product increased 4.4 percent West Germany's increased 2.6 percent and our economy experienced only 1.3 percent growth. In the United States from 1970 to 1985, there has been an increase of 50 percent in manufacturing productivity. During the same time period, there has been an increase of 146 percent in Japanese manufacturing productivity. These figures do not augur well for our future. It is time, once again, that we started to stress productivity in our society.

Fortunately, some have already recognized the need for increased productivity. Business and industry have led the way with increased reinvestment of capital. But the human element, the fact that Americans are working harder, taking more pride in their work, feeling greater loyalty to their employer, improving their workmanship, and increasing their motivation, should be viewed as the most encouraging sign for American business.

What is productivity? Simplified, productivity is a measured relationship between the output of goods and services and the amount of investment it took to create those goods and services. That investment not only includes the cost of labor but also the cost of energy, raw materials, and equipment. When an organization produces more from a given investment, then the rate of productivity goes up. When the output is less from the same investment, productivity goes down.

When there is an increase in wages and salaries without an accompanying increase in productivity, the result is more dollars for fewer goods and services This is one of the root causes of inflation. Therefore, it is extremely important that we recognize the need for increasing productivity on a continuing basis.

As a result of higher levels of output for a given investment, an enterprise is better able to sell its goods or services because a more competitive price is allowed. This keeps jobs thriving and makes better pay possible. By giving the consumer of the goods and services more value for a given price, improved productivity fights inflation.

Even within governmental units or nonprofit associations, productivity improvement contributes to the overall well-being of those inside such organizations, because those outside give their votes and financial support ultimately to those who utilize resources soundly.

Productivity awareness can make a tremendous difference to all types of organizations—in both the public and private sectors. During the week of April 10, the Institute of Industrial Engineers will conduct its seventh consecutive annual productivity improvement awareness campaign as a public information service.

Americans should be proud of the fact that we are working harder to become a more productive society. However, we should avoid complacency and inaction. By introducing this resolution for 1988, I hope not only to call attention to the gains made by industry but also to call attention to the fact that more should and could be done by employers and employees to make America more productive.

ADDITIONAL COSPONSORS

S. 533

At the request of Mr. Thurmond, the names of the Senator from California [Mr. Wilson], and the Senator from New Jersey [Mr. Lautenberg] were added as cosponsors of S. 533, a bill to establish the Veterans' Administration as an executive department.

S. 998

At the request of Mr. DeConcini, the name of the Senator from Arkansas [Mr. Bumpers] was added as a cosponsor of S. 998, a bill entitled the "Micro Enterprise Loans for the Poor Act."

S. 1426

At the request of Mr. Nickles, his name was added as a cosponsor of S. 1426, a bill to amend the Internal Revenue Code of 1986 to encourage small businesses to extend retirement and fringe benefits to all employees, and for other purposes.

S. 1578

At the request of Mr. Stevens, the name of the Senator from North Dakota [Mr. Burdick] was added as a cosponsor of S. 1578, a bill to amend chapter 83 of title 5, United States Code, to provide civil service retirement credit for service performed under the Railroad Retirement Act, and for other purposes.

S. 1601

At the request of Mr. McCain, the name of the Senator from Rhode Island [Mr. Pell] was added as a cosponsor of S. 1601, a bill to permit the immigration of Vietnamese Amerasians to the United States.

S. 1648

At the request of Mr. Mitchell, the name of the Senator from South Carolina [Mr. Hollings] was added as a cosponsor of S. 1648, a bill to amend titles XI and XVIII of the Social Security Act to improve the efficiency and fairness of the system of peer review of the utilization and quality of health care services, and for other purposes.

S. 1731

At the request of Mr. Metzenbaum, the name of the Senator from Pennsylvania [Mr. Heinz] was added as cosponsor of S. 1731, a bill to amend the Job Training Partnership Act to establish a demonstration program employment opportunities for severely disadvantaged youth, and for other purposes.

S. 1752

At the request of Mr. Baucus, the names of the Senator from Alaska [Mr. Stevens], the Senator from West Virginia [Mr. Rockefeller], and the Senator from Alaska [Mr. Murkowski] were added as cosponsors of S. 1752, a bill to establish a commission to study the effects of deregulation of the airline industry.

S. 1844

At the request of Mr. Karnes, the name of the Senator from Idaho [Mr. McClure] was added as a cosponsor of S. 1844, a bill to provide for the orderly implementation of Environmental Protection Agency programs established to comply with the Endangered Species Act of 1973.

S. 1862

At the request of Mr. HATCH, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 1862, a bill to amend the Public Health Service Act to provide for an immunosuppressive drug therapy block grant.

SENATE JOINT RESOLUTION 203

At the request of Mr. D'AMATO, the name of the Senator from Connecticut [Mr. WEICKER] was added as a cosponsor of Senate Joint Resolution 203, a resolution calling upon the Soviet Union immediately to grant permission to emigrate to all those who wish to join spouses in the United States.

SENATE JOINT RESOLUTION 215

At the request of Mr. DURENBERGER, the names of the Senator from Utah [Mr. HATCH], the Senator from Kansas [Mr. DOLE], the Senator from Connecticut [Mr. WEICKER], and the Senator from Wisconsin [Mr. PROXMIRE] were added as cosponsors of Senate Joint Resolution 215, a joint resolution to authorize the Vietnam Women's Memorial Project, Inc., to establish a memorial to women of the Armed Forces of the United States who served in the Vietnam war.

SENATE JOINT RESOLUTION 218

At the request of Mr. LAUTENBERG, the names of the Senator from Connecticut [Mr. WEICKER], the Senator from South Dakota [Mr. PRESSLER], the Senator from Delaware [Mr. ROTH], the Senator from Maryland [Mr. SARBANES], the Senator from Vermont [Mr. LEAHY], and the Senator from Rhode Island [Mr. PELL] were added as cosponsors of Senate Joint Resolution 218, a joint resolution to designate March 25, 1988, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

SENATE CONCURRENT RESOLUTION 87

At the request of Mr. RIEGLE, the name of the Senator from New York [Mr. D'AMATO] was added as a cosponsor of Senate Concurrent Resolution 87, a concurrent resolution expressing the sense of the Congress with respect to demonstrations in Latvia commemorating Latvian Independence Day.

SENATE CONCURRENT RESOLUTION 88

At the request of Mr. MELCHER, the names of the Senator from Hawaii [Mr. INOUYE], the Senator from North Dakota [Mr. BURDICK], and the Senator from Alabama [Mr. SHELBY] were added as cosponsors of Senate Concurrent Resolution 88, a concurrent resolution to facilitate the convening of a Silver Haired Congress.

SENATE RESOLUTION 331—EXPRESSING SUPPORT FOR THE PRESIDENT'S ACTION CONCERNING BRAZIL'S INFORMATICS POLICIES

Mr. DOLE (for Mr. EVANS, for himself, Mr. ADAMS, Mr. DURENBERGER, Mr. MATSUNAGA, Mr. ROCKEFELLER, Mr. WILSON, Mr. DOLE, Mr. ROTH, Mrs. KASSEBAUM, Mr. GARN, Mr. DOMENICI, Mr. LAUTENBERG, Mr. DODD, Mr. DANFORTH, Mr. HEINZ, Mr. BINGAMAN, Mr. CHILES, Mr. BENTSEN, and Mr. MCCONNELL) submitted the following resolution; which was referred to the Committee on Finance:

S. RES. 331

Whereas:

(a) In September 1985, a Section 301 investigation was initiated against the trade and investment restrictions that the Government of Brazil imposes on foreign participants in its informatics market;

(b) In October 1986, the President determined that such policies of the government of Brazil were unreasonable and burden or restrict United States commerce;

(c) The market for computer software and related equipment and services in Brazil is one of the fastest growing markets in the world and its policies toward this industry may establish likely precedents for other developing countries in the world;

(d) In June, 1987, the President suspended the part of the Section 301 investigation relating to copyright protection for computer software based on an understanding that the Government of Brazil would not support the enactment of laws or regulations which continued or strengthened such unreasonable and discriminatory policies relating to computer software protection;

(e) The Government of Brazil recently rejected efforts by an American software company to license one of its products in Brazil, thereby creating a precedent which will effectively deny any U.S. software producer a fair opportunity to compete in its market;

(f) The policy of the Government of Brazil in rejecting the application, based on a market reserve for domestic producers, is precisely the type of unreasonable practice that led to the self-initiation of the Section 301 investigation in September, 1985: Therefore, be it

Resolved: (a) It is the sense of the Senate that the current policies of the Government of Brazil toward its informatics industry impose an unreasonable burden on United States commerce and have, in fact, worsened since the initiation of the Section 301 investigation in September, 1985;

(b) The Senate wholeheartedly supports the action announced by the President on November 13, 1987 to raise tariffs against certain products of Brazil to offset the lost sales opportunities in the amount of $105 million, and to prohibit imports of certain Brazilian informatics products.

● Mr. EVANS. Mr. President, I rise to introduce a sense-of-the-Senate resolution on the section 301 case on Brazilian informatics along with my colleague from the State of Washington, Senator ADAMS, and 18 other colleagues. A similar resolution was introduced yesterday by Congressman ROD CHANDLER, Congressman DON BONKER, and other members of the Washington delegation.

The intent of the resolution is quite simple and straightforward: to express the sense of the Senate that our section 301 statute should be enforced and implemented. The President announced last Friday, November 13, his decision to raise tariffs on certain products of Brazil to offset the lost sales opportunities created by its unreasonable and discriminatory practices toward American software producers. The amount was set at $105 million, annualized, which was calculated on a prospective, 3-year basis in estimating the lost sales of American software producers. The initial list of products on which tariffs may be raised was published in the Federal Register today by the U.S. Trade Representative.

This administration self-initiated a section 301 investigation against Brazil over 2 years ago, but it suspended most sections of that investigation in June of this year based on an understanding from Brazil that it would attempt to satisfy most American concerns about its informatics policies. This is especially true for the market reserve policy of Brazil, which reserves the domestic market for Brazilian software producers if the Government of Brazil determines that the proposed domestic system is functionally equivalent to the American decision. Several weeks ago, however, the Government acted to reject the application of an American software company, the Microsoft Corp., to license its MS-DOS operating system in Brazil. The bill moving through the Brazilian Congress, also, would not prevent the type of action that our Government was trying to prevent through the initiation of the section 301 case. The Government's recent actions, therefore, clearly demonstrate that its policies toward the protection of intellectual property is moving in the wrong direction from what we had expected.

Therefore, I strongly support the President's decision to retaliate against certain products of Brazil by imposing prohibitive tariffs, as well as putting a symbolic import ban on Brazilian informatics products. I am usually quite cautious about advocating retaliation against foreign imports, due to the cycle of counterretaliation and countercounter retaliation which may follow. But I think the President's action is justified in this case. If the President does not enforce fully the trade laws which the Congress passes, then the credibility of this, or any, administration is eroded substantially. The erosion of credibility in our trade laws led to the recent enactment of the omnibus trade bill, H.R. 3, and its specific provision to strengthen the section 301 statute. I voted against such a provision and the bill, precisely because I think the current law is adequate. But intelligent and consistent enforcement of the section 301 statute is essential.

Mr. President, strong and effective protection of American intellectual property is essential to the future competitiveness of this industry. The resolution of this section 301 case against Brazil's informatics policies is extremely important since its action may set a precedent for other developing countries. I understand there is about 1 month before the prohibitive tariffs on Brazilian products become effective, following public hearings held by the U.S. Trade Representative. I would hope that this time allows the Government of Brazil some time to reconsider its decisions on computer software protection and licensing. If a mutually acceptable resolution of this problem could be worked out in this period, I would certainly support that. But the Government of Brazil should understand that both the executive branch and the legislative branch, on a bipartisan basis, support the need to take action against its unreasonable and discriminatory policies. That is the purpose of this resolution.

Mr. President, I thank my colleagues for their support of this resolution. I urge its immediate adoption.

I ask unanimous consent that letters from Senator ADAMS and myself to the Ambassador of Brazil to the United States, His Excellency Marcilio Marques Moreira, and to Secretary Baker be included in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, DC, September 30, 1987.

His Excellency MARCILIO MARQUES MOREIRA,
Ambassador of Brazil,
Washington, DC.

DEAR MR. AMBASSADOR: We understand your government announced last week that it would impose a "functional equivalency" test on a pending application of an American software producer for licensing its operating system for microcomputers in Brazil. The effect of this decision, announced by the Special Informatics Agency (SEI) of the Ministry of Science and Technology, is to deny the application of a constituent, the Microsoft Company, to license its MS-DOS operating system in Brazil. This company had applied for approval from SEI in November 1986 for a Memorandum of Understanding along with six Brazilian computer manufacturers for licensing of this software. The decision last week, which rejected that application, required those computer manufacturers to acquire the software of a certain domestic software producer, based on SEI's use of a functional equivalency test.

In our view, we believe this undermines the basis for the Administration's suspension of the Section 301 investigation earlier this year. It was our understanding that the legislation pending in your Congress would address the market reserve issue, and that no administrative action would be taken in the interim to prejudge the final legislative outcome. The action taken last week and the sudden manner in which it was announced, however, will probably result in a reopening of the Section 301 case. The President will be asked to take all appropriate action to compensate for this unfair and discriminatory practice.

We believe that mutually open and free markets are in the best interests of both countries. The decision last week announced by your government, in our view, is not a step in that direction. We urge you to encourage your government to reassess last week's decision as expeditiously as possible.

Sincerely,

DANIEL J. EVANS,
U.S. Senator.
BROCK ADAMS,
U.S. Senator.

U.S. SENATE,
Washington, DC, September 30, 1987.

Hon. JAMES A. BAKER, III,
Secretary, Department of the Treasury,
Washington, DC.

DEAR MR. SECRETARY: We are concerned about a decision last week by the Government of Brazil that, in our view, places an unreasonable burden on American software exporters in the Brazilian market. This decision made by the Special Informatics Agency (SEI) of the Ministry of Science and Technology directly contravenes the reasoning behind the Administration's suspension earlier this year of the Section 301 case on Brazilian informatics policy. We urge you to recommend to the President that he use his authority under the Section 301 statute to take all appropriate and feasible action to eliminate this unfair and discriminatory practice.

It is our understanding that the Administration's suspension of the Section 301 case against Brazil was based on the expectation that mutually satisfactory legislation would pass this year. The legislation that is now pending before the Senate does provide adequate copyright protection to software producers, although we understand it does include a market reserve provision.

Unfortunately, the action by the Special Informatics Agency to impose a "functional equivalency" test on software importers does two things. First, it preempts the legislative action in the Senate where debate and possible amendments on the market reserve provision were expected. We understand that the Brazilian computer industry does not support such a provision today because the government could then arbitrarily restrict its ability to choose the optimal software or operating system. Second, it effectively rejects a pending Memorandum of Understanding between an American software exporter and six Brazilian hardware manufacturers for licensing the MS-DOS operating system in Brazil. Due to the SEI's determination that a Brazilian software producer offered a "functionally equivalent" system, our industry has been abruptly and unfairly denied any participation in that market. This action flies in the face of the Administration's willingness to work cooperatively with the Brazilian Government by suspending that part of the Section 301 investigation dealing with its market reserve policy.

Informatics is demonstrably an American industry which is internationally competitive today. The software development industry offers a huge opportunity to enhance our exports of goods and services in the future, thereby improving our trade imbalance. If we allow this Brazilian action to go forward without a meaningful response, we will send an unfortunate signal to other countries that American intellectual property will not be protected in other markets by its own government. We urge you to recommend to the President that he take prompt and appropriate action.

Sincerely,

DANIEL J. EVANS,
U.S. Senator.
BROCK ADAMS,
U.S. Senator.●

● Mr. MATSUNAGA. Mr. President, I rise to support the sense of the Senate resolution introduced by my colleagues from Washington State [Mr. EVANS and Mr. ADAMS] supporting the decision by President Reagan to take action against the continuing protectionist practices of the Brazilian Government in regard to its informatics sector.

Mr. President, I hold strong beliefs that retaliation against one of our trading partners is an action that should only be taken as a last resort. Even on those rare occasions when a carefully considered policy decision dictates the need to retaliate, such a decision represents a failure to negotiate a mutually acceptable solution to a trading problem. In the longer run, retaliatory actions can only undermine the broader fabric of political and economic relations which provides the bond beween our Nation and those countries with which we trade.

However, in the case of the section 301 investigation concerning the Brazilian informatics sector, I believe that a decision to retaliate is fully justified. Negotiations between the United States and Brazil regarding Brazil's protectionist practices for its informatics industry, its telecommunications producers, and now its software companies, have been underway for several years, beginning well before the administration self-initiated this section 301 investigation in September 1985. In October 1986, the President determined that Brazil's restrictions in its informatics sector were unreasonable and a burden on United States commerce. Since that determination, Ambassador Yeutter has patiently carried on negotiations with the Brazilian Government in an effort to achieve a resolution of Brazil's barriers to United States investment in the informatics sector and the lack of adequate copyright protection for computer software.

During the course of these negotiations, the Brazilian Government has been given every reasonable opportunity to modify its practices in this sector in order to accommodate the legitimate requests of the United States. Instead, United States companies still face a panoply of barriers which restrict their ability to do business in Brazil. The recent decision by the Government to deny import licenses to six Brazilian companies attempting to import Microsoft's MS-DOS software sets a precedent that suggests the complete denial of future United States participation in the Brazilian software market.

Mr. President, if Brazil wishes to establish a market reserve policy for its informatics sector, that is a decision for the Brazilian Government to make. However, the economic nationalists in Brazil's special Secretariat for Informatics [SEI] should realize that the exclusionary aspects of their policies will carry a price. This price will be borne by the computer companies in Brazil which are denied the advantage of using the advanced operating systems software to enhance the value and quality of their products. They should note that in the U.S. market for information services, the creation of innovative software, both applications programs and operating systems, has expanded the market by stimulating new demand for both hardware and software products. I suspect that in Brazil a similar effect would occur if the Brazilian Government were to permit its companies to import advanced software. But the cost also will be borne by those competitive sectors of the Brazilian economy such as the citrus industry, footwear producers, aircraft manufacturers, and others which have been successful exporters to the United States market and which will be denied access to our market in the future.

Mr. President, I am hopeful that in the coming weeks President Sarney and the Brazilian Government will consider carefully the costs that the inward-looking policies of SEI impose on the Brazilian economy. The continued restrictions in the informatics sector are no way for Brazil to be treating a country which is its largest export market. Mr. President, I urge my colleagues to support this trade policy decision taken by the President, upon the recommendation of the Economic Policy Council, by voting for the Evans-Adams resolution.●

ADDITIONAL STATEMENTS

DEPLOYMENT OF SDI

● Mr. JOHNSTON. Mr. President, two of Casper Weinberger's last acts as Secretary of Defense were to issue within the Department of Defense two high-level memoranda regarding early deployment of SDI.

One of the documents, dated November 12, 1987, calls for "operational, test, and evaluation (OP and E) activities" to begin immediately on the SDI phase I deployment.

The second document, dated November 16, 1987, exempts SDI from the normal DOD procedures—Format I—that permit withholding of funds from a program for programmatic reasons, such as not meeting its specified milestones. SDI, we are told, is not intended to be subject to "all DOD routine bureaucratic procedures." Prior to issuance of this memorandum DDR and E and apparently the Office of the Secretary of Defense could withhold funds if an SDI Program got into difficulty.

That document also explicitly directs that if Congress tries by statute to move portions of SDI research outside SDIO then General Abrahamson, SDIO Director, would retain control over format I, the allocation of funds to those programs.

I hope my colleagues will appreciate how bizarre all this is. Just 7 months ago, Senator PROXMIRE and I released a staff report describing how SDI had been secretly reoriented toward an early deployment. The SDIO denied there had been any such reorientation. Since then the move to early deployment is acknowledged. Now these DOD memoranda indicate that because SDI phase I deployment has entered the acquisition phase, operational test evaluation must begin immediately at the system-level.

Some of my colleagues who thought SDI was just a research program may wonder how it is that SDI has entered the acquisition phase. In fact, on September 18, 1987, Secretary Weinberger did approve the Defense Acquisition Board recommendation that six SDI technologies slated for phase I deployment enter the demonstration and validation phase. This was the milestone I decision.

However, the decision was not founded on the surest scientific footing. The Defense Science Board Task Force panel set up to evaluate SDI's readiness for a milestone I decision was known as the Strategic Defense Milestone Panel. Its report of August 13, 1987, said that SDI has a list of components for phase I deployment, but the design concept is still quite sketchy.

We do not know enough to confidently select a design for SDI phase I deployment, they said. And yet the Department of Defense appears to be rushing to establish the organization and procedures for system-level operational test and evaluation.

While we rush toward operational test and evaluation, the most basic and logical question about SDI phase I deployment has yet to be answered. In which of the two scenarios would the United States be more secure? First, neither the U.S. nor U.S.S.R. deploys any future ballistic missile defenses. Second, we and the Soviets both deploy comparable ballistic missile defense systems capable of meeting the Joint Chiefs of Staff requirements for an SDI phase I system?

In other words, if phase I SDI deployment did everything it was supposed to do and the Russians followed suit, would we be any more secure than if neither side deployed any more ballistic missile defenses. According to the subpanel's final report, "It is clear that such an analysis has not been satisfactorily done."

I cannot imagine a more fundamental and important question about SDI. It has yet to be answered. Yet, DOD is not instituting streamlined management procedures and rushing into operational, test, and evaluation.

Mr. President, I have written Chairman Sam Nunn of the Senate Armed Servcies Committee and Chairman John Stennis of the Appropriations Committee requesting that they examine these two memoranda and closely monitor SDI's progress.

I ask that Secretary Weinberger's memoranda of November 12 and November 16, 1987, be printed in the RECORD.

The material follows:

THE SECRETARY OF DEFENSE,
Washington, DC, November 12, 1987.

Memorandum for the Secretaries of the Military Departments, Chairman of the Joint Chiefs of Staff, Under Secretaries of Defense, Assistant Secretaries of Defense, General Counsel, Assistants to the Secretary of Defense, Directors of the Defense Agencies, and Director, Washington Headquarters Services.

Subject: Strategic Defense System [SDS] Operational Test and Evaluation [OT&E].

Now that the Strategic Defense System (SDS) Phase I has entered the acquisition process, operational test and evaluation (OT&E) activities must begin immediately to provide for fully independent and objective OT&E in support of annual Defense Acquisition Board (DAB) reviews.

Accordingly, I have asked the Director, Operational Test and Evaluation (DOT&E) to put in place the organization and procedures necessary to initiate and implement comprehensive system-level OT&E for this important program. The cornerstone of this effort is the establishment of the SDS Operational Test Organization (OTO), reporting directly to the DOT&E.

The DOT&E is delegated authority to provide direction for the conduct of SDS through the Service Secretaries. The SDS OTO, under direction, supervision and control of the DOT&E, will develop policies and procedures for and oversee the conduct of a rigorous operational test and evaluation program from a total systems/operational mission perspective. It will coordinate Service operational test activities and will maintain liaison with SDIO. The DAB Test and Evaluation Committee (TEC) and an SDS OT&E sub-panel under it, composed primarily of Service OTA commanders, will provide advice and counsel to the DOT&E and the SDS OTO. An implementation team will be formed immediately under the DOT&E to facilitate establishment of the SDS OTO and to initiate actions necessary to support early operational assessment (EAO) activities. Further direction, including an interim charter, will be developed by the DOT&E.

I hereby request that you fully cooperate with the DOT&E as he establishes the SDS Operational Test Organization (OTO).

CASPAR WEINBERGER.

THE SECRETARY OF DEFENSE,
Washington, DC, November 16, 1987.

Memorandum for Assistant Secretary of Defense, Production and Logistics, Assistant Secretary of Defense, Comptroller, and Director, Program Analysis and Evaluation.

Subject: SDI management authorities.

The SDI Organization was created as a separate agency with the Office of the Secretary of Defense to create a strong, centralized management function for SDI research. The intent was to minimize bureaucratic involvement and institute streamlined management. The management Authorities, Functions, and Responsibilities outlined in DOD Directives 5141.5, dated 4 June 1987 are all intended to support this concept of centralized direction and expedient execution.

The decision to submit six SDI technologies to the Defense Acquisition Board for a Milestone I review was not intended to subject the SDI program to all DOD routine bureautic procedures. Specifically, SDI is exempted from all Format I action by members of the OSD staff, as well as other routine reporting, etc. The SDI Director will, of course, continue to inform and coordinate on the basic thrust of the research program as well as on technologies which may be useful to other DOD missions.

Further, Congress may choose specific actions which would tend to fragment the intent of centralized control of SDI research. Should Congressional Auhorization or Appropriations move vital research from SDI funding lines to Service or DOD Agency program elements, the Director, SDIO will have specific Format I authority to insure that SDI research objectives and priorities are maintained.

CASPAR WEINBERGER.●

THE WEST LAFAYETTE GIRLS SWIM TEAM

● Mr. LUGAR. Mr. President, I would like to take this opportunity to bring special attention to the West Lafayette Girls Swim Team in West Lafayette, IN. These girls and their coach, Mr. Richard Wachs, deserve high marks of commendation for their continued dedication and hard work in their high school athletic endeavors as well as in the aquatic community.

Under the direction of Coach Wachs, the West Lafayette High School Girls Swim Team won the 1987 Hoosier Conference title and currently holds a record of 13 wins and only 2 losses. I wish these girls the best of luck for the remainder of their swimming competition, and I simply want to add a voice of appreciation for their enthusiastic commitment to high school athletics.●

SENATOR BRADLEY WILL KNOW WHEN HE'S READY

● Mr. LAUTENBERG. Mr. President, quite a number of people in New Jersey and around the country think, as I do, that BILL BRADLEY is made of Presidential timber.

He is a thoughtful and effective Senator. And, as his successful fight for tax reform proved, he is willing to take on the big issues, to stay with them for the long haul, and to have what it takes to win. For his independence, and for the care with which he approaches difficult issues of public policy, BILL BRADLEY has won the respect of people of diverse views and backgrounds.

That is why so many people recognize in BILL BRADLEY qualities that the Nation needs in its President.

But, in addition to all his other qualities, BILL BRADLEY has a sense of timing. It is a sense of appropriate timing that has guided him. Many hope that his inner clock will say that the time is now. Yet, BILL BRADLEY says that now is not his time to run for the Presidency. When asked when that time will be, if it will be, he answers, "I'll know it when I'm there."

Mr. President, I ask that an article about my colleague and what so many people are saying about him and his Presidential qualities be included in the RECORD.

The material follows:

[From the Newark (NJ) Sunday Star-Ledger, Nov. 15, 1987]

BILL BRADLEY . . . AND THE RACE FOR THE PRESIDENCY

(By Robert Cohen)

WASHINGTON.—It was the week of the stock market crash. Traders scurried about the floor of the exchange, government officials conferred nervously, business leaders worried about what was to come and the public watched and waited in trepidation.

Several prominent Wall Street investment bankers, concerned about the future and quality of the current Democratic presidential candidates, took time out from the chaos to call Sen. Bill Bradley of New Jersey.

They told him he should run for president.

Bradley politely declined.

But just as surely as the 1988 Democratic presidential candidates are visiting corn farmers in Iowa and stopping at factory gates in New Hampshire, Bradley is engaging in a quest of his own.

Unlike the six declared Democratic contenders, Bradley is not on the stump kissing babies, visiting senior citizen centers and speaking at small out-of-state forums.

Instead, he is conferring with a wide range of experts on the Soviet Union and studying national security and intelligence issues.

He is thinking about how to manage the domestic and global economy now and in the future. He is examining the likely direction of the Western alliance and he is spending time trying to get to know the country and its people in a "Walt Whitman sense."

And on the other levels, the 44-year-old Democrat is pursuing a long and continual process of broadening his political contacts in and out of Washington. He is carefully building a cadre of big-time fund-raisers around the nation and he is keeping in close touch with his home base of New Jersey.

Bradley is not a candidate for 1988; the future is another matter.

Just as he practiced endlessly to become a star college and pro basketball player, just as he worked patiently and tirelessly to become a respected senator, Bradley is steadily and persistently preparing to be ready for the presidency.

Bradley said during an interview that his own "sense of things at the moment" tells him it is "not the right time for me." But Bradley also made it clear that he is thinking seriously about national leadership and the presidency.

"I think in a very real sense the job deserves someone's best," said Bradley. "There are plenty of people who make a relative decision, which is to look around and say, 'Well, you know, Joe's in and Harry's in, why not me.' I tend to look at it in a less relative context and more against a personal standard," he said. "That's the only way I know how to make a decision."

Bradley insists he has no set timetable and is no sitting down plotting a strategy. He says he is simply engaged in an evolving process of continued learning, understanding and preparation that may one day lead him in the direction of 1600 Pennsylvania Avenue.

Although at first reticent to discuss his views of what it would take for him to seek the presidency, Bradley agreed to talk about his prescription for presidential preparation.

"I tend to think if you are going to do this, it is important that you be able to embody some of the contradictions of the country and its goals and its future," said Bradley. "I think this requires you to experience the country. The only way to get that is primary (first-hand) experience. Primary experience is not obtained from tarmac to tarmac in capaigns."

In addition, Bradley said that holding the levers of power necessitates having a broad and a detailed world view.

"It's wise to know not just where Japan is, but it's wise to know what is the political dynamic. It's important to know not just what NATO is, but how it functions and who has what responsibility.

"It is important to know the principles upon which the alliance is based and what are the challenges of the future and to be able to know beyond a briefing book to a point where you actually have some feel with the substance over time and have seen how you have grown in reaction to events," he said.

It also is essential, he added, to have a firm grasp of the "governance of the world economy in a changing and potentially volatile environment."

"I think these things are important as you think about this in terms of defining one's best," said the senator.

On the practical level, Bradley explained it is one thing to get elected and another to be able to govern effectively.

"You must recognize that it simply is not one person that is important, but it's the team—people who have worked with you over the years, a lot of people," he said. "And it's a constant process of meeting people and assessing abilities and thinking things through."

Bradley said the knowledge and understanding he is acquiring will be of little value unless it can be communicated. Like everything else, he said, he is working on his communication skills and finding and cultivating means to effectively get his message across to the opinion-makers, to the policy-makers and to other members of Congress.

"There is still a lot more to do, and it is a function of all these things," said the senator. "You ask me when will I be there. I'll know it when I'm there. That's the only way to answer that question."

When and if that day comes, Bradley said, he will weigh his own readiness against external circumstances and make a decision.

"And so you place against that the opportunity, you place against that the responsibility and duty and need, and you ultimately make a judgment," said the senator.

Bradley has had a story-book career as a widely heralded student-athlete at Princeton University, an Olympic gold medalist, a Rhodes Scholar, a professional basketball player for the New York Knicks, and U.S. senator from New Jersey for nearly a decade.

At every stage, Bradley has set his own standards, displayed a strong sense of independence, worked hard, analyzed and studied every situation and then showed single-minded determination when he put his work into motion.

And at every crucial point in his career, people he "respected and even loved" had strong opinions about the direction he should take. And in every case, said Bradley, he ended up following a course different from what was advised.

"Basically, I've learned to trust my sense of things at particular moments," he said.

During the past year, Bradley has received overtures from the political world, labor, the business community, Wall Street, academia and from friends to seek the presidency.

When first Gary Hart and then Sen. Joseph Biden of Delaware dropped out of the Democratic race, the calls for Bradley's entry were renewed. When the stock market plunged, the same thing happened.

Interviews with more than a dozen people who know Bradley and who have talked to him about the presidency say he has attained widespread respect because of his independent-minded and thoughtful approach to some of the important issues of the day, and because he is seen as a man of character and integrity.

They point to his effort to develop and shape the 1986 tax reform bill. They also point to his proposals to deal with the Third World debt and trade problems, and his most recent statements on Soviet-American relations.

Harry McPherson, a long-time Democratic adviser and a top aide to former President Lyndon B. Johnson, said it is Bradley's intelligence, his internal strength and his "sense of himself" that draws people to him and makes him attractive as a possible presidential candidate.

"There is a quality in Bill that everyone recognizes. There is a sense he is marching to his own drummer and is not jerked around by every wind that blows or that he is easily blown off course," said McPherson. "People find that attractive."

McPherson said this quality can be seen in the very fact that Bradley is resisting heavy pressure and not running for the Democratic nomination when he would be "a helluva candidate" who would be "leading and the man to beat" if he were in the race.

McPherson and others say Bradley, although still untested nationally and not yet a household name, has displayed strong appeal in diverse communities and has been able to transcend both geographic and ideological boundaries.

Earlier this year, for example, he spoke on family values to a large Baptist convention in North Carolina and received a standing ovation. His Senate speech in September opposing Supreme Court nominee Robert Bork's record on racial justice drew praise from the civil rights community.

The senator has opposed protectionist-oriented trade legislation advocated by labor, yet aides say that AFL-CIO President Lane Kirkland some time ago asked Bradley about his interest in getting into the presidential race.

Common Cause President Fred Wertheimer, a Bradley admirer, said the senator has shown a "capacity to speak to all parts of the Washington community" while maintaining his distance and independence.

"He's both an insider and an outsider at the same time," said Wertheimer. "His impact on Washington has been cumulative. It builds and builds and builds."

And William Hambricht, a San Francisco investment banker and Bradley fund-raiser, said entrepreneurs in California's Silicon Valley find him "very appealing" despite their generally conservative political views.

"He has more bipartisan support in the business community than I've ever seen," said Hambricht, who has urged Bradley to run for president in 1988.

Felix Rohatyn, a New York investment banker, said a number of prominent people on Wall Street have urged Bradley to run for president because "he's got judgment and he has a sense of what is happening abroad and a sense of the domestic economy."

"He's not dogmatic and he could lead the country and deal with the opposition in a constructive way," said Rohatyn.

Rohatyn said he realizes Bradley wants more seasoning before considering a bid for the White House, but he pointed out that no one can ever be completely prepared for the presidency because something will always happen that cannot be anticipated.

Rohatyn said he takes Bradley at his word that he is not running, adding, "Being president is the most important thing any person can do, and you just can't force a person to do it."

Another Wall Street executive and Democratic fund-raiser who has urged Bradley to run said "none of the Democratic candidates is saying anything sensible about economic issues" while Bradley is perceived as being extremely thoughtful and serious on the subject.

But the financier, who asked to remain anonymous, said he is concerned that Bradley is "obsessive about getting his ducks in a row." He said that by the time Bradley is ready to run, the "world could have passed him by" and other interesting candidates will be on the scene.

He also suggested that a number of people have the impression that Bradley is ducking the 1988 race "because he doesn't want to be another Herbert Hoover. He doesn't want to be a president sitting over a god-awful mess and be tagged with it."

Ted Van Dyke, a long-time Democratic policy adviser who worked for Vice President Hubert Humphrey and President Jimmy Carter, said he has urged Bradley to run but knows the senator feels he is not ready.

But Van Dyke, like some others, feels Bradley is missing a golden opportunity because the current Democratic field is weak and because 1988 could well be a Democratic year if there is a strong candidate.

"You don't need to know everything to run for or be president," said Van Dyke. "He knows more than John Kennedy or Jimmy Carter knew when they were inaugurated. I think the timing is good for him, but I don't expect him to change his mind."

Others note that if a Democrat wins the presidency in 1988, Bradley may have to wait until 1996 to have another chance. If a Republican wins next year, they say, 1992 might prove to be an opportune time.

In contrast to those urging Bradley on, Marian Wright Edelman of the Children's Defense Fund said Bradley "doesn't have to be in a hurry" to run for president.

"The country and its problems won't go away and in the meantime he's contributing and learning," said Edelman. "We need people who will take the long view and look at leadership in a realistic way without resorting to the quick fix. Bill is in that mode."

Edelman, a lobbyist who has dealt with Bradley on child support and children's health issues, said the senator lacks pretension, has his "ambition in check" and "has his head screwed on right." Edelman said his decision not to run is a "sign of maturity."

An attorney and a long-time personal friend of Bradley's takes the same view, suggesting the senator "has plenty of time" and does not need to run in '88.

There's no question he thinks he will run for president some day," said the Bradley friend, who asked to remain anonymous. "He is moving toward that goal, and in his mind it's 1992 or beyond. But in his gut, he is not ready now. It doesn't feel right to him."

The same friend said Bradley is not sure he is "quick enough of foot to withstand a national campaign" and adds the senator is smart enough to realize the "wooing period" is far different than an actual campaign.

He said the senator can take "a relatively pure policy position and let the debate move around him." If Bradley were a candidate, he said, his views would be subjected to closer scrutiny, and he would be forced to take stands on issues he had not fully thought through.

Others suggest that Bradley might take some criticism for his Senate vote in support of the Nicaraguan contras, a position that offended some of his liberal friends and evoked the biggest uproar of his career.

Several political advisers, including Van Dyke, said they are hopeful Bradley will remain "flexible" and take another look at a possible presidential bid after the Iowa caucuses and the New Hampshire primary.

Van Dyke acknowledges that a front-runner probably will emerge after the early primaries and that there is a "small likelihood" that the Democrats will fail to nominate a candidate on the first ballot at the convention. But if there were a deadlock, Van Dyke suggested, Bradley could be a natural compromise choice.

Some of his friends suggest Bradley would be hard-pressed to reject a call to duty if the convention turned to him, although most political observers believe such a last-minute scenario is virtually out of the question. And in the event of a deadlock, they say, the choice would likely be someone who has been in the race.

A number of political professionals also point out it would be extremely difficult to mount and organize an effective campaign for the presidency just several months prior to a general election. They note, moreover, that such a hurried effort would be antithetical to everything Bradley has ever done in his life.

Bradley refuses to speculate about such events, saying he is not giving any consideration to a late entry and that a deadlocked convention is "just not the way it happens in the real world."

Bradley said a great deal of attention has been focused on him and others like New York Gov. Mario Cuomo and Sen. Sam Nunn (D-Ga.) because of the uncertainty in the Democratic race. He said this is "disorienting" for people who are used to someone in the lead being chased by challengers.

"And there is no way that can change prior to the Iowa caucuses," said Bradley. "And I think that is why we are in this kind of atmosphere.

"I do not think someone who is not in the race will get to the convention and find that the convention is interested in him or her unless I've totally misread this, and I don't think I have," he said.

In the meantime, Bradley says, he wants to use his position in the Senate to help influence the direction of national policy and to help focus the debate during the presidential campaign.

He will do this, he said, by continuing to study the issues, formulate positions and speak out.

Bradley, who is up for re-election in 1990, goes to great lengths to stress that while he is focusing on a national agenda, he is still working hard on the concerns of New Jersey.

"I mean New Jersey is the source of permanence," said Bradley. "New Jersey is the source of my purpose."

While he has legislation pending that ranges from providing more money for the Pinelands to setting up new education and health programs in the state, Bradley's broader agenda has lately focused on the shape and future of U.S.-Soviet relations.

His initial tact in a speech this summer was to analyze Russian and American history and to look at the stark differences and common goals and aspirations of the two societies.

This fall, he moved to outline a policy of realism in superpower relations, which combines a willingness to communicate and work together with the need for being strong and for using the economic lever to try and modify Soviet behavior.

Bradley, a member of the Senate Intelligence Committee, has been spending countless hours receiving national security briefings as well as scouring international intelligence data.

On the domestic front, he has been looking at the demographics of the nation to see what resources will be needed in the future for health care and for the solvency of Social Security, Medicaid and Medicare systems. An aide said that Bradley is also becoming "more and more interested in the problems of the underclass."

He has been intensely interested in finding ways to preserve the national parks and America's open spaces, and has vowed to personally visit every national park in this country. In addition, he has made a strong commitment to the rights of Native Americans, and has proposed legislation to return land in South Dakota to the Sioux.

In the past two years in the Senate, Bradley has been credited as the "godfather" and driving force behind the massive overhaul of the federal tax code in 1986. The senator first proposed a detailed tax reform program in 1982, helped create the political framework and dialogue for the debate, and then worked for four years promoting the plan in the public and legislative arenas.

He has mapped out, after extensive study and brainstorming, a plan to deal with the massive debt problems of the Third World nations that has become the Democratic alternative to the administration's approach. He also has offered comprehensive options for trade and monetary policies.

Bradley said he will continue this work and move into new areas.

He said his personal goal is to contribute, to sense growth, to understand more, to feel more and to see more. And as this process goes forward, Bradley said, he will "take more risks."

"Whatever happens out of that happens," said Bradley. "I always feel you should do things for reasons that are not goal directed per se, but because there is an inherent value and enjoyment to doing them, and as long as you are growing in your job, that is the exciting part of work."●

INFORMED CONSENT: GEORGIA

● Mr. HUMPHREY. Mr. President, when it comes to deciding on whether or not to consent to a serious medical procedure, ignorance is not bliss. When it comes to a procedure like abortion, ignorance can be devastating. My office has received hundreds of letters from women across the country who have suffered negative effects from their abortions, side effects they were ignorant of prior to the procedure.

I urge my colleagues to support my informed consent legislation, S. 272 and S. 273. The bills would simply require medical personnel to secure informed consent from women before an abortion can be done. Abortion is too serious a procedure, with too many risks to allow the denial of information to continue.

I ask that letters from two women in Georgia be entered into the RECORD.

The letters follow:

MARCH 17, 1987.

DEAR SENATOR HUMPHREY: This letter wasn't going to be written but deep down there's a need in me to share my story in the hopes of helping your bill to be introduced. Also, after seeing the show on Public Television tonight about conception and how human life really is a live even before seven weeks of formation my heart was too touched not to write.

15 years ago, I became pregnant. I was living in Maryland at the time was not married but the father was (supposedly separated). To keep the baby did not seem an option them, I didn't go to my parents, I really didn't know what to do. A friend told me I could go to a clinic in New York for an abortion and I'd sort of made up my mind that's what I needed to do. Before going all that distance a hospital in D.C. was legalized and I found my way over there for "counseling." It's all so vague now after all these years of trying to forget but I do remember not hearing about the development of the fetus forming within me that was already developing hands to wiggle.

They made the "procedure" as it was called—never an abortion—sound so simple, so aesthetic, so harmless, so quick 'n easy . . . to have the "cellular mass" removed with a sort of vacuum suction. That's all it was, not a baby with feelings and living.

A friend went with me that day. When it was all over I cried and cried because I couldn't undo what I had done. The tensions released afterwards ended the waiting and wondering, but actually that was only the beginning. Not only was there inadequate counseling beforehand to explain what was actually going on inside my body, what alternatives should've been, but no one prepared me for the aftermath of being a bundle of emotions especially every time I would see a face so cute 'n cuddly whether in a mouse or in a person, to experience the guilt that haunted me for years, to be permanently scarred inside about a very wrong decision made at a very vulnerable stage in my life.

Ignorance is not bliss, and I for one strongly suggest that anyone contemplating elective abortion be required to watch the PBS show on "Life" because if they can still go through with it after that they have no heart at all. I was dumb and I sought counsel where I knew best—through a friend who'd already had an abortion and later had another one. I was not active in church and I feared telling my parents even tho' they would've been supportive and loving. I regret now not telling them because I feel I could've saved my sister the heartache of an abortion as well.

And now I have a 2½ year old son who is delightful. At times I do wonder about an older brother or sister who might have been.

Sincerely,

CATHY PLOUFF,
Georgia.

MARCH 15, 1987.

DEAR SIR: I had an abortion with resulting guilt and deep regret. I was living with my boyfriend who is now my husband and because he was considering going to a university for a doctorate (which he has now completed) I took it upon myself to kill our baby. I did discuss my decision with my boyfriend, but we had communications problems, and he never did tell me he didn't want me to do so. How I wish I had known.

The clinic I went to gave a private interview with each patient only to ask if we were sure we wanted to have an abortion. That if we were not sure to think twice. I felt there was not another way out—felt it a financial burden to my boyfriend. Young and ignorant! I wish I had thought twice I wish the clinic had offered me the option of adoption—at least that would have delayed my abortion and perhaps given me time to think further. I wish that the clinic would have told me about God—that he could help. For the least I wish someone there had talked with me about my own personal situation.

So I hope you will pass the informed consent bill to help women make decisions against abortion and its consequences. I have only God to thank for the freedom of guilt, the forgiveness of my act, otherwise I would still be emotionally unstable over it.

Thank you

VANESSA,
Georgia.

SALUTING BILL DAVIDSON

● Mr. LEVIN. Mr. President, tonight, in Southfield, MI, Congregation Shaarey Zedek is paying tribute to a very special man, William Davidson will receive Israel's Peace Medal at a dinner to benefit State of Israel bonds.

Let me read from the invitation to this event:

It is singularly fitting that, on the eve of the 40th anniversary of this remarkable nation, the Detroit Jewish Community and

Congregation Shaarey Zedek salute a remarkable man.

Bill Davidson is dedicated and determined. He has served as president of his beloved Congregation Shaarey Zedek. His deep commitment to Jewish education can be seen in his building of the wing at the Hillel Day School of Metropolitan Detroit.

He has remembered his own alma mater by establishing a visiting professorship in business administration at the University of Michigan. And he has endowed a chair in industrial and managerial engineering at the Technion-Israel Institute of Technology.

He has a profound interest in the quality of life of his community and has participated with great generosity in philanthropic efforts to satisfy educational, social, and cultural needs both in this country and abroad.

As involved as Bill is in the business world and community life, he still finds time to avidly follow the Detroit Pistons, of which he is a principal owner. Not surprisingly, Bill is more than just a fan. He has a terrific relationship with the players and truly loves the game. Bill had special reasons to be proud of the Pistons this past year when they went all the way to the semifinals in the NBA and took the powerful Boston Celtics to a hard-fought seven game series.

Let me conclude with another quotation from the invitation to tonight's dinner:

> It is with justifiable pride that Congregation Shaarey Zedek pays tribute to a vigorous international industrialist who is also a distinguished leader in congregational and communal life.

As we congratulate a good friend and great community leader, Bill Davidson, we also want to commend his congregation and community for recognizing his many contributions. Tonight will be an evening of celebration.●

ORDER OF PROCEDURE

Mr. BYRD. Mr. President, I am informed that the plane service out of Chicago has been somewhat delayed because of weather and so on.

In order to accommodate Senators who attended the funeral services of Mayor Washington and in view of the fact that this is the only vote coming up for today, and it would be, therefore, the last vote for today, nobody will be inconvenienced. So as not to change the starting time of the vote, as many Senators will have counted on the vote at 4:30, I ask unanimous consent that the time for the vote in this instance and under these extenuating circumstances be extended to not to exceed 1 hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 4 P.M.

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until the hour of 4 p.m.

There being no objection, the Senate, at 3:45 p.m., recessed until 4 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer [Mr. CONRAD].

EXECUTIVE SESSION

NOMINATION OF JAMES H. BURNLEY IV TO BE SECRETARY OF TRANSPORTATION

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to consideration of the nomination of James H. Burnley.

The assistant legislative clerk read the nomination of James H. Burnley IV of North Carolina to be Secretary of Transportation.

Mr. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time be equally charged.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I support the nomination of James H. Burnley to be Secretary of Transportation.

If confirmed, Mr. Burnley would be the youngest Secretary in the history of the Department of Transportation. But what he lacks in years he makes up for in experience. Mr. Burnley has served 4 years as DOT's Deputy Secretary—the No. 2 post in the Department—and in fact he would be the first Deputy Secretary of Transportation ever to be promoted to the Cabinet.

Mr. Burnley is a 1970 graduate of Yale University. He received his law degree from Harvard in 1973. After 8 years of private law practice in his home State of North Carolina, he was appointed by President Reagan to serve as a Director of Volunteers in Service to America [VISTA] Program. Prior to his nomination to be general counsel at DOT in 1983, Mr. Burnley served for a year as an Associate Deputy Attorney General at the Justice Department. He was confirmed to his current position, DOT Deputy Secretary, in the fall of 1983.

I have no doubt that Mr. Burnley has the experience and the qualifications to step right in and take the helm of the Department of Transportation. He has been extensively involved in the day-to-day management of the Department since he was confirmed as Deputy Secretary. He has served as Acting Secretary since the departure of Mrs. Dole in September.

Admittedly, however, my support is not wholehearted. In my recent experience as chairman of the Commerce Committee, trying to get the Department of Transportation to act decisively on questions of aviation safety has been like pulling teeth. Mr. Burnley has been part of the management over at DOT that has been slow to recognize the obvious problems we face, and even slower to act toward solving them.

With crucial safety and economic issues now facing America's transportation system, it is vital that in considering this nomination we concern ourselves with more than just the management of a bureaucracy. Although there is little more than a year remaining in the current administration, we cannot resign ourselves to accepting a nominee who sees this job as nothing more than a caretaker position. There are a multitude of problems out there in the Nation's transportation network. The next Secretary of Transportation must be someone who will meet these problems headon—someone who is ready and willing to put ideology and politics aside, work with the Congress, and do what is necessary to bring about the optimum level of safety and efficiency.

Nearly a decade after the advent of deregulation, airline travel in this country is in the pits—the margin of safety has declined, record numbers of air travelers have been inconvenienced, and the airlines themselves are gobbling each other up in a wave of mergers that leaves us with no clue as to where this industry is headed other than an uncompetitive situation. Deregulation in the railroad and motor carrier industries still leaves us with unresolved questions of safety and economics. There are still too many deaths on our highways, and our maritime industry is in a state of decline that threatens our economy and the national security.

The Secretary of Transportation is the one person in our Government—aside from, of course, perhaps the President—who can set the tone for solutions to these problems. But in order for that to happen, the next Secretary must be someone who believes in using the power of his office for this purpose—someone who will seek to make the system better rather than just make do. We need someone who believes that Government can be a positive and effective force for change.

On the question of safety, we can haggle all day over free market theories and ideologies. But talk is cheap.

It does nothing to make the transportation system safer for the people whose lives we are bound in our duty to protect. Talk will not bring back the people who died in that crash in Denver earlier this month. And talk will not prevent future tragedies.

What we need is resolve and action. This Congress wants to move forward and solve the many complex problems that face our transportation network. During his nomination hearing before the Commerce Committee 2 weeks ago, Mr. Burnley pledged to join us in this effort—to work with us, and to be a vigilant advocate for safety. I take him at his word. He deserves a chance to live up to this promise and I am willing to support his confirmation. But mind you me, I am going to be watching his performance at DOT and if he fails in any respect to be the "traffic cop" on safety he says he will be, then he will have to answer to this Congress.

Mr. President, it is time to get on with the business of ensuring the safe conveyance of the millions of Americans who each day trust their lives to our Nation's transportation network. I look forward to working with Mr. Burnley in this regard, and I urge my colleagues to confirm his nomination as Secretary of Transportation.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. I yield the balance of my time—the distinguished Senator from Missouri has control.

Mr. DANFORTH. Mr. President, I yield 5 minutes to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

Mr. HELMS. Mr. President, I thank the Chair, and I thank the distinguished Senator from Missouri.

Mr. President, obviously it gives me great pleasure to support the nomination of a fellow North Carolinian, Jim Burnley, to be Secretary of Transportation.

I have known Jim and his family for many years. There has been a whole series of Jim Burnleys, and I have never known a bad Jim Burnley. In fact, I had a letter just this morning from Jim's father which he signed "Old Jim Burnley." Well, that "Old Jim Burnley" is not really that old. In fact, he is young at heart. At this moment, he is proud of his son who is about to be confirmed as a member of the President's Cabinet, and I share that pride.

Jim Burnley is extraordinarily well qualified, and the country is fortunate to have a man with Jim's credentials willing to serve.

As has been indicated, he served this administration in 1981 as Director of the Volunteers In Service To America, the VISTA Program. In 1982, he took a position with the Department of Justice as Associate Deputy Attorney General.

In early 1983, Jim moved to the Department of Transportation and served as general counsel until becoming Deputy Secretary in 1983. He has served as Deputy Secretary for almost exactly 4 years. As for Jim's educational background, he is a magna cum laude graduate of Yale University and holds a juris doctorate from Harvard Law School.

Mr. President, I will conclude by saying that in this nomination we have two firsts. Jim is the first Deputy Secretary in the history of DOT to be nominated for Secretary, and he is the youngest person ever nominated for the position. It would be difficult to find a more qualified candidate to fill Elizabeth Dole's shoes as Secretary of Transportation than Jim Burnley. On top of that, Jim Burnley, like former Secretary Dole, is a North Carolinian.

Mr. President, I urge my colleagues to support this nomination.

Mr. DANFORTH. Mr. President, in my view, the nomination of Jim Burnley, to be Secretary of Transportation, was the best possible decision that the President could make under the circumstances. The Department of Transportation has been blessed with very able Secretaries in recent times. I refer specifically, of course, to Drew Lewis, who I thought at the time was perhaps the strongest member of the President's Cabinet. He was succeeded by Elizabeth Dole, who was absolutely first-rate and had so many accomplishments during her tenure as Secretary of Transportation. She left the Department with just a little over a year to go in the President's term of office.

It was very important in my mind that the President nominate somebody who was able to pick up the job, to get the job done, without a long break-in period.

Mr. President, Jim Burnley has the ability and the experience to do just that. He has been with the Department of Transportation since April 1983. He served first as general counsel of the Department and now as Deputy Secretary. So he has been with the Department of Transportation for 4½ years. He has intimate knowledge of the Department itself, of its personnel, and of the various programs and policies that the Department administers.

Jim Burnley is a person who believes very strongly in the philosophical principle of deregulation. The transportation industry has undergone very substantial deregulation in recent years. Jim Burnley, as a matter or principle, supports that concept of deregulation.

I asked Jim during his visit to my office, and also when he appeared before the Commerce Committee, whether his view of deregulation on economic matters extended to safety concerns. Does he believe that deregulation carries with it a kind of laissez faire policy for Government with respect to safety concerns in air transportation, rail transportation, trucking, and the like?

His answer was manifestly not; that he believed the Department of Transportation has a clear stake and a responsibility to make sure that the transportation industry is safe.

So, with that understanding, and that commitment on the part of Jim Burnley, I am most enthusiastic about his nomination to be Secretary of Transportation, and I look forward to working with him during the time that he will serve as Secretary.

The PRESIDING OFFICER. Who yields time?

Mr. LAUTENBERG addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, I yield 5 minutes to the distinguished Senator from New Jersey.

Mr. LAUTENBERG. Mr. President, today the Senate is voting on the confirmation of the nomination of Jim Burnley to be Secretary of Transportation.

As chairman of the Senate Transportation Appropriations Subcommittee, and as a Senator from a transit-dependent State, I have a strong interst in the policies and budget decisions made at the Department of Transportation. Mr. Burnley has had significant responsibilities at DOT in aviation and other areas. Unfortunately, there have been some weaknesses in these areas. DOT has been unrealistic about staffing needs in the Nation's control towers. It has refused to recognize the poor morale of our air traffic controller force. It has been unable to get the NAS plan on target. Even worse, the Department has too often not been forthright in analyzing and discussing these issues, and has bent under the weight of OMB rather than making the case for sound transportation policies.

It is no secret that I have had strong policy disagreements with Mr. Burnley and DOT over the sale of Amtrak, Federal assistance to mass transit, and the Highway Program.

Also of importance is the question of temperament and disposition. As Deputy Secretary, Mr. Burnley at times has had difficulty working constructively with the Congress. When he was nominated, there was a question of trust on the part of Members with key responsibility for transportation policy.

But we have seen a change. Over the last month or so, Mr. Burnley and I have had numerous discussions over the problems of the past. I know he has had similar talks with other Members. He has acknowledged some weaknesses, and has expressed his desire to work more effectively with the Congress. I expect Mr. Burnley to be true to his word. If not, he cannot be a successful Secretary.

In my talks with Mr. Burnley, I have emphasized to him my deep interest in moving the Nation's transportation agenda forward, with a minimum of conflict and a maximum of effectiveness. I believe he shares that goal.

In our conversations, Mr. Burnley has addressed each of these issues in depth and at great length. He has apologized for intemperance. But, more importantly, he has expressed a sincere appreciation for the cost associated with his past relationship with the Congress.

We must get on with the business of running the Department of Transportation. There is an important transportation agenda that we dare not let slip. Mr. Burnley has demonstrated to the satisfaction of the Commerce Committee that he has the ability and the desire to run the Department of Transportation in an effective, constructive manner.

Mr. Burnley has hands-on experience in the Department. That gives him an important head start. He has the capacity to do the job well. Upon confirmation, Jim Burnley will be the youngest Secretary of Transportation in the history of this country. It is a responsibility I believe he will take very seriously.

It is likely that on occasion Mr. Burnley and I will continue to differ on various policy issues. But I expect us to be able to address our differences constructively, in a positive working relationship. I am going to vote to confirm Mr. Burnley, and I look forward to working with him. I wish him success in this important task to meet the critical need to manage, maintain, and improve a balanced national transportation network for this country.

Mr. STAFFORD. Mr. President, the nomination of Jim Burnley is before the Senate today. He has been nominated by the President for the position of Secretary of Transportation. That is a very important responsibility and I believe Mr. Burnley is a good choice to do the job.

The Committee on Commerce, Science and Transportation has jurisdiction over this nomination and has reported Mr. Burnley's nomination to the Senate. However, the Committee on Environment and Public Works has a keen interest in this nomination as well. The committee has jurisdiction over the Federal-aid highway program, and oversight responsibility for the Federal Highway Administration. In addition, the committee has an interest in other areas within the Department of Transportation.

The members of the Environment and Public Works Committee conducted a hearing with Mr. Burnley on November 19. Clearly, Mr. Burnley is knowledgeable about and experienced in transportation issues. I am pleased that the Senate is approving him today and I took forward to working with him as he assumes the duties of Secretary of Transportation.

Mr. BAUCUS. Mr. President, I intend to support this nomination.

I've met with Mr. Burnley and reviewed his credentials. He's a well-respected administrator. And he has had extensive experience with transportation issues.

But I do have one major concern. It's not so much with Mr. Burnley. It's with the overall approach this administration has taken to air transportation policy.

AIRLINE DEREGULATION

Airline deregulation was supposed to create lower prices and better service.

For people traveling between major cities this may have happened.

But for people in rural America, deregulation has not been a boon. It's been a bust.

Montana is a good example.

Since deregulation, seven Montana cities have lost jet service, and air fares have risen dramatically.

In 1978 you could fly from Billings to Washington, DC, for $156. Today the same ticket costs $337. That's a 116-percent increase. Fares to New York, San Francisco, Denver, and Seattle have risen by similar amounts.

The same is true in rural communities across the country. Passengers face:

Flight delays and economic cancellations;

Reduced or abandoned service;

Inconvenient scheduling;

Decreased passenger safety; and

Higher fares.

THE IMPACT ON DEVELOPMENT

Mr. President, this is no small matter. States in the heartland of this country still suffer from the lingering effects of a deep economic downturn.

We're trying to diversify our economies. We're trying to attract new industries.

For that, we need a good air transportation system.

In this day and age, air service is not a frill. It's just as important to economic development as highways were 30 years ago.

Last month, I chaired a hearing to consider the effects airline deregulation has had on rural economies. Witness after witness testified to the importance of good air service.

One witness described a survey that had recently been done of the top 500 companies in America. Eighty percent of them said that they would not locate in a community that did not have good air service. Another witness described a recent report by the Southern Growth Policies Board, which concluded that good air service is a critical factor in business siting decisions. "In this sense," the report said, "air service should be considered a public utility."

ADMINISTRATION POLICY

This administration's air transportation policy has been pure laissez faire: If Montana wants air service, then Montana should pay for it. Every last cent.

The trouble is, we can't afford to pay for it unless we have a diverse economic base. And we can't develop a diverse economic base without good air service. It's a vicious circle.

To break out of it, we must revisit airline deregulation and temper its negative effects.

Reauthorizing the Essential Air Service Program is an important first step.

But we must do much more.

I have introduced legislation that would establish a bipartisan commission to review the impact of airline deregulation and recommend improvements. It now has 22 cosponsors. I hope that the bill can be enacted soon so that the commission can get to work.

MR. BURNLEY'S CHARGE

In the meantime, I hope that Mr. Burnley will get the ball rolling.

I met with him 2 weeks ago. He appeared to be sensitive to the problems deregulation has created for rural America.

I know that I and many of my colleagues will be watching closely to see if he does something about it.

Mr. DANFORTH. Mr. President, I yield such time as he requires to the Senator from Kansas.

The PRESIDING OFFICER. The Republican leader is recognized.

Mr. DOLE. Mr. President, Jim Burnley as has been stated before by the distinguished chairman of the committee and other members, has been Deputy Secretary of Transportation. I know Jim Burnley personally. I consider him to be an outstanding young man. He will be the youngest Secretary of Transportation, when confirmed. I do believe I know his work habits. He works very hard. I think he will do an outstanding job. I think it was precisely the right thing for the President to do. There are about 13 months left, a little more, in the President's second term, and it seems to me continuity is very important. That fact is recognized by the distinguished chairman and by the Senator from Missouri, Senator DANFORTH, and I hope that the nomination will be confirmed overwhelmingly.

Mr. President, Jim Burnley brings with him the right kind of experience necessary to carry on the important work at DOT.

Mr. Burnley is a North Carolinian and would succeed another North Carolinian who has done an excellent job serving her country.

He came to the Department in early 1983 from the position of Associate Deputy Attorney General. He has served over 4 years as Deputy Secretary. Prior to joining the Department, he served the Reagan administration as Director of Volunteers in Service to America [VISTA].

Jim Burnley is a lawyer with excellent credentials. He is a magna cum laude graduate of Yale University and holds a J.D. degree from Harvard Law School. Mr. Burnley has been active in the American Arbitration Association and is certified as a commercial arbitrator.

These skills will serve him well. The Department of Transportation is faced today with a series of decisions that will be felt far into the future. Air travel, railroads, shipping, our Nation's road system: All will require detailed consideration and the type of hands-on attention that the millions of Americans who rely on the safe operation of these systems demand.

I have every reason to believe that Jim Burnley will serve President Reagan, the Department, and the American people well. I urge my colleagues to support this nomination.

The PRESIDING OFFICER. The hour of 4:30 p.m. having arrived, the question is: Will the Senate advise and consent to the nomination of James H. Burnley IV to be Secretary of Transportation? On this question the yeas and nays have been ordered and the clerk will call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent to proceed for 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, this rollcall vote will extend for not to exceed 1 hour to accommodate some Senators who were attending the funeral services of Mayor Washington in Chicago today. And because of the weather conditions, and so on, they were delayed in leaving.

In addition, it is the only rollcall vote today. This is the last one today. For those Senators who may wish to vote and leave, they may do so. It does not inconvenience anyone in particular.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD. I announce that, the Senator from Texas [Mr. BENTSEN], the Senator from New Mexico [Mr. BINGAMAN], the Senator from Oklahoma [Mr. BOREN], the Senator from Arkansas [Mr. BUMPERS], the Senator from California [Mr. CRANSTON], the Senator from Georgia [Mr. FOWLER], the Senator from Tennessee [Mr. GORE], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Vermont [Mr. LEAHY], the Senator from Ohio [Mr. METZENBAUM], the Senator from Maryland [Ms. MIKULSKI], the Senator from Georgia [Mr. NUNN], the Senator from Michigan [Mr. RIEGLE], the Senator from North Carolina [Mr. SANFORD], the Senator from Maryland [Mr. SARBANES], and the Senator from Illinois [Mr. SIMON] are necessarily absent.

I further announce that, if present and voting, the Senator from Oklahoma [Mr. BOREN], the Senator from Tennessee [Mr. GORE], and the Senator from Maryland [Ms. MIKULSKI] would each vote "yea."

Mr. SIMPSON. I announce that the Senator from Colorado [Mr. ARMSTRONG], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Washington [Mr. EVANS], the Senator from Utah [Mr. GARN], the Senator from Texas [Mr. GRAMM], the Senator from Oregon [Mr. HATFIELD], the Senator from Pennsylvania [Mr. HEINZ], the Senator from Nebraska [Mr. KARNES], the Senator from Idaho [Mr. MCCLURE], and the Senator from California [Mr. WILSON] are necessarily absent.

I further announce that, if present and voting, the Senator from California [Mr. WILSON] would vote "yea."

The PRESIDING OFFICER (Mr. GRAHAM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 74, nays 0, as follows:

[Rollcall Vote No. 387 Ex.]

YEAS—74

Adams
Baucus
Biden
Bond
Boschwitz
Bradley
Breaux
Burdick
Byrd
Chiles
Cochran
Cohen
Conrad
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Exon
Ford
Glenn
Graham
Grassley
Harkin
Hatch
Hecht
Heflin
Helms
Hollings
Humphrey
Inouye
Johnston
Kassebaum
Kasten
Kerry
Lautenberg
Levin
Lugar
Matsunaga
McCain
McConnell
Melcher
Mitchell
Moynihan
Murkowski
Nickles
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Rockefeller
Roth
Rudman
Sasser
Shelby
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wirth

NAYS—0

NOT VOTING—26

Armstrong
Bentsen
Bingaman
Boren
Bumpers
Chafee
Cranston
Evans
Fowler
Garn
Gore
Gramm
Hatfield
Heinz
Karnes
Kennedy
Leahy
McClure
Metzenbaum
Mikulski
Nunn
Riegle
Sanford
Sarbanes
Simon
Wilson

So the nomination was confirmed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed, and I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, there is another nomination on the calendar, and I expect that shortly we will be able to proceed to that nomination.

I ask unanimous consent to proceed for 1 minute in executive session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, the following nomination has been cleared on the other side. I am authorized by the Republican leader to proceed.

I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 429 on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination will be stated.

The legislative clerk read the nomination of Mary Ann Weyforth Dawson, of the District of Columbia, to be Deputy Secretary of Transportation.

Mr. HOLLINGS. Mr. President, I wish to offer my support for the confirmation of Mimi Weyforth Dawson to serve as Deputy Secretary of the Department of Transportation.

Ms. Dawson currently serves as a Commissioner of the Federal Communications Commission [FCC]. She has served in that capacity since 1981. From 1973 to 1981, Ms. Dawson served on the staff of Senator BOB PACKWOOD as a press assistant, legislative assistant and most recently as his administrative assistant.

At a November 17 Committee on Commerce, Science, and Transportation hearing on this nomination, Senator PACKWOOD, a former chairman of this committee, highly recommended Ms. Dawson and considered her to be one of the best managers he has ever been associated with. During the hearing, Ms. Dawson also expressed her belief that she will be able to use the insights gained during her 18 years of Government service in assuming the responsibilities of Deputy Secretary.

The role of Deputy Secretary of Transportation is that of assisting the Secretary in the administration of the Department as well as assuming responsibility for the supervision and coordination of departmental activities as directed by the Secretary.

As we have cleared the nomination of Jim Burnley to serve as Secretary, it is my hope that he and Ms. Dawson can work together to deal with the important transportation issues facing us today as well as anticipate those that may arise in the future. I urge confirmation of her nomination.

The PRESIDING OFFICER. The question is, Will the Senate advise and consent to the nomination of Mary Ann Weyforth Dawson, of the District of Columbia, to be Deputy Secretary of Transportation?

The nomination was confirmed.

Mr. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to the consideration of legislative business.

MORNING BUSINESS

Mr. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of morning business, not to exceed 20 minutes, and that statements be limited therein to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE ELEMENTARY AND SECONDARY EDUCATION BILL

Mr. BYRD. Parliamentary inquiry: At what time tomorrow does the Senate proceed to the consideration of the elementary and secondary education bill?

The PRESIDING OFFICER. Ten a.m.

Mr. BYRD. I thank the Chair.

ORDERS FOR RECESS UNTIL 9:15 A.M.

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:15 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE AT 9:30 A.M. TOMORROW

Mr. BYRD. Mr. President, there will be a rollcall vote beginning at 9:30 tomorrow on the motion that the Sergeant at Arms be directed to compel the attendance of Senators because we want to get started on the elementary and secondary education bill. The best way to get started is to have Senators here.

So I alert Senators at this point that there will be a rollcall vote at 9:30 tomorrow morning. It will be a 30-minute rollcall vote keeping with the practice of having 30 minutes on the first vote. The regular order will be automatic at 10 a.m., meaning that the curtain comes down at 10 o'clock a.m.

ORDER FOR MORNING BUSINESS TOMORROW

Mr. BYRD. Mr. President, I ask unanimous consent that following the recognition of the two leaders on tomorrow under the standing order, there be a period for morning business, not to extend beyond 9:30 a.m., and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE AT 9:30 A.M.

Mr. BYRD. Mr. President, at 9:30 a.m. tomorrow, there will be a quorum call. It will be a live quorum call. There will be a motion to instruct the Sergeant at Arms to request the attendance of absent Senators. The yeas and nays will be requested thereon.

I ask unanimous consent that it be in order at this time to order the yeas and nays on the motion which will be made.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that that be a 30-minute rollcall.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. And that the call for the regular order, meaning the time is up, be automatic at the hour of 10 o'clock a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I thank all Senators, and I yield the floor.

Mr. SIMPSON. Mr. President, I thank the majority leader for submitting the agenda to us and obviously we will be present in the morning hour. I think it is important that we are.

We on our side of the aisle want to assist in proceeding in what is a daunting agenda and we pledge to be of every proper assistance.

BIRTH OF NORA ANITA KASTEN

Mr. SIMPSON. Mr. President, I just want to comment just for a moment about the good fortune of our friend, our colleague from Wisconsin, Senator BOB KASTEN. His lovely wife Eva has given birth to a new member of that clan, born November 24, at 7:15 p.m., 6 pounds 3 ounces, 20 inches long, a young lady named Nora Anita. Apparently mother and daughter are home and fine and the condition of the father is unreported.

And welcome to the planet to that little lady, a fine daughter of one of our colleagues and his lovely wife Eva.

I certainly yield the floor to the Senator from Minnesota.

THE INF TREATY

Mr. BOSCHWITZ. Mr. President, over the weekend I read a article by Ben Wattenberg that appeared in the Washington Times on Thanksgiving entitled, "Why Hardliners Should Back Treaty." Mr. Wattenberg—no softy when it comes to dealing with the Soviets—makes several important points in favor of ratification of the recently concluded INF Agreement. The simple truth of the matter is that when President Reagan proposed the "zero-zero" option in 1981, very few thought it was attainable. But through persistence, including the deployment of our own intermediate nuclear weapons in Europe, he succeeded. He hung tough, and the Soviets finally realized he meant what he said.

We now have a treaty, and with it, the most intrusive verification regime in history, including onsite, short notice inspections. Is it fool proof? Probably not. But at this point it certainly appears to be adequate. As Wattenberg points out, the message ought to go out that success in obtaining arms control agreements requires strength and resolve. Having achieved our objective, we must now be prepared to take yes for an answer, though I fully understand we must first see the treaty.

Mr. President, I believe Ben Wattenberg's short article is well worth reading. I ask unanimous consent to have printed in the RECORD the article and commend it to my colleagues.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Times, Nov. 26, 1987]

WHY HARDLINERS SHOULD BACK TREATY

(By Ben Wattenberg)

Yes, it will be difficult to totally verify the medium-range missile treaty (INF); yes, we should have had the details pinned down before we made a summit date; yes, in arms control the devil can be in the details; yes, INF is causing some nervousness among our allies.

Notwithstanding, the Republican hardliners who are opposing the treaty are wrong—tactically, substantively, domestically and internationally. Many of them are generally responsible people. This time, their actions are not.

Conservative action groups are gearing up for a fight to block Senate ratification. Four of the six Republican candidates for president are against INF: Jack Kemp, Alexander Haig, Pierre du Pont and Pat Robertson. Sen. Robert Dole is on the fence. Wisely, Vice President Bush favors INF.

One wonders: Do the hardliners realize just what they are throwing away politcally? Conservatives have been making a case for decades that the way to negotiate with the Russians is through strength. In 1981, when President Reagan proposed the zero-zero option, it opened up global giggle season. For Mr. Reagan it must have been like modeling for that old ad, "They laughed when I sat down to play the piano."

The press and the critics had a field day. We were told, "It was a phony proposal—Reagan wanted it to fail." We heard that "the Russians would never accept it." We were informed that "the West Europeans would never allow deployment." It was said that "Reagan doesn't really want a missile deal."

It wasn't phony. Mr. Reagan wanted it. The Europeans deployed the missiles. And the Russians—facing strength—sat down and cut the cards.

The conservatives proved their case: Be tough and succeed. They had acquired a combination lock on the two best words in the presidential political lexicon: "peace" and "strength." In political practice, the term of art is "America needs a policy that is based on peace through strength."

This sequence should put Republican conservatives in the catbird seat. They should support INF, and when Democrats support it too (as they will), the Republicans should be saying, "There never would have been a deal if we had listened to you Democrats. You were for a nuclear freeze. If we had frozen, the Soviets would have had a thousand SS-20 warheads, and we would have had no medium-range missiles at all. The Soviets never would have dealt. But we hung tough, and ended up with a real reduction." The conservatives not only would have had the liberal Democrats on the defense, they could actually have helped educate them.

Instead, the Republicans will be saying, "The verification procedures are no good, Reagan got snookered." Doubtful. If, as all agree, the actual military implications of INF are slim, then the likelihood of Soviet cheating (on a risk vs. reward basis) is small and not monumentally consequential. More important, the verification protocols will probably be adequate.

The political advantage can now go to the Democrats, who will say, with merit: "These conservatives can't take yes for an answer: We're supporting Reagan's treaty. This proves we must really be tough guys—after all, Reagan's tough. And we'll support more treaties like it—negotiated with patience and strength. We're for peace through strength." In fact, those softish Democrats who originally only sort of half-believed it, may now (I hope) become true believers.

But the importance of this debate goes well beyond which side captures the partisan bonus in 1988. The issue concerns a strategy for diplomacy in the 1990s. What INF can lead to is that the idea of peace through strength does work. To establish that view in both of our major political parties and among our allies could establish rules of the road that might lead, indeed, to peace through strength. To throw that chance away is irresponsible.

I thank the majority leader for his courtesy in allowing me to conclude the business of the day. That is typical of him. His trust is appreciated and, therefore, often makes one work harder to meet those tests, and I do appreciate that.

I think that concludes the business on both sides of the aisle.

Mr. BOSCHWITZ. I yield the floor.

Mr. SIMPSON. Mr. President, I also commend that article to your attention. Ben Wattenberg, who I think is one of the most perceptive authors of our day of books and columns, does a beautiful job of expressing things in a way people can understand which is sometimes difficult for authors at least in my experience, and I commend him. I commend that article.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate stand in recess under the previous order until the hour of 9:15 a.m. on tomorrow, Tuesday, December 1.

There being no objection, the Senate, at 6:02 p.m., recessed until Tuesday, December 1, 1987, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Secretary of the Senate November 24, 1987, under authority of the order of the Senate of February 3, 1987:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

SYDNEY J. OLSON, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF HEALTH AND HUMAN SERVICES, VICE DORCAS R. HARDY, RESIGNED.

THE JUDICIARY

ROBERT ROBERTO, JR., OF NEW YORK, TO BE U.S. DISTRICT JUDGE FOR THE EASTERN DISTRICT OF NEW YORK VICE HENRY BRAMWELL, RETIRED.

KENNETH M. HOYT, OF TEXAS, TO BE U.S. DISTRICT JUDGE FOR THE SOUTHERN DISTRICT OF TEXAS VICE CARL O. BUE, JR., RETIRED.

DEPARTMENT OF JUSTICE

JAMES ELDON WILSON, OF ALABAMA, TO BE U.S. ATTORNEY FOR THE MIDDLE DISTRICT OF ALABAMA FOR THE TERM OF 4 YEARS VICE JOHN C. BELL, TERM EXPIRED.

EDGAR W. ENNIS, JR., OF GEORGIA, TO BE U.S. ATTORNEY FOR THE MIDDLE DISTRICT OF GEORGIA FOR THE TERM OF 4 YEARS VICE JOE D. WHITLEY, RESIGNED.

ENVIRONMENTAL PROTECTION AGENCY

CHARLES L. GRIZZLE, OF KENTUCKY, TO BE AN ASSISTANT ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY, VICE HOWARD M. MESSNER, RESIGNED.

FOREIGN SERVICE

THE FOLLOWING-NAMED CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE U.S. INFORMATION AGENCY FOR PROMOTION IN THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED:

CAREER MEMBER OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF CAREER MINISTER:

JOHN F. KORDEK, OF ILLINOIS.

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF MINISTER COUNSELOR:

JOHN D. GARNER, OF ARKANSAS.
WILLIAM R. LENDERKING, JR., OF NEW HAMPSHIRE.
JAMES L. MORAD, OF CALIFORNIA.
DONNA MARIE OGLESBY, OF FLORIDA.
EDWARD THOMAS PENNEY, OF VIRGINIA.
CHRISTOPHER SNOW, OF UTAH.

THE FOLLOWING-NAMED CAREER MEMBERS OF THE FOREIGN SERVICE OF THE U.S. INFORMATION AGENCY FOR PROMOTION INTO THE SENIOR FOREIGN SERVICE TO THE CLASS INDICATED:

CAREER MEMBERS OF THE SENIOR FOREIGN SERVICE OF THE UNITED STATES OF AMERICA, CLASS OF COUNSELOR:

ROBERT J. BAKER, OF PENNSYLVANIA.
GEORGE FREDERIC BEASLEY, OF MARYLAND.
ARTHUR S. BERGER, OF FLORIDA.
CHARLES EDWARD BERNIER, OF WASHINGTON.
ROBIN A. BERRINGTON, OF FLORIDA.
DINO J. CATERINI, OF OHIO.
CSABA TIBOR CHIKES, OF NEW HAMPSHIRE.
RONALD D. CLIFTON, OF FLORIDA.
STEPHEN M. DUBROW, OF FLORIDA.
JOHN A. FREDENBURG, OF FLORIDA.
MARY ELEANOR GAWRONSKI, OF NEW YORK.
JACOB P. GILLESPIE, OF CONNECTICUT.
DAVID D. GRIMLAND, OF TEXAS.
G. ALFRED KENNEDY, OF NEW JERSEY.
CAROL E. LUDWIG, OF IOWA.
STEVEN J. MONBLATT, OF NEW YORK.
CAROLINE MEIRS OSTERLING, OF NEW JERSEY.
RAY PEPPERS, OF SOUTH CAROLINA.
PHILIP WINSTON PILLSBURY, JR., OF MINNESOTA.
ROBERT DAVID PLOTKIN, OF CALIFORNIA.
DOUGLAS STODDARD ROSE, OF CALIFORNIA.
ANNE M. SIGMUND, OF KANSAS.
LARRY ROY TAYLOR, OF WASHINGTON.
RICHARD ANDREW VIRDEN, OF MINNESOTA.
E. ASHLEY WILLS, OF TEXAS.
WILLIAM M. ZAVIS, OF NEW YORK.

IN THE COAST GUARD

PURSUANT TO THE PROVISIONS OF 14 U.S.C. 729, THE FOLLOWING-NAMED COMMANDERS OF THE COAST GUARD RESERVE TO BE PERMANENT COMMISSIONED OFFICERS IN THE COAST GUARD RESERVE IN THE GRADE OF CAPTAIN.

MERRILL J. SCHWEITZER, JR.
FREDERICK H. HAMMOND III
JOHN P. CARLAND
HENRY J. KOFRON, JR.
SIDNEY M. THOMAS
WILLIS W. MOORE III
JOHN W. LITTLEHALES
JAMES R. COMERFORD
MARK E. JOHNSON
JOHN T. GREENFIELD
JOHN V. DAVIS
ALEXANDER C. BRODIE
WALTER A. SCHMIDLIN, JR.
TERRY R. HAUCK
JAMES H. DEVITT
WILLIAM Q. BUNTING, JR.
DENNIS M. DICKERSON
STEPHEN E. HART
MICHAEL E. PAYNE
RALPH W. SMITH
JOHN W. REITER
KRIS W. BARRETT
MARK E. LIBBY
JAMES F. AUDLEY, JR.
ROBERT G. FRAME
WILLIAM C. BEAL
LYNN H. DEGROW
JOHN R. OLSON
WAYNE R. TILL
GLENN J. PRUIKSMA
JAMES T. MCCRACKEN, JR.
RICHARD W. SCHNEIDER
THEODORE J. FLYNN
NICHOLAS STRAMANDI
ROBERT P. O'CONNOR

IN THE COAST GUARD

THE FOLLOWING REGULAR OFFICERS OF THE U.S. COAST GUARD FOR PROMOTION TO THE GRADE OF LIEUTENANT COMMANDER:

THOMAS J. COE
MARK H. SIMPSON
FLOYD G. LYSSY
ROBERT T. WRIGHT
WAYNE R. TROXLER
PAUL R. GAUTHIER, JR.
EVERETTE W. HOLLINGSWORTH
PAUL A. MILLIGAN
ROBERT E. GARRETT
CHARLES D. KAKUSKA
ROBERT O. SMITH
RAYMOND A. PELLETIER, JR.
DONALD W. RIGNEY
CHARLES J. DICKENS
VICTOR M. POUNDS, JR.
HOWARD P. RHOADES
EDWARD L. RISTAINO
STANLEY W. HARRIS
ROBERT D. ALLEN
JODY A. BRECKENRIDGE
JOSEPH H. HUNT
ALAN L. GABRIEL
RUSSELL N. TERRELL
JAMES C. BURTON
PHILLIP L. HAWKINS
DONALD A. SALAMONE
JOHN H. JONES, JR.
GREGORY F. ADAMS
ROBERT F. LAVENDAR
WILLIAM L. ROSS
BEVERLY G. KELLEY
REX M. TAKAHASHI
JOHN H. SIEMENS
ROBERT C. ECCLES
RUBEN H. ARREDONDO
PAUL J. BERGMAN
JOHN G. TUTTLE
ERNEST J. FINK
KEITH E. GRANT
MARION J. LEWANDOWSKI
THOMAS C. CHRISTIAN
ROGER P. BOWERS
ARTHUR D. MARKS
WILLIAM R. PERRIN
MICHAEL J. SKIRCHAK
ROBERT E. DUNN
DENNIS H. TURNER
LEONARD P. DEUTSCHMANN, JR.
RICHARD M. WRIGHT
PATRICK K. GREGORY
JOSEPH M. TOUZIN
JAMES A. FAVERO
JOHN W. SCHOEN
JAMES S. DICKS
JAMES M. MCCOY
WILLIAM S. CHEEVER
GREGORY L. OXLEY
DONALD R. GOLDSTEIN
THOMAS H. BRIGGS
VICTOR A LOHER
JAMES A. DALE
COLLIN S. CAMPBELL
CHARLES H. DENMARK, JR.
JOHN H. LEOPOLD
TIMOTHY L. BELTZ
WILLIAM A. KELSEY
DAVID G. WESTERHOLM
PETER R. RENNARD
WILLIAM C. PARADISE
JOHN M. HOLMES
PETER J. HOPKINSON
KAY L. HICKMAN
RICHARD C. SIMONSON
BRIAN M. SALERNO
CYNTHIA A COOGAN
MICHAEL G. WALLACE
ERNEST L. DELBUENO, JR.
RANDOLPH C. HELLAND
WALTER M. HUNT, JR.
KIRK A. DAVIS
TIMOTHY C. STONE
KIM N. ROSE
ELIAS J. MOUKAWSHER
JOHN A. SCHOTT, JR.
GARY F. GREENE
STEPHEN L. WILHELM
JOHN R. LYNCH
GEORGE E. HOWE
THOMAS W. SPARKS
GARRY B. ROLSMA
GREGORY T. JONES
RICHARD J. HARTNETT
JERRY K. THORUSEN
THOMAS P. LEVEILLE
JAY D. MAHAFFEY
STEVEN P. CARPENTER
LAWRENCE C. VOSE
JOSEPH E. WIGGINS
KENNETH S. PRIME
BLAINE D. HORROCKS
MICHAEL N. POWERS
PETER L. SEIDLER II
ALAN L. PEEK
KIM L. KRZYWICKI
PHILLIP J. HEYL
JOHN C. NELSON
ANDREW T. MOYNAHAN

WILLIAM A. MATHUS
ROBIN K. KUTZ
DENNIS J. HOUGHTON
MARC A. BLANCHARD
PHILIP E. COLETTI
EDMUND MARMOL
ROGER D. GIBSON
JAMES S. ANGERT
MICHAEL L. BUTLER
RICHARD F. BESELER
STEPHEN H. GOETCHIUS
DAVID T. GLENN
GUY R. NOLAN
BRIAN S. WHITE
TONY J. BARRETT
JOHN E. HARRINGTON
MARK A. GROSSETTI
JAMES B. HALL
JOSEPH L. NIMMICH
CHARLES J. BENNARDINI, JR.
RAYMOND E. SEEBALD
KEVIN E. SCHUMACHER
DONALD E. WILT II
JAMES M. HASS IV
ROBERT J. MORRISON, JR.
DONALD A. ROSS
ALBRT L. BARCO IV
GERALD R. WHEATLEY
DAVID P. PEKOSKE
ROBERT M. ELSENER
ROBERT J. QUIRK
PAUL F. ZUKUNFT
ARTHUR L. HALVORSON
RICHARD P. YATTO
JEFFREY Q. GAMBLE
JEROME A. ILTIS
MICHAEL R. MOORE
DANIEL R. BROWN
MICHAEL D. FARRELL
ROBERT S. BRANHAM
KENNETH M. BRADFORD
ROGER K. BUTTURINI
EDWARD S. CARROLL
RONALD B. HOFFMANN
DALE E. WALKER
KEITH G. JOHNSON
ROBERT J. ONORATO, JR.
CRAIG E. BONE
ROBERT L. MCLAUGHLIN
DONALD A. NELSON
JAMES A. WARMAN, JR.
JAMES C. HUTSON
MICHAEL D. HAZEL
LARRY E. JAEGER
DAVID A. DUPONT
SCOTT E. HARTLEY
STEVEN R. SWANSON
WILLIAM L. SIEGEL, JR.
ROBERT L. LACHOWSKY
KENNETH ARMSTRONG
GEORGE H. TEUTON III
WILLIAM T. DAVIS II
WILLIAM G. SHULTZ
KEVIN P. JARVIS
GREGORY G. WARTH
THOMAS R. RICE
DENNIS J. HUGHEY
MARK J. CAMPBELL
PETER J. GANSER
ERNEST W. FOX
TIMOTHY R. QUINTON
ROBERT I. BERNSTEIN
JOHN C. MIKO
BURTON S. RUSSELL
MICHAEL P. SELAVKA
WILLIAM R. CAIRNS
JOHN J. ALLEN
DOUGLAS D. WHITMER
KEITH D. CAMERON
EDWARD D. NELSON
THEODORE P. MONTGOMERY
MARK P. THOMAS
RANDAL K. MEINTS
WILLIAM B. BAKER
DANIEL C. SLYKER
DAVID S. BRIMBLECOM
JOHN E. DEJUNG
BRUCE A. DRAHOS
ROBERT C. PARKER

IN THE ARMY

THE U.S. ARMY NATIONAL GUARD OFFICER NAMED HEREIN FOR APPOINTMENT IN THE GRADE INDICATED BELOW, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTIONS 593(A), 3371 AND 3384:

To be major general

BRIG. GEN. MARTIN E. LIND, JR., [redacted].

IN THE NAVY

THE FOLLOWING-NAMED OFFICER TO BE PLACED ON THE RETIRED LIST IN THE GRADE INDICATED UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 1370:

To be vice admiral

VICE ADM. JOSEPH METCALF III [redacted]/1110, U.S. NAVY.

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR PERMANENT PROMOTION IN THE U.S. AIR FORCE, UNDER THE PROVISIONS OF SECTION 628, TITLE 10, UNITED STATES CODE, AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE:

MEDICAL SERVICE CORPS

To be colonel

COLLINS E. SMITH, JR., [redacted].

To be major

JOHN F. COURTNEY, [redacted].

IN THE AIR FORCE

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATION UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM THE DUTIES INDICATED, PROVIDED THAT IN NO CASE SHALL ANY OF THE FOLLOWING OFFICERS BE APPOINTED IN A GRADE HIGHER THAN THAT INDICATED:

MEDICAL SERVICE CORPS

To be major

JOHN F. COURTNEY, [redacted].

NURSE CORPS

To be captain

JOSEPH F. VANSICKLE, [redacted].

IN THE AIR FORCE

THE FOLLOWING-NAMED OFFICERS FOR PERMANENT PROMOTION IN THE U.S. AIR FORCE, UNDER THE PROVISIONS OF SECTION 628, TITLE 10, UNITED STATES CODE, AS AMENDED, WITH DATES OF RANK TO BE DETERMINED BY THE SECRETARY OF THE AIR FORCE:

MEDICAL CORPS

To be major

COLNEY B. GAINER, [redacted].
CHRISTOPHER L. GARENANI, [redacted].
LINDA N. JONES-HICKS, [redacted].
THOMAS M. KOROSCIL, [redacted].
MARIA LAPORTA, [redacted].
JOHN R. MEADOWS, JR., [redacted].
PAUL E. MULLEN II, [redacted].
KEVIN P. RYAN, [redacted].
CHARLES W. SHAPARD, [redacted].
JAMES M. SHIVER, [redacted].

DENTAL CORPS

To be major

DENNIS R. MILLER, [redacted].
ODES B. ROBERTSON, JR., [redacted].
MARTIN B. YULES, [redacted].

IN THE AIR FORCE

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, PROVIDED THAT IN NO CASE SHALL ANY OF THE FOLLOWING OFFICERS BE APPOINTED IN A. GRADE HIGHER THAN MAJOR.

LINE OF THE AIR FORCE

To be determined later

ALVIN N. ARAMBURO, JR., [redacted]
JOSEPH D. BARKER, JR., [redacted]
DAVID E. BOGGIE, JR., [redacted]
DONALD B. BOWERS, [redacted]
ROBERT C. BURRITT, [redacted]
NANCY J. COCHRAN, [redacted]
LESTER D. COOPER, [redacted]
DAVID K. COPP, III, [redacted]
CARL E. CROCKETT, [redacted]
JAMES M. DOODY, [redacted]
MILDRED I. DUPREYDEROBLES, [redacted]
ROBERT J. EDDY, [redacted]
STEPHEN A. EELLS, [redacted]
KENNETH D. ENGEL, [redacted]
STAFFORD J. FEARNSIDE, [redacted]
FRANCIS J. FLANAGAN, JR., [redacted]
HORACE J. FLOYD, JR., [redacted]
MICHAEL R. FORBES, [redacted]
GEORGE H. FOX, [redacted]
JOSEPH D. GIBSON, [redacted]
MICHAEL DENISON GRADY, [redacted]
JAMES S. GRUENENFELDER, [redacted]
DANA R. HAMEL, [redacted]
DAVID L. HERNANDEZ, [redacted]
ROBERT L. HOLBY, [redacted]
REUBEN P. JACKSON, [redacted]
MOSE JOHNSON, [redacted]
KENNETH W. KEMP, [redacted]
RICHARD A. KIBBEY, JR., [redacted]
CHRISTOPHER N. KIRTLAND, [redacted]
KIRBY H. LAMBERT, [redacted]
ROGER P. LEHRER, [redacted]
STEPHEN F. MATURE, [redacted]
DANIEL A. MCFADGEN, [redacted]
THOMAS J. MCLAUCHLIN, [redacted]
KENNETH H. MESSENHIMER, [redacted]
PHILLIP L. METZGER, [redacted]
GARY S. MILLER, [redacted]
JEFFREY A. MOORE, [redacted]
BILL NIKIDES, [redacted]
EUGENE S. OGILVIE, [redacted]
JAMES H. PHILLIPS, JR., [redacted]
JOHN R. PUGRUD, [redacted]
LUIS A. RAMOS, [redacted]
GORDON O. REICHAL, [redacted]
DONALD R. RICHARDSON, JR., [redacted]
JOHN T. ROBINSON, [redacted]
LUIS A. RODRIGUEZALVAREZ, [redacted]
RICHARD T. SALMON, [redacted]
ROBERT D. SAMSEL, [redacted]
JOHN MYHR SCHWENDIMANN, JR., [redacted]
STEVEN S. SPRINKLE, [redacted]
LEONARD W. STARLING, [redacted]
SCOTT D. SUCHER, [redacted]
STEVEN A. TAYLOR, [redacted]
WILLIAM F. THOMPSON, [redacted]
JERRY L. THREATT, [redacted]
THOMAS J. TRITZ, [redacted]
ABIGAIL L. UPTEGRAFF, [redacted]
QUENTIN C. WALTERS, [redacted]
FRANKLIN E. WARD, [redacted]
CHARLES H. WATKIN, [redacted]
DANIEL B. WEBB, [redacted]
ALAN K. W. YOUNG, [redacted]
CURTIS K. Y. YOUNG, [redacted]
WILLIAM A. ZAAL, [redacted]

THE FOLLOWING OFFICERS FOR APPOINTMENT IN THE REGULAR AIR FORCE UNDER THE PROVISIONS OF SECTION 531, TITLE 10, UNITED STATES CODE, WITH A VIEW TO DESIGNATE UNDER THE PROVISIONS OF SECTION 8067, TITLE 10, UNITED STATES CODE, TO PERFORM THE DUTIES INDICATED, PROVIDED THAT IN NO CASE SHALL ANY OF THE FOLLOWING OFFICERS BE APPOINTED IN A GRADE HIGHER THAN MAJOR:

CHAPLAIN CORPS

CARL M. ANDREWS, [redacted]
JOHN W. BOND, [redacted]
DONALD W. BRENNEMAN, [redacted]
GREGGORY E. CUSTER, [redacted]
RICHARD G. ELLIOTT, JR., [redacted]
EDGAR W. HATCHER, [redacted]
WALLACE W. HUNTER, [redacted]
ROBERT T. JANNER, [redacted]
ROBERT JAMES LAMBY, [redacted]
FRANK P. MAYERNICK, [redacted]
DENNIS K. MCCARTY, [redacted]
JOSEPH E. MCCLANAHAN, [redacted]
THOMAS J. MINOR, [redacted]
GLENN W. NOWELL, [redacted]
GARY L. ODAY, SR., [redacted]
CHARLES R. ROWLAND, III, [redacted]
JAMES D. ROZMAN, [redacted]
JOHN M. SAETHRE, [redacted]
JOHN S. SANDERS, [redacted]
SEAN F. TURLEY, [redacted]
MARINUS G. VANDESTEEG, [redacted]
ROBERT M. WINEBERG, III, [redacted]

JUDGE ADVOCATE

CHARLES D. ANKNEY, [redacted]
EDMUND S. BLOOM, [redacted]
HENRY L. CHISOLM, JR., [redacted]
JEFFREY H. CURTIS, [redacted]
KATHRYN LOUISE DUCHARME, [redacted]
JOHNNY H. EDWARDS, [redacted]
MICHAEL P. FREDERICK, [redacted]
WYCKLIFFE S. G. FURCRON, [redacted]
JOSEPH L. HEIMANN, [redacted]
TIMOTHY A. HICKEY, JR., [redacted]
CAMERON G. HOLLAND, [redacted]
DWIGHT K. KELLER, [redacted]
LARRY K. LASKIEWICZ, [redacted]
GEORGE D. MILLER, JR., [redacted]
WILLIAM F. PHILLIPS, [redacted]
DAVID M. PRONCHICK, [redacted]
KATHLEEN C. RACINE, [redacted]
RICHARD B. ROBISON, [redacted]
JEANNE M. RUETH, [redacted]
ROBERT F. RUSSELL, [redacted]
HENRY J. SCHWEITER, [redacted]
DENNIS W. SHEPHERD, [redacted]
SCOTT D. STUBBLEBINE, [redacted]
JOHN J. THRASHER, III, [redacted]
CHARLES E. TUCKER, JR., [redacted]
ERIC E. WEISS, [redacted]
EUGENE B. WHITAKER, [redacted]
PATRICIA L. WILDERMUTH, [redacted]
KEITH L. WILLIAMS, [redacted]

NURSE CORPS

PAMELA D. ADAMS, [redacted]
EDUARDO A. ALVARADO, [redacted]
REGINA C. AUNE, [redacted]
JAMES H. BAKER, JR., [redacted]
JOHN D. BAKER, JR., [redacted]
LEANNE D. BANDONI, [redacted]
DEBRA L. BAYS, [redacted]
TERRY W. BAYS, [redacted]
LYNDA K. BENNETT, [redacted]
VINCENT P. BERNOTAS, [redacted]
SUSIE J. BLANKENSHIP, [redacted]
JACK R. BONEY, JR., [redacted]
MARJORIE BOWER, [redacted]
MINA L. BROWN, [redacted]
ELAINE M. BURNS, [redacted]
BEVERLY J. BUTLER, [redacted]
VALERIE A. CARDONA, [redacted]
VIVIANNE M. CLARK, [redacted]
MARY CONRAD, [redacted]
SANDRA J. COY, [redacted]
ROSE M. DEARING, [redacted]
CAROLYN E. DEESE, [redacted]
MARY M. DEFFENBAUGH, [redacted]
JILL D. DIXON, [redacted]
PATRICIA A. DURNING, [redacted]
ELSIE M. ENRIQUEZMAERINA, [redacted]
CHERYL A. FOTI, [redacted]
COTTON HELEN M. GENSHEIMER, [redacted]
MARY E. GUFFEE, [redacted]
MARION A. HALIBURTON, [redacted]
WANDA D. HARALSON, [redacted]
GLENN A. HARDESTY, [redacted]
DEBRA K. HICKMAN, [redacted]
KATHY S. HIGGINS, [redacted]
KATHLEEN HUEGLIN, [redacted]
JUANITA F. JOHNSON, [redacted]
GLEN F. KINNEY, [redacted]
DANIEL R. KIRKPATRICK, [redacted]
CRAIG R. KUHNS, [redacted]
BETH J. LAING, [redacted]
GARY L. LARSON, [redacted]
DONALD A. LEE, [redacted]
LOUIS K. LIEBIG, [redacted]
JOHN A. LUTZ, [redacted]
ATHANASIOS MALAVAKIS, [redacted]
DONALD K. MARTINO, [redacted]
NEILA A. MASSEY, [redacted]
LARRY L. MAY, [redacted]
MAURA S. MCAULIFFE, [redacted]
GAIL MCCAIN, [redacted]
MARK L. MCDANIEL, [redacted]
PENELOPE A. MCGREW, [redacted]
DANIEL M. MONCILOVICH, [redacted]
ANNA K. MURPHY, [redacted]

ROBERT J. PARKER, III, [redacted]
DARLENE M. PERKINS, [redacted]
GREGORY PITELL, [redacted]
GEORGE A. PLACEK, [redacted]
KENNETH J. REMINGTON, [redacted]
STANLEY P. RENNAUX, [redacted]
GREGORY L. RIFFLE, [redacted]
PATRICIA S. RYAN, [redacted]
LYNDA C. SANDERS, [redacted]
PEQUITTE SCHWERIN, [redacted]
MICHAEL L. SIMMONS, [redacted]
ZULENE O. SIMMONS, [redacted]
RICHARD J. SIMONOVICH, [redacted]
JOEL P. SOLOMON, [redacted]
EDWARD T. SPRINGER, [redacted]
ROBERT E. THORNTON, JR, [redacted]
DOUGLAS V. TOULOUSE, [redacted]
GARY D. TROHA, [redacted]
EATHYL L. TUCKER, [redacted]
THOMAS O. TURNER, [redacted]
DIANE D. WHITWORTH, [redacted]
CATHERINE R. WILKALIS, [redacted]
JOHN F. WILSON, [redacted]
SUSAN L. WILSON, [redacted]
DEBORAH A. WIPF, [redacted]
KRISTAN J. T. WOLF, [redacted]
BRIAN J. WOOD, [redacted]
CYNTHIA L. WOOD, [redacted]

MEDICAL SERVICE CORPS

MATTHEW W. COGDELL, [redacted]
JOHN F. COURTNEY, [redacted]
CHARLES E. DAMERON, [redacted]
PAUL A. GARRETT, [redacted]
CARL W. HUARD, [redacted]
RICHARD E. JONES, [redacted]
GARY S. MELVIN, [redacted]
DAVID C. SAEVA, [redacted]
KENNETH L. TROUT, [redacted]

BIOMEDICAL SCIENCES CORPS

JOSEPH R. AGOSTINELLI, [redacted]
ERNEST A. BATES, [redacted]
MICHELLE T. CAMACHO, [redacted]
RONALD A. DEUTSCH, [redacted]
WARREN C. DREW, [redacted]
FREDDIE E. DRUMMOND, [redacted]
RANDY W. DUTTON, [redacted]
ERNEST W. EDMONDS, [redacted]
PHYLLIS P. ELLIS, [redacted]
BARRY K. EMRICK, [redacted]
WALLACE R. FRAZIER, [redacted]
GARY W. FREDERICKSEN, [redacted]
JAN F. GAILLARD, [redacted]
JOHN P. GALASSIE, [redacted]
THOMAS W. HEARN, JR, [redacted]
TONI C. HENRY, [redacted]
JOHN B. HURD, JR, [redacted]
LEROY F. JACOBS, III, [redacted]
LEANDER JONES, [redacted]
DON W. JORDAN, [redacted]
NORMAN W. KILBURN, III, [redacted]
LON G. KIRT, [redacted]
CHRISTOPHER A. LINDBERG, [redacted]
JOHN E. LOPES, JR, [redacted]
FRANKLIN W. LOVELL, [redacted]
EDWARD J. LUMINATI, [redacted]
PATRICK O. MALONE, [redacted]
ALBERTO R. MARQUEZ, [redacted]
WILLIAM E. MCMANUS, [redacted]
JOHN M. MCMILLAN, [redacted]
JOHN E. METZER, [redacted]
ROBERT J. NAQUIN, [redacted]
GREGORY NICOLAS, [redacted]
TIMOTHY J. PERRY, [redacted]
PATRICIA E. PIRRELLO, [redacted]
THOMAS W. ROBINSON, [redacted]
STANLEY J. SADORF, [redacted]
ROBERT G. SENCHY, [redacted]
PAUL A. SEWARD, [redacted]
STEVEN M. SHAFFER, [redacted]
RINALDO C. SIMONINI, III, [redacted]
DENNIS L. SMITH, [redacted]
RICHARD L. SPEICHER, II, [redacted]
ERIC I. SPIEGEL, [redacted]
DAVID N. STEELE, [redacted]
SHERWOOD C. STROUD, JR, [redacted]
JAMES A. SWABY, [redacted]
MICHAEL B. VASQUEZ, [redacted]
DANIEL W. WHITE, [redacted]
ROBERT L. WILLIAMS, [redacted]
RICHARD J. WILSON, [redacted]
HENRY C. WOODCOCK, [redacted]

IN THE ARMY

THE FOLLOWING-NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE:

ARMY

To be colonel

RICHARD D. ALLEN, [redacted]
THOMAS N. ALMOJUELA, [redacted]
BEN L. ANDERSON, JR, [redacted]
DAVID M. ANDERSON, III, [redacted]
LOUIE H. ANDERSON, [redacted]
TULLY J. ANDERSON, [redacted]
JOHN C. ANDRLE, [redacted]
RAYMOND B. ANSEL, [redacted]
PASCHAL A. AQUINO, [redacted]
ROBERT M. ASIELLO, [redacted]
PETER L. ASIMAKOPOULOS, [redacted]
JOE P. BABB, [redacted]
JOHN F. BACK, JR, [redacted]
DAVID L. BAGGETT, [redacted]
ROBERT M. BAKER, [redacted]
BYRON S. BALDWIN, [redacted]
WERNER W. BANISCH, [redacted]
JAMES C. BARBARA, [redacted]
WILLIAM R. BARBEE, [redacted]
WILLIAM A. BARRY, III, [redacted]
RICHARD S. BASSETT, [redacted]
GEORGE BASSO, [redacted]
WILLIAM M. BATES, [redacted]
WILLIAM B. BAUER, [redacted]
MARTIN H. BEACH, [redacted]
JOHN W. BEAVER, [redacted]
DWIGHT A. BECK, [redacted]
PETER P. BELCH, [redacted]
LONNIE J. BELLAMY, [redacted]
DAVID B. BERG, [redacted]
JOSEPH B. BERGER, JR, [redacted]
EUGENE D. BERNHARDT, [redacted]
WILLIAM W. BEVERLEY, JR, [redacted]
NIELS P. BIAMON, [redacted]
LEWIS M. BISHOP, JR, [redacted]
JOHN H. BLACK, [redacted]
LEON B. BLACKWELL, JR, [redacted]
EDWARD A. BOLES, [redacted]
MICHAEL W. BOUDREAU, [redacted]
WILBUR H. BOUTIN, JR, [redacted]
MICHAEL F. BOYD, [redacted]
RICHARD R. BRADDOCK, [redacted]
JOHN R. BRAMBLETT, JR, [redacted]
THOMAS W. BRITT [redacted]
CARL R. BROADHURST, [redacted]
GERARD P. BROHM, [redacted]
BRADFORD M. BROWN, [redacted]
WAYNE K. BROWN, JR, [redacted]
THOMAS E. BRUNS, [redacted]
BOYD C. BRYANT, [redacted]
CHARLES L. BRYANT, [redacted]
GENE K. BRYSON, [redacted]
DANIEL J. BUCKLEY, JR, [redacted]
LINDA G. BURCH, [redacted]
THOMAS N. BURNETTE, JR, [redacted]
TROY E. BURROW, [redacted]
CHARLES D. BUSH, [redacted]
DANIEL E. BUTLER, [redacted]
RAYMOND P. CADORETTE, [redacted]
JULIAN M. CAMPBELL, JR, [redacted]
CHARLES C. CANNON, JR, [redacted]
JAMES C. CANNON, [redacted]
JOE B. CARDEN, [redacted]
JOHN W. CARLTON, [redacted]
RONALD W. CARTER, [redacted]
PHILLIP W. CHILDRESS, [redacted]
FORREST S. CHILTON, IV, [redacted]
DAVID W. CLARK, [redacted]
GERALD E. CLARK, [redacted]
GEORGE F. CLOSE, JR, [redacted]
ALVIN B. COBB, [redacted]
GENE W. COLE, [redacted]
MICHAEL K. COLLMEYER, [redacted]
JOHN L. CONDON, JR, [redacted]
STEPHEN D. CORK, [redacted]
VOLLNEY B. CORN, JR, [redacted]
JOHN COSTELLO, [redacted]
DANNY L. CRAWFORD, [redacted]
JAMES L. CRAWFORD, [redacted]
JOSEPH G. CRETELLA, JR, [redacted]
GERALD L. CREWS, [redacted]
FERRUCCIO M. CROCETTI, [redacted]
GEORGE CROMARTIE, [redacted]
RONALD E. CURRY, [redacted]
CRAIG H. CURTIS, [redacted]
RICHARD P. DACEY, [redacted]
TIMOTHY E. DALY, [redacted]
RONALD D. DARONE, [redacted]
ROBERT M. DAVIS, [redacted]
LAWRENCE W. DAY, JR, [redacted]
RUSSELL J. DELANEY, [redacted]
LUCIOUS E. DELK, [redacted]
LEON T. DELORME, JR, [redacted]
MICHAEL D. DEMING, [redacted]
TERRY L. DEPHILLIPS, [redacted]
MATTHEW F. DIFIORE, [redacted]
GERALD F. DILLON, [redacted]
WILLIAM F. DISMUKES, JR, [redacted]
ANTHONY DIVALENTIN, III, [redacted]
JOHN F. DONAHOE, [redacted]
LINUS E. DOWNES, [redacted]
CARL E. DREWES, JR, [redacted]
WILLARD B. DROKE, [redacted]
ANDREW S. DULINA, III, [redacted]
BRUCE R. EATON, [redacted]
JOHN C. EBERLE, [redacted]
DANIEL H. EDWARDS, [redacted]
FLOYD E. EDWARDS, [redacted]
JEROME G. EDWARDS, [redacted]
ROBIN L. ELDER, [redacted]
RICHARD M. ELY, [redacted]
SAMUEL C. EMERSON, [redacted]
HARRY F. ENG, [redacted]
STEPHEN C. ENGELKING, [redacted]
FREDERICK G. ERNST, [redacted]
MICKEY S. EVANS, [redacted]
RONALD L. EVANS, [redacted]
JOCHEN H. EWING, [redacted]
MORRIS R. FABER, [redacted]
THOMAS E. FAREWELL, [redacted]
VINCENT J. FELLETTER, [redacted]
ALBERT J. FERREA, [redacted]
CLIFFORD L. FIELDS, [redacted]
EARL W. FINLEY, [redacted]
HENRY E. FITZGERALD, [redacted]
JEFFREY D. FLETCHER, [redacted]
ROY E. FOUCH, JR, [redacted]
ROBERT FOX, [redacted]
STEPHEN L. FRANKIEWICZ, [redacted]
WILLIE FRAZIER, JR, [redacted]
WILLIAM F. FREITAS, [redacted]
JERRY R. FRY, [redacted]
RAYMOND E. GENTILINI, [redacted]
WAYNE D. GEORGE, [redacted]
JOSEPH M. GESKER, [redacted]
EMMITT E. GIBSON, [redacted]
CLARK D. GILBERTSON, [redacted]
JAMES L. GILDERSLEEVE, [redacted]
GREG L. GILE, [redacted]
PAUL C. GILL, [redacted]
JAMES B. GIVENS, [redacted]
JOHN D. GLASS, [redacted]
HENRY T. GLISSON, [redacted]
LEWIS J. GOLDBERG, [redacted]
ROSS C. GOODE, [redacted]
MICHAEL J. GOODMAN, [redacted]
PIERCE T. GRANEY, JR, [redacted]
ARTHUR V. GRANT, JR, [redacted]
RONALD A. GREEN, [redacted]
WESLEY GREEN, III, [redacted]
BERNARD F. GRIFFARD, [redacted]
KARL R. GRIFFIN, [redacted]
PETER A. GRUNDVIG, [redacted]
JOHN L. HACKETT, [redacted]
MAYO A. HADDEN, III, [redacted]
GLYNN W. HALE, [redacted]
JAMES D. HALLUMS, [redacted]
MARK R. HAMILTON, [redacted]
HARRY S. HAMMOND, [redacted]
STEVEN L. HANAU, [redacted]
JOHN M. HANDLEY, [redacted]
RICHARD J. HANEY, II, [redacted]
WILLIAM W. HANSEN, [redacted]
CHARLES M. HANSON, [redacted]
JAMES C. HARDISTER, [redacted]
NICK C. HARRIS, [redacted]
RICHARD H. HARRIS, [redacted]
JOHN D. HARTMAN, [redacted]
WILLIAM T. HARVEY, [redacted]
JERRY L. HARVILLE, [redacted]
RICHARD C. HASSINGER, [redacted]
JAMES M. HAYES, [redacted]
KALEEM HAZER, JR, [redacted]
LEONARD L. HEIMERICKS, [redacted]
WILLIAM G. HELD, [redacted]
JOHN F. HEPLER, III, [redacted]
STUART A. HERRINGTON, [redacted]
JAMES T. HILL, [redacted]
JOHNNIE B. HITT, [redacted]
WILLIAM F. HIXON, II, [redacted]
JEFFREY L. HMARA, [redacted]
ERROL K. HONAKER, [redacted]
FREDERICK R. HOOSE, [redacted]
RICHARD W. HOOVER, [redacted]
THOMAS H. HORLER, [redacted]
JOHN W. HORNE, [redacted]
MELVIN I. HOSAKA, [redacted]
RANDOLPH W. HOUSE, [redacted]
ROBERT L. HOWARD, [redacted]
BRILEY W. HOWELL, JR, [redacted]
WILLIAM W. HOYMAN, [redacted]
JAMES T. HUEY, [redacted]
LYTTLE P. HUGHES, [redacted]
MILTON HUNTER, [redacted]
MICHAEL W. HUSTEAD, [redacted]
ROBERT E. HUSTON, [redacted]
JAMES M. HUTCHISON, [redacted]
ANDREW L. IRZYK, [redacted]
REX M. ISLEY, [redacted]
WALTER F. IVANJACK, [redacted]
LAWRENCE L. IZZO, [redacted]
JOHN W. JACKSON, [redacted]
JAMES E. JENKINS, [redacted]
JAMES G. JENKINS, [redacted]
KENNETH M. JENKINS, [redacted]
RONALD M. JOE, [redacted]
GERALD K. JOHNSON, [redacted]
LORY M. JOHNSON, JR, [redacted]
THOMAS H. JOHNSON, [redacted]
GARY A. JONES, [redacted]
JAMES M. JONES, JR, [redacted]
LINDON D. JONES, [redacted]
JOHN K. JOSEPH, [redacted]
PETER A. KACERGUIS, [redacted]
EDWARD P. KANE, [redacted]
KENNARD G. KARR, [redacted]
JOSEPH K. KELLOGG, JR, [redacted]
RONALD F. KELLY, [redacted]
THOMAS J. KELLY, [redacted]
PAUL J. KERN, [redacted]
JAMES C. KING, [redacted]
DONALD P. KIRCHOFFNER, [redacted]
LYMAN B. KIRKPATRICK, [redacted]
EDWARD G. KLAUS, [redacted]
GERALD P. KOKENES, [redacted]
STEPHEN Z. KOVACS, [redacted]
JAMES KRIEBEL, [redacted]
JAMES W. LABOUNTY, [redacted]
GARY L. LAGRANGE, [redacted]
CARL L. LAMBETH, [redacted]
JOHN J. LANE, JR, [redacted]

LEO M. LASKA, JR, [redacted]
GEORGE A. LATHAM, [redacted]
HARTMUT H. LAU, [redacted]
JOHN T. LAWRENCE, II, [redacted]
JERRY L. LAWS, [redacted]
J. D. LEVERETT, [redacted]
L. K. LEWIS, [redacted]
VERNON R. LEYDE, [redacted]
PEYTON F. LIGON, III, [redacted]
JOCK C. LINDSAY, [redacted]
PATRICK H. LINHARES, [redacted]
JAMES M. LINK, [redacted]
HOWARD T. LINKE, [redacted]
JAMES L. LOCK, JR, [redacted]
JON W. LOFTHEIM, [redacted]
DAVID H. LONGLEY, [redacted]
EDWARD J. LORENTZEN, [redacted]
ROBERT D. LOWRY, [redacted]
WESLEY A. LUDWIG, [redacted]
JOHN C. MACKEY, [redacted]
NORMAN A. MACLELLAN, [redacted]
ROBERT F. MANNING, [redacted]
DAVID F. MATTHEWS, [redacted]
JOHN W. MATTHEWS, [redacted]
WALTER L. MAYEW, [redacted]
JAMES S. MCCALLUM, [redacted]
EDWARD P. MCCARTHY, JR, [redacted]
WILLIAM T. MCCAULEY, [redacted]
FRANK E. MCCORMICK, [redacted]
DAVID D. MCCULLOUGH, JR, [redacted]
ALLEN K. MCDONALD, [redacted]
DALE B. MCGARRY, SR, [redacted]
ALLAN C. MCGILL, II, [redacted]
STEWART K. MCGREGOR, [redacted]
THOMAS J. MCHUGH, [redacted]
DAVID A. MCKNIGHT, [redacted]
RANDALL B. MEDLOCK, [redacted]
KENT D. MENSER, [redacted]
ROBERT A. MENTELL, [redacted]
DANNY R. MICHAEL, [redacted]
MICHAEL D. MIGGINS, [redacted]
BILLY J. MILLER, [redacted]
HENRY S. MILLER, JR, [redacted]
JOHN M. MILLER, [redacted]
THOMAS C. MILLS, [redacted]
RICHARD R. MITCHELL, [redacted]
HARRY W. MOHR, [redacted]
THOMAS M. MOLINO, [redacted]
JEREMIAH C. MOLL, [redacted]
JOHN D. MOONEYHAM, [redacted]
JACK M. MOORE, [redacted]
WALTER B. MOORE, JR, [redacted]
CESAR R. MOREL, [redacted]
ROBERT W. MORTIS, [redacted]
MICHAEL S. MOSELEY, [redacted]
DAVID R. MOSS, [redacted]
JOHN L. MOTES, II, [redacted]
JAMES R. MURPHY, [redacted]
LAMAR H. MURPHY, JR, [redacted]
ALBERT J. NAHAS, [redacted]
WILLIAM L. NASH, [redacted]
ROBERT J. NEILAN, III, [redacted]
CHARLES S. NELSON, [redacted]
DALE R. NELSON, [redacted]
GARY W. NELSON, [redacted]
ROBERT L. NESS, JR, [redacted]
PATRICK J. NIEMANN, [redacted]
JACK K. NORRIS, II, [redacted]
MICHAEL R. NORRIS, [redacted]
KERNAN M. NUCCI, [redacted]
DENNIS E. OBRIEN, [redacted]
THOMAS W. OCONNELL, [redacted]
WILLIAM G. OCONNOR, [redacted]
GARY A. OGLEY, [redacted]
DAVID H. OHLE, [redacted]
JAMES G. OKEEFE, [redacted]
ALEXANDER M. OKIMOTO, [redacted]
NORMAN T. OMEARA, II, [redacted]
DANIEL W. PALMER, [redacted]
JAMES W. PARDEW, JR, [redacted]
CRAIGER C. PARKER, [redacted]
JOHN L. PEEL, [redacted]
DAVID E. PEIXOTTO, [redacted]
RONNIE L. PERRY, [redacted]
FELIX PETERSON, JR, [redacted]
EDWARD W. PHELAN, [redacted]
GLENN S. PHELPS, [redacted]
RANDALL K. PHELPS, [redacted]
JOSEPH P. PHILLIP, [redacted]
PAUL W. PHILLIPS, [redacted]
PHIL G. PHILLIPS, JR, [redacted]
STEPHEN N. PHILLIPS, [redacted]
WILLIAM S. PIER, [redacted]
ROBERT P. PLIMPTON, [redacted]
RICHARD A. POMAGER, JR, [redacted]
MARK W. POTTER, [redacted]
ROBERT E. POTTS, [redacted]
GEORGE W. POWERS, [redacted]
JAMES H. PROCTOR, JR, [redacted]
WIMPY D. PYBUS, [redacted]
DENNIS J. QUINN, [redacted]
LARRY L. RAAB, [redacted]
WAYNE F. RADER, [redacted]
SAMUEL C. RAINES, [redacted]
JAMES L. RANK, [redacted]
JAMES C. RATCHYE, [redacted]
WILSON RAY, [redacted]
THEODORE W. REID, [redacted]
DEWARD B. RICE, JR, [redacted]
STERLING R. RICHARDSON, [redacted]
JOE G. RICKER, [redacted]
BILLY J. RICKS, [redacted]
HARRY G. RILEY, [redacted]
JOHN E. RILEY, JR, [redacted]
RONALD G. RILEY, [redacted]
STEPHEN C. RINEHART, [redacted]
JOHN B. RITTER, [redacted]
WILLIAM M. ROBESON, [redacted]
DAVID M. ROBINSON, II, [redacted]
CECIL M. ROBISON, JR, [redacted]
GARY R. ROCKWOOD, [redacted]
MICHAEL A. RODDY, III, [redacted]
DAVID A. ROLSTON, [redacted]
MORGAN G. ROSEBOROUGH, [redacted]
GILL H. RUDERMAN, [redacted]
EDWIN R. RUFF, [redacted]
CAROLYN E. RUSSELL, [redacted]
WILSON R. RUTHERFORD, II, [redacted]
TERRENCE C. SALT, [redacted]
HOWARD C. SALYER, JR, [redacted]
THOMAS F. SANDER, [redacted]
JOSEPH A. SAVITTIERE, [redacted]
JOSEPH A. SCHLATTER, JR, [redacted]
JERRY B. SCHNEIDER, [redacted]
DAVID A. SCHULTE, [redacted]
SAMUEL R. SCHWARTZ, [redacted]
THOMAS W. SCROGIN, [redacted]
MARK A. SCUREMAN, [redacted]
ROBERT N. SEIGLE, [redacted]
ARNOLD L. SELIGMAN, [redacted]
THEODORE T. SENDAK, [redacted]
ROBERT D. SHADLEY, [redacted]
EDWARD J. SHANNON, [redacted]
JOHN F. SHEFFEY, [redacted]
DOUGLAS M. SHELDON, [redacted]
WALTER J. SHELTON, [redacted]
WILLIAM J. SHUGRUE, [redacted]
BRIGHAM S. SHULER, [redacted]
JOSEPH R. SIMEK, [redacted]
JAMES H. SIMMS, [redacted]
JIMMIE C. SIMPKINS, [redacted]
EDWIN W. SIMPSON, [redacted]
JACK M. SKIDMORE, [redacted]
GLEN D. SKIRVIN, JR, [redacted]
THERON L. SLEIGHT, [redacted]
THOMAS E. SMALLS, [redacted]
ORVILLE B. SMIDT, [redacted]
BYRON W. SMITH, [redacted]
CHARLES I. SMITH, [redacted]
CHESTER C. SMITH, [redacted]
DANIEL M. SMITH, [redacted]
EDDY SMITH, [redacted]
FRANCIS L. SMITH, JR, [redacted]
FREDDIE R. SMITH, [redacted]
JIMMY M. SMITH, [redacted]
JOHN W. SMITH, [redacted]
NELSON F. SMITH, JR, [redacted]
POWELL M. SMITH, II, [redacted]
MICHAEL G. SNELL, [redacted]
WILMER D. SNELL, [redacted]
VLADIMIR SOBICHEVSKY, [redacted]
BILLY K. SOLOMON, [redacted]
WILBUR R. SPEER, [redacted]
RALPH C. SQUILLACE, JR, [redacted]
WILLIAM S. STANLEY, [redacted]
THOMAS J. STAUFFACHER, [redacted]
ROBERT C. STEELMAN, JR, [redacted]
FREDERICK STEPANIAK, [redacted]
GARY M. STEWART, [redacted]
RICHARD L. STJOHN, [redacted]
WILLIAM J. STODDART, [redacted]
WILLIAM G. STOLARCEK, [redacted]
WALTER O. STOWELL, [redacted]
CHRISTOPHER C. STRAUB, [redacted]
JOE T. STROUD, JR, [redacted]
TERRY G. STULL, [redacted]
FRANK G. STUMP, III, [redacted]
TED W. SUMMERFORD, [redacted]
THOMAS W. SWEENEY, [redacted]
TED A. SWISHER, [redacted]
DANIEL T. TAKAHASHI, [redacted]
PAUL K. TANGUAY, [redacted]
JOHN J. TARPLEY, [redacted]
ELWOOD R. TAUSCHER, [redacted]
DAVID R. TAYLOR, [redacted]
EDWARD T. TEIXEIRA, [redacted]
THOMAS W. TEMPLER, [redacted]
JOSEPH G. TERRY, JR, [redacted]
LESLIE D. THATCHER, [redacted]
THOMAS R. THEROUX, [redacted]
CHARLES W. THOMAS, [redacted]
GERALD E. THOMPSON, [redacted]
ROBERT R. THOMPSON, [redacted]
ROGER G. THOMPSON, JR, [redacted]
DOUGLAS S. THORNBLOM, [redacted]
MICHAEL G. THORNTON, [redacted]
THOMAS A. TIMMES, [redacted]
THOMAS M. TOBIN, [redacted]
PATRICK A. TOFFLER, [redacted]
JORGE L. TORRESCARTAGENA, [redacted]
FLOYD L. TRIMMER, [redacted]
THOMAS A. TUCKER, [redacted]
JOHN E. TURLINGTON, [redacted]
COURTNEY K. TURNER, [redacted]
ROBERT R. ULIN, [redacted]
GEORGE B. UTTER, III, [redacted]
RICHARD H. VAIL, [redacted]
JAMES O. VANCE, [redacted]
CHARLES R. VIALE, [redacted]
THOMAS L. VOLLRATH, [redacted]
WILLIAM O. VOWELL, [redacted]
RAYMOND T. WAITY, [redacted]
CHARLES C. WALDEN, [redacted]
DANIEL W. WALDO, [redacted]
GEORGE R. WALLACE, III, [redacted]
WILLIAM D. WALLER, [redacted]
CHARLES T. WALLSCHLAEGER, [redacted]
RICHARD M. WALSH, [redacted]
RICHARD E. WATERMAN, [redacted]
HERSHEL B. WEBB, [redacted]
STEPHEN B. WEBBER, [redacted]
JIMMY N. WEBSTER, [redacted]
SEALON R. WENTZEL, JR, [redacted]
DAVID A. WHALEY, [redacted]
DENNIS W. WHISKER, [redacted]
JEFFERY H. WHITE, [redacted]
KENNY W. WHITLEY, [redacted]
SANDRA S. WHITT, [redacted]
ROBERT W. WHITTON [redacted]
BRUCE J. WICKS, [redacted]
JOHN W. WILD, [redacted]
CLINTON W. WILLER, [redacted]
CARROLL W. WILLIAMS, [redacted]
CHARLES J. WILLIAMS, JR, [redacted]
DUANE E. WILLIAMS, [redacted]
CLINE H. WILLIAMSON, JR, [redacted]
GERALD R. WILSON, JR, [redacted]
WOODROW O. WILSON, JR, [redacted]
ROBERT B. WILTSHIRE, II, [redacted]
DONALD A. WRIGHT, [redacted]
JAMES M. WRIGHT, [redacted]
NELSON B. WRIGHT, JR, [redacted]
CLYDE P. YATES, [redacted]
PHILIP C. YENRICK, [redacted]
KEITH L. YOUNG, [redacted]
STEPHEN H. YOUNG, [redacted]
THOMAS F. YOUNG, [redacted]
DANIEL R. ZANINI, [redacted]
LEROY ZIMMERMAN, [redacted]
ROBERT R. ZOGLMAN, [redacted]

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IN THE ARMY

THE FOLLOWING NAMED OFFICERS, ON THE ACTIVE DUTY LIST, FOR PROMOTION TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN ACCORDANCE WITH SECTION 624, TITLE 10, UNITED STATES CODE. THE OFFICERS INDICATED BY ASTERISK ARE ALSO NOMINATED FOR APPOINTMENT IN THE REGULAR ARMY IN ACCORDANCE WITH SECTION 531, TITLE 10, UNITED STATES CODE:

ARMY

To be lieutenant colonel

ALVIN D. AARON, [redacted]
CHARLES W. ABSHER, [redacted]
RONALD D. ACUFF, [redacted]
CHARLES J. ADAMS, [redacted]
CHRISTOPHER A. ADAMS, [redacted]
RONALD E. ADAMS, [redacted]
ROOSEVELT ADAMS, JR, [redacted]
WILLIAM B. ADAMS, [redacted]
WILLIAM G. ADAMS, [redacted]
JOSEPH A. ADELMAN, [redacted]
JAMES D. AIKEN, [redacted]
JOHNNY D. ALLEN, [redacted]
KENNETH R. ALLEN, [redacted]
BARRY L. ALLISON, [redacted]
JAMES B. ALLISON, III, [redacted]
OSCAR ALLISON, JR, [redacted]
PHILIP D. ALLUM, [redacted]
JOHN A. ALMBORG, [redacted]
ROBERT L. ANCHONDO, [redacted]
EDWARD J. ANDERSON, [redacted]
JOHN K. ANDERSON, [redacted]
WILLIAM F. ANDERSON, [redacted]
CHARLES R. ANDRE, [redacted]
WILLIAM R. ANDREWS, [redacted]
ALEXANDER ANGELLE, [redacted]
DONALD D. ARDS, [redacted]
LOUIS P. ARIFF, [redacted]
ROBERT E. ARMBRUSTER, JR, [redacted]
COUNCIL J. ARMSTRONG, JR, [redacted]
ROBERT N. ARMSTRONG, [redacted]
DAVID C. ARNEY, [redacted]
EDWIN J. ARNOLD, JR, [redacted]
STEPHEN J. ARNTZ, [redacted]
LAWRENCE G. ARROL, [redacted]
ROBERT J. ARSENAULT, [redacted]
ROLAND A. ARTEAGA, [redacted]
ROBERT W. ASH, [redacted]
DAVID S. ASHER, [redacted]
RONALD I. *. ASHTON, [redacted]
ROBERT T. ASKEW, [redacted]
LARRY J. ATCHLEY, [redacted]
HARRY B. AXSON, JR, [redacted]
CHARLES M. AYERS, [redacted]
MARTIN J. AYERS, [redacted]
WILLIAM V. BACKLUND, JR, [redacted]
CECIL E. BAILEY, [redacted]
DONALD K. BALDRIDGE, [redacted]
MARVIN J. BALL, [redacted]
ROBERT F. BANNING, [redacted]
GEORGE F. BARBER, [redacted]
RICHARD V. BARBUTO, [redacted]
JACK W. *. BARKER, [redacted]
LARRY N. BARKER, [redacted]
WILLIAM J. BARKOVIC, [redacted]
BRUCE H. BARLOW, [redacted]
STEPHEN A. BARNEBY, [redacted]
CARL B. BARNES, JR, [redacted]
LAVONNE *. BARNETT, [redacted]
STEPHEN F. BARNETT, [redacted]
THOMAS I. BARNUM, [redacted]

HAROLD S. BARRETT, [redacted]
RAYMOND D. BARRETT, JR., [redacted]
MICHAEL J. BARRON, [redacted]
JOSEPH T. BARTLETT, [redacted]
GENE C. BARTON, [redacted]
DOUGLAS B. BATSON, [redacted]
BENJAMIN BAUER, [redacted]
MICHAEL J. BAXTER, [redacted]
MICHAEL W. BEARD, [redacted]
WILLIAM A. BEARDEN, JR., [redacted]
DAVID D. BEAVER, [redacted]
KENNETH S. BECKER, [redacted]
GARY H. BEEKS, [redacted]
TERRY D. BEESON, [redacted]
TERRANCE B. BELANUS, [redacted]
PHILIP R. BELIVEAU, [redacted]
BRUCE K. BELL, [redacted]
RONALD K. BELL, [redacted]
CALVERT P. BENEDICT, JR., [redacted]
JAMES C. BENNETT, JR., [redacted]
RONALD L. BENNETT, [redacted]
JOSEPH H. BENO, JR., [redacted]
JEANMICHEL A. BERAUD, [redacted]
CLELAND C. BERG, [redacted]
VINCENT A. BERNHARD, [redacted]
GUY A. BERRY, JR., [redacted]
HARVEY W. BERRY, [redacted]
LUTHER W. BERRY, [redacted]
THOMAS P. BERRY, [redacted]
VINCENT G. BEYER, [redacted]
JON F. BILBO, [redacted]
DENNIS R. BIRCHALL, [redacted]
KENNETH M. BISER, [redacted]
HAROLD W. BISHOP, [redacted]
ROBERT H. BISHOP, [redacted]
ALAN C. BLACK, [redacted]
DONALD E. BLACK, [redacted]
HAROLD W. BLACK, [redacted]
JOHN W. BLACKBURN, [redacted]
JOHN C. BLAKE, III, [redacted]
ROBERT T. BLAKE, JR., [redacted]
WILLIE L. BLANDING, JR., [redacted]
ZENOLA B. BLANDING, [redacted]
PATRICK W. BLAZEK, [redacted]
DENIS M. BLINDAUER, [redacted]
WILLIAM G. BLISSETT, [redacted]
BUFORD C. BLOUNT, III, [redacted]
RALPH K. BODENNER, III, [redacted]
MICHAEL A. BOHANNON, [redacted]
ROBERT K. BOHMAN, [redacted]
LAWRENCE R. BOICE, [redacted]
MICHAEL L. BOLTON, [redacted]
JOHN M. BOND, [redacted]
LYLE V. BONHAM, [redacted]
BERNARD M. BOOTH, [redacted]
DAVID R. BOOZE, [redacted]
OTIS D. BORCHELLER, [redacted]
ROGER E. BORT, [redacted]
BENTON H. BORUM, JR., [redacted]
JOSEPH R. BOSWELL, [redacted]
JOSEPH W. BOWAB, [redacted]
THOMAS G. BOWDEN, [redacted]
KAREN N. BOWERS, [redacted]
ROBERT L. BOWERS, [redacted]
NICOLAS D. BOWNS, [redacted]
WAYNE W. BOY, [redacted]
MARK D. BOYATT, [redacted]
THOMAS M. BOYD, [redacted]
WILLIAM B. BOYERS, [redacted]
JESSE L. BOYKIN, III, [redacted]
WILLIAM L. BRADDY, JR., [redacted]
STEVEN J. BRADY, [redacted]
JOHNNY L. BRANNON, [redacted]
ANDREW M. BRANTLEY, [redacted]
JOHN M. BRATTON, [redacted]
RICHARD T. BRAZZEAL, JR., [redacted]
DANIEL L. BREITENBACH, [redacted]
AUGUST W. BREMER, JR., [redacted]
KEVIN F. BRENNAN, JR., [redacted]
PHILIP J. BRENNER, [redacted]
RICHARD M. BRIDGES, [redacted]
CARL W. BRIESKE, [redacted]
EARL D. BRIGGS, [redacted]
KENNETH L. BRIGGS, [redacted]
KAREN A. BRINCKMANN, [redacted]
GREGORY D. BROADDUS, [redacted]
EDWIN R. BROCK, JR., [redacted]
JOHN D. BRODERICK, [redacted]
JAMES BROOKS, [redacted]
JOHNNY W. BROOKS, [redacted]
WILLIAM S. BROPHY, III, [redacted]
MICHAEL R. BROSTER, [redacted]
DONALD H. BROWN, JR., [redacted]
FRED E. BROWN, [redacted]
JOHN S. BROWN, [redacted]
LESLIE D. BROWN, [redacted]
RICHARD A. BROWN, [redacted]
STEPHEN D. BROWN, [redacted]
THOMAS A. BRUNO, [redacted]
LARRY D. BRUNS, [redacted]
WILLIAM H. BRYAN, JR., [redacted]
JOHN R. BUCHANAN, [redacted]
WILLIAM R. BUCHANAN, [redacted]
RANDOLPH O. BUCK, [redacted]
EDWIN L. BUFFINGTON, JR., [redacted]
RALPH M. BUIE, [redacted]
DAVID E. BUNKER, [redacted]
JAMES R. BURDICK, JR., [redacted]
JEAN F. BURLESON, [redacted]
DAVID B. BURLINGAME, [redacted]
JOHN R. BURNETT, [redacted]
SPENCER M. BURNETTE, JR., [redacted]
TIMOTHY J. BURNS, [redacted]
THOMAS F. BURRELL, III, [redacted]
EDGAR S. BURROUGHS, III, [redacted]
KEITH R. BUSHEY, [redacted]
GARY E. BUSHOVER, [redacted]
ROBERT J. BUTTO, [redacted]
PATRICK W. BUTTON, [redacted]
DOUGLAS B. BYTHER, [redacted]
RANDAL S. CAGLE, [redacted]
EDDIE CAIN, [redacted]
JOHN D. CAIN, [redacted]
DAVID G. CALLAWAY, [redacted]
EMORY G. CAMPBELL, [redacted]
THOMAS A. CAMPBELL, [redacted]
ROBERT H. CANDIDO, [redacted]
LOUIS P. CANTOLUPO, [redacted]
WILLIAM T. CAPPS, JR., [redacted]
JOHN M. CARDEN, [redacted]
WILLIAM J. CARDEN, III, [redacted]
CHRISTOPHER V. CARDINE, [redacted]
WILLIAM F. CAREY, III, [redacted]
BRUCE CARLETON, [redacted]
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GENE FECHHELM, [redacted]
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DON E. ISHMAEL, [redacted]
JAMES H. ISOM, [redacted]
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MARTIN G. *. KLOSTER, [redacted]
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ROBERT G. KREBS, JR, xxx-xx-xxxx
CARL C. KREHBIEL, xxx-xx-xxxx
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PATRICK G. SNAPP, [redacted]
LARRY V. SOLVEY, [redacted]
ROGER J. SOMERVILLE, [redacted]
HOUNG Y. SOO, [redacted]
NORMAN K. SOUTHERLAND, [redacted]
JEFFREY L. SPARA, [redacted]
LARRY A. SPARKS, [redacted]
EDWIN C. SPEARE, [redacted]
ROGER K. SPICKELMIER, [redacted]
WALTER D. SPODECK, [redacted]
EDWARD A. SPOHN, III, [redacted]
BARRY S. SPROUSE, [redacted]
STEVEN D. SQUIRES, [redacted]
RAIMUND STACHA, [redacted]
ROBERT P. STAMOUR, [redacted]
MICHAEL T. STARR, [redacted]
MICHAEL D. STARRY, [redacted]
GERALD E. STARTZEL, JR., [redacted]
STEPHEN F. STCLAIR, [redacted]
THOMAS A. STECHER, [redacted]
DANTON G. STEELE, II, [redacted]
GARY R. STEIMER, [redacted]
ALAN L. STEIN, [redacted]
DORENE J. STEKLASA, [redacted]
JAMES M. STENSTROM, [redacted]
JOHN G. STEVENSON, [redacted]
PHILLIP R. STEWART, [redacted]
RONALD L. STEWART, [redacted]
TERRY A. STOERMER, [redacted]
RICHARD R. STOKELY, [redacted]
DARRELL J. STOKER, [redacted]
JAMES H. STOKOE, [redacted]
LARRY E. STOLL, [redacted]
PATRICK C. STOLZE, [redacted]
JAMES W. STONE, [redacted]
WILLIAM R. STRAMM, [redacted]
HERBERT D. STRASSER, [redacted]
CHRISTOPHER D. STRATTON, [redacted]
DOUGLAS L. STREETER, [redacted]
CARL A. STROCK, [redacted]
DONALD F. STUDNICKA, [redacted]
RONALD T. *. STURMER, [redacted]
JACK E. SUCHLAND, [redacted]
THOMAS C. SUERMANN, [redacted]
EARL E. SUMMERFORD, JR., [redacted]
WILLIAM J. SUZUKI, [redacted]
CHARLES H. SWANNACK, JR., [redacted]
LAWRENCE R. SWEAT, [redacted]
JOHN C. SZCZEPANSKI, [redacted]
FRANK T. TADDONIO, [redacted]
MICHAEL F. TANIGAWA, [redacted]
HUGH B. TANT, III, [redacted]
CLARENCE P. TARANTO, [redacted]
DAVID G. TARBOX, [redacted]
RONALD W. TARR, [redacted]
EDWARD J. TAVARES, [redacted]
BENJAMIN L. TAYLOR, [redacted]
WARREN M. TAYLOR, [redacted]
WILLIAM H. TAYLOR, [redacted]
WILLIAM L. TAYLOR, [redacted]
WILLIAM W. TAYLOR, III, [redacted]
WINDLEY B. TAYLOR, [redacted]
DAVID A. TEICHMAN, [redacted]
ROBERT S. TEKELL, [redacted]
DANNIE E. TENNIMON, [redacted]
BRUCE E. TERRELL, [redacted]
LAWRENCE A. TESSIER, [redacted]
WILLIAM J. TETU, [redacted]
THOMAS N. THEAUX, [redacted]
PETER C. THEODORE, [redacted]
CHARLES G. THOMAS, [redacted]
FARRIS C. THOMAS, III, [redacted]
JONATHAN S. THOMPSON, [redacted]
MICHAEL A. THOMPSON, [redacted]
RICHARD B. THOMPSON, [redacted]
PETER W. THOMSON, [redacted]
HORACE L. THRASHER, JR., [redacted]
FRED J. THROGMORTON, [redacted]
JERRY W. TIBBS, [redacted]
EDWARD M. TICE, [redacted]
MICHAEL C. TIDERMAN, [redacted]
THOMAS F. TIERNEY, [redacted]
HERBERT R. TILLERY, [redacted]
THOMAS O. TINDALL, JR., [redacted]
DANIEL J. TOBIN, [redacted]
WILLIAM F. TOBIN, [redacted]
GARVIS W. TOLER, JR., [redacted]
RUSSELL M. TOMITA, [redacted]
FRANK J. TONEY, JR., [redacted]
STEVEN B. TOONE, [redacted]
PETER A. TOPP, [redacted]
NEIL H. TOUCHET, [redacted]
WILLIAM C. TOWNSEND, [redacted]
GERARD TOZZI, [redacted]
PAUL P. TRAHAN, [redacted]
FRED A. TREYZ, III, [redacted]
LAURAL L. TROLLINGER, [redacted]
KEITH G. TROUTMAN, [redacted]
ROY TUCKER, JR., [redacted]
THOM E. TUCKEY, [redacted]
TERRY S. TURPIN, [redacted]
DOUGLAS L. TYSTAD, [redacted]
BILLY D. USELTON, [redacted]
LAYNE A. VANARSDALE, [redacted]
JAMES H. VANBUSKIRK, [redacted]
RAYMOND M. VANBUSKIRK, [redacted]
JOHN C. VANDERLAAN, [redacted]
WILLIAM P. VANNAN, [redacted]
HANS A. VANWINKLE, [redacted]
ROBERT T. VEIDT, [redacted]
RAYMOND VELEZ, [redacted]
JOHN J. VERBANICK, [redacted]
STEVEN D. VERMILLION, [redacted]
JAMES D. VICKREY, [redacted]
MARK E. VICTORSON, [redacted]
JOHN R. VINES, [redacted]
RAYMOND P. VINING, JR., [redacted]
GREG A. VIRGIL, [redacted]
WILLIAM L. VOGEL, [redacted]
SHARON C. VOLGYI, [redacted]
GARY J. VRAZEL, [redacted]
CARL R. WAAL, [redacted]
PHILIP R. WAGNER, [redacted]
JAMES A. WAITE, [redacted]
BART K. WALDO, [redacted]
PAUL C. WALKER, JR., [redacted]
RICHARD L. WALKER, [redacted]
WALTON H. WALKER, II, [redacted]
HUBERT B. WALL, JR., [redacted]
MICHAEL C. WALLACE, [redacted]
THOMAS R. WALLACE, [redacted]
DAVID A. WALLEN, [redacted]
WALTER V. WALSH, JR., [redacted]
GEORGE R. WALTER, JR., [redacted]
JAMES A. WALTER, [redacted]
JAMES A. WANK, [redacted]
EDWARD P. WARD, [redacted]
JAMES A. WARD, JR., [redacted]
JOHN M. WARD, [redacted]
WILLIAM E. WARD, [redacted]
WILLIAM E. WARD, [redacted]
JERRY J. WARNEMENT, [redacted]
DAVID L. WARREN, [redacted]
JAMES M. WASHINGTON, [redacted]
LLOYD T. WATERMAN, [redacted]
JAMES K. WATERS, JR., [redacted]

RAYMOND E. WATFORD, JR, [redacted]
HOWARD E. WATKINS, [redacted]
JAMES J. WATKINS, [redacted]
RAMON K. WATSON, [redacted]
TADASHI M. WATSON, [redacted]
RONALD E. WATTS, [redacted]
THOMAS P. WATTS, [redacted]
WILLIAM C. WEAVER, [redacted]
DUANE E. WEBB, [redacted]
JON C. WEBER, [redacted]
PHILIP A. WEBER, [redacted]
DEWEY L. WEEMS, [redacted]
GLENN R. WEIDNER, [redacted]
MICHAEL B. WEIMER, [redacted]
BURNIE D. WELLS, [redacted]
WILLIAM J. WELSH, [redacted]
JOHN A. WENING, [redacted]
ROY C. WENTRCEK, [redacted]
GREGORY R. WENZLOFF, [redacted]
CHRISTOPHER P. WERLE, [redacted]
JERRY W. WESSEL, [redacted]
CHARLES W. WESTON, JR, [redacted]
CHARLES W. WESTRIP, JR, [redacted]
CRAIG B. WHELDEN, [redacted]
ROY S. WHITCOMB, [redacted]
OSCAR N. WHITE, JR, [redacted]
PHILIP O. WHITE, [redacted]
DAVID H. WHITEBREAD, [redacted]
ALVIN F. •. WHITEHEAD, JR, [redacted]
GEORGE M. WHITMILL, [redacted]
STEPHEN F. WILCOX, [redacted]
TIMOTHY J. WILCOX, [redacted]
ALAN L. WILGUS, [redacted]
CHARLES W. WILLEY, [redacted]
CHARLES A. WILLIAMS, [redacted]
CHARLES H. WILLIAMS, JR, [redacted]
CHARLES M. WILLIAMS, [redacted]
CHARLES M. WILLIAMS, [redacted]
HILARY M. WILLIAMS, III, [redacted]
JAMES A. WILLIAMS, [redacted]
KARL B. WILLIAMS, [redacted]
ORA J. WILLIAMS, [redacted]
RANDALL C. WILLIAMS, JR, [redacted]
ROBERT C. WILLIAMS, [redacted]
RODNEY L. WILLIAMS, [redacted]
WAYNE Q. WILLIAMS, [redacted]
DENNIS A. WILLIAMSON, [redacted]
GARY N. WILLIAMSON, [redacted]
NORMAN L. WILLIAMSON, [redacted]
PAUL R. WILLS, [redacted]
JOHN G. WILMORE, [redacted]
EDWARD R. WILSON, [redacted]
FRED R. WILSON, [redacted]
JERRE W. WILSON, [redacted]
RONALD W. WILSON, [redacted]
THEODORE C. WILSON, [redacted]
WARREN D. WILSON, [redacted]
COLIN K. WINKELMAN, [redacted]
RICHARD L. WINSLOW, [redacted]
JOSEPH B. WISMANN, [redacted]
JEFFREY A. WITHEREL, [redacted]
MICHAEL G. WIXTED, [redacted]
WALTER WOJDAKOWSKI, [redacted]
PAUL E. WOLFGRAMM, [redacted]
CHADWICK W. WONG, [redacted]
JOHN M. WONSIK, JR, [redacted]
JOHN P. WOODWARD, [redacted]
RICHARD E. WOOTEN, [redacted]
JOHN G. WOYANSKY, [redacted]
GARY W. WRIGHT, [redacted]
JAMES E. WRIGHT, [redacted]
STEVEN J. WRIGHT, [redacted]
WALTER J. WRIGHT, [redacted]
PHILIP R. WUEST, III, [redacted]
LEE T. WYATT, III, [redacted]
CLAESEN D. WYCKOFF, [redacted]
THOMAS G. WYCKOFF, [redacted]
FRANNCIS L. WYMAN, [redacted]
DONALD T. WYNN, [redacted]
JOSEPH L. YAKOVAC, JR, [redacted]
WILLIAM M. YARROW, [redacted]
MACK J. YAUSSY, [redacted]
NEIL S. YAWS, [redacted]
RICHARD J. YESENSKY, [redacted]
DENNIS E. YOST, [redacted]
WILLIAM V. YOUKEY, [redacted]
JAMES D. YOUNG, [redacted]
RICHARD A. YOUNGBLOOD, [redacted]
MARK A. YRAZABAL, [redacted]
CHRISTOPHER A. YUKNIS, [redacted]
ANDIS ZAGARS, [redacted]
ROBERT C. ZELAZNY, [redacted]
ERNEST K. ZELENKA, JR, [redacted]
ALICE A. ZERLET, [redacted]
RICHARD E. ZIMMERMAN, [redacted]
NANCY J. ZIZUNAS, [redacted]

IN THE NAVY

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICER, TO BE APPOINTED PERMANENT CAPTAIN IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

U.S. NAVAL RESERVE, LINE, CAPTAIN

To be captain, line, USN, permanent

HUGH R. WHITE

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED PERMANENT COMMANDER IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

U.S. NAVAL RESERVE, LINE, COMMANDER

To be commander, line, USN, permanent

JONATHAN C. UNDERWOOD
JAMES D. VANSICKLE

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED PERMANENT LIEUTENANT COMMANDER IN THE LINE OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

U.S. NAVAL RESERVE, LINE, LIEUTENANT COMMANDER

To be lieutenant commander, line, USN, permanent

RONALD LEE AASLAND
GARY MARTIN ABBOTT
DAVID CHRISTIAN ALGERT
DANIEL SQUIRES ARMSTRONG
PHILIP CHURCH BARRY
MICHAEL H. BERNARD
PATRICK BRENDAN CARMODY
JAMES JOSEPH CASEY
CHARLIE C. CODE, JR
MICHAEL THOMAS COLEMAN, SR
JACK HOWARD CONROYD, JR
CLINTON HARRISON CRAGG
LAWRENCE MARK DAVIS
CHRIS RAY DEMPSEY
RICKEY LYNN DUBBERLY
MARK TUCKER FRANCIS
GEORGE KIRBY FREEMAN, III
JOHN JOSEPH FREEMAN, JR
LOREN JOSEPH HART
THOMAS JOHN HORTON
JOHN M. KUROWSKI
KEVIN TED MABIE
ROBERT NEWMAN MCCHESNEY, JR
DOUGLAS LEE MCCLAIN
WAYNE EUGENE MOLNAR
ARTHUR STANLEY MOREAU, III
MICHEAL DENNIS PEPPARD
PATRICK KEVIN PEPPE
DENNIS DANA RENFRO
DONALD STANTON RING
FREDRIC WALTER ROJEK
CHARLES GAIL ROLLER
DANNY JOE SMITH
ROBERT MICHAEL SMITH
SUSAN VALERIE VISCOVICH
ROBERT ORVILLE WARD
RICHARD R. WILSON

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED PERMANENT CAPTAIN IN THE MEDICAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

U.S. NAVAL RESERVE, MEDICAL CORPS, CAPTAIN

To be captain, Medical Corps, USN, permanent

JACKIE ROBERT BRIGGS
JOHN ALEXANDER GALLOWAY
BIMAL CHANDRA GHOSH
JOSEPH MICHAEL HAGAN
JOSEPH VANWIRT HENDERSON, JR
RAYMOND G. MEHL
ROGER JAY PENTZIEN
JOHN T. PESSONEY
BILL ELLIOTT SANDERS

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED PERMANENT COMMANDER IN THE MEDICAL CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

U.S. NAVAL RESERVE, MEDICAL CORPS, COMMANDER

To be commander, Medical Corps, USN, permanent

BRYAN O. BARNETT
LUCIUS C. BEEBE
JEFFREY S. BENDER
JEFFREY MICHAEL BERMAN
DAVID E. BROWN
WILLIAM D. CAGLE
MITCHELL CARL
TIMOTHY TITUS CATCHINGS
HENRY CHANG
LAWRENCE ERNEST COOTS
JOSEPH P. COYLE
STEVEN REID CRIDER
BRUCE C. DAVIS
DENNIS EUGENE DEAKINS
EARL C. DOWNEY, JR
RICHARD K. ELLSWORTH
HAMILTON RUTLEDGE FISH
WINFIELD STITT FISHER, III
ROBERT E. FORD
RICHARD L. FURMAN
MARK GILBERT
MICHAEL R. GOLER
MITCHELL J. GRAYSON
PAUL F. GUAY
CARY DAVID GUTBEZAHL
GREGORY J. GUZLEY
MICHAEL PAUL HARDY
DAVID J. HARRIS, JR
KEVIN GREGORY HARVEY
DENNIS G. HOOPER
MARK D. KELLY
HAROLD L. KENT
JAMES GORDON KNIGHT
JOEL LEES
BRADLEY HOWARD LEVIN
CHRISTOPHER P. LOMBARDO
THOMAS H. LYON, JR
C. PERRY MARSHALL
GLORIA S. MASSEY
PAUL S. MASSIMIANO
STEPHEN ANDREW MAYER
SCOTT RICHARD MCCLELLAND
JOSE ENRIQUE MISAS
PER MANUEL MONTEROPEARSON
GREGORY LYNN MOORE
KEVIN M. MURRAY
JOHN ROBERT NAGEL
PATRICK E. OLSON
JACKSON OSBOURNE PEMBERTON
FRANK J. PISTONE, JR
RAUL FAUSTO CALUB RAMOS
WARREN L. ROBINSON, JR
GEORGE CARMINE ROMANO
HENRY PETER ROSAS
JOANNE RUDOFF
SUSAN E. RUTHERFORD
STEVEN SAIGE SAMESHIMA
TIMOTHY G. SCHACHERER
MICHAEL R. SHERMAN
CHARLES T. SIRNA
ROY S. SMALL
DAVID ANTON SPIEGEL
MARK DANA STRAUSS
LARRY D. TAYLOR
JOHN E. TETZLAFF
BRADLEY M. TIPLER
MICHAEL L. WALKER
GEORGE HILARY WATT
RICHARD PASCAL WILLIAMS, JR
WILLIAM F. YAUNERIDGE

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICER, TO BE APPOINTED PERMANENT COMMANDER IN THE SUPPLY CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

U.S. NAVAL RESERVE, SUPPLY CORPS, COMMANDER

To be commander, Supply Corps, USN, permanent

MICHEAL WALTER NOGA

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED PERMANENT LIEUTENANT COMMANDER IN THE SUPPLY CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

U.S. NAVAL RESERVE, SUPPLY CORPS, LIEUTENANT COMMANDER

To be lieutenant commander, Supply Corps, USN, permanent

RICHARD THOMAS SEGICH
MICKEL NMN SINGLETON

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED PERMANENT COMMANDER IN THE CHAPLAIN CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

U.S. NAVAL RESERVE, CHAPLAIN CORPS, COMMANDER

To be commander, Chaplain Corps, USN, permanent

JOHN HENRY DUX
MARSHALL ROY LARRIVIERE

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED PERMANENT LIEUTENANT COMMANDER IN THE CHAPLAIN CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

U. S. NAVAL RESERVE, CHAPLAIN CORPS, LIEUTENANT COMMANDER

To be lieutenant commander, Chaplain Corps, USN, permanent

LUTHER CHARLES ALEXANDER, JR
PAUL DEAN ALLEN
JOSEPH YARROW ALLOWAY
RONALD MARK ANDERSON
BARRY WILLIAM BRIMHALL
MARK WOODBRIDGE BROWN
JOHN ROBERT BURD, III
RICHARD COREY BUTLER
TERRY WAYNE COOK
DONALD MICHAEL CRAMBLIT
ANTHONY WAYNE DEAN
TIMOTHY JAMES DEMY
THOMAS E. DIAMOND
NORMAN HANSEL DRUMMOND
RONALD ARTHUR GISCHEL
HARRY WILLIAM GRIFFITH
ROBERT ALTON HAINES, JR
JACKSON LEE HARRIS, II
GARY DEAN HEINKE
HENRY WADE HENSLEY
GREGORY ALLEN HEPNER
PETER COCHRAN JENSEN
DUDLEY VINCENT JOHNSON, JR
FRANKLIN OSCAR JOHNSON, JR
SAMUEL DAVID KIRK
JAMES KUDILIL
GERALD KENNETH MACDICKEN
DUANE DOUGLAS MALLOW
DAVID EDWARD MANCUSO
EDWARD LEE MILLINER, JR
JAMES PATRICK MORGAN
OLLIS JON MOZON, JR

JOHN WILLIAM MURRAY
RODOLFO SARABIA NAPIAL
DANNY ELLIOTT NICHOLS
DANIEL WILLIAMS PARRY
JAMES GRADY PATTERSON, JR
ERNEST ADLAI POE
JOHN WILLIAM POPE, JR
WILLIAM ALLEN REED
RONALD GENE SCHENK
RONALD ARMAND SOUTIERE
JESSIE RAYMOND TATE
MARY ELLEN WASHBURN
FORREST EDWARD WESSENDORF
STEVEN ROBERT WINTERS
JOAN HEDRICH WOOTEN
LORENZO COOPER YORK
ROBERT ALLEN YOUREK

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED PERMANENT LIEUTENANT COMMANDER IN THE CIVIL ENGINEER CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

U.S. NAVAL RESERVE, CIVIL ENGINEER CORPS, LIEUTENANT COMMANDER

To be lieutenant commander, Civil Engineer Corps, USN, permanent

ROBERT HARRY BENGTSON
MARK JOSEPH SCHOEPPNER

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED PERMANENT LIEUTENANT COMMANDER IN THE MEDICAL SERVICE CORPS OF THE U.S. NAVY, PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

U.S. NAVAL RESERVE, MEDICAL SERVICE CORPS, LIEUTENANT COMMANDER

To be lieutenant commander, Medical Service Corps, USN, permanent

JAMES PETER BURANS
THOMAS E. CLENDENNEN
ROBERT EMMET HERTAN
FORREST DOUGLAS HOLCOMBE
ELIZABETH ANNE NOLAN
ROBERT THOMAS OLEARY
THOMAS GERALD PATTEN
JOHN LANTZ SEXTON
KEITH ALAN SWOGGER

THE FOLLOWING NAMED U.S. NAVAL RESERVE OFFICERS, TO BE APPOINTED PERMANENT LIEUTENANT COMMANDER IN THE NURSE CORPS OF THE U.S. NAVY PURSUANT TO TITLE 10, UNITED STATES CODE, SECTION 531:

U.S. NAVAL RESERVE, NURSE CORPS, LIEUTENANT COMMANDER

To be lieutenant commander, Nurse Corps, USN, permanent

ELLEN DORIS HIGBY BERTELSEN
JUDITH LYNN CURTISS BOST
PATRICIA M. GALLAGHER
PATRICIA MAE GAMBLE
LEONA THERESA HAMMOND
KAROLYN ANN LILLY
ELIZABETH BRADLEY MCGLOON
MELANIE KAY MCNAMARA
FAYE MARIE PYLES
PEGGY FAYE SIMPSON

Executive nominations received by the Senate November 30, 1987:

SUPREME COURT OF THE UNITED STATES

ANTHONY M. KENNEDY, OF CALIFORNIA, TO BE AN ASSOCIATE JUSTICE OF THE SUPREME COURT OF THE UNITED STATES, VICE LEWIS F. POWELL, JR., RETIRED.

CONFIRMATIONS

Executive nominations confirmed by the Senate November 30, 1987:

DEPARTMENT OF TRANSPORTATION

JAMES H. BURNLEY IV, OF NORTH CAROLINA, TO BE SECRETARY OF TRANSPORTATION.

MARY ANN WEYFORTH DAWSON, OF THE DISTRICT OF COLUMBIA, TO BE DEPUTY SECRETARY OF TRANSPORTATION.

THE ABOVE NOMINATIONS WERE APPROVED SUBJECT TO THE NOMINEES' COMMITMENT TO RESPOND TO REQUESTS TO APPEAR AND TESTIFY BEFORE ANY DULY CONSTITUTED COMMITTEE OF THE SENATE.

EXTENSIONS OF REMARKS

ARMS SALES POLICY TOWARD STATES OF THE PERSIAN GULF

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 30, 1987

Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues a letter written November 20, 1987, by former National Security Advisor Frank C. Carlucci to Senate minority leader, Senator ROBERT J. DOLE, regarding U.S. arms sales policy toward the Persian Gulf in general and policy on the sale of Stinger missiles in particular.

The letter represents the most thorough administration statement on U.S. policy on the sale of Stinger missiles in the Persian Gulf region. The letter follows:

THE WHITE HOUSE,
Washington.

Hon. ROBERT J. DOLE,
Minority Leader of the Senate, U.S. Senate, Washington, DC.

DEAR BOB: I am writing to you about the general issue of United States security cooperation with the moderate Gulf states, including their increasing support for our military operations and our provision of carefully limited amounts of weapons and technical assistance. This letter also sets forth the Administration's position on the sale of Stinger antiaircraft missiles, an important issue which has generated considerable interest in the Congress.

There has been a quiet but significant and unprecedented improvement in security cooperation with Saudi Arabia, Bahrain, Kuwait and other GCC states over the past six months. As Iranian attacks and threats against these states have mounted, and as they have developed greater confidence in our reliability, our friends in the Gulf have begun to provide increasingly liberal access to their facilities for our naval and air units.

For example, U.S. Air Force tankers operate out of Saudi Arabia in support of both Saudi and United States military aircraft; our aircraft and ships also use Saudi and Bahraini airfields and ports for vital logistical and reconnaissance purposes. Friendly Gulf states have begun acting in parallel with our forces, and those of our NATO allies in the Gulf, to promote our shared objectives. Saudi minesweepers and Kuwaiti tugs refitted as minesweepers help keep the shipping lanes clear of mines in concert with our minesweeping efforts; their ships and aircraft perform important surveillance functions, complementing our own capability to detect possible Iranian attacks; Kuwait also provides free fuel for our naval vessels in the Gulf.

Bahrain has been especially forthcoming in its assistance to us. The Bahraini government has permitted for several years the headquartering of the U.S. Navy Middle East Force administrative and security unit. U.S. military personnel and significant amounts of equipment expeditiously transit Bahrain on their way to service in the Gulf. Our mine countermeasures and ship protection efforts would be ineffective and perhaps even impossible without Bahrain's continued support. As you know, there are also a number of other significant areas of cooperation which security considerations preclude my putting in this letter.

On the political side, the GCC states—under the leadership of Saudi Arabia—played the decisive role in the very favorable outcome of the recent Arab Summit in Amman. Saudi and GCC leadership was especially important in the Summit's decision to reintegrate Egypt into the Arab world on Egypt's terms and with the Egyptian-Israeli peace treaty completely intact. The Saudis have since the Summit joined seven other moderate Arab governments in restoring diplomatic relations with Egypt. Saudi Arabia and the other Gulf Arab states, strengthened by firm U.S. diplomatic support and by our military presence in the Gulf, took a strong stand on Iran at the Summit and succeeded in rejecting radical efforts to place the blame for increasing tensions on the U.S., as Soviet and Iranian propaganda has been trying to do. Instead the Summit strongly supported our position on the need for Iran to end the war with Iraq immediately by implementing Security Council Resolution 598.

As the recent staff report of the Senate Foreign Relations Committee points out, all the GCC states—not only Saudi Arabia—have legitimate needs for certain essentially defensive weapons. Experience has demonstrated time and again that when the U.S. is unable to respond, other governments are more than ready and able to do so—whether it be with British Tornado fighter-bombers, which Saudi Arabia bought when it could not get additional U.S. F-15 fighters, even without ground attack capability, or the Soviet handheld SA-7 and SA-14 antiaircraft missiles supplied to certain Gulf states when the U.S. was unwilling to provide portable antiaircraft weapons, such as the Stinger.

The U.S. Government is very selective in selling the Stinger abroad, and we will continue to be so. In considering possible sales of this weapon to our friends in the Gulf, we look at three key factors: the overall nature of our relationship with the prospective buyer, including the extent of our security cooperation; the suitability of the Stinger (rather than another weapon) as a response to a particular military threat; and, very importantly, the adequacy of safeguards against diversion. We are fully conscious of the threat posed by Stingers falling into irresponsible hands.

I have already reviewed the unprecedented increase in support provided by key Gulf Arab states—particularly Bahrain—for vital U.S. military operations in the Gulf. The Iranian air threat to those countries has grown apace with—and at least partly because of—Arab cooperation with us. However, Iran has shown itself to be averse to air losses, and thus even a limited number of Stingers can constitute considerable deterrence.

The Stinger's portability, "fire and forget" mode of operation, effectiveness against helicopters and low-flying, high-speed aircraft, and relatively low-cost make it the best available system for certain countries, such as some of the Gulf states, to fill gaps in existing air defense coverage. The U.S. Navy has equipped its ships in the Gulf with Stingers for this reason.

We share fully Congressional concerns over the possibility of diversion. To guard against such an eventuality, stringent safeguards have been established that are mandatory for all FMS purchasers. These safeguards include:

Access limited to authorized military personnel who are thoroughly trained in U.S.-required accountability procedures;

Frequent, periodic inventory of all missiles by serial number (all inventory reports available for inspection by USG personnel);

Return of damaged or expended components;

Annual inspection by USG experts for inventory of missiles and other system components;

Separate storage of missiles and launchers;

Reports for USG whenever Stinger system is operationally deployed and when launchers and missiles are assembled for training or testing;

Prohibition of access by third-country nationals.

We have sold Stingers under FMS to NATO and to a number of non-NATO countries, including Australia, South Korea, New Zealand, Japan, Pakistan, and Saudi Arabia. Our safeguards have achieved a spotless record in ensuring the security of Stingers transferred to these foreign governments. In September, a U.S. military inspection of Stingers in Saudi Arabia found that country's security safeguards and inventory control to be 100% effective.

Let me reemphasize that the alternative to provision of Stingers to friendly governments in the Gulf who genuinely need them is an even greater proliferation of SA-7s and other portable Soviet air defense systems, which already number over 20,000 in the Middle East. That would mean a further increase in the likelihood that such systems would be diverted to hostile hands, since the Soviet SAM's are *not* carefully safeguarded. It would also mean an erosion of Gulf Arab confidence in us at a time when Iranian threats and Gulf support for our military operations have both reached unprecedented levels.

The Administration's approach to Stinger sales will continue to be careful and measured, consistent with our absolute insistence on strict safeguards as well as our broader interest in supporting the legitimate self-defense needs of our security partners in the Gulf and elsewhere.

My colleagues and I in the Administration look forward to discussing these important issues with you in greater detail.

Sincerely,

FRANK C. CARLUCCI.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

HELPING INNOCENT VICTIMS

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 30, 1987

Mr. FLORIO. Mr. Speaker, at a time when so much of the world is caught up in armed struggle it is gratifying to learn that something is being done to assist those innocent children who all too often become victims of fighting they do not understand.

The children's project recently arranged for 12 youngsters wounded in the fighting in El Salvador to be treated at hospitals in the United States. Maria del Carmen Velasquez Mazariego, who is 9 years old, was the beneficiary of treatment at Our Lady of Lourdes Medical Center in Camden, NJ. She was successfully treated for removal of shrapnel from her abdomen, and has now begun the journey back home.

I am proud to say that the people at Lourdes and in the community opened their hearts to Maria. Antonio and Delia Lugo of Camden did even more than that. They opened their home to Maria's mother and her infant brother during the duration of Maria's stay in the hospital.

Maria's tremendously upbeat spirit and the warm generosity displayed toward her in Camden, to me, are sources of hope. I am optimistic that this brave little girl will return to her homeland with a chance to grow up and help make this a world where the next generation will know peace, instead of war.

The following is an account of Maria's stay in New Jersey published November 15, 1987, in the Courier-Post newspaper of Camden.

[From the Courier-Post, Nov. 15, 1987]

CAMDEN LENDS HAND TO SALVADORAN CHILD

(By Brian Gooney)

CAMDEN.—At 10 a.m. on Saturday, most 9-year-olds in the city are either choosing sides for a touch football game or getting their second wind after an overdose of cartoons.

Maria "Carmen" Velazquez, however, was watching an 11-year-old girl juggling pins and balls in the living room while waiting for a visit from a U.S. Congressman.

While this scene is not typical, neither is Maria. She and her family were brought to Camden from El Salvador about one month ago for surgery at Our Lady of Lourdes Medical Center to remove mortar shrapnel that had been lodged near her abdominal cavity for four years.

Her mother, Juana, and her brother, Carlos, 2, came with her. They have been staying with Antonio and Delia Lugo, of the 700 block of Berkley Street.

Maria's story is one of thousands in a country where the U.S.-supported government regularly bombs villages and has sanctioned death squads to crush rebel opposition, said Lynne Cox, a volunteer with the Philadelphia chapter of Project Children, a 12-year-old nonprofit organization dedicated to helping children of countries in turmoil.

Rep. James Florio, a Democrat whose 1st Congressional District includes Camden, visited Maria yesterday to see how she was feeling and to get a personal perspective on the danger faced by people in war-torn Central America.

Florio expressed hope for the Central American peace plan currently being worked on by five countries, including El Salvador. He said that the role the United States has tried to play in countries like Nicaragua and El Salvador is as a mediator, "to try to get people to talk rather than fight."

"Little Maria paid a price for other people's failure to seek peace," Florio said.

That price is one that has horrified Delia Lugo, as Juana told her stories of how she has spent five years fleeing as the government bombed village after village. Her three other children died from malnutrition because the family could never securely settle down in any one area.

"I broke down and cried when she told me about their deaths," Delia Lugo said. "I thought about my own children, and what she must have gone through. We cried together."

When Maria was first hit by shrapnel, the family was in the countryside outside San Salvador, the capital. With no medical attention available, Juana washed out the open wound with soap and water and prevented infection.

The Rev. Mark Aita, a Jesuit priest at Holy Name Church (the Lugos' parish), is also a doctor of internal medicine at Our Lady of Lourdes. He was astounded by the story of Maria's treatment. In a telephone interview yesterday, he said it was a miracle that the wound didn't become infected.

At Our Lady of Lourdes, Maria was first examined to determine where the shrapnel had lodged and whether it was threatening the spinal cord or any organs. Once they located it near, but not penetrating, the abdominal cavity, Dr. Lorenzo Brea operated and removed it.

"We were happily surprised when it turned out to be easy surgery," Aita said.

The shrapnel had been causing Maria some pain and herniation in her lower back, but Aida predicts she will have a complete recovery.

Maria was released from the hospital two days after the Oct. 23 operation, and has spent very little time since then in bed. The Lugos' three children have taken her to the park and on a train ride to The Gallery in Philadelphia, said Antonio Lugo. She also went to the Morristown Friends School to visit with the children.

Money for the family's trip to the United States was raised in Camden and Philadelphia by churches affiliated with Project Children. All medical treatment was donated by Our Lady of Lourdes and the doctors.

The Velazquez family is leaving Tuesday to spend a week in Los Angeles before returning to El Salvador. Despite the ordeals she has endured during her short life, Maria said (with Delia Lugo interpreting into English) that she is homesick and that she misses her Aunt Maxina, a sister of Juana's with whom the family will be staying.

In the short time they have stayed with the Lugos, Delia Lugo has grown very fond of Maria and her family. She said she will miss them and that she is not looking forward to Tuesday.

"I'm terrible at saying goodby," she said. "I enjoy meeting friends at the airport but I hate seeing them off."

A CONGRESSIONAL SALUTE TO JOHN N. BERGER

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 30, 1987

Mr. YATRON. Mr. Speaker, I rise today to pay tribute to Mr. John Norman Berger. Mr. Berger recently retired from his position as executive director of the Family Guidance Center in Reading, PA. After 20 years of dedicated public service, Mr. Berger will be honored with a testimonial dinner on December 3, 1987.

John Berger has strived to help his fellow citizens throughout his life. He grew up in Wisconsin and studied at North Central College and the Evangelical Theological Seminary in Naperville, IL. He worked summers at various State hospitals where he first became interested in social work and decided to pursue a career as a hospital chaplain. After working at several State hospitals in Illinois, Mr. Berger enrolled at Boston University and received a master of science degree in social service in 1957.

After graduation, Mr. Berger returned to Illinois and focused his efforts on social work and comprehensive approaches to working with families. He later worked in Texas and Iowa and came to Reading, PA in 1967 as the first director of the fledgling Family Guidance Center. Under his leadership, the Family Guidance Center grew and flourished. A number of innovative programs were developed during Mr. Berger's tenure. These included the Community Action Training School [CATS], a program oriented toward providing minority youth with the tools to improve their own community. Other programs such as inpatient and outpatient psychiatric care, a suicide prevention hotline, residential homes programs, employment assistance, and behavior modification teams were also developed and managed under Mr. Berger's leadership. Through his fine work, the Family Guidance Center was able to offer the effectiveness and flexibility of services needed in our changing society.

John Berger's outstanding achievements are well-known in our area. He has also been honored by the National Association of Social Workers as Social Worker of the Year in 1981 and has served as president of the Pennsylvania Mental Health/Mental Retardation Service Providers Association. His future plans include a move to California and spending more time with his wife, Buzz, and their four children. Although he will be leaving the Reading area, John N. Berger's commitment to public service will be sorely missed and his many contributions to our community will be fondly remembered. I know that all of my colleagues will join me in honoring Mr. John Berger and in wishing him and his family continued success and good fortune in the years to come.

WRIGHT: A POWERFUL FRIEND

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 30, 1987

Mr. GINGRICH. Mr. Speaker, on July 15, 1987, I offered an amendent to the Treasury/Postal Service appropriations bill. My amendment would have prohibited the Treasury Department from issuing a check pursuant to an $11,800,000 grant by the Economic Development Administration for the stockyards, an economic development project in Fort Worth, TX.

What most people didn't realize was that this grant was given to Fort Worth because JIM WRIGHT told the Economic Development Administration to. In order to understand the situation better, I urge my colleagues to read the William Murchison editorial which appeared in the Dallas Morning News and then ask themselves how they can tolerate this kind of behavior.

WRIGHT: A POWERFUL FRIEND

Congressman Newt Gingrich of Georgia the other day put a painfully explicit question to his colleagues.

Gingrich wanted to know how in the name of Alexander Hamilton Congress could so much as think about voting $11.8 million for a certain economic development project down in Texas.

Gingrich detailed what was wrong with the project:

"Unlike almost all Economic Development Administration projects, it does not have any matching requirements, so it is just a taxpayer's writing out a check for $11.8 million.

"It specifically would help a handful of people in a very narrow area . . . (who need not) submit anything for any competitive bid or put up any money.

"Finally, the county to which this would go is exceeded by 900 other counties in the unemployment level. The administration would prefer not to spend the money. The assistant secretary in charge of economic development has said publicly, and at considerable risk, that he would prefer not to spend the money."

Gingrich's colleagues stuck their fingers in their ears and voted, heck, yes, to spend the money—in Fort Worth, Texas, home of the exalted speaker of the U.S. House, James C. Wright.

Theirs was not to reason why, theirs was to pony up on demand. His Exaltedness wanted the money for the Fort Worth Stockyards, a 150-acre historic district under development by private business interests. Whips cracked on the House floor. Head 'em up, move 'em, out. Mooooo, mooooo, went the political herd.

The stockyards appropriation vote gives off exactly the kind of aroma you would expect. Put on high boots when you approach.

I feel entitled as a taxpayer to ask what the developers are going to do with the money I am sending them—feed the hungry, clothe the naked, arm the contras? That would be nice; however, as it happens, the developers plan to build a 10,000-seat amphitheater, including 70 private skyboxes. The amphitheater will be used for country and western acts. The people who come to these acts will spend a lot of money—or so the developers hope, because money-making is what the project is all about.

You ask what that's got to do with you and me, and I reply: Nothing, except the money is coming from us.

You ask what the developers have got that we haven't got—besides our money—and I reply: the support of the speaker of the House. It is a very considerable advantage.

The speaker of the House likes to posture as Scrooge McWright—archenemy of deficits and federal borrowing. The speaker, who is a Democrat, gets downright sonorous and baritone when the deficits can be blamed on Ronald Reagan, who is a Republican.

McWright, nonetheless, has a soft place in his heart for friends. One of the stockyard developers, George A. Mallick, Jr., is described by the Fort Worth Star-Telegram as "a longtime friend and business partner" of the speaker's. Shoot, the stockyards are a Fort Worth project! Wright is arm-twisting in behalf of well-heeled constituents.

Also in behalf of other people's well-heeled constituents. William K. Black, former deputy director of the Federal Savings and Loan Insurance Corp. and a Democrat, protests that Wright intervened time and time again in behalf of a Democratic real estate developer accused of financial mismanagement.

Federal officials had removed Thomas Gaubert from management of Independent American Savings Association in Irving. Gaubert, who helped raise $9 million for Congressman Tony Coelho's Democratic Congressional Campaign Committee and has given political money to Wright, sought help from the speaker. Wright badgered Edwin Gray, chairman of the Federal Home Loan Bank Board, until Gray agreed to appoint an independent counsel.

As federal regulators closed in on two other beleaguered Texas financiers, Don Dixon and Craig Hall of Dallas, Wright again rose to the occasion. More calls to Gray; more pleas for delay.

Wright, according to Gray, said unless Hall got relief from federal suits for collection of overdue loans, there would be no House vote on a bill bailing out sick savings and loan institutions. Gray, though mortified, worked out a compromise.

What a wonderful thing it must be to know Jim Wright. No telling what he'll do for you if he likes you. On the other hand, the overwhelming majority of Americans don't know Jim Wright—not have they donated money to his political campaigns. That would seem to put them at some disadvantage.

None of Wright's assorted acts of favoritism looks actually illegal. The moral odor is something else again. Congressmen are supposed to represent their constituents and backers. But the nation's collective expense? I think not.

Warren Brookes, economics wizard for the Detroit News, suggests that Wright's efforts to bottle up the bail-out bill could result in an eventual "$30 to $40 billion holocaust of bail-out costs to taxpayers."

A ghastly thought just crossed my mind. I hate even to utter it, but—I am starting to miss Tip O'Neill.

TRIBUTE TO OFFICIALS OF THE RAYTHEON CO. AND CALORIC CORP.

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 30, 1987

Mr. TALLON. Mr. Speaker, I rise today to respectfully pay tribute to the officials of the Raytheon Co. and Caloric Corp. who recently announced the construction of a $40 million plant in the new Florence Industrial Park. The Caloric plant will create a minimum of 300 new manufacturing jobs with an annual payroll of $8 million for the Florence area and will bring almost 200 new nonmanufacturing jobs and $1.5 million in additional retail sales for area businesses.

This project is a good example of the teamwork exhibited by business and government officials within the State of South Carolina and the Sixth Congressional District.

The Florence County Economic Development Commission worked diligently with the Caloric Corp. for 6 months prior to the announcement and received outstanding support from the Florence County Council, Florence County Progress, the city of Florence, and the State legislative delegation. The South Carolina State Development Board played a major role in bringing this company to South Carolina and I would like to commend our Governor, Carroll A. Campbell, and his staff for their assistance. The commitment and interest demonstrated by the officials of the Raytheon Co. and Caloric Corp. is an exciting development for the Pee Dee region of my State.

I would again like to express my sincere appreciation to Mr. Thomas L. Phillips, chairman and chief executive, Raytheon Co., and David E. Dolak, president of the Caloric Corp. The Caloric Corp. will undoubtedly be a good corporate citizen and is a welcome addition to Florence County and the State of South Carolina.

Raytheon Co. is a $7.3 billion company active in electronics, aviation, appliances, energy services, construction equipment, and publishing. More than on-half of their total sales is for U.S. Government end use, and approximately 17 percent of the total is to customers outside the United States.

The company employs 75,300 men and women worldwide in its diversified, technology-based businesses. Fortune magazine ranked Raytheon 48th in sales and the company ranks 7th among prime contractors to the Department of Defense.

Headquartered in Lexington, MA, the company has 5 business areas, composed of 9 divisions and 12 major operating subsidiaries with more than 80 plants and laboratories in 26 States. Major overseas subsidiaries and affiliates are located in Canada, the United Kingdom, the Netherlands, West Germany, Switzerland, and Japan.

The roots of the Caloric Corp. were planted in Philadelphia in 1889 with the founding of the Klein Stove Co. This venture, initially devoted to the fabrication of wood and coal burning stoves, established the base for what has today become one of the leading major appliance design, manufacturing, and marketing operations in the Nation.

Near the turn of the century, the company began to specialize in gas burning ranges, and in 1903, Caloric—an ancient word for heat—was first used by the company. During World War I, Caloric acquired the old Topton Foundry & Machine Co. In the years that followed, Caloric operated out of three separate Pennsylvania locations. In 1941, all operations were centralized at the original foundry site in Topton, the present headquarters.

Caloric developed rapidly in the years following World War II, establishing itself as the leading gas range manufacturing company in the Northeastern United States. It wasn't until 1966, when Raytheon Co. acquired Caloric that the company diversified its product line and became a national marketer of major kitchen appliances. In 1973, Caloric introduced its first electric range line. In 1978, Caloric acquired the Glenwood Range Co., one of America's oldest stove manufacturers; and in 1981, Modern Maid Co., which traced its heritage to 1904.

Today, Caloric Corp. has two major manufacturing facilities. A 500,000 square foot plant at its headquarters in Topton, PA, and a 500,000-square-foot plant in Delaware, OH. The Florence facility, when completed in 1989, will give the company a third 500,000 square foot plant, which will manufacture gas and electric ranges and ovens.

Mr. Speaker, it has been said that progress is never an accident, but rather it is a necessity—it is a part of nature.

This partnership between the Raytheon Corp., our city, county, and State officials represents a victory for the people of Florence and South Carolina.

Again, on behalf of all our citizens, I would like to thank Curt Hoglan of the Florence Economic Development Commission and the many individuals who worked unselfishly and tirelessly to demonstrate to Raytheon and Caloric officials our receptiveness to having new people with new ideas join us in our efforts to make Florence County and the Pee Dee an even greater place to live.

GROUND WATER RESEARCH

HON. ARLAN STANGELAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 30, 1987

Mr. STANGELAND. Mr. Speaker, today, Mr. FOLEY introduced H.R. 3676, comprehensive ground water research and protection bill. This legislation, which I strongly support, embodies a compromise among the five committees that received referrals of H.R. 791, a ground water research bill, earlier this year. Today's consensus bill combines and coordinates major elements of each version of H.R. 791 reported by the Committees on Interior and Insular Affairs; Energy and Commerce; Public Works and Transportation; Science, Space, and Technology; and Agriculture.

The bill contains four major components to improve Federal, State, and local ground water protection efforts. The first is assessment and mapping of the resource itself. The second is research, development, and demonstration of cleanup technologies. The third is information gathering, information dissemination, and technology transfer. The fourth is improved consistency and coordination among existing and future ground water activities.

Title I, the Geological Survey Water Resources Organic Act, authorizes a number of USGS ground water activities. This portion of the substitute is based on sections in H.R. 791, as reported by the Interior Committee.

Title II, the National Ground Water Research Act of 1987, may be the heart of the bill. Our substitute combines aspects of the USGS research bill—H.R. 791—and the EPA research and demonstration bill—H.R. 2253. The substitute also reflects subsequent changes to the USGS and EPA bills made by Science, Space, and Technology; Energy and Commerce; Public Works and Transportation; and Agriculture.

Section 202 contains congressional findings that are the guiding principles of our substitute. Because ground water is a unique resource requiring different approaches to the control, prevention, and cleanup of contamination, we have adopted a "phased approach" emphasizing education, research, demonstration, technical assistance, and prevention. While providing for an increase in the Federal role in ground water research and protection, we have also recognized that State and local governments must retain primary responsibility for managing the resource. In addition, we improved upon provisions to foster the consistency and coordination among Federal programs.

Title III, the Agricultural Ground Water Management Act of 1987, includes provisions from my bill, H.R. 3069. In September, the bill was not only introduced in the Senate but also included in the three House ground water bills reported by Public Works, Energy and Commerce, and Agriculture.

H.R. 3069, now part of title III, establishes an agricultural nitrogen best management practices task force. Through increased education, public information, and the adoption of agricultural best management practices, this Nation can prevent many of its ground water and surface water quality problems right from the start. Scientists, appropriate Federal, State, and local officials—all of these groups will play a key role. Title III brings these players together to get the ball rolling and to emphasize the importance of agricultural nitrogen in ground and surface water quality protection.

Title IV addresses the growing, national problem of radium contamination in ground water. The bill authorizes EPA to provide financial and technical assistance to small communities with contamination problems.

Mr. Speaker, this bipartisan bill is not—and should not be—controversial. It reflects a broad consensus of views among committees, agencies, interest groups, and private citizens. Its funding levels are responsive to ground water needs yet responsible in these times of budgetary constraints. Today's substitute bill is a comprehensive, worthy approach to ground water quality and quantity problems. I urge each Member to support this delicately balanced compromise when we bring it to the floor in the near future.

TRIBUTE TO THE LATE HOWARD J. THECKSTON, SR.

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 30, 1987

Mr. FLORIO. Mr. Speaker, I would like to bring to the attention of my colleagues a truly remarkable public servant whose death recently ended 53 years of public service.

In 1985, the Common Council and the mayor of the city of Gloucester passed a resolution honoring one of its most prominent citizens. I am including below with great pride that resolution which eloquently describes the life of Howard Theckston, Sr.:

RESOLUTION

Be it resolved by the Mayor and the Common Council of the City of Gloucester, County of Camden and the State of New Jersey, That the said Mayor and Common Council wish to commemorate the public service rendered to the citizens of Gloucester City by Howard J. Theckston, Sr.

Howard's public life started in 1932 and continued until this year of 1985.

Howard was elected to City Council for the first time in 1941. In 1942 he was the Democrat candidate for the New Jersey General Assembly. Elected to the Camden County Board of Chosen Freeholders in 1943 and served as the Director of said board in 1945 and 1946. Was elected to City Council in 1949 serving continuously until 1961 at which time he was ordered to resign by the New Jersey State Supreme Court, as he was serving as the Clerk of the Camden County District Court. Howard held this position from 1958 until his retirement in 1978.

He is a Charter member of the Gloucester City Lions Club, a member of the Camden County Chamber of Commerce, a member of Council #10 of the New Jersey Civil Service Association, Vice President of the New Jersey Federation of Senior Citizens, a member of the Gloucester City Senior Citizens Association, the first Chairman of the Gloucester City Housing Authority, and was primarily responsible for obtaining a Federal Grant of more than Six Million Dollars for the construction of the Gloucester City Senior Citizen Complex. An honorary member of the Gloucester City Employees Union, of which he is most proud, having been a part of the original organization. Howard was instrumental in getting the Pension System for city employees instituted, as well as Civil Service Status for them.

Howard and his wife Caroline along with their four children have operated several businesses in Gloucester City.

He always said, "The Honors are not mine," they were bestowed upon me by the great people of Gloucester City and through the Grace of God I have received many blessings and opportunities. During the years of service, Howard demonstrated an outstanding devotion to Gloucester City.

Be it further resolved, That the Mayor and Common Council wish to commemorate the said public service of Howard J. Theckston, Sr. by having this resolution entered in the minutes of the proceedings of the Governing Body of Gloucester City; and BE IT FURTHER RESOLVED that a Certified Copy of this Resolution be forwarded to Howard J. Theckston, Senior.

TRIBUTE TO FRANK C. KOLLER

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 30, 1987

Mr. YATRON. Mr. Speaker, I rise today to pay tribute to Mr. Frank C. Koller, of Kenhorst, PA, who celebrated his 100th birthday on November 19, 1987. I am honored to add my good wishes on this important and joyous occasion.

A well-known and respected gentleman, Mr. Koller has been a dedicated member of the community, having served on the Kenhorst Borough Council for many years. He has been involved in numerous other community functions as well, providing a role model for which all citizens might seek to emulate. In addition to his devotion to public service, Frank Koller has been equally committed to his home life. He and his wife Mary, 95 years old, currently enjoy the designation of oldest living couple in the Borough of Kenhorst. This, too, is a milestone which few are fortunate to reach.

Mr. Speaker, I know that my colleagues will want to join me in offering sincere congratulations to Mr. Koller in honor of his special day along with sincere best wishes for every happiness in the future.

IN OPPOSITION TO THE OLDER AMERICANS ACT

HON. TOM DeLAY

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 30, 1987

Mr. DELAY. Mr. Speaker, I rise in opposition to the conference report on H.R. 1451, the Older Americans Act. Let me say immediately that I am not opposed to the intent of the legislation. On the contrary, I believe that the Older Americans Act has excellent intentions.

The Older Americans Act reauthorizes many vital programs designed to benefit our Nation's elderly. These programs include supportive services and senior centers; community service employment; USDA surplus commodities; home-delivery nutrition services; and, research and training.

This legislation establishes various new entitlement programs: In-home services to the elderly; State grant assistance to meet the special needs of the elderly; health education; outreach to food stamp, SSI, and Medicaid recipients; and, prevention of elderly abuse.

The Older Americans Act authorizes a $1.5 billion funding level in fiscal year 1988 and an automatic 5 percent increase for all major programs through fiscal year 1991.

Although the Older Americans Act intends to benefit the elderly, certainly a worthy goal, I oppose this legislation. In my opinion, it is fiscally irresponsible for Congress to create new programs in this time of massive budget deficits. It is even more irresponsible to include an automatic 5 percent increase every fiscal year. We cannot have it both ways; either we cut back on irresponsible spending or face up to the detrimental consequences of a trillion dollar debt. These consequences affect each and every one of us in a negative manner. But perhaps the hardest hit are those Americans who must get by on a fixed income: the elderly.

It is deceiving to advocate the benefits of an inflated spending bill and exclaim the many ways it will benefit the elderly. Indeed, the vicious circle of big spending will only hurt the elderly. Our out-of-control spending problem forces more and more Americans to become dependent on the very programs the Older Americans Act funds.

It is easy to vote "yes" to big spending. But let's remember whose tax dollars are being spent and who is ultimately paying: the elderly. I voted no on the Older Americans Act because I do care about the fate of our Nation's senior citizens.

"THE STROLLER" TAKES HIS LAST WALK

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 30, 1987

Mr. GAYDOS. Mr. Speaker, later this month one of the most colorful figures in the history of the Alle-Kiski Valley in southwest Pennsylvania will write "30" to a 40-year career in the newspaper business.

Frank Anderson, associate editor and columnist for the Valley News Dispatch in Tarentum, will be retiring. I know I speak for thousands of his readers when I say he will be missed.

It was through his column, "The Stroller," probably the most popular piece on the paper's editorial page, that Frank meandered up and down the valley, picking up tidbits of information he passed onto the public. If you were looking for information on a church social, a lost pet, a class reunion, and so forth, chances are you could find it in "The Stroller."

And, when he takes his last walk through the area he has known all his life, "The Stroller" won't be alone. He'll be accompanied by some of the characters he has created over the years and made into household names: "TV Tony," "Fat Frank," "The Old Geezer," to name a few.

Through them, Frank commented on sports, politics, the state of the Nation, the stock market, the weather, the institution of marriage, the local traffic problem, and a host of other topics. You might chuckle or disagree with some of the observations—but you read them.

Frank Anderson, a graduate of Penn State University, began his career in journalism after a 3-year stint with the Navy in World War II. He joined the sports staff of the New Kensington Daily Dispatch and was its sports editor in 1957 when he left to become the editor of the Valley Daily News. When the Dispatch was purchased by the News, Frank became the managing editor of the Valley News Dispatch and later, of course, its associate editor.

But, Frank has never been an ivory tower editor, content to watch the passing scene from a desk in the office. He knew and loved his community and its people. He was part of the community and active in its affairs.

In addition to promoting civic projects through his writings, Frank is a major supporter of the New Kensington Salvation Army Advisory Board; he chaired the Allegheny Valley Employ the Handicapped Committee and served as a member of the Westmoreland County Redevelopment Authority.

Mr. Speaker, as the elected representative from the Alle-Kiski Valley to the Congress of the United States, I am privileged to offer on behalf of all his admirers our appreciation for the years of reading enjoyment Frank has given us and our heartfelt wishes for a long and healthy retirement to him and his gracious wife, Marge.

A TRIBUTE TO ROSE AND FRED MADDOX

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 30, 1987

Mr. COELHO. Mr. Speaker, I rise today to highlight the achievements of Rose and Fred Maddox. On December 5, in Modesto, CA, this brother and sister team will be honored for their 50 years in the country music field.

The career of the Maddox Brothers and Rose began in 1937 as they played the small towns of central California. Even in these early years, it was evident that this group was more than another band. Rather, they were the first country music show.

In 1939, the Maddox family got their big break as they won a hillbilly band contest in Sacramento, CA. Soon, they were performing as many as seven shows a week, selling records by the millions and doing a syndicated radio show which made them a well known commodity from Oregon to Oklahoma. But they did not reach the peak of their career until 1948 when they played in the Grand Ole Opry of Nashville, TN. It was then that the Maddox family established itself as true country music stars.

Fred and Rose Maddox are to be congratulated on their accomplishments in the music industry. Awards, wide-spread acclaim, and a 50-year career are something we can all admire and envy.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information

for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, December 1, 1987, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

DECEMBER 2

9:00 a.m.

Rules and Administration

To hold hearings on proposals to amend the Standing Rules of the Senate (S. Res. 274, S. Res. 276, S. Res. 277, and S. Res. 309).

SR-301

Select on Indian Affairs

To hold hearings on S. Con. Res. 76, to acknowledge the contribution of the Iroquois Confederacy of Nations to the development of the United States Constitution and to reaffirm the continuing government-to-government relationship between Indian tribes and the United States established in the Constitution.

SR-485

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Small Business

Innovation, Technology and Productivity Subcommittee

To hold hearings to review problems confronting small manufacturing firms in automating their facilities.

SR-428A

Joint Economic

To hold hearings to review the current state of Federal research and development programs.

SD-628

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on S. 1886, to modernize and reform the regulation of financial services, and S. 1891, to establish a Financial Services Oversight Commission.

SD-538

Labor and Human Resources

Business meeting, to consider pending calendar business.

SD-430

Conferees

On H.R. 1777, to authorize funds for fiscal year 1988 for the Department of State, the United States Information Agency, the Voice of America, and the Board for International Broadcasting.

S-116, Capitol

2:30 p.m.

*Environment and Public Works

Environmental Protection Subcommittee

To hold hearings to review the Environmental Protection Agency's proposed post-1987 ozone and carbon monoxide policy.

SD-406

Conferees

On H.R. 2310, to authorize funds for the Airport Improvements Program and the National Airspace System Plan of the Federal Aviation Administration to ensure the safety and efficient operation of the national aviation system.

EF-100, Capitol

3:00 p.m.

*Banking, Housing, and Urban Affairs

Business meeting, to consider S. 1519 and H.R. 390, bills to provide for the awarding of gold medals to certain individuals for their humanitarian contributions, H.R. 2631, to authorize funds for fiscal year 1988 and 1989 for the United States Mint, proposed legislation to provide for more detailed and uniform disclosure by credit card issuers with respect to information on interest rates and other fees, and the nominations of Alfred A. Dellibovi, of New York, to be Urban Mass Transportation Administrator, and Cynthia J. G. Baker, of Colorado, to be Superintendent of the Mint of the United States at Denver.

SD-538

DECEMBER 3

9:00 a.m.

Energy and Natural Resources

Water and Power Subcommittee

To hold joint hearings with the Select Committee on Indian Affairs on S. 1415, to facilitate and implement the settlement of Colorado Ute Indian reserved water rights claims in southwest Colorado.

SD-562

Select on Indian Affairs

To hold joint hearings with the Committee on Energy and Natural Resources' Subcommittee on Water and Power on S. 1415, to facilitate and implement the settlement of Colorado Ute Indian reserved water rights claims in southwest Colorado.

SD-562

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To hold hearings on S. 473, to establish guidelines for Federal standards of liability for general aviation accidents.

SD-253

Environment and Public Works

Hazardous Wastes and Toxic Substances Subcommittee

To hold oversight hearings on the implementation of subtitle D of the Resource Conservation and Recovery Act in regard to municipal solid waste.

SD-406

Governmental Affairs

To hold oversight hearings on the implementation of the Federal Advisory Committee Act, and to review the activities of the President's AIDS Commission.

SD-342

Judiciary

Patents, Copyrights and Trademarks Subcommittee

To hold hearings on S. 1619, Visual Artists Rights Act.

SD-226

Joint Economic

Education and Health Subcommittee

To resume hearings on the competitiveness and quality of the American workforce.

2359 Rayburn Building

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on S. 1886, to modernize and reform the regulation of financial services, and S. 1891, to establish a Financial Services Oversight Commission.

SD-538

Conferees

On H.R. 1777, to authorize funds for fiscal year 1988 for the Department of State, the United States Information Agency, the Voice of America, and the Board for International Broadcasting.

S-126, Capitol

2:00 p.m

Judiciary

Business meeting, to consider pending calendar business.

SD-226

DECEMBER 4

9:30 a.m.

Joint Economic

To hold hearings on the employment/unemployment statistics for November.

SD-628

10:00 a.m.

Foreign Relations

To hold hearings on the nominations of Kathleen C. Bailey, of California, to be an Assistant Director of the U.S. Arms Control and Disarmament Agency, and William Schneider, Jr., of New York, to be a Member of the General Advisory Committee of the U.S. Arms Control and Disarmament Agency.

SD-419

DECEMBER 8

10:00 a.m.

Banking, Housing, and Urban Affairs

To resume hearings on S. 1886, to modernize and reform the regulation of financial services, and S. 1891, to establish a Financial Services Oversight Commission.

SD-538

Finance

Business meeting, to mark up H.R. 1207, to ban the reimportation of drugs produced in the United States, to place restrictions on the distribution of drug samples, and to ban certain resale of drugs by hospitals and other health care entities.

SD-215

DECEMBER 9

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on S. 1886, to modernize and reform the regulation of financial services, and S. 1891, to establish a Financial Services Oversight Commission.

SD-538

Governmental Affairs

To hold hearings on the elevation of the Veterans Administration to cabinet status.

SD-342

DECEMBER 10

9:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To hold oversight hearings of the modified final judgement regarding AT&T divestiture.

SR-253

10:00 a.m.

Banking, Housing, and Urban Affairs

To continue hearings on S. 1886, to modernize and reform the regulation of financial services, and S. 1891, to establish a Financial Services Oversight Commission.

SD-538

DECEMBER 11

9:00 a.m.

Commerce, Science, and Transportation

Communications Subcommittee

To continue oversight hearings of modified final judgement regarding AT&T divestiture.

SR-253

9:30 a.m.

Joint Economic

To resume hearings to review the current state of Federal research and development programs.

SD-628

DECEMBER 14

10:00 a.m.

Judiciary

To hold hearings on the nomination of Anthony M. Kennedy, of California, to be an Associate Justice of the Supreme Court of the United States.

Room to be announced

DECEMBER 15

10:00 a.m.

Judiciary

To continue hearings on the nomination of Anthony M. Kennedy, of California, to be an Associate Justice of the Supreme Court of the United States.

Room to be announced

DECEMBER 16

10:00 a.m.

Judiciary

To continue hearings on the nomination of Anthony M. Kennedy, of California, to be an Associate Justice of the Supreme Court of the United States.

Room to be announced

POSTPONEMENTS

DECEMBER 1

10:00 a.m.

Foreign Relations

Business meeting, to consider pending calendar business.

SD-419

DECEMBER 3

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To resume hearings on S. 1600, to create an independent Federal Aviation Administration.

SR-253

DECEMBER 8

9:30 a.m.

Commerce, Science, and Transportation

Aviation Subcommittee

To resume hearings on S. 1600, to create an independent Federal Aviation Administration.

SR-253

HOUSE OF REPRESENTATIVES—*Tuesday, December 1, 1987*

The House met at 12 noon and was called to order by the Speaker pro tempore [Mr. Foley].

DESIGNATION OF SPEAKER PRO TEMPORE

The **SPEAKER** pro tempore laid before the House the following communication from the Speaker:

Washington, DC,
November 25, 1987.

I hereby designate the Honorable Thomas S. Foley to act as Speaker pro tempore on Tuesday, December 1, 1987.

Jim Wright,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

May we, O God, be earnest in our desire for truth and we pray for the diligence with which to seek it. Admitting our own limitations may we realize that every day is a time given for our greater understanding of the truths that we need for better and fuller lives and every moment is a time for growth and wisdom. For the enthusiasm and the desire to know those truths that make us whole, we offer this word of prayer. Amen.

THE JOURNAL

The **SPEAKER** pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PRIVATE CALENDAR

The **SPEAKER** pro tempore. This is the day for the call of the Private Calendar. The Clerk will call the first individual bill on the Private Calendar.

CHUN WEI WONG, ET AL.

The Clerk called the bill (H.R. 2108) for the relief of Chun Wei Wong, Bic Ya Ma Wong, Wing Sing Wong, Wing Yum Wong, and Man Yee Wong.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

EMILIE SANTOS

The Clerk called the Senate bill (S. 393) for the relief of Emilie Santos.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the Senate bill be passed over without prejudice.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

SAMUEL O. JOHNSON

The Clerk called the bill (H.R. 2358) for the relief of Samuel O. Johnson.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

THOMAS WILSON

The Clerk called the bill (H.R. 439) for the relief of Thomas Wilson.

There being no objection, the Clerk read the bill, as follows:

H.R. 439

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REIMBURSEMENT FOR MEDICAL EXPENSES.

The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, the sum of $1,269.40 to Thomas Wilson of Jacksonville, Florida, to reimburse him for medical expenses incurred for his son before October 1, 1976. Thomas Wilson, as a former railroad employee, was ineligible before October 1, 1976, for medical insurance under section 505(i)(3) of the Regional Rail Reorganization Act of 1973 because his employment was not covered by a collective bargaining agreement.

SEC. 2. LIMITATION ON ATTORNEY'S FEES.

No amount in excess of 10 percent of the sum appropriated by section 1 shall be paid to or received by any agent or attorney in consideration for services rendered in connection with the payment authorized in section 1. Any violation of this section shall be a misdemeanor and any person convicted thereof shall be fined not more than $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS NELSON FLANAGAN

The Clerk called the bill (H.R. 1133) for the relief of Thomas Nelson Flanagan.

There being no objection, the Clerk read the bill, as follows:

H.R. 1133

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. GRANT OF JURISDICTION TO UNITED STATES CLAIMS COURT TO CONSIDER CLAIM AGAINST THE UNITED STATES; LIMITATION.

Notwithstanding section 2501 of title 28, United States Code, or laches, the United States Claims Court shall have jurisdiction to hear, determine, and render judgment on any claim filed by, or on behalf of, Thomas Nelson Flanagan (Social Security Number [redacted]) against the United States for lost wages, lost benefits, compensatory and consequential damages, and mental suffering he sustained due to his wrongful discharge from the United States Naval Reserve on January 5, 1943, if an action on such claim is instituted in such court in accordance with otherwise applicable law during the one-year period beginning on the date of the enactment of the Act.

SEC. 2. CONDUCT OF PROCEEDINGS.

Proceedings for the determination of the claim described in section 1 of this Act, determination of damages, and review of any judgment of such claim shall be conducted in the same manner as if the United States Claims Court had jurisdiction under section 1491(a) of title 28, United States Code.

SEC. 3. NO INFERENCE OF LIABILITY OF UNITED STATES.

This Act shall not be construed as an inference of liability on the part of the United States.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RODNEY E. HOOVER

The Clerk called the bill (H.R. 1491) for the relief of Rodney E. Hoover.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

ESTATE OF COMMODORE PERRY MILLER

The Clerk called the bill (H.R. 1671) for the relief of the estate of Commodore Perry Miller.

There being no objection, the Clerk read the bill, as follows:

H.R. 1671

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

☐ This symbol represents the time of day during the House proceedings, e.g., ☐ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

SECTION 1. ELECTION DEEMED MADE ON TIMELY FILED RETURN.

For purposes of paragraph (1) of section 2032A(d) of the Internal Revenue Code of 1986 (relating to valuation of certain farm, etc., real property), the election under section 2032A with respect to the estate of Commodore Perry Miller of Findlay, Ohio, shall be deemed to have been made before the end of the period of time prescribed by such Code, as in effect on the date of the death of Commodore Perry Miller (February 10, 1979), for making such an election.

SEC. 2. PERIOD OF LIMITATION WAIVED.

Notwithstanding section 6511(a) of the Internal Revenue Code of 1986 (relating to period of limitation on filing claim), a claim for credit or refund of overpayment of the tax imposed by section 2001 of such Code which arises by reason of section 1 of this Act may be filed by Rex M. Miller and Keith F. Miller, the co-executors of the estate of Commodore Perry Miller, within the 1-year period beginning on the date of the enactment of this Act. Sections 6511(b) and 6514 of such Code shall not apply to any overpayment of tax with respect to which a claim for credit or refund is filed under this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIZABETH PALANSKY SURAK

The Clerk called the bill (H.R. 1672) for the relief of Elizabeth Palansky Surak.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

CATHLEEN S. O'REGAN

The Clerk called the bill (H.R. 2684) for the relief of Cathleen S. O'Regan.

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

FLEURETTE SEIDMAN

The Clerk called the bill (H.R. 2802) for the relief of Fleurette Seidman.

There being no objection, the Clerk read the bill, as follows:

H.R. 2802

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SATISFACTION OF CLAIM.

The Secretary of the Treasury shall pay, out of any money in the Treasury not otherwise appropriated, to Fleurette Seidman ([redacted]) the sum of $8070.45. Such sum represents the losses and expenses incurred by Fleurette Seidman arising out of her—

(1) voluntary termination of Federal employment in good faith reliance on erroneous information, received from a retirement counselor of the United States Customs Service, that she was then eligible for an annuity under section 8336(a) of title 5, United States Code, and

(2) subsequent return to her former position of employment.

SEC. 2. LIMITATION ON ATTORNEY'S AND AGENT'S FEES.

Not more than 10 percent of the sum appropriated by section 1 shall be paid to or received by any agent or attorney for services rendered in connection with the claim described in such section. Any person who violates this section shall be fined not more than $1,000.

With the following committee amendment:

On page 2, line 1, strike "$8,070.45" and insert "$8,043.57".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JUNIOR ACHIEVEMENT OF SACRAMENTO, INC.

The Clerk called the bill (H.R. 2973) for the relief of Junior Achievement of Sacramento, Inc.

There being no objection, the Clerk read the bill, as follows:

H.R. 2973

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) for the purposes of chapter 21 of the Internal Revenue Code of 1954 and title II of the Social Security Act, services performed after June 30, 1977, and before January 1, 1984, in the employ of Junior Achievement of Sacramento, Inc., shall not be treated as employment.

(b) For purposes of subsection (a), services shall be treated as performed after June 30, 1977, to the extent that remuneration for such services is paid after such date.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER pro tempore. This concludes the call of the Private Calendar.

UNITED STATES MUST LEAD WAY FOR PEACEFUL INTERVENTION IN HAITI

(Mr. OWENS of New York asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OWENS of New York. Mr. Speaker, the military bandits and armed thugs have temporarily triumphed in Haiti. The vital and noble cause of democracy 90 miles from the shores of our Nation has suffered a grievous setback. The U.S. State Department is guilty of a monumental blunder. Our stupidity has betrayed the masses of Haiti.

The State Department has been misled, deceived, and outwitted by a group of sophomoric conspirators. This administration has acquiesced to a group of obvious antidemocratic tyrants and allowed guns and bullets purchased with the United States taxpayers' dollars to be used to gun down Haitian women, children, and patriots whose only offense was to gather at the polls to vote. Let me make a fervent appeal to all of the Members of this body to, at some point during the day, take out a moment to mourn for these unknown Haitian martyrs who died in an act of defiant affirmation of their desire for democracy. We, decisionmakers of the Congress, are in a position to guarantee that these brave souls have not been butchered in vain.

The Congress of the United States has the power to help right these terrible wrongs. Let there be no more atrocities at the ballot boxes in Haiti. Join our demand that the Reagan administration provide forceful leadership in mounting a united peaceful intervention action by the Organization of American States and the United Nations. Decent people everywhere must rally to support the 90 percent of the Haitian people who voted for a democratic constitution and who are clearly demanding that there must be free elections. Mr. Speaker, our Nation is the primary advocate, guardian, and defender of democracy on this planet. We have a sacred duty to lead the way for immediate peaceful intervention in Haiti.

CONGRESS NEEDS CLEAR PATH TO DEFICIT REDUCTION

(Mr. CRAIG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CRAIG. Mr. Speaker, President Reagan, leaders of the House and the other body of the U.S. Congress, you have labored hard in your budget summitry; but you have not labored well.

As a result, the U.S. economy and the world economy have responded, and they have responded in the headlines of the morning press by saying, "Stocks dive as dollar hits new lows, Dow falls 76 points."

You have assured the American taxpayer once again, Mr. Speaker, that you will tax him; but you have protected the right of the U.S. Congress to spend wildly and madly on all programs that they choose to spend.

There are some of the Members who serve in this Chamber who believe, as the American people believe, that the Congress must give us clear and definite budget cuts, that the Congress must set this country and this Government on a course of deficit reduction that is clear and understandable for all the world to see.

Do not try to pull the wool over our eyes with another tax-and-spend game as we believe, and I think as the world believes, has been perpetrated by this budget summit.

Give the Members a line-item veto. Give the Members a balanced-budget amendment. Give the Members something to take home to the American taxpayer that says, "We understand that this Government and this Congress are on a clear track, a clear road to deficit reduction.

PROGRESS BEING MADE ON DIVIDED SPOUSE CASES

(Mr. HOYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOYER. Mr. Speaker, yesterday I had the opportunity to join in welcoming Yuri Balovlenkov to the United States. Yuri is one of the divided spouse cases that the Soviets have at long last resolved. The Balovlenkovs had not seen one another since August 1982.

Elena, his wife, is from Baltimore, MD. She and her two daughters, Katya and Masha, were overjoyed, to say the least, when they at long last saw their husband and father. For Masha, the youngest, this was the first time that she had seen her father. Yuri and Elena will be celebrating their ninth wedding anniversary on December 5. I am pleased to see that the ninth one they will be able to celebrate together.

Also, last week, we received word that two other divided spouse cases will be resolved. Leonid Sheiba and Alexei Zhitkov will soon be able to join their wives here in America. Now only seven divided spouse and blocked marriage cases remain. With the Reagan-Gorbachev summit less than a week away, I again encourage the Soviets to release the remaining prisoners of love: Victor Faermark, Sergei Petrov, Pyatras Pakenas, Victor Novikov, Vladislav Kostin, Yevgeny Grigorishin, and Tatiana Alexandrovich.

While we all are overjoyed at the reunification of Yuri and Elena and his daughters yesterday, this is one small victory, and we must continue to press for the many victories that hopefully are to come.

Mr. Speaker, I once again petition the General Secretary, as he takes flight to come to this country, to fill some of the seats on that plane with the names I have just read.

IMPROVE EARNED INCOME TAX CREDIT FOR WORKING POOR

(Mr. PETRI asked and was given permission to address the House for 1 minute.)

Mr. PETRI. Mr. Speaker, in central Wisconsin and all across the country there are people—good people—struggling to make ends meet. These people are working honorably and hard, but they can't manage to get above the poverty line.

That's why it's time to improve the earned income tax credit to help America's working poor.

We want to help our poorer citizens to get off and stay off welfare. The earned income tax credit helps them do that by supplementing earnings from low wage jobs.

But unfortunately, for many people with large families, the existing credit isn't enough to make them better off than they would be on welfare.

Welfare payments vary according to family size. So should the earned income tax credit. After all, we want to help large families get off and stay off welfare just as we want to help smaller families.

Mr. Speaker, if we really want true welfare reform—reform that will be both effective and compassionate, we should include an improved earned income tax credit for the working poor, adjusted for family size.

HAITI

(Mr. WEISS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEISS. Mr. Speaker, the Reagan administration has finally been forced to confront reality in Haiti. The wanton violence which disrupted the Presidential election on Sunday shocked the world, and finally prompted the administration to cut off military aid to the government of Lieutenant General Namphy.

But that decision came too late for the 25 or more innocent people who were slaughtered while trying to participate in their so-called democratic system.

For the past 2 months, the election campaign in Haiti has been disrupted by a wave of terror. Despite such violence, the Haitian Electoral Council was repeatedly denied protection from the Namphy government. And the Reagan administration refused to criticize the Namphy government in the hope that the security forces would act to ensure democracy.

It is now clear that Haitian military not only tolerated the atrocities committed on Sunday, but actually participated in them.

The Haitian people are crying out for our help. Now that the administration is finally listening it is high time for it to provide leadership and support to the Haitian people in their struggle to restore democracy to Haiti.

□ 1215

LIES AND THE TRUTH OF THE WALL

(Mr. PORTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, for a fleeting moment about 10 days ago, I thought it might be productive to have Mikhail Gorbachev address us in a joint meeting. This weekend, however, I visited Berlin for the first time and saw the wall, the embodiment of truth about Soviet repression, and last night, upon my return, I watched and listened to an accomplished liar.

He started by saying he'd received many thousands of letters from Americans. No doubt. We in the Congress and other Americans have sent many thousands, all protesting Soviet human rights violations. He neglected, however, to mention that or the fact that he has never bothered to reply to any of them.

He then lied about Afghanistan, about Nicaragua, about the condition of his economy, which everyone knows is failing, and about his human rights record at home and abroad. He even had the audacity to suggest that the Berlin Wall, which the Soviets themselves erected in 1961, could come down only when their puppet, East Germany, decided to do so.

I had hoped to find a man of candor and some measure of sensitivity and integrity. What I heard and saw was a consummate propagandist, adroit at deception, and perpetuating the lies that, in the end, will stifle any real hope for improved United States-Soviet relations.

And so, Mr. Speaker, I regret ever having entertained the idea, even for a brief moment, of allowing Mr. Gorbachev to speak in this hall of freedom. His performance last evening gave clear evidence that he continues to oppose the ideals which it embodies.

CALL FOR AN INTERNATIONAL PEACEKEEPING FORCE TO PROTECT HAITIAN PEOPLE

(Mr. FAUNTROY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FAUNTROY. Mr. Speaker, an editorial and an article by A.M. Rosenthal appearing on the editorial page of today's New York Times presents an eloquent argument that supports the call which I have made as Chair of the Congressional Task Force on Haiti, for an international peacekeeping force, to protect the millions of Haitian people who want desperately to usher in a new era of democracy with free, open, and fair elections.

As the world now knows, on Sunday, November 29, an as yet untold number of Haitian citizens waiting in line to vote for the first time in 30 years were brutally gunned down and savagely hacked to death by the Ton Ton Macoutes and members of the Haitian Armed Forces.

I think it is clear to all the American people, and indeed the world community, that the Haitian people, the poorest in our hemisphere, are helpless against these murderous gangs of thugs and members of the armed forces of Haiti who seem determined to shove the country back into the perpetual nightmare of terror and despotism that they have endured for three decades.

I appeal to my colleagues to join with us in the Congressional Task Force on Haiti in seeking to provide the long-suffering Haitian people with an international peacekeeping force that will enable them to elect a government of their own choosing, and protect them from a government and a gang of thugs who would brutally deny them that right.

A DISASTER FOR HAITIAN DEMOCRACY

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I had hoped that this morning I could report firsthand on the Presidential elections in Haiti, which the White House asked me to observe along with Congressmen FAUNTROY and FUSTER as part of the official American monitoring delegation. However, the Haitian regime refused to allow our congressional delegates to enter their country, under the pretext that we had signed a letter criticising Haiti's violations of civil and human rights.

We have all now learned with horror of the bloody massacre—of the scores of people gunned down while waiting to vote by elements of the Duvaliarist regime. At least one international observer was killed, and others, including several journalists, at least one House staff member, were shot at, narrowly escaping death.

The behavior of the Namphy government has been incomprehensible. Security forces provided little or no protection for the civilian population and reports indicate that they may have even joined in the violence in some cases.

The administration was correct in sending the strongest possible signal of displeasure by cutting off nonhumanitarian and military aid to Haiti. We must now consider the next steps to take. It is clear that the Haitian people have a strong desire to live under democracy. We must do everything we can to help them achieve a meaningful democracy through fair, open, and legitimate elections in an atmosphere of nonviolence.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
November 30, 1987.

Hon. JIM WRIGHT,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from the White House at 3:58 p.m. on Monday, November 30, 1987 as follows:

(1) Said to contain a message from the President whereby he transmits a Social Security Totalization Agreement Between the U.S. and France; and

(2) Said to contain a message from the President whereby he transmits a proposed joint resolution to implement the Compact of Free Association with Palau.

With great respect, I am,

Sincerely yours,
DONNALD K. ANDERSON,
Clerk, House of Representatives.

IMPLEMENTATION OF COMPACT OF FREE ASSOCIATION WITH THE GOVERNMENT OF PALAU—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-141)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and the Committee on Interior and Insular Affairs, and ordered to be printed:

(For message, see proceedings of the Senate of Monday, November 30, 1987, at page 33250.

AGREEMENT BETWEEN THE UNITED STATES AND FRANCE ON SOCIAL SECURITY—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 100-142)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means, and ordered to be printed:

(For message, see proceedings of the Senate of Monday, November 30, 1987, at page 33250.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. FOLEY). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, December 2, 1987.

DESIGNATING "THE STARS AND STRIPES FOREVER" AS NATIONAL MARCH OF THE UNITED STATES OF AMERICA

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 860) to designate "The Stars and Stripes Forever" as the national march of the United States of America, as amended.

The Clerk read as follows:

S. 860

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the composition by John Philip Sousa entitled "The Stars and Stripes Forever" is hereby designated as the national march of the United States of America.

The SPEAKER pro tempore. Is a second demanded?

Mrs. MORELLA. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Arizona [Mr. UDALL] will be recognized for 20 minutes and the gentlewoman from Maryland [Mrs. MORELLA] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, "The Stars and Stripes Forever" premiered in 1897 and quickly became one of the most popular marches in America. Since then, John Philip Sousa's composition has become an integral part of the celebrations of American life and, in many ways, already is the de facto national march.

Numerous resolutions and bills have been introduced over the years to designate "The Stars and Stripes Forever" as the national march. Unfortunately, no action was taken on any of these proposals. They are indicative, however, of the high esteem in which this march is held by many Americans.

On October 13, 1987, the Subcommittee on Census and Population held a hearing on H.R. 613—the House companion bill. The hearing was followed by a markup on November 17, at which time the subcommittee unanimously approved the bill.

At that hearing, witnesses, including Mr. Sousa's grandson, unanimously called for John Philip Sousa's famous composition to be given its proper recognition through legislation. They also testified that there is no other contender for the designation of national march.

The "Stars and Stripes Forever" has an additional point in its favor. Unlike the national anthem and "America," whose music was written by foreign composers, "The Stars and Stripes Forever" is entirely our own.

Mr. Speaker, I commend Congressman COELHO and Congressman QUILLEN for introducing H.R. 613, and for their efforts in bringing Senate bill 860 to the floor. I think we would all agree that, after the national anthem, there is no other patriotic composition so loved by Americans. Passage of this bill would finally assure the recognition which John Philip Sousa deserves for his contributions to our musical heritage.

I urge favorable consideration of S. 860 by the House.

Mrs. MORELLA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, "The Stars and Stripes Forever," composed by John Philip Sousa, is the most identifiable American march, in the United States as well as recognized all over the world.

Not only do our marines play it with great flair—Sousa was the conductor of the U.S. Marine Band for 12 years—but, even the band that welcomed President Nixon to China in February of 1972 played "The Stars and Stripes Forever" with gusto.

It is fitting that we bring this bill on the floor today, December 1, 1987, as John Philip Sousa composed "The Stars and Stripes Forever" in December on Christmas Day 1896.

No other march would be as deserving to be the national march of our country. I want to express my personal congratulations and appreciation to Congressman QUILLEN and to Congressman COELHO, who shares the same national origin as John Philip Sousa, and also to the gentleman from Arizona [Mr. UDALL] who gave such an eloquent testimony in favor of the bill, and thank them all for their efforts to bring this legislation to the floor.

Mr. UDALL. Mr. Speaker, I yield such time as he may require to the gentleman from California [Mr. COELHO].

Mr. COELHO. Mr. Speaker, I thank the gentleman from Arizona for bringing up this bill. I appreciate the gentleman's efforts and those of the committee.

I also appreciate the kind remarks of the gentlewoman from Maryland in support of the bill.

Mr. Speaker, I urge support of this bill by my colleagues.

Mr. QUILLEN. Mr. Speaker, I want to thank Chairman DYMALLY, Mrs. MORELLA, and the other members of the Subcommittee on Census and Population of the House Committee on Post Office and Civil Service for bringing this bill to the floor today for passage. Since the bill has already cleared the Senate, House approval today should result in this measure being signed into law by the President before the end of the year.

Let me briefly outline the background to this proposal to designate "The Stars and Stripes Forever" as the national march of the United States of America. I originally introduced an identical bill, H.R. 2879, on June 26, 1985, but as with a number of other similar bills introduced in both Houses of the Congress over the years, H.R. 2879 did not receive a committee hearing. Our friend and colleague, Mr. COELHO, who incidently shares the ethnic and cultural heritage of Portugal with the great composer John Philip Sousa joined with me to sponsor H.R. 613, a bill identical to H.R. 2879, on January 20, 1987.

The Subcommittee on Census and Population held a hearing on H.R. 613 on October 13, 1987, and because of that successful hearing and because of the Senate's approval of S. 860 on November 6, 1987, we are near final action today in the House. The bill deserves enactment into law.

And why do I say this? Because John Philip Sousa's patriotic masterpiece, "The Stars and Stripes Forever," by usage, recognition, and popularity is already unofficially America's national march. Not only do Americans instantly recognize this stirring march as America's march, but so do people all over the world. Wherever a band strikes up "The Stars and Stripes Forever," people think of the United States of America. And since all of us can think of public occasions when the performance of a national march would be appropriate, I think we should now make this popular designation official.

There is an interesting history to piece. This eloquent patriotic march was composed by John Philip Sousa on Christmas Day of 1896. The official premiere performance of the march that would resound throughout the world took place before President McKinley and a large crowd assembled for the unveiling of a statue of George Washington in Philadelphia on May 14, 1897.

Since that day down to our own times, this forceful yet beautiful march has captured the hearts and the imaginations of Americans as our country's national march.

So, let us make this designation official with a resounding affirmative vote here in the House today.

Mr. BOLAND. Mr. Speaker, I would like to express my support for S. 860, which would designate "The Stars and Stripes Forever" by John Philip Sousa as the U.S. national march.

My interest in this legislation comes from the passionate urgings of a constituent, Father Manuel Rocha, who is the founder of a Our Lady of Fatima Parish in Ludlow, MA. Father Rocha, a Dominican priest of Portuguese descent, believes strongly that proper recognition should be given to a remarkable Portuguese-American, John Philip Sousa. Passage of this legislation would mean the realization of Father Rocha's dream of making official what all Americans have known for years—that no musical composition arouses patriotism and pride more than "The Stars and Stripes Forever."

Like Father Rocha, I support this bill because it recognizes the great composer as well as what was surely his favorite composition. As my good friend Dick Garvey, associate publisher and columnist for the Springfield Morning Union pointed out in his regular column "On Second Thought" on April 3, 1987:

> The final encore at John Philip Sousa's final concert [in Springfield] in 1913 was "The Stars and Stripes Forever," a tradition carried on by the Boston Pops for many years. According to the Associated Press account of his death on March 6, 1932, this was also the last march he ever directed. He had used it as a final number during a band rehearsal in Reading, PA, only hours before his death.

Mr. Speaker, "The Stars and Stripes Forever" was certainly Sousa's most prized work; it also happens to be my favorite march. Most importantly, however, it is a piece of music which truly embodies the spirit and fervor of American patriotism. I commend the House for bringing this bill to the floor in an expeditious manner and I urge its passage.

Mr. COELHO. Mr. Speaker, I would like to rise in support of S. 860, a bill to designate "Stars and Stripes Forever" as the national march. I feel that it is rather fitting for us to have this opportunity in light of the recent and ongoing celebration of the bicentennial of the Constitution this year. In the last decade, there has been a renewed patriotic spirit brewing among the American people—we as a people have celebrated this Nation's birth, its Constitution, and gained a greater sense of appreciation for our personal and political freedoms. It is in this patriotic spirit that I urge you to support passage of this resolution to designate "Stars and Stripes Forever" as our national march.

I feel it is important that we designate a national march since we presently do not have one. Across the Nation at Independence Day celebrations and parades, it is not unusual to hear a band strike up "Stars and Stripes Forever" to display our patriotic spirit. Furthermore, to designate this song as our national march is a fitting tribute to a man who has given so much to this country—uplifting and patriotic music. John Philip Sousa was a man born of immigrant parents—his father of Portuguese descent, his mother of German descent—who came to be the champion of the march and was often referred to as the "March King." He gave America many wonderful and inspiring marches—his most favorite being "Stars and Stripes Forever," written in 1896.

The man himself is an important symbol to American patriotism and spirit. Born in Washington, DC, in 1854, he lived during a time in which the United States weathered the internal strife of a Civil War and began to emerge as an international power. He lived in an era of optimism—the potential for growth for the Nation was unlimited, and it had every opportunity to expand and develop its economy at home and abroad. His music reflected this optimism and buoyed the spirit of the American people as he traveled throughout the country with the U.S. Marine Corps Band and later with his own band. Several attempts have been made to designate "Stars and Stripes" as the national march, but they have never been successful. People feared that it was an attempt to change our national anthem. It clearly is not. Rather it is an effort to recognize the effect that a beautiful form of inspirational music has had on a nation. John Philip Sousa and the march are a part of our rich history as a nation and significantly contributed to the development of our character as a nation. The man, John Philip Sousa, clearly felt that he had a mission for this Nation—to embody the hope and patriotic spirit of its people in song. John Philip Sousa wrote of his "mission in music:"

> It seemed to me, in my early life, that the principles of this type of music might be so far elaborated and utilized as to reach the entire world directly and effectively. . . . My theory was, by insensible degrees, first to reach every heart by simple stirring music; secondly, to lift the unmusical mind to a still higher form of musical art. This was my mission. The point was to move all America, while busied in its various pursuits, by the power of direct and simple music. I wanted to make music for the people, a music to be grasped at once.

Sousa wrote these words which later were published in Musical America in April 1910. He obviously accomplished his mission. Today as we consider this legislation, I am hopeful that you will keep in mind the gift which John Philip Sousa has given to this country. We have the opportunity to bestow upon this man the highest honor by declaring one of his works, "Stars and Stripes Forever," as our national march. I strongly urge that this body approve S. 860.

Mrs. **MORELLA.** Mr. Speaker, I yield back the balance of my time.

Mr. **UDALL.** Mr. Speaker, I yield back the balance of my time.

The **SPEAKER** pro tempore. The question is on the motion offered by the gentleman from Arizona [Mr. UDALL] that the House suspend the rules and pass the Senate bill, S. 860, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. **UDALL.** Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 860, the Senate bill just passed.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Arizona?

There was no objection.

DE SOTO NATIONAL TRAIL STUDY ACT OF 1987

Mr. **VENTO.** Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1297) to amend the National Trails System Act to provide for a study of the De Soto Trail, and for other purposes.

The Clerk read as follows:

S. 1297

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "De Soto National Trail Study Act of 1987".

SEC. 2. FINDINGS.

The Congress finds that—

(1) Hernando de Soto landed in the vicinity of Tampa Bay on May 30, 1539;

(2) de Soto then led his expedition of approximately 600 through the States of Florida, Georgia, South Carolina, North Carolina, Tennessee, Alabama, Mississippi, and Arkansas.

(3) de Soto died on the banks of the Mississippi River in 1542;

(4) the survivors of de Soto's expedition went on to Texas, then back through Arkansas, and into Louisiana in search of a route to Mexico;

(5) the de Soto expedition represented the first large group of Europeans to explore so deeply into the Southeastern region;

(6) archeologists have recently uncovered, in Tallahassee, Florida, what may have been de Soto's first winter camp;

(7) the State of Florida has completed identification and marking of close to three-fourths of de Soto's trail in that State; and

(8) several other States are in the process of identifying and marking de Soto's trail within their borders.

SEC. 3 DESIGNATION OF TRAIL.

Section 5(c) of the National Trails System Act (82 Stat. 919; 16 U.S.C. 1244(c)) is amended by adding the following new paragraph at the end thereof:

"(31) De Soto Trail, the approximate route taken by the expedition of the Spanish explorer Hernando de Soto in 1539, extending through portions of the States of Florida, Georgia, South Carolina, North Carolina, Tennessee, Alabama, Mississippi, to the area of Little Rock, Arkansas, on to Texas and Louisiana, and any other States which may have been crossed by the expedition. The study under this paragraph shall be prepared in accordance with subsection (b) of this section, except that it shall be completed and submitted to the Congress with recommendations as to the trail's suitability for designation not later than one calendar year after the date of enactment of this paragraph.".

The **SPEAKER** pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. **VENTO.** Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1297, the Senate bill now under consideration.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. **VENTO.** Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 1297, which was considered and passed by the Senate on October 1, 1987, would amend the National Trails System Act to provide for a study of the route used by the expedition of Hernando de Soto from 1539 to 1543 on their journey through 10 present-day Southern States. The legislation is identical to H.R. 2565, introduced by our colleague CHARLIE BENNETT with the cosponsorship of the Florida congressional delegation.

The De Soto expedition was the first significant European penetration into what is now the Southern United States. It was on this journey that the Spaniards discovered the Mississippi River. De Soto himself died on the shores of the Mississippi in 1542. Although the expedition was considered at the time to be a commercial failure, having neither found the gold or overland route to Mexico they were seeking, the expedition was important in opening the way for the exploration and colonization of North America.

In carrying out the trail study authorized in section 5(c) of the National Trails System Act, the legislation directs that the study report and recommendations be submitted to Congress within 1 calendar year from the date of enactment. May 1989 marks the 450th anniversary of the expedition. Completion of the study will permit the Congress to review and possibly act upon the study recommendations in a timely manner prior to the anniversary.

Mr. Speaker, the De Soto Trail merits study and I urge the adoption of S. 1297.

□ 1230

Mr. **LAGOMARSINO.** Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of S. 1297, to authorize a study of the De Soto Trail for potential inclusion in the National Trails System.

The De Soto Trail marks the route of the De Soto expedition in 1539 through the States of Florida, Georgia, South Carolina, North Carolina, Tennessee, Alabama, Mississippi, Arkansas, Texas, and Louisiana. With Hernando de Soto as the leader, the 600-man expedition searched in vain for 4 years to find gold and an overland route to Mexico. During the journey, the Spaniards discovered the Mississippi River, along which de Soto died in 1542. Although the expedition was considered a failure at the time, history points out its importance as the beginning of the exploration and colonization of North America.

S. 1297 requires that the study of the De Soto Trail be completed and recommendations submitted to Congress within 1 year. While I certainly understand that this deadline may be difficult to meet, I believe it is important to recognize that timely action on the study will hopefully allow Congress adequate time to review and possibly take action on the study recommendations prior to May 30, 1989, which marks the 450th anniversary of De Soto's landing in North America.

Mr. Speaker, I want to commend the subcommittee chairman, Mr. VENTO, for recognizing the timeliness of S. 1297 and moving it forward as quickly as possible. I would also like to give recognition to Representative BENNETT and the other members of the Florida delegation for introducing a companion measure in the House, H.R. 2565, and working to achieve expeditious enactment of this legislation.

Mr. Speaker, I know of no opposition to S. 1297. It is a good bill which deserves congressional passage. Therefore, I urge all of my colleagues to approve S. 1297.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida [Mr. BENNETT], who among his many other talents and abilities has become really quite a good student of history of his State of Florida, he being the dean of the delegation at this time, and he has taken it upon himself to take a strong personal interest in the history of that State and has impressed our Subcommittee on National Parks and Public Lands and this Congress repeatedly with his knowledge and indepth understanding, and I might say his rather significant support for the historic projects and other projects in his area.

Mr. BENNETT. Mr. Speaker, just briefly I would like to introduce my statement today by saying in the first place I speak in behalf of not only myself but the entire Florida delegation on both the Senate side and the House side. We voted on this and discussed it.

In the second place, I want to say something sort of personal. Many years ago, decades ago, when I was a real young man, I used to visit Governor Martin's house in Tallahassee, that is our capital, and walked over the very area which this year has been discovered to be the place where De Soto stayed the longest in any one spot in his journey to the Mississippi River. He spent one winter at Tallahassee, perhaps the first Christmas experienced by anybody of European descent in what is now the United States of America.

The paradox to me is the things that fall in place, having walked over that precise land many times without knowing what was in it.

Recently we were going to establish a mall next to Governor Martin's house and, by way of explanation, Governor Martin has been dead for many years, but someone who was historically minded saw a piece of metal on the surface of the sand and picked it up and realized it was something unusual, and took it to an archeologist and they said that it appears to be of early 16th-century mail, which is part of a uniform of the type worn by the soldiers under De Soto. At that location they found a lot of very interesting things—household equipment, coins, all kinds of things—from De Soto's stay there.

So something like that, a relatively inexpensive thing, stirred the mind of that man who saw that piece of metal, which led to wonderful discoveries about the knowledge of the founding of our country and of humankind on this Earth.

I just wanted to share that with my colleagues because it is a personal experience, I having walked over this precise land and then having seen Governor GRAHAM, who is now Senator GRAHAM, urging this project upon Congress, all as a result of that man being alerted to what he saw on the sand that day. All this fits together in enriching not only our day but times to come. I share those experiences with my colleagues, and I urge the Members to adopt this legislation.

Mr. Speaker, I am here on behalf of the De Soto National Trail Study Act of 1987, which would authorize the study and identification of De Soto's Trail, in cooperation with the junior Senator from Florida, BOB GRAHAM.

As we celebrate the 200th year of our Constitution, we must remember the events that led up to this historic event of 1787. Almost 250 years before our Constitution was adopted, an unprecedented European penetration into what is now the continental United States was made. Led by Hernando de Soto, the expedition began in Florida in May 1539 and covered extensive areas throughout the Southeast, from across the land bridge of the Santa Fe River, and northward and westward to the Mississippi River where his bones were laid to rest in those troubled waters in 1542. Imagine, those 3 years of journey—an education to himself and to mankind. He was first to know intimately, over a period of time, the Indians of the Southeast. He was a courageous man, and his route is a spectacular historical route, which needs to be adequately marked.

In the early 1530's, De Soto gained fame in the conquest of the Incas of Peru. He is acknowledged as being the first European to have entered Cuzco, the Inca capital. After returning to Spain with many riches, he married a woman of notable prominence, but soon grew tired of civilized life of the times. Spain then appointed him as royal deputy for the Floridas, for the purpose of conquering and settling a portion of the area. In return, De Soto was promised titles, lands, and a portion of the colony's profits. But the terms of the contract were never realized; for when all was said and done, the only wealth that resulted was that of knowledge. From fragmented written records, supplemented by archeologic finds, we are able to learn much about an aboriginal civilization that predated European occupation in the New World.

The State of Florida has been instrumental in marking De Soto's Trail. The northern two-thirds of the trail is already marked, and the marking of the southern portion is expected to be completed within a year. Other Southeastern States have initiated studies, all at various stages of research. The completion of the study to trace the entire De Soto Trail requires very little money, and asks for no new funds to be appropriated, so this makes the study very attractive. The forwarding of the proposal, even without its yet enactment, has advanced historical and archeological interest and achievements. For example, there is currently underway in Tallahassee, FL, a substantial archeological project, and it has recovered many artifacts from De Soto's lengthy stay in that locality.

Mr. Speaker, because this bill will lead to significant findings and attention to the history of the American people at very low costs, I urge the passing of this bill.

Mr. ALEXANDER. Mr. Speaker, I rise in support of S. 1297, which would direct the National Park Service to conduct a study of the proposed De Soto National Historic Trail.

In 5 years, the Nation will celebrate the quincentenary of Christopher Columbus' first expedition to the New World. As that anniversary draws near, it is proper for the Government to help Americans rediscover the history of the great age of exploration.

The post-Columbian history of what is now the Southeastern United States essentially begins with the Hernando de Soto expedition of 1539-42.

De Soto and his party of 600 set out from Florida to find great treasure and an inland route to Mexico. De Soto found neither; his expedition ended on the banks of the Mississippi River in what is now Arkansas.

Despite De Soto's failure to find what he was looking for, the region he explored would never be the same. The Europeans would be back. In my own State of Arkansas, the French came next, in the 17th century; the flags of France, Spain, and France again would fly over the territory until the Louisiana Purchase of 1803.

The history of the early exploration and settlement of America is much more than the settlement at Jamestown and the Pilgrim Fathers in New England. It is the story of a rich, multinational heritage, and it has chapters that cover all America.

The study and establishment of a De Soto National Historic Trail will help make Americans more aware of that heritage. I am proud to be a cosponsor of S. 1297, and I urge all my colleagues to support it.

Mr. LAGOMARSINO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MURTHA). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 1297.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

NATIONAL TRAILS SYSTEM ACT AMENDMENTS

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 578) to amend the National Trails System Act to designate the Trail of Tears as a National Historic Trail, as amended.

The Clerk read as follows:

S. 578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(a) of the National Trails System Act (16 U.S.C. 1244(a)) is amended by adding the following new paragraph at the end thereof:

"(16)(A) The Trail of Tears National Historic Trail, a trail consisting of water routes and overland routes traveled by the Cherokee Nation during its removal from ancestral lands in the East of Oklahoma during 1838 and 1839, generally located within the corridor described through portions of Georgia, North Carolina, Alabama, Tennessee, Kentucky, Illinois, Missouri, Arkansas, and Oklahoma in the final report of the Secretary of the Interior prepared pursuant to subsection (b) of this section entitled "Trail of Tears" and dated June 1986. Maps depicting the corridor shall be on file and available for public inspection in the Office of the National Park Service, Department of the Interior. The trail shall be administrered by the Secretary of the Interior. No lands or interests therein outside the exterior boundaries of any federally administered area may be acquired by the Federal Government for the Trail of Tears except with the consent of the owner thereof.

"(B) In carrying out his responsibilities pursuant to subsections 5(f) and 7(c) of this Act, the Secretary of the Interior shall give careful consideration to the establishment of appropriate interpretive sites for the Trail of Tears in the vicinity of Hopkinsville, Kentucky, Fort Smith Arkansas, Trail of Tears State Park, Missouri, and Tahlequah, Oklahoma .".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

Section 10(c)(2) of the National Trails System Act (16 U.S.C. 1249(c)(2)) is amended by striking through (13) and (15)" and inserting ", (10), (11), (12), (13), (15), and (16)".

The SPEAKER pro tempore. Is a second demanded?

Mr. LAGOMARSINO. Mr. Speaker, I demand a second.

The SPEAKER. pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentleman from California [Mr. LAGOMARSINO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the Senate bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 578 which was considered and passed by the Senate on October 1, 1987, would amend section 5(a) of the National Trails System Act to designate the Trail of Tears as a National Historic Trail. The legislation is similar to H.R. 3303 which was introduced by our colleague, JOHN HAMMERSCHMIDT, on September 17, 1987.

The Trail of Tears marks the routes used in the forced removal of approximately 15,000 Cherokee Indians from their ancestral lands in the east to lands west of the Mississippi River during the years 1838 and 1839. The trail is especially known for the hardships endured by these native Americans with several thousand tribal members dying from sickness and disease along the route. Public Law 98-11 amended section 5(c) of the National Trails System Act to authorize a study of the Trail of Tears covering nine present day States and extending from Georgia to Oklahoma. The study report was transmitted to Congress on September 25, 1987, by the Secretary of the Interior with the recommendation that the Trail of Tears be designated a national historic trail.

S. 578 would authorize implementation of the recommendations of the study report and designate the Trail of Tears as a component of the National Trails System. Further, the legislation provides for the Secretary to give consideration to four specified areas as trail interpretive sites. The areas listed are all specified in the study report as being appropriate locations for the various interpretive centers contemplated being established along the trail.

Mr. Speaker, I know of no controversy with this legislation. It enjoys the broad support of the affected States and the Cherokee Nation and further qualifies under the criteria contained in the National Trails System Act. I believe designation of the Trail of Tears National Historic Trail will contribute to furthering the understanding and commemoration of this tragic historical event.

Mr. Speaker, I reserve the balance of my time.

Mr. LAGOMARSINO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of S. 578 to designate the Trail of Tears as a national historic trail.

The Trail of Tears extends through the States of North Carolina, Georgia, Alabama, Tennessee, Kentucky, Illinois, Missouri, Arkansas, and Oklahoma. It marks the route followed by the Cherokee Indian Nation during their forced removal in 1838-39 from their traditional tribal lands in Georgia to Oklahoma. The journey was a tremendous hardship on the Cherokees and numerous tribal members perished along the route due to sickness and disease.

S. 578 was passed by the Senate on October 1. During consideration of the bill by the House Subcommittee on National Parks and Public Lands, an amendment was adopted to add Fort Smith, AR, Trail of Tears State Park, MO, and Tahlequah, OK, as areas that the Secretary of the Interior should carefully consider for the establishment of appropriate interpretive sites for the Trail of Tears. All of these areas were recommended for interpretive sites in the study report for the trail. Therefore, I believe this amendment improves the bill.

Mr. Speaker, I know of no opposition to S. 578. The study for the Trail of Tears was authorized by Congress in 1983 and was recently completed. The report recommended designation of the trail as a national historic trail. In addition, S. 578 has received broad-based bipartisan support from the congressional delegations of the States through which the trail passes. Finally, the estimated cost of developing the trail is only $150,000.

At this time, I want to compliment the gentleman from Arkansas, Representative HAMMERSCHMIDT, who introduced companion legislation, H.R. 3303, to this bill. He has been an active supporter of this issue and I commend him for his efforts. My colleague on the Interior Committee from Missouri, Mr. EMERSON, also deserves recognition for his interest in this issue and his efforts to improve the bill and move it forward. Finally, I want to thank the subcommittee chairman, Mr. VENTO, for moving this meritorious legislation forward in an expeditious manner.

The Trail of Tears deserves designation and recognition as a component of the National Trails System. Therefore, I urge all of my colleagues to approve S. 578.

Mr. VENTO. Mr. Speaker, I yield 3 minutes to the gentleman from Oklahoma [Mr. SYNAR], one of the supporters of this measure, and, I would remind the Members that, of course, Oklahoma was the destination of many of those Cherokee Native Americans.

Mr. SYNAR. Mr. Speaker, first of all let me thank the Committee on Interior and Insular Affairs for their excellent work in this area. It is indeed an honor to stand here today and move this legislation forward with the speed that we have.

The amendment, as the chairman pointed out, to the National Trails System Act will designate the Trail of Tears as the national historic trail that is likely to end in Tahlequah, OK. This trail will preserve for all Americans a reminder of the forced removal of the Cherokee people from their ancestral homes. Tahlequah is the proper place to end that trail because nearly 15,000 Cherokee Indians ended their trek from Charleston, TN, in Tahlequah and because the town is now the home of the Cherokee Nation tribal complex.

I am pleased as the Congressman from the Second District of Oklahoma to have played a role in getting Tahlequah on the list of sites being considered as an interpretive center. I will do everything I can to see that the national historic trail ends in Tahlequah where so many Cherokees ended their march.

What we did to the Cherokees was not honorable. Designating the Trail of Tears as a national trail is a chance for all of us to honor native Americans and their courage and strength.

In the words of Wilma Mankiller, chief of the Cherokee Nation:

> The Trail of Tears is a dark chapter in the history of our tribe * * * and our Nation. Today, as we prepare our people and the tribe for the challenges of the future, we cannot dwell on that period in our past. But we do remember—we must all remember as part of the crucial preservation of our heritage. For that reason, and as a reminder to all who travel it, the Trail of Tears should be marked. Its inclusion in the national system is a most fitting way to do that.

Mr. Speaker, I include for the RECORD an endorsement of this trail by the Muskogee Daily Phoenix, the largest newspaper in the district, in support of the Cherokee Trail:

> ENDORSE TRAIL OF TEARS MARKING PLAN
>
> Legislation to officially recognize the Trail of Tears as a historic route is up for consideration by the U.S. House of Representatives. A bill to provide for special signs along roads and highways, historic markers and interpretative exhibits along the route has our support.
>
> Our nation should officially recognize the tragedy caused when the government forced the Cherokee Indians to move from ancestral homelands to Oklahoma territory.
>
> The march took place 150 years ago. The trail had more than one route, passing through eight states—Georgia, Alabama, Tennessee, Kentucky, Illinois, Missouri and Arkansas—into Oklahoma.
>
> President Andrew Jackson ordered the relocation of the Cherokees as part of an effort to make room for white settlers in the southeastern United States. Thousands died along the route traveled during the fall and winter of 1838 and 1839.
>
> The National Park Service recommended commemorating this significant part of American history. If designated as a National Historic Trail the markers will define the historic route, clarify the history and identify many important, lost or forgotten cultural sites along the way.
>
> It is difficult to envision opposition to this project. The Senate passed similar legislation last month. The House should pass the bill and send it to the president for his signature.
>
> Maybe by recalling the cost of the forced migration of a peaceful people we can assure the attitudes and prejudices behind it will never be renewed.

Mr. LAGOMARSINO. Mr. Speaker, I yield such time as he may consume to the gentleman from Missouri [Mr. EMERSON], who has had such a large part in bringing this bill forward.

Mr. EMERSON. Mr. Speaker, I rise today in strong support of S. 578, legislation to designate the Trail of Tears as a national historic trail.

The Trail of Tears, a major portion of which runs through my home district and the State of Missouri, represents what is unquestionably a very significant event of the 19th century: The forced relocation of the Cherokee Indians from the Southeastern United States to the Indian territory, now the State of Oklahoma.

It was in 1838 and 1839 that Federal authorities organized 13 parties of roughly 1,000 Cherokee Indians each—and forced them to march from their ancestral homeland to what is now Oklahoma. During that unhappy trek, an estimated 4,000 Cherokees died. This tremendous suffering led to the name, Trail of Tears.

The portion of the Trail of Tears that crosses Missouri—and which has such significance there—begins in Cape Girardeau, the largest community in my district, and the point at which many of the Cherokees crossed the Mississippi River. Legend has it that Otahki, a Cherokee princess, died in an encampment in the Cape Girardeau area and was buried there. The local community there has had a long and vital interest in this chapter of U.S. history and local lore. Indeed, in the 1950's the citizens of Cape Girardeau County voted on themselves a bond issue to finance the purchase of land, which they in turn dedicated to the State to become what is now the Trail of Tears State Park, one of the gems in Missouri's State Park System—which this legislation will complement.

From Cape Girardeau, the Trail of Tears splits, with the main route going north and west through Bollinger and Madison Counties. The trail then crosses St. Francois, WA, and Crawford Counties before turning south and west in Phelps County and following what is now Interstate 44 into Arkansas and Oklahoma.

A second route went southwest from Cape Girardeau through Bollinger, Wayne, Butler, and Ripley Counties—and on into northern Arkansas.

Mr. Speaker, the Trail of Tears does not represent a pleasant part of history—but it does represent an important part of history. The decision by President Andrew Jackson to order the relocation of the Cherokees was a major event in the settlement of the Southeastern United States. And it is a decision that has impacted the lives of a great many Americans in the generations since.

It is important for us, and for our children, to understand the meaning of the Trail of Tears, and the suffering that was endured by those who made that incredible journey 150 years ago.

Including the Trail of Tears in the National Historic Trails System will help us with that understanding, and will help draw greater attention to the many historic sites and events that are related to the Cherokee's trek.

Our Nation's history is a great treasure. This legislation will help us preserve an important part of it.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise today to add my support to the designation of the Trail of Tears as a national historic trail. I would like to commend my distinguished colleagues on the Interior Committee, Chairman UDALL and ranking minority member YOUNG as well as subcommittee Chairman VENTO and subcommittee ranking member MARLENEE. I appreciate their assistance in working with me on this legislation and commend the committee for its swift action.

This year marks the 150th anniversary of the forced removal of the Cherokee people from their ancestral homelands to the Oklahoma territory. The Cherokees were moved on both a land and water route covering nine States and over 16,000 miles. By all accounts, it was a harrowing trip. Under tremendously adverse conditions and often traversing difficult and dangerous terrain, as many as one-quarter of the Cherokee people perished along this trail.

The people of Fort Smith, AR, have long had a deep interest in the Trail of Tears. Being one of the sites along the water route, and for 71 years a major frontier town between the established United States and Indian territory which became Oklahoma, Fort Smith played a particularly important role in the resettlement of the Cherokees following their removal from their homeland. I would also add that the Trail of Tears corridor in Arkansas along the Arkansas River has more sites included in the National Register of Historic Places than any other study area State. I would, therefore, urge the Secretary of the Interior to give strong consideration to the establishment of an interpretive trail facility at Fort Smith, AR.

There could not be a more appropriate way to mark the sesquicentennial of the Cherokee relocation than by the designation of the Trail of Tears as a national historic trail. Not only would this serve as a tribute to the spirit and determination of the Cherokee Nation but it would also serve as a reminder of the mutual history which all of us as Americans share.

Mr. ALEXANDER. Mr. Speaker, I rise in support of the motion to suspend the rules and pass S. 578, the Trail of Tears national historic trail legislation.

This is the bicentennial year of our Constitution. I believe that it is fitting and proper for the Congress to commemorate this year by remembering those occasions when the Federal Government unjustly revoked the blessings of liberty for whole groups of Americans solely because of racial or ethnic considerations.

On Constitution Day, September 17, the House passed legislation that sought to provide some measure of atonement for the forced relocation and internment of Japanese-Americans during the Second World War.

Today, as we begin the last month of this bicentennial year, the House considers legislation to designate a national historic trail in remembrance of the forced removal of thousands of Cherokee Indians from their homes in the Southeast to the Indian territory in 1838-39.

The Trail of Tears is an important part of Arkansas' history and folklore. I first learned of the Cherokee experience in Arkansas as a boy at summer camp in Mammoth Spring, AR, from Mr. Arthur Long, who is half Cherokee.

At least two of the groups of Cherokee that were removed via an overland route crossed most of north Arkansas on their way to the Indian territory.

When the Park Service released its trail study on the Trail of Tears, the north Arkansas route was not included. This omission concerned me.

However, with the assistance of the distinguished chairman, Mr. VENTO, the able staff of the Subcommittee on National Parks and Public Lands, and the National Park Service, an accommodation has been reached which take care of my concerns.

Appendix C of the trail study held open the possibility of additional research and work on a north Arkansas route, and the eventual addition of that route to the national historic trail as a side or connecting trail, as part of the comprehensive trail management plan process.

Indeed, the Park Service has already tentatively identified some potential alternative routes through north Arkansas and southeast Missouri, and included those maps in appendix C.

The committee has included language in the report accompanying S. 578 directing the Park Service to actively pursue the documentation of land trail routes in north Arkansas and southeast Missouri, in cooperation with State agencies and interested citizens, and, if possible, designate a side or connecting trail under existing authority at the appropriate time.

The Park Service has indicated it will follow the committee's direction, and I appreciate the assistance of the committee and the Park Service. I intend to work with the Park Service in this effort.

S. 578 is an excellent bill, and I urge its adoption.

□ 1245

Mr. LAGOMARSINO. Mr. Speaker, I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MURTHA). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the Senate bill, S. 578, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill, as amended, was passed.

A motion to reconsider was laid on the table.

NEVADA WILDERNESS DESIGNATION ACT OF 1987

Mr. VENTO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2142) to designate certain lands in the State of Nevada as wilderness, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2142

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Nevada Wilderness Designation Act of 1987".

TITLE I—WILDERNESS DESIGNATION

SEC. 101. PURPOSES.

The purposes of this title are:

(1) To designate certain National Forest System lands in the State of Nevada as components of the National Wilderness Preservation System, in furtherance of the purposes of the Wilderness Act of 1964 (78 Stat. 890), in order to preserve the wilderness character of the land and to protect watersheds and wildlife habitat, preserve scenic and historic resources, and promote scientific research, primitive recreation, solitude and physical and mental challenge.

(2) To ensure that certain other National Forest System lands in the State of Nevada be available for nonwilderness uses.

SEC. 102. ADDITIONS TO THE NATIONAL WILDERNESS PRESERVATION SYSTEM.

In furtherance of the purposes of the Wilderness Act (16 U.S.C. 1131-1136), the following lands are hereby designated wilderness, and, therefore, as components of the National Wilderness Preservation System:

(1) Certain lands in the Toiyabe National Forest, which comprise approximately 38,000 acres, are generally depicted on a map entitled "Alta Toquima Wilderness—Proposed", dated April 1987, and which shall be known as the Alta Toquima Wilderness.

(2) Certain lands in the Toiyabe National Forest, which comprise approximately 113,000 acres, as generally depicted on a map entitled "Arc Dome Wilderness—Proposed", dated April 1987, and which shall be known as the Arc Dome Wilderness.

(3) Certain lands in the Inyo National Forest, which comprise approximately 10,000 acres, as generally depicted on a map entitled "Boundary Peak Wilderness—Proposed", dated April 1987, and which shall be known as the Boundary Peak Wilderness.

(4) Certain lands in the Humboldt National Forest, which comprise approximately 32,000 acres, as generally depicted on a map entitled "Current Mountain Wilderness—Proposed", dated April 1987, and which shall be known as the Current Mountain Wilderness.

(5) Certain lands in the Humboldt National Forest, which comprise approximately 31,000 acres, as generally depicted on a map entitled "East Humboldt Wilderness—Proposed", dated April 1987, and which shall be known as the East Humboldt Wilderness.

(6) Certain lands in the Humboldt National Forest, which comprise approximately 28,000 acres, as generally depicted on a map entitled "Grant Range Wilderness—Proposed", dated April 1987, and which shall be known as the Grant Range Wilderness.

(7) Certain lands in the Humboldt National Forest, which comprise approximately 48,500 acres, as generally depicted on a map entitled "Jarbidge Wilderness Additions—Proposed", dated April 1987, and which shall be deemed to be a part of the Jarbidge Wilderness as designated by Public Law 88-577.

(8) Certain lands in the Toiyabe National Forest, which comprise approximately 43,000 acres, as generally depicted on a map entitled "Mt. Charleston Wilderness—Proposed", dated April 1987, and which shall be known as the Mount Charleston Wilderness.

(9) Certain lands in the Humboldt National Forest, which comprise approximately 81,500 acres, as generally depicted on a map entitled "Mt. Moriah Wilderness—Proposed", dated April 1987, and which shall be known as the Mount Moriah Wilderness. Any lands depicted on such map as being within the boundaries of the Mount Moriah Wilderness and which are under the jurisdiction of the Secretary of the Interior shall, upon enactment of this Act, be transferred to the administrative jurisdiction of the Secretary of Agriculture to be administered as components of the national forest system and the National Wilderness Preservation System. The national forest boundary shall be adjusted accordingly.

(10) Certain lands in the Humboldt National Forest, which comprise approximately 19,000 acres, as generally depicted on a map entitled "Quinn Canyon Wilderness—Proposed", dated April 1987, and which shall be known as the Quinn Canyon Wilderness.

(11) Certain lands in the Humboldt National Forest, which comprise approximately 77,000 acres, as generally depicted on a map entitled "Ruby Mountains Wilderness—Proposed", dated April 1987, and which shall be known as the Ruby Mountains Wilderness.

(12) Certain lands in the Humboldt National Forest, which comprise approximately 31,000 acres, as generally depicted on a map entitled "Santa Rosa Wilderness—Proposed", dated April 1987, and which shall be known as the Santa Rosa Wilderness.

(13) Certain lands in the Humboldt National Forest, which comprise approximately 83,000 acres, as generally depicted on a map entitled "Schell Peaks Wilderness—Proposed", dated November 1987, and which shall be known as the Schell Peaks Wilderness.

(14) Certain lands in the Toiyabe National Forest, which comprise approximately 96,000 acres, as generally depicted on a map

entitled "Table Mountain Wilderness—Proposed", dated April 1987, and which shall be known as the Table Mountain Wilderness.

SEC. 103. MAPS AND DESCRIPTIONS.

As soon as practicable after enactment of this Act, the Secretary of Agriculture shall file a map and a legal description of each wilderness area designated by this Act with the Committee on Interior and Insular Affairs of the United States House of Representatives and with the Committee on Energy and Natural Resources of the United States Senate. Each such map and description shall have the same force and effect as if included in this Act, except that correction of clerical and typographical errors in each such map and description shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture.

SEC. 104. ADMINISTRATION OF WILDERNESS.

Subject to valid existing rights, each wilderness area designated by this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act governing areas designated by that Act as wilderness, except that any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the date of enactment of this Act.

SEC. 105. WILDERNESS REVIEW CONCERNS.

(a) The Congress finds that—

(1) the Department of Agriculture has completed the second roadless area review and evaluation program (RARE II); and

(2) the Congress has made its own review and examination of National Forest System roadless areas in the State of Nevada and of the environmental impacts associated with alternative allocations of such areas.

(b) On the basis of such review, the Congress hereby determines and directs that—

(1) without passing on the question of the legal and factual sufficiency of the RARE II final environmental statement (dated January 1979) with respect to National Forest System lands in the State of Nevada; such statement shall not be subject to judicial review with respect to National Forest System lands in the State of Nevada;

(2) with respect to the National Forest System lands in the State of Nevada which were reviewed by the Department of Agriculture in the second roadless area review and evaluation (RARE II) and those lands referred to in subsection (d), that review and evaluation or reference shall be deemed for the purposes of the initial land management plans required for such lands by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, to be an adequate consideration of the suitability of such lands for inclusion in the National Wilderness Preservation System and the Department of Agriculture shall not be required to review the wilderness option prior to the revisions of the plans, but shall review the wilderness option when the plans are revised, which revisions will ordinarily occur on a ten-year cycle, or at least every fifteen years, unless, prior to such time, the Secretary of Agriculture finds that conditions in a unit have significantly changed;

(3) areas in the State of Nevada reviewed in such final environmental statement or references in subsection (d) and not designated wilderness upon enactment of this Act shall be managed for multiple use in accordance with land management plans pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976: *Provided*, That such areas need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of the initial land management plans;

(4) in the event that revised land management plans in the State of Nevada are implemented pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law, areas not recommended for wilderness designation need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of such plans, and areas recommended for wilderness designation shall be managed for the purpose of protecting their suitability for wilderness designation as may be required by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law; and

(5) unless expressly authorized by Congress, the Department of Agriculture shall not conduct any further statewide roadless area review and evaluation of National Forest System lands in the State of Nevada for the purpose of determining their suitability for inclusion in the National Wilderness Preservation System.

(c) As used in this section, and as provided in section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, the term "revision" shall not include an "amendment" to a plan.

(d) The provisions of this section shall also apply to:

(1) National Forest System roadless lands in the State of Nevada which are less than five thousand acres in size.

(2) Those National Forest System roadless areas, or portions thereof in the State of Nevada, which were identified by unit plans listed at the end of this subparagraph, which are not designated as wilderness by this Act:

National Forest	Unit Plan
Humboldt	Santa Rosa.
Humboldt	Ruby Mtn./E. Humboldt.
Toiyabe	Mt. Charleston.
Toiyabe	Central Nevada.

SEC. 106. GRAZING IN WILDERNESS AREAS.

(a) Grazing of livestock in wilderness areas established by this Act, where established prior to the enactment of this Act, shall be administered in accordance with section 4(d)(4) of the Wilderness Act and section 108 of Public Law 96-560 (94 Stat. 3265).

(b) The Secretary of Agriculture is directed to review all policies, practices, and regulations of the Department of Agriculture regarding livestock grazing in national forest wilderness areas in Nevada in order to insure that such policies, practices, and regulations fully conform with and implement the intent of Congress regarding grazing in such areas, as such intent is expressed in this Act.

SEC. 107. STATE FISH AND WILDLIFE AUTHORITY.

As provided in section 4(d)(7) of the Wilderness Act, nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the State of Nevada with respect to wildlife and fish in the national forests in Nevada.

SEC. 108. ADJACENT MANAGEMENT.

Congress does not intend that the designation of wilderness areas in the State of Nevada lead to the creation of protective perimeters or buffer zones around each wilderness area. The fact that nonwilderness activities or uses can be seen or heard from within any wilderness shall not, of itself, preclude such activities or uses up to the boundary of the wilderness area.

SEC. 109. MOUNT ROSE NATIONAL RECREATION AREA.

(a) DESIGNATION.—For purposes of conserving and protecting scenic, wildlife, biological, educational, and recreational values, certain lands in the Toiyabe National Forest and the Lake Tahoe Basin Management Unit which comprise approximately 29,000 acres, as generally depicted on a map entitled "Mount Rose National Recreation Area—Proposed," dated November 1987, are hereby designated the Mount Rose National Recreation Area (hereinafter in this section referred to as "the area").

(b) MAP.—The Secretary of Agriculture (hereinafter in this section referred to as the "Secretary") shall file the map referred to in subsection (a) with the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. Such map shall have the same force and effect as if included in this Act; except that correction of clerical and typographical errors in such map may be made. The map shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

(c) ADMINISTRATION.—(1) The Secretary shall administer the area so as to achieve the purposes of its designation as a national recreation area in accordance with the laws and regulations applicable to the National Forest System.

(2) Subject to valid existing rights, all federally owned lands within the area are hereby withdrawn from all forms of entry, appropriation and disposal under the mining and public land laws, and disposition under the geothermal and mineral leasing laws.

(3) The area shall be closed to the harvesting of timber, except that the Secretary may take measures to reduce the effects of fire, insects, and disease, and to enhance wildlife populations.

(4) The lands within the area designated as "roadless, nonmotorized" on the map referred to in subsection (a) shall remain roadless and be closed to motorized use, except that the Secretary may authorize the use of motorized equipment and transportation for fire suppression, search and rescue operations and other emergencies.

(5) Off road vehicle use on lands in the area not designated as "roadless, nonmotorized" on the map referred to in subsection (a) shall be confined to trails and areas designated by the Secretary, but such trails and areas shall not exceed those for which off road vehicle use was authorized as of the enactment of this Act.

TITLE II—LAND TRANSFERS

SEC. 201. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) The public lands transferred by this title contain valuable natural resources (such as watershed, range, outdoor recreation, and wildlife habitat) which will be enhanced by the professional, multiple-use management of the Forest Service; and that certain national forest lands would be en-

hanced by the professional multiple-use management of the Bureau of Land Management.

(2) The public which uses these natural resources will be benefited by such adjustments in management.

(3) The public lands transferred by this title to the Forest Service are adjacent to existing national forests and, in many cases, are part of the same watersheds and mountain ranges, and placing the management of these lands under the administration of one agency, the Forest Service, will improve efficiency and be cost effective; that similar efficiency and cost effectiveness will result from transfer of certain national forest lands to the Bureau of Land Management.

(4) There is a consensus in Nevada that these lands should be added to the national forests and that some national forest lands should be transferred to the Bureau of Land Management for management.

(b) Purpose.—The purpose of this title is to promote the national interest through changes in the management of Federal lands in Nevada, including the addition of certain public lands to the National Forests in Nevada and the transfer of certain lands now managed by the Forest Service to management by the Bureau of Land Management, Department of the Interior.

SEC. 202. DEFINITIONS.

As used in this title—

(1) The term "public lands" means the lands administered by the Bureau of Land Management, United States Department of the Interior, as defined in section 103(3) of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701(e)).

(2) The term "National Forest lands" or "National Forest System lands" means the lands administered by the Forest Service, United States Department of Agriculture, as defined in section 11 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1609(a)).

SEC. 203. TRANSFER OF LANDS.

(a) Transfer of Public Lands to the Forest Service.—Effective 180 days after enactment of this Act, the approximately 895,000 acres of public lands designated for inclusion in the National Forest System on 3 maps entitled "Sierra Front Additions", "Spring Mountain Additions", and "Hot Creek Additions" and dated November 1987, are hereby transferred to the administrative jurisdiction of the Secretary of Agriculture and shall become part of the Toiyabe National Forest or the Inyo National Forest.

(b) Boundaries of Toiyabe and Inyo National Forests.—

(1) The boundaries of the Toiyabe National Forest and the Inyo National Forest are hereby modified to reflect the transfer of lands under subsection (a).

(2) For the purpose of section 7 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-9), the boundaries of the Toiyabe National Forest and the Inyo National Forest, as modified by this subsection, shall be treated as if they were the boundaries of those National Forests as of January 1, 1965.

(c) Transfer of Forest Service Lands to the Bureau of Land Management.—Effective 180 days after the enactment of this Act, the approximately 23,000 acres of national forest lands identified for management by the Bureau of Land Management on a map entitled "Sierra Front Additions" and dated November 1987, are hereby transferred to the administrative jurisdiction of the Secretary of the Interior.

(d) Maps.—The maps referred to in subsection (a) and subsection (c) shall be on file and available for public inspection in the offices of the Chief, Forest Service, Department of Agriculture, and the Director, Bureau of Land Management, Department of the Interior. The Secretaries of Agriculture and the Interior may make changes to the maps to correct technical errors.

(e) Plans.—Effective 180 days after enactment of this Act, lands transferred by subsection (a) of this section to the jurisdiction of the Secretary of Agriculture shall be subject to the planning requirements of section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, and lands transferred by subsection (c) of this section to the jurisdiction of the Secretary of the Interior shall be subject to the planning requirements of the Federal Land Policy and Management Act of 1976. All transferred lands shall continue to be managed in accordance with plans and designations in effect on the date of enactment of this Act until considered in plans developed under applicable provisions of law. If no plans are in effect on the date of enactment of this Act, the respective transferred lands shall be managed in a manner consistent with other national forest or public lands, as the case may be, in the vicinity until a plan is developed under applicable provisions of law. Nothing in this title shall of itself require the amendment or revision of the existing plans governing public lands or national forests affected by the addition of or deletion of lands transferred by this Act.

SEC. 204. WILDERNESS SUITABILITY.

(a) Management of Wilderness Study Areas.—(1) Any portion of the public lands which as of January 1, 1987, was being managed pursuant to section 603(c) of the Federal Land Policy and Management Act of 1976 and which is made a part of the National Forest System by this title shall be managed by the Secretary of Agriculture pursuant to such section of such Act until Congress determines otherwise.

(2) At any time after the date of enactment of this Act, but no later than 60 days after the date on which the President submits to the Congress recommendations pursuant to section 603 of the Federal Land Policy and Management Act with respect to public lands in the State of Nevada, the Secretary of Agriculture shall submit to the President and to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate recommendations as to whether any of the lands described in paragraph (1) should be designated as wilderness. Upon receipt of such recommendations, the President shall submit recommendations with respect to such areas in the same manner as provided in section 3(d) of the Wilderness Act.

(b) Other Bureau of Land Management Roadless Areas.—Any roadless portion of the public lands which as of January 1, 1987, was not being managed pursuant to section 603(c) of the Federal Land Policy and Management Act of 1976 and which is made a part of the National Forest System by this title shall be deemed to have been adequately considered for wilderness for the purposes of the initial land management plans required for such lands by section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1604). The Secretary of Agriculture shall not be required to manage any such area to preserve wilderness values or to review the wilderness option before any revision of such plans, but the Secretary shall review the wilderness option for such area when such plans are revised.

(c) Roadless Areas Recommended for Wilderness.—Any roadless areas, or portion thereof, on national forest lands recommended by the Secretary of Agriculture for wilderness which will be transferred to the jurisdiction of the Secretary of the Interior pursuant to section 203(c) of this title, shall be managed by the Secretary of the Interior in accordance with the provisions of section 603(c) of Federal Land Policy and Management Act, or other specific statutory direction.

SEC. 205. MISCELLANEOUS PROVISIONS.

(a) Management of Mineral Resources.—Nothing in this title shall be construed to change the laws governing the management of mineral resources.

(b) Administration of Receipts.—The acreage added to the Toiyabe and Inyo National Forests in the State of Nevada by this title shall not be counted in determining the distribution of the Twenty-Five Percent Fund between the States of California and Nevada under the Act of May 23, 1908 (16 U.S.C. 500), except that the acreage added to these forests shall be counted in the distribution of the Twenty-Five Percent Fund among the affected counties in Nevada.

(c) Amendment.—(1) Section 1(b) of the Military Lands Withdrawal Act of 1986 (100 Stat. 3457) is amended by striking the period at the end of paragraph (2) and by inserting in lieu thereof the following: "and lands comprising approximately 89,600 acres of land in Lincoln County, Nevada, as generally depicted on the map entitled 'Groom Mountain Addition to Nellis Air Force Range, dated September 1984 and filed in accordance with section 2.".

(2) Section 5(b)(2) of the Military Lands Withdrawal Act of 1986 (100 Stat. 3463) is hereby amended by striking out subparagraph (B) and by striking out "(A)" after "(2)".

(d) Valid Existing Rights.—Nothing in this title shall abrogate valid existing rights of any person under any authority of law as of the date of enactment of this Act.

(e) Existing Land-Use Authorizations.—Authorizations to use lands transferred by this title which were issued prior to the date of transfer shall remain subject to the laws and regulations under which they were issued, except that such laws and regulations shall be administered by the Secretary to whom jurisdiction over the affected lands has been transferred by this title. However, renewals and extension shall be subject to the laws and regulations pertaining to the agency which has jurisdiction over the land at the time of renewal or extension. The change of administrative jurisdiction resulting from the enactment of this title shall not in itself constitute a basis for denying or approving the renewal or reissuance of any such authorization.

(f) Administrative Appeals.—With respect to the lands transferred by section 203, any formal administrative appeal, adjudication, or review pending on the date of transfer of jurisdiction under this title shall be completed by the Secretary of the Department in which it was initiated except that the Secretary of the Department having jurisdiction over the land pursuant to this title may exercise final administrative review.

TITLE III—GENERAL PROVISIONS

SEC. 301. ACREAGE.

The acreage cited in this Act is approximate and in the event of discrepancies between cited acreage and the lands depicted on reference maps, the maps shall control.

SEC. 302. AUTHORIZATION.

There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mrs. VUCANOVICH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Minnesota [Mr. VENTO] will be recognized for 20 minutes and the gentlewoman from Nevada [Mrs. VUCANOVICH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Minnesota [Mr. VENTO].

GENERAL LEAVE

Mr. VENTO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VENTO. Mr. Speaker, I yield myself such time as I might consume.

Mr. Speaker, H.R. 2142, sponsored by our able colleague from Nevada, Mr. BILBRAY, would provide Nevada with a statewide wilderness act which would resolve the longstanding controversy over the State's national forest roadless lands.

Since 1964, no wilderness legislation for Nevada has been enacted into law. As a result, Nevada has only 65,000 acres of wilderness, less than any other Western State, and is one of only three Western States that does not have a statewide wilderness act with provisions to release nonwilderness roadless lands to other multiple uses. The lack of a statewide bill with release/sufficiency language has an indeterminate affect upon Nevada's environment and economy. The Forest Service cannot proceed with its job of managing these roadless lands. Important projects and developments planned by industry are delayed indefinitely and high quality wildlands in need of protection remain vulnerable.

H.R. 2142 resolves the roadless area issue in Nevada and allows the Forest Service and Industry to get on with their jobs. Approximately 2.5 million acres of national forest roadless lands are released to nonwilderness multiple uses. At the same time, it adds 14 outstanding areas totaling 731,000 acres to the National Wilderness Preservation System and designates a new 29,000-acre national recreation area on Mount Rose overlooking Reno.

These new wilderness areas include impressive wildlands such as the Ruby Mountains with over 30 alpine lakes, Table Mountain with Nevada's largest elk herd, Current Mountain with a pristine grassland that has never been grazed by domestic livestock, Mount Charleston with a species of chipmunk found nowhere else in the world, Alta Toquima with its unusual prehistoric Shoshone Indian encampment, the Schell Peaks with ancient bristlecone pines, and Arc, Dome which will become Nevada's largest wilderness area. Each one of these Great Basin mountain ranges has its own unique characteristics and will bring to the National Wilderness Preservation System landforms and ecosystems not included elsewhere. Furthermore, the bill preserves them in ways that minimize conflicts with other uses of the land. The committee, for example, has removed from the bill as originally introduced, 195 mining claims, 27,000 acres of potential oil and gas resources, and 48,000 acres used by motorized recreationists.

H.R. 2142 also designates 895,000 acres in Nevada as new national forest lands from public lands administered by the Bureau of Land Management. This would be the first time in over 25 years that a large block of land has been added to the National Forest System in the continental United States. This proposal is the result of a grass-roots effort on the part of Nevada's citizens. A bipartisan coalition of Nevadans from all walks of life and all parts of the State petitioned Congress to designate these lands as national forests. Contiguous to the existing Toiyable and Inyo National Forests, these lands include the Spring Mountains, a popular outdoor recreation area that provides the water supply and respite from the heat for the people of Las Vegas; the Sierra Front area is added to the National Forest System management as well the Sierra Nevada Mountains which are important watershed lands for Nevada's towns and cities; and finally the Hot Creek Range with sharp, craggy peaks that provide spectacular scenery as well as critical habitat for elk, deer, and bighorn sheep are added to the National Forest.

Importantly the bill before the House also amends the Military Lands Withdrawal Act of 1986 to allow the Air Force to continue to use the Groom Range for national security purposes.

Mr. Speaker, the Agriculture Committee had some responsibilities regarding this bill and was extremely cooperative in resolving issues so the legislation could be brought to the floor in an expeditious manner. I am especially grateful for the assistance and courtesy of the chairman of the committee, KIKA DE LA GARZA, and the chairman of the Subcommittee on Forests, Family Farms and Energy, HAROLD VOLKMER.

Mr. Speaker, I urge my colleagues to support H.R. 2142. This bill stimulates Nevada's economy by releasing two-thirds of Nevada's national forest roadless lands to potential economic development. This bill preserves Nevada's environment by creating 14 wilderness areas, a national recreation area, and almost 900,000 acres of new national forest. The people of Nevada and national policy need action on these issues.

Mr. Speaker, in the 100th Congress we surely should provide the predictability and resolution of these key policy questions. I strongly urge positive action, and the support of the House of Representatives for this measure.

Mr. Speaker I reserve the balance of my time.

Mrs. VUCANOVICH. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. LAGOMARSINO], vice chairman of the subcommittee.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentlewoman for yielding this time to me. I take this time primarily to not only urge support for the bill but to commend the gentlewoman from Nevada [Mrs. VUCANOVICH], as well the gentleman from Minnesota [Mr. VENTO], chairman of the subcommittee, for their efforts on behalf of this bill, and especially for the great spirit of compromise that has resulted in this legislation being before us. I know that for both parties that was not an easy thing to do, and I want them both to know that I certainly appreciate it and commend them for doing that.

Mr. Speaker, I think we have a very good product here and I hope my colleagues will support it.

Mrs. VUCANOVICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the legislation before us today does several things: it designaties approximately 731,000 acres as wilderness in Nevada's national forests; it transfers land between the Forest Service and the Bureau of Land Management; and it amends the Military Lands Withdrawal Act of 1986.

The Wilderness issue in Nevada is extremely controversial and has been hotly debated for several years now. H.R. 2142 is much larger than I, as well as most of my constituents, would prefer; 87 percent of Nevada's lands are owned by the Federal Government. These are public lands, managed for multiple use and relied upon by many Nevadans for their livelihood. There were provisions in my bill, H.R. 708—which I still believe is the best bill for Nevada—to protect existing rights to mining, grazing, and water.

The bill before us today contains some of the grazing language, but fails to mention mining and water rights.

As any Nevadan knows—as well as those of you who have visited our great State—the majority of Nevada is truly spectacular. From the top of majectic Wheeler Peak to the valleys of the desert, Nevada offers a scenic experience unmatched by other States. I believe we have an obligation to set aside some special areas for present and future generations to use and enjoy in their pristine state; however, I don't believe more is always better.

I also think it is important to point out that this bill only addresses only the Forest Service lands—the tip of the iceberg for wilderness in Nevada. We have yet to deal with BLM, Fish and Wildlife, and the U.S. Park Service proposals. It is important for us to exercise caution as we begin to lock away public lands to maintain a perspective that takes in the larger picture of overall Nevada wilderness.

I am very pleased with this bill's creation of a 29,000-acre national recreation area on Mount Rose. Mount Rose is right in Reno's backyard. It has been used for years and years as a prime recreation area by hikers, off-road vehicles users, cross-country skiers, and snowmobilers. As a national recreation area, these traditional uses will be preserved. There is a core area of Mount Rose—approximately 18,000 acres—that is roadless and would be closed to all motorized vehicles. The remainder of the area would be open to a wide variety of recreational uses and would be subject to Forest Service regulation and management. The whole area would be closed to timbering, mining, and further geothermal exploration. I'm excited that this prime recreation national recreation area would finally be recognized as a resource and managed and protected accordingly.

However, I do have several concerns with this bill. The proposed Table Mountain Wilderness Area, located in the Toiyabe National Forest, is a special area for Nevada and has the State's largest elk herd. This herd has tripled in population under the careful care and management of the Forest Service. This area was not recommended by the Forest Service as wilderness in order that the Forest Service could continue to manage Table Mountain for its wildlife habitat. I offered an amendment in committee to have Table Mountain designated as a national wildlife management area to allow the Forest Service this flexibility. Unfortunately that amendment did not pass. Under wilderness designation, the Forest Service must manage the area for its wilderness characteristics only. Fortunately, I was able to work out strong report language with my colleague from Minnesota which would allow the Forest Service to continue to manipulate the vegetation by controlled burning to benefit the herd.

I am also concerned about the proposed wilderness area in the Ruby Mountains. The Rubies are located in Elko County in eastern Nevada and about 77,000 acres are proposed for wilderness. By and large the citizens of Elko County are opposed to wilderness. The Jarbridge Wilderness is located in Elko County and an addition is being proposed to it in this bill. The mayor and city council all testified against additional wilderness in Elko County and specifically in the Ruby Mountains and it troubles me that Congress dismisses their wishes. There is a heli-ski business that operates in the Ruby Mountains that would have been adversely affected had the bill been passed as introduced. However, the chairman worked with me to adjust the boundaries to exclude the areas of highest use by Ruby Mountain heli-ski.

My greatest concern about this bill, however, is the deletion of language that would protect the State's water rights. Nevada—like most Western States—operates by State water law. Any water user, whether an individual citizen or the Federal Government, must apply to the State water engineer for water rights. I believe it is extremely important to have language in the statute that clearly states that wilderness designation does not enjoy an automatic, reserved water right. When we designate public lands as wilderness, we are not creating a new withdrawal—only a redesignation of previously withdrawn lands. Therefore, no reserved water right accompanies a wilderness designation. I believe we must resolve the water rights issue in order to protect Western water law.

The second part of this bill deals with a land exchange between the Forest Service and the BLM. It would transfer about 895,000 acres of BLM land to the Forest Service and 23,000 acres of forest land to the BLM. The Secretaries of Interior and Agriculture, in 1985, proposed an omnibus land interchange bill that would have virtually eliminated Nevada's national forests. The citizens of Nevada united and organized a grassroots movement to save these forests. A bipartisan task force was created—and I'm proud to say I'm a member of it—that worked with Federal, State, and local officials to create a counterproposal that would enhance, not diminish, Nevada's national forests.

That counter proposal was introducted in the 99th Congress by all members of the Nevada delegation and passed the House at the end of the session. Unfortunately, it did not make it out of the other body. I reintroduced the measure, along with Congressman BILBRAY, during the first part of this Congress.

I think it is unfortunate that the Nevada interchange bill has been attached to the wilderness proposal. The chairman has also included areas in this version that are not a part of the original bill introduced by me and Congressman BILBRAY. I strongly support the passage of the interchange bill and believe it would have a positive impact on the National Forest System.

Mr. Speaker, before I conclude today, I want to thank my colleague from Minnesota, the chairman of the subcommittee, for his cooperation and willingness to work with me and my staff to address some of my concerns in the wilderness proposal. Nevada wilderness has been around for several years and I commend my colleague for his leadership and desire to complete the National Wilderness System.

I reserve the balance of my time.

Mr. VENTO. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas [Mr. BROOKS].

(By unanimous consent Mr. BROOKS was allowed to speak out of order.)

ANNOUNCEMENT OF THE DEATH OF THE HONORABLE ABRAHAM "CHICK" KAZEN

Mr. BROOKS. Mr. Speaker, it is with the deepest regret that I rise to advise my fellow Members that our former colleague, Abraham "Chick" Kazen died of a heart attack in Austin, TX, on November 29, 1987.

Mr. Kazen, who served in the Texas House of Representatives from 1947 to 1952 and in the Texas Senate from 1952 to 1966, was a Member of this body from 1967 through 1984. His assignments to the Armed Services and Interior and Insular Affairs Committees were of great importance to the State of Texas, which he served well. He received the deep respect of his fellow Members and was considered to be one of the kindest and most thoughtful among us. He will be sorely missed.

The funeral service will be on Wednesday, December 2, at 10:30 a.m., at the Joe Jackson on the Height's Funeral Home in Laredo, TX. His family has requested that contributions be made to the American Diabetes Association in lieu of flowers.

The SPEAKER pro tempore (Mr. HOYER). The Chair thanks the gentleman from Texas for his remarks and on behalf of the House the Chair reflects that the House shares those sentiments.

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Mr. VENTO. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia [Mr. DARDEN] who is one of the able members of the subcommittee and a sponsor, I might say, of one of the key wilderness measures that was considered in the 99th Congress as well as the 100th Congress.

We are privileged to have him as a member of the committee with his interest and concern for the Nevada wilderness.

Mr. DARDEN. Mr. Speaker, I thank my distinguished subcommittee chairman for yielding time to me.

Mr. Speaker, as the original sponsor of one of the three Nevada wilderness bills introduced in the House this year, I am pleased to rise in strong support of the Nevada wilderness measure the House is now considering.

As a native southerner, I am always impressed with the beauty and vast openness of the public lands in the Western United States. I had the pleasure of visiting Nevada with several of my House colleagues during the 99th Congress, and I had the opportunity to get a firsthand look at many of the areas included in this wilderness bill.

Although more than 85 percent of the land in Nevada belongs to the Federal Government, that State ranks last in the West in terms of designated wilderness areas. I introduced legislation this year which would designate approximately 1.4 million acres of wilderness in Nevada.

The bill reported by the committee designates a significantly smaller amount of acreage as wilderness. However, I commend the distinguished chairman of the subcommittee for his fair and determined efforts in resolving disputes over various provisions of the bill.

I would have preferred legislation including more acreage for wilderness in Nevada, but I am supportive of this compromise measure. I urge my colleagues to pass this important legislation to protect many of the most beautiful, unspoiled public lands in the great State of Nevada.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I appreciate the gentleman from Georgia's interest in this matter and I appreciate the comments of the gentlewoman from Nevada [Mrs. VUCANOVICH].

This is not an easy issue for any of the members of the delegation, the small delegation from Nevada trying to deal with what are really vast acreages of land which have been subjected to study and are key elements to the future of their State.

But I hope that we are moving forward with the process here in a cooperative manner and though we do not agree fully on the final outcome of this particular product, I hope in this Congress we can create an environment where these issues finally can be resolved. We certainly need that; the people of Nevada need that.

In saying that, Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Nevada [Mr. BILBRAY], a new Member but an experienced Member when dealing with land-use issues. As a State legislator, he chaired a subcommittee similar to the one I am honored to chair. He did a remarkable job in terms of that task. He has been a real asset in this body dealing with land-use questions. I want to thank the gentleman for his leadership and cooperation in this matter.

Mr. BILBRAY. Mr. Speaker, I wish to thank the distinguished chairman of the Subcommittee on National Parks and Public Lands for his outstanding leadership on Nevada wilderness. His efforts on this and other pressing public lands issues are indeed to be commended. In addition, I would like to take this opportunity to praise the work of the distinguished gentleman from Georgia [Mr. DARDEN], who as a member of the subcommittee provided invaluable assistance in the work on this measure as well as the gentlewoman from Nevada [Mrs. VUCANOVICH].

I rise today in strong support of the measure as amended by the subcommittee, aware that while this is an imperfect bill it nonetheless represents a sound compromise between resource preservation and multiple use.

Few issues have been as devisive in Nevada as has been the issue of wilderness. Upon my election to the Congress, I met with each member of the Nevada delegation in an attempt to forge a compromise measure that could be endorsed by each of us. Unfortunately, for whatever reasons, no such agreement could be brought about. The bill before us today, then, is the best effort of the distinguished chairman, members of the subcommittee including Mr. DARDEN, Senator REID, Congresswoman VUCANOVICH, and myself.

H.R. 2142 as reported is a three-title bill. Title I provides for the addition of approximately 731,000 acres in 14 areas of the Humboldt and Toiyabe National Forests in Nevada to the national forest component of the national wilderness preservation system. Over 2.5 million acres of roadless areas would be released. In addition, title I would designate about 29,000 acres of the Mount Rose area as a national recreation area.

Title II provides for the addition of approximately 895,000 acres of public and land currently under the administration of the Bureau of Land Management to the Humboldt and Toiyabe National Forests of the United States Forest Service. The three parcels in question are contiguous to the existing national forest lands. Additionally, approximately 23,000 acres of Forest Service lands will be transferred to the BLM. This transfer will enhance the administrative efficiency of the management of these public lands. Title II also amends the Military Lands Withdrawal Act of 1986 to allow the military to continue to use the Groom Mountain Range for national security purposes.

Title III of H.R. 2142 indicates that maps and not acreage figures will control and further will authorize appropriations necessary to carry out the bill.

Mr. Speaker, Nevada remains one of three Western States for which the Congress has yet to enact legislation to designate statewide wilderness based on the U.S. Forest Service's 1979 roadless area review and evalaution [RARE II]. Currently, Nevada has approximately 65,000 acres designated as wilderness. With 80 percent of Nevada's population residing in the Las Vegas and Reno metropolitan areas, the need for preserving the outstanding resource values contained within the proposed wilderness areas becomes increasingly important.

Mr. Seiberling, the distinguished former chairman of the Public Lands Subcommittee of the Committee on Interior and Insular Affairs, has described the areas within Nevada as among the most beautiful in our Nation and further added that Nevada wilderness is one of the best kept secrets of the American outdoors. His comments were made during a Public Lands Subcommittee tour of Nevada, a journey which I had the honor to attend as a representative of the Nevada State Senate.

From firsthand knowledge of these areas I can attest to their striking grandeur. I have yet to encounter other areas as resplendent as these found within Nevada.

For those who have not had the opportunity to visit these wonderful lands, allow me to highlight the areas proposed under this legislation:

Mount Jefferson, the awesome, isolated summit of the Toquima Range, is included. This area includes a singularly important archeological site, the highest Shoshone encampment in Nevada prehistory. The proposed Arc Dome Wilderness is home to mountain lion and mule deer as well as numerous trout streams lined with cottonwood, willow, aspen, birch, and maple. Boundary Peak, rising to 13,145 feet, is the highest point in Nevada. The largest herd of desert bighorn sheep—Nevada's State animal—to be found in Nevada national forests is found within the Grant Range. Close to my home in Las Vegas, Mount Charleston provides miles of limestone cliffs and extensive forests of ponderosa and bristlecone pine. The Ruby Mountains, a spectacular glacier-carved landscape rivaled nowhere else in Nevada or much of the rest of the United States, is lined with hanging valleys, clusters of lakes, and snow-fed streams flowing down U-shaped glacial valleys.

Other areas are included Mr. Speaker, yet time does not permit me to describe them in a measure commensurate with their beauty.

H.R. 2142 represents a sound balance of wilderness preservation and access. Language is included which prohibits the formation of buffer areas surrounding the wilderness areas. Under this measure, grazing is allowed in wilderness areas where it already takes place.

I am pleased that upwards of 18,000 acres of the Mount Rose area are to remain closed to roads and motorized recreation, in essence remaining wilderness but without the formal designation as such. As originally introduced, H.R. 2142 does designate portions of that area as wilderness. We all reluctantly recognize the need to expedite consideration of this package and the necessity of compromise to bring about that end. The core area roadless designation recognizes the unique ecosystem this area hosts and the special resources this area affords. In no way should this area be considered anything less than magnificient.

Several years ago, the Reagan administration proposed a plan involving over 35 million acres of public lands. Under this proposal, large tracts of land under the control and management of the Forest Service would be transferred to the control and management of the Bureau of Land Management. The impact of this proposal upon Nevada would have resulted in the virtual elimination of national forests within our State.

In response, Nevadans numbering in the thousands opposed the declassification. Joining in a concert of efforts, a broad-based coalition of conservationists, wilderness advocates, miners, ranchers, and others worked toward increasing the size of the national forests in Nevada. In addition, each of the four largest Nevada newspapers have joined in endorsing enhanced national forest service lands for Nevada.

The legislation before us today will substantially ease the administrative burden of managing the lands while simultaneously improving the administrative capabilities of both the U.S. Forest Service and the Bureau of Land Management. In particular, the legislation would enhance the management of our land and resources, including sensitive watershed areas, wildlife habitat, grazing resources, mineral resources, and increasingly valuable recreational opportunities.

This measure, which enjoys strong bipartisan support within Nevada, further enhances administrative efficiency of the management of Nevada public lands with the inclusion of certain areas generally known as Mount Potosi in Clark County. Mount Potosi contains the second oldest historic site in southern Nevada as well as important prehistoric sites. It also is the location of important recreational facilities which need the protection of having adjacent wooded areas withdrawn and under Forest Service management. These facilities included a Boy Scout camp, a Girl Scout camp, and a church camp, each strongly supporting inclusion of the area in the Toiyabe National Forest. Residents of one small residential enclave on Mount Potosi—Mountain Springs—also support inclusion of the area and have forwarded a petition of their support to the subcommittee and to me.

The board of commissioners of Clark County has recently passed a resolution urging the inclusion of this area within the measure before us today.

The addition of the Hot Creeks Range to the national forest system will provide for enhanced management of the highest valley in Nevada, two rare central Nevada lakes with waterfowl habitat, and habitat for Nevada's largest elk population.

Mr. Speaker, I commend the work of the distinguished chairman and his staff, including Mr. Dale Crane and Mr. James Bradley, for their able work on these Nevada public lands issues.

In our numerous conservations, the chairman has indicated to me his appreciation of the beauty of Nevada, an appreciation I share deeply. Should any of our colleagues have the opportunity to visit these beautiful areas, they too would share in my appreciation of these magnificent lands—lands whose beauty belie any notion that Nevada is but a wasteland, suitable only for blowing sands or nuclear waste.

Mr. Speaker, I again thank the distinguished chairman and urge my colleagues to support the bill as reported.

Mr. DELLUMS. Mr. Speaker, I rise in support of H.R. 2142, the Nevada Wilderness Designation Act of 1987. Although this legislation falls mainly under the jurisdiction of the Interior and Insular Affairs Committee, one provision that was added in committee also falls under the jurisdiction of the Armed Services Committee. Section 205(c) would amend Public Law 99-606, the Military Lands Withdrawal Act of 1986, to include the Groom Mountain Range in Nevada.

As my colleagues may remember, in 1987 legislation was passed that allowed for the withdrawal of this land until December 31, 1987, at which time authority for the withdrawal would cease if new legislation is not enacted. Passage of the legislation before us today would continue the withdrawal until November 7, 2001, which is the date of expiration of the withdrawals established by the Military Lands Withdrawal Act of 1986.

The Groom Mountain Range is used by the Air Force to provide a public safety and security protective zone for national defense programs carried out on the adjacent Nellis Air Force range. Because of the activities conducted on the Nellis Air Force range, it is essential that the lands covered by this provision be closed to unauthorized access or use. If this withdrawal is not renewed by December 31, 1987, the Air Force will have no legal authority to keep the public off of these lands.

It is for these reasons that the Armed Services Committee has agreed to allow this provision to be attached to the bill before us today and to support its passage. Although no hearings have been held on this particular provision of the bill, the committee is quite familiar with the issue and the provisions of the Military Lands Withdrawal Act of 1986. We believe that this is the best way to handle this withdrawal action and still meet the December 31, 1987, deadline. Attached to my statement is a copy of a letter from the Assistant Secretary of the Air Force supporting this provision and its inclusion in H.R. 2142 and I would ask that it also be included in the RECORD.

Finally, I urge my colleagues to support this legislation on behalf of the Committee on Armed Services.

DEPARTMENT OF THE AIR FORCE,
Washington, DC, November 20, 1987.

Hon. LES ASPIN,
Chairman, Committee on Armed Services, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: This is to confirm the Air Force position on the Groom Mountain Land Withdrawal language in H.R. 2142, Nevada Wilderness Designation Act of 1987.

The language concerning the Groom Mountain Land Withdrawal is satisfactory and will accomplish the desired action of renewing the withdrawal and incorporating it into the Nellis Range legislation. We appreciate the support of the Committee on Interior and Insular Affairs in moving the legislation through the House of Representatives. We hope that you will support it as it comes before the House.

We do have some concern that H.R. 2142 might become stalled in the Senate. If this occurs, I may need to request your aid to complete the withdrawal legislation. If the Groom Mountain Withdrawal is not renewed before December 31, 1987, the Air Force will be placed in a situation of needing to control surface access to these public lands for vital national security considerations, but without the legal means to do so. That situation would be most difficult to deal with and could cause serious delays to extremely important classified projects.

Again, I appreciate your support in this matter.

Sincerely,

TIDAL W. MCCOY,
Assistant Secretary of the Air Force (Readiness Support).

Mrs. VUCANOVICH. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. VENTO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank both the gentlewoman from Nevada and the gentleman from Nevada for their cooperation and support in trying to exercise our responsibilities.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HOYER). The question is on the motion offered by the gentleman from Minnesota [Mr. VENTO] that the House suspend the rules and pass the bill, H.R. 2142, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

CAPITAL OWNERSHIP DEVELOPMENT REFORM ACT OF 1987

Mr. **LAFALCE.** Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1807), to amend the Small Business Act to reform the Capital Ownership Development Program, and for other purposes.

The Clerk read as follows:

H.R. 1807

SECTION 1. SHORT TITLE.

This Act may be cited as the "Capital Ownership Development Reform Act of 1987".

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) the Capital Ownership Development Program administered by the Small Business Administration, and the award of contracts pursuant to section 8(a) of the Small Business Act to firms participating in such program, are intended to help socially and economically disadvantaged individuals enter the mainstream of the American economy;

(2) although some progress has resulted from the program, it has generally failed to meet its objectives, which remain as valid now as when the program was initiated;

(3) the Small Business Administration and some program participants have given insufficient attention and support to the business development goals of the program and instead has focused almost entirely on the size of contract awards or the number of firms certified to participate in the program; and

(4) it is necessary to reform substantially such program and provide for competition within the program in order to promote Congressionally mandated business development objectives and purposes of the program.

(b) PURPOSES.—It is, therefore, the purpose of this Act to—

(1) affirm that the Capital Ownership Development Program and the section 8(a) authority shall be used exclusively for business development purposes to help small businesses owned by the socially and economically disadvantaged to compete on an equal basis in the mainstream of the American economy;

(2) affirm that the measure of success of the Capital Ownership Development Program, and the section 8(a) authority, shall be the number of competitive firms that exit the program, without being unreasonably reliant on section 8(a) contracts, and that are able to compete on an equal basis in the mainstream of the American economy; and

(3) insure that program benefits accrue to individuals who are both socially and economically disadvantaged.

SEC. 3. BUSINESS DEVELOPMENT OBJECTIVES.

(a) TECHNICAL AMENDMENT.—Section 2(c)(2)(A)(v) of the Small Business Act is amended by striking "sole source".

(b) PROGRAM PURPOSES.—

(1) Section 2(c)(2)(B) of the Small Business Act is amended to read as follows:

"(B) It is, therefore, the purpose of the programs authorized by section 7(j) of this Act to—

"(i) foster business ownership and development by individuals in groups that own and control little productive capital; and

"(ii) promote the competitive viability of such firms in the marketplace by creating a small business and capital ownership development program to provide such available financial, technical, and management assistance as may be necessary.".

(2) Section 2(e)(2) of the Small Business Act is amended to read as follows:

"(2) It is, therefore, the purpose of section 8(a) to—

"(A) promote the business development of small business concerns owned and controlled by socially and economically disadvantaged individuals so that such concerns can compete on an equal basis in the American economy;

"(B) promote the competitive viability of such concerns in the marketplace by providing such available contract, financial, technical, and management assistance as may be necessary; and

"(C) clarify and expand the program for the procurement by the United States of articles, supplies, services, materials, and construction work from small business concerns owned by socially and economically disadvantaged individuals.".

SEC. 4. REQUIREMENTS OF THE CAPITAL OWNERSHIP DEVELOPMENT PROGRAM.

(a) BUSINESS PLANS.—Section 7(j)(10)(A)(i) of the Small Business Act is amended to read as follows:

"(i) assist small business concerns participating in the program to develop comprehensive business plans with specific business targets, objectives, and goals that are realistic and within the capability of both the program and the participating concern. Such targets, objectives, and goals shall be designed to result in a competitive small business concern by eliminating those conditions or circumstances upon which the Administration originally determined eligibility pursuant to section 9(a)(6);".

(b) TRAINING SESSIONS.—Section 7(j)(10)(A) is amended by—

(1) striking "and" at the end of clause (v);

(2) striking the period at the end of clause (vi) and by inserting in lieu thereof "; and"; and

(3) by adding the following new clause:

"(vii) conduct training sessions to assist individuals and enterprises eligible to receive contracts under section 8(a) in the development of business principles and strategies to enhance their ability to successfully compete for contracts in the marketplace.".

SEC. 5. EFFECT ON PRESENT PROGRAM PARTICIPANTS.

Section 7(j)(10) of the Small Business Act is amended by adding the following new subparagraph:

"(D) A small business concern participating in any program or activity conducted under the authority of this paragraph or eligible for the award of contracts pursuant to section 8(a) on the effective date of this subparagraph shall be permitted continued participation and eligibility in such program or activity for a period of time which is the greater of—

"(i) 9 years less the number of years since the award of its first contract pursuant to section 8(a); or

"(ii) its original fixed program participation term (plus any extension thereof) assigned prior to the effective date of this subparagraph.

Nothing contained in this subparagraph shall be deemed to prevent the Administration from instituting a termination or graduation pursuant to subparagraph (F) or (G) for issues unrelated to the expiration of any time period limitation.".

SEC. 6. TERMINATION AND GRADUATION STANDARDS.

Section 7(j)(10) of the Small Business Act is further amended by adding the following new subparagraphs:

"(E) A small business concern participating in the program conducted under the authority of this paragraph and eligible for the award of contracts pursuant to section 8(a) shall be denied all such assistance if such concern—

"(i) voluntarily elects not to participate;

"(ii) has been a participant in the program for the nine-year time limit prescribed by paragraph (15);

"(iii) is terminated pursuant to a termination proceeding conducted in accordance with the provisions of 8(a)(9); or

"(iv) is graduated pursuant to a graduation proceeding conducted in accordance with the provisions of section 8(a)(9).

"(F) For the purposes of this Act the terms 'terminated' or 'termination' shall mean the total denial or suspension of assistance pursuant to this paragraph or section 8(a) prior to the graduation of the participating small business concern pursuant to subparagraph (G) or the expiration of the time limitation prescribed by paragraph (15). An action for termination shall be based upon good cause, including—

"(i) the failure by such concern to maintain a standard of program eligibility;

"(ii) the violation of any legal requirement by the concern regarding prohibited actions or the reporting of data; or

"(iii) the failure or inability of the concern to engage in business practices that will promote its competitiveness within a reasonable period of time.

"(G) For the purposes of this Act the term 'graduated' or 'graduation' shall mean the removal of a concern from the program and denial of contracts pursuant to section 8(a) due to such concern's substantial achievement of the targets, objectives, and goals contained in the concern's business plan and its demonstrated ability to compete in the marketplace without assistance under this paragraph or section 8(a).".

SEC. 7. STAGES OF PROGRAM PARTICIPATION.

Section 7(j) of the Small Business Act is amended by adding at the end thereof the following new paragraphs:

"(12) The Administration shall segment the Capital Ownership Development Program into three stages: a developmental stage; a transitional stage; and a mainstreaming stage. The developmental stage of program participation shall be designed to assist the concern to overcome its economic disadvantage by providing such assistance as may be necessary and appropriate to access its markets and to strengthen its financial and managerial skills. A small business concern in the developmental stage of program participation, if otherwise eligible, shall be qualified to receive the following assistance:

"(A) The award of contracts pursuant to section 8(a).

"(B) A maximum of two exemptions from the requirements of section 1(a) of the Act entitled 'An Act providing conditions for the purchase of supplies and the making of contracts by the United States, and for other purposes', approved June 30, 1936 (49 Stat. 2036), which exemptions shall apply only to contracts awarded pursuant to section 8(a) and shall only be used to allow for contingent agreements by a small concern to acquire the machinery, equipment, facilities or labor needed to perform such contracts. No exemption shall be made pursuant to this subparagraph if the contract to which it pertains has an anticipated value in excess of $10,000,000. This subparagraph shall cease to be effective two years after the effective date of this paragraph.

"(C) A maximum of two exemptions from the requirements of the Act entitled 'an Act requiring contracts for the construction, alteration and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by additional bond for the protection of persons furnished material and labor for the construction, alteration, or repair of said public buildings or public works', approved August 24, 1935 (49 Stat. 793), which exemptions shall apply only to contracts awarded pursuant to section 8(a) of this Act, except that, such exemptions may be granted under this subparagraph only if—

"(i) the Administration takes such measures as it deems appropriate for the protection of persons furnishing materials and labor to such concern;

"(ii) the Administration assists, insofar as practicable, such concern to develop, within a reasonable period of time, its ability to obtain such bonds as the Administration may subsequently require for the successful completion of the program conducted under the authority of paragraph (10);

"(iii) the Administration finds that such concern is unable to obtain the requisite bond or bonds from a surety and that no surety is willing to issue a bond subject to the guarantee provisions of title IV of the Small Business Investment Act of 1958; and

"(iv) the contract to which it pertains does not exceed $10,000,000 in amount. This subparagraph shall cease to be effective two years after the effective date of this paragraph.

"(D) The transfer of technology or surplus property owned by the United States to such a concern. Activities designed to effect such transfer shall be developed in cooperation with the heads of Federal agencies and shall include the transfer by grant, license, or sale of such technology or property to such a concern without regard to any other provision of law. Such technology or property shall be used by the concern during the normal conduct of its business operations and shall not be sold or transferred to any other party (other than the Government) during such concern's term of participation in the program and for one year thereafter.

"(E) Financial assistance whereby the Administration may purchase in whole or in part, and on behalf of such concerns, skills training or upgrading for employees or potential employees of such concerns. Such financial assistance may be made without regard to section 18(a) of this Act, shall be made by way of reimbursment to the training provider, and shall have such adjustments as may be necessary to provide for overpayments or underpayments. For purposes of this subparagraph the term 'training provider' shall mean an institution of higher education, a community or vocational college or an institution eligible to provide skills training or upgrading under the Job Training Partnership Act. The Administration shall, in consultation with the Secretary of Labor, promulgate rules and regulations to implement this subparagraph that establish acceptable training and upgrading performance standards and provide for such monitoring or audit requirements as may be necessary to ensure the integrity of the training effort. No financial assistance shall be granted under this subparagraph unless the Administrator determines that—

"(i) such concern has documented that it has first explored the use of existing cost-free or cost-subsidized training programs offered by public and private sector agencies working with programs of employment and training and economic development;

"(ii) no more than five employees or potential employees of such concern are recipients of any benefits under this subparagraph at any one time;

"(iii) no more than $2,500 shall be made available for any one employee or potential employee;

"(iv) the length of training or upgrading financed by this subparagraph shall be no less than one month nor more than six months;

"(v) such concern has given adequate assurance it will employ the trainee or upgraded employee for at least six months after the training or upgrading financed by this subparagraph has been completed and each trainee or upgraded employee has provided a similar assurance to remain within the employ of such concern for such period; if such concern, trainee, or upgraded employee breaches this agreement, the Administration shall be entitled to and shall make diligent effort to obtain from the violating party the repayment of all funds expended on behalf of the violating party; such repayment shall be made to the Administration together with such interest and costs of collection as may be reasonable; the violating party shall be barred from receiving any further assistance under this subparagraph;

"(vi) the training to be financed may take place either at such concern's facilities or at those of the training provider; and

"(vii) such concern will maintain such records as the Administration deems appropriate to ensure that the provisions of this subparagraph and any other applicable law have not been violated.

"(13) The transitional stage of program participation shall be designed to overcome, insofar as practicable, the remaining elements of economic disadvantage and to prepare such concern for graduation from the program. A small business concern in the transitional stage of program participation, if otherwise eligible, shall be qualified to receive assistance pursuant to this paragraph and subparagraph (D) of paragraph (12). In addition to the assistance described in the preceding sentence, a small business concern in this stage of program participation shall be eligible to receive contracts pursuant to section 8(a).

"(A) The Administration shall not, except as otherwise specifically provided for in this Act, provide any grant to any concern participating in the program established by paragraph (10) for the purpose of capital equipment acquisition, price differentials, capital improvements or any other purpose.

"(B) The Administration is empowered to make loans either directly or in cooperation with banks or other financial institutions through agreements to participate on an immediate or deferred (guaranteed) basis to small business concerns eligible for assistance under this paragraph or paragraph (14). Such assistance may be provided only if the Administration determines that—

"(i) the type and amount of such assistance requested by such concern is not otherwise available on reasonable terms from other sources;

"(ii) with such assistance such concern has a reasonable prospect for operating soundly and profitably within a reasonable period of time;

"(iii) the proceeds of such assistance will be used within a reasonable time for plant construction, conversion, or expansion, including the acquisition of equipment, facilities, machinery, supplies, or material; or to supply such concern with working capital to be used in the manufacture of articles, equipment, supplies, or materials for defense or civilian production or as may be necessary to insure a well-balanced national economy; and

"(iv) such assistance is of such sound value as reasonably to assure that the terms under which it is provided will not be breached by the small business concern.

"(C)(i) No loan shall be made under this paragraph if the total amount outstanding and committed (by participation or otherwise) to the borrower from the fund established pursuant to (E) would exceed $500,000.

"(ii) Subject to the provisions of clause (i), in agreements to participate in loans on a deferred (guaranteed) basis, such participation by the Administration shall be not less than 85 per centum of the balance of the financing outstanding at the time of disbursement.

"(iii) The rate of interest on financings made on a deferred (guaranteed) basis shall be legal and reasonable.

"(iv) Financings made pursuant to this paragraph shall be subject to the following limitations:

"(I) No immediate participation may be purchased unless it is shown that a deferred participation is not available.

"(II) No direct financing may be made unless it is shown that a participation loan is unavailable.

"(D) A direct loan or the Administration's share of an immediate participation loan made pursuant to this paragraph shall be any secured debt instrument—

"(i) that is subordinated by its terms to all other borrowings of the issuer;

"(ii) the rate of interest on which shall not exceed the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loan and adjusted to the nearest one-eighth of 1 per centum;

"(iii) the term of which is not more than twenty-five years; and

"(iv) the principal on which is amortized at such rate as may be deemed appropriate by the Administration, and the interest on which is payable not less often than annually.

"(E) There is hereby established within the Treasury a revolving fund that shall be available to the Administration, without fiscal year limitation, for financing functions performed pursuant to this paragraph. All amounts received by the Administration due to loans made or participated in on an immediate or deferred (guaranteed) basis under this paragraph shall be deposited in the fund. All expenses, including administrative expenses, resulting from making or disposing of such loans by the Administration shall be paid from the fund.

"(F) There are hereby authorized to be appropriated to the fund established by subparagraph (E) such sums as may be necessary for carrying out the provisions and purposes of this paragraph relating to the making and servicing of direct, immediate participation, and guaranteed loans authorized by this paragraph. Unobligated funds previously appropriated for business development expense shall be transferred into the fund established by subparagraph (E).

"(G) The Administrator may, after consultation with the Attorney General and the chairman of the Federal Trade Commission, and with the prior written approval of the Attorney General, approve any agreement between a small business concern eligible for assistance under this paragraph and any other business (whether or not eligible for assistance under this Act) for a joint venture between such concern and such business if the Administrator determines that such venture will enhance such concern's competitiveness and will strengthen the free enterprise system. The Administrator or the Attorney General may, at any time, withdraw approval of such agreement upon a finding that the agreement no longer carries out such purposes, except that no act or omission to act pursuant to or within the scope of such an approved agreement shall be construed to be within the prohibitions of the anti-trust laws or the Federal Trade Commission Act. All approvals and withdrawals made pursuant to this subparagraph shall be published in the Federal Register. No small business concern that enters into such a joint venture agreement shall be deemed to be other than a small business concern solely because it is a party to such agreement. Notwithstanding the provisions of this subparagraph, no joint venture formulated pursuant to this subparagraph shall be deemed eligible for the award of any contract or subcontract pursuant to sections 8(a), 8(d), 9, or section 15 if such joint venture would not have been eligible in the absence of such subparagraph. No agreement approved pursuant to this subparagraph shall be in effect for a period longer than a concern's remaining term of participation in the program, measured from the effective date of such agreement, plus an additional period of three years.

"(14) The mainstreaming stage of program participation shall be designed to incorporate a small business concern into the mainstream economy with the maximum practicable opportunity to become fully competitive. A small business concern participating in the mainstreaming stage of program participation, if otherwise eligible, shall be qualified to receive the assistance provided for by subparagraph (D) of paragraph (12) and the loan assistance established by paragraph (13). In addition to the assistance described in the preceding sentence, concerns eligible for assistance pursuant to this paragraph shall be eligible for the award of contracts pursuant to section 8(a) and such other management and technical assistance as the Administration may deem appropriate.".

SEC. 8. TIME LIMITATIONS.

Section 7(j) of the Small Business Act is further amended by adding the following new paragraph:

"(15) Notwithstanding any other provision of this Act, a small business concern shall not receive any assistance pursuant to paragraphs (10), (12), (13), or (14) or section 8(a) for a total period of longer than nine years, measured from the date of certification, of which—

"(A) no more than four years may be spent in the developmental stage of program participation established by paragraph (12);

"(B) no more than three years may be spent in the transitional stage of program participation established by paragraph (13); and

"(C) no more than two years may be spent in the mainstreaming stage of program participation established by paragraph (14).".

SEC. 9. DATA COLLECTION.

Section 7(j) of the Small Business Act is further amended by adding the following new paragraph:

"(16) (A) The Administrator shall develop and implement a process for the systematic collection of data on the benefits derived by the economy and by socially and economically disadvantaged individuals as a result of the operations of the Capital Ownership Development Program established pursuant to paragraph (1).

"(B) Not later than April 30 of each year, the Administrator shall submit a report to the Congress on the Capital Ownership Development Program that shall include the following:

"(i) The average personal net worth of individuals who own and control concerns that were initially certified for the receipt of contracts pursuant to section 8(a) during the immediately preceding fiscal year. The Administration shall also indicate the dollar distribution of net worths, at $50,000 increments, of all such individuals found to be socially and economically disadvantaged. For the first report required pursuant to this paragraph the Administration shall also provide the data specified in the preceding sentence for all eligible individuals in the program as of the effective date of this paragraph.

"(ii) A description and estimate of the benefits and costs that have accrued to the economy and the government in the immediately preceding fiscal year due to the operations of those business concerns that were performing work during such year as the result of any contract awarded pursuant to section 8(a). Such description and estimate shall take into account, but not be limited to, the employment and total sales of such concerns and the taxes and expenditures made by such concerns during such years as well as the costs associated with conducting the program and any other related expenses.

"(iii) A compilation and evaluation of those business concerns that have exited the Capital Ownership Development Program during the immediately preceding three fiscal years. Such compilation and evaluation shall detail the number of concerns actively engaged in business operations; those that have ceased or substantially curtailed such operations, including the reasons for such actions; and those concerns that have been acquired by other firms or organizations owned and controlled by other than socially and economically disadvantaged individuals. For those businesses that have continued operations after they exited from the Capital Ownership Development Program, the Administrator shall also separately detail the benefits and costs, as described in clause (ii), that have accured to the economy during the immediately preceding fiscal year due to the operations of such concerns.

"(iv) A listing of all participants in the Capital Ownership Development Program during the preceding year identifying, by region, for each firm: the name of the concern; the race or ethnicity, and gender of the principal owners; the dollar value of all contracts received in the preceding year; the name of the awarding agency for each such contract; the dollar amount of advance payments received by each concern; and a description including (if appropriate) an estimate of the dollar value of all benefits received pursuant to paragraphs (12), (13), and (14) during such year.

"(v) The total dollar value of contracts and options awarded during the preceding fiscal year pursuant to section 8(a) and such amount expressed as a percentage of total sales of (I) all firms participating in the Capital Ownership Development Program during such year; and (II) of firms in each of the nine years of program participation.

"(vi) A description of such additional resources or program authorities as may be required to provide the types of services needed over the next two-year period to service the expected portfolio of firms certified pursuant to section 8(a).

"(vii) The total dollar value of contracts and options awarded pursuant to section 8(a), at such dollar increments as the Administration deems appropriate, for each four digit standard industrial classification code under which such contracts and options were classified.

"(C) The first report required by subparagraph (B) shall pertain to fiscal year 1988.".

SEC. 10. CONTRACT SELECTION APPEALS AND DOCUMENTATION.

(a) APPEALS.—Section 8(a)(1)(A) is amended by inserting immediately after "fail to agree" the following: "on either the terms and conditions of such contracts or on the selection of a particular procurement requirement to be let pursuant to this subsection".

(b) DOCUMENTATION.—Section 8(a)(1) of the Small Business Act is amended by adding at the end thereof the following new subparagraph:

"(D) The contracting officer shall document the appropriate contract file with the specific reasons and supporting facts in any instance when—

"(i) such officer's agency or department fails to award a contract pursuant to subparagraph (C) after negotiations had commenced; or

"(ii) when the Administration's request that a particular contract requirement be awarded pursuant to this subsection is denied.".

SEC. 11. COMPETITIVE THRESHOLDS AND CONTRACT DISTRIBUTION.

Section 8(a)(1) of the Small Business Act is amended by adding at the end thereof the following new subparagraph:

"(E)(i) Contracts to be awarded pursuant to this subsection shall be competed among responsible small business concerns participating in the Capital Ownership Development Program established by section 7(j)(10) if there is a reasonable expectation that at least two such concerns will submit offers at fair market prices, and the proposed award will likely exceed $2,000,000 (including options) if for manufacturing, construction, services, or retail, and $1,000,000 (including options) in all other cases.

"(ii) The Administration shall ensure, to the maximum practicable extent, that—

"(I) a concern participating in the program established by section 7(j)(10) not receive a number or dollar amount of sole source contracts pursuant to this subsection that establishes an unreasonable reliance upon such contracts, pursuant to paragraph (15), to achieve such concern's business development objectives; and

"(II) there is a fair distribution of available sole source contracts so that concerns in similar circumstances are treated equitably and that no concern receive a disproportionate number of awards if other similar concerns are available to perform a share of the available work.

"(iii) The Administration and each agency participating in the competitive award of contracts pursuant to clause (i) shall develop a simplified procurement method that allows for the expedited receipt and evaluation of proposals.

"(iv) To the maximum extent practicable, the Administration shall promote the equitable geographic distribution of contracts awarded pursuant to this subsection.".

SEC. 12. FAIR MARKET PRICE.

Section 8(a)(3) of the Small Business Act is amended to read as follows:

"(3)(A) Any small business concern selected by the Administration to perform any sole-source contract to be let pursuant to this subsection shall, when practicable, participate in any negotiation of the terms and conditions of such contract.

"(B)(i) For purposes of paragraph (1)(A) a 'fair market price' shall be based on reasonable costs under normal competitive conditions.

"(ii) The estimate of a current fair market price for a new procurement requirement, or a requirement that does not have a satisfactory procurement history, shall be derived from a price or cost analysis conducted by the agency offering the requirement to the Administration. Such analysis may take into account prevailing market conditions, commercial prices for similar products or services, or data obtained from any other agency. Such analysis shall consider such cost or pricing data as may be submitted by the Administration and the small business concern selected by the Administration to perform the contract.

"(iii) The estimate of a current fair market price for a procurement requirement that has a satisfactory procurement history shall be formulated by the agency offering the requirement to the Administration and shall be based on recent award prices adjusted to insure comparability. Such adjustments shall take into account differences in quantities, performance times, plans, specifications, transportation costs, packaging and packing costs, labor and material costs, overhead costs, and any other additional costs which may be deemed appropriate.

"(C) An agency offering a procurement requirement for potential award pursuant to this subsection shall, upon the request of the Administration, promptly submit to the Administration all information, studies, analyses, and other data used by such agency to estimate the current fair market price of such requirement. Such fair market price shall not be disclosed to any potential offeror (other than the Administration) prior to or during the negotiations for the award of such requirement.

"(D) A small business concern selected by the Administration to perform or negotiate a contract to be let pursuant to this subsection shall—

"(i) be entitled, upon its request, to a written statement detailing the method used by the agency to estimate the current fair market price for such contract; and

"(ii) within such time limits as may be prescribed by the Administrator, be entitled to protest the use of such method to the Administrator if such concern has reason to believe that the provisions of this paragraph have been violated. The Administrator shall consider such protest and shall have ten days from the receipt of such protest to render a final decision; if in the discretion of the Administrator the protest is sustained, an appeal shall be filed by the Administrator pursuant to section 8(a)(1)(A); the agency that is the subject of any appeal filed pursuant to such section shall not award the contract to any other party pending the disposition of the appeal unless the contracting officer determines, in writing, that an award must be made to protect the public interest.".

SEC. 13. PROGRAM ADMISSION.

(a) ELIGIBILITY OF PARTICIPANTS.—Section 8(a)(4) of the Small Business Act is amended by adding the following new subparagraphs:

"(C) Any individual upon whom eligibility is based pursuant to this paragraph, shall be permitted to assert such eligibility for only one small business concern. Notwithstanding the provisions of the preceding sentence, no individual who was determined pursuant to this subsection to be socially and economically disadvantaged before the effective date of this subparagraph shall be permitted to assert such disadvantage with respect to any other concern making application for certification after such effective date.

"(D) No concern, previously eligible for the award of contracts pursuant to this subsection, shall be subsequently recertified for the award of additional contracts if its prior participation in the program was concluded for any of the reasons described in section 7(j)(10)(E).

"(E) A concern, eligible for the award of contracts pursuant to this subsection, shall remain eligible for such contracts if there is a transfer of ownership and control (as described in (A)) to individuals who would otherwise be considered socially and economically disadvantaged pursuant to this subsection. In the event of such a transfer the concern, if not terminated or graduated, shall be eligible for a period of continued participation in the program not to exceed nine years less the number of years since the award of its first contract pursuant to this subsection.".

(b) THE CERTIFICATION PROCESS.—Paragraph (8) of section 8(a) of the Small Business Act is amended to read as follows:

"(8)(A) All determinations made pursuant to paragraph (5) with respect to whether a group has been subjected to prejudice or bias shall be made by the Administrator after consultation with the Associate Administrator for Minority Small Business and Capital Ownership Development.

"(B) Applications for certification pursuant to this subsection shall be processed within ninety days after the expiration of the time period designated pursuant to subparagraph (C). The applicant shall be advised, in writing, by the Administration of the date of receipt of the concern's application and shall be entitled, upon written request, to receive from the Administration a written list of those documents or omissions that need to be submitted or corrected in order to constitute a completed application. The Administration shall comply with such request in a timely fashion.

"(C) The Administration shall designate a sixty consecutive day period during each year during which it shall accept applications for certification pursuant to this subsection. Applications may only be accepted during such designated period, unless the Administrator determines, on a case-by-case basis, that a waiver should be issued to prevent an injustice to an applicant or potential applicant for the program.

"(D) Applications received during the sixty-day period specified in subparagraph (C) shall be processed in a manner that allows the Administration to determine, insofar as practicable, the industrial and geographic distribution of applicants, their relative potential to succeed in the program, and the availability of resources and contract opportunities to service the needs of new program entrants.".

(c) OUTREACH.—Section 8(a)(10) of the Small Business Act is amended by adding at the end thereof the following: "Such program shall make a sustained and substantial effort to solicit applications for certification from small business concerns located in areas of concentrated unemployment or underemployment or within labor surplus areas.".

SEC. 14. DUE PROCESS RIGHTS.

Paragraph (9) of section 8(a) of the Small Business Act is amended to read as follows:

"(9)(A) Subject to the provisions of subparagraph (E), the Administrator, prior to taking any action described in subparagraph (B), shall provide the small business concern that is the subject of such action, an opportunity for a hearing on the record, in accordance with chapter 5 of title 5, United States Code.

"(B) The actions referred to in subparagraph (A) are—

"(i) a termination pursuant to section 7(j)(10)(F);

"(ii) a graduation pursuant to section 7(j)(10)(G); and

"(iii) the denial of a request to issue a waiver pursuant to paragraph (21)(B).

"(C) The Administrator's proposed action, in any proceeding conducted under the authority of this paragraph, shall be sustained unless it is found to be arbitrary, capricious, or contrary to law.

"(D) A decision rendered pursuant to this paragraph shall be the final decision of the Administration and shall be binding upon the Administration and those within its employ.

"(E) The adjudicator selected to preside over a proceeding conducted under the authority of this paragraph shall decline to accept jurisdiction over any matter that—

"(i) does not, on its face, allege facts that, if proven to be true, would warrant reversal or modification of the Administration's position;

"(ii) is untimely filed;

"(iii) is not filed in accordance with the rules of procedure governing such proceedings; or

"(iv) has been decided by or is the subject of an adjudication before a court of competent jurisdiction over such matters.

"(F) Proceedings conducted pursuant to the authority of this paragraph shall be completed and a decision rendered, insofar as practicable, within ninety days after a petition for a hearing is filed with the adjudicating office.".

SEC. 15. CONTRACT REQUIREMENTS.

(a) CONTRACT FORECASTS.—Section 8(a)(12) of the Small Business Act is amended by striking "contracts" and by inserting in lieu thereof "sole source and competitive contracts".

(b) RATE OF CONTRACT SUPPORT.—Section 8(a) of the Small Business Act is amended by adding at the end thereof the following new paragraph:

"(15)(A) The business plan required pursuant to section 7(j)(10) shall contain an estimated dollar support level, approved by the Administration, of all contracts to be awarded pursuant to this subsection during each year of a small business concern's participation in the program established under section 7(j)(10). Such estimated level shall be known as the section 8(a) contract support level. For each year with such a support level, such concern shall also specify the anticipated total sales it expects to make without counting awards made pursuant to this subsection. The concern shall take such measures as may be appropriate and necessary to reach a goal of 35 per centum of total sales resulting from other than contracts awarded pursuant to this subsection by the end of the fifth year of such concern's participation in the program. By the last year of the mainstreaming stage of program participation, such goal shall be 75 per centum. The goals specified in the preceding two sentences may, in the discretion of the administration, be modified for those concerns that had participated in the Capital Ownership Development Program for a period of longer than three years on the effective date of this subparagraph. Subject to the requirements of subparagraph (B), the Administration shall assist each concern participating in the program to obtain the goals established by the preceding two sentences.

"(B) The requirements referred to in subparagraph (A) are—

"(i) no award shall be made pursuant to this subsection to other than a small business concern; and

"(ii) no award shall be made pursuant to this subsection if such award would cause the small business concern to exceed its approved 8(a) contract support level for the relevant fiscal year that was established pursuant to subparagraph (A).

"(C) The support level established pursuant to subparagraph (A) shall not, for any three-year period, be set at a level that would, by itself, cause the small business concern to exceed the applicable size standard for its primary industry if it actually was awarded such a level of contracts.

"(D) When implementing the requirements of subparagraph (C) for industries with size standards based upon numbers of employees, the Administration shall ascertain from the most recently available census data the average dollar value of receipts per employee in each such industry. The multiplication of such value by the relevant size standard shall be used to measure the compliance of such industries with the requirements of subparagraph (C).".

(c) CONTRACT MATCHING.—Section 8(a) of the Small Business Act is further amended by adding at the end thereof the following new paragraph:

"(16) If a contract requirement is offered to the Administration for potential award pursuant to this subsection and the agency offering such requirement nominates an eligible small business concern to perform such contract, or if an eligible small business concern first identifies a contract requirement and causes the agency to offer such requirement to the Administration for award pursuant to this subsection, the Administration shall, in either event, designate such concern for the negotiation of such requirement, if—

"(A) the concern is a responsible contractor for such proposed award;

"(B) the award of the requirement would be in accord with the targets, objectives, and goals contained in such concern's approved business plan; and

"(C) the award would not exceed the amounts specified in subsection (a)(1)(E)(i).

"(17) If contract requirements are offered to the Administration for potential award pursuant to this subsection, and eligible small business concerns are neither nominated for award nor identified as causing the agency to offer the requirements to the Administration, such requirements shall be equitably allocated by the Administration.".

(d) SUBCONTRACT LIMITATIONS.—

(1) Section 8(a)(14) of the Small Business Act is amended to read as follows:

"(14)(A) A concern may not be awarded a contract under this subsection as a small business concern unless the concern agrees that—

"(i) in the case of a contract for services (except construction), at least 50 per centum of the cost of contract performance incurred for personnel shall be expended for employees of the concern; and

"(ii) in the case of a contract for procurement of supplies (other than procurement from a regular dealer in such supplies), the concern will perform work for at least 50 per centum of the cost of manufacturing the supplies (not including the cost of materials).

"(B) The Administrator may change the percentage under clause (i) or (ii) of subparagraph (A) if the Administrator determines that such change is necessary to reflect conventional industry practices among business concerns that are below the numerical size standard for businesses in that industry category. A percentage established under the preceding sentence may not differ from a percentage established under section 15(o).

"(C) The Administration shall establish, through public rulemaking, requirements similar to those specified in subparagraph (A) to be applicable to contracts for general and specialty construction and to contracts for any other industry category not otherwise subject to the requirements of such subparagraph. The percentage applicable to any such requirement shall be determined in accordance with subparagraph (B), except that such a percentage may not differ from a percentage established under section 15(o) for the same industry category.".

(2) Section 15(o) of the Small Business Act is amended to read as follows:

"(o)(1) A concern may not be awarded a contract under subsection (a) as a small business concern unless the concern agrees that—

"(A) in the case of a contract for services (except construction), at least 50 per centum of the cost of contract performance incurred for personnel shall be expended for employees of the concern; and

"(B) in the case of a contract for procurement of supplies (other than procurement from a regular dealer in such supplies), the concern will perform work for at least 50 per centum of the cost of manufacturing the supplies (not including the cost of materials).

"(2) The Administrator may change the percentage under subparagraph (A) or (B) of paragraph (1) if the Administrator determines that such change is necessary to reflect conventional industry practices among business concerns that are below the numerical size standard for businesses in that industry category.

"(3) The Administration shall establish, through public rulemaking, requirements similar to those specified in paragraph (1) to be applicable to contracts for general and specialty construction and to contracts for any other industry category not otherwise subject to the requirements of such subparagraph. The percentage applicable to any such requirement shall be determined in accordance with paragraph (2).".

(e) PAPERWORK REDUCTION.—Section 8(a)(1) of the Small Business Act is further amended by adding the following new subparagraph:

"(F) The Administration shall, to the maximum extent practicable, minimize delay, eliminate excess regulation, and require only such paperwork as may be necessary to effect the orderly and efficient management of the program established by 7(j)(10) and the award of contracts pursuant to this subsection. The Administration shall make substantial and sustained efforts to achieve a maximum ten-day period as the average processing time for approving options and modifications to existing contracts awarded pursuant to this subsection and submitted to the Administration for approval.".

SEC. 16. FRAUD, WASTE AND ABUSE.

(a) PROHIBITED ACTIONS AND EMPLOYEE RESPONSIBILITIES.—Section 8(a) of the Small Business Act is further amended by adding the following new paragraphs:

"(18)(A) No person within the employ of the Administration shall, during the term of that employment and for a period of two years after such employment has been terminated, engage in any activity of transaction specified in subparagraph (B) with respect to any concern that was certified pursuant to this subsection during such person's term of employment.

"(B) The activities and transactions referred to in subparagraph (A) are—

"(i) the buying, selling or receipt of any legal or beneficial ownership of stock or any other ownership interest or the right to acquire any such interest;

"(ii) the making or carrying out of a written or oral agreement (whether or not legally enforceable) to purchase or otherwise obtain any right or interest described in clause (i); and

"(iii) the receipt of any other benefit or right that may reasonably be considered an incident of ownership.

"(C) Any present or former employee of the Administration who violates this paragraph shall be subject to a civil penalty, assessed by the Attorney General, that shall not exceed 300 per centum of the maximum amount of gain such employee realized or could have realized as a result of engaging in those activities and transactions proscribed by subparagraph (B).

"(19)(A) Any employee of the Administration who has authority to take, direct others to take, recommend, or approve any action with respect to any program or activity conducted pursuant to this subsection or section 7(j), shall not, with respect to any such action, exercise or threaten to exercise such authority on the basis of the political activity or affiliation of any party. Employee of the Administration shall expeditiously report to the Inspector General of the Administration any such action for which such employee's participation has been solicited or directed.

"(B) Any employee who willfully and knowingly violates subparagraph (A) shall be subject to disciplinary action, imposed by the Administrator, which may consist of separation from service, reduction in grade, suspension, or reprimand.

"(C) Any person holding the position of Administrator or Deputy Administrator who willfully and knowingly violates subparagraph (A) shall be separated from service.

"(D) Subparagraph (A) shall not apply to any action taken as a penalty or other enforcement of a violation of any law, rule, or regulation prohibiting or restricting certain political activity.

"(E) The prohibitions of subparagraph (A), and remedial measures provided for under subparagraphs (B) and (C) with regard to such prohibitions, shall be in addition to, and not in lieu of, any other prohibitions, measures or liabilities that may arise under any other provision of law.".

(b) REPORTING.—Section 8(a) of the Small Business Act is further amended by adding the following new paragraph:

"(20)(A) Small business concerns participating in the program conducted under the authority of section 7(j)(10) and eligible to receive contracts pursuant to this subsection shall submit to the Associate Administrator for Minority Small Business and Capital Ownership Development at least once during each three-month period during such concern's term of participation—

"(i) a listing of any agents, representatives, attorneys, accountants, consultants, and other parties (other than employees) receiving compensation from such concern to assist in obtaining Federal contracts for such concern; and

"(ii) the amount of compensation received by the parties identified pursuant to subparagraph (A) over the relevant reporting period and a description of the activities performed in return for such compensation.

"(B) Such Associate Administrator shall immediately report to the Inspector General of the Administration any suspicion of improper activity ascertained from a review of any report received under this paragraph.

"(C) The Associate Administrator shall report to the Committees on Small Business of the Senate and the House of Representatives the names of those concerns that have failed to submit a report under this paragraph within thirty calendar days after such report is due.".

(c) CONTRACT PERFORMANCE.—Section 8(a) of the Small Business Act is further amended by adding the following new paragraph:

"(21)(A) Subject to the provisions of subparagraph (B), a contract (including options) awarded pursuant to this subsection shall be performed by the concern that initially received such contract. Notwithstanding the provisions of the preceding sentence, if the owner or owners upon whom eligibility was based relinquish ownership or control of such concern, or enter into any agreement to relinquish such ownership or control, such contract or option shall be terminated for the convenience of the government, except that no repurchase costs or other damages may be assessed against such concern due solely to the provisions of this subparagraph.

"(B) The Administrator may, as a matter of discretion and on a nondelegable basis, wavie the requirements of subparagraph (A) if requested to do so prior to the actual relinquishment of ownership or control. In addition to the requirement of the preceding sentence, a waiver may only be given if one or more of the following conditions exist:

"(i) Exceptional circumstances evidence a manifest hardship on such socially and economically disadvantaged individuals, and the failure to give a waiver would substantially harm the public interest.

"(ii) When it is necessary for the owners of the concern to surrender partial control of such concern on a temporary basis in order to obtain equity financing.".

(d) CRIMINAL PENALTIES.—Section 16(d) of the Small Business Act is amended—

(1) by striking "$50,000" and inserting "$500,000"; and

(2) by striking "five years" and inserting "ten years".

(e) INSPECTOR GENERAL INVESTIGATIONS.—Section 10(e) of the Small Business Act is amended by—

(1) inserting "and the Inspector General of the Administration" immediately after "Administration",

(2) inserting "(1)" immediately after "(e)", and

(3) adding the following new paragraph:

"(2)(A) The Committee on Small Business of either the Senate or the House of Representatives may request that the Inspector General of the Administration conduct an investigation of any program or activity conducted under the authority of sections 7(j) or 8(a) of this Act. Not later than fifteen days after the receipt of such a request, the Inspector General shall inform the committee, in writing, of the estimated time needed to complete the investigation, or shall deny the request for good cause. If the committee's request is denied, the Inspector General shall provide the committee with a written and detailed explanation of the reasons for the denial within such fifteen-day period.

"(B) The Office of the Inspector General shall keep the committee duly informed of the progress of any investigation conducted pursuant to subparagraph (A) and shall furnish such committee, in a timely manner, a detailed written report of its findings, conclusions, and recommendations.".

(f) STATUS OF THE ASSOCIATE ADMINISTRATOR FOR MINORITY SMALL BUSINESS AND CAPITAL OWNERSHIP DEVELOPMENT.—Section 4(b)(1) of the Small Business Act is amended by inserting immediately after "Associate Administrator for Minority Small Business and Capital Ownership Development" the following: "who shall be an employee in the competitive service or in the Senior Executive Service and a career appointee".

SEC. 17. "NON-MANUFACTURER" RULE.

Section 8(a) of the Small Business Act is further amended by adding the following new paragraph:

"(22)(A) An otherwise responsible business concern that is in compliance with the requirements of subparagraph (B) shall not be denied the opportunity to submit and have considered its offer for any procurement contract for the supply of a product to be let pursuant to this subsection or subsection (a) of section 15 solely because such concern is other than the actual manufacturer or processor of the product to be supplied under the contract.

"(B) To be in compliance with the requirements referred to in subparagraph (A), such a business concern shall—

"(i) be primarily engaged in the wholesale or retail trade;

"(ii) be a regular dealer, as defined pursuant to section 35(a) of title 41, United States Code (popularly referred to as the Walsh-Healey Public Contracts Act), in the product to be offered the Government or be specifically exempted from such section by section 7(j)(12)(B); and

"(iii) represent that it will supply the product of a domestic small business manufacturer or processor, except that, the Administrator may waive the application of this clause, as it pertains to the furnishing of a product manufactured or processed by a small business, for any class of products for which there are no small business manufacturers or processors participating in the Federal market.".

SEC. 18. SUBCONTRACTING PROGRAM.

Section 8(d)(4)(E) of the Small Business Act is amended by—

(1) inserting "(i)" immediately after "(E)"; and

(2) adding the following new clause:

"(ii) Every contract to be awarded after the effective date of this clause and that is subject to the requirements of paragraph (4) or (5), shall contain a provision providing for liquidated damages in the event that the prime contractor fails to comply in good faith with the clause contained in paragraph (3) or with any plan required of such contractor pursuant to the authority of this subsection. The awarding agency shall ensure, by reviewing the past performance of the apparent successful offeror or bidder, that such bidder or offeror has not offered goals that are unreasonably below its actual past performance.".

SEC. 19. RELATIONSHIP WITH OTHER PROCUREMENT PROGRAMS.

Section 15(m) of the Small Business Act is amended to read as follows:

"(m)(1) Each agency subject to the requirements of section 1207 of Public Law 99-661 shall, when implementing such requirements—

"(A) establish policies and procedures that insure that there will be no reduction in the current number or dollar value of contracts awarded pursuant to this section and section 8(a) in order to achieve any goal or other program objective; and

"(B) implement such section 1207 in a manner that will not alter or change the procurement process used to implement this section or section 8(a).

"(2) All procurement center representatives (including those referred to in subsection (k)(6)), in addition to such other duties as may be designated by the Administrator, shall—

"(A) monitor the performance of the procurement activities to which they are assigned to ascertain the degree of compliance with the requirements of paragraph (1);

"(B) report to their immediate supervisors all instances of noncompliance with such requirements; and

"(C) increase, insofar as possible, the number and dollar value of procurements that may be used for the programs established under this section, section 8(a), and section 1207 of Public Law 99-661.

"(3) A business concern shall not be considered other than a small business concern, for purposes of section 1207 of Public Law 99-661, solely because its receipts or number of employees exceed the applicable numerical size standard (established pursuant to section 3 of the Act) in effect as of October 1, 1987, unless such receipts or number of employees exceed such size standard by more than 25 per centum."

SEC. 20. STANDARD INDUSTRIAL CLASSIFICATION CODE LIMITATIONS.

Section 8(a)(7) of the Small Business Act is amended by—

(1) inserting "(A)" after "(7)"; and

(2) adding the following new subparagraph:

"(B) Limitations established by the Administration in its regulations and procedures restricting the award of contracts pursuant to this subsection to a limited number of standard industrial classification codes in an approved business plan shall not be applied in a manner that inhibits the logical business progression by a participating small business concern into areas of industrial endeavor where such concern has the potential for success."

SEC. 21. DIRECTORS OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION.

Section 15(k) of the Small Business Act is amended by—

(1) amending paragraph (3) to read as follows:

"(3) be responsible only to, and report directly to, the head of such agency or to the deputy of such head;";

(2) striking "and" at the end of paragraph (6);

(3) striking the period at the end of paragraph (7) and inserting in lieu thereof", and"; and

(4) adding at the end thereof the following new paragraph:

"(8) make recommendations to contracting officers whether a particular contract requirement should be awarded pursuant to subsection (a), section 8(a) or section 1207 of Public Law 99-661. Such recommendations shall be made with due regard to the requirements of subsection (m) and the failure of the contracting officer to accept any such recommendations shall be documented and included within the appropriate contract file.".

SEC. 22. REGULATIONS.

The Small Business Administration shall—

(1) within 60 days after the date of enactment of this Act conduct meetings of present and potential participants in the program established by sections 7(j)(10) of the Small Business Act, as amended by this Act, to ascertain and consider public comment on the nature and extent of regulations needed to implement this Act;

(2) within one hundred and twenty days after the date of enactment of this Act, publish in the Federal Register proposed rules and regulations implementing this Act; and

(3) within two hundred and ten days after the date of enactment of this Act, publish in the Federal Register final rules and regulations implementing this Act.

SEC. 23. EMPLOYEE TRAINING AND EVALUATIONS.

(a) TRAINING REQUIREMENT.—No person within the employ of the Small Business Administration shall perform any of the principle functions of a Business Opportunity Specialist as those functions relate to the provisions of the Act, unless such person first receives training on how to successfully operate the Capital Ownership Development Program and achieve its stated purposes. The provisions of the preceding sentence may be waived by the Administrator for new hires or those employees newly classified or assigned as a Business Opportunity Specialist except that, such waiver for any such hire or employee shall not extend for a period of longer than ninety days.

(b) DUTIES OF BUSINESS OPPORTUNITY SPECIALISTS.—An individual within the employ of the Small Business Administration who is designated to perform the functions of a Business Opportunity Specialist in addition to the duties and responsibilities specified in this Act, shall—

(1) conduct contract negotiations on behalf of such Administration for contracts awarded pursuant to section 8(a) of the Small Business Act when performance will be rendered by one or more firms in such Specialist's assigned portfolio; and

(2) facilitate and otherwise assist such firms in negotiating for the receipt by them of any contract to be let pursuant to section 8(a) of such Act.

(c) TRAINING RESPONSIBILITIES.—The Administration shall take such actions as may be appropriate to train and qualify such Specialists to perform such negotiations.

(d) PERFORMANCE EVALUATIONS.—To the extent practicable, the Administrator shall ensure that the performance appraisal system applicable to a Business Opportunity Specialist affords substantial recognition to how well such Specialist's assigned portfolio of concerns participating in the program established by section 7(j)(10) of the Small Business Act are achieving competitiveness and furthering the business development purposes of the program.

SEC. 24. MISCELLANEOUS AND TECHNICAL PROVISIONS.

(a) ANNUAL GAO REPORT.—Section 7(j)(8) of the Small Business act is amended by striking "January 1, 1981" and all that follows and by inserting in lieu thereof "January 1 of each year.".

(b) REPEALER.—Section 106 of Public Law 96-481 is repealed.

(c) INDIAN TRIBE EXEMPTION.—Section 8(a)(1)(E)(i) of the Small Business Act, as amended by section 11 of this Act, shall not apply to concerns owned and controlled by economically disadvantaged Indian tribes as defined pursuant to paragraphs (4) and (13) of section 8(a) of the Small Business Act.

(d) CONTINUATION OF COMPETITION FOR CERTAIN CONTRACT REQUIREMENTS.—Notwithstanding any other provision of this Act, contract requirements that have been historically competed pursuant to section 8(a) of the Small Business Act before the effective date of this Act shall continue to be competed if—

(1) such competition was based on price and other price related factors; and

(2) there is a reasonable expectation that at least two responsible small business concerns, eligible for the award of contracts pursuant to such section, will continue to submit offers at fair market prices.

(e) UNPRICED OPTIONS.—(1) Within sixty days after the date of enactment of this Act, the Small Business Administration, and the appropriate Federal agency, shall make substantial and sustained efforts to negotiate contract modifications for fair market price for any and all unpriced options contained in contracts previously awarded pursuant to section 8(a) of the Small Business Act with the contractor that was initially awarded such contract.

(2) During the period of time described in paragraph (1) such agencies shall refrain from procuring such requirements from alternative sources except that, no delay may be incurred pursuant to this paragraph that would cause substantial harm to a public interest.

(3) The Small Business Administration shall take appropriate actions, including publication in the Federal Register, to advise small business concerns and Federal agencies of the requirements of this subsection.

SEC. 25. AUTHORIZATIONS.

For fiscal year 1988, there is authorized to be appropriated $4,735,000 to implement the requirements of section 20, 23 and, 24 of this Act. Of the amount authorized to be appropriated—

(1) $735,000 shall be used for the hire of Procurement Center Representatives; and

(2) $2,765,000 shall be used for the hire of Business Opportunity Specialists.

SEC. 26. EFFECTIVE DATES.

Except as otherwise provided, this Act shall become effective one year after the date of enactment, except that sections 5, 12, 19, 20, 21, 22, and 23 of this Act shall become effective on the date of enactment.

SEC. 27. REVIEW OF COMPETITIVE THRESHOLDS.

(a) REPORT.—Beginning one year after the date of enactment of this Act, and at intervals of one year thereafter for an additional period of two years, the Comptroller General of the United States shall transmit a report to Congress describing the results of detailed review, conducted by the Comptroller General, on the implementation of the amendments made by section 11 of this Act. Each such report shall pertain to the preceding twelve month period and shall contain—

(1) a specific determination as to whether the implementation of section 11 has furthered the business development purposes of this Act; and

(2) such recommendations for competitive procurement techniques as may be necessary to advance such purposes.

(b) TERMINATION OF SECTION 11.—Section 11 of this Act shall cease to be effective one year after receipt of the last report required to be transmitted pursuant to (a) if—

(1) the Comptroller General determines and reports that the implementation of section 11 has impeded the business development purposes of this Act; and

(2) a Joint Resolution of the Congress has been enacted agreeing with the findings of the Comptroller General and providing for a new or modified system to insure appropriate competition in the award of contracts pursuant to section 8(a) of the Small Business Act to commence one year after the receipt of the last report required by subsection (a).

The SPEAKER pro tempore. Is a second demanded?

Mr. McDADE. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. LaFalce] will be recognized for 20 minutes and the gentleman from Pennsylvania [Mr. McDade] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. LaFalce].

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Mr. LaFALCE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1807, a bill that would amend the Small Business Act to reform the Capital Ownership Development Program administered by the Small Business Administration [SBA].

This program, commonly referred to as the section 8(a) program, is responsible for awarding over $3 billion a year in Federal contracts to small businesses that are owned and controlled by socially and economically disadvantaged individuals.

We have all heard recent horror stories of how this program can be abused. While we need to address the flaws in the program that permitted and, indeed, promoted such abuses, we must also keep in mind that the program is intended to be the most significant effort of the Federal Government to reduce the effects of discrimination on entrepreneurial endeavors.

The Committee on Small Business, therefore, comes before the House today, in a bipartisan and unified fashion, to offer a bill that presents a reasoned approach to restoring true business development purposes to the program, and proposing significant new safeguards, against fraud, waste, and abuse.

Mr. Speaker, I would point out that the only way we were able to get this bipartisan and unified approach was because of the unbelievably cooperative yeoman efforts of so many individuals, including the chairman of the subcommittee that initially drafted the bill, Chairman Mavroules, the gentleman from Pennsylvania [Mr. McDade], the ranking minority member of the full committee, and the gentleman from Massachusetts [Mr. Conte], the ranking minority member of the subcommittee, the members of the Congressional Black Caucus, the members of the Congressional Hispanic Caucus, and also the tremendous bipartisan effort of our staff.

I do not want to exclude any person, but I should include Don Terry, Tom Trimboli, Cathleen Garman, Drew Hiatt, and Bill Angelo.

The bill would accomplish these purposes in a number of different ways.

First, the bill would clearly and definitely state that the purpose of the program is to promote the competitive viability of small businesses owned and controlled by the socially and economically disadvantaged so that they may compete on an equal basis in the American economy. No longer should the program be twisted in order to achieve varying political agendas. No longer should sole source contracts be awarded to aggrandize the wealth of the well-connected or the well-heeled. No longer should participating firms become so dependent on 8(a) contracts that their failure becomes virtually ensured when they leave the program. Under this bill, the SBA's authority can only be used for true business development so that the program will provide a fair opportunity for business success to the greatest number possible of disadvantaged people.

Second, in order to promote the competitiveness of firms, help to insure a fair distribution of larger contracts, and prevent program abuse, the bill provides that SBA must compete all contracts having an anticipated value of over $2 million, if for construction, manufacturing, service or retail, and $1 million, if the contract is for any other purpose. Under such thresholds, it is anticipated that well over 50 percent of all 8(a) contract dollars would be subject to competition.

If this provision had been in effect in 1984, I believe that we would not have a Wedtech scandal today. In any event, under this bill the distribution of larger contracts will be the function of competitive forces and not politics or favoritism.

In a series of related provisions, SBA and 8(a) firms would be required to work together to secure contracts outside of the 8(a) program. Goals for non-8(a) sales are established to help firms develop a competitive position by the time it leaves the program. Under present SBA practice, firms are allowed to load up on 8(a) contracts during their final years in the program. This, however, leads to severe financial problems after the firm exits the program and the sheltered 8(a) contract support is terminated.

The bill would also segment the 8(a) program into three different and distinct stages so that management assistance can be tailored to firms that have reached like levels of competitive viability. The first stage would last for a total of 4 years; the second stage, 3 years; and the last stage would be a maximum of 2 years. Specialized management, technical, and financial assistance is provided to firms in each stage to promote their competitiveness, and the total term of participation is extended to 9 years. The current administrative practice of SBA is to provide a term averaging slightly over 6 years.

A third area of concern addressed by the bill is the application process and delay involved in processing SBA paperwork. One of the most frequent and legitimate complaints concerning this program is the length of time it takes for firms to receive 8(a) certification. The committee has been told of applicants that have literally waited 1 or 2 years to have their applications fully processed. This bill would cut the application processing time to 90 days by eliminating duplicative SBA reviews and otherwise streamlining all admission procedures.

Fourth, the bill also would make a number of programmatic and technical changes needed to both preserve the integrity of the effort and further business development. For example, business development expense grants would be eliminated and loan programs substituted in their place; agencies would be precluded from paying more than a fair market price under 8(a) contracts; requirements of big business to subcontract to small and small disadvantaged business would be enhanced; and the relationship between small business set-asides, 8(a) contracts, and section 1207 (Public Law 99-661) small disadvantaged business set-asides would be better defined.

Of great significance is a section of the bill that would require SBA to establish and maintain a detailed data base on all 8(a) firms and firms that have left the program over the previous 3-year period. At present, SBA's data collection efforts are deplorable. The agency does not have sufficient data to make informed policy decisions; monitor the program for potential abuse; measure the success of its program efforts; or make intelligent judgments regarding resources allocations.

Finally, the bill contains 7 specific provisions dealing exclusively with the issues of fraud, waste, and abuse. Severe restrictions would be placed on the ownership interests a SBA employee or past employee could have in an 8(a) firm; the program head would have to be a career employee and occupy a career reserve position; all program actions based on politically motivated considerations would be strictly prohibited and each employee would have a duty to report such proscribed activity to the inspector general; 8(a) firms would be required to report on the compensation paid to consultants and lobbyists to secure Federal contracts; contracts and options awarded under the 8(a) program could not be effectively sold off to nondisadvantaged firms except under extremely limited and exceptional circumstances and, then, only with the prior approval of the Administrator; criminal penalties for front companies would be raised from $50,000 to $500,000 and from 5 years imprisonment to 10 years; and lastly, the SBA's inspector general would be required to work more closely with the committee when pursuing investigations on issues related to the 8(a) program.

Many Members have worked long and hard hours to produce this bipartisan measure. I would like to thank publicly ranking minority member Joe McDade, subcommittee Chairman Mavroules and Representative Silvio Conte for helping the committee fashion this measure.

I want to bring to the attention of the House the fact that there are many big 8(a) firms and their consultants, lawyers, and lobbyists, that have literally become quite rich through this program. They have exploited opportunity and, unfortunately, in some cases, transgressed the law in doing so. This bill, however, is designed primarily to assist disadvantaged people gain a rightful place in the economy and, consequently, we may well hear some complaints from well-off program participants and their lobbyists to leave the program alone. But, this is not an option. It is an excuse to raid the program further and to take program benefits away from the socially and economic disadvantaged individual whom the program is intended to help.

The bill provides for true business development; avoids or eliminates program excesses; will safeguard against fraud, waste, and abuse; and will restore public confidence in this important program.

I urge my colleagues to suport this most important measure.

Mr. McDADE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the measure before us today. If ever it can be said of any bill that comes before this body that the relevant issues received the closest scrutiny and were debated with vigor and that true negotiation and compromise made this bill possible, then surely it must be said of this bill. This bill is the product of long and diligent effort to achieve a consensus measure that brings meaningful reform to the so-called 8(a) program. And I would like to commend our chairman, JOHN LAFALCE, subcommittee chairman, NICK MAVROULES, ranking minority member, SIL CONTE, members of the full and subcommittee and their outstanding staffs for their fine efforts which are now reflected in this legislation.

H.R. 1807 amends the Small Business Act to reform the Capital Ownership Development Program, commonly referred to as the section 8(a) program. The goal of this program is to promote the development and growth of firms which are owned by individuals who are deemed to be socially and economically disadvantaged. Recent abuses of the program, such as the highly publicized Wedtech scandal and mismanagement of the program, have made reform not only necessary but imperative.

H.R. 1807 provides for greater simplicity in and streamlining of admission requirements and management of the 8(a) program. Under the bill, the program participation term for certified firms is raised from 7 to 9 years. And participating firms are eligible for the assistance available in each of the new program phases. This help is crucial to the development of 8(a) concerns' business base and expertise.

For the first time since the program's inception in 1969 under then-President Nixon, the 8(a) program will now require by statute competition among 8(a) firms for contracts above a certain dollar threshold. Under H.R. 1807, firms are also strongly encouraged to develop their commercial business base in an effort to reduce their dependency on Federal Government contracts. New and stiffer criminal penalties are provided to ensure against future abuses. A new data collection system will furnish a quantitative basis for tracking and assessing the progress of 8(a) firms and the performance and efficacy of the program. The elimination of wasteful business development expense grants and their replacement with a new loan program will bring a new degree of fiscal responsibility to the program.

This important bill has made the necessary reforms to ensure the continuity of the program and the fulfillment of its objectives. Enhanced efforts aimed at control of previously troublesome areas of the program will help to mitigate against the abuses of the past. And with the introduction of competition in this bill, the program will go a long way toward encouraging the development of a competitive spirit among 8(a) firms, promote the achievement of managerial excellence, and establish know-how about producing and supplying quality goods and services at the lowest possible cost. H.R. 1807 will help to place within the reach of other socially and economically disadvantaged individuals the rewards of participation in the free enterprise system and the dream of entrepreneurship. The administration has signaled its support for this measure, and I would urge my colleagues to support its adoption as well.

Mr. Speaker, I reserve the balance of my time.

Mr. MAVROULES. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me thank all of the Members, including the gentleman from New York [Mr. LAFALCE], the chairman, for the gentleman's cooperation and input that we bring before the House today, the gentleman from Pennsylvania [Mr. MCDADE], my friend, and also the gentleman from Massachusetts [Mr. CONTE], the coauthor of the bill, who put in enormous time and effort into this bill hopefully to bring to the floor a bill we ought to be very proud of.

Mr. Speaker, today we are considering H.R. 1807, a bill I am proud to have coauthored. This bill strengthens and streamlines the 8(a) program.

We have held several days of intense and informative hearings on reforming the Small Business Administration's Capital Ownership Development, or 8(a), Program. Individuals representing a broad range of firms and organizations affected by this legislation have testified in H.R. 1807's behalf.

Through this thorough and candid examination of 8(a), we have been able to remodel and refine a program whose purpose is of great importance to minority business development.

Over the years, the program has consistently fallen short of its intended goals. It has failed to deliver on its promise to help a broad class of socially and economically disadvantaged individuals to compete in the mainstream of the American economy. H.R. 1807 is intended to restore that promise. It restores credibility and integrity to a program that has been unfairly buffeted by tales of misuse and abuse.

H.E. 1807 focuses on the business development intent of the original legislation and promotes self-sufficiency among socially and economically disadvantaged individuals and businesses.

What we do today will put the 8(a) program back on the right track. The strength of this bill is that it integrates suggestions from our witnesses, the SBA, and committee members. The result demonstrates this committee's commmitment to reporting out a bill that works. A belief reflected in the 40-to-1 vote at markup.

H.R. 1807 addresses business development objectives and provides provisions that thwart program abuse; competitiveness is encouraged in the form of a three-stage, 9-year program. Also, I believe that this bill gives SBA great flexibility in regard to implementation and I am confident that SBA will act expeditiously and supportively.

Mr. Speaker, I have outlined the intent and emphasis of H.R. 1807.

Mr. Speaker, before yielding I would like to make one final comment. Although this legislation falls under the jurisdiction of the Small Business Committee, one provision that was added in committee also effects a matter under the jurisdiction of the Armed Services Committee. Section 19 would alter the group of companies eligible under section 1207 of the Department of Defense Authorization Act, Public Law 99-661. It would also clarify the relationship between section 1207 and the 8(a) program.

I would like to acknowledge at this point the work that has been done by the Armed Services Committee with respect to section 1207 and the requirement in that section that the Department of Defense increase awards to small disadvantaged businesses. The Armed Services Committee acquisition policy panel has held several hearings to examine the implementation of section 1207 and in the new year is embarking on an ambitious schedule of field hearings in many of the Members' districts. In my capacity as chairman of that panel, I am committed to doing a thorough review to ensure that everything possible is being done to increase the number of awards to minority businesses. I would also like to thank the chairman of that committee, LES ASPIN, for agreeing not to request sequential referral of this bill on the basis of section 19, and thus not delaying its consideration.

Some of the major provisions of the bill are as follows:

(1) PROGRAM PARTICIPATION TERMS

The program is expanded to a fixed term of 9 years divided into three phases: the developmental phase, lasting 4 years, the transitional phase, lasting 3 years, and the mainstreaming phase, lasting 2 years.

(2) BUSINESS DEVELOPMENT ASSISTANCE

In addition to 8(a) contracts, appropriate business development assistance is provided to firms qualifying for the program. This assistance includes, but is not limited to, a number of the following provisions: exemptions from the Walsh-Healy and Miller Acts, transfers of technology or surplus property, employee training, development investments, and limited antitrust exemptions.

(3) COMPETITION

Section 8(a) firms are required to compete against other 8(a) firms for all contracts over a specified dollar value if there is a reasonable expectation that two or more responsible 8(a) firms would submit a bid for the contract at fair market prices. All construction, manufacturing, service, and retail contracts over $2 million must be competed. All other contracts over $1 million must be competed.

Recognizing that thresholds are a new idea, H.R. 1807 provides for a triggered sunset. GAO is required to report annually on whether the thresholds have furthered the business development purposes of the act. If, after 3 years, the Comptroller General finds that this provision has impeded business development, Congress is charged with establishing a new and effective means for insuring competition among 8(a) firms.

(4) SUPPORT LEVELS

H.R. 1807 challenges program participants to achieve a goal of 35 percent non-8(a) work by the end of their fifth year and a goal of 75 percent in their ninth year. Ultimately, this would reduce their reliance on 8(a) and, in the process, transform them into free market competitive firms. SBA would be required to work with these firms to assist them in meeting these goals.

(5) PROGRAM ADMISSION

Due to a frequency capricious and lengthy certification process, this bill mandates a uniform structure for certification. SBA would be required to establish an annual 60-day period during which 8(a) applications are accepted and to process all applications within 90 days from the end of that period.

In addition to accelerating the certification process, this will allow a much broader based examination of program applicants and how well they meet the geographic and industry objectives of the program.

(6) SECTION 1207

To allay fears that the 5-percent minority set-aside program within the Department of Defense—section 1207, Public Law 99-1661—would interfere with the functioning of the 8(a) program, this bill has a provision to prevent reductions in the number of dollar value of 8(a) contracts when implementing section 1207. Also, procurement center representatives [PCR's], including breakout PCR's, would be required to work toward increasing the percentage and dollar values of contracts available for 8(a) and the section 1207 program. H.R. 1807 authorizes funds for the hiring of 15 additional procurement center representatives to help accomplish this goal.

(7) SIZE STANDARDS

In an effort to assist the Department of Defense in meeting its 5-percent goal, H.R. 1807 includes a provision enabling minority firms to exceed their size standards, as established by Public Law 99-921, by up to 25 percent and remain eligible for the 1207 program.

(8) SUBCONTRACTING

Under current law, certain large Government contracts are required to include subcontracting plans containing participation goals for small, and small and disadvantaged businesses.

H.R. 1807 requires that such contracts provide for liquidation damages should the prime contractor fail to comply in good faith with the plan's requirements.

(9) FRAUD, WASTE, AND ABUSE

This legislation increases criminal penalties from $50,000 to $500,000 and extends jail terms from 5 to 10 years for front companies. H.R. 1807 includes other restrictions to deter program abuses: it prohibits 8(a) stock ownership by SBA employees and political considerations in the awarding of contracts, as well as "trafficking" of 8(a) contracts and options.

(10) FAIR MARKET PRICES

This provision in the bill codifies existing provisions of the Federal acquisition regulations.

This bill recognizes the additional burden that may be placed on the SBA and authorizes the funds necessary for hiring 50 business opportunity specialists and for training SBA employees who work with the 8(a) program.

H.R. 1807 represents the partnership that the Congress and the minority business community must form. It demonstrates the deliberate steps necessary to create an environment hospitable to minority business development.

Government can help prepare minority business to compete with companies not subjected to the hostilities and prejudices faced by minority entrepreneurs. While the Federal Government may assert an ideological commitment to minority business development, Congress is faced with the ongoing challenge of moving this commitment from the abstract to reality.

I conclude with one additional thought. No matter what legislation we propose, no matter what issues we debate, no matter what laws we pass, there is a greater guiding principle. It is the fundamental need to change attitudes; to show a willingness to do what is right.

While we continue to ensure that laws exist to guide the executive and legislative branches of Government, we must also continue to fight for a necessary and fundamental change in thinking. It is this change that will allow those energies expended in protection today to be redirected toward achievement tomorrow.

□ 1330

Mr. McDADE. Mr. Speaker, I yield such time as he may consume to the gentleman from Massachusetts [Mr. Conte].

Mr. CONTE. Mr. Speaker, I am pleased to stand here today in support of H.R. 1807, the Conte-Mavroules-LaFalce 8(a) reform bill. This is a bipartisan bill reported out of the Small Business Committee by a 40-to-1 vote. I would like to offer a special note of thanks to my good friend and colleague from Massachusetts, Nick Mavroules who as chairman of our subcommittee worked long and hard on this legislation. I also want to thank our chairman, John LaFalce for his leadership and dedication. You know, Mr. Speaker, I don't think I have ever attended as many meetings on any legislation as I have on H.R. 1807. On numerous occasions all of us met either in Nick's office or the chairman's office in order to work the compromises needed. The Small Business Committee has primary jurisdiction for this legislation. The need for reform has been amply documented in GAO and SBA reports and the most recent Senate 8(a) postgraduation study, not to mention the Wedtech and Amex scandals. My Small Business colleagues and I have worked most diligently to make H.R. 1807 a comprehensive reform bill that incorporates mandatory competition, the development of a non-8(a) business base, fixed program term, simplified program admission, a comprehensive data base and better management of the 8(a) portfolio. H.R. 1807 will promote and restore the integrity and effectiveness of the 8(a) program. H.R. 1807, combined with existing legislation, makes realization of full economic participation a certainty for our minority community. I applaud all my Small Business colleagues for writing good, practical legislation, and I urge all my colleagues to support the Small Business Committee by voting for H.R. 1807.

Mr. Speaker, ever since I came to Congrress 30 years ago, I made a commitment to help the downtrodden, the disadvantaged—those individuals who had no voice in making Government policy. I have always felt that through education and legislation designed to promote social goals, the forgotten people of America—the common man and woman, the blue-collar worker who pays his taxes, serves his country in the Armed Forces, raises a family, and supports his/her church and all the important service groups in this country—could, if given the opportunity, achieve the American dream of bettering themselves by becoming a property owner and/or the owner of a small business.

I joined the Small Business Committee because I believe that small business made this country great and that small business, if given the opportunity, can make it even greater. While, by definition, small business now accounts for 99 percent of all the businesses in America, it has always disturbed me that small minority-owned businesses have never been proportionally represented in the free enterprise system.

1980 Federal census data shows us that minorities comprise approximately 20 percent of the general population. Yet in the 1987 report of the President on the state of small business, it states that—

> Minorities are less likely than nonminorities to own a business. According to the most recent Census Bureau snapshot of the minority business population, approximately 1.8 percent of minority population owned business in 1982, compared to 6.4 percent business ownership in the population as a whole.
>
> On average, minority-owned businesses are smaller than nonminority businesses, with lower sales and fewer employees per firm. Over 94 percent of minority businesses are sole proprietorships, compared with 69 percent of all businesses. Minority-owned firms tend to be found more frequently in the services and retail trade sectors.

There are several programs that can help minorities achieve economic parity, Mr. Speaker, but the most important of these is the SBA's section 8(a) program.

The Small Business Act, Public Law 85-536, was passed in 1953. In the prelude, Congress declared its policy, which is as eloquent, as important now, as back then, and I quote:

> The essence of the American economic system of private enterprise is free competition. Only through full and free competition can free markets, free entry into business, and opportunities for the expressing and growth of personal initiative and individual judgment be assured. * * * It is the declared policy of the Congress that the Government should aid, counsel, assist, and protect, insofar as is possible, the interests of small-business concerns in order to preserve free competitive enterprise.

Section 8(a) of the Small Business Act of 1953 contained the original authority for a program to help all small businesses. This provision was a carryover from the Smaller Defense Plants Administration which was the Korean war successor to the Smaller War Plants Corporation of WWII. The original intent of 8(a) was to have the SBA assist small defense contractors who faced contract cancellations at the end of the Korean War. Section 8(a) provided the authority under which corporation between the SBA and Federal procuring agencies resulted in prime contracts awarded to the SBA, which then awarded subcontracts to eligible firms on a noncompetitive basis. Using this section to help minority firms was first proposed by the DOD to the SBA and subsequently approved by the Attorney General and the GAO. The SBA began using its 8(a) authority to achieve specific social goals in 1968 in support of a test program initiated by President Johnson. This was a direct result of the civil disturbances of 1967. The SBA offered noncompetitive contracts to those firms willing to relocate in depressed areas and hire the unemployed. In 1969, as a direct result of President Nixon's black capitalism initiative, the SBA began to channel noncompetitive contracts to small disadvantaged businesses. In October 1978, Congress enacted Public Law 95-507, which redirected the program thrust: SBA was charged with helping 8(a) participants, not only obtain Federal work, but to assist firms in becoming competitive businesses. In October 1980, Congress enacted Public Law 96-481, which required all 8(a) contractors to negotiate a fixed program participation term—a specific planned length of time for the firms to stay in the program before "graduation" as a private entrepreneur. Congress' purpose in enacting Public Law 96-481 was plain: too many 8(a) firms had been in the program for too long, relying on Federal work for continued existence and in so doing preventing other qualified minority-owned small firms from joining in the program.

The civil rights movement also woke America up to the fact that if the free enterprise system was going to work, it would have to work equally well for all segments of our society. Clearly certain groups owned or controlled little productive capital and had limited opportunities for small business ownership. Including them in the American dream was essential from a moral, political, and economic standpoint.

Much has been said lately about Wedtech and the 8(a) program. But you know, Mr. Speaker, the Wedtech problem didn't just creep up overnight. There were numerous warning signals that something was amiss with the 8(a) program. Concerns cited in an SBA paper entitled, "The 8(a) program—Management Issues and Recommendations" and a GAO study entitled "The 8(a) Procurement Program: A Promise Unfulfilled," finally came home to roost in the Wedtech, Amex, and Hartec scandals. Clearly the program was being abused. More recently, and more importantly, the Senate Committee on Small Business released a report on the 8(a) program. In August 1986, 461 graduated 8(a) firms were mailed a comprehensive survey designed to profile the firms, record their programmatic experiences and postgraduation experiences, and measure their current operating condition. On average, the firms surveyed were in the 8(a) program for 9 years. Thirty percent of them were out of business and another 22 percent were doing so poorly that their future was questionable. In their opinion, the SBA was so ineffective with their support that these firms were not being prepared for the competitive marketplace. Clearly the program was mismanaged. Everyone was playing a numbers game trying to reach quotas, and no one was concerned about program quality.

Today everyone knows about Wedtech. How, in 1965, John Mariotta started the Welbuilt Electronic Die Corp. in the South Bronx and joined the 8(a) program in 1975. How apparently through fraud, bribery, improper lobbying, racketeering, and conspiracy he arranged to amass over 170,000,000 dollars' worth of noncompetitive contracts. Because of the prominent personalities involved and the size of the ripoff, William Safire has labeled Wedtech the "Typhoid Mary" of corruption. Wedtech has recently filed for protection under the bankruptcy laws—but at its peak the company had about 1,500 employees located in plants from Michigan to Israel.

Then there is the case of Hartec Enterprises, Inc., a Texas 8(a) manufacturer of military equipment. Of more than $21 million in contracts and loans obtained from the SBA, $10 million in cash disbursements are reportedly unaccounted for. This firm was raided by the FBI to protect files that were allegedly being destroyed. They are currently under investigation for bank fraud, mail fraud, and fraud against the Government. Hartec has also filed for chapter 11 protection.

Then there is Amex Systems, Inc., a California electronics company that obtained 15 no-bid contracts worth up to $200 million before it graduated from the program. One month later Amex was sold to Allied-Signal, a major big business, which reaped the benefits of the contracts. Amex was investigated by the Inspector General of the SBA for misrepresentation because of a written understanding it had with Allied prior to receipt of the contracts that effectively made Amex ineligible to receive them. Further, after spending 13 years in the 8(a) program and receiving over $300 million no-bid contracts, the Inspector General determined that the only assets the corporation had to sell were its government contracts.

So here we have a program intended to foster minority business development but instead produces dependency on no-bid contracts, corruption of program personnel, consultants, principals and politicians and gross inefficiency that provides no meaningful program support to overcome the disadvantage. There are many crimes here, but to me the biggest one of all is the crime of lost opportunity. Needy firms enter the program with the expectation of receiving legitimate and comprehensive business development assistance but because of program abuse are denied the very opportunity they need to own and operate their own successful business. And 8(a) has now become a device for elite and well-connected certified firms to make a healthy living off of sole-source Government contracts, to the exclusion and detriment of the majority of America's disadvantaged firms. Needless to say reform is long overdue.

That is why, Mr. Speaker, I rose on May 5, 1987, and introduced H.R. 2269, the Equal Access to Business Opportunity Act. The Conte 8(a) reform bill was constructed on the three cornerstones of increased opportunity, personal initiative, and competition. It contained provisions that included a streamlined certification process, sheltered competition, reduction in paperwork burden, and the development of a comprehensive data base. The Conte bill advocated a number of 8(a) changes among which were the following:

First, the Conte bill recognized that socially and economically disadvantaged small businesses are a high potential, underdeveloped national asset. It also recognized that competition is the cornerstone of the free enterprise system and that the free enterprise system is greatly strengthened when all segments of our society are provided with the opportunity to successfully compete.

Second, the Conte bill required the SBA to train, educate, monitor, coordinate services, and establish disadvantaged business participation goals.

Third, the Conte bill required contracting officers to perform affirmatively, using established Federal acquisition regulations for the award of contracts.

Fourth, the Conte bill required competitive bidding, to the maximum extent possible, from certified 8(a) firms.

Fifth, the Conte bill required the SBA to provide technical assistance to certified firms through utilization of all the SBA's organizational elements and other reasonably available programs, both public and private. The intent of this assistance was to deliver comprehensive instruction on how to compete in the marketplace, not just for Government contracts.

Sixth, the Conte bill viewed Government assistance as a temporary relationship.

Seventh, the Conte bill limited the amount of paperwork necessary to participate in and stay in the 8(a) program to that which was reasonable and necessary.

Eighth, the Conte bill ended the widespread welfare perception of the 8(a) program by abolishing business development expense grants.

Ninth, the Conte bill recommended disadvantaged goals for the provision of all goods and services purchased by the Federal Government, in lieu of current quota procedures.

Tenth, the Conte bill provided for an appeal process to those firms denied certification. This process placed the burden of proof on the SBA and made such process subject to the Equal Access to Justice Act.

Eleventh, the Conte bill encouraged disadvantaged subcontracting.

Twelfth, the Conte bill required the SBA to establish and maintain a comprehensive data base and current directory.

Thirteenth, the Conte bill required that the Small and Disadvantaged Business Utilization Offices of the various agencies and departments monitor and report on the performance of their contracting officers. The Offices also set disadvantaged participation goals for their various jurisdictions.

Fourteenth, the Conte bill required the Associate Administrator to provide training to participating procurement officers on the goals and objectives of the 8(a) program.

Fifteenth, the Conte bill promoted utilization of the certificate of competency process in the event of a contracting officers turndown.

Sixteenth, the Conte bill increased financial penalties for misrepresentation from $50,000 to $500,000.

Mr. Speaker, the Small Business Subcommittee on Procurement, Innovation and Minority Enterprise Development, of which I am the ranking minority member, held hearings on 8(a) reform on May 12, 18, 19, 20, and 21 with a markup on June 4, 1987. Over 40 witnesses appeared to discuss various aspects of the 8(a) program and H.R. 1807, a bill to reform the Capitol Ownership Development Program introduced by my good friend, NICK MAVROULES. You know when H.R. 1807 was first introduced it contained provisions creating a 14-year sole-source 8(a) program that would allow 10-percent bid preference and waived size standards. It also provided for public trading assistance, Government ownership in 8(a) firms and criteria of competitiveness that micromanaged the SBA's running of the program. From a practical and philosophical standpoint, these provisions were unacceptable to me, my Republican colleagues, and the administration. However, after serious negotiation all members of the subcommittee were able to approve by a vote of 14 to 0 a Conte-Mavroules amendment in the nature of a substitute which was reported out as H.R. 1807. This H.R. 1807 was an amalgam of the original H.R. 1807 and H.R. 2269, the Conte 8(a) reform bill. While not a perfect bill, it did contain many of my provisions and, for the first time, provisions for competition and the maintenance of size standards. Also added for the first time was my provision to redefine the mission of procurement center representatives and to increase their number by 15, the effect of which is summarized in report language for section 19 as follows:

> Relationship with other Procurement Programs. This section would amend section 15(m) of the Small Business Act to require the Department of Defense, when implementing the requirements of section 1207 of Public Law 99-661 (relative to the 5 percent procurement goal for small disadvantaged business participation) to ensure that there will be no reduction in the value of small business set-asides and section 8(a) contracts nor change in the procurement process relative to these programs. This section also increased the duties of SBA Procurement Center Representatives (PCR), including Break-Out Procurement Center Representatives, by requiring such employees to monitor compliance with this requirement and to report instances of non-compliance. The PCRs are to utilize their authority to increase the number and dollar value of contracts available for small business set-asides (section 15), section 8(a), and section 1207 awards.

All during this time, the chairman of the Small Business Committee and my very good friend, JOHN LAFALCE, began his involvement by trying to effectuate this compromise. His concern and involvement was most welcomed by me. After final markup at the subcommittee, Chairman LAFALCE made several suggestions to improve the bill which included provisions to reaffirm the business development objectives of 8(a), to require competition for contracts over certain dollar thresholds, to remove the competitive criteria, and to replace provisions mandating a consistent decrease in 8(a) contract support with a 50-percent 8(a)/non-8(a) business goal in the fifth year and a $^{25}/_{75}$-percent 8(a)/non-8(a) contract support goal at graduation.

Subsequent negotiations involving virtually all members of the Small Business Committee produced the new committee print of H.R. 1807 which was marked up on November 9, 1987. That basically is the bill we have before us today. Major changes between subcommittee markup and full committee markup included provisions for competition by threshold instead of a percent-of-contract support, limitations on the size of awards, a requirement that 8(a) firms make an effort to obtain non-8(a) work, provisions for more equitable distribution of sole-source contracts, a new certification process and a 25-percent size standard waiver for participants of the DOD section 1207 program. At full committee markup, new provisions were added that eliminated development investments—Government ownership in 8(a) firms—and replaced them with a guaranteed direct loan program. It should be noted that both these provisions replaced business development expense grants which total about $14 million annually. Limitations on joint ventures and a requirement to negotiate unpriced options were also added.

At full committee markup I offered an amendment to eliminate the size standard preference for disadvantaged businesses participating in the 1207 program. I did so for several reasons:

First, by approving the 25-percent waiver, small business set-asides would then be awarded to other than small business.

Second, those big businesses that benefit from this waiver have an unfair competitive advantage over small disadvantaged businesses participating in the 1207 Program. I might also note that many of the big businesses that would be let into 1207 as a result of this waiver participated in the 8(a) Program.

Third, the intent of section 19 of 1807, which I offered, was to find new types of contracting opportunities previously unavailable to small disadvantaged businesses—not to steal contracts from those very businesses.

Fourth, there are more than enough small disadvantaged businesses available to help DOD fulfill its 5-percent goal without kiting the size standards. Parren Mitchell stated at our subcommittee hearing that there are enough minority businesses available to serve 20 percent of all Government contracting. This was verified recently by Mr. Charles Tate, president of the Booker T. Washington Foundation [BTW] who stated before the House Armed Services Acquisition Policy Panel that BTW has developed a data base clearly showing that there is a significant pool of defense-related capabilities in the minority business sector that is not being used by DOD or DOD prime contractors. He recommended an outreach and technical assistance pilot program within the statutory framework of Public Law 99-145 that could generate up to 250,000 new jobs and other significant benefits to the minority community. He did not, however, recommend kiting size standards. In fact, he said that 50 percent of the 1207 awards now go to 8(a) firms and less than 500 minority firms account for 73 percent of the contract dollars awarded to those firms. According to Mr. Tate, in fiscal year 1986 there were approximately 2,800 SDB's participating in the 1207 Program. He has found another 15,000 firms with 1207 capabilities. Their combined gross revenue is $27 billion, they employ 400,000 people and DOD contract revenues account for less than 16 percent of their revenue.

Fifth, there is another point we should all be aware of. Changes in regulations are now being proposed that would give 1207 firms a 10-point bid preference in the section 15 national set aside and open up the 1207 Program to sole-source contracts. Those big businesses that already have a competitive advantage over their small business counterparts could, with the waiver, get a chance to raid the national small business set aside and have an unlimited opportunity for more sole-source contracts in 1207.

We are talking about amending the Small Business Act. We are here to foster and support minority small businesses. We are here to broaden the minority small business vendor base. We are not here to steal from those very people who need our help. Small business now gets less than 20 percent of all Government contracting dollars although they account for 99 percent of all the businesses in our country. Are we going to reduce that meager portion even more? Unfortunately, Mr. Speaker, my amendment was defeated by a vote of 24 to 17.

Mr. Speaker, in 1968 there were eight contracts worth $10 million awarded under section 8(a). In 1986, 4,200 contracts worth $3.2 billion were awarded. There are currently about 2,866 firms in the program. During its history, about 1,100 firms have graduated, while another 3,000 have been terminated. Of those now in the program, about 72 percent or 2,055 have been in 4 years or less. Another 15 percent or 430 firms have been in 5 to 7 years; 7 percent or 207 firms have been in 8 to 9 years. My main concern is that there are still about 174 firms who have been in 10 years or more—2 for as long as 17 years.

Mr. Speaker, of the approximate 850,000 minority-owned firms in America today approximately 125,00 are capable of doing business with the Government. I would like more of these firms in the 8(a) Program. We need to develop SDB's from suboptimal to minimal optimal firm size if we are going to increase minority participation in Government procurement. These firms should be the target of our concern, not the moneyed special interest who want to continue the gravy train forever with size standard waivers and grandfathering provisions that create a so-called transition program. Mr. Speaker, as you know, there is now a mechanism for transition out of 8(a) that involves an interagency agreement between the SBA and the MBDA in the Department of Commerce. Essentially, in the last 2 years of 8(a) participation SBA submits names of graduating firms to MBDA who through its nationwide network of business development centers promotes contracting opportunities in the commercial marketplace. This has not been effectively utilized and should be reconsidered if transitional time becomes a further issue.

One final thought, Mr. Speaker: In the 8(a) sole-source program a small number of firms have received the giants' share of all contract dollars awarded. In 1984 only 4 percent of all 8(a) firms received 54 percent of the contract dollars. Basically, it was that way in 1981 and it is the same in 1987. Yet in 1987, 50 percent of all 8(a) firms did not receive any contract support. I believe that the introduction of competition and provisions for more equitable distribution of contract support as mandated in 1807 will abolish this pernicious practice.

Mr. Speaker, we have a chance to make history today. In doing so we can address programmatic failures and shortcomings of the 8(a) program and create a workable mechanism to finally redress past discriminatory practices. Through enactment of H.R. 1807 we can also install the standards of the marketplace into the 8(a) program. We can never, however, guarantee success for those socially and economically disadvantaged individuals who participate in the 8(a) program. H.R. 1807 does not and is not intended to do that. What we can do is give our minority community the opportunity and the tools to make successes of themselves. That has always been my intention. That is what H.R. 1807 is all about.

Mr. McDADE. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. UPTON].

Mr. UPTON. Mr. Speaker, I rise in support of H.R. 1807.

I also rise to commend the gentleman from New York [Mr. LAFALCE], the gentleman from Pennsylvania [Mr. McDADE], the gentleman from Massachusetts [Mr. MAVROULES], and the gentleman from Massachusetts [Mr. CONTE] for their hard work and perseverence on this issue.

As a member of the Small Business Subcommittee on Procurement, Innovation and Minority Enterprise Development, I am very familiar with the problems of the Capital Ownership Development Program, commonly called 8(a). This reform bill addresses those problems.

This bill requires competition—contracts above a certain financial threshold will be competed for. Competition will increase the likelihood of a success for graduating firms.

This bill requires an equitable distribution of sole source contracts. Currently 4 percent of the firms are receiving 54 percent of the contract dollars. This bill requires the SBA to let sole source contracts on a more equitable basis.

This bill requires 8(a) firms to develop a non-8(a) business base while participating in the program. Firms should no longer become solely dependent on 8(a) contracts and then fail at graduation.

The bill requires admission and administration simplification.

Mr. Speaker, I urge my colleagues to support H.R. 1807.

Mr. MAVROULES. Mr. Speaker, I yield whatever time he may consume to the gentleman from North Carolina [Mr. LANCASTER].

Mr. LANCASTER. Mr. Speaker, I would like to speak today in enthusiastic support of H.R. 1807. I believe this bill represents important and needed reform of the Small Business Capital Ownership Development Program, commonly called the 8(a) program. I am privileged to have been among those who labored for many months, through countless hours of expert testimony and subsequent refinements until the legislation we have before us today was fully crafted. These refinements included an amendment I drafted because of my concerns that the enforcement and penalties for loading up on 8(a) contracts and then selling out to nonminority owners were not defined precisely enough. Each member of the subcommittee was provided with the encouragement, and took the opportunity, to provide such input.

For these reasons, I would especially like to draw the attention of this body to the diligence and dedication displayed by Congressmen JOHN LAFALCE and NICHOLAS MAVROULES in this long process. Their leadership, at the subcommittee and committee levels, and the cooperation and leadership of the ranking Republican members, were instrumental in the creation of a truly sound and truly bipartisan bill.

This measure comes in the wake of several highly publicized scandals involving tens of millions of dollars. However, firms involved in these scandals do not bear the slightest resemblance to the struggling 8(a) firms in my district, or to the vast majority of such firms throughout the Nation, which are the focus of this legislation. Therefore, it is highly significant that, while H.R. 1807 corrects these abuses, it is not preoccupied with them. The focus of H.R. 1807 is the average firm in the program. On this point I must again credit Congressmen MAVROULES and LAFALCE.

The goal of this legislation is to help put the 8(a) program firmly on the course it has always been intended to follow—helping provide the assistance, goals, and training necessary for small economically and socially disadvantaged businesses to develop and become competitive, so that they can survive and prosper after graduation.

The concept of "graduation" will be a meaningful one under the provisions of H.R. 1807. This legislation requires that 8(a) firms progress by developing comprehensive and realistic business plans, and that they strive toward goals of increasing numbers and dollar values of non-8(a) contracts through their 9 years in the program. But it does not drop these firms into the ocean and expect them to swin. It explicitly places some of the responsibility for development on the shoulders of SBA. It specifically enumerates increased appellate rights where fair market price determination is concerned. It provides for employee training at local community colleges or other institutions of higher learning. It gives firms in the second stage of development increased access to the Small Business Administration's loan programs. In short, it makes SBA and the 8(a) firm partners in development.

In this context more rigorous goals, competitive thresholds, and stricter ownership requirements are not onerous restrictions, but are translated into increased developmental opportunities for 8(a) firms.

By passing H.R. 1807, the House will be voting for an 8(a) program that can survive and remain healthy in the coming years. The beneficiaries will not only be the employees and owners of the small disadvantaged businesses which the 8(a) program can continue to serve, but the foundation of our national economy.

Mr. CONYERS. Mr. Speaker, I rise today in support of H.R. 1807, the bill to amend section 8(a) of the Small Business Act. As many of you know, the 8(a) program is one of the cornerstones of economic empowerment minority business fighting to enter the mainstream of the American economy. Unfortunately, this struggle is far from complete. Currently, 95 percent of all black and Hispanic businesses are sole proprietorships. Two-thirds of all black firms earn less than $10,000 annually, and one-third of Hispanic firms gross less than $5,000 annually. In addition receipts from black firms are only 0.16 percent of all business receipts in this country. The 8(a) program, which enabled minority businesses to perform more than $1 billion in Federal contracts last year, is an essential step in overcoming the appalling circumstances which continue to plague minority Americans and in achieving parity and growth in the minority business community.

H.R. 1807 strengthens the 8(a) Program by mandating increased technical and management assistance for participating businesses, and by requiring firms to bid competitively for most large contracts awarded through the program. Furthermore, the bill combats the potential for abuse by dramatically increasing the penalties for front companies created to fraudulently obtain contracts, and by preventing future administrations from using the SBA as a political football. The bill also enables the SBA to hire additional personnel, to upgrade the skills of present employees and to conduct regional outreach conferences for potential program participants.

H.R. 1807 is viable, positive, reform legislation which has broad bipartisan support. In fact, the subcommittee supported the bill unanimously, and the full committee reported the bill by a lopsided margin of 40 to 1. Not even the Reagan administration opposes this bill.

The 8(a) program is one of the most important and effective minority development programs in existence. There is no doubt that H.R. 1807 represents the best opportunity to positively reform the Minority Development Program this session, and I ask you to join me in this positive effort.

Mr. MFUME. Mr. Speaker, today I rise in support of H.R. 1807 as reported by the Small Business Committee. However, I do so in a disheartened manner because as my predecessor said during hearings on this legislation, this bill should not be necessary. We should not have to remind agencies about their responsibility to people. The overall goal of this program, as originally intended by the Congress, is to strengthen minority businesses; to foster business development. Minority business must be a fundamental integrated part of the American economic system and in establishing minority business as an integral part, an agency dedicated to meeting that responsibility must be in existence. However, the notion of a set-aside program for socially and economically disadvantaged persons is hard for some to accept.

Even in this climate, this program has proven to be successful. Still, the failures of this program have been magnified rather than the successes. Congress can responsibly deal with abuses and make improvements and this is what we have attempted to do through H.R. 1807. This legislation attempts to reduce the politicization of the agency, mandates training and evaluation of employees, and most of all addresses the idea of business development.

Mr. Speaker, I am hoping that through H.R. 1807 we can get this program back on the track of truly being a business development program and that, in the future, we will continue to make the necessary changes to strengthen this program. I urge my colleagues to act accordingly to ensure that minority business enterprise becomes an integral part of our free enterprise system.

Mrs. MEYERS of Kansas. Mr. Speaker, I rise in support of H.R. 1807, the Capital Ownership Development Program. Also known as the 8(a) reform bill, H.R. 1807 promises to help develop and foster the growth of minority-owned small businesses.

Mr. Speaker, on November 9, the House Small Business Committee, of which I am a member, overwhelmingly approved H.R. 1807 by a 40-to-1 margin. I firmly believe this bill will prove beneficial to the minority small business community. Simply put, minority small businesses, defined as socially and economically disadvantaged, often need assistance to get started in the business world. The original purpose of the 8(a) program was to help minority businesses get that start by providing them with access to noncompetitive Federal contracts.

However, in the wake of the highly publicized Wedtech Corp. scandal and instances of alleged corruption involving Federal officials and the recipients of 8(a) contracts, it is clear that the program needs reform. One of its major weaknesses is the lack of competition among 8(a) certified firms. Last year some 3,000 businesses were 8(a) certified, yet only 1,500 of those firms actually received contracts. This statistic alone exhibits the need for criteria to ensure that firms are awarded contracts based on their ability to do the job, not on their ability to lobby Government procurement officials. H.R. 1807 would ensure that minority small businesses would have to compete for approximately one-half of all contract dollars which are setaside for them. Threshold limits would be established so that all construction, manufacturing, service and retail contracts over $2 million, and all other contracts over $1 million, would only be awarded on a competitive bid basis. Contracts valued at below those dollar thresholds would continue to be awarded on a noncompetitive basis. The use of a contract value threshold would eliminate the problem of too few receiving too much.

Mr. Speaker, the competitiveness requirements in H.R. 1807 are the key to its success. It is important to remember that H.R. 1807 is a "development" program. Its purpose is to ensure that as firms graduate from the 8(a) program after 9 years, they are prepared to function and thrive in the competitive business world. To achieve this, 8(a) firms must get used to competition and must become less dependent upon 8(a) contracts as they progress through the program. H.R. 1807 requires firms to make every effort to achieve 50 percent of their total sales from other than 8(a) business by the end of their 5th year in the program. Attaining such a goal is vital if a successful transition from the 8(a) program into the private sector is to be made.

Mr. Speaker, another important aspect of H.R. 1807 is the assistance it will provide businesses seeking information on how to enter the 8(a) program. I have a special concern for this provision because many minority business owners in my district have told me they lacked information on how to become part of the program. As a result, I worked on a section of the bill which assists firms seeking 8(a) certification. Under current law, 8(a) applications can be submitted anytime, and there is no time limit in which the Small Business Administration [SBA] must complete its review of applications. Thus, the process can often be very lengthy. Under the proposed bill, the SBA would declare a 60-day period each year during which it will accept 8(a) applications. After the initial 60-day application period, the SBA would then have 80 days to process the applications including pointing out errors and omissions to applicants, and allowing them to correct any mistakes. In considering applicants, the SBA is instructed to consider certain factors, such as the kind of business a firm is in and where it is located, as well as considering the availability of resources and contract opportunities which exist in the program for a new entrant.

Stiffer criminal penalties for phony 8(a) companies have also been included in the bill. In H.R. 1807, operators of illegal "front" companies are subject to a $500,000 fine and 10 years in jail, whereas current law specifies a $50,000 fine and 5 years in jail. The increased penalties are necessary to ensure that only legitimate minority-owned businesses benefit from the program.

Mr. Speaker, in its current form, the 8(a) set-aside program provides little incentive for firms to prepare for the future. H.R. 1807, the Capital Ownership Development Program, through its emphasis on competitiveness and business development, encourages minority firms to use the 8(a) program as a stepping stone, not as a stopping point. Mr. Speaker, I believe this is an excellent bill and I urge my colleagues to support it.

Mr. GALLO. Mr. Speaker, I rise in strong support of H.R. 1807, a bill to amend the Small Business Act to reform the Capital Ownership Development Program. Chairman LAFALCE, ranking minority member JOE MCDADE, subcommittee chairman NICK MAVROULES, and ranking subcommittee member SILVIO CONTE are to be commended for their successful bipartisan effort in bringing this bill to the House floor.

As a member of the Subcommittee on Procurement, Innovation, and Minority Enterprise Development, I am pleased to have been a part of this bipartisan effort to provide a meaningful business development program for minority small businesses.

I am most pleased that this bill embraces the concept of competition in the program. I firmly believe that, under these provisions, the 8(a) program will provide ample opportunity for minority small businesses to develop, to grow, and to continue to survive and prosper in the competitive marketplace after graduation from the program.

In addition, I strongly support the provisions in this bill that encourage small businesses to increase their level of private sector business as they progress through the program. Our goal is not to make these firms dependent on the Government. Rather, this reform proposal will help these businesses to gain an increasing share of their business from the private sector and/or other Government procurement markets.

There are several provisions in the bill, as well, aimed at streamlining the administration of this program and improving its business development aspects. The bill requires comprehensive data collection to monitor and evaluate firm and program performance, simplifies procedures for program admission, increases criminal penalties for misrepresentation, adds procurement center representatives to increase small business participation in Government contracting, and eliminates direct business development expense grants in favor of a loan program.

In addition, I am pleased that the full Small Business Committee unanimously approved an amendment I offered on the issue of unpriced options.

My amendment will allow graduated 8(a) firms a 60-day period in which to price any unpriced options remaining on their original contract. Further, this amendment prohibits the Small Business Administration and the appropriate Federal agency from negotiating with another company during this 60-day period.

This amendment addresses a serious situation facing many graduated 8(a) firms as a result of a ruling by the General Accounting Office in April 1986 and the subsequent internal directive issued by the SBA prohibiting the exercise of unpriced options.

As a result of this ruling, many graduate 8(a) firms could lose valuable contract options for which they have made significant investments. My amendment does not challenge the validity of the inspector general's ruling per se, but rather takes issue with changing the rules of a contract in midstream.

Once again, I am pleased that our committee chose to take a long-range view on this issue. This effort to clean house and come up with a more effective Minority Business Development Program will benefit minority enterprise in the long run.

While public attention has been focused on a few, isolated abuses in the program, I do not believe this is typical of 8(a) firms or the 8(a) program. The typical 8(a) firm is a struggling, but potentially successful, minority enterprise that will generate increasing numbers of jobs, income, and tax dollars for its community.

Already this year in the State of New Jersey, 27 contracts and 103 contract modifications have been awarded to 8(a) businesses at a value of $37 million. In fiscal year 1986, New Jersey 8(a) firms gained total contracts worth $72 million. And, of the 30 graduated 8(a) businesses in New Jersey, 21 remain active with success rates ranging from marginal to outstanding.

In summary, this is a program worth keeping and worth improving. I believe H.R. 1807 achieves this goal and urge my colleagues to support its passage.

Mr. HAYES of Illinois. Mr. Speaker, I am proud to be able to join my colleagues in support of H.R. 1807, legislation to reform the Capital Ownership and Development Program, more commonly known as the 8(a) program. I would like to start by thanking all of the members of the Committee on Small Business who labored so hard to craft this bipartisan legislation. The subcommittee chairman, Mr. MAVROULES, has earned our support with his dedication and commitment to what must have seemed at times an unending process. The same is true of our ranking minority member, Mr. CONTE, who also showed his support for the program by offering many good suggestions. The chairman and ranking minority member of the full committee, Mr. LAFALCE and Mr. MCDADE, were also invaluable. They brought to the process very solid perspectives and well-reasoned proposals. I would also like to thank my CBC colleagues on the subcommittee, Mr. SAVAGE, Mr. CONYERS, Mr. FLAKE, and Mr. MFUME for their contributions, as well as my colleagues Mr. TORRES and Mr. MARTINEZ. We also hold a debt of gratitude to many other Members of this House, who, while not a part of the committee, have shown a keen interest in this subject, and have attempted to add their voices to those working for positive change. Without the assistance of all of these Members, I am not certain that I could have supported the bill before us today, or even that we could have successfully reported 8(a) reform legislation during the 100th Congress.

I would also like to thank the many small minority businesses which offered their advice, criticisms, suggestions, and ideas to the legislative process. While I know that all of them are not happy with everything in this final version of the bill, there is no doubt that the bill is better for their participation. This process was also an enlightening one for me. I was able to hear many success stories, of black and Hispanic and Asian companies that are doing today what was only hoped for years ago. The growth and expansion of minority entrepreneurs is very important. It is important to the minority community and to our Nation, and that is why this legislation is so important.

The 8(a) program provides affirmative action to economically and socially disadvantaged business entrepreneurs. In fiscal year 1986, for example, this program generated $3.1 billion in Federal contracts for minority businesses. It is substantial, and it is irreplaceable.

However, the Wedtech scandal has provided ammunition to those forces who oppose the use of Federal resources to encourage and improve minority business development. They have attempted—and will continue—to "throw the baby out with the bathwater" by eliminating the program as well as the criminals. While we also oppose the criminal activities which have damaged the program's credibility, our support of the program is steadfast.

H.R. 1807, the Mavroules-Conte bill, is viable, positive, reform legislation and I support it. It has been carefully examined—6 days of hearings with 45 witnesses from former and present 8(a) firms, SBA, and GAO officials, and representatives of black, Hispanic, Asian, and Native American organizations. Witnesses included Rev. Jesse Jackson and former House Small Business Committee Chairman Parren Mitchell, founder of the Minority Business Enterprise Legal Defense and Education Fund [MBELDEF]. All testified in favor of the goals of the legislation. It has been altered and improved to facilitate the concerns and criticisms of Members of Congress, the administration, and SBA, and the minority business community. While there are elements that all of us would have changed, the total package is one that I believe we can all support.

It is not a perfect bill. For example, I believe that there should be reasons for sole-sourcing large contracts to minority entrepreneurs. I am aware that this led to abuses in the past, but I believe that there are sound entrepreneurial arguments which can be made to support this policy. While I am concerned about the time limit in the total program—especially the time limit for the first phase, I think that many of the 8(a) firms will find 9 years more realistic than the current 5-year program. I am also disappointed in some of the provisions relating to employee training and financial assistance, but I know that we have greatly improved on the current law. As I said, this is not a perfect bill. But I am aware that there is no such thing as a perfect bill. I am convinced, however, that the overall thrust of this bill is correct. It is an improvement over the current program, and will go far toward ending the abuses of the past.

I urge my colleagues to support H.R. 1807. It is my view that it represents our best opportunity to positively reform the 8(a) program.

Mr. McDADE. Mr. Speaker, I yield back the balance of my time.

Mr. MAVROULES. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. HOYER). The question is on the motion offered by the gentleman from New York [Mr. LAFALCE] that the House suspend the rules and pass the bill, H.R. 1807, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

THE HAITIAN DISASTERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. OWENS] is recognized for 5 minutes.

Mr. OWENS of New York. Mr. Speaker, as the whole world knows, the elections that were scheduled for November 29 in Haiti did not take place. These elections were to elect a new President for Haiti and a new General Assembly. That was scheduled for November 29, and then later on December 20 there were to be elections for local and regional officials. The likelihood that these elections will take place is also zero. These elections were scheduled and authorized and the procedure was established for the elections in the Constitution that was voted upon by the Haitian people.

On Sunday, we saw that according to the Associated Press at least 34 people were killed and 75 people wounded by gunfire and machete attacks as the army, combined with armed thugs, to guarantee that the election would not take place. Men, women and children, who were guilty of no offense greater than wanting to vote in a free election were gunned down savagely by these hordes.

I hate to say, "I told you so," Mr. Speaker, but I have been predicting that the junta in charge in Haiti, the military government there that was established by our State Department, did not want elections and would not let elections take place.

I called for more forceful action by the United States Government, the United Nations, the Organization of American States, and we did not get it.

This is only a temporary setback, however. There is no reason why a great nation and the rest of the world should stand by while the majority of the people of a country who have voted for free elections are not allowed to have those elections because a few armed thugs and their army do not think elections are nice.

We can have some influence. We can now exert the moral pressure that we should have done before. We can exert moral pressure. We can exert financial pressure. We can force or pressure the Haitian Government, which is an interim government established by our State Department, we can get an agreement from them, because they say they still want the elections and have a constitutionally established government by February 7. If this is true, we should pressure them to accept the Electoral Council of Haiti, which is also given the authority by the constitution to hold these elections. There are only two legally constituted bodies in Haiti. One is the Electoral Council. The other happens to be this interim government which has authority to run the country until February 7. The Constitution gave it that authority.

Let the interim government agree to let the Electoral Council carry out its constitutional function. Let it agree to allow the Electoral Council to call upon outside forces or outside countries, governments, churches, whatever is necessary, to give them the support they need to run the elections. They need printing presses. They need helicopters to transport people across the country. They need books. They also need armed guards. They need some kind of policing force to allow them to guarantee to the people who come to vote that they will be allowed to vote in safety.

Let the Electoral Council contract with the Organization of American States or with the United Nations to bring in armed guards, armed police, to guarantee that the election will be conducted and conducted in safety.

□ 1345

We do not want to see more murders committed in Haiti. We do not want to see men, women, and children shot down because they want to go out to vote.

Some of the members of the Electoral Council are now calling for this kind of outside help. Candidate Sylvio Claude, the founder of the Christian Democratic Party, told the Associated Press that—

> No elections are possible under the junta. They are the ones shooting people. We call on a group of nations—The Organization of American States or the United Nations—to send multinational forces to conduct elections if the United States, the boss of the junta, doesn't force it to step down. Another candidate, Marc Bazin of the movement for the installation of democracy in Haiti, said that elections must be held under the CEP or he won't participate. The junta dissolved the CEP Sunday, but claimed that it still plans to have free elections.

They insist on running those elections. They will probably insist on reestablishing a new set of rules which would allow supporters of the dictator Jean-Claude Duvalier to run in the election. It would be a gross mistake first of all to allow the junta to usurp the powers of the constitution, and second, to rewrite the rules, because the Electoral Council cannot allow Duvalier to run. If they ran, they would only use their guns and money to rig the elections.

We can have free elections but we need the leadership of the United States to establish a peaceful intervention process to guide other nations in the world to assist the majority of the people of Haiti to have free elections.

COIN DESIGN CHANGE REVENUE ESTIMATES ARE UNREALISTIC

The SPEAKER pro tempore (Mr. HARRIS). Under a previous order of the House, the gentleman from Illinois

[Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, recent estimates by proponents of coin design changes suggest that such changes could generate $1 billion in profits to the United States in just 1 year. Although I have not taken any position on whether coin designs should be changed, I want Members to be aware that recently published revenue projections resulting from design changes are very unrealistic. Predictions of $1 billion in revenue from increased seigniorage are based on incorrect assumptions.

One proponent of change projects a mintage of 800 million half dollars in 1988, on the assumption that a redesign of the half dollar in 1989 would increase demand for the coin in 1988. These coins would produce about $350 million in increased seigniorage. Over the last 10 years, the mint has struck only 457 million half dollars, a little more than half the total projected for next year.

The half dollar is rarely encountered in circulation. Demand for the coin is so low that the mint is not minting any for circulation this year. If anything, demand for the half dollar is decreasing. Over the past 12 months, the Federal Reserve has paid out to banks only a net of 31 million half dollars. At that rate, the 800 million coins projected for 1988 would be sufficient to last over a quarter of a century.

Despite all the evidence of the half dollars unpopularity, half dollar production accounts for about one-third of the net gain in seigniorage under the projection, even though its design would remain unchanged in 1988. Why that coin would show such a surge in popularity is unexplained.

The balance of the projected seigniorage increase comes from an increase in mintage from 1 billion to 4 billion quarters in 1988. How there would be a fourfold increase in demand for quarters is, like the increase for half dollars, unexplained other than for a statement in a list of assumptions that "production numbers exceed likely demand." The increase in production is explained as "prudent stockpiling." Any stockpiling in excess of demand would reduce coin production in future years and likewise, reduce seigniorage in those years. No account is taken for the decreased seigniorage in future years.

Earlier this year, as part of the mint's budget authorization hearings, I asked Mint Director Donna Pope what effect would changing coin designs have on coin demand and seigniorage. Her answer was that "demand data does not provide specific evidence to determine the impact that a change in design would have on coin demand." I also asked several other questions related to the effect that coin design changes would have on the mint and the mint's history with previous coin design changes. The answers provide no conclusive evidence of what effect a change in design would have on demand, and hence, on seigniorage.

Estimates of changes in coin demand and seigniorage resulting from coin design changes are heavily dependent upon their underlying assumptions. The assumptions should be based on the best available information. Unfortunately, the assumptions underlying the recent private analysis are insupportable with currently available facts.

Between 1979 and 1981 the United States generated about $820 million in seigniorage by minting 850 million Anthony dollar coins. With 465 million of those coins still in Government vaults, no one is suggesting that more be minted solely in order to generate more seigniorage. Coins should be minted to meet public demand for them, not to improve the balance sheet of the United States. A change in coin designs or excess coin production solely to generate additional seigniorage would be bad public policy.

THE ECONOMIC SITUATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 60 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise to continue yesterday's discussion except that today in view of developments, given the fast pace of our technological world as compared to the slower pace in past crises after World War I, very similar to the developments that are taking place now, the scenario may have been different, even countries that are the comparative nations to those involved today in the Third World no longer exist after World War I. But the situation and the world economic conditions and the role of the United States and the victimization of the United States as I call it are pretty much parallel to occurrences both after World War I and after World War II.

On previous occasions I have been a little bit more specific. I have brought out very specific references and source material in order to draw this parallel, and I speak of addresses which I have made to the House of Representatives as long ago as 1978 and 1979, particularly when we had the first credit crunch in 1966. To be precise it was June 19, 1966, because that was the day that the largest banks in our country announced overnight an increase of 1 percent, 1 whole percentage point in the prime rate for interest, something that had not happened even in the equivalent financial world of the Civil War, and that is at the time of greatest stress in our country since its founding.

So that naturally I considered that to be a very definite movement that foreshadowed coming events that I felt particularly the committee I have belonged to all along, the Committee on Banking and Urban Affairs, had a responsibility to analyze and gauge.

The one advantage then was that the chairman of the Committee on Banking and Urban Affairs was my great fellow Texan and colleague, the great Wright Patman, who got to be known as the chief enemy of high interest rates, though at that time it was unheard of to go beyond 6 percent or much over 6 percent at all.

It was the outpeaking of that that set some of us like Chairman Patman and myself on edge, but I was the one who spoke out. I even brought some kind of pressure on Chairman Patman and he did respond. He called hearings and he summoned forth the then Secretary of the Treasury who confessed inability to do anything, the Chairman of the Federal Reserve Board at that time who also confessed ignominiously that there was not anything that could be done, that interest rates were acts of God and that maybe something would help and that would be if the Congress would not be profligate, and if it would cut the budget, and that would have more direct relationship to the interest rates than anything else.

This was the song and dance that five different Federal Reserve Board Chairmen gave me in answer to questions that I propounded when they appeared before the Committee on Banking and Urban Affairs all through these years.

Today, you see, of course the Federal Reserve Board can control interest rates; of course if the need is as it seems to be at this moment to try to keep lower interest rates even if it means a Federal Reserve Board cranking out the printing presses, and infusing mostly the banking world with $6 billion a week since October 19, the day the stock market crisis occurred, market crisis-2 in our history, and the thing that Americans do not realize and even most of the Members that I discuss this with on and off the Committee on Banking and Urban Affairs is that the Federal Reserve Board is the one that is manufacturing our money. It is not the Government.

My colleagues will remember all this cry about the phony-baloney money and how politicians, meaning the politicians in power in the Government, were printing this highly inflated money because they were serving political interests.

I say to my colleagues it is not the politicians. It is the Federal Reserve Board which incidentally is not even a Federal agency. This revelation seems to startle many of my fellow citizens, but I have been saying this since I can remember, that unlike the general impression that the Federal Reserve Board is a Federal agency, it is not. It is really a private agency representing the commercial banking industry of our country and in fact the way it turned out in the last 15 years or less maybe, certainly in the last 12 years, the Federal Reserve Board is really controlled by seven of the biggest banks in the United States because they are the ones that rule the roost and since the Congress has in effect vitiated the original intent of the Federal Reserve Board Act of 1913 and since 1923 in particular the creation of the Open Market Committee, control of our economic, fiscal, and monetary destiny has gone away from the Government, meaning the people's representatives, and is ensconced in the hands of the bankers and for the first time this is what the tragic part is, for the first time particularly with the advent of the Reagan administration, these huge mega financial corporate interests are in total control of the administration and that means our Federal Government's decisionmaking.

All through history I have brought this out ad nauseam since I first took the floor, and that was the first month that I was sworn in as a Member of the House of Representatives.

I might say by way of explanation that there has been quite a bit of comment and I have been rightly or wrongly attributed the idea of suing special orders as if that was something new or novel. The truth of the matter is that as I have always said, a member of a parliamentary group such as the U.S. House of Representatives, a very numerous body, has only one real power, and that power is to register the vote of his constituents, his district, by his voice. That is all.

Strip it of that and all we have is whatever temporary evanescent power through internal House politicking a Member has managed to achieve, such as a chairman or leader or this or that or the other, but outside of that, the real power is to register by voice and vote.

In addition by way of explanation, this explains why I have made it a point, not a fetish, but a point to be present if the House of Representatives is in session, and God willing, I will be here.

So in 26 years of service, my voting presence is 99.9 percent on all votes, but on yea and nay votes it is 100 percent. Thus far in the 100th Congress, I have been able to have a 100-percent voting record as recently disclosed by the Clerk of the House of Representatives.

The reason is that if a Member is not here he cannot register the voice of his constituents, and cannot register his vote. I had not been sworn in in January 1962 officially before I had a major crisis in my district which at that time was the second largest district in the whole of the United States. This was before the Supreme Court so-called one-man one-vote decision, so my district consisted of the entire county of Bexar, and that made it the second largest district in the whole country.

The good part was that it was a compact district, the bad part was that I was given the same budget as my next-door neighbor who had less than 300,000 citizens to represent. So I was one of those that greeted with great jubilation the Supreme Court decision in 1962 which led to redistricting. But as I say, one reason is that that is the only way one has, faced with an immediate crisis, to communicate. I communicated my distress to then a long-term Member of the House, the Representative from Louisiana, Mr. Morrison, who was chairman of the Committee on Civil Service and Post Office at that time. At that time committees were fewer in number and they were smaller and if a Member was a freshman, he was lucky to be assigned to what we call a standing committee like I was. I was assigned to the Committee on Banking mostly because Mr. Patman made that request, and they enlarged the committee to make it a full membership of 31 members. Today the committee has 51 members. At that time I made it the exact size of the State Senate of Texas, where I had just served, which also had 31 members.

The reason is that when Mr. Morrison advised me, he said, "Son, you do have a problem but you have got to get on the record and then through your record and the fact that you're on the record you go on ahead and communicate with the people that can make the difference."

So I did. I said, "What do you mean?"

He said, "Take the floor. Take a special order. You don't even have to make the special order, just write it out and submit it for the RECORD."

So this is the way it used to be done. I never thought that that was the way it was intended. I then read the history of special orders and I came to the conclusion that it was a great privilege in a situation where there are numerous Members where debate would be definitely limited, that this was the only way to make your voice heard.

□ 1400

This was the only opportunity given a Member to enlarge on a particular subject matter that otherwise he would have no chance to officially, that is as a part of the processes in the legislative business, because this is just as official a process as any. The thing is that it is on the record. It is printed in the RECORD for each one of my colleagues to, if interested, evaluate and measure the scope and range and thrust of the remarks.

So I have with very few exceptions over 20 years if granted the privilege spoken. I have not written out and submitted for the RECORD as it used to be allowed.

Today, you can do it, but it is designated as not having been delivered by small print. So I feel that to keep the spirit and the intended purpose of special orders that this is what it was intended to be.

I wanted to give that explanation because there is quite a bit of confusion today. The proceedings are televised. There are many citizens throughout the country who after I have spoken here on special orders want to know how they can obtain a copy, and of course I refer them to the CONGRESSIONAL RECORD. But today the Congress itself has limited that communication.

When I first came to the Congress we were allowed 65 subscribers, and in addition institutions such as schools, libraries, colleges and universities in the district. Today we are allowed no subscribers and the circulation and printing of the RECORD was cut at the outset of the Reagan administration's program of budgetary cutbacks and frugality and the Congress' willingness to chop its own legs in that endeavor. I think that is one great glory of the House of Representatives, having come from a State senate, is that the proceedings are printed, that you have a daily record, later assembled into the permanent journal. But the record is there, unlike the State legislatures where members can escape accountability quite easily.

So I say all this by way of explanation because I do not seek a special order lightly. There has to be some transcending and imperative reason if I know that I happen to be charged with knowledge and given the discharge of my responsibilities by way of prerogatives of being a member of the majority in the House of Representatives. With the majority comes certain privileges such as chairmanships of committees and subcommittees. That is not a privilege extending to the minority. I feel that it has to be some legitimate concern having to do with interests or issues pertinent to the membership and the colleagues of the House of Representatives.

So through the years and way back when there was no television coverage or anything I was speaking out on special orders. But then with the advent of TV and the consequences of that, for some reason or other I was identified with being the grrandfather or whatever you want to call it of special orders, which may or may not be true. The point is that today I continue because the newspaper accounts in the headlines today perhaps overlooked by the average citizen, because they have to do with the range and scope of happenings that are not daily occurrences, and with every one of our citizens pinpointing all of his six senses in earning a living each day, and depending on us, their elected representatives or agents to at least, at least analyze and communicate what the issues are, what if any our approaches are, what if any our recommendations may be, and that reason is the prime reason I have asked because today's headline, for instance, in the New York Times related to what I have been disgressing on for the last few times I have taken special orders, and particularly yesterday.

The front page, left column, the lead column, the headline reads: "Dollar Hits Lows, Washington Seems Content Over Fall. Stock Prices Also Drop. Analysts Say United States Indicates It Seeks To Press Allies to take Economic Action." Then the body goes on and describes the relative drop of the dollar. And it says that Washington, meaning the administration, and the managers of all our money, both the Secretary of the Treasury as well as the Federal Reserve Board are quite content with seeing the dollar plummet.

Mr. Speaker, I include in the Record at this point the article from the New York Times I am referring to as well as the subsequent summary of details entitled "Details of Dollar's Day" in which they bring in specific arithmetic, the extent of the drop as compared to say the German currency, the deutsche mark or the Japanese currency or the French currency.

The articles referred to follow:

Dollar Hits Lows, Washington Seems Content Over Fall

(By Peter T. Kilborn)

Washington, November 30.—The dollar fell to new lows today, amid conjecture by experts that the Reagan Administration was content with the currency's recent slide.

Even as the dollar continued the decline that began last week, stock prices slumpted on Wall Street in heavy trading. After falling as much as 110 points, the Dow Jones industrial average closed with a loss of 76.93 points, or 4 percent, at 1,833.55.

Economists and Wall Street traders said the Administration's behavior implied that it was letting the dollar fall to goad Japan and West Germany into doing more to help the American economy avert a recession in 1988, an election year. Both countries have taken a few such steps recently, but the White House and Treasury Secretary James A. Baker 3d appear to want more.

EFFECT ON FOREIGN TRADE

As the dollar becomes cheaper, the prices of the goods that the countries export—and rely upon for much of their growth—would be expected to rise, hurting their industries.

Wall Street analysts also said that remarks made by President Reagan today confirmed the view in the financial markets that the Administration's $76 billion two-year budget accord with Congressional leaders was insufficient to do the job intended: a pronounced and sustained shrinkage of the Federal budget accord was merely "an adequate deal."

"The dollar is off because we wanted it off," said Robert G. Dederick, a former Reagan Administration economist who is now executive vice president of the Northern Trust Company in Chicago.

COMMENT FROM A BANKER

And Robert Hatcher, vice president from foreign exchange at Barclays Bank in New York, said: "We've had gloom and doom surrounding the dollar all day. The White House seems quite content with where the dollar is headed."

The dollar started slipping late last week, following a relatively sharp fall in late October, and it fell moderately today in Europe and Asia before recovering slightly in New York. Trading was quiet.

By the end of trading today the dollar was worth 1.6380 West German marks, down from 1.6540 late Friday, 9 percent below its level just before the stock market collapse of Oct. 19, when the Dow Jones industrial average fell 508 points. The dollar fell to 132.225 Japanese yen from 133.55, about 7 percent below the level just before Oct. 19.

As trading opened today, the stock market was uneasy because of the uncertainty created by the dollar's fall and recent increases in commodity prices, both of which create fears of higher inflation.

In addition, experts said that many foreign investors were wary of buying stocks because the erosion of the dollar makes their investiments worth less after currency translation.

With the dollar's weakness, many investors turned instead to Treasury securities, particularly shorter-term notes and bills, pushing up prices in the credit markets. Others chose to invest in gold, a traditional safe haven in times of uncertainty.

In recent weeks the falling dollar has been thought to bolster stock prices because it shows that the Federal Reserve is not raising interest rates, which could slow the economy and cause a recession.

But as the dollar has continued to fall, economists say the Administration has been pressing its luck and risking a phenomenon that could hurt the economy even more—sharply rising inflation. A cheaper dollar raises the prices of imported goods and makes it easier for domestic industry to raise its prices, both of which fuel inflation.

"The stock market sees us getting dangerously close to the threshold where inflation is triggered," said John Paulus, chief economist at Morgan Stanley & Company. In the face of fears of rising inflation, the markets and the Fed push up interest rates, which spells slower economic growth and a decline of the stock market.

Government officials declined to comment publicly on currencies today and did nothing else to influence the currencies by other means, like buying dollars, which could push up its value. Analysts said the Federal Reserve Board, which could act independently of the Administration to strengthen the dollar, was temporarily immobilized by uncertainty over the economy's strength.

Speaking to reporters, the President's spokesman, Marlin Fitzwater, said he would not comment on the dollar beyond saying that "there's no change in policy that I'm aware of" since remarks, the President made on November 9. "I don't look for a further decline," Mr. Reagan said then.

Mr. Dederick of Northern Trust said the financial markets had become skeptical of the President's commitment because the Administration had not said or done anything to reinforce them since Mr. Reagan's remarks.

In a speech to businessmen at the White House today, President Reagan seemed almost as reserved as the markets have been about the two-year $76 billion plan to reduce the Federal budget deficit that was agreed upon by White House and Congressional negotiators. Its details have still to be worked out.

"As I've said many times, the result of these negotiations is not a perfect deal—far from it," he said. "But it's an adequate deal, the best we could get and a good first step." He also said that he would veto the final agreement if it includes tax increases he dislikes.

The President also stated policy goals that analysts said imply continued relatively strong growth for the economy rather than the slower growth that some economists say is necessary to prevent the inflation that is often associated with a cheaper dollar.

Mr. Reagan noted the reductions in interest rates made last week in West Germany, France, the Netherlands and Belgium, which mark a reversal of a stable-dollar policy that the Administration followed until October, after West Germany started raising interest rates.

"From the Germans in particular, this was a welcome step toward economic policies that, like our own, stimulate growth," he said, adding that as foreign interest rates decline "ours can come down too."

Some economists say the dollar, which is now worth half as much as two years ago at its peak against the mark and the yen, has fallen too far and will cause higher inflation. "The dollar is undervalued—it is already too cheap," said Neal M. Soss, economist at the First Boston Corporation. "And it's hard to imagine that the U.S. will support a rising dollar anytime soon."

For the present, according to experts, the Federal Reserve is apparently trying to keep interest rates down to the levels they reached after the stock market's collapse because it lacks enough information to show how the plunge in stock prices affected the nation's economy.

"The Fed is likely to wait until it has some solid numbers," said M. Kathryn Eickhoff, a former Administration economist who is now a private consultant.

On the periphery of today's markets, there were signs that the Group of seven industrial nations—the United States, Japan, West Germany, Britain, France, Italy and Canada—were moving toward a meeting, probably some weeks from now. According to this speculation, they would establish policies to try to end the uncertainty in the markets and, at least for a few months, the decline of the dollar.

The Administration has become wary that a meeting of the Group of Seven will cause more market turmoil if investors discern little real policy change. One Administration official said that not having a meeting, though, could bring similar rebuke.

Details of Dollar's Day

In Europe, the dollar tumbled yesterday to postwar lows of 1,6354 West German marks, 1.8400 Dutch guilders and 1.3430 Swiss francs, a six-year low against the French franc and a 5½-year low against the British pound.

The dollar's slide began in Asian trading, where it fell to a record low of 132.45 Japanese yen in Tokyo, compared with Friday's 133.75 yen, despite repeated intervention by Japan's central bank. Later, in London, the dollar was quoted at 132.18 yen, and in New York the dollar brought 132.225 yen, compared with 133.55 on Friday.

In London it cost $1.8335 to buy one pound, up from Friday's $1.8105. In New York the pound fetched $1.8275, up from $1.8105.

Other late dollar rates in New York included: 1.6380 West German marks, down from Friday's 1.6540; 1.3437 Swiss francs, down from 1.3540; 5.5655 French francs, down from 5.6225; 1,213.00 Italian lire, down from 1.222.75, and 1.30945 Canadian dollars, up from 1.30875.

The reason I must speak is that it is bringing out what is happening here, what I have predicted, what I have tried to formulate as recommendations by way of legislation years ago in anticipation. As I say, recalling and going back to that, I consider it to be a watershed era of the first so-called credit crunch of 1966. Credit crunches mean what? They mean that the flow of credit available to Americans, or at least some Americans for one reason or another is going to be blocked. Tied in of course with that are interest rates.

I have long spoken out, even before I thought I would be either in politics, much less in the U.S. House of Representatives, on the relationship between interest rates and the rise and fall of society's kingdoms, empires, and great organizations. In fact, the history of interest rates, such as it is, and I know only of one book printed some 12, 15 years ago, that presumed to be entitled "History of Interest Rates." As the author himself says, at best it can only be fragmentary. But I have pointed out that as long as man has recorded history going back to 6,000, 7,000 years before Christ, such things as what we call interest rates, that is the price for that medium of exchange, going back to days most ancient, even before written other than the tablets of the era of Hammurabi and the Egyptian pharaohs, but we know that even as our Lord Jesus Christ was preaching, interest rates in some of those areas, in fact, charging interest was punishable by death. Usury, which during the Middle Ages in the church was a sin, a prohibition, today I do not know that the American citizenry knows that there is no institutional safeguard to protect the American people from usury, extortionate interest rates which are at the bottom of the malaise that we seem to be confronting and with the prospects much darker, the legacy that we are inheriting from Reaganomics which is one that is going to bring about great cataclysmic crisis. How soon? How far? Nobody can predict.

What I do want to discuss is that this headline which indicates the same attitude that greeted similar developments, both in 1929 and after as well as since, the President Nixon decision to remove the dollar from the so-called gold exchange system of international currency exchange rates and methods of evaluating the value of these international currency units. When that happened, nobody called it a devaluation, at least the American press did not. The European press did. But nobody in the United States called it devaluation.

I recall vividly because as a member of the Committee on Banking, Finance and Urban Affairs, it was exactly the reason why shortly after that devaluation and removing the dollar, the international markets then were turned loose. There was no mooring, and since then we have had great instability, persisting to today except that in the meanwhile the other countries, given American absence of proper leadership, and I might say also by way of explanation that at this point throughout the world, particularly the industrial world, the perception of our country is a very, very mischievous and dangerous one. The perception as reflected in all the press, in Italy, Tokyo, Bonn, Berlin, London, Paris, is that we are leaderless, that the United States is rudderless. So this having been quite apparent to some of the European leaders some years ago, in the 1979 pronunciamento, or as they called it the release of or conclusive summary of the economic summit conference in Bonn in May 1979, Jimmy Carter being President then, Mr. Reagan was not President. It was Mr. Carter, and the same thing happened then as happened in 1985 when Mr. Reagan was indeed President and also went to the Bonn economic summit meeting in May 1985.

However, in 1979 for the first time in the so-called communique, this is a favorite word used when all of these leaders meet in the summit and they come out with a communique, and usually these are very brief, very cleaned up little succinct statements. But even though that communique in May 1979 was brief, and it was printed in the New York Times, it was printed in full here in the Washington Post, I believe, I know it was in the Times, everybody overlooked as a meaningless expression the last sentence of that communique. But when I read it it set me off and it has led to me being the only Member of the Congress, and I take no pride in this as I said yesterday, in fact I feel sad and I feel more apprehensive when I realize that I am the only Member of either the House or the Senate that has even mentioned, much less discussed the European currency units, the ECU, or the European monetary system, the EMS.

□ 1415

But the last communique in May 1979 said "We accept in principle the concept and development of the European monetary system and the European currency unit."

I was amazed, though I had been somewhat surprised in 1970 and 1971 when the press was not reporting what the consequences would be when we went off the gold exchange on our initiative, threw out to what they call a floating system of currency rates. That is just gobbledygook for instability.

Now all through mankind's history the financial people and the markets are scared stiff of instability. This is the reason why before World War I and as World War I began to develop and before World War II, the United States became a haven for this flight of capital and investors, mostly at that time in the equivalent of gold.

So that the United States was the only creditor nation in both World Wars, World War I and the only creditor nation in World War II. It had the biggest gold reserve of any country.

However, as of 3 years now, the United States is the biggest debtor country and a debtor country for the first time since 1914. Since 1914, the United States had become a creditor nation.

As I said earlier, it is not surprising because it coincides with the advent of World War I and the flight from this terrible convulsion that financiers and financial market speculators fear the most.

So they came to the United States. Why has the United States become a debtor nation? Well, it cannot be simplistically put. All of these things cannot be, they are not so susceptible.

But domestically in 1966, it was still possible for the United States to control its own destiny; today no longer.

The Federal Reserve Board has lost its ability to control even interest rates.

We are now sitting here potentially at the mercy of external forces over which we have no control. When some of us, foreseeing this, spoke out, we were not just talking out here trying to make it look as if we were experts, which I do not claim to be an expert. But I feel that as a member of this committee and one who has been chairman for 10 years of the Subcommittee on International Finance, that I had a responsibility to evaluate, and I did as best I could. And when I found an absence of concern, a disinterest, an obliviousness to the potential hazards in the making, to what? Well, to the standard of living. This is what is at stake.

I first said this in 1966. I said the name of the game is our vaunted, proudful, much-boasted American standard of living.

I know, because I faced this all along, that there was ridicule and there was such a strange look when some of my colleagues would hear me talk and say, "Henry, what are you talking about? What are you worried about? When you talk about there being no real control over interest rates, what is the matter with you? Why, interest rates haven't even hit 7 percent and they are not going to. Why, it wouldn't be tolerated."

Well, unfortunately, none of those Members were around in 1980 when the prime interest rate hit 21 percent. I pointed out, in fact I wrote a lengthy article for a financial publication in 1966 essentially pointing out the history of the attempt of interest rate control in the Nation, because a lot of people still think that there is some legal protection against usury. Let me advise you there is none whatsoever. This is why we are sunk. This is why I used this image or metaphor that we were trading out, selling our inheritance for a mess of pottage, the pottage of the illusion of material well-being. So long as we had the refrigerators, the washing machines, the two cars in the garage, who cares? But this was the same thing that happened. I was just about 11 or 12 years of age, but I remember vividly as if it were today—whether it is a curse or a blessing I have almost total recall—and I remember working for this German druggist, and ex-German ship captain.

I first started working when I was 10 years old, 1927. I remember standing on the doorway of that drug store, the Old Reliable Pharmacy on the corner of Cadwalder and North Flores Street, 1028 North Flores Street to be exact, in San Antonio, TX.

Here was an ex-German ship captain, Ernest von Helms who had for almost 30 years been a captain of a North Lloyd German liner. Where? In the China Seas and off the coast of Japan for over 25 years. Now he could speak Japanese, he knew one Chinese dialect, he could speak Spanish kind of fluently, he could speak French, he knew all the Scandinavian languages and he was all German.

When the war broke out in 1914, he was attempting to bring his ship back to Germany, to Hamburg. So he came by way of the cape and was coming up the Caribbean when a French and a British warship spotted him and chased him. Rather than be captured, he took refuge here in nearby Baltimore Harbor and he was interned because the United States was not at war then.

While in internship, he studied pharmacy. When the war was over with he ended up in Texas, in San Antonio to be exact and he had the Old Reliable Pharmacy. I was the only one who worked for him who lasted more than a month because he was irascible, he had a pretty mean temper. But for some reason or other, being that my name is really Enrique, not Henry, he called me Enrico. I would always say, "Well, it is not Enrico in Spanish. Enrico is Italian. In Spanish it is Enrique." And he always had difficulty with that so he would call me Rico.

And when he discovered that I was not stealing any candies such as the Hershey's Kisses of that day—you know, we used to sell those Hershey Kisses at two for a penny at that time. I guess you pay 10 cents each now, maybe more. But I never have ever, ever since my brothers would get something at Christmas and I would not, I would never take anything that did not belong to me. So when I went to work for Mr. von Helms delivering after school until about 6:30 in the neighborhood there, the only time he exploded was when he would tell us to mop the floor and he would come over and he would say, "No, dummkopf" and he would push us and then he would say, "This is the way."

Well, what he wanted us to do was to swab a deck, not mop a floor.

So I learned how to work. I learned to work. I have worked at something or other since I was 10 years of age. But what I learned from Mr. von Helms was the dignity of work, the pride in doing it right or better than anybody else, and second, and above all, as he said, "Rico, honesty is the best policy."

And since I never would take anything he would say, "Look, you are the first one. What do you want? Do you want soda water? Do you want candy?" And I would say, "No" even when he offered it.

He would hire some—he used to have an ad in the paper saying, "Wanted, 15-year-old boy, German preferred." So I lived in a neighborhood where if you went to my playmate's house, I had to speak German. If he came to my house he had to speak Spanish because in my household my mother and father spoke only Spanish until the day they died.

I am giving you all of this history because it accounts for some of the background reconciliation with what happened then which is parallel, almost exactly, if you give the proper names and the countries changed around; and it was at von Helms' foot, so to speak, that I learned about the dream of Germany.

When the pocket battleship, the first pocket battleship, the *Deutschland*—this was the way the Germans got around the treaty which had been imposed when they suffered defeat just like now, divided and conquered and occupied. The striving then, as it is now, as all people, particularly a virile, a highly educated, intelligent, and cultured people, you are not going to hold them down.

As they attempted in the treaty after World War I, with Germany prostrate, others had exacted its pound of flesh in reparations and prohibited any kind of army or anything, they discovered through their ingenuity how to do it and they got around the then naval limitations.

I remember even as a kid the Treaty of Locarno and the Paris Peace Conferences and the agreements to reduce armaments, where they had the famous 5-5-3 ratio, meaning Great Britain, United States, and Japan as to navies and their sizes. I remember that as though it were today, though maybe perhaps I did not have the full understanding and grasp, I had a pretty good idea, believe it or not, even at that age.

I remember Mr. von Helms and I could understand and I could remember how even when this neighbor of mine, this playmate, Charlie Schultz who could not speak German, incidentally—his mother was an American, non-German descent and his father Karl, of course, was, but his mother could not speak German so little Charlie did not. He applied and was hired but he did not want to mop, he did not want to do much and he felt that he had access to the O. Henrys and the Baby Ruths of that day. Von Helms caught him, fired him on the spot, and cussed him in German.

Well, that afternoon after 5 here comes the father, Karl Schultz, and I knew we were headed for trouble. Mr. von Helms was back in the pharmacy preparing some kind of a prescription when this man comes in and says, "Giggy, where is that old so and so?"

□ 1430

So I said, "Oh, oh."

He said, "I'm going to knock the stuffings out of him."

So I ran in the back and I said, "Mr. Von Helms, you had better close that door." So I came out and I said, "Look, Mr. Schultz, " or "Mr. Von Helms."

He said, "He's not going to curse my son. I know what he says. I can speak German."

Anyway, to make a long story short, he finally threatened to call the police, and he left.

But it is this kind of background and experience that has been helpful, and all through I have been blessed to have been exposed to that.

I worked as chief juvenile probation officer in Bexar County after the war. I worked in a special category as assistant director for new programs, including a $26 million expansion of the San Antonio Public Housing Authority between 1950 and 1953, never once dreaming that I was going to be in politics, because that is the last thing I ever thought I would do or wanted to do. Then I discovered how wrongly I have been brought up when I had that experience to see what the world was about as a juvenile officer. And I saw what the country was about, and I saw the marvel and the greatness of the American people of all kinds, all colors, all walks, and all religions, and I dispensed with the prejudices and fixed views that I had inherited and had heard. Ever since then the whole world has changed.

But lo and behold, I can remember when Mr. Von Helms said, "It takes great pride to see the fatherland rising, because we're a great people, and nothing is going to hold us down." So the newspapers had an article one day saying that this pocket battleship was coming to the port of Corpus Christi, TX, 130 miles away.

Mr. Von Helms invited me to go, and, of course, he was received, you could say, with honors. I will never forget that event.

So later, when I was in college and the depression was still raging, I would hear about the crisis in Japan, when the Japanese in the Yangtse River, or the Yellow River, sank the *Panay*, the gunboat, and I heard the leaders say, "Oh, those Japanese, those Japs, we'll take care of them in 4 days. We'll blow them out of the water."

Then came the troubling news from Europe, and I would hear over the radio Adolf Hitler. And I can hear that voice as if it were today, just like later I remember the voice of Winston Churchill coming over that crackling radio. There was no such thing as TV in that day and time. And we could hear that voice even in its eloquence, undisturbed by that crackling interruption of static.

But I also heard him at the great rallies in Nuremberg. And what was he saying? "We are being surrounded by perfidious Albion, by England and France. They are surrounding us, and we won't allow it."

In other words, this was what was lost sight of at the famous Paris Peace Pact Agreement and Disarmament Agreement, when everybody agreed and the United States went with England, France, and Japan and they all agreed, except that in the case of defense any nation then was given the right to do whatever it saw fit. So here was this great German leader at the time saying, "We are being surrounded. We've got to break out for our own defense."

So what we looked upon as an invasion of Belgium and Poland, that was the first, and then there was Danzig. I will never forget that horrible report, and I could just see the horror of some of our fellow Polish-descended citizens, some of them having just emigrated a few years ago from Poland to San Antonio, because San Antonio is a very cosmopolitan city.

I am pointing all this out because nothing has changed, absolutely nothing. Today we are developing defense budgets, and just 4 weeks ago I said that they were not defense budgets, that "they are war budgets," $315 billion budgets. I have said it, just as in the case of the ECU and the EMS, and it is no pride for me to tell my colleagues that I have been the only one since 1900, in the late 1970's, when the Vietnam war was supposed to have faded out, to point out that our budget on defense was not declining.

All during the war the opponents of the war were pointing out what a horrible thing we were doing, that we have reached now over $30 billion in expenses." They said, "All of that we could divert for the great needs domestically of our country."

Well, when the war was supposedly over with, with our expulsion in the spring of 1975, there was nothing reflected in the defense budget to indicate any regression. For a while it seemed that way, but it was not.

So, to my knowledge, with this $315 billion budget, I have been the only one since 1978 and 1979 to ask the gentlemen who happens to have the responsibility of the Appropriations Committee and the subcommittees of that committee: "Of this amount, what percentage is allocated for the defense of Europe?"

The answer I have gotten is: "I don't know. We can't tell you in dollars and cents because it is scattered all over the budget on this side and the other."

I have come back and I have said, "All right, I have analyzed it all through, I have gone into research and development into this, that, and the other; with the 300,000 troops we have in Germany alone, I figure that over 60 percent of that $315 billion is for the so-called defense of Europe. Am I right or wrong?"

The answer was: "Well, you're in the ballpark. We can't quarrel with your analysis."

"All right," I said, "Let's assume it is even over 50 percent. That is fine. But then, I asked, "What Europe is it that you're defending?"

And I have seen all the Presidential mind sets and I have heard the debates, and let me point out that this is not an issue that has come up at any time either in an authorization or in an appropriation. As I say, I take no pride in saying that I am the only one that has raised the issue. It is obvious that the mind sets of our leaders, not just this President, but particularly this President, and the leaders in our Congresses indicate that it is a Europe of 1947.

Well, that is gone forever. The generations that are on the threshold of power in Germany, France, and Russia know nothing about War War II. The leader in Germany now, Minister Kohl, was 15 years old at the time of World War II. Gorbachev who is supposed to visit the United States soon, was 15 years old in World War II. The big thing is this: that we are in occupation. We call our troops defense troops, but to the average German citizen they are occupation troops. The British have never had much over 10,000 at the most, and what they carve out to defend is over the Ruhr, their steel producing area, and the reason for that was very pragmatic, very practical, to protect Great Britain's steel-producing industry. France has never had much over 10,000 there.

Mr. Speaker, all of this ties into the misperception we have been under, and they are costing us and have cost us a great treasure and blood. I think that if your leadership had had the correct perception of that external world in Asia, we would not have lost the 55,000 or the billions of dollars there.

Let us look at it this way: We went there to fight Communist aggression. Yet not one Russian soldier was involved there or died. What is the matter here? Is it that they are smarter?

We have said the same thing and proclaimed that we will fight and eliminate—and particularly, President Reagan said it—any kind of Communist foothold, and up to about 2 years ago his boast was that at least during this Presidency there had been no new Communist foothold.

□ 1440

That reveals such a misperception, because there is communism, and there is communism. This was reflected even by the statement of one of the biggest banking families, the Chase Manhattan, David Rockefeller.

Before he retired in his last year, on his return from a visit to Poland, where like Iran, you had several millions of American banking dollars that they were concerned about. He was interviewed; and he said, "Well, you know, there are some Communist countries we can do business with."

Here we are with the President having been snookered and falling into a trap in the Persian Gulf involved in a war between an Arabic and a non-Arabic nation.

We had 37 of our sailors killed as a result of an Iraqi attack. Yet, we are defending Iraq and fighting Iran.

This is the reason why, I repeat, throughout the world, you read any of the press, read any of the philosophers, the literature, the intelligentsia of these countries, France, West Germany, London; and you will see that it is like a litany. America has no leadership.

When we had the last economic summit, earlier this year in Venice, President Reagan was openly scoffed and laughed at. He was ridiculed.

Read the press. In Italy itself it was embarrassing. None of us can take any pride in that, any satisfaction; but then if there is no awareness, if there is no vision, is it not that scriptural saying, where there is no vision, a nation perishes.

There is no vision. We will not offer any kind of leadership.

Preceding me we had the gentleman from New York [Mr. OWENS], who has been speaking out of great concern on the Haitian situation. He says, "Where is our Government? We can at least offer morals."

This is what is lacking. Latin America and the rest of the world that we have been arming feverishly, they do not want us to help them raise armies. They want us to help them raise their standards of living. What do we offer?

They want American moral leadership, and we must live up to our principles. That is all we have to do.

Believe it or not, we have nothing because we are being flagellated and agitated by the compromise of integrity, so that always, no matter what the fighting is on, you either win or lose a war at the financial tables.

After World War I, Germany attempting to extricate itself from the treaty terms of reparation, and the British trying to escape their repayment of the war debt, which was minuscule compared to the private debt that had arisen as the result of the German Government, and the Japanese Government in 1921 floated over $30 million.

At that time $30 million would be like some billion dollars today, if you could make some kind of extrapolation for comparison.

They floated Imperial Japanese Government bonds, 20-year bonds; that is, they would mature in 1941. They sure did on December 7 with Pearl Harbor.

The German Government, a little kingdom that no longer exists, floated some $10 million. Where? Wall Street.

What are our bankers doing? What they have been doing here lately out of greed, because naturally they were offering interest payments that looked very luscious, so here was the average American worker taking his little savings, putting them in the banks, and the bankers in turn speculating in these government bonds; and then with the moratorium of 1931, and this is what I want to bring out, that this is what we are facing.

The eight Latin American, the chief Latin American countries' Presidents issued their communique this last Sunday. It ought to be very bothersome to our leader, and ought to be a clear confession that, given the fact that the United States and its President have abdicated leadership, that they are going to defy American hegemony.

The name of the game is our standard of living. Internationally the American hegemony is crumbling, is under attack like Britain was 100 years ago, 1880. Its hegemony was beginning to erode.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 791, NATIONAL GEOLOGICAL SURVEY WATER RESOURCES ACT AND GROUND WATER CONTAMINATION INFORMATION ACT OF 1987

Mr. MOAKLEY, from the Committee on Rules, submitted a privileged report (Rept. No. 100-464) on the resolution (H. Res. 318) providing for the consideration of the bill (H.R. 791) to authorize the water resources research activities of the U.S. Geological Survey, and for other purposes, which was referred to the House Calendar and ordered to be printed.

THE BUDGET TRADITION CONTINUES: MORE TAXES; NO PERMANENT SOLUTION

The SPEAKER pro tempore (Mr. HARRIS). Under a previous order of the House, the gentleman from Idaho [Mr. CRAIG] is recognized for 60 minutes.

Mr. CRAIG. Mr. Speaker, I have taken out this special order this afternoon to discuss with Members the budget compromise plan that was presented to Members of Congress and the U.S. taxpayer on November 20 by the President, the Speaker of the House, the leadership of the other body and the House combined in a statement from the White House, a budget plan or a budget compromise plan coming from a summit that was to produce approximately $76 billion in deficit reduction over a 2-year period.

At that time the statement was made, whether this plan passes or not, the leadership agreed that that depended upon their ability to sell this idea to the Members of the House and the Members of the other body.

Mr. Speaker, as I speak this afternoon, I am one Member who has not yet been sold; and I would have to concur by the headlines in the Post this morning, and other major newspapers across the Nation, that there is a very large constituency out there in this economy and throughout the world who has not yet been sold on the fact that the budget compromise is a good idea.

In my opinion, this package has two major flaws. It includes $28.3 billion in taxes over a 2-year period and offers no long-term solution to cut our tremendous deficit.

It also is broadly drawn and extremely vague at this point. No one knows exactly where the tax money is going to come from. We know it will be collected. We know only major categories for cuts and we do not know the specific areas from which they will come.

In other words, Mr. Speaker, there are a tremendous number of questions that remain unanswered. It would appear that Congress has reverted to what it does best: taxing the public and avoiding the hard decisions. This is exactly the sort of activity that has brought us to this point and exactly the sort of activity, I would contend, that must stop at this point.

This afternoon, it is my intention through this special order to outline some of the budget options now before Congress, explain my concern and to provide a few figures regarding both of these items.

Let us first talk about the Gramm-Rudman Deficit Reduction Act and the issue that is now before us. One lever the leadership has is the threat of the $23 billion in automatic spending cuts required under sequestration that we are presently involved in, a budget-cutting process set up by the Gramm-Rudman Deficit Act we passed just a couple of months ago. Gramm-Rudman requires Congress to cut the Federal deficit by certain amounts every year until there is no deficit. The current goal for a balanced Federal budget is 1993 under Gramm-Rudman. If Congress cannot compromise on where to cut, sequestration takes over. Sequestration cuts every program except Social Security and Federal retirement cost-of-living adjustments, along with some veterans' benefits, by the same amount until the needed savings is achieved. Sequestration order for November 20, 1987, as we now know, calls for an 8-percent cut in all of the accounts involved.

Would Gramm-Rudman do the job? In answering that, it is important to realize just how its cuts are made. We have heard news commentators say that a $23 billion ax will fall across Government spending. I would suggest that that approach is not the way it has been outlined or defined by the press and by some political leaders in this country. Sequestration, it must be understood, does not reduce Federal budgets to 8 percent below the previous years' budgets. It cuts 8 percent of the amount Congress would spend if it had the money.

This amount, of course, is called the baseline in the budget process. In other words, the cuts come from the increase.

Let me repeat. The 8-percent sequestration of Gramm-Rudman comes from the increase proposed in one budget over last year's budget year.

Following is a comparison of this year's spending, next year's baseline, and what would be budgeted for fiscal year 1988, should sequestration take place. It is important to note that for most programs, despite the 8-percent cut, there is actually an increase in spending authority over the previous year except in the major category of defense. Let me repeat that last phrase. Even with the 8-percent sequestration in place, most budget categories will still represent an increase over the 1987 spending level. As I mentioned, in the area of defense, there is a real cut if sequestration is in place. Approximately an $8 billion cut from the $282.0 outlay for 1987.

In the area of international affairs, there is a real increase of about $4 billion. In science, space, and technology, an increase of a billion dollars. Now, remember, I am saying after sequestration. In energy, there is a reduction of $1 billion. In natural resources and environment and in agriculture, those budgets are held at approximately the same spending level as in 1987. In commerce and housing credit, there is a half-billion-dollar increase. In transportation, a $1 billion. Community and regional development, and education, training, and employment and social services, approximately a $1 billion increase. In health, a $4 billion increase. In medical care, a $4.5 billion increase. In income-security programs, a $9 billion increase. In Social Security, a $13 billion increase from the 1987 outlays to the 1988 outlays based on sequestration.

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In other words, Mr. Speaker and Members of the House, I think we begin to get a good idea that that meat-ax cleaver approach that Gramm-Rudman has been portrayed to be as it relates to the Federal budget simply is not the total picture, that in most budget categories from the 1987 outlays to the 1988 outlays there is an increase based on an 8-percent cut.

What I have said earlier and what I must repeat, what I think it is important that the American public understand, is when some of us stand on the floor and say that we would prefer Gramm-Rudman sequestration over the budget compromise, what we are talking about is an 8-percent reduction in the growth rate of the Federal budget, and not an 8-percent reduction below the 1987 outlays.

In lieu of the Gramm-Rudman $23 billion across-the-board cuts, budget summit negotiators agreed on a package for fiscal year 1988 that was made up of $11 billion in taxes, $12 billion in cuts, and $6 billion in asset sales and user fees. I think most of us now recognize after the gamesmanship that has been played in the budget process over the last several years, that the taxes will be real, the cuts are questionable and the asset sales are in fact smoke and mirrors at best. If they are to happen, they clearly should be set off the budget and recognized as values if we can accomplish them, if the sales or the user fees can be brought into being.

I am skeptical of this "compromise" in large part, fellow Members, as it appears to offer no real answers, merely perpetuates a Congress that wishes to tax and spend its way out of the problems that it has largely created for itself. I think it is an unfortunate approach, for contrary to the belief that we have had, here is what I find to be the real facts in my district, in the First Congressional District of Idaho.

Idahoans believe that they are not undertaxed. They believe that Congress overspends.

The solution to our staggering Federal deficit is not to be found in tax increases, but to be found in spending reductions, or at least a reduction in the rate of current spending levels of our Government.

Promises to cut spending have been ignored; promises to cut taxes have been circumvented.

Historically, tax increases have served only to give Congress more money to spend, and of course, spend it has.

Since 1981 when I was a freshman in this body, revenues have increased $256 billion and spending has increased $324 billion.

Let me give you a comparative of the revenues and expenditures from 1981 to 1987.

In 1981, revenues for the Federal Government were $599 billion.

In 1987, in the fiscal year ending the last of September of this year, revenues were $855 billion.

In 1981, expenditures were $678 billion.

In 1987, they were $1 trillion 2 billion.

I think at least the question asked and the answer given is quite obvious.

The Economic Recovery Act of 1981 promised tax cuts of $960 billion over 5 years. Many have said that that is the reason for the deficit that we now face today, that we simply cut taxes too radically and we did not have the wherewithal, the stamina, or the integrity to reduce spending according.

Let me give you a comparison since then, however, as it relates to tax cuts and the offsetting tax increases that have occurred. Remember, I just told you that the Tax Reduction Act and the Economic Recovery Act of 1981, better known as the Reagan tax cuts, was to cut $960 billion over 5 years. Following that, here is a list of the tax increases:

Social Security tax increase and bracket creep that we passed several years ago recognizes a $660 billion tax increase over the life of that proposal.

The Tax Equity Fiscal Responsibility Act of 1982 tax increase of $229 billion.

The gas tax increase of 1983, $16 billion.

The Deficit Reduction Act tax increase of 1984, $50 billion.

The Continuing Omnibus Budget Resolution Act tax increase of 1986, $6 billion.

The Tax Reform Act tax increase of last year, 1986, $29 billion.

So in other words, the total legislated tax increase since the Tax Reduction Act of 1981, which was to realize a reduction in tax of $960 billion, the increase since that time has been $990 billion of tax increases.

In other words, we are $30 billion ahead in reinstating the amount of tax loss, according to some, that resulted from the 1981 act.

I would suggest that we have at least on the taxing side totally recovered from the Tax Reduction Act of 1981.

The Tax Equity Fiscal Responsibility Act I think now is a case in point. Congressional leaders promised the President and the American people that for every dollar of taxes raised, this is a promise made in 1982, that Congress would reduce spending by $3, a solemn promise made to leverage Members of Congress to vote for a bad piece of legislation.

The tax increases are reality. Every dime of those tax proposals were collected. The promised spending cuts never materialized. Instead, we got $1.14 in spending increases for every dollar raised in taxes.

A recent Los Angeles Times poll indicated that although nearly 70 percent of Americans consider the Federal deficit a serious problem, 64 percent do not want their tax raised to change or to correct that problem. They know what the Congress refuses to admit; tax increases have had and will continue to have a detrimental impact on families, working men and women, businesses and the economy as a whole.

That is why the President and this Congress must make every effort to seek deficit reduction in spending reductions instead of burdensome tax increases. Again, this means facing those hard decisions that the leaders of the budget summit simply would not face.

Another proposal that has been largely abandoned is one framed by House Democrat leaders. This plan was put together to the tune of the familiar refrain about Congresses historically appropriated less than the President has requested. Well, that is just not quite true. A closer look, however, shows this argument to be both broad and meaningless. It takes in the total budget and fails to show where the cuts really fell.

The following charts that I am about to present to you from the Congressional Budget Office show Congress has appropriated far less than the President has requested—but for defense and defense alone. It has appropriated far more than he has requested for nondefense areas of the budget. Nondefense appropriations for fiscal year 1982 through 1987 exceeded the President's budget requests by nearly $103 billion. It was only because defense requests were slashed by about $116 billion over the President's request in the same period that it can be claimed that Congress "underspent" this administration.

In fiscal years 1983, 1984, 1985, 1986, and 1987, Congress clearly outspent by its Budget Act the President's request for a similar budget authority. They overspent in that timeframe by $102.8 billion.

Let me give you a example. In 1983, the President requested $263.2 billion in defense and the Congress appropriated $245. There is an example where they actually reduced it down; but at the same time in all areas of social spending, as I have just pointed out, they clearly overspent and continue to overspend today, so the argument that is placed that it is a problem that rests solely with this administration is at best false faced or is simply a weak attempt by the leadership of this Congress to point the finger of blame in another direction.

Taxes are not the answer. You have heard me say that and I think you have heard a good many here on this floor and in this position say similar statements.

Gramm-Rudman does not cut deep enough. I believe that is the case, because it is not a cut in the 1987 baseline. It is a cut in the increase from the 1987 to the 1988 baseline.

I think the taxpayers in my State and across the Nation are tired of smoke and mirrors. They truly want a real fix, a real solution to the budget problem that has plagued this Government, our country and the taxpayers of this country, for the last 7 years. Congress must change the way it spends and it must change it now.

One solution that I have long promoted and addressed on this floor and which has the support of 236 of my colleagues is, of course, a balanced budget amendment to the Constitution. Why do we advocate this now? Why are we saying that this is an approach that will work, when our President at the budget summit and the leaders of the Senate and the House simply will not bring it up?

I think the reason we are saying it is because there are some of us on this floor who recognize that the system that currently creates the budget in Congress, the process of the budget itself, is broken and that it cannot be fixed until we are willing to reinstate the political will of fiscal responsibility.

It is my opinion and I think the opinion of a majority in this House that you will not reinstate the political will of this Congress to be fiscally responsible outside of an extraordinary act. We believe that extraordinary act to be to allow the States to view and possibly ratify an amendment to the Constitution that would require a balanced budget. Then Gramm-Rudman or a budget compromise, as proposed by the President and the leadership of the House and the Senate, would have real meaning because the American people, the economy and the taxpayers of this country, would understand that there would have to be at some point a time of reckoning, that no longer could we simply pass this on for another year while the deficit and the debt of this country continue to grow.

It is long past that Congress sought a permanent deficit reduction solution that does not rely solely on taxes. It is clear that we must change the process if we are to correct the problem. Anything else will provide just a short-term fix that will cause a short-term reaction that will not correct the economy in a long-term way.

The American public this time, Mr. President, Mr. Speaker, leaders of the Congress of the United States, the American public this time cannot be fooled, nor should you try to fool them. Give them a permanent solution, a permanent solution that all of us can loudly support that will set the economies of this country and the world stable once and for all.

LEGISLATION TO AID AMERICAN CONSUMERS INJURED BY FOREIGN-MANUFACTURED GOODS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Kansas [Mr. GLICKMAN] is recognized for 10 minutes.

Mr. GLICKMAN. Mr. Speaker, recently with the support of the ranking minority member of the Judiciary Committee, Mr. FISH, I introduced H.R. 3662, a bill which I believe represents a reasonable, purposefully balanced approach to eliminating the disadvantages American businesses and injured American consumers face in lawsuits involving foreign claimants and manufacturers.

Currently, the judicial system of the United States unfairly places American businesses and consumers at a disadvantage in the international marketplace. Foreign nationals can sue American businesses in American courts and have the courts apply our uniquely broad standards of legal responsibility and damages to American business conducted overseas.

By contrast, foreign competitors of those American businesses in the international markets are held accountable only under the less generous laws of the foreign jurisdiction in which they are marketing their products. Thus, American businesses are exposed to far more sweeping financial exposure in connection with their sales to purchasers abroad than are their foreign competitors.

At the same time that we are subjecting American businesses to greater exposure than foreign counterparts operating in the same markets, our judicial system has failed to protect the interests of American consumers injured by goods produced overseas. Under present legal rules, American courts often cannot assert personal jurisdiction over foreign companies, making it impossible for injured American consumers to hold foreign manufacturers fully accountable for their negligence or intentional misconduct.

As a result, American consumers are less protected from injuries caused by the growing number of foreign-produced goods sold in this country. Moreover, this creates a competitive disadvantage for American businesses in their home markets since foreign producers who sell products in this country are not subject to the same financial exposure as American producers. The end result is that American products end up costing more because they must be priced to include greater liability costs.

The bill I have submitted will address both of these problems in the following way:

As the system stands today, American consumers injured in this country may have difficulty securing personal jurisdiction over foreign manufacturers in American courts since they must rely on the vagaries of the various State "long-arm" statutes to secure such access. Under my bill, a court in this country would be able to assert jurisdiction over a foreign manufacturer in such cases if the foreign company knew or should have known that its product would be imported for sale in the United States. Combined with the flexible mechanism for service of process which the bill also provides, American consumers would have a significantly easier time bringing into U.S. courts the foreign manufacturers of injurious products and securing full and fair compensation for their injuries.

Currently, when a foreign national sues an American business in Federal court on the basis of diversity of citizenship, the Federal court must apply the choice-of-law principles of the State in which it sits. The choice-of-law rules vary widely among the States, however. While some States still adhere to the traditional choice-of-law rule that the law of the place of the injury applies, other States determine a jurisdiction's law by using various legal doctrines. This hodgepodge of standards encourages foreign plaintiffs to "forum shop" and bring suit in States where they can obtain personal jurisdiction over an American company (any State in which the company does business) and where more generous American law will be applied to their claims. Because American companies must shoulder this greater burden of potential liability, American businesses selling products in foreign markets operate at a significant competitive disadvantage.

To remedy this situation, my bill directs Federal courts to apply the substantive law of the foreign jurisdiction when a foreign plaintiff sues an American manufacturer in Federal court for injuries allegedly suffered in a foreign country. Thus in such cases, the law of the place where the injury allegedly occurred would determine questions of liability and damages, ensuring that American companies would be subject to the same financial exposure—no more or no less—that their foreign competitors face under similar circumstances.

Since a foreign plaintiff could evade the impact of the choice-of-law provision in this proposed bill by suing in State court, the third provision of my bill allows American businesses to remove to Federal court any suit brought by a foreign national in State court for injuries suffered abroad from the company's products. While this provision of the bill slightly expands the scope of diversity jurisdiction, it should not affect the caseload of the Federal courts. In fact, the bill as a whole may lead to an overall decline in the number of these suits in Federal courts because the choice-of-law provision removes the main incentive for foreign plantiffs to seek relief in American courts rather than in their own courts.

In conclusion, this legislation will significantly benefit American consumers—our constituents—who are injured by foreign-manufactured goods. By adopting the traditional legal doctrines that the substantive law of the place of injury should govern litigation arising from that injury, it will also remove a competitive impediment for American companies and assure a "level playing field" for all businesses making or selling products abroad. This is a fair and measured approach to eliminating the disadvantages Americans face in lawsuits involving foreign claimants and manufacturers, and I hope my colleagues will join me in moving it to enactment.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Schuette) to revise and extend their remarks and include extraneous material:)

Mr. Craig, for 60 minutes, today.

Mr. Burton of Indiana, for 60 minutes, December 2.

(The following Members (at the request of Mr. Gonzalez) to revise and extend their remarks and include extraneous material:)

Mr. Annunzio, for 5 minutes, today.

Mr. Hayes, for 60 minutes, on December 2.

Mr. Owens of New York, for 60 minutes, on December 2, in lieu of previous order of the House for 5 minutes.

Mr. Gonzalez, for 60 minutes, on December 3.

Mr. Gonzalez, for 60 minutes, on December 7.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Schuette) and to include extraneous matter:)

Mr. Broomfield.

Mr. Gingrich.

Mr. Porter in three instances.

Mr. Lagomarsino in two instances.

Mr. Oxley.

Mr. McMillan of North Carolina.

Mr. Conte.

Mr. DioGuardi.

Mr. Coats.

(The following Members (at the request of Mr. Gonzalez) and to include extraneous matter:)

Mr. Rodino.

Mr. Murtha.

Mr. Leland.

Mr. Lloyd in five instances.

Mr. Hamilton in 10 instances.

Mr. de la Garza in 10 instances.

Mr. Lantos in two instances.

Mr. Rangel.

Mr. Erdreich.

Mr. Florio.

Mr. Vento.

Mr. Edwards of California in two instances.

BILLS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 148. An act to designate certain public lands in the State of Michigan as wilderness, and for other purposes; and

H.R. 1748. An act to authorize appropriations for fiscal years 1988 and 1989 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for each fiscal years for the Armed Forces, and for other purposes.

ADJOURNMENT

Mr. CRAIG. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 9 minutes p.m.), under its previous order, the House adjourned until Wednesday, December 2, 1987, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2454. A letter from the Architect of the Capitol, transmitting the Architect's report of all expenditures during the period April 1, 1987 through September 30, 1987, pursuant to 40 U.S.C. 162b; to the Committee on Appropriations.

2455. A letter from the Inspector General, Department of Energy, transmitting the semiannual report on activities of the inspector general for the second half of fiscal year 1987—April 1 to September 30, 1987, pursuant to 42 U.S.C. 713(c); to the Committee on Government Operations.

2456. A letter from the General Counsel, Department of the Treasury, transmitting a draft of proposed legislation to amend the Federal Finance Bank Act of 1973 to facilitate the sale of loan assets; jointly, to the Committee on Ways and Means and Banking, Finance and Urban Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. UDALL: Committee on Interior and Insular Affairs. S. 578 An act to amend the National Trails System Act to designate the Trail of Tears as a National Historic Trail; with amendments (Rep. 100-461). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. S. 1297. An act to amend the National Trails System Act to provide for a study of the De Soto Trail, and for other purposes (Rept. 100-462). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 2142. A bill, to designate certain lands in the State of Nevada as wilderness, and for other purposes; with an amendment (Rept. 100-463, Pt 1). Ordered to be printed.

Mr. MOAKLEY: Committee on Rules. House Resolution 318. Resolution providing for the consideration of H.R. 791 a bill, to authorize the water resources research activities of the United States Geological Survey, and for other purposes (Rept. 100-464). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mrs. COLLINS:

H.R. 3677. A bill to require the Secretary of Transportation to issue regulations to assist in the designation of the safest routes for the transportation of hazardous materials; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

By Mr. CONYERS:

H.R. 3678. A bill to amend the Victims of Crime Act of 1984 to modify the fund established by that act, and for other purposes; to the Committee on the Judiciary.

By Mr. DAVIS of Michigan:

H.R. 3679. A bill to clarify the Federal relationship to the Lac Vieux Desert Band of Lake Superior Chippewa Indians as a distinct Indian tribe, to clarify the status of members of the band, to transfer title to trust lands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. COURTER (for himself, Mr. Stump, Mr. Vander Jagt, Mrs. Byron, Mr. Hunter, Mr. Roe, Mr. Wilson, Mr. Chappell, Mr. Garcia, Mr. Bliley, Mr. Horton, Mr. Stangeland, Mr. Smith of Florida, Mr. Hutto, Mr. Kolbe, Mr. Gunderson, Mr. Fawell, Mr. Nielson of Utah, Mr. Bennett, Mr. Oxley, Mr. Dornan of California, Mr. Donald E. Lukens, Mr. Wortley, Mr. Badham, Mr. McGrath, Mrs. Bentley, Ms. Kaptur, Mr. Broomfield, Mr. Gallo, Mr. Bevill, Mr. Bustamante, Mr. Lipinski, Mr. Markey, Mr. Torricelli, Mr. Callahan, Mr. Emerson, Mr. Sisisky, Mrs. Martin of Illinois, Mr. Gilman, Mr. Thomas of Georgia, Mr. Gray of Illinois, Mr. Henry, Mr. Flippo, Mr. Leach of Iowa, Mr. Murtha, Mr. MacKay, Mr. Miller of Washington, Mr. Miller of Ohio, Mr. Ritter, Mr. Roberts, Mr. Hopkins, Mr. Hatcher, Mr. Ortiz, Mr. Nichols, Mr. McCollum, Mr. Taylor, Mr. Lagomarsino, Mr. Young of Alaska, Mr. Kasich, Mr. Fuster, Mr. Spence, Mr. Weber, Mr. Dickinson, Mr. Young of Florida, Mr. Frenzel, Mr. Lowery of California, Mr. Towns, Mr. Parris, Mr. Wylie, Mr. Jones of North Carolina, Mr. Blaz, Mr. Daniel, Mr. Hammerschmidt, Mr. Jeffords, Mr. Dwyer of New Jersey, Mr. Matsui, Mr. Pursell, Mr. Hoyer, and Mr. Shumway):

H.J. Res. 410. Joint resolution designating December 7, 1987, as "National Pearl Harbor Remembrance Day" on the occasion of the anniversary of the attack on Pearl Harbor; to the Committee on Post Office and Civil Service.

By Mrs. MORELLA:

H.J. Res. 411. Joint resolution to designate December 7, 1987, as "National Pearl Harbor Remembrance Day" on the occasion of the anniversary of the attack on Pearl Harbor; to the Committee on Post Office and Civil Service.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 39: Mr. Shays and Mr. AuCoin.

H.R. 276: Mr. Foglietta.

H.R. 551: Mr. Mack.

H.R. 782: Mr. Martinez.

H.R. 1038: Mr. DeLay.

H.R. 1049: Ms. Slaughter of New York and Mr. Savage.

H.R. 1082: Mr. Bateman.

H.R. 1119: Mr. Sabo.

H.R. 1481: Miss Schneider and Mr. Lowry of Washington.

H.R. 1604: Mr. Owens of New York, Mrs. Vucanovich, Mr. Green, Mr. Konnyu, and Mr. Buechner.

H.R. 1620: Mr. Ravenel.

H.R. 2168: Mr. Lewis of Georgia.

H.R. 2450: Mr. Ravenel and Mr. Jeffords.

H.R. 2879: Mr. Ford of Tennessee.

H.R. 3045: Mr. Johnson of South Dakota.

H.R. 3071: Mr. Mfume.

H.R. 3130: Mr. Lewis of Georgia, Mr. Chapman, Mr. Thomas of Georgia, Mr. Bilbray, Mr. Hayes of Illinois, Mr. Wise, Mr. Campbell, Mr. Stokes, Mr. Rangel, Mr. Dingell, Mr. Shumway, Mr. Daub, Mr. Kostmayer, Mr. Bonker, Mr. Berman, Mr. Walgren, and Mr. Ford of Tennessee.

H.R. 3193: Miss Schneider, Mr. Yates, Mr. Wolpe, and Mr. Gilman.

H.R. 3290: Mr. Nelson of Florida.

H.R. 3332: Mr. Foglietta, Mr. Mfume, Mr. Solarz, Ms. Slaughter of New York, and Mr. Wolpe.

H.R. 3340: Mr. McCloskey and Mr. Gejdenson.

H.R. 3343: Mr. Wolpe, Mr. Barnard, Ms. Pelosi, Mr. Studds, Mr. DeFazio, Mr. Fazio, and Mr. Gilman.

H.R. 3419: Mr. Dannemeyer, Mr. Boulter, Mr. Swindall, Mr. Davis of Illinois, Mr. Hiler, Mr. Gingrich, Mrs. Collins, Mr. Lungren, Mr. Coats, and Mr. Marlenee.

H.R. 3503: Mr. Foglietta.

H.R. 3512: Mr. Wortley, Mr. Porter, Mr. Packard, Mr. Emerson, and Mr. Gilman.

H.R. 3619: Mr. Lagomarsino, Mr. Howard, Mr. Courter, Mrs. Martin of Illinois, Mr. Roe, Mr. Bilbray, and Mr. Conte.

H.R. 3669: Mrs. Collins.

H.J. Res. 50: Mr. Tauzin, Mr. Hastert, Mr. Synar, Mr. Derrick, Mr. Oxley, Mr. Savage, Mr. Dorgan of North Dakota, Mr. Roberts, Mr. Sikorski, Mr. Carr, and Mr. Miller of Washington.

H.J. Res. 148: Mr. Bevill and Mr. Owens of Utah.

H.J. Res. 353: Mr. Grant, Mr. Fascell, Mr. Shaw, Mr. Spence, Mr. Schuette, Mr. MacKay, Mr. Anthony, Mr. Gejdenson, Mr. Moorhead, Mr. Goodling, Mr. Hoyer, Mr. Dornan of California, Mr. Bliley, Mr. Gunderson, Mr. Mfume, and Mr. Stokes.

H.J. Res. 371: Mr. Bryant, Mr. Foglietta, and Mr. Martinez.

H. Con. Res. 188: Mr. Foglietta, Mr. Bryant, Mr. Martinez, and Mr. Kolbe.

H. Con. Res. 213: Mr. Sweeney, Mr. Coughlin, Mr. Konnyu, Mr. Broomfield, Mr. Wilson, Mr. Lightfoot, Mr. Madigan, Mr. Coleman of Missouri, Mr. Porter, and Mr. DeWine.

H. Res. 271: Mr. Gunderson, Mr. Coleman of Missouri, Mr. Smith of New Hampshire, Mr. Gregg, Mr. Bereuter, Mr. Ridge, Mr. Hunter, Mr. Madigan, Mr. Porter, Mr. Swindall, Mr. Pease, Mr. Robinson, Mr. Daniel, and Mr. DeWine.

H. Res. 286: Mr. Foglietta and Mr. Rangel.

SENATE—*Tuesday, December 1, 1987*

(Legislative day of Monday, November 30, 1987)

The Senate met at 9:15 a.m., on the expiration of the recess, and was called to order by the Honorable BOB GRAHAM, a Senator from the State of Florida.

PRAYER

The Chaplain, the Reverend Richard C. Halverson, D.D., offered the following prayer:

Let us pray:

The Spirit of the Lord is upon me, because he hath anointed me to preach the gospel to the poor; he has sent me to heal the broken hearted, to preach deliverance to the captives, and recovering of sight to the blind, to set at liberty them that are bruised * * *.—Isaiah 61:1-2.

God of Abraham, Isaac, and Israel, as we hear this gracious word from the prophet Isaiah, we think of Atlanta with its depressing deadlock in the Federal prison. Our hearts go out to the hostages, the authorities, the inmates, and their families. We pray for their safety and an end to the standoff. With profound gratitude, we thank You, Lord, for the peaceful solution to the strife in Oakdale, LA—for the successful efforts of responsible leadership in resolving that explosive confrontation. We pray that the Holy Spirit will move upon the Atlanta situation, giving the authorities wisdom and self-control—the inmates sanity and restraint—the hostages and their families comfort and encouragement. Mighty God, bring this desperate, dangerous crisis to a just and peaceful resolution and grant to national leaders the understanding and foresight to prevent a repetition. We pray this in the name of Jesus who accepted Isaiah's word as his mandate. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore [Mr. STENNIS].

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, December 1, 1987.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable BOB GRAHAM, a Senator from the State of Florida, to perform the duties of the Chair.

JOHN C. STENNIS,
President pro tempore.

Mr. GRAHAM thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. BYRD. Mr. President, I ask unanimous consent that the time of the Republican leader be reserved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that my own time be reserved.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be a period for the transaction of morning business not to extend beyond the hour of 9:30 a.m. with Senators permitted to speak therein.

The Senator from Wisconsin is recognized.

TWO POTENTIAL ARMS CONTROL AGREEMENTS WITH SOVIET UNION

Mr. PROXMIRE. Mr. President, verification of arms control agreements is making slow but gradual progress on at least two new fronts, aside and apart from the INF Treaty. First, our country has accepted a Soviet invitation to inspect several radars that some Members of this body charge may have violated the 1972 ABM Treaty. The two superpowers have not yet worked out the details of the on-the-spot inspection. But they have agreed in principle. Second, the Soviets now say they will drop their objection to a provision in a proposed chemical weapons ban agreement for on-the-spot inspection to verify compliance with 48 hours notice. Both of these good news messages on two arms control fronts were reported in the November 16, New York Times. It is encouraging that both of these agreements relate to verification of compliance with either established or prospective arms conrol agreements because verification is quintessential to progress in arms control.

Critics of arms control have long recognized that verification is the Achilles Heel of arms control. In a nuclear world, survival requires agreements between nuclear powers to limit and reduce these weapons with their infinite destructive capability. How could any sane person argue against arms control? How? Here's how: First, argue that we can't trust the other side. They will cheat. They will deceive. They will ignore whatever limitations an arms control agreement imposes. We keep the agreement. They don't. So the argument runs, an arms control agreement is simply unilateral disarmament. We can't rely on trust. We must rely on strength. Therefore, forget arms control. Go full speed ahead with nuclear and chemical weapons. Full speed ahead means two things. First, it means an enormous cost burden on both nations. Second, it means an uncontrolled buildup of lethal weapons with a weapons technology that makes the weapons increasingly more destructive and often more hair trigger.

Of course, it is true that the superpowers do not trust each other. If cheating is in their national interest, if it is unlikely to be detected, nations will cheat to enhance their power. They have in the past. They will in the future. The problem is how to design an agreement that will permit each side to detect cheating. The purpose of verification is to assure each side that they will know if the other side violates the agreement in any militarily significant way.

Furthermore, if both sides believe the other side will detect any significant violations, and finally, if both sides believe the agreement is in their national interest, then it is very unlikely that either side will cheat in a militarily significant way. The long record of arms control agreements between the United States and the Soviet Union confirms this. Of course, it is true that the Soviet Union has violated the ABM Treaty by constructing the kind of radar they have constructed in the place they have built it at Krasnoyarsk. That radar is hundreds of miles within the Soviet Union. That violates the ABM Treaty. It is oriented and directed in a way that would permit it to track incoming missiles That violates the ABM Treaty. It is clearly a flat contradiction of the terms of the ABM Treaty.

On the other hand it is not operational. It is not backed up with interceptor missiles. So it is militarily useless. It is not militarily significant.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Nevertheless we have known for years about this technical violation. We have successfully verified this noncompliance. If the Soviets should decide to make the Krasnoyarsk radar operational, we could, would and should promptly renounce the ABM Treaty. The Soviets know this. So they will not complete the Krasnoyarsk antimissile complex. What does all this mean? It means the treaty works.

The latest arms control moves by the United States and the Soviet Union with respect to inspecting old Soviet radars and gradually phasing out chemical weapons are specially welcome because they reinforce the system of verification compliance. And yet even these verification proposals are running into opposition by our own American officials. First, consider the criticisms by some Defense Department officials of the United States proceeding to take advantage of the Soviet invitation to inspect their old radars. Some of our Defense Department experts contend this would be useless because the radars would be dimantled by the time the American inspectors arrived. The treaty on chemical weapons might be workable between the United States and the Soviet Union but it runs into real problems with other countries that have chemical warfare weapons. France, the United Kingdom and other western European nations have indicated concern about 48-hour inspections. India, China, and to a lesser extent Yugoslavia have objected to the proposed inspections.

Kenneth Adelman, the Director of Arms Control and Disarmament agency chimes in exactly as you might expect Mr. Adelman to chime in on any issue that might advance arms control. He's against it. The New York Times quotes Adelman as saying:

> If there are a lot of crazy countries in the world that have chemical weapons and have not agreed to ban them, it makes no sense for the United States to give up a deterrent chemical weapons force.

Mr. Adelman doesn't consider that the reason both super powers can agree to the phasing out of their own chemical weapons arsenals is because both countries are armed to the teeth with nuclear weapons. And those nuclear weapons are the ultimate deterrent. Obviously any country that attacked either the United States or the Soviet Union with chemical weapons would invite a retaliation in nuclear weapons that would be far greater than any damage "these crazy countries" would possibly deliver. Among other reasons we should agree with the Soviet Union to eliminate chemical weapons is because we no longer need them.

THE PRESIDENT'S LETTER ON THE BUDGET COMPROMISE

Mr. DOLE. Mr. President, over our Thanksgiving break, President Reagan sent a letter to me pledging to work with the Congress to implement the bipartisan budget agreement that we reached on November 20.

In the letter, which was written by the President while he was at the Western White House, the President clearly states that no one will be happy with every part of the agreement. Compromise involves give-and-take by all parties, and no one got everything they wanted in the agreement.

However, as the letter says:

> The agreement is our best hope for achieving deficit reduction without resorting to indiscriminate across-the-board cuts that would devastate essential services.

Mr. President, I ask unanimous consent that the letter from President Reagan be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SANTA BARBARA, CA,
November 25, 1987.

Hon. ROBERT DOLE,
Republican Leader,
U.S. Senate,
Washington, DC.

DEAR BOB: On November 20, the Leadership of the House and Senate joined with me to announce to the American people a bipartisan agreement to bring meaningful reductions in the Federal deficit and maintain confidence in our Nation's economy. The agreement reflects a bipartisan commitment to reduce the deficit substantially over the next two years. It maintains vital government services, upholds our national security, and preserves the integrity and fairness embodied in last year's tax reform legislation.

In an agreement of this magnitude the results from tough bargaining, it is not difficult to find something with which to disagree. Nevertheless, the agreement is our best hope for achieving deficit reduction without resorting to indiscriminate across-the-board cuts that would devastate essential services.

I pledge to continue working with the Congress to complete this vital task begun by our negotiating teams. We must join together in a bipartisan way to preserve our economic gains and keep our Nation strong.

Sincerely,

RONALD REAGAN.

BUREAUCRATIC DISREGARD AT WASHINGTON NATIONAL AIRPORT

Mr. SANFORD. Mr. President, I rise to speak on a matter that at some time, if it has not already, will affect almost every Member of Congress.

On Monday, November 16, 1987, I was flying to Washington from my home State of North Carolina. With an on-time takeoff from North Carolina, we arrived in the Washington area on schedule, only to find that we could not land at Washington National Airport due to activities taking place on the parade grounds of the Pentagon.

The commercial aircraft on which I was traveling was forced to circle for more than 1 hour because National Airport was closed. It was not closed due to the effects of mother nature but due to orders of some Federal employee.

We all have missed flights or been stuck in traffic getting to or coming from an airport. There are times when we are late or absent due to things beyond our control But we also take great care in arranging our transportation plans so as not to allow our tardiness to interfere with the business of the Nation.

Members of Congress missed votes and appointments. Business people missed meetings. All of this because of a Federal Government action that appears to be arbitrary and arrogant. Beyond the inconvenience and missed votes, hundreds of travelers were needlessly thrown off schedule. Even worse, the hazard and danger of air travel were increased by the stacking of a number of flights.

I have to conclude that all of this was needless, and was pure arrogance. I blamed the military because our pilot was advised, and told his passengers, that the military authorities had closed National Airport because the retirement of the Secretary of Defense required a flyover.

The military denied complicity. They said the Federal Aviation Administration restricted the airspace because the President of the United States was in attendance. I don't believe that. I do not believe that National Airport, this great civilian hub, has to be closed every time the President goes to the Pentagon.

Mr. President, there was no advance notice given to passengers prior to arriving in Washington on Monday. There were other planes delayed on the ground at their departure points because of Monday's activities as well. Again, no advance notice was given them either. This was an unwarranted imposition on civilian travel.

Mr. President, the safety of the President of the United States is of the highest priority. However, security measures for his protection, such as those taken at National Airport on Monday, should be handled with due concern for the public, so as not to cause any undue inconvenience.

Mr. President, unless the Departments can come up with alternatives and assurances, I am thinking about introducing legislation requiring the Department of Transportation, and the Department of Defense, to give 2 weeks' notice to all airports, airlines, and passengers when airspace restrictions will cause the extended delay experienced on November 16, 1987, at Washington National Airport. If any object, a hearing must be provided by DOT. Obviously, a national emergency or an unanticipated condition would warrant action with short notice. The closing on November 16 could have been anticipated. This kind of bureaucratic disregard of the public ought to be brought under control.

CALL OF THE ROLL

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators entered the Chamber and answered to their names:

[Quorum No. 34 Leg.]

Byrd
Graham
Proxmire
Wirth

The ACTING PRESIDENT pro tempore. A quorum is not present. The clerk will call the names of absent Senators.

The legislative clerk resumed the call of the roll.

Mr. BYRD. Mr. President, I move that the Sergeant at Arms be instructed to request the attendance of absent Senators.

The ACTING PRESIDENT pro tempore. The yeas and nays have been previously ordered. The question is on agreeing to the motion of the Senator from West Virginia. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Oklahoma [Mr. Boren], the Senator from Arkansas [Mr. Bumpers], the Senator from Alabama [Mr. Heflin], the Senator from New Jersey [Mr. Lautenberg], the Senator from Ohio [Mr. Metzenbaum], and the Senator from Illinois [Mr. Simon] are necessarily absent.

Mr. SIMPSON. I announce that the Senator from New Mexico [Mr. Domenici], the Senator from Washington [Mr. Evans], the Senator from Idaho [Mr. McClure], the Senator from Alaska [Mr. Murkowski], and the Senator from New Hampshire [Mr. Rudman] are necessarily absent.

The result was announced—yeas 73, nays 16, as follows:

[Rollcall Vote No. 388 Leg.]

YEAS—73

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Boschwitz
Bradley
Breaux
Burdick
Byrd
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Durenberger
Exon
Ford
Fowler
Glenn
Gore
Graham
Grassley
Harkin
Hatch
Hatfield
Heinz
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kennedy
Kerry
Leahy
Levin
Lugar
Matsunaga
Melcher
Mikulski
Mitchell
Moynihan
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Reid
Riegle
Rockefeller
Roth
Sanford
Sarbanes
Sasser
Shelby
Simpson
Stafford
Stennis
Stevens
Thurmond
Trible
Warner
Wirth

NAYS—16

Bond
Chafee
Garn
Gramm
Hecht
Helms
Kasten
McCain
McConnell
Nickles
Quayle
Specter
Symms
Wallop
Weicker
Wilson

NOT VOTING—11

Boren
Bumpers
Domenici
Evans
Heflin
Lautenberg
McClure
Metzenbaum
Murkowski
Rudman
Simon

So the motion was agreed to.

The PRESIDING OFFICER (Mr. Sanford). With the addition of Senators voting who did not answer the quorum call, a quorum is now present.

ROBERT T. STAFFORD ELEMENTARY AND SECONDARY EDUCATION IMPROVEMENT ACT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 373, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 373) to reauthorize the program of financial assistance to meet special educational needs of disadvantaged children and to reauthorize chapter 2 of the Education Consolidation and Improvement Act of 1981, through fiscal year 1993.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Human Resources with an amendment.

Mr. PELL. Mr. President, I rise to express my very strong support for S. 373, the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987. I am particularly pleased that this important legislation bears the name of my friend and colleague, Senator Stafford. Many of the programs we are reauthorizing in this legislation could have been lost entirely in 1981 had it not been for his strong leadership.

In education circles there is constant reference to the firm of Stafford and Pell, or Pell and Stafford, depending on which party controls the majority in the Senate. It is a firm of which I am proud to be a member, for its sole purpose is the advocacy of educational opportunity. It is a firm that has its roots deeply imbedded in the strong bipartisan approach that has long been the trademark of education legislation. I regret very deeply that this firm will no longer exist when Bob Stafford retires at the end of next year, but I predict that his accomplishments will stand for decades to come.

I am particularly proud to report that the legislation before us was reported out of both the Subcommittee on Education and the Committee on Labor and Human Resources unanimously. It is testament to the fact that education is not a partisan issue, but is recognized on both sides of the aisle as a critical investment in the future of this Nation.

For the most part, S. 373 preserves the construct of current law, while setting its sites on improvement. The total cost of this bill for fiscal 1989 would be approximately $7.4 billion, with 5 percent increases per year. It is a prudent investment, indeed, in the future economic strength of our country.

Our reauthorization legislation has incorporated provisions of over 26 separate bills which were introduced by members of the Labor and Human Resources Committee as well as colleagues outside the committee. This is but another hallmark of the strong support for elementary and secondary education from both sides of the aisle.

In addition, the administration has played a very substantive and constructive role in this reauthorization. Secretary Bennett and countless others in the Department of Education have my deep appreciation for their many hours of hard work on reauthorization. The document before us today represents the kind of progressive result that can be achieved when the administration and Congress work hand in hand, and partisan differences are laid aside for the public good.

Title I of this omnibus bill reauthorizes chapter 1 and chapter 2. As I have often said, chapter 1 is the cornerstone of the Federal effort in elementary and secondary education. It has made a tremendous difference in the educational achievement of the children it has touched. This program currently serves close to 5 million young people, or 1 out of every 9 students enrolled in elementary and secondary schools.

The only real flaw of this program is that it is currently only able to serve about 45 percent of students who are eligible for these compensatory services. With this in mind, our reauthorization bill preserves the major provisions of current law, and makes specific provision to expand these services to the secondary school grades and the very early school levels.

At our first reauthorization hearing on this program, we indicated that there were five goals with respect to chapter 1. To my mind, we have met these goals.

My first goal was to ensure that the poorest school districts receive sufficient aid. In that regard, we have required that all appropriations for chapter 1 between $4.3 and $4.7 billion are earmarked for concentration grants, and that thereafter, 10 percent of the total chapter 1 appropriation shall be allocated to counties and school districts under a concentration grant formula. We have further required that LEA's rank-order schools on the basis of need in allocating funds, and that schools in turn provide for children in greatest need. These measures will ensure that areas with high rates of poverty receive sufficient assistance, and that the neediest children are served first.

Next, we have addressed the very difficult problem of complying with the Supreme Court's decision regarding the instruction of chapter 1 eligible students in private schools. We have made provision for a new $50 million authorization to alleviate the additional cost of serving private schoolchildren on public grounds, or through other methods such as computer or video instruction. This "capital expense fund" will help considerably in an effort to serve roughly the same number of private schoolchildren who received chapter 1 instruction before the Supreme Court's decision.

We have long been concerned that the chapter 1 program was not reaching sufficiently into the secondary level. In most schools, the program goes only as far as the fifth grade while the need beyond grade five remains acute. We have addressed this problem by incorporating proposals of Senator STAFFORD, Senator BRADLEY, and Senator DANFORTH, to target a new authorization of $400 million for compensatory education for students in secondary schools.

My fourth goal was to encourage success. In that regard, we have enabled LEA's to use 5 percent of their chapter 1 funds for innovative projects which build on the success of programs in other school districts. We have added provisions requiring LEA's which do not show achievement gains after 1 year to develop a plan for improvement. If there is no gain after 2 years, they must develop a plan in conjunction with the SEA. And after 3 years of no gain, the State will then develop a plan for improvement on its own. In addition, we have included a new authorization of 1 percent of the total State allocation to enable State educational agencies to assist local schools in program improvement.

Finally, we have retained the current provision that allows schools which are composed of 75 percent or more chapter 1 eligible children to implement schoolwide compensatory education programs. We have deleted, however, the requirement that high poverty schools which have 75 percent or more chapter 1 eligible children provide matching funds to conduct schoolwide improvement projects. Due to the match, very few schools were opting into this program, and deletion of the match will enable the poorest schools to serve students in this manner.

Our final goal was to increase the involvement of parents in the education of their chapter 1 children. In this regard, we have added language to require that LEA's make a strong effort to inform parents about the chapter 1 program, train parents to instruct their chidlren, and consult with parents on schoolparent cooperation activities.

In reauthorizing chapter 2, the education block grant, we have woven together my proposal to target use of chapter 2 funds to educational priorities with the proposals of both Senator STAFFORD and Senator SIMON. Our bill keeps in place the structure of chapter 2 and the allocation formula. But it makes a very important change with respect to the use of funds. It requires that LEA's and SEA's use their funds to meet needs in one or all of six areas. Those areas are:

First. Programs for at-risk students, including the educationally and economically disadvantaged, school dropouts, limited English proficient, handicapped, and needy children at the preschool level.

Second. Basic skills instruction for secondary school students, and programs to combat illiteracy.

Third. Programs for gifted and talented.

Fourth. Library materials and resources.

Fifth. Programs for school reform, innovation and teacher and personnel training.

Sixth. Programs for personal excellence, including instruction in ethics, performing and creative arts, humanities, physical fitness and health, and community service.

In addition, we have added stronger accountability measures to force LEA's and SEA's to indicate which of the six areas they are targeting through the use of their chapter 2 funds, and a justification for why they have done so.

Finally, we have reauthorized the Secretary's Discretionary Fund under chapter 2, including the National Diffusion Network, the Inexpensive Book Distribution Fund, Arts in Education and Law-Related Education. As part of this fund, we have added a new initiative to recognize excellence in schools through annual "Blue Ribbon Awards," based on Secretary Bennett's excellent School Recognition Program.

Title II of our legislation, Innovation in Education, makes provision for a series of initiatives to meet special educational priorities. These include:

The Even Start Act, legislation introduced by Senator CHAFEE to combine instruction of chapter 1 students with parents who are eligible for adult education;

The Effective Schools Program legislation introduced by Senator SANFORD and Senator SIMON and of particular interest to Chairman HAWKINS on the House side;

Reauthorization of the Women's Educational Equity Act of special interest to Senator MIKULSKI;

The Jacob K. Javits Gifted and Talented Education Act, which incorporates much of Senator BRADLEY's original bill;

The Family-School Partnership Program, of particular concern to Senators BRADLEY and KENNEDY;

Reauthorization of the Ellender Fellowship Program for students, with an additional parallel program for the elderly and immigrants so that they, too, may learn more about our Government;

Reauthorization of the Territorial Assistance Act of concern of Senator MATSUNAGA;

The Parental Choice Open Enrollment Demonstration Program for Public Schools, a proposal put forth by Senators STAFFORD and KENNEDY;

And the Rural Educational Opportunities Program, a proposal of Senators STAFFORD, HARKIN, and ADAMS.

In addition, title II creates a new Secretary's Fund for Innovation in Education which includes:

Programming and materials development in educational radio and television broadcasting, which is a matter of very special concern in my home State of Rhode Island;

Computer-based instruction, which is a proposal based on legislation introduced by Senator LAUTENBERG;

A Comprehensive School Health Program, which is of particular interest and concern to Senator BINGAMAN;

Telecommunications and video instruction grants to develop innovative instructional materials;

And the Teen Suicide Prevention Program, also a proposal put forth by Senator LAUTENBERG and which was introduced on the House side by Congressmen LANTOS and ACKERMAN.

Title III reauthorizes the Magnet School Assistance Act, a matter of particular concern to Senators MOYNIHAN and LAUTENBERG. The current program provides vital assistance to LEA's which are using the magnet school approach as part of an overall desegregation plan. This has been a highly successful method of serving the goal of desegregation. The real flaw in the program is inadequate funds to meet the number of quality proposals received by the Department of Education. We have therefore increased the authorization level from $75 million to $115 million.

In addition, we have added new part B which creates an adjunct discretionary grant program to enable LEA's which have high percentages of minority enrollments, but which do not have magnet schools as part of an approved desegregation plan, to apply for funding. We do not intend that funding for part B dilute assistance available under current law. We have therefore required that the authorization for part B not go into effect until appropriations for part A reach $100 million.

Title IV reauthorizes the Federal Impact Aid Program by incorporating the major elements of S. 1620, which Senators MIKULSKI, HATCH, and I introduced earlier this year. This proposal would greatly simplify the program by reducing from 16 to 2 the number of categories of students. The legislation also establishes five basic groups for payment purposes, and specifies how each of these groups are to be treated if the program receives less than full funding.

I am very pleased that we have been able to address an issue of particular concern to Senator MIKULSKI with respect to compassionate post assignments and the impact they can have upon local school districts which face the added responsibility of educating children of a military parent receiving such an assignment. In many cases these assignments may be made because the child is handicapped and needs special education services. Accordingly, this legislation would guarantee full entitlement for each handicapped child served under the Impact Aid Program.

Title V reauthorizes the Adult Education Act, a law that has been the special concern of Senator QUAYLE. Current law provides money to the States on a formula basis to provide literacy and basic skills instruction to adults. Illiteracy is one of the most pressing problems facing society today. It is a significant handicap to an individual and a terrible waste to our economy. The need for this program is overwhelming. Waiting lists in my own State of Rhode Island would enable the program to double overnight, and this is the case in most other States across the country. To address this situation, we have doubled the authorization from the current appropriation level of $100 to $200 million.

I am particularly pleased that we have incorporated major elements of my correction education legislation by creating a new 10 percent set-aside in each State for corrections education and education for the institutionalized.

In addition, we have crosswalked several agreements that have been made between members of the Senate and House at the subconference on the education component of the trade bill. These include the Workplace Literacy Act, introduced by Senators CHILES and ROCKEFELLER, and of particular interest to Senator DODD, and the English Proficiency Act introduced by Senator BINGAMAN. Further, we have made a technical correction, proposed by Senator HATCH, to the Carl D. Perkins Vocational Education Act to clarify that single pregnant women—including pregnant teenagers—are eligible to receive vocational education services funded through the set-aside for displaced homemakers and single parents.

Title VI reauthorizes the Education for Economic Security Act. Reauthorization of this act was included as part of the Senate trade bill. The major provisions reauthorizing the math and science program under title VI reflect agreements reached among Senate and House Members on the education portion of the trade bill.

This includes a reauthorization of the program to upgrade instruction in mathematics, science, foreign languages, and computer instruction. It is legislation which Senator STAFFORD and I originally authored in 1984. The reauthorization provisions under S. 373 would distribute 1 percent to the territories and 4 percent for the Secretary's discretionary fund. Of the remaining 95 percent, money would be distributed to the States on the basis of school-aged population. Of this money, 25 percent would be allotted to the State higher education agency, and 75 percent would be distributed to the State educational agency, with 90 percent of that money passed through to the local educational agency.

There is also a new part B for foreign language assistance programs, which incorporates major provisions of legislation proposed by Senators DODD and SIMON. This new part B under title VI would authorize $20 million for grants to the States on the basis of school-aged population to establish model foreign language programs in elementary and secondary schools. It would also authorize an additional $1 million to the math and science outstanding teacher recognition program to recognize foreign language instructors as well.

In addition, S. 373 reauthorizes the discretionary grant program for partnerships in math and science education between the schools and other organizations. This title was originally authored by Senators QUAYLE and DODD. Finally, it includes the Star Schools legislation introduced by Senator KENNEDY and added as an amendment to the Education for Economic Security Act.

Title VII of the bill reauthorizes the Bilingual Education Act by incorporating changes that were adopted by this committee when we approved S. 1238 last June. I am pleased that this proposal continues the committee's strong support for bilingual education, while allowing school districts greater flexibility in choosing the method of instruction most appropriate for its limited English proficient students.

The bill would permit the Secretary to use up to 25 percent of instructional funds for methods other than transitional bilingual education. This provision is especially important to school districts for which transitional bilingual instruction is not practical, either because their students speak many different languages or because it is difficult for them to find qualified bilingual teachers.

Also, I have long been concerned that the emphasis of the Bilingual Education Act remain on encouraging children to learn English as quickly as possible, and strongly support, therefore the provision in this legislation that would have children exit from the program within 3 years.

Title VIII of our omnibus bill authorizes the School Dropout Demonstration Assistance Act which this committee passed earlier this year. A comprehensive elementary and secondary education bill must address the fact that 25 percent of our students drop out of school each year. We must make every effort to prevent these students from leaving school and to encourage those who have left to return and finish. I am therefore very pleased that this important legislation is part of our omnibus bill.

Title IX expands educational assessment and promotes achievement. This includes incorporation of legislation introduced by both Senator KENNEDY and Senator HATCH to restructure and expand dramatically the scope of the National Assessment of Educational Progress. In the past, the NAEP studies have given us a very detailed report on the achievement levels of a sampling of our Nation's students in reading and in mathematics. The expansion provided under this title will enable us to get a more comprehensive assessment of all our students by encouraging the States to opt into the study. In addition, it will examine other subject areas, including history, geography, science, and civics.

Title IX also provides for the establishment of a fund for the improvement and reform of schools and teaching. This fund was proposed by Senator KENNEDY and Senator HEINZ. It is modeled after the fund for the improvement of post secondary education under the Higher Education Act, and is designed to give the same kind of assistance and recognition to successful programs in elementary and secondary schools and in the area of teacher training.

Furthermore, title IX makes provision for an "optional test for academic excellence," my proposal to provide a voluntary national "regents' test" for the States. Senator John Sherman Cooper of Kentucky and I introduced this legislation 20 years ago. I am very pleased that we have been able to include this legislation in S. 373. It is proof that it simply takes time for some ideas to catch hold.

Finally, title X establishes the Education for Native Hawaiians Act, legislation introduced by Senators Inouye and Matsunaga which authorizes model curriculum projects, family-based education centers, higher education demonstration projects and gifted and talented and special education programs which are targeted specifically to the needs of the native Hawaiians.

In sum, I am very pleased with the elements of this legislation. The Robert T. Stafford Elementary and Secondary Education Improvement Act is a sound Federal investment in education that will encourage State and local governments to further its intent. It reaffirms the importance of the Federal role in education. This role began more than 20 years ago with the establishment of the first Elementary and Secondary Education Act of 1965.

S. 373 renews the Federal Government's twin commitment to educational opportunity and educational quality. Mr. President, as I have said on many, many occasions both inside this Chamber and out, I believe that the real strength and health of our Nation lies not in our weapons of destruction, not in our machinery of construction, not even in the amount of gold in Fort Knox. In reality, the real strength and health of our Nation is determined by the sum total of the education and character of our people.

S. 373 expands and improves the investment in our human capital which will secure the future of our country. For what we accomplish in a classroom today may well unleash the talents of a new artist, begin the discovery of the cure to a mysterious disease, or perhaps even lead to the achievement of a lasting peace on this planet.

I commend this legislation to my colleagues, and hope that they will join me in its support.

Mr. STAFFORD. Mr. President, I rise today in support of S. 373, the Robert T. Stafford Elementary and Secondary Improvement Act, and I can hardly do less with my name, thanks to the graciousness of the Committee on Labor and Human Resources, particularly its chairman and the chairman of this subcommittee having named it after the Senator.

I might say also that in all the years that I have served in the Congress probably the most pleasant years have been spent working on two matters that have been dear to my heart. The environment is one and certainly education is the other, and I think that the Senator from Vermont has derived more satisfaction from the efforts we have made with Senator Pell and others in the educational field than any other activity that it has been my privilege to play a role in.

This legislation, as the chairman of the subcommittee, the manager for the majority, my dear friend, Senator Pell, has said was unanimously endorsed by the Committee on Labor and Human Resources. It is an omnibus bill which reauthorizes vital, elementary and secondary education programs. The centerpiece of S. 373 is the chapter 1 program, the single most important Federal education initiative. Our future as a nation rests on our ability to educate all of our people. Chapter 1 is the legislative vehicle through which the Federal Government assists States in serving the neediest, and therefore the most at risk, schoolchildren in the Nation.

Indeed, as I consider the role of the Federal Government in education generally, Mr. President, I believe our role basically is to afford an equal educational opportunity to those children, to those of college age who otherwise due to the financial position of their families or other reasons might not have that opportunity for education.

For over a quarter of a century, chapter 1 funds have made compensatory education programs available to educationally disadvantaged schoolchildren. S. 373 we believe improves on this very successful program by targeting funds and services to the schools and children who need them most; strengthening assessment and reporting requirements; improving technical assistance for local school districts; and authorizing new initiatives to encourage innovation and program improvement.

The full participation of all eligible schoolchildren by 1993 is a goal which has been incorporated in the preamble of S. 373. The chapter 1 program is amended by this legislation to accomplish the following goals: Revision of the criteria for initiating schoolwide chapter 1 programs; expansion of services to high school students through a new secondary schools basic skills initiative; revision of the concentration grant formula to make supplemental funds available to districts serving high percentages of poor families; and authorization to State education agencies and local education agencies to use Federal funds to replicate successful projects and promote innovation.

Two important changes have been incorporated for chapter 2, the education block grant. First, States are required to report more specifically on how funds received under this part are utilized. And second, use of funds is restricted to six priority areas. The chapter 2 program enjoys strong support from local and State education agencies. These amendments keep the basic structure of the program in place as well as the allocation formula.

Title II of S. 373 authorizes several initiatives which respond to special educational priorities. Included in this section is a new rural education initiative, a gifted and talented program, and expansion of the Ellender Fellowship Program to serve a broader range of citizens. Under this part, the Secretary is authorized to fund programs which would test open enrollment structures in public schools. Similar programs have worked well in urban districts around the Nation. Parental support for local schools and higher student achievement levels have resulted when parents and children have had the opportunity to pick the school they wish to attend.

Included in S. 373 is an amendment which authorizes the Secretary to promulgate regulations for this legislation through a process called negotiated rulemaking. This procedure was used by the Environmental Protection Agency to develop regulations for the asbestos bill. It was heartily endorsed by participating members of the education community.

In a negotiated rulemaking situation, the lead agency invites interested parties to participate in the development of regulations from the initial stages in the process. The rules which are published in the Federal Register include the compromises reached by this negotiating body as well as the differences which remain unresolved. Ultimate authority to promulgate final regulations continues to be the prerogative of the lead agency, in this case the Department of Education.

I asked that this amendment be included in S. 373 for two reasons. First, inviting the education community to work on developing regulations ensures their understanding and cooperation in implementing program changes. Second, other agencies utilizing this process have promulgated regulations in record time and have been extremely satisfied with the outcomes—something we can hardly say is true of the many regulations which are processed and put in force in this Capitol.

In conclusion, Mr. President, I would like to congratulate and commend my friend, Senator Pell, for his leadership in crafting this very important education package, and indeed the work of all of the members of the committee who have worked hard over a considerable period of time to bring this bill to the floor of the Senate. It is a comprehensive bill which is responsive to the needs of State and local education agencies in providing compensatory services to elementary and secondary school students. Furthermore, this goal is accomplished within the spending parameters of the budget resolution. Support for this legislation is strong and bipartisan. It was developed in cooperation with the administration as well as all interested education associations, of the country. I urge my colleagues to vote in support of S. 373.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I thank my colleague very much indeed for his statement.

Mr. WEICKER. Mr. President, I rise in strong support of S. 373, the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987. This important legislation was reported out of the Labor and Human Resources Committee without a single dissenting vote, a tribute to the capable leadership of the distinguished chairman and ranking minority member of the Education Subcommittee, Senators Pell and Stafford.

S. 373 reaffirms our commitment to access and quality in elementary and secondary education through improvements to existing programs, and a number of new initiatives. The legislation combines into one omnibus authorization all Federal aid to elementary and secondary education, including chapter 1 compensatory education for the disadvantaged, the chapter 2 block grant, impact aid, magnet schools, the Education for Economic Security Act, bilingual education, the Women's Educational Equity Act, assistance to the Virgin Islands, and Ellender fellowships. While these programs currently expire at various times between fiscal year 1987 and fiscal year 1989, they will now all be due for reauthorization in fiscal year 1993.

This legislation continues the enormously successful chapter 1 compensatory education program for disadvantaged children, which this year serves approximately 5 million children, or one in nine students at the elementary and secondary school level. Funds provided for chapter 1 reach nearly 90 percent of the Nation's school districts, and assist these districts to provide remedial math and reading services to needy children.

S. 373 seeks to strengthen the chapter 1 program by making amendments in a number of key areas, including strengthening parental involvement, improving the targeting of chapter 1 funds so that the neediest eligible children receive services, and encouraging innovation, expansion, and program improvement.

The bill before us continues the chapter 1 program to assist handicapped children for whom the responsibility to provide a free, appropriate public education rests with the State education agencies. This program, known as the Public Law 89-313 program, will remain a distinct source of Federal financial assistance for education of these children, although amendments are included to bring it into greater conformance with the requirements of Public Law 94-142 with regard to due process protections, reporting, data collection, and administration. The bill also will prohibit States from counting 3 to 5 year olds under the Public Law 89-313 program after fiscal year 1991, unless the State education agency has assured that services are available to all eligible 3- to 5-year-old handicapped children. This provision is consistent with the amendments made by Public Law 99-457 to the Education of the Handicapped Act last year to encourage all States to educate preschool handicapped children. Clearly, it would be inappropriate to allow States which do not provide services under Public Law 94-142 to all eligible 3- to 5-year-old children, to serve a limited number of those children under Public Law 89-313.

The Federal investment in elementary and secondary education is an investment in the Nation's most precious resource: Our children. I urge the passage of this legislation, and I again want to commend the chairman and ranking member for their tireless efforts to achieve a bill that enjoys broad bipartisan support.

Finally, I note with regret that this bill is one of the last major pieces of education legislation that will bear the mark of my good friend, Senator Stafford. His unfailing compassion, wit, and sensitivity to the needs of those less fortunate in our society, will be sorely missed.

STUDY OF THE ADMINISTRATION OF PUBLIC LAW 81-815

Mr. PRESSLER. Mr. President, I would like to thank Senators Stafford and Pell for incorporating my proposal into S. 373, the Elementary and Secondary Improvement Act of 1987. My proposal would require GAO to conduct a study of the administration of Public Law 81-815 and the need for school construction funds in federally impacted school districts.

Public Law 81-815, the School Construction Assistance in Areas Affected by Federal Activities Law, is a 37-year-old law designed to provide minimum public school facilities to families from military bases, Indian lands, and poverty areas. This law often is misunderstood. It is not a benevolent supplemental Federal program. It is the realization of the Nation's commitment to pay its fair share of the cost of education for children living on nontaxable federally owned lands and nontaxable "federally connected" families. The standard tax base which funds elementary and secondary education, that is, local property taxes, is virtually nonexistent in many of these areas. In essence, Public Law 81-815 recognizes the Federal Government's obligation to pay its "property taxes" to the extent that they are used for construction of elementary and secondary schools.

In order to better understand Public Law 81-815 and to better serve the 2 million federally connected children, a study must be conducted to determine what funding is needed for school construction in federally impacted school districts. Additionally, to meet the everchanging needs for school construction across the United States, it is important that we reevaluate the application process for Public Law 81-815 funds.

Currently, there is a backlog of requests for school construction funds. According to the Department of Education, there are over 200 applicants waiting for school construction funds. Some applications have been on the list since 1969.

One example is Anne Arundel County in Maryland. In 1969, that district applied for school construction funds to build an elementary school at Fort Meade. They are one of the over 200 applicants waiting for school construction funds.

In my State of South Dakota, I have a district that currently is using old wooden trailers to house three elementary classrooms outside the main school building. When winter sets in, and I am sure most of you have heard about the infamous South Dakota winters, it causes a severe problem for the teachers and the children. Serious and very real logistical problems are encountered in getting three classrooms of elementary students dressed in mittens, coats, and boots every time they have to trudge over to the main school building to attend a special class. More importantly, the trailers do not provide adequate teaching facilities. They are old, cramped, and run down. Dupree School District applied for school construction funds to expand their school building in 1983. After waiting 4 years and receiving no funds, they have resubmitted their application. Dupree School District joins Anne Arundel County on the long waiting list for school construction funds.

These are just two examples of the numerous school districts desperately awaiting Federal funds to build new school or to improve their current facilities.

I understand that the lack of funds for Public Law 81-815 is the major cause of the waiting list, and it is doubtful that, at a time when the national budget deficit is $2.3 trillion, we can fully fund Public Law 81-815. Therefore, with the limited funds available for Public Law 81-815, it is imperative that the application process be reviewed, and changed if necessary, to devise a system that best serves all federally impacted school districts. That is the essence of my proposal, and I am pleased that the distinguished chairman and ranking minority member have agreed to incorporate it into S. 373.

Again, I wish to thank Senators Pell and Stafford for their assistance and cooperation. It is my hope that when GAO concludes the study, we will be able to determine the needs for school construction in impacted districts. Also, I am confident that either through legislation or regulations, a system will be devised that best serves applicants for Public Law 81-815 funds.

Mr. President, I yield the floor.

Mr. DANFORTH. Mr. President it is more than fitting that a major piece of legislation dealing with education be named after Senator ROBERT T. STAFFORD of Vermont. Senator STAFFORD has made education his issue since he has been in the Senate and I think that it is a great tribute to him that the committee has named this legislation after him.

I would like to express my appreciation to both of the managers of the bill and indeed to the entire committee for incorporating into S. 373 the provisions of S. 1226, a bill that I introduced last spring. S. 1226 extends chapter 1 funding beyond elementary education to secondary education to provide for basic reading and quantitative skills for high school students.

I think it has been clear for some time, Mr. President, that we have a very real problem in this country in that a substantial number of young people, those who are in high school and even beyond high school, literally cannot read or write, and they cannot do the most basic mathematical computations. The fundamental skills that are taught to first graders and second graders and third graders somehow have missed a significant number of people who proceed on into adult life without being able to do the absolute essentials that are necessary to participate in the full life of this country.

The provisions in S. 1226 and other provisions in this reauthorization package were incorporated into the Senate version of the trade bill. The reason for doing that was that it was recognized that if the United States is going to be competitive in international trade, we have to have a work force that is capable of competing at the highest level. Yet, what we have in fact is a large number of people in this country who cannot perform at even a very low level. We have the sad case of young men and women who were in high school who drop out of high school because they cannot read and they cannot count, they cannot compute.

Well, what this bill does and what S. 1226 did was to provide funds so that the chapter 1 program, the basic skills program, can be provided to secondary school students.

Under the terms of this legislation, $400 million is authorized, beginning in 1990, for basic skills for high school students and that amount increases by $50 million in each of the following 3 years. I think that this is a major achievement. It is my hope that by virtue of this legislation a larger number of young people in this country will be able to do the basics; and again I express my appreciation to the two managers and to the committee for incorporating S. 1226 into the bill.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, I want to thank the very able Senator from Missouri for his very kind words.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. QUAYLE. Mr. President, I rise in support of S. 373, an act to reauthorize the Federal elementary and secondary education programs, and very appropriately named after our distinguished colleague from Vermont, ROBERT T. STAFFORD. As my colleagues know, BOB STAFFORD has guided many education bills through the Senate during his tenure here and has always been a champion for the disadvantaged and underprivileged. I am pleased that we are honoring our colleague who nears retirement, by naming this bill for him.

S. 373 is an omnibus bill that reauthorizes the following programs through fiscal year 1993: Chapter 1 of the Education Consolidation and Improvement Act [ECIA]; chapter 2 of ECIA; the Magnet Schools Assistance Program; the Impact Aid Program; the Adult Education Act; the Education for Economic Security Act; the Bilingual Education Act; the Women's Educational Equity Act; and the Allen J. Ellender Fellowship Program.

Clearly the most important program is the chapter 1 program, which provides remedial educational services for disadvantaged, low-income children. This program reaches thousands of children daily and has been credited with marked educational improvement.

A key change that we have made in S. 373, with which I am very pleased, is greater accountability of the chapter 1 program through goal-setting and measurement of performance. These greater accountability standards will ensure that the children who participate in chapter 1 programs are indeed learning and are indeed making substantial progress.

If a school shows that it is not making progress, then the local educational agency will step in to make program improvements. If after 2 years, student achievement declines or does not improve substantially, the State educational agency can come in and take corrective actions. This corrective action can take many forms, and is left to the discretion of the State. What may work in one school will not work in another, and flexibility is key to this provision's success.

Schools must then continue to show improvement before they will be on their own again.

Accountability is key to the success of the chapter 1 program and all other education programs. If our children are not learning what they need to know to be successful citizens later in life, we are wasting Federal money. I believe these accountability provisions will strengthen the chapter 1 program.

S. 373 would also improve the targeting of chapter 1 dollars to schools and students that are in the greatest need. Funds will be provided for a concentration grant in areas that have a particularly high number of educationally disadvantaged and low-income students.

The bill also requires local educational agencies to develop programs, activities, and procedures to involve parents in chapter 1 programs. And more significantly, the bill allows local educational agencies to provide a program of choice to parents of students attending public schools, to let them select the school they want their child to attend. It has been shown that by getting parents involved and by allowing families to choose the school for their children, academic achievement increases and school morale improves. This is an excellent provision, and I am very hopeful that many school districts will decide to offer this program of choice to parents and students.

Other provisions in S. 373 include a reauthorization of the Adult Education Act, to provide funds to States to increase adult literacy. The provisions of S. 373 are based on a bill I introduced earlier in the year, providing for reauthorization of this act. The Adult Education Act has been an enormously successful Federal program, and S. 373 continues its strengths.

S. 373 also contains provisions to reauthorize the Bilingual Education Act, based on a compromise worked out among committee members. The compromise allows up to 25 percent of the program funds to be used for special alternative instructional programs, such as English as a second language or structured immersion. This change is needed because many schools cannot meet the requirement of providing transitional bilingual education classes, using the native language of the student. For small school districts or schools with many different languages, it is difficult to find native language teachers. S. 373 is an excellent proposal which allows more flexibility and local determination, while still protecting current transitional programs.

The overall cost of this bill is within the budget resolution passed by the Senate earlier this year. It does, however, allow for expansion of several important programs, such as chapter 1, magnet schools, and adult education.

Finally, I want to compliment the chairman of the Education Subcommittee, Senator PELL, and his staff, for excellent work in taking into consideration the interests of the members of the Labor Committee. He has done a superb job in crafting a bill which the administration supports and which we can all endorse.

S. 373 will carry forward into the 1990's the Federal elementary and secondary education programs that offer so many disadvantaged children an opportunity to improve their lot in life.

I urge my colleagues to support this measure.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I want to join others in commending the managers of this legislation for the extraordinary skill they brought to the task of fashioning a reauthorization bill for the Elementary and Secondary Education Act.

The chairman of the committee, the distinguished Senator from Rhode Island [Mr. PELL] and the ranking Republican member, ROBERT STAFFORD, are both personal friends of mine. It is a real source of pleasure this year to serve on this committee and work with them in developing legislation such as that now before the Senate.

I want to commend my friend, Senator STAFFORD, for the great career he has had in the Senate working on education issues. It is certainly appropriate that this bill be named for him, the Robert Stafford Education Act of 1987.

I also wish to express my appreciation to the managers of the bill for working with this new member of the committee to ensure that the concentration grant program, which is defined in the bill as an authorization for permitting funds to be allocated to those States where there is an extraordinary concentration of students who are in poverty, be designed so that it is fairly administered and that the funds are distributed in an equitable way among all the States.

In our committee there was an effort to redesign that program by changing the formula which would have caused some States that in reality have the highest concentration of poor students actually to lose money to States that had smaller percentages of children who were at the poverty level. I am grateful for the cooperation that was extended to this Senator in the effort to ensure that there is an equitable distribution of funds under the program.

In addition, Mr. President, let me note that at the full committee hearings before this legislation was drafted, Secretary Bennett testified in favor of additional funding under the chapter 1 program of the Elementary and Secondary Education Act.

I point that out because we have seen a great deal of criticism throughout the country of this administration and its alleged insensitivity to the education programs that are funded at the Federal level. Secretary Bennett's testimony was evidence of a realization on the part of the administration that the Chapter 1 Program is one of the most important education programs that we have. It targets Federal assistance to those areas of our country that are under the greatest amount of stress because of a tax base too low to fund innovative and imaginative education programs for disadvantaged children. It is also based on the notion that funds ought to be made available to areas where disadvantaged children constitute the largest percentage of the total student population.

I think the administration's support at our hearings for additional funding for this program is to be commended. I was glad to be at the hearing and to hear Secretary Bennett speak strongly in favor of this program.

The committee has responded and I am glad to see that we have written into the bill a strong commitment to disadvantaged children and to those States that have the task of designing programs that meet the needs of those disadvantaged children.

Other programs, of course, that are reauthorized include impact aid and the Chapter 2 Program, which is the block grant program that is so important to our elementary and secondary schools.

I am happy to be a cosponsor of the bill. I think it is going to be a very important step forward in education and it certainly would not have been possible to have crafted this without the strong and expert leadership of the two distinguished managers of this legislation.

I yield the floor.

Mr. PRESSLER. Mr. President, in my statement I neglected to pay tribute to Senator STAFFORD of Vermont. I am proud to be a cosponsor of this bill which appropriately is named after him. I have enjoyed working with him here in the Senate. He is going to be here for quite some time, but I think all the educational institutions across the country—primary, secondary, vocational, and higher education—can be grateful to him for his career—which is not over. I am just very proud to be a cosponsor of S. 373. I think this is a historic piece of legislation.

Mr. STAFFORD. Mr. President, one of the great joys of working here in the Senate has been that of associating with Senators like those who have just spoken, Senator PRESSLER and Senator COCHRAN. I want to tell them how much I appreciate their sentiments.

Mr. DOLE. Mr. President, first of all, I wish to commend the distinguished Senators from Vermont and Rhode Island for their efforts in steering the reauthorization of elementary and secondary education programs through the committee process. These are very important programs, because it is at this stage of the education process that children are taught the basics that will make or break their success in later life.

We have an obligation to economically disadvantaged and handicapped students to make certain that they have access to the education opportunities that will enable them to catch up and get ahead.

Mr. President, this is perhaps the last major education bill that the distinguished Senator from Vermont [Mr. STAFFORD] will guide through the Senate. As my colleagues are aware, he will be retiring at the end of the 100th Congress, and the Senate will miss his outstanding leadership on education issues and the contributions he has made to the children of this country in so many ways. He has been a statesman, a sensitive and sensible colleague. He has earned the respect of all of us over a long period of service to this country and his own State of Vermont. Our education system is better, because of his efforts. The distinguished Senator from Vermont has clearly left his mark in ways that will count for generations of American children and students of every age. It is appropriate that this act be named "The Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987."

CHAPTER 1 PROGRAM

Mr. President, this legislation would authorize $7.4 billion in fiscal year 1989 for elementary and secondary education programs. The Chapter 1 Program is critical in providing educational services to children who may be disadvantaged because they come from poor families. About 90 percent of the school districts in this country participate in chapter 1. Although funds are distributed to local education agencies [LEA's] on the basis of a formula which counts school-aged children from low-income families, school districts are required to focus the funds on the schools with the highest number or percentage of low-income children. A recent national assessment of chapter 1 mandated by the Congress has cited a correlation between poverty and education disadvantage which increases with the concentration of poverty and length of time in poverty. This program has provided valuable resources to schools serving low-income areas, simply because these school districts are less likely to have the resources to provide services for these special needs. Funds provided under chapter 1 must be used for services which supplement those of the regular school program.

IMPROVED TARGETING OF FUNDS

Earlier this year, the Senator from Kansas and several of my Republican colleagues introduced the Education

Competitiveness and Improvement Act of 1987, which would have improved the targeting of chapter 1 resources. Although it has not made significant changes to the basic grant formula, the committee has responded to the need to improve the targeting of resources under chapter 1 by authorizing a new concentration grant program. Further, this bill would update several provisions in the formula in order to more accurately reflect the number of eligible children in each school district. To accomplish this goal, the committee bill would provide $400 million for special targeting, after the appropriation for the basic grant equals or exceeds $4.3 billion.

Mr. President, the General Accounting Office and other studies have found that funds under the basic program are well targeted within the constraints of current law. This basic program continues to provide a broad network of assistance to underprivileged children throughout the country. The national assessment of educational progress has shown a continued strong relationship between low achievement and concentration of poverty, and the new concentration grants are designed to augment this basics assistance in school systems with unusually high percentages of poor children.

Also, a provision from my previous bill, S. 1004, has been adopted by the committee. This would encourage new, creative ideas in school programs by permitting LEA's to reserve up to 5 percent of their grant for innovative programs. Many chapter 1 programs across the country have already had considerable success, and this provision would enable school districts and schools to implement and adapt these successful models.

Currently, the chapter 1 program is able to serve only 45 percent of students who are eligible for compensatory education services. Given the number of children living in poverty is increasing, the need for this program will continue to grow.

CHAPTER 2 BLOCK GRANT

Mr. President, the chapter 2 block grant first came into being as part of the Omnibus Budget Reconciliation Act, at which time over 30 categorical programs were combined into a single block grant to State and local education agencies. S. 1005, a bill which the distinguished Senator from Vermont and I introduced in April would have revamped this block grant to provide seed money for innovative or expanded activities in the areas of basic skills instruction, educational improvement and support services, and special projects. The committee believes that the effectiveness of chapter 2 can be enhanced by targeting the available block grant funds at the State and local level on programs or projects which provide for equity or quality. These funds would be used for programs consistent with the Federal role in education—protection, underserved populations and initiating reforms and improvements.

S. 373, the committee bill, would primarily target chapter 2 resources to programs for at-risk and special needs students, including dropouts, as well as educationally and economically disadvantaged, those with limited English proficiency, and disadvantaged preschool children. These funds could also be used for basic skills instruction for secondary school students and programs to combat illiteracy. Further, chapter 2 resources could be utilized to develop programs for the gifted and talented, and programs for school reform, improvement, innovation, personal excellence, and teacher and personnel training.

PARENTAL INVOLVEMENT

Mr. President, one of the key elements to successful school programs is the level of parental involvement. S. 373 includes a new "family-school partnership" program, modeled after the parental involvement provisions in S. 1004, the Education Competitiveness and Improvement Act. There is significant evidence that involving parents in a child's education improves performance. In fact, this finding emerged from the Department of Education's evaluation of "what works" in American education:

> Parents are their children's first and most influential teachers. What parents do to help their children learn is more important to academic success than how well-off the family is.

The Federal Government can be instrumental in encouraging the development and expansion of programs designed to increase parental involvement in their children's education. Both the new provisions of chapter 1 as well as this program will help carry out the objective of getting parents more involved in their childern's education.

IMPROVING MATH AND SCIENCE

A nation's competitiveness can be judged by the quality of its programs in math and science, computer training, and foreign languages. S. 373 would improve the targeting of the programs under the Education for Economic Security Act, of which I was an original cosponsor. Current law provides formula grants to State and local education agencies as well as higher education programs to upgrade instruction in mathematics, science, foreign languages and computer training. In this area, the role of higher education is important in strengthening math and science in elementary and secondary schools. The Education and Economic Security Act would expand the availability of training, retraining, and inservice training programs for teachers or prospective teachers in mathematics and science, the goal of which is best accomplished through higher education institutions.

NEEDS OF GIFTED AND TALENTED STUDENTS

Mr. President, along with the economically disadvantaged students, gifted and talented students have special needs. Because of this, Senator STAFFORD and I included a new program for gifted and talented students in S. 1004, which the committee bill has adopted. S. 373 would authorize $15 million for discretionary grants to State and local education agencies, higher education institutions, and other public and private organizations for the purpose of identifying and teaching these students. Under this program, grants may also be awarded for preservice and in-service training programs for teachers of these students.

Magnet schools have also been successful in providing educational opportunities to economically disadvantaged students who have special talents. This program has demonstrated remarkable success in encouraging many school districts to implement desegregation plans voluntarily.

ACCOUNTABILITY

Mr. President, the Federal Government spends a great deal of money—close to $20 billion supporting elementary, secondary, postsecondary, and vocational education through various programs administered by the Department of Education. It is imperative that, before we pour more money into education purely for the sake of increasing resources, that we make certain the funding already there is well spent and achieving the intended results.

Again, I commend the Senators from Rhode Island and Vermont for their leadership on elementary and secondary education programs and this reauthorization bill. Their contributions have represented a valuable investment in our most precious natural resource—our children.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I would like to underline what the Senator from Vermont has said and state that this legislation is peculiarly bipartisan. Over the period of a great many years, this subcommittee and the full committee, when it comes to matters of education, have been guided by their judgment as to what has been best for the young people of the country and never, to my recollection, by partisan considerations.

Mr. HARKIN. Mr. President, I rise in support of S. 373, the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987. S. 373 is a prudent investment in the future of our Nation. It reaffirms the important role the Federal Government can play in supporting efforts by local school districts to educate our children to become the future workers, artists, and leaders of our country.

I am particularly pleased that this bill addresses the unique needs of children residing in rural America. In 1986, Congress requested that nine regional educational laboratories identify and support further development of promising rural and small school activities within their region. In response, a National Rural, Small Schools Task Force was established. This task force, chaired by Robert Benton who, until recently was the chief school officer in my State of Iowa, studied regional trends by surveying school board presidents, district superintendents, building principals, and classroom teachers with close ties to rural schools.

Two primary concerns were identified in all nine regions as reported in "Building on Excellence, Regional Priorities for the Improvement of Rural, Small Schools." Sixty-seven percent of building principals and 65 percent of teachers said that academic performance of children from low-income families are in great need or fairly strong need of improvement. A similar rank was given for student thinking and reasoning skills.

S. 373 contains numerous provisions that directly respond to these concerns. First, in order for rural school districts to meet the needs of children from low-income families, they must be allocated their fair share of compensatory education funds under the Chapter 1 Program. I am pleased that because of my efforts on behalf of rural States, the concentration formula included in the Senate bill appropriately balances regional rural/urban and State interests.

The Senate bill rejects the approach taken in the House bill and current law which totally ignore the legitimate needs of rural States like Iowa. Under the House bill, for example, Des Moines, which has the largest number of children from low-income families in the State, would receive no concentration funds. It is imperative that in conference the Senate compromise provision be retained. Otherwise, the history of zero funding of this provision by the Appropriations Committee is certain to be repeated.

Second, the bill includes the provisions of S. 1778, the Rural Education Opportunities Act, which I introduced on October 8, 1987. This bill creates additional technical assistance centers to focus exclusively on the needs of rural school districts. A total of $10 million is authorized. The Department of Education is directed to establish and operate 10 regional rural assistance centers. These centers will provide evaluation assistance, consultation, and training aimed at helping State education agencies and local school districts improve the quality of the education provided to educationally deprived children participating in Chapter 1 Programs who reside in rural areas or attend small schools.

These centers will be provided with a fixed amount of core support funding to enable them to work with districts in the development of assistance proposals. Any additional funding would be awarded upon the approval of a State plan of assistance.

Under this legislation, rural assistance centers will have three objectives. Through a coordinated effort between the centers and the State educational agencies, a statewide plan will be developed. An individual plan for schools within chapter 1 eligible school districts would then be developed. These plans, which include the recommendations of teachers and their principals, must be approved by their district offices. Next, the plan is submitted to the State departments of education for second review and approval. Once it grants approval, the State department would notify the center involved, the local educational agency and the Department of Education. At this time, the Department of Education would release funds to the center to conduct the assistance effort.

Third, throughout the bill there is a recognition of the importance of ensuring geographical distribution of discretionary funding. For example, the Star Schools Program, which will provide grants to educational groups to develop, construct, and acquire telecommunication facilities and equipment in order to improve the instruction of mathematics, science, and foreign language, now includes two special provisions for rural schools, both of which were added at my urging during the markup.

The first provision requires that funding for projects be allocated across the Nation rather than in one area of the country. The second amendment targets funding particularly to areas with scarce resources and limited access to courses in science, math and foreign languages—a definition which includes rural areas.

In addition, to the focus on rural areas, as chairman of the Subcommittee on the Handicapped, I am also pleased with the numerous provisions included in the bill providing special focus on the needs of children with handicaps. For example, the amendments to chapter 2, the education block grant, provide a greater degree of targeting on high priority areas. One of those areas is programs for at-risk students. The definition of at-risk students, includes among others, handicapped students.

Additional foci of chapter 2 are library material and resources and programs for school reform and innovation. Captioning for the hearing impaired certainly qualifies as a technology that may be used in innovative ways to enhance literacy.

The amendments to the Bilingual Education Act provide another example. The block of amendments to S. 373 proposed by Senators PELL and STAFFORD on behalf of the Committee on Labor and Human Resources include provisions that will foster improved student evaluation procedures to identify more accurately those limited English proficient students who have exceptional needs and stimulate development and implementation of special education programs for limited English proficient students who are handicapped.

The amendments eliminate from current law three references to data on student referral or placement in special education programs. I believe that these references are misleading and detract from the objective of better educating limited English proficient students who, like other students, have various individual needs and abilities. The amendments also include two new findings regarding problems associated with student evaluation procedures for limited English proficient students and the unmet needs of such students who also may be handicapped or gifted and talented.

In addition, the amendments include a new requirement that bilingual education projects use student evaluation and assessment procedures appropriate for limited English proficient students and that such students who are handicapped are identified and served in accordance with the requirements of Public Law 94-142. Finally, the amendments call for program evaluation data on the activities undertaken by grantees to improve prereferral, evaluation procedures, and instructional programs for limited English proficient children who may be handicapped or gifted or talented.

The parent involvement provisions of chapter 1 of the bill include an accessibility requirement, which provides that information, programs and activities for parents must be provided in a language and form which the parents understand. For parents with handicaps this includes, among other things, sign-language and oral interpreting, captioning of films or videotapes, brailling or taping of printed materials, and similar services.

The amendments to the State-operated program for the handicapped, also known as Public Law 89-313, which I developed with Senator STAFFORD, will go a long way toward ensuring that all handicapped children in a State participating in Public Law 89-313 programs, receive a free appropriate public education in accordance with all of the applicable provisions in part B of the Education of the Handicapped Act. The amendments will also provide a data base for determining how to improve the program.

I am particularly interested in the study of this program to be conducted by the Comptroller General of the United States pursuant to section 1463. The study must include six components. First, the study must include a description of the State and local agencies that participate in the program, the children the agencies serve and the programs for which the agencies use funds.

Second, the study must include a description of how the program is administered by the State education agency or any predecessor agencies serving as fiscal agents for the States. It is our intent that the GAO ascertain, for example, what information is used on applications, the application approval process, and the procedures for monitoring, auditing, information dissemination, training, evaluation and complaint resolution.

Third, the study must include the major policies, procedures, and practices pertaining to the determination of when a child is considered eligible to be counted under such program; the allocation of funds to agencies, schools, programs, and projects within schools; the supplementary nature of the services provided; and the authorized uses.

For example, we want to know: how States differentiate between supplemental and required services and whether making such a distinction is appropriate; the extent to which funds are used for statewide services, schoolwide services, or direct services for children; the age services are initiated; the type and severity of disability of participating children; the number of years children are served; their socioeconomic status; a description of procedures used for determining which agencies receive funding, how the amount is determined and the same with respect to a school or program and a particular project within a school or program; a description of the types of schools receiving assistance—public or private day or residential, State operated or State supported, preschool or school-age; whether services are paid for in whole or in part with Public Law 89-313 funds; the type of personnel employed; characteristics of program participants; the degree to which children counted are not participating in activities and the degree to which children who are not counted are participating in such programs.

Fourth, the study must describe the policies and procedures governing the placement of handicapped children, including local educational agency transfer children, in schools and programs and projects receiving assistance under chapter 1.

Fifth, the study must describe the relationship between the Chapter 1 Program and parts B and H of the Education of the Handicapped Act. On the conceptual level, we want to know if there is a meaningful difference between the two programs. For example, does part B of EHA pay for special education services in the IEP and Public Law 89-313 pay for other services; does Public Law 89-313 support demonstration and experimental programs; do the two programs complement each other or do they support similar services. We also want to know the potential impact on Public Law 89-313 of the preschool and early intervention provisions in Public Law 99-457.

With respect to the administration of the programs, we want to know if the same monitoring, training of staff, and information dissemination about best practices occur for both programs.

With respect to services provided to and protections for handicapped children and their parents, a determination of whether comparable services are provided and protections offered to similarly situated children in the two programs—for example, are IEP's, placement decisions, and parent involvement comparable for children participating in the two programs?

Mr. KENNEDY. Mr President, today the Congress will consider S. 373, the Robert T. Stafford Elementary and Secondary Education Act of 1987. This bill will revise and extend the major elementary and secondary education programs through 1993.

There is no dispute that a solid education system is essential for economic growth and social progress. Most of the Nation's investment in education comes from State and local sources. But the Federal Government has an important leadership role to exercise as well. This role includes making sure the door to a quality education is open to everyone—and guaranteeing that educationally disadvantaged students get the extra help they need. The Federal role also includes sponsoring efforts to measure the Nation's educational progress—so we know how well we are doing and where we need to do better. And finally, it is the Federal Government's role to encourage innovation—then, once we know what works, to spread the news and sponsor sensible reforms. In the bill we will consider today, the Federal Government will play each of these roles.

Helping the disadvantaged has been, for almost a quarter century, the central focus of Federal aid to education. This bill extends the chapter 1 program and addresses the major policy concerns that need attention. We have incorporated a greater State role to ensure that the education offered to young children is of high quality. This bill will also fund concentration grants to target money more carefully on the neediest school districts. And it will extend chapter 1 basic skills programs to secondary school students, so they can continue the progress they made in elementary school.

The bill will also encourage research and data collection to give us better information about the state of our schools and provide a base for future education reforms. Title IX of the bill includes a proposal I consponsored with Senator HATCH to expand the national assessment of educational progress so that individual States can measure themselves against the national average in seven subjects: Reading, writing, math, science, history, civics, and geography. We also call on the Department of Education to conduct a study of adult literacy so we can get a better idea of the number of illiterate Americans who need our help. And we ask the Department of Education to study school dropouts so that we have a solid and reliable information base from which to develop public policy to keep children in school.

Finally, through this bill, the Federal Government will play an exciting role in encouraging innovation and reform at the school level. We have created several small programs that can put some of the best new ideas into practice, including the Family-School Partnership Act, even start, effective schools, and gifted and talented.

Two innovative programs in particular are of special interest to me. The parental choice open enrollment demonstration program, based on a very successful program in East Harlem, NY, will give parents a greater opportunity to direct their children's education. School districts that participate in the program will allow parents to choose their children's schools. We envision that these schools will become specialty schools—one focusing on math and science, another on the arts, another, for example, on history. As schools compete for students, all aspects of the schools should improve. Teachers and school administrators will gain greater control over the shape of the school program. And students will be taught in the environment that best suits their needs. Everyone is a winner.

I am also pleased that the bill includes a proposal I authored with the help of Senator HEINZ and others, to create a fund for the improvement and reform of teaching and schools—FIRST. This fund will make small, action-oriented grants to States, local school districts, colleges, and individual schools to provide the risk capital needed to launch locally designed projects that meet local education needs. Priority will be given to projects that benefit schools with below average performance and that use incentives to accomplish specific goals—like decreasing the dropout rate or improving test scores. The use of incentives and rewards has been tested by some school districts with promising results. Such programs provide an opportunity to reward success financially, through increased regulatory flexibility, or othewise, rather than sanctioning it by the withdrawal of funds. We want to provide funds to try such programs more widely. We know that some of the best ideas for educational reform come from the teachers and school building administrators who deal with failures and successes on a daily basis. FIRST provides a chance to put money behind those ideas—and make them work.

The reauthorization of the Education for Economic Security Act includes the Star Schools Program Assistance Act. Star schools was previously passed by the Senate in its original form, S. 778, and was contained in S. 1420, the Omnibus Trade Bill. S. 373, as amended by the committee amendment, makes changes to Star schools to reflect agreements that have been reached by House and Senate conferees on this program as contained in the Omnibus Trade Bill, S. 1420. Many of these changes improve the program and respond to concerns raised by Members of both parties and both Houses of Congress. We are pleased that these differences have been worked out in an equitable fashion, and we believe that the resulting program, as authorized in S. 373, will substantially enhance opportunities and equalize access for students across the country.

This bill also contains a provision affecting the Secretary's discretionary fund in the Education and Economic Security Act. It encourages the Secretary to give special consideration to institutions that train teachers in methods of scientific inquiry, educate school children in such methods, and provide complementary materials. One such program, which has been in successful operation and would fruitfully expand with such a grant, is run by the Boston Museum of Science, in collaboration with other educational institutions in New England. Too often teachers and students regard "science" as a collection of dry and static information, and programs like this one help convey the excitement of scientific exploration. We need to do much more of this and it is appropriate for the Federal Government to encourage it.

The Federal role in education is now solidly established. The Reagan administration's efforts to cut education spending have ended and their proposals to rewrite the major education laws have found little support. The bill we will consider today sends a strong bipartisan message that the Federal Government is in education to stay.

This bill was unanimously reported out of both the Education Subcommittee and the Committee on Labor and Human Resources. I am delighted that this major bill has gone forward in a spirit of comity and consensus. This is a tribute to the widespread support for these Federal programs and to skilled work at the subcommittee level. We owe Senator PELL and the other members who serve on the subcommittee, and their staffs, a debt of gratitude for so carefully fashioning a bill that is widely supported.

Finally, I am pleased that this bill has been named the Robert T. Stafford Elementary and Secondary Education Improvement Act. By naming the bill for Senator STAFFORD, we honor a colleague who has made many important contributions to Federal education policy. His impact on American education will be felt long after he retires at the end of the 100th Congress.

I urge my colleagues to join me in voting to enact this legislation.

REAUTHORIZATION OF THE BILINGUAL EDUCATION ACT

Title VII of S. 373, the omnibus education reauthorization, is the reauthorization of the Bilingual Education Act. This title makes the changes in the law which were approved by the Senate Committee on Labor and Human Resources in S. 1238 earlier this year. These changes are the product of a bipartisan effort to improve the reach and effectiveness of the Federal Bilingual Education Act. In recent years, a number of questions have been raised about the program, and during this Congress, committee members from both sides of the aisle worked hard to develop an acceptable compromise.

Twenty years ago this summer, the Senate Labor Committee conducted hearings on the original Federal bilingual education bill. That bill, S. 428, was sponsored by Senator Ralph Yarborough of Texas and a one-half dozen other Senators, including my brother Robert Kennedy, and his New York colleague Jacob Javits. S. 428 was a response to the acute educational plight of hispanic students, especially Puerto Rican and Mexican-American students.

During the following year, congressional committees expanded their study of the way in which language barriers impeded the academic progress of children whose native language was not English. After reviewing the issue of children of many different language backgrounds in all parts of the country, Congress passed the Bilingual Education Act of 1968, thereby establishing Title VII of the Elementary and Secondary Education Act.

Title VII provided grants to States, local education agencies, and institutions of higher education to develop and implement effective educational programs for students with limited proficiency in English. The title was amended through reauthorization in 1974, 1978, and 1984, but its structure remained unchanged.

Until 1984, the Bilingual Education Act supported only one type of instruction, generally referred to as transitional bilingual education. This type of program provides intensive English language instruction and makes some instructional use of a child's non-English native language, so that the child does not fall behind in academic subjects while learning English.

The 1984 amendments made several important changes in the act. They established an explicit requirement that Title VII programs must, at a minimum, "allow a child to achieve competence in the English language and to meet grade-promotion and graduation standards." The amendments also expanded Title VII's scope by authorizing support for six new types of bilingual programs other than transitional bilingual education.

One of the newly authorized programs—special alternative instructional programs—is an English-only instruction program which makes no use of a child's native language. The authorization of these monolingual programs was based on the Congressional finding that in some school districts, bilingual programs may be impractical due to small number of students of a particular native language, or because personnel who are qualified to provide bilingual instructional services are unavailable. Indeed, the 1984 amendments required that priority be given to grants when these factors are documented.

The 1984 amendments also included funding provisions to preserve Title VII's focus and to ensure its continuing success; 75 percent of all program grant funds—roughly 45 percent of all Title VII funds—were reserved for time-tested transitional bilingual education programs. Depending on the level of appropriations, alternative instruction programs would receive between 4 and 10 percent of total Title VII funds.

The Reagan administration has repeatedly tried to change these priorities and eliminate any requirement that any Title VII program make any instructional use of a child's native language. Secretary Bennett opposes dual-language programs on the grounds that they are educationally ineffective and administratively impractical.

The experience of Massachusetts, however, proves the effectiveness of bilingual programs. Massachusetts was the first State to mandate bilingual instruction, and students enrolled in the programs have consistently had higher rates of school attendance and academic achievement than those enrolled in English-only programs.

In recent years, I have heard from and met with scores of parents, teachers, and public officials who are trying to improve the education of language-minority students. In case after case, they have told me that bilingual education works—that it helps students learn English and succeed academically.

With regard to the administrative practicality of providing dual-language instruction in certain school districts, Secretary Bennett and Department officials note that some metropolitan school districts enroll students from 50 or more different language groups. They argue that since bilingual programs in all languages are impossible, we should not require any program to make use of a child's native language.

The fundamental flaw in this argument is that it focuses on what cannot be achieved, rather than what has been achieved, under Title VII. In 1986, Title VII supported grants for dual-language programs using English and over 180 other languages. In school districts across the country, we have better trained teachers and counselors, more linguistically appropriate instructional materials and evaluation methods, and more effective parent-school partnerships—thanks to the Title VII program.

This argument also obscures the fact that Title VII is not an entitlement program; it is a voluntary, seed money, capacity building program. Because of limited appropriations, Title VII has never served more than a fraction of the Nation's students who need such assistance. This year approximately 200,000 students—out of a total estimated 2.5 to 4 million eligible students—will be enrolled in title VII funded programs.

An appropriate question is whether title VII is reaching school districts where a bilingual program is administratively impractical. I asked the U.S. General Accounting Office to estimate the proportion of eligible students who attend schools in areas where it would be difficult or impossible to implement dual-language programs. According to the available data review by GAO, approximately one-quarter of such students attend schools in these low-concentration areas.

The bipartisan compromise arrived at by the committee recognizes this fact increasing the maximum amount of funds which the Secretary can allocate to alternative instructional programs to 25 percent of program funds. This change helps to ensure that all eligible students and their schools have fair access to title VII support. The legislation also requires the Secretary to give priority in awarding alternative grants to school districts in which many different languages are represented; to districts which do not have personnel qualified to provide bilingual instruction; and to districts which, because of location, are unable to obtain a bilingual teacher. Finally, recognizing the shortage of teachers with appropriate professional training, the legislation continues to reserve 25 percent of all title VII funds for training programs and activities.

S. 1238 also includes a provision which limits student participation in title VII transitional and alternative programs to 3 years. If, at the end of 3 years, no separate State or locally funded bilingual program exists, students can continue for a fourth and possible fifth year in the Federal program if an evaluation shows that removal of the student would threaten their English language development or ability to meet academic standards.

By passing this legislation we can lay to rest the confusion and controversy associated with bilingual education, and refocus our thinking about language learning in a positive direction.

Mr. PELL. Mr. President, I ask unanimous consent that the Senator from Louisiana, Senator BREAUX, be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1200

(Purpose: To strengthen the bill and to make technical corrections in the bill)

Mr. PELL. Mr. President, I offer an amendment on behalf of all the members of the Labor and Human Resources Committee and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Rhode Island [Mr. PELL], for himself, and Mr. STAFFORD, proposes an amendment numbered 1200.

Mr. PELL. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 40, line 4, strike out "and".

On page 40, between lines 4 and 5 insert the following:

(B) for fiscal years 1989, 1990, and 1991 only, the number of children age 5 to 17, inclusive, in the school district of such agency from families above the poverty level as determined under the first sentence of paragraph (2)(B), and

On page 40, line 5, strike out "(B)" and insert in lieu thereof "(C)".

On page 41, line 3, after "(B)" insert the following: "For the purpose of this section, the Secretary shall, for fiscal years 1989, 1990, and 1991 only, determine the number of children aged 5 to 17, inclusive, from families above the poverty level on the basis of the number of such children from families receiving an annual income, in excess of the current criteria of poverty, from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act; and in making such determinations the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census for a nonfarm family of 4 in such form as those criteria have been updated by increases in the Consumer Price Index.".

On page 41, line 9, strike out "fiscal".

On page 45, line 21, strike out "that" and insert in lieu thereof "the preceding".

On page 45, lines 23 and 24, strike out "one-half of 1 percent" and insert in lieu thereof "one-quarter of 1 percent or $250,000, whichever is greater".

On page 47, lines 14 and 15, strike out "one-half of 1 percent" and insert in lieu thereof "one-quarter of 1 percent or $250,000, whichever is greater".

On page 48, line 12, strike out "(2)(B)" and insert in lieu thereof "(B) of this paragraph".

On page 52, line 12, after "chapter" insert the following: "(other than part B)".

On page 52, line 16, after "chapter" insert the following: "(other than part B)".

On page 52, line 18, after "chapter" insert the following: "(other than part B)".

On page 54, line 9, strike out "Educational" and insert in lieu thereof "State and local educational".

On page 54, line 23, strike out "extended" and insert in lieu thereof "continued".

On page 55, line 21, after "outcomes" insert the following: "for eligible children".

On page 55, line 22, after "skills" insert the following: "that all children should master".

On page 60, line 3, strike out "derived" and insert in lieu thereof "deprived".

On page 65, line 1, after "of" insert "the three-year period of".

On page 72, line 22, strike out "progress, placement, and methods" and insert in lieu thereof "progress and placement, and the methods".

On page 90, line 17, before the semicolon insert the following: "required by section 1021(a)".

On page 91, line 1, strike out "1108(b)" and insert in lieu thereof "1107(b)".

On page 97, line 4, strike out "1437(d)" and insert in lieu thereof "1436(d)".

On page 97, line 15 after "action" insert a comma and the following: "including action".

On page 101, line 5, insert after "part" the following: "and allocated under subsection (b)".

On page 106, line 20, before "Vocational" insert the following: "Carl D. Perkins".

On page 107, line 17, strike out "that".

On page 117, line 14, beginning with the parenthesis, strike out through "agencies" in line 15 and insert in lieu thereof the following: "to, and enter into contracts with, State educational agencies (in consultation with and with the approval of the States)".

On page 131, line 5, strike out "subsection (b)" and insert in lieu thereof the following: "subsections (b) and (c)".

On page 134, line 16, after "chapter" insert the following: "or chapter 1 of the Education Consolidation and Improvement Act of 1981".

On page 136, line 14, strike out "that" and insert in lieu thereof "as".

On page 145, line 23, strike out "on" and insert in lieu thereof "out".

On page 156, between lines 20 and 21, insert the following:

SEC. 1464. STUDY ON USE OF AFDC COUNT IN CHAPTER 1 FORMULA.

(a) Study Required.—(1) The Comptroller General of the United States shall conduct a study of the advisability of using a State-determined count of children who are from families with incomes above the poverty level and who received payments under the aid to families with dependent children program in title IV of the Social Security Act, as a factor in the formula required by section 1005 of chapter 1 of this title, and the effect of such factor on the nationwide distribution of funds under chapter 1 of this title.

(2) No later than June 1, 1989, the Comptroller General shall prepare and submit a report containing the findings of such study to the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives.

(b) Study Components.—The study shall include—

(1) a State-by-State analysis of the criteria used in distributing AFDC payments;

(2) a description of the differences among States;

(3) an analysis of the advisability of use of State determined and reported data in determining national distribution of funds under the Chapter 1 program.

(c) Findings and Recommendations.—The Comptroller General shall prepare and submit a report on the findings of the study, together with such recommendations, including recommendations for legislation, as the Comptroller General deems appropriate.

On page 156, line 21, strike out "sec. 1464." and insert in lieu thereof "sec. 1465.".

On page 159, line 8, insert after "chapter," the first time it appears the following: "chapter 1 of the Education Consolidation Improvement Act of 1981,".

On page 159, line 12, beginning with the comma, strike out through line 16 and insert in lieu thereof a period.

On page 181, between lines 5 and 6 insert the following:

(d) Limitation.—No funds appropriated pursuant to section 1502 and available for this section under section 1561(b) may be used to support the development or implementation of a Program Significance Panel or any other similar entity whose purpose is to judge the suitability or appropriateness of projects for dissemination through the National Diffusion Network by a process of reviewing, screening, selecting, or assisting the substantive content of projects. The selection process described in this subsection should be made by local educational agencies with respect to all available nationally approved projects which the Secretary has selected on the basis of an objective examination of program achievement.

On page 186, line 5, after "States" insert a comma and the following: "schools operated for Indian children by the Department of the Interior, and schools operated by the Department of Defense for dependents of Department of Defense personnel".

On page 186, line 23, strike out "conforming" and insert in lieu thereof "containing".

On page 199, line 23 after "chapter 1" insert "and chapter 2".

On page 202, line 16, strike out "chapter" and insert in lieu thereof "part".

On page 202, line 17, strike out "part A of this chapter" and insert in lieu thereof "chapter 1 and chapter 2 of title I of this Act".

On page 203, line 8, strike out "section 2006(d)(4)" and insert in lieu thereof "section 2006(c)(4)".

On page 203, line 11, strike out "section 2004C(c)" and insert in lieu thereof "section 2004(c)".

On page 204, line 8, after "programs" insert "assisted".

On page 204, line 15, strike out "services".

On page 212, lines 3 and 4, strike out "inequitable".

On page 220, line 12, insert before "one-half" the following: "at least".

On page 220, line 22, insert "for" after "programs".

On page 222, line 24, strike out "of" and insert in lieu thereof "within".

On page 223, line 13, strike out "of" the second place it appears and insert in lieu thereof "within".

On page 223, line 17, beginning with "the" the second time it appears, strike out through "1981" in line 19, and insert in lieu thereof "title I of this Act".

On page 223, line 22, strike out "of" and insert in lieu thereof "within".

On page 223, line 25, strike out "of" the second time it appears and insert in lieu thereof "within".

On page 224, line 18, strike out "at" and insert in lieu thereof "in".

On page 225, line 11, after the period insert the following: "Such application shall contain an assurance that, to the extent consistent with the number of children enrolled in private elementary and secondary schools located in the school district of an eligible local educational agency, such agency shall provide for the participation of such children, their families, and teachers and other staff personnel in the programs and services assisted under this part.".

On page 231, line 6, strike out "this".

On page 231, line 13, strike out "this" the first time it appears.

On page 233, line 12, strike out "the".

On page 235, lines 7 and 8, strike out "consortia" and insert in lieu thereof "consortium".

On page 236, line 3, strike out "education" and insert in lieu thereof "educational".

On page 236, line 21, insert after "programs" the following: "assisted".

On page 238, line 2, insert "to" after "region".

On page 238, line 18, strike out "such chapter" and insert in lieu thereof "chapter 1 of title I of this Act".

On page 239, line 1, after "with" insert the following: "the activities of".

On page 239, line 19, strike out "section 2509" and insert in lieu thereof "section 2508".

On page 239, line 20, strike out "contract" and insert in lieu thereof "contracts".

On page 241, line 3, strike out "administrator" and insert in lieu thereof "administrators".

On page 241, line 9, strike out "and" the second time it appears.

On page 241, line 11, strike out "and" the second time it appears and insert in lieu thereof "or".

On page 242, lines 1 and 2, strike out "complimentary" and insert in lieu thereof "complementary".

On page 242, lines 12 and 13, strike out "education" and insert in lieu thereof "educational".

On page 245, line 23, strike out "for" and insert in lieu thereof "to improve elementary and secondary education in the areas of".

On page 246, line 18, after "for" insert "related".

On page 247, line 13, strike out "review members" and insert in lieu thereof "reviewers".

On page 247, line 15, before "Health" the second time it appears insert "Department of".

On page 248, between lines 8 and 9, insert the following new section:

SEC. 2507. PRIDE IN SCHOOLS PROGRAM.

(a) General Authority.—The Secretary is authorized to make grants to State and local educational agencies for demonstration grant programs which involve students in the care and maintenance of the schools of such agencies.

(b) Uses of Funds.—Funds available to carry out this section may be used for—

(1) the planning, development, and operation of programs which teach elementary and secondary school students to be responsible for their school environment;

(2) programs and projects which involve elementary and secondary school students in the care and maintenance of the classroom, including wiping the blackboards, sweeping the floor, carrying messages to other teachers, and other duties;

(3) programs and projects which encourage elementary and secondary school students to become involved in the civic activities of the school, including representation of committees, and community involvement;

(4) programs and projects which teach elementary and secondary school students individual responsibility and duty.

On page 248, line 9, strike out "Sec. 2507." and insert in lieu thereof "Sec. 2508.".

On page 249, line 4, strike out "Any" and insert in lieu thereof "In any".

On page 256, line 6, strike out "consortiums" and insert in lieu thereof "consortia".

On page 257, line 4, strike out "grants" and insert in lieu thereof "a grant".

On page 259, line 11, strike out "and" and insert in lieu thereof "or".

On page 259, line 24, beginning with the comma, strike out through "families" in line 25.

On page 274, beginning with "(1)" in line 17, strike out through "(2)" in line 1 on page 275.

On page 275, line 10, strike out "1987" and insert in lieu thereof "1988".

On page 275, line 18, strike out "1987" and insert in lieu thereof "1988".

On page 277, after line 25, insert the following:

SEC. 4009. TREATMENT OF CHILDREN RESIDING ON PROPERTY ASSISTED UNDER SECTION 8 OF THE UNITED STATES HOUSING ACT OF 1937.

(a) General Rule.—Notwithstanding any other provision of law, for fiscal years prior to fiscal year 1989, children residing in or whose parents are employed on property assisted under section 8 of the United States Housing Act of 1937, on whose behalf payments under section (3)(B) of the Act were made in the previous fiscal year, shall be deemed eligible for the purpose of section (3)(B).

(b) Special Rule.—Payments made to any local educational agency under section 3(b) of the Act for fiscal years prior to fiscal year 1989, on behalf of children who reside on or whose parents are employed on property that is housing assisted under section 8 of the United States Housing Act of 1937, shall stand, and such payments withheld or recovered shall be made or restored.

On page 278, line 1, strike out "Sec. 4009." and insert in lieu thereof "Sec. 4010.".

On page 278, line 18, strike out "Sec. 4010." and insert in lieu thereof "Sec. 4011.".

On page 279, line 1, strike out "Sec. 4011." and insert in lieu thereof "Sec. 4012.".

On page 280, between lines 17 and 18 insert the following:

(b) Federally Owned School Facilities.—Section 10 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Whenever the Secretary holds title to school facilities that continue to be used by the Federal Government, or by another Federal entity by permit from the Federal Government, for the provision of free public education, the Secretary may use funds appropriated for the purpose of this section to maintain and repair such facilities, directly, or by way of grant, contract, or other arrangement.".

On page 280, line 18, strike out "(b)" and insert in lieu thereof "(c)".

On page 281, between lines 9 and 10, insert the following:

SEC. 4104. STUDY OF EFFECTIVENESS OF PUBLIC LAW 815.

(a) General Authority.—The Comptroller General shall conduct a thorough study of the need for financial assistance for school construction as authorized by the Act of September 23, 1950 (Public Law 815, 81st Congress). The Comptroller General shall prepare and submit a report on the study required by this section not later than one year after the date of enactment of this Act together with such recommendations, including recommendations for such legislation, as the Comptroller deems necessary.

(b) Contents of Study.—In carrying out the study required by subsection (a) of this section, the Comptroller General shall examine a representative sample of federally impacted school districts of local educational agencies. The Comptroller General shall—

(1) identify the number of children affected in each such school district;

(2) determine the type of school facility needed for such school district; and

(3) determine the estimated cost involved for building or repairing the school facility in each such district.

(c) Special Consideration Required.—In conducting the study required by this section, the Comptroller General shall give special consideration to—

(1) the eligibility criteria used for determining which federally impacted school districts are entitled to Federal funds for school construction,

(2) the criteria used for setting the priorities for the approval of such applications, and

(3) the process for reevaluating the needs of previously approved applicants which are on the waiting list for funds covered under Public Law 815, Eighty-first Congress.

On page 289, line 22, strike out "subsection (e)" and insert in lieu thereof "paragraph (7)(B)".

On page 295, line 15, strike out "Center for Applicable Linguistics" and insert in lieu thereof "Clearinghouse for Languages and Linguistics".

On page 298, strike out lines 15 and 16 and insert in lieu thereof the following:

Section 702 of the Stewart B. McKinney Homeless Assistance Act is amended—

(1) by inserting at the end of subsection (b) the following: "Each such application shall include an estimate of the number and the percent of homeless adults within the State located in the school districts of local educational agencies within the State"; and

(2) by striking out paragraph (2) of subsection (c) and inserting in lieu thereof the following:

"(2) The Secretary of Education shall, in making grants under this section, give special consideration to the estimates submitted in the application under subsection (b) of this section.".

On page 311, between lines 15 and 16, insert the following:

"(4) if appropriate, provide a description of how funds paid under this title will be coordinated with State and local funds and other Federal resources particularly with respect to any program available from the National Science Foundation or the Department or Energy or both.

On page 311, line 16, strike out "(4)" and insert in lieu thereof "(5)".

On page 312, line 1, strike out "(5)" and insert in lieu thereof "(6)".

On page 312, line 8, strike out "(6)" and insert in lieu thereof "(7)".

On page 312, line 16, strike out "(7)" and insert in lieu thereof "(8)".

On page 316, line 15, strike out "of".

On page 316, line 23, after the period insert the following: "In awarding grants and cooperative agreements, the Secretary shall also give special consideration to programs of such institutions and organizations which train and retrain teachers in methods of scientific inquiry and provide materials which aid such education. In awarding grants and cooperative agreements, the Secretary shall give preference to developed and currently operating programs which are disseminated throughout the region in which such an institution or organization is located.".

On page 319, line 22, after "languages" insert the following "as well as other subjects such as vocational education".

On page 320, line 8, strike out "to develop, construct, and acquire" and insert in lieu thereof the following: "for the Federal share of the cost of the development, construction, and acquisition of".

On page 320, line 9, strike out "to develop and acquire" and insert in lieu thereof "for the development and acquisition of".

On page 320, line 10, strike out "for" and insert in lieu thereof "of".

On page 320, line 13, strike out "1988" and insert in lieu thereof "1987".

On page 320, beginning with "$60,000,000" in line 15, strike out through line 17 and insert in lieu thereof the following: "$20,000,000 may be made in fiscal year 1988, and no appropriation in excess of $60,000,000 may be made in any of the fiscal years 1989 though 1992 pursuant to paragraph (1) of this subsection.".

On page 320, between lines 17 and 18 insert the following:

"(3) Funds appropriated pursuant to this subsection shall remain available until expended.

On page 321, between lines 9 and 10, insert the following:

"(d) Federal Share.—(1) The Federal share for any fiscal year shall be 75 percent.

"(2) The Secretary may reduce or waive the requirements of the non-Federal share required under paragraph (1) of this subsection upon a showing of financial hardship.

On page 321, line 18, strike out "health institutions, and industry" and insert in lieu thereof "and other entities".

On page 321, lines 19 and 20, strike out "contain representation of" and insert in lieu thereof "represent".

On page 321, line 24, after "following" insert a comma and the following: "and at least one of which shall be an agency described in subparagraph (A) or (B), and".

On page 322, line 8, after "agency" insert a comma and the following: "or a State higher education agency".

On page 322, line 10, strike out ", or" and insert in lieu thereof the following: "which—

"(i) provides teacher preservice and inservice training, and

"(ii) receives Federal financial assistance or has been approved by a State agency, or".

On page 324, line 13, before the semicolon insert a comma and the following: "as well as the other subjects to be offered".

On page 325, line 8, strike out "and" and insert in lieu thereof the following:

"(8) provide assurances that the applicant will use the funds to supplement and not supplant funds otherwise available for the purpose of this title; and

On page 325, line 9, strike out "(8)" and insert in lieu thereof "(9)".

On page 328, beginning with line 1, strike out through line 2 on page 329.

On page 329, line 4, strike out "sec. 909." and insert in lieu thereof "sec. 907.".

On page 333, beginning with "section" in line 19, strike out through "1981" in line 21, and insert in lieu thereof the following: "section 1017(b)(3) (B), (C), and (D), and section 1017(b)(4) of title I of this Act".

On page 333, line 25, after "reserve" insert "not to exceed".

On page 337, between lines 8 and 9, insert the following:

"(12) that reliance on student evaluation procedures which are inappropriate for limited English proficient students have resulted in the disproportionate representation of limited English proficient students in special education, gifted and talented, and other special programs;

"(13) that many schools fail to meet the full instructional needs of limited English proficient students who also may be handicapped or gifted and talented;

On page 337, line 9, strike out "(12)" and insert in lieu thereof "(14)".

On page 337, line 14, strike out "(13)" and insert in lieu thereof "(15)".

On page 337, line 19, strike out "(14)" and insert in lieu thereof "(16)".

On page 337, line 22, strike out "(15)" and insert in lieu thereof "(17)".

On page 341, line 2, strike out "Alaskan" and insert in lieu thereof "Alaska".

On page 349, beginning with the comma in line 6, strike out through "programs," in line 7.

On page 351, beginning with "rates" the second time it appears in line 8, strike out through the semicolon the first time it appears in line 9.

On page 358, between lines 10 and 11, insert the following:

(4) that student evaluation and assessment procedures in the program are appropriate for limited English proficiency students, and that limited English proficient students who are handicapped are identified and served in accordance with the requirements of the Education of the Handicapped Act;

On page 358, line 11, strike out "(4)" and insert in lieu thereof "(5)".

On page 359, line 4, strike out "(5)" and insert in lieu thereof "(6)".

On page 359, line 14, strike out "(6)" and insert in lieu thereof "(7)".

On page 359, line 19, strike out "(7)" and insert in lieu thereof "(8)".

On page 362, line 17, strike out "Alaskan" and insert in lieu thereof "Alaska".

On page 368, line 3, strike out "and" the second time it appears.

On page 368, between lines 3 and 4, insert the following:

"(4) the specific activities undertaken to improve pre-referral, evaluation procedures and instructional programs for limited English proficient children who may be handicapped or gifted and talented; and

On page 368, line 4, strike out "(4)" and insert in lieu thereof "(5)".

On page 368, line 10, beginning with "referral", strike out through the comma in line 11.

On page 368, between lines 13 and 14, insert the following: flush sentence:

The Secretary may, in carrying out the provisions of this section, reissue regulations which were promulgated prior to the date of enactment of this Act, if the regulations substantially comply with the provisions of this section.

On page 406, line 20, before "valid" insert "trend reporting and".

On page 407, line 5, strike out "The" and insert "Within two years after the date of the enactment of this Act, the".

On page 407, line 7, strike out "out of school 17-year-olds and".

On page 407, line 16, strike out "and achievements or" and insert in lieu thereof a comma and the following: "achievements, and traditional demographic reporting variables, or to".

On page 410, line 12, after "Sciences" insert a comma and the following: "the National Academy of Education".

On page 411, between lines 20 and 21, insert the following:

"(C) The Board shall take steps to ensure that all items selected for use in the National Assessment are free from racial, cultural, gender, or regional bias.

"(D) The Secretary shall report to the Board at regular intervals of the Department's action to implement the decisions of the Board."

On page 411, line 21, strike out "(C)" and insert in lieu thereof "(E)".

On page 412, line 4, after "purpose" insert the following: "of the open meeting provisions".

On page 412, line 16, insert after "(ii)" the following: "that the State".

On page 413, line 21, before the period insert a comma and the following: "and methods by which items will be reviewed to identify and exclude items which reflect racial, cultural, gender, or regional bias".

On page 413, line 24, strike out "(2)" and insert in lieu thereof "(5)".

On page 414, line 2, after the period insert the following: "The appropriate authorizing committees of the Congress may request the Secretary to modify the plan contained in the report.".

On page 414, line 19, strike out "$11,500,000" and insert in lieu thereof "$12,500,000".

On page 414, line 19, strike out "$17,700,000" and insert in lieu thereof "$18,540,000".

On page 415, line 14, strike out "Fund" and insert in lieu thereof "Secretary".

On page 416, line 18, strike out "in" and insert in lieu thereof "for".

On page 416, line 20, strike out "Board" and insert in lieu thereof "Secretary".

On page 417, between lines 2 and 3, insert the following:

(d) Administrative Rule.—The Secretary shall carry out the provisions of this part through the Board established under section 9305.

On page 417, line 6, after "system" insert the following: "described in section 9302(c)(2)".

On page 417, line 21, strike out "consortia" and insert in lieu thereof "consortium".

On page 418, line 1, strike out "Board" and insert in lieu thereof "Secretary".

On page 418, line 1, strike out "education" and insert in lieu thereof "educational".

On page 418, line 5, insert "an" after "than".

On page 418, line 7, strike out "education" and insert in lieu thereof "educational".

On page 418, line 8, strike out "education" and insert in lieu thereof "educational".

On page 418, line 9, strike out "education" and insert in lieu thereof "educational".

On page 418, line 10, strike out "Board" and insert in lieu thereof "Secretary".

On page 418, line 14, strike out "Board" and insert in lieu thereof "Secretary".

On page 419, lines 1 and 2, strike out "subsection (c)(2)" and insert in lieu thereof "section 9303(a)(2)".

On page 419, strike out lines 10 through 12 and insert in lieu thereof the following:

"(2)(A) The Board shall—

"(i) advise the Secretary concerning developments in education that merit the attention of the Secretary;

"(ii) identify promising initiatives to be supported under this part; and

"(iii) advise the Secretary concerning priorities for the Fund.

"(B) The Secretary shall provide such information and assistance as may be necessary to enable the Board to carry out its functions under this part.".

On page 420, line 15, strike out "Board" and insert in lieu thereof "Fund".

On page 420, line 17, strike out "Executive".

On page 421, line 4, strike out "advise" and insert in lieu thereof "consult with".

On page 421, strike out lines 12 through 21, and insert in lieu thereof the following:

(c) Priorities Rule.—In January of every calendar year, the Board shall advise the Secretary of the priorities of the Board for the improvement of education and the implications of the priorities for the Fund. The Secretary shall give careful consideration to the priorities set forth by the Board. By December 31 of each calendar year, the Secretary shall provide the Board and the Congress with a report, for the calendar year, describing the recommendations of the Board, the priorities the Secretary has pursued, and a brief summary of the projects the Secretary has funded.

On page 422, line 5, strike out "Board" and insert in lieu thereof "Secretary".

On page 422, line 10, strike out "Board" and insert in lieu thereof "Secretary".

On page 422, line 12, strike out "Board" and insert in lieu thereof "Secretary".

On page 422, line 16, strike out "Director" and insert in lieu thereof "Secretary".

On page 423, line 22, strike out "in".

On page 25, in the table of contents, redesignate item "Sec. 1464." as item "Sec. 1465." and insert after item "Sec. 1463." the following new item:

"Sec. 1464. Study on use of AFDC count in chapter 1 formula.".

On page 28, in the table of contents, redesignate item "Sec. 2507." as item "Sec. 2508." and insert after item "Sec. 2506." the following new item:

"Sec. 2507. Pride in schools program.".

On page 29, in the table of contents, redesignate items "Sec. 4009.", "Sec. 4010.", and "Sec. 4011." as items "Sec. 4010.", "Sec. 4011.", and "Sec. 4012.", respectively, and insert after item "Sec. 4008." the following new item:

"Sec. 4009. Treatment of children residing on property assisted under section 8 of the United States Housing Act of 1937.".

On page 29, in the table of contents, after item "Sec. 4103." insert the following new item:

"Sec. 4104. Study of effectiveness of Public Law 815.".

Mr. PELL. Mr. President, this is a package of amendments which have been agreed to by the committee. These amendments are mostly technical, but include some very important changes to the bill as well.

First, the committee amendment would reduce the small State minimum provided in the chapter 1 concentration grant formula to one-quarter of 1 percent or $250,000, whichever is greater. I am very pleased that we have come to consensus on this formula. It represents considerable compromise on both sides, and the net result is to my mind very favorable to the concept of concentration while ensuring that each State is given a sufficient amount of money to run the program. This concentration grant formula is the result of many hours of hard work to find a proper balance among regional urban, rural, and State interests. By incorporating this amendment, which was suggested by Senator Cochran, I believe we have achieved that balance in our concentration grant formula.

Second, the committee amendment makes an important correction to the formula with respect to the count of children from AFDC families above the poverty threshold. Current law includes these children in determining nationwide distribution of chapter 1 funds. However, our work on reauthorization raised serious questions with respect to use of this count as part of the chapter 1 formula. Due to the fact that AFDC data is determined by State criteria, variances among State criteria raised questions of equity with regard to nationwide distribution of a portion of chapter 1 funds. We had therefore deleted this count.

Further investigation of this situation has indicated that we need more information about the differences among States. We have therefore agreed to include in this committee amendment restoration of the count of children from AFDC families above the poverty threshold for fiscal years 1989, 1990 and 1991. We still have questions, however, about basing distribution of a portion of Federal chapter 1 funds on State data that may not be adequately verified by the Federal Government. Because of this concern, we have added additional language directing the General Accounting Office to report to us on the advisability of using data of this nature in determining chapter 1 allocations no later than June 1, 1989.

If corrective action is necessary as a result of this report, we will have sufficient time to take such action prior to expiration of the provision in fiscal year 1991.

Third, we have cross-walked agreements reached among House and Senate Members at a mini conference on the education components of the omnibus trade bill with respect to authorization of the Star Schools Program for fiscal year 1988.

Fourth, the committee amendment creates an additional program under the Secretary's fund for innovation. This program, entitled "Pride in Schools" would permit the Secretary to make discretionary grants to schools which seek to enlist students in the maintenance of their schools. This practice is widespread in Japan, and one I think we ought to encourage in this country. In Japan, students are taught responsibility for their homerooms. They are each assigned duties such as straightening, wiping blackboards and cleaning erasers. In addition, they are required to represent their homerooms on school committees. Such a practice teaches students a sense of duty.

I, for one, would like to see this program extended to include janitorial functions to both give the students a sense of responsibility and save money for the community. That would release money to be spent in educational efforts.

Under this program, any school which proposes to assign responsibilities, or teach students the value of care and work would be eligible to apply for a grant. This provision would represent no additional cost to the bill as it would be added under the Secretary's fund for innovation in title II of S. 373.

In fact, it would reduce the cost if some janitorial functions were added to these responsibilities.

Finally, three changes are made to the Impact Aid Program: First, impact aid payments are allowed to be considered in State equalization formulas; second, eligibility for section 8 housing is clarified; and third, the GAO is required to conduct a study of the way in which construction grants are awarded under Public Law 815. The last provision was added at the request of Senator PRESSLER, and I applaud his initiative in this most important area.

This package of amendments makes important improvements to S. 373. It is an amendment which represents consensus by the members of the Committee on Labor and Human Resources. I offer the amendment on behalf of myself and Senator STAFFORD, and would urge adoption of the amendment at this time.

Mr. STAFFORD. Mr. President, I join with the majority manager of the bill, Senator PELL, in urging the Senate to accept this package of committee amendments.

Mr. President, I ask unanimous consent that Senator WALLOP and Senator DOLE be added as cosponsors of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, I yield the floor.

Mr. PELL. Mr. President, I urge adoption of the amendment.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment.

The amendment (No. 1200) was agreed to.

Mr. STAFFORD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRANSTON. Mr. President, I have some comments and a question or two for the distinguished floor managers of the bill.

I welcome the committee amendments that reinstates the AFDC count in the chapter 1 formula. As reported from committee, S. 373 changed the chapter 1 formula by eliminating AFDC children between the ages of 5 and 17 from categories of children to be counted. The impact of the change fell very heavily on California, elminating some 87,000 children or $27 million from California's basic grant allocation plus several million dollars concentration grant money. Four other States—New York, Minnesota, Washington, and Wisconsin—were affected by the change, though less so than California.

The committee's work on reauthorization had raised questions with respect to use of the AFDC count. As I understand the committee's concern, there were questions of equity among States due to variances among State eligibility criteria. With specific regard to California, there was concern over allegations that California's AFDC criteria included allowing consolidation of family units within a single household, thus pushing the income of unrelated individuals over the poverty threshold and allowing the counting of children who otherwise would not qualify to be counted. In fact, this is not the case: Children are consolidated in a household only if there is a common parent or caretaker relative. The only exceptions are that a married couple with separate children or a mother and a teenage daughter with a child may join as a family unit to qualify for AFDC. Other States have the same policy.

Senator WILSON and I joined the California Department of Education in presenting these facts to the committee, to its satisfaction. After review, the committee has agreed to continue the AFDC child count for fiscal years 1989, 1990, and 1991. Also, we understand that the committee will ask the General Accounting Office to conduct a thorough study of the validity and uniformity, among States, of using AFDC data as a factor in the chapter 1 count of children, and report to the committee no later than June 1, 1989.

I ask the distinguished floor managers of the bill, is this understanding correct?

Mr. PELL. The Senator from California is correct. The intent of the committee in restoring the AFDC count as a component of the chapter 1 formula is twofold: one, to fairly protect California, Washington, and other States from an abrupt change in the way chapter 1 children are counted, by continuing the AFDC criteria through fiscal year 1991; and two, to allow the GAO to give us their assessment of using AFDC data in determining chapter 1 allocations. This issue has been under discussion for some years. If the GAO report indicates that the data is valid as a component of the chapter 1 formula and the eligibility criteria is reasonably uniform among States, it is the intent of the committee to reinstate the counting of children in AFDC families beyond fiscal year 1991. We would anticipate that we might use reauthorization of the Carl D. Perkins Vocational Act as a vehicle for any such amendment, thus precluding the necessity of moving a separate piece of legislation in this area.

Mr. CRANSTON. I thank the Senator.

Mr. WILSON. Mr. President. I rise to commend the able chairman, Senator PELL, and ranking member, Senator STAFFORD for their willingness to resolve this problem, which, if left unaddressed, would have seriously impaired the State of California's ability to provide an education to thousands of disadvantaged youth.

As my distinguished colleague from California, Senator CRANSTON, has stated, the committee had originally sought to eliminate the AFDC count for the purpose of calculating chapter 1 eligibility. Because California has a progressive AFDC program with benefits allocated to a number of families with incomes slightly above the official poverty level, the State stood to lose more than $27 million in basic grant funding under the committee provision.

Quite simply, by reducing chapter 1 funds to California at a time when the demand for these funds is growing exponentially, especially with the enactment of the recent immigration reform law, over 85,000 disadvantaged youth would have been denied the opportunity for a well-rounded education. For this reason, I am pleased that we were able to work with the chairman and the ranking member in resolving this issue in the manner previously outlined by Senator CRANSTON. Thank you. I yield the floor.

Mr. PELL. Mr. President, I understand that my colleagues, Mr. D'AMATO and Mr. DECONCINI, are interested in improving and enhancing the Drug Free Schools and Communities Act that was enacted last year as part of the Anti-Drug Abuse Act of 1986. I would like, therefore, to ask my colleague from New York to elaborate on his concerns.

Mr. D'AMATO. As many of my colleagues know, because of the novelty of the Federal Anti-Drug Abuse Act, serveral concerns have been raised on how we might improve the program's effectiveness. For instance, as the law now stands, money is distributed from the State to the local level on the basis of 1980 census data—data that is over 7 years old. I am very interested, therefore, in a provision that would allow States to use current local enrollment data, which is updated annually, so that the money could be distributed where the students are rather than where they were.

I am equally concerned that the present act does not contain sufficient provisions to insure accountability. Localities should be asked to report annually to the States on the extent of the local drug problem and the solutions that have worked to produce positive results. The intent of the original legislation was to provide educational tools that allowed the localities to promote antidrug abuse efforts, but the current law does not contain the necessary mechanism to help us determine if we are making progress in this very important area. The accountability problems were highlighted during both House and Senate oversight hearings.

Mr. STAFFORD. I am aware of my colleagues' concerns, and would assure my colleagues of our efforts to carry forth in this area when we go to conference with the House. I would ask, however, how these concerns differ with the provisions that were adopted as part of H.R. 5.

Mr. DECONCINI. I thank my colleagues for their willingness to consider our concerns when the provisions of this legislation are conferenced with H.R. 5. In response to your inquiry, there are minor changes we believe need to be made in H.R. 5. Most significantly, H.R. 5 requires reports from the LEA's to the SEA's and from the SEA's to the Secretary of Education on the progress of local drug education efforts. However, there are no guidelines as to what these reports require and there would be no way to assess if we are making progress in our war against drugs. The language we would like to see incorporated would promote goals and direction for school districts across the country.

We would also like to give the Secretary of Education the ability to use program funds for evaluation. Finally, H.R. 5 inadvertently does not include an effective date. We would like to have the language revert back to the enactment of the original legislation in October 1986.

Quite simply, what we are seeking would provide much greater accountability for the $200 million that is currently being spent by the Federal Government for drug education efforts.

I would like to especially recognize the effort and hard work that Diane Bishop and Rebecca Van Marter of the Arizona Department of Education have put forth in helping us focus these concerns.

Mr. PELL. I concur with my colleague from Vermont. I can very definitely understand your concerns and your sincere desire to improve the Drug Free Schools Program. When we are in conference with the House on H.R. 5, you may be certain that your concerns will be brought to the table and discussed. I thank you both for your interest in this program, and for your efforts to enhance its effectiveness.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

AMENDMENT NO. 1201

(Purpose: To provide that no students who are proficient in English shall be assigned to bilingual programs merely on the basis of the students' surnames)

Mr. SYMMS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 1201.

Mr. SYMMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 361, between lines 11 and 12, insert the following:

(i) LIMITATION ON THE ASSIGNMENT OF STUDENTS.—No action taken pursuant to the provisions of this Act may involve the assignment of students who are proficient in English or who are more proficient in English than in any other language to bilingual programs merely on the basis of the surnames of such students.

On page 361, line 12, strike out "(i)" and insert in lieu thereof "(j)".

On page 361, line 20, strike out "(j)" and insert in lieu thereof "(k)".

Mr. SYMMS. Mr. President, I would like to join with my colleagues in complimenting the committee for the good work they have done, the long and lengthy work, and I would like to pay a special tribute to the one Senator in our Chamber whom we call in the Environment and Public Works Committee the chairman-emeritus, Senator STAFFORD, of Vermont, and say it is a fine tribute to him that this legislation carries his name with it.

I know Senator STAFFORD has worked tirelessly in this area in his entire career in public service from the days he was Governor of his State, when he was in the House of Representatives, and now in the Senate. I join with my colleagues in commending him.

I want to say for the most part my amendment which I now offer is really not a major point but I think it is one that we do need to address. I do compliment the committee for their efforts.

On this question of bilingual education, it has been one that I have had a great deal of interest in. I want to compliment the committee for some things they have done in the entire area of bilingual education where I think they have made a substantial improvement over current law. I will get into that later.

Mr. President, this amendment would prohibit the assignment of students who are proficient in English to bilingual programs merely on the basis of the students' surnames. In other words, a school receiving bilingual education funding under this act would be prohibited from assigning an English-speaking student to a bilingual program just because the student has a Hispanic or other ethnic surname. The amendment will curtail cases of reverse discrimination based on the ethnic or racial background of English-speaking students.

This amendment has been circulated to committee staff previously, and some objections have been raised based on the fact that current law defines the term "limited English proficient" and, therefore, establishes eligibility standards for participation in federally funded bilingual programs. It has been noted that nowhere in the definition of "limited English proficient" is the child's surname mentioned, so it would be inappropriate to enroll a child in a federally funded bilingual program merely on the basis of his or her surname. I would argue that while enrollment on the basis of a child's surname clearly would contravene congressional intent, the fact that the eligibility standards do not mention surnames does not necessarily make it clear to school administrators that enrollment on that basis alone is forbidden.

As an example of the problem I seek to correct through this amendment, I quote a letter printed in a 1986 edition of the Glendale School Watch Newsletter, published in Glendale, CA. The letter was written by Mrs. Ena Garcia of Glendale.

> I am so thankful that parents in Glendale are finally speaking out concerning their rights in their children's education.
>
> I am a mother of twins. Last year, when my children entered kindergarten at Columbus Elementary School, they were placed in separate classes, which was fine with me. However, they were taught totally differently.
>
> I learned months later why. On the third day of school, all children from homes where another language is spoken besides English are tested for their English speaking ability. Then they are labeled "limited" or "fluent." One of my children is very shy, and naturally said hardly anything and was labeled a non-English speaker. However, my other child received a much higher score. My shy child was placed in a "Spanish reading program," and my other child was placed in an "English reading program." When this testing was done and placement occurred, I was never notified.
>
> My shy son was becoming quieter and quieter about school. I didn't know what was wrong. Finally I found out at a parent-teacher conference, two and a half months after school was in session. My children had been tested and were in different programs. I couldn't believe this. We only speak English at home. No wonder my shy child was so quiet; they put him in a Spanish program. He doesn't speak Spanish, only English.
>
> How could my twins be treated so differently at the same school? Why was I not notified of their test scores? Why was I not asked which reading program, English or Spanish, would be more appropriate for my children?
>
> I was told by the teacher that the decision to put him in Spanish reading was not hers, but the bilingual coordinator's at the school. When I talked to the bilingual coordinator, she did not "hear" anything I said. The test scores are final and that is what is best for your child. Finally, after several months in school I got my child out of the Spanish reading program. He is far behind his brother.
>
> I talked to the principal, to Don Fiske (director of elementary education), to Don Empey (assistant superintendent of schools) and even to Alice Petrossian, who is in charge of the bilingual programs in Glendale. They were all deaf to my concerns.
>
> How many other mistakes have occurred in these programs? If I had not made them change my child, he would be reading Spanish through third grade, while my other child would be reading English all these years. And the majority of Spanish reading children are taught by aides, not teachers. How can this be equal education, equal opportunity?
>
> My children and I are American citizens. I never dreamed this could happen in an American school.
>
> ENA GARCIA.
>
> GLENDALE.

Mr. President, Mrs. Garcia finally was successful in getting her child placed in an English reading program, but she noted he was far behind his brother in terms of his reading skills.

I only use Mrs. Garcia's case as an example to indicate that a student may be placed in bilingual programs with scant evidence of his or her need for such a program, other than the child's surname. I think we should make congressional intent clear on this point, and I urge the adoption of the amendment.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I think the amendment of the Senator from Idaho has merit. I think there are others wishing to speak on it.

Mr. KENNEDY. Mr. President, I would like to engage in a colloquy with my friend from Idaho and then, at an appropriate time, if necessary, I would offer a second-degree amendment to the amendment of the Senator from Idaho.

During the period of the consideration of the Bilingual Education Act, and in hearings held by the Senate on bilingual education, this issue did not come up; nor, to my understanding, did this issue come up in very extensive hearings held by the House of Representatives on bilingual education. A number of other issues did come up and we examined those in very considerable detail during the course of the markup of the bilingual education amendments, and I think that we have reflected the concerns of Members on the issue of bilingual education.

If there is a problem with the assignment of students to the bilingual program on the basis of their surnames, we have a number of other specialized programs for which children may qualify for a variety of reasons, and it seems to me that if we are going to make this prohibition applicable to the bilingual program, we ought to make it Federal policy for all education programs.

I would have no objection to having the sense and even the language of the Senator from Idaho included as an amendment to this bill if it is extended to all of the education programs. But I have a concern about just singling out the bilingual program. If this is a problem in terms of bilingual education, though we did not detect it, we obviously do not support that kind of assignment. But if it is going to be applicable to bilingual education, I see no reason why we should not make it applicable to the other types of Federal education programs. And if he would be willing to insist that that same policy be applicable to other programs, I would certainly support that amendment.

Mr. SYMMS. Mr. President, if the Senator will yield, in my amendment where it says "more proficient in English than in any other language to bilingual programs," what the Senator would like to do is to modify this amendment to say "any programs."

Mr. KENNEDY. If we could have a very brief quorum call I think we could work it out.

Mr. SYMMS. I would be happy to modify the amendment.

Mr. KENNEDY. I do not want to delay the consideration of other amendments, but if we had a brief quorum call I believe we could work this out. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SYMMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SYMMS. Mr. President, I have a modification at the desk and I ask that my amendment be so modified.

The PRESIDING OFFICER. The Senator has a right to modify his amendment. The amendment is modified.

The amendment (No. 1201), as modified, is as follows:

> On page 361, between lines 11 and 12, insert the following:
>
> (i) LIMITATION ON THE ASSIGNMENT OF STUDENTS.—No action taken may involve the assignment of students to any federally assisted education programs merely on the basis of the surnames of such students.
>
> On page 361, line 12, strike out "(i)" and insert in lieu thereof "(j)".
>
> On page 361, line 20, strike out "(j)" and insert in lieu thereof "(k)".

Mr. SYMMS. Mr. President, I would like to thank the distinguished Senator from Massachusetts for his ideas which are the modifications in this amendment. I think we have both accomplished what it is we want to. I think his idea, which is the modification, probably strengthens the thrust of the amendment because I do not believe it is the intention of the Senate to ever discriminate based on surnames.

I think this really covers the whole broad gamut of federally funded specialized programs, and probably the amendment. I appreciate the Senator's efforts.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I thank the Senator from Idaho. As mentioned very briefly, we did not detect this as being a problem during the consideration of the bilingual program. But obviously we agree with the policy that has been stated by the Senator from Idaho. The amendment, as modified, would make it a matter of Federal policy, that would apply not only to the bilingual programs but would apply to other kinds of education programs where this type of action may exist.

It seems to me what we are talking about—chapter 1 and other types of special education programs—is that we ought to have a uniform policy. This achieves it. I think it is a useful addition and statement of Federal education policy. I would urge our colleagues to accept it.

I thank the Senator from Idaho for his willingness to adjust his proposal in this way.

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. I also ask that the modification be agreed to.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Idaho.

The amendment (No. 1201), as modified, was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. Does the Senator withhold his request?

Mr. PELL. Yes.

AMENDMENT NO. 1202

(Purpose: To express the sense of the Senate that a State which requires written parental authorization to enroll a child in bilingual programs should provide an opportunity for the parent to express either approval or disapproval of such enrollment)

Mr. SYMMS. Mr. President, I want to thank Senators for the support on the last amendment. I have another issue which I wish to bring up. This is a sense-of-the-Senate resolution which I now send to the desk and ask that it be immediately considered as an amendment to the bill.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Idaho [Mr. SYMMS] proposes an amendment numbered 1202.

On page 340, between lines 12 and 13, insert the following:

(c) SENSE OF THE SENATE WITH RESPECT TO PARENTAL AUTHORIZATION FOR ENROLLMENT.—It is the sense of the Senate that any State which requires a written authorization from parents of students wishing to enroll in bilingual programs should provide a specific opportunity on any form prepared for the purpose of such authorization for such parent to express either approval or disapproval of such enrollment.

Mr. SYMMS. Mr. President, this amendment expresses the sense of the Senate that a State which requires a written parental authorization to enroll a student in bilingual program should provide a place on the authorization form for the parent to approve or disapprove the student's enrollment in the bilingual program. In other words, a State which requires parents to sign a form to enroll their child in a bilingual program should provide an opportunity on that form for the parents to disapprove the child's enrollment.

Current law requires that parents be informed of the alternatives to bilingual instruction and their opportunities to disapprove enrollment of their child in a federally funded bilingual program. The law does not state how this information must be provided—whether orally or in writing.

A few States require that parental authorization for enrollment of a child in a bilingual program be obtained in writing. My amendment only seeks to insure that parents who receive an authorization form from the school district are aware of their right to disapprove enrollment of the child in the bilingual program.

I have a copy of the form used in the San Antonio School District which does provide space for parents to disapprove of their child's enrollment in a bilingual program.

My amendment does not require that any specific form be used. I emphasize that. In fact, it does not require anything. It simply expresses the sense of the Senate that those States which require a written parental authorization should provide a space for parental disapproval.

I believe this proposal is fully consistent with the letter and spirit of the law.

I do not think we want to be in a position of requiring States to do anything, but we do not want the Senate to go on record as having students assigned to bilingual education programs where they are already possibly English-speaking but are assigned to those bilingual programs without parental opportunity for approval or disapproval. That is basically the thrust of the amendment, and I think it is an important point.

Mr. President, I think that really is the major thing of what we wish to do with the amendment.

I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SYMMS. Mr. President, I ask unanimous consent that sample forms that the San Antonio school district uses be inserted in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[The forms following are also duplicated in Spanish they are not reproducible in the RECORD.]

ESL-35-*August 1986.*

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT,

————————, 19——.

The San Antonio Independent School District is committed to provide instructional programs that will meet the needs of the students in our schools. In accordance with the educational goals of the San Antonio Independent School District, we have developed a comprehensive lanugage development program which includes English as a Second Language (ESL) instruction. ESL instruction addresses the language needs of the students. This program will enable the student to become competent in speaking, reading, writing, and comprehending the English language.

The Language Proficiency Assessment Committee has reviewed all the necessary information on ———— and recommends that he/she be placed in this language development program. Your signature below will indicate your approval or denial of your child's placement in the ESL program. Sign and return this letter to my office. If you have any questions, please call me.

Sincerely,

——— ———,
Principal.

Approved:

—————— ——,
Signature of parent/guardian, Date,
Not approved:

—————— ——
Signature of parent/guardian, Date.

——

BE-3E August 1986.

SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

————————, 19——.

DEAR PARENT/GUARDIAN: The San Antonio Independent School District is committed to provide instructional programs that will meet the needs of the students in our schools. In accordance with the educational goals of the district we have developed a total program of basic instruction that addresses the special language needs of our students.

For the student whose primary language is Spanish or other than English and lacks proficiency in English, the district offers Bilingual Education and English as a Second Language (ESL) programs. Bilingual education provides instruction in both the primary language and English. This two-language approach, using ESL methods, continues until the student is able to perform well in an all-English curriculum. It ensures that the student continue his/her concept development with little interruption and gives him/her a sense of confidence and pride in his/her cultural heritage.

The Language Proficiency Assessment Committee has reviewed all the necessary information on ———— and recommends placing him/her in this instructional program.

After you consider the benefits of the program, you may decide to have or not to have your child participate in the program. Your signature below will indicate approval or denial of your child's placement in the program. Sign and return this letter to my office. You may call me or come by my office if you have any questions.

Sincerely,

——— ———,
Principal.

Approved:

—————— ——
Signature of parent/guardian, Date,
Not approved;

—————— ——
Signature of parent/guardian, Date.

AMENDMENT NO. 1203

Purpose: To help prevent rape and other sexual violence by prohibiting dial-a-porn operations)

Mr. HELMS. Mr. President, I send a second-degree amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. HELMS] proposes an amendment numbered 1203.

Mr. HELMS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

Mr. KENNEDY. Mr. President, I object.

Mr. HELMS. Fine. I was trying to save time.

The PRESIDING OFFICER. The clerk will read the amendment.

The legislative clerk read as follows:

At an appropriate place in the pending amendment, add the following:

SEC. . Section 223(b) of the Communications Act of 1934 is amended—

(1) in paragraph (1)(A), by striking out "under eighteen years of age or to any other person without that person's consent";

(2) by striking out paragraph (2);

(3) in paragraph (4), by striking out "paragraphs (1) and (3)" and inserting in lieu thereof "paragraphs (1) and (2)"; and

(4) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection?

Mr. HELMS. Mr. President, reserving the right to object—and I shall not object—I simply say that it is customary in the Senate, I hope, for Senators to be able to discuss their own amendment. I have no objection to the Senator from Vermont speaking, but at some time I hope I will be able to discuss my amendment. I know that the Senator from Massachusetts does not like it, but that is beside the point.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. LEAHY. Mr. President, so far this morning I have heard a number of my distinguished colleagues come and speak about the distinguished senior Senator from Vermont, Senator STAFFORD. And I want to add my voice to the things that have been said.

Senator STAFFORD is the closest personal friend I have in the U.S. Senate. We have watched what he has done in legislation in this area that he has worked on so hard over the years. He has crafted carefully forming the kind of bipartisan consensus necessary to get the legislation through the Congress. He has done this here in education but he has also done it in environment and so many of the issues that are so important to all Americans, certainly to all Vermonters, to all of us irrespective of our party.

I might say that my affection for my good friend from Vermont is also coupled with great admiration and respect, the admiration and respect felt by all Vermonters. It is something that goes back throughout my lifetime. I remember Senator STAFFORD's service as Lieutenant Governor and as Governor, having had a distinguished career that would have been significant for most people even before that time.

One of my great thrills was going through the halls of the State house in Montpelier and seeing Governor Stafford and then Congressman STAFFORD, and then Senator STAFFORD all the way through keeping this commitment to education, keeping his commitment to the environment, that has been the hallmark of his career.

When you see legislation like this, legislation that is going to benefit all Americans, no matter what part of the country they are from, no matter what their political background, it is significant that you see a man like ROBERT STAFFORD urging the kind of coalitions, the kind of work necessary to get it through.

Someone referred to BOB STAFFORD today as the chairman emeritus. I think that Senator STAFFORD would probably feel even better to be praised as a true Vermonter. He is all that we think of as someone when we think of BOB STAFFORD, of integrity, confidence, and character, and that is what is here.

So I hate to embarrass my senior colleague by even saying these things on the floor, but others have and I wanted to. It is a feeling I know shared by all Senators of both parties here, but I just wanted, Mr. President, for the whole Senate to know that it is a feeling that is shared throughout the Green Mountain State of Vermont.

I suggest the absence of a quorum.

Mr. STAFFORD. Will the distinguished Senator withhold on that?

Mr. LEAHY. Certainly.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. Mr. President, I am truly deeply appreciative of what my friend and colleague, Senator LEAHY, has just said. It is true that I had the privilege of knowing the Leahy family since my days in the State capital in Vermont. I would even say I think I first got acquainted with Senator LEAHY's father when I arranged through a shop he ran to have some literature that may have had to do with some of my early campaigns printed there. And I became acquainted with Senator LEAHY when he was serving as a most distinguished State's attorney of our largest county.

So it has been a personal friendship that has meant a great deal to me throughout the many years now that Senator LEAHY and I have been serving as partners for Vermont in the U.S. Senate. Because I think so much of Senator LEAHY I particularly appreciate what he said.

I yield the floor.

Mr. LEAHY. I thank my distinguished colleague. I appreciate his remarks.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I ask unanimous consent that the order for the quorum call be rescinded.

Mr. PELL. I object.

The PRESIDING OFFICER. Does the Senator from Vermont withhold his request for a quorum call?

Mr. PELL. I suggest the absence of a quorum.

Mr. LEAHY. I yield the floor.

The PRESIDING OFFICER. The Senator from Vermont had the floor. He requested a quorum call. The Senator from North Carolina interceded. The question now before the Chair is whether the Senator from Vermont will withhold his call for a quorum.

Mr. LEAHY. I would yield to the distinguished chairman of the committee. I had asked the indulgence of everybody if I could take the quorum down to speak not on the bill but about Senator STAFFORD and it was with the understanding that I would then reinstitute the quorum. So to fulfill the commitment I made to all the Senators I asked when I did it, I will in just a second suggest the absence of a quorum and of course any Senator has the right then to ask to call it off. So to keep my commitment to other Senators, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from North Carolina is recognized.

Mr. HELMS. I thank the Chair.

Several Senators have come to me and said what is this amendment all about? I urge Senators to listen carefully. I am reading from the Dallas Voice, the official newspaper, I suppose, of the sodomists in Dallas, the homosexuals, the gay community. Incidentally, I resent the corruption of a very fine word, "gay."

It says, "Call and talk to other hot sexy men live," and then it gives a telephone number, and so forth, and so on and throughout the newspaper stuff like that.

Now this is the dial-a-porn amendment which seeks to put an end to the horrendous practice engaged in by people with warped minds and the telephone companies that collaborate.

So I am proposing again today my dial-a-porn legislation, the purpose of which is to eliminate completely so-called dial-a-porn operations by repealing just a few words in section 223(b) of the Communications Act of 1934.

This legislation adds no substantive language of any kind to current law. It purely and simply removes a gaping loophole in existing law.

Now, this same amendment was approved by the Senate on September 27 of last year when I offered it. It was approved on a voice vote presumably unanimously at that time. It was a part of the Anti-Drug Abuse Act of 1986. The number of the bill was H.R. 5484. The Senate approved it and sent it to the House and what happened? The House of Representatives stripped this dial-a-porn amendment out of the bill, so that it never reached the President's desk and therefore the dial-a-porn provision was not enacted into law in that 1986 drug bill.

The point is this, Mr. President: American parents already have enough to contend with without having to worry about their children being able to pick up the telephone, dial a widely advertised number and then hear an obscene recorded message.

Yet, since Congress first addressed the problem of dial-a-porn in December 1983, 4 years ago, the dial-a-porn industry has flourished and children all over this country in particular, and American society in general, have been the losers. I think it is time for the Senate to say forcibly and emphatically, enough is enough.

Now the loophole in the existing law is that it affirmatively authorizes dial-a-porn.

Oh, it says, "Well, it is for consenting adults." But who believes that, in the context of what American parents are experiencing with this foul process?

Dial-a-porn operators are given a green light to go into business and then the practical problem has arisen time and time again, thousands of cases, as to how to keep children from calling the dial-a-porn numbers.

These telephone numbers are circulated among young people. They think it is great sport. Children as young as 6 or 7 or 8 years old are doing it. So the practical problem has proved to be totally insoluble under existing law.

Moreover, if I might say so, Mr. President, there is no good reason for Congress to authorize our interstate telephone system to be used for the communications of pornographic messages even to adults. Prohibitions currently in place under section 233(b) of the Communications Act of 1934 are sufficient to shut down the dial-a-porn industry if we simply eliminate the loophole, and that is what this amendment is all about.

The loophole has two parts. The first part of the loophole is that portion of section 223(b)(2)(A) that makes dial-a-porn criminal only if it goes to a person under 18 years of age or to a person who has not consented to receive the message. The pending amendment eliminates this crippling qualification to the prohibition against dial-a-porn. Thus, the prohibition against dial-a-porn would apply to everybody, as it should, not just minors and not just nonconsenting adults, as is currently the case.

Now, then, the second part of the loophole is all of section 223(b)(2) which provides, and let me quote it, "It is a defense to a prosecution under this section that the defendant restricted access to the prohibited communications to persons 18 years of age or older in accordance with procedures which the Commission"—meaning the FCC—"shall describe by regulation."

The pending amendment, Mr. President, would remove this complete affirmative defense to prosecution under section 223(b) and it would make the current penalties for dial-a-porn under section 223(b) meaningful for the first time. Right now, it means nothing.

Mr. President, so many people have contacted me over the past 2 or 3 years about this problem of dial-a-porn. Not long ago, I received a letter from a father of a 9-year-old boy. The father sent me a copy of his telephone bill and underlined three long-distance calls to a 900 number. Here is what the father said:

> While questioning my son about these calls, I discovered that the long-distance calls were placed to a service which provides sexually-explicit messages. Apparently some older children told my son that this number was the number of Teddy Ruxpin, the talking teddy bear.

Perhaps the older children thought that was a joke to entice the child into making the call. In any case, it was not a very funny joke when you consider the fact that the morals of young children are being corrupted in the process.

Mr. President, the need for this legislation, the pending amendment, is completely evident in this father's letter which I received not too long ago. And I think those of us in Congress owe the parents of America better than what they now have to contend with on this matter of dial-a-porn.

Mr. President, there may be some Senators who find it incredulous to hear that dial-a-porn has caused irreversible damage in American communities and American families since it was instituted and implemented in 1983 or 1984. Let me quote some excerpts from a letter I received from another parent whose child received a dial-a-porn message by dialing the 1-900 number so widely advertised and so frequently circulated as a joke among children. Here is what the letter from the parent said:

> I must relate to you a terrible incident that has happened to our family as a result of the "Dial A Porn" that is sweeping the nation.
>
> This "Dial A Porn" has deeply affected our family and friends. It occurred July 26, 1987. My 13 year old son Kevin called the number 900——.

And I will not give the rest of it. I do not want to give them any free advertising through the CONGRESSIONAL RECORD.

The letter goes on:

> Kevin's friend Don, 15, was over and they were listening to the prerecorded messages. Later when I arrived home from work I immediately made them hang up. Unknown to me Kevin's 14 year old brother was listening on another line with his two friends. They continued to listen passing it back and forth. Their sister Jacqueline, 10, was also listening on her extension.
>
> Within the next 48 hours Don and his 11-year-old brother molested my daughter Jacqueline. The Clio Vienna Township Police were notified and in their investigation revealed the fact, Jacqueline had encouraged them by asking them to touch her.

And so forth.

Mr. President, I am going to ask that the balance of this letter be printed in the RECORD because I do not care to read it aloud. But suffice it to say that it is a disgusting set of circumstances.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

> I must relate to you a terrible incident that has happened to our family as a result of the "Dial A Porn" that is sweeping the nation.
>
> This "Dial A Porn" has deeply affected our family and friends. It occurred July 26, 1987. My 13 year old son Kevin called the number 900———.
>
> Kevin's friend Don, 15, was over and they were listening to the prerecorded messages. Later when I arrived home from work I immediately made them hang up. Unknown to me Kevin's 14 year old brother was listening on another line with his two friends. They continued to listen passing it back and forth. Their sister Jacqueline, 10, was also listening on her extension.
>
> Within the next 48 hours Don and his 11 year old brother molested my daughter Jacqueline. The Clio Vienna Township Police were notified and in their investigation revealed the fact, Jacqueline had encouraged them by asking them to touch her and "Do it with her." She actually used phrases she heard on the "Dial-A-Porn".
>
> . . . Later I discovered the very same day of Jacqueline's incident, Kevin had sexual intercourse with a girl. His response when asked why was "it sounded like fun." I asked him, "What sounded like fun?" He answered, "You know the phone call, the $74 phone call."
>
> This phone call has damaged our lives. It has caused strain and distrust in our family. We have had conflict with our neighbors when we had to inform them of their children's involvement. Also the embarrassment of the authorities and most of all the permanent damage it's done to our daughter.

Mr. HELMS. The letter concluded by saying:

> Somehow the proper steps must be taken to eliminate this diseased pornography, that is so readily available to children. * * * Please help our children to provent such occurrence again.

That is one example. Let me give you another one. Mr. President, I believe that the letter speaks for itself.

The second example, "In Hayward, California, on or about June 7, 1987"—I am reading from a legal brief—"Defendants, and each of them, exposed twelve-year-old plaintiff Brian T. to approximately two and one half hours of their sex message products in the City of Hayward by means of a telephone for commercial purposes. This was the first time plaintiff Brian T. heard, thought about, or was aroused by such images as were communicated to him through those sex message products."

And what is referred to, Mr. President, I might say parenthetically, is dial-a-porn, the very thing that I am trying to stop.

Mr. President, I was conferring with one of the distinguished managers of the bill. But let me continue.

> Brian T. admitted that the numbers appearing on the Bethel Temple phone bill are the ones he dialed on June 7.
>
> That intensive exposure incited and caused plaintiff Brian T. to act on those sex message products, and on or about June 22, 1987, in the City of Hayward, Alameda County, he engaged in unlawful sexual contact with four year old plaintiff Rebecca C. including but not limited to compelling——

Mr. President, I am not going to read the rest of these facts. I am going to insert it in the RECORD. I am going to excerpt it orally, but I want the facts as provided in this brief to be printed in the RECORD, and I so ask unanimous consent.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

> In Hayward, California, on or about June 7, 1987, Defendants, and each of them, exposed twelve year old plaintiff Brian T. to approximately two and one half hours of their sex message products in the City of Hayward by means of a telephone for commercial purposes. This was the first time plaintiff Brian T. heard, thought about, or was aroused by such images as were communicated to him through those sex message products. Brian T. admitted that the numbers appearing on the Bethel Temple phone bill are the ones he dialed on June 7.
>
> That intensive exposure incited and caused plaintiff Brian T. to act on those sex message products, and on or about June 22, 1987, in the City of Hayward, Alameda County, he engaged in unlawful sexual contact with four year old plaintiff Rebecca C. including but not limited to compelling her to orally copulate him. Plaintiff Brian T. acted out of experimental curiosity and by urges incited by Defendants' sex message products, and without any intention of hurting plaintiff Rebecca C. Shortly thereafter, plaintiff Rebecca C. told her mother, plaintiff Paulette Callen, what happened. Plaintiff Paulette Callen immediately told a physician, plaintiff Gary Callen, and the police. Plaintiff Brian T. was arrested and suffered further trauma, humiliation, and pain away from his family in a juvenile detention facility.

Mr. HELMS. Now, Mr. President, there may be a lot of hemming and hawing about the constitutionality of this amendment. I am not a lawyer. Sometimes I boast about it, which may be one reason why the people of North Carolina have kept me here. But I do not think it takes a great deal of wisdom to see that lawyers and Federal judges have made a shambles of the traditional laws in our country banning obscene and indecent material. These laws were reasonable and had a long and honorable history. They kept at bay certain vile and base instincts. Through these laws decency and modesty and sound family life were promoted.

But then came the courts, the lawyers, and all that has been changed. I just cannot believe that the authors of our Constitution even intended to protect garbage like this. Today, the laws which previously protected us have been undercut by a patchwork quilt of confused and confusing Federal court ruling. I said earlier I am not a lawyer, but I consult with distinguished constitutional lawyers frequently, almost constantly—Sam Ervin meant so much to me during the time we served together in the Senate and after he retired, because I knew I could pick up the telephone and call him down in Morgantown, NC, and say: "Senator, I need some constitutional advice." I remember one time he chuckled when I told him what I was calling about. He said: "You may not be a lawyer, but you understand the English language. Of course, this is constitutional."

But legal scholars have told me—and I mean genuine legal scholars, not the liberal activists temporarily residing in academe—they tell me that there is probably no area of constitutional law more removed from the texts and the history of the Constitution than the Federal case law on obscenity. The principles used by judges are constantly changing. The reach of Federal jurisdiction is always expanding. And the results in any given case are usually unpredictable.

So, Mr. President, the precedents of the Supreme Court and other Federal courts on the subject of obscenity are more properly labeled constitutional chaos than constitutional law.

The fact is the first amendment and obscenity laws existed side by side without serious conflict for all of American history until the second half of this century. Then, still having the same Constitution but imbued with a new liberal ideology, the Supreme Court started hacking away at traditional laws against smut and filth and garbage.

In short, the libertines of the ACLU combined with usurpers on the Federal bench to repeal decency in this country, all under the guise of constitutional law. Discovered for the first time in the history of the Constitution were elaborate and technical tests which antiporn laws had to pass before they could be enforced. Not surprisingly, few laws could pass this new extra constitutional muster. The philosopher-kings had finally arrived in America and they sat in black robes on the Federal benches armed with new radical ideas about the Constitution.

Where in the midst of all of this were those intrepid watchdogs of adversary journalism, the major news media? Did they expose and object to this distortion of the Constitution and its adverse impact on American society? No way. They were too busy genuflecting at the throne of this new source of liberal power.

I have no doubt, Mr. President, that nothing will change. I would be willing to wager that any comments by the news media about this amendment, if there is any at all, will portray it as right wing, moralistic, et cetera, which suits me fine. I think it is about time that a lot of us in this country started being a little more moralistic than we have been.

I do not mind being called moralistic. I am not trying to impose my will on anybody else, but I am trying to hack the umbilical cord that is feeding garbage to the minds of our young people.

Mr. President, the distingusihed manager on this side of this bill, my good friend Mr. STAFFORD, came to me in the midst of my remarks and indicated there might be a possibility of this amendment being accepted. I have been down that road, I say to him with complete gratitude. The House summarily dropped the amendment and, while I very much appreciate his suggestion, I think I want to put Senators on record over this: win, lose, or draw. Let us vote on the subject of whether pornography shall be deprived of its loophole in the law. So, with all due respect to my good friend, I am going to ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

The PRESIDING OFFICER. The Senator from Rhode Island

Mr. PELL. Mr. President, I wish this particular amendment was not coming up at this time since I have not familiarized myself with it to the depth that I should. The objective is one we all agree on. We do not wish to see obscene and indecent phone calls made in any form. On the other hand, those who are familiar with the Constitution believe that there are some constitutional problems here that may well be in violation of the Constitution. While we can say that is a matter to be decided by the courts I think we should tread gently and tread slowly when we come to a matter of constitutional interpretation.

My understanding is that this matter has been ruled on by the courts before and they have not upheld the constitutionality. If we vote on it, my present thinking is that I would want to vote in the negative although I agree with the objective. The only reason to vote in the negative is because of the constitutional issues.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I am aware that my good friend, with whom I serve on the Foreign Relations Committee, and so happily, has some doubts about the constitutionality. But let me allay his apprehension.

In the first place, the question before us is not whether the amendment is unconstitutional. It clearly violates no provision of the Constitution.

The question is whether we in the Congress have courage to stand up against the pornography kings and the smut peddlers and stand up for the American people on, if you please, public morality.

Mr. President, in early April of this year, I received a legal memorandum on the issue of the constitutionality of my legislation from the Citizens for Decency Through Law, 11000 North Scottsdale Road, Suite 210, Scottsdale, AZ 85254. The memorandum was prepared by the legal staff of Citizens for Decency Through Law, including Benjamin W. Bull and Paul C. McCommon III. The memorandum is specifically addressed to the pending amendment. It was addressed, in fact, toward a bill containing the same provision which I have introduced, S. 212, which is identical, as I have indicated, to the amendment now pending.

Mr. President, I ask unanimous consent that this legal memorandum, including footnotes, be printed in the RECORD at this point.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

(Memorandum of law in support of S. 212)

CITIZENS FOR DECENCY THROUGH LAW

This legislation proposes to amend Section 223 of the Communications Act of 1934 (47 U.S.C. § 223), and as amended will prohibit obscene and indecent communications by means of telephone to any person, regardless of age. It is the purpose of this memorandum of law to demonstrate the need for this legislation, and to provide supporting legal authority for its enactment.

I. THE HISTORY OF DIAL-A-PORN AND THE FAILURE OF PREVIOUS LEGISLATIVE EFFORTS

Today, any child in America can hear hardcore sexually explicit messages on the country's telephone system. These recorded and live so-called "dial-a-porn" messages contain graphic descriptions of ultimate sex acts, both heterosexual and homosexual, sado-masochism, of incest, bondage, and sex with animals. Attorneys representing this industry are admitting that dial-a-porn is openly available to children, but according to them: "The exposure of this material to children is the price we must pay for a free society."—*Carlin Communications, Inc. et al.* v. *The Mountain States Telephone & Telegraph Company*, et al., CIV.85-1420 (D. Ariz. 1985) (transcript of proceedings). In every major city across this country, dial-a-porn telephone services became readily accessible to children by mid-1985, with federal and state law enforcement agencies apparently unable or unwilling to stop it.

This dial-a-porn "industry" is still in its infancy, dating back to March of 1983. Yet, in less than four years, it has grown from only one service operating nationally from its New York headquarters, to many services operating in every major city. The messages continue to become more sexually explicit and deviant in their content.

When dial-a-porn first became available in March 1983, it should have been prosecuted under already existing federal law. 47 U.S.C. Section 223 of the Federal Code then provided: "(a) Whoever—(1) in the District of Columbia or in interstate or foreign communication by means of telephone—(A) makes any comment, request, suggestion or proposal which is obscene, lewd, lascivious, filthy, or indecent . . . shall be fined not more than $500 or imprisoned not more than six months or both." Section 223, by its plain meaning, should have been used by the FCC and the Department of Justice (DOJ) to control dial-a-porn services. However, throughout 1983, the FCC and DOJ issued letters to one another and to the general public creating every possible excuse as to why Section 223 could not be enforced.

The FCC went on record as ruling: "Section 223(1)(A) applies only to persons who utter obscene or indecent words during calls they place." "Second Report and Order," Gen. Docket No. 83-989 (Oct. 16, 1985). According to the FCC, since dial-a-porn dealers did not "place" the calls, Section 223 did not apply to them. This restrictive and erroneous interpretation given Section 223 by the FCC resulted in a lack of legal action taken against dial-a-porn during its first year of operation. The FCC refused to take administrative action, and the DOJ refused to take criminal or civil court action. Such lack of prosecution allowed the services to flourish. Meanwhile, the content of the messages became far more sexually explicit, moving from merely "indecent" suggestive language, to language which clearly fell within the restrictions of both state and federal obscenity legislation.

Congress became frustrated at the lack of legal action taken against dial-a-porn and, in late 1983, amended Section 223, making it a crime to make "any obscene or indecent communication for commercial purposes to any person under 18 years of age or to any other person without that person's consent." 47 U.S.C. Section 223(b)(1)(A). In so amending Section 223, Congress "legalized" dial-a-porn. For the first time in the history of this country, obscene material was decriminalized for "consenting adults." This legalization of obscene dial-a-porn messages for consenting adults directly violated legal precedent as established by the Supreme Court in cases such as *Paris Adult Theatre I* v. *Slaton*, 413 U.S. 49 (1973), which rejected the "consenting adults" defense.

In amending 223, Congress further provided that the FCC was to issue regulations which would deny access to dial-a-porn services to persons under 18 years of age. Compliance with these regulations would be a complete defense to liability under Section 223. In other words, even if a minor breaks through the restrictions and calls dial-a-porn, the dealer, having complied with FCC regulations, cannot be prosecuted.

Attempts by the FCC to issue regulations pursuant to § 233(b)(2) have been totally unsuccssful, and it is now clear that no regulations from the FCC will adequately protect children from these dial-a-porn services. The first set of FCC regulations, issued in 1984, was struck down as unconstitutional by the Second Circuit Court of Appeals. *Carlin Communications, Inc.* v. *FCC*, 749 F.2d 113 (2nd Cir. 1984). A second set of FCC regulations, issued on October 16, 1985, was also set aside by the Second Circuit Court. *Carlin Communications, Inc.* v. *FCC*, 787 F.2d 846 (2nd Cir. 1986).

The above described history reveals two major flaws in the 1983 amendments to Section 223 which have resulted in the failure to control dial-a-porn. First, legalizing dial-a-porn for "consenting adults" was contrary to the decisions of the U.S. Supreme Court and placed Section 223 in conflict with all other federal obscenity statutes. Consequently, the legalization of dial-a-porn assured that it would always be accessible to children. The second major flaw in the 1983 legislation was to give the FCC the power to issue defenses to liability under § 223(b)(2)—the FCC has demonstrated its inability to issue workable regulations that will protect children.

Finally, as a result of the 1983 legislation and of the indecision by the FCC on this matter, the courts and the law enforcement community are in a state of confusion concerning the control and/or prosecution of dial-a-porn distributors. At the present time, federal prosecutors will not prosecute the distributors of obscene dial-a-porn messages, even where they have been made blatantly available to children. The reason for this lack of federal enforcement is the belief that dial-a-porn distributors can only be prosecuted under § 223(b) and under none of the other federal obscenity laws.[1] State law enforcement authorities will not prosecute because of the confusion in the federal arena, fear of legal action by the dial-a-porn industry against state officials, and a mistaken belief that the FCC has preempted this field of law. At the writing of this memorandum, there are no federal or state criminal cases pending against dial-a-porn distributors—they are operating freely, sensing a complete immunity from prosecution.

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[1] Federal criminal charges were dismissed in 1985 in Utah, where numerous children had been exposed to the dial-a-porn services. Because § 223(b) is in a state of confusion, the U.S. Attorney attempted to prosecute Carlin Communications and others for violations of other federal obscenity laws. However, the Judge dismissed the indictments, ruling that violations could only be prosecuted under § 223(b). *U.S.* v. *Carlin Communications, Inc.*, et al., No. CR-85-00086G (D. Utah 1985).

II. THE PROPOSED AMENDMENT TO 47 U.S.C. 223 DOES NOT VIOLATE A DIAL-A-PORN RECIPIENT'S RIGHT TO PRIVACY OR RIGHT TO ACCESS

The first objection that may be leveled at this legislation is that it violates a customer's right to receive dial-a-porn messages. As will be shown, this criticism is without merit. It is well settled that obscenity, in whatever form, is not protected by the First Amendment. *Miller* v. *California,* 413 U.S. 15 (1973); *Kaplan* v. *California,* 413 U.S. 115 (1973). Hence, the states and federal government may lawfully prohibit its commercial distribution, whether telephonically or through other media. Id. The Supreme Court has made clear that the "mere private possession of obscene material" in the home cannot be made a crime. *Stanley* v. *Georgia,* 394 U.S. 557 (1967). However, there is no correlative right to purchase obscenity in the public marketplace or to have it distributed to your house through channels of public commerce. In *United States* v. *12 200-ft Reels,* 413 U.S. 123 (1973), the Court held that the "right to possess obscene material in the privacy of one's home does not give rise to a correlative right to have someone sell or give it to others." 413 U.S. at 128. In so holding, the Court ruled that Stanley is to be viewed as "explicitly narrow and precisely delineated." 413 U.S. at 127. "We are not disposed to extend the precise, carefully limited holding of Stanley. . . ." 413 U.S. at 128. Indeed, the Court has squarely held that there is no right to "receive it" in "the privacy of the home." *United States* v. *Orito,* 413 U.S. 139, 141 (1973). In Orito, the Court further held that there is no right to use "common carriers in interstate commerce" (such as the telephone company) for delivery of obscene material to the home. 413 U.S. at 142. *See also, United States* v. *Reidel,* 402 U.S. 351, 353-54 (1971) (there is no right to deliver obscene material for use in the home.)

Furthermore, the Supreme Court in *FCC* v. *Pacifica Foundation,* 438 U.S. 726 (1978), held, inter alia, that radio and television do not have the right to "broadcast" "indecent" material into the home. The Court rejected the contention that an individual has a right of access in the privacy of his home to "indecent" radio or television broadcasts. The Court reasoned that such broadcasts are "uniquely accessible to children" and "that the government's interest in the 'well-being of its youth' justified the regulation of otherwise protected speech." 438 U.S. at 749. This government interest in the "well-being of its youth" and the "accessibil[ity] to children" are similarly present, and are triggered, upon the transmission of "indecent" or "obscene" dial-a-porn into the home. As the Court stated: "[T]he ease with which children may obtain access . . ., coupled with the concerns [for children] recognized in Ginsberg, amply justify special treatment of indecent" material. 438 U.S. at 250.

Assuming arguendo that exposure of dial-a-porn to children can be prevented, the Supreme Court has rejected the contention that the distribution or transmission of obscene materials between consenting adults is constitutionally sanctioned. In *Paris Adult Theatre I* v. *Slaton,* 413 U.S. 49 (1973), the Court held that notwithstanding lack of exposure to children, the distribution of obscene material between consenting adults could be regulated: "We categorically disapprove the theory . . . that obscene, pornographic films acquire constitutional immunity from state regulation simply because they are exhibited for consenting adults only. . . . [W]e hold that there are legitimate state interests at stake in stemming the tide of commercialized obscenity, even assuming it is feasible to enforce effective safeguards against exposure to juveniles and to passersby. Rights and interests other than those of the advocates are involved." 413 U.S. at 57. This holding squarely does away with any contention that "consenting adults" have a right to transmit or receive obscene dial-a-porn. It should again be stressed, however, that many dial-a-porn distributors have openly made their "product" available to children and have refused to acknowledge any responsibility for excluding children's access.

The products of the dial-a-porn industry are clearly not protected by a constitutional right of privacy. These messages are being publicly distributed and have become openly available to children through channels of public commerce. Because of the complete public and commerical nature of this dial-a-porn industry, regulation under Section 223 is clearly permissible.

III. THE FEDERAL GOVERNMENT MAY LAWFULLY PROHIBIT THE TRANSMISSION OF OBSCENCE AND INDECENT DIAL-A-PORN

A. Obscene Dial-A-Porn

Without question, obscene speech is not protected by the First Amendment. *Brockett* v. *Spokane Arcades, Inc.,* 472 U.S. —, 86 L.Ed.2d 394, 105 S.Ct. — (1985); *Miller* v. *California,* 413 U.S. 15 (1973). Hence, the government may lawfully prohibit its distribution, whether telephonically or through other media. *Kaplan* v. *California,* 413 U.S. 115 (1973). See also, *United States* v. *Lampley,* 573 F.2d 783, 50 A.L.R. Fed. 525 (3rd Cir. 1978) (upholding constitutionality of 47 U.S.C. § 223). This issue is so well settled that there has been no serious claim to date that the Congress may not constitutionally prohibit "obscene" dial-a-porn.

B. Indecent Dial-A-Porn

The more frequently repeated assertion is that Congress may not legislate against "indecent" dial-a-porn. This assertion is erroneous and ignores sound legal precedents permitting the use of the "indecency" standard for the telephone medium. These precedents and authority are set forth herein.

In its landmark case of *F.C.C.* v. *Pacifica Foundation,* 438 U.S. 726 (1978), the Supreme Court defined the word "indecent" as "nonconformance with accepted standards of morality." It is a "shorthand term for patent offensiveness." Id., at 470 n. 15. This definition obviously does not coincide with the three-part definition of "Obscenity" found in *Miller* v. *California.* Yet, the Supreme Court has never limited government restrictions on speech to the obscenity standard.[2] For example, the Court has upheld restrictions on all of the following types of speech: false advertising, speaking a prayer in a public school, libel, slander, speaking words which amount to a conspiracy or an obstruction of justice, sedition, yelling fire in a crowded threatre, using words which constitute offering a bribe, words that threaten social harm because they advocate illegal acts, words (from a loudspeaker) at 3 a.m. in a residential neighborhood, speaking in contempt of court, committing perjury under oath, television cigarette advertisements, saying words which have been classified (e.g., secret) by the government, copyright violations, pretrial publicity which might interfere with a defendant's opportunity to secure a fair trial, U.S. government employees engaging in political speech (Hatch Act), sexually explicit material which is harmful to minors, non-obscene sexually explicit movies shown in violation of a zoning ordinance, child pornography, and finally, "indecent" speech.[3] Thus, the broad contention that government restrictions on expression are limited to the obscenity standard are quite incorrect. Regulation of sexually-oriented expression has by no means been limited to that standard, although the degree of permissible regulation has varied with the circumstances.

The application of the "indecency" standard to dial-a-porn is supported by the Supreme Court's analysis of the First Amendment, which accords some varieties of speech (e.g., "indecent" speech) less protection than others.[4] The Supreme Court's rulings that certain types of expression are entitled to little or no protection under the First Amendment find their modern beginnings with *Chaplinski* v. *New Hampshire,* 315 U.S. 568 (1942), where the Court upheld a "fighting words" statute under which Chaplinski had been convicted for calling a policeman "a God damned racketeer" and a "damned fascist." Id. at 569. Justice Murphy's rationale for upholding the statute against a First Amendment attack is set forth in the following excerpt from the opinion:

"There are certain well-defined and narrowly limited classes of speech, the prevention and punishment of which have never been thought to raise any Constitutional problem. These include the lewd and obscene, the profane, the libelous, and the insulting or "fighting" words—those which by their very utterance inflict injury or tend to incite an immediate breach of the peace. It has been well observed that such utterances are no essential part of any exposition of ideas, and are of such slight social value as a step to truth that any benefit that may be derived from them is clearly outweighed by the social interest in order and morality." Id. at 571-72. The Supreme Court has embraced the position that differing degrees of protection are afforded different classes of speech. Speech protected in some contexts may in others be so harmful, or of so little value, that it can be regulated because the harm to society outweighs the expression interests. Thus, First Amendment protection "often depends on the content of the speech." *Young* v. *American Mini Theatres, Inc.,* 427 U.S. 50, 66 (1976). Furthermore, as Justice Stevens has stated, "the First Amendment affords some forms of speech more protection from governmental regulation than other forms of speech," *New York* v. *Ferber,* 102 S.Ct. 3348, 3367 (1982) (Stevens J. concurring), and the *context* of speech may determine whether or not it is protected. *F.C.C.* v. *Pacifica Foundation,* supra, at 747-48 (1978). The Court has allowed government regulation of nonobscene speech, based upon subject matter and context, in numerous cases. See, *Rowan* v. *Post Office Department,* 397 U.S. 728 (1970) (banning erotic material from the mails at recipient request); *C.B.S.* v. *Democratic National Committee,* 412 U.S. 94 (1973) (upholding network refusal to accept commercial advertising); *Lehman* v. *Shaker Heights,* 418 U.S. 298 (1974) (upholding policy of accepting commercial advertising but refusing political advertisements on city-owned bus line); *Greer* v. *Spock,* 424 U.S. 828 (1976) (barring political speakers from a military base); *Jones* v. *North Carolina Prisoners Union,* 433 U.S. 119 (1977) (banning in-prison solicitation of membership in a prisoners union); *Young* v. *American Mini Theatres,* supra, and *Renton* v. *Playtime Theatres, Inc.,* —— U.S. ——, 89 L.Ed.2d 29, 106 S.Ct. —— (1986) (placing zoning restrictions on the location of adult theatres); *F.C.C.* v. *Pacifica,* supra, (prohibiting radio broadcast of indecent programming); *Board of Education* v. *Pico,* 457 U.S. 853 (1982) (certain books may be removed from a high school library because of their vulgarity); *New York* v. *Ferber,* supra, (banning non-obscene sexually explicit depictions of minors); *Ginsberg* v. *New York,* 390 U.S. 629 (1968) (banning distribution to minors of non-obscene material which is "harmful to minors"); *Bethel School District No. 403* v. *Fraser,* 478 U.S. ——, 92 L.Ed.2d 549, 106 S.Ct. —— (1986) (upheld restriction on indecent sexually suggestive language in a political speech by high school student); *City of Newport* v. *Iacobucci,* 479 U.S. ——, 93 L.Ed.2d 334, 107 S.Ct. —— (1986) (upheld city ordinance banning non-obscene nude or nearly nude dancing in bars).

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[2] In its unamended pre-1983 form, § 223 prohibited the use of the telephone to make "any comment, request, suggestion or proposal which is obscene, lewd, lascivious, filthy, or indecent . . ." 47 U.S.C. § 223(a)(1)(A). This precise language was upheld as constitutional in *United States* v. *Lampley,* 573 F.2d 783 (3rd Cir. 1978). Hence, the prohibition on "indecent" telephone language in § 223 has already passed constitutional muster.

[3] See, "Where Do You Draw the Line?", ed. Victor B. Cline (Brigham Young University Press, 1974).

[4] See, L. Tribe, "American Constitutional Law, § 12-18 (1978); Krattenmaker & Powe, "Televised Violence: First Amendment Principles and Social Science Theory," 64 Va. L. Rev. 1123, 1207-1212 (1978); Stone, "Restrictions of Speech Because of Its Content: The Peculiar Case of Subject Matter Restrictions," 46 U. of Chi. L. Rev. 81 (1978); Note, *Young* v. *American Mini Theatres, Inc.: Creating Levels of Protected Speech,*" 4 Hastings Const. L. Quarterly 321, 344-54 (1977); "The Supreme Court, 1975 Term," 90 Harv. L. Rev. 58, 200-205 (1976).

It is important to recognize that laws restricting "indecent" or "obscene" speech are not directed at a particular viewpoint. They proscribe only the mode or form of expression, not any ideas the "indecent" language or pictures may purport to convey. If the speaker is concerned with ideas, he can escape the penalty by expressing them in some other form. The Court has recognized that content is separable from form and that other modes of expression are virtually always available. Restrictions on "indecent" or "obscene" speech do not preclude advocacy of any ideas such speech might otherwise convey. For example, prohibitions on "indecent" telephone recordings may be compared with a lawyer who, in open court, addresses the judge in "indecent" terms. Rules against that sort of speech will undoubtedly be enforced by the judge (holding lawyer in contempt). The Court recognizes that other more acceptable means of objecting to the judge are available and the lawyer must use them. As the Court stated in Pacifica:

"A requirement that indecent language be avoided will have its primary effect on the form, rather than the content, of serious communications. There are few, if any, thoughts that cannot be expressed by the use of less offensive langauge. . . . At most . . . [i]t will deter only . . . patently offensive references to excretory and sexual organs and activities. . . . [T]hey surely lie at the periphery of First Amendment concerns." 438 U.S. at 473 n.18.

Since March of 1983, when dial-a-porn was first commercially marketed, countless children have been exposed to it. It constitutes an attractive nuisance in every home in America where children are present. There is no completely effective way to prevent children from being exposed to "indecent" or "obscene" dial-a-porn so long as it is lawfully and commercially marketed. Make no mistake, dial-a-porn providers care little whether a caller is a child of 9 or an adult of 19—their motive is profit. Children are being injured every day through "indecent" dial-a-porn.

The Supreme Court has repeatedly held that where the interests of children are at stake the government is fully justified in regulating non-obscene material. This significant governmental interest in the protection of minors has been identified in a number of cases. See, *Prince* v. *Massachusetts,* 321 U.S. 158, 168 (1944) ("[a] democratic society rests, for its continuance, upon the healthy, well-rounded growth of young people into full maturity as citizens"); *New York* v. *Ferber,* supra, 756-57 ("a states interest in 'safeguarding the physical and psychological well-being of a minor'" is "compelling" and justifies banning non-obscene sexually explicit depictions of minors); *F.C.C.* v. *Pacifica,* supra, 749 (government interest in the "well-being of its youth" sufficient to ban all indecent broadcasting to children, as well as adults).

In *Ginsberg* v. *New York,* supra, the Supreme Court upheld a ban on the distribution of non-obscene sexually explicit material to children. The prohibition on distribution of such "indecent"[5] material to children is supported by the exact same interest present when "indecent" dial-a-porn is exposed to children. The "governments interest in the 'well-being of its youth' and in supporting 'parents' claim to authority in their own household justified the regulation of otherwise protected expression." Pacifica, supra, at 749; Ginsberg, supra, at 639-40. The Court in Ginsberg elaborated on these compelling interests There were two governmental interests which justified limitations on the availability of sexually explicit ("indecent") material to children.

First, the Court noted that "constitutional interpretation has consistently recognized that the parents claim to authority in their household to direct the rearing of their children is basic in the structure of our society," and that parents and others responsible for children's well-being "are entitled to the support of laws designed to aid discharge of that responsibility." Id., at 639. Second, the Court stated that "government has an independent interest in the well-being of its youth." Id., at 640. The Court declared that:

"While the supervision of children's reading may best be left to their parents, the knowledge that parental control or guidance cannot always be provided and society's transcendent interest in protecting the welfare of children justify reasonable regulation of the sale of material to them. It is, therefore, altogether fitting and proper for a state to include in a statute designed to regulate the sale of pornography to children special standards, broader than those embodied in legislation aimed at controlling dissemination of such material to adults." Id. Indeed, Justice Stewart, in his concurring opinion in Ginsberg, at 649-50, provided an additional theoretical justification for stricter regulation of dissemination of sexually explicit "indecent" material to minors:

"I think a State may possibly determine that, at least in some precisely delineated areas, a child—like someone in a captive audience—is not possessed of that full capacity for individual choice which is the presupposition of First Amendment guarantees."

As the Court more recently stated, the government's interest in "safeguarding the physical and psychological well-being of a minor" is "compelling." *New York* v. *Ferber,* supra, at 756-57.

Today, children are suffering injury through exposure to sexually explicit "indecent" dial-a-porn. This, "society's right to 'adopt more stringent controls on communicative materials available to youths than on those [only] available to adults'" is well established. Pacifica, supra, at 757 (Powell, J. concurring) (quoting *Erznoznik* v. *Jacksonville,* 422 U.S. 205, 212 (1975)); see also, *Miller* v. *California,* supra, at 36 n.17; *Interstate Circuit, Inc.* v. *Dallas,* 390 U.S. 676, 690 (1968); *Jacobellis* v. *Ohio,* 378 U.S. 184, 195 (1964). No member of the present Court has dissented from this principle. Indeed, in the recent case, *Bethel School District No. 403* v. *Fraser,* 478 U.S. ——, 92 L.Ed.2d 549, 106 S.Ct. —— (1986), the Court made emphatic the government's ability to ban sexually indecent speech to children even in the context of a political speech. The Court emphasized that bans on indecent speech have been upheld repeatedly where the welfare of children was at issue. Citing Thomas Jefferson, the Court stated:

"The Manual of Parliamentary Practice, drafted by Thomas Jefferson and adopted by the House of Representatives to govern proceedings in that body, prohibits the use of 'impertinent' speech during debate and likewise provides that '[n]o person is to use indecent language against the proceedings of the House. Jefferson's Manual of Parliamentary Practice, §§ 359, 360, reprinted in Manual and Rules of the House of Representatives, H.R. Doc. No. 97-271, pp. 158-159 (1982)." 92 L.Ed.2d at 557. In banning "indecent" speech in the schools, the Court thus noted that Congress itself bans "indecent" speech during congressional proceedings.

The governmental right to restrict access to non-obscene but "indecent" material even to adults, when it is sufficiently harmful to children, is a key part of the Court's rationale in the landmark *F.C.C.* v. *Pacifica Foundation* case.[6] Radio and television broadcasting, like the telephone, is "uniquely accessible to children." Id., at 749.

The Court's willingness to deny access to non-obscene material to adults when children would otherwise be harmed was demonstrated in *Board of Education* v. *Pico,* 457 U.S. 853 (1982). In Pico, the Court remanded with instructions for the lower court to determine whether improper motivations had tainted the Board's removal of certain books from a high school library. The First Amendment would be offended if the court found the books had been removed with intent "to deny respondents access to ideas with which petitioners disagreed." Id., at 872. On the other hand, "an unconstitutional motivation would not be demonstrated if it were shown that petitioners had decided to remove the books at issue because those books were pervasively vulgar." Id., at 871. Pico identifies another context in which government may restrict dissemination of indecent materials to children, as well as adults.

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[5] "Bookstores and motion picture theatres, for example, may be prohibited from making indecent material available to children." *F.C.C.* v. *Pacifica Foundation,* supra, at 749 (explaining Ginsberg).

[6] The Court also rested its holding on the "pervasiveness" of the medium which carries the "indecent" material to children, discussed infra. 438 U.S. at 748.

Probably the most frequently cited case in opposition to the use of an "indecency" standard is *Butler* v. *Michigan*, 352 U.S. 30 (1957), with its oft-quoted assertion that the government may not "reduce the adult population . . . to reading only what is fit for children." Id., at 383. In a brief opinion the Court struck down a criminal conviction under a manifestly overbroad Michigan statute that forbade the publication, sale or other distribution of any publication, writing, picture: "or other thing, including any recordings, containing obscene, immoral, lewd or lascivious prints, pictures, figures or descriptions, tending to incite minors to violent or depraved or immoral acts, manifestly tending to the corruption of the morals of youth. . . ." Id., at 381. The Court correctly ruled that the law was overbroad and "not reasonably restricted to the evil with which it is said to deal." Id., at 383. It is significant to note that Michigan had another statute specifically proscribing the distribution of erotic materials to minors, but that statute was not before the Court. Id.

The more recent Pacifica Court limited the Butler case by distinguishing it. In a real sense, of course, Pacifica bans the broadcast of "indecent" material to adults as well as children. However, the Court ruled that unlike Butler, the F.C.C. order did not "reduce adults to hearing only what is fit for children" because adults "may purchase tapes and records or go to theatres and nightclubs to hear these words." Pacifica, supra, at 750 n. 28; and See, Powell, J. (concurring) at 760 ("the Commissions holding does not prevent willing adults from purchasing Carlins ["indecent"] records, from attending his performances, or, indeed, from reading the transcript reprinted as an appendix to the Courts opinion"). Clearly, this analysis is squarely applicable to "indecent" recordings heard over the telephone. They are easily available to adults from other sources and their removal from the telephone (where they are exposed to children) would not "reduce adults to hearing only what is fit for children." Indeed, the Court itself analogized "indecent" broadcasting with "indecent" telephone language, stating that neither is given "constitutional immunity" to "avoid a harm that has . . . taken place." Id., at 749. The Court cited as justification for its holding the need for newly enacted Congressional legislation against "obscene or profane" telephone language. Id., at n. 27.

One must remember that the Butler statute prohibited the distribution of all material "unsuitable" for minors no matter what the source or media. It made it impossible for adults to obtain the material anywhere. As in Pacifica, the dial-a-porn prohibition would deal only with one medium which is uniquely hurtful to children. As Justice Powell stated in his Pacifica concurrence:

"In most instances, the dissemination of this kind of degrading speech to children may be limited without also limiting willing adults access to it. Sellers of printed and recorded matter and exhibitors of motion pictures and live performances may be required to shut their doors to children, but such a requirement has no effect on adults access. . . . The difficulty is that such a physical separation of the audience cannot be accomplished in the broadcast [or telephone] media. . . . [B]oth adults and unsupervised children are likely to be in the broadcast or [dial-a-porn] audience, and the broadcaster [or provider] cannot reach willing adults without also reaching children." Id., at 758-59 (Powell, J. concurring). Justice Powell went on to state that "[t]his, as the Court emphasizes, is one of the distinctions between" such media and others "justifying a different treatment . . . for First Amendment purposes." Id.

As in Pacifica, the prohibition of "indecent" dial-a-porn involves a limited form of regulation of a single medium whose adult and youth audiences cannot be physically separated. Butler, on the other hand, applied to all media and embraced a wide-ranging (and vaguely defined) subject matter. Moreover in Butler, dissemination of the materials to children could generally be controlled at the point of distribution without denying access to willing adults. This is impossible with broadcast radio (as in Pacifica) and dial-a-porn.

Indeed, the very facts present in Butler limit it to the situation wherein the distributor of "indecent" material can differentiate between adults and children. This obviously cannot be done when the child telephones a tape-recorded message. Clearly, the ruling that better applies to dial-a-porn is Pacifica. Telephones are precisely like radio and television because of their easy accessibility to children and the virtual impossibility for parents to monitor their use.[7]

The Court in Pacifica also reasoned that "broadcast media" has a pervasive presence in the lives of all Americans. "Patently offensive, indecent material presented over" such a pervasive media "confronts the citizens . . . in the privacy of the home, where the individual right to be left alone plainly outweighs the First Amendment rights of an intruder." Id., at 748 (citing *Rowan* v. *Post Office Dept.*, supra, banning erotic material from the mails at recipients request). This analysis is squarely applicable to dial-a-porn. It is of the utmost importance to be cognizant that dial-a-porn is presently in the home whether the homeowner wants it or not. Today one cannot have telephone service in the privacy of one's family environment without being required to have dial-a-porn with it. Families with children must give up telephone service to be "left alone" from exposure of their children to this "intruder." Is there really a medium more "pervasive" than the telephone? We know that children (especially teens) spend countless hours on the telephone. At present, no family can be left alone in their own homes without the harmful nuisance of indecent or obscene dial-a-porn.[8]

Further, an argument can be made that because the telephone system is a regulated and protected system serving such a vital public function, it should be held to a higher standard of conduct than, say, a newspaper. In essence, the telephone system carries out the governmental function of providing telephone communication to all citizens who choose to have it at a rate set by governmental regulatory bodies. They are given de facto monopoly protection by the government and often use publicly owned property to carry out their business. In return for such privileged status, the telephone system has a public trust. The trust is breached when the telephone system enters the pornography business by exposing "indecent" dial-a-porn to virtually every child in America. Cf., *United Church of Christ* v. *F.C.C.*, 359 F.2d 994, 1003 (D.C. Cir. 1966) (opinion authored by Chief Justice Burger, then a member of the District of Columbia Court of Appeals).

IV. UNDER 47 U.S.C. § 223(b)(5), THE ATTORNEY GENERAL MAY LAWFULLY ENJOIN TRANSMISSION OF DIAL-A-PORN WHICH VIOLATES § 223 (b) (1)(A) or (1)(B)

Without question, the government may lawfully restrain a party's violation of an obscenity statute through the use of a civil injunction proceeding, as permitted by 47 U.S.C. § 223 (b)(5). Such a procedure, whereby the government files a civil action petitioning the court to issue an injunction against the future distribution of specifically named or identified materials has been categorically approved by the Supreme Court. *Paris Adult Theatre I* v. *Slaton*, 413 U.S. 49, 50-55 (1973); *Kingsley Books* v. *Brown*, 354 U.S. 436, 441 (1956). The holdings of "Paris Adult Theatre" and "Kingsley Books" are clearly applicable to § 223 (b)(5) and permit the Attorney General to proceed against violations of this statute by injunction.

The Supreme Court has set forth the guidelines for such an injunction proceeding in several cases. Specifically, the Court has held such a proceeding is constitutionally permissible when, as here, the burden of proof and of inititiating the judicial review is the governments, and the dial-a-porn provider is allowed to transmit pending a full adversary judicial proceeding, with a prompt final judicial review available. *Parts Adult Theatre*, 413 U.S. at 55; and see *Blount v. Rizzi*, 400 U.S. 410 (1971); *Freedman v. Maryland*, 380 U.S. 51 (1965). Subsection 223 (b)(5) is fully supported by authority of the Supreme Court.

V. CONCLUSION

It has been demonstrated that the open availability of dial-a-porn is a serious problem for adults, as well as children. It has further been demonstrated that attempts to regulate dial-a-porn have been a complete failure since the start of this "industry" in 1983. This present situation can only be corrected if the present legislation is enacted by Congress. The legislation will obviously receive vigorous oppostiion from the dial-a-porn businesses themselves—this is to be expected since they stand to lose millions of dollars if an enforceable § 223 is enacted. However, this memorandum of law has clearly shown that § 223 as amended is firmly supported by legal precedent, and by a tradition for the protection of children from this type of harm. In conclusion, there is no legal obstacle to the passage of this legislation by Congress, and its enactment will finally allow for the regulation of this dial-a-porn industry and its often "illegal" product.

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[7] Also, one cannot discount the fact that Pacifica in 1978 is the most recent expression of the Supreme Court's will. No member of the 1957 Butler Court remains on the Supreme Court bench. Indeed, Justice Stewart, who dissented in Pacifica, is no longer a member of the Court.

[8] Recently the Supreme Court affirmed the case *Jones* v. *Wilkinson*, 800 F.2d 989 (10th Cir. 1986), aff'd. —— U.S. —— (March 23, 1987). There the 10th Circuit held that the Federal Cable Communications Policy Act of 1984, 47 U.S.C. § 521-559, had preempted the states from regulating "indecent" cable programming. 800 F.2d at 990-91. Contrary to many published media accounts of this case, the issue here was "preemption" by the federal government, not the constitutionality of the "indecency" standard. Still, it is pertinent to point out that a family can have non-cable broadcast television in their home if they choose. They cannot have a telephone in their home without dial-a-porn. Unlike television, the telephone choice is either no telephone or dial-a-porn. Indeed, since deregulation of cable, many companies are competing for the same customers. The telephone subscriber has only one choice—a local telephone company which imposes dial-a-porn on its subscribers.

Respectfully submitted,

BENJAMIN W. BULL,
Legal Counsel.
PAUL C. MCCOMMON III,
Legal Counsel.

Mr. HELMS. Mr. President, I hope Senators will think carefully about the judgment we are about to make. I insist that I have found no constitutional authority who believes there is one scintilla of a possibility that this is unconstitutional. It does not violate any provision of the Constitution of the United States.

It is something that needs to be done, and something that needed to be done a long time ago. This is our chance to do it.

Mr. President, I thank the Chair and I yield the floor.

The PRESIDING OFFICER. Is there further debate?

Mr. STAFFORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

Mr. SIMPSON. I announce that the Senator from Idaho [Mr. MCCLURE] is necessarily absent.

The PRESIDING OFFICER (Mr. DASCHLE). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 389 Leg.]

YEAS—98

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Gore
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Helms
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stafford
Stennis
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Wirth

NOT VOTING—2

Bumpers
McClure

So the amendment (No. 1203) was agreed to.

Mr. HELMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senate will be in order. Senators will cease audible conversation. The Senate is not in order.

Is there further debate on the Symms amendment?

Mr. PELL. Mr. President, the adoption of the amendment to the Communications Act of 1934 is obviously severable from the other provisions of the Robert T. Stafford Elementary and Secondary Education Act should court actions be brought concerning the amendment to the Communications Act of 1934.

Furthermore, we have included language in the committee report that if any provisions of S. 373 or application thereof to any person or circumstance is held invalid, the remainder of the legislation and the application of such provision to other persons or circumstances shall not be affected thereby.

Mr. SYMMS. Mr. President, will the Senator yield?

Mr. PELL. I yield.

Mr. SYMMS. I ask the Senator: Did I correctly understand the Senator to say that the majority and minority managers of the bill have accepted the Symms amendment?

Mr. PELL. We have not yet voted on the Symms amendment.

Mr. SYMMS. But you are willing to accept the amendment?

Mr. PELL. Yes, that is correct.

Mr. SYMMS. Mr. President, under those circumstances, I ask unanimous consent that the order for the yeas and nays on the Symms amendment be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Is there further debate?

Mr. THURMOND. Mr. President——

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. PELL. We have not voted on the Symms amendment.

The PRESIDING OFFICER. There has not been a vote on the Symms amendment. The order for the yeas and nays has been vitiated.

The question is on agreeing to the amendment, unless there is further debate.

The question is on agreeing to the amendment.

The amendment (No. 1202) was agreed to.

Mr. SYMMS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senate will be in order. The Chair cannot hear.

Mr. THURMOND. Mr. President——

The PRESIDING OFFICER. The majority leader.

MIDDAY RECESS

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess today from the hour of 12:45 p.m. until the hour of 2 p.m., to accommodate the regular meetings of the two parties in conference.

The PRESIDING OFFICER. Is there objection? The Chair hears none and it is so ordered.

Mr. THURMOND. Mr. President——

AMENDMENT NO. 1204

Mr. DECONCINI. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will read the amendment.

Mr. THURMOND. Mr. President, what do you have to do to be recognized in the Senate?

The PRESIDING OFFICER. The clerk will report the amendment.

The Chair informs the Senator that I thought he was seeking permission to debate the Symms amendment. When it was clear that he was not seeking recognition for that purpose, I recognized the majority leader for his unanimous-consent request.

The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Arizona [Mr. DECONCINI], for himself and Mr. BINGAMAN, proposes an amendment numbered 1204.

Mr. DECONCINI. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed later in today's RECORD under amendments submitted.)

Mr. DECONCINI. Mr. President, I am pleased today to offer the Indian Education Amendments of 1987 as an amendment to S. 373. On August 7, 1987, I introduced S. 1645, a bill to reauthorize certain Indian education programs. I am pleased to report that all of the members of the Indian Affairs Committee are cosponsors of this measure, including the distinguished occupant of the chair.

The bill was introduced at the request of Indian educators, administrators, parents, and school board members to address concerns in Indian country about the manner in which Federal programs for the education of Indian people are being managed. The bill was the culmination of months of work by Indian people at the local level and was further refined after the two committee hearings: One in Pine Ridge, SD, and one in Washington, DC. A substitute measure was favorably reported by a unanimous vote of the Indian Affairs Committee on October 14. The committee report on the bill was filed yesterday. The amendment I am offering today is virtually identical to S. 1645 as adopted by the Select Committee on Indian Affairs.

The Federal Government's trust responsibility to provide educational services to federally recognized tribes is carried out largely through programs operated by the Bureau of Indian Affairs. The Bureau funds schools that educate over 40,000 Indian students throughout the Nation. Over 150 schools and dormitories are funded by the BIA which directly operates about 100 of the schools. Tribes and tribal organizations operate the remainder under contract with the Bureau.

Part A of the amendment I am offering today makes needed changes to the 1978 statute that governs the operation of these BIA funded schools. The amendment prohibits the Bureau from transferring operation of its schools to public schools or other entities without the consent of the affected tribes or the Congress. In addition, the amendment requires the BIA to establish area review panels of Indian leaders, educators, parents and school board members to develop and review all Bureau education regulations; it sets up an administrative cost formula for the calculation of indirect costs for contract schools to bring equity to the system of determining indirect costs; it establishes a new supplemental early childhood education program in the Bureau to be funded through formula grants to tribes of 500 or more members; it requires the Bureau to institute a formal system of consultation with tribes on a regular basis; and it makes needed changes to the provisions governing personnel.

Part B of the amendment establishes a new optional grant program that can be used by tribes and tribal organizations in lieu of the self-determination contracting mechanism. No new money is authorized by this program. It is simply an improved means of distributing existing funds to Indian schools.

Part C of the measure reauthorizes the Indian education programs operated by the Department of Education. Originally enacted in 1972, the Indian Education Act, known as title IV, is found in four different statutes. The administration requested that the Committee on Indian Affairs reenact the statutory language into one measure which we have done in part C. Additionally, the measure reauthorizes programs through 1993; maintains current eligibility requirements; requires Indian preference in employment in the title IV office; requires the director of that office to report directly to the Secretary of Education; establishes new gifted and talented centers at a cost of $3 million; and includes Bureau operated school in the Formula Grant Program.

Part D of the amendment I offer today makes needed changes in the statutes that govern the operation of tribal colleges. Part E authorizes new funding for a White House Conference on Indian Education to be held between September 1989 and September 1991. This conference will study the feasibility of a national board of Indian education and other recommendations for the improvement of Indian education programs. CBO estimates the cost of this conference to be $4 million in fiscal year 1990.

Mr. President, the members of the Indian Affairs Committee unanimously recommend adoption of this measure and ask that it be made part of S. 373. The comparable House bill, H.R. 5, contains provisions in title 8 of that measure that are similar, though not identical, to the provisions of the amendment I am offering now. In adopting S. 1645, which is the same as the amendment now before us, the committee responded to many of the administration's concerns regarding provisions in H.R. 5. The only new program authorizations are: The new Supplemental Early Childhood Program in the Bureau at an authorization level of $15 million; the new gifted and talented centers in the Department of Education at a cost of $3 million; and the White House conference which could cost $4 million in fiscal year 1990. This is, I believe, a very conservative measure and will have little impact on the budget. I urge my colleagues to join me in support of this amendment.

The PRESIDING OFFICER. Is there further debate?

Mr. PELL. Mr. President, I know on this side of the aisle I am very happy to accept the amendment to S. 373 and support it. There is an Indian education title in the companion bill to S. 373 on the House, H.R. 5. It is important that we add the Indian Education Act reported out of the Select Committee on Indian Affairs to S. 373 so that these provisions may be conferenced with the provisions contained in the House bill.

Mr. STAFFORD. Mr. President, we are prepared, for the minority, to accept this amendment, as well. We understand that the authorization, $149 million, is being considered by the Budget Committee separate from the authorizations for S. 373. So we have no problem there.

The PRESIDING OFFICER. If there is no further debate, the question is on agreeing to the amendment offered by the Senator from Arizona (Mr. DECONCINI).

The amendment (No. 1204) was agreed to.

Mr. PELL. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. DECONCINI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Mr. President, before I begin my remarks I would like to take a moment to pay tribute to BOB STAFFORD, our distinguished colleague from Vermont. I have often said in our committee that the firm of STAFFORD and PELL or PELL and STAFFORD, has for two solid decades been the point team, the leaders in the entire Congress, on educational matters. Senator STAFFORD's contribution, in particular, has been recognized and reflected in the comments and remarks of many of our distinguished colleagues on the floor here today. Senator STAFFORD's leadership was also recognized in an amendment that I offered in the Senate Labor Committee with unanimous support which names this legislation after the Senator from Vermont. It is a very small token of recognition for his contribution to education in this country over the many years he has served in the U.S. Senate. BOB STAFFORD will be dearly missed, not just by his colleagues but by students, faculty, and administrators throughout this land who recognize his invaluable contribution to the strength and well-being of this Nation.

Of course, this recognition in no way diminishes the contribution of my colleague from Rhode Island. The distinction is that CLAIBORNE PELL is going to be around here for a long time to carry on these battles, and I hope he gets as much support in the years ahead as he has received from Senator STAFFORD in dealing with educational matters.

Mr. President, this year's trade debate in Congress taught us much about what we can and must do to improve America's performance in the global marketplace. For many of us, one lesson is clear: while specific trade-related actions can be useful—especially in the short term—only about 15 percent of our trade deficit stems from the unfair trading practices of foreign countries. Eighty-five percent of our trade problems are caused by things that we either do to ourselves or fail to do.

I believe the real key to America's economic future lies right here at our own doorstep. We need to bolster our own foundations; to help instill in our citizens the basic skills necessary to make this Nation more productive and innovative as we move into the 21st century. We are talking about the very same thing here today.

America today stands on the brink of a socioeconomic transformation unparalleled since the Industrial Revolution. We are becoming a nation of words and information: a nation whose ability to develop and utilize new technologies will determine our future economic growth, employment opportunities, and our relative standing in a highly competitive world economy.

According to the Bureau of Labor Statistics, the technology-dependent service sector will provide 9 out of 10 new jobs between now and the year 2000. Three out of four jobs will require knowledge of advanced technologies as opposed to one in five today. And as advanced technology pervades every sector of our economy, there will be many more jobs in a wide variety of fields for which basic technological literacy will be the bottom line.

Unfortunately, just when our need for advanced skills is the greatest, we face alarming demographic trends between now and the year 2000 which threaten America's future productivity; trends which also threaten the limited progress we've made in closing the gap between the "haves" and "have nots" in American society.

Let's take a snapshot of the graduating class of the year 2000—the 3.6 million children who began their formal schooling in September 1987:

One out of four of these children are from families who live in poverty.

Fourteen percent are the children of teenage mothers and sixty percent will live in single parent households before they are 18 years old.

Thirty-five percent will be on welfare before age 18. Fifteen percent are immigrants who speak little or no English.

Ten percent have illiterate parents and 1 out of 7 will be considered illiterate by his or her 18 birthday.

Perhaps most disturbing, 30 percent will never finish high school. For those who live in inner cities, the dropout rate will be as high as 7 out of 10.

At the same time—the overall pool of young Americans who enter the job market in the year 2000 will be much smaller than it is today. Already, the school-age population in America has declined—from 53 million in 1970 to 45 million in 1985. And according to the Educational Research Service, the typical American high school will graduate 25 to 50 percent fewer children in the year 2020 than they did in 1980.

The bottom line is this: just as our national pool of future workers is shrinking, that pool will be composed more and more of the very youth populations least adaptable to the economic realities of the year 2000. Over the next 10 to 15 years, a much greater percentage of our youth will come from groups that traditionally have the highest rates of unemployment and poverty, and the lowest levels of educational achievement and job skills.

Mr. President, let me put this as simply and succinctly as possible. The world is no longer our economic and political oyster. If America is to succeed in the year 2000, we cannot afford to lose even one human mind to ignorance, poverty, or neglect. We can't afford to have large numbers of Americans who just get by working in menial jobs or languishing on the welfare rolls. The economic challenges of the future will demand an unprecedented level of workplace skills and productivity from all Americans. Period.

It is with this historic imperative in mind that the Education Subcommittee—under the distinguished leadership of Senators PELL and STAFFORD—has developed the bipartisan, consensus reauthorization package which we are considering here today. While the bill has a multitude of separate sections and provisions, two overriding goals are clear.

First, we have extended—with only minor modifications—the historic antipoverty programs which have helped to promote educational equity and access for disadvantaged children for over 22 years. Second, we have established several new programs in high priority areas designed to help this nation cope with the demographic and technological changes we face over the next quarter century: early intervention, basic skills and literacy, dropout prevention, mathematics, science, and foreign language education. Without exception, these new programs are limited and well-targeted to those most in need. And wherever possible, we sought to assure the greatest bang for the Federal buck by using national dollars to leverage State, local, and private funds.

Mr. President, this reauthorization comes at a critical juncture in our Nation's history. The challenge is clear: we simply must create a better match between the skills our youth possess and the skills our Nation will demand as we move into the 21st century. To ignore this imperative will not only ensure us a generation of impoverished Americans but an impoverished nation as well—culturally, economically, and politically. Put in this context, this legislation is one of the most important investments we can make to ensure a prosperous and stable future for our children and our country.

I yield the floor.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICE. The time of the Senator has expired. Under the unanimous-consent agreement, the Senate stands in recess until the hour of 2 p.m.

There being no objection, the Senate, at 12:49 p.m. recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. DODD).

ROBERT T. STAFFORD ELEMENTARY AND SECONDARY EDUCATION IMPROVEMENT ACT

The Senate continued with the consideration of the bill.

Mr. REID. Mr. President, I rise today to commend my colleagues on the Education Subcommittee for developing a legislative package that reaffirms our commitment to deliver the programs necessary to meet the educational needs of our Nation's youth. The Robert T. Stafford Elementary and Secondary Education Improvement Act represents a tremendous amount of effort, deliberation, and negotiation on the part of lawmakers cognizant of the fact that compensatory education programs and block grant funds are essential if we are to continue to help school districts across the country provide our children with a quality education.

While negotiation and compromise are necessary to craft any piece of legislation upon which all members of this body can agree, compromising the ability to smaller States to deliver the same caliber programs as their larger counterparts is unacceptable. We are all very well aware of the value of chapter 1 programs to our educationally deprived children. Without the special assistance in the areas of reading and other basic skills that chapter 1 enables our school districts to provide, many more youth would graduate from our public schools every year without even being able read or complete a job application—that is, if they did not drop out of school first. Chapter 1 provides us with a way to address this problem, and we can demonstrate its effectiveness in significant human terms.

The absence of a small State minimum in the funding formula for chapter 1 basic grants, however, severely limits the ability of smaller States to continue serving children in need of special educational attention. Despite the tremendous success we have experienced with chapter 1 in Nevada, we still serve less than half of the eligible students. Our rapidly growing population, coupled with restraints in this bill's funding formula, will profoundly effect the future success of our program. I urge my colleagues to recognize that although the bill before us today lacks this important funding factor, the House companion measure, H.R. 5, contains a small state minimum provision that deals fairly with the educational needs of both large and small States. I strongly encourage the conferees on this bill to give this provision the serious consideration it demands, and respectfully request that you recede to the House position on this section of the conference report when it does arrive at conference.

I should also like to express my interest in ensuring that the greatest amount of chapter 1 funds possible are spent on direct instruction. I realize that both S. 373 and H.R. 5 contain program improvement provisions that require local education agencies, LEA's, and, eventually, State education agencies, or SEA's, to inject themselves into individual chapter 1 programs that have demonstrated a decline in achievement. Both bills call for the development of plans for improvement and the provision of technical assistance by the LEA's and SEA's as is necessary. However, S. 373 requires the LEA's, instead of the schools housing the lackluster programs, to develop the plans for improvement. In addition to generating more time-consuming activities and paperwork for LEA officials who may be able to simply supervise the successful rehabilitation of a poor program, I am concerned that this requirement will only serve to divert funds from direct instruction where they are most needed. I firmly believe the program improvement language in H.R. 5 is sufficient to ensure the rapid identification and rehabilitation of ineffective chapter 1 programs.

I am also concerned about the educational improvement plan and activities provision in S. 373 as it provides for the allocation of an additional 1 percent of chapter 1 grants or $325,000 for SEA's to develop a plan for the evaluation of all individual school programs. Under H.R. 5, SEA's are given ample authority to contribute to the improvement of ailing programs, without having to duplicate the efforts of the LEA's that have already been made responsible and funded for the monitoring of all chapter 1 programs. I firmly believe that simply raising the floor on the funding of SEA's would result in a substantial increase in funding for affected SEA's, without tying future increases in chapter 1 grants in administrative expenses.

I again express my appreciation for the time and effort of legislators and staff members that produced the tremendous strides in education this bill represents.

Mr. President, I support this legislation. I again say that when this bill does go to conference, I ask the conferees to take the action I have suggested.

Mr. President, I have never been to the State of Vermont. I hope to go. I know Vermont is a beautiful State. But at such time as I go to Vermont, I will have firmly fixed in my mind the man with whom I have served on the Environment and Public Works Committee. This bill, which has been given his name, is an important pronouncement of the great work he has done in this body. I have been in the Senate for less than 1 year, but during that period of time I have had the pleasure and honor to sit in conference and in committee with Senator STAFFORD.

I believe in the clean air and greenness that we in that committee are trying to allow to be part of this country's future, but I am not able to articulate the things that Senator STAFFORD has shown me by example, sitting in that committee.

Here is a man who, when he looks at the environment of this country, looks at it not as a Democrat, not as a Republican, but as someone who is concerned about what has happened to this country and what could happen to it without the action of this Congress.

So I join the praise of the other Members who have preceded me in saying this is only a small amount we can do to recognize the work of a truly great man.

I thank the Chair.

Mr. STAFFORD. Mr. President, I express my gratitude for all the kind things the very able Senator just said. I have enjoyed working with him in committee. Because I admire him, I place double importance on the kind things he said this afternoon. I yield the floor.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. KENNEDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I see my good friend from Rhode Island on the floor. I have an amendment that I think will take a very few minutes.

AMENDMENT NO. 1206

(Purpose: To provide financial assistance for a program of comprehensive child development centers, and for other purposes)

Mr. KENNEDY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KENNEDY] proposes an amendment numbered 1206.

Mr. KENNEDY. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 439 betweeen lines 17 and 18 insert the following new title:

TITLE XI—COMPREHENSIVE CHILD DEVELOPMENT PROGRAM

SEC. 11001. SHORT TITLE.

This Title may be cited as the "Comprehensive Child Development Centers Act of 1987".

SEC. 11002. STATEMENT OF PURPOSE.

It is the purpose of this Title to provide financial assistance to projects on a multiyear basis designed to encourage intensive, comprehensive, integrated, and continuous supportive services for infants and young children from low-income families which will enhance their physical, social, emotional, and intellectual development and provide supports to their parents and other family members. Services will be targeted on infants and young children from families who have incomes below the poverty line and because of environmental, health, or other factors need intensive and comprehensive services to enhance their development.

SEC. 11003. PROGRAM AUTHORIZED.

The Head Start Act is amended by adding at the end thereof the following new section:

"CHILD DEVELOPMENT PROJECTS

"SEC. 658. (a)(1) The Secretary is authorized to make grants to eligible entities in rural and urban areas to pay the Federal share of the cost of projects designed to encourage intensive and comprehensive supportive services which will enhance the physical, social, emotional, and intellectual development of low-income children from birth to compulsory school age, including providing necessary support to their parents and other family members.

"(2) The Secretary shall enter into contracts, agreements, or other arrangements with at least 10 but not more than 25 eligible agencies to carry out the provisions of this section.

"(3) In carrying out the provisions of this section, the Secretary shall consider—

"(A) the capacity of the eligible agency to administer the comprehensive program for which assistance is sought;

"(B) the proximity of the agencies and facilities associated with the project to the infants, young children, parents, and other family members, to be served by the project, or the ability of the agency to provide offsite services;

"(C) the ability of the eligible agency to coordinate its activities with State and local public agencies (such as agencies responsible for education, health and mental health services, social services, child care, nutrition, income assistance, and other relevant services), with appropriate nonprofit private organizations involved in the delivery of eligible support services, and with the appropriate local educational agency;

"(D) the management and accounting skills of the eligible agency;

"(E) the ability of the eligible agency to use the appropriate Federal, State, and local programs in carrying out the project; and

"(F) the organization's involvement of project participants and community representatives in the planning and operation of the project.

"(b)(1)(A) The Secretary may make planning grants to eligible agencies to pay the

Federal share of the cost of planning for projects funded under this section.

"(B)(i) No planning grant may be for a period longer than 1 year.

"(ii) Not more than 30 planning grants may be made under this subsection.

"(2) Each eligible agency desiring to receive a planning grant under this section shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

"(A) describe the capacity of the eligible agency to provide or ensure the availability of the intensive and comprehensive supportive services pursuant to the purposes of this subsection;

"(B) describe the eligible infants, young children, parents, and other family members to be served by the project, including the number to be served and information on the population and geographic location to be served;

"(C) describe how the needs of such children will be met by the program;

"(D) describe the intensive and comprehensive supportive services that program planners intend to address in the development of the plan;

"(E) describe the manner in which the project will be operated together with the involvement of other community groups and public agencies;

"(F) specify the agencies that the organization intends to contact and coordinate activities with during the planning phase;

"(G) identify a planning phase advisory board which includes prospective project participants, representatives of the community in which the project will be located, and individuals with expertise in the services to be offered; and

"(H) describe the capacity of the eligible agency to raise the non-Federal share of the costs of the program and such other information as the Secretary may reasonable require.

"(c)(1)(A) The Secretary shall make grants to eligible agencies selected in accordance with this section to pay the Federal share of the cost of carrying out projects for intensive and comprehensive supportive services for low-income infants, young children, parents, and other family members.

"(B) The Secretary shall ensure that there will be projects receiving grants under this section in rural areas.

"(2)(A) Each eligible agency desiring to receive an operating grant under this section shall—

"(i) have a planning grant application approved under subsection (b) on file with the Secretary or have experience in conducting projects similar to the projects authorized by this section; and

"(ii) submit an application at such time in such manner and containing or accompanied by such information as the Secretary may reasonably require.

"(B) Each such application shall—

"(i) identify the population and geographic location to be served by the project;

"(ii) provide assurances that services are closely related to the identifiable needs of the target population;

"(iii) provide assurances that each project will provide directly or arrange for—

"(I) services for infants and young children designed to enhance the physical, social, emotional, and intellectual development of such infants and children and which include, but are not limited to, infant and child health services, including screening and referral; child care; early childhood development programs; early intervention services for children with, or at-risk of developmental delays, and nutritional services; and

"(II) services for parents and other family members designed to better enable parents and other family members to contribute to their child's healthy development and that include, but are not limited to, prenatal care; education in infant and child development, health, nutrition, and parenting; and referral for education, employment counseling and training; assistance in securing adequate income support, health care, nutritional assistance, and housing;

"(iv) identify the referral providers, agencies, and organizations that the program will use;

"(v) provide assurances that the eligible intensive and comprehensive supportive services will be furnished to parents beginning with prenatal care and will be furnished on a continuous basis to the infants and young children so eligible, as well as to their parents and other family members;

"(vi) describe how services will be furnished at offsite locations, if appropriate;

"(vii) describe the extent to which the eligible agency, through its project, will coordinate and expand existing services as well as provide services not available in the area to be served by the project;

"(viii) describe how the project will relate to the local educational agency as well as State and local agencies providing health, nutritional, education, social, and income maintenance services;

"(ix) provide assurances that the eligible agency will pay the non-Federal share of the cost of the application for which assistance is sought from non-Federal sources;

"(x) collect and provide data on groups of individuals and geographic areas served, including types of services to be furnished, estimated cost of providing comprehensive services on an average per user basis, types and nature of conditions and needs identified and treated, and such other information as the Secretary requires;

"(xi) provide for an advisory committee consisting of—

"(I) participants in the program,

"(II) individuals with expertise in furnishing services the program offers and in other aspects of child health and child development, and

"(III) representatives of the community in which the program will be located;

"(xii) describe plans for evaluating the impact of the project; and

"(xiii) include such additional assurances, including submitting necessary reports, as the Secretary may reasonably require.

"(d)(1)(A) The Secretary shall pay to eligible agencies having applications approved under subsections (b) and (c) the Federal share of the cost of the activities described in the application.

"(B) The Federal share shall be 80 percent for each fiscal year.

"(C) The non-Federal share of payments under this section may be in cash or in kind fairly evaluated, including equipment or services.

"(D) Payments under this section may be made in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

"(2) No planning grant to a single eligible agency may exceed $35,000.

"(e)(1) The Secretary shall, based on the projects assisted under this section, conduct or provide for, an evaluation of the success of projects authorized by this section.

"(2) Each eligible agency receiving a grant under this section shall furnish information requested by evaluators in order to carry out this section.

"(f) The Secretary may prepare and submit to the Congress a report on the evaluation required by this subsection not later than October 1, 1992, together with such recommendations, including recommendations for legislation, as the Secretary deems appropriate.

"(g)(1) There are authorized to be appropriated $25,000,000 for fiscal year 1989 and for each fiscal year ending prior to October 1, 1993, to carry out the provisions of this section.

"(2) Funds appropriated pursuant to subsection (a) of this section shall remain available for obligation and expenditure for one fiscal year succeeding the fiscal year for which the funds were appropriated.

"(h) As used in this section—

"(1) the term 'early intervention services' has the same meaning given that term by section 672(2) of the Education of the Handicapped Act;

"(2) the term 'eligible agency' means a Head Start agency, any community-based organization, and in addition includes an institution of higher education, a public hospital, a community development corporation, and any other public or private nonprofit agency or organization specializing in delivering social services to young children;

"(3) the term 'intensive and comprehensive supportive services' means—

"(A) in the case of infants and young children, services designed to enhance the physical, social, emotional, and intellectual development of such infants and children and which includes, but is not limited to, infant and child health services, including screening and referral; child care; early childhood development programs; early intervention services for children with, or at-risk of developmental delays, and nutritional services; and

"(B) in the case of parents and other family members, services designed to better enable parents and other family members to contribute to their child's healthy development and which includes, but is not limited to, prenatal care; education in infant and child development, health, nutrition, and parenting; referral to education, employment counseling and training as appropriate; and assistance in securing adequate income support, health care, nutritional assistance, and housing;

"(4) the term 'low income' means persons who are from families having incomes below the poverty line as determined in accordance with section 673(2) of the Community Services Block Grant Act;

"(5) the term 'local educational agency' has the same meaning given that term by section 198(a)(7) of the Elementary and Secondary Education Act of 1965; and

"(6) the term 'institution of higher education' has the same meaning given that term by section 1201(a) of the Higher Education Act of 1965.".

Redesignate title XI and sections 11001 through 11003 accordingly.

On page 301, line 5 strike "$330,000,000" and insert in lieu thereof "305,000,000"; on page 301, line 5, strike "$345,000,000" and insert in lieu thereof "$320,000,000"; on page 301, line 6 strike "$365,000,000" and insert in lieu thereof "$340,000,000"; on page 301, line 7 strike "$385,000,000" and insert in lieu thereof "$360,000,000"; on page 301, line 7, strike "$405,000,000" and insert in lieu thereof "$380,000,000."

Amend the table of contents accordingly.

Mr. KENNEDY. Mr. President, my amendment would add, S. 1542, the Comprehensive Child Development Centers Act of 1987 to the Robert T. Stafford Elementary and Secondary Education Improvement Act.

I have discussed this with the distinguished Senators from Rhode Island and Vermont and I am very grateful that they have agreed to support this amendment. Both were original cosponsors of this bill and I appreciate their continued interest.

This bill has been reported out of the Labor Committee unanimously and is based on several successful early intervention projects designed to improve the well-being of disadvantaged children.

We all know that the number of severely disadvantaged children in American society is increasing rapidly. According to some recent evidence:

Forty percent of the poor in America are children.

Twenty-four percent of all children live below the poverty line.

Nearly 60 percent of children born in 1984 will live with only one parent before age 18.

In some cities, half of the children born in 1984 will live in poverty before reaching the age of 18.

Children who grow up in poverty often spend their adult lives in poverty as well. For policymakers the choice is clear—either ameliorate the effects of poverty for those who are born into it, or deal with the consequences when they are adult.

There is growing evidence that money invested in prevention programs pays an excellent dividend.

A study of the landmark Perry preschool project conducted by the High/Scope Education Foundation concluded that the economic returns of such programs outweighed costs by a 6 to 1 ratio. Other studies done by the Yale Child Welfare Research Program, the Clinical Infant Development Program, the Brookline early education project and the Frank Porter Graham Child Development Center at the University of North Carolina carry the same message: money spent on high quality programs for at-risk children is a smart cost-effective investment.

This bill will launch a multiyear project to encourage intensive and comprehensive support services for these children. The goal is to prevent educational failure by addressing the medical, psychological, institutional, and social needs of infants and young children.

Early intervention projects for poor children are not new. For several years the Department of Health and Human Services operated family resource centers and parent child centers as part of the Head Start Program that embodied some of the elements of this project. A large number of private sector ventures supporting early intervention programs have also been undertaken.

More recently, the Beethoven project in the Robert Taylor homes in Chicago also provides early intervention services to disadvantaged children. Like the Beethoven initiative, the projects funded through this program will emphasize projects that begin early—with prenatal care—are continuous—until children enter kindergarten—and offer a comprehensive array of services. Those are the key words: early, continuous, and comprehensive.

The child development centers will provide a wide range of social services to very poor children. The type of services to be offered will be defined by local needs, but will include: prenatal care, health services, infant screening, community information sharing, home visitors, health referrals, poverty education, day care, family support services, and preschool programs.

The projects will provide some new services not currently available to the target population but they will also coordinate and expand existing health, nutrition, education and child care services.

Proposed projects must give evidence that they have clear and strong connections in the local community. The projects must also raise matching funds—20 percent of their budget must come from non-Federal sources.

To help local organizations prepare proposals, eligible agencies may request a planning grant.

Mr. President, as I noted earlier, this bill has been carefully reviewed by the Labor Committee and was reported unanimously. I believe it is a very desirable addition to the Robert T. Stafford Elementary and Secondary Education Improvement Act because it will concentrate resources on children at a very early age and thus help them enter the educational system at the same academic level as their more advantaged peers. This will help pave the way for their educational growth and success. I feel very strongly about the merits of this proposal and I urge my colleagues to support it as well.

As I have indicated, this proposal has broad support. It is consistent with both the letter and the spirit of the legislation. The Labor Committee has given it thorough consideration. And I would hope that the amendment would be accepted.

I wish to again thank the chairman and ranking minority member of the subcommittee for their willingness to accept this amendment.

Mr. HARKIN. Mr. President, I am pleased to join with Senator KENNEDY in support of his amendment adding the Comprehensive Child Development Center Act. The goal of the amendment is the prevention of educational failure by infants and children born into poverty by addressing as early in their lives as possible their developmental, as well as their health, emotional, nutritional, and social needs through intensive, comprehensive, integrated, and continuous supportive services.

Projects funded under the amendment must ensure that intervention begins as early as possible in the infants life; involves the whole family; provides comprehensive services to address a wide range of needs; and provides continuous services from birth to the age of compulsory school attendance.

The amendment is modeled in good part after a private sector program in Chicago, the Beethoven project. There, children living in the Robert Taylor Homes which comprise the catchment area for the Beethoven Elementary School, will receive the sort of comprehensive services we hope will preclude the occurrence later in life of more intractable problems.

Services provided will include pre and postnatal care, general health care, infant screening, a family drop-in center, community information sharing and public education, home visitors, referrals, home day care, Head Start, and a program of collaboration among existing State and local social service efforts. The Beethoven project is really one of a kind. It is the only effort I know of to ensure that every child entering kindergarten at a specific school will be fully prepared to take full advantage of their education.

Children of the Beethoven Elementary School neighborhood have been lucky in one respect—they have found benefactors. Irving Harris, a Chicago businessman, and his son, Bill Harris, founder of Kids Project and a friend of mine, have devoted their time and the necessary resources to that project to make it really work. Their efforts on behalf of the Beethoven kids are meritorious.

But too many such children in this country grow up in truly crushing circumstances with no Irving or Bill Harris around to offer them a chance out. This bill extends what Irvin and Bill Harris have started and will offer youngsters across the country the opportunity to develop to their full potential.

I am particularly pleased that the amendment includes several of my suggestions, particularly my suggestion that the bill be targeted on rural as well as urban areas. It is congressional intent that a reasonable number of centers funded under this amendment will be located in rural communities.

Last year Congress took a significant step forward toward enhancing the development of handicapped infants and toddlers when it passed Public Law 99-457 under which the Secretary of Education provides financial assistance to States to develop and implement a statewide, comprehensive, coordinated, multidisciplinary, interagency program of early intervention services for handicapped infants and toddlers and their families.

It is my hope that Congress will now accept the amendment adding the Comprehensive Child Development Centers as an expression of Congress' recognition of the importance of developing comprehensive approaches to meeting the needs of infants and young children born into poverty. I believe that these projects will demonstrate that the earlier intervention is started, the higher the rate of educational attainment of these children and the greater the ultimate dollar savings to our society in the form of reduced dependency.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. There has been considerable discussion of this amendment between the Senator from Massachusetts, the Senator from Vermont, and myself. And in view of the fact it is budget neutral in its effect on the total cost of the bill, I believe we should accept it.

Mr. STAFFORD. Mr. President, I have listened to the able Senator from Massachusetts with respect to this amendment, and the changes from the original amendment which have made it budget neutral. On that basis, because it is commendable legislation, I am prepared to accept it for the minority.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Massachusetts [Mr. KENNEDY].

The amendment (No. 1206) was agreed to.

Mr. KENNEDY. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KENNEDY. Mr. President, I wish to thank the chairman of the committee and the ranking minority member. They have been enormously responsive, and I appreciate their consideration on this amendment.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, first of all, I want to say how delighted I am that the name of this bill is the Robert T. Stafford Elementary and Secondary Education Improvement Act. No piece of legislation could be more fittingly named than to bear the name of the distinguished senior Senator from Vermont, who has worked so long in connection not only with educational matters, but also in connection with aid to the handicapped, and, of course, he is particularly on the committee on which we both serve, the Environment and Public Works Committee, where he has been a leading environmentalist for so many years. He was the distinguished chairman of that committee for 6 years, and the ranking member for many years in addition to that.

So I think it is so fitting that the committee has chosen to name this piece of legislation after my good friend, the distinguished senior Senator from Vermont.

Mr. President, I wish to commend Senators PELL and STAFFORD for their excellent work on the bill before us today. Faced with the challenge of reauthorizing our major problems in education, those that involve Federal aid, they and their fellow members of the committee have responded swiftly and with their customary commitment to excellence in education.

This bill renews and updates our major education programs including chapters 1 and 2 which are cornerstones of Federal aid to elementary and secondary schools—and also the Bilingual Education Program, magnet schools, and the math and science programs.

Upon this solid frame rest a number of exciting and innovative features which hold real promise—in other words, they have reached out and sought some new ideas on this legislation—such as new pilot programs in dropout prevention, gifted and talented education, and school-to-home learning.

I am particularly pleased that this latter category includes the provisions of legislation I sponsored here in the Senate, the Even Start Act, S. 1585. The purpose of the Even Start Act is to break the all-too-common pattern in which illiteracy is handed from one generation to the next. It would do this by providing funds for literacy projects specifically targeted at nonreading parents and their preschool-aged children.

The bill before us today authorizes $25 million for even start programs in the first year, gradually increasing that authorization to $30.5 million in the fifth year.

We all recognize that that is a very modest sum of money. Even Start provisions, sponsored by Representative GOODLING of Pennsylvania, are also part of the House companion measure.

The Even Start Program is premised upon the sad but unavoidable fact that the children of nonreaders tend to grow up to be nonreaders as well. A youngster who reads well usually comes from a home where there are readers, where reading is encouraged, where the parents believe in it. On the other hand, when a youngster comes from a family where there is no reading, where the TV is on constantly, where there are no books, and the parents do not know how to read, that child is going to grow up to be a nonreader. These youngsters enter school at a distinct disadvantage in comparison to children from reading households, and fall still further behind as their school years progress. Their parents are at a loss to offer even the most basic help—much less to get actively involved in their child's schooling. There is nothing more tragic than to see a child's mother come to school, unable to help her child in any way.

The projects authorized in this bill will give these parents help, and give their children an even start at school—an even start on literacy. I am grateful to Senators PELL and STAFFORD for their receptiveness to their even start concept, and their help in bringing it to Senate passage.

Mr. President, there is little disagreement in this body that high-quality education is critical to our future prosperity as a nation.

Just recently, Work Force 2000, a report commissioned by the Department of Education, came out. What did that report say? It said that the future of our Nation—our prosperity, our competitiveness, our ability to produce and maintain our standard of living—is absolutely dependent upon the education of our citizens. As we go into the latter part of this century and the first years of the next century, the average worker is going to change jobs three times in his career. In order to do this, he must be adaptable. He must know how to read. He must have concepts to be able to figure and calculate. All of this is education. Absent that, that individual is not going to be able to earn his or her living.

We all know that there must be better education, but the specifics are where we get tangled up and the disagreements arise.

I should like to recognize the managers of this legislation for their skill and vision in bringing about this very healthy debate and in steering this bill to Senate passage. I am confident that it will receive, and certainly it deserves to receive, the resounding support of the Senate.

Mr. President, I encourage my colleagues to support this legislation. I do not know what the House is doing, but I hope that the bill that emerges from the conference will be basically similar to that which has been produced on the Senate floor.

Mr. STAFFORD. Mr. President, first, I want to thank the very able Senator from Rhode Island for his very kind words. It has been a great pleasure over the years to work with him on environmental matters. He has been one of the key players in all the environmental legislation that the Senate has produced over at least the last 8 years. Because I value his friendship highly, I appreciate what he has said this afternoon.

Mr. President, I ask unanimous consent that the names of Senator CHAFEE, Senator HATFIELD, and Senator HEINZ be added as cosponsors of the original legislation, S. 373.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PELL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1207

(Purpose: To provide for fairness in the National Vocational Education Center procurement)

Mr. METZENBAUM. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] proposes an amendment numbered 1207.

Mr. METZENBAUM. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, add the following new section:

"Procurement Process Requirement.

(a) GENERAL AUTHORITY.—The Secretary is directed to cease in further action regarding the grant procurement process for a National Center for Research in Vocational Education as established pursuant to Section 404 of Public Law 98-524, until such time as the Comptroller General of the United States has completed a review of the procurement process. Further, the Secretary is directed to ensure that the status quo of the current National Center is maintained until such time that the Comptroller General's review is completed and reviewed by the Senate Committee on Labor and Human Resources and the House Committee on Education and Labor.

(b) EFFECTIVE DATE.—The requirements made by subsection (a) of this section shall take effect November 30, 1987."

Mr. METZENBAUM. Mr. President, the Department of Education is in the process of selecting a winner in the recent competition to name a national center for research in vocational education as established by section 404 of Public Law 98-524. Representatives HAWKINS and GOODLING, Chairman and ranking minority member of the House Subcommittee on Elementary, Secordary and Vocational Education, recently asked the Secretary of Education to provide their subcommittee with information and documentation on the procedures utilized in the pending grant award decision process.

A review of the documentation provided by the Department indicates grounds for concern about the Department's decision-making process. Because of the size of this grant, and its importance to the field of vocational education, it is important that the award be perceived as a fair and objective process.

My amendment would ensure this by requiring the Secertary to cease further action on the grant procurement process for a national center until such time as GAO has completed a review of the procurement process and the appropriate congressional committees have reviewed the GAO report.

It is my understanding that this amendment is acceptable to the managers of the bill. At least I hope that it is.

The PRESIDING OFFICER. Is there further debate on the amendment? The Senator from Rhode Island.

Mr. PELL. Mr. President, I understand the arguments of the Senator from Ohio. I think he has a point here. My concern is that this would be a bit of micromanagement, but I think on balance it is a good amendment and I would recommend it be accepted on our side.

The PRESIDING OFFICER. The Senator from Vermont.

Mr. STAFFORD. My sentiments are precisely those of the manager for the majority, Senator PELL. I am taken a little bit by surprise by this amendment, but I have had a chance to review it and I am agreeable to its going to conference. I accept it.

The PRESIDING OFFICER. Is there further debate on the amendment? The Senator from Ohio?

Mr. METZENBAUM. Just to say I appreciate the cooperation of the managers of the bill. I also want to commend the managers of the bill on the excellent piece of legislation that they are handling on the floor. I consider it a major step forward in this entire area. I am very pleased that this amendment is acceptable to them.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. PELL. I thank the Senator from Ohio for his kind words and am pleased to say we approve the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendment (No. 1207) was agreed to.

Mr. METZENBAUM. I move to reconsider the vote by which the amendment was agreed to.

Mr. PELL. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROCKEFELLER. I rise in support of this legislation, so aptly named after one of our Nation's true leaders in education. Generations to come will benefit from the tremendous work that Senator STAFFORD and the distinguished chairman of the education subcommittee, Senator PELL, put into the Elementary and Secondary Education Improvement Act.

The recent wrenches in our economy have sobered us about America's place in the world and its future. On many fronts, we have got to take tough action.

One of the keys to ensuring our country's future is education. As this legislation recognizes, the United States has not invested enough in its children and has not kept up with the demands of today's technological and complex world. Meanwhile, Japan, Korea, and many of our other competitors have devoted more resources and more commitment to their education systems—outdoing us in literacy rates, math and science skills, high school graduates, engineering degrees, foreign languages, and computer skills. Are these not obvious reasons for their economic success?

This legislation recognizes the stakes involved. We have to start earlier, make sure all children acquire critical basic skills, and respond with new initiatives and imagination to prepare our younger generation for the future. As a recent study released by the Department of Labor warns, "the jobs of tomorrow demand much higher skill levels than the jobs of today. Very few new jobs will be created for those who cannot read, follow directions, and use mathematics."

I commend everyone involved in preparing the Education Improvement Act. Throughout the legislation, changes are proposed to respond directly to flaws in our current education programs and to target the needs of children and adults, who because of reasons such as income or language, are at risk of being poorly educated and unable to contribute as productive members and workers of society.

When I travel to schools in my State, and visit with teachers, parents, and community leaders throughout West Virginia, I hear about and see the same needs that were brought to Congress' attention in considering this legislation. Parents must become more involved—in reading, in homework, in motivating their kids to do their best. More resources have to be targeted to at-risk students, to rural communities, and to areas with large concentrations of poverty. Programs have to be expanded to assist adults who desperately need education and training to become productively employed.

I am especially pleased that this legislation contains a section to provide "workplace literacy grants," based on a bill I introduced earlier in the year with Senator CHILES. This will expand the Adult Education Act so that literacy programs can serve more of our workers who are unable to read, communicate effectively, or perform even the most basic arithmetic.

I represent a State where these problems are especially severe. Over 600,000 adult West Virginians don't have a high school diploma. Study after study shows that these are the men and women who make lower wages and are in danger of losing their jobs as employers adapt to a changing marketplace and require higher skills from their labor force.

The "workplace literacy" grants authorized in S. 373 will distribute funds to support partnerships between businesses, labor unions, volunteer literacy groups, and schools. The objective is to target workers who needs to catch up in reading and other skills and who want to be part of, and not left out of, a work force that is diversifying and involving more and more technology.

This legislation reauthorizes many important programs and renews our own commitment to the Federal role in education. It is time to invest more and invest more wisely in education. In order to sustain a healthy economy and a strong nation, we must achieve excellence in our schools and train our future work force.

Mr. STAFFORD. Mr. President, we would like the RECORD to show that Senator HELMS had intended to offer a second amendment to the bill this afternoon, but that he is fully tied up in a meeting of the Committee on Foreign Relations and unable to leave that meeting. As a consequence, he will not offer the amendment to this bill, but he does plan to offer it on another piece of legislation at some early future time.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

AMENDMENT NO. 1208

(Purpose: To increase the authorization for Impact Aid)

AMENDMENT NO. 1209

(Purpose: To provide $4,000,000 in educational and training assistance for persons with disabilities)

Mr. HATCH. Mr. President, I send two amendments to the desk and ask that they be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments will be considered en bloc. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Utah [Mr. HATCH] proposes amendments numbered 1208 and 1209.

Mr. HATCH. Mr. President, I ask unanimous consent that further reading of the amendments be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments are as follows:

AMENDMENT NO. 1208

On page 262, line 7, strike out "$800,000,000" and insert in lieu thereof "$821,000,000".

On page 262, line 8, strike out "$840,000,000" and insert in lieu thereof "$865,000,000".

On page 262, line 8, strike out "$880,000,000" and insert in lieu thereof "$905,000,000".

On page 262, line 9, strike out "$925,000,000" and insert in lieu thereof "$950,000,000".

On page 262, line 10, strike out "$970,000,000" and insert in lieu thereof "$995,000,000".

And, at the appropriate place in Sec. 203; reduce the authorizations for math-science: in fiscal 1989 to $280 million; in fiscal 1990 to $295 million; in fiscal 1991 to $315 million; in fiscal 1992 to $335 million; in fiscal 1993 to $355 million.

AMENDMENT NO. 1209

On page 439, between lines 17 and 18, insert the following new title:

TITLE XI—SPECIAL GRANT FOR EDUCATION AND TRAINING FOR INDIVIDUALS WITH DISABILITIES

SEC. 11001. PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—(1) The Secretary is authorized to make a grant to the State of Utah to carry out educational and training programs and activities for individuals with disabilities.

(2) No grant may be made under this title unless an application is submitted to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

(b) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated $4,000,000 for the fiscal year 1988 to carry out the provisions of this section.

On page 439, line 18, strike out "TITLE XI" and insert in lieu thereof "TITLE XII".

On page 439, line 19, strike out "SEC. 11001." and insert in lieu thereof "SEC. 12001.".

On page 439, line 23, strike out "SEC. 11002." and insert in lieu thereof "SEC. 12002.".

On page 440, line 4, strike out "SEC. 11003." and insert in lieu thereof "SEC. 12003.".

Mr. HATCH. Mr. President, it is my understanding that the managers of the bill will accept this amendment. Therefore, I urge its adoption.

Mr. PELL. Mr. President, this is a good amendment and I recommend its adoption.

Mr. STAFFORD. Mr. President, there has been widespread discussion concerning this amendment. We have saved the Senate a lot of time by getting it done off the floor. It is now in acceptable form. The minority is ready to accept the amendment.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment.

The amendments (No. 1208 and No. 1209) were agreed to.

Mr. HATCH. Mr. President, I move to reconsider the vote by which the amendments were agreed to.

Mr. PELL. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HATCH. Mr. President, I want to compliment both of my colleagues, Senators PELL and STAFFORD, for the excellent leadership they have provided through all the years they have worked together on educational legislation for this country. I do not know of any issue in the Labor and Human Resources Committee which through the years, has had more bipartisan effort than the work on the Education Subcommittee which has been headed at one time or another by either of these two wonderful Senators.

In particular, I want again to mention, as I did earlier in the debate in my opening statement, that I think this particular bill is very appropriately named the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987. I think Senator STAFFORD, who will retire at the end of next year, deserves the adulation and good feelings of everybody in America for the bipartisan and effective way that he, along with the equally distinguished Senator from Rhode Island, Senator PELL, has worked on these issues, in particular elementary and secondary education issues.

I cannot imagine a more appropriate title for this bill, S. 373, than to name it after our distinguished colleague from Vermont. He deserves this recognition. This important bill memorializes his efforts. I am proud that this appellation was unanimously agreed to by everybody on our committee, Democrats and Republicans, as a recognition for his very extensive services to our country and in particular to the committee through these many years.

I want to add my note of fond affection for him and what he has done, and any equally fond affection for the distinguished Senator from Rhode Island. With that I will yield the floor.

Mr. STAFFORD. Mr. President, I just want to tell the very able Senator who has just spoken how much I appreciate his words. It has been a pleasure over at least 12 years to have worked with him on the Committee on Labor and Human Resources. I have served with him when he was both chairman and ranking member. Because I value his friendship so much and admire his record so greatly, I am doubly appreciative of what he has said.

Mr. PELL. Mr. President, I ask unanimous consent that statements regarding this legislation by Senators may be inserted in the RECORD.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. PELL. Mr. President, I know of no other amendments to the bill.

Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER.** The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. STAFFORD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. STAFFORD. Mr. President, I further ask unanimous consent that action on amendment No. 1208 be in order notwithstanding the fact that it amends language previously amended.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. STAFFORD. I thank the Chair.

The **PRESIDING OFFICER.** The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment, as amended, was agreed to.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. DIXON. Mr. President, I rise today to express my support for S. 373, the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987. It consolidates elementary and secondary education programs and the adult education program. It also provides reauthorization for these programs through fiscal year 1993.

I am pleased that S. 373 reauthorizes the chapter 2 block grant, math and science, magnet schools, bilingual education, adult education, and impact aid programs.

I am especially pleased that S. 373 reauthorizes the chapter 1 program which has proven to be one of our most successful Federal education programs. It provides financial assistance to local educational agencies to meet special educational needs for disadvantaged children. Overall, disadvantaged students who have participated in the chapter 1 program have become more self-sufficient and, therefore, better taxpayers.

Although results from studies have shown the importance and success of the chapter 1 program, it is unfortunate that for the past 10 years, from 35 to 41 percent of those students who are educationally disadvantaged and living in an eligible attendance area did not receive chapter 1 services because of insufficient Federal funds and the policy that the most needy be served in a meaningful fashion.

In my own State of Illinois, there are 342,000 chapter 1 participating students. However, we still have far too many students who are not being served due to the lack of funds.

I complement the committee for providing a check-and-balance policy for recipients of the chapter 1 program. After receiving funds for 1 year, local educational agencies must now show student achievement gains or develop an improvement plan.

I believe that the committee showed wisdom in not changing the chapter 1 formula in such a way that some 14 small States would have greatly benefited at the expense of my own State of Illinois and the remaining 35 larger States. We must continue to send chapter 1 funds where the greatest concentration of needy students exist.

S. 373 creates some new innovative education programs, including: First, a program for the instruction and identification of gifted and talented students; and second, a 3-year demonstration grant program to find ways to prevent students from dropping out of school, and to encourage students who have dropped out to return and finish school.

Mr. President, I'd also like to commend the Labor and Human Resources Committee for having named this act, the ROBERT T. STAFFORD Elementary and Secondary Education Improvement Act of 1987, after our dear friend and colleague, Senator STAFFORD. As ranking member and former chairman of the committee, Mr. STAFFORD has spent much of his time and energy in this body working to improve our Federal education programs. I think that this is a wise tribute to our respected colleague who will retire from this body next year.

Mr. President, I urge my colleagues to approve S. 373.

Mr. SHELBY. Mr. President, I would like to speak briefly about the need for the legislation before us today, S. 373, which would reauthorize elementary and secondary education programs through 1993. This legislation would provide Federal assistance programs to school systems attempting to meet the educational needs of disadvantaged children wherever they are—in poor rural communities, or large urban centers with high concentrations of unemployed and unskilled workers, or in communities with large concentrations of migrant workers and their families living below the poverty level.

In 1986, the United States experienced the largest trade imbalance ever with its trading partners—$156 billion. This is frightening because in 1985, only 70 out of every 100 American students in public schools graduated from high school. This graduation rate is about the same rate that the country experienced in 1982—3 years earlier. In 1985, at least 15 States, including Alabama, had graduation rates below the national average. In the same year in Alabama, only 63 percent of the ninth grade students enrolled in public schools later graduated from high school.

When we look at graduation rates for large cities, the picture is even more bleak. For example, in Washington, DC, in 1985, almost half of the students in the public school system failed to graduate from high school. In Chicago in 1984, a majority of the students enrolled in public schools failed to graduate from high school. Of those who graduated, only 1 in 3 could read at the 12th grade level.

I share this data to emphasize three obvious points. First, our economy is not very healthy at the present time. Second, while the number of Americans without a basic education is increasing in some communities, the jobs generally available to these Americans are decreasing because of cheaper imports. Third, the future competitive position of the United States is dependent to a large extent on the quality of our educational system. A better educated work force is likely to result in the development of more advanced technologies, smarter managers who can manage people more effectively, and skilled workers who can produce goods and services more efficiently.

I believe that if the United States is to regain its competitive position in the world economy, we must raise by quantum leaps the quality of our elementary and secondary educational systems. We simply can not expect industry productivity to increase if Johnny can't read. Moreover, we cannot take comfort in the fact that Johnny does not live in our community and does not attend the same school that our children attend. Whether Johnny lives in Newark, NJ, the South Bronx in New York City, or Birmingham, AL, his inability to read affects us all. If there are no unskilled jobs available for Johnny, he and perhaps his family must be supported through public assistance provided by our tax dollars. At the same time, our trading partners continue to sell to us more goods and services than we sell to them.

This country can no longer tolerate educational systems which fail to meet the basic needs of so many Americans. The bill before us today, represents a modest but important investment in our greatest asset—the children of America. Because the needs which this bill addresses are so great, I wanted to take this opportunity to express my support for this legislation and to urge strongly that my distinguished colleagues also vote for the bill.

Mr. SASSER. Mr. President, I rise today in support of the Elementary and Secondary Education Improvement Act of 1987. As has been noted, this bill is truly comprehensive in scope.

This legislation addresses a wide array of educational programs. While S. 373 initially began as simply a reauthorization for chapters 1 and 2 of the Education Consolidation and Improvement Act through fiscal year 1993, the bill has become all encompassing. It includes authorization for such vitally important programs as impact aid, vocational education, and magnet and star schools. As well, new programs to address rural education needs and dropout prevention are included in the legislation.

Mr. President, all the sections in this measure are important. However, I would like to address what I see as the most important group of programs. And I refer to these as a group of programs because I feel that they are linked by the individuals which they address.

From elementary education through adult literacy programs, this bill seeks to improve the quality and availability of education for those in low- and middle-income groups and the educationally disadvantaged. Specifically, reauthorization of chapter 1 funding addresses the needs of areas of the country with high concentrations of low-income individuals. These areas often lack the tax base which is necessary to provide quality education. Such assistance is important in my home State of Tennessee, where we have many rural areas which depend on Federal assistance to supplant educational funding needs.

These rural areas will also begin to receive assistance from 10 newly established centers for rural education opportunities. These centers will provide assistance to States in improving education in largely rural areas with high concentrations of low-income families. These centers will help to establish a broad base of quality education throughout the country. A base which will be necessary if America is to continue as a leading nation in the world.

Reauthorization of chapter 2 funding will continue our efforts to improve the basic skills learned in our elementary and secondary schools around the country. The significance of students having a strong background in the basics of education cannot be underestimated. These basics will be necessary throughout their lifetime and especially in their daily working relationships.

The authorization of dropout prevention programs and demonstration projects in this legislation also receives my ardent support. Providing quality education is only a step in educating our children. We need to work toward ensuring that all of our children are completing their secondary education. The dropout prevention program works toward keeping children in school, as well as encouraging reentry of those who have left school before graduation.

Finally, the bill addresses adult and vocational education. For those not moving on to higher education, these vocational education programs provide technical job skills. This measure helps to ensure that our work force will remain competent and well prepared.

The bill also addresses the problem of adult illiteracy, one of the continuing tragedies in this country. Mr. President, the illiteracy rate in this country is unfortunately on the rise. Illiteracy undermines the effectiveness of all aspects of our economy and society. This is a problem that we simply cannot tolerate. We must continue to support adult literacy programs and work toward 100-percent literacy in the United States in the near future.

Mr. President, this bill provides for continuous efforts to provide a quality education for all Americans. It is imperative that we have strong, basic education programs for all individuals in the country. No individual should be denied a quality elementary and secondary education because of economic difficulty. Furthermore, we must ensure that children are remaining in school and completing their secondary education.

These efforts will certainly pay off in the future. A strong basic education will help eliminate the problems of illiteracy and an unprepared work force. Goals which I believe my colleagues will agree should be uppermost in America.

Mr. President, I strongly support this legislation, and I thank my colleagues on the committee for their efforts in bringing this bill together. I yield the floor.

Mr. LAUTENBERG. Mr. President, I rise today to speak in strong support of S. 373, the Robert T. Stafford Elementary and Secondary Education Improvement Act. This omnibus bill reauthorizes the major Federal programs for elementary and secondary education. It reaffirms the commitment of the Federal Government to policies of access and equity for all students, assistance in fields of national priority, and improvement of quality. While the Federal Government can not and should not provide a major share of the funding necessary for this Nation's vast school system, it can very properly offer assistance for special, national concerns. In the more than 20 years since the Elementary and Secondary Education Act of 1965 became the law of the land, millions of children have benefited from programs that meet their special needs. The other Federal education programs have similarly played a necessary role for our children.

It is fitting that this legislation is named for my good friend and colleague, the senior Senator from Vermont, Senator STAFFORD. Senator STAFFORD has served as chairman and also ranking minority member of the Education Subcommittee of the Labor and Human Resources Committee. He has provided wise and measured leadership to the education community. Senator STAFFORD will be sorely missed when he retires at the end of the 100th Congress.

This bill reauthorizes the chapter I, compensatory education program for disadvantaged students; chapter II, block grants to the States; magnet schools assistance; impact aid; adult education; education for economic security; bilingual education; Women's Educational Equity Act; Allen J. Ellender Fellowship Program; and assistance for U.S. territories. In addition, this measure creates several new programs. Starting in 1989, the authorization for all the reauthorized and new programs will be $15.5 billion.

I am particularly pleased that two bills that I have introduced have formed the basis for two of the new programs authorized in S. 373. Under the rubric of special programs for innovation in education, the committee has authorized programs for computer based instruction and youth suicide prevention. The computer education program will provide grants to school districts for the purchase or leasing of computer software, purchase of software, and teacher training. Applicants for this funding must prepare plans for the inclusion of computer education in the school curriculum. Teacher training may be provided through cooperative agreements with the National Science Foundation and public and private educational and scientific organizations.

In my first speech on the floor of the Senate, I discussed the impact of the information age on our society. I called for a program to help schools take advantage of the power and flexibility that computers offer. This summer the Education Subcommittee held a hearing on my proposal. Children from Newark, NJ, and Hartford, CT, came before the subcommittee and demonstrated some of the ways that computers can be used by students. The testimony clearly demonstrated the need for Federal leadership and assistance in this field. The committee recognized this need and has included the major elements of my bill, S. 838, in the bill before us today.

Earlier this year, the country was shocked to hear about the suicides four teenagers in Bergenfield, NJ. I was surprised to discover that there was little being done by the Federal Government to help communities deal with suicide prevention. Consequently, I introduced S. 1199, the Youth Suicide Prevention Act. Among the provisions in S. 1199 was an authorization for a demonstration program of grants to communities that wanted to develop suicide prevention programs. The committee has recognized the need for such programs and has authorized demonstrations. The program would be developed under the guidance of the Alcohol, Drug Abuse, and Mental Health Administration in the Department of Health and Human Services.

Much of the public discussion on education in recent years has focused on what is wrong with it. But, a fair evaluation of our education system would show much that is right. The Robert T. Stafford Elementary and Secondary Education Act serves to underscore that point. The programs being reauthorized have been fine-tuned, but they are unchanged in their essential points. Despite the budget constraints that affect all Federal programs these days, the committee recognized the need to put some new programs on the books. These include computer education and suicide prevention, but also programs for gifted and talented, parent involvement, compensatory programs for preschool children, and so on. By establishing these new programs, Congress will be saying that these issues are important for the schools to address, with Federal assistance if possible, but with their own resources if necessary.

Mr. President, there is no more important domestic program than education. If our country is to continue to be strong, to be a world leader, we must prepare the next generation to play the role this country has had for most of this century. I believe that S. 373 is a vital step in that direction.

Mr. KARNES. Mr. President, the National Advisory Council on Women's Educational Programs is being eliminated in this legislation. The Council presently has a study under way which is nearing completion. It is a study of what works in educational equity and would help Congress set policy with respect to women's programs.

I am concerned that the Council may be abolished before the study can be completed and disseminated. I would like to ask the managers of the bill if it is their understanding that the Council will be able to oversee the completion of this study and its dissemination before it is abolished?

Mr. STAFFORD. Senator PELL and I do not expect to take this bill to conference until January. It is therefore our understanding that this gives the Council time to complete, print and disseminate their study.

Mr. WILSON. Mr. President, I am proud to join my colleagues in cosponsoring and supporting the passage of S. 373, the omnibus reauthorization measure for Federal elementary and secondary education programs. This legislation is critical to the education of our Nation's children, and the subcommittee should be applauded for taking action on this important matter.

I am particularly grateful for the willingness of the chairman, Senator PELL, and the ranking member, Senator STAFFORD, after whom this legislation is so appropriately named, to revise one troubling provision originally contained within S. 373. If left unchanged, this provision would have seriously impaired the State of California's ability to educate disadvantaged youth under the chapter 1 program.

Briefly, Mr. President, the committee had originally adopted a provision which would have significantly altered the basic grant formula by eliminating the AFDC count for the purposes of determining chapter 1 eligibility. This action would have resulted in a revenue loss of over $30 million in basic grant funds and concentration grant money to the State of California, placing the State's aggregate amount of chapter 1 funding below present levels.

Quite simply, by reducing chapter 1 funds to California at a time when the demand for these funds is growing exponentially—especially with the enactment of the recent immigration reform law—over 85,000 disadvantaged youth would have been denied the opportunity for a well-rounded education.

From my understanding, the committee amendment before the Senate today reinstates the AFDC count in the chapter 1 basic grant formula through fiscal year 1991. At that time, the General Accounting Office is expected to complete a study to determine the validity and uniformity of using AFDC data as a factor in the chapter 1 count of children. If this study proves the AFDC data to be valid, as well as illustrates the reasonable uniformity of eligibility criteria among States—and, I fully anticipate that it will—the committee will reauthorize the counting of children in AFDC families for an additional 2 years.

I am pleased that we were able to reach an agreement with the chairman and the ranking member on this issue. I also wish to express my gratitude to the staff of the subcommittee for their assistance on this matter, as well as those individuals associated with the California State Department of Education who gathered the necessary data.

In conclusion, Mr. President, S. 373 reauthorizes all major Federal elementary and secondary education programs, including the chapter 1 and chapter 2 programs, adult education, impact aid, bilingual education and the Magnet Schools Program. The legislation also contains $330 million for math and science education grants and would create a substantial dropout prevention program. Stressing the importance of the continuance of chapter 1 programs beyond the elementary level, S. 373 would significantly expand our present efforts at the secondary level as well.

In essence, the reauthorization measure before us, if enacted, would demonstrate our unwavering commitment to the education of our Nation's youth, and, therefore, I would urge its immediate adoption. Thank you.

Mr. KENNEDY. Mr. President, I want to take this opportunity to commend all the staff members of the committee who worked long and hard to work out a strong bipartisan bill.

Amanda Broun, Terry Hartle, and Shirley Sagawa of my own staff have worked tirelessly and excellently to make this a good bill and to improve the lives of America's students. But I am proud of the hard work of the entire committee staff, including David Evans, Ann Young, Sarah Flanagan, Rich Tarplin, Cheryl Birdsall, Charlotte Hayes, Cora Yamamoto, Buddy Blakey, Judy White, Alyce Katayama, Pat Fahy, Phil Sharpe, Bobby Silverstein, Lynn Cook, Ellin Nolan, Liz Hackett, Bobby Dunn, Anne Cherry, Kerk Spong, Betsy Brand, and Terry Muilenburg.

In particular, I think Ellin Nolan deserves congratulations as a worthy successor to Polly Gault who for years ably assisted and advised the committee in making education policy.

Finally, it has been said for years, and it is true today, that good education policy in the Senate would not take place without the hard work of the firm of Pell and Stafford. But there is a senior partner in that firm whose hard work makes him a special asset to the Senate, and that person is David Evans for his contributions to this bill and to education in general.

Mr. THURMOND. Mr. President, I am pleased to support this measure reauthorizing our Federal elementary and secondary education programs. I commend Senator PELL and Senator STAFFORD for their leadership in this area at the committee level, as well as on the floor.

There is no question that we are greatly challenged by increased economic competition from abroad. The emergence of a global economy is forcing America to make adjustments to remain competitive.

This is a challenge that we must face, but I am confident that it is a challenge that we can meet. The fate of this Nation in such a competition rests squarely on the groundwork we lay in this Congress to prepare to do battle. In that regard, education will be on the frontline of our defense.

Thomas Jefferson wrote in 1786 that "By far the most important bill in our whole code is that for the diffusion of knowledge among the people. No other surer foundation can be devised for the preservation of freedom and happiness."

Providing for the education of Americans contributes to the enlightenment of our citizens, and the improvement of our Nation's commercial capacities. Strong schools secure a strong economy.

Mr. President, the major provisions of this act include reauthorizations of several programs which have served this Nation well, and make further needed improvements.

This bill reauthorizes chapter 1 of the Education Consolidation and Improvement Act of 1981, which is the principal Federal program for providing assistance to school districts in educating students from disadvantaged backgrounds. Chapter 1 was originally created by the Elementary and Secondary Education Act of 1965 (Pub. L. 89-10) and has served this Nation well since then. Improvements sought in chapter 1 under this initiative involve better targeting of funds to districts serving a high percentage of low-income students, and encouragement of more parental involvement.

Chapter 2 is also reauthorized. Chapter 2 is the State Block Grant Program supporting activities in the areas of basic skills instruction and educational improvement. I have received many good comments from South Carolina on the success of this program.

Mr. President, this legislation also authorizes a Gifted and Talented Student Program to assist local school districts in developing programs to fully challenge our youngsters demonstrating high academic aptitudes. I introduced similar legislation earlier this year with Senator DOLE, and I am pleased to see this measure contain such a program.

This bill also reauthorizes the Impact Aid Program. This program has been essential in assisting those school districts suffering a reduction in their property tax base because of the presence of federal facilities. I am very pleased to see this program renewed.

Mr. President, this legislation provides a strong foundation for strengthening our competitive position through a sound investment in education.

I am very pleased that this legislation is being named for the distinguished Senator from Vermont, my good friend Senator STAFFORD. He served ably as chairman of the Education Subcommittee and has sponsored many important matters to promote the education of our youth.

The Senate will greatly miss his presence when he retires at the end of his present term.

I urge my colleagues to support this measure.

Mr. WALLOP. Mr. President, today the Senate is considering legislation, which I have cosponsored, to reauthorize one of the two major Federal programs for educational assistance. In the 99th Congress, we reauthorized the Higher Education Act which provides loans and grants to students for post-secondary schools. At that time, I served on the Education Subcommittee, and I can assure my colleagues that enacting that reauthorization bill was a long, but fruitful activity.

Now, the Education Subcommittee has turned to the reauthorization of Federal assistance to elementary and secondary education. The bill is a major accomplishment for Chairman PELL, and particularly for Senator STAFFORD for whom the bill is named. This is an appropriate accolade for the Senator from Vermont who has been one of the major architects of Federal education legislation. I would also commend William Bennett, the Secretary of Education, for his work in putting together this complicated package.

This legislation builds on the reforms we enacted in 1981. At that time, the basic Federal elementary and secondary education assistance programs were reorganized as the chapters 1 and 2 programs. The centerpiece remains chapter 1, which provides Federal funds to assist local schools in the education of economically disadvantaged children. Chapter 2 is a program of block grants to State and local education agencies for a variety of services. The block grant concept is an important innovation in education funding which was proposed by President Reagan.

S. 373 brings a sense of coherence to our Federal education policy. Twenty Federal programs for elementary, secondary, and adult education are authorized through fiscal year 1993. This ominbus authorization brings together these education programs which had been on different authorization tracks. In the future, they will be considered at the same time.

The funding authorization levels in the bill reflect the fiscal realities of the 1980's. The education programs has been one area that has been hard hit by the deficit reduction efforts. The programs come under discretionary Federal spending, that is, Federal spending which has not been exempt from budget reconciliation and sequester activities. In fact, if the entire budget had been subject to the same funding restraint as education programs, we would not be worried about deficits today.

Other Senators have described the provisions of the bill in great detail. I would like to comment on several items. The chapter 1 concentration grants has a formula which ensures a floor on funding to each State. This minimum funding requirement is especially important to small population States such as Wyoming. We have had a difficult time convincing some Senators that small population States do have unique problems when it comes to deciding funding formulas for any Federal program. Wyoming happens to be the smallest State in population, but we are the seventh largest in terms of area. In my hometown of Big Horn, the class size for the elementary and high schools average less than 25 students. The students have to travel up to 15 or 20 miles one way to attend school. It is virtually impossible to achieve economies of scale in such situations. Our per pupil expenditures are high out of necessity.

Yet, the State has gone through a difficult economic period because of the downturn in the energy industry. As a result, next year, the account which funds Wyoming's schools is facing a deficit. This is just one of the incredible problems confronting small population States. It is also the reason why minimum funding levels is necessary.

Two other areas of concern are impact aid and bilingual education. Wyoming is a State with military installations, an Indian reservation, and extensive Federal land holdings in every county. The result is a greatly eroded local tax base. The Impact Aid Program is designed to ameliorate this problem, and deserves to be reauthorized. Last, the amendments to the bilingual education program reflect improvements which were proposed by legislation I sponsored earlier this year.

In conclusion, the Education Subcommittee has put together a good bill. The only improvement I can recommend at this time is stronger langauge to protect small population States' funding. I once again commend Secretary Bennett, Senator PELL, and Senator STAFFORD for their efforts in drafting this legislation.

YOUTH SUICIDE PREVENTION PROGRAMS

Mr. LAUTENBERG. I would like to commend the chairman of the Education Subcommittee for including in this bill a provision authorizing funds for youth suicide prevention programs. This is an issue that has greatly concerned me. Earlier this year, I introduced S. 1199, the Youth Suicide Prevention Act, which provided the basis for the provision in the bill we are considering today.

I would like to ask the distinguished chairmen of the Labor and Human Resources Committee and the Education Subcommittee to clarify a few points about this provision.

I was pleased to see that this provision calls for coordination and cooperation between the Department of Education and the Department of Health and Human Services' Alcohol, Drug Abuse, and Mental Health Administration. Although S. 1199 would place full responsibility for youth suicide prevention programs in the Department of Education, I have become convinced that mental health professionals need to be involved in this effort and have revised my proposal along these lines.

As I understand it, S. 373 calls for the Department of Education to make grants following the completion of guidelines for youth suicide prevention programs by ADAMHA. In addition, ADAMHA will be responsible for evaluating the grant proposals. This interdepartmental coordination will build on the strengths of both Departments.

Mr. PELL. In drafting this provision, the subcommittee built upon the Senator from New Jersey's bill. It is important that students with emotional problems be identified and reached in the schools where they are most likely to be found and by the school personnel who have the most contact with them. But it is also essential that these programs take into account the research and expertise of mental health professionals.

Mr. LAUTENBERG. ADAMHA's guidelines will be important to the success of the suicide prevention program. I would like to discuss with the chairman some of the elements that I think should be addressed in the guidelines.

Suicide prevention programs should be integrated with mental health services. Programs should do more than identify young people who are at risk for suicide; they must ensure adequate followup services. Programs should be soundly based on empirical knowledge. Much more research is needed on the roots of suicidal thoughts and behavior and the ways to change them. But, the existing findings of empirical research should form the foundation for new programs funded under this bill. All new programs should include an evaluation component to examine effectiveness and to provide guidance for the future.

Mr. PELL. I thank the Senator for his recommendations. I agree that these elements provide excellent guidance to ADAMHA. ADAMHA guidelines drafted along these lines will do much to assure a successful suicide prevention program.

Mr. KENNEDY. I am well aware of the initiative taken by the junior Senator from New Jersey on the growing problem of youth suicide. As the Senator indicated, more research is needed. Many of the experts agree that not enough is known about the causes of suicidal behavior and ways to help young people who are contemplating suicide, or who have other problems which might lead them to make an attempt on their own lives.

The ADAMHA reauthorization bill will include an authorization for clinical research demonstrations in youth suicide prevention, and I have worked closely with the Senator from New Jersey in developing this provision.

Mr. LAUTENBERG. I thank both gentlemen for their time. The problem of youth suicide is a troubling one. By approving the grant program in S. 373, we are saying that we hear the cries for help that are coming from many of our young people and that we are trying to help them. I look forward to working with both the Senator from Massachusetts and the Senator from Rhode Island to help these young people.

Mr. BRADLEY. Mr. President, I rise today to speak in support of S. 373, the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987. We could have selected no better way to honor the years of dedicated and effective leadership of our colleague from Vermont, Senator STAFFORD. His deep compassion for the special educational needs of disadvantaged children has again been evidenced during the long and complex process involved in bringing this legislation before us today. Senator PELL and all the members of the Senate Subcommittee on Education, Arts, and Humanities are to be commended for their throughtful effort.

The Federal Government has a relatively limited role in educating our children. Only about 6 percent of all of our education dollars come from Federal funds. What the Federal Government can and should do is to target those limited resources to help those children with special needs in the most effective way possible. And that is what I believe this reauthorization of chapter 1 of the education Consolidation and Improvement Act tries to do.

I am particularly pleased that three educational initiatives I have sought for a number of years are incorporated as part of this legislation:

The Secondary School Basic Skills Act,

The Family-School Partnership Act, and

The Jacob K. Javits Gifted and Talented Children and Youth Act.

Each of these initiatives is designed to secure for our Nation's children in need a more meaningful education, an education that will enable them to survive and prosper in our increasingly complex and interdependent world. As a people and a nation, we can make no wiser investment at this moment than this. Our children are our liberty, our strength, and our aspirations.

To accomplish such lofty ends we must be certain that we attend to some very practical, down-to-earth matters. Not the least of these is making sure that all our children remain in school and our schools actually provide our children with the basic skills needed to function in our society. We simply can't allow any of our schools to produce functional illiterates.

As originally proposed, the Secondary School Basic Skills Act was designed specifically to address the problems of high school students who have not mastered basic skills, thus extending our present efforts in elementary and middle school basic skills programs into secondary education.

I am convinced that one of the reasons students drop out of school, particularly high school, is that they lack basic skills. A child who falls far behind feels hopeless. We must see that each child has the tools to keep up and reach their full potential.

Illiteracy is widespread. It is estimated that about 13 percent of our 17 year olds do not have adequate reading, writing, and comprehension skills for every day functioning. Even more tragic, functional illiteracy among minority youth may run as high as 40 percent. Many of our youth have trouble reading a newspaper, a recipe, instructions on a page of prepared food, or filling out a job application. Many lack the arithmetic skills needed to balance a checkbook. Where will these young people fit into our complex world? The truth is they will not. Without basic skills they are vocationally and professionally obsolete even before they leave the classroom door.

Considering the frustration, discouragement, and humiliation that many of these students must experience each school day, it's not surprising that dropping out of school seems like an appealing alternative. In my home State of New Jersey, more than 16,000 youths dropped out of high school during the 1985-86 school year. In the Nation as a whole 682,000 high schoolers did the same. In some urban schools in this country the dropout rate exceeds 50 percent.

The consequences of dropping out for the individual and the Nation are tragic. The chances are 2 in 5 that if you are 16 to 24 years old and you have dropped out of school you are unemployed.

Throughout the country innovative projects have emerged to counter this sad statistic. In my own State a group of teachers in Middlesex County developed Project Climb, a comprehensive basic skills program designed to help teachers manage classrooms, evaluate students' skill levels, and plan education programs to meet individual students' needs. Repeated evaluations show Project Climb to be successful in raising students' basic skills. The program is currently being disseminated to high schools in other States. But such efforts to develop and share new ideas in basic skills training are grossly underfunded at the secondary level. Less than 10 percent of Federal compensatory education funds are currently spent at the high school level.

Mr. President, our experience with chapter 1 has shown us that considerable achievement gains are made by disadvantaged children at the elementary school level when Federal funding is provided to assist schools in meeting these students' special needs. I am convinced that the same gains will result from an equivalent commitment to our Nation's high school students. Through the implementation of the basic skills component of S. 373 we will contribute to such gains.

But children drop out of school, not just because they're hopelessly behind; they may drop out simply because they are bored. This is particularly true for one of our Nation's most precious resources, our gifted and talented children.

The Federal Government began its involvement with the education of gifted and talented students over 15 years ago. In 1969, Senator Jacob Javits of New York led the fight for the Gifted and Talented Children's Education Assistance Act. This legislation focused national attention on gifted and talented youth, giving them priority in several education programs, and directed the Federal Educational Commissioner to report to Congress on their unmet needs. Until 1980 this focus allowed for the support of many excellent and innovative education programs for these special children.

Since 1980 there has been a major retreat in aid for the gifted and talented. At the request of the Reagan administration, separate funding to help these children was abolished and the funds were merged with 29 other education programs in a block grant in 1981. In a further retreat, the following year the Office of Gifted and Talented in the Department of Education was closed. Today, the Federal Government plays almost no role in helping our gifted and talented children.

Recently, the National Commission on Excellence in Education, in its report, "A Nation at Risk: The Imperative for Education Reform," stated:

> The Federal Government, in cooperation with States and localities, should meet the needs of key groups of students such a gifted and talented, the socio-economically disadvantaged, minority and language minority students, and the handicapped. In combination these groups include both Nation resources and the Nation's youth who are most at risk.

All of the above groups, with the single exception of the gifted and talented, receive significant Federal assistance.

Mr. President, the needs of the gifted and talented are real. We have nearly 2.5 million gifted and talented elementary and secondary students in the country, but 40 to 60 percent of this population has not even been identified for special education purposes.

In New Jersey there are presently at least 80,000 schoolage children who have been identified as gifted and talented. Few of these children receive no supplemental services at all. My own experience teaching several gifted and talented classes in Newark, as well as many conversations with children in these classes across the State, their parents and teachers, have all left me convinced of the value of these special service programs.

Local schools too frequently lack the financial resources to provide adequate services to stimulate these children. When I first proposed the Jacob K. Javits Act several years ago, I felt we must reverse the neglect of our gifted and talented children. S. 373 will provide $15 million in grants to State and local educational agencies, institutions of higher education, and other public and private organizations to identify and teach gifted and talented children. Half of the funds must be targeted to gifted and talented innercity children. Finally, a National Center for Research and Development in the education of gifted and talented youth. New ways to teach these children will be developed and shared with schools throughout the country.

Finally, S. 373 incorporates the Family-School Partnership Act, a bill I introduced earlier this year to help insure that children get the most out of their education. This legislation provides $10 million for grants to develop better ways to involve families in reinforcing and enhancing the work of the school. This means increasing the involvement of families in their children's education in a meaningful, productive way. It means building student motivation and achievement, not only by helping children with their homework but also by instilling such values as responsibility, hard work, and commitment to school success. I believe that if children come to school with these values intact, the job of teachers becomes that much easier.

Mr. President, the link between education and economic vitality has been clearly established. However, the economic battles of tomorrow are being won and lost today not only in our classrooms, but in our Nation's living rooms, family rooms, and kitchens. It is in these settings that the family's influence on educational outcomes is exercised. It is here that the first seeds of a love of learning and a respect for education are sown. I am not simply talking about helping children with their homework, but also about instilling such values as responsibility, hard work, and commitment to school success. I believe that if children bring these values with them to school, the job of teachers becomes easier.

Major education studies over the past two decades show that the role of parents in the education of their children is significant, that all families have strengths that can be built upon, and that not even the best school can do the job alone.

The landmark report in 1964 by James Coleman and his colleagues found that family environment was more strongly related to student achievement than any other factor, including school quality.

However, since 1964 we have seen dramatic changes in the structure of family life. More and more children are being raised in single-parent families, two-parent families where both parents work, and other variations on the traditional family. What has not changed is that families, across all economic and racial lines, care about their children and their children's schooling. Programs which have had successful parent involvement components, such as Headstart and Project Follow Through, have demonstrated that even tired, overworked parents are willing to expend the effort to ensure a good education for their child.

What families need is practical help to turn their caring into practical school-supportive action at home. We know these programs can work. This has been demonstrated by the success of such programs as the National Education Association's Teacher-Parent Partnership Program.

Finding ways for schools to establish the support of families is a strategic use of scarce resources. A minor input of school staff time and materials makes a major output of parent support possible, and this support, in turn, can measurably increase the educational achievement of children. One of the most effective routes for doing this is by training teachers and other school personnel in effective parent involvement techniques.

I am encouraged to see parent involvement recommendations in such reports as the national Governors' report "Time for Results," and Secretary Bennett's reports "What Works" and "First Lessons." But reports are not enough. The legislative authority and fiscal appropriations incorporated in S. 373 will spur States and localities to develop effective family-school partnership programs that are responsive to local needs. To get the greatest results, we simply must find ways to involve the child's first teachers—the family.

With the implementation of these and the other sections of the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987 we take steps to insure our future as a nation by acting in the service of our most needful students. Only by assuring that they reach their full potential can we ensure that our liberty, our strength, and our aspirations will be secured.

Mr. DOMENICI. Mr. President, our society faces many difficult problems that often stand in the way of our students performing in school as well as they could. Teenage pregnancy, drug abuse, poverty, and family disruptions are just a few of the social problems that our schools must find ways to overcome.

Today, a very large and important bill is being considered by the Senate, one that would continue and expand upon our Federal commitment to help schools deal with these problems.

S. 373, the Robert Stafford Elementary and Secondary Education Improvement Act of 1987, would reauthorize several Federal programs that have contributed greatly to enhancing quality in American education.

The most significant parts of this bill include the reauthorization and improvement of chapter 1, a very large program that provides compensatory education for disadvantaged children.

The chapter 2 education block grant is also reauthorized here. This program has provided a very important source of flexible grant funds to local school districts. This year I was very pleased to cosponsor a reauthorization of the chapter 2 program, S. 1005, along with Senators STAFFORD, DOLE, and HOLLINGS.

Another very important part of this bill is the reauthorization of the Federal mathematics and science education program. I have long supported this program and I offered an amendment to the trade bill this summer designed to enhance cooperation between this program and similar education programs sponsored by the Department of Energy and the National Science Foundation. I am very pleased that the committee has included in S. 373 a provision similar to the one earlier accepted by the Senate.

Also reauthorized are important programs supporting bilingual education, magnet schools, and adult education. All these are very important programs which I strongly support and am pleased to see reauthorized.

Mr. President, let me also mention some promising, innovative education programs this bill would create: the Even Start grants for combining instruction for chapter 1-eligible children with instruction for parents eligible for adult education programs; grants for instruction of gifted and talented students; and the creation of regional centers to provide educational assistance and training to rural school districts.

Clearly, we are showing in this bill a very firm commitment to address many of the problems our schools now face. I am pleased that this bill reestablishes and improves on some programs that have proven so useful, and that it tries to interject innovative solutions to problems that have been with us for a while.

Yet, while I strongly support much of what is in S. 373, I would like to take a few minutes to take a closer look at the general direction we are taking with this bill.

Mr. President, S. 373 includes several initiatives that will address a very serious national problem. Children at risk of failing in our educational system today and in the work place tomorrow.

Mr. President, the facts are well known. Increasingly, new jobs in the economy will favor the most educated. the fastest growing jobs will be in professional, technical, and sales fields, requiring post-secondary education and advanced skill levels. By the year 2000, people with less than a high school education will be able to fill only 14 percent of all jobs, compared with 18 percent today.

Increasingly, minority children will make up a larger share of public elementary and secondary school enrollment. They will also make up more than twice their current share of new entrants into the labor force by the year 2000. At the same time, these are the same children that are at risk of failing in our educatgional system today: 50 percent of all black children and 33 percent of all Hispanic children live in families with incomes below the poverty threshold. For each year that a child lives in poverty, the likelihood of falling behind a grade level increases by 2 percentage points.

Mr. President, the research is clear: Children that live in persistent poverty, those with limited English proficiency, and minority children are more likely to experience poor educational attainment. These children are also more likely to remain in poverty, to drop out of school, and to experience future unemployment.

Clearly, addressing the needs of this vulnerable population is a national priority. S. 373 goes a long way to address this priority. I commend my distinguished colleagues on the Education Subcommittee for these efforts.

But, Mr. President, having said all of this, I must admit that I do not think that this bill goes far enough. I have some concerns about the structure of these new programs, particularly because many of the initiatives are targeted to specific populations. In my mind, the targeting included in this legislation may be too restrictive.

Mr. President, State and local governments have been very active in addressing the needs of our at risk population. Nationwide, there are many innovative programs being implemented. In my mind, what we need is a strong Federal commitment that supports and supplements State and local efforts and not one that targets resources to specific areas.

My only concern with this piece of legislation is that we may not be offering the discretion that State and local agencies need in order to design programs that will address their unique and special needs.

For instance, this bill targets money for drop out prevention, youth suicide, and basic skill development at the secondary school level. While these are all good initiatives, I would prefer to see a discretionary block grant that could be used by State and local agencies in areas where they have the ideas to address these concerns but not necessarily the resources.

Mr. President, by my comments here I do not intend to criticize the very fine efforts made by my distinguished colleagues, Senators PELL and STAFFORD, on behalf of children at risk. Quite to the contrary, I highly commend them, as well as the other members of the Committee on Labor and Human Resources, and their staffs for their hard work on this bill.

I only hope to encourage us to examine how these programs to assist children at risk are working and to make structural improvements if needed.

In closing, Mr. President, I would like to take this opportunity to offer special thanks to Senator ROBERT STAFFORD for the leadership he has provided not only on this bill, but on education policy throughout his career. We will greatly miss him when he retires from the Senate next year.

Mr. BOND. Mr. President, I am pleased to rise in support of the reauthorization of the Elementary and Secondary Education Act. I am particularly happy that the committee recognized the importance of early childhood education by including S. 1157, the Family-School Partnership Act, in this legislation.

I have been interested in early childhood education for years. When I was in my last year as Governor of the State of Missouri, after having recommended a program for 4 successive years, I was finally able to secure support for a statewide program for early education by the Missouri General Assembly.

Under this program, parents who wish to participate are given three useful tools to assist in assuring that their children get a good start in the educational process.

First, the parents are provided means for assessing the child to find out if there are any physical or learning disabilities which would inhibit the child's development, language, ability, and other mental abilities.

Second, they are provided with assistance from a parent educator who has regular monthly meeting with parents of children of a similar age who visits their home to assist, telling them how to increase and enhance a child's learning potential.

Third, for children who are still behind at the age of 4 and 5, they are given special remedial training to bring them up to the level of children in the general population.

On the basis of pilot projects which have been carried out in Missouri, we have found that the number of children who participated in this program when they reach first grade requiring special remedial education is less than half the number requiring such special remedial education in the general population.

The new parents as teachers program in Missouri is the kind of innovative program that can be assisted by the demonstration grants that the Family-School Partnership Act is designed to provide. There are a number of schools in Missouri participating in it and many families participating in it. We have had a great deal of interest shown by many other States that have sent representatives to the National Center on Parents as Teachers in St. Louis to learn more about Missouri's program.

Tests on a pilot group of children in the program and a comparable group of children who did not participate in the program and whose parents did not participate, found that the children in the program ranked at the 75th percentile in mental processing and at the 85th percentile in school-related achievement, in contrast with the comparison group which scored at the 55th and 61st percentiles, respectively.

Perhaps the best evidence of the success of the program, however, is the fact that parents who have participated in it become its strongest supporters. Everyone can appreciate as a general rule the need for early childhood education, but I can assure the Senate from the particular experiences that we have had that to provide assistance to a new parent, to develop that learning ability of their child, is an extremely important resource to put into the hands of parents.

I believe that we as a nation need to take better care of our children in the early years, providing them not only with good health care and other resources that are essential, but in stimulating their learning intelligence to develop more fully the potential that is there.

This measure that we are to act on today, with the inclusion of the Family-School Partnership Act, will add a great deal to promote the early childhood education that we in Missouri have found to be a very valuable tool for parents and of great benefit to children and to the community in general.

I commend my colleagues on the Labor and Human Resources Committee for the fine work they have done on this bill, and I encourage the rest of my brethren and sisters in the Senate to support their efforts. I yield the floor.

Mr. STENNIS. Mr. President, today we are considering renewal of the Elementary and Secondary Education Act first passed in 1965. This bill contains those basic education programs essential for the training and preparation of our young people who will bear the responsibility of carrying this Nation forward into the next century.

Clearly this is no time to lessen our commitment to education. Our past commitment has been a major factor in our country's economic success. The scientific and technological superiority we have achieved would not have been possible without an education system which provided the vision and enlightenment for ever expanding horizons. Our education system has made us a Nation of producers and innovators.

At no time in our history have we been faced with a greater challenge from abroad than we are now. Our competitors in the world marketplace, particularly Japan, have increased their emphasis on education and are threatening to overtake us with their innovative technologies. We can and must meet this threat head on by providing the best education opportunities possible to our people. We must train and equip our young people to meet the challenges of world competition which are sure to intensify in the years ahead.

I do not advocate waste in education programs or anywhere else, but our historical commitment to our youth must be met. This bill reauthorizes current programs which have a proven history of success. Programs such as chapter 1 which provides compensatory education for disadvantaged children, chapter 2 which provides elementary and secondary education block grants to States, adult education programs, and magnet schools have proven themselves and should be continued. This bill meets that essential commitment.

We must not neglect our opportunity to invest in young minds—an investment that has proven to pay dividends. Neglecting the educational needs of our people will surely lead to a weakened nation both at home and abroad. We cannot make that mistake.

I commend the Labor and Human Services Committee for their fine work on this bill. I commend them also for naming this bill for our friend Senator ROBERT STAFFORD who for so many years has offered strong leadership and thoughtful stewardship for our country's education needs.

I shall gladly support this measure

Mr. METZENBAUM. Mr. President, I am proud to be a cosponsor of S. 373, the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987. This legislation reauthorizes and improves a whole range of current, proven elementary and secondary education programs, continues and expands the Adult Education Act, and provides for several new initiatives that address some of the most critical problems in education today. S. 373 embodies the kind of Federal commitment we need to boost the competitiveness and excellence of our schools, and to ensure access to a quality education for all our Nation's students.

The backbone of this Federal effort to assist local schools is the reauthorization of the chapter I program of assistance for disadvantaged students. Chapter I is a proven and effective program which, for over two decades, has provided millions of students with the help they need to keep up in school and to improve their basic skills. S. 373 builds upon this success by expanding chapter I to include new programs for preschool children and for disadvantaged secondary students who need help improving their basic skills. The bill also strengthens the Concentration Grant Program, which provides additional funds to the neediest school districts, and makes funds available to local schools for innovative projects.

I am pleased that the committee-reported bill includes my language with regard to parental involvement under the chapter I program. It is well accepted that children learn best when parents are involved in their education. My amendment, along with other parental involvement provisions in the bill, will allow parents a wide range of opportunities to become informed about and participate in the program, so that parents and educators can work together to achieve the program's objectives.

The bill also includes my proposal to allow chapter I funds to be used to support programs to train secondary students to tutor elementary school children in the chapter I program. A similar program operating in Cleveland, called the Little Buddy/Big Buddy Program, has had great success in improving the achievement levels of younger children having difficulties in school. The Cleveland program has recently reported a 66-percent improvement in reading skills, and a 56-percent improvement in math skills for 513 little buddies in the program, as well as improved behavior in class. I am pleased that this legislation will allow chapter I programs to conduct similar programs to help children improve their achievement in school.

S. 373 will also continue support for other important education programs, including the chapter II block grant, impact aid, magnet schools, math/science education, and the Adult Education Act, which helps adults achieve the skills they need to succeed in the workplace and in life.

In addition to continuing these proven programs, S. 373 provides for several new initiatives that address some of the most critical problems in education today. Additional resources are focused on at risk students needing help with basic skills, adults in need of literacy, training, and programs for gifted and talented children. S. 373 also incorporates legislation which I cosponsored to address the serious problem of high school dropouts. Funds will be available to local schools for programs designed to prevent students from dropping out and to encourage students who have left to return to school and finish.

Mr. President, this is an excellent bill, which will help to improve the quality of education throughout the country. It represents a wise investment in the future of our Nation, and I urge my colleagues to give it their support.

Ms. MIKULSKI. Mr. President, I want to thank Senator PELL and Senator STAFFORD for their excellent leadership and the staff for all of the hard work that has gone into drafting this very important bill.

I frequently talk about helping people meet the immediate concerns they face in their day-to-day lives. At the same time we must assess the long-range needs of our country. This education bill addresses both of these concerns.

Education is an issue that is central to our country's future. We are only 12 years from the year 2000, a critical point in our history. The actions we take now will determine what kind of country we will be—what kind of world our children will live in.

We must think of the education programs we are reauthorizing today as part of our investment strategy for the future. The dividends which we will receive for this investment will be young adults educationally prepared to manage the workplace of the year 2000.

The Federal role in education is to enforce the Constitution and to provide resources in two areas: special populations of students—such as handicapped children, and special needs of students—such as asbestos in school buildings.

In addition, the Federal Government role is to provide incentives to the private sector—to encourage public/private partnerships.

In my first 100 days, I traveled around Maryland to all of the counties and the city of Baltimore and talked to school superintendents. I learned that they and parents and local businesses are investing in their country's future by making education their first priority.

In each county and in Baltimore, I heard about the importance of the Federal role through all of the programs we are reauthorizing in this bill.

First always, they talked about chapter 1. This program provides financial assistance to school districts to meet the needs of the educationally disadvantages. In Baltimore, this program enables Superintendent Alice Pinderhughes to put a teacher's aide in a classroom to help a teacher and give more one-on-one attention to the students who need it most.

Next, I heard about chapter 2. In Maryland, the chapter 2 block grants are used to fund such programs as "reading is fundamental," alcohol and drug abuse education, rural education programs, gifted and talented programs, guidance and counseling, and various library programs.

Impact aid is the third program school administrators stressed. This program makes direct payments to school districts where tax revenue is lost due to the presence of nontaxable Federal property. In Maryland, we have such diverse and important Federal installations as Fort Meade in Anne Arundel County and the National Institutes of Health in Montgomery County. We welcome these facilities, but we must also bear the expense of educating the children of their employees.

I learned about a special issue surrounding impact aid at Fort Meade. Colonel McLean told me about compassionate post assignments, which show us in Anne Arundel County how highly the Army regards our county's services and schools. At the same time these assignments create a burden upon the schools and social services because of the especially high number of children with special needs.

In Prince Georges County, Superintendent Murphy has used the Magnet School Aid Program to create schools everyone can be proud of—students, teachers, parents, and community.

In addition, I saw how the "effective schools" approach combined with the added resources in magnet schools and the resource-rich Milliken 2 schools. I was so impressed with the parents working on computers with their children, the polite, proud, learning, and orderly children, and the productive and happy teachers and principals. In this bill, we have created an "effective schools" program, so that other schools can do what has been done in Prince Georges County.

So, Mr. Chairman, I am pleased to have worked on these major Federal education programs—our national investment in the future. We have continued and improved programs that worked and we have looked at new ways to recreate the partnerships that exist between parents and schools.

Mr. Chairman, I am proud to have been a part of this bill and look forward to passage of this very important bill as soon as possible.

Mr. SANFORD. Mr. President, first, I want to commend my distinguished colleagues, and especially Senators STAFFORD and PELL, and their staffs for all their hard work and determination in compiling what is perhaps the most important education reauthorization bill in the history of the U.S. Senate. I am pleased to be a cosponsor of S. 373.

Recognizing that the Federal Government has no greater role than assuring access to quality education for all its citizens, S. 373 provides a firm foundation for the continuation and enhancement of vital educational programs such as chapters 1 and 2, federally impacted schools and districts, magnet school desegregation, and educational research.

I am especially pleased that portions of S. 1815, "The Effective Schools Development in Education Act" which I introduced with Senator SIMON, has been included in this important piece of legislation. The $25 million allocated through S. 373 would enable local and State educational agencies to plan, adopt, and implement effective schools programs.

The concept of effective schools emerged from a body of research compiled by highly respected academicians, including the late Ron Edmonds of Harvard University. Edmonds and other educators, in conjunction with school personnel, studied school effectiveness for over 15 years. Their research showed that instructionally effective schools have at least five characteristics that differentiate them from ineffective schools:

First. Strong leadership at the administrative level;

Second. High expectations for each student;

Third. An orderly and safe environment;

Fourth. Frequent and consistent monitoring; and

Fifth. An intent that basic skills will take precedence over other school activity.

There is no doubt that more study and research is needed to determine further the dynamics of effective schools program implementation and its impact in the school and classroom. What is also clear is that S. 373 is the first step in insuring that this very important research is carried out.

Again, I would like to commend the members of the Labor and Human Resources Committee and their staffs for their fine work. I would also like to recognize the efforts of Congressman AUGUSTUS HAWKINS, chairman of the House Education and Labor Committee, who introduced effective schools legislation in the House. Chairman HAWKINS is truly a champion of education and has been a strong supporter of the effective schools concept for several years.

Thank you.

Mr. EXON. Mr. President, I want to take a few moments to congratulate the managers of this particular, most difficult bill. The Senator from Rhode Island and the Senator from Vermont have worked together for a long, long time on behalf of education which is of paramount importance to all of us.

During these particular times of budget restraints and constraints, I think they have done a most admirable job. I want to congratulate them for their forthcoming attitude toward addressing the problems of education in a whole series of areas all around the United States of America. I have appreciated their cooperation and their understanding.

I want to particularly thank them for their forthcoming attitude with regard to the impact of the aid formulas that traditionally are most difficult to work out and were worked out this year even under the new restraints of the budget with understanding of the special needs of many of the school districts of this Nation that are adversely affected by the large number of students that are entering a particular school district with regard to our military and governmental installations.

So to my friend from Vermont, my friend from Rhode Island, and to my friends and colleagues, I say "Well done." I thank them for their understanding. I thank them for recognizing that there are some special needs in a whole series of educational programs that are important to all of us.

Mr. HATCH. Mr. President, there is much in S. 373, the Senate's bill to reauthorize the Federal Government's elementary and secondary education programs, to make us proud. I commend all the members of the Education Subcommittee and the full Labor and Human Resources Committee for their hard work on this bill. My colleagues, Senators PELL, STAFFORD, and KENNEDY deserve particular praise on this score. I am especially pleased that this bill has been named in honor of my colleague, the distinguished Senator from Vermont, Senator STAFFORD, who is planning to retire, in honor of his fine contribution to education during his many years in the Senate.

The children of our country should have a brighter tomorrow, a better future, as a result of many of the programs in this bill. Although the Federal taxpayer's dollar contributes only about 6 cents of every education dollar spent in this country, those 6 pennies are very important for serving groups or meeting national problems which, otherwise, would remain unserved or unaddressed. A good share of those 6 pennies will go to fund programs authorized under this legislation.

Such programs, together with the care and dedication of parents and educators in implementing them, are very important for my own State of Utah. We are a small State, with a long tradition of a significant self-taxing effort to fund good educational programs. But we are hampered by the fact that the Federal Government owns nearly 70 percent of the land in our State. This drastically reduces our tax base. Thus, with one of the highest birthrates in the country, and many federally connected children residing within our borders, Utah has the lowest average per pupil expenditure in the United States. As a result, Federal programs—many old, some new—authorized by S. 373 are an important supplement to Utah's own efforts. I wish to thank the many parents and educators in Utah who have taken the time to give me their advice on how to make these programs better serve the needs of Utah children and of children across this country.

Let me highlight for a few moments some of the important provisions in this bill. The chapter 1 program of remedial education for educationally and economically disadvantaged children must succeed. It served over 23,000 children in Utah last year. In today's world, it is critically important that our children develop the elementary skills of reading, writing, and calculating. Only then will they have available to them the full range of opportunities which our Nation has to offer. Thus, I am pleased that S. 373 also contains a new basic skills remedial program targeted on secondary schools as well as some additional programs to help ensure that our students will stay in school and make the most of their education.

I am especially glad to see included an optional program of demonstration grants for parental choice in public schools. Only if we get parents more constructively involved in their child's education will we improve the quality of elementary and secondary education across the country. We must create a real family school partnership. Only if we are willing to risk trying some new approaches are we likely to make the quality improvements in education that we all seek. I urge educators in Utah and across the Nation to consider seriously whether they could make the new "choice" program benefit the students in their districts. I commend those with the courage to test the new and different; I commend Senators PELL and STAFFORD for their wisdom in championing the inclusion of this provision in S. 373.

Another excellent education program which fosters high quality academic instruction has been expanded in S. 373. We have significantly increased the authorization of the magnet schools program to promote desegregation. We have also authorized a new magnet schools program to encourage integration. Because this program has proven itself to be very effective, it deserves to be expanded and to have an increased authorization for funding.

S. 373 also wisely increases the range of bilingual education programs which will be eligible to receive Federal funding. The greater flexibility for parents and educators to select instructional methods suited to local needs and circumstances can improve the education for one group which deserves special attention from the Federal Government, our limited English-proficient children.

Also reauthorized in S. 373 is the Federal Impact Aid Program, a program critically important to Utah because of the large numbers of federally connected children residing in our State. This bill reauthorizes both programs, for payments in lieu of taxes and for construction assistance. The testimony offered at the subcommittee's August field hearing in Farmington, UT was most helpful in their reauthorization. I thank all of those who testified and who attended that hearing, as well as Senator PELL for authorizing it. As a result, funding for "B" category students has been reaffirmed. And we have included another important new provision—"up front" payment of the full entitlement for handicapped students. As the testimony in August revealed, the handicapped student is among the most needy of those served by the Impact Aid Program. A handicapped student's education can be extremely expensive. It is only fair that the Federal Government should bear a reasonable cost of educating federally connected children residing in our States, and that, with limited funds available, more assistance be provided to help defray the costs of the most expensive education, that provided to the handicapped student.

These are only some of the programs which I applaud that are included in this bill. Although consuming a small portion of educational spending in this country, they are important programs. They are vital for helping to provide educational opportunity to those groups who would not be able to be served equitably with only State and local resources.

Let me add one cautionary note. Particularly in this time of necessary budgetary restraint, I believe that these programs must serve educational purposes. Other programs at the local, State, and national level serve the health needs of our youth; funds expended for programs herein authorized should not be used to duplicate or supplement those health services. The money which the Federal Government spends on education programs is limited and should be targeted for those purposes alone.

Mr. President, again I applaud the many fine provisions in S. 373, the Robert T. Stafford bill to reauthorize our Federal elementary and secondary education programs. I look forward to continued efforts with my colleagues on these issues in order to serve the deserving children of our country.

Mr. HELMS. Mr. President, I would inquire of the distinguished managers regarding title VIII entitled, "Demonstration Projects Designed to Address School Dropout Problems and to Strengthen Basic Skills Instruction." On page 85 the report states, "It is not the intent of the committee to use education funds authorized under this act for health services."

My specific question is this: Does this means that Federal funds appropriated under title VIII of the pending bill shall not be used on or off the premises of any elementary or secondary school to provide the following:

First, contraceptive drugs or devices;

Second, prescriptions for such drugs or devices;

Third, transportation for such drugs or devices;

Fourth, referrals for such drugs or devices;

Fifth, counseling to encourage the child to use such drugs or devices;

Sixth, abortions;

Seventh, transportation for abortions;

Eighth, referrals for abortions; or

Ninth, counseling to encourage the child to obtain an abortion?

Mr. HATCH. The Senator is correct. Certainly that would be my intent.

Mr. MOYNIHAN. Mr. President, I rise today to congratulate the Senate on passing S. 373, the Elementary and Secondary Education Improvement Act of 1987. This bill reauthorizes many vital education programs such as chapter 1, chapter 2, impact aid, magnet schools, and bilingual education, and creates new ones such as dropout prevention, computer education, and classroom instruction via satellite. All these programs are essential to the proper education and training of our Nation's children.

Knowledge is power; economic and political power. As our founders wrote over and over, the survival of our republic depends on the ability of our people to guard their liberties; education is the instrument by which they are able to do so. Without education, the ability to read and understand and apply what one has read, an individual is deprived of the most valuable tool by which they can hold their elected representative accountable and ensure accurate representation.

It is education, pure and simple, which this bill will provide. Millions of children stand to benefit, not a few of them in my own State of New York.

CHAPTER 1

Of particular importance to New York is the Chapter 1 Program. The Chapter 1 Program has its origins in the 1965 Elementary and Secondary Education Act and was intended to aid children with family incomes below the Federal poverty standard who showed low academic achievement.

The history is a simple one.

President Kennedy established a task force in the Executive Office to study the issue of poverty and its effect on educational achievement. He proposed general legislation in this area, which later emerged as the outline for the war on poverty declared by President Johnson, which included providing Federal funds to school districts, local educational agencies, to improve the academic skills of educationally disadvantaged students. This idea was incorporated into the Elementary and Secondary Education Act of 1965 signed into law by President Johnson.

But is it working? Is it reaching those that need it most? I think not. Unfortunately, the best estimates show that the program is only reaching approximately 45 percent of those children who are eligible to receive assistance from it. On the first day of the 100th Congress, I introduced Senate Concurrent Resolution 3, encouraging Congress to fund chapter 1 at a much higher level in order to meet the needs of all the children who are eligible for these services. I am pleased that S. 373 authorizes the chapter 1 program for as much money as is needed to accomplish this goal.

AID TO PAROCHIAL SCHOOLS

In addition to the problems which exist in trying to provide chapter 1 services for all disadvantaged children, the Supreme Court decision, Aguilar against Felton (1985), has presented special problems for those children who are enrolled in parochial schools and are eligible for chapter 1 services. In Felton, the Court held that it was unconstitutional to provide chapter 1 services on parochial school grounds. As a result of this decision, many of these children have been unable to receive extra help in math and reading courses at neutral sites, as required by the Supreme Court, due to the increased costs of providing such sites.

S. 373 addresses this problem and adequately so. It authorizes $50 million to offset the expenses of providing neutral sites and ensuring that children in parochial schools do not lose chapter 1 services altogether. When we established this program, we committed ourselves to helping all educationally disadvantaged children, in public and private schools. Today, we keep that commitment.

MAGNET SCHOOLS

Another crucial program for New York is the Magnet School Program. Magnet schools are schools which seek to attract a desegregated student body by offering a specialized and focused academic program. In recent decades, magnet schools have been especially beneficial as a means of desegregating our Nation's school system. In my own State of New York, we have many magnet schools, some have been recognized nationally for both academic achievement and racial integration.

A prime example of such success is, to my obvious delight, Buffalo, NY. The public schools there, once beleaguered by problems of racial isolation and declining test scores, are now a source of great pride. Since a court order to desegregate its schools in 1976, Buffalo has tried several means of accomplishing this end. Its most successful means of doing so—magnet schools. Today, Buffalo has 23 Magnet School Programs.

S. 373 includes the provisions of a bill I introduced on the first day of the 100th Congress, the Magnet School Expansion Act (S. 38). The primary reason for introducing S. 38 was to ensure that both existing magnet school programs and new ones would have equal opportunity to be funded under this program.

The importance of this program cannot be underestimated. Last year, 126 school districts applied for funding but only 38 were funded. Clearly there is an overwhelming demand to increase programs of voluntary desegregation. Why? Because we have emerging a situation where there are no longer dual sets of schools but rather, dual sets of neighborhoods. The result has been inequalities in our educational system—magnet schools can provide a very effective solution.

I am pleased that S. 373 includes the essence of my bill. It increases the authorization for magnet schools from $75 million to $115 million for fiscal year 1989. The first $75 million appropriated will be distributed with no consideration to an applicant's prior funding. The additional $40 million will be distributed with special consideration given to those applicants that have never been funded under the Magnet School Program. In this way, those programs that are working are allowed to continue doing so and those that need startup funds are given the chance. In passing this legislation today, the Senate is reaffirming its commitment to ensure that every student in this nation be afforded equal educational opportunities and that they will reach adulthood free from racial discrimination in their education.

DROPOUT PREVENTION

Intrinsic to the success of any of the programs reauthorized in S. 373 is making our children stay in school long enough to complete their high school education. The evidence is clear. There is estimated to be 4.3 million individuals who have failed to complete high school in the United States between the ages of 16 and 24. Of the 2.9 million of these individuals who are in the civilian labor force, 25.9 percent are unemployed.

In comparison, there is estimated to be 8.8 million people who have completed 4 years of high school only, and the unemployment rate among this population is 12.7 percent; half the unemployment rate for those that failed to complete high school. Just finishing the last 2 years of high school decreases one's chances of unemployment by 50 percent.

This shows up later in life as well. According to a study of families in poverty issued by the House Ways and Means Committee, those with a high school education earn over 50 percent more than those without. Mothers who received a high school diploma earn almost 90 percent more than those who did not.

This points to the drastic need for funding dropout programs. S. 373, for the first time, authorizes funds specifically for this purpose. The provisions of S. 373 are similar to those included in S. 320, which I cosponsored, and S. 19, a bill I introduced on the first day of the 100th Congress.

S. 19 and S. 320 had identical goals: to allow schools the flexibility and capability to provide the individual attention necessary to keep at-risk youth in school. The most oft cited reasons by dropouts for leaving school are poor grades, lack of attention from teachers and administrators, and economic and family responsibilities. S. 373 combines the best of both bills and requires that those school districts funded under this program identify the primary reasons for dropping out, with special emphasis on the attendance rate of a student, economic pressures upon the student and poor academic performance. With necessary funds for these activities, we can begin on our way to ending the early departure of our young people from high school.

CONCLUSION

With the passage of this bill, we mark the renewed commitment not just to one student, or one type of student, but to all the students in our elementary and secondary schools that we will continue to provide support for the best quality education for them now and a realm of opportunity for their future.

Mr. WEICKER. Mr. President, I am pleased that the Senate has agreed to an amendment to S. 373 prohibiting funding for a program significance panel to review projects being considered for dissemination through the National Diffusion Network.

The National Diffusion Network, first established in 1974, seeks to promote excellence in education by making exemplary educational programs and practices available to interested schools throughout the country. Prospective projects undergo a thorough review by the Department of Education to determine their effectiveness. Approved projects are then placed on the network's list, and then may apply for Federal funding to help their dissemination.

Recently, however, the Department instituted a program significance panel, whose job it is to determine whether projects seeking Federal funding are Appropriate for dissemination—in addition to the "effectiveness" review. By adding this new layer of bureaucracy to the review process, the Federal Government has interjected itself into decisions regarding curriculum content, decisions which have always been left up to individual school districts.

I find it hypocritical that this administration, which constantly touts States' rights and denounces Federal intrusion into education, should be engaged in the business of deciding which projects are appropriate for local school districts. Instead of fostering "choice," a favorite buzzword for Secretary Bennett, the Department is minimizing choice by impeding the dissemination of effective projects.

This matter came to my attention a few months ago when an article appeared in the New York Daily News entitled "Federal Panel Calls Holocaust Course 'Unfair to Nazis'." The article focused on a project called "Facing History," developed in 1975 by two Massachusetts teachers to instruct students about the Holocaust. The project was deemed effective by the Department in 1980 and has since been in the network's pool of acceptable projects.

But in 1986, when "Facing History" applied for Federal funding to assist in dissemination efforts, the program significance panel turned it down. One panel reviewer commented:

> The program gives no evidence of balance or objectivity. The Nazi point of view, however unpopular, is still a point of view, and it is not presented, nor is that of the Ku Klux Klan.

This year, the Department says that history projects were not a priority, so none were funded, including "Facing History." Nonetheless, I'm not optimistic that "Facing History" would have been funded this year either, when a 1987 reviewer commented that it has a "profoundly anti-Christian bias" and could be "profoundly offensive to fundamentalists and evangelicals."

The anti-Semitic nature of these comments is deeply repugnant, and has no place in a federally sanctioned review. And second, I don't believe the Federal Government should be endorsing extremely subjective judgments about whether a particular project is appropriate for dissemination through the National Diffusion Network. That was, and should again be, a matter for the local school districts to decide. No one is forcing any school district to adopt "Facing History" as the one method of teaching children about the Holocaust—but it has been shown to do so in an effective manner, and that alone, in my opinion, should qualify the project for Federal funding.

I am pleased that the Senate has adopted this amendment, and I urge my colleagues' strong support for this provision in conference.

Mr. MATSUNAGA. Mr. President, I rise to express my strong support for S. 373, the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987. This legislation consolidates the Federal effort in elementary and secondary education into one omnibus reauthorization act. S. 373 continues the Federal program of educational assistance for disadvantaged children and authorizes a series of new educational initiatives through fiscal year 1993.

At the outset, I would like to commend both the chairman of the Subcommittee on Education, Arts and Humanities, Mr. PELL, and the ranking minority member, Mr. STAFFORD, for their wisdom and firm leadership over the years in addressing the educational needs of our Nation's children. I believe that S. 373 represents an exemplary recommitment of the Congress to the urgent and compelling task of providing basic educational opportunities for our disadvantaged children. In addition, in this time of economic "competitiveness," this legislation encourages innovation and quality improvement in our elementary and secondary schools.

Mr. President, I was fortunate to have had the opportunity this year to chair a subcommittee hearing in Hawaii, on title I, chapter 1 and 2 programs. I am very pleased to report that educators and parents testified that the supplemental instruction provided by Federal funds had had a significant and lasting impact on their children. Hawaii is a State with large populations of new immigrants whose children have either a limited grasp of English or who come from backgrounds of minimal educational opportunity. Title I of this bill provides for the special needs of these children.

I am also very pleased that S. 373 includes as title X, the provisions of S. 360, a bill which passed the Senate by voice vote on April 22, 1987, and is the culmination of 10 years of study and effort designed to address the unique problems of native Hawaiian children. Title X authorizes grants for the implementation of one, a model curriculum; two, family-based education centers; three, postsecondary education fellowships; four special education services for handicapped students; and five, demonstration programs for the gifted and talented. The native Hawaiian population is a relatively youthful one with nearly one-half of all native Hawaiians being under 25 years of age. They are the second largest ethnic group in Hawaii's public schools with over 67 percent of those entering kindergarten scoring below the national average on standardized achievement tests. Moreover, native Hawaiian high school students have a high dropout rate and only 7 percent of the students enrolled at the University of Hawaii are native Hawaiians. Title X will address the specific educational problems of native Hawaiian children and help them achieve educational parity with other ethnic groups so that they may become economically self-sufficient. It is a need which can no longer be ignored.

Mr. President, as a former public school teacher and the father of five children, I am well aware of the importance of providing educational opportunity for all our children, especially those in need. I urge therefore, that my colleagues give their full support to this important legislation.

Mr. BYRD. Mr. President, as we started this historic 100th Congress, high on the list of my priorities for this session was the reauthorization and strengthening of our major Federal elementary and secondary education programs. Today we will consider this major omnibus legislation.

I want to thank the chairman and the ranking member of the Education Subcommittee, Senators PELL and STAFFORD, and the chairman and the ranking member of the full Labor and Human Resources Committee, Senators KENNEDY and HATCH, for their work in helping us to keep our commitment on this very important item on the Senate's agenda.

The legislation before us was introduced early this year. In an extraordinary climate of bipartisan cooperation, the committee held extensive hearings—15 in all—and then thoroughly considered all pieces of the reauthorization legislation before reporting the bill to the full Senate on a unanimous vote. I commend the committee for this diligent and thorough accomplishment.

I also want to add my wholeheartedly concurrence in naming this legislation the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987.

S. 373 is an omnibus bill which reaffirms a strong Federal role in education.

Mr. President, this omnibus bill is a necessary and prudent investment in our country's future. All sectors of our society recognize this, but few have stated it more succinctly than the business community in their recent report issued by the Committee for Economic Development, a nonprofit organization representing over 200 of our Nation's leading corporations and institutions of higher education. Their report, titled "Children in Need," warns us:

> Quality education is not an expense; it is an investment in the future of our Nation. . . . If present trends continue, the scarcity of well-educated and well-qualified people in the work force will seriously damage this country's competitive position in an increasingly challenging global marketplace. . . . Our industries will be unable to grow and compete internationally because a growing educational underclass will lack the necessary skills and work habits to function productively on the job. Moreover, they will lack the levels of literacy needed to make informed choices about their lives or to take part in the political process.

To prevent this ominous scenario, the Council on Economic Development recommends, at the Federal level, a strong, increased support in the chapter 1 program. S. 373 provides this.

Chapter 1, the cornerstone of Federal efforts in elementary and secondary education, is a program which is particularly important in West Virginia. One-half of West Virginia's schools depend on its assistance to provide special, intense compensatory instruction. Yet the chapter 1 program, which since 1980 has suffered a cut in constant dollars of over 17 percent, today serves less students than it did 7 years ago, despite the fact that over this time period the numbers of children in poverty have grown. We must not allow this lack of commitment to our major elementary and secondary program to continue. S. 373 puts a brake on this 7-year trend and reinvigorates Federal support for the program.

The other programs contained in this omnibus bill also provide much needed Federal support to our States and local school systems in our continuing effort to raise the quality of and access to education in our Nation.

We must recognize that nothing is more important than this effort, even as we acknowledge that nothing is new in this recognition. Aristotle, as quoted by Diogenes, told us,

> All who have meditated on the art of governing mankind have been convinced that the fate of empires depends on the education of youth . . . .

I urge all my colleagues to support this important legislation.

Mr. SIMON. Mr. President, I am pleased today to join my colleagues in this important debate on the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987. First I want to commend my friend and colleague, Senator PELL who chairs the Senate Subcommittee on Education, Arts and Humanities and the distinguished senior Senator from Vermont, Senator STAFFORD. This will be Senator STAFFORD's last Elementary and Secondary Act reauthorization before his retirement at the end of the 100th Congress. By naming this bill for him, we have chosen to honor someone who has been a friend of education throughout his service in the Congress.

Mr. President, this year marks the 200th anniversary of the writing of our Nation's Constitution. It is also the 22d year of the Federal Government's first commitment to expanding education opportunities to low-income and educationally disadvantaged youngsters under the Elementary and Secondary Education Act of 1965. Public education in America is also 200 years old—1987 being the 200th anniversary of the Northwest ordinance which set-aside land for the construction of the first public schools.

This is an appropriate time for us to assess the state of American education—domestically, as we seek to build schools and colleges which are models of excellence and quality, and internationally, as we seek to train and educate our people for the jobs and world competition of the year 2000 and beyond.

Thomas Jefferson summed up the challenge we face in an letter written in 1816:

> If a nation expects to be ignorant and free in a state of civilization, it expects what never was and never will be.

Mary Hatwood Futrell, the president of the National Education Association, put this thought in her own words during the recent NEA convention in Los Angeles:

> Dictators delight in ignorance . . . freedom loves knowledge.

There exists a completely appropriate role for the Federal Government in the education of our young people. I recognize and applaud a Federal involvement for education. The role which began with Northwest ordinance is still quite valid today—providing incentives for school districts to try new and innovative programs, and in providing reimbursement for these programs. The Federal Government establishes general parameters and new authorizations to address problems with apparent nationwide implications such as drug abuse and dropouts.

The Stafford Elementary and Secondary Education Improvement Act of 1987 [SESEIA] reflects the broadened scope of the Federal Government's role in education. With the enactment of this bill we can assist State and local school districts with programs for gifted and talented students and dropouts, as well as establish a family-school partnership—an aspect of education known to be important, but previously neglected. Through this bill, we can also fund demonstration programs that promote the effective school concept and early childhood education through Even Start programs.

The effective schools and the Even Start demonstration programs are part of the special programs for innovation in education in title II. The effective schools program will authorize funds for grants to local education agencies to implement these programs. Effective schools are headed by strong principals, their teachers are provided with special training and high standards are set for all students. Basic curricula and parental involvement are mandatory for success.

Early childhood education will be promoted through the Even Start Program. This program will be authorized to fund demonstration grants to local education agencies that integrate early childhood education for educationally disadvantaged children and adult education for their parents into a unified program. With an estimated 30 percent of students considered educationally disadvantaged, early intervention is critical to the indentifying and addressing of education problems and keeping at risk children in school. Early childhood education can affect long-term dropout rates.

In a move I applaud, we have increased targeting and the priority placed on certain programmatic activities undertaken with chapter 2 funds in this bill. Presently, chapter 2 funds are primarily used to purchase computer services, library equipment, and to support various student services. However, emerging educational priorities such as dropout prevention, parental literacy, early childhood education, programs for the gifted and talented, and improvement in the quality of instruction and curricula in elementary and secondary education cannot be ignored. Programs such as these will be targetted for funds under chapter 2.

The committee has also sought to increase program quality and accountability in the chapter 1 program. The chapter 1 program is, in large measure, an unqualified success. However, it is not perfect and it could benefit from additional oversight, funding and qualitative improvements. S. 373 takes several positive steps in each of these areas:

State monitoring and intervention—training, technical assistance, research, and dissemination of model projects will enhance local capacity in delivering a high-quality chapter 1 program.

Increased funding—the committee has authorized an increase in the percentage of children served by chapter 1 until all eligible children are served by fiscal year 1993. Currently, only about 45 percent of eligible children are served under this program.

Quality improvements—the bill adds some new requirements to the application required by section 1012(a) so the educational outcomes for chapter 1 students are clearly spelled out and deficiencies discovered among disadvantaged students are addressed in subsequent years.

Some of these proposed steps have encountered resistance from the leadership of some of our most important Washington-based elementary and secondary associations. In all honesty, I am disappointed by this resistance. Their objections to these proposals have been cloaked in alarmist terms, that is, excess paperwork, administratively burdensome, and prescriptive requirements. The committee has carefully reviewed each of the new provisions in an effort to increase accountability and improve quality. These new requirements have been carefully crafted and are extraordinarily sensitive to the concerns of local officials about administrative burden and inefficient paperwork requirements. However, we are also sensitive to parent concerns about school quality and accountability. A balance must be struck between flexibility on the part of local school boards and educators to maximize effort and increase learning, and our responsibility to ensure that the Federal tax dollar is well spent. S. 373 achieves this balance.

We do not quarrel with the fact that chapter 1 students are learning. But, there is no question that many students participating in the chapter 1 program are still having problems. We must find and encourage new, alternative programs through which these children can learn and succeed academically. We must also commit greater resources for the chapter 1 and chapter 2 programs in order to serve all the eligible students, not just a small percentage.

Mr. President, I am proud to be a cosponsor of this bill, and I thank the floor managers on both sides for their leadership.

Mr. GRASSLEY. Mr. President, first, I would like to take this opportunity to congratulate the members of the Subcommittee on Education, Arts, and Humanities, who devoted many long and hard hours to this legislation.

I especially want to recognize the distinguished Senator from Vermont, for whom the bill is named. The Senate will long remember our colleague's dedication to education.

This bill is a comprehensive package of initiatives in the area of elementary and secondary education. The committee, Mr. President, based this reauthorization package on no less than 26 individually sponsored bills and resolutions.

I am proud to add that several of the initiatives which I have sponsored and cosponsored have been included. Mr. President, I would like to draw the attention of my colleagues to the components dealing first, with adult literacy, and second, with the star school program.

As an original cosponsor of S. 629, the English Proficiency Act, introduced by the Senator from New Mexico, Mr. BINGAMAN, I am pleased to make some comments on English proficiency and adult literacy. Mr. BINGAMAN's bill addresses the same population which is the focus of a bill I introduced with Senator COCHRAN and Senator DOLE earlier in this session of Congress, S. 904, the Literacy Training Act of 1987.

This legislative proposal authorizes training opportunities for adults whose first language is not English. Grants would be available for demonstration programs to develop improved approaches and methodology of literacy education for those limited in English. The materials developed in these demonstration projects would be disseminated through a national clearinghouse to education centers.

The initiatives of this bill would also establish community-based programs to provide 1-on-1 tutorial service to any adult seeking literacy help. It would involve the participation of postsecondary institutions, employment service agencies, local social service agencies, local private industry councils, and local volunteer service organizations. It calls for the delivery of free tutoring services and flexible hours at a variety of locations in communities so that individuals can get help near where they live.

The need for literacy program is staggering. There are 25 million American adults considered to be functionally illiterate. They lack the minimal reading, writing, math, and comprehensive skills necessary to function in society. This basic level of functioning is equivalent to the fourth grade in elementary school. An equally large number of Americans have only slightly better literacy skills. Possessing only marginal literacy skills, they fall in the range of the fifth through the eighth grade level.

A statistic which is also staggering is the societal cost. A direct correlation has been established between the number of illiterate adults who are unable to perform at the minimum standard for available employment and the money allocated to child welfare cost and unemployment compensation. The total cost of illiteracy to society has been estimated to exceed $200 billion a year, including direct and indirect costs such as welfare payments, crime, job incompetence, industrial and military accidents, prison programs, lost taxes, and remedial education programs.

Mr. President, literacy programs do presently exist. The vast majority of the functionally illiterate population, however, is not being served. A total of only 4 million people are now assisted by the Federal adult basic education program and a variety of smaller public and private programs.

This is a tragic loss to the individual, as well as a drain on our Nation's productivity. Mr. President, I believe that Congress must act to bridge the existing gaps in the Nation's literacy and job training programs. Our current efforts do not sufficiently address the scope of the adult illiteracy problem.

Mr. President, the second issue I'd like to discuss in relation to the omnibus education bill is the Star School Program, which I cosponsored with the Senator from Massachusetts.

Our Nation has been a constructive and conscientious educational reform movement taking place. Attention has been paid to curriculum, graduation requirements, teacher education and many other important areas.

The citizens of the 21st century, those who are the students of today and tomorrow, need every advantage in order to be competitive and prepared. New advances in the methods of teaching must constantly be developed and implemented.

Because of staffing and financial problems, sometimes students can not take classes they need. Frequently this is the result of too few students at a particular grade level. In other instances, schools might not be able to hire or retain teachers with the most current knowledge or certification in the field. The result is that students are not challenged by the courses that are available in their schools.

Competency in math, science and foreign language will be absolute requirements for our future citizens if the United States is to be competitive.

Using telecommunications and interactive television, the star school concept will help remedy these situations. This project can bring the most qualified teacher with the most up-to-date curriculum to classrooms across the country. It has the exciting potential of linking strong instruction and curriculum with previously unchallenged and unawakened minds of students.

Through this technology the most needed teachers in the areas of greatest shortage: math, science, and foreign language; can be matched with schools with the greatest need.

I wholeheartedly support this use of advanced technology to help our Nation address the critical problems we face in preparing all of our students for their roles as productive citizens. I encourage each of you to support this initiative so we can begin to make a difference for all of our students.

Mr. PRYOR. Mr. President, I rise in support of S. 1665 the Farm Credit System [FCS] assistance bill. I believe that this legislation, although imperfect, contains some important and positive provisions which will substantially benefit farmers, ranchers, and their cooperatives. Over all, the bill allows the FCS to sell Government-backed bonds for capitalization. This is preferable to providing a direct cash infusion, as some had sought.

Mr. Chairman, agriculture is the single most important industry in Arkansas, an industry experiencing severe economic difficulties. I've witnessed, with growing concern, thousands of farmers leaving agriculture and the entire family farm system being jeopardized by forces beyond the control of farmers. I see some hopeful signs of progress in certain selected segments of the industry, including rice, and cotton but, taken as a whole, Arkansas farmers have been among those who have been hurt the most by the depressed state of today's farm economy.

I believe that the legislation before us deserves support not only because it aids the Farm Credit System but because it would benefit producers in Arkansas and throughout the Nation. The legislation will protect the borrower stock that farmers, ranchers and cooperatives have invested in their credit institutions. This additional protection is needed today because of the precarious financial condition of System institutions which threaten the viability of the entire System. Yes, it is true that some System institutions are much worse off than others. But, because of joint and several liability, all Farm Credit System institutions throughout the country, no matter how strong they might be in isolation, can be affected by liquidation. If liquidation takes place the almost $4 billion in equity, farmers and their cooperatives have invested in their credit institution may be lost.

A second way farmers should benefit from S. 1665 is through expansion of borrower rights and a more uniform application of System loan restructuring policies. At present, farm credit institutions throughout the country have adopted a loan restructuring policy. This policy is that loans should be restructured unless doing so is more expensive than any other alternative such as foreclosure. The problem is that compliance by System institutions with their own loan restructuring policy is uneven. While in some districts, loan restructuring programs are aggressive, these policies are not being fully implemented across the board. The Senate bill would create a Special Asset Council to monitor compliance by district banks with the least cost loan restructuring policy. Moreover, the bill would establish specific loan restructuring requirements that must be satisfied before System banks could obtain financial assistance. Another reason S. 1665 is a very important bill for American agriculture is that it would authorize the establishment of a secondary market for agricultural loans. I am pleased to note that title VII of S. 1665 resembles in a most important respect the bill I introduced S. 1172 to establish a Federal Agricultural Mortgage Corporation or "Farmer Mac." Farmer Mac will allow Farm Credit System institutions, commercial banks, and other financial institutions to package or pool their farm loans for resale to the investment community.

Farmer Mac is designed to ensure the availability of adequate funds to meet the credit needs of producers throughout the United States. I believe that a secondary market in farm loans will help to stimulate competition especially in the long-term real estate markets. ultimately, increased competition among suppliers of farm credit can only benefit farmers. Provisions of this legislation enjoy widespread support among farm and banking groups. Among others, the American Farm Bureau Federation, American Agricultural Movement, the National Farmers Union, National Farmers Organization, National Cotton Council of America, American Soybean Association, National Corn Growers Association, National Cattlemens Association and the National Pork Producers. In addition, the American Bankers Association, the Independent Bankers Association of America, Mortgage Bankers Association of America and the American Council of Life Insurance all strongly support the secondary market title of this legislation.

While the main thrust of S. 1665 is constructive and positive, I am obliged to raise concerns about a provision which would impose a one-time assessment on the surplus of banks in excess of 5 percent of loans outstanding and in excess of 13 percent on associations. I have no quarrel with what I understand the intent of this provision of the legislation to be. That is, it is intended that stronger Farm Credit System institutions should sell a certain amount of their unallocated retained earnings to support weaker units of the System. The problem is that the 13 percent formula does not, in fact, provide an effective way of transferring money from stronger to weaker farm credit units. In the sixth farm credit district, which comprises the States of Arkansas, Missouri, and Illinois, there are four Production Credit Associations which would be assessed $37,729,000 under this formula. These associations would be required to surrender this amount not due to financial strength but because of the precipitous drop in their loan volume. In addition to the one-time loss of $37.7 million, the earning capacity of these four associations and other associations throughout the country effected by the 13 percent formula, would be substantially impaired. In the case of the St. Louis Central Production Credit Association, the loss of $33,852,000 as free capital would be nothing less than catastrophic. On an annual basis, this would cost the association approximately $3 million per year. It should be noted that this $3 million cost will be in addition to a projected $2.5 million loss for the central PCA in 1988.

I offer these comments in the hope that the means can be found in conference for establishing fair and reasonable criteria for the distribution of surplus within the System. I am certain that whatever criteria are agreed to, no System institution that is viable today will be made nonviable or marginal as a result of any assessment imposed.

Mr. HELMS. Mr. President, I am obliged to vote against S. 373, the Robert T. Stafford Elementary and Secondary Education on Improvement Act of 1987.

Let me state at the outset: I do not believe the Federal Government should be involved in the business of education. Whenever the Federal Government becomes involved in matters historically left to the States, the State and local role decreases while the Federal Government moves inexorably toward total control.

Mr. President, while the Federal Government was drawn into education based on promises that efficiency, equity, and quality of the educational system would be improved, quite the contrary has resulted. Even though the Federal Government spent over $175.1 billion on education between 1975 and 1985, there have been serious drops in academic achievement, responsible citizenship, and even basic reading and writing skills. The Department of Education's report titled "A Nation At Risk" galvanized the country when it brought to light the sad state of this Nation's education system in 1983. That report followed over a decade of expanding Federal involvement in the Nation's school systems.

As local educators are increasingly hamstrung by mandates and regulations issued from Washington, Mr. President, the Federal bureaucracy has become a base from which powerful and unaccountable special interest groups use the schools as instruments of social policy. Sex education, values clarification curricula, school-based health clinics, and death-and-dying classes are but a few examples of how hard earned Federal tax dollars have been used on our schools. These programs interfere with a parent's relationship with his child concerning matters of ultimate significance in life while ostensibly providing a neutral, value-free education. The idea that parents are the parties primarily responsible for the education of their children will continue to erode as Federal influence over the Nation's education policy balloons.

Mr. President, the present bill creates over two dozen new programs. Typically, these programs exemplify the increased use of Federal education funds to support social policy programs rather than improving the acquisition of academic skills. For example, there are new programs for school drop out prevention, youth suicide prevention, and comprehensive school health education. Other programs seek to get parents involved in their children's education. Mr. President, the goals are well meaning, but such programs cannot reverse or change the societal trends causing the problems. Broken families, higher divorce rates, decreased respect for human life, drug abuse, increased promiscuity, and other societal ills will not be cured simply by treating the symptoms as they manifest themselves in the schools.

Mr. President, S. 373 also portends greater Federal influence over the national education policy because it authorizes a National Assessment of Educational Progress [NAEP] to collect achievement data and statistics "on a basis that facilitates valid State-by-State comparisons." Comparing achievement data on a State-by-State basis will inevitably lead to competition among the States. As a consequence, State educational policy decisions will often be based on what improves the statistical ranking rather than on a State's true educational needs. The NAEP could, therefore, exert a strong influence on education policy throughout the Nation simply by manipulating the statistical criteria on which it bases a State-by-State comparison of State educational systems.

Mr. President, I oppose any Federal involvement in education but, if the Federal Government is going to get in the business of education, it should do so in a manner which maximizes the discretion of local education authorities. Regulations and prerequisites attached to the receipt of Federal funds have facilitated unprecedented Federal control over the Nation's education policy. Federal mandates, like an NAEP State-by-State assessment, redirect local education priorities to conform to Federal priorities.

In the Omnibus Education Reconciliation Act of 1981, over 40 categorical programs mandating how Federal education money was to be spent were replaced by a single block grant program. Under the block grant approach local education officials are able to decide how best to use the Federal moneys they receive. It is my understanding that the present bill continues the block program, but takes a step backward by creating 28 new categorical programs specifying how Federal allocations must be spent.

Mr. President, I reiterate: I oppose Federal involvement in education but if we are going to have these programs, they should aid, not preempt, local control of the schools. Similarly, the Federal education bureaucracy should not be used as a platform from which special interest groups can impose their ideals on a child—ideals which are totally inconsistent with those of the parent. I do not believe this bill adequately safeguards parental and local rights in the realm of education and in certain respects would actually diminish them.

For these reasons, Mr. President, I urge Senators to vote against S. 373.

Mr. BIDEN. Mr. President, our world is a changing place. The demands placed on our young people to successfully live in this world are great. In response to this need, the United States has always provided the best educational system for its youth, but that tradition is in danger. We stand at a point where our economy and our society are changing drastically and we must carefully examine the institutions in which our children come to maturity.

I recently had the pleasure of reading in the Wilmington Sunday News Journal an article by Charles Welch, who is the president of the Delaware State Board of Education. It clearly states what needs to be said about the situation. Our schools are good, and they cope with many of the problems they face, but there must be some dramatic changes to save our schools from failing at their task. The institutions which provided adequate services in the days of Beaver Cleaver cannot successfully cope, as they are currently structured, with single-parent families, rampant drug abuse and youth crime, and many of the other changes that have occurred in society since the fifties.

I would urge all Senators to examine the educational system and pay heed to this excellent article. I ask unanimous consent that the article be placed in the RECORD.

There being no objection the article was ordered to be printed in the RECORD, as follows:

[From the Wilmington (DE) News Journal, Nov. 29, 1987]

EDUCATION: NO TIME FOR BUSINESS AS USUAL

(By Charles E. Welch)

There are two ways to look at public education.

One is that schools are doing a better job for more students than ever before. This is true.

The other is that schools are not doing enough, or not doing it well enough: Problems outrun solutions. True again, and that tells us what the agenda should be for Delaware's schools.

Across the country, schools have been battered with criticism for turning out shoddy products, to a point where this has become "a nation at risk." That blanket condemnation is undeserved—many students come out of Delaware schools with excellent preparation—but what is certain is that many children today are "at risk," at risk of failing to get the education they need, of dropping out, and of getting into serious trouble and becoming burdens to society.

We can let them take those risks on their own, knowing that many will fail, or we can mount an all-out effort to correct the problems and reverse the trends. For both humane and economic reasons, the latter is clearly the right choice. The necessary programs should be centered in the schools, because that is where the help is needed. For many youngsters today, the school has become the community agency of last resort.

There are four parts to the action package that the State Board of Education is encouraging: better teaching; more counseling and support services for "at risk" students; more participation and individual initiative by everyone with a role in education; and more flexible and efficient use of facilities. There will be costs, but this is unavoidable. As the expression goes, we can pay now or pay (more) later.

None of this applied in the days of the Little Red Schoolhouse. We look back with nostalgia at those simpler times and smaller education budgets, but it is wrong to suppose that schools were a better bargain then, or did a better job. They attempted less and had smaller problems.

In earlier generations, schools let "problem" students fend for themselves, or unceremoniously dumped them as "unteachable." Today we know that strategy only buys bigger problems later. We try to help such youngsters whatever their difficulties. Rightly so. They and society both come out ahead.

Universal public education initially meant eight years or less of formal schooling. (In Thomas Jefferson's time, when the idea took root, the target was four years.) Then most youngsters went to work full-time, usually on the farm. Now we have higher goals, driven by economic and social requirements—kindergarten through grade 12 has become minimal schooling. It takes at least that long for young people to develop needed survival skills: that is to say, the knowledge and skill to qualify for entry to a quality job or higher education, citizenship capabilities, plus an ability to continue learning to cope with economic and technological change.

As those kinds of changes have raised the requirements of education, social change has made the goal harder to reach. Look at the conditions with which schools are trying to cope; and count the social costs.

Dropouts and underprepared students: Unless the trend line changes, one fourth of the students now in Delaware high schools will not graduate. Some of them will join the ranks of the perpetually needy on welfare. Some may be drawn back to education later as adults—at higher per capita teaching costs. Those who find and keep jobs will face discount wage rates. Dropouts average less than 60 percent of the pay of vocationally-trained graduates, and about $350 per month less than the average high school graduate. One national estimate says that employers will be spending $25 billion per year teaching basic skills to one million new employees. Some of those trainees hold high school diplomas, but those were gifts. These individuals are functional illiterates, and graduates in name only.

Drug and alcohol abusers: The problem reaches down into junior high schools. Millions are being spent on teenage abuse prevention and rehabilitation programs, but later correctives, for adult addicts, cost even more.

Teenage pregnancy: Youngsters having babies build double social tragedy. The 13- to 16-year-old mothers rarely return to school. As a result, many of them end up on welfare or in jobs at minimum wage. Their children are likely to follow in their footsteps, with equally dismal prospects. The problem is widespread in the lowest-income, least-educated population. Teenage pregnancies have been high among blacks, though the rate is now stable; among whites the rate is rising.

In effect, the short-cycling of generations is building a long cycle of rising welfare costs.

Unsupportive families: many youngsters in school come from single-parent homes, or families where both parents work. Some children from such background receive little of the nurturing and adult guidance they need. Before judging the parents for nonsupport, though, we should put ourselves in their shoes. Many of the parents have little education themselves and few resources. They do not know enough to help their children with homework. They are embarrassed to go to PTA meetings because they "feel dumb." They do not know where to turn.

Many couples have two jobs of necessity: their combined paychecks total less than that of one skilled worker. Delaware celebrates a low unemployment rate (currently, under three percent) but nobody talks about the fact that many jobs are low skilled and pay minimum wage or little more. They do not generate enough income to raise children decently.

Youth crime: The crime rate is at its worst among young, poorly educated people. They were not born intending to become criminals, anymore than girls are born intending to become teenage mothers. Neglect puts them there. First their families fail them; then the community support system fails them as well.

It makes sense to heed the early warning signs. That avoids paying for serious damage-control later. The state puts more than $5,000 per student into education each year, but it costs the taxpayers $21,000 a year to keep someone in prison, and $80,000 to build another cell for the next violator.

There are four steps we can take in the right direction:

Better Teaching: There is no substitute for good teachers and good teaching. The key to success is to have a corps of teachers who are fully professional in training and ability, who think of themselves as professionals and act according, and who are professionally rewarded in pay and public support.

This cuts both ways. Teachers continue to complain about low pay and they have a point. Recent increases in scales have helped a great deal, but teachers are still paid much less than most other professionals. For a stark contrast in pay and status, set teachers here against those in Japan. There, teachers are better paid than white-collar workers in business or even engineers. Here, highly experienced teachers with advanced degrees make roughly a beginner's salary for an engineer at Hercules Inc. or the Du Pont Co. Moreover, the teachers, unlike private-sector professionals, receive few bonuses for extra effort and outstanding performance. Under present pay schedules, mediocrity nets as much as superiority.

To meet the varying needs of today's students, teachers need more control of schedules and teaching materials. No one set of course offerings and timetables will fit for all. Lockstep programs imposed from the top down, based on average needs, cannot succeed broadly. For programs to be effective, they have to come up from the bottom, with teachers committed to them.

Students have to be treated not as averages but as individuals. Teachers need time to work with them on that basis, freed from nonteaching distractions and arbitrary rules.

All of this is an argument for more control of teaching activities and budgets at the local level, rather than by district or state offices. No one is likelier than the teachers on the firing line to know what the youngsters in front of them need. Teachers should have the authority to shape their own programs, and be given incentives to do so.

Teachers argue that society should look upon their services not as a cost but as an investment. Correct, but quid pro quo, the public wants a return on its investment. Teachers have to show that they are good at their jobs and doing their level best. Career drifters who do not more than "get along," spending as little time as possible with students, teaching each course like a TV rerun, ought to be taken out of the profession. They do too much damage.

There has to be some sort of performance review. Nervous as some teachers may be about it, they have to provide an answer to the obvious question: How well are they doing with their students? The state-awarded teaching certificate, of itself, is not enough. As experienced teachers will tell you, that certificate is really a learner's permit. It indicates preparation and potential, not results.

To their credit, Delaware teachers have helped to create and are supporting a new approach to evaluation. It is now in the pilot stage. On the horizon is a voluntary national screening process leading to special certification for experienced teachers. It will be similar to the system used in the medical profession. Delaware teachers should participate in this. If it makes sense to have "board certified" physicians attending to the ills of our bodies, it makes equal sense to have "board certified" teachers nurturing and expanding our minds.

More support services: Of necessity more than choice, schools today must go far beyond the Three R's, and deal with other growing-up needs. Examples of what is happening in selected Delaware schools reflect the new educational responsibilities. Guidance and counseling programs are being expanded. The state legislature this year authorized funds for additional counselors. Day care centers have been started at several schools. Special education programs have been expanding for years, to a point where Delaware now has one of the most extensive programs in the nation. A new "wellness" program has been authorized by the State Board of Education. Offered to schools statewide, K-12, it covers nutrition, health and sex education (AIDS included).

More is needed. Counseling programs need to be strengthened and pushed down to lower grade levels. Even good guidance, at the 11th or 12th grade level, may come five years too late. Day care centers in Delaware have room for 12,000 youngsters—75,000 spaces are needed. More centers should be set up on school property to be operated by community groups or other private vendors. Social workers concentrating on youth problems should be housed in the schools, reporting to the principals.

More participation: Teachers can work most effectively, and students can overcome problems, only if there is wide-based support for education from all parts of the community. Parents, community organizations, business firms, government officials—everyone in a position to influence education—should be focusing on the needs of students, and matching the resources of their groups and institutions to those needs.

More cooperation and coordination are required within schools and between school and community. Teachers should be helping teachers, looking not only at the subjects to which they are assigned, but also to their common goal as counselors and mentors. Administrators should be looking for ways to help teachers plan their own programs and launch their own initiatives, not pressing them to follow a given course line in pursuit of a false goal of consistency. Education has to offer "different strokes for different folks."

Educators and parents all should be trying to identify the "at risk" students and bring them the help they need. In one case that may mean an outreach program among parents—i.e., parents offering to help other parents build good study habits with children, to keep youngsters from falling between the chairs. In another case, it may be a joint business-school-parent effort to install a day care center in unused classrooms.

Those examples have two common factors: All of them are keyed to local and specific needs, and all of them have been tried before, generally with success, in Delaware or elsewhere. The need is not to devise wholly new approaches, which would have only hope to recommend them. Instead, what Delaware needs to do is to build on its own experience, and that of other states, to expand programs already proving to be effective.

More use of facilities: Education's physical plant is grossly underutilized. We ought to look at the school schedule for what it is—an anachronism left over from an agrarian economy and lifestyle—and change it. We ought to bring schools into the 20th Century, before it is over.

We have to challenge a schedule under which an expensive public asset is in use less than one-half of the time: the 180-day school year, 3 p.m. closing times, and buildings lying empty on weekends and all summer. That makes no sense in view of the need for educational services by students of all ages, not to mention the high costs of building and maintaining schools. Schools ought to be open for extended hours and year-round, to provide extra help and activities for young students, for adult education and job training, and to serve other community needs.

We are paying for hangups in our administrative system too. Population shifts have left some districts with too much square-footage or schools in the wrong place, while other districts are short of space. As a result, new elementary schools are on the drawing board in Delaware, while some old schools remain boarded up or have been sold. Taxpayers should not be asked to pay for such overlaps unless all alternatives have been explored, including school-swaps among districts and changes in district boundaries. There is nothing sacred about either the school schedules or the property lines.

The mounting problems that schools face, and the long term costs of failing to solve them, make it clear that there is no more time for "business as usual" in the schools. Because we must expect more of our schools now, we have to support them more, and make better use of their human and other resources.

Mr. DURENBERGER. Mr. President, I rise today as a cosponsor of S. 373, the Elementary and Secondary Education Amendments of 1987, to express my strong support the bill and to commend the outstanding leadership my colleagues Senator PELL and Senator STAFFORD have provided in developing this bill.

Today I would like to pay particular tribute to the distinguished Senator from Vermont for his 16 years as the chief defender of education programs in the Senate. Senator STAFFORD has demonstrated a deep commitment to the concept that education is the key to the future success of this Nation. His willingness and ability to work with both sides of the aisle and the administrations to ensure access to quality education for all Americans has been the indispensable element of policy formation in this vital area. ROBERT STAFFORD has been the education Senator and we will sorely miss his competence and leadership.

Mr. President, it is not possible to consider education as simply a State and local government or family responsibility. Our ability to educate our children affects the future of this Nation in a variety of ways. It affects our trade policy, our economic policy, our income security—every facet of our national welfare and security. We must demonstrate conclusively our commitment to the education of our children and the future economic competitiveness of this country. This bill does just that.

More and more we are seeing the crucial importance of primary education. At a time when children are most open to new ideas and influenced by the world around them it is imperative that we as a society invest in their education. We now know that over 75 percent of high school dropouts can be accurately predicted as likely to fail by the third grade.

This bill will help meet a critical need to improve the quality and availability of education to disadvantaged children. Federal dollars spent at the elementary and secondary levels through chapter I, chapter II, impact aid, and magnet schools have produced some of the most successful federally funded programs in our Nation's history. In addition to the reauthorization of these vital programs, I am encouraged by the many new programs which will help disadvantaged youth reach their fullest potential, including the Even Start Program, the school dropout demonstration program, and the gifted and talented discretionary grant program which focuses on the economically disadvantaged. I am particularly pleased at the new initiatives within this bill that will help fund regional centers to assist rural communities through a variety of technical and development programs, and fund new demonstration programs to test and evaluate an Open Enrollment Program and offer greater choice in education.

I urge my colleagues enthusiastically to support this bill to open the doors of opportuity for the underprivileged so that future Americans will be able to compete with others for jobs and economic prosperity.

Mr. DASCHLE. Mr. President, I rise today in strong support of the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987. I commend the distinguished Senator from Rhode Island and the Senator from Vermont for their leadership in developing a comprehensive measure with the bipartisan backing of my colleagues on and off the Labor Committee, the administration, any many educational advocacy groups.

Mr. President, I wholeheartly support this legislation, which reauthorizes our essential elementary and secondary educational programs. I believe that education, especially early education, is one of the most significant influences in an individual child's life, and this is an area where the Federal Government must take great care. Apparently, the American public agrees. Peter Hart and Associates recently conducted a poll to assess whether the public supported Government action on a wide range of children's programs. He found overwhelming support for early educational programs. Significantly, it was revealed that early educational programs ranked high among programs for which voters were willing to pay higher taxes.

In September 1987, the Committee for Economic Development [CED], a group of 225 heads of U.S. firms, called for a multibillion-dollar expansion of early childhood programs. In a landmark report, "Children in Need," the CED urges "early and sustained intervention in the lives of disadvantaged children." The statistics are compelling: Each dollar spent early on in a poor child's life will save $4.75 in remedial education, welfare, and crime down the road. The conclusion drawn from this report is that education is a wise investment in our Nation's economic future.

S. 373 authorizes a host of important programs, and many of my colleagues have very ably described them. Now, Mr. President, I would like to take a few minutes to talk about three areas of this legislation of particular importance to South Dakota: chapter 1, Indian education, and impact aid.

CHAPTER 1

The reauthorization of the chapter 1 program, the cornerstone of this legislation, clearly embodies this commitment to disadvantaged children. The purpose of the chapter 1 program is to assist educationally deprived children in succeeding in regular education programs, achieving grade level proficiency, and improving basic and more advanced academic skills.

I believe that this legislation makes a number of important program improvements to chapter 1. It strengthens the current ability to serve chapter 1-eligible students effectively by authorizing a new concentration grant program. The bill encourages and promotes parental involvement by allowing their participation in designing, planning, and implementing chapter 1 programs. Innovation is encouraged by enabling local education agencies [LEA's] to reserve up to 5 percent of their grant for innovative programs. In addition, a new program within chapter 1 is authorized which supports basic skill activities at the secondary level.

Chapter 1 provides essential assistance to over 13,000 students in my State of South Dakota. The main focus of the 200 chapter 1 programs in my State is assistance with reading skills. This bill authorizes an additional $160,000 to $325,000 for program improvements in South Dakota alone.

INDIAN EDUCATION

Mr. President, I am very pleased that this bill contains a title addressing Indian education. I have a special interest in this title for a number of reasons. First, South Dakota has nine Indian reservations and a considerable urban Native American population. South Dakota also has the second largest Indian reservation in the Nation—both geographically and in terms of population. Some of its reservations represent the poorest in the Nation, and quality education is often the only escape hatch for these children of poverty.

Second, this title is important to me because, as a member of the Select Committee on Indian Affairs, I had an opportunity to chair a hearing on Pine Ridge Reservation and to later participate in the hearings held here in Washington. I am confident that this title addresses many of the concerns of Indian people regarding education programs for their children.

Earlier this year the Bureau of Indian Affairs proposed to contract with public schools for the operation of all BIA schools. The Indian community found this proposal offensive because the announcement was made without regard to the trust responsibility, without regard to laws that require consultation with Indian tribal leaders and Indian educators on major program changes, without regard to a factual basis for assertions made about the quality of education in BIA-operated schools, and without regard to what are the real education needs of Indian people. The Indian title of this bill addresses this concern with a prohibition against contracting with States to operate schools now operated by the BIA unless Congress or the affected tribes agree to such contracting.

In addition to a number of other important provisions, this title also contains a provision for special projects that could enable South Dakota's Pine Ridge Reservation to operate its own tribal department of education and assume fully responsibility for the education of its children in a more coordinated fashion.

IMPACT AID

As an original cosponsor of S. 1620, I want to express my strong support for the committee's decision to include S. 1620, the Impact Aid Reauthorization Act of 1987, as part of S. 373. This legislation is absolutely essential to the children of South Dakota and to all children affiliated with Federal lands and installations.

Impact aid (Public Law 81-874) was originally conceived to guarantee local school districts suffering financial losses from the impact of a Federal presence in the districts the financial reimbursements necessary to provide federally connected children a basic free public education. I want to stress the words "basic free public education." Basic free public education is a right we as a nation guarantee to all children. Impact aid simply authorizes payments to make a basic free public education possible for children whose parents live and/or work on Federal property.

Mr. President, it is likely that many of our colleagues are not aware of the history behind S. 1620. Reauthorizing impact aid has been a genuine struggle for federally impacted school districts. Cuts in education programs over the last 6 years have eroded impact aid payments to the degree that basic education services have been jeopardized. The result has been that impact aid districts have been forced to struggle for scarce and inadequate resources and that the basic education needs of many children have not been met.

As someone who represents a State with a significant Federal presence due to both extensive Indian lands and a major Air Force installation, I feel I am able to offer a unique perspective on the very real effects of inadequate impact aid funding. South Dakota depends heavily on impact aid to meet the basic educational needs of its Indian and military children.

Several of the large Indian-impacted districts and the Douglas School District, which educates children affiliated with Ellsworth Air Force Base, rely on impact aid for over 50 percent of their operating budgets and for the quality of virtually every aspect of their school programs. When vital funds are delayed, cut, or "prorated," the term "inadequate funding" takes on a special meaning for these heavily impacted schools. In some districts, it would be accurate to say that the educational program simply would not exist without impact aid funds.

I am acutely aware of the fiscal dilemma facing this country. Oddly enough, our Nation's children are the ones who have most to lose in this case, too. We have allowed our national debt to pile up with the apparent expectation that our children will carry it away miraculously when we are gone. The deficit must be cut, and all areas of the budget should share the burden. The issue is a matter of priorities and courage. We must decide where cuts can be made, and where they cannot.

Mr. President, some—even some impact aid supporters—have suggested that impact aid can absorb cuts. They have said that we can never expect full funding for impact aid. I challenge that. I believe that full funding of the impact aid program is the only way we can assure children in federally impacted school districts the educational opportunities they deserve. Furthermore, I am convinced that we can make the budget cuts necessary to meet our deficit reduction needs without sacrificing any child's right—regardless of their physical location—to a free public education.

The problem is a political one. Unless you are directly affected by impact aid, you probably don't know what it is. Many people misunderstand impact aid, believing it is some sort of "extra" program. The reality is that impact aid is not an "extra" at all; it is a contract with the Government to ensure that federally connected children receive a basic education. When Congress cuts these funds, we are not cutting waste, we are cutting basic education programs and undermining our national commitment to provide basic free public education to all children. In addition, we are forcing school officials to divide their time between educating children and chasing down Federal dollars.

After a 6-year decline in impact aid funds, I am pleased to report that the trend is finally reversing. We have partially restored impact aid losses, and I am pleased to have been a part of that effort. This is an important first step. I think it is important to remember, though, that it is only a first step and that we have a responsibility to restore impact aid funding to its full authorization levels for both school instruction (Public Law 81-874) and school construction (Public Law 81-815). To do otherwise would prepetuate 6 years of discrimination against children who happen to be served by federally impacted school districts.

Mr. President, I was pleased to work with Senator PELL and other impact aid supporters to introduce S. 1620. I was also pleased to testify earlier this year before the Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies, to express my support for full funding of impact aid. The gains we have made in impact aid policy this year are significant, and it is my hope that they will be expanded upon next year. I look forward to working with Senator PELL and others toward that goal.

CONCLUSION

In addition to chapter 1, the Indian title, and impact aid, a number of other critical elementary and secondary programs are included in this omnibus reauthorization. These programs include chapter 2, the Magnet Schools Assistance Program, the Adult Education Act, the Education for Economic Security Act, the Bilingual Education Act, the Women's Equity Act, the Allen J. Ellender Fellowship Program, and the territorial assistance programs for teacher training and for general assistance to the Virgin Islands.

In closing, I believe that education is an important determinant of the future welfare of an individual. There is no better way to protect our children's future than by strengthening our educational foundations. This bill is a positive step forward for America, and I urge my colleagues to give it their overwhelming support.

Mr. BINGAMAN. Mr. President, I rise today to commend my colleagues, Mr. KENNEDY, the chairman of the Committee on Labor and Human Resources, and Mr. PELL, the chairman of the Subcommittee on Education, Arts, and Humanities, and their staffs, for their diligent and comprehensive work in bringing this important piece of legislation to the Senate floor today. For the sake of our children's future, I urge my colleagues to vote in favor of its passage.

I would like to briefly comment on two components of this legislation. Earlier this year, I introduced two bills, the English Proficiency Act and the Office of Comprehensive School Health Education Act, that address issues I believe to be of vital importance to our Nation's future success: Literacy and health. I am happy to report that portions of these bills have been incorporated into the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987.

The Office of Comprehensive School Health Education Act addresses issues—the health, well-being, and physical to us all. For too long, it seems, we have neglected to adequately examine and address these issues.

In 1978, Congress created a new, direct grant program for school health education. Although draft regulations were issued for public comment, no final regulations were promulgated nor any grants made, largely because the office was dismantled in 1981 in the reorganization of the Department of Education. Six years have passed. The state of our children's health continues to decline and our schools do not seem to be stemming the downward slide. It is time once again to reestablish the Office of School Health.

Unfortunately and despite the incorporation of portions of my bill into the legislation before us, I fear that the existence of this vital office may once again be threatened, even before it is reestablished. This is because the Education Reauthorization Act merely authorizes the Secretary of Education to make grants and contracts that would establish or strengthen school health education programs through an Office of Comprehensive School Health Education. It does not direct the Secretary to establish the office or make the grants.

I understand that some Members of this body are concerned that authorization of such an office—a health education office—would be tantamount to authorizing the fitness of our children—that should be of great importance to us all. For too long, it seems, we have neglected to adequately examine and address these issues.

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I understand that some members of this body are concerned that authorization of such an office—a health education office—would be tantamount to authorizing the establishment of school-based clinics throughout the United States. Let me assure you, Mr. President, this simply is not true. The Office of Comprehensive School Health would not encompass health services, it would merely seek to improve the quality of our children's health education. It would encourage and support programs that stress physical health, well-being, and disease prevention as a part of the regular education program. The office would provide technical support to States and local educational agencies, issue an annual progress report, and monitor the status of school health nationally. Also, and importantly, the office would cooperate with other Federal agencies to coordinate school health education programs and to provide these programs with up-to-date Federal information.

Because I believe these programs are vital to our children's future, I intend to monitor Secretary Bennett's actions with respect to the creation of the Office of School Health Education and, if the Department continues to ignore the worsening state of our children's health and fitness, I stand ready to offer legislation that would more affirmatively require the Department to take action.

We all realize the importance of mental fitness and improvement. The legislation before us is evidence enough. We must also realize that physical fitness and improvement is equally important. Unfortunately, many of us do not. Indeed, we are our own worst enemy. Half the deaths in this country are related to lifestyle. Heart disease, obesity, drug abuse, alcoholism, and poor nutrition are all rooted in the way we choose to live. Even worse, the AIDS epidemic spreading in the adult community today will filter down to our young people unless education and prevention of this disease is included in some form in our schools. Our children are learning all too well the bad health habits of adults. It is estimated that by 1991 the United States will be spending $8 billion in medical care for AIDS victims unless a concerted education effort takes place now.

Communicable disease, however, is not the only enemy. George Allen, Chairman of the President's Council on Physical Fitness and Sports, calls the lack of youth fitness "the best kept secret in America today." Tests conducted by the President's Council tell us that 40 percent of the boys and 70 percent of girls cannot do more than a single push-up. One-third of all school-aged boys and half of all girls cannot run a mile in less than 10 minutes.

Children in my own State of New Mexico are not as physically fit as they were a decade ago. A recent study by the Albuquerque public schools shows that children in that system scored below the national average in most tests for fitness and endurance—the problem appears to worsen as the kids grow older. A majority of boys in the Albuquerque system scored below the national average in cardiovascular endurance, agility, leg power, and flexibility. The girls scored below the national average on three tests—the 50 yard dash, agility and leg power.

I don't mean to suggest that our children should be miniature "Atlases," but medical experts agree that physical fitness is a key component of good health and disease prevention and that fitness among kids nationwide is instead on the decline.

I strongly believe that our best weapon against these unfortunate lifestyle trends is to institute comprehensive health education curricula in our schools. It is for this reason that I introduced the Office of Comprehensive School Health Education Act.

Schools present our best opportunity to reverse these trends, but they are failing to do so. Health education in high schools, unfortunately, is usually an elective that does not count toward graduation. At last count, more than 20 States did not have health education consultants in their departments of education. I'm happy to report that New Mexico has such a consultant. I believe health education must be a core study—not an isolated or single-topic, optional course crammed into a high school senior's last semester. The Office of Comprehensive School Health would establish a focal point in the Federal Government for coordinating and carrying out health education programs among States and schools.

By re-establishing the Office of Comprehensive School Health there would finally be a way to coordinate the numerous categorical programs in the Department of Education, and even more importantly, among the other Federal agencies. The National Institutes of Health, Centers for Disease Control, National Highway Traffic Safety Administration, Bureau of Maternal and Child Health, and the Office of Disease Prevention and Child Health, and the Office of Disease Prevention and Health Promotion all have an interest in school health and generate a variety of information aimed at informing the public of health issues. Yet no office within the Department of Education exists to distribute this information to the States and local educational agencies. Health education material and curricula developed by these agencies should be integrated and presented in a comprehensive school health education program.

Such an office can quicken the use of Federal health research information and promotion, stimulate quality health education programs, encourage community involvement in health education curriculum decisions, and buttress States and local educational agencies with technical support.

I believe my colleagues can understand the vital need for this office of health education. I can only hope the Secretary of Education will also see, and heed, this need.

Mr. President, let me now turn to another component of the Education Reauthorization Act, the English Proficiency Act. This act, which is substantially similar to the version I introduced in the 99th Congress, is intended to raise the communication and literacy skills of persons whose native language is other than English. Its companion, H.R. 579, was introduced by Representative MATTHEW MARTINEZ in the House and has already been passed.

This bill focuses on those adults and out-of-school youth whose first language is not English. The U.S. Department of Education estimates the illiteracy rate among this group at 48 percent, compared to only 9 percent among those whose native language is English. The overall illiteracy rate for all U.S. adults is 13 percent. Studies have found that among the fastest growing minority—the Hispanic community—the illiteracy rate is as high as 56 percent. What concerns me as much as these figures is the strong correlation between illiteracy in the primary language and illiteracy in English. 86 percent of persons whose primary language is not English indicate they are illiterate in their native language as well. As these figures show, those who are limited English proficient are disproportionately represented among our Nation's illiterate population.

Contrary to conventional wisdom, limited English speakers are interested in learning English. An Education Week article of November 5, 1986 reports that thousands of prospective students, many of them recent immigrants, are being turned away from adult English language classes. Whether in Los Angeles, Houston, New York City, or Albuquerque, adult education officials report too few classes for too many students. The article describes that adult education officials in Los Angeles were unable to serve roughly 40,000 adults seeking English language instruction in 1986—more than twice the number turned away in 1985. My State of New Mexico reports that while there is greater opportunity for adult learners in urban areas, the rural communities are suffering from little or no English classes at all.

The immigration law enacted by the last Congress will also increase the number of non-English speakers seeking language instruction. Between 2.6 and 6 million undocumented aliens now residing in the United States will become eligible for naturalization if they entered the United States before 1982. Learning English goes hand-in-hand with naturalization, and our current service providers do not appear to be equipped to handle the influx of these prospective students. It would be unfortunate if the lack of English classes becomes a barrier toward citizenship—a result contrary to the purposes of the immigration bill.

Ironically, many individuals feel that the best way to address this situation is to declare that English is the official language of the United States, rather than advocating more English language programs. Recently, an "English only" constitutional amendment was introduced in the New Mexico State Legislature. Not surprisingly, it was severely criticized by State leaders and educators and overwhelmingly defeated by the legislature. I do not believe that by dictating that English be our State or national language we insure English proficiency. If we follow that simple formula, then no one takes responsibility for expanding English classes, improving language instruction and training, and increasing program funding. A genuine first step to insure English proficiency is to provide access to English classes.

This legislation has real meaning for my home State, because to lower its current 14 percent illiteracy rate, New Mexico must address the special needs of its limited English population. Unlike a State such as California, which has a large immigrant population, New Mexico has a large population of native-born limited English speakers. According to the 1980 U.S. Census, Hispanics in New Mexico make up 37 percent of the total State population, and American Indians 9 percent. In these two groups New Mexico finds the largest number of its limited English speakers.

Naturally, schools are assumed to have major responsibility for literacy instruction, yet, we continue to lose too many of our young people through our schools. Recently released figures by the State Department of Education show New Mexico's annual high school dropout rate is 7.4 percent for 1985-86. Native American students have the highest dropout rate at 12.2 percent, followed by Hispanic student at 8.1 percent, and the lowest rate for anglo students at 5.8 percent. What these figures don't tell us is what the dropout rate would be over a 4-year period, which I believe would be a more accurate assessment of how many students remain in school. Intervention for these at-risk students poses an even greater challenge to schools and parents alike. This bill recognizes the higher dropout rate among limited English youth by targeting literacy services to out-of-school youth.

Equally targeted are limited English speaking adults. According to the State Department of Education, 22 percent of New Mexico's total population, or 282,447 persons, are either not in school or have not graduated from high school or earned an equivalent diploma. Of this total, close to half have only 8 years or less of formal education. Adult basic education typically tries to meet the needs of the adult portion of this group, but it served only 20,500 adult New Mexicans in fiscal year 1986. This legislation will allow more communities to have litgeracy services to provide for the large portion of our adults who are limited English speakers.

Mr. President, this measure establishes within the Office of Adult Education of the Department of Education a grant program for the operation of English literacy programs for eligible recipients, which may be community-based organizations, local educational agencies, tribally controlled schools, institutions of higher learning, public libraries, or prisons. Demonstration programs are authorized to develops improved approaches and techniques for education Americans of limited English proficiency. The bill also establishes a clearinghouse to gather and disseminate literacy training and educational materials for the limited English population.

It is certainly my intent that this legislation include those minority populations that meet the defintion of limited English proficient—including the Hispanic community, the American Indian and Native Alaskans, and the Asian-Americans and Pacific Islanders. The demographic trends of our Nation anticipate that by the year 2000, one out of every three Americans will be a member of a minority group. If we fail to address the special educational needs of these groups we deny ourselves and these individuals a more productive future.

The English Proficiency Act is a modest step, and one that I hope my colleagues will support.

Again, let me comment Senator PELL, Senator KENNEDY, and their fine staffs for their efforts in bringing this legislation to the Senate floor. Thank you, Mr. President.

IN SUPPORT OF THE IMPACT AID PROGRAM INCORPORATED INTO S. 373

Mr. McCAIN. Mr. President, I would like to take this opportunity to congratulate my colleagues who worked so diligently to pass S. 373, the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987. Passage of this bill is due to the bipartisan cooperation of the members of the Committee on Labor and Human Resources. Mr. President, education should be a nonpartisan issue because the future of our Nation is dependent upon the successful education of our children.

S. 373 provides vital assistance to our most needy elementary and secondary schoolchildren. The elements of this bill stress equal access to a quality education for all disadvantaged students.

I am particularly pleased with the reauthorization of title IV of this bill. This provision, better known as the Impact Aid Program, provides Federal moneys to offset the cost to educate children who reside on Federal lands where tax revenue is lien. This is particularly important for Arizona because over 60 percent of our State land is federally owned. This impact aid money is critically important to Arizona because of the large number of Indian and military families that reside in our State.

As a firm believer and supporter of the Impact Aid Program, I was pleased to see the constructive changes put forth by S. 373. One significant change deals with targeting the children in the school districts which are the neediest, such as Indian and handicapped children. This provision recognizes that additional funding is needed to educate them and allocates funds above the average per-pupil expense.

Arizona is one of seven States which are "equalized." By being an equalized State, we had a special interest in a provision in the bill which would require all school districts in our State to equal or exceed the average State per-pupil expenditures or that of a comparable district. It was the belief of the committee and a position to which I ascribe, that additional per-pupil expenditures do not necessarily mean a quality education for all children. I was pleased to see that this section, which would have required equal or higher per-pupil expenditures, was deleted on the floor of the Senate.

The formula for impact aid disbursement needed to be revamped in order to guarantee an equal education for all of our children. It sets a clear priority for funding of the most severely impacted school districts. Thus, Mr. President, I am pleased to support S. 373, of which the Impact Aid Program is a part.

THE BILINGUAL EDUCATION ACT INCORPORATED IN S. 373

Mr. President, I would like to take this opportunity to commend my colleagues on the Committee on Labor and Human Resources for crafting an omnibus education reauthorization package that is flexible, yet reaffirms our commitment to improving our Nation's educational system.

There are numerous educational programs incorporated in S. 373 that will strengthen the academic skills necessary for our Nation's children to succeed in the future. For all of us concerned about the plight of our country's educational system this is welcomed news.

As we all know, during the past several years a number of reports have been issued that criticized the status of our Nation's schools. But despite the captious nature of these reports, we have not wallowed in its negative aspects. Instead we have forged a bipartisan effort to review our current structure and implement the reforms that are necessary to enhance America's educational system.

The various recommendations cited in the committee's report are important in the overall effort to address the flaws in our educational process, and I was very pleased to see that our Federal Bilingual Educational Program has remained relatively intact. Of particular significance was a provision that was included in the bill that reemphasizes regardless of what type of teaching method is used under the program, "the twin goals of the program shall be English proficiency and the development of academic achievement."

Another noteworthy provision in S. 373 is the increase in the authorization level for bilingual education—for fiscal year 1989, $168 million compared to $153 million for fiscal year 1988. As a member of the bipartisan congressional effort that put together the bilingual education amendments and reauthorization package of 1984 and in these times of fiscal austerity, I am delighted that an adequate level of funding has been provided for the upcoming years.

In the past, many legislative measures have been initiated to address the educational problems of our limited English proficient population. Some have worked and others have failed miserably. But in my view, the carefully crafted bill reported by the committee takes into account the needs of students and the experience of educators by maintaining a flexible yet workable Bilingual Education Program.

I realize that some proponents of bilingual education may express concern regarding the provision that reserves up to 25 percent of the funds appropriated under part A for special alternative instructional programs. As a Member of Congress who has been involved in the development of our Nation's Bilingual Education Program, I view this change as a pragmatic approach in dealing with the problems that some school districts encounter in implementing strictly transitional bilingual education programs. We need flexibility in choosing which methodology is best, and the language included in S. 373 does not dismantle TBE. It merely provides alternatives in addressing the needs of our limited-English-proficient children.

In conclusion, I again want to praise my colleagues for their foresight and efforts on behalf of our LEP students. These children, their parents, and our Nation's bilingual educators recognize that a solid grasp of the English language is vital to succeed in today's society. Through our combined efforts, we are ensuring that every student has the opportunity to acquire the tools needed to attain their aspirations. Our continued involvement in identifying and implementing the appropriate educational reform measures means we understand that education is the key that opens the golden door of opportunity. But perhaps just as important, it means we will not abdicate our educational responsibilities to any segment of our population.

Mr. PELL. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar Order 443, H.R. 5.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A bill (H.R. 5) to improve elementary and secondary education, and for other purposes.

The **PRESIDING OFFICER**. Without objection, the Senate will proceed to its immediate consideration.

Mr. **PELL**. Mr. President, I ask unanimous consent to strike all after the enacting clause and insert in lieu thereof the text of S. 375, as amended.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The question is on the engrossment of the committee amendment, as amended, and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read a third time.

The **PRESIDING OFFICER**. The bill having been read the third time, the question is, Shall the bill pass?

Mr. **PELL**. Mr. President, I ask for the yeas and nays.

The **PRESIDING OFFICER**. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The bill having been read the third time, the question is, Shall the bill pass? The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. **CRANSTON**. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator for Mississippi [Mr. STENNIS] are necessarily absent.

The **PRESIDING OFFICER** (Mr. REID). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 97, nays 1, as follows:

[Rollcall Vote No. 390 Leg.]

YEAS—97

Adams
Armstrong
Baucus
Bentsen
Biden
Bingaman
Bond
Boren
Boschwitz
Bradley
Breaux
Burdick
Byrd
Chafee
Chiles
Cochran
Cohen
Conrad
Cranston
D'Amato
Danforth
Daschle
DeConcini
Dixon
Dodd
Dole
Domenici
Durenberger
Evans
Exon
Ford
Fowler
Garn
Glenn
Gore
Graham
Gramm
Grassley
Harkin
Hatch
Hatfield
Hecht
Heflin
Heinz
Hollings
Humphrey
Inouye
Johnston
Karnes
Kassebaum
Kasten
Kennedy
Kerry
Lautenberg
Leahy
Levin
Lugar
Matsunaga
McCain
McClure
McConnell
Melcher
Metzenbaum
Mikulski
Mitchell
Moynihan
Murkowski
Nickles
Nunn
Packwood
Pell
Pressler
Proxmire
Pryor
Quayle
Reid
Riegle
Rockefeller
Roth
Rudman
Sanford
Sarbanes
Sasser
Shelby
Simon
Simpson
Specter
Stafford
Stevens
Symms
Thurmond
Trible
Wallop
Warner
Weicker
Wilson
Wirth

NAYS—1

Helms

NOT VOTING—2

Bumpers
Stennis

So the bill (H.R. 5), as amended, was passed.

The text of the bill as passed follows:)

Resolved, That the bill from the House of Representatives (H.R. 5) entitled "An Act to improve elementary and secondary education, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987".

SEC. 2. TABLE OF CONTENTS.

Sec. 1. Short title.
Sec. 2. Table of contents.

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Sec. 1022. Educational improvement plan and activities.

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Sec. 1107. Evaluations and program improvement.
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TITLE I—BASIC PROGRAMS

CHAPTER 1—FINANCIAL ASSISTANCE TO MEET SPECIAL EDUCATIONAL NEEDS OF CHILDREN

SEC. 1001. DECLARATION OF POLICY AND STATEMENT OF PURPOSE.

(a) DECLARATION OF POLICY.—In recognition of—

(1) the special educational needs of children of low-income families and the impact of concentrations of low-income families on the ability of local educational agencies to provide educational programs which meet such needs, and

(2) the special educational needs of children of migrant parents, of Indian children, and of handicapped, neglected, and delinquent children,

the Congress declares it to be the policy of the United States to—

(A) provide financial assistance to State and local educational agencies to meet the special needs of such educationally deprived children at the preschool, elementary, and secondary levels;

(B) expand the program authorized by this chapter over the next 5 years to increase the percentage of eligible children served in each fiscal year until all eligible children are served by fiscal year 1993; and

(C) provide such assistance in a way which eliminates unnecessary administrative burden and paperwork and overly prescriptive regulations and provides flexibility to State and local educational agencies in making educational decisions.

(b) STATEMENT OF PURPOSE.—The purpose of assistance under this chapter is to improve the educational opportunities of educationally deprived children by helping such children succeed in the regular program of the local educational agency, attain grade-level proficiency, and improve achievement in basic and more advanced skills. These purposes shall be accomplished through such means as supplemental education programs, schoolwide programs, and the increased involvement of parents in their children's education.

PART A—BASIC PROGRAMS OPERATED BY LOCAL EDUCATIONAL AGENCIES

Subpart 1—Allocations

SEC. 1005. BASIC GRANTS.

(a) AMOUNT OF GRANTS.—

(1) GRANTS FOR TERRITORIES.—There is authorized to be appropriated for each fiscal year for the purpose of this paragraph 1 percent of the amount appropriated for such year for payments to States under part D (other than payments under such part to jurisdictions excluded from the term "State" by this subsection, and payments pursuant to section 1291). The amount appropriated pursuant to this paragraph shall be allotted by the Secretary (A) among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective need for grants under this part, and (B) to the Secretary of the Interior in the amount necessary (i) to make payments pursuant to paragraph (1) of subsection (d), and (ii) to make payments pursuant to paragraph (2) of subsection (d). The grant which a local educational agency in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands is eligible to receive shall be determined pursuant to such criteria as the Secretary determines will best carry out the purposes of this chapter.

(2) GRANTS FOR LOCAL EDUCATIONAL AGENCIES AND PUERTO RICO.—

(A) In any case in which the Secretary determines that satisfactory data for that purpose are available, the grant which a local educational agency in a State is eligible to receive under this subpart for a fiscal year shall (except as provided in paragraph (3)), be determined by multiplying the number of children counted under subsection (c) by 40 percent of the amount determined under the next sentence. The amount determined under this sentence shall be the average per pupil expenditure in the State except that (i) if the average per pupil expenditure in the State is less than 80 percent of the average per pupil expenditure in the United States, such amount shall be 80 percent of the average per pupil expenditure in the United States, or (ii) if the average per pupil expenditure in the State is more than 120 percent of the average per pupil expenditure in the United States, such amount shall be 120 percent of the average per pupil expenditure in the United States.

(B) In any case in which such data are not available, subject to paragraph (3), the grant for any local educational agency in a State shall be determined on the basis of the aggregate amount of such grants for all such agencies in the county or counties in which the school district of the particular agency is located, which aggregate amount shall be equal to the aggregate amount determined under subparagraph (A) for such county or counties, and shall be allocated among those agencies upon such equitable basis as may be determined by the State educational agency in accordance with the basic criteria prescribed by the Secretary.

(C) For each fiscal year, the Secretary shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States. The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of children counted under subsection (c) for Puerto Rico by the product of—

(i) the percentage determined under the preceding sentence and

(ii) 32 percent of the average per pupil expenditure in the United States.

(3) SPECIAL ALLOCATION PROCEDURES.—

(A) Upon determination by the State educational agency that a local educational agency in the State is unable or unwilling to provide for the special educational needs of children described in clause (C) of paragraph (1) of subsection (c), who are living in institutions for neglected or delinquent children, the State educational agency shall, if it assumes responsibility for the special educational needs of such children, be eligible to receive the portion of the allocation to such local educational agency which is attributable to such neglected or delinquent children, but if the State educational agency does not assume such responsibility, any other State or local public agency, as determined by regulations established by the Secretary, which does assume such responsibility shall be eligible to receive such portion of the allocation.

(B) In the case of local educational agencies which serve in whole or in part the same geographical area, and in the case of a local educational agency which provides free public education for a substantial number of children who reside in the school district of another local educational agency, the State educational agency may allocate the amount of the grants for those agencies among them in such manner as it determines will best carry out the purposes of this chapter.

(C) In any State in which a large number of local educational agencies overlap county boundaries, the State educational agency may apply to the Secretary for authority during any particular fiscal year to make the allocations under this part (other than section 1006) directly to local educational agencies without regard to the counties. If the Secretary approves an application of a State educational agency for a particular year under this subparagraph, the State educational agency shall provide assurances that such allocations will be made using precisely the same factors for determining a grant as are used under this part and that a procedure will be established through which local educational agencies dissatisfied with the determinations made by the State educational agency may appeal directly to the Secretary for a final determination.

(4) DEFINITION.—For purposes of this subsection, the term "State" does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(b) MINIMUM NUMBER OF CHILDREN TO QUALIFY.—A local educational agency shall be eligible for a basic grant for a fiscal year under this subpart only if it meets the following requirements with respect to the number of children counted under subsection (c):

(1) In any case (except as provided in paragraph (3)) in which the Secretary determines that satisfactory data for the purpose of this subsection as to the number of such children are available on a school district basis, the number of such children in the school district of such local educational agency shall be at least 10.

(2) In any other case, except as provided in paragraph (3), the number of such children in the county which includes such local educational agency's school district shall be at least 10.

(3) In any case in which a county includes a part of the school district of the local educational agency concerned and the Secretary has not determined that satisfactory data for the purpose of this subsection are available on a school district basis for all the local educational agencies or all the counties into which the school district of the local educational agency concerned extends, the eligibility requirement with respect to the number of such children for such local educational agency shall be determined in accordance with regulations prescribed by the Secretary for the purposes of this subsection.

(c) CHILDREN TO BE COUNTED.—

(1) CATEGORIES OF CHILDREN.—The number of children to be counted for purposes of this section is the aggregate of—

(A) the number of children aged 5 to 17, inclusive, in the school district of the local educational agency from families below the poverty level as determined under paragraph (2)(A),

(B) for fiscal years 1989, 1990, and 1991 only, the number of children age 5 to 17, inclusive, in the school district of such agency from families above the poverty level as determined under the first sentence of paragraph (2)(B), and

(C) the number of children aged 5 to 17, inclusive, in the school district of such agency living in institutions for neglected or delinquent children (other than such institutions operated by the United States) but not counted pursuant to subpart 3 of part C for the purposes of a grant to a State agency, or being supported in foster homes with public funds.

(2) DETERMINATION OF NUMBER OF CHILDREN.—

(A) For the purposes of this section, the Secretary shall determine the number of children aged 5 to 17, inclusive, from families below the poverty level on the basis of the most recent satisfactory data available from the Department of Commerce for local educational agencies (or, if such data are not available for such agencies, for counties); and in determining the families which are below the poverty level, the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census.

(B) For the purpose of this section, the Secretary shall, for fiscal years 1989, 1990, and 1991 only, determine the number of children aged 5 to 17, inclusive, from families above the poverty level on the basis of the number of such children from families receiving an annual income, in excess of the current criteria of poverty, from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act; and in making such determinations the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census for a nonfarm family of 4 in such form as those criteria have been updated by increases in the Consumer Price Index. The Secretary shall determine the number of such children and the number of children of such ages living in institutions for neglected or delinquent children, or being supported in foster homes with public funds, on the basis of the caseload data for the month of October of the preceding year or, to the extent that such data are not available to the Secretary before January of the calendar year in which the Secretary's determination is made, then on the basis of the most recent reliable data available to the Secretary at the time of such determination. The Secretary of Health and Human Services shall collect and transmit the information required by this subparagraph to the Secretary not later than January 1 of each year.

(C) When requested by the Secretary, the Secretary of Commerce shall make a special estimate of the number of children of such ages who are from families below the pover-

ty level (as determined under subparagraph (A) of this paragraph) in each county or school district, and the Secretary is authorized to pay (either in advance or by way of reimbursement) the Secretary of Commerce the cost of making this special estimate. The Secretary of Commerce shall give consideration to any request of the chief executive of a State for the collection of additional census information. For purposes of this section, the Secretary shall consider all children who are in correctional institutions to be living in institutions for delinquent children.

(d) PROGRAM FOR INDIAN CHILDREN.—(1) From the amount allotted for payments to the Secretary of the Interior under the second sentence of subsection (a)(1), the Secretary of the Interior shall make payments to local educational agencies, upon such terms as the Secretary determines will best carry out the purposes of this chapter with respect to out-of-State Indian children in the elementary and secondary schools of such agencies under special contracts with the Department of the Interior. The amount of such payment may not exceed, for each such child, 40 percent of (A) the average per pupil expenditure in the State in which the agency is located or (B) 120 percent of such expenditure in the United States, whichever is the greater.

(2) The amount allotted for payments to the Secretary of the Interior under the second sentence of subsection (a)(1) for any fiscal year shall be, as determined pursuant to criteria established by the Secretary, the amount necessary to meet the special educational needs of educationally deprived Indian children on reservations serviced by elementary and secondary schools operated, or operated with Federal assistance, for Indian children by the Department of the Interior. Such payment shall be made pursuant to an agreement between the Secretary and the Secretary of the Interior containing such assurances and terms as the Secretary determines will best achieve the purposes of this chapter. Such agreement shall contain (A) an assurance that payments made pursuant to this subparagraph will be used solely for programs and projects approved by the Secretary of the Interior which meet the applicable requirements of subpart 2 of this part and that the Department of the Interior will comply in all other respects with the requirements of this chapter, and (B) provision for carrying out the applicable provisions of subpart 2 of this part and part E. Such agreement shall consider a tribal organization operating a school under the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.) or the Tribally Controlled Schools Act of 1987 as a local educational agency, and shall consider the Secretary of the Interior as a State or State educational agency for all purposes defining the authority of States or State educational agencies relative to local educational agencies. If, in the capacity as a State educational agency, the Secretary of the Interior promulgates regulations applicable to such tribal organizations, the Secretary shall comply with section 1451 of this Act and with section 553 of title 5 of the United States Code, relating to administrative procedure, and such regulations must be consistent with subsections (d) and (e) of section 1121, section 1130, and section 1133 of the Education Amendments of 1978.

(e) TREATMENT OF EARNINGS FOR PURPOSES OF AID TO FAMILIES WITH DEPENDENT CHILDREN.—Notwithstanding the provisions of title IV of the Social Security Act, a State plan approved under section 402 of such Act shall provide that for a period of not less than 12 months, and may provide that for a period of not more than 24 months, the first $85 earned by any person in any month for services rendered to any program assisted under this chapter of this Act shall not be regarded (1) in determining the need of such person under such approved State plan or (2) in determining the need for any other individual under such approved State plan.

(f) DURATION OF ASSISTANCE.—During the period beginning October 1, 1988, and ending September 30, 1993, the Secretary shall, in accordance with the provisions of this part, make payments to State educational agencies for grants made on the basis of entitlements created under this chapter.

SEC. 1006. GRANTS FOR LOCAL EDUCATIONAL AGENCIES IN COUNTIES WITH ESPECIALLY HIGH CONCENTRATIONS OF CHILDREN FROM LOW-INCOME FAMILIES.

(a) ELIGIBILITY FOR AND AMOUNT OF SPECIAL GRANTS.—(1) From one-half of the amount available for this section under subsection (e), in each fiscal year, each county, in a State other than Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, which is eligible for a grant under this chapter for any fiscal year shall be entitled to an additional grant under this section for that fiscal year if—

(A) the number of children counted under section 1005(c) of this chapter in the school district of local educational agencies in such county for the preceding fiscal year exceeds 5,000, or

(B) the number of children counted under section 1005(c) exceeds 20 percent of the total number of children aged 5 to 17, inclusive, in the school districts of local educational agencies in such county in the preceding fiscal year,

except that no such State shall receive less than one-quarter of 1 percent or $250,000, whichever is greater of the sums reserved under subsection (e) and available for this subsection for such fiscal year.

(2) For each county in which there are local educational agencies eligible to receive an additional grant under this subsection for any fiscal year the Secretary shall determine the product of—

(A) the number of children in excess of 5,000 counted under section 1005(c) for the preceding fiscal year or the number of children counted under that section in excess of 20 per centum of the total number of children aged 5 to 17, inclusive, in the school districts of local educational agencies in such country for that preceding fiscal year, whichever is greater, and

(B) the quotient resulting from the division of the amount determined for those agencies under section 1005(a)(2) of this title for the fiscal year for which the determination is being made divided by the total number of children counted under section 1005(c) for the preceding fiscal year.

(3) The amount of the additional grant to which an eligible county is entitled under this subsection for any fiscal year shall be an amount which bears the same ratio to the amount reserved under subsection (e) and available for this subsection for that fiscal year as the product determined under paragraph (2) for such county for that fiscal year bears to the sum of such products for all counties in the United States for that fiscal year.

(b) ADDITIONAL ELIGIBILITY FOR AMOUNT OF SPECIAL GRANTS.—(1)(A) From one-half of the amount available under subsection (e) of this section for each fiscal year, except as provided in subparagraph (B), each State, other than Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, shall be eligible to receive a grant for each fiscal year under this section in an amount that bears the same ratio to the amount reserved under subsection (e) and available for this subsection in that fiscal year as the amount allocated under section 1005 of this Act to local educational agencies in the State bears to the total amount allocated to such agencies in all States.

(B) No State shall receive less than one-quarter of 1 percent or $250,000, whichever is greater of the amount available for this subsection for any fiscal year.

(2)(A) Each State, from amounts allocated to the State under paragraph (1) of this subsection, shall allocate funds to each county described in subparagraph (B) of this paragraph, in accordance with this subsection.

(B) The counties described in subparagraph (A) are any counties in the State in which there are local educational agencies in which—

(i) the number of children counted under section 1005(c) in the school districts of local educational agencies in such county for the preceding year exceeds 5,000; or

(ii) the number of children counted under section 1005(c) exceeds 20 percent of the total number of children aged 5 to 17, inclusive, in the school districts of local educational agencies in such county in such fiscal year.

(3)(A) The amount of the additional grant under this subsection to which an eligible county is entitled under this section shall be an amount which bears the same ratio to the amount allocated to the State under subsection (a) as the product determined under subparagraph (B) of this paragraph for such county for that fiscal year bears to the sum of such products for all counties which are eligible in the State for that fiscal year.

(B) For the purpose of subparagraph (A), the State educational agency shall determine the product of—

(i) the number of children counted in local educational agencies in each county of the State which meets the requirements of paragraph (2)(B); and

(ii) the quotient resulting from the division of the amount determined for those agencies under section 1005(a)(2) of this title for the fiscal year for which the determination is being made divided by the total number of children counted under section 1005(c) for the preceding fiscal year.

(c) SPECIAL WITHIN-STATE ALLOCATION RULES.—(1) For the purpose of this section, the State educational agency shall determine the number of children counted under section 1005(c) for any county, and the total number of children aged 5 to 17, inclusive, in school districts of local educational agencies in such county, on the basis of the most recent satisfactory data available at the time the payment for such county is determined under section 1005.

(2)(A) Pursuant to regulations established by the Secretary and except as provided in subparagraphs (B) and (C), funds allocated to counties under this part shall be allocated by the State educational agency only to those local educational agencies whose school districts lie (in whole or in part) within the county and which are determined by the State educational agency to meet the eligibility criteria of subparagraphs (A) and (B) of subsection (a)(1), or clauses (i) and (ii) of subsection (b)(2)(B). Such determina-

tion shall be made on the basis of the available poverty data which such State educational agency determines best reflect the current distribution in the local educational agency of low-income families consistent with the purposes of this chapter. The amount of funds under this part that each qualifying local educational agency receives shall be proportionate to the number or percentage of children from low-income families in the school districts of the local educational agency.

(B) In counties where no local educational agency meets the criteria of subparagraph (A) or (B) of subsection (a)(1), or clauses (i) and (ii) of subsection (b)(2)(B), the State educational agency shall allocate such funds among the local educational agencies within such counties (in whole or in part) in rank order of their respective concentration and numbers of children from low-income families and in amounts which are consistent with the degree of concentration of poverty. Only local educational agencies with concentrations of poverty that exceed the county wide average of poverty shall receive any funds pursuant to the provisions of this subparagraph.

(C)(i) In any State which in any fiscal year receives less than 1 percent of the amount available for this section under subsection (e), the State educational agency shall allocate such funds among local educational agencies in the State in accordance with division (ii) and in the order provided in division (ii).

(ii) The State educational agency shall, subject to the conditions of division (iv), allocate funds in each fiscal year—

(I) first, to local educational agencies in counties which meet the requirements of subsection (b)(2)(B);

(II) then, to local educational agencies, regardless of county, which meet the requirements of subsection (b)(2)(B); and

(III) last, to local educational agencies which do not meet the requirements of subsection (b)(2)(B), subject to the requirement that only local educational agencies with concentrations of poverty that exceed the statewide average of poverty will receive funds and subject to division (iii).

(iii) The State educational agency may not select the ranking order described in subdivision (III) until the State pays for the children in local educational agencies described in subdivisions (I) and (II) an amount equal to the amount which such agency is paid for such children under section 1005(a)(2) for the fiscal year for which the determination is made.

(iv) In carrying out the ranking order under division (ii), the total number of local educational agencies eligible for assistance under this subparagraph may not be more than the maximum number of local educational agencies that the State educational agencies would have identified under subdivision (III) of division (ii).

(d) Payments; Use of Funds.—(1) The total amount which counties in a State are entitled to receive under this section for any fiscal year shall be added to the amount paid to that State under section 1401 for such year. From the amount paid to it under this section, the State shall distribute to local educational agencies in each county of the State the amount (if any) to which it is entitled under this section.

(2) The amount paid to a local educational agency under this section shall be used by that agency for activities undertaken pursuant to its application submitted under section 1012 and shall be subject to the other requirements in subpart 2 of this part.

(e) Reservation of Funds.—(1) For any fiscal year for which amounts appropriated for this chapter (other than part B) exceed $4,300,000,000, the amount specified in paragraph (2) shall be available to carry out this section.

(2)(A) The first $400,000,000 in excess of $4,300,000,000 appropriated for this chapter (other than part B) in any fiscal year shall be available to carry out this section.

(B) Whenever the amounts appropriated for this chapter (other than part B) exceed $4,700,000,000 in any fiscal year, 10 percent of the amount appropriated for that fiscal year shall be available to carry out this section.

(f) Ratable Reduction Rule.—If the sums available under subsection (e) for any fiscal year for making payments under subsection (a) are not sufficient to pay in full the total amounts which all States are entitled to receive under subsection (a) for such fiscal year, the maximum amounts which all States are entitled to receive under subsection (a) for such fiscal year shall be ratably reduced. In case additional funds become available for making such payments for any fiscal year during which the preceding sentence is applicable, such reduced amount shall be increased on the same basis as they were reduced.

Subpart 2—Basic Program Requirements

SEC. 1011. USES OF FUNDS.

(a) Program Description.—(1) A local educational agency may use funds received under this chapter only for programs and projects which are designed to meet the special educational needs of educationally deprived children identified in accordance with section 1014 and which are included in an application for assistance approved by the State educational agency.

(2) Such programs and projects under paragraph (1) may include preschool through secondary programs; the acquisition of equipment and instructional materials; books and school library resources; employment of special instructional personnel, school counselors, and other pupil services personnel; employment and training of education aides; payments to teachers of amounts in excess of regular salary schedules as a bonus for service in schools serving project areas; the training of teachers, librarians, other instructional and pupil services personnel, and as appropriate, early childhood education professionals (including training in preparation for the implementation of programs and projects in a subsequent school year); the construction, where necessary, of school facilities; parental involvement activities under section 1016; planning for and evaluation of such programs and projects assisted under this chapter; and other expenditures authorized under this chapter.

(3) State and local educational agencies are encouraged to develop programs to assist eligible children to improve their achievement in basic skills and more advanced skills and to consider year-round services and activities, including intensive summer school programs.

(b) Innovation Projects.—Subject to the approval of the State educational agency, a local educational agency may use not more than 5 percent of payments under this part for the costs of conducting innovative projects developed by the local educational agency that include only—

(1) the continuation of services to children eligible for services in any preceding year for a period sufficient to maintain progress made during their eligibility;

(2) the provision of continued services to eligible children transferred to ineligible areas or schools as part of a desegregation plan;

(3) incentive payments to schools that have demonstrated significant progress and success in attaining the goals of this chapter;

(4) training of teachers and librarians not paid with funds under this chapter with respect to the special educational needs of eligible children and to integrate activities under this chapter into regular classroom programs;

(5) programs to encourage innovative approaches to parental involvement or rewards to or expansion of exemplary parental involvement programs; and

(6) encouraging community and private sector involvement and resources (including fiscal resources) in meeting the needs of eligible children.

SEC. 1012. APPLICATIONS.

(a) In General.—A local educational agency may receive a grant under this chapter for any fiscal year if it has on file with the State educational agency an application which describes the programs and projects to be conducted with such assistance for a period of not more than 3 years and which describes the desired outcomes for eligible children, in terms of basic and more advanced skills that all children should master, which will be used as the basis for evaluating the program or project as required by section 1019, and such application has been approved by the State educational agency and developed in consultation with teachers and parents.

(b) Assurances.—Such application shall provide assurance that the programs and projects described—

(1) are of sufficient size, scope, and quality to give reasonable promise of substantial progress toward meeting the special educational needs of the children being served, are designed and implemented in consultation with teachers (including early childhood education professionals and librarians when appropriate), and provide for parental involvement in accordance with section 1016;

(2) make provision for services to educationally deprived children attending private elementary and secondary schools in accordance with section 1017;

(3) allocate time and resources for frequent and regular coordination of the curriculum under this chapter with the regular instructional program; and

(4) in the case of participating students who are also limited English proficient or are handicapped, provide maximum coordination between services provided under this chapter and services provided to address children's handicapping conditions or limited English proficiency, in order to increase program effectiveness, eliminate duplication, and reduce fragmentation of the students' programs.

(c) Description of Services.—The application shall include a description of the local educational agency's plan for providing high quality services under this chapter, including—

(1) the procedures to be used under section 1014(b) for assessing students' needs in relation to the program goals;

(2) the procedures to be used under section 1019(a) for evaluation of the program's effectiveness in achieving the goals; and

(3) the procedures to be used for identifying and modifying the program for schools and students under section 1021.

SEC. 1013. ELIGIBLE SCHOOLS.

(a) General Provisions.—(1) Subject to subsection (b), a local educational agency shall use funds received under this chapter in school attendance areas having high concentrations of children from low-income families (hereinafter referred to as "eligible school attendance areas"), and where funds under this chapter are insufficient to provide programs and projects for all educationally deprived children in eligible school attendance areas, a local educational agency shall annually rank its eligible school attendance areas from highest to lowest, according to relative degree of concentration of children from low-income families. A local educational agency may carry out a program or project assisted under this chapter in an eligible school attendance area only if it also carries out such program or project in all other eligible school attendance areas which are ranked higher under the first sentence.

(2) The same measure of low income, which shall be chosen by the local educational agency on the basis of the best available data and which may be a composite of several indicators, shall be used with respect to all such areas, both to identify the areas having high concentrations of children from low-income families and to determine the ranking of each area.

(3) The requirements of this subsection shall not apply in the case of a local educational agency with a total enrollment of less than one thousand children, but this paragraph does not relieve such an agency from the responsibility to serve eligible children according to the provisions of section 1014.

(b) Local Educational Agency Discretion.—Notwithstanding subsection (a)(1) of this section, a local educational agency shall have discretion to identify and rank eligible attendance areas as follows:

(1) A local educational agency may designate as eligible and serve any of its attendance areas if the percentage of children from low income families in each attendance area of the agency is within 5 percentage points of the average percentage of such children for the entire local educational agency.

(2) A local educational agency may designate any school attendance area in which at least 25 percent of the children are from low-income families as an eligible school attendance area if the aggregate amount expended under this chapter and under a State program meeting the requirements of section 1018(d)(1)(B) in that fiscal year in each school attendance area of that agency in which projects assisted under this chapter were carried out in the preceding fiscal year equals or exceeds the amount expended from those sources in that area in such preceding fiscal year.

(3) A local educational agency may, with the approval of the State educational agency, designate as eligible and serve school attendance areas with substantially higher numbers or percentages of educationally deprived children before school attendance areas with higher concentrations of children from low-income families, but this paragraph shall not permit the provision of services to more school attendance areas than could otherwise be served. A State educational agency shall approve such a proposal only if the State educational agency finds that the proposal will not substantially impair the delivery of compensatory education services to educationally deprived children from low-income families in project areas served by the local educational agency.

(4) Funds received under this chapter may be used for educationally deprived children who are in a school which is not located in an eligible school attendance area when the proportion of children from low-income families in average daily attendance in such school is substantially equal to the proportion of such children in an eligible school attendance area of such agency.

(5) If an eligible school attendance area or eligible school was so designated in accordance with subsection (a) in the immediately preceding fiscal year, it may continue to be so designated for the subsequent fiscal year even though it does not qualify in such additional year.

(6) With the approval of the State educational agency, eligible school attendance areas or eligible schools which have higher proportions or numbers of children from low-income families may be skipped if they are receiving, from non-Federal funds, services of the same nature and scope as would otherwise be provided under this chapter, except that (A) the number of children attending private elementary and secondary schools who receive services under this chapter shall be determined without regard to non-Federal compensatory education funds which serve eligible children in public elementary and secondary schools, and (B) children attending private elementary and secondary schools who receive assistance under this chapter shall be identified in accordance with this section and without regard to skipping public school attendance areas or schools under this paragraph.

(c) Allocations.—(1) Except as provided in paragraph (2), a local educational agency shall allocate funds under this chapter among project areas or schools on the basis of the number and needs of children to be served as determined in accordance with section 1014.

(2) Children in eligible schools, who receive services under this chapter and subsequently become ineligible due to academic achievement attributable to such services, may continue to be considered eligible for 2 additional years only for the purpose of determining the allocation of funds among eligible schools under paragraph (1). Any funds so allocated shall be used to provide services to any children determined to be eligible under section 1014.

SEC. 1014. ELIGIBLE CHILDREN.

(a) General Provisions.—(1) Except as provided in subsections (c), (d), and (e) of this section and section 1015, a local educational agency shall use funds received under this chapter for educationally deprived children, identified in accordance with subsection (b) as having the greatest need for special assistance, in school attendance areas or schools satisfying the requirements of section 1013.

(2) The eligible population for services under this part are—

(A) those children up to age 21 who are entitled to a free public education through grade 12, and

(B) those children who are not yet at a grade level where the local educational agency provides a free public education, yet are of an age at which they can benefit from an organized instructional program provided in a school or other educational setting.

(b) Assessment of Educational Need.—A local educational agency may receive funds under this chapter only if it makes an assessment of educational needs each year to (1) identify educationally deprived children in all eligible attendance areas; (2) identify the general instructional areas on which the program will focus; (3) select those educationally deprived children who have the greatest need for special assistance, as identified on the basis of educationally related objective criteria established by the local educational agency, which include written or oral testing instruments, that are uniformly applied to particular grade levels throughout the local educational agency; and (4) determine the special educational needs (and library resource needs) of participating children with specificity sufficient to ensure concentration on such needs.

(c) Local Educational Agency Discretion.—(1) Educationally deprived children who begin participation in a program or project assisted under this chapter, in accordance with subsections (a) and (b) but who, in the same school year, are transferred to a school attendance area or school not receiving funds under this chapter, may, if the local agency so determines, continue to participate in a program or project funded under this chapter for the duration of that same school year.

(2) In providing services under this chapter a local educational agency may skip educationally deprived children in greatest need of assistance who are receiving, from non-Federal sources, services of the same nature and scope as would otherwise be provided under this chapter.

(3) A child who, in the previous year was identified as being in greatest need of assistance, and who continues to be educationally deprived, but who is no longer identified as being in greatest need of assistance, may participate in a program or project assisted under this chapter for 2 additional years.

(d) Special Rules.—(1) Children receiving services to overcome a handicapping condition or limited English proficiency shall also be eligible to receive services under this chapter, if they have needs stemming from educational deprivation and not related solely to the handicapping condition or limited English proficiency. Such children shall be selected on the same basis as other children identified as eligible for and selected to receive services under this chapter. Funds under this chapter may not be used to provide services that are otherwise required by law to be made available to such children.

(2) A student who in the previous 2 years was receiving services under subpart 3 of part C of this chapter or under subpart 3 of part B of title I of the Elementary and Secondary Education Act (as amended by chapter 1 of the Education Consolidation and Improvement Act of 1981) shall be considered eligible for services under this part, and may be served subject to the provisions of subsections (a) and (b).

SEC. 1015. SCHOOLWIDE PROJECTS.

(a) Use of Funds for Schoolwide Projects.—In the case of—

(1) any school serving an attendance area that is eligible to receive services under this chapter and in which, for the first year of the three-year period of projects assisted under this section, not less than 75 percent of the children are from low-income families, or

(2) any eligible school in which not less than 75 percent of the children enrolled in the school are from low-income families,

the local educational agency may carry out a project under this chapter to upgrade the entire educational program in that school if *the requirements of subsections (b), (c), and (d) are met.*

(b) Designation of Schools.—A school may be designated for a schoolwide project under subsection (a) if—

(1) a plan has been developed for that school by the local educational agency and has been approved by the State educational agency which—

(A) provides for a comprehensive assessment of educational needs of all students in the school, in particular the special needs of educationally deprived children;

(B) establishes goals to meet the special needs of all students and to ensure that educationally deprived children are served effectively and demonstrate performance gains comparable to other students;

(C) describes the instructional program, pupil services, and procedures to be used to implement the goals; and

(D) describes the specific uses of funds for compensatory educational services under this chapter as part of that program;

(2) the plan has been developed with the involvement of individuals who will be engaged in carrying out the plan, including parents, teachers, librarians, education aides, pupil services personnel, and administrators (and secondary students if the plan relates to a secondary school);

(3) the plan provides for consultation among such individuals under paragraph (2) as to the educational progress of all students and the participation of such individuals in the development and implementation of the accountability measures required by subsection (e);

(4) appropriate training is provided to parents of children to be served, teachers, librarians, and other instructional, administrative, and pupil services personnel to enable them effectively to carry out the plan;

(5) the plan includes procedures for measuring progress, as required by subsection (e), and describes the particular measures to be used; and

(6)(A) in the case of a school district in which there are one or more schools described in subsection (a) and there are also one or more other schools serving project areas, the local educational agency makes the Federal funds provided under this part available for children in such schools described in subsection (a) in amounts which per educationally deprived child served, equal or exceed the amount of such funds made available per educationally deprived child served in such other schools; and

(B) the average per pupil expenditure in schools described in subsection (a) (excluding amounts expended under a State compensatory education program) for the fiscal year in which the plan is to be carried out will not be less than such expenditure in such schools in the previous fiscal year, except that the cost of services for programs described in section 1018(d)(2)(A) shall be included for each fiscal year as appropriate only in proportion to the number of children in the building served in such programs in the year for which this determination is made.

(c) Approval of Plan; Operation of Project.—(1) The State educational agency shall approve the plan of any local educational agency for a schoolwide project if that plan meets the requirements of subsection (b).

(2) For any school which has such a plan approved, the local educational agency—

(A) shall, in order to carry out the plan, be relieved of any requirements under this chapter with respect to the commingling of Federal funds provided under this chapter with funds available for regular programs;

(B) shall use funds received under this chapter only to supplement, and to the extent practicable, increase the level of funds that would in the absence of such Federal funds, be made available from non-Federal sources for the school approved for a school-wide project under paragraph (1); and

(C) shall comply with the provisions of section 1018(d).

(d) Use of Funds.—In addition to uses under section 1011, funds may be used in schoolwide projects for other activities to improve the instructional program and pupil services in the school, such as reducing class size, training staff and parents of children to be served, and implementing extended schoolday programs.

(e) Accountability.—(1) The State educational agency may grant authority for a local educational agency to operate a schoolwide project for a period of 3 years. If a school meets the accountability requirements in paragraphs (2) and (3) at the end of such period, as determined by the State educational agency, that school will be allowed to continue the schoolwide project for an additional 3-year period.

(2)(A) Except as provided in subparagraph (B), after 3 years, a school must be able to demonstrate (i) that the achievement level of eligible children as measured according to the means specified in the plan required by subsection (b) exceeds the average achievement of participating children districtwide, or (ii) that the achievement of eligible children in that school exceeds the average achievement of such children in that school in the 3 fiscal years prior to initiation of the schoolwide project.

(B) For a secondary school, demonstration of lower dropout rates, increased retention rates, or increased graduation rates is acceptable in lieu of increased achievement, if achievement levels do not decline.

(3) Schools shall annually collect achievement and other assessment data for the purposes of paragraph (2). The results of achievement and other assessments shall be made available annually to parents, the public, and the State educational agency.

SEC. 1016. PARENTAL INVOLVEMENT.

(a) Findings; General Requirement.—(1) Congress finds that activities by schools to increase parental involvement are a vital part of programs under this chapter.

(2) Toward that end, a local educational agency may receive funds under this chapter only if it implements programs, activities, and procedures for the involvement of parents in programs assisted under this chapter. Such activities and procedures shall be planned and implemented with meaningful consultation with parents of participating children and must be of sufficient size, scope, and quality to give reasonable promise of substantial progress toward achieving the goals under subsection (b).

(3) For purposes of this section, parental involvement includes, but is not limited to, parental input into the design and implementation of programs under this chapter, volunteer or paid participation by parents in school activities, and programs, training, and materials which build parents' capacity to improve their children's learning in the home and in school.

(b) Goals of Parent Involvement.—In carrying out the requirements of subsection (a), a local educational agency shall, in coordination with parents of participating children, develop programs, activities, and procedures which have the following goals—

(1) to inform parents of participating children of the program under this chapter, the reasons for their children's participation in such programs, and the specific instructional objectives and methods of the program;

(2) to support the efforts of parents, including training parents, to the maximum extent practicable, to work with their children in the home to attain the instructional objectives of programs under this chapter and to understand the program requirements of this chapter and to train parents and teachers to build a partnership between home and school;

(3) to train teachers and other staff involved in programs under this chapter to work effectively with the parents of participating students;

(4) to consult with parents, on an ongoing basis, concerning the manner in which the school and parents can better work together to achieve the program's objectives and to give parents a feeling of partnership in the education of their children;

(5) to provide a comprehensive range of opportunities for parents to become informed, in a timely way, about how the program will be designed, operated, and evaluated, allowing opportunities for parental participation, so that parents and educators can work together to achieve the program's objectives; and

(6) to ensure opportunities, to the extent practicable, for the full participation of parents who lack literacy skills or whose native language is not English.

(c) Mechanisms for Parental Involvement.—(1) Each local educational agency, after consultation with and review by parents, shall develop written policies to ensure that parents are involved in the planning, design, and implementation of programs and shall provide such reasonable support for parental involvement activities as parents may request. Such policies shall be made available to parents of participating children.

(2) Each local educational agency shall convene an annual meeting to which all parents of participating children shall be invited, to explain to parents the programs and activities provided with funds under this chapter. Such meetings may be districtwide or at the building level, as long as all such parents are given an opportunity to participate.

(3) Each local educational agency shall provide parents of participating children with reports on the children's progress, and to the extent practical hold a parent-teacher conference with parents of each child served in the program, to discuss that child's progress and placement, and the methods by which parents can complement the child's instruction. Educational personnel under this chapter shall be readily accessible to parents and shall permit parents to observe activities under this chapter.

(4) Local educational agencies shall (A) provide opportunities for regular meetings of parents to formulate parental input into the program, if parents of participating children so desire; (B) provide parents of participating children with timely information about the program; and (C) make parents aware of parental involvement requirements and other relevant provisions of programs under this chapter.

(5) Parent programs, activities, and procedures may include regular parent conferences; parent resource centers; parent training programs and reasonable and necessary expenditures associated with the attendance of parents at training sessions; hiring,

training, and utilization of parental involvement liaison workers; reporting to parents on the children's progress; training and support of personnel to work with parents, to coordinate parent activities, and to make contact in the home; use of parents as classroom volunteers, tutors, and aides; provision of school-to-home complementary curriculum and materials and assistance in implementing home-based education activities that reinforce classroom instruction and student motivation; provision of timely information on programs under this chapter (such as program plans and evaluations); soliciting parents' suggestions in the planning, development, and operation of the program; providing timely responses to parent recommendations; parent advisory councils; and other activities designed to enlist the support and participation of parents to aid in the instruction of their children.

(6) Parents of participating children are expected to cooperate with the local educational agency by becoming knowledgeable of the program goals and activities and by working to reinforce their children's training at home.

(d) COORDINATION WITH ADULT EDUCATION ACT.—Programs of parental involvement shall coordinate, to the extent possible, with programs funded under the Adult Education Act.

(e) ACCESSIBILITY REQUIREMENT.—Information, programs, and activities for parents pursuant to this section shall be provided in a language and form which the parents understand.

SEC. 1017. PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS.

(a) GENERAL REQUIREMENTS.—To the extent consistent with the number of educationally deprived children in the school district of the local educational agency who are enrolled in private elementary and secondary schools, such agency shall, after timely and meaningful consultation with appropriate private school officials, make provisions for including special educational services and arrangements (such as dual enrollment, educational radio and television, other technology, and mobile educational services and equipment) in which such children can participate and which meet the requirements of sections 1011, 1012(b)(1), 1013, 1014, and 1018(b). Expenditures for educational services and arrangements pursuant to this section for educationally deprived children in private schools shall be equal (taking into account the number of children to be served and the special educational needs of such children) to expenditures for children enrolled in the public schools of the local educational agency.

(b) BYPASS PROVISION.—(1) If a local educational agency is prohibited by law from providing for the participation in special programs for educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), the Secretary shall waive such requirements, and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a).

(2) If the Secretary determines that a local educational agency has substantially failed to provide for the participation on an equitable basis of educationally deprived children enrolled in private elementary and secondary schools as required by subsection (a), the Secretary shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of subsection (a), upon which determination the provisions of subsection (a) shall be waived.

(3)(A) The Secretary shall develop and implement written procedures for receiving, investigating, and resolving complaints from parents, teachers, or other concerned organizations or individuals concerning violations of this section. The Secretary shall investigate and resolve each such complaint within 120 days after receipt of the complaint.

(B) When the Secretary arranges for services pursuant to this subsection, the Secretary shall, after consultation with the appropriate public and private school officials, pay to the provider the cost of such services, including the administrative cost of arranging for such services, from the appropriate allocation or allocations under this chapter.

(C) Pending final resolution of any investigation or complaint that could result in a determination under this subsection, the Secretary may withhold from the allocation of the affected State or local educational agency the amount the Secretary estimates would be necessary to pay the cost of such services.

(D) Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there will no longer be any failure or inability on the part of the local educational agency to meet the requirements of subsection (a).

(4)(A) The Secretary shall not take any final action under this subsection until the State educational agency and local educational agency affected by such action have had an opportunity, for at least 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary or a designee to show cause why such action should not be taken.

(B) If a State or local educational agency is dissatisfied with the Secretary's final action after a proceeding under subparagraph (A) of this paragraph, it may within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(C) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence, and the Secretary may thereupon make new or modified findings of fact and may modify his previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(D) Upon the filing of a petition under subparagraph (B), the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(c) PRIOR DETERMINATION.—Any bypass determination by the Secretary under title I of the Elementary and Secondary Education Act of 1965 or chapter 1 of the Education Consolidation and Improvement Act shall remain in effect to the extent consistent with the purposes of this chapter.

(d) CAPITAL EXPENSES.—(1) A local educational agency may apply to the State educational agency for payments for capital expenses consistent with the provisions of this subsection. State educational agencies shall distribute funds to local educational agencies based on the degree of need as set forth in the application. Such an application shall contain information on such capital expenses by fiscal year and shall contain an assurance that any funds received pursuant to this subsection shall be used solely for purposes of the program authorized by this chapter.

(2)(A) From the amount appropriated for the purposes of this subsection for any fiscal year, the amount which each State shall be eligible to receive shall be an amount which bears the same ratio to the amount appropriated as the number of children enrolled in private schools who were served under chapter 1 of the Education Consolidation and Improvement Act of 1981 in the State during the period July 1, 1984 through June 30, 1985, bears to the total number of such children served during such period in all States.

(B) Amounts which are not used by a State for the purposes of this subsection shall be reallocated by the Secretary among other States on the basis of need.

(3) There is authorized to be appropriated $50,000,000 for fiscal year 1989, and such sums as may be necessary for each of the fiscal years 1990, 1991, 1992, and 1993. Any sums appropriated under this provision shall be used for increases in capital expenses paid from funds under chapter 1 of the Education Consolidation and Improvement Act or this section subsequent to July 1, 1985, of local educational agencies in providing the instructional services required under section 557 of the Education Consolidation and Improvement Act and this section, when without such funds, services to private schoolchildren would have been or have been reduced or would be reduced or adversely affected.

(4) For the purposes of this subsection, the term "capital expenses" is limited to expenditures for noninstructional goods and services such as the purchase, lease and renovation of real and personal property, insurance, and maintenance costs, transportation, and other comparable goods and services.

SEC. 1018. FISCAL REQUIREMENTS.

(a) MAINTENANCE OF EFFORT.—(1) Except as provided in paragraph (2), a local educational agency may receive funds under this chapter for any fiscal year only if the State educational agency finds that either the combined fiscal effort per student or the aggregate expenditures of that agency and the State with respect to the provision of free public education by that agency for the preceding fiscal year was not less than 90 percent of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

(2) The State educational agency shall reduce the amount of the allocation of funds under this chapter in any fiscal year in the exact proportion to which a local educational agency fails to meet the requirement of paragraph (1) by falling below 90 percent of both the combined fiscal effort per student and aggregate expenditures (using the measure most favorable to such local agency), and no such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent years.

(3) The State educational agency may waive, for one fiscal year only, the requirements of this subsection if the State educational agency determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the local educational agency.

(b) Federal Funds To Supplement, Not Supplant Regular Non-Federal Funds.—A State educational agency or other State agency in operating its State level programs or a local educational agency may use funds received under this chapter only so as to supplement and, to the extent practicable, increase the level of funds that would, in the absence of such Federal funds, be made available from regular non-Federal sources for the education of pupils participating in programs and projects assisted under this chapter and in no case may such funds be so used as to supplant such funds from such non-Federal sources. In order to demonstrate compliance with this subsection, no State educational agency, other State agency, or local educational agency shall be required to provide services under this chapter through use of a particular instructional method or in a particular instructional setting.

(c) Federal Funds To Supplement, Not Supplant, Non-Federal Funds for Certain Special State and Local Programs.—(1) A local educational agency may use funds received under this chapter only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available from non-Federal sources for each of the special programs described in subsection (e) for the education of educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools and in no case, as to supplant such funds from non-Federal sources.

(2) It shall not be considered a violation of this subsection for a local educational agency, in carrying out a special program described in subsection (e), to take into consideration funds made available under this chapter, and to coordinate such special program with programs using this chapter, and to coordinate such special programs with programs using such Federal funds, if educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools, receive at least the same level of such special State and local funds that would have been made available to such children in the absence of funds under this chapter.

(3) For the purpose of this subsection, the level of funds that, in the absence of funds under this chapter would have been made available to such children shall be determined by reference to a plan for distributing such special funds. Such plan shall be based on objective criteria of need that do not discriminate against educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools. The objective criteria chosen by the local educational agency shall prescribe, with particularity, the children as well as the schools, grade-spans, or school attendance areas eligible for assistance and the method for selecting the particular children who will receive assistance under such special State or local program and the schools or grade-spans which such children attend or the school attendance areas in which such children reside. The criteria for selecting children, schools, grade-spans, and school attendance areas for participation shall be either educational need, a reasonable proxy for educational need, level of poverty, or a combination of such factors. Educationally deprived children residing in eligible school attendance areas or attending eligible schools, satisfying such objective criteria, must receive assistance under either this chapter or under such special State or local program before any child who does not satisfy such criteria receives such assistance.

(4) The provisions of this subsection shall not apply until 2 years after the date of enactment of this Act in any State in which State law contains provisions permitting local educational agencies to supplant State compensatory education funds which, in the absence of the funds under this chapter, would have been made available to educationally deprived children, in the aggregate, in eligible school attendance areas or attending eligible schools.

(d) Comparability of Services.—(1) A local educational agency may receive funds under this chapter only if State and local funds will be used in the district of such agency to provide services in project areas which, taken as a whole, are at least comparable to services being provided in areas in such district which are not receiving funds under this chapter. Where all school attendance areas in the district of the agency are designated as project areas, the agency may receive such funds only if State and local funds are used to provide services which, taken as a whole, are substantially comparable in each project area.

(2)(A) A local educational agency meets the requirements of paragraph (1) if the agency has filed with the State educational agency a written assurance that it has established and implemented—

(i) a districtwide salary schedule;

(ii) a policy to ensure equivalence among schools in teachers, administrators, and auxiliary personnel; and

(iii) a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

(B) Unpredictable changes in student enrollment or personnel assignments which occur after the beginning of a school year shall not be included as a factor in determining comparability of services.

(3) Local educational agencies shall develop procedures for compliance with the provisions of this subsection, and shall annually maintain records documenting compliance. State educational agencies shall monitor the compliance of local educational agencies within their States with respect to the requirements of this paragraph.

(4) Local educational agencies with not more than one building for each grade span shall not be subject to the provisions of this subsection.

(e) Exclusion of Special State and Local Program Funds.—(1)(A) For the purpose of determining compliance with the requirements of subsection (d), a local educational agency may exclude State and local funds expended for carrying out special programs to meet the educational needs of educationally deprived children including compensatory education for educationally deprived children (which meets the requirements of subparagraph (B)).

(B) A State or local program meets the requirements of this subparagraph if it is similar to programs assisted under this part. The Secretary shall consider a State or local program to be similar to programs assisted under this part if—

(i) all children participating in the program are educationally deprived,

(ii) the program is based on similar performance objectives related to educational achievement and is evaluated in a manner consistent with those performance objectives,

(iii) the program provides supplementary services designed to meet the special educational needs of the children who are participating,

(iv) the local educational agency keeps such records and affords such access thereto as are necessary to assure the correctness and verification of the requirements of this subparagraph, and

(v) the State educational agency monitors performance under the program to assure that the requirements of this subparagraph are met.

(2)(A) For the purpose of determining compliance with the requirements of subsection (d), a local educational agency may exclude State and local funds expended for—

(i) bilingual education for children of limited English proficiency;

(ii) special education and related services for handicapped children; and

(iii) certain State phase-in programs as described in subparagraph (B).

(B) A State education program which is being phased into full operation meets the requirements of this subparagraph if the Secretary is satisfied that—

(i) the program is authorized and governed specifically by the provisions of State law;

(ii) the purpose of the program is to provide for the comprehensive and systematic restructuring of the total educational environment at the level of the individual school;

(iii) the program is based on objectives, including but not limited to, performance objectives related to educational achievement and is evaluated in a manner consistent with those objectives;

(iv) parents and school staff are involved in comprehensive planning, implementation, and evaluation of the program;

(v) the program will benefit all children in a particular school or grade span within a school;

(vi) schools participating in a program describe, in a school level plan, program strategies for meeting the special educational needs of educationally deprived children;

(vii) at all times during such phase-in period at least 50 percent of the schools participating in the program are the schools serving project areas which have the greatest number or concentrations of educationally deprived children or children from low-income families;

(viii) State funds made available for the phase-in program will supplement, and not supplant, State and local funds which would, in the absence of the phase-in program, have been provided for schools participating in such program;

(ix) the local educational agency is separately accountable, for purposes of compliance with the clauses of this subparagraph, to the State educational agency for any funds expended for such program; and

(x) the local educational agencies carrying out the program are complying with the clauses of this subparagraph and the State educational agency is complying with applicable provisions of this paragraph.

(3) The Secretary shall make an advance determination of whether or not a State program meets the requirements of this subsection. The Secretary shall require each State

educational agency to submit the provisions of State law together with implementing rules, regulations, orders, guidelines, and interpretations which are necessary for an advance determination. The Secretary's determination shall be in writing and shall include the reasons for the determination. Whenever there is any material change in pertinent State law affecting the program, the State educational agency shall submit such changes to the Secretary.

(4) The State educational agency shall make an advance determination of whether or not a local program meets the requirements of this subsection. The State educational agency shall require each local educational agency to submit the provisions of local law, together with implementing rules, regulations, guidelines, and interpretations which are necessary to make such an advance determination. The State educational agency's determination shall be in writing and shall include the reasons for the determination. Whenever there is any material change in pertinent local law affecting the program, the local educational agency shall submit such changes to the State educational agency.

(f) PROHIBITION REGARDING STATE AID.—No State shall take into consideration payments under this chapter in determining the eligibility of any local educational agency in that State for State aid, or the amount of State aid, with respect to free public education of children.

SEC. 1019. EVALUATIONS.

(a) LOCAL EVALUATION.—In accordance with national standards, each local educational agency shall—

(1) evaluate the effectiveness of programs assisted under this part at least once every 3 years (using objective measurement of individual student achievement in basic skills and more advanced skills, aggregated for the local educational agency as a whole) as an indicator of the impact of the program;

(2) submit such evaluation results to the State educational agency at least once during each 3-year application cycle;

(3) conduct a review of the program's effectiveness in improving student achievement in any year in which the local educational agency does not conduct an evaluation pursuant to paragraph (1) and make the results of such review available to teachers, parents of participating children, and other appropriate parties;

(4) determine whether improved performance under paragraph (1) is sustained over a period of more than one program year;

(5) use the results of such evaluation and review in program improvement efforts required by section 1021(a); and

(6) annually evaluate, through consultation with parents, the effectiveness of the parental involvement program and determine what action needs to be taken, if any, to increase parental participation.

(b) STATE EVALUATIONS.—In accordance with national standards, each State educational agency shall—

(1) conduct an evaluation (based on local evaluation data collected under subsection (a) and sections 1107(b), 1202(a)(6), and 1242(d)) of the programs assisted under this chapter at least every 2 years, submit that evaluation to the Secretary and make public the results of that evaluation;

(2) inform local educational agencies, in advance, of the specific evaluation data that will be needed and how it may be collected; and

(3) collect data on the race, age, gender, and handicapping condition of children served by the programs assisted under this chapter and on the number of children served by grade-level under the programs assisted under this chapter and annually submit such data to the Secretary.

SEC. 1020. APPLICATIONS BY STATE EDUCATIONAL AGENCIES.

(a) APPLICATION REQUIRED.—Any State desiring to participate under this chapter shall submit to the Secretary, through its State educational agency, an application for a period not to exceed 3 fiscal years for each program for which it seeks assistance. The application may be amended annually, as may be necessary to reflect changes, without filing a new application.

(b) CONTENTS OF APPLICATION.—(1) Each application submitted by a State educational agency under this section shall include—

(A) a description of the criteria the State educational agency will use, and the procedures it will follow, to assess the educational effectiveness of programs conducted by local educational agencies and State agencies within the State receiving assistance under this chapter; and

(B) a description of the criteria the State educational agency will use, and the policy and procedures the State educational agency will follow, in taking corrective measures, in accordance with section 1021(f).

(2) In carrying out the requirement in paragraph (1)(A), each State educational agency shall demonstrate that the criteria and procedures are based on measurements and techniques that are generally accepted as valid and reliable. Each such assessment may take into account such factors as—

(A) the educational disadvantage of the student and the income of the family of the student,

(B) the size, scope, and quality of services and programs furnished under this chapter,

(C) the failure or inability of local educational agencies to provide services required by this chapter,

(D) the loss of regular class time for participating children, and

(E) safety concerns raised by the conditions under which services are provided.

(3) The Secretary may require the collection of certain data and the use of specific evaluation methods to ensure that data from the various States may be aggregated and compared.

(4) In any case in which the State assessment differs from the local assessment, the State educational agency shall include in its application the reasons for the difference, including the difference in the criteria for measurements used by the State and by the local educational agency.

(c) APPROVAL OF APPLICATIONS.—(1) The Secretary shall approve any State application that meets the requirements of this section.

(2) Before disapproving a State application, the Secretary shall provide reasonable notice and an opportunity for a hearing to the State educational agency.

SEC. 1021. PROGRAM IMPROVEMENT.

(a) SCHOOL PROGRAM IMPROVEMENT.—With respect to each school which shows inadequate improvement or a decline in aggregate achievement of children served under this chapter for one school year according to the objective measures and standards developed pursuant to section 1020 and section 1022, the local educational agency shall—

(1) develop and implement in coordination with such school a plan for program improvement which shall incorporate those program changes which have the greatest likelihood of improving the performance of educationally disadvantaged children including—

(A) a description of educational strategies designed to achieve the stated program goals and to meet the needs of eligible children revealed by the assessment to be deficient and in need of additional educational services;

(B) a description of adequate resources, and how the resources will be applied, to carry out effectively the strategies selected, including qualified personnel, inservice training, curriculum materials, equipment, and physical facilities;

(C) technical assistance;

(D) alternative curriculum that has shown promise in similar schools;

(E) improving coordination between the chapter 1 and the regular school program;

(F) evaluation of parent involvement;

(G) appropriate inservice training for staff paid with funds under this chapter and other staff who teach children served under this chapter; and

(H) other measures proposed by the local educational agency; and

(2) submit the plan to the local school board and the State educational agency, and make it available to parents of children served under this chapter in that school.

(b) STATE ASSISTANCE TO LOCAL EDUCATIONAL AGENCIES.—(1) If for 2 consecutive years, the aggregate achievement of children served under this chapter in a school does not improve or declines, the local educational agency shall, in consultation with the State educational agency, school staff and parents of participating children, develop and implement a joint plan for program improvement in that school until improved achievement in the aggregate is sustained over a period of more than 1 year.

(2) The State educational agency shall provide appropriate technical assistance to each school identified under paragraph (1) and shall jointly establish with local educational agency representatives objective measures of educational performance in identified schools and disseminate such criteria to local educational agencies.

(c) LOCAL CONDITIONS.—The local educational agency and the State educational agency, in performing their responsibilities under subsections (a) and (b), shall take into consideration—

(1) the mobility of the student population,

(2) the extent of educational deprivation among program participants which may negatively affect improvement efforts,

(3) the difficulties involved in dealing with older children in secondary school programs funded under this chapter, and

(4) whether indicators other than improved achievement demonstrate the positive effects on participating children of the activities funded under this chapter.

(d) STUDENT PROGRAM IMPROVEMENT.—On the basis of the evaluations and reviews under section 1019, each local educational agency shall—

(1) identify students who have been served for a program year and have shown no improvement or a decline in achievement,

(2) consider modifications in the program offered to better serve students so identified, and

(3) conduct a thorough assessment of the educational needs of students who remain in the program after 2 consecutive years of participation with no improvement in achievement.

(e) TECHNICAL ASSISTANCE.—In carrying out the program improvement and student improvement activities required in subsections

(a), (b), and (d), local educational agencies and State educational agencies shall utilize the resources of the regional technical assistance centers established by section 1436(d) to the full extent such resources are available.

(f) NONCOMPLIANCE.—Whenever a State educational agency, after providing reasonable notice and an opportunity for a hearing to a local educational agency, finds that such agency has substantially failed to, for at least 2 years (1) provide effective compensatory educational services under this chapter, including services in accordance with section 1017, or (2) carry out any other requirement applicable to the program of the local educational agency under this chapter, the State educational agency shall take appropriate corrective action including action consistent with section 1022.

SEC. 1022. EDUCATIONAL IMPROVEMENT PLAN AND ACTIVITIES.

(a) PLAN CONDITION.—In any fiscal year in which appropriations are made pursuant to section 1404(b) to carry out the provisions of this section, a State educational agency shall submit to the Secretary through its State educational agency a plan for a period not to exceed 3 years which meets the requirements of subsection (b).

(b) PLAN REQUIREMENTS.—Each plan submitted under subsection (a) shall be developed in consultation with local educational agencies within the State. Each such plan shall contain provisions designed to carry out the responsibilities of the State educational agency under section 1021, including—

(1) the objective measures and standards the State educational agency will use to assess school performance, or in the case of States where such measures and standards have not been developed, the process the State educational agency will use to develop the measures and standards in consultation with local educational agencies;

(2) the means the State educational agency will use to assist local educational agencies in assessing school performance and determining which schools are most in need of program improvement or in the case of States where such assessment has been done, the results of the assessment and plan for service to schools most in need of program improvement;

(3) in the case of States where the requirements of paragraphs (1) and (2) are completed upon application or will be within the first 2 years of the plan, the technical assistance the State educational agency will provide local educational agencies which have identified, pursuant to section 1021(a), schools in greatest need of program improvement to attain satisfactory student progress; and

(4) the means the State educational agency will use to develop joint plans with local educational agencies which have identified, pursuant to section 1021(b)(2), schools in greatest need of program improvement to attain satisfactory student progress and the technical assistance the State educational agency will provide such schools pursuant to section 1021(b)(3).

(c) PROGRAM IMPROVEMENT ACTIVITIES.—In the second fiscal year in which the provisions of subsection (a) are applicable, and in any such fiscal year thereafter, the State educational agency shall, consistent with the plan submitted under subsection (a), provide program improvement assistance to local educational agencies within the State and to schools within such agencies having the greatest need of assistance to attain adequate student achievement. Such program improvement assistance may include (but shall not be limited to) training and retraining of personnel, development of curricula that has shown promise in similar schools, replication of promising practices in effective schools models, improving coordination between programs assisted under this chapter and the regular school program, and the development of innovative strategies to enhance parental involvement.

PART B—PROGRAMS FOR SECONDARY SCHOOL BASIC SKILLS IMPROVEMENT AND FOR SCHOOL DROPOUT PREVENTION

SEC. 1101. STATEMENT OF PURPOSE.

It is the purpose of this part to provide additional assistance to local educational agencies with high concentrations of low-income children to improve the achievement of educationally disadvantaged children enrolled in secondary schools of such agencies, and to reduce the number of youths who do not complete their elementary and secondary education.

SEC. 1102. ALLOCATION.

(a) RESERVATION FOR MIGRANT PROGRAMS.—From the amount appropriated under section 1109 for fiscal years 1990, 1991, 1992, and 1993, the Secretary shall first reserve an amount equal to 3 percent of such amount for programs consistent with the purpose of this part for school dropout prevention and reentry programs and secondary school basic skills improvement programs for migrant children. Programs for which funds are reserved under this subsection shall be conducted through the Office of Migrant Education.

(b) STATE ALLOCATION.—Except as provided in subsection (c), each State shall be eligible to receive a grant under this part in each fiscal year that bears the same ratio to the remainder of the amount appropriated in that fiscal year as the amount allocated under section 1005 of this Act to the local educational agencies in the State bears to the total amount allocated to such agencies in all States.

(c) STATE MINIMUM.—No State shall receive less than one-half of one percent of the amount appropriated for this part and allocated under subsection (b) for any fiscal year.

(d) LOCAL EDUCATIONAL AGENCY ALLOCATION.—Each State educational agency shall allocate funds among local educational agencies in the State on the basis of—

(1) the eligibility of such agency for funds under section 1005 of this Act; and

(2) the criteria described in section 1105.

Each local educational agency may carry out the activities described in section 1103 in cooperation with community-based organizations.

(e) STATE ADMINISTRATION.—A State may reserve not more than 5 percent of the amounts available under this part for any fiscal year for State administrative costs.

SEC. 1103. USES OF FUNDS.

(a) GENERAL RULE.—A local educational agency may use—

(1) not to exceed 50 percent of funds paid under this part in any fiscal year for dropout prevention and reentry activities pursuant to subsection (b), and

(2) the remainder of such funds for secondary schools basic skills improvement activities pursuant to subsection (c).

(b) BASIC SKILLS FOR SECONDARY SCHOOLS.—Funds made available under this subsection may be used for—

(1) the initiation or expansion of programs to meet the special educational needs of secondary school students and to help such students attain grade level proficiency in basic skills;

(2) remedial programs specifically tailored to the needs of secondary school students;

(3) remedial activities to address the problems of poor achievement and course failure among eligible children;

(4) innovative approaches for surmounting barriers that make secondary school programs under this part difficult for certain students to attend and to administer, such as scheduling problems, courses leading to a general education diploma, and graduation requirements;

(5) innovative programs involving community-based organizations or the private sector, or both, to provide motivational activities, pre-employment training, or transition-to-work activities;

(6) programs for eligible students outside the school, with the goal of reaching dropouts who will not reenter the traditional school, for the purpose of providing remedial education, basic skills education, or courses for general educational development;

(7) the application of the resources of the community to assist in providing services to the target population;

(8) training for staff who will work with the target population on strategies and techniques for identifying, instructing, and assisting such students;

(9) guidance and counseling activities, support services, exploration of postsecondary educational opportunities, youth employment activities, and other student services which are necessary to assist eligible students; and

(10) the recruitment, training, and supervision of secondary school students (including the provision of stipends to low-income students) to serve as tutors of other students eligible for services under this part and under part A, in order to assist such eligible students with homework assignments, provide instructional activities, and foster good study habits and improved achievement.

(c) USES OF FUNDS FOR SCHOOL DROPOUT PREVENTION AND REENTRY PROJECTS.—Funds made available under this subsection may be used for—

(1) effective programs which identify potential student dropouts and prevent them from dropping out of elementary and secondary school;

(2) effective programs which identify and encourage children who have already dropped out to reenter school and complete their elementary and secondary education;

(3) effective programs for early intervention designed to identify at-risk students in elementary and early secondary schools;

(4) model systems for collecting and reporting information to local school officials on the number, ages, and grade levels of the children not completing their elementary and secondary education and the reasons why such children have dropped out of school;

(5) dropout programs which include coordinated services and activities with programs of vocational education, adult basic education, and programs under the Job Training Partnership Act; and

(6) projects which are carried out in consortia with a community-based organization, any nonprofit private organization, institution of higher education, State educational agency, State and local public agencies, private industry councils (established under the Job Training Partnership Act), museum, library, or educational television

or broadcasting station, or community-based organization.

(d) Limitation.—Not more than 25 percent of amounts available may be used by a local educational agency for noninstructional services.

SEC. 1104. APPLICATIONS.

(a) Application Required.—Any local educational agency which desires to receive a grant under this part shall submit to the State educational agency an application which describes the program to be supported with funds under this part and complies with the provisions of subsection (b).

(b) Contents of Application.—Each application submitted under subsection (a) shall—

(1) describe the program goals and the manner in which funds will be used to initiate or expand services to secondary school students, dropouts, and potential dropouts;

(2) describe the activities and services which will be provided by the program (including documentation to demonstrate that the local educational agency has the qualified personnel required to develop, administer, and implement the program under this subpart);

(3) assure that the programs will be conducted in schools with the greatest need for assistance, in terms of achievement levels, poverty rates, or dropout rates;

(4) assure that the programs will serve those eligible students most in need of the activities and services provided by this part;

(5) assure that services will be provided under this part to special populations, such as individuals with limited English proficiency and individuals with handicaps;

(6) assure that parents of eligible students will be involved in the development and implementation of programs under this part;

(7) describe the methods by which the applicant will coordinate programs under this part with programs for the eligible student population operated by community-based organizations, social service organizations and agencies, private sector entities, and other agencies, organizations, and institutions, and with programs conducted under the Carl D. Perkins Vocational Education Act, the Adult Education Act, the Job Training Partnership Act, and other relevant Acts;

(8) assure that, if feasible, the local educational agency will enter into arrangements with local businesses, labor organizations, or chambers of commerce under which such businesses and organizations will help secure employment for graduates of schools operating projects under this part;

(9) assure that to the extent consistent with the number of students in the school district of the local educational agency who are enrolled in private secondary schools, such agency shall, after timely and meaningful consultation with appropriate private school officials, make provision for including such services and arrangements for the benefit of such students as will assure their equitable participation in the purposes and benefits of this part;

(10) in the case of a local educational agency that is seeking funding for both dropout prevention and reentry and secondary school basic skills improvement activities, identify which activities in the applicant's proposed program are primarily dropout prevention and reentry activities, and which activities are primarily secondary school basic skills improvement activities and the amount of funding requested for each such type of activity; and

(11) provide such other information as the State educational agency may require to determine the nature and quality of the proposed project and the applicant's ability to carry it out.

(c) Special Rule.—If the Secretary determines that a local educational agency has substantially failed to comply with paragraph (9) (by reason of State law or otherwise) or is unwilling to provide for such participation on an equitable basis, the Secretary shall waive such requirement, and, subject to the provisions of section 1017(b) of part A of this chapter, shall arrange for the provision of services to such students.

SEC. 1105. AWARD OF GRANTS.

Each State educational agency shall award grants to programs of local educational agencies within the State which—

(1) are serving local educational agencies in the State with the greatest need for services provided under this part based on their numbers of low-income children, and numbers of low-achieving children;

(2) are representative of urban and rural regions of the State;

(3) offer innovative approaches to achievement among eligible youth or offer approaches which show promise for replication and dissemination; and

(4) offer innovative approaches to reducing the number of school dropouts.

SEC. 1106. FISCAL REQUIREMENTS.

(a) General Rule.—The provisions of section 1018 (a) through (e) of this Act shall apply to the program authorized by this part.

(b) Special Rule.—(1) Each local educational agency shall use funds under this part to supplement the level of funds under this chapter that are used for secondary school programs.

(2) In order to comply with paragraph (1), any local educational agency which operates secondary school programs funded under chapter 1 of the Education Consolidation and Improvement Act of 1981 or part A of this Act and which are operating secondary school basic skills programs under this subpart shall continue the same aggregate level of funding for such programs, at the same schools or at other eligible schools within the local educational agency.

SEC. 1107. EVALUATIONS AND PROGRAM IMPROVEMENT.

(a) Local Evaluations.—In accordance with national standards, each local educational agency shall—

(1) evaluate programs assisted under this part in terms of their effectiveness in achieving goals (including objective measurement of educational achievement in basic skills and a determination of whether improved performance is sustained over a period of more than 1 year), or in the case of school dropout programs, a measurement of the education in the dropout rate;

(2) submit the results of such evaluations to the State educational agency at least every 2 years and consider such evaluations in improvement of the programs and projects assisted under this part; and

(3) assess the programmatic needs of students who remain in the program after 3 years of participation.

(b) State Evaluations.—In accordance with national standards, each State educational agency shall—

(1) conduct an evaluation (based on local evaluation data collected under subsection (a)) of the programs assisted under this part at least every 2 years and shall make public the results of that evaluation;

(2) inform local educational agencies, in advance, of the specific evaluation data that will be needed and how it may be collected; and

(3) collect data on the race, age, gender, and handicapping condition of children served by the programs assisted under this part and on the number of children served by grade-level under the programs assisted under this part.

(c) Program Improvement.—(1) Schools which show a decline in achievement of children served under this part in any 2 consecutive years shall submit a detailed plan for improvement to the local educational agency.

(2) Schools receiving funds under this subsection which show no decline in the dropout rate shall submit a detailed plan for improvement to the local educational agency.

(3) The local educational agency shall review each plan required under paragraph (1) or (2), or both, and provide technical assistance for program improvement at that school. If achievement of children at that school continues to decline for 2 additional years, the local educational agency shall notify the State educational agency which shall provide technical assistance, as needed, for program improvement.

SEC. 1108. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $400,000,000 for fiscal year 1990, $450,000,000 for fiscal year 1991, $500,000,000 for fiscal year 1992, and $550,000,000 for fiscal year 1993 to carry out this part.

PART C—PROGRAMS OPERATED BY STATE AGENCIES

Subpart 1—Programs for Migratory Children

SEC. 1201. GRANTS—ENTITLEMENT AND AMOUNT.

(a) Entitlement.—A State educational agency or a combination of such agencies shall, upon application, be entitled to receive a grant for any fiscal year under this part to establish or improve, either directly or through local educational agencies, programs of education for migratory children of migratory agricultural workers (including migratory agricultural dairy workers) or of migratory fishermen which meet the requirements of section 1202.

(b) Amount of Grant.—(1) Except as provided in section 1291, the total grants which shall be made available for use in any State (other than Puerto Rico) for this subpart shall be an amount equal to 40 percent of the average per pupil expenditure in the State (or (A) in the case where the average per pupil expenditure in the State is less than 80 percent of the average per pupil expenditure in the United States, of 80 percent of the average per pupil expenditure in the United States, or (B) in the case where the average per pupil expenditure in the State is more than 120 percent of the average per pupil expenditure in the United States, of 120 percent of the average per pupil expenditure in the United States) multiplied by (i) the estimated number of such migratory children aged 3 to 21, inclusive, who reside in the State full time, and (ii) the full-time equivalent of the estimated number of such migratory children aged 3 to 21, inclusive, who reside in the State part time, as determined by the Secretary in accordance with regulations, except that if, in the case of any State, such amount exceeds the amount required under section 1202, the Secretary shall allocate such excess, to the extent necessary, to other States, whose total of grants under this sentence would otherwise be insufficient for all such children to be served in such other States. In determining the full-

time equivalent number of migratory children who are in a State during the summer months, the Secretary shall adjust the number so determined to take into account the special needs of those children for summer programs and the additional costs of operating such programs during the summer. In determining the number of migrant children for the purposes of this section the Secretary shall use statistics made available by the migrant student record transfer system or such other system as he may determine most accurately and fully reflects the actual number of migrant students. In submitting the information required to make such determination, the States shall not exceed a standard error rate of 5 percent.

(2) To carry out the determinations of eligibility required by this section, the Secretary shall develop a national standard form for certification of migrant students.

(3) For each fiscal year, the Secretary shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States. The grant which Puerto Rico shall be eligible to receive under this section for a fiscal year shall be the amount arrived at by multiplying the number of such migrant children in Puerto Rico by the product of—

(A) the percentage determined under the preceding sentence, and

(B) 32 percent of the average per pupil expenditure in the United States.

SEC. 1202. PROGRAM REQUIREMENTS.

(a) REQUIREMENTS FOR APPROVAL OF APPLICATION.—The Secretary may approve an application submitted under section 1201(a) only upon a determination—

(1) that payments will be used for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of migratory children of migratory agricultural workers or of migratory fishermen, and to coordinate such programs and projects with similar programs and projects in other States, including the transmittal of pertinent information with respect to school records of such children;

(2) that in planning and carrying out programs and projects there has been and will be appropriate coordination with programs administered under section 418 of the Higher Education Act, section 402 of the Job Training Partnership Act, the Education of the Handicapped Act, the Community Services Block Grant Act, the Head Start program, the migrant health program, and all other appropriate programs under the Departments of Education, Labor, and Agriculture;

(3) that such programs and projects will be administered and carried out in a manner consistent with the basic objectives of section 1011 (other than subsection (b)), sections 1012, 1014, and 1018, and subpart 2 of part E;

(4) that, in the planning and operation of programs and projects at both the State and local educational agency level, there is appropriate consultation with parent advisory councils (established in order to comply with this provision) for programs extending for the duration of a school year, and that all programs are carried out in a manner consistent with the requirements of section 1016;

(5) that, in planning and carrying out programs and projects, there has been adequate assurance that provision will be made for the preschool education needs of migratory children of migratory agricultural workers or of migratory fishermen; and

(6) that programs conducted under this subpart will be evaluated in terms of their effectiveness in achieving stated goals, including objective measurements of educational achievement in basic skills, and that for formerly migratory children who have been served under this subpart in a full school year program for at least 2 years, such evaluations shall include a determination of whether improved performance is sustained for more than 1 year.

(b) CONTINUATION OF MIGRANT STATUS.—For purposes of this subpart, with the concurrence of the parents, a migratory child of a migratory agricultural worker or of a migratory fisherman shall be considered to continue to be such a child for a period, not in excess of 5 years. Such children who are currently migrant, as determined pursuant to regulations of the Secretary, shall be given priority in the consideration of programs and activities contained in applications submitted under this section.

(c) DEFINITIONS.—The Secretary shall continue to use the definitions of "agricultural activity", "currently migratory child", and "fishing activity" which were published in the Federal Register on April 30, 1985, in regulations prescribed under section 555(b) of the Education Consolidation and Improvement Act of 1981 and subpart 1 of part B of title I of the Elementary and Secondary Education Act of 1965. No additional definition of "migratory agricultural worker" or "migratory fisherman" may be applied to the provisions of this subpart.

(d) BYPASS PROVISION.—If the Secretary determines that a State is unable or unwilling to conduct educational programs for migratory children of migratory agricultural workers or of migratory fishermen, that it would result in more efficient and economic administration, or that it would add substantially to the welfare or educational attainment of such children, the Secretary may make special arrangements with other public or nonprofit private agencies to carry out the purposes of this section in one or more States, and for this purpose the Secretary may use all or part of the total of grants available for any such State under this subpart.

SEC. 1203. COORDINATION OF MIGRANT EDUCATION ACTIVITIES.

(a) ACTIVITIES AUTHORIZED.—(1) The Secretary is authorized to make grants to, and enter into contracts with, State educational agencies (in consultation with and with the approval of the States) for activities to improve the interstate and intrastate coordination among State and local educational agencies of the educational programs available for migratory students. Each grant issued under this paragraph shall not exceed 3 years for its stated purpose.

(2) The Secretary is also authorized to enter into contracts with State educational agencies to operate a system for the transfer among State and local educational agencies of migrant student records. No activity under this section shall, for purposes of any Federal law, be treated as an information collection that is conducted or sponsored by a Federal agency.

(3) Grants or contracts shall also be made under this section to State educational agencies to develop and establish a national program of credit exchange and accrual for migrant students so that such students will be better able to meet graduation requirements and receive their high school diplomas. Such grants or contracts may not exceed 3 years.

(b) AVAILABILITY OF FUNDS.—The Secretary shall, from the funds appropriated for carrying out this subpart, reserve for purposes of this section for any fiscal year an amount, determined by the Secretary, which shall not be less than $6,000,000 nor more than 5 percent of the amount appropriated.

Subpart 2—Programs for Handicapped Children

SEC. 1221. AMOUNT AND ELIGIBILITY.

(a) ELIGIBILITY FOR GRANT.—(1) A State educational agency shall be eligible to receive a grant under this subpart for any fiscal year for programs for handicapped children.

(2) For the purpose of this subpart—

(A) "children" includes infants and toddlers, as appropriate, and

(B) "handicapped children" means mentally retarded, hard of hearing, deaf, speech or language impaired, visually handicapped, seriously emotionally disturbed, orthopedically impaired, or other health impaired children or children with specific learning disabilities.

(b) STATE EDUCATIONAL AGENCY APPLICATION.—In order to receive a grant under this subpart, a State educational agency shall submit an application to the Secretary which provides assurances that—

(1) payments made under this subpart are used for programs and projects (including the acquisition of equipment) which are designed to meet the special education needs of handicapped children and the early intervention needs of handicapped infants and toddlers;

(2) all handicapped children in the State participating in programs and projects funded under this subpart receive a free appropriate public education and such children and such children's parents are provided all the rights and procedural safeguards under part B of the Education of the Handicapped Act and this subpart and that all handicapped infants and toddlers in the State participating under this subpart receive early intervention services and such infants and toddlers and their families are provided the rights and procedural safeguards under part H of such Act;

(3) programs and projects receiving assistance under this subpart are administered in a manner consistent with this subpart, subpart 2 of part E, part B of the Education of the Handicapped Act, and as determined by the Secretary to be appropriate, part H of the Education of the Handicapped Act, including the monitoring by such agency of compliance under paragraph (2);

(4) programs and projects under this subpart will be coordinated with services under the Education of the Handicapped Act;

(5) for fiscal year 1991, and each subsequent fiscal year, the State educational agency will administer the program authorized by this subpart through the State office responsible for administering part B of the Education of the Handicapped Act;

(6) the agency will report, annually, to the Secretary—

(A) the number of children served under this subpart for each disability and age category as described in part B of the Education of the Handicapped Act;

(B) the number of children served under this subpart in each of the educational placements described in section 618(b)(2) of the Education of the Handicapped Act (and shall report separately State-operated and State-supported programs and local educa-

tional agency programs for children previously served in such State programs);

(C) the place of residence for the participating children; and

(D) on the uses of funds and the allocation of such funds for such uses under this subpart; and

(7) the agency shall report to the Secretary such other information as the Secretary may reasonably request.

(c) Amount of Grant.—(1) Except as provided in subsection (e) and section 1291, the grant which a State educational agency (other than the agency for Puerto Rico) shall be eligible to receive under this section shall be an amount equal to 40 percent of the average per pupil expenditure in the State (or (A) in the case where the average per pupil expenditure in the State is less than 80 percent of the average per pupil expenditure in the United States, of 80 percent of the average per pupil expenditure in the United States, or (B) in the case where the average per pupil expenditure in the State is more than 120 percent of the average per pupil expenditure in the United States, of 120 percent of the average per pupil expenditure in the United States), multiplied by the number of handicapped children, aged from birth through age 21, enrolled on December 1, as determined by the Secretary, in programs or schools for handicapped infants, toddlers and children operated or supported by a State agency which—

(i) is directly responsible for providing free public education for handicapped children (including schools providing special education and related services for handicapped children); and

(ii) is directly responsible for providing early intervention services,

under contract or other arrangement with such State agency, in the most recent fiscal year for which satisfactory data are available. The State educational agency shall distribute such funds to the appropriate State educational agency on the basis of the December 1 child count by distributing an equal amount for each child counted.

(2) For each fiscal year, the Secretary shall determine the percentage which the average per pupil expenditure in the Commonwealth of Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States. Except as provided in subsection (e), a grant which the Commonwealth of Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of such handicapped children in the Commonwealth of Puerto Rico by the product of—

(A) the percentage determined under the preceding sentence, and

(B) 32 percent of the average per pupil expenditure in the United States.

(d) Counting of Children Transferring From State to Local Programs.—In any case in which a child described in section 1221(c)(1) leaves an educational program for handicapped children operated or supported by a State agency in order to participate in such a program operated or supported by a local educational agency, such child shall be counted under subsection (c) if—

(1) the child was receiving and continues to receive a free appropriate public education; and

(2) the State educational agency transfers to the local educational agency in whose program such child participates an amount equal to the sums received by such State agency under this section which are attributable to such child, to be used for the purposes set forth in section 1222.

(e) Special Requirement.—The State educational agency may count handicapped children aged 3-5, inclusive, in a State only if such State is eligible for a grant under section 619 of the Education of the Handicapped Act.

SEC. 1222. SERVICE AND PROGRAM APPLICATIONS.

(a) Application Required.—A State agency or local educational agency may receive a grant under this subpart for any fiscal year if it has on file with the State educational agency an application which describes the services, programs, and projects to be conducted with such assistance for a period of not more than 3 years, and each such application has been approved by the State educational agency. Any State educational agency operating programs or projects under this subpart shall prepare a written description of such programs and projects in accordance with subsections (b) and (c).

(b) Requirements.—At a minimum each such application shall—

(1) indicate the number of children to be served;

(2) specify the number of children to be served for each disability and age category as described in part B of the Education of the Handicapped Act;

(3) describe the purpose or purposes of the project and the method or methods of evaluating the effectiveness of the services, projects, or program;

(4) specify the services to be provided with the funds furnished under this subpart; and

(5) include other information the Secretary or State educational agency may request.

(c) Application Assurances.—Any such application shall provide assurances that—

(1) all handicapped children in the State participating in programs and projects funded under this subpart receive a free appropriate public education and such children and such children's parents are provided all the rights and procedural safeguards under part B of the Education of the Handicapped Act and this subpart and that all handicapped infants and toddlers in the State participating under this subpart receive early intervention services and such infants and toddlers and their families are provided the rights and procedural safeguards under part H of such Act;

(2) services, programs, and projects conducted under this subpart are of sufficient size, scope, and quality to give reasonable promise toward meeting the special educational and early intervention needs of children to be served;

(3) funds made available under the subpart will supplement, not supplant State and local funds in accordance with section 1018(b);

(4) the agency will maintain its fiscal effort in accordance with section 1018(a);

(5) the agency will conduct such evaluations and assessments as may be necessary to demonstrate that the programs and projects are beneficial to the children served;

(6) the parents of children to be served with funds under this subpart are provided an opportunity to participate in the development of its project application; and

(7) the agency will comply with all reporting requirements in a timely manner.

(d) Letter of Request.—The State educational agency may accept, in lieu of a project application, a letter of request for payment from a local educational agency, if the local agency intends to serve fewer than 5 children with its payment. In such a letter the agency shall include an assurance that the payment shall be used to supplement the provision of special education and related services.

SEC. 1223. USES OF FUNDS.

(a) General Rule.—Services, programs, and projects authorized under this subpart may include, but are not limited to—

(1) services provided in early intervention, preschool, elementary, secondary, and transition programs;

(2) acquisition of equipment and instructional materials;

(3) employment of special personnel;

(4) training and employment of education aides;

(5) training in the use and provision of assistive devices and other specialized equipment;

(6) training of teachers and other personnel;

(7) training of parents of handicapped infants and children;

(8) training of nonhandicapped children to facilitate their participation with handicapped children and infants in joint activities;

(9) training of employers and independent living personnel involved in assisting the transition of handicapped children from school to the world of work and independent living;

(10) outreach activities to identify and involve handicapped infants and children and their families more fully in a wide range of educational and recreational activities in their communities;

(11) assessment of children; and

(12) planning for, evaluation of, and dissemination of information regarding such programs and projects assisted under this subpart.

(b) Prohibition.—Programs and projects authorized under this subpart may not include the construction of facilities.

SEC. 1224. ELIGIBLE CHILDREN.

The eligible children for services under this subpart are—

(1) those handicapped children from birth to 21, inclusive, who—

(A) the State is directly responsible for providing education or early intervention services to, and

(B)(i) are participating in a State-operated or State-supported school or program for handicapped children (including schools and programs operated under contract or other arrangement with a State agency), or

(ii) previously participated in such a program and are being educated by local educational agencies; and

(2) other handicapped children, if children described in paragraph (1) have been fully served.

SEC. 1225. FEDERAL MONITORING REQUIREMENT.

Whenever the Secretary conducts monitoring visits under part B of the Education of the Handicapped Act, the Secretary shall monitor the program authorized by this subpart, if applicable.

Subpart 3—Programs for Neglected and Delinquent Children

SEC. 1241. AMOUNT AND ENTITLEMENT.

(a) Entitlement to Grants.—A State agency which is responsible for providing free public education for children in institutions for neglected or delinquent children or in adult correctional institutions shall be entitled to receive a grant under this subpart for any fiscal year (but only if grants received under this subpart are used only for children in such institutions).

(b) Amount of Grant.—(1) Except as provided in section 1291, the grant which such

an agency (other than the agency for Puerto Rico) shall be eligible to receive shall be an amount equal to 40 percent of the average per pupil expenditure in the State (or (A) in the case where the average per pupil expenditure in the State is less than 80 percent of the average per pupil expenditure in the United States, of 80 percent of the average per pupil expenditure in the United States, or (B) in the case where the average per pupil expenditure in the State is more than 120 percent of the average per pupil expenditure in the United States, of 120 percent of the average per pupil expenditure in the United States) multiplied by the number of such neglected or delinquent children in average daily attendance, as determined by the Secretary, at schools for such children operated or supported by that agency, including schools providing education for such children under contract or other arrangement with such agency, in the most recent fiscal year for which satisfactory data are available.

(2) For each fiscal year, the Secretary shall determine the percentage which the average per pupil expenditure in Puerto Rico is of the lowest average per pupil expenditure of any of the 50 States. The grant which Puerto Rico shall be eligible to receive under this subpart for a fiscal year shall be the amount arrived at by multiplying the number of such neglected or delinquent children in Puerto Rico by the product of—

(A) the percentage determined under the preceding sentence, and

(B) 32 percent of the average per pupil expenditure in the United States.

SEC. 1242. PROGRAM REQUIREMENTS.

(a) USE OF PAYMENTS.—A State agency shall use payments under this subpart only for programs and projects (including the acquisition of equipment and where necessary the construction of school facilities) which are designed to meet the special educational needs of children in institutions for neglected or delinquent children, children attending community day programs for neglected and delinquent children, or children in adult correctional institutions. Such programs and projects shall be designed to support educational services supplemental to the basic education of such children which must be provided by the State, and such programs and projects shall be administered and carried out in a manner consistent with subpart 2 of part E and sections 1011 (other than subsections (b) and (c)), 1014, and section 1018 (other than subsection (c)). The transfer among State and local educational agencies, institutions, and programs of neglected and delinquent student records shall include any individualized education programs of such students.

(b) COMPLIANCE.—In determining whether programs under this subpart have complied with the supplement not supplant requirement under section 1018(b), programs which are supplementary in terms of the number of hours of instruction students are receiving from State and local sources, shall be considered in compliance without regard to the subject areas in which those instructional hours are given.

(c) THREE-YEAR PROJECTS.—Where a State agency operates programs under this chapter in which children are likely to participate for more than 1 year, the State educational agency may approve the application for a grant under this subpart for a period of more than 1 year, but not to exceed 3 years.

(d) EVALUATION.—Programs for neglected and delinquent children under this subpart shall be evaluated annually to determine their impact on the ability of such children to maintain and improve educational achievement, to maintain school credit in compliance with State requirements, and to make the transition to a regular program or special education program operated by a local educational agency.

SEC. 1243. TRANSITION SERVICES.

(a) TRANSITION SERVICES.—Each State may reserve not more than 10 percent of the amount it receives under section 1241 for any fiscal year to support projects that facilitate the transition of children from State operated institutions for neglected and delinquent children into locally operated programs.

(b) CONDUCT OF PROJECTS.—Projects supported under this section may be conducted directly by the State agency, or by contracts or other arrangements with one or more local educational agencies, other public agencies, or private nonprofit organizations.

(c) LIMITATION.—Assistance under this section shall be used only to provide special educational services to neglected and delinquent children in schools other than State operated institutions.

SEC. 1244. DEFINITIONS.

For the purposes of this subpart, the following terms have the following meanings:

(1) The term "institution for delinquent children", as determined by the State educational agency, means a public or private residential facility that is operated for the care of children who have been determined to be delinquent or in need of supervision.

(2) The term "institution for neglected children" means, as determined by the State educational agency, a public or private residential facility (other than a foster home) that is operated for the care of children who have been committed to the institution or voluntarily placed in the institution under applicable State law, due to abandonment, neglect, or death of parents or guardians.

Subpart 4—General Provisions for State Operated Programs

SEC. 1291. RESERVATION OF FUNDS FOR TERRITORIES.

There is authorized to be appropriated for each fiscal year for purposes of each of subparts 1, 2, and 3 of this part, an amount equal to not more than 1 percent of the amount appropriated for such year for such subparts, for payments to Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands under each such subpart. The amounts appropriated for each such subpart shall be allotted among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective need for such grants, based on such criteria as the Secretary determines will best carry out the purposes of this chapter.

SEC. 1292. DUAL ELIGIBILITY FOR PROGRAMS.

Neglected and delinquent children under subpart 3 who are eligible for programs for handicapped children under subpart 2, may be counted under each subpart for purposes of grant determination and may be served under each such program.

PART D—PAYMENTS

SEC. 1401. PAYMENT METHODS.

The Secretary shall, from time to time pay to each State, in advance or otherwise, the amount which it and the local educational agencies of that State are eligible to receive under this chapter. Such payments shall take into account the extent (if any) to which any previous payment to such State educational agency under this chapter or chapter 1 of the Education Consolidation and Improvement Act of 1981 (whether or not in the same fiscal year) was greater or less than the amount which should have been paid to it.

SEC. 1402. AMOUNT OF PAYMENTS TO LOCAL EDUCATIONAL AGENCIES.

From the funds paid to it pursuant to section 1401 each State educational agency shall distribute to each local educational agency of the State which is eligible to receive a grant under this chapter and which has submitted an application approved pursuant to section 1012 the amount for which such application has been approved, and the amount which the local educational agency is eligible to receive under section 1102 except that the amount shall not exceed the amount determined for that local educational agency under this chapter.

SEC. 1403. ADJUSTMENTS WHERE NECESSITATED BY APPROPRIATIONS.

(a) ADJUSTMENT ALLOCATION.—If the sums appropriated for any fiscal year for making the payments provided in this chapter are not sufficient to pay in full the total amounts which all local and State educational agencies are entitled to receive under this chapter for such year, the amount available for each grant to a State agency eligible for a grant under subpart 1, 2, or 3 of part C shall be equal to the total amount of the grant as computed under each such subpart. If the remainder of such sums available after the application of the preceding sentence is not sufficient to pay in full the total amounts which all local educational agencies are entitled to receive under subpart 1 of part A of this chapter for such year, the allocations to such agencies shall, subject to section 1006(c) and to adjustments under the next sentence, be ratably reduced to the extent necessary to bring the aggregate of such allocations within the limits of the amount so appropriated. The allocation of a local educational agency which would be reduced under the preceding sentence to less than 85 percent of its allocation under subpart 1 of the part A for the preceding fiscal year, shall be increased to such amount, the total of the increases thereby required being derived by proportionately reducing the allocations of the remaining local educational agencies, under the preceding sentence, but with such adjustments as may be necessary to prevent the allocation to any remaining local educational agency from being thereby reduced to less than 85 percent of its allocation for such year.

(b) ADDITIONAL FUNDS ALLOCATION.—(1) In case additional funds become available for making payments under this chapter for that year, allocations that were reduced pursuant to subsection (a) shall be increased on the same basis as they were reduced.

(2) In order to permit the most effective use of all appropriations made to carry out this chapter, the Secretary may set dates by which (A) State educational agencies must certify to the Secretary the amounts for which the applications of educational agencies have been or will be approved by the State and (B) State educational agencies referred to in subpart 1 of part C must file applications. If the maximum grant a local educational agency would receive (after any ratable reduction which may have been required under the first sentence of subsection (a) of this section) is more than an amount which the State educational agency deter-

mines, in accordance with regulations prescribed by the Secretary, such agency will use, the excess amount shall be made available first to educational agencies in that State. Determinations of the educational agencies to which such excess amounts shall be made available by the State educational agency in furtherance of the purposes of this chapter shall be in accordance with criteria prescribed by the Secretary which are designed to assure that such excess amounts will be made available to other eligible educational agencies with the greatest need, for the purpose of, where appropriate, redressing inequities inherent in, or mitigating hardships caused by, the application of the provisions of section 1005(a) as a result of such factors as population shifts and changing economic circumstances. In the event excess amounts remain after carrying out the preceding two sentences of this section, such excess amounts shall be distributed among the other States as the Secretary shall prescribe for use by local educational agencies in such States for the purposes of this chapter in such manner as the respective State educational agencies shall prescribe.

SEC. 1404. PAYMENTS FOR STATE ADMINISTRATION.

(a) In General.—The Secretary is authorized to pay to each State amounts equal to the amounts expended by it for the proper and efficient performance of its duties under this chapter (other than subsection 1022), except that the total of such payments in any fiscal year shall be the greater of the following:

(1) 1 percent of the amount allocated to the State and its local educational agencies and to other State agencies as determined for that year under parts A and C; or

(2) $325,000, or $50,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(b) State Education Improvement Administration Costs.—In any fiscal year in which the appropriations for this chapter equal or exceed $4,800,000,000, the Secretary is authorized to pay, in addition to the amounts described in subsection (a), to each State for carrying out section 1022, an amount equal to—

(1)(A) 0.5 percent of the amount allocated to the State and its local educational agencies and to other State agencies as determined for that year under parts A and C for the first and second such fiscal years; and

(B) 1 percent of the amount allocated to the State and its local educational agencies and to other State agencies as determined for that year under parts A and C for each such fiscal year thereafter; or

(2)(A) $160,000 or $25,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands, in the first or second such year, and

(B) $325,000 or $50,000 in the case of Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands, in each such fiscal year thereafter.

(c) Limitation on Indirect Costs.—Not more than 15 percent of the State administrative allocation under subsection (a) may be used for indirect costs of the grant.

SEC. 1405. LIMITATION ON GRANT TO PUERTO RICO.

Notwithstanding the provisions of this chapter, the amount paid to the Commonwealth of Puerto Rico under this chapter for any fiscal year shall not exceed 150 percent of the amount received by Puerto Rico under chapter 1 of the Education Consolidation and Improvement Act or under this chapter in the preceding fiscal year. Any excess over such amount shall be used to ratably increase the allocations under subpart 1 of part A of the other local educational agencies whose allocations do not exceed the maximum amount for which they are eligible under section 1005.

PART E—GENERAL PROVISIONS

Subpart 1—Federal Administration

SEC. 1431. FEDERAL REGULATIONS.

(a) In General.—The Secretary is authorized to issue such regulations as are considered necessary to reasonably ensure that there is compliance with the specific requirements and assurances required by this chapter.

(b) Negotiated Rulemaking Required.—(1) The Secretary shall ensure that, before publication in the Federal Register, proposed regulations pursuant to this chapter are developed by means of the negotiated rulemaking process, as defined by the Administrative Conference of the United States in Recommendation 82-4, "Procedures for Negotiating Proposed Regulations" (47 Fed. Reg. 30708, June 18, 1982).

(2) It is the intent of the Congress that Federal, State, and local administrators, parents, teachers, and members of local boards of education involved with implementation of programs under this chapter should participate in the negotiated rulemaking process.

(c) Limitation.—Programs under this chapter may not be required to follow any one instructional model, such as the provision of services outside the regular classroom or school program.

SEC. 1432. AVAILABILITY OF APPROPRIATIONS.

(a) General Provision.—Notwithstanding any other provision of law, unless expressly in limitation of this section, funds appropriated in any fiscal year to carry out activities under this chapter shall become available for obligation on July 1 of such fiscal year and shall remain available for obligation until the end of the subsequent fiscal year.

(b) Carryover and Waiver.—Notwithstanding section 412 of General Education Provisions Act, subsection (a) or any other provision of law—

(1) not more than 25 percent of funds appropriated for fiscal year 1989 and 15 percent of funds appropriated for fiscal year 1990 and each subsequent year may remain available for obligation for 1 additional year;

(2) a State educational agency may grant a one-time waiver of the percentage limitation under paragraph (1) if the agency determines that the request by a local educational agency is reasonable and necessary or may grant a waiver in any fiscal year in which supplemental appropriations for this chapter become available for obligation; and

(3) the percentage limitation under paragraph (1) shall not apply with respect to any local educational agency which receives less than $50,000 under this chapter for any fiscal year.

SEC. 1433. WITHHOLDING OF PAYMENTS.

(a) Withholding.—Whenever the Secretary, after reasonable notice to any State educational agency and an opportunity for a hearing on the record, finds that there has been a failure to comply substantially with any assurances required to be given or conditions required to be met under this chapter, the Secretary shall notify such agency of these findings and that beginning 60 days after the date of such notification, further payments will not be made to the State under this chapter, or affected part or subpart thereof (or, in his discretion, that the State educational agency shall reduce or terminate further payments under the affected part or subpart thereof, to specified local educational agencies or State agencies affected by the failure) until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, (1) no further payments shall be made to the State under the part or subpart thereof, or (2) payments by the State educational agency under the part or subpart thereof shall be limited to local educational agencies and State agencies not affected by the failure, or (3) payments to particular local educational agencies shall be reduced, as the case may be.

(b) Notice to Public.—Upon submission to a State of a notice under subsection (a) that the Secretary is withholding payments, the Secretary shall take such action as may be necessary to bring the withholding of payments to the attention of the public within the State.

SEC. 1434. JUDICIAL REVIEW.

(a) Filing Appeals.—If any State is dissatisfied with the Secretary's action under section 1433(a), such State may, within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The filing of such petition shall act to suspend any withholding of funds by the Secretary pending the judgment of the court and prior to a final action on any review of such judgment. The Secretary thereupon shall file in the court the record of the proceedings on which the Secretary's action was based, as provided in section 2112 of title 28, United States Code.

(b) Basis of Review.—For the purposes of this chapter, the basis of review shall be as provided in section 458(c) of the General Education Provisions Act.

(c) Judicial Appeals.—Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari of certification as provided in section 1254 of title 28, United States Code.

SEC. 1435. EVALUATION.

(a) National Standards.—In consultation with State and local educational agencies (including members of State and local boards of education and parent representatives), the Secretary shall develop national standards for local evaluation of programs under this chapter. Such standards shall ensure a common reporting format to allow national aggregation of evaluation results. The Secretary shall provide advance notification to State and local educational agencies of the requirements of such national standards of evaluation.

(b) Reports.—The Secretary shall submit a comprehensive and detailed report concerning State and local evaluation results based on data collected under sections 1019, 1107(a), 1202(a)(6), and 1242(d) to the appropriate committees of the Congress on a biennial basis.

SEC. 1436. COORDINATION OF FEDERAL, STATE, AND LOCAL ADMINISTRATION.

(a) Policy Manual.—The Secretary shall, not later than 6 months after the publication of final regulations with respect to this chapter, prepare and distribute to State edu-

cational agencies, State agencies operating programs under part C, and local educational agencies, and shall make available to parents and other interested individuals, organizations, and agencies, a policy manual for this chapter to—

(1) assist such agencies in (A) preparing applications for program funds under this chapter, (B) meeting the applicable program requirements under this chapter, and (C) enhancing the quality, increasing the depth, or broadening the scope of activities for programs under this chapter;

(2) assist State educational agencies in achieving proper and efficient administration of programs funded under this chapter;

(3) assist parents to become involved in the planning for, and implementation and evaluation of, programs and projects under this chapter; and

(4) ensure that officers and employees of the Department of Education, including officers and employees of the Secretary and officers and employees of such Department charged with auditing programs carried on under this chapter, uniformly interpret, apply, and enforce requirements under this chapter throughout the United States.

(b) CONTENTS OF POLICY MANUAL.—The policy manual shall, with respect to programs carried out under this chapter, contain descriptions, statements, procedural and substantive rules, opinions, policy statements and interpretations and indices to and amendments of the foregoing, and in particular, whether or not such items are required under section 552 of title 5, United States Code to be published or made available, the manual shall include (but not be limited to)—

(1) a statement of the requirements applicable to the programs carried on under this chapter including such requirements contained in this chapter, the General Education Provisions Act, other applicable statutes, and regulations issued under the authority of such statutes;

(2) an explanation of the purpose of each requirement and its interrelationship with other applicable requirements;

(3) a statement of the procedures to be followed by the Secretary with respect to proper and efficient performance of administrative responsibilities;

(4) summaries of (A) advisory opinions interpreting and applying applicable requirements, and (B) final audit determinations relevant to programs under this chapter, including examples of actual applications of the legal requirements of applicable statutes and regulations;

(5) model forms and instructions developed by the Secretary for use by State and local educational agencies, at their discretion, including, but not limited to, application forms, application review checklists, and instruments for monitoring programs under this chapter;

(6) summaries of appropriate court decisions concerning programs under this chapter; and

(7) model forms, policies, and procedures developed by State educational agencies.

(c) TECHNICAL ASSISTANCE.—From funds available to the Secretary for studies, evaluations, and technical assistance, the Secretary shall continue, establish, and expand technical assistance centers to provide assistance to State and local educational agencies with respect to programs under this chapter. In providing such assistance, centers shall place particular emphasis on information relating to program improvement, parental involvement, instruction, testing and evaluation, and curriculum under this chapter. Such centers shall be accessible through electronic means.

(d) FEDERAL DISSEMINATION OF EXEMPLARY PROGRAMS.—To the extent possible, the Secretary shall provide information to State and local educational agencies regarding opportunities for dissemination of exemplary programs under this chapter through the National Diffusion Network. The Secretary shall emphasize programs which are exemplary in their implementation of the parent involvement provisions of section 1016. The Secretary shall coordinate Federal exemplary project identification activities with the National Diffusion Network.

(e) FEDERAL REVIEW OF STATE AND LOCAL ADMINISTRATION.—The Secretary shall provide for a review of State and local administration of programs under this chapter. In addition to such other areas as the Secretary may consider appropriate, the review shall consider State policies, guidance materials, monitoring and enforcement activities, and the detection and resolution of problems of local noncompliance.

SEC. 1437. AUTHORIZATION OF APPROPRIATIONS FOR EVALUATION AND TECHNICAL ASSISTANCE.

There are authorized to be appropriated for the purposes of sections 1435, 1436, and 1437, for other Federal evaluation, technical assistance, and research activities related to this chapter, and authorized studies under this chapter, $8,000,000 for fiscal year 1989; $8,400,000 for fiscal year 1990; $8,800,000 for fiscal year 1991; $9,200,000 for fiscal year 1992; and $9,700,000 for fiscal year 1993.

SEC. 1438. APPLICATION OF GENERAL EDUCATION PROVISIONS ACT.

(a) GENERAL RULE.—Except as otherwise specifically provided by this section, the General Education Provisions Act shall apply to the programs authorized by this chapter.

(b) SUPERCESSION RULE.—The following provisions of the General Education Provisions Act shall be superseded by the specified provisions of this chapter with respect to the programs authorized by this subtitle:

(1) Section 408(a)(1) of the General Education Provisions Act is superseded by section 1431 of this chapter.

(2) Section 426(a) of such Act is superseded by section 1437 of this chapter.

(3) Section 427 of such Act is superseded by section 1016 of this chapter.

(4) Section 430 of such Act is superseded by sections 1012, 1105(b), 1202, and 1224 of this chapter.

(5) Section 453 of such Act is superseded by section 1433 of this chapter.

(6) Section 455 of such Act is superseded by section 1434 of this chapter with respect to judicial review of withholding of payments.

(c) EXCLUSION RULE.—Sections 434, 435, and 436 of the General Education Provisions Act, except to the extent that such sections relate to fiscal control and fund accounting procedures, shall not apply to the programs authorized by this chapter and shall not be construed to authorize the Secretary to require any reports or take any actions not specifically authorized by this chapter.

(d) COMPLAINT PROCEDURES REGULATIONS.—The Secretary shall revise regulations issued under the General Education Provisions Act, relating to the State complaint procedures, as such regulations apply to the operation of the program authorized by this chapter, in order to assure that the regulations are designed to make parents aware of the availability of such procedures.

Subpart 2—State Administration

SEC. 1451. STATE REGULATIONS.

(a) IN GENERAL.—(1) Except as provided in paragraph (2), nothing in this chapter may be interpreted to preempt, prohibit, or encourage State regulations issued pursuant to State law which are not inconsistent with the provisions of this chapter, regulations promulgated under this chapter, or other applicable Federal statutes and regulations.

(2) State rules or policies may not limit local school districts' decisions regarding the grade levels to be served; the basic skills areas (such as reading, math, or language arts) to be addressed; instructional settings, materials or teaching techniques to be used; instructional staff to be employed (as long as such staff meet State certification and licensing requirements for education personnel); or other essential support services (such as counseling and other pupil personnel services) to be provided as part of the programs authorized under this chapter.

(b) REVIEW BY COMMITTEE OF PRACTITIONERS.—Before publication of any proposed or final State rule or regulation pursuant to this chapter, each such rule shall be reviewed by a State committee of practitioners which shall include administrators, teachers, parents, and members of local boards of education, and on which a majority of the members shall be local educational agency representatives. In an emergency situation where such regulation must be issued within a very limited time to assist local educational agencies with the operation of the program, the State educational agency may issue a regulation without such prior consultation, but shall immediately thereafter convene a State committee of practitioners to review the emergency regulation prior to issuance in final form.

(c) IDENTIFICATION AS STATE REQUIREMENT.—The imposition of any State rule or policy relating to the administration and operation of programs funded by this chapter (including those based on State interpretation of any Federal law, regulation, or guideline) shall be identified as a State imposed requirement.

SEC. 1452. RECORDS AND INFORMATION.

Each State educational agency shall keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the Secretary under this chapter).

SEC. 1453. ASSIGNMENT OF PERSONNEL.

(a) LIMITATIONS.—Public school personnel paid entirely by funds made available under this chapter may be assigned limited supervisory duties which are assigned to similarly situated personnel who are not paid with such funds, and such duties need not be limited to classroom instruction or to the benefit of children participating in programs or projects funded under this chapter. Such duties may not exceed the same proportion of total time as prevails with respect to similarly situated personnel at the same school site except that such time may not exceed one period per day.

(b) USE IN STATE PROGRAMS.—If a State carries out a program as defined under section 1018(d), the State may use funds under this chapter to pay salaries of personnel assigned to both the State program and the program under this chapter for administration, training, and technical assistance, if the State educational agency maintains time distribution records reflecting the actual amount of time spent by each such employee signed by that employee's supervi-

sor, and costs are charged on a prorated basis to both programs.

Subpart 3—Studies

SEC. 1461. NATIONAL STUDY ON EFFECT OF PROGRAMS ON CHILDREN.

(a) NATIONAL LONGITUDINAL STUDY.—The Secretary shall contract with a qualified organization or agency to conduct a national longitudinal study of eligible children participating in programs under this chapter. The study shall assess the impact of participation by such children in chapter 1 programs until they are 18 years of age. The study shall compare educational achievement of those children with significant participation in chapter 1 programs and comparable children who did not receive chapter 1 services. Such study shall consider the correlations between participation in programs under this chapter and academic achievement, delinquency rates, truancy, pregnancy rates, school dropout rates, employment and earnings, enrollment in and completion of postsecondary education, and incidence of suicide. The study shall be conducted throughout the country in urban, rural, and suburban areas and shall be of sufficient size and scope to assess and evaluate the effect of the program in all geographic areas of the Nation.

(b) FOLLOW-UP.—The agency or organization with which the Secretary has entered a contract under subsection (a) shall conduct a follow-up of the initial survey which shall include a periodic update on the participation and achievement of a representative group of children who participated in the initial study. Such follow-up shall evaluate the effects of participation until such children are 25 years of age.

(c) REPORT.—A final report summarizing the findings of the study shall be submitted to the appropriate committees of the Congress not later than January 1, 1997; an interim report shall be so submitted not later than January 1, 1993.

SEC. 1462. STUDY OF FUND DISTRIBUTION.

The Secretary shall conduct a study concerning the methods used for the allocation of funds among the States in the various programs of financial assistance to elementary and secondary education administered by the Department of Education. The study shall consider whether States and local school districts should be rewarded for making greater tax and fiscal efforts in support of general elementary and secondary education through adjustment of allocations under the various Federal financial assistance programs. The study shall investigate various methods of defining tax and fiscal efforts. Such study may consider other issues relating to the allocation of funds, such as the reliability and currency of poverty data used for purposes of chapter 1 program allocations. The Secretary shall submit an interim report of such study on June 30, 1990, and shall submit a final report of such study not later than June 30, 1991.

SEC. 1463. STUDY OF STATE OPERATED PROGRAM FOR HANDICAPPED CHILDREN.

(a) STUDY REQUIRED.—(1) The Comptroller General of the United States shall conduct a study of the State Operated Program for Handicapped Children under chapter 1.

(2) Not later than January 30, 1989, the Comptroller General shall prepare and submit a report containing the findings of such study to the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives.

(3) For the purpose of this section, the term "children" includes infants and toddlers.

(b) STUDY COMPONENTS.—The study shall include—

(1) a description of State and local agencies that participate in the program, the children the agencies serve, and the programs for which the agencies use funds;

(2) how such program is administered by the State educational agency or any predecessor agencies serving as fiscal agents for the States;

(3) the major policies, procedures and practices pertaining to the determination of when a child is considered eligible to be counted under such program; the allocation of funds to agencies, schools, programs and projects within schools; the supplementary nature of the services provided; and authorized use of funds;

(4) the policies and procedures governing the placement of handicapped children, including local educational agency transfer children, in schools and programs and projects receiving assistance under chapter 1;

(5) the relationship between the chapter 1 program and parts B and H of the Education of the Handicapped Act (conceptual relationship; comparison of how the two programs are administered by the State educational agency; and a comparison between the programs with respect to the extent to which handicapped children receive a free appropriate public education and such children and their parents are provided the rights and procedural safeguards guaranteed under part B of the Education of the Handicapped Act); and

(6) such other information as the Comptroller General considers appropriate.

(c) FINDINGS AND RECOMMENDATIONS.—The Comptroller General shall include in the report the findings based on the study, a State-by-State analysis for the States subject to the study, together with such recommendations, including recommendations for legislation, as the Comptroller General deems appropriate.

SEC. 1464. STUDY ON USE OF AFDC COUNT IN CHAPTER 1 FORMULA.

(a) STUDY REQUIRED.—(1) The Comptroller General of the United States shall conduct a study of the advisability of using a State-determined count of children who are from families with incomes above the poverty level and who received payments under the aid to families with dependent children program in title IV of the Social Security Act, as a factor in the formula required by section 1005 of chapter 1 of this title, and the effect of such factor on the nationwide distribution of funds under chapter 1 of this title.

(2) No later than June 1, 1989, the Comptroller General shall prepare and submit a report containing the findings of such study to the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives.

(b) STUDY COMPONENTS.—The study shall include—

(1) a State-by-State analysis of the criteria used in distributing AFDC payments;

(2) a description of the differences among States;

(3) an analysis of the advisability of use of State determined and reported data in determining national distribution of funds under the Chapter 1 program.

(c) FINDINGS AND RECOMMENDATIONS.—The Comptroller General shall prepare and submit a report on the findings of the study, together with such recommendations, including recommendations for legislation, as the Comptroller General deems appropriate.

SEC. 1465. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $4,000,000 for fiscal year 1989; $4,200,000 for fiscal year 1990; $4,400,000 for fiscal year 1991; $4,700,000 for fiscal year 1992; and $5,000,000 for fiscal year 1993 for carrying out sections 1461 and 1462.

Subpart 4—Definitions

SEC. 1471. DEFINITIONS.

Except as otherwise provided, for purposes of this Act:

(1) The term "average daily attendance" means attendance determined in accordance with State law, except that notwithstanding any other provision of this chapter, where the local educational agency of the school district in which any child resides makes or contracts to make a tuition payment for the free public education of such child in a school situated in another school district, for purposes of this chapter the attendance of such child at such school shall be held and considered (A) to be in attendance at a school of the local educational agency so making or contracting to make such tuition payment, and (B) not to be in attendance at a school of the local educational agency receiving such tuition payment or entitled to receive such payment under the contract.

(2) The term "average per pupil expenditure" means in the case of a State or the United States, the aggregate current expenditures, during the third fiscal year preceding the fiscal year for which the computation is made (or if satisfactory data for that year are not available at the time of computation, then during the most recent preceding fiscal year for which satisfactory data are available), of all local educational agencies in the State, or in the United States (which for the purposes of this subsection means the 50 States, and the District of Columbia), as the case may be, plus any direct current expenditures by the State for operation of such agencies (without regard to the source of funds from which either of such expenditures are made), divided by the aggregate number of children in average daily attendance to whom such agencies provided free public education during such preceding year.

(3) The term "Secretary" means the United States Secretary of Education.

(4) The term "construction" includes the preparation of drawings and specifications for school facilities; erecting, building, acquiring, altering, remodeling, improving, or extending school facilities; and the inspection and supervision of the construction of school facilities.

(5) The term "county" means those divisions of a State utilized by the Secretary of Commerce in compiling and reporting data regarding counties.

(6) The term "current expenditures" means expenditures for free public education, including expenditures for administration, instruction, attendance, and health services, pupil transportation services, operation and maintenance of plant, fixed charges, and net expenditures to cover deficits for food services and student body activities, but not including expenditures for community services, capital outlay, and debt service, or any expenditures made from funds granted under this chapter, chapter 1 of the Education Consolidation Improvement Act of 1981, chapter 2, or chapter 2 of

the Education Consolidation and Improvement Act.

(7) The term "elementary school" means a day or residential school which provides elementary education, as determined under State law.

(8) The term "equipment" includes machinery, utilities, and building equipment and any necessary enclosures or structures to house them, and includes all other items necessary for the functioning of a particular facility as a facility for the provision of educational services, including items such as instructional equipment and necessary furniture, printed, published, and audio-visual instructional materials, and books, periodicals, documents, and other related materials.

(9) The term "free public education" means education which is provided at public expense, under public supervision and direction, and without tuition charge, and which is provided as elementary or secondary school education in the applicable State, except that such term does not include any education provided beyond grade 12.

(10) The term "local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(11) The term "parent" includes a legal guardian or other person standing in loco parentis.

(12) The term "project area" means a school attendance area having a high concentration of children from low-income families which, without regard to the locality of the project itself, is designated as an area from which children are to be selected to participate in a program or project assisted under this chapter.

(13) The term "school attendance area" means in relation to a particular school, the geographical area in which the children who are normally served by that school reside.

(14) The term "school facilities" means classrooms and related facilities (including initial equipment) for free public education and interests in land (including site, grading, and improvements) on which such facilities are constructed, except that such term does not include those gymnasiums and similar facilities intended primarily for exhibitions for which admission is to be charged to the general public.

(15) The term "State" means a State, Puerto Rico, Guam, the District of Columbia, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

(16) The term "State educational agency" means the officer or agency primarily responsible for the State supervision of public elementary and secondary schools.

(17) The terms "pupil services personnel" and "pupil services" mean school counselors, school social workers, school psychologists, and other qualified professional personnel involved in providing assessment, diagnosis, counseling, educational, therapeutic, and other necessary services as part of a comprehensive program to meet student needs, and the services provided by such individuals.

(18) The term "secondary school" means a day or residential school which provides secondary education, as determined under State law, except that it does not include any education provided beyond grade 12.

(19) The term "parent advisory council" means a body composed primarily of members who are parents of children served by the programs or projects assisted under this chapter and who are elected by such parents, in order to advise the State or local educational agency in the planning, implementation, and evaluation of programs under this chapter.

(20) The term "more advanced skills" means skills including reasoning, analysis, interpretation, problem-solving, and decisionmaking as they relate to the particular subjects in which instruction is provided under programs supported by this chapter.

(21) The term "community-based organization" means a private nonprofit organization which is representative of a community or significant segments of a community and which provides educational or related services to individuals in the community.

Subpart 5—Miscellaneous Provisions

SEC. 1491. REPEAL OF OTHER ACTS.

(a) EDUCATION CONSOLIDATION AND IMPROVEMENT ACT OF 1981.—Chapter 1 of the Education Consolidation and Improvement Act of 1981 is repealed.

(b) ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965.—Title I of the Elementary and Secondary Education Act of 1965 is repealed.

SEC. 1492. TRANSITION PROVISIONS.

(a) REGULATIONS.—All orders, determinations, rules, regulations, permits, grants, and contracts, which have been issued under chapter 1 of the Education Consolidation and Improvement Act of 1981 and title I of the Elementary and Secondary Education Act of 1965 (as in effect on the date before the effective date of this Act), or which are issued under such Acts on or before the effective date of this Act shall continue in effect until modified or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law other than this Act.

(b) EFFECT ON PENDING PROCEEDINGS.—The provisions of this chapter shall not affect administrative or judicial proceedings pending on the effective date of this Act under chapter 1 of the Education Consolidation and Improvement Act of 1981 or title I of the Elementary and Secondary Education Act of 1965.

(c) TRANSITION.—With respect to the period beginning on October 1, 1988, and ending June 30, 1989, no recipient of funds under chapter 1 or under chapter 2 of title I of this Act, or the Education Consolidation and Improvement Act of 1981 shall be held to have expended such funds in violation of the requirements of this Act or of such Act if such funds are expended either in accordance with this Act or such Act.

CHAPTER 2—PROGRAMS FOR ELEMENTARY AND SECONDARY EDUCATION IMPROVEMENT

SEC. 1501. STATEMENT OF PURPOSE.

(a) GENERAL PURPOSE.—It is the purpose of this chapter to provide a single authorization of grants to States to be used in accordance with the educational needs and priorities of State and local educational agencies in the critical areas of—

(1) programs to meet the special educational needs of at risk and high cost students, including programs for—

(A) potential student dropouts,

(B) economically and educationally disadvantaged students,

(C) bringing students together from different social, economic, ethnic, and racial backgrounds,

(D) students with limited English proficiency,

(E) students with handicaps, and

(F) early childhood education for children, especially for children who are from economically disadvantaged backgrounds, including children with handicaps;

(2) basic skills instruction for economically and educationally disadvantaged secondary school students, and literacy instruction;

(3) instructional programs for gifted and talented students;

(4) acquisition of library materials and resources;

(5) programs for school reforms, innovations and improvement, and training and professional development programs for educational personnel; and

(6) programs in personal excellence and student achievement.

(b) STATE AND LOCAL RESPONSIBILITY.—The basic responsibility for the administration of funds made available under this chapter is in the State educational agencies, but it is the intent of Congress that this responsibility be carried out with a minimum of paperwork and that the responsibility for the design and implementation of programs assisted under the chapter will be mainly that of local educational agencies, school superintendents and principals, and classroom teachers and supporting personnel, because they have the most direct contact with students and are most directly responsible to parents and because they are the most likely to be able to design programs to meet the educational needs of students in their own districts.

SEC. 1502. AUTHORIZATION OF APPROPRIATIONS; DURATION OF ASSISTANCE.

(a) AUTHORIZATION.—There are authorized to be appropriated $580,000,000 for fiscal year 1989, $610,000,000 for fiscal year 1990, $640,000,000 for fiscal year 1991, $672,000,000 for fiscal year 1992, and $706,000,000 for fiscal year 1993, to carry out the provisions of this chapter.

(b) DURATION OF ASSISTANCE.—During the period beginning October 1, 1989, and ending September 30, 1993, the Secretary shall, in accordance with the provisions of this chapter, make payments to State educational agencies for the purpose of this chapter.

PART A—STATE AND LOCAL PROGRAMS

SEC. 1511. ALLOTMENT TO STATES.

(a) RESERVATIONS.—(1) From the sums appropriated to carry out this chapter in any fiscal year, the Secretary shall reserve not to exceed 1 per centum for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Northern Mariana Islands, to be allotted in accordance with their respective needs.

(2) The Secretary shall reserve an additional amount, not to exceed 6 per centum of the sums appropriated in each fiscal year, to carry out the provisions of part C.

(b) ALLOTMENT.—From the remainder of such sums the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school-age population of the State bears to the school-age population of all States, except that no State shall receive less than an amount equal to 0.5 per centum of such remainder.

(c) Definitions.—For purposes of this section—

(1) The term "school-age population" means the population aged 5 through 17.

(2) The term "States" includes the 50 States, the District of Columbia, and Puerto Rico.

SEC. 1512. STATE APPLICATIONS.

(a) Contents of Application.—Any State which desires to receive grants under this chapter shall file an application with the Secretary which—

(1) designates the State educational agency as the State agency responsible for the administration and supervision of programs assisted under this chapter;

(2) provides for a process of active and continuing consultation with the State educational agency of an advisory committee, appointed by the Governor and determined by the Governor to be broadly representative of the educational interests and the general public in the State, including individuals representative of—

(A) public and private elementary and secondary school children;

(B) classroom teachers;

(C) parents of elementary and secondary school children;

(D) local boards of education;

(E) local and regional school administrators (including principals, superintendents, and administrators of intermediate regional units);

(F) institutions of higher education;

(G) the State legislature; and

(H) elementary and secondary school librarians;

to advise the State educational agency on the allocation among targeted programs (not to exceed 20 per centum of the amount of the State's allotment) reserved for State use under section 1513(a), on the formula for the allocation of funds to local educational agencies, and on the planning, development, support, implementation, and evaluation of State programs assisted under this chapter;

(3)(A) sets forth the planned allocation of funds reserved for State use under section 1513(a) among the targeted assistance programs described in section 1531 and describes programs, projects, and activities which are designed to carry out such targeted assistance, together with the reasons for the selection of such programs, projects, and activities; and

(B) sets forth the allocation of such funds required to implement section 1572, including administrative costs of carrying out the responsibilities of the State educational agency under this chapter;

(4) provides for timely public notice and public dissemination of the information provided pursuant to paragraphs (2) and (3);

(5) in fiscal year 1992, provides for an evaluation of the effectiveness of programs assisted under this chapter, which shall include comments of the advisory committee, and shall be made available to the public;

(6) provides that the State educational agency will keep such records and provide such information to the Secretary as may be required for fiscal audit and program evaluation (consistent with the responsibilities of the Secretary under this chapter);

(7) provides assurance that, apart from technical and advisory assistance and monitoring compliance with this chapter, the State educational agency has exercised and will exercise no influence in the decision-making processes of local educational agencies as to the expenditures made pursuant to its application under section 1514; and

(8) contains assurances that there is compliance with the specific requirements of this chapter.

(b) Period of Application.—An application filed by the State under subsection (a) shall be for a period not to exceed 3 fiscal years, and may be amended annually as may be necessary to reflect changes without filing a new application.

(c) Audit Rule.—Notwithstanding section 1745 of the Omnibus Budget Reconciliation Act of 1981, local educational agencies receiving less than an average $5,000 each year under this chapter need not be audited more frequently than once every 5 years.

SEC. 1513. ALLOCATION TO LOCAL EDUCATIONAL AGENCIES.

(a) Distribution Rule.—From the sum made available each year under section 1511, the State educational agency shall distribute not less than 80 per centum to local educational agencies within such State according to the relative enrollments in public and private, nonprofit schools within the school districts of such agencies, adjusted, in accordance with criteria approved by the Secretary, to provide higher per pupil allocations to local educational agencies which have the greatest numbers or percentages of children whose education imposes a higher than average cost per child, such as—

(1) children from low-income families,

(2) children living in economically depressed urban and rural areas, and

(3) children living in sparsely populated areas.

(b) Calculation of Enrollments.—The calculation of relative enrollments under subsection (a) shall be on the basis of the total number of (A) the number of children enrolled in public elementary and secondary schools, and (B) the number of children enrolled in private nonprofit elementary and secondary schools that desire their children to participate in the programs and projects assisted under this chapter.

(c) Adjustment Criteria.—The Secretary shall approve criteria suggested by the State educational agency for adjusting allocations under subsection (a) if such criteria are reasonably calculated to produce an equitable distribution of funds with reference to the factors set forth in subsection (a).

(d) Amount of Distribution.—From the funds paid to it pursuant to section 1511 during each fiscal year, the State educational agency shall distribute to each local educational agency which has submitted an application as required in section 1514 the amount of its allocation as determined under subsection (a).

SEC. 1514. LOCAL APPLICATIONS.

(a) Contents of Application.—A local educational agency, or consortia of local educational agencies, may receive its allocation of funds under this chapter for any year for which its application to the State educational agency has been certified to meet the requirements of this subsection. The State educational agency shall certify any such application if such application—

(1)(A) sets forth the planned allocation of funds among targeted assistance programs described in section 1531 of this chapter and describes the programs, projects, and activities designed to carry out such targeted assistance which it intends to support, together with the reasons for the selection of such programs, projects, and activities; and

(B) sets forth the allocation of such funds required to implement section 1572;

(2) describe how assistance under this chapter will contribute to the goals of the program of improving student achievement or improving the quality of education for students;

(3) provides assurances of compliance with provisions of this chapter relating to the assistance furnished under this chapter, including the participation of children enrolled in private, nonprofit schools in accordance with section 1572;

(4) agrees to keep such records, and provide such information to the State educational agency as reasonably may be required for fiscal audit and program evaluation, consistent with the responsibilities of the State agency under this chapter; and

(5) provides, in the allocation of funds for the assistance authorized by this chapter, and in the design, planning, and implementation of such programs, for systematic consultation with parents of children attending elementary and secondary schools in the area served by the local agency, with teachers and administrative personnel in such schools, and with other groups as may be deemed appropriate by the local educational agency.

(b) Period of Application.—An application filed by a local educational agency under subsection (a) shall be for a period not to exceed 3 fiscal years, may provide for the allocation of funds among programs and purposes authorized by this chapter for a period of 3 years, and may be amended annually as may be necessary to reflect changes without filing a new application.

(c) Local Educational Agency Discretion.—Each local educational agency shall have complete discretion, subject only to the provisions of this chapter, in determining how funds the agency receives under this section shall be divided among the targeted assistance set forth in part B of this chapter in accordance with the application submitted under this section. In exercising such discretion, it shall be the responsibility of each local educational agency to ensure that each expenditure of funds under this chapter is for the purpose of meeting the educational needs within the schools of that local educational agency.

PART B—TARGETED ASSISTANCE FOR EDUCATIONAL IMPROVEMENT

SEC. 1531. TARGETED USE OF FUNDS.

(a) General Rule.—Funds allocated for use under this chapter shall be used by State and local educational agencies only for targeted assistance described in subsection (b).

(b) Targeted Assistance.—The targeted assistance programs referred to in subsection (a) are—

(1) programs designed to meet the special educational needs of students at risk and high cost students,

(2) programs designed to improve the basic skills instruction for economically and educationally disadvantaged secondary school students and programs designed to reduce the number of students and adults who are illiterate;

(3) programs which expand and improve programs to identify and educate gifted and talented students, particularly students who may not be identified through traditional assessment methods (including economically disadvantaged individuals, individuals with limited English proficiency, and individuals with handicaps);

(4) programs designed to expand and improve student dropout prevention programs, particularly early intervention projects designed to prevent students from dropping out and to facilitate the reentry of students who have dropped out of school;

(5) programs which increase the parental involvement in the education of children who receive assistance under chapter 1 of this Act, as well as other economically disadvantaged students, and which enhance the literacy of such parents by integrating early childhood education and adult education into unified programs;

(6) programs which increase the availability and quality of early childhood education programs, especially for children who are from economically and educationally disadvantaged backgrounds, including children with handicaps;

(7) programs which provide for the enrichment of secondary school curricula, including junior high and middle schools, particularly new methods and approaches to teaching, the use of stated achievement goals for students, and the continuous monitoring of the progress of students, the strengthening of course work and requirements in mathematics, the physical sciences, and foreign languages;

(8) the acquisition and use of school library books, textbooks, and other printed materials and resources, including—

(A) school library books and textbooks for use of children and teachers in public and private elementary and secondary schools which are used for instructional purposes only;

(B) instructional materials and equipment and other printed materials suitable for use in providing elementary and secondary education in academic subjects for use by students and teachers in public and private elementary and secondary schools which shall be used for instructional purposes only; and

(C) educational materials accessible through video technology, including videotape and laser disc resources;

(9) innovative programs designed to carry out schoolwide reforms, innovations, and improvements and innovative programs for training and professional development for educational personnel in elementary and secondary schools of the agency;

(10) programs designed to enhance personal excellence of students and student achievement, including instruction in ethics, performing and creative arts, and humanities, activities in physical fitness and health, and participation in community service projects; and

(11) programs which implement educational reforms adopted by the State.

SEC. 1532. AUTHORIZED ACTIVITIES.

(a) IN GENERAL.—Activities authorized under this part may include the planning, development, or operation and expansion of programs, projects, and activities which are designed to carry out the targeted assistance described in section 1531. Such activities may also include—

(1) training of educational personnel in any of the targeted assistance programs described;

(2) guidance and counseling services; and

(3) any other education or related activities which the State or local educational agency determines will contribute to expanding educational opportunities of the students or improving the programs described in section 1531.

(b) ADMINISTRATIVE AUTHORITY.—In order to conduct the activities authorized by this part, each State or local educational agency may use funds reserved for this part to make grants to and to enter into contracts with local educational agencies, institutions of higher education, libraries, museums, and other public and private agencies, organizations, and institutions.

PART C—NATIONAL PROGRAMS AND ACTIVITIES

SEC. 1561. GENERAL AUTHORITY.

(a) AUTHORIZATION.—From funds reserved under section 1511(a)(2), the Secretary is authorized to carry out the programs and activities under this part.

(b) PRIORITY FUNDING.—Subject to the availability of funds for any fiscal year for this part, the Secretary shall make available—

(1) not less than $11,200,000 for National Diffusion Network Activities under section 1562;

(2) not less than $8,200,000 for the Inexpensive Book Distribution program under section 1563;

(3) not less than $3,500,000 for the Arts in Education program under section 1564;

(4) not less than $3,200,000 for the Law-related Education program under section 1565; and

(5) not less than $1,500,000 for the Blue Ribbon Schools program under section 1566.

SEC. 1562. NATIONAL DIFFUSION NETWORK ACTIVITIES.

(a) PURPOSES.—The National Diffusion Network shall be a national program that recognizes and furthers excellence in education by—

(1) promoting the awareness and implementation of exemplary educational programs, products, and practices to interested elementary, secondary, and postsecondary institutions throughout the Nation; and

(2) promoting the utilization of the knowledge, talents, and services of local staff associated with various educational excellence recognition efforts.

The National Diffusion Network shall be designed to improve the quality of education through the implementation of promising and validated innovations and improvements in educational programs, products, and practices, and through the provision of training, consultation, and related assistance services.

(b) RESPONSIBILITIES OF SECRETARY.—In carrying out the activities under this section, which shall be limited to activities directly related to the National Diffusion Network, the Secretary shall—

(1) acquaint persons responsible for the operation of elementary, secondary, and postsecondary schools with information about exemplary educational programs, products, practices, and services;

(2) assist such persons in implementing programs, products, and practices, which such persons determine may improve the quality of education in the schools for which they are responsible by providing materials, initial training, and ongoing implementation assistance;

(3) ensure that all such activities, programs, products, and practices are subjected to rigorous evaluation with respect to their effectiveness and their capacity for implementation;

(4) provide program development assistance toward the recognition, dissemination, and implementation of promising practices that hold the potential for answering critical needs and that have achieved credibility because of their effective use in schools; and

(5) ensure that a substantial percentage of the innovations disseminated represent significant changes in practice for schools and teachers.

(c) ELIGIBLE RECIPIENTS OF GRANTS AND CONTRACTS.—For the purpose of carrying out the activities under this section, the Secretary is authorized to make grants to, and contracts with, local educational agencies, State educational agencies, institutions of higher education, and other public and private educational institutions and organizations.

(d) LIMITATION.—No funds appropriated pursuant to section 1502 and available for this section under section 1561(b) may be used to support the development or implementation of a Program Significance Panel or any other similar entity whose purpose is to judge the suitability or appropriateness of projects for dissemination through the National Diffusion Network by a process of reviewing, screening, selecting, or assisting the substantive content of projects. The selection process described in this subsection should be made by local educational agencies with respect to all available nationally approved projects which the Secretary has selected on the basis of an objective examination of program achievement.

SEC. 1563. INEXPENSIVE BOOK DISTRIBUTION PROGRAM FOR READING MOTIVATION.

(a) AUTHORIZATION.—The Secretary is authorized (1) to enter into a contract with Reading is Fundamental (RIF) (hereinafter in this section referred to as the "contractor"), a private nonprofit organization which has as its primary purpose the motivation of children to learn to read, to support and promote the establishment of reading motivation programs which include the distribution of inexpensive books to students, and (2) to pay the Federal share of the cost of such programs.

(b) REQUIREMENTS OF CONTRACT.—The contract shall provide that—

(1) the contractor will enter into subcontracts with local private nonprofit groups or organizations or with public agencies (hereinafter referred to as "subcontractors") under which the subcontractors will agree to establish, operate, and provide the non-Federal share of the cost of reading motivational programs which include the distribution of books by gift or loan, to preschool and elementary and secondary school children;

(2) funds made available by the Secretary to a contractor pursuant to any contract entered into under this section will be used to pay the Federal share of the cost of establishing and operating reading motivational programs as provided in paragraph (1); and

(3) the contractor will meet such other conditions and standards as the Secretary determines to be necessary to assure the effectiveness of the programs authorized by this section and will provide such technical assistance as may be necessary to carry out the purposes of this section.

(c) RESTRICTION ON PAYMENTS.—The Secretary shall make no payment of the Federal share of the cost of acquiring and distributing books pursuant to a contract authorized by this section unless the Secretary determines that the contractor or subcontractor, as the case may be, has made arrangements with book publishers or distributors to obtain books at discounts at least as favorable as discounts that are customarily given by such publisher or distributor for book purchases made under similar circumstances in the absence of Federal assistance.

(d) DEFINITIONS.—For purposes of this section the term "Federal share" means—

(1) with respect to the cost of books purchased by a subcontractor for a program in a locality for distribution of such books to children in that locality, 75 percent of the cost to such subcontractor; or

(2) with respect to the cost of books purchased by a subcontractor for a program of distribution of books to children of migrant

or seasonal farmworkers, 100 percent of the cost to such subcontractor for such books.

SEC. 1564. ARTS IN EDUCATION PROGRAM.

The Secretary shall carry out a program of grants and contracts to encourage and assist State and local educational agencies and other public and private agencies, organizations, and institutions to establish and conduct programs in which the arts are an integral part of elementary and secondary school curricula such as—

(1) programs with public and private cultural organizations, agencies, and institutions, including museums, libraries, and theaters;

(2) a program to develop and implement model projects and programs in the performing arts for children and youth, through arrangements made with the John F. Kennedy Center for the Performing Arts; and

(3) a program for the identification, development and implementation of model programs and projects in the arts for individuals with handicaps through arrangements with the organization, Very Special Arts.

SEC. 1565. LAW-RELATED EDUCATION PROGRAM.

(a) AUTHORIZATION.—The Secretary shall carry out a program of grants and contracts to encourage State and local educational agencies and other public and private nonprofit agencies, organizations, and institutions to provide law-related education programs.

(b) DEFINITION.—For the purpose of this section, the term "law-related education" means education to equip nonlawyers with knowledge and skills pertaining to the law, the legal process, the legal system, and the fundamental principles and values on which they are based.

(c) AUTHORIZED ACTIVITIES.—Funds made available for the purposes of this section may be available for activities such as—

(1) awareness activities, to provide educators, law-related personnel, and the public with an understanding of what law-related education is;

(2) support for new and ongoing programs in elementary and secondary schools, adult education, community organizations, and institutions of higher education, to provide law-related education, to develop materials and methods, to conduct pilot and demonstration projects, and to disseminate the products of such activities;

(3) clearinghouse and technical assistance, to collect and provide information and assistance to institutions, groups, agencies, organizations, and individuals to aid in establishing, improving, and expanding law-related education activities;

(4) training for law-related personnel in the substance and practice of law-related education, including preservice and inservice seminars, workshops, institutes, and courses;

(5) research and evaluation to study and improve the effectiveness of materials and methods in law-related education;

(6) involvement of law-related organizations, agencies, and personnel, such as lawyers, law schools, law students, and law enforcement personnel in the provision of law-related education activities; and

(7) youth internships for outside-the-classroom experiences with the law and the legal system.

SEC. 1566. BLUE RIBBON SCHOOLS PROGRAM.

(a) GENERAL AUTHORITY.—The Secretary is authorized to carry out programs to recognize elementary and secondary schools or programs which have established standards of excellence and which have demonstrated a high level of quality. Such programs shall be designated as "Blue Ribbon Schools". In selecting schools and programs to be recognized, the Secretary shall competitively select public and private schools or programs within local educational agencies in the States, schools operated for Indian children by the Department of the Interior, and schools operated by the Department of Defense for dependents of Department of Defense personnel.

(b) SELECTION PROCESS.—(1) The Secretary shall designate, each fiscal year, a category for a Blue Ribbon Schools program. Such categories may include, but shall not be limited to, outstanding elementary schools, outstanding secondary schools, outstanding mathematics and science programs, or outstanding reading programs.

(2) Within each category, the Secretary shall determine the criteria and procedures for selection. Selection for such awards shall be based solely on merit. Schools or programs selected for awards under this section shall not be required to be representative of the States.

(c) ADMINISTRATIVE PROVISIONS.—(1) The Secretary shall carry out the provisions of this section including the establishment of the selection procedures, after consultation with appropriate outside parties.

(2) No award may be made under this section unless the local educational agency submits an application to the Secretary at such time, in such manner, and containing such information, as the Secretary may reasonably require.

(3) For the purposes of this section, the term "State" means each of the several States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 1567. SECRETARY'S DISCRETIONARY FUND.

(a) GENERAL AUTHORITY.—From funds available for this part, the Secretary is authorized to carry out programs and projects which contribute to carrying out the purposes specified in section 1532 and shall give priority consideration to projects of technology education. Any such projects or programs shall have the goals of identifying and disseminating innovative educational approaches, facilitating program improvement from a national perspective, or meeting urgent national needs within the categories identified in section 1532.

(b) ADMINISTRATIVE AUTHORITY.—The Secretary is authorized to carry out programs and projects under this section directly, or through grants to or contracts with State and local educational agencies, institutions of higher education, and other public and private agencies, organizations, and institutions.

PART D—GENERAL PROVISIONS

SEC. 1571. MAINTENANCE OF EFFORT; FEDERAL FUNDS SUPPLEMENTARY.

(a) MAINTENANCE OF EFFORT.—(1) Except as provided in paragraph (2), a State is entitled to receive its full allocation of funds under this chapter for any fiscal year if the Secretary finds that either the combined fiscal effort per student or the aggregate expenditures within the State with respect to the provision of free public education for the preceding fiscal year was not less than 90 per centum of such combined fiscal effort or aggregate expenditures for the second preceding fiscal year.

(2) The Secretary shall reduce the amount of the allocation of funds under this chapter in any fiscal year in the exact proportion to which the State fails to meet the requirements of paragraph (1) by falling below 90 per centum of both the fiscal effort per student and aggregate expenditures (using the measure most favorable to the State), and no such lesser amount shall be used for computing the effort required under paragraph (1) for subsequent years.

(3) The Secretary may waive, for one fiscal year only, the requirements of this subsection if he determines that such a waiver would be equitable due to exceptional or uncontrollable circumstances such as a natural disaster or a precipitous and unforeseen decline in the financial resources of the State.

(b) FEDERAL FUNDS SUPPLEMENTARY.—A State or local educational agency may use and allocate funds received under this chapter only so as to supplement and, to the extent practical, increase the level of funds that would, in the absence of Federal funds made available under this chapter, be made available from non-Federal sources, and in no case may such funds be used so as to supplant funds from non-Federal sources.

SEC. 1572. PARTICIPATION OF CHILDREN ENROLLED IN PRIVATE SCHOOLS.

(a) PARTICIPATION ON EQUITABLE BASIS.—(1) To the extent consistent with the number of children in the school district of a local educational agency which is eligible to receive funds under this chapter or which serves the area in which a program or project assisted under this chapter is located who are enrolled in private nonprofit elementary and secondary schools, or with respect to instructional or personnel training programs funded by the State educational agency from funds reserved for State use, such agency after consultation with appropriate private school officials, shall provide for the benefit of such children in such schools secular, neutral, and nonideological services, materials, and equipment including the participation of the teachers of such children (and other educational personnel serving such children) in training programs, and the repair, minor remodeling, or construction of public facilities as may be necessary for their provision (consistent with subsection (c) of this section), or, if such services, materials, and equipment are not feasible or necessary in one or more such private schools as determined by the local educational agency after consultation with the appropriate private school officials, shall provide such other arrangements as will assure equitable participation of such children in the purposes and benefits of this chapter.

(2) If no program or project is carried out under subsection (a)(1) of this section in the school district of a local educational agency, the State educational agency shall make arrangements, such as through contracts with nonprofit agencies or organizations, under which children in private schools in that district are provided with services and materials to the extent that would have occurred if the local educational agency had received funds under this chapter.

(3) The requirements of this section relating to the participation of children, teachers, and other personnel serving such children shall apply to programs and projects carried out under this chapter by a State or local educational agency, whether directly or through grants to or contracts with other public or private agencies, institutions, or organizations.

(b) EQUAL EXPENDITURES.—Expenditures for programs pursuant to subsection (a) shall be equal (consistent with the number of children to be served) to expenditures for programs under this chapter for children enrolled in the public schools of the local educational agency, taking into account the *needs of the individual children and other factors which relate to such expenditures, and when funds available to a local educational agency under this chapter are used to concentrate programs or projects on a particular group, attendance area, or grade or age level, children enrolled in private schools who are included within the group, attendance area, or grade or age level selected for such concentration shall, after consultation with the appropriate private school officials, be assured equitable participation in the purposes and benefits of such programs or projects.*

(c) FUNDS.—(1) The control of funds provided under this chapter, and title to materials, equipment, and property repaired, remodeled, or constructed therewith, shall be in a public agency for the uses and purposes provided in this chapter, and a public agency shall administer such funds and property.

(2) The provision of services pursuant to this section shall be provided by employees of a public agency or through contract by such public agency with a person, an association, agency, or corporation who or which, in the provision of such services, is independent of such private school and of any religious organizations, and such employment or contract shall be under the control and supervision of such public agency, and the funds provided under this chapter shall not be commingled with State or local funds.

(d) STATE PROHIBITION WAIVER.—If by reason of any provision of law a State or local educational agency is prohibited from providing for the participation in programs of children enrolled in private elementary and secondary schools, as required by this section, the Secretary shall waive such requirements and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

(e) WAIVER AND PROVISION OF SERVICES.—(1) If the Secretary determines that a State or a local educational agency has substantially failed or is unwilling to provide for the participation on an equitable basis of children enrolled in private elementary and secondary schools as required by this section, the Secretary may waive such requirements and shall arrange for the provision of services to such children through arrangements which shall be subject to the requirements of this section.

(2) Pending final resolution of any investigation or complaint that could result in a determination under this subsection or subsection (d), the Secretary may withhold from the allocation of the affected State or local educational agency the amount he estimated would be necessary to pay the cost of those services.

(f) DETERMINATION.—Any determination by the Secretary under this section shall continue in effect until the Secretary determines that there will no longer be any failure or inability on the part of the State or local educational agency to meet the requirements of subsections (a) and (b).

(g) PAYMENT FROM STATE ALLOTMENT.—When the Secretary arranges for services pursuant to this section, the Secretary shall, after consultation with the appropriate public and private school officials, pay the cost of such services, including the administrative costs of arranging for those services, from the appropriate allotment of the State under this chapter.

(h) REVIEW.—(1) The Secretary shall not take any final action under this section until the State educational agency and the local educational agency affected by such action have had an opportunity, for at least 45 days after receiving written notice thereof, to submit written objections and to appear before the Secretary or the Secretary's designee to show cause why that action should not be taken.

(2) If a State or local educational agency is dissatisfied with the Secretary's final action after a proceeding under paragraph (1) of this subsection, it may within 60 days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Secretary. The Secretary thereupon shall file in the court the record of the proceedings on which he based this action, as provided in section 2112 of title 28, United States Code.

(3) The findings of fact by the Secretary, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Secretary to take further evidence and the Secretary may thereupon make new or modified findings of fact and may modify the Secretary's previous action, and shall file in the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(4) Upon the filing of such petition, the court shall have jurisdiction to affirm the action of the Secretary or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(i) PRIOR DETERMINATION.—Any bypass determination by the Secretary under chapter 2 of the Education Consolidation and Improvement Act of 1981 shall to the extent consistent with the purposes of this chapter apply to programs under this chapter.

SEC. 1573. EVALUATIONS AND REPORTING.

(a) LOCAL EDUCATIONAL AGENCIES.—A local educational agency which receives financial assistance under this chapter shall report annually to the State educational agency on the use of funds under section 1532. Such reporting shall be carried out in a manner which minimizes the amount of paperwork required while providing the State educational agency with the necessary information under the preceding sentence. Such report shall be made available to the public.

(b) STATE EDUCATIONAL AGENCIES.—A State educational agency which receives financial assistance under this chapter shall annually evaluate the effectiveness of State and local programs under this chapter. Such evaluations shall be submitted for review and comment by the State advisory committee and shall be made available to the public. The State educational agency shall submit to the Secretary a copy of such evaluations and a summary of the reports under subsection (a).

(c) REPORTS.—(1) The Secretary, in consultation with State and local educational agency representatives, shall develop a model system which State educational agencies may use for data collection and reporting under this chapter.

(2) The Secretary shall not later than October 1992 submit a report to the Congress summarizing evaluations under subsection (b) in order to provide a national overview of the uses of funds and effectiveness of programs under this chapter.

SEC. 1574. FEDERAL ADMINISTRATION.

(a) TECHNICAL ASSISTANCE.—The Secretary, upon request, shall provide technical assistance to State and local educational agencies under this chapter.

(b) RULEMAKING.—The Secretary shall issue regulations under this chapter only to the extent that such regulations are necessary to ensure that there is compliance with the specific requirements and assurances required by this chapter.

SEC. 1575. REPEAL OF CHAPTERS 2 AND 3 OF THE EDUCATION CONSOLIDATION AND IMPROVEMENT ACT OF 1981.

Chapters 2 and 3 of the Education Consolidation and Improvement Act of 1981 are repealed.

SEC. 1576. TRANSITION PROVISIONS.

(a) REGULATIONS.—All orders, determinations, rules, regulations, permits, grants, and contracts, which have been issued under chapters 2 and 3 of the Education Consolidation and Improvement Act of 1981 (as in effect on the date before the effective date of this Act), or which are issued under such Act on or before the effective date of this Act shall continue in effect until modified or revoked by the Secretary, by a court of competent jurisdiction, or by operation of law other than this Act.

(b) EFFECT ON PENDING PROCEEDINGS.—The provisions of this chapter shall not affect administrative or judicial proceedings pending on the effective date of this Act under chapters 2 and 3 of the Education Consolidation and Improvement Act of 1981.

(c) TRANSITION.—With respect to the period beginning October 1, 1988, and ending June 30, 1989, no recipient of funds under this Act or chapter 2 of the Education Consolidation and Improvement Act of 1981 shall be held to have expended such funds in violation of the requirements of this Act or of such Act if such funds are expended in accordance with this Act or such Act.

TITLE II—SPECIAL PROGRAMS FOR INNOVATION IN EDUCATION

PART A—EVEN START

SEC. 2001. SHORT TITLE.

This part may be cited as the "Even Start Act".

SEC. 2002. STATEMENT OF PURPOSE.

It is the purpose of this part to improve the educational opportunities of the Nation's children and adults by integrating early childhood education and adult education for parents into a unified program to be referred to as "Even Start", to be implemented through cooperative projects that build on existing community resources.

SEC. 2003. PROGRAM AUTHORIZED.

The Secretary is authorized, in accordance with the positions of this part, to make grants to local educational agencies, or consortia of such agencies, to carry out even start programs.

SEC. 2004. USES OF FUNDS.

(a) IN GENERAL.—Funds made available to local educational agencies under this part, in collaboration with institutions of higher education, community-based organizations, the appropriate State educational agency, or other appropriate nonprofit organizations in carrying out the program under this part, shall be used to pay the Federal share of the cost of providing family-centered education programs which involve parents and children in a cooperative effort to help parents become full partners in the education of their children and to assist children in reaching their full potential as learners.

(b) PROGRAM ELEMENTS.—Each program assisted under this part shall include—

(1) the identification and recruitment of eligible children;

(2) screening and preparation of parents and children for participation, including testing, referral to necessary counseling, and related services;

(3) design of programs and provision of support services (when unavailable from other sources) appropriate to the participants' work and other responsibilities, including—

(A) scheduling and location of services to allow joint participation by parents and children;

(B) child care for the period that parents are involved in the program provided for under this part; and

(C) transportation for the purpose of enabling parents and their children to participate in the program authorized by this part;

(4) the establishment of instructional programs that promote adult literacy, training parents to support the educational growth of their children, and preparation of children for success in regular school programs;

(5) provision of special training to enable staff to develop the skills necessary to work with parents and young children in the full range of instructional services offered through this part (including child care staff in programs enrolling children of participants under this part on a space available basis);

(6) provision of and monitoring of integrated instructional services to participating parents and children through home-based programs; and

(7) coordination of programs assisted under this part with programs assisted under chapter 1 and chapter 2 of title I, the Adult Education Act, the Education of the Handicapped Act, the Job Training Partnership Act, and with the Head Start program, volunteer literacy programs, and other relevant programs.

(c) FEDERAL SHARE LIMITATION.—The Federal share under this part may be—

(1) not more than 90 percent of the total cost of the program in the first year the local educational agency receives assistance under this part,

(2) 80 percent in the second such year,

(3) 70 percent in the third such year, and

(4) 60 percent in the fourth and any subsequent such year.

The non-Federal share may be obtained from any available non-Federal source.

SEC. 2005. ELIGIBLE PARTICIPANTS.

Eligible participants in a program assisted by a local educational agency under this part may be a parent and child from a family that includes—

(1) a parent who is eligible for participation in an adult basic education program under the Adult Education Act; and

(2) a child aged 1 to 7, inclusive, who resides in a school attendance area designated for participation in programs under chapter 1 of title I.

SEC. 2006. APPLICATIONS.

(a) APPLICATION REQUIRED.—To be eligible to receive a grant a local educational agency shall submit an application to the Secretary in such form and containing or accompanied by such information as the Secretary may require.

(b) CONTENTS OF APPLICATION.—Each such application shall include documentation that the local educational agency has the qualified personnel required—

(1) to develop, administer, and implement the program required by this part, and

(2) to provide special training necessary to prepare staff for the program.

(c) PLAN.—Each such application shall also include a plan of operation for the program which includes—

(1) a description of the program goals;

(2) a description of the activities and services which will be provided under the program (including training and preparation of staff);

(3) a description of the population to be served and an estimate of the number of participants;

(4) a description of the collaborative efforts of the institutions of higher education, community-based organizations, the appropriate State educational agency, private elementary schools, or other appropriate nonprofit organizations in carrying out the program for which assistance is sought;

(5) a statement of the methods which will be used—

(A) to ensure that the programs will serve those eligible participants most in need of the activities and services provided by this part;

(B) to provide services under this part to special populations, such as individuals with limited English proficiency and individuals with handicaps; and

(C) to encourage participants to remain in the programs for a time sufficient to meet program goals; and

(6) a description of the methods by which the applicant will coordinate programs under this part with programs under chapter 1 and chapter 2 of title I of this Act, the Adult Education Act, the Job Training Partnership Act, and with Head Start programs, volunteer literacy programs, and other relevant programs.

SEC. 2007. APPROVAL OF APPLICATIONS; DURATION.

(a) APPROVAL OF APPLICATIONS.—In approving applications under this part, the Secretary shall give special consideration to proposals which—

(1) are most likely to be successful in meeting the purpose of this part;

(2) serve the greatest percentage of eligible children and parents as described in section 2005;

(3) demonstrate the greatest degree of cooperation and coordination in collaborative efforts among educational institutions and organizations as described in section 2006(c)(4);

(4) demonstrate the local educational agency's ability to provide the non-Federal share of the cost of the program as required by section 2004(c); and

(5) show the greatest promise for providing models which may be transferred to other local educational agencies.

(b) EQUITABLE DISTRIBUTION OF ASSISTANCE.—In approving grants under this part the Secretary shall assure an equitable distribution of assistance between the States and among urban and rural areas of the United States.

(c) DURATION.—Grants may be awarded for a period not to exceed 4 years. In any application from a local educational agency for a grant to continue a project for the second, third, or fourth fiscal year following the first fiscal year in which a grant was awarded to such local educational agency, the Secretary shall review the progress being made toward meeting the objectives of the project. The Secretary may refuse to award a grant if the Secretary finds that sufficient progress has not been made toward meeting such objectives, but only after affording the applicant notice and an opportunity for a hearing.

SEC. 2008. EVALUATION.

(a) INDEPENDENT EVALUATION.—The Secretary shall provide for an independent evaluation of a representative sample of programs assisted under this part to determine their effectiveness in providing—

(1) services to special populations;

(2) adult education services;

(3) parent training;

(4) home-based programs involving parents and children;

(5) coordination with related programs; and

(6) training of related personnel in appropriate skill areas.

(b) REPORT TO CONGRESS AND DISSEMINATION.—The Secretary shall prepare and submit to the Congress not later than October 1, 1992, a review and summary of the results of such evaluation. The evaluation shall be available for possible dissemination.

SEC. 2009. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $25,000,000 for fiscal year 1989, $26,500,000 for the fiscal year 1990, $27,500,000 for the fiscal year 1991, $29,000,000 for the fiscal year 1992, and $30,500,000 for the fiscal year 1993 to carry out the provisions of this part.

PART B—EFFECTIVE SCHOOLS

SEC. 2051. PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants to State and local educational agencies for the conduct of effective schools programs.

(b) APPLICATION REQUIRED.—(1) No grant may be made under this part unless the State or local educational agency submits an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

(2) Whenever a State educational agency submits an application to the Secretary under paragraph (1), the State shall specify the local educational agencies within the State which the applicant intends to serve with assistance under this part.

SEC. 2052. USES OF FUNDS.

Funds paid under this part shall be available to—

(1) plan, implement, support, evaluate, and strengthen effective schools programs;

(2) plan and conduct training and other professional development activities for teachers, administrators and other education personnel on the implementation of effective schools programs;

(3) provide technical assistance and promote State and local educational agency awareness of effective schools research, model programs, and implementation;

(4) develop and implement systems to evaluate and analyze effective schools programs;

(5) improve parent and community involvement and participation as part of an ongoing effective schools program;

(6) support model and demonstration programs related to effective schools programs; and

(7) develop where such materials are commercially unavailable and disseminate educational materials related to effective schools programs.

SEC. 2053. EFFECTIVE SCHOOLS.

For the purposes of this part the term "effective schools programs" means school-based programs that may encompass preschool through secondary school levels and that have the objective of (1) promoting school-level planning, instructional im-

provement, and staff development, (2) increasing the academic achievement levels of all children and particularly educationally deprived children, and (3) achieving as ongoing conditions in the school the following factors identified through effective schools research as distinguishing effective from ineffective schools:

(A) strong and effective administrative and instructional leadership that creates consensus on instructional goals and organizational capacity for instructional problem solving;

(B) emphasis on the acquisition of basic and higher order skills;

(C) a safe and orderly school environment that allows teachers and pupils to focus their energies on academic achievement;

(D) a climate of expectation that virtually all children can learn under appropriate conditions; and

(E) continuous assessment of students and programs to evaluate the effects of instruction.

SEC. 2054. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $25,000,000 for the fiscal year 1989, $26,500,000 for the fiscal year 1990, $27,500,000 for the fiscal year 1991, $29,000,000 for the fiscal year 1992, and $30,500,000 for the fiscal year 1993, to carry out the provisions of this part.

PART C—WOMEN'S EDUCATIONAL EQUITY

SEC. 2101. SHORT TITLE; FINDINGS AND STATEMENT OF PURPOSE.

(a) SHORT TITLE.—This part may be cited as the "Women's Educational Equity Act".

(b) FINDINGS AND STATEMENT OF PURPOSE.—(1) The Congress finds and declares that educational programs in the United States, as presently conducted, are frequently inequitable as such programs relate to women and frequently limit the full participation of all individuals in American society. The Congress finds and declares that excellence in education cannot be achieved without equity for women and girls.

(2) It is the purpose of this part to provide educational equity for women in the United States and to provide financial assistance to enable educational agencies and institutions to meet the requirements of title IX of the Education Amendments of 1972. It is also the purpose of this part to provide educational equity for women and girls who suffer multiple discrimination, bias, or stereotyping based on sex and on race, ethnic origin, disability, or age.

SEC. 2102. PROGRAM AUTHORIZED.

(a) AUTHORIZATION.—The Secretary is authorized to make grants to, and enter into contracts with, public agencies, private nonprofit agencies, organizations, and institutions, including student and community groups, and individuals, for activities designed to achieve the purpose of this part at all levels of education, including preschool, elementary and secondary education, higher education, and adult education. The activities may include—

(1) demonstration, developmental, and dissemination activities of national, statewide, or general significance, including—

(A) the development where such materials are commercially unavailable and evaluation of curricula, textbooks, and other educational materials related to educational equity;

(B) model preservice and inservice training programs for educational personnel with special emphasis on programs and activities designed to provide educational equity;

(C) research and development activities designed to advance educational equity;

(D) guidance and counseling activities, including the development of nondiscriminatory tests, designed to ensure educational equity;

(E) educational activities to increase opportunities for adult women, including continuing educational activities and programs for underemployed and unemployed women; and

(F) the expansion and improvement of educational programs and activities for women in vocational education, career education, physical education, and educational administration; and

(2) assistance to eligible entities to pay a portion of the costs of the establishment and operation, for a period of not to exceed 2 years, of special programs and projects of local significance to provide equal opportunities for both sexes, including activities listed in paragraph (1), activities incident to achieving compliance with title IX of the Education Amendments of 1972 and other special activities designed to achieve the purposes of this part.

Not less than 75 percent of funds used to support activities described by paragraph (2) shall be used for awards to local educational agencies. The Secretary shall ensure that at least 1 grant or contract is available during each fiscal year for the performance of each of the activities described in paragraph (1) of this subsection.

(b) LIMITATION.—For each fiscal year, the Secretary shall use $3,000,000 from the funds available under this part to support activities described in paragraph (1) of subsection (a). Any funds in excess of $3,000,000 available under this part may be used to support new activities described in paragraph (1) or to support activities described in paragraph (2), or both.

SEC. 2103. APPLICATION; PARTICIPATION.

(a) APPLICATION.—A grant may be made, and a contract may be entered into, under this part only upon application to the Secretary, at such time, in such form, and containing or accompanied by such information as the Secretary may prescribe. Each such application shall—

(1) provide that the program or activity for which assistance is sought will be administered by or under the supervision of the applicant;

(2) describe a program for carrying out one or more of the purposes set forth in section 2101(b) which holds promise of making a substantial contribution toward attaining such purposes; and

(3) set forth policies and procedures which insure adequate evaluation of the activities intended to be carried out under the application, including where appropriate an evaluation or estimate of the potential for continued significance following completion of the grant period.

(b) SPECIAL RULE.—In approving applications under this part, the Secretary shall—

(1) give special consideration to applications submitted by applicants that have not received assistance under this part or under part C of title IX of the Elementary and Secondary Education Act of 1965; and

(2) proposals from applicants on the basis of geographic distribution throughout the United States.

(c) LIMITATION.—Nothing in this part shall be construed as prohibiting men and boys from participating in any programs or activities assisted under this part.

SEC. 2104. CHALLENGE GRANTS.

(a) PURPOSE.—In addition to the authority of the Secretary under section 2102, the Secretary shall carry out a program of challenge grants (as part of the grant program administered under section 2102(a)(1)), not to exceed $40,000 each, in order to support projects to develop—

(1) comprehensive plans for implementation of equity programs at every educational level;

(2) innovative approaches to school-community partnerships;

(3) new dissemination and replication strategies; and

(4) other innovative approaches to achieving the purposes of this part.

(b) GRANT RECIPIENTS.—For the purpose described in paragraphs (1) through (4) of subsection (a), the Secretary is authorized to make grants to public agencies and private nonprofit organizations and consortia of these groups and to individuals.

SEC. 2105. CRITERIA AND PRIORITIES.

The Secretary shall establish separate criteria and priorities for awards under sections 2102(a)(1) and 2102(a)(2) under this part to insure that available funds are used for programs that most effectively will achieve the purposes of this part. The criteria and priorities shall be promulgated in accordance with section 431 of the General Education Provisions Act.

SEC. 2106. REPORTS, EVALUATION, AND DISSEMINATION.

(a) REPORTS.—The Secretary shall, from funds authorized under this part, not later than September 30 of 1992, submit to the President and the Congress, a report setting forth the programs and activities assisted under this part, and provide for the distribution of this report.

(b) EVALUATION AND DISSEMINATION.—The Secretary, through the Office of Educational Research and Improvement, shall evaluate and disseminate materials and programs developed under this part.

SEC. 2107. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $5,300,000 for the fiscal year 1989, $5,600,000 for fiscal year 1990, $5,900,000 for fiscal year 1991, $6,200,000 for fiscal year 1992, and $6,500,000 for fiscal year 1993 to carry out the provisions of this part.

SEC. 2108. REPEAL.

Part C of title IX of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 3341) is repealed.

PART D—GIFTED AND TALENTED CHILDREN

SEC. 2151. SHORT TITLE.

This part may be referred to as the "Jacob K. Javits Gifted and Talented Students Education Act of 1987".

SEC. 2152. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds and declares that—

(1) gifted and talented students are a national resource vital to the future of the Nation and its security and well-being;

(2) unless the special abilities of gifted and talented students are recognized and developed during their elementary and secondary school years, much of their special potential for contributing to the national interest is likely to be lost;

(3) gifted and talented students from economically disadvantaged families and areas, and students of limited English proficiency are at greatest risk of being unrecognized and of not being provided adequate or appropriate educational services;

(4) State and local educational agencies and private nonprofit schools often lack the necessary specialized resources to plan and implement effective programs for the early identification of gifted and talented students for the provision of educational services and programs appropriate to their special needs; and

(5) the Federal Government can best carry out the limited but essential role of stimulating research and development and personnel training, and providing a national focal point of information and technical assistance, that is necessary to ensure that our Nation's schools are able to meet the special educational needs of gifted and talented students, and thereby serve a profound national interest.

(b) Statement of Purpose.—It is the purpose of this part to provide financial assistance to State and local educational agencies, institutions of higher education, and other public and private agencies and organizations, to initiate a coordinated program of research, demonstration projects, personnel training, and similar activities designed to build a nationwide capability in elementary and secondary schools to identify and meet the special educational needs of gifted and talented students. It is also the purpose of this part to supplement and make more effective the expenditure of State and local funds, and of Federal funds made available under chapter 2 of title I of this Act and the Education for Economic Security Act, for the education of gifted and talented students.

SEC. 2153. DEFINITIONS.

For the purposes of this part:

(1) The term "gifted and talented students" means children and youth who give evidence of high performance capability in areas such as intellectual, creative, artistic, or leadership capacity, or in specific academic fields, and who require services or activities not ordinarily provided by the school in order to fully develop such capabilities.

(2) The term "institution of higher education" has the same meaning given such term in section 435(b) of the Higher Education Act of 1965.

(3) The term "Hawaiian native" means any individual any of whose ancestors were natives prior to 1778 in the area which now comprises the State of Hawaii.

(4) The term "Hawaiian native organization" means any organization recognized by the Governor of the State of Hawaii primarily serving and representing Hawaiian natives.

SEC. 2154. AUTHORIZED PROGRAMS.

(a) Establishment of Program.—From the sums appropriated under section 2158 in any fiscal year the Secretary shall make grants to or enter into contracts with State educational agencies, local educational agencies, institutions of higher education, or other public agencies and private agencies and organizations (including Indian tribes and organizations as defined by the Indian Self-Determination and Education Assistance Act and Hawaiian native organizations) to assist such agencies, institutions, and organizations in carrying out programs or projects authorized by this Act that are designed to meet the educational needs of gifted and talented students, including the training of personnel in the education of gifted and talented students or in supervising such personnel.

(b) Application Required.—No grant may be made and no contract may be entered into under this part unless the applicant submits an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

(c) Uses of Funds.—Programs and projects assisted under this section may include—

(1) preservice and inservice training (including fellowships) for personnel (including leadership personnel) involved in the education of gifted and talented students;

(2) establishment and operation of model projects and exemplary programs for the identification and education of gifted and talented students, including summer programs and cooperative programs involving business, industry, and education;

(3) strengthening the capability of State educational agencies and institutions of higher education to provide leadership and assistance to local educational agencies and nonprofit private schools in the planning, operation, and improvement of programs for the identification and education of gifted and talented students;

(4) programs of technical assistance and information dissemination; and

(5) carrying out (through the National Center for Research and Development in the Education of Gifted and Talented Children and Youth established pursuant to subsection (d))—

(A) research on methods and techniques for identifying and teaching gifted and talented students, and

(B) program evaluations, surveys, and the collection, analysis, and development of information needed to accomplish the purposes of this Act.

(d) Establishment of National Center.—The Secretary shall establish a National Center for Research and Development in the Education of Gifted and Talented Children and Youth through grants to or contracts with one or more institutions of higher education or State educational agencies, or a combination or consortium of such institutions and agencies, for the purpose of carrying out clause (5) of subsection (c). Such National Center shall have a Director. The Secretary may authorize the Director to carry out such functions of the National Center as may be agreed upon through arrangements with other institutions of higher education, State or local educational agencies, or other public or private agencies and organizations.

(e) Limitation.—Not more than 30 percent of the funds available in any fiscal year to carry out the programs and projects authorized by this section may be used for the conduct of activities pursuant to subsections (c)(5) or (d).

SEC. 2155. PROGRAM PRIORITIES.

(a) General Priority.—In the administration of this part the Secretary shall give highest priority—

(1) to the identification of gifted and talented students who may not be identified through traditional assessment methods (including economically disadvantaged individuals, individuals of limited English proficiency, and individuals with handicaps) and to education programs designed to include gifted and talented students from such groups; and

(2) to programs and projects designed to develop or improve the capability of schools in an entire State or region of the Nation through cooperative efforts and participation of State and local educational agencies, institutions of higher education, and other public and private agencies and organizations (including business, industry, and labor), to plan, conduct, and improve programs for the identification and education of gifted and talented students.

(b) Service Priority.—In approving applications under section 2154(a) of this part, the Secretary shall assure that in each fiscal year at least one-half of the applications approved contain a component designed to serve gifted and talented students who are economically disadvantaged individuals.

SEC. 2156. PARTICIPATION OF PRIVATE SCHOOL CHILDREN AND TEACHERS.

In making grants and entering into contracts under this Act, the Secretary shall ensure, where appropriate, that provision is made for the equitable participation of students and teachers in private nonprofit elementary and secondary schools, including the participation of teachers and other personnel in preservice and inservice training programs for serving such children.

SEC. 2157. ADMINISTRATION.

The Secretary shall establish or designate an administrative unit within the Department of Education—

(1) to administer the programs authorized by this part,

(2) to coordinate all programs for gifted and talented students administered by the Department, and

(3) to serve as a focal point of national leadership and information on the educational needs of gifted and talented students and the availability of educational services and programs designed to meet those needs.

The administrative unit established or designated pursuant to this section shall be headed by a person of recognized professional qualifications and experience in the field of the education of gifted and talented students.

SEC. 2158. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $15,000,000 for the fiscal year 1989, $15,800,000 for the fiscal year 1990, $16,600,000 for the fiscal year 1991, $17,400,000 for the fiscal year 1992, and $18,300,000 for the fiscal year 1993, to carry out the provisions of this part.

PART E—FAMILY-SCHOOL PARTNERSHIP

SEC. 2251. SHORT TITLE.

This part may be cited as the "Family-School Partnership Act".

SEC. 2252. FINDINGS AND PURPOSE.

(a) Findings.—The Congress finds that—

(1) it has been clearly demonstrated that parent involvement is directly related to better student achievement, attitudes, and performance in school;

(2) demographics of the American family are changing to the degree that significant numbers of children attending school come from families with single parents, families in which both parents are employed outside the home, or where the primary caregiver is not the biological parent;

(3) the demographics mean that current approaches to developing and maintaining partnerships with educators in compensatory education programs require review and modification to make them more responsive to the needs of both families and schools; and

(4) effective approaches to more fully involving families as partners in their children's education should be encouraged as a matter of Federal policy.

(b) Purpose.—The purpose of this part is to encourage eligible local educational agencies to increase the involvement of families in the improvement of the educational achievement of their children in the pre-

school, elementary, and secondary schools within such agency.

SEC. 2253. ELIGIBLE AGENCY.

In order to be eligible to receive a grant under this part, a local educational agency must be eligible to receive a grant under section 1005 of this Act.

SEC. 2254. DEMONSTRATION PROGRAM AUTHORIZED.

(a) General Authority.—The Secretary is authorized to make demonstration grants to eligible local educational agencies for the development of innovative, promising family-school educational partnership activities designed to—

(1) support the efforts of families, including training, to the maximum extent practicable, to work with children in the home to both attain the instructional objectives of the schools within eligible local educational agencies and instill positive attitudes about the importance of education;

(2) train teachers and other staff personnel involved in the program supported under chapter 1 of title I of this Act to work effectively as educational partners with the families of participating students;

(3) train families, teachers and other staff personnel in the schools within such agency to build an educational partnership between home and school; and

(4) evaluate how well family involvement activities of the schools within such agency are working, what barriers exist to greater participation, and what steps need to be taken to expand participation in such family involvement activities.

(b) Uses of Funds.—The activities and procedures for which grants may be made under this part may include—

(1) training programs for the family on the family's educational responsibilities and reasonable and necessary expenditures associated with the attendance of parents or guardians at training sessions;

(2) planning and development of new school procedures and practices to meet the changing demographic characteristics of the families of school-age children;

(3) planning and development of modifications of school procedures and practices necessary for the involvement of parents of special groups, including minorities, disadvantaged, gifted and talented, and students with handicaps;

(4) hiring, training, and use of educational personnel in eligible local educational agencies to coordinate family involvement activities and to foster communications among families, educators, and students;

(5) development and purchase by a local educational agency of educational materials where such materials are commercially unavailable to reinforce school learning at home and assistance in implementing other home-based education activities that reinforce and extend classroom instruction and student motivation; and

(6) securing technical assistance, including training, to design and carry out family involvement programs.

SEC. 2255. APPLICATION.

(a) Application Required.—No grant may be made under this part unless an application is submitted to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary deems reasonably necessary to carry out the provisions of this part. Such application shall contain an assurance that, to the extent consistent with the number of children enrolled in private elementary and secondary schools located in the school district of an eligible local educational agency, such agency shall provide for the participation of such children, their families, and teachers and other staff personnel in the programs and services assisted under this part.

(b) Special Consideration.—In approving applications under this part, the Secretary shall give special consideration to applicants which have already shown a commitment to parental involvement or which give a reasonable explanation why the commitment to parental involvement has not been a high priority for the local educational agency concerned.

SEC. 2256. ADMINISTRATIVE PROVISION.

(a) Establishment.—The Secretary shall establish in the Department of Education an administrative unit for family-school partnerships in education.

(b) Functions.—The Secretary, through the unit established by subsection (a), shall collect and disseminate information on, and serve as a clearinghouse for, successful programs on family-school educational partnerships.

SEC. 2257. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $10,000,000 for the fiscal year 1989, $10,500,000 for the fiscal year 1990, $11,000,000 for the fiscal year 1991, $12,500,000 for the fiscal year 1992, and $14,000,000 for the fiscal year 1993, to carry out the provisions of this part.

PART F—ALLEN J. ELLENDER FELLOWSHIP PROGRAM

SEC. 2301. FINDINGS.

The Congress makes the following findings:

(1) Allen J. Ellender, a Senator from Louisiana and President pro tempore of the United States Senate, had a distinguished career in public service characterized by extraordinary energy and real concern for young people and the development of greater opportunities for active and responsible citizenship by young people.

(2) Senator Ellender provided valuable support and encouragement to the Close Up Foundation, a nonpartisan, nonprofit foundation promoting knowledge and understanding of the Federal Government among young people and their educators.

(3) It is a fitting and appropriate tribute to the beloved Senator Ellender to provide in his name an opportunity for participation, by students of limited economic means and by their teachers, in the program supported by the Close Up Foundation.

Subpart 1—Program for Secondary School Students and Teachers

SEC. 2311. ESTABLISHMENT.

(a) General Authority.—The Secretary is authorized to make grants in accordance with the provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its program of increasing understanding of the Federal Government among secondary school students, their teachers, and the communities they represent.

(b) Use of Funds.—Grants under this subpart shall be used only for financial assistance to economically disadvantaged students and their teachers who participate in the program described in subsection (a) of this section. Financial assistance received pursuant to this subpart by such students and teachers shall be known as Allen J. Ellender fellowships.

SEC. 2312. APPLICATIONS.

(a) Application Required.—No grant under this subpart may be made except upon an application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(b) Contents of Application.—Each such application shall contain provisions to assure—

(1) that fellowship grants are made to economically disadvantaged secondary school students, and to secondary school teachers;

(2) that not more than one secondary school teacher in each such school participating in the program may receive a fellowship grant in any fiscal year;

(3) that every effort will be made to ensure the participation of students and teachers from rural and small town areas, as well as from urban areas, and that in awarding fellowships to economically disadvantaged students, special consideration will be given to the participation of students with special educational needs, including handicapped students, students from recent immigrant families, ethnic minority students, gifted and talented students, and students of migrant parents; and

(4) the proper disbursement of the funds of the United States received under this part.

Subpart 2—Programs for Older Americans and Recent Immigrants

SEC. 2314. ESTABLISHMENT.

(a) General Authority.—(1) The Secretary is authorized to make grants in accordance with the provisions of this subpart to the Close Up Foundation of Washington, District of Columbia, a nonpartisan, nonprofit foundation, for the purpose of assisting the Close Up Foundation in carrying out its programs of increasing understanding of the Federal Government among economically disadvantaged older Americans and recent immigrants.

(2) For the purpose of this subpart, the term "older American" means an individual who has attained 55 years of age.

(b) Use of Funds.—Grants under this subpart shall be used only for financial assistance to economically disadvantaged older Americans and recent immigrants who participate in the program described in subsection (a) of this section. Financial assistance received pursuant to this subpart by such individuals shall be known as Allen J. Ellender fellowships.

SEC. 2315. APPLICATIONS.

(a) Application Required.—No grant under this subpart may be made except upon application at such time, in such manner, and accompanied by such information as the Secretary may reasonably require.

(b) Contents of Application.—Each such application shall contain provisions to assure—

(1) that fellowship grants are made to economically disadvantaged older Americans and recent immigrants;

(2) that every effort will be made to ensure the participation of older Americans and recent immigrants from rural and small town areas, as well as from urban areas, and that in awarding fellowships, special consideration will be given to the participation of older Americans and recent immigrants with special needs, including handicapped individuals and ethnic minorities;

(3) that activities permitted by section 2314 are fully described; and

(4) the proper disbursement of the funds of the United States received under this part.

Subpart 3—General Provisions

SEC. 2331. ADMINISTRATIVE PROVISIONS.

(a) General Rule.—Payments under this part may be made in installments, in advance, or by way of reimbursement, with necessary adjustments on account of underpayment or overpayment.

(b) Audit Rule.—The Comptroller General of the United States or any of his duly authorized representatives shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to any grant under this part.

SEC. 2332. AUTHORIZATION OF APPROPRIATIONS.

(a) Authorization for Subpart 1.—There are authorized to be appropriated to carry out the provisions of subpart 1 of this part $3,000,000 for fiscal year 1989, $3,500,000 for fiscal year 1990, $4,000,000 for fiscal year 1991, $4,500,000 for fiscal year 1992, and $5,000,000 for fiscal year 1993.

(b) Authorization for Subpart 2.—(1) There are authorized to be appropriated to carry out the provisions of subpart 2 of this part $3,000,000 for fiscal year 1989, $3,500,000 for fiscal year 1990, $4,000,000 for fiscal year 1991, $4,500,000 for fiscal year 1992, and $5,000,000 for fiscal year 1993.

(2) No funds may be appropriated to carry out the provisions of this subpart in any fiscal year unless funds are appropriated for that fiscal year in the amount authorized in subsection (a) of this section.

SEC. 2333. REPEAL.

The joint resolution of October 19, 1972 (Public Law 92-506) is repealed.

PART G—TERRITORIAL ASSISTANCE

SEC. 2351. GENERAL ASSISTANCE FOR THE VIRGIN ISLANDS.

There are authorized to be appropriated $5,000,000 for fiscal year 1989, $5,500,000 for fiscal year 1990, $6,000,000 for fiscal year 1991, $6,500,000 for fiscal year 1992, and $7,000,000 for fiscal year 1993, for the purpose of providing general assistance to improve public education in the Virgin Islands.

SEC. 2352. TERRITORIAL TEACHER TRAINING ASSISTANCE.

There are authorized to be appropriated $2,000,000 for fiscal year 1989, $2,100,000 for fiscal year 1990, $2,200,000 for fiscal year 1991, $2,400,000 for fiscal year 1992, and $2,600,000 for fiscal year 1993 for the purpose of assisting teacher training programs in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. From the sums appropriated pursuant to this section the Secretary shall make grants and enter into contracts for the purpose of providing training to teachers in schools in Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands. The Secretary may make grants to or contracts with any organization considered qualified to provide training for teachers in such schools and shall allot such sums among such territories on the basis of the need for such training.

SEC. 2353. REPEAL.

Sections 1524 and 1525 of the Education Amendments of 1978 are repealed.

PART H—PARENTAL CHOICE OPEN ENROLLMENT DEMONSTRATION PROGRAM IN PUBLIC SCHOOLS

SEC. 2401. FINDINGS AND STATEMENT OF PURPOSE.

(a) Findings.—The Congress finds that—

(1) parental choice programs offer a successful approach to improve the academic achievement of elementary and secondary school students; and

(2) there has been an increased awareness of the success of parental choice programs.

(b) Purpose.—It is the purpose of this part to provide demonstration grants to local educational agencies to determine the success of parental choice open enrollment programs in public schools.

SEC. 2402. DEMONSTRATION PROGRAM AUTHORIZED.

(a) General Authority.—The Secretary is authorized, in accordance with the provisions of this part, to make demonstration grants to local educational agencies to demonstrate the effectiveness of parental choice programs.

(b) Eligibility.—No local educational agency may participate in the demonstration program authorized by this part unless the local educational agency agrees to permit elementary and secondary school students to enroll in public schools in the school district without regard to attendance zones, and to permit elementary and secondary school students and their families to decide which school in the school district of the local educational agency the student will attend.

SEC. 2403. USE OF FUNDS.

(a) General Rule.—Demonstration grants under this part may be used—

(1) for projects designed to increase elementary and secondary school attendance and student achievement;

(2) to increase accountability for the success of the educational program in elementary and secondary schools;

(3) to increase parental involvement and public interest in local elementary and secondary schools;

(4) to establish and operate distinctive schools with new and innovative approaches to elementary and secondary education; and

(5) to provide a wider range of educational courses of instruction to educationally and economically disadvantaged children.

(b) Administrative Rule.—Grants may be used under this part to design, implement, carry out, and evaluate the parental choice programs for which assistance is sought.

SEC. 2404. APPLICATION.

(a) Application Required.—Any local educational agency desiring to participate in the demonstration program authorized by this part shall apply to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

(b) Consortia Applications Permitted.—A consortium of local educational agencies may apply for a demonstration grant under this part for the development and conduct of interdistrict, regional, or Statewide parental choice programs.

SEC. 2405. AMOUNT AND DURATION OF GRANTS.

(a) Amount.—(1) No grant made under this part may exceed $1,000,000 in any fiscal year.

(2) The Secretary, pursuant to uniform criteria established by the Secretary, may waive the provision of paragraph (1)—

(A) in the case of a local educational agency serving a very large number of elementary and secondary school students,

(B) in the case of a consortium of local educational agencies serving large school districts, or

(C) for such other special circumstances as the Secretary may specify.

(b) Duration.—Grants made under this part may be made for a period not to exceed 5 years.

SEC. 2406. CONDITIONS AND LIMITATIONS.

(a) Grants for Agencies Having Parental Choice Programs.—Any local educational agency with a parental choice program in operation during the year for which assistance is sought may apply for a grant to expand the parental choice program of the school district of such agency.

(b) Magnet Schools Program Rule.—Any local educational agency receiving a grant under the magnet schools program authorized by title II of this Act or by title VII of the Education for Economic Security Act, as the case may be, may apply for a grant under this part if the local educational agency, in the application required by this part, provides assurances that the funds for which assistance is sought will be used for additional activities designed to strengthen the educational program of the schools of such agency.

SEC. 2407. EVALUATION.

(a) Independent Evaluation.—The Secretary shall provide not later than October 1, 1992, for an independent evaluation of demonstration programs assisted under this part to determine the effectiveness of parental choice programs.

(b) Report to the Congress and Dissemination.—The Secretary shall prepare and submit to the Congress, not later than October 1, 1992, the results of such an evaluation. The evaluation shall be made available for all possible dissemination.

SEC. 2408. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $15,000,000 for fiscal year 1989, $16,000,000 for fiscal year 1990, $17,000,000 for fiscal year 1991, $18,000,000 for fiscal year 1992, and $19,000,000 for fiscal year 1993, to carry out the provisions of this part.

PART I—RURAL EDUCATIONAL OPPORTUNITIES

SEC. 2451. PROGRAM AUTHORIZED.

(a) General Authority.—The Secretary shall make grants to, or enter into contracts with, institutions of higher education, private nonprofit agencies and organizations (including regional educational laboratories), public agencies, State educational agencies, or combinations of such agencies or institutions within particular regions of the United States, to pay all or part of the cost of the establishment and operation of 10 regional rural assistance centers. Nonpublic agencies competing for such grants or contracts shall have extensive experience providing educational assistance to State and local educational agencies.

(b) Functions of Regional Rural Assistance Centers.—Each regional rural assistance center established under subsection (a) shall provide technical assistance, consultation, training, and such other assistance that will assist the State educational agencies and local educational agencies in the region to improve the quality of the education provided to educationally disadvantaged children participating in programs under chapter 1 of title I of this Act who reside in rural areas or attend small schools.

SEC. 2452. PRIORITY REQUIREMENTS.

In carrying out this part, the Secretary shall give priority to applications which describe assistance to school districts in local educational agencies in rural areas—

(1) with the highest concentrations of children from low-income families;

(2) that have a significant number or percentage of schools serving children from low-income families; and

(3) in which there are a significant number of schools in which evaluations indicate no improvement or a decline in aggregate achievement by the children participating in programs under chapter 1 of title I of this Act.

SEC. 2453. COORDINATION AND DISSEMINATION.

(a) COORDINATION.—Each center established under this part shall—

(1) coordinate its activities with technical assistance centers established under section 1021(e),

(2) coordinate its activities with the activities of local educational agencies and State educational agencies under sections 1021 and 1022, and

(3) assist in identifying successful programs and practices for dissemination through the National Diffusion Network.

(b) DISSEMINATION.—Each such center shall be accessible through electronic means.

SEC. 2454. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $10,000,000 for fiscal year 1989, $10,500,000 for fiscal year 1990, $11,000,000 for fiscal year 1991, $12,000,000 for fiscal year 1992, and $13,000,000 for fiscal year 1993, to carry out this part.

PART J—SECRETARY'S FUND FOR INNOVATION IN EDUCATION

SEC. 2501. PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—From amounts appropriated pursuant to section 2508 the Secretary is authorized to carry out, directly or by way of grants, contracts or other arrangements, programs and projects which will strengthen elementary and secondary education in the United States—

(1) by demonstrating an innovative approach to strengthening subject matter instruction in elementary or secondary education; or

(2) by showing promise of strengthening elementary and secondary education in a manner which can be replicated in other States.

(b) SPECIAL PROGRAMS.—Programs for the innovation of elementary and secondary education may include, but shall not be limited to, programs described in sections 2502 through 2506 of this part.

(c) ADMINISTRATIVE AUTHORITY.—In carrying out the provisions of this part the Secretary is authorized to make grants to or enter into contracts with State and local education agencies, institutions of higher education and other public agencies and private nonprofit organizations.

SEC. 2502. MATERIALS FOR USE IN EDUCATIONAL TELEVISION AND RADIO PROGRAMMING.

(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants or enter into contracts, as authorized by section 2501(c), for the development of materials for educational television and radio programming for use in elementary and secondary education.

(b) USES OF FUNDS.—Funds available to carry out this section may be used for—

(1) the planning, development and operation of educational television and radio materials and programs designed specifically to address educational needs in critical subject matter areas;

(2) programs and projects to assist in the training of public and private elementary and secondary school teachers, administrators and other educational personnel in the use of such television or radio programming in the schools or coordination with the school curriculum; or

(3) educational television and radio programs and projects which promote a partnership between elementary and secondary schools, the parents of elementary and secondary students, State educational agencies, and institutions of higher education, or the community in which such schools are located.

SEC. 2503. PROGRAMS FOR COMPUTER-BASED INSTRUCTION.

(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants and enter into contracts, as authorized by section 2501(c), for the purpose of strengthening and expanding computer education resources available in public and private elementary and secondary schools.

(b) USES OF FUNDS.—Projects assisted under this section may include—

(1) the acquisition and leasing of computer hardware for use in the education program in the elementary and secondary schools in the State, including services necessary for the operation, installation, and maintenance of computer hardware;

(2) the acquisition of computer software and complementary instructional materials; or

(3) teacher training programs designed to improve the quality of instruction in computer education and to expand the use of computers in the educational program in elementary and secondary schools.

(c) PLANNING REQUIREMENT.—No grant may be made under this section unless the applicant carries out planning activities designed to facilitate the use of Federal financial assistance under this section for the expansion of computer resources in the elementary or secondary schools. The planning may be conducted in conjunction with the local educational assessment required under title II of the Education for Economic Security Act. The planning activities shall include—

(1) the goals for computer education in the schools receiving grants under this section and how the goals relating to computer education in each subject relate to the education objectives of the local educational agency,

(2) planned revisions in the basic curricula of the elementary and secondary schools designed to integrate the use of computers,

(3) instructional priorities for the use of computers,

(4) schedules for placing computers in the elementary and secondary schools of such agency,

(5) criteria for selecting computer hardware and software to be acquired which are designed to contribute to the curriculum goals,

(6) provisions for the security of the computers,

(7) after school and vacation availability of the computers for use by parents and students and teachers for instructional or educational purposes, and

(8) standards for the evaluation of the computer education program assisted under this section, including student achievement and progress in meeting the goals set forth under paragraph (1).

(d) SPECIAL RULES FOR TEACHER TRAINING PROGRAMS.—(1) In making grants or contracts under this section for teacher training programs described in subsection (b)(3), the Secretary shall give special consideration to applicants who will train teachers, or supervisors, or trainers of teachers, serving or preparing to serve in elementary and secondary schools that enroll substantial numbers of culturally, economically, socially, and educationally disadvantaged youth or in programs for children with limited English proficiency.

(2) Each individual who participates in a program described in paragraph (1) may be eligible (after application therefor) to receive a stipend at the rate of $275 per week for the period of attendance in such program.

(3) In carrying out the provisions of this subsection, the Secretary may enter into cooperative agreements with the National Science Foundation and with professional scientific or engineering organizations, science museums, regional education centers, consortia of local educational agencies, intrastate resource and service centers, institutions of higher education (including community colleges), and private nonprofit educational organizations for the development and operation by such entities of short-term or regular session programs for study to improve the qualifications of individuals who are engaged in or preparing to engage in the teaching, or supervising or training of teachers, in the use of computers for education programs in elementary and secondary schools.

SEC. 2504. PROGRAMS FOR THE IMPROVEMENT OF COMPREHENSIVE SCHOOL HEALTH EDUCATION.

(a) GENERAL AUTHORITY.—(1) The Secretary is authorized to make grants and contracts, as authorized by section 2501(c), to State and local educational agencies to establish or strengthen comprehensive school health education programs.

(2) The Secretary shall carry out the program authorized by the section through an office of comprehensive school health education established within the Department of Education.

(3) The Secretary, through the Office established under subsection (a) of this section, shall—

(A) encourage State and local educational agencies to provide comprehensive school health education to the elementary and secondary school students in the schools of such agencies;

(B) provide technical support to State and local educational agencies on health education programs and curricula;

(C) make grants to State and local educational agencies in accordance with this section;

(D) provide an annual report on the progress of the Office and the status of school health education in the United States;

(E) cooperate with other Federal agencies carrying out school health education programs to ensure coordination of such programs; and

(F) advise the Secretary on school health education policy.

(b) USES OF FUNDS.—Grants under this section may be used to improve elementary and secondary education in the areas of—

(1) personal health and fitness;

(2) nutrition;

(3) mental and emotional health;

(4) prevention of chronic diseases;

(5) substance use and abuse;

(6) accident prevention and safety;

(7) community and environmental health;

(8) prevention and control of communicable diseases;

(9) effective use of the health services delivery system; and

(10) development and aging.

SEC. 2505. TELECOMMUNICATION AND VIDEO INSTRUCTION PROGRAM.

(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants and enter into contracts in accordance with the provision of section 2501(c) to State and local educational agencies for programs which use telecommunications and video resources for the instruction of public and private elementary and secondary school students and for related teacher training programs for public and private elementary and secondary school teachers.

(b) DEFINITION.—For the purpose of this section the term "telecommunications" means the full range of technologies that can be used for educational instruction, including closed circuit television systems, educational television and radio broadcasting, cable television, satellite transmission, computer laser discs, and video and audio discs and tapes.

SEC. 2506. YOUTH SUICIDE PREVENTION PROGRAMS.

(a) GENERAL AUTHORITY.—The Secretary is authorized, in accordance with this section, to make grants to local educational agencies and private nonprofit organizations to establish and operate programs of youth suicide prevention upon completion by the Alcohol, Drug Abuse, and Mental Health Administration of guidelines for the Secretary for a youth suicide prevention program. The program authorized by this section shall be administered by the Department of Education, using peer review procedures, where a majority of reviewers are mental health professionals. Grants under this subsection shall be evaluated by the Alcohol, Drug Abuse, and Mental Health Administration of the Department of Health and Human Services using information provided by the grantee, the Department of Education, and other affiliated mental health organizations.

(b) APPLICATIONS.—(1) An agency or organization which desires to receive a grant from the Secretary under this Act shall submit an application to the Secretary in such form and at such times as the Secretary may require.

(2) In the case of an applicant which is a local educational agency, the application shall provide assurances that Federal funds made available under this Act will be so used as to supplement and, to the extent practicable, increase the amount of State and local funds that would in the absence of such Federal funds be made available for the uses specified in this section, and in no case supplant such State or local funds.

(c) GRANT LIMITATION.—No grant made by the Secretary under this section may exceed $100,000 in any fiscal year.

SEC. 2507. PRIDE IN SCHOOLS PROGRAM.

(a) GENERAL AUTHORITY.—The Secretary is authorized to make grants to State and local educational agencies for demonstration grant programs which involve students in the care and maintenance of the schools of such agencies.

(b) USES OF FUNDS.—Funds available to carry out this section may be used for—

(1) the planning, development, and operation of programs which teach elementary and secondary school students to be responsible for their school environment;

(2) programs and projects which involve elementary and secondary school students in the care and maintenance of the classroom, including wiping the blackboards, sweeping the floor, carrying messages to other teachers, and other duties;

(3) programs and projects which encourage elementary and secondary school students to become involved in the civic activities of the school, including representation of committees, and community involvement;

(4) programs and projects which teach elementary and secondary school students individual responsibility and duty.

SEC. 2508. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $20,000,000 for the fiscal year 1989, $21,000,000 for the fiscal year 1990, $22,000,000 for the fiscal year 1991, $23,000,000 for the fiscal year 1992, and $25,000,000 for the fiscal year 1993, to carry out the provisions of this part.

TITLE III—MAGNET SCHOOLS ASSISTANCE

PART A—MAGNET SCHOOLS TO OVERCOME RACIAL ISOLATION

SEC. 3001. AUTHORIZATION OF APPROPRIATIONS; RESERVATION.

(a) AUTHORIZATION.—There are authorized to be appropriated $115,000,000 for the fiscal year 1989, $121,000,000 for the fiscal year 1990, $127,000,000 for the fiscal year 1991, $133,000,000 for the fiscal year 1992, and $140,000,000 for the fiscal year 1993, to carry out the provisions of this part.

(b) AVAILABILITY OF FUNDS FOR GRANTS TO AGENCIES NOT PREVIOUSLY ASSISTED.—(1) In any fiscal year in which the amount appropriated exceeds $75,000,000, the Secretary shall, with respect to such excess amount, give priority to grants to local educational agencies which—

(A) meet the requirements of section 3002; and

(B) have not received a grant under title VII of the Education for Economic Security Act, or under this part, in the fiscal year prior to the fiscal year for which the determination is made.

(2) In awarding grants with the first $75,000,000, the Secretary shall not take into account, in whole or in part, whether a local educational agency has received an award in the prior funding cycle.

SEC. 3002. ELIGIBILITY.

A local educational agency is eligible to receive assistance under this part if the local educational agency—

(1) is implementing a plan undertaken pursuant to a final order issued by a court of the United States, or a court of any State, or any other State agency or official of competent jurisdiction, and which requires the desegregation of minority group segregated children or faculty in the elementary and secondary schools of such agency; or

(2) without having been required to do so, has adopted and is implementing, or will, if assistance is made available to it under this part, adopt and implement, a plan which has been approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 for the desegregation of minority group segregated children or faculty in such schools.

SEC. 3003. STATEMENT OF PURPOSE.

It is the purpose of this part to support, through financial assistance to eligible local educational agencies—

(1) the elimination, reduction, or prevention of minority group isolation in elementary and secondary schools with substantial portions of minority students; and

(2) courses of instruction within magnet schools that will substantially strengthen the knowledge of academic subjects and the grasp of tangible and marketable vocational skills of students attending such schools.

SEC. 3004. PROGRAM AUTHORIZED.

The Secretary is authorized, in accordance with the provisions of this part, to make grants to eligible local educational agencies for use in magnet schools which are part of an approved desegregation plan and which are designed to bring students from different social, economic, ethnic, and racial backgrounds together.

SEC. 3005. DEFINITION.

For the purpose of this part, the term "magnet schools" means a school or education center that offers a special curriculum capable of attracting substantial numbers of students of different racial backgrounds.

SEC. 3006. USES OF FUNDS.

Grants made under this part may be used by eligible local educational agencies for—

(1) planning and promotional activities directly related to expansion, continuation, or enhancement of academic programs and services offered at magnet schools;

(2) the acquisition of books, materials, and equipment including computers and the maintenance and operation thereof, necessary for the conduct of programs in magnet schools; and

(3) the payment of or subsidization of the compensation of elementary and secondary school teachers who are certified or licensed by the State and who are necessary for the conduct of programs in magnet schools;

where with respect to clauses (2) and (3), such assistance is directly related to improving the knowledge of mathematics, science, history, English, foreign languages, art, or music, or to improving vocational skills.

SEC. 3007. APPLICATIONS AND REQUIREMENTS.

(a) APPLICATION.—Each eligible local educational agency which desires to receive assistance under this part shall submit an application to the Secretary. Each such application shall be in such form as the Secretary may reasonably require. Each such application shall contain assurances that the local educational agency will meet the conditions enumerated in subsection (b).

(b) REQUIREMENTS CERTIFIED.—As part of the annual application required by subsection (a), each eligible local educational agency shall certify that the agency agrees—

(1) to use funds made available under this part for the purposes specified in section 3003;

(2) to employ teachers in the courses of instruction assisted under this part who are certified or licensed by the State to teach the subject matter of the courses of instruction;

(3) to provide assurances that the local educational agency will not engage in discrimination based upon race, religion, color, national origin, sex, or handicap in the hiring, promotion, or assignment of employees of the agency or other personnel for whom the agency has any administrative responsibility;

(4) to provide assurances that the local educational agency will not engage in discrimination based upon race, religion, color, national origin, sex, or handicap in the mandatory assignment of students to schools or to courses of instruction within schools of such agency except to carry out the approved plan;

(5) to provide assurances that the local educational agency will not engage in discrimination based upon race, religion, color, national origin, sex, or handicap in designing or operating extracurricular activities for students;

(6) to describe how assistance made available under this part will be used to promote desegregation;

(7) to provide assurances that the agency will carry out a high quality education program that will encourage greater parental choice and involvement;

(8) to provide a description of the manner in which the local educational agency will continue the magnet schools program after assistance under this part is no longer available; and

(9) to provide such other assurances as the Secretary determines necessary to carry out the provisions of this part.

(c) SPECIAL RULE.—No application may be approved under this section unless the Assistant Secretary of Education for Civil Rights determines that the assurances contained in clauses (3), (4), and (5) of subsection (b) will be met.

SEC. 3008. SPECIAL CONSIDERATION.

(a) PRIORITY.—In approving applications under this part the Secretary shall give priority to—

(1) the recentness of the implementation of the approved plan or modification thereof;

(2) the proportion of minority group children involved in the approved plan;

(3) the need for assistance based on the expense or difficulty of effectively carrying out an approved plan and the program or projects for which assistance is sought; and

(4) the degree to which the program or project for which assistance is sought affords promise of achieving the purposes of this part.

(b) SPECIAL CONSIDERATION.—In approving applications under this part, the Secretary shall give special consideration to the degree to which the program for which assistance is sought involves the collaborative efforts of institutions of higher education, community-based organizations, the appropriate State educational agency, or any other private organization.

SEC. 3009. PROHIBITIONS.

Grants under this part may not be used for consultants, for transportation, or for any activity which does not augment academic improvement.

SEC. 3010. LIMITATION ON PAYMENTS.

(a) LIMITATION ON DURATION AND PROGRESS.—No local educational agency may receive a grant under this part for more than one fiscal year unless the Secretary determines that the program for which assistance was provided in the first fiscal year is making satisfactory progress in achieving the purposes of this part.

(b) LIMITATION ON PLANNING FUNDS.—No local educational agency may expend more than 10 percent of the amount that the agency receives in any fiscal year for planning.

(c) SPECIAL RULE ON CHAPTER 2 FUNDS.—No State shall reduce the amount of State aid with respect to the provision of free public education or the amount of assistance received under chapter 2 of title I of this Act in any school district of any local educational agency within such State because of assistance made or to be made available to such agency under this part.

PART B—MAGNET SCHOOLS FOR EDUCATIONAL IMPROVEMENT

SEC. 3101. STATEMENT OF PURPOSE.

It is the purpose of this part to assist—

(1) local educational agencies,

(2) consortia of such agencies, and

(3) intermediate educational agencies,

which have significant percentages of minority students in establishing and conducting magnet schools programs, without regard to the presence of desegregation plans, in the school districts of such agencies designed to promote open enrollment through parental choice and to strengthen the knowledge of elementary and secondary school students in academic subjects.

SEC. 3102. AUTHORIZATION OF APPROPRIATIONS.

(a) GENERAL RULE.—Subject to subsection (b), there are authorized to be appropriated $35,000,000 for fiscal year 1989, $37,000,000 for fiscal year 1990, $39,000,000 for fiscal year 1991, $41,000,000 for fiscal year 1992, and $43,000,000 for fiscal year 1993 to carry out the provisions of this part.

(b) SPECIAL RULE.—No appropriation may be made for this part for any fiscal year unless the amount appropriated for part A for that fiscal year is equal to or exceeds $100,000,000.

SEC. 3103. ELIGIBILITY.

Any local educational agency, consortium of such agencies, and intermediate educational agency, is eligible to receive a grant under this part if such agency submits an application which contains evidence of collaborative arrangements between the agency and an institution of higher education, community-based organization, another local educational agency, the appropriate State educational agency, or any combination of such institutions, organizations, or agencies.

SEC. 3104. USES OF FUNDS.

Grants under this part may be used for—

(1) planning and outreach activities directly related to expansion and enhancement of academic programs and services offered at magnet schools;

(2) the acquisition of books, materials, and equipment, including computers and the maintenance and operation thereof, necessary for the conduct of educational programs in magnet schools; and

(3) the payment of or subsidization of the compensation of elementary and secondary school teachers who are certified or licensed by the State and who are necessary for the conduct of educational programs in magnet schools;

whenever such assistance is directly related to improving the knowledge of mathematics, science, history, English, foreign languages, art, or music, or to improving the vocational skills of the elementary and secondary school students enrolled in the magnet schools.

SEC. 3105. APPLICATIONS.

(a) APPLICATION REQUIRED.—Each applicant desiring to receive a grant under this part shall submit an application in such form, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

(b) CONTENTS OF APPLICATION.—Each such application shall—

(1) provide assurances that the assistance will be used for the purposes described in section 3104;

(2) describe the collaborative efforts required by section 3103;

(3) provide assurances that teachers will be employed in the courses of instruction assisted under this part who are certified or licensed by the State to teach the subject matter of the courses of instruction;

(4) provide assurances that the applicant will not engage in discrimination based upon race, religion, color, or national origin in—

(A) hiring, promotion, or assignment of employees of the agency or other personnel for whom the agency has any administrative responsibility;

(B) the mandatory assignment of students to schools or to courses of instruction within schools of such agency, except as is necessary to carry out an approved desegregation plan; and

(C) designing or operating extracurricular activities for students;

(5) describe how funds made available under this part will be used to promote integration, provide a high quality education program for local educational agencies with significant concentrations of minority students, or increase parental choice;

(6) describe how such agency will devote its resources to continuing the magnet school program when funds made available to it under this part may no longer be made available; and

(7) provide such other assurances as the Secretary determines necessary.

(c) APPROVAL; SPECIAL CONSIDERATION.—In approving applications under this part, the Secretary shall give special consideration to—

(1) applications which describe projects which will serve local educational agencies with minority enrollments of at least 60 percent, or consortia of such agencies; and

(2) applicants which have not previously received funds under part A of this title or under title VII of the Education for Economic Security Act.

PART C—GENERAL PROVISIONS

SEC. 3211. PAYMENTS.

(a) GENERAL RULE.—The Secretary shall pay to each local educational agency having an application approved by the Secretary the amount set forth in the application. Payments under this part for a fiscal year shall remain available for obligation and expenditure by the recipient until the end of the succeeding fiscal year, except that no such agency shall receive more than $4,000,000 under this title in any one fiscal year.

(b) AWARD REQUIREMENT.—To the extent practicable, for any fiscal year, the Secretary shall award grants to local educational agencies under this title no later than July 1 of the applicable fiscal year.

SEC. 3212. WITHHOLDING.

The provisions of sections 453 and 454 of the General Education Provisions Act, relating to withholding and cease and desist orders, shall apply to the program authorized by this part.

SEC. 3213. REPEAL.

Title VII of the Education for Economic Security Act is repealed.

TITLE IV—IMPACT AID PROGRAM

SEC. 4001. SHORT TITLE.

This title may be cited as the "Impact Aid Reauthorization Act of 1987".

PART A—PUBLIC LAW 874

SEC. 4002. ADMINISTRATIVE AMENDMENTS.

(a) GENERAL RULE.—(1) The Act of September 30, 1950 (Public Law 874, Eighty-first Congress) (hereafter referred to in this part as the "Act") is amended by striking out "the Commissioner" each time it appears and inserting in lieu thereof "the Secretary".

(2) Section 5(b)(3)(C)(vii) of the Act is amended by striking out "Commissioner's" and inserting in lieu thereof "Secretary's".

(3) Section 403(9) of the Act is amended to read as follows:

"(9) The term 'Secretary' means the Secretary of Education.".

(b) SPECIAL RULES.—(1) Section 7(c)(1) of the Act is amended by striking out "Labor and Public Welfare" and inserting in lieu thereof "Labor and Human Resources".

(2) The last sentence of section 7(d) of the Act is amended to read as follows: "The Secretary shall complete action of approval or disapproval of an application within 90 days of the filing of an application.".

SEC. 4003. REAUTHORIZATION.

(a) EXTENSION OF PROGRAM.—The Act is amended by striking out "October 1, 1988" each place it appears in sections 2(a), 3(b), *4(a), and 7(a)(1) and inserting in lieu thereof "October 1, 1993".*

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $821,000,000 for fiscal year 1989, $865,000,000 for fiscal year 1990, $905,000,000 for fiscal year 1991, $950,000,000 for fiscal year 1992, and $995,000,000 for fiscal year 1993, to carry out the provisions of the Act of September 30, 1950 (Public Law 874, Eighty-first Congress).

SEC. 4004. FEDERAL ACQUISITION OF REAL PROPERTY.

Section 2(a) of the Act is amended by adding at the end of such subsection the following: "In making the determination of the amount that would have been derived in such year, the Secretary shall apply the current levied real property tax rate for current expenditures levied by independent local educational agencies or inputed for dependent local educational agencies to the current annually determined aggregate assessed value of such acquired Federal property.".

SEC. 4005. ENTITLEMENTS AND PAYMENTS.

(a) AMOUNT FOR SECTION 3(a) CHILDREN.—Section 3(d)(1)(A) of the Act is amended to read as follows:

"(A) in the case of any local educational agency with respect to which the number of children is determined under subsection (a) an amount equal to 100 per centum of the local contribution rate multiplied by the number of children determined under such subsection plus the product obtained with respect to such agency under subparagraph (B); and".

(b) AMOUNT FOR OTHER CHILDREN.—Section 3(d)(1)(B) of the Act is amended to read as follows:

"(B) in any other case, an amount equal to 25 per centum of the local contribution rate multiplied by the number of children determined with respect to such agency for such fiscal year under subsection (b).".

(c) SPECIAL RULES.—(1) Section 3(d)(2)(B)(i) of the Act is amended to read as follows:

"(i) the amount of payment resulting from paragraph (1), as is otherwise provided in this subsection with respect to any local educational agency for any fiscal year, together with the funds available to such agency from State and local sources and from other sections of this title, determined in accordance with subparagraph (E), is less than the amount necessary to enable such agency to provide a level of education equivalent to the State average during the preceding fiscal year or to the average of that maintained during the preceding fiscal year in three or more of the school districts of the State which are generally comparable to the school district of such agency, whichever is higher, increased or decreased, as the case may be, in the same percentage as the cost of such level of education increased or decreased from the second preceding fiscal year to the prior fiscal year;".

(2) Section 3(d)(2)(B) of the Act is amended by inserting after the first sentence the following new sentences: "The increase computed under this subparagraph shall be sufficient to allow the school district of the local educational agency to provide a level of education (calculated in accordance with this subparagraph) no greater than the average of comparable school districts in the State or, if there are no comparable school districts, the State average. For the purpose of clause (ii), the Secretary shall determine that a reasonable tax effort has been made if the tax rate of the agency in the year for which the determination is made is an amount that is at least equal to 80 percent of the average tax rate for operational purposes of comparable school districts for such fiscal year. Coterminous military districts shall be deemed to meet the requirement of the previous sentence. Payments made to any agency under this subparagraph in any fiscal year shall be reduced by the percentage that the average tax rate for operational purposes of the comparable school districts or, if none, the State average tax rate, exceeds the tax rate of such agency.".

(3) Section 3(d)(2)(E) of the Act is amended to read as follows:

"(E) For the purpose of subparagraph (B)(i) of this paragraph, available funds may not include any cash balance at the end of a year allowed under State law, or, whenever no State law governing cash balance exists, may not include 30 percent of the local educational agency's operating costs.".

(d) DISTRICTS WITH UNUSUAL GEOGRAPHIC FACTORS.—(1) Section 3(d)(3)(B)(ii) of the Act is amended by striking out "is authorized to" and inserting in lieu thereof "shall".

(2) Section 3(d)(3)(B)(ii) of the Act is amended by adding at the end thereof the following new sentence: "The amount of any such supplementary payment may not exceed the per pupil share (computed with regard to all children in average daily attendance), as determined by the Secretary, of the increased current expenditures necessitated by such unusual geographical factors.".

(e) COTERMINOUS AGENCY RULE.—Section 3(h) of the Act is amended by adding at the end the following sentence: "For the fiscal year beginning October 1, 1987, and for each year thereafter, the local contribution rate for such coterminous agencies shall be not less than 70 per centum of the average per pupil expenditure in all States during the second preceding year prior to the fiscal year for which the determination is made.".

SEC. 4006. METHOD OF PAYMENT.

(a) ROUNDING OF PAYMENTS.—The first sentence of section 5(b) of the Act is amended by inserting after "agency" a comma and the following: "rounded to the nearest whole dollar,".

(b) DISPOSITION OF RECOVERED FUNDS.—Section 5(b) of the Act is amended—

(1) by inserting "(1)" after the subsection designation; and

(2) by adding at the end thereof the following sentence: "The Secretary shall return to the United States Treasury any funds appropriated for payments under this title for fiscal years 1988 and thereafter that, as the result of overpayments or unallowable expenditures, are recovered by the Department of Education after the end of the fifth fiscal year following the end of the fiscal year for which the sums were appropriated, or that remain in Department of Education accounts after that time.".

(c) PRELIMINARY PAYMENTS.—Section 5(b)(2) of the Act is amended to read as follows:

"(2) As soon as possible after the beginning of any fiscal year, the Secretary shall, on the basis of a written request for a preliminary payment from any local educational agency that was eligible for a payment for the preceding fiscal year on the basis of entitlements established under section 2 or 3, make such a preliminary payment—

"(A) to any agency for whom the number of children determined under section 3(a) amounts to at least 20 per centum of such agency's total average daily attendance, of 75 per centum of the amount that such agency received for such preceding fiscal year on the basis of such entitlements; and

"(B) to any other agency, of 50 per centum of the amount that such agency received for such preceding fiscal year on the basis of such entitlements.".

(d) GENERAL RULE ON PAYMENTS.—Section 5(c)(1) of the Act is amended to read as follows:

"(1)(A) The Secretary shall first allocate to each local educational agency which is entitled to a payment under section 2 an amount equal to 100 per centum of the amount to which it is entitled as computed under that section for such fiscal year and to each local educational agency an amount equal to 100 per centum of the entitlement for each child eligible under section 3(d)(2)(C) served by such agency.

"(B) The Secretary shall then allocate to any local educational agency which is eligible under section 3(d)(2)(B) an amount equal to 100 per centum of the amount to which such agency is entitled under sections 3(a) and 3(b).

"(C) The Secretary shall reserve from the remainder of the sums appropriated for this Act (other than amounts needed for section 7) for such fiscal year—

"(i) 80 per centum for the purpose of allocating sums under paragraph (2) for entitlements determined under section 3(a); and

"(ii) 20 per centum for the purpose of allocating sums under paragraph (3) for entitlements determined under section 3(b).".

(e) ALLOCATION OF PAYMENTS RULE.—(1) Section 5(c)(2) of the Act is amended to read as follows:

"(2)(A) For the purpose of allocating sums available for section 3(a) for any fiscal year which remain after the allocation required by paragraph (1) and any allocation required by sections 5(e) and 3(h) for such fiscal year, the Secretary shall determine the category to which a local educational agency belongs as follows:

"(i) Each local educational agency in which the number of children determined under section 3(a) amounts to at least 20 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (i).

"(ii) Each local educational agency in which the number of children determined under section 3(a) amounts to at least 15 per centum, but less than 20 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (ii).

"(iii) Each local educational agency in which the number of children determined under section 3(a) amounts to less than 15 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (iii).

"(B) The Secretary shall allocate the amounts described in subparagraph (A) according to the following schedule:

"(i) A first allocation shall be made as follows:

"(I) 80 per centum of entitlement to local educational agencies described in category (i);

"(II) 60 per centum of entitlement to local educational agencies described in category (ii); and

"(III) 40 per centum of entitlement to local educational agencies described in category (iii).

"(ii) Any sums remaining after the allocation pursuant to clause (i) shall be allocated as follows:

"(I) 20 per centum of entitlement to local educational agencies described in category (i);

"(II) 15 per centum of entitlement to local educational agencies described in category (ii); and

"(III) 10 per centum of entitlement to local educational agencies described in category (iii).

"(iii) Any sums remaining after the allocation pursuant to clause (ii) shall be allocated as follows:

"(I) 25 per centum of entitlement to local educational agencies described in category (ii); and

"(II) 50 per centum of entitlement to local educational agencies described in category (iii).

"(3)(A) For the purpose of allocating sums available for section 3(b) for any fiscal year which remain after the allocation required by paragraph (1) and any allocation required by sections 5(e) and 3(h) for such fiscal year, the Secretary shall determine the category to which a local educational agency belongs as follows:

"(i) Each local educational agency in which the number of children determined under section 3(b) amounts to at least 20 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (i).

"(ii) Each local educational agency in which the number of children determined under section 3(b) amounts to less than 20 per centum of the total number of children who were in average daily attendance in the schools of such agency is in category (ii).

"(B) The Secretary shall allocate the amounts described in subparagraph (A) according to the following schedule:

"(i) A first allocation shall be made as follows:

"(I) 20 per centum of entitlement to local educational agencies described in category (i); and

"(II) 10 per centum of entitlement to local educational agencies described in category (ii).

"(ii) Any sums remaining after the allocation pursuant to clause (i) shall be allocated as follows:

"(I) 30 per centum of entitlement to local educational agencies described in category (i); and

"(II) 5 per centum of entitlement to local educational agencies described in category (ii).

"(iii) Any sums remaining after the allocation pursuant to clause (ii) shall be allocated as follows:

"(I) 50 per centum of entitlement to local educational agencies described in category (i); and

"(II) 85 per centum of entitlement to local educational agencies described in category (ii).

"(4)(A) Whenever the additional amounts described in paragraphs (2)(A) and (3)(A) in each fiscal year are insufficient to provide the required percent of entitlement under clause (ii) or (iii) of paragraph (2)(B), or clause (ii) or (iii) of paragraph (3)(B), respectively, the Secretary shall allocate such additional amounts according to the following schedule for each such clause:

"(i) 72 per centum under clause (ii)(I) of paragraph (2)(B), 3 per centum under clause (ii)(II) of paragraph (2)(B), and 25 per centum under clause (ii)(III) of paragraph (2)(B), of the amount which the Secretary determines is available for clause (ii) of paragraph (2)(B);

"(ii) 75 per centum under clause (iii)(I) of paragraph (2)(B), and 25 per centum under clause (iii)(II) of paragraph (2)(B) of the amount which the Secretary determines is available for clause (iii) of paragraph (2)(B);

"(iii) 75 per centum under clause (ii)(I) of paragraph (3)(B), and 25 per centum under clause (ii)(II) of paragraph (3)(B) of the amount which the Secretary determines is available for clause (ii) of paragraph (3)(B); and

"(iv) 75 per centum under clause (iii)(I) of paragraph (3)(B), and 25 per centum under clause (iii)(II) of paragraph (3)(B) of the amount which the Secretary determines is available for clause (iii) of paragraph (3)(B).

"(B) For the purpose of subparagraph (A), the amount available in each fiscal year for each clause is the amount which bears the same ratio to the amount available in that fiscal year for subparagraph (A) for paragraph (2)(B) or paragraph (3)(B), as the case may be, as the full entitlement for each such clause bears to the full entitlement under paragraph (2) or (3), as the case may be.".

(2)(A) Section 5(c)(3) of the Act is repealed.

(B) The last sentence of section 5(c) of the Act is repealed.

(f) State Aid Rule.—Section 5(d)(2)(A) of the Act is amended by inserting after the first sentence the following flush sentence: "The increase in payments described in sections 3(d)(2)(B), 3(d)(2)(C), 3(d)(2)(D), and 3(d)(3)(B)(ii) shall not be taken into consideration by the State for the purpose of this subparagraph.".

(g) Hold Harmless Rules.—Section 5(e) of the Act is amended to read as follows:

"(e)(1)(A) For any fiscal year after September 30, 1988, the Secretary shall allocate to any local educational agency which received a payment under section 3(a) in fiscal year 1987, an amount which is not less than the product of 100 per centum of the per pupil amount paid to such agency in fiscal year 1987 and the number of such children in average daily attendance for the fiscal year for which the determination is made under such subsection.

"(B) For any fiscal year beginning after September 30, 1988, the Secretary shall allocate to any local educational agency which received a payment under section 3(b) in fiscal year 1987 for children described in section 5(c)(3)(A)(i), an amount which is not less than the product of 100 per centum of the per pupil amount paid to such agency in fiscal year 1987 and the number of such children in average daily attendance in the fiscal year for which such determination is made.

"(C) The provisions of subparagraphs (A) and (B) of this paragraph shall not apply to any local educational agency for which the factor in the determination of the local contribution rate described in section 3(d)(3)(A)(i) in the year for which the determination is made is less than the amount for such factor for fiscal year 1987.

"(D) The Secretary is authorized to modify the per pupil amount described in subparagraph (A) of this paragraph, in any case in which, in the fiscal year for which the determination is made a local educational agency is no longer an agency described in section 5(c)(2)(A)(i), or section 5(c)(2)(A)(ii), but is an agency described in section 5(c)(2)(A)(ii) or section 5(c)(2)(A)(iii), as the case may be.

"(E) The provisions of subparagraph (B) of this paragraph shall not apply to any local educational agency which, in the fiscal year for which the determination is made, is not a local educational agency described in section 5(c)(3)(A)(i).

"(2) If sums appropriated for any fiscal year for making payments under this section are not sufficient to pay in full the amount to which each local educational agency is entitled under the previous paragraph, such amounts shall be ratably reduced.".

SEC. 4007. CHILDREN FOR WHOM LOCAL AGENCY IS UNABLE TO PROVIDE EDUCATION.

Section 6 of the Act is amended by adding at the end thereof the following new subsection:

"(i) Notwithstanding any other provision of law, a local educational agency receiving funds under section 3 may also receive funds under section 6.".

SEC. 4008. DISASTER ASSISTANCE.

(a) General Rule.—Section 7(a)(1) of the Act is amended—

(1) by striking out subparagraph (B);

(2) by striking out "or" at the end of subparagraph (A) and inserting in lieu thereof "and"; and

(3) by striking out the subparagraph designation "(A)".

(b) Eligibility.—Section 7(a)(3) of the Act is amended by striking out "$1,000 or one-half of 1 per centum" and inserting in lieu thereof "$10,000 or 5 per centum".

(c) Availability of Funds.—Section 7 of the Act is amended by adding at the end thereof the following new subsection (f):

"(f) Funds available for this section for any fiscal year shall also be available for section 16 of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress).".

SEC. 4009. TREATMENT OF CHILDREN RESIDING ON PROPERTY ASSISTED UNDER SECTION 8 OF THE UNITED STATES HOUSING ACT OF 1937.

(a) General Rule.—Notwithstanding any other provision of law, for fiscal years prior to fiscal year 1989, children residing in or whose parents are employed on property assisted under section 8 of the United States Housing Act of 1937, on whose behalf payments under section (3)(B) of the Act were made in the previous fiscal year, shall be deemed eligible for the purpose of section (3)(B).

(b) Special Rule.—Payments made to any local educational agency under section 3(b) of the Act for fiscal years prior to fiscal year 1989, on behalf of children who reside on or whose parents are employed on property that is housing assisted under section 8 of the United States Housing Act of 1937, shall stand, and such payments withheld or recovered shall be made or restored.

SEC. 4010. REGULATION REQUIREMENTS.

No regulations may be established to carry out the provisions of this Act unless—

(1) such regulations will become final only after a period for comment which is not less than 90 days; and

(2) the regulations will take effect in the fiscal year succeeding the fiscal year in which final regulations are published unless otherwise required by law.

No provision of the regulations may have a retroactive effect which results in the recovery of assistance by the United States (other than such recovery based on regulations in effect at the time the assistance was made). To the extent that the provisions of section 431 of the General Education Provisions Act are not inconsistent with the provisions of this section, the provisions of section 431 shall apply to regulations established under this Act.

SEC. 4011. DEFINITION.

Section 403(5) of the Act is amended by striking out "under title I, II, or III of the Elementary and Secondary Education Act of 1965" and inserting in lieu thereof "under chapter 1 or 2 of title I of the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987".

SEC. 4012. SPECIAL ASSESSMENT RULE FOR FEDERAL ACQUISITION OF REAL PROPERTY.

(a) GENERAL RULE.—Notwithstanding any other provision of law, the amount of any payment made to a local educational agency, for fiscal years prior to 1986, that is attributable to an incorrect determination under section 2(a)(1)(C) of the Act of September 30, 1950 (Public Law 874, 81st Congress) shall be deemed to have been made in accordance with such section.

(b) TECHNICAL AMENDMENT.—In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for the amount of payments made pursuant to this Act.

PART B—PUBLIC LAW 815

SEC. 4101. REAUTHORIZATION.

(a) EXTENSION OF PROGRAM.—The Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended—

(1) by striking out "September 30, 1988" in section 3 and inserting in lieu thereof "September 30, 1993"; and

(2) by striking out "October 1, 1988" in section 16(a)(1)(A) and inserting in lieu thereof "October 1, 1993".

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $25,000,000 for fiscal year 1989, $26,000,000 for fiscal year 1990, $27,000,000 for fiscal year 1991, $28,000,000 for fiscal year 1992, and $29,000,000 for fiscal year 1993, to carry out the provisions of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress).

SEC. 4102. ADMINISTRATIVE AMENDMENTS.

(a) GENERAL RULE.—(1) The Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is further amended by striking out "the Commissioner" each time it appears and inserting in lieu thereof "the Secretary".

(2) Section 11(b) of such Act is amended by striking out "Commissioner's" and inserting in lieu thereof "Secretary's".

(3) Section 15(14) of such Act is amended to read as follows:

"(14) The term 'Secretary' means the Secretary of Education.".

(b) FEDERALLY OWNED SCHOOL FACILITIES.—Section 10 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Whenever the Secretary holds title to school facilities that continue to be used by the Federal Government, or by another Federal entity by permit from the Federal Government, for the provision of free public education, the Secretary may use funds appropriated for the purpose of this section to maintain and repair such facilities, directly, or by way of grant, contract, or other arrangement.".

(c) SPECIAL RULE.—The fifth sentence of section 16(c) of such Act is amended to read as follows: "The Secretary shall complete action of approval or disapproval of an application within 90 days of the filing of an application.".

SEC. 4103. DISASTER ASSISTANCE.

(a) GENERAL RULE.—Section 16(a)(1) of the Act of September 23, 1950 (Public Law 815, Eighty-first Congress) is amended—

(1) by striking out subparagraph (B);

(2) by striking out "or" at the end of subparagraph (A) and inserting in lieu thereof "and"; and

(3) by striking out the subparagraph designation "(A)".

(b) ELIGIBILITY.—Section 16(a)(5) of such Act is amended by striking out "$1,000 or one-half of 1 per centum" and inserting in lieu thereof "$10,000 or 5 per centum".

TITLE V—ADULT AND VOCATIONAL EDUCATION

PART A—ADULT EDUCATION

SEC. 5001. SHORT TITLE.

This title may be cited as the "Adult Education Reauthorization Act of 1987".

SEC. 5002. DEFINITIONS.

Section 303 of the Adult Education Act (hereafter in this title referred to as "the Act") is amended—

(1) by striking out the comma immediately after "State law" in subsection (a), and everything that follows through the end thereof and inserting in lieu thereof a period; and

(2) by inserting "who are not enrolled in a secondary school and" immediately after "for adults" in subsection (b).

SEC. 4104. STUDY OF EFFECTIVENESS OF PUBLIC LAW 815.

(a) GENERAL AUTHORITY.—The Comptroller General shall conduct a thorough study of the need for financial assistance for school construction as authorized by the Act of September 23, 1950 (Public Law 815, 81st Congress). The Comptroller General shall prepare and submit a report on the study required by this section not later than one year after the date of enactment of this Act together with such recommendations, including recommendations for such legislation, as the Comptroller deems necessary.

(b) CONTENTS OF STUDY.—In carrying out the study required by subsection (a) of this section, the Comptroller General shall examine a representative sample of federally impacted school districts of local educational agencies. The Comptroller General shall—

(1) identify the number of children affected in each such school district;

(2) determine the type of school facility needed for such school district; and

(3) determine the estimated cost involved for building or repairing the school facility in each such district.

(c) SPECIAL CONSIDERATION REQUIRED.—In conducting the study required by this section, the Comptroller General shall give special consideration to—

(1) the eligibility criteria used for determining which federally impacted school districts are entitled to Federal funds for school construction,

(2) the criteria used for setting the priorities for the approval of such applications, and

(3) the process for reevaluating the needs of previously approved applicants which are on the waiting list for funds covered under Public Law 815, Eighty-first Congress.

SEC. 5003. STATE PLANS.

(a) LIMITED ENGLISH PROFICIENCY PROGRAM.—Section 306 of the Act is amended by adding at the end thereof the following new subsection:

"(d) Programs conducted under subsection (b)(11) shall be designed to teach English to limited English proficient adults and, as appropriate, to allow such adults to progress effectively through the adult education program or to prepare them to enter the regular program of adult education as quickly as possible. Such programs may provide instruction in the native language, to the extent necessary, or may provide instruction exclusively in English, and shall be carried out in coordination with programs assisted under the Bilingual Education Act and with bilingual vocational education programs under the Carl D. Perkins Vocational Education Act.".

(b) CONFORMING AMENDMENT.—Section 306(b)(11) of the Act is amended by striking out "by providing a bilingual adult education program" and everything that follows through the end thereof and inserting in lieu thereof a semicolon.

(c) TRANSITION RULE.—Upon a written request from a State, the Secretary shall approve an extension of 1 year, from June 30, 1988, to June 30, 1989, for the revision of any plan already approved under this section for the period July 1, 1985, through June 30, 1988.

SEC. 5004. PAYMENTS.

(a) FEDERAL SHARE.—Section 307(a) of the Act is amended by striking out "90 per centum" and inserting in lieu thereof "75 per centum".

(b) MAINTENANCE OF EFFORT.—Section 307(b)(1) of the Act is amended by inserting after "not less than" the following: "90 per centum of".

(c) COST OF ADMINISTRATION.—Section 307 of the Act is further amended by adding at the end thereof the following new subsection:

"(c) Effective for fiscal years beginning after September 30, 1990, a State educational agency may use no more than 5 per centum of the State's grant or $50,000, whichever is greater, to pay the cost of its administration of the State's program.".

SEC. 5005. CORRECTIONS EDUCATION SET ASIDE.

(a) SET ASIDE REQUIRED.—Section 304(b) of the Act is amended to read as follows:

"(b) Not less than 10 per centum of the funds paid to a State under subsection (a) shall be used for corrections education and education for other institutionalized individuals in accordance with section 316.".

(b) PROGRAMS FOR CORRECTIONS EDUCATION AND OTHER INSTITUTIONALIZED PERSONS AUTHORIZED.—The Act is amended by inserting after section 315 the following new section:

"PROGRAMS FOR CORRECTIONS EDUCATION AND EDUCATION FOR OTHER INSTITUTIONALIZED INDIVIDUALS

"SEC. 316. Funds set aside under section 304(b) by a State shall be used for the cost of educational programs for criminal offenders in corrections institutions and for other institutionalized individuals, including—

"(1) academic programs for—

"(A) basic education with special emphasis on reading, writing, vocabulary, and arithmetic;

"(B) special education programs as defined by State law;

"(C) bilingual or English as a second language programs; and

"(D) secondary school credit programs;

"(2) vocational training programs;

"(3) library development and library service programs;

"(4) for corrections education programs, training for teacher personnel specializing in corrections education, particularly courses in social education, basic skills instruction, and abnormal psychology;

"(5) guidance and counseling programs;

"(6) supportive services for criminal offenders, with special emphasis on the coordination of educational services with agencies furnishing services to criminal offenders after their release; and

"(7) cooperative programs with educational institutions, community-based organizations of demonstrated effectiveness, and the

private sector, designed to provide education and training.

"(b) As used in this section, the term—

"(1) 'criminal offender' means any individual who is charged with or convicted of any criminal offense; and

"(2) 'correctional institution' means any—

"(A) prison,

"(B) jail,

"(C) reformatory,

"(D) work farm,

"(E) detention center, or

"(F) halfway house, community-based rehabilitation center, or any other similar institution designed for the confinement or rehabilitation of criminal offenders.".

(c) State Plan Provision.—Section 306(b)(1) of the Act is amended by striking out "and institutionalized adults" and inserting in lieu thereof a comma and the following: "together with the program for the use of funds under section 316 for corrections education and education for other institutionalized individuals".

(d) Technical Amendment.—Section 305(a) is amended by striking out "section 304(b)" and inserting in lieu thereof "section 304(a)".

SEC. 5006. WORKPLACE LITERACY PARTNERSHIPS GRANTS.

(a) Establishment of Grant Program.—The Adult Education Act is amended by inserting after section 316 the following new section:

"BUSINESS, INDUSTRY, LABOR, AND EDUCATION PARTNERSHIPS FOR WORKPLACE LITERACY

"Sec. 317. (a) Grants for Exemplary Demonstration Partnerships for Workplace Literacy.—(1) Subject to subsection (b), the Secretary may make demonstration grants to exemplary education partnerships for workplace literacy to pay the Federal share of the cost of adult education programs which teach literacy skills needed in the workplace through partnerships between—

"(A) business, industry, or labor organizations, or private industry councils; and

"(B) State educational agencies, local educational agencies, institutions of higher education, or schools (including employment and training agencies or community-based organizations).

"(2) Grants under paragraph (1) may be used—

"(A) to fund 70 percent of the cost of programs which meet the requirements of paragraph (3); and

"(B) for administrative costs incurred by State educational agencies and local educational agencies in establishing programs funded under subparagraph (A).

"(3) Programs funded under paragraph (2)(A) shall be designed to improve the productivity of the workforce through improvement of literacy skills needed in the workplace by—

"(A) providing adult literacy and other basic skills services and activities;

"(B) providing adult secondary education services and activities which may lead to the completion of a high school diploma or its equivalent;

"(C) meeting the literacy needs of adults with limited English proficiency;

"(D) upgrading or updating basic skills of adult workers in accordance with changes in workplace requirements, technology, products, or processes;

"(E) improving the competency of adult workers in speaking, listening, reasoning, and problem solving; or

"(F) providing education counseling, transportation, and nonworking hours child care services to adult workers while they participate in a program funded under paragraph (2)(A).

"(4) An application to receive funding for a program out of a grant made to a partnership under this subsection shall—

"(A) be submitted jointly by—

"(i) a business, industry, or labor organization, or private industry council; and

"(ii) a State educational agency, local educational agency, institution of higher education, or school (including an area vocational school, an employment and training agency, or community-based organization);

"(B) set forth the respective roles of each member of the partnership;

"(C) contain such additional information as the Secretary may require, including evidence of the applicant's experience in providing literacy services to working adults;

"(D) describe the plan for carrying out the requirements of paragraph (3); and

"(E) provide assurances that the applicant will use the funds to supplement and not supplant funds otherwise available for the purpose of this section.

"(b) Grants to States.—(1) Whenever in any fiscal year, appropriations under subsection (c) are equal to or exceed $50,000,000, the Secretary may make grants to States which have State plans approved by the Secretary under section 306 to pay the Federal share of the cost of adult education programs which teach literacy skills needed in the workplace through partnerships between—

"(A) business, industry, or labor organizations, or private industry councils; and

"(B) State educational agencies, local educational agencies, institutions of higher education, or schools (including employment and training agencies or community-based organizations).

"(2) Grants under paragraph (1) may be used—

"(A) to fund 70 percent of the cost of programs which meet the requirements of paragraph (4);

"(B) for administrative costs incurred by State educational agencies and local educational agencies in establishing programs funded under subparagraph (A); and

"(C) for costs incurred by State educational agencies in obtaining evaluations described in paragraph (3)(A)(iii).

"(3) A State shall be eligible to receive its allotment under paragraph (7)(B) if it—

"(A) includes in a State plan submitted to the Secretary under section 306 a description of—

"(i) the requirements for State approval of funding of a program;

"(ii) the procedures under which applications for such funding may be submitted; and

"(iii) the method by which the State shall obtain annual third-party evaluation of student achievement in, and overall effectiveness of services provided by, all programs which receive funding out of a grant made to the State under this section; and

"(B) satisfies the requirements of section 306(a).

"(4) The program requirements set forth in subsection (a)(3), shall apply to the program authorized by this subsection.

"(5) An application to receive funding for a program from a grant made to a State under paragraph (1) shall contain the same information required in subparagraphs (A) through (E) of subsection (a)(4).

"(6) If a State is not eligible for a grant under paragraph (1) of this subsection, the Secretary shall use the State's allotment under paragraph (7) to make direct grants to applicants in that State who are qualified to teach literacy skills needed in the workplace.

"(7)(A) The Federal share of expenditures for programs in a State funded under this subsection shall be paid from a State's allotment under this paragraph.

"(B) From the sum appropriated for each fiscal year under subsection (c) for any fiscal year in which appropriations equal or exceed $50,000,000, the Secretary shall allot—

"(i) $25,000 to each of American Samoa, Guam, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and the Virgin Islands; and

"(ii) to each remaining State an amount which bears the same ratio to the remainder of such sum as—

"(I) the number of adults in the State who do not have a certificate of graduation from a school providing secondary education (or its equivalent) and who are not currently required to be enrolled in schools in the State, bears to

"(II) the number of such adults in all States;

except that no State shall receive less than $125,000 in any fiscal year.

"(C) At the end of each fiscal year, the portion of any State's allotment for that fiscal year which—

"(i) exceeds 10 percent of the total allotment for the State under paragraph (2) for the fiscal year; and

"(ii) remains unobligated;

shall be reallocated among the other States in the same proportion as each State's allocation for such fiscal year under paragraph (2).

"(c) Authorization of Appropriations.—(1) There are authorized to be appropriated $30,000,000 for the fiscal year 1988, $31,500,000 for the fiscal year 1989, and such sums as may be necessary for the fiscal year 1990 and each succeeding fiscal year ending prior to October 1, 1993, to carry out the provisions of this section.

"(2) No funds may be appropriated under paragraph (1) of this subsection for any fiscal year unless the appropriation for the Adult Education Act (other than sections 316 and 317) for that year is equal to or greater than $110,000,000.

"(3) Amounts appropriated under this subsection shall remain available until expended.".

(b) Definitions.—Section 303 of the Adult Education Act is amended by adding at the end the following new subsections:

"(k) The term 'community-based organization' has the meaning given such term in section 4(5) of the Job Training Partnership Act (21 U.S.C. 1501 et seq.).

"(l) The term 'private industry council' means the private industry council established under section 102 of the Job Training Partnership Act (21 U.S.C. 1501 et seq.).".

SEC. 5007. ENGLISH LITERACY GRANTS.

(a) Establishment of Grant Program.—The Adult Education Act is amended by inserting after section 317 (as added by section 5006) the following new section:

"ENGLISH LITERACY PROGRAM GRANTS

"Sec. 318. (a) Grants to States.—(1) The Secretary may make grants to States which have State plans approved by the Secretary under section 306 for the establishment, operation, and improvement of English literacy programs for individuals of limited English proficiency. Such grants may provide for support services for program par-

ticipants, including child care and transportation costs.

"(2) A State shall be eligible to receive a grant under paragraph (1) if the State includes in a State plan submitted to the Secretary under section 306 a description of—

"(A) the number of individuals of limited English proficiency in the State who need or could benefit from programs assisted under this chapter;

"(B) the activities which would be undertaken under the grant and the manner in which such activities will promote English literacy and enable individuals in the State to participate fully in national life;

"(C) how the activities described in subparagraph (B) will serve individuals of limited English proficiency, including the qualifications and training of personnel who will participate in the proposed activities;

"(D) the resources necessary to develop and operate the proposed activities and the resources to be provided by the State; and

"(E) the specific goals of the proposed activities and how achievement of these goals will be measured.

"(3) Grants under this section shall be available for not more than 3 years. The Secretary may terminate a grant only if the Secretary determines that—

"(A) the State has not made substantial progress in achieving the specific educational goals set out in the application; or

"(B) there is no longer a need in the State for the activities funded by the grant.

"(b) SET-ASIDE FOR COMMUNITY-BASED ORGANIZATIONS.—A State that is awarded a grant under subsection (a) shall use not less than 50 percent of funds awarded under the grant to fund programs operated by community-based organizations with the demonstrated capability to administer English proficiency programs.

"(c) REPORT.—A State that is awarded a grant under subsection (a) shall submit to the Secretary a report describing the activities funded under the grant for each fiscal year covered by the grant.

"(d) DEMONSTRATION PROGRAM.—The Secretary, subject to the availability of funds appropriated pursuant to this section, shall directly, and through grants and contracts with public and private nonprofit agencies, institutions, and organizations, carry out a program—

"(1) through the Adult Education Division to develop innovative approaches and methods of literacy education for individuals of limited English proficiency utilizing new instructional methods and technologies; and

"(2) to designate the Clearinghouse for Languages and Linguistics of the Office of Education Research and Improvement as a national clearinghouse on literacy education for individuals of limited English proficiency to collect and disseminate information concerning effective approaches or methods, including coordination with manpower training and other education programs.

"(e) EVALUATION AND AUDIT.—The Secretary shall evaluate the effectiveness of programs conducted under this section. Programs funded under this section shall be audited in accordance with chapter 75 of title 31, United States Code.

"(f) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated $25,000,000 for the fiscal year 1988, $26,300,000 for the fiscal year 1989, $27,600,000 for the fiscal year 1990, $29,000,000 for the fiscal year 1991, $30,500,000 for the fiscal year 1992, and $32,000,000 for the fiscal year 1993 to carry out this section.

"(2) Funds appropriated pursuant to this section shall remain available until expended.

"(3) Funds appropriated under this subsection may be combined with other funds made available for the State by the Federal Government for literacy training for individuals with limited English proficiency.

"(4) Not more than 10 percent of funds available under this section shall be used to carry out the purposes of subsection (d).".

(b) DEFINITIONS.—Section 303 of the Adult Education Act (20 U.S.C. 1201 et seq.) (as amended by section 5006) is amended by adding at the end the following new subsections:

"(m) The term 'individual of limited English proficiency' means an adult or out-of-school youth who has limited ability in speaking, reading, writing, or understanding the English language and—

"(1) whose native language is a language other than English; or

"(2) who lives in a family or community environment where a language other than English is the dominant language.

"(n) The term 'out-of-school youth' means an individual who is under 16 years of age and beyond the age of compulsory school attendance under State law who has not completed high school or the equivalent.

"(o) The term 'English literacy program' means a program of instruction designed to help limited English proficient adults, out-of-school youths, or both, achieve full competence in the English language.

"(p) The term 'community-based organization' means a private organization which is representative of a community or significant segments of a community and which provides education, vocational education, job training, or internship services and programs and includes neighborhood groups and organizations, community action agencies, community development corporations, union-related organizations, employer-related organizations, tribal governments, and organizations serving Native Alaskans and Indians.".

SEC. 5008. REAUTHORIZATION.

Section 314 of the Act is amended to read as follows:

"APPROPRIATIONS AUTHORIZED

"SEC. 314. (a) For the purpose of carrying out this title, other than section 309, there are authorized to be appropriated $200,000,000 for the fiscal year 1989, $210,000,000 for the fiscal year 1990, $225,000,000 for the fiscal year 1991, $235,000,000 for the fiscal year 1992, and $245,000,000 for the fiscal year 1993.

"(b) For the purpose of carrying out section 309 there are authorized to be appropriated $2,000,000 for fiscal year 1989 and for each of the succeeding fiscal years ending prior to October 1, 1993.".

SEC. 5009. ADULT EDUCATION FOR THE HOMELESS.

Section 702 of the Stewart B. McKinney Homeless Assistance Act is amended—

(1) by inserting at the end of subsection (b) the following: "Each such application shall include an estimate of the number and the percent of homeless adults within the State located in the school districts of local educational agencies within the State"; and

(2) by striking out paragraph (2) of subsection (c) and inserting in lieu thereof the following:

"(2) The Secretary of Education shall, in making grants under this section, give special consideration to the estimates submitted in the application under subsection (b) of this section.".

SEC. 5010. REPEAL.

Section 312 of the Act, relating to the National Advisory Council on Adult Education, is repealed.

PART B—VOCATIONAL EDUCATION

SEC. 5101. TECHNICAL AMENDMENT.

Section 202 of the Carl D. Perkins Vocational Education Act is amended—

(1) by inserting (a) after the section designation, and

(2) by adding at the end thereof the following new subsection:

"(b) Funds described in clause (4) of subsection (a) shall also be available for single pregnant women.".

SEC. 5102. PROCUREMENT PROCESS REQUIREMENT.

(a) GENERAL AUTHORITY.—The Secretary is directed to cease in further action regarding the grant procurement process for a National Center for Research in Vocational Education as established pursuant to section 404 of Public Law 98-524, until such time as the Comptroller General of the United States has completed a review of the procurement process. Further, the Secretary is directed to ensure that the status quo of the current National Center is maintained until such time that the Comptroller General's review is completed and reviewed by the Senate Committee on Labor and Human Resources and the House Committee on Education and Labor.

(b) EFFECTIVE DATE.—The requirements made by subsection (a) of this section shall take effect November 30, 1997.

TITLE VI—EDUCATION FOR ECONOMIC SECURITY

PART A—REAUTHORIZATION OF EDUCATION FOR ECONOMIC SECURITY ACT

SEC. 6001. SHORT TITLE.

This title may be cited as the "Education for Economic Security Reauthorization Act".

SEC. 6002. MATHEMATICS AND SCIENCE EDUCATION REAUTHORIZED.

Title II of the Education for Economic Security Act is amended to read as follows:

"TITLE II—EDUCATION FOR ECONOMIC SECURITY

"STATEMENT OF PURPOSE

"SEC. 201. It is the purpose of this title to make financial assistance available to State and local educational agencies, and to institutions of higher education, to improve the skills of teachers and instruction in mathematics, science, and computer learning, and to increase the access of all students to such instruction, and thereby contribute to strengthening the economic security of the United States.

"DEFINITION

"SEC. 202. As used in this title, the term 'junior or community college' means an institution of higher education—

"(1) that admits as regular students individuals who are beyond the age of compulsory school attendance in the State in which the institution is located and who have the ability to benefit from the training offered by the institution;

"(2) that does not provide an educational program for which it awards a bachelor's degree (or an equivalent degree); and

"(3) that—

"(A) provides an educational program of not less than 2 years that is acceptable for full credit toward such a degree; or

"(B) offers a 2-year program designed to prepare a student to work as a technician or *at the semiprofessional level in engineering, scientific, or other technological fields requiring the understanding and application of basic engineering, scientific, or mathematical principles of knowledge.*

"PROGRAM AUTHORIZED

"SEC. 203. (a) The Secretary is authorized to make grants to States and to make discretionary grants, in accordance with the provisions of this title, for strengthening the skills of teachers and instruction in mathematics, science, and computer learning.

"(b) There are authorized to be appropriated $280,000,000 for the fiscal year 1989, $295,000,000 for fiscal year 1990, $315,000,000 for fiscal year 1991, $335,000,000 for fiscal year 1992, and $355,000,000 for fiscal year 1993 to carry out the provisions of this title.

"ALLOTMENT TO STATES

"SEC. 204. (a)(1) From 95 per centum of the amount appropriated to carry out this title for each fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to such 95 per centum as the number of children aged 5 to 17, inclusive, in the State bears to the number of such children in all States, except that no State shall receive less than one-half of 1 per centum of the amount available under this subsection in any fiscal year.

"(2)(A) The Secretary shall reserve 4 per centum of such amount to carry out section 211, relating to discretionary grants of national significance.

"(B) The Secretary shall reserve the remaining 1 per centum to carry out the provisions of subsection (c).

"(3) For the purpose of this subsection, the term 'State' does not include Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, or the Trust Territory of the Pacific Islands.

"(4) The number of children aged 5 to 17, inclusive, in the State and in all States shall be determined by the Secretary on the basis of the most recent satisfactory data available to him.

"(b) The amount of any State's allotment under subsection (a) for any fiscal year to carry out this title which the Secretary determines will not be required for that fiscal year to carry out this title shall be available for reallotment from time to time, on such dates during that year as the Secretary may fix, to other States in proportion to the original allotments to those States under subsection (a) for that year but with such proportionate amount for any of those other States being reduced to the extent it exceeds the sum the Secretary estimates that States need and will be able to use for that year; and the total of those reductions shall be similarly reallotted among the States whose proportionate amounts were not so reduced. Any amounts reallotted to a State under this subsection during a year shall be deemed a part of its allotment under subsection (a) for that year.

"(c)(1) From the amount reserved for each fiscal year under subsection (a)(2)(B), the Secretary shall allot—

"(A) not less than one-half of that amount to whatever agency the Secretary determines appropriate for programs authorized by this title for children in elementary and secondary schools operated for Indian children by the Department of the Interior; and

"(B) the remainder of that amount among Guam, American Samoa, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands according to their respective needs for assistance under this title.

"(2) The Secretary shall make payments under paragraph (1)(A) on whatever terms the Secretary determines will best carry out the purpose of this title.

"IN-STATE APPORTIONMENT

"SEC. 205. (a) For each fiscal year, 75 per centum of each State's allotment under section 204 of this title shall be used for elementary and secondary education programs in accordance with section 206.

"(b) For each fiscal year, 25 per centum of each State's allotment under section 204 of this title shall be used for higher education programs in accordance with section 207.

"ELEMENTARY AND SECONDARY EDUCATION PROGRAMS

"SEC. 206. (a) The amount apportioned under section 205(a) from each State's allotment under this title shall be used by the State educational agency to strengthen elementary and secondary education programs in accordance with the provisions of this section.

"(b)(1) Not less than 90 per centum of the amount available under this section shall be distributed to local educational agencies within the State. Each local educational agency shall use funds distributed under this paragraph for—

"(A) the expansion and improvement of training, inservice training, and retraining of teachers and other appropriate school personnel in the fields of mathematics and science, including vocational education teachers who use mathematics and science in the courses of study the teachers teach; or

"(B) if the local educational agency determines that the agency has met its need for training, inservice training, and retraining under subparagraph (A), subject to the provisions of section 201(c), such training, inservice training, and retraining in the fields of computer learning, and the acquisition of instructional materials and equipment related to mathematics and science instruction.

Such training and instruction may be carried out through agreements with public agencies, private industry, institutions of higher education, and nonprofit organizations, including museums, libraries, educational television stations, professional science, mathematics and engineering associations, and other appropriate institutions. A local educational agency may carry out the activities authorized by this paragraph with one or more other local educational agencies within the State, or with the State educational agency, or both. Each local educational agency shall assure that programs of training, inservice training and retraining will take into account the need for greater access to and participation in mathematics, science, and computer learning programs and careers of students from historically underrepresented groups, including females, minorities, individuals with limited-English proficiency, the handicapped, and migrants.

"(2)(A) The State educational agency shall distribute 50 per centum of the funds available under this subsection to local educational agencies according to the relative enrollments in public and private nonprofit schools within the district of such agencies. Such relative enrollments may be calculated, at the option of the State educational agency, on the basis of the total number of children enrolled in public schools and (i) private nonprofit schools, or (ii) private nonprofit schools desiring that their children and teachers participate in programs or projects assisted under this title. Nothing in the preceding sentence shall diminish the responsibility of local educational agencies to contact, on an annual basis, appropriate officials from private nonprofit schools within their school districts in order to determine whether such schools desire that their children and teachers participate in programs or projects assisted under this title.

"(B) The State educational agency shall distribute 50 per centum of the funds available under this subsection based on the relative number of children aged 5 to 17 who are from families below the poverty level as determined under section 1005(c)(2)(A) of this Act in the public schools of the local educational agencies within the State.

"(3) The State educational agency shall renew payments to local educational agencies under this subsection based upon the criteria set forth in paragraph (2) of this subsection and a determination by the State educational agency that the local educational agency is implementing the program assisted under this title so that a substantial number of teachers in the public and private schools in the school district of such agency are served and several grade levels of instruction in such schools are involved in the program.

"(c) Not less than 5 per centum of the amount available under this section shall be used by the State educational agency—

"(1) demonstration and exemplary programs for teacher training and retraining and inservice upgrading of teacher skills in the fields of mathematics, science, and computer learning,

"(2) demonstration and exemplary programs for instructional equipment and materials in such fields and necessary technical assistance,

"(3) demonstration and exemplary programs for special projects for historically underrepresented and underserved populations and for gifted and talented students, and

"(4) the dissemination of information to all local educational agencies within the State relating to the exemplary programs in the fields of mathematics, science, and computer learning.

In providing financial assistance for such demonstration and exemplary programs, the State educational agency shall give special consideration to special projects in mathematics, science, and computer education to historically underrepresented and underserved populations of students, including females, minorities, handicapped individuals, individuals with limited-English proficiency, and migrant students, and to programs for gifted and talented students. The programs for gifted and talented students may include assistance to magnet schools for such students.

"(d) Not more than 5 per centum of the amount available under this section may be used by the State educational agency—

"(1) to provide technical assistance to local educational agencies, institutions of higher education, and nonprofit organizations, including museums, libraries, and educational television stations, in the conduct of programs specified under subsection (b); and

"(2) for the costs of administration and evaluation of the program assisted under this title.

"HIGHER EDUCATION PROGRAMS

"SEC. 207. (a) The amount apportioned under section 205(b) from each State's allotment under this title shall be used by the State agency for higher education for educa-

tion programs in accordance with the provisions of this section.

"(b)(1)(A) Not less than 95 per centum of the amount available for this section shall be used by the State agency for higher education for grants to institutions of higher education in accordance with the provisions of this subsection.

"(B) The State agency for higher education shall make funds available on a competitive basis to institutions of higher education in the State which apply for payments under this section and which demonstrate involvement of local educational agencies. The State agency for higher education shall make every effort to ensure equitable participation of private and public institutions of higher education.

"(2) The amount available under this subsection shall be used for—

"(A) establishing traineeship programs for new teachers who will specialize in teaching mathematics and science at the secondary school level;

"(B) retraining of secondary school teachers who specialize in disciplines other than the teaching of mathematics, science, or computer learning to specialize in the teaching of mathematics, science, or computer learning, including the provision of stipends for participation in institutes authorized under title I; and

"(C) inservice training for elementary, secondary, and vocational school teachers and training for other appropriate school personnel to improve their teaching skills in the fields of mathematics, science, and computer learning, including stipends for participation in institutes authorized under title I.

Each institution of higher education receiving a grant under this subsection shall assure that programs of training, retraining, and inservice training will take into account the need for greater access to and participation in mathematics, science, and computer learning and careers of students from historically underrepresented and underserved groups, including females, minorities, individuals with limited-English proficiency, the handicapped, migrants, and the gifted and talented, and will insure cooperative agreements or cooperative arrangements with local educational agencies.

"(3) No institution of higher education may receive assistance under paragraphs (2)(B) and (C) of this subsection unless the institution enters into an agreement with a local educational agency, or consortium of such agencies, to provide inservice training and retraining for the elementary and secondary school teachers in the public and private schools of the school district of each such agency.

"(c) The State agency for higher education may use funds described in subsection (b)(1)(A) for cooperative programs among institutions of higher education, local educational agencies, State educational agencies, private industry, and nonprofit organizations, including museums, libraries, educational television stations, and professional mathematics, science, and engineering societies and associations for the development and dissemination of projects designed to improve student understanding and performance in science, mathematics, and computer learning.

"(d) Not to exceed 5 per centum of the amount available under this section may be used by the State agency for higher education for—

"(1) the State assessment required by section 208 of this title; and

"(2) the costs of administration and evaluation of the program assisted under this title incurred by the State higher education agency.

"STATE APPLICATION

"SEC. 208. (a) Each State which desires to receive grants under this title shall file an application with the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) Each such application shall—

"(1) designate the State educational agency for the purpose of programs described in section 206, and the State agency for higher education for programs described in section 207 as the agency or agencies responsible for the administration and supervision of the programs described in sections 206 and 207, as the case may be;

"(2) describe the programs for which assistance is sought under the application;

"(3) provide assurances that payments will be distributed by the State in accordance with the provisions of sections 206 and 207, as the case may be;

"(4) if appropriate, provide a description of how funds paid under this title will be coordinated with State and local funds and other Federal resources particularly with respect to any program available from the National Science Foundation or the Department of Energy or both.

"(5) provide procedures—

"(A) for submitting applications for programs described in sections 206 and 207 for distribution of payments under this title within the State, and

"(B) for approval of applications by the appropriate State agency, including appropriate procedures to assure that the appropriate State agency will not disapprove an application without notice and opportunity for a hearing;

"(6) provide assurances that—

"(A) for programs described in section 206, the provisions of sections 210 and 211 will be carried out; and

"(B) to the extent feasible, evaluations of the program assisted under this title will be performed;

"(7) provide assurances that Federal funds made available under this title for any fiscal year will be so used as to supplement, and to the extent practicable, to increase the level of funds that would, in the absence of such Federal funds, be available from non-Federal sources for the purposes described in sections 206 and 207, and in no case supplant such funds from non-Federal sources; and

"(8) provide such fiscal control and accounting procedures as may be necessary (A) to ensure proper accounting of Federal funds paid to the applicant under this title, and (B) to ensure the verification of the programs assisted under the application.

"(c) The Secretary shall expeditiously approve any State plan that meets the requirements of this section.

"LOCAL EDUCATIONAL AGENCY ASSESSMENT

"SEC. 209. (a) Each local educational agency which desires to receive a payment from the State educational agency pursuant to section 206 shall provide to the State educational agency an assessment of the local educational agency's need for assistance in—

"(1) teacher training, retraining, and inservice training and the training of appropriate school personnel in the areas of mathematics, science, and computer learning, including a description of the availability and qualifications of teachers in the areas of mathematics, science, and computer learning, including the qualifications of teachers at the elementary level to teach in such areas;

"(2) improving instructional materials and equipment related to mathematics and science education; and

"(3) improving the access to instruction in mathematics, science, and computer learning of historically underserved and underrepresented individuals and of the gifted and talented, and an assessment of the current degree of access to such instruction of such individuals.

"(b) Such assessment shall also describe the types of services to be provided pursuant to the program assisted under section 206, a description of how the services assisted will meet the program needs of the local educational agency, and in the second year for which funds under this title are made available, a description of how the services assisted will address unmet needs described under section 208.

"(c) If a local educational agency determines, pursuant to section 206(b)(1), that the agency has met its teacher training, retraining, and inservice training needs in mathematics and science and desires to expend all or a portion of its funds on other activities prescribed in section 206(b)(1)(B), the local educational agency may request the State educational agency to waive such training requirements. If the State educational agency determines that the local educational agency has met teacher training needs, the State educational agency shall grant the waiver.

"PARTICIPATION OF CHILDREN AND TEACHERS FROM PRIVATE SCHOOLS

"SEC. 210. (a) To the extent consistent with the number of children in the State or in the school district of each local educational agency who are enrolled in private nonprofit elementary and secondary schools, such State or agency shall, after consultation with appropriate private school representatives, make provision for including services and arrangements for the benefit of such children as will assure the equitable participation of such children in the purposes and benefits of this title.

"(b) To the extent consistent with the number of children in the State or in the school district of a local educational agency who are enrolled in private nonprofit elementary and secondary schools, such State, State educational agency, or State agency for higher education shall, after consultation with appropriate private school representatives, make provision, for the benefit of such teachers in such schools, for such inservice and teacher training and retraining as will assure equitable participation of such teachers in the purposes and benefits of this title.

"(c) If by reason of any provision of law a State or local educational agency is prohibited from providing for the participation of children or teachers from private nonprofit schools as required by subsections (a) and (b), or if the Secretary determines that a State or local educational agency has substantially failed or is unwilling to provide for such participation on an equitable basis, the Secretary shall waive such requirements and shall arrange for the provision of services to such children or teachers which shall be subject to the requirements of this section. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with sections 577(b) (3) and (4) of the Education

Consolidation and Improvement Act of 1981.

"SECRETARY'S DISCRETIONARY FUND FOR PROGRAMS OF NATIONAL SIGNIFICANCE

"SEC. 211. (a) From the amount reserved by the Secretary under section 204(a)(2)(A), the Secretary is authorized to carry out directly, or through grants, cooperative agreements, or contracts, projects which are authorized by this section.

"(b)(1) From amounts available under this section in each fiscal year, the Secretary shall make grants to and enter into cooperative agreements with State and local educational agencies, institutions of higher education, and private nonprofit organizations, including museums, libraries, educational television stations, and professional science, mathematics, and engineering societies and associations for programs of national significance in mathematics and science instruction, computer learning, and foreign language instruction in critical languages. The Secretary shall give special consideration to provide assistance to local educational agencies, or consortia thereof, to establish or improve magnet schools for gifted and talented students. In awarding grants and cooperative agreements the Secretary shall give special consideration to local educational agencies, institutions of higher education, and private nonprofit organizations, including museums, libraries, educational television stations, and professional science, mathematics, and engineering societies and associations providing special services to historically underserved and underrepresented populations in the fields of mathematics and science. In awarding grants and cooperative agreements, the Secretary shall also give special consideration to programs of such institutions and organizations which train and retrain teachers in methods of scientific inquiry and provide materials which aid such education. In awarding grants and cooperative agreements, the Secretary shall give preference to developed and currently operating programs which are disseminated throughout the region in which such an institution or organization is located.

"(2) The Secretary, from the amount available under paragraph (1) for each fiscal year, shall reserve not to exceed $3,000,000 in each such year for the Assistant Secretary of the Office of Educational Research and Improvement for the purpose of conducting evaluation and research activities. Such evaluation and research activities shall include—

"(A) a policy analysis of alternative methods to improve instruction in mathematics and science;

"(B) an annual evaluation of the programs assisted under this title; and

"(C) research on improving teacher training, retraining, inservice training, and retention, as well as the development of curriculum and materials in the fields of mathematics and science.

"PAYMENTS

"SEC. 212. (a) From the amounts appropriated under section 203(b), the Secretary shall pay, in accordance with the provisions of this title, the costs of the programs and activities described in the application approved under section 209, and the costs of programs of national significance under section 212.

"(b) Payments under this title shall be made as soon after approval of the application as practical.".

SEC. 6003. PARTNERSHIPS IN EDUCATION FOR MATHEMATICS, SCIENCE, AND ENGINEERING REAUTHORIZED.

Section 304(b) of the Act is amended by striking out "1987, and 1988," and inserting in lieu thereof the following: "1987, and $20,000,000 for the fiscal year 1988 and such sums as may be necessary for each of the succeeding fiscal years ending prior to October 1, 1993,".

SEC. 6004. PRESIDENTIAL AWARD FOR FOREIGN LANGUAGE TEACHERS.

(a) GENERAL AUTHORITY.—(1) Section 401(a) of the Education for Economics Security Act is amended—

(A) by inserting "(1)" after the subsection designation; and

(B) by adding at the end thereof the following new paragraph:

"(2) The President is authorized to make Presidential awards for teaching excellence in foreign languages to elementary and secondary school teachers of foreign languages who have demonstrated outstanding teaching qualifications in the field of teaching foreign languages.".

(2) Section 401(b) of such Act is amended by striking out "100 awards under subsection (a) of this section" and inserting in lieu thereof the following: "104 awards under paragraph (1) of subsection (a) of this section, and 104 awards under paragraph (2) of subsection (a) of this section".

(3) Section 403(a) of such Act is amended—

(A) by inserting "(1)" after the subsection designation; and

(B) by adding at the end thereof the following new paragraph:

"(2) There are authorized to be appropriated $1,000,000 for each fiscal year to carry out the provisions of paragraph (2) of section 401(a).".

(b) TECHNICAL AMENDMENT.—The heading of title IV of such Act is amended to read as follows:

"TITLE IV—PRESIDENTIAL AWARDS FOR TEACHING EXCELLENCE IN MATHEMATICS AND SCIENCE AND IN FOREIGN LANGUAGES".

SEC. 6005. STAR SCHOOLS PROGRAM AUTHORIZED.

The Education for Economic Security Act is amended by adding at the end thereof the following new title:

"TITLE IX—STAR SCHOOLS PROGRAM

"SHORT TITLE

"SEC. 901. This title may be cited as the 'Star Schools Program Assistance Act'.

"STATEMENT OF PURPOSE

"SEC. 902. It is the purpose of this title to encourage improved instruction in mathematics, science, and foreign languages as well as other subjects such as vocational education through a star schools program under which demonstration grants are made to eligible telecommunications partnerships to enable such eligible telecommunications partnerships to develop, construct, and acquire telecommunications audio and visual facilities and equipment, to develop and acquire instructional programming, and obtain technical assistance for the use of such facilities and instructional programming.

"PROGRAM AUTHORIZED

"SEC. 903. (a) GENERAL AUTHORITY.—The Secretary is authorized, in accordance with the provisions of this title, to make grants to eligible telecommunications partnerships the Federal share of the cost of the development, construction, and acquisition of telecommunications facilities and equipment, for the development and acquisition of instructional programming, and of technical assistance.

"(b) AUTHORIZATION OF APPROPRIATIONS.—(1) There is authorized to be appropriated $100,000,000 for the period beginning October 1, 1987, and ending September 30, 1992.

"(2) No appropriation in excess of $20,000,000 may be made in fiscal year 1988, and no appropriation in excess of $60,000,000 may be made in any of the fiscal years 1989 through 1992 pursuant to paragraph (1) of this subsection.

"(3) Funds appropriated pursuant to this subsection shall remain available until expended.

"(c) LIMITATIONS.—(1)(A) A demonstration grant made to an eligible telecommunications partnership under this title may not exceed $10,000,000.

"(B) An eligible telecommunications partnership may receive a grant for a second year under this title, but in no event may such a partnership receive more than $20,000,000.

"(2) Not less than 25 percent of the funds available in any fiscal year under this Act shall be used for the cost of instructional programming.

"(3) Not less than 50 percent of the funds available in any fiscal year under this Act shall be used for the cost of facilities, equipment, teacher training or retraining, technical assistance, or programming, for local educational agencies which are eligible to receive assistance under chapter 1 of title I of this Act.

"(d) FEDERAL SHARE.—(1) The Federal share for any fiscal year shall be 75 percent.

"(2) The Secretary may reduce or waive the requirements of the non-Federal share required under paragraph (1) of this subsection upon a showing of financial hardship.

"ELIGIBLE TELECOMMUNICATIONS PARTNERSHIPS

"SEC. 904. (a) GENERAL RULE.—In order to be eligible for demonstration grants under this title, an eligible telecommunications partnership shall consist of—

"(1) a public agency or corporation established for the purpose of developing and operating telecommunications networks to enhance educational opportunities provided by educational institutions, teacher training centers, and other entities, except that any such agency or corporation shall represent the interests of elementary and secondary schools which are eligible to participate in the program under chapter 1 of title I of this Act; or

"(2) a partnership which includes three or more of the following, and at least one of which shall be an agency described in subparagraph (A) or (B), and which will provide a telecommunications network:

"(A) a local educational agency, which has a significant number of elementary and secondary schools which are eligible for assistance under chapter 1 of title I of this Act or elementary and secondary schools operated for Indian children by the Department of the Interior eligible under section 1005(d) of this Act,

"(B) a State educational agency, or a State higher education agency,

"(C) an institution of higher education,

"(D) a teacher training center which—

"(i) provides teacher preservice and inservice training, and

"(ii) receives Federal financial assistance or has been approved by a State agency, or

"(E)(i) a public agency with experience or expertise in the planning or operation of a telecommunications network,

"(ii) a private organization with such experience, or

"(iii) a public broadcasting entity with such experience.

"(b) SPECIAL RULE.—An eligible telecommunications partnership must be organized on a statewide or multistate basis.

"APPLICATIONS

"SEC. 905. (a) APPLICATION REQUIRED.—Each eligible telecommunications partnership which desires to receive a demonstration grant under this title may submit an application to the Secretary, at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require.

"(b) CONTENTS OF APPLICATION.—Each such application shall—

"(1) describe the telecommunications facilities and equipment and technical assistance for which assistance is sought which may include—

"(A) the design, development, construction, and acquisition of State or multistate educational telecommunications networks and technology resource centers;

"(B) microwave, fiber optics, cable, and satellite transmission equipment;

"(C) reception facilities;

"(D) satellite time;

"(E) production facilities;

"(F) other telecommunications equipment capable of serving a wide geographic area;

"(G) the provision of training services to elementary and secondary school teachers (particularly teachers in schools receiving assistance under chapter 1 of title I of this Act in using the facilities and equipment for which assistance is sought; and

"(H) the development of educational programming for use on a telecommunications network;

"(2) describe, in the case of an application for assistance for instructional programming, the types of programming which will be developed to enhance instruction and training;

"(3) demonstrate that the eligible telecommunications partnership has engaged in sufficient survey and analysis of the area to be served to ensure that the services offered by the telecommunications partnership will increase the availability of courses of instruction in mathematics, science, and foreign languages, as well as the other subjects to be offered;

"(4) describe the teacher training policies to be implemented to ensure the effective use of the telecommunications facilities and equipment for which assistance is sought;

"(5) provide assurances that the financial interest of the United States in the telecommunications facilities and equipment will be protected for the useful life of such facilities and equipment;

"(6) provide assurances that a significant portion of the facilities, equipment, technical assistance, and programming for which assistance is sought will be made available to elementary and secondary schools of local educational agencies which have a high percentage of children counted for the purpose of chapter 1 of title I of this Act;

"(7) describe the manner in which traditionally underserved students will participate in the benefits of the telecommunications facilities, equipment, technical assistance, and programming assisted under this Act;

"(8) provide assurances that the applicant will use the funds to supplement and not supplant funds otherwise available for the purpose of this title; and

"(9) provide such additional assurances as the Secretary may reasonably require.

"(c) APPROVAL OF APPLICATION; PRIORITY.—The Secretary shall, in approving applications under this title, give priority to applications which demonstrate that—

"(1) a concentration and quality of mathematics, science, and foreign language resources which, by their distribution through the eligible telecommunications partnership, will offer significant new educational opportunities to network participants, particularly to traditionally underserved populations and areas with scarce resources and limited access to courses in mathematics, science, and foreign languages;

"(2) the eligible telecommunications partnership has secured the direct cooperation and involvement of public and private educational institutions, State and local government, and industry in planning the network;

"(3) the eligible telecommunications partnership will serve the broadest range of institutions, including public and private elementary and secondary schools (particularly schools having significant numbers of children counted for the purpose of chapter 1 of title I of this Act, programs providing instruction outside of the school setting, institutions of higher education, teacher training centers, research institutes, and private industry;

"(4) a significant number of educational institutions have agreed to participate or will participate in the use of the telecommunications system for which assistance is sought;

"(5) the eligible telecommunications partnership will have substantial academic and teaching capabilities including the capability of training, retraining, and inservice upgrading of teaching skills;

"(6) the eligible telecommunications partnership will serve a multistate area; and

"(7) the eligible telecommunications partnership will, in providing services with assistance sought under this Act, meet the needs of groups of individuals traditionally excluded from careers in mathematics and science because of discrimination, inaccessibility, or economically disadvantaged backgrounds.

"(d) GEOGRAPHIC DISTRIBUTION.—In approving applications under this title, the Secretary shall assure an equitable geographic distribution of grants.

"DISSEMINATION OF COURSES AND MATERIALS UNDER THE STAR SCHOOLS PROGRAM

"SEC. 906. (a) REPORT.—Each eligible telecommunications partnership awarded a grant under this Act shall report to the Secretary a listing and description of available courses of instruction and materials to be offered by educational institutions and teacher training centers which will be transmitted over satellite, specifying the satellite on which such transmission will occur and the time of such transmission.

"(b) DISSEMINATION OF COURSES OF INSTRUCTION.—The Secretary shall compile and prepare for dissemination a listing and description of available courses of instruction and materials to be offered by educational institutions and teacher training centers equipped with satellite transmission capabilities, as reported to the Secretary under subsection (a) of this section.

"(c) DISSEMINATION TO STATE EDUCATIONAL AGENCIES.—The Secretary shall distribute the list required by subsection (b) of this section to all State educational agencies.

"DEFINITIONS

"SEC. 907. As used in this title—

"(1) the term 'educational institution' means an institution of higher education, a local educational agency, and a State educational agency;

"(2) the term 'institution of higher education' has the same meaning given that term under section 1201(a) of the Higher Education Act of 1965;

"(3) the term 'local educational agency' has the same meaning given that term under section 1471(10) of this Act;

"(4) the term 'instructional programming' means courses of instruction, and training courses, and materials for use in such instruction and training which have been prepared in audio and visual form on tape, disc, film, or live, and presented by means of telecommunications devices;

"(5) the term 'public broadcasting entity' has the same meaning given that term in section 397 of the Communications Act of 1934;

"(6) the term 'Secretary' means the Secretary of Education;

"(7) the term 'State educational agency' has the same meaning given that term under section 1471(16) of this Act; and

"(8) the term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.".

SEC. 6006. REPEAL.

Title VI of the Education for Economic Security Act is repealed.

PART B—FOREIGN LANGUAGE ASSISTANCE

SEC. 6501. SHORT TITLE.

This part may be cited as the "Foreign Language Assistance Act of 1987".

SEC. 6502. FINDINGS.

The Congress finds that the economic and security interests of this Nation require significant improvement in the quantity and quality of foreign language instruction offered in the Nation's elementary and secondary schools, and Federal funds should be made available to assist the purpose of this part.

SEC. 6503. PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—The Secretary shall make grants to State educational agencies whose applications are approved under subsection (b) to pay the Federal share of the cost of model programs, designed and operated by local educational agencies, providing for the commencement or improvement and expansion of foreign language study for students.

(b) APPLICATION.—Any State educational agency desiring to receive a grant under this part shall submit an application therefor to the Secretary at such time, in such form, and containing such information and assurances as the Secretary may require. No application may be approved by the Secretary unless the application—

(1) contains a description of model programs which—

(A) are designed by local educational agencies and are available without regard to whether students attend the schools operated by such agency,

(B) represents a variety of alternative and innovative approaches to foreign language instruction, and

(C) are selected on a competitive basis by the State educational agency;

(2) provides assurances that all children aged 5 through 17 who reside within the school district of the local educational agency shall be eligible to participate in any model program funded under this section

(without regard to whether such children attend schools operated by such agency);

(3) provides assurances that the State will pay the non-Federal share of the activities for which assistance is sought from non-Federal sources; and

(4) provides that the local educational agency will provide standard evaluations of the proficiency of participants at appropriate intervals in the program which are reliable and valid, and provide such evaluations to the State educational agency.

(c) Federal Share.—(1) The Federal share for each fiscal year shall be 50 percent.

(2) The Secretary may waive the requirement of paragraph (1) for any local educational agency which the Secretary determines does not have adequate resources to pay the non-Federal share of the cost of the project.

(d) Participation of Private Schools.—(1) To the extent consistent with the number of children in the State or in the school district of each local educational agency who are enrolled in private elementary and secondary schools, such State or agency shall, after consultation with appropriate private school representatives, make provision for including special educational services and arrangements (such as dual enrollment, educational radio and television, and mobile educational services and equipment) in which such children can participate and which meet the requirements of this section. Expenditures for educational services and arrangements pursuant to this subsection for children in private schools shall be equal (taking into account the number of children to be served and the needs of such children) to expenditures for children enrolled in the public schools of the State or local educational agency.

(2) If by reason of any provision of law a State or local educational agency is prohibited from providing for the participation of children from private schools as required by paragraph (1), or if the Secretary determines that a State or local educational agency has substantially failed or is unwilling to provide for such participation on an equitable basis, the Secretary shall waive such requirements and shall arrange for the provision of services to such children which shall be subject to the requirements of this subsection. Such waivers shall be subject to consultation, withholding, notice, and judicial review requirements in accordance with section 1017(b)(3) (B), (C), and (D), and section 1017(b)(4) of title I of this Act.

SEC. 6504. ALLOTMENT.

(a) General Rule.—(1) From the sums appropriated to carry out this part in any fiscal year, the Secretary shall reserve not to exceed 1 percent for payments to Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands, to be allotted in accordance with their respective needs.

(2) From the remainder of such sums the Secretary shall allot to each State an amount which bears the same ratio to the amount of such remainder as the school age population of the State bears to the school age population of all States, except that no State shall receive less than an amount equal to one-half of 1 percent of such remainder.

(b) Availability of Funds.—The allotment of a State under subsection (a) shall be made available to the State for 2 additional years after the first fiscal year during which the State receives its allotment under this section if the Secretary determines that the funds made available to the State during the first such year were used in the manner required under the State's approved application.

SEC. 6505. DEFINITIONS.

(a) General Rule.—For the purpose of this part, the term "foreign language instruction" means instruction in critical foreign languages as defined by the Secretary.

(b) Special Rule.—For the purpose of section 6504—

(1) the term "school age population" means the population aged 5 through 17; and

(2) the term "States" includes the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

SEC. 6506. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $21,000,000 for the fiscal year 1989, $22,000,000 for the fiscal year 1990, $23,000,000 for the fiscal year 1991, $24,000,000 for the fiscal year 1992, and $25,000,000 for the fiscal year 1993 to carry out this part.

TITLE VII—BILINGUAL EDUCATION PROGRAMS

SEC. 7001. SHORT TITLE.

This title may be cited as the "Bilingual Education Act."

SEC. 7002. POLICY; APPROPRIATIONS.

(a) Policy.—Policy recognizing—

(1) that there are large and growing numbers of children of limited English proficiency;

(2) that many of such children have a cultural heritage which differs from that of English proficient persons;

(3) that the Federal Government has a special and continuing obligation to assist in providing equal educational opportunity to limited English proficient children;

(4) that, regardless of the method of instruction, programs which serve limited English proficient students have the equally important goals of developing academic achievement and English proficiency;

(5) that the Federal Government has a special and continuing obligation to assist language minority students to acquire the English language proficiency that will enable them to become full and productive members of society;

(6) that a primary means by which a child learns is through the use of such child's native language and cultural heritage;

(7) that, therefore, large numbers of children of limited English proficiency have educational needs which can be met by the use of bilingual educational methods and techniques;

(8) that in some school districts establishment of bilingual education programs may be administratively impractical due to the presence of small numbers of students of a particular native language or because personnel who are qualified to provide bilingual instructional services are unavailable;

(9) that States and local school districts should be encouraged to determine appropriate curricula for limited English proficient students within their jurisdictions and to develop and implement appropriate instructional programs;

(10) that children of limited English proficiency have a high dropout rate and low median years of education;

(11) that the segregation of many groups of limited English proficient students remains a serious problem;

(12) that reliance on student evaluation procedures which are inappropriate for limited English proficient students have resulted in the disproportionate representation of limited English proficient students in special education, gifted and talented, and other special programs;

(13) that many schools fail to meet the full instructional needs of limited English proficient students who also may be handicapped or gifted and talented;

(14) that both limited English proficient children and children whose primary language is English can benefit from bilingual education programs, and that such programs help develop our national linguistic resources;

(15) that research, evaluation, and data collection capabilities in the field of bilingual education need to be strengthened so as to better identify and promote those programs and instructional practices which result in effective education;

(16) that parent and community participation in bilingual education programs contributes to program effectiveness; and

(17) that because of limited English proficiency, many adults are not able to participate fully in national life, and that limited English proficient parents are often not able to participate effectively in their children's education,

the Congress declares it to be the policy of the United States, in order to establish equal educational opportunity for all children and to promote educational excellence (A) to encourage the establishment and operation, where appropriate, of educational programs using bilingual educational practices, techniques, and methods, (B) to encourage the establishment of special alternative instructional programs for students of limited English proficiency in school districts where the establishment of bilingual education programs is not practicable or for other appropriate reasons, and (C) for those purposes, to provide financial assistance to local educational agencies, and, for certain related purposes, to State educational agencies, institutions of higher education, and community organizations. The programs assisted under this title include programs in elementary and secondary schools as well as related preschool and adult programs which are designed to meet the educational needs of individuals of limited English proficiency, with particular attention to children having the greatest need for such programs. Such programs shall be designed to enable students to achieve full competence in English. Such programs may additionally provide for the development of student competence in a second language.

(b) Authorization.—(1) For the purpose of carrying out the provisions of this title, there are authorized to be appropriated, subject to paragraph (7) $168,000,000 for the fiscal year 1989, $176,500,000 for the fiscal year 1990, $185,300,000 for the fiscal year 1991, $194,500,000 for the fiscal year 1992, and $200,400,000 for the fiscal year 1993.

(2) There are further authorized to be appropriated to carry out the provisions of section 7032, such sums as may be necessary for fiscal year 1989 and each of the 4 succeeding fiscal years, subject to paragraph (7).

(3) From the sums appropriated under paragraph (1) for part A for any fiscal year, the Secretary may reserve not to exceed 25 percent for special alternative instructional programs and related activities authorized under section 7021(a)(3) and may include programs under section 7021(a) (2), (4), (5), and (6).

(4) From the sums appropriated under paragraph (1) for any fiscal year, the Secre-

tary shall reserve at least 60 percent for the programs carried out under part A of this Act; and of this amount, at least 75 percent shall be reserved for the programs of transitional bilingual education carried out under section 7021(a)(1), and may include programs under section 7021(a) (2), (4), (5), and (6).

(5) From the sums appropriated under paragraph (1) for any fiscal year, the Secretary shall reserve at least 25 percent for training activities carried out under part C.

(6) Notwithstanding paragraphs (1) and (2), no amount in excess of $176,000,000 is authorized to be appropriated to carry out the provisions of this title (including section 7032) for fiscal year 1989.

(7) The reservation required by paragraph (3) shall not result in changing the terms, conditions, and negotiated levels of any grant awarded in fiscal year 1987 to which section 7021(d)(1)(A), 7021(d)(1)(C), 7021(d)(2), or 7021(d)(3) applies.

(c) SENSE OF THE SENATE WITH RESPECT TO PARENTAL AUTHORIZATION FOR ENROLLMENT.—It is the sense of the Senate that any State which requires a written authorization from parents of students wishing to enroll in bilingual programs should provide a specific opportunity on any form prepared for the purpose of such authorization for such parent to express either approval or disapproval of such enrollment.

SEC. 7003. PROHIBIT DIAL-A-PORN OPERATIONS.

Section 223(b) of the Communications Act of 1934 is amended—

(1) in paragraph (1)(A), by striking out "under eighteen years of age or to any other person without that person's consent";

(2) by striking out paragraph (2);

(3) in paragraph (4), by striking out "paragraphs (1) and (3)" and inserting in lieu thereof "paragraphs (1) and (2)"; and

(4) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

SEC. 7004. DEFINITIONS; REGULATIONS.

(a) GENERAL RULE.—The following definitions shall apply to the terms used in this title:

(1) The terms "limited English proficiency" and "limited English proficient" when used with reference to individuals means—

(A) individuals who were not born in the United States or whose native language is a language other than English;

(B) individuals who come from environments where a language other than English is dominant, as further defined by the Secretary by regulation; and

(C) individuals who are American Indian and Alaska Natives and who come from environments where a language other than English has had a significant impact on their level of English language proficiency, subject to such regulations as the Secretary determines to be necessary;

and who, by reason thereof, have sufficient difficulty speaking, reading, writing, or understanding the English language to deny such individuals the opportunity to learn successfully in classrooms where the language of instruction is English or to participate fully in our society.

(2) The term "native language", when used with reference to an individual of limited English proficiency, means the language normally used by such individuals, or in the case of a child, the language normally used by the parents of the child.

(3) The term "low-income" when used with respect to a family means an annual income for such a family which does not exceed the poverty level determined pursuant to section 1005(c)(2)(A) of this Act.

(4)(A) The term "program of transitional bilingual education" means a program of instruction, designed for children of limited English proficiency in elementary or secondary schools, which provides, with respect to the years of study to which such program is applicable, structured English language instruction, and, to the extent necessary to allow a child to achieve competence in the English language, instruction in the child's native language. Such instruction shall incorporate the cultural heritage of such children and of other children in American society. Such instruction shall, to the extent necessary, be in all courses or subjects of study which will allow a child to meet grade-promotion and graduation standards.

(B) In order to prevent the segregation of children on the basis of national origin in programs of transitional bilingual education, and in order to broaden the understanding of children about languages and cultural heritages other than their own, a program of transitional bilingual education may include the participation of children whose language is English, but in no event shall the percentage of such children exceed 40 percent. The program may provide for centralization of teacher training and curriculum development, but it shall serve such children in the schools which they normally attend.

(C) In such courses or subjects of study as art, music, and physical education, a program of transitional bilingual education shall make provision for the participation of children of limited English proficiency in regular classes.

(D) Children enrolled in a program of transitional bilingual education shall, if graded classes are used, be placed, to the extent practicable, in classes with children of approximately the same age and level of educational attainment. If children of significantly varying ages or levels of educational attainment are placed in the same class, the program of transitional bilingual education shall seek to insure that each child is provided with instruction which is appropriate for his or her level of educational attainment.

(5)(A) The term "program of developmental bilingual education" means a full-time program of instruction in elementary and secondary schools which provides, with respect to the years of study to which such program is applicable, structured English language instruction and instruction in a second language. Such programs shall be designed to help children achieve competence in English and a second language, while mastering subject matter skills. Such instruction shall, to the extent necessary, be in all courses or subjects of study which will allow a child to meet grade-promotion and graduation standards.

(B) Where possible, classes in programs of developmental bilingual education shall be comprised of approximately equal numbers of students whose native language is English and limited English proficient students whose native language is the second language of instruction and study in the program.

(6) The term "special alternative instructional programs" means programs of instruction designed for children of limited English proficiency in elementary and secondary schools. Such programs are not transitional or developmental bilingual education programs, but have specially designed curricula and are appropriate for the particular linguistic and instructional needs of the children enrolled. Such programs shall provide, with respect to the years of study to which such program is applicable, structured English language instruction and special instructional services which will allow a child to achieve competence in the English language and to meet grade-promotion and graduation standards.

(7) The term "family English literacy program" means a program of instruction designed to help limited English proficient adults and out-of-school youth achieve competence in the English language. Such programs of instruction may be conducted exclusively in English or in English and the student's native language. Where appropriate, such programs may include instruction on how parents and family members can facilitate the educational achievement of limited English proficient children. To the extent feasible, preference for participation in such programs shall be accorded to the parents and immediate family members of children enrolled in programs assisted under this title.

(8) The term "programs of academic excellence" means programs of transitional bilingual education, developmental bilingual education, or special alternative instruction which have an established record of providing effective, academically excellent instruction and which are designed to serve as models of exemplary bilingual education programs and to facilitate the dissemination of effective bilingual educational practices.

(9) The term "Office" means the Office of Bilingual Education and Minority Languages Affairs.

(10) The term "Director" means the Director of the Office of Bilingual Education and Minority Languages Affairs.

(11) The term "Secretary" means the Secretary of Education.

(12) The term "other programs for persons of limited English proficiency" when used in this title means any programs within the Department of Education directly involving bilingual education activities serving persons of limited English proficiency, such as the programs carried out in coordination with the provisions of this title pursuant to part E of title IV of the Carl D. Perkins Vocational Education Act, and section 306(b)(11) of the Adult Education Act, and programs and projects serving individuals of limited English proficiency pursuant to section 6(b)(4) of the Library Services and Construction Act.

(b) REGULATION REQUIREMENT.—(1) In prescribing regulations under this title, the Secretary shall consult with State and local educational agencies, organizations representing persons of limited English proficiency, and organizations representing teachers and other personnel involved in bilingual education.

(2) The Secretary shall not prescribe under this title any regulations further defining the terms defined in paragraphs (4), (5), (6), (7), and (8) of subsection (a), or any regulations restricting or expanding the definitions contained in such paragraphs.

(c) SPECIAL INFORMATION RULE.—Parents of children participating in programs assisted under this title shall be informed of the instructional goals of the program and the progress of their children in such program. To the extent practicable, the information provided to parents pursuant to this subsection shall be in a language and form the parents understand.

PART A—FINANCIAL ASSISTANCE FOR BILINGUAL EDUCATION PROGRAMS

SEC. 7021. BILINGUAL EDUCATION PROGRAMS.

(a) Use of Funds.—Funds available for grants under this part shall be used for the establishment, operation, and improvement of—

(1) programs of transitional bilingual education;

(2) programs of developmental bilingual education;

(3) special alternative instructional programs for students of limited English proficiency;

(4) programs of academic excellence;

(5) family English literacy programs;

(6) bilingual preschool, special education, and gifted and talented programs preparatory or supplementary to programs such as those assisted under this Act; and

(7) programs to develop instructional materials in languages for which such materials are commercially unavailable.

(b) Application Required.—(1) A grant may be made under subsection (a) (1), (2), (3), or (4) of this section only upon application therefore by one or more local educational agencies or by institutions of higher education, including junior or community colleges, applying jointly with one or more local educational agencies.

(2) A grant may be made under subsection (a) (5) or (6) only upon application therefore by one or more local educational agencies; institutions of higher education, including junior or community colleges; and private nonprofit organizations, applying separately or jointly.

(c) Manner of Filing and Contents of Application.—(1) Any application for a grant authorized under subsection (a) of this section shall be made to the Secretary at such time, and in such manner, as the Secretary deems appropriate.

(2) Applications for grants authorized under subsections (a)(1), (a)(2), and (a)(3) of this section, shall contain information regarding—

(A) the number of children enrolled in programs conducted by the local educational agency;

(B) the number of children residing in the area served by the local educational agency who are enrolled in private schools;

(C)(i) the number of children enrolled in public and private schools in the area served by the local educational agency who are limited in their English proficiency; (ii) the method used by the applicant to make this determination; and (iii) evidence of the educational condition of the limited English proficient students, such as reading, mathematics, and subject matter test scores, and, where available, data on grade retention rates and student dropout rates;

(D) the number of limited English proficient children who are enrolled in instructional programs specifically designed to meet their educational needs, as well as descriptions of such programs;

(E) the number of limited English proficient children enrolled in public or private schools in the area served by the local educational agency who need or could benefit from education programs such as those assisted under this title;

(F) the number of children who are to receive instruction through the proposed program and the extent of their educational needs;

(G) a statement of the applicant's ability to serve children of limited English proficiency, including an assessment of the qualifications of personnel who will participate in the proposed project and of the need for further training of such personnel;

(H) the resources needed to develop and operate or improve the proposed program;

(I) the activities which would be undertaken under the grant and how these activities will improve the educational attainment of students and expand the capacity of the applicant to operate programs such as those assisted under this Act when Federal assistance under this section is no longer available; and

(J) the specific educational goals of the proposed program and how achievement of these goals will be measured.

(3) An application for a grant under subsection (a)(3) of this section shall receive priority if the application is made on behalf of (A) a local educational agency having schools in which many languages are represented; (B) a local educational agency that does not have personnel qualified to provide bilingual instructional services; or (C) a local educational agency having a small number of students in the schools of such agency that because of isolation or regional location is unable to obtain a native language teacher.

(4) Applications for grants authorized under subsection (a)(4) shall contain information regarding—

(A) the number of children served by the existing bilingual education program and evidence of their educational condition prior to enrollment in the program;

(B) a description of the existing program as well as the educational background and linguistic competencies of program personnel;

(C) the extent to which the program has promoted student academic achievement as indicated by objective evidence, such as improvements in language, mathematics, and subject matter test scores; grade retention rates; student dropout rates; and, where appropriate, postsecondary education and employment experiences of students;

(D) the extent of parent involvement in and satisfaction with the existing bilingual education program; and

(E) how the activities carried out under the grant would utilize and promote programs of academic excellence which employ bilingual educational practices, techniques, and methods.

(5) Applications for grants authorized under subsection (a)(5) shall contain information regarding—

(A) the number of limited English proficient parents and out-of-school family members of limited English proficient students who would be served by the English literacy program;

(B) the activities which would be undertaken under the grant and how these activities will promote English literacy and enable parents and family members to assist in the education of limited English proficient children;

(C) the extent to which the persons to be served by the program have been involved in its development;

(D) applicant's prior experience and performance in providing educational programs to limited English proficient adults and out-of-school youth;

(E) with respect to applications by a local educational agency, the extent to which limited English proficient students enrolled in the educational agency are served by programs specifically designed to meet their needs; and

(F) with respect to other applicants, a description of how the applicant will coordinate its program with a local education agency to ensure that the program will help limited English proficient family members promote the academic progress of limited English proficient children.

(d) Duration of Grants.—(1)(A) Grants made pursuant to subsections (a)(1), (a)(2), and (a)(3) of this section shall be for 3 years.

(B) During the first 6 months of grants made pursuant to subsections (a)(1), (a)(2), and (a)(3) of this section, an applicant shall engage exclusively in preservice activities. Such activities may include program design, materials development where such materials are commercially unavailable, staff recruitment and training, development of evaluation mechanisms and procedures, and the operation of programs to involve parents in the educational program and to enable parents and family members to assist in the education of limited English proficient children. This subparagraph may be waived by the Secretary upon a determination that an applicant is prepared to operate successfully the proposed instructional program.

(C) Upon reapplication, grants authorized under subsections (a)(1), (a)(2), and (a)(3) of this section shall be renewed for 2 additional years unless the Secretary determines that—

(i) the applicant's program does not comply with the requirements set out in this title;

(ii) the applicant's program has not made substantial progress in achieving the specific educational goals set out in the original application; or

(iii) there is no longer a need for the applicant's program.

(D) Parents or legal guardians of students identified for enrollment in bilingual education programs shall be informed of (i) the reasons for the selection of their child as in need of bilingual education, (ii) the alternative educational programs that are available, and (iii) the nature of the bilingual education program and of the instructional alternatives. Parents shall also be informed that they have the option of declining enrollment of their children in such programs and shall be given an opportunity to do so if they so choose. To the extent practicable, the information provided to parents pursuant to this subsection shall be in a language and form the parents understand.

(2) Grants made pursuant to subsections (a)(4) and (a)(5) shall be for 3 years.

(3) Grants made pursuant to subsections (a)(6) and (a)(7) shall be for a period of 1 to 3 years.

(4)(A) No student may be enrolled in a bilingual program for which a grant is made under subsection (a)(1) or (a)(3) of this section for a period of more than 3 years, except, where only Federal funds are available for bilingual education, and the school in which the student is enrolled—

(i) conducts a comprehensive evaluation of the overall academic progress of the student, and

(ii) the results of the evaluation indicate that failure to master English is impeding the academic progress of the student in meeting grade promotion and graduation standards, and in the case of a handicapped child attainment of the objective in the child's individualized education program.

Any student with respect to whom the requirements of this paragraph are met, may remain in the program for a fourth year, except as provided in division (ii) of subparagraph (B).

(B)(i) The evaluation required by paragraph (A) shall involve teachers and school personnel familiar with the students' overall academic progress. The results of such an evaluation shall be made available to the parents of the student.

(ii) An evaluation shall be carried out at the end of the fourth year the student is in the bilingual program described in subparagraph (A) if the student is to continue in the bilingual education program for a fifth year and shall be conducted in accordance with division (i) of this subparagraph.

(iii) Each evaluation shall indicate how the students' failure to master English will be addressed during the period a student is retained in a bilingual education program. The students' academic program during that period shall emphasize mastery of English.

(C) No student shall remain in a bilingual education program described in subparagraph (A) for more than 5 years.

(D) In carrying out this title, each local educational agency, institution of higher education, and private nonprofit organization having an application approved under this section may intensify instruction for limited English proficient students throughout the program by—

(i) expanding the educational calendar of the schools in which such student is enrolled to include programs before and after school and during the summer months;

(ii) lowering per pupil ratios, including the use of professional and volunteer aids; and

(iii) the application of technology to the course of instruction.

(e) CONSULTATION REQUIRED.—An application for a grant authorized under subsections (a)(1), (a)(2), and (a)(3) of this section shall—

(1) be developed in consultation with an advisory council, of which a majority shall be parents and other representatives of the children to be served in such programs, in accordance with criteria prescribed by the Secretary;

(2) be accompanied by documentation of such consultation and by the comments which the Council makes on the application;

(3) contain assurances that, after the application has been approved, the applicant will provide for the continuing consultation with, and participation by, the committee of parents, teachers, and other interested individuals which shall be selected by and predominantly composed of parents of children participating in the program, and in the case of programs carried out in secondary schools, representatives of the secondary students to be served; and

(4) include evidence that the State educational agency has been notified of the application and has been given the opportunity to offer recommendations thereon to the applicant and to the Secretary.

(f) APPLICATION APPROVAL.—An application for a grant under subsections (a)(1), (a)(2), and (a)(3) of this section may be approved only if the Secretary determines—

(1) that the program will use qualified personnel, including only those personnel who are proficient in the language or languages used for instruction;

(2) that in designing the program for which application is made, the needs of the children in nonprofit private elementary and secondary schools have been taken into account through consultation with appropriate private school officials; and, consistent with the number of such children enrolled in such schools in the area to be served whose educational needs are of the type and whose language and grade levels are of a similar type which the program is intended to address, after consultation with appropriate private school officials, provision has been made for the participation of such children on a basis comparable to that provided for public school children;

(3) that the program will be evaluated in accordance with a plan that meets the requirements of section 7033 of this title;

(4) that student evaluation and assessment procedures in the program are appropriate for limited English proficiency students, and that limited English proficient students who are handicapped are identified and served in accordance with the requirements of the Education of the Handicapped Act;

(5) that Federal funds made available for the project or activity will be used so as to supplement the level of State and local funds that, in the absence of those Federal funds, would have been expended for special programs for children of limited English proficiency and in no case to supplant such State and local funds, except that nothing in this clause shall—

(A) preclude a local education agency from using funds under this title for activities carried out under an order of a court of the United States or of any State respecting services to be provided such children, or to carry out a plan approved by the Secretary as adequate under title VI of the Civil Rights Act of 1964 with respect to services to be provided such children; or

(B) authorize any priority or preference to be assigned by the Secretary to the funding of the activities under this title;

(6) that the assistance provided under the application will contribute toward building the capacity of the applicant to provide a program on a regular basis, similar to that proposed for assistance, which will be of sufficient size, scope, and quality to promise significant improvement in the education of children of limited English proficiency, and that the applicant will have the resources and commitment to continue the program when assistance under this title is reduced or no longer available;

(7) that the applicant will provide or secure training for personnel participating, or preparing to participate, in the program and that, to the extent possible, college or university credit will be awarded for such training; and

(8) that the provision of assistance proposed in the application is consistent with criteria established by the Secretary, after consultation with the State educational agency, for the purpose of achieving an equitable distribution of assistance under this part within the State in which the applicant is located, taking into consideration—

(A) the geographic distribution of children of limited English proficiency;

(B) the relative need of persons in different geographic areas within the State for the kinds of services and activities authorized under this title;

(C) with respect to grants to carry out programs described in subsections (a)(1), (a)(2), and (a)(3) of this section, the relative ability of particular local educational agencies within the State to provide such services and activities; and

(D) with respect to such grants, the relative numbers of persons from low-income families sought to be benefited by such programs.

(g) GENERAL PRIORITY RULE.—An application for a grant under subsection (a)(3) of this section may receive priority based upon the information provided by the applicant pursuant to clause (A), (B), or (C) of subsection (c)(3) of this section.

(h) SPECIAL PRIORITY RULES.—In the consideration of applications from local educational agencies to carry out programs authorized under this section, the Secretary shall give priority to applications from local educational agencies which are located in various geographical regions of the Nation and which propose to assist children of limited English proficiency who have historically been underserved by programs of bilingual education, taking into consideration the relative numbers of such children in the schools of such local educational agencies and the relative need for such programs. In approving such applications, the Secretary shall, to the extent feasible, allocate funds appropriated in proportion to the geographical distribution of children of limited English proficiency throughout the Nation, with due regard for the relative ability of particular local educational agencies to carry out such programs and the relative numbers of persons from low-income families sought to be benefited by such programs.

(i) LIMITATION ON THE ASSIGNMENT OF STUDENTS.—No action taken may involve the assignment of students to any federally assisted education programs merely on the basis of the surnames of such students.

(j) PROGRAMS FOR PUERTO RICO.—Programs authorized under this title in the Commonwealth of Puerto Rico may, notwithstanding any other provision of this title, include programs of instruction, teacher training, curriculum development, research, evaluation, and testing designed to improve the English proficiency of children, and may also make provision for serving the needs of students of limited proficiency in Spanish.

(k) NONPROFIT PRIVATE SCHOOL RULE.—If the Secretary determines that an applicant for assistance under this title is unable or unwilling to provide for the participation in the program for which assistance is sought of children of limited English proficiency enrolled in nonprofit, private schools, as required by subsection (f)(2) of this section, the Secretary shall—

(1) withhold approval of such application until the applicant demonstrates that it is in compliance with those requirements; or

(2) reduce the amount of the grant to such applicant by the amount which is required for the Secretary to arrange (such as through a contract with a nonprofit, nonsectarian agency, organization, or institution) to assess the needs of the children in the area to be served for programs of the type authorized in this title and to carry out such programs for the children.

SEC. 7022. INDIAN CHILDREN IN SCHOOLS.

(a) TERMS DEFINED.—For the purpose of carrying out programs under this title for individuals served by elementary, secondary, or postsecondary schools operated predominantly for Indian or Alaska Native children, an Indian tribe or a tribally sanctioned educational authority may be considered to be a local educational agency as such term is used in this title, subject to the following qualifications:

(1) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaskan Native Claims Settlement Act (85 Stat. 688) which is recognized for the special programs and services pro-

vided by the United States to Indians because of their status as Indians.

(2) The term "tribally sanctioned educational authority" means any department or division of education operating within the administrative structure of the duly constituted governing body of an Indian tribe, as well as any nonprofit institution or organization which is chartered by the governing body of an Indian tribe to operate any such school or otherwise to oversee delivery of educational services to members of that tribe and which is approved by the Secretary for the purposes of this section.

(b) GENERAL AUTHORITY.—From the sums appropriated pursuant to section 7002(b), the Secretary is authorized to make payments to the applicants to carry out programs of bilingual education for Indian children on reservations served by elementary and secondary schools operated or funded by the Bureau of Indian Affairs.

(c) REPORT.—The Assistant Secretary of the Interior for the Bureau of Indian Affairs shall submit to the Congress, the President, and the Secretary by September 30 of each year an annual report which provides—

(1) an assessment of the needs of the Indian children with respect to the purposes of this title in schools operated or funded by the Department of the Interior, including those tribes and local educational agencies receiving assistance under the Johnson-O'Malley Act (25 U.S.C. 452 et seq.); and

(2) an assessment of the extent to which such needs are being met by funds provided to such schools for educational purposes through the Secretary of the Interior.

PART B—DATA COLLECTION, EVALUATION, AND RESEARCH

SEC. 7031. USE OF FUNDS.

Funds available under this part shall be used for (1) collecting data on the number of limited English proficient persons and the educational services available to such persons, (2) evaluating the operation and effectiveness of programs assisted under this title, (3) conducting research to improve the effectiveness of bilingual education programs, and (4) collecting, analyzing, and disseminating data and information on bilingual education.

SEC. 7032. GRANTS FOR STATE PROGRAMS.

(a) IN GENERAL.—Upon an application from a State educational agency, the Secretary shall make provision for the submission and approval of a State program for the collection, aggregation, analysis, and publication of data and information on the State's population of limited English proficient persons and the educational services provided or available to such individuals.

(b) REPORT.—State programs under this part shall provide for the annual submission of a report to the Secretary containing data and information on such matters as the Secretary shall, by regulation, determine necessary and proper to achieve the purposes of this title, including the matters specified in section 7021(c)(2). Such reports shall be in such form and shall be submitted on such date as the Secretary shall specify by regulation. State programs shall provide for the dissemination of information regarding these matters to the public, and particularly to persons of limited English proficiency.

(c) USES OF FUNDS.—State programs authorized under this section may also provide for—

(1) the planning and development of educational programs such as those assisted under this title;

(2) the review and evaluation of programs of bilingual education, including bilingual education programs that are not funded under this title;

(3) the provision, coordination, or supervision of technical and other forms of nonfinancial assistance to local educational agencies, community organizations, and private elementary and secondary schools that serve limited English proficient persons;

(4) the development and administration of instruments and procedures for the assessment of the educational needs and competencies of persons of limited English proficiency;

(5) the training of State and local educational agency staff to carry out the purposes of this title; and

(6) other activities and services designed to build the capacity of State and local educational agencies to serve the educational needs of persons of limited English proficiency.

(d) PAYMENT RULE.—Except as provided in the second sentence of this subparagraph, the Secretary shall pay from the amounts appropriated for the purposes of this section pursuant to section 7002(b)(2) for each fiscal year to each State educational agency which has a State program submitted and approved under subsection (a) of this section such sums as may be necessary for the proper and efficient conduct of such State program. The amount paid by the Secretary to any State educational agency under the preceding sentence for any fiscal year shall not be less than $50,000 nor greater than 5 percent of the aggregate of the amounts paid under section 7021 for programs within such State in the fiscal year preceding the fiscal year to which this limitation applies.

(e) MAINTENANCE OF EFFORT RULE.—Funds made available under this section for any fiscal year shall be used by the State educational agency to supplement and, to the extent practical, to increase the level of funds that would, in the absence of such funds, be made available by the State for the purposes described in this section, and in no case to supplant such funds.

SEC. 7033. PROGRAM EVALUATION REQUIREMENTS.

The Secretary shall issue, within 6 months of the date of enactment of this section, regulations which set forth a comprehensive design for evaluating the programs assisted under part A of this title. Such regulations shall be developed by the Director, and shall provide for the collection of information and data including—

(1) the educational background, needs, and competencies of the limited English proficient persons served by the program;

(2) the specific educational activities undertaken pursuant to the program; the pedagogical materials, methods, and techniques utilized in the program; and with respect to classroom activities, the relative amount of instructional time spent with students on specified tasks;

(3) the educational and professional qualifications, including language competencies, of the staff responsible for planning and operating the program;

(4) the specific activities undertaken to improve pre-referral, evaluation procedures and instructional programs for limited English proficient children who may be handicapped or gifted and talented; and

(5) the extent of educational progress achieved through the program measured, as appropriate, by (A) tests of academic achievement in English language arts, and where appropriate, second language arts; (B) tests of academic achievement in subject matter areas; and (C) changes in the rate of student grade-retention, dropout, absenteeism, placement in programs for the gifted and talented, and enrollment in postsecondary education institutions.

The Secretary may, in carrying out the provisions of this section, reissue regulations which were promulgated prior to the date of enactment of this Act, if the regulations substantially comply with the provisions of this section.

SEC. 7034. EVALUATION ASSISTANCE CENTERS.

The Secretary shall establish, through competitive grants to institutions of higher education, at least two evaluation assistance centers. Such centers shall provide, upon the request of State or local educational agencies, technical assistance regarding methods and techniques for identifying the educational needs and competencies of limited English proficient persons and assessing the educational progress achieved through programs such as those assisted under this title. Grants made pursuant to this section shall be for a period of 3 years.

SEC. 7035. RESEARCH.

(a) GENERAL AUTHORITY.—The Secretary shall, through competitive contracts under this section, provide financial assistance for research and development proposals submitted by institutions of higher education, private for-profit and nonprofit organizations, State and local educational agencies, and individuals.

(b) ACTIVITIES AUTHORIZED.—Research activities authorized to be assisted under this section shall include—

(1) studies to determine and evaluate effective models for bilingual education programs;

(2) studies which examine the process by which individuals acquire a second language and master the subject matter skills required for grade-promotion and graduation, and which identify effective methods for teaching English and subject matter skills within the context of a bilingual education program or special alternative instructional program to students who have language proficiencies other than English;

(3) longitudinal studies to measure the effect of this title on the education of students who have language proficiencies other than English, and the effect of this title on the capacity of local educational agencies to operate bilingual programs following the termination of assistance under this title;

(4) studies to determine effective and reliable methods for identifying students who are entitled to services under this title and for determining when their English language proficiency is sufficiently well developed to permit them to derive optimal benefits from an all-English instructional program;

(5) the operation of a clearinghouse which shall collect, analyze, and disseminate information about bilingual education and related programs;

(6) studies to determine effective methods of teaching English to adults who have language proficiencies other than English;

(7) studies to determine and evaluate effective methods of instruction for bilingual programs, taking into account language and cultural differences among students;

(8) studies to determine effective approaches to preservice and inservice training for teachers, taking into account the language and cultural differences of their students;

(9) studies to determine effective and reliable techniques for providing bilingual education to handicapped students; and

(10) studies to determine effective and reliable methods for identifying gifted and talented students who have language proficiencies other than English.

(c) DELEGATION RULE.—In carrying out the responsibilities of this section, the Secretary may delegate authority to the Director, and in any event, shall consult with the Director, representatives of State and local educational agencies, and appropriate groups and organizations involved in bilingual education.

(d) DISSEMINATION RULE.—The Secretary shall publish and disseminate all requests for proposals in research and development assisted under this title.

SEC. 7036. COORDINATION OF RESEARCH.

Notwithstanding section 405(b)(1) of the General Education Provisions Act, the Assistant Secretary for Educational Research and Improvement shall consult with the Director to insure that research activities undertaken pursuant to section 405(b)(2)(C) of the General Education Provisions Act complement and do not duplicate the activities conducted pursuant to this part.

SEC. 7037. EDUCATION STATISTICS.

(a) GENERAL AUTHORITY.—Notwithstanding section 406 of the General Education Provisions Act, the Center for Education Statistics shall collect and publish, as part of its annual report on the condition of education, data for States, Puerto Rico, and the Trust Territories with respect to the population of limited English proficient persons, the special educational services and programs available to limited English proficient persons, and the availability of educational personnel qualified to provide special educational services and programs to limited English proficient persons.

(b) USE OF AVAILABLE DATA.—In carrying out its responsibilities under this section, the Center for Education Statistics shall utilize, to the extent feasible, data submitted to the Department of Education by State and local educational agencies and institutions of higher education pursuant to the provisions of this title.

PART C—TRAINING AND TECHNICAL ASSISTANCE

SEC. 7041. USE OF FUNDS.

(a) IN GENERAL.—Funds available under this part shall be used for—

(1) the establishment, operation, and improvement of training programs for educational personnel preparing to participate in, or personnel participating in, the conduct of programs of bilingual education or special alternative instructional programs for limited English proficient students, which shall emphasize opportunities for career development, advancement, and lateral mobility, and may provide training to teachers, administrators, counselors, paraprofessionals, teacher aides, and parents;

(2) the training of persons to teach and counsel such persons;

(3) the encouragement of reform, innovation, and improvement in applicable education curricula in graduate education, in the structure of the academic profession, and in recruitment and retention of higher education and graduate school faculties, as related to bilingual education;

(4) the operation of short-term training institutes designed to improve the skills of participants in programs of bilingual education or special alternative instructional programs for limited English proficient students; which may include summer programs designed to improve the instructional competence of educational personnel in the languages used in the program; and

(5) the provision of inservice training and technical assistance to parents and educational personnel participating in, or preparing to participate in, bilingual education programs or special alternative instructional programs for limited English proficient students.

(b) APPLICATION REQUIRED.—(1) A grant or contract may be made under subsection (a)(1), (a)(2), or (a)(3) of this section upon application of an institution of higher education.

(2) A grant or contract may be made under subsection (a)(4) of this section upon application of (A) institutions of higher education (including junior colleges and community colleges) and private for-profit or nonprofit organizations which apply, after consultation with, or jointly with, one or more local educational agencies or a State educational agency; (B) local educational agencies; or (C) a State educational agency.

(3) A grant or contract may be made under subsection (a)(5) of this section upon application of (A) institutions of higher education (including junior colleges and community colleges), (B) private for-profit or nonprofit organizations, or (C) a State educational agency.

(c) SPECIAL RULE.—An application for a grant or contract for preservice or inservice training activities described in subsection (a)(1) of this section shall be considered an application for a program of bilingual education for the purposes of section 7021(e) of this title.

(d) PREFERENCE.—In making a grant or contract for preservice training programs described in subsection (a)(1) of this section, the Secretary shall give preference to programs which contain coursework in—

(1) teaching English as a second language;

(2) use of a non-English language for instructional purposes;

(3) linguistics; and

(4) evaluation and assessment;

and involving parents in the educational process. Preservice training programs shall be designed to ensure that participants become proficient in English and a second language of instruction.

SEC. 7042. MULTIFUNCTIONAL RESOURCE CENTERS.

(a) CENTERS ESTABLISHED.—Pursuant to subsection (a)(5) of section 7041, the Secretary shall establish, through competitive grants or contracts, at least 16 multifunctional resource centers (hereafter in this section referred to as "centers"). Grants and contracts shall be awarded with consideration given to the geographic and linguistic distribution of children of limited English proficiency.

(b) CENTER FUNCTIONS.—In addition to providing technical assistance and training to persons participating in or preparing to participate in bilingual education programs or special alternative instructional programs for limited English proficient students, each center shall be responsible for gathering and providing information to other centers on a particular area of bilingual education, including (but not limited to) bilingual special education, bilingual education for gifted and talented limited English proficient students, bilingual vocational education, bilingual adult education, bilingual education program administration, literacy, education technology in bilingual programs, mathematics and science education in bilingual programs, counseling limited English proficient students, and career education programs for limited English proficient students.

SEC. 7043. FELLOWSHIPS.

(a) GENERAL AUTHORITY.—Pursuant to subsection (a)(2) of section 7041, the Secretary is authorized to award fellowships for advanced study of bilingual education or special alternative instructional programs for limited English proficient students in such areas as teacher training, program administration, research and evaluation, and curriculum development. For the fiscal year ending September 30, 1989, not less than 500 fellowships leading to a graduate degree shall be awarded under the preceding sentence. Such fellowships shall be awarded, to the extent feasible, in proportion to the needs of various groups of individuals with limited English proficiency. In awarding fellowships, the Secretary shall give preference to individuals intending to study bilingual education or special alternative instructional programs for limited English proficient students in the following specialized areas: vocational education, adult education, gifted and talented education, special education, education technology, literacy, and mathematics and science education. The Secretary shall include information on the operation of the fellowship program in the report required under section 7051(c) of this title.

(b) STUDY REQUIRED.—The Secretary shall undertake an on-going longitudinal study of the impact of recipients of such fellowships on the field of bilingual education and alternative instructional programs for students of limited English proficiency and shall, through the clearinghouse established pursuant to section 7035(b)(5) of this title, disseminate research undertaken by recipients of such fellowships.

(c) FELLOWSHIP AGREEMENT.—Any person receiving a fellowship under this section shall agree either to repay such assistance or to work for a period equivalent to the period of time during which such person received assistance, and such work shall be in an activity related to programs and activities such as those authorized under this Act. The Secretary may waive this requirement in extraordinary circumstances.

SEC. 7044. PRIORITY.

In making grants or contracts under this part, the Secretary shall give priority to eligible applicants with demonstrated competence and experience in programs and activities such as those authorized under this Act.

SEC. 7045. STIPENDS.

In the terms of any arrangement described in this part, the Secretary shall provide for the payment, to persons participating in training programs so described, of such stipends (including allowances for subsistence and other expenses for such persons and their dependents) as the Secretary may determine to be consistent with prevailing practices under comparable federally supported programs.

PART D—ADMINISTRATION

SEC. 7051. OFFICE OF BILINGUAL EDUCATION AND MINORITY LANGUAGES AFFAIRS.

(a) OFFICE ESTABLISHED.—There shall be, in the Department of Education, an Office of Bilingual Education and Minority Languages Affairs (hereafter in this section referred to as the "Office") through which the Secretary shall carry out functions relating to bilingual education.

(b) ORGANIZATION.—(1) The Office shall be headed by a Director of Bilingual Education and Minority Languages Affairs, appointed by the Secretary, to whom the Secretary shall delegate all delegable functions relat-

ing to bilingual education. The Director shall also be assigned responsibility for coordinating the bilingual education aspects of other programs administered by the Secretary.

(2) The Office shall be organized as the Director determines to be appropriate in order to enable the Director to carry out such functions and responsibilities effectively, except that there shall be a division, within the Office, which is exclusively responsible for the collection, aggregation, analysis, and publication of data and information on the operation and effectiveness of programs assisted under this title.

(c) REPORT.—The Secretary shall prepare and, not later than February 1 of 1992, shall submit to the Congress and the President a report on the condition of bilingual education in the Nation and the administration and operation of this title and of other programs for persons of limited English proficiency. Such report shall include—

(1) a national assessment of the educational needs of children and other persons with limited English proficiency and of the extent to which such needs are being met from Federal, State, and local efforts;

(2) a plan, including cost estimates, for extending programs of bilingual education and bilingual vocational and adult education programs to all such preschool and elementary school children and other persons of limited English proficiency, including a phased plan for the training of the necessary teachers and other educational personnel necessary for such purpose;

(3) a report on and evaluation of the activities carried out under this title and the extent to which each of such activities achieves the policy set forth in section 7002(a);

(4) a statement of the activities intended to be carried out during the succeeding period, including an estimate of the cost of such activities;

(5)(A) an assessment of the number of teachers and other educational personnel needed to carry out programs of bilingual education under this title and those carried out under other programs for persons of limited English proficiency;

(B) a statement describing the activities carried out thereunder designed to prepare teachers and other educational personnel for such programs; and

(C) the number of other educational personnel needed to carry out programs of bilingual education in the States; and

(6) an estimate of the number of fellowships in the field of training teachers for bilingual education which will be necessary.

(d) COORDINATION.—In order to maximize Federal efforts designed to serve the educational needs of children of limited English proficiency, the Secretary shall coordinate and closely cooperate with other programs administered by the Department of Education, including such areas as teacher training, program content, research, and curriculum. The Secretary's report under subsection (c) shall include demonstration that such coordination has taken place.

(e) STAFF.—The Secretary shall ensure that the Office of Bilingual Education and Minority Languages Affairs is staffed with sufficient personnel trained, or with experience in, bilingual education to discharge effectively the provisions of this title.

TITLE VIII—DEMONSTRATION PROJECTS DESIGNED TO ADDRESS SCHOOL DROPOUT PROBLEMS AND TO STRENGTHEN BASIC SKILLS INSTRUCTION

PART A—ASSISTANCE TO ADDRESS SCHOOL DROPOUT PROBLEMS

SEC. 8001. SHORT TITLE.

This part may be cited as the "School Dropout Demonstration Assistance Act of 1987".

SEC. 8002. PURPOSE.

The purpose of this part is to reduce the number of children who do not complete their elementary and secondary education by providing grants to local educational agencies to establish and demonstrate—

(1) effective programs to identify potential student dropouts and prevent them from dropping out;

(2) effective programs to identify and encourage children who have already dropped out to reenter school and complete their elementary and secondary education;

(3) effective programs for early intervention designed to identify at-risk students in elementary and early secondary schools; and

(4) model systems for collecting and reporting information to local school officials on the number, ages, and grade levels of the children not completing their elementary and secondary education and the reasons why such children have dropped out of school.

SEC. 8003. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part $50,000,000 for each of the fiscal years 1988 and 1989.

SEC. 8004. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

(a) ALLOTMENT TO CATEGORIES OF LOCAL EDUCATIONAL AGENCIES.—From the amount appropriated under section 8003 for any fiscal year, the Secretary shall allot the following percentages to each of the following categories of local educational agencies:

(1) Local educational agencies administering schools with a total enrollment of 50,000 or more elementary and secondary school students shall be allotted 45 percent of the amount appropriated.

(2) Local educational agencies administering schools with a total enrollment of at least 20,000 but less than 50,000 elementary and secondary school students shall be allotted 15 percent of the amount appropriated.

(3) Local educational agencies administering schools with a total enrollment of less than 20,000 elementary and secondary school students shall be allotted 35 percent of the amount appropriated. Grants may be made under this paragraph to intermediate educational units and consortia of not more than 5 local educational agencies in any case in which the total enrollment of the largest such local educational agency is less than 20,000 elementary and secondary students. Such units and consortia may apply in conjunction with the State educational agency. Not less than 20 percent of funds available under this paragraph shall be awarded to local educational agencies administering schools with a total enrollment of less than 2,000 elementary and secondary school students.

(4) Community-based organizations shall be allotted 5 percent of the amount appropriated. Grants under this category shall be made after consultation with the local educational agency that is to benefit from such a grant.

(b) SPECIAL TREATMENT OF EDUCATIONAL PARTNERSHIPS.—(1) The Secretary shall allot in each category described in paragraphs (1), (2), and (3) of subsection (a) of this section 25 percent of the funds available for each such category to educational partnerships.

(2) Educational partnerships under this subsection shall include—

(A) a local educational agency,

(B)(i) a business concern or business organization, or

(ii) a community-based organization, and

(C) one of the following: any nonprofit private organization, institution of higher education, State educational agency, State and local public agencies, private industry councils (established under the Job Training Partnership Act), museum, library, or educational television or broadcasting station, or community-based organization.

(c) AWARD OF GRANT.—From the amount allotted for any fiscal year to a category of local educational agencies under subsection (a), the Secretary shall award as many grants as practicable within each such category to local educational agencies and educational partnerships whose applications have been approved by the Secretary for such fiscal year under section 8005 and whose applications propose a program of sufficient size and scope to be of value as a demonstration. The grants shall be made under such terms and conditions as the Secretary shall prescribe consistent with the provisions of this part.

(d) USE OF FUNDS WHEN NOT FULLY NEEDED FOR EDUCATIONAL PARTNERSHIPS.—(1) Whenever the Secretary determines that the full amount of the sums made available under subsection (b) of this section in each category for educational partnerships will not be required for applications of educational partnerships, the Secretary may make the amount not so required available to local educational agencies in the same category in which the funds are made available.

(2) Whenever the Secretary transfers amounts under the provisions of this subsection, the Secretary shall use a peer review process and shall prepare and make available to local educational agencies, upon request, the availability of funds in the same category, and the reasons therefor.

(e) USE OF FUNDS WHEN NOT FULLY ALLOTTED TO CATEGORIES UNDER SUBSECTION (a) OF THIS SECTION.—(1) Whenever the Secretary determines that the full amount of the sums allotted under any category set forth under subsection (a) of this section will not be required for applications of the local educational agencies in the case of categories (1) through (3), the Secretary may make the amount not so required available to another category under such subsection (a). In carrying out the provisions of this subsection, the Secretary shall assure that the transfer of amounts from one category to another is made to a category in which there is the greatest need for funds.

(2) Whenever the Secretary transfers amounts under the provisions of this subsection, the Secretary shall use a peer review process and shall prepare and make available to local educational agencies and educational partnerships, upon request, the categories which were not fully funded under subsection (a) and the reasons therefor.

(f) FEDERAL SHARE.—(1) The Federal share of a grant under this part shall not exceed—

(A) 90 percent of the total cost of a project for the first year for which the project receives assistance under this part, and

(B) 70 percent of such cost for the second such year.

(2) The non-Federal share may be paid from any source other than funds made

available under this part, except that not more than 10 percent of the non-Federal share in any fiscal year may be from other Federal sources, other than this part.

(3) The non-Federal share of payments under this part may be in cash or in kind fairly evaluated, including plant equipment or services.

SEC. 8005. APPLICATION.

(a) IN GENERAL.—(1) A grant under this part may be made only to a local educational agency or an educational partnership which submits an application to the Secretary containing such information as may be required by the Secretary by regulation.

(2) The Secretary shall encourage applicants to make applications for a 2-year period.

(b) CONTENTS OF APPLICATION.—Each such application shall—

(1) provide documentation of (A) the number of children who were enrolled in the schools of the applicant for the 5 academic years prior to the date application is made who have not completed their elementary or secondary education and who are classified as dropout students pursuant to section 8008(a), and (B) the percentage that such number of children is of the total school-age population in the applicant's schools;

(2) include a plan for the development and implementation of a dropout information collection and reporting system for documenting the extent and nature of the dropout problem;

(3) include a plan for the development and implementation of a project which will include activities designed to carry out the purpose of this part and which may include activities which—

(A) implement identification, prevention, outreach, or reentry projects for dropouts and potential dropouts,

(B) address the special needs of school-age parents,

(C) disseminate information to students, parents, and the community related to the dropout problem,

(D) include coordinated activities involving at least one high school and its feeder junior or middle schools and elementary schools for those local educational agencies having such feeder systems,

(E) as appropriate, include coordinated services and activities with programs of vocational education, adult basic education, and programs under the Job Training Partnership Act,

(F) involve the use of educational and telecommunications and broadcasting technologies and educational materials for dropout prevention, outreach, and reentry,

(G) provide activities which focus on developing occupational competencies which link job skill preparation and training with genuine job opportunities,

(H) establish annual procedures for (i) evaluating the effectiveness of the project, and (ii) where possible, determining the cost-effectiveness of the particular dropout prevention and reentry methods used and the potential for reproducing such methods in other areas of the country,

(I) coordinate, to the extent practicable, with other student dropout activities in the community, or

(J) use the resources of the community and parents to help develop and implement solutions to the local dropout problem; and

(4) contain such other information as the Secretary considers necessary to determine the nature of the local needs, the quality of the proposed project, and the capability of the applicant to carry out the project.

(c) PRIORITY; SPECIAL CONSIDERATIONS.—(1) The Secretary shall, in approving applications under this section, give priority to—

(A) applications which show the replication of successful programs conducted in other local educational agencies or the expansion of successful programs within a local educational agency; and

(B) applications which reflect very high numbers or very high percentages of school dropouts in the schools of the applicant in each category described in section 8004(a).

(2) The Secretary shall, in approving applications under this section, give special consideration to—

(A) applications which contain provisions which emphasize early intervention designed to identify at-risk students in elementary or early secondary schools; and

(B) applications which contain provisions for significant parental involvement in the design and conduct of the program for which assistance is sought.

(d) REVIEW OF PROJECTS.—In any application from a local educational agency for a grant to continue a project for the second fiscal year following the first fiscal year in which a grant was awarded to such local educational agency, the Secretary shall review the progress being made toward meeting the objectives of the project. The Secretary may refuse to award a grant if the Secretary finds that sufficient progress has not been made toward meeting such objectives, but only after affording the applicant notice and an opportunity for a hearing.

SEC. 8006. AUTHORIZED ACTIVITIES.

(a) GENERAL.—Grants under this part shall be used to carry out plans set forth in applications approved under section 8005. In addition, grants may be used for educational, occupational, and basic skills testing services and activities, including, but not limited to—

(1) the establishment of systemwide or school-level policies, procedures, and plans for dropout prevention and school reentry;

(2) the development and implementation of activities, including extended day or summer programs, designed to address poor achievement, basic skills deficiencies, language deficiencies, or course failures, in order to assist students at risk of dropping out of school and students reentering school;

(3) the establishment or expansion of work-study, apprentice, or internship programs;

(4) the use of resources of the community, including contracting with public or private entities or community-based organizations of demonstrated performance, to provide services to the grant recipient or the target population;

(5) the evaluation and revision of program placement of students at risk;

(6) the evaluation of program effectiveness of dropout programs;

(7) the development and implementation of programs for traditionally underserved groups of students;

(8) the implementation of activities which will improve student motivation and the school learning environment;

(9) the provision of training for school staff on strategies and techniques designed to—

(A) identify children at risk of dropping out,

(B) intervene in the instructional program with support and remedial services,

(C) develop realistic expectations for student performance, and

(D) improve student-staff interactions;

(10) the study of the relationship between drugs and dropouts and between youth gangs and dropouts, and the coordination of dropout prevention and reentry programs with appropriate drug prevention and youth gang prevention community organizations;

(11) the study of the relationship between handicapping conditions and student dropouts;

(12) the study of the relationship between the ratio of dropouts among gifted and talented students compared to the ratio of dropouts among the general student enrollment;

(13) the use of educational telecommunications and broadcasting technologies and educational materials designed to extend, motivate, and reinforce school, community, and home dropout prevention and reentry activities; and

(14) the provision of other educational, occupational and testing services and activities which directly relate to the purpose of this part.

(b) ACTIVITIES FOR EDUCATIONAL PARTNERSHIPS.—Grants under this part may be used by educational partnerships for—

(1) activities which offer jobs and college admissions for successful completion for the program for which assistance is sought;

(2) internship, work study or apprenticeship programs;

(3) summer employment programs;

(4) occupational training programs;

(5) career opportunity and skills counseling;

(6) job placement services;

(7) the development of skill employment competency testing programs;

(8) special school staff training projects; and

(9) any other activity described in subsection (a).

SEC. 8007. DISTRIBUTION OF ASSISTANCE; LIMITATION ON COSTS.

(a) DISTRIBUTION OF ASSISTANCE.—The Secretary shall assure that, to the extent practicable, in approving grant applications under this part—

(1) grants are equitably distributed on a geographic basis within each category set forth in section 8004(a);

(2) not less than 30 percent of the amount available for grants in each fiscal year be used for activities relating to dropout prevention; and

(3) not less than 30 percent of the amount available for grants in each fiscal year be used for activities relating to persuading dropouts to return to school and assisting former dropouts with specialized services once they return to school.

(b) ADMINISTRATIVE COSTS.—Not more than 10 percent of any grant may be used for administrative costs.

SEC. 8008. NATIONAL SCHOOL DROPOUT STUDY.

(a) IN GENERAL.—From amounts appropriated under this title to the Secretary for fiscal year 1989, the Secretary shall use not more than $500,000 to conduct a 1-year study of the nature and extent of the student dropout problem in the United States. The Secretary shall conduct the study required by this section through the Office of Education Research and Improvement.

(b) COMPONENTS OF STUDY.—In conducting the study, the Secretary shall—

(1) examine the standard definition of a school dropout established under this title;

(2) develop a standard list of reasons why children are dropping out of school, including major factors that contribute to children dropping out;

(3) develop a model dropout information collection and reporting system;

(4) develop minimum reporting system requirements;

(5) identify the numbers of children and the general reasons for their dropping out of school among population groups with particularly high dropout rates, including (A) children and youth with handicapping conditions and their reasons for dropping out and (B) gifted and talented students and their reasons for dropping out;

(6) identify the characteristics of children who appear to be at risk of dropping out of school;

(7) identify and evaluate successful programs and educational partnership and include recommendations for replication and implementation in other school districts of local educational agencies;

(8) determine to what extent a causal relationship exists between the inability of children to read adequately and their dropping out of school;

(9) identify the factors or policies which may attract children who have dropped out to reenter school and complete their elementary and secondary education; and

(10) provide recommendations for activities and policies which can be implemented at each level of government and in communities to ameliorate the dropout problem.

(b) Other Requirements.—Recipients of grants under this title shall cooperate with the Secretary in carrying out the study under subsection (a) by providing data and information on the nature and extent of the student dropout problem and the effectiveness of techniques used to address the problem.

PART B—ASSISTANCE TO PROVIDE BASIC SKILLS IMPROVEMENT

SEC. 8101. SHORT TITLE.

This part may be cited as the "Basic Skills Demonstration Assistance Act of 1987".

SEC. 8102. PURPOSE.

It is the purpose of this part to provide assistance to local educational agencies with high concentrations of low-income children to improve the achievement of educationally disadvantaged children enrolled in the secondary schools of such agencies.

SEC. 8103. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this part $200,000,000 for the fiscal year 1988 and $200,000,000 for the fiscal year 1989.

SEC. 8104. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

(a) General Authority.—From the amount appropriated under section 8103 for any fiscal year the Secretary shall make grants to local educational agencies in accordance with the provisions of this part.

(b) Community-Based Organizations Rule.—Each local educational agency may carry out the activities described in section 8105 in cooperation with community-based organizations.

(c) Eligible Students.—Secondary school students who meet the requirements of part A of chapter 1 of title I of this Act shall be eligible to participate in programs and activities assisted under this part.

SEC. 8105. AUTHORIZED ACTIVITIES.

(a) In General.—Funds made available under this part shall be used—

(1) to initiate or expand programs to meet the special educational needs of secondary school students and to help such students attain grade level proficiency in basic skills;

(2) to develop remedial programs specifically tailored to the needs of secondary school students;

(3) to develop and implement remedial activities to address the problems of poor achievement and course failure among eligible children;

(4) to develop innovative approaches for surmounting barriers that make secondary school programs under this part difficult for certain students to attend and to administer, such as scheduling problems, courses leading to a general education diploma, and graduation requirements;

(5) to develop and implement innovative programs involving community-based organizations and/or the private sector to provide motivational activities, preemployment training, or transition-to-work activities;

(6) provide programs for eligible students outside the school, with the goal of reaching dropouts who will not reenter the traditional school, for the purpose of providing remedial education, basic skills education, or courses for general educational development;

(7) to use the resources of the community to assist in providing services to the target population;

(8) to provide training for staff who will work with the target population on strategies and techniques for identifying, instructing, and assisting such students;

(9) to provide guidance and counseling, support services, exploration of postsecondary educational opportunities, youth employment activities, and other pupil services which are necessary to assist eligible students; and

(10) to recruit, train, and supervise secondary school students (including the provision of stipends to low-income students) to serve as tutors of other students eligible for services under this part and under part A, in order to assist such eligible students with homework assignments, provide instructional activities, and foster good study habits and improved achievement.

(b) Limitation.—Not more than 25 percent of amounts available may be used by a local educational agency for noninstructional services.

SEC. 8106. APPLICATION.

(a) In General.—(1) A grant under this part may be made only to a local educational agency which submits an application to the Secretary containing or accompanied by such information as the Secretary may reasonably require.

(2) The Secretary shall encourage applicants to make applications for a 2-year period.

(b) Contents of Application.—Each such application shall include—

(1) a description of the program goals and the manner in which funds will be used to initiate or expand services to secondary school students;

(2) a description of the activities and services which will be provided by the program (including documentation to demonstrate that the local educational agency has the qualified personnel required to develop, administer, and implement the program under this part);

(3) a list of the secondary schools within the local educational agency in which programs will be conducted and a description of the needs of the schools, in terms of achievement levels of students, and poverty rates;

(4) an assurance that programs will be operated in secondary schools with the greatest need for assistance, in terms of achievement levels, and poverty rates;

(5) an assurance that parents of eligible students will be involved in the development and implementation of programs under this part;

(6) a statement of the methods which will be used—

(A) to ensure that the programs will serve eligible students most in need of the activities and services provided by this part; and

(B) an assurance that services will be provided under this part to special populations, such as individuals with limited English proficiency and individuals with handicaps;

(7) an assurance that the program will be of sufficient size, scope, and quality to offer reasonable promise of success;

(8) a description of the manner in which the agency will provide for equitable participation of private school students as provided under section 1017;

(9) a description of the methods by which the applicant will coordinate programs under this part with programs for the eligible student population operated by community-based organizations, social service organizations and agencies, private sector entities, and other agencies, organizations, and institutions, and with programs conducted under the Carl D. Perkins Vocational Education Act, the Job Training Partnership Act, and other relevant Acts; and

(10) such other information as the State educational agency may require to determine the nature and quality of the proposed project and the applicant's ability to carry out the project.

(c) Approval of Applications.—The Secretary shall, in approving applications under this section, give special consideration to programs that—

(1) demonstrate the greatest need for services assisted under this part based on their numbers of low-income children and numbers of low-achieving children;

(2) are representative of urban and rural regions in the United States; and

(3) offer innovative approaches to the achievement among eligible secondary school children and offer approaches which show promise for replication and dissemination.

(d) Administrative Costs.—Not more than 10 percent of any grant under this part may be used for administrative costs.

PART C—GENERAL PROVISIONS

SEC. 8201. GENERAL PROVISIONS.

(a) Definition of School Dropout.—The Secretary shall by regulation, not later than 60 days after the date of enactment of this Act, establish a standard definition of a school dropout.

(b) Timely Award of Grants.—To the extent possible, for any fiscal year the Secretary shall award grants to local educational agencies and educational partnerships under this title not later than July 1 preceding such fiscal year.

(c) Grants Must Supplement Other Funds.—A local educational agency receiving funds under this title shall use the Federal funds only to supplement the funds that would, in the absence of such Federal funds, be made available from non-Federal sources for activities described in part A or part B of this title, as the case may be.

(d) Coordination and Dissemination.—The Secretary shall require local educational agencies receiving grants under this title to cooperate with the coordination and dissemination efforts of the National Diffusion Network and State educational agencies.

(e) Audit.—The Comptroller General shall have access for the purpose of audit and examination to any books, documents, papers, and records of any local educational agency or educational partnership receiving assistance under this title that are pertinent to

the sums received and disbursed under this part.

(f) WITHHOLDING PAYMENTS.—Whenever the Secretary, after reasonable notice and opportunity for a hearing to any local educational agency or educational partnership, finds that the local educational agency has failed to comply substantially with the provisions set forth in its application approved under section 8005 or section 8106, the Secretary shall withhold payments under this part in accordance with section 453 of the General Education Provisions Act until the Secretary is satisfied that there is no longer any failure to comply.

SEC. 8202. DEFINITIONS.

As used in this title, the term "community-based organization" means a private nonprofit organization which is representative of a community or significant segments of a community and which provides educational or related services to individuals in the community.

TITLE IX—EDUCATIONAL ASSESSMENT AND ACHIEVEMENT

PART A—NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS

SEC. 9001. SHORT TITLE.

This part may be cited as the "National Assessment of Educational Progress Improvement Act".

SEC. 9002. STATEMENT OF PURPOSE.

The purpose of this part is to improve the effectiveness of our Nation's schools by making objective information about student performance in an expanded variety of learning areas available to policymakers at the national, regional, State, and local levels. To enhance its utility, such information shall be both representative and comparable and shall be maintained in a manner that ensures the privacy of individual students and their families. It is not the purpose of this Act to authorize the collection or reporting of information on student attitudes or beliefs or on other matters that are not germane to the acquisition and analysis of information about academic achievement.

SEC. 9003. NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS.

(a) GENERAL AUTHORITY.—Section 406 of the General Education Provisions Act (hereafter in this part referred to as "the Act") is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following:

"(h)(1) With the advice of the National Assessment Governing Board established by paragraph (5)(a)(i), the Secretary shall carry out, by grant, contract, or cooperative agreement with qualified organizations, or consortia thereof, a National Assessment of Educational Progress. The purpose of the National Assessment is the assessment of the performance of children and young adults in the basic skills of reading, mathematics, science, writing, history, geography, and civics.

"(2)(A) The National Assessment shall provide a fair and accurate presentation of educational achievement in skills, abilities, and knowledge in reading, writing, mathematics, science, history, geography, and civics, and shall use sampling techniques that produce data that are representative on a national, regional and State basis. In addition, the National Assessment shall—

"(i) collect and report data on a periodic basis, at least once every two years for reading and mathematics; at least once every four years for writing and science; and at least once every six years for history, geography, and civics;

"(ii) collect and report data every two years on students at ages nine, thirteen, and seventeen and in grades four, eight, and twelve;

"(iii) report achievement data on a basis that facilitates trend reporting and valid State-by-State comparisons;

"(iv) include special assessments of achievement in other educational areas as the need arises; and

"(v) include information on special groups.

"(B) In carrying out the provisions of subparagraph (A), the Secretary and the Board appointed under paragraph (5) shall assure that at least one of the subject matters in each of the four and six year cycles described in subparagraph (A)(i) will be included in each two year cycle Assessment.

"(C)(i) Within two years after the date of the enactment of this Act, the National Assessment shall include an assessment of literacy of a nationally representative sample of adults based upon a uniform standard of literacy achievement.

"(ii) The Secretary and the Board established under paragraph (5) in consultation with publishers of instructional material and others with expertise in the field of literacy shall assure that a uniform standard of literacy achievement is developed.

"(3)(A) The National Assessment shall not collect any data that are not directly related to the appraisal of educational performance, achievements, and traditional demographic reporting variables, or to the fair and accurate presentation of such information.

"(B) The National Assessment shall provide technical assistance to States, localities, and other parties that desire to expand the assessment to yield additional information described in paragraph (2)(A).

"(4)(A) Except as provided in subparagraph (B), the public shall have access to all data, questions, and test instruments of the National Assessment.

"(B)(i) The Secretary shall ensure that all personally identifiable information about students, their educational performance, and their families and that information with respect to individual schools remain confidential, in accordance with section 552a of title 5, United States Code.

"(ii) Notwithstanding any other provision of the law, the Secretary may decline to make available to the public cognitive questions that the Secretary intends to reuse in the future.

"(5)(A)(i) There is established the National Assessment Governing Board (hereafter in this section referred to as the 'Board').

"(ii) The Board shall design and supervise the conduct of the National Assessment.

"(B) The Board shall be appointed by the Secretary in accordance with this subparagraph and subparagraphs (C), (D), and (E). The Board shall be composed of—

"(i) two Governors or former Governors, who shall not be members of the same political party;

"(ii) two State legislators, who shall not be members of the same political party;

"(iii) two chief State school officers;

"(iv) one superintendent of a local educational agency;

"(v) one member of a State board of education;

"(vi) one member of a local board of education;

"(vii) two classroom teachers;

"(viii) one representative of business or industry;

"(ix) one curriculum planner or supervisor or testing and measurement expert;

"(x) one nonpublic school administrator or policymaker;

"(xi) two school principals;

"(xii) one education researcher; and

"(xiii) three additional members, who are representative of the general public, including parents.

The Assistant Secretary for Educational Research and Improvement shall serve as an ex officio member of the Board as a nonvoting member.

"(C)(i) The Secretary and the Board shall ensure at all times that the membership of the Board is balanced fairly in terms of geographical distribution and the points of view represented and that it exercises its independent judgment, free from inappropriate influences and special interests.

"(ii) In the exercise of its functions, powers, and duties, the Board shall be independent of the Secretary and the other offices and officers of the Department of Education.

"(D)(i) The members of the Assessment Policy Committee, serving on the date of enactment of the National Assessment of Educational Progress Improvement Act, shall become members of the Board for the remainder of the terms of the appointment to the Assessment Policy Committee.

"(ii) To complete the initial membership of the Board, the Secretary shall appoint members of the Board as necessary in the categories described in subparagraph (B) for which there are no members serving on the Assessment Policy Committee on the date of enactment of the National Assessment of Educational Progress Improvement Act. The Secretary shall appoint such members from among nominees furnished by the Governors, chief State school officers, education associations and organizations, the National Academy of Sciences, the National Academy of Education, parent organizations, learned societies, and other interested parties.

"(iii) As vacancies occur, new members of the Board shall be appointed by the Secretary from among individuals who are nominated by the Board. For each vacancy the Board shall nominate at least 3 individuals who, by reason of experience or training, are qualified in that particular Board vacancy.

"(E) Members of the Board appointed in accordance with this paragraph shall serve for terms not to exceed 4 years which shall be staggered, as determined by the Secretary, subject to the provisions of subparagraph (D)(i). Any appointed member of the Board who changes status under subparagraph (B) during the term of the appointment of the member may continue to serve as a member until the expiration of that term.

"(6)(A) In carrying out its functions under this subsection, the Board shall—

"(i) select subject areas to be assessed (consistent with paragraph (2)(A));

"(ii) identify feasible achievement goals for each age and grade in each subject area to be tested under the National Assessment;

"(iii) develop assessment objectives;

"(iv) develop test specifications;

"(v) design the methodology of the assessment;

"(vi) develop guidelines and standards for analysis plans and for reporting and disseminating results;

"(vii) develop standards and procedures for interstate, regional and national comparisons; and

"(viii) take appropriate actions needed to improve the form and use of the National Assessment.

"(B) The Board shall have final authority on the appropriateness of cognitive items.

"(C) The Board shall take steps to ensure that all items selected for use in the National Assessment are free from racial, cultural, gender, or regional bias.

"(D) The Secretary shall report to the Board at regular intervals of the Department's action to implement the decisions of the Board.

"(E) Any activity of the Board or of the organization described in paragraph (1), shall be subject to the provisions of this subsection.

"(7)(A) Not to exceed 10 per centum of the funds available for this subsection may be used for administrative expenses and for expenses to carry out the functions of the Board described in paragraph (6)(A).

"(B) The Board shall be considered an advisory committee for the purpose of the open meeting provisions of the Federal Advisory Committee Act.

"(8)(A) Participation in the National and Regional Assessments by State and local educational agencies shall be voluntary.

"(B) Participation in assessments made on a State basis shall be voluntary. The Secretary shall enter into an agreement with any State which desires to carry out an assessment for the State under this subsection. Each such agreement shall contain provisions designed to assure—

"(i) that the State will participate in the assessment; and

"(ii) that the State will pay from non-Federal sources or from funds paid to the State under chapter 2 of title I of this Act the non-Federal share of participation.

"(C)(i) For each fiscal year, the Federal share for the purpose of clause (ii) of subparagraph (B) shall be the cost of conducting the assessment in the State minus the cost of administering the assessment at the school level for all schools in the State sample.

"(ii) The non-Federal share of payments under this paragraph may be in cash or in kind.

"(9)(A) The Secretary shall provide for a periodic review of the National Assessment. The review shall provide an opportunity for public comment on the conduct and usefulness of the National Assessment and shall result in a report to the Congress, the President, and the Nation on the findings and recommendations, if any, of the review. The Secretary shall consider the findings and recommendations in designing the competition to select the organization through which the Office carries out the National Assessment.

"(B) The Secretary shall, not later than 6 months after the date of enactment of the National Assessment of Educational Progress Improvement Act, publish a report setting forth plans for the collection of State representative data for the 1990 assessment and plans for expanding the subjects tested to include reading, writing, science, history, geography and civics, in the 1992 and later assessments. The report shall include methods by which the results of the National Assessment of Educational Progress may be reported so that the results are more readily available and more easily understood by educators, policymakers, and the general public, and methods by which items will be reviewed to identify and exclude items which reflect racial, cultural, gender, or regional bias. The report shall be developed after consultation with educators, State education officials, members of the Board appointed under paragraph (5), and the general public.

"(C) The report required by this paragraph shall be submitted to the Congress and made available to the public. The appropriate authorizing committees of the Congress may request the Secretary to modify the plan contained in the report. The Secretary shall take such actions as may be appropriate to carry out the recommendations contained in the report.".

(b) Authorization of Appropriations.—(1) Section 405 of the Act is amended by striking out subsection (e) and by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(2) Section 405(e)(1) of the Act (as redesignated by paragraph (1)) is amended by striking out "for each of the four succeeding fiscal years" and inserting in lieu thereof "for each of the fiscal years ending prior to October 1, 1993".

(c) Reservation of Funds for Assessments.—(1) Section 405(f)(1)(D) of the Act (as redesignated by paragraph (1)) is amended by striking out "$4,000,000 shall be available in each fiscal year to carry out subsection (e) of this section" and inserting in lieu thereof the following: "$12,500,000 for the fiscal year 1989, $18,540,000 for the fiscal year 1990, $17,900,000 for the fiscal year 1991, $19,600,000 for the fiscal year 1992, and for the succeeding fiscal year, shall be available to carry out section 406(h) of this Act".

(2) Section 405(f)(1)(E) of the Act (as redesignated by paragraph (1)) is amended by inserting a comma and "except for subsection (h) of that section," immediately after "Act".

PART B—FUND FOR THE IMPROVEMENT AND REFORM OF SCHOOLS AND TEACHING

SEC. 9301. SHORT TITLE.

This part may be cited as the "Fund for the Improvement and Reform of Schools and Teaching Act".

SEC. 9302. FUND FOR THE IMPROVEMENT AND REFORM OF SCHOOLS AND TEACHING.

(a) Establishment of Fund.—There is established a Fund for the Improvement and Reform of Schools and Teaching.

(b) General Authority.—The Secretary is authorized to make grants to, and enter into contracts with, State educational agencies, local educational agencies, institutions of higher education, nonprofit organizations, individual schools, consortia of such schools, and consortia of such schools and institutions, to improve educational opportunities for and the performance of elementary and secondary school students and teachers by—

(1) helping educationally disadvantaged or at risk children meet higher educational standards;

(2) providing incentives for improved performance;

(3) strengthening school leadership and teaching;

(4) promoting closer ties among school teachers, administrators, families and the local community;

(5) providing opportunities for teacher enrichment and other means to improve the professional status of teachers;

(6) encouraging projects that reallocate existing resources (both human and financial) to serve children better by refocusing priorities;

(7) allowing local schools to establish closer ties with an institution of higher education to increase educational achievement;

(8) increasing the number and quality of minority teachers;

(9) providing entry-year assistance to new teachers and administrators; and

(10) improving the teacher certification process, especially for schools, school districts, or States facing serious shortages.

(c) Priority Rule.—The Secretary shall give priority to proposed projects that—

(1) will benefit students or schools with below average academic performance; and

(2) develop or implement systems for providing incentives to schools, administrators, teachers, students, or others to make measurable progress toward specific goals of improved educational performance.

(d) Administrative Rule.—The Secretary shall carry out the provisions of this part through the Board established under section 9305.

SEC. 9303. APPLICATIONS.

(a) Contents of Applications.—(1)(A) Each applicant shall, if relevant, contain a description of the incentive system described in section 9302(c)(2), including specific goals and timetables for progress toward such goals.

(B) For the purpose of this section, incentives may include financial rewards, regulatory waivers, open enrollment among schools, grants to schools for innovative projects, or other rewards for meeting specific goals.

(C) For the purpose of this section, the goals described in subparagraph (A) may include increased graduation rate, reduced dropout rate, increased attendance rates, increased student achievement, reduced rate of incidents of juvenile delinquency or vandalism, or other goals of educational improvement.

(2)(A) Each teacher and administrator desiring to receive a grant at the school level shall submit an application for school level projects involving an individual school or a consortium of schools. Each application shall contain assurances that the project will be carried out under the responsibility of a full-time teacher or school administrator.

(B) Each such application shall be reviewed by the appropriate local educational agency which may offer comments to the Secretary. The local educational agency shall act as the fiscal agent in administering the school's grant to the school, but funds must be expended at the school level.

(b) State Educational Agency Review.—Each application for a grant under this section (other than an application from a State educational agency) shall be forwarded to the appropriate State educational agency for review and comment, if the State educational agency requests the opportunity for review. The State educational agency must complete its review of the application and comment to the Secretary within 30 calendar days of receipt.

(c) Special Evaluation Rule.—In evaluating an application for a grant or contract under this section, the Secretary shall consider the extent to which the proposed project is likely to improve teaching and learning at the school level.

SEC. 9304. SPECIAL GRANT RULES.

(a) Grant Conditions.—(1) Federal funds paid under this part shall supplement, not supplant, other resources available to the grantee.

(2) Financial assistance made under this part is not intended to be used for the acquisition of capital equipment as a primary purpose.

(b) Distribution of Funds.—(1) At least 25 percent of the funds appropriated for the Fund in any fiscal year shall be used for *grants to applicants described in section 9303(a)(2).*

(2) Financial assistance paid under this part to a single grantee may not be less than $5,000 nor more than $125,000 in any fiscal year.

SEC. 9305. ADMINISTRATIVE PROVISIONS.

(a) Fund for the Improvement and Reform of Schools and Teaching Board Established.—(1) There is established the Fund Board.

(2)(A) The Board shall—

(i) advise the Secretary concerning developments in education that merit the attention of the Secretary;

(ii) identify promising initiatives to be supported under this part; and

(iii) advise the Secretary concerning priorities for the Fund.

(B) The Secretary shall provide such information and assistance as may be necessary to enable the Board to carry out its functions under this part.

(3)(A) The Board shall be composed of 15 members and the Secretary. Appointed members of the Board shall be appointed from among individuals who have extensive backgrounds in the field of education and shall represent a broad range of viewpoints and experience.

(B)(i) The term of office of each member of the Board shall be 3 years, except that, subject to the provisions of paragraphs (4) and (5), the members first taking office shall serve as designated by the Secretary, one-third of the members for terms of 1 year, one-third of the members for terms of 2 years, and one-third of the members for terms of 3 years;

(ii) Any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed. No Board member may serve more than 2 consecutive terms.

(4) The initial membership of the Board shall be appointed by the Secretary.

(5) As vacancies occur, new members of the Board shall be appointed by the Secretary from among individuals who are nominated by the Board. The Board shall nominate at least 3 individuals for each vacancy.

(6) The Board shall elect a chairman and vice-chairman from among its membership.

(7) The Board shall meet at least 3 times each year. A meeting shall also be held whenever one-third of the Board members request in writing that a meeting be held. A majority of the Board shall constitute a quorum.

(b) Director of the Fund.—(1) The Secretary shall appoint a Director of the Fund to serve a 4-year term. No individual may serve as Director for more than 8 years.

(2) The Director shall advise the Board about developments in education that merit the attention of the Board, identify promising initiatives, coordinate the work of the Fund with the work of the Fund for the Improvement of Postsecondary Education, and provide such information and assistance as may be necessary to enable the Board to carry out its functions. The Director may offer comments to the Board on any application to the Fund.

(3) The Director shall—

(A) consult with the Board on priorities for the improvement of education,

(B) design grant competitions,

(C) solicit proposals,

(D) administer grant competitions,

(E) review and prioritize proposals,

(F) monitor funded projects, and

(G) disseminate the results of successful projects.

(c) Priorities Rule.—In January of every calendar year, the Board shall advise the Secretary of the priorities of the Board for the improvement of education and the implications of the priorities for the Fund. The Secretary shall give careful consideration to the priorities set forth by the Board. By December 31 of each calendar year, the Secretary shall provide the Board and the Congress with a report, for the calendar year, describing the recommendations of the Board, the priorities the Secretary has pursued, and a brief summary of the projects the Secretary has funded.

(d) Review and Evaluation Procedures.—The Director shall establish procedures for reviewing and evaluating grants and contracts made or entered into under this part. The procedures established under this subsection for reviewing grant applications or contracts for financial assistance under this Act may not be subject to any review outside of officials responsible for the administration of the Fund.

(e) Proposal Review.—In reviewing proposals, the Secretary shall consider the need for the proposed project and its plan of operation, educational value, budget and cost effectiveness, plan for evaluation, proposed impact, expected outcomes, potential transferability to other settings, and other factors as appropriate with respect to the goals and priorities of the Fund. The Secretary shall also consider, to the extent practicable, the geographic distribution of the projects selected for funding. The Secretary shall take appropriate steps to ensure that new applicants are encouraged to participate in any grant competition sponsored by the Fund for the Improvement and Reform of Schools and Teaching.

(f) Personnel.—The Secretary may appoint for terms not to exceed 3 years, without regard to the provisions of title 5, of the United States Code governing appointments in the competitive service, not more than 5 technical employees to administer this part who may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

SEC. 9306. DISSEMINATION AND REPORTING.

(a) Exemplary Projects.—The Secretary shall take appropriate steps to ensure that exemplary projects that are developed with assistance furnished under this part are made available to institutions of higher education and State and local educational agencies.

(b) Report.—The Secretary shall submit a final report to Congress not later than June 1, 1990. The report shall describe the programs assisted by this part, document the success of such programs in improving education, and make such recommendations as the Secretary deems appropriate.

(c) Report for Continued Funding Rule.—As a condition to continue to receive funding after the first year of a multi-year project, the project administrator shall submit an annual report to describe the activities conducted during the preceding year and the progress that has been made toward reaching the goals described in its application, if applicable.

SEC. 9307. COORDINATION WITH THE FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

In order to facilitate coordination between the Fund and the Fund for the Improvement of Postsecondary Education, the Director of the Fund shall meet regularly with the Director of the Fund for the Improvement of Postsecondary Education. The Board of the Fund shall meet at least once each year with the Board of the Fund for the Improvement of Postsecondary Education to discuss priorities and projects to be funded.

SEC. 9308. AUTHORIZATION OF APPROPRIATIONS.

(a) Authorizations.—There are authorized to be appropriated $18,000,000 for fiscal year 1989, $18,900,000 for fiscal year 1990, $19,900,000 for fiscal year 1991, $21,000,000 for fiscal year 1992, and $22,000,000 for fiscal year 1993 to carry out this Act.

(b) Reservation.—The Secretary shall, from funds appropriated under subsection (a) in each fiscal year, reserve $250,000 for activities authorized by section 9306.

SEC. 9309. DEFINITIONS.

(a) For the purpose of this part—

(1) the term "at risk" means students who, because of learning deficiencies, lack of school readiness, limited English proficiency, poverty, educational or economic disadvantage, or physical or emotional handicapping conditions face greater risk of low educational achievement and have greater potential of becoming school dropouts;

(2) the term "Board" means the Fund Board established under section 9305;

(3) the term "Fund" means the Fund for the Improvement and Reform of Schools and Teaching established under section 9302; and

(4) the term "Secretary" means the Secretary of Education.

PART C—OPTIONAL TESTS FOR ACADEMIC EXCELLENCE

SEC. 9501. OPTIONAL TESTS FOR ACADEMIC EXCELLENCE.

(a) Test of Academic Excellence Authorized.—The Secretary is authorized, after consultation with appropriate State and local educational agencies and public and private organizations, to approve comprehensive tests of academic excellence or to develop such a test where commercially unavailable, to be administered to identify outstanding students who are in the eleventh grade of public and private secondary schools.

(b) Preparation and Conduct of Tests.—(1) The Secretary is authorized to establish a program through arrangements with appropriate State educational agencies, local educational agencies, public and private secondary schools, and public and private organizations throughout the Nation, under which the tests of academic excellence prepared or approved under this part may be given by such agencies or schools, on a voluntary basis, to students described in this section. The tests of academic excellence shall be tests of acquired skills and knowledge appropriate for the completion of a secondary school education. Such students may file applications for the test at such time and in such manner as the Secretary may prescribe. Upon application by any appropriate agency or school by such time and in such manner as the Secretary may determine, the Secretary shall pay to such agency or school the cost of the administrative expenses it has incurred pursuant to an arrangement made under this section.

(2) The Secretary shall assure that the tests authorized by this part are conducted in a secure manner, and that test items remain confidential so that such items may be used in future tests.

(c) Certificate.—(1) The Secretary is authorized and directed to prepare a certificate, of such appropriate design as the Secretary shall prescribe, and in such numbers as are necessary, for issuance to students who have scored at a sufficiently high level, as determined by the Secretary, on a test of academic excellence prepared or approved

under this subpart and given in accordance with arrangements made under this section. Each such student shall be awarded a certificate within 60 days following the date on which the student was given the test.

(2) Each certificate awarded pursuant to this section shall be signed by the Secretary.

(d) REPORT.—The Secretary shall prepare and submit to the Congress a report on the estimated costs of administering, scoring, and analyzing the tests of academic excellence prepared or approved under this subpart.

SEC. 9502. AVAILABILITY OF FUNDS.

The Secretary shall reserve not less than $2,000,000 in each fiscal year from amounts reserved pursuant to section 405(f)(1)(D) of the General Education Provisions Act to carry out the provisions of this part.

TITLE X—EDUCATION FOR NATIVE HAWAIIANS

SEC. 10001. FINDINGS.

The Congress finds and declares that—

(1) the Federal Government retains the legal responsibility to enforce the administration of the State of Hawaii's public trust responsibility for the betterment of the conditions of Native Hawaiians;

(2) in furtherance of the responsibility for the betterment of the conditions of Native Hawaiians, Congress has the power to specially legislate for the benefit of Native Hawaiians;

(3) the attainment of educational success is critical to the betterment of the conditions of Native Hawaiians;

(4) it is the policy of the Federal Government to encourage the maximum participation of Native Hawaiians in the planning and management of Native Hawaiian Education Programs;

(5) Native Hawaiian students score below national norms on standardized education achievement tests;

(6) both public and private schools show a pattern of low percentages of Native Hawaiian students in the uppermost achievement levels and in gifted and talented programs;

(7) Native Hawaiian students are overrepresented among those qualifying for special education programs provided to handicapped students; and

(8) Native Hawaiians are disproportionately represented in many negative social and physical statistics, indicative of special educational needs—

(A) lower educational attainment among Native Hawaiians has been found to relate to lower socioeconomic outcomes;

(B) Native Hawaiian students are disproportionately under-represented in Institutions of Higher Education;

(C) Native Hawaiians are under-represented in both traditional white collar professions, health care professions, and the newly emerging technology based professions and are over-represented in service occupations;

(D) Native Hawaiians are beset with multiple health problems;

(E) Native Hawaiian children are disproportionately victimized by child abuse and neglect, a signal of family stress; and

(F) there are and will continue to be geographically rural, isolated areas with a high Native Hawaiian population density.

(9) special efforts in education recognizing the unique cultural and historical circumstances of Native Hawaiians are required.

SEC. 10002. PURPOSE.

It is the purpose of this Act to—

(1) authorize and develop supplemental educational programs to benefit Native Hawaiians,

(2) provide direction and guidance to appropriate Federal, State, and local agencies to focus resources, including those made available by this Act on the problem of Native Hawaiian education, and

(3) supplement and expand existing programs and authorities in the area of education to further the purposes of this Act.

SEC. 10003. NATIVE HAWAIIAN MODEL CURRICULUM IMPLEMENTATION PROJECT.

(a) CURRICULUM DEVELOPMENT AUTHORITY.—In order to implement the Kamehameha Elementary Education Program (KEEP) model curriculum developed by the Kamehameha Elementary Demonstration School in appropriate public schools, the Secretary shall make direct grants to—

(1) the State of Hawaii (University of Hawaii) for comprehensive teacher training;

(2) the State of Hawaii (Department of Education) for educational support services;

(3) the Kamehameha Schools/Bernice Pauahi Bishop Estate for continued research and development; and

(4) the Kamehameha Schools/Bernice Pauahi Bishop Estate and the State of Hawaii for the establishment of long-term followup and assessment activities.

(b) SPECIAL RULE.—By no later than school year 1992–1993, the Secretary shall assure that the State of Hawaii (Department of Education) has implemented the KEEP model curriculum in a minimum of twenty public schools.

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $3,000,000 for fiscal year 1988, and such sums as may be necessary for fiscal years 1989 through 1993. Of the amounts appropriated, no more than 10 per centum may be used for administrative purposes. Such sums shall remain available until expended.

SEC. 10004. NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.

(a) FAMILY-BASED EDUCATION CENTERS GENERAL AUTHORITY.—The Secretary shall make direct grants to Native Hawaiian Organizations (including Native Hawaiian Educational Organizations) to develop and operate a minimum of eleven Family-Based Education Centers throughout the Hawaiian Islands. Such centers shall include—

(1) parent-Infant programs (prenatal through age 3);

(2) preschool programs for four and five year-olds;

(3) continued research and development; and

(4) a long term followup and assessment program.

(b) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized for such centers, there is authorized to be appropriated $2,400,000 for fiscal year 1988, and such sums as may be necessary for fiscal years 1989 through 1993. Of the amounts appropriated, no more than 10 per centum may be used for administrative purposes. Such sums shall remain available until expended.

SEC. 10005. NATIVE HAWAIIAN HIGHER EDUCATION DEMONSTRATION PROGRAM.

(a) HIGHER EDUCATION GENERAL AUTHORITY.—The Secretary shall make grants to the Kamehameha Schools/Bernice Pauahi Bishop Estate for a demonstration program to provide Higher Education fellowship assistance to Native Hawaiian students. The demonstration program under this section may include—

(1) full or partial fellowship support for Native Hawaiian students enrolled at an accredited two or four year degree granting institution of higher education with awards to be based on academic potential and financial need;

(2) counseling and support services for such students receiving fellowship assistance pursuant to subsection (a)(1) of this section;

(3) college preparation and guidance counseling at the secondary school level for students who may be eligible for fellowship assistance pursuant to subsection (a)(1) of this section;

(4) appropriate research and evaluation of the activities authorized by this section; and

(5) implementation of faculty development programs for the improvement and matriculation of Native Hawaiian students.

(b) GRANTS AUTHORIZED.—The Secretary shall make grants to the Kamehameha Schools/Bernice Pauahi Bishop Estate for a demonstration project of fellowship assistance for Native Hawaiian students in post-bachelor degree programs. Such project may include—

(1) full or partial fellowship support for Native Hawaiian students enrolled at an accredited post-bachelor degree granting institution of higher education, with priority given to professions in which Native Hawaiians are under-represented and with awards to be based on academic potential and financial need;

(2) counseling and support services for such students receiving fellowship assistance pursuant to subsection (b)(1) of this section; and

(3) appropriate research and evaluation of the activities authorized by this section.

(c) SPECIAL CONDITION REQUIRED.—For the purpose of subsection (b) fellowship conditions shall be established whereby recipients obtain an enforceable contract obligation to provide their professional services, either during their fellowship or upon completion of post-bachelor degree program, to the Native Hawaiian community within the State of Hawaii.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $1,250,000 for fiscal year 1988 and for each succeeding fiscal year through 1993 for the purpose of funding the fellowship assistance demonstration project under subsection (a). There is authorized to be appropriated $750,000 for fiscal year 1988 and for each succeeding fiscal year through 1993 for the purpose of funding the fellowship assistance demonstration project provided under subsection (b). Of the amounts appropriated no more than 10 per centum of the funds may be used for administrative purposes. Such sums shall remain available until expended.

SEC. 10006. NATIVE HAWAIIAN GIFTED AND TALENTED DEMONSTRATION PROGRAM.

(a) GIFTED AND TALENTED DEMONSTRATION AUTHORITY.—The Secretary shall establish a Native Hawaiian Gifted and Talented Center at the University of Hawaii at Hilo and shall make grants to, and enter into contracts with, the University of Hawaii at Hilo or the Kamehameha Schools/Bernice Pauahi Bishop Estate for demonstration projects designed to address the special needs of Native Hawaiian elementary and secondary school students who are gifted and talented students and their families. The grantees shall be authorized to subcontract when appropriate, including with the Children's Television Workshop.

(b) USES OF FUNDS.—Demonstration projects funded under this section may include—

(1) the identification of the special needs of gifted and talented students, particularly at the elementary school level, with attention to the emotional and psychosocial needs of these individuals and their families;

(2) the conduct of educational, psychosocial, and developmental activities which hold reasonable promise of resulting in substantial progress toward meeting the educational needs of such gifted and talented children, including, but not limited to, demonstrating and exploring the use of the Native Hawaiian language and exposure to Native Hawaiian cultural traditions;

(3) the use of public television in meeting the special educational needs of such gifted and talented children;

(4) leadership programs designed to replicate programs for such children throughout the State of Hawaii and to other Native American peoples, including the dissemination of information derived from the demonstration projects conducted under this section; and

(5) appropriate research, evaluation, and related activities pertaining to the needs of such children and their families.

(c) INFORMATION PROVISION.—The Secretary shall facilitate the establishment of a national network of Native Hawaiian and American Indian Gifted and Talented Centers, and ensure that the information developed by these centers shall be readily available to the educational community at large.

(d) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized for projects described in this section, there are authorized to be appropriated $1,000,000 for fiscal year 1988 and for each succeeding fiscal year through fiscal year 1993. Such sums shall remain available until expended.

SEC. 10007. NATIVE HAWAIIAN SPECIAL EDUCATION PROGRAM.

(a) SPECIAL EDUCATION AUTHORITY.—The Secretary shall make grants to and enter into contracts with the State of Hawaii, and/or Native Hawaiian Organizations, to operate projects to address the special education needs of Native Hawaiian students. Such projects assisted under this section may include—

(1) the identification of Native Hawaiian children who are handicapped and in need of special education and related services;

(2) the conduct of educational activities consistent with part B of the Education of the Handicapped Act which hold reasonable promise of improving the provision of special education and related services to Native Hawaiian children who are identified as being handicapped; and

(3) appropriate research, evaluation and related activities pertaining to the needs of such children.

(b) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized for such project, there is authorized to be appropriated $1,500,000 for fiscal year 1988 and for each succeeding fiscal year through 1993. Of the funds appropriated, no more than 10 per centum shall be used for administrative purposes. Such sums shall remain available until expended.

SEC. 10008. ADMINISTRATIVE PROVISIONS.

(a) APPLICATION REQUIRED.—No grant may be made, nor any contract be entered into under this Act, unless an application is submitted to the Secretary in such form, in such manner, and containing such information as the Secretary may determine necessary to carry out the provisions of this Act.

(b) SPECIAL RULE.—Each application shall be accompanied by the comments of each local educational agency serving students who will participate in the project for which assistance is sought.

SEC. 10009. DEFINITIONS.

For purposes of this Act—

(1) the term "Native Hawaiian" means any individual who is—

(A) a citizen of the United States,

(B) a resident of the State of Hawaii, and

(C) a descendant of the aboriginal people, who prior to 1778, occupied and exercised sovereignty in the area that now comprises the State of Hawaii, as evidenced by—

(i) genealogical records,

(ii) Kupuna (elders) or Kama'aina (long-term community residents) verification, or

(iii) birth records of the State of Hawaii;

(2) the term "Secretary" means the Secretary of Education;

(3) the term "Native Hawaiian Educational Organization" means a private nonprofit organization that—

(A) serves the interests of Native Hawaiians,

(B) has a demonstrated expertise in the education of Native Hawaiian youth, and

(C) has demonstrated expertise in research and program development;

(4) the term "Native Hawaiian Organization" means a private nonprofit organization that—

(A) serves the interests of Native Hawaiians, and

(B) is recognized by the Governor of Hawaii for the purpose of planning, conducting, or administering programs (or portion of programs) for the benefit of Native Hawaiians;

(5) the term "elementary school" has the same meaning given that term under section 1471(7) of this Act;

(6) the term "local educational agency" has the same meaning given that term under section 1471(10) of this Act; and

(7) the term "secondary school" has the same meaning given that term under section 1471(7) of this Act.

TITLE XI—INDIAN EDUCATION

PART A.—BUREAU AND CONTRACT SCHOOLS

SEC. 11101. SHORT TITLE.

This part may be cited as the "Indian Education Amendments of 1987".

SEC. 11102. PROHIBITION ON TRANSFERS OF BUREAU AND CONTRACT SCHOOLS.

Section 1121 of the Education Amendments of 1978 (25 U.S.C. 2001) is amended—

(1) by adding at the end of subsection (g) the following new paragraphs:

"(5)(A) The Secretary may transfer the operation, or the facilities, of—

"(i) any Bureau funded school that is operated on or after April 1, 1987, or

"(ii) any program of such a school that is operated on or after April 1, 1987,

only if the tribal governing body approves such transfer.

"(B) If the Secretary, or any other officer or employee of the Federal Government, is considering making a request to the Congress for legislation to authorize a transfer otherwise prohibited under subparagraph (A), the Secretary shall comply with the requirements applicable to school closures under this subsection before such request is made to the Congress.

"(6) No action may be taken by the Secretary to close, consolidate, or substantially curtail a Bureau funded boarding school by reason of the failure of such school to meet the criteria established under section 1122 during any fiscal year for which the Secretary has not submitted in accordance with section 1122(c) the plan required under section 1122(c)."; and

(2) by adding at the end thereof the following new subsection:

"(j) For purposes of this section, the term 'tribal governing body' means, with respect to any school, the tribal governing body, or tribal governing bodies, that represent at least 90 percent of the students served by such school.".

SEC. 11103. REPORT ON TEMPORARY ACTIONS TAKEN FOR A YEAR.

Subsection (g) of section 1121 of the Education Amendments of 1978 (25 U.S.C. 2001(g)) is amended—

(1) by adding at the end thereof the following new paragraph:

"(7) If—

"(A) a Bureau school is temporarily closed or consolidated, or the programs of a Bureau school are substantially curtailed by reason of plant conditions that constitute an immediate hazard to health and safety, and

"(B) the Secretary estimates that the closure, consolidation, or curtailment will be more than 1 year in duration,

the Secretary shall submit to the Congress, by no later than the date that is 6 months after the date on which the closure, consolidation, or curtailment is initiated, a report which sets forth the reasons for such temporary actions and the actions the Secretary is taking to eliminate the conditions that constitute the hazard.".

SEC. 11104. ELIGIBILITY AND EXPANSION OF CONTRACT SCHOOLS.

Section 1121 of the Education Amendments of 1978 (25 U.S.C. 2001) is amended—

(1) by striking out "Indian controlled contract schools (hereinafter referred to as 'contract schools')" in subsection (a) and inserting in lieu thereof "contract schools", and

(2) by adding at the end thereof the following new subsection:

"(k)(1) The Secretary shall prescribe regulations governing the determination of eligibility for schools to become Bureau funded schools and for Bureau funded schools to add grade levels or otherwise expand their programs in a manner which might increase the amount of funding from the Bureau that the schools would otherwise be eligible to receive without the expansion. The regulations shall provide for the eligibility determination to be based on geographic and demographic factors and the history and record of success or failure of—

"(A) the proposed school or the school proposing to add a grade level or otherwise expand its program, and

"(B) the public schools or other alternative providers, or potential providers, of the services which the school proposes to provide with the financial assistance of the Bureau.

A determination to deny eligibility under the regulations may not be based primarily on the proximity of other education facilities. The regulations shall provide for the invitation and consideration of information and views from the tribes affected by the determination of eligibility, the local education agencies in the area, and all other interested parties.

"(2) Notwithstanding any other provision of law, if the school board of the Bureau funded schools at the Pueblo of Zia and the Tama Settlement vote within the 2-year period beginning on the date of enactment of the Indian Education Amendments of 1987 to expand each of the schools to include kindergarten through grade 8, the schools shall be so expanded at the beginning of the next school year occurring after the vote.".

SEC. 11105. DORMITORY CRITERIA.

Section 1122 of the Education Amendments of 1978 (25 U.S.C. 2002) is amended by redesignating subsection (d) as subsection (e) and inserting after subsection (c) the following new subsection:

"(d) The criteria established under this section may be waived in the same manner as the standards provided under section 1121(b) may be waived under section 1121(d).".

SEC. 11106. REGULATIONS.

Section 1123 of the Education Amendments of 1978 (25 U.S.C. 2003) is amended to read as follows:

"REGULATIONS

"SEC. 1123. (a)(1) Prior to the publication in the Federal Register of any regulation or rule, or amendment to any regulation or rule, relating to Indian education, the Secretary shall—

"(A) submit the regulation, rule, or amendment to the review panels established under paragraph (2), and

"(B) take into account comments and advice of the review panels.

"(2) The Secretary shall establish regulatory review panels for each area office of the Bureau in which a Bureau funded school is located.

"(3) Each review panel established under paragraph (2) shall include—

"(A) one administrator of a Bureau funded school,

"(B) one teacher at a Bureau funded school,

"(C) one parent who is a member of the local school board of a Bureau funded school,

"(D) one representative of each Indian tribe, or group of Indian tribes, having at least 500 members, and

"(E) one representative of each tribally controlled community college,

that is located within the geographical jurisdiction of each agency office of the Bureau within the jurisdiction of the area office for which the review panel is established.

"(4) The review panels established under paragraph (2) shall not be subject to the Federal Advisory Committee Act.

"(5) If the Secretary determines that—

"(A) an emergency situation exists, and

"(B) a temporary regulation, rule, or amendment to a regulation or rule is needed within a limited period of time to assist in the operation of a Bureau funded school, or in any education program of the Bureau,

the Secretary may publish in the Federal Register the initial notice of such temporary regulation, rule, or amendment without meeting the requirements of paragraph (1), but the Secretary shall, as soon as practicable, take the actions described in paragraph (1) before such temporary regulation, rule, or amendment takes effect.

"(6) This subsection shall not apply with respect to a regulation, rule, or amendment to a regulation or rule if the regulation, rule, or amendment has been drafted and was under formal review by the Department of the Interior before October 1, 1987.

"(b)(1) No regulation, rule, or amendment to any regulation or rule, relating to Indian education shall be published in the Federal Register in final form before the close of the 90-day period beginning on the date on which the regulation, rule, or amendment is published in the Federal Register in preliminary form. The Secretary shall accept and consider comments from the public regarding the regulation, rule, or amendment during such 90-day period.

"(2) Paragraph (1) shall not apply to a regulation, rule, or amendment to a regulation or rule, if the regulation, rule, or amendment was published in the Federal Register in preliminary form before October 1, 1987.

"(c) No provision of law restricting or prohibiting communications by an employee of the Bureau shall apply to communications regarding regulations, rules, or amendments to regulations or rules, that relate to Indian education.".

SEC. 11107. FORMULA MODIFICATIONS.

Paragraph (1) of section 1128(c) of the Education Amendments of 1978 (25 U.S.C. 2008(c)(1)) is amended to read as follows:

"(1) For fiscal year 1989, and for each subsequent fiscal year, the Secretary shall adjust the formula established under subsection (a) to—

"(A) use—

"(i) a weighted unit of 1.2 for each eligible Indian student enrolled in the seventh and eighth grades of the school,

"(ii) a weighted unit of 1.0 for each eligible Indian student who is 3 or 4 years of age, is handicapped, and is enrolled in the school,

"(iii) a weighted unit of 2.0 for each eligible Indian student that is gifted and talented and is enrolled in the school on a full-time basis, and

"(iv) a weighted unit of 1.5 for each eligible Indian student that is gifted and talented and is enrolled in the school on a part-time basis,

in considering the number of eligible Indian students served by the school;

"(B) consider a school with an average daily attendance of less than 50 eligible Indian students as having an average daily attendance of 50 eligible Indian students for purposes of implementing the adjustment factor for small schools;

"(C) take into account the provision of residential services on a less than 9-month basis at a school when the school board and supervisor of the school determine that a less than 9-month basis will be implemented for the school year involved; and

"(D) provide additional funding to schools that are required by law to meet State standards which are in addition to minimum standards required for accreditation.".

SEC. 11108. ADMINISTRATIVE COST.

(a) The Education Amendments of 1978 (25 U.S.C. 2008) is amended—

(1) by striking out paragraph (3) of section 1128(c), and

(2) by inserting after section 1128 (25 U.S.C. 2008) the following new section:

"ADMINISTRATIVE COST GRANTS

"SEC. 1128A. (a)(1) The Secretary shall, subject to the availability of appropriated funds, provide grants to each tribe or tribal organization operating a contract school in the amount determined under this section with respect to the tribe or tribal organization for the purpose of paying the administrative and indirect costs incurred in operating contract schools in order to—

"(A) enable tribes and tribal organizations operating such schools, without reducing direct program services to the beneficiaries of the program, to provide all related administrative overhead services and operations necessary to meet the requirements of law and prudent management practice, and

"(B) carry out other necessary support functions which would otherwise be provided by the Secretary or other Federal officers or employees, from resources other than direct program funds, in support of comparable Bureau operated programs.

"(2) Amounts appropriated to fund the grants provided under this section shall be in addition to, and shall not reduce, the amounts appropriated for the program being administered by the contract schools.

"(b) The amount of the grant provided to each tribe or tribal organization under this section for each fiscal year shall be determined by applying the administrative cost percentage rate of the tribe or tribal organization to each of the direct cost programs operated by the tribe or tribal organization, for which funds are received from or through the Bureau, as follows:

"(1) For all direct cost programs operated by the tribe or tribal organization which share common administrative cost functions, funds for which are received from or through the Bureau, the administrative cost percentage rate shall be applied to the total direct costs of each such program.

"(2) For other direct cost programs operated by the Indian tribe or tribal organization which share common administrative cost functions with those in paragraph (1), from whatever source derived, the administrative cost percentage rate shall be allowable as a predetermined indirect cost rate. At the option of the Indian tribe or tribal organization, however, a multiple indirect cost rate system may be established instead, for such other programs, using accepted procedures for so doing.

"(c) For purposes of this section, the administrative cost percentage rate for a contract school for a fiscal year is equal to the sum of—

"(1) the percentage determined by dividing—

"(A) the sum of—

"(i) the amount equal to—

"(I) the direct cost base of the tribe or tribal organization for the fiscal year, multiplied by

"(II) the minimum base rate, plus

"(ii) the amount equal to—

"(I) the standard direct cost base, multiplied by

"(II) the maximum base rate, by

"(B) the sum of—

"(i) the direct cost base of the tribe or tribal organization for the fiscal year, plus

"(ii) the standard direct cost base, plus

"(2) the isolation adjustment percentage of the tribe or tribal organization, if any, plus

"(3) the multiple program adjustment percentage of the tribe or tribal organization, if any.

The administrative cost percentage rate shall be determined to the one hundredth of a decimal point.

"(d)(1)(A) Funds received by a contract school as grants under this section for tribal elementary or secondary educational programs may be combined by the contract school into a single administrative cost account without the necessity of maintaining separate funding source accounting.

"(B) Indirect cost funds for programs at the school which share common administrative services with tribal elementary or secondary educational programs may be included in the administrative cost account described in subparagraph (A).

"(2) Funds received as grants under this section with respect to tribal elementary or secondary education programs shall remain available to the contract school without fiscal year limitation and without diminishing the amount of any grants otherwise payable to the school under this section for any

fiscal year beginning after the fiscal year for which the grant is provided.

"(3) The Secretary shall be reimbursed by other agencies of the Federal Government for administrative cost allowances paid in support of programs administered by the Bureau on behalf of Indians for which appropriations are made to such other agencies, but shall not reduce payments of grants under this section to tribes and tribal organizations as a result of such appropriations.

"(4) Funds received as grants under this section for Bureau funded programs operated by a tribe or tribal organization under a contract or agreement shall not be taken into consideration for purposes of indirect cost underrecovery and overrecovery determinations by any Federal agency, for any other funds, from whatever source derived.

"(e) For purposes of this section—

"(1)(A) The term 'administrative cost' means the costs of necessary administrative functions which—

"(i) the tribe or tribal organization incurs as a result of operating a tribal elementary or secondary educational program,

"(ii) are not customarily paid by comparable Bureau operated programs out of direct program funds, and

"(iii) are either—

"(I) normally provided for comparable Bureau programs by Federal officials using resources other than Bureau direct program funds, or

"(II) are otherwise required of tribal self-determination program operators by law or prudent management practice.

"(B) The term 'administrative cost' may include, but is not necessarily limited to—

"(i) contract (or other agreement) administration,

"(ii) executive, policy, and corporate leadership and decision making;

"(iii) program planning, development, and management;

"(iv) fiscal, personnel, property, and procurement management;

"(v) related office services and record keeping; and

"(vi) costs of necessary insurance, auditing, legal, safety and security services.

"(2) The term 'Bureau elementary and secondary functions' means—

"(A) all functions funded at Bureau schools by the Office of Indian Education Programs of the Bureau;

"(B) all programs—

"(i) funds for which are appropriated to other agencies of the Federal Government, and

"(ii) which are administered for the benefit of Indians through Bureau schools; and

"(C) all operation, maintenance, and repair funds for facilities and government quarters used in the operation or support of elementary and secondary education functions for the benefit of Indians, from whatever source derived.

"(3) The term 'tribal elementary or secondary educational programs' means all Bureau elementary and secondary functions, together with any other Bureau programs or portions of programs (excluding funds for social services that are appropriated to agencies other than the Bureau and are expended through the Bureau, funds for major subcontracts, construction, and other major capital expenditures, and unexpended funds carried over from prior years) which share common administrative cost functions, that are operated directly by a tribe or tribal organization under a contract or agreement with the Bureau.

"(4)(A) Except as otherwise provided in this paragraph, the direct cost base of a tribe or tribal organization for the fiscal year is the aggregate direct cost program funding for all tribal elementary or secondary educational programs operated by the tribe or tribal organization during—

"(i) the second fiscal year preceding such fiscal year, or

"(ii) if such programs have not been operated by the tribe or tribal organization during the 2 preceding fiscal years, the first fiscal year preceding such fiscal year.

"(B) In the case of Bureau elementary or secondary education programs which have not previously been operated by a tribe or tribal organization under contract or agreement with the Bureau, the direct cost base for the initial year shall be the projected aggregate direct cost program funding for all Bureau elementary and secondary functions to be operated by the tribe or tribal organization during that fiscal year.

"(5) The term 'maximum base rate' means either—

"(A) a percentage determined (on the basis of studies conducted under subsection (f)) by the Secretary under this subparagraph, and published in the Federal Register, that ensures that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of the smallest tribal elementary or secondary educational programs, or

"(B) if no percentage has been determined under subparagraph (A), 50 percent.

"(6) The term 'minimum base rate' means either—

"(A) a percentage determined (on the basis of studies conducted under subsection (f)) by the Secretary under this subparagraph, and published in the Federal Register, that ensures that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of the largest tribal elementary or secondary educational programs, or

"(B) if no percentage has been determined under subparagraph (A), 12 percent.

"(7) The term 'standard direct cost base' means either—

"(A) an amount determined (on the base of studies conducted under subsection (f)) by the Secretary under this subparagraph, and published in the Federal Register, to be the aggregate direct cost funding level for which the percentage determined under subsection (c)(1) will—

"(i) be equal to the median between the maximum base rate and the minimum base rate, and

"(ii) ensure that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of tribal elementary or secondary educational programs closest to the size of the program, or

"(B) if no amount has been determined under subparagraph (A), $600,000.

"(8) The term 'isolation adjustment percentage' means either—

"(A) the percentage determined in accordance with a formula developed (on the basis of the studies conducted under subsection (f)) by the Secretary under this subparagraph, and published in the Federal Register, that takes into account factors similar to those taken into account under subparagraph (B), or

"(B) if a formula has not been developed under subparagraph (A), the percentage determined at a rate of 1 percentage point for each 100 miles that the average of the distances from the principal offices of the tribe or tribal organization to each of the following exceeds 20 miles:

"(i) The closest offices of a general full-service banking institution capable of handling draw-downs for Federal letters of credit.

"(ii) The closest urban center for cost effective procurement of bulk school, office, and janitorial supplies, equipment, and related maintenance and repair items or services.

"(iii) The closest United States Post Office.

"(iv) The area and agency offices of the Bureau at which business of the tribe or of the tribal organization is normally conducted with the Bureau by administrative personnel or board members of the tribe or tribal organization.

"(9) The term 'multiple program adjustment percentage' means a percentage determined at—

"(A) a rate determined (on the basis of the studies conducted under subsection (f)) by the Secretary under this subparagraph and published in the Federal Register, or

"(B) if no rate has been determined under subparagraph (A), the rate of one-quarter of a percentage point for—

"(i) each separate school in excess of one, and

"(ii) each Bureau program, or portion of a program, in addition to the Bureau elementary and secondary functions,

which is operated by the tribe or tribal organization under a contract or agreement with the Bureau and shares common administrative cost services with the Bureau elementary or secondary functions.

"(10) The size of tribal elementary or secondary educational programs are determined by the aggregate direct cost program funding level for all Bureau funded programs which share common administrative cost functions.

"(f)(1) Upon the enactment of the Indian Education Amendments of 1987, the Secretary shall conduct such studies as may be needed to establish an empirical basis for determining relevant values, percentages, mileages, or other factors substantially affecting the required administrative costs of tribal elementary and secondary educational programs, using the formula set forth in subsection (c). Such studies shall—

"(A) be conducted in full consultation (in accordance with section 1130) with—

"(i) the tribes and tribal organizations that are affected by the application of such formula, and

"(ii) all national and regional Indian organizations of which such tribes and tribal organizations are typically members;

"(B) be conducted on-site at a representative statistical sample of the tribal elementary or secondary educational programs under a contract entered into with a nationally reputable public accounting and business consulting firm;

"(C) take into account the availability of skilled labor, commodities, business and automatic data processing services, related Indian preference and Indian control of education requirements, and any other market factors found substantially to affect the administrative costs and efficiency of each such tribal elementary or secondary educational program studied in order to assure that all required administrative activities can reasonably be delivered in a cost effective manner for each such program, given an administrative cost allowance generated by the values, percentages, or other factors found in the studies to be relevant in such formula;

"(D) identify, and quantify in terms of percentages of direct program costs, any general factors arising from geographic isolation, or numbers of programs administered, independent of program size factors used to compute a base administrative cost percentage in such formula; and

"(E) identify any other incremental cost factors substantially affecting the costs of required administrative cost functions at any of the tribal elementary or secondary educational programs studied and determine whether the factors are of general applicability to other such programs, and (if so) how they may effectively be incorporated into such formula.

"(2) Determinations described in paragraph (1)(C) shall be based on what is pragmatically possible to do at each location studied, given prudent management practice, irrespective of whether required administrative services were actually or fully delivered at these sites, or other services were delivered instead, during the period of the study.

"(3) Upon completion of the studies conducted under paragraph (1), but in no case later than October 1, 1988, the Secretary shall submit to the Congress a report on the findings of the studies, together with determinations based upon such findings that are made by the Secretary under subsection (e) and affect the definitions of terms used in the formula that is set out in subsection (c).

"(4) The Secretary shall include in the Bureau's justification for each appropriations request for each fiscal year beginning after fiscal year 1988, a projection of the overall costs associated with the formula set forth in subsection (c) for all tribal elementary or secondary educational programs which the Secretary expects to be funded in the fiscal year for which the appropriations are sought.

"(g) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.

"(h)(1) Notwithstanding any other provision of this section, the amount of the grants provided under this section for fiscal year 1988 shall—

"(A) in lieu of being determined under subsection (b), be determined for each tribal elementary or secondary educational program on the same basis that indirect costs were determined for such programs for fiscal year 1987, and

"(B) be subject to the provisions of subsection (d).

"(2) Notwithstanding any other provision of this section, the amount of the grant provided under this section for fiscal year 1989 with respect to each tribal elementary and secondary educational program that was operated by a tribe or tribal organization in fiscal year 1988 shall be equal to—

"(A) if the amount of the grant determined under subsection (b) for fiscal year 1989 with respect to such program exceeds the amount received by the tribe or tribal organization with respect to such program for administrative costs for fiscal year 1987 (or fiscal year 1988 if such program was not operated by the tribe or tribal organization during fiscal year 1987), the sum of—

"(i) such amount received, plus

"(ii) one third of the excess of—

"(I) such amount determined under subsection (b), over

"(II) such amount received, or

"(B) if such amount received exceeds such amount determined under subsection (b), the excess of—

"(i) such amount received, over

"(ii) an amount equal to one third of the excess of—

"(I) such amount received, over

"(II) such amount determined under subsection (b).

"(3) Notwithstanding any other provision of this section, the amount of the grants provided under this section for fiscal year 1990 with respect to each tribal elementary and secondary educational program that was operated by a tribe or tribal organization in fiscal year 1988 shall be equal to—

"(A) if the amount of the grant determined under subsection (b) for fiscal year 1990 with respect to such program exceeds the amount received by the tribe or tribal organization with respect to such program for administrative costs for fiscal year 1989, the sum of—

"(i) such amount received, plus

"(ii) one half of the excess of—

"(I) such amount determined under subsection (b), over

"(II) such amount received, or

"(B) if such amount received exceeds such amount determined under subsection (b), the excess of—

"(i) such amount received, over

"(ii) an amount equal to one half of the excess of—

"(I) such amount received over,

"(II) such amount determined under subsection (b).

"(4) During fiscal years 1989 and 1990, any tribe or tribal organization that operates a school under a contract or agreement that was entered into with the Bureau under the Indian Self-Determination and Education Assistance Act shall make an election applicable to all elementary or secondary educational programs provided by the tribe or tribal organization to either—

"(A) receive grants under this section with respect to such programs, or

"(B) receive funds for the indirect costs of such program under the terms of such contract or agreement.".

SEC. 11109. LOCAL PROCUREMENT.

Paragraph (4) of section 1129(a) of the Education Amendments of 1978 (25 U.S.C. 2009) is amended to read as follows:

"(4) Notwithstanding any law or regulation, the supervisor of a Bureau school may expend an aggregate of no more than $25,000 of the amount allotted the school under section 1128 to acquire supplies and equipment for the school without competitive bidding if for each procurement—

"(A) the cost for any single item purchased does not exceed $10,000;

"(B) the school board approves the procurement in advance;

"(C) the supervisor certifies that the cost is fair and reasonable;

"(D) the documents relating to the procurement executed by the supervisor or other school staff cite this paragraph as authority for the procurement; and

"(E) the transaction is documented in a journal maintained at the school clearly identifying when the transaction occurred, what was acquired and from whom, the prices paid, the quantities acquired, and any other information the supervisor or board considers relevant.".

SEC. 11110. CONSULTATION.

(a) Section 1130 of the Education Amendments of 1978 (25 U.S.C. 2010) is amended—

(1) by striking out "Bureau" the first time it appears and inserting in lieu thereof "the Secretary and the Bureau",

(2) by striking out "It shall" and inserting in lieu thereof "(a) It shall", and

(3) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary shall consult with Indian tribes and tribal organizations in the development of policy under this Act.

"(2)(A) The Secretary, or a delegate of the Secretary, shall conduct regional meetings with Indian tribes and tribal organizations, on a semi-annual basis, for the purpose of consulting with the Indian tribes and tribal organizations on matters relating to Indian education.

"(B) Notice of each regional meeting conducted under subparagraph (A) shall be published in the Federal Register at least 30 days prior to the date of the meeting and shall include the specific topics that will be discussed at the meeting.

"(C) At each meeting conducted under subparagraph (A), the Secretary, or a delegate of the Secretary, shall—

"(i) provide information on all matters relating to Indian education (including budgetary and regulatory matters and administrative matters that could alter the delivery of services by the Bureau) that are being considered (or are likely to be considered) for change during the succeeding 6-month period, and

"(ii) seek the advice of the Indian tribes and tribal organizations participating in the meeting on such matters and on any other matters of interest to the participants (including matters affecting other programs of the Department of the Interior or of any other department or agency of the Federal Government).

"(D) Meetings conducted under paragraph (3), consultations required under any other provision of this Act or of any other law, or any other meetings or discussions conducted with Indian tribes or tribal organizations may not be considered as substitutes for the regional meetings required under subparagraph (A).

"(3)(A) The Secretary shall—

"(i) keep Indian tribes and tribal organizations informed of all plans and activities of the Bureau which affect, or relate to, Bureau or contract schools, or education programs, that serve the particular Indian tribe or tribal organization, and

"(ii) shall invite active participation of the Indian tribe or tribal organization in the decision making process regarding changes to be made, or needs to be met, in these schools and programs.

Planning by the Secretary for individual Bureau or contract schools and education programs shall be undertaken in a cooperative and consultative manner based upon an open exchange of information and views.

"(B) When considering construction or expansion of any school, and when considering proposals to Congress for the closure, consolidation, curtailment, or transfer of any school or school dormitory, the Secretary shall, from the initial stages, consult with the affected Indian tribe or tribes and with the affected school board and school organizations, Indian or tribal organizations and communities, and with those students, parents, and staff who use the facility and shall incorporate the desires of the tribal and Indian entities consulted into their plans to the greatest extent feasible. Consultations conducted under this subparagraph shall be undertaken in conjunction with consultations required under section 1121(g).".

SEC. 11111. INDIAN EMPLOYMENT PREFERENCE.

(a) Subsection (f)(1) of section 1131 of the Education Amendments of 1978 (25 U.S.C.

2011) is amended by striking out "an employee" and inserting in lieu thereof "an applicant or employee".

(b)(1) Subparagraph (A) of section 1131(n)(1) of the Education Amendments of 1978 (25 U.S.C. 2011(n)(1)(A)) is amended—

(A) by striking out "or" at the end of clause (ii), and

(B) by adding at the end thereof the following new clause:

"(iv) support services at, or associated with, the site of the school; or".

(2) The amendments made by paragraph (1) shall apply with respect to an individual who is employed by the Bureau of Indian Affairs of the Department of the Interior on the date of enactment of this Act only if such individual elects, in such form and at such time as the Secretary of the Interior may prescribe, the application of such amendments with respect to such individual.

SEC. 11112. PERSONNEL COMPENSATION, RECRUITMENT, AND RETENTION STUDIES.

(a) The Secretary shall conduct such studies and gather such information as may be necessary to prepare a report that the Secretary shall submit to the Congress by no later than March 1, 1988, which compares personnel compensation in Bureau funded schools with—

(1) public schools located in the same State (or in the geographically closest State) that—

(A) have successful educational programs, and

(B) are comparable in size, geographic location, grade levels, and student population characteristics to Bureau funded schools, and

(2) schools operated within the United States by the Department of Defense.

(b) The report required under subsection (a) shall include—

(1) detailed information on the current salaries and personnel benefits for comparable positions in the Bureau funded schools and the schools described in paragraphs (1) and (2) of subsection (a),

(2) a comparison of starting salaries, tenure, length of service, educational and certification requirements, length of work year and work day, and fringe benefits between Bureau funded schools and the schools described in paragraphs (1) and (2) of subsection (a),

(3) a projection of the compensation factors described in paragraphs (1) and (2) for Bureau funded schools and the schools described in paragraphs (1) and (2) of subsection (a) over the next five years, and

(4) such additional information and analysis as the Secretary deems appropriate.

(c)(1) The cost of the studies and the report required under subsection (a) (including, but not limited to, costs for all contracts, travel, and staff assigned to the study) shall be paid from amounts appropriated to the Bureau's Management and Administration account of the General Administration account, except that the salaries and personnel benefits of employees detailed to the study from the Office of Indian Education of the Bureau may continue to be charged to the amounts appropriated to the Bureau's Education account.

(2) The staff detailed to work on the studies and report required under subsection (a) shall include not less than two career employees from the Office of Indian Education of the Bureau who have substantial experience in the administration (at the level of an agency office) of school operations and in the drafting of personnel regulations, including but not limited to those under this Act.

(d) The Secretary may conduct part or all of the studies required under subsection (a) through contracts entered into with one or more Indian education organizations.

(e) The Secretary shall conduct such other studies of personnel compensation and recruitment in Bureau funded and public schools as are desirable in carrying out the purposes of title 11 of the Education Amendments of 1978.

(f) For purposes of this section—

(1) The term "Secretary" means the Secretary of the Interior.

(2) The term "Bureau" means the Bureau of Indian Affairs of the Department of the Interior.

SEC. 11113. COMPARABLE COMPENSATION.

Paragraph (1) of section 1131(h) of the Education Amendments of 1978 (25 U.S.C. 2011(h)(1)) is amended by striking out "comparable to the rates" and inserting in lieu thereof "comparable to the rates for comparably qualified individuals holding comparable positions in public schools serving comparable students in comparable areas (with adjustments for any housing and utility or other significant fringe benefits), but such rates shall not be less than the rates".

SEC. 11114. POST DIFFERENTIALS.

Paragraph (3) of section 1131(h) of the Education Amendments of 1978 (25 U.S.C. 2011(h)(3)) is amended—

(1) by striking out "The Secretary" and inserting in lieu thereof "(A) The Secretary", and

(2) by adding at the end thereof the following new subparagraph:

"(B)(i) Upon the request of the local school board of a Bureau school, the Secretary shall grant the supervisor of the school authorization to provide one or more post differentials under subparagraph (A) unless the Secretary determines for clear and convincing reasons (and advises the board in writing of those reasons) that certain of the requested post differentials should be disapproved or decreased because there is no disparity of compensation for the involved employees or positions in the Bureau school that is either—

"(I) at least 5 percent, or

"(II) less than 5 percent and affects the recruitment or retention of employees at the school.

The request of a local school board under this subparagraph shall be deemed granted as requested at the end of the 60th day after the request is received in the Central Office of the Bureau unless before that time it is approved, approved with modification, or disapproved by the Secretary.

"(ii) The Secretary or the supervisor of a Bureau school may discontinue or decrease a post differential authorized by reason of this subparagraph at the beginning of a school year after either—

"(I) the local school board requests that it be discontinued or decreased, or

"(II) the Secretary or the supervisor determines for clear and convincing reasons (and advises the board in writing of those reasons) that there is no disparity of compensation that would affect the recruitment or retention of employees at the school after the differential is discontinued or decreased.

"(iii) On or before February 1 of each year, the Secretary shall submit to Congress a report describing the requests and grants of authority under this subparagraph during the previous fiscal year and listing the positions contracted under those grants of authority.".

SEC. 11115. EARLY CHILDHOOD DEVELOPMENT PROGRAM.

Title 11 of the Education Amendments of 1978 is amended by striking out part C and inserting in lieu thereof the following new section:

"EARLY CHILDHOOD DEVELOPMENT PROGRAM

"SEC. 1141. (a)(1) The Secretary shall provide grants to tribes and tribal organizations for each fiscal year in an amount determined in accordance with subsection (b).

"(2) Funds provided under paragraph (1) to tribes and tribal organizations shall be used by the tribes and tribal organizations to establish and maintain early childhood development programs. Such programs may provide parents and children under 6 years of age with—

"(A) prenatal care,

"(B) nutrition education,

"(C) health education and screening,

"(D) educational testing, and

"(E) other educational services.

"(b)(1) The total amount of the grants provided under subsection (a) to each tribe (or the total amount provided under this section to all tribal organization of a tribe) for each fiscal year shall be equal to the amount which bears the same relationship to the total amount appropriated under the authority of subsection (d) for such fiscal year (less amounts provided under paragraph (3)) as the total number of children under 6 years of age who are members of such tribe bears to the total number of all children under 6 years of age who are members of any tribe that has at least 500 members.

"(2) No grant may be provided under subsection (a) to any tribe, or any tribal organization of a tribe, that has less than 500 members.

"(3) The Secretary shall, out of funds appropriated under the authority of subsection (d), include in the grants provided under subsection (a) amounts for administrative costs incurred by the tribe or tribal organization in establishing and maintaining the early childhood development program.

"(c) The early childhood development programs that are funded, in whole or in part, by grants provided under subsection (a)—

"(1) shall be coordinated with other programs and services provided by the tribe, tribal organizations, the State, and the Federal Government,

"(2) may include instruction in the language, art, and culture of the tribe, and

"(3) shall provide for periodic assessment of the program.

"(d) There are authorized to be appropriated for fiscal year 1989, and for each succeeding fiscal year, $15,000,000 for the purpose of carrying out the provisions of this section.".

SEC. 11116. DEFINITIONS.

Section 1139 of the Education Amendments of 1978 (25 U.S.C. 2019) is amended—

(1) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) the term 'Bureau funded school' means—

"(A) a Bureau school;

"(B) a contract school; or

"(C) a school for which assistance is provided under the Tribally Controlled Schools Act of 1987;",

(2) by redesignating paragraphs (4) through (10) as paragraphs (6) through (12), respectively, and

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) the term 'Bureau school' means a Bureau operated elementary or secondary *day or boarding school or a Bureau operated dormitory for students attending a school other than a Bureau school;*

"(5) the term 'contract school' means an elementary or secondary school or a dormitory which receives financial assistance for its operation under a contract or agreement with the Bureau under section 102, 104(1), or 208 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f, 450h(1), and 458d);".

SEC. 11117. SEQUESTRATION ORDERS.

Subsection (a) of section 1129 of the Education Amendments of 1978 (25 U.S.C. 2009(a)) is amended by adding at the end thereof the following new paragraph:

"(5) If a sequestration order issued under the Balanced Budget and Emergency Deficit Control Act of 1985 reduces the amount of funds available for allotment under section 1128 for any fiscal year by more than 5 percent—

"(A) the Secretary may, notwithstanding any other provision of law, use—

"(i) funds appropriated for the operation of any Bureau school that is closed or consolidated, and

"(ii) funds appropriated for any program that has been curtailed at any Bureau school,

to fund allotments made under section 1128, and

"(B) the Secretary may waive the application of the provisions of section 1121(g) with respect to the closure or consolidation of a school, or the curtailment of a program at a school, during such fiscal year if the funds described in clauses (i) and (ii) of subparagraph (A) with respect to such school are used to fund allotments made under section 1128 for such fiscal year.".

SEC. 11118. TRIBAL DEPARTMENTS OF EDUCATION.

Title 11 of the Education Amendments of 1978 is amended by adding at the end thereof the following new section:

"TRIBAL DEPARTMENTS OF EDUCATION

"SEC. 1142. (a) Subject to the availability of appropriations, the Secretary shall provide grants and technical assistance to tribes for the development and operation of tribal departments of education for the purpose of planning and coordinating all educational programs of the tribe.

"(b) Grants provided under this section shall—

"(1) be based on applications from the governing body of the tribe,

"(2) reflect factors such as geographic and population diversity,

"(3) facilitate tribal control in all matters relating to the education of Indian children on Indian reservations and on former Indian reservations in Oklahoma,

"(4) provide for the development of coordinated educational programs on Indian reservations (including all preschool, elementary, secondary and higher or vocational educational programs funded by tribal, Federal, or other sources) by encouraging tribal administrative support of all Bureau funded educational programs as well as encouraging tribal cooperation and coordination with all educational programs receiving financial support from State agencies, other Federal agencies, or private entities,

"(5) provide for the development and enforcement of tribal educational codes, including tribal educational policies and tribal standards applicable to curriculum, personnel, students, facilities and support programs, and

"(6) otherwise comply with regulations for grants under section 104(a) of the Indian Self-Determination and Educational Assistance Act (25 U.S.C. 450h) that are in effect on the date application for such grants are made.

"(c) The Secretary shall not impose any terms, conditions, or requirements on the provision of grants under this section that are not specified in this section.

"(d) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.".

SEC. 11119. STUDY OF JOHNSON-O'MALLEY FUNDING ALLOCATIONS.

(a) The Secretary of the Interior shall conduct a study of the methods used in funding contracts entered into under the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 452, et seq.), popularly known as the Johnson-O'Malley Act.

(b) By no later than the date that is 6 months after the date of enactment of this Act, the Secretary of the Interior shall submit to the Congress a report on the study conducted under subsection (a), together with recommendations for legislation that would ensure the most effective and equitable distribution of funds under the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 452, et seq.).

SEC. 11120. SCHOOL BOUNDARIES.

Subsection (b) of section 1124 of the Education Amendments of 1978 (25 U.S.C. 2004(b)) is amended—

(1) by striking out "On or after" and inserting in lieu thereof "(1) Except as provided in paragraph (2), on or after", and

(2) by adding at the end thereof the following new paragraph:

"(2) In any case where there is more than one Bureau funded school located on an Indian reservation, at the direction of the tribal governing body, the relevant school boards of the Bureau funded schools on the reservation may, by mutual consent, establish the relevant attendance areas for such schools, subject to the approval of the tribal governing body. Any such boundaries so established shall be accepted by the Secretary.".

PART B—TRIBALLY CONTROLLED SCHOOL GRANTS

SEC. 11201. SHORT TITLE.

This part may be cited as the "Tribally Controlled Schools Act of 1987".

SEC. 11202. FINDINGS.

(a) The Congress, after careful review of the Federal Government's historical and special legal relationship with, and resulting responsibilities to, Indians, finds that—

(1) the Indian Self-Determination and Education Assistance Act, which was a product of the legitimate aspirations and a recognition of the inherent authority of Indian nations, was and is a crucial positive step towards tribal and community control;

(2) the Bureau of Indian Affairs' administration and domination of the contracting process under such Act has not provided the full opportunity to develop leadership skills crucial to the realization of self-government, and has denied to the Indian people an effective voice in the planning and implementation of programs for the benefit of Indians which are responsive to the true needs of Indian communities; and

(3) Indians will never surrender their desire to control their relationships both among themselves and with the non-Indian governments, organizations, and persons.

(b) The Congress further finds that—

(1) true self-determination in any society of people is dependent upon an educational process which will ensure the development of qualified people to fulfill meaningful leadership roles;

(2) the Federal administration of education for Indian children has not effected the desired level of educational achievement nor created the diverse opportunities and personal satisfaction which education can and should provide;

(3) true local control requires the least possible Federal interference; and

(4) the time has come to enhance the concepts made manifest in the Indian Self-Determination and Education Assistance Act.

SEC. 11203. DECLARATION OF POLICY.

(a) The Congress recognizes the obligation of the United States to respond to the strong expression of the Indian people for self-determination by assuring maximum Indian participation in the direction of educational services so as to render such services more responsive to the needs and desires of those communities.

(b) The Congress declares its commitment to the maintenance of the Federal Government's unique and continuing trust relationship with and responsibility to the Indian people through the establishment of a meaningful Indian self-determination policy for education which will deter further perpetuation of Federal bureaucratic domination of programs.

(c) The Congress declares that a major national goal of the United States is to provide the resources, processes, and structures which will enable tribes and local communities to effect the quantity and quality of educational services and opportunities which will permit Indian children to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being.

(d) The Congress affirms the reality of the special and unique educational needs of Indian peoples, including the need for programs to meet the linguistic and cultural aspirations of Indian tribes and communities. These can best be met through a grant process.

(e) The Congress declares its commitment to these policies and its support, to the full extent of its responsibility, for Federal relations with the Indian Nations.

(f) The Congress hereby repudiates and rejects any policy of unilateral termination of Federal relations with any Indian Nation.

SEC. 11204. GRANTS AUTHORIZED.

(a)(1) The Secretary shall provide grants to Indian tribes, and tribal organizations, that—

(A) operate tribally controlled schools which are eligible for assistance under this part, and

(B) submit to the Secretary applications for such grants.

(2) Grants provided under this part shall be deposited into the general operating fund of the tribally controlled school with respect to which the grant is provided and shall be used to defray, at the determination of the school board of the tribally controlled school, any expenditures, including but not limited to, expenditures for—

(A) school operations, academic, educational, residential, guidance and counseling, and administrative purposes,

(B) the operation and maintenance of the school, and

(C) support services for the school, including transportation.

(b)(1) No more than one grant may be provided under this part with respect to any Indian tribe for any fiscal year.

(2) Funds provided under any grant made under this part may not be used in connection with religious worship or sectarian instruction.

(3) Funds provided under any grant made under this part may not be expended for administrative costs (as defined under section 1128A(e)(1) of the Education Amendments of 1978) in excess of the amount generated for such costs under section 1128A of such Act.

(c) In the case of a grantee which operates schools at more than one schoolsite, the grantee shall expend no less than 90 percent of the funds allocated for each schoolsite under section 1128 of the Education Amendments of 1978 at each schoolsite.

(d) Nothing in this part may be construed—

(1) to require a tribe or tribal organization to apply for or accept, or

(2) to allow any person to coerce any tribe or tribal organization into applying for, or accepting,

a grant under this part to plan, conduct, and administer all of, or any portion of, any Bureau program. Such applications, and the timing of such applications, shall be strictly voluntary. Nothing in this part may be construed as allowing or requiring any grant with any entity other than the entity to which the grant is provided.

(e) Grants provided under this part shall not terminate, modify, suspend, or reduce the Federal responsibility to provide a program.

(f) Whenever an Indian tribe requests retrocession of any program for which assistance is provided under this part, such retrocession shall become effective upon a date specified by the Secretary not more than 120 days after the date on which the tribe requests the retrocession, or such later date as may be mutually agreed upon by the Secretary and the tribe.

SEC. 11205. COMPOSITION OF GRANTS.

(a) The grant provided under this part to an Indian tribe or tribal organization for any fiscal year shall consist of—

(1) the total amount of funds allocated for such fiscal year under sections 1128 and 1128A of the Education Amendments of 1978 with respect to the tribally controlled schools eligible for assistance under this part that are operated by such Indian tribe or tribal organization,

(2) to the extent requested by such Indian tribe or tribal organization, the total amount of funds allocated to such schools for such fiscal year under section 1126(d) of the Education Amendments of 1987, and

(3) the total amount of funds provided under—

(A) chapter 1 of the Education Consolidation and Improvement Act of 1981, and

(B) the Education of the Handicapped Act,

that are allocated to such schools for such fiscal year.

(b)(1) In the allocation of funds under sections 1128, 1128A, and 1126(d) of the Education Amendments of 1978, tribally controlled schools for which grants are provided under this part shall be treated as contract schools.

(2) In the allocation of funds provided under—

(A) chapter 1 of the Education Consolidation and Improvement Act of 1981, and

(B) the Education of the Handicapped Act,

that are distributed through the Bureau, tribally controlled schools for which grants are provided under this part shall be treated as Bureau schools.

(3)(A) Except as provided in subparagraph (C), funds allocated to a tribally controlled school by reason of paragraph (1) or (2) shall be subject to the provisions of this part and shall not be subject to any restriction or limitation that is imposed under any other law specifically with respect to funds provided under—

(i) the Education Amendments of 1978,

(ii) the Education Consolidation and Improvement Act of 1981, or

(iii) the Education of the Handicapped Act.

(B) Except as provided in subparagraph (C), Indian tribes and tribal organizations to which grants are provided under this part, and tribally controlled schools for which such grants are provided, shall not be subject to any requirements, obligations, restrictions, or limitations that would otherwise apply solely by reason of the receipt of funds provided under any Act referred to in clauses (i), (ii), or (iii) of subparagraph (A).

(C) The provisions of this paragraph shall not affect the application of any provision of title XI of the Education Amendments of 1978 that applies under the terms of such title specifically with respect to—

(i) all schools that are Bureau funded schools (within the meaning of section 1139(3) of the Education Amendments of 1978), or

(ii) schools for which assistance is provided under this part.

SEC. 11206. ELIGIBILITY FOR GRANTS.

(a)(1) A tribally controlled school is eligible for assistance under this part if the school—

(A) was, on the date of enactment of this Act, a school which received funds under the authority of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450, et seq.),

(B) was a school operated (as either an elementary or secondary school or a combined program) by the Bureau and has met the requirements of subsection (b),

(C) is a school for which the Bureau has not provided funds, but which has met the requirements of subsection (c), or

(D) is a school with respect to which an election has been made under paragraph (2) and which has met the requirements of subsection (b).

(2) Any application which has been submitted under the Indian Self-Determination and Education Assistance Act by an Indian tribe for a school which is not in operation on the date of enactment of this Act shall be reviewed under the guidelines and regulations for applications submitted under the Indian Self-Determination and Education Assistance Act that were in effect at the time the application was submitted, unless the Indian tribe or tribal organization elects to have the application reviewed under the provisions of subsection (b).

(b)(1) Any school that was operated as a Bureau school on the date of enactment of this Act, and any school with respect to which an election is made under subsection (a)(2), meets the requirements of this subsection if—

(A) the Indian tribe or tribal organization that operates, or desires to operate, the school submits to the Secretary an application requesting that the Secretary—

(i) transfer operation of the school to the Indian tribe or tribal organization, if the Indian tribe or tribal organization is not already operating the school, and

(ii) make a determination of whether the school is eligible for assistance under this part, and

(B) the Secretary makes a determination that the school is eligible for assistance under this part.

(2)(A) By no later than the date that is 120 days after the date on which an application is submitted to the Secretary under paragraph (1)(A), the Secretary shall determine—

(i) if the school is not being operated by the Indian tribe or tribal organization, whether to transfer operation of the school to the Indian tribe or tribal organization, and

(ii) whether the school is eligible for assistance under this part.

(B) In considering applications submitted under paragraph (1)(A), the Secretary—

(i) shall transfer operation of the school to the Indian tribe or tribal organization, if the Indian tribe or tribal organization is not already operating the school, and

(ii) shall determine that the school is eligible for assistance under this part,

unless the Secretary finds by clear and convincing evidence that the services to be provided by the Indian tribe or tribal organization will be deleterious to the welfare of the Indians served by the school.

(C) In considering applications submitted under paragraph (1)(A), the Secretary shall consider whether the Indian tribe or tribal organization would be deficient in operating the school with respect to—

(i) equipment,

(ii) bookkeeping and accounting procedures,

(iii) substantive knowledge of operating the school,

(iv) adequately trained personnel, or

(v) any other necessary components in the operation of the school.

(c)(1) A school for which the Bureau has not provided funds meets the requirements of this subsection if—

(A) the Indian tribe or tribal organization that operates, or desires to operate, the school submits to the Secretary an application requesting a determination by the Secretary of whether the school is eligible for assistance under this part, and

(B) the Secretary makes a determination that the school is eligible for assistance under this part.

(2)(A) By no later than the date that is 180 days after the date on which an application is submitted to the Secretary under paragraph (1)(A), the Secretary shall determine whether the school is eligible for assistance under this part.

(B) In making the determination under subparagraph (A), the Secretary shall give equal consideration to all of the following factors:

(i) with respect to the applicant's proposal—

(I) the adequacy of facilities or the potential to obtain or provide adequate facilities;

(II) geographic and demographic factors in the affected areas;

(III) adequacy of applicant's program plans;

(IV) geographic proximity of comparable public education; and

(V) the wishes of all affected parties, including but not limited to students, families, tribal governments at both the central and local levels, and school organizations; and

(ii) with respect to all education services already available—

(I) geographic and demographic factors in the affected areas;

(II) adequacy and comparability of programs already available;

(III) consistency of available programs with tribal education codes or tribal legislation to education; and

(IV) the history and success of these services for the proposed population to be served, as determined from all factors and not just standardized examination performance.

(C) The Secretary may not make a determination under this paragraph that is primarily based upon the geographic proximity of comparable public education.

(D) Applications submitted under paragraph (1)(A) shall include information on the factors described in subparagraph (B)(i), but the applicant may also provide the Secretary such information relative to the factors described in subparagraph (B)(ii) as the applicant considers appropriate.

(E) If the Secretary fails to make a determination under subparagraph (A) with respect to an application within 180 days after the date on which the Secretary received the application, the Secretary shall be treated as having made a determination that the tribally controlled school is eligible for assistance under the title and the grant shall become effective 18 months after the date on which the Secretary received the application, or an earlier date, at the Secretary's discretion.

(d)(1) If the Secretary determines that a tribally controlled school is eligible under subsection (a) for assistance under this part, the eligibility determination shall remain in effect until the determination is revoked by the Secretary, and the requirements of subsection (b) or (c), if applicable, shall be considered to have been met with respect to such school for all subsequent fiscal years until the eligibility determination is revoked by the Secretary.

(2)(A) The Secretary shall not revoke a determination that a school is eligible under subsection (a) for assistance under this part if—

(i) the Indian tribe or tribal organization submits the reports required under paragraph (3) with respect to the school, and

(ii) at least one of the following subclauses applies with respect to the school:

(I) The school is certified or accredited by a State or regional accrediting association as determined by the Secretary of Education, or is a candidate in good standing for such accreditation under the rules of the State or regional accrediting association, ensuring that credits achieved by students within the education programs are, or will be, accepted at grade level by a State certified or regionally accredited institution.

(II) A determination made by the Secretary that there is a reasonable expectation that the accreditation described in subclause (I), or the candidacy in good standing for such accreditation, will be reached by the school within 3 years and that the program offered by the school is beneficial to the Indian students.

(III) The school is accredited by a tribal division of education if such accreditation is accepted by a generally recognized regional or State accreditation agency.

(IV) The school accepts the standards promulgated under section 1121 of the Education Amendments of 1978 and an evaluation of performance is conducted under this section in conformance with the regulations pertaining to Bureau operated schools by an impartial evaluator chosen by the grantee, but no grantee shall be required to comply with these standards to a higher degree than a comparable Bureau operated school.

(V) A positive evaluation of the school is conducted once every three years under standards adopted by the contractor under a contract for a school entered into under the Indian Self-Determination and Education Assistance Act prior to the date of enactment of this Act, such evaluation to be conducted by an impartial evaluator agreed to by the Secretary and the grantee. Upon failure to agree on such an evaluator, the governing body of the tribe shall choose the evaluator or perform the evaluation.

(B) The choice of standards employed for purposes of subparagraph (A)(ii) shall be consistent with section 1121(e) of the Education Amendments of 1978.

(3) Each recipient of a grant provided under this part shall submit to the Secretary an annual report that shall be limited to—

(A) an annual financial statement reporting revenue and expenditures as defined by the cost accounting established by the grantee;

(B) a biannual financial audit conducted pursuant to the standards of the Single Audit Act of 1984;

(C) an annual submission to the Secretary of the number of students served and a brief description of programs offered under the grant; and

(D) a program evaluation conducted by an impartial entity, to be based on the standards established for purposes of paragraph (2)(A)(ii).

(4) The Secretary shall not revoke a determination that a school is eligible under subsection (a) for assistance under this part, or reassume control of a school that was a Bureau school prior to approval of an application submitted under subsection (b)(1)(A), until the Secretary—

(A) provides notice to the tribal authority that authorized the tribally controlled school which states—

(i) the specific deficiencies that led to the revocation or resumption determination, and

(ii) the actions that are needed to remedy such deficiencies, and

(B) affords such authority an opportunity to effect any remedial actions.

The Secretary shall provide such technical assistance as is necessary to effect such remedial actions. Such notice and technical assistance shall be in addition to a hearing and appeal to be conducted pursuant to the regulations described in subsection (f)(3)(A)(iii).

(e)(1) Expansions of the grade levels offered by a tribally controlled school that is funded under this part, or modifications to initiate residential services by such schools, may be made only if—

(A) the tribe or tribal organization submits to the Secretary an application to make the expansion or modification,

(B) the application is accompanied by a document indicating action by the tribal governing body authorizing such application, and

(C) the Secretary approves the expansion or modification.

(2) The Secretary, by no later than the date that is 120 days after the date on which an application is submitted to the Secretary under this subsection, shall make a final determination on such application.

(3) Paragraph (1) shall not apply with respect to expansions, or modifications of services or programs, that are within grade levels.

(4) In reviewing all applications submitted under this subsection, the Secretary shall give equal consideration to the factors described in subsection (c)(2)(B) and to the enhancement of the quality of the overall program offered by the applicant.

(5) Any expansion of more than two grade levels at a tribally controlled school that is funded under this part, or an equivalent expansion, or any addition of residential services to a program not offering residential services, that is approved by the Secretary under this subsection shall become effective on the date that is 12 months after the date on which the application is submitted to the Secretary, or earlier, at the discretion of the Secretary.

(f)(1) Any application that is submitted under this part by a tribal organization shall be accompanied by a document indicating action by the tribal governing body authorizing such application.

(2) Except as provided in subsection (c)(2)(E) or (e)(5), a grant provided under this part, a transfer of the operation of a Bureau school made under subsection (b), and any expansion or modification approved under subsection (e)(1)(C), shall become effective beginning with the academic year succeeding the fiscal year in which the application for the grant, transfer, expansion, or modification is made, or at an earlier date, at the Secretary's discretion.

(3)(A) Whenever the Secretary declines to provide a grant under this part, to transfer operation of a Bureau school under subsection (b), or to approve an expansion or modification under subsection (e)(1)(C), or determines that a school is not eligible for assistance under this part, the Secretary shall—

(i) state the objections in writing to the tribe or tribal organization within the allotted time,

(ii) provide assistance to the tribe or tribal organization to overcome all stated objections,

(iii) provide the tribe or tribal organization a hearing, under the same rules and regulations that apply under the Indian Self-Determination and Education Assistance Act, and

(iv) provide an opportunity to appeal the objection raised.

(B) The Secretary shall reconsider any amended application submitted under this part within 60 days after the amended application is submitted to the Secretary.

(g) The Bureau shall submit an annual report to the Congress on all applications received, and actions taken, under this section at the same time that the President is required to submit to the Congress the budget under section 1105 of title 31, United States Code.

SEC. 11207. PAYMENT OF GRANTS; INVESTMENT OF FUNDS.

(a)(1) Except as otherwise provided in this subsection, the Secretary shall make payments to grantees under this part in two payments:

(A) one payment to be made no later than October 1 of each fiscal year in an amount equal to one-half the amount paid during the preceding fiscal year to the grantee or a contractor that has elected to have the provisions of this part apply, and

(B) the second payment consisting of the remainder to which the grantee or contractor is entitled for the fiscal year to be made by no later than January 1 of the fiscal year.

(2) For any school for which no payment was made under this part in the preceding fiscal year, full payment of the amount computed for each fiscal year shall be made by January 1 of the fiscal year.

(b)(1) Notwithstanding any other provision of law, any interest or investment income that accrues on any funds provided

under this part after such funds are paid to the Indian tribe or tribal organization and before such funds are expended for the purpose for which such funds were provided under this part shall be the property of the Indian tribe or tribal organization and shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance, under any provision of Federal law.

(2) Funds provided under this part may be invested by the Indian tribe or tribal organization only in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States.

(c) For the purposes of underrecovery and overrecovery determinations by any Federal agency for any other funds, from whatever source derived, funds received under this part shall not be taken into consideration.

SEC. 11208. APPLICABILITY OF OTHER STATUTES.

(a) All provisions of sections 5, 6, 7, 105, 109, and 110 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c, et seq.) except those provisions pertaining to indirect costs and length of contract, shall apply to grants provided under this part.

(b) Until the date that is 120 days after the date of enactment of this Act, contractors for activities to which this part applies who have entered into a contract under the Indian Self-Determination and Education Assistance Act that is in effect upon the date of enactment of this Act may elect, in such manner and at such time as the Secretary shall prescribe, to have the provisions of this part apply to such activity in lieu of such contract.

(c) No funds may be provided under any contract entered into under the Indian Self-Determination and Education Assistance Act to pay any expenses incurred in providing any program or service if a grant has been made under this part to pay such expenses.

SEC. 11209. ROLE OF THE DIRECTOR.

Applications for grants under this part, and all application modifications, shall be reviewed and approved by personnel under the direction and control of the Director of the Office of Indian Education Programs. Required reports shall be submitted to education personnel under the direction and control of the Director of such Office.

SEC. 11210. REGULATIONS.

The Secretary is authorized to issue regulations relating to the discharge of duties specifically assigned to the Secretary by this part. In all other matters relating to the details of planning, development, implementing, and evaluating grants under this part, the Secretary shall not issue regulations.

SEC. 11211. DEFINITIONS.

For purposes of this part—

(1) The term "eligible Indian student" has the meaning of such term in section 1128(f) of the Education Amendments of 1978 (25 U.S.C. 2008(f)).

(2) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native Village or regional or village corporation (as defined in or established pursuant to the Alaskan Native Claims Settlement Act), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(3)(A) The term "tribal organization" means—

(i) the recognized governing body of any Indian tribe, or

(ii) any legally established organization of Indians which—

(I) is controlled, sanctioned, or chartered by such governing body or is democratically elected by the adult members of the Indian community to be served by such organization, and

(II) includes the maximum participation of Indians in all phases of its activities.

(B) In any case in which a grant is provided under this part to an organization to perform services benefiting more than one Indian tribe, the approval of the governing bodies of Indian tribes representing 80 percent of those students attending the tribally controlled school shall be considered a sufficient tribal authorization for such grant.

(4) The term "Secretary" means the Secretary of the Interior.

(5) The term "tribally controlled school" means a school, operated by a tribe or a tribal organization, enrolling students in kindergarten through grade 12, including preschools, which is not a local educational agency and which is not directly administered by the Bureau of Indian Affairs.

(6) The term "a local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(7) The term "Bureau" means the Bureau of Indian Affairs of the Department of the Interior.

PART C—DEPARTMENT OF EDUCATION

SEC. 11301. SHORT TITLE.

This part may be cited as the "Indian Education Act of 1987".

Subpart 1—Financial Assistance to Local Educational Agencies for the Education of Indian Children

SEC. 11311. DECLARATION OF POLICY.

In recognition of the special educational and culturally related academic needs of Indian students in the United States, Congress hereby declares it to be the policy of the United States to provide financial assistance to local educational agencies to develop and carry out elementary and secondary school programs specially designed to meet these special educational and culturally related academic needs, or both.

SEC. 11312. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

(a) The Secretary shall, in order to effectuate the policy set forth in section 11311, carry out a program of making grants to local educational agencies which are entitled to payments under this subpart and which have submitted, and have had approved, applications therefor, in accordance with the provisions of this subpart.

(b)(1)(A) For any fiscal year for which appropriations are authorized under section 11316 of this Act, the Secretary shall determine the number of Indian children who were enrolled in the schools of a local educational agency, and for whom such agency provided free public education, during such fiscal year.

(B) For purposes of this subpart, the term "eligible Indian children" means Indian children whom the Secretary has determined—

(i) were enrolled in a school of the local educational agency, and

(ii) were provided free public education by the local educational agency.

(2)(A) From the sums appropriated under section 11316(a) for any fiscal year, the Secretary shall allocate to each local educational agency which has an application approved under this subpart an amount which bears the same ratio to such sums as the product of—

(i) the number of eligible Indian children, multiplied by

(ii) the average per pupil expenditure per local educational agency,

bears to the sum of such products for all such local educational agencies.

(B) A local educational agency shall not be entitled to receive a grant under this subpart for any fiscal year unless the number of eligible Indian children, with respect to such agency, is at least 10 or constitutes at least 50 percent of its total enrollment. The requirements of this subparagraph shall not apply to any local educational agencies serving Indian children in Alaska, California, and Oklahoma or located on, or in proximity to, an Indian reservation.

(C) For the purposes of this subsection, the average per pupil expenditure for a local educational agency is equal to the amount determined by dividing—

(i) the sum of—

(I) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made, of all of the local educational agencies in the State in which such agency is located, plus

(II) any direct current expenditures of such State for the operation of such agencies (without regard to the sources of funds from which either of such expenditures are made), by

(ii) the aggregate number of children who were in average daily attendance for whom such agencies provided free public education during such preceding fiscal year.

(c)(1) In addition to the sums appropriated for any fiscal year for grants to local educational agencies under this subpart, there is hereby authorized to be appropriated for any fiscal year an amount not in excess of 10 percent of the amount appropriated for payments on the basis of entitlements computed under subsection (b) for that fiscal year, for the purpose of enabling the Secretary to provide financial assistance in accordance with the provisions of this subpart to schools—

(A) which are located on or near reservations; and

(B) which—

(i) are not local educational agencies, or

(ii) have not been local educational agencies for more than 3 years.

(2) The requirements of clause (A) of paragraph (1) shall not apply to any school serving Indian children in California, Oklahoma, or Alaska.

(d) In addition to the sums appropriated for any fiscal year for grants to local educational agencies under this subpart, there is hereby authorized to be appropriated for any fiscal year an amount not in excess of 10 percent of the amount appropriated for payments of entitlements computed under subsection (b) for that fiscal year, for the purpose of enabling the Secretary to make

grants on a competitive basis to local educational agencies to support demonstration projects and programs which are designed to plan for and improve educational opportunities for Indian children, except that the Secretary shall reserve a portion not to exceed 25 percent of such funds to make grants for demonstration projects examining the special educational and culturally related academic needs that arise in school districts with high concentrations of Indian children.

SEC. 11313. USES OF FEDERAL FUNDS.

Grants under this subpart may be used, in accordance with applications approved under section 11314, for—

(1) planning and development of programs specifically designed to meet the special educational or culturally related academic needs, or both, of Indian children, including pilot projects designed to test the effectiveness of plans so developed;

(2) the establishment, maintenance, and operation of such programs, including, in accordance with regulations of the Secretary, minor remodeling of classroom or other space used for such programs and acquisition of necessary equipment; and

(3) the training of counselors at schools receiving funds under this subpart in counseling techniques relevant to the treatment of alcohol and substance abuse.

SEC. 11314. APPLICATIONS FOR GRANTS; CONDITIONS FOR APPROVAL.

(a) A grant provided under this subpart, except as provided in section 11312(b), may be made only to a local educational agency or agencies, and only upon application to the Secretary at such time or times, in such manner, and containing or accompanied by such information as the Secretary deems necessary. Such application shall—

(1) provide that the activities and services for which assistance under this subpart is sought will be administered by or under the supervision of the applicant;

(2) set forth a program for carrying out the purposes of section 11313, and provide for such methods of administration as are necessary for the proper and efficient operation of the program;

(3) in the case of an application for payments for planning, provide that—

(A) the planning was or will be directly related to programs or projects to be carried out under this subpart and has resulted, or is reasonably likely to result, in a program or project which will be carried out under this subpart, and

(B) the planning funds are needed because of the innovative nature of the program or project or because the local educational agency lacks the resources necessary to plan adequately for programs and projects to be carried out under this subpart;

(4) provide that effective procedures, including provisions for appropriate objective measurement of educational achievement, will be adopted for evaluating at least annually the effectiveness of the programs and projects in meeting the special educational needs of Indian students;

(5) set forth policies and procedures which assure that Federal funds made available under this subpart for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the education of Indian children and in no case supplant such funds;

(6) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this subpart; and

(7) provide for making an annual report and such other reports, in such form and containing such information, as the Secretary may reasonably require to carry out his functions under this subpart and to determine the extent to which funds provided under this subpart have been effective in improving the educational opportunities of Indian students in the area served, and for the keeping of such records, and the affording of such access thereto, as the Secretary may find necessary to assure the correctness and verification of such reports.

(b) An application by a local educational agency or agencies for a grant under this subpart may be approved only if it is consistent with the applicable provisions of this subpart and—

(1) meets the requirements set forth in subsection (a);

(2) provides that the program or project for which application is made—

(A) will utilize the best available talents and resources (including persons from the Indian community) and will substantially increase the educational opportunities of Indian children in the area to be served by the applicant; and

(B) has been developed—

(i) in open consultation with parents of Indian children, teachers, and, where applicable, secondary school students, including public hearings at which such persons have had a full opportunity to understand the program for which assistance is being sought and to offer recommendations thereon, and

(ii) with the participation and written approval of a committee—

(I) which is composed of, and selected by, parents of children participating in the program for which assistance is sought, teachers, and, where applicable, secondary school students, and

(II) of which at least half the members shall be parents described in subclause (I);

(3) sets forth such policies and procedures including policies and procedures relating to the hiring of personnel, as will ensure that the program for which assistance is sought will be operated and evaluated in consultation with, and with the involvement of, parents of the children and representatives of the area to be served, including the committee established for the purposes of paragraph (2)(B)(ii); and

(4) provides that the parent committee formed pursuant to paragraph (2)(B)(ii) will adopt and abide by reasonable bylaws for the conduct of the program for which assistance is sought.

(c) Amendments of applications submitted under this subpart shall, except as the Secretary may otherwise provide by regulation, be subject to approval in the same manner as original applications.

(d)(1) The Secretary shall require that each application for a grant under this subpart for each fiscal year include a form for each eligible Indian child for whom the local educational agency is providing free public education that sets forth information establishing the status of the child as an eligible Indian child.

(2) The Secretary shall request on the form required under paragraph (1) at least the following information:

(A) either—

(i) the name of the tribe, band, or other organized group of Indians with which the child claims membership, along with the enrollment number establishing membership (if applicable), and the name and address of the organization which has updated and accurate membership data for such tribe, band, or other organized group of Indians, or

(ii) if the child is not a member of a tribe, band, or other organized group of Indians, the name, the enrollment number (if applicable) and the organization (and address thereof) responsible for maintaining updated and accurate membership rolls of any of the child's parents or grandparents, from whom the child claims eligibility;

(B) whether the tribe, band, or other organized group of Indians with which the applicant, his parents, or grandparents claim membership is federally recognized;

(C) the name and address of the parent or legal guardian;

(D) the signature of the parent or legal guardian verifying the accuracy of the information supplied; and

(E) any other information which the Secretary deems necessary to provide an accurate program profile.

(3) Nothing in the requirements of paragraph (2) shall be construed as affecting the definition set forth in section 11351(4).

(4) The forms and the standards of proof that were in use during the 1985–1986 academic year to establish a child's eligibility for entitlement under the Indian Elementary and Secondary School Assistance Act shall be the only forms and standards of proof used to establish such eligibility and to meet the requirements of paragraph (1) after the date of enactment of this Act.

(e)(1) The Secretary shall establish a method of auditing, on an annual basis, a sample of not less than one-third of the total number of school districts receiving funds under this subpart, and shall submit to the Congress an annual report on the findings of the audits.

(2) Any local educational agency that provides false information in the application for a grant under this subpart shall be ineligible to apply for any other grants under this subpart and shall be liable to the United States for any funds provided under this subpart that have not been expended.

(3) Any student who provides false information on the form required under subsection (d)(1) may not be taken into account in determining the amount of any grant under this subpart.

SEC. 11315. PAYMENTS.

(a) The Secretary shall, subject to the provisions of section 11316, from time-to-time pay to each local educational agency which has had an application approved under section 11314, an amount equal to the amount estimated to be expended by such agency in carrying out activities under such application.

(b) No payments shall be made under this subpart for any fiscal year to any local educational agency in a State which has taken into consideration payments under this subpart in determining the eligibility of such local educational agency in that State for State aid, or the amount of that aid, with respect to the free public education of children during that year or the preceding fiscal year.

(c)(1) The Secretary shall not pay to any local educational agency its full allotment under section 11102 for any fiscal year unless the State educational agency determines that the combined fiscal effort of that local agency and the State with respect to the provision of free public education by that local agency for the preceding fiscal year, computed on either a per student or *aggregate expenditure basis, was at least 90 percent of such combined fiscal effort, computed on the same basis, for the second preceding fiscal year.*

(2) If the Secretary determines for any fiscal year that a local educational agency failed to maintain its expenditures at the 90 percent level required by paragraph (1), the Secretary shall—

(A) reduce the allocation of funds to that agency in the exact proportion of that agency's failure to maintain its expenditures at that level, and

(B) not use the reduced amount of the agency's expenditures for the preceding year to determine compliance with paragraph (1) in any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1).

(3) The Secretary may waive the requirements of this subsection for one fiscal year only if the Secretary determines that a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the agency's financial resources. The Secretary shall not use the reduced amount of the agency's expenditures for the fiscal year preceding the fiscal year for which a waiver is granted to determine compliance with paragraph (1) in any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1) in the absence of a waiver.

SEC. 11316. AUTHORIZATION OF APPROPRIATIONS; ADJUSTMENTS.

(a) For the purpose of making payments under this subpart, there are authorized to be appropriated—

(1) for fiscal year 1988, $70,000,000, and

(2) for each of the fiscal years 1989, 1990, 1991, 1992, and 1993, such sums as may be necessary.

(b) The Secretary may reallocate, in such manner as will best assist in advancing the purposes of this subpart, any amount which the Secretary determines, based upon estimates made by local educational agencies, will not be needed by any such agency to carry out its approved project.

Subpart 2—Special Programs and Projects to Improve Educational Opportunities for Indian Children

SEC. 11321. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN.

(a) The Secretary shall carry out a program of making grants for the improvement of educational opportunities for Indian children—

(1) to support planning, pilot, and demonstration projects, in accordance with subsection (b), which are designed to test and demonstrate the effectiveness of programs for improving educational opportunities for Indian children;

(2) to assist in the establishment and operation of programs, in accordance with subsection (c), which are designed to stimulate—

(A) the provision of educational services not available to Indian children in sufficient quantity or quality, and

(B) the development and establishment of exemplary educational programs to serve as models for regular school programs in which Indian children are educated;

(3) to assist in the establishment and operation of preservice and inservice training programs, in accordance with subsection (d), for persons serving Indian children as educational personnel; and

(4) to encourage the dissemination of information and materials relating to, and the evaluation of the effectiveness of, education programs which may offer educational opportunities to Indian children.

(b) The Secretary is authorized to make grants to State and local educational agencies, federally supported elementary and secondary schools for Indian children and to Indian tribes, Indian organizations, and Indian institutions to support planning, pilot, and demonstration projects which are designed to plan for, and test and demonstrate the effectiveness of, programs for improving educational opportunities for Indian children, including—

(1) innovative programs related to the educational needs of educationally deprived children;

(2) bilingual and bicultural education programs and projects;

(3) special health and nutrition services, and other related activities, which meet the special health, social, and psychological problems of Indian children; and

(4) coordination of the operation of other federally assisted programs which may be used to assist in meeting the needs of such children.

(c) The Secretary is authorized to make grants to State and local educational agencies and to tribal and other Indian community organizations to assist them in developing and establishing educational services and programs specifically designed to improve educational opportunities for Indian children. Grants may be used—

(1) to provide educational services not available to such children in sufficient quantity or quality, including—

(A) remedial and compensatory instruction, school health, physical education, psychological, and other services designed to assist and encourage Indian children to enter, remain in, or reenter elementary or secondary school;

(B) comprehensive academic and vocational instruction;

(C) instructional materials (such as library books, textbooks, and other printed, published, or audiovisual materials) and equipment;

(D) comprehensive guidance, counseling, and testing services;

(E) special education programs for handicapped and gifted and talented Indian children;

(F) early childhood programs, including kindergarten;

(G) bilingual and bicultural education programs; and

(H) other services which meet the purposes of this subsection; and

(2) to establish and operate exemplary and innovative educational programs and centers, involving new educational approaches, methods, and techniques designed to enrich programs of elementary and secondary education for Indian children.

(d)(1) The Secretary is authorized to make grants to institutions of higher education and to State and local educational agencies, in combination with institutions of higher education, for carrying out programs and projects—

(A) to prepare persons to serve Indian students as teachers, administrators, teacher aides, social workers, and ancillary educational personnel; and

(B) to improve the qualifications of such persons who are serving Indian students in such capacities.

(2) Grants made under this subsection may be used for the establishment of fellowship programs leading to an advanced degree, for institutes and, as part of a continuing program, for seminars, symposia, workshops, and conferences.

(3) In programs funded by grants authorized under this subsection, preference shall be given to the training of Indians.

(e)(1) The Secretary is authorized to make grants to, and to enter into contracts with, public agencies, State educational agencies in States in which more than 5,000 Indian children are enrolled in public elementary and secondary schools, Indian tribes, Indian institutions, and Indian organizations, and to make contracts with private institutions and organizations, to establish, on a regional basis, information centers to—

(A) evaluate programs assisted under this Act, and under other Indian education programs in order to determine their effectiveness in meeting the special educational and culturally related academic needs of Indian children and adults and to conduct research to determine those needs;

(B) provide technical assistance upon request to local educational agencies and Indian tribes, Indian organizations, Indian institutions, and parent committees created pursuant to section 11314(b)(2)(B)(ii) in evaluating and carrying out programs assisted under this Act, through the provision of materials and personnel resources; and

(C) disseminate information upon request to the parties described in subparagraph (B) concerning all Federal education programs which affect the education of Indian children and adults, including information on successful models and programs designed to meet the special educational needs of Indian children.

(2) Grants or contracts made under this subsection may be made for a term not to exceed 3 years if provision is made to ensure annual review of the projects.

(3) The Secretary is authorized to make grants to, and to enter into contracts with, Indian tribes, Indian institutions, and Indian organizations, and public agencies and institutions for—

(A) the national dissemination of information concerning education programs, services, and resources available to Indian children, including evaluations thereof; and

(B) the evaluation of the effectiveness of federally assisted programs in which Indian children may participate in achieving the purposes of such programs with respect to such children.

(f)(1) Applications for a grant under this section shall be submitted at such time, in such manner, and shall contain such information, and shall be consistent with such criteria, as may be required under regulations prescribed by the Secretary. Such applications shall—

(A) set forth a statement describing the activities for which assistance is sought;

(B) in the case of an application for a grant under subsection (c)—

(i) subject to such criteria as the Secretary shall prescribe, provide for—

(I) the use of funds available under this section, and

(II) the coordination of other resources available to the applicant,

in order to ensure that, within the scope of the purpose of the project, there will be a comprehensive program to achieve the purposes of this section, and

(ii) provide for the training of personnel participating in the project; and

(C) provide for an evaluation of the effectiveness of the project in achieving its purpose and the purposes of this section.

(2)(A) The Secretary may approve an application for a grant under subsection (b), (c), or (d) only if the Secretary is satisfied that such application, and any document submitted with respect thereto—

(i) demonstrate that—

(I) there has been adequate participation by the parents of the children to be served and tribal communities in the planning and development of the project, and

(II) there will be such participation in the operation and evaluation of the project, and

(ii) provide for the participation, on an equitable basis, of eligible Indian children—

(I) who reside in the area to be served,

(II) who are enrolled in private nonprofit elementary and secondary schools, and

(III) whose needs are of the type which the program is intended to meet,

to the extent consistent with the number of such children.

(B) In approving applications under this section, the Secretary shall give priority to applications from Indian educational agencies, organizations, and institutions.

(3) The Secretary may approve an application for a grant under subsection (e) only if the Secretary is satisfied that the funds made available under that subsection will be used to supplement the level of funds from State, local, and other Federal sources that would, in the absence of Federal funds provided under that subsection, be made available by the State or local educational agency for the activities described in that subsection, and in no case will be used to supplant those funds.

(g) For the purpose of making grants under this section, there are hereby authorized to be appropriated $35,000,000 for each fiscal year ending prior to October 1, 1993.

SEC. 11322. SPECIAL EDUCATIONAL TRAINING PROGRAMS FOR THE TEACHERS OF INDIAN CHILDREN.

(a)(1) The Secretary is authorized to make grants to, and enter into contracts with, institutions of higher education, Indian organizations, and Indian tribes for the purpose of—

(A) preparing individuals for teaching or administering special programs and projects designed to meet the special educational needs of Indian people, and

(B) providing in-service training for persons teaching in such programs.

(2) Priority shall be given in the awarding of grants, and in the entering into of contracts, under subsection (a) to Indian institutions and organizations.

(b)(1) In carrying out the provisions of this section, the Secretary is authorized to award fellowships and traineeships to individuals and to make grants to, and to enter into contracts with, institutions of higher education, Indian organizations, and Indian tribes for cost of education allowances.

(2) In awarding fellowships and traineeships under this subsection, the Secretary shall give preference to Indians.

(3) In the case of traineeships and fellowships, the Secretary is authorized to grant stipends to, and allowances for dependents of, persons receiving traineeships and fellowships.

(c) There are authorized to be appropriated $2,000,000 for each fiscal year ending prior to October 1, 1993 to carry out the provisions of this section.

SEC. 11323. FELLOWSHIPS FOR INDIAN STUDENTS.

(a) During each fiscal year ending prior to October 1, 1993, the Secretary is authorized to award fellowships to be used for study in graduate and professional programs at institutions of higher education. Such fellowships shall be awarded to Indian students in order to enable them to pursue a course of study of not more than 4 academic years leading toward a post baccalaureate degree in medicine, clinical psychology, psychology, law, education, and related fields or leading to an undergraduate or graduate degree in engineering, business administration, natural resources, and related fields.

(b) The Secretary shall pay to persons awarded fellowships under subsection (a) such stipends (including such allowances for subsistence of such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(c) The Secretary shall pay to the institution of higher education at which the holder of a fellowship awarded under subsection (a) is pursuing a course of study, in lieu of tuition charged such holder, such amounts as the Secretary may determine to be necessary to cover the cost of education provided the holder of such a fellowship.

(d)(1) The Secretary may, if a fellowship awarded under subsection (a) is vacated prior to the end of the period for which it was awarded, award an additional fellowship for the remainder of such period.

(2) By no later than the date that is 45 days before the commencement of an academic term, the Secretary shall provide to each individual who is awarded a fellowship under subsection (a) for such academic term written notice of the amount of such fellowship and of any stipends or other payments that will be made under this section to, or for the benefit of, such individual for such academic term.

(3) Not more than 10 percent of the fellowships awarded under subsection (a) shall be awarded, on a priority basis, to persons receiving training in guidance counseling with a specialty in the area of alcohol and substance abuse counseling and education.

(e) There are authorized to be appropriated for fiscal year 1989, and for each of the 4 succeeding fiscal years, such sums as may be necessary to carry out the provisions of this section.

SEC. 11324. GIFTED AND TALENTED.

(a) The Secretary shall establish centers for gifted and talented Indian students at Sinte Gleska College and at the Navajo Community College.

(b)(1) The Secretary shall award grants to, or enter into contracts with, the Sinte Gleska College, the Navajo Community College, and the American Indian Higher Education Consortium for demonstration projects designed to address the special needs of Indian students in elementary and secondary schools who are gifted and talented and the special needs of their families.

(2) Any person to whom a grant is made, or with whom a contract is entered into, under paragraph (1) may enter into a contract with any other persons, including the Children's Television Workshop, for the purpose of carrying out the demonstration projects for which such grant was awarded or for which the contract was entered into by the Secretary.

(c) Demonstration projects funded under this section may include—

(1) the identification of the special needs of gifted and talented students, particularly at the elementary school level, with attention to the emotional and psychosocial needs of these individuals and their families;

(2) the conduct of educational, psychosocial, and developmental activities which hold reasonable promise of resulting in substantial progress toward meeting the educational needs of such gifted and talented children, including, but not limited to, demonstrating and exploring the use of Indian languages and exposure to Indian cultural traditions;

(3) the use of public television in meeting the special educational needs of such gifted and talented children;

(4) leadership programs designed to replicate programs for such children throughout the United States, including the dissemination of information derived from the demonstration projects conducted under this section; and

(5) appropriate research, evaluation, and related activities pertaining to the needs of such children and their families.

(d) The Secretary shall encourage persons to whom a grant is made, or with whom a contract is entered into, under subsection (a) to work cooperatively as a national network so that the information developed by such persons is readily available to the entire educational community.

(e) There are authorized to be appropriated $3,000,000 for each of the fiscal years 1988, 1989, 1990, 1991, 1992, and 1993 for the purpose of carrying out the provisions of this section. Such sums shall remain available until expended.

Subpart 3—Special Programs Relating to Adult Education for Indians

SEC. 11330. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR ADULT INDIANS.

(a) The Secretary shall carry out a program of awarding grants to State and local educational agencies and to Indian tribes, institutions, and organizations—

(1) to support planning, pilot, and demonstration projects which are designed to test and demonstrate the effectiveness of programs for improving employment and educational opportunities for adult Indians;

(2) to assist in the establishment and operation of programs which are designed to stimulate—

(A) the provision of basic literacy opportunities to all nonliterate Indian adults, and

(B) the provision of opportunities to all Indian adults to qualify for a high school equivalency certificate in the shortest period of time feasible;

(3) to support a major research and development program to develop more innovative and effective techniques for achieving the literacy and high school equivalency goals;

(4) to provide for basic surveys and evaluations to define accurately the extent of the problems of illiteracy and lack of high school completion among Indians; and

(5) to encourage the dissemination of information and materials relating to, and the evaluation of the effectiveness of, education programs which may offer educational opportunities to Indian adults.

(b) The Secretary is authorized to make grants to Indian tribes, Indian institutions, and Indian organizations to develop and establish educational services and programs specifically designed to improve educational opportunities for Indian adults.

(c) The Secretary is also authorized to make grants to, and to enter into contracts with, public agencies, and institutions, and Indian tribes, institutions, and organizations for—

(1) the dissemination of information concerning educational programs, services, and resources available to Indian adults, including evaluations thereof; and

(2) the evaluation of federally assisted programs in which Indian adults may participate to determine the effectiveness of such programs in achieving the purposes of such programs with respect to such adults.

(d)(1) Applications for a grant under this section shall be submitted at such time, in such manner, contain such information, and be consistent with such criteria, as may be required under regulations prescribed by the Secretary. Such applications shall—

(A) set forth a statement describing the activities for which assistance is sought; and

(B) provide for an evaluation of the effectiveness of the project in achieving its purposes and those of this section.

(2) The Secretary shall not approve an application for a grant under subsection (a) unless he is satisfied that such application, and any documents submitted with respect thereto, indicate that—

(A) there has been adequate participation by the individuals to be served and tribal communities in the planning and development of the project, and

(B) there will be such a participation in the operation and evaluation of the project.

(3) In approving applications under subsection (a), the Secretary shall give priority to applications from Indian educational agencies, organizations, and institutions.

(e) There are authorized to be appropriated for fiscal year 1989, and for each of the 4 succeeding fiscal years, such sums as may be necessary to carry out the provisions of this section.

Subpart 4—Program Administration

SEC. 11341. OFFICE OF INDIAN EDUCATION.

(a) There is established, in the Department of Education, an Office of Indian Education.

(b)(1) The Office of Indian Education shall be under the direction of the Director of the Office of Indian Education and shall be responsible for administering the provisions of this part.

(2) The Director of the Office of Indian Education shall report directly to the Secretary.

(c) The Director of the Office of Indian Education shall be compensated at the rate prescribed for, and shall be placed in, grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code, and shall perform such duties as are delegated or assigned to the Director by the Secretary. The position created by this subsection shall be in addition to the number of positions placed in grade 18 of such General Schedule under section 5108 of title 5, United States Code.

(d) The Secretary shall give preference to qualified Indians in employment in the Office of Indian Education.

SEC. 11342. NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION.

(a)(1) There is hereby established the National Advisory Council on Indian Education (hereafter in this subpart referred to as the "National Council"), which—

(A) shall consist of 15 members who are Indians appointed by the President from lists of nominees furnished, from time to time, by Indian tribes and organizations, and

(B) shall represent diverse geographic areas of the country.

(2) Subject to section 448(b) of the General Education Provisions Act, the National Council shall continue to exist until October 1, 1993.

(b) The National Council shall—

(1) advise the Secretary with respect to—

(A) the administration (including the development of regulations and of administrative practices and policies) of any program—

(i) in which Indian children or adults participate, or

(ii) from which they can benefit, including this part, and

(B) adequate funding of such programs;

(2) review applications for assistance under this part and make recommendations to the Secretary with respect to their approval;

(3) evaluate programs and projects carried out under any program of the Department of Education in which Indian children or adults can participate or from which they can benefit, and disseminate the results of such evaluations;

(4) provide technical assistance to local educational agencies and to Indian educational agencies, institutions, and organizations to assist them in improving the education of Indian children;

(5) assist the Secretary in developing criteria and regulations for the administration and evaluation of grants made under subpart 1; and

(6) submit to the Congress by no later than June 30 of each year a report on its activities, which shall include—

(A) any recommendations it may deem necessary for the improvement of Federal education programs in which Indian children and adults participate, or from which they can benefit, and

(B) a statement of the National Council's recommendations to the Secretary with respect to the funding of any such programs.

(c) With respect to functions of the National Council described in paragraphs (2), (3), and (4) of subsection (b), the National Council is authorized to contract with any public or private nonprofit agency, institution, or organization for assistance in carrying out such functions.

(d) From sums appropriated pursuant to section 400(d) of the General Education Provisions Act which are available for part D of such Act, the Secretary shall make available such sums as may be necessary to enable the National Council to carry out its functions under this section.

SEC. 11343. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal year 1989, and each of the 4 succeeding fiscal years, such sums as may be necessary to carry out the provisions of this subpart.

Subpart 5—Miscellaneous

SEC. 11351. DEFINITIONS.

For purposes of this part—

(1) The term "adult" means any individual who—

(A) is 16 years old or older, or

(B) who is beyond the age of compulsory school attendance under State law.

(2) The term "adult education" means instruction or services below college level for adults who are not enrolled in a secondary school and who do not have—

(A) the basic skills to enable them to function effectively in society, or

(B) a certificate of graduation from a school providing secondary education (and who have not achieved an equivalent level of education).

(3) The term "free public education" means education that is provided at public expense, under public supervision and direction, and without tuition charge, and that is provided as elementary or secondary education in the applicable State.

(4) The term "Indian" means any individual who is—

(A) a member of an Indian tribe, band, or other organized group of Indians (as defined by the Indian tribe, band, or other organized group), including those Indian tribes, bands, or groups terminated since 1940 and those recognized by the State in which they reside,

(B) a descendant, in the first or second degree, of an individual described in subparagraph (A),

(C) considered by the Secretary of the Interior to be an Indian for any purpose,

(D) an Eskimo, Aleut, or other Alaska Native, or

(E) is determined to be an Indian under regulations promulgated by the Secretary after consultation with the National Advisory Council on Indian Education.

(5)(A) The term "local educational agency" has the meaning given to such term by section 198(a)(10) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2854(a)(10)).

(B) The term "local educational agency", for purposes of subpart 1 (except for sections 11314(b)(2)(B)(ii) and 11315(c)(2)), includes—

(i) any school operated by the Bureau of Indian Affairs of the Department of the Interior, either individually or in cooperation with any other local education agency, and

(ii) any Indian tribe, or an organization controlled or sanctioned by an Indian tribal government, that operates a school for the children of that tribe if the school either—

(I) provides its students an educational program that meets the standards established by the Secretary of the Interior under section 1121 of the Education Amendments of 1978; or

(II) is operated by that tribe or organization under a contract with the Department of the Interior in accordance with the Indian Self-Determination and Education Assistance Act.

(6) The term "parent" includes an individual acting in loco parentis, other than by virtue of being a school administrator or official.

(7) The term "Secretary" means the Secretary of Education.

SEC. 11352. CONFORMING AMENDMENTS.

(a) The Indian Elementary and Secondary School Assistance Act is repealed.

(b) Section 1005 of the Elementary and Secondary Education Act of 1965 is repealed.

(c) Section 315 of the Adult Education Act is repealed.

(d) Sections 421(b)(2), 422, 423, 441, 442, and 453 of the Indian Education Act (title IV of Public Law 92-318) are repealed.

(e) Sections 1146 and 1149 of the Education Amendments of 1978 are repealed.

PART D—MISCELLANEOUS PROVISIONS

SEC. 11401. NAVAJO COMMUNITY COLLEGE.

Paragraph (1) of section 5(b) of the Navajo Community College Act (25 U.S.C. 640c-1(b)(1)) is amended to read as follows:

"(1) There are authorized to be appropriated for grants to the Navajo Community College, for each fiscal year, an amount necessary to pay expenses incurred for—

"(A) the maintenance and operation of the college, including—

"(i) basic, special, developmental, vocational, technical, and special handicapped education costs,

"(ii) annual capital expenditures, including equipment needs, minor capital improvements and remodeling projects, physical plant maintenance and operation costs, and exceptions and supplemental need account, and

"(iii) summer and special interest programs,

"(B) major capital improvements, including internal capital outlay funds and capital improvement projects,

"(C) mandatory payments, including payments due on bonds, loans, notes, or lease purchases, and

"(D) supplemental student services, including student housing, food service, and the provision of access to books and services.".

SEC. 11402. PAYMENT OF GRANTS; INTEREST.

(a) Subsection (b) of section 108 of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1808(b)) is amended—

(1) by striking out "The Secretary" and inserting in lieu thereof "(1) The Secretary", and

(2) by adding at the end thereof the following new paragraphs:

"(2) Notwithstanding any other provision of law, the Secretary shall not, in disbursing funds provided under this title, use any method of payment which was not used during fiscal year 1987 in the disbursement of funds provided under this title.

"(3) Notwithstanding any other provision of law, any interest or investment income that accrues on any funds provided under this title after such funds are paid to the tribally controlled community college and before such funds are expended for the purpose for which such funds were provided under this title shall be the property of the tribally controlled community college and shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance, to the tribally controlled community college under any provision of Federal law.

"(4) Funds provided under this title may only be invested by the tribally controlled community college in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States.".

(b) The Navajo Community College Act is amended by adding at the end thereof the following new section:

"PAYMENTS; INTEREST

"SEC. 7. (a) Notwithstanding any other provision of law, the Secretary of the Interior shall not, in disbursing funds provided under this Act, use any method of payment which was not used during fiscal year 1987 in the disbursement of funds provided under this Act.

"(b)(1) Notwithstanding any other provision of law, any interest or investment income that accrues on any funds provided under this Act after such funds are paid to the Navajo Community College and before such funds are expended for the purpose for which such funds were provided under this Act shall be the property of the Navajo Community College and shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance, to the Navajo Community College under any provision of Federal law.

"(2) Funds provided under this Act may only be invested by the Navajo Community College in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States.".

SEC. 11403. MATCHING FUNDS.

(a) Section 109 of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1809) is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law, funds provided under this title to the tribally controlled community college may be treated as non-Federal, private funds of the college for purposes of any provision of Federal law which requires that non-Federal or private funds of the college be used in a project or for a specific purpose.".

(b) Section 6 of the Navajo Community College Act is amended—

(1) by striking out "Except" and inserting in lieu thereof "(a) Except", and

(2) by adding at the end thereof the following new subsection:

"(b) Notwithstanding any other provision of law, funds provided under this Act to the Navajo Community College may be treated as non-Federal, private funds of the College for purposes of any provision of Federal law which requires that non-Federal or private funds of the College be used in a project or for a specific purpose.".

SEC. 11404. ENROLLMENT AND GENERAL ASSISTANCE PAYMENTS.

(a) The Secretary of the Interior shall not disqualify from continued receipt of general assistance payments from the Bureau of Indian Affairs an otherwise eligible Indian for whom the Bureau has been making general assistance payments for at least 3 months (or exclude such an individual from continued consideration in determining the amount of general assistance payments for a household) because the individual is enrolled (and is making satisfactory progress toward completion of a program or training that can reasonably be expected to lead to gainful employment) for at least half-time study or training in—

(1) a college assisted by the Bureau under the Tribally Controlled Community College Assistance Act of 1978 (92 Stat. 1325; 25 U.S.C. 1801) or the Navajo Community College Act (85 Stat. 645; 25 U.S.C. 640a);

(2) an institution of higher education or a vocational school (as defined for purposes of any program of assistance to students under the Higher Education Act of 1965);

(3) a course the Secretary determines will lead to a high school diploma or an equivalent certificate; or

(4) other programs or training approved by the Secretary.

(b) In determining the amount of general assistance provided by the Bureau of Indian Affairs, the Secretary of the Interior shall not include consideration of—

(1) additional expenses in connection with the study or training described in subsection (a), and

(2) the amount of any financial assistance received by the individual as a student or trainee.

(c) This section does not alter any eligibility requirement for general assistance from the Bureau of Indian Affairs other than the requirement to be available for employment and to seek employment.

SEC. 11405. USE OF BUREAU FACILITIES.

(a) The Secretary of the Interior may permit tribal, student, and other non-Federal organizations to use facilities, lands, and equipment administered by the Bureau of Indian Affairs if such use does not interfere with the purpose for which the facilities, land, and equipment are administered by the Bureau. The Secretary of the Interior may charge the user for the actual or estimated additional cost of utilities or other expenses incurred because of the use and the amounts collected shall be credited to the appropriation or fund from which the expenses are paid.

(b) The authority provided by this section is in addition to, and not in derogation of, any other authority available to the Secretary of the Interior.

PART E—WHITE HOUSE CONFERENCE ON INDIAN EDUCATION

SEC. 11501. FINDINGS.

The Congress finds that—

(1) the Government of the United States has a special relationship with the Indians which has given rise to a responsibility to assure superior educational opportunities for all Indians;

(2) this responsibility is being carried out by Federal schools and federally-funded programs;

(3) while the States provide educational services to the majority of Indian students in the United States, the State services are largely funded by Federal funds and are not, in any way, in derogation of the Federal responsibility;

(4) changes in the Federal and State systems in the past decade and the growth of tribal control over schools has led to substantial improvements in the educational opportunities and successes of Indian students;

(5) substantial and substantive problems continue to exist and interfere with the realization of full opportunities for Indian students; and

(6) identification of these problems through the convening of a White House conference will facilitate formulation of solutions.

SEC. 11502. AUTHORIZATION TO CALL CONFERENCE.

(a) The President shall call and conduct a White House Conference on Indian Education (hereafter in this part referred to as the "Conference") which shall be held not earlier than September 1, 1989, and not later than September 30, 1991.

(b) The purpose of the White House Conference on Indian Education shall be to—

(1) explore the feasibility of establishing an independent Board of Indian Education that would assume responsibility for all existing Federal programs relating to the education of Indians, and

(2) develop recommendations for the improvement of educational programs to make the programs more relevant to the needs of Indians, in accordance with the findings set forth in section 11501.

SEC. 11503. COMPOSITION OF CONFERENCE.

(a) The Conference shall be composed of—

(1) representatives of the Bureau of Indian Affairs of the Department of the Interior;

(2) representatives of Indian educational institutions, public schools, agencies, organizations and associations that deal with the education of Indians;

(3) educators from reservations and urban areas where Indians make up a substantial portion of the student population; and

(4) individuals with a special knowledge of, and special competence in dealing with, Indians and Indian problems, including education and health.

(b) The President shall select one-third of the participants of the Conference, the Speaker of the House of Representatives shall select one-third of the participants, and the President pro tempore of the Senate shall select the remaining one-third of the participants.

(c) In selecting the participants of the Conference the President, the Speaker of the House of Representatives, and the President pro tempore of the Senate shall ensure that—

(1) one-fourth of the participants are individuals who are currently active educators on Indian reservations;

(2) one-fourth of the participants are educators selected from urban areas with large concentrations of Indians;

(3) one-fourth of the participants are individuals who are Federal and tribal government officials; and

(4) one-fourth of the participants are Indians, including members of Indian tribes that are not recognized by the Federal Government.

SEC. 11504. ADMINISTRATIVE PROVISIONS.

(a) The Conference shall be planned and conducted by the Interagency Task Force on the White House Conference on Indian Education (hereafter in this part referred to as the "Task Force").

(b)(1) If the President calls the Conference, the Secretary of the Interior and the Secretary of Education, acting jointly, shall establish the Task Force on the White House Conference on Indian Education which shall consist of such employees of the Department of the Interior and the Department of Education as the Secretary of the Interior and the Secretary of Education determine to be necessary to enable the Task Force to carry out its duties.

(2) The Secretary of the Interior and the Secretary of Education shall each appoint no less than 2 professional staff members and one support staff member to the Task Force.

(3) All staff assigned to the Task Force shall work on preparations for, and the conduct of, the Conference on a full-time basis.

(4) The Secretary of the Interior shall provide office space and materials for the Task Force, including an allowance for mailing costs.

(5) Each professional staff person appointed to the Task Force shall have expertise in issues directly related to Indian education.

(6) The Secretary of the Interior and the Secretary of Education, acting jointly, shall designate one staff person as the Director of the Task Force.

(c) The Task Force shall—

(1) when appropriate, request the cooperation and assistance of other Federal departments and agencies in order to carry out its responsibilities;

(2) prepare and make available background materials for the use of participants in the Conference and any associated State conferences, and prepare and distribute such reports of the Conference and of any associated State conferences as may be appropriate;

(3) make technical and financial assistance (by grants, contracts, or otherwise) available to the States and intertribal organizations to enable them to organize and conduct conferences and other meetings in order to prepare for the Conference; and

(4) conduct fiscal oversight activities with respect to the preparation for, and the convening of, the Conference, including contracting for the services of an auditor.

(d) FEDERAL AGENCY COOPERATION AND ASSISTANCE.—

(1) Each Federal department and agency shall cooperate with, and provide assistance to, the Task Force upon request made by the Task Force under subsection (c)(1). For that purpose, each Federal department and agency is authorized and encouraged to provide personnel to the Task Force.

(2) The Commissioner of the Administration for Native Americans of the Department of Health and Human Services and the Director of the Indian Health Service of the Department of Health and Human Services are authorized to detail personnel to the Task Force, upon request, to enable the Task Force to carry out its functions under this part.

(e) In carrying out the provisions of this part, the Task Force is authorized to engage such personnel as may be necessary to assist the Conference and the Advisory Committee of the Conference, without regard for the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(f) Participants in the Conference may, while away from their homes or regular places of business and attending the Conference, be allowed such travel expenses, including per diem in lieu of subsistence, as are allowed under section 5703 of title 5, United States Code. Such expenses may be paid by way of advances, reimbursement, or in installments, as the Task Force may determine.

SEC. 11505. REPORTS.

(a) A final report of the Conference, containing such findings and recommendations as may be made by the Conference, shall be submitted to the President not later than 120 days following the close of the Conference. The final report shall be made public and, within 90 days after its receipt by the President, transmitted to the Congress together with a statement of the President containing recommendations of the President with respect to such report.

(b) The Conference is authorized to publish and distribute for the Conference the reports authorized under this part. Copies of all such reports shall be provided to the Federal depository libraries.

SEC. 11506. ADVISORY COMMITTEE.

There is hereby established the Advisory Committee of the Conference (hereafter in this part referred to as the "Advisory Committee") composed of—

(1) five individuals designated by the Speaker of the House of Representatives, with not more than three being Members of the House of Representatives;

(2) five individuals designated by the President pro tempore of the Senate, with not more than three being Members of the Senate;

(3) ten individuals appointed by the President;

(4) the Assistant Secretary of the Interior for Indian Affairs or a delegate of the Assistant Secretary;

(5) the Secretary of Education or a delegate of the Secretary; and

(6) the Director of the Task Force.

The President, the President pro tempore of the Senate, and the Speaker of the House of Representatives, shall, after consultation with Indian tribes, ensure that members of the Advisory Committee are broadly representative of all Indians of the United States.

(b) The Advisory Committee shall assist and advise the Task Force in planning and conducting the Conference.

(c)(1) The Director of the Task Force shall serve as vice chairman of the Advisory Committee. The Advisory Committee shall elect the chairman of the Advisory Committee from among those members of the Advisory Committee who are not full-time Federal employees.

(2) The Advisory Committee shall select the chairman of the Conference.

(3) The chairman of the Advisory Committee is authorized to establish, prescribe functions for, and appoint members to such advisory and technical committees as may be necessary to assist and advise the Task Force in carrying out its duties.

(d) Members of any committee established under this section who are not regular full-time officers or employees of the United States shall, while attending to the business of the Conference, be entitled to receive compensation at a rate fixed by the President that does not exceed the rate of pay specified at the time of such service for grade GS-18 under section 5332, of title 5, United States Code, including traveltime. Such members may, while away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as may be authorized under section 5703 of title 5, United States Code.

SEC. 11507. GIFTS AND TITLE TO CERTAIN PROPERTY.

(a) The Task Force shall have authority to accept, on behalf of the Conference, in the name of the United States, grants, gifts, or bequests of money for immediate disbursement by the Task Force in furtherance of the Conference. Such grants, gifts, or bequests offered the Task Force, shall be paid by the donor or his representative into the Treasury of the United States in a special account to the credit of the Conference for the purposes of this part.

(b) Materials and equipment acquired for the use of the Conference, or for the Task Force, shall be transferred to the Bureau of Indian Affairs after the close of the Conference.

SEC. 11508. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for each of the fiscal years 1988, 1989, and 1990 such sums as may be necessary to carry out this part. Such sums shall remain available until expended.

TITLE XII—COMPREHENSIVE CHILD DEVELOPMENT PROGRAM

SEC. 12001. SHORT TITLE.

This title may be cited as the "Comprehensive Child Development Centers Act of 1987".

SEC. 12002. STATEMENT OF PURPOSE.

It is the purpose of this title to provide financial assistance to projects on a multiyear basis designed to encourage intensive, comprehensive, integrated, and continuous supportive services for infants and young children from low-income families which will enhance their physical, social, emotional, and intellectual development and provide supports to their parents and other family members. Services will be targeted on infants and young children from families who have incomes below the poverty line and because of environmental, health, or other factors need intensive and comprehensive services to enhance their development.

SEC. 12003. PROGRAM AUTHORIZED.

The Head Start Act is amended by adding at the end thereof the following new section:

"CHILD DEVELOPMENT PROJECTS

"SEC. 658. (a)(1) The Secretary is authorized to make grants to eligible entities in rural and urban areas to pay the Federal share of the cost of projects designed to encourage intensive and comprehensive supportive services which will enhance the physical, social, emotional, and intellectual development of low-income children from birth to compulsory school age, including providing necessary support to their parents and other family members.

"(2) The Secretary shall enter into contracts, agreements, or other arrangements with at least 10 but not more than 25 eligible agencies to carry out the provisions of this section.

"(3) In carrying out the provisions of this section, the Secretary shall consider—

"(A) the capacity of the eligible agency to administer the comprehensive program for which assistance is sought;

"(B) the proximity of the agencies and facilities associated with the project to the infants, young children, parents, and other family members, to be served by the project, or the ability of the agency to provide offsite services;

"(C) the ability of the eligible agency to coordinate its activities with State and local public agencies (such as agencies responsible for education, health and mental health services, social services, child care, nutrition, income assistance, and other relevant services), with appropriate nonprofit private organizations involved in the delivery of eligible support services, and with the appropriate local educational agency;

"(D) the management and accounting skills of the eligible agency;

"(E) the ability of the eligible agency to use the appropriate Federal, State, and local programs in carrying out the project; and

"(F) the organization's involvement of project participants and community representatives in the planning and operation of the project.

"(b)(1)(A) The Secretary may make planning grants to eligible agencies to pay the Federal share of the cost of planning for projects funded under this section.

"(B)(i) No planning grant may be for a period longer than 1 year.

"(ii) Not more than 30 planning grants may be made under this subsection.

"(2) Each eligible agency desiring to receive a planning grant under this section shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

"(A) describe the capacity of the eligible agency to provide or ensure the availability of the intensive and comprehensive supportive services pursuant to the purposes of this subsection;

"(B) describe the eligible infants, young children, parents, and other family members to be served by the project, including the number to be served and information on the population and geographic location to be served;

"(C) describe how the needs of such children will be met by the program;

"(D) describe the intensive and comprehensive supportive services that program planners intend to address in the development of the plan;

"(E) describe the manner in which the project will be operated together with the involvement of other community groups and public agencies;

"(F) specify the agencies that the organization intends to contact and coordinate activities with during the planning phase;

"(G) identify a planning phase advisory board which includes prospective project participants, representatives of the community in which the project will be located, and individuals with expertise in the services to be offered; and

"(H) describe the capacity of the eligible agency to raise the non-Federal share of the costs of the program and such other information as the Secretary may reasonable require.

"(c)(1)(A) The Secretary shall make grants to eligible agencies selected in accordance with this section to pay the Federal share of the cost of carrying out projects for intensive and comprehensive supportive services for low-income infants, young children, parents, and other family members.

"(B) The Secretary shall ensure that there will be projects receiving grants under this section in rural areas.

"(2)(A) Each eligible agency desiring to receive an operating grant under this section shall—

"(i) have a planning grant application approved under subsection (b) on file with the Secretary or have experience in conducting projects similar to the projects authorized by this section; and

"(ii) submit an application at such time in such manner and containing or accompanied by such information as the Secretary may reasonably require.

"(B) Each such application shall—

"(i) identify the population and geographic location to be served by the project;

"(ii) provide assurances that services are closely related to the identifiable needs of the target population;

"(iii) provide assurances that each project will provide directly or arrange for—

"(I) services for infants and young children designed to enhance the physical, social, emotional, and intellectual development of such infants and children and which include, but are not limited to, infant and child health services, including screening and referral; child care; early childhood development programs; early intervention services for children with, or at-risk of developmental delays, and nutritional services; and

"(II) services for parents and other family members designed to better enable parents and other family members to contribute to their child's healthy development and that include, but are not limited to, prenatal care; education in infant and child development, health, nutrition, and parenting; and referral for education, employment counseling and training; assistance in securing adequate income support, health care, nutritional assistance, and housing;

"(iv) identify the referral providers, agencies, and organizations that the program will use;

"(v) provide assurances that the eligible intensive and comprehensive supportive services will be furnished to parents beginning with prenatal care and will be furnished on a continuous basis to, through its project, will coordinate and expand existing services as well as provide services not available in the area to be served by the project;

"(viii) describe how the project will relate to the local educational agency as well as State and local agencies providing health, nutritional, education, social, and income maintenance services;

"(ix) provide assurances that the eligible agency will pay the non-Federal share of the cost of the application for which assistance is sought from non-Federal sources;

"(x) collect and provide data on groups of individuals and geographic areas served, including types of services to be furnished, estimated cost of providing comprehensive services on an average per user basis, types and nature of conditions and needs identified and treated, and such other information as the Secretary requires;

"(xi) provide for an advisory committee consisting of—

"(I) participants in the program,

"(II) individuals with expertise in furnishing services the program offers and in other aspects of child health and child development, and

"(III) representatives of the community in which the program will be located;

"(xii) describe plans for evaluating the impact of the project; and

"(xiii) include such additional assurances, including submitting necessary reports, as the Secretary may reasonably require.

"(d)(1)(A) The Secretary shall pay to eligible agencies having applications approved under subsections (b) and (c) the Federal share of the cost of the activities described in the application.

"(B) The Federal share shall be 80 percent for each fiscal year.

"(C) The non-Federal share of payments under this section may be in cash or in kind fairly evaluated, including equipment or services.

"(D) Payments under this section may be made in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

"(2) No planning grant to a single eligible agency may exceed $35,000.

"(e)(1) The Secretary shall, based on the projects assisted under this section, conduct or provide for, an evaluation of the success of projects authorized by this section.

"(2) Each eligible agency receiving a grant under this section shall furnish information requested by evaluators in order to carry out this section.

"(f) The Secretary may prepare and submit to the Congress a report on the evaluation required by this subsection not later than October 1, 1992, together with such recommendations, including recommendations for legislation, as the Secretary deems appropriate.

"(g)(1) There are authorized to be appropriated $25,000,000 for fiscal year 1989 and for each fiscal year ending prior to October 1, 1993, to carry out the provisions of this section.

"(2) Funds appropriated pursuant to subsection (a) of this section shall remain available for obligation and expenditure for one fiscal year succeeding the fiscal year for which the funds were appropriated.

"(h) As used in this section—

"(1) the term 'early intervention services' has the same meaning given that term by section 672(2) of the Education of the Handicapped Act;

"(2) the term 'eligible agency' means a Head Start agency, any community-based organization, and in addition includes an institution of higher education, a public hospital, a community development corporation, and any other public or private nonprofit agency or organization specializing in delivering social services to young children;

"(3) the term 'intensive and comprehensive supportive services' means—

"(A) in the case of infants and young children, services designed to enhance the physical, social, emotional, and intellectual development of such infants and children and which includes, but is not limited to, infant and child health services, including screening and referral; child care; early childhood development programs; early intervention services for children with, or at-risk of developmental delays, and nutritional services; and

"(B) in the case of parents and other family members, services designed to better enable parents and other family members to contribute to their child's healthy development and which includes, but is not limited to, prenatal care; education in infant and child development, health, nutrition, and parenting; referral to education, employment counseling and training as appropriate; and assistance in securing adequate

income support, health care, nutritional assistance, and housing;

"(4) the term 'low income' means persons who are from families having incomes below the poverty line as determined in accordance with section 673(2) of the Community Services Block Grant Act;

"(5) the term 'local educational agency' has the same meaning given that term by section 198(a)(7) of the Elementary and Secondary Education Act of 1965; and

"(6) the term 'institution of higher education' has the same meaning given that term by section 1201(a) of the Higher Education Act of 1965.".

TITLE XIII—SPECIAL GRANT FOR EDUCATION AND TRAINING FOR INDIVIDUALS WITH DISABILITIES

SEC. 13001. PROGRAM AUTHORIZED.

(a) General Authority.—(1) The Secretary is authorized to make a grant to the State of Utah to carry out educational and training programs and activities for individuals with disabilities.

(2) No grant may be made under this title unless an application is submitted to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

(b) Authorization of Appropriation.—There is authorized to be appropriated $4,000,000 for the fiscal year 1988 to carry out the provisions of this section.

TITLE XIV—GENERAL PROVISIONS

SEC. 14001. DEFINITIONS.

Except as otherwise provided, for the purpose of this Act the terms used in this Act have the meanings provided under section 1471 of chapter 1 of title I of this Act.

SEC. 14002. BUDGET ACT PROVISION.

Any new spending authority (within the meaning of section 401 of the Congressional Budget Act of 1974) which is provided under this Act shall be effective for any fiscal year only to the extent and in such amounts as are provided in appropriation Acts.

SEC. 14003. EFFECTIVE DATE.

(a) General Rule.—Except as otherwise provided, this Act shall take effect October 1, 1988.

(b) Special Rules.—The amendments made by section 9003 shall take effect for assessments made after September 30, 1989, with respect to State data.

Mr. PELL. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. STAFFORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PELL. Mr. President, I move that the Senate insist on its amendments, request a conference with the House, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Chair appointed Mr. Kennedy, Mr. Pell, Mr. Metzenbaum, Mr. Matsunaga, Mr. Dodd, Mr. Simon, Ms. Mikulski, Mr. Stafford, Mr. Hatch, Mr. Quayle, Mr. Thurmond, and Mr. Weicker conferees on the part of the Senate.

Mr. PELL. Mr. President, I would like to thank the staff of each of the members of our committee, for it is they who have worked the longest and hardest hours in order to work out a document of which we can all be proud.

In that regard, I am most appreciative of the work of my staff, including David Evans, Ann Young, Sarah Flanagan, Sandy Crary, Ann Price and Merry Richter. In addition, I would like to thank the staff of the other members of our committee, including Ellin Nolan, Liz Hackett, Barbara Fox and Tricia Faith of Senator Stafford's staff, Tom Rollins, Terry Hartle, Amanda Broun and Shirley Sagawa of Senator Kennedy's staff, Bobby Dunn of Senator Hatch's staff, Cora Yamamoto, Alyce Katayama and Elma Henderson of Senator Matsunaga's staff, Betsy Brand of Senator Quayle's staff, Rich Tarplin of Senator Dodd's staff, Kerk Spong of Senator Thurmond's staff, Bud Blakey, Judy White and Pat Fahy of Senator Simon's staff, Terry Muilenberg of Senator Weicker's staff, Charlotte Hayes of Senator Mikulski's staff, Anne Cherry of Senator Cochran's staff, Bobby Silverstein of Senator Harkin's staff, Chuck Carroll of Senator Humphrey's staff and Phil Sharpe and John Tayer of Senator Adams's staff.

I also want to thank Polly Gault, who was the former Republican staff director under Senator Stafford. Polly is now the staff director for the President's Commission on AIDS, but we on the Education Subcommittee remember her best for the many years of fine work with us.

Furthermore, in the Department of Education I would like to thank Frances Norris, Assistant Secretary for Legislative Affairs, and the legislative staff who worked with us on this bill, including Becky Campeverde, Sally Thornberry, Joe McHugh, Bill MacKay, Mike Franc, Tom Corwin, Cathy Schagh, and Larry Cohen.

I would be remiss if I did not mention the invaluable assistance of the Education and Public Welfare Division of the Congressional Research Service. In that regard, I would like to acknowledge the outstanding work of Wayne Riddle, specialist on chapter 1, and to thank the other fine members of the staff including Angela Evans, Paul Irwin, Bob Lyke, and Jim Steadman.

Finally, I would like to thank Blair Crownover of legislative counsel and Joanne Cole of his staff for their consistently excellent work, fine care, and long hours to produce the many drafts of this legislation.

Mr. STAFFORD. Mr. President, I join in the "thank yous" that the chairman of our Subcommittee on Education, Arts and Humanities has expressed for the members of the committee and the members of the staff who, through months of hard work and long hearings, have put together the bill which the Senate has just passed with only one dissent this afternoon. It is really staff work that made it possible. The cooperation of Senators helped a great deal.

Nothing could have been possible without the firm support and leadership of the chairman of the subcommittee, Senator Pell, with whom it has been my pleasure to work for virtually all the time I have had the privilege of serving in the U.S. Senate.

Mr. PELL. I thank the Senator from Vermont for his kind words. I deeply regret the disappearance of the firm of Stafford and Pell, or Pell and Stafford, depending on the winds of political fortune. I pay my tribute to him.

Mr. MATSUNAGA. Mr. President, I congratulate and commend the Senator from Rhode Island [Mr. Pell] and the ranking member of the subcommittee, Mr. Stafford. I think the measure is appropriately named the Robert T. Stafford Elementary and Secondary Education Improvement Act of 1987. He has worked for a number of years toward passage of this measure.

Mr. BYRD. Mr. President, I yield the floor, so the Chair can put into effect the order.

Mr. WILSON addressed the Chair.

Mr. BYRD. Mr. President, does the Senator wish me to yield now?

Mr. WILSON. If the distinguished majority leader will yield, I should like to ask a parliamentary question.

Mr. BYRD. I yield for that purpose.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. I thank the distinguished majority leader.

Mr. President, my point of parliamentary inquiry has to do with what is required when unanimous consent is sought to an amendment. My understanding is that the request is made of both sides to determine whether or not any objection exists on the part of any Member. That I know to be the informal rule. But is there some requirement that a specified period of time go forward to allow the determination of whether there is objection?

The PRESIDING OFFICER. There is no requirement. If there is an amendment on the floor, if a Senator has an objection, he or she must be present on the floor to state the objection.

Mr. WILSON. Then, I think what we have seen in the time I have been in the Senate is a rule of comity rather than a formal procedural rule.

I understand that there will be moments when Senators are required to be elsewhere and they may not have the opportunity to respond. But I think what happened through the inadvertence, I am sure, rather than the design of those involved was that in the adoption of an amendment here to which unanimous consent was sought, there was not circulation, certainly on our side, because had there been, I would have objected.

I have checked with my colleague from California, the senior Senator, Mr. CRANSTON. He was similarly unaware of an amendment that was offered by the Senator from Ohio [Mr. METZENBAUM] having to do with a Department of Education award of a grant, the funding of the National Center for Research and Vocational Education.

Mr. President, I am not going to seek reconsideration of final passage or of the adoption of the amendment. In respect of the time of my colleagues, I do give fair notice that I intend—and I am sure that my colleague from California will intend—to see that that amendment is removed in conference; because, frankly, there was no debate on that issue. There would have been, I guarantee, very spirited debate had we known about it.

The effect of the Metzenbaum amendment is to seek a moratorium in order to permit GAO to conduct an investigation into the adequacy of procedures on the part of the Department in making that grant award. The Senator from Ohio certainly was within his rights to present such an amendment, but I do not feel that Senator CRANSTON or I have been afforded a day in court on this.

I simply wish to protest and indicate very clearly that we will seek to have the conferees remove that amendment, because I do not think that it was fairly placed there. There should have been debate because there certainly is disagreement.

I thank the distinguished majority leader for his courtesy and I yield the floor.

FARM CREDIT ACT AMENDMENTS OF 1987

Mr. BYRD. Mr. President, I have consulted with the distinguished Republican leader and, under the order, I am therefore authorized to ask that the Chair lay before the Senate the Farm Credit Act, S. 1665, and I do so.

The PRESIDING OFFICER. The clerk will report the measure.

The legislative clerk read as follows:

A bill (S. 1665) to amend the Farm Credit Act of 1971 to ensure the continuation of the Farm Credit System as a source of agricultural credit at fair and competitive rates; to increase the farmer and rancher participation in the Farm Credit System; to restore the impairment of borrower stock in Farm Credit System institutions; to reform the lending practices of the Farm Credit System; to require forebearance on and restructuring of certain high-risk and noaccrual loans; and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture, Nutrition, and Forestry, with an amendment to strike all after the enacting clause and insert new language.

Mr. LEAHY. Mr. President, I thank the distinguished majority leader for his efforts in bringing up this bill and thank also the distinguished Republican leader for also putting it on his list of must legislation.

Mr. President, this afternoon, along with my distinguished colleague from Indiana, Senator LUGAR, we have before the Senate S. 1665, the Farm Credit Act Amendments of 1987. I would like to express my appreciation to all members of the Senate Agriculture Committee for their diligence in developing and supporting this very necessary legislation.

Before I begin, though, I want to especially mention the leadership of the distinguished senior Senator from Oklahoma, Senator BOREN, and the distinguished Senator from Minnesota, Senator BOSCHWITZ. They are the chairman and ranking minority member of the Subcommittee on Agriculture Credit. They, along with the members of their subcommittee, spent over 100 hours during the last few months carefully discussing, debating, and considering amendments to the Farm Credit Act. They then—I believe my colleague from Oklahoma would confirm this—submitted it to the full committee by a 9-to-0 vote. And then, when the full committee sat down, we considered this and unanimously, on November 4, passed this comprehensive piece of legislation.

I appreciate the efforts of all committee members and their staff. I would like to specifically thank several staff members that have worked extremely long hours—over numerous weekends—on this bill.

Committee chief of staff, Charles Riemenschneider, staff member Michael Dunn, committee clerk, Chris Sarcone, and counsel to the committee, Edward Barron, have worked extensively on this effort—often late into the night.

Both minority chief of staff, Chuck Connor, and minority counsel, Tom Clark, were also very helpful in these efforts.

I also appreciate the efforts of Bill Baird of Senate Legislative Counsel who diligently prepared numerous drafts of the bill—and spent at least 2 sleepless nights working on this bill. I thank him for his tireless efforts and enthusiasm for this project.

Other staff members were also of great assistance including Julie Hasbargen, of Senator BOND's staff and Terry Nintemann of Senator BOSCHWITZ's staff.

Mr. President, this Congress cannot afford to let the Farm Credit System fail, but neither can we afford to write it a blank check. The committee bill achieves a balance between these two often conflicting goals.

This is a consensus bill, Mr. President. As such, few are pleased with every element, but most can endorse it as the best that can be developed today in view of our very real concerns with the Federal budget deficit.

Under existing law, in excess of $1.0 billion for the Farm Credit System assistance alone is estimated for fiscal 1988—more than 10 times greater than the first year budget cost of this bill for both the Farm Credit System and the Farmers Home Administration. Under current law, no strings would be attached to the assistance provided to the System. The committee bill contains much needed reforms of the System.

The Farm Credit System itself requested $6 billion in assistance, all of which would have been scored on budget. Yet, the committee was able to keep the cost of assistance in budgetary terms to $1.3 billion over 5 years according to the Congressional Budget Office.

This legislation was carefully developed with input from several parties, including representatives of Treasury and the Office of Management and Budget. The administration does not oppose this bill and recognizes the urgency with which we must proceed.

As a result of these consultations, the financial assistance is primarily "off-budget," and the Federal commitment and potential outlays are minimized. Further assurances are provided through the oversight of the Federal Assistance Board which will include as members: the Secretaries of Treasury and of Agriculture, and the Chairman of the Federal Reserve Board.

As I mentioned, this bill enjoys the unanimous support of the 19 members of the committee. But that support and consensus is also a delicate balance of many different interests. I will work with the ranking member of the committee, the distinguished Senator from Indiana, Senator LUGAR, to maintain that balance and consensus as amendments are offered to the bill. I will oppose amendments which will add significant costs to the bill or that are not germane to the agricultural credit needs of America's farmers or ranchers.

I hope that we can move expeditiously to complete this bill. It is necessary to reassure both American farmers and our financial markets that the Farm Credit System will remain a viable entity next year and into the 21st century. Defaults by the Farm Credit System on its bonds will have a chilling effect on already troubled financial markets. Interest rates to all borrowers who rely on loans from Government-sponsored enterprises, including the Federal National Mortgage Association—Fannie Mae, or the Federal Home Loan Mortgage Association—Freddie Mac, will rise if we in Congress allow another entity with "agency" status to default on its bonds.

The committee bill addresses the three primary challenges facing Congress in drafting legislation to deal with Farm Credit System's financial problems: First, it establishes specific procedures for aiding financially stressed Farm Credit institutions, but with proper and needed Federal oversight; second, it reduces potential for litigation by placing specific criteria in the bill regarding the obligation of farmer-owners of healthy Farm Credit institutions to aid those institutions needing assistance; and third, it provides the needed assistance at much less immediate budget cost than current law.

I must add, Mr. President, that Congress failed to adequately address these very important and essential elements when it passed amendments to the Farm Credit Act in 1985, and again in 1986.

All of us on the committee recognize that a financially healthy Farm Credit System is essential to U.S. agriculture. We also recognize that this legislation is needed to resolve the System's existing problems. This bill was developed very carefully in order to avoid the pitfalls of the past. None of us want to revisit Farm Credit legislation again soon.

S. 1665 has the Board support of virtually all of the major farm and commodity groups as well as major banking and insurance groups including the:

American Agriculture Movement.
American Farm Bureau Federation.
American Soybean Association.
National Association of Wheat Growers.
National Cattlemen's Association.
National Cooperative Business Association.
National Corn Growers Association.
National Farmers Organization.
National Farmers Union.
National Grange.
National Grain Sorghum Producers Association.
National Milk Producers Federation.
National Pork Producers Council.
National Rural Electric Cooperative Association.
National Sunflower Association.
United Fresh Fruit and Vegetable Association.
United States Beet Sugar Association.
American Bankers Association.
American Council of Life Insurance.
Independent Bankers Association of America.
The Mortgage Bankers Association of America.

Briefly, Mr. President, the legislation reported to this Chamber in S. 1665, contains the following elements:

TITLE I: FEDERAL ASSISTANCE

A Federal oversight structure similar to that used in the past for Chrysler, Lockheed, and New York City, a 5-member Federal Assistance Board is established.

This Federal Board will determine if, and under what conditions, financial assistance is to be provided to institutions of the Farm Credit System, but only after first determining that the cost of assistance is less than the cost of liquidating that institution. Furthermore, the financial assistance provided is from funds raised by the Farm Credit System through the sale of 15-year bonds, guaranteed by the Federal Government.

Farm Credit System institutions receiving assistance will be responsible for paying back the principal on these bonds, and all Farm Credit System institutions will be responsible for repaying a significant amount of the interest.

Besides the very careful determination by the Federal Assistance Board of the need for an institution to receive financial assistance, Farm Credit institutions are required to restructure a farmer's loan where the cost of restructuring is less than the cost of foreclosure.

This legislation, Mr. President, will benefit farmers; and for this reason, the committee wants to assure that all borrowers have the opportunity to have their loan restructured, no matter where they are located.

TITLE II: RESTRUCTURING THE FARM CREDIT SYSTEM

This title contains two major elements. The first is a System funded insurance pool beginning in 1992. The purpose of this pool is to provide additional assurances to the investment community by avoiding the complicated and often troublesome voluntary loss sharing agreements used by Farm Credit System institutions in the last few years. This insurance fund is similar to an FDIC insurance fund, and will be funded through premiums on System banks.

The second major element in this title is language allowing the voluntary merger of both, like and unlike Farm Credit System entities. This language recognizes that while significant changes in the Farm Credit System structure have and will continue to evolve as institutions responding to client credit needs, mandated structural reform does little to address the fundamental problems of financial losses and high cost debt that faces several units of the Farm Credit System today.

Respected authorities in agricultural finance have noted that structure did not cause, nor will structural change solve the financial problems of the Farm Credit System. No single-industry lender could have been prepared, nor be expected to absorb the massive losses associated with the asset devaluation due to the recent economics of farming.

The committee believes that market pressures and the need for an institution to be competitive, will force further structural reform of the Farm Credit System. For this reason, the legislation encourages but does not require components of the Farm Credit System to merge unlike entities. Thus, in the future there could be 13 instead of 37 banks, and only 200-plus associations rather than the 381 existing today. This bill would allow for this type of streamlining.

TITLE III: CAPITALIZATION

This is a particularly important title of the bill, as it permits the formation of at-risk capital and emphasizes capitalization of the institution, rather than of the loan. While institutions will be given the much needed flexibility to establish capitalization procedures, farmer-owners and Federal policymakers will never again have to question whether stock is, or is not, "at risk."

TITLE IV: BORROWERS' RIGHTS

This title affords the borrower-owners of the Farm Credit System certain rights, to include: First, restructuring of distressed loans to family farmers; second, eligibility to purchase or lease land when the resources are not there to avoid foreclosure; and third, the right of first refusal by the previous owner when the System elects to sell acquired property.

TITLE V: STATE MEDICATION PROGRAM

Mediation, when it is properly carried out, can help avoid lengthy and very costly litigation. Several States have reported excellent results regarding the success of such programs in resolving loan disputes to the satisfaction of all parties. For these reasons, the committee bill provides for a Federal matching grant for State mediation programs.

TITLE VI: FARMERS HOME ADMINISTRATION

This title applies the same advantages of loan restructuring afforded the Farm Credit System borrowers to Farmers Home Administration borrowers. It will allow Farmers Home to turn nonperforming loans into paying assets. It also establishes an appeals process that develops a hearing mechanism for borrowers who have had adverse decisions on their loans.

The title further encourages farmers and their families to remain in their communities by allowing them priority in the purchase or lease of their farmland acquired by Farmers Home. To assist displaced farm families and the Farm Credit System, the title establishes a pilot program to allow Farmers Home Administration qualified borrowers to purchase Farm Credit System acquired property at discounted interest rates.

Title VI also establishes notification requirements for the Farmers Home Administration to ensure that their borrowers are aware of all available loan servicing programs, including restructuring options. It also provides for the release of income so that borrowers whose loans have been accelerated will have living, and some operating expenses, paid through the release of income from the sale of crops and livestock. It further calls for the creation of a secondary market for the Farmers Home guaranteed loans.

TITLE VII: SECONDARY MARKET

This title provides for the creation of a secondary market for agricultural and rural housing loans to increase the availability of long-term fixed interest loans for farmers and ranchers.

It will provide greater liquidity and lending capacity for agricultural lenders. Qualified lenders will be able to place loans that meet certain criteria with agricultural mortgage marketing facilities. These facilities will pool the loans together and use a percentage of these loans to provide a loss reserve at the pool level. The Federal Agricultural Mortgage Corporation created under the title will guarantee the timely payment of principal and interest to purchasers of securities backed by those pools.

TITLE VIII: MISCELLANEOUS

This title has three major sections.

Section 1 requires outside directors for Farm Credit System Associations and for the Farm Credit System District Board of Directors to provide needed financial expertise to the boards.

Section 2 requires the Secretary of Agriculture to offer the right of first refusal to holders of notes and other obligations sold under the Loan Asset Sales Program of the Farmers Home Administration.

Section 3 provides for the placement of inventory land held by financial institutions into the USDA Conservation Reserve Program.

I ask my colleagues to join me in voting for final passage of this legislation. If passed, financially troubled Farm Credit System institutions will be given the opportunity to again become viable, and farmers and ranchers will be assured of adequate credit at reasonable rates for the foreseeable future.

Mr. President, I understand, as everything always happens, especially in the last few weeks of the session, there are a number of other matters going on. The distinguished chairman of the subcommittee, who is also the chairman of another very important committee, has other matters pending.

I would prefer at this point, Mr. President, to yield to the Senator from Oklahoma, and I know the Senator from Indiana and the Senator from Minnesota wish to say something. But I did promise the Senator from Oklahoma that I would yield to him so he could fulfill other commitments.

Mr. BOREN. Mr. President, I want to thank my distinguished colleague, the chairman of the Agriculture Committee. I thank him for yielding to me at this point and also for his help and the leadership that he has shown in the committee throughout the consideration of this very, very important measure.

Both Senator LEAHY, the chairman of the committee, and Senator LUGAR, the ranking member, have been greatly involved in this legislation. Senator LUGAR has been present through all markups of this legislation, even though not officially a member of the subcommittee. Senator LEAHY, as chairman of the committee, has continued to give us encouragement and continued to coordinate our efforts. We would not be where we are today without the cooperation of both the leaders on both sides of the aisles of the Senate Agriculture Committee.

Mr. President, today the Senate begins consideration of S. 1665, the Farm Credit Act Amendments of 1987, as reported by the Senate Agriculture Committee. S. 1665 was developed by the Subcommittee on Agricultural Credit over a 6-week period in which numerous mark ups and meetings were held in order to ensure that the bill would receive unanimous approval by the subcommittee and the full committee.

I might say at this point, Mr. President, that I want to thank each and every member of the subcommittee and those members of the full committee who participated in these sessions. Our attendance was at 90 percent or better virtually throughout this entire process. And I would say that I have never been involved in any legislation since coming to the Senate in which the Members of the Senate, the members of the committee themselves were more diligent in their participation. This was truly legislation that was written by the members of the committee themselves. It was written in a bipartisan spirit. And the product represents a great deal of work by every single individual member of the Agriculture Committee, and more particularly the members of the subcommittee.

We had over 100 amendments to the draft legislation presented to the committee, and it is to the credit of the spirit of all those that worked on this legislation that none of them resulted in a rollcall vote. They were all resolved by a process of cooperation, so that we were able to come forward out of the committee unified behind the ultimate product.

The Farm Credit Act Amendments of 1987 is not a bill as I would have written it, nor is it one that any member of the committee if left to act as an individual would have written. Rather, the bill is a carefully crafted, delicately balanced compromise of many interests. When the Subcommittee on Agricultural Credit began the task of developing a solution to the financial crisis of the Farm Credit System, we accepted a responsibility to develop a bill which would result in its enactment into law. To accomplish that, it has been necessary for all of us to yield in areas where consensus could not be formed. Yet, in all, I believe the bill accomplishes the major objective with which we began the process. I believe, too, that all members of the committee indicated a similar belief, when they voted 19 to 0 to favorably report the subcommittee bill.

I would also indicate that there have been many favorable comments coming from the administration in regard to the bill as passed out of the committee. The Treasury Department, the Agriculture Department, the Office of Management and Budget have all participated in and been present at the markup sessions of the subcommittee, and their input has been solicited. I believe all who participated in the process, including the agricultural groups, members of the committee themselves, the representatives of the administration, and others have come away from that process feeling that a fair and honest attempt was made to reach a workable consensus product.

CONTINUING NEED FOR ASSISTANCE

Mr. President, while the third quarter results indicated some improvement in the condition of the Farm Credit System, a dire need for financial assistance remains. When one excludes the third quarter reversals of previous loan loss provisions, the System suffered a net loss of $89 million in the quarter. Net interest income in the third quarter was approximately 30 percent lower than for the same quarter last year. Net loans outstanding continued to decline in the third quarter and are down by $7.8 billion from last year.

We have been losing borrowers at the rate of almost a billion dollars a month. And, unfortunately, that flight from the System has often occurred with those borrowers who are in the best position to be able to repay their obligations.

Total System capital declined by $29 million and surplus declined by $5 million in the third quarter. The System also reported nonaccrual loans totaling $6 billion.

A number of Federal land banks and production credit associations have continued to incur net losses, despite the slight improvement in overall System conditions. Several of these institutions are in severe financial trouble and face possible insolvency unless financial assistance is provided.

In a Congressional Budget Office study issued this week, the System's capital shortfall will likely be $2.8 billion through 1992 unless assistance is provided. The study estimates that approximately $2.4 to $3.4 billion will be needed between 1987 and 1989. The bulk of that assistance, between $1.7

and $2 billion, will be needed in the next 2 years.

Mr. President, I do not believe we have a choice about providing assistance. We simply must provide assistance. Without assistance, the Farm Credit System will fail. This would result in an immediate collapse of the Agricultural Credit Delivery System in this country and it is doubtful, given current conditions, that the Nation's capital markets could withstand the failure of a $60 billion financial entity.

Given the consequences of a failure to act, it has been of the utmost importance for us to develop a bill which will prevent the collapse of the Farm Credit System. At the same time, Mr. President, none of us wanted to present to the full Senate a bill which would add billions to the Federal budget.

Thus, S. 1665 has two major objectives: First, provide meaningful assistance to the System; and second, minimize to the greatest extent possible exposure to the Federal budget. S. 1665, according to the Congressional Budget Office, will result in increasing outlays of no more than $820 million over the next 5 years. For this amount, we can buy the System approximately $3.1 billion in assistance.

ASSISTANCE

The Farm Credit Act Amendments of 1987 establishes an entity, the Financial Assistance Corporation, within the Farm Credit System which can issue up to $4 billion in federally guaranteed, 15-year bonds. The Congressional Budget Office study—mentioned above—estimates that approximately $3.1 billion in bonds will be issued over the next 5 years by the Financial Assistance Corporation. The proceeds of the bonds would be utilized to purchase preferred stock in ailing Farm Credit System institutions.

In order to ensure that the bonds, while federally guaranteed both as to principal and interest, would be off-budget, S. 1665 provides that the ownership of the Financial Assistance Corporation would be held by the System through a one-time stock purchase requirement estimated by CBO to raise $250 million. These funds would be used in the event an institution was unable to repay the principal on the bonds. In this manner, Treasury would provide payment of principal only after these funds were utilized. The effect of the one-time stock purchase is to render the guarantee only a partial risk for the Treasury.

We have tried diligently to keep that risk to a minimum and still provide the assistance to the Farm Credit System which it must have in order to survive.

To monitor the issuance of the bonds and to certify the need of institutions for assistance, S. 1665 also establishes a temporary assistance board. The assistance board would consist of the Secretary of the Treasury, the Secretary of Agriculture, the Chairman of the Board of Governors of the Federal Reserve System, and two members appointed by the President, with the advice and consent of the Senate. Before an institution could issue preferred stock to the Financial Assistance Corporation, and thereby obtain assistance, the institution must be certified as eligible to do so.

Mr. President, we have tried very, very hard to write reforms into this legislation and to also write protections into this legislation to make certain that a blank check is not being solicited from the taxpayers of this country. The Assistance Board is composed of those at the highest levels of this Government: The Secretary of Agriculture, the Secretary of the Treasury, Chairman of the Federal Reserve Board. They will act as a watchdog entity to make sure that the funds are wisely used and that there is full accountability in the operation of this System.

Thus, we will be able to get the job done at a minimum cost with the greatest possible efficiency and greatest possible protection to the taxpayers.

Upon impairment of the capital stock of an institution, the institution could request assistance. Once stock is impaired by 25 percent, the Assistance Board must either certify the institution as eligible to receive assistance or request that the Farm Credit Administration Board liquidate the institution, appoint a conservator, or take other enforcement action. If the Assistance Board certifies the institution, the Board must ensure that the assistance is in sufficient amounts necessary to prevent further impairment of stock and ensure that the institution will be a viable institution.

S. 1665 grants temporary powers to the Assistance Board to ensure that the institution is properly managed and operating under approved business plans. The Board also has the power to approve or require modification of the credit standards and policies of the institution. These powers are provided to protect the investment the Board has in the institution.

PROTECTION OF BORROWER STOCK

The Farm Credit Act amendments of 1987 protects borrower stock by requiring that stock be retired at par value upon the full payment of the borrower's loan. The stock protection in S. 1665 applies to borrower stock, participation certificates, allocated equities and other similar equities issued to borrowers prior to the implementation of the capitalization plan of the institution or 9 months after enactment.

If an institution is unable to retire borrower stock at par value during the first 5 years after enactment, the Assistance Board must certify the institution as eligible to receive preferred stock. If the institution is unable to retire stock after the termination of the Assistance Board in 5 years, the reserve fund established by the bill is used to provide for retirement of stock at par value.

Under the bill, there is no termination of the stock protection provision thereby ensuring that borrow flight due to concern about loss of stock will not be a problem. The subcommittee was concerned that any time limit on the stock protection would result in borrowers prepaying their loans in order to get the protection and thus decapitalizing the Farm Credit System.

There were also concerns raised in the subcommittee about the precedent established by providing protection for borrower stock. To address these concerns, the stock purchase requirements in current law would be eliminated by the bill 9 months after enactment or upon implementation of a capitalization plan for the institution.

Under current law, Federal land banks require borrowers to purchase stock equal to 5 percent of the value of the loan and production credit associations require borrowers to purchase stock equal to 5 to 10 percent of the loan, as determined by the association.

I have long been concerned about the elimination of stock purchase requirements as I believe it removes the financial stake in a cooperative, such as the Farm Credit System, and thereby diminishes borrower participation. The Farm Credit System has survived largely because of the borrowers important oversight function. While the bill does eliminate the current stock purchase requirements, the subcommittee was willing to include a requirement that all institutions, in their capitalization plans, require borrowers to purchase 2 percent of the value of the loan or $1,000 in stock.

INTEREST PAYMENTS ON BONDS

Payment of the interest on the bonds issued by the Financial Assistance Corporation is made by the Treasury, the system as a whole, and the institution receiving assistance. During the first 5-year period after a bond is issued, the Treasury pays all of the interest due. During the second 5-year period, the system as a whole pays half the interest due and Treasury pays the remaining half. During the third 5-year period, the system as a whole pays all interest due on the obligation. The first $2 billion in interest payments made by Treasury would not be repaid by the Farm Credit System. All interest payments in excess of that amount are required to be repaid by all system institutions.

PRINCIPAL PAYMENTS ON BONDS

Upon the maturity of the 15-year bonds, the institution which received assistance from the proceeds of the bond is liable for payment of the principal in the amount of the assistance provided. Under S. 1665, the institution is authorized to issue an uncollateralized bond in order to repay the assistance. If the institution is unable to repay or refinance the principal, the Treasury would make full payment and the institution would be liable for repayment to Treasury.

RESERVE FUND

In order to avoid a recurrence of the present need for Federal financial assistance, the Farm Credit Act Amendments of 1987 require the establishment of a reserve account beginning in 1992. Upon its establishment, institutions would pay a premium each year based on the average principal outstanding on loans in accrual and nonaccrual status. Building up the reserve during times of economic growth should prevent future problems for the Farm Credit System.

The reserve account would be used to provide assistance to institutions to satisfy outstanding obligations, including the retirement of preferred stock issued to the financial assistance corporation, and to ensure the retirement at par value of borrower stock protected by the bill. The reserve account would not replace joint and several liability; however, it would serve as a buffer as the reserve would be used prior to the implementation of joint and several liability.

The subcommittee did not begin the reserve immediately as it was believed that requiring institutions to pay into a reserve account while they were in need of assistance would merely increase the cost of assistance provided by the bill.

The establishment of the central reserve and the maintenance of the reserve account should result, over time, is providing the system with ample resources to meet all obligations even during periods of economic downturns.

SYSTEM RESTRUCTURING

S. 1665 does not make broad, sweeping changes in the structure of the Farm Credit System. However, the bill does authorize voluntary mergers of virtually every kind imaginable.

Under current law, mergers are restricted to (1) the merger of districts; (2) the merger of like associations (e.g., production credit association merging with another such association) within a district; and (3) the merger of like banks (e.g., a Federal land bank merging with another Federal land bank).

S. 1665 authorizes mergers of (1) like and unlike associations within a district; and (2) like and unlike banks. To implement a merger, the merger plan must be approved by the Farm Credit Administration Board, the boards of directors of the affected institutions, and a majority of the stockholders of each institution present and voting or voting by proxy at a duly authorized stockholders' meeting.

The Farm Credit Act amendments of 1987 basically allows the farmer-borrowers to retain their voice in proposals which restructure the Farm Credit System. The farmers themselves know better than any of us what kind of system best suits their needs.

The merger provisions in the bill present an alternative to a legislated restructuring of the Farm Credit System. Some have expressed concern about the possible litigation which would result if Congress restructured, by statute, the Farm Credit System. In addition, the potential for disruptive and potentially divisive reallocations of assets and liabilities that would accompany a legislatively-restructured system must be avoided. Even the suggestion of fragmentation within the system would cause an erosion in investor confidence which could increase the cost of funds and, in turn, borrower interest rates.

The approach in S. 1665 will minimize the possbility of friction among system entities by allowing the entities to determine their own restructuring plan. By permitting the farmer-borrowers to determine when and where mergers should take place at a realistic and deliberative pace, the bill's restructuring provisions ensure that potential inequities may be addressed and resolved by the institutions involved before they ripen into confrontational and expensive litigation.

The expanded legal authority in S. 1665 will enable management and stockholders to act in a rational, business-like fashion to achieve necessary economies of scale, increase competition to keep interest rates down, and improve and increase the quality of credit services. In addition, it will allow management and the stockholders to develop a plan which best serves the particular needs of the stockholders.

RECONSIDERATION OF MERGERS

In order to ensure that stockholders truly support a merger, S. 1665 establishes a procedure whereby borrowers can petition for reconsideration of a merger vote. If a petition, signed by 15 percent of the stockholders of one or more of the affected institutions, is filed within 30 days after notification that a majority of the stockholders had voted to merge, the merger will not take place until another stockholders' meeting can be held. If, at this stockholders' meeting, a majority of the stockholders of one or more institutions vote against merger, the merger cannot take place.

In the past few years, several associations were coerced by the district bank into merging with other associations. Because of the threats that existed in those circumstances, the subcommittee agreed to adopt my amendment which would provide for a special reconsideration of mergers which occurred between December 23, 1985, and the date of the enactment of the Farm Credit Act amendments of 1987. Under this provision, stockholders would have 1 year to file a petition for reconsideration.

MERGER DISCRIMINATION

The Farm Credit Act amendments also includes a provision which will clarify existing law with respect to associations which disapprove mergers. The provision in S. 1665 will ensure that associations, disapproving a merger, would not be charged any assessment at a rate higher than that charged other like associations in the district and that such associations would be provided financial assistance and services on the same basis as other like associations in the district. The inclusion of this provision was necessary to ensure that districts do not threaten a local association with unfavorable actions if the association's stockholders did not vote to merge.

FARM CREDIT SYSTEM LOAN RESTRUCTURING

The Farm Credit Act Amendments of 1987 includes provisions requiring restructuring of loans under certain circumstances.

SPECIAL REQUIREMENTS FOR INSTITUTIONS RECEIVING ASSISTANCE

S. 1665 basically requires institutions—other than banks for cooperatives—which receive assistance to restructure nonaccrual loans if first, it is cheaper to restructure than to foreclose, second, the borrower is applying all income over and above necessary and reasonable living and operating expenses, third, if the borrower has the financial capacity and management skills to protect the collateral, and fourth, if the borrower is capable of working out existing financial difficulties.

In order to monitor compliance with the restructuring requirements of the bill, the Assistance Board is required to establish a national special assets council.

Once an institution is certified by the Assistance Board as eligible to issue preferred stock, the district in which such institution is located is required to establish a special asset group. The group would be required to review each determination by the institution that a loan is ineligible for restructuring.

If the group determines that the loan is eligible for restructuring, the institution must restructure the loan according to a plan prescribed by the group. If the group agrees with the institution that a loan is ineligible, the group must submit the loan for review to the National Special Assets Council. If the National Special Assets Council determines the loan is eligible for restructuring, the loan must be restructured according to a plan prescribed by the council.

All nonaccrual loans outstanding on the date of certification of an institution must be reviewed within 9 months after certification. All loans placed in nonaccrual status after certification of the institution, must be reviewed within 6 months after the loan is placed in nonaccrual status.

Because the Assistance Board and the National Special Assets Council terminates 5 years after enactment, the provisions applicable to receiving institutions also terminate at that time.

REQUIREMENTS APPLICABLE TO ALL INSTITUTIONS

The provisions of the bill with respect to all institutions—other than banks for cooperatives—are similar to those for receiving institutions, except that restructuring requirements are only applicable to certain eligible borrowers.

Eligible borrowers are those who first, have been cooperative and have acted in good faith with the institution; second, have presented a viable restructuring plan that reduces the risk to the institution; third, have applied and will continue to apply income, in excess of that necessary for reasonable living and operating expenses, to retirement of debt obligations; fourth, have maintained buildings and other collateral in good condition; fifth, have pledged all unencumbered additional collateral; sixth, have demonstrated good management skills; and seventh, have furnished complete and current financial statements. In addition, the willingness of the borrowers' other creditors to make reasonable concessions is taken into consideration in determining eligibility. Finally, eligible borrowers must be family farmers.

For the purpose of determining whether a borrower is a family farmer, the borrower's debts must not exceed $1.5 million and not less than 80 percent of the borrower's debt must arise out of a farming operation. In addition, more than 50 percent of the borrower's income must be derived from the farming operation.

All institutions must restructure an eligible borrower's nonaccruing loan if: First, it is cheaper to restructure than to foreclose; second, the borrower is applying all income over and above necessary and reasonable living and operating expenses; third, if the borrower has the financial capacity and management skills to protect the collateral; fourth, if the borrower is capable of working out existing financial difficulties.

If an institution—other than a bank for cooperatives—determines that an eligible borrower's loan is not eligible for restructuring, the borrower must be notified of his right to appeal the determination to the credit review committee required to be established by the bill. Under S. 1665, each bank and association—other than a bank for cooperatives—is required to establish a credit review committee which includes at least one representative of agricultural producers in the area. Loan officers involved in the initial decision on the loan are not eligible to serve on the committee when that loan is being reviewed.

Borrowers who request an appeal to the credit review committee may also request that an independent appraisal of the collateral securing the loan be conducted. If an independent appraisal is requested, the committee must consider the results of the independent appraisal when making its final determination on the loan.

RIGHT OF FIRST REFUSAL

The right-of-first-refusal provision adopted by the subcommittee is perhaps the most important borrowers' right provided in the bill. There have been several instances where a farmer lost his farm as a result of foreclosure by an institution of the Farm Credit System and the institution, when selling such property at public auction, refused to accept a cash offer from the farmer which met the minimum bid requirements posted by the institution and which was the highest bid offered. When asked why the institution failed to accept a cash offer from the previous borrower, representatives from the institution explained that it was the institution's policy not to transact any business with a previous borrower whose loan was foreclosed.

The provision in S. 1665 regarding the right of first refusal will ensure that this never happens again. Under this provision, all property that has been or is acquired by institutions of the Farm Credit System is subject to the right of first refusal.

When an institution first elects to sell such property, the institution must notify the previous owner of his right to purchase the property at the appraised fair market value. If the previous owner notifies the institution within 15 days that he will purchase at the appraised fair market value, the institution must sell the property to him. The previous owner has the right to offer to purchase the property at a lower price, but the institution is not required to sell the property to him.

Once an institution has rejected an offer to purchase the property at a price lower than the fair market value, the institution would be prohibited from selling the property to any other person for a price equal to, or less than, that offered by the previous owner or on different terms and conditions than those that were extended to the previous owner, without first affording the previous owner an opportunity to purchase the property at the lower price or on different terms and conditions.

The right-of-first-refusal provisions do not require, in any way, an institution to extend financing to the previous owner, however, the institution may do so. The subcommittee assumed that under most circumstances the institution would require the previous owner to make a cash offer.

S. 1665 ensures that previous owners are not discriminated against in auctions or competitive bidding procedures by granting preference to the previous owner if such person offers a bid which is equal to the highest bid. In such circumstances, the previous owner is given preference over the other person making a bid.

Similar requirements were provided to previous owners any time an institution leases acquired property if the previous owner has the resources available to conduct a successful farming operation and can meet all payments, terms, and conditions of a lease. The leasing requirement will apply each time the institution decides to lease acquired property. This was necessary in order to ensure that system institutions do not avoid granting a right of first refusal by establishing short-term leases.

POWER TO REMOVE LOCAL DIRECTORS

S. 1665 also includes a provision I offered which provides that no farm credit district board, bank board, or bank officer or employee would have the power to remove any director or officer of any production credit association or Federal land bank association. The provision does not affect the authority granted to FCA in current law to remove such persons for cause.

The need for this amendment arose several years ago when the district board, without cause, removed an entire board of a production credit association and the association's president because of their participation in a public hearing Congressman SYNAR and I held in eastern Oklahoma. This provision will ensure that districts will not be able to remove local officers or directors.

OUTSIDE DIRECTORS

The Farm Credit Act Amendments of 1987 includes a requirement that all production credit association, Federal land bank association, and district boards have at least one member who is not a borrower of the Farm Credit System. This outside director must be knowledgeable and experienced in banking and finance.

The subcommittee believed that it would be prudent for all boards to have a disinterested, objective member, experienced in agricultural finance on the board. This member will be able to lend his expertise to the farmer-borrower board members.

MEDIATION

Title V of S. 1665 establishes a matching grant program for State mediation programs. Under the provision, a State which has a mediation program would be eligible for a matching grant of up to $750,000 per year.

All existing State programs would be eligible to apply for funding and all programs created in the future would be required to meet certain basic requirements in order to be eligible. S. 1665 provides up to $7.5 million per year for fiscal years 1988 through 1991.

FARMERS HOME ADMINISTRATION

The Farm Credit Act Amendments of 1987 include a number of provisions affecting borrowers of the Farmers Home Administration. These provisions include a new debt restructuring program for delinquent borrowers, expanded homestead protection, release of income for living and operating expenses, guidelines for the disposition of inventory lands held by the Farmers Home Administration, and a new program that would provide financial assistance to help certain farmers purchase land from the Farm Credit System inventory.

INCOME RELEASE

S. 1665 modifies existing Farmers Home Administration provisions relating to the release of borrowers' income for living and operating expenses. Under current law, FmHA releases or allows a delinquent borrower to keep a portion of the proceeds generated from the sale of his farm products equal to the borrower's living and operating expenses for the coming year. Currently, releases are discontinued once a borrower's loan is accelerated. Under such circumstance, the FmHA normally takes any of the borrower's commodity program payments owed by the Department of Agriculture.

S. 1665 extends the release provisions to include borrowers accelerated between November 1, 1985, and May 7, 1987, if such borrowers are actively engaged in farming as of October 30, 1987. The bill limits releases to $18,000 per year.

These borrowers would be eligible under the bill to request restructuring of their loans. The income release would be provided until a decision with respect to restructuring is made by the Farmers Home Administration.

LOAN RESTRUCTURING

S. 1665 includes provisions with respect to loan restructuring requirements similar to that provided to Farm Credit System borrowers. Under the bill, the Farmers Home Administration would be required to restructure loans if it is estimated that the present value of repayment of the restructured loan would be greater than the net proceeds obtainable through liquidation. Priority to principal and interest writedowns must be given to loans eligible for restructuring under the bill.

INTEREST RATE BUYDOWN

A new 3-year program designed to help certain farmers purchase land in Farm Credit System inventory is also included in the bill. Under the program, qualifying farmers could, at the discretion of the Secretary of Agriculture, receive a voucher to reduce by up to 4 percent the interest rate on a FmHA-guaranteed loan in order to purchase Farm Credit System land.

Up to $250 million in land sales per year could be made under the bill.

Funding for the program is derived from the unobligated balances of the current interest rate buydown program. The current balance is approximately $460 million.

ESTABLISHMENT OF SECONDARY MARKET FOR AGRICULTURAL LOANS

The Farm Credit Act Amendments of 1987 authorizes the creation of a secondary mortgage market for agricultural loans, including rural housing loans. The secondary market is designed primarily to enable all lenders to provide fixed-rate, long-term real estate loans. In addition, the secondary market will enhance competitiveness in agricultural lending markets, and increase the supply of credit for agriculture.

During subcommittee consideration, several concerns were raised about the effect a secondary market would have on the Farm Credit System. The establishment of a secondary market could result in a loss of loan volume for the Farm Credit System and could result in an increase in assistance necessary for the system.

Despite these concerns, the subcommittee believed that the secondary market would be beneficial to farmers and believed that the provision of financial assistance as provided under the bill would enable the Farm Credit System to retain their competitiveness with other lenders, particularly since system institutions would also be permitted to pool their loans in the secondary market.

Under the bill, Farm Credit System institutions may wish to act collectively to form a facility which will act as the exclusive marketing vehicle for "Farmer Mac" guaranteed pools of agricultural loans owned by these institutions. Section 703 of the bill was included in order to permit this type of collective action.

Although the subcommittee did note the existence of a March 13, 1987, opinion of the general counsel of the Farm Credit Administration regarding the powers of system institutions with respect to secondary market activities, the subcommittee did not form a view as to whether this opinion represents a correct interpretation of the law. In any event, the opinion principally addresses the ability of Farm Credit System institutions to act collectively to securitize loans without the use of "Farmer Mac's" facilities. The subcommittee believed that collective action by Farm Credit System institutions to securitize and sell loans guaranteed by "Farmer Mac" could make an important contribution to the development of the secondary market and consequently, the subcommittee wishes to encourage this type of activity.

CONCLUSION

Mr. President, I want to conclude with a couple of comments which go back to remarks that I made in the beginning of my remarks on the floor.

As I said, the Farm Credit Act Amendments of 1987 represents a balanced approach to agricultural credit problems which we are experiencing at the present time. The bill is the culmination, as I have indicated, of many hours of work by both the members of the subcommittee and the full committee. There have been estimates that members of the subcommittee met together for more than 100 hours in the process of writing this legislation, and virtually all of the members of the subcommittee were present throughout.

Senator BOSCHWITZ, the ranking member of the subcommittee, is to be especially commended for his willingness to devote his time and energy to developing a sound credit bill.

This bill simply could not have been put together without his efforts, without his diligence, and without his willingness to work in a bipartisan spirit to craft legislation that would work. Continually he brought to us experience gained from the operation of the system within his own district. He brought his own unique insights based upon his own business experience. He has made a real contribution to this legislation.

The Senate is also indebted to the distinguished ranking member of the full committee, Senator LUGAR, for his cooperation and his willingness to participate in every subcommittee markup and meeting even though, as I mentioned at the beginning, he is not a member of the subcommittee which was charged with writing the legislation. Again, we could not be on the floor today with this legislation without the work of Senator LUGAR and without his willingness to try to help bring the entire committee together to fashion this kind of compromise.

When we began our deliberations, there were those on each side of the aisle who made unconditional demands about what the legislation would include or not include. There was a real question as to whether any proposal could be drafted that would gain the acceptance of the administration. It has only been through day to day, hour by hour cooperation, and a real concern for the well-being of the agricultural community, the farmers of this Nation, that has brought us to this point.

I want to, again, thank those on the other side of the aisle, both Senator

BOSCHWITZ and Senator LUGAR in particular and all the members of the subcommittee and the committee who have worked with us. I want to say again how much I appreciate the willingness of the distinguished chairman of the Agriculture Committee, Senator LEAHY, to expedite full committee consideration of the farm credit bill. I appreciate his cooperation throughout this process. Again, he has helped to set the tone. The chairman of the committee sets the tone for deliberations. He has set the tone for cooperation. He has set the tone for hard work and working together by members of the committee and he has made, again, an immeasurable contribution to this legislation.

I would also be remiss if I did not also express my appreciation for the work of my colleague from Montana, Senator MELCHER, for his leadership in developing the farm credit bill and for introducing S. 1665 in August. He, of course, is the original author of the draft legislation which was used as the markup vehicle and for many, many years, long before I had the opportunity to come to the Senate, Senator MELCHER has been a strong, forceful, and effective spokesman for agriculture in the U.S. Senate.

Mr. President, I am especially indebted to Ben Baker for his tireless devotion to the development of a sound farm credit package. Without his guidance and assistance, S. 1665 would never have been introduced.

I also want to express may appreciation to members of the committee staff, in particular Chuck Riemenschneider, Chuck Conner, Tom Clark, Mike Dunn, Ed Barron, and Chris Sarconne for their assistance during the subcommittee's consideration of S. 1665. In addition, Senator BOSCHWITZ' assistants, Julie Hasbargen and Terri Nintemann, are to be commended for their efforts.

Of course, I want to express my appreciation to my own legislative assistant, Kellye Eversole, who spent many, many hours in developing the draft documents, comparative analyses of bills which has made it possible for us to move forward in the subcommittee.

Mr. President, I strongly urge my colleagues to support S. 1665 Farm Credit Act Amendments of 1987. I stress, as I did at the beginning, this is a delicately crafted compromise, produced by many long hours of work. It is the kind of bipartisan approach that we need to see more of in the U.S. Senate and in terms of political decisionmaking in these difficult times in our country. It is my hope that our colleagues who are not members of the Agriculture Committee will carefully study this measure, will consult with those of us on the committee who have been in these deliberations, and will decide to give their full support just as the members of the committee gave unanimous support for this legislation when it came out of the committee. We cannot afford to wait. We must act. Every day that we wait we inflict damage on the agricultural community and economy of this country. Every day that we wait we run the risk that the ultimate cost of doing something to preserve this system will be higher.

Let us act today. Let us give this measure the support it deserves. Let us do it in a way that is most efficient and most protective of the taxpayers' interests and the taxpayers' dollars.

Again, I want to thank the distinguished chairman. I appreciate very much his yielding to me and allowing me to make these opening remarks.

Mr. LEAHY. Mr. President, I should say that what the distinguished Senator from Oklahoma has said is very correct, about the amount of work that has gone into it and the bipartisan nature of this effort. But particularly, I want to refer to the conclusion of his remarks, referring to the urgency to move this legislation quickly.

If the distinguished Senator from Minnesota will withhold a moment, I believe the distinguished majority leader was going to make a unanimous-consent request.

I wonder if I might yield to the distinguished majority leader for that purpose.

Mr. BYRD. Mr. President, I ask unanimous-consent that action on this pending measure today be confined only to opening statements, that no motions be made, and no amendments be offered today.

The PRESIDING OFFICER. Is there objection?

Mr. EXON. Reserving the right to object, I assume the unanimous-consent request would not interfere with questions in debate. Is that my understanding?

Mr. BYRD. That would be my request. When I say opening statements, I mean debate and questions in debate.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. BYRD. Mr. President, there will be no more rollcall votes today.

Mr. LEAHY. Mr. President, while the distinguished majority leader is here, would his request also include no request today for the yeas and nays?

Mr. BYRD. I can do that. I do not see any harm that could be done. If you want to ask for yeas and nays on final passage, that is all that could be asked for.

Mr. President, I ask unanimous consent that there be no call for the yeas and nays in relation to this legislation today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. I thank both managers.

Mr. LEAHY. Mr. President, I yield the floor.

Mr. BOSCHWITZ. Mr. President, I see the distinguished Senator from Oklahoma is still in the Chamber. I thank him for his comments about my staff and myself. I certainly reciprocate with regard to the distinguished Senator and his staff. It is a joy to work with him. Sometimes things seem to move not so quickly and at other times we seem to make pretty good progress. But it is always in a spirit of comity. It is a pleasure to see the Senator from Oklahoma act with intellect and really work hard to move this bill along. It is a good bill, Mr. President. I thank the Senator from Oklahoma for his leadership, as well as the Senator from Indiana, and others who were so very active in it.

Mr. President, already several times this year I have commented here on the floor about the financially stressed Farm Credit System. Over the last 2½ years the Farm Credit System has lost nearly $4.8 billion. Last year, about a dozen bills to assist the Farm Credit System were proposed including ones I introduced or cosponsored. The Subcommittee on Agricultural Credit, of which I am the ranking minority member, has spent nearly 2 months formulating this important bill. Although we talk about 2 months, I must admit it seems longer because of the frequency of the meetings and the way we proceeded with the markup sessions. But it was an effective markup and we considered all aspects of the bill as the markup progressed.

As a practical matter, before we began markup, all of the intricacies of the bill had not been thoroughly discussed in hearings. That is not by way of criticism, it simply could not have been done. There were just so many intricacies. The consequences of one aspect of the legislation had to be considered to determine the ramifications of the entire bill.

This bill has strong bipartisan support here in the Senate. It was adopted unanimously by the subcommittee, as the distinguished Senator from Vermont noted, and unanimously by the full committee. Clearly, now is the time to push it forward and push it through.

In both 1985 and 1986, Congress has passed stopgap legislation to forestall financial difficulties facing the Farm Credit System and its borrowers. This time around we realized that more complete legislation was necessary and that we had to come up with a broad bill that would provide financial assistance to aid the FCS and its borrowers and to enable the Farm Credit System to remain a viable and competitive lender for agriculture.

It is imperative that we pass this legislation before the end of this year. Problems facing the Farm Credit System and its borrowers are varied and large. As I mentioned earlier, the

FCS has suffered hugh losses in the past couple of years. In addition, nationwide FCS loan volume continues to decline.

At the end of 1985, the Farm Credit System held $66.6 billion in net loans and that declined to just a shade over $50 billion by September 30, 1987. It is undoubtedly now below $50 billion.

Comparing September 30, 1987, to the same date a year ago, FCS loan volume has declined nearly $8 billion. This means that the pace of the decline has not slowed, but indeed, has marginally quickened. Still, today the Farm Credit System continues to be the single largest agricultural lender.

There has also been a significant shift in who holds the farm debt. Part of the reason for the shift in market share and decline in loan volume is that farmers are turning to other lenders because they fear that the stock they have invested in the Farm Credit System as a condition of taking out a loan may not be returned to them.

Another problem facing the Farm Credit System is the staggering volume of nonaccrual loans—loans that the Farm Credit System believes will not be repaid in full.

Since overall loan volume has declined, nonaccrual loans now make up an even larger percentage of the total loan volume. As a matter of fact, the total amount of the nonaccrual loans has gone up slightly.

The Farm Credit System is also beset by a great deal of high-cost borrowing that they have done in order to have the funds necessary to loan to farmers. Much of that high-cost debt has been greater than 11 percent, some even as high as 15 percent, which was issued to raise funds to make the loans to farmers. The high cost of its own money is an enormous problem facing the Farm Credit System and probably is the prime reason that it needs some time to dig out from its problems.

If the Farm Credit System could redeem all of its loans and borrow at today's rates, it would indeed have no difficulty in being competitive. However, the Farm Credit System has issued long-term bonds—much of it in excess of 11 percent as I have noted—and some as high as 15 percent. Those bondholders must be paid and those bonds simply have to be paid up at maturity.

In November, the Farm Credit System announced it had a net income of $4 million for the third quarter of this year. While we have seen some improvement, the Farm Credit System is not out of the woods yet. For the first 9 months of 1987 FCS losses still totaled nearly $200 million. In the first 9 months of 1986, the Farm Credit System suffered a loss of $1.5 billion, so things are getting better. But, nevertheless, FCS is not out of the woods.

Again, while the overall system results showed improvement, several Federal land banks and production credit association still have been incurring very large losses and are facing a potential depletion of capital or a collateral shortfall and may not be able to continue issuing bonds to raise funds to lend to farmers and are facing a potential depletion of capital or a collateral shortfall. At least five Federal land banks are in a precarious position regarding adequate collateral to continue issuing bonds to raise funds to loan to their borrowers.

I am very concerned about the plight and survivability of the Farm Credit System. We simply cannot allow the Farm Credit System to fail. Failure of the single largest lender to agriculture—FCS currently holds about one quarter of the total farm debt—would have devastating effects on the whole agricultural economy. A strong agricultural sector needs access to financial resources. This bill will ensure that FSC is a viable lender and allow it to charge equitable and competitive rates to its borrowers.

I think we came up with a pretty good bill. I must stress again the countless hours that went into crafting this legislation and how detailed the issues and the bill itself are. At the subcommittee level we took the issues one at a time, discussing the merits of the proposal, and essentially we wrote the bill section by section. So in the end we arrived at a workable bill with pieces that fit together. Everybody gave a lot. Everybody was most cooperative and willing to negotiate. I certainly do not want to see this legislation become unraveled on the floor, and I do not think it will. I also do not believe that this bill should be termed a "bail-out" bill because we are going to require that FCS help itself as much as possible and some of the things that we force the Farm Credit System to do are certainly of a self-help nature.

Now I would like to briefly touch on the important features of this farm credit bill and I will do so relatively briefly because my colleague from Oklahoma has done the same already.

One of the vital goals of providing financial assistance to FCS was that the cost to the Government be kept to a minimum. I think we have done that in the financial assistance section of the bill by using federally backed bonds to provide the financial assistance rather then an outright appropriation which would cut into spending for our agricultural programs in general. All along I have been pushing for the use of guaranteed bonds rather than a line of credit. The bill that I introduced earlier this year with Senator Kɪᴛ Bᴏɴᴅ provided a capital infusion to FCS by using guaranteed bonds. Using bonds which must be repaid by FCS will also ensure that FCS uses the money wisely.

The bill creates two new entities under the financial assistance portion of the bill. The Capital Corporation established in 1985 will be replaced by a temporary 5-year Assistance Board comprised of the Secretary of the Treasury, the Secretary of Agriculture, the Chairman of the Federal Reserve, and two members with expertise in financial matters to be appointed by the President with consent of the Senate. In order to provide financial assistance to FCS institutions and to guarantee borrower stock, the Assistance Board will certify System institutions as eligible to issue preferred stock, which will be purchased by another newly created entity, the Financial Assistance Corporation. The funds received from the sale of this preferred stock will be used by troubled banks and associations to continue to redeem borrower stock at par value, to charge competitive and equitable interest rates to their borrowers and to remain a viable lender to agriculture. The Assistance Board may require the banks and associations receiving assistance to change their business and operating plans to ensure that the assistance provided is used prudently. Assistance would be provided only if the cost of providing assistance was less than the cost of liquidating that bank or association. Those are pretty harsh words, Mr. President. Banks and associations could apply for assistance when borrower stock is worth less than par value. However, the Assistance Board must approve this assistance—unless liquidation is a less expensive alternative—when the value of the stock reaches 75 percent of par value.

This bill also creates a Financial Assistance Corporation which is a "sibling" of the current funding corporation. The Financial Assistance Corporation will establish two funds. The assistance fund will be composed of the proceeds of the issuance of up to $4 billion in Government guaranteed 15-year bonds. FCS will be required to repay the principal; however, when the bonds mature the FCS banks and associations receiving assistance may individually refinance the bonds without a collateral requirement.

The bonds will be issued in two phases: up to $2.8 billion may be issued initially with the remaining $1.2 billion available if additional funds are necessary. Recognizing that FCS is already burdened with excessive interest obligations on its outstanding bonds and that it may need in meeting the interest payments on these bonds, the Government will pay the interest on the bonds for the first 5 years and up to half the interest payments during the second 5 years. FCS will pay at least half the interest expense during the second 5 years and all of the interest expense in the last 5 years. The Federal Government would not pay more than $2 billion in interest over those first 10 years after the bonds are issued.

The other fund established by the Financial Assistance Corporation is the trust fund which is composed of a one-time assessment on all associations and banks. This requires FCS to provide some self-help for the benefits—both direct and indirect—that will result to the entire Farm Credit System from enactment of this legislation. This assessment, which is in the form of a mandatory stock purchase, equals the amount by which each institution's surplus exceeds, for banks, 5 percent of assets and for associations, 13 percent of assets. This self-help measure is truly an integral part of the bill.

The bill also requires that FCS set up restructuring teams like the St. Paul district has done and to restructure loans rather than foreclose when the cost of restructuring is less. This way FCS will be receiving some payments on troubled loans and farmers with troubled loans will be able to stay on their farms. FCS simply must get those nonearning assets earning again. That is why the St. Paul district has taken the lead in restructuring loans and established an aggressive and innovative restructuring program for its borrowers. In some cases FCS hasn't received payments on these nonaccrual loans simply because the borrower couldn't meet the full payment. So in the St. Paul district they figured that it would be better to take in some payment—even if it wasn't the full amount—on the loan and keep the farmers on the land rather than go through the costly process of foreclosing and selling the land. The bill that I proposed earlier this year with Senator BOND also took this same approach to restructuring troubled loans.

Another very important section of this bill deals with mergers and dissolutions of FCS banks and associations. Mergers of like banks or mergers of like associations within the same district are now allowed under current law. This bill also permits mergers of associations into banks, mergers of like and unlike associations, mergers of banks within a district, and transfers of powers or assets. Borrowers are also given a stronger voice in determining how FCS should be structured. These changes would require the approval of the Farm Credit Administration Board, the respective boards of directors of the institutions, and a majority vote of the stockholders voting. There is also a cooling-off period after the merger vote to allow for a special reconsideration vote. Permitting these mergers—subject to stockholder approval—will allow FCS institutions to better pool their resources, streamline operations, and improve their economic condition. I think this permissive and flexible approach represents a pragmatic solution to the whole issue of System structure. I simply do not believe that Congress should mandate how many district banks or PCA's or Federal land bank associations there should be within the Farm Credit System. FCS and its borrowers are the ones to make that decision.

Borrower stock will also be guaranteed. This, of course, was of great concern to the borrowers. However, in the future, stock purchase requirements would not be the same. Currently borrowers are required to purchase stock worth 5 percent—in the case of Federal land bank associations—and 10 percent—in the case of PCA's—of their loan. Under this bill, borrowers would be required to purchase voting stock of $1,000 or 2 percent of their loan, whichever is less. The Farm Credit Administration would set minimum capital adequacy standards for banks and associations. I must also add that the FCA is also strengthened and will act as an overseer, much in the way the Comptroller of the Currency does now for banks. That, too, will strengthen the entire Farm Credit System. Each bank or association would have 5 years to come into compliance with these standards and the boards of the banks and associations would adopt bylaws about how they would meet those standards—for example, by charging loan origination fees.

Another important area of the bill is the title of the bill dealing with Farmers Home Administration [FmHA] loan restructuring and reform. I worked along with Senator HARKIN, Senator CONRAD, and Senator BOREN to come up with an acceptable and workable FmHA reform provision. I was pleased with the cooperative spirit displayed by all of my colleagues as we dealt with several contentious FmHA provisions. Also, I should mention the Department of Agriculture, which took a very active hand in negotiating, as we did not want to write a bill and then simply subject it to a veto. I think we ended up with a pretty good compromise on the FmHA section. It is important to remember that some Senators were opposed to even including FmHA in this bill and others felt there could not be a farm credit bill without an FmHA title. Among the major provisions of this section are encouraging loan restructuring with emphasis on writing down of principal and interest and debt set-aside, providing notice to borrowers of loan servicing options, the establishment of a new appeals division, providing income release for operating and living expenses for borrowers who are actively engaged in farming and have applied for restructuring, and creating a secondary market for FmHA guaranteed loans.

This bill also establishes a secondary market for agriculture loans. I believe that establishing a secondary market for agriculture loans will help agriculture by providing farmers with fixed-rate, long-term mortgages and reducing lender's risks in providing these loans to farmers. Furthermore, creating a secondary market will enhance competition among farm mortgage lenders.

While I support creating a secondary market for agriculture loans, I am very concerned about its effect on the financially stressed Farm Credit System during the first few years that the secondary market is operational. This bill includes a provision adopted by the subcommittee, which I supported, establishing reasonable caps on the volume of loans flowing through the secondary market in the first 3 years. There would be no restrictions on volume after the third year. I think that this is an appropriate way to do it because the Farm Credit System at this time should not be subjected to a new competitor that we create.

There are several other portions of the bill that I will just mention very briefly. A reserve account is established in 1992 which is similar to the FDIC and would back the bonds the Farm Credit System issues. The bill also expands borrowers' rights by requiring the Farm Credit System to disclose information on current interest rates, changes in interest rates, loan options to borrowers and allows borrowers to have a review of loan restructuring decisions before a credit review committee. In addition, all the Farm Credit System institutions must establish a restructuring policy for family farmers with distressed loans. Other highlights of the bill include requiring outside directors on bank and associations' board of directors and providing matching grants to States for the expenses of State mediation programs.

Mr. President, I again emphasize my support for this legislation. I urge all my colleagues to support this bill providing financial assistance, in a reasonable way and in a bipartisan way, to the Farm Credit System so that it can continue to meet the credit needs of rural America.

I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Mr. CONRAD). The Senator from South Dakota.

Mr. DASCHLE. Mr. President, I rise in strong support of this bill. I have to commend in the most enthusiastic manner the tremendous leadership shown by the Senator from Oklahoma, the Senator from Minnesota, and of course our chairman, the Senator from Vermont, and ranking member, the Senator from Indiana. Were it not for their leadership and their bipartisanship the product that we have before the body right now simply would not have been possible.

I have said over and over that I believe this body works at its best when we put partisanship on the shelf. I think that is what happened with this product. We worked together, not as Democrats or Republicans, but as people interested in a common goal, providing a mechanism by which we can ensure the viability of the Farm Credit System for many years to come. I think we have accomplished that goal with the bill that we have before us this afternoon.

I am proud of it. A great deal of work has gone into it. I think it accomplishes the goals that we have set out.

I said at the outset that I did not believe anyone of us ought to be supporting a bailout of the Farm Credit System. That ought not be our purpose in addressing this legislation. I believe we have accomplished what we set out to do without creating a bailout for the Farm Credit System. In essence what we have done is restructure the entire Farm Credit System for the first time in a generation. We deal directly with the reorganizational needs of the Farm Credit System. We deal directly with the restructuring system within the Farmer's Home Administration. And we provide a new tool through the secondary markets that farmers have needed for a long time.

We come before the body today confident, I believe, that we are providing the necessary tools at the very least cost to the taxpayer. Farmers ought to be satisfied with this bill. The Farmers Home Administration ought to be satisfied with this bill. The Farm Credit System ought to be satisfied with this bill. And every Senator, when he or she votes on this bill, ought to be satisfied that this is the very best product we as 19 Senators working on it for the last 120 hours in committee could write to address the needs, concerns, and problems that we see in the future.

It is not a retrospective bill. It is a prospective bill. It deals prospectively with the problems that we see in the future and the challenges that are going to face agriculture and farm credit for the years ahead.

Mr. President, declining farmland values, high interest rates and low commodity prices have caused serious financial stress throughout rural America. Many family farmers are still in severe financial trouble. As these producers fall behind in their debt payments, the financial problems are passed on to agricultural lenders.

The Farm Credit System, as the largest lender to American farmers, is the private lender most affected by the problems in agriculture. With losses of almost $5 billion since 1984, the System continues to experience unprecedented levels of loans that are not being repaid. As of September 30, 1987, the System held $6 billion of loans for which neither principal nor interest payments are likely, and another $4.7 billion of loans that need more than normal servicing.

The problems of the System are only one part of the picture; FmHA has been hard hit too. As of the end of December 1986, almost 70 percent of the FmHA farm debt outstanding was delinquent.

The problems that led to this situation are well-documented. The 1970s was a period of expansion in agriculture. But by the end of the decade it was becoming clear that the boom could not be sustained. Much of the security backing loans made in that period has declined substantially in value, and borrowers have struggled to meet their obligations despite rising expenses and lower prices for their crops and livestock.

Agriculture is now in period of contraction. The amount of overall debt is declining. The terms of loans are being adjusted to reflect the new circumstances. This has been done through the realization that foreclosure and bankruptcy do not always result in a better return for the lender. The lender's losses are fewer and all borrowers benefit if the lender can restructure some loans so that borrowers can resume payments. The revenues that result from restructuring improve the financial picture of the lender, as well as the borrower. This philosophy is reflected in the actions of the St. Paul Farm Credit District.

The intention of the Farm Credit Act Amendments of 1984 is to encourage the philosophy of debt restructuring throughout the System and in the Farmers Home Administration. The legislation is a sweeping reform of agricultural credit. The bill not only deals with the problems in FCS and FmHA, it will enable other commerical lenders, through the creation of a secondary market in agriculture loans, to offer borrowers new options for credit.

The real beneficiaries of this legislation are America's farmers and ranchers. FCS borrowers will have a chance at debt restructuring and lower interest rates, and their stock will be guaranteed; and FmHA borrowers can use new debt restructuring tools and a more fair and independent appeals process; and all borrowers will have opportunities for new sources of credit.

The legislation has been controversial. Compromises were necessary. There are parts of the bill that I wish were handled differently. I will discuss some of those items later. But on the whole, this is a good bill.

I am pleased to say that the bill includes concepts that were part of the legislation (S. 1287) that I introduced earlier this year. A special independent board, the Farm Credit System Assistance Board, would be created to administer the assistance, to guarantee the value of borrower stock, and to make sure FCS institutions abide by the terms for assistance set by Congress. The bill requires that FCS institutions carry out a program of debt restructuring and other reforms. FCS institutions that receive assistance must establish a special program to insure proper consideration for debt restructuring. The bill also lists "Borrowers Rights" that FCS institutions must observe.

The legislation includes a provision that will make thousands of acres of farmland in the FCS inventory available to farmers and ranchers who are eligible for FmHA loans. The program is designed to give family sized farmers and ranchers an opportunity to own land that without this provision would be beyond their reach. The inventory lands offer a once-in-a-lifetime opportunity to rebuild rural communities that have suffered economic devastation in the past decade.

As I said earlier, there are parts of the bill that I wish were stronger. Farmers Home Administration has been a reluctant participant in the adjustments in rural America. It has followed policies that are not only insensitive to family farmers, for whom the agency was created to serve, but contrary to the best interest of taxpayers.

Borrowers have had no recourse but to seek protection through bankruptcy. There are more chapter 12 bankruptcies per number of farms in my State of South Dakota than in any other State in the Midwest. Nevertheless, FmHA has not seen fit to alter its policies despite the losses to taxpayers.

The agency's policies and practices have bred suspicion and resentment of the Federal Government in my State.

In working to correct these problems, we met with representatives of the administration, and I commend them for their willingness to compromise. The legislation will require that FmHA improve its debt restructuring policies, with priority to be given to interest and principal write downs. A new appeals process is created, and the agency is clearly instructed to work with borrowers to avoid bankruptcy and foreclosure when the Government would save money by doing so.

I am pleased with these changes, but I want to point out some problems that remain.

INCOME RELEASE

Included in the bill is a provision to revise FmHA's so-called administrative offset policy. The bill would require FmHA to release up to $18,000 a year in living and operating expenses to borrowers whose loans have been placed in acceleration. The release would remain in effect until the agency has decided whether or not to restructure those borrowers' debts.

FmHA in South Dakota reports that 229 borrowers are affected by the offset policy in my State. These people are being squeezed off their land as court battles delay settlement of their cases. The $18,000 provided for in the bill may help with essential living expenses, but it will not be enough for many farmers to maintain their operations while they await the outcome of their cases. Livestock and dairy producers, in particular, need money to buy feed. Animals cannot survive on FmHA paperwork.

If we cannot remove the limit in this legislation, I urge the chairman of the Agriculture Committee to conduct a hearing on the administrative offset policy so that we might come to some reasonable agreement on the costs involved and work out a more realistic solution.

DEBT RESTRUCTURING

FmHA would not be required to write down principal and interest for debt restructuring unless the borrower's other unsecured lenders, representing a substantial portion of the unsecured debt, participate in the restructuring plan. The committee report makes clear that it is not our intention that every creditor, regardless of the amount of credit intended or inconvenience to the creditor, be required to participate. Also, the refusal of a large creditor shall not necessarily preclude FmHA from restructuring a loan.

I am very concerned that FmHA may try to use this provision to avoid restructuring that includes the writing down of principal and interest even in cases in which the current value of the property is substantially less than what it was at the time the loan was made. I will be monitoring FmHA's administration of this provision to make sure the agency complies with our intentions.

GOOD FAITH

The legislation provides that as a condition of eligibility for debt restructuring, a borrower must have acted in good faith in connection with his FmHA loan. While the agency should not restructure loans of borrowers for whom there is documented evidence they purposefully violated the terms of the loan contract, this provision should not be used by FmHA to arbitrarily deny debt restructuring. FmHA should understand that it is our intention that FmHA apply good faith narrowly.

COUNTY COMMITTEES

The bill includes a provision for a more reasonable schedule for county committee elections. However, the bill neglects to deal with the issue of borrower eligibility to serve on county committees. FmHA regulations currently prohibit FmHA borrowers and members of their families from serving on county committees. This is not what Congress intended.

Congress has sought to eliminate the Secretary's control over the committees and increase the accountability of committees to local farmers. The Agricultural Stabilization and Conservation Service committees were identified as the intended model for FmHA. Participants in programs administered by ASCS are not prohibited from serving on ASCS county committees. Furthermore, Congress enacted a statute in 1984 (7 U.S.C.A. sec. 1986(c)) to deal directly with the conflict of interest question.

This unreasonable exclusion is a particular problem in counties in my state, in which the majority of farmers are FmHA borrowers. In these counties, the pool of interested people to serve on the committees is substantially reduced.

CONCLUSION

In conclusion, Mr. President, I want to emphasize again that this is a good bill. It will stablize and strengthen the rural economy. It will encourage more reasonable credit practices in the Farm Credit System and Farmers Home Administration. It will assure farmers and ranchers of the stability of the System, and it will offer the opportunity for new credit sources.

When assistance to the Farm Credit System was first being discussed, I said that I could not support a bill if it were merely a bailout for the System. The legislation had to include true reforms. It must spell out that assistance be passed on to borrowers in the form of debt restructuring, lower interest rates, stock guarantees, and better service. It must revamp the credit industry in agriculture, reforming Farmers Home Administration and creating a secondary market in agricultural loans.

In other words, the legislation I envisioned was a comprehensive retooling of agricultural credit. Mr. President, I believe that describes the legislation before us today.

I am proud to have played a role in writing this bill, and I thank those who helped put it together. I am particularly grateful to the people in my state whose advice and recommendations were instrumental in preparing this legislation.

I urge my colleagues to support the bill.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I want to join in congratulation of those on the committee who worked very hard on this bill. I think there have been significant improvements made in the Senate version of what has come out of the House of Representatives. And I suspect that there are going to be some difficulties in putting the two versions together.

Nevertheless, I just want to say that I am particularly pleased with the fact that there has been a secondary market established. I believe I introduced the first bill in the U.S. Senate on the secondary market concept. This is embodied in the bill. I think it is a very good one. I think it is going to be of particular help to rural America, which faces a rather perilous time in the years to come despite what we hear today, that things are moving along and maybe we have turned the corner. I am not sure we have turned the corner out there in rural America yet in the agricultural sector.

But this bill, if it does what it is purported to do, is going to help in that effort. That is a positive sign.

There are some questions that I would like to ask about the bill as well as express some concerns that I have that have been partially addressed at least if not totally by the actions and activities of the hard-working Senate Agriculture Committee. I simply add my voice of thanks that has been expressed by others here today, Mr. President, for the hard work that has been done.

I have some concerns as to whether or not we are putting too rosy a picture on this piece of legislation. I believe that the Farm Credit System has a portfolio of about $50 billion. As near as I can tell from the discussions I have had with Senators in the brief matter of addressing that on the floor today, we are anticipating with this bill that there probably is a further loss of between $3 billion and $4 billion. It seems to me that with the experience we have had in agriculture today, and with some of the loans that I am fearful are out there in that $50 billion portfolio today, we may be taking a rosier look than we should. Are we critical enough with the package that we are putting together here? Or putting it another way, Mr. President, are we overselling this package as a cure-all for the deep, deep problems that we have in the Farm Credit System that we are trying to bail out with this bill?

I think there have been some rather ingenious financial arrangements that have been entered into with regard to the bond financial measure that basically does not affect the already dismal deficit picture of the Federal Government. I hope that those creative financing measures will work. I am a little worried, Mr. President, that they might not work if we would have a further downturn in the agricultural sector because I suspect that in that event we would find this bill wanting from the standpoint of the cure that is necessary.

To put it another way, I am wondering if we have done the complete operation that was needed, to use a medical term. Have we removed all of the dangerous growth that was affecting the patient that we basically know is a family-sized farm? I think the family farmer is under considerable stress yet today. I wonder, although there are some rather ingenius measures in the bill as it came to the floor from the Agriculture Committee, whether or not there are enough safeguards, whether the management of the Farm Credit System will be able to give the credit breaks, and to give the interest writedown where it might be necessary.

I realize that the Farm Credit System is not a giveaway. Therefore, I suspect possibly the Agriculture Committee thinks that they have properly structured this.

Another concern that I have in this area about the bill is what are the cash flow projections of this system and their farm borrowers for the next 5 years? As I have listened to the opening debate on this matter, I believe that this is a 5-year program for the Farm Credit System or intended to be such. I would like to ask the manager of the bill if that is a correct interpretation.

Mr. LUGAR. Mr. President, let me respond.

Mr. EXON. I would like to ask the question without losing my right to the floor.

Mr. LUGAR. The plan actually contemplates 15 years of activity. Clearly, most of it would come in the first 5. This is why projections in terms of the cost of the bill center upon that period of time. In other words, it is anticipated that much of the money will be required in the first 2 years, some of it right away, as soon as the bill is passed and the procedures are certified. But the fact is that the repayment of this money comes at the end of 15 years, and that is the scope of the situation. The money remains in the System during that time.

If I may respond to an earlier question, the Congressional Budget Office, in an important survey they have completed, which they have not made available to all Members of the Senate—I know this because I got a copy this morning—contemplates that about $2.8 billion is the amount of money that probably will have to be injected into the System to effectively carry out the provisions of the bill. It may be less than that, and the Senator from Nebraska has suggested that it may be more.

For this reason, the Senate bill contemplates that as much as $4 billion of borrowing is authorized; and through the various mechanisms, this money gets to the appropriate System institutions. CBO and our committee contemplate that about $3 billion of additional capital has to be infused into the credit system of the country. Taking into account these sums of money, there is an important safeguard and safety net.

So, although we cannot foresee all the circumstances in agriculture, there is a fairly ample safety margin given, but in a way that the impact on the current budget crisis of the United States is minimized.

In regard to the farmer, the individual farmer who is in trouble—and that is a source of great concern to the committee—almost every precaution has been taken to make certain that each farmer will have the benefit of loan restructuring, if that will in any way assist him or her.

Furthermore, even during this restructuring process, if he is turned down, he can have a review of that decision at another level. In the case of troubled farmers home borrowers, the farmer is operating the farm, he will be able to use some of the income that comes from his labors—up to $18,000, as a matter of fact—so that he will not be starved off the farm even during the restructuring process.

So thoughtful concern has been exhibited by the members of the committee as to each farm situation—how many by county and how many by State are in trouble—so that as many might be saved as conceivable.

Mr. EXON. The Senator from Indiana has worked hard on this bill, and I compliment him. I know it has not been easy for him. I know that he has worked very hard on it.

I am not saying this to be critical. I am trying to lay the groundwork for the vote I intend to cast. I say this to face some realities that so far in the debate I do not think have been faced. It is safe to say that the outside estimates, if the plan works as the Senator has envisioned it, would require the investment of an additional $4 billion in capital on the outside. The Senator said $2.8 billion this morning and I have heard up to $4 billion. So, from an investment of no capital and up to a maximum of $4 billion is what is purported to be the result of the bill.

Mr. LUGAR. That is correct. That amount of money could be borrowed by the mechanisms that are created.

Mr. EXON. Essentially, whether or not that factor will hold would depend to a large extent on what happens in the first 5 years of the plan.

Mr. LUGAR. The Senator is correct. Of course, it will depend also on the restructuring of the System—the various bank operations—and the efficiencies that result.

This Capital Assistance Board, while it is parceling out money, also has the power to bring about reform. That could mean movement toward the merger of entities, change of officers, and various things that streamline the bank operations.

Mr. EXON. There has been some intention to improve the efficiency of management of the system, which I have been urging for a long time.

While we are going through this colloquy, let me get to another factor that I think is critically important, and this should be laid out for the Senate now.

If I understand the math that has been talked about today, that math, based upon no more than $4 billion, perhaps, that might be necessary—I hope that is right. I think it is underestimated, but let us say for the sake of discussion that it is right. What base of income to the American farmer did the committee use for the next 5 years? I have a letter from one member of the committee that the basis of income to the American farmer was basically under the present support programs we have in place. Was that basically the projection that was used to make all this balance out so that we would not have more than a $4 billion potential loss?

Mr. LUGAR. I have to respond that I do not believe those figures came into those calculations. In other words, the calculations are on the basis of the Farm Credit banks and their operations presently—capital sufficiencies or insufficiencies, the interest they are paying and bonds they will have to pay off, so that they can borrow at lower levels.

Mr. EXON. The Farm Credit System has advised me that in their individual calculations that were forwarded to you, and you came out with the bill based upon income for the American farmer continuing as to where it is now, including—and I think it is important that the Senate understands this—the continuation of the subsidies to agriculture, if necessary, at the present level, $26 billion to $30 billion a year for a farm program.

I think that the Senate, in passing this piece of legislation, should further realize and anticipate that if the figures that you are assuming are accurate—and I know you are assuming that they are accurate or you would not be recommending them as the basis of the passage of this legislation—the Senate should understand that in voting for this legislation, it is making a commitment to continue agriculture subsidies somewhere in the range of $26 billion to $30 billion a year, unless profitability would return to the agriculture sector on its own. Would that be a fair statement, in the opinion of the Senator?

Mr. LUGAR. I think the Senator probably overestimates the amount of the subsidy. I appreciate the point he is making.

The estimates we saw were that what might have been a $24 billion or $25 billion net subsidy last year may decline by $3 billion within the fiscal year just concluded. It may decline $3 billion in the one to come.

The farm program as it is now before the country is contemplated, I am certain, by the farm banks and by most of us—in other words, we know how it plays out in the next 4 or 5 years. I think the resurrection of the Farm Credit System is contemplated within that period of time—basically, within the next couple of years; that it will be on an even keel and prepared to do business in offering credit to farmers.

Mr. EXON. Is the Senator indicating to me, in response to my question, that the net income of the farmer next year and the year after that and the year after that could go down, and still he would be able to meet his obligations, to make the Farm Credit System go?

Mr. LUGAR. I think that is possible, but the projections are that the net income is rising. It was rising in the past year and this year subsidies were falling. And the response I made to the Senator was the subsidies to the Federal Government are falling and the net income is increasing. The Senator may be correct, it could have ups or downs. That could certainly happen in agriculture over the years.

But this bill is meant essentially to bring about capital sufficiency for the Farm Credit System in the short term. We have had a report, as the Senator knows, that the Farm Credit System in the last quarter made money. That was a bookkeeping situation, in the judgment of many of us.

But when one looks at the estimates, even while we have been discussing in this bill losses that we are going to incur, it was surprising to see things come that close to equilibrium. What we suspect is that there are some weak situations that, without our assistance, will bring about default, and that would be a real shock to the credit system of the country. So it is that kind of situation we are looking at, as well as the individual farmers that we mentioned earlier and their opportunity to restructure loans under the terms provided for in the bill.

Mr. EXON. I guess what I am trying to get at is when the Budget Committee, of which I am a member, met this year, we received the President's budget and there was about a 20-percent reduction in the subsidy payments to agriculture. We rejected that pretty much out of hand, Members on both sides of the aisle.

I would suggest that when we get to the next budget from the President of the United States next year we could make a pretty good argument that if he comes back with an additional 20-percent cut in the subsidies to agriculture, and if there is no compensating factor of farmers being able to sell their products in the international marketplace to make up that difference, that that would very likely put the Farm Credit System that we are trying to structure here in pretty much of a hole. Is that a fair assumption for this Senator to make?

Mr. LUGAR. I think it is fair to say that if net farm income falls, farmers who are already in distress are likely to remain in distress. What we are really looking at in this bill is essentially the case of farmers who have very real credit problems—they had them before this year, and some of them for some time—and the question of how their loans could be restructured and what that will mean to a Farm Credit System that has a lot of nonviable loans presently on its books.

Now, to the extent agriculture as a whole rises, that situtation probably strengthens farmers borrowing from the System, but not necessarily. There could be still, as the Senator knows, in Nebraska and Indiana, farmers leaving the System, and problems like we saw in the past with high interest rates resulting in loans that need to be restructured.

So it is that overall situation that we are trying to take a look at.

Mr. EXON. I thank my friend from Indiana and I thank the Chair. I will be involved in the debate on this further as we go along because I think it is vitally important that we make a case here that we could be penny wise and pound foolish if we were to not continue the commitment that was made to the American farmer with the 1985 farm bill and make drastic cuts, as has been suggested in some quarters, including possible sequester under the famed Gramm-Rudman bill, and that we would be playing havoc with another part of the obligation of the Federal Government, of which part of the agriculture obligations are tied up in the Farm Credit System, in the full faith and credit of the Federal Government that is being placed behind this law when it becomes the law of the land.

I thank my friend from Indiana and I thank the Chair.

I yield the floor.

Mr. COCHRAN addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I rise today to support the legislation that is before the Senate and to compliment those who have worked so hard to bring this bill to the floor. This has been a long and arduous course for those of us on the Agriculture Committee and particularly those of us who serve on the Farm Credit Subcommittee.

We were met this year when we came to the Senate with the challenge of trying to develop legislation to ensure the continuation of the Farm Credit System, to restore confidence in that System, to ensure that borrowers were given fair and competitive interest rates, and to try to help ensure that those who had stock in the System had a chance to see that value protected.

Bondholders had a stake in this, too, because bonds which were issued to form the capital base for the System were in jeopardy. The question existed as to whether there would be any attraction for future bondholders to invest in a Farm Credit System or loans that were issued by this System. In other words, the entire Farm Credit System was in jeopardy. The need for legislation was urgent when we began our hearings and began work in crafting this bill.

The passage of the bill is no less urgent today. Even though there are encouraging signs in some parts of the country that the System is in better shape financially today than it was 6 or 8 months ago, in other parts of the country, particularly in the region where my State is located, there is a desperate need for financial assistance so that confidence in the System can be attained.

Four objectives have to be met by any legislation if it is to assure the continuation of the Farm Credit System.

First, it must provide protection for stock that borrowers are required to purchase as a condition for obtaining a loan.

Second, it must assure competitive interest rates and more responsive credit services.

The third element that must be fulfilled, Mr. President, is to ensure that System bonds are secure, restoring confidence of bondholders about their investment.

Fourth, local control over the System now and in the future must be assured.

I think that we have crafted legislation that contains the four elements that must be present if we are to have a successful resolution of the problem that faces the Farm Credit System.

This is not, as some have urged, an automatic $4-billion assistance package for the System. The fact that CBO scores this as creating an opportunity for $3 billion of Federal assistance that has to be utilized is not, in my opinion, very good evidence as to the actual cost of this bill. Some of the districts that are technically eligible to receive assistance may choose not to participate.

I suggest that those who may criticize the bill for being too generous should look behind the CBO's scoring of it to determine whether it is likely that the Federal Government will really have to make available as much financial assistance as is authorized by the legislation.

In my judgment, to be effective in creating the optimum results for prospective borrowers and for the System itself, the legislative package has to be broad-based, encompassing factors contributing to the System's current financial condition. We have to deal with high operating costs that plague this System; excessive volume of nonperforming loans; a higher than normal level of borrower flight from the System; and general dissatisfaction.

Even though the System's third quarter financial statement indicated a profit of $4 million, the financial condition of some System institutions continues to deteriorate. The need for the legislation is clear and I urge my colleagues in the Senate to support the bill.

I yield the floor.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. Mr. President, if you are in the farming business, you are inclined to pray, to ask the Almighty to do something to help your situation. A high percentage of farmers and ranchers have been praying a lot, because their plight is pretty bad. And I, too, now turn to the Good Book, the Bible, for a very short quote and that is that: "Man does not live on bread alone."

Might I point out that without food man does not live at all. Might I also point out that farmers do not live on credit alone but without credit most farmers will not be farmers any more. And, without farmers man has no food. So what we do today affects all 240 million Americans and the billions of people on Earth that look to American farmers to provide them either all of their food, as is the case with our own people here in the United States, or part of their food, as is the case with a billion or more people throughout the Earth.

I cannot stress enough that there is no more important bill that came out of the Agriculture Committee this year than this bill, S. 1665, this Farm Credit Act of 1987. I and others introduced this bill in August. In September and October we had subcommittee consideration of the bill, and I have never seen such intense subcommittee consideration of any bill since I have been here in Congress, almost 18 years. But, as a result of that intense consideration, the bill was passed out of the subcommittee and the full committee with unanimous votes. Some are trying to say that the farm crisis has passed. Some are saying that the corner has been turned, that the farm crisis is fading and we need not worry about this bill passing this year. But those views are just plain wrong.

Contrary to some rose-colored press accounts, a great number of farmers and ranchers continue to suffer serious financial crises. Land prices continue to go down. They may have bottomed out in areas, but that is not a universal experience.

Interest rates for our agricultural borrowers are still a major problem. In fact, there is every reason to believe that they might be starting back up. When farmers and ranchers face hard times, they are not the only ones to suffer. When farmers and ranchers go down, they bring down their banks, their suppliers, they bring down much of what we know of as rural America: the business community, the agribusiness community that is out there, that sells their wares to American farmers who are producing on the land.

I am not sure what the exact difference is between a crisis and a disaster, but we are certainly facing one or the other or both. We must do something to lift the crushing burden from the back of farmers and ranchers so we can help out rural America. We must get farm interest rates down and stop the wholesale foreclosures and forced liquidations of family farms and ranches. Farmers and ranchers must have credit available at affordable rates. We must create an environment in which the banks in the Farm Credit System can get back on their feet without draining the System.

Borrowers' rights to have their loans stretched out, the advantage of lower interest rates, the chance to recover, that is what this bill is all about. Likewise, borrowers' rights and protections must be applied to the troubled Farmers Home Administration. Forbearance and restructuring, homestead protection, encouragement of mediation, and the first chance to bid back foreclosed farms or ranches by the families or other family farmers, must be required rather than just be desired.

This bill today takes giant steps in fixing up what is wrong with the Farm Credit System and the Farmers Home Administration. It restructures them by restructuring their borrowers. It provides new capital for the System to use to shore up its own debts and thereby reduce interest rates for borrowers. It compels the System, the Farmers Home Administration, to restructure those loans that can be saved and remove the most hopeless, nonaccruing accounts, from their books. This bill will slow down foreclosures and liquidations. It protects borrowers from suddenly finding themselves homeless and helps assure that operator-acquired lands will be kept in the hands of the family farmer.

Not least of all it guarantees the par value of borrower stock in the Farm Credit System and ensures that stock already frozen or impaired as a result of previous PCA liquidations, that that borrower's stock shall be redeemed.

We have a problem with farmers getting credit at affordable rates. We have a problem with the entire Farm Credit System. We have a problem with the Farmers Home Administration. And these are, in effect, not just farmers' problems or rural America's problems, these are national problems of great importance to all the country. So what do we do in this bill? Well, we simply take the farm credit problem, that bull of a problem—that is how bad it is, it is a ferocious bull—we take that bull by the horns. We do like those rodeo cowboys do. We just twist those horns and take that bull down. We defeat the problem, in other words.

With this bill we can wrestle down high interest rates, stop unnecessary foreclosures, protect the fundamental credit rights of farmers and ranchers and put American agriculture's cooperative lending system back in the saddle again. We get the Farm Credit System mounted up and back in the saddle so it can do some work, so it can be effective, so it can provide the credit that is needed by farm and ranch borrowers that use that system.

This bill represents a great deal of work by a great number of Senators and others. It is very good legislation, and it deserves our immediate rapid consideration and approval. Our farmers and ranchers need it. Rural America needs it. We all need it.

Mr. HARKIN. Mr. President, I rise to support the farm credit bill that is now before the Senate. First of all, I would like to pay my highest respects to the chairman of the Subcommittee on Credit, the Senator from Oklahoma, who did a remarkable job of overseeing this whole process, and of working out the farm credit bill in subcommittee.

As the Chair knows, we spent days and weeks on this bill, going over it in the finest of detail, and Senator BOREN spent countless hours in the chair presiding over the subcommittee and helped in making the needed compromises.

I have the highest respect for Senator BOREN's ability and tenacity in ensuring we got this bill through the committee in the form we did.

I also would like to pay my highest respects to the Senator from Minnesota, Senator BOSCHWITZ, the ranking member of the subcommittee, for his diligence and his hard work in getting this bill through and for working in a very bipartisan, atmosphere on the subcommittee.

I also say the same of the distinguished ranking member of the entire committee, Senator LUGAR. While he was not a member of the subcommittee, as an ex officio member, he was there for all of the meetings and gave us his expertise in the final drafting of the bill.

Out of this effort came a bill that I think should be supported by all Senators, in the bipartisan fashion, that it came out of committee, if I am not mistaken, on a 9-to-0 vote. So I think all three of those individuals as well as all the members of the subcommittee deserve a lot of praise and respect for their hard work on this bill.

Mr. President, I want to take a few minutes to talk about the dimensions of the problems that now face our farmers in the Farm Credit System and why this bill is so sorely needed at this time.

Mr. President, we have had a tremendous erosion of equity in agriculture as everyone knows—an example, in Iowa, 64 percent erosion in our equity base, in farmland values in the recent past. The loss of this equity was more rapid than even during the years of the Great Depression. As those of us who represent rural areas know, this has caused great upheaval all across America. In my own State of Iowa we have for the first time I think since the Great Depression actually lost population. I think this is true in many, many States, especially in the rural areas. The whole rural infrastructure in the last 2 or 3 years has undergone a giant upheaval—loss of tax base, small businesses and school closing, local government not being able to function adequately and provide the needed services because the tax base has been eroded. Our elderly citizens, many of whom live in the small towns and communities that dot the countryside, find that no longer are the local governments able to maintain the kind of health care system they need in their declining years.

We have had this great upheaval not only on the farms, but in the small towns and communities all over America.

Mr. President, we all know that in the recent past we had the stock market crash in which the Dow-Jones lost about 500 points in 1 day. Certainly this crash was and is a cause for concern. But I want to put it into perspective.

The stock market lost about 20 percent of its equity base. I mentioned earlier, in agriculture we lost 61 percent of our equity base, and so when we see the dimensions of loss in agriculture, it was three times as much loss of equity as we had in the stock market. And right now we in this body are turning somersaults, headstands, doing everything to try to send a message to Wall Street, to calm it down, to shore it up, to give them confidence by reducing the budget deficit.

Certainly we have to do that. We do have to reduce the deficit and we do want to calm down Wall Street. That is what is happening with the budget reconciliation that will be wrapped into the continuing resolution which we will have before us very shortly. This deficit reduction package is to calm down Wall Street and to give Wall Street some more confidence.

The farm credit bill is a bill to bring calm, order and some renewed confidence not to Wall Street but to Main Street, the main streets of our small towns and communities all across America.

We still have a great deal of debt out there—$27.8 billion in the Farmers Home Administration, $50.4 billion in the Farm Credit System. Small banks, suppliers, implement dealers, elevators, and many other businesses out there are still shaky, along with the shaky farmers who have this debt outstanding. We need this bill to get confidence back into agriculture, and the agribusiness industry in America, to let them know we are going to stop this loss of equity; just as we want to stop the loss of equity in the stock market. We want to stop the loss in equity in agriculture also. This is a bill much akin to what we are doing on the other side with reducing the deficit.

This bill will restore confidence in rural America, put confidence back out there to stop that erosion of equity.

What the bill does is give the same tools to the Farm Credit System and to the Farmers Home Administration that are now used by commercial lenders in the private sector, private banks, insurance companies and others, to restructure the debt with the farmers.

The point is, Mr. President, it is better to restructure the debt of these farmers and to have the farmers pay off these legitimate debts than forcing them into chapter 12 bankruptcy. Quite frankly, it is cheaper also. The St. Paul district of the Farm Credit System has been very progressive in this area. On their own they have initiated certain restructuring programs. Much of what we have in the bill is designed to provide to the other farm credit banks the same type of restructuring system that the St. Paul district bank implemented.

There are reasons why other banks could not do it, so we had to have this legislation to enable these other banks to also have restructuring. It is much more sensible to go this direction and much cheaper.

I wanted to raise this point on the budget because there may be a point of order raised on the farm credit bill, that it exceeds the budget. Well, it does because the scoring is very faulty. Basically, what the budget law itself provides for—is a scoring process which scores restructuring of a debt as a loss. However, if the Farmers Home Administration defers the debt just for a few years, that is not scored as a loss. In addition, the way the Farmers Home Administration operates right now, through the way they cover their loan losses, it is not scored as a budget loss. For example, this next year the Farmers Home Administration will be spending $3.6 billion to cover their loan losses, and yet it will not show up in the budget anywhere. Nonetheless, that is a real and actual cost to the taxpayers of this country. But because they did it through an extension of money, I guess from the Federal Financing Bank and through the Treasury, it is not scored the same way as restructuring is scored. However, by passing this legislation and allowing for restructuring both in the Farm Credit System and in the Farmers Home Administration, the total cost to the taxpayer will actually be less than if we permit the Farmers Home Administration and the Farm Credit System to go on as they are right now and to push all of these farmers into bankruptcy, especially chapter 12 bankruptcy. The cost will be less to the taxpayer.

Initially, others will say, "Well, this busts the budget. It goes over the budget." But that is only because the budget process itself is faulty, because it does not score all of these things in how much it actually costs the taxpayers of this country. If that were so, this bill would show a savings over what would happen if we do not have the bill. I hope all Senators will keep that in mind when and if these points of order are raised on the budget. If you just look at it narrowly, as it pertains to the budget process itself, yes, it will be over the budget. But if you look at it in terms of what it will cost the taxpayers of this country in the broadest sense, by enacting this legislation we will save the taxpayers more money than if we do nothing.

So I hope Senators will keep this in mind, as I say, when or if this point of order is raised.

Mr. President, I raise these points to, No. 1, show that there is still a tremendous amount of hurt out there in rural America. There is a lot of debt out there, a lot of anxiety, a lot of shaky businesses, and banks and agribusiness people out there are still kind of holding on wondering what is going to happen to this debt. If this bill that they have been watching the progress of for the last few months were to die on the vine, I dare say you are going to see more bankruptcies of more people in rural America in the next few months because people will say, "We might as well get out while the getting is good," and you will see the bottom once more drop out as we saw a few years ago.

So if we are intent as well we should be on shoring up the financial markets on Wall Street with the deficit reduction package, then I think we ought to be equally intent on shoring up the shaky situation out in rural America by passing this farm credit bill. In doing so, we will be saving our taxpayers some money which otherwise would be spent to put a lot of farmers out of business and to put them through the bankruptcy proceedings which they otherwise would do without the help of this legislation.

Mr. President, I yield the floor.

FARM CREDIT ACT AMENDMENTS

Mr. HEFLIN. Mr. President, I rise today, to urge quick action on S. 1665, the Farm Credit Act Amendments of 1987. I believe that there is no more pressing matter on the Senate agenda, and am hopeful that the Senate can pass a bill that will provide adequate assistance to the Farm Credit System without further delay. We need to move ahead with the legislative process, name conferees to iron out differences with the House of Representatives, and send a good bill to the President before the end of the year.

As I am sure my colleagues are aware, the Farm Credit System now faces severe financial difficulty. This financial hardship has been brought on by a number of different factors, but is due, primarily, to the extremely depressed agricultural economy our Nation's farmers have been subjected to over the last several years.

The financial stress the Farm Credit System faces is evident in a number of different areas. Farm Credit System institutions are heavily burdened by extremely high levels of nonearning assets and high-cost debt, and system institutions are not forecasting significant improvements in overall loan portfolio quality. As can be expected, System institutions are now extremely vulnerable to unexpected changes in borrower's cash flows. Furthermore, the Farm Credit System reported to Congress earlier this year that as many as six System entities could experience total capital deficiencies by December 31, 1987. In this period of overall economic instability, I am fearful that, unless Congress and the administration provide adequate assistance, the Farm Credit System faces a potential disaster that may further rock the already beleaguered agricultural economy, further harm the already embattled American farmer, and cast even greater uncertainty over the already uncertain U.S. economy.

Mr. President, the urgency and severity of this situation could have easily been diffused had the Farm Credit Administration taken advantage of provisions passed by Congress in the Farm Credit Act Amendments of 1985. These provisions enable the Secretary of the Treasury to provide assistance to troubled Farm Credit System institutions upon certification of need by the Farm Credit Administration.

Simply put, Congress gave the Farm Credit Administration and the Secretary of the Treasury the authority and the tools to take remedial action and infuse capital into the Farm Credit System. On numerous occasions, I urged the President of the United States, the Farm Credit Administration, and the Secretary of the Treasury to take advantage of these, and all other tools that would help the ailing Farm Credit System. Congress passed these laws to avert potential disaster. Although I understand the Farm Credit Administration formally considered this alternative as early as May, of this year, and as late as November, the Board of Governors did not certify need. In my judgment, the Farm Credit System faces an immediate threat of potential disaster in part because these tools were ignored. In the future, I hope that the administration will work together with the Congress, and will take advantage of tools and authority provided by Congress to prevent like and similar situations.

The so-called effort to bail out the Farm Credit System in 1985 by which we adopted largely an administration bill has proven to be of no value whatsoever to the ailing Farm Credit System.

Again, I am hopeful that the bill the Senate adopts will provide adequate assistance to the Farm Credit System. Overall, the thrust of this legislation is to both provide the System with immediate assistance to avert the present potential for disaster, and to install reforms for the System designed to prevent any future potential for disaster. One provision that I believe is particularly important for System farmer-borrowers throughout the country would protect at par value borrower stock, and similar equities. Farmer-borrowers who hold stock and farmer-borrowers who purchase stock are guaranteed that their investment in the System will be preserved.

The Farm Credit System was created by Congress with the mandate to provide credit on reasonable terms to the Nation's farmers. Today this is not being done. Through the years, it has played an instrumental role in helping the American farmer to become the provider of the world, while also helping farmers and farm families to earn a living and realize their dreams. While fulfilling its congressional mandate, the Farm Credit System has become the Nation's largest agricultural lender and has been crucial in making American agriculture an integral aspect of our national security.

The Farm Credit Administration, the President of the United States, and the Congress, have no alternative but to quickly address this issue, and come to the assistance of the Farm Credit System, ensuring that it continues in its important and irreplaceable role on a sound financial footing. Again, I urge quick passage of a good bill, which I am hopeful the Congress can send to the President before the adjournment this year.

BILL INDEFINITELY POSTPONED—S. 373

Mr. BYRD. Mr. President, I ask unanimous consent that Calendar Order No. 442, S. 373, be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

TO AUTHORIZE TESTIMONY OF A SENATE EMPLOYEE AND DIRECTING THE SENATE LEGAL COUNSEL TO TAKE CERTAIN ACTION

Mr. BYRD. Mr. President, I send to the desk a resolution on behalf of myself and Mr. DOLE and I ask unanimous consent that the Senate proceed to its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 333) to authorize testimony of a Senate employee and representation by Senate legal counsel in the case of United States v. Andrian, et al.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the resolution.

Mr. BYRD. Mr. President, in early January 1988, 13 individuals are scheduled to be tried before a Federal magistrate in the U.S. District Court for the Northern District of California for obstructing the hallway and entrance to Senator WILSON's office in the Federal Building in San Francisco on June 9 of this year. The defendants were arrested after they refused to leave the area despite being ordered to do so by Federal Protective Service officers.

Both sides in the proceeding are seeking testimony from Senator WILSON's northern California field representative, Kevin Elliot, who was a witness to the events that led to these arrests. The resolution that is now being offered will authorize Mr. Elliot's testimony, and will also authorize the Senate legal counsel to represent him, and other members of Senator WILSON's office if necessary, if any questions of Senate privilege arise.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the resolution.

The resolution (S. Res. 333) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 333

Whereas in the case of *United States* v. *Andrian, et al.*, Cr. No. 87-0566-MAG, pending in the United States District Court for the Northern District of California, the United States Attorney has requested, and counsel for the defendants have served a subpoena for, the trial testimony of Kevin Elliot, an employee of Senator Pete Wilson;

Whereas pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1982), the Senate may direct its counsel to represent Members and employees of the Senate with respect to any subpoena or order relating to their official responsibilities;

Whereas by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas when it appears that evidence under the control or in the possession of the Senate is needed for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Kevin Elliot is authorized to testify in the case of *United States v. Andrian, et al.,* except concerning matters for which a privilege should be asserted.

SEC. 2. That the Senate Legal Counsel is directed to represent Senator Wilson and members of his staff in the case of *United States v. Andrian, et al.*

Mr. BYRD. Mr. President, I yield the floor.

CONGRATULATIONS TO DR. ALLAN F. SAUNDERS ON HIS 90TH BIRTHDAY

Mr. INOUYE. Mr. President, I wish to take this opportunity to commemorate the accomplishments of an individual who has been an outstanding educator, a staunch defender of civil liberties, and who has exerted a strong influence on my life. Tomorrow marks the 90th birthday celebration of Dr. Allan F. Saunders, founder of the Hawaii chapter of the American Civil Liberties Union and long-time professor of government at the University of Hawaii at Manoa. On this occasion, I would like to recognize the remarkable record of Dr. Saunders, who has probably influenced more public servants, educators, journalists, and civic activists in Hawaii than any other person.

I first met Dr. Saunders, who was then chairman of the government department at the University of Hawaii, as a student returning to the University of Hawaii after military service in World War II. As a soldier, I saw the bloody sacrifices involved in the defense of our Nation and as a student of Dr. Saunders, I learned of our Nation's system of laws that protects the individual liberties that we paid so costly a price to defend on the battlefield.

Dr. Saunders had the ability to motivate, to inspire, and to make government meaningful. In short, he was an outstanding teacher who infused his students with an enthusiasm for participating in government. His students went on to guide the political, business, and social history of Hawaii.

But Dr. Saunders' influence extended far beyond the classroom. As the State Senate of Hawaii noted in a 1981 resolution honoring him: "Dr. Saunders has been at the forefront of progressive change in the areas of education, politics, and law." He led the founding in 1965 of the American Civil Liberties Union in Hawaii, which since 1974 has bestowed the prestigious Allan F. Saunders Award to individuals in the community for "outstanding civil libertarian contributions." He also founded the Hawaii chapter of the League of Women Voters and the American Association for the United Nations in Hawaii. He helped rewrite Hawaii's penal code in the 1960's, a revision which was as much a statement of individual rights as a systematic reform of criminal law and punishment.

Other organizations in which he has been active include the American Political Science Association, Americans for Democratic Action, the Citizens Committee for Ethics in Government, the Society for Public Administration, the Institute for Pacific Relations, and the Women's Equity League.

I would be seriously remiss if I failed to note the substantial achievements of Marion Saunders, the wife of Dr. Saunders, who has shared his dedication to education and social activism in Hawaii.

Mr. President, there are few individuals who have contributed as much as Dr. Allan F. Saunders to the building of modern Hawaii as a place of equality, social fairness, and progressive democracy. I am proud and truly fortunate to have learned much about American government from Dr. Saunders, and to be given the opportunity as a Member of the U.S. Congress to meaningfully utilize his guidance in the principles of democracy and civil liberties.

SESQUICENTENNIAL ANNIVERSARY OF JUDSON COLLEGE

Mr. HEFLIN. Mr. President, I am delighted to rise, today, to congratulate the students, the faculty members, and the alumnae of Judson College on their sesquicentennial anniversary. For a century and a half, Judson has served as a cornerstone of educational progress and activity in my home State of Alabama. All those who are involved with the college should be proud of their history of achievements and accomplishments. Judson has provided a truly outstanding service to women of Alabama and to all the citizens of our Nation.

Judson College, which is the seventh oldest women's institution of higher learning in the Nation, was formulated as the dream of Milow P. Jewett. When Jewett arrived in Marion, AL, in 1838, his ambition was to create an academy for young women similar to Mt. Holyoke, a women's academy in the Northeast which had been created the year before. Thanks to the endorsement of General E. D. King, Jewett was able to receive funding from Mrs. Julia Barron of Marion, who shared his dream of an educational institution for women. The community's response was also favorable. Soon afterwards, Judson opened its doors.

One hundred and fifty years later, Judson still maintains its position as a leading school for the education of women. In fact, it leads Alabama in the percentage of graduates listed in Who's Who of American Women. As a small 4-year liberal arts college, Judson offers specialized attention for members of its student body. It offers many fields of study and many other specialized programs, such as cooperative education and independent study. Remedial instruction and tutoring are designed to meet the individual needs of each student.

Mr. President, one of the few constants in our ever-changing society is the value of an education. Education is the key to employment and, thus, to economic progress. It is the key to the preservation of individual liberties. It is the key to understanding the vast surrounding world, and to the appreciation of all which is encompassed by that world.

Judson College has dedicated itself to the growth of the intellectual, cultural, and spiritual life of its students. Thus, its alumnae have contributed to the entire welfare of the lives of their families, friends, and neighbors. As college graduates, they are more responsible citizens, serving as leaders, as educators, and as professionals in their communities. Judson's continuing emphasis on women's education helps Alabama to consistently grow as a leader in higher learning.

I am, indeed, proud to congratulate Judson College for all that it has accomplished in the last 150 years. In particular, it should be recognized for the outstanding progress it has made in the field of education for women. Alabama has distinguished Judson's achievements by making it a repository for the Alabama Women's Hall of Fame. I feel certain that in the future, Judson College will continue to grow and will benefit the citizens of Alabama and the rest of the Nation.

Mr. President, I ask unanimous consent that the attached newspaper article which describes Judson's accomplishments and achievements through 150 distinguished years be printed in the CONGRESSIONAL RECORD.

Thank you Mr. President.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Montgomery Advertiser and Alabama Journal, Nov. 8, 1987]

JUDSON COLLEGE SESQUICENTENNIAL

(By Alvin Benn)

Marion—Judson College is, and has been, a school, a sorority, a way of life and something very special to thousands of young women for the last century and a half.

With its sesquicentennial celebration in full swing, Judson is dusting off some of the memories and straightening out the welcome mat for the many visitors expected on the Marion campus throughout the school year.

Named for America's first woman foreign missionary, Ann Hasseltine Judson, the college has earned a national reputation based on academic excellence and those intangibles that make it so special.

"The strongest bonds of friendship I have ever made were at Judson," says Martha Suttles, class of 1933.

"We have so many traditions here, it helps us become one with each other and develop friendships, that last a lifetime," says Gail Stonisch, class of 1988.

Judson is the nation's sixth oldest college for women and the only all female school in Alabama.

It all began in 1838 with the organization of Judson Female Institute. Classes started the following January with six young girls and surprisingly enough, three boys.

By the following year, more than 70 girls had enrolled for a school described in the catalog as a place "that shall furnish the head, improve the heart, refine the taste and polish the manner of every pupil."

The first graduate was Caroline Smith of Prattville, who got her diploma in 1841.

At first, Judson was just the place for wealthy Black Belt planters who didn't want to send their daughters too far away from home for an education.

Since that time, students have arrived from throughout the world to attend a school supported by the Alabama Baptist Convention, but open to all women who qualify.

That includes Yankee Catholics such as Stonisch, who wound up at Judson quite by accident, but who wouldn't trade it for anyplace in the world.

A Grosse Pointe, Mich., native, she had planned to enter either the University of Michigan or Notre Dame when she got an unexpected telephone call one chilly February day.

"I remember we were having a blizzard when the phone rang and somebody told me she was from Judson College and what happened to my application blank," she said.

Computer error had sent Stonisch's ACT scores to Judson College, a school she had never heard of, but became interested in the more she looked out the window.

"I asked her what the temperature was down in Alabama and she told me it was 65 degrees," she said. "That made me want to go down right there for a look at what they had."

It was love at first sight for Stonisch and she has never regretted her decision to head south for a degree in sociology.

She has continued to maintain good grades and wound up winning the Miss Judson contest and a spot in the Miss Alabama Pageant.

Martha Suttles was the daughter of a Baptist preacher living in Texas in the late 1920s when an older sister told her of Judson and its advantages.

It cost between $1,500 and $2,000 in those days and, though the Depression hit during the early 1930s, she managed to stay in school and get her degree in English with a mathematics minor.

She also picked up a husband along the way—C.E. Suttles Jr. of Marion, whom she married after graduation.

Judson has been successful for 150 years primarily because it offers a solid Christian foundation and an academic excellence to augment that strength, Suttles says.

Named Alumnae of the Year recently, she has a twinkle in her eyes whenever Judson is mentioned.

Stoshia Wynn of Decatur has just started her Judson career and doesn't regret not having gone to Auburn, which she had considered.

"I'm really enjoying Judson," said the education major. "I believe I'll be very happy here the next four years."

There have been suggestions from time to time to make Judson coeducational, but Suttles bristles whenever someone mentions such a thing.

"This is a college for women and will always be that," she said. "It's part of our tradition and I don't think it will ever be changed."

Judson is steeped in tradition and the story of the senior oak illustrates just how much it binds together generations of graduates.

Underclasswomen are not allowed to step under the shade of the towering oak tree in front of Jewett Hall, which has been destroyed three times by fire and rebuilt quickly by loving supporters.

"Seniors can bring underclasswomen under the tree with them, but they are now allowed under by themselves," Stonisch said. "Those who do or break some other tradition lose the respect of their classmates."

A century and a half of accomplishments have supported Judson's traditions.

The school, for instance, leads Alabama in the percentage of graduates listed in Who's Who of American Women. 100 percent of Judson applicants are accepted by medical schools and it offers a course in equine science known throughout the Southwest.

The first licensed psychiatric social worker in the country was a Judson graduate, as was the first foreign missionary appointed to Japan and the first woman to serve on the Alabama Supreme Court.

The percentage of students at Judson majoring in fields such as chemistry, business and computer science is twice the national average for women in coed institutions.

Judson's sesquicentennial celebration got off to a flying start in October with an appearance by former first lady Rosalynn Carter and Justice Hugh Maddox of the Alabama Supreme Court.

Other prominent speakers are set to visit during the year, including Barbara Bush, wife of Vice President George Bush, who will address the graduating class next spring.

Judson's president is N.H. McCrummen, who has served since 1970.

The fact Judson never has had a woman president may seem strange to some, but, for many graduates, it's nothing to worry about.

"Maybe one day, we'll have a woman president," says Martha Suttles. "I don't see any reason why that shouldn't happen."

From the twinkle in her eye, it appeared as though Judson's all-male presidencies may be one tradition she and others wouldn't mind ending.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Emery, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations and withdrawals, which were referred to the appropriate committees.

(The nominations and withdrawals received today are printed at the end of the Senate proceedings.)

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2194. A communication from the Comptroller General, transmitting, pursuant to law, a report on the Federal Financing Bank's Financial Statements for fiscal years 1985 and 1984; to the Committee on Banking, Housing, and Urban Affairs.

EC-2195. A communication from the Deputy Secretary of Transportation, transmitting, pursuant to law, a report on the results of the Parking for Handicapped Persons Study; to the Committee on Environment and Public Works.

EC-2196. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, a report of the Advisory Committee on Adoption and Foster Care Information; to the Committee on Finance.

EC-2197. A communication from the President of the Overseas Private Investment Corporation, transmitting, a draft of proposed legislation to make certain changes in OPIC's authorizing legislation to further refine and improve its existing programs and policies; to the Committee on Foreign Relations.

EC-2198. A communication from the Administrator of the Environmental Protection Agency, transmitting, pursuant to law, an annual report summarizing actions taken under the Program Fraud Civil Remedies Act for the year ending September 30, 1987; to the Committee on Governmental Affairs.

EC-2199. A communication from the Inspector General, Department of Energy, transmitting, pursuant to law, the Semiannual Report for the Office of the Inspector General, Department of Energy; to the Committee on Governmental Affairs.

EC-2200. A communication from the Secretary of Education, transmitting, pursuant to law, the Semiannual Report of the Office of Inspector General for the Department of Education; to the Committee on Governmental Affairs.

EC-2201. A communication from the Inspector General, Department of Health and Human Services, transmitting, pursuant to law, the Semiannual Report of the Office of Inspector General for the Department of Health and Human Services; to the Committee on Governmental Affairs.

EC-2202. A communication from the Secretary of Agriculture, transmitting, pursuant to law, the Semiannual Report of the Office of Inspector General for the Department of Agriculture; to the Committee on Governmental Affairs.

EC-2203. A communication from the Administrator, General Services Administration, transmitting, a draft of proposed legislation "To remove the requirement that long-distance telephone bills be certified by agency heads;" to the Committee on Governmental Affairs.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. HEINZ:

S. 1902. A bill to establish in the Department of the Interior the Heritage Preservation Commission, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HATFIELD:

S. 1903. A bill to amend and enhance existing renewable energy programs and Federal trade and export promotion programs in order to promote the United States renewable energy industry, improve the trade balance of the United States, and maintain the competitive and technical leadership of the United States in renewable energy development and trade; to the Committee on Energy and Natural Resources.

By Mr. KENNEDY (for himself, Mr. HATCH, Mr. PELL, Mr. STAFFORD, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. WEICKER, Mr. DODD, Mr. SIMON, Mr. HARKIN, Mr. ADAMS, and Ms. MIKULSKI):

S. 1904. A bill to strictly limit the use of lie detector examinations by employers involved in or affecting interstate commerce; to the Committee on Labor and Human Resources.

By Mr. D'AMATO (for himself and Mr. CRANSTON):

S. 1905. A bill to enhance competition in the financial services sector, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. LUGAR:

S. 1906. A bill to amend the Food Security Act of 1985 to encourage the entry of pollution-arresting filter strips into the conservation reserve program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. WALLOP:

S. 1907. A bill to amend title XXI of the Public Health Service Act establishing the National Vaccine Injury Compensation Program, to amend the National Childhood Vaccine Injury Act of 1986, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. WALLOP:

S. 1908. A bill to repeal health maintenance organization authorities; to the Committee on Finance.

By Mr. CHILES:

S.J. Res. 224. Joint resolution to designate the period commencing on September 5, 1988, and ending on September 11, 1988, as "National School Dropout Prevention Week"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. WEICKER:

S. Res. 332. Resolution expressing the sense of the Senate that the Administrator of the Environmental Protection Agency shall take no action delaying the requirement imposed on certain States to attain and maintain a national ambient air quality standard for ozone and carbon monoxide; to the Committee on Environment and Public Works.

By Mr. BYRD (for himself and Mr. DOLE):

S. Res. 333. Resolution to authorize testimony of a Senate employee and representation by the Senate Legal Counsel in the case of *United States* v. *Andrian, et al.*; considered and agreed to.

By Mr. LEVIN:

S. Con. Res. 91. Concurrent resolution condemning the indiscriminate killing of innocent and unarmed civilians and other acts of sabotage committed by the Mozambique National Resistance [RENAMO] and urging President Reagan to continue to recognize the Mozambican Government; to the Committee on Foreign Relations.

By Mr. ADAMS (for Mr. SIMON (for himself, Mr. DOLE, and Mr. PELL)):

S. Con. Res. 92. Concurrent resolution to encourage the State and local governments and local educational agencies to include among the requirements for secondary school graduation a thorough knowledge and understanding of our Nation's founding documents; considered and agreed to.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HEINZ:

S. 1902. A bill to establish in the Department of the Interior the Heritage Preservation Commission, and for other purposes; to the Committee on Energy and Natural Resources.

ESTABLISHMENT OF HERITAGE PRESERVATION COMMISSION

● Mr. HEINZ. Mr. President, I rise today to introduce legislation which establishes a Heritage Preservation Commission within the Department of the Interior to preserve and promote the development and growth of heavy industry in America.

Today, there is a lack of national historic sites that are devoted to iron, steel, coal, and transportation industries, which are the basis for much of America's prosperity. Unless these sites are preserved, future generations of Americans may only have textbooks and movies to rely on to study the significant contributions these industries have made toward America's progress and the role they have played in establishing America's standing among the nations of the world. What better tribute can we pay to the men and women who have devoted their lives to working the mines and mills, or forging steel than by preserving their way of life through living memorials?

Much of this project's background is based on a 1985 National Park Service study entitled, "Reconnaissance Survey of Western Pennsylvania Roads and Sites." In this report, the Park Service recommended Federal recognition of the region's significant historic, cultural, and natural features related to industrial themes. In 1986, Congress directed the National Park Service to make a more detailed study of the region's resources and to develop a program to implement its recommedations. Thus, America's Industrial Heritage Project was born with a Park Service recommendations to establish formally within the Department of the Interior the Heritage Preservation Commission.

Such an effort is not without precedent. We have already seen what an effort like this is capable of achieving. Before the Great Depression, the city of Lowell, MA was a magnet which few tens of thousands of immigrants to work in its famous mills. However, after years of foreign competition, and numerous recessions, these mills fell into decline and the city grew depressed culturally and economically.

In 1972, the Lowell City Council adopted the historical park concept—the first time a national park was established to celebrate an industrial city. In 1978, Congress established within the Department of the Interior the "Lowell Historic Preservation Commission." Congress was so impressed with the success of this Commission that it reauthorized the Commission earlier this year. As a direct result of this, Lowell was transformed into a tourism center, attracting 800,000 visitors this year who wish to know more about America's textile manufacturing heritage. Moreover, Lowell's revitalization efforts now attract new, modern, high-technology industries which employ thousands of workers. Through public and private cooperation, and with an estimated $9 private return for every one Federal dollar spent, the citizens of Lowell have succeeded in the toughest of challenges—a reinvigorated attitude toward their community.

Preserving America's heritage and reinvigorating a community are exactly the results that the legislation which I am introducing today will accomplish. The potential for revitalizing industrial areas is unlimited, but a coordinated approach is vital. A small public commitment in establishing a body to coordinate private resources will establish a public/private partnership which will build its future by promoting its glorious past.

Mr. President, this project is not only regionally significant but its success is important to the entire country. This project can be a model for other proposals. To ensure a more national perspective, I have included language in this legislation to enable the party leaders of the Congress to recommend four members to the Commission. I have also included language which directs the Commission to submit to the Director of the National Historic Trust and Preservation Society and the Secretary of the Interior recommendations toward the establishment of similar commissions in other States.

The story of America's industrial heritage should be told. However, we must move fast to preserve the past. The physical evidence of the industrial revolution is fast disappearing. It's being replaced, torn down, or left to rust and rot out of our memories.

By acting on the National Park Service's recommendation to formally establish within the Department of Interior a Heritage Preservation Commission, Congress can ensure that there will be better coordination of fundraising and preservation efforts. As the Park Service's "Action Plan" states, "Cooperative planning, development, and management of the region's resources are essential to the project's success. This is being done by creating a cooperative atmosphere for discussion and action among local, State, and Federal levels of government in close cooperation with area businesses and organizations."

I urge my colleagues to join me in honoring and preserving America's industrial heritage by supporting this effort. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1902

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS AND PURPOSE.

(a) The Congress finds that—

(1) the iron and steelmaking, coal, and transportation industries contributed significantly to America's movement westward, allowed for the growth of the Nation's cities, and helped fuel and move its industrial growth and development and establish its standing among nations of the world;

(2) there are only a few recognized historic sites that are devoted to portraying the development and growth of heavy industry in America; and

(3) the ten-county region in Western Pennsylvania known as the Allegheny Highlands contains significant examples of iron and steel, coal, and transportation industries, and is a suitable region in which the story of American industrial heritage can be appropriately interpreted to present and future generations.

(b) In furtherance of the findings set forth in subsection (a) of this section, it is the purpose of this Act to establish, through a commission representing all concerned levels of government, the means by which the cultural heritage of the ten-county region in Western Pennsylvania associated with the three basic industries of iron and steel, coal, and transportation may be recognized, preserved, promoted, interpreted, and made available for the benefit of the public.

TITLE I—HERITAGE PRESERVATION COMMISSION

SEC. 101. ESTABLISHMENT.

(a) To carry out the purpose of this title and to implement the document which is entitled "Action Plan—America's Industrial Heritage Project" and which is dated August 1987, there is hereby established in the Department of the Interior the Heritage Preservation Commission (hereinafter referred to as the "Commission"), which shall exercise the responsibilities and authorities herein conferred on the Commission with respect to that region in Western Pennsylvania comprising the counties, of Allegheny, Bedford, Blair, Cambria, Fayette, Fulton, Huntingdon, Indiana, Somerset, and Westmoreland. The Commission shall consist of 27 members, appointed by the Secretary of the Interior (hereinafter referred to as the "Secretary") as follows:

(1) Four members of which one shall be appointed by each of the majority and minority leaders of the Senate and the majority and minority leaders of the House of Representatives.

(2) Two members appointed from recommendations submitted by the Governor of Pennsylvania of which one shall represent the interests of the Pennsylvania Historical and Museum Commission; and the other shall represent the Pennsylvania Department of Parks.

(3) Ten members appointed from recommendations submitted by the county commissioners of the Pennsylvania counties of Allegheny, Bedford, Blair, Cambria, Fayette, Fulton, Huntingdon, Indiana, Somerset, and Westmoreland, of which one member shall be appointed from the recommendations of each such county from groups representing historic preservation, tourism promotion, or business and industry.

(4) Four members appointed from recommendations from the Southern Alleghenies Planning and Development Commission.

(5) Four members appointed from recommendations from Laurel Highlands, Inc.

(6) Two members appointed from recommendations by the Director, National Park Service, from the Superintendents of the units of the National Park System located within such region.

(7) One member appointed from recommendations from the Pittsburgh History and Landmarks Foundation.

(b) All members of the Commission shall be appointed for terms of three years, except that the terms of the ten members appointed from recommendations submitted by each county pursuant to subsection (a)(3) shall be for two years.

(c) The Commission shall elect a chairman from among its members. The term of the chairman shall be two years.

(d) Any member of the Commission appointed for a definite term may serve after the expiration of his term until his successor is appointed. Any vacancy in the Commission shall be filled in the same manner in which the original appointment was made. Any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed.

(e) A simple majority of Commission members shall constitute a quorum.

(f) The Commission shall meet at least quarterly or at the call of the chairman or a majority of its members.

(g) Members of the Commission shall serve without compensation as such. Members shall be entitled to travel expenses under section 5703, title 5, United States Code, when engaged in Commission business, including per diem in lieu of subsistence in the same manner as persons employed intermittently.

SEC. 102. STAFF OF THE COMMISSION.

(a) The Commission shall have a Director who shall be appointed by the Commission and who shall be paid at a rate not to exceed that payable for Grade GS-15 of the General Schedule. The Commission may appoint and fix the pay of such additional personnel as the Commission deems desirable.

(b) The Director and staff of the Commission may be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay payable for grade GS-15 of the General Schedule.

(c) Subject to such rules as may be adopted by the Commission, the Commission may procure temporary and intermittent services to the same extent as authorized by section 3109(b) of title 5, United States Code, but at rates determined by the Commission to be reasonable.

(d) Upon request of the Commission, the head of any Federal agency may detail personnel or provide technical assistance to the Commission.

(e) The Secretary shall provide such administrative support services as the Commission may request.

SEC. 103. POWERS OF THE COMMISSION.

(a) The Commission may for the purpose of carrying out this title hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Commission may deem advisable. The Commission may administer oaths or affirmations to witnesses appearing before it.

(b) The Commission may make such bylaws, rules and regulations as it considers necessary to carry out its functions under this title.

(c) When so authorized by the Commission, any member or agent of the Commission may take any action which the Commission is authorized to take by this section.

(d)(1) Subject to section 552a of title 5, United States Code, the Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this title. Upon request of the chairman of the Commission, the head of such department or agency shall furnish such information to the Commission.

(2) The Commission may establish and appoint one or more technical advisory groups to provide technical advice in financing, historic preservation, recreation, tourism, and intergovernmental coordination.

(e) Notwithstanding any other provision of law, the Commission may seek and accept donations of funds, property, or services from individuals, foundations, corporations, and other private entities, and from public entities, for the purpose of carrying out its duties.

(f) The Commission may use its funds to obtain money from any source under any program or law requiring the recipient of such money to make a contribution in order to receive such money.

(g) The Commission may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

(h) The Commission may obtain by purchase, rental, donation, or otherwise, such property, facilities, and services as may be needed to carry out its duties.

SEC. 104. FUNCTIONS OF THE COMMISSION.

(a) The Commission shall—

(1) make loans and grants, from funds appropriated for that purpose or from funds donated or otherwise made available to the Commission, for the purpose of conserving and protecting sites, buildings, and objects which are related to the industrial development of the area and which are included or eligible for inclusion on the National Register of Historic Places;

(2) coordinate activities of Federal, State, and local governments and private businesses and organizations in order to further historic preservation and compatible economic revitalization;

(3) develop guidelines and standards for projects, including interpretive methods, that will further historic preservation in the region; and

(4) provide advice and assistance in preparation of loan or grant applications to the Commission and applications for loans or grants from other Federal or non-Federal sources in furtherance of the purposes of this title.

(b) The Commission shall submit an annual report to the Secretary setting forth its expenses and income and the entities to which any loans and grants were made during the year for which the report is made.

(c) Within one year from the date of enactment, the Commission shall submit to the appropriate committees of the Congress detailed cost estimates for the projects identified in the action plan referred to in section 101 of this title.

(d) Within two years from the date of enactment, the Commission shall submit to the Director of the National Historic Trust and Preservation Society and the Secretary recommendations toward the establishment of similar Commissions in other States.

(e) The Commission established pursuant to this title shall cease to exist ten years from the date of enactment of this Act.

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

TITLE II—NATIONAL HERITAGE TRAILS

SEC. 201. DESIGNATION OF TRAILS.

(a) In order to provide for public appreciation, education, understanding, and enjoyment of certain nationally and regionally significant sites in central and western Pennsylvania which are accessible by public road, the Secretary of Interior (hereinafter referred to as the "Secretary"), with the concurrence of the agency having jurisdiction over such roads, shall designate, by publication of a description thereof in the Federal Register, a vehicular tour route along existing public roads linking historic, cultural, natural, scenic, and recreational sites in central and western Pennsylvania. Such route shall be known as the National Heritage Trails (hereinafter referred to as the "trail"), and shall be marked with an appropriate marker to guide members of the visiting public. With the concurrence of the State or local entity having jurisdiction over such roads so designated, the Secretary may erect thereon, and maintain, signs and other informational devices displaying the National Heritage Trails marker.

(b) The trail as initially designated shall include public roads linking Allegheny Portage Railroad National Historic Site, Johnstown Flood National Memorial, Historic Saltsburg, Eliza and Mt. Etna Furnaces, the Charles Schwab Estate, Friendship Hill National Historic Site, Fort Necessity National Battlefield, Altoona Railroad Shops, Altoona Railroader's Memorial Museum, Cambria Iron Works, Johnstown Inclined Plane, Johnstown Flood Museum, Conemaugh Gap, East Broadtop Railroad National Historic Landmark, Gallitzin Tunnels, Horseshoe Curve National Historic Landmark, Fort Ligonier, Bushy Run Battlefield, and Seldom Seen Valley Mine.

(c) The Secretary may, in the manner set forth in section 201 of this title, designate additional segments of the trail from time to time as appropriate to link the sites referred to in subsection (b) with other historic, cultural, natural, scenic, and recreational sites when such sites are designated and protected by Federal, State and local governments, Indian tribes, or nonprofit entities.

SEC. 202. TECHNICAL ASSISTANCE.

With respect to sites linked by segments of the trail which are administered by other Federal, State, local, tribal, or nonprofit entities, the Secretary may, pursuant to cooperative agreements with such entities, provide technical assistance in the development of interpretive devices and materials in order to contribute to public appreciation of the historic, cultural, natural, scenic, and recreational sites along the trail.

SEC. 203. AUTHORIZATION OF APPROPRIATIONS.

There is hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this title.

By Mr. HATFIELD:

S. 1903. A bill to amend and enhance existing renewable energy programs and Federal trade and export promotion programs in order to promote the United States renewable energy industry, improve the trade balance of the United States and maintain the competitive and technical leadership of the United States in renewable energy development and trade; to the Committee on Energy and Natural Resources.

RENEWABLE ENERGY TRADE EQUITY AND PROMOTION ACT

● Mr. HATFIELD. Mr. President, today I am introducing the Renewable Energy Trade Equity and Promotion Act of 1987. This legislation utilizes existing Federal export programs to increase United States renewable energy exports. In the 98th Congress, I introduced legislation (Public Law 98-370) which established a Federal interagency board, the Committee on Renewable Energy Commerce and Trade [CORECT], to coordinate U.S. export programs and develop a unified Government approach on renewable energy exports. This new legislation builds on the existing law without requiring new Federal outlays by utilizing existing programs through the redirection of certain agency activities. In addition, these Federal activities will strengthen U.S. energy security, increase employment, decrease our trade deficit, maintain U.S. competitiveness, and protect our world's environment.

These goals are not some lofty dream. The renewable energy industries which utilize organic feedstocks and wastes, geothermal resources, water and wind power, and solar thermal and photovoltaic energy, are growing throughout the world.

Unfortunately, while the United States has cut Federal renewable energy R&D programs drastically and phased out tax incentives and loan programs, our international competitors have increased their renewable energy efforts, sensing a decline in U.S. interest. Experts predict a potential multibillion dollar world market for renewable energy applications. The question we must address is whether the United States will reap the benefits of billions of dollars of Federal R&D, or will retreat and permit our competitors to benefit from our disinterest.

This bill simply revitalizes our Government's programs to support an aggressive export program for our industries. The bill encompasses the following:

First. Requires the U.S. Trade Representative to report to the U.S. Congress on the extent other countries impose protective tariffs and other requirements on renewable energy products or services;

Second. Reestablishes the feasibility program of the Overseas Private Investment Corporation allowing incentives, grants and studies for the small business and renewable energy community in potential overseas markets;

Third. Requires the Export/Import Bank of the United States to provide loans for the qualified renewable energy companies at a level of 5 percent of the prior year's loans for all forms of energy technology, and report on all loans made by the bank on renewable energy in the prior year;

Fourth. Provides the same requirements for the Small Business Administration as for the Export/Import Bank;

Fifth. Establishes a more formal information exchange between the Department of State, the Agency for International Development and the U.S. renewable energy industry in order to facilitate use of renewable energy equipment in countries receiving foreign aid assistance;

Sixth. Authorizes $2.5 million for the Federal interagency working group, CORECT, to encourage renewable energy and independent power production in overseas markets;

Seventh. Instructs international agencies, such as The World Bank and the Inter-American Development

Bank, which receive U.S. contributions, to provide financing for renewable energy projects and establish contact officers for renewable energy programs; and,

Eighth. Specifies that the U.S. Department of Defense may utilize renewable energy applications in overseas facilities for energy security and market development.

This is an opportune time for the United States to support our young and growing renewable energy industry. With oil prices declining over the last few years, oil imports have increased, threatening our national security and our economic security. Exports of U.S. high-technology renewable energy equipment helps to cut our trade deficit but in the long term helps the growth of renewable energy development in the United States as well.

Over 12 percent of our Nation's energy is produced by wood energy. Hydropower produces 11 percent of our electricity. Wind energy produces over 1,200 megawatts and solar thermal power produces over 110 megawatts in the United States today. Yet, while renewable energy applications are on the rise, Federal R&D support has been cut over 75 percent during the last 6 years. Today, Japan spends more money than the United States on photovoltaics research. The Netherlands and India spend more than the United States on wind energy research. The time has come for the United States to actively promote the very technologies that our Federal research and development programs have helped commercialize.

Renewable energy exports will do far more than help the United States maintain our competitive edge and predominate the world markets. The Third World also has severe trade deficits due in large part to the importation of petroleum. These trade deficits adversely affect the quality of life of billions of people and contribute to debt problems which threaten to undermine world financial stability. Attempts to help the Third World cut their trade deficits, utilize their domestic energy resources, and create employment are important foreign policy goals.

Seventy-five percent of the world's people do not have access to even basic electricity. Over 20 percent of the medicines in Third World countries are rendered unusable due to energy shortages to run refrigeration units. Utilization of biomass, photovoltaic and wind energy systems could appreciably improve health care throughout the world. Basic lighting for schools, hospitals, and other general welfare applications is an urgent need. U.S. technology can have a profound, positive impact on the daily life of people worldwide.

The legislation I introduce today will add new impetus to a coordinated U.S. export promotion program for renewable energy technologies that was initiated in 1984. The Congress and the President supported this program and it has yielded impressive results. A series of trade missions, export conferences, and educational programs have helped the United States renewable energy industry build their world market share. Now, we must take the next step to broaden Federal agency participation and cooperation to include U.S. biomass, geothermal, hydropower, passive solar, photovoltaic, solar thermal, wind, and wood energy technologies. By aiding our domestic renewable energy industry, we also can enhance the quality of life in the developing world.

Mr. President, I ask unanimous consent that the text of this legislation be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Renewable Energy Trade Equity and Promotion Act of 1987".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the entire globe is still virtually dependent on finite resources for energy;

(2) global dependence on finite energy resources which are distributed unevenly create international instability and a cycle of poverty;

(3) the renewable energy industry in the United States, namely, alcohol fuels, cogeneration, geothermal, hydropower, passive solar, solar thermal and photovoltaic, wind and wood, leads the world in these technologies and can transfer these technologies to create greater access to local energy resources;

(4) the United States is losing its world market shares in all the renewable energy technologies due to a failure to promote these industries in an aggressive and pragmatic fashion;

(5) the world market has a potential to become a multi-billion dollar market in the 1990's but the United States may have limited access unless a directed export strategy is initiated;

(6) the United States trade deficit is aggravated by the importation of petroleum, and exporting renewable energy equipment and services will not only lower our trade deficit directly but also displace imported petroleum at home; and

(7) the United States must maintain renewable energy research and development programs in order to ensure the predominance in the United States in renewable energy exports in the 1990's and thereafter.

SEC. 3. REPORT BY UNITED STATES TRADE REPRESENTATIVE.

The United States Trade Representative shall submit to the Congress, not later than 90 days after the date of enactment of this Act, a report on—

(1) the extent to which other countries impose protective tariffs and other requirements on renewable energy products or related services; and

(2) a description, by country, of such tariffs and requirements.

SEC. 4. ACCESS TO CAPITAL.

(a) SPECIAL ACTIVITIES BY THE OVERSEAS PRIVATE INVESTMENT CORPORATION.—Section 234(e) of the Foreign Assistance Act of 1961 (22 U.S.C. 294(e)) is amended—

(1) in the first sentence, by inserting after "cooperatives" the following: "and including the initiation of incentives, grants, and studies for renewable energy and other small business activities"; and

(2) by adding at the end thereof the following new sentence: "Administrative funds may not be made available for incentives, grants, and studies for renewable energy and other small business activities.".

(b) LOAN SET ASIDES.—

(1) EXPORT-IMPORT BANK.—Section 2(b)(1) of the Export-Import Bank Act of 1945 (12 U.S.C. 635(b)(1)) is amended by adding at the end the following:

"(H) In order to encourage the development of markets for the renewable energy industry and related services industries, the Bank should provide loans for the purpose of furthering renewable energy technology in a fiscal year in an aggregate amount of up to 5 percent of the aggregate amounts of loans provided in the previous fiscal year for all forms of energy technology. The Bank shall, not later than 90 days after the end of each fiscal year, report to the interagency working group established under section 256(d) of the Energy Policy and Conservation Act (42 U.S.C. 6276(d)) all loans made under this subparagraph during the preceding fiscal year. Loans under this subparagraph may be made without security for the loans. For purposes of this subparagraph—

"(i) the term 'renewable energy' means any energy resource which has recently originated from the sun, including direct and indirect solar radiation such as solar thermal, passive solar, and photovoltaic and intermediate solar energy forms such as wind, ocean thermal gradients, ocean currents and waves, hydropower, products of photosynthetic processes, organic wastes, geothermal and cogeneration; and

"(ii) the term 'energy' includes both mineral and nonmineral fuel resources, including solar, geothermal, fossil, nuclear, photovoltaic, and synthetic fuel energy resources.".

(2) SMALL BUSINESS ADMINISTRATION.—The Small Business Act (15 U.S.C. 631 and following) is amended by inserting after section 9 the following:

"RENEWABLE ENERGY TECHNOLOGY EXPORTS

"SEC. 9a. (a) In order to encourage the development of the domestic renewable energy industry and related service industries, the Administrator may provide loans to small business concerns for the purpose of promoting renewable energy technology for export in an aggregate of amounts up to 5 percent of all loans provided under this Act for all energy technology in the previous fiscal year. Loans under this section may be issued without security for the loans.

"(b) The Administration shall report to the interagency working group established under section 256(d) of the Energy Policy and Conservation Act (42 U.S.C. 6276(d)) all loans made under this section.

"(c) For purposes of this section—

"(1) the term 'renewable energy' means any energy resource which has recently originated from the sun, including direct and indirect solar radiation and intermediate solar energy forms such as wind, ocean thermal gradients, ocean currents and waves, hydropower, photovoltaic energy, products of photosynthetic processes, organic wastes, and others; and

"(2) the term 'energy' means includes both mineral and nonmineral fuel resources, including solar, geothermal, fossil, nuclear, electrical, and synthetic fuel energy resources.".

(c) FOREIGN ASSISTANCE PROGRAMS.—Section 106(b) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151d(b)) is amended—

(1) in the second sentence of paragraph (1) by inserting after "suitable energy sources" the following: "(including funds for feasibility studies for renewable energy projects)"; and

(2) by adding at the end the following:

"(3) The agency primarily responsible for administering this part shall develop an information exchange with the renewable energy industry in the United States in order to facilitate the use of renewable energy equipment in countries receiving assistance under this chapter.".

SEC. 5. DISSEMINATION OF INFORMATION: ACCESS TO FOREIGN MARKETS.

Section 256(c)(2)(D) of the Energy Policy and Conservation Act (42 U.S.C. 6276(c)(2)(D)) is amended—

(1) in clause (i) by inserting after "commerce," the following: "and potential end users, including other industry sectors in foreign countries such as health care, rural development, communications, and refrigeration, and others,"; and

(2) in clause (ii) by striking out "export opportunities" and inserting in lieu thereof "export and export financing opportunities".

SEC. 6. AUTHORIZATION OF FUNDS FOR CORECT: DEVELOPMENT OF PROGRAM TO ENCOURAGE USE OF RENEWABLE ENERGY IN OTHER COUNTRIES.

Section 256(d) of the Energy Policy and Conservation Act (42 U.S.C. 6276(d)) is amended—

(1) by inserting "(1)" after "(d)"; and

(2) by adding at the end the following:

"(2) The interagency group shall establish a program to educate other countries in the deregulation of energy markets and to encourage other countries to establish independent power production policies that would allow small power production facilities and facilities which produce alternative forms of renewable energy to compete effectively with producers of energy from nonrenewable sources.

"(3) There is authorized to be appropriated to the interagency working group $2,500,000 for fiscal year 1988 to carry out its activities under this subsection.".

SEC.7. PROGRAMS IN INTERNATIONAL FINANCIAL INSTITUTIONS.

The Secretary of the Treasury shall instruct the Executive Directors of the International Monetary Fund and the Inter-American Development Bank to urge those respective international financial institutions—

(1) to provide financing for renewable energy purposes as part of their programs for financing energy projects;

(2) to submit to recipient countries plans of those respective institutions for renewable energy development; and

(3) to appoint an officer, or establish an office, for the purpose of facilitating the use of renewable energy technologies in recipient countries.

SEC. 8. ELIGIBILITY OF RENEWABLE ENERGY EQUIPMENT FOR MILITARY ASSISTANCE PROGRAM.

Section 644(d) of the Foreign Assistance Act of 1961 (22 U.S.C. 2403(d)) is amended by adding at the end the following: "Paragraphs (2), (3), and (4) include renewable energy equipment.".●

By Mr. KENNEDY (for himself, Mr. HATCH, Mr. PELL, Mr. STAFFORD, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. WEICKER, Mr. DODD, Mr. SIMON, Mr. HARKIN, Mr. ADAMS, and Ms. MIKULSKI):

S. 1904. A bill to strictly limit the use of lie detector examinations by employers involved in or affecting interstate commerce; to the Committee on Labor and Human Resources.

POLYGRAPH PROTECTION ACT

Mr. KENNEDY. Mr. President, today I am joining with Senators HATCH, PELL, STAFFORD, MATSUNAGA, METZENBAUM, WEICKER, DODD, SIMON, HARKIN, ADAMS, and MIKULSKI on the Senate Labor and Human Resources Committee to introduce the bipartisan Polygraph Protection Act of 1987.

The time has come to restrict the massive, unconscionable use of lie detectors in the workplace.

This legislation is a fundamental issue of workers' rights. Last year over 2 million workers were strapped to these inaccurate instruments of intimidation. We know the devices can't be trusted, and it is time to put an end to their unacceptable misuse that unfairly puts so many workers jobs in jeopardy.

The abuse of polygraphs in the workplace has been before Congress for almost 25 years. Scores of bills have been introduced and dozens of hearings, held, but we have never taken final action. Meanwhile, the use of the machine has proliferated, especially on the job.

In 1964 a House Government Operations subcommittee reported:

> There is no lie detector, neither machine nor human. People have been deceived by a myth that a metal box in the hands of an investigator can detect truth from deception.

A decade and a half later, Senator Sam Ervin observed:

> A lie detector test to innocent citizens simply wanting a job reverses our cherished presumption of innocence. If an employee refuses to submit to the test, he is automatically guilty. If he submits to the test, he is faced with the burden of proving his innocence.

All of these problems are compounded by the fact that impartial experts have increasingly found that polygraphs have no scientific validity in the overwhelming majority of their applications.

In hearings before the Senate Labor Committee in the last two Congresses, we received strong testimony supporting the conclusion reached in the Office of Technology Assessment's technical memorandum published in 1983:

> While there is some evidence for the validity of polygraph testing as an adjunct to criminal investigations, there is very little research or scientific evidence to establish polygraph test validity in screening situations, whether they be preemployment, preclearance, periodic or aperiodic, random or dragnet.

Beginning with Massachusetts in 1959, 21 States and the District of Columbia have restricted or prohibited the use of polygraphs in the workplace. Similarly, the vast majority of courts refuse to admit polygraph tests as evidence of guilt or innocence, due to the documented unreliability of the tests.

Yet the use of these machines has climbed sharply in many jurisdictions in recent years. It is time for Congress to act to protect American employees from the massive misuse of this device which columnist William Safire has called "the most blatant intrusion into personal freedom in this country today".

In the last Congress, the House of Representatives passed Congressman PAT WILLIAMS' private-sector ban on polygraphs, with 5 industry exemptions, by a vote of 236 to 173. The Senate Labor and Human Resources Committee reported out the Hatch-Kennedy bill, with no industry exemptions, by a margin of 11 to 5, with 4 Republicans and 7 Democrats voting to report it favorably. Congress adjourned, however, before full action by the Senate could take place.

On November 4 of this year, the House of Representatives again passed the Williams bill, with only 2 industry exemptions, by an even wider margin of 254 to 158. I am hopeful that the Senate will act promptly on the legislation we are introducing so that this long overdue measure can finally be enacted into law.

The bill we are introducing today is an attempt to balance the interests of employers and employees, based on the known scientific evidence regarding polygraphs and their potential for abuse. It will ban the use of preemployment and random testing, which make up 85 percent of the testing being conducted today and for which there is no demonstrable validity. At the same time, the bill will preserve the ability of employers to investigate specific losses under limited circumstances, and with employee safeguards in place.

Under this bill, no employer can use a polygraph for any preemployment testing of job applicants or random testing of employees. But employers could use the polygraph to investigate specific economic losses, by testing employees who had access to the property under investigation and who they have reasonable suspicion to believe were involved in the incident. The employer must file a police report, an insurance claim, a report to a regulatory agency or sign a written statement detailing the basis for the polygraph test, before requesting any employee take a polygraph test. No employee could be disciplined or dismissed for refusing the test or failing the test without additional supporting evidence, and the test could only be conducted under carefully prescribed circumstances.

The bill does not apply to Federal, State, or local governments—because the Constitution does. Most public employees are constitutionally protected from polygraph tests, and the courts are increasingly affirming this protection.

On October 28, the Texas Supreme Court unanimously found that the State mental health agency's use of the polygraph "impermissibly violates privacy rights" protected by the State constitution. The court went on to hold that this protection should yield only when the State can show that the intrusion is "reasonably warranted for the achievement of a compelling governmental objective that can only be achieved by no less intrusive, more reasonable means."

Constitutional protections for public employees, however, are not available to private sector employees, and it is in the private sector that action by Congress is esssential to safeguard workers' rights.

The principles of this legislation have widespread support from both business and labor. Civil liberties groups and labor organizations have sought legislative protections from the polygraph and support this approach. At a hearing this year, the American Association of Railroads testified in favor of this approach. A number of employer organizations which currently use the test, including the American Association of Railroads, the American Bankers Association, the National Grocer's Association, the National Mass Retailers Institute, the National Retail Merchants' Association, and the Securities Industry Association, have endorsed this legislation, and I hope that other users will accept the legislation as properly balancing their interests with those of their employees. I urge the Senate to join in supporting this legislation and expediting its enactment into law.

Mr. President, I ask unanimous consent that the text of the bill may be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 1904

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Polygraph Protection Act of 1987".

SEC. 2. DEFINITIONS.

As used in this Act:

(1) Commerce.—The term "commerce" has the meaning provided by section 3(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(b)).

(2) Employer.—The term "employer" includes any person acting directly or indirectly in the interest of an employer in relation to an employee or prospective employee.

(3) Lie Detector Test.—The term "lie detector test" includes—

(A) any examination involving the use of any polygraph, deceptograph, voice stress analyzer, psychological stress evaluator, or any other similar device (whether mechanical, electrical, or chemical) that is used, or the results of which are used, for the purpose of rendering a diagnostic opinion regarding the honesty or dishonesty of an individual or for verifying the truth of statements; and

(B) the testing phases described in paragraphs (1), (2), and (3) of section 8(c).

(4) Polygraph.—The term "polygraph" means an instrument that records continuously, visually, permanently, and simultaneously changes in the cardiovascular, respiratory, and electrodermal patterns as minimum instrumentation standards.

(5) Relevant Question.—The term "relevant question" means any lie detector test question that pertains directly to the matter under investigation with respect to which the examinee is being tested.

(6) Secretary.—The term "Secretary" means the Secretary of Labor.

(7) Technical Question.—The term "technical question" means any control, symptomatic, or neutral question that, although not relevant, is designed to be used as a measure against which relevant responses may be measured.

SEC. 3. PROHIBITIONS ON LIE DETECTOR USE.

Except as provided in section 7, it shall be unlawful for any employer engaged in commerce or in the production of goods for commerce—

(1) directly or indirectly, to require, request, suggest, or cause any employee or prospective employee to take or submit to any lie detector test;

(2) to use, accept, refer to, or inquire concerning the results of any lie detector test of any employee or prospective employee;

(3) to discharge, dismiss, discipline in any manner, or deny employment or promotion to, or threaten to take any such action against—

(A) any employee or prospective employee who refuses, declines, or fails to take or submit to any lie detector test; or

(B) any employee or prospective employee on the basis of the results of any lie detector test; or

(4) to discharge, discipline, or in any manner discriminate against an employee or prospective employee because—

(A) such employee or prospective employee has filed any complaint or instituted or caused to be instituted any proceeding under or related to this Act;

(B) such employee or prospective employee has testified or is about to testify in any such proceeding; or

(C) of the exercise by such employee, on behalf of such employee or another person, of any right afforded by this Act.

SEC. 4. NOTICE OF PROTECTION.

The Secretary shall prepare, have printed, and distribute a notice setting forth excerpts from, or summaries of, the pertinent provisions of this Act. Each employer shall post and maintain such notice, in conspicuous places on its premises where notices to employees and applicants to employment are customarily posted.

SEC. 5. AUTHORITY OF THE SECRETARY.

(a) In General.—The Secretary shall—

(1) issue such rules and regulations as may be necessary or appropriate to carry out this Act;

(2) cooperate with regional, State, local, and other agencies, and cooperate with and furnish technical assistance to employers, labor organizations, and employment agencies to aid in effectuating the purposes of this Act; and

(3) make investigations and inspections and require the keeping of records necessary or appropriate for the administration of this Act.

(b) Subpoena Authority.—For the purpose of any hearing or investigation under this Act, the Secretary shall have the authority contained in sections 9 and 10 of the Federal Trade Commission Act (15 U.S.C. 49 and 50).

SEC. 6. ENFORCEMENT PROVISIONS.

(a) Civil Penalties.—

(1) In general.—Subject to paragraph (2)—

(A) any employer who violates section 4 may be assessed a civil money penalty not to exceed $100 for each day of the violation; and

(B) any employer who violates any other provision of this Act may be assessed a civil penalty of not more than $10,000.

(2) Determination of amount.—In determining the amount of any penalty under paragraph (1), the Secretary shall take into account the previous record of the person in terms of compliance with this Act and the gravity of the violation.

(3) Collection.—Any civil penalty assessed under this subsection shall be collected in the same manner as is required by subsections (b) through (e) of section 503 of the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. 1853) with respect to civil penalties assessed under subsection (a) of such section.

(b) Injunctive Actions by the Secretary.—The Secretary may bring an action to restrain violations of this Act. The district courts of the United States shall have jurisdiction, for cause shown, to issue temporary or permanent restraining orders and injunctions to require compliance with this Act.

(c) Private Civil Actions.—

(1) Liability.—An employer who violates this Act shall be liable to the employee or prospective employee affected by such violation. Such employer shall be liable for such legal or equitable relief as may be appropriate, including but not limited to employment, reinstatement, promotion, and the payment of lost wages and benefits.

(2) Court.—An action to recover the liability prescribed in paragraph (1) may be maintained against the employer in any Federal or State court of competent jurisdiction by any one or more employees for or in behalf of himself or themselves and other employees similarly situated.

(3) Costs.—The court shall award to a prevailing party in any action under this subsection the reasonable costs of such action, including attorneys' fees.

(d) Waiver of Rights Prohibited.—The rights and procedures provided by this Act may not be waived by contract or otherwise, unless such waiver is part of a written settlement of a pending action or complaint, agreed to and signed by all the parties.

SEC. 7. EXEMPTIONS.

(a) No Application to Governmental Employers.—The provisions of this Act shall not apply with respect to the United States Government, a State or local government, or any political subdivision of a State or local government.

(b) National Defense and Security Exemption.—

(1) National defense.—Nothing in this Act shall be construed to prohibit the administration, in the performance of any counterintelligence function, of any lie detector test to—

(A) any expert or consultant under contract to the Department of Defense or any employee of any contractor of such Department; or

(B) any expert or consultant under contract with the Department of Energy in connection with the atomic energy defense activities of such Department or any employee of any contractor of such Department in connection with such activities.

(2) Security.—Nothing in this Act shall be construed to prohibit the administration, in the performance of any intelligence or counterintelligence function, of any lie detector test to—

(A)(i) any individual employed by, or assigned or detailed to, the National Security Agency or the Central Intelligence Agency, (ii) any expert or consultant under contract to the National Security Agency or the Central Intelligence Agency, (iii) any employee of a contractor of the National Security Agency or the Central Intelligence Agency, or (iv) any individual applying for a position in the National Security Agency or the Central Intelligence Agency; or

(B) any individual assigned to a space where sensitive cryptologic information is produced, processed, or stored for the National Security Agency or the Central Intelligence Agency.

(c) Exemption for FBI Contractors.—Nothing in this Act shall be construed to prohibit the administration, in the performance of any counterintelligence function, of any lie detector test to an employee of a contractor of the Federal Bureau of Investigation of the Department of Justice who is engaged in the performance of any work under the contract with such Bureau.

(d) Limited Exemption for Ongoing Investigations.—Subject to section 8, this Act shall not prohibit an employer from requesting an employee to submit to a polygraph test if—

(1) the test is administered in connection with an ongoing investigation involving economic loss or injury to the employer's business, including theft, embezzlement, misappropriation, or an act of unlawful industrial espionage or sabotage;

(2) the employee had access to the property that is the subject of the investigation;

(3) the employer has a reasonable suspicion that the employee was involved in the incident or activity under investigation; and

(4) the employer—

(A) files a report of the incident or activity with the appropriate law enforcement agency;

(B) files a claim with respect to the incident or activity with the insurer of the employer, except that this subparagraph shall not apply to a self-insured employer;

(C) files a report of the incident or activity with the appropriate government regulatory agency; or

(D) executes a statement that—

(i) sets forth with particularity the specific incident or activity being investigated and the basis for testing particular employees;

(ii) is signed by a person (other than a polygraph examiner) authorized to legally bind the employer;

(iii) is provided to the employee on request;

(iv) is retained by the employer for at least 3 years; and

(v) contains at a minimum—

(I) an identification of the specific economic loss or injury to the business of the employer;

(II) a statement indicating that the employee had access to the property that is the subject of the investigation; and

(III) a statement describing the basis of the employer's reasonable suspicion that the employee was involved in the incident or activity under investigation.

SEC. 8. RESTRICTIONS ON USE OF EXEMPTIONS.

(a) Obligation to Comply With Certain Laws and Agreements.—The limited exemption provided under section 7(d) shall not diminish an employer's obligation to comply with—

(1) applicable State and local law; and

(2) any negotiated collective bargaining agreement,

that limits or prohibits the use of lie detector tests on employees.

(b) Test as Basis for Adverse Employment Action.—Such exemption shall not apply if an employee is discharged, dismissed, disciplined, or discriminated against in any manner on the basis of the results of one or more polygraph tests or the refusal to take a polygraph test, without additional supporting evidence. The evidence required by section 7(d) may serve as additional supporting evidence.

(c) Rights of Examinee.—Such exemption shall not apply unless the requirements described in section 7 and paragraphs (1), (2), and (3) are met.

(1) Pretest phase.—During the pretest phase, the prospective examinee—

(A) is provided with reasonable notice of the date, time, and location of the test, and of such examinee's right to obtain and consult with legal counsel or an employee representative throughout all phases of the test;

(B) is not subjected to harassing interrogation technique;

(C) is informed of the nature and characteristics of the tests and of the instruments involved;

(D) is informed as to whether—

(i) the testing area contains a two-way mirror, a camera, or any other device through which the test can be observed; or

(ii) any other device, including any device for recording or monitoring the conversation will be used;

(E) is informed of such examinee's privilege against self-incrimination under the Fifth Amendment of the Constitution of the United States;

(F) is provided an opportunity to review all questions (technical or relevant) to be asked during the test and is informed of the right to terminate the test at any time; and

(G) signs a notice informing such examinee of—

(i) the limitations imposed under this section;

(ii) the legal rights and remedies available to the examinee if the polygraph test is not conducted in accordance with this Act; and

(iii) the legal rights and remedies of the employer.

(2) Actual testing phase.—During the actual testing phase—

(A) the examinee is not asked any questions by the examiner concerning—

(i) religious beliefs or affiliations;

(ii) beliefs or opinions regarding racial matters;

(iii) political beliefs or affiliations;

(iv) any matter relating to sexual behavior; and

(v) beliefs, affiliations, or opinions regarding unions or labor organizations;

(B) the examinee is permitted to terminate the test at any time;

(C) the examiner does not ask such examinee any question (technical or relevant) during the test that was not presented in writing for review to such examinee before the test;

(D) the examiner does not ask technical questions of the examinee in a manner that is designed to degrade, or needlessly intrude on, the examinee; and

(E) the examiner does not conduct a test on an examinee when there is written evidence by a physician that the examinee is suffering from a medical or psychological condition or undergoing treatment that might cause abnormal responses during the test.

(3) Post-test phase.—Before any adverse employment action, the employer must—

(A) further interview the examinee on the basis of the results of the test; and

(B) provide the examinee with—

(i) a written copy of any opinion or conclusion rendered as a result of the test; and

(ii) a copy of the questions asked during the test along with the corresponding charted responses.

(d) Qualifications of Examiner.—Such exemptions shall not apply unless the individual who conducts the polygraph test—

(1) is at least 21 years of age;

(2) is a citizen of the United States;

(3) is a person of good moral character;

(4) has complied with all required laws and regulations established by licensing and regulatory authorities in the State in which the test is to be conducted;

(5)(A) has successfully completed a formal training course regarding the use of polygraph tests that has been approved by the State in which the test is to be conducted or by the Secretary; and

(B) has completed a polygraph test internship of not less than 6 months duration under the direct supervision of an examiner who has met the requirements of this section;

(6) maintains a minimum of a $50,000 bond or an equivalent amount of professional liability coverage;

(7) uses an instrument that records continuously, visually, permanently, and simultaneously changes in the cardiovascular, respiratory, and electrodermal patterns as minimum instrumentation standards;

(8) bases an opinion of deception indicated on evaluation of changes in physiological activity or reactivity in the cardiovascular, respiratory, and electrodermal patterns on the lie detector charts;

(9) renders any opinion or conclusion regarding the test—

(A) in writing and solely on the basis of an analysis of the polygraph charts;

(B) that does not contain information other than admissions, information, case facts, and interpretation of the charts relevant to the purpose and stated objectives of the test; and

(C) that does not include any recommendation concerning the employment of the examinee;

(10) does not conduct and complete more than five polygraph tests on the calendar day on which the test is given and does not

conduct any such test for less than a 90-minute duration; and

(11) maintains all opinions, reports, charts, written questions, lists, and other records relating to the test for a minimum period of 3 years after administration of the test.

(e) PROMULGATION OF STANDARDS.—The Secretary shall establish standards governing individuals who, as of the date of the enactment of this Act, are qualified to conduct polygraph tests in accordance with applicable State law. Such standards shall not be satisfied merely because an individual has conducted a specific number of polygraph tests previously.

SEC. 9. DISCLOSURE OF INFORMATION.

(a) IN GENERAL.—A person, other than the examinee, may not disclose information obtained during a polygraph test, except as provided in this section.

(b) PERMITTED DISCLOSURES.—A polygraph examiner, polygraph trainee, or employee of a polygraph examiner may disclose information acquired from a polygraph test only to—

(1) the examinee or any other person specifically designated in writing by the examinee;

(2) the employer that requested the test; or

(3) any person or governmental agency that requested the test as authorized under subsection (a), (b), or (c) of section 7 or any other person, as required by due process of law, who obtained a warrant to obtain such information in a court of competent jurisdiction.

(c) DISCLOSURE BY EMPLOYER.—An employer (other than an employer covered under subsection (a), (b), or (c) of section 7) for whom a polygraph test is conducted may disclose information from the test only to a person described in subsection (b).

SEC. 10. EFFECT ON STATE LAW.

This Act shall not preempt any provision of any State law that is more restrictive with respect to the administration of lie detector tests than this Act.

SEC. 11. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), this Act shall become effective 6 months after the date of enactment of this Act.

(b) REGULATIONS.—Not later than 120 days after the date of enactment of this Act, the Secretary shall issue such rules and regulations as may be necessary or appropriate to carry out this Act.

Mr. HATCH. Mr. President, the bill we are introducing today is a realistic, equitable solution to the problems generated by the widespread use of polygraph examinations by private employers. The Polygraph Protection Act of 1987 would ban the use of preemployment polygraph exams but would permit regulated tests by all employers in instances involving economic loss or injury to an employer. In other words, the bill attempts to strike a balance between our interest in protecting the rights of working men and women throughout this Nation from being wrongly condemned by a faulty lie detector test and the need of employers to have some tools to combat crime in the workplace.

An extensive scientific and legislative record has been established which indicates that the typical lie detector test given to job applicants cannot predict future performance nor guarantee employee honesty. Moreover, this record indicates that many working men and women are falsely accused of wrongdoing and are permanently stigmatized by the results of one lie detector test. According to Dr. David Raskin, who is a professor of psychology at the University of Utah and a noted expert on polygraph examinations, "Approximately 100,000 to 200,000 people may be mistreated every year because of faulty polygraph examinations." This sorry record must be corrected.

On the other hand, we also have in our country a very real problem with employee theft. Employers feel that the polygraph examination is often the only realistic tool they have to determine, who, among a group of employers, may have stolen or misappropriated business property. They view the examination itself and the threat of an examination as their last line of defense they have against employee theft.

This legislation strikes a balance between these two competing concerns by banning preemployment use of the polygraph, where the possibility for error and misidentification is the highest, but permitting examinations which are conducted in accordance with an ongoing investigation, where the chances for accuracy are much higher. Moreover, there are a variety of legal rights and protections available, both in common law and under the bill, to a current employee given an examination that are not available to a job applicant.

It is interesting to note that several business organizations have endorsed the basic approach taken in this legislation and have been instrumental in helping us fashion a workable solution. I hope that this spirit of cooperation will continue as we move forward on the legislation.

I look forward to working with Senator KENNEDY and the other sponsors to enact the Polygraph Protection Act of 1987 during this Congress. Passage will not be easy, especially given the administration's apparent opposition. But the more than 2 million working men and women who will be given a polygraph examination this year deserve the protections contained in this bill. I urge my colleagues to join us and support his legislation.

● Mr. METZENBAUM. Mr. President, I am pleased to join my colleagues on the Labor and Human Resources Committee, led by the Chairman, Senator KENNEDY, and the ranking minority member, Senator HATCH, as an original cosponsor of the Polygraph Protection Act of 1987.

Our legal system protects citizens subjected to polygraph testing by law enforcement officials; we regulate polygraph testing conducted by the Federal Government; but currently there is no Federal protection for millions of American workers who must take polygraph tests administered by private employers. This bipartisan legislation corrects that situation by eliminating the abuse of polygraph testing in the workplace.

Polygraph tests simply are not accurate "lie detectors." This bill does not ban all uses of polygraphs by private employers. Instead it strikes a balance between the concerns of workers and the interests of employers.

The bill bans polygraph use in the two areas where the results are most suspect: preemployment screening and random postemployment testing. Thus honest job applicants and workers will no longer be forced to take a frightening, unscientific test in order to get or keep a job.

The bill does allow polygraph testing as part of an ongoing investigation where the employer has reasonable suspicion that a particular employee was involved in an internal theft. Under such limited circumstances, polygraph tests can serve as one tool to help reduce the serious problem of internal theft.

It is important to note that this bill treats all employers equally. It is unfair to give a few private special interests exemptions from the limitations on the use of polygraphs—it is unfair to the workers in those select industries and it is unfair to other employers who do not get special treatment.

This carefully crafted bill has the support of labor, civil liberties groups, and a number of business associations, including the American Association of Railroads, the American Bankers' Association, the National Grocers' Association, the National Mass Retailers, the National Retail Merchants Association, and the Securities Industry Association.

I urge all my colleagues to support this legislation.●

● Mr. SIMON. Mr. President, I am pleased today to be counted among the original cosponsors of the Polygraph Protection Act of 1987.

Twenty-one States have either banned or restricted the use of "lie detectors" in the workplace, but the number of Americans who must submit to these tests continues to grow. Working men and women in the private sector are subjected to more than 2 million lie detector tests every year—four times the number given 10 years ago. State lie detector prohibitions have proven inherently inadequate.

The truth is that polygraph tests cannot accurately distinguish truthful statements from lies. The Congressional Office of Technology Assessment has reviewed field studies of polygraph validity and has found that honest people are more likely to fail polygraph tests than dishonest people. The tragedy is that at least 200,000 Americans are wrongfully denied employment opportunities every year—not because of their work records, but rather because employers rely on inaccurate lie detector tests. Honest workers would be better off if their employers made these personnel decisions by simply flipping a coin!

Certainly American workers must be afforded the same protection from polygraph tests which is routinely granted to indicted suspects in criminal proceedings. These people cannot be forced to take polygraph tests, and even the Justice Department opposes the use of polygraph examination results in criminal trials as evidence of guilt or innocence. Yet many employees and job applicants can be forced to take lie detector tests for any reason whatsoever.

Mr. President, this bill will prohibit the use of preemployment polygraph tests—the area of greatest abuse of applicants' rights by potential employers. It does not, however, prohibit the use of polygraph tests completely. If a loss report has been filed with a Federal agency or an insurance company, a detailed written statement has been made of the loss by an employer, or the police and a complete investigation has been made leading to certain, specified suspects, the polygraph may be used under certain restrictive circumstances. This, Mr. President, is certainly an equitable procedure for dealing with polygraph testing. We must address the problem of abuse here, and I would hope that many of my colleagues will agree with me and cosponsor this bill.●

By Mr. D'AMATO (for himself and Mr. CRANSTON):

S. 1905. A bill to enhance competition in the financial services sector, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

DEPOSITORY INSTITUTION AFFILIATION ACT

Mr. D'AMATO. Mr. President, during my tenure in the Senate, I have been a member of the Senate Banking Committee. As a member of that committee I have listened to hours of testimony and debate regarding the need to modernize the financial regulatory structure of this country. Despite the exhaustive debate and the committee's deliberations on the topic of regulatory reform of the financial services industry, a proposal for truly comprehensive reform which I could support has failed to materialize. For this reason, my good friend and colleague Senator CRANSTON and I have determined to introduce the Depository Institution Affiliation Act.

The Depository Institution Affiliation Act evolved from our consideration of the Competitive Equality Banking Act [CEBA] which was signed into law earlier this year. Despite repeated attempts to achieve a progressive reform of our banking laws, the Competitive Equality Banking Act has regrettably achieved more renown for its anti-competitive provisions rather than the many beneficial provisions contained in that legislation. The two most notoriously anticompetitive provisions of that bill are the restrictions imposed upon nonbank banks and the moratorium imposed upon the Federal Reserve's and the Comptroller's ability to grant expanded underwriting powers to bank holding companies. The moratorium contained in CEBA was an outgrowth of the desire constantly expressed by the members of the Banking Committee and the Senate to have time to consider a proposal which would restructure and streamline the overall structure of our financial services system.

At that time a moratorium was chosen as the only means which could afford the committee time to consider comprehensive rather than piecemeal reform. Further, the moratorium offered a mechanism through which we could avoid the usurpation of our legislative function through the use of novel and tortured interpretations of the Glass-Steagall and Bank Holding Company Acts by the loophole lawyers housed in the Fed and the Comptroller's offices.

The time needed to consider a comprehensive reform package is running out of time because the moratorium expires on March 1, 1988. At the time we chose to impose a moratorium on the regulators, the committee members pledged to reconsider the interrelationships of all the entities that make up our financial system. The realization of this objective will not be accomplished by debating a series of narrowly crafted amendments to the Glass-Steagall Act which fail to address all of the fundamental question involving a wide range of possible affiliations with federally insured depository institutions.

To date, none of the proposals before the Banking Committee addresses these fundamental questions in a manner sufficiently comprehensive to gain my support. Rather than be viewed as mere critics of the efforts of my colleagues, Senator CRANSTON and I have determined that a proposal which is truly comprehensive in its approach should be set before the committee for its consideration during the Banking Committee hearings that began this morning.

We believe that the Depository Institution Affiliation Act represent a truly comprehensive approach. The Depository Institution Affiliation Act is comprehensive legislation designed to:

First, expedite the move toward functional regulation of the financial services industry and thereby enhance the safety and soundness of federally insured depository institutions and the stability of the Nation's financial system;

Second, enhance the quality of regulation and supervision of financial intermediaries;

Third, ensure the availability of innovative financial products and services resulting in greater efficiency and additional consumer benefits in the domestic financial services marketplace;

Fourth, attract more capital to the financial services industry which will enable U.S. firms to compete more effectively in the international marketplace; and

Fifth, create an alternative regulatory system that would allow any type of business to engage in insurance, banking, securities, and real estate and other financial services activities.

By introducing this legislation, I would like to acknowledge the efforts of some of my other colleagues on the committee to achieve comprehensive reform. For example, in statements accompanying the introduction of the Financial Services Oversight Act, it appears that the sponsors of that legislation, Senators WIRTH and GRAHAM, share many of Senator CRANSTON's and my ultimate goals. In addressing the proposals which would effectuate the reform of financial services regulation, Senator WIRTH articulated the central issue confronting the committee:

> Many of the legislative proposals discussed to date focus only on expanded powers in the financial markets. The primary issue, however, is not one of which powers to grant which financial institution. Rather, we need to put into place a farsighted structure to oversee these markets as they evolve and change in a dynamic international financial arena.
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> We are faced today with an antiquated financial infrastructure—resembling a Model T automobile—that is forced to travel on a modern electronic highway. Our public section Model T cannot keep up with our domestic private sector. As a result, our domestic financial markets are at a distinct disadvantage with our international competitors.

The bill which I introduce today goes one step further than the reform envisioned by Senators WIRTH and GRAHAM. While it creates streamlined, functionally oriented regulatory system, it permits any type of business to engage in any type of financial service activity through the creation of a depository institution holding company, provided that the holding company and its affiliates comply with the additional statutory safeguards required by this act. I believe this additional step is needed to increase the flow of capital into the banking and securities industries.

If one accepts the arguments of the banking industry and the Comptroller of the Currency regarding the declining profitability of banks and the need to compete with foreign institutions (especially the Japanese), the grant of a few powers to the banks will not return them to the status of increasing profitability or enhance their competitive status vis-a-vis the big Japanese and other foreign banks. Therefore, we have incorporated into the DIAA some of the recommendations contained in the report of the Federal Depository Insurance Corporation entitled: "Mandate for Change, Restructuring the Banking Industry."

In putting forth this legislative proposal, the paramount public policy implication which guided our efforts was the enhancement of the safety and soundness of the financial services system—especially the banking and S&L systems which have yet to weather fully the Third World debt, farm loan, energy loan and real estate loan crises.

Therefore, the restructuring contemplated in this bill will be accompanied by a strengthening of the supervisory and regulatory restrictions on the subsidiaries of depository institution subsidiaries. The prudent supervision of all the subsidiaries of a depository institution holding company, especially the bank subsidiary, will become more important along with the need to monitor and limit risk posed by new activities conducted within the holding company structure. However, while we have taken great care to provide supervisory and soundness walls around the bank subsidiary and between the bank subsidiary and other depository institution holding company subsidiaries, the functional regulatory structure contemplated in this proposal will allow these new entities the freedom to operate in the market without unduly burdensome or duplicative regulatory interference.

A detailed analysis of the bill and the language of the bill accompanies my statement. However, a brief explanation of the bill's provisions demonstrates how our stated goals are effectuated. The depository institution affiliation act would:

First, establish an alternative and comprehensive legislative framework for the creation and regulation of depository institution holding companies;

Second, increase the capital adequacy of commercial banks, brokers and dealers, and savings and loan associations and other financial companies by eliminating restrictions on common ownership and affiliation within a depository institution holding company;

Third, permit affiliates to engage in any activity subject to functional and enhanced regulation by the appropriate State or Federal regulator;

Fourth, insulate and protect insured depository institutions through higher capital requirements, expanded restrictions on relationships with affiliates, broader examination and enforcement authority and severe civil and criminal penalties;

Fifth, permit efficient marketing and distribution of financial services to consumers subject to safeguards against coercive tie-ins and other unfair and abusive practices;

Sixth, establish the National Financial Services Committee to oversee the evolution and supervision of the financial services industry and to report to Congress; and

Seventh, make thrift holding company regulation more consistent with and attract additional capital to that troubled segment of the industry.

While I understand that this bill may yet to be the embodiment of statutory perfection, I believe that it constitutes far more than a first step in the process of enacting a truly comprehensive reform of the financial services industry. Therefore, I fully expect that this legislative proposal will be modified to reflect the improvements and recommendations the committee receives during the legislative process. The bill is introduced to broaden the debate commenced by Senators Proxmire and Garn by their introduction of the Financial Modernization Act, S. 1886, and Senators Wirth and Graham by their introduction of S. 1891.

Mr. President, I ask unanimous consent that the text of the bill and a section-by-section analysis be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1905

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Sec. 1. This Act may be cited as the "Depository Institution Affiliation Act".

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress hereby finds that—

(1) Current laws and regulations restrain efficiency, competition and innovation in the design and delivery of financial services to the disadvantage of consumers;

(2) Restrictions on ownership of depository institutions and affiliations with other business organizations interferes with their ability to attract and retain capital and managerial resources;

(3) The vulnerability of the financial system and its discrete components is increased and effective monitoring, supervision and coordination of actions during periods of stress is impeded by fragmented and disparate regulation; (4) Current laws inhibit the ability of domestic financial markets and intermediaries to respond to the serious competitive challenges presented by foreign intermediaries and the globalization of markets.

(b) It is the purpose of this Act to promote the safety and soundness of the Nation's financial system, enhance the quality of regulation and supervision of financial intermediaries and achieve a more efficient market and effective regulatory structure by:

(1) establishing an alternative and comprehensive legislative framework for the creation and regulation of depository institution holding companies;

(2) increasing the capital adequacy of commercial banks, brokers and dealers, and savings and loan associations and other financial companies by eliminating restrictions on common ownership and affiliation within a depository institution holding company;

(3) permitting affiliates to engage in any activity subject to functional and equal regulation by the appropriate state or federal regulator;

(4) insulating and protecting insured depository institutions through higher capital requirements, expanded restrictions on relationships with affiliates, broader examination and enforcement authority and increased civil and criminal penalties;

(5) permitting the efficient marketing and distribution of financial services to consumers subject to safeguards against coercive tie-ins and other unfair and abusive practices; and

(6) establishing the National Financial Services Committee to oversee the evolution and supervision of the financial services industry and to report to Congress.

TITLE I—CREATION AND CONTROL OF DEPOSITORY INSTITUTION HOLDING COMPANIES

Sec. 101. (a) Definitions.—For the purposes of this Act—

(1) the term "depository institution holding company" means a company that—

(A) has filed with the National Financial Services Committee a notice stating such company's intent to comply with the requirements of this section and has not withdrawn such notice; and

(B) controls an insured bank or an insured institution, or either (i) has, within the preceding 12 months, filed a notice under subsection (b) of this section to acquire control of an insured bank, an insured institution, a bank holding company, a savings and loan holding company or a depository institution holding company, which notice has not been disapproved, or (ii) controls a company which has, within the preceding 12 months, filed an application for deposit insurance under section 4 or 5 of the Federal Deposit Insurance Act (12 U.S.C. 1814, 1815) or section 403 of the National Housing Act (12 U.S.C. 1726), which has not been disapproved. The filing of the notice described in subparagraph (A) of this paragraph by a bank holding company that does not control any banks as defined in section 2(c)(1)(B) of the Bank Holding Company Act (12 U.S.C. 1814(c)(1)(B)) which are not insured banks shall result in immediate termination of the status of such company as a bank holding company, and the filing of the notice described in subparagraph (A) of this paragraph by a savings and loan holding company shall result in the immediate termination of the status of such company as a savings and loan holding company.

(2) the term "bank holding company" has the meaning given to it in section 2(a) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1841(a));

(3) the term "savings and loan holding company" has the meaning given to it in section 408(a) of the National Housing Act (12 U.S.C. 1730a(a));

(4) except as provided in paragraph 5 of subsection (f) of this section, the term "affiliate" of a company means any other company which controls, is controlled by, or is under common control with such company;

(5) the term "appropriate Federal regulatory agency" means the Comptroller of the Currency in the case of national banks or District banks, the Board of Governors of the Federal Reserve System in the case of member banks (other than national banks), the Board of Directors of the Federal Deposit Insurance Corporation in the case of insured banks that are not members of the Federal Reserve System (except a District bank), and the Federal Home Loan Bank Board in the case of insured institutions;

(6) the term "insured bank" has the meaning given to it in section 3(h) of the Federal Deposit Insurance Act (12 U.S.C. 1813(h)) but shall not include an insured institution;

(7) the term "State" has the meaning given to it in section 3(a) of the Federal Deposit Insurance Act (12 U.S.C. 1813(a));

(8) the term "insured institution" means a Federal savings and loan association, a Federal savings bank, a building and loan, savings and loan or homestead association or a cooperative bank, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, and shall include a Federal savings bank the deposits of which are insured by the Federal Deposit Insurance Corporation and a savings bank which is deemed by the Federal Savings and Loan Insurance Corporation to be an insured institution under section 408(n) of the National Housing Act (12 U.S.C. 1730a(n));

(9) the term "company" means any corporation, partnership, business trust, association, or similar organization, or any other trust unless by its terms it must terminate within twenty-five years or not later than twenty-one years and ten months after the death of individuals living on the effective date of the trust, but shall not include any corporation the majority of the shares of which are owned by the United States or by any State;

(10) (A) the term "control" means the power, directly or indirectly, to direct the management or policies of a company, or to vote 25 percent or more of any class of voting securities of a company.

(B) No company shall be deemed to control or to have acquired control of any other company by virtue of its ownership of the voting securities of such other company—

(i) acquired or held in an agency, trust or other fiduciary capacity;

(ii) (a) acquired or held in connection with or incidental to the underwriting of securities if such securities are held only for such period of time as will permit the sale thereof on a reasonable basis; or

(b) acquired or held in connection with or incidental to market making, dealing, trading, brokerage or other securities related activities and not with a view to acquiring, exercising or transferring any control over the management or policies of such company; or

(iii) acquired in securing or collecting a debt previously contracted in good faith, until two years after the date of acquisition.

(C) No company formed for the sole purpose of participating in a proxy solicitation is in control of a company by virtue of its acquisition of voting rights with respect to shares of such company acquired in the course of such solicitation.

(11) The term "minimum required capital" with respect to an insured bank or insured institution means the amount of capital that is required for it by applicable Federal law or regulation.

(b) CHANGES IN CONTROL OF INSURED BANKS AND INSURED INSTITUTIONS.—No depository institution holding company acting directly or indirectly, or through or in concert with one or more other persons, shall acquire control of an insured bank, an insured institution, a bank holding company, a savings and loan holding company or a depository institution holding company not controlled by such company on the date it became a depository institution holding company, if such acquisition and control occurs through a purchase, assignment, transfer, pledge or other disposition of voting stock of such insured bank, insured institution, bank holding company, savings and loan holding company or depository institution holding company unless the depository institution holding company has complied with the requirements of the Change in Bank Control Act (12 U.S.C. 1817(j)), or the Change in Savings and Loan Control Act (12 U.S.C. 1730(q)(17)), as applicable. Any failure to comply with the preceding requirements shall subject the relevant depository institution holding company to the penalties and other procedures provided in subsections (i) through (m) of this section, in addition to otherwise applicable penalties.

(c) AFFILIATE TRANSACTIONS.—

(1) The appropriate Federal regulatory agency may—

(A) upon a finding of probable harm that cannot adequately be prevented by less burdensome rules and regulations, adopt such rules and regulations, consistent with the purposes of this Act, as may be necessary in order to prevent an insured bank or an insured institution that is controlled by a depository institution holding company from engaging in unsafe or unsound practices that involve the depository institution holding company or any of its affiliates including, without limitation, unsafe or unsound practices that involve covered transactions as defined in section 23A of the Federal Reserve Act (12 U.S.C. 371c) and any transactions described in paragraph (2) of subsection (a) of section 23B of the Federal Reserve Act (12 U.S.C. 373c-1); and

(B) by rule, regulation or order, exempt any insured bank or insured institution that is controlled by a depository institution holding company or class of such banks or institutions, or any transaction or class of transactions, from any requirement under the preceding subparagraph or under sections 23A or 23B of the Federal Reserve Act (12 U.S.C. 371c, 371c-1), notwithstanding the provisions of any other law, rule, regulation or order, if the appropriate Federal regulatory agency deems such an exemption to be reasonable and not inconsistent with the purposes of this Act and in the public interest.

(2) Any rule or regulation adopted pursuant to subparagraph (A) of paragraph (1) of this subsection shall be adopted in accordance with section 4 of the Administrative Procedure Act (5 U.S.C. 553), except that the appropriate Federal regulatory agency shall give interested persons an opportunity for oral presentations of data, views, and arguments, in addition to written submissions.

(3) Any transaction that was approved by a Federal regulatory agency prior to the enactment of this Act shall be exempt from any rules or regulations adopted pursuant to subparagraph (A) of paragraph (1) of this subsection.

(4) Subject to subparagraph (B) of paragraph (1) of this subsection, the provisions of sections 23A and 23B of the Federal Reserve Act (12 U.S.C. 371c, 371c-1) shall be applicable to every insured bank or insured institution controlled by a depository institution holding company in the same manner and to the same extent as if such insured institution or insured bank were a member bank; and for this purpose, any company which would be an affiliate of an insured bank or insured institution for purposes of such sections 23A and 23B if such insured bank or insured institution were a member bank shall be deemed to be an affiliate of such insured bank or insured institution.

(5) No insured bank or insured institution that is an affiliate of a depository institution holding company shall, directly or indirectly—

(A) extend credit in any manner to a securities affiliate or a subsidiary thereof,

(B) purchase for its own account assets of a securities affiliate or a subsidiary thereof,

(C) issue a guarantee, acceptance, or letter of credit, including an endorsement or standby letter of credit, for the benefit of a securities affiliate or a subsidiary thereof, or

(D) extend credit in any manner to any investment company advised by or the shares of which are distributed by a securities affiliate.

(6) Subparagraphs (A) and (B) of paragraph (5) do not apply to any extension of credit by an insured bank or insured institution made to acquire or sell any securities of the United States if—

(A) the extension of credit is to be repaid on the same calendar day,

(B) the extension of credit is incidental to the clearing of transactions in those securities through that insured bank or insured institution, and

(C) both the principal of and the interest on the extension of credit are fully secured by securities of the United States.

(7) No insured bank or insured institution that is an affiliate of a depository institution holding company shall directly or indirectly extend credit, or issue or enter into a standby letter of credit, asset purchase agreement, indemnity, guarantee, insurance, or other facility, for the purpose of enhancing the marketability of a securities issue underwritten or distributed by a securities affiliate.

(8) No insured bank or insured institution that is an affiliate of a depository institution holding company shall knowingly extend or arrange for the extension of credit, directly or indirectly, secured by or for the purpose of purchasing any security while, or for 30 days after, that security is the subject of a distribution in which a securities affiliate of that insured bank or insured institution participates as an underwriter or a member of a selling group.

(9) No insured bank or insured institution that is an affiliate of a depository institution holding company shall, directly or indirectly, extend credit to an issuer of securities underwritten by a securities affiliate for the purpose of paying the principal of those securities or interest for dividends on those securities.

(10) For the purpose of paragraphs (5), (6), (7), (8), and (9) of this section, a "securities affiliate" means a company that engages in underwriting, distributing or dealing in securities of any type, except that such term shall not include insurance products deemed to be securities, including and

without limitation variable annuities and variable life insurance.

(d) CAPITALIZATION.—

(1) As a supplement to the minimum capital otherwise required for insured banks or insured institutions, as applicable, that are not controlled by financial services holding companies subject to its jurisdiction, the appropriate Federal regulatory agency may act by regulation to cause each insured bank or insured institution subject to its jurisdiction that is controlled by a depository institution holding company to maintain additional capital in an amount of up to three per centum of such bank's or institution's total assets. Such additional capital may be in the form of either common stock, preferred stock or subordinated debt.

(2) In the event of a finding by the appropriate Federal regulatory agency that an insured bank or insured institution controlled by a depository institution holding company is not in compliance with the applicable minimum required capital for insured banks or insured institutions not controlled by depository institutions holding companies, the depository institution holding company shall (i) execute an agreement with the appropriate Federal regulatory agency within 30 days to return the insured bank or insured institution within a reasonable period of time to compliance with the applicable minimum required capital or (ii) divest control of the insured bank or insured institution in an orderly manner within 180 days of such additional period of time as the appropriate Federal regulatory agency may determine is reasonably required in order to effect such divestiture.

(3) The appropriate Federal regulatory agency may not impose by regulation, order, agreement or any other means any requirement pertaining to the capital of a depository institution holding company.

(3) INTERSTATE ACQUISITIONS OF INSURED BANKS AND INSURED INSTITUTIONS.—

(1) No depository institutions holding company may acquire control of an additional insured bank if the acquisition could not be approved by the Board of Governors of the Federal Reserve System under section 3(d) of the Bank Holding Company Act of 1956, as amended (12 U.S.C. 1842(d)) were such acquisition made by a bank holding company.

(2) No depository institution holding company may acquire control of an additional insured institution if the acquisition would be in violation of Section 408(e)(3) of the National Housing Act (12 U.S.C. 1730a(e)(3)) were such acquisition made by a savings and loan holding company, except as otherwise authorized pursuant to Section 408(m) of the National Housing Act (12 U.S.C. 1730a(m)).

(f) DIFFERENTIAL TREATMENT PROHIBITION; LAWS INCONSISTENT WITH THIS ACT.—

(1) Notwithstanding any other Federal law, no State, and no Federal or State regulatory agency, including the appropriate Federal regulatory agency, may act by law, rule, regulation, order, or otherwise if the effect of such action would be to differentiate insured banks or insured institutions controlled by depository institution holding companies from any other banks or insured institutions in a manner adverse to insured banks or insured institutions controlled by depository institution holding companies, or to differentiate depository institution holding companies or their affiliates from bank holding companies or savings and loan holding companies and their affiliates in a manner adverse to depository institution holding companies or their affiliates, except to the extent that the appropriate Federal regulatory agency may act to implement this Act as authorized herein.

(2)(A) FINDINGS AND PURPOSE.—The Congress hereby finds that certain State laws and regulations have the purpose or effect of preventing insured banks or insured institutions from being or becoming affiliated with companies or persons engaged in nonbanking activities. Such laws restrain legitimate competition in interstate commerce and deny consumers freedom of choice in selecting financial services. Such restrictions also threaten the long-term safety and soundness of insured banks and insured institutions by denying them access to capital. Given the preponderant Federal interest in ensuring competition in national markets for financial services and in ensuring the safety and soundness of the Federally-insured banking and thrift industries, Congress hereby finds that it is necessary to preempt such anticompetitive State laws and regulations to the extent necessary to permit the formation and efficient operation of depository institution holding companies. However, the Congress also recognizes that there is a legitimate and traditional State interest in ensuring that State banks and other companies are operated in a safe and sound manner to serve the interests of the public and consumers. The preemption provided in the following paragraph (B) is thus not intended to preempt State laws that concern the regulation, supervision and examination of State-chartered entities, and that are not inconsistent with the purposes of this Act.

(B) PREEMPTION.—Any provision of Federal or State law, rule, regulation or order that is expressly or impliedly inconsistent with the provisions and purposes of this section is hereby preempted, including, without limitation, State banking, savings and loan, insurance, real estate, securities, finance company, retail or other laws which (i) have the purpose or effect of preventing or impeding insured banks or insured institutions or affiliates, agents, principals, brokers, directors, officers, employees or other representatives of such institutions or affiliates thereof from being owned or controlled by or from being affiliated in any way with a depository institution holding company or any affiliate thereof as a result of the types of nonbanking activities engaged in directly or indirectly by such company or any affiliate thereof or by any agent, principal, solicitor, broker, director, officer, employee or other representative of such company or affiliate thereof or (ii) have the purpose or effect of preventing insured banks or insured institutions or affiliates, agents, principals, brokers, directors, officers, employees or other representatives of such institutions or affiliates thereof from offering or marketing products or services of their affiliated depository institution holding company or any affiliate thereof or from having their products or services offered or marketed by their affiliated depository institution holding company or any affiliate thereof, or by any agent, principal, broker, director, officer, employee or other representative of such company of affiliate thereof.

(3) No State or State regulatory agency may act by law, rule, regulation or order if the effect of such action would be to impede or prevent an insured bank or insured institution that is located in another State from qualifying to maintain or defend in court any action which could be maintained or defended under similar circumstances by a company that is located in such other State and that is not an insured bank or insured institution, provided that the insured bank or insured institution does not establish or operate in any State so acting or in the State of any State regulatory agency so acting a "domestic branch", as defined in section 3(o)); except that, where the maintenance or defense of such an action by a company that is located in such other state and that is not an insured bank or insured institution is subject to certain conditions, the maintenance or defense of such an action by an insured bank or insured institution located in such other State may be subject to those same conditions, so long as such conditions are applied in a nondiscriminatory manner to fulfill legitimate State objectives and do not have the effect, directly or indirectly, of denying insured banks or insured institutions located in other States the opportunity to maintain or defend such actions.

(4) Except for licensing, marketing, compensation, employment or other requirements applied in a nondiscriminatory manner to fulfill legitimate State regulatory objectives which are not inconsistent with the purposes of this Act as set forth in section 2 hereof, no State may through legislative, administrative, executive or judicial action impede or prevent a depository institution holding company or affiliate thereof from utilizing or compensating any agent, solicitor, broker, employee or other person located in that State and representing in any lawful capacity any insured bank or insured institution or any such depository institution holding company or such affiliate thereof; provided that, where any such person is being utilized or compensated for the performance of activities on behalf of an insured bank or insured institution, such activities do not result in the establishment or operation by the insured bank or insured institution of a "domestic branch," as defined in section 3(o) of the Federal Deposit Insurance Act (12 U.S.C. 1813(a)), at any location other than the main or branch offices of such insured bank or insured institution.

(5) As used in paragraphs (2) through (4) of this subsection only, the term "affiliate" means a person that directly or indirectly controls or is controlled by, or is under common control with the person specified; and the term "control," including the terms "controlled by" and "under common control with", means the power, directly or indirectly, to direct the management or policies of a person and shall be presumed to exist if any person, directly or indirectly, owns, controls, or holds with power to vote ten percent or more of the voting securities of any other person.

(g) SECURITIES, INSURANCE AND REAL ESTATE ACTIVITIES OF INSURED BANKS AND INSURED INSTITUTIONS.—

(1) No insured bank or insured institution that is an affiliate of a depository institution holding company shall directly engage in:

(A) dealing in or underwriting securities, or purchasing or selling securities as agent, except to the extent that such activities are performed only with regard to obligations of the United States or would be authorized for a national bank under 12 U.S.C. 92a;

(B) insurance underwriting; or

(C) real estate investment or development, except to the extent that such activities are performed in relation to the premises of the insured bank or insured institution in connection with securing or collecting a debt previously contracted in good faith, or would be authorized for a national bank under 12 U.S.C. 92a.

(2) Nothing contained in this subsection shall be construed (A) to prohibit or impede a depository institution holding company or any affiliate of a depository institution holding company other than an insured bank or insured institution from engaging in any of the activities set forth in paragraph (1), or (B) to prohibit or impede any employee of an insured bank or insured institution holding company from promoting or advertising products or services of an affiliate of such insured bank or insured institution that engages in any of such activities.

(3) No bank holding company which becomes a depository institution holding company and no depository holding company which did not at any time prior to becoming such a holding company directly or indirectly engage in insurance agency or real estate brokerage activities shall commence any insurance agency or real estate brokerage activities not permissible for bank holding companies under section 4(C)(8) of the Bank Holding Company Act of 1956, as amended, (12 U.S.C. 1843(c)(8)), unless such activities shall be conducted through an existing insurance agency or real estate brokerage firm, as the case may be, acquired directly or indirectly by such depository institution holding company or through any successor to such insurance agency or real estate brokerage, and unless such acquired insurance agency or real estate brokerage firm shall have been actively engaged in such insurance or real estate agency activities during the 2-year period preceding the date of enactment of this Act.

(4) Nothing in this subsection shall require the breach of any contract entered into prior to enactment of this Act.

(h) TYING AND INSIDER LENDING PROVISIONS.—(1) A depository institution holding company shall be treated as bank holding company for purposes of section 106 of the Bank Holding Company Act Amendments of 1970 and section 22(h) of the Federal Reserve Act and any regulation prescribed under any such section.

(2) A depository institution holding company and any of such company's other affiliates shall be subject to the restrictions of section 106 of the Bank Holding Company Act Amendments of 1970, in connection with any transaction involving the products or services of such company or affiliate and those of an insured bank or insured institution affiliate, as if such company or any such company's other affiliates were a bank and such insured bank or insured institution were a subsidiary of a bank holding.

(3) For purposes of this subsection, the appropriate Federal regulatory agency shall exercise the rulemaking authority provided to the Board of Governors of the Federal Reserve System in section 106 of the Banking Holding Company Act Amendments of 1970 and section 22(h) of the Federal Reserve Act.

(i) EXAMINATION AND ENFORCEMENT.—

(1) The appropriate Federal regulatory agency shall enforce the provisions of this section and any regulations adopted under the authority conferred in this section by using its examination and supervisory powers to ensure that each insured bank or insured institution under its supervision is in compliance with the limitations of this section.

(2) In no instance shall the benefits of Federal deposit insurance coverage applicable to an insured bank or an insured institution that is controlled by a depository institution holding company shall be extended to either such depository institution holding company or to any other company controlled by such depository institution holding company that is neither an insured bank nor an insured institution. Thus the purpose of this subsection (c) is to prevent the resources of the Federal deposit insurance funds from being used to protect the shareholders or business interests of a depository institution holding company, except through the authorized fulfillment of their obligations to protect the insured deposits of an insured bank or an insured institution that is controlled by a depository institution holding company.

(3) The appropriate Federal regulatory agency may examine the books, records and affairs of, or require reports from, any affiliate of an insured bank or insured institution controlled by a depository institution holding company in order to ensure compliance with the limitations of this section.

(4) Whenever it appears to the appropriate Federal regulatory agency that any depository institution holding company is violating, has violated, or is about to violate any provision of this section or any regulation prescribed under this section, such agency may, in its discretion, apply to the appropriate district court of the United States or the United States court of any territory for—

(A) a temporary or permanent injunction or restraining order enjoining such depository institution holding company from violating this section or any regulation prescribed under this section; or

(B) such other equitable relief, including divestiture, as may be necessary to prevent such violation.

(5) The district courts of the United States and the United States court in any territory shall have jurisdiction and power to issue any injunction or restraining order or grant any other relief described in paragraph (3). When appropriate, any injunction, order, or other equitable relief granted under this subparagraph shall be granted without requiring the posting of any bond.

(6) Whenever it appears to a State or Federal official or agency with supervisory or examination authority over any affiliate of a depository institution holding company that such affiliate or such depository institution holding company is violating, has violated, or is about to violate any provision of this section or of any regulation prescribed under this section, such official or agency shall promptly notify the appropriate Federal regulatory authority in order that the appropriate Federal regulatory authority in consultation with the notifying agency may determine whether action under this subsection is appropriate.

(j) DIVESTITURE.—

(1) In addition to all its other regulatory and supervisory powers, if the appropriate Federal regulatory agency determines that an insured bank or insured institution under its supervision has engaged in a continuing course of conduct involving its depository institution holding company or any affiliate of such holding company which has had, or has a significant probability of having, the effect of causing such insured bank or insured institution to be in an unsafe or unsound condition, it may make an initial finding that the depository institution holding company should be required to terminate its control of the insured bank or insured institution. If the appropriate Federal regulatory agency makes such an initial finding, it shall within three days so notify the depository institution holding company controlling the insured bank or insured institution and the National Financial Services Committee. Such notice shall provide a statement for the basis of the appropriate Federal regulatory agency's action.

(2) Within thirty days of the receipt of the notice described in the preceding paragraph, the depository institution holding company receiving such notice may request an agency hearing before the appropriate Federal regulatory agency. In such hearing all issues shall be determined pursuant to section 5 of the Administrative Procedure Act (5 U.S.C. 554). The length of the hearing shall be determined by the appropriate Federal regulatory agency, and such hearing may be before a hearing examiner appointed by such agency. At the conclusion thereof, the appropriate Federal regulatory agency shall issue a final order, on the basis of the record made at such hearing, affirming or reversing the initial finding of the appropriate Federal regulatory agency. A company that files to request an agency hearing under this paragraph shall be deemed to have consented to the issuance of a final order affirming the initial finding without the necessity of the hearing provided for in this paragraph.

(3) If such final order affirms the initial finding, the depository institution holding company shall, upon completion of the judicial review, if any, of the appropriate Federal regulatory agency's final order as provided for in subsection (m), terminate its control of the insured bank or insured institution involved within one year.

(k) CRIMINAL PENALTIES.—

(1) Any company, insured bank or insured institution which knowingly and willfully violates or knowingly and willfully participates in a violation of any provision of this section, or any rule, regulation or order issued by an appropriate Federal regulatory agency pursuant thereto, shall upon conviction be fined for each violation not more than the greater of $250,000 or an amount equal to 1/100 of one per centum of the minimum required capital of the relevant insured bank or insured institution for each day during which the violation continues, except that in no case shall any such amount for any violation or related series of violations exceed one per centum of the minimum required capital of the relevant insured bank or insured institution.

(2) Any officer, director, employee or agent of any company, insured bank or insured institution and any other natural person who knowingly and willfully participates in a violation of any provision of this section or any rule, regulation, or order issued pursuant thereto, shall upon conviction be imprisoned not less than five years and fined for each violation not more than the greater of $250,000 or double the individual's annual compensation at the time the violation occurred.

(3) Every officer, director, employee and agent of a depository institution holding company or insured bank or insured institution also shall be subject to the same penalties for false entries in any book, report, or statement of such company or insured bank or insured institution as are applicable to officers, directors, employees and agents of member banks for false entires in any books, reports, or statements of member banks under section 1005 of Title 18.

(l) CIVIL MONEY PENALTIES.—

(1) Any company, insured bank or insured institution which violates or participates in

a violation of this section or any rule, regulation or order issued by an appropriate Federal regulatory agency pursuant thereto shall forfeit and pay a civil money penalty for each violation of not more than the greater of $250,000 or an amount equal to 1/100 of one per centum of the minimum required capital of the relevant insured bank or insured institution for each day during which such violation continues, except that in no case shall any such amount for any violation or related series of violations exceed one per centum of the minimum required capital of the relevant insured bank or insured institution.

(2) Any officer, director, employee or agent of any company, insured bank or insured institution and any other person who participates in a violation of any provision of this section or any rule, regulation or order issued by an appropriate Federal regulatory agency pursuant thereto shall forfeit and pay a civil money penalty of not less than the greater of $250,000 or double the individual's annual compensation at the time the violation occurred.

(3) The appropriate Federal regulatory agency shall have authority to assess such a civil money penalty, after giving notice and an opportunity to the company, insured bank or insured institution, officer, director, employee, agent or other natural person to submit data, views, and arguments, and after giving due consideration to the appropriateness of the penalty with respect to the size of financial resources and good faith of the company, insured bank, insured institution, or natural person charged, the gravity of the violation, the history of previous violations, and any data, views and arguments submitted.

(4) The appropriate Federal regulatory agency may, in its discretion, compromise, modify, or remit any civil money penalty which is subject to imposition or has been imposed. The appropriate Federal regulatory agency may collect such civil money penalty by agreement with the company, insured bank or insured institution or person, or by bringing an action in the appropriate United States district court, except that in any such action, the company, insured bank or insured institution or person against whom the penalty has been assessed shall have a right to trial de novo.

(m) JUDICIAL REVIEW. —Any party aggrieved by an appropriate Federal regulatory agency's findings or other actions under this Act may obtain review by the United States Court of Appeals of the Circuit wherein such party has its principal place of business or the United States Court of Appeals for the District of Columbia Circuit, by filing a Notice of Appeal in such Court within thirty days from the date of such action, and simultaneously sending a copy of such notice by registered or certified mail to the appropriate Federal regulatory agency. The appropriate Federal regulatory agency shall promptly certify and file in such Court the record upon which such action or finding was based. The actions or findings of the appropriate Federal regulatory agency shall be set aside if not supported by substantial evidence or if found to violate procedures established by this Act. An initial finding by the appropriate Federal regulatory agency under subsection (j) of this section shall be subject to judicial review only in the context of review of a final order under paragraph 2 of the subsection (j).

AMENDMENTS TO THE BANK HOLDING COMPANY ACT OF 1956

SEC. 102. Section 2(c)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(c)) is amended by adding the new subparagraph (K) to read as follows:

"(K) An insured bank as defined in section 3(h) of the Federal Deposit Insurance Act (12 U.S.C. 1813(h)) that is controlled by no company other than a depository institution holding company as defined in the Depository Institution Affiliation Act.".

AMENDMENTS TO THE FEDERAL RESERVE ACT

SEC. 103. Section 23A of the Federal Reserve Act (12 U.S.C. 371c) is amended by inserting the following at the end of paragraph (a)(2): *"provided, however,* that notwithstanding the foregoing, a loan or extension of credit shall not be deemed to be made to an affiliate if (i) the member bank approves such loan or extension of credit in accordance with substantially the same standards and procedures and on substantially the same terms that it applies to similar loans or extensions of credit the proceeds of which are not transferred to or for the benefit of an affiliate, and (ii) such loan or extension of credit is not made for the purposes of evading any of the requirements of this section.".

AMENDMENTS TO THE BANKING ACT OF 1933

SEC. 104. (a) Section 20 of the Banking Act of 1933 (12 U.S.C. 377) is amended by inserting the following new paragraph after the first paragraph of such section:

"The provisions of this section shall not apply to the affiliation of any bank that is an affiliate of a depository institution holding company as defined in the Depository Institution Affiliation Act with the depository institution holding company or any other affiliate of that depository institution holding company.".

(b) Section 32 of the Banking Act of 1933 (12 U.S.C. 78) is amended by inserting the following at the end of the first paragraph of such section:

"The provisions of this section shall not apply to relationships involving an affiliate of a depository institution holding company as defined in the Depository Institution Affiliation Act and either that depository institution holding company or any other affiliate of that depository institution holding company.".

AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT

SEC. 105. (a) Section 7(j)(8)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)(8)(B)) is amended by read as follows:

"(8)(B) the term "control" means the power, directly or indirectly, to direct the management or policies of a company, or to vote 25 percent or more of any class of voting securities of a company;

Provided, that no company shall be deemed to control or to have acquired control of any other company by virtue of its ownership of the voting securities of such other company—

"(i) acquired or held in an agency, trust or other fiduciary capacity;

"(ii)(a) acquired or held in connection with or incidental to the underwriting of securities if such securities are held only for such period of time as will permit the sale thereof on a reasonable basis; or

"(b) acquired or held in connection with or incidental to market making, dealing, trading, brokerage or other securities related activities and not with a view to acquiring, exercising or transferring any control over the management or policies of such company; or

"(iii) acquired in securing or collecting a debt previously contracted in good faith, until two years after the date of acquisition;

Provided further, that no company formed for the sole purpose of participating in a proxy solicitation is in control of a company by virtue of its acquisition of voting rights with respect to shares of such company acquired in the course of such solicitation.

(b) The last sentence of section 7(j)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)(1)) is amended to read as follows:

"For the purposes of subsection (j), the term 'insured bank' shall include:

"(i) any 'bank holding company', as that term is defined in section 2 of the Bank Holding Company Act, which has control of any such insured bank, and the appropriate Federal banking agency in the case of a bank holding company shall be the Board of Governors of the Federal Reserve System; and

"(ii) any 'depository institution holding company', as that term is defined in section 101(a)(1) of the Depository Institution Affiliation Act, which has control of any such insured bank, and the appropriate Federal banking agency in the case of a depository institution holding company shall be the appropriate Federal regulatory agency, as defined in section 101(a)(5) of the Depository Institution Affiliation Act, of such insured bank, or each such agency, if more than one, in the case of a depository institution holding company which has control of more than one such insured bank."

(c) Section 18(j)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1828 (j)(1)) is amended:

(1) by deleting "The" at the beginning thereof; and

(2) by inserting in lieu thereof the following:

"Subject to section 101(c)(1)(B) of the Depository Institution Affiliation Act, the".

AMENDMENTS TO THE SECURITIES EXCHANGE ACT OF 1934

SEC. 106. (a) REGISTRATION OF BROKERS AND DEALERS.—Section 15 of the Securities Exchange Act of 1934 is amended by adding at the end thereof the following new subsection:

"(f) The Commission shall not grant registration to any broker or dealer unless such broker or dealer establishes to the satisfaction of the Commission that all requirements established by the Depository Institutions Affiliation Act in connection with the activities of such broker or dealer (including any capital adequacy requirement) have been met.".

(b) REGULATION OF BROKERS AND DEALERS.—

(1) Section 15(b)(4) of the Securities Exchange Act of 1934 is amended by inserting "the Depository Institutions Affiliation Act," after "the Commodity Exchange Act," in subparagraph (D).

(2) Section 15(b)(4) of the Securities Exchange Act of 1934 is amended by inserting "the Depository Institutions Affiliation Act," after "the Commodity Exchange Act," in subparagraph (E).

AMENDMENT TO THE NATIONAL HOUSING ACT

SEC. 107. (a) Subsection (8)(B) of Section 407(q) of the National Housing Act (12 U.S.C. 1730(q)(8)(B)) is hereby amended to read as follows:

"(8)(B) 'control' means the power, directly or indirectly, to direct the management or policies of a company, or to vote 25 percent or more of any class of voting securities of a company;

Provided, that, no company shall be deemed to control or to have acquired control of any other company by virtue of its ownership of the voting securities of such other company—

"(i) acquired or held in an agency, trust or other fiduciary capacity;

"(ii)(a) acquired or held in connection with or incidental to the underwriting of securities if such securities are held only for such period of time as will permit the sale thereof on a reasonable basis; or

"(b) acquired or held in connection with or incidental to market making, dealing, trading, brokerage or other securities related activities and not with a view to acquiring, exercising or transferring any control over the management or policies of such company; or

"(iii) acquired in securing or collecting a debt previously contracted in good faith, until two years after the date of acquisition;

Provided further, that, no company formed for the sole purpose of participating in a proxy solicitation is in control of a company by virtue of its acquisition of voting rights with respect to shares of such company acquired in the course of such solicitation.".

(b) The last sentence of section 407(q)(1) of the National Housing Act (12 U.S.C. 1730(q)(1)) is amended to read as follows:

"For the purposes of this subsection (q), the term 'insured institution' shall include any savings and loan holding company, as that term is defined in section 408 of the National Housing Act, which has control of any insured institution, and any depository institution holding company, as that term is defined in section 101(a)(1) of the Depository Institution Affiliation Act, which has control of any such insured institution."

AMENDMENT TO THE COMMUNITY REINVESTMENT ACT

SEC. 108. Section 3(3) of the Community Reinvestment Act (12 U.S.C. 2902(d)) is amended:

(1) by inserting "or notice, as appropriate" after "an application" and before "to the appropriate Federal financial supervisory agency"; and

(2) by adding a new paragraph (G) to read as follows:

"(G) the acquisition of an insured bank or an insured institution requiring prior notice under section 101(b) of the Depository Institution Affiliation Act.".

TITLE II—SUPERVISORY IMPROVEMENTS

NATIONAL FINANCIAL SERVICES COMMITTEE

SEC. 201. (a) ESTABLISHMENT OF NATIONAL FINANCIAL SERVICES COMMITTEE.—There is established a National Financial Services Committee which shall consist of—

(1) the Secretary of the Treasury,

(2) the Chairman of the Board of Governors of the Federal Reserve System,

(3) the Chairman of the Board of Directors of the Federal Deposit Insurance Corporation,

(4) the Chairman of the Federal Home Loan Bank Board,

(5) the Comptroller of the Currency,

(6) the Secretary of Commerce,

(7) the Attorney General,

(8) the Chairman of the Securities and Exchange Commission, and

(9) the Chairman of the Commodities Futures Trading Commission.

For purposes of this Act, the agencies or departments headed by members of the Committee shall be referred to as "member agencies."

(b) CHAIRMAN.—The Chairman of the Committee shall be the Secretary of the Treasury.

(c) COMPENSATION.—Each member of the Committee shall serve without additional compensation, but shall be entitled to reasonable expenses incurred in carrying out the official duties as such a member.

(d) PUBLIC MEETINGS.—The Committee shall hold public meetings at least annually. All meetings of the Committee shall be conducted in conformity with the provisions of section 3(a) of the Government in the Sunshine Act (5 U.S.C. 552b). The Committee may not take any action unless such action is approved by a vote of two-thirds of the members of the Committee.

(e) SECRETARIAT.—The Department of the Treasury shall provide the Secretariat for the Committee and shall assume any expenses arising from execution of the responsibilities of the Committee.

(f) ACCESS TO RECORDS.—For the purpose of carrying out this section, the Committee shall have access to all books, accounts, records, reports, files, memoranda, papers, things and property belonging to or in use by any appropriate Federal regulatory agency.

(g) FUNCTIONS OF THE COMMITTEE.—(1) The Committee shall, insofar as is practicable, establish uniform principles and standards for the examination and supervision of financial institutions and other providers of financial services, which shall be applied by the member agencies.

(2) The Committee shall make recommendations for uniformity in other supervisory matters, such as, but not limited to, identifying financial institutions and other providers of financial services in need of special supervisory attention, the adequacy of supervisory tools for determining the impact of affiliate operations on insured banks and insured institutions and the ability of the member agencies to discover possible fraud or questionable practices.

(3) The Committee shall, from time to time, recommend to the Congress additional measures to strengthen the separation between insured banks and insured institutions controlled by depository institutions holding companies from the activities of any of their affiliates including, the imposition of additional restrictions on interaffiliate transactions and the strict application of Federal deposit insurance coverage only for the benefit of depositors of insured banks and insured institutions that are controlled by a depository institution holding company.

(h) CONSULTATION WITH STATE REGULATORS.—The Committee shall consult with the appropriate organizations representing the State regulators of banks, savings and loan associations, savings banks, securities firms, insurance companies, and other providers of financial services, and as deemed appropriate, meet with such State regulators. The Committee shall invite to each public meeting of the Committee representatives of such organizations.

(i) STUDIES AND RECOMMENDATIONS.—The Committee may conduct or authorize studies to carry out the purposes of this Act. On the basis of such studies, the Committee may make recommendations to the Congress and member agencies concerning the implementation of this Act and changes in statutes and regulations necessary to promote the strength and stability of the nation's financial system and financial institutions, the competitiveness of providers of financial services in domestic and international markets and the purposes of this Act. Within one year of the enactment of this Act, the Committee shall report to Congress proposed legislative or regulatory actions that will improve the examination process to permit better oversight of all banks and thrifts. In particular, the Committee shall consider whether the number of or compensation for examiners employed by the appropriate Federal regulatory agencies should be increased.

TITLE III—THRIFT IMPROVEMENTS AMENDMENTS TO THE NATIONAL HOUSING ACT

SEC. 301. (a) Section 408(a)(1)(A) of the National Housing Act (12 U.S.C. 1730a(1)(A)) is amended to read as follows:

"(A) 'insured institution' means a Federal savings and loan association, a Federal savings bank, a building and loan, savings and loan or homestead association or a cooperative bank, the accounts of which are insured by the Federal Savings and Loan Insurance Corporation, and shall include a Federal savings bank the deposits of which are insured by the Federal Deposit Insurance Corporation and a savings bank which is deemed by the Federal Savings and Loan Insurance Corporation to be an insured institution under subsection (n), but except for purposes of subsection (m) shall exclude any of the foregoing institutions if such institution is controlled by no company other than a depository institution holding company as defined in the Depository Institution Affiliation Act.".

(b) Section 408(d) of the National Housing Act (12 U.S.C. 1730a(d)) is amended—

(1) by striking out all that precedes '(1)' and inserting in lieu thereof the following:

"(d) PROHIBITED TRANSACTIONS.—

"(1) Except as otherwise provided in this section, no subsidiary insured institution of a savings and loan holding company shall—";

(2) by redesignating paragraphs (1), (2), (3), (4), (5), and (6) as subparagraphs (A), (B), (C), (D), (E), and (F), respectively, and subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively; and

(3) by adding at the end thereof the following:

"(2) Notwithstanding any other provisions of this section, a subsidiary insured institution of a savings and loan holding company which meets the qualified thrift lender requirements of subsection (o) shall not be subject to the prohibitions of paragraph (1), provided that the subsidiary insured institution shall be subject to the requirements set forth in section 415 of the National Housing Act (12 U.S.C. 1730h).

"(3) Any application for the Corporation's approval under this subsection which meets all reasonable procedural requirements established by the Corporation shall be deemed to be approved if, by the close of thirty calendar days after its receipt by the Corporation, the Corporation has not notified the applicant that the approval has been withheld.".

(c) Clause (iii) of section 408(e)(1)(A) of the National Housing Act (12 U.S.C. 1730a(e)(1)(A)) is amended to read as follows:

"(iii) to acquire or hold by purchase or otherwise more than 5 per centum of the voting shares of an insured institution not a subsidiary, or of a savings and loan holding company not a subsidiary, or, in the case of a multiple savings and loan holding company, to acquire or retain more than 5 per centum of the voting shares of any company not a subsidiary which is engaged in any business activity other than those specified in paragraph (2) of subsection (c) of this section, except such voting shares as it may otherwise lawfully acquire or hold—

"(a) in an agency, trust or other fiduciary capacity; or

"(b)(1) in connection with or incidental to the underwriting of securities if such securities are held only for such period of time as will permit the sale thereof on a reasonable basis; or

"(2) in connection with or incidental to market making, dealing, trading, brokerage or other securities related activities and not with a view to acquiring, exercising or transferring any control over the management or policies of such company; or

"(c) in securing or collecting a debt previously contracted in good faith, until two years after the date of acquisition; or

"(d) in the course of a proxy solicitation, by a subsidiary formed for the sole purpose of participating in such proxy solicitation.".

(d) Section 408(g)(2) of the National Housing Act (12 U.S.C. 1730a(g)(2)) is amended—

(1) by striking "or" at the end of subparagraph (A);

by striking the period at the end of subparagraph (b) and inserting "; or" in lieu thereof; and

(3) by adding the following new subparagraph (C):

"(C) Any savings and loan holding company or any subsidiary thereof if, throughout two of the three preceding fiscal quarters, each of its insured institution subsidiaries has been in compliance with the qualified thrift lender requirements of subsection (o)."

(e) Section 408(i) of the National Housing Act (12 U.S.C. 1730a(i)) is amended—

(1) by adding "or" at the end of paragraph (1);

(2) by striking out paragraph (2); and

(3) by redesignating paragraph (3) as paragraph (2).

(f) Title IV of the National Housing Act (12 U.S.C. Title IV) is amended by adding at the end thereof new sections 415 and 416 (12 U.S.C. 1730h and 1730i), to read as follows:

"Sec. 415. (a) Except as otherwise provided in subsection (b), the provisions of sections 23A and 23B of the Federal Reserve Act (12 U.S.C. 371c, 371c-1) relating to transactions between member banks and their affiliates shall apply to each insured institution in the same manner and to the same extent as if such insured institution were a member bank, and for this purpose, any company which would be an affiliate of such insured institution for purposes of such section 23A and 23B if such insured institution were a member bank shall be deemed an affiliate of such insured institution; provided however, that the Corporation may waive, by rule or order, any provision in section 23A or 23B if, in the opinion of the Corporation, the terms of a transaction that would otherwise be subject to such provision would not be detrimental to the interests of such insured institution's savings account holders or to the insurance risk of the Corporation with respect to such insured institution.

"(b) Notwithstanding the foregoing, and subject to section 101(c)(1)(B) of the Depository Institution Affiliation Act, an insured institution that is an affiliate of a depository institution holding company, as defined in the Depository Institution Affiliation Act, shall be subject to the provisions of section 23A and 23B of the Federal Reserve Act (12 U.S.C. 371c) relating to transactions between member banks and their affiliates in the same manner and to the same extent as if such insured institution were a member bank, and for this purpose, any company which would be an affiliate of such insured institution for purposes of such sections 23A and 23B if such insured institution were a member bank shall be deemed an affiliate of such insured institution.

"(c) For purposes of subsections (a) and (b)—

"(1) the Corporation may prescribe rules or regulations for purposes of clarifying the applicability of sections 23A and 23B to insured institutions; and

"(2) the term 'Board' in such sections 23A and 23B means the Corporation.

"(d) the provisions of subsections (g)(1-(8) and (h)(1)-(6) of section 22 of the Federal Reserve Act (12 U.S.C. 375a(1)-(8), 375b(1)-(6)), relating to loans to executive officers of banks and prohibitions respecting loans and extensions of credit to executive officers and directors of banks, shall be applicable to (i) every insured institution in the same manner and to the same extent as if such insured institution were a member bank and (ii) every holding company of an insured institution in the same manner and to the same extent as if such holding company were a bank holding company.

"Within 180 days of the date of enactment of this Act, the Corporation shall adopt regulations that implement the statutory provisions made applicable to insured institutions, their officers and directors, and officers and directors of their holding companies by this subsection (d) and that substantially conform to the regulations promulgated by the Board of Governors of the Federal Reserve System. The Corporation shall ensure continued substantial conformity with the Board's regulations by adopting additional conforming regulations within 180 days of any modifications in the Board's regulations.

(g) Section 408 of the National Housing Act (12 U.S.C. § 1730a) is amended by adding at the end thereof the following new subsection:

"(u)(1) Findings and Purpose.—The Congress hereby finds that certain State laws and regulations have the purpose or effect of preventing insured institutions from being or becoming affiliated with companies or persons engaged in nonbanking activities. Such laws restrain legitimate competition in interstate commerce and deny consumers freedom of choice in selecting financial services. Such restrictions also threaten the long-term safety and soundness of insured institutions by denying them access to capital. Given the preponderant Federal interest in ensuring competition in national markets for financial services and in ensuring the safety and soundness of the Federally-insured thrift industry, Congress hereby finds that it is necessary to preempt such anticompetitive State laws and regulations to the extent necessary to permit the formation and efficient operation of savings and loan holding companies. However, the Congress also recognizes that there is a legitimate and traditional State interest in ensuring that State thrifts and other companies are operated in a safe and sound manner to serve the interests of the public and consumers. The preemption provided in the following subsection (2) is thus not intended to preempt State laws that concern the regulation, supervision and examination of State-chartered entities, and that are not inconsistent with the purposes of this section.

(2) Preemption.—Any provision of Federal or State law, rule or regulation that is expressly or impliedly inconsistent with the provisions and purposes of this section is hereby preempted, including, without limitation, State banking, savings and loan, insurance, real estate, securities, finance company, retail or other laws which are inconsistent with this section and which (A) have the purpose or effect of preventing or impeding insured institutions or affiliates, agents, principals, brokers, directors, officers, employees or other representatives of such institutions or affiliates thereof from being owned or controlled by or from being affiliated in any way with a savings and loan holding company or any affiliate thereof as a result of the types of nonbanking activities engaged in directly or indirectly by such company or any affiliate thereof or by any agent, principal, solicitor, broker, director, officer, employee or other representative of such company or affiliate thereof or (B) have the purpose or effect of preventing insured institutions or affiliates, agents, principals, brokers, directors, officers, employees or other representatives of such institutions or affiliates thereof from offering or marketing products or services of their affiliated savings and loan holding company or any affiliate thereof or from having their products or services offered or marketed by their savings and loan holding company or any affiliate thereof, or by any agent, principal, broker, director, officer, employee or other representative of such company or affiliate thereof."

(h) Section 408(r) of the National Housing Act (12 U.S.C. § 1730a(r)) is amended—

(1) by striking "or" at the end of subparagraph (2)(C);

(2) by striking the period at the end of subparagraph 2(D) and inserting "; or" in lieu thereof; and

(3) by adding at the end thereof the following:

"(E) such an affiliation or officer, director, or employee relationship between an organization described in paragraph (1) and an insured institution which meets the qualified thrift lender requirements of subsection (o)."

(i) Section 408(p) of the National Housing Act (12 U.S.C. § 1730a(p)) is amended—

(1) by striking the period at the end of subparagraph 2(B)(ii) and adding "; or" and

(2) by adding at the end thereof the following:

"(iii) the subsidiary insured institution meets the qualified thrift lender requirements of subsection (o)."

AMENDMENT TO THE DEPOSITORY INSTITUTIONS MANAGEMENT INTERLOCKS ACT

Sec. 302. Section 205 of the Depository Institutions Management Interlocks Act (12 U.S.C. § 3204) is amended by adding at the end thereof the following:

"(7) A savings and loan holding company, as defined in section 408(a)(1)(D) of the National Housing Act (12 U.S.C. § 1730a(e)(1)(D)), the subsidiary insured institution or institutions of which meet the qualified thrift lender requirements of section 408(o) of the National Housing Act (12 U.S.C. § 1730a(o)) unless the Federal Home Loan Bank Board determines after notice and opportunity for comment that the interlocking services of a management official with a nonaffiliated depository institution or depository holding company would result in a monopoly or substantial lessening of competition, and the services provided by the management official are not structured or limited so as to preclude such anticompetitive results.".

EFFECTIVE DATE

SEC. 303. This Act shall take effect upon enactment.

DEPOSITORY INSTITUTION AFFILIATION ACT

SECTION-BY-SECTION ANALYSIS

Section 1: Short Title.—Section 1 provides that this Act be cited as the "Depository Institution Affiliation Act".

Section 2: Findings and Purpose.—Congress finds that current laws and regulations restrain efficiency, competition and innovation in the design and delivery of financial services to the disadvantage of consumers. Congress also finds that restrictions on ownership of depository institutions and affiliations with other business organizations interferes with their ability to attract and retain capital and managerial resources. In addition, Congress finds that the vulnerability of the financial system and its discrete components is increased and effective monitoring, supervision and coordination of actions during periods of stress is impeded by fragmented and disparate regulation. Finally, Congress finds that current laws inhibit the ability of domestic financial markets and intermediaries to respond to the serious competitive challenges presented by foreign intermediaries and the globalization of markets.

The purpose of this Act is to promote the safety and soundness of the nation's financial system, enhance the quality of regulation and supervision of financial intermediaries and achieve a more efficient market and effective regulatory structure. To accomplish this objective, the Act would establish an alternative and comprehensive legislative framework for the creation and regulation of depository institution holding companies. The Act would increase the capital adequacy of commercial banks, brokers and dealers, and savings and loan associations and other financial companies by eliminating restrictions on common ownership and affiliation within a depository institution holding company. The Act would permit affiliates to engage in any activity subject to functional and equal regulation by the appropriate state or federal regulator. In addition, the act insulates and protects insured depository institutions through higher capital requirements, expanded restrictions on relationships with affiliates, broader examination and enforcement authority and severe civil and criminal penalties. Finally, the Act permits the efficient marketing and distribution of financial services to consumers subject to safeguards against coercive tie-ins and other unfair and abusive practices and establishes the National Financial Services Committee to oversee the evolution and supervision of the financial services industry and to report to Congress.

TITLE I.—CREATION AND CONTROL OF DEPOSITORY INSTITUTION HOLDING COMPANIES

Section 101.—This section creates a new type of financial company, a depository institution holding company (DIHC), and sets out the terms and conditions under which such a company can be established and must be operated.

Subsection (a) Definitions.—This subsection defines terms used in this section.

Paragraph (a)(1) defines a DIHC to be any company that files a notice with the National Financial Services Committee (see Title II of this Act) that it intends to comply with the provisions of this section, and controls an insured bank or insured institution, or, either (i) has, within the preceding 12 months filed a notice under subsection (b) of this section to establish or acquire control of a federally insured bank or thrift or a company owning such a bank or thrift, or (ii) controls a company which, within the preceding 12 months, has filed an application for FDIC or FSLIC deposit insurance, provided that such notice or application has not been disapproved by the appropriate Federal regulatory agency or withdrawn. Any bank holding company that elects to become a depository institution holding company, and which does not control any banks that are not FDIC insured, will lose its status as a bank holding company immediately upon filing the notice of its election to become a DIHC. Similarly, a savings and loan holding company that elects to become a DIHC will lose that status upon filing the notice of its election to become a DIHC. To assure that each bank controlled by a DIHC would be subject to regulation and supervision by an appropriate federal regulatory agency, owners of uninsured banks would not be able to avail themselves of the opportunity to become a DIHC, unless they agreed to convert such uninsured banks into insured banks or insured institutions.

Paragraph (a)(2) gives the term "bank holding company" the meaning given to it in Section 2(a) of the Bank Holding Company Act of 1956, as amended.

Paragraph (a)(3) gives the term "savings and loan holding company" the meaning given to it in section 408(a) of the National Housing Act.

Paragraph (a)(4) defines for this section, except paragraph (5) of subsection (f), the term "affiliate" of a company as any company which controls, is controlled by, or is under common control with such a company.

Paragraph (a)(5) defines the term "appropriate Federal regulatory agency" (AFRA). For national banks and for District banks the AFRA is the Comptroller of the Currency. For state-chartered member banks the AFRA is the Board of Governors of the Federal Reserve System. For state-chartered, non-member banks (except District banks) the AFRA is the Board of Directors of the FDIC. For insured institutions the AFRA is the Federal Home Loan Bank Board.

Paragraph (a)(6) gives the term "insured bank" the meaning given to it in section 3(h) of the Federal Deposit Insurance Act.

Paragraph (a)(7) gives the term "State" the meaning given to it in section 3(a) of the Federal Deposit Insurance Act.

Paragraph (a)(8) defines the term "insured institution" to be a Federal savings and loan association, a Federal savings bank, a building and loan, savings and loan or homestead association or a cooperative bank, the accounts of which are insured by the FSLIC. In addition, the term "insured institution" also includes an FDIC-insured federal savings bank and any savings bank deemed by the FSLIC to be an insured institution under section 408(n) of the National Housing Act.

Paragraph (a)(9) defines the term "company" to mean any corporation, partnership, business trust, association or similar organization. However, corporations that are majority owned by the United States or any State are excluded from the definition of company.

Paragraph (a)(10) defines control by one company over another. For purposes of this section, the term "control" means the power, directly or indirectly, to direct the management or policies of a company, or to vote 25% or more of any class of voting securities of a company.

There are three exceptions from the definition of control. These pertain to ownership of voting securities acquired or held:

1. as agent, trustee or in some other fiduciary capacity;

2. as underwriter for such a period of time as will permit the sale of these securities on a reasonable basis; or in connection with or incidental to market making, dealing, trading, brokerage or other securities-related activities, provided that such shares are not acquired with a view toward acquiring, exercising or transferring control of the management or policies of the company;

3. for the purpose of securing or collecting a prior debt until two years after the date of the acquisition; and

In addition, no company formed for the sole purpose of proxy solicitation shall be deemed to be in control of another company by virtue of its acquisition of the voting rights of the other company's securities.

Paragraph (a)(11) defines the term "minimum required capital" to be the amount of capital that is required for an insured bank or insured institution, as applicable, under Federal law or regulation.

Subsection (b): Changes in Control of Insured Banks and Insured Institutions.—This subsection provides that any DIHC wishing to acquire control of an insured bank or company owning such bank must comply with the requirements of the Change in Bank Control Act, and that any DIHC wishing to acquire an insured institution or company owning such institution must comply with the requirements of the Change in Savings and Loan Control Act. Failure to comply with these requirements will subject the relevant DIHC to the penalties and procedures provided in subsections (i) through (m) of this section, in addition to otherwise applicable penalties.

Subsection (c): Affiliate Transactions.—This subsection authorizes supplemental regulation of the transactions of insured banks and insured institutions controlled by DIHCs with their affiliates. These regulations would be in addition to the restrictions on interaffiliate transactions provided for under sections 23A or 23B of the Federal Reserve Act and section 415 of the National Housing Act (see Title III of this Act). This subsection gives each AFRA the flexibility to promulgate and adapt rules and regulations in response to changing market conditions so that the AFRA has at all times the capability to prevent insured banks and insured institutions under its supervision that are controlled by DIHCs from engaging in transactions that would compromise the safety and soundness of such insured banks or insured institutions or that would jeopardize the deposit insurance funds. In addition, this subsection would provide specific interaffiliate transactions as follows:

1. The bank cannot lend to its securities affiliate (except to make fully secured intraday loans for the purpose of clearing government securities).

2. The bank cannot make loans or guarantees to a company in order to enhance the marketability of the company's securities that are being underwritten by the bank's securities affiliate.

3. The bank cannot make loans to a company for the purpose of repaying the princi-

pal or interest on securities underwritten by its securities affiliate.

4. The securities affiliate cannot sell securities to the bank or its trust accounts during the underwriting period or for 30 days thereafter.

Moreover, other provisions of this Act assure that the AFRA will have the capability to enforce these regulations vigorously (subsection (i) of this section) and that any violations of these regulations will be more severely punished than violations of regulations applicable to insured banks and insured institutions that are not controlled by DIHCs (subsections (i), (j), (k), and (l) of this section).

Subparagraph (c)(1)(A) empowers the AFRA to develop rules and regulations to prevent insured banks and insured institutions under its supervision that are also controlled by a DIHC from engaging in unsafe or unsound practices involving the DIHC or any of its affiliates, including unsafe and unsound practices that may arise in connection with transactions covered by sections 23A and 23B of the Federal Reserve Act.

Subparagraph (c)(1)(B) empowers the AFRA to create certain exceptions to the provisions of the preceding subparagraph, if the AFRA deems that such exceptions are reasonable and in the public interest and not inconsistent with the purposes of this Act. These exceptions may relate to certain institutions or classes of institutions, or to certain transactions or classes of transactions, including transactions covered under sections 23A or 23B of the Federal Reserve Act.

Paragraph (c)(2) provides that any rules adopted under subparagraph (c)(2)(A) shall be issued in accordance with normal rulemaking procedures and shall afford interested parties the opportunity to comment in writing and orally on any proposed rule.

Paragraph (c)(3) grandfathers interaffiliate transactions approved by a Federal regulatory agency prior to the enactment of this Act, exempting them from rules and regulations promulgated under subparagraph (c)(2)(A).

Paragraph (c)(4) makes it clear that sections 23A and 23B of the Federal Reserve Act will apply to every insured bank and insured institution controlled by a depository institution holding company.

Subsection (d): Capitalization.—This subsection regulates the capitalization of insured banks and insured institutions that are controlled by a DIHC.

Paragraph (d)(1) provides a higher capital requirement for insured banks and institutions that are part of a depository institution holding company. It provides further that if the AFRA finds that an insured bank or insured institution subsidiary of a DIHC does not meet the minimum capital requirements applicable to it, the DIHC shall have thirty days to reach an agreement with the AFRA concerning how and according to what schedule the insured bank or insured institution will bring its minimum capital back into conformance with requirements. During that time the insured bank or insured institution shall operate under the close supervision of the AFRA.

In the event that the DIHC does not reach an agreement within thirty days with the AFRA on how and according to what schedule the capital of the insured bank or insured institution will be replenished, the DIHC will be required to divest the insured bank or insured institution in an orderly manner within a period of six months, or such additional period of time as the AFRA may determine is reasonably required in order to effect such divestiture.

In view of the enhanced regulatory control over insured banks and insured institutions controlled by DIHCs, paragraph (d)(2) states that no AFRA may regulate the capital of the DIHC. Thus, no AFRA may require the DIHC to enter into any other agreement regarding the maintenance of capital in its insured bank or insured institution affiliates. The capital of the DIHC would, however, be regulated by any other agency having jurisdiction over it. For example, if the DIHC were also a registered broker/dealer, it would have to conform to the minimum capital requirements mandated by the SEC.

Subsection (e): Interstate Acquisitions of Insured Banks and Insured Institutions.—This subsection subjects interstate acquisitions of an insured bank by a DIHC to the same restrictions as those applicable to bank holding companies under section 3(d) of the Bank Holding Company Act of 1956, as amended, and it subjects interstate acquisitions of an insured institution by a DIHC to the same restrictions as those applicable to savings and loan holding companies.

Subsection (f): Differential Treatment Prohibition; Laws Inconsistent with this Act.—This subsection does two things. First, it prohibits adversely differential treatment of DIHCs and their affiliates, including their insured bank and insured institution affiliates, except as this Act specifically provides. Second, this subsection ensures that state and federal initiatives do not undermine achievement of the purposes of this Act. Whether couched as affiliation, licensing or agency restrictions or as constraints on access to state courts, such laws effectively perpetuate market barriers and deny consumers the opportunity to choose between different financial products and services.

Notwithstanding any other federal law, Paragraph (f)(1) prohibits states from enacting laws that discriminate against DIHCs or against their affiliates, including their insured bank and insured institution affiliates. This paragraph also prohibits, notwithstanding any other federal law, federal and state regulatory agencies from discriminating by rule, regulation, order or any other means against DIHCs or against their affiliates, including their insured bank or insured institution affiliates, except as this Act specifically provides. This is intended to assure that the primary purpose of this Act—the enhancement of competition in the depository institution sector—will be fulfilled.

Paragraph (f)(2) finds that certain State affiliation and licensing laws restrain legitimate competition in interstate commerce, deny consumers freedom of choice in selecting a depository institution and threaten the long-term safety and soundness of insured banks and insured institutions by denying them access to capital. Often based in whole or part on prior articulations of federal law, conflicting state laws take a variety of forms. Some prohibit an insurance company affiliated with an insured bank or insured institution from obtaining a license to do business in the state. *See, e.g.,* Pa. State. Ann. tit. 40 Sec. 281(b) (Purdon Supp. 1986) (denying admittance or licensing of such affiliates except for certain limited credit and title insurance activities). Others deny licenses to employees and agents representing insurance companies affiliated with insured banks and insured institutions. See, e.g., Fla. Stat. Sec. 626.988(c)(2) (1985) (except for certain credit insurance activities). Still others prohibit a life insurance company from organizing or acquiring a bank, thrift or finance company subsidiary. N.Y. Ins. Sec. 1701 (McKinney Supp. 1987). If DIHCs are actually to meet the array of diverse consumer financial needs, and if the procompetitive policies and priorities espoused by this Act are to be made applicable on a nationwide basis, such state market barriers must necessarily yield.

Accordingly, this paragraph preempts any provision of federal or state law, rule, regulation or order that is expressly or impliedly inconsistent with the purposes of this section. The preempted statutes include without limitation, state banking, savings and loan, insurance, real estate, securities, finance company, retail or other laws which restrict the affiliation of insured banks and insured institutions or their owners, agents, principals, brokers, directors, officers, employees or other representatives with other firms. Similarly, laws prohibiting cross marketing of products and services are preempted insofar as such cross marketing activities are conducted by DIHCs, their affiliates or by any agent, principal, broker, director, officer, employee or other representative. By contrast, nondiscriminatory state approval, examination, supervisory, regulatory, reporting, licensing, and similar requirements are not affected.

Paragraph (f)(3) removes a common uncertainty under state licensing and qualification to do business statutes which leaves an out-of-state insured bank's or insured institution's access to another state's courts unresolved. Under this provision, so long as such a bank or insured institution limits its activities to those which do not constitute the establishment or operation of a "domestic branch" of an insured bank in that other state, it can qualify to maintain or defend in that state's court any action which could be maintained or defended by a company which is not an insured bank or insured institution and is not located in that state, subject to the same filing, fee and other conditions as may be imposed on such a company. This paragraph is not intended to grant states any power that they do not currently have to regulate the activities of out-of-state insured banks or insured institutions.

Paragraph (f)(4) makes clear that a state may not impede or prevent any insured bank or insured institution affiliated with a DIHC or any DIHC or affiliate thereof from marketing products and services in that state by utilizing and compensating its agents, solicitors, brokers, employees and other persons located in that State and representing such a bank, institution, company, or affiliate. However, to the extent such persons are performing loan origination, deposit solicitation or other activities in which an insured bank or insured institution may engage, those activities cannot constitute the establishment or operation of a "domestic branch" at any location other than the main institution.

Paragraph (f)(5) contains a special definition of "affiliate" and "control" for purposes of paragraphs (2) through (4) this subsection only. Control is deemed to occur where a person or entity owns or has the power to vote 10% of the voting securities of another entity or where a person or entity directly or indirectly determines the management or policies of another entity or person. Unlike the definition of affiliate set forth in paragraph (4) of subsection (a), this definition encompasses not only corporate affiliations but affiliations between corporations and individuals.

Subsection (g): Securities, Insurance and Real Estate Activities of Insured Banks and Insured Institutions.—In order to facilitate functional regulation of the activities of DIHCs this section prohibits insured banks and insured institutions controlled by DIHCs from conducting certain securities, insurance and real estate activities currently permissible for some insured banks and insured institutions.

Paragraph (g)(1)(A) provides that no insured bank or insured institution controlled by a DIHC shall directly engage in dealing in or underwriting securities, or purchasing or selling securities as agent, except to the extent such activities are performed only with regard to obligations of the United States or are the type of activities that could be performed by a national bank's trust department (12 U.S.C. 92a).

Paragraph (g)(1)(B) provides that no insured bank or insured institution controlled by a DIHC shall directly engage in insurance underwriting.

Paragraph (g)(1)(C) provides that no insured bank or insured institution controlled by a DIHC shall directly engage in real estate investment or development except insofar as these activities are incidental to the insured bank's or insured institution's investment in or operation of its own premises, result from foreclosure on collateral securing a loan, or are the type of activities that could be performed by a national bank's trust department.

Paragraph (g)(2) clarifies that nothing in this subsection shall be construed (A) to prohibit or impede a DIHC or any of its affiliates (other than an insured bank or insured institution) from engaging in any of the activities set forth in paragraph (g)(1), or (B) to prohibit an employee of an insured bank or insured institution that is an affiliate of a DIHC from promoting or advertising products or services of an affiliate of such an insured bank or insured institution.

Paragraph (g)(3) provides that nothing in this subsection will require the breach of a contract entered into prior to enactment of this Act. For example, a savings bank which underwrites insurance under state law would not be required to breach its contracts with any existing policyholders.

Subsection (h): Tying And Insider Lending Provisions.—This section subjects DIHCs to the tying provisions of section 106 of the Bank Holding Company Act Amendments of 1970 and to the insider lending prohibitions of section 22(h) of the Federal Reserve Act. These sections prohibit tying between products and services offered by insured banks or insured institutions and products and services offered by the DIHC itself or by any of its other affiliates. Note, however, that these tying provisions do not apply to products and services that do not involve an insured bank or insured institution. The insider lending provisions severely limit loans by a depository institution to officers and directors of the depository institution. For purposes of both provisions, the AFRA will exercise the rulemaking authority vested in the Federal Reserve with regard to these limitations.

Subsection (i): Examination and Enforcement.—This provision would state emphatically the plain intent of Congress that Federal deposit insurance funds shall not be used to benefit or protect the depository holding company or an affiliate thereof other than an insured bank or insured institution. This subsection provides that the AFRA shall use its examination and supervision authority to enforce the provisions of this section, including any rules and regulations promulgated under subsection (c). In particular, it is intended that each AFRA should structure its examination process so as to uncover possible violations of the provisions of this section and that the agency should not hesitate to make full use of its cease-and-desist powers or to impose as warranted the special penalties discussed below, if it believes that an insured bank or insured institution under its supervision that is controlled by a DIHC is in violation of any of the provisions of this section.

This subsection also grants the AFRA authority to examine any other affiliate of the DIHC as well as the DIHC itself in order to ensure compliance with the limitations of this section or other provisions of law made applicable by this section such as sections 23A and 22B of the Federal Reserve Act.

In addition, this subsection grants each AFRA the right to apply to the appropriate district court of the United States for a temporary or permanent injunction or a restraining order to enjoin any person or company from violating the provisions of this section or any regulation prescribed under this section. The AFRA may seek such an injunction or restraining order whenever it considers that an insured bank or insured institution under its supervision or any DIHC controlling such an insured bank or insured institution is violating, has violated or is about to violate any provisions of this section or any regulation prescribed under this section. In seeking such an injunction or restraining order the AFRA may also request such equitable relief as may be necessary to prevent the violation in question. This relief may include a requirement that the DIHC divest itself of control of the insured bank or insured institution, if this is the only way in which the violation can be prevented.

This injunctive power will enable the AFRA to move speedily to stop practices that it believes endanger the safety and soundness of an insured bank or insured institution under its supervision that is controlled by a DIHC. If necessary to protect the depositors and safeguard the deposit insurance funds, the AFRA may request that the injunction proceedings be held in camera, so as not to provoke a run on the insured bank or insured institution.

Subsection (j): Divestiture.—This subsection states that an AFRA may require a DIHC to divest itself of an insured bank or insured institution, if the agency finds that the insured bank or insured institution is engaging in a continuing course of action involving the DIHC or any of its affiliates that would endanger the safety and soundness of that insured bank or insured institution.

Although the DIHC would have the right to a hearing and to judicial review and have one year in which to divest the insured bank or insured institution, it should be emphasized that the insured bank or insured institution would operate under the close supervision of the AFRA from the date of the initial order until the date the divestiture is completed. This is intended to safeguard the insured bank or insured institution in question, its depositors and the deposit insurance funds.

Subsection (k): Criminal Penalities.—This subsection provides for criminal penalties for knowing and willful violations of the provisions of this section, even if these violations do not result in an initial or final order requiring divestiture of the insured bank or insured institution. For companies found to be in violation of the provisions of this section the maximum penalty for each violation shall be the greater of (a) $250,000 per day for each day that the violation continues or (b) one one-hundreth of one percent of the minimum required capital of the insured bank or insured institution per day for each day that the violation continues, up to a maximum of 1% of the minimum capital of the insured bank or insured institution—a fine that could amount to tens of millions of dollars for a large insured bank or insured institution. Such a fine is designed to be large enough to deter even large insured banks or insured institutions from violating the provisions of this section.

For individuals found to be in violation of the provisions of this section the penalty shall be a fine and/or a prison term. The maximum fine for each violation shall be the greater of (a) $250,000 or (b) twice the individual's annual rate of total compensation at the time the violation occurred. The minimum prison sentence shall be five years. In addition, individuals violating the provisions of this section will also be subject to the penalties provided for in Section 1005 of Title 18 for false entries in any book, report or statement to the extent that the violation included such false entires.

Subsection (l): Civil Money Penalties.—This subsection provides for civil money penalties for any company or person that violates the provisions of this section, and grants the AFRA the power to impose such penalties after providing the company or person accused of such violation the opportunity to object in writing to its finding.

For companies found to be in violation of this section, the maximum penalty for each violation shall be the greater of (a) $250,000 per day for each day that the violation continues, or (b) one one-hundreth of one-percent of the minimum required capital of the insured bank or insured institution per day for each day that the violation continues, up to maximum of 1% of the minimum capital of the insured bank or insured institution. For individuals found to be in violation of the provisions of this section, the maximum penalty shall be the greater of (a) $250,000 or (b) twice the individual's annual rate of total compensation at the time the violation occurred. The actual amount of the penalty imposed on companies and individuals shall depend on the gravity of the violation, the size of the company's or person's resources and other relevant factors.

Subsection (m): Judicial Review.—This subsection provides for judicial review of decisions reached by an AFRA under the provisions of this section. This right to review includes a right of judicial review of statutes, rules, regulations, orders and other actions that would discriminate against DIHCs or affiliates controlled by such companies.

Section 102: Amendment to the Bank Holding Company Act of 1956.—This section contains a conforming amendment to the definition of the term "bank" in the Bank Holding Company Act to ensure that a DIHC owning an insured bank will be regulated under this Act rather than the Bank Holding Company Act.

Section 103: Amendments to the Federal Reserve Act.—This section clarifies the application of Section 23A of the Federal Reserve Act to certain loans and extensions of credit to persons who are not affiliated with a member bank. Section 23A contains a provision that was intended to prevent the use of "straw man" intermediaries to evade section 23A's limitations on loans and extensions of credit to affiliates. Contrary to its original purpose, the provision may also be literally read to restrict a bona fide loan or extension of credit to a third party who happens to use the proceeds to purchase goods or services from an affiliate of the bank; such a loan could occur, for example, if a customer happened to use a credit card issued by a bank to buy an item sold by the bank's affiliate. This section clarifies that such loans and extensions of credit are not covered by section 23A as long as (i) the bank approves them in accordance with substantially the same standards and procedures and on substantially the same terms that it applies to similar loans or extensions of credit that do not involve the payment of the proceeds to an affiliate, and (ii) the loans or extensions of credit are not made for the purpose of evading any requirement of section 23A.

Section 104: Amendments to the Banking Act of 1933.—Subsection (a) amends section 20 of the Glass-Steagall Act so that it does not apply to member banks that are controlled by DIHCs.

Subsection (b) amends section 32 of the Glass-Steagall Act so that it does not apply to officers, directors and employees of affiliates of a single depository institution holding company.

Section 105: Amendment to the Federal Deposit Insurance Act.—This section amends the Change in Bank Control Act to provide that an acquisition of a DIHC controlling an insured bank may only be accomplished after complying with that Act's procedures. It also modifies the definition of "control" in the Change in Bank Control Act to conform it to the definition in section 101(a)(10) of this Act.

Section 106: Amendments to the Securities Exchange Act of 1934.—This section amends the Securities Exchange Act of 1934 to provide for the registration and regulation of broker dealers.

Section 107: Amendment to the National Housing Act.—This section amends the Change in Savings and Loan Control Act to provide that an acquisition of a DIHC controlling an insured institution may only be accomplished after complying with that Act's procedures. It also modifies the definition of "control" in the Change in Savings and Loan Control Act to conform it to the definition in section 101(a)(10) of this Act.

Section 108: Amendment to the Community Reinvestment Act.—This section amends the Community Reinvestment Act to make it applicable to acquisitions of insured banks and insured institutions by DIHCs.

TITLE II.—SUPERVISORY IMPROVEMENTS

Section 201: National Financial Services Committee.—This section establishes a standing committee, the National Financial Services Committee (Committee), in order to provide a forum in which federal and state regulations can reach a consensus regarding how the regulation of depository institutions should evolve in response to changing market conditions. In addition, the Committee also provides a mechanism through which various federal regulatory agencies could coordinate their responses to a financial crisis, if such a crisis were to occur. The Committee comprises all federal agencies responsible for regulating financial institutions or financial activities, and it is structured to allow state regulators to participate in its deliberations. The Committee would be empowered to make recommendations to Congress to strengthen the protections surrounding the insured institutions as well as the restrictions on interaffiliate transactions in order to protect the integrity of the deposit insurance funds.

The Committee is directed to report to Congress within one year of enactment of this act on proposed legislative or regulatory actions that will improve the examination process to permit better oversight of all banks and thrifts. In this regard, it must consider whether the number of or compensation for examiners should be increased. It is also directed to establish uniform principles and standards for examinations.

TITLE III.—THRIFT IMPROVEMENTS

Section 301: Amendments to the National Housing Act.—In order to bring much needed capital into the thrift industry and thereby improve the situation of the FSLIC, this section increases the value of the thrift franchise by removing certain onerous restrictions on insured institutions and their parent savings and loan holding companies. In addition, this section takes measures to make the status of unitary thrift holding companies comparable to that of DIHCs.

Subsection (a) exempts an insured institution controlled by a DIHC from the definition of insured institution for purposes of the Savings and Loan Holding Company Act. An DIHC that controls one or more insured institutions will therefore not be deemed to be a savings and loan holding company.

Subsection (b) subjects savings and loan holding companies' insured institution subsidiaries which meet the qualified thrift lender test (i.e., primarily engaged in real estate lending and other related activities) to the restrictions upon affiliate transactions applicable to all insured institutions as set forth in subsection (f) below.

Subsection (c) substantially conforms the criteria for control of an insured institution to the standards set forth in Section 101 of this Act regarding the control of an insured institution by a DIHC.

Subsection (d) provides that savings and loan holding companies and their subsidiaries will not be subject to debt approval requirements, if each of their insured institution subsidiaries has met the qualified thrift lender requirement throughout two of the three preceding fiscal quarters.

Subsection (e) deletes the Savings and Loan Holding Company Act management interlock prohibitions, hereby eliminating the redundancy of applying two sets of management interlocks regulations to savings and loan holding companies. Savings and loan holding company management officials will therefore be subject only to the provisions of the Depository Institution Management Interlocks Act.

Subsection (f) sets forth a new set of affiliate transaction standards applicable to insured institutions. All insured institutions are specifically subject to the affiliate transaction provisions of section 23A of the Federal Reserve Act. The FSLIC will administer section 23A as it applies to insured institutions and will have the same power as the Federal Reserve Board to implement rules and regulations regarding section 23A as the Federal Reserve Board does in applying section 23A to member banks. For example, the FSLIC could determine by regulation that subsidiaries of insured institutions are affiliates of such institutions for the purposes of section 23A. The FSLIC may waive (except in the case of an insured institution controlled by a DIHC) the provisions of section 23A if it determines that such a waiver would not be detrimental to the interests of the institution's savings account holders or to the insurance risk of the FSLIC. In addition, subsection (f) imposes certain provisions of section 22 (g) and (h) of the Federal Reserve Act, relating to extensions of credit to executive officers and directors of banks, to insured institutions and their holding companies.

Subsection (g) provides that the laws, rules and regulations preempted with respect to DIHCs and their affiliates by Section 101(f) are also preempted with respect to savings and loan holding companies.

Subsection (h) exempts savings and loan holding companies, each of whose insured institution subsidiaries meet the qualified thrift lender requirement, from restrictions contained in section 408(r) of the National Housing Act on affiliation with institutions engaged in the underwriting and distribution of securities.

Subsection (i) exempts savings and loan holding companies, each of whose insured institution subsidiaries meet the qualified thrift lender requirement, from restrictions on cross marketing contained in section 408(p) of the National Housing Act.

Section 302: Amendments to the Depository Institutions Management Interlocks Act.—This section amends the Depository Institutions Management Interlocks Act to permit management interlocks between savings and loan holding companies whose insured institution subsidiaries satisfy the qualified thrift lender requirement and nonaffiliated depository institutions or holding companies, unless the Federal Home Loan Bank Board determines that such an interlock would result in a monopoly or tend to lessen competition, and the Board further determines that prohibiting the interlock is the only way to prevent these anti-competitive effects.

Section 302: Effective Date.—The Act will become effective upon enactment.

Mr. CRANSTON. Mr. President, today I join with Senator D'AMATO to introduce a bill that provides for comprehensive reform of the legal structure governing our Nation's financial services industry. The purpose of this bill, the Depository Institutions Affiliation Act is to ensure open and fair competition among financial competitors, greater efficiency in the marketplace, safety and soundness, additional consumer benefits and products, and the overall stability of the Nation's financial system.

Under the provisions of the Depository Institutions Affiliation Act, any company could elect to become a depository institution holding company and thus own an insured bank or thrift alongside other separate affiliates. These separate affiliates could be engaged in an expanded range of commercial activities such as securities, insurance and real estate, and travel, provided they complied with the bill's enhanced regulatory requirements and the insured depositories were properly insulated from the activities of the parent and the other affiliates. Nondepository financial and commercial activities would be conducted through separately capitalized subsidiaries and regulated by the appropriate Federal regulator along functional lines. Regulation would be comprehensive, with additional statutory safeguards supplementing present law in order better to insulate the depository institution affiliate and prevent conflicts of interest. Federal regulators would be given significant expanded oversight authority and enforcement capabilities along with the establishment of a new Financial Service Committee to monitor the regulatory process, study and make recommendations to Congress and the regulators for changes to carry out the purposes of the act.

Additionally, the regulators are empowered to divest any bank from a holding company that falls below the capital requirements or experiences any difficulties with unauthorized transactions with the parent or any of the affiliates.

The bill would establish consistency between the regulation of thrift holding companies and depository institution holding companies helping to attract new capital to the troubled thrift industry by permitting cross marketing management interlocks between qualified holding companies and subjecting thrifts to the affiliate transactions sections of 23a and 23b of the Federal Reserve Act.

Finally, any holding company that acquires a bank is required to add 3 percent more than the statutory 6 percent amount of capital in that institution to protect the depository insurance fund and no insurance funds can be used to protect the holding company or any of its affiliates.

The provisions of the Depository Institutions Affiliation Act very closely parallel many of the recommendations contained in the recently released FDIC study on the structure of our Nation's financial system and the study conducted by Congressman DOUG BARNARD on modernization of the financial services industry along with the recommendations of banks, securities firms, thrifts, and insurance companies. It is unique that these opposing groups could reach a consensus on these issues.

We recognize that this bill is not perfect and that many other areas will have to be addressed by the committee before a product can pass final muster. However, earlier this year, the members of the Senate Banking Committee in passing the Competitive Equality Banking Act [CEBA], which put in place a 1-year moratorium on regulatory or marketplace actions that would further blur the distinctions between banking and commerce did so under the premise that they would use the 1-year period to consider the overall need for comprehensive structural reform of the financial regulatory system. We believe that this bill is a step in that direction and is being introduced in time to be considered in the 6 days of hearings scheduled on modernization of financial services in December of this year.

We have added and deleted some provisions in the bill where we felt it necessary. For instance in the case of a depository holding company engaging in the insurance or the real estate brokerage business, it is required to purchase an existing business rather than start de novo. We recognize that this restriction may not be enough to prevent in some cases large holding companies from exercising undue influence or anticompetitive pressures on these types of small businesses.

We may need to explore other additional approaches particularly considering the history of the insurance industry and financial deregulation. While we have added numerous safeguards against affiliate transactions, extension of credit between affiliates, the parent, and the bank, insider lending, antitying provisions, restrictions on management interlocks, antifraud provisions, disclosure and examination provisions, we realize there may be more that can or should be done in this regard and we think the Banking Committee will miss a golden opportunity if it does not fulfill its original promise to consider these issues indepth. We urge the committee not to accept a piecemeal approach by granting just a few securities powers to banking firms. It is essential that we begin to recognize that the present mandated restrictions in the Glass-Steagall and Bank Holding Company Act are not maintainable in their present form. These barriers are constantly being violated by State laws, court decisions, marketplace innovation and regulatory fiat along with the recent internationalization of the securities markets all of which make it impossible for us to continue the finger-in-the dike approach.

The Banking Committee early this year pledged to reconsider the interrelationships of all of the components that make up our financial system and we hope this bill will further that process. The deliberations we must undertake should not be limited to those necessary to strengthen only certain elements of the financial system, but the system as a whole.

Our present cartel system of finance, established in the 1930's and strengthened in 1956 by the Bank Holding Company Act, was designed to restrict competition among these various sectors of the industry while enhancing the safety of financial instruments. Financial services, therefore, were compartmentalized and separately regulated to achieve these twin goals. This is not resulting in consumers paying millions more for financial services than they should. It is up to the Congress to rationalize the process and move forward.

By Mr. LUGAR:

S. 1906. A bill to amend the Food Security Act of 1985 to encourage the entry of pollution-arresting filter strips into the Conservation Reserve Program, and for other purposes; referred to the Committee on Agriculture, Nutrition, and Forestry.

LEGISLATION TO ALLOW FILTER STRIPS TO BE ENTERED INTO THE CONSERVATION RESERVE PROGRAM

● Mr. LUGAR. Mr. President, I rise today to introduce legislation aimed at reducing agricultural pollution of our Nation's surface waters without increasing Federal spending.

In some parts of this country, agricultural pollution is affecting rivers, lakes, and estuaries. Agricultural pollution is nonpoint-source pollution as opposed to point-source pollution such as waste treatment facilities or industrial plant pollution. There are three major forms of agricultural nonpoint-source pollution of surface waters. The first is sedimentation from soil erosion and runoff from fields. The second form is chemical contamination from herbicides and insecticides. The third is nutrient enrichment from fertilizers which add nitrogen and phosphorus to the water.

According to the U.S. Department of Agriculture and the Environmental Protection Agency, high levels of nutrient enrichment were reported by 35 States as being "statewide concerns" that cause waters to not support their designated uses. Twenty-four of those States designated nonpoint sources as a major cause of water degradation, and 21 more reported that it was a problem of undetermined magnitude. Nonpoint sources, primarily agriculture, impair 51 percent of the lake acres assessed in EPA's National Water Quality Inventory. Nonpoint sources have been identified as a leading degrader of streams and lakes in every region of the country.

The Agriculture Department's Economic Research Service recently completed a study of methods of reducing agricultural nonpoint-source pollution on corn acreage in Lancaster County, PA. The study concluded that permanent vegetative cover was the most effective means of reducing agricultural nonpoint-source pollution in the area studied. Permanent vegetative cover was found to reduce soil losses by 95 percent and reduce total phosphorus losses by 95 percent. Results in nitrogen losses were mixed. Nitrogen losses in surface runoff water were reduced by 90 percent. However, the permanent cover had the effect of increasing nitrogen in the soil due to nitrogen fixation. Thus, nitrogen leached out of the root zone increased by 26 percent, for a total nitrogen loss of 38 percent.

Mr. President, for several months I have been considering various methods to encourage farmers to plant strips of permanent vegetative cover to act as filters to arrest agricultural nonpoint-source pollution before it can reach surface water. A provision in the 1985 farm bill would allow such filter strips to be entered into the highly successful Conservation Reserve Program. As my colleagues are aware, the Conservation Reserve Program, known as the CRP, was created in the 1985 farm bill to assist owners and operators of highly erodible cropland in conserving and improving the soil and water resources of their farms or ranches.

The goal of the CRP is to enroll between 40 and 45 million acres of highly erodible cropland by 1990. Farmers submit bids to enroll their land during announced signup periods. USDA determines the maximum accepted bid for areas around the country and, usually, all eligible land that is bid at, or below, the local maximum accepted bid is accepted into the CRP. The most recent signup period in July 1987 brought the total acres enrolled to date to almost 23 million acres.

Section 1231(c)(2) of the 1985 farm bill would allow filter strips to be included in the CRP by language permitting inclusion of lands "that are not highly erodible lands but that pose an off-farm environmental threat * * *."

However, lands bordering surface water are often very productive lands. Often the local maximum accepted bid is too low to induce farmers to enroll in the CRP. Concerns such as these led me, on June 1 of this year, to write to the Secretary of Agriculture regarding any practical experience of the Department in enrolling filter strips in the CRP.

Since that time, I have discussed with members of my staff methods of enrolling filter strips in the CRP. One method is to allow States, or any other interested entities, that are concerned about agricultural pollution to offer farmers an extra payment on top of the Federal payment to encourage entry of filter strips into the CRP. Because of my long-standing interest in this area, I have prepared this legislation to explicitly allow States to augment the Federal CRP contract payment in order to encourage farmers to bid these filter strip areas into the conservation reserve.

Virginia and Maryland have approached the Department of Agriculture regarding such a program due to concern over pollution in the Chesapeake Bay. Since fiscal year 1986, EPA has spent $10 million per year on cleanup efforts in the Chesapeake Bay. State governments have spent their own money on this effort as well. Some portion of the bay pollution is agricultural nonpoint-source pollution. My bill is an effort to limit such pollution before such expensive cleanup efforts are required.

The bill I am introducing is quite simple. It explicitly authorizes the Secretary of Agriculture to coordinate with States or other entities which are interested in contributing money to encourage enrollment of filter strips into the CRP. The sole change that my bill makes in current law is that in those cases where cropland that poses an off-farm environmental threat is bid into CRP at a price higher than the local maximum accepted bid, States and other interested entities may pay any financial inducement they wish above that local maximum acceptable bid.

Mr. President, I want to stress to my colleagues that this bill does not force any States to participate, nor does it require any new activities on the part of the Secretary of Agriculture.

Finally, Mr. President, it is important to stress to my colleagues that filter strips are not a total solution to the problem of agricultural pollution. It is certainly not the solution in those cases where excessive amounts of pesticides and fertilizers are used, leading to leaching of the chemicals and nutrients into ground water. Agricultural pollution of water is a multifaceted problem. I believe that filter strips and prudent use of fertilizers and pesticides are part of the solution.

Mr. President, I ask unanimous consent that a copy of my June 1 letter to the Secretary of Agriculture be printed in the RECORD following the printing of the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FINDINGS.

Congress finds that—

(1) water pollution is a major concern in many parts of the United States;

(2) agricultural production practices can cause nonpoint-source surface water pollution through sedimentation, nutrient enrichment, and chemical contamination;

(3) areas of permanent vegetative cover located between fields and bodies of water can act as filters to arrest such nonpoint-source pollution;

(4) the Secretary of Agriculture is currently authorized to include in the conservation reserve program lands that are not highly erodible but that pose an off-farm environmental threat; and

(5) States have expressed interest in offering financial inducements to owners and operators of farms and ranches to enter land bordering bodies of water into the conservation reserve program.

SEC. 2. ENTRY OF POLLUTION-ARRESTING FILTER STRIPS INTO THE CONSERVATION RESERVE PROGRAM.

Section 1231(c)(2) of the Food Security Act of 1985 (16 U.S.C. 3831(c)(2)) is amended—

(1) by inserting "(A)" after the paragraph designation; and

(2) by adding at the end thereof the following new subparagraph:

"(B) If the amount payable to an owner or operator of land referred to in subparagraph (A) in an area in the form of rental payments under a contract entered into under this subtitle exceeds the maximum amount payable to owners or operators of land in the area in the form of rental payments under such contracts, the Secretary may coordinate with other entities in accordance with the first section of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a) to allow—

"(i) payment by such entities of any amount that such entities are willing to provide above such maximum amount;

"(ii) contribution toward the owner's or operator's share of the cost of establishing conservation measures and practices under such contract; or

"(iii) any combination of actions described in clauses (i) and (ii).".

U.S. SENATE,
COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, DC, June 1, 1987.

Hon. RICHARD E. LYNG,
Secretary of Agriculture, U.S. Department of Agriculture, Washington, DC.

DEAR MR. SECRETARY: As you may know, I have deep interest in the development of buffer zones along rivers to improve water quality in the rivers and to reduce soil loss on the farms. In the Food Security Act of 1985, Section 1231(c)(2) authorizes the Department to make payments to farmers who take land out of production for ten years on highly erodible land or along rivers. I would be interested in knowing whether or not the Department developed regulations which would allow a farmer to receive payments for establishing a buffer zone. If so, to what extent has there been use of the authority to establish buffer zones?

There is growing interest in Indiana in the development of buffer zones along several of our key rivers. However, a number of questions must be answered before much can be accomplished. Does USDA have data which would be helpful in determining the boundaries for effective buffer zones? Specifically, I am interested in factors such as: What width is necessary for a buffer zone under various conditions? Are there plants which improve the effectiveness of a buffer zone? Have there been buffer zones established on a wide enough basis to have an effect on soil loss and water quality?

Aside from these technical questions, there is also a question of practicality. For example, are the Conservation Reserve payments high enough to attract participants given the productivity of such land?

I would appreciate your assistance as we work to reduce soil loss and improve the quality of the river water in Indiana.

Sincerely,

RICHARD G. LUGAR,
Ranking Minority Member.●

By Mr. WALLOP:

S. 1907. A bill to amend title XXI of the Public Health Service Act establishing the National Vaccine Injury Act of 1986, and for other purposes; to the Committee on Labor and Human Resources.

NATIONAL CHILDHOOD VACCINE INJURY AMENDMENTS

Mr. WALLOP. Mr. President, Today I am introducing legislation proposed by the administration to provide a funding and compensation program for injuries related to childhood vaccines. Last year, the Congress enacted the National Childhood Vaccine Injury Act of 1986. The act established a National Vaccine Injury Compensation Program, but did not provide a mechanism to fund the program. A defective funding mechanism has been approved by the House of Representatives. The administration has developed a more sensible one which is embodied in the bill being introduced today.

It has only been in the last few decades that our children have been protected from disabling and deadly childhood illnesses through the use of vaccines. The most common vaccine administered to infants is the DPT vaccine, to protect against diptheria, tetanus, and pertussis. However, as with other types of vaccines, there can be side effects. In some unfortunate instances, infants suffer permanent disability or death.

For years, the only recourse for parents of infants with reactions to the vaccines was to enter the bewildering maze of State tort law. Recently, jury awards for injuries have been substantial. The prospect of future high awards has placed the continued production of the vaccines in jeopardy. In 1985 legislation was introduced in an attempt to find a solution to the problems of providing adequate compensation for injury while maintaining vaccine production. An amended bill was finally enacted late in 1986.

The act was intended to serve two purposes. First, it was intended to ensure compensation to those who may incur injuries as a result of the administration of childhood vaccines. Second, it ensured the continued availability of childhood vaccines at an affordable price. The one flaw in the bill is that it created a precedent for a Federal compensation program, funded from general revenues, for identified groups who may be injured as a result of some public or private action.

The administration's proposal would correct this flaw. It would do the following:

Maintain the basic provisions of current law regarding eligibility for compensation and the types of economic injuries to be compensated, with minor revisions.

Requires manufacturers to purchase insurance, or to self-insure, to provide compensation for vaccine-related injuries.

Base the program upon the workers' compensation model.

This approach would provide predictability of cost which would provide a basis for insurance premiums. It would also eliminate the need for taxpayer subsidies of the compensation. the bill would establish a new administrative entity, the Vaccine Compensation Board, to adjudicate claims for compensation that cannot be resolved by the individual and the insurer.

Mr. President, I would ask consent that the bill be printed in the Record along with a letter of introduction from the Secretary of Health and Human Services, a summary of the bill, and a brief explanation of the issues with cost analysis.

There being no objection, the material was ordered to be printed in the Record, as follows:

S. 1907

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, this Act may be cited as the "National Childhood Vaccine Injury Amendments of 1987".

Sec. 2. Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Public Health Service Act (as amended by the National Childhood Vaccine Injury Act of 1986, title III of P.L. 99-660), except as otherwise provided.

TITLE I—NATIONAL VACCINE INJURY COMPENSATION PROGRAM

VACCINE INJURY COMPENSATION AMENDMENTS

Sec. 101. (a) Title XXI is amended—

(1) by repealing section 2112,

(2) by redesignating section 2111 as section 2112 (and by striking out "2111" wherever else it appears and inserting in lieu thereof "2112"), and

(3) by adding after and below section 2110 the following new section:

"MANUFACTURER'S RESPONSIBILITY TO OBTAIN INSURANCE

"Sec. 2111. (a) Each manufacturer shall, as a condition of obtaining or retaining its licensure under section 351, or section 505, 506, or 507 of the Federal Food, Drug, and Cosmetic Act, obtain insurance for compensation meeting the requirements of this section.

"(b) Every manufacturer shall secure the payment of compensation under this subtitle—

"(1) by insuring and keeping insured the payment of such compensation with any stock company or mutual company or association, or with any person or fund, while such person or fund is authorized (A) under the laws of the United States or of any State, to insure vaccine-injury compensation, and (B) by the Vaccine Compensation Board (established under section 2120), to insure payment of compensation under this subtitle; or

"(2) by furnishing satisfactory proof to the Vaccine Compensation Board of its financial ability to pay such compensation and receiving an authorization from the Board to pay such compensation directly.

"(c) The Vaccine Compensation Board may, as a condition to the provision of the authorization referred to in subsection (b)(2), require the manufacturer to deposit in a depository designated by the Board either an indemnity bond or securities (at the option of the manufacturer) of a kind and in an amount determined by the Board to be sufficient to achieve the objectives of this subtitle, based on the manufacturer's financial condition, the manufacturer's previous record of payments and other relevant factors, and subject to such conditions as the Board may prescribe. Any manufacturer securing compensation in accordance with the provisions of this subsection shall be known as a self-insurer.

"(d) The Vaccine Compensation Board shall authorize an insurer to provide vaccine-injury insurance in satisfaction of the requirement of subsection (a) upon the Board's determination that the insurer has capacity to provide the compensation required under this subtitle. The Vaccine Compensation Board shall carry out its responsibilities under this section in a manner consistent with the administration by the Secretary of Labor of the Longshore and Harbor Workers' Compensation Act, 33 U.S.C. 901 et seq.

"(e) In order that insurance coverage satisfy the manufacturer's obligation under subsection (a), it may not exclude compensation for injuries arising from vaccinations administered during the policy period, regardless of whether the claim is filed during the policy period.".

(4)(A) Section 351(d) of the Public Health Service Act is amended by adding at the end the following new sentence: "For additional conditions on licenses under this subsection, see section 2111.".

(B) Section 505 of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end the following new subsection:

"(n) For additional conditions on approval of an application under subsection (b), see section 2111 of the Public Health Service Act.".

(C) Section 506 of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end the following new subsection:

"(d) For additional conditions on certification under this section, see section 2111 of the Public Health Service Act.".

(D) Section 507 of the Federal Food, Drug, and Cosmetic Act is amended by adding at the end the following new subsection:

"(i) For additional conditions on certification under this section, see section 2111 of the Public Health Service Act.".

(b) Section 2110(a) is amended by removing the words "to be administered by the Secretary".

(c) Section 2112, as redesignated by subsection (a)(2), is amended—

(1) by striking out "the Secretary" and all that follows in subsection (a)(1) and inserting in lieu thereof "initiated by serving a petition for compensation upon the manufacturer of the vaccine that was administered. In the event that there is no basis for identifying the manufacturer of the vaccine, the petition may be served on any manufacturer of a vaccine for the same childhood illness.";

(2)(A) by striking out "$1,000" (the first place that it appears) in subsection (a)(2)(A) and inserting in lieu thereof "$2,500";

(B) by striking out "and no such court" and all that follows in such subsection, and inserting in lieu thereof "except in the case of willful misconduct by the manufacturer. A person may bring a civil action for willful misconduct by the manufacturer only upon obtaining from the Vaccine Compensation Board a certificate indicating that the Board has concluded that there is a reasonable basis for believing that the alleged willful misconduct has in fact occurred. Any applicable statute of limitations for filing such a civil action shall be tolled during the period that the Board is considering the issuance of such a certificate. For purposes of this subsection, 'willful misconduct' means—

"(i) fraudulent withholding of information from the Secretary during any phase of a proceeding for approval of the vaccine under section 351 or under section 505, 506, or 507 of the Federal Food, Drug, and Cosmetic Act, as amended by the National Childhood Vaccine Injury amendments of 1987,

"(ii) fraudulent withholding of information relating to the safety or efficacy of the vaccine after its approval, or

"(iii) other criminal activity relating to the safety of efficacy of the vaccine.

For provisions pertaining to civil actions against health care providers, see section 2121.

(3) by striking out "the person who brought" and all that follows in subsection (a)(4) and inserting in lieu thereof "such denial or such dismissal shall not bar the filing of a petition otherwise permitted under subsection (b).";

(4)(A) by striking out "two years" in paragraph (5) of subsection (a) and inserting in lieu thereof "six months";

(B) by striking out "without prejudice" in such paragraph;

(C) by inserting "otherwise permitted" in such paragraph immediately following "file a petition"; and

(D) by adding at the end of such paragraph the following new sentence: "If an action is withdrawn under the preceding sentence, a civil action arising out of the same vaccine-related injury or death may be maintained thereafter only subject to the provisions and limitations of this subtitle.";

(5) by repealing paragraph (6) of subsection (a) and redesignating paragraph (7) as paragraph (6);

(6) by striking out "damages" in subsection (a)(6) as redesignated by paragraph (c)(4) in this section and inserting in lieu thereof "associated with the administration of a vaccine before the effective date of this subtitle, damages".

(7) by striking out "before the effective date of this subtitle" and all that follows in subsection (b)(1)(B) and inserting in lieu thereof "more than four years before the effective date of this subtitle.";

(8)(A) by striking out "received a vaccine" in subparagraph (A) of subsection (c)(1) and inserting in lieu thereof "received a vaccine licensed for use in the United States and";

(B) by striking out "received a vaccine" in subparagraph (B)(i) (in the matter preceding clause (I)) of such subsection and inserting in lieu thereof "received a vaccine licensed for use in the United States and";

(C) by striking out ", was a citizen of the United States or a dependent of such a citizen" in paragraph (B)(ii) of such subsection and inserting in lieu thereof "licensed for use in the United States, was a legal resident of the United States"; and

(9) by striking out "$1,000" in subsection (c)(1)(D)(ii) and inserting in lieu thereof "$2,500".

(d) Section 2133 is amended by adding at the end thereof the following new paragraph:

"(7) The term 'insurer' means an entity authorized by the Vaccine Compensation Board under section 2111(d) to provide compensation insurance for purposes of this subtitle. The term includes manufacturers who have been approved as self-insurers."

(e)(1) Section 2113(a)(2) is amended by repealing subparagraph (A) and the dash preceding it, and by striking out "(B)" and including the text that follows as part of such section.

(2) Section 2113(b) is amended by repealing paragraph (2) and by striking out "(1)" and the dash that precedes it.

(3) Section 2113(c) is revised to read as follows:

"(c) DEADLINE FOR ACTION BY INSURER.—Except as otherwise provided by regulation issued by the Vaccine Compensation Board, the insurer shall render its decision on a petition for compensation within 90 days after the filing of a petition meeting the requirements of section 2112(c)."

(4) Section 2113 as previously amended by this subsection is further amended by striking out "court" wherever it appears and inserting in lieu thereof "insurer".

(f) Section 2114 is amended—

(1) by striking out "decrease or", "paralysis (partial or complete), hemiplegia or hemiparesis, loss of color or", and "prolonged sleeping with difficulty arousing," in subsection (b)(1);

(2) by striking out "(2)" in subsection (b) and inserting in lieu thereof: "(2) Infantile spasms or infantile myoclonic spasms are not considered to represent a compensable residual seizure disorder."

(3) by removing from subsection (b)(2) "or accompanied by a fever of less than 102 degrees Fahrenheit" wherever it appears.

(4) by repealing the last sentence of subsection (b)(3)(A);

(5) by striking out "petit mal, absence, myoclonic," in subsection (b)(4); and

(6) by striking out "180" in subsection (c)(1) and inserting in lieu thereof "90".

(g) Section 2115 is amended—

(1) by striking out "associated with the administration of a vaccine after the effective date of this subtitle" in the first sentence of subsection (a) and by striking out "judgment" in paragraphs (A) and (B) of subsection (a)(1) and inserting in lieu thereof in each place "determination";

(2) by striking out in subsection (a)(4) "not to exceed $250,000." and by inserting in lieu thereof "equal to twice the amount of actual medical expenses incurred in the twelve-month period following administration of the vaccine, but in no event more than $100,000.";

(3) by striking out the last two sentences of subsection (a) (following paragraph (4) thereof) and inserting in lieu thereof the following:

"Payments for projected expenses shall be made either on a periodic basis (in which case, no payment may be made for a period in excess of one year) or, by mutual consent of the petitioner and the insurer, and subject to subsection (e), in a lump sum. The lump sum option may be used only for anticipated loss of earnings and for pain. suffering, and emotional distress.";

(4) by adding after and below subsection (a)(3)(B) the following new subparagraph:

"(C) For purposes of this paragraph, lost earnings are to be calculated as follows:

"(i) in the case of the permanent total disability of someone who has been employed on a full-time basis for at least one year, 66 and ⅔% of the average weekly wage earned by the individual during the year preceding the disability;

"(ii) in the case of the permanent total disability of someone with no such history of full-time earnings, 66 and ⅔% of the national average weekly wage, as determined by the Secretary of Labor under section 6(b)(3) of the Longshore and Harbor Workers' Compensation Act, to be paid beginning with the individual's 18th birthday or the effective date of the award, whichever is later;

"(iii) in the case of temporary total disability the appropriate amount determined under clause (i) or (ii), to be paid during the continuation of the disability;

"(iv) in the case of permanent partial disability, the amount determined under clause (i) or (ii), reduced by the amount of wages which the individual can reasonably be expected to receive, considering the extent of the disability; and

"(v) in the case of temporary partial disability, the amount determined under clause (iv), to be paid during the continuation of the disability.";

(5) by striking out "generally recognized actuarial principles and projections" in subsection (a)(3)(A) and inserting in lieu thereof "subparagraph (C).";

(6) by striking everything after "age 18 and beyond," in subsection (a)(3)(B) and inserting in lieu thereof "compensation to be determined in accordance with subparagraph (C).";

(7)(A) in the first sentence of subsection (e)(1), by striking out "judgment of a court" and inserting in lieu thereof "decision", and by striking "section 2112" and inserting in lieu thereof "this subtitle, including proceedings before the Vaccine Compensation Board,";

(B) by amending the second sentence of such subsection to read as follows: "The amount of attorneys' fees shall be calculated on the basis of (i) the number of hours of work involved, (ii) the complexity of the case, and (iii) usual and customary fees in the area where the work was performed, but shall in no event exceed 10% of the amount of the current value of the total compensation to be paid under subsection (a), determined in accordance with generally recognized actuarial principles and projections.";

(8) by repealing paragraph (2) of subsection (d) and redesignating paragraph (3) as paragraph (2);

(9) by repealing subsections (b), (f), and (f) (the second place it appears), and redesignating subsections (c), (d), (e), and (g) as subsections (b), (c), (d), and (i), respectively;

(10) by adding after and below subsection (d) the following new subsections:

"(e) SETTLEMENT OF CLAIMS.—In any case where the petitioner and the insurer reach agreement to settle the claim for compensation, including an agreement for a lump sum payment as provided in subsection (a), the settlement agreement shall be reached in accordance with the applicable requirements of law for the petitioner's State of residence at the time of the settlement. Notwithstanding any provision of this subtitle limiting the jurisdiction of courts, if court approval is required under the applicable State law, the settlement agreement may be submitted to the appropriate court for this purpose.

"(f)(1) MODIFICATION OF AWARDS.—At the request of either a petitioner or an insurer, the Vaccine Compensation Board shall, on the ground of a material change in circumstances, review a compensation award. A request for a modification of an award may not be made sooner than two years after the initial compensation award or two years after a previous request for modification of an award but may be made at any time upon the death of the individual who sustained a vaccine-related injury. The Board may terminate, continue, reinstate, increase, or decrease compensation previously awarded. The new order shall not affect any compensation previously paid. This subsection does not authorize the modification of settlements providing for lump sum payments.

"(2) If the modification has been requested by a petitioner, and the Vaccine Compensation Board grants the modification in whole or in part, the petitioner shall be entitled to costs, in addition to the amount of the modification.

"(3) If the modification was requested by the insurer, and the Vaccine Compensation Board denies the modification in whole or in part, the insurer shall pay the petitioner's costs and reasonable attorneys' fees as determined in accordance with subsection (d).

"(4) In all other cases, each party shall bear its own costs and attorneys' fees.

"(g) SPECIAL PROVISION FOR COMPENSATION WHERE MANUFACTURER CANNOT BE IDENTIFIED.—In the case of a petition for compensation which does not identify the manufacturer of the vaccine administered, and for which evidence is not available to determine the manufacturer, any compensation which the petitioner is awarded under this subtitle shall be paid by the insurer of the manufacturer with whom the petition was filed. Periodically, the insurers of each vaccine to which this subtitle applies shall undertake an accounting to assure an equitable distribution among such insurers of the cost of compensation awards for which the manufacturer could not be identified. Such accounting shall be carried out under the supervision of and in accordance with criteria prescribed in regulations by the Vaccine Compensation Board.

"(h) DEFINITION OF UNREIMBURSABLE EXPENSES.—For purposes of this section, the term 'unreimbursable expenses' means expenses not provided or compensated under a policy of health insurance or program for the provision of health services or benefits, and includes expenses with respect to which payment or benefits have been, or would be but for the availability of compensation under this subtitle, provided under a Federal or Federally assisted program if such payment or benefits are (or by law are required to be) the subject of a reasonably well-founded claim of subrogation, reimbursement, or lien.; and

(11) by striking out in subsection (i) (as redesignated by paragraph (9)) "No" and inserting in lieu thereof "Except with respect to Federal or Federally assisted programs, no".

(h) Sections 2116(b)(1) and (2) are each amended by striking out "8 years" and inserting in lieu thereof "2 years".

(i) Section 2117 is revised to read as follows:

"SUBROGATION

"SEC. 2117. Upon payment of compensation to any petitioner under the Program, the insurer shall be subrogated to all rights of the petitioner with respect to the vaccine-related injury or death for which compensation was paid, except that the insurer may not recover on the basis of such subrogated rights an amount greater than the amount of compensation paid to the petitioner.".

(j) Section 2119 is amended—

(1) by striking out "Nine" in the portion of subsection (a)(1) that precedes subparagraph (A) and inserting in lieu thereof "Eleven";

(2) by striking out "Three" in subsection (a)(1)(A) and inserting in lieu thereof "Five", by inserting before the period at the end thereof the following: ", and of whom one shall be a neurologist"; and

(3) by striking out "5" in subsection (c) and inserting in lieu thereof "6".

(k) Part A of subtitle 2 of title XXI is amended by adding at the end the following new section:

"ESTABLISHMENT OF VACCINE COMPENSATION BOARD, DISPUTED CLAIMS, JUDICIAL REVIEW, AND ENFORCEMENT OF ORDERS

"SEC. 2120. (a) VACCINE COMPENSATION BOARD; DISPUTED CLAIMS

"(1) There is hereby established in the Executive Branch a Vaccine Compensation Board which shall be composed of five individuals with appropriate experience who are appointed by the President with the advice and consent of the Senate. The President shall designate one of the members of the Board to serve as Chairman. The Chairman shall have the authority to exercise all administrative functions necessary to operate the Board. Members of the Board shall be appointed for a term of seven years, except that of the members initially appointed, one shall be appointed for a term of three years and two shall be appointed for a term of five years, as designated by the President at the time of appointment.

"(2) For purposes of carrying out its functions under this subtitle, three members of the Board shall constitute a quorum, and official action may be taken only on the affirmative vote of at least three members.

"(3) Members of the Board shall be compensated at the rate provided for level V of the Executive Schedule.

"(4) The Board shall be authorized to hear and determine disputed claims arising from decisions with respect to petitions for compensation under this subtitle, including requests for modifications. The Board is authorized to conduct a de novo review of the petition. The payment of the amounts required by an award shall not be stayed pending final decision in any disputed claim brought to the Board, unless ordered by the Board on grounds that irreparable injury would otherwise ensure to the insurer or manufacturer.

"(5) A decision on a petition shall become effective unless an appeal is taken to the Board within 60 days after the receipt of the decision of the insurer by the party of interest.

"(6) The Board is authorized to employ such hearing examiners as it deems appropriate. The findings of a hearing examiner shall not be final unless approved by a quorum of the Board.

"(7) The Board may employ such professional and clerical staff and may obtain such information and the services of such consultants, including medical consultants, as may be necessary to assist the Board in carrying out effectively its functions under this subtitle.

"(8) The Board is authorized to issue regulations, (A) to carry out its responsibilities under this subtitle, and (B) to establish procedures to be followed by manufacturers and insurers in acting upon petitions, including the setting of deadlines for claims processing and the promulgation of standard claims forms.

"(9) The Board may require the attendance and testimony of witnesses and the production of evidence under oath. At the reasonable request of a petitioner, the Board shall exercise this authority to enable a petitioner to obtain information necessary to the resolution of the petition or to determine whether a claim of willful misconduct by the manufacturer can be maintained. Witnesses shall be paid the same fees and mileage that are paid witnesses in the courts of the United States. In case of a failure or refusal of any person to obey an order by the Board under this subparagraph, any district court of the United States within the jurisdiction of which such person is found, or resides, or transacts business shall have jurisdiction to issue such person an order requiring compliance, and any failure to obey such order of the court may be punished by the court as contempt thereof.

"(10) The Board shall render its decision on any matter properly brought before it as expeditiously as possible but not later than 6 months after its receipt of a complete request for such decision.

"(b) JUDICIAL REVIEW.—Any person aggrieved by a decision of the Vaccine Compensation Board may obtain judicial review in the United States Court of Appeals for the Federal Circuit except that a decision by the Board to issue a certificate pursuant to section 2112(a)(2) shall not be appealable. The request for judicial review must be filed with the court within 60 days after the Board issues its final decision in a case. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Board and to the other parties, and thereupon the Board shall file in the court the record in the proceedings as provided in section 2112 of Title 28, United States Code. The findings of fact in the decision by the Board shall be viewed by the Court of Appeals as conclusive if supported by substantial evidence in the record considered as a whole. The payment of amounts required by an award shall not be stayed pending final decision in any such proceeding unless ordered by the court on grounds that irreparable injury would otherwise ensue to the insurer.

"(c) ENFORCEMENT OF ORDERS.—If any insurer fails to comply with a compensation order that has become final, any petitioner may apply for the enforcement of the order to the United States District Court for the judicial district in which the petitioner resides or where the insurer has its principal place of business. If the court determines that the order was made and served in accordance with law, and that the insurer has failed to comply therewith, the court shall enforce obedience to the order by writ of injunction or by other proper process, mandatory or otherwise, to enjoin upon such person and his officers and agents compliance with such order.

"(d) There are hereby authorized to be appropriated such sums as may be necessary for the administration of the Board's activities.".

(l) Section 2121 is amended to read as follows:

"ACTIONS AGAINST PROVIDERS

"SEC. 2121. (a) A person may bring a civil action for damages arising from vaccine-related injury or death against the health care provider or other individual or entity responsible for administration of the vaccine only if (1) the action is not based in whole or in part on the adequacy or inadequacy of the provider's disclosure to the claimant or the claimant's guardian, and (2) the action is one that is based exclusively on the provider's having (i) administered the vaccine under circumstances such that a reasonably prudent health care provider would not have administered the vaccine to the claimant, or (ii) administered the vaccine in a manner different from the manner that the vaccine would have been administered to the claimant by a reasonably prudent provider under similar circumstances. In all other respects, such actions shall be governed by applicable State law. In the event of a recovery by the claimant in such a civil action, the insurer under the vaccine-injury compensation program shall be given, as appropriate, a right of subrogation or a judgment lien against the civil action recovery in an amount equal to the amount of compensation paid or to be paid by the insurer, but in no event in an amount greater than the amount of the civil action recovery.

"(b) For provisions relating to civil actions against a manufacturer, distributor, or importer, see section 2112(a)(2).".

(m) Section 2122 is repealed.

(n) Section 2123 is repealed.

(o) Section 2131 is amended (1) by striking out "any person" in subsection (a) and inserting in lieu thereof "any aggrieved person", and (2) by striking out ", whenever the court determines such award is appropriate" in subsection (c) and inserting in lieu thereof "which substantially prevails, in accordance with the Equal Access to Justice Act".

(p)(1) Section 2133(1) is amended by inserting "private" immediately following "licensed", and by striking out "whether public or private (including Federal, State, and local departments, agencies, and instrumentalities)" and inserting in lieu thereof "or any Federal, State, or local department agency, or instrumentality".

(2)(A) Section 2133(3) is amended by striking out, in the first sentence ", imports, processes, or distributes under its label", and by repealing the second sentence thereof.

(B) Section 2112(a) (as redesignated by section 101(a)(2) of this Act) is amended—

(i) by striking out "manufacturer" in three places in the first sentence of paragraph (2)(A) (as amended by section 101(c)(2) of this Act) and inserting in lieu thereof "manufacturer, importer, or distributor"; and

(ii) by striking out "vaccine manufacturer" in paragraphs (3), (4), and (6) (as redesignated by subsection (c)(4)), and inserting in lieu thereof (in each such paragraph) "vaccine manufacturer, importer, or distributor".

(3) Section 2133 is amended by inserting after "Vaccine-Injury Table" in paragraph (3) "(or which has done any of the foregoing at any time during the four years preceding the effective date of this subtitle)".

(q) Section 5316 of title 5, United States Code, is amended by adding at the end the following new item:

"Members, Vaccine Compensation Board (5).".

RECORDING AND REPORTING AMENDMENTS

SEC. 102. Section 2125(c)(2) is amended (1) by striking out "representative and" and inserting in lieu thereof "representative,", (2) by striking out "vaccine, and shall not" and inserting in lieu thereof "vaccine, and the name of the health care provider who administered the vaccine, and shall not", and (3) by striking out "administration, the name of the health care provider who administered the vaccine," and inserting in lieu thereof "administration,".

VACCINE INFORMATION AMENDMENTS

SEC. 103. Section 2126(c) is amended by repealing paragraph (5) and redesignating paragraphs (6) through (10) as paragraphs (5) through (9), respectively.

MANUFACTURER REPORTING AMENDMENT

SEC. 104. Section 2128(a) is amended by striking out "quantity" in the matter preceding paragraph (1) and inserting in lieu thereof "quantity of a released product or a component used in the preparation of a previously released product".

TITLE II—NATIONAL VACCINE PROGRAM

NATIONAL VACCINE PROGRAM AMENDMENTS

SEC. 201. (a)(1) Sections 2012(a) (1), (2), (3), and (4) are each amended by striking out "and provide direction for" wherever it appears.

(2) Sections 2102(a) (1), (2), (3), and (7) are each amended by striking out "the Office of Biologics Research and Review of" wherever it appears.

(b) Section 2102(a)(6) is amended by (1) striking out "and provide direction to" and inserting in lieu thereof "the activities of", and (2) by striking out "assistance to".

(c) Section 2102(a)(7) is amended by striking out "and provide direction to" and inserting in lieu thereof "the activities of".

(d) Section 2102(a)(4) is amended by striking out "section 353" and inserting in lieu thereof "section 351".

(e) Section 2103 is amended by striking out "January 1, 1987" and inserting in lieu thereof "January 1, 1988".

(f) Section 2104 is amended by striking out "January 1, 1988" and inserting in lieu thereof "January 1, 1989".

TITLE III—MISCELLANEOUS

STUDY AMENDMENTS

SEC. 301. Section 312 and section 313 of the National Childhood Vaccine Injury Act of 1986 (hereafter referred to as the "Act") are amended by repealing subsection (e)(2) and subsection (a)(2), respectively, and inserting in lieu thereof (in each place) the following:

"(2) The Secretary, or any group or association conducting the studies required by paragraph (1) on behalf of the Secretary, shall conduct such studies in consultation with the Advisory Commission on Childhood Vaccines established under section 2119 of the Public Health Service Act.".

REVIEW OF WARNINGS AMENDMENTS

SEC. 302. Section 314 of the Act is amended (1) by striking out "by rule", (2) by striking out "adequately warn" and inserting in lieu thereof "appropriately warn", and (3) by striking out "is inadequate" and inserting in lieu thereof "is inappropriate".

RECALL AMENDMENTS

SEC. 303. (a) Section 351(d)(2)(A) is amended by repealing the last sentence thereof.

(b) Section 351(d)(2)(B) is amended by inserting "of an order of recall issued under" after "violation" where it first appears.

EFFECTIVE DATES

SEC. 304. (a) Section 323(a) of the Act is amended by striking out all after "enactment of this Act" where it first appears and inserting in lieu thereof a period.

(b) Section 323(b) of the Act is repealed.

(c)(1) Subsections (a) and (d) of section 2120, as added to the Public Health Service Act by section 101(k) of this Act, are effective upon enactment.

(2) Subtitle 2 of Title XXI of the Public Health Service Act, as amended by this Act, shall take effect nine months after the date of enactment of this Act.

(d) Except as otherwise provided by this section, the amendments and repeals made by this Act shall take effect on the date of enactment of this Act.

THE SECRETARY OF
HEALTH AND HUMAN SERVICES,
Washington, DC, May 8, 1987.

HON. JIM WRIGHT,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Enclosed for the consideration of the Congress is a draft bill "To amend title XXI of the Public Health Service Act establishing the National Vaccine Injury Compensation Program, to amend the National Childhood Vaccine Injury Act of 1986, and for other purposes". A section-by-section summary of the draft bill is also enclosed for your convenience.

There are two major goals to be achieved by the National Vaccine Injury Compensation Program: to compensate fairly those individuals who suffer childhood vaccine-related injuries, and to stabilize the price, and hence safeguard the supply, of childhood vaccines. The Administration is committed to achieving those goals without increasing taxes, and with minimal intervention by the Federal Government.

The draft bill would address concerns expressed by the President last November when he signed the omnibus health bill that contained, as title III, the National Childhood Vaccine Injury Act. At that time, he noted:

"The Administration has been greatly concerned for some time that unpredictable tort liability has caused many vaccine manufacturers to abandon production of childhood vaccines. . . . Title III addresses only the worthy purpose of compensating persons who have been injured by childhood vaccinations. . . . Another serious deficiency of Title III is that it would create a program administered, not by the Executive branch, but by the Federal judiciary. This is an unprecedented arrangement that represents a poor choice to ensure a well-managed and effective program." Statement of the President upon signing S. 1744, November 14, 1986.

The enclosed draft bill would correct the Title III deficiencies described by the President, and would make other minor improvements in the National Vaccine Program also established by Title III.

While the compensation provisions enacted last fall may establish a basis for achieving the goal of compensating victims, they do not create an equitable, insurable system for vaccine compensation. The compensation scheme contained within that enactment merely engrafts onto the existing tort law system (a system already fraught with such uncertainties and inequities that certain vaccines have become uninsurable) a new compensation scheme that carries its own uncertainties. For example, it does not provide a basis upon which a manufacturer or insurer could assess potential exposure for damages, and it permits recovery of attorneys' fees even when the attorneys are unsuccessful.

Additionally, neither predictability nor uniformity in the amount of compensation awarded will be achievable under the provisions of title III. Administration of the program will be carried on by 94 United States district courts, a forum inappropriate at best, and constitutionally questionable, to administer a uniform national program.

The draft bill would address and correct these deficiencies through the following amendments:

Manufacturers would be required to purchase insurance, or to self-insure, to provide compensation for vaccine-related injuries.

A compensation program would be created to protect all injured individuals. The program would be based upon the workers' compensation model, a program in effect in all 51 jurisdictions and the Federal Government. Since there is already an enormous body of experience under those programs, we know that vaccine manufacturers will be able to purchase the required insurance, thus protecting both themselves and individuals receiving the vaccines, and the need will be eliminated for taxpayer subsidies of compensation. Additionally, a strong incentive will be placed upon the manufacturer to produce the safest vaccines possible, since the cost of securing the required insurance will be a function in each case of the manufacturer's prior compensation experience.

The draft bill would establish a new administrative entity, the Vaccine Compensation Board, to adjudicate claims for compensation that cannot be resolved by the individual and the insurer. Placing the fact-finding and base-line adjudicatory functions for this specialized class of cases in a specially constituted Board will facilitate prompt and fair compensation.

The compensation program would be the exclusive remedy in all but the limited classes of cases involving willful misconduct or medical malpractice. This approach will greatly increase the predictability of compensation costs, thus making vaccines insurable and both protecting the supply and stabilizing the price.

The Congress will have to address the vaccine compensation issues in the context of developing a funding mechanism for the existing legislation. Therefore, an appropriate opportunity is presented for the Congress to amend that legislation to correct the deficiencies noted above and strengthen this important program. Enactment of the enclosed proposal will put in place a more fair, effective, and financially sound program to protect all children. There is certainly no disagreement that that is our common objective.

We urge the Congress to give its prompt and favorable consideration to this crucial draft legislation.

We are advised by the Office of Management and Budget that there is no objection to the submission of this draft legislation, and that its enactment would be in accord with the program of the President.

Sincerely,

OTIS R. BOWEN, M.D.,
Secretary.

NATIONAL CHILDHOOD VACCINE INJURY AMENDMENTS OF 1987—SECTION-BY-SECTION SUMMARY

The first section of the draft bill states that its short title is the "National Childhood Vaccine Injury Amendments of 1987".

Section 2 provides that references within the draft bill to sections or other subdivisions are references to the Public Health Service Act, as amended by the National Childhood Vaccine Injury Act of 1986, P.L. 99-660, except as otherwise provided.

TITLE I—NATIONAL VACCINE INJURY

Compensation program

Title I contains amendments to the National Vaccine Injury Compensation Program, which was added by Title III of P.L. 99-660 as subtitle 2 of Title XXI of the Public Health Service Act.

Vaccine compensation amendments

Paragraphs (1) of section 101(a)[1] repeals section 2112, which provide that the United States District Courts determine eligibility for compensation.

Paragraph (2) redesignates section 2111 as section 2112 and conforms all other references in Title XXI.

Paragraph (3) adds a new section which requires vaccine manufacturers to obtain insurance for the provision of compensation or to obtain the approval of the Vaccine Compensation Board (established under section 2120, added below) to self-insure for the provision of such compensation. This requirement is made a condition for obtaining or retaining licensure under section 505, 506, or 507 of the Federal Food, Drug, and Cosmetic Act, or under section 351 of the Public Health Service Act.

Section 101(b) deletes the reference in section 2110(a) to the Secretary of Health and Human Services as the official directed to administer the National Vaccine Injury Compensation Program.

Paragraph (1) of section 101(c) amends section 2112 (as redesignated) to provide that a petition for compensation is to be filed with the manufacturer of the vaccine that was administered, or that if the manufacturer cannot be identified, with any manufacturer of a vaccine for the same childhood illness. (This replaces provisions pertaining to the district courts, since they will no longer adjudicate initial claims.)

Paragraph (2) raises the threshold of unreimbursed expenses necessary to be eligible for compensation under the program from $1,000 to $2,500 and establishes an exclusive remedy in the compensation program. Petitioners injured by vaccines administered after the effective date of the program may bring civil actions against the manufacturer only after obtaining from the Vaccine Compensation Board a certificate stating that there is a reasonable basis for believing that the manufacturer engaged in willful misconduct. Willful misconduct is defined in section 212(a)(2)(A) as the fraudulent withholding of information from the Secretary regarding the safety or efficacy of a vaccine or other criminal activity to the safety and efficacy of vaccines. (A reference is made to section 2121, added below, that deals with civil actions that may be maintained against health care providers.) Aplicable statutes of limitations for bringing civil actions are tolled while the Vaccine Compensation Board is considering the issuance of such a certificate.

Paragraph (3) revises section 2112(a)(5)(A) by changing from two years after the effective date of the program to six months thereafter the period in which an individual injured before the effective date of the vaccine compensation program may elect to drop a pending civil action and enter the compensation program. If he so elects, a civil action may be maintained thereafter only to the extent permitted under the program.

Paragraph (4) removes section 2112(a)(6), which prohibits filing a petition for compensation under the program in the case of an individual who brought a civil action for a vaccine-related injury or death associated with the administration of a vaccine before the effective date of the program.

Paragraph (5) amends section 2112(a)(7), redesignated as paragraph (6), by providing that the prohibition of individuals who obtain a judgment or settlement of a civil action against a manufacturer also obtaining compensation applies only with respect to vaccines administered before the program's effective date. Thus, individuals who can bring civil actions based on willful misconduct by the manufacturer may also obtain compensation.

Paragraph (6) removes the limitation in section 2112(b)(1)(B) that only 3,500 claims may be filed with respect to pre-effective date injuries, and provides instead that only individuals injured within the four year period prior to the effective date of the program may seek compensation.

Paragraph (7) makes a conforming amendment with respect to the $2500 threshold of unreimbursed expenses.

Paragraph (8) clarifies section 2112(c) by providing that only injuries from vaccines licensed for use in the United States are subject to the Vaccine Compensation Program and includes language making the program available to legal residents of the United States, as well as citizens.

Section 101(d) adds to section 2133 a definition of insurer. The term means an entity approved by the Vaccine Compensation Board to provide compensation insurance and explicitly includes self-insurers.

Paragraph (1) of section 101(e) limits the definition in section 2113(a)(2) of the term "factors unrelated to the administration of the vaccine" by removing language establishing a presumption that conditions whose cause is unknown or unexplained are vaccine-related.

Paragraph (2) repeals a provision from section 2113(b) permitting the award of compensation even if no evidence is produced that the symptoms of an adverse reaction occurred during the applicable time limits.

Paragraph (3) removes from section 2113(c) an obsolete definition of "record" and inserts a 90 day deadline for insurers to act upon compensation petitions. The Vaccine Compensation Board is authorized to set, by regulation, a different deadline.

Section 101(f) amends the vaccine injury table contained in section 2114 to remove a number of symptoms that are not accepted as evidence of vaccine-related reactions. Infantile spasms and infantile myoclonic spasms are expressly identified as non-compensable conditions.

Section 101(g) revises the compensation provisions set forth in section 2115. Paragraph (1) makes the same compensation standards applicable to pre-effective date and post-effective date injuries, instead of the present provision in section 2115(b), which restricts the types of compensation available with respect to pre-effective date injuries. Paragraph (2) revises the pain and suffering provision in section 2115(a)(4), replacing "an award not to exceed $250,000" with an amount equal to twice the actual medical expenses for one year following administration of the vaccine, but not to exceed $100,000. Paragraph (3) provides greater detail on lump sum settlements in section 2115(a). Paragraph (4), which is modeled on the Federal Longshore and Harbor Workers' Compensation Act, defines lost earnings in greater detail in a new section 2115(a)(3)(C), using 66⅔% of the national average weekly wage as the standard. Paragraph (7) revises the provisions in section 2115(e) (later redesignated as subsection (d)) for attorneys' fees by removing the authority to award fees in cases where a compensation petition is denied and by providing further definition of a "reasonable" attorneys' fee. The fee is to be determined on the basis of the number of hours of work involved, the complexity of the case, and the usual and customary legal fees in the area, and is not to exceed 10% of the current value of the total compensation to be awarded to the petitioner.

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[1] Sections not specifically described make only technical or conforming changes.

Paragraph (10) adds new subsections (e), (f), (g), and (h) to section 2115. Subsection (e) provides that lump sum settlements are to be reached in accordance with applicable requirements of the law of the petitioner's State of residence. Subsection (f) provides for the modification of awards, other than lump sum settlements, upon request by the petitioner or the insurer in the event of a material change in circumstances. These requests are to be filed with the Vaccine Compensation Board established under section 2120(a). Requests for modifications may not be made more often than every two years, but may be made on the death of the person vaccinated. The Board may modify an award as appropriate. This subsection does not apply, however, to settlements providing for lump sum payments. Provision is made for each party to pay its own attorneys' fees, except that if the modification is requested by the insurer and is denied by the Board, the insurer is to pay the attorneys' fees of the injured individual. Subsection (g) provides that where the vaccine manufacturer cannot be identified, the manufacturer with which the petition was filed shall pay the applicable compensation, and that on a periodic basis, the insurers of vaccines for each childhood illness will undertake an accounting, under the supervision of and subject to rules issued by the Board, to assure an equitable distribution among them of compensation awards for which the manufacturers were not identified. Subsection (h) defines "unreimbursable expenses", which are to be covered by compensation awards, and includes within the term (with the requirement that they must be included in a compensation award) payments or benefits that have been or would be provided under a Federal or Federally assisted program, but for the availability of the compensation program, if there is a basis under the former program for a claim for subrogation or reimbursement.

Subsection (h) of section 101 amends section 2116(b) by reducing from eight years to two years the period prior to a revision of the Vaccine Injury Table with respect to which claims that fit within the revisions may be filed.

Subsection (j) amends section 2119 by changing from nine to eleven the number of members to serve on the Advisory Committee on Childhood Vaccines. It also provides that one of the members shall be a neurologist. The quorum for this Commission is accordingly raised from five to six.

Subsection (k) of section 101 adds a new section 2120, establishing the Vaccine Compensation Board and prescribing procedures to handle disputed claims, judicial review, and enforcement of orders. Subsection (a) establishes the Vaccine Compensation Board, which is to be composed of five individuals with appropriate experience who are appointed by the President with the advice and consent of the Senate. Members of the Board will serve terms of seven years, except that the initial Board will have staggered terms. The Board is authorized to resolve disputed claims brought to the Board by a petitioner or insurer. The Board would conduct a de novo review of the petition and would be required to reach its decision within six months. The Board may employ hearing examiners and other consultants, but the findings of a hearing examiner are not to be final unless approved by a quorum of the Board. The Board is to have subpoena authority and is authorized to issue regulations necessary to carry out its responsibilities, including regulations establishing procedures and deadlines for the handling of petitions and the resolution of disputed claims. Subsection (b) provides that any person aggrieved by a decision of the Board may obtain judicial review in the United States Court of Appeals for the Federal Circuit. Subsection (c) provides that if an insurer fails to comply with a compensation order, the United States District Courts may enforce the order. Subsection (d) authorizes the appropriation of such sums as may be necessary for the administration of the Board's activities.

Subsection (l) of section 101 amends section 2121 to provide that civil actions may be brought against the health care provider responsible for administration of the vaccine only where the action is not based on the disclosure to the claimant or the claimant's guardian, and the action is based exclusively on the provider's having administered the vaccine improperly or in circumstances in which a reasonably prudent provider would not have done so at all. If there is a recovery in such a civil action, the insurer under the vaccine-injury compensation program is given a right of subrogation or a judgment lien against the recovery, but not in an amount greater than the amount of the civil action recovery.

Subsection (m) repeals section 2122, which under current law provides amendments to tort law that would apply to civil actions against manufacturers. Because the civil actions that may be brought against a manufacturer are limited to cases of willful misconduct, these provisions are unnecessary.

Subsection (n) repeals section 2123, which under current law establishes rules for trials in civil actions against manufacturers. Again, these provisions are unnecessary in light of the restrictions on suits against manufacturers.

Subsection (o) changes the provisions for the award of costs of litigation in section 2131, by providing instead of the vague standard that these costs are to be awarded where "appropriate", that these costs will be awarded in accordance with the Equal Access to Justice Act.

Subsection (p) amends section 2133(l) to clarify that Federal health care providers are covered by the program, regardless of whether they are licensed, and amends section 2133(3) by removing importers, processors, and distributors of vaccines from the definition of "manufacturer." Importers and distributors are then added to the substantive provisions of section 2112, as redesignated, and are thus given the protection from civil actions available to manufacturers. These changes are conforming amendments made necessary because of the new provisions regarding manufacturers to obtain compensation insurance.

Recording and reporting amendments

Section 102 amends the recording and reporting requirements of section 2125 by providing that the name of the health care provider who administered the vaccine will not be released by the Federal Government under the Freedom of Information Act.

Vaccine information amendments

Section 103 amends section 2126(c) by repealing the requirement that information to be distributed by health care providers at the time of vaccination include a description of the manner in which the legal representative of the minor to be vaccinated shall monitor major adverse reactions.

Manufacturer reporting amendment

Section 104 amends section 2128(a) by clarifying that the manufacturer recordkeeping and reporting requirements apply only with respect to released products or components thereof.

TITLE II—NATIONAL VACCINE PROGRAM

National vaccine program amendments

Title II contains amendments to the National Vaccine Program established by Subtitle 1 of Title XXI of the Public Health Service Act. Paragraph (1) of section 201(a) removes from section 2102 the redundant requirement that the Director of the National Vaccine Program "provide direction for" a number of activities. References to the Office of Biologics Research and Review within the Food and Drug Administration are removed by paragraph (2) of section 201(a), so that the statute will simply refer to the Food and Drug Administration.

Section 201(e) changes from January 1, 1987, to January 1, 1988, the deadline in section 2103 for the Director of the Program to issue a plan for implementation of his responsibilities. Section 201(f) changes from January 1, 1988, to January 1, 1989, the deadline in section 2104 for the Director to report to Congress initially on the implementation of the Program and the plan prepared under section 2103.

TITLE III—MISCELLANEOUS

Section 301 removes requirements from sections 312 and 313 of Public Law 99-660 that the Institute of Medicine of the National Academy of Sciences be offered the opportunity to conduct studies on pertussis, measles, mumps, and rubella, and other vaccine risks.

Review of warning amendments

Section 302 removes from section 314 of Public Law 99-660 the requirement that the Secretary's determination regarding the adequacy of health warnings and cautionary information published by vaccine manufacturers be undertaken through rulemaking.

Recall amendments

Section 303 clarifies the recall authority provisions added to section 351 of the Public Health Service Act.

Effective dates

Section 304 contains effective date provisions for these amendments. The amendments establishing a Vaccine Compensation Board take effect upon enactment. In other respects, the compensation program is to take effect nine months after the date of enactment of these amendments. Other amendments made by this bill would take effect on the date of enactment.

TALKING POINTS

VACCINE COMPENSATION

Provisions to fund and implement the National Vaccine Compensation Program contained in the House reconciliation bill are neither revenue-raisers nor revenue-neutral.

Net cost to the Federal government of revisions over a five-year period (1988-1992) is at least an additional $319 to $339 million.

As a major purchaser of vaccines through the CDC childhood immunization program, the Federal government would be paying for about a third of the total vaccine excise taxes through an intergovernmental transfer of about +$20-$27 million a year, or +$128 million over the five-year period.

This has not been factored into the bill's cost estimate by CBO.

Additional costs would also be experienced by Medicaid and Headstart programs.

States would also face a 30% increase in their share of costs for childhood immunizations (+$20-$26 million a year, or +$126 million over the five-year period). If Congress chose to hold the States harmless for this increase, the cost to the Federal government would rise accordingly.

If either the States or the Federal government did not pick up the support for its share of these additional costs, fewer children would receive disease-preventive and cost-saving immunizations.

Private physicians would also face some $50 million a year in additional costs for the costs of vaccines, which will likely be passed on to consumers.

With such additional costs, it is anticipated that even more children will be turned to the public sector for vaccines, forcing even further increases in Federal and State costs.

Costs of retroactive cases are estimated to be $80 million per year. The bill calls for this money to be provided through general appropriations.

Assumed budget savings to the Federal government in the program's first year due to excise tax revenues quickly vanish into deficits as soon as claims begin to be paid in the second year for retroactive claims and in the third year for current injuries.

Costs to monitor the trust fund and represent the Government in all cases would require the addition of numerous legal and administrative staff (about $5 million per year, or $25 million over the five-year period, and not currently factored in to the bill's cost estimate by CBO).

The Administration supports H.R. 3546, which would not require any additional expenditures by the Federal government above the President's budget request for 1988 and beyond. It would finance compensation costs through private insurance purchased by vaccine manufacturers and would provide for exclusive remedy, enabling the costs of vaccines to stabilize.

[In millions of dollars]

	1988	1989	1990	1991	1992	5-years 1988–1992
Federal Costs						
CDC immunization grant	20.2	26.9	26.9	26.9	26.9	127.8
Retroactive claims		80.0	80.0	80.0	80.0	320.0
Current injury claims[1]			94.0	98.0	102.0	294.0
Federal Admin.—Legal Costs[3]		5.0	5.0	5.0	5.0	20.0
Medicaid/Headstart	(3)	(3)	(3)	(3)	(3)	(3)
Subtotal, Federal costs	20.2	111.9	205.9	209.9	213.9	761.8
State costs	20.0	26.6	26.6	26.6	26.6	126.4
Subtotal, costs if States held harmless	40.2	138.5	232.5	236.5	240.5	888.2
OFFSETTING REVENUES						
Excise tax on vaccines	−67.0	−89.0	−89.0	−89.0	−89.0	−423.0
Net cost	−46.8	22.9	116.9	120.9	124.9	338.8
Net, if States held harmless	26.8	49.5	143.5	147.5	151.5	465.2

[1] CBO estimate of claims costs.

[2] Not included in CBO estimates.

[3] Costs not known.

By Mr. CHILES:

S.J. Res. 224. Joint resolution to designate the period commencing on September 5, 1988, and ending on September 11, 1988, as "National School Dropout Prevention Week"; to the Committee on the Judiciary.

NATIONAL SCHOOL DROPOUT PREVENTION WEEK

● Mr. CHILES. Mr. President, today I am introducing a joint resolution to designate September 5 through September 11, 1988, as "National School Dropout Prevention Week."

At a time when our economy and our Nation's competitive posture demand an educated and highly skilled work force, we are losing more and more of tomorrow's workers to the streets. They are lost to truancy, to lethargy, to crime, to teen pregnancy, to drug abuse, and worst of all, to hopelessness. The student dropout rate in our Nation has grown to more than 25 percent. The rate in some urban communities is twice or three times that amount. If the current trend continues, our national dropout rate will be 40 percent by the year 2000. This statistic contrasts with the number of Japanese students who earn high school diplomas, approximately 90 percent.

I have long been concerned about the rising epidemic of high school dropouts and would like to make more Americans aware that this problem affects everyone.

I expect a National Dropout Prevention Week to highlight the problem so that more people will become involved. The Federal Government alone cannot solve this dilemma. The collective efforts of parents, teachers, administrators, local business people, and community volunteers are absolutely necessary and can make the difference when it comes to dealing with the serious and widespread problems associated with high school dropouts.

Many people joined me when I held hearings in my home State in September of this year to discover what compels students to drop out of school. One of the most telling testimonies came from Seth, a Miami Killian High School dropout. When pressures started to mount in his life, he saw dropping out as a way to make things easier. He soon learned how wrong he was. Without a high school diploma, Seth had difficulty finding a job which paid enough to meet his living expenses. Two years after dropping out, Seth now juggles as many as five jobs to support himself. It was only after this frustrating experience, and the efforts of the Dade County School System to recruit him into a high school equivalency program, that Seth decided that earning a high school diploma was worth his while.

Seth has learned from his bitter lesson. But many dropouts don't return to education. And many communities and school districts don't recognize the extent of the problem and don't emphasize effective prevention programs. My big concern with dropouts is the adverse effects that result when a child fails to complete his or her education. Dropouts cost themselves in terms of lost opportunities to earn a decent wage, attend college, or make broad choices about their futures. They cost society in terms of lost tax revenues, welfare and other social services, prisons, and crime prevention. Successful dropout prevention efforts must convey the validity of stable lives based upon educational achievements.

In America, education has traditionally served as a steppingstone for socially and economically disadvantaged groups. Current statistics show that disproportionately high numbers of blacks and Hispanics do not complete secondary education. Considering that these two groups represent our fastest growing population categories, the future U.S. labor force will face severe shortages of literate, trainable workers. American business won't be able to compete in the world marketplace.

If we act now, we can reverse this trend. A number of proposals aimed at curbing the dropout problem are currently under consideration by both the House and the Senate. I expect to see some of these measures enacted into law. However, effective action in dropout prevention requires awareness of the extent of the problem. By increasing awareness, families, schools, community leaders, and Federal, State and local resources can be mobilized to develop a comprehensive response. It is my hope that focusing on the issue of school dropouts nationwide will help accomplish this goal. I am, therefore, asking my colleagues to join me in supporting this resolution marking the week of September 5 through 11, 1988, as National School Dropout Prevention Week.●

ADDITIONAL COSPONSORS

S. 9

At the request of Mr. CRANSTON, the names of the Senator from North Dakota [Mr. BURDICK] and the Senator from Louisiana [Mr. BREAUX] were added as cosponsors of S. 9, a bill to amend title 38, United States Code, to increase the rates of disability compensation and dependency and indemnity compensation for veterans and survivors; to provide additional eligibility for certain educational or rehabilitation assistance to veterans and other eligible individuals with drug or alcohol abuse disabilities; to increase the maximum amount of a home loan which is guaranteed by the Veterans' Administration; to improve housing, automobile, and burial assistance programs for service-disabled veterans; and to extend and establish certain exemptions from sequestration for certain veterans' benefits; and for other purposes.

S. 123

At the request of Mr. KARNES, his name was added as a cosponsor of S. 123, a bill to amend title XVIII of the Social Security Act to provide that psychologist services are covered under part B of Medicare.

S. 373

At the request of Mr. PELL, the names of the Senator from Louisiana [Mr. BREAUX] and the Senator from Illinois [Mr. DIXON] were added as cosponsors of S. 373, a bill to reauthorize the program of finance assistance to meet special educational needs of disadvantaged children, and to reauthorize chapter 2 of the Education Consolidation and Improvement Act of 1981, through fiscal year 1993.

At the request of Mr. STAFFORD, the names of the Senator from Wyoming [Mr. WALLOP], the Senator from Kansas [Mr. DOLE], the Senator from Rhode Island [Mr. CHAFEE], the Senator from Oregon [Mr. HATFIELD], and the Senator from Pennsylvania [Mr. HEINZ] were added as cosponsors of S. 373, supra.

S. 629

At the request of Mr. BINGAMAN, the name of the Senator from Michigan [Mr. RIEGLE] was added as a cosponsor of S. 629, a bill to establish literacy programs for individuals of limited English proficiency.

S. 953

At the request of Mr. HEFLIN, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 953, a bill to amend the Federal Rules of Civil Procedure with respect to the examination of prospective jurors.

S. 954

At the request of Mr. HEFLIN, the name of the Senator from Arizona [Mr. DECONCINI] was added as a cosponsor of S. 954, a bill to amend the Federal Rules of Criminal Procedure with respect to the examination of prospective jurors.

S. 1220

At the request of Mr. KENNEDY, the name of the Senator from North Carolina [Mr. SANFORD] was added as a cosponsor of S. 1220, a bill to amend the Public Health Service Act to provide for a comprehensive program of education, information, risk reduction, training, prevention, treatment, care, and research concerning acquired immunodeficiency syndrome.

S. 1673

At the request of Mr. CHAFEE, the name of the Senator from Maryland [Ms. MIKULSKI] was added as a cosponsor of S. 1673, a bill to amend title XIX of the Social Security Act to assist individuals with a severe disability in attaining or maintaining their maximum potential for independence and capacity to participate in community and family life, and for other purposes.

S. 1723

At the request of Mr. BINGAMAN, the names of the Senator from New York [Mr. MOYNIHAN] and the Senator from Tennessee [Mr. GORE] were added as cosponsors of S. 1723, a bill to authorize the establishment of certain regional exhibition facilities as part of the Museum of the American Indian, and for other purposes.

S. 1761

At the request of Mr. DURENBERGER, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 1761, a bill to amend the Internal Revenue Code of 1986 to provide that a decedents spouse may enter into a cash lease of farm and other real property with family members and still qualify for the special estate tax valuation of the property.

S. 1814

At the request of Mr. MELCHER, the name of the Senator from Wyoming [Mr. SIMPSON] was added as a cosponsor of S. 1814, a bill to provide clarification regarding the royalty payments owed under certain Federal onshore and Indian oil and gas leases, and for other purposes.

S. 1833

At the request of Mr. DURENBERGER, the name of the Senator from Hawaii [Mr. INOUYE] was added as a cosponsor of S. 1833, a bill to make grants from amounts appropriated from the Federal hospital insurance trust fund under title XVIII of the Social Security Act to test the cost-effectiveness of innovative nursing practice models under the medicare program.

SENATE JOINT RESOLUTION 27

At the request of Mr. GARN, the name of the Senator from Louisiana [Mr. BREAUX] was added as a cosponsor of Senate Joint Resolution 27, a joint resolution proposing an amendment to the Constitution of the United States for the protection of unborn children and other persons.

SENATE JOINT RESOLUTION 215

At the request of Mr. DURENBERGER, the names of the Senator from West Virginia [Mr. BYRD], the Senator from Mississippi [Mr. COCHRAN], the Senator from Indiana [Mr. QUAYLE], the Senator from Mississippi [Mr. STENNIS], and the Senator from Massachusetts [Mr. KERRY] were added as cosponsors of Senate Joint Resolution 215, a joint resolution to authorize the Vietnam Women's Memorial Project, Inc., to establish a memorial to women of the Armed Forces of the United States who served in the Vietnam war.

SENATE JOINT RESOLUTION 218

At the request of Mr. LAUTENBERG, the names of the Senator from Florida [Mr. CHILES] and the Senator from Delaware [Mr. BIDEN] were added as cosponsors of Senate Joint Resolution 218, a joint resolution to designate March 25, 1988, as "Greek Independence Day: A National Day of Celebration of Greek and American Democracy."

SENATE CONCURRENT RESOLUTION 23

At the request of Mr. CRANSTON, the name of the Senator from Alaska [Mr. MURKOWSKI] was added as a cosponsor of Senate Concurrent Resolution 23, a concurrent resolution designating jazz as an American national treasure.

SENATE RESOLUTION 302

At the request of Mr. PRESSLER, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of Senate Resolution 302, a resolution expressing the concern of the Senate regarding the situation in Fiji.

NATIONAL PRODUCTIVITY IMPROVEMENT WEEK

Mr. NUNN. Mr. President, I ask unanimous consent that the floor statement for Senate Joint Resolution 223 be reprinted in the RECORD as it appears on page S16751 of November 30, 1987. I also ask that Senate Joint Resolution 223 be inserted directly following the floor statement.

The PRESIDING OFFICER. Without objection, it is so ordered.

The material follows:

By Mr. NUNN (for himself, Mr. MCCAIN, Mr. BOREN, Mr. BUMPERS, Mr. BURDICK, Mr. CHAFEE, Mr. CHILES, Mr. COCHRAN, Mr. CRANSTON, Mr. DECONCINI, Mr. DOLE, Mr. DOMENICI, Mr. GARN, Mr. GORE, Mr. GRAHAM, Mr. HECHT, Mr. HEFLIN, Mr. HELMS, Mr. HOLLINGS, Mr. INOUYE, Mr. KASTEN, Mr. LEVIN, Mr. METZENBAUM, Ms. MIKULSKI, Mr. MOYNIHAN, Mr. PRYOR, Mr. QUAYLE, Mr. RIEGLE, Mr. ROCKEFELLER, Mr. SARBANES, Mr. SHELBY, Mr. SIMON, Mr. STENNIS, Mr. THURMOND, Mr. WALLOP, Mr. WARNER, Mr. WILSON, and Mr. WIRTH):

S.J. Res. 223. Joint resolution to designate the period commencing on April 10, 1988, and ending on April 16, 1988, as "National Productivity Improvement Week"; referred to the Committee on the Judiciary.

NATIONAL PRODUCTIVITY IMPROVEMENT WEEK

Mr. NUNN. Mr. President, for several years it has been my pleasure to introduce a Senate resolution designating a week as "National Productivity Improvement Week." I am pleased once again to offer this resolution on behalf of the Institute of Industrial Engineers. The measure calls on the President of the United States to proclaim April 10 through April 16, 1988 as "National Productivity Improvement Week."

At first glance, productivity figures seem to show that the United States is more productive than our main competitors, Japan and West Germany. According to the Bureau of Labor Statistics, the average American worker produces $17 of product per hour while in West Germany the average hourly output is $15 and in Japan it is $12. Obviously the United States is leading in production but West Germany and Japan are increasing at a higher rate and will soon surpass us. From 1980 to 1985, Japan's gross national product increased 4.4 percent West Germany's increased 2.6 percent and our economy experienced only 1.3 percent growth. In the United States from 1970 to 1985, there has been an increase of 50 percent in manufacturing productivity. During the same time period, there has been an increase of 146 percent in Japanese manufacturing productivity. These figures do not augur well for our future. It is time, once again, that we started to stress productivity in our society.

Fortunately, some have already recognized the need for increased productivity. Business and industry have led the way with increased reinvestment of capital. But the human element, the fact that Americans are working harder, taking more pride in their work, feeling greater loyalty to their employer, improving their workmanship, and increasing their motivation, should be viewed as the most encouraging sign for American business.

What is productivity? Simplified, productivity is a measured relationship between the output of goods and services and the amount of investment it took to create those goods and services. That investment not only includes the cost of labor but also the cost of energy, raw materials, and equipment. When an organization produces more from a given investment, then the rate of productivity goes up. When the output is less from the same investment, productivity goes down.

When there is an increase in wages and salaries without an accompanying increase in productivity, the result is more dollars for fewer goods and services. This is one of the root causes of inflation. Therefore, it is extremely important that we recognize the need for increasing productivity on a continuing basis.

As a result of higher levels of output for a given investment, an enterprise is better able to sell its goods or services because a more competitive price is allowed. This keeps jobs thriving and makes better pay possible. By giving the consumer of the goods and services more value for a given price, improved productivity fights inflation.

Even within governmental units or nonprofit associations, productivity improvement contributes to the overall well-being of those inside such organizations, because those outside give their votes and financial support ultimately to those who utilize resources soundly.

Productivity awareness can make a tremendous difference to all types of organizations—in both the public and private sectors. During the week of April 10, the Institute of Industrial Engineers will conduct its seventh consecutive annual productivity improvement awareness campaign as a public information service.

Americans should be proud of the fact that we are working harder to become a more productive society. However, we should avoid complacency and inaction. By introducing this resolution for 1988, I hope not only to call attention to the gains made by industry but also to call attention to the fact that more should and could be done by employers and employees to make America more productive.

Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

There being no objection, the text was ordered to be printed in the RECORD, as follows:

S.J. RES. 223

Whereas the economic stability and growth of this Nation relies largely on the collective industry and endeavor of its working citizens;

Whereas the time-honored tradition of American leadership in work-related ingenuity and know-how has brought about great strides in productivity;

Whereas growth in productivity in turn improves the standard of living for United States citizens;

Whereas public awareness of the economic importance of productivity will promote individual and collective ideas and innovations for productivity improvement; and

Whereas a conscientious effort to improve productivity will foster a better standard of living for all citizens and reduce the level of inflation: Now therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purpose of providing for a better understanding of the need for productivity growth and of encouraging the development of methods to improve individual and collective productivity in the public and private sectors, the period commencing on April 10, 1988, and ending on April 16, 1988, is designated as "National Productivity Improvement Week", and the President is authorized and requested to issue a proclamation calling upon the people of the United States to observe such period with appropriate ceremonies and activities.

SENATE CONCURRENT RESOLUTION 91—RELATING TO RECENT KILLINGS IN MOZAMBIQUE AND UNITED STATES RELATIONS WITH MOZAMBIQUE

Mr. LEVIN submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations.

S. CON. RES. 91

Whereas the Mozambique National Resistance [RENAMO] was created in 1976 as a proxy military force by the Rhodesian central intelligence organization;

Whereas, in 1980, South Africa assumed primary responsibility for the support and expansion of RENAMO's activities;

Whereas South Africa has continued to assist RENAMO despite signing the 1984 Nkomati Accord which stipulated that South Africa cease providing such assistance;

Whereas, on July 18, 1987, several hundred RENAMO guerrillas, armed with automatic weapons, bayonets, and machetes, raided the town of Homoine, Mozambique, and killed over 400 men, women, and children;

Whereas, according to eyewitness accounts cited by the State Department, the attackers at Homoine "attacked civilians indiscriminately, including patients at a hospital, over a period of 7 to 8 hours" and "photographs of the victims showed that some had been beaten to death and others multilated";

Whereas, on August 10, 1987, several hundred heavily-armed RENAMO guerrillas attacked the town of Manjacaze, Mozambique, killing approximately 90 civilians and destroying civilian energy supplies;

Whereas, on August 18, 1987, RENAMO guerrillas attacked the town of Inharrime, Mozambique, and killed an estimated 10 to 15 civilians;

Whereas, on October 16, 1987, RENAMO guerrillas ambushed a convoy of vehicles on Mozambique's north-south highway, in the region of Taninga, killing at least 51 people;

Whereas, on October 31, 1987, RENAMO guerrillas burned buses that were crowded with unarmed civilians, killing at least 211 people in the same region;

Whereas these incidents are only RENAMO's most recent attacks on civilians in an attempt to destabilize the Mozambican government;

Whereas the actions of RENAMO, including its attacks on transportation arteries and agricultural products and its disruption of relief efforts, have contributed to the current food crisis in which 4.6 million of Mozambique's 14.3 million people have been subjected to famine conditions;

Whereas the RENAMO guerrillas have also destroyed 719 medical clinics and attacked 12 CARE food delivery trucks;

Whereas President Reagan has expressed his support for improved relations with the Mozambican government and the United States provides Mozambique with food and economic aid;

Whereas the Mozambican government continues to receive express diplomatic support in its struggle against RENAMO from the major European powers and virtually all of the independent African nations: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That Congress condemns the indiscriminate sabotage committed by the Mozambique National Resistance (RENAMO) and urges President Reagan to continue to recognize the Mozambican government.

● Mr. LEVIN. Mr. President, today I am submitting a concurrent resolution which calls upon the Congress to condemn the indiscriminate killing of innocent and unarmed civilians and other acts of sabotage committed by the Mozambique National Resistance [Renamo]. The concurrent resolution urges President Reagan to continue to recognize the Mozambican Government. A similar resolution has been introduced in the House by Congressman JOHN CONYERS.

Mr. President, in a statement on the floor of the Senate on September 9, 1987 I expressed my abhorrence to Renamo's acts of terror and violence against civilians in Mozambique, including an eyewitness account of the July 18 massacre by Mark van Koevering, a Mennonite Central Committee agricultural worker and articles from the Washington Post and New York Times.

According to the State Department and international human rights organizations, Renamo has been responsible for repeated acts of terror, including civilian killing and torture, the destruction of crops, the pillaging of towns and the sabotage of transportation lines, in an attempt to destabilize the Mozambican Government.

The Reagan administration has rejected calls to support Renamo, and continues to provide the Mozambican Government with economic aid and food supplies. It is also important to note that President Reagan met with the President of Mozambique, Mr. Chissano during his visit to the United States in early October.

I urge my colleagues to support this concurrent resolution.●

SENATE CONCURRENT RESOLUTION 92—RELATING TO EDUCATION ABOUT OUR NATION'S FOUNDING DOCUMENTS

Mr. ADAMS (for Mr. SIMON, for himself, Mr. DOLE, and Mr. PELL) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 92

Whereas the adoption of the Declaration of Independence in 1776 and the signing of the United States Constitution in 1787 were principal events in the history of the Union;

Whereas the Federalist Papers embody an eloquent and forceful argument made in support of the adoption of our republican form of government;

Whereas these documents stand as the foundation of our form of Democracy, providing at the same time the touchstone of our national identity and the vehicle for orderly growth and change; and

Whereas the survival of the Republic requires that our Nation's children—the future guardians of its heritage and participants in its governance—have a firm knowledge of its principles and history: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress encourages State and local governments and local educational agencies to include among the requirements for secondary school graduation a thorough knowledge and understanding of the Declaration of Independence, the United States Constitution, and the Federalist Papers.

SENATE RESOLUTION 332—RELATING TO CLEAN AIR ACT SANCTIONS

Mr. WEICKER submitted the following resolution; which was referred to the Committee on Environment and Public Works:

S. RES. 332

Whereas, December 31, 1987, is the deadline for attaining a national ambient air quality standard for ozone and carbon monoxide under the provisions of the Clean Air Act;

Whereas, the Environmental Protection Agency announced on November 17, 1987, that the Agency will postpone taking action for failure to meet the December 31, 1987, deadline;

Whereas, the Clean Air Act clearly requires that the Environmental Protection Agency enforce the attainment of the national ambient air quality standards through the imposition of certain sanctions;

Whereas, the United States Ninth Circuit Court of Appeals has recently ruled that the Environmental Protection Agency does not have the discretion to ignore the statutory deadlines of the Clean Air Act; and

Whereas, the Environmental Protection Agency's proposed delays provide for no new constructive pollution control measures and do nothing to establish the necessary Federal leadership in protecting the public health and safety: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Environmental Protection Agency shall take no action which would result in the extension of any time requirement imposed on any State under the Clean Air Act for attaining and maintaining a national ambient air quality standard for ozone and carbon monoxide.

● Mr. WEICKER. Mr. President, I am submitting a sense of the Senate resolution today to discourage the Environmental Protection Agency [EPA] from delaying the imposition of sanctions against cities and States that have failed to comply with air pollution standards as mandated by the Clean Air Act.

With the passage of that act in 1963, this country made a commitment to protect the health and welfare of all Americans by reducing air pollution. Unfortunately, that commitment has repeatedly been called into question by countless delays and a continual failure on the part of most municipalities, States and regions to meet Federal standards.

The task of eliminating air pollution has always been recognized as a joint effort between States and the Federal Government. However, it is the responsibility of the Federal Government and in particular that of EPA to provide technical guidance to the States, monitor progress made, and to certify that States are moving toward compliance.

Current law requires that on December 31 of this year cities and States identified as "non-attainment" areas because of continuing high levels of ozone and carbon monoxide are to be the subject of sanctions in the form of construction bans and selective withholding of Federal funds from State programs and projects.

When the EPA announced on November 17 that it would delay the imposition of these sanctions, the Agency disobeyed the law. EPA has no authority to ignore the mandates of the Clean Air Act no matter how painful the prescribed course of action is.

The 9th Circuit Court of Appeals recently came to this conclusion after studying the issue closely. The court ruled on November 3, 1987 that "although the Agency's task may be difficult, it must nevertheless comply with its legislative mandate." Noting that it was "placed between the express intent of Congress and the recalcitrance of the Agency," the court went on to say that it was its "proper role * * * in this case * * * to remind the Agency that its duty is to apply the existing law."

In place of sanctions EPA proposes what is essentially a blanket extension with no new Federal standards to guide the States along the way. States would have 2 years in which to develop a plan that would demonstrate attainment of the standards within another 3 to 5 years.

Mr. President, this is not a case of one Member of Congress pointing the finger at States other than his own. On the contrary, my State in general and two of its urban areas in particular have been found to be in violation of Federal law. Greater Connecticut fails to meet the ozone standard and Hartford and Stamford have not met reduced levels of carbon monoxide. And this has been found to be true even though Connecticut has an antipollution plan which it is fully implementing.

One might assume that the States in question would hail the EPA plan but that is not the case. The commissioners of the environmental agencies of all seven Northeastern States have gone on record opposing it. In its place they support congressional passage of legislation such as the Clean Air Act Amendments proposed by the Committee on Environment and Public Works.

This legislation would extend the deadline for sanctions based on the extent to which an area exceeds the standards, and the extent to which it has been acting to meet them. The bill also contains explicit Federal requirements for controlling major sources of emissions in order to meet the new deadlines. This is in sharp contrast to the EPA proposal which simply extends the deadlines and requires the States to come up with their own plans.

Mr. President, it may be that an interim delay in sanctions is indicated until this legislation can be considered. But only Congress can authorize such a delay. The resolution I am introducing today would make it clear that the EPA should not attempt to usurp congressional authority in this matter. Then it will be our responsibility to act and act swiftly on other proposed legislation if we truly seek to protect the health and welfare of our citizens.●

SENATE RESOLUTION 333—AUTHORIZING TESTIMONY BY A SENATE EMPLOYEE AND REPRESENTATION BY THE SENATE LEGAL COUNSEL

Mr. BYRD (for himself and Mr. DOLE) submitted the following resolution; which was considered and agreed to:

S. RES. 333

Whereas, in the case of *United States* v. *Andrian, et al.*, Cr. No. 87-0566-MAG, pending in the United States District Court for the Northern District of California, the United States Attorney has requested, and counsel for the defendants have served a subpoena for, the trial testimony of Kevin Elliot, an employee of Senator Pete Wilson;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§ 288b(a) and 288c(a)(2) (1982), the Senate may direct its counsel to represent Members and employees of the Senate with respect to any subpoena or order relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate is needed for use in any court for the promotion of justice, the Senate will take such action as will promote the ends of justice consistent with the privileges of the Senate: Now, therefore, be it

Resolved, That Kevin Elliot is authorized to testify in the case of United States v. Andrian, et al., except concerning matters for which a privilege should be asserted.

Sec. 2. That the Senate Legal Counsel is directed to represent Senator Wilson and members of his staff in the case of United States v. Andrian, et al.

AMENDMENTS SUBMITTED

ROBERT T. STAFFORD ELEMENTARY AND SECONDARY EDUCATION ACT

PELL (AND STAFFORD) AMENDMENT NO. 1200

Mr. PELL (for himself and Mr. STAFFORD) proposed an amendment to the bill (S. 373) to reauthorize the program of finance assistance to meet special educational needs of disadvantaged children, and to reauthorize chapter 2 of the Education Consolidation and Improvement Act of 1981, through fiscal year 1993; as follows:

On page 40, line 4, strike out "and".

On page 40, between lines 4 and 5 insert the following:

(B) for fiscal years 1989, 1990, and 1991 only, the number of children age 5 to 17, inclusive, in the school district of such agency from families above the poverty level as determined under the first sentence of paragraph (2)(B), and

On page 40, line 5, strike out "(B)" and insert in lieu thereof "(C)".

On page 41, line 3, after "(B)" insert the following: "For the purpose of this section, the Secretary shall, for fiscal years 1989, 1990, and 1991 only, determine the number of children aged 5 to 17, inclusive, from families above the poverty level on the basis of the number of such children from families receiving an annual income, in excess of the current criteria of poverty, from payments under the program of aid to families with dependent children under a State plan approved under title IV of the Social Security Act; and in making such determinations the Secretary shall utilize the criteria of poverty used by the Bureau of the Census in compiling the most recent decennial census for a nonfarm family of 4 in such form as those criteria have been updated by increases in the Consumer Price Index.".

On page 41, line 9, strike out "fiscal".

On page 45, line 21, strike out "that" and insert in lieu thereof "the preceding".

On page 45, lines 23 and 24, strike out "one-half of 1 percent" and insert in lieu thereof "one-quarter of 1 percent or $250,000, whichever is greater".

On page 47, lines 14 and 15, strike out "one-half of 1 percent" and insert in lieu thereof "one-quarter of 1 percent or $250,000, whichever is greater".

On page 48, line 12, strike out "(2)(B)" and insert in lieu thereof "(B) of this paragraph".

On page 52, line 12, after "chapter" insert the following: "(other than part B)".

On page 52, line 16, after "chapter" insert the following: "(other than part B)".

On page 52, line 18, after "chapter" insert the following: "(other than part B)".

On page 54, line 9, strike out "Educational" and insert in lieu thereof "State and local educational".

On page 54, line 23, strike out "extended" and insert in lieu thereof "continued".

On page 55, line 21, after "outcomes" insert the following: "for eligible children".

On page 55, line 22, after "skills" insert the following: "that all children should master".

On page 60, line 3, strike out "derived" and insert in lieu thereof "deprived".

On page 65, line 1, after "of" insert "the three-year period of".

On page 72, line 22, strike out "progress, placement, and methods" and insert in lieu thereof "progress and placement, and the methods".

On page 90, line 17, before the semicolon insert the following: "required by section 1021(a)".

On page 91, line 1, strike out "1108(b)" and insert in lieu thereof "1107(b)".

On page 97, line 4, strike out "1437(d)" and insert in lieu thereof "1436(d)".

On page 97, line 15 after "action" insert a comma and the following: "including action".

On page 101, line 5, insert after "part" the following: "and allocated under subsection (b)".

On page 106, line 20, before "Vocational" insert the following: "Carl D. Perkins".

On page 107, line 17, strike out "that".

On page 117, line 14, beginning with the parenthesis, strike out through "agencies" in line 15 and insert in lieu thereof the following: "to, and enter into contracts with, State educational agencies (in consultation with and with the approval of the States)".

On page 131, line 5, strike out "subsection (b)" and insert in lieu thereof the following: "subsections (b) and (c)".

On page 134, line 16, after "chapter" insert the following: "or chapter 1 of the Education Consolidation and Improvement Act of 1981".

On page 136, line 14, strike out "that" and insert in lieu thereof "as".

On page 145, line 23, strike out "on" and insert in lieu thereof "out".

On page 156, between lines 20 and 21, insert the following:

SEC. 1464. STUDY ON USE OF AFDC COUNT IN CHAPTER 1 FORMULA.

(a) STUDY REQUIRED.—(1) The Comptroller General of the United States shall conduct a study of the advisability of using a State-determined count of children who are from families with incomes above the poverty level and who received payments under the aid to families with dependent children program in title IV of the Social Security Act, as a factor in the formula required by section 1005 of chapter 1 of this title, and the effect of such factor on the nationwide distribution of funds under chapter 1 of this title.

(2) No later than June 1, 1989, the Comptroller General shall prepare and submit a report containing the findings of such study to the Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives.

(b) STUDY COMPONENTS.—The study shall include—

(1) a State-by-State analysis of the criteria used in distributing AFDC payments;

(2) a description of the differences among States;

(3) an analysis of the advisability of use of State determined and reported data in determining national distribution of funds under the Chapter 1 program.

(c) FINDINGS AND RECOMMENDATIONS.—The Comptroller General shall prepare and submit a report on the findings of the study, together with such recommendations, including recommendations for legislation, as the Comptroller General deems appropriate.

On page 156, line 21, strike out "sec. 1464." and insert in lieu thereof "sec. 1465.".

On page 159, line 8, insert after "chapter," the first time it appears the following: "chapter 1 of the Education Consolidation Improvement Act of 1981,".

On page 159, line 12, beginning with the comma, strike out through line 16 and insert in lieu thereof a period.

On page 181, between lines 5 and 6 insert the following:

(d) LIMITATION.—No funds appropriated pursuant to section 1502 and available for this section under section 1561(b) may be used to support the development or implementation of a Program Significance Panel or any other similar entity whose purpose is to judge the suitability or appropriateness of projects for dissemination through the National Diffusion Network by a process of reviewing, screening, selecting, or assisting the substantive content of projects. The selection process described in this subsection should be made by local educational agencies with respect to all available nationally approved projects which the Secretary has selected on the basis of an objective examination of program achievement.

On page 186, line 5, after "States" insert a comma and the following: "schools operated for Indian children by the Department of the Interior, and schools operated by the Department of Defense for dependents of Department of Defense personnel".

On page 186, line 23, strike out "conforming" and insert in lieu thereof "containing".

On page 199, line 23 after "chapter 1" insert "and chapter 2".

On page 202, line 16, strike out "chapter" and insert in lieu thereof "part".

On page 202, line 17, strike out "part A of this chapter" and insert in lieu thereof "chapter 1 and chapter 2 of title I of this Act".

On page 203, line 8, strike out "section 2006(d)(4)" and insert in lieu thereof "section 2006(c)(4)".

On page 203, line 11, strike out "section 2004C(c)" and insert in lieu thereof "section 2004(c)".

On page 204, line 8, after "programs" insert "assisted".

On page 204, line 15, strike out "services".

On page 212, lines 3 and 4, strike out "inequitable".

On page 220, line 12, insert before "one-half" the following: "at least".

On page 220, line 22, insert "for" after "programs".

On page 222, line 24, strike out "of" and insert in lieu thereof "within".

On page 223, line 13, strike out "of" the second place it appears and insert in lieu thereof "within".

On page 223, line 17, beginning with "the" the second time it appears, strike out through "1981" in line 19, and insert in lieu thereof "title I of this Act".

On page 223, line 22, strike out "of" and insert in lieu thereof "within".

On page 223, line 25, strike out "of" the second time it appears and insert in lieu thereof "within".

On page 224, line 18, strike out "at" and insert in lieu thereof "in".

On page 225, line 11, after the period insert the following: "Such application shall contain an assurance that, to the extent consistent with the number of children enrolled in private elementary and secondary schools located in the school district of an eligible local educational agency, such agency shall provide for the participation of such children, their families, and teachers and other staff personnel in the programs and services assisted under this part.".

On page 231, line 6, strike out "this".

On page 231, line 13, strike out "this" the first time it appears.

On page 233, line 12, strike out "the".

On page 235, lines 7 and 8, strike out "consortia" and insert in lieu thereof "consortium".

On page 236, line 3, strike out "education" and insert in lieu thereof "educational".

On page 236, line 21, insert after "programs" the following: "assisted".

On page 238, line 2, insert "to" after "region".

On page 238, line 18, strike out "such chapter" and insert in lieu thereof "chapter 1 of title I of this Act".

On page 239, line 1, after "with" insert the following: "the activities of".

On page 239, line 19, strike out "section 2509" and insert in lieu thereof "section 2508".

On page 239, line 20, strike out "contract" and insert in lieu thereof "contracts".

On page 241, line 3, strike out "administrator" and insert in lieu thereof "administrators".

On page 241, line 9, strike out "and" the second time it appears.

On page 241, line 11, strike out "and" the second time it appears and insert in lieu thereof "or".

On page 242, lines 1 and 2, strike out "complimentary" and insert in lieu thereof "complementary".

On page 242, lines 12 and 13, strike out "education" and insert in lieu thereof "educational".

On page 245, line 23, strike out "for" and insert in lieu thereof "to improve elementary and secondary education in the areas of".

On page 246, line 18, after "for" insert "related".

On page 247, line 13, strike out "review members" and insert in lieu thereof "reviewers".

On page 247, line 15, before "Health" the second time it appears insert "Department of".

On page 248, between lines 8 and 9, insert the following new section:

SEC. 2507. PRIDE IN SCHOOLS PROGRAM.

(a) General Authority.—The Secretary is authorized to make grants to State and local educational agencies for demonstration grant programs which involve students in the care and maintenance of the schools of such agencies.

(b) Uses of Funds.—Funds available to carry out this section may be used for—

(1) the planning, development, and operation of programs which teach elementary and secondary school students to be responsible for their school environment;

(2) programs and projects which involve elementary and secondary school students in the care and maintenance of the classroom, including wiping the blackboards, sweeping the floor, carrying messages to other teachers, and other duties;

(3) programs and projects which encourage elementary and secondary school students to become involved in the civic activities of the school, including representation of committees, and community involvement;

(4) programs and projects which teach elementary and secondary school students individual responsibility and duty.

On page 248, line 9, strike out "SEC. 2507." and insert in lieu thereof "SEC. 2508.".

On page 249, line 4, strike out "Any" and insert in lieu thereof "In any".

On page 256, line 6, strike out "consortiums" and insert in lieu thereof "consortia".

On page 257, line 4, strike out "grants" and insert in lieu thereof "a grant".

On page 259, line 11, strike out "and" and insert in lieu thereof "or".

On page 259, line 24, beginning with the comma, strike out through "families" in line 25.

On page 274, beginning with "(1)" in line 17, strike out through "(2)" in line 1 on page 275.

On page 275, line 10, strike out "1987" and insert in lieu thereof "1988".

On page 275, line 18, strike out "1987" and insert in lieu thereof "1988".

On page 277, after line 25, insert the following:

SEC. 4009. TREATMENT OF CHILDREN RESIDING ON PROPERTY ASSISTED UNDER SECTION 8 OF THE UNITED STATES HOUSING ACT OF 1937.

(a) General Rule.—Notwithstanding any other provision of law, for fiscal years prior to fiscal year 1989, children residing in or whose parents are employed on property assisted under section 8 of the United States Housing Act of 1937, on whose behalf payments under section (3)(B) of the Act were made in the previous fiscal year, shall be deemed eligible for the purpose of section (3)(B).

(b) Special Rule.—Payments made to any local educational agency under section 3(b) of the Act for fiscal years prior to fiscal year 1989, on behalf of children who reside on or whose parents are employed on property that is housing assisted under section 8 of the United States Housing Act of 1937, shall stand, and such payments withheld or recovered shall be made or restored.

On page 278, line 1, strike out "SEC. 4009." and insert in lieu thereof "SEC. 4010.".

On page 278, line 18, strike out "SEC. 4010." and insert in lieu thereof "SEC. 4011.".

On page 279, line 1, strike out "SEC. 4011." and insert in lieu thereof "SEC. 4012.".

On page 280, between lines 17 and 18 insert the following:

(b) Federally Owned School Facilities.—Section 10 of such Act is amended by adding at the end thereof the following new subsection:

"(d) Whenever the Secretary holds title to school facilities that continue to be used by the Federal Government, or by another Federal entity by permit from the Federal Government, for the provision of free public education, the Secretary may use funds appropriated for the purpose of this section to maintain and repair such facilities, directly, or by way of grant, contract, or other arrangement.".

On page 280, line 18, strike out "(b)" and insert in lieu thereof "(c)".

On page 281, between lines 9 and 10, insert the following:

SEC. 4104. STUDY OF EFFECTIVENESS OF PUBLIC LAW 815.

(a) General Authority.—The Comptroller General shall conduct a thorough study of the need for financial assistance for school construction as authorized by the Act of September 23, 1950, (Public Law 815, 81st Congress). The Comptroller General shall prepare and submit a report on the study required by this section not later than one year after the date of enactment of this Act together with such recommendations, including recommendations for such legislation, as the Comptroller deems necessary.

(b) Contents of Study.—In carrying out the study required by subsection (a) of this section, the Comptroller General shall examine a representative sample of federally impacted school districts of local educational agencies. The Comptroller General shall—

(1) identify the number of children affected in each such school district;

(2) determine the type of school facility needed for such school district; and

(3) determine the estimated cost involved for building or repairing the school facility in each such district.

(c) Special Consideration Required.—In conducting the study required by this section, the Comptroller General shall give special consideration to—

(1) the eligibility criteria used for determining which federally impacted school districts are entitled to Federal funds for school construction,

(2) the criteria used for setting the priorities for the approval of such applications, and

(3) the process for reevaluating the needs of previously approved applicants which are on the waiting list for funds covered under Public Law 815, Eighty-first Congress.

On page 289, line 22, strike out "subsection (e)" and insert in lieu thereof "paragraph (7)(B)".

On page 295, line 15, strike out "Center for Applicable Linguistics" and insert in lieu thereof "Clearinghouse for Languages and Linguistics".

On page 298, strike out lines 15 and 16 and insert in lieu thereof the following:

Section 702 of the Stewart B. McKinney Homeless Assistance Act is amended—

(1) by inserting at the end of subsection (b) the following: "Each such application shall include an estimate of the number and the percent of homeless adults within the State located in the school districts of local educational agencies within the State"; and

(2) by striking out paragraph (2) of subsection (c) and inserting in lieu thereof the following:

"(2) The Secretary of Education shall, in making grants under this section, give special consideration to the estimates submitted in the application under subsection (b) of this section.".

On page 311, between lines 15 and 16, insert the following:

"(4) if appropriate, provide a description of how funds paid under this title will be coordinated with State and local funds and other Federal resources particularly with respect to any program available from the National Science Foundation or the Department or Energy or both.

On page 311, line 16, strike out "(4)" and insert in lieu thereof "(5)".

On page 312, line 1, strike out "(5)" and insert in lieu thereof "(6)".

On page 312, line 8, strike out "(6)" and insert in lieu thereof "(7)".

On page 312, line 16, strike out "(7)" and insert in lieu thereof "(8)".

On page 316, line 15, strike out "of".

On page 316, line 23, after the period insert the following: "In awarding grants and cooperative agreements, the Secretary shall also give special consideration to programs of such institutions and organizations which train and retrain teachers in methods of scientific inquiry and provide materials which aid such education. In awarding grants and cooperative agreements, the Secretary shall give preference to developed and currently operating programs which are disseminated throughout the region in which such an institution or organization is located.".

On page 319, line 22, after "languages" insert the following "as well as other subjects such as vocational education".

On page 320, line 8, strike out "to develop, construct, and acquire" and insert in lieu thereof the following: "for the Federal share of the cost of the development, construction, and acquisition of".

On page 320, line 9, strike out "to develop and acquire" and insert in lieu thereof "for the development and acquisition of".

On page 320, line 10, strike out "for" and insert in lieu thereof "of".

On page 320, line 13, strike out "1988" and insert in lieu thereof "1987".

On page 320, beginning with "$60,000,000" in line 15, strike out through line 17 and insert in lieu thereof the following: "$20,000,000 may be made in fiscal year 1988, and no appropriation in excess of $60,000,000 may be made in any of the fiscal years 1989 though 1992 pursuant to paragraph (1) of this subsection.".

On page 320, between lines 17 and 18 insert the following:

"(3) Funds appropriated pursuant to this subsection shall remain available until expended.

On page 321, between lines 9 and 10, insert the following:

"(d) Federal Share.—(1) The Federal share for any fiscal year shall be 75 percent.

"(2) The Secretary may reduce or waive the requirements of the non-Federal share required under paragraph (1) of this subsection upon a showing of financial hardship.

On page 321, line 18, strike out "health institutions, and industry" and insert in lieu thereof "and other entities".

On page 321, lines 19 and 20, strike out "contain representation of" and insert in lieu thereof "represent".

On page 321, line 24, after "following" insert a comma and the following: "and at least one of which shall be an agency described in subparagraph (A) or (B), and".

On page 322, line 8, after "agency" insert a comma and the following: "or a State higher education agency".

On page 322, line 10, strike out ", or" and insert in lieu thereof the following: "which—

"(i) provides teacher preservice and inservice training, and

"(ii) receives Federal financial assistance or has been approved by a State agency, or".

On page 324, line 13, before the semicolon insert a comma and the following: "as well as the other subjects to be offered".

On page 325, line 8, strike out "and" and insert in lieu thereof the following:

"(8) provide assurances that the applicant will use the funds to supplement and not supplant funds otherwise available for the purpose of this title; and

On page 325, line 9, strike out "(8)" and insert in lieu thereof "(9)".

On page 328, beginning with line 1, strike out through line 2 on page 329.

On page 329, line 4, strike out "sec. 909." and insert in lieu thereof "sec. 907.".

On page 333, beginning with "section" in line 19, strike out through "1981" in line 21, and insert in lieu thereof the following: "section 1017(b)(3) (B), (C), and (D), and section 1017(b)(4) of title I of this Act".

On page 333, line 25, after "reserve" insert "not to exceed".

On page 337, between lines 8 and 9, insert the following:

"(12) that reliance on student evaluation procedures which are inappropriate for limited English proficient students have resulted in the disproportionate representation of limited English proficient students in special education, gifted and talented, and other special programs;

"(13) that many schools fail to meet the full instructional needs of limited English proficient students who also may be handicapped or gifted and talented;

On page 337, line 9, strike out "(12)" and insert in lieu thereof "(14)".

On page 337, line 14, strike out "(13)" and insert in lieu thereof "(15)".

On page 337, line 19, strike out "(14)" and insert in lieu thereof "(16)".

On page 337, line 22, strike out "(15)" and insert in lieu thereof "(17)".

On page 341, line 2, strike out "Alaskan" and insert in lieu thereof "Alaska".

On page 349, beginning with the comma in line 6, strike out through "programs," in line 7.

On page 351, beginning with "rates" the second time it appears in line 8, strike out through the semicolon the first time it appears in line 9.

On page 358, between lines 10 and 11, insert the following:

(4) that student evaluation and assessment procedures in the program are appropriate for limited English proficiency students, and that limited English proficient students who are handicapped are identified and served in accordance with the requirements of the Education of the Handicapped Act;

On page 358, line 11, strike out "(4)" and insert in lieu thereof "(5)".

On page 359, line 4, strike out "(5)" and insert in lieu thereof "(6)".

On page 359, line 14, strike out "(6)" and insert in lieu thereof "(7)".

On page 359, line 19, strike out "(7)" and insert in lieu thereof "(8)".

On page 362, line 17, strike out "Alaskan" and insert in lieu thereof "Alaska".

On page 368, line 3, strike out "and" the second time it appears.

On page 368, between lines 3 and 4, insert the following:

"(4) the specific activities undertaken to improve pre-referral, evaluation procedures and instructional programs for limited English proficient children who may be handicapped or gifted and talented; and

On page 368, line 4, strike out "(4)" and insert in lieu thereof "(5)".

On page 368, line 10, beginning with "referral", strike out through the comma in line 11.

On page 368, between lines 13 and 14, insert the following: flush sentence:

The Secretary may, in carrying out the provisions of this section, reissue regulations which were promulgated prior to the date of enactment of this Act, if the regulations substantially comply with the provisions of this section.

On page 406, line 20, before "valid" insert "trend reporting and".

On page 407, line 5, strike out "The" and insert "Within two years after the date of the enactment of this Act, the".

On page 407, line 7, strike out "out of school 17-year-olds and".

On page 407, line 16, strike out "and achievements or" and insert in lieu thereof a comma and the following: "achievements, and traditional demographic reporting variables, or to".

On page 410, line 12, after "Sciences" insert a comma and the following: "the National Academy of Education".

On page 411, between lines 20 and 21, insert the following:

"(C) The Board shall take steps to ensure that all items selected for use in the National Assessment are free from racial, cultural, gender, or regional bias.

"(D) The Secretary shall report to the Board at regular intervals of the Department's action to implement the decisions of the Board."

On page 411, line 21, strike out "(C)" and insert in lieu thereof "(E)".

On page 412, line 4, after "purpose" insert the following: "of the open meeting provisions".

On page 412, line 16, insert after "(ii)" the following: "that the State".

On page 413, line 21, before the period insert a comma and the following: "and methods by which items will be reviewed to identify and exclude items which reflect racial, cultural, gender, or regional bias".

On page 413, line 24, strike out "(2)" and insert in lieu thereof "(5)".

On page 414, line 2, after the period insert the following: "The appropriate authorizing committees of the Congress may request the Secretary to modify the plan contained in the report.".

On page 414, line 19, strike out "$11,500,000" and insert in lieu thereof "$12,500,000".

On page 414, line 19, strike out "$17,700,000" and insert in lieu thereof "$18,540,000".

On page 415, line 14, strike out "Fund" and insert in lieu thereof "Secretary".

On page 416, line 18, strike out "in" and insert in lieu thereof "for".

On page 416, line 20, strike out "Board" and insert in lieu thereof "Secretary".

On page 417, between lines 2 and 3, insert the following:

(d) ADMINISTRATIVE RULE.—The Secretary shall carry out the provisions of this part through the Board established under section 9305.

On page 417, line 6, after "system" insert the following: "described in section 9302(c)(2)".

On page 417, line 21, strike out "consortia" and insert in lieu thereof "consortium".

On page 418, line 1, strike out "Board" and insert in lieu thereof "Secretary".

On page 418, line 1, strike out "education" and insert in lieu thereof "educational".

On page 418, line 5, insert "an" after "than".

On page 418, line 7, strike out "education" and insert in lieu thereof "educational".

On page 418, line 8, strike out "education" and insert in lieu thereof "educational".

On page 418, line 9, strike out "education" and insert in lieu thereof "educational".

On page 418, line 10, strike out "Board" and insert in lieu thereof "Secretary".

On page 418, line 14, strike out "Board" and insert in lieu thereof "Secretary".

On page 419, lines 1 and 2, strike out "subsection (c)(2)" and insert in lieu thereof "section 9303(a)(2)".

On page 419, strike out lines 10 through 12 and insert in lieu thereof the following:

"(2)(A) The Board shall—

"(i) advise the Secretary concerning developments in education that merit the attention of the Secretary;

"(ii) identify promising initiatives to be supported under this part; and

"(iii) advise the Secretary concerning priorities for the Fund.

"(B) The Secretary shall provide such information and assistance as may be necessary to enable the Board to carry out its functions under this part.".

On page 420, line 15, strike out "BOARD" and insert in lieu thereof "FUND".

On page 420, line 17, strike out "Executive".

On page 421, line 4, strike out "advise" and insert in lieu thereof "consult with".

On page 421, strike out lines 12 through 21, and insert in lieu thereof the following:

(c) PRIORITIES RULE.—In January of every calendar year, the Board shall advise the Secretary of the priorities of the Board for the improvement of education and the implications of the priorities for the Fund. The Secretary shall give careful consideration to the priorities set forth by the Board. By December 31 of each calendar year, the Secretary shall provide the Board and the Congress with a report, for the calendar year, describing the recommendations of the Board, the priorities the Secretary has pursued, and a brief summary of the projects the Secretary has funded.

On page 422, line 5, strike out "Board" and insert in lieu thereof "Secretary".

On page 422, line 10, strike out "Board" and insert in lieu thereof "Secretary".

On page 422, line 12, strike out "Board" and insert in lieu thereof "Secretary".

On page 422, line 16, strike out "Director" and insert in lieu thereof "Secretary".

On page 423, line 22, strike out "in".

On page 25, in the table of contents, redesignate item "Sec. 1464." as item "Sec. 1465." and insert after item "Sec. 1463." the following new item:

"Sec. 1464. Study on use of AFDC count in chapter 1 formula.".

On page 28, in the table of contents, redesignate item "Sec. 2507." as item "Sec. 2508." and insert after item "Sec. 2506." the following new item:

"Sec. 2507. Pride in schools program.".

On page 29, in the table of contents, redesignate items "Sec. 4009.", "Sec. 4010.", and "Sec. 4011." as items "Sec. 4010.", "Sec. 4011.", and "Sec. 4012.", respectively, and insert after item "Sec. 4008." the following new item:

"Sec. 4009. Treatment of children residing on property assisted under section 8 of the United States Housing Act of 1937.".

On page 29, in the table of contents, after item "Sec. 4103." insert the following new item:

"Sec. 4104. Study of effectiveness of Public Law 815.".

SYMMS AMENDMENT NO. 1201

Mr. SYMMS proposed an amendment which was subsequently modified, to the bill S. 373, supra; as follows:

On page 361, between lines 11 and 12, insert the following:

(i) LIMITATION ON THE ASSIGNMENT OF STUDENTS.—No action taken may involve the assignment of students to any federally assisted education programs merely on the basis of the surnames of such students.

On age 361, line 12, strike out "(i)" and insert in lieu thereof "(j)".

On page 361, line 20, strike out "(j)" and insert in lieu thereof "(k)".

SYMMS AMENDMENT NO. 1202

Mr. SYMMS proposed an amendment to the bill S. 373, supra; as follows:

On page 340, between lines 12 and 13, insert the following:

(c) SENSE OF THE SENATE WITH RESPECT TO PARENTAL AUTHORIZATION FOR ENROLLMENT.—It is the sense of the Senate that any State which requires a written authorization from parents of students wishing to enroll in bilingual programs should provide a specific opportunity on any form prepared for the purpose of such authorization for such parent to express either approval or disapproval of such enrollment.

HELMS AMENDMENT NO. 1203

Mr. HELMS proposed an amendment to amendment No. 1202, proposed by Mr. SYMMS, to the bill S. 373, supra; as follows:

At an appropriate place in the pending amendment, add the following:

"SEC. . Section 223(b) of the Communications Act of 1934 is amended—

"(1) in paragraph (1)(A), by striking out 'under eighteen years of age or to any other person without that person's consent';

"(2) by striking out paragraph (2);

"(3) in paragraph (4), by striking out 'paragraphs (1) and (3)' and inserting in lieu thereof 'paragraphs (1) and (2)'; and

"(4) by redesignating paragraph (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.".

DECONCINI (AND OTHERS) AMENDMENT NO. 1204

Mr. DECONCINI (for himself, Mr. INOUYE, and Mr. BINGAMAN) proposed an amendment to the bill S. 373, supra; as follows:

On page 439, between lines 17 and 18, insert the following:

TITLE XI—INDIAN EDUCATION

Part A—Bureau and Contract Schools

SEC. 11101. SHORT TITLE.

This part may be cited as the "Indian Education Amendments of 1987".

SEC. 11102. PROHIBITION ON TRANSFERS OF BUREAU AND CONTRACT SCHOOLS.

Section 1121 of the Education Amendments of 1978 (25 U.S.C. 2001) is amended—

(1) by adding at the end of subsection (g) the following new paragraphs:

"(5)(A) The Secretary may transfer the operation, or the facilities, of—

"(i) any Bureau funded school that is operated on or after April 1, 1987, or

"(ii) any program of such a school that is operated on or after April 1, 1987,

only if the tribal governing body approves such transfer.

"(B) If the Secretary, or any other officer or employee of the Federal Government, is considering making a request to the Congress for legislation to authorize a transfer otherwise prohibited under subparagraph (A), the Secretary shall comply with the requirements applicable to school closures under this subsection before such request is made to the Congress.

"(6) No action may be taken by the Secretary to close, consolidate, or substantially curtail a Bureau funded boarding school by reason of the failure of such school to meet the criteria established under section 1122 during any fiscal year for which the Secretary has not submitted in accordance with section 1122(c) the plan required under section 1122(c)."; and

(2) by adding at the end thereof the following new subsection:

"(j) For purposes of this section, the term 'tribal governing body' means, with respect to any school, the tribal governing body, or tribal governing bodies, that represent at least 90 percent of the students served by such school.".

SEC. 11103. REPORT ON TEMPORARY ACTIONS TAKEN FOR A YEAR.

Subsection (g) of section 1121 of the Education Amendments of 1978 (25 U.S.C. 2001(g)) is amended—

(1) by adding at the end thereof the following new paragraph:

"(7) If—

"(A) a Bureau school is temporarily closed or consolidated, or the programs of a Bureau school are substantially curtailed by reason of plant conditions that constitute an immediate hazard to health and safety, and

"(B) the Secretary estimates that the closure, consolidation, or curtailment will be more than 1 year in duration,

the Secretary shall submit to the Congress, by no later than the date that is 6 months after the date on which the closure, consolidation, or curtailment is initiated, a report which sets forth the reasons for such temporary actions and the actions the Secretary is taking to eliminate the conditions that constitute the hazard.".

SEC. 11104. ELIGIBILITY AND EXPANSION OF CONTRACT SCHOOLS.

Section 1121 of the Education Amendments of 1978 (25 U.S.C. 2001) is amended—

(1) by striking out "Indian controlled contract schools (hereinafter referred to as 'contract schools')" in subsection (a) and inserting in lieu thereof "contract schools", and

(2) by adding at the end thereof the following new subsection:

"(k)(1) The Secretary shall prescribe regulations governing the determination of eligibility for schools to become Bureau funded schools and for Bureau funded schools to add grade levels or otherwise expand their programs in a manner which might increase the amount of funding from the Bureau that the schools would otherwise be eligible to receive without the expansion. The regulations shall provide for the eligibility determination to be based on geographic and demographic factors and the history and record of success or failure of—

"(A) the proposed school or the school proposing to add a grade level or otherwise expand its program, and

"(B) the public schools or other alternative providers, or potential providers, of the services which the school proposes to provide with the financial assistance of the Bureau.

A determination to deny eligibility under the regulations may not be based primarily on the proximity of other education facilities. The regulations shall provide for the invitation and consideration of information and views from the tribes affected by the determination of eligibility, the local education agencies in the area, and all other interested parties.

"(2) Notwithstanding any other provision of law, if the school board of the Bureau funded schools at the Pueblo of Zia and the Tama Settlement vote within the 2-year period beginning on the date of enactment of the Indian Education Amendments of 1987 to expand each of the schools to include kindergarten through grade 8, the schools shall be so expanded at the beginning of the next school year occurring after the vote.".

SEC. 11105. DORMITORY CRITERIA.

Section 1122 of the Education Amendments of 1978 (25 U.S.C. 2002) is amended by redesignating subsection (d) as subsection (e) and inserting after subsection (c) the following new subsection:

"(d) The criteria established under this section may be waived in the same manner as the standards provided under section 1121(b) may be waived under section 1121(d).".

SEC. 11106. REGULATIONS.

Section 1123 of the Education Amendments of 1978 (25 U.S.C. 2003) is amended to read as follows:

"REGULATIONS

"SEC. 1123. (a)(1) Prior to the publication in the Federal Register of any regulation or rule, or amendment to any regulation or rule, relating to Indian education, the Secretary shall—

"(A) submit the regulation, rule, or amendment to the review panels established under paragraph (2), and

"(B) take into account comments and advice of the review panels.

"(2) The Secretary shall establish regulatory review panels for each area office of the Bureau in which a Bureau funded school is located.

"(3) Each review panel established under paragraph (2) shall include—

"(A) one administrator of a Bureau funded school,

"(B) one teacher at a Bureau funded school,

"(C) one parent who is a member of the local school board of a Bureau funded school,

"(D) one representative of each Indian tribe, or group of Indian tribes, having at least 500 members, and

"(E) one representative of each tribally controlled community college,

that is located within the geographical jurisdiction of each agency office of the Bureau within the jurisdiction of the area office for which the review panel is established.

"(4) The review panels established under paragraph (2) shall not be subject to the Federal Advisory Committee Act.

"(5) If the Secretary determines that—

"(A) an emergency situation exists, and

"(B) a temporary regulation, rule, or amendment to a regulation or rule is needed within a limited period of time to assist in the operation of a Bureau funded school, or in any education program of the Bureau,

the Secretary may publish in the Federal Register the initial notice of such temporary regulation, rule, or amendment without meeting the requirements of paragraph (1), but the Secretary shall, as soon as practicable, take the actions described in paragraph (1) before such temporary regulation, rule, or amendment takes effect.

"(6) This subsection shall not apply with respect to a regulation, rule, or amendment to a regulation or rule if the regulation, rule, or amendment has been drafted and was under formal review by the Department of the Interior before October 1, 1987.

"(b)(1) No regulation, rule, or amendment to any regulation or rule, relating to Indian education shall be published in the Federal Register in final form before the close of the 90-day period beginning on the date on which the regulation, rule, or amendment is published in the Federal Register in preliminary form. The Secretary shall accept and consider comments from the public regarding the regulation, rule, or amendment during such 90-day period.

"(2) Paragraph (1) shall not apply to a regulation, rule, or amendment to a regulation or rule, if the regulation, rule, or amendment was published in the Federal Register in preliminary form before October 1, 1987.

"(c) No provision of law restricting or prohibiting communications by an employee of the Bureau shall apply to communications regarding regulations, rules, or amendments to regulations or rules, that relate to Indian education.".

SEC. 11107. FORMULA MODIFICATIONS.

Paragraph (1) of section 1128(c) of the Education Amendments of 1978 (25 U.S.C. 2008(c)(1)) is amended to read as follows:

"(1) For fiscal year 1989, and for each subsequent fiscal year, the Secretary shall adjust the formula established under subsection (a) to—

"(A) use—

"(i) a weighted unit of 1.2 for each eligible Indian student enrolled in the seventh and eighth grades of the school,

"(ii) a weighted unit of 1.0 for each eligible Indian student who is 3 or 4 years of age, is handicapped, and is enrolled in the school,

"(iii) a weighted unit of 2.0 for each eligible Indian student that is gifted and talented and is enrolled in the school on a full-time basis, and

"(iv) a weighted unit of 1.5 for each eligible Indian student that is gifted and talented and is enrolled in the school on a part-time basis,

in considering the number of eligible Indian students served by the school;

"(B) consider a school with an average daily attendance of less than 50 eligible Indian students as having an average daily attendance of 50 eligible Indian students for purposes of implementing the adjustment factor for small schools;

"(C) take into account the provision of residential services on a less than 9-month basis at a school when the school board and supervisor of the school determine that a less than 9-month basis will be implemented for the school year involved; and

"(D) provide additional funding to schools that are required by law to meet State standards which are in addition to minimum standards required for accreditation.".

SEC. 11108. ADMINISTRATIVE COST.

(a) The Education Amendments of 1978 (25 U.S.C. 2008) is amended—

(1) by striking out paragraph (3) of section 1128(c), and

(2) by inserting after section 1128 (25 U.S.C. 2008) the following new section:

"ADMINISTRATIVE COST GRANTS

"SEC. 1128A. (a)(1) The Secretary shall, subject to the availability of appropriated funds, provide grants to each tribe or tribal organization operating a contract school in the amount determined under this section with respect to the tribe or tribal organization for the purpose of paying the administrative and indirect costs incurred in operating contract schools in order to—

"(A) enable tribes and tribal organizations operating such schools, without reducing direct program services to the beneficiaries of the program, to provide all related administrative overhead services and operations necessary to meet the requirements of law and prudent management practice, and

"(B) carry out other necessary support functions which would otherwise be provided by the Secretary or other Federal officers or employees, from resources other than direct program funds, in support of comparable Bureau operated programs.

"(2) Amounts appropriated to fund the grants provided under this section shall be in addition to, and shall not reduce, the amounts appropriated for the program being administered by the contract schools.

"(b) The amount of the grant provided to each tribe or tribal organization under this section for each fiscal year shall be determined by applying the administrative cost percentage rate of the tribe or tribal organization to each of the direct cost programs operated by the tribe or tribal organization, for which funds are received from or through the Bureau, as follows:

"(1) For all direct cost programs operated by the tribe or tribal organization which share common administrative cost functions, funds for which are received from or through the Bureau, the administrative cost percentage rate shall be applied to the total direct costs of each such program.

"(2) For other direct cost programs operated by the Indian tribe or tribal organization which share common administrative cost functions with those in paragraph (1), from whatever source derived, the administrative cost percentage rate shall be allowable as a predetermined indirect cost rate. At the option of the Indian tribe or tribal organization, however, a multiple indirect cost rate system may be established instead, for such other programs, using accepted procedures for so doing.

"(c) For purposes of this section, the administrative cost percentage rate for a contract school for a fiscal year is equal to the sum of—

"(1) the percentage determined by dividing—

"(A) the sum of—

"(i) the amount equal to—

"(I) the direct cost base of the tribe or tribal organization for the fiscal year, multiplied by

"(II) the minimum base rate, plus

"(ii) the amount equal to—

"(I) the standard direct cost base, multiplied by

"(II) the maximum base rate, by

"(B) the sum of—

"(i) the direct cost base of the tribe or tribal organization for the fiscal year, plus

"(ii) the standard direct cost base, plus

"(2) the isolation adjustment percentage of the tribe or tribal organization, if any, plus

"(3) the multiple program adjustment percentage of the tribe or tribal organization, if any.

The administrative cost percentage rate shall be determined to the one hundredth of a decimal point.

"(d)(1)(A) Funds received by a contract school as grants under this section for tribal elementary or secondary educational programs may be combined by the contract school into a single administrative cost account without the necessity of maintaining separate funding source accounting.

"(B) Indirect cost funds for programs at the school which share common administrative services with tribal elementary or secondary educational programs may be included in the administrative cost account described in subparagraph (A).

"(2) Funds received as grants under this section with respect to tribal elementary or secondary education programs shall remain available to the contract school without fiscal year limitation and without diminishing the amount of any grants otherwise payable to the school under this section for any fiscal year beginning after the fiscal year for which the grant is provided.

"(3) The Secretary shall be reimbursed by other agencies of the Federal Government for administrative cost allowances paid in support of programs administered by the Bureau on behalf of Indians for which appropriations are made to such other agencies, but shall not reduce payments of grants under this section to tribes and tribal organizations as a result of such appropriations.

"(4) Funds received as grants under this section for Bureau funded programs operated by a tribe or tribal organization under a contract or agreement shall not be taken into consideration for purposes of indirect cost underrecovery and overrecovery determinations by any Federal agency, for any other funds, from whatever source derived.

"(e) For purposes of this section—

"(1)(A) The term 'administrative cost' means the costs of necessary administrative functions which—

"(i) the tribe or tribal organization incurs as a result of operating a tribal elementary or secondary educational program,

"(ii) are not customarily paid by comparable Bureau operated programs out of direct program funds, and

"(iii) are either—

"(I) normally provided for comparable Bureau programs by Federal officials using resources other than Bureau direct program funds, or

"(II) are otherwise required of tribal self-determination program operators by law or prudent management practice.

"(B) The term 'administrative cost' may include, but is not necessarily limited to—

"(i) contract (or other agreement) administration,

"(ii) executive, policy, and corporate leadership and decision making;

"(iii) program planning, development, and management;

"(iv) fiscal, personnel, property, and procurement management;

"(v) related office services and record keeping; and

"(vi) costs of necessary insurance, auditing, legal, safety and security services.

"(2) The term 'Bureau elementary and secondary functions' means—

"(A) all functions funded at Bureau schools by the Office of Indian Education Programs of the Bureau;

"(B) all programs—

"(i) funds for which are appropriated to other agencies of the Federal Government, and

"(ii) which are administered for the benefit of Indians through Bureau schools; and

"(C) all operation, maintenance, and repair funds for facilities and government quarters used in the operation or support of elementary and secondary education functions for the benefit of Indians, from whatever source derived.

"(3) The term 'tribal elementary or secondary educational programs' means all Bureau elementary and secondary functions, together with any other Bureau programs or portions of programs (excluding funds for social services that are appropriated to agencies other than the Bureau and are expended through the Bureau, funds for major subcontracts, construction, and other major capital expenditures, and unexpended funds carried over from prior years) which share common administrative cost functions, that are operated directly by a tribe or tribal organization under a contract or agreement with the Bureau.

"(4)(A) Except as otherwise provided in this paragraph, the direct cost base of a tribe or tribal organization for the fiscal year is the aggregate direct cost program funding for all tribal elementary or secondary educational programs operated by the tribe or tribal organization during—

"(i) the second fiscal year preceding such fiscal year, or

"(ii) if such programs have not been operated by the tribe or tribal organization during the 2 preceding fiscal years, the first fiscal year preceding such fiscal year.

"(B) In the case of Bureau elementary or secondary education programs which have not previously been operated by a tribe or tribal organization under contract or agreement with the Bureau, the direct cost base for the initial year shall be the projected aggregate direct cost program funding for all Bureau elementary and secondary functions to be operated by the tribe or tribal organization during that fiscal year.

"(5) The term 'maximum base rate' means either—

"(A) a percentage determined (on the basis of studies conducted under subsection (f)) by the Secretary under this subparagraph, and published in the Federal Register, that ensures that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of the smallest tribal elementary or secondary educational programs, or

"(B) if no percentage has been determined under subparagraph (A), 50 percent.

"(6) The term 'minimum base rate' means either—

"(A) a percentage determined (on the basis of studies conducted under subsection (f)) by the Secretary under this subparagraph, and published in the Federal Register, that ensures that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of the largest tribal elementary or secondary educational programs, or

"(B) if no percentage has been determined under subparagraph (A), 12 percent.

"(7) The term 'standard direct cost base' means either—

"(A) an amount determined (on the basis of studies conducted under subsection (f)) by the Secretary under this subparagraph, and published in the Federal Register, to be the aggregate direct cost funding level for which the percentage determined under subsection (c)(1) will—

"(i) be equal to the median between the maximum base rate and the minimum base rate, and

"(ii) ensure that the amount of the grants provided under this section will provide adequate (but not excessive) funding of the administrative costs of tribal elementary or secondary educational programs closest to the size of the program, or

"(B) if no amount has been determined under subparagraph (A), $600,000.

"(8) The term 'isolation adjustment percentage' means either—

"(A) the percentage determined in accordance with a formula developed (on the basis of the studies conducted under subsection (f)) by the Secretary under this subparagraph, and published in the Federal Register, that takes into account factors similar to those taken into account under subparagraph (B), or

"(B) if a formula has not been developed under subparagraph (A), the percentage determined at a rate of 1 percentage point for each 100 miles that the average of the distances from the principal offices of the tribe or tribal organization to each of the following exceeds 20 miles:

"(i) The closest offices of a general full-service banking institution capable of handling draw-downs for Federal letters of credit.

"(ii) The closest urban center for cost effective procurement of bulk school, office, and janitorial supplies, equipment, and related maintenance and repair items or services.

"(iii) The closest United States Post Office.

"(iv) The area and agency offices of the Bureau at which business of the tribe or of the tribal organization is normally conducted with the Bureau by administrative personnel or board members of the tribe or tribal organization.

"(9) The term 'multiple program adjustment percentage' means a percentage determined at—

"(A) a rate determined (on the basis of the studies conducted under subsection (f)) by the Secretary under this subparagraph and published in the Federal Register, or

"(B) if no rate has been determined under subparagraph (A), the rate of one-quarter of a percentage point for—

"(i) each separate school in excess of one, and

"(ii) each Bureau program, or portion of a program, in addition to the Bureau elementary and secondary functions,

which is operated by the tribe or tribal organization under a contract or agreement with the Bureau and shares common administrative cost services with the Bureau elementary or secondary functions.

"(10) The size of tribal elementary or secondary educational programs are determined by the aggregate direct cost program funding level for all Bureau funded programs which share common administrative cost functions.

"(f)(1) Upon the enactment of the Indian Education Amendments of 1987, the Secretary shall conduct such studies as may be needed to establish an empirical basis for determining relevant values, percentages, mileages, or other factors substantially affecting the required administrative costs of tribal elementary and secondary educational programs, using the formula set forth in subsection (c). Such studies shall—

"(A) be conducted in full consultation (in accordance with section 1130) with—

"(i) the tribes and tribal organizations that are affected by the application of such formula, and

"(ii) all national and regional Indian organizations of which such tribes and tribal organizations are typically members;

"(B) be conducted on-site at a representative statistical sample of the tribal elementary or secondary educational programs under a contract entered into with a nationally reputable public accounting and business consulting firm;

"(C) take into account the availability of skilled labor, commodities, business and automatic data processing services, related Indian preference and Indian control of education requirements, and any other market factors found substantially to affect the administrative costs and efficiency of each such tribal elementary or secondary educational program studied in order to assure that all required administrative activities can reasonably be delivered in a cost effective manner for each such program, given an administrative cost allowance generated by the values, percentages, or other factors found in the studies to be relevant in such formula;

"(D) identify, and quantify in terms of percentages of direct program costs, any general factors arising from geographic isolation, or numbers of programs administered, independent of program size factors used to compute a base administrative cost percentage in such formula; and

"(E) identify any other incremental cost factors substantially affecting the costs of required administrative cost functions at any of the tribal elementary or secondary educational programs studied and determine whether the factors are of general applicability to other such programs, and (if so) how they may effectively be incorporated into such formula.

"(2) Determinations described in paragraph (1)(C) shall be based on what is pragmatically possible to do at each location studied, given prudent management practice, irrespective of whether required administrative services were actually or fully delivered at these sites, or other services were delivered instead, during the period of the study.

"(3) Upon completion of the studies conducted under paragraph (1), but in no case later than October 1, 1988, the Secretary shall submit to the Congress a report on the findings of the studies, together with determinations based upon such findings that are made by the Secretary under subsection (e) and affect the definitions of terms used in the formula that is set out in subsection (c).

"(4) The Secretary shall include in the Bureau's justification for each appropriations request for each fiscal year beginning after fiscal year 1988, a projection of the overall costs associated with the formula set forth in subsection (c) for all tribal elementary or secondary educational programs which the Secretary expects to be funded in the fiscal year for which the appropriations are sought.

"(g) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.

"(h)(1) Notwithstanding any other provision of this section, the amount of the grants provided under this section for fiscal year 1988 shall—

"(A) in lieu of being determined under subsection (b), be determined for each tribal elementary or secondary educational program on the same basis that indirect costs were determined for such programs for fiscal year 1987, and

"(B) be subject to the provisions of subsection (d).

"(2) Notwithstanding any other provision of this section, the amount of the grant provided under this section for fiscal year 1989 with respect to each tribal elementary and secondary educational program that was operated by a tribe or tribal organization in fiscal year 1988 shall be equal to—

"(A) if the amount of the grant determined under subsection (b) for fiscal year 1989 with respect to such program exceeds the amount received by the tribe or tribal organization with respect to such program for administrative costs for fiscal year 1987 (or fiscal year 1988 if such program was not operated by the tribe or tribal organization during fiscal year 1987), the sum of—

"(i) such amount received, plus

"(ii) one third of the excess of—

"(I) such amount determined under subsection (b), over

"(II) such amount received, or

"(B) if such amount received exceeds such amount determined under subsection (b), the excess of—

"(i) such amount received, over

"(ii) an amount equal to one third of the excess of—

"(I) such amount received, over

"(II) such amount determined under subsection (b).

"(3) Notwithstanding any other provision of this section, the amount of the grants provided under this section for fiscal year 1990 with respect to each tribal elementary and secondary educational program that was operated by a tribe or tribal organization in fiscal year 1988 shall be equal to—

"(A) if the amount of the grant determined under subsection (b) for fiscal year 1990 with respect to such program exceeds the amount received by the tribe or tribal organization with respect to such program for administrative costs for fiscal year 1989, the sum of—

"(i) such amount received, plus

"(ii) one half of the excess of—

"(I) such amount determined under subsection (b), over

"(II) such amount received, or

"(B) if such amount received exceeds such amount determined under subsection (b), the excess of—

"(i) such amount received, over

"(ii) an amount equal to one half of the excess of—

"(I) such amount received over,

"(II) such amount determined under subsection (b).

"(4) During fiscal years 1989 and 1990, any tribe or tribal organization that operates a school under a contract or agreement that was entered into with the Bureau under the Indian Self-Determination and Education Assistance Act shall make an election applicable to all elementary or secondary educational programs provided by the tribe or tribal organization to either—

"(A) receive grants under this section with respect to such programs, or

"(B) receive funds for the indirect costs of such program under the terms of such contract or agreement.".

SEC. 11109. LOCAL PROCUREMENT.

Paragraph (4) of section 1129(a) of the Education Amendments of 1978 (25 U.S.C. 2009) is amended to read as follows:

"(4) Notwithstanding any law or regulation, the supervisor of a Bureau school may expend an aggregate of no more than $25,000 of the amount allotted the school under section 1128 to acquire supplies and equipment for the school without competitive bidding if for each procurement—

"(A) the cost for any single item purchased does not exceed $10,000;

"(B) the school board approves the procurement in advance;

"(C) the supervisor certifies that the cost is fair and reasonable;

"(D) the documents relating to the procurement executed by the supervisor or other school staff cite this paragraph as authority for the procurement; and

"(E) the transaction is documented in a journal maintained at the school clearly identifying when the transaction occurred, what was acquired and from whom, the prices paid, the quantities acquired, and any other information the supervisor or board considers relevant.".

SEC. 11110. CONSULTATION.

(a) Section 1130 of the Education Amendments of 1978 (25 U.S.C. 2010) is amended—

(1) by striking out "Bureau" the first time it appears and inserting in lieu thereof "the Secretary and the Bureau",

(2) by striking out "It shall" and inserting in lieu thereof "(a) It shall", and

(3) by adding at the end thereof the following new subsection:

"(b)(1) The Secretary shall consult with Indian tribes and tribal organizations in the development of policy under this Act.

"(2)(A) The Secretary, or a delegate of the Secretary, shall conduct regional meetings with Indian tribes and tribal organizations, on a semi-annual basis, for the purpose of consulting with the Indian tribes and tribal organizations on matters relating to Indian education.

"(B) Notice of each regional meeting conducted under subparagraph (A) shall be published in the Federal Register at least 30 days prior to the date of the meeting and shall include the specific topics that will be discussed at the meeting.

"(C) At each meeting conducted under subparagraph (A), the Secretary, or a delegate of the Secretary, shall—

"(i) provide information on all matters relating to Indian education (including budgetary and regulatory matters and administrative matters that could alter the delivery of services by the Bureau) that are being considered (or are likely to be considered) for change during the succeeding 6-month period, and

"(ii) seek the advice of the Indian tribes and tribal organizations participating in the meeting on such matters and on any other matters of interest to the participants (including matters affecting other programs of the Department of the Interior or of any other department or agency of the Federal Government).

"(D) Meetings conducted under paragraph (3), consultations required under any other provision of this Act or of any other law, or any other meetings or discussions conducted with Indian tribes or tribal organizations may not be considered as substitutes for the regional meetings required under subparagraph (A).

"(3)(A) The Secretary shall—

"(i) keep Indian tribes and tribal organizations informed of all plans and activities of the Bureau which affect, or relate to, Bureau or contract schools, or education programs, that serve the particular Indian tribe or tribal organization, and

"(ii) shall invite active participation of the Indian tribe or tribal organization in the decision making process regarding changes to be made, or needs to be met, in these schools and programs.

Planning by the Secretary for individual Bureau or contract schools and education programs shall be undertaken in a cooperative and consultative manner based upon an open exchange of information and views.

"(B) When considering construction or expansion of any school, and when considering proposals to Congress for the closure, consolidation, curtailment, or transfer of any school or school dormitory, the Secretary shall, from the initial stages, consult with the affected Indian tribe or tribes and with the affected school board and school organizations, Indian or tribal organizations and communities, and with those students, parents, and staff who use the facility and shall incorporate the desires of the tribal and Indian entities consulted into their plans to the greatest extent feasible. Consultations conducted under this subparagraph shall be undertaken in conjunction with consultations required under section 1121(g).".

SEC. 11111. INDIAN EMPLOYMENT PREFERENCE.

(a) Subsection (f)(1) of section 1131 of the Education Amendments of 1978 (25 U.S.C. 2011) is amended by striking out "an employee" and inserting in lieu thereof "an applicant or employee".

(b)(1) Subparagraph (A) of section 1131(n)(1) of the Education Amendments of 1978 (25 U.S.C. 2011(n)(1)(A)) is amended—

(A) by striking out "or" at the end of clause (ii), and

(B) by adding at the end thereof the following new clause:

"(iv) support services at, or associated with, the site of the school; or".

(2) The amendments made by paragraph (1) shall apply with respect to an individual who is employed by the Bureau of Indian Affairs of the Department of the Interior on the date of enactment of this Act only if such individual elects, in such form and at such time as the Secretary of the Interior may prescribe, the application of such amendments with respect to such individual.

SEC. 11112. PERSONNEL COMPENSATION, RECRUITMENT, AND RETENTION STUDIES.

(a) The Secretary shall conduct such studies and gather such information as may be necessary to prepare a report that the Secretary shall submit to the Congress by no later than March 1, 1988, which compares personnel compensation in Bureau funded schools with—

(1) public schools located in the same State (or in the geographically closest State) that—

(A) have successful educational programs, and

(B) are comparable in size, geographic location, grade levels, and student population characteristics to Bureau funded schools, and

(2) schools operated within the United States by the Department of Defense.

(b) The report required under subsection (a) shall include—

(1) detailed information on the current salaries and personnel benefits for comparable positions in the Bureau funded schools and the schools described in paragraphs (1) and (2) of subsection (a),

(2) a comparison of starting salaries, tenure, length of service, educational and certification requirements, length of work year and work day, and fringe benefits between Bureau funded schools and the schools described in paragraphs (1) and (2) of subsection (a),

(3) a projection of the compensation factors described in paragraphs (1) and (2) for Bureau funded schools and the schools described in paragraphs (1) and (2) of subsection (a) over the next five years, and

(4) such additional information and analysis as the Secretary deems appropriate.

(c)(1) The cost of the studies and the report required under subsection (a) (including, but not limited to, costs for all contracts, travel, and staff assigned to the study) shall be paid from amounts appropriated to the Bureau's Management and Administration account of the General Administration account, except that the salaries and personnel benefits of employees detailed to the study from the Office of Indian Education of the Bureau may continue to be charged to the amounts appropriated to the Bureau's Education account.

(2) The staff detailed to work on the studies and report required under subsection (a) shall include not less than two career employees from the Office of Indian Education of the Bureau who have substantial experience in the administration (at the level of an agency office) of school operations and in the drafting of personnel regulations, including but not limited to those under this Act.

(d) The Secretary may conduct part or all of the studies required under subsection (a) through contracts entered into with one or more Indian education organizations.

(e) The Secretary shall conduct such other studies of personnel compensation and recruitment in Bureau funded and public schools as are desirable in carrying out the purposes of title 11 of the Education Amendments of 1978.

(f) For purposes of this section—

(1) The term "Secretary" means the Secretary of the Interior.

(2) The term "Bureau" means the Bureau of Indian Affairs of the Department of the Interior.

SEC. 11113. COMPARABLE COMPENSATION.

Paragraph (1) of section 1131(h) of the Education Amendments of 1978 (25 U.S.C. 2011(h)(1)) is amended by striking out "comparable to the rates" and inserting in lieu thereof "comparable to the rates for comparably qualified individuals holding comparable positions in public schools serving comparable students in comparable areas (with adjustments for any housing and utility or other significant fringe benefits), but such rates shall not be less than the rates".

SEC. 11114. POST DIFFERENTIALS.

Paragraph (3) of section 1131(h) of the Education Amendments of 1978 (25 U.S.C. 2011(h)(3)) is amended—

(1) by striking out "The Secretary" and inserting in lieu thereof "(A) The Secretary", and

(2) by adding at the end thereof the following new subparagraph:

"(B)(i) Upon the request of the local school board of a Bureau school, the Secretary shall grant the supervisor of the school authorization to provide one or more post differentials under subparagraph (A) unless the Secretary determines for clear and convincing reasons (and advises the board in writing of those reasons) that certain of the requested post differentials should be disapproved or decreased because there is no disparity of compensation for the involved employees or positions in the Bureau school that is either—

"(I) at least 5 percent, or

"(II) less than 5 percent and affects the recruitment or retention of employees at the school.

The request of a local school board under this subparagraph shall be deemed granted as requested at the end of the 60th day after the request is received in the Central Office of the Bureau unless before that time it is approved, approved with modification, or disapproved by the Secretary.

"(ii) The Secretary or the supervisor of a Bureau school may discontinue or decrease a post differential authorized by reason of this subparagraph at the beginning of a school year after either—

"(I) the local school board requests that it be discontinued or decreased, or

"(II) the Secretary or the supervisor determines for clear and convincing reasons (and advises the board in writing of those reasons) that there is no disparity of compensation that would affect the recruitment or retention of employees at the school after the differential is discontinued or decreased.

"(iii) On or before February 1 of each year, the Secretary shall submit to Congress a report describing the requests and grants of authority under this subparagraph during the previous fiscal year and listing the positions contracted under those grants of authority.".

SEC. 11115. EARLY CHILDHOOD DEVELOPMENT PROGRAM.

Title 11 of the Education Amendments of 1978 is amended by striking out part C and inserting in lieu thereof the following new section:

"EARLY CHILDHOOD DEVELOPMENT PROGRAM

"SEC. 1141. (a)(1) The Secretary shall provide grants to tribes and tribal organizations for each fiscal year in an amount determined in accordance with subsection (b).

"(2) Funds provided under paragraph (1) to tribes and tribal organizations shall be used by the tribes and tribal organizations to establish and maintain early childhood development programs. Such programs may provide parents and children under 6 years of age with—

"(A) prenatal care,

"(B) nutrition education,

"(C) health education and screening,

"(D) educational testing, and

"(E) other educational services.

"(b)(1) The total amount of the grants provided under subsection (a) to each tribe (or the total amount provided under this section to all tribal organization of a tribe) for each fiscal year shall be equal to the amount which bears the same relationship to the total amount appropriated under the authority of subsection (d) for such fiscal year (less amounts provided under paragraph (3)) as the total number of children under 6 years of age who are members of such tribe bears to the total number of all children under 6 years of age who are members of any tribe that has at least 500 members.

"(2) No grant may be provided under subsection (a) to any tribe, or any tribal organization of a tribe, that has less than 500 members.

"(3) The Secretary shall, out of funds appropriated under the authority of subsection (d), include in the grants provided under subsection (a) amounts for administrative costs incurred by the tribe or tribal organization in establishing and maintaining the early childhood development program.

"(c) The early childhood development programs that are funded, in whole or in part, by grants provided under subsection (a)—

"(1) shall be coordinated with other programs and services provided by the tribe, tribal organizations, the State, and the Federal Government,

"(2) may include instruction in the language, art, and culture of the tribe, and

"(3) shall provide for periodic assessment of the program.

"(d) There are authorized to be appropriated for fiscal year 1989, and for each succeeding fiscal year, $15,000,000 for the purpose of carrying out the provisions of this section.".

SEC. 11116. DEFINITIONS.

Section 1139 of the Education Amendments of 1978 (25 U.S.C. 2019) is amended—

(1) by striking out paragraph (3) and inserting in lieu thereof the following:

"(3) the term 'Bureau funded school' means—

"(A) a Bureau school;

"(B) a contract school; or

"(C) a school for which assistance is provided under the Tribally Controlled Schools Act of 1987;",

(2) by redesignating paragraphs (4) through (10) as paragraphs (6) through (12), respectively, and

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) the term 'Bureau school' means a Bureau operated elementary or secondary day or boarding school or a Bureau operated dormitory for students attending a school other than a Bureau school;

"(5) the term 'contract school' means an elementary or secondary school or a dormitory which receives financial assistance for its operation under a contract or agreement with the Bureau under section 102, 104(1), or 208 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450f, 450h(1), and 458d);".

SEC. 11117. SEQUESTRATION ORDERS.

Subsection (a) of section 1129 of the Education Amendments of 1978 (25 U.S.C. 2009(a)) is amended by adding at the end thereof the following new paragraph:

"(5) If a sequestration order issued under the Balanced Budget and Emergency Deficit Control Act of 1985 reduces the amount of funds available for allotment under section 1128 for any fiscal year by more than 5 percent—

"(A) the Secretary may, notwithstanding any other provision of law, use—

"(i) funds appropriated for the operation of any Bureau school that is closed or consolidated, and

"(ii) funds appropriated for any program that has been curtailed at any Bureau school,

to fund allotments made under section 1128, and

"(B) the Secretary may waive the application of the provisions of section 1121(g) with respect to the closure or consolidation of a school, or the curtailment of a program at a school, during such fiscal year if the funds described in clauses (i) and (ii) of subparagraph (A) with respect to such school are used to fund allotments made under section 1128 for such fiscal year.".

SEC. 11118. TRIBAL DEPARTMENTS OF EDUCATION.

Title 11 of the Education Amendments of 1978 is amended by adding at the end thereof the following new section:

"TRIBAL DEPARTMENTS OF EDUCATION

"SEC. 1142. (a) Subject to the availability of appropriations, the Secretary shall provide grants and technical assistance to tribes for the development and operation of tribal departments of education for the purpose of planning and coordinating all educational programs of the tribe.

"(b) Grants provided under this section shall—

"(1) be based on applications from the governing body of the tribe,

"(2) reflect factors such as geographic and population diversity,

"(3) facilitate tribal control in all matters relating to the education of Indian children on Indian reservations and on former Indian reservations in Oklahoma,

"(4) provide for the development of coordinated educational programs on Indian reservations (including all preschool, elementary, secondary and higher or vocational educational programs funded by tribal, Federal, or other sources) by encouraging tribal administrative support of all Bureau funded educational programs as well as encouraging tribal cooperation and coordination with all educational programs receiving financial support from State agencies, other Federal agencies, or private entities,

"(5) provide for the development and enforcement of tribal educational codes, including tribal educational policies and tribal standards applicable to curriculum, personnel, students, facilities and support programs, and

"(6) otherwise comply with regulations for grants under section 104(a) of the Indian Self-Determination and Educational Assistance Act (25 U.S.C. 450h) that are in effect on the date application for such grants are made.

"(c) The Secretary shall not impose any terms, conditions, or requirements on the provision of grants under this section that are not specified in this section.

"(d) There are authorized to be appropriated for each fiscal year such sums as may be necessary to carry out the provisions of this section.".

SEC. 11119. STUDY OF JOHNSON-O'MALLEY FUNDING ALLOCATIONS.

(a) The Secretary of the Interior shall conduct a study of the methods used in funding contracts entered into under the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 452, et seq.), popularly known as the Johnson-O'Malley Act.

(b) By no later than the date that is 6 months after the date of enactment of this Act, the Secretary of the Interior shall submit to the Congress a report on the study conducted under subsection (a), together with recommendations for legislation that would ensure the most effective and equitable distribution of funds under the Act of April 16, 1934 (48 Stat. 596; 25 U.S.C. 452, et seq.).

SEC. 11120. SCHOOL BOUNDARIES.

Subsection (b) of section 1124 of the Education Amendments of 1978 (25 U.S.C. 2004(b)) is amended—

(1) by striking out "On or after" and inserting in lieu thereof "(1) Except as provided in paragraph (2), on or after", and

(2) by adding at the end thereof the following new paragraph:

"(2) In any case where there is more than one Bureau funded school located on an Indian reservation, at the direction of the tribal governing body, the relevant school boards of the Bureau funded schools on the reservation may, by mutual consent, establish the relevant attendance areas for such schools, subject to the approval of the tribal governing body. Any such boundaries so established shall be accepted by the Secretary.".

Part B—Tribally Controlled School Grants

SEC. 11201. SHORT TITLE.

This part may be cited as the "Tribally Controlled Schools Act of 1987".

SEC. 11202. FINDINGS.

(a) The Congress, after careful review of the Federal Government's historical and special legal relationship with, and resulting responsibilities to, Indians, finds that—

(1) the Indian Self-Determination and Education Assistance Act, which was a product of the legitimate aspirations and a recognition of the inherent authority of Indian nations, was and is a crucial positive step towards tribal and community control;

(2) the Bureau of Indian Affairs' administration and domination of the contracting process under such Act has not provided the full opportunity to develop leadership skills crucial to the realization of self-government, and has denied to the Indian people an effective voice in the planning and implementation of programs for the benefit of Indians which are responsive to the true needs of Indian communities; and

(3) Indians will never surrender their desire to control their relationships both among themselves and with the non-Indian governments, organizations, and persons.

(b) The Congress further finds that—

(1) true self-determination in any society of people is dependent upon an educational process which will ensure the development of qualified people to fulfill meaningful leadership roles;

(2) the Federal administration of education for Indian children has not effected the desired level of educational achievement nor created the diverse opportunities and personal satisfaction which education can and should provide;

(3) true local control requires the least possible Federal interference; and

(4) the time has come to enhance the concepts made manifest in the Indian Self-Determination and Education Assistance Act.

SEC. 11203. DECLARATION OF POLICY.

(a) The Congress recognizes the obligation of the United States to respond to the strong expression of the Indian people for self-determination by assuring maximum Indian participation in the direction of educational services so as to render such services more responsive to the needs and desires of those communities.

(b) The Congress declares its commitment to the maintenance of the Federal Government's unique and continuing trust relationship with and responsibility to the Indian people through the establishment of a meaningful Indian self-determination policy for education which will deter further perpetuation of Federal bureaucratic domination of programs.

(c) The Congress declares that a major national goal of the United States is to provide the resources, processes, and structures which will enable tribes and local communities to effect the quantity and quality of educational services and opportunities which will permit Indian children to compete and excel in the life areas of their choice, and to achieve the measure of self-determination essential to their social and economic well-being.

(d) The Congress affirms the reality of the special and unique educational needs of Indian peoples, including the need for programs to meet the linguistic and cultural aspirations of Indian tribes and communities. These can best be met through a grant process.

(e) The Congress declares its commitment to these policies and its support, to the full extent of its responsibility, for Federal relations with the Indian Nations.

(f) The Congress hereby repudiates and rejects any policy of unilateral termination of Federal relations with any Indian Nation.

SEC. 11204. GRANTS AUTHORIZED.

(a)(1) The Secretary shall provide grants to Indian tribes, and tribal organizations, that—

(A) operate tribally controlled schools which are eligible for assistance under this part, and

(B) submit to the Secretary applications for such grants.

(2) Grants provided under this part shall be deposited into the general operating fund of the tribally controlled school with respect to which the grant is provided and shall be used to defray, at the determination of the school board of the tribally controlled school, any expenditures, including but not limited to, expenditures for—

(A) school operations, academic, educational, residential, guidance and counseling, and administrative purposes,

(B) the operation and maintenance of the school, and

(C) support services for the school, including transportation.

(b)(1) No more than one grant may be provided under this part with respect to any Indian tribe for any fiscal year.

(2) Funds provided under any grant made under this part may not be used in connection with religious worship or sectarian instruction.

(3) Funds provided under any grant made under this part may not be expended for administrative costs (as defined under section 1128A(e)(1) of the Education Amendments of 1978) in excess of the amount generated for such costs under section 1128A of such Act.

(c) In the case of a grantee which operates schools at more than one schoolsite, the grantee shall expend no less than 90 percent of the funds allocated for each schoolsite under section 1128 of the Education Amendments of 1978 at each schoolsite.

(d) Nothing in this part may be construed—

(1) to require a tribe or tribal organization to apply for or accept, or

(2) to allow any person to coerce any tribe or tribal organization into applying for, or accepting,

a grant under this part to plan, conduct, and administer all of, or any portion of, any Bureau program. Such applications, and the timing of such applications, shall be strictly voluntary. Nothing in this part may be construed as allowing or requiring any grant with any entity other than the entity to which the grant is provided.

(e) Grants provided under this part shall not terminate, modify, suspend, or reduce the Federal responsibility to provide a program.

(f) Whenever an Indian tribe requests retrocession of any program for which assistance is provided under this part, such retrocession shall become effective upon a date specified by the Secretary not more than 120 days after the date on which the tribe requests the retrocession, or such later date as may be mutually agreed upon by the Secretary and the tribe.

SEC. 11205. COMPOSITION OF GRANTS.

(a) The grant provided under this part to an Indian tribe or tribal organization for any fiscal year shall consist of—

(1) the total amount of funds allocated for such fiscal year under sections 1128 and 1128A of the Education Amendments of 1978 with respect to the tribally controlled schools eligible for assistance under this part that are operated by such Indian tribe or tribal organization,

(2) to the extent requested by such Indian tribe or tribal organization, the total amount of funds allocated to such schools for such fiscal year under section 1126(d) of the Education Amendments of 1987, and

(3) the total amount of funds provided under—

(A) chapter 1 of the Education Consolidation and Improvement Act of 1981, and

(B) the Education of the Handicapped Act,

that are allocated to such schools for such fiscal year.

(b)(1) In the allocation of funds under sections 1128, 1128A, and 1126(d) of the Education Amendments of 1978, tribally controlled schools for which grants are provided under this part shall be treated as contract schools.

(2) In the allocation of funds provided under—

(A) chapter 1 of the Education Consolidation and Improvement Act of 1981, and

(B) the Education of the Handicapped Act,

that are distributed through the Bureau, tribally controlled schools for which grants are provided under this part shall be treated as Bureau schools.

(3)(A) Except as provided in subparagraph (C), funds allocated to a tribally controlled school by reason of paragraph (1) or (2) shall be subject to the provisions of this part and shall not be subject to any restriction or limitation that is imposed under any other law specifically with respect to funds provided under—

(i) the Education Amendments of 1978,

(ii) the Education Consolidation and Improvement Act of 1981, or

(iii) the Education of the Handicapped Act.

(B) Except as provided in subparagraph (C), Indian tribes and tribal organizations to which grants are provided under this part, and tribally controlled schools for which such grants are provided, shall not be subject to any requirements, obligations, restrictions, or limitations that would otherwise apply solely by reason of the receipt of funds provided under any Act referred to in clauses (i), (ii), or (iii) of subparagraph (A).

(C) The provisions of this paragraph shall not affect the application of any provision of title XI of the Education Amendments of 1978 that applies under the terms of such title specifically with respect to—

(i) all schools that are Bureau funded schools (within the meaning of section 1139(3) of the Education Amendments of 1978), or

(ii) schools for which assistance is provided under this part.

SEC. 11206. ELIGIBILITY FOR GRANTS.

(a)(1) A tribally controlled school is eligible for assistance under this part if the school—

(A) was, on the date of enactment of this Act, a school which received funds under the authority of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450, et seq.),

(B) was a school operated (as either an elementary or secondary school or a combined program) by the Bureau and has met the requirements of subsection (b),

(C) is a school for which the Bureau has not provided funds, but which has met the requirements of subsection (c), or

(D) is a school with respect to which an election has been made under paragraph (2) and which has met the requirements of subsection (b).

(2) Any application which has been submitted under the Indian Self-Determination and Education Assistance Act by an Indian tribe for a school which is not in operation on the date of enactment of this Act shall be reviewed under the guidelines and regulations for applications submitted under the Indian Self-Determination and Education Assistance Act that were in effect at the time the application was submitted, unless the Indian tribe or tribal organization elects to have the application reviewed under the provisions of subsection (b).

(b)(1) Any school that was operated as a Bureau school on the date of enactment of this Act, and any school with respect to which an election is made under subsection (a)(2), meets the requirements of this subsection if—

(A) the Indian tribe or tribal organization that operates, or desires to operate, the school submits to the Secretary an application requesting that the Secretary—

(i) transfer operation of the school to the Indian tribe or tribal organization, if the Indian tribe or tribal organization is not already operating the school, and

(ii) make a determination of whether the school is eligible for assistance under this part, and

(B) the Secretary makes a determination that the school is eligible for assistance under this part.

(2)(A) By no later than the date that is 120 days after the date on which an application is submitted to the Secretary under paragraph (1)(A), the Secretary shall determine—

(i) if the school is not being operated by the Indian tribe or tribal organization, whether to transfer operation of the school to the Indian tribe or tribal organization, and

(ii) whether the school is eligible for assistance under this part.

(B) In considering applications submitted under paragraph (1)(A), the Secretary—

(i) shall transfer operation of the school to the Indian tribe or tribal organization, if the Indian tribe or tribal organization is not already operating the school, and

(ii) shall determine that the school is eligible for assistance under this part,

unless the Secretary finds by clear and convincing evidence that the services to be provided by the Indian tribe or tribal organization will be deleterious to the welfare of the Indians served by the school.

(C) In considering applications submitted under paragraph (1)(A), the Secretary shall consider whether the Indian tribe or tribal organization would be deficient in operating the school with respect to—

(i) equipment,

(ii) bookkeeping and accounting procedures,

(iii) substantive knowledge of operating the school,

(iv) adequately trained personnel, or

(v) any other necessary components in the operation of the school.

(c)(1) A school for which the Bureau has not provided funds meets the requirements of this subsection if—

(A) the Indian tribe or tribal organization that operates, or desires to operate, the school submits to the Secretary an application requesting a determination by the Secretary of whether the school is eligible for assistance under this part, and

(B) the Secretary makes a determination that the school is eligible for assistance under this part.

(2)(A) By no later than the date that is 180 days after the date on which an application is submitted to the Secretary under paragraph (1)(A), the Secretary shall determine whether the school is eligible for assistance under this part.

(B) In making the determination under subparagraph (A), the Secretary shall give equal consideration to all of the following factors:

(i) with respect to the applicant's proposal—

(I) the adequacy of facilities or the potential to obtain or provide adequate facilities;

(II) geographic and demographic factors in the affected areas;

(III) adequacy of applicant's program plans;

(IV) geographic proximity of comparable public education; and

(V) the wishes of all affected parties, including but not limited to students, families, tribal governments at both the central and local levels, and school organizations; and

(ii) with respect to all education services already available—

(I) geographic and demographic factors in the affected areas;

(II) adequacy and comparability of programs already available;

(III) consistency of available programs with tribal education codes or tribal legislation to education; and

(IV) the history and success of these services for the proposed population to be served, as determined from all factors and not just standardized examination performance.

(C) The Secretary may not make a determination under this paragraph that is primarily based upon the geographic proximity of comparable public education.

(D) Applications submitted under paragraph (1)(A) shall include information on the factors described in subparagraph (B)(i), but the applicant may also provide the Secretary such information relative to the factors described in subparagraph (B)(ii) as the applicant considers appropriate.

(E) If the Secretary fails to make a determination under subparagraph (A) with respect to an application within 180 days after the date on which the Secretary received the application, the Secretary shall be treated as having made a determination that the tribally controlled school is eligible for assistance under the title and the grant shall become effective 18 months after the date on which the Secretary received the application, or an earlier date, at the Secretary's discretion.

(d)(1) If the Secretary determines that a tribally controlled school is eligible under subsection (a) for assistance under this part, the eligibility determination shall remain in effect until the determination is revoked by the Secretary, and the requirements of subsection (b) or (c), if applicable, shall be considered to have been met with respect to such school for all subsequent fiscal years until the eligibility determination is revoked by the Secretary.

(2)(A) The Secretary shall not revoke a determination that a school is eligible under subsection (a) for assistance under this part if—

(i) the Indian tribe or tribal organization submits the reports required under paragraph (3) with respect to the school, and

(ii) at least one of the following subclauses applies with respect to the school:

(I) The school is certified or accredited by a State or regional accrediting association as determined by the Secretary of Education, or is a candidate in good standing for such accreditation under the rules of the State or regional accrediting association, ensuring that credits achieved by students within the education programs are, or will be, accepted at grade level by a State certified or regionally accredited institution.

(II) A determination made by the Secretary that there is a reasonable expectation that the accreditation described in subclause (I), or the candidacy in good standing for such accreditation, will be reached by the school within 3 years and that the program offered by the school is beneficial to the Indian students.

(III) The school is accredited by a tribal division of education if such accreditation is accepted by a generally recognized regional or State accreditation agency.

(IV) The school accepts the standards promulgated under section 1121 of the Education Amendments of 1978 and an evaluation of performance is conducted under this section in conformance with the regulations pertaining to Bureau operated schools by an impartial evaluator chosen by the grantee, but no grantee shall be required to comply with these standards to a higher degree than a comparable Bureau operated school.

(V) A positive evaluation of the school is conducted once every three years under standards adopted by the contractor under a contract for a school entered into under the Indian Self-Determination and Education Assistance Act prior to the date of enactment of this Act, such evaluation to be conducted by an impartial evaluator agreed to by the Secretary and the grantee. Upon failure to agree on such an evaluator, the governing body of the tribe shall choose the evaluator or perform the evaluation.

(B) The choice of standards employed for purposes of subparagraph (A)(ii) shall be consistent with section 1121(e) of the Education Amendments of 1978.

(3) Each recipient of a grant provided under this part shall submit to the Secretary an annual report that shall be limited to—

(A) an annual financial statement reporting revenue and expenditures as defined by the cost accounting established by the grantee;

(B) a biannual financial audit conducted pursuant to the standards of the Single Audit Act of 1984;

(C) an annual submission to the Secretary of the number of students served and a brief description of programs offered under the grant; and

(D) a program evaluation conducted by an impartial entity, to be based on the standards established for purposes of paragraph (2)(A)(ii).

(4) The Secretary shall not revoke a determination that a school is eligible under subsection (a) for assistance under this part, or reassume control of a school that was a Bureau school prior to approval of an application submitted under subsection (b)(1)(A), until the Secretary—

(A) provides notice to the tribal authority that authorized the tribally controlled school which states—

(i) the specific deficiencies that led to the revocation or resumption determination, and

(ii) the actions that are needed to remedy such deficiencies, and

(B) affords such authority an opportunity to effect any remedial actions.

The Secretary shall provide such technical assistance as is necessary to effect such remedial actions. Such notice and technical assistance shall be in addition to a hearing and appeal to be conducted pursuant to the regulations described in subsection (f)(3)(A)(iii).

(e)(1) Expansions of the grade levels offered by a tribally controlled school that is funded under this part, or modifications to initiate residential services by such schools, may be made only if—

(A) the tribe or tribal organization submits to the Secretary an application to make the expansion or modification,

(B) the application is accompanied by a document indicating action by the tribal governing body authorizing such application, and

(C) the Secretary approves the expansion or modification.

(2) The Secretary, by no later than the date that is 120 days after the date on which an application is submitted to the Secretary under this subsection, shall make a final determination on such application.

(3) Paragraph (1) shall not apply with respect to expansions, or modifications of services or programs, that are within grade levels.

(4) In reviewing all applications submitted under this subsection, the Secretary shall give equal consideration to the factors described in subsection (c)(2)(B) and to the enhancement of the quality of the overall program offered by the applicant.

(5) Any expansion of more than two grade levels at a tribally controlled school that is funded under this part, or an equivalent ex-

pansion, or any addition of residential services to a program not offering residential services, that is approved by the Secretary under this subsection shall become effective on the date that is 12 months after the date on which the application is submitted to the Secretary, or earlier, at the discretion of the Secretary.

(f)(1) Any application that is submitted under this part by a tribal organization shall be accompanied by a document indicating action by the tribal governing body authorizing such application.

(2) Except as provided in subsection (c)(2)(E) or (e)(5), a grant provided under this part, a transfer of the operation of a Bureau school made under subsection (b), and any expansion or modification approved under subsection (e)(1)(C), shall become effective beginning with the academic year succeeding the fiscal year in which the application for the grant, transfer, expansion, or modification is made, or at an earlier date, at the Secretary's discretion.

(3)(A) Whenever the Secretary declines to provide a grant under this part, to transfer operation of a Bureau school under subsection (b), or to approve an expansion or modification under subsection (e)(1)(C), or determines that a school is not eligible for assistance under this part, the Secretary shall—

(i) state the objections in writing to the tribe or tribal organization within the allotted time,

(ii) provide assistance to the tribe or tribal organization to overcome all stated objections,

(iii) provide the tribe or tribal organization a hearing, under the same rules and regulations that apply under the Indian Self-Determination and Education Assistance Act, and

(iv) provide an opportunity to appeal the objection raised.

(B) The Secretary shall reconsider any amended application submitted under this part within 60 days after the amended application is submitted to the Secretary.

(g) The Bureau shall submit an annual report to the Congress on all applications received, and actions taken, under this section at the same time that the President is required to submit to the Congress the budget under section 1105 of title 31, United States Code.

SEC. 11207. PAYMENT OF GRANTS; INVESTMENT OF FUNDS.

(a)(1) Except as otherwise provided in this subsection, the Secretary shall make payments to grantees under this part in two payments:

(A) one payment to be made no later than October 1 of each fiscal year in an amount equal to one-half the amount paid during the preceding fiscal year to the grantee or a contractor that has elected to have the provisions of this part apply, and

(B) the second payment consisting of the remainder to which the grantee or contractor is entitled for the fiscal year to be made by no later than January 1 of the fiscal year.

(2) For any school for which no payment was made under this part in the preceding fiscal year, full payment of the amount computed for each fiscal year shall be made by January 1 of the fiscal year.

(b)(1) Notwithstanding any other provision of law, any interest or investment income that accrues on any funds provided under this part after such funds are paid to the Indian tribe or tribal organization and before such funds are expended for the purpose for which such funds were provided under this part shall be the property of the Indian tribe or tribal organization and shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance, under any provision of Federal law.

(2) Funds provided under this part may be invested by the Indian tribe or tribal organization only in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States.

(c) For the purposes of underrecovery and overrecovery determinations by any Federal agency for any other funds, from whatever source derived, funds received under this part shall not be taken into consideration.

SEC. 11208. APPLICABILITY OF OTHER STATUTES.

(a) All provisions of sections 5, 6, 7, 105, 109, and 110 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c, et seq.) except those provisions pertaining to indirect costs and length of contract, shall apply to grants provided under this part.

(b) Until the date that is 120 days after the date of enactment of this Act, contractors for activities to which this part applies who have entered into a contract under the Indian Self-Determination and Education Assistance Act that is in effect upon the date of enactment of this Act may elect, in such manner and at such time as the Secretary shall prescribe, to have the provisions of this part apply to such activity in lieu of such contract.

(c) No funds may be provided under any contract entered into under the Indian Self-Determination and Education Assistance Act to pay any expenses incurred in providing any program or service if a grant has been made under this part to pay such expenses.

SEC. 11209. ROLE OF THE DIRECTOR.

Applications for grants under this part, and all application modifications, shall be reviewed and approved by personnel under the direction and control of the Director of the Office of Indian Education Programs. Required reports shall be submitted to education personnel under the direction and control of the Director of such Office.

SEC. 11210. REGULATIONS.

The Secretary is authorized to issue regulations relating to the discharge of duties specifically assigned to the Secretary by this part. In all other matters relating to the details of planning, development, implementing, and evaluating grants under this part, the Secretary shall not issue regulations.

SEC. 11211. DEFINITIONS.

For purposes of this part—

(1) The term "eligible Indian student" has the meaning of such term in section 1128(f) of the Education Amendments of 1978 (25 U.S.C. 2008(f)).

(2) The term "Indian tribe" means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native Village or regional or village corporation (as defined in or established pursuant to the Alaskan Native Claims Settlement Act), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

(3)(A) The term "tribal organization" means—

(i) the recognized governing body of any Indian tribe, or

(ii) any legally established organization of Indians which—

(I) is controlled, sanctioned, or chartered by such governing body or is democratically elected by the adult members of the Indian community to be served by such organization, and

(II) includes the maximum participation of Indians in all phases of its activities.

(B) In any case in which a grant is provided under this part to an organization to perform services benefiting more than one Indian tribe, the approval of the governing bodies of Indian tribes representing 80 percent of those students attending the tribally controlled school shall be considered a sufficient tribal authorization for such grant.

(4) The term "Secretary" means the Secretary of the Interior.

(5) The term "tribally controlled school" means a school, operated by a tribe or a tribal organization, enrolling students in kindergarten through grade 12, including preschools, which is not a local educational agency and which is not directly administered by the Bureau of Indian Affairs.

(6) The term "a local educational agency" means a public board of education or other public authority legally constituted within a State for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a State, or such combination of school districts or counties as are recognized in a State as an administrative agency for its public elementary or secondary schools. Such term includes any other public institution or agency having administrative control and direction of a public elementary or secondary school.

(7) The term "Bureau" means the Bureau of Indian Affairs of the Department of the Interior.

Part C—Department of Education

SEC. 11301. SHORT TITLE.

This part may be cited as the "Indian Education Act of 1987".

Subpart 1—Financial Assistance to Local Educational Agencies for the Education of Indian Children

SEC. 11311. DECLARATION OF POLICY.

In recognition of the special educational and culturally related academic needs of Indian students in the United States, Congress hereby declares it to be the policy of the United States to provide financial assistance to local educational agencies to develop and carry out elementary and secondary school programs specially designed to meet these special educational and culturally related academic needs, or both.

SEC. 11312. GRANTS TO LOCAL EDUCATIONAL AGENCIES.

(a) The Secretary shall, in order to effectuate the policy set forth in section 11311, carry out a program of making grants to local educational agencies which are entitled to payments under this subpart and which have submitted, and have had approved, applications therefor, in accordance with the provisions of this subpart.

(b)(1)(A) For any fiscal year for which appropriations are authorized under section 11316 of this Act, the Secretary shall determine the number of Indian children who were enrolled in the schools of a local educational agency, and for whom such agency provided free public education, during such fiscal year.

(B) For purposes of this subpart, the term "eligible Indian children" means Indian children whom the Secretary has determined—

(i) were enrolled in a school of the local educational agency, and

(ii) were provided free public education by the local educational agency.

(2)(A) From the sums appropriated under section 11316(a) for any fiscal year, the Secretary shall allocate to each local educational agency which has an application approved under this subpart an amount which bears the same ratio to such sums as the product of—

(i) the number of eligible Indian children, multiplied by

(ii) the average per pupil expenditure per local educational agency,

bears to the sum of such products for all such local educational agencies.

(B) A local educational agency shall not be entitled to receive a grant under this subpart for any fiscal year unless the number of eligible Indian children, with respect to such agency, is at least 10 or constitutes at least 50 percent of its total enrollment. The requirements of this subparagraph shall not apply to any local educational agencies serving Indian children in Alaska, California, and Oklahoma or located on, or in proximity to, an Indian reservation.

(C) For the purposes of this subsection, the average per pupil expenditure for a local educational agency is equal to the amount determined by dividing—

(i) the sum of—

(I) the aggregate current expenditures, during the second fiscal year preceding the fiscal year for which the computation is made, of all of the local educational agencies in the State in which such agency is located, plus

(II) any direct current expenditures of such State for the operation of such agencies (without regard to the sources of funds from which either of such expenditures are made), by

(ii) the aggregate number of children who were in average daily attendance for whom such agencies provided free public education during such preceding fiscal year.

(c)(1) In addition to the sums appropriated for any fiscal year for grants to local educational agencies under this subpart, there is hereby authorized to be appropriated for any fiscal year an amount not in excess of 10 percent of the amount appropriated for payments on the basis of entitlements computed under subsection (b) for that fiscal year, for the purpose of enabling the Secretary to provide financial assistance in accordance with the provisions of this subpart to schools—

(A) which are located on or near reservations; and

(B) which—

(i) are not local educational agencies, or

(ii) have not been local educational agencies for more than 3 years.

(2) The requirements of clause (A) of paragraph (1) shall not apply to any school serving Indian children in California, Oklahoma, or Alaska.

(d) In addition to the sums appropriated for any fiscal year for grants to local educational agencies under this subpart, there is hereby authorized to be appropriated for any fiscal year an amount not in excess of 10 percent of the amount appropriated for payments of entitlements computed under subsection (b) for that fiscal year, for the purpose of enabling the Secretary to make grants on a competitive basis to local educational agencies to support demonstration projects and programs which are designed to plan for and improve educational opportunities for Indian children, except that the Secretary shall reserve a portion not to exceed 25 percent of such funds to make grants for demonstration projects examining the special educational and culturally related academic needs that arise in school districts with high concentrations of Indian children.

SEC. 11313. USES OF FEDERAL FUNDS.

Grants under this subpart may be used, in accordance with applications approved under section 11314, for—

(1) planning and development of programs specifically designed to meet the special educational or culturally related academic needs, or both, of Indian children, including pilot projects designed to test the effectiveness of plans so developed;

(2) the establishment, maintenance, and operation of such programs, including, in accordance with regulations of the Secretary, minor remodeling of classroom or other space used for such programs and acquisition of necessary equipment; and

(3) the training of counselors at schools receiving funds under this subpart in counseling techniques relevant to the treatment of alcohol and substance abuse.

SEC. 11314. APPLICATIONS FOR GRANTS; CONDITIONS FOR APPROVAL.

(a) A grant provided under this subpart, except as provided in section 11312(b), may be made only to a local educational agency or agencies, and only upon application to the Secretary at such time or times, in such manner, and containing or accompanied by such information as the Secretary deems necessary. Such application shall—

(1) provide that the activities and services for which assistance under this subpart is sought will be administered by or under the supervision of the applicant;

(2) set forth a program for carrying out the purposes of section 11313, and provide for such methods of administration as are necessary for the proper and efficient operation of the program;

(3) in the case of an application for payments for planning, provide that—

(A) the planning was or will be directly related to programs or projects to be carried out under this subpart and has resulted, or is reasonably likely to result, in a program or project which will be carried out under this subpart, and

(B) the planning funds are needed because of the innovative nature of the program or project or because the local educational agency lacks the resources necessary to plan adequately for programs and projects to be carried out under this subpart;

(4) provide that effective procedures, including provisions for appropriate objective measurement of educational achievement, will be adopted for evaluating at least annually the effectiveness of the programs and projects in meeting the special educational needs of Indian students;

(5) set forth policies and procedures which assure that Federal funds made available under this subpart for any fiscal year will be so used as to supplement and, to the extent practical, increase the level of funds that would, in the absence of such Federal funds, be made available by the applicant for the education of Indian children and in no case supplant such funds;

(6) provide for such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the applicant under this subpart; and

(7) provide for making an annual report and such other reports, in such form and containing such information, as the Secretary may reasonably require to carry out his functions under this subpart and to determine the extent to which funds provided under this subpart have been effective in improving the educational opportunities of Indian students in the area served, and for the keeping of such records, and the affording of such access thereto, as the Secretary may find necessary to assure the correctness and verification of such reports.

(b) An application by a local educational agency or agencies for a grant under this subpart may be approved only if it is consistent with the applicable provisions of this subpart and—

(1) meets the requirements set forth in subsection (a);

(2) provides that the program or project for which application is made—

(A) will utilize the best available talents and resources (including persons from the Indian community) and will substantially increase the educational opportunities of Indian children in the area to be served by the applicant; and

(B) has been developed—

(i) in open consultation with parents of Indian children, teachers, and, where applicable, secondary school students, including public hearings at which such persons have had a full opportunity to understand the program for which assistance is being sought and to offer recommendations thereon, and

(ii) with the participation and written approval of a committee—

(I) which is composed of, and selected by, parents of children participating in the program for which assistance is sought, teachers, and, where applicable, secondary school students, and

(II) of which at least half the members shall be parents described in subclause (I);

(3) sets forth such policies and procedures including policies and procedures relating to the hiring of personnel, as will ensure that the program for which assistance is sought will be operated and evaluated in consultation with, and with the involvement of, parents of the children and representatives of the area to be served, including the committee established for the purposes of paragraph (2)(B)(ii); and

(4) provides that the parent committee formed pursuant to paragraph (2)(B)(ii) will adopt and abide by reasonable bylaws for the conduct of the program for which assistance is sought.

(c) Amendments of applications submitted under this subpart shall, except as the Secretary may otherwise provide by regulation, be subject to approval in the same manner as original applications.

(d)(1) The Secretary shall require that each application for a grant under this subpart for each fiscal year include a form for each eligible Indian child for whom the local educational agency is providing free public education that sets forth information establishing the status of the child as an eligible Indian child.

(2) The Secretary shall request on the form required under paragraph (1) at least the following information:

(A) either—

(i) the name of the tribe, band, or other organized group of Indians with which the child claims membership, along with the enrollment number establishing membership (if applicable), and the name and address of the organization which has updated and accurate membership data for such tribe, band, or other organized group of Indians, or

(ii) if the child is not a member of a tribe, band, or other organized group of Indians, the name, the enrollment number (if applicable) and the organization (and address thereof) responsible for maintaining updated and accurate membership rolls of any of the child's parents or grandparents, from whom the child claims eligibility;

(B) whether the tribe, band, or other organized group of Indians with which the applicant, his parents, or grandparents claim membership is federally recognized;

(C) the name and address of the parent or legal guardian;

(D) the signature of the parent or legal guardian verifying the accuracy of the information supplied; and

(E) any other information which the Secretary deems necessary to provide an accurate program profile.

(3) Nothing in the requirements of paragraph (2) shall be construed as affecting the definition set forth in section 11351(4).

(4) The forms and the standards of proof that were in use during the 1985-1986 academic year to establish a child's eligibility for entitlement under the Indian Elementary and Secondary School Assistance Act shall be the only forms and standards of proof used to establish such eligibility and to meet the requirements of paragraph (1) after the date of enactment of this Act.

(e)(1) The Secretary shall establish a method of auditing, on an annual basis, a sample of not less than one-third of the total number of school districts receiving funds under this subpart, and shall submit to the Congress an annual report on the findings of the audits.

(2) Any local educational agency that provides false information in the application for a grant under this subpart shall be ineligible to apply for any other grants under this subpart and shall be liable to the United States for any funds provided under this subpart that have not been expended.

(3) Any student who provides false information on the form required under subsection (d)(1) may not be taken into account in determining the amount of any grant under this subpart.

SEC. 11315. PAYMENTS.

(a) The Secretary shall, subject to the provisions of section 11316, from time-to-time pay to each local educational agency which has had an application approved under section 11314, an amount equal to the amount estimated to be expended by such agency in carrying out activities under such application.

(b) No payments shall be made under this subpart for any fiscal year to any local educational agency in a State which has taken into consideration payments under this subpart in determining the eligibility of such local educational agency in that State for State aid, or the amount of that aid, with respect to the free public education of children during that year or the preceding fiscal year.

(c)(1) The Secretary shall not pay to any local educational agency its full allotment under section 11102 for any fiscal year unless the State educational agency determines that the combined fiscal effort of that local agency and the State with respect to the provision of free public education by that local agency for the preceding fiscal year, computed on either a per student or aggregate expenditure basis, was at least 90 percent of such combined fiscal effort, computed on the same basis, for the second preceding fiscal year.

(2) If the Secretary determines for any fiscal year that a local educational agency failed to maintain its expenditures at the 90 percent level required by paragraph (1), the Secretary shall—

(A) reduce the allocation of funds to that agency in the exact proportion of that agency's failure to maintain its expenditures at that level, and

(B) not use the reduced amount of the agency's expenditures for the preceding year to determine compliance with paragraph (1) in any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1).

(3) The Secretary may waive the requirements of this subsection for one fiscal year only if the Secretary determines that a waiver would be equitable due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the agency's financial resources. The Secretary shall not use the reduced amount of the agency's expenditures for the fiscal year preceding the fiscal year for which a waiver is granted to determine compliance with paragraph (1) in any succeeding fiscal year, but shall use the amount of expenditures that would have been required to comply with paragraph (1) in the absence of a waiver.

SEC. 11316. AUTHORIZATION OF APPROPRIATIONS; ADJUSTMENTS.

(a) For the purpose of making payments under this subpart, there are authorized to be appropriated—

(1) for fiscal year 1988, $70,000,000, and

(2) for each of the fiscal years 1989, 1990, 1991, 1992, and 1993, such sums as may be necessary.

(b) The Secretary may reallocate, in such manner as will best assist in advancing the purposes of this subpart, any amount which the Secretary determines, based upon estimates made by local educational agencies, will not be needed by any such agency to carry out its approved project.

Subpart 2—Special Programs and Projects to Improve Educational Opportunities for Indian Children

SEC. 11321. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR INDIAN CHILDREN.

(a) The Secretary shall carry out a program of making grants for the improvement of educational opportunities for Indian children—

(1) to support planning, pilot, and demonstration projects, in accordance with subsection (b), which are designed to test and demonstrate the effectiveness of programs for improving educational opportunities for Indian children;

(2) to assist in the establishment and operation of programs, in accordance with subsection (c), which are designed to stimulate—

(A) the provision of educational services not available to Indian children in sufficient quantity or quality, and

(B) the development and establishment of exemplary educational programs to serve as models for regular school programs in which Indian children are educated;

(3) to assist in the establishment and operation of preservice and inservice training programs, in accordance with subsection (d), for persons serving Indian children as educational personnel; and

(4) to encourage the dissemination of information and materials relating to, and the evaluation of the effectiveness of, education programs which may offer educational opportunities to Indian children.

(b) The Secretary is authorized to make grants to State and local educational agencies, federally supported elementary and secondary schools for Indian children and to Indian tribes, Indian organizations, and Indian institutions to support planning, pilot, and demonstration projects which are designed to plan for, and test and demonstrate the effectiveness of, programs for improving educational opportunities for Indian children, including—

(1) innovative programs related to the educational needs of educationally deprived children;

(2) bilingual and bicultural education programs and projects;

(3) special health and nutrition services, and other related activities, which meet the special health, social, and psychological problems of Indian children; and

(4) coordination of the operation of other federally assisted programs which may be used to assist in meeting the needs of such children.

(c) The Secretary is authorized to make grants to State and local educational agencies and to tribal and other Indian community organizations to assist them in developing and establishing educational services and programs specifically designed to improve educational opportunities for Indian children. Grants may be used—

(1) to provide educational services not available to such children in sufficient quantity or quality, including—

(A) remedial and compensatory instruction, school health, physical education, psychological, and other services designed to assist and encourage Indian children to enter, remain in, or reenter elementary or secondary school;

(B) comprehensive academic and vocational instruction;

(C) instructional materials (such as library books, textbooks, and other printed, published, or audiovisual materials) and equipment;

(D) comprehensive guidance, counseling, and testing services;

(E) special education programs for handicapped and gifted and talented Indian children;

(F) early childhood programs, including kindergarten;

(G) bilingual and bicultural education programs; and

(H) other services which meet the purposes of this subsection; and

(2) to establish and operate exemplary and innovative educational programs and centers, involving new educational approaches, methods, and techniques designed to enrich programs of elementary and secondary education for Indian children.

(d)(1) The Secretary is authorized to make grants to institutions of higher education and to State and local educational agencies, in combination with institutions of higher education, for carrying out programs and projects—

(A) to prepare persons to serve Indian students as teachers, administrators, teacher aides, social workers, and ancillary educational personnel; and

(B) to improve the qualifications of such persons who are serving Indian students in such capacities.

(2) Grants made under this subsection may be used for the establishment of fellowship programs leading to an advanced degree, for institutes and, as part of a con-

tinuing program, for seminars, symposia, workshops, and conferences.

(3) In programs funded by grants authorized under this subsection, preference shall be given to the training of Indians.

(e)(1) The Secretary is authorized to make grants to, and to enter into contracts with, public agencies, State educational agencies in States in which more than 5,000 Indian children are enrolled in public elementary and secondary schools, Indian tribes, Indian institutions, and Indian organizations, and to make contracts with private institutions and organizations, to establish, on a regional basis, information centers to—

(A) evaluate programs assisted under this Act, and under other Indian education programs in order to determine their effectiveness in meeting the special educational and culturally related academic needs of Indian children and adults and to conduct research to determine those needs;

(B) provide technical assistance upon request to local educational agencies and Indian tribes, Indian organizations, Indian institutions, and parent committees created pursuant to section 11314(b)(2)(B)(ii) in evaluating and carrying out programs assisted under this Act, through the provision of materials and personnel resources; and

(C) disseminate information upon request to the parties described in subparagraph (B) concerning all Federal education programs which affect the education of Indian children and adults, including information on successful models and programs designed to meet the special educational needs of Indian children.

(2) Grants or contracts made under this subsection may be made for a term not to exceed 3 years if provision is made to ensure annual review of the projects.

(3) The Secretary is authorized to make grants to, and to enter into contracts with, Indian tribes, Indian institutions, and Indian organizations, and public agencies and institutions for—

(A) the national dissemination of information concerning education programs, services, and resources available to Indian children, including evaluations thereof; and

(B) the evaluation of the effectiveness of federally assisted programs in which Indian children may participate in achieving the purposes of such programs with respect to such children.

(f)(1) Applications for a grant under this section shall be submitted at such time, in such manner, and shall contain such information, and shall be consistent with such criteria, as may be required under regulations prescribed by the Secretary. Such applications shall—

(A) set forth a statement describing the activities for which assistance is sought;

(B) in the case of an application for a grant under subsection (c)—

(i) subject to such criteria as the Secretary shall prescribe, provide for—

(I) the use of funds available under this section, and

(II) the coordination of other resources available to the applicant,

in order to ensure that, within the scope of the purpose of the project, there will be a comprehensive program to achieve the purposes of this section, and

(ii) provide for the training of personnel participating in the project; and

(C) provide for an evaluation of the effectiveness of the project in achieving its purpose and the purposes of this section.

(2)(A) The Secretary may approve an application for a grant under subsection (b), (c), or (d) only if the Secretary is satisfied that such application, and any document submitted with respect thereto—

(i) demonstrate that—

(I) there has been adequate participation by the parents of the children to be served and tribal communities in the planning and development of the project, and

(II) there will be such participation in the operation and evaluation of the project, and

(ii) provide for the participation, on an equitable basis, of eligible Indian children—

(I) who reside in the area to be served,

(II) who are enrolled in private nonprofit elementary and secondary schools, and

(III) whose needs are of the type which the program is intended to meet,

to the extent consistent with the number of such children.

(B) In approving applications under this section, the Secretary shall give priority to applications from Indian educational agencies, organizations, and institutions.

(3) The Secretary may approve an application for a grant under subsection (e) only if the Secretary is satisfied that the funds made available under that subsection will be used to supplement the level of funds from State, local, and other Federal sources that would, in the absence of Federal funds provided under that subsection, be made available by the State or local educational agency for the activities described in that subsection, and in no case will be used to supplant those funds.

(g) For the purpose of making grants under this section, there are hereby authorized to be appropriated $35,000,000 for each fiscal year ending prior to October 1, 1993.

SEC. 11322. SPECIAL EDUCATIONAL TRAINING PROGRAMS FOR THE TEACHERS OF INDIAN CHILDREN.

(a)(1) The Secretary is authorized to make grants to, and enter into contracts with, institutions of higher education, Indian organizations, and Indian tribes for the purpose of—

(A) preparing individuals for teaching or administering special programs and projects designed to meet the special educational needs of Indian people, and

(B) providing in-service training for persons teaching in such programs.

(2) Priority shall be given in the awarding of grants, and in the entering into of contracts, under subsection (a) to Indian institutions and organizations.

(b)(1) In carrying out the provisions of this section, the Secretary is authorized to award fellowships and traineeships to individuals and to make grants to, and to enter into contracts with, institutions of higher education, Indian organizations, and Indian tribes for cost of education allowances.

(2) In awarding fellowships and traineeships under this subsection, the Secretary shall give preference to Indians.

(3) In the case of traineeships and fellowships, the Secretary is authorized to grant stipends to, and allowances for dependents of, persons receiving traineeships and fellowships.

(c) There are authorized to be appropriated $2,000,000 for each fiscal year ending prior to October 1, 1993 to carry out the provisions of this section.

SEC. 11323. FELLOWSHIPS FOR INDIAN STUDENTS.

(a) During each fiscal year ending prior to October 1, 1993, the Secretary is authorized to award fellowships to be used for study in graduate and professional programs at institutions of higher education. Such fellowships shall be awarded to Indian students in order to enable them to pursue a course of study of not more than 4 academic years leading toward a post baccalaureate degree in medicine, clinical psychology, psychology, law, education, and related fields or leading to an undergraduate or graduate degree in engineering, business administration, natural resources, and related fields.

(b) The Secretary shall pay to persons awarded fellowships under subsection (a) such stipends (including such allowances for subsistence of such persons and their dependents) as he may determine to be consistent with prevailing practices under comparable federally supported programs.

(c) The Secretary shall pay to the institution of higher education at which the holder of a fellowship awarded under subsection (a) is pursuing a course of study, in lieu of tuition charged such holder, such amounts as the Secretary may determine to be necessary to cover the cost of education provided the holder of such a fellowship.

(d)(1) The Secretary may, if a fellowship awarded under subsection (a) is vacated prior to the end of the period for which it was awarded, award an additional fellowship for the remainder of such period.

(2) By no later than the date that is 45 days before the commencement of an academic term, the Secretary shall provide to each individual who is awarded a fellowship under subsection (a) for such academic term written notice of the amount of such fellowship and of any stipends or other payments that will be made under this section to, or for the benefit of, such individual for such academic term.

(3) Not more than 10 percent of the fellowships awarded under subsection (a) shall be awarded, on a priority basis, to persons receiving training in guidance counseling with a specialty in the area of alcohol and substance abuse counseling and education.

(e) There are authorized to be appropriated for fiscal year 1989, and for each of the 4 succeeding fiscal years, such sums as may be necessary to carry out the provisions of this section.

SEC. 11324. GIFTED AND TALENTED.

(a) The Secretary shall establish centers for gifted and talented Indian students at Sinte Gleska College and at the Navajo Community College.

(b)(1) The Secretary shall award grants to, or enter into contracts with, the Sinte Gleska College, the Navajo Community College, and the American Indian Higher Education Consortium for demonstration projects designed to address the special needs of Indian students in elementary and secondary schools who are gifted and talented and the special needs of their families.

(2) Any person to whom a grant is made, or with whom a contract is entered into, under paragraph (1) may enter into a contract with any other persons, including the Children's Television Workshop, for the purpose of carrying out the demonstration projects for which such grant was awarded or for which the contract was entered into by the Secretary.

(c) Demonstration projects funded under this section may include—

(1) the identification of the special needs of gifted and talented students, particularly at the elementary school level, with attention to the emotional and psychosocial needs of these individuals and their families;

(2) the conduct of educational, psychosocial, and developmental activities which hold reasonable promise of resulting in substantial progress toward meeting the educa-

tional needs of such gifted and talented children, including, but not limited to, demonstrating and exploring the use of Indian languages and exposure to Indian cultural traditions;

(3) the use of public television in meeting the special educational needs of such gifted and talented children;

(4) leadership programs designed to replicate programs for such children throughout the United States, including the dissemination of information derived from the demonstration projects conducted under this section; and

(5) appropriate research, evaluation, and related activities pertaining to the needs of such children and their families.

(d) The Secretary shall encourage persons to whom a grant is made, or with whom a contract is entered into, under subsection (a) to work cooperatively as a national network so that the information developed by such persons is readily available to the entire educational community.

(e) There are authorized to be appropriated $3,000,000 for each of the fiscal years 1988, 1989, 1990, 1991, 1992, and 1993 for the purpose of carrying out the provisions of this section. Such sums shall remain available until expended.

Subpart 3—Special Programs Relating to Adult Education for Indians

SEC. 11330. IMPROVEMENT OF EDUCATIONAL OPPORTUNITIES FOR ADULT INDIANS.

(a) The Secretary shall carry out a program of awarding grants to State and local educational agencies and to Indian tribes, institutions, and organizations—

(1) to support planning, pilot, and demonstration projects which are designed to test and demonstrate the effectiveness of programs for improving employment and educational opportunities for adult Indians;

(2) to assist in the establishment and operation of programs which are designed to stimulate—

(A) the provision of basic literacy opportunities to all nonliterate Indian adults, and

(B) the provision of opportunities to all Indian adults to qualify for a high school equivalency certificate in the shortest period of time feasible;

(3) to support a major research and development program to develop more innovative and effective techniques for achieving the literacy and high school equivalency goals;

(4) to provide for basic surveys and evaluations to define accurately the extent of the problems of illiteracy and lack of high school completion among Indians; and

(5) to encourage the dissemination of information and materials relating to, and the evaluation of the effectiveness of, education programs which may offer educational opportunities to Indian adults.

(b) The Secretary is authorized to make grants to Indian tribes, Indian institutions, and Indian organizations to develop and establish educational services and programs specifically designed to improve educational opportunities for Indian adults.

(c) The Secretary is also authorized to make grants to, and to enter into contracts with, public agencies, and institutions, and Indian tribes, institutions, and organizations for—

(1) the dissemination of information concerning educational programs, services, and resources available to Indian adults, including evaluations thereof; and

(2) the evaluation of federally assisted programs in which Indian adults may participate to determine the effectiveness of such programs in achieving the purposes of such programs with respect to such adults.

(d)(1) Applications for a grant under this section shall be submitted at such time, in such manner, contain such information, and be consistent with such criteria, as may be required under regulations prescribed by the Secretary. Such applications shall—

(A) set forth a statement describing the activities for which assistance is sought; and

(B) provide for an evaluation of the effectiveness of the project in achieving its purposes and those of this section.

(2) The Secretary shall not approve an application for a grant under subsection (a) unless he is satisfied that such application, and any documents submitted with respect thereto, indicate that—

(A) there has been adequate participation by the individuals to be served and tribal communities in the planning and development of the project, and

(B) there will be such a participation in the operation and evaluation of the project.

(3) In approving applications under subsection (a), the Secretary shall give priority to applications from Indian educational agencies, organizations, and institutions.

(e) There are authorized to be appropriated for fiscal year 1989, and for each of the 4 succeeding fiscal years, such sums as may be necessary to carry out the provisions of this section.

Subpart 4—Program Administration

SEC. 11341. OFFICE OF INDIAN EDUCATION.

(a) There is established, in the Department of Education, an Office of Indian Education.

(b)(1) The Office of Indian Education shall be under the direction of the Director of the Office of Indian Education and shall be responsible for administering the provisions of this part.

(2) The Director of the Office of Indian Education shall report directly to the Secretary.

(c) The Director of the Office of Indian Education shall be compensated at the rate prescribed for, and shall be placed in, grade 18 of the General Schedule set forth in section 5332 of title 5, United States Code, and shall perform such duties as are delegated or assigned to the Director by the Secretary. The position created by this subsection shall be in addition to the number of positions placed in grade 18 of such General Schedule under section 5108 of title 5, United States Code.

(d) The Secretary shall give preference to qualified Indians in employment in the Office of Indian Education.

SEC. 11342. NATIONAL ADVISORY COUNCIL ON INDIAN EDUCATION.

(a)(1) There is hereby established the National Advisory Council on Indian Education (hereafter in this subpart referred to as the "National Council"), which—

(A) shall consist of 15 members who are Indians appointed by the President from lists of nominees furnished, from time to time, by Indian tribes and organizations, and

(B) shall represent diverse geographic areas of the country.

(2) Subject to section 448(b) of the General Education Provisions Act, the National Council shall continue to exist until October 1, 1993.

(b) The National Council shall—

(1) advise the Secretary with respect to—

(A) the administration (including the development of regulations and of administrative practices and policies) of any program—

(i) in which Indian children or adults participate, or

(ii) from which they can benefit, including this part, and

(B) adequate funding of such programs;

(2) review applications for assistance under this part and make recommendations to the Secretary with respect to their approval;

(3) evaluate programs and projects carried out under any program of the Department of Education in which Indian children or adults can participate or from which they can benefit, and disseminate the results of such evaluations;

(4) provide technical assistance to local educational agencies and to Indian educational agencies, institutions, and organizations to assist them in improving the education of Indian children;

(5) assist the Secretary in developing criteria and regulations for the administration and evaluation of grants made under subpart 1; and

(6) submit to the Congress by no later than June 30 of each year a report on its activities, which shall include—

(A) any recommendations it may deem necessary for the improvement of Federal education programs in which Indian children and adults participate, or from which they can benefit, and

(B) a statement of the National Council's recommendations to the Secretary with respect to the funding of any such programs.

(c) With respect to functions of the National Council described in paragraphs (2), (3), and (4) of subsection (b), the National Council is authorized to contract with any public or private nonprofit agency, institution, or organization for assistance in carrying out such functions.

(d) From sums appropriated pursuant to section 400(d) of the General Education Provisions Act which are available for part D of such Act, the Secretary shall make available such sums as may be necessary to enable the National Council to carry out its functions under this section.

SEC. 11343. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal year 1989, and each of the 4 succeeding fiscal years, such sums as may be necessary to carry out the provisions of this subpart.

Subpart 5—Miscellaneous

SEC. 11351. DEFINITIONS.

For purposes of this part—

(1) The term "adult" means any individual who—

(A) is 16 years old or older, or

(B) who is beyond the age of compulsory school attendance under State law.

(2) The term "adult education" means instruction or services below college level for adults who are not enrolled in a secondary school and who do not have—

(A) the basic skills to enable them to function effectively in society, or

(B) a certificate of graduation from a school providing secondary education (and who have not achieved an equivalent level of education).

(3) The term "free public education" means education that is provided at public expense, under public supervision and direction, and without tuition charge, and that is provided as elementary or secondary education in the applicable State.

(4) The term "Indian" means any individual who is—

(A) a member of an Indian tribe, band, or other organized group of Indians (as defined by the Indian tribe, band, or other organized group), including those Indian tribes, bands, or groups terminated since 1940 and those recognized by the State in which they reside,

(B) a descendant, in the first or second degree, of an individual described in subparagraph (A),

(C) considered by the Secretary of the Interior to be an Indian for any purpose,

(D) an Eskimo, Aleut, or other Alaska Native, or

(E) is determined to be an Indian under regulations promulgated by the Secretary after consultation with the National Advisory Council on Indian Education.

(5)(A) The term "local educational agency" has the meaning given to such term by section 198(a)(10) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 2854(a)(10)).

(B) The term "local educational agency", for purposes of subpart 1 (except for sections 11314(b)(2)(B)(ii) and 11315(c)(2)), includes—

(i) any school operated by the Bureau of Indian Affairs of the Department of the Interior, either individually or in cooperation with any other local education agency, and

(ii) any Indian tribe, or an organization controlled or sanctioned by an Indian tribal government, that operates a school for the children of that tribe if the school either—

(I) provides its students an educational program that meets the standards established by the Secretary of the Interior under section 1121 of the Education Amendments of 1978; or

(II) is operated by that tribe or organization under a contract with the Department of the Interior in accordance with the Indian Self-Determination and Education Assistance Act.

(6) The term "parent" includes an individual acting in loco parentis, other than by virtue of being a school administrator or official.

(7) The term "Secretary" means the Secretary of Education.

SEC. 11352. CONFORMING AMENDMENTS.

(a) The Indian Elementary and Secondary School Assistance Act is repealed.

(b) Section 1005 of the Elementary and Secondary Education Act of 1965 is repealed.

(c) Section 315 of the Adult Education Act is repealed.

(d) Sections 421(b)(2), 422, 423, 441, 442, and 453 of the Indian Education Act (title IV of Public Law 92-318) are repealed.

(e) Sections 1146 and 1149 of the Education Amendments of 1978 are repealed.

PART D—MISCELLANEOUS PROVISIONS

SEC. 11401. NAVAJO COMMUNITY COLLEGE.

Paragraph (1) of section 5(b) of the Navajo Community College Act (25 U.S.C. 640c-1(b)(1)) is amended to read as follows:

"(1) There are authorized to be appropriated for grants to the Navajo Community College, for each fiscal year, an amount necessary to pay expenses incurred for—

"(A) the maintenance and operation of the college, including—

"(i) basic, special, developmental, vocational, technical, and special handicapped education costs,

"(ii) annual capital expenditures, including equipment needs, minor capital improvements and remodeling projects, physical plant maintenance and operation costs, and exceptions and supplemental need account, and

"(iii) summer and special interest programs,

"(B) major capital improvements, including internal capital outlay funds and capital improvement projects,

"(C) mandatory payments, including payments due on bonds, loans, notes, or lease purchases, and

"(D) supplemental student services, including student housing, food service, and the provision of access to books and services.".

SEC. 11402. PAYMENT OF GRANTS; INTEREST.

(a) Subsection (b) of section 108 of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1808(b)) is amended—

(1) by striking out "The Secretary" and inserting in lieu thereof "(1) The Secretary", and

(2) by adding at the end thereof the following new paragraphs:

"(2) Notwithstanding any other provision of law, the Secretary shall not, in disbursing funds provided under this title, use any method of payment which was not used during fiscal year 1987 in the disbursement of funds provided under this title.

"(3) Notwithstanding any other provision of law, any interest or investment income that accrues on any funds provided under this title after such funds are paid to the tribally controlled community college and before such funds are expended for the purpose for which such funds were provided under this title shall be the property of the tribally controlled community college and shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance, to the tribally controlled community college under any provision of Federal law.

"(4) Funds provided under this title may only be invested by the tribally controlled community college in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States.".

(b) The Navajo Community College Act is amended by adding at the end thereof the following new section:

"PAYMENTS; INTEREST

"SEC. 7. (a) Notwithstanding any other provision of law, the Secretary of the Interior shall not, in disbursing funds provided under this Act, use any method of payment which was not used during fiscal year 1987 in the disbursement of funds provided under this Act.

"(b)(1) Notwithstanding any other provision of law, any interest or investment income that accrues on any funds provided under this Act after such funds are paid to the Navajo Community College and before such funds are expended for the purpose for which such funds were provided under this Act shall be the property of the Navajo Community College and shall not be taken into account by any officer or employee of the Federal Government in determining whether to provide assistance, or the amount of assistance, to the Navajo Community College under any provision of Federal law.

"(2) Funds provided under this Act may only be invested by the Navajo Community College in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States.".

SEC. 11403. MATCHING FUNDS.

(a) Section 109 of the Tribally Controlled Community College Assistance Act of 1978 (25 U.S.C. 1809) is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of law, funds provided under this title to the tribally controlled community college may be treated as non-Federal, private funds of the college for purposes of any provision of Federal law which requires that non-Federal or private funds of the college be used in a project or for a specific purpose.".

(b) Section 6 of the Navajo Community College Act is amended—

(1) by striking out "Except" and inserting in lieu thereof "(a) Except", and

(2) by adding at the end thereof the following new subsection:

"(b) Notwithstanding any other provision of law, funds provided under this Act to the Navajo Community College may be treated as non-Federal, private funds of the College for purposes of any provision of Federal law which requires that non-Federal or private funds of the College be used in a project or for a specific purpose.".

SEC. 11404. ENROLLMENT AND GENERAL ASSISTANCE PAYMENTS.

(a) The Secretary of the Interior shall not disqualify from continued receipt of general assistance payments from the Bureau of Indian Affairs an otherwise eligible Indian for whom the Bureau has been making general assistance payments for at least 3 months (or exclude such an individual from continued consideration in determining the amount of general assistance payments for a household) because the individual is enrolled (and is making satisfactory progress toward completion of a program or training that can reasonably be expected to lead to gainful employment) for at least half-time study or training in—

(1) a college assisted by the Bureau under the Tribally Controlled Community College Assistance Act of 1978 (92 Stat. 1325; 25 U.S.C. 1801) or the Navajo Community College Act (85 Stat. 645; 25 U.S.C. 640a);

(2) an institution of higher education or a vocational school (as defined for purposes of any program of assistance to students under the Higher Education Act of 1965);

(3) a course the Secretary determines will lead to a high school diploma or an equivalent certificate; or

(4) other programs or training approved by the Secretary.

(b) In determining the amount of general assistance provided by the Bureau of Indian Affairs, the Secretary of the Interior shall not include consideration of—

(1) additional expenses in connection with the study or training described in subsection (a), and

(2) the amount of any financial assistance received by the individual as a student or trainee.

(c) This section does not alter any eligibility requirement for general assistance from the Bureau of Indian Affairs other than the requirement to be available for employment and to seek employment.

SEC. 11405. USE OF BUREAU FACILITIES.

(a) The Secretary of the Interior may permit tribal, student, and other non-Federal organizations to use facilities, lands, and equipment administered by the Bureau of Indian Affairs if such use does not interfere with the purpose for which the facilities, land, and equipment are administered by the Bureau. The Secretary of the Interior may charge the user for the actual or estimated additional cost of utilities or other expenses incurred because of the use and the amounts collected shall be credited to the appropriation or fund from which the expenses are paid.

(b) The authority provided by this section is in addition to, and not in derogation of, any other authority available to the Secretary of the Interior.

PART E—WHITE HOUSE CONFERENCE ON INDIAN EDUCATION

SEC. 11501. FINDINGS.

The Congress finds that—

(1) the Government of the United States has a special relationship with the Indians which has given rise to a responsibility to assure superior educational opportunities for all Indians;

(2) this responsibility is being carried out by Federal schools and federally-funded programs;

(3) while the States provide educational services to the majority of Indian students in the United States, the State services are largely funded by Federal funds and are not, in any way, in derogation of the Federal responsibility;

(4) changes in the Federal and State systems in the past decade and the growth of tribal control over schools has led to substantial improvements in the educational opportunities and successes of Indian students;

(5) substantial and substantive problems continue to exist and interfere with the realization of full opportunities for Indian students; and

(6) identification of these problems through the convening of a White House conference will facilitate formulation of solutions.

SEC. 11502. AUTHORIZATION TO CALL CONFERENCE.

(a) The President shall call and conduct a White House Conference on Indian Education (hereafter in this part referred to as the "Conference") which shall be held not earlier than September 1, 1989, and not later than September 30, 1991.

(b) The purpose of the White House Conference on Indian Education shall be to—

(1) explore the feasibility of establishing an independent Board of Indian Education that would assume responsibility for all existing Federal programs relating to the education of Indians, and

(2) develop recommendations for the improvement of educational programs to make the programs more relevant to the needs of Indians, in accordance with the findings set forth in section 11501.

SEC. 11503. COMPOSITION OF CONFERENCE.

(a) The Conference shall be composed of—

(1) representatives of the Bureau of Indian Affairs of the Department of the Interior;

(2) representatives of Indian educational institutions, public schools, agencies, organizations and associations that deal with the education of Indians;

(3) educators from reservations and urban areas where Indians make up a substantial portion of the student population; and

(4) individuals with a special knowledge of, and special competence in dealing with, Indians and Indian problems, including education and health.

(b) The President shall select one-third of the participants of the Conference, the Speaker of the House of Representatives shall select one-third of the participants, and the President pro tempore of the Senate shall select the remaining one-third of the participants.

(c) In selecting the participants of the Conference the President, the Speaker of the House of Representatives, and the President pro tempore of the Senate shall ensure that—

(1) one-fourth of the participants are individuals who are currently active educators on Indian reservations;

(2) one-fourth of the participants are educators selected from urban areas with large concentrations of Indians;

(3) one-fourth of the participants are individuals who are Federal and tribal government officials; and

(4) one-fourth of the participants are Indians, including members of Indian tribes that are not recognized by the Federal Government.

SEC. 11504. ADMINISTRATIVE PROVISIONS.

(a) The Conference shall be planned and conducted by the Interagency Task Force on the White House Conference on Indian Education (hereafter in this part referred to as the "Task Force").

(b)(1) If the President calls the Conference, the Secretary of the Interior and the Secretary of Education, acting jointly, shall establish the Task Force on the White House Conference on Indian Education which shall consist of such employees of the Department of the Interior and the Department of Education as the Secretary of the Interior and the Secretary of Education determine to be necessary to enable the Task Force to carry out its duties.

(2) The Secretary of the Interior and the Secretary of Education shall each appoint no less than 2 professional staff members and one support staff member to the Task Force.

(3) All staff assigned to the Task Force shall work on preparations for, and the conduct of, the Conference on a full-time basis.

(4) The Secretary of the Interior shall provide office space and materials for the Task Force, including an allowance for mailing costs.

(5) Each professional staff person appointed to the Task Force shall have expertise in issues directly related to Indian education.

(6) The Secretary of the Interior and the Secretary of Education, acting jointly, shall designate one staff person as the Director of the Task Force.

(c) The Task Force shall—

(1) when appropriate, request the cooperation and assistance of other Federal departments and agencies in order to carry out its responsibilities;

(2) prepare and make available background materials for the use of participants in the Conference and any associated State conferences, and prepare and distribute such reports of the Conference and of any associated State conferences as may be appropriate;

(3) make technical and financial assistance (by grants, contracts, or otherwise) available to the States and intertribal organizations to enable them to organize and conduct conferences and other meetings in order to prepare for the Conference; and

(4) conduct fiscal oversight activities with respect to the preparation for, and the convening of, the Conference, including contracting for the services of an auditor.

(d) FEDERAL AGENCY COOPERATION AND ASSISTANCE.—

(1) Each Federal department and agency shall cooperate with, and provide assistance to, the Task Force upon request made by the Task Force under subsection (c)(1). For that purpose, each Federal department and agency is authorized and encouraged to provide personnel to the Task Force.

(2) The Commissioner of the Administration for Native Americans of the Department of Health and Human Services and the Director of the Indian Health Service of the Department of Health and Human Services are authorized to detail personnel to the Task Force, upon request, to enable the Task Force to carry out its functions under this part.

(e) In carrying out the provisions of this part, the Task Force is authorized to engage such personnel as may be necessary to assist the Conference and the Advisory Committee of the Conference, without regard for the provisions of title 5, United States Code, governing appointments in the competitive service, and without regard to chapter 51, and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(f) Participants in the Conference may, while away from their homes or regular places of business and attending the Conference, be allowed such travel expenses, including per diem in lieu of subsistence, as are allowed under section 5703 of title 5, United States Code. Such expenses may be paid by way of advances, reimbursement, or in installments, as the Task Force may determine.

SEC. 11505. REPORTS.

A final report of the Conference, containing such findings and recommendations as may be made by the Conference, shall be submitted to the President not later than 120 days following the close of the Conference. The final report shall be made public and, within 90 days after its receipt by the President, transmitted to the Congress together with a statement of the President containing recommendations of the President with respect to such report.

(b) The Conference is authorized to publish and distribute for the Conference the reports authorized under this part. Copies of all such reports shall be provided to the Federal depository libraries.

SEC. 11506. ADVISORY COMMITTEE.

There is hereby established the Advisory Committee of the Conference (hereafter in this part referred to as the "Advisory Committee") composed of—

(1) five individuals designated by the Speaker of the House of Representatives, with not more than three being Members of the House of Representatives;

(2) five individuals designated by the President pro tempore of the Senate, with not more than three being Members of the Senate;

(3) ten individuals appointed by the President;

(4) the Assistant Secretary of the Interior for Indian Affairs or a delegate of the Assistant Secretary;

(5) the Secretary of Education or a delegate of the Secretary; and

(6) the Director of the Task Force.

The President, the President pro tempore of the Senate, and the Speaker of the House of Representatives, shall, after consultation with Indian tribes, ensure that members of the Advisory Committee are broadly representative of all Indians of the United States.

(b) The Advisory Committee shall assist and advise the Task Force in planning and conducting the Conference.

(c)(1) The Director of the Task Force shall serve as vice chairman of the Advisory Committee. The Advisory Committee shall elect the chairman of the Advisory Committee from among those members of the Advisory Committee who are not full-time Federal employees.

(2) The Advisory Committee shall select the chairman of the Conference.

(3) The chairman of the Advisory Committee is authorized to establish, prescribe functions for, and appoint members to such advisory and technical committees as may be necessary to assist and advise the Task Force in carrying out its duties.

(d) Members of any committee established under this section who are not regular full-time officers or employees of the United States shall, while attending to the business of the Conference, be entitled to receive compensation at a rate fixed by the President that does not exceed the rate of pay specified at the time of such service for grade GS-18 under section 5332, of title 5, United States Code, including travel time. Such members may, while away from their homes or regular places of business, be allowed travel expenses, including per diem in lieu of subsistence, as may be authorized under section 5703 of title 5, United States Code.

SEC. 11507. GIFTS AND TITLE TO CERTAIN PROPERTY.

(a) The Task Force shall have authority to accept, on behalf of the Conference, in the name of the United States, grants, gifts, or bequests of money for immediate disbursement by the Task Force in furtherance of the Conference. Such grants, gifts, or bequests offered the Task Force, shall be paid by the donor or his representative into the Treasury of the United States in a special account to the credit of the Conference for the purposes of this part.

(b) Materials and equipment acquired for the use of the Conference, or for the Task Force, shall be transferred to the Bureau of Indian Affairs after the close of the Conference.

SEC. 11508. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for each of the fiscal years 1988, 1989, and 1990 such sums as may be necessary to carry out this part. Such sums shall remain available until expended.

On page 439, line 18, strike out "XI" and insert in lieu thereof "XII".

On page 439, line 19, strike out "11001" and insert in lieu thereof "12001".

On page 439, line 23, strike out "11002" and insert in lieu thereof "12002".

On page 440, line 4, strike out "11003" and insert in lieu thereof "12003".

On page 43, line 20, after "et seq.)" insert the following: "or the Tribally Controlled Schools Act of 1987".

FARM CREDIT ACT OF 1971—S. 1665

FOWLER AMENDMENT NO. 1205

(Ordered to lie on the table.)

Mr. FOWLER submitted an amendment intended to be proposed to the bill S. 1665, a bill to amend the Farm Credit Act of 1971 to ensure the continuation of the Farm Credit System as a source of agricultural credit at fair and competitive rates; to increase farmer and rancher participation in the Farm Credit System; to restore the impairment of borrower stock in the Farm Credit System's institutions; to reform the lending practices of the Farm Credit System; to require forbearance on and restructuring of certain high-risk and nonaccrual loans; and for other purposes; as follows:

On page 154, line 14, strike out "4.14A(b)(1)" and insert in lieu thereof "4.14A".

On page 156, line 14, strike out "cost of foreclosure' ".

Beginning on page 255, strike out line 8 and all that follows through page 258, line 7, and insert in lieu thereof the following:

"(b) RESTRUCTURING STANDARDS.—

"(1) GENERAL ELIGIBILITY.—Except as may be otherwise provided in section 6.7, a bank or association (other than a bank for cooperatives) shall determine whether or not a loan shall be restructured, if the bank or association receives an application for restructuring from a borrower who is—

"(A) an individual, family corporation, or family partnership;

"(B) a borrower who is delinquent in the payment of principal or interest, or both, on a distressed loan on the date of enactment of the Farm Credit Act Amendments of 1987, or during the 5-year period beginning on such date;

"(C) able to demonstrate that, due to circumstances beyond the control of the borrower (including depressed land values, high interest rates, and low prices for agricultural commodities), the borrower is, or soon will be, temporarily unable to continue making payments of the principal and interest when due without unduly impairing the standard of living and operating ability of the borrower; and

"(D) able to demonstrate the ability of the borrower to repay the loan, based on past performance as a capable producer and assistance provided under this section.

"(2) COMPELLED RESTRUCTURING.—If an institution determines that the cost of foreclosure of a loan made to a borrower equals or exceeds the cost of restructuring the loan in accordance with this section, the institution shall reduce the principal or interest, or both, due on the loan, or otherwise restructure the loan, in a manner that would enable the borrower to make payments of principal and interest due on the loan without unduly impairing the standard of living and operating ability of the borrower.

"(c) COMPUTATION OF COST OF RESTRUCTURING.—

"(1) IN GENERAL.—In determining whether the potential cost to the institution of restructuring a distressed loan is less than or equal to the potential cost of foreclosure, a bank or association shall consider all relevant factors, including the cost of foreclosure and the cost of restructuring the loan.

"(2) COST OF FORECLOSURE.—As used in this section, the term 'cost of foreclosure' includes—

"(A) the difference between the outstanding amount of principal due on a loan made by an institution and the value of the collateral used to secure the loan;

"(B) the estimated cost of maintaining a loan as a nonperforming asset;

"(C) the estimated cost of administrative and legal actions necessary to foreclose a loan and dispose of property acquired as the result of the foreclosure;

"(D) the estimated cost of changes in the value of collateral used to secure a loan during the period beginning on the date of the initiation of an action to foreclose or liquidate the loan and ending on the date of the disposition of the collateral; and

"(E) all other costs incurred as the result of the foreclosure or liquidation of a loan.

"(3) COST OF RESTRUCTURING.—As used in this section, the term 'cost of restructuring' includes—

"(A) the present value of interest income and principal foregone by the bank or association in carrying out the restructuring plan; and

"(B) reasonable and necessary administrative expenses involved in working with the borrower to finalize and implement the restructuring plan.

On page 259, strike out lines 5 through 24.

On page 260, line 1, strike out "(3)" and insert in lieu thereof "(2)".

On page 260, line 15, strike out "(4)" and insert in lieu thereof "(3)".

On page 262, line 5, strike out "(5)" and insert in lieu thereof "(4)".

On page 262, line 15, strike out "(6)" and insert in lieu thereof "(5)".

ROBERT T. STAFFORD ELEMENTARY AND SECONDARY EDUCATION ACT

KENNEDY AMENDMENT NO. 1206

Mr. KENNEDY proposed an amendment to the bill S. 373, supra; as follows:

On page 439 betweeen lines 17 and 18 insert the following new title:

TITLE XI—COMPREHENSIVE CHILD DEVELOPMENT PROGRAM

SEC. 11001. SHORT TITLE.

This Title may be cited as the "Comprehensive Child Development Centers Act of 1987".

SEC. 11002. STATEMENT OF PURPOSE.

It is the purpose of this Title to provide financial assistance to projects on a multiyear basis designed to encourage intensive, comprehensive, integrated, and continuous supportive services for infants and young children from low-income families which will enhance their physical, social, emotional, and intellectual development and provide supports to their parents and other family members. Services will be targeted on infants and young children from families who have incomes below the poverty line and because of environmental, health, or other factors need intensive and comprehensive services to enhance their development.

SEC. 11003. PROGRAM AUTHORIZED.

The Head Start Act is amended by adding at the end thereof the following new section:

"CHILD DEVELOPMENT PROJECTS

"SEC. 658. (a)(1) The Secretary is authorized to make grants to eligible entities in rural and urban areas to pay the Federal share of the cost of projects designed to encourage intensive and comprehensive supportive services which will enhance the physical, social, emotional, and intellectual development of low-income children from birth to compulsory school age, including providing necessary support to their parents and other family members.

"(2) The Secretary shall enter into contracts, agreements, or other arrangements with at least 10 but not more than 25 eligible agencies to carry out the provisions of this section.

"(3) In carrying out the provisions of this section, the Secretary shall consider—

"(A) the capacity of the eligible agency to administer the comprehensive program for which assistance is sought;

"(B) the proximity of the agencies and facilities associated with the project to the infants, young children, parents, and other family members, to be served by the project, or the ability of the agency to provide offsite services;

"(C) the ability of the eligible agency to coordinate its activities with State and local public agencies (such as agencies responsible for education, health and mental health services, social services, child care, nutrition, income assistance, and other relevant services), with appropriate nonprofit private organizations involved in the delivery of eligible support services, and with the appropriate local educational agency;

"(D) the management and accounting skills of the eligible agency;

"(E) the ability of the eligible agency to use the appropriate Federal, State, and local programs in carrying out the project; and

"(F) the organization's involvement of project participants and community representatives in the planning and operation of the project.

"(b)(1)(A) The Secretary may make planning grants to eligible agencies to pay the Federal share of the cost of planning for projects funded under this section.

"(B)(i) No planning grant may be for a period longer than 1 year.

"(ii) Not more than 30 planning grants may be made under this subsection.

"(2) Each eligible agency desiring to receive a planning grant under this section shall submit an application to the Secretary at such time, in such manner, and containing or accompanied by such information as the Secretary may reasonably require. Each such application shall—

"(A) describe the capacity of the eligible agency to provide or ensure the availability of the intensive and comprehensive supportive services pursuant to the purposes of this subsection;

"(B) describe the eligible infants, young children, parents, and other family members to be served by the project, including the number to be served and information on the population and geographic location to be served;

"(C) describe how the needs of such children will be met by the program;

"(D) describe the intensive and comprehensive supportive services that program planners intend to address in the development of the plan;

"(E) describe the manner in which the project will be operated together with the involvement of other community groups and public agencies;

"(F) specify the agencies that the organization intends to contact and coordinate activities with during the planning phase;

"(G) identify a planning phase advisory board which includes prospective project participants, representatives of the community in which the project will be located, and individuals with expertise in the services to be offered; and

"(H) describe the capacity of the eligible agency to raise the non-Federal share of the costs of the program and such other information as the Secretary may reasonable require.

"(c)(1)(A) The Secretary shall make grants to eligible agencies selected in accordance with this section to pay the Federal share of the cost of carrying out projects for intensive and comprehensive supportive services for low-income infants, young children, parents, and other family members.

"(B) The Secretary shall ensure that there will be projects receiving grants under this section in rural areas.

"(2)(A) Each eligible agency desiring to receive an operating grant under this section shall—

"(i) have a planning grant application approved under subsection (b) on file with the Secretary or have experience in conducting projects similar to the projects authorized by this section; and

"(ii) submit an application at such time in such manner and containing or accompanied by such information as the Secretary may reasonably require.

"(B) Each such application shall—

"(i) identify the population and geographic location to be served by the project;

"(ii) provide assurances that services are closely related to the identifiable needs of the target population;

"(iii) provide assurances that each project will provide directly or arrange for—

"(I) services for infants and young children designed to enhance the physical, social, emotional, and intellectual development of such infants and children and which include, but are not limited to, infant and child health services, including screening and referral; child care; early childhood development programs; early intervention services for children with, or at-risk of developmental delays, and nutritional services; and

"(II) services for parents and other family members designed to better enable parents and other family members to contribute to their child's healthy development and that include, but are not limited to, prenatal care; education in infant and child development, health, nutrition, and parenting; and referral for education, employment counseling and training; assistance in securing adequate income support, health care, nutritional assistance, and housing;

"(iv) identify the referral providers, agencies, and organizations that the program will use;

"(v) provide assurances that the eligible intensive and comprehensive supportive services will be furnished to parents beginning with prenatal care and will be furnished on a continuous basis to the infants and young children so eligible, as well as to their parents and other family members;

"(vi) describe how services will be furnished at offsite locations, if appropriate;

"(vii) describe the extent to which the eligible agency, through its project, will coordinate and expand existing services as well as provide services not available in the area to be served by the project;

"(viii) describe how the project will relate to the local educational agency as well as State and local agencies providing health, nutritional, education, social, and income maintenance services;

"(ix) provide assurances that the eligible agency will pay the non-Federal share of the cost of the application for which assistance is sought from non-Federal sources;

"(x) collect and provide data on groups of individuals and geographic areas served, including types of services to be furnished, estimated cost of providing comprehensive services on an average per user basis, types and nature of conditions and needs identified and treated, and such other information as the Secretary requires;

"(xi) provide for an advisory committee consisting of—

"(I) participants in the program

"(II) individuals with expertise in furnishing services the program offers and in other aspects of child health and child development, and

"(III) representatives of the community in which the program will be located;

"(xii) describe plans for evaluating the impact of the project; and

"(xiii) include such additional assurances, including submitting necessary reports, as the Secretary may reasonably require.

"(d)(1)(A) The Secretary shall pay to eligible agencies having applications approved under subsections (b) and (c) the Federal share of the cost of the activities described in the application.

"(B) The Federal share shall be 80 percent for each fiscal year.

"(C) The non-Federal share of payments under this section may be in cash or in kind fairly evaluated, including equipment or services.

"(D) Payments under this section may be made in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

"(2) No planning grant to a single eligible agency may exceed $35,000.

"(e)(1) The Secretary shall, based on the projects assisted under this section, conduct or provide for, an evaluation of the success of projects authorized by this section.

"(2) Each eligible agency receiving a grant under this section shall furnish information requested by evaluators in order to carry out this section.

"(f) The Secretary may prepare and submit to the Congress a report on the evaluation required by this subsection not later than October 1, 1992, together with such recommendations, including recommendations for legislation, as the Secretary deems appropriate.

"(g)(1) There are authorized to be appropriated $25,000,000 for fiscal year 1989 and for each fiscal year ending prior to October 1, 1993, to carry out the provisions of this section.

"(2) Funds appropriated pursuant to subsection (a) of this section shall remain available for obligation and expenditure for one fiscal year succeeding the fiscal year for which the funds were appropriated.

"(h) As used in this section—

"(1) the term 'early intervention services' has the same meaning given that term by section 672(2) of the Education of the Handicapped Act;

"(2) the term 'eligible agency' means a Head Start agency, any community-based organization, and in addition includes an institution of higher education, a public hospital, a community development corporation, and any other public or private nonprofit agency or organization specializing in delivering social services to young children;

"(3) the term 'intensive and comprehensive supportive services' means—

"(A) in the case of infants and young children, services designed to enhance the physical, social, emotional, and intellectual development of such infants and children and which includes, but is not limited to, infant and child health services, including screening and referral; child care; early childhood development programs; early intervention services for children with, or at-risk of developmental delays, and nutritional services; and

"(B) in the case of parents and other family members, services designed to better enable parents and other family members to contribute to their child's healthy development and which includes, but is not limited to, prenatal care; education in infant and child development, health, nutrition, and parenting; referral to education, employment counseling and training as appropriate; and assistance in securing adequate income support, health care, nutritional assistance, and housing;

"(4) the term 'low income' means persons who are from families having incomes below the poverty line as determined in accordance with section 673(2) of the Community Services Block Grant Act;

"(5) the term 'local educational agency' has the same meaning given that term by section 198(a)(7) of the Elementary and Secondary Education Act of 1965; and

"(6) the term 'institution of higher education' has the same meaning given that term by section 1201(a) of the Higher Education Act of 1965.".

Redesignate title XI and Sections 11001 through 11003 accordingly.

On page 301, line 5 strike "$330,000,000" and insert in lieu thereof "305,000,000"; on page 301, line 5, strike "345,000,000" and insert in lieu thereof "$320,000,000"; on page 301, line 6 strike "$365,000,000" and insert in lieu thereof "$340,000,000"; on page 301, line 7 strike "$385,000,000" and insert in lieu thereof "$360,000,000"; on page 301, line 7, strike "$405,000,000" and insert in lieu thereof "$380,000,000."

Amend the table of contents accordingly.

METZENBAUM (AND GLENN) AMENDMENT NO. 1207

Mr. METZENBAUM (for himself and Mr. GLENN) proposed an amendment to the bill S. 373, supra; as follows:

At the appropriate place in the bill, add the following new section:

"PROCUREMENT PROCESS REQUIREMENT

"(a) GENERAL AUTHORITY.—The Secretary is directed to cease in further action regarding the grant procurement process for a National Center for Research in Vocational Education as established pursuant to section 404 of Public Law 98-524, until such time as the Comptroller General of the United States has completed a review of the procurement process. Further, the Secretary is directed to ensure that the status quo of the current National Center is maintained until such time that the Comptroller General's review is completed and reviewed by the Senate Committee on Labor and Human Resources and the House Committee on Education and Labor.

"(b) EFFECTIVE DATE.—The requirements made by subsection (a) of this section shall take effect November 30, 1987."

HATCH AMENDMENTS NOS. 1208 AND 1209

Mr. HATCH proposed two amendments to the bill S. 373, supra; as follows:

AMENDMENT No. 1208

On page 262, line 7, strike out "$800,000,000" and insert in lieu thereof "$821,000,000".

On page 262, line 8, strike out "$840,000,000" and insert in lieu thereof "$865,000,000".

On page 262, line 8, strike out "$880,000,000" and insert in lieu thereof "$905,000,000".

On page 262, line 9, strike out "$925,000,000" and insert in lieu thereof "$950,000,000".

On page 262, line 10, strike out "$970,000,000" and insert in lieu thereof "$995,000,000".

And, at the appropriate place in section 203; reduce the authorizations for math-science: in fiscal 1989 to $280 million; in fiscal 1990 to $295 million; in fiscal 1991 to $315 million; in fiscal 1992 to $335 million; in fiscal 1993 to $355 million.

AMENDMENT No. 1209

On page 439, between lines 17 and 18, insert the following new title:

TITLE XI—SPECIAL GRANT FOR EDUCATION AND TRAINING FOR INDIVIDUALS WITH DISABILITIES

SEC. 11001. PROGRAM AUTHORIZED.

(a) GENERAL AUTHORITY.—(1) The Secretary is authorized to make a grant to the State of Utah to carry out educational and training programs and activities for individuals with disabilities.

(2) No grant may be made under this title unless an application is submitted to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

(b) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated $4,000,000 for the fiscal year 1988 to carry out the provisions of this section.

On page 439, line 18, strike out "TITLE XI" and insert in lieu thereof "TITLE XII".

On page 439, line 19, strike out "SEC. 11001." and insert in lieu thereof "SEC. 12001.".

On page 439, line 23, strike out "SEC. 11002." and insert in lieu thereof "SEC. 12002.".

On page 440, line 4, strike out "SEC. 11003." and insert in lieu thereof "SEC. 12003.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON WATER AND POWER

Mr. BRADLEY. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a hearing before the Subcommittee on Water and Power of the Senate Committee on Energy and Natural Resources.

The subcommittee would welcome testimony regarding S. 1416, a bill to authorize the Lyman-Jones, West River and Oglala Sioux rural water development projects, and S. 1431, a bill to authorize the Secretary of the Interior to construct, operate, and maintain the Lake Andes-Wagner Unit and the Marty II Unit, South Dakota Pumping Division, Pick-Sloan Missouri Basin Program, South Dakota.

The hearing is scheduled for December 15, 1987, beginning at 2 p.m. in room SD-366 of the Dirksen Senate Office Building.

For further information regarding the hearing, you may wish to contact Russell R. Brown of the subcommittee staff at 224-2366. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Subcommittee on Water and Power, room SD-364, Dirksen Senate Office Building, Washington, DC 20510.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. INOUYE. Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding the following:

On Wednesday, December 2, 1987, beginning at 9 a.m., in Senate Russell 485, a hearing on Senate Concurrent Resolution 76, the Iroquois Confederacy Constitution; and

On Thursday, December 3, 1987, beginning at 9 a.m., in Senate Dirksen 562, a joint hearing with the Committee on Energy on S. 1415, Colorado Ute Water Rights Settlement/Animas La Plata Project.

Those wishing additional information should contact the committee at 224-2251.

Mr. President, I would like to announce that the Select Committee on Indian Affairs will be holding a hearing on Wednesday, December 9, 1987, beginning at 2 p.m. in Senate Russell 485 on S. 1236, to reauthorize housing relocation under the Navajo-Hopi Relocation Program, and for other purposes.

Those wishing additional information should contact the committee at 224-2251.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, December 1, 1987, at 3 p.m. to receive a closed briefing on the situation in Haiti.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, December 1, 1987, at 2:30 p.m. in open session to consider the nomination of Robert W. Page, Sr., to be Assistant Secretary of the Army (Civil Works).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BYRD. Mr. President, I ask unanimous consent that the full Committee on Environment and Public Works be authorized to meet during the session of the Senate on Tuesday, December 1, to hear Grant C. Peterson, nominated by the President to be an Associate Director of the Federal Emergency Management Agency, and Robert W. Page, nominated by the President to be Assistant Secretary of the Army for Civil Works (Informational).

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. BYRD. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be allowed to meet during the session of the Senate on Tuesday, December 1, 1987, to conduct hearings on S. 1886, the Financial Modernization Act of 1987, and S. 1891, the Financial Services Oversight Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

THE PLIGHT OF ALEXANDER PYATETSKY

Mr. SIMON. Mr. President, as the leaders of our nations prepare to meet at this historic summit on December 7, I would like to draw your attention to the plight of Alexander Pyatetsky, a long-time refusenik in the Soviet Union. Alexander is the beloved brother and son of my constituents, the Pyatetsky family in Illinois.

Alexander has been a refusenik for more than 13 years. The only reason given by the authorities for denying him permission to leave has been that he had a security clearance. This security clearance was for a very short period of time over 15 years ago. On April 24, 1987, Alexander's security clearance was finally lifted.

Though it seemed as if the final obstacle had been removed, Alexander received another refusal from OVIR. Furthermore, he was told that his case would be reconsidered not until 1990.

In October, Alexander was summoned to Kiev OVIR and told to bring with him his military ID card and work history papers. Once again, Alexander's hopes were raised, only to be dashed. Alexander was told there was no change in his case and that his refusal was still in force. This is too cruel a joke to play.

I do not understand why Alexander is not being allowed to leave the Soviet Union. Any access to state secrets he might have had was well over 15 years ago. Moreover, General Secretary Gorbachev has stated there should be a 10-year moratorium on access being used as a reason for denial.

While I am encouraged by the number of people who have been allowed to emigrate, I remain concerned that all who wish to leave are not allowed to do so. In these days of heightened hopes and expectations, I urge the Soviet Union as a signator to comply with the provisions of the Universal Declaration of Human Rights and the Helsinki accords. I urge the Soviet Union to allow Alexander Pyatetsky and his family to be reunited with his parents and brother in the United States.●

FRAUD OF THE DAY—PART 18

● Mr. HEINZ. Mr. President, once again I am going to address fraud involving the textile and apparel sector. This is one of the sectors which has figured prominently in my daily discussions of fraud, both because it is a sector severely impacted by imports and because fraud is such a frequent occurrence in this sector. Today's fraud has all the makings of a good scandal. It is massive, simple, and continuing.

On November 4, 1987, Mark Cassuto, president of Cosmopolitan Trading Corp., was found guilty of transshipping 150,000 yards of fabric from Japan. This fabric had been produced in Korea, from where it was sent to Japan. There, it was repackaged to make the country of origin appear to be Japan instead of Korea. In this way, Cosmo Trading avoided the stricter quotas imposed on Korean fabric. Cassuto was fined $5,000 and put on probation for 2 years. He was also ordered to perform 400 hours of community service. Marjit Singh Thakral, owner of Thakral and Co., Ltd. of Osaka, Japan, who allegedly sold Cassuto the transshipped fabric, has been arrested in Japan.

Mr. President, in and of itself, this particular case of fraud might not seem too serious—a few thousand dollars in fines, some community service, and a couple of hundred thousand yards of fabric. Not Earth shattering. But complacency in this case would be a serious mistake, as Cosmo Trading may represent only the tip of the iceberg. Mark Cassuto is only the first person indicted as a result of a 3-year grand jury probe of fabric transshipment held in Los Angeles and in New York. Prosecutors contend that as many as 80 million yards of fabric enter the United States each year as a result of illegal transshipment. A quantity this large hurts both domestic producers and our trading partners who are obeying the law and then find fraudulent imports cutting into their quotas.

Mr. President, what makes this type of fraud even more damaging is that it is very hard to proceed against. Prosecutors must prove that importers in fact knew that the fabric they were buying was actually transshipped. Importers can often successfully plead ignorance and avoid liability. Prosecutors find that without some type of informant, successful prosecution in cases of this kind is very difficult. Otherwise, obtaining information is not easy, as can be seen by Cassuto's silence and refusal to help prosecutors indict others involved in this fraud.

Mr. President, without a more effective deterrent against customs fraud we will be unable to stop its devastating effects on our economy. A private right of action will serve as such a deterrent and will also help mobilize the resources of the private sector in support of Customs Service enforcement activities. I have indicated my willingness to support an amendment suggested by the Treasury Department that would preclude private suits in cases where voluntary disclosure has been made to Customs, which should facilitate enforcement actions. When the trade bill conferees take up the Senate provision, I hope they will consider adding this amendment to it. It will enhance the provision's deterrent effect without obstructing Customs' investigatory activities.●a

DR. HENRY H. HILL

● Mr. GORE. Mr. President, I wish to bring to the attention of my colleagues the lifelong commitment to education of Henry H. Hill, who passed away May 17. His active and enthusiastic interest in education was both inspirational to those with whom he worked and admirable to those who encountered him. His dedication to improve the quality of education for all people revealed itself in his work for desegregation and his efforts toward the advancement of future educational opportunities.

I would like to insert for the RECORD the following article by Dr. Felix Robb, former Southern Association of Colleges and Schools [SACS] executive director. This statement touches on the many contributions of Dr. Hill.

Henry H. Hill died May 17, 1987, at his home in Nashville, TN. The 92-year-old educator was president of the Southern Association of Colleges and Schools in 1948-49, a time of major decisions that influenced greatly the association's subsequent growth and development.

Henry Hill was president of George Peabody College for Teachers from 1945 to 1960. He also exercised strong national leadership as president of both the American Association of School Administrators and the American Association of Colleges for Teacher Education.

Dr. Hill, a native of North Carolina, was classically educated at Davidson College and obtained his graduate degrees from the University of Virginia and Columbia University. He entered teaching in Walnut Ridge, AR, and later became school superintendent there. He was a high school principal in North Little Rock, assistant superintendent of schools in St. Louis, professor of school administration at the University of Kentucky, superintendent of the Lexington, KY, and Pittsburgh, PA, school systems before returning south to head Peabody during the booming post-World War II years.

Dr. Henry Hill was noted for his depth of insight into education, his horseback wisdom, and his keen sense of humor. He was an effective educational leader and man of vision. These characteristics were evidenced well prior to the epochal U.S. Supreme Court decision of 1954 when he led Peabody College to desegregate its student body and open pioneering opportunities in education for minorities.

With the passing of Henry Harrington Hill, the Southern Association has lost another of its giants of the era prior to mid-20th century. He remained interested in the Southern Association after retirement and attended its annual meetings with regularity until declining health prevented him.●

INFORMED CONSENT: IDAHO

● Mr. HUMPHREY. Mr. President, I ask unanimous consent that letters sent to my office from two women in Idaho be inserted into the Record at the conclusion of my remarks.

The letters that I present today spell out in clear terms the need for informed consent for abortion. Abortion is a serious medical procedure that cannot be undone, and has the potential to cause traumatic physical and emotional effects. However, in case after case, women are not told of the risks or alternatives, and thereby consent to abortion blindly.

As Ms. Deanna Slack rightly states in the following letter, there is nothing to fear from knowledge. I urge my colleagues to support my informed-consent legislation, S. 272 and S. 273, bills which would require that women considering abortion be provided with the knowledge they need. Anything less is an injustice.

The letters follow:

August 7, 1987.

Dear Senator Humphrey,

In any decision, it is important to have all the information available. When the decision being made concerns a medical procedure, this information is vital.

Every day, thousands of women are receiving abortions. These women are not warned about the physical and emotional risks they are facing. Nor are they offered any options or informed of fetal development. Many women will spend the remainder of their lives feeling guilt, remorse, and anger because of a major decision that was made without the necessary information.

At the age of 19, I was pregnant and unmarried. I went to Planned Parenthood for help. They did not tell me about any options other than abortion. I was also not given any information about the fetus and what would happen to it during the abortion. Nor was I informed of the risks I would be facing.

I cannot tell you how painful the abortion was. I have never felt anything so painful before or since. But outside of the physical pain was the emotional pain when I learned more about fetal development and realized that I had ended the life of my own child. Some people do not believe that a fetus is a human being; but shouldn't a woman have the choice of deciding for herself?

Whether you are in favor of abortion or opposed to abortion; there is nothing to fear from knowledge. I do not know why anyone would be opposed to giving information that would help women make a more informed, well-thought-out decision.

I wish to God there would have been an Informed Consent Law when I was nineteen!

Deanna Slack.

Senator Humphrey,

Currently, I am a 23 year old housewife, part-time registered cosmetologist and mother of two small boys. My life right now is very stable and happy, but that wasn't the case seven years ago. I was 16 years old and had found out that I was pregnant. I was very scared and confused. I really didn't know what I was going to do. My mother and the people at Planned Parenthood told me that everything was going to be fine. They said I had a choice of what I was able to do. Planned Parenthood said that abortion was the best answer to my problem. They never discussed any of the procedure or any of the physical and mental pain that I would feel. They set up an appointment with a doctor in Boise who performed abortions. At the doctor's office, they explained that the procedure was painless and that it would be over before I knew it. I gave them the $600 I had borrowed from my relatives to pay for the abortion. They said that I would have no complications considering I was only 2½ months along. That same day, they inserted something into my cervix so it would enlarge enough to get the baby. When I returned the second day, they prepped me for the abortion. They left me in this type of surgery room for almost two hours. The nurse and the doctor finally arrived. As the procedure started, I felt this excruciating pain in my pelvic area. The nurse gave me a shot to help kill the pain, but the shot burned as it entered the blood stream and made things worse. I was crying so hard and yelling so loud from the pain, that the nurse left the room because she couldn't handle it. As soon as the abortion procedure was over, I just laid there, feeling like my entire body was nothing more than a blob. My internal organs felt like they were ripped out. The doctor informed me that Planned Parenthood and he had miscalculated the gestation of my baby. I wasn't 2½ months along, I had been almost 5 months pregnant. I looked to the side, and there was my baby, cut into small pieces, sucked up into a jar. It was the worst thing I had or ever will see. I have had two boys through natural childbirth and neither of the births were a 10th as painful as the abortion.

If I had known then what I know now, I would never have had the abortion. The physical pain lasted for over three months. The psychological pain I received from the abortion has lasted for almost seven years. I'm just now being able to cope and deal with what happened.

I ask you to please adopt this bill into law. It will save thousands of women the physical pain and mental anguish that I received from having an abortion.

Thank you!

Sincerely,

Mrs. Cindy Butler, *Idaho*.●

REMEMBER NAUM MEIMAN, REFUSENIK

● Mr. SIMON. Mr. President, last week we Americans celebrated Thanksgiving. We spent time with family and friends, and we were thankful for all that we have.

Suppose, for a moment, that you lead the life of Naum Meiman, a longtime Soviet refusenik. Naum is alone, in poor health, without family, and unable to leave the Soviet Union. Naum does not have much to be thankful for.

It is difficult to be silent when a friend is suffering. Naum is a personal friend of mine, and I am deeply saddened by the continued Soviet refusal to allow him permission to emigrate. Naum Meiman should be allowed to have some happiness in his remaining years. All people should have something for which they should feel thankful. I strongly urge the Soviet officials to give Naum this happiness by granting him an exit visa immediately.●

POLITICS AND THE ARTS

● Mr. SIMON. Mr. President, a thought-provoking article by Douglas Davis recently appeared on the op-ed page of the New York Times. This piece both surveyed 23 years of our Government's role in the arts and posed some important questions as to the future of this role. Despite the fact that the United States is a relative newcomer to the ranks of cultural support when compared to European countries, our National Endowments for the Arts and Humanities [NEA and NEH] have, in a very short time, become critical to the health and vitality—and sometimes the survival—of our precious cultural resources.

I will be forever grateful to my friend and colleague, Senator Claiborne Pell, for the vision and perseverance he showed in the early 1960's when he struggled to find support for his proposal to establish these endowments. What began as a rather tentative experiment has blossomed into the agencies we know today. They are at times accused of being too populist and at other times as too elitist and almost always as underfunded, but the really important thing is that they have become a part of the fabric of our Government.

Mr. President, I have written extensively on the critical importance of the arts and humanities. In my book, "The Once and Future Democrats," I discussed how our total funding for the arts and humanities and museums represents less than a one-thirty-fifth of 1 percent of the Federal budget. These small programs however, provide the seed money or grants to encourage a variety of acres to grow and expand so that we become a richer nation, not a poorer nation. When the NEA started in 1965, there were 7 State arts councils and only a handful of local councils. Now every State has one and there are more than 2,300 local councils. Every form of art has grown. The attendance at museums, plays, and classical musical events is up markedly.

It is important to encourage these writers and artists and historians who, though often controversial, add vision and dimension to life in our Nation. These people reach children and adults in communities untouched by such opportunities now except through radio and television. This article touches on the history of the NEA and NEH, but also asks some pointed questions about the future of these programs as we know them. Mr. President, I ask that the New York Times article be printed in the RECORD.

The article follows:

[From the New York Times, Oct. 16, 1987]

PRESIDENTIAL CANDIDATES AND THE ARTS

(By Douglas Davis)

No topic is more critical in a triving, post-industrial society like ours than the arts, which are increasingly influenced by the tone of political life and by direct Government funding. The very existence of the National Endowments for the Arts and for the Humanities reflect our commitment to cultural vigor, which I share and defend.

But Presidential candidates rarely level with us about their plans for the N.E.A., the N.E.H. or cultural affairs on any specific level. Why is there no discussion about the state of the arts in America—or, more to the point, how the next Administration can best nurture them?

Partly it's because the politicians mistakenly believe the voters aren't interested, partly because they share the historic American belief, dating back to the Founders, that art is poisoned by politics. The debate over the National Endowments bill in 1964, for example, was charged with warnings that President Lyndon B. Johnson was about to dump a European-type ministry of culture on the nation, ordering painters what to paint, sculptors what to mold.

Buttressed by a clause that specifically forbids the endowments to make "national" cultural policy, the bill passed. Since then, the endowments have prospered, particularly the N.E.A., whose budget leaped from $2.5 million in 1965 to $171 million last year, over President Reagan's objections. Heeding the warning of Congress, chairpersons Nancy Hanks (appointed by President Richard M. Nixon) and Livingston Biddle (President Jimmy Carter) turned the grant-making decisions over to "peer panels," taking the purse strings out of Big Brother's hands.

The N.E.A.'s success proves not only that art and politics can co-exist but also that art will not automatically wilt in the hot sun of public life. Ms. Hanks and Mr. Biddle were consummate politicians, as is Francis Hodsoll, President Reagan's man at the N.E.A. But this does not mean that there are not serious differences between liberals and conservatives in their approach to the arts—and thus serious issues for debate.

Mr. Reagan is the first President who has approached the N.E.A. exactly as he approached every department of a Federal Government he deeply distrusts The influential position papers prepared in 1981 by the Heritage Foundation for the new Administration included a vitriolic attack on the N.E.A.'s "populist," entertainment-oriented programs. It argued that the Government should support only "high, serious art" aimed at a small, elitist audience, acting as a patron of last resort for unpopular culture.

Though a separate Presidential task force on the arts argued that "the Federal Government does bear responsibility for encouraging . . . the arts and the humanities," Mr. Reagan has proposed deep cuts in the budgets of both endowments every year (rejected by Congress). And to run the N.E.A. he picked Mr. Hodsoll, a campaign strategist from his White House staff without any professional background in the arts.

Adroit and charming, Mr. Hodsoll has managed to defuse much of the hostility that greeted him in the arts community when he took office. Indeed, he is now something of a hero to the large institutions—the big museums, ballet companies and theaters—that the N.E.A. continues to fund with enthusiasm.

But he has served his President and the conservative cause even better, staunchly defending the recommended budget cuts and, for the first time in N.E.A.'s history, routinely challenging grants awarded by peer panels, seconded by the staff, and even—on occasion—confirmed by the National Council itself. On a number of occasions, he has reversed their decisions, denying funds to succsssful applications. Though the reasons given for rejection are normally nonpolitical, there is a predictable strain in the grants Mr. Hodsoll chooses to challenge. They are often awards given to populist, feminist or apparently left-leaning artists and small institutions.

To their credit, Mr. Reagan and Mr. Hodsoll have defined what it means to be "conservative" in national arts policy. It means a tight grip on spending, an even tighter grip on programs that fund artists or institutions that express unconventional social or political positions, a commitment both to fund old-line institutions and to prompt private sources to help them and a pronounced softness for any program that seems to offer the change to purify and elevate public taste.

The positive consequences of this conservative ethic are clear. Complaints about the N.E.A.'s flashy grant-making have declined. As Mr. Hodsoll testified before Congress, private and corporate support for the artist has zoomed during his tenure in office. The other, less welcome consequences are equally clear. It is difficult to find any American artist of small "alternative" gallery manager who will express enthusiasm rather then foreboding about the N.E.A.'s future direction.

Once bold and experimental, involved in many new mediums (like video, film, holography), American art has clearly retreated in the 80's into an obsession with traditional painting and sculpture. Often determinedly revivalist, and obsessed with recalling, in the words of T.S. Eliot, "the dead poets and artists," American art now occupies a secondary position in the world, as do American cars and consumer electronics, having forsaken innovation for imitation.

What is the alternative? This is precisely the question that any self-declared liberal or centrist candidate for the Presidency should consider. In retrospect, the much-maligned Biddle administration, often accused of "anarchy" and "populism," is the prototype for any alternative to the conservative agenda. Mr. Biddle's agency was wildly inventive, collecting peer panelists from all corners of the nation, and driving the arts—through its controversial "expansion arts" program—into poor minority neighborhoods. Mr. Biddle rarely questioned grants approved by peer panels, thus preserving the line between art and Government power. He further strengthened the divide by insisting on a five-year limit for the directors of the N.E.A.'s departments, thus resisting the growth of bureaucratic fiefdoms.

His agency was occasionally inefficient and untidy. But it presided, as did the earlier Hanks administration, over two decades in which American art was clearly on the cutting edge, welcomed abroad with almost the same eagerness that now greets the Sony Walkman wherever it goes. Its bard was the rough-and-ready poet William Carlos Williams, who sang, "Without invention, nothing is well-spaced."

The point is not that the liberal-centrist policy is better than the conservative policy, or that either can be completely understood in partisan terms. Both contradict the professed positions of their host parties—Mr. Biddle behaving like a hands-off, anti-Government Republican, Mr. Hodsoll like an aggressive, big-Government Democrat. No, the point is that they are remarkably different policies with sharply contrasting implications, esthetic and practical, for the nation. Let the candidates face these implications and tell us where they stand.●

WHEN INDUSTRY GETS A DEFECTIVE SUPPLY OF WORKERS

● Mr. SIMON. Mr. President, today I am inserting a rather alarming article by William Raspberry that recently appeared in the Washington Post. This article is a synopsis of a speech given by David T. Kearns, the president of Xerox Corp., regarding the state of education in our country. Kearns claims that public education has put this country "at a terrible competitive disadvantage," and believes that our work force "is running out of qualified people."

Mr. Kearns states that Xerox expects 100 percent defect-free parts from suppliers, yet public schools, which supply our work force, produce a 50-percent defective student rate—in the form of dropouts and functional illiterates. Mr. Kearns proposes a six-point plan for reforming education. This plan includes: First, a school "choice" or voucher system; second, reorganization to provide more autonomy and accountability in schools; third, performance based teaching standards; fourth, higher academic standards; fifth, teaching student values or ethics; and sixth, increased Federal responsibility and research.

Mr. President, I believe corporate America is sending us a strong message. This message bears heavily upon the future economic well-being of our country. It is a message we cannot continue to ignore. As international competition continues to intensify, it is the quality of our human resources that will make or break us in the future. We cannot maintain 29 percent dropout rates, 13 percent illiteracy rates and still maintain our competitiveness. I may not agree that each of Mr. Kearn's six points is the answer to these problems, but I do believe his message is right on target. Our present education system is not strong enough to successfully support and carry the U.S. economy in the 21st century.

Complicating our current education problems is a reduction in the number of young people entering the work force during these post baby boom years. Anthony Carnevale, of the American Society for Training and Development, has testified before Congress that the scarcity of young people is likely to result in both a reduction in the quantity of entry level job seekers and reduction in the quality of job seekers. This is at a time of relatively low unemployment, when more and more of the available entry level employees will be found among populations where we have made the least human capital investments. For instance, Carnevale writes that while roughly 83 percent of the American population graduated high school in 1985, only 63.8 percent graduated by age 19. Of this 63.8 percent, only 52 percent of black students and 40 percent of Hispanic students graduated by 19.

Mr. President, Mr. Kearns is correct in stating that the present condition of our public education system cannot continue. At a time of rapidly increasing international conmpetitiveness, we must eliminate the high rate of defective students we are producing in our schools to supply our future work force. I ask that this statement and the attached article be inserted in the RECORD.

The material follows:

[From the Washington Post, Nov. 20, 1987]

WHEN INDUSTRY GETS A DEFECTIVE SUPPLY . . . OF WORKERS

(By William Raspberry)

Educators can be forgiven if they have mixed reactions to a recent speech by the head of the Xerox Corp.

On the one hand, David T. Kearns obviously believes their work is of critical importance to America. On the other, he believes they are doing an unforgivably bad job of it.

"Public education has put this country at a terrible competitive disadvantage," Kearns told the Economic Club of Detroit a month ago. "The American work force is running out of qualified people.

"If current demographic and economic trends continue, American business will have to hire a million new workers a year who can't read, write or count. Teaching them how, and absorbing the lost productivity while they're learning, will cost industry $25 billion a year for as long as it takes. And nobody knows how long that will be."

It isn't primarily the money that outrages Kearns, although outlays for public education, which have doubled or trebled every decade since World War II, now consume nearly 7 percent of the GNP. His concern is the product: a drop-out rate approaching one in four; another quarter finishing high school lacking acceptable reading, writing and computation skills and, despite the rhetoric of school reform, little evidence that things will get better soon.

"At Xerox," he said, "we expect 100 percent defect-free parts from our suppliers. We're getting 99.9 percent, and we're still going after that last one-tenth of a percent. The public schools are the suppliers of our work force. But they're suppliers with a 50 percent defect rate. . . .

"Teaching new workers basic skills is doing the schools' product recall work for them—and frankly, I resent it."

Kearns acknowledges that business has played a role in the deterioration of public education—even when it attempts its numerous partnerships with the education industry. The reason: the "feel-good" partnerships, in which the schools set the agenda. No more.

"Business will have to force the agenda, or we'll have to set it ourselves." And the sine qua non of the new agenda must be accountability.

Kearns proposes a six-point plan for the fundamental restructuring of education.

Choice. Under his scheme, which he does not call a voucher system but which looks a good deal like it, states would fund students, not schools. If students were free to attend the public school of their choice, bringing their education dollars with them, schools would have to compete for students, their income would depend on their ability to satisfy their customers, and poor families would have options that only the affluent now enjoy.

Restructuring. Like the best of the high-tech companies, schools need leaner, flatter organizations in which the professionals are both free to do what needs to be done and accountable for its successful accomplishment. Schools would design their own curricula, decide their own methods, textbooks and service suppliers—and be shut down by the state if they failed to meet minimum levels of competency, measured by student performance.

Professionalism. "Teaching is the only profession I know of that if you do well, nothing good happens to you . . . and if you do poorly, nothing bad happens to you." His free-market rewards for successful teaching would include salary schedules based on performance rather than simple longevity and the accumulation of certificates.

Standards. Academic requirements for all students would be raised. "How dare we arbitrarily consign our kids to two different futures—college prep for the affluent and dead-end vocational or general courses for the disadvantaged. . . . Every student—without exception—should master a core curriculum equivalent to college entrance requirements. No one should be promoted without performance. Kids who need extra help should get it."

Values. "Anyone who thinks it's possible to have a value-neutral education is dead wrong. Everything is not relative. Exclude values from the schools, and you teach that values aren't important.

Kearns would not have the schools push particular religions. "But they should recognize that children can learn integrity as well as literature, morality as well as science. . . . The Harvard Business School is not the place to start teaching values and ethics."

Federal responsibility. He acknowledges that the federal role in education is limited, but insists that a lot can be done within those limits. "The one area in which Washington ought to excel—and doesn't—is research. You may not believe this, but education—a $150-billion-a-year industry—is supported by only $100 million of research by the federal government. That's less than one-tenth of one percent. . . . At Xerox, we regularly invest about 7 percent in R&D."

Kearns, who would like his ideas discussed by the presidential candidates and has been disappointed by the "empty rhetoric" with which most of them have addressed education, is frank to acknowledge that his interest is selfish, though it has implications for the future of America.

"The fact is, the basic skills of our work force—particularly at the entry level—are simply not good enough for the United States to compete in a world economy."●

TRIBUTE TO MAYOR HAROLD WASHINGTON—A GREAT AMERICAN

● Mr. SIMON. Mr. President, on Wednesday, November 25, 1987, the city of Chicago lost a great mayor, the State of Illinois lost a great legislator and the Nation lost a great American. While working at his desk, serving to the end the people of America's third largest city, Harold Washington succumbed to a massive heart attack.

My wife Jeanne and I lost a friend. The city of Chicago and the Nation lost a leader in the battle for civil rights, governmental reform, and the political empowerment of minorities. He could lead and inspire.

Mayor Harold Washington and I first met 30 years ago when we were both active in the Young Democrats. Our personal and political relationship grew and matured through the years—as members of the Illinois General Assembly, as warriors for reform in Illinois politics and government, and as Members of Congress in the 97th and 98th Congresses. We worked together through those years on a variety of things:

Fair employment practices legislation in the Illinois General Assembly;

The Martin Luther King, Jr. birthday bill;

The Civil Rights Act of 1984.

When I recall Harold, I think of words and phrases like: independence, compassion, genuine reformer, great sense of humor, and leader. Any tribute that I would write for Harold would have to be worded carefully, because he had such a great skill with words. He would have been a great journalist.

Mr. President, my memories include a conversation with him, right after he became a candidate for mayor in 1983, in which he candidly told me he did not think he had much of a chance to win. But win he did, and in dramatic fashion—becoming Chicago's first black American to be elected mayor of Chicago. He overcame strong opposition in the Democratic primary and then survived a racially divisive general election. His recent reelection in the spring of this year held out the promise of Mayor Washington taking over the reigns of political and administrative power in Chicago. That promise is now like a dream deferred.

In one of our last conversations, I mentioned that someone had recently shown me a picture taken of the two of us about 25 years ago. "I looked a lot thinner, didn't I?" he said with laughter. I confessed that he did, and we talked a little about his weight. Even in jest, Harold was prophetic about events to come. I wish we could have been spared his loss. He was in the prime of his political life.

Yesterday, Harold Washington was buried in Chicago's Oak Grove Cemetery. His dream and my hope for expanded political involvement and empowerment for America's minorities will live on. I am confident that Harold's legacy will survive his death and live through the lives of black, Hispanic, native American and Asian youngsters. Alexander Pope unwittingly summed up Harold Washington the man and the politician in these words:

> Statesman, yet friend to truth! of soul sincere,
> In action faithful, and in honour clear:
> Who broke no promise, served no private end,
> Who gained no title, and who lost no friend.
> Moral Essays, Epistle V.●

ORDERS FOR TOMORROW

RECESS UNTIL 9:45 A.M. TOMORROW

Mr. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:45 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

REDUCTION OF LEADERSHIP TIME, PERIOD FOR MORNING BUSINESS, AND RESUME CONSIDERATION OF S. 1665

Mr. BYRD. Mr. President, I ask unanimous consent that the time of the two leaders be reduced to 5 minutes each on tomorrow, that following the recognition of the two leaders tomorrow there be a period for morning business not to extend beyond 10:15 a.m. with Senators allowed to speak therein, and that at the hour of 10:15 a.m. tomorrow the Senate resume consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

QUORUM CALL AT 10:15 A.M.

Mr. BYRD. Mr. President, there will be a quorum call at 10:15 a.m. tomorrow morning. A motion will be made to instruct the Sergeant at Arms to request the attendance of absent Senators, this being for the purpose of getting off to an early start on the farm credit legislation.

The yeas and nays will be requested on that motion and, therefore, it will necessitate a rollcall vote.

I ask unanimous consent that that rollcall vote be limited to 30 minutes and that the call for regular order, meaning the time is up, occur automatically at 10:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on that motion to instruct at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, I ask for the yeas and nays on the motion to instruct.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

NATION'S FOUNDING DOCUMENTS

Mr. ADAMS. Mr. President, on behalf of Senators Simon, Dole, and Pell I send to the desk a concurrent resolution and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will state the concurrent resolution.

The legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 92) To encourage the State and local governments and local educational agencies to include among the requirements for secondary school graduation a thorough knowledge and understanding of our Nation's founding documents.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to its consideration.

Mr. SIMON. Mr. President, as the Senate is well aware, this year marks the bicentennial of the signing of the U.S. Constitution. I address my colleagues today with a twofold purpose: First, to repeat the familiar message about the vitality of the Constitution and the relevance of the Declaration of Independence and the Federalist Papers, and second, to emphasize the importance of educating today's youth about the history, the content, and the implications of these fundamental documents.

The Declaration of Independence and the Federalist Papers were historical prerequisites not only for the adoption of the Constitution, but for the emergence of the United States as a modern nation. The Declaration of Independence formally severed our colonial ties to the rule of King George III. It is a powerful symbol of American patriotic resolve. The Federalist Papers are a resounding and eloquent defense of our uniquely American form of government; there is no greater historical legacy in American politics than the positive influence of the Federalist Papers on the successful ratification of the Constitution in 1789.

The U.S. Constitution, the Federalist Papers and the Declaration of Independence are a mighty triumvirate of documents critical to the founding of our Nation and to the perpetuation of our democratic ideals. The living link that these documents provide to our historical past must not fall by the wayside; the key to the maintenance of this historical lifeline is education. There is a continuing need for students to study the fundamental documents that have provided our Nation, its citizens, and the world with the basic principles of American constitutional democracy.

Our Nation's youth should be given the opportunity to understand the principles and beliefs embodied in the Constitution, the Federalist Papers, and the Declaration of Independence. Today's children are tomorrow's leaders—a fact both inescapable and the source for hope. It is our responsibility as statesmen, as educators, and as parents to prepare today's children for the leadership role they inevitably play. The way to prepare for this role is through education. Therefore, as chairman of the Subcommittee on the Constitution, and a member of the Subcommittee on Education, Arts and Humanities, I offer the following concurrent resolution encouraging the State and local governments and local educational agencies to establish as a secondary school graduation requirement a thorough knowledge and understanding of the Declaration of Independence, the Constitution and the Federalist Papers. I want to emphasize the fact that this resolution calls on the States and local education agencies to institute these new requirements. We do not intend, by passage of this resolution, to interfere with local responsibility for determining curriculum.

Mr. DOLE. Mr. President, I am pleased to submit this concurrent resolution with my distinguished colleague from Illinois, Senator Simon.

There can be no doubt in anyone's mind of the educational importance of our Nation's founding documents, especially the Constitution, the Declaration of Independence, and the Federalist Papers. The words of our framers are nowhere more eloquent than in these three vital treaties. Roughly 200 years of American history have passed since these documents first told the world what America is all about, and even today they still ring loudly of the strong patriotism of our founders. These are living documents that have adapted to changing times. With a strength and vitality that have inspired the awe of other nations.

When these documents are read and studied, it is easy to see why we dedicate considerable time and effort to events like the current celebration of the bicentennial of the Constitution. Ours is a nation that should not forget the words of our founders; fundamental to the future of this great Nation is its heritage and its past. In America we derive great inspiration from our forefathers, operating a government on basic principles that have remained the same over the entire course of our Nation's history. Attitudes may change with the times, but the fundamentals on which this Nation was founded remain the same.

Mr. President, the only way to develop an understanding of these basics of American politics is through education. To understand the history and the words of our founders is to know America. That is why I support this concurrent resolution and urge my colleagues to do the same.

Mr. ADAMS. Mr. President, I have no further requests for time or debate on this concurrent resolution.

The ACTING PRESIDENT pro tempore. Is there any further debate? Does anyone wish to be heard on this measure? If not, the question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 92) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 92

Whereas the adoption of the Declaration of Independence in 1776 and the signing of the United States Constitution in 1787 were principal events in the history of the Union;

Whereas the Federalist Papers embody an eloquent and forceful argument made in support of the adoption of our republican form of government;

Whereas these documents stand as the foundation of our form of Democracy, providing at the same time the touchstone of our national identity and the vehicle for orderly growth and change; and

Whereas the survival of the Republic requires that our Nation's children—the future guardians of its heritage and participants in its governance—have a firm knowledge of its principles and history: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress encourages State and local governments and local educational agencies to include among the requirements for secondary school graduation a thorough knowledge and understanding of the Declaration of Independence, the United States Constitution, and the Federalist Papers.

Mr. ADAMS. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. SIMPSON. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNANIMOUS CONSENT REQUEST—FHA EXTENSION

Mr. ADAMS. Mr. President, I ask unanimous consent to call up and pass without amendment House Joint Resolution 404, providing the temporary extension until December 16, 1987 of the FHA lending authority.

The PRESIDING OFFICER. Is there objection?

Mr. SIMPSON. Mr. President, we have a Senator on our side of the aisle, Senator ARMSTRONG, who intends to offer an amendment to this measure. My understanding is that the Armstrong amendment would require a rollcall vote.

Our good leader has announced there will be no more votes tonight. So under those circumstances, I do not see how we could take it up and I would respectfully object at this time.

The PRESIDING OFFICER. Objection is heard.

RETIREMENT OF CARROLL S. WOODY

Mr. BYRD. Mr. President, on November 30, 1987, Carroll S. Woody retired after 21 years of service to the U.S. Senate.

A native of Warsaw, VA, Mr. Woody began his Senate career in 1966 working for Senator Mike Mansfield. For most of his period of service, he served as a Chamber attendant under the Sergeant of Arms.

Mr. Woody has worked many long hours during his 21 years with the Senate. He has had to be at work well before the Senate comes into session and stays well after the Senate finishes its daily business.

In the press of Senate business, it is often easy to forget that it is the dedicated service of people such as Mr. Woody which make it easier for all of us to carry out our responsibilities.

I want to extend my personal appreciation to Mr. Woody—"Woody" as all of us have come to know him—for 21 years of unselfish dedication to this institution. I hope that he enjoys his well-earned retirement years and that he comes back to see us from time to time.

Mr. SIMPSON. Mr. President, I, too, want to indicate that Carroll S. Woody, who is our fine attendant in our lounge area, is retiring and there is a reception going on right now for him. For a long time I did not know that his name was Carroll S. Woody. I just thought that was his first name but Woody is his surname. He is a great and lovely friend, and I thank him for kindness to myself and service to the body and I am sure all Senators.

He served us in good ways since he came here with Mike Mansfield, and he will be missed. We wish him well in retirement.

I thank the acting majority leader.

Mr. ADAMS. I thank the acting majority leader.

I join in behalf of Members on this side of the aisle in wishing who we affectionately know as Woody a very fine retirement in the future, and we shall all miss him very much. I echo the remarks of the minority leader.

RECESS UNTIL 9:45 A.M. TOMORROW

Mr. ADAMS. Mr. President, I move that the Senate stand in recess in accordance with the previous order until 9:45 a.m. tomorrow morning.

The motion was agreed to, and at 5:35 p.m., the Senate recessed until tomorrow, Wednesday, December 2, 1987, at 9:45 a.m.

NOMINATIONS

Executive nominations received by the Senate December 1, 1987:

DEPARTMENT OF LABOR

ANN DORE MCLAUGHLIN, OF THE DISTRICT OF COLUMBIA, TO BE SECRETARY OF LABOR.

IN THE NAVY

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. JOSEPH S. DONNELL II, [redacted]/1110, U..S NAVY.

THE FOLLOWING-NAMED OFFICER, UNDER THE PROVISIONS OF TITLE 10, UNITED STATES CODE, SECTION 601, TO BE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY DESIGNATED BY THE PRESIDENT UNDER TITLE 10, UNITED STATES CODE, SECTION 601:

To be vice admiral

REAR ADM. JOHN W. NYQUIST, [redacted]/1110, U.S. NAVY.

WITHDRAWALS

Executive messages received by the Senate December 1, 1987, withdrawing the following nominations from further Senate consideration:

DEPARTMENT OF DEFENSE

FRANK J. GAFFNEY, JR., OF PENNSYLVANIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE RICHARD N. PERLE, RESIGNED, WHICH WAS SENT TO THE SENATE ON APRIL 22, 1987.

FRED S. HOFFMAN, OF VIRGINIA, TO BE AN ASSISTANT SECRETARY OF DEFENSE, VICE ROBERT B. SIMS, RESIGNED, WHICH WAS SENT TO THE SENATE ON OCTOBER 6, 1987.

EXTENSIONS OF REMARKS

AUGUSTUS F. HAWKINS—AT THE PEAK OF HIS POWER

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. EDWARDS of California. Mr. Speaker, on November 30, 1987, the Los Angeles Times carried an excellent profile of one of the most distinguished Members of this body, the able chairman of the Committee on Education and Labor, AUGUSTUS F. HAWKINS.

I think my colleagues will agree that the article captures the essence of GUS' remarkable 53-year career in public service. With his quiet commitment, his perseverance, his adeptness at building coalitions and, most importantly, his clear vision of what this country can and should be, he has built a record of legislative accomplishment that few can match. And, as the article makes clear, not content to rest on his laurels, GUS is eager to tackle new challenges.

It has been my privilege to serve with GUS since he and I both came to Congress in January 1963. I look forward to continuing to serve with him, and to supporting his untiring efforts for equality of opportunity in our society.

I commend the article to the attention of my colleagues.

[From the Los Angeles Times, Nov. 30, 1987]

AT 80, REP. HAWKINS FINDS CHALLENGES KEEP HIM ACTIVE

(By Kenneth Reich)

When Rep. Augustus F. Hawkins, dean of the nation's black elected officials, was voted into the state Assembly 53 years ago this month, he became the only black member of the California Legislature.

"I remember driving from Los Angeles to Sacramento and seeing big signs on the way, 'No Negroes Admitted Here.' 'We Do Not Solicit the Negro Trade.'" recalls the South Los Angeles Democrat who now has longer continuous service in state-elected offices than any other Californian.

When Hawkins arrived in the state capital, he remembers, "I went to some functions that I did not realize blacks had not gone to. We were not expected to accept some invitations."

$100-A-PLATE DINNER

He has come a long way since then. A still-vigorous 80, Hawkins will be honored at a special $100-a-plate dinner at the Bonaventure on Wednesday celebrating his 25 years in Congress. Scores of political dignitaries, as well as about 1,500 of his supporters, are expected to attend the affair.

Far from announcing retirement plans that night, Hawkins—senior member of the Congressional Black Caucus—will probably talk about his 1988 reelection campaign.

Expressing a desire to serve under a Democratic president after next year's elections, he said in an interview last week: "New challenges keep me quite busy. . . . I try to be very active. I play golf. I spend 30 minutes each morning walking briskly to work. I follow a very bland diet, avoid highly seasoned foods. I don't recall ever missing a day of work."

Hawkins is at the peak of his political power. Elected to Congress in 1962 when he became the first black elected to the House from a state west of the Mississippi, he has now amassed important seniority. Since 1984 he has been chairman of the House Education and Labor Committee.

He was a political success, for that matter, even before going to Congress. During an era far less congenial to minority politicians, he spent 28 years in the state Assembly, becoming chairman of the influential Rules Committee, and in 1959, he missed becoming Speaker by two votes.

Although black lawmakers are shown considerable deference these days, Hawkins contends that, for the nation's black population in general, conditions have not changed as much as many think.

"I feel the changes have been to a large extent somewhat artificial," he said in an interview last week. "In terms of employment and education, the gap [between the races] is still very wide. That worries me. While we have made progress and changes have occurred, there's too wide a gap still remaining. . . .

"I find some of the same problems, in a more subtle way, as I found 50 years ago."

"NOT RACIALLY ORIENTED"

That pessimistic assessment, coming from Hawkins, probably means more than if it came from most minority spokesmen in or out of government, for the congressman long ago won a Statehouse and U.S. Capitol reputation for being soft-spoken and circumspect and not particularly racial in his political approach.

The ranking Republican on the Education and Labor Committee, Rep. James M. Jeffords of Vermont, said last week: "He is a black man, and he certainly represents the people of his district and blacks very effectively. But he never gives the opinion that's a factor to be considered. He never talks of it. He always thinks in general terms of people who need help. He is not racially oriented."

Much the same point was made by Rep. Julian C. Dixon (D-Los Angeles), who represents a district neighboring Hawkins'.

"I think Gus has prided himself on a technique of speaking for disadvantaged people but has never characterized them as being entirely black," Dixon said. "There are a lot of communities who have whites who have a need for public money. . . . He has never focused on race only. That brings him a great degree of credibility."

Congressional Quarterly's book, "Politics in America, The 100th Congress," begins its four-page essay on the congressman with this observation: "While other black political leaders have made fiery speeches and demonstrated for civil rights, gentle Gus Hawkins has plodded along, working through the legislative system for jobs, equal opportunity and education."

Hawkins himself once remarked, "Racializing an issue defeats my purpose—which is to get people on my side."

It's a view he has long held. Even during the 1960s, when a series of bloody riots erupted in his own district and other black communities around the country, Hawkins declared, "We need clearer thinking and fewer exhibitionists in the civil rights movement."

Another Republican colleague, Rep. Bill Goodling of Pennsylvania, says the congressman reflects such views in running the Education and Labor Committee. He described Hawkins as "an outstanding leader in a very quiet sort of way. Not a wheeler and dealer. He's not a shouter. He lets us know in committee that we'll do our fighting there and there'll be nothing said on the [House] floor."

Hawkins in last week's interview said he decided early in his career that "there's no point in going around with a chip on one's shoulder, saying no one can be converted. Often, they can be converted. . . ."

"In Congress, you soon find out that there are others that know something too," he said. "You try to get things accomplished through negotiations. . . . When seniority and leadership bring certain responsibilities, you're at the top and not trying to establish any sensational new records.

"I try to get bipartisan support. . . . I could make a lot more noise as a Democrat, but I wouldn't be successful in getting things through and getting them signed."

One result is that Hawkins has had an impressive record of accomplishment, even though his name identification with the public has not been that high.

In the Legislature, he authored bills establishing a low-cost housing program in the state, putting domestic employees under the workmen's compensation system and, in 1959, he sponsored the California Fair Employment Practices Act. He also had key roles in the establishment of the UCLA law and medical schools, Los Angeles Trade-Technical College and the Los Angeles Sports Arena.

MINIMUM WAGE BILL

In Congress, Hawkins co-authored the Humphrey-Hawkins Full Employment and Balanced Growth Act, and authored the Comprehensive Employment and Training Act (CETA), the Job Training Partnership Act, the Youth Employment and Demonstration Projects Act and the Pregnancy Disability Act. He has recently been active sponsoring a bill to increase the minimum wage.

Often, however, he has had to compromise, and sometimes the compromises were emasculations.

For example, after Sen. Hubert H. Humphrey's death, Hawkins, in order to secure passage of the Humphrey-Hawkins Act, settled in 1978 for a much-watered-down version in negotiations with the Carter Administration.

The act, as it emerged, was stripped of several major provisions including a requirement that, if need be, the government would serve as the employer of last resort to

● **This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.**

Matter set in this typeface **indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.**

ensure attainment of a 4% unemployment goal.

By the following year, Hawkins was so disgusted with what he felt was the Carter Administration's failure to enforce the provisions left in the bill that he issued a nine-point "indictment" of alleged violations of it. It got little publicity, and the Administration scarcely bothered to respond.

REAGAN YEARS NOT EASY

Even today, Hawkins is bitter about what happened to Humphrey-Hawkins, not only in the Carter years but also under the Reagan Administration.

"Even if it was watered down, if that act could be enforced, it would have solved a lot of problems," he said last week. "We wouldn't have the deficits had we invested the money in creating jobs. We would have a growth economy and not have used high unemployment as a means of fighting inflation."

The Reagan years have not been easy for those who, like Hawkins, believe in the power of big government to solve people's problems.

Rep. Tony Coelho (D-Merced), observes: "It was easy to espouse Gus's causes prior to 1980. It may be easy in the '90s to do it again. In the '80s, however, it's been tough to find people even among the black leaders, who are willing, as Gus is, to persevere."

Locally, in contrast with his frequent quiet, behind-the-scenes approach in the Legislature and Congress, Hawkins has occasionally expressed himself clearly, even militantly, about the racial situation.

On the Watts riot, for example, he said, in 1965: "In Los Angeles, there is police brutality, the same as in Selma [Alabama], and there is segregation just about as bad as in Selma. There are better schools, but they are certainly segregated. . . . [The police have been] abusive and arrogant and have attempted to control things by force, not by more modern methods of control. . . . Race relations have broken down completely."

And, writing in the Times, in 1976, during the dispute over busing for integration in the sprawling Los Angeles Unified School District, Hawkins declared:

"It would be foolhardy to expect voluntary measures alone to ensure compliance with the mandate of Brown vs. Board of Education. That decision charted a clear course. All Americans must share equal access to educational facilities, and 'all deliberate speed' is required to reach that destination. Take away busing as a tool for getting there, and you seriously jeopardize the whole trip."

By taking care to be sufficiently militant when it counts and making sure that he is attentive to the needs of his district, Hawkins has managed to avoid election challenges over the years from any of the numerous ambitious, black Democrats in his district.

Hawkins, of moderate weight, is only 5 feet, 5 inches tall. He retains, even at 80, an energy that belies his years, remaining capable, as he has demonstrated at recent public hearings, of incisive questioning of witnesses. He has an excellent, precise memory.

'I WOULD JUST WALK'

Hawkins, born in Shreveport, La., on Aug. 31, 1907, concluded at a very early age that racial segregation was ridiculous. So light-skinned that he frequently passed on first meeting for white, Hawkins often found streetcar conductors moving the segregation signs splitting the cars between black and white behind him, so he would be in the white section. "I got so angry with the whole thing and embarrassed that I would just walk," he once recalled.

At the age of 11, he moved to Los Angeles. He attended Jefferson High School and received his AB degree at UCLA in 1931. Even with a college degree, he was only able to land a job as a soda jerk in that Depression year.

Eventually, he got into the real estate business and in 1934, at the age of 27, was elected to the state Assembly to replace Republican Fred Roberts, the only black then serving there.

Hawkins, married in 1941 to Pegae A. Smith, quickly proved himself an effective legislator.

"Gus is very bright," explains his friend, Assemblyman Tom Bane (D-Tarzana). "He is a master of the political tools, including working with legislators personally and working on legislation."

In the early days in Sacramento, Hawkins recalls, some of the other Assembly members made off-color racial remarks to him.

"I felt much more embarrassed for others than I did for myself," he said. "As time went on, they became very apologetic. No longer did individuals openly express such feelings.

"We would simply try to educate and constructively change some of the policies without openly challenging some of the individuals that espoused them. When they became better acquainted with our style, they became in some cases strong exponents of our views."

Said Bane: "Gus Hawkins, with his appearance and coloring, could have passed the color line a long time ago. He didn't choose to do that. He chose to work for the black people, and I always respected him for that."

His popularity and the respect in which he was held helped Hawkins break out of racial isolation in the Legislature. In the reapportionment that followed the 1960 Census, a congressional district was specifically fashioned for him.

Elected to Congress in 1962, Hawkins accumulated the seniority needed to be eligible for committee chairmanships. Before becoming head of the Education and Labor Committee, he chaired the House Administration Committee, which oversees the expenses and perks of all House members. Hawkins was so fair to the Republican members in this job that he drew fire from some Democrats.

Pegae, his wife of 25 years, died in 1966. They had no children. In 1977, he married a member of his staff, Elsie Taylor, who has three children.

Hawkins' political life has been untainted by public scandal. "He's Mr. Clean incarnate," says Rep. John Conyers Jr. (D-Mich.) today. "His enemies don't even think up a rumor to lay on him."

Long described as the blackest and poorest in California, Hawkins' congressional district is changing in some respects. Centered in Watts, the eastern portion of the district—across Alameda Street in such suburbs as Huntington Park and South Gate—has undergone a transition from working-class white to Latino. Even so, half of the district still is black, and its political center of gravity remains in Watts.

"I represent a large number of blacks who are confined to the ghetto," Hawkins says. "As individuals improve their economic status, they move out. . . . With the exception of a few old-timers, I represent the individuals who can't afford to move out."

A TRIBUTE TO THE JAMES CARLSON FAMILY AND RICHARD CARLSON FOR THEIR SERVICE TO OUR NATION

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. LANTOS. Mr. Speaker, old soldiers never die, but young ones often do. As we reflect on Veterans Day this year, I would like to call the attention of my colleagues in the Congress to the outstanding service to our Nation that has been rendered by the James Carlson family.

I am always impressed with the loyalty and dedication of our American families, who selflessly serve our Nation, when a threat arises. The James Carlsons are such a family. Without fanfare this average American family did the right thing in the finest tradition of serving our country.

James Carlson, the father, is a veteran of the U.S. Navy. The mother, Margery Carlson, served with the WAVES during World War II. One of their sons served in the U.S. Air Force.

Their second eldest son Richard Allan Carlson, gave his life to save another during the Vietnam conflict. He is buried at the Golden Gate National Cemetery. He is one of the many veterans who have given their lives for our country that we honor at Memorial Day services each year.

Richard enlisted in the U.S. Army on December 19, 1966, when he was 18 years old. After he was trained and qualified for the rank of medical corpsman at Fort Sam Houston, he and 5 others from his class of 100 were selected for advanced training at Fort Devens, MA. He was qualified for placement in a paramedic unit.

In January 1968, Richard was sent to Vietnam and attached as the medical corpsman to a platoon of 29 men. He was frequently detailed to other units who experienced a shortage of medics. He refused to carry a side arm because he believed in saving lives and not destroying them.

At the age of 20, while on a "search and destroy" mission, he was shot in the knee—a painful but not fatal wound. Another medic gave him an injection of morphine and instructed him to lie quietly until he could be picked up by his comrades, either those on the ground or by helicopter. The firing continued, and one of his comrades was shot and wounded. At great personal risk and against all advice, he covered his comrade with his own body in order to protect him from the intensifying enemy fire. His comrade's life was saved, Richard was killed. Richard was honored with the Purple Heart, the Bronze Star with Oak Leaf Cluster, and the Air Medal for his action.

Richard died as he had lived, true to his personal credo: "My mission is to restore one son to his family. If I do that, I will have succeeded." He succeeded beyond anyone's dream.

Unlike the old soldiers who just fade away, Richard died young, virile, strong and brave. Mr. Speaker, Richard Allan Carlson represents the best that we in the United States have to offer. He typifies the highest ideal of service to our fellow men, the highest ideal to which our people can aspire.

Mr. Speaker, I would like to place in the RECORD the tribute to Richard by his mother:

MY SON

I loaned a boy to Uncle Sam,
  A boy God loaned to me.
My constant prayers were always this—
  He would safely return to me.
But far across the ocean wide
  God quickly claimed His loan;
In the arms of his Buddy by this side
  He uttered his last goodbye.
His place is vacant in our home
  Which never can be filled.
One of our stars He's turned to gold
  And his loving voice is stilled.

THE NEW COMMUNITY CORPORATION REBUILDS NEWARK

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. RODINO. Mr. Speaker, it is with great personal pride that I once again share with my colleagues the hope and optimism of the renaissance taking place in Newark, NJ. The city of Newark is not only part of the 10th Congressional District which it is my privilege to represent in this body, it is also my birthplace and my home.

As a lifetime Newarker, I am particularly proud of the grassroots efforts of my fellow Newarkers to ensure a bright future for our city. Working together, they have sparked the rebirth of Newark.

One organization that has contributed substantially to these positive changes is the New Community Corporation. By linking concerned city residents with the resources of suburban communities, this nonprofit organization was a pioneer in providing housing and other essential services in the inner city neighborhoods of Newark. Today, the New Community Corporation remains at the forefront of these efforts to improve the quality of life for all Newarkers and it has become the largest nonprofit housing corporation in New Jersey.

I want to applaud and commend the outstanding and vital work of the New Community Corporation and its dedicated leadership. Mr. Speaker, with your permission, I would like to include in my remarks the following article which recently appeared in the New York Times:

[From the New York Times, Nov. 1, 1987]

HOUSING GROUP REBUILDS IN NEWARK

(By Alfonso A. Narvaez)

NEWARK.—Begun in the smoldering ruins of the riots here 20 years ago, the New Community Corporation has developed into a veritable city-within-the-city on 45 acres of the Central Ward.

The nonprofit corporation owns about $130 million worth of housing and other developments in the area of Newark hardest hit by the 1967 disorders.

"We had determined that housing was one of the key issues that had led to the disorders," recalled Msgr. William J. Linder, one of the founders of the corporation, "and we put together a corporation consisting of residents of the city and from the suburbs, not just to get involved in housing but also to work on anything that was to produce a full community."

The corporation's latest project is a supermarket. A zoning variance has been granted for construction of a 53,000-square-foot Pathmark, which would be the first supermarket built in Newark in 20 years. The store, and several small shops that would be part of the complex, would provide about 150 full-time jobs and 225 part-time jobs.

The organization began to take shape after the assassination of the Rev. Dr. Martin Luther King, Jr. in 1968 and a "Walk for Understanding" through the area that April by about 25,000 residents of the Newark area.

The walk led to a growing partnership between black residents of the city and whites from the suburbs, said Monsignor Linder, who at the time was a young parish priest.

"We were with it right from the beginning," said David W. Foley, an accountant from Woodcliff Lake who has since retired. "People came from all over northern New Jersey," he said, to discuss what could be done.

Students from Princeton University did a development proposal for the devastated 45-acre tract, and the partnership led to a fund-raising effort by members of the New Jersey Junior Chambers of Commerce.

STARTING WITH 2 ACRES

The Jaycees and others sold "honorary shares" in the New Community Foundation, a fund-raising arm of the New Community Corporation, for $5 each in about 17 suburban communities. More than $100,000 was raised and the money was used to buy two acres of land in the heart of the area as a site for a housing development.

The land provided the leverage for the corporation to obtain a mortgage of $4.8 million for the construction of 120 apartments in six 10-story buildings.

From these beginnings, the group has become the largest nonprofit housing corporation in New Jersey, owning 8 housing developments with 2,270 apartments in 62 buildings, housing more than 5,000 people.

In addition, the New Community Corporation helped spur the development of Babyland nurseries, with three day-care centers for about 325 youngsters. It has built an extended health-care center for the elderly and has overseen the renovation of a deteriorating Gothic church into an attractive, first-class restaurant and office space.

There is also a job placement center, a Federal Credit Union, a shelter for victims of domestic violence, a health center, and plans are well under way for construction of an ice cream distribution warehouse and a recreational center for youths.

"We've worked and worked, day and night," said Joseph Chaneyfield, affirmative action officer for the Newark Housing Authority and one of the founders of the corporation, whose board of directors included Kenneth A. Gibson before he was elected Mayor.

"There's still a shortage of housing," Mr. Chaneyfield said, "but there's also a need for other support services. Now that the new shopping mall is coming about, that will be some of the icing on the cake."

Mr. Foley, who was maintained his involvement with the corporation over the years, said that the organization had proven to be tremendously effective because the local people were the ones who were deciding what needed to be done.

"People should do things for themselves," Mr. Foley said. "They should do things they want to do, rather than what someone from the outside feels is best for them."

THE NEW ZEALAND AMBASSADOR COMMENTS ON THE "NEW ZEALAND MILITARY PREFERENCE SUSPENSION ACT"

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. BROOMFIELD. Mr. Speaker, I wish to share with my colleagues the informative comments of the New Zealand Ambassador to the United States, the Right Honorable Sir Wallace Rowling, concerning H.R. 85, the New Zealand Military Preference Suspension Act. I appreciate the Ambassador's comments and his thoughtfulness in sharing his views on this important issue.

Let me offer the Members some background information on this issue in order to explain what developments led to the passage of H.R. 85 by the House on October 20. In February 1985, New Zealand adopted a new policy regarding visits by naval vessels and subsequently refused to accept the visit of the U.S.S. *Buchanan.* Under its new policy, which calls for the Government to certify that vessels are not nuclear powered or armed prior to granting them permission to enter port, New Zealand has effectively prevented access by United States Navy ships. This is because for security and operational reasons the U.S. Government can neither confirm nor deny the presence of nuclear weapons onboard.

Our Government has been very patient in responding to New Zealand's action notwithstanding the fact that it represented a breach of New Zealand's defense obligations under the ANZUS treaty among Australia, New Zealand and the United States. After the New Zealand Government remained intransigent the United States, with Australian concurrence, suspended its security obligations to New Zealand in August 1986.

In June 1987, the New Zealand Parliament enacted into law the antinuclear policy the government adopted 2 years earlier. The New Zealand Nuclear Free Zone, Disarmament and Arms Control Act makes all New Zealand territory, waters and airspace a nuclear free zone. It prohibits the entry of nuclear-powered ships and foreign military ships and aircraft unless the Prime Minister determines that they are not carrying nuclear explosive devices. The unfortunate decision of the New Zealand Government to enact its policy into law poses further political and practical difficulties for the future security relationship of our two countries.

While New Zealand has the right to exclude foreign ships from its ports, that decision has necessary consequences. New Zealand cannot expect to enjoy the benefits of a close defense alliance with the United States without accepting the burdens that go with it.

H.R. 85 would suspend New Zealand from the list of allies—the NATO countries, Japan, Australia and New Zealand—entitled to preferential treatment under various provisions of the Foreign Assistance Act and the Arms Export Control Act. The President could reinstate the military preferences if he determined that New Zealand had once again taken up its security obligations under ANZUS.

I personally look forward to the day when America can resume its close and constructive security relationship with New Zealand. Meanwhile our close ties of friendship and commerce with the people of New Zealand will continue.

With these comments, I commend Ambassador Rowling's letter to my colleagues in the Congress. I also ask that my response thereto be reprinted in the RECORD.

Attachment.

NEW ZEALAND EMBASSY,
Washington, DC, November 17, 1987.

Hon. WILLIAM S. BROOMFIELD,
U.S. House of Representatives, Washington DC.

DEAR MR. BROOMFIELD: Now that your legislation concerning New Zealand's military preferences and the SPNFZ resolution have been considered in the House, I wanted to write to thank you for the helpful manner in which you handled both pieces of legislation on the House Floor.

As you are aware, the debate over New Zealand's decision to adopt an antinuclear policy has over the past 3 years become heated on occasion. Consequently we appreciated very much the balanced and objective way in which you presented H.R. 85 on the floor. Your reference to the close economic, political and cultural ties between our two countries and your expectation that these should remain close was particularly helpful. New Zealand also regards these links as being most important and will be working to strengthen and develop them in the months and years ahead.

One minor point I feel I must address, is your suggestion that New Zealand "demanded that the United States identify which of its ships carries nuclear weapons". We made no such demand. Our legislation requires the New Zealand Prime Minister to make a determination on the basis of the information available to him about whether a particular vessel is nuclear armed or powered. As the U.S. Navy would simply refuse to advise us whether a vessel was carrying nuclear weapons, in accordance with declared policy, our Prime Minister would make his decision based upon New Zealand's own intelligence. This sort of judgment would not be as sophisticated as that which I expect the Soviet Union routinely makes about the capabilities of U.S. vessels. It seems to me therefore that this judgment by the Prime Minister does not pose a threat to United States security interests.

Turning to the SPNFZ resolution, we welcome your support for that legislation. As you know, New Zealand officials worked very hard along with our Australian colleagues to negotiate a treaty that was acceptable to and supportive of United States strategic interests in the region. We were disappointed that in the event the United States would not sign the protocols to the Treaty, the more so because the Administration has indicated that, in practice, it will observe the requirements of them. However, the resolution which you actively supported, should it be endorsed by the Senate, appears to offer some hope that this decision might be reviewed. We and other Forum Governments would welcome that, and continue to believe that signature would significantly redound to the credit of the United States throughout the region.

Yours sincerely,

Rt. Hon. Sir WALLACE ROWLING,
Ambassador.

HOUSE OF REPRESENTATIVES,
Washington, DC, November 30, 1987.

Right Honorable Sir WALLACE ROWLING,
Ambassador, Embassy of New Zealand, Washington, DC.

DEAR MR. AMBASSADOR: Thank you for your letter of November 17 regarding the New Zealand Military Preference Suspension Act recently passed by the House of Representatives, as well as the resolution concerning the South Pacific Nuclear Free Zone which was also given favorable consideration by the House.

I am especially grateful for your kind remarks regarding the approach followed with respect to the bill on New Zealand military preferences. As you know, as passed by the House the bill would permit the President to reinstate the preferences if he determined that New Zealand was living up to its defense commitments under ANZUS. While the preferences in question are not great in a financial or administrative sense, their suspension will serve to highlight the significance of New Zealand's current antinuclear policy, which in effect prevents U.S. military vessels and aircraft from landing.

With respect to the resolution in support of the South Pacific Nuclear Free Zone, I was pleased that the resolution reported to the House from the Foreign Affairs Committee was phrased in terms of recommending that the President seriously consider accession to the Treaty protocols. This is in line with our Constitutional division of responsibilities in this area, under which the President has the power to execute treaties and propose their ratification. In its current form, the resolution also calls attention to the fact that Soviet statements concerning accession by the U.S.S.R. tend to undermine the significance of the protocols as well as regional security interests in general.

Again, my thanks for your remarks on these subjects.

Sincerely,

WILLIAM S. BROOMFIELD,
Member of Congress.

SCURRILOUS SUGAR SUBSIDIES

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. PORTER. Mr. Speaker, last week I joined my fellow colleagues in introducing the Sugar Supply Stabilization Act of 1987, another attempt to restructure the appalling sugar subsidy program.

This bill drops the support price for sugar 1½ cents each year for 4 years while increasing the sugar quota. It benefits both the consumer and our struggling trading partners. The consumer pays $3 billion more for food each year because of sugar price supports. The foreign exchange of our neighbors in the Philippines and the Caribbean Basin is being drastically reduced as we reduce their sugar exports to the United States.

Because the sugar program is so very lucrative, sugar farmers continue to grow more sugar each year while Americans are consuming less. The growers refuse to listen to the voice of the market. They don't have to—they're subsidized.

This isn't the American way, Mr. Speaker. Why do sugar growers get Government guarantees while vegetable growers, for example, do not. Why do we allow farm subsidies to undermine our fight against communism overseas? The Dominican Republic had to sell its sugar last year to the Soviet Union because our quotas excluded most of their production from the American market. Why should American consumers continue to pay through the nose for sugar that can be grown at one-third the cost elsewhere?

I urge all my colleagues to review their position on the sugar issue before it is too late.

UNCERTAIN DECEMBER?

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. LAGOMARSINO. Mr. Speaker, with the forthcoming summit between President Reagan and Soviet General Secretary Gorbachev just around the corner, there has been much attention on United States-Soviet relations, strategic and intermediate nuclear arms control, and the strategic defense initiative. Recently, one of the leading newspapers in my district, the Oxnard Press-Courier, commented on these important issues in a very insightful editorial. I urge my colleagues to carefully review this perceptive commentary and keep the issues it raises in mind when focusing on the December summit.

[From the Oxnard Press-Courier, Nov. 6, 1987]

UNCERTAIN DECEMBER?

Muffled rumblings from behind the Kremlin walls have injected a note of uncertainty into plans for next month's superpower summit in Washington.

The purpose of the expected third meeting between Ronald Reagan and Mikhail Gorbachev is to sign a treaty abolishing two small categories of nuclear missiles and to invigorate negotiations toward a 50 percent reduction in the much-larger strategic arsenals. But the undisguised chaos that marked Moscow's eventual acceptance of the summit invitation raises the possibility that the Reagan-Gorbachev encounter could produce unpredictable results.

The Kremlin leader appears to have been tripped up, at least momentarily, by his own internal opponents in his bid to sign the accord. Resistance within the ruling Politburo or the larger Central Committee is not surprising, given that the proposed pact originated with Reagan and would eliminate from Europe and Soviet Asia four Russian warheads for each American warhead.

In a clumsy attempt to forestall a decision on the summit, Gorbachev reverted unexpectedly for a few days to the earlier Soviet insistence that the American Strategic Defense Initiative be abandoned as a condition of the Euromissile cuts. The reckless Soviet pullback from the agreement failed miserably in propaganda terms, however, and Gorbachev apparently succeeded in consolidating his position at home enough to agree to a Dec. 7 summit date.

Still, Soviet ambivalence toward the treaty—and toward Gorbachev's leadership—could produce new stumbling blocks before signatures are affixed to the agreement.

The likeliest of these is a renewed Soviet effort to extract U.S. concessions on strategic defenses at the December summit. Barely a year has passed since the Reykjavik meeting in which Gorbachev sandbagged the president with a last-minute demand that SDI be sacrificed for reductions in offensive arms. A similar blowup in Washington cannot be discounted entirely.

To maintain support for SDI in American and among America's allies, Reagan needs to make the case that simply reducing by half the superpowers' stockpile of strategic weapons—to 6,000 on each side—would make scant difference in the nuclear threat hanging over mankind. If, on the other hand, such reductions are coupled with strategic defenses, the likelihood of nuclear war, and the damage that would result from it, would be substantially curtailed. Even a rudimentary anti-missile shield would strengthen deterrence by making a successful first strike even more difficult to contemplate.

This does not mean there is no room to negotiate the pace at which the United States and the Soviet Union deploy defenses against nuclear attack. Indeed, the world should not be misled by Moscow's contention that SDI is an American monopoly. The Soviets, too, are pursuing strategic defenses despite their technological inferiority to the industrialized democracies.

The President's scheduled meeting with Gorbachev is fraught with risks as well as opportunities. Taken together, they are likely to produce an uncertain December.

POOR HOUSEKEEPING RECORD

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. GINGRICH. Mr. Speaker, the House of Representatives is mired in an ethical mass and I'm afraid that a majority of my colleagues don't care. There are 14 Members of Congress who should be investigated by the Ethics Committee and the Arizona Republic printed an editorial on June 10, 1987, outlining some of these cases.

I urge my colleagues to read this editorial and then ask themselves how they can tolerate this kind of behavior.

[From the Arizona Republic, Aug. 10, 1987]

POOR HOUSEKEEPING RECORD

At the same time Congress has been fulminating over the apparent disarray in the White House basement, our elected representatives have paid little more than lip service to cleaning up the messes in their own House.

That's the conclusion of Common Cause, a Washington, D.C.-based public interest group, which sent a blistering letter the other day to the chairman of the House Ethics Committee expressing grave concern over the disturbing lack of congressional enforcement of rules and standards pertaining to ethical conduct in government.

Citing specific instances whereby the congressional committee "has abdicated its responsibility to vigorously and effectively enforce the ethics rules and standards that apply to members of the House of Representatives," Common Cause President Fred Wertheimer said the panel has "chosen to act as a shield" for House members rather than upholding longstanding principles of governmental integrity.

Reviewing Common Cause's evidence, there's little doubt that when it comes to the pursuit of ethics, Congress' words speak much louder than its inactions.

Consider these cases:

Despite allegations raised more than a year and a half ago about the conduct of Rep. Bill Boner, D-Tenn., who had been accused of taking bribes and violating financial-disclosure laws, the ethics panel simply dropped the case after a Justice Department probe failed to bring criminal charges even though serious questions about ethics violations remained.

Then there's the case of Virginia Democrat W.C. Daniel. Although the ethics panel found that Daniel "initially accepted" 47 gifts of travel from the Beech Aircraft Corp. and "improperly accepted" 21 other free flights, no sanctions were imposed after Daniel judiciously paid the costs for his lapses of good judgment.

Ohio's Democratic Rep. Mary Rose Oakar, who violated House rules by improperly paying the salary of a staffer living in New York, received no punishment from the House panel after repaying the Treasury.

Although the ethics panel found that Rep. Fernand St Germain, D-R.I., had violated financial-disclosure laws, he, too was let off the disciplinary hook. Despite new allegations of other serious financial improprieties, the committee has refused to reopen the case.

The highly questionable conduct of those lawmakers and others—including Reps. Harold Ford and Mario Biaggi, both under federal indictment; Rep. Austin Murphy, accused of allowing votes to be cast for him when he was absent and of stacking his staff with "ghost" employees; and House Speaker Jim Wright and Rep. Tony Coelho, who purportedly blocked government efforts to close insolvent savings and loans institutions run by high-powered political supporters—raises, in Common Cause's words, "deep concern" over repeated failures by the House Ethics Committee to properly address serious ethical improprieties.

When Congress gets through raising the roof over what it considers White House misconduct, perhaps it will find the time to get its own house in order.

HAITI: COUNTRY IN PERIL; PEOPLE IN NEED

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. LELAND. Mr. Speaker, we have just witnessed the horror of the violence and the terrorism which has suffocated the first real experiment with democracy in 30 years in the country of Haiti. The hopes and dreams of the people of that long-neglected and exploited land for their first meaningful elections since the 1950's have been dashed by the forces of brutality and fear—but only temporarily. Temporarily, I say, because I have every faith and belief that democracy and the rule of order and reason will return to Haiti just as I have faith that one day the people of Haiti will be free of the poverty and malnutrition and incredible suffering which is now their plight.

It was my privilege to lead a House Select Committee on Hunger delegation to Haiti in June of this year. Some of the sights witnessed by our delegation have seared our consciences, affected our senses. Haiti has the lowest standard of living of any nation in the Western Hemisphere and that fact was plainly visible to all of us. Life expectancy is 54 years; the infant mortality rate is 124 per 1,000 live births. Each newborn child has 1 chance in 10 of not seeing his or her first birthday. More than half of all Haitian children suffer from malnutrition. The annual per capita income is estimated to be $300; the effective per capita income in rural Haiti would in fact be less than $80. Literacy is not more than 23 percent; fewer than half of Haitian school-aged children presently attend school. We ourselves saw children bathing in the sewage of Port-au-Prince. We saw the harsh impact of deforestation and severe soil erosion—erosion so bad as to limit the present and future ability to grow food, already in such short supply.

The people of Haiti simply live in miserable, unacceptable conditions. The first steps at alleviating their misery are the establishment of democracy and the restoration of respect for human dignity, both long neglected by the deposed Duvalier dictatorship. The events of the past week do not speak well for a speedy restoration of either democracy or human dignity, but that restoration cannot be denied. Haitians are proud, energetic, talented, and beautiful people. I know that the people of this country will support them, assist them, stand with them as they struggle to put their nation back in order. The people of this country also will be a partner with the people of Haiti as they tackle the poverty, the malnutrition, the hunger, the despair which now haunts their land.

Mr. Speaker, the people of this country will not turn their back on the suffering of the Haitian people and will not be indifferent to the attempts to deny democracy and counter the restoration of human dignity in Haiti. We will stand with the people of this island nation as they struggle to achieve basic human needs and rights. We will stand with them because our own devotion to democracy and human rights and dignity demands nothing less.

SAMFORD UNIVERSITY CELEBRATES 100 YEARS IN JEFFERSON COUNTY

HON. BEN ERDREICH

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. ERDREICH. Mr. Speaker, Samford University, which I have the privilege of representing in the U.S. House, is celebrating a very important anniversary this year. This outstanding seat of higher learning is observing 100 years in Jefferson County and I would like to take a few moments to tell my colleagues in the House a little about Samford and the important role it plays in our local community, State and Nation.

Samford University is the first and oldest university in the Birmingham area. Before its name became Samford, it was known as Howard College, founded in Marion, AL, in 1841. It moved to the East Lake section of Birmingham in 1887 as the area's first college or university, and moved to a more spacious tract of land in suburban Homewood in 1957, where it built one of the most beautiful campuses in America.

In 1965, Howard College became Samford University, reaching beyond its original role as a distinguished liberal arts college to encompass seven colleges and schools, among them the nationally-recognized and prestigious Cumberland School of Law, the Howard College of Arts and Sciences, School of Business, Orlean Bullard Beeson School of Education, School of Pharmacy, School of Music, and the Ida V. Moffett School of Nursing.

Samford's concert hall, theatre, chapel, and recital halls provide music, drama, and other special events to enrich the quality of life in Birmingham and beyond. Samford also has NCAA intercollegiate teams in 15 sports for men and women.

Samford is known nationwide for its commitment to quality in education and for properly equipping those enrolled there with the professional skills that will be needed to keep our Nation progressing in the years to come. Almost 10,000 Samford alumni live and work in the greater Birmingham area, permitting the community to reap the benefits of the sound education they received as they pursue their life's work.

The University's $30 million-plus annual budget helps generate more than $100 million in economic impact in the Birmingham area every year, as 4,000 students, 500 employees, and thousands of university visitors invest in goods and services in the Birmingham retail market.

I would like to congratulate Dr. Thomas E. Corts, president of Samford, and the faculty and staff of the university on their celebration of 100 tradition-rich years in Birmingham, and commend them on their demonstrated commitment to our youth and the pursuit of excellence in education. In their celebration, Samford has said, "The best is yet to be." We salute Samford during this special milestone year, and look forward to its continued role as a vital part of the growth and progress of Jefferson County, AL and, indeed, our Nation.

EVELYN MORINE STILL, OUTSTANDING CITIZEN

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. FLORIO. Mr. Speaker, I would like to commend a highly respected community leader in the First Congressional District of New Jersey, Mrs. Evelyn Morine Still. The New Jersey State Federation of Colored Women recently honored Mrs. Still for her dedication to public service by naming her Federated Woman of the Year.

In addition to this well-deserved recognition, she has received many awards and merits that have earned for her the attention and the praise of the community in New Jersey.

For the many years that she has been a resident of the State of New Jersey, Mrs. Still has been active in the community, working to ensure progress for all individuals who look to their leaders for guidance and support.

As a member of the first group to work at Ancora State Hospital, she applied her experience by opening Evelyn Acres Health Care Facility. Located in Tansboro, NJ, this facility has provided invaluable care since its inception.

Throughout the years, Mrs. Still has continually lent her expertise to numerous organizations which have since honored her for her assistance. Among these awards are the following:

1978—President's Secret Award for Loyal Service.

1980—Profiles of Outstanding Blacks in South Jersey.

1980—Service Award—Community Mothers.

1984—South Jersey Chamber of Commerce.

1985—New Jersey State Project Award.

1986—New Jersey State Federation Presidents Award.

These are only a few of the many honors Mrs. Still has received as a result of her dedicated service to others. I am confident that such citations will continue to be given to Mrs. Still as her commitment to public service grows stronger.

For the many years that she has given to the community outstanding service, I wish her many more years of continued service and success. The community will continue to benefit from her special talent for civic involvement as long as she is a constructive and contributing member of the community.

A REALISTIC DEADLINE FOR CLEAN AIR

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. EDWARDS of California. Mr. Speaker, as we rapidly approach the December 31, 1987, deadline for compliance with the Clean Air Act, Congress must make some tough decisions at both the Federal and State level. The environmental and health-related impacts to this country resulting from polluted air is shameful.

The time is now for strong, concerted action to be taken on both State and Federal level to reduce the pollutants that we breathe. Unfortunately, EPA Chief Lee Thomas has independently put forth a new proposal to delay the Clean Air Act deadline for up to 25 years in our more polluted cities. While it is the EPA's duty to carry out policy and to enforce the Clean Air Act, it is Congress' responsibility to make the laws. We must act now, and we must act decisively for cleaner air.

Residents of out-of-compliance cities have to breathe the air we are trying to regulate. We need to make the cleaning up of our air a high priority. This can only be done by allowing a reasonable extension to the deadline in conjunction with stringent controls.

On this issue, I would like to recommend to my colleagues a November 20 Los Angeles Times Op-Ed piece and a November 22 Los Angeles Times editorial. The first, which calls for "realistic deadlines and tough new controls," is by my good friend and respected colleague, HENRY WAXMAN. The second article is an insightful editorial which points to the fact that the people living in the cities that are out of compliance with the Clean Air Act desperately want to breathe cleaner air. I look forward to working with my colleagues on this issue.

The articles follows:

A REALISTIC DEADLINE FOR CLEAN AIR: LIST OF OVERDUE ACTIONS CAN GET JOB DONE HERE IN 10 YEARS

(By Henry A. Waxman)

Twenty-five years is too long to wait for clean air in Los Angeles. Yet this is the time frame that the Environmental Protection Agency is suggesting for compliance with the Clean Air Act's health protection standards for the two most troublesome components of urban smog, ozone and carbon monoxide.

The Clean Air Act has a deadline of Dec. 31, 1987, for attainment of these standards. With one of the worst air pollution problems in the country, it is clear that Los Angeles, like many other cities, will still be far above the standard at year's end. The new EPA policy is a poorly conceived effort to create a new deadline. But the deadline favored by EPA would be nearly meaningless.

Of course, we must have a deadline that is realistic, but we must also do all that we can to bring more healthful air quality to the millions of Southern Californians now breathing polluted air. Moving the deadline back to the year 2010 or later is not the way to ensure rapid progress. Such a lengthy extension reflects a "we can't do it" attitude that is likely to become a self-fulfilling prophecy. It will undermine the efforts of state and local agencies seeking to put tough pollution controls in place. It will make it difficult to get polluters to make sacrifices now for the sake of meeting a deadline that is a full quarter of a century away.

We can do much better. EPA's 25-year time frame reflects the agency's continuing failure to exercise federal leadership in air pollution control. For example, the California Energy Commission concluded in 1986 that, with use of lower-polluting motor-vehicle fuels like methanol, the Los Angeles area could be within striking distance of the health-protection standard in a decade. Yet the new EPA policy includes no federal program to promote or require greater use of alternate fuels.

EPA has also declined to take a variety of other steps recommended by state and local pollution-control officials, including guidelines to help states regulate air pollution from industrial sources, requirements for upgraded automobile inspection and maintenance, and tighter tailpipe standards for cars, trucks and buses. (Although California sets its own auto emissions standards, federal standards are important here because fully half of the trucks in the Los Angeles area, and roughly 10% of the cars come from out of state.)

A final point about the agency's new policy: It is almost certain to be overturned in court. The agency simply does not have the legal authority to change on its own a deadline set by Congress. If there were doubts on the this point, they should be laid to rest by a recent decision by the U.S. 9th Circuit Court of Appeals in a clean-air suit brought by a Los Angeles environmentalist. In that case, Abramowitz vs. EPA, the court ruled that "EPA does not have the discretion to ignore the (Clean Air Act's) statutory deadline."

It is in Congress that the deadline issue must ultimately be resolved. My approach for reauthorizing the Clean Air Act is embodied in a bill I introduced with Rep. Jerry Lewis (R-Highland). This bill was developed with the help and support of the national associations of state and local air-pollution officials.

The bill would extend the deadlines for areas across the country for 3, 5 or 10 years, depending on the severity of the problems in each area, and to impose pollution-control requirements to ensure that the new deadlines can be met. Areas with more severe problems would be required to undertake more rigorous control programs, while areas with more moderate problems would have to do less. In addition, a long list of federal control measures, a component glaringly absent in the new EPA policy, would be required to help the states meet their deadlines.

Such legislation would give Los Angeles 10 years, not 25, to achieve the standards. The pollution-control measures that it would require to help Los Angeles and other cities with severe air pollution problems include: extensive programs to promote the widespread use of lower-polluting alternative motor-vehicle fuels, long overdue federal guidelines for control of industrial air pollution, tighter tailpipe standards for cars, trucks and buses, reduced pollution from consumer solvents, control of gasoline vapors on the car and at the pump, and tougher control of new pollution sources.

The battle in Congress for clean air is still in its early stages. The new EPA policy is the latest salvo in this battle, suggesting that we need more time and less pollution control, and that strong clean-air bills will result in overcontrol. But the fact is that many areas—including Southern California—are not doing nearly all that they can to limit pollution. For example, many new pollution sources are built without any emissions review or stringent controls.

Dirty air is bad for our health, bad for our economy and bad for our environment. More than 76 million Americans in 60 urban areas are now living in air that the EPA considers unhealthy. We need a deadline extension. But not one that will make pollution control a low priority for the next two decades. We need a much closer deadline, accompanied by tough new control requirements on the federal level. We can, and must, do better than EPA's 25 years.

CONCENTRATING ON SMOG

The authors of the Clean Air Act of 1970 figured, rightly, the nothing would concentrate the minds of America's engineers like having to meet a deadline. At the time, controlling smog seemed very much an engineering job, to be accomplished with technology and perhaps some modest adjustments in life style.

But 17 years of experience has proved them wrong. For Southern California, at least, the framers of the clean-air act did not reckon on a growth in population and automobiles that would overwhelm technology. It was only dimly perceived then that pollution controls installed in one decade would lose ground against a doubling of the number of new polluters in the next.

Southern California, spending billions of dollars on smog controls in the process, has made progress even against those odds. It has reduced the amount of ozone in its air by 50% over a recent 12-year period. It sharply cut the number of days in which smog was very bad. It did all of this during a time when the number of automobiles on the road doubled and the number of miles driven more than doubled. But for all that, the air will still fail to meet federal standards when the clock strikes 12 on New Year's Eve, the deadline.

Setting target dates for wringing pollutants out of the air has served a purpose. Deadlines probably have prodded some air-pollution agencies to work harder than they might otherwise. They are useful measures of how much has been done and how much more there is to do. In recent, weeks, however, they have served largely to concentrate the mind not on smog but on the deadlines themselves.

Congress is wrestling with conflicting formulas for extending the deadlines again but setting more rigid requirements for reducing pollution. The Environmental Protection Agency has announced it will make up its own set of rules, a decision of doubtful legality that probably would serve largely to concentrate the mind on court arguments.

Southern California will pass the Dec. 31 deadline wildly out of compliance with federal standards on some forms of air pollution. For one thing, it will have three times as much ozone in the air as the law allows. It will be closer than anyone might have dreamed a decade ago to meeting the standard for oxides of nitrogen, which combine with hydrocarbons to create ozone.

Some of that resulted from pollution controls that were too timid, from smog agencies' losing arguments that more effective controls would inhibit growth in the economy. Part of the failure to move faster is a result of overestimating what technology could do and underestimating the difficulty of persuading people to change the way they live if it would clean up the air. For some, even a small effort like switching from oil-based paint to paint that does not release hydrocarbons into the air is an unthinkable intrusion on freedom of choice.

Will the future of air pollution be less dismal than the past? There are signs that it will. According to some poll results, Southern Calfornians are more willing to pay for cleaner air than political leaders imagined. The South Coast Air Quality Management District, which regulates polluters in Los Angeles, Orange, Riverside and San Bernardino counties, has important new powers under a law sponsored by state Sen. Robert Presley (D-Riverside), a bigger budget, and new management that seems determined to use those powers.

The people of Southern California know better than anyone in Washington that their air is dirtier than any other in the United States. They will not be cleaning it up just to satisfy a federal standard but to help those who live in, and often suffer dreadfully from, dirty air. In that setting, deadlines may help but the controls are what count.

Tightening up pollution controls is where Californians should, and will, concentrate their minds.

A Y GROWS ON THE PENINSULA

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. LANTOS. Mr. Speaker, I rise today to pay tribute to the Peninsula Family YMCA, and particularly to those organizations and individuals who have shown exceptional generosity in the campaign to raise $1.7 million for the new Y building in San Mateo.

The Y serves much the same purpose now that it did in the mid-1800's when it was imported from Great Britain to assist the "body, mind and spirit" of young men. Then, the Y's mission took the form of providing temporary shelter, study, and recreational facilities to young people drawn to cities by new job opportunities created by the Industrial Revolution.

Today, the Y offers assistance in a new era replete with new forms of social change: Divorce, drug addiction, single parent families and, on the happier side, the desire of millions of Americans to keep fit by exercising regularly.

The Peninsula Family Y was founded in 1925 as part of the San Francisco Y, itself the oldest Y west of the Mississippi. Now, through 20 satellite locations from San Carlos to south San Francisco Bay, it provides child care, youth and family counseling, and fitness programs to residents of the Peninsula.

Mr. Speaker, because of the Y, latchkey children of working parents or single parents have a safe place to go after school. Because of the Y, hundreds of youths and their families have received counseling in the dangers of drugs. Because of the Y, hundreds of people have begun building sweat equity in their bodies through fitness regimens.

In January 1986, the San Mateo Y began its campaign to raise $1.7 million toward a total development goal of $4 million, enabling construction of a full-facility Y. By last month, the $1 million mark had been reached, thanks in no small measure to gifts of $50,000 and more from a number of Peninsula foundations, corporations and individuals: Alumax Inc., Cowell Foundation, Franklin Resources, Atkinson Foundation, Mike Harvey, Bay View Federal Savings, and Mervyn's Foundation.

In part because of the generosity of these donors, the new San Mateo Y will fulfill its promise of enriching the community and making it an even better place to live. On behalf of all of us on the Peninsula, I thank them.

LITERACY: A CALL FOR EXCELLENCE

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. RODINO. Mr. Speaker, I want to call attention to an outstanding article on illiteracy written by Msgr. John J. Petillo, the chancellor of Seton Hall University in South Orange, NJ.

This article presents a most persuasive argument for the continuing need to address the escalating problem of illiteracy in America.

Monsignor Petillo's article eloquently points out a host of reasons why illiteracy is a problem not just for the person who is unable to read, but for society as a whole. The ability to read is absolutely essential in contemporary society and it will become more so as time goes on. We are in the early stages of what is now called the age of information. The ability to communicate and to understand the communication of others is absolutely essential. I find it ironic that just as the ability to read is taking on a still greater degree of importance, our commitment and efforts to a more literate America are falling short.

Moreover, Monsignor Petillo's article rightly points out that illiteracy is cyclical in that the children of illiterates often become illiterates themselves because of their parents' inability to nurture reading and writing skills. This is a particularly alarming fact because it means that if we fail to act decisively now, illiteracy will only become more entrenched in the future.

Finally, Monsignor Petillo's article cites a number of statistics regarding minority illiteracy which demand action. Whereas the illiteracy rate for the white adult population is an unacceptably high 14 percent, rates for blacks and Hispanics hover around 50 percent. Mr. Chairman, this is a national disaster in the making unless we make the type of national commitment that is called for by Monsignor Petillo.

Mr. Chairman, I ask that the full text of Monsignor Petillo's article be included in the RECORD.

The article follows:

LITERACY: A CALL FOR EXCELLENCE

(By Monsignor John J. Petillo)

Illiteracy is a grave issue in America, and we must come to grips with this truly national challenge. Recent studies indicate that at least 25 million Americans are functionally illiterate. These are people who cannot read the poison warning on a can of pesticide, a letter from their child's teacher or the front page of a daily newspaper.

Another 35 million Americans are estimated to be only marginally literate, with reading skills well below the minimal survival standards needed to function well in today's society. Together these illiterate Americans constitute 60 million men and women.

THE COSTS OF ILLITERACY

The immediate social and human consequences are, or should be, as alarming as the statistics. The real costs to business, government and the taxpayer are in the tens of billions of dollars each year, as many functional illiterates are unemployed, on welfare or in prison.

As a result of this illiteracy, a large percentage of the adult population is unable to participate in the basic activities of our society. Many American adults cannot determine if their paycheck is correct; cannot match their qualifications with the job requirements in a series of help-wanted ads; cannot address a letter properly, and cannot write a check correctly.

Since our democratic form of government depends on informed citizens, these people are also effectively excluded from participating in a meaningful way in the electoral process. Whether they make poorly informed decisions or just sit out the elections because voting is beyond their ability to read, our system suffers.

Our principle of equal opportunity is threatened as well. While 16 percent of all white adults are functional illiterates, a figure for valid concern on its own, the statistics for minorities are much worse. 44 percent of black adults and 54 percent of Hispanic adults are functional illiterates. Their chances for upward mobility or even decent employment are slim.

A VICIOUS CYCLE FOR CHILDREN

Even more disturbing is the vicious cycle this engenders for children of illiterates. Study after study confirms the vital importance of the parent's role in helping children learn to read and write. Jonathan Kozol, author of the book Illiterate America, asks the obvious question: "How can 60 million adults who cannot read books possibly assist their kids?"

Along with illiteracy is a growth in what has been called subliteracy, a decline in verbal reasoning ability even among the so-called literate. It is especially acute among the current generation of students, who reflect a decline in educational standards. From 1963 to 1980, average verbal scores on scholastic aptitude tests dropped nearly 40 points. For those planning to major in education, average verbal scores were 28 points lower than the national average. Even among the select population of "gifted" students, over half did not match their tested ability with comparable achievement in school.

Who is to blame? Many analysts point to a dilution in the curriculum of our high schools, particularly in terms of reinforcing strong verbal skills. For example, twenty years ago, 85 percent of high school graduates received four years of English. A decade later, that figure was more than cut in half.

Whatever the reasons, many 17-year-old Americans, even if technically "literate," lack the so-called "higher order" intellectual skills. Few can write a persuasive essay. Only one-third can solve a math problem requiring several steps. And nearly 40 percent cannot draw inferences from written materials. These young people cannot be expected to exercise critical thinking if they lack these skills. This is especially tragic because relatively so many people are graduating today from high schools and colleges and universities. But their skills are well below the average graduate of 25 years ago.

A NATION AT RISK

In the recent report by the National Commission on Excellence in Education, (entitled quite justifiably A Nation at Risk), Paul Copperman points out: "Each generation of Americans has outstripped its parents in education, in literacy, and in economic attainment. For the first time in the history of our country, the educational skills of one generation will not surpass, will not equal, will not even approach those of their parents."

The combination of illiteracy and subliteracy comes at a time when it severely impairs our ability to confront long-range national challenges. In the words of David T. Kearns, chairman and chief executive officer of Xerox Corporation, "Literacy, true literacy, is the essential raw material of the information age."

Now, more than ever, we need people capable of technical expertise for today's high-technology jobs. We need to compete effectively in the international marketplace. We need critical thinking to confront complex moral, social and ethical issues. We need academic excellence in our colleges and universities to expand knowledge through research and inquiry. Without such excellence, the future will be deprived of teachers, scientists and thinkers, imaginative leaders and informed citizens.

Literacy is a right because it makes possible the other rights we hold dear, from equal opportunity to self-government. It is a right because it is essential to human dignity, for without it a person cannot help but feel less than whole, in his or her own eyes and in the eyes of others. Literacy is a right because mastery of language is essential to the full expression of mind and spirit, to a full understanding of and appreciation for the world around us.

A NATIONAL CALL FOR ACTION

Literacy must be a coordinated, national effort. Colleges and universities alone cannot hope to solve the problem by unilaterally raising their standards for admission. Such action simply ignores the problems. Literacy will not just "trickle down."

Therefore educators must join in a national call for excellence. They must initiate a plan for action that includes at least five major facets:

1. Adult literacy programs. 2. Raised standards in elementary and high schools. 3. A more responsive and integrated curriculum. 4. A standard for admission to and graduation from college. 5. Development of higher intellectual skills.

The work that lies ahead is tremendous. From an educational perspective our past, with its traditions, culture and values, is being rapidly eroded. Minds are becoming wastelands, barren of thought or thinking. Educational pursuit, a gift of this nation, will become a privilege of the few. Therein lies the travesty of education in America today.

TENSIONS MOUNT ON CYPRUS

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. BROOMFIELD. Mr. Speaker, a recent incident involving Greek Cypriot women clashing with Turkish troops in Cyprus clearly highlights the need for a rapid resolution of the Cyprus problem. The ongoing illegal occupation of part of that island and the stalemate in peace talks concerning Cyprus create frustrations both on that island and between Greece and Turkey, two key NATO allies. A future clash in the Eastern Mediterranean over the Cyprus question will undermine NATO's vital southern flank and do irreparable harm to the security of the free world. Now is the time for real progress on the Cyprus problem. A withdrawal of Turkish forces is a sound first step.

In recent days, hundreds of Greek Cypriot women forced their way across the artificial "green line" which divides Turkish-occupied northern Cyprus from the southern part of the island. While protesting against the illegal presence on Cyprus of Turkish troops and the cruel division of the island, the women clashed with Turkish troops.

Since 1974, over 30,000 heavily armed Turkish troops have occupied the northern half of Cyprus. Their brutal invasion caused the death of many innocent human beings and the disappearance of many whose whereabouts are still unknown. Over 200,000 Greek Cypriots were displaced by that military action. Their homes and properties are being used by 60,000 Turkish immigrants brought to Cyprus by Turkish authorities.

In 1984, the United Nations Security Council adopted Resolution 550 which deems as inadmissable any attempts to settle any part of the resort city of Varosha. The resolution calls for the transfer of this area to the administration of the United Nations. This provision has never been implemented. To make matters worse, the Turkish army recently made Greek Cypriot-owned hotels available for use by Turkish Cypriot students, a clear violation of the spirit of compromise which will be vital if peace is to come to that lovely island.

There is no reason why United States-supplied military equipment, intended for defensive NATO purposes, should be used by Turkish troops on Cyprus. While our Government has tried to convince the Turks to reduce their troop presence on Cyprus, little progress has been made. The Turkish Foreign Minister recently said that "Turkey does not have to answer to anyone on the number of troops and military equipment it had on Cyprus." In open defiance of the United Nations' recommendations concerning a possible settlement of the Cyprus problem, the Turkish Prime Minister said that the invasion of the island had successfully resolved the Cyprus dispute as far as Turkey was concerned.

The Cyprus tragedy has poisoned relations between our two NATO allies, Greece and Turkey who occupy critical locations in NATO's southern flank. Conflicts between those two nations can only serve to undermine the security of the alliance and erode the defenses of the free world in the process.

The Secretary General of the United Nations, Perez de Cuellar recently complained about the desecration of Greek churches in northern Cyprus and the changing of place names in the occupied areas. Already, the Turkish occupiers have introduced Turkish currency along with the Turkish postal system for the occupied part of Cyprus.

Recent events have clearly shown that now is the time to make real progress on a long unresolved dilemma. The best approach is to first withdraw Turkish troops from the island. Armed troops contribute to the forced division of Cyprus. Artificial separation of the Cypriot people prevents peaceful coexistence of Greek and Turkish Cypriots. The present environment breeds hatred, prejudice intolerance, and makes the continuing peace efforts of the United Nations all the more difficult.

I call upon our Government and the United Nations to do everything possible to help find a solution to the problems of Cyprus before it is too late. Clashes of the type that are described in the following article are a threat to all citizens of Cyprus and threaten the stability of that vital region. I commend the following New York Times article of November 23 to my colleagues for your review.

[From the New York Times, Nov. 23, 1987]

GREEK CYPRIOT WOMEN CROSS TURKS' LINE

(By Alan Cowell)

NICOSIA, CYPRUS.—Hundreds of Greek Cypriot women bearing white banners stormed and scrambled across the line dividing their country today, scuffling with armed Turkish soldiers in protest against the division of the island.

Unarmed United Nations forces from Britain, Canada, Australia and Sweden joined the Turkish troops in preventing the women from progressing far into northern Cyprus, which Turkish troops have occupied since their 1974 invasion after a pro-Greek coup here.

A United Nations force of 3,000 soldiers has since patrolled the "green line" severing Cyprus. The northern part of the island has proclaimed itself an independent state, but only Turkey recognizes it.

Leaders of the women's protest, which had been planned to circumvent United Nations efforts to stall it, hailed it as a success. Earlier demonstrations had failed to penetrate the buffer zone between the two sides, but today, one protester said, the women set foot for the first time on territory occupied by the Turks.

"We have shown the world that the Turkish Army is preventing Cypriots from moving freely in their own country," said Helen Soteriou, a leader of the protest. "We have shown that the Turkish Army has partitioned this country without the consent of the people."

Katherine Porter, an American who joined the protest, said that "with the next march, we will march to Kyrenia," in Turkish-occupied Cyprus. Mrs. Porter works for the Department of Energy in Washington as a special assistant and is the wife of Representative John Edward Porter, an Illinois Republican.

She said she had flown to Cyprus to join the protest because she felt "strongly that every country should be one and should not be divided—it's a matter of basic human rights."

A Turkish Cypriot spokesman, Oktay Oksuzoglu, accused the Greek Cypriot authorities of "using women as propaganda tools." The protest had been timed to coincide with a United Nations debate on the Cyprus issue this week. That discussion has been postponed.

The women confronted a lone Turkish sentry in a sentry box between Greek and Turkish positions. The sentry summoned about 50 reinforcements.

United Nations forces interposed themselves between the two sides, creating an uneasy standoff. Five women were carried off by troops from the United Nations contingent for pushing too far into Turkish-occupied territory.

DISPLACED HOMEMAKER'S WEEK

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. PORTER. Mr. Speaker, I would like to recognize the excellent work of the Displaced Homemaker's Network which helps millions of women restructure their lives after the loss of income from their husbands. The network helps women and their families survive this catastrophic shock and assists them in achieving economic and emotional self-sufficiency.

There are over 1,000 national programs to provide services such as counseling, career advice, GED preparation, vocational education, job development and placement. Illinois has 18 programs, including the Women's Re-Entry Program at the YWCA of Lake County in my own district.

Maryland honored its program through Displaced Homemaker's Week November 16–22. Two programs of the Montgomery County Commission for Women, a Woman's Place and New Phase Career Center, will observe Displaced Homemaker's Week with an open house and events at which speakers will address critical concerns of today's women.

Mr. Speaker, I share those concerns, and wish to urge Congress to recognize the unique services of the Displaced Homemaker's Network and support their future activities.

UNIFORM POLL CLOSING TIME IS A BAD IDEA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. LAGOMARSINO. Mr. Speaker, last month the House adopted legislation establishing a uniform poll closing time nationwide for Presidential elections. I thought at the time it was a bad idea, and I voted against it. In further support of my position, I would like to offer for the Members' consideration an editorial from the Santa Maria, CA, Times on this topic. The editorial follows:

[From the Santa Maria, CA, Times, Nov. 23, 1987]

UNIFORM CLOSING OF POLLS BAD IDEA

Like the proverbial bad penny, the crackpot scheme to require all polls to close simultaneously on presidential election days has reappeared in Congress, A bill to that effect, approved by the House of Representatives, now goes to the Senate that killed a similar measure in 1986. We hope the senators have the widsom to do so again this year.

The House proposal would require all polls in the Continental United States to close at 9 p.m. Eastern Standard Time, beginning with the 1988 presidential election. Daylight-saving time would be extended by two weeks in the Pacific time zone only, which means polls here would close at 7 p.m.

The bill's proponents would have us believe that this reform would prevent a repeat of the 1980 election when early network reports of the Reagan landslide supposedly prompted legions of disappointed Democratic voters in the Western states to stay home.

The reasoning is simply not supported by the facts. There is no hard evidence to suggest that significant numbers of Westerners failed because they knew that Jimmy Carter was doomed. To the contrary, the Committee for the Study of the American Electorate, which complained the loudest in 1980, now conceded that its data shows the drop-off was considerably less than it imagined.

And Professor William Adams of George Washington University has concluded that very few Oregon voters stayed home from the polls in 1984 because of network reports of an even larger Reagan landslide. In fact, his research found that the persons most likely to listen for early projections are the ones most likely to vote anyway.

On the other hand, it stands to reason that closing the poll an hour earlier would decrease voter turnout in the Western states. In fact, most studies show that large numbers of poor, blue-collar workers and minorities wait until later in the day to cast their ballots. An early poll closing would, therefore, not only discourage these voters but could also create some inadvertent discrimination.

Also worth noting is that the bill would not affect Hawaii's and Alaska's polls, which would remain open after the uniform closing time. Are we to infer from this disparity that voters in these two states are somehow less prone to influence by network projections than are voters in California and Oregon?

Actually, the networks agreed in 1985 not to broadcast information from their exit-polling until the polls closed in the state where the interviews were conducted. This self-imposed restraint should dispel many of the unfounded fears that Tom Brokaw, Peter Jennings and Dan Rather are distorting the electoral process. Network restraints certainly make more sense than having Congress disrupt local voting patterns by telling the states when to close their polls.

Clearly, the simultaneous poll-closing bill is a bad idea that deserves to be rejected once more by the Senate.

MRS. MARY ROSE JEWETT PRITCHARD

HON. FOFO I.F. SUNIA

OF AMERICAN SAMOA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. SUNIA. Mr. Speaker, I rise today to introduce into the CONGRESSIONAL RECORD the story of a unique American, Mrs. Mary Rose Jewett Pritchard, a Samoan whom I have the honor and privilege of representing in the House of Representatives. In 1986, Mrs. Pritchard was chosen recipient of the first Senior Citizen of the Year award in the territory of American Samoa. That is neither the only award, nor the only recognition she has received in her illustrative career.

I use the word illustrative properly in this case, Mr. Speaker, because Mary is an illustrator of a very unique kind. Her specialty is the making of "Siapo," a work of art and form of treasure of the Samoan people. Siapo, also known as tapa cloth, is a piece of cloth made from the bark of the mulberry tree. After a period of submersion in water, the bark is separated from the wood, pounded dried, and pasted with other pieces to form a larger piece. This was the predominant form of clothing in the olden days. It is now worn primarily during ceremonies. The value of any piece of siapo is determined by the quality of the cloth and its artwork.

When the white man began introducing modern clothing to the islands, the art and knowledge of making siapos began to fade. By the middle of this century, it was dying quickly. Planting the special trees and processing the barks to make the cloth, and then sitting down to painstakingly put artwork on the cloth required time, patience, and a flair for art. It was a lot of hard and tedious work, and it was done mostly by women. But as the ladies moved to offices, to schools as teachers, to hospitals as nurses and to stores as salesladies, the interest and knowledge of siapo making quickly faded away.

Mary is credited with reviving this very special art of the Samoan people. And with every tapa cloth she has made, she has devoted a great deal of time and care in the process. But that time and care are not only going into making a piece of art, but also into holding an integral part of the Samoan culture together in this era of change. Her contribution has not only been artistical, but also cultural.

In addition, Mary is now making sure the art of making tapas is kept alive by our future generations. In doing so, she devotes much of her time to teaching young people through the Arts Council of American Samoa and the Museum of American Samoa. By carrying out this part of her work she leaves no doubt that this rich tradition of the Samoan people will endure throughout the future generations.

That is why, Mr. Speaker, in salute of a fine American, proud of the rich heritage which we both share, I rise today to commend Mrs. Mary Rose Jewett Pritchard.

TRIBUTE TO ROY VAGELOS

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. VENTO. Mr. Speaker, I would like to recognize the initiative and achievement of Dr. Roy Vagelos and the Merck Drug Co., for their development of the drug, Mectizan. This drug is a breakthrough in the prevention and treatment of river blindness—a disease afflicting an estimated 18 million people worldwide.

What is more remarkable is the Merck is preparing to distribute this new drug free of charge to everyone needing it. They have made a commitment to supply as much as may be needed for river blindness victims the world over.

It is refreshing to know a powerful and wealthy corporation such as Merck has compassion and understanding for the world's poor desperately in need of health care.

I offer this editorial for the RECORD as a tribute to Roy Vagelos and the Merck Drug Co.

[The Minneapolis Star Tribune, Oct. 27, 1987]

A CASE OF HONORABLE DRUG DUMPING

American drug firms occasionally are accused of dumping drugs on the Third World market that they cannot sell in the United States. Now one American company has boldly announced plans to do precisely that. The announcement was greeted not with catcalls and protests, but with a chorus of hallelujahs. The praise was deserved.

Working with the World Health Organization (WHO) and university scientists from several countries, Merck Drug Co. developed Mectizan, a breakthrough in prevention and treatment of onchocerciasis, or river blindness, a disease afflicting an estimated 18 million people in Africa, the Middle East and Central and South America. Merck has announced that it will distribute the drug free because many who need it cannot afford to pay for it.

River blindness is caused by parasitic worms transmitted through the bite of the black fly, which breeds in rivers. Once a worm invades the body and grows to adulthood, it produces millions of larvae, which cause itching, skin nodules and eye lesions that can result in blindness. In some areas, the disease had forced residents to flee homes and fields near fly-breeding rivers.

WHO has long focused on combating the disease by spraying infected areas with a larvicide. The program has successfully eradictated the black fly from large areas but will "not work everywhere or kill every larva," according to a WHO spokesman. Moreover, eradication does nothing to aid those already stricken.

Mectizan both stops the disease in existing victims and retards its spread to new ones. It kills existing larva and prevents their further production by paralyzing the adult worms. WHO says the drug will "interrupt transmission of the disease and sustain control where it has been interrupted." Other drugs also are effective against the disease, but are so toxic to humans that mass use is not possible. Mectizan produces relatively mild side effects.

In effect, Merck has made a commitment to supply—for free—as much Mectizan as may be needed to serve all river blindness victims the world over. Merck's commitment has given a new and honorable twist to the practice of dumping drugs on the Third World. Americans should praise Merck and encourage it to dump away.

THE MINT MUSEUM OF ART

HON. J. ALEX McMILLAN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. McMILLAN of North Carolina. Mr. Speaker, this Friday, December 4, marks the 150th anniversary of the founding of the U.S. Mint of Charlotte. The relocated and renovated structure is now the Mint Museum of Art. Designed by William Strickland, the famous Philadelphia architect and engineer, this facility, located on Mint Street, served the United States as a mint until the Civil War. Following the war, it served as an assayers office until 1907.

The Charlotte Mint was a significant addition to a line of "firsts" for Charlotte and Mecklenburg County. The first gold rush was in this area, which required primarily deep shaft mining. The Charlotte Mint was the first branch of the U.S. mint outside of Philadelphia.

Congress commissioned the Charlotte Mint in 1835 after lengthy and heated debate over the practicalities of locating a branch mint so far from Philadelphia, maintaining the quality of the coinage, and a number of other concerns. In the first year of operation, deposits of gold amounted to $130,600 and the coinage struck totaled $84,335. During its operative years, the mint proved its usefulness and issued a total of over $5 million in coinage. It drew its patronage from 21 States, territories, and foreign countries.

The Charlotte Mint building suffered fire, war, earthquake, and neglect. Following its use as a mint and assayers office, it housed the Red Cross during World War I and served in a number of other capacities. Finally, in 1936, the mint was relocated, reconstructed, and dedicated as the Mint Museum of Art. It has recently been expanded to three times its original size, and serves Charlotte and the Southeast as an historic site and houses an exceptional collection of art. The famous Dalton collection of over 200 paintings of various styles is a prime attraction, as well as the Delhom porcelain exhibit and the Robicsek pre-Colombian art collection. In addition, the noted "Ashcan Painters" who were the first realism painters in America are displayed at the Mint Museum. An extensive gold coin collection is also on exhibit as a reminder of its original commission and purpose. Finally, the Mint Museum will host the celebrated exhibit of "Rameses the Great" next fall, beginning October 2, and will remain through January 1989.

As Representative for the district in which the Charlotte Mint is located and as a member of the Banking Committee, I submit these remarks in honor of the heritage of the mint and the proud role it played in the development of our Nation's commerce and coinage system. We also celebrate the role it continues to play as one of the principal art museums of the Southeast.

IMMACULATE CONCEPTION SCHOOL OF TUCKAHOE, NY, CELEBRATES 75TH ANNIVERSARY

HON. JOSEPH J. DioGUARDI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. DIOGUARDI. Mr. Speaker, I rise today to recognize the 75th anniversary of the Immaculate Conception School in Tuckahoe, NY. As the Representative of New York's 20th Congressional District, I am very proud to have such an outstanding institution serve the people of this community.

Since 1913, the Immaculate Conception School has provided children in Westchester County with an excellent parochial elementary education. With art, music, reading workshop and science rooms, a 7,500 volume library, a computer room equipped with a myriad of terminals and software, and access to the Archdiocese of New York's Instructional Television System, ICS is uniquely capable of combining traditional and technological approaches to instruction.

The emphasis of the education at ICS is on spiritual growth, which allows the full development of the students' potential. Traditional moral and spiritual values are coupled with diverse educational techniques; ICS students are intellectually aware of their faith as well as academically successful. Approximately 95 percent of eighth-graders graduating from ICS win admission to the high school of their choice, often with scholarships.

It is the belief of ICS that "a complete education must go beyond books." As well as participating in weekly music, art, and physical education classes, students publish a monthly newspaper and a yearbook. The classroom education is further supplemented by trips to historical sites, plays, and movies. Students also take part in community service by giving gifts to underprivileged children at Christmas or by preparing food baskets at Thanksgiving and Christmas for indigent families.

The Immaculate Conception School is an exemplary educational institution that is celebrating its 75th year of service. Because of its high standards of academic excellence, religious training, and community awareness, ICS certainly deserves recognition. I am proud to offer my congratulations to the Immaculate Conception School on its 75th anniversary.

DEMOCRACY AT HOME FIRST

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. PORTER. Mr. Speaker, in November your involvement in Central American policy drew praise from members of the majority party. One by one, they come to the well of the House to commend you for attempting to mediate between all sides involved in Nicaragua's civil war.

Mr. Speaker, let me respectfully suggest that you lead this cause by example here in the House. Rather than standing on the Capitol steps with the likes of Daniel Ortega, you should be working to ensure that the proceedings of the House are conducted according to democratic principles.

Routinely, floor debate is restricted by closed rules, self-executing rules, blocked minority alternatives and $600 billion continuing resolutions passed on one vote.

It is ironic that while you and members of your party propound the virtues of democracy for 3 million Nicaraguans, the 92 million Americans represented by members of the minority are excluded from the democratic process. Mr. Speaker, as John F. Kennedy once said, "sincerity is subject to proof."

FOR THOSE WHO STILL WAIT

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. COURTER. Mr. Speaker, last night, in response to a question from American television about the many Soviet subjects who have not been allowed to emigrate, General Secretary Gorbachev said that the United States is using the human rights issue for its own purpose: "* * * what they're organizing is a brain drain. And of course we're protecting ourselves."

Mr. Speaker, that is a dismal signal to all those who have hoped for increased emigration. But it is something else as well. It is a most forthright restatement of the Marxist-Leninist understanding that people are the property of the state. Indeed, we are unlikely to hear a better clarification of that point from a more important spokesman. There can be no greater gulf than the one separating democratic politics imbued with the strengths of the Judeo-Christian tradition and in which individuals are prized for their uniqueness, and the Marxist alternative under which man's singular purpose during the socialist stage of history is service to an all-powerful state.

It is not fatuous for a Communist to imagine that human rights proponents—whether inside or outside the USSR—are organizing a "brain drain." The small kernal of truth within that enormous lie is this: Wherever it has been imposed, communism has meant a steady outflow of the more talented, the more independent-minded, the more religious, the more enterprising. Certainly these strengths, cause of so much worry to totalitarian governors, are welcome to the countries where the emigres go. If Mr. Gorbachev sees in the emigration phenomenon not natural results of the unnatural logic of communism but some supposed secret pilot to organize a "brain drain," we ought not be surprised. His incomprehension is a likely result of his orthodox Marxist view of the relationship between state and subject.

Today, Mr. Speaker, and tomorrow, and every day this week, we are anticipating the enormous crowds who will arrive in Washington for the demonstration December 6, the last day before the summit. Most, though not all, will be Jews. They will come from New Jersey and every other State in the Union. Despite the diversity of origins, theirs is a singular purpose. They intend to show the Soviet ruler that they are ever-aware of the thousands of Jews in the Soviet Union who want to leave but have not yet been given that chance. The demonstration here in the Capitol will be a reproof to the notion that the Soviet Union has been democratized under the new General Secretary. It will be a message of hope to all those who, knowing all too well the limitations of glasnost, still wait.

Mr. Speaker, I would like to say a word now about one man in particular. His name is Leonid Volvovsky. He asked to leave the U.S.S.R. 13 years ago. He is still waiting. In the following article written for Public Research, Syndicated, based in Claremont, CA, the gifted British historian Martin Gilbert sketches the Volvovsky story. I know that my colleagues in the House will find it of interest.

SOVIET JEWS: STILL WAITING DESPITE GLASNOST

(By Martin Gilbert)

Martin Gilbert, the official biographer of Winston Churchill, is author of several books about Soviet Jewry, including *The Jews of Hope*. Gilbert maintains extensive correspondence with Soviet Jews. Copyright PRS, 1987.

EDITOR'S NOTE: The world is currently stirring about "glasnost," the ostensible liberalization of the Soviet regime under the daring leadership of Mikhail Gorbachev. Much has been made about the increased opportunities for emigration by Soviet Jews. But aside from a few well-publicized cases, Soviet restrictions on Jewish emigration remain severe. Here, as he has done so many times in the past, Martin Gilbert tells the story of another "refusenik" whose case has been overlooked by the West.

* * * * *

Among those former Prisoners-of-Zion still refused an exit visa is Leonid Volvovsky, a Hebrew teacher of distinction (entirely self taught) and a man of deep religious conviction, who has suffered considerably for his beliefs.

Volvovsky first applied to live in Israel in 1974, when he was 32 years old. From that moment, he was thrown out of his job as a scientist and denied any chance of continuing his professional career. In 1980 he was refused permission to remain in Moscow, and forced instead to live in the city of Gorky.

Among the accusations levelled against Volvovsky after his arrest in June 1985 was that he had known both Anatoly Shcharansky and Iosif Begun. On the third and final day of the trial, the Judge asked Volvovsky if he wished to seek the "pardon" of the court. Volvovsky replied that he would seek God's forgiveness for the Judge, the Public Prosecutor, and all those who had participated in his "groundless conviction".

Volvovsky's courage in the courtroom, and his refusal to denounce his wish to live in Israel, was a part of the courage of the whole Jewish emigration movement. To show solidarity with a man many had not known, Jews travelled from Moscow to Leningrad to be present outside the courtroom, and to support Volvovsky's wife Mila.

Volvovsky was sentenced to three years in labor camp for "anti-Soviet agitation and propaganda". His sentence was announced three weeks before the Geneva Summit between President Reagan and Chairman Gorbachev, and at the time when the Soviet Foreign Minister, Edward Shevarnadze, was in New York for the fortieth anniversary celebrations of the United Nations.

While Volvovsky was a prisoner in Siberia, his wife Mila fought with exceptional courage to alert all those in the West who were concerned with the deep injustice of his sentence. In a powerful appeal to the International Committee of the Red Cross in Geneva, she reported how, in labour camp, her husband was "physically and spiritually exhausted" and went on to ask the Red Cross to "help him to be united with our people, to pray together with all Jews at the Wailing Wall in Jerusalem."

Mila sent this letter to the Red Cross in November 1985. Three months later, while her husband was still in labour camp, their friend Shcharansky was allowed to leave the Soviet Union. That same day, Mila Volvovsky sent a telegram to Shcharansky in Jerusalem: "Your heroism gave us strength to live during these long years. Our happiness today is endless."

At considerable risk to her own health, Mila Volvovsky worked indefatigably on behalf of her imprisoned husband, frequently making the overnight journey by train from Gorky to Moscow to enlist the support of Western visitors. She also sought to avail herself of the rights of a prisoner's wife to visit her husband in labor camp at regular intervals. But for twenty-one months, neither Mila nor their daughter Kira, were allowed to see him even once. "It was a very hard period of our life," Kira has written in a recent letter to her friends in the West.

Then, in March this year, as part of the general release of Jewish prisoners, Leonid Volvovsky was allowed to leave the labor camp and return to Gorky. Within a month of his return, he had applied to leave the Soviet Union for Israel.

To the surprise of his many friends outside the Soviet Union, Volvovsky was refused his exit visa yet again. The reason now given for his refusal was "knowledge of State secrets." But, wrote Kira Volvovsky in her recent letter, "my father has not worked in secret plants for more than fifteen years."

Such was the situation this July. Two months later, when Kira Volvovsky reached the age of nineteen, she made an independent application to leave the Soviet Union, as many of the children of long-term refuseniks had begun to do. "It is very hard for me to wait any more," she explained in her letter, and she added: "It is very hard for me, because I can't work. I don't have a job. I want to go to Israel as quickly as possible. I want to begin a normal life. I want to study, to work, and to see my future children happy and free, and born in Jerusalem." In the second week of November, Kira Volvovsky was told that she could leave the Soviet Union. All those who know her and her parents will be delighted by this news. It would be an even more impressive indication of the extent of real change in the Soviet Union if Leonid and Mila Volvovsky, who have now been refuseniks for thirteen years, could also receive their exit visas. What better day for such a result, one asks, than December 7, the first day of the Reagan-Gorbachev summit.

CELEBRATING THE STATE CHAMPIONSHIP OF THE PITTSFIELD HIGH SCHOOL GIRLS CROSS-COUNTRY TEAM

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. CONTE. Mr. Speaker, I rise today to share with my colleagues the story of a team with no less heart than the 1969 Mets or the 1985 Villanova Wildcats that took home the NCAA men's basketball banner. I rise today to talk about a team that was probably never discussed in the eastern part of Massachusetts. Yet, Mr. Speaker, it is a team they won't forget.

The Pittsfield High School girls cross-country team ran to a decisive victory in the State championship held the Saturday before Thanksgiving. It marked the first time a cross-country team from Berkshire County had captured the State title. The four-time defending champion from the other side of the State had to settle for a distant second as four of the Pittsfield runners finished in the race's top 30.

At the beginning of every cross-country season, when the speculation begins on contenders for the State title, most reports don't mention any teams west of the Connecticut River. Yet this year, Mr. Speaker, three of the top four teams in the State had come from Berkshire County—the largest county in my congressional district.

Mr. Speaker, the accomplishments of the Pittsfield team reflects long hours of training and tremendous athletic talent. But beyond that, Mr. Speaker, it reflects courage and heart. The girls cross-country program at Pittsfield High School is only 5 years old and from this year's team only two girls will be leaving due to graduation. For such a young team to come so far, so fast, Mr. Speaker, it requires not only athletic talent but courage and determination.

I hope that all of my colleagues will share in the admiration I feel for the accomplishments and heart of each member of the Pittsfield High School girls cross-country team—the Massachusetts State champions.

THE 47TH NATIONAL BIBLE WEEK, NOVEMBER 22-29, 1987

HON. DAN COATS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. COATES. Mr. Speaker, I am pleased to rise today to note for my colleagues the celebration of National Bible Week, an annual observance in our land since 1941.

It has been my privilege to serve as the cochairman of the congressional committee for this observance, which is coordinated each year by the laymen's National Bible Association. Our colleague from the Senate, the Honorable WENDELL H. FORD, of Kentucky, has ably served as cochairman for that body.

This year's theme for the observance is an apt one, I believe. "To know where you're going, read the Bible." This simple yet eloquent statement of the value of the Bible serves to help fulfill the purpose of the observance. That purpose is simply to remind all Americans of the Bible's importance, to motivate Bible study and reading, and to reaffirm the founding principles of the United States.

I believe it is entirely fitting that this observance was held during the week of Thanksgiving in America. As we give thanks for the many blessings we enjoy—from religious liberty to economic freedom to unfettered expression—let us recognize that the root of these blessings flow from the hand of our creator, the very same creator who gives us a special revelation in His Holy Word.

Mr. Speaker, I encourage my colleagues to join me in noting this important observance and to themselves focus on the foundational truths found in the Bible as together we celebrate National Bible Week.

DOMINICK ALAGGIA, MAN OF THE YEAR

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. ACKERMAN. Mr. Speaker, I rise today to congratulate Dominick Alaggia. On December 3, the board of directors of the Flushing Rotary Club, and the Flushing Rotary Charitable Trust will be holding their annual Christmas dinner dance honoring Mr. Alaggia as their Man of the Year.

Dominick has been active in the Flushing Rotary for the past 20 years. During this time, he has been involved in a diverse array of community and international projects. As the vocational guidance director at Bayside High School, he has a keen interest in promoting worthwhile educational endeavors. He runs a program that brings in outstanding students from all over Queens, and awards them for their scholastic achievement. Mr. Alaggia has also developed scholarships to help send deserving low-income students on to college. His love for young people is also evidenced by his involvement in SADD, students against drunk driving.

International concerns have not escaped Dominick Alaggia. He has supported groups such as the Friends of Foreign Service and Young Diplomats. He is currently vice president of Gift of Life, Inc. This organization brings children from poor nations to the United States so that they can receive heart surgery that would otherwise be unavailable or unaffordable in their own countries.

Mr. Alaggia has supported and worked with so many groups in the Queens community, the list could go on forever. It is because of his outstanding service that Dominick is being awarded this high honor as Man of the Year. I know I share his joy, as does his wife Annette and all of his friends. Mr. Speaker, I am very proud to have Dominick Alaggia as one of my constituents. I ask all of my colleagues to recognize the accomplishments achieved by this special citizen.

CENTRAL AMERICAN PEACE PROCESS

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. MOAKLEY. Mr. Speaker, next week Costa Rican President Oscar Arias will travel to Oslo, Norway to receive the Nobel Peace Prize for his efforts to bring an end to the bloody conflicts in Central America. I have joined with many of my colleagues in applauding President Arias and the other Central American presidents for their decision to risk peace. The current peace process offers the best hope for an end to the death and destruction that have devastated that region for the past 10 years.

Later this week this body is likely to be asked to approve additional assistance to the Nicaraguan Contras. For the United States and for Members of Congress this is the crucial test of support for the peace process now underway.

The Guatemalan peace agreement—signed by all five Central American presidents—calls for an end to "military, logistical, financial, rhetorical (propaganda), and assistance in the form of manpower, arms, supplies, and equipment to irregular forces of insurgent movements" as "an indispensable element to achieving a lasting and stable peace in the region." Approval of additional aid would represent a rejection of the appeals of the Central American presidents for an end to such aid, and signal a lack of commitment on the part of the United States to the achievement of peace in Central America.

Twenty-two nongovernmental organizations have outlined 10 recommendations concerning U.S. assistance that would support the Central America peace process. While this may not be the appropriate time to approve such assistance, their recommendations offer a blueprint of a positive U.S. response to Central American peace efforts. I urge my colleagues to review these recommendations.

RECOMMENDATIONS BY NONGOVERNMENTAL ORGANIZATIONS REGARDING U.S. AID TO SUPPORT THE CENTRAL AMERICA PEACE PROCESS

A. PRINCIPLES

1. Interpretation of what the Central America peace accord requires should rest with the signatories to the accord, the International Commission for Verification and Follow-up, and the Executive Commission. Any aid or assistance approved by Congress should be consistent with the agreement as interpreted by these parties.

2. The U.S. should collaborate with other allies in its efforts to support the peace process. Assistance should be provided only after extensive consultation with Canadian, European and Latin governments, as well as international organizations such as the United Nations, the Organization of American States, the United Nations High Commissioner for Refugees, and the International Committee of the Red Cross.

3. Preference should be given to provision of U.S. aid through multilateral organizations and reputable private and voluntary organizations. Such organizations can act as safeguards against the potential misuse of aid for political purposes not consistent with the peace agreement.

4. The U.S. should respect the sovereignty of Central American countries.

5. Congress should abide by guidelines of the Geneva Conventions concerning definitions of combatants, non-combatants, civilians, parties to the conflict, and the provision of humanitarian assistance.

6. U.S. aid provisions should support a region-wide approach as embodied in the peace accords and should not single out particular countries for special treatment.

B. RECOMMENDATIONS

1. All U.S. aid to contra forces should cease.

The Guatemala peace accord states that an end to "military, logistical, financial, rhetorical (propaganda), and assistance in the form of manpower, arms, supplies, and equipment to irregular forces or insurgent movements" is "an indispensable element to achieving a lasting and stable peace in the region."

To continue to provide aid, or to approve aid that might be released at a later date is a clear violation both of the letter and the spirit of the Guatemala agreement. Approval of such aid could seriously jeopardize the peace process, further isolate the U.S. from its allies on this issue, and increase and broaden the warfare and suffering that has beset the region for the past decade.

2. If aid is needed to support members of irregular forces and insurgent movements during the period of a ceasefire (before a negotiated agreement has been reached to disarm such forces) the amount, character, and means by which any such aid is provided should be determined by the signatories of the peace agreement and commissions established by the accord. The intent of any such aid should be to assist members of irregular forces in their transition to civilian life.

Because the U.S. is a party to the conflict in Nicaragua, no assistance to the contras should be provided by the U.S. during the transition to and observance of a ceasefire—whether through the Central Intelligence Agency (CIA), or through any other agency or private organization acting as an agent of the U.S. government. If such aid is required it should be provided through entities established by the peace accord, neutral third party governments, or internationally-recognized organizations.

3. U.S. aid to assist former combatants who have laid down their arms and assumed civilian status should provide for repatriation, relocation, and reintegration into countries of origin, or resettlement in countries of asylum or third countries, including the United States.

Generous efforts should be made to assist members of irregular forces to reestablish productive lives once agreement has been reached on measures for disarming those forces. In providing aid for former combatants, the U.S. should consult widely with other governments in Latin America and Europe.

Strong preference should be given to support through international organizations, including the United Nations High Commissioner for Refugees (UNHCR), and the International Committee for the Red Cross (ICRC), which have long experience in this field and already have extensive operations in Central America. If regional or individual country mechanisms for repatriation have been established as part of a ceasefire, amnesty, or repatriation agreement, U.S. assistance should be used in ways that enhance those agreements and mechanisms.

4. The U.S. should provide assistance for refugees (both in Central America and in the U.S.) and the internally displaced for repatriation, resettlement and/or integration into places of origin, countries of asylum, or other countries.

An estimated 2 million Central American civilians have been displaced or exiled by conflict in the region. The repatriation and/or resettlement of this number of persons clearly requires government resources. The U.S. should join with other allied governments to coordinate its assistance efforts. Aid should be channeled, to the maximum extent possible, through internationally recognized organizations or through organizations in Central American countries that can assure that the assistance will be made available strictly in a non-partisan fashion and that have a demonstrated ability to administer such programs. Aid should be channeled, to the maximum extent possible, through internationally recognized organizations or through organizations in Central American countries that can assure that the assistance will be made available strictly in a non-partisan fashion and that have a demonstrated ability to administer such programs.

Repatriation for Central Americans—both in the region and elsewhere—should be strictly voluntary. Deportations of Central Americans from the U.S. should be suspended until conditions in the region stabilize and the conflict and human rights abuses from which many refugees fled no longer present threats to life and the integrity of the person.

5. The U.S. should offer assistance for verification of compliance with the peace accord.

Assistance should be offered to the International Commission for Verification and Follow-up and to other technical bodies under the auspices of the Organization of American States and the United Nations, such as the Inter-American Defense Board or U.N. Peacekeeping missions. Assistance also should be provided to National Commissions of Reconciliation to enable them to carry out their verification responsibilities under the peace accord.

6. The U.S. should offer assistance to support continuing negotiations among the countries of Central America as called for by the Guatemala agreement, regarding security, verification, control, limitation of arms, and disarmament of irregular forces willing to accept amnesty.

Assistance should be provided to Central American governments through U.S. diplomatic channels. Such a commitment to aid and support these multilateral negotiations should not preclude the possibility of direct bilateral talks between the U.S. and Nicaragua regarding mutual security interests.

7. The U.S. should offer to all the countries of Central America only that economic and development aid that supports equitable, participatory, sustainable, and self-reliant development; is targeted to the needs of the poor majority; and addresses directly the social and economic inequities that have contributed to the armed conflict in the region.

Major emphasis should be given to the provision of development assistance, most of which should be distributed through international organizations and regional mechanisms, such as the United Nations Children's Fund (UNICEF) and the Pan American Health Organization (PAHO). If Economic Support Fund (ESF) aid is approved, it should be used for economic development purposes. Local currencies generated by balance of payments assistance should be used entirely for development activities. Priority should be given to reconstruction and rehabilitation efforts that target benefits to the urban and rural poor majority and food producers. Special attention should be given to health care, housing, education, and agricultural needs.

Rigorous steps should be taken to address the problem of widespread fraud and misuse of U.S. government aid. Requirements for economic policy reform should include provisions to protect the poor from the effects of such reform programs, which often are politically destabilizing. The effectiveness of both economic and development aid in redressing economic and social inequities should be thoroughly evaluated. Allocation of aid funds should take into account evaluations by the Commission for Verification and Follow-up of continued compliance by Central American countries with the provisions of the peace accord. The U.S. should comply with existing law that prohibits ESF aid to countries whose government engages in a consistent pattern of gross violations of internationally recognized human rights.

Planning for development assistance and economic policy reform programs to Central American countries should include extensive consultation with and integration of the perspectives of the poor majority in the region. Such consultation should be achieved either through direct consultation with local populations or consultation with indigenous private organizations or U.S. private and voluntary organizations that have demonstrated effectiveness in and a commitment to the promotion of grassroots activities on behalf of long-term development in the region.

8. The U.S. should normalize its economic relations with Nicaragua.

Normal trade with Nicaragua should be resumed by suspending the declared state of emergency by which the economic embargo against Nicaragua is justified. The U.S. should cease its efforts to block or delay multilateral development bank loans to Nicaragua.

9. The U.S. should comply with agreements reached by the Central American countries concerning limits on outside military aid to the region, foreign military advisers, and military maneuvers by outside military forces.

Once the Central American countries have reached agreement on security issues, the U.S. should adjust accordingly its levels of military aid, number of U.S. advisers, and scope of U.S. military maneuvers and exercise in the region.

10. Congress should exercise extreme caution in considering proposals for assistance to internal political opposition forces in the region.

The Guatemala accord commits the Central American countries "to promote an authentic pluralistic and participatory democratic process." This process includes, among other things, "the right of all nations to freely determine without any sort of foreign interference, its own economic, political, and social model."

U.S. efforts to promote political pluralism, therefore, should be done strictly within the framework of the on-going peace process. Covert aid to internal political factions in Central America through CIA or any other agency of the U.S. Government should be prohibited.

American Baptist Churches, U.S.A.;
Center for International Policy;
Christic Institute;
Church of the Brethren, Washington Office;
Church Women United;
Coalition for a New Foreign Policy;
Countdown '87;
Friends Committee on National Legislation;
Jesuit Social Ministries, National Office;
Mennonite Central Committee;
Natonal Coalition of American Nuns;
National Council of the Churches of Christ in the U.S.A.;
Neighbor to Neighbor;
Network: A Catholic Social Justice Lobby;
New Jewish Agenda;
Presbyterian Church (USA), Washington Office;
Quixote Center/Quest for Peace;
Unitarian Universalist Service Committee;
United Church of Christ, Office for Church in Society;
Washington Office on Latin America;
Women's International League for Peace and Freedom; and
Women Strike for Peace.

HONORING MR. MICHAEL BODOLOSKY

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. MURTHA. Mr. Speaker, on December 14 the Greater Johnstown JC's will present their Community Recognition Award to Mr. Michael Bodolosky. It is an honor much deserved.

Mr. Bodolosky is director of music programs at the Richland Senior High School. The recognition is in honor of his accomplishments, dedication, and service as an educator, music director, and musician.

His efforts in the music field have brought many awards to the high school. His band marched in Dublin last year in the St. Patrick's Day Parade. They will perform this year at the Citrus Bowl Parade.

But a listing of accomplishments does not do justice to the work done by Mr. Bodolosky. How can we list or quantify the impact he has had on so many young people that he has influenced over the years? It is impossible to relate in words the character development, dedication, and purpose he has developed in thousands of young people through the years. Some of the story can be told in the many people who return each year for an annual dinner with Mr. Bodolosky.

The strength of our great Nation comes less from the headline makers than it does from the countless daily efforts of individuals across America who care for our future through their dedication to the lives of young people. Against this measure, Mr. Michael Bodolosky stands clear as a great American and a citizen richly deserving of this honor by the JC's. It is a pleasure for me to add these words of congratulations.

TRIBUTE TO THE ST. VINCENT DE PAUL SOCIETY OF YOUNGSTOWN

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. TRAFICANT. Mr. Speaker, I rise today to pay tribute to the St. Vincent De Paul Society, Particular Council of Youngstown Deanery, which is holding its second "Alias Santa Claus Show" on December 5. I will have the privilege of attending this entertaining event to raise money to help make the holiday season a little brighter for needy families in the Mahoning Valley.

The St. Vincent De Paul Society has a long and distinguished tradition of helping the needy and less fortunate in our society. While the Society makes a special effort during the holiday season to provide for the needy, the fact is, the St. Vincent De Paul Society labors selflessly every single day of the year to help the poor. That is their mission and they do it well.

Mr. Speaker, over the past 10 years, my district has gone through some bad economic times. Thousands of my constituents have lost their jobs and many families continue to struggle to make ends meet. The St. Vincent De Paul Society of Youngstown has not given up hope in the face of such adversity. It continues to make significant efforts to alleviate the suffering and hardship so many families in the Mahoning Valley have had to endure. They have made life a little more bearable and a little bit easier. They celebrate the spirit of giving every day of the year. But the holiday season is a time where the less fortunate truly need a helping hand. That is why the St. Vincent De Paul Society of Youngstown is again having its "Alias Santa Claus Show." Last year they were able to raise over $16,000 which they used to assist 600 families.

This year they have lined two top-notch entertainers: comedian Pat Cooper—who performs up front for Frank Sinatra; and Julius La Rosa, the famous Las Vegas headliner. Both of these entertainers have a long history of charity work and I am grateful that they have given of their time to help out our area. I know it will be a fun-filled, entertaining evening.

In closing, Mr. Speaker, I would like to state that I am honored to pay tribute to the St. Vincent De Paul Society of Youngstown. Their year-round humanitarian efforts symbolize what the holiday season is all about: giving. My constituents are lucky to have their services and I am proud to represent such a fine group of individuals.

WE'RE TEACHING OUR KIDS TO USE DRUGS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 1, 1987

Mr. RANGEL. Mr. Speaker, Peggy Mann is one of the leaders of the anti-drug-abuse movement. She wrote an article which was published in the November 1987, issue of Reader's Digest entitled "We're Teaching Our Kids to Use Drugs." One of the points that she makes in the article is that many schools, libraries, and book stores, carry books on drugs which are either outdated or which minimize the risks of using drugs and actually encourage drug use. The article also contains a list of recommended antidrug materials.

The article follows:

"WE'RE TEACHING OUR KIDS TO USE DRUGS"

(By Peggy Mann)

Sophomores in the health class of a Lancaster, Pa., high school were totally absorbed as a smooth-voiced narrator for the filmstrip Marijuana Update: Its Use and Abuse extolled the medicinal qualities of the plant, tracing its use back to the Late Stone Age. "Throughout history," he stressed, "man has been a drug user. For at least 5000 years cannabis has supplied one of his favorite intoxicants." Then he described pot's pleasurable effects: "the euphoric feeling of relaxation, contentment, inner satisfaction; the sensations of floating beyond reality."

The 55-minute cassette contained only 105 seconds on pot's possible ill effects, and it claimed that "the role of cannabis in causing them has not yet been confirmed." The final 19 minutes of the film were devoted to promoting legalization of marijuana, echoing the platform of the "pro-pot" National Organization for the Reform of Marijuana Laws (NORML).

"Obviously," said one indignant 15-year-old, "everything I've been told about pot is wrong. Now I am going to try it."

This filmstrip currently is sold for $179 by Guidance Associates, Inc., a large and respected producer of audio-visual materials for schools. *Marijuana Update*, released in 1975, has *never* been updated to reflect current knowledge about the dangers of pot.

During a recent presentation to a group of sixth graders, a nationally known health educator declared, "Any drug can be used in a positive manner." Typical of many mis-educators, he lumped medications and illegal drugs together; for example, he listed aspirin on the blackboard as "might be a narcotic or a barbiturate," followed by "angel dust (PCP) is an analgesic" (a pain reliever). Not surprisingly, when he asked "How many of you are drug users?" all the sixth graders raised their hands.

His further instruction included these phrases: "Heroin can be used in a bad way or a good way. It is the person who is misusing the drug—the drug itself is not bad."

National Tragedy. These are not isolated cases. Far *more* isolated are reports of schools that are doing an effective job in the drug-education area. Says Congressman Charles Rangel (D., N.Y.), chairman of the House Select Committee on Narcotics Abuse and Control. "We have a national tragedy on our hands in drug education."

In August 1986, Sen. Paula Hawkins (R., Fla.), then chairman of the Senate Subcommittee on Children, Family, Drugs and Alcoholism, held hearings on the impact of drug education. Hawkins cited the book *Chocolate to Morphine*, published by Houghton Mifflin in 1983 and co-written by Andrew Weil, longtime advisory-board member of NORML. The book's first sentence indicates it is written for teen-agers. But, Hawkins noted, "The publisher says it is also quite popular with school counselors and professionals." She then read from several paragraphs:

"Question your parents about the drugs they use. If you can convince them that your drug use is responsible, you may be able to allay their anxiety. Drugs are fascinating because they can change our awareness. Occasional snorting of cocaine in social situations is probably not harmful."

"With drug use running rampant," Hawkins asked, "why are our children being exposed to such garbage?"

Why, indeed, since the kids themselves are demanding facts. In 1977 and every two years since, the National Gallup Youth Survey has asked youngsters ages 13 through 17 to name "the biggest problem facing people your age." Each year drug abuse has been No. 1. Another eye-opening survey, this one of 500,000 children in grades 4 through 12, was published by *Weekly Reader* last spring. When asked to circle "the *one* thing you think is most important for schools to do to fight drugs," the top answer was: "Teach us the facts."

Instead, what *are* we teaching kids? Most programs focus on three main messages:

1. "Responsible use." Children are taught they should use drugs "responsibly," the implication being that experimental or occasional use is not harmful. Yet the annual National High School Senior Survey has shown since 1975 that one-third of occasional pot smokers become daily users at some point in their lives, and of seniors who currently smoke pot at all, about half use one or more additional illegal drugs. (Virtually no non-pot smokers are regular users of any other illegal drug.)

2. "It's your decision." Two decades of societal permissiveness toward drug use are reflected in the conclusion that you must decide for yourself whether or not to use drugs. In what other area do we tell kids that it's *their* decision whether or not to break the law?

3. "Do drugs." Some books and other materials used in schools contain virtual commercials for illegal drugs. For example, the three books on drug abuse most commonly found in school libraries today are *Chocolate to Morphine* and *The Natural Mind*, both by Andrew Weil, and *Licit & Illicit Drugs* by Edward M. Brecher and the editors of Consumer Reports, published by Little, Brown in 1972.

What adventurous youngster would *not* want to try mescaline or LSD, for example, after reading in *Licit & Illicit Drugs* (page 337) that mescaline users have found its "most spectacular phase comprises the kaleidoscopic play of visual hallucinations in indescribably rich colors . . . the 'seeing' of music in colors or the 'hearing' of a painting in music." Page 364 describes a 1960s study finding LSD valuable as "a therapeutic tool, a road to love and better relationships . . . a door to religious experience . . . a release from anxiety or troubles."

"Little Change." Otto Moulton is considered by most leaders of the national parent movement for drug-free youth to be the nation's foremost expert on information generated by the drug culture. He has visited hundreds of schools in over 40 states. In each town or city, he checks school and public libraries as well as book stores. "In 1979," he says, "the drug information was almost invariably incorrect, outdated and/or actually promoting drug use. Today little has changed. Some of the bad material has been updated. But most schools are not about to throw out materials they have already paid for, especially when they don't know where reliable material can be found, or, in many cases, *even what it is.*"

In 1987 Beverly Kinard, founder and president of HOPE (Helping Other People Educate), surveyed 100 chain bookstores in cities and towns from San Francisco to Boston. She found only one store with one book containing up-to-date information on drugs. She found *Chocolate to Morphine* in all the bookstores. Several teachers told her that they used the "suggestions" at the end of the marijuana section for class instruction. These include: "Define what benefits you want from pot" and "set limits on usage."

Why Wait? In America today the "Just Say No" message is being heard loud and clear from the White House on down. Even rock groups, those former promoters of the do-drug message, are beginning to clean up their act, as are movies, television and radio.

In October 1986 the President signed into law the Omnibus Anti-Drug Abuse Act, which among other things provided $200 million for fiscal 1987 and $250 million each for fiscal 1988 and '89—all so the Department of Education could help the states rid their schools of drugs. Most of the fiscal year '87 money has been distributed, and much of it is already available at the school-district level.

But what is actually being done? Says William Lennox, director of the Department of Education's Drug Abuse Policy Oversight Staff: "In November 1987 we will set up a committee to make on-site visits to schools in order to develop criteria for good curricula. We expect to have this guide ready by September 1988."

Why must we wait until September 1988 for new guidelines, which may or may not then be acted upon? Especially since, while we wait, an already appalling situation is growing worse. With millions of dollars available to schools through Department of Education grants, "curricula" entrepreneurs have been flooding the marketplace with bad advice. Notes Carla Lowe, cofounder of Californians For Drug-Free Youth, and a consultant on drug abuse to the State Department: "Many school districts are buying new materials without knowing whether

they're good or bad. Accurate information about the harm drugs do is the best weapon we have. But we're shooting ourselves in the foot."

What to Do? Along with the $200 million allocated this year to the Department of Education, the 1986 Omnibus Anti-Drug Abuse Act established the Office of Substance Abuse Prevention (OSAP), with a $41.5-million budget. Part of OSAP is the National Clearinghouse for Alcohol and Drug Information, with its own hefty budget and a mandate to disseminate to schools information on drug-abuse education provided by the Department of Education. Says Section 4144 of the act: "Any materials produced or distributed with funds made available under this subtitle shall reflect the message that illicit drug use is wrong and harmful."

Over a year has passed since the law was enacted. Yet, as Congressman Rangel points out, "the act has received no priority. A list of recommended resources could be compiled in a few weeks by the National Clearinghouse and distributed free of charge to all schools, school departments and boards of education. This would be the simplest, most useful and cost-effective step we could take at once to better the drastic situation of drug education in our schools."

Secretary of Education William J. Bennett has announced a public-service campaign to help "slam the door" on drug use in our schools. To learn more about the campaign, and to ask about the availability of effective anti-drug materials, call the Department of Education's toll-free number, 1-800-541-8787.

Meanwhile, it is urgent that the National Clearinghouse take immediate steps to distribute a comprehensive list of accurate, up-to-date books, films and other materials with a no-use message. Such resources exist, and many schools are eager to learn about them. A law mandating that the government disseminate information about these materials has been in place for over a year. Let's not waste any more time in getting this list to schools, teachers and educators all across the nation.